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WORLD TRADE AND PRODUCTION IN 1953-54

United States exports, after a year and a half of little change, increased moderately in the spring and early summer of 1954, responding to foreign demand associated with high levels of economic activity abroad. Despite the decline in United States industrial production and imports in the latter half of 1953, production in Western Europe continued to rise, and advanced further in the first eight months of 1954. World markets showed on the whole a high degree of stability, with considerable strength for some industrial materials.

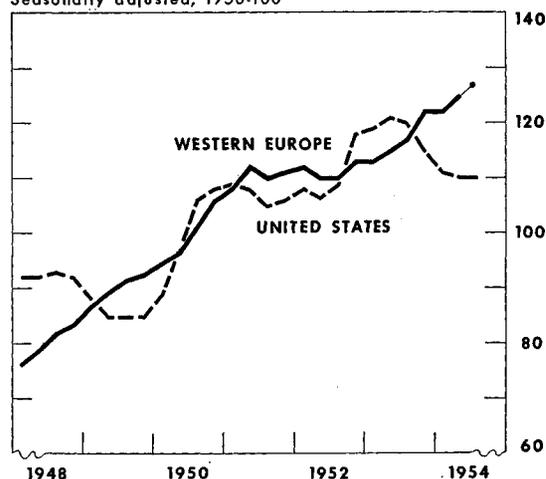
European countries made further progress in relaxing restrictions upon expenditures of dollars. Foreign holdings of gold and dollars continued to rise as outpayments from the United States remained in excess of foreign purchases from the United States.

UNITED STATES EXPORTS

From March through August—the latest six months for which data are available—United States exports were at an annual rate of 12.9 billion dollars, exclusive of military shipments under the Mutual Security Program. After allowance for seasonal variations, this was a gain of about half a billion dollars over the 12.2 billion level of the preceding year and a half. The increase was one of the factors that checked the decline in United States production. In view of continuing large exports by other countries, the gain in United States exports indicated impressive strength of world demand.

INDUSTRIAL PRODUCTION

Seasonally adjusted, 1950=100



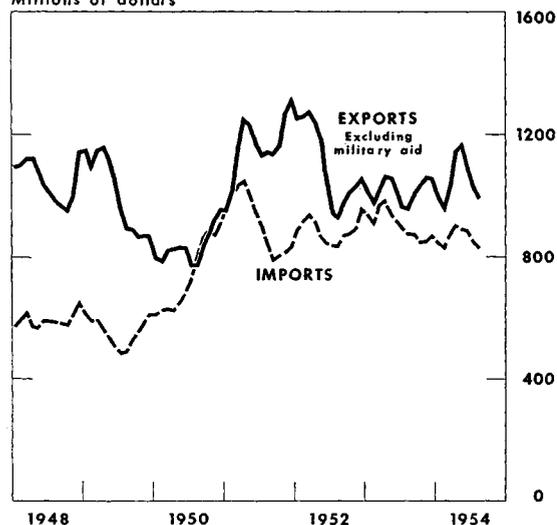
NOTE.—Federal Reserve index for United States; latest figure shown for third quarter. Organization for European Economic Cooperation (OEEC) index for member countries. Dot represents preliminary data for July-August, seasonally adjusted by Federal Reserve.

A rising trend of exports first became evident in the latter part of 1953 in sales to Japan, the Netherlands, and certain Latin American countries. In other markets improvement waited until the spring of 1954. Relatively small exports in March, when many shipments were delayed by the New York port strike, were followed by exceptionally heavy movements in April, and average exports for the two months together showed an increase. In May-August exports remained close to the March-April level.

Gains in export markets were widespread. Even in those countries where United States exports in the first half of 1954 failed to match those of the first half of 1953, declines did not continue during the spring.

UNITED STATES FOREIGN TRADE

Millions of dollars



NOTE.—Three-month moving averages with double weight for center month, based on Department of Commerce data. Latest figures shown are for August.

The sole instance of significant downturn beginning this year was in exports to Japan, which rose sharply up to February 1954 and declined thereafter. The downturn was the consequence of measures that the Japanese Government took to cope with a critical balance-of-payments situation.

Almost all major commodities and commodity groups shared in the increase in United States exports in the first half of 1954. The principal exceptions were fuels, textiles, certain types of machinery, and wheat. These are commodities for which abnormal shortages of world supply existed in the earlier postwar period; United States exports of these goods have tended to decline in the past two years.

IMPORTS AND BALANCE OF TRADE

At the beginning of 1953 import demands in this country were exceptionally strong. Subsequently, with the downturn in United States industrial production and a slackening in the rate of strategic stockpiling, imports of metals and other raw materials de-

clined. Apart from coffee imports, the low point (on a daily average basis) was reached in December and January, when the decline from peak months of 1953 exceeded 15 per cent. After a partial recovery in the spring, the total value of United States imports in the first half of 1954, excluding coffee, was 11 per cent smaller than the value in the first half of 1953. Including coffee the decline was only 7 per cent.

With imports reduced in the first half of 1954, the surplus of merchandise exports over imports was at an annual rate of 2.2 billion dollars as compared with 1.1 billion in the corresponding period of 1953. Including United States military expenditures abroad, other service transactions, and remittances, the current account surplus was at a rate of 1.0 billion dollars, against a small negative figure the year before.

The decline during 1953 in United States payments for imports was smaller than many observers in foreign countries had feared, and the subsequent rise in foreign purchases from the United States was generally unexpected. Apprehensions had been widely expressed that even a moderate decline in United States imports would create balance-of-payments troubles for other countries and would bring deflationary pressures in world markets. Such fears proved ill-founded. Foreign reserves of gold and dollars continued to increase, especially in Western Europe, and world markets were influenced by a steady growth of real income in Europe.

Declines in imports of the United States in 1953-54 were heaviest in purchases from Western Europe, where few adverse effects were felt; from the sterling area; and from certain Latin American countries which do not produce coffee or petroleum. Many of the raw material producers that sold less to the United States sold more to Europe than

WORLD TRADE AND PRODUCTION IN 1953-54

before. In some cases this meant replacing dollar earnings with earnings of sterling or of other nondollar currencies. In view of the strength of sterling in international exchange markets, pressures to maximize net earnings of dollars were not so heavy as in earlier years.

ADDITIONS TO FOREIGN RESERVES

At mid-1954 the gold reserves and official and private holdings of dollars of foreign countries (excluding the U.S.S.R.) and of international institutions totaled 27.4 billion dollars, as compared with 22.6 billion two years earlier. The increase in 1953-54 was 2.4 billion dollars, the same as the year before. Net transfers from the United States in 1953-54 amounted to 1.7 billion dollars, compared with 2.1 billion in the preceding twelve-month period, but additions to foreign reserves of gold from new production and other sources greatly exceeded those of the previous year.

In the first half of 1954 foreign gains of gold and dollars from transactions with the United States were considerably smaller than in earlier half-year periods. They nevertheless amounted, as shown in the table, to more than 600 million dollars—an annual rate of almost 1.3 billion dollars.

United States military expenditures for goods and services to be used abroad or transferred to other nations were 1.2 billion dollars in the first half of 1954, only slightly more than in the corresponding period of 1953. An increase in payments for offshore procurement in Europe was offset by a decline in military expenditures in Japan. Changes in private service transactions and remittances were relatively small. The principal factors altering the current account balance were the decline in payments for commercial imports and the rise in exports.

Another significant change in the over-

 UNITED STATES BALANCE OF PAYMENTS AND INCREASE IN
 FOREIGN GOLD RESERVES AND DOLLAR HOLDINGS

[In billions of dollars]

Item	January-June	
	1954 ^p	1953
Payments from United States:		
Merchandise imports ¹	5.27	5.68
Services and remittances ¹	1.66	1.72
Military expenditures.....	1.20	1.16
Govt. economic aid and loans (net).....	.62	1.02
U. S. private direct investment (net).....	.36	.42
Total	9.10	10.00
Foreign payments to United States:		
Merchandise exports ²	6.36	6.23
Private investment income.....	.86	.83
Other exports of services ²	1.43	1.40
Total	8.64	8.46
Balance available for increase in foreign assets, etc.:		
Unidentified transactions.....	-.01	+1.12
Net repayments to private U. S. creditors and repatriation of foreign securities.....	-.29	+1.27
Miscellaneous foreign assets in U. S.....	+1.13	+1.02
Foreign U. S. dollar holdings ³	+1.56	+1.40
Gold purchased from U. S.....	+1.06	+1.73
Increase in foreign gold reserves and dollar holdings:		
From transactions with United States.....	+1.63	+1.13
Gold entering reserves from other sources.....	+1.38	+1.12
Total ³	+1.01	+1.25

^p Preliminary.

¹Excluding military expenditures, shown separately.

²Excluding military transfers under aid programs (1954, 1.82 billion dollars; 1953, 2.66 billion).

³Federal Reserve data, including holdings of international institutions. Dollar holdings include holdings of short-term U. S. Government securities and also certain long-term U. S. Government securities held for foreign official accounts.

NOTE.—Department of Commerce data, except dollar holdings and gold entering foreign reserves from sources other than transactions with the United States. Details may not add to totals because of rounding. The current account balance (on goods, services, and remittances) may be derived by deducting the first three items of "payments from United States" from total "foreign payments to United States."

all balance of payments was a decline of 400 million dollars in the net outflow of Government aid and loans. There was also a small decline in the outflow of United States private capital for direct investment abroad. The balance of funds from these sources and from current account transactions, available for additions to foreign official gold reserves, for additions to foreign official and private assets in the United States, and for repayment of foreign debts to private persons in the United States or repatriation of foreign securities, amounted to about 450 million

dollars, as against 1,550 million in the first half of 1953.

In the first half of 1953 part of the very large balance of funds had been absorbed, as the table on the preceding page shows, by a substantial flow of repayments and repatriation of securities. In the first half of 1954, on the other hand, net movements of United States short-term and portfolio capital were outward, providing additional funds to foreigners. Thus net acquisitions of dollar holdings and of gold from the United States in the first half of 1954 amounted, as noted above, to about 600 million dollars. Gold entering foreign reserves from other sources amounted to about 400 million, so that the total gain for the half year reached 1 billion dollars. Since midyear there have been further additions to foreign reserves.

RELAXATION OF EXCHANGE CONTROLS

The marked improvement in reserve positions of foreign countries, particularly in Europe, has had two major consequences. In conjunction with the maintenance of stable price levels, it has given European governments and central banks a wider margin of freedom to allow expansion of internal demand without risk of balance-of-payments crises, and it has brought a gradual relaxation of trade and exchange controls.

A notable development in the field of exchange controls occurred in March 1954, when the United Kingdom simplified its controls over transfers of foreign-held sterling among foreigners. "Transferable sterling" still cannot be paid to or used directly by persons in the dollar area, but its other uses are no longer limited by British regulations. Besides normal trade purchases in nondollar countries and purchases in London of such dollar commodities as copper, zinc, sugar, and coffee, these uses now include capital transfers among nondollar countries, and the

purchase of dollar funds in free markets outside the sterling countries. Throughout the spring and summer the free exchange rate for transferable sterling against dollars was within 2 per cent of the dollar rate for American-held (convertible) sterling.

Western Germany, Belgium, and the Netherlands have established somewhat similar arrangements for foreign use of their currencies. They have also relaxed restrictions on the withdrawal of foreign long-term investments. American and Swiss holders, like others, may now withdraw in their own currency from the Netherlands or Belgium the proceeds of securities liquidated in those countries. Blocked accounts in Germany were replaced in September 1954 by "liberalized capital accounts," which have wider uses within Germany and may be converted at official rates into other currencies except dollars.

Residents of these continental countries now have considerable freedom to make investments abroad. Residents of the United Kingdom have recently been allowed greater latitude to invest in Canada.

In the field of trade and exchange controls affecting imports, where liberalization of intra-European and intra-sterling area transactions was far advanced by mid-1953, the gradual removal of quotas and other direct restrictions on imports of dollar goods was accelerated in 1954. Among recent actions of this kind were those of Sweden in September and Italy in August. Switzerland, Belgium, the Netherlands, and South Africa are still in the lead among European and sterling area countries in this respect.

In the United Kingdom, imports of most raw materials and foodstuffs from the dollar area have been completely freed from controls, but manufactured goods, though more freely admitted than in 1951, are still subject to discriminatory restriction. In Germany, on the other hand, many types of dollar

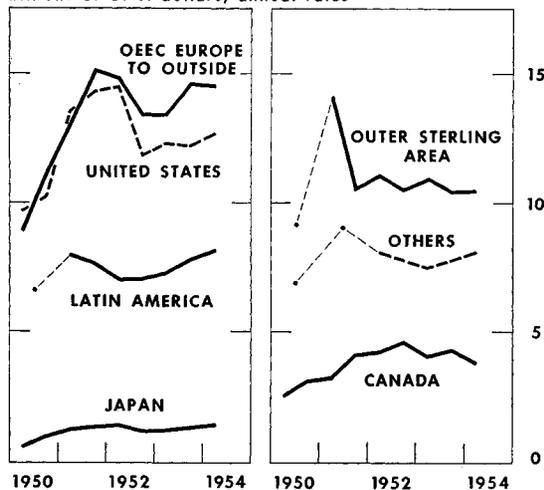
manufactures are admitted freely, while imports of foodstuffs and of some materials are still under direct control.

Germany, Italy, and Japan still make considerable use of bilateral trade agreements with raw-material-producing countries. Under present conditions these agreements appear to be employed not so much for the purpose of economizing on dollar expenditure as for obtaining reciprocal advantages in exporting.

In those countries which have gone the farthest in removing old restrictions on dollar transactions, important new fields have been opened up for competition by United States exporters. At the same time the loosening of controls has benefited industries abroad that depend upon imported materials and equipment that they are now free to buy in the most advantageous markets. It has stimulated greater efficiency in those industries which must compete increasingly at home and abroad with products of the United States and other nations.

WORLD EXPORTS

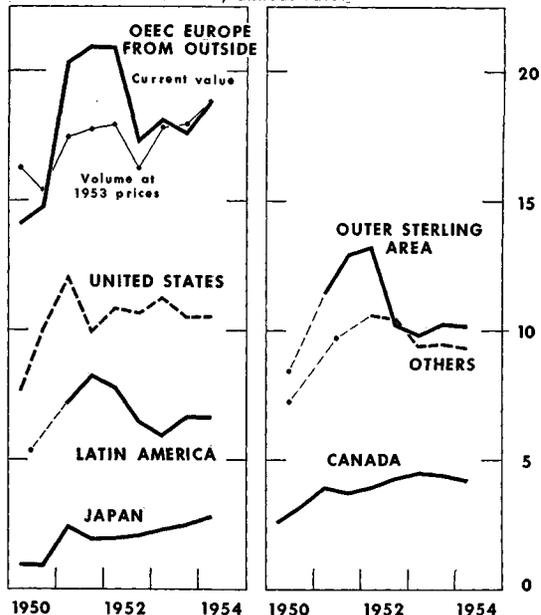
Billions of U. S. dollars, annual rates



NOTE.—Based on data from Department of Commerce, Dominion Bureau of Statistics (Canada), OEEC, and International Monetary Fund. OEEC exports shown are those of member countries to all others, including dependencies. Outer sterling area excludes sterling OEEC members: United Kingdom, Ireland, and Iceland. Latest figures shown are for first half of 1954.

WORLD IMPORTS

Billions of U. S. dollars, annual rates



NOTE.—See note for preceding chart. Data are on c.i.f. basis, except for United States and Canada, which are on f.o.b. basis. Latest figures shown are for first half of 1954.

EXPANSION OF WORLD TRADE

International trade in general expanded steadily after the summer of 1952, and the rise in United States exports this year lagged considerably behind increases in the exports of Europe, Japan, and Latin America, as shown in the chart at the left. Industrial countries abroad made progress in 1953 toward regaining their prewar shares of world trade. Latin American exports increased in volume, and their value was further enlarged in 1953-54 by rising coffee prices.

A factor of great significance in maintaining growth of world trade after United States imports turned down in 1953 was the rise in imports of Western Europe from other areas, shown in the chart above. This rise started from a low point in September 1952. By the first half of 1953, though prices and value were lower than in the 1951 boom, the physical volume of imports into Western Europe from outside sources had fully re-

gained the 1951 level. By the first half of 1954 there was a further increase of 5 per cent in volume and 3 per cent in value.

Another source of increasing demand in world trade in the latter part of 1953 was Japan. Unlike the increase in European imports, the financing of which caused no serious difficulties, the 25 per cent rise in Japanese imports during 1953 led to drains on Japan's reserves of dollars and sterling, which were also showing the effect of a decline in United States military expenditures in Japan. Late in 1953 the Japanese Government adopted new policies of import control and internal stabilization. Import purchases were cut back considerably and import arrivals declined after March 1954. The financial stabilization program was apparently successful in halting the inflation of prices and costs which previously had been retarding exports and overstimulating imports.

EUROPEAN INDUSTRIAL PRODUCTION

The rise in European imports from mid-1952 to mid-1954 reflected increasing needs based on rising consumption, replenishment of business inventories, and expansion of private investment. Over the two years industrial production advanced by about 7 per cent a year.

The purchasing power of European consumers was enlarged by rising money incomes while prices of finished goods remained stable. Moderately rising hourly wage costs were offset by increasing productivity and by the availability of imported materials at prices substantially lower than in 1951. There was progressive relaxation of governmental controls affecting prices or purchases in domestic trade. Saving from current incomes was generally much higher than in 1951 and earlier postwar years.

In the first phase of the European recovery after mid-1952, textile production rebounded

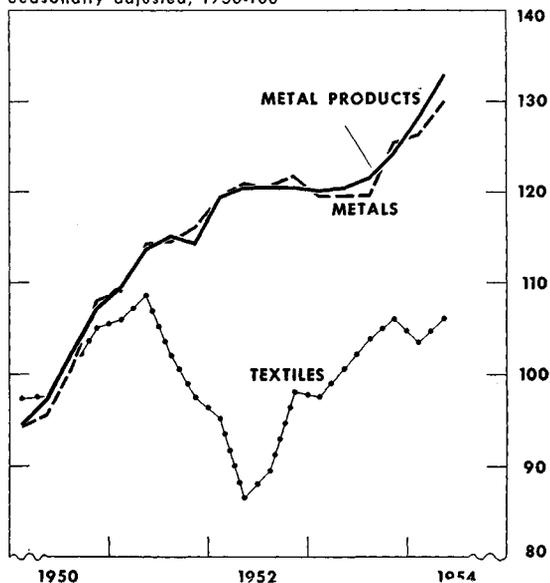
sharply, especially in England. The over-all rise in European industrial production at this time was not so rapid as the advance then occurring in the United States, but after mid-1953 European output continued to gain.

A number of sources of demand contributed to the further advance in European production in 1953-54. Housing construction was an important factor in the United Kingdom and Germany. European exports to nondollar countries rose throughout 1953 and the first half of 1954, while exports to the United States remained high until near the end of 1953. Differences in the timing of the recovery in different countries also played a part: in France demand did not begin to pick up with fresh momentum until the latter half of 1953.

Perhaps the most important factor in the continuation of the advance of European production after mid-1953 was the upturn in business expenditures for fixed capital investment. With demand for industrial products generally at a high level, numerous

WESTERN EUROPEAN INDUSTRIAL PRODUCTION

Seasonally adjusted, 1950=100



NOTE.—OEEC indexes for member countries. Seasonal adjustment for metal products estimated by Federal Reserve. Latest data shown are preliminary for second quarter 1954.

opportunities have been found for modernization and expansion of productive capacity.

As foreign and domestic orders for new producers' equipment—as well as sales of automobiles and other consumers' durable goods—increased, metal-using industries found their stocks of material inadequate. In the first half of 1954 output of steel and other metal-producing industries was rising in all European countries. New orders for steel in the summer were at record levels.

PRODUCTION IN CANADA AND JAPAN

While rising industrial production and business activity in Europe exerted a major influence on world business conditions, a leveling off in demand in the much smaller Canadian economy had considerable direct effect on United States exports. Canada's industrial production is less than one-tenth of Western Europe's, but our exports to Canada are about as large as our exports to Western Europe: each accounts for about one-fifth of total United States commercial exports. In the first half of 1954, when exports to Western Europe were 8 per cent greater than the year before, exports to Canada were down by 11 per cent.

Canadian industrial production in 1953-54 followed a course somewhat similar to that of United States production, but the net decline from the average for May-July 1953 to that for May-July 1954 was only 3 per cent compared with the 9 per cent decline in this country. Output in manufacturing was down 6 per cent compared with 10 per cent here. New investment activity, though somewhat reduced, continued strong. Farm income was reduced in consequence of lower prices for wheat and other grains, and the value of wheat exports fell sharply. Canadian imports continued to exceed total exports, the deficit in trade being covered by the inflow of investment capital.

Japanese industrial production rose very sharply in 1953. A gain of about 20 per cent brought Japanese manufacturing and mining activity at the beginning of 1954 to a level approximately 15 per cent above the prewar year 1938. This spring and summer there was a slight recession from that level.

WORLD COMMODITY MARKETS

Intimately related to the continuing growth of European production in 1953-54 was the absence of deflationary tendencies in world markets. From the point of view of the nondollar world, the strength of raw material prices meant, on the whole, that United States purchases yielded more dollars than if price levels had fallen; this was a factor in the continuing growth of monetary reserves. Even more important, and quite apart from currency questions, income within primary producing countries was well maintained. Active markets overseas were thus provided for the exports of industrial countries.

While stability in world markets contributed to growth of European production, the high and rising demand of Europe for imports of raw materials was itself a strong influence toward stability in primary markets in the face of reduced demand in the United States and generally ample supply.

Demand and supply conditions varied among commodities. For many industrial raw materials prices in foreign markets in the spring of 1954 were higher than in the last few months of 1953. For some commodities, moreover, price advances had occurred in 1953 at the same time that United States business activity was declining. Such commodities included lead, zinc, and jute, for which European demand was rising in 1953, as well as the beverage commodities—coffee, cocoa, and tea—for which demand was strong in all countries.

WORLD TRADE AND PRODUCTION IN 1953-54

PRICES IN SELECTED COMMODITY MARKETS

[U. S. cents per pound]

Commodity (and market)	April-June 1954	Oct.-Dec. 1953	April-June 1953
<i>Prices higher in April-June 1954 than in April-June 1953:</i>			
Coffee (New York).....	87	60	56
Cocoa (British W. Africa).....	50	32	30
Tea (Ceylon).....	61	51	49
Tobacco (Turkey).....	60	60	50
Crude petroleum (Venezuela).....	¹ 195	¹ 195	¹ 160
Newsprint (Sweden).....	5.9	5.6	5.5
Zinc (London).....	9.9	9.4	8.8
Lead (London).....	12.0	11.7	10.8
Jute (Pakistan).....	10	10	9
Cotton (Pakistan).....	38	34	34
<i>Prices lower in April-June 1954 than in April-June 1953:</i>			
Copper (London).....	30.4	29.6	31.5
Tin (Malaya).....	89	76	90
Rubber (Malaya).....	20.5	18.9	22.6
Wood pulp (Sweden).....	8.0	7.6	8.2
Wool (Australia).....	71	81	76
Sugar (Cuba).....	3.3	3.2	3.55
Copra (Philippines).....	6.7	8.6	8.0
Wheat (Canada).....	² 183	² 196	² 213

¹Cents per barrel.

²Cents per bushel.

NOTE.—Averages of monthly data published by International Monetary Fund. Jute and cotton averages for April-June 1954 partly estimated by Federal Reserve.

Foreign growers' prices for raw cotton were relatively low in 1953, but strengthened early in 1954 when it became clear that European stocks were no longer being reduced and that European consumption was being maintained at a relatively high level.

For certain other commodities, potentially in very heavy supply, prices weakened during the greater part of 1953 but advanced moderately in the first half of 1954. In the case of copper, rising European consumption and replenishment of stocks were accompanied by curtailment of production—in Chile from October 1953 onward and in the United States somewhat later. In the case of rubber, most of the decline in United States consumption was offset by curtailment of synthetic rubber output when low prices made natural rubber more attractive.

Prices for wool and certain agricultural products were also lower in the spring of

1954 than they had been a year earlier. European consumption of wool in 1953-54 was at a very high level but was not rising. The Cuban sugar price was influenced by expanding production of sugar in other countries. The supply situation for copra and coconut oil eased considerably in 1954. Wheat continued to be heavily in surplus supply on world markets.

INFLUENCE OF THE BALANCE OF PAYMENTS

For countries that depend greatly on foreign trade, domestic expansion always brings the risk of a worsened balance of payments. Gold and foreign exchange reserves give protection against this risk, and may therefore support expansion. When reserves are not fully adequate for all contingencies, support of the same kind may be given by a balance-of-payments situation in which reserves are increasing. This, in general, was the case in Western Europe in 1953-54.

In such a situation, governments and central banks were able to relax foreign trade controls and could allow a steady growth of domestic incomes. The consequent growth of demand for imports presented no serious danger. Since opportunities were available for more efficient use of resources, growth of real income was rapid. Europe's purchases of imports were large, and provided an element of strength in world markets.

The large flow of dollar payments from the United States in recent years, by contributing to the maintenance of a favorable balance-of-payments situation for Europe, has proved to be a basic influence toward stability and growth in world trade and production. Against this background, the increase in United States exports this spring, responding to world demand, was a sign of increased strength in the world economy.

RECENT FINANCIAL CHANGES IN WESTERN GERMANY¹

After heavy reliance on foreign assistance in the postwar period, Western Germany after 1951 began to accumulate monetary reserves in the form of gold and foreign exchange, and also to provide credit to many of its trading partners. This improvement in Western Germany's international position was accomplished within the framework of a rising standard of living, progressive abolition of direct controls, and over-all financial stability.

Wholesale prices and the cost of living at the end of 1953 were both somewhat lower than in mid-1951, that is to say, at the end of the last 12-month period when Western Germany had a foreign deficit on current account. Fluctuations during the intervening period were very small. After rising substantially in the first year after the outbreak of war in Korea, wholesale and consumer prices continued to rise very slightly for some time, remained practically constant throughout calendar year 1952, and then declined about 3 per cent in 1953.

This large measure of internal financial stability was maintained over a period when Western Germany's foreign position on current account shifted from deficit to surplus by an amount equivalent to about half the value of the country's private investment in plant and equipment in 1953. There was a concurrent shift of the same order of magnitude, also from deficit to surplus, in the balance of the current payments and receipts of the government sector with the

private sector and foreign countries. And, while the value of total supplies—domestic output and imports—was almost a third larger in 1953 than in the 12-month period ending June 1951, domestic use of such supplies had expanded by little more than one-fourth.

These developments suggest that, broadly speaking, internal financial stability in Western Germany was maintained during the past three years because the effects of two major financial changes—the shifts from deficit to surplus on both foreign and government accounts—served as offsets to each other. Such an interpretation assumes that, in the absence of a government surplus, private spending would have been greater rather than private borrowing less.

To recognize that the effects of two major financial forces offset each other and thus helped to maintain internal financial stability does not advance the explanation of stability very far. It would seem worthwhile, therefore, to explore in some detail the train of causation in the stabilizing process; to ask which of the two forces was the originating and which the reacting one at different times during the period.

Examination of major economic changes over the period seems to support the view that it was the development of a slack in domestic demand relative to productive capacity that twice served as the originating factor in the process of mutual offsetting by different forces. This was near the beginning (second half of 1951) and again toward the end of the period (latter part of 1952 and the first half of 1953). Rising net exports appear to have been the originating factor during the middle of the period (most of

¹This article was prepared by Henry K. Heuser, Chief of the Central and Eastern European Section of the Board's Division of International Finance. Presentation and analysis owe much to the methodology developed in recent years by the Central Planning Bureau of the Netherlands and the Nederlandsche Bank.

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1952) and perhaps once more at the very end (second half of 1953).

In the last few years monetary policy was applied in a manner to meet three different types of conditions. When, as in 1950-51, it was imperative to restrain domestic demand in an effort to maintain external solvency, monetary policy was restrictive. As the need for restriction began to recede in mid-1952, monetary policy responded with a gradual reduction in the cost of central bank credit. Finally, with the further restrictive

effects of growing government surpluses about balanced by the expansionary forces of rising net exports during much of 1953, monetary policy remained largely neutral, permitting internal financial stability to be maintained by existing forces.

NOTE ON METHOD

In examining the factors that may have been responsible for the shifts in the distribution of Western Germany's rising output among the domestic private sector, the

TABLE I
SOURCES AND USES OF FUNDS IN THE DOMESTIC ECONOMY, 1953 AND 1950-51
Western Germany and West Berlin
[In billions of deutsche marks]

Sources and uses	Domestic economy ¹		Public sector		Private sector	
	1953	1950-51	1953	1950-51	1953	1950-51
Nonfinancial sources, net (foreign balance on current account for domestic economy)²	3.9	-1.5	3.5	-0.6	0.5	-0.9
Disposable income plus capital consumption allowances	141.3	106.5	33.3	19.2	108.0	87.3
Gross national product receipts.....	141.3	106.5	22.1	14.7	119.2	91.8
<i>National income and net national product receipts</i>	130.6	99.0	21.0	13.9	109.6	85.1
<i>Capital consumption allowances</i>	10.7	7.5	1.1	0.8	9.6	6.7
Government transfers and interest.....			-5.7	-4.6	5.7	4.6
Contribution to social insurance, net.....			1.5	1.5	-1.5	-1.5
Personal and business direct taxes and related payments.....			15.4	7.6	-15.4	-7.6
Domestic gross product expenditures	137.4	108.0	29.8	19.7	107.5	98.2
Consumption.....	103.8	81.8	³ 22.0	³ 15.2	81.8	66.5
Investment.....	33.5	26.2	7.8	4.5	25.7	31.7
<i>Fixed assets, gross</i>	29.0	22.1	7.8	4.5	21.2	27.6
<i>Inventories</i>	4.5	4.1			4.5	4.1
Financial sources, net	5.5	6.2	0.5	1.2	4.9	5.0
Borrowing, net:						
From domestic banks.....	5.6	4.7	(⁴)	-0.9	5.6	5.6
From private sector (by public sector).....			0.4	-0.1	-0.4	0.1
From foreign countries ^{5 6}	-0.4	-0.7	-0.1	(⁴)	-0.3	-0.7
Grants from foreign countries.....	0.3	2.2	0.3	2.2		
Total, above net sources of funds²	9.4	4.7	4.0	0.6	5.4	4.1
Changes in holdings of domestic liquid assets:						
Short-term claims on public sector.....			0.4	0.2	-0.4	-0.2
<i>Holdings of securities</i>			-0.1	-0.2	0.1	0.2
<i>Redemption of loans</i>			0.5	0.4	-0.5	-0.4
Demand deposits.....	2.3	1.2	1.3	-0.5	1.0	1.7
Time deposits.....	1.8	2.7	0.9	1.5	0.9	1.2
Savings deposits.....	4.0	0.4	*1.4	*-0.6	*2.7	*1.0
Currency.....	1.2	0.4			1.2	0.4
Total, above net uses of funds^{2 6}	9.4	4.7	4.0	0.6	5.4	4.1

*Residual.

¹Excludes banking system.

²Details may not add to totals because of rounding.

³Consumption by public sector equals current expenditures (all expenditures except transfers to private sector, investment, and redemption of government debt).

⁴Less than 50 million deutsche marks.

⁵Errors and omissions in the balance of payments are included in figures for private sector.

⁶Foreigners' holdings of deutsche marks are included under domestic economy holdings and not shown as rest-of-the-world holdings. They are therefore also reflected in domestic economy borrowings from the rest of the world.

Sources.—Bundesministerium fuer Wirtschaft, Deutsches Institut fuer Wirtschaftsforschung, Bank deutscher Laender, Berliner Zentralbank.

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public sector, and exports, this analysis makes use of an experimental technique. The underlying principle of this technique is an attempt to trace simultaneously, but as separate quantities, the development of incomes, borrowings, and liquid assets. This is accomplished by means of a statistical framework that combines national accounts and monetary information in consistent statements, as in Tables 1 and 2.

Table 1 presents the transactions of the domestic economy (excluding the banking system) broken down into a public and a private sector. Table 1 is not a complete system of accounts. Table 2 completes the system of accounts by integrating statements for the domestic banking system and the rest of the world with a summary of the transactions of the domestic economy.

The price paid for the degree of condensa-

tion in Tables 1 and 2—and it rises as the statement consolidates different economic groups into fewer and fewer sectors—is the concealment of financial or other economic relationships which may provide clues in the search for causal connections between past events. At this point of development, conclusions drawn are necessarily subject to this limitation. Awareness of this possibility should permit the advantages of this presentation to outweigh its shortcomings.

It is likely that, as the method of presentation is increasingly tailored to fit specific country situations, the risk of its hiding significant movements will decrease. Analysis from a distance, however, always runs the risk of arriving at conclusions that may be considered odd by informed observers or policy makers on the spot. It is hoped that, even where findings may be questioned, the

TABLE 2
 FLOW OF FUNDS AMONG DOMESTIC ECONOMY, BANKING SYSTEM, AND REST OF THE WORLD
 Western Germany and West Berlin
 [In billions of deutsche marks]

Sources and uses of funds	Domestic economy ¹		Domestic banks		Rest of the world ²	
	1953	1950-51	1953	1950-51	1953	1950-51
Nonfinancial sources of funds, net (foreign balance on current account)	3.9	-1.5			-3.9	1.5
Domestic exports of goods and services.....	22.3	12.7			-22.3	-12.7
Domestic imports of goods and services.....	-18.4	-14.2			18.4	14.2
Borrowing, net³	5.5	6.2	-5.8	-3.9	0.3	-2.3
From domestic economy.....			-5.6	-4.7	0.1	-1.5
From domestic banks.....	5.6	4.7			0.2	-0.8
From rest of the world (including grants) ⁴	-0.1	1.5	-0.2	0.8		
Total, above net sources of funds⁵	9.4	4.7	-5.8	-3.9	-3.6	-0.8
Changes in holdings of domestic liquid assets⁶	9.3	4.7	-9.3	-4.7		
Demand deposits.....	2.3	1.2	-2.3	-1.2		
Time deposits.....	1.8	2.7	-1.8	-2.7		
Savings deposits.....	4.0	0.4	-4.0	-0.4		
Currency.....	1.2	0.4	-1.2	-1.2		
Changes in holdings of gold and dollars			3.6	0.8	-3.6	-0.8
Total, above net uses of funds⁵	9.4	4.7	-5.8	-3.9	-3.6	-0.8

¹Excluding banks.

²Signs from point of view of rest of the world.

³For the domestic economy and domestic banks, plus implies increase in liabilities or decrease in assets; minus implies decrease in liabilities or increase in assets.

⁴Includes changes in net short-term foreign exchange holdings other than dollars.

⁵Details may not add to totals because of rounding. Also, see note 6, Table 1.

⁶Plus implies decrease in liabilities or increase in assets; minus implies increase in liabilities or decrease in assets.

Sources.—See Table 1.

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route by which they were reached may nevertheless be of interest to those more familiar with the sequence of events.

From a time analysis standpoint, the relevant comparisons are between two separate periods: 1950-51 as approximately the last 12 months when Western Germany and West Berlin had a deficit on foreign account, and 1953 as the most recent 12-month period for which the material essential for a financial analysis is available.

ALLOCATION OF PHYSICAL RESOURCES

The value of total supplies, that is, of domestic output plus imports, was about 32 per cent (22 per cent in 1953 prices) larger in 1953 than in 1950-51. The value of domestic output had risen about 33 per cent and that of imports about 30 per cent, as shown in Table 3. To achieve the improvement of nearly 5.4 billion marks (1.3 billion dollars) in the foreign position on current account, it was necessary for Western Germany to reduce slightly the proportion of total supplies used at home. The increase in total supplies, while sufficient to

permit the value of resources used domestically to grow by about 27 per cent, was not large enough to prevent a decline of nearly 4 per cent in the relative share of domestic uses in total supplies. The relative share of exports in total supplies rose by more than 33 per cent from 1950-51 to 1953, with their value up more than 75 per cent.

The slower rate of increase in the domestic use of resources concealed the increase in the public sector's relative share in total supplies, which rose by 15 per cent. The share of the private sector fell about 8 per cent. This decrease occurred at a time when direct domestic controls had been largely abolished and when import restrictions were being progressively relaxed. Since total supplies available to the private sector were rising despite the decline in its share, the standard of living rose: Annual per capita consumption is estimated to have increased from 1,380 marks to 1,580 marks, or from the equivalent of about \$330 to \$375, from 1950-51 to 1953.

SOURCES AND USES OF FUNDS

A comprehensive review of sources and uses of funds provides a framework within which it is possible not only to analyze the effects of changes in the relationship between income and expenditures of one sector on the income of other sectors but also to check the total net sources of funds for each sector against its total net uses of funds. The availability of such a check should reduce the risk of misinterpretation of the effects of fiscal and monetary policy.

To maintain internal financial stability in Western Germany, the effects of fiscal measures—planned as well as unplanned—seem at one time to have operated as an influence counteracting the unstabilizing effects of developments in other sectors, and at another

TABLE 3

SUPPLY AND USE OF RESOURCES¹
Western Germany and West Berlin
[In billions of deutsche marks at current prices]

Supply and use	1953 ²	1950-51 ³	Per-centage increase	Share (per cent)	
				1953	1950-51
Gross national product.....	141.3	106.5	33	.....	.....
Imports of goods and services.....	18.4	14.2	30	.....	.....
Total supply.....	159.7	120.7	32	100.0	100.0
Exports.....	22.3	12.7	76	14.0	10.6
Domestic use.....	137.4	107.9	27	86.0	89.4
Public sector.....	29.8	19.7	51	18.7	16.3
Private sector.....	107.5	88.2	22	67.3	73.1
Total use⁴.....	159.7	120.7	32	100.0	100.0

¹For sources see Table 1.

²Calendar year.

³The 12-month period ending June 1951.

⁴Details may not add to totals because of rounding.

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time to have stood in need of being at least partly offset themselves. In the final analysis, however, it would seem that the reluctance with which fiscal policy responded to unplanned surpluses with reduction in taxes stood general financial policy in good stead. Restrictive fiscal policies in the past may well have furthered the progressive strengthening of general confidence by their very cautiousness.

Monetary policy, especially in the latter part of the period, when market forces were offsetting each other and resulting in high-level equilibrium at home and solvency abroad, appears to have neither strongly enforced nor appreciably weakened any specific financial trend.

TABLE 4
SUMMARY OF NET SOURCES AND NET USES OF FUNDS¹
Western Germany and West Berlin
[In billions of deutsche marks]

Sources and uses	1953 ²	1950-51 ³
Sources of funds:		
Nonfinancial sources, net	3.9	-1.5
Gross national product	141.3	106.5
Domestic gross product expenditures	137.4	108.0
Financial sources, net	5.5	6.2
Borrowing from domestic banks	5.6	4.7
Borrowing and grants from abroad ⁴	-0.1	1.5
Total, above net sources⁵	9.4	4.7
Financial uses of funds, net:		
Increases in—		
Demand deposits	2.3	1.2
Time deposits	1.8	2.7
Savings deposits	4.0	0.4
Currency	1.2	0.4
Total, above net uses^{4 5}	9.4	4.7

¹For sources, derivation, and sector breakdown, see Table 1.

²Calendar year.

³The 12-month period ending June 1951.

⁴See note 6, Table 1.

⁵Details may not add to totals because of rounding.

In both the public sector and the private nonbank sector, disposable income rose more than expenditures from 1950-51 to 1953; in other words, there was an increase of what in this article are called net nonfinancial sources of funds, as is shown in Table 4. There was no decline in net bank credit to the private sector. In the private and

public sectors taken together, net financial sources of funds, that is, borrowing from foreign countries (including grants) as well as from domestic banks, declined somewhat. Changes in the distribution of net uses of funds—various types of bank deposits, currency, and holdings of short-term government paper—reflected in a general way the shift from deficit to surplus in the public sector and also an increase in personal saving.

Net nonfinancial sources. Net nonfinancial sources of funds for the domestic economy are equal to the sum of the net nonfinancial sources of funds for the public and private sectors. For each of these, the net nonfinancial source of funds in this article is the difference between the sector's disposable income plus capital consumption allowances and its purchases of final product from the private sector and foreign countries. For the domestic economy as a whole, this difference is the foreign balance on current account (excluding grants), transactions within the domestic economy having dropped out as a result of consolidation.

In 1953, net nonfinancial sources for Western Germany were 5.4 billion marks larger than in 1950-51, as reflected in the shift from a 1.5 billion mark deficit on foreign account in 1950-51 to a surplus of 3.9 billion in 1953. Both domestic sectors moved from over-all deficit to over-all surplus, the private sector by 1.4 billion marks and the public sector by a shift of 4.1 billion (Table 1).

In Western Germany, foreign transactions on current account (excluding grants from abroad) are negligible for the public sector but sizable for the private sector. Hence the shift of the private sector from deficit to surplus had no contracting effect on the public sector's income, as it would have had if changes in private expenditures had affected only payments to the public sector. As it

was, the private sector's shift to surplus was the result of an improvement of 5.4 billion marks in the sector's balance with foreign countries and a change of about 4 billion from surplus to deficit in the balance with the public sector.

On the other hand, the shift from deficit to surplus for the public sector, since it impinged directly only on the domestic economy, tended to have a restraining effect on the private sector's disposable income. Current revenues in the form of taxes and related payments rose by nearly 14 billion marks against increased purchases of goods and services of 10 billion.

Monetary and fiscal policies. Keeping domestic demand in check was not, except at the beginning, a necessary aim of monetary policy during the larger part of the period under consideration. In an effort to correct the balance-of-payments difficulties which had resulted primarily from inventory purchases after the outbreak of the Korean War, credit was tightened from the fall of 1950 to the early spring of 1951 through a rise in the discount rate, higher reserve requirements, and ceilings on short-term loans. From May 1952 until mid-1953, however, the discount rate was lowered four times and reserve requirements were reduced three times. The decline in the private sector's demand relative to its disposable income is not readily explained by changes in monetary policy, except that the previous rigorous use of monetary policy gave confidence that this instrument of public financial policy would be used, if necessary, to safeguard the value of the mark. Monetary policy in this way contributed to the climate of financial confidence so essential in fostering a flow of private savings.

Fiscal operations on the other hand appear to have played an important role in keeping

domestic demand in check. Gross receipts of the public sector were about 55 per cent greater in 1953 than in 1950-51, compared with an estimated increase of about 33 per cent in the value of national output. The rise in gross receipts resulted in part from an increase in taxation enacted in July 1951; in part it was brought about by an increase in taxable income and transactions as national output grew. In 1953 taxes were reduced but the change probably did not affect receipts until the last quarter of the year.

There is no certainty as to the amounts by which private consumption or investment might have risen had not the increase in private disposable income been restrained by taxation. Consumption would almost certainly have been somewhat greater, and probably investment also. Balance, instead of a surplus, on government account would have tended to result in a greater demand somewhere—either the public sector would have raised its expenditures to the level of its revenues and thus increased its own demand for resources, or a reduction in tax collections down to the level of public expenditures would have led to an increase in the demand of the private sector. The restraint on demand exerted by fiscal policy may have been greater, especially toward the end of the period, than was required for the maintenance of internal financial stability. But had there been no restrictive effects of fiscal policy during 1951 and 1952, monetary policy would have been confronted by a far different task.

Net financial sources. For the domestic economy, net borrowing from the banks and net borrowing from abroad (including grants and short-term capital movements) are designated in this article as financial sources of funds; for individual sectors, long-

term borrowing from each other is shown with financial sources in Table 1, but changes in short-term lending between nonbank sectors are shown with other uses of funds for acquiring liquid assets.

The private sector's net borrowing from domestic banks expanded as much in 1953 as in 1950-51. The shift from deficit to surplus on private nonfinancial account was not associated with a lower level of net borrowing from the banks, as might have been the case had business borrowers not expected a continued upturn of domestic economic activity. In the public sector the main changes in net financial sources were the lower level of foreign aid and the related decrease in the flow of funds from the public sector to the commercial banks.

The shift from deficit to surplus for the private sector of the Western German economy hides the decrease in saving by businesses which is estimated to have occurred between 1950-51 and 1953 (Table 5). It would have been surprising, therefore, if private net borrowing from the banks had been less in 1953 than in 1950-51, in view of probably optimistic expectations in 1953 as a whole. Gross bank loans to the private sector in 1953 exceeded the level in 1950-51 by about the estimated increase in private investment.

Total domestic net borrowing from the banks was greater in 1953 than in 1950-51 but this was due entirely to a decline in public funds put at the disposal of the commercial banks from nearly one billion marks in 1950-51 to virtually zero in 1953—largely because the flow to the Federal Government of Marshall aid counterpart funds, formerly passed on to the banks for limited periods, had declined to an amount far below its volume in 1950-51.

The principal change in nonbank net financial sources, that is, in long-term bor-

rowing by sectors from each other and from foreign countries (including foreign grants) was a decline in foreign aid. For the public sector this decline was made up only in part by a small increase in its long-term borrowing from the private sector.

Saving and investment. The public sector provided much the greater part of the increase in total saving required to offset the expansionary impact of rising net exports and domestic investment (Table 5). Saving by all public agencies (excess of revenue from taxation and similar current receipts over expenditures for all current purposes) is estimated to have been about 10 billion marks in 1953 as compared with slightly more than 3 billion in 1950-51.

Private saving rose by 2.5 billion marks compared with the 7 billion increase in public saving. More than half of the estimated increase in saving by households appears to have been offset by lower retained earnings by businesses. The share of households in national income was considerably larger in

TABLE 5
NET SAVING AND INVESTMENT ACCOUNT
Western Germany and West Berlin
[In billions of deutsche marks]

Item	1953	1950-51
Net saving, total ¹	26.7	17.2
Public sector ²	10.2	3.2
Private sector ²	16.6	14.1
Business ³	9.0	12.7
Households ³	7.6	1.4
Net investment, total	26.7	17.2
Fixed assets.....	18.3	14.6
Public.....	6.7	3.7
Private.....	11.6	10.9
Inventories.....	4.5	4.1
Foreign balance (export surplus +)....	3.9	-1.5

¹Details may not add to totals because of rounding.

²Difference between disposable income and consumption. See Table 1 for basic figures.

³Ratio between saving by businesses and saving by households as estimated for Western Germany by the Deutsches Institut fuer Wirtschaftsforschung was applied to total private saving for Western Germany and West Berlin as estimated from material of Bundesministerium fuer Wirtschaft and Deutsches Institut fuer Wirtschaftsforschung.

Sources.—See Table 1.

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1953 than in 1950-51, a development which helped to raise personal saving as national income grew. On the other hand, business saving appears to have been adversely affected in 1953 by the tendency of wage costs to rise and of producers' gross returns to fall or at least to rise less.

Net financial uses of funds. Nonfinancial sources of funds less expenditures plus net financial sources as used in this article are equal to net changes in liquid asset holdings, that is, to net changes in demand and time and savings deposits, currency, and short-term lending between sectors. Changes in these liquid assets are designated as net financial uses.

In Western Germany the changes from 1950-51 to 1953 in net financial uses of funds as defined in this article reflected in a rough general way the shift from deficit to surplus in the public sector as well as the higher level of saving by the household group of the private sector. Total deposits of public authorities, including an estimated change in their savings deposits, rose by 3.6 billion marks in 1953, compared with an estimated increase of around 0.4 billion in 1950-51. A large part of the increase in public deposits is reported to have represented funds made available by the German authorities to the occupation forces but not spent. Total savings deposits, which in 1950-51 rose by only 0.4 billion marks, increased by 4.0 billion in 1953.

The principal factors that led to a greater increase in cash resources in Germany in 1953 than in 1950-51 are summarized in Table 6. They were a large rise in the annual increase in official gold and dollar reserves and a moderate rise in domestic bank credit expansion. The 3.8 billion mark improvement in 1953 of the net foreign asset position of the banking system, as compared

with an unchanging position in 1950-51, reflected the shift in Western Germany's balance of payments. Net credit by the banking system to the private sector did not show an increase since there was an offsetting rise from 1950-51 to 1953 in the annual volume of funds flowing into commercial banks in exchange for bonds issued by these banks in an effort to attract money to be used for long-term investment.

TABLE 6
CONSOLIDATED CONDITION STATEMENT OF THE
BANKING SYSTEM
Western Germany and West Berlin
(In billions of deutsche marks)

Changes	1953	1950-51
Changes in net assets, total	9.4	4.7
Credit to the domestic economy, net	5.6	4.7
<i>Public sector</i>	(1)	-0.9
<i>Private sector</i>	5.6	5.6
Increase in gold and dollar reserves	3.6	0.8
Less: net change in other foreign liabilities (decrease -)	-0.2	0.8
Changes in deposits and currency, total ²	9.4	4.7
Demand deposits	2.3	1.2
<i>Public sector</i>	1.3	-0.5
<i>Private sector</i>	1.0	1.7
Time deposits	1.8	2.7
<i>Public sector</i>	0.9	1.5
<i>Private sector</i>	0.9	1.2
Savings deposits	4.0	0.4
Currency	1.2	0.4

¹Less than 50 million deutsche marks.

²Details may not add to totals because of rounding.

Sources.—Bank deutscher Laender and Berliner Zentralbank.

Net uses of funds other than changes in bank deposits appear to have moved in the same direction as the bilateral balance of payments and receipts between the public and private sectors. Thus, as is shown in Table 1, the private sector's net short-term claims on the public sector declined twice as much in 1953, when the public sector had a surplus, as it did in 1950-51, when the public sector had a deficit with the private sector.

CONCLUSIONS

This article provides no objective proof that in the last few years a growing government surplus and rising net exports served as offsets to each other in Western Germany. There is a strong presumption, however, that total demand would have been greater in the absence of a rising government surplus. With a lower level of taxation, private consumption would have tended to be greater. The disposable income of households would have tended to rise more than the net earnings of businesses since the larger part of taxes is probably paid directly or indirectly by households. At the same time it is probably more difficult for households to make up for a lower current income by increased borrowing from the banks. In addition, business borrowing might well have been larger rather than smaller in the absence of a government surplus.

Internal financial stability, therefore, was probably maintained by a process in which opposite financial forces offset each other. The offsetting process did not consist in a cancelling of the over-all deficit of one sector against an over-all surplus of the other—in this case there could have been no foreign deficit or surplus—but rather in the effects of shifts in bilateral balances between the public and private sectors and, in principle, in the bilateral balance of each with foreign countries.

According to whether one sector rather than another operated as the originating factor in the stabilization process, the span of time reviewed in this article may be divided into at least three separate periods.

There were two periods when a weakening of domestic demand relative to productive capacity appears to have been the originating factor. The first of these covered the second half of 1951 when Western Ger-

many's foreign position began to shift from deficit to surplus. Domestic prices at that time rose by about 2 per cent. Without the favorable response by net exports to what must have been at least moderately depressive effects of restrictive monetary and fiscal policies, the predominating influence on prices at that time might well have been downward rather than upward.

The second time when domestic downward pressures on prices seem to have been at least in part offset by rising net exports was the first half of 1953. According to informed German observers, domestic demand at that time failed to rise with the increase in productive capacity, especially in the capital goods industries. An increase in the ratio of the value of foreign to total transactions lends support to this view. Without a continued increase in net exports, domestic prices might well have fallen more than they did.

Even with an export surplus at the 1953 annual rate, and assuming no change in monetary policy, only part of the surplus on government account was probably needed in the first half of 1953 to maintain financial stability. Without a 2.5 billion mark increase (annual rate) in the surplus of the government sector from 1952 to the first half of 1953, compared with a rise (annual rate) in net exports of about 1.5 billion, demand would probably have risen. The increase, while it might have prevented prices from falling in the first half of 1953, possibly would not have been enough to force a rise.

In at least one period, and perhaps two, assuming no change in monetary policies, it was necessary for a growing surplus on government account to counteract what might otherwise have become an unduly expansionary influence of growing net exports. The first of these periods covered most of 1952. There was a 22 per cent rise in the

average value of German export goods between 1950-51 and 1952, suggesting that net exports, rather than requiring domestic encouragement as in 1951, would have risen even without restrictive policies at home. If not offset by some decline in domestic demand, this increase would have tended to exert an unopposed upward pressure on domestic prices. There was progressive relaxation of restrictive monetary measures from mid-1952 on, implying that the authorities were relying on the restrictive influence of growing public surpluses to prevent the upward movement in German prices—slight at that time—from becoming excessive.

The slackening of domestic demand in relation to rising productive capacity, observed in the first half of 1953, did not continue in the second half of the year. It is possible, therefore, that domestic prices would have risen at that time instead of fallen, if there had been no surplus whatever on government account, unless monetary policy had once more become restrictive.

Favorable events as well as policy played a part in maintaining financial stability under conditions of a large shift in the balance of payments. The continued growth in the public sector's surplus was not planned as an offset to the expansionary effect of rising net exports; a large part of it would not have emerged had expenditures risen as originally envisaged. Policy, however, both fiscal and monetary, played a major part in 1951 in initiating the process of improvement in the balance of payments. While this improvement under cautious fiscal policies turned out to exceed the needs of a restoration of external solvency, a more rapid relaxation of fiscal restrictiveness might not have been appropriate at a time when restoration of confidence was still an important task of financial policy. After 1951, when strong forces in opposite directions tended to offset each other and to produce stability at a high level of output, monetary policy served the interests of such stability best by neither strongly enforcing nor appreciably weakening the power of these forces.

MEMBER BANK EARNINGS, FIRST HALF OF 1954¹

Net profits after taxes amounted to 559 million dollars for all member banks in the first half of this year. On an annual basis, they were 9.7 per cent of average total capital accounts compared with 8.0 per cent for the same period in 1953. Profits on the sale of securities largely accounted for the increase.

Net current earnings before income taxes came to 928 million dollars, which was 10 million dollars above those reported for the first half of last year.² Cash dividends and taxes on net income also increased, but both

were a slightly smaller percentage of profits before income taxes than in the first half of 1953.

Earnings. Gross operating earnings amounted to 2,366 million dollars in the first half of this year, which was 128 million dollars above the same period last year. Changes in the factors affecting earnings were mixed, however, with some factors tending to hold down the over-all increase.

Substantial declines in the total of commercial and industrial loans, especially in the central reserve cities, were partly offset in the first half of this year by increases in real estate loans and loans for purchasing securities. The net result was a decline of 565 million dollars from the year-end total of all loans.

¹This article was prepared by Oliver H. Jones of the Board's Division of Bank Operations.

²Net current earnings are gross current operating earnings less gross current operating expenses, before adjustments for losses, recoveries, and transfers to and from valuation reserves, and before taxes on net income.

MEMBER BANK EARNINGS
[Amounts in millions of dollars]

Item	1950		1951		1952		1953		1954
	First half	Second half	First half	Second half	First half	Second half	First half	Second half	First half
Earnings	1,557	1,707	1,771	1,898	1,978	2,141	2,238	2,353	2,366
On U. S. Government securities.....	435	430	406	426	441	488	495	516	522
On other securities.....	91	99	102	108	113	121	122	129	133
On loans.....	760	874	960	1,043	1,105	1,201	1,281	1,351	1,336
Service charges on deposit accounts.....	84	88	93	94	98	100	107	112	123
Other earnings.....	187	216	209	227	221	231	233	244	252
Expenses	965	1,055	1,075	1,157	1,190	1,311	1,320	1,461	1,438
Salaries and wages.....	465	535	529	597	586	658	645	727	692
Interest on time deposits.....	135	136	146	160	176	188	201	224	241
Taxes other than on net income.....	54	55	58	57	59	59	61	64	68
Other expenses.....	310	329	342	344	370	405	414	446	437
Net current earnings before income taxes	593	652	697	740	788	830	918	891	928
Recoveries and profits ¹	82	93	59	80	57	56	54	66	298
Losses and charge-offs ²	67	81	86	116	71	155	115	216	119
Net increase in valuation reserves ³	41	80	37	90	24	44	27	13	75
Profits before income taxes	566	584	633	614	751	686	829	728	1,032
Taxes on net income.....	169	200	252	239	337	271	392	300	473
Net profits	397	384	381	375	414	416	438	428	559
Cash dividends declared ⁴	155	190	170	200	185	205	193	226	211
Number of banks at end of period.....	6,885	6,873	6,859	6,840	6,815	6,798	6,765	6,743	6,721

¹Includes recoveries credited either to undivided profits or to valuation reserves.

²Includes losses charged either to undivided profits or to valuation reserves.

³This is the net of transfers from undivided profits to valuation reserves and vice versa, and of losses charged and recoveries credited to valuation reserves.

⁴Includes interest on capital notes and debentures.

At the same time holdings of United States Government securities continued the expansion begun during the last half of 1953, rising by 509 million dollars. In addition to shifts from loans to investments in United States Government securities, there was a significant extension in the average maturity of holdings of Government securities. Investments in other types of securities, including State and local government securities, increased 820 million dollars. The combined total of loans and investments rose 764 million dollars above the preceding year-end.

An ample supply of reserve funds supported the greater volume of loans and investments handled during the first half of the year. As the average rate of return on loans and United States Government securities rose only slightly, the higher level of gross operating earnings reflected the increased volume of loans and investments. The average rate of return was 4.68 per cent on loans and 2.00 per cent on United States Government securities in the first half of this year as compared with rates of 4.62 per cent and 1.97 per cent in the first half of last year.

Expenses. Gross operating expenses were 1,438 million dollars in the first half of 1954. This was 118 million dollars or about 9 per cent above the same period last year. Salaries and wages continued to be the major expense item, accounting for about 48 per cent of total expenses compared with 49 per cent last year.

A rise of 40 million dollars in the amount of interest paid on time deposits was due both to the larger volume and the higher average rate of interest paid. The average volume of time deposits was about 3 billion dollars larger than during the first half of 1953, and the average rate of interest paid was 1.30 per cent as compared with 1.18 per cent in the first half of last year.

Profits, recoveries, losses, and transfers to reserves. During the first six months of this year, profits from the sale of securities amounted to 246 million dollars. Total recoveries and profits rose 244 million dollars above the same period last year to a total of 298 million dollars, of which 83 per cent represented profits on the sale of securities. Losses and charge-offs were 119 million dollars, an increase of 4 million dollars. Valuation reserves were increased by 75 million dollars; this was 48 million dollars more than the increase in the first half of 1953.

Nonoperating profit, recovery, and loss items, together with transfers to and from valuation reserves, changed from a net loss of 88 million dollars in the first half of 1953 to a net recovery of 104 million dollars in the first half of this year. The increase in net profits after taxes between the two periods was largely due to the shift from losses to profits on security sales.

Taxes and net profits. Profits before income taxes were 1,032 million dollars, 24 per cent greater than in the first half of 1953, and provisions for income taxes were 21 per cent higher. Net profits after taxes aggregated 559 million dollars, exceeding the figure for the first six months of 1953 by 121 million.

Cash dividends. Thirty-eight per cent of net profits after taxes was distributed as dividends in the first half of this year. The 211 million dollars paid in dividends represented an annual yield of about 3.7 per cent on average total capital accounts compared with 3.5 per cent in the first half of 1953, when cash dividends amounted to 44 per cent of net profits.

Details of earnings and expenses for the first half of 1954 and both halves of 1953 are shown on page 1118 of this BULLETIN.

LAW DEPARTMENT

Administrative interpretations of banking laws, new regulations issued by the Board of Governors, and other similar material

Foreign Banking Corporations

Amendments to Regulation K

The Board of Governors of the Federal Reserve System, effective September 29, 1954, amended sections XI and XV of Regulation K entitled "Banking Corporations Authorized to Do Foreign Banking Business under the Terms of Section 25(a) of the Federal Reserve Act" commonly known as Edge Act Corporations, so as to broaden the powers to raise funds through the sale of their notes or debentures if such corporations are not engaged in the business of receiving deposits. The amendment also increases the amount of credit that such a corporation can extend to a single borrower. The text of the amendment to Regulation K is as follows:

AMENDMENT TO REGULATION K

Issued by the Board of Governors of the Federal Reserve System

Effective September 29, 1954, Regulation K is hereby amended in the following respects:

1. By adding the following new subsection (c) after subsection (b) of section XI, and relettering the present subsection (c) to (d):

(c) Notwithstanding subsections (a) and (b) of this section, a corporation may, at its option, comply with the following requirements in lieu of those stated in said subsections (a) and (b):

(1) The corporation shall not engage, either within the United States or abroad, in the business of receiving deposits.

(2) Loans or other credits acquired or guaranteed by the corporation shall have a maturity of not more than 5 years at the time they are so acquired or guaranteed: *Provided, however,* That this limitation shall not apply (i) to a loan or other credit, or any scheduled installment of a loan or credit, maturing within 10 years, but the aggregate amount of loans or credits or installments of loans or credits excepted under this clause (i) shall not exceed 100 per cent of the corporation's capital and surplus; or (ii) to other loans or credits, or sched-

uled installments of loans or credits, maturing within 10 years to the extent that they are secured or covered by unconditional guaranties, commitments or agreements to take over or purchase made by the United States or by any department or establishment of, or corporation wholly owned by, the United States.

(3) The corporation shall carry on its business in accordance with sound financial policies including, among other considerations, a proper regard to the relationship between its assets and the maturities of its obligations, so as to give reasonable assurance that the corporation will be in a position to pay its obligations as they mature.

(4) All obligations of any kind, regardless of maturity or payee, issued by the corporation shall contain a provision, or shall be issued under an agreement, which shall provide that the corporation will not, during the time any such obligations remain outstanding—

(i) Issue any obligations if immediately thereafter the assets of the corporation, excluding notes, drafts, bills of exchange and other evidences of indebtedness that are in default as to either principal or interest, would be less than 110 per cent of the aggregate principal amount of all obligations of the corporation;

(ii) Mortgage, pledge or otherwise subject any of its assets to any lien or charge to secure any indebtedness for borrowed money or to secure any other obligation of the corporation, unless each person holding any of the corporation's unsecured obligations, which would remain outstanding after such transaction, either grants his consent or is provided with security substantially equivalent in value to that provided by such mortgage, pledge, lien or charge;

(iii) Sell, lease, assign or otherwise dispose of all or substantially all its assets; or

(iv) Declare or pay any dividend (other than a dividend payable in stock of the corporation) or authorize or make any other distribution on any stock of the corporation otherwise than out

of the earned surplus of the corporation as determined in accordance with generally accepted accounting principles.

2. By adding the following sentence at the end of the first paragraph of section XV:

In the case of a corporation which does not engage, either within the United States or abroad, in the business of receiving deposits, the limitations contained in this paragraph regarding the total liabilities of one borrower (1) shall be increased from 10 per cent to 20 per cent, and (2) shall not apply to the extent that the liabilities are secured or covered by unconditional guaranties, commitments or agreements to take over or to purchase, made by the United States or by any department or establishment of, or corporation wholly owned by, the United States.

Legislation

Correction of Obsolete References

The Act of Congress approved September 3, 1954 (Public Law 779—83d Congress) amended various statutes and certain titles of the United States Code principally for the purpose of correcting obsolete references. Among such amendments were the following, amending sections 9 and 22(f) of the Federal Reserve Act and section 5144(d) of the Revised Statutes of the United States:

SEC. 21. Paragraph (d) of section 5144 of the Revised Statutes, as amended (12 U. S. C., sec. 61 (d)), is amended by striking out the reference "5209 of the Revised Statutes, as amended (U. S. C., title 12, sec. 592)," and in lieu thereof inserting "1005 of title 18, United States Code", so that such paragraph will read as follows:

"(d) Every officer, director, agent, and employee of every such holding company affiliate shall be subject to the same penalties for false entries in any book, report, or statement of such holding company affiliate as are applicable to officers, directors, agents, and employees of member banks under section 1005 of Title 18, United States Code; and"

* * *

SEC. 27. The sixth paragraph of section 9 of the Federal Reserve Act as amended (12 U. S. C., 324), is amended by striking out, in the second sentence of such paragraph, the reference "section fifty-two hundred and nine of the Revised Statutes", and in lieu thereof inserting "sections 334, 656, and 1005 of Title 18, United States Code", so that such paragraph will read as follows:

"All banks admitted to membership under authority of this section shall be required to comply with the reserve and capital requirements of this Act and to conform to those provisions of law imposed on national banks which prohibit such banks from lending on or purchasing their own stock, which relate to the withdrawal or impairment of their capital stock, and which relate to the payment of unearned dividends. Such banks and the officers, agents, and employees thereof shall also be subject to the provisions of and to the penalties prescribed by sections 334, 656, and 1005 of Title 18, United States Code, and shall be required to make reports of condition and of the payment of dividends to the Federal Reserve bank of which they become a member. Not less than three of such reports shall be made annually on call of the Federal Reserve bank on dates to be fixed by the Board of Governors of the Federal Reserve System. Failure to make such reports within ten days after the date they are called for shall subject the offending bank to a penalty of \$100 a day for each day that it fails to transmit such report; such penalty to be collected by the Federal Reserve bank by suit or otherwise. Such reports of condition shall be in such form and shall contain such information as the Board of Governors of the Federal Reserve System may require and shall be published by the reporting banks in such manner and in accordance with such regulations as the said Board may prescribe."

SEC. 28. Subsection (f) of section 22 of the Federal Reserve Act, as amended (12 U. S. C., 503), is amended by inserting, after "thereof," where it appears in such subsection, the words "or any of the provisions of sections 217, 218, 219, 220, 655, 1005, 1014, 1906, or 1909 of Title 18, United States Code," so that such subsection will read as follows:

"(f) If the directors or officers of any member bank shall knowingly violate or permit any of the agents, officers, or directors of any member bank to violate any of the provisions of this section or regulations of the board made under authority thereof, or any of the provisions of sections 217, 218, 219, 220, 655, 1005, 1014, 1906, or 1909 of Title 18, United States Code, every director and officer participating in or assenting to such violation shall be held liable in his personal and individual capacity for all damages which the member bank, its shareholders, or any other persons shall have sustained in consequence of such violation."

CURRENT EVENTS AND ANNOUNCEMENTS

Federal Reserve Meetings

The Federal Advisory Council held a meeting in Washington on September 19-21, 1954, and met with the Board of Governors of the Federal Reserve System on September 21.

A meeting of the Presidents of the Federal Reserve Banks was held in Washington on September 20 and 21, and on September 22 the Presidents met with the Board of Governors of the Federal Reserve System.

On September 22 a meeting of the Federal Open Market Committee was held.

Appointments of Branch Directors

On October 4, 1954, the Board of Governors of the Federal Reserve System announced the appointment of Mr. John A. Hannah, President, Michigan State College, East Lansing, Michigan, as a director of the Detroit Branch of the Federal Reserve Bank of Chicago for the term ending December 31, 1954. He succeeded Mr. C. M. Hardin, Dean of Agriculture, Michigan State College, East Lansing, Michigan, who resigned. Mr. Hannah formerly served as a director of the Detroit Branch from January 1, 1951 to March 13, 1953, when he resigned to become Assistant Secretary of Defense.

On October 6, 1954, the Federal Reserve Bank of San Francisco appointed Mr. R. S. Hanson, Vice

President and Cashier, The First National Bank of Logan, Logan, Utah, as a director of the Salt Lake City Branch of the Federal Reserve Bank of San Francisco for the term ending December 31, 1954. Mr. Hanson succeeded Mr. James W. Collins, Chairman of the Board, Tracy-Collins Trust Company, Salt Lake City, Utah, deceased.

Admission of State Bank to Membership in the Federal Reserve System

The following State bank was admitted to membership in the Federal Reserve System during the period August 16, 1954 to September 15, 1954:

Virginia

Richmond—The Bank of Virginia.

Tables Published Annually and Semiannually, with Latest BULLETIN Reference

<i>Semiannually</i>	Issue	Page
Banking offices:		
Analysis of changes in number of... On, and not on, Federal Reserve Par List, number of.....	Aug. 1954	903
	Aug. 1954	904
<i>Annually</i>		
Earnings and expenses:		
Federal Reserve Banks.....	Feb. 1954	208-209
Member banks:		
Calendar year	May 1954	524-534
First half of year	Oct. 1954	1118
Insured commercial banks.....	May 1954	535
Banks and branches, number of, by class and State		
	May 1954	536-537
Operating ratios, member banks.....	Aug. 1954	900-902

NATIONAL SUMMARY OF BUSINESS CONDITIONS

[Released for publication October 14]

Industrial production and employment continued to show little change in September. Construction activity was maintained in record volume and retail sales remained close to the levels reached at midyear. Increased demands were reflected in higher prices for a number of industrial materials. Prices of foodstuffs declined with supplies expanding.

INDUSTRIAL PRODUCTION

Industrial production continued to rise seasonally in September and the Board's preliminary adjusted index was 124 per cent of the 1947-49 average, unchanged from August and 1 point above the revised July figure. In September a year ago the seasonally adjusted index was 133.

Production of durable goods in September was maintained at a seasonally adjusted rate of 135 per cent of the 1947-49 average, or about the level prevailing since March. Curtailment in auto assemblies was offset by a rise in steel output and recovery in lumber production following settlement of work stoppages. Auto output has been sharply reduced in September and October, owing mainly to major model changeovers for leading makes, but is scheduled to rise rapidly in November. Steel mill operations increased further by mid-October to a scheduled rate of 72 per cent of rated

capacity, as compared with 63 per cent during July and August and 66 per cent in September. Production of most major household goods in August and September remained at the advanced levels reached at midyear.

Nondurable goods output in September showed somewhat more than the usual seasonal rise, reflecting mainly further increases in chemicals and paper production to very high levels and recovery in tire output following settlement of work stoppages. Output of coal and other minerals showed little change in September and early October.

CONSTRUCTION

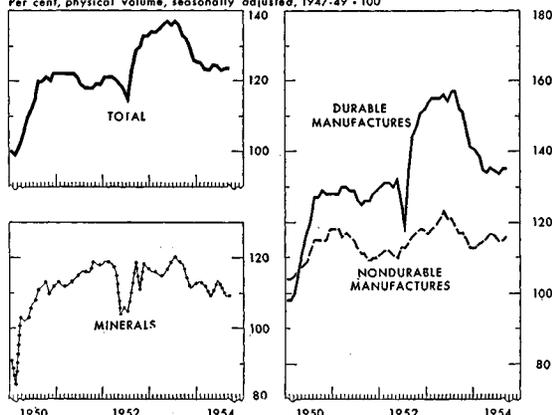
Expenditures for new construction, seasonally adjusted, increased slightly further in September. Construction awards, following a decline in August, rose substantially in September, as contracts for all major types of private and public construction increased. Preliminary indications suggest that the number of housing starts rose contra-seasonally in September to an annual rate of well over 1.2 million.

EMPLOYMENT

Employment at nonagricultural establishments showed about the usual large seasonal rise in Sep-

INDUSTRIAL PRODUCTION

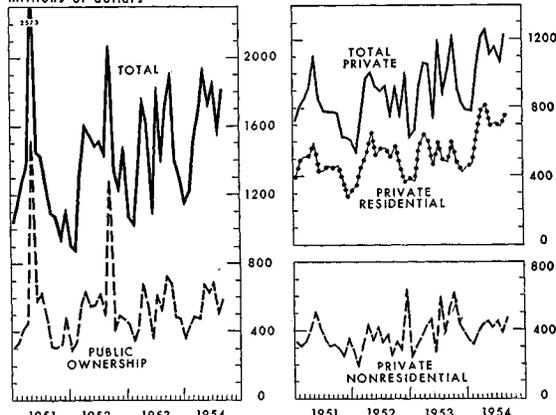
Per cent, physical volume, seasonally adjusted, 1947-49 = 100



Federal Reserve indexes. Monthly figures, latest shown are for September.

CONSTRUCTION CONTRACTS AWARDED

Millions of dollars



F. W. Dodge Corporation data for 37 Eastern States. Monthly figures, latest shown are for September.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

tember, reflecting mainly gains in State and local government and factory employment. The factory workweek at 39.7 hours was unchanged from August and average weekly earnings were up 80 cents to \$71.86, reflecting a rise of 2 cents in hourly earnings. Unemployment declined about seasonally in September to 3.1 million.

AGRICULTURE

Crop prospects generally changed little during September, with an improvement indicated for cotton. Total meat production, after seasonal allowance, was about 8 per cent larger than in the first half of this year and close to that amount above a year earlier. Egg output in the third quarter was 6 per cent larger than last year, while milk production was about the same.

COMMODITY PRICES

The average level of wholesale commodity prices declined slightly further from mid-September to mid-October as prices of foodstuffs continued to decrease. Sharply expanded marketings of this year's larger spring pig crop reduced prices of hogs and products and continuing large egg supplies resulted in a contraseasonal decrease in prices. Cocoa prices declined considerably further. Prices of industrial materials, on the other hand, strengthened further. Steel scrap and nonferrous metal prices continued to rise, and cotton and synthetic

textiles and rubber increased. Prices of television receivers were advanced.

Consumer prices declined slightly in August, owing chiefly to decreases in foods—meats, fresh fruits, and vegetables; since mid-August foods have declined somewhat further.

DISTRIBUTION

Seasonally adjusted retail sales in September remained at the August level and slightly above a year ago. Sales of new autos were maintained well above output in the current changeover period, and dealers' stocks were reduced further. Sales at department stores were slightly above a year ago. Stocks at department stores were unchanged in August after seasonal allowance, continuing 5 per cent below a year ago.

BANK CREDIT AND RESERVES

Bank holdings of U. S. Government securities increased substantially in early October reflecting mainly purchases of new intermediate-term notes offered by the Treasury. Business loans at city banks increased during September and early October as seasonal borrowing by food processors, commodity dealers, and trade concerns more than offset loan repayments by metal manufacturers and sales finance companies. Real estate loans continued to rise.

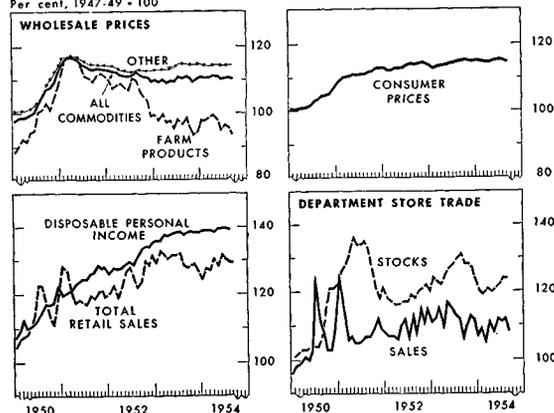
Interest rates charged on short-term business loans by commercial banks in 19 cities averaged 3.56 per cent in the first half of September, as compared with 3.60 per cent in June and 3.72 per cent in March.

Free reserves of member banks averaged close to 800 million dollars in late September and early October. The Federal Reserve System made large purchases of Treasury bills during this period to supply reserves needed primarily because of a sharp increase in required reserves after payment was made for the new Treasury note.

SECURITY MARKETS

During September and early October, yields on most Government securities advanced slightly. On October 4 the Treasury received payment for 4.2 billion dollars of 1½ per cent notes maturing in May 1957. Corporate bond yields were stable while yields on high-grade municipals rose in the first half of September and then leveled off. Common stock prices advanced further.

PRICES AND TRADE
Per cent, 1947-49 = 100



Seasonally adjusted, except for price indexes. Prices, Bureau of Labor Statistics; disposable personal income and total retail sales, based on Department of Commerce data; department store trade, Federal Reserve. "Other" wholesale prices exclude processed foods, included in total but not shown separately. Monthly figures, latest shown: August for income and department store stocks; September for other series. September consumer prices estimated by Federal Reserve.

FINANCIAL, INDUSTRIAL, AND COMMERCIAL STATISTICS UNITED STATES

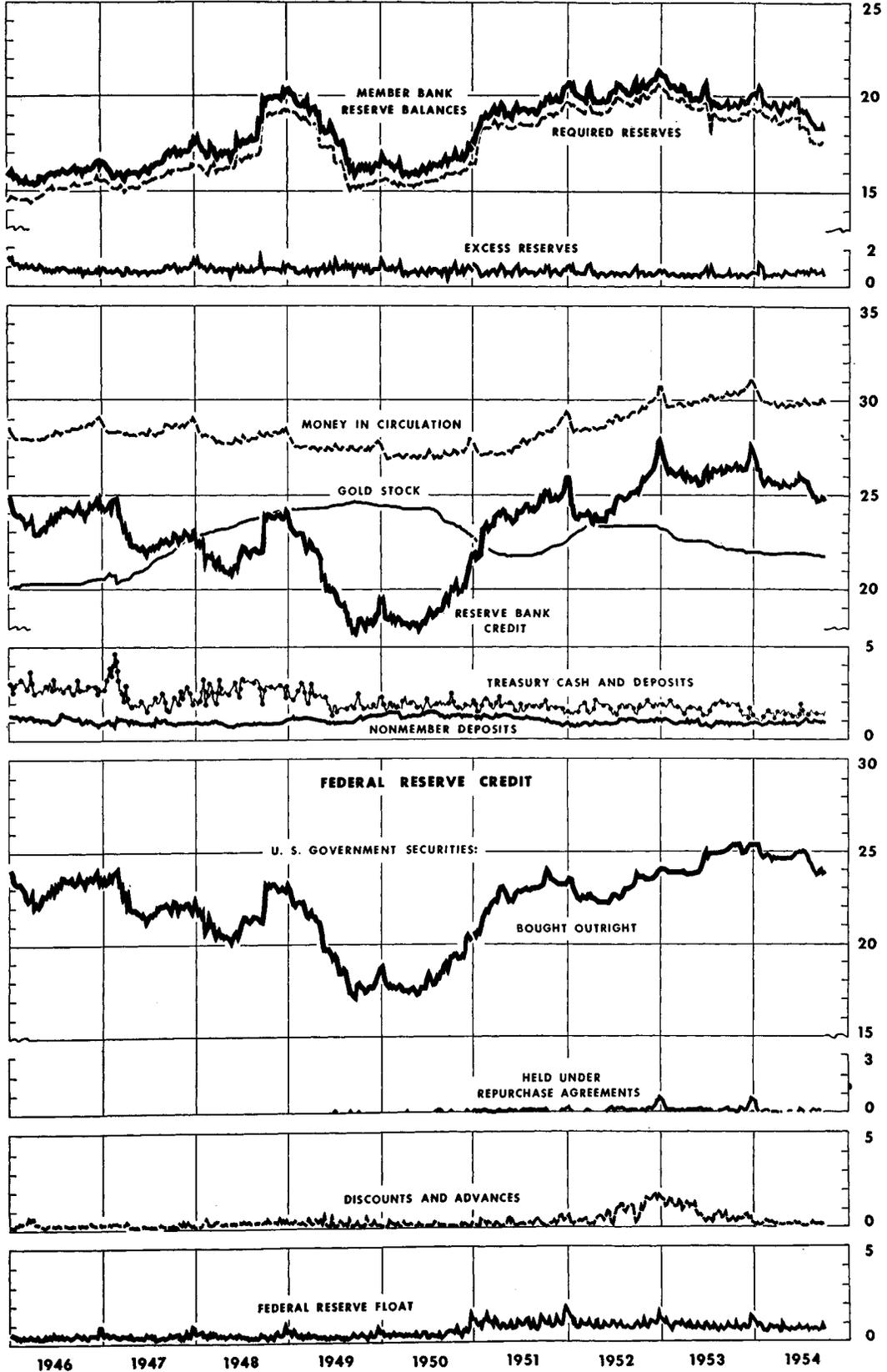
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Tables on the following pages include the principal statistics of current significance relating to financial and business developments in the United States. The data relating to Federal Reserve Banks, member banks of the Federal Reserve System, and department store trade, and the consumer credit estimates 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 from statements of the Treasury; the remaining financial data and other series on business activity are obtained largely from other sources. Back figures through 1941 for banking and monetary tables, together with descriptive text, may be obtained from the Board's publication, *Banking and Monetary Statistics*; back figures for many other tables may be obtained from earlier BULLETINS.

MEMBER BANK RESERVES, RESERVE BANK CREDIT, AND RELATED ITEMS

Wednesday Figures, 1946-1950, Weekly Averages of Daily Figures, 1951.

Billions of Dollars



Latest averages shown are for week ending Sept. 29. See p. 1062.

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 Sept. 30	In effect beginning—	Previous rate
	Rate on Sept. 30	In effect beginning—	Previous rate	Rate on Sept. 30	In effect beginning—	Previous rate			
Boston.....	1½	Apr. 27, 1954	1¾	2	Apr. 27, 1954	2¾	2¾	Feb. 5, 1954	3
New York.....	1½	Apr. 16, 1954	1¾	2	Apr. 16, 1954	2¾	3	Jan. 16, 1953	2½
Philadelphia.....	1½	May 21, 1954	1¾	2	May 21, 1954	2¾	2¾	Jan. 16, 1953	2½
Cleveland.....	1½	Apr. 23, 1954	1¾	2	Apr. 23, 1954	2¾	3	Aug. 17, 1953	2¾
Richmond.....	1½	May 15, 1954	1¾	2	May 15, 1954	2¾	3	Jan. 23, 1953	2½
Atlanta.....	1½	May 15, 1954	1¾	2	May 15, 1954	2¾	3½	Feb. 9, 1954	3½
Chicago.....	1½	Apr. 14, 1954	1¾	2	Sept. 13, 1954	2¾	2¾	Aug. 13, 1948	2½
St. Louis.....	1½	Apr. 23, 1954	1¾	2	Apr. 23, 1954	2¾	3	May 18, 1953	2½
Minneapolis.....	1½	Apr. 29, 1954	1¾	2	Apr. 29, 1954	2¾	3	Jan. 26, 1953	2¾
Kansas City.....	1½	Apr. 23, 1954	1¾	2½	Feb. 12, 1954	2¾	2¾	Jan. 16, 1953	2½
Dallas.....	1½	Apr. 23, 1954	1¾	2	Apr. 23, 1954	2¾	3	Jan. 23, 1953	2½
San Francisco.....	1½	Apr. 16, 1954	1¾	2	Apr. 16, 1954	2¾	3	Jan. 20, 1953	2½

¹Rates shown also apply to advances secured by obligations of Federal intermediate credit banks maturing within 6 months.

NOTE.—*Maximum maturities.* Discounts for and advances to member banks: 90 days for discounts and advances 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 advances secured by obligations of Federal intermediate credit banks maturing within 6 months are limited to maximum maturities of 15 days; 4 months for advances under Section 10(b). Advances to individuals, partnerships, or corporations under the last paragraph of Section 13: 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 Sept. 30	In effect beginning—	Previous rate
1-90 days.....	1½	Apr. 16, 1954	1¾
91-120 days.....	1½	Apr. 16, 1954	1½
121-180 days.....	1¾	Apr. 16, 1954	2

NOTE.—Effective minimum buying rates on prime bankers' acceptances payable in dollars. *Back figures.*—See *Banking and Monetary Statistics*, Table 117, pp. 443-445.

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

Maturities not exceeding five years
[In effect September 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.....	3-5½	½-1½	(?)	(?)	½-1½
New York.....	3-5½	½-1½	(?)	(?)	½-1½
Philadelphia.....	2½-5	½-1¼	(?)	(?)	½-1¼
Cleveland.....	2½-5	½-1¼	(?)	(?)	½-1¼
Richmond.....	2½-5	½-1¼	(?)	(?)	½-1¼
Atlanta.....	2½-5	½-1¼	(?)	(?)	½-1¼
Chicago.....	2½-5	½-1¼	2½-5	2½-5	½-1¼
St. Louis.....	3-5	½-1¼	1¾-2¼	(?)	½-1¼
Minneapolis.....	3-5½	½-1½	(?)	(?)	½-1½
Kansas City.....	2¾-5	½-1¼	(?)	(?)	½-1¼
Dallas.....	3-5½	½-1½	(?)	(?)	½-1½
San Francisco.....	3-5½	½-1½	(?)	(?)	½-1½

¹Including loans made in participation with financing institutions.

²Rate charged borrower less commitment rate.

³Rate charged borrower. ⁴Rate charged borrower but not to exceed 1 per cent above the discount rate.

⁵Charge of ½ per cent per annum is made on undisbursed portion of loan.

⁶Charge of ¼ per cent per annum is made on undisbursed portion of loan.

Back figures.—See *Banking and Monetary Statistics*, Table 118, pp. 446-447.

MEMBER BANK RESERVE REQUIREMENTS
[Per cent of deposits]

Effective date of change	Net demand deposits ¹			Time deposits (all member banks)
	Central reserve city banks	Reserve city banks	Country banks	
1917—June 21.....	13	10	7	3
1936—Aug. 16.....	19½	15	10½	4½
1937—Mar. 1.....	22¾	17½	12¾	5½
May 1.....	26	20	14	6
1938—Apr. 16.....	22¾	17½	12	5
1941—Nov. 1.....	26	20	14	6
1942—Aug. 20.....	24			
Sept. 14.....	22			
Oct. 3.....	20			
1948—Feb. 27.....	22			
June 11.....	24			
Sept. 16.....			16	27½
Sept. 24.....	26	22		37½
1949—May 1.....			15	37
May 5.....	24	21		37
June 30.....		20		36
July 1.....			14	26
Aug. 1.....			13	
Aug. 11.....	23½	19½		35
Aug. 16.....			12	25
Aug. 18.....	23	19		
Aug. 25.....	22½	18½		
Sept. 1.....	22	18		
1951—Jan. 11.....	23	19		36
Jan. 16.....			13	26
Jan. 25.....	24	20		
Feb. 1.....			14	
1953—July 1.....			13	
July 9.....	22	19		
1954—June 16.....				25
June 24.....	21			35
July 29.....	20	18		
Aug. 1.....			12	
In effect Oct. 1, 1954 ⁴	20	18		5

¹Demand deposits subject to reserve requirements, which beginning Aug. 23, 1935, have been total demand deposits minus cash items in process of collection and demand balances due from domestic banks (also minus war loan and series E bond accounts during the period Apr. 13, 1943-June 30, 1947).

²Requirement became effective at country banks.

³Requirement became effective at central reserve and reserve city banks.

⁴Present legal minimum and maximum requirements on net demand deposits—central reserve cities, 13 and 26 per cent; reserve cities, 10 and 20 per cent; country, 7 and 14 per cent, respectively; on time deposits at all member banks, 3 and 6 per cent, respectively.

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 ¹	Month, or week ending Wednesday	All member banks ¹	Central reserve city banks		Re-reserve city banks	Country banks ¹
		New York	Chi-cago					New York	Chi-cago		
Total reserves held:						Excess reserves:					
1953—June	20,287	5,155	1,320	7,933	5,878	1953—June	787	128	4	164	491
July	19,653	4,838	1,292	7,808	5,713	July	784	53	5	130	597
August	19,526	4,713	1,293	7,805	5,714	August	643	6	1	99	537
1954—June	19,670	4,812	1,251	7,839	5,767	1954—June	858	63	11	153	630
July	19,164	4,508	1,198	7,780	5,678	July	836	40	11	166	619
August	18,478	4,311	1,171	7,502	5,493	August	839	-9		112	736
Aug. 18	18,525	4,337	1,182	7,511	5,495	Aug. 18	865	22	7	91	745
Aug. 25	18,353	4,280	1,166	7,489	5,413	Aug. 25	725	-5	-4	82	652
Sept. 1	18,347	4,309	1,171	7,488	5,379	Sept. 1	745	25	4	99	617
Sept. 8	18,337	4,228	1,160	7,492	5,456	Sept. 8	780	-11	1	128	662
Sept. 15	18,373	4,282	1,144	7,493	5,454	Sept. 15	779	21	-3	100	661
Sept. 22	18,595	4,296	1,153	7,560	5,586	Sept. 22	9936	29	6	123	9778
Sept. 29	18,250	4,273	1,139	7,492	5,346	Sept. 29	9620	-11	-9	78	9562
Required reserves:²						Borrowings at Federal Reserve Banks:					
1953—June	19,499	5,028	1,316	7,769	5,387	1953—June	423	11	22	195	195
July	18,868	4,786	1,288	7,678	5,117	July	418	12	40	245	121
August	18,882	4,706	1,292	7,706	5,177	August	650	53	79	365	154
1954—June	18,813	4,749	1,240	7,686	5,138	1954—June	146	14	4	61	67
July	18,329	4,468	1,187	7,614	5,058	July	66		1	26	38
August	17,638	4,320	1,172	7,390	4,757	August	115	30	11	37	37
Aug. 18	17,662	4,316	1,175	7,421	4,750	Aug. 18	139	20	22	58	39
Aug. 25	17,627	4,285	1,169	7,407	4,766	Aug. 25	88	23	2	32	31
Sept. 1	17,603	4,284	1,168	7,389	4,762	Sept. 1	95	10	9	38	38
Sept. 8	17,556	4,239	1,159	7,364	4,794	Sept. 8	57		2	21	34
Sept. 15	17,594	4,261	1,147	7,393	4,793	Sept. 15	84		20	29	35
Sept. 22	17,659	4,267	1,147	7,437	4,808	Sept. 22	36		1	22	13
Sept. 29	17,631	4,285	1,148	7,414	4,784	Sept. 29	78		8	38	32

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.

³ See table on preceding page for changes in reserve requirements.
 Back figures.—See *Banking and Monetary Statistics*, pp. 396-399.

DEPOSITS, RESERVES, AND BORROWINGS OF MEMBER BANKS

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

Item	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											
						August 1954					August 1953								
Gross demand deposits:																			
Total	108,962	22,811	6,129	42,413	37,609	107,291	22,583	6,145	41,674	36,889									
Interbank	13,082	3,999	1,341	6,481	1,262	11,806	3,747	1,238	5,782	1,039									
Other	95,880	18,812	4,788	35,932	36,347	95,485	18,836	4,906	35,892	35,850									
Net demand deposits ²	94,891	20,685	5,538	36,806	31,861	94,241	20,734	5,547	36,170	31,790									
Time deposits	38,906	3,660	1,282	15,297	18,667	34,926	2,416	1,198	13,901	17,411									
Demand balances due from domestic banks...	6,789	41	121	2,028	4,600	6,013	37	119	1,871	3,987									
Reserves with Federal Reserve Banks:																			
Total	18,478	4,311	1,171	7,502	5,493	19,526	4,713	1,293	7,805	5,714									
Required ³	17,638	4,320	1,172	7,390	4,757	18,882	4,706	1,292	7,706	5,177									
Excess	839	-9		112	736	643	6	1	99	537									
Borrowings at Federal Reserve Banks	115	30	11	37	37	650	53	79	365	154									

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 See table on preceding page for changes in reserve requirements.

STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON SEPTEMBER 30, 1954

[In thousands of dollars]

Item	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Assets													
Gold certificates	20,287,101	1,063,858	5,477,248	1,184,304	1,716,207	1,106,665	925,891	3,615,504	810,279	422,950	866,161	808,753	2,289,281
Redemption fund for F. R. notes	842,262	50,523	167,297	54,590	76,395	70,580	54,765	145,354	47,594	24,799	40,081	29,094	81,190
Total gold certificate reserves	21,129,363	1,114,381	5,644,545	1,238,894	1,792,602	1,177,245	980,656	3,760,858	857,873	447,749	906,242	837,847	2,370,471
F. R. notes of other Banks	132,036	9,639	26,736	9,129	7,085	10,716	15,484	14,633	6,469	8,359	5,753	5,745	12,288
Other cash	351,911	24,026	64,764	20,473	39,167	17,160	31,798	60,784	18,652	9,275	12,376	13,969	39,467
Discounts and advances:													
Secured by:													
U. S. Govt. securities	26,676	950	2,345	750	1,940	4,189	100	9,050	1,910	200	4,802	144	296
Other	105,698	6,464	30,450	7,770	9,660	5,355	4,515	14,595	3,990	2,625	3,990	5,574	10,710
Industrial loans	978			895						83			
U. S. Government securities:													
Bought outright	24,270,612	1,339,204	6,199,491	1,477,061	2,080,161	1,429,491	1,236,127	4,242,940	1,015,604	596,013	1,047,131	953,689	2,653,700
Held under repurchase agreement													
Total loans and securities	24,403,964	1,346,618	6,232,286	1,486,476	2,091,761	1,439,035	1,240,742	4,266,585	1,021,504	598,921	1,055,923	959,407	2,664,706
Due from foreign banks	22	1	16	2	2	1	1	3	1	1	1	1	2
Uncollected cash items	3,547,358	243,119	692,817	219,531	342,775	300,913	237,016	577,263	152,606	110,839	191,525	170,106	308,848
Bank premises	53,506	5,929	7,255	5,168	5,036	4,549	3,920	6,330	2,849	1,019	2,458	559	8,434
Other assets	159,404	8,705	39,629	9,323	13,946	9,296	8,595	27,726	6,849	3,848	7,128	7,254	17,105
Total assets	49,777,564	2,752,418	12,708,038	2,988,996	4,292,374	2,958,915	2,518,212	8,714,182	2,066,803	1,180,011	2,181,406	1,994,888	5,421,321
Liabilities													
F. R. notes	25,601,422	1,564,243	5,746,734	1,780,319	2,367,970	1,794,028	1,365,481	4,952,850	1,141,914	586,319	1,005,183	732,894	2,563,487
Deposits:													
Member bk.—reserve accts.	18,676,139	830,563	5,569,359	853,263	1,422,467	784,707	836,923	2,979,017	679,474	436,272	923,278	992,586	2,368,230
U. S. Treas.—gen. acct.	704,485	41,127	129,968	55,610	79,915	45,392	46,525	107,651	52,733	21,873	36,345	39,923	47,423
Foreign	461,465	27,511	214,126	33,374	41,492	23,001	19,393	62,689	17,138	11,275	17,138	21,197	46,021
Other	421,781	4,617	343,326	10,769	10,479	2,757	1,158	4,795	7,719	1,210	2,990	782	31,179
Total deposits	20,263,870	903,818	6,183,889	953,016	1,554,353	855,857	903,999	3,154,152	757,064	470,630	979,751	1,054,488	2,492,853
Deferred availability cash items	2,768,038	214,759	457,193	172,155	265,380	248,192	196,593	444,471	122,164	92,852	151,315	154,781	248,183
Other liabilities and accrued dividends	17,376	787	5,296	989	1,942	748	816	2,809	640	563	635	598	1,553
Total liabilities	48,650,706	2,683,607	12,393,112	2,906,479	4,189,645	2,898,825	2,466,889	8,554,282	2,021,782	1,150,364	2,136,884	1,942,761	5,306,076
Capital Accounts													
Capital paid in	275,870	14,789	83,595	18,712	26,738	12,471	11,954	36,501	9,570	6,140	10,596	13,981	30,823
Surplus (Sec. 7)	625,013	38,779	176,633	45,909	57,648	31,750	28,034	90,792	25,465	16,219	23,456	28,146	62,182
Surplus (Sec. 13b)	27,543	3,011	7,319	4,489	1,006	3,349	762	1,429	521	1,073	1,137	1,307	2,140
Other capital accounts	198,432	12,232	47,379	13,407	17,337	12,520	10,573	31,178	9,465	6,215	9,333	8,693	20,100
Total liabilities and capital accounts	49,777,564	2,752,418	12,708,038	2,988,996	4,292,374	2,958,915	2,518,212	8,714,182	2,066,803	1,180,011	2,181,406	1,994,888	5,421,321
Reserve ratio	46.1%	45.2%	47.3%	45.3%	45.7%	44.4%	43.2%	46.4%	45.2%	42.4%	45.7%	46.9%	46.9%
Contingent liability on acceptances purchased for foreign correspondents	6,453	384	31,980	466	580	321	271	876	239	158	239	296	643
Industrial loan commitments	1,943			480	598	39	110	19			697		

¹After deducting \$16,000 participations of other Federal Reserve Banks.
²After deducting \$320,210,000 participations of other Federal Reserve Banks.
³After deducting \$4,473,000 participations of other Federal Reserve Banks.

FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENTS' ACCOUNTS
FEDERAL RESERVE BANKS COMBINED

[In thousands of dollars]

Item	Wednesday figures					End of month		
	1954					1954		1953
	Sept. 29	Sept. 22	Sept. 15	Sept. 8	Sept. 1	Sept.	Aug.	Sept.
F. R. notes outstanding (issued to Bank)	26,557,599	26,565,598	26,645,867	26,563,726	26,517,599	26,539,310	26,533,486	27,107,943
Collateral held against notes outstanding:								
Gold certificates	11,093,000	11,093,000	11,093,000	11,093,000	11,093,000	11,093,000	11,093,000	11,463,000
Eligible paper	55,846	33,430	37,260	29,570	38,581	13,156	49,565	191,182
U. S. Government securities	16,865,000	16,865,000	16,865,000	16,865,000	16,865,000	16,865,000	16,865,000	16,620,000
Total collateral	28,013,846	26,991,430	27,995,260	27,987,570	27,996,581	27,971,156	28,007,565	28,274,182

EACH FEDERAL RESERVE BANK ON SEPTEMBER 30, 1954

[In thousands of dollars]

Item	Total	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minne- apolis	Kansas City	Dallas	San Francisco
F. R. notes out- standing (issued to Bank)	26,539,310	1,627,801	5,917,492	1,864,174	2,480,738	1,845,293	1,410,872	5,058,364	1,198,302	624,384	1,030,010	771,080	2,710,800
Collateral held:													
Gold certificates	11,093,000	640,000	2,670,000	800,000	1,000,000	625,000	485,000	2,400,000	355,000	175,000	280,000	283,000	1,380,000
Eligible paper	13,156	1,009	750	750	750	4,189	750	750	1,910	200	4,802	750	296
U. S. Govt. sec- urities	16,865,000	1,200,000	3,600,000	1,200,000	1,500,000	1,300,000	1,000,000	2,700,000	920,000	500,000	800,000	525,000	1,620,000
Total collateral	27,971,156	1,841,009	6,270,000	2,000,750	2,500,000	1,929,189	1,485,000	5,100,000	1,276,910	675,200	1,084,802	808,000	3,000,296

INDUSTRIAL LOANS BY FEDERAL RESERVE BANKS

[Amounts in thousands of dollars]

End of year or month	Applications approved to date		Ap- proved but not com- pleted ¹ (amount)	Loans out- standing ² (amount)	Com- mit- ments out- standing (amount)	Partici- pations of financ- ing insti- tutions out- standing ³ (amount)
	Num- ber	Amount				
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	3,698	651,389	4,819	2,632	3,754	3,745
1951	3,736	710,931	3,513	4,687	6,036	11,985
1952	3,753	766,492	1,638	3,921	3,210	3,289
1953						
August	3,760	793,196	1,492	2,801	3,355	2,955
September	3,760	795,496	997	2,993	3,341	3,134
October	3,762	797,656	1,242	2,685	3,381	2,970
November	3,764	800,420	1,682	2,546	3,097	3,640
December	3,765	803,429	1,951	1,900	3,569	3,469
1954						
January	3,765	805,115	1,234	1,885	3,532	3,414
February	3,765	806,648	1,345	1,792	3,145	3,344
March	3,766	808,505	1,720	1,487	2,957	2,666
April	3,767	810,051	405	1,302	2,891	2,412
May	3,767	810,779	45	1,298	2,373	1,869
June	3,768	812,433	195	1,247	2,395	1,855
July	3,768	813,465	45	1,130	2,354	1,812
August	3,768	814,765	45	630	2,794	1,773

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

²Includes 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.

³Not covered by Federal Reserve Bank commitment to purchase or discount.

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.

LOANS GUARANTEED THROUGH FEDERAL RESERVE BANKS UNDER REGULATION V, PURSUANT TO DEFENSE PRODUCTION ACT OF 1950

[Amounts in thousands of dollars]

End of year or month	Guaranteed loans authorized to date		Guaranteed loans outstanding		Additional amount available to borrowers under guar- antee agree- ments outstanding
	Num- ber	Amount	Total amount	Portion guaran- teed	
1950	62	31,326	8,017	6,265	8,299
1951	854	1,395,444	675,459	546,597	472,827
1952	1,159	2,124,123	979,428	803,132	586,303
1953					
August	1,259	2,301,987	868,274	716,618	444,265
September	1,269	2,310,182	860,874	709,488	438,091
October	1,279	2,320,187	842,529	695,550	416,690
November	1,284	2,324,612	837,238	691,727	375,977
December	1,294	2,358,387	804,686	666,205	363,667
1954					
January	1,304	2,377,628	788,320	652,706	347,969
February	1,310	2,380,186	772,647	640,121	355,056
March	1,316	2,399,321	737,605	612,265	321,619
April	1,322	2,406,651	684,631	569,551	347,823
May	1,324	2,408,226	664,122	552,738	330,408
June	1,331	2,420,326	640,636	534,695	299,465
July	1,342	2,443,021	604,750	502,902	311,191
August	1,350	2,457,689	559,859	466,089	300,676

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.

**FEES AND RATES ESTABLISHED UNDER REGULATION V
ON LOANS GUARANTEED PURSUANT TO DEFENSE
PRODUCTION ACT OF 1950**

[In effect September 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 Institution May Charge Borrower
[Per cent per annum]

Interest rate	5
Commitment rate	1/2

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
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—December	2,924	3,045	11	2,868	166
1951—December	2,705	2,835	28	2,644	162
1952—December	2,547	2,736	33	2,551	151
1953—May	2,477	2,665	33	2,488	144
June	2,457	2,653	33	2,477	143
July	2,438	2,648	33	2,469	146
August	2,419	2,635	33	2,452	151
September	2,401	2,618	33	2,435	150
October	2,387	2,596	33	2,428	135
November	2,373	2,577	31	2,407	139
December	2,359	2,558	31	2,389	138
1954—January	2,343	2,540	31	2,373	136
February	2,326	2,505	31	2,336	139
March	2,309	2,470	31	2,299	140
April	2,290	2,434	31	2,278	125
May	2,271	2,416	31	2,256	130
June	2,251				
July	2,229				
August	2,208				

^p Preliminary.

¹ Outstanding principal, represented by certificates of deposit.

² Includes reserve and miscellaneous working funds with Treasurer of United States, working cash with postmasters, accrued interest on bond investments, and miscellaneous receivables.

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 demand deposit accounts, except interbank and U. S. Government accounts				Annual rate of turnover of demand deposits except interbank and U. S. Government deposits					
					Without seasonal adjustment			Seasonally adjusted ²		
	Total, all reporting centers	New York City	6 other centers ¹	338 other reporting centers	New York City	6 other centers ¹	338 other reporting centers	New York City	6 other centers ¹	338 other reporting centers
1943	757,356	281,080	175,499	300,777	20.4	18.0	15.3			
1944	848,561	327,490	194,751	326,320	22.3	18.3	14.6			
1945	924,464	382,760	200,202	341,502	24.1	17.5	13.5			
1946	1,017,084	406,790	218,477	391,817	25.1	18.3	14.1			
1947	1,103,720	398,464	246,739	458,517	23.8	19.7	15.5			
1948	1,227,476	443,216	270,912	513,348	26.9	21.6	16.6			
1949	1,206,293	446,224	260,897	499,172	27.9	20.9	15.9			
1950	1,380,112	509,340	298,564	572,208	31.1	22.6	17.2			
1951	1,542,554	544,367	336,885	661,302	31.9	24.0	18.4			
1952	1,642,853	597,815	349,904	695,133	34.4	24.1	18.4			
1953	1,759,069	632,801	385,831	740,436	36.7	25.6	18.9			
1953—July	147,957	51,799	32,683	63,476	36.0	25.7	19.2	36.9	26.2	19.5
August	134,386	45,516	29,958	58,913	32.2	23.6	17.8	37.2	25.8	18.9
September	147,699	54,888	31,422	61,390	40.2	25.9	19.3	39.2	26.2	19.0
October	149,606	54,152	31,778	63,676	35.8	23.9	18.4	36.9	24.6	18.4
November	140,992	50,470	30,477	60,046	38.4	26.4	20.2	38.8	26.0	19.1
December	168,596	65,367	35,557	67,672	43.1	26.8	19.7	38.1	25.6	18.7
1954—January	154,287	62,306	30,806	61,176	42.7	24.1	18.6	42.5	24.6	18.4
February	141,931	56,115	29,341	56,475	42.7	25.5	19.2	43.8	26.2	19.3
March	171,357	67,913	36,666	66,779	44.6	29.2	19.7	43.5	26.7	19.8
April	154,763	60,479	33,152	61,132	41.3	27.6	18.8	41.9	26.8	19.4
May	149,814	59,535	31,159	59,120	41.9	25.5	18.8	43.0	25.9	19.2
June	163,512	64,965	33,785	64,761	44.2	26.8	19.7	40.9	26.3	19.7
July	154,856	61,155	31,556	62,144	41.6	24.9	18.8	42.7	25.4	19.1
August	151,510	58,316	31,526	61,668	40.0	24.8	18.5	46.2	27.1	19.7
September	149,907	56,744	30,922	62,241	40.4	25.3	19.4	39.4	25.6	19.1

^r Revised.

^p Preliminary

¹ Boston, Philadelphia, Chicago, Detroit, San Francisco, and Los Angeles.

² These data are compiled by the Federal Reserve Bank of New York.

NOTE.—For description of earlier series, see *Banking and Monetary Statistics*, pp. 230-233; for description of revision in 1942 see BULLETIN for August 1943, p. 717; and for description of revision in 1953 covering the period beginning 1943, see BULLETIN for April 1953, pp. 355-357.

UNITED STATES MONEY IN CIRCULATION BY DENOMINATIONS

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

End of year or month	Total in circulation ¹	Coin and small denomination currency ²							Large denomination currency ²						Unassorted	
		Total	Coin	\$1	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000	\$5,000		\$10,000
1939	7,598	5,553	590	559	36	1,019	1,772	1,576	2,048	460	919	191	425	20	32	2
1940	8,732	6,247	648	610	39	1,129	2,021	1,800	2,489	538	1,112	227	523	30	60	4
1941	11,160	8,120	751	695	44	1,355	2,731	2,545	3,044	724	1,433	261	556	24	46	4
1942	15,410	11,576	880	801	55	1,693	4,051	4,096	3,837	1,019	1,910	287	586	9	25	3
1943	20,449	14,871	1,019	909	70	1,973	5,194	5,705	5,580	1,481	2,912	407	749	9	22	2
1944	25,307	17,580	1,156	987	81	2,150	5,983	7,224	7,730	1,996	4,153	555	990	10	24	3
1945	28,515	20,683	1,274	1,039	73	2,313	6,782	9,201	7,834	2,327	4,220	454	801	7	24	2
1946	28,952	20,437	1,361	1,029	67	2,173	6,497	9,310	8,513	2,492	4,771	438	783	8	26	3
1947	28,868	20,020	1,404	1,048	65	2,110	6,275	9,119	8,850	2,548	5,070	428	782	5	17	3
1948	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	5,998	8,512	8,578	2,435	5,056	382	689	4	11	3
1950	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	29,206	20,530	1,654	1,182	67	2,120	6,329	9,177	8,678	2,544	5,207	355	556	4	12	2
1952	30,433	21,450	1,750	1,228	71	2,143	6,561	9,696	8,985	2,669	5,447	343	512	4	10	2
1953—August	30,248	21,331	1,778	1,182	70	2,061	6,531	9,709	8,918	2,655	5,423	334	494	4	8	2
September	30,275	21,321	1,792	1,207	69	2,060	6,499	9,694	8,956	2,659	5,458	334	493	4	8	2
October	30,398	21,414	1,802	1,214	70	2,071	6,524	9,734	8,986	2,665	5,488	333	489	4	8	2
November	30,807	21,771	1,816	1,232	71	2,123	6,659	9,871	9,038	2,689	5,519	332	487	4	8	2
December	30,781	21,636	1,812	1,249	72	2,119	6,565	9,819	9,146	2,732	5,581	333	486	4	11	2
1954—January	29,981	20,939	1,775	1,180	70	2,031	6,351	9,531	9,045	2,693	5,526	331	484	4	8	2
February	29,904	20,908	1,770	1,170	70	2,021	6,365	9,512	8,999	2,674	5,502	330	482	4	8	2
March	29,707	20,757	1,776	1,166	70	2,010	6,304	9,431	8,952	2,654	5,473	328	481	4	12	1
April	29,735	20,799	1,783	1,173	70	2,006	6,325	9,443	8,936	2,651	5,470	327	478	4	8	1
May	29,870	20,946	1,787	1,182	69	2,036	6,375	9,496	8,926	2,651	5,463	325	475	4	8	1
June	29,922	20,999	1,795	1,183	71	2,023	6,377	9,551	8,924	2,659	5,457	324	473	4	8	1
July	29,892	20,984	1,793	1,174	70	2,016	6,366	9,564	8,910	2,654	5,451	322	471	4	8	1
August	29,929	21,015	1,801	1,183	70	2,023	6,361	9,578	8,916	2,653	5,461	321	469	4	8	1

¹Total of amounts of coin and paper currency shown by denominations less unassorted currency in Treasury and Federal Reserve Banks.

²Includes unassorted currency held in Treasury and Federal Reserve Banks and currency of unknown denominations reported by the Treasury as destroyed.

³Paper 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, Aug. 31, 1954	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		Aug. 31, 1954	July 31, 1954	Aug. 31, 1953
Gold	21,809	21,153	2,657					
Gold certificates	21,153			18,302	2,816	35	35	36
Federal Reserve notes	26,533		55		1,088	25,390	25,377	25,738
Treasury currency—total	4,966	3,298	99		362	4,504	4,479	4,474
Standard silver dollars	491	237	36		4	214	213	205
Silver bullion	2,162	2,162						
Silver certificates and Treasury notes of 1890	3,308				260	2,138	2,123	2,108
Subsidiary silver coin	1,280		55		60	1,165	1,161	1,156
Minor coin	438		5		11	421	419	416
United States notes	347		2		25	319	316	319
Federal Reserve Bank notes	179		(³)		2	177	179	197
National Bank notes	70		(³)		(³)	69	70	73
Total—Aug. 31, 1954	(⁴)	23,551	811	18,302	4,266	29,929		
July 31, 1954	(⁴)	23,666	798	18,404	4,341		29,892	
Aug. 31, 1953	(⁴)	23,408	1,269	18,177	4,274			30,248

¹Outside 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. 1061.

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

³To 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.

⁴Because 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. ⁵Less 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. Each Federal Reserve Bank must maintain a reserve in gold certificates of at least 25 per cent against its Federal Reserve notes in actual circulation. Gold certificates deposited with Federal Reserve agents as collateral, and those deposited with the Treasurer of the United States as a redemption fund, are counted as reserve. "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.

WEEKLY REPORTING MEMBER BANKS—NEW YORK CITY AND OUTSIDE

LOANS AND INVESTMENTS

[Monthly data are averages of Wednesday figures. In millions of dollars]

Table with columns: Date or month, Total loans and investments, Loans (Commercial, industrial, and agricultural, For purchasing or carrying securities, Real estate loans, Loans to banks, Other loans, Total), Investments (U. S. Government obligations, Total, Bills, Certificates of indebtedness, Notes, Bonds, Other securities). Rows include Total-Leading Cities, New York City, and Outside New York City, with monthly data for 1953 and 1954.

1 Figures for various loan items are shown gross (i. e., before deduction of valuation reserves); they do not add to the total, which is shown net.

*Includes guaranteed obligations.

For other footnotes see opposite page.

**CHANGES IN COMMERCIAL AND INDUSTRIAL LOANS OF A SAMPLE OF WEEKLY REPORTING MEMBER BANKS
BY INDUSTRY ¹**

[Net declines, (-). In millions of dollars]

Period ²	Business of borrower											Comm'l. ind'l. and agr'l. change—total ³	
	Manufacturing and mining					Trade (wholesale and retail)	Commodity dealers	Sales finance companies	Public utilities (incl. transportation)	Construction	All other types of business		Net changes classified
	Food, liquor, and tobacco	Textiles, apparel, and leather	Metals and metal products (incl. machinery and trans. equip.)	Petroleum, coal, chemical, and rubber	Other								
1951—April-June...	-243	116	275	48	60	62	-421	63	175	44	8	186	18
July-Dec....	932	-361	873	125	141	16	722	30	351	-98	37	2,769	2,372
1952—Jan.-June...	-868	-73	1,111	176	76	-105	-634	-217	-2	18	-28	-546	-637
July-Dec....	754	-40	.....	250	36	141	662	544	-57	13	191	2,494	2,435
1953—Jan.-June...	-621	151	446	-10	95	208	-632	-90	84	18	-8	-360	-593
July-Dec....	501	-101	-351	102	-54	1	380	-138	18	-23	98	433	583
1954—Jan.-June...	-505	55	-577	-10	-1	-41	-363	-175	126	71	106	-1,314	-1,496
Monthly:													
1954—July.....	5	36	-133	-64	-13	-27	66	-14	-88	16	-29	-245	-360
August.....	-24	40	-99	2	2	9	45	-44	-16	19	3	-64	-751
September....	164	20	-174	24	9	63	124	-84	.....	2	81	229	242
Week ending:													
1954—July 7....	-3	8	-33	-27	.....	4	17	8	-48	.....	-28	-102	-156
July 14....	-28	13	-14	3	-3	1	18	-25	-16	11	4	-39	-81
July 21....	15	8	-44	-12	-4	-18	14	-8	-7	.....	-11	-68	-89
July 28....	21	7	-42	-28	-5	-13	18	11	-17	5	6	-36	-34
Aug. 4....	16	5	-22	8	.....	7	7	-21	-7	8	-20	-25	-754
Aug. 11....	-7	15	-25	9	4	10	10	-13	-4	3	15	31	59
Aug. 18....	-31	15	-45	-18	2	.....	23	-3	-16	3	-2	-71	-70
Aug. 25....	-17	4	-8	2	-4	-1	6	-7	10	5	11	2	14
Sept. 1....	24	6	-50	16	-1	-10	17	10	4	-3	21	34	25
Sept. 8....	6	6	-31	6	-6	25	15	-8	-2	1	2	13	31
Sept. 15....	65	10	-19	14	11	28	20	-8	11	6	41	180	194
Sept. 22....	24	-7	-28	-5	9	6	40	-44	-4	-4	5	-8	-18
Sept. 29....	45	5	-46	-6	-3	13	32	-35	-9	2	12	10	10

¹Sample includes about 220 weekly reporting member banks reporting changes in their larger loans; these banks hold over 90 per cent of total commercial and industrial loans of all weekly reporting member banks and nearly 70 per cent of those of all commercial banks.

²Figures for other than weekly periods are based on weekly changes during period.

³Net change at all banks in weekly reporting series, according to the old series in 1951 and the revised series thereafter. For description of revisions in the weekly reporting series see BULLETIN for April 1953, p. 357.

COMMERCIAL PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

[In millions of dollars]

End of month	Commercial paper outstanding ¹	Dollar acceptances outstanding										
		Total outstanding	Held by					Based on				
			Accepting banks			Federal Reserve Banks (for account of foreign correspondents)	Others	Imports into United States	Exports from United States	Dollar exchange	Goods stored in or shipped between points in	
			Total	Own bills	Bills bought						United States	Foreign countries
1948—December....	269	259	146	71	76	3	109	164	57	1	25	12
1949—December....	257	272	128	58	70	11	133	184	49	.....	30	9
1950—December....	333	394	192	114	78	21	180	245	87	2	28	32
1951—December....	434	490	197	119	79	21	272	235	133	23	55	44
1952—December....	539	492	183	126	57	20	289	232	125	39	64	32
1953—August.....	451	478	148	108	40	25	304	211	128	64	36	38
September.....	475	515	159	110	49	26	329	237	135	66	40	38
October.....	535	517	160	122	38	23	334	227	145	56	56	34
November.....	582	534	170	125	45	20	344	246	139	49	59	41
December.....	552	574	172	117	55	24	378	274	154	29	75	43
1954—January.....	620	586	195	144	51	17	373	266	157	45	73	46
February.....	701	545	185	149	36	10	350	238	151	44	71	41
March.....	720	580	198	149	50	13	369	247	139	47	107	39
April.....	672	623	228	165	63	17	379	270	142	38	127	46
May.....	618	616	227	171	56	14	374	277	143	36	115	45
June.....	656	589	220	164	56	14	355	246	143	60	96	43
July.....	749	589	205	164	41	9	376	225	136	92	91	46
August.....	794	563	198	155	43	5	360	205	134	75	101	47

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

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

STATISTICS ON SHORT- AND INTERMEDIATE-TERM CONSUMER CREDIT—Continued

INSTALMENT CREDIT EXTENDED AND REPAID

[Estimates, in millions of dollars]

Year or month	Total		Automobile paper		Other consumer goods paper		Repair and modernization loans		Personal loans	
	Extended	Repaid	Extended	Repaid	Extended	Repaid	Extended	Repaid	Extended	Repaid
1940.....	8,219	7,208	3,086	2,512	2,588	2,381	328	255	2,217	2,060
1941.....	9,425	8,854	3,823	3,436	2,929	2,827	312	307	2,361	2,284
1945.....	5,379	5,093	999	941	2,024	1,999	206	143	2,150	2,010
1946.....	8,495	6,785	1,969	1,443	3,077	2,603	423	200	3,026	2,539
1947.....	12,713	10,190	3,692	2,749	4,498	3,645	704	391	3,819	3,405
1948.....	15,540	13,267	5,280	4,150	5,280	4,581	702	577	4,278	3,959
1949.....	18,002	15,454	7,182	5,537	5,533	4,889	721	677	4,566	4,351
1950.....	21,256	18,282	8,928	7,285	6,458	5,607	826	707	5,044	4,683
1951.....	22,791	22,444	9,362	9,462	6,518	6,585	853	769	6,058	5,628
1952.....	28,397	24,550	12,306	10,449	7,959	6,901	1,243	927	6,889	6,273
1953.....	29,812	26,689	13,553	11,363	7,741	7,464	1,340	1,140	7,178	6,722
WITHOUT SEASONAL ADJUSTMENT										
1953—August.....	2,436	2,222	1,126	963	619	608	120	102	571	549
September.....	2,389	2,260	1,089	993	625	635	120	92	555	540
October.....	2,486	2,347	1,121	1,016	668	654	131	108	566	569
November.....	2,297	2,197	974	953	646	606	108	89	569	549
December.....	2,598	2,377	947	1,016	824	625	98	96	729	640
1954—January.....	1,869	2,232	750	955	517	627	67	86	535	564
February.....	1,864	2,157	776	945	470	588	81	98	537	526
March.....	2,285	2,536	985	1,100	540	697	94	110	666	629
April.....	2,315	2,306	998	1,000	594	626	98	98	625	582
May.....	2,299	2,276	1,005	965	580	626	113	102	601	583
June.....	2,603	2,413	1,202	1,060	624	632	101	103	676	618
July.....	2,472	2,348	1,136	1,013	591	631	103	100	642	604
August.....	2,424	2,360	1,092	1,037	594	619	107	104	631	600
SEASONALLY ADJUSTED*										
1953—August.....	2,358	2,273	1,044	967	621	643	108	100	585	563
September.....	2,409	2,252	1,102	962	600	633	112	94	595	563
October.....	2,393	2,249	1,117	963	589	633	111	100	576	553
November.....	2,441	2,294	1,080	1,006	631	619	106	92	624	577
December.....	2,331	2,283	1,035	1,015	593	604	102	94	601	570
1954—January.....	2,211	2,301	872	977	661	636	87	81	591	607
February.....	2,243	2,320	919	1,028	586	612	109	99	629	581
March.....	2,200	2,412	924	1,042	566	667	103	107	607	596
April.....	2,272	2,308	926	1,069	621	610	101	104	624	585
May.....	2,224	2,333	943	988	577	635	107	113	597	597
June.....	2,398	2,354	1,075	1,038	614	628	88	103	621	585
July.....	2,379	2,296	1,035	987	633	637	94	95	617	577
August.....	2,355	2,413	1,013	1,041	599	655	96	102	647	615

* Includes adjustment for differences in trading days.

NOTE.—Back figures by months beginning January 1940, together with a discussion of the composition and characteristics of the data and a description of the methods used to derive the estimates, are shown in the BULLETIN for January 1954, pp. 9-22. Estimates of instalment credit extended and repaid are based on information from accounting records of retail outlets and financial institutions and include finance, insurance, and other charges incurred under the instalment contract. Renewals and refinancing of loans, repurchases and resales of instalment paper, and certain other transactions may increase the amount of both credit extended and credit repaid without adding to the amount of credit outstanding.

FURNITURE STORE STATISTICS

Item	Percentage change from preceding month			Percentage change from corresponding month of preceding year		
	Aug. 1954	July 1954	June 1954	Aug. 1954	July 1954	June 1954
	Net sales:					
Total.....	+7	-3	+2	-6	-4	-8
Cash sales.....	+4	-2	0	-7	-7	-9
Credit sales:						
Instalment.....	+7	-3	+2	-6	-4	-9
Charge account.....	+14	-2	0	+2	+3	-5
Accounts receivable, end of month:						
Total.....	+2	0	0	-3	-4	-5
Instalment.....	0	0	0	-3	-4	-3
Charge accounts.....	+7	+1	-1	-2	-6	-10
Inventories, end of month, at retail value.	0	-3	-5	-9	-9	-9

RATIO OF COLLECTIONS TO ACCOUNTS RECEIVABLE ¹

Year or month	Instalment accounts			Charge accounts
	Department stores	Furniture stores	Household appliance stores	Department stores
1953				
August.....	14	12	10	45
September.....	14	12	10	46
October.....	14	12	10	48
November.....	14	11	9	47
December.....	14	11	9	46
1954				
January.....	13	12	9	45
February.....	14	11	9	43
March.....	15	13	10	48
April.....	14	12	9	45
May.....	14	12	10	46
June.....	14	12	10	47
July.....	14	12	10	45
August.....	13	12	10	45

¹ Collections during month as percentage of accounts outstanding at beginning of month.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS BY INDUSTRY DIVISION

[Compiled by Bureau of Labor Statistics. In thousands of persons]

Year or month	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Federal, State, and local government
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	43,438	15,290	943	1,982	4,122	9,196	1,641	4,807	5,456
1948	44,382	15,321	982	2,169	4,141	9,519	1,711	4,925	5,614
1949	43,295	14,178	918	2,165	3,949	9,513	1,736	5,000	5,837
1950	44,696	14,967	889	2,333	3,977	9,645	1,796	5,098	5,992
1951	47,289	16,104	916	2,603	4,166	10,012	1,862	5,278	6,348
1952	48,306	16,334	885	2,634	4,185	10,281	1,957	5,423	6,609
1953	49,660	17,259	844	2,644	4,224	10,533	2,025	5,486	6,645
SEASONALLY ADJUSTED									
1953—September	49,707	17,263	835	2,679	4,247	10,523	2,041	5,484	6,635
October	49,711	17,125	826	2,725	4,245	10,563	2,050	5,506	6,671
November	49,422	16,901	825	2,708	4,205	10,577	2,044	5,494	6,668
December	49,109	16,704	818	2,686	4,176	10,579	2,050	5,490	6,606
1954—January	48,812	16,497	805	2,581	4,118	10,577	2,054	5,487	6,693
February	48,607	16,349	794	2,618	4,087	10,543	2,065	5,490	6,661
March	48,441	16,262	772	2,654	4,012	10,552	2,067	5,488	6,634
April	48,268	16,122	753	2,641	4,015	10,524	2,075	5,506	6,632
May	48,177	16,038	744	2,634	4,011	10,494	2,081	5,508	6,667
June	48,102	15,994	740	2,624	4,016	10,480	2,083	5,518	6,647
July	47,982	15,775	742	2,637	4,014	10,507	2,095	5,555	6,657
August	47,939	15,736	729	2,630	3,999	10,508	2,094	5,552	6,691
September	48,031	15,769	722	2,623	4,012	10,483	2,111	5,522	6,789
WITHOUT SEASONAL ADJUSTMENT									
1953—September	50,200	17,510	839	2,866	4,265	10,523	2,041	5,566	6,590
October	50,180	17,301	826	2,889	4,257	10,669	2,040	5,506	6,692
November	49,851	16,988	829	2,789	4,216	10,828	2,034	5,467	6,700
December	50,197	16,765	822	2,632	4,187	11,361	2,040	5,435	6,955
1954—January	48,147	16,434	805	2,349	4,069	10,421	2,033	5,377	6,659
February	47,880	16,322	790	2,356	4,039	10,310	2,044	5,380	6,639
March	47,848	16,234	772	2,415	3,992	10,305	2,057	5,406	6,667
April	48,068	16,000	749	2,535	4,008	10,496	2,075	5,506	6,699
May	47,935	15,836	737	2,634	4,008	10,375	2,081	5,563	6,701
June	48,137	15,888	744	2,729	4,032	10,414	2,104	5,601	6,625
July	47,808	15,627	735	2,795	4,043	10,377	2,126	5,638	6,467
August	48,031	15,860	736	2,840	4,028	10,353	2,125	5,635	6,454
September	48,511	16,007	726	2,807	4,028	10,483	2,111	5,605	6,744

*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. September 1954 figures are preliminary. Seasonally adjusted figures formerly compiled by the Federal Reserve from unadjusted data of the Bureau of Labor Statistics have been compiled by the Bureau beginning September 1954. Back data may be obtained from the Bureau of Labor Statistics.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

[Bureau of the Census estimates without seasonal adjustment. Thousands of persons 14 years of age and over]

Year or month	Total non-institutional population	Total labor force	Civilian labor force					Not in the labor force
			Total	Employed ¹		Unemployed		
				Total	In nonagricultural industries		In agriculture	
1945	105,370	65,140	53,860	52,820	44,240	8,580	1,040	40,230
1946	106,370	60,820	57,520	55,250	46,930	8,320	2,270	45,550
1947	107,458	61,608	60,168	58,027	49,761	8,266	2,142	45,850
1948	108,482	62,748	61,442	59,378	51,405	7,973	2,064	45,733
1949	109,623	63,571	62,105	58,710	50,684	8,026	3,395	46,051
1950	110,780	64,599	63,099	59,957	52,450	7,507	3,142	46,181
1951	111,924	65,832	62,884	61,005	53,951	7,054	1,879	46,092
1952	113,119	66,410	62,966	61,293	54,488	6,805	1,673	46,710
1953	115,046	66,965	63,417	61,894	55,366	6,528	1,523	48,081
1953—August	115,232	68,238	64,648	63,408	56,134	7,274	1,240	46,994
September	115,342	67,127	63,552	62,306	55,044	7,262	1,246	48,215
October	115,449	66,954	63,404	62,242	55,083	7,159	1,162	48,495
November	115,544	66,873	63,353	61,925	55,274	6,651	1,428	48,671
December	115,634	66,106	62,614	60,764	55,326	5,438	1,850	49,528
1954—January ²	115,738	66,292	62,840	59,753	54,469	5,284	3,087	49,447
February	115,819	67,139	63,725	60,055	54,351	5,704	3,671	48,679
March	115,914	67,218	63,825	60,100	54,225	5,875	3,725	48,696
April	115,987	67,438	64,063	60,598	54,522	6,076	3,465	48,549
May	116,083	67,786	64,425	61,119	54,297	6,822	3,305	48,297
June	116,153	68,788	65,445	62,098	54,470	7,628	3,347	47,365
July	116,219	68,824	65,494	62,148	54,661	7,486	3,346	47,395
August	116,329	68,856	65,522	62,276	55,349	6,928	3,245	47,473
September	116,432	68,565	65,243	62,144	54,617	7,527	3,099	47,866

⁰Corrected

¹Includes self-employed, unpaid family, and domestic service workers.

²Monthly estimates of the labor force beginning 1954 are based on an improved sample covering a larger number of areas and are, therefore, not strictly comparable with earlier data.

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 may be obtained from the Bureau of the Census.

VALUE OF NEW CONSTRUCTION ACTIVITY
[Seasonally adjusted. In millions of dollars]

Year or month	Total	Private							Public				
		Total	Residential	Business				Other non-residential	Total	Military	Highway	Conservation	All other
				Total	Industrial	Commercial	Public utility						
1939	8,198	4,389	2,680	1,229	254	292	683	480	3,809	125	1,381	570	1,733
1940	8,682	5,054	2,985	1,561	442	348	771	508	3,628	385	1,302	528	1,413
1941	11,957	6,206	3,510	2,082	801	409	872	614	5,751	1,620	1,066	500	2,565
1942	14,075	3,415	1,715	1,287	346	155	786	413	10,660	5,016	734	357	4,553
1943	8,301	1,979	885	759	156	33	570	335	6,322	2,550	446	285	3,041
1944	5,259	2,186	815	989	208	56	725	382	3,073	837	362	163	1,711
1945	5,633	3,235	1,100	1,672	642	203	827	463	2,398	690	398	130	1,180
1946	12,000	9,638	4,015	4,195	1,689	1,132	1,374	1,428	2,362	188	895	240	1,039
1947	16,689	13,256	6,310	4,896	1,702	856	2,338	2,050	3,433	204	1,451	394	1,384
1948	21,678	16,853	8,580	5,693	1,397	1,253	3,043	2,580	4,825	158	1,774	629	2,264
1949	22,789	16,384	8,267	5,322	972	1,027	3,323	2,795	6,405	137	2,131	793	3,344
1950	28,454	21,454	12,600	5,680	1,062	1,288	3,330	3,174	7,000	177	2,272	881	3,670
1951	31,182	21,764	10,973	7,217	2,117	1,371	3,729	3,574	9,418	887	2,518	853	5,160
1952	33,008	22,107	11,100	7,460	2,320	1,137	4,003	3,547	10,901	1,388	2,820	854	5,839
1953	35,256	23,877	11,930	8,436	2,229	1,787	4,416	3,511	11,379	1,307	3,165	830	6,077
1953-September	2,925	1,994	995	710	173	163	374	289	931	97	287	60	487
1953-October	2,880	1,982	979	710	164	173	373	293	898	79	267	58	494
1953-November	2,936	2,002	976	726	164	187	375	300	934	75	277	59	523
1953-December	2,955	1,992	981	718	164	188	366	293	963	69	289	64	541
1954-January	2,956	1,992	971	729	170	189	370	292	964	80	271	62	551
1954-February	3,050	2,004	972	736	176	187	373	296	1,046	81	329	61	575
1954-March	3,001	2,017	981	738	182	176	380	298	984	75	302	64	543
1954-April	3,025	2,063	1,032	726	184	165	377	305	962	73	295	66	528
1954-May	3,066	2,116	1,081	722	176	171	375	313	950	68	299	66	517
1954-June	3,070	2,113	1,085	718	171	172	375	310	957	88	294	63	512
1954-July ^p	3,084	2,161	1,128	718	168	174	376	315	923	74	294	62	493
1954-August ^p	3,123	2,199	1,160	730	165	187	378	309	924	68	289	59	508
1954-September ^p	3,160	2,210	1,178	727	157	191	379	305	950	68	301	55	526

^p Preliminary. Source.—Joint estimates of the Departments of Commerce and Labor.

CONSTRUCTION CONTRACTS AWARDED, BY TYPE OF OWNERSHIP AND 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]

Year or month	Total	By type of ownership			By type of construction				
		Public	Private	Residential building	Nonresidential building				Public works and public utilities
					Factories	Commercial	Educational	Other	
1947	7,760	2,296	5,464	3,154	941	785	392	597	1,890
1948	9,430	3,107	6,323	3,608	840	975	725	1,127	2,155
1949	10,359	3,718	6,641	4,239	559	885	824	1,376	2,476
1950	14,501	4,409	10,092	6,741	1,142	1,208	1,180	1,651	2,578
1951	15,751	6,122	9,629	6,205	2,883	915	1,335	1,689	2,723
1952	16,775	6,711	10,064	6,668	2,562	979	1,472	1,686	3,408
1953	17,443	6,334	11,109	6,479	2,051	1,489	1,720	1,695	4,008
1953-September	1,742	725	1,017	507	383	145	138	116	451
1953-October	1,892	689	1,203	635	235	171	153	200	500
1953-November	1,994	483	911	484	232	101	140	138	298
1953-December	1,300	479	821	434	136	97	176	131	326
1954-January	1,152	363	789	462	111	114	132	117	216
1954-February	1,221	436	785	509	106	93	144	125	244
1954-March	1,528	484	1,043	668	80	134	179	140	328
1954-April	1,692	477	1,215	796	94	178	171	163	290
1954-May	1,925	669	1,256	825	86	179	189	218	428
1954-June	1,733	625	1,108	720	107	192	186	172	357
1954-July	1,837	681	1,156	745	108	145	201	187	450
1954-August	1,573	509	1,064	693	93	141	181	136	330
1954-September	1,816	589	1,227						

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 millions of dollars]

Month	Total (11 districts)	Federal Reserve district										
		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas
1953-June	1,116	63	223	79	165	115	112	156	74	-10	41	98
1953-July	1,793	94	299	117	221	149	199	334	121	98	63	99
1953-August	1,414	90	242	77	221	152	123	217	90	48	59	94
1954-June	1,733	93	267	117	177	165	208	343	105	57	91	111
1954-July	1,837	95	270	143	207	163	167	394	110	86	90	112
1954-August	1,573	109	198	106	193	133	175	306	85	76	90	102

PERMANENT NONFARM DWELLING UNITS STARTED

[In thousands of units]

Year or month	Total	Urban	Rural non-farm	Private			Public	Government-underwritten			
				Total	1-family	2-family		Multi-family	Total	FHA	VA
1939.....	515	359	156	458	373	20	66	57	158	158	.....
1941.....	706	434	272	620	533	28	58	87	220	220	.....
1945.....	209	134	75	208	185	9	15	1	47	41	6
1946.....	671	404	267	663	590	24	48	8	152	69	83
1947.....	849	480	369	846	740	34	72	3	440	229	211
1948.....	932	525	407	914	763	46	104	18	393	291	102
1949.....	1,025	589	436	989	792	35	162	36	466	361	105
1950.....	1,396	828	568	1,352	1,151	42	159	44	686	486	200
1951.....	1,091	595	496	1,020	892	40	88	71	413	264	149
1952.....	1,127	610	517	1,069	939	46	84	58	420	279	141
1953.....	1,104	565	539	1,068	933	42	94	36	407	252	155
1953—September.....	95	47	48	92	81	3	8	3	36	22	14
October.....	90	43	47	90	79	4	7	(1)	37	22	15
November.....	82	39	43	80	70	3	7	2	33	20	13
December.....	66	35	31	65	54	3	8	1	27	15	12
1954—January.....	*66	n.a.	n.a.	*65	53	2	10	*1	25	13	12
February.....	*75	n.a.	n.a.	*74	65	2	7	*1	30	16	14
March.....	*95	n.a.	n.a.	*93	83	3	7	*2	37	21	16
April.....	*108	n.a.	n.a.	*107	96	3	7	*1	44	24	20
May.....	*109	n.a.	n.a.	*107	98	3	7	*1	49	24	25
June.....	*117	n.a.	n.a.	*113	n.a.	n.a.	n.a.	*4	56	28	28
July.....	*112	n.a.	n.a.	*109	n.a.	n.a.	n.a.	*3	52	25	27
August.....	*111	n.a.	n.a.	*110	n.a.	n.a.	n.a.	*1	60	27	33
September.....	*114	n.a.	n.a.	*112	n.a.	n.a.	n.a.	*2	60	26	34

* Preliminary. n.a. Not available. ¹ Less than 500 units.

NOTE.—Government underwritten units are those started under commitments of FHA or VA to insure or guarantee the mortgage. VA figures after June 1950 and all FHA figures are based on field office reports of first compliance inspections; VA figures prior to June 1950, estimates based on loans closed information. Other figures are estimated by Bureau of Labor Statistics on the basis of reports of building permits issued, reported starts of public units, and a sample of places not issuing permits.

FREIGHT CARLOADINGS, BY CLASSES

[Index numbers, 1935–39 average=100]

Class	Annual		Monthly—seasonally adjusted							Monthly—without seasonal adjustment						
			1953	1954						1953	1954					
	1952	1953	Aug.	Mar.	Apr.	May	June	July	Aug.	Aug.	Mar.	Apr.	May	June	July	Aug.
Total.....	126	127	130	112	111	112	111	109	111	134	105	108	114	116	114	114
Coal.....	109	103	112	78	79	84	85	80	90	112	78	79	84	85	80	90
Coke.....	168	171	169	104	98	94	95	94	90	162	105	96	93	93	91	87
Grain.....	142	135	131	127	134	144	155	151	138	142	117	118	127	158	181	149
Livestock.....	69	63	58	64	62	58	54	54	59	55	51	55	53	41	47	56
Forest products.....	144	143	145	126	127	128	127	119	119	153	126	127	133	132	120	125
Ore.....	181	215	221	177	136	136	164	159	145	331	51	88	224	255	255	217
Miscellaneous.....	140	143	145	132	130	128	125	125	126	146	125	128	130	129	126	129
Merchandise, I. c. l.....	46	43	44	41	39	39	38	38	40	44	41	40	39	38	38	40

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.

MERCHANDISE EXPORTS AND IMPORTS

[In millions of dollars]

Month	Merchandise exports ¹			Merchandise exports excluding military-aid shipments ²			Merchandise imports ³		
	1952	1953	1954	1952	1953	1954	1952	1953	1954
January.....	1,254	1,293	1,092	1,189	1,016	922	922	922	833
February.....	1,344	1,199	1,182	1,260	926	*998	893	856	809
March.....	1,447	1,391	1,124	1,330	1,053	921	964	1,005	858
April.....	1,355	1,394	*1,426	1,187	1,054	*1,258	933	1,013	*957
May.....	1,480	1,453	1,399	1,244	1,085	1,135	835	902	829
June.....	1,171	1,384	1,474	1,058	1,013	1,114	861	933	945
July.....	1,030	1,358	*1,290	893	960	*1,022	839	908	*821
August.....	1,087	1,187	*1,177	916	911	*974	818	840	*835
September.....	1,229	1,256	.....	981	1,051	.....	877	926	.....
October.....	1,216	*1,259	.....	1,043	1,019	.....	918	814	.....
November.....	1,190	*1,253	.....	995	1,031	.....	805	849	.....
December.....	1,391	1,353	.....	1,108	1,137	.....	1,053	907	.....
January-August.....	10,168	10,659	*10,164	9,077	8,018	*8,344	7,065	7,379	*6,887

*Preliminary. *Estimated. *Revised.

¹ Exports of domestic and foreign merchandise.

² Department of Defense shipments of grant-aid military equipment and supplies under the Mutual Security Program.

³ General imports including imports for immediate consumption plus entries into bonded warehouses.

Source.—Bureau of the Census, Department of Commerce.

DEPARTMENT STORE STATISTICS—Continued

SALES AND STOCKS BY MAJOR DEPARTMENTS

[Based on retail value figures]

Department	Percentage change from a year ago			Ratio of stocks to sales ¹		Federal Reserve index numbers without seasonal adjustment, 1947-49 average = 100 ²						
	Sales during period		Stocks (end of month)	July		Sales during period			Stocks at end of month			
	July 1954	Seven months 1954	July 1954	1954	1953	1954		1953	1954			1953
						July	June		July	July	June		July
GRAND TOTAL—entire store³	-2	-3	-4	3.7	3.8	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
MAIN STORE—total	-1	-3	-4	4.0	4.1	75	94	76	106	110	111	
Piece goods and household textiles	-2	-2	-5	4.3	4.4	73	75	74	101	99	106	
Piece goods	0	0	-7	4.7	5.1	49	60	49	82	78	89	
Silks, velvets, and synthetics	-8	-4	-10	5.9	6.0	35	43	38	73	71	82	
Woolen yard goods	+2	-11	-11	9.4	10.7	27	14	27	86	77	97	
Cotton yard goods	+8	+7	0	2.8	3.1	91	118	84	102	98	102	
Household textiles	-3	-2	-4	4.0	4.1	89	85	92	110	111	115	
Linens and towels	-2	-4	-4	4.6	4.6	83	82	85	102	102	105	
Domestics—muslins, sheetings	-4	-1	-6	3.3	3.4	104	84	109	135	135	143	
Blankets, comforters, and spreads	-1	-1	-3	4.4	4.5	83	91	84	111	106	114	
Small wares	0	-1	0	4.5	4.6	74	95	74	105	111	106	
Laces, trimmings, embroideries, and ribbons	-4	-5	-2	4.7	4.6	65	96	68	97	109	99	
Notions	-4	-2	-2	4.2	4.1	80	116	84	117	125	119	
Toilet articles, drug sundries	+3	0	0	3.7	3.8	91	105	88	101	105	100	
Silverware and jewelry	+2	0	0	5.7	5.9	65	96	64	106	113	106	
Silverware and clocks	0	-1	-7	7.8	8.3	61	95	61	121	127	130	
Costume jewelry	+3	+1	+1	3.1	3.1	74	97	72	91	96	91	
Fine jewelry and watches	+5	0	+3	10.1	10.2	54	93	52	92	116	89	
Art needlework	-4	-5	-1	6.1	5.9	60	61	63	101	104	102	
Books and stationery	0	0	0	4.7	4.7	66	82	66	108	113	108	
Books and magazines	-2	-3	-2	3.9	3.9	67	74	68	98	102	100	
Stationery	+1	+1	+2	5.0	5.0	66	87	65	112	118	110	
Women's and misses' apparel and accessories	-3	-3	-4	3.3	3.4	70	91	72	107	106	112	
Women's and misses' ready-to-wear accessories	-2	-2	-3	4.0	4.0	70	91	71	109	112	112	
Neckwear and scarfs	-2	-3	-1	2.7	2.6	79	104	80	111	115	111	
Handkerchiefs	-8	-6	-9	5.0	5.0	39	51	43	63	66	70	
Millinery	-12	-7	-10	2.0	2.0	36	53	41	69	68	76	
Women's and children's gloves	-6	-7	-7	9.9	10.0	29	45	31	81	81	87	
Corsets and brassieres	+2	+2	+3	3.3	3.3	109	144	106	132	140	129	
Women's and children's hosiery	-3	-3	0	3.3	3.2	57	71	59	104	110	104	
Underwear, slips, and negligees	-1	-1	-5	2.8	3.0	78	96	78	96	106	101	
Knit underwear	+1	0	-5	3.0	3.2	92	107	92	122	138	128	
Silk and muslin underwear, and slips	+2	+1	-7	2.8	3.1	73	95	72	88	97	95	
Negligees, robes, and lounging apparel	-8	-5	0	2.3	2.1	71	85	77	78	88	79	
Infants' wear	-3	-1	-4	4.0	4.0	74	84	76	113	110	119	
Handbags, and small leather goods	+2	0	-2	3.2	3.3	64	93	63	97	102	99	
Women's and children's shoes	-1	-1	-2	6.5	6.6	74	105	75	128	128	130	
Children's shoes	-2	0	-1	6.7	6.7	67	91	68	129	128	131	
Women's shoes	-1	-1	-3	6.4	6.5	75	110	76	126	130	129	
Women's and misses' ready-to-wear apparel	-4	-3	-6	2.8	2.8	70	91	73	105	98	111	
Women's and misses' coats and suits	-15	-10	-15	4.6	4.6	33	27	39	91	65	107	
Coats	-16	-9	-17	5.0	5.0	29	22	35	91	58	109	
Suits	-10	-12	-16	3.8	4.1	41	37	45	80	71	96	
Juniors' and girls' wear	0	-1	-4	3.0	3.1	70	89	70	118	100	123	
Juniors' coats, suits, and dresses	-3	-3	0	2.3	2.2	68	88	69	107	90	107	
Girls' wear	+2	+1	-6	3.8	4.2	73	90	71	128	108	136	
Women's and misses' dresses	-4	-3	+1	1.6	1.6	74	113	77	80	98	79	
Inexpensive dresses	-6	-4	+4	1.2	1.1	79	129	84	77	101	74	
Better dresses	-2	-3	-2	2.2	2.2	70	96	72	81	92	83	
Blouses, skirts, and sportswear	0	0	-3	2.5	2.6	104	136	104	133	129	137	
Aprons, housedresses, and uniforms	-6	-3	+2	1.7	1.6	102	148	109	94	114	92	
Furs	+3	-3	-12	9.8	11.5	42	15	41	112	88	128	
Men's and boys' wear	-1	-3	-3	5.2	5.3	70	119	70	110	118	114	
Men's clothing	+2	-4	-2	5.7	5.9	75	121	74	119	130	121	
Men's furnishings and hats	-3	-2	-4	4.4	4.5	70	129	71	104	115	108	
Boys' wear	-2	-2	-7	6.3	6.7	56	81	57	103	99	111	
Men's and boys' shoes and slippers	+1	-2	+1	6.4	6.4	84	132	83	119	128	117	

For footnotes see following page.

DEPARTMENT STORE STATISTICS—Continued

SALES AND STOCKS BY MAJOR DEPARTMENTS—Continued

[Based on retail value figures]

Department	Percentage change from a year ago		Ratio of stocks to sales ¹	Federal Reserve index numbers without seasonal adjustment, 1947-49 average = 100 ²							
	Sales during period		Stocks (end of month)	July		Sales during period			Stocks at end of month		
	July 1954	Seven months 1954	July 1954	1954	1953	1954		1953	1954		1953
						July	June		July	June	
July 1954	Seven months 1954	July 1954	1954	1953	July	June	July	July	June	July	
Homefurnishings	-1	-5	-6	4.3	4.5	86	94	87	107	113	113
Furniture and bedding.....	-2	-7	-8	3.7	4.0	110	104	112	109	116	119
Mattresses, springs, and studio beds.....	-2	-6	-11	1.7	1.9	134	121	137	119	130	134
Upholstered and other furniture.....	-3	-8	-8	4.6	4.8	102	98	105	109	117	119
Domestic floor coverings.....	-1	-9	-9	5.9	6.5	61	62	61	97	99	106
Rugs and carpets.....	-2	-10	-9	6.0	6.5	63	65	64	103	105	114
Linoleum.....	-15	-13	-16	4.8	4.8	49	53	58	60	61	71
Draperies, curtains, and upholstery.....	-4	-5	-3	5.1	5.1	76	98	80	106	113	110
Lamps and shades.....	-6	-6	-6	5.4	5.4	59	68	63	101	109	107
China and glassware.....	-6	-5	-3	9.9	9.6	71	92	75	126	129	130
Major household appliances.....	+11	-4	-10	1.9	2.4	92	88	83	84	90	93
Housewares (including small appliances).....	-2	-2	+2	4.0	3.9	93	118	96	117	125	115
Gift shop.....	-5	-4	-2	6.6	6.4	79	96	83	127	133	129
Radios, phonographs, television, records, etc.....	-1	-3	-15	3.5	4.2	73	73	73	91	96	108
Radios, phonographs, television.....	-4	-9	-21	3.0	3.6	72	65	75	87	85	111
Records, sheet music, and instruments.....	+4	+13	-1	5.3	5.6	76	73	73	105	93	106
Miscellaneous merchandise departments	0	-1	-2	3.2	3.2	77	93	77	131	133	103
Toys, games, sporting goods, cameras.....	-1	-1	-1	4.7	4.7	77	93	78	114	115	115
Toys and games.....	-5	-1	-3	5.2	5.0	62	75	65	118	127	121
Sporting goods and cameras.....	+2	-2	+1	4.3	4.4	102	126	109	109	105	109
Luggage.....	-3	-5	-7	3.3	3.5	102	134	105	105	119	113
Candy.....	+1	+2	+8	1.4	1.3	62	68	61	78	83	72
BASEMENT STORE—total	-6	-4	-6	2.7	2.7	74	124	77	98	102	104
Domestics and blankets	-9	-5	-6	3.0	2.9	90	93	109	111	111	118
Women's and misses' ready-to-wear	-7	-5	-7	2.1	2.1	71	99	77	92	96	99
Intimate apparel.....	-3	-1	-3	2.4	2.4	89	110	92	106	109	109
Hosiery.....	-5	-3	-4	2.6	2.5	(4)	(4)	(4)	(4)	(4)	(4)
Underwear, corsets and brassieres.....	-3	0	-2	2.3	2.3	(4)	(4)	(4)	(4)	(4)	(4)
Coats and suits.....	-15	-12	-22	4.0	4.4	25	28	29	74	58	95
Dresses.....	-13	-9	-5	1.0	0.9	83	133	96	76	95	80
Blouses, skirts, and sportswear.....	0	0	-9	1.6	1.8	102	140	102	98	107	108
Girls' wear.....	-1	+1	-8	2.7	3.0	69	109	69	109	103	118
Infants' wear.....	-2	-1	-6	3.1	3.3	75	92	77	111	107	118
Aprons, housedresses, uniforms.....	-22	-11	-7	1.8	1.5	(4)	(4)	(4)	(4)	(4)	(4)
Men's and boys' wear	-1	+1	-4	3.0	3.1	81	137	82	104	111	108
Men's wear.....	-1	+1	-2	2.8	2.8	85	149	86	104	114	106
Men's clothing.....	+4	+3	-1	3.0	3.1	92	147	88	111	122	112
Men's furnishings.....	-4	0	-3	2.6	2.6	83	154	87	99	110	102
Boys' wear.....	-1	0	-9	3.8	4.1	69	93	69	111	102	122
Homefurnishings	-5	-7	-6	4.0	4.0	66	84	73	135	139	111
Shoes	-6	-2	-3	4.2	4.0	78	113	83	124	108	127
NONMERCHANTISE—total	0	0	(4)	(4)	(4)	97	107	97	(4)	(4)	(4)
Barber and beauty shop.....	+5	+8	(4)	(4)	(4)	145	145	137	(4)	(4)	(4)

¹The 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.

²The 1947-49 average of monthly sales and of end-of-month stocks for each department is used as a base in computing the sales and stocks indexes, respectively, for that department. For description of indexes, see BULLETIN for November 1953, pp. 1146-1149.

³For movements of total department store sales and stocks, see the indexes for the United States on p. 1109.

⁴Data not available.

NOTE.—Based on reports from a group of large department stores located in various cities throughout the country. In 1953, 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.

PRICES—Continued
WHOLESALE PRICES, BY GROUPS OF COMMODITIES—Continued
[Index numbers of the Bureau of Labor Statistics, 1947-49=100]

Subgroup	1953				Subgroup	1954			
	Aug.	June	July	Aug.		Aug.	June	July	Aug.
Farm Products:					Pulp, Paper and Allied Products—Continued				
Fresh and dried produce.....	98.0	96.6	110.9	108.3	Paperboard.....	123.6	124.2	124.2	124.2
Grains.....	86.5	86.5	88.1	91.2	Converted paper and paperboard..	112.1	111.5	111.9	112.0
Livestock and poultry.....	88.1	87.7	83.2	83.4	Building paper and board.....	123.0	127.9	127.9	127.9
Plant and animal fibers.....	103.9	106.9	107.2	106.7	Metals and Metal Products:				
Fluid milk.....	97.6	83.7	*87.7	88.8	Iron and steel.....	136.2	131.8	133.6	133.8
Eggs.....	113.8	70.8	*84.4	86.4	Nonferrous metals.....	124.5	123.7	124.2	125.1
Hay and seeds.....	85.1	96.0	94.8	94.2	Metal containers.....	128.6	130.0	130.3	131.2
Other farm products.....	144.3	181.7	184.0	168.8	Hardware.....	135.6	137.9	*138.2	138.5
Processed Foods:					Plumbing equipment.....	118.7	118.5	118.5	118.5
Cereal and bakery products.....	108.4	113.5	114.0	113.2	Heating equipment.....	115.6	113.8	114.0	114.0
Meats, poultry, and fish.....	93.6	92.3	94.1	92.0	Fabricated structural metal products.....	117.8	115.9	115.9	117.7
Dairy products and ice cream.....	110.7	102.4	105.1	105.8	Fabricated nonstructural metal products.....	126.3	125.3	125.3	126.0
Canned, frozen fruits, and vegetables.....	104.7	104.7	104.7	104.6	Machinery and Motive Products:				
Sugar and confectionery.....	110.5	113.3	*113.7	114.5	Agricultural machinery and equipment.....	122.3	122.3	122.3	122.4
Packaged beverage materials.....	169.8	231.3	231.3	226.5	Construction machinery and equipment.....	130.5	131.5	*131.5	131.5
Other processed foods.....	116.7	96.8	*101.4	109.6	Metal working machinery.....	131.9	132.6	132.6	132.6
Textile Products and Apparel:					General purpose machinery and equipment.....	126.9	128.2	127.8	127.9
Cotton products.....	94.1	88.4	88.9	89.1	Miscellaneous machinery.....	123.9	125.5	125.5	125.6
Wool products.....	111.8	110.1	109.8	110.3	Electrical machinery and equipment.....	125.6	125.9	*125.8	125.8
Synthetic textiles.....	86.7	85.6	*85.7	85.7	Motor vehicles.....	118.6	118.9	118.9	118.9
Silk products.....	134.7	123.9	124.2	126.3	Furniture and Other Household Durables:				
Apparel.....	99.3	98.1	*98.4	98.6	Household furniture.....	113.8	113.1	112.8	112.9
Other textile products.....	86.5	79.0	79.1	79.8	Commercial furniture.....	125.8	126.2	126.2	126.2
Hides, Skins, and Leather Products:					Floor covering.....	125.3	122.6	122.7	123.5
Hides and skins.....	74.6	60.6	58.2	55.8	Household appliances.....	108.9	109.8	109.7	109.7
Leather.....	95.0	87.4	86.5	84.2	Radio.....	95.0	95.6	95.6	95.6
Footwear.....	111.8	111.9	111.8	112.3	Television.....	74.0	70.6	*70.3	70.3
Other leather products.....	99.5	97.5	*97.0	96.8	Other household durable goods.....	126.9	130.4	130.4	130.5
Fuel, Power, and Lighting Materials:					Nonmetallic Minerals—Structural:				
Coal.....	111.7	104.7	104.9	105.2	Flat glass.....	124.7	124.7	124.7	124.7
Coke.....	131.8	132.4	132.4	132.4	Concrete ingredients.....	118.6	120.1	122.1	122.2
Gas.....	105.7	107.8	*105.4	105.4	Concrete products.....	116.1	117.5	*117.7	118.1
Electricity.....	99.1	101.8	101.8	101.8	Structural clay products.....	131.4	132.0	132.0	132.1
Petroleum and products.....	116.5	110.9	108.2	109.3	Gypsum products.....	122.1	122.1	122.1	122.1
Chemicals and Allied Products:					Prepared asphalt roofing.....	105.8	94.2	*98.5	98.6
Industrial chemicals.....	120.2	117.0	117.1	117.4	Other nonmetallic minerals.....	117.8	120.2	120.2	120.2
Prepared paint.....	110.7	112.8	112.8	112.8	Tobacco Manufactures and Bottled Beverages:				
Paint materials.....	96.0	96.8	97.6	97.8	Cigarettes.....	124.0	124.0	124.0	124.0
Drugs, pharmaceuticals, cosmetics.....	93.5	94.0	94.0	94.0	Cigars.....	103.5	103.5	103.7	103.7
Fats and oils, inedible.....	46.9	55.7	52.0	53.5	Other tobacco products.....	120.7	120.7	121.4	121.4
Mixed fertilizers.....	111.2	109.9	109.7	109.8	Alcoholic beverages.....	110.0	114.2	114.2	114.3
Fertilizer materials.....	113.8	111.6	*112.1	112.1	Nonalcoholic beverages.....	125.1	148.1	148.1	148.1
Other chemicals and products.....	102.9	107.7	*107.9	107.7	Miscellaneous:				
Rubber and Products:					Toys, sporting goods, small arms..	114.0	113.6	113.5	113.5
Crude rubber.....	120.0	122.8	*126.5	123.5	Manufactured animal feeds.....	85.0	100.6	98.3	95.2
Tires and tubes.....	125.1	129.3	129.3	129.6	Notions and accessories.....	93.5	101.6	101.6	101.6
Other rubber products.....	123.2	123.7	123.7	123.7	Jewelry, watches, photo equipment.	101.8	102.7	102.7	102.7
Lumber and Wood Products:					Other miscellaneous.....	119.6	121.3	121.2	121.2
Lumber.....	119.3	115.5	*118.6	118.7	Pulp, Paper, and Allied Products:				
Millwork.....	131.7	130.8	130.7	130.1	Woodpulp.....	108.8	109.7	109.6	109.6
Plywood.....	112.4	99.7	*103.0	105.4	Waste paper.....	98.5	70.1	79.2	80.0
Pulp, Paper, and Allied Products:					Paper.....	125.9	126.5	126.5	126.5

*Revised.

Source.—Bureau of Labor Statistics, Department of Labor.
Back figures.—See BULLETIN for March 1952, pp. 131-313.

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	1941	1948	1949	1950	1951	1952	1953	1953			1954	
										2	3	4	1	2
Gross national product	104.4	56.0	125.8	257.3	257.3	285.1	328.2	346.1	364.9	369.9	367.2	360.5	355.8	356.0
Less: Capital consumption allowances.....	8.6	7.2	9.0	16.5	18.4	20.5	23.5	25.3	27.2	27.4	27.4	27.9	28.2	29.0
Indirect business tax and related liabilities.....	7.0	7.1	11.3	20.4	21.6	23.7	25.6	28.0	30.0	30.2	30.1	30.3	30.3	30.2
Business transfer payments.....	.6	.7	.5	.7	.8	.8	.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Statistical discrepancy.....	.3	.9	.4	-2.1	.1	.2	1.3	.6	1.0	2.6	2.1	.6	-3.0	n.a.
Plus: Subsidies less current surplus of government enterprises.....	-.1	.0	.1	-.2	-.2	.2	.2	-.2	-.5	-.6	-.4	-.8	-.4	-.1
Equals: National income	87.8	40.2	104.7	221.6	216.2	240.0	277.0	291.0	305.0	308.2	306.2	299.9	298.9	n.a.
Less: Corporate profits and inventory valuation adjustment.....	10.1	-2.0	14.5	30.6	28.1	35.1	39.9	38.2	38.5	41.0	38.3	33.1	34.1	n.a.
Contributions for social insurance.....	.2	.3	2.8	5.2	5.7	6.9	8.2	8.7	8.8	8.9	8.7	8.6	9.8	9.7
Excess of wage accruals over disbursements.....	.0	.0	.0	.0	.0	.0	.1	.0	-.1	-.1	-.1	-.1	.0	.0
Plus: Government transfer payments.....	.9	1.5	2.6	10.5	11.6	14.3	11.6	12.1	12.8	12.6	12.6	13.3	14.2	14.8
Net interest paid by government.....	1.0	1.2	1.3	4.4	4.6	4.7	4.8	4.9	5.0	5.0	5.1	5.2	5.2	5.3
Dividends.....	5.8	2.1	4.5	7.2	7.5	9.2	9.1	9.1	9.4	9.3	9.5	9.6	9.6	9.6
Business transfer payments.....	.6	.7	.5	.7	.8	.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Equals: Personal income	85.8	47.2	96.3	208.7	206.8	227.1	255.3	271.2	286.1	286.4	287.5	287.3	285.1	285.7
Less: Personal tax and related payments	2.6	1.5	3.3	21.1	18.7	20.9	29.3	34.4	36.0	35.9	36.3	36.1	32.8	32.9
Federal.....	1.3	.5	2.0	19.0	16.2	18.2	26.3	31.1	32.5	32.5	32.8	32.6	29.1	29.2
State and local.....	1.4	1.0	1.3	2.1	2.5	2.7	3.0	3.2	3.5	3.5	3.5	3.6	3.7	3.7
Equals: Disposable personal income	83.1	45.7	93.0	187.6	188.2	206.1	226.1	236.9	250.1	250.4	251.2	251.2	252.3	252.9
Less: Personal consumption expenditures.....	79.0	46.4	81.9	177.6	180.6	194.0	208.3	218.4	230.1	230.8	231.2	229.7	230.5	233.1
Equals: Personal saving	4.2	-.6	11.1	10.0	7.6	12.1	17.7	18.4	20.0	19.6	20.0	21.5	21.8	19.7

NATIONAL INCOME, BY DISTRIBUTIVE SHARES

	Annual totals									Seasonally adjusted annual rates by quarters				
	1929	1933	1941	1948	1949	1950	1951	1952	1953	1953			1954	
										2	3	4	1	2
National income	87.8	40.2	104.7	221.6	216.2	240.0	277.0	291.0	305.0	308.2	306.2	299.9	298.9	n.a.
Compensation of employees	51.1	29.5	64.8	140.9	140.9	154.3	180.4	195.4	209.1	210.0	211.4	208.8	206.4	206.6
Wages and salaries ¹	50.4	29.0	62.1	135.2	134.3	146.5	170.9	185.0	198.0	198.9	200.3	197.6	194.6	194.9
Private.....	45.5	23.9	51.9	116.4	113.9	124.3	142.1	152.2	164.5	165.3	166.7	164.1	161.2	161.5
Military.....	.3	.3	1.9	4.0	4.2	5.0	8.7	10.5	10.2	10.4	10.2	9.9	9.7	9.5
Government civilian.....	4.6	4.9	8.3	14.8	16.2	17.2	20.1	22.4	23.3	23.2	23.4	23.5	23.7	23.8
Supplements to wages and salaries.....	.7	.5	2.7	5.8	6.5	7.8	9.5	10.4	11.1	11.1	11.1	11.2	11.8	11.7
Government.....														
Proprietors' and rental income ²	20.2	7.6	20.9	45.6	42.0	44.6	49.9	49.9	49.0	48.9	47.8	49.1	49.4	49.0
Business and professional.....	8.8	3.2	10.9	21.6	21.4	22.9	24.8	25.7	26.2	26.3	26.1	25.9	25.6	25.9
Farm.....	6.0	2.4	6.5	16.7	12.7	13.3	16.0	14.2	12.2	12.1	11.1	12.3	13.0	12.2
Rental income of persons.....	5.4	2.0	3.5	7.2	7.9	8.5	9.1	10.0	10.6	10.5	10.6	10.8	10.8	10.9
Corporate profits and inventory valuation adjustment	10.1	-2.0	14.5	30.6	28.1	35.1	39.9	38.2	38.5	41.0	38.3	33.1	34.1	n.a.
Corporate profits before tax.....	9.6	.2	17.0	32.8	26.2	40.0	41.2	37.2	39.4	41.9	40.9	32.5	34.5	n.a.
Corporate profits tax liability.....	1.4	.5	7.6	12.5	10.4	17.8	22.5	20.0	21.1	22.5	21.9	17.4	17.0	n.a.
Corporate profits after tax.....	8.3	-.4	9.4	20.3	15.8	22.1	18.7	17.2	18.3	19.5	19.0	15.1	17.5	n.a.
Inventory valuation adjustment.....	.5	-2.1	-2.5	-2.2	1.9	-4.9	-1.3	1.0	-1.0	-.9	-2.6	.6	-.4	.4
Net interest	6.4	5.0	4.5	4.5	5.2	5.9	6.8	7.4	8.4	8.3	8.6	8.9	9.0	9.1

n.a. Not available.

¹Includes employee contributions to social insurance funds.

²Includes noncorporate inventory valuation adjustment.

NOTE.—Details may not add to totals because of rounding.

Source.—Department of Commerce.

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*.

MONEY RATES IN FOREIGN COUNTRIES

DISCOUNT RATES OF CENTRAL BANKS

[Per cent per annum]

Date effective	Central bank of—							Central bank of—	Rate Aug. 31	Date effective	Central bank of—	Rate Aug. 31	Date effective
	United Kingdom	France	Germany	Belgium	Netherlands	Sweden	Switzerland						
In effect Dec. 31, 1948	2	3	15	3½	2½	2½	1½	Argentina	3½	Mar. 1, 1936	Ireland	3½	Mar. 25, 1952
May 27, 1949			14½					Austria	3½	June 3, 1954	Italy	4	Apr. 6, 1950
July 14			14					Belgium	2½	Oct. 29, 1953	Japan	5.84	Oct. 1, 1951
Oct. 6				3¼				Bolivia	6	Sept. 30, 1950	Mexico	4½	June 4, 1942
June 8, 1950		2½						Canada	2	Oct. 17, 1950	Netherlands	2½	Apr. 7, 1953
Sept. 11				3¾				Ceylon	2½	June 11, 1954	New Zealand	3½	Apr. 12, 1954
Sept. 26					3			Chile	4½	June 13, 1935	Norway	2½	Jan. 9, 1946
Oct. 27			16					Colombia	4	July 18, 1933	Pakistan	3	July 1, 1948
Dec. 1						3		Costa Rica	4	Feb. 1, 1950			
Apr. 17, 1951					4			Denmark	5½	June 23, 1954	Peru	6	Nov. 13, 1947
July 5				3½				Ecuador	10	May 13, 1948	Portugal	2½	Jan. 12, 1944
Sept. 13				3¼				Egypt	3	Nov. 15, 1952	South Africa	4	Mar. 27, 1952
Oct. 11		3						El Salvador	3	Mar. 22, 1950	Spain	3¾	July 1, 1954
Nov. 8	2½							Finland	5¾	Dec. 16, 1951	Sweden	2¾	Nov. 20, 1953
Nov. 9		4						France	3¼	Feb. 4, 1954	Switzerland	1½	Nov. 26, 1936
Jan. 22, 1952					3½			Germany	13	May 20, 1954	Turkey	3	Feb. 26, 1951
Mar. 12	4							Greece	10	Jan. 1, 1954	United Kingdom	3	May 13, 1954
May 29			15					India	3½	Nov. 15, 1951	U.S.S.R.	4	July 1, 1936
Aug. 1					3			Indonesia	3	Apr. 1, 1946			
Aug. 21			14½										
Dec. 18				3									
Jan. 8, 1953			14										
Apr. 7					2½								
June 11				13½									
Sept. 17	3½	3½											
Oct. 29				2¾									
Nov. 20						2¾							
Feb. 4, 1954		3¼											
May 13	3												
May 20			13										
In effect Aug. 31, 1954	3	3¼	13	2¾	2½	2¾	1½						

¹Rates established for the Land Central banks.

NOTE.—Changes since Aug. 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
1944—July	.38	1.03	1.00	1.13	.50	1.49			3-5½	1.25
1945—July	.36	1.03	1.00	1.13	.50	1.25			2½-5	1.25
1946—July	.40	.53	.51	.63	.50	1.30	1.52	1.31	2½-4½	1.25
1947—July	.41	.53	.51	.63	.50	1.51	1.52	1.09	2½-4½	1.25
1948—July	.41	.56	.51	.63	.50	2.04	1.56	1.35	2½-4½	1.63
1949—July	.51	.63	.52	.63	.50	2.34	1.43	.83	2½-4½	1.50
1950—July	.51	.69	.51	.63	.50	2.59	1.57	1.10	2½-4½	1.50
1951—July	.77	.93	.51	.63	.50	2.57	1.39	.91	3-5	1.50
1952—July	1.11	3.00	2.46	2.25	2.00	3.84	1.05	.75	3-5	1.50
1953—July	1.76	3.00	2.35	2.25	2.00	4.13	.50	.50	3-5	1.50
1953—August	1.80	3.00	2.36	2.25	2.00	4.18	.50	.50	3-5	1.50
September	1.91	2.67	2.27	2.09	1.88	4.34	.43	.50	3-5	1.50
October	1.93	2.19	2.11	1.94	1.75	3.91	.38	.50	3-5	1.50
November	1.90	2.19	2.10	1.94	1.75	4.00	.28	.50	3-5	1.50
December	1.88	2.19	2.11	1.94	1.75	3.75	.03	.50	3-5	1.50
1954—January	1.88	2.19	2.12	1.94	1.75	3.66	.23	.50	2¾-5	1.50
February	1.74	2.15	2.07	1.94	1.75	3.55	.25	.50	2¾-5	1.50
March	1.61	2.16	2.10	1.94	1.75	3.42	.45	.50	2¾-5	1.50
April	1.56	2.17	2.09	1.94	1.75	3.55	.41	.50	2¾-5	1.50
May	1.59	1.89	1.79	1.63	1.44	3.54	.38	.50	2¾-5	1.50
June	1.60	1.66	1.61	1.44	1.25	3.57	.38	.50	2¾-5	1.50
July	1.39	1.60	1.57	1.44	1.25	3.79	.40	.50	2¾-5	1.50

^p Preliminary.

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	
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—December.....	540	592	1,408	456	1,528	1,660	735	6,368	4,262	2,106	550
1951—December.....	531	598	972	102	1,965	1,950	867	6,333	4,290	2,042	651
1952—December.....	549	529	1,248	.....	2,148	1,764	748	6,460	4,232	2,228	528
1953—September.....	515	476	1,376	.....	2,137	1,675	623	6,320	4,004	2,316	482
October.....	518	476	1,340	.....	2,238	1,666	607	6,373	4,041	2,332	472
November.....	520	469	1,354	.....	2,245	1,687	626	6,419	4,080	2,339	483
December.....	542	501	1,417	.....	2,275	1,725	729	6,694	4,327	2,368	495
1954—January.....	526	483	1,330	.....	2,277	1,706	633	6,457	4,124	2,333	499
February.....	504	454	1,113	.....	2,275	1,754	638	6,237	3,954	2,283	501
March.....	512	468	1,078	.....	2,269	1,773	632	6,243	3,957	2,286	489
April.....	535	489	1,088	.....	2,280	1,786	699	6,378	4,056	2,321	499
May.....	501	463	1,122	.....	2,305	1,804	643	6,335	4,005	2,330	502
June.....	531	455	1,170	.....	2,311	1,856	711	6,533	4,193	2,340	501
July.....	534	428	1,185	.....	2,351	1,836	643	6,466	4,121	2,345	510
August.....	534	438	1,209	.....	2,348	1,840	656	6,519	4,173	2,346	505

Canada ³ (11 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	Notes ⁴	Deposits payable in Canada excluding interbank deposits			Other liabilities and capital
	Cash reserves	Security loans	Other loans and discounts					Total	Demand	Time	
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—December.....	824	134	2,776	171	4,286	1,304	(9)	7,828	3,270	4,558	1,667
1951—December.....	907	107	3,028	227	3,876	1,464	.....	7,896	3,284	4,612	1,714
1952—December.....	916	155	3,289	326	3,955	1,516	.....	8,421	3,497	4,924	1,736
1953—July.....	877	125	3,649	328	3,872	1,359	.....	8,496	3,344	5,152	1,713
August.....	883	135	3,732	353	3,886	1,329	.....	8,651	3,445	5,206	1,667
September.....	897	110	3,772	330	3,918	1,372	.....	8,692	3,466	5,226	1,706
October.....	962	144	3,838	342	3,789	1,432	.....	8,744	3,596	5,148	1,763
November.....	899	152	3,977	390	3,789	1,512	.....	8,918	3,851	5,068	1,801
December.....	906	154	3,897	424	3,831	1,510	.....	8,881	3,847	5,034	1,841
1954—January.....	881	143	3,929	370	3,944	1,337	.....	8,772	3,679	5,093	1,832
February.....	898	197	3,951	370	3,885	1,332	.....	8,843	3,681	5,162	1,791
March.....	923	167	3,899	421	3,775	1,426	.....	8,780	3,535	5,245	1,830
April.....	892	144	3,925	398	3,780	1,408	.....	8,708	3,397	5,312	1,839
May.....	866	215	3,925	382	3,780	1,481	.....	8,818	3,441	5,378	1,830
June.....	872	238	3,943	360	3,806	1,540	.....	8,929	3,506	5,423	1,829

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		
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—December.....	48,131	52,933	527,525	135,289	31,614	749,928	731,310	18,618	28,248	17,316
1951—December.....	60,215	72,559	627,648	165,696	38,114	906,911	879,767	27,145	33,774	23,547
1952—December.....	51,155	68,243	636,624	170,298	29,734	902,547	870,504	32,043	24,957	28,551
1953—July.....	47,903	85,806	661,082	189,591	49,269	952,454	913,188	39,265	27,446	53,751
August.....	50,451	89,197	651,314	198,784	49,226	956,528	917,027	39,501	25,209	57,234
September.....	47,177	81,649	644,000	199,498	50,250	939,282	900,010	39,272	22,928	60,364
October.....	46,003	74,964	694,021	185,109	54,393	965,798	924,602	41,196	24,355	64,338
November.....	47,103	78,797	696,942	189,753	60,636	978,019	935,267	42,752	28,142	67,070
December.....	50,763	85,739	743,686	183,302	68,819	1,029,660	987,111	42,549	30,308	72,341
1954—January.....	46,077	76,601	782,293	180,524	37,840	1,056,908	1,013,546	43,363	31,301	35,126
February.....	44,083	75,183	770,445	193,050	40,242	1,054,531	1,010,245	44,286	32,539	35,933
March.....	43,889	80,266	714,717	201,349	45,611	1,011,093	968,648	42,444	34,322	40,416
April.....	43,467	78,411	710,596	206,008	45,340	1,007,632	967,024	40,608	31,538	44,652
May.....	49,186	79,438	719,284	213,557	46,594	1,030,758	989,474	41,284	29,721	47,580
June.....	45,701	85,313	721,240	214,988	48,348	1,034,079	993,533	40,546	28,422	53,090

²Preliminary.

¹This table represents aggregates of figures reported by individual banks. Data are compiled on the third Wednesday of each month, except in June and December when the statements give end-of-month data.

²Represent six-month loans to the Treasury with a yield of ½ per cent after October 1945.

³Beginning December 1953, when a new bank was added, figures are for 11 banks.

⁴In January 1950, the Bank of Canada assumed responsibility for these notes.

NOTE.—For details concerning data in earlier years, see BULLETIN for April 1952, p. 466; 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

Average of certified noon buying rates in New York for cable transfers. In cents per unit of foreign currency]

Year or month	Argentina (peso)			Australia (pound)	Austria (schilling)	Belgium (franc)	Brazil ¹ (cruzeiro)	British Malaysia (dollar)	Canada (dollar)	
	Basic	Preferential	Free						Official	Free
1948.....	29.773	.....	.....	321.22	.....	2.2816	5.4406	.....	100.000	91.691
1949.....	29.774	.....	.....	293.80	.....	2.2009	5.4406	42.973	97.491	92.881
1950.....	26.571	13.333	8.289	223.15	.....	1.9908	5.4406	32.788	90.909	91.474
1951.....	20.000	13.333	7.067	223.07	.....	1.9859	5.4406	32.849	.....	94.939
1952.....	20.000	13.333	7.163	222.63	.....	1.9878	5.4406	32.601	.....	102.149
1953.....	20.000	13.333	7.198	224.12	*3.8580	2.0009	*5.4420	32.595	.....	101.650
1953—October.....	20.000	13.333	7.198	223.57	.....	2.0063	*5.4466	32.596	.....	101.762
1953—November.....	20.000	13.333	7.198	223.97	*3.8580	2.0062	4.2808	3.5261	32.641	102.266
1953—December.....	20.000	13.333	7.198	223.93	3.8580	2.0053	4.2808	3.5261	32.635	102.754
1954—January.....	20.000	13.333	7.198	224.01	3.8580	2.0023	4.2808	3.5261	32.646	102.781
1954—February.....	20.000	13.333	7.198	224.13	3.8580	2.0036	4.2808	3.5261	32.656	103.439
1954—March.....	20.000	13.333	7.198	224.27	3.8580	1.9152	4.2808	3.5261	32.668	102.996
1954—April.....	20.000	13.333	7.198	224.55	3.8580	1.9868	4.2808	3.5261	32.689	101.786
1954—May.....	20.000	13.333	7.198	224.58	3.8580	1.9909	4.2808	3.5261	32.681	101.575
1954—June.....	20.000	13.333	7.198	224.56	3.8580	2.0032	4.2808	3.5261	32.666	101.882
1954—July.....	20.000	13.333	7.198	224.51	3.8580	2.0009	4.2808	3.5261	32.684	102.611
1954—August.....	20.000	13.333	7.198	224.13	3.8580	1.9994	*4.2808	*3.5261	32.649	103.060
1954—September.....	20.000	13.333	7.198	223.18	3.8580	2.0007	.....	32.558	.....	103.112

Year or month	Ceylon (rupee)	Denmark (krone)	Finland (markka)	France (franc)		Germany (deutsche mark)	India (rupee)	Ireland (pound)	Mexico (peso)	Netherlands (guilder)	New Zealand (pound)
				Official	Free						
1948.....	.....	20.857	.....	4929	3240	.....	30.169	.....	18.860	37.668	350.48
1949.....	27.839	19.117	.....	4671	3017	.....	27.706	.....	12.620	34.528	365.07
1950.....	20.850	14.494	.....	.....	2858	23.838	20.870	.....	11.570	26.252	277.28
1951.....	20.849	14.491	4354	.....	2856	23.838	20.869	280.38	11.564	26.264	277.19
1952.....	20.903	14.492	4354	.....	2856	23.838	20.922	279.68	11.588	26.315	276.49
1953.....	21.046	.....	4354	.....	2856	.....	21.049	281.27	11.607	26.340	278.48
1953—October.....	21.004	.....	4354	.....	2856	.....	21.005	280.58	11.624	26.400	277.80
1953—November.....	21.041	.....	4354	.....	2856	.....	21.044	281.09	11.627	26.410	278.30
1953—December.....	21.037	.....	4354	.....	2856	.....	21.039	281.03	11.626	26.410	278.25
1954—January.....	21.038	.....	4354	.....	2856	.....	21.039	281.14	11.619	26.405	278.35
1954—February.....	21.044	.....	4354	.....	2856	.....	21.047	281.29	11.614	26.408	278.50
1954—March.....	21.052	.....	4354	.....	2856	.....	21.056	281.45	11.608	26.408	278.67
1954—April.....	21.079	.....	4354	.....	2856	*23.838	21.084	281.81	11.608	26.413	279.02
1954—May.....	21.078	.....	4354	.....	2856	23.838	21.084	281.85	7.995	26.418	279.06
1954—June.....	21.077	.....	4354	.....	2856	23.838	21.085	281.82	7.995	26.426	279.03
1954—July.....	21.094	.....	4354	.....	2856	23.838	21.094	281.76	8.000	26.415	278.97
1954—August.....	21.059	.....	4354	.....	2856	23.838	21.061	281.29	8.005	26.396	278.50
1954—September.....	20.968	.....	4354	.....	2856	23.838	20.970	280.08	8.005	26.364	277.31

Year or month	Norway (krone)	Philippine Republic (peso)	Portugal (escudo)	South Africa (pound)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)	Uruguay ⁷ (peso)		
								
1948.....	20.159	.....	4.0183	400.75	27.824	23.363	403.13	65.830	56.182	.....
1949.....	18.481	49.723	3.8800	366.62	25.480	23.314	368.72	65.830	56.180	42.553
1950.....	14.015	49.621	3.4704	278.38	19.332	23.136	280.07	65.833	56.180	42.553
1951.....	14.015	49.639	3.4739	278.33	19.327	23.060	279.96	65.833	56.180	42.553
1952.....	14.015	49.675	3.4853	278.20	19.326	23.148	279.26	65.833	56.180	42.553
1953.....	14.015	49.676	3.4887	280.21	19.323	23.316	281.27	*65.833	*56.180	*42.553
1953—October.....	14.015	49.677	3.4896	279.53	19.323	23.310	280.58	65.833	56.180	42.553
1953—November.....	14.015	49.677	3.4899	280.04	19.323	23.255	281.09	65.833	56.180	42.553
1953—December.....	14.015	49.677	3.4900	279.98	19.323	23.289	281.03	*65.833	*56.180	*42.553
1954—January.....	14.008	49.677	3.4900	280.09	19.333	23.308	281.14	.....	.....	.....
1954—February.....	14.008	49.677	3.4900	280.23	19.333	23.315	281.29	.....	.....	.....
1954—March.....	14.008	49.677	3.4900	280.40	19.333	23.308	281.45	.....	.....	.....
1954—April.....	14.008	49.677	3.4900	280.76	19.333	23.313	281.81	.....	.....	.....
1954—May.....	14.008	49.677	3.4900	280.80	19.333	23.333	281.85	.....	.....	.....
1954—June.....	14.008	49.677	3.4900	280.76	19.333	23.334	281.82	.....	.....	.....
1954—July.....	14.008	49.677	3.4900	280.71	19.333	23.320	281.76	.....	.....	.....
1954—August.....	14.008	49.677	3.4900	280.24	19.333	23.322	281.29	.....	.....	.....
1954—September.....	14.008	49.677	3.4900	279.04	19.333	23.325	280.08	.....	.....	.....

¹For figures on free rate for the period Feb. 25–Oct. 9, 1953, inclusive, see BULLETIN for November 1953, p. 1231. The average for this period was 2.3274. ²Based on quotations beginning Nov. 30, 1953.

³Official rate, based on quotations through Oct. 9, 1953. Effective Oct. 12, 1953, the Brazilian authorities introduced new exchange rates for Brazilian exports. Under the new system premiums of 5 and 10 cruzeiros, depending upon type of merchandise, were added to the former rate of 5.4466 cents, thus establishing two rates—4.2808 and 3.5261 cents, respectively. For the period Oct. 13–Oct. 30 the averages of these two rates were 4.2808 and 3.5261, respectively.

⁴Based on quotations through Aug. 13, 1954.

⁵Based on quotations beginning Apr. 1, 1954.

⁶The Mexican peso was devalued, effective Apr. 19, 1954, from a par value of 8.65 to 12.50 pesos per U. S. dollar.

⁷Rate applied (except free rate) depends upon type of merchandise. In addition to the rates shown, a fifth rate was certified May 8–Dec. 4, 1953, inclusive; the average for this period was 53.1914. ⁸Based on quotations through Dec. 4, 1953. ⁹Free rate, based on quotations Feb. 10–Dec. 4, 1953, inclusive.

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 December 1953, p. 1409.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES

WHOLESALE PRICES—ALL COMMODITIES

[Index numbers]

Year or month	United States (1947-49 =100)	Canada (1935-39 =100)	Mexico (1939= 100)	United Kingdom (1930= 100)	France (1949= 100)	Italy (1938= 100)	Japan (1934-36 average =1)	Nether- lands (1948= 100)	Sweden (1935= 100)	Switzer- land (Aug. 1939 =100)
1944.....	68	131	179	166	14	.....	2	.....	196	207
1945.....	69	132	199	169	20	.....	4	.....	194	205
1946.....	79	139	229	175	34	.....	16	.....	186	200
1947.....	96	163	242	192	52	5,159	48	.....	199	208
1948.....	104	193	260	219	89	5,443	128	100	214	217
1949.....	99	198	285	230	100	5,169	209	104	216	206
1950.....	103	211	311	262	108	4,897	246	117	227	203
1951.....	115	240	386	320	138	5,581	343	143	299	227
1952.....	112	226	400	328	145	5,270	349	140	317	220
1953.....	110	221	393	328	138	5,250	354	134	298	213
1953—August.....	111	222	395	327	137	5,270	355	133	296	212
September.....	111	221	398	326	137	5,246	357	133	295	212
October.....	110	220	401	326	136	5,237	359	133	295	212
November.....	110	219	396	328	137	5,222	360	134	297	212
December.....	110	219	396	326	138	5,256	361	134	296	211
1954—January.....	111	220	396	326	138	5,286	368	135	296	213
February.....	111	219	397	326	138	5,328	369	136	296	213
March.....	111	219	401	329	136	5,336	368	135	296	214
April.....	111	218	411	330	137	5,295	364	136	297	215
May.....	111	218	431	331	139	5,292	358	137	296	214
June.....	110	218	437	332	135	5,262	.....	137	298	215
July.....	110	217	437	333	134	.....	.....	134	297	214
August.....	111	216	441	330	136	.....	.....	.....	.....	214

‡ Preliminary. † Revised.

NOTE.—For sources and references concerning changes in the structure of price indexes for various countries, see BULLETIN for December 1952, p. 1356.

WHOLESALE PRICES—GROUPS OF COMMODITIES

[Indexes for groups included in total index above]

Year or month	United States (1947-49=100)			Canada (1935-39=100)			United Kingdom (1930=100)		Netherlands (1948=100)		
	Farm products	Processed 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
1944.....	69	n.a.	70	155	134	129	158	170	.....	.....	.....
1945.....	72	n.a.	71	165	136	130	158	175	.....	.....	.....
1946.....	83	n.a.	78	177	140	138	158	184	.....	.....	.....
1947.....	100	98	95	190	164	162	165	207	.....	.....	.....
1948.....	107	106	103	230	196	192	181	242	100	100	100
1949.....	93	96	101	226	197	199	197	249	101	108	104
1950.....	98	100	105	237	213	211	221	286	112	128	116
1951.....	113	111	116	269	238	242	247	364	122	171	143
1952.....	107	109	113	250	219	231	284	352	129	166	135
1953.....	97	105	114	220	207	229	307	.....	123	156	132
1953—August.....	96	105	115	214	210	230	309	.....	119	155	131
September.....	98	107	115	209	207	230	307	.....	121	155	132
October.....	95	105	115	209	205	229	304	.....	120	154	132
November.....	94	104	115	205	203	228	305	.....	122	153	132
December.....	94	104	115	207	204	228	302	.....	122	153	132
1954—January.....	98	106	115	209	207	228	302	.....	127	153	133
February.....	98	105	114	209	205	227	305	.....	128	153	133
March.....	98	105	114	207	204	227	311	.....	126	154	133
April.....	99	106	115	206	206	225	310	.....	127	153	133
May.....	98	107	115	210	208	225	310	.....	129	155	133
June.....	95	105	114	210	207	225	311	.....	131	155	134
July.....	96	107	114	214	207	224	313	.....	118	154	133
August.....	96	106	114	208	205	222	304	.....	.....	.....	.....

n.a. Not available. ‡ Preliminary. † Revised.

NOTE.—For sources and references concerning changes in the structure of price indexes for various countries, see BULLETIN for December 1952, p. 1356.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES—Continued

CONSUMERS' PRICE INDEXES

Year or month	All items						Food					
	United States (1947-49 =100) ¹	Canada (1949 =100)	United Kingdom (Jan. 15, 1952 =100)	France (1949 =100)	Netherlands (1949 =100)	Switzerland (Aug. 1939 =100)	United States (1947-49 =100) ¹	Canada (1949 =100)	United Kingdom (Jan. 15, 1952 =100)	France (1949 =100)	Netherlands (1949 =100)	Switzerland (Aug. 1939 =100)
1946	83	78	77	35	57	152	79	67	36	57	160	
1947	96	85	77	57	57	158	96	67	57	57	170	
1948	103	97	82	90	90	163	104	72	92	92	176	
1949	102	100	84	100	100	162	100	100	100	100	174	
1950	103	103	86	111	109	159	101	103	82	111	176	
1951	111	114	95	130	119	167	113	117	91	128	181	
1952	114	116	103	145	120	171	115	117	105	141	184	
1953	114	115	106	144	120	170	113	113	112	137	184	
1953—August	115	116	106	143	120	170	114	113	112	136	185	
September	115	116	106	141	121	170	114	114	111	132	186	
October	115	117	106	141	121	170	114	116	111	132	187	
November	115	116	106	141	120	170	112	113	111	132	187	
December	115	116	106	142	120	170	112	112	110	134	186	
1954—January	115	116	106	143	123	170	113	112	110	136	185	
February	115	116	106	144	124	170	113	112	110	137	185	
March	115	116	107	144	124	169	112	111	112	136	184	
April	115	116	107	142	125	170	112	110	113	134	185	
May	115	116	107	144	126	170	113	110	112	137	186	
June	115	116	107	144	127	171	114	112	114	136	187	
July	115	116	109	142	127	171	115	112	118	133	188	
August	115	117	106	142	126	172	114	114	112	133	188	

^p Preliminary.

¹ These series are the revised indexes, reflecting, beginning January 1953, the inclusion of some new series and revised weights. Prior to January 1953 indexes are based on the "interim adjusted" and "old" indexes, converted to the base 1947-49 =100.

NOTE.—For sources and references concerning changes in the structure of price indexes for various countries (except the United States), see BULLETIN for December 1952, p. 1357.

SECURITY PRICES

[Index numbers except as otherwise specified]

Year or month	Bonds					Common stocks				
	United States ¹ (high grade)	Canada (1935-39 =100)	United Kingdom (December 1921=100)	France (1949 =100)	Netherlands ²	United States (1935-39 =100)	Canada (1935-39 =100)	United Kingdom (1926=100)	France (1949=100)	Netherlands ³
Number of issues . . .	17	.....	87	60	14	480	99	278	295	27
1947	122.1	118.5	130.8	120.0	105.6	123.0	106.0	94.6	.....	233
1948	118.3	105.0	129.9	106.4	107.1	124.4	112.5	92.0	.....	240
1949	121.0	107.6	126.5	100.0	106.8	121.4	109.4	87.6	100	219
1950	121.9	109.6	121.2	99.8	106.7	146.4	131.6	90.0	90	217
1951	117.7	95.7	117.6	101.4	87.0	176.5	168.3	97.1	112	215
1952	115.8	86.1	108.3	111.1	85.6	187.7	173.1	91.1	143	192
1953	112.1	83.6	112.0	113.5	100.2	189.0	160.3	92.2	159	212
1953—August	111.4	82.6	112.0	114.1	101.8	187.3	161.2	92.5	162	218
September	110.9	82.3	112.8	115.0	102.1	179.2	152.9	91.4	165	215
October	112.5	82.8	114.2	114.7	104.0	183.4	151.9	92.1	167	217
November	113.6	84.2	114.9	114.4	104.0	187.5	154.2	93.7	169	223
December	113.5	85.3	114.2	113.8	103.4	190.7	153.6	93.5	170	230
1954—January	114.6	87.0	114.3	114.6	103.7	195.4	157.4	94.1	180	239
February	116.5	88.7	114.8	114.9	101.8	199.6	163.2	95.8	184	245
March	117.9	95.5	115.3	116.0	100.0	204.9	165.0	95.6	187	250
April	118.1	99.8	116.6	115.7	100.6	212.7	173.6	97.0	194	256
May	117.5	100.3	117.3	115.4	103.4	219.8	179.5	97.8	199	261
June	117.0	100.3	116.0	114.9	106.3	221.8	180.5	98.5	194	269
July	117.5	102.1	118.5	114.9	104.3	231.1	182.3	100.0	198	282
August	117.8	102.8	119.7	.....	103.7	236.4	187.0	101.7	.....	285

^o Corrected.

¹ Prices derived from average yields, as computed by Standard and Poor's Corporation, on basis of a 4 per cent 20-year bond.

² Represents the reciprocals of average yields. The average yield in the base period (January-March 1937) was 3.39 per cent.

³ Average of the ratios of current prices to nominal values, expressed as a percentage.

NOTE.—For sources and references concerning changes in the structure of price series for various countries, see BULLETIN for December 1952, p. 1357.

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FEDERAL RESERVE BOARD PUBLICATIONS ¹

The material listed below may be obtained from the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C. Where a charge is indicated, remittance should be made payable to the order of the Board of Governors of the Federal Reserve System.

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. Revised edition. July 1954. 224 pages.

ANNUAL REPORT of the Board of Governors of the Federal Reserve System. Issued each year.

FEDERAL RESERVE BULLETIN. Issued monthly. Subscription price in the United States and its possessions, Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Republic of Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, El Salvador, Uruguay, and Venezuela is \$2.00 per annum or 20 cents per copy; elsewhere \$2.60 per annum or 25 cents per copy. Group subscriptions in the United States for 10 or more copies to one address, 15 cents per copy per month, or \$1.50 for 12 months.

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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.

THE DEVELOPMENT OF BANK DEBITS AND CLEARINGS AND THEIR USE IN ECONOMIC ANALYSIS. January 1952. 175 pages. 25 cents per copy; in quantities of 10 or more copies for single shipment, 15 cents each.

THE FEDERAL RESERVE ACT, as amended to November 1, 1946, with an Appendix containing provisions of certain other statutes affecting the Federal Reserve System. 372 pages. 50 cents per paper-bound copy; \$1.00 per cloth-bound copy.

COMPILATION OF FEDERAL AND STATE LAWS RELATING TO BRANCH BANKING WITHIN THE UNITED STATES. (July 1, 1951.) December 1951. 33 pages.

RULES OF ORGANIZATION AND RULES OF PROCEDURE—Board of Governors of the Federal Reserve System (with Amendments). September 1946. 31 pages.

REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. Individual regulations with amendments and supplements thereto.

¹A more complete list, including periodic releases and reprints, appeared on pp. 676-79 of the June 1954 BULLETIN.

FEDERAL RESERVE BOARD PUBLICATIONS

REPRINTS

(From Federal Reserve Bulletin unless preceded by an asterisk)

- CHANGES IN INSTALMENT CREDIT TERMS. May 1952. 6 pages.
- EXCESS PROFITS TAXES OF COMMERCIAL BANKS. June 1952. 18 pages.
- REAL ESTATE LOANS OF REGISTRANTS UNDER REGULATION X. June 1952. 18 pages.
- PROBLEMS OF TRADE EQUILIBRIUM. October 1952. 9 pages.
- REVISED SERIES ON DEPARTMENT STORE SALES, STOCKS, AND ORDERS. October 1952. 5 pages.
- RECENT CREDIT EXPANSION. December 1952. 7 pages.
- CREDIT AND MONETARY REVIEW FOR 1952. February 1953. 7 pages.
- THE MONETARY SYSTEM OF THE UNITED STATES. February 1953. 16 pages.
- INFLUENCE OF CREDIT AND MONETARY MEASURES ON ECONOMIC STABILITY. March 1953. 16 pages.
- FEDERAL FINANCIAL MEASURES FOR ECONOMIC STABILITY. May 1953. 7 pages.
- REVISION OF CONSUMER CREDIT STATISTICS. April 1953. 19 pages.
- *DETAILED DESCRIPTION OF SOURCES AND METHODS USED IN REVISION OF SHORT- AND INTERMEDIATE-TERM CONSUMER CREDIT STATISTICS (supplementary details for item listed above), April 1953. 25 pages.
- THE TRANSITION TO FREE MARKETS. April 1953. 6 pages.
- FEDERAL RESERVE BANK RESPONSIBILITIES. May 1953. 5 pages.
- UNITED STATES POSTWAR INVESTMENT IN LATIN AMERICA. May 1953. 6 pages.
- WARTIME AND POSTWAR CREDIT DEMANDS OF LARGE CORPORATIONS. July 1953. 12 pages.
- REVISED INDEXES OF DEPARTMENT STORE SALES AND STOCKS, BY MAJOR DEPARTMENTS. November 1953. 65 pages.
- FEDERAL RESERVE MONTHLY INDEX OF INDUSTRIAL PRODUCTION, 1953 Revision. December 1953. 96 pages.
- EXTENSIONS AND REPAYMENTS OF CONSUMER INSTALMENT CREDIT. January 1954. 14 pages.
- BANK CREDIT AND MONEY IN 1953. February 1954. 6 pages.
- INTERNATIONAL GOLD AND DOLLAR MOVEMENTS. March 1954. 9 pages. (Also, similar article from March 1953 BULLETIN.)
- 1954 SURVEY OF CONSUMER FINANCES—PRELIMINARY FINDINGS OF THE 1954 SURVEY OF CONSUMER FINANCES. March 1954. 4 pages. PURCHASES OF DURABLE GOODS AND HOUSES IN 1953. June 1954. 17 pages. THE FINANCIAL POSITION AND COMMITMENTS OF CONSUMERS. July 1954. 20 pages. Also, similar surveys for earlier years from 1946, 1947, 1948, 1949, 1950, 1951, 1952, and 1953 BULLETINS.)
- NEW INDEXES OF OUTPUT OF CONSUMER DURABLE GOODS. May 1954. 15 pages. (Also, similar reprint from October 1951 BULLETIN.)
- ESTIMATED LIQUID ASSET HOLDINGS OF INDIVIDUALS AND BUSINESSES. July 1954. 2 pages. (Also, similar article from July 1953 BULLETIN.)
- MONETARY AND CREDIT DEVELOPMENTS SINCE MID-1953. July 1954. 8 pages.
- FINANCING OF LARGE CORPORATIONS IN 1953. August 1954. 9 pages.
- THE BALANCE SHEET OF AGRICULTURE, 1954. August 1954. 13 pages.
- THE PRIVATE DEMAND FOR GOLD, 1931-53. September 1954. 10 pages.
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