

FEDERAL RESERVE
BULLETIN

SEPTEMBER 1948



BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

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FEDERAL RESERVE BULLETIN

VOLUME 34

September 1948

NUMBER 9

AGRICULTURE IN MID-1948

Harvests this season in the United States are expected to be much larger than a year ago and substantially in excess of probable domestic consumption and exports. Increases in current supplies and prospects for larger carryovers at the end of the season are being reflected in declines in prices of crops to Federal support levels. On the other hand, supplies of most livestock and products are smaller than last year and prices are higher, far above support levels.

Cash income from the sale of farm products is continuing higher than a year ago and, although aggregate costs of farm operation have increased, net income appears to be close to the level of last year. Meanwhile, the value of farmers' land and other assets has shown a further increase, which has been offset only in part by a rise in indebtedness, chiefly in short-term borrowings. The dollar figures overstate the degree of farm prosperity because prices in the economy generally have increased, but in real terms the purchasing power of farmers is only moderately below the high level of a year ago and is much larger than before the war.

Continuation of farm prosperity in the fourth postwar season reflects many influences, both domestic and foreign, which are making possible the sale of large supplies at high prices. Consumer demand is at a higher level this year, reflecting chiefly some

further rise in consumer disposable income as a consequence of the income tax reduction and of substantial wage rate increases in leading industries. For major crops, carryovers at the beginning of the season were small both here and abroad; exports have been large, financed in considerable part by the Federal Government; and a Federal price support program has been in effect, providing assurance of markets and limiting price declines. For livestock products, prices have been higher than a year ago owing to increased consumer incomes and to reduced marketings resulting from earlier high feed costs and reductions in animal numbers on farms.

Some of the effects of this season's striking agricultural developments on the general economic situation have already been felt, while others will be evident over varying periods of time. Price declines for leading crops reduce costs of important raw materials for producers in a number of industries and attract attention to the possibility of price declines rather than price increases for the finished products of these industries. Dairy-men and livestock growers, for example, will have the advantage of much lower feed costs, and textile manufacturers will pay less for cotton. On the other hand, advances in prices of livestock and products to new peak levels earlier this summer increased the cost of living at a time when the effects of inflation-

ary pressures were also evident in various other markets, particularly those for metals and metal products.

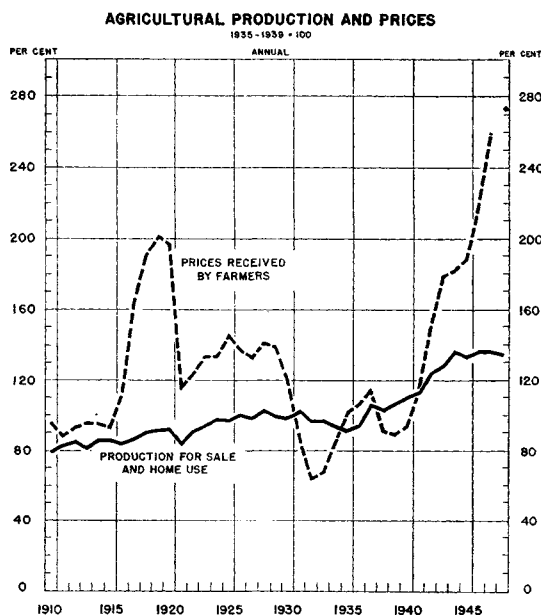
Sharp advances in prices of metals and metal products, such as automobiles, reflected in part a modification of earlier policies of setting prices substantially below levels that would maximize immediate profits. The advances reflected also a strong current demand situation for industrial commodities as a result of many influences, including international tensions and resultant increasing demands for armament production and stockpiling, the European Recovery Program, and the continued exceptionally high rate of expenditures for construction and capital equipment. Backlog demands for some consumer products, notably automobiles, have continued to be great and have helped to sustain demand for other goods, including farm products. The large volume of liquid assets at the disposal of consumers and businesses, as well as the ready availability of commercial bank and other credit, has aided in making these demands effective.

The effects of large crops in the United States on foreign countries appear in greater availability of supplies and in many instances in reductions in prices paid by importing countries and in prices received by exporting countries. Future crop developments here will be one of many important factors influencing the whole field of international economic and political relations. At the same time developments abroad, both in agriculture and industry, will have an important bearing on agricultural conditions in this country. In the coming season exports of agricultural commodities from the United States may be somewhat larger, in physical terms, than in the past season but over the longer term, as agricultural production abroad increases further, exports may decline considerably.

CHANGES IN AGRICULTURAL SUPPLIES

Crop production in 1948 is indicated to be over 10 per cent larger than last year, on the basis of September 1 conditions, while output of livestock and products during the year is expected to average about 5 per cent smaller. The sharp increase in crop production reflects almost entirely higher yields resulting from much more favorable weather conditions; total acreage planted was up only one per cent.

With such diverse changes in crop and livestock production, any generalization concerning total agricultural production depends to a considerable extent on the relative importance given to crops and livestock. If produc-



U. S. Department of Agriculture annual data. The dot indicates the average level of prices received during the first eight months of 1948. The production index for 1948 is based on September 1 indications.

tion of feedstuffs is counted in the year they are grown, then crop output is given a heavy weight and the rise from last year in total production is found to be about 6 per cent. If, on the other hand, an attempt is made to measure output of farm products available for market and for use in the farm home,

then this year's large feed crops have less influence and the total is shown to be little changed.

For comparison with price movements over many years, the production index shown on the chart on page 1048 is based on the volume of production for market and for use in the farm home. To some extent, it is true, the influence of this year's large feed crops has already been felt in commodity markets, but in part this influence will appear only as production and marketings of livestock and products are increased.

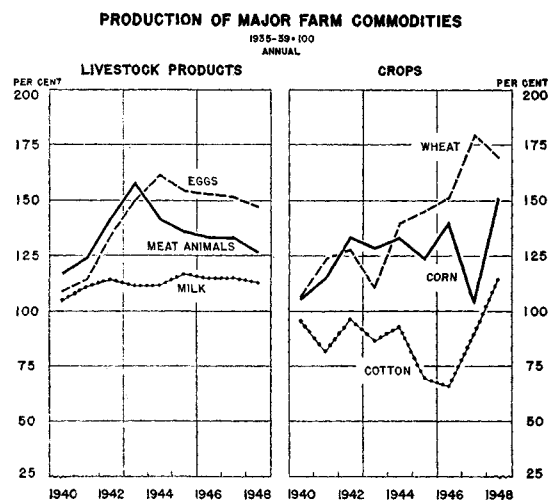
Record crop production. The most notable change in crop production this year is a sharp

to be nearly one-sixth lower than last year, owing chiefly to sharp reductions in Federal acreage allotments following curtailment of foreign demand, but it is still one-fifth higher than prewar. Production of major farm commodities in recent years is shown in the accompanying chart.

Prospective increases in carryovers. For most crops that can be stored from year to year, this season's harvests will probably be considerably greater than disappearance, and stocks will be increased from the low levels prevailing generally since the war. The prospective cotton crop of 15.2 million bales compares with combined domestic consumption and exports of 11.4 million during the past season. The carryover of wheat on July 1 was 195 million bushels as compared with 84 million a year earlier and, if exports are about as large as in the past season, a further increase in carryover at the end of the season is indicated.

Supplies of feed grains this season compared with the number of animals on farms will be the largest on record and, although exports of feed grains are expected to increase considerably, there will still be a very sizable increase in carryovers from present low levels. It is partly through increased carryovers of important commodities and the protection they provide against higher prices resulting from short crops that the effects of this year's large crops will be felt in dampening inflationary forces.

Limited output of livestock and products. Much larger feed crops at sharply lower prices will encourage an expansion in output of livestock and products. Feed costs have dropped by about one-third from the exceptionally high level reached in January of this year and prices of livestock and products are now higher than at that time. Production incentives have therefore been greatly increased.



U. S. Department of Agriculture data. Figures for 1948 are based on September 1 indications. The index for meat animals refers to estimated live weight farm production.

increase in the corn crop. The crop of 3.5 billion bushels now in prospect is nearly a half larger than last year's reduced crop and 9 per cent greater than the previous record crop of 1946. Other feed crops, except hay, are also larger; the hay crop is down about 4 per cent. For the second year cotton production is expected to be considerably expanded, this time by nearly 30 per cent. The wheat crop of 1.3 billion bushels is only 6 per cent below last year's record crop and about 70 per cent above prewar. The tobacco crop is indicated

The effects of increased production incentives on livestock production and on market supplies of livestock products will be spread over a long period of time and it is not possible to determine in advance the amount and timing of such effects. It is not known, for example, to what extent animals may be withheld from market initially, for more fattening or for increasing herds, or to what extent farmers may liquidate herds in any particular period to take advantage of prices then regarded as too high to be maintained.

It is evident, however, that the number of animals on farms now, which is substantially less than at the peak in the war period, will be a factor limiting increases in market supplies for some time to come. Expansion of livestock numbers, especially in the case of cattle, can be accomplished only over a long period. In recent years livestock numbers have been declining as more animals have been marketed than have been raised. The number of animals on farms at beginning of this year and other selected years is shown in the table. So far this year cattle, sheep,

declines for all types of animals. Slaughter volume during the remainder of the year is likely to show a seasonal rise but to remain below last year. The reduction in slaughter volume this year is considerably larger than the decline in live weight production of meat animals on farms shown on the chart on page 1049. Nevertheless, slaughter has continued in excess of production and meat supplies have been supplemented accordingly. Meat supplies per capita, allowing for some reduction in storage stocks, may be about 7 per cent less than last year, slightly more than in 1940 and 1941 and 15 per cent more than in the 1935-39 period, when the numbers of livestock on farms had been reduced and consumer demand was at a much lower level than now.

Cattle marketings have continued in excess of production this year and, with little increase in production possible, supplies of beef will be reduced further next year if marketings are held to production levels. This appears to be true even though animals are likely to be fattened to heavier weights. Last fall high feed prices reduced the number going into feed lots by an estimated half million head and this year, therefore, there have been fewer cattle for market from feed lots. Now the situation may be reversed, with more cattle going to feed lots this autumn to be fattened for market next spring and summer.

The reduced volume of hog marketings this year reflects the influence of last year's small corn crop in restricting production and encouraging marketings and also the probable influence of this year's bumper crop in delaying marketings of hogs. Feeding ratios now favor an expansion of output, but market supplies this autumn are likely to be relatively small as a result of the limited size of the pig crop this spring, the holding back of sows for breeding purposes, and the delay

NUMBER OF LIVESTOCK ON FARMS
[January 1; in millions]

	1948	1947	1944	1941	1935-39 average
Cattle.....	78.6	81.2	85.3	71.8	66.8
Milk cows.....	25.2	26.1	27.7	25.5	25.0
Other cattle.....	53.4	55.1	57.6	46.3	41.8
Hogs.....	55.0	56.9	83.7	54.4	43.9
Sheep.....	35.3	37.8	50.8	53.9	51.2
Chickens.....	463.0	474.4	582.2	422.8	405.1

NOTE.—U. S. Department of Agriculture data.

and poultry numbers have been reduced somewhat further. This summer poultry hatchings have increased sharply but the number of chickens raised at this time of the year is only a small portion of the season's total.

In the case of meat animals, total slaughter for the year 1948 is now expected to be about 9 per cent less than last year with marked

in marketing of hogs being fattened to heavy weights. Heavier feeding will increase pork supplies somewhat, but most of the increase must come through raising more animals. This autumn's pig crop may be slightly larger than last autumn's, and present price relationships favor a marked increase in the pig crop next spring, for marketing in the autumn and winter of 1949-50.

Milk production, which through July was about 4 per cent lower than last year, declined in August by less than the usual seasonal amount. Feeding rates, however, have been high and only a limited increase in milk production can be brought about until dairy herds are expanded. Total milk supplies per capita are now somewhat smaller than prewar, owing in part to a marked increase in exports of manufactured dairy products. A much larger part of domestic supplies is now being consumed as fluid milk and cream, and consumption of these commodities per person is 15 per cent higher than before the war, while butter consumption per person has declined by 40 per cent.

Output of poultry products can be expanded more rapidly than that of other livestock products. Production of broilers can be accomplished in three months and somewhat increased supplies will be coming on the market this autumn as a result of increased hatchings this summer; on the other hand laying flocks may be culled less than usual. By next summer the number of laying hens can be increased and egg production expanded. Egg production through July this year was running about 2 per cent below last year, but in August production was above a year ago. In the near future egg production may show little change from the corresponding period a year ago, as factors tending to increase output are about offset by other factors tending to decrease output.

CHANGES IN EXPORTS OF FARM COMMODITIES

The value of agricultural exports has declined from the peak of early 1947 and in the first half of 1948 was 22 per cent lower than in the same period a year ago. Exports of some of the principal industrial goods produced from agricultural materials, especially cotton textiles and cigarettes, showed more marked reductions. In spite of the 22 per cent decline, agricultural exports were still exceptionally large in value terms, being more than four times the prewar level, as is shown in the table which follows. For particular commodities changes in physical quantities from prewar levels differed widely, with exports of grains, eggs, and dairy products up very sharply and cotton and tobacco down. In the season ahead, according to the Department of Agriculture, exports in physical quantities are likely to show an increase, especially in the case of cotton.

EXPORTS OF AGRICULTURAL PRODUCTS
[Annual rates]

Product	1948	1947		1935-39
	First half	Second half	First half	Average
In millions of dollars				
Total	3,290	3,603	4,218	747
Grains and grain products	1,589	1,774	1,878	82
Dairy products	176	306	228	6
Fruits	137	133	190	88
Eggs	72	104	96	1
Meats	51	107	176	20
Cotton	441	242	612	310
Tobacco	162	249	290	128
Other products	663	688	748	112
In physical units				
Grains (in millions of bushels)	506	655	757	104
Cotton (in thousands of bales)	2,496	1,749	3,836	5,318
Tobacco (in millions of pounds)	310	492	494	432

NOTE.—U. S. Department of Agriculture data. "Agricultural Products" include manufactured foodstuffs. "Other products" are principally foods. Quantities of grains exported include flour and other grain products in terms of grain equivalent. Cotton includes linters. Data for physical units in 1935-39 are annual averages of the period from July 1934 to June 1939. Figures for 1947 and for 1948 are subject to revision.

Exports of grain and grain products, which have been accounting for nearly half of the total value of agricultural exports, were at a lower rate during the first half of the year than in 1947, but for the entire 1947-48 crop season total grain exports were at about the same high level as in the previous year. Exports of most other foods were reduced in the first half of 1948 compared with last year, and foreign takings of cotton and tobacco were curtailed considerably. These declines reflected chiefly special measures taken by foreign governments to restrict purchases to items considered most essential and where possible to make purchases from countries other than the United States in order to conserve dollar exchange. The reduction in foreign demand for major export farm products has been associated with generally less pressure on domestic supplies, and prices of these commodities in recent months have been lower. In the period ahead financing of exports of agricultural commodities will be facilitated by the foreign aid program.

The portions of the supplies of individual products exported in the last 12 months differed greatly. Exports of wheat and dried fruits were a third of total domestic supplies and exports of manufactured dairy products a sixth. For most other food commodities the portion exported was much less; in the case of meat it was only about 1 per cent. For all agricultural commodities about 10 per cent of total supplies have been exported.

Agricultural imports as a whole have continued at about prewar levels, in physical volume terms, with increases for commodities such as wool and sugar offset by declines for commodities such as silk, rubber, and fats and oils. Imports of foodstuffs as a group have not expanded in comparison with prewar and now are little more than one-half as large as exports, while before the war they were more than double.

The countries of Western Europe, which take most of this country's food exports, had exceptionally poor harvests last season as a result of continued slow progress in reconstruction and extremely unfavorable weather conditions. Their principal food crops, wheat and rye, were 30 per cent below the prewar period at the same time that their population was 8 per cent larger. Crop production this year is much improved but import requirements are still large. Estimated carryovers in some importing countries are even lower than last year. Livestock herds, which are much smaller than before the war, would need to be expanded for several years before consumption of meat and dairy products could be restored to earlier levels. Questions as to the relative advantages of various uses of the limited dollar resources available will arise increasingly as basic food needs are met, but it appears that efforts to improve diets and build up stocks will support the demand for grain exports from this country for some time. Purchases to replenish stocks will depend to some extent on expectations as to the future course of prices.

Supplies in other major exporting countries, especially in the case of grains, will also influence the demand for exports from the United States. August reports indicate that the wheat harvest in Canada will be 30 million bushels larger than last year and output of oats and barley will also be larger. According to official estimates the wheat carryover in Australia at mid-year was 50 million bushels above a year ago, while the carryover in Argentina showed little change. Production of wheat in these two countries during the coming season is still indeterminate.

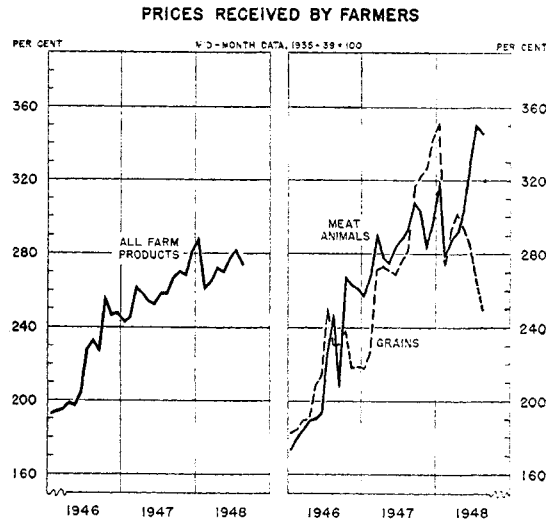
In 1947-48 substantial grants and loans from the United States assisted other countries in financing their trade with this country, and in addition they drew heavily on

their gold and other assets. It is expected that there will be far less liquidation of gold and dollar assets in 1948-49 than in the past year. If, however, there is a higher level of imports by this country and a sizable increase in loans and grants from this country, the total funds available to finance American exports in the 1948-49 period will be fully as large as last year. The proportion of funds used for purchase of agricultural commodities may not be as large as in the past year, but with prices of agricultural products relatively lower physical volume of agricultural exports may increase.

HIGH PRICES FOR FARM PRODUCTS

Prices of farm products at the end of August were about 4 per cent higher on the average than a year ago, although 6 per cent below the peak reached in January. After a marked rise last autumn and winter, featured by spectacular increases in grain prices, the total index of prices received by farmers in mid-January was 30 per cent above the highest level reached in the postwar inflationary period of 1919-20 and about 185 per cent above the 1935-39 average. Following an abrupt drop in February the index rose again, reflecting sharp advances in livestock prices, and reached a point in mid-July which was only 2 per cent below the January high. From mid-July to the end of August average prices of farm products declined about 5 per cent, reflecting further decreases for crops and some declines for livestock products.

Grains. Indexes of prices received for all farm products and also for grains and livestock, which have moved very differently over the past year, are shown in the chart. At their peak in January grain prices had risen 60 per cent from the level at the beginning of 1947 and were 250 per cent above the prewar average. This striking advance last year from already high levels stimulated



Based on U. S. Department of Agriculture mid-month data. The latest figures shown are for August. The grain index combines the Department's separate price indexes for food and feed grains.

speculative activity in other commodity markets. The advance reflected mainly large Federal purchases for export in the spring and autumn, the short corn crop, the sharp reduction in grain production in Europe, the prospects last autumn of serious drought damage to the winter wheat crop, and generally rising incomes and prices, especially during the latter part of 1947. When it became evident that the condition of the winter wheat crop was improving, that Argentina would have a large wheat crop, and that feed demands for wheat and corn would not be as great as had been anticipated, the rise in prices slowed down, and in early February, with interest in speculation for a further advance disappearing, prices of grains dropped sharply. Favorable crop reports for this country and most other parts of the world in the months that followed limited any except minor rallies in grain prices until the pressure of the huge new crop supplies harvested or definitely in prospect resulted in further marked declines.

Livestock and products. The marked declines in February for prices of livestock

proved to be temporary. The declines had reflected the fact that earlier price advances had caused some reduction in meat consumption, and a consequent building up of stocks, and also a temporary concern on the part of meat packers over the general economic outlook and the effects of a possible decline in consumer income on demand. An extended strike at major meat packing plants further reduced prices for live animals, especially hogs, and it was some time after the initial break that prices moved up again. Average prices of livestock in July and August were one-fourth higher than in February and one-fifth above a year ago. Beef cattle prices, the highest relative to last year, were about four and one-half times the prewar average and more than double the peak prices reached in the 1919-20 period.

Prices of dairy products showed less seasonal decline than usual during the first half of the year and were about 15 per cent higher than in the same period last year, owing chiefly to the 10 per cent higher level of consumer disposable income and the 4 per cent lower level of milk production. Exceptionally high feed costs during the period were important in influencing the determination of Federal minimum prices for fluid milk in major markets. Butter prices were maintained at advanced levels, reflecting in part strong storage demands during the period of peak production and relatively high prices for other edible fats and oils. In July and August butter prices declined about 5 per cent owing to reports of a marked rise in stocks and prospective increases in output. A sharp decline in prices of vegetable oils since mid-year probably contributed to the reduction in butter prices. Cottonseed oil prices dropped by a half from early June to the end of August as a result mainly of the big cotton crop indicated.

Cotton and other farm products. Cotton prices dropped from January to February at the time of the general break in farm prices, as is shown in the chart on page 1055. Subsequently prices advanced sharply and late in April reached a level 2 cents above the January level, reflecting mainly prospects of increased exports in the second quarter under the foreign-aid program. Exports did not occur in the volume anticipated, and during the summer it became evident that the new crop would be considerably larger than in the preceding year. Domestic purchases of raw cotton were also at a reduced level, reflecting a decline in inventory demands for cotton goods and some curtailment in cotton textile mill activity. By the end of August cotton prices were down about 20 per cent from the April high and were at the support level in the 10 spot markets.

Prices of other agricultural products, including rice, sugar, lard, dried fruits, tobacco, wool, and hides, have shown quite diverse movements during the past year. These products, as well as cotton, grains, and vegetable oils, are usually sensitive to international changes in supplies and demand, and in August their prices were generally considerably below earlier peak levels. In addition to the marked improvement in crop production both here and abroad, these price declines have reflected a better distribution of world supplies of agricultural products. As foreign trade restrictions are modified, as transportation facilities are improved, and as currency reforms abroad are extended, there is likely to be a further improvement in the distribution of supplies from one country to another and within the borders of individual countries. The relatively slow progress along these lines earlier in the postwar period was an important factor accentuating price rises.

PRICE SUPPORT LEVELS

From the end of the war until this season Federal price support operations have been on a relatively small scale as major farm products have been at support levels only occasionally. Every year prices of potatoes have been supported and during seasonal peak periods of production egg prices have been maintained by Federal action, and at times tobacco, wool, sugar, and some other products have been supported.

In August, however, prices of most of this season's major crops were at support levels, which are generally equivalent to 90 per cent of parity prices, except for cotton which is 92.5 per cent. Parity prices in mid-August were 7 per cent higher than a year ago, reflecting an advance of that amount in prices paid by farmers. Monthly changes in parity and farm prices and annual support levels for selected crops are shown in the chart. Also shown are hog prices and their support levels,

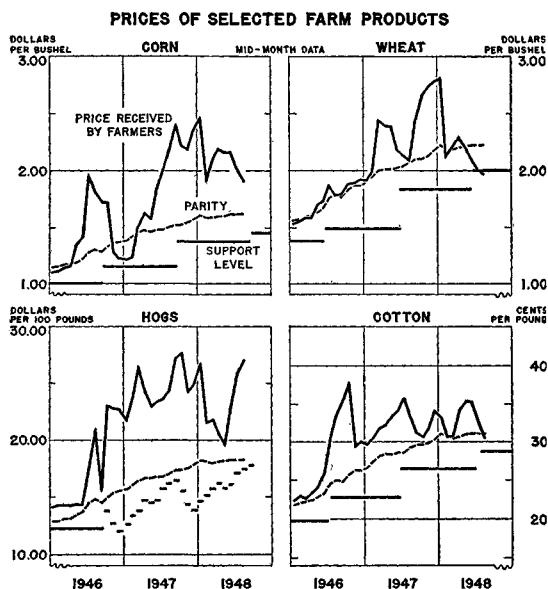
which are varied seasonally.

Prices for the new wheat crop fluctuated somewhat below support levels in July and August, owing mainly to lack of adequate storage space meeting Federal specifications. Spot prices of the old crop corn at the end of August were still considerably above the support level, but quotations for new crop delivery in December were about 10 per cent below the anticipated support level.

In the case of very large crops, supports tend to maintain prices far enough above free market prices so that prices cannot rise except on the basis of important developments. Also under such circumstances, these supports provide growers of crops with larger returns than they would otherwise receive and they limit the extent of cost and price reductions available to other producers and indirectly to consumers as a result of the abundant supplies. How far the abundant supplies can be attributed to advance Federal commitments to support prices is a basic question in any appraisal of the effects of the various crop support programs.

Among livestock products, which are of greater direct importance to living costs than crops, support levels are provided for poultry and dairy products, hogs, and wool; support for prices of beef cattle is not required. In August prices of livestock products for which supports are required, with the exception of eggs, were far above support levels, and ratios of livestock prices to feed prices were very favorable to increased production.

This is the first postwar season in which the total amount of crop loans guaranteed or held by the Commodity Credit Corporation is likely to be substantial. Usually most of the loans are guaranteed rather than held by the Commodity Credit Corporation and most Government outlays on this account are not made until unredeemed loans held by private agencies mature. Government expenditures



U. S. Department of Agriculture mid-month data. Latest figures plotted are for August. The 1948 support level shown for corn is estimated on the basis of August parity; the actual support level will be determined on the basis of September parity. Support prices for hogs beginning with October 1946 have been varied weekly to take account of usual seasonal price changes; the levels shown are for the week nearest the middle of the month.

in the early part of this season will depend partly on the extent to which agreements to purchase from farmers at a later date are used instead of loans and on the portion of loans held by the Corporation rather than by private lenders. Expenditures may be concentrated in the next spring when unredeemed privately held wheat loans mature and commitments to purchase are carried out, and also in the next summer and autumn when unredeemed cotton and corn loans and purchase agreements mature. To the extent that loans are held by the Corporation rather than by private lenders, Government outlays will be made earlier, while to the extent that privately held loans are renewed at maturity next year, Government expenditures will be delayed.

The Agricultural Act of 1948 extended for another year most of the provisions of the wartime support program which were to expire on December 31, 1948. For farm commodities produced after January 1, 1950, however, the new Act provides that support levels for most of the basic crops, such as corn and wheat, may be varied from 60 to 90 per cent of parity, depending on supplies. Other commodities may be supported, in most cases at any level up to 90 per cent, by decision of the Secretary of Agriculture. A new method of computing parity prices is to be established, which is designed to relate parity prices more closely to current production costs and demand for products, and in general parity prices for crops will be lower, and for livestock products higher, than those calculated by present methods.

HIGH FARM INCOME

Income from farm marketings in 1948 is likely to be slightly larger than the 30 billion dollars received in 1947. Cash receipts from both livestock products and crops in the first seven months of the year were about 4 per

cent higher than in the corresponding period last year. Marketings of livestock and products are likely to continue well below last year, but this reduction may be more than offset by higher prices. Continued large receipts from crops are expected on the basis of a record volume for sale despite prices substantially below those of a year ago.

Government payments to farmers in 1948, chiefly to promote soil conservation, have been at about the same rate as in 1947 when payments totaled 350 million dollars. This amount compares with 800 million dollars in 1946, when production subsidy programs were in effect part of the year, and a 500 million dollar average in 1935-39, when payments were on a somewhat different basis.

Total cash farm income this year will be nearly four times that of 1935-39 and, since production expenses have risen somewhat less, net cash income will be still higher in comparison with the prewar level. In real terms, allowing for increases in living costs, net cash income is about double the prewar level and, with a decline in the number of farm operators, income per operator is more than double the prewar level.

While over-all income figures show the position of agriculture greatly improved over the relatively low prewar level, they do not indicate the full extent of the improvement for some farmers or the limited amount of the rise for others. The amount of increase in incomes from different types of farming has varied widely and so also has the amount of increase for individual farmers engaged in the same type of farming.

The most notable increases in farmers' cash income have been from the growing of grain and the raising of livestock. Increases from dairy and poultry operations have not been as large, while receipts from fruit production have shown the smallest gain, being about two and one-half times the prewar level.

Although increases in farm incomes have been large, proportionally, in comparison with increases elsewhere in the economy, the incomes received by many farmers who operate small acreages have been small, and it appears that sizable numbers of these farmers have been taking industrial jobs. Immediately after the war the farm population showed a net increase due mainly to the return of servicemen. In 1947, however, fewer people returned to farms, the number leaving increased, and a net migration of 600 thousand a little more than offset the natural increase. The number of persons on farms at the end of 1947 is estimated at 27.4 million, about 10 per cent less than before the war. Nonfarm population, meanwhile, has increased nearly 20 per cent since 1937, to 118 million at the end of 1947.

IMPROVED EQUITY POSITION OF FARMERS

The equity position of farmers in dollar terms is showing further marked improvement this year though not so much as in 1947 or 1946. Dollar figures, however, greatly overstate the improvement in real terms since they reflect chiefly upward revaluations of assets. In 1947, for example, when the total value of farm assets increased by 12 billion dollars, 10 billion of the increase resulted from higher prices for land and other assets. Farm land values on July 1, 1948 reached an all-time peak, at 210 per cent of the 1935-39 average. This compares with 157 at the end of the war and 195 per cent a year ago. Further marked expansion in the value of equipment held reflects a continued rapid pace of farm mechanization as well as higher valuation. Demand deposits of farmers were slightly larger in July than a year previous and about six times the prewar level.

Farm mortgage debt has risen slightly this year, as in the two preceding years, but is still one-third below the prewar level and

less than half the peak volume reached in 1923. On the other hand, farmers have been borrowing considerable amounts on a short-term basis. The most recent figures available indicate that such loans at member banks increased 25 per cent in the year ending June 30 and loans of production credit associations increased 30 per cent in this period. Short-term loans of all banks and production credit associations, excluding loans guaranteed by the Commodity Credit Corporation, in the middle of the year were probably about 80 per cent higher than at the end of the war and more than two and one-half times the low prewar level. The combined volume of such loans is now about two-thirds of the large amount held by banks following the first world war. Increases in short-term loans reflect a wide variety of transactions, including larger purchases of machinery by farmers and borrowing by the farmers whose returns have not risen as much as costs. Developments in the financial position of farmers during 1947 are presented in an article, "The Balance Sheet of Agriculture," on pages 1067-82 of this BULLETIN.

The credit situation in farming areas is better, as compared with the period of exceptionally high prices after the first world war, in that ratios of debts to assets are generally lower. For this reason, in a period of declining prices and incomes, credit liquidation in farming areas would presumably not be as important. This does not mean, however, that all loans made on agricultural commodities at advanced prices would be repaid. Nor does it mean that adjustments in credit and banking operations would not be required when adjustments occur in production, as they will when temporary postwar demands, such as some of the current export demands for wheat, disappear and when price shifts occur as a result of changes in demand and in production techniques.

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PART V. Housing Expenditures and Finance

Traditionally, expenditures for housing have constituted the largest lump sum item in the American family budget. The annual rent bill for the almost 17 million nonfarm families who were renting their living quarters at the beginning of 1948 was estimated at about 7 billion dollars. During the past year the 18.5 million nonfarm families who owned their homes paid out an estimated 5 billion dollars for repairs and additions alone and undoubtedly considerably more than this amount in terms of down payments, repayments of principal, interest, and taxes. The level of and change in expenditures for housing relative to total consumer income, therefore, have an important influence on the amount which the nation's families spend on other goods and on the amount of their saving.

Because of the importance of housing expenditures, the 1948 Survey of Consumer Finances, conducted for the Board by the Survey Research Center of the University of Michigan, made an initial attempt to obtain more detailed data on this subject. Although it is possible to make comparisons on only a limited scale with previous surveys,² the results cast important new light on some of the distinguishing characteristics of renting and home-owning families throughout the country.

Information on the number of home purchases

¹ This article was prepared by Clarke L. Fauver of the Board's Division of Research and Statistics. It is the fifth in a series presenting the results of the Board's 1948 Survey of Consumer Finances. The first four articles appeared in the June, July, and August BULLETINS.

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

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

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

during 1947 and intentions to buy during 1948 was presented in Part I of the survey reports appearing in the June BULLETIN. Selected data on home ownership were also given in Part III in the July BULLETIN, which outlined consumer holdings and use of liquid and nonliquid assets. In addition to such data, renting families provided information on the amount paid and changes in rent during the past year. Also, home owners reported on the financial arrangements connected with the purchase of their houses and indicated the amount of mortgage payments made and expenditures for repair and modernization. From this basic information and from other data obtained in the survey, this article analyzes the relationship of income, liquid asset holdings, size of family, size of community, occupation, and other characteristics to the major family outlays for housing.

The information here presented from the 1948 Survey of Consumer Finances is based upon the results of about 3,500 interviews taken in 66 sampling points throughout the nation. The sample is representative of the entire population of the United States residing in private households.³ The interview unit of the survey is the spending unit, defined as all persons living in the same dwelling and belonging to the same family who pooled their incomes to meet major expenses. Unlike the previous articles in this series, however, the data in this section have been converted to a family unit basis, since housing facilities are commonly provided under some family arrangement. The survey uses the same definition for a family as the Bureau of the Census of the Department of Commerce uses in its income studies, namely, that a family consists of all persons living in the same dwelling who are related by blood, marriage, or adoption. Some family units consist of a single person.

The number of dwelling units is smaller than the number of families because some dwelling units are inhabited by two or more families. In addition to the main family, for instance, a dwelling may

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

contain domestic servants, roomers, or a second family.

SUMMARY OF FINDINGS ON HOUSING EXPENDITURES

1. At the beginning of this year about 18.5 million nonfarm family units owned their homes, somewhat less than 17 million were living in rented quarters, while about 2 million neither owned their homes nor paid rent. On a percentage basis, 49 per cent of the nonfarm families owned their homes, 45 per cent paid rent, and 6 per cent neither owned homes nor paid rent. Altogether about 53 per cent of the *dwelling units* of the nation, not including the dwellings of farm operators, were occupied by their owners.

2. Among families with incomes of less than \$3,000 as many as two of every five families, and among those with incomes of \$7,500 or more nearly three of every four families, were home owners. Broadly speaking, therefore, home ownership tended to be related to the amount of income received, that is to say, the higher the income the greater the proportion of owners in the income class.

3. Home ownership rose in frequency with age of the family head, no doubt reflecting especially the fact that ownership usually involves the prior accumulation of family savings for down payment or partial equity purposes. Home ownership was also much more frequent in smaller communities than in city and metropolitan centers.

4. The median monthly rent paid by nonfarm families at the beginning of 1948 was approximately \$30. In general, both the largest and smallest families paid lower rents than did families of two or three persons.

5. More than one quarter of all renting families had increases in monthly rental payments during 1947. There was no change for about 60 per cent, and a decline for a small group. Continued maintenance of modified rent controls undoubtedly held down both the number and the amount of increases.

6. On the average, American families who paid rent at the beginning of this year were spending for this purpose an amount equal to about 12 per cent of their total 1947 income. There were substantial differences among income groups, however, and families with incomes of less than \$2,000 had to set aside an average of 21 per cent of their incomes for rent, while those with incomes of \$5,000 or more used an average of only 9 per cent.

7. Although the survey does not provide a complete answer to the question of how much of their incomes home-owning families have to use for shelter, it is significant that almost one-half of the home-owning nonfarm families reported having made expenditures for repairs and additions to their residences. Of the total income (before taxes) of all such home owners, more than 5 per cent went into expenditures of this type in 1947. This amount does not include money paid out on mortgage principal, interest, taxes, insurance, and other incidental expenses of home ownership.

8. The median amount spent in 1947 by the 8 million families who had expenses for repairs and additions to owned homes was about \$280; for repairs alone, the figure was about \$200; and for permanent additions, the median amount was over \$600.

9. Three of every five home owners made no payments on mortgage principal during 1947. For the 38 per cent of the families that made such payments, the median amount was less than \$500. This sum is not the median amount of retirement on outstanding mortgages, because payments reported in some cases included interest and in others both interest and taxes.

CHARACTERISTICS OF HOME-OWNING AND RENT-PAYING FAMILIES

Results of the 1948 survey confirm the fact that the proportion of American families who own their own homes is larger at the present time than it has been at any other time for which there are records. Nearly half (49 per cent) of all nonfarm families stated that they owned their homes outright or were in the process of buying them on time when the interviews were made early in 1948. The number who said they were renting houses or apartments was somewhat less and constituted 45 per cent of all nonfarm families. The remaining 6 per cent of the families indicated that they neither owned their homes nor paid rent. These units consist of domestic servants, farm laborers, and of other people who received rent-free dwelling quarters. Many of them were single persons and had a low income.

While the figures are not directly comparable, there is a close correlation between these findings and the estimates based on a sample survey made by the Bureau of the Census in April 1947. The

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survey found 53 per cent of the nonfarm *dwelling units* to be owner occupied.⁴

Except for the effect of depression experience during the thirties, every decennial census since 1900 has shown an increase in the ratio of owner-occupied units to total nonfarm dwelling units. Thus, the ratio rose from 37 per cent in 1900 to 46 per cent in 1930, then dropped to 41 per cent

⁴The Bureau of the Census reports home-ownership data in terms of urban and rural nonfarm dwelling units (not families). Rural nonfarm dwellings are those located outside the boundaries of urban places, but not on farms.

Because the survey definition of "nonfarm" families is somewhat more comprehensive than that used by the Bureau of the Census, survey tabulations include many rural dwellings that are excluded from Census nonfarm totals. The survey definition of "nonfarm" families includes all families with the exception of about 5 million families of farm operators, who are either full-time farmers or part-time operators who received at least half of their 1947 gross cash income from farming. Farm laborers and nonfarming families living on farms are included in "nonfarm" families in the survey tabulations.

TABLE I

COMPARISON OF SIGNIFICANT CHARACTERISTICS OF HOME-OWNING AND RENT-PAYING NONFARM FAMILIES, EARLY 1948¹

[Percentage distribution of nonfarm family units within group]

Family characteristics	All non-farm families	Home-owning	Rent-paying	Neither
All nonfarm families.....	100	49	45	6
<i>1947 family income (before taxes):</i>				
Under \$1,000.....	100	47	34	19
\$1,000-\$1,999.....	100	44	49	7
\$2,000-\$2,999.....	100	43	51	6
\$3,000-\$3,999.....	100	50	48	2
\$4,000-\$4,999.....	100	50	47	3
\$5,000-\$7,499.....	100	52	46	2
\$7,500 and over.....	100	73	26	1
<i>Liquid asset holdings:</i>				
None.....	100	36	55	9
\$1-\$499.....	100	51	45	4
\$500-\$999.....	100	53	41	6
\$1,000-\$1,999.....	100	52	45	3
\$2,000-\$2,999.....	100	54	41	5
\$3,000-\$4,999.....	100	53	43	4
\$5,000 and over.....	100	70	27	3
<i>Occupation of head of family:</i>				
Professional.....	100	47	43	10
Managerial and self-employed.....	100	70	28	2
Clerical and sales.....	100	44	48	8
Skilled and semiskilled.....	100	46	50	4
Unskilled.....	100	34	49	17
Retired.....	100	64	31	5
<i>Type of community:</i>				
Metropolitan.....	100	40	54	6
Other city, more than 50,000.....	100	44	53	3
City, 2,500 to 50,000.....	100	57	37	6
Town, under 2,500.....	100	61	33	6
Open country.....	100	50	26	24
<i>Age of head of family:</i>				
18-24.....	100	24	71	5
25-34.....	100	37	57	6
35-44.....	100	46	50	4
45-54.....	100	59	37	4
55-64.....	100	58	35	7
65 and over.....	100	64	29	7

¹In this and subsequent tables, families include single-person units.

in 1940. Although these percentages again are not strictly comparable, it is clear that the decline experienced during the thirties has been more than offset by the increase in home ownership during the war and postwar period. The permanence of at least some of the recent increases in home ownership is questionable. The acute shortage of rental units has no doubt forced many families to buy homes, often at inflated prices and somewhat beyond their means, simply in order to obtain shelter.

Table I on this page presents an analysis of some of the more important characteristics of home-owning and rent-paying nonfarm families as revealed by survey data. Significant is the fact that when the families are grouped according to the amount of income they reported receiving in 1947, frequency of ownership appears less systematically related to income below the \$5,000 level than it does from this level upward. However, by consolidating income classes below \$3,000, a systematic pattern of ownership, rising as income level rises, is shown. Roughly two of every five families with incomes below \$3,000 were home owners and nearly three of every four families with income levels of \$7,500 and above.

The amount of liquid asset holdings of a family varied considerably regardless of whether they owned their homes or were tenants. The proportion of rent-paying families was considerably higher among groups with no liquid resources, but even here better than one of every three nonfarm families owned their own homes. For those families with some liquid assets, the ratio between renters and owners showed little variation in the range of holdings under \$5,000. In families with the largest holdings, it was again true that the proportion of owners was noticeably higher.

When families were classified according to the occupation of the head, the proportion of home owners was highest among managerial and self-employed businessmen and those who had retired. It was lowest among unskilled workers and, as has already been pointed out, people who neither owned nor paid rent for their quarters were most numerous in this group. In general, the proportion of ownership was highest among the higher-paid occupational groups.

The size of the community in which the family lived and the age of the head of the family appeared to have an especially significant bearing on the owner-renter relationship. With the exception

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of open country areas (where farm operators have been excluded from the tabulations), it was found that the larger the size of the community, the higher was the proportion of tenants and the lower the proportion of home owners. In the metropolitan areas, only two of every five families were home owners; the other three families were

TABLE 2

MONTHLY RENT PAID BY NONFARM FAMILIES WITHIN DIFFERENT INCOME GROUPS, EARLY 1948

[Percentage of rent-paying family units in each rent bracket]

Monthly rent	All rent-paying nonfarm families	1947 family income before taxes		
		Under \$2,000	\$2,000-\$4,999	\$5,000 and over
Under \$20.....	21	44	15	4
\$20-\$29.....	22	30	22	14
\$30-\$39.....	22	12	28	21
\$40-\$49.....	16	8	18	17
\$50-\$74.....	12	2	12	26
\$75-\$99.....	3	0	2	9
Over \$100.....	2	0	1	7
Not ascertained.....	2	4	2	2
All rent-paying nonfarm families.....	100	100	100	100

either renters or neither owners nor renters. In the small towns the opposite was the case.

Only about one-fourth of the families whose head was between 18 and 24 years of age reported owning their own homes, whereas almost two-thirds of the group of age 65 and over were home owners. Most families who are going to acquire a home of their own apparently do so before reaching 45 inasmuch as the change in ratios for groups above this age was not one of consistent increase.

As might have been expected, relatively few single-person families were home owners. The proportion of home owners among families of two or more persons increased somewhat with the number of persons up to five, but appeared to decline as family size increased beyond five persons.

MONTHLY RENT PAYMENTS OF NONFARM FAMILIES

The median monthly rent paid by nonfarm tenant families at the beginning of this year is estimated from survey data at roughly \$30. This is in close accord with the findings of a sample survey taken by the Bureau of the Census in April 1947. At that time the median rent for tenant-occupied nonfarm dwelling units was slightly more than \$29. Also, the median is no doubt lower than would prevail without the continued maintenance

of rent control. In 1940, nearly 70 per cent of all rented nonfarm houses or apartments were available for less than \$30, and the median amount paid was approximately \$10 less than it is at the present time.⁵

Table 2 indicates the distribution of payments made by all rent-paying nonfarm families and also shows the differences among families at various income levels. The median rent paid by those who received incomes of less than \$2,000 in 1947 was slightly more than \$20, while it was close to \$50 for those with incomes of \$5,000 or more.

Other characteristics of the rent-paying families are analyzed in Table 3. The largest differences in monthly rents are revealed in the classifications

TABLE 3

MONTHLY RENT PAID BY NONFARM FAMILIES OF DIFFERENT CHARACTERISTICS, EARLY 1948

[Percentage distribution of rent-paying family units within group]

Family characteristics	All rent-paying nonfarm families	Monthly rent paid				
		Under \$30	\$30-\$49	\$50-\$99	Over \$100	Not ascertained
All rent-paying nonfarm families.....	100	43	38	15	2	2
<i>Size of community:</i>						
Metropolitan.....	100	27	46	22	4	1
Other city, 50,000 and over.....	100	48	35	14	1	2
City, 2,500 to 50,000.....	100	47	41	11	0	1
Rural.....	100	72	18	5	0	5
<i>Occupation of head of family:</i>						
Professional.....	100	14	43	37	3	3
Managerial and self-employed.....	100	19	39	30	11	1
Clerical and sales.....	100	21	50	24	2	3
Skilled and semiskilled.....	100	45	43	10	0	2
Unskilled.....	100	65	27	5	0	3
<i>Number of children:</i>						
None ¹	100	36	43	16	3	2
One.....	100	42	39	17	0	2
Two.....	100	47	36	13	3	1
Three or more.....	100	58	29	12	0	1

¹ Includes nonfarm families with two or more adult members.

of families by place of residence. This shows a strong positive relationship between the degree of urbanization and the amount of rent paid. In metropolitan areas only about one-fourth of the families spent less than \$30 for rent. In smaller communities this proportion was nearly one-half and in the rural nonfarm areas it was almost three-fourths. It should not be overlooked, how-

⁵ For data used in this paragraph, see U. S. Bureau of the Census, *Census of Housing* in conjunction with 16th Decennial Census (1940); and U. S. Bureau of the Census, *Housing*, (Current Population Reports, Series P-70, No. 1, 1947).

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ever, that income differentials among these same geographic areas offset to some extent the effect of higher rents in the larger cities.

Both the largest and smallest families (single persons) paid lower rents on the average than did other families. When classified by number of children, it appeared that families with one child usually paid more rent than did those with two or more children. However, two-person families with no children seemed to have paid somewhat higher rents than any of those with children.

CHANGES IN RENT DURING 1947

More than one-fourth of all rent-paying nonfarm families reported increases in monthly payments during 1947, as is shown in Table 4. About three of every five families indicated that their rent had not changed, and a small proportion said the

TABLE 4

RENT CHANGES FROM EARLY 1947 TO EARLY 1948 AS REPORTED BY RENT-PAYING NONFARM FAMILIES IN VARIOUS INCOME GROUPS

[Percentage distribution of nonfarm families in each income group]

Change in monthly rent 1947 to 1948	All rent-paying nonfarm families	1947 family income before taxes		
		Under \$2,000	\$2,000-\$4,999	\$5,000 and over
1948 rent higher.....	27	26	27	32
No change.....	59	54	59	61
1948 rent lower.....	6	8	7	3
Not ascertained.....	8	12	7	4
All rent-paying nonfarm families.....	100	100	100	100

amount of their rent had gone down during the preceding year. Information was not collected on the percentage or amount of the rent increases or decreases, but these figures would doubtless be affected by the continued maintenance of rent control. Change of rent paid by tenants may have occurred for two different reasons: either moving to new quarters, or a change of rent paid on the same dwelling. Separate information about the two reasons is not available.

The proportion of the families that reported increases in rent was slightly higher in the upper income brackets than in the middle and low income classes. Classification by place of residence revealed that rent increases were more frequent in the metropolitan areas and large cities than in other less populated areas.

RELATION OF MONTHLY RENT TO INCOME

What proportion of their incomes do American families use for rent payments? From the point of view of its possible effect on the amount of funds available for other types of consumer expenditures, this is the significant question to be answered from the monthly rent data collected in the survey. As is shown in Table 5, on the average, nonfarm families who pay rent are currently

TABLE 5

RELATION OF RENT PAYMENTS IN EARLY 1948 TO 1947 INCOMES OF RENT-PAYING NONFARM FAMILIES, BY INCOME GROUPS

1947 family income before taxes	Percentage distribution of totals relating to rent-paying nonfarm families			Total rent payments as percentage of family income of respective groups
	Number of families ¹	Total income ²	Total rent payments ³	
Under \$2,000.....	27	10	17	21
\$2,000-\$4,999.....	54	50	54	13
\$5,000 and over.....	19	40	29	9
All income groups.....	100	100	100	12

¹ All rent-paying nonfarm families, 100 per cent in this column, represent 45 per cent of all nonfarm families.

² Total income of all rent-paying families, 100 per cent in this column, represents 40 per cent of total nonfarm income.

³ For the purposes of this table, monthly rents paid at the beginning of 1948 were multiplied by 12.

spending about 12 per cent of their incomes (before taxes) for this purpose. This reflects the effect of a relatively stable rent level maintained under regulation in contrast to substantial increases in personal incomes as well as in the prices of other commodities and services.

An important but difficult question concerns changes in the proportion of consumer incomes devoted to rent over the past decade. The data for such comparisons are, unfortunately, scanty. Two earlier surveys, however, provide a rough indication of the extent of the changes, although it should be noted that they are not directly comparable because of differences in population covered, methods of sampling, and definition of terms. In 1941, the Bureau of Labor Statistics of the United States Department of Labor reported that the monthly payments of rent-paying families averaged just under 16 per cent of their money income (before taxes). In another Bureau of Labor Statistics study made in 1944, the ratio of rent payments to income for nonfarm families was esti-

mated at 13 per cent (after allowance for taxes).⁶ It is interesting to see that relatively similar relations of rent to income were found for the three years studied.

Data for all three surveys indicate that there is not much statistical basis for the traditional thinking that the average family spends about one-fourth of its income for rent. Such a relationship probably exists only when incomes are at an abnormally low level during a depression and when at the same time rent obligations remain a relatively inflexible item in the family budget. Thus in the Financial Survey of Urban Housing made in conjunction with the Real Property Inventory taken in 1933, it was found that in 52 cities the contract rents averaged approximately 24 per cent of family income.⁷

The current ratio of 12 per cent of income allotted for rent payments, being an average for all families, of course permits considerable variation among families at different income levels. For low income families, defined as those with incomes of less than \$2,000 during 1947, monthly rent payments were equal to slightly more than one-fifth of their total income. High income families, those with incomes of \$5,000 or over, spent slightly less than half this proportion, or about one-tenth for rent. The low income families, who represent a little more than one of every four rent-paying families, were responsible for 17 per cent of all rents paid, while high income families (about one of every five) accounted for 29 per cent of the total rent payments.

This information, although indicative of the rent-to-income relation, should be used with caution. It was derived by relating monthly rent paid at the time of the interview (January or February 1948) to the total income for 1947. The monthly rent was multiplied by 12 and compared with the 1947 income of all family units paying rent. The result is not identical with the share of 1947 income used for rent in that year because some rents increased during 1947 as stated above.

EXPENDITURES OF HOME OWNERS FOR IMPROVEMENTS

Survey data do not provide a complete answer to the amount of money spent by home owners for the provision of their shelter. Home owners

⁶ For 1941 data, see *Survey of Spending and Saving in Wartime* (Bulletin No. 822, 1941); for 1944 data see "Survey of Prices Paid by Consumers" (1944), *Monthly Labor Review*, May 1947.

⁷ See U. S. Department of Commerce, *Financial Survey of Urban Housing* (1937).

are liable to three main kinds of annual payments on their homes. First, there may be a mortgage outstanding on which payments of both interest and principal may be due; secondly, there are usually real estate taxes, insurance, or other miscellaneous levies to be paid; and finally, there may be expenses for ordinary maintenance and repair or for additions to, or improvements in, the property.

The results of the survey provide incomplete information on the first of these expenditures, and no data on the specific amount paid for taxes. Special efforts, however, were made to obtain reports on money spent by home owners in 1947 for additions and repairs. The distinction between additions and repairs in many cases was not easy and in many instances could not be made. Additions and major improvements were defined in the survey to include, for instance, insulation, installation of a new bathroom or a new furnace, addition of a room or a porch, installation of curbs and gutters, the building of a garage or the creation of a habitable room in a formerly unfinished attic or basement. Maintenance and repairs, on the other hand, include redecorating, papering or painting, replacement of screens or shutters, re-sodding the lawns, and in general what is called "upkeep."

From the standpoint of consumer expenditures, and the concept of "saving" and "dissaving," there are some important differences between the payment of rent by tenants and the money spent by a home owner. Rents paid do not add to the aggregate resources of the spender in any way. Some repair costs of a home owner are similar in nature, but they do have the effect of at least partly preserving an investment in a nonliquid asset. Permanent improvement and additions, however, represent an investment which may be recovered in part at a later date, except for normal depreciation. Interest paid on mortgage debt is also similar in its economic significance to the payment of rent. Repayment of mortgage principal, on the other hand, reduces the long-term debt of a family. For purposes of the survey and its analysis of net saving, both the amounts paid on major home improvements and the amounts repaid on mortgages have been considered as "additions to savings."

It is estimated that home owners spent nearly 5 billion dollars during 1947 for property improvements. This, of course, was abnormally large because of the backlog that had accumulated during the war period when no extensive work of

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this kind could be carried out. Increased supplies of essential building materials and continued high level of personal incomes made possible this record volume.

Almost one of every two home-owning families paid out money for additions or repairs, or both, in 1947. The median amount spent by the 8 million families who had expenses of this kind was about \$280, although the average amount was considerably higher because of the large-scale nature of many of the projects.

Outlays for these purposes were equal to about 5 per cent of the 1947 income of all home-owning nonfarm families. As is shown in Table 6, the proportion was slightly higher than the average

in the case of families with incomes of less than \$2,000, and slightly lower than the average in the case of families with incomes of \$5,000 or more. Each of these groups represents about one-fourth of all home-owning families, but the expenditures of the high income group for additions and repairs were about five times those of the low income group. Families with incomes of \$5,000 or more accounted for approximately half of all money spent, in contrast to the 9 per cent attributable to families in the lowest income bracket.

Generally speaking, the tendency was for the proportion of home owners indicating such expenditures to be slightly higher among families in metropolitan areas than among families in other areas. The same was true among groups where the head of the family was under 45 years of age in comparison with other age groups, as is shown in Table 7. Statistically speaking, however, many of these differences were not significant.

TABLE 6

RELATION OF EXPENDITURES FOR HOME IMPROVEMENTS TO INCOMES OF HOME-OWNING NONFARM FAMILIES, BY INCOME GROUPS, 1947

1947 family income before taxes	Percentage distribution of totals relating to home-owning nonfarm families			Total payments for home improvements as percentage of total income of respective groups
	Number of families ¹	In- come ²	Payments on home improvements ³	
Under \$2,000	25	6	9	8
\$2,000-\$4,999	48	34	41	6
\$5,000 and over	27	60	50	5
All income groups	100	100	100	5

¹ All home-owning families, 100 per cent in this column, represent 49 per cent of all nonfarm families.

² The total income of all home-owning families, 100 per cent in this column, represents 56 per cent of the total nonfarm income.

³ Total 1947 expenditures for repairs, improvements, and additions to owned homes are taken as 100.

MORTGAGE PAYMENTS BY HOME OWNERS

Although data on the financial arrangements of home owners are somewhat incomplete, the survey does provide information about the frequency of payments made on mortgages during 1947. While three of every five home owners reported that they made no payments on mortgage principal last year, this does not necessarily mean that they owned their homes free of debt.⁸ The widespread use of "direct-reduction" loans, which are amortized by monthly payments consisting partly of interest on

⁸ Families who paid interest but no principal on mortgages were grouped with families that made no mortgage payments.

TABLE 7

EXPENDITURES FOR ADDITIONS AND REPAIRS TO HOMES OWNED BY NONFARM FAMILIES OF DIFFERENT TYPES, 1947
[Percentage of home-owning families in each expenditure bracket]

Amount spent for additions and repairs	All home owning non-farm families	1947 family income before taxes			Residence of family				Age of head of family				
		Under \$2,000	\$2,000-\$4,999	\$5,000 and over	Metropolitan area	Other city 50,000 and over	City 2,500 to 50,000	Rural area	18-34	35-44	45-54	55-64	65 and over
None	53	69	48	49	45	52	52	62	47	48	51	55	68
\$1-\$99	10	10	12	5	10	9	12	9	15	9	9	9	9
\$100-\$299	15	11	17	14	18	14	16	10	19	16	13	13	11
\$300-\$499	7	5	8	8	8	9	7	6	8	10	9	7	2
\$500-\$999	9	2	10	12	10	10	8	8	6	9	12	9	7
\$1,000-\$1,999	3	1	3	6	5	3	2	3	2	5	3	4	1
\$2,000 and over	2	1	1	5	3	2	2	2	3	2	2	2	1
Not ascertained	1	1	1	1	1	1	1	(1)	(1)	1	1	1	1
All home-owning non-farm families	100	100	100	100	100	100	100	100	100	100	100	100	100

¹ Less than one-half of 1 per cent.

1948 SURVEY OF CONSUMER FINANCES

the unpaid balance and partly of repayment of principal, tends to hide the fact that there are still many "straight" mortgages in existence and currently being made. In this latter type of loan, only interest payments are made in the interim between the making of the mortgage and its due date. On the due date, some repayment of principal may be made, and the balance is usually renewed for an ensuing term.

Two of every five home owners did make some mortgage payment during 1947. The median amount paid was under \$500. Low income families almost always paid less than this amount, while high income home owners usually reported expenditures of more than \$500. In about two-thirds of the cases these payments include unspecified amounts for interest, insurance, and taxes as well. About one-third of the payments were entirely applied to reduction of the principal amount of the mortgage. These two types of payments, presented in Table 8, cannot be separated into the portions applicable to principal, interest, and taxes. Finally, some of the payments reported included

only normal amortization, while some represented lump-sum repayments.

TABLE 8
AMOUNT PAID ON MORTGAGES BY HOME-OWNING NONFARM FAMILIES, BY INCOME GROUPS, 1947
[Percentage of all home-owning nonfarm families in each payment group]

Amount of mortgage payment	All home-owning nonfarm families	1947 family income before taxes		
		Under \$2,000	\$2,000-\$4,999	\$5,000 and over
Families making no payments ¹	62	88	55	52
Families making some payments	38	12	45	48
\$1-\$99	3	2	4	1
\$100-\$299	9	5	13	8
\$300-\$499	10	3	14	8
\$500-\$999	10	2	10	17
\$1,000 and over	5	(2)	3	13
Not ascertained	1	(2)	1	1
All home-owning nonfarm families	100	100	100	100

¹ Includes payment of interest where no repayment of principal was made.

² Less than one-half of 1 per cent.

REGULATION OF CONSUMER INSTALMENT CREDIT

On August 19, 1948, the Board of Governors of the Federal Reserve System issued Regulation W on "Consumer Instalment Credit" under Public Law 905 which the President signed on August 16, 1948. The regulation, which will become effective September 20, 1948, is in much the same form as the regulation terminated on November 1, 1947. It covers instalment sales of and loans for 12 kinds of consumers' durable goods, providing the cost is more than \$50. It also covers instalment loans for most other consumer purposes. Instalment credits up to \$5,000 are subject to the regulation.

The goods for which down payments are prescribed are as follows:

Article	Down payment (Per cent)
1. Automobiles	33 $\frac{1}{3}$
2. Cooking stoves	20
3. Dishwashers	20
4. Ironers	20
5. Refrigerators	20
6. Washing machines	20
7. Combination units incorporating any item in 2-6	20
8. Air conditioners, room unit	20
9. Radio and television sets, phonographs	20
10. Sewing machines	20
11. Suction cleaners	20
12. Furniture and soft-surface floor coverings	20

Maturities on all instalment credits subject to the regulation, whether to finance the purchase of these articles or not, must come within the following requirements:

Credit	Maximum maturity
1. Not exceeding \$1,000	15 months
2. Above \$1,000, except that monthly pay- ment on amounts over \$1,000 must not be less than \$70.00	18 months

Since November 1, 1947, when the old regulation ended, terms offered by merchants and lenders extending credit have been relaxed considerably. The requirements of the new regulation are somewhat less restrictive than those of last November but considerably tighter than terms now generally in effect. The down payment requirements on appliances are lowered from one-third to one-fifth. Also, to take care of late-model automobiles and certain other items where the expenditure must necessarily be large, the maximum maturity for credits above \$1,000 is set at more than 15 months, running up to 18 months. At the same time, the scope of the regulation is broadened to include all credits up to \$5,000 whereas \$2,000 had been the limit under the previous regulation.

Instalment credit for home improvements was eliminated from Regulation W after the close of the war, and it is at present not covered in the regulation. Because of the current inflationary situation, however, the Board is considering the advisability of an amendment to bring such credit under the regulation. Before deciding whether to do this, the Board wishes to give all who are interested an opportunity to express their views. Accordingly, the Board published in the Federal Register an invitation to interested persons to submit comments on the question whether such an amendment would be desirable.

The Board is also giving consideration to an amendment which would have the effect of making unenforceable any contract which does not conform to the provisions of the regulation on down payments or maturities. A similar procedure for receiving comment will be followed.

Regulation W will be administered in the field by the 12 Federal Reserve Banks and their 24 branches located conveniently throughout the country. Inquiries should be addressed to the nearest Federal Reserve Bank or branch.

The text of the new regulation is given on pages 1104-1111 of this BULLETIN.

THE BALANCE SHEET OF AGRICULTURE, 1948

The major portions of the fourth in a series of annual reports on the condition of agriculture, issued by the United States Department of Agriculture, are given below.¹ The full report will be published later as a Miscellaneous Publication of the Department of Agriculture.

The study was prepared under the direction of Norman J. Wall, Head, Division of Agricultural Finance, Bureau of Agricultural Economics, by A. S. Tostlebe, F. L. Garlock, R. J. Burroughs, H. C. Larsen, H. T. Lingard, L. R. Hudson, and S. L. Yarnall.

The assets of agriculture viewed as a single industry totaled 122 billion dollars on January 1, 1948. Physical assets amounted to 100 billion dollars and selected financial assets owned by farm

people to 22 billion. The rights of operators and landlords in these assets were valued at 113 billion dollars and the claims of creditors at only 9 billion dollars.

During 1947 total assets increased from 110 billion to 122 billion dollars. Farm real estate increased in valuation from 59 billion to 63 billion dollars, as is shown in Table 1 and on the chart, and other physical assets from less than 31 billion to more than 37 billion. Price changes were a primary cause of the increases, physical changes of inventory having been generally small. Financial assets also increased, rising from a total of about 21 billion dollars to 22 billion. These financial

¹ For the second and third reports in this series, see respectively the Federal Reserve BULLETIN for September 1946, pp. 974-94, and the BULLETIN for November 1947, pp. 1357-72.

TABLE 1
COMPARATIVE BALANCE SHEET OF AGRICULTURE, UNITED STATES, JAN. 1, 1940, 1947, AND 1948¹
[Dollar amounts in millions]

	1940	1947	1948	Net change			
				1940-48		1947-48	
				Per cent	Amount	Per cent	Amount
ASSETS							
Physical assets:							
Real estate	\$33,642	\$58,604	\$62,813	+87	+\$29,171	+7	+\$4,209
Non-real-estate:							
Livestock	5,133	² 11,977	13,451	+162	+8,318	+12	+1,474
Machinery and motor vehicles	3,135	² 6,980	³ 9,508	+203	+6,373	+36	+2,528
Crops, stored on and off farms ⁴	2,645	² 6,851	8,830	+234	+6,185	+29	+1,979
Household equipment	4,275	² 4,880	5,415	+27	+1,140	+11	+535
Financial assets:							
Deposits and currency	3,900	15,100	15,600	+300	+11,700	+3	+500
United States savings bonds	249	² 4,468	4,745	+1,806	+4,496	+6	+277
Investment in cooperatives	826	² 1,635	1,916	+132	+1,090	+17	+281
Total	\$53,805	²\$110,495	\$122,278	+127	+\$68,473	+11	+\$11,783
CLAIMS							
Liabilities:							
Real estate mortgages	\$6,586	\$4,777	\$4,882	-26	-\$1,704	+2	+\$105
Non-real-estate debt:							
To principal institutions:							
Excluding loans held or guaranteed by							
Commodity Credit Corporation	1,538	1,955	2,302	+50	+764	+18	+347
Loans held or guaranteed by Commodity							
Credit Corporation	445	65	81	-82	-364	+25	+16
To others ⁵	1,455	1,500	1,800	+24	+345	+20	+300
Total	\$10,024	\$8,297	\$9,065	-10	-\$959	+9	+\$768
Proprietors' equities ..	\$43,781	² \$102,198	\$113,213	+159	+\$69,432	+11	+\$11,015
Total	\$53,805	²\$110,495	\$122,278	+127	+\$68,473	+11	+\$11,783

¹ The margin of error of the estimates varies with the items.

² Revised.

³ Preliminary. In process of revision.

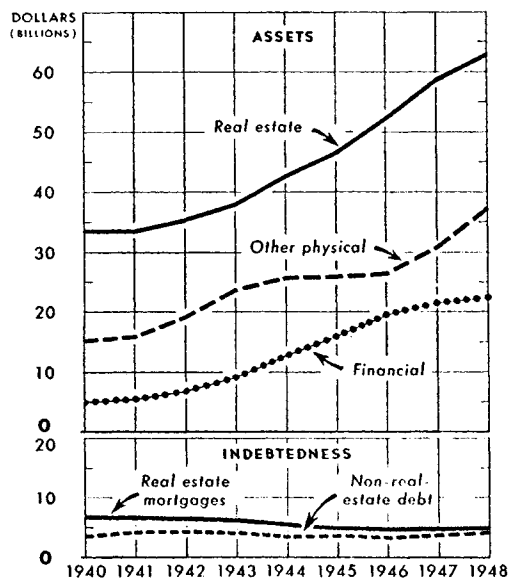
⁴ Includes all crops held on farms and crops held in bonded warehouses as security for Commodity Credit Corporation loans. The latter on Jan. 1, 1948 totaled 56.6 million dollars.

⁵ Tentative. Includes individuals, merchants, dealers, and other miscellaneous lenders.

THE BALANCE SHEET OF AGRICULTURE, 1948

assets include currency, bank deposits, United States savings bonds, and equities in cooperative associations. Debts increased from 8 billion to 9 billion dollars and the residual proprietary equities of farm operators and landlords increased from 102 billion to 113 billion during the year.

ASSETS AND INDEBTEDNESS OF U.S. AGRICULTURE JANUARY 1, 1940-48



U. S. DEPARTMENT OF AGRICULTURE NEG. 36524-X BUREAU OF AGRICULTURAL ECONOMICS

The increases in values of balance-sheet items during 1947 for the most part represent a continuation of the changes that have been taking place since 1940. The assets of agriculture increased from 54 billion dollars in 1940 to 122 billion in 1948. This 68 billion dollar increase may be accounted for as follows: (1) inflation of inventory valuations resulting from higher prices, 49 billion; (2) physical increase in inventories, 2 billion; and (3) increase in financial assets, 17 billion. Equities of operators and landlords increased from 44 billion dollars in 1940 to 113 billion in 1948, reflecting the 68 billion dollar increase in assets plus approximately a billion dollar reduction of debt.

MAJOR SOURCES OF CHANGES IN THE BALANCE SHEET

The assets and proprietary equities of farmers have increased each year since 1940, largely because farm income has increased. Gross income from agriculture, according to the preliminary data shown in Table 3, was 34.4 billion dollars in 1947 as compared with 28.5 billion in 1946 and 10.2

Since the 69 billion dollar increase in equity rests partly on what may be a temporary price increase, it is instructive to consider a balance sheet from which all increase in assets directly attributable to price changes since January 1, 1940 has been removed. In Table 2 all physical assets are valued at 1940 prices but financial assets and debts are in terms of current outstanding amounts. This deflated balance sheet shows that physical quantities have not changed greatly since 1940. The increase in the proprietary equity on this deflated basis was 20 billion dollars between 1940 and 1948. The components of this increase are: (1) increase of financial assets, 17 billion dollars; (2) physical increase in inventories, 2 billion; and (3) debt reduction, 1 billion.

TABLE 2

BALANCE SHEET OF AGRICULTURE WITH PHYSICAL ASSETS
VALUED AT 1940 PRICES, JAN. 1, 1940, 1947, AND 1948

[In millions of dollars]

Item	1940	1947	1948
ASSETS			
Physical assets (1940 prices):			
Real estate.....	33,642	133,642	133,642
Non-real-estate:			
Livestock.....	5,133	5,162	4,936
Machinery and motor vehicles.....	3,135	² 3,607	² 4,226
Crops, stored on and off farms.....	2,645	2,528	2,704
Household equipment ³	4,275	4,880	5,415
Financial assets:			
Deposits and currency.....	3,900	15,100	15,600
United States savings bonds.....	249	4,468	4,745
Investments in cooperatives.....	826	1,635	1,916
Total.....	53,805	71,022	73,184
CLAIMS			
Liabilities (outstanding amount):			
Real estate mortgages.....	6,586	4,777	4,882
Non-real-estate debt:			
To principal institutions:			
Excluding loans held or guaranteed by Commodity Credit Corporation.....	1,538	1,955	2,302
Loans held or guaranteed by Commodity Credit Corporation.....	445	65	81
To others.....	1,455	1,500	1,800
Equities (residual balance).....	43,781	62,725	64,119
Total.....	53,805	71,022	73,184

¹ 1940 valuation of farm land and buildings.

² Preliminary. In process of revision.

³ Estimated valuation for 1940 plus purchases less depreciation.

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ceipts. In addition to cash receipts from the marketing of farm products, farmers received payments for soil conservation and other activities of 772 million dollars in 1946 and 314 million in 1947.

Gross income was larger in 1947 than in 1946 because most prices received by farmers were higher. The volume of production for market and for use in farm homes was slightly lower in 1947 than the record attained in 1944 and 1946. Output of livestock and related products was about the same as in 1946, but slightly lower than in 1944 and 1945. The output of crops for market and for use in farm homes was a little below the peak of 1946.

TABLE 3

COMPARATIVE INCOME STATEMENT FOR AGRICULTURE,
UNITED STATES, 1940, 1946, AND 1947¹

[In millions of dollars]

Item	1940	1946	1947
HOW NET INCOME WAS OBTAINED			
Gross income from agriculture:			
Cash receipts from farm marketings.....	8,366	24,860	30,183
Value of products retained on farms for home consumption....	1,254	2,624	3,105
Rental value of farm homes.....	624	978	1,100
Total.....	10,244	28,462	34,388
Nonlabor production costs.....	-4,696	-10,025	-12,110
Adjustment for changes in inventory ²	+96	-19	-980
Total net income from agriculture.....	5,644	18,418	21,298
Government payments.....	+766	+772	+314
Total net income from agriculture and Government payments.....	6,410	19,190	21,612
HOW NET INCOME WAS DISTRIBUTED			
Hired labor (cash and perquisites)....	1,020	2,536	2,776
Net rent and Government payments to landlords not living on farms ² ..	460	1,255	1,556
Farm-mortgage interest.....	293	216	222
Total to operators.....	4,637	15,183	17,058
Total net income from agriculture and Government payments.....	6,410	19,190	21,612

¹ The margin of error of the estimates varies with the items. All data are preliminary.

² Market value, in terms of prices at the end of the year, of the increase or decrease in the physical quantities of crops for sale on farms or of numbers of livestock whether or not for sale.

³ After subtraction of estimated payments for taxes, mortgage interest, and other expenses paid by such landlords.

Notwithstanding the near-record physical production of 1947, prices received by farmers surged upward. The index (1909-14 = 100) moved from 260 on January 15, 1947 to 307 on January 15, 1948. This rise was due to the exceptionally strong demand that developed in both domestic and foreign markets. Domestic demand was strengthened during 1947 by record levels of employment and by

an increase in disposable personal income from 158.4 billion dollars in 1946 to 175.3 billion in 1947. Export demand was reinforced by loans and other measures and the value of United States exports of agricultural products, including military shipments of food to foreign civilians, increased from 3.6 billion dollars in 1946 to 3.9 billion in 1947.

Although there was an increase in operating expenses (including property taxes but excluding hired labor) and a decrease in Government payments, net income from agriculture and Government payments increased from 19.2 billion dollars in 1946 to 21.6 billion in 1947. Farm operators (both tenants and owners) received a net income of about 17 billion dollars in 1947 as compared with 15.2 billion in 1946 and 4.6 billion in 1940.

Increasingly large payments of Federal income taxes, as well as minor payments of State income taxes for which data are unavailable, had to be made from the net income received by farm operators. Federal taxes paid by farm operators on income earned in 1940 were only about 15 million dollars, as compared with an estimated 960 million on income earned in 1947. Payments of Federal income taxes now surpass total real estate taxes paid by farmers. Operators retained about 16 billion dollars from 1947 income after paying taxes.

The net income of farm operators, despite the higher prices and larger Federal income taxes they paid, would buy 1.7 times as much family maintenance in 1947 as in 1940. Moreover, each dollar received in 1947 would pay as much debt as a dollar received in 1940. This is the explanation of the farmer's improved position—of his ability to live better, to pay debts, to accumulate currency and bank deposits, and to buy United States savings bonds. In other words, farmers' net incomes generally have increased more rapidly than has their cost of living.

But the peak in "real income" may be passed. After the payment of Federal income taxes, the net income of farm operators in 1947 would buy 6 per cent less family maintenance than would the smaller dollar returns of 1946. If events after this postwar inflation follow the usual course, agricultural prices may decline in relation to prices of the goods that farmers buy. Considering present world conditions, however, it is unwise to forecast the repetition of any given pattern of price behavior in the immediate future.

Not all farms produce a high income even in the best years. The Census of Agriculture shows that in 1944 the total value of farm products sold or used in farm households was less than \$2,500 in the case of two-thirds of the farms and less than

THE BALANCE SHEET OF AGRICULTURE, 1948

\$400 in the case of one-sixth of the farms. Only one-eighth of the farms produced \$6,000 or more. Comparable figures for 1939 are \$2,500 or less for 89 per cent of the farms, less than \$400 for more than one-third of the farms, and \$6,000 or more for only 2.4 per cent of the farms.

Although many individual operators and landlords have been borrowing heavily in relation to their probable future incomes, aggregate debt is lower now than in 1940. The wave of foreclosures that occurred in the postwar and depression years of earlier decades should not be repeated on any

such scale if the agricultural debt remains near present levels.

Not only has the balance sheet of agriculture been greatly influenced by trends of farm income, by changes in the cost of living, by increases in tax payments, and by changes in outstanding indebtedness, but it has also been influenced by investments in farm machinery, household equipment, and the like, and in some parts of the country by a large-scale transfer of real estate from landlords to operators. Consideration is given to some of these factors in later sections.

CHANGES IN SELECTED ITEMS OF THE BALANCE SHEET IN RELATION TO CHANGES IN THE NATIONAL ECONOMY

Substantial changes since 1939 in asset ownership and debts were not limited to agriculture. The economic forces set in motion by the war affected all sectors of the national economy. In some cases the effects were similar to those in agriculture, in others they were very different.

Most changes in the financial condition of any part of the economy can be traced to actual or potential changes in income received by that sector. Net income that is not used in consumption of nondurable goods will increase physical or financial assets, or it will reduce debt. Moreover, rising income, or even its prospect, tends to raise the values of physical assets associated with its production; falling income depresses such values. Because of the pervasive influence of income on the financial condition of the economic sector to which it applies, a comparison of net income from agriculture with the national income is a necessary first step in explaining the relative improvement in the financial condition of farmers in general.

Net income from agriculture and Government payments rose from 6.4 billion dollars in 1940 to 21.6 billion in 1947, and national income from 78 billion to 190 billion.² While national income increased 144 per cent, net income from agriculture rose 238 per cent and became 11.4 per cent of national income as compared with 8.2 per cent in 1940. High prices resulting from increases in the demand for farm products, together with exceptional production, caused farm income not only to increase more than threefold but also to become a larger fraction of the expanded national income than it had been before the war. This is a basic reason for the magnitude of the changes, both actual and relative, in the farmers' financial condition.

Net income, wherever received, can be used, after taxes are paid, (1) for consumption, (2) to add to

capital goods, (3) to pay debts, or (4) to accumulate liquid assets. Each of these uses, with the exception of income spent on nondurable consumption items, directly affects the holdings of property or the indebtedness of the several sectors of the economy.

EXPENDITURES FOR CONSUMPTION GOODS

The amounts and proportions of the expanded incomes that were spent for consumer goods and services during the period 1940-48 are not available for individual sectors of the economy, but they have been estimated for the nation as a whole. The volume of such expenditures rose rapidly and consistently from 72.1 billion dollars in 1940 to 164.4 billion dollars in 1947, but the proportion of disposable income that was spent for consumption decreased from 95.2 per cent in 1940 to 75.6 per cent in 1944. After the war the proportion rose again, but at 93.8 per cent in 1947 it remained below the proportion of 1940.

Probably the most important influence on expenditures for consumption was the short supply or the complete unavailability of many items. During the period in which they operated, price controls were a factor. So were consumer credit controls, bond selling and debt reduction campaigns, and the patriotic impulses to save in furtherance of the war effort. These factors, operating in all sectors of the economy, retarded the expansion of expenditures for consumption and increased the proportion of net income that remained for investment in new capital goods, debt payment, or accumulation of liquid savings.

ADDITIONS TO CAPITAL GOODS

The amount of private investment in new capital facilities was influenced during this period by (1) the attractiveness of private investment in such facilities, (2) the availability of capital goods, and (3) the extent to which the Federal Government

² The Bureau of Agricultural Economics' estimate of national income as well as its estimate of net income from agriculture is used in this comparison. For details, see *The Farm Income Situation*, June-July 1947. Figures for 1947 are preliminary.

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provided facilities for private operation, such as Federally constructed manufacturing plants.

Earnings of capital goods in agriculture and in most other sectors of the economy rose sharply as defense and war expenditures raised prices and increased the volume which could be sold at profitable prices. Despite this change, which was basically favorable to a high rate of investment throughout the entire period, gross private domestic investment was notably low in the years of our active participation in the war. This is shown in the following tabulation of estimates by the United States Department of Commerce:

Year	Gross private investment (In billions of dollars)
1939 .	9.0
1940 .	13.0
1941 .	17.0
1942 .	9.0
1943 .	4.6
1944 .	5.7
1945 .	9.1
1946 .	24.6
1947 .	27.8

Only in the defense period 1940-41 and in the postwar years 1946-47 did private investment respond to the war-stimulated earning power of capital. The low level of private investment during the period 1942-45 is to be explained by shortages of machinery, materials, and labor (accompanied by priorities and allocations), by high taxes on income and excess profits, and by Government policy which provided many private operators with manufacturing plants built by the Federal Government.

Existing data do not permit a close comparison of the changes in the amount of facilities used in agriculture with those used in nonagricultural sectors, but there are indications that additions to plant during the period 1940-47 were proportionately larger in the nonagricultural sectors.

One such indication is found by comparing the very rough estimate of nonresidential construction on farms with the better estimates of industrial and public utility construction. Such comparison indicates that nonresidential farm construction has lagged very far behind industrial and public utility construction throughout the entire period. The large volume of industrial construction implies the installation of a commensurately large amount of new machinery, and supports the conclusion that during the period 1940-47 production facilities increased considerably more in the industrial sector than in agriculture. On farms the increase in machinery and motor vehicles was about 35 per cent,

but increases in the physical volume of real estate, livestock, and crops stored were nominal.

DEBT REDUCTION

The general increase in net income also made possible a reduction in various types of debt at one time or another during the period. The beginning of the decline of debt, however, its rate, consistency, and culmination varied among the sectors of the economy.

Perhaps the most notable reduction in debt was the 29 per cent decline in farm-mortgage debt during the period 1940-46. At the same time corporate long-term debt declined only 11 per cent. In both cases the decline ended in 1946. There was also a decline in State and local government debt which, however, continued to 1947 and amounted to 17 per cent by the beginning of that year. In each of these cases high income or revenue, coming at a time when many goods and services were unavailable or at least in short supply, made possible the repayment of an unusual amount of borrowed money. Moreover, new debts in these sectors were held in check by similar factors, and, to some degree, by the memory of excesses during the First World War.

During World War I, farm-mortgage, corporate long-term, and State and local government debt all increased. Then, as now, prices of farm real estate rose sharply, and the prices which corporations and State and local governments paid for new facilities were inflated. However, in that period few restraints were placed upon buying. Enthusiasm for buying land was little tempered by recollection of a collapse of values following an earlier war. Farmers, corporations, and State and local governments were not greatly restrained by scarcities, allocations, and priorities from making large-scale purchases of facilities which often involved borrowing.

Short-term debt has followed a somewhat different pattern. Non-real-estate farm debt, and short-term corporate and noncorporate commercial debt represent mainly credit used to finance production in various forms and stages. Each type of short-term debt expanded notably following 1939 as the different sectors of the economy stepped up their activities and their output, and as costs rose, in response to increased demand arising from the defense program. Non-real-estate debt of farmers rose from 3.0 billion dollars on January 1, 1940 to 3.6 billion two years later. Thereafter until the end of the war such debt declined. It stood at 2.8 billion dollars on January 1, 1946. Postwar renewal of expansion carried this debt to the high point of 4.1 billion dollars on January 1, 1948.

THE BALANCE SHEET OF AGRICULTURE, 1948

The general pattern of corporate and noncorporate commercial short-term borrowing was somewhat similar to that for farmers. In all of these cases the expansion of loans was interrupted by one to three years of decline. Then came a rapid increase. In all cases it appears that by 1943 physical expansion of needed facilities was practically completed and that the price control mechanisms of the Federal Government had helped to curtail further expansion of debt by stabilizing both costs and prices received. A decline in this type of debt then set in as high earnings provided farmers and other business operators with income more than enough to make such current purchases as shortages and allocations permitted. After the war, when price controls were removed and labor and materials became increasingly available and costly, the demand for additional credit to finance operations carried short-term indebtedness in the various sectors of the economy to new high levels for the war and postwar period.

The interruption in the growth of short-term private debt during the recent war years had no parallel in World War I. At that time the short-term debt of farmers rose steadily during the entire war and postwar period, until price deflation was under way in 1920. Private nonfarm debt of short maturity followed a similar course, declining only after the postwar boom had ended. At the postwar peak in July 1920, the non-real-estate debt of farmers of which there is record was 140 per cent greater than in 1914; the percentage increase from January 1, 1940 to January 1, 1948 was only 37 per cent. Nonfarm short-term debt appears to have increased 126 per cent during the four years from January 1, 1917 to January 1, 1921, as compared with 19 per cent during the five years from January 1, 1942 to January 1, 1947.

The smaller increase in short-term private debt in World War II had two main causes. First, although income was at a relatively high level in both war periods, the opportunities to spend it for either producer or consumer goods were not similar. The dissimilarity seems to be due to differences in the scope and effectiveness of price controls and to differences in the availability of goods and services. The lack of opportunity to spend during the Second World War had a twofold impact on the growth of private debt. It cut down the demand for new loans at the same time that it made funds available to reduce outstanding debt. The governmental policy of making payments to contractors in advance of delivery tended to hold short-term private borrowing in check during World War II. Also, this policy reduced the need

of private borrowing to finance production and movement of war goods, but it increased Federal borrowing.

ACCUMULATION OF LIQUID ASSETS

Of far broader scope and significance than any change in debt so far described was the increase in net Federal debt. This rose from 41.9 billion dollars on January 1, 1940 to a peak of 279.8 billion in February 1946 and declined to 256.9 billion on January 1, 1948. By making possible greatly increased Federal expenditures, the wartime increase in Federal debt contributed extensively to the rise in national income, including net farm income, and thereby to a reduction of private debts and debts of State and local governments. Moreover, the expansion in Federal debt, partially monetized by the banking system, provided most of the increase in total liquid assets of this period.³ The distribution and accumulation of these newly created bank deposits, currency issues, and Federal securities depended upon the earning power that the various groups in the economy were able to develop, and upon the disposition of their earnings in taxes, consumption, and investment.

High farm income was therefore the chief immediate source of the large increase in liquid asset holdings of farmers. But the accumulation also reflects deferred replacement and maintenance of farm and farm-home facilities. The bulk of this deferment was due to wartime restrictions and war and postwar shortages of many items which normally would have been bought by farmers. Meanwhile rising prices have severely reduced the purchasing power of these accumulations.

Farmers' holdings of liquid assets became an increasingly larger proportion of total holdings of individuals and businesses between January 1, 1940 and January 1, 1948, rising steadily from 6.3 per cent to 9.1 per cent. (Table 4).⁴ The year-to-year rate of increase was consistently higher in the case of farmers' holdings than in the case of unincorporated businesses and nonfarm individuals, and it was higher than for corporations except in the years 1942 and 1943. In general the rate of accumulation of farmer-owned liquid assets was more nearly like that of unincorporated businesses than that of individuals or corporations.

In 1946 and in 1947, however, business holdings declined while those of farmers and nonfarm indi-

³ The banks increased their holdings of Government securities from 18.4 billion dollars at the beginning of 1940 to a peak of 116.7 billion in February 1946. Subsequently these holdings declined and on Jan. 1, 1948 they amounted to 91.3 billion dollars.

⁴ Bank deposits, currency, and U. S. Government securities.

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TABLE 4

ESTIMATED HOLDINGS OF CURRENCY, DEPOSITS, AND GOVERNMENT SECURITIES BY INDIVIDUALS AND BUSINESSES, UNITED STATES, JAN. 1, 1940-48¹

[Dollar amounts in billions]

Year	Corporations	Unincorporated business	Persons (including trust funds) other than farmers	Farmers	Total	Farmers' holdings as percentage of total
1940..	\$13.0	\$ 6.3	\$ 41.6	\$ 4.1	\$ 65.0	6.3
1941..	15.0	7.2	43.6	4.7	70.5	6.7
1942..	17.4	8.4	49.3	5.8	80.9	7.2
1943..	27.1	12.2	63.9	8.2	111.4	7.4
1944..	38.5	17.2	83.8	11.5	151.0	7.6
1945..	44.6	22.7	107.6	14.8	189.7	7.8
1946..	45.0	27.8	128.8	18.7	220.3	8.5
1947..	38.8	27.2	136.6	20.5	223.1	9.2
1948..	* 38.3	* 26.2	* 142.2	* 20.6	* 227.3	* 9.1

¹ Excludes holdings of banks, insurance companies, building and loan associations, nonprofit associations, and Government bodies and agencies.

* Preliminary.

NOTE.—Estimates are based on data prepared by the Board of Governors of the Federal Reserve System and the Bureau of Agricultural Economics.

SIGNIFICANCE OF FINANCIAL CHANGES IN AGRICULTURE AND THE NATIONAL ECONOMY

In the period 1940-47 all records of physical production both on and off the farm were repeatedly broken. The Federal Reserve index of industrial production (physical volume, 1935-39 = 100) rose from a monthly average of 109 in 1939 to 239 in 1943, and remained at about that level for the rest of the war. After a postwar decline to 148 in February 1946, this index rose gradually to 194 in October 1947 and ended the year at 189. Meanwhile, the index of the volume of agricultural production (1935-39 = 100) rose from 106 in 1939 to a peak of 136 in 1944 and has remained near that level since.

This extraordinary productive activity used basic resources such as crude oil, copper and iron ore, timber, and soil fertility at an unprecedented rate. But it supplied huge quantities of war materials to the nation and its allies and also supported a level of living that, although restricted with respect to items like automobiles and gasoline, was higher than in prewar years.

All this was accomplished without making serious inroads on the nation's over-all volume of productive facilities. An inventory of physical goods, say in 1945 or in 1948, in agriculture or in other prominent sectors of the economy, would show that the volume of physical capital was remarkably well sustained despite the huge amount of goods thrown into the war effort.

In contrast to this relative stability in physical assets, financial assets grew rapidly in most years

and in most sectors of the economy. Corporate holdings declined by 14 per cent in 1946 and 1 per cent in 1947, and holdings of unincorporated businesses by 2 per cent in 1946 and 3.7 per cent in 1947. During the same years liquid asset holdings of farmers increased 9.6 and 0.5 per cent and those of nonfarm individuals increased 6.1 and 4.1 per cent. This shift of funds from business firms to individuals and farmers was due in part to the large expenditures of business for new facilities and expanded inventories—an exchange of financial for physical assets. Such expenditures contributed to the rise in disposable personal income from 150.7 billion dollars in 1945 to 158.4 billion in 1946 and to 175.3 billion in 1947. Business expenditures thus promoted a rise in demand for farm products and a further increase in farm income. The continuation of shortages of items like building materials, automobiles, and farm machinery retarded the return flow of cash to business firms.

and in most sectors of the economy. These assets—United States Government securities, bank deposits, and currency—are a peculiar type of property in that mainly they represent debt or are the result of the monetization of debt, and so are claims on the economy itself. An increase of financial assets does not add to the wealth or prosperity of the nation, except that under certain conditions it may stimulate employment, production, and trade when business activity is low. If deposits and currency increase after the nation has achieved capacity production, the result is likely to be an inflation of prices accompanied by dissatisfaction and strife engendered by the attempts of individuals and groups to keep their money incomes abreast of the rising cost of living, or to defend their businesses against the threat of rising costs.

The growth of financial assets proceeded at an accelerated rate during the recent war, long after the economy was operating at full capacity. The normal effects of this growth were held in check during the war by price ceilings, allocations, and the like. But after these controls were removed inflation of prices proceeded rapidly. Every individual and sector of the economy was affected by the rising tide of prices, wages, and costs. Those whose selling prices advanced faster than their costs benefited. Others, who had relatively fixed receipts or incomes, were hurt by the general inflation.

This general realignment of economic position was favorable to farmers, temporarily at least. The

record of financial changes revealed in nine annual consolidated balance sheets indicates that, so far, agriculture has been strengthened—not weakened—by the inflation of these years. Comparison of the changes in agriculture with those in nonagricultural sectors of the national economy also indicates that farmers have improved their position relative to other sectors. During eight years of inflation the farmers as a group have managed to reduce their debts and to accumulate financial assets relatively more than other major groups.

To the main body of farmers, the relatively greater progress they have made in accumulating financial assets and reducing debts, along with higher incomes, is of greater importance than the increases in valuations of farm real estate and other physical assets. The higher valuations of physical assets mean little to the farm operator—particularly the owner-operator—who expects to continue to farm, except as they increase borrowing power, contribute to a sense of well-being, or reflect prospects of continued high farm income. Such operators are not likely to liquidate more than a small part of their physical assets at the current level of prices.

Accordingly, the principal gains realized during this period were the higher incomes, the reduced debts, and the enlarged holdings of liquid assets. The increase in “real” farm income has been notable. As has been shown, the aggregate net income of farm operators (after taxes) would buy about 1.7 times as much family maintenance in 1947 as in 1940. The reduction in debt of about a billion dollars is significant because it has reduced fixed charges—a fact that will assume increasing importance if farm income declines. The fivefold increase in liquid assets, despite the advance in prices, provides farmers with something like 2½ times the buying power of their 1940 liquid asset holdings. Moreover, such assets have the same debt-paying power per dollar in 1948 as in 1940.

The increased values of farm real estate and other physical inventories are important chiefly to individuals about to enter farming or to retire from active farming operations. To tenant-operators and to nonoperators who desire to own a farm, the high valuations reported in the current balance sheet may seem to be special reasons not to buy at this time. To those who desire to retire from farming, these valuations may seem to be special inducements to sell.

The incentive to sell farms and equipment at present high prices is tempered by the capital gains tax and by the low rate of return on suitable alternative investments. The earning power of farm capital has risen so much since 1940 that, even

though the price of farms has advanced on the average 87 per cent, the rate of return on the valuation of farms at the beginning of 1948 was about twice the rate in 1940. There would be, therefore, even less incentive to sell at current high prices than at the lower prices in 1940, except that substantial declines in farm incomes and living costs are now more likely to occur than at the earlier date.

For those who wish to buy farm land or other physical farm assets now, present high prices are a deterrent chiefly because of the risk that present levels of prices and earnings may not continue. This risk is genuine and substantial. On the other hand, present prices of farm real estate, although historically very high, are moderate in relation to current earnings. Accordingly, earnings of farm real estate could show some reduction before present prices of real estate would be seriously out of line with earning power, or before the rate of return from farm real estate would be less than that of other investments with which prospective buyers of farms and farm equipment are familiar. The same is true to greater or lesser degree of most of the other physical assets.

But sober appraisal of the favorable financial status of agriculture in 1948 will take account of the fact that the fortunes of farmers are particularly sensitive to changes in prices, that when the crest of this inflation passes, as it will, the financial position of farmers could deteriorate rapidly. The history of prices and of farming in war and postwar periods surely warns of this. What has been reported in successive balance sheets of agriculture are developments that have occurred in the inflationary phase of a period dominated by World War II. In the wake of each preceding war sooner or later there followed a period of declining prices in which valuations of physical assets and of equities shrank far below the levels of the war years. Moreover, in the period following World War I the relationship of prices received by farmers to the prices they paid became less favorable than it had been either immediately before or during the war, and it remained so for two decades. Such an unfavorable relationship can develop through an advance in costs even though prices received do not decline. Therefore, until the readjustment phase of the recent war has passed it will be too early to measure the final consequences of this war to agriculture or to any other sector of the national economy.

But it is not too early to ask what farmers can do to preserve the generally solvent and effective economic position they now occupy.

Once prices begin to decline, or to shift in relation to one another, there is little that individual

farmers can do to stop them. No adjustment of output or withholding from market within the power of individual farmers can influence perceptibly the prices they receive for their products or the prices they pay for industrial goods. In other parts of the national economy where the operating units are much larger, are less competitive and less hampered by a high proportion of fixed costs, it is possible for individual firms to resist a decline in prices by restricting output, or to reduce costs by discharging labor, by reducing inventories, and otherwise restricting expenditures. But the organization of agriculture into millions of individual operating units with a high proportion of fixed expense makes such defenses difficult for individual farmers.

The consequences of this difference in organization in periods of falling prices is well illustrated by the course of prices in 1920-21. In that postwar deflation the index of farm prices fell from 237 (1913 = 100) for June 1920 to 114 a year later, whereas the index of a typical group of industrial prices (those of metals and metal products) fell from 200 to 133. This difference in the rate and extent of decline in prices of farm and industrial products contributed much to the economic difficulties of the period both on and off the farm.

Although individual farmers are powerless to influence perceptibly the course of prices, it is possible for them to manage their affairs in prosperous times so that a decline in prices will bring a mini-

mum of trouble to them and to the nation. Such management will emphasize caution in buying land, machinery, and livestock when prices are high and in incurring new debts at inflated levels of income and prices. It will use a considerable proportion of the high income of prosperous years to reduce outstanding debt, to increase the efficiency of farm facilities, and to accumulate financial reserves that will help farmers to adjust their operations to later needs.

These measures are essentially ways of reducing unit costs of production through increasing operating efficiency, and of reducing the high proportion of fixed costs (traditionally imposed by the nature of farming) which has been a source of trouble in other periods of price decline. By taking the foregoing steps farmers can increase their efficiency and greatly reduce the risk of insolvency in their own enterprises. Moreover, in so doing they can contribute to the prosperity of the entire nation through low-cost production of food and fiber and through creating a more stable and dependable farm market for industrial goods. In a specialized interdependent economic system prosperity in any sector, when based on efficiency, becomes a factor of strength throughout the entire economy. From a national point of view, therefore, it is desirable that farmers generally should have adequate equities in their enterprises and enough liquid assets to assure the flexibility of operations that is essential to efficiency.

THE BALANCE SHEET IN DETAIL

Thus far an attempt has been made to sketch the financial changes in agriculture that occurred during the period 1940-47 as a part of nation-wide expansion, and to appraise these developments in terms of their effects on farmers and on the economy as a whole. In this section the changes in individual items of the balance sheet are reported in greater detail.

THE ASSET ITEMS

The assets reported in the balance sheet are items of wealth owned by farm operators, landlords, or people living on farms, and presumably used in the farm enterprise or in the farm home. These assets are divided into two major classes—physical and financial.

Farm real estate. The largest asset in the balance sheet is farm real estate. On January 1, 1948 this item amounted to 62,813 million dollars, or 51 per cent of the value of all assets shown in the balance sheet for that date.

The value of farm real estate has been increasing

steadily since 1941, when it amounted to 33,497 million dollars. However, most of this increase has been due to price changes; available data indicate that there has been little change in the physical farm plant during the last decade. The increase during 1947 amounted to 4,209 million dollars, or 7 per cent. This compares with increases of 12 per cent in each of the two preceding years and is the smallest percentage increase for any year since 1942, when it was also 7 per cent.

During 1947 farm real estate values increased in all regions except the Pacific, where they declined 2 per cent. This was the first decrease for any region since 1941. The percentage increase during 1947 was less than that during 1946 in all regions except the Great Plains and Texas-Oklahoma. Over the longer period from 1940 to 1948, the value of farm real estate increased more than 50 per cent in all regions, and more than doubled in the Great Plains and the Mountain States. The demand for grains, particularly wheat, increased tremendously and was an important factor in the

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above-average rise of land values in the Great Plains. The unusual demand for meat resulting from high consumer incomes was probably a major cause in the above-average rise in land values in the Mountain States. In the Corn Belt, which alone accounts for more than one-fourth of the total value of all farm real estate, the increase between 1940 and 1948 amounted to 88 per cent, or about the same as the average for the country as a whole.

A comparison of aggregate farm real estate values in 1948 with those in 1920, the high year following World War I, shows that current values are higher in all but three regions—the Lake States, the Corn Belt, and the Great Plains. Of these three regions, the Great Plains is furthest below 1920, with current values 28 per cent lower than those of the earlier year. This region suffered severely during the thirties, not only from the depression, but from droughts which were particularly acute in 1934 and 1936. Recovery here was slower than in other parts of the country; in fact, land values in North and South Dakota and Nebraska did not reach their lowest points until 1941, and in that year the value of farm real estate in Kansas again fell almost as low as it had been in 1933.

Non-real-estate physical inventories. Physical assets other than real estate are the next to largest item in the balance sheet. On January 1, 1948 their total value was over 37 million dollars, or about 30 per cent of all assets.

Livestock inventory. The inventory value of livestock on farms January 1, 1948 reached the unprecedented height of nearly 13.5 billion dollars although there had been a substantial drop in livestock numbers in recent years. All classes have declined in numbers for the last two consecutive years. Hogs, chickens, and turkeys declined from the peak numbers reached on January 1, 1944, and the number of sheep has fallen continuously since 1942. Cattle numbers were at a peak on January 1, 1945 and have declined steadily since then. The high inventory value of livestock at the beginning of 1948, therefore, clearly reflects the unusually high prices for most classes of livestock. On January 1, 1948 the values per head of cattle, hogs, chickens, and turkeys were the highest on record.

Because of the differences in the value and other characteristics of the various types of livestock the decline in the physical inventory cannot be measured adequately by adding the decreases in numbers of the respective classes of livestock. However, an approximation of this over-all drop in numbers during 1947 can be measured by multiplying 1948 numbers by 1947 prices and comparing this total with 1947 inventory values. Thus, had

the values per head on January 1, 1948 remained at the 1947 level, the inventory value of all livestock would have been 3.8 per cent lower than it was the year before.

Crop inventory. The quantity of the different crops stored on farms at the beginning of any year is influenced by the carry-over stocks from the previous year and by the production, marketings, and consumption on the farm during the year. Based on December 15 prices the value of crops stored on farms January 1, 1948 is estimated at 8,773 million dollars, an increase of nearly 2 billion dollars over that of a year earlier and 3.8 times that of 1940. As with other inventory items the increase was due in practically all cases to the higher prices at which the various crops were valued. For most crops, and in particular for corn, the quantities on farms were materially below those of January 1, 1947. The situation during 1947 was in contrast to that during 1946 when the inventory value increased because of higher prices and larger quantities held.

A general indication of the change in total quantity of all crops on farms may be obtained by multiplying the 1948 quantities by 1947 prices and comparing the total of the results with last year's value. Computed in this way the quantity of all crops on hand January 1, 1948 was about 12.4 per cent below that of a year earlier.

Farm machinery and motor vehicles.* Further rapid strides in the mechanization of agriculture were made during 1947. On January 1, 1948 the inventory value of farm machinery and motor vehicles was estimated to have been 9.5 billion dollars—a third more than a year earlier and three times the 1940 total. Purchases of such items in 1947 reached the record total of 2.9 billion dollars or 50 per cent more than was bought in 1946. In appraising the significance of the higher value of both old and new machinery on farms on January 1, 1948 it should be pointed out that 57 per cent of the 2.5 billion dollar increase in total value during 1947 resulted from higher prices as compared with 42 per cent of the 800 million dollar increase in 1946. But even if the inflation in price at which machinery is valued is taken out, the increase in the quantity of machinery on farms since 1940 would be about 35 per cent.

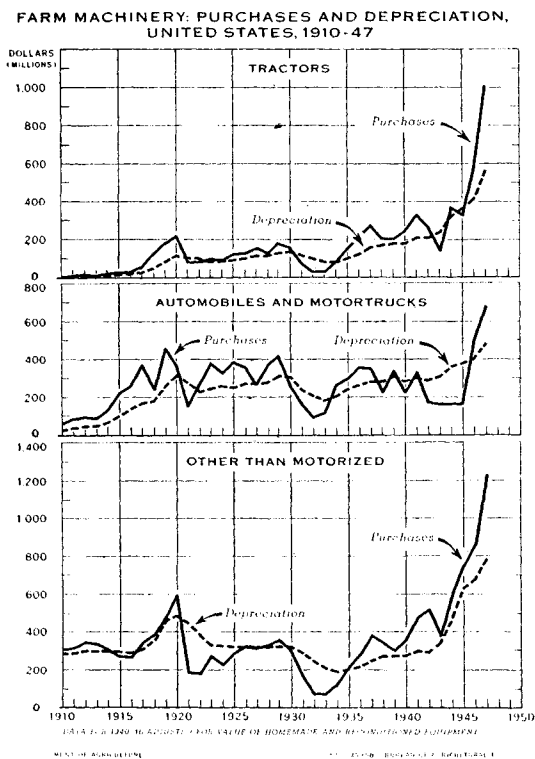
In 1947 total purchases of farm machinery and motor vehicles amounted to 2.9 billion dollars or 50 per cent more than in the preceding year. Depreciation in 1947 was estimated at 1.8 billion dollars, leaving a net increase of 1.1 billion exclusive of any adjustment in the prices during the year of both old and new machinery on farms. Higher prices at which the machinery inventory was valued

* The data below are in process of revision.

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increased inventory values substantially more than the net difference between purchases and depreciation.

Of the total value of all machinery and motor vehicles on farms January 1, 1948, tractors accounted for 24 per cent, automobiles 16 per cent, motor trucks 10 per cent, and other farm machinery 50 per cent.



The increased mechanization of agriculture is due in part to the growing importance of farm electrification. By January 1, 1948 about 65 per cent of the 6 million farms in the United States had central-station electric power service. This is more than double the number so electrified in 1940 and nearly six times the number that had such service in 1930. In 1943 the estimated value of major electrical equipment on farms was 625 million dollars. About 63 per cent was in home appliances and 37 per cent was in farm equipment.

Household furnishings and equipment. The value of household furnishings and equipment of farm homes on January 1, 1948 is estimated on the basis of limited evidence at 5.4 billion dollars or about \$800 per household. This amount is 11 per cent more than the valuation of 4.9 billion

dollars for January 1, 1947. The valuation of household furnishings and equipment is equivalent to about 57 per cent of the valuation of machinery and motor vehicles, to 61 per cent of the stored crops, and to 40 per cent of livestock.

Farm families have been buying considerable household furnishings and equipment in these postwar years as well as more machinery for farming operations. According to the Department of Commerce index, rural retail sales, including furniture sales, have increased greatly since the war. Sales of household furnishings to both rural and urban buyers in 1947 were more than double those of 1945.

Financial assets. The financial assets of farmers for which estimates have been made totaled about 22.3 billion dollars on January 1, 1948 or about 1 billion dollars more than the estimate for a year earlier. Such assets at the beginning of 1948 consisted of about 11.6 billion dollars of bank deposits, 4.0 billion dollars of currency, 4.7 billion dollars of savings bonds, and 1.9 billion dollars of equities in farmers' cooperative associations. No estimates have been made for other financial assets owned by farmers, such as notes, mortgages, State and municipal bonds, and corporate securities.

Bank deposits. Farmer-owned bank deposits rose to a new high during 1947 but they increased considerably less percentagewise than in any other year since 1940. The estimated total of such deposits on January 1, 1948 was 11.6 billion dollars or about 4.5 per cent more than the 11.1 billion estimated for January 1, 1947. Demand deposits owned by farmers are estimated to have increased during 1947 from 7.5 to 7.8 billion dollars; time deposits, from 3.6 to 3.8 billion.⁵ In the aggregate farmers' deposits at banks were about four times as large on January 1, 1948 as on January 1, 1940.

From the trends of deposits in rural banks, it appears that farmer-owned deposits increased by the greatest percentages during 1947 in the Great Plains, Corn Belt, and Texas-Oklahoma areas.⁶ These areas have led in the growth of rural bank deposits since 1940. The smallest increase of such deposits during 1947 occurred in the Northeast, Appalachian, and Pacific areas.

Rural bank deposits, of which farmers held a considerable part, increased less rapidly than deposits of other banks during 1947. The respective rates of increase for insured commercial banks were

⁵ These estimates of the Bureau of Agricultural Economics are under review and may be revised. The Federal Reserve estimate of the amount of farmer-owned demand deposits on Jan. 30, 1948 was 7.2 billion dollars.

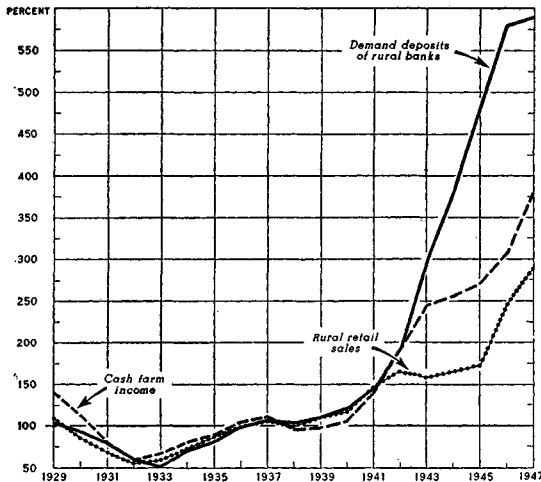
⁶ Rural banks are those located in places of less than 15,000 population.

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3.8 per cent for banks in places of less than 15,000 population and 4.7 per cent for banks in larger places. This was a reversal of the general relationship during the preceding seven years, during which rural bank deposits increased about 300 per cent and deposits of other banks less than 200 per cent. The greater increase of rural bank deposits during these earlier years is partly attributable to the fact that farm income rose proportionately more than national income.

A factor in the wartime growth of farmers' deposits was the lag of rural retail sales behind farm income, which resulted in part from shortages of goods during the war. Farmers received much larger incomes during this period and saved more than usual, as is suggested by the chart. Although substantial amounts of the funds saved by farmers were applied to debts or invested in savings bonds, the greater part of their liquid savings was kept on deposit at banks.

DEMAND DEPOSITS OF RURAL BANKS, CASH FARM INCOME, AND RURAL RETAIL SALES, UNITED STATES, 1929-47
INDEX NUMBERS (1935-39=100)



A recent survey of liquid asset holdings by the Board of Governors of the Federal Reserve System indicates that early in 1948 about 25 per cent of the "spending units" headed by farm operators had checking accounts at banks ranging from \$1 to \$499; another 25 per cent had accounts ranging from \$500 to \$1,999; and 12 per cent had \$2,000 or more in their checking accounts.⁷ The remaining 38 per cent of the spending units headed by

⁷ Federal Reserve BULLETIN, July 1948, p. 779. The data for spending units headed by farm operators were obtained from a very small sample and are less dependable than those obtained for all spending units. A spending unit is defined as all persons living in the same dwelling unit and belonging to the same family who pool their incomes to meet major expenses.

farm operators had no checking accounts. Data for all spending units in the United States indicated that 61 per cent had no checking accounts, 23 per cent had checking accounts ranging from \$1 to \$499, 11 per cent had accounts ranging from \$500 to \$1,999, and 5 per cent had accounts of \$2,000 or more. Apparently checking accounts are much more prevalent among spending units headed by farm operators than among spending units in general.

The reverse is true of savings accounts at banks. The survey indicates that early in 1948 only about 17 per cent of the spending units headed by farm operators had savings accounts as compared with 45 per cent of all spending units. However, about 7 per cent of the units headed by farm operators, as compared with 11 per cent of all spending units, had \$2,000 or more in savings accounts.

Currency. Currency held by farmers on January 1, 1948 is roughly estimated at 4 billion dollars, about the same as a year earlier and nearly four times the amount estimated for January 1, 1940.

United States savings bonds. The redemption value of United States savings bonds owned by farmers on January 1, 1948 is estimated at 4.7 billion dollars, or about 277 million dollars more than the amount owned by farmers a year earlier.⁸ Purchases of savings bonds by farmers during 1947 are estimated at about 675 million dollars, accrued interest on savings bonds held by farmers at 67 million dollars, and bonds cashed by farmers at about 465 million dollars.

Farmers' holdings of United States savings bonds rose rapidly from less than 250 million dollars at the beginning of 1940 to about 4,500 million on January 1, 1946. In each of the years 1943 and 1944, as is shown in Table 5, farmers added more than 1 billion dollars to their holdings of savings bonds. They continued to add to their holdings in 1945, but the amount of the increase dropped below 800 million dollars. In 1946 the trend was reversed and farmers cashed more bonds than they bought.⁹ The increase for 1947 indicates a resumption of net investment by farmers in savings bonds.

The Federal Reserve survey previously mentioned indicated that early in 1948 about 57 per cent of the spending units headed by farm operators possessed no savings bonds of Series A through F (the discount bonds). About 25 per cent of such

⁸ The estimates of United States savings bonds owned by farmers have been revised on the basis of more complete data on redemptions recently obtained from the Treasury Department. Such data indicate that redemptions by farmers have been at about two-thirds the rate for the whole population. Previously, it had been assumed that redemptions by farmers were at about one-third of such rate.

⁹ The *Balance Sheet of Agriculture* for 1946 estimated an increase in savings bonds whereas the revised data indicate a reduction.

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TABLE 5
UNITED STATES SAVINGS BONDS OWNED BY FARMERS,
1940-48¹

[In millions of dollars]

Year	Amount held at beginning of year	Purchases during year	Interest accrued during year	Redemptions during year
1940.....	249	108	5	10
1941.....	352	163	7	11
1942.....	511	663	9	24
1943.....	1,159	1,266	13	110
1944.....	2,327	1,600	26	251
1945.....	3,702	1,182	44	452
1946.....	4,476	530	58	596
1947.....	4,468	675	67	465
1948.....	4,745			

¹ Includes bonds of Series A through G.

spending units held savings bonds amounting to less than \$500, about 12 per cent held amounts ranging from \$500 to \$2,000, and about 6 per cent held bonds amounting to \$2,000 or more. This distribution closely resembles the distribution for all spending units.

Improved liquidity of farmers. Bank deposits and currency held by farmers have increased from about 3.9 to about 15.6 billion dollars since 1940. In that year such assets were equal to about 7 per cent of all farm assets and to about 39 per cent of the farm debt. By 1948 they had increased to about 13 per cent of all farm assets and to 172 per cent of all farm debt. When farmers' holdings of savings bonds are added to their holdings of deposits and currency the improvement is even greater. The total of these liquid holdings increased from about 4.1 billion dollars in 1940 to 20.3 billion in 1948, or from about 8 to 17 per cent of total farm assets and from about 41 to 224 per cent of farm debt.

The Federal Reserve survey indicates that early in 1948 about 28 per cent of the spending units headed by farm operators had no liquid assets of the kinds covered by the survey.¹⁰ These include all securities of the Federal Government, checking and savings accounts at banks, accounts at savings and loan associations and credit unions, and postal savings accounts. Currency holdings are not included. About 22 per cent of the spending units headed by farm operators had less than \$500 of such assets, about 27 per cent had from \$500 to \$1,999, about 12 per cent had from \$2,000 to \$4,999, and about 11 per cent had \$5,000 or more. Farm-operator spending units on the average held somewhat larger amounts of liquid assets than other spending units. The average (median) hold-

¹⁰ Unpublished data.

ing early in 1948 was \$480 for farm operators compared with \$350 for all spending units.¹¹

Investment in cooperative associations. Farmers' cooperative associations are of many types and sizes, ranging from small locals rendering a single service to large enterprises with manifold activities.

The net worth of the associations—or such part thereof as may be owned by farmers—is taken as the measure of the farmers' financial interest in the associations. This method of measurement is not intended to imply that the farmer members could immediately realize an amount equal to the net worth of the associations by withdrawing from, or disposing of their interests in, the associations. It merely recognizes the "going concern" value of their interests in the associations. As a matter of practice, some associations issue no stock, and in cases where stock is issued the redemption or transfer value often does not exceed the par value, regardless of book value. Moreover, the reserves of the associations are usually not withdrawable as they are required to meet the continuing needs of the associations.

The net worth of cooperative associations for which data are available, or estimates have been made, was about 1.9 billion dollars on January 1, 1948. This is about 17 per cent more than the amount estimated for January 1, 1947 and about 2.3 times the estimate for January 1, 1940.

THE CLAIMS

Legal claims or interests reported in the balance sheet of agriculture are divided into two general classes—the liabilities which represent the interests of creditors and the equities which represent the interests of operators and landlords in the assets of agriculture.

Liabilities. The interests of creditors fall into two well-defined classes: farm-real-estate debt, which is usually incurred in connection with the acquisition of farms; and non-real-estate debt, which is normally incurred to finance production or storage of farm products or to finance the acquisition of equipment or supplies for the farm or farm home.

Farm-real-estate debt. For the second consecutive year, farm-mortgage debt for the United States as a whole increased over the amount outstanding a year earlier. The total on January 1, 1948 was estimated at 4,882 million dollars, or about 104 million dollars above what it had been at the beginning of 1947 (Table 6). This increase of 2.2 per cent was only slightly greater than the 1946 in-

¹¹ The larger average holdings of farmers may result in part from the fact that farmers require liquid assets for both business and personal use. This is not true of spending units headed by wage and salary earners.

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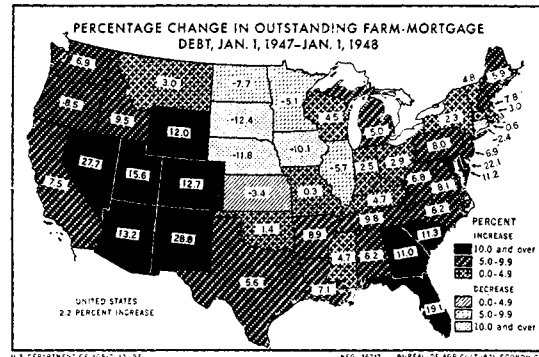
crease of 2.0 per cent which reversed the previous long-time downward trend. The rise in debt during both 1946 and 1947, however, was relatively small compared with the increases that took place during some of the years immediately after World War I. In 1923 debt expanded to an all-time peak of 10,786 million dollars.

A falling off in principal repayments seems to have been the chief factor in the further rise in farm-mortgage debt during 1947. This occurred in spite of the fact that net farm income was at the highest level of record. Apparently less of the income went for the repayment of debts and more for equipment, improvements, and family living. Farm mortgages recorded by all types of lenders during 1947 totaled slightly less than in 1946 but continued in large amount. A noticeable drop in the number of farm transfers accounted in part for the smaller volume of recordings. The average size of mortgages recorded increased about 5 per cent, but the number declined.

Farm-real-estate debt on January 1, 1948 was still 26 per cent below the total outstanding in the prewar year 1940. In 1946, when farm-mortgage debt was lower than in any other year since before World War I, it was 29 per cent below the 1940 figure. Repayments were particularly large during 1942, 1943, and 1944, when farm incomes were climbing to record figures and equipment and other supplies were not readily available. The year 1946 appears to have been another turning point in the

long-time trend of farm-mortgage debt which had been declining almost continuously since 1923.

The sharpest increases in farm-real-estate debt during 1947 were in the Mountain and Southeastern regions, while declines continued to be reported in the Great Plains and the Corn Belt. Details are shown in the accompanying map.



U.S. DEPARTMENT OF AGRICULTURE BUREAU OF AGRICULTURAL ECONOMY

In general, the increase in farm-mortgage debt during the last two years has been in the loans held by the private lender groups. But even before the recent upturn in total debt, the loans of private lenders accounted for an increasingly larger proportion of the total. Consequently, by the beginning of 1948, insurance companies, banks, individuals, and miscellaneous lenders held 76 per cent of all outstanding farm-real-estate loans, whereas in 1940 they held only 58 per cent. Of the Federally sponsored

TABLE 6
FARM-MORTGAGE DEBT OUTSTANDING AND HELD BY PRINCIPAL LENDER GROUPS, UNITED STATES, JAN. 1, 1940-48,
WITH PERCENTAGE CHANGE 1940-48 AND 1947-48

[Dollar amounts in thousands]

Year	Total debt	Federal Land Banks ¹	Federal Farm Mortgage Corporation ^{1,2}	Farmers Home Administration ³	Life insurance companies ¹	Insured commercial banks	Individuals and others
1940	\$6,586,399	\$2,009,820	\$713,290	\$ 38,566	\$ 984,290	\$534,170	\$2,306,263
1941	6,491,435	1,957,184	685,149	73,093	1,016,479	543,408	2,216,122
1942	6,372,277	1,880,784	634,885	122,104	1,063,166	535,212	2,136,126
1943	5,950,975	1,718,240	543,895	163,681	1,042,939	476,676	2,005,544
1944	5,389,080	1,452,886	429,751	176,607	986,661	448,433	1,894,742
1945	4,932,942	1,209,676	347,307	178,969	933,723	449,582	1,813,685
1946	4,681,720	1,078,952	239,365	184,035	884,312	507,298	1,787,758
1947	4,777,355	976,748	146,621	190,128	890,161	683,229	1,890,468
1948	4,881,744	888,933	107,066	195,500	936,730	793,476	1,960,039
Percentage change							
1940-48	-25.9	-55.8	-85.0	406.9	-4.8	48.5	-15.0
1947-48	2.2	-9.0	-27.0	2.8	5.2	16.1	3.7

¹ Includes regular mortgages, purchase-money mortgages, and sales contracts.

² Loans held by Federal Farm Mortgage Corporation were made on its behalf by Land Bank Commissioner.

³ Successor to Farm Security Administration. Data for 1940 include tenant-purchase loans and construction loans to individuals. Thereafter, data include farm-development (special real estate) loans beginning 1941, farm-enlargement loans beginning 1944, flood and windstorm real estate restoration loans from 1944 to 1946, and project-liquidation loans beginning 1946. Data also include similar loans from State Rural Rehabilitation Corporation trust funds.

agencies, only the Farmers Home Administration has increased its outstanding loans since 1940. The Federal Land Banks and Federal Farm Mortgage Corporation have reported a smaller amount of outstanding loans each year, and together they accounted for only about 20 per cent of all loans in 1948 compared with 41 per cent in 1940.

Interest charges payable on farm-mortgage debt increased during 1947 for the first time since 1922. For 1947 they were estimated at 222 million dollars compared with 216 million in 1946 and 293 million in 1940. Although interest rates in general have shown some tendency to strengthen, there has been little change during the last few years in farm-mortgage interest rates. The volume of outstanding farm-mortgage debt has been the chief determinant in the trend of interest charges. Increases in the average rates for all loans have resulted mainly from a higher proportion of loans being held by high-rate lenders. The weighted average for all lenders as of January 1, 1948 was estimated at 4.6 per cent, or the same as for both 1946 and 1947 and for 1940. During the 1941-45 period the average went as low as 4.4 per cent, partly because of the temporarily reduced rates charged on loans of the Federal Land Banks and Federal Farm Mortgage Corporation.

Non-real-estate debt. The non-real-estate, or short-term debt of farmers rose further during 1947 to a total of about 4.1 billion dollars on January 1, 1948.¹² This amount is about 17 per cent above the 3.5 billion dollars outstanding a year earlier and about 46 per cent above the amount outstanding two years earlier, shortly after the end of the war.

Farmers' non-real-estate debts expanded gradually from the middle of the thirties to the beginning of World War II. They reached a total of more than 3.5 billion dollars on January 1, 1942 but, notwithstanding increased production and rising costs, declined to about 2.7 billion dollars by January 1, 1945. This was partly because of shortages of automobiles, trucks, farm machinery, and other goods which farmers often buy on credit. During 1945 and 1946 farmers' non-real-estate debts rose to the amount outstanding at the beginning of the war, and the further increase during 1947 raised them to the highest point since the early thirties. The postwar increase in farmers' non-real-estate debt is believed to have resulted primarily from purchases of goods that were scarce during the war.

Non-real-estate loans to farmers held by commercial banks and the Federally sponsored credit agen-

cies (excluding loans made or guaranteed by the Commodity Credit Corporation) amounted to 2.3 billion dollars on January 1, 1948 or nearly 18 per cent more than the amount held a year earlier. Those held by commercial banks amounted to 1.6 billion dollars or 24 per cent more than a year earlier (Table 7). Loans of the production credit associations and discounts of the Federal Intermediate Credit Banks for private financing agencies (also excluding CCC guaranteed loans) amounted respectively to 289 million dollars and 38 million dollars on January 1, 1948. These amounts reflect increases of 26 per cent and 20 per cent respectively over the totals outstanding a year earlier.

The non-real-estate loans to farmers of two Federal agencies, however, declined during 1947. Those of the Farmers Home Administration declined from 402 million dollars to 371 million and those of the Regional Agricultural Credit Corporation from 2.6 million to 1.9 million.

Other important sources of credit to farmers are merchants, dealers, finance companies, and individuals. Farmers' non-real-estate debts to such lenders are believed to have increased from about 1.5 billion dollars on January 1, 1947 to about 1.8 billion dollars on January 1, 1948. This 20 per cent increase takes account of the sharp expansion of instalment credit that occurred in 1947.

Loans to farmers by the principal lending agencies (excluding the Commodity Credit Corporation guaranteed loans) showed little change in the country as a whole from January 1, 1943 to January 1, 1946.¹³ During these years, however, substantial increases in these loans occurred in most of the Northeast and Western States, whereas there were decreases in most of the other States. The sharp upturn of such loans for the country as a whole in 1946 reflected increases in all regions and nearly all States. The largest percentage increases were in the Northeast, Appalachian, and Pacific regions. Similarly, the further expansion of non-real-estate loans to farmers by the principal lending agencies in 1947 was shared by nearly all States. The only region failing to show an increase during 1947 comprised the Delta States of Mississippi, Arkansas, and Louisiana. Greatest percentage increases during 1947 were in the Northeast and Mountain regions.

Equities of proprietors. The equities or claims of proprietors in the assets shown on the balance sheet totaled 113 billion dollars on January 1, 1948, or about 11 per cent more than the amount a year earlier. During the eight years covered by the bal-

¹² This amount excludes the nonrecourse loans held or guaranteed by the Commodity Credit Corporation which are treated separately at the end of this section.

¹³ Loans guaranteed by the Commodity Credit Corporation can be excluded by States and regions only for the period beginning Jan. 1, 1943.

THE BALANCE SHEET OF AGRICULTURE, 1948

TABLE 7
NON-REAL-ESTATE LOANS TO FARMERS HELD BY PRINCIPAL CREDIT INSTITUTIONS, 1915-48¹
[In thousands of dollars]

Date	Commercial banks		Agencies supervised by the Farm Credit Administration					Farmers Home Administration ²		Commodity Credit Corporation		Total	
	Excluding Commodity Credit Corporation guarantees	Including Commodity Credit Corporation guarantees ³	Production credit associations ⁴		Federal intermediate credit banks ⁵		Regional agricultural credit corporations	Emergency crop and feed loans ⁶	Production and subsistence loans ⁷	Loans held	Institutional loans guaranteed ⁸	Excluding Commodity Credit Corporation loans held or guaranteed	Including Commodity Credit Corporation loans held or guaranteed ⁹
			Excluding Commodity Credit Corporation guarantees	Including Commodity Credit Corporation guarantees ³	Excluding Commodity Credit Corporation guarantees	Including Commodity Credit Corporation guarantees ³							
1915:													
Jan. 1	1,605,958											1,605,958	
1920:													
Jan. 1	3,453,798											3,453,798	
1925:													
Jan. 1	2,674,237				18,760			10 2,513				2,713,162	
1930:													
Jan. 1	2,490,742				47,283			10 11 8,946				2,546,971	
1935:													
Jan. 1	627,878	840,887	60,459		55,083		87,087	111,238	5,600	37,162	213,009	947,345	1,197,516
1940:													
Jan. 1	900,079	1,134,573	153,425		32,316		8,005	167,795	276,138	208,193	237,065	1,537,758	1,983,016
1945:													
Jan. 1	948,829	1,377,405	188,306	203,794	29,792	29,966	12,195	138,068	302,101	146,670	536,022	1,619,291	2,301,983
July 1	1,068,479	1,268,387	262,781	266,693	29,566	29,658	9,522	145,908	310,320	46,016	257,503	1,826,576	2,130,095
1946:													
Jan. 1	1,033,800	1,177,042	194,788	201,135	26,487	26,487	6,151	128,901	278,280	98,904	178,089	1,668,407	1,945,400
July 1	1,300,807	1,302,716	300,385	300,649	33,515	33,515	3,820	135,259	315,288	32,996	6,766	2,089,074	2,128,836
1947:													
Jan. 1	1,289,105	1,333,048	230,025	238,321	31,701	31,701	2,560	116,733	285,299	7,246	57,628	1,955,423	2,020,297
July 1	1,579,188	1,598,899	357,283	357,654	38,330	38,330	2,135	110,814	311,406	10,701	20,637	2,399,156	2,430,494
1948:													
Jan. 1	1,601,811	1,667,105	289,077	292,560	37,916	37,916	1,862	105,913	265,485	2,493	78,172	2,302,064	2,382,729

¹ Continental United States only.

² Formerly the Farm Security Administration.

³ Guarantees are loans secured by agricultural commodities covered by purchase agreements of the Commodity Credit Corporation. Amounts of guaranteed loans held by commercial banks are partly derived from CCC reports.

⁴ Includes loans of associations in liquidation.

⁵ Loans to and discounts for private financing institutions.

⁶ Includes seed, feed, crop-production, drought-relief, and orchard-rehabilitation loans made by the Crop and Feed Loan Office of the Farm Credit Administration and its predecessors. Transferred on Oct. 31, 1946 to Farmers Home Administration for liquidation.

⁷ Includes rural rehabilitation loans in liquidation since Oct. 31, 1946; also includes water facility loans.

⁸ Includes some loans to farmers by cooperative marketing associations not shown separately.

⁹ Includes loans of War Finance Corporation.

¹⁰ June 30.

¹¹ Revised.

ance sheet, such equities increased 69 billion dollars. Of this increase, 51 billion dollars were accounted for by increases in the value of physical assets, 17 billion by increases in the value of financial assets, and 1 billion by reduction of debts.

"Proprietors" include both owner- and tenant-operators and nonoperating landowners. It appears, from very rough computations based chiefly on the 1940 and 1945 Censuses of Agriculture, that the equities of farm operators in the assets listed in the balance sheet were about 58 billion dollars in 1945 as compared with about 30 billion in 1940. The equities of nonoperators in these years appear to have been about 22 billion and 14 billion respectively. Thus the equities of farm operators appear to have increased more rapidly than those of nonoperators.

These figures do not mean, as might be assumed,

that nonoperating landowners fared less well than farm operators during 1940-45. On this point these figures throw no light. The primary cause of the smaller increase of nonoperators' equities was the transfer of a substantial acreage of farm real estate located in areas of relatively high land values from nonoperator to operator ownership. The transfer of this land reduced the proportion of the total value of farm real estate that was owned by nonoperators and, it is believed, also resulted in a reduction in the proportion of the value of farm machinery and livestock that they owned. Because the balance sheet presumably does not show the liquid assets of nonoperating owners of farms, which must have been substantially increased by such transfers, equities of farm operators in the total assets listed in the balance sheet increased more rapidly than those of nonoperators.

**REPORT OF THE NATIONAL ADVISORY COUNCIL ON
INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS,
OCTOBER 1, 1947--MARCH 31, 1948**

Given below is the text of the report submitted by the National Advisory Council to the President on July 30, 1948, and transmitted by the President to Congress on August 3. The appendices to this report included statistics on postwar United States Government financial assistance to foreign countries, gold transactions between the United States

and other countries, and gold and short-term dollar resources of foreign countries, covering the period through December 31, 1947. Copies of the full report may be obtained from the National Advisory Council on International Monetary and Financial Problems, Washington 25, D. C.

I. ORGANIZATION OF THE COUNCIL

STATUTORY BASIS

The National Advisory Council on International Monetary and Financial Problems was established by the Congress in the Bretton Woods Agreements Act (59 Stat. 512, 22 U. S. C. 286b), approved July 31, 1945. The statute directed the Council to coordinate the policies and operations of the representatives of the United States on the International Monetary Fund and the International Bank for Reconstruction and Development, the Export-Import Bank of Washington, and all other agencies of the Government "to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions." The Council was also directed to advise and consult with the President and the United States representatives on the Fund and the Bank on major problems arising in the administration of the Fund and the Bank; and to recommend to the President general policy directives for the guidance of the representatives of the United States on the Fund and Bank. The Bretton Woods Agreements Act was amended by Section 106 of the Foreign Assistance Act of 1948 (62 Stat. 169; 22 U. S. C. 286b(a)), approved April 3, 1948, to include the Administrator for Economic Cooperation as a member of the Council for the duration of the program. The Council was also given certain additional duties with regard to the economic assistance program. The relevant portions of the Bretton Woods Agreements Act and of the Foreign Assistance Act of 1948 are presented in Appendix A.¹

¹ Appendices are omitted here but are part of the complete report submitted to the Congress.

REPORTS

Since its first meeting on August 21, 1945, the Council has submitted six formal reports which were transmitted by the President to the Congress on March 1, 1946 (H. Doc. No. 489, 79th Cong., 2d sess.; subsequently included as Appendix B to H. Doc. No. 497, 79th Cong., 2d sess.); March 8, 1946 (H. Doc. No. 497, 79th Cong., 2d sess.); January 13, 1947 (H. Doc. No. 53, 80th Cong., 1st sess.); June 26, 1947 (H. Doc. No. 365, 80th Cong., 1st sess.); January 19, 1948 (H. Doc. No. 501, 80th Cong., 2d sess.); and May 17, 1948 (H. Doc. No. 656, 80th Cong., 2d sess.).

The present report covers the activities of the Council from October 1, 1947, to March 31, 1948. This report supplements the report of May 17, 1948, which was the first of the special biennial reports required by Section 4(b)(6) of the Bretton Woods Agreements Act on the activities and policies of the International Monetary Fund and the International Bank. In the sections which follow, an effort will be made to describe, in broad outline, the financial assistance the United States Government has rendered to the various nations of the world during the period of postwar reconstruction.

MEMBERSHIP

The members of the Council, according to law, during the period under review, were the following:

The Secretary of the Treasury, John W. Snyder,
Chairman.

The Secretary of State, George C. Marshall.
The Secretary of Commerce, W. Averell Harri-
man.

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The Chairman of the Board of Governors of the Federal Reserve System, Marriner S. Eccles.

The Chairman of the Board of Directors of the Export-Import Bank, William McChesney Martin, Jr.

By agreement, the following served as alternates: Frank A. Southard, Jr., Director of the Office of International Finance, Treasury Department.

Willard L. Thorp, Assistant Secretary of State for Economic Affairs.

Thomas C. Blaisdell, Jr., Assistant to the Secretary of Commerce.

J. Burke Knapp, Assistant Director of Research and Statistics, Board of Governors of the Federal Reserve System.

Herbert E. Gaston, Vice Chairman of the Board of Directors of the Export-Import Bank.

John W. Gunter, Deputy Director of the Office of International Finance in the Treasury Department, was the Secretary of the Council.

The United States Executive Directors on the International Monetary Fund, Andrew N. Overby, and on the International Bank for Reconstruction

and Development, Eugene R. Black, or their alternates, regularly attended the meetings of the Council.

PROCEDURE

The Council ordinarily meets each week and holds such special meetings as are required. Joint meetings with the President's Committee for Financing Foreign Trade have also been held during the period.

The Council in discharging its functions makes use of the services of the existing personnel of its member agencies. Its Staff Committee consists of technical representatives of member agencies and a representative of the Securities and Exchange Commission. The Alternate United States Executive Directors on the International Monetary Fund and the International Bank generally attend meetings of the Staff Committee. The Staff Committee collects and analyzes information and prepares reports and recommendations for the Council. This procedure has enabled the Council to maintain the close interagency liaison essential for successful performance of its coordinating functions in the most efficient manner. Secretariat functions are performed by personnel of the Treasury Department.

II. THE UNITED STATES FOREIGN ASSISTANCE PROGRAM

THE POSTWAR PROBLEM OF RECONSTRUCTION

By the middle of 1945 it became clear that many of the countries of Europe and Asia would urgently need foreign assistance for the reconstruction of their economies. There had been widespread physical damage in some areas so that industrial and transportation equipment would have to be replaced in order to bring production up to prewar levels. There was also a serious shortage of foodstuffs and raw materials. Even where the physical damage was unimportant, the war had produced serious economic dislocations. The normal channels of trade had been disrupted, while the financing of current requirements had become increasingly difficult in view of the insistence upon payment in dollars or other hard currencies on the part of those countries which were in a position to supply needed commodities.

Europe occupied a central position in the postwar problem as the principal supplier of manufactured goods to large areas and as the principal

purchaser of basic raw materials. European countries particularly depended upon extensive international trade so that the financial difficulties of carrying on normal trade relations assumed great importance. Moreover, in the attempt to deal with the postwar problem, the European countries had made bilateral trade and payments agreements which, though they permitted the resumption of a considerable part of the trade, tended none the less to restrict it to well defined channels and to limit it in amount.

The postwar situation tended to increase the balance of payments difficulties of many countries with the United States. The United States had had for many years a commodity export surplus with the rest of the world, and with Europe in particular, though the United States imported more from Asia than it exported. The European countries on the other hand purchased more from the United States than they sold to it, and obtained some of the dollars for meeting this deficit from

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their exports of goods and services to other parts of the world. In part, the trade deficit with the United States had been met with surpluses on European earnings from "the invisible items" in the balance of payments, i.e., tourist expenditures, remittances, and payments for services such as shipping. To some degree the deficit had been financed by American investments abroad.

In the postwar period, however, the current account deficit of foreign countries with the United States increased enormously. Thus, in 1946, the United States supplied 15.3 billion dollars in goods and services to other countries while it received only 7.1 billion in goods and services from them, resulting in a surplus of 8.2 billion. In 1947 our surplus on international account reached 11.3 billion dollars, with total exports of goods and services reaching the high point of 19.6 billion. This situation was the result of the favorable economic position in which the United States found itself at the termination of active hostilities, and the difficulties caused by the war in other areas. During the war our productive capacity had expanded while the continuance of a high level of employment raised production and the national income of the United States to new high levels. While many of the European countries were able to increase their production in the immediate postwar period to levels comparable to their prewar output, this result was in part made possible by assistance given by the United States. A large part of this production was for reconstruction purposes and was not available to consumers.

In the period between July 1, 1945 and December 31, 1947, foreign countries received 41.6 billion dollars in goods and services from the United

States. They paid for these goods by exports of goods and services to the United States amounting to 19.2 billion dollars, and by the use of gold and dollar reserves paid to the United States amounting to 5.3 billion. United States foreign aid programs of various sorts provided 14.6 billion dollars, and the balance of 2.5 billion consisted mainly of changes in private American investments abroad, foreign investments in the United States, and private gifts and other unilateral transfers.

DECLINE IN FOREIGN GOLD AND DOLLAR RESOURCES

In their attempt to obtain needed supplies from the United States and other countries which expected payment in dollars, those countries of the world which had gold and dollar resources used a considerable portion to pay for their international deficits. Thus foreign countries in 1945 had gold and short-term dollar assets amounting to 23 billion, whereas at the end of 1947 these resources were reduced to 17.8 billion. The gold and dollar resources of the foreign countries at the end of 1945, 1946, and 1947 are given in Table I. The European countries participating in the Paris Committee for Economic Cooperation lost reserves during this period amounting to 2.8 billion dollars (more than one-fourth of their total reserves), of which 1.8 billion was in gold.

The consequence of this decline in gold and dollar balances was that most countries of the world in 1948 had inadequate resources in gold and foreign exchange to maintain working balances in foreign exchange and gold or foreign exchange reserves for their note issues. In the appendix are included statements of the gold transactions of foreign countries with the United States, and esti-

TABLE I
GOLD AND SHORT-TERM DOLLAR RESOURCES OF FOREIGN COUNTRIES, DECEMBER, 1945-DECEMBER, 1947
[In billions of dollars]

Area	Total			Gold			Dollar balances		
	1945	1946	1947	1945	1946	1947	1945	1946	1947
Total, all areas.....	23.0	21.7	17.8	16.0	15.7	13.0	7.0	6.0	4.8
Total, Europe.....	13.6	13.2	11.2	10.6	10.5	9.1	3.0	2.7	2.1
ERP countries.....	10.3	9.6	7.5	7.4	7.1	5.6	2.9	2.5	1.9
Other Europe ¹	3.3	3.6	3.7	3.2	3.4	3.5	0.1	0.2	0.2
Latin America.....	3.8	3.7	2.9	2.8	2.6	1.7	1.0	1.1	1.2
Canada.....	1.8	1.4	0.7	0.4	0.5	0.3	1.4	0.9	0.4
Other countries.....	3.8	3.4	3.0	2.2	2.1	1.9	1.6	1.3	1.1

¹ Includes estimates for Union of Soviet Socialist Republics' gold holdings. Figures also include gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold to claimant countries, including ERP countries, in accordance with the Paris Reparation Agreement.

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mates of the gold and dollar resources of these countries as of December 31, 1947.¹

UNITED STATES FOREIGN ASSISTANCE

Confronted with the problems of postwar reconstruction throughout the world, the United States took measures designed to meet its new responsibilities. In accordance with their statutory authority, agencies of the United States made loans, extended credits, or made available grants and other financial assistance to various foreign countries. These agencies included the Treasury Department, the Export-Import Bank, the Office of Foreign Liquidation Commissioner, the Maritime Commission, the War Assets Administration, the Reconstruction Finance Corporation, the Commodity Credit Corporation, the U. S. Commercial Company, and various branches of the military establishment.

Loans were made chiefly by the Export-Import Bank and by the Treasury Department. In 1945, the Congress increased the lending authority of the Export-Import Bank from 700 million dollars to 3,500 million. The Bank used a large part of this authority to make rehabilitation loans principally to the Western European countries. These loans were, as a general rule, made to finance the purchase of materials or equipment available in the United States and to a small extent for the technical services of American nationals. To deal with the special problems of the United Kingdom in the transitional postwar period, the Congress authorized the Treasury Department to make a loan of 3,750 million dollars to assist that country in meeting its postwar deficit on current account. The loan was intended also to assist the United Kingdom to make sterling accruing on current transactions convertible into dollars or other currencies.

Various credit arrangements were entered into by United States agencies charged with the responsibility for disposing of property of the Government not needed for domestic purposes. Thus agreements were made with foreign countries for financing over a long period goods which had been requested by the foreign governments on lend-lease account prior to V-J Day but which had not yet been delivered to them. The Office of Foreign Liquidation Commissioner at the end of hostilities had surplus materials which had an original cost of some 10 billion dollars. It disposed of these

materials, which were located in foreign countries, to foreign governments so that the total unsold surplus remaining at the end of 1947 amounted (at cost), to about 1.2 billion. The War Assets Administration was charged with the disposal of surplus property located in the United States. While the bulk of this property was sold to Americans, a part was sold to foreign governments on credit. The Maritime Commission similarly sold surplus shipping to foreign governments in accordance with the authorization of the Congress. The Commodity Credit Corporation and the U. S. Commercial Company supplied raw cotton and other materials on credit to Germany and Japan. In accordance with a special act of Congress, a loan to the Philippines was made by the Reconstruction Finance Corporation.

The Council has constantly reviewed the foreign aid programs considered by it during the postwar period. Pertinent statistical information prepared by the Clearing Office for Foreign Transactions of the Department of Commerce, for the Council, has been summarized in Appendixes C and D.¹ The course of United States foreign aid in the two and one-half year period between July 1, 1945, and December 31, 1947, is presented in these statistical tables.

A net total of 18.2 billion dollars of United States assistance was made available during the period July 1, 1945, through December 31, 1947. The average rate of expenditure of the 14.6 billion dollars of United States aid utilized during the two and one-half year period was about 500 million dollars per month. With 3.6 billion dollars unutilized as of December 31, 1947, a projection of this rate of expenditure for the early part of 1948, indicated a rapid exhaustion of the amount of funds available. The unutilized funds were unevenly distributed as of December 31, 1947, since several of the participating countries had by that date almost completely exhausted the aid extended to them. These funds, therefore, appeared barely sufficient to meet the existing need for aid until the start of the proposed European Recovery Program.

During the first phase of United States postwar aid extending from July 1, 1945, to June 30, 1946, the bulk of assistance utilized was in the form of grants, including UNRRA and military-civilian supplies for "disease and unrest" programs. In the second phase of United States postwar aid between July 1, 1946, and March 31, 1948, the bulk of

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assistance utilized was in the form of loans and property credits, including the loan to the United Kingdom, Export-Import Bank loans, and property credits extended by the Office of Foreign Liquidation Commissioner. Up to December 31, 1947, slightly more than one-half of all aid was rendered in the form of loans and property credits, while the remainder was in the form of grants, including relief to war-devastated areas.

Toward the end of the fiscal year 1947, it had become clearly apparent that continued foreign assistance on a large scale by the United States would be necessary if there was not to be a serious setback in the recovery of European countries. While they had been able to attain a high level of production, they were still dependent upon the United States economy for a large part of their supplies and needed equipment. The foreign loans and credits which had previously been extended by the United States were largely exhausted. The Export-Import Bank had lent the bulk of the funds available to it, the United Kingdom had used up a large part of its credit, while other countries were clearly in need of assistance to meet their balance of payments deficits with the Western Hemisphere. It was clear that only the United States could, in practice, provide assistance to the extent required. In a special message to the Congress in December 1947, the President requested

authorization of a program of assistance to Europe and to China. The European Recovery Program for the period April 1, 1948, to June 30, 1952, was expected to require 17 billion dollars. The President recommended an appropriation of 6.8 billion dollars for the initial period of 15 months. The Foreign Assistance Act, approved April 3, 1948, authorized appropriations of 4.3 billion dollars and debt transactions of 1 billion dollars for the European Recovery Program for the one-year period following enactment of the Act. (The appropriation approved June 28, 1948, made available until June 30, 1949, a total of \$6,030,710,228 for foreign aid, including 4 billion dollars for the European Recovery Program. The Act gives the President authority on the advice of the Administrator for Economic Cooperation to expend the funds for the European Program in a 12-month period if he deems it necessary.)

To provide assistance in the period before the expected passage of the Act, the President requested interim aid for France, Italy, and Austria, countries whose immediate situation was most acute. The Congress appropriated 522 million dollars for this interim aid program. In March 1948, the Congress also appropriated an additional sum of 55 million dollars for further interim aid for the period until funds became available under the Economic Cooperation Act.

III. ACTIVITIES OTHER THAN THOSE RELATING TO THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL BANK

THE ANGLO-AMERICAN FINANCIAL AGREEMENT

Previous reports of the National Advisory Council have traced developments under the Anglo-American financial agreement up to the suspension of the convertibility of sterling and cessation of notification of withdrawals under the line of credit, both effective August 20, 1947. Up to the date of the temporary cessation of withdrawals against the line of credit the British Government had obtained the following amounts, in millions of dollars:

1946—3d quarter	400
4th quarter	200
1947—1st quarter	500
2d quarter	950
3d quarter	1,300
Total through 3d quarter of 1947	<u>3,350</u>
Remaining line of credit	400
Total line of credit	<u>3,750</u>

Consultations between the two governments continued and, in an exchange of letters with the Chancellor of the Exchequer, the Secretary of the Treasury, on December 5, 1947, agreed that it was appropriate for the United Kingdom to resume withdrawals against the line of credit. In reviewing the events leading to this exchange of letters, the Secretary of the Treasury recalled that withdrawals against the credit were temporarily discontinued in August on the basis of mutual agreement between the two governments. The action had been taken simultaneously with the institution of emergency steps by the United Kingdom to stop the unanticipated and excessive drawing on its resources following the granting of free convertibility of sterling in July, 1947. In his statement to the press, the Secretary of the Treasury pointed out, however, that while progress had been made toward working out a satisfactory agreement dealing with the convertibility of sterling, serious economic conditions

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existing in the world would delay for some time the restoration of full convertibility. In this connection, he noted that there were, in general, no restrictions on the convertibility of sterling held on current account by United States residents.

Drawings against the remaining line of credit were as follows, in millions of dollars:

Balance on hand at beginning of 4th quarter, 1947	400
Drawings:	
Dec. 8, 1947 . . .	100
Jan. 2, 1948 . . .	100
Feb. 4, 1948 . . .	100
Mar. 1, 1948 . . .	100

EXPORT-IMPORT BANK CREDITS

During the period under review, the Council continued to work closely with the Export-Import Bank in order to coordinate the Bank's policies with those of other agencies concerned with foreign lending. New credits authorized by the Bank during this period totaled 372.5 million dollars including 300 million to Canada and 50 million to Belgium.

In October 1947, the Canadian Government applied to the Export-Import Bank for a credit of 300 million dollars for the purpose of assisting Canada to continue importing essential equipment and industrial raw materials from the United States, with a view to maintaining a high level of production in Canada. Canada in 1947 experienced a substantial loss of gold and dollar reserves as a result of a deficit in its trade with the United States, while it had a surplus in its trade with European countries. Without credit assistance from the United States, the Canadian Government probably would have been obliged to impose drastic and possibly discriminatory restrictions on imports from the United States in order to halt the loss of gold and dollar reserves. With limited credit assistance it was possible to meet the situation with much less drastic and entirely nondiscriminatory trade restrictions.

The Council noted that Canada has consistently supported the United States' policy aimed at the reduction of trade barriers and the resumption of multilateral trade, that the extension of credits by Canada has helped to reduce the foreign financing burden of the United States, and that Canada was likely to continue extending such credits and thus

to aid the United States in financing the European Recovery Program. The Council also noted that Canada's difficulty appeared to be temporary, and therefore approved consideration by the Export-Import Bank of a credit to Canada in an amount up to 300 million dollars.

On November 12, 1947, the Export-Import Bank set aside for this purpose 300 million dollars of its uncommitted funds. An agreement covering a line of credit of 300 million dollars to Canada was signed on January 8, 1948. The Agreement provided that the credit would be available until December 31, 1948, and that interest at the rate of 2½ per cent per annum would be paid on amounts outstanding. The Canadian Government agreed to pay one-half of 1 per cent during the life of the credit on any portion not utilized. The agreement also provided that, if during the availability of the line of credit Canada borrowed funds for a term of five years or less from the private capital market in the United States, such funds would be applied to the reduction of the line of credit.

The application of the Belgian Government for a loan to the National Bank of Belgium was based on the temporary need of that country for assistance in maintaining purchases of essential raw materials and equipment in the United States, with a view to making possible the continuance of a high level of industrial production. The Belgian Government anticipated that banks and other private investors in the United States might participate or take a portion of the credit requested. The Council approved consideration by the Export-Import Bank of a loan to Belgium in an amount up to 50 million dollars. On November 26, 1947, the Export-Import Bank announced that it was prepared to extend a credit of 50 million dollars, this credit to be available until December 31, 1948, at a rate of interest to be determined in accordance with the policy of the Bank not to compete with private capital. This was followed by the announcement of March 15, 1948 that the Export-Import Bank and seven United States commercial banks had made the sum of 50 million dollars available to Belgium through the purchase of promissory notes of the Government of Belgium unconditionally guaranteed by the Banque Nationale de Belgique. The notes bear interest at the rate of 3½ per cent per annum and mature semiannually over a period of five years. The commercial banks purchased 18 million dollars of the 50 million dollars, and the Export-Import Bank

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purchased the remaining 32 million dollars. In the case of several other countries which had applied to the Export-Import Bank for loans, the Council did not recommend consideration.

In February 1948, the Export-Import Bank asked the advice of the Council concerning a loan request of the Lockheed Aircraft Corporation for assistance in financing the sale to the British Overseas Airways Corporation of aircraft and related equipment. The Export-Import Bank had been requested to participate in the amount of 22.5 million dollars representing 75 per cent of the purchase price of 30 million dollars, and the Council approved consideration by the Bank of this request.

In March 1948, the Export-Import Bank and the State Department requested consideration by the Council of a proposal for an increase of 500 million dollars in the lending authority of the Bank. This increase was proposed primarily in the light of the pressing need of Latin America for financial assistance in carrying forward its economic development. It was pointed out that although private capital and the International Bank could supply substantial amounts of such assistance they might not be able to meet the entire need. It was also pointed out that it would be in the national interest of the United States to help to develop nearby sources of raw materials which are regularly imported or are becoming increasingly scarce in our domestic economy. However, the Bank could not consider Latin America to the exclusion of all other areas, and prudent management required the maintenance of a substantial uncommitted balance. In utilizing the proposed additional lending authority, the Bank contemplated no departure from the criteria generally applied in the consideration of loan applications. In view of these considerations the Council supported the proposal to increase the lending authority of the Bank by 500 million dollars.

As of March 31, 1948, the resources of the Export-Import Bank were distributed as follows, in millions of dollars:

Total lending authority	3,500
Loans outstanding	2,098
Undisbursed commitments	870
Unutilized lending authority	532

The following table shows the distribution of net credits authorized by country and object of financing:

TABLE II

NET CREDITS AUTHORIZED BY THE EXPORT-IMPORT BANK¹
 JULY 1, 1945 TO MARCH 31, 1948

[In millions of dollars]

Area and country	Total	Lend-lease requisitions	Re-construction	Development	Cotton purchases ²	Other
Total, all areas	2,713.0	655.0	1,181.5	722.3	133.4	20.8
Total, Europe	2,004.6	655.0	1,044.7	186.2	100.4	18.3
France	1,200.0	550.0	650.0			
Netherlands	205.4	50.0	³ 152.2	3.2		
Belgium	132.0	55.0	45.0	³ 32.0		
Italy	131.9			101.9	25.0	⁴ 5.0
Finland	84.5		62.5		12.0	⁵ 10.0
Norway	50.0		50.0			
Poland	40.0		40.0			
Turkey	36.1			36.1		
Greece	25.0		25.0			
Czechoslovakia	22.0				20.0	⁶ 2.0
Denmark	20.0		20.0			
Germany	19.0				⁶ 19.0	
Austria	14.3			13.0		⁶ 1.3
Unallotted cotton credits	24.4				24.4	
Total, North America	300.0			300.0		
Canada	300.0			300.0		
Total, Asia and Africa	200.4		136.8	30.6	33.0	
Netherlands						
India	100.0		100.0			
China	66.8		33.8		33.0	
Saudi Arabia	25.0			25.0		
Egypt	5.6			5.6		
Ethiopia	3.0		3.0			
Total, Latin America	183.0			183.0		
Brazil	66.2			66.2		
Mexico	57.0			57.0		
Chile	47.4			47.4		
Colombia	5.0			5.0		
Ecuador	3.5			3.5		
Bolivia	3.0			3.0		
Venezuela	0.6			0.6		
Argentina	0.2			0.2		
Peru	0.1			0.1		
Total, miscellaneous	25.0			22.5		2.5

¹ Cancellations and expirations deducted. Numerous small exporter-importer loans extended by the Bank, July 1, 1945 through Mar. 31, 1948, excluded. Also excluded are Mexican authorizations of 30 million dollars and a Peruvian authorization of \$400,000 approved prior to June 30, 1945 recorded on Export-Import Bank books subsequent to June 30, 1945.

² Credits extended by Export-Import Bank under general approval of the Council. Hungarian credit of 7 million dollars canceled Apr. 2, 1947.

³ Excludes participation by private banks.

⁴ For financing tobacco purchases.

⁵ For financing food purchases.

⁶ Revolving credits (of 1.3 million dollars shown for Austria, \$800,000 is revolving).

UNITED STATES MARITIME COMMISSION FOREIGN CREDITS

Under the Merchant Ship Sales Act of 1946, the United States Maritime Commission was authorized, with certain limitations, to sell war-built vessels to foreign purchasers on credit terms. The authority of the Maritime Commission to sell war-built vessels to noncitizens, on credit terms or

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otherwise, expired March 1, 1948. In the five months between September 30, 1947 and March 1, 1948, the Council considered new credits of 5.7 million dollars to Uruguay and \$300,000 to Peru. These amounts were in addition to previous unused authorizations to these countries. The Council indicated that it had no objection to consideration by the Maritime Commission of these additional credits.

TABLE III

MERCHANT SHIP SALES ON CREDIT BASIS TO FOREIGN NATIONALS AND GOVERNMENTS AS OF MARCH 31, 1948

[In millions of dollars]

Area and country	Credits made available by U. S. Maritime Commission	Credits utilized by purchasers
Total, all countries	260.0	186.3
Total, Europe	218.8	169.0
Italy.....	65.6	55.8
France.....	55.2	44.6
Greece.....	41.7	41.3
Norway.....	28.8	19.0
Netherlands.....	120.3	2.6
Turkey.....	6.0	4.9
Finland.....	1.2	0.8
Total, Asia	23.1	7.0
China.....	18.8	7.0
Philippines.....	3.1	.....
Iran.....	1.2	.....
Total, Latin America	18.1	10.3
Brazil.....	9.4	6.2
Peru.....	5.2	4.1
Uruguay.....	1.9	.....
Mexico.....	1.6	.....

¹ The sizable difference between the credits approved by the Commission and those utilized by the Netherlands Government is in part attributable to contract settlements on a cash basis.

WAR ASSETS ADMINISTRATION FOREIGN CREDITS

During the period under review the War Assets Administration entered into credit agreements with Austria, the Netherlands, Norway, and Haiti. The line of credit to Austria amounted to 10 million dollars, to Norway 12 million dollars, to the Netherlands 25 million dollars, and to Haiti \$255,000. In conformity with the recommendation of the Council, the agreements with Austria, Norway, and the Netherlands provided for serial payments over a 15-year period, with, however, payment in full in three years on those items which are subject to statutory limitations. The Agreement with Haiti provided for serial payments over a six-year period, with the same restrictions on statutory items.

Other credit requests received were from the

Italian Government for a credit of 5 million dollars, the Iranian Government for a credit of 10 million dollars, and the Government of Pakistan for a credit of 10 million dollars. The Council approved for the consideration of the War Assets Administration the granting of these lines of credit, but as of March 31, 1948, negotiation of firm contracts had not been completed. Several other countries have applied to the War Assets Administration for surplus property credits. In some instances the Council did not approve the applications for consideration by the War Assets Administration and in others action has been deferred or is still pending.

ECONOMIC ASSISTANCE TO CHINA

The Foreign Aid Act of 1947 authorized assistance to China. During January 1948, the State Department submitted for consideration of the Council a proposal for authorization by Congress of an economic assistance program for China. The purpose of this program was to provide immediate aid urgently needed by the people of China in the form of supplies of raw materials, foodstuffs, and equipment for which the Chinese Government's dwindling foreign exchange reserves were inadequate. In effect, the objective of the proposal would be to help China arrest the progress of deterioration in her economy and to provide a respite during which the Chinese Government could initiate measures necessary to rebuild her economy.

It was contemplated that under the program a bilateral agreement between the United States and the Chinese Government would provide for the most effective use of the aid possible under the circumstances prevailing in China. Without this program, China would be faced with complete exhaustion of her foreign exchange assets during 1948 and would not be able to maintain minimum import requirements. It was the opinion of the Council that while the program would not necessarily prevent a further deterioration in the Chinese economic situation, it would help to stave off economic disaster and give China the opportunity, under favorable circumstances, to undertake the needed measures of self-help. In no sense was the China Aid Program to be considered as an economic recovery program comparable to the European Recovery Program.

The needs of China were considered by the Congress in conjunction with its consideration of the

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European Recovery Program, and the Foreign Assistance Act of 1948, as approved April 3, 1948, contained authorizations for assistance to China to a maximum amount of 463 million dollars.

GERMAN FINANCIAL QUESTIONS

During October 1947, representatives of the United States and United Kingdom Governments met to review the financial provisions of the Bizonal Fusion Agreement of December 2, 1946. At these discussions British representatives proposed that the United Kingdom be relieved of the burden of providing dollars for German imports. It was estimated that this burden would amount to 150 million dollars in the first six months of 1948, and to an additional 65 million dollars if the United Kingdom did not provide any more dollars during the remainder of 1947. The United States delegates to this conference agreed that this question should be referred to the Council.

Because of the critical international financial position of the United Kingdom, the Council agreed that favorable consideration should be given to proposals for relieving the United Kingdom of the burden of dollar expenditures for civilian supplies for the bizonal area of Germany. It was agreed, however, that if new circumstances and developments arose, the financial arrangement would be reconsidered.

During the fall of 1947, the Council considered the financial terms of a proposed sale of United States Army surplus property located in Germany. It was proposed to transfer to Germany (Bizonal Economic Council), by means of a bulk sale all of the remaining surplus property of the United States Army located in Germany, whether already declared surplus or to be declared surplus in 1948, except certain property not permitted to the German economy such as aircraft, vessels, and non-demilitarized combat material.

Of the total 875 million dollar original cost of the property, it was proposed that Germany pay 21 per cent, or approximately 184 million. The surplus material included general and special purpose vehicles, construction equipment and materials, and clothing.

The Department of the Army was of the opinion that the bulk of the unsold surpluses in Germany could not be moved out of the country during the winter of 1947-48 because of inadequate transportation facilities. Moreover, the reduced strength

of the occupational forces had imposed serious difficulties with respect to the care and custody of surplus property, and sale to Germany would terminate large expenditures necessary for the care, custody, handling, packing and shipping of surplus property. Finally, this surplus property, if injected into the German economy, would reduce the amount of United States appropriations required for the purposes of occupation.

The Council therefore approved for the consideration by the Office of Foreign Liquidation Commissioner the financial terms in connection with this proposed bulk transfer of surplus property. It was agreed that the contract with the Bizonal Economic Council, amounting to 184 million dollars, would be a deferred charge repayable from the future proceeds of German exports and that the assumption of this obligation would be approved by the United States and United Kingdom Military Governments.

INTERIM AID

In October 1947, the State Department requested the Council to consider a proposal for an appropriation by Congress for interim assistance to France, Italy, and Austria. This request was based upon analyses of data submitted by the French and Italian Governments and by the United States military authorities in Austria.

The necessity for interim financial assistance prior to action by Congress on the European Recovery Program arose when it became apparent that the three countries under consideration would not be able to finance their import requirements needed to maintain recovery levels without unduly depleting their limited reserves of gold or dollars. Various special factors had contributed to the depletion of their dollar resources at a more rapid rate than had been previously anticipated. The most significant factors had been the inability to convert sterling into dollars or gold since August 1947, the increase in dollar prices, and the serious crop failures in Western Europe in 1947.

Interim aid was advocated not only on the basis of the immediate need of certain European countries for assistance in preventing cold and hunger during the winter of 1947-48, but also of preventing a further deterioration in the economy of certain European countries in order to preserve the foundation on which a carefully considered recovery program could be based.

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The Council was of the opinion that the State Department's request for the interim European supply program for France, Italy, and Austria was appropriate and justified in the light of the foreign financial policy of the United States Government. The Foreign Aid Act of 1947, approved December 17, 1947, authorized appropriations for assistance to these countries, and the Congress subsequently appropriated 540 million dollars—to Austria, France, and Italy 522 million dollars, and to China 18 million dollars. An additional sum of 55 million dollars was appropriated by the Congress in March 1948, for further interim aid for the period until funds became available under the Economic Cooperation Act.

FINANCIAL ASPECTS OF THE EUROPEAN RECOVERY PROGRAM

As pointed out by the National Advisory Council in its report of activities from April 1 to September 30, 1947, the financial and monetary problems raised by the European Recovery Program had been under continuing study by the Council and its constituent agencies since the inception of the Program.² The views and recommendations of the Council on these matters were summarized by its Chairman, the Secretary of the Treasury, in his statements before the Senate Committee on Foreign Relations on January 14, 1948, and the House Committee on Foreign Affairs on January 21, 1948. The text of the former statement (the content of which was substantially identical with the statement before the House Committee), is given below: *

"The President, in his message, has laid before you the Administration's proposal for a European Recovery Program and in greater detail the Secretary of State has described the need for assistance to Europe and the manner in which, and extent to which, it is recommended that American assistance be given. The financial aspects of the Program have been carefully considered by the National Advisory Council on International Monetary and Financial Problems. This is a program for the economic recovery of Europe; it is not merely a relief program. The Council throughout has approached the foreign financial policy issues in-

² For this Report, see Federal Reserve BULLETIN, February 1948, pp. 152-66.

* The topical headings have been supplied.

volved to determine what specific lines of action would most effectively contribute to this basic objective of economic recovery. As Chairman of the Council, I welcome this opportunity to set forth the conclusions reached by the Council and then to comment on the financing of the Program.

"First, I shall review the principal financial aspects of the Program, then say something about the measures which we shall expect the European countries themselves to take, and finally comment briefly on the financing of the Aid Program.

"Loans vs. grants. The first matter which I wish to take up is the question of the form in which aid should be extended to Europe. This assistance should be provided as a combination of grants-in-aid and loans. The criterion for selecting one or the other form should be the capacity of the participating countries to earn, in the years to come, the dollars which would be needed to pay interest and principal. We must keep in mind that these countries have already incurred an obligation for large annual payments of interest and amortization arising from the dollar loans extended to them over a period of years by the United States Government or the United States private capital market. We should take care not to insist that these countries contract additional dollar debts which will absorb so much of their dollar earnings as to operate to the disadvantage of future trade and private investment. If the entire aid for European countries were to be on a loan basis, it would be practically impossible for them to meet the additional annual charges from their earnings of dollars, even after trade and investment return to normal. The proportion of total aid which can prudently be provided on a loan basis must depend on the estimate of the borrowing country's capacity to repay in dollars and also on the degree of flexibility which can be introduced into the terms of repayment.

"The International Bank may be expected to finance part of the capital requirements of the European countries, particularly where they require the financing of permanent additions to their equipment. It does not seem likely, however, that the Bank will be able to carry the whole, or even the major, part of the Program which properly ought to be put on a loan basis. We propose, therefore, that when the Administrator for Economic Cooperation decides, after consulting the National Advisory Council, that it is desirable to extend aid on a credit basis, he will allocate the funds to the

Export-Import Bank of Washington, which will then make the loan as directed and on terms specified by the Administrator in consultation with the National Advisory Council. This procedure will enable the Administrator to draw upon the broad experience of the Export-Import Bank in the making of foreign loans. Incidentally, this is one example of the manner in which the National Advisory Council would perform its customary role of coordination of United States foreign financial policy. I shall be glad to describe this role in greater detail if the members of the Committee wish me to do so.

"Guaranties. It is also important that the American business enterprises be given opportunity to participate in the Recovery Program by making new investments abroad, or by expanding existing facilities where the Program calls for additional capital equipment. In this way they will contribute to the restoration of Europe, while at the same time they will be carrying out their own programs for expansion abroad. But we must recognize that new investments would be made at a time of great uncertainty and that investors may anticipate encountering difficulty in converting their earnings or their original principal into dollars. To facilitate private investment, therefore, it will probably be necessary for the Government to guarantee the convertibility into dollars of local currency earned by the investment or available for the repatriation of the original investment. While we may expect that the participating countries will try to make dollars available, it is possible that they will not have adequate dollars to permit conversion. The Economic Cooperation Administration should not be expected to guarantee American companies making these investments against normal risks, but merely to give them a transfer guaranty. We propose that not more than 5 per cent of the funds appropriated by Congress for the Program should be obligated for these guaranties, and that the guaranties themselves should not exceed the amount of the original investment and should not be extended more than 10 years from the termination of the four-year program.

"Liquidation of foreign assets. Some people have argued that the participating countries should pay for part of the Program by using up their gold and dollar assets in the United States, and by liquidating the American investments of their own citizens. I need not labor the point that the

European countries must have some gold and dollar reserves to finance their international trade if they are to return to normal operations after 1952. It should be kept in mind that the Economic Recovery Program is not intended to cover the entire import requirements of these countries. It would be folly on our part to force the European countries to use up their gold and dollar balances to a point where they would not have adequate funds to operate smoothly through ordinary commercial and financial channels. By insisting that the participating countries exhaust their gold and dollar balances, we would merely add further instability to their monetary systems. As a matter of fact, all of the participating countries except Switzerland, Turkey, and Portugal have already reduced their dollar balances to or below the amount which would normally be regarded as safe.

"When we turn to the possibility of liquidating European investments in the United States, we must also look at the problem in terms of its long-run consequences. These investments annually earn a dollar income, which will be used to cover part of the cost of the Program, and which will be used in the future to meet part of the cost of imports after the Program ends. Without these investments, the balance-of-payments situation of the participating countries will be worse in the future. I doubt very much that it would be wise policy for the United States to require European countries as a general rule to liquidate the property owned in the United States by their nationals as a condition for receiving aid from this Government.

"Even if these countries could liquidate all of the property owned by their citizens in the United States, they could not pay for more than a small part of the Program. We estimate that as of last June 30 the dollar assets held by persons in the recipient countries amounted to about 4.8 billion dollars. Of this amount 1.5 billion consisted of direct investments, and a considerable part of the remainder also consists of holdings which would be difficult to liquidate. Some of these assets are already pledged for loans, while for many of the countries involved the amounts held here are negligible.

"Some of the governments, however, will decide to liquidate some or all of their holdings so as to pay for imports. In practice this may be an alternative to borrowing from the United States. We certainly will not object to the governments using

these funds. The question of policy for us to decide is the extent to which we can help these countries in obtaining control of these assets. In the case of unblocked assets, the only way the European governments can get control of them under present circumstances is through the compliance of their citizens with local laws. In fact, a considerable portion of the assets formerly blocked in the United States had been unfrozen as a result of such action. While we do not have exact data on unblocked assets, we believe the amount is comparatively small.

"A large part of the blocked assets are still blocked because their owners have not obtained from their own governments the certification that there is no enemy interest in their assets, which is required by the United States Treasury before the assets are unblocked. The National Advisory Council and the executive departments concerned with this matter are giving very careful study to this problem. We hope to reach a final view as to the most satisfactory solution of this problem very shortly, and I should like at that time to appear before you again to outline our program.

"Offshore procurement. It will not be possible to obtain all the goods needed for the Recovery Program in the United States, nor would it be desirable to attempt to do so. Some commodities are in short supply here, and purchasing abroad would leave more available for our own population and would in many instances reduce the net cost of the Program. The needed amounts of food cannot be obtained in the United States. A large percentage of the requirements of grain, fats and oils, meat, and other agricultural products can be procured only in other countries of the Western Hemisphere. In this manner we can make it possible for countries in the Western Hemisphere to supply larger amounts of foods and materials to Europe and at the same time maintain essential imports from the United States.

"It is the opinion, therefore, of the National Advisory Council that the Economic Cooperation Administrator should be authorized to expend funds for the procurement of supplies for the Recovery Program outside of the United States. This would relieve pressure upon goods and services in short supply in the United States, and would in some instances have the further effect of assisting third countries in maintaining needed imports from the United States. We definitely would not permit the

use of dollars to buy goods abroad where the supplies available in the United States at reasonable prices are adequate for our needs as well as for the requirements of foreign countries. In any case, all purchases would be made according to an agreed program, and the administering agency would control the use of the funds appropriated by Congress. In addition to purchases in the Western Hemisphere, there are special instances where it may be in our interest to procure certain essential products in one participating country for delivery to another, making payment in dollars. For example, we might buy steel or coal in one participating country for delivery to another. The dollars which are received would then be used by the supplying country to pay for imports from the United States, thus reducing the need for direct expenditures by the United States for aid to the supplying country.

"Monetary stabilization. If the Recovery Program is to be successful, adequate measures for monetary stabilization must be taken promptly and with vigor by the European countries. At the Paris meeting the 16 participating countries undertook to apply any necessary measures leading to the rapid achievement of internal financial, monetary, and economic stability while maintaining in each country a high level of employment. They have recognized that recovery is not possible as long as inflation continues, and unless production is increased. The measures which should be taken must vary somewhat from country to country, but the general outline is clear. Budgets should be brought into balance rapidly, so that the necessary expenses of government can be met without increasing the public debt and without increasing direct inflationary pressures. In most countries modifications in tax structures and control of expenditures will be needed. As determined steps are taken, the trend toward budgetary balances, increased production, and steadying prices will all interact upon one another to facilitate stabilization.

"Bilateral agreements. The Administration proposes that each country receiving aid from the United States shall enter into a separate agreement with this Government, which will cover the terms on which aid will be given. The European signatories will undertake to adopt the financial and monetary measures which are necessary to stabilize their currencies and to maintain and establish proper rates of exchange. These agreements will also cover such matters as cooperation with other

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countries, the proper use of the goods supplied, and the establishment of a separate account for the local currency equivalent to the aid supplied in the form of grants. Moreover, each country would agree to supply the United States Government with full information about any pertinent aspect of the Recovery Program and to give a report on the Program to its own people. On the basis of the information which the cooperating countries will give us, and also from the reports of our own missions in these countries, we can be informed about the situation and so be in a position to discuss with the country the measures which it has taken, or ought to take, to contribute to the recovery of Europe and its own stability.

“Local currency equivalent of grants. We have a direct interest in assuring that the aid we provide to Europe makes a maximum contribution to the reduction of inflationary pressures and the restoration of stability. To this end we propose that each participating country will deposit in a special account the local currency equivalent at an agreed rate of exchange to the dollar cost to this Government of the goods supplied through grants-in-aid. These accounts should be drawn upon only for constructive, stabilizing purposes. In many instances it will probably be best either to let the accounts remain idle or to authorize the use of this local currency to effect a net reduction in the government's debt. There may be instances, however, in which it might also be used for reconstruction or development, or other purposes which would contribute to the increase of production in the country. In the view of the National Advisory Council, such expenditure should be undertaken only in agreement with this Government.

“I wish to make it clear that the National Advisory Council, in considering the financial measures which the European countries should take, had very much in mind the necessity of preserving the spirit of free and friendly cooperation between this Government and the European governments. I am sure this country does not wish to dictate to these friendly countries either the particular measures they should take, or the exact manner in which they should be taken.

“Exchange rates. The adjustment of some exchange rates may be expected in the course of European recovery. Inflation in Europe in certain instances has given rise to exchange rates which result in an overvaluation of the currencies in rela-

tion to the dollar. This state of affairs has tended to hinder the exports of such countries and, at the same time, to make imports relatively cheap in terms of local currency. In some cases countries have resorted to export subsidies, by means of special exchange rates, or have used other measures in conflict with our own long-range international economic program.

“The determination of an appropriate exchange rate is a very complex matter, involving the widest range considerations relating to prices, costs, and balances of payments. The difficulties in setting exchange rates under present conditions are such that, although the rates of some of the participating countries will certainly have to be adjusted, the timing of these adjustments will vary from country to country. Accordingly, it would not be good policy for us to insist upon an across-the-board modification of exchange rates before we extend aid. The revision of rates of individual countries should instead be considered as a part of a developing program of internal and external stabilization in conjunction with United States assistance. To ensure that these revisions will be undertaken where necessary, the recipient countries will be asked to agree that when, in the opinion of the United States Government, their exchange rates are imposing an unjustifiable burden on their balances of payments, they will consult with the International Monetary Fund about revision. Countries which are not members of the Fund would be expected to consult directly with the United States Government. The National Advisory Council is making continual studies of the exchange rate problem and is the agency directed by Congress to coordinate policy in this matter.

“Stabilization loans. After progress has been made toward internal stabilization in the European countries by balancing budgets, increasing production, and expanding trade, the time will arrive when it may be appropriate to make stabilization loans which would give greater assurance to the people of the participating countries that the stabilization will be permanent. There is greater confidence in the stability of money if there is gold or dollars in the hands of the central bank. At the appropriate point in the Program it would be well worth while to give countries this additional assurance by extending a loan to provide monetary reserves. If the loan is given prematurely, the reserves might be dissipated through balance-of-pay-

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ments deficits. A stabilization loan to be effective should come when there is reasonable assurance that the internal situation of the country concerned is satisfactory, and that it will be able to maintain its exchange rate at a stable level for a considerable period of time. It is not likely that this situation will be reached immediately, but it is possible that in the course of 1948, and probably in 1949, some countries will be in a position to use stabilization loans effectively. At the appropriate time Congress may then be requested to appropriate additional funds to be used by the United States Stabilization Fund to make these loans.

“Financial requirements. Before I conclude my remarks on this phase of the European Recovery Program, I should like to comment briefly on the amount needed to carry it out. The President has recommended that 6.8 billion dollars be appropriated to support the Program during the 15 months ending June 30, 1949. The National Advisory Council has carefully reviewed the procedures which have been used by the interdepartmental committees of experts in arriving at this figure. These procedures involved a critical examination of European needs and of availabilities in the United States and in other major supplying areas, and careful estimates of European dollar income and resources. The National Advisory Council believes that this approach is sound and has concluded that the recommended amount is needed to achieve the objectives of the Program.

“Finally, I should like to make a brief comment concerning the financing of the Program. It would serve no good purpose to ask the European countries to put their own houses in order if we, ourselves, adopted methods which might accentuate inflation in the United States or upset our own economic stability. It is my firm opinion that we should finance the European Recovery Program within a balanced budget. I am confident that, so long as we pursue a sound fiscal policy, we shall be able to cover the cost of the European Recovery Program out of current revenues.”

MOBILIZATION OF FOREIGN PRIVATE DOLLAR ASSETS

The problem of tracing the private dollar assets in the United States of nationals of countries receiving aid under the European Recovery Program had been under review by the Council during the fall of 1947 and a program relating to this matter was presented by the Council to the Congress in Febru-

ary, 1948. The Council believed that all reasonable assistance should be given to the participating countries to enable them to locate dollar assets of their nationals in the United States so that if the participating governments so decided, these assets or the income therefrom, could be used to assist in the financing of European requirements.

In the public discussion of the Program it had been also argued that the participating countries should pay for part of the Program by utilizing their gold and dollar assets in the United States and by liquidating the American investments of their own citizens. Moreover, it had been asserted that American taxpayers were being called upon to make substantial contributions to European recovery and that liquidation of these assets would therefore constitute a means of relief to the American taxpayer. The Council pointed out, however, that it would be unwise for the United States to force European countries to use their gold and dollar balances to the point where they would not have adequate funds to finance their international trade through ordinary commercial channels. The dissipation of gold and dollar balances would also add a further element of instability to the monetary systems of these countries. Moreover, investments in the United States earn an income which can be used to defray part of the cost of European requirements during the life of the Program and in subsequent years. To force the liquidation of invested assets would weaken the balance of payments positions of the participating countries in the future. Accordingly, the Council took the position that the liquidation of dollar assets should not be a condition precedent to aid under the European Recovery Program but that assistance should be given to the participating countries in obtaining control of these assets.

The problem of locating private dollar assets of foreign nationals stemmed from the fact that some individuals had for many years concealed their assets in the United States from their governments, despite the fact that the foreign exchange laws of the recipient countries required that foreign exchange assets be declared. Some persons held property directly in their own names, while others held property indirectly through intermediaries in third countries, notably Switzerland.

It is essential to distinguish between the categories of blocked assets and free assets. Blocked assets are those which were frozen in the United

States under the Foreign Funds Control of the Treasury Department. In October 1945, machinery was put into effect to unblock these assets if the government of the country where the beneficial owner of the funds resided certified to the private American custodian holding the assets that there was no enemy interest. The procedure was designed to find concealed enemy property. However, not all of the blocked assets of the nationals of these countries were certified and, as a result, Foreign Funds still controlled a substantial amount of blocked assets. Free assets include all of the dollar assets owned by the nationals of Great Britain, Turkey, and Ireland, previously blocked assets which have been unblocked, and assets accruing to nationals of the recipient countries after December 1945. Free assets are for the most part known to the governments of the recipient countries and are not part of the particular problem involved in locating assets.

Precise figures on the amount of the blocked assets held directly in the names of citizens of recipient countries and indirectly through Swiss accounts were not available. According to best estimates, there was approximately 700 million dollars of blocked assets in a form readily available for meeting the balance of payments deficits of recipient countries. Of this amount, it was estimated that about 400 million dollars was held in the United States directly in the name of resident citizens, and the balance of about 300 million dollars was held indirectly through Switzerland.

The Council believed that, in view of the extraordinary circumstances prevailing, the United States should assist the recipient countries to obtain control of the dollar assets of their nationals. The Council doubted that under ordinary circumstances this Government should assist in enforcing the foreign exchange laws of other countries, but it recognized that European countries needed these funds and had requested the assistance of the United States in obtaining control. The Council concluded that no action should be taken with respect to free assets, but that the following program should be adopted in the case of assets now blocked:

(1) Public notice would be given that at the end of three months, assets remaining blocked, including assets not certified by the appropriate foreign government as free from enemy taint, would

be transferred to the jurisdiction of the Office of Alien Property in the Department of Justice.

(2) In order to concentrate on areas where important results were likely to be obtained, accounts containing small amounts of property of less than \$5,000 would be unblocked without requiring certification or other formalities, except where a known former enemy interest existed.

(3) A new census of the assets which remained blocked as of the deadline date would be taken and the information from this census would be made available to governments of recipient countries.

(4) Assets indirectly held would be dealt with by a vesting program. Assets uncertified by the deadline date, whether in Swiss and Liechtenstein accounts or in accounts held through the nationals of recipient countries, would after receipt of the census information be vested under law as enemy property by the Office of Alien Property.

In implementation of the program outlined to the Congress, the Secretary of the Treasury announced on February 27, 1948, that freezing controls had been removed from blocked accounts up to \$5,000 held for persons residing in any country except Germany, Japan, Bulgaria, and Rumania, and on March 1, 1948, he announced that effective June 1, 1948, the Treasury Department would cease to have jurisdiction of blocked foreign funds. The details of the program were as previously outlined. The governments of the countries participating in the European Recovery Program were requested to give their residents public notice of the action which would be taken by the United States on June 1, 1948. (On April 27, 1948, it was announced that countries would have until September 1, 1948 to complete action on applications filed for certification as of June 1, 1948, and that the Treasury Department would for administrative convenience retain jurisdiction over blocked funds until September 1, 1948.)

OTHER COUNCIL ACTIVITIES

The Council, in view of the Swedish foreign exchange difficulties developing in the first quarter of 1948, authorized the State, Treasury, and Commerce Departments to negotiate suitable modifications of the existing agreements with Sweden so as to recognize the necessity for Sweden temporarily to delay payments to United States nationals for current transactions.

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In the spring of 1948, the Council considered a proposal of the State Department for an appropriation in the amount of 20 million dollars for the relief of the United States-United Kingdom zone of Trieste during the period from April 1, 1948, to June 30, 1948, through amendment of the Foreign Aid Act of 1947. The Council expressed the opinion that the State Department's request was appropriate and justified in the light of the foreign financial policy of the United States Government. The Economic Cooperation Act of 1948, while contemplating that Trieste would qualify as a participating country, provided for the amendment of the Foreign Aid Act of 1947 to authorize not more than 20 million dollars of assistance until such time as Trieste became eligible for assistance under the Economic Cooperation Act as a participating country.

The Council considered and made recommendations with respect to the draft basic agreement for international economic cooperation which was referred to the Ninth International Convention of American States, held at Bogota, Colombia. The Council recommended that the United States Delegation to the Bogota Conference not support proposals to set up a new Inter-American intergovernmental financial institution since organizations already in existence would be capable of handling appropriate international financing. As pointed out in the section on the Export-Import Bank, the Council supported the proposal to increase the lending authority of the Export-Import Bank in order to place the Bank in a position to extend additional credits to Latin America.

The Council took negative action on various

other matters relating to foreign finance referred to it by agencies of the United States Government. Where favorable consideration of the applications of foreign governments was recommended by the Council its conclusions are reported here. The Council has followed the practice generally of not publicly reporting actions recommending against the extension of loans, credits, or other financial transactions with foreign governments, since it is of the opinion that the best interests of the United States would not be served by public disclosure of adverse actions which may affect the foreign relations of the United States with other friendly countries.

During the period under review, the National Advisory Council met with the President's Committee for Financing Foreign Trade. Particular attention was devoted to the European Recovery Program, and the Council gave careful consideration to the views and recommendations of the President's Committee for Financing Foreign Trade on the administration and financial aspects of the Program.

During the period the Council also submitted to the Senate Committee on Finance a Report on Foreign Assets and Liabilities of the United States and Its Balance of International Transactions. The National Advisory Council had undertaken to submit this material when the committee had under consideration Senate Resolution No. 103 requesting information relative to loans and commitments to foreign governments and other financial statistics. The report was published as a Committee Print (80th Cong., 1st sess.), by the Senate Committee on Finance.

IV. ACTIVITIES RELATING TO THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Pursuant to statutory authority, the National Advisory Council continued to coordinate the activities of the United States representatives of the Fund and the Bank with those of other agencies of the Government by furnishing advice and assistance to facilitate the carrying out of their various functions. The United States Executive Directors of both the Fund and the Bank, or their alternates, have regularly attended the Council's meetings, and have participated continuously in the work of its staff committee.

MEMBERSHIP CHANGES IN THE FUND AND BANK

In the period under review, one new country, Finland, was admitted to membership in the Fund and the Bank. At the recommendation of their Boards of Directors, the Governors of the two institutions, at the second annual meetings held in London in September, 1947, approved the admission of Finland to the Fund with a quota of 38 million dollars, contingent upon a subscription for an equal amount in the Bank. Finland formally became the 46th member of both the Fund and the

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Bank on January 14, 1948. The Council on March 25, 1948 approved of the admission of Austria to the Fund and to the Bank. The Boards of Governors by subsequent vote, without a meeting, approved the Austrian membership application, providing for a quota in the Fund of 50 million dollars, and a like amount as a subscription to the Bank. Membership is open to Austria until August 31, 1948. The increase in Egypt's quota from 45 million dollars to 60 million dollars, which had been approved at the second annual meetings, became effective during the month of March, 1948, when Egypt notified her consent to the change and her application for a proportionate change in her subscription to the Bank. A list of member countries, with their quotas and capital subscriptions as of March 31, 1948, is included in Appendix E.¹

ADDITIONAL EXECUTIVE DIRECTORS

At the London meeting of the Boards of Governors of the Fund and Bank in 1947, it was decided to provide for the election of a 14th Executive Director by those members who, as of December 31, 1947, were not entitled to appoint a Director, and who had not voted in an election for any Director. This Director was to hold office until the next regular election in 1948. Pursuant to this, an election was held, and on February 5, 1948 announcement was made of the election of an Executive Director to both the Fund and the Bank representing Australia, Syria, and Lebanon.

THE FUND

In the six-month period under review the Council gave consideration to various policy questions, all of which have been discussed in the *First Special Report of the National Advisory Council on the Operations and Policies of the International Monetary Fund and the International Bank for Reconstruction and Development* (H. Doc. No. 656, 80th Cong., 2d sess., pages 10 to 17).³

Fund exchange transactions. In the six months, October 1, 1947 to March 31, 1948, the Fund sold a total of 391.1 million dollars in exchange for their own currencies to member countries. The sales of exchange for the respective periods and the countries purchasing exchange are indicated in the table below:

³ See Federal Reserve BULLETIN for July 1948, pp. 794ff.

TABLE IV

CURRENCY SALES OF THE INTERNATIONAL MONETARY FUND
MARCH 1, 1947 TO MARCH 31, 1948

(In millions of dollars)

Country	Total	Oct. 1, 1947— Mar. 31, 1948	Mar. 1, 1947— Sept. 30, 1947	
		U. S. dollars	U. S. dollars	Dollar equivalent of pound sterling
Total, all countries	600.1	391.1	203.0	6.0
Total, Europe	540.8	356.8	178.0	6.0
United Kingdom	300.0	240.0	60.0	.....
France	125.0	25.0	100.0	.....
Netherlands	68.5	44.5	18.0	6.0
Belgium	33.0	33.0	.....	.....
Denmark	6.8	6.8	.....	.....
Turkey	5.0	5.0	.....	.....
Norway	2.5	2.5	.....	.....
Total, other countries	59.3	34.3	25.0	.....
India	28.0	28.0	.....	.....
Mexico	22.5	.....	22.5	.....
Chile	8.8	6.3	2.5	.....

THE BANK

Loans and disbursements. During the period under review the Bank entered the field of development loans when the Board of Executive Directors approved two loans to Chile totaling 16 million dollars, bringing the total of loans approved as of March 31, 1948 to 513 million dollars.

Disbursement on loans in the six-month period amounted to 170 million dollars, bringing the total disbursed by the Bank as of March 31, 1948 to 403 million. France has withdrawn the entire amount of her 250 million dollar loan, the Netherlands has utilized 138 million of her 195 million loan, Denmark 7 million of her 40 million loan and Luxembourg 7 million of her 12 million loan.

The loans to Chile consisted of 13.5 million dollars for hydro-electric development and 2.5 million dollars for the purchase of agricultural machinery. Both loans are guaranteed by the Chilean Government. The 13.5 million dollar loan, at an interest rate of 3½ per cent, is for a term of 20 years, with amortization payments beginning in the sixth year calculated to retire the full amount by maturity. The 2.5 million dollar loan, at an interest rate of 2¾ per cent, is for a term of six and one-half years, with amortization payments beginning in the third year calculated to retire the full amount by maturity. In accordance with its Articles of Agreement, the Bank will also charge a commission of one per cent

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annually to be set aside in the Bank's special reserve fund.

In accordance with previous loan agreements made by the Bank, the contracts with Chile provide that the Bank shall be furnished with full information showing that the funds to be disbursed will be used for the purposes specified in the agreements, and that representatives of the Bank shall have full opportunity to check the end use to which all purchases are put.

Legislation. In this period the bonds of the Bank have become legal investments for life insurance companies in Massachusetts, Kentucky, and Virginia by action of the legislatures of these states. The action in Massachusetts was particularly important: first, because Massachusetts is often accepted as a pattern or guide by other states; and second, because Massachusetts was the most important remaining state in the insurance field in which the Bank's bonds were not legal investments for insurance company assets. The great bulk of investment funds represented by the assets of insurance

companies, banks and trusts is now eligible to buy the bonds of the Bank.

Fiscal operations. During the six-month period, the Bank reported a net income in excess of 3 million dollars exclusive of 1.5 million dollars paid into its special reserve. As of March 31, 1948, the entire deficit incurred in the Bank's organizational period has been written off, and the Bank reported an accumulated net profit of 1.2 million dollars from operations, plus 2 million dollars in its special reserve.

Future lending. The Bank is expected to continue financing part of the European reconstruction effort. As economic recovery of the war-devastated countries proceeds, accelerated through the stimulus of United States direct aid, it is felt that the Bank will be afforded an opportunity to finance a number of projects, particularly those calling for permanent additions to capital equipment. The Bank, as indicated by its recent loan to Chile, will concurrently consider developmental projects in Latin America and other areas which it now has under study.

CURRENT EVENTS AND ANNOUNCEMENTS

Changes in Board's Staff

Mr. Edward L. Smead, Director of the Division of Bank Operations, has elected to retire from active service on January 1, 1949, and, in preparation for his leaving, Mr. Robert F. Leonard, formerly the Director of the Division of Examinations, was appointed as Associate Director of the Division of Bank Operations, effective September 1, 1948. Mr. Leonard will succeed Mr. Smead as Director of that Division on January 1, 1949.

Mr. Edwin R. Millard, formerly an Assistant Director of the Division of Examinations, was ap-

pointed Director of that Division to succeed Mr. Leonard, effective September 1, 1948.

Admissions of State Banks to Membership in the Federal Reserve System

The following State banks were admitted to membership in the Federal Reserve System during the period July 16, 1948 to August 15, 1948:

New Mexico

Artesia—Peoples State Bank

Virginia

Warsaw—Northern Neck State Bank, Inc.

AUTHORIZATION OF BANK OF THE GERMAN STATES TO ISSUE NOTES AND COINS

The Military Governors of the American, British, and French zones of occupation in Germany promulgated between June 18 and June 26, 1948, a series of laws enacting the long-expected currency reform for Western Germany. The first of these laws (Currency Law; No. 61 in the United States zone) established the German mark (*deutsche mark*) as legal currency and provided for the surrender of the old currency and the issue of small interim amounts of new money. The second law (Issue Law; No. 62), discussed below, dealt with the Bank of the German States (Bank *deutscher Laender*, the central bank of the Western zones of Germany).¹ The third law (Conversion Law; No. 63) regulated the details of the currency conversion, which took place at the rate of 1 new for 10 old marks; it made special provision for the treatment of deposits, debts, bonds, and the assets and liabilities of financial institutions. Three "regulations" issued on the basis of that law implemented and amplified these provisions in general and in regard to banks and insurance companies in particular. The fourth law (No. 64) contained a provisional revision of tax legislation. Separate decrees regulated the application of the currency reform legislation to the western sectors of Berlin.

¹ For the legislation establishing that Bank, see Federal Reserve BULLETIN, March 1948, pp. 279-83.

Law No. 62 granted to the Bank of the German States the exclusive right to issue notes and coins in the States constituting the American, British, and French zones of occupation. At the same time, the Bank was authorized to fix the minimum reserves of Land Central Banks at between 12 and 30 per cent of demand liabilities, and the minimum reserves of other financial institutions at between 8 and 20 per cent of demand liabilities, and between 4 and 10 per cent of time and savings deposits.² Finally, the Bank was instructed to establish a currency department, including representatives of commerce, agriculture, and industry, to advise the Board of Directors in the matter of financial reform. The power of issuing regulations for implementing and amplifying currency reform laws was given to the Allied Bank Commission, representing the French as well as the American and British occupation authorities. Shortly before the enactment of the currency reform, the French Military Government had ordered the Land Central Banks of the French zone to become members of the Bank of the German States, thereby making the Bank the first trizonal institution.

Following are the major portions of the text of Law No. 62 for the United States zone.

² For establishment of the Land Central Banks, see Federal Reserve BULLETIN, February 1947, pp. 130-35.

MILITARY GOVERNMENT, GERMANY—UNITED STATES AREA OF CONTROL LAW NO. 62—SECOND LAW FOR MONETARY REFORM (ISSUE LAW)

ARTICLE I

RIGHT OF THE BANK DEUTSCHER LAENDER TO ISSUE NOTES

1. The Bank *deutscher Laender* is hereby granted the exclusive right to issue monetary symbols in the specified area (Law No. 61—Currency Law).¹ The monetary symbols are denominated in *deutsche marks* and *pfennigs*.

2. For a transitional period of not more than two years from the effective date of this Law the Bank *deutscher Laender* may issue notes not bearing its name.

3. The Bank *deutscher Laender* shall publicly notify the denominations and distinguishing char-

¹ This area includes Bavaria, Bremen, Hesse, and Wurttemberg-Baden (U. S. zone); Lower Saxony, North Rhine-Westphalia, Schleswig-Holstein, and Hansestadt Hamburg (U. K. zone); Rhine-Palatinate, Wurttemberg-Hohenzollern, and Baden (French zone).

acteristics of the notes and coins which it issues.

ARTICLE II

REPLACEMENT OF DAMAGED NOTES

1. The Bank *deutscher Laender* shall replace damaged notes and coins in circulation if more than one-half of the note or coin is presented.

2. The Bank *deutscher Laender* shall not be required to replace destroyed, lost or counterfeit notes and coins.

ARTICLE III

WITHDRAWAL OF NOTES

1. The Bank *deutscher Laender* may at any time call in notes and coins in circulation. These cease to be legal tender with the end of the day of withdrawal.

2. The withdrawn notes and coins shall, on demand, be exchanged for legal tender by the Bank

AUTHORIZATION OF BANK OF GERMAN STATES TO ISSUE NOTES AND COINS

deutscher Laender within one month of the day of withdrawal. The withdrawal and time limit for exchange shall be publicly notified.

3. Any claim against the Bank deutscher Laender arising out of withdrawn notes and coins lapses on the expiry of the time limit for exchange.

4. The notes specified in Art. I, par. 2, shall be withdrawn not later than 31 December 1952.

ARTICLE IV

WITHDRAWAL OF SMALL CHANGE

1. The Bank deutscher Laender shall as soon as possible withdraw from circulation and replace with its own notes or coins the monetary symbols remaining in circulation in the specified area in accordance with Art. I, par. 2 (II) of the First Law for the Reform of the Monetary System (Currency Law).²

* * *

3. The provisions of Art. II shall apply *mutatis mutandis* to the withdrawal of the aforesaid monetary symbols.

ARTICLE V

LIMIT ON CIRCULATION

1. The circulation of notes and coins of the Bank deutscher Laender may not exceed the sum of ten thousand million deutsche marks.

2. The Bank deutscher Laender may place notes and coins in circulation in excess of the limit fixed in paragraph 1 above only with the agreement of at least three-fourths of the members of the Board of Directors and of at least six Laender. No such increase in circulation shall exceed one thousand million deutsche marks at any one time.

ARTICLE VI

MINIMUM RESERVES

1. The Bank deutscher Laender shall so fix the minimum reserves of financial institutions that they amount to the following:

(a) The minimum reserves of Land Central Banks, between 12 and 30 per cent of demand liabilities.

(b) The minimum reserves of other financial institutions, between 8 and 20 per cent of demand liabilities, and between 4 and 10 per cent of time and savings deposits respectively.

The Land Central Banks shall maintain their minimum reserves with the Bank deutscher Laen-

der and other financial institutions shall maintain their minimum reserves with the Land Central Bank.

2. Pending the establishment of other minimum reserves for financial institutions by the Board of Directors of the Bank deutscher Laender—

(a) The Land Central Banks shall maintain demand deposits with the Bank deutscher Laender of a monthly average of 20 per cent of demand liabilities.

(b) Other financial institutions, including the Postal Check Offices and the Postal Savings Institutes, shall maintain deposits with the Land Central Bank of a monthly average of 10 per cent of demand liabilities and 5 per cent of time and savings deposits respectively.

Agricultural credit cooperatives which are affiliated to a central association and do not maintain a demand deposit account with a Land Central Bank may maintain their minimum reserves indirectly through their central association, but in such case must maintain deposits of at least an equal amount with the central association.

3. The provisions of paragraphs 1 and 2 above apply to real estate credit institutions, communal credit institutions, ship mortgage banks and similar financial institutions whose business mainly consists in granting long-term loans by creating special funds to cover moneys borrowed for the purpose of loans, only so far as their other banking liabilities are concerned.

* * *

ARTICLE VIII

FUNCTIONS OF THE ALLIED BANK COMMISSION

1. The Allied Bank Commission is hereby empowered to issue regulations in implementation or amplification of this Law.

2. The Bank deutscher Laender shall establish a currency department, which shall include representatives of commerce, agriculture and industry, and shall be responsible for studying the effects of the financial reform legislation and for advising the Board of Directors regarding the issue of any supplementary instructions to carry out the objects of this reform. The drafts of such instructions shall, after approval by the Board of Directors, be submitted to the Allied Bank Commission. If the Allied Bank Commission approves these instructions they shall be issued, by the Bank or the Commission, as the latter may determine.

ARTICLE IX

FINAL PROVISIONS

1. The German text of this Law shall be the official text.

2. This Law shall become effective on 20 June 1948.

² In accordance with that paragraph, the following notes and coins were to remain in circulation temporarily at one-tenth of their previous face value:

A. Allied Military mark notes put into circulation in Germany, of one and half mark denomination.

B. Rentenbank notes, of one mark denomination.

C. Coins of 50, 10, 5 and 1 reichspfennig or rentenpfennig (the auxiliary notes issued by the Laender of the French zone of 50, 10 and 5 pfennigs are also legal tender in the French zone).

LAW DEPARTMENT

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

Legislation

Consumer Credit and Bank Reserves

By Joint Resolution of Congress, approved August 16, 1948, the Board of Governors of the Federal Reserve System has been authorized to exercise consumer-credit controls on instalment credit and to increase reserve requirements for member banks of the Federal Reserve System. Under the statute both authorizations will expire after June 30, 1949. The text of the Joint Resolution is as follows:

[PUBLIC LAW 905—80TH CONGRESS]

[CHAPTER 836—2D SESSION]

[S. J. Res. 157]

JOINT RESOLUTION

To aid in protecting the Nation's economy against inflationary pressures.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to protect the Nation's monetary, banking, and credit structure, and interstate and foreign commerce, against increased inflationary pressures, the Board of Governors of the Federal Reserve System are authorized, notwithstanding the Act of August 8, 1947 (Public Law 386, Eightieth Congress), to exercise, up to and including June 30, 1949, consumer-credit controls in accordance with and to carry out the purposes of Executive Order Numbered 8843 (August 9, 1941) insofar as it relates to instalment credit.

All the present provisions of sections 21 and 27 of the Securities Exchange Act of 1934, as amended (relating to investigations, injunctions, jurisdictions, and other matters), shall be as fully applicable with respect to the exercise by the Board of Governors of consumer instalment credit controls as they are now applicable with respect to the exercise by the Securities and Exchange Commission of its functions under that Act, and the Board shall have the same powers in the exercise of such consumer instalment credit controls as the Commission now has under the said sections.

SEC. 2. Section 19 of the Federal Reserve Act, as amended, is amended by inserting after the sixth paragraph thereof the following new paragraph:

"Notwithstanding any other provisions of law, the Board of Governors of the Federal Reserve System, in order to prevent injurious credit expansion, may by regulation change the requirements as to reserves to be maintained pursuant to this section against demand or time deposits or both (1) by member banks in central reserve cities, or (2) by member banks in reserve cities, or (3) by member banks not in reserve or central reserve cities, or (4) by all member banks; but no such change shall have the effect of requiring any such member bank to maintain a reserve balance against its time deposits in an amount equal to more than 7½ per centum thereof, or a reserve balance against its demand deposits in an amount equal to more than 30 per centum thereof if such bank is in a central reserve city, 24 per centum thereof if in a reserve city, or 18 per centum thereof if not in a reserve or central reserve city. No change in reserve requirements made under authority of this paragraph shall continue in effect after June 30, 1949."

Approved August 16, 1948.

Reserves

Amendments to Regulation D and Supplement

The Board of Governors, on September 8, 1948, amended the Supplement to Regulation D, relating to reserves required to be maintained by member banks with Federal Reserve Banks, so as to increase the reserve requirements of member banks, effective as to banks in reserve and central reserve cities at the opening of business on September 24, 1948, and as to other member banks at the opening of business on September 16, 1948. In connection with this action, the Board also amended Regulation D in certain respects, effective September 16, 1948, for the purpose of bringing the language of the Regulation into conformity with the law. There is set forth below the text of the amended Supple-

ment to Regulation D together with the amendments to the Regulation.

SUPPLEMENT TO REGULATION D

Effective as to member banks not in reserve and central reserve cities at opening of business on September 16, 1948, and as to member banks in reserve and central reserve cities at opening of business on September 24, 1948.

RESERVES REQUIRED TO BE MAINTAINED BY MEMBER BANKS WITH FEDERAL RESERVE BANKS

Pursuant to the provisions of section 19 of the Federal Reserve Act and section 2(a) of its Regulation D, the Board of Governors of the Federal Reserve System hereby prescribes the following reserve balances which each member bank of the Federal Reserve System is required to maintain on deposit with the Federal Reserve Bank of its district:

7½ per cent of its time deposits plus—

16 per cent of its net demand deposits if not in a reserve or central reserve city;

22 per cent of its net demand deposits if in a reserve city, except as to any bank located in an outlying district of a reserve city or in territory added to such city by the extension of the city's corporate limits, which, by the affirmative vote of five members of the Board of Governors of the Federal Reserve System, is permitted to maintain 16 per cent reserves against its net demand deposits;

26 per cent of its net demand deposits if located in a central reserve city, except as to any bank located in an outlying district of a central reserve city or in territory added to such city by the extension of the city's corporate limits, which, by the affirmative vote of five members of the Board of Governors of the Federal Reserve System, is permitted to maintain 16 per cent or 22 per cent reserves against its net demand deposits.

AMENDMENTS TO REGULATION D

Section 2 of Regulation D is amended, effective September 16, 1948, in the following respects:

1. Subsection (a) of section 2 is amended by striking out the words "the sixth paragraph of" in the last sentence thereof.

2. Footnote numbered 6 appended to subsection (a) of section 2 is amended to read as follows:

"The amount of the reserves required to be maintained by any such member bank as a result of any such change may not be less than the amount of the reserves specified above nor more than twice such amount, except that through June 30, 1949, the required reserves for time deposits may be not more than 7½ per cent and those for demand deposits of banks in central reserve cities, reserve cities, and other places may be not more than 30 per cent, 24 per cent, and 18 per cent, respectively."

3. Subsection (b) of section 2 is amended by striking out the following in the first sentence thereof:

"and until six months after the cessation of hostilities in the present war as determined by proclamation of the President or concurrent resolution of the Congress, no deposit payable to the United States by any member bank arising solely as the result of subscriptions made by or through such member bank for United States Government securities issued under authority of the Second Liberty Bond Act, as amended, shall be included in net demand deposits or in time deposits which are subject to reserve requirements."

Consumer Instalment Credit

Regulation W

There is set forth below the text of Regulation W entitled "Consumer Instalment Credit" which was adopted by the Board of Governors of the Federal Reserve System, effective September 20, 1948. A brief statement regarding the reissuance of this regulation is published at page 1066 of this issue of the BULLETIN.

REGULATION W

Effective September 20, 1948 *

CONSUMER INSTALMENT CREDIT

SECTION 1. SCOPE AND APPLICATION OF REGULATION

This regulation is issued by the Board of Governors of the Federal Reserve System (hereinafter called the "Board") under authority of section 5(b) of the Act of October 6, 1917, as amended, Executive Order No. 8843, dated August 9, 1941 (hereinafter called the "Executive Order"), and Public Law 905, approved August 16, 1948.

The regulation applies, in general, to any person who is engaged in the business of making exten-

* This regulation shall apply to extensions of credit made, renewed, revised or consolidated on or after the effective date.

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sions of instalment credit in amounts of \$5,000 or less, or discounting or purchasing obligations arising out of such extensions of credit. It applies whether the person is a bank, loan company, or finance company, or a person who is so engaged in connection with any other business, such as by making such extensions of credit as a dealer, retailer, or other person in connection with the selling of consumers' durable goods.

SECTION 2. GENERAL REQUIREMENTS AND REGISTRATION

(a) **General Requirements.**—Each person engaged in the business of making instalment sales¹ or instalment loans,² or engaged in the business of lending on the security of or discounting or purchasing obligations arising out of such extensions of credit, is referred to in this regulation as a "Registrant"; and no Registrant shall make or receive any payment which constitutes or arises directly or indirectly out of any such extension of credit made by him or out of any such obligation lent on or discounted or purchased by him, except on the following conditions:

(1) He must have a license, and each Registrant is hereby granted such a license, but such license of a Registrant may be suspended in the manner and on the grounds stated in section 8(b); and

(2) The extension of credit made, renewed, revised or consolidated by him, or giving rise to the obligation discounted or purchased by him or acquired by him as collateral, must comply with the applicable requirements of this regulation.

(b) **Registration.**—Within 60 days after the effective date of this regulation, or 60 days after he becomes subject to section 2(a), whichever is later, each Registrant shall file, with the Federal Reserve Bank or any branch thereof in the district in which the main office of the Registrant is located, a registration statement on a form obtainable from any Federal Reserve Bank or branch. *Such statement shall be filed regardless of whether or not the Registrant had filed such a statement under Regulation W as in effect prior to November 1, 1947.*

¹ It is to be noted that "instalment sale" is defined to include only instalment credit arising out of the sale of an article listed in the Supplement, hereinafter called a "listed article."

² Both "instalment sale" and "instalment loan" are defined to exclude credits in a principal amount exceeding \$5,000.

SECTION 3. INSTALMENT SALES: GENERAL RULES

Except as otherwise permitted by this regulation, each instalment sale shall comply with the following requirements:

(a) **Down Payment and Maturity.**—There shall be a down payment not less than that specified for the listed article in the Supplement, such down payment to be calculated as therein specified; and the maturity shall not exceed that specified for the listed article in the Supplement.

(b) **Amounts and Intervals of Instalments.**—Except as permitted by section 6(a) for seasonal incomes, the time balance shall be payable in instalments which shall be (1) substantially equal in amount or so arranged that no instalment is substantially greater than any preceding instalment, (2) payable at approximately equal intervals not exceeding one month, and (3) not less than \$5.00 per month or \$1.25 per week on the aggregate instalment indebtedness of one debtor to the same creditor.

(c) **Statement of Transaction.**—The instalment sale shall be evidenced by a written instrument or record which shall set forth the information specified in section 6(c).

SECTION 4. INSTALMENT LOANS: GENERAL RULES

Except as otherwise permitted by this regulation, each instalment loan shall comply with the following requirements:

(a) **Instalment Loans to Purchase Listed Articles.**—If the Registrant knows or has reason to know that the proceeds of an instalment loan are to be used to purchase any listed article:

(1) The principal amount lent (excluding any interest or finance charges and the cost of any insurance) shall not exceed the maximum loan value specified for the article in the Supplement, such loan value to be calculated as therein specified; and

(2) The maturity shall not exceed the maximum maturity specified for the listed article in the Supplement.

(b) **Unclassified Instalment Loans.**—In the case of an instalment loan which is not subject to section 4(a), the maximum maturity shall not exceed the maximum maturity specified therefor in the Supplement.

(c) **Amounts and Intervals of Instalments; Record.**—Whether subject to section 4(a) or section 4(b),

the instalment loan, except as permitted by section 6(a) for seasonal incomes, shall be payable in instalments which shall be (1) substantially equal in amount or so arranged that no instalment is substantially greater in amount than any preceding instalment, (2) payable at approximately equal intervals not exceeding one month, and (3) not less than \$5.00 per month or \$1.25 per week on the aggregate instalment indebtedness of one debtor to the same creditor. It shall be evidenced by a written instrument or record which shall set forth the terms of payment.

(d) **Statement of the Borrower.**—No Registrant shall make any instalment loan subject to section 4(a) or 4(b) unless he shall have accepted in good faith a signed *Statement of the Borrower* as to the purposes of the loan. Such Statement shall state whether or not any of the proceeds of the loan are to be used to make a down payment on the purchase of a listed article or to be used to purchase any listed article, and if any of the proceeds of the loan are to be used for the latter purpose such Statement shall identify such listed article and shall state the cash price thereof and the value of any trade-in. If a Registrant relies in good faith on the facts set out by the obligor in such Statement, it shall be deemed to be correct for the purposes of the Registrant.

(e) **Loans to Make Down Payments Prohibited.**—A Registrant shall not make any instalment loan if he knows or has reason to know that any part of the proceeds thereof is to be used to make a down payment on the purchase price of any listed article.

SECTION 5. RENEWALS, REVISIONS AND ADDITIONS

(a) **General Requirements.**—In the case of an instalment sale or instalment loan which results from a renewal or revision of any such credit already outstanding, or which results from the combination of any such outstanding credit with an additional extension of instalment credit, the renewed, revised or consolidated obligation shall (regardless of when the outstanding credit originated) comply with all the requirements of this regulation as if it were a new extension of credit except that:

(1) The requirements as to Statement of Borrower and down payment or maximum loan value, if any, shall not apply to the outstanding credit already held by the Registrant; and

(2) The renewed, revised or consolidated obligation may, in so far as the maturity and instalment requirements are concerned, be treated as if it were a new credit with the maximum maturity calculated from the date of the renewal, revision or consolidation. The payments on such renewed, revised or consolidated obligation shall not be less than \$5.00 per month or \$1.25 per week on the aggregate instalment indebtedness of one debtor to the same creditor.

(b) **Statement of Changed Conditions.**—Notwithstanding any other provision of this regulation, if a Registrant accepts in good faith a *Statement of Changed Conditions* as provided in the following paragraph, an extension of instalment credit that refinances any outstanding obligation (whether or not such obligation is held by the Registrant or is itself payable in instalments) may have a maturity not exceeding that specified in the Supplement for refinancing pursuant to such Statements, but such maturity shall be applicable only to the credit refinanced. The payments on the credit refinanced need not be as large as \$5.00 per month or \$1.25 per week.

The requirements of a *Statement of Changed Conditions* will be complied with only if the Registrant accepts in good faith a written statement signed by the obligor that the contemplated refinancing is necessary in order to avoid undue hardship upon the obligor or his dependents resulting from contingencies that were unforeseen by him at the time of obtaining the original extension of credit or which were beyond his control, which statement also sets forth briefly the principal facts and circumstances (1) with respect to the original extension of credit and (2) with respect to such contingencies, and specifically states in addition that the contemplated refinancing is not pursuant to a preconceived plan or an intention to evade or circumvent the requirements of this regulation.

(c) **Bona Fide Collection Effort; Servicemen's Pre-induction Debt.**—Nothing in this regulation shall be construed to prevent any Registrant from making any renewal or revision, or taking any action that he shall deem necessary in good faith (1) for the Registrant's own protection in connection with any obligation which is in default and is the subject of *bona fide* collection effort by the Registrant, or (2) with respect to any obligation of any mem-

ber or former member of the armed forces of the United States incurred prior to his induction into such service.

SECTION 6. CERTAIN TECHNICAL PROVISIONS

(a) **Special Payment Schedules for Seasonal Incomes.**—If the income received by an obligor from the main sources of his income customarily fluctuates materially from month to month or from season to season, the payment schedule may be adapted, within the applicable maximum maturity, to such customary flow of income, provided the obligation complies with one or the other of the following requirements: (1) at least half of the credit is to be repaid within the first half of the applicable maximum maturity; or (2) payments are reduced or omitted in not more than 4 months of any calendar year but are otherwise in equal monthly amounts. In all such cases, a statement of the facts relied upon shall be preserved in the Registrant's files for the life of the obligation.

(b) **Calculating Maximum Maturity of Contract.**—In calculating the maximum maturity of an instalment sale or instalment loan, a Registrant may, at his option, use any date not more than 15 days subsequent to the actual date of the sale or loan.

(c) **Record of Instalment Sale.**—The instrument or record evidencing an instalment sale pursuant to section 3(c) shall set forth (in any order) the following information:

- (1) A brief description identifying the article purchased;
- (2) The cash price of the article;
- (3) The amount of the purchaser's down payment (i) in cash and (ii) in goods accepted in trade, together with a brief description identifying such goods and stating the monetary value assigned thereto in good faith;
- (4) The amount of any insurance premium for which credit is extended and of any finance charges or interest by way of discount included in the principal amount of the obligation, or the sum of these amounts;
- (5) The time balance owed by the purchaser, which is the sum of items (2) and (4) minus item (3); and
- (6) The terms of payment.

The instrument or record need not include a description of the article if it is purchased by means

of a *coupon book* or similar medium of instalment credit upon which there has been made a cash down payment at least as great as the highest down payment required by this regulation on any article sold by the Registrant. The instrument or record need not include the information called for by items (2) and (4) if the Registrant is one who quotes to the public a *time price* for the article which includes the finance charge if any, provided he sets forth such time price in such instrument or record, and provided he obtains a cash down payment which is at least as large as would be required if the percentage specified for the article in the Supplement were applicable to the time price.

(d) **Extension of Credit for Mixed Purposes.**—In case an extension of credit is partly subject to one section of this regulation and partly subject to another section, the amount and terms of such extension of credit shall be such as would result if the credit were divided into two or more parts and each part were treated as if it stood alone. In case an extension of credit is partly subject to this regulation and partly not subject to the regulation, the amount and terms of such extension of credit shall be such as would result if the credit were divided and the part subject to the regulation were treated according to the applicable provisions of the regulation; the part not subject to the regulation may be treated as if the regulation did not exist.

(e) **"Lay-away" Plans.**—With respect to any extension of credit involving a *bona fide* "lay-away" plan, or other similar plan by which a purchaser makes one or more payments on an article before receiving delivery thereof, the Registrant may, for the purposes of this regulation, treat the extension of credit as not having been made until the date of the delivery of the article to the purchaser.

(f) **Mail Orders.**—An instalment sale shall not be deemed to be in violation of the down payment requirement of section 3(a) if the sale is made upon the receipt of a mail order for one or more articles and the cash deposit received with the order fails by less than \$1.00 to equal the sum of the down payments required by this regulation for all of the articles included in the order.

(g) **Delivery in Anticipation of Instalment Sale.**—In case a listed article is delivered in anticipation of an instalment sale of that article or a similar article (such as a delivery "on approval", "on trial",

or as a "demonstrator"), the Registrant shall require, at or before the time of such delivery, a deposit equal to the down payment that would be required on such an instalment sale.

(h) **Sets and Groups of Articles.**—In determining whether an article is a "listed article", the word "article" shall be deemed to include any set, group or assembly commonly considered, sold or used as a single unit, if the component parts thereof are sold or delivered at substantially the same time.

(i) **Evasive Side Agreements.**—No extension of credit complies with the requirements of this regulation if at the time it is made there is any agreement, arrangement, or understanding (1) by which the obligation is to be renewed or revised on terms which would permit final payment to be deferred beyond the date permitted by this regulation for such credit at its inception, or (2) by which the obligor is to be enabled to make repayment on conditions inconsistent in any other respect with those required by this regulation, or (3) by which there is to be any evasion or circumvention, or any concealment of any evasion or circumvention, of any requirement of this regulation.

(j) **Side Loan to Make Down Payment.**—A Registrant shall not make an extension of instalment credit to finance the purchase of any listed article if he knows or has reason to know that there is, or that there is to be, any other extension of credit of any kind in connection with the purchase of the listed article which would bring the *total amount* of credit extended in connection with such purchase beyond the amount of instalment credit permitted by this regulation; but, if the Registrant accepts in good faith a written statement signed by the obligor that no such other extension exists or is to be made, such statement shall be deemed to be correct for the purposes of the Registrant.

(k) **Purchase of Article in Lieu of Trade-in.**—Anything which the seller of a listed article buys, or arranges to have bought, from the purchaser at or about the time of the purchase of the listed article shall be regarded as a trade-in for the purposes of this regulation.

(l) **Misuse of Coupon Plans.**—No coupon, ticket or similar medium of credit, whether paid for in instalments or otherwise, shall be accepted by any Registrant in payment, in whole or in part, for any listed article if such acceptance, in effect, would permit the article to be sold on terms not complying with the requirements of this regulation.

This regulation shall not apply to any of the following:

(a) **Business or Agricultural Loans.**—Any loan for business purposes to a business enterprise or for agricultural purposes to a person engaged in agriculture, provided the loan is not for the purpose of purchasing a listed article.

(b) **Credit to Dealers and Certain Salesmen.**—Any extension of credit to a wholesaler or retailer to finance the purchase of any article for resale, or any extension of credit which is made to a *bona fide* salesman of automobiles in order to finance the purchase of a new automobile to be used by him principally as a demonstrator.

(c) **Credit to Governmental Agencies, Religious Institutions, etc.**—Any extension of credit to the Federal Government, any State government, any political subdivision, or any department, agency or establishment thereof, or to any church, hospital, clinic, sanitarium, school, college, or other religious, educational, charitable or eleemosynary institution.

(d) **Credits Under Government Rehabilitation and Readjustment Programs.**—Any extension of credit (1) made by the Land Bank Commissioner on behalf of the Federal Farm Mortgage Corporation or by any Federal land bank and found, pursuant to regulations issued by the Commissioner, to be necessary to maintain or increase production of essential agricultural commodities, (2) made or insured by the Farmers' Home Administration, (3) made in accordance with the regulations of the Secretary of the Interior for the economic development or rehabilitation of Indians, (4) made under section 4(a)(4) of the Reconstruction Finance Corporation Act, as amended, because of floods or other catastrophes, or (5) made, guaranteed or insured in whole or in part by the Administrator of Veterans' Affairs pursuant to the provisions of Title III of the Servicemen's Readjustment Act of 1944, or by any State agency pursuant to similar State legislation.

(e) **Loans to Pay Fire and Casualty Insurance Premiums.**—Any loan to finance a premium in excess of one year on a fire or casualty insurance policy, if the loan is fully secured by the unearned portion of such premium.

(f) **Credit for Purchasing Securities.**—Any extension of credit which is subject to the Board's regulations under the Securities Exchange Act of 1934 or which is otherwise for the purpose of purchasing

or carrying stocks, bonds, or other investment securities.

(g) **Real Estate and Home Improvement Loans.**—Any extension of credit which is for the purpose of financing or refinancing (1) the construction or purchase of an entire residential building or other entire structure or (2) repairs, alterations, or improvements upon urban, suburban or rural real property in connection with existing structures, *except* to the extent that such repairs, alterations, or improvements incorporate any listed article.

(h) **Loans to Meet Medical Expenses, etc.**—Any loan as to which the Registrant accepts in good faith a written statement signed by the borrower certifying that the proceeds are to be used for *bona fide* educational, medical, hospital, dental, or funeral expenses, or to pay debts incurred for such expenses, and that such proceeds (unless they are to be used exclusively for educational expenses) are to be paid over in amounts specified in such statement to persons whose names, addresses, and occupations are stated therein.

(i) **Disaster Credits.**—Any extension of credit to finance the repair or replacement of property damaged or lost as a result of a flood or other similar disaster which the Federal Reserve Bank of the district in which the disaster occurred finds has created an emergency affecting a substantial number of the inhabitants of the stricken area, provided such extension is made prior to the end of the sixth calendar month following the month in which the disaster occurred and a statement describing the damage or loss is preserved in the Registrant's files.

SECTION 8. MISCELLANEOUS PROVISIONS; DEFINITIONS

(a) **Preservation of Records; Inspections.**—Every Registrant shall preserve, for the life of the obligation to which they relate, such books of account, records, and other papers (including any statements required by or obtained pursuant to this regulation) as are relevant to establishing whether or not an extension of credit within the scope of this regulation was in conformity with the requirements thereof, provided, however, that the Registrant may preserve photographic reproductions in lieu of such books of account, records or papers.

For the purpose of determining whether or not there has been compliance with the requirements of this regulation, every Registrant shall permit the Board or any Federal Reserve Bank by its duly authorized representatives, to make such inspec-

tions of his business operations as the Board or Federal Reserve Bank may deem necessary or appropriate, including inspections of books of account, contracts, letters or other relevant papers wherever located, and, for such purpose, shall furnish such reports as the Board or the Federal Reserve Bank may require. When ordered to do so by the Board, every Registrant shall furnish, under oath or otherwise, such information relative to any transaction within the scope of the authority cited in section 1 as the Board may deem necessary or appropriate for such purpose, including the production of books of account, contracts, letters or other papers in the custody or control of such person.

(b) **Suspension of License.**³—The license of any Registrant may, after reasonable notice and opportunity for hearing, be suspended by the Board, in its entirety or as to particular activities or particular offices or for specified periods, because of any willful or negligent failure to comply with any provision of this regulation or any requirement of the Board pursuant thereto.

A license which is suspended for a specified period will again become effective upon the expiration of such period. A license which is suspended indefinitely may be restored by the Board, in its discretion, if the Board is satisfied that its restoration would not lead to further violations of this regulation and would not be otherwise incompatible with the public interest.

(c) **Enforceability of Contracts.**—Except as may subsequently be otherwise provided, all provisions of this regulation are designated, pursuant to section 2(d) of the Executive Order, as being "for administrative purposes" within the meaning of said section 2(d), which provides that noncompliance with provisions of the regulation so designated shall not affect the right to enforce contracts.

(d) **Clerical Errors.**—Any failure to comply with this regulation resulting from a mistake in determining, calculating, or recording any price, down payment, or extension of credit, or other similar

³ In addition, the authority cited in section 1 authorizes the Board to institute court proceedings to restrain violations and to compel compliance with the regulation or any order of the Board made in pursuance thereof. Furthermore, any Registrant who willfully violates or knowingly participates in a violation of this regulation is subject to the penalties prescribed in section 5(b) of the Act of October 6, 1917, as amended, which reads in part as follows: "Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule, or regulation issued thereunder, shall, upon conviction, be fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both."

matter, shall not be construed to be a violation of this regulation if the Registrant establishes that such failure to comply was the result of excusable error and was not occasioned by a regular course of dealing.

(e) **Noncompliance Due to Facts Outside Registrant's Knowledge.**—The prohibitions of this regulation shall not apply to a Registrant with respect to any failure to comply with this regulation in connection with (1) an extension of credit made by him if, at the time he made it, he did not know or have reason to know any fact by reason of which such extension failed to comply; (2) any obligation purchased, discounted or acquired as collateral by him if, when he purchased or discounted the obligation or acquired it as collateral, the obligation did not show on its face any failure to comply and he did not know any fact by reason of which the extension of credit giving rise to the obligation failed to comply; or (3) an obligation renewed, revised, or consolidated by him if, at the time when he renewed, revised or consolidated it, he did not know or have reason to know any fact by reason of which such renewal, revision or consolidation failed to comply. With respect to any loan *on the security of* an obligation which arises out of an extension of credit subject to this regulation, the prohibitions of this regulation shall be deemed to apply only to payments arising out of the obligation rather than to payments arising out of the loan.

(f) **Transactions Outside United States.**—Nothing in this regulation shall apply with respect to any extension of credit made in Alaska, the Panama Canal Zone, or any territory or possession outside the continental United States.

(g) **Right of Registrant to Impose Stricter Requirements.**—Any registrant has the right to refuse to extend credit, or to extend less credit than the amount permitted by this regulation, or to require that repayment be made within a shorter period than the maximum permitted by this regulation.

(h) **Definitions.**—For the purposes of this regulation, unless the context otherwise requires:

(1) **"Person"** means an individual, partnership, association, or corporation.

(2) **"Registrant"** has the meaning given it in section 2(a).

(3) **"Extension of Credit"** has the meaning given it in the Executive Order.⁴

⁴ The pertinent part of the Executive Order reads as follows: "Extension of credit" means any loan or mortgage; any instal-

(4) **"Instalment Credit"** means an extension of credit which the obligor undertakes to repay in two or more scheduled payments or as to which the obligor undertakes to make two or more scheduled payments or deposits usable to liquidate the credit, or which has a similar purpose or effect.

(5) **"Instalment Sale"** means an instalment credit in a principal amount of \$5,000 or less which is made as principal, agent or broker, by any seller of any consumers' durable good listed in the Supplement to this regulation (herein called a "listed article") and which arises out of a sale of such listed article. For this purpose, "sale" includes a lease, bailment, or other transaction which is similar in purpose or effect to a sale.

(6) **"Instalment Loan"** means an instalment credit, other than an instalment sale, in the form of a loan which is in a principal amount of \$5,000 or less; but the definition does not include any loan *upon the security of* any obligation which arises out of any instalment sale or instalment loan.

(7) **"Cash Price"** means the *bona fide* cash purchase price of an article, including the *bona fide* cash purchase price of any accessories, any *bona fide* delivery, installation and service charges (other than interest, finance or insurance charges), and any applicable sales taxes.

(8) **"Principal Amount"** in the case of an instalment sale means the total amount to be paid under the obligation *minus* the finance charge, and in the case of an instalment loan means the amount lent exclusive of interest (whether or not such interest is deducted in advance).

SUPPLEMENT TO REGULATION W

Effective September 20, 1948

Part 1. Listed Articles, Down Payments, Loan Values.—For the purpose of Regulation W, the following articles, whether new or used, are "listed articles", and the following required down pay-

ment purchase contract, any conditional sales contract, or any sale or contract of sale under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment or leasing of property under which the bailee or lessee either has the option of becoming the owner thereof or obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof; any contract creating any lien or similar claim or property to be discharged by the payment of money; any purchase, discount, or other acquisition of, or any extension of credit upon the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

ments and maximum loan values are prescribed (such down payments and loan values to be calculated as specified in Parts 4 and 5 of this Supplement); but *no article having a cash price of less than \$50.00 shall be considered a listed article:*

Group A—33⅓ per cent minimum down payment, 66⅔ per cent maximum loan value:

1. Automobiles (passenger cars designed for the purpose of transporting less than 10 passengers, including taxicabs).

Group B—20 per cent minimum down payment, 80 per cent maximum loan value:

1. Cooking stoves and ranges, designed for household use.
2. Dishwashers, mechanical, designed for household use.
3. Ironers designed for household use.
4. Refrigerators, mechanical, of less than 12 cubic feet rated storage capacity (including food freezers).
5. Washing machines designed for household use.
6. Combination units incorporating any listed article in the foregoing classifications of this Group B.
7. Air conditioners, room unit.
8. Radio or television receiving sets, phonographs, or combinations.
9. Sewing machines designed for household use.
10. Suction cleaners designed for household use.
11. Furniture, household, (including ice refrigerators, bed springs, mattresses and lamps); and floor coverings, soft surface.

Part 2. Maturities.—The maximum maturity for all listed articles and for unclassified instalment loans is 15 months in case the extension of credit is in a principal amount of \$1,000 or less and 18 months in case the extension of credit is in a principal amount of more than \$1,000, except that when such principal amount is more than \$1,000 the instalment payments shall not be less than \$70 per month.

Part 3. Refinancing Pursuant to Statement of Changed Conditions.—The maximum maturity of any refinancing pursuant to a Statement of Changed Conditions as specified in section 5(b) shall be 20 months.

Part 4. Calculation of Down Payments for Automobiles.—The maximum loan value of any automobile shall be the specified percentage of the cash price or of the “appraisal guide value”, whichever is lower, and the required down payment shall be the difference between the cash price and the maximum loan value as so calculated. Such required down payment in the case of an automobile may be obtained in the form of cash, trade-in, or both.

“Appraisal guide value” means the estimated average retail value as stated in the current edition of any regularly published automobile appraisal guide that the Board designates for this purpose for use in the territory in which such automobile is sold, *plus* any applicable sales taxes. Information as to the guide or guides designated for any given territory may be obtained from any Federal Reserve Bank or branch.

Part 5. Calculation of Down Payments for Articles in Group B.—If any article is traded in by the purchaser on an article listed in Group B, the required down payment and the maximum loan value shall be the specified percentage of the *net price* of the article after deducting from the cash price the amount allowed for the trade-in; and such down payment shall be obtained in cash in addition to the trade-in.

CONSUMER INSTALMENT CREDIT

Status of Rulings under Previous Regulation

After Regulation W was revised effective December 1, 1946, summaries of all the more important published rulings which were still applicable were printed in the Federal Reserve BULLETIN for March 1947 beginning at page 271, together with a list of other published rulings which were not of general interest but which likewise were still applicable. Three other rulings were printed on page 270.

All of these rulings are still applicable under the new Regulation W (effective September 20, 1948), with the exception of one dealing with “principal amount,” which has been superseded by a definition appearing in the new regulation. Of course, wherever “\$2,000” appears in the summaries, “\$5,000” should be substituted. Likewise, in a number of the older rulings in the list, the section numbers and maximum loan values and maturities do not correspond with those in the new regulation.

LAW DEPARTMENT

Calculation of \$70 Monthly Payments

The Board has been asked about the application of Part 2 of the Supplement to Regulation W which specifies a maximum maturity of 15 months for extensions of credit of \$1,000 or less and a maximum maturity of 18 months for extensions of credit of more than \$1,000 with the exception that for credits of more than \$1,000 the instalment payments shall not be less than \$70 per month. The particular question is whether the \$70 figure applies to the total monthly payment or only to the amount of that payment applicable to the principal of the obligation not including interest or finance charge.

The instalment payment referred to in the \$70 clause is the total monthly payment. An example of its use in connection with the purchase of an automobile is as follows:

\$1,500.00	Purchase price
<u>500.00</u>	Down payment
1,000.00	Balance of purchase price
<u>90.00</u>	Insurance (15-18 months)
1,090.00	Unpaid balance (principal amount)
<u>98.10</u>	Finance charge at 6% for 18 months
1,188.10	Amount of total obligation
<u>66.01</u>	Monthly payment at 18 months.

As this amount of monthly payment is less than \$70, the number of months over which the contract is payable must be reduced. The longest term available for this transaction with equal monthly payments would be 16 months as shown by the following calculation:

\$1,090.00	Unpaid balance as above
<u>87.20</u>	Finance charge at 6% for 16 months
1,177.20	Amount of total obligation
<u>73.58</u>	Monthly payment at 16 months

In the usual case, the Registrant will not need to go through these calculations in detail as he will have an appropriate payment chart which will give him the necessary figures directly.

The Board has also been asked about the application of Part 2 in cases where the insurance and finance charge are not separated and it is not possible to determine the exact "principal amount." These are usually cases in which the obligation is purchased from a dealer by a financial institution which furnishes the dealer with charts showing the payments necessary for various balances (purchase

price less down payment), the cost of insurance and the finance charge being included in the payments. The balances which can be financed at various maturities can be determined from the charts by following the principle that a balance can be financed at 18 months, at 17 months, or at 16 months if the payments specified in the chart applicable to the transaction for the particular maturity desired are at least \$70 per month.

This principle is illustrated by the following procedure. The Registrant can ascertain from the chart the smallest balance which requires monthly payments of \$70 or more with an 18-months' maturity. That balance and all larger balances may be written with an 18-months' maturity. If the chart shows payments for a 17-months' maturity, the Registrant can ascertain the smallest balance which requires monthly payments of \$70 or more with a 17-months' maturity. That balance and all larger balances may be written with a 17-months' maturity. A similar procedure can be followed if the chart shows payments for a 16-months' maturity. The charts will in many instances be set up by the financial institutions to show these breaking points and it is of course optional with the financial institution whether or not it will take contracts with 16-months' or 17-months' maturities. For ease in handling, the financial institution may prefer to omit the 16-months' and 17-months' maturities, in which case no balance smaller than the balance which requires monthly payments of \$70 or more with an 18-months' maturity could be written with a maturity of more than 15 months.

State Bank Membership

Amendment to Regulation H

The Board of Governors of the Federal Reserve System, effective September 1, 1948, has amended Regulation H entitled "Membership of State Banking Institutions in the Federal Reserve System," so as to eliminate certain conditions of membership which are not considered essential as standard conditions of membership for State member banks of the Federal Reserve System. The text of the amendment to the regulation is as follows:

"Regulation H is amended effective September 1, 1948, by striking out paragraph numbered 3 (condition of membership numbered 3) of section 6(a), the catch line of section 6(a), all of section 6 (b),

and footnotes numbered 10, 11, 12, 13, and 14; by renumbering the succeeding footnotes accordingly; and by adding to footnote numbered 6 appended to paragraph numbered 1 (condition of membership numbered 1) of section 6(a) a new paragraph reading as follows:

“For many years the Board prescribed, as standard conditions of membership, a condition which, in general, prohibited banks from engaging as a business in the sale of real estate loans to the public and certain conditions relating to the exercise of trust powers, including one which prohibited self-dealing in the investment of trust funds. The elimination of these conditions as standard conditions of membership does not reflect any change in the Board’s position as to the undesirability of the practices formerly prohibited by such conditions; and attention is called to the fact that engaging as a business in the sale of real estate loans to the public or failing to conduct trust business in accordance with the applicable State laws and sound principles of trust administration may constitute unsafe or unsound practices and violate condition numbered 1.”

Common Trust Funds

Limitations on Participation

Section 17(c)(5) of Regulation F, dealing with limitations upon investments in common trust funds, provides in part as follows:

“No funds of any trust shall be invested in a participation in a Common Trust Fund if such investment would result in such trust having invested in the aggregate in the Common Trust Fund an amount in excess of 10 per cent of the value of the assets of the Common Trust Fund at the time of investment, as determined by the trust investment committee, or the sum of \$50,000, whichever is less.
* * * In applying the limitations contained in this paragraph, if two or more trusts are created by the same settlor or settlors and as much as one-half of the income or principal or both of each trust is payable or applicable to the use of the same person or persons, such trusts shall be considered as one.”

The Board of Governors has considered an inquiry with respect to the application of the above-quoted provisions of the Regulation in the following situation:

“Two trusts are created by the same settlor. The first trust is for her benefit for life, then for the benefit of the life of a second party with remainder over to a third party. The second trust is for the life benefit of the second party with remainder over to a third party. The beneficial interest might merge for a time for the remaining period of the life of the second party if he should survive the settlor, and then upon the second party’s death there would be an ultimate merger upon vesting of the principal of both trusts in the third party.”

The Board pointed out that this situation was very similar to the one considered in a ruling published in the 1941 Federal Reserve BULLETIN at page 618, the only difference being in the possible merger of the beneficial interests for a time in one of the two life tenants before ultimate merger upon vesting of the principal of both trusts in the remainderman. The Board concluded that this situation came within the scope of the 1941 ruling and that investments in a common trust fund might be made without considering the two trusts as one for the purpose of applying the limitations of section 17(c)(5) quoted above.

The Board also stated that the merger of the beneficial interests through vesting thereof in one person at some future date would not necessitate at such time withdrawal or reduction of the participation by either trust in the common trust fund, as section 17(c)(5) is intended to deal only with the act of investing in participations in common trust funds and does not require the withdrawal or reduction of participations once legally acquired.

Criminal Code

Amendments to Federal Reserve Act

By Act of Congress approved June 25, 1948, Title 18 of the United States Code entitled “Crimes and Criminal Procedure” was revised and codified. Section 21 of the Act repeals, among others, certain criminal provisions of the Federal Reserve Act and related statutes, but the substance of such provisions has been incorporated in the revised Title 18. The pertinent provisions of the Act of June 25, 1948, are quoted below, preceded by a table showing where the repealed provisions are contained in the revised Code.

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REPEALED PROVISIONS OF FEDERAL RESERVE ACT AND RELATED STATUTES WITH CORRESPONDING SECTIONS OF TITLE 18, U. S. CODE

<i>Federal Reserve Act</i>	<i>Title 18, U. S. Code</i>
Sec. 12B(s)	§ 1007
Sec. 12B(t)	§ 493
Sec. 12B(u)	§§ 657, 1006
Sec. 12B(v)(1)	§ 709
Sec. 12B(w)	§ 433
Sec. 12B(x)	§ 3056
Sec. 22(a)	§§ 217, 218, 655
Sec. 22(b)	§§ 1906, 1909
Sec. 22(c)	§ 220
Sec. 22(h)	§ 1014
Sec. 22(i)	§§ 656, 1005
Sec. 22(j)	§ 433
Sec. 22(k)	§ 219
<i>Related Statutes</i>	
Sec. 5208, Rev. Stats. (last sentence)	§ 1004
Sec. 5209	§§ 334, 656, 1005
Act, May 18, 1934	§§ 2113, 3231
Act, April 13, 1934	§ 955
Act, May 24, 1926	§ 709
Sec. 5243, Rev. Stats.	§ 709

[PUBLIC LAW 772—80TH CONGRESS]
 [CHAPTER 645—2D SESSION]
 [H. R. 3190]

AN ACT

To revise, codify, and enact into positive law, Title 18 of the United States Code, entitled "Crimes and Criminal Procedure".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title 18 of the United States Code, entitled "Crimes and Criminal Procedure", is hereby revised, codified, and enacted into positive law, and may be cited as "Title 18, U.S.C., § —", as follows:

TITLE 18—CRIMES AND CRIMINAL PROCEDURE

* * * * *

§ 1. OFFENSES CLASSIFIED

Notwithstanding any Act of Congress to the contrary:

(1) Any offense punishable by death or imprisonment for a term exceeding one year is a felony.

(2) Any other offense is a misdemeanor.

(3) Any misdemeanor, the penalty for which does not exceed imprisonment for a period of six months or a fine of not more than \$500, or both, is a petty offense.

* * * * *

§ 6. DEPARTMENT AND AGENCY DEFINED

As used in this title:

The term "department" means one of the executive departments enumerated in section 1 of Title 5, unless the context shows that such term was intended to describe the executive, legislative, or judicial branches of the government.

The term "agency" includes any department, independent establishment, commission, administration, authority, board or bureau of the United States or any corporation in which the United States has a proprietary interest, unless the context shows that such term was intended to be used in a more limited sense.

* * * * *

§ 217. OFFER OF LOAN OR GRATUITY TO BANK EXAMINER

Whoever, being an officer, director or employee of a bank which is a member of the Federal Reserve System or the deposits of which are insured by the Federal Deposit Insurance Corporation, or of any National Agricultural Credit Corporation, or of any land bank, national farm loan association or other institution subject to examination by a farm credit examiner, makes or grants any loan or gratuity, to any examiner or assistant examiner who examines or has authority to examine such bank, corporation, or institution, shall be fined not more than \$5,000 or imprisoned not more than one year, or both; and may be fined a further sum equal to the money so loaned or gratuity given.

The provisions of this section and section 218 of this title shall apply to all public examiners and assistant examiners who examine member banks of the Federal Reserve System or insured banks, or National Agricultural Credit Corporations, whether appointed by the Comptroller of the Currency, by the Board of Governors of the Federal Reserve System, by a Federal Reserve Agent, by a Federal Reserve bank or by the Federal Deposit Insurance Corporation, or appointed or elected under the laws of any state; but shall not apply to private examin-

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ers or assistant examiners employed only by a clearing-house association or by the directors of a bank.

§ 218. ACCEPTANCE OF LOAN OR GRATUITY BY BANK EXAMINER

Whoever, being an examiner or assistant examiner of member banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation, or a farm credit examiner or examiner of National Agricultural Credit Corporations, accepts a loan or gratuity from any bank, corporation, association or organization examined by him or from any person connected therewith, shall be fined not more than \$5,000 or imprisoned not more than one year, or both; and may be fined a further sum equal to the money so loaned or gratuity given, and shall be disqualified from holding office as such examiner.

§ 219. OFFER FOR PROCUREMENT OF FEDERAL RESERVE BANK LOAN AND DISCOUNT OF COMMERCIAL PAPER

Whoever stipulates for or gives or receives, or consents or agrees to give or receive, any fee, commission, bonus, or thing of value for procuring or endeavoring to procure from any Federal Reserve bank any advance, loan, or extension of credit or discount or purchase of any obligation or commitment with respect thereto, either directly from such Federal Reserve bank or indirectly through any financing institution, unless such fee, commission, bonus, or thing of value and all material facts with respect to the arrangement or understanding therefor shall be disclosed in writing in the application or request for such advance, loan, extension of credit, discount, purchase, or commitment, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

§ 220. RECEIPT OF COMMISSIONS OR GIFTS FOR PROCURING LOANS

Whoever, being an officer, director, employee, agent, or attorney of a member bank of the Federal Reserve System of a Federal intermediate credit bank, or of a National Agricultural Credit Corporation, except as provided by law, stipulates for or receives or consents or agrees to receive any fee, commission, gift, or thing of value, from any person, firm, or corporation, for procuring or endeavoring to procure for such person, firm, or corporation, or for any other person, firm, or corporation, from any such bank or corporation, any loan or extension

or renewal of loan or substitution of security, or the purchase or discount or acceptance of any paper, note, draft, check, or bill of exchange by any such bank or corporation, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

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§ 334. ISSUANCE OF FEDERAL RESERVE OR NATIONAL BANK NOTES

Whoever, being a Federal Reserve Agent, or an agent or employee of such Federal Reserve Agent, or of the Board of Governors of the Federal Reserve System, issues or puts in circulation any Federal Reserve notes, without complying with or in violation of the provisions of law regulating the issuance and circulation of such Federal Reserve notes; or

Whoever, being an officer acting under the provisions of chapter 2 of Title 12, countersigns or delivers to any national banking association, or to any other company or person, any circulating notes contemplated by that chapter except in strict accordance with its provisions—

Shall be fined not more than \$5,000 or imprisoned not more than five years, or both.

* * * * *

§ 433. EXEMPTIONS WITH RESPECT TO CERTAIN CONTRACTS

Sections 431 and 432 of this title shall not extend to any contract or agreement made or entered into, or accepted by any incorporated company for the general benefit of such corporation; nor to the purchase or sale of bills of exchange or other property where the same are ready for delivery and payment therefor is made at the time of making or entering into the contract or agreement. Nor shall the provisions of such sections apply to advances, loans, discounts, purchase or repurchase agreements, extensions, or renewals thereof, or acceptances, releases or substitutions of security therefor or other contracts or agreements made or entered into under the Reconstruction Finance Corporation Act, the Agricultural Adjustment Act, the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, the Federal Farm Mortgage Corporation Act, the Farm Credit Act of 1933, or the Home Owners' Loan Act of 1933, the Farmers' Home Administration Act of 1946, the Bankhead-Jones Farm Tenant Act, or to crop insurance agreements or contracts or agreements of a kind which the

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Secretary of Agriculture may enter into with farmers.

Any exemption permitted by this section shall be made a matter of public record.

* * * * *

§ 493. BONDS AND OBLIGATIONS OF CERTAIN LENDING AGENCIES

Whoever falsely makes, forges, counterfeits or alters any note, bond, debenture, coupon, obligation, instrument, or writing in imitation or purporting to be in imitation of, a note, bond, debenture, coupon, obligation, instrument or writing, issued by the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, Federal Farm Mortgage Corporation or any land bank, intermediate credit bank, bank for cooperatives or any lending, mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Whoever passes, utters, or publishes, or attempts to pass, utter or publish any note, bond, debenture, coupon, obligation, instrument or document knowing the same to have been falsely made, forged, counterfeited or altered, contrary to the provisions of this section, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

* * * * *

§ 655. THEFT BY BANK EXAMINER

Whoever, being a bank examiner or assistant examiner, steals, or unlawfully takes, or unlawfully conceals any money, note, draft, bond, or security or any other property of value in the possession of any bank or banking institution which is a member of the Federal Reserve System or which is insured by the Federal Deposit Insurance Corporation, or from any safe deposit box in or adjacent to the premises of such bank, shall be fined not more than \$5,000 or imprisoned not more than five years, or both; but if the amount taken or concealed does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both; and shall be disqualified from holding office as a national bank examiner or Federal Deposit Insurance Corporation examiner.

This section shall apply to all public examiners and assistant examiners who examine member

banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation, whether appointed by the Comptroller of the Currency, by the Board of Governors of the Federal Reserve System, by a Federal Reserve Agent, by a Federal Reserve bank, or by the Federal Deposit Insurance Corporation, or appointed or elected under the laws of any State; but shall not apply to private examiners or assistant examiners employed only by a clearing-house association or by the directors of a bank.

§ 656. THEFT, EMBEZZLEMENT, OR MISAPPLICATION BY BANK OFFICER OR EMPLOYEE

Whoever, being an officer, director, agent or employee of, or connected in any capacity with any Federal Reserve bank, member bank, national bank or insured bank, or a receiver of a national bank, or any agent or employee of the receiver, or a Federal Reserve Agent, or an agent or employee of a Federal Reserve Agent or of the Board of Governors of the Federal Reserve System, embezzles, abstracts, purloins or willfully misapplies any of the moneys, funds or credits of such bank or any moneys, funds, assets or securities intrusted to the custody or care of such bank, or to the custody or care of any such agent, officer, director, employee or receiver, shall be fined not more than \$5,000 or imprisoned not more than five years, or both; but if the amount embezzled, abstracted, purloined or misapplied does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

As used in this section, the term "national bank" is synonymous with "national banking association"; "member bank" means and includes any national bank, state bank, or bank and trust company which has become a member of one of the Federal Reserve banks; and "insured bank" includes any bank, banking association, trust company, savings bank, or other banking institution, the deposits of which are insured by the Federal Deposit Insurance Corporation.

§ 657. LENDING, CREDIT AND INSURANCE INSTITUTIONS

Whoever being an officer, agent or employee of or connected in any capacity with the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, Federal Farm Mortgage Corporation, Federal Crop Insurance Corporation,

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Farmers' Home Corporation or any land bank, intermediate credit bank, bank for cooperatives or any lending, mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States, and whoever, being a receiver of any such institution, or agent or employee of the receiver, embezzles, abstracts, purloins or willfully misapplies any moneys, funds, credits, securities or other things of value belonging to such institution, or pledged or otherwise intrusted to its care, shall be fined not more than \$5,000 or imprisoned not more than five years, or both; but if the amount or value embezzled, abstracted, purloined or misapplied does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

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§ 709. FALSE ADVERTISING OR MISUSE OF NAMES TO INDICATE FEDERAL AGENCY

Whoever, except as permitted by the laws of the United States, uses the words "national", "Federal", "United States", "reserve", or "Deposit Insurance" as part of the business or firm name of a person, corporation, partnership, business trust, association or other business entity engaged in the banking, loan, building and loan, brokerage, factorage, insurance, indemnity, savings or trust business; or

Whoever falsely advertises or represents, or publishes or displays any sign, symbol or advertisement reasonably calculated to convey the impression that a nonmember bank, banking association, firm or partnership is a member of the Federal reserve system; or

Whoever uses the words "Federal Deposit Insurance Corporation" or a combination of any three of these four words, as the name or a part thereof under which he or it does business, or advertises or otherwise represents falsely by any device whatsoever that deposit liabilities are insured or guaranteed by the Federal Deposit Insurance Corporation, or by the United States, or any instrumentality thereof, or falsely advertises or otherwise represents the extent or manner in which such deposit liabilities are insured by the Federal Deposit Insurance Corporation; or

Whoever, not being organized under chapter 7 of Title 12, advertises or represents that it makes Federal Farm loans or advertises or offers for sale as Federal Farm loan bonds any bond not issued under chapter 7 of Title 12, or uses the word

"Federal" or the words "United States" or any other words implying Government ownership, obligation or supervision in advertising or offering for sale any bond, note, mortgage or other security not issued by the Government of the United States under the provisions of said chapter 7 or some other Act of Congress; or

* * * * *

Shall be punished as follows: a corporation, partnership, business trust, association, or other business entity, by a fine of not more than \$1,000; an officer or member thereof participating or knowingly acquiescing in such violation or any individual violating this section by a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

This section shall not make unlawful the use of any name or title which was lawful on the date of enactment of this title.

A violation of this section may be enjoined at the suit of the United States Attorney, upon complaint by any duly authorized representative of any department or agency of the United States.

* * * * *

§ 955. FINANCIAL TRANSACTIONS WITH FOREIGN GOVERNMENTS

Whoever, within the United States, purchases or sells the bonds, securities, or other obligations of any foreign government or political subdivision thereof or any organization or association acting for or on behalf of a foreign government or political subdivision thereof, issued after April 13, 1934, or makes any loan to such foreign government, political subdivision, organization or association, except a renewal or adjustment of existing indebtedness, while such government, political subdivision, organization or association, is in default in the payment of its obligations, or any part thereof, to the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

This section is applicable to individuals, partnerships, corporations, or associations other than public corporations created by or pursuant to special authorizations of Congress, or corporations in which the United States has or exercises a controlling interest through stock ownership or otherwise. While any foreign government is a member both of the International Monetary Fund and of the International Bank for Reconstruction and Development,

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this section shall not apply to the sale or purchase of bonds, securities, or other obligations of such government or any political subdivision thereof or of any organization or association acting for or on behalf of such government or political subdivision, or to making of any loan to such government, political subdivision, organization, or association.

* * * * *

§ 1004. CERTIFICATION OF CHECKS

Whoever, being an officer, director, agent, or employee of any Federal Reserve bank or member bank of the Federal Reserve System, certifies a check before the amount thereof has been regularly deposited in the bank by the drawer thereof, or resorts to any device, or receives any fictitious obligation, directly or collaterally, in order to evade any of the provisions of law relating to certification of checks, shall be fined not more than \$5,000 or imprisoned not more than five years, or both.

§ 1005. BANK ENTRIES, REPORTS AND TRANSACTIONS

Whoever, being an officer, director, agent or employee of any Federal Reserve bank, member bank, national bank or insured bank, without authority from the directors of such bank, issues or puts in circulation any notes of such bank; or

Whoever, without such authority, makes, draws, issues, puts forth, or assigns any certificate of deposit, draft, order, bill of exchange, acceptance, note, debenture, bond, or other obligation, or mortgage, judgment or decree; or

Whoever makes any false entry in any book, report, or statement of such bank with intent to injure or defraud such bank, or any other company, body politic or corporate, or any individual person, or to deceive any officer of such bank, or the Comptroller of the Currency, or the Federal Deposit Insurance Corporation, or any agent or examiner appointed to examine the affairs of such bank, or the Board of Governors of the Federal Reserve System—

Shall be fined not more than \$5,000 or imprisoned not more than five years, or both.

As used in this section, the term "national bank" is synonymous with "national banking association"; "member bank" means and includes any national bank, state bank, or bank or trust company, which has become a member of one of the Federal Reserve banks; and "insured bank" includes any state bank, banking association, trust company, savings bank, or other banking institu-

tion, the deposits of which are insured by the Federal Insurance Corporation.

§ 1006. FEDERAL CREDIT INSTITUTION ENTRIES, REPORTS AND TRANSACTIONS

Whoever, being an officer, agent or employee, or connected in any capacity with the Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, Home Owners' Loan Corporation, Farm Credit Administration, Federal Housing Administration, Federal Farm Mortgage Corporation, Federal Crop Insurance Corporation, Farmers' Home Corporation, or any land bank, intermediate credit bank, bank for cooperatives or any lending, mortgage, insurance, credit or savings and loan corporation or association authorized or acting under the laws of the United States, with intent to defraud any such institution or any other company, body politic or corporate, or any individual, or to deceive any officer, auditor, examiner or agent of any such institution or of department or agency of the United States, makes any false entry in any book, report or statement of or to any such institution, or without being duly authorized, draws any order or bill of exchange, makes any acceptance, or issues, puts forth or assigns any note, debenture, bond or other obligation, or draft, bill of exchange, mortgage, judgment, or decree, or, with intent to defraud the United States or any agency thereof, or any corporation, institution, or association referred to in this section, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such corporation, institution, or association, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

§ 1007. FEDERAL DEPOSIT INSURANCE CORPORATION TRANSACTIONS

Whoever, for the purpose of obtaining any loan from the Federal Deposit Insurance Corporation, or any extension or renewals thereof, or the acceptance, release, or substitution of security therefor, or for the purpose of inducing the Federal Deposit Insurance Corporation to purchase any assets, or for the purpose of obtaining the payment of any insured deposit or transferred deposit or the allowance, approval, or payment of any claim, or for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation, makes any statement, knowing it to be false, or willfully

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overvalues any security, shall be fined not more than \$5,000 or imprisoned not more than two years, or both.

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§ 1014. LOAN AND CREDIT APPLICATIONS GENERALLY; RENEWALS AND DISCOUNTS; CROP INSURANCE

Whoever knowingly makes any false statement or report, or willfully overvalues any land, property or security, for the purpose of influencing in any way the action of the Reconstruction Finance Corporation, Farm Credit Administration, Federal Crop Insurance Corporation, Farmers' Home Corporation, any Federal intermediate credit bank, or the Federal Farm Mortgage Corporation, or any division, officer, or employee thereof, or of any corporation organized under sections 1131-1134m of Title 12, or in which a Production Credit Corporation holds stock, or of any regional agricultural credit corporation established pursuant to law, or of the National Agricultural Credit Corporation, a Federal Home Loan Bank, the Federal Home Loan Bank Board, the Home Owners' Loan Corporation, a Federal Savings and Loan Association, a Federal land bank, a joint-stock land bank, a National farm loan association, or of a Federal Reserve bank, upon any application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, or loan, or any change or extension of any of the same, by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be fined not more than \$5,000 or imprisoned not more than two years, or both.

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§1906. DISCLOSURE OF INFORMATION BY BANK EXAMINER

Whoever, being an examiner, public or private, discloses the names of borrowers or the collateral for loans of any member bank of the Federal Reserve System, or bank insured by the Federal Deposit Insurance Corporation, examined by him, to other than the proper officers of such bank, without first having obtained the express permission in writing from the Comptroller of the Currency as to a national bank, the Board of Governors of the Federal Reserve System as to a State member bank, or the Federal Deposit Insurance Corporation as to any other insured bank, or from the board of directors of such bank, except when ordered to do so by a court of competent jurisdiction, or by direction of the Congress of the United States, or either House thereof, or any committee of Congress

or either House duly authorized, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

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§ 1909. EXAMINER PERFORMING OTHER SERVICES

Whoever, being a national-bank examiner, Federal Deposit Insurance Corporation examiner, farm credit examiner, or an examiner of National Agricultural Credit Corporations, performs any other service, for compensation, for any bank or banking or loan association, or for any officer, director, or employee thereof, or for any person connected therewith in any capacity, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

* * * * *

§ 2113. BANK ROBBERY AND INCIDENTAL CRIMES

(a) Whoever, by force and violence, or by intimidation, takes, or attempts to take, from the person or presence of another any property or money or any other thing of value belonging to, or in the care, custody, control, management, or possession of, any bank; or

Whoever enters or attempts to enter any bank, or any building used in whole or in part as a bank, with intent to commit in such bank or building, or part thereof, so used, any felony affecting such bank and in violation of any statute of the United States, or any larceny—

Shall be fined not more than \$5,000 or imprisoned not more than twenty years, or both.

(b) Whoever takes and carries away, with intent to steal or purloin, any property or money or any other thing of value exceeding \$100 belonging to, or in the care, custody, control, management, or possession of any bank, shall be fined not more than \$5,000 or imprisoned not more than ten years, or both; or

Whoever takes and carries away, with intent to steal or purloin, any property or money or any other thing of value not exceeding \$100 belonging to, or in the care, custody, control, management, or possession of any bank, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

(c) Whoever receives, possesses, conceals, stores, barter, sells, or disposes of, any property or money or other thing of value knowing the same to have been taken from a bank in violation of subsection (b) of this section shall be subject to the punishment provided by said subsection (b) for the taker.

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(d) Whoever, in committing, or in attempting to commit, any offense defined in subsections (a) and (b) of this section, assaults any person, or puts in jeopardy the life of any person by the use of a dangerous weapon or device, shall be fined not more than \$10,000 or imprisoned not more than twenty-five years, or both.

(e) Whoever, in committing any offense defined in this section, or in avoiding or attempting to avoid apprehension for the commission of such offense, or in freeing himself or attempting to free himself from arrest or confinement for such offense, kills any person, or forces any person to accompany him without the consent of such person, shall be imprisoned not less than ten years, or punished by death if the verdict of the jury shall so direct.

(f) As used in this section the term "bank" means any member bank of the Federal Reserve System, and any bank, banking association, trust company, savings bank, a Federal Savings and Loan Association, or other banking institution organized or operating under the laws of the United States and any bank the deposits of which are insured by the Federal Deposit Insurance Corporation.

* * * * *

§ 3056. SECRET SERVICE POWERS

The Secretary of the Treasury is authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into custody any person violating any of the provisions of sections 508 and 509 of this title and, insofar as the Federal Deposit Insurance Corporation, Federal land banks, joint-stock land banks and national farm loan associations are concerned, of sections 218, 221, 433, 493, 657, 709, 1006, 1007, 1011, 1013, 1014, 1907 and 1909 of this title.

* * * * *

§ 3231. DISTRICT COURTS

The district courts of the United States shall have original jurisdiction, exclusive of the courts of the States, of all offenses against the laws of the United States.

Nothing in this title shall be held to take away

or impair the jurisdiction of the courts of the several States under the laws thereof.

* * * * *

Approved June 25, 1948, 12:23 p.m., E. D. T.

Foreign Funds Control

Treasury Department Release

The following release relating to transactions in foreign exchange, etc., in addition to those heretofore published in the Federal Reserve BULLETIN, has been issued by the Office of the Secretary of the Treasury under authority of the Executive Order of April 10, 1940, as amended, and the Regulations issued pursuant thereto:

Treasury Department
Foreign Funds Control
July 19, 1948

AMENDMENT TO GENERAL LICENSE No. 53

*Under Executive Order No. 8389, as Amended, Executive Order No. 9193, as Amended, Section 5(b) of the Trading with the Enemy Act, as Amended by the First War Powers Act, 1941, Relating to Foreign Funds Control.**

Paragraph (d)(1) of § 131.53 (Paragraph (4)(a) of General License No. 53) is hereby amended to read as follows:

§ 131.53 ***

(d) As used in this general license:

(l) The term "generally licensed trade area" shall include all foreign countries except the following:

- (i) Germany and Japan;
- (ii) Bulgaria, Hungary, Roumania, and Italy;
- (iii) Sweden, Switzerland, Portugal, and Liechtenstein;
- (iv) France (including Monaco), Belgium, Norway, Finland, the Netherlands, Czechoslovakia, Luxembourg, Denmark, Greece, Poland, Estonia, Latvia, Lithuania, and Austria, but not including any colony or other non-European territory subject to the jurisdiction of any such country except French West Africa, Algeria, Tunisia, and French Morocco.

(Signed) JOHN W. SNYDER
Secretary of the Treasury

* Section 131.53, issued under sec. 5(b), 40 Stat. 415, 966, sec. 2, 48 Stat. 1, 54 Stat. 179, sec. 301, 55 Stat. 839; 12 U. S. C. 95a, 50 U. S. C. App. Supp., 5(b); E. O. 8389, Apr. 10, 1940, as amended by E. O. 8785, June 14, 1941, E. O. 8832, July 26, 1941, E. O. 8963, Dec. 9, 1941, and E. O. 8998, Dec. 26, 1941, E. O. 9193, July 6, 1942, as amended by E. O. 9567, June 8, 1945; 3 CFR, Cum. Supp., 10 F. R. 6917; Regulations, Apr. 10, 1940, as amended June 14, 1941, Feb. 19, 1946, June 28, 1946, and Jan. 1, 1947; 31 CFR, Cum. Supp., 130.1-7, 11 F. R. 1769, 7184, 12 F. R. 6.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

[Compiled August 26 and released for publication August 28]

Industrial output declined somewhat in July and regained part of the loss in August. Unusually favorable weather in July resulted in a further marked gain in crop prospects. Prices of basic commodities generally decreased somewhat further from mid-July to the latter part of August, reaching the lowest levels since the end of August 1947. The general wholesale price level showed little change and was 10 per cent higher than a year ago.

INDUSTRIAL PRODUCTION

The Board's seasonally adjusted index of industrial production declined 5 points in July to a level of 187 per cent of the 1935-39 average. This decline reflected in large part the effects of employee vacations, especially in certain nondurable industries. Preliminary information for the first part of August indicates a somewhat higher rate of total production than in July.

Output of durable goods showed a slight decrease in July. Production of iron and steel declined 3 per cent, but recovered during August to about the June rate. Activity in the automobile industry showed a substantial further gain in July as assembly of passenger cars and trucks reached a new postwar peak rate. Lumber production increased more than seasonally in July. Output of most other durable goods declined somewhat.

Production of nondurable goods declined about

4 per cent in July, mainly because of reduced activity in the textile and paper industries. Cotton consumption declined 18 per cent from June to July as compared with a decrease of 11 per cent during the same period last year. Pork production was reduced more than seasonally in July while beef production was maintained. Activity in most other nondurable goods industries showed little change.

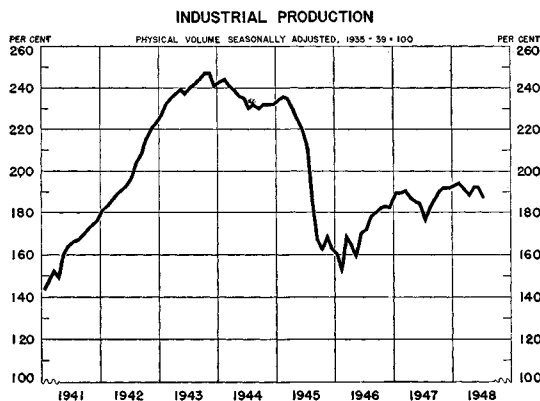
Minerals production declined 3 per cent in July mainly because of reduced output of bituminous coal. Total coal production for the month, however, was about one-fifth above the rate in July 1947. Crude petroleum production continued at an exceptionally high rate in July and rose further in the early part of August.

CONSTRUCTION

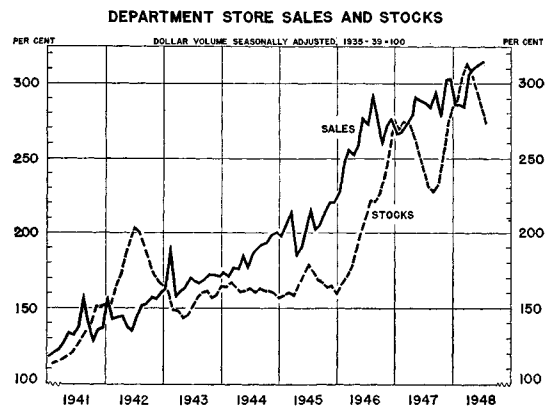
Value of new construction put in place, according to joint estimates of the Departments of Commerce and Labor, rose further in July to a new record of over 1,700 million dollars, an increase of 100 million from June. The number of new houses started in July was estimated at 94,000, 2,000 units fewer than in June, but 13,000 more than the number started in July 1947.

DISTRIBUTION

Department store sales in July and August showed chiefly seasonal changes. Value of sales in the first half of August was substantially larger



Federal Reserve index. Monthly figures, latest shown are for July.



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

NATIONAL SUMMARY OF BUSINESS CONDITIONS

than in the corresponding period last year when sales were temporarily limited by unfavorable weather. Also, sales in recent weeks appear to have been stimulated by prospective restrictions in terms resulting from the reimposition of instalment credit regulations on September 20.

Shipments of railroad revenue freight were maintained in July at about the June rate. Loadings of coal were reduced further, while shipments of grain and forest products continued to show marked gains. Loadings of coal and most other classes of freight were in somewhat larger volume in the first half of August.

COMMODITY PRICES

Prices of most basic commodities decreased further from the middle of July to the latter part of August. Cotton and grains reached Federal price support levels. Nonferrous metal prices, however, were raised sharply. Wholesale prices of meats were generally maintained at the advanced levels reached in mid-July and some additional increases occurred in prices of other manufactured products.

The consumers' price index rose further by 1.2 per cent from mid-June to mid-July, reflecting chiefly higher retail prices for foods and automobiles, and increased transportation fares.

AGRICULTURE

During July and August weather conditions continued to be unusually favorable for crop development. The August 1 official forecast of cotton was 15.2 million bales, more than a fourth larger than last year's crop. The outlook for grains showed further marked improvement and total production of these and other principal crops was

indicated to be 12 per cent larger than last year.

Marketings of livestock and products in August continued below the same period a year ago, reflecting mainly the reduced number of meat animals on farms.

BANK CREDIT

Support purchases of Treasury bonds and certificates by the Federal Reserve System were large in July and the first three weeks of August. These additions to the portfolios of the Reserve Banks were in excess of reductions in holdings of bills as a result of Treasury cash retirement and market sales, and total System holdings of Government securities increased somewhat. A further increase in gold stock also added to bank reserves.

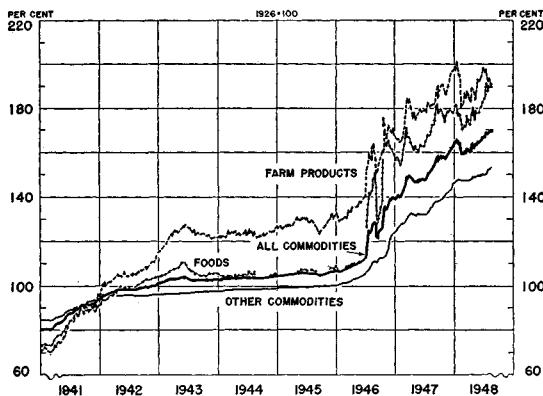
Commercial and industrial loans increased substantially at banks in leading cities during July and the first three weeks of August. Real estate and consumer loans rose further. Government security holdings expanded somewhat over the period; bill and note holdings were increased and certificate and bond holdings reduced.

INTEREST RATES AND SECURITY MARKETS

In August the Treasury announced a rate of 1¼ per cent on the October issue of one-year certificates and yields on outstanding short- and medium-term Government securities rose. The Federal Reserve Banks increased discount rates from 1¼ to 1½ per cent. Some increases also occurred in other short-term money market rates and in rates on commercial bank loans.

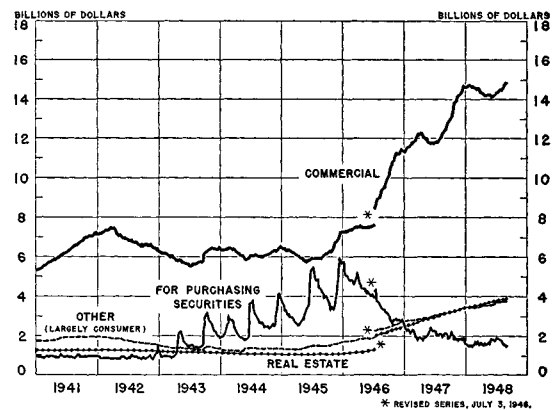
Prices of corporate bonds declined further in the first three weeks of August. Common stock prices fluctuated near the reduced level reached in the third week of July.

WHOLESALE PRICES



Bureau of Labor Statistics' indexes. Weekly figures, latest shown are for week ending Aug. 21.

LOANS AT MEMBER BANKS IN LEADING CITIES



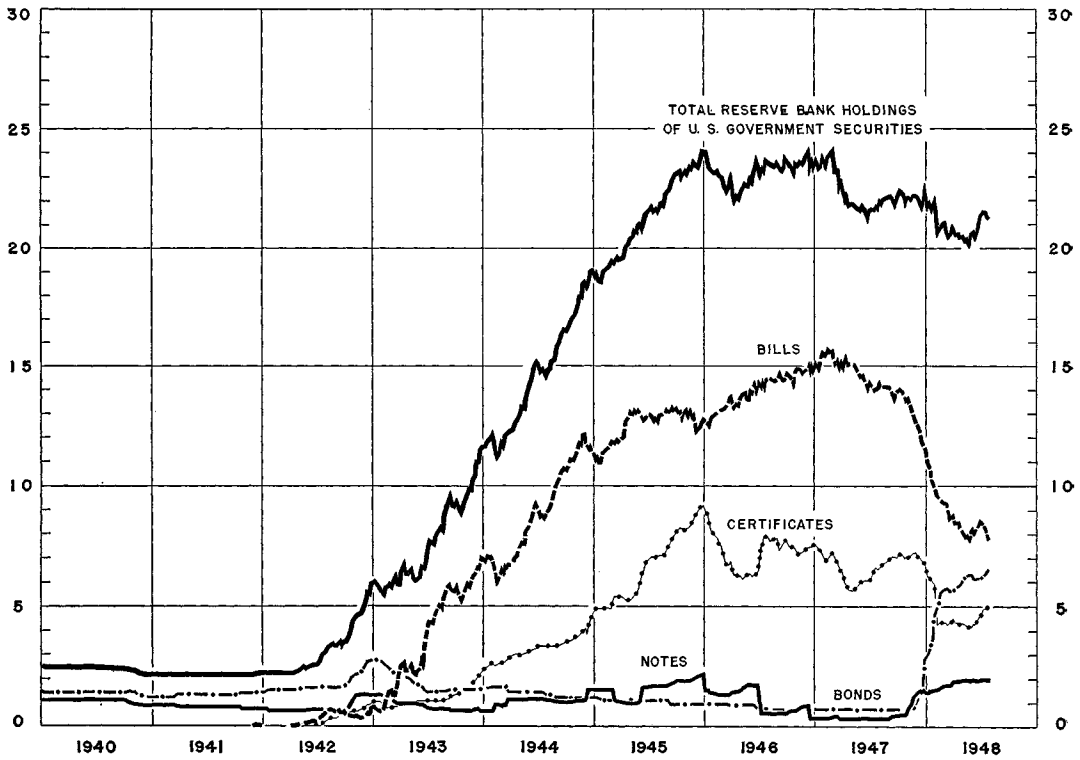
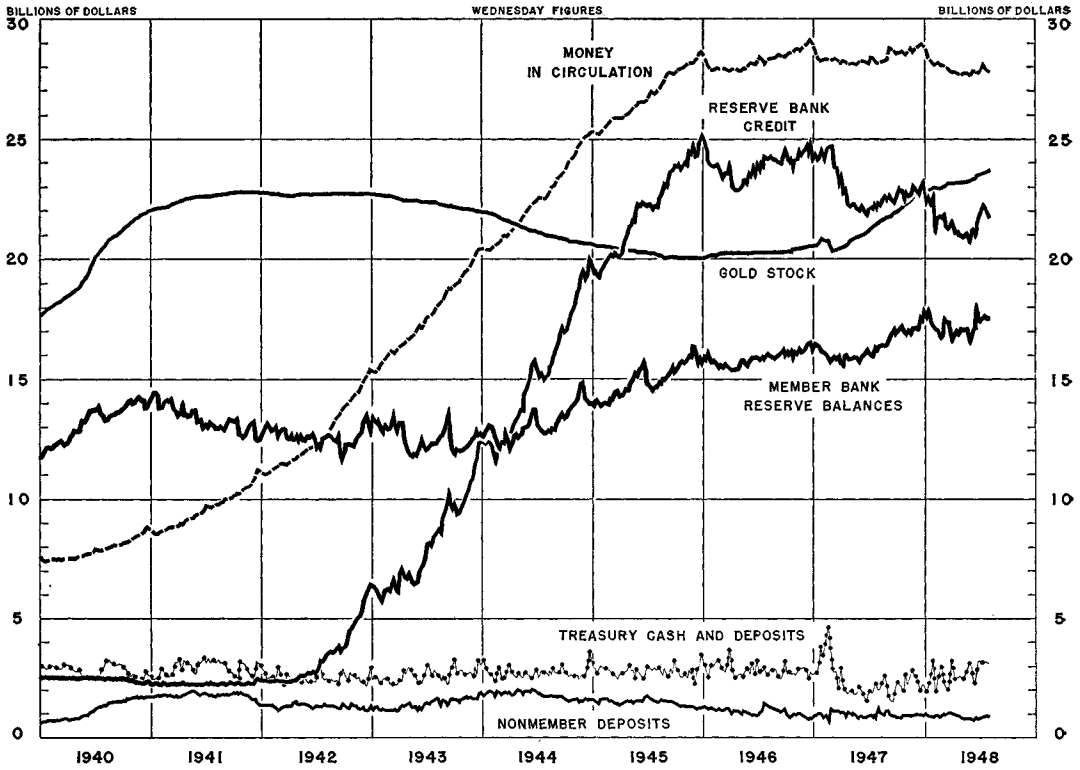
Excludes loans to banks. Wednesday figures, latest shown are for Aug. 25.

FINANCIAL, INDUSTRIAL, AND COMMERCIAL STATISTICS UNITED STATES

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

MEMBER BANK RESERVES, RESERVE BANK CREDIT, AND RELATED ITEMS



Wednesday figures, latest shown are for August 25. See page 1125.

FEDERAL RESERVE BANK DISCOUNT RATES

[In effect August 31. Per cent per annum]

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

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

FEDERAL RESERVE BANK EFFECTIVE MINIMUM BUYING RATES ON BANKERS' ACCEPTANCES

[Per cent per annum]

Maturity	Rate on Aug. 31	In effect beginning—	Previous rate
1-90 days	1½	Aug. 13, 1948	1½
91-120 days	1½	Aug. 13, 1948	1½
121-180 days	1½	Aug. 13, 1948	1½

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

MEMBER BANK RESERVE REQUIREMENTS

[Per cent of deposits]

Period in effect	Net demand deposits ¹			Time deposits (all member banks)
	Central reserve city banks	Reserve city banks	Country banks	
June 21, 1917-Aug. 15, 1936	13	10	7	3
Aug. 16, 1936-Feb. 28, 1937	19½	15	10½	4½
Mar. 1, 1937-Apr. 30, 1937	22½	17½	12½	5½
May 1, 1937-Apr. 15, 1938	26	20	14	6
Apr. 16, 1938-Oct. 31, 1941	22½	17½	12	5
Nov. 1, 1941-Aug. 19, 1942	26	20	14	6
Aug. 20, 1942-Sept. 13, 1942	24	20	14	6
Sept. 14, 1942-Oct. 2, 1942	22	20	14	6
Oct. 3, 1942-Feb. 26, 1948	20	20	14	6
Feb. 27, 1948-June 10, 1948	22	20	14	6
June 11, 1948-Sept. 15, 1948	24	20	14	6
Sept. 16-24, 1948 and after ²	26	22	16	7½

¹Demand deposits subject to reserve requirements, i. e., total demand deposits minus cash items in process of collection and demand balances due from domestic banks (also minus war loan and series E bond accounts during the period Apr. 13, 1943-June 30, 1947, and all U. S. Government demand accounts Apr. 24, 1917-Aug. 23, 1935). ²Change effective Sept. 16 at Country banks; Sept. 24 at other Classes.

MAXIMUM RATES ON TIME DEPOSITS

Maximum rates that may be paid by member banks as established by the Board of Governors under provisions of Regulation Q.

[Per cent per annum]

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

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

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

Maturities not exceeding five years

[In effect August 31. Per cent per annum]

Federal Reserve Bank	To industrial or commercial businesses		To financing institutions		
	On loans ¹	On commitments	On discounts or purchases		On commitments
			Portion for which institution is obligated	Re-maining portion	
Boston	2½-5	½-1½	(*)	(*)	½-1½
New York	2½-5	½-1½	(*)	(*)	½-1½
Philadelphia	2½-5	½-1½	(*)	(*)	½-1½
Cleveland	2½-5	½-1½	(*)	(*)	½-1½
Richmond	2½-5	½-1½	(*)	(*)	½-1½
Atlanta	2½-5	½-1½	(*)	(*)	½-1½
Chicago	2½-5	½-1½	2½-5	2½-5	½-1½
St. Louis	3-5	½-1½	1½-2	(*)	½-1½
Minneapolis	2½-5	½-1½	(*)	(*)	½-1½
Kansas City	2½-5	½-1½	(*)	(*)	½-1½
Dallas	2½-5	½-1½	(*)	(*)	½-1½
San Francisco	2½-5	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 ¼ per cent is made on undisbursed portion of loan. *Back figures.*—See *Banking and Monetary Statistics*, Table 118, pp. 446-447.

MARGIN REQUIREMENTS¹

[Per cent of market value]

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

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

PRINCIPAL ASSETS AND LIABILITIES OF ALL FEDERAL RESERVE BANKS

[In thousands of dollars]

Item	Wednesday figures							End of month		
	1948							1948		1947
	Aug. 25	Aug. 18	Aug. 11	Aug. 4	July 28	July 21	July 14	Aug.	July	Aug.
Assets										
Gold certificates.....	21,837,672	21,827,670	21,811,671	21,791,671	21,784,670	21,764,671	21,699,673	21,852,671	21,793,669	19,850,675
Redemption fund for F. R. notes.....	611,921	612,463	608,462	612,505	612,133	615,080	615,080	611,922	613,132	683,443
Total gold certificate reserves.....	22,449,593	22,440,133	22,420,133	22,404,176	22,396,803	22,379,751	22,314,753	22,464,593	22,406,801	20,534,118
Other cash.....	270,758	267,842	262,073	272,058	279,535	270,559	254,509	265,725	288,523	257,366
Discounts and advances:										
For member banks.....	91,238	68,893	60,066	49,830	94,031	54,269	84,775	63,371	85,251	155,633
For nonmember banks, etc.....	232,700	232,700	232,700	232,700	232,700	231,000	231,000	259,700	232,700	29,500
Total discounts and advances.....	323,938	301,593	292,766	282,530	326,731	285,269	315,775	323,071	317,951	185,133
Industrial loans.....	795	688	635	598	789	844	840	883	802	1,858
U. S. Govt. securities:										
Bills:										
Under repurchase option.....										2,269,129
Other.....	7,051,057	7,154,957	7,325,312	7,388,012	7,734,681	7,963,781	8,311,331	7,029,257	7,555,931	11,937,708
Certificates:										
Special.....										
Other.....	5,013,339	5,128,407	5,160,407	5,121,707	4,957,407	4,955,407	4,931,407	4,958,339	5,059,407	6,896,216
Notes.....	1,808,300	1,857,600	1,865,100	1,902,300	1,953,300	1,957,800	1,957,800	1,808,300	1,953,300	369,300
Bonds.....	7,587,369	7,409,756	7,215,408	6,966,185	6,563,921	6,448,763	6,320,519	7,781,027	6,756,765	719,690
Total U. S. Govt. securities.....	21,460,065	21,550,720	21,566,227	21,378,204	21,209,309	21,325,751	21,521,057	21,576,923	21,325,403	22,192,043
Other Reserve Bank credit outstanding.....	208,658	272,212	204,180	235,545	186,012	276,105	300,931	205,927	390,701	379,648
Total Reserve Bank credit outstanding.....	21,993,456	22,125,213	22,063,808	21,896,877	21,722,841	21,887,969	22,138,603	22,106,804	22,034,857	22,758,682
Liabilities										
Federal Reserve notes.....	23,864,218	23,862,648	23,846,643	23,806,903	23,725,348	23,756,237	23,826,775	23,935,390	23,771,287	24,345,032
Deposits:										
Member bank — reserve account.....	17,667,895	17,602,520	17,834,176	17,605,901	17,533,595	17,502,513	17,630,864	17,678,660	17,695,901	16,601,053
U. S. Treasurer—general account.....	1,901,838	1,963,304	1,756,258	1,851,532	1,821,784	1,878,842	1,861,300	1,919,155	1,755,067	750,608
Foreign.....	370,547	393,783	385,392	387,941	377,171	430,365	441,920	425,879	374,812	651,690
Other.....	472,213	571,713	479,986	471,624	497,680	489,856	456,260	438,172	692,157	691,312
Total deposits.....	20,412,493	20,531,320	20,455,812	20,316,998	20,230,230	20,301,576	20,390,344	20,461,866	20,517,937	18,694,663
Ratio of gold certificate reserves to deposit and F. R. note liabilities combined (per cent)....	50.7	50.5	50.6	50.8	51.0	50.8	50.5	50.6	50.6	47.7

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

[In thousands of dollars]

	Total	Within 15 days	16 to 30 days	31 to 60 days	61 to 90 days	91 days to 6 months	6 months to 1 year	1 year to 2 years	2 years to 5 years	Over 5 years
Discounts and advances:										
July 28.....	326,731	108,360	12,577	119,772	86,022					
Aug. 4.....	282,530	53,283	93,911	42,979	82,717	9,640				
Aug. 11.....	292,766	59,088	107,620	43,331	82,727					
Aug. 18.....	301,593	72,280	103,843	63,057	62,413					
Aug. 25.....	323,938	183,394	22,299	55,241	63,004					
Industrial loans:										
July 28.....	789	607		104	42	2	4	14	16	
Aug. 4.....	598	407	72	49	35	2	6	15	12	
Aug. 11.....	635	441	78	26	56	2	6	14	12	
Aug. 18.....	688	559	32	17	46	2	6	14	12	
Aug. 25.....	795	672	35	26	28	2	5	15	12	
U. S. Government securities:										
July 28.....	21,209,309	1,551,643	1,379,752	3,397,731	3,600,422	351,350	4,364,490		1,148,351	5,415,570
Aug. 4.....	21,378,204	1,666,777	1,362,616	4,659,340	1,822,146	516,100	4,385,040		1,152,091	5,814,094
Aug. 11.....	21,566,227	1,844,295	1,308,904	4,569,935	1,638,345	498,800	4,490,540		1,162,156	6,053,252
Aug. 18.....	21,550,720	1,924,941	1,961,622	3,732,274	1,552,787	480,800	4,488,540		1,164,156	6,245,600
Aug. 25.....	21,460,065	1,892,362	1,871,327	3,457,522	1,762,213	458,100	4,431,172		1,164,156	6,423,213

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

[Amounts in thousands of dollars]

End of month	Guaranteed loans authorized to date		Guaranteed loans outstanding		Additional amount available to borrowers under guarantee agreements outstanding
	Number	Amount	Total amount	Portion guaranteed	
1942—June...	565	310,680	81,108	69,674	137,888
Dec....	2,665	2,688,397	803,720	632,474	1,430,121
1943—June...	4,217	4,718,818	1,428,253	1,153,756	2,216,053
Dec....	5,347	6,563,048	1,914,040	1,601,518	3,146,286
1944—June...	6,433	8,046,672	2,064,318	1,735,777	3,810,797
Dec....	7,434	9,310,582	1,735,970	1,482,038	4,453,586
1945—June...	8,422	10,149,351	1,386,851	1,190,944	3,694,618
Dec....	8,757	10,339,400	510,270	435,345	966,595
1946—June...	8,771	10,344,018	70,267	60,214	142,617
Dec....	8,771	10,344,018	18,996	17,454	28,791
1947—June...	8,771	10,344,018	3,589	3,218	6,726
Dec....	8,771	10,344,018	2,412	2,183	.....
1948—Jan....	8,771	10,344,018	2,357	2,133	.....
Feb....	8,771	10,344,018	1,959	1,777	.....
Mar....	8,771	10,344,018	1,835	1,666	.....
Apr....	8,771	10,344,018	1,787	1,623	.....
May....	8,771	10,344,018	1,761	1,599	.....
June....	8,771	10,344,018	1,609	1,463	.....
July....	8,771	10,344,018	1,605	1,460	.....

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

INDUSTRIAL LOANS BY FEDERAL RESERVE BANKS

[Amounts in thousands of dollars]

Date (last Wednesday or last day of period)	Applications approved to date		Approved but not completed ¹ (amount)	Loans outstanding ² (amount)	Commitments outstanding (amount)	Participations outstanding (amount)
	Number	Amount				
1934.....	984	49,634	20,966	13,589	8,225	1,296
1935.....	1,993	124,493	11,548	32,493	27,649	8,778
1936.....	2,280	139,829	8,226	25,526	20,959	7,208
1937.....	2,406	150,987	3,369	20,216	12,780	7,238
1938.....	2,653	175,013	1,946	17,345	14,161	12,722
1939.....	2,781	188,222	2,659	13,683	9,220	10,981
1940.....	2,908	212,510	13,954	9,152	5,226	6,386
1941.....	3,202	279,860	8,294	10,337	14,597	19,600
1942.....	3,423	408,737	4,248	14,126	10,661	17,305
1943.....	3,471	491,342	926	10,532	9,270	17,930
1944.....	3,489	525,532	1,295	3,894	4,165	2,706
1945						
June 30....	3,502	537,331	70	3,252	5,224	2,501
Dec. 31....	3,511	544,961	320	1,995	1,644	1,086
1946						
June 29....	3,524	552,711	615	1,210	5,366	1,110
Dec. 31....	3,542	565,913	4,577	554	8,309	2,670
1947						
Mar. 31....	3,548	569,825	4,595	1,081	8,160	2,727
June 30....	3,555	572,836	195	1,778	7,018	4,043
Sept. 30....	3,566	577,614	1,229	1,892	7,395	5,019
Dec. 31....	3,574	586,726	945	1,387	7,434	4,869
1948						
Jan. 31....	3,576	589,986	1,025	1,972	7,077	5,213
Feb. 28....	3,582	596,048	145	4,906	7,918	6,770
Mar. 31....	3,587	600,322	45	3,785	7,700	5,109
Apr. 30....	3,593	604,623	70	1,394	6,646	4,234
May 31....	3,595	606,305	120	916	6,612	3,272
June 30....	3,599	610,956	1,045	851	6,482	3,238
July 31....	3,600	611,694	620	802	6,417	3,346

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

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

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

MEMBER BANK RESERVES AND BORROWINGS

[Averages of daily figures. In millions of dollars]

Month, or week ending Thursday	All member banks ¹	Central reserve city banks		Re-reserve city banks	Country banks ¹
		New York	Chicago		
Total reserves held:					
1947—June.....	16,153	4,196	940	6,377	4,640
July.....	16,347	4,239	964	6,438	4,706
1948—June.....	17,396	4,808	1,132	6,534	4,922
July.....	17,533	4,861	1,163	6,567	4,942
July 1.....	17,446	4,898	1,152	6,516	4,880
July 8.....	17,409	4,828	1,150	6,527	4,904
July 15.....	17,578	4,848	1,162	6,597	4,971
July 22.....	17,596	4,876	1,167	6,592	4,961
July 29.....	17,500	4,868	1,172	6,557	4,903
Aug. 5.....	17,686	4,940	1,187	6,606	4,953
Aug. 12.....	17,670	4,871	1,183	6,624	4,992
Aug. 19.....	17,779	4,906	1,192	6,659	5,022
Excess reserves:					
1947—June.....	785	14	10	224	538
July.....	781	12	-1	222	548
1948—June.....	852	44	12	241	556
July.....	824	22	5	229	567
July 1.....	793	30	9	225	529
July 8.....	825	15	6	255	549
July 15.....	916	30	9	266	611
July 22.....	810	17	5	219	569
July 29.....	732	20	4	188	520
Aug. 5.....	896	69	6	223	598
Aug. 12.....	886	10	5	226	645
Aug. 19.....	947	51	6	238	652
Borrowings at Federal Reserve Banks:					
1947—June.....	135	11	1	73	50
July.....	92	2	.....	51	39
1948—June.....	100	23	3	37	37
July.....	95	31	.....	36	27
July 1.....	122	53	3	34	32
July 8.....	165	97	.....	43	25
July 15.....	82	19	.....	30	33
July 22.....	49	2	.....	27	20
July 29.....	89	15	1	42	31
Aug. 5.....	67	1	.....	42	24
Aug. 12.....	110	43	13	26	28
Aug. 19.....	75	14	.....	34	27

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.

DEPOSITS OF COUNTRY MEMBER BANKS IN LARGE AND SMALL CENTERS¹

[Averages of daily figures. In millions of dollars]

	In places of 15,000 and over population		In places of under 15,000 population	
	Demand deposits except inter-bank	Time deposits	Demand deposits except inter-bank	Time deposits
July 1947.....	*15,115	*8,468	*11,633	*6,010
June 1948.....	16,337	8,819	11,806	6,045
July 1948.....	16,325	8,814	11,960	6,059
Boston.....	1,896	866	343	232
New York.....	2,961	2,217	1,048	1,162
Philadelphia.....	1,240	817	912	901
Cleveland.....	1,323	905	1,058	825
Richmond.....	1,092	398	857	469
Atlanta.....	1,530	484	656	217
Chicago.....	2,196	1,591	1,694	961
St. Louis.....	650	338	965	275
Minneapolis.....	586	296	769	450
Kansas City.....	564	104	1,603	204
Dallas.....	1,011	147	1,519	65
San Francisco....	1,277	648	536	300

¹ Revised.

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

DEPOSITS, RESERVES, AND BORROWINGS OF MEMBER BANKS

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

Class of bank and Federal Reserve district	Gross demand deposits			Net demand deposits ²	Time deposits ³	Demand balances due from domestic banks	Reserves with Federal Reserve Banks			Borrowings at Federal Reserve Banks
	Total	Inter-bank	Other				Total	Required	Excess	
First half of July 1948										
All member banks	88,161	10,895	77,267	77,067	28,823	5,440	17,481	16,626	854	120
Central reserve city banks:										
New York.....	21,346	3,993	17,352	19,660	1,684	43	4,837	4,819	17	56
Chicago.....	5,051	1,094	3,957	4,547	948	141	1,153	1,148	5	.....
Reserve city banks	32,683	4,953	27,730	28,115	11,311	1,806	6,554	6,302	253	35
Boston.....	1,883	274	1,609	1,708	192	33	365	353	11	2
New York.....	549	26	523	477	300	25	117	113	3	1
Philadelphia.....	2,145	349	1,796	1,883	235	75	395	391	4	2
Cleveland.....	3,924	462	3,462	3,437	1,421	166	810	773	36	6
Richmond.....	2,059	311	1,747	1,778	430	106	401	381	20	2
Atlanta.....	1,990	403	1,586	1,680	406	130	394	360	34	2
Chicago.....	3,890	446	3,445	3,329	1,997	281	817	786	32	6
St. Louis.....	1,904	546	1,358	1,613	335	89	356	343	14	5
Minneapolis.....	1,030	279	752	845	179	74	185	180	5	.....
Kansas City.....	2,751	783	1,968	2,238	358	266	493	469	24	3
Dallas.....	2,448	531	1,917	2,000	376	279	461	423	38	1
San Francisco.....	8,110	542	7,568	7,126	5,084	283	1,760	1,730	30	5
Country banks	29,083	855	28,228	24,745	14,881	3,450	4,936	4,357	579	29
Boston.....	2,316	87	2,228	2,004	1,097	181	383	346	37	3
New York.....	4,096	87	4,010	3,574	3,379	309	787	703	84	10
Philadelphia.....	2,167	16	2,152	1,886	1,718	212	412	367	45	3
Cleveland.....	2,394	24	2,369	2,065	1,735	265	452	393	59	2
Richmond.....	2,053	112	1,941	1,704	865	270	339	290	48	3
Atlanta.....	2,346	154	2,191	1,974	703	308	354	318	35	2
Chicago.....	3,936	65	3,871	3,354	2,551	498	710	623	88	1
St. Louis.....	1,656	46	1,610	1,417	613	208	265	235	30	2
Minneapolis.....	1,414	61	1,353	1,201	746	180	243	213	31	.....
Kansas City.....	2,220	62	2,157	1,840	308	359	322	276	46	1
Dallas.....	2,634	111	2,523	2,139	213	453	363	312	51	.....
San Francisco.....	1,851	28	1,822	1,586	952	208	306	279	27	1
Second half of July 1948										
All member banks	88,613	10,755	77,858	77,896	28,813	5,321	17,582	16,786	796	71
Central reserve city banks:										
New York.....	21,348	3,937	17,411	19,811	1,695	42	4,884	4,856	27	7
Chicago.....	5,127	1,089	4,038	4,624	946	135	1,171	1,167	5	.....
Reserve city banks	32,963	4,891	28,072	28,469	11,306	1,772	6,580	6,372	207	37
Boston.....	1,907	291	1,617	1,739	191	33	369	359	10	3
New York.....	559	26	532	491	297	24	119	116	3	.....
Philadelphia.....	2,129	335	1,793	1,882	238	70	396	391	5	1
Cleveland.....	4,037	468	3,569	3,528	1,432	179	841	792	49	7
Richmond.....	2,046	297	1,750	1,788	430	93	399	383	16	3
Atlanta.....	1,980	374	1,605	1,683	404	119	375	361	14	7
Chicago.....	3,951	449	3,502	3,394	1,996	275	823	798	25	4
St. Louis.....	1,917	533	1,384	1,626	334	108	353	345	7	6
Minneapolis.....	1,027	268	759	859	179	64	187	182	5	.....
Kansas City.....	2,814	800	2,014	2,294	358	264	499	480	18	3
Dallas.....	2,465	513	1,952	2,014	375	265	458	425	32	.....
San Francisco.....	8,131	536	7,595	7,171	5,071	277	1,761	1,738	23	2
Country banks	29,175	838	28,337	24,992	14,866	3,372	4,947	4,391	556	26
Boston.....	2,330	81	2,249	2,032	1,099	180	387	350	37	3
New York.....	4,091	84	4,007	3,601	3,379	306	781	707	74	8
Philadelphia.....	2,167	15	2,152	1,907	1,719	197	411	370	41	3
Cleveland.....	2,414	24	2,391	2,089	1,726	265	454	396	58	2
Richmond.....	2,070	112	1,957	1,726	870	268	335	294	41	3
Atlanta.....	2,329	146	2,183	1,984	698	288	352	320	32	2
Chicago.....	3,976	68	3,908	3,398	2,551	497	712	629	84	.....
St. Louis.....	1,668	48	1,620	1,429	613	209	277	237	40	2
Minneapolis.....	1,416	59	1,356	1,216	746	169	244	215	29	.....
Kansas City.....	2,238	62	2,176	1,863	308	357	321	279	41	1
Dallas.....	2,644	109	2,535	2,161	212	441	367	315	52	.....
San Francisco.....	1,832	28	1,804	1,587	945	196	304	279	25	2

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

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

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

NOTE.—Demand deposits adjusted (demand deposits other than interbank and U. S. Government, less cash items reported as in process of collection) of all member banks estimated at 70,100 million dollars in the first half and 70,400 million in the second half of July.

UNITED STATES MONEY IN CIRCULATION, BY DENOMINATIONS

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

End of year or month	Total in circulation ¹	Coin and small denomination currency ²							Large denomination currency ²						Unassorted	
		Total	Coin	\$1	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000	\$5,000		\$10,000
1933	5,519	4,167	442	402	33	719	1,229	1,342	1,360	364	618	125	237	8	10	8
1934	5,536	4,292	452	423	32	771	1,288	1,326	1,254	337	577	112	216	5	7	10
1935	5,882	4,518	478	460	33	815	1,373	1,359	1,369	358	627	122	239	7	16	5
1936	6,543	5,021	517	499	35	906	1,563	1,501	1,530	399	707	135	265	7	18	8
1937	6,550	5,015	537	505	33	905	1,560	1,475	1,542	387	710	139	288	6	12	7
1938	6,856	5,147	550	524	34	946	1,611	1,481	1,714	409	770	160	327	17	32	5
1939	7,598	5,553	590	559	36	1,019	1,772	1,576	2,048	460	919	191	425	20	32	2
1940	8,732	6,247	648	610	39	1,129	2,021	1,800	2,489	538	1,112	227	523	30	60	4
1941	11,160	8,120	751	695	44	1,355	2,731	2,545	3,044	724	1,433	261	556	24	46	4
1942	15,410	11,576	880	801	55	1,693	4,051	4,096	3,837	1,019	1,910	287	586	9	25	3
1943	20,449	14,871	1,019	909	70	1,973	5,194	5,705	5,580	1,481	2,912	407	749	9	22	2
1944	25,307	17,580	1,156	987	81	2,150	5,983	7,224	7,730	1,996	4,153	555	990	10	24	3
1945	28,515	20,683	1,274	1,039	73	2,313	6,782	9,201	7,834	2,327	4,230	454	801	7	24	2
1946	28,952	20,437	1,361	1,029	67	2,173	6,497	9,310	8,518	2,492	4,771	438	783	8	26	3
1947—April	28,114	19,684	1,351	972	63	2,065	6,253	8,979	8,432	2,442	4,769	431	773	5	12	1
May	28,261	19,773	1,351	985	63	2,089	6,303	8,982	8,489	2,449	4,789	430	804	5	11	2
June	28,297	19,769	1,355	986	64	2,078	6,289	8,996	8,530	2,466	4,808	430	810	5	12	2
July	28,149	19,622	1,356	980	63	2,058	6,230	8,935	8,529	2,453	4,824	428	806	5	12	2
August	28,434	19,837	1,362	990	64	2,092	6,308	9,020	8,600	2,477	4,874	428	804	5	12	2
September	28,567	19,881	1,375	1,010	64	2,085	6,270	9,077	8,689	2,503	4,941	428	800	5	12	2
October	28,552	19,833	1,385	1,011	63	2,078	6,233	9,064	8,721	2,499	4,986	427	793	5	11	3
November	28,766	20,008	1,396	1,020	64	2,102	6,303	9,123	8,760	2,513	5,023	426	782	5	11	3
December	28,868	20,020	1,404	1,048	65	2,110	6,275	9,119	8,850	2,548	5,070	428	782	5	17	3
1948—January	28,111	19,369	1,382	984	63	2,017	6,064	8,858	8,745	2,511	5,022	424	771	5	12	3
February	28,019	19,335	1,385	972	63	2,005	6,084	8,826	8,687	2,492	4,996	421	762	5	12	3
March	27,781	19,169	1,394	975	62	1,986	6,013	8,738	8,614	2,470	4,962	416	749	5	11	1
April	27,716	19,144	1,399	976	61	1,991	6,017	8,700	8,574	2,456	4,951	412	739	5	10	1
May	27,812	19,259	1,409	994	62	2,015	6,054	8,724	8,555	2,453	4,943	410	735	5	10	2
June	27,903	19,323	1,421	1,000	63	2,017	6,085	8,737	8,581	2,465	4,945	407	749	5	10	2
July	27,866	19,309	1,422	994	62	2,010	6,059	8,762	8,559	2,452	4,940	404	748	5	9	2

¹ Total of amounts of coin and paper currency shown by denominations less unassorted currency in Treasury and Federal Reserve Banks.
² Includes unassorted currency held in Treasury and Federal Reserve Banks and currency of unknown denominations reported by the Treasury as destroyed.
³ Paper currency only; \$1 silver coins reported under coin.
 Back figures.—See *Banking and Monetary Statistics*, Table 112, pp. 415-416.

UNITED STATES MONEY, OUTSTANDING AND IN CIRCULATION, BY KINDS

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

	Total outstanding, July 31, 1948	Money held in the Treasury			Money held by Federal Reserve Banks and agents	Money in circulation ¹		
		As security against gold and silver certificates	Treasury cash	For Federal Reserve Banks and agents		July 31, 1948	June 30, 1948	July 31, 1947
Gold	23,679	22,452	\$1,227					
Gold certificates	22,452			19,591	2,815	45	45	48
Federal Reserve notes	24,564		52		924	23,588	23,600	23,887
Treasury currency—total	4,565	\$2,266	43		289	4,233	4,257	4,214
Standard silver dollars	493	309	24		3	157	156	149
Silver bullion	1,956	1,956						
Silver certificates and Treasury notes of 1890	\$2,266				219	2,046	2,062	2,034
Subsidiary silver coin	956		9		30	917	919	875
Minor coin	360		6		6	348	346	332
United States notes	347		3		26	318	321	317
Federal Reserve Bank notes	353		1		3	349	353	400
National Bank notes	100		1		1	98	99	106
Total—July 31, 1948	(4)	24,717	1,323	19,591	4,028	27,866		
June 30, 1948	(4)	24,563	1,327	19,442	3,929		27,903	
July 31, 1947	(4)	22,583	1,327	17,481	3,912			28,149

¹ Outside Treasury and Federal Reserve Banks. Includes any paper currency held outside the continental limits of the United States; totals for other end-of-month dates shown in table above, totals by weeks in table on p. 1125, and seasonally adjusted figures in table on p. 1134.

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

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

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

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

MONEY IN CIRCULATION WITH ADJUSTMENT FOR SEASONAL VARIATION

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

Date	Amount— unadjusted for seasonal variation	Amount— adjusted for seasonal variation	Change in seasonally adjusted series ¹
End of year figures:			
1939	7,598		+742
1940	8,732		+1,134
1941	11,160		+2,428
1942	15,410		+4,250
1943	20,449		+5,039
1944	25,307		+4,858
1945	28,515		+3,207
1946	28,952		+437
1947	28,868		-84
Monthly averages of daily figures:			
1947—July	28,259	28,316	-62
August	28,252	28,394	+78
September	28,654	28,711	+317
October	28,598	28,598	-113
November	28,648	28,562	-36
December	28,937	28,650	+88
1948—January	28,394	28,309	-341
February	28,096	28,096	-213
March	27,941	28,025	-71
April	27,766	27,990	-35
May	27,749	27,945	-41
June	27,846	27,986	+41
July	27,955	28,011	+25
August	27,977	28,118	+107

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

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

ANALYSIS OF CHANGES IN GOLD STOCK OF UNITED STATES

[In millions of dollars]

Period	Gold stock at end of period	Increase in gold stock	Net gold import or export (-)	Earmarked gold: de- crease or increase (-)	Do- mestic gold pro- duction ¹
1937	\$12,760	1,502.5	1,585.5	-200.4	143.9
1938	14,512	1,751.5	1,973.6	-333.5	148.6
1939	17,644	3,132.0	3,574.2	-534.4	161.7
1940	21,995	4,351.2	4,744.5	-407.7	170.2
1941	22,737	741.8	812.7	-458.4	125.4
1942	22,726	-10.3	315.7	-803.6	48.3
1943	21,938	-788.5	68.9	-459.8	35.8
1944	20,619	-1,319.0	-845.4	-356.7	32.0
1945	20,065	-553.9	-106.3	-465.4	51.2
1946	20,529	464.0	311.5	210.0	75.8
1947	22,754	\$2,224.9	1,866.3		
1947—August	21,766	228.8	111.7	42.3	6.6
September	21,955	189.4	109.6	153.1	6.5
October	22,294	339.0	450.8	-4.0	7.7
November	22,614	320.1	265.7	-82.8	5.8
December	22,754	139.5	178.2	-44.6	6.8
1948—January	22,935	180.7	235.0	-14.9	6.0
February	23,036	101.5	159.4	-72.2	5.5
March	23,137	100.4	90.9	-63.4	6.4
April	23,169	32.2	234.2	-111.5	5.7
May	23,304	135.2	151.3	-2.8	6.1
June	23,532	228.5	177.7	81.7	5.7
July	23,679	146.4	\$266.7	-188.4	6.2
August	\$23,725	\$46.0	(*)	\$59.5	(*)

² Preliminary.

¹ Annual figures are estimates of the United States Mint. For explanation of monthly figures see table on p. 1183.

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

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

⁴ Not yet available.

⁵ Gold held under earmark at the Federal Reserve Banks for foreign account, including gold held for the account of international institutions, amounted to 3,930.5 million dollars on Aug. 31, 1948. Gold under earmark is not included in the gold stock of the United States.

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

BANK DEBITS AND DEPOSIT TURNOVER

[Debits in millions of dollars]

Year and month	Debits to total deposit accounts, except interbank accounts				Annual rate of turnover of total deposits, except interbank		Debits to demand deposit accounts, except interbank and Government		Annual rate of turnover of demand deposits, except interbank and Government	
	Total, all reporting centers	New York City ¹	140 other centers ¹	Other reporting centers ²	New York City	Other reporting centers	New York City ³	Other leading cities ³	New York City ³	Other leading cities ³
1942 ⁴	641,778	226,865	347,837	67,074	16.1	13.1	200,337	308,913	18.0	18.4
1943	792,937	296,368	419,413	77,155	16.5	11.7	258,398	369,396	20.5	17.4
1944	891,910	345,585	462,354	83,970	17.1	10.8	298,902	403,400	22.4	17.3
1945	974,102	404,543	479,760	89,799	18.3	9.7	351,602	412,800	24.2	16.1
1946—old series ⁵	1,050,021	417,475	527,336	105,210	19.0	10.0	374,365	449,414	25.5	16.9
1946—new series ⁶		405,929	599,639	119,506	21.0	12.0	407,946	522,944	25.2	16.5
1947	1,125,074	405,929	599,639	119,506	21.0	12.0	407,946	522,944	25.2	16.5
1947—July	93,740	34,779	49,178	9,783	21.2	11.6	33,026	48,525	22.9	17.2
August	84,427	28,331	46,720	9,377	17.5	11.0	29,025	47,026	20.6	16.6
September	91,903	31,837	49,962	10,104	20.2	12.1	31,605	49,978	23.1	18.0
October	105,290	37,504	56,554	11,232	21.8	12.4	35,162	55,025	23.9	18.2
November	92,910	31,738	51,002	10,169	21.6	13.1	33,531	51,621	26.5	19.8
December	118,382	46,225	60,295	11,862	27.2	13.5	44,131	59,878	29.9	20.0
1948—January	105,193	37,615	56,355	11,223	22.3	12.7	38,286	55,902	26.2	18.7
February	90,270	32,271	48,505	9,495	22.1	12.6	32,298	47,890	25.6	18.6
March	107,636	39,587	56,900	11,148	23.4	12.7	38,648	56,372	26.4	19.1
April	102,349	37,955	53,685	10,708	23.7	12.5	36,880	52,740	26.5	18.6
May	97,603	35,429	51,807	10,367	23.0	12.4	37,060	51,557	27.9	18.7
June	*108,639	40,633	56,667	*11,339	25.4	13.0	38,942	55,442	28.0	19.1
July	102,940	35,832	55,972	11,136	22.5	12.8	36,350	55,233	26.6	19.1

⁷ Revised

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

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

³ Weekly reporting member bank series.

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

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

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

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

[Figures partly estimated. In millions of dollars]

End of month	Total deposits adjusted and currency outside banks	Total demand deposits adjusted and currency outside banks	Total deposits adjusted	Demand deposits adjusted ¹	United States Government deposits ²	Time deposits				Currency outside banks
						Total	Commercial banks ^{3,4}	Mutual savings banks ^{3,4}	Postal Savings System ⁵	
1929—June.....	55,171	26,179	51,532	22,540	381	28,611	19,557	8,905	149	3,639
December.....	54,713	26,366	51,156	22,809	158	28,189	19,192	8,838	159	3,557
1933—June.....	41,680	19,172	36,919	14,411	852	21,656	10,849	9,621	1,186	4,761
December.....	42,548	19,817	37,766	15,035	1,016	21,715	11,019	9,488	1,208	4,782
1940—June.....	66,952	38,661	60,253	31,962	828	27,463	15,540	10,631	1,292	6,699
December.....	70,761	42,270	63,436	34,945	753	27,738	15,777	10,658	1,303	7,325
1941—June.....	74,153	45,521	65,949	37,317	753	27,879	15,928	10,648	1,303	8,204
December.....	78,231	48,607	68,616	38,992	1,895	27,729	15,884	10,532	1,313	9,615
1942—June.....	81,963	52,806	71,027	41,870	1,837	27,320	15,610	10,395	1,315	10,936
December.....	99,701	62,868	85,755	48,922	8,402	28,431	16,352	10,664	1,415	13,946
1943—June.....	110,161	71,853	94,347	56,039	8,048	30,260	17,543	11,141	1,576	15,814
December.....	122,812	79,640	103,975	60,803	10,424	32,748	19,224	11,738	1,786	18,837
1944—June.....	136,172	80,946	115,291	60,065	19,506	35,720	21,217	12,471	2,032	20,881
December.....	150,988	90,435	127,483	66,930	20,763	39,790	24,074	13,376	2,340	23,505
1945—June.....	162,784	94,150	137,687	69,053	24,381	44,253	27,170	14,426	2,657	25,097
December.....	175,401	102,341	148,911	75,851	24,608	48,452	30,135	15,385	2,932	26,490
1946—June.....	171,237	105,992	144,721	79,476	13,416	51,829	32,429	16,281	3,119	26,516
December.....	167,107	100,044	140,377	83,314	3,103	53,960	33,808	16,869	3,283	26,730
1947—June.....	165,455	108,433	139,156	82,134	1,367	55,655	34,835	17,428	3,392	26,299
1947—July (July 30).....	166,200	109,000	140,200	83,000	1,400	55,800	34,900	17,500	3,400	26,000
August (Aug. 27).....	166,900	109,400	140,800	83,300	1,700	55,800	34,900	17,500	3,400	26,100
September (Sept. 24).....	168,400	110,400	142,100	84,100	1,900	56,100	35,100	17,600	3,400	26,300
October (Oct. 29).....	169,700	111,600	143,500	85,400	1,800	56,300	35,200	17,700	3,400	26,200
November (Nov. 26).....	170,300	112,400	143,800	85,900	1,900	56,000	35,000	17,600	3,400	26,500
December (Dec. 31).....	171,446	113,599	144,970	87,123	1,452	56,395	35,233	17,746	3,416	26,476
1948—January (Jan. 28) ^p	170,200	112,400	144,400	86,600	1,300	56,500	35,200	17,900	3,400	25,800
February (Feb. 25) ^p	168,900	110,300	143,200	84,600	1,800	56,800	35,500	17,900	3,400	25,700
March (Mar. 31) ^p	166,500	107,200	140,900	81,600	2,400	56,900	35,500	18,000	3,400	25,600
April (Apr. 28) ^p	167,800	108,400	142,400	83,000	2,500	56,900	35,500	18,000	3,400	25,400
May (May 26) ^p	168,000	108,600	142,600	83,200	2,400	57,000	35,500	18,100	3,400	25,400
June (June 30) ^p	167,900	108,300	142,300	82,700	2,200	57,400	35,800	18,200	3,400	25,600
July (July 28) ^p	168,700	109,000	143,200	83,500	2,400	57,300	35,700	18,200	3,400	25,500

^p Preliminary.
¹ Includes demand deposits, other than interbank and U. S. Government, less cash items in process of collection.
² Beginning with December 1938, includes United States Treasurer's time deposits, open account.
³ Time deposits adjusted exclude interbank time deposits; United States Treasurer's time deposits, open account; and postal savings redeposited in banks.
⁴ Beginning June 1941, the commercial bank figures exclude and mutual savings bank figures include three member mutual savings banks.
⁵ Prior to June 30, 1947, includes a relatively small amount of demand deposits.
⁶ Includes both amounts redeposited in banks and amounts not so redeposited; excludes amounts at banks in possessions.
NOTE.—Except on call dates, figures are rounded to nearest 100 million dollars. See *Banking and Monetary Statistics*, p. 11, for description and Table 9, pp. 34-35, for back figures.

POSTAL SAVINGS SYSTEM
(In millions of dollars)

End of month	Depositors' balances ¹	Assets					Cash reserve funds, etc. ²
		Total	Cash in depository banks	U. S. Government securities			
				Total	Direct	Guaranteed	
1939—Dec....	1,279	1,319	53	1,192	1,046	146	74
1940—Dec....	1,304	1,348	36	1,224	1,078	146	88
1941—Dec....	1,314	1,396	26	1,274	1,128	146	95
1942—Dec....	1,417	1,464	16	1,345	1,220	126	102
1943—Dec....	1,788	1,843	10	1,716	1,716	.....	118
1944—Dec....	2,342	2,411	8	2,252	2,252	.....	152
1945—Dec....	2,933	3,022	6	2,837	2,837	.....	179
1946—Dec....	3,284	3,387	6	3,182	3,182	.....	200
1947—Sept....	3,407	3,542	6	3,325	3,325	.....	212
Oct....	3,412	3,524	6	3,314	3,314	.....	205
Nov....	3,413	3,527	6	3,314	3,314	.....	207
Dec....	3,417	3,525	6	3,308	3,308	.....	212
1948—Jan....	3,432	3,541	6	3,332	3,332	.....	204
Feb....	3,441	3,551	6	3,336	3,336	.....	209
Mar....	3,435	3,546	6	3,346	3,346	.....	194
Apr....	3,415	3,528	6	3,316	3,316	.....	205
May....	3,395	3,509	6	3,291	3,291	.....	211
June....	3,379	3,494	6	3,291	3,291	.....	196
July....	3,359	.....	.....	.....	.....	.....	.....

^p Preliminary.
¹ Outstanding principal, represented by certificates of deposit.
² Includes working cash with postmasters, 5 per cent reserve fund and miscellaneous working funds with Treasurer of United States, accrued interest on bond investments, and accounts due from late postmasters.
Back figures.—See *Banking and Monetary Statistics*, p. 519; for description, see p. 508 in the same publication.

BANK SUSPENSIONS¹

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

¹ Represents banks which, during the periods shown, closed temporarily or permanently on account of financial difficulties; does not include banks whose deposit liabilities were assumed by other banks at the time of closing (in some instances with the aid of Federal Deposit Insurance Corporation loans).
² Deposits of member banks and insured nonmember banks suspended are as of dates of suspension, and deposits of noninsured nonmember banks are based on the latest data available at the time the suspensions were reported.
Back figures.—See *Banking and Monetary Statistics*, pp. 283-292; for description, see pp. 281-282 in the same publication.

ALL BANKS IN THE UNITED STATES, BY CLASSES *—Continued

PRINCIPAL ASSETS AND LIABILITIES, AND NUMBER OF BANKS

[Amounts in millions of dollars]

Class of bank and date	Loans and investments					Cash assets	Deposits				Total capital accounts	Number of banks
	Total	Loans	Investments				Total	Inter-bank	Other			
			Total	U. S. Government obligations	Other securities				Demand	Time		
All insured commercial banks:												
1943—Dec. 31.....	83,507	18,841	64,666	58,683	5,983	27,183	104,094	10,705	74,309	19,081	7,453	13,270
1944—Dec. 30.....	103,382	21,352	82,030	75,875	6,155	29,733	125,714	12,074	89,761	23,879	7,989	13,263
1945—Dec. 31.....	121,809	25,765	96,043	88,912	7,131	34,292	147,775	13,883	104,015	29,876	8,671	13,297
1946—Dec. 31.....	112,178	30,733	81,445	73,554	7,891	33,694	136,990	12,320	91,144	33,526	9,286	13,354
1947—June 30.....	110,682	33,250	77,433	69,136	8,297	32,190	133,659	11,243	87,930	34,486	9,558	13,386
Dec. 31.....	114,274	37,583	76,691	67,941	8,750	36,926	141,851	12,670	94,300	34,882	9,734	13,398
1948—June 30.....	111,794	39,372	72,421	63,490	8,931	33,699	135,945	11,035	89,491	35,418	9,955	13,415
National member banks:												
1943—Dec. 31.....	47,499	10,116	37,382	34,065	3,318	16,017	59,961	7,159	42,605	10,196	3,950	5,040
1944—Dec. 30.....	58,308	11,480	46,828	43,292	3,536	17,570	71,858	8,056	50,900	12,901	4,265	5,025
1945—Dec. 31.....	69,312	13,925	55,387	51,250	4,137	20,114	84,939	9,229	59,486	16,224	4,644	5,017
1946—Dec. 31.....	63,723	17,272	46,451	41,658	4,793	20,012	78,775	8,169	52,194	18,412	5,138	5,007
1947—June 30.....	62,982	18,764	44,218	39,271	4,947	19,342	77,146	7,432	50,694	19,020	5,296	5,012
Dec. 31.....	65,280	21,428	43,852	38,674	5,178	22,024	82,023	8,410	54,335	19,278	5,409	5,005
1948—June 30.....	63,638	22,243	41,395	36,091	5,303	20,415	78,753	7,305	51,921	19,528	5,533	4,998
State member banks:												
1943—Dec. 31.....	26,759	6,171	20,588	18,883	1,705	7,773	32,302	3,397	23,833	5,072	2,525	1,698
1944—Dec. 30.....	33,261	7,196	26,065	24,393	1,672	8,290	39,059	3,827	28,874	6,357	2,703	1,789
1945—Dec. 31.....	37,871	8,850	29,021	27,089	1,933	9,731	44,730	4,411	32,334	7,986	2,945	1,867
1946—Dec. 31.....	32,639	9,424	23,216	21,384	1,832	9,575	39,395	3,890	26,726	8,779	2,957	1,893
1947—June 30.....	31,820	9,891	21,928	19,927	2,001	9,353	38,289	3,609	25,686	8,994	3,019	1,916
Dec. 31.....	32,566	11,200	21,365	19,240	2,125	10,822	40,505	3,993	27,449	9,062	3,055	1,918
1948—June 30.....	31,811	11,628	20,183	18,048	2,135	9,888	38,699	3,529	25,875	9,295	3,091	1,927
Insured nonmember commercial banks:												
1943—Dec. 31.....	9,258	2,556	6,702	5,739	962	3,395	11,842	149	7,870	3,823	979	6,535
1944—Dec. 30.....	11,824	2,678	9,146	8,197	949	3,875	14,809	190	9,987	4,632	1,022	6,452
1945—Dec. 31.....	14,639	2,992	11,647	10,584	1,063	4,448	18,119	244	12,196	5,680	1,083	6,416
1946—Dec. 31.....	15,831	4,040	11,791	10,524	1,268	4,109	18,836	260	12,225	6,351	1,193	6,457
1947—June 30.....	15,896	4,597	11,299	9,949	1,350	3,498	18,240	201	11,550	6,488	1,245	6,461
Dec. 31.....	16,444	4,958	11,486	10,039	1,448	4,083	19,340	266	12,515	6,558	1,271	6,478
1948—June 30.....	16,360	5,504	10,856	9,362	1,494	3,397	18,509	202	11,695	6,611	1,333	6,493
Noninsured nonmember commercial banks:												
1943—Dec. 31.....	1,588	276	1,312	1,160	153	494	1,829	299	1,261	270	267	764
1944—Dec. 30.....	2,148	292	1,856	1,682	174	473	2,358	161	1,892	305	276	729
1945—Dec. 31.....	2,211	318	1,893	1,693	200	514	2,452	181	1,905	365	279	714
1946—Dec. 31.....	1,815	389	1,426	1,226	200	530	2,043	336	1,302	404	290	690
1947—June 30.....	2,074	430	1,645	1,403	241	514	2,248	436	1,351	461	322	797
Dec. 31.....	1,993	472	1,521	1,266	255	575	2,236	363	1,411	462	324	783
All nonmember commercial banks:												
1943—Dec. 31.....	10,847	2,832	8,014	6,899	1,115	3,889	13,671	448	9,131	4,092	1,245	7,299
1944—Dec. 30.....	13,972	2,971	11,002	9,880	1,122	4,348	17,168	351	11,879	4,938	1,298	7,181
1945—Dec. 31.....	16,849	3,310	13,539	12,277	1,262	4,962	20,571	425	14,101	6,045	1,362	7,130
1946—Dec. 31.....	17,646	4,429	13,217	11,749	1,468	4,639	20,879	597	13,526	6,756	1,483	7,147
1947—June 30.....	17,970	5,027	12,943	11,352	1,591	4,013	20,488	638	12,901	6,949	1,566	7,258
Dec. 31.....	18,438	5,430	13,008	11,305	1,703	4,658	21,575	629	13,926	7,021	1,595	7,261
Insured mutual savings banks:												
1943—Dec. 31.....	7,525	3,073	4,452	3,844	608	559	7,534	.....	7	7,527	808	184
1944—Dec. 30.....	9,223	3,110	6,113	5,509	604	400	8,910	.....	8	8,902	892	192
1945—Dec. 31.....	10,846	3,081	7,765	7,160	606	429	10,363	.....	12	10,351	1,034	192
1946—Dec. 31.....	11,891	3,250	8,641	7,946	695	612	11,428	.....	1	13	11,415	1,173
1947—June 30.....	12,375	3,370	9,005	8,216	789	658	11,901	.....	1	12	11,889	1,218
Dec. 31.....	12,683	3,560	9,123	8,165	958	675	12,207	.....	1	14	12,192	1,252
Noninsured mutual savings banks:												
1943—Dec. 31.....	4,345	1,411	2,935	2,246	689	238	4,204	.....	1	4,203	468	361
1944—Dec. 30.....	4,708	1,260	3,448	2,819	629	184	4,466	.....	2	4,464	485	351
1945—Dec. 31.....	5,361	1,198	4,163	3,522	641	180	5,022	.....	2	5,020	558	350
1946—Dec. 31.....	5,813	1,275	4,538	3,833	705	206	5,442	.....	3	5,439	611	350
1947—June 30.....	5,964	1,316	4,649	3,924	724	181	5,541	.....	2	5,539	624	342
Dec. 31.....	5,957	1,384	4,573	3,813	760	211	5,556	.....	3	5,553	637	339

* June 30, 1947 figures are consistent (except that they exclude possessions) with the revised all bank series announced in November 1947 by the Federal bank supervisory agencies, but are not entirely comparable with prior figures shown above; a net of 115 noninsured nonmember commercial banks with total loans and investments of approximately 110 million dollars was added, and 8 banks with total loans and investments of 34 million were transferred from noninsured mutual savings to nonmember commercial banks.

Back figures.—See *Banking and Monetary Statistics*, Tables 1-7, pp. 16-23; for description, see pp. 5-15 in the same publication. For revisions in series prior to June 30, 1947, see pp. 870-871 of the BULLETIN for July 1947.

COMMERCIAL PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

[In millions of dollars]

End of month	Commercial paper outstanding ¹	Dollar acceptances outstanding										
		Total outstanding	Held by					Based on				
			Accepting banks			Federal Reserve Banks (For own account)	Others	Imports into United States	Exports from United States	Dollar exchange	Goods stored in or shipped between points in	
			Total	Own bills	Bills bought						United States	Foreign countries
1947—June.....	234	183	132	69	63	.....	50	111	46	(9)	20	6
July.....	244	187	148	75	74	.....	39	115	45	(9)	21	7
August.....	244	206	158	71	87	.....	48	133	47	1	20	6
September.....	242	219	168	83	85	.....	47	140	42	2	24	11
October.....	283	237	180	83	97	.....	55	144	54	4	23	10
November.....	287	245	188	76	112	.....	56	147	61	3	25	9
December.....	287	261	197	88	109	.....	64	159	63	3	25	11
1948—January.....	290	262	188	85	103	.....	74	168	53	1	27	13
February.....	301	253	174	79	94	.....	79	168	43	2	24	17
March.....	311	241	162	70	92	.....	79	151	48	2	23	17
April.....	275	242	151	71	80	.....	91	143	54	4	19	22
May.....	254	256	161	71	90	.....	95	155	57	3	19	21
June.....	270	253	142	61	81	.....	111	155	56	2	19	20
July.....	284	235	134	67	67	.....	102	151	47	1	19	18

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

² Less than \$500,000.

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

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

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

End of month	Debit balances				Credit balances					
	Customers' debit balances (net) ¹	Debit balances in partners' investment and trading accounts	Debit balances in firm investment and trading accounts	Cash on hand and in banks	Money borrowed ²	Customers' credit balances ¹		Other credit balances		
						Free	Other (net)	In partners' investment and trading accounts	In firm investment and trading accounts	In capital accounts (net)
1939—June.....	834	25	73	178	570	230	70	21	6	280
December.....	906	16	78	207	637	266	69	23	7	277
1940—June.....	653	12	58	223	376	267	62	22	5	269
December.....	677	12	99	204	427	281	54	22	5	247
1941—June.....	616	11	89	186	395	255	65	17	7	222
December.....	600	8	86	211	368	289	63	17	5	213
1942—June.....	496	9	86	180	309	240	56	16	4	189
December.....	543	9	154	160	378	270	54	15	4	182
1943—June.....	761	9	190	167	529	334	66	15	7	212
December.....	*789	11	188	181	557	354	65	14	5	198
1944—June.....	887	5	253	196	619	424	95	15	11	216
December.....	1,041	7	260	209	726	472	96	18	8	227
1945—June.....	1,223	11	333	220	853	549	121	14	13	264
December.....	1,138	12	413	313	795	654	112	20	17	299
1946—June.....	809	7	399	370	498	651	120	24	17	314
December.....	*540	5	*312	*456	*218	*694	*120	30	10	*290
1947—June.....	552	6	333	395	*223	650	162	24	9	271
1947—August.....	*550	.....	.....	.....	*241	*656	.....	.....	.....	.....
September.....	*570	.....	.....	.....	*280	*630	.....	.....	.....	.....
October.....	*606	.....	.....	.....	*257	*616	.....	.....	.....	.....
November.....	*593	.....	.....	.....	*247	*617	.....	.....	.....	.....
December.....	578	7	315	393	240	612	176	23	15	273
1948—January.....	*568	.....	.....	.....	*217	*622	.....	.....	.....	.....
February.....	*537	.....	.....	.....	*208	*596	.....	.....	.....	.....
March.....	*550	.....	.....	.....	*229	*592	.....	.....	.....	.....
April.....	*572	.....	.....	.....	*241	*614	.....	.....	.....	.....
May.....	*615	.....	.....	.....	*258	*619	.....	.....	.....	.....
June.....	619	7	326	332	283	576	145	20	11	291
July.....	*608	.....	.....	.....	*288	*577	.....	.....	.....	.....

^r Revised.

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

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

³ As reported to the New York Stock Exchange. According to these reports, the part of total customers' debit balances represented by balances secured by U. S. Government securities was (in millions of dollars): May, 69; June, 68; July, 74.

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

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

OPEN-MARKET MONEY RATES IN NEW YORK CITY

[Per cent per annum]

Year, month, or week	Prime commercial paper, 4- to 6-months ¹	Prime bankers' acceptances, 90 days ¹	Stock exchange call loan renewals ¹	U. S. Government security yields		
				3-month bills ²	9- to 12-month certificates of indebtedness	3- to 5-year taxable issues
1945 average.....	.75	.44	1.00	.375	.81	1.18
1946 average.....	.81	.61	1.16	.375	.82	1.16
1947 average.....	1.03	.87	1.38	.604	.88	1.32
1947—August.....	1.00	.88	1.38	.748	.85	1.31
September.....	1.06	.94	1.38	.804	.87	1.28
October.....	1.06	.94	1.38	.857	.97	1.35
November.....	1.06	.94	1.38	.932	.99	1.47
December.....	1.19	1.03	1.38	.950	1.04	1.54
1948—January.....	1.31	1.06	1.50	.977	1.09	1.63
February.....	1.38	1.06	1.50	.996	1.10	1.63
March.....	1.38	1.06	1.50	.996	1.09	1.60
April.....	1.38	1.06	1.50	.997	1.10	1.58
May.....	1.38	1.06	1.50	.997	1.09	1.51
June.....	1.38	1.06	1.50	.998	1.09	1.49
July.....	1.38	1.06	1.50	.997	1.10	1.56
August.....	1.44	1.13	1.63	1.053	1.15	1.65
Week ending:						
July 31.....	1 3/8	11/16	1 1/2	.997	1.10	1.59
August 7.....	1 3/8	11/16	1 1/2	.997	1.10	1.61
August 14.....	1 3/8	11/16	1 1/2	1.066	1.16	1.66
August 21.....	1 3/8	11/16	1 1/2-1 3/4	1.072	1.16	1.66
August 28.....	1 3/8	11/16	1 1/2-1 3/4	1.075	1.17	1.67

¹ Monthly figures are averages of weekly prevailing rates.

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

³ Rate on new issues offered within period.

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

COMMERCIAL LOAN RATES

AVERAGE OF RATES CHARGED CUSTOMERS BY BANKS IN PRINCIPAL CITIES

[Per cent per annum]

	Total 19 cities	New York City	7 other Northern and Eastern cities	11 Southern and Western cities
1938 average ¹	2.53	1.69	2.75	3.26
1939 average.....	2.78	2.07	2.87	3.51
1940 average.....	2.63	2.04	2.56	3.38
1941 average.....	2.54	1.97	2.55	3.19
1942 average.....	2.61	2.07	2.58	3.26
1943 average.....	2.72	2.30	2.80	3.13
1944 average.....	2.59	2.11	2.68	3.02
1945 average.....	2.39	1.99	2.51	2.73
1946 average.....	2.34	1.82	2.43	2.85
1947 average.....	2.28	1.81	2.33	2.76
1944—June.....	2.63	2.23	2.55	3.18
September.....	2.69	2.18	2.82	3.14
December.....	2.39	1.93	2.61	2.65
1945—March.....	2.53	1.99	2.73	2.91
June.....	2.50	2.20	2.55	2.80
September.....	2.45	2.05	2.53	2.81
December.....	2.09	1.71	2.23	2.38
1946—March.....	2.31	1.75	2.34	2.93
June.....	2.41	1.84	2.51	2.97
September.....	2.32	1.83	2.43	2.75
December.....	2.33	1.85	2.43	2.76
1947—March.....	2.31	1.82	2.37	2.80
June.....	2.38	1.83	2.44	2.95
September.....	2.21	1.77	2.25	2.69
December.....	2.22	1.82	2.27	2.61
1948—March.....	2.46	2.09	2.52	2.83
June.....	2.56	2.10	2.71	3.03

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

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

BOND YIELDS ¹

[Per cent per annum]

Year, month, or week	U. S. Government (taxable)		Municipal (high-grade) ²	Corporate (high-grade) ³	Total	Corporate (Moody's) ⁴						
	7 to 9 years	15 years and over				By ratings				By groups		
						Aaa	Aa	A	Baa	Industrial	Railroad	Public utility
Number of issues.....	1-5	1-8	15	10	120	30	30	30	30	40	40	40
1945 average.....	1.60	2.37	1.67	2.54	2.87	2.62	2.71	2.87	3.29	2.68	3.06	2.89
1946 average.....	1.45	2.19	1.64	2.44	2.74	2.53	2.62	2.75	3.05	2.60	2.91	2.71
1947 average.....	1.59	2.25	2.01	2.57	2.86	2.61	2.70	2.87	3.24	2.67	3.11	2.78
1947—July.....	1.57	2.25	1.91	2.51	2.80	2.55	2.64	2.82	3.18	2.62	3.06	2.72
August.....	1.54	2.24	1.93	2.51	2.80	2.56	2.64	2.81	3.17	2.63	3.03	2.72
September.....	1.53	2.24	1.92	2.57	2.85	2.61	2.69	2.86	3.23	2.67	3.09	2.78
October.....	1.58	2.27	2.02	2.68	2.95	2.70	2.79	2.95	3.35	2.76	3.22	2.87
November.....	1.72	2.36	2.18	2.75	3.02	2.77	2.85	3.01	3.44	2.84	3.30	2.93
December.....	1.86	2.39	2.35	2.86	3.12	2.86	2.94	3.16	3.52	2.92	3.42	3.02
1948—January.....	2.09	2.45	2.45	2.85	3.12	2.86	2.94	3.17	3.52	2.91	3.44	3.03
February.....	2.08	2.45	2.55	2.84	3.12	2.85	2.93	3.17	3.53	2.90	3.43	3.03
March.....	2.03	2.45	2.52	2.81	3.10	2.83	2.90	3.13	3.53	2.89	3.40	3.01
April.....	1.99	2.44	2.38	2.77	3.05	2.78	2.87	3.08	3.47	2.85	3.34	2.97
May.....	1.89	2.42	2.31	2.74	3.02	2.76	2.86	3.06	3.38	2.82	3.27	2.95
June.....	1.89	2.41	2.26	2.73	3.00	2.76	2.85	3.03	3.34	2.80	3.23	2.96
July.....	1.96	2.44	2.33	2.80	3.04	2.81	2.89	3.07	3.37	2.84	3.26	3.02
August.....	2.05	2.45	2.45	2.86	3.09	2.84	2.94	3.13	3.44	2.89	3.31	3.07
Week ending:												
July 31.....	1.99	2.44	2.35	2.82	3.05	2.82	2.90	3.08	3.39	2.85	3.27	3.03
August 7.....	2.03	2.45	2.40	2.85	3.07	2.83	2.93	3.11	3.41	2.87	3.29	3.05
August 14.....	2.06	2.45	2.45	2.88	3.09	2.85	2.95	3.12	3.43	2.89	3.31	3.07
August 21.....	2.05	2.45	2.46	2.87	3.10	2.85	2.94	3.14	3.45	2.90	3.33	3.07
August 28.....	2.05	2.45	2.47	2.86	3.10	2.84	2.94	3.15	3.45	2.88	3.33	3.07

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

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

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

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

NEW CORPORATE SECURITY ISSUES¹

PROPOSED USES OF PROCEEDS, ALL ISSUERS

[In millions of dollars]

Year or month	Estimated gross proceeds ²	Estimated net proceeds ³	Proposed uses of net proceeds							
			New money			Retirement of securities			Repayment of other debt	Other purposes
			Total	Plant and equipment	Working capital	Total	Bonds and notes	Preferred stock		
1934	397	384	57	32	26	231	231		84	11
1935	2,332	2,266	208	111	96	1,865	1,794	71	170	23
1936	4,572	4,431	858	380	478	3,368	3,143	226	154	49
1937	2,310	2,239	991	574	417	1,100	911	190	111	36
1938	2,155	2,110	681	504	177	1,206	1,119	87	215	7
1939	2,164	2,115	325	170	155	1,695	1,637	59	69	26
1940	2,677	2,615	569	424	145	1,854	1,726	128	174	19
1941	2,667	2,623	868	661	207	1,583	1,483	100	144	28
1942	1,062	1,043	474	287	187	396	366	30	138	35
1943	1,170	1,147	308	141	167	739	667	72	73	27
1944	3,202	3,142	657	252	405	2,389	2,038	351	49	47
1945	6,011	5,902	1,080	638	442	4,555	4,117	438	134	133
1946	6,900	6,757	3,279	2,115	1,164	2,868	2,392	476	379	231
1947	6,221	6,111	4,270	3,224	1,046	1,378	1,191	187	310	153
1947—July	601	588	435	370	64	112	103	9	17	24
August	248	245	118	99	19	104	102	3	16	6
September	441	434	244	179	65	154	154	1	9	26
October	622	612	510	388	122	33	15	18	45	24
November	561	547	425	354	71	81	74	7	22	18
December	1,078	1,063	932	800	132	93	91	2	12	26
1948—January	346	340	294	193	101	6	6		26	14
February	613	594	546	309	237	26	14	12	22	1
March	688	679	560	343	217	84	83	1	30	6
April	636	626	434	334	100	62	62		104	25
May	405	395	356	297	60	1	1		20	18
June	*654	*642	*563	449	*114	*29	*4	26	*45	5
July	539	528	403	287	116	8	8		85	32

PROPOSED USES OF PROCEEDS, BY MAJOR GROUPS OF ISSUERS

[In millions of dollars]

Year or month	Railroad				Public utility				Industrial				Real estate and financial			
	Total net proceeds	New money	Retirement of securities	All other purposes ⁴	Total net proceeds	New money	Retirement of securities	All other purposes ⁴	Total net proceeds	New money	Retirement of securities	All other purposes ⁴	Total net proceeds	New money	Retirement of securities	All other purposes ⁴
1934	172	21	120	31	130	11	77	42	62	25	34	2	20			19
1935	120	57	54	10	1,250	30	1,190	30	774	74	550	150	122	46	72	4
1936	774	139	558	77	1,987	63	1,897	27	1,280	439	761	80	390	218	152	20
1937	338	228	110	1	751	89	611	50	1,079	616	373	90	71	57	7	7
1938	54	24	30		1,208	180	943	86	831	469	226	136	16	8	7	1
1939	182	85	97		1,246	43	1,157	47	584	188	353	43	102	9	88	5
1940	319	115	186	18	1,180	245	922	13	961	167	738	56	155	42	9	104
1941	361	253	108		1,340	317	993	30	828	244	463	121	94	55	18	21
1942	47	32	15		464	145	292	27	527	293	89	146	4	4		4
1943	160	46	114		469	22	423	25	497	228	199	71	21	13	4	4
1944	602	102	500		1,400	40	1,343	17	1,033	454	504	76	107	61	42	3
1945	1,436	115	1,320		2,291	69	2,159	63	1,969	811	1,010	148	206	85	65	56
1946	704	129	571	3	2,129	785	1,252	93	3,601	2,201	981	419	323	164	64	95
1947	283	240	35	8	3,121	2,122	923	76	2,429	1,740	364	325	279	169	56	54
1947—July	28	22		6	307	234	68	4	239	175	43	21	14	3	1	10
August	23	23			140	28	95	16	79	65	9	6	2	2	1	
September	5	4	2		306	157	136	13	71	45	13	13	51	38	4	9
October	35	31	4		303	280	8	16	259	193	20	45	16	7		8
November	37	37			277	245	31	1	213	129	49	35	21	15	1	5
December	20	20			493	480	11	1	496	422	56	18	54	9	26	19
1948—January	23	23			164	149	6	9	95	70		25	57	52		5
February	34	34			119	106	12	1	425	390	14	21	16	15		1
March	80	42	37		320	281	34	5	123	83	13	27	157	153		3
April	51	32	19		265	233	14	17	269	154	24	91	41	15	5	21
May	24	24			216	209		7	152	120	1	31	4	3		
June	83	69		14	*403	363		*29	*93	*70		*23	*62	*60		2
July	68	68			175	148		27	241	148	3	90	45	39	6	

¹ Revised.

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

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

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

⁵ Includes repayment of other debt and other purposes.

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

QUARTERLY EARNINGS AND DIVIDENDS OF LARGE CORPORATIONS

INDUSTRIAL CORPORATIONS

[In millions of dollars]

Year or quarter	Net profits, ¹ by industrial groups												Profits and dividends		
	Total	Manufacturing and mining											Net profits ²	Dividends	
		Iron and steel	Machinery	Automobiles	Other transportation equipment	Non-ferrous metals and products	Other durable goods	Foods, beverages, and tobacco	Oil producing and refining	Industrial chemicals	Other non-durable goods	Miscellaneous services ³		Preferred	Common
Number of companies	629	47	69	15	68	77	75	49	45	30	80	74	152	152	152
Annual															
1939	1,465	146	115	223	102	119	70	151	98	186	134	122	847	90	564
1940	1,818	278	158	242	173	133	88	148	112	194	160	132	1,028	90	669
1941	2,163	325	193	274	227	153	113	159	174	207	187	152	1,137	92	705
1942	1,769	226	159	209	182	138	90	151	152	164	136	161	888	88	552
1943	1,800	204	165	201	180	128	83	162	186	170	149	171	902	86	556
1944	1,896	194	174	222	190	115	88	175	220	187	147	184	970	86	611
1945	1,925	188	163	243	169	108	88	199	223	187	154	203	989	85	612
1946	2,545	283	171	130	127	136	165	356	281	273	302	321	1,139	82	657
1947	3,670	437	334	417	205	198	238	354	480	345	370	293	1,786	89	837
Quarterly															
1946-1	323	22	-19	-34	-5	20	12	65	56	63	62	82	116	20	146
2	604	67	49	21	51	26	37	74	62	66	71	80	250	21	153
3	698	96	32	42	38	41	41	93	77	67	77	93	310	20	149
4	853	97	61	102	44	50	57	124	85	77	91	66	415	21	209
1947-1	871	126	70	94	49	47	51	98	89	88	96	63	421	20	177
2	867	100	83	105	53	46	58	64	110	87	92	71	432	23	192
3	900	100	77	103	57	45	59	85	121	81	93	80	432	22	190
4	1,033	112	105	115	46	59	71	108	160	88	90	80	501	23	278
1948-1	1,029	120	89	129	64	46	64	77	192	91	101	57	529	22	207
2	1,107	117	94	152	71	51	72	80	194	97	100	79	569	22	218

PUBLIC UTILITY CORPORATIONS

[In millions of dollars]

Year or quarter	Railroad ¹				Electric power ²				Telephone ³			
	Operating revenue	Income before income tax ⁴	Net income ¹	Dividends	Operating revenue	Income before income tax ⁴	Net income ¹	Dividends	Operating revenue	Income before income tax ⁴	Net income ¹	Dividends
Annual												
1939	3,995	126	93	126	2,647	629	535	444	1,067	227	191	175
1940	4,297	249	189	159	2,797	692	548	447	1,129	248	194	178
1941	5,347	674	500	186	3,029	774	527	437	1,235	271	178	172
1942	7,466	1,658	902	202	3,216	847	490	408	1,362	302	163	163
1943	9,055	2,211	873	217	3,464	913	502	410	1,537	374	180	168
1944	9,437	1,972	667	246	3,615	902	507	398	1,641	399	174	168
1945	8,902	756	450	246	3,681	905	534	407	1,803	396	177	173
1946	7,627	273	289	235	3,814	970	647	456	1,992	277	200	171
1947	8,685	778	480	236	4,244	961	652	470	2,149	192	131	133
Quarterly												
1946-1	1,869	39	14	56	967	303	196	107	475	84	54	43
2	1,703	-57	-45	52	919	225	151	109	497	75	53	43
3	2,047	161	128	41	931	212	143	109	502	56	44	43
4	2,008	130	191	85	998	229	157	130	519	62	49	42
1947-1	2,039	166	89	44	1,075	289	191	115	527	67	44	40
2	2,111	189	121	52	1,028	247	166	115	478	29	21	32
3	2,177	184	112	38	1,024	196	135	111	555	38	27	32
4	2,357	239	157	103	1,118	228	160	129	589	58	39	30
1948-1	2,243	144	72	57	1,202	284	186	131	607	64	43	39
2	2,363	274	185	60	1,118	233	156	115	627	71	48	44

¹ Revised.

² "Net profits" and "net income" refer to income after all charges and taxes and before dividends.

³ Includes 29 companies engaged in wholesale and retail trade (largely department stores), 13 in the amusement industry, 21 in shipping and transportation other than railroads (largely airlines), and 11 companies furnishing scattered types of service.

⁴ Net profits figures for the year 1946 include, and those for the fourth quarter exclude, certain large extraordinary year-end profits in the following amounts (in millions of dollars): 629 company series—total, 67; machinery, 49; other durable goods, 18; 152 company series—total, 49.

¹ Partly estimated.

² Class I line-haul railroads, covering about 95 per cent of all railroad operations.

³ Class A and B electric utilities, covering about 95 per cent of all electric power operations. Figures include affiliated nonelectric operations.

⁴ Thirty large companies, covering about 85 per cent of all telephone operations. Series excludes American Telephone and Telegraph Company, the greater part of whose income consists of dividends received on stock holdings in the 30 companies.

⁵ After all charges and taxes except Federal income and excess profits taxes.

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

GOVERNMENT CORPORATIONS AND CREDIT AGENCIES*

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

PRINCIPAL ASSETS AND LIABILITIES

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

CLASSIFICATION OF LOANS BY PURPOSE AND AGENCY

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

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

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

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

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

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

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

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

BUSINESS INDEXES

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

Year and month	Industrial production (physical volume) ¹ 1935-39 = 100					Construction contracts awarded (value) ² 1923-25 = 100			Employment ³ 1939 = 100			Factory pay-rolls ⁴ 1939 = 100	Freight car loadings* 1935-39 = 100	Department store sales (value) ⁵ 1935-39 = 100	Consumers' prices 1935-39 = 100	Wholesale commodity prices ⁶ 1926 = 100
	Total		Manufactures		Minerals	Total	Residential	All other	Non-agricultural	Factory						
	Ad-justed	Unad-justed	Dur-able	Non-dur-able						Ad-justed	Ad-justed					
1919	72	84	62	71	63	44	79	.....	.....	103.7	103.9	120	83	123.8	138.6
1920	75	93	60	83	63	30	90	.....	.....	104.2	124.2	129	99	143.3	154.4
1921	58	53	57	66	56	44	65	.....	.....	79.7	80.2	110	92	127.7	97.6
1922	73	81	67	71	79	68	88	.....	.....	88.2	86.0	121	94	119.7	96.7
1923	88	103	72	98	84	81	86	.....	.....	101.0	109.1	142	105	121.9	100.6
1924	82	95	69	89	94	95	94	.....	.....	93.8	101.7	139	105	122.2	98.1
1925	90	107	76	92	122	124	120	.....	.....	97.0	107.2	146	110	125.4	103.5
1926	96	114	79	100	129	121	135	.....	.....	98.9	110.5	152	113	126.4	100.0
1927	95	107	83	100	129	117	139	.....	.....	96.8	108.5	147	114	124.0	95.4
1928	99	117	85	99	135	126	142	.....	.....	96.9	109.7	148	115	122.6	96.7
1929	110	132	93	107	117	87	142	102.5	.....	103.1	117.1	152	117	122.5	95.3
1930	91	98	84	93	92	50	125	96.2	.....	89.8	94.7	131	108	119.4	86.4
1931	75	67	79	80	63	37	84	87.1	.....	75.8	71.8	105	97	108.7	73.0
1932	58	41	70	67	28	13	40	77.2	.....	64.4	49.5	78	75	97.6	64.8
1933	69	54	79	76	25	11	37	77.5	.....	71.3	53.1	82	73	92.4	65.9
1934	75	65	81	80	32	12	48	84.9	.....	83.1	68.3	89	82	95.7	74.9
1935	87	83	90	86	37	21	50	88.5	.....	88.7	78.6	92	88	98.1	80.0
1936	103	108	100	99	55	37	70	95.1	.....	96.4	91.2	107	100	99.1	80.8
1937	113	122	106	112	59	41	74	101.4	.....	105.8	108.8	111	107	102.7	86.3
1938	89	78	95	97	64	45	80	95.4	.....	90.0	84.7	89	99	100.8	78.6
1939	109	109	109	106	72	60	81	100.0	.....	100.0	100.0	101	106	99.4	77.1
1940	125	139	115	117	81	72	89	105.8	.....	107.5	114.5	109	114	100.2	78.6
1941	162	201	142	125	122	89	149	119.4	.....	132.1	167.5	130	133	105.2	87.3
1942	199	279	158	129	166	82	235	131.1	.....	154.0	245.2	138	150	116.5	98.8
1943	239	360	176	132	68	40	92	138.8	.....	177.7	334.4	137	168	123.6	103.1
1944	235	353	171	140	41	16	61	137.0	.....	172.4	345.7	140	187	125.5	104.0
1945	203	274	166	137	68	26	102	132.3	.....	151.8	293.4	135	207	128.4	105.8
1946	170	192	165	134	153	143	161	137.0	.....	143.4	269.6	132	264	139.3	121.1
1947	187	220	172	149	157	142	169	145.2	.....	157.3	332.1	143	*286	159.2	*152.1
1946																
August	178	180	208	164	144	158	157	158	139.3	148.0	149.4	288.5	141	292	144.1	129.1
September	180	184	212	165	146	151	147	155	140.7	150.6	151.4	294.9	138	*272	145.9	124.0
October	182	184	214	168	145	145	140	148	141.5	151.4	151.8	297.9	139	*260	148.6	134.1
November	183	183	214	173	136	139	122	152	143.0	154.1	154.5	303.9	137	271	152.2	139.7
December	182	180	211	174	137	154	143	163	143.5	155.1	155.5	312.6	140	276	153.3	140.9
1947																
January	189	184	221	176	146	146	144	148	143.5	156.2	155.6	314.2	150	*266	153.3	*141.0
February	189	185	222	176	146	151	152	149	144.1	156.9	156.6	317.6	142	267	153.2	*145.2
March	190	187	225	175	148	132	129	134	144.2	156.7	157.0	320.9	146	272	156.3	*150.0
April	187	185	222	172	143	133	123	142	143.4	156.8	155.9	317.6	137	*278	156.2	*148.0
May	185	185	218	170	151	127	110	140	143.5	155.0	153.8	319.3	142	*290	156.0	*147.3
June	184	185	219	168	148	136	116	152	144.8	155.2	154.7	327.2	137	*288	157.1	*147.7
July	176	178	207	163	140	155	136	170	144.8	154.5	153.3	321.8	*135	*287	158.4	150.6
August	182	185	210	169	150	166	150	179	145.2	156.3	157.8	331.5	143	*284	160.3	*153.7
September	187	191	217	172	153	183	168	195	146.2	158.9	160.2	345.3	142	*294	163.8	157.4
October	190	194	223	176	155	184	170	196	147.1	160.0	160.4	350.1	145	*279	163.8	158.5
November	192	193	224	179	155	193	163	217	147.3	160.4	160.8	353.4	147	302	164.9	*159.6
December	192	189	229	173	156	197	161	227	147.9	161.1	161.9	365.7	149	*303	167.0	163.2
1948																
January	193	189	229	178	154	191	152	223	148.6	161.2	160.5	358.7	145	*286	168.8	165.7
February	194	190	226	180	155	187	152	215	147.8	159.8	159.5	354.1	139	*286	167.5	*160.9
March	191	188	229	177	142	181	148	208	147.9	160.1	160.3	358.4	130	*285	166.9	161.4
April	188	186	217	177	147	181	154	202	147.2	157.1	156.1	347.1	130	*306	169.3	162.8
May	*192	*192	*221	178	162	188	165	206	147.7	156.7	155.5	346.9	141	310	170.5	163.9
June	192	193	222	179	159	201	177	220	148.9	158.7	158.1	359.2	139	*312	171.7	166.2
July	p187	p189	p219	p171	p154	p212	p191	p229	p149.3	p159.4	p158.2	138	316	173.7	168.6

* Average per working day. † Preliminary. ‡ Revised.
¹ For indexes by groups or industries, see pp. 1154-1157. For points in total index, by major groups, see p. 1176.
² Based on F. W. Dodge Corporation data; for description, see p. 358 of BULLETIN for July 1931; by groups, see p. 1161 of this BULLETIN.
³ The unadjusted indexes of employment and pay rolls, wholesale commodity prices, and consumers' prices are compiled by or based on data of the Bureau of Labor Statistics. Nonagricultural employment covers employees only and excludes personnel in the armed forces.
⁴ For indexes by Federal Reserve districts and other department store data, see pp. 1163-1166.
Back figures in BULLETIN.—For industrial production, August 1940, pp. 825-882, September 1941, pp. 933-937, and October 1943, pp. 958-984; for department store sales, June 1944, pp. 549-561.

INDUSTRIAL PRODUCTION, BY INDUSTRIES

(Adjusted for Seasonal Variation)

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

Industry	1947						1948						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Industrial Production—Total	176	182	187	190	192	192	193	194	191	188	*192	192	†187
Manufactures—Total	183	188	192	197	199	198	200	201	200	195	197	198	†193
Durable Manufactures	207	210	217	223	224	229	229	226	229	217	*221	222	†219
<i>Iron and Steel</i>	<i>181</i>	<i>188</i>	<i>195</i>	<i>204</i>	<i>202</i>	<i>205</i>	<i>203</i>	<i>203</i>	<i>207</i>	<i>177</i>	<i>*207</i>	<i>207</i>	<i>201</i>
Pig iron.....	174	187	188	198	197	196	197	196	190	151	193	196	186
Steel.....	198	205	214	224	222	226	224	226	234	208	*235	*236	228
Open hearth.....	166	170	177	184	182	185	182	180	184	154	183	*180	176
Electric.....	429	454	477	509	503	516	526	551	587	591	*607	*628	595
<i>Machinery</i>	<i>266</i>	<i>267</i>	<i>276</i>	<i>280</i>	<i>281</i>	<i>288</i>	<i>285</i>	<i>284</i>	<i>283</i>	<i>*275</i>	<i>272</i>	<i>276</i>	<i>†268</i>
<i>Manufacturing Arsenals and Depots</i> ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<i>Transportation Equipment</i>	<i>217</i>	<i>213</i>	<i>227</i>	<i>232</i>	<i>234</i>	<i>244</i>	<i>244</i>	<i>232</i>	<i>240</i>	<i>237</i>	<i>*218</i>	<i>223</i>	<i>†235</i>
Automobiles (including parts) (Aircraft; Railroad cars; Locomotives; Shipbuilding— Private and Government) ¹	185	180	197	198	200	206	206	192	202	197	*179	187	†203
<i>Nonferrous Metals and Products</i>	<i>171</i>	<i>170</i>	<i>174</i>	<i>179</i>	<i>185</i>	<i>189</i>	<i>195</i>	<i>199</i>	<i>201</i>	<i>200</i>	<i>196</i>	<i>193</i>	<i>†186</i>
Smelting and refining.....	181	180	182	176	177	183	188	190	192	203	203	194	†184
(Copper smelting; Lead refining; Zinc smelting; Aluminum; Magnesium; Tin) ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Fabricating.....	167	167	171	180	188	192	198	202	204	199	*194	193	†186
(Copper products; Lead shipments; Zinc shipments; Aluminum products; Magnesium products; Tin consumption) ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<i>Lumber and Products</i>	<i>133</i>	<i>142</i>	<i>140</i>	<i>143</i>	<i>150</i>	<i>153</i>	<i>155</i>	<i>150</i>	<i>151</i>	<i>145</i>	<i>142</i>	<i>140</i>	<i>†143</i>
Lumber.....	121	133	128	128	137	139	143	135	137	132	131	129	†135
Furniture.....	155	160	164	172	176	181	179	178	178	169	*163	161	†159
<i>Stone, Clay, and Glass Products</i> ...	<i>195</i>	<i>199</i>	<i>202</i>	<i>201</i>	<i>201</i>	<i>205</i>	<i>202</i>	<i>207</i>	<i>211</i>	<i>211</i>	<i>*206</i>	<i>207</i>	<i>†199</i>
Glass products.....	207	211	219	210	207	199	187	197	205	212	201	199	185
Plate glass.....	124	151	151	156	143	141	149	166	160	165	152	170	123
Glass containers.....	235	231	243	229	229	218	200	208	219	227	218	*208	206
Cement.....	164	171	171	174	178	196	199	208	196	193	187	190	188
Clay products.....	160	162	160	161	162	166	179	168	176	173	172	176	†171
Gypsum and plaster products.....	224	225	221	230	236	236	246	246	248	*249	*240	237	†247
Abrasive and asbestos products.....	220	216	226	224	226	244	215	242	248	244	244	248	†248
Other stone and clay products ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nondurable Manufactures	163	169	172	176	179	173	178	180	177	177	178	179	†171
<i>Textiles and Products</i>	<i>142</i>	<i>154</i>	<i>160</i>	<i>164</i>	<i>172</i>	<i>163</i>	<i>179</i>	<i>179</i>	<i>175</i>	<i>174</i>	<i>176</i>	<i>174</i>	<i>†159</i>
Textile fabrics.....	129	142	147	152	159	149	165	166	161	161	*162	159	†143
Cotton consumption.....	118	130	130	139	149	131	153	153	147	147	147	140	115
Rayon deliveries.....	263	267	278	280	290	287	300	295	302	297	*307	*313	324
Nylon and silk consumption ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Wool textiles.....	130	156	168	167	172	166	181	185	177	179	179	177	.....
Carpet wool consumption.....	141	184	192	194	196	183	212	212	216	227	*226	220	.....
Apparel wool consumption.....	149	176	184	185	182	171	192	202	190	196	191	184	.....
Wool and worsted yarn.....	121	147	162	160	164	161	172	176	166	164	163	162	.....
Woolen yarn.....	108	134	144	140	142	141	152	154	144	146	145	146	.....
Worsted yarn.....	139	165	188	188	194	189	200	206	196	190	189	185	.....
Woolen and worsted cloth.....	132	148	159	159	167	164	175	181	171	171	172	173	.....
<i>Leather and Products</i>	<i>101</i>	<i>116</i>	<i>122</i>	<i>126</i>	<i>124</i>	<i>114</i>	<i>120</i>	<i>123</i>	<i>115</i>	<i>110</i>	<i>108</i>	<i>109</i>	<i>†97</i>
Leather tanning.....	106	115	120	121	122	113	116	116	102	105	*109	107	.....
Cattle hide leathers.....	121	130	131	136	141	129	132	133	115	119	*124	121	.....
Calf and kip leathers.....	78	93	103	94	88	83	85	80	69	78	*82	80	.....
Goat and kid leathers.....	90	87	94	100	93	89	96	95	92	91	*91	88	.....
Sheep and lamb leathers.....	84	101	118	112	108	101	101	100	92	91	93	94	.....
Shoes.....	97	117	123	128	126	114	122	127	123	113	107	111	†96
<i>Manufactured Food Products</i>	<i>155</i>	<i>157</i>	<i>158</i>	<i>156</i>	<i>158</i>	<i>158</i>	<i>158</i>	<i>160</i>	<i>158</i>	<i>157</i>	<i>159</i>	<i>163</i>	<i>†159</i>
Wheat flour.....	143	148	136	136	143	133	140	134	122	134	139	138	†143
Cane sugar meltings ¹.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Manufactured dairy products.....	†157	†147	†148	†147	†140	†138	†139	†139	†145	†149	†151	†152	†152
Butter.....	85	74	76	75	66	66	67	65	69	71	72	71	72
Cheese.....	197	174	167	163	151	148	156	150	159	*170	171	*171	169
Canned and dried milk.....	188	158	160	157	137	130	127	134	158	175	185	192	195
Ice cream.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

† Preliminary. * Revised.
¹ Series included in total and group indexes but not available for publication separately.

INDUSTRIAL PRODUCTION, BY INDUSTRIES

(Without Seasonal Adjustment)

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

Industry	1947						1948						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Industrial Production—Total	178	185	191	194	193	189	189	190	188	186	*192	193	*189
Manufactures—Total	184	191	197	200	200	196	197	197	197	193	*197	199	*194
Durable Manufactures	208	212	219	224	224	227	226	223	228	217	221	223	*220
<i>Iron and Steel</i>	181	188	195	204	202	205	203	203	207	177	*207	207	201
Pig iron.....	174	187	188	198	197	196	197	196	190	151	193	196	186
Steel.....	198	205	214	224	222	226	224	226	234	208	*235	*236	228
Open hearth.....	166	170	177	184	182	185	182	180	184	154	183	*180	176
Electric.....	429	454	477	509	503	516	526	551	587	591	*607	*628	595
Machinery.....	266	267	276	280	281	288	285	284	283	*275	272	276	*268
Manufacturing Arsenals and Depots ¹													
Transportation Equipment.....	217	213	227	232	234	244	244	232	240	237	*218	223	*235
Automobiles (including parts) (Aircraft; Railroad cars; Locomotives; Shipbuilding— Private and Government) ¹	185	180	197	198	200	206	206	192	202	*197	*179	187	*203
Nonferrous Metals and Products.....	171	170	174	179	185	189	195	199	201	200	196	193	*185
Smelting and refining..... (Copper smelting; Lead refining; Zinc smelting; Aluminum; Magnesium; Tin) ¹	180	180	182	176	178	183	188	190	193	203	203	193	*183
Fabricating..... (Copper products; Lead shipments; Zinc shipments; Aluminum products; Magnesium products; Tin consumption) ¹	167	167	171	180	188	192	198	202	204	199	*194	193	*186
Lumber and Products.....	141	151	150	150	148	140	138	137	143	144	*144	148	*152
Lumber.....	133	147	143	138	133	119	117	116	125	131	134	141	*148
Furniture.....	155	160	164	172	176	181	179	178	178	169	*163	161	*159
Stone, Clay, and Glass Products.....	196	207	210	210	206	200	190	193	201	208	211	209	*201
Glass products.....	200	218	223	215	209	187	184	193	205	212	212	*197	179
Plate glass.....	124	151	151	156	143	141	149	166	160	165	152	170	123
Glass containers.....	225	241	248	236	231	203	196	201	219	227	233	*206	198
Cement.....	181	193	198	202	192	178	161	158	160	183	196	203	207
Clay products.....	160	166	166	169	169	172	166	160	169	168	171	175	*172
Gypsum and plaster products.....	224	226	225	236	240	242	236	235	238	*246	*242	242	*247
Abrasive and asbestos products.....	220	216	226	224	226	244	215	242	248	244	244	248	*248
Other stone and clay products ¹													
Nondurable Manufactures.....	164	173	178	181	180	171	173	176	173	174	177	179	*173
Textiles and Products.....	142	154	160	164	172	163	179	179	175	174	176	174	*159
Textile fabrics.....	129	142	147	152	159	149	165	166	161	161	*162	159	*143
Cotton consumption.....	118	130	130	139	149	131	153	153	147	147	147	140	115
Rayon deliveries.....	263	267	278	280	290	287	300	295	302	297	*307	*313	324
Nylon and silk consumption ¹													
Wool textiles.....	130	156	168	167	172	166	181	185	177	179	179	177	
Carpet wool consumption.....	141	184	192	194	196	183	212	212	216	227	*226	220	
Apparel wool consumption.....	149	176	184	185	182	171	192	202	190	196	191	184	
Woolen and worsted yarn.....	121	147	162	160	164	161	172	176	166	164	163	162	
Woolen yarn.....	108	134	144	140	142	141	152	154	144	146	145	146	
Worsted yarn.....	139	165	188	188	194	189	200	206	196	190	189	185	
Woolen and worsted cloth.....	132	148	159	159	167	164	175	181	171	171	172	173	
Leather and Products.....	99	116	121	126	126	113	120	126	114	110	108	108	*98
Leather tanning.....	100	114	118	123	126	112	117	124	101	105	109	104	
Cattle hide leathers.....	114	126	129	137	146	129	135	144	115	119	*124	116	
Calf and kip leathers.....	77	97	101	96	91	82	83	84	68	74	78	81	
Goat and kid leathers.....	89	84	95	100	90	90	96	99	91	94	*89	89	
Sheep and lamb leathers.....	78	105	115	112	114	96	94	110	89	89	100	93	
Shoes.....	97	117	123	128	126	114	122	127	123	113	107	111	*96
Manufactured Food Products.....	166	178	182	167	161	154	146	144	141	143	153	163	*171
Wheat flour.....	141	147	148	144	144	132	140	136	120	128	134	132	*141
Cane sugar meltings ¹													
Manufactured dairy products.....	*229	*192	*156	*121	*91	*88	*87	*99	*119	*155	*201	*224	*223
Butter.....	104	81	73	64	50	52	55	58	63	72	93	98	88
Cheese.....	242	195	170	147	113	106	116	123	143	176	229	242	207
Canned and dried milk.....	218	163	147	127	99	100	103	120	155	197	257	265	226
Ice cream.....													

* Preliminary.

^r Revised.

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

ESTIMATED EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

[Unadjusted, estimates of Bureau of Labor Statistics. Adjusted, Board of Governors]

[Thousands of persons]

Year or month	Total	Manuf- acturing	Mining	Contract construction	Transporta- tion and public utilities	Trade	Finance	Service	Federal, State, and local ¹
1939.....	30,287	10,078	845	1,150	2,912	6,705	1,382	3,228	3,987
1940.....	32,031	10,780	916	1,294	3,013	7,055	1,419	3,362	4,192
1941.....	36,164	12,974	947	1,790	3,248	7,567	1,462	3,554	4,622
1942.....	39,697	15,051	983	2,170	3,433	7,481	1,440	3,708	5,431
1943.....	42,042	17,381	917	1,567	3,619	7,322	1,401	3,786	6,049
1944.....	41,480	17,111	883	1,094	3,798	7,399	1,374	3,795	6,026
1945.....	40,069	15,302	826	1,132	3,872	7,685	1,394	3,891	5,967
1946.....	41,494	14,515	852	1,661	4,023	8,820	1,586	4,430	5,607
1947.....	43,970	15,901	911	1,921	4,060	9,450	1,656	4,622	5,449
SEASONALLY ADJUSTED									
1947—June.....	43,860	15,725	916	1,900	4,080	9,430	1,626	4,711	5,472
July.....	43,854	15,705	883	1,927	4,097	9,458	1,658	4,686	5,440
August.....	43,967	15,804	916	1,959	4,102	9,497	1,680	4,619	5,390
September.....	44,291	16,039	918	1,969	4,128	9,542	1,676	4,634	5,385
October.....	44,557	16,161	919	1,999	4,101	9,613	1,688	4,662	5,414
November.....	44,625	16,216	922	2,006	4,080	9,636	1,690	4,670	5,405
December.....	44,800	16,266	926	2,018	4,089	9,679	1,693	4,688	5,441
1948—January.....	45,019	16,332	927	2,056	4,075	9,694	1,688	4,723	5,524
February.....	44,755	16,208	920	1,945	4,071	9,664	1,698	4,730	5,519
March.....	44,791	16,246	930	1,941	4,069	9,634	1,697	4,729	5,545
April.....	44,584	16,045	820	1,972	3,995	9,721	1,696	4,768	5,567
May.....	44,737	16,031	934	2,032	4,028	9,689	1,699	4,738	5,586
June.....	45,090	16,218	945	2,101	4,057	9,780	1,700	4,663	5,626
July.....	45,232	16,311	908	2,062	4,082	9,783	1,737	4,648	5,701
UNADJUSTED									
1947—June.....	43,816	15,672	919	1,957	4,129	9,324	1,650	4,711	5,454
July.....	43,686	15,580	890	2,043	4,155	9,316	1,675	4,686	5,341
August.....	44,125	15,962	923	2,096	4,163	9,356	1,688	4,619	5,318
September.....	44,513	16,175	921	2,107	4,134	9,471	1,668	4,634	5,403
October.....	44,758	16,209	922	2,099	4,097	9,684	1,671	4,662	5,414
November.....	44,918	16,256	923	2,046	4,077	9,886	1,673	4,670	5,387
December.....	45,618	16,354	925	1,978	4,071	10,288	1,676	4,688	5,638
1948—January.....	44,603	16,267	922	1,871	4,020	9,622	1,680	4,723	5,498
February.....	44,279	16,183	914	1,731	4,019	9,520	1,690	4,730	5,492
March.....	44,600	16,269	924	1,805	4,032	9,598	1,697	4,729	5,546
April.....	44,299	15,950	817	1,933	3,974	9,576	1,704	4,768	5,577
May.....	44,626	15,904	933	2,052	4,042	9,617	1,716	4,738	5,624
June.....	45,046	16,161	948	2,164	4,106	9,671	1,726	4,663	5,607
July.....	45,059	16,181	915	2,186	4,141	9,638	1,754	4,648	5,596

¹Includes Federal Force Account Construction.

NOTE.—Estimates include all full- and part-time wage and salary workers in nonagricultural establishments employed during the pay period ending nearest the 15th of the month. Proprietors, self-employed persons, domestic servants, and personnel of the armed forces are excluded. July 1948 figures are preliminary. Back unadjusted data are available from the Bureau of Labor Statistics; seasonally adjusted figures beginning January 1939 may be obtained from the Division of Research and Statistics.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Year or month	Total non- institutional population	Total labor force	Civilian labor force					Not in the labor force
			Total	Employed ¹			Unem- ployed	
				Total	In nonagricul- tural industries	In agriculture		
1940 ²	100,230	56,030	55,640	47,520	37,980	9,540	8,120	44,200
1941.....	101,370	57,380	55,910	50,350	41,250	9,100	5,560	43,990
1942.....	102,460	60,230	56,410	53,750	44,500	9,250	2,660	42,230
1943.....	103,510	64,410	55,540	54,470	45,390	9,080	1,070	39,100
1944.....	104,480	65,890	54,630	53,960	45,010	8,950	670	38,590
1945.....	105,370	65,140	53,860	52,820	44,240	8,580	1,040	40,230
1946.....	106,370	60,820	57,520	55,250	46,930	8,320	2,270	45,550
1947.....	107,458	61,608	60,168	58,027	49,761	8,266	2,142	45,850
1947—July.....	107,504	64,035	62,664	60,079	50,013	10,066	2,584	43,469
August.....	107,590	63,017	61,665	59,569	50,594	8,975	2,096	44,573
September.....	107,675	62,130	60,784	58,872	50,145	8,727	1,912	45,544
October.....	107,755	62,219	60,892	59,204	50,583	8,622	1,687	45,535
November.....	107,839	61,510	60,216	58,595	50,609	7,985	1,621	46,330
December.....	107,918	60,870	59,590	57,947	50,985	6,962	1,643	47,047
1948—January.....	107,979	60,455	59,214	57,149	50,089	7,060	2,065	47,524
February.....	108,050	61,004	59,778	57,139	50,368	6,771	2,639	47,046
March.....	108,124	61,005	59,769	57,329	50,482	6,847	2,440	47,119
April.....	108,173	61,760	60,524	58,330	50,883	7,448	2,193	46,414
May.....	108,262	61,660	60,422	58,660	50,800	7,861	1,761	46,602
June.....	108,346	64,740	63,479	61,296	51,899	9,396	2,184	43,605
July.....	108,597	65,135	63,842	61,615	52,452	9,163	2,227	43,462

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

² Annual averages for 1940 include an allowance for January and February inasmuch as the monthly series began in March 1940.

NOTE.—Details do not necessarily add to group totals. Information on the labor force status of the population is obtained through interviews of households on a sample basis. Data relate to the calendar week that contains the eighth day of the month. Back data are available from the Bureau of the Census.

CONSTRUCTION CONTRACTS AWARDED, BY TYPE OF CONSTRUCTION

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in millions of dollars]

Month	Total		Residential building		Nonresidential building								Public works and public utilities	
					Factories		Commercial		Educational		Other			
	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948
January	571.6	615.2	257.4	238.1	86.5	54.1	38.3	74.5	19.7	58.7	55.9	53.3	113.9	136.6
February	442.2	682.0	208.4	232.3	73.9	71.9	46.4	75.5	13.5	37.8	9.4	87.2	90.5	177.3
March	596.8	689.8	282.9	276.5	82.1	55.3	52.6	78.5	21.4	50.3	35.8	65.0	122.0	164.3
April	602.3	873.9	256.7	351.6	65.6	82.2	66.3	88.8	22.7	55.4	29.6	111.2	161.4	184.7
May	674.7	970.8	254.1	369.8	71.3	91.9	59.2	103.3	47.7	83.8	57.7	117.0	184.7	205.0
June	605.1	935.2	209.5	355.3	66.8	103.8	58.4	83.1	40.1	63.5	44.7	113.8	185.7	215.7
July	660.3	.....	240.9	.....	82.3	.....	81.6	.....	38.5	.....	51.2	.....	165.9	.....
August	823.2	.....	308.9	.....	88.0	.....	77.2	.....	45.6	.....	80.0	.....	223.5	.....
September	650.0	.....	268.5	.....	73.8	.....	75.9	.....	42.8	.....	47.4	.....	141.5	.....
October	793.3	.....	349.5	.....	95.5	.....	80.0	.....	41.1	.....	61.3	.....	165.9	.....
November	715.1	.....	290.2	.....	72.1	.....	84.3	.....	27.2	.....	59.8	.....	181.5	.....
December	625.4	.....	226.8	.....	83.5	.....	65.3	.....	31.5	.....	64.1	.....	154.1	.....
Year	7,759.9	.....	3,153.8	.....	941.4	.....	785.5	.....	391.9	.....	596.9	.....	1,890.4	.....

CONSTRUCTION CONTRACTS AWARDED, BY OWNERSHIP

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in millions of dollars]

Month	Total			Public ownership			Private ownership		
	1946	1947	1948	1946	1947	1948	1946	1947	1948
January	358	572	615	47	167	197	311	405	419
February	387	442	682	56	96	248	331	346	434
March	698	597	690	146	143	181	551	453	509
April	735	602	874	127	177	236	608	425	638
May	952	675	971	197	234	298	756	441	673
June	808	605	935	215	226	324	593	379	611
July	718	660	963	202	203	335	516	458	628
August	680	823	.....	205	218	.....	475	605	.....
September	620	650	.....	187	193	.....	433	457	.....
October	573	793	.....	134	209	.....	439	584	.....
November	504	715	.....	130	224	.....	373	492	.....
December	457	625	.....	109	207	.....	348	418	.....
Year	7,490	7,760	.....	1,754	2,296	.....	5,735	5,464	.....

LOANS INSURED BY FEDERAL HOUSING ADMINISTRATION
[In millions of dollars]

Year or month	Total	Title I Loans		Mortgages on		
		Prop-erty im-prove-ment ¹	Small home con-struction	1- to 4- family houses (Title II)	Rental and group housing (Title II)	War and Vet-erans' housing (Title VI) ²
1937	489	54	.....	424	11	.....
1938	684	151	13	473	48	.....
1939	950	204	25	669	51	.....
1940	1,017	242	26	736	13	.....
1941	1,172	249	21	877	13	13
1942	1,137	141	15	691	6	284
1943	935	87	1	245	(³)	603
1944	875	114	.....	216	7	537
1945	666	171	.....	219	4	272
1946	755	321	(³)	347	3	85
1947	1,787	534	(³)	446	.....	808
1947—July	163	50	(³)	39	.....	74
August	175	43	(³)	37	.....	95
September	183	46	(³)	41	.....	96
October	244	46	(³)	48	.....	150
November	192	47	(³)	39	.....	106
December	228	68	(³)	48	.....	112
1948—January	224	56	(³)	48	.....	120
February	228	45	(³)	45	.....	137
March	272	49	(³)	53	.....	170
April	292	63	(³)	51	.....	177
May	265	54	1	53	.....	158
June	329	59	(³)	72	.....	197
July	286	50	(³)	71	.....	164

¹ Net proceeds to borrowers. ² Mortgages insured under War Housing Title VI through April 1946; figures thereafter represent mainly mortgages insured under the Veterans' Housing Title VI (approved May 22, 1946) but include a few refinanced mortgages originally written under the War Housing Title VI. Beginning with December 1947 figures include mortgages insured in connection with sale of Government owned war housing, and beginning with February 1948 include insured loans to finance the manufacture of housing.
³ Less than \$500,000.

NOTE.—Figures represent gross insurance written during the period and do not take account of principal repayments on previously insured loans. Figures include some reinsured mortgages, which are shown in the month in which they were reported by FHA. Reinsured mortgages on rental and group housing (Title II) are not necessarily shown in the month in which reinsurance took place.

CONSTRUCTION CONTRACTS AWARDED, BY DISTRICT

[Figures for 37 States east of the Rocky Mountains, as reported by the F. W. Dodge Corporation. Value of contracts in thousands of dollars]

Federal Reserve district	1948		1947
	July	June	July
	Boston	83,910	50,548	35,624
New York	152,811	159,845	84,690
Philadelphia	67,756	64,884	43,698
Cleveland	102,783	91,977	75,862
Richmond	89,692	97,734	64,276
Atlanta	91,352	105,090	71,578
Chicago	169,359	160,249	109,902
St. Louis	86,808	49,008	49,064
Minneapolis	33,099	30,145	27,927
Kansas City	12,118	65,145	44,318
Dallas	72,997	60,588	53,315
Total (11 districts)	962,685	935,198	660,254

INSURED FHA HOME MORTGAGES (TITLE II) HELD IN PORTFOLIO, BY CLASS OF INSTITUTION
[In millions of dollars]

End of month	Total	Com-mercial banks	Mut-ual sav-ings banks	Sav-ings and loan associations	Insur-ance com-panies	Fed-eral agen-cies ¹	Other ²
1937—Dec	771	430	27	110	118	32	53
1938—Dec	1,199	634	38	149	212	77	90
1939—Dec	1,793	902	71	192	342	153	133
1940—Dec	2,409	1,162	130	224	542	201	150
1941—June	2,755	1,318	157	237	668	220	154
Dec	3,107	1,465	186	254	789	234	179
1942—June	3,491	1,623	219	272	940	243	195
Dec	3,620	1,669	236	276	1,032	245	163
1943—June	3,700	1,700	252	284	1,071	235	158
Dec	3,626	1,705	256	292	1,134	79	159
1944—June	3,554	1,669	258	284	1,119	73	150
Dec	3,399	1,590	260	269	1,072	68	140
1945—June	3,324	1,570	265	264	1,047	43	134
Dec	3,156	1,506	263	253	1,000	13	122
1946—June	3,102	1,488	260	247	974	11	122
Dec	2,946	1,429	252	233	917	9	106
1947—June	2,860	1,386	245	229	889	8	102
Dec	2,871	1,379	244	232	899	7	110

¹ The RFC Mortgage Company, the Federal National Mortgage Association, the Federal Deposit Insurance Corporation, and the United States Housing Corporation.
² Including mortgage companies, finance companies, industrial banks, endowed institutions, private and State benefit funds, etc.
NOTE.—Figures represent gross amount of mortgages held, excluding terminated mortgages and cases in transit to or being audited at the Federal Housing Administration.

DEPARTMENT STORE STATISTICS—Continued
SALES AND STOCKS BY MAJOR DEPARTMENTS—Continued

Department	Number of stores reporting	Per cent change from a year ago (value)			Ratio of stocks to sales ¹		Index numbers without seasonal adjustment 1941 average monthly sales=100 ²					
		Sales during period		Stocks (end of mo.)	June		Sales during period			Stocks at end of month		
		June 1948	Six mos. 1948	June 1948	1948	1947	1948		1947	1948		1947
							June	May		June	May		June
BASEMENT STORE—total	197	+14	+11	+9	1.9	1.9	221	214	194	411	450	377
Domestics and blankets ⁴	136	+10	+3	+6	2.4	2.6						
Women's and misses' ready-to-wear	195	+19	+14	+7	1.4	1.6	223	225	188	322	355	298
Intimate apparel ⁴	171	+26	+18	+14	1.8	2.0						
Coats and suits ⁴	179	+12	+10	+21	1.8	1.7						
Dresses ⁴	175	+23	+17	0	0.8	0.9						
Blouses, skirts, and sportswear ⁴	156	+11	+16	-8	1.4	1.7						
Girls' wear ⁴	120	+14	+9	+9	1.8	1.8						
Infants' wear ⁴	116	+17	+9	+12	2.4	2.5						
Men's and boys' wear	156	+14	+11	+13	2.0	2.0	260	206	228	525	598	469
Men's wear ⁴	137	+14	+12	+18	1.9	1.8						
Men's clothing ⁴	93	+20	+16	+29	2.2	2.0						
Men's furnishings ⁴	112	+11	+9	+11	1.7	1.7						
Boys' wear ⁴	118	+11	+9	-3	2.6	3.0						
Housefurnishings	102	+5	+6	+9	2.6	2.5	189	205	180	497	499	435
Shoes	132	-2	+6	+8	2.7	2.4	187	179	191	501	559	458
NONMERCHANDISE—total ⁴	179	+13	+7	(⁵)	(⁵)	(⁵)						
Barber and beauty shop ⁴	104	+13	+5	(⁵)	(⁵)	(⁵)						

¹ The ratio of stocks to sales is obtained by dividing stocks at the end of the month by sales during the month and hence indicates the number of months' supply on hand at the end of the month in terms of sales for that month.

² The 1941 average of monthly sales for each department is used as a base in computing the sales index for that department. The stocks index is derived by applying to the sales index for each month the corresponding stocks-sales ratio. For description and monthly indexes of sales and stocks by department groups for back years, see pp. 856-858 of BULLETIN for August 1946. The titles of the tables on pp. 857 and 858 were reversed.

³ For movements of total department store sales and stocks see the indexes for the United States on p. 1163.

⁴ Index numbers of sales and stocks for this department are not available for publication separately; the department, however, is included in group and total indexes. ⁵ Data not available.

NOTE.—Based on reports from a group of large department stores located in various cities throughout the country. In 1947, sales and stocks at these stores accounted for about 50 per cent of estimated total department store sales and stocks. Not all stores report data for all of the departments shown; consequently, the sample for the individual departments is not so comprehensive as that for the total.

**SALES, STOCKS, AND OUTSTANDING ORDERS
AT 296 DEPARTMENT STORES¹**

Year or month	Amount (In millions of dollars)		
	Sales (total for month)	Stocks (end of month)	Out-standing orders (end of month)
1939 average.....	128	344	.....
1940 average.....	136	353	108
1941 average.....	156	419	194
1942 average.....	179	599	263
1943 average.....	204	508	530
1944 average.....	227	534	560
1945 average.....	255	563	729
1946 average.....	318	714	909
1947 average.....	336	823	553
1947—July.....	253	*731	*602
August.....	274	789	622
September.....	341	823	676
October.....	367	912	663
November.....	416	941	605
December.....	584	770	544
1948—January.....	271	789	633
February.....	263	878	575
March.....	355	941	420
April.....	331	938	356
May.....	339	919	339
June.....	337	859	462
July.....	*275	*829	*559

* Preliminary. * Revised.

¹ These figures are not estimates for all department stores in the United States.

Back figures.—Division of Research and Statistics.

WEEKLY INDEX OF SALES

[Weeks ending on dates shown. 1935-39 average = 100]

Without seasonal adjustment							
1946		1947		1947		1948	
Oct. 5.....	277	Oct. 4.....	326	Apr. 5.....	319	Apr. 3.....	280
12.....	281	11.....	304	12.....	265	10.....	298
19.....	295	18.....	299	19.....	271	17.....	294
26.....	287	25.....	306	26.....	267	24.....	266
Nov. 2.....	277	Nov. 1.....	313	May 3.....	279	May 1.....	300
9.....	314	8.....	347	10.....	311	8.....	330
16.....	342	15.....	380	17.....	273	15.....	293
23.....	363	22.....	395	24.....	277	22.....	295
30.....	334	29.....	367	31.....	250	29.....	297
Dec. 7.....	475	Dec. 6.....	508	June 7.....	293	June 5.....	282
14.....	519	13.....	570	14.....	300	12.....	304
21.....	532	20.....	576	21.....	256	19.....	310
28.....	281	27.....	358	28.....	245	26.....	*262
		1947	1948	July 5.....	208	July 3.....	265
				12.....	228	10.....	217
				19.....	217	17.....	236
				26.....	213	24.....	231
Jan. 4.....	188	Jan. 3.....	204	Aug. 2.....	220	31.....	235
11.....	232	10.....	251	9.....	232	Aug. 7.....	261
18.....	223	17.....	232	16.....	225	14.....	258
25.....	220	24.....	226	23.....	243	21.....	271
Feb. 1.....	217	Feb. 31.....	233	30.....	277	28.....	254
8.....	219	Feb. 7.....	240	Sept. 6.....	265	Sept. 4.....	.....
15.....	246	14.....	238	13.....	291	11.....	.....
22.....	216	21.....	249	20.....	301	18.....	.....
Mar. 1.....	238	Mar. 28.....	248	27.....	316	25.....	.....
8.....	254	Mar. 6.....	266				
15.....	267	13.....	279				
22.....	286	20.....	313				
29.....	283	27.....	331				

* Revised.

NOTE.—Revised series. For description and back figures see pp. 874-875 of BULLETIN for September 1944.

GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME

[Estimates of the Department of Commerce. In billions of dollars]

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, PERSONAL INCOME, AND SAVING

	Annual totals							Seasonally adjusted annual rates by quarters					
	1929	1933	1939	1941	1944	1946	1947	1947				1948	
								1	2	3	4	1	2
Gross national product	103.8	55.8	90.4	125.3	212.2	209.3	231.6	226.4	228.3	227.9	243.8	*243.8	248.2
Less: Capital consumption allowances.....	8.8	7.2	8.1	9.3	11.9	11.8	13.3	12.8	13.3	13.4	13.8	14.0	14.2
Indirect business tax and related liabilities.....	7.0	7.1	9.4	11.3	14.0	17.5	18.5	18.0	18.1	18.4	19.4	18.9	19.4
Business transfer payments.....	.6	.7	.5	.5	.5	.6	.6	.6	.6	.6	.6	.6	.6
Statistical discrepancy.....	-.1	1.2	.5	.5	4.1	1.0	-3.4	-2.4	-2.7	-5.4	-3.3	-5.2	n.a.
Plus: Subsidies less current surplus of government enterprises.....	-.1	(1)	.5	-.1	.7	.9	-.1	-.1	.3	-.3	-.4	-.3	-.3
Equals: National income	87.4	39.6	72.5	103.8	182.4	179.3	202.5	197.3	199.3	200.6	212.8	*215.1	n.a.
Less: Corporate profits and inventory valuation adjustment.....	10.3	-2.0	5.8	14.6	24.0	16.8	24.7	21.8	25.2	24.3	27.5	*26.2	n.a.
Contributions for social insurance.....	.2	.0	2.1	2.8	5.2	5.9	5.6	6.2	6.1	5.2	5.1	*5.0	5.0
Excess of wage accruals over disbursements.....	.0	.0	.0	.0	-.2	.0	.0	.0	.0	.0	.0	.0	.0
Plus: Government transfer payments.....	.9	1.5	2.5	2.6	3.1	10.8	11.1	10.1	9.9	13.6	10.6	10.9	10.6
Net interest paid by government.....	1.0	1.2	1.2	1.3	2.8	4.5	4.4	4.4	4.4	4.5	4.5	4.6	4.7
Dividends.....	5.8	2.1	3.8	4.5	4.7	5.6	6.9	6.4	6.7	6.9	7.1	7.3	7.3
Business transfer payments.....	.6	.7	.5	.5	.5	.6	.6	.6	.6	.6	.6	.6	.6
Equals: Personal income	85.1	46.6	72.6	95.3	164.5	178.1	195.2	190.9	189.6	196.7	203.1	*207.3	208.8
Less: Personal tax and related payments.....	2.6	1.5	2.4	3.3	18.9	18.9	21.6	21.2	21.4	21.7	22.2	*23.6	21.6
Federal.....	1.3	.5	1.2	2.0	17.5	17.2	19.7	19.3	19.4	19.8	20.2	*21.5	19.4
State and local.....	1.4	1.0	1.2	1.3	1.4	1.7	2.0	1.9	1.9	2.0	2.0	2.1	2.1
Equals: Disposal personal income	82.5	45.2	70.2	92.0	145.6	159.2	173.6	169.7	168.2	175.0	180.9	*183.7	187.3
Less: Personal consumption expenditures.....	78.8	46.3	67.5	82.3	110.4	147.4	164.8	158.1	164.2	165.6	171.1	*172.0	175.1
Equals: Personal saving	3.7	-1.2	2.7	9.8	34.2	11.8	8.8	11.6	4.1	9.4	9.7	*11.7	12.2

NATIONAL INCOME, BY DISTRIBUTIVE SHARES

	Annual totals							Seasonally adjusted annual rates by quarters					
	1929	1933	1939	1941	1944	1946	1947	1947				1948	
								1	2	3	4	1	2
National income	87.4	39.6	72.5	103.8	182.4	179.3	202.5	197.3	199.3	200.6	212.8	*215.1	n.a.
Compensation of employees	50.8	29.3	47.8	64.3	121.1	117.3	127.5	125.0	125.3	127.6	132.2	*133.7	133.9
Wages and salaries ¹	50.2	28.8	45.7	61.7	116.9	111.7	122.2	119.3	119.6	122.5	127.1	*128.8	129.1
Private.....	45.2	23.7	37.5	51.5	83.3	81.0	104.7	101.7	102.3	105.3	109.5	111.1	111.0
Military.....	.3	.3	.4	1.9	20.7	7.8	3.9	4.3	3.9	3.7	3.6	3.5	3.6
Government civilian.....	4.6	4.9	7.8	8.3	12.8	12.9	13.6	13.3	13.4	13.5	14.0	14.2	14.5
Supplements to wages and salaries.....	.6	.5	2.1	2.6	4.2	5.6	5.3	5.7	5.7	5.1	5.0	*4.9	4.9
Proprietors' and rental income ²	19.7	7.2	14.7	20.8	34.1	41.8	46.0	46.4	44.6	44.4	48.6	50.6	51.9
Business and professional.....	8.3	2.9	6.8	9.6	15.4	20.4	23.2	22.5	22.7	23.0	24.7	25.0	25.4
Farm.....	5.7	2.3	4.5	6.9	11.9	14.6	15.6	16.9	14.9	14.3	16.5	18.0	18.9
Rental income of persons.....	5.8	2.0	3.5	4.3	6.7	6.7	7.1	7.0	7.0	7.1	7.4	7.5	7.6
Corporate profits and inventory valuation adjustment	10.3	-2.0	5.8	14.6	24.0	16.8	24.7	21.8	25.2	24.3	27.5	*26.2	n.a.
Corporate profits before tax.....	9.8	.2	6.5	17.2	24.3	21.8	29.8	28.0	28.8	29.1	32.4	31.4	n.a.
Corporate profits tax liability.....	1.4	.5	1.5	7.8	13.5	9.0	11.7	11.4	11.3	11.4	12.7	12.2	n.a.
Corporate profits after tax.....	8.4	-.4	5.0	9.4	10.8	12.8	18.1	17.5	17.5	17.7	19.7	19.2	n.a.
Inventory valuation adjustment.....	.5	-2.1	-.7	-2.6	-.3	-5.0	-5.1	-7.1	-3.6	-4.8	-4.9	-5.3	-2.5
Net interest	6.5	5.0	4.2	4.1	3.1	3.4	4.3	4.1	4.2	4.4	4.5	4.6	4.7

* Revised.

n.a. Not available.

¹ Less than 50 million dollars.

² Includes employee contributions to social insurance funds.

³ Includes noncorporate inventory valuation adjustment.

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

Source.—Figures in this table are the revised series. For an explanation of the revisions and a detailed breakdown of the series for the period 1929-43, see *National Income Supplement to the Survey of Current Business*, July 1947, Department of Commerce. For the detailed breakdown for the period 1944-47, see *Survey of Current Business*, July 1948. For a discussion of the revisions, together with annual data for the period 1929-43, and quarterly data for 1939, 1940, and 1941, see also pp. 1105-1114 of the BULLETIN for September 1947; data subsequent to 1943 shown in that issue of the BULLETIN have since been revised.

GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME—Continued

[Estimates of the Department of Commerce. In billions of dollars]

GROSS NATIONAL PRODUCT OR EXPENDITURE

	Annual totals							Seasonally adjusted annual rates by quarters					
	1929	1933	1939	1941	1944	1946	1947	1947				1948	
								1	2	3	4	1	2
Gross national product	103.8	55.8	90.4	125.3	212.2	209.3	231.6	226.4	228.3	227.9	243.8	243.8	248.2
Personal consumption expenditures	78.8	46.3	67.5	82.3	111.4	147.4	164.8	158.1	164.2	165.6	171.1	172.0	175.1
Durable goods.....	9.4	3.5	6.7	9.8	6.9	16.2	21.0	19.6	21.1	21.1	22.1	21.4	22.3
Nondurable goods.....	37.7	22.3	35.3	44.0	67.5	87.5	96.5	92.5	96.3	96.8	100.2	101.0	102.4
Services.....	31.7	20.6	25.5	28.5	37.0	43.6	47.3	46.0	46.7	47.7	48.8	49.6	50.4
Gross private domestic investment	15.8	1.3	9.0	17.2	6.4	26.5	30.0	32.6	26.4	25.6	35.4	38.5	37.2
New construction ¹	7.8	1.1	4.0	5.7	2.3	8.9	11.7	10.8	10.3	11.6	14.0	14.3	14.3
Producers' durable equipment.....	6.4	1.8	4.6	7.7	5.4	12.8	17.8	16.6	17.9	17.6	18.9	19.6	20.6
Change in business inventories.....	1.6	-1.6	.4	3.9	-1.4	4.8	.6	5.2	-1.8	-3.5	2.5	4.6	2.3
Net foreign investment.....	.8	.2	.9	1.1	-2.1	4.7	8.9	8.8	10.2	8.4	8.2	3.9	3.9
Government purchases of goods and services	8.5	8.0	13.1	24.7	96.5	30.8	28.0	26.9	27.6	28.3	29.0	29.4	32.1
Federal.....	1.3	2.0	5.2	16.9	89.0	20.8	15.6	15.6	15.7	15.7	15.5	16.0	17.9
War.....	1.3	2.0	1.3	13.8	88.6	21.2	16.9	17.7	17.0	16.6	16.3	17.3	18.6
Nonwar.....	(0)	(0)	3.9	3.2	1.6	2.5	1.3	2.1	1.4	.9	.8	1.3	.7
Less: Government sales ²	(7.2)	5.9	(7.9)	(7.8)	7.5	10.0	12.3	11.3	11.9	12.6	13.5	13.4	14.2

PERSONAL INCOME

[Seasonally adjusted monthly totals at annual rates]

Year or month	Personal income	Wages and salaries						Other labor income ⁵	Proprietors' and rental income ⁶	Dividends and personal interest income	Transfer payments ⁷	Non-agricultural income ⁸	
		Total receipts ⁴	Wage and salary disbursements										
			Total disbursements	Commodity producing industries	Distributive industries	Service industries	Government						
1929.....	85.1	50.0	50.2	21.5	15.5	8.2	5.0	.1	.5	19.7	13.3	1.5	76.8
1930.....	76.2	45.7	45.9	18.5	14.4	7.7	5.2	.1	.5	15.7	12.6	1.5	70.0
1931.....	64.8	38.7	38.9	14.3	12.5	6.8	5.3	.2	.5	11.8	11.1	2.7	60.1
1932.....	49.3	30.1	30.3	9.9	9.8	5.7	5.0	.2	.4	7.4	9.1	2.2	46.2
1933.....	46.6	28.7	28.8	9.8	8.8	5.1	5.2	.2	.4	7.2	8.2	2.1	43.0
1934.....	53.2	33.4	33.5	12.0	9.9	5.5	6.1	.2	.4	8.7	8.6	2.2	49.5
1935.....	59.9	36.3	36.5	13.5	10.7	5.8	6.5	.2	.4	12.1	8.6	2.4	53.4
1936.....	68.4	41.6	41.8	15.8	11.8	6.3	7.9	.2	.5	12.6	10.1	3.5	62.8
1937.....	74.0	45.4	45.9	18.4	13.1	6.9	7.5	.6	.5	15.4	10.3	2.4	66.5
1938.....	68.3	42.3	42.8	15.3	12.6	6.7	8.2	.6	.5	14.0	8.7	2.8	62.1
1939.....	72.6	45.1	45.7	17.4	13.3	6.9	8.2	.6	.5	14.7	9.2	3.0	66.3
1940.....	78.3	48.9	49.6	19.7	14.2	7.3	8.5	.7	.6	16.3	9.4	3.1	71.5
1941.....	95.3	60.9	61.7	27.5	16.3	7.8	10.2	.8	.6	20.8	9.9	3.1	86.1
1942.....	122.2	80.5	81.7	39.1	18.0	8.6	16.1	1.2	.7	28.1	9.7	3.2	108.7
1943.....	149.4	103.5	105.3	48.9	20.1	9.5	26.9	1.8	.9	32.1	10.0	3.0	134.3
1944.....	164.5	114.8	117.1	50.3	22.7	10.5	33.5	2.2	1.3	34.1	10.6	3.6	149.0
1945.....	170.3	115.2	117.5	45.8	24.8	11.5	35.5	2.3	1.6	36.0	11.4	6.2	154.3
1946.....	178.1	109.8	111.7	46.1	31.2	13.8	20.7	2.0	1.6	41.8	13.5	11.4	159.4
1947.....	195.2	120.1	122.2	54.6	35.0	15.1	17.4	2.1	1.8	46.0	15.6	11.7	174.9
1947—June.....	192.4	119.6	121.7	54.0	35.0	15.3	17.4	2.1	1.8	45.1	15.4	10.5	172.4
July.....	193.2	119.4	121.4	53.6	35.2	15.5	17.1	2.0	1.8	45.3	15.6	11.1	172.9
August.....	190.8	120.1	122.2	54.3	35.4	15.3	17.2	2.1	1.8	42.8	15.6	10.5	173.1
September.....	206.2	121.9	123.9	55.4	36.0	15.2	17.3	2.0	1.9	45.0	16.2	21.2	187.4
October.....	200.0	122.7	124.7	55.9	36.0	15.2	17.6	2.0	1.9	47.5	15.9	12.0	179.7
November.....	201.4	125.5	127.3	57.4	37.1	15.2	17.6	1.8	1.9	47.1	16.1	10.8	181.4
December.....	207.7	127.4	129.4	59.2	37.4	15.2	17.6	2.0	1.9	51.3	16.2	10.9	184.2
1948—January.....	209.4	127.5	129.7	59.3	37.5	15.3	17.6	2.2	1.9	52.4	16.5	11.1	184.7
February.....	206.8	126.9	128.9	58.0	37.8	15.4	17.7	2.0	2.0	50.0	16.6	11.3	184.5
March.....	205.6	125.7	127.8	57.0	37.5	15.4	17.9	2.1	1.9	49.3	16.6	12.1	184.1
April.....	207.4	125.0	127.0	56.3	37.2	15.6	17.9	2.0	2.0	51.9	16.7	11.8	183.7
May.....	207.2	126.8	128.8	57.2	37.9	15.6	18.1	2.0	2.0	50.7	16.8	10.9	184.4
June.....	211.9	129.1	131.3	59.0	38.2	15.8	18.3	2.2	2.0	53.0	16.8	11.0	187.1

¹ Preliminary. ² Revised. ³ Includes construction expenditures for crude petroleum and natural gas drilling.

⁴ Consists of sales abroad and domestic sales of surplus consumption goods and materials. ⁵ Less than 50 million dollars

⁶ Total wage and salary receipts, as included in "Personal income," is equal to total disbursements less employee contributions to social insurance. Such contributions are not available by industries.

⁷ Includes compensation for injuries, employer contributions to private pension and welfare funds, and other payments.

⁸ Includes business and professional income, farm income, and rental income of unincorporated enterprise; also a noncorporate inventory valuation adjustment.

⁹ Includes government social insurance benefits, direct relief, mustering out pay, veterans' readjustment allowances and other payments, as well as consumer bad debts and other business transfers.

¹⁰ Includes personal income exclusive of net income of unincorporated farm enterprise, farm wages, agricultural net rents, agricultural net interest, and net dividends paid by agricultural corporations.

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

Source.—Figures in this table are for the revised series. For an explanation of the revisions and a detailed breakdown of the series for the period 1929-43, see *National Income Supplement to the Survey of Current Business*, July 1947, Department of Commerce. For the detailed breakdown for the period 1944-47, see *Survey of Current Business*, July 1948. For a discussion of the revisions, together with annual data for the period 1929-43, and quarterly data for 1939, 1940 and 1941, see also pp. 1105-1114 of the BULLETIN for September 1947; data subsequent to 1943 shown in that issue of the BULLETIN have since been revised.

CONSUMER CREDIT STATISTICS
TOTAL CONSUMER CREDIT, BY MAJOR PARTS
 [Estimated amounts outstanding. In millions of dollars]

End of year or month	Total consumer credit ¹	Instalment credit					Single-payment loans ²	Charge accounts	Service credit
		Total instalment credit ¹	Sale credit			Loans ³			
			Total	Automobile	Other				
1929.....	7,628	3,158	2,515	1,318	1,197	643	2,125	1,749	596
1933.....	3,912	1,588	1,122	459	663	466	776	1,081	467
1937.....	7,481	3,961	2,752	1,384	1,368	1,209	1,504	1,459	557
1938.....	7,055	3,603	2,313	970	1,343	1,290	1,442	1,487	523
1939.....	7,982	4,437	2,792	1,267	1,525	1,645	1,468	1,544	533
1940.....	9,131	5,433	3,450	1,729	1,721	1,983	1,488	1,650	560
1941.....	9,878	5,903	3,744	1,942	1,802	2,159	1,601	1,764	610
1942.....	6,461	2,931	1,491	482	1,009	1,440	1,369	1,513	648
1943.....	5,315	1,938	814	175	639	1,124	1,192	1,498	687
1944.....	5,754	2,012	835	200	635	1,177	1,255	1,758	729
1945.....	6,613	2,340	903	227	676	1,437	1,520	1,981	772
1946.....	10,134	3,944	1,558	544	1,014	2,386	2,262	3,054	874
1947.....	13,423	6,189	2,839	1,151	1,688	3,350	2,702	3,612	920
1947—June.....	11,244	4,933	2,036	880	1,156	2,897	2,508	2,887	916
July.....	11,321	5,063	2,092	922	1,170	2,971	2,549	2,786	923
August.....	11,454	5,198	2,167	965	1,202	3,031	2,581	2,755	920
September.....	11,708	5,314	2,257	1,004	1,253	3,057	2,609	2,864	921
October.....	12,084	5,490	2,370	1,047	1,323	3,120	2,647	3,029	918
November.....	12,671	5,765	2,551	1,099	1,452	3,214	2,680	3,309	917
December.....	13,423	6,189	2,839	1,151	1,688	3,350	2,702	3,612	920
1948—January.....	13,096	6,219	2,818	1,202	1,616	3,401	2,713	3,240	924
February.....	12,977	6,283	2,835	1,254	1,581	3,448	2,705	3,061	928
March.....	13,423	6,533	2,986	1,367	1,619	3,547	2,689	3,275	926
April.....	13,627	6,769	3,137	1,468	1,669	3,632	2,665	3,259	934
May.....	13,814	6,958	3,258	1,536	1,722	3,700	2,661	3,263	932
June ^p	14,128	7,144	3,366	1,602	1,764	3,778	2,678	3,364	942
July ^p	14,189	7,328	3,477	1,691	1,786	3,851	2,712	3,202	947

^p Preliminary. ^r Revised.
¹ Revised. See footnotes 2 and 3.
² Includes repair and modernization loans insured by Federal Housing Administration. Total loans include recent revisions of consumer instalment loans of commercial banks and credit unions, shown on pp. 933-937 of the BULLETIN for August 1948.
³ Noninstalment consumer loans (single-payment loans of commercial banks and pawnbrokers). Includes recent revisions in single-payment loans shown on pp. 934-937 of the BULLETIN for August 1948.
 NOTE.—Back figures by months beginning January 1929 may be obtained from Division of Research and Statistics.

CONSUMER INSTALMENT LOANS
 [Estimates. In millions of dollars]

Year or month	Amounts outstanding (end of period)							Loans made by principal lending institutions (during period)				
	Total ¹	Commercial banks ^{1,2}	Small loan companies	Industrial banks ³	Industrial loan companies ³	Credit unions ¹	Miscellaneous lenders	Insured repair and modernization loans ⁴	Commercial banks ^{1,2}	Small loan companies	Industrial banks ³	Industrial loan companies ³	Credit unions^{1}
1929.....	643	43	263	219		23	95	.....	463	413		38
1933.....	466	29	246	121		20	50	.....	322	202		32
1937.....	1,209	258	374	221		83	125	148	368	662	150	
1938.....	1,290	312	380	129	95	103	117	154	460	238	176	176
1939.....	1,645	523	448	131	99	135	96	213	680	261	194	237
1940.....	1,983	692	498	132	104	174	99	284	1,017	912	255	198
1941.....	2,159	784	531	134	107	200	102	301	1,198	975	255	203
1942.....	1,440	426	417	89	72	130	91	215	792	784	182	146
1943.....	1,124	316	364	67	59	104	86	128	639	800	151	128
1944.....	1,177	357	384	68	60	100	88	120	749	869	155	139
1945.....	1,437	477	439	76	70	103	93	179	942	956	166	151
1946.....	2,386	956	608	117	98	153	110	344	1,793	1,251	231	210
1947.....	3,350	1,435	712	166	134	225	120	558	2,636	1,454	310	282
1947—June.....	2,897	1,248	638	143	119	186	113	450	222	117	26	24
July.....	2,971	1,278	649	148	121	194	114	467	227	123	29	23
August.....	3,031	1,307	652	152	124	200	114	482	213	113	25	22
September.....	3,057	1,320	643	154	125	204	114	497	216	107	27	24
October.....	3,120	1,350	647	157	127	208	114	517	228	121	28	23
November.....	3,214	1,383	670	162	130	215	116	538	233	142	27	25
December.....	3,350	1,435	712	166	134	225	120	558	267	191	33	30
1948—January.....	3,401	1,462	717	165	137	227	121	572	248	110	27	26
February.....	3,448	1,482	721	167	140	230	121	587	221	107	25	25
March.....	3,547	1,530	733	173	143	241	123	604	287	140	32	29
April.....	3,632	1,570	739	180	146	252	123	622	269	121	31	27
May.....	3,700	1,597	748	189	147	260	124	635	258	123	31	25
June ^p	3,778	1,634	758	194	150	272	125	645	275	127	37	27
July ^p	3,851	1,669	770	199	152	282	126	653	277	130	33	26

^p Preliminary. ^r Revised. ¹ Includes recent revisions shown on pp. 933-937 of the BULLETIN for August 1948.
² Figures include only personal instalment cash loans and retail automobile direct loans shown on the following page, and a small amount of other retail direct loans not shown separately. Other retail direct loans outstanding at the end of July amounted to 112 million dollars, and loans made during July were 13 million.
³ Figures include only personal instalment cash loans, retail automobile direct loans, and other retail direct loans. Direct retail instalment loans are obtained by deducting an estimate of paper purchased from total retail instalment paper.
⁴ Includes only loans insured by Federal Housing Administration.

CONSUMER CREDIT STATISTICS—Continued

CONSUMER INSTALMENT SALE CREDIT, EXCLUDING AUTOMOBILE CREDIT

[Estimated amounts outstanding. In millions of dollars]

End of year or month	Total, excluding automobile	Department stores and mail-order houses	Furniture stores	Household appliance stores	Jewelry stores	All other retail stores
1929.....	1,197	160	583	265	56	133
1933.....	663	119	299	119	29	97
1937.....	1,368	314	469	307	68	210
1938.....	1,343	302	485	266	70	220
1939.....	1,525	377	536	273	93	246
1940.....	1,721	439	599	302	110	271
1941.....	1,802	466	619	313	120	284
1942.....	1,009	252	391	130	77	159
1943.....	639	172	271	29	66	101
1944.....	635	183	269	13	70	100
1945.....	676	198	283	14	74	107
1946.....	1,014	337	366	28	123	160
1947.....	1,688	650	528	52	192	266
1947						
June.....	1,156	423	395	37	119	182
July.....	1,170	429	398	39	120	184
August.....	1,202	440	408	41	124	189
September.....	1,253	462	423	43	128	197
October.....	1,323	495	443	46	131	208
November.....	1,452	555	474	49	145	229
December.....	1,688	650	528	52	192	266
1948						
January.....	1,616	632	502	52	176	254
February.....	1,581	624	492	52	164	249
March.....	1,619	653	497	54	160	255
April.....	1,669	680	511	60	155	263
May.....	1,722	703	528	65	155	271
June ^p	1,764	720	541	68	157	278
July ^p	1,786	732	545	72	156	281

CONSUMER INSTALMENT CREDITS OF COMMERCIAL BANKS, BY TYPE OF CREDIT¹

[Estimates. In millions of dollars]

Year or month	Total	Automobile retail		Other retail, purchased and direct	Repair and modernization loans ^{2,3}	Personal instalment cash loans
		Purchased	Direct loans			
Outstanding at end of period:						
1945.....	742	64	139	100	124	315
1946.....	1,591	165	306	275	273	572
1947.....	2,701	346	536	523	500	796
1947—June.....						
June.....	2,192	274	439	407	361	711
July.....	2,273	286	456	424	383	724
August.....	2,348	298	470	433	408	739
September.....	2,416	313	477	444	438	744
October.....	2,499	322	492	462	465	758
November.....	2,588	337	513	486	483	769
December.....	2,701	346	536	523	500	796
1948—January.....						
January.....	2,787	359	556	567	504	801
February.....	2,825	373	570	569	506	807
March.....	2,931	402	602	591	517	819
April.....	3,057	431	628	628	538	832
May.....	3,137	448	649	646	555	839
June ^p	3,229	472	668	661	572	856
July ^p	3,320	502	691	679	582	866
Volume extended during month:						
1947—June.....						
June.....	406	59	82	96	44	125
July.....	396	62	84	79	42	129
August.....	375	58	79	73	45	120
September.....	401	66	81	78	55	121
October.....	423	68	86	89	54	126
November.....	421	69	94	91	43	124
December.....	484	70	103	115	47	149
1948—January.....						
January.....	456	70	98	118	36	134
February.....	398	66	89	90	35	118
March.....	504	89	116	102	44	153
April.....	521	92	112	122	52	143
May.....	487	81	109	112	48	137
June ^p	524	87	109	126	52	150
July ^p	508	89	115	111	44	149

CONSUMER INSTALMENT CREDITS OF INDUSTRIAL BANKS, BY TYPE OF CREDIT

[Estimates. In millions of dollars]

Year and month	Total	Retail instalment paper ³		Repair and modernization loans ^{2,3}	Personal instalment cash loans
		Automobile	Other		
Outstanding at end of period:					
1945.....	104.1	13.8	9.8	17.2	63.3
1946.....	162.7	27.5	17.8	28.3	89.1
1947.....	233.5	50.0	30.2	43.3	110.0
1947—June.....					
June.....	199.2	40.6	23.1	35.0	100.5
July.....	206.7	42.8	24.3	36.9	102.7
August.....	212.6	44.9	25.3	38.4	104.0
September.....	215.5	46.3	26.0	39.4	103.8
October.....	221.0	48.1	27.0	41.2	104.7
November.....	227.9	49.6	28.5	42.5	107.3
December.....	233.5	50.0	30.2	43.3	110.0
1948—January.....					
January.....	231.8	49.0	31.0	43.5	108.3
February.....	234.6	50.3	31.4	44.0	108.9
March.....	242.3	53.4	32.8	44.8	111.3
April.....	253.3	56.8	35.7	46.7	114.1
May.....	265.1	59.0	38.0	48.3	119.8
June ^p	271.6	61.4	40.1	48.8	121.3
July ^p	277.6	64.3	42.0	49.1	122.2
Volume extended during month:					
1947—June.....					
June.....	33.8	7.5	4.3	3.9	18.1
July.....	36.5	8.2	4.4	4.0	19.9
August.....	33.2	8.1	4.2	3.6	17.3
September.....	34.8	8.8	4.1	3.7	18.2
October.....	36.2	8.8	4.7	3.4	18.4
November.....	34.5	8.3	4.9	4.3	17.9
December.....	39.8	8.6	5.8	3.5	21.9
1948—January.....					
January.....	33.7	8.6	4.6	2.7	17.8
February.....	31.5	8.0	4.4	2.8	16.3
March.....	41.9	11.2	6.0	3.7	21.0
April.....	42.0	11.3	6.4	4.4	19.9
May.....	40.8	10.1	6.8	4.2	19.7
June ^p	44.2	10.5	7.4	3.4	22.9
July ^p	41.3	11.2	6.9	3.1	20.1

CONSUMER INSTALMENT CREDITS OF INDUSTRIAL LOAN COMPANIES, BY TYPE OF CREDIT

[Estimates. In millions of dollars]

Year or month	Total	Retail instalment paper ³		Repair and modernization loans ^{2,3}	Personal instalment cash loans
		Automobile	Other		
Outstanding at end of period:					
1945.....	76.7	11.0	4.0	1.5	60.2
1946.....	108.4	15.0	7.4	2.4	83.6
1947.....	148.2	27.1	17.1	4.2	99.8
1947—June.....					
June.....	131.3	21.7	11.8	3.2	94.6
July.....	134.0	22.4	12.8	3.4	95.4
August.....	137.8	23.6	13.4	3.6	97.2
September.....	138.4	24.3	14.1	3.8	96.2
October.....	141.1	25.3	14.7	4.0	97.1
November.....	144.8	26.3	15.9	4.2	98.4
December.....	148.2	27.1	17.1	4.2	99.8
1948—January.....					
January.....	151.7	28.0	17.7	4.2	101.8
February.....	154.6	28.7	18.0	4.2	103.7
March.....	158.2	29.9	19.0	4.3	105.0
April.....	161.8	31.1	20.1	4.4	106.2
May.....	163.1	31.9	20.5	4.5	106.2
June ^p	166.0	33.3	21.2	4.5	107.0
July ^p	168.5	34.9	21.0	4.6	108.0
Volume extended during month:					
1947—June.....					
June.....	27.3	4.8	2.7	0.5	19.3
July.....	26.4	5.1	2.9	0.5	17.9
August.....	25.6	5.1	2.7	0.5	17.3
September.....	27.1	5.2	3.0	0.5	18.4
October.....	27.1	5.5	3.3	0.5	17.8
November.....	28.1	5.2	3.3	0.5	19.1
December.....	31.4	5.2	3.7	0.3	22.2
1948—January.....					
January.....	28.3	5.7	2.8	0.3	19.5
February.....	26.6	5.3	2.8	0.3	18.2
March.....	32.1	6.9	3.4	0.4	21.4
April.....	30.5	6.9	3.8	0.4	19.4
May.....	27.7	5.7	3.7	0.4	17.9
June ^p	30.6	7.1	3.5	0.4	19.6
July ^p	29.1	6.7	3.3	0.5	18.6

^p Preliminary. ^r Revised. ¹ Includes recent revisions shown on pp. 933-937 of the BULLETIN for August 1948.
² Includes not only loans insured by Federal Housing Administration but also noninsured loans.
³ Includes both direct loans and paper purchased.

CONSUMER CREDIT STATISTICS—Continued

FURNITURE STORE STATISTICS

	Percentage change from preceding month			Percentage change from corresponding month of preceding year		
	July 1948 ^p	June 1948	May 1948	July 1948 ^p	June 1948	May 1948
Net sales:						
Total.....	-10	-2	+4	+10	+13	+5
Cash sales.....	-13	-3	+4	-15	-9	-13
Credit sales:						
Instalment.....	-11	-1	+2	+23	+24	+16
Charge account.....	-9	-2	+2	0	+4	+1
Accounts receivable, end of month:						
Total.....	0	+2	+4	+44	+48	+43
Instalment.....	0	+2	+2	+47	+49	+47
Collections during month:						
Total.....	0	+1	+2	+17	+18	+11
Instalment.....	-3	+2	+1	+21	+27	+14
Inventories, end of month, at retail value..	-2	-3	-3	+15	+16	+16

^p Preliminary.

RATIO OF COLLECTIONS TO ACCOUNTS RECEIVABLE ¹

Year and month	Instalment accounts				Charge accounts
	Department stores	Furniture stores	Household appliance stores	Jewelry stores	Department stores
1947					
June.....	28	23	45	24	54
July.....	28	22	41	23	53
August.....	28	22	39	23	51
September.....	31	24	39	25	53
October.....	31	23	40	23	57
November.....	30	23	39	24	55
December.....	29	20	39	31	54
1948					
January.....	24	18	36	19	53
February.....	23	17	32	18	49
March.....	27	19	35	20	53
April.....	25	19	33	20	52
May.....	24	19	34	20	52
June.....	24	20	33	20	52
July ^p	23	18	34	19	51

^p Preliminary.

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

DEPARTMENT STORE SALES, ACCOUNTS RECEIVABLE, AND COLLECTIONS

Year and month	Index numbers, without seasonal adjustment, 1941 average=100								Percentage of total sales		
	Sales during month				Accounts receivable at end of month		Collections during month		Cash sales	Instalment sales	Charge-account sales
	Total	Cash	Instalment	Charge account	Instalment	Charge account	Instalment	Charge account			
1941 average.....	100	100	100	100	100	100	100	100	48	9	43
1942 average.....	114	131	82	102	78	91	103	110	56	6	38
1943 average.....	130	165	71	103	46	79	80	107	61	5	34
1944 average.....	145	188	65	112	38	84	70	112	64	4	32
1945 average.....	162	211	67	125	37	94	69	127	64	4	32
1946 average.....	202	242	101	176	50	138	91	168	59	4	37
1947 average.....	214	237	154	200	88	174	133	198	55	6	39
1947—June.....	195	218	124	182	82	165	122	193	55	6	39
July.....	161	184	115	143	83	146	125	190	57	6	37
August.....	174	196	132	157	84	145	123	162	56	6	38
September.....	217	236	157	208	87	166	138	167	54	6	40
October.....	235	251	180	226	95	181	147	203	53	7	40
November.....	266	285	224	253	111	204	152	214	53	7	40
December.....	373	408	282	351	136	263	170	235	54	7	39
1948—January.....	174	189	142	164	127	205	174	299	54	7	39
February.....	168	177	142	162	124	181	160	217	53	7	40
March.....	226	235	196	222	129	190	177	207	52	7	41
April.....	213	220	191	208	131	192	171	211	51	8	41
May.....	218	228	186	213	134	193	172	214	52	7	41
June.....	217	228	178	211	136	193	176	217	52	7	41
July ^p	173	187	160	159	139	168	169	213	54	8	38

^p Preliminary.

^r Revised.

NOTE.—Data based on reports from a smaller group of stores than is included in the monthly index of sales shown on p. 1163.

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOKS
BANK CREDIT, MONEY RATES, AND BUSINESS *

Chart book page	1948					Chart book page	1948				
	July 28	Aug. 4	Aug. 11	Aug. 18	Aug. 25 ¹		July 28	Aug. 4	Aug. 11	Aug. 18	Aug. 25 ¹
	<i>(In billions of dollars)</i>						<i>In unit indicated</i>				
WEEKLY FIGURES²						WEEKLY FIGURES²—Cont.					
RESERVES AND CURRENCY						MONEY RATES, ETC.—Cont.					
Reserve Bank credit, total.... 2	21.72	21.90	22.06	22.13	21.99	Stock prices (1935-39=100):					
U. S. Govt. securities, total.... 3	21.21	21.38	21.57	21.55	21.46	Total..... 40	130	129	125	127	127
Bills..... 3	7.73	7.39	7.33	7.15	7.05	Industrial..... 40	137	135	132	134	133
Certificates..... 3	4.96	5.12	5.16	5.13	5.01	Railroad..... 40	122	122	118	118	121
Notes..... 3	1.95	1.90	1.87	1.86	1.81	Public utility..... 40	98	98	96	97	97
Bonds..... 3	6.56	6.97	7.22	7.41	7.59	Volume of trading (mill. shares) 40	.90	.77	.79	.62	.57
Gold stock..... 2	23.67	23.68	23.69	23.71	23.71						
Money in circulation..... 2	27.82	27.92	27.97	27.98	27.97						
Treasury cash and deposits..... 2	3.15	3.18	3.08	3.29	3.23						
Member bank reserves..... 2, 4	17.53	17.61	17.83	17.60	17.67						
Required reserves..... 4	16.78	16.82	16.78	p16.83	16.82						
Excess reserves*..... 4	.76	.79	1.06	p.77	.85						
Excess reserves (weekly avg.):						BUSINESS CONDITIONS					
Total*..... 5	.73	.90	.89	p.95	p.80	Wholesale prices:					
New York City..... 5	.02	.07	.01	.05	.01	Indexes (1926=100):					
Chicago..... 5	(*)	.01	.01	.01	(*)	Total..... 73	168.3	169.2	169.0	169.2	168.4
Reserve city banks..... 5	.19	.22	.23	.24	.18	Farm products..... 73	192.2	193.6	190.4	191.0	189.3
Country banks*..... 5	.52	.60	.65	p.65	p.60	Other than farm and foods. 73	152.1	152.4	152.9	153.1	153.2
						Selected farm products:					
MEMBER BANKS IN LEADING CITIES						Wheat (cents per bushel). 78	213.8	211.7	215.5	216.7	218.2
All reporting banks:						Corn (cents per bushel)... 78	209.3	204.9	207.9	196.3	186.3
Loans and investments..... 16	63.08	63.17	63.03	63.40	63.24	Cotton (cents per pound). 78	33.0	32.3	31.5	31.2	30.8
U. S. Govt. securities, total. 16	34.87	35.02	34.66	34.90	34.70	Hogs (dollars per 100					
Bonds..... 18	25.93	25.89	25.83	25.81	25.78	pounds)..... 78	29.70	30.43	29.63	30.64	30.23
Certificates..... 18	4.42	4.29	4.21	4.22	4.18	Butter (cents per pound). 78	77.1	77.3	78.6	72.2	72.8
Notes..... 18	2.47	2.54	2.54	2.55	2.55	Eggs (cents per dozen)... 78	42.3	43.8	45.0	46.3	46.5
Bills..... 18	2.04	2.30	2.08	2.32	2.19	Production:					
Other securities..... 20	4.35	4.34	4.34	4.41	4.42	Steel (% of capacity)..... 80	93.1	94.2	94.9	95.0	95.9
Demand deposits adjusted.. 16	46.84	46.78	46.71	46.74	47.06	Automobile (thous. cars).... 80	113	109	112	113	109
U. S. Govt. deposits..... 16	1.34	1.39	1.47	1.52	1.38	Paperboard (thous. tons)... 81	179	178	184	186	184
Loans, total..... 16	23.86	23.80	24.03	24.09	24.12	Crude petroleum (thous.					
Commercial..... 20	14.49	14.63	14.81	14.87	14.84	bbbs.)..... 81	5,455	5,505	5,507	5,521	5,529
Real estate..... 20	3.86	3.87	3.89	3.89	3.91	Electric power (mill. kw.					
For purchasing securities:						hrs.)..... 82	5,352	5,319	5,318	5,391	5,478
Total..... 20	1.73	1.54	1.54	1.43	1.52	Basic commodity prices					
U. S. Govt. securities.. 20	.72	.53	.59	.47	.59	(Aug. 1939=100)..... 82	322.1	321.4	p318.6	316.3	311.1
Other securities..... 20	1.01	1.01	.95	.96	.93	Total freight carloadings					
Other..... 20	4.02	4.01	4.03	4.14	4.09	(thous. cars)..... 83	894	879	891	901	891
New York City banks:						Department store sales					
Loans and investments..... 17	18.66	18.66	18.51	18.64	18.68	(1935-39=100)..... 83	235	261	258	271	255
U. S. Govt. securities, total. 17	10.20	10.38	10.07	10.14	10.14						
Bonds..... 19	7.91	7.87	7.84	7.81	7.77						
Certificates..... 19	.88	.84	.82	.80	.81	MONTHLY FIGURES					
Notes..... 19	.52	.53	.49	.49	.50	RESERVES AND CURRENCY					
Bills..... 19	.89	1.14	.92	1.04	1.06	Reserve Bank credit..... 7	21.04	21.50	22.02		
Demand deposits adjusted.. 17	15.28	15.29	15.23	15.23	15.40	Gold stock..... 7	23.24	23.46	23.62		
U. S. Govt. deposits..... 17	.36	.38	.39	.40	.36	Money in circulation..... 7	27.75	27.85	27.96		
Interbank deposits..... 17	3.94	3.99	3.98	3.98	3.86	Treasury cash..... 7	1.32	1.32	1.32		
Time deposits..... 17	1.59	1.56	1.57	1.54	1.54	Treasury deposits..... 7	1.42	1.49	1.83		
Loans, total..... 17	7.31	7.14	7.31	7.33	7.36	Member bank reserves:					
Commercial..... 21	5.19	5.26	5.36	5.38	5.36	Total..... 4, 7, 14	16.93	17.40	17.53		
For purchasing securities:						Central reserve city banks... 14	5.57	5.94	6.02		
To brokers:						Reserve city banks..... 15	6.50	6.53	6.57		
On U. S. Govts.... 21	.38	.23	.30	.18	.29	Country banks..... 15	4.87	4.92	4.94		
On other securities.. 21	.37	.34	.32	.32	.31	Required reserves:					
To others..... 21	.24	.24	.24	.23	.23	Total..... 4	16.19	16.54	16.71		
All other..... 21	1.21	1.16	1.19	1.30	1.26	Country banks..... 15	4.35	4.37	4.37		
Banks outside New York City:						Excess reserves:					
Loans and investments..... 17	44.43	44.51	44.52	44.76	44.56	Total..... 4, 5	.74	.85	.82		
U. S. Govt. securities, total. 17	24.67	24.64	24.59	24.77	24.56	New York City..... 5	.02	.04	.02		
Bonds..... 19	18.02	18.02	17.99	18.01	18.01	Chicago..... 5	.01	.01	(*)		
Certificates..... 19	3.54	3.44	3.38	3.42	3.37	Reserve city banks..... 5	.20	.24	.23		
Notes..... 19	1.95	2.01	2.06	2.07	2.06	Country banks..... 5	.51	.56	.57		
Bills..... 19	1.15	1.16	1.17	1.28	1.13	Money in circulation, total... 9	27.81	27.90	27.87		
Demand deposits adjusted.. 17	31.56	31.48	31.48	31.52	31.66	Bills of \$50 and over..... 9	8.56	8.58	8.56		
U. S. Govt. deposits..... 17	.98	1.01	1.08	1.12	1.02	\$10 and \$20 bills..... 9	14.78	14.82	14.82		
Interbank deposits..... 17	6.09	6.26	6.39	6.33	6.13	Coins, \$1, \$2, and \$5 bills... 9	4.48	4.50	4.49		
Time deposits..... 17	13.32	13.34	13.33	13.33	13.32						
Loans, total..... 17	16.54	16.66	16.72	16.76	16.76	ALL BANKS IN THE UNITED STATES					
Commercial..... 21	9.30	9.37	9.46	9.50	9.49	Deposits and currency:*					
Real estate..... 21	3.70	3.71	3.72	3.72	3.74	Total*..... 10	p168.00	p167.90	p168.70		
For purchasing securities:						Excluding U. S. Govt.					
All other..... 21	2.98	3.01	3.01	3.01	3.01	deposits*..... 10	p165.60	p165.70	p166.30		
						Demand deposits adjusted*... 10	p83.20	p82.70	p83.50		
MONEY RATES, ETC.						Time deposits adjusted*..... 10	p57.00	p57.40	p57.30		
U. S. Govt. securities:						Currency outside banks*..... 10	p25.40	p25.60	p25.50		
Bills (new issues)..... 34, 35	.997	.997	1.066	1.072	1.075	U. S. Govt. deposits*..... 10	p2.40	p2.20	p2.40		
Certificates..... 34, 35	1.10	1.10	1.16	1.16	1.17						
3-5 years..... 34	1.59	1.61	1.66	1.66	1.67	ALL COMMERCIAL BANKS					
7-9 years..... 34	1.99	2.03	2.06	2.05	2.05	Cash assets*..... 11	p32.60	p34.00	p33.40		
15 years or more..... 34, 36	2.44	2.45	2.45	2.45	2.45	Loans and investments, total* 11	p114.50	p113.90	p114.80		
F. R. Bank discount rate..... 35	1.25	1.25	1.50	1.50	1.50	Loans*..... 11	p39.40	p39.90	p40.20		
Commercial paper..... 35	1.38	1.38	1.50	1.50	1.50	U. S. Govt. securities*..... 11	p65.90	p64.80	p65.30		
Bankers' acceptances..... 35	1.06	1.06	1.06	1.19	1.19	Other securities*..... 11	p9.20	p9.20	p9.30		
Corporate bonds:											
Aaa..... 36	2.82	2.83	2.85	2.85	2.84						
Baa..... 36	3.39	3.41	3.43	3.45	3.45						
High-grade (Treas. series)... 36	2.82	2.85	2.88	2.87	2.86						

For footnotes see p. 1176.

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOKS—Continued

BANK CREDIT, MONEY RATES, AND BUSINESS *—Continued

	Chart book page	1948				Chart book page	1948							
		May	June	July ¹			May	June	July ¹					
MONTHLY FIGURES—Cont.				<i>In billions of dollars</i>			MONTHLY FIGURES—Cont.				<i>In billions of dollars</i>			
MEMBER BANKS							TREASURY FINANCE—Cont.							
All member banks:							Ownership of U. S. Govt. securities—Cont.							
Loans and investments, total	14	96.05	95.44	96.21		Marketable public issues—Cont.								
Loans	14	33.61	33.88	34.09		By earliest callable or due date:								
U. S. Govt. securities	14	55.06	54.15	54.58		Within 1 year—Total outstanding				31	49.40	49.87	49.08	
Other securities	14	7.38	7.41	7.55		Commercial bank and F. R.				31	31.51	32.09	*31.24	
Demand deposits adjusted*	14	70.25	70.00	70.65		Bank				31	14.46	15.26	14.67	
Time deposits	14	28.62	28.85	28.79		F. R. Bank				31	46.41	46.12	46.12	
Balances due to banks	14	10.32	10.62	10.82		Commercial bank and F. R.				31	33.33	33.27	*33.31	
Balances due from banks	14	5.10	5.27	5.38		Bank				31	2.72	2.64	2.65	
Central reserve city banks:							5-10 years—Total outstanding				31	10.27	10.46	10.46
Loans and investments, total	14	24.20	23.76	23.85		Commercial bank and F. R.				31	6.67	6.75	* 6.81	
Loans	14	9.14	9.26	9.18		Bank				31	.50	.55	.54	
U. S. Govt. securities	14	13.58	13.03	13.15		F. R. Bank				31	54.81	53.89	53.89	
Other securities	14	1.48	1.47	1.52		Nonbank (unrestricted issues only), commercial bank, and F. R. Bank				31	8.91	8.02	* 8.60	
Demand deposits adjusted*	14	19.42	19.10	19.16		Commercial bank and F. R.				31	7.59	6.84	* 7.39	
Time deposits	14	2.49	2.64	2.64		Bank				31	2.98	2.92	3.46	
Balances due to banks	14	4.89	5.01	5.06		F. R. Bank				31				
Balances due from banks	14													
Reserve city banks:							MONEY RATES, ETC.							
Loans and investments, total	15	35.07	35.09	35.46		U. S. Govt. securities:								
Loans	15	13.39	13.38	13.58		Bills (new issues)				33, 35	.997	.998	.997	
U. S. Govt. securities	15	19.25	19.24	19.35		Certificates				35	1.09	1.09	1.10	
Other securities	15	2.43	2.46	2.53		Bonds, 15 years or more				36	2.42	2.41	2.44	
Demand deposits adjusted*	15	24.48	24.35	24.76		F. R. Bank discount rate				33, 35	1.25	1.25	1.25	
Time deposits	15	11.27	11.33	11.30		Commercial paper				35	1.38	1.38	1.38	
Balances due to banks	15	4.63	4.79	4.92		Bankers' acceptances				35	1.06	1.06	1.06	
Balances due from banks	15	1.71	1.78	1.79		Corporate bonds:				33, 36	2.76	2.76	2.81	
Country banks:							Aaa				36	3.38	3.34	3.37
Loans and investments, total	15	36.79	36.59	36.90		Baa				36	2.74	2.73	2.80	
Loans	15	11.09	11.23	11.33		High-grade (Treas. series)				36				
U. S. Govt. securities	15	22.22	21.88	22.07										
Other securities	15	3.48	3.48	3.50										
Demand deposits adjusted*	15	26.35	26.55	26.73										
Time deposits	15	14.86	14.88	14.86										
Balances due from banks	15	3.21	3.30	3.41										
CONSUMER CREDIT*							Per cent per annum							
Consumer credit, total	22	13.81	¶14.13	¶14.19										
Single-payment loans	22	2.66	¶2.68	¶2.71										
Charge accounts	22	3.26	¶3.36	¶3.20										
Service credit	22	.93	¶.94	¶.95										
Installment credit, total	22, 23	6.96	¶7.14	¶7.33										
Installment loans	23	3.70	¶3.78	¶3.85										
Installment sale credit, total	23	3.26	¶3.37	¶3.48										
Automobile	23	1.54	¶1.60	¶1.69										
Other	23	1.72	¶1.76	¶1.79										
TREASURY FINANCE							In unit indicated							
Cash income and outgo:						Stock prices (1935-39 = 100):								
Cash income	27	3.33	5.10	2.40		Total				39	130	135	132	
Cash outgo	27	2.87	4.34	2.77		Industrial				39	137	143	139	
Excess of cash income and outgo	27	+ .46	+ .77	-.36		Railroad				39	123	126	125	
U. S. Govt. securities outstanding:						Public utility				39	99	101	¶100	
Direct and guaranteed	28	250.03	250.13	251.22		Volume of trading (mill. shares)				39	1.98	1.41	1.17	
Bonds (marketable issues)	28	115.52	112.46	112.46		Brokers' balances (mill. dollars):								
Notes, certificates, and bills	28	45.20	47.72	46.93		Credit extended to customers				41	615	619	608	
Savings bonds, savings notes, etc.	28	59.75	59.51	60.82		Money borrowed				41	258	283	288	
Special issues	28	29.32	30.21	30.79		Customers' free credit balances				41	619	576	577	
Ownership of U. S. Govt. securities:						BUSINESS CONDITIONS								
Total:						Personal income (annual rate, bill. dollars):*⁴								
Commercial banks*	29	65.80	65.00	65.60		Total				52	207.2	¶212.3	211.5	
Fed. agencies and trust funds	29	34.88	35.75	36.37		Total salaries and wages				52	126.8	¶129.7	130.5	
F. R. Banks	29	20.66	21.37	21.33		Proprietors' income, dividends, and interest				52	67.5	¶69.6	67.8	
Individuals*	29	66.80	66.80	67.00		All other				52	12.9	13.0	13.2	
Corporations*	29	21.60	21.00	21.00		Labor force (mill. persons):*⁶								
Insurance companies*	29	23.40	23.20	23.00		Total				53	61.7	64.7	65.1	
Mutual savings banks*	29	12.00	12.00	12.00		Civilian				53	60.4	63.5	63.8	
State and local govts.*	29	7.30	7.20	7.20		Unemployment				53	1.8	2.2	2.2	
Marketable public issues:						Employment				53	58.7	61.3	61.6	
By class of security:						Nonagricultural				53	50.8	51.9	52.5	
Bills—Total outstanding	30	13.76	13.76	13.27		Employment in nonagricultural establishments (mill. persons):*⁴								
Commercial bank and F. R.						Total				54	44.7	45.1	¶45.2	
Bank	30	10.77	10.92	¶10.34		Manufacturing and mining				54	17.0	17.2	¶17.2	
F. R. Bank	30	8.25	8.58	7.56		Trade				54	9.7	9.8	¶9.8	
Certificates—Total outstanding	30	20.06	22.59	22.29		Government				54	5.6	5.6	¶5.7	
Commercial bank and F. R.						Transportation and utilities				54	4.0	4.1	¶4.1	
Bank	30	11.42	13.17	¶13.19		Construction				54	2.0	2.1	¶2.1	
F. R. Bank	30	4.14	4.62	5.06										
Notes—Total outstanding	30	11.37	11.37	11.37		Hours and earnings at factories:								
Commercial bank and F. R.						Weekly earnings (dollars)				55	¶51.86	52.95	¶53.06	
Bank	30	6.48	6.50	¶6.52		Hourly earnings (cents)				55	¶130.2	131.7	¶133.1	
F. R. Bank	30	1.96	1.97	1.95		Hours worked (per week)				55	¶39.9	40.2	¶39.9	
Bonds—Total outstanding	30	115.69	112.63	112.63										
Nonbank (unrestricted issues only), commercial bank, and F. R. Bank	30	69.80	66.79	¶67.33										
Commercial bank and F. R. Bank	30	50.44	48.37	¶49.02										
F. R. Bank	30	6.32	6.21	6.76										

For footnotes see p. 1176

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOKS—Continued
BANK CREDIT, MONEY RATES, AND BUSINESS *—Continued

	Chart book page	1948			Chart book page	1948		
		May	June	July 1		May	June	July 1
MONTHLY FIGURES—Cont.				MONTHLY FIGURES—Cont.				
BUSINESS CONDITIONS—Cont.				BUSINESS CONDITIONS—Cont.				
<i>In unit indicated</i>				<i>In unit indicated</i>				
Industrial production: ⁴								
Total (1935-39 = 100)	57, 58	*192	192	*187	Prices paid and received by farmers (1910-14 = 100):			
Groups (points in total index):					Paid	77	250	
Durable manufactures	57	*83.7	84.3	*83.1	Received	77	289	
Machinery and trans. equip.	58	*43.0	43.7	*43.6	Cash farm income (mill. dollars):			
Iron and steel	58	*22.8	22.8	*22.1	Total	79	*2,103	
Nonferrous metals, lumber, and other durables	58	17.9	17.8	*17.5	Livestock and products	79	2,437	
Nondurable manufactures	57	83.2	83.9	*80.4	Crops	79	*1,463	
Textiles and leather	58	22.3	22.0	*20.0	Govt. payments	79	*602	
Food, liquor, and tobacco	58	22.5	23.0	*22.4		79	38	
Chemicals, petroleum, etc.	58	23.1	23.6	*23.4			43	
Paper and printing	58	*15.3	15.3	*14.5			n.a.	
Minerals	57, 58	24.6	24.2	*23.3				
Selected durable manufactures (1935-39 = 100):					INTERNATIONAL TRADE AND FINANCE			
Nonferrous metals	59	203	194	*184	Exports and imports (mill. dollars):			
Steel	59	*235	236	228	Exports	85	*1,103	
Cement	59	187	190	188	Excluding Lend-Lease exports	85	*1,103	
Lumber	59	131	129	*135	Imports	85	*549	
Transportation equipment	59	*218	223	*235	Excess of exports or imports excluding Lend-Lease exports	85	*553	
Machinery	59	272	276	*268	Foreign exchange rates:			
Selected nondurable manufactures (1935-39 = 100):					See p. 1197 of this BULLETIN	86-87		
Apparel wool consumption	60	191	184		Short-term foreign liabilities and assets reported by banks (bill. dollars):			
Cotton consumption	60	147	140	115	Total liabilities	88	*4.98	
Manufactured food products	60	159	163	*159	Official	88	*1.99	
Paperboard	60	191	187	165	Invested in U. S. Treasury bills and certificates	88	*.30	
Leather	60	*109	107		Private	88	*2.99	
Industrial chemicals	60	*436	449	*440	Total assets	88	*1.11	
Rayon	60	304	309	*310				
Sales and inventories (bill. dollars):								
Sales:								
Manufacturing—Durable	61	6.6	*7.2	6.4				
—Nondurable	61	10.2	*10.7	9.6				
Wholesale	61	13.0	13.6					
Retail—Durable	61	2.7	2.9					
—Nondurable	61	8.0	7.9					
Inventories:								
Manufacturing—Durable	61	13.8	*13.8	14.0				
—Nondurable	61	15.7	15.9	16.1				
Wholesale	61	8.1	8.1					
Construction contracts (3 mo. moving avg., mill. dollars), total ⁴ :								
Residential	63	769	824	*870				
Other	63	304	326	*351				
Residential contracts (mill. dollars): ⁴								
Total	64	465	498	*518				
Public	64	7	11	12				
Private, total	64	303	304	312				
1- and 2-family dwellings	64	239	226	254				
Other	64	64	79	58				
Value of construction activity (mill. dollars), total ⁶ :								
Nonresidential: ⁶								
Public	65	1,455	1,605	1,719				
Private	65	334	372	394				
Residential: ⁶								
Public	65	531	595	645				
Private	65	5	5	5				
Freight carloadings: ⁴								
Total (1935-39 = 100)	67	585	633	675				
Groups (points in total index):								
Miscellaneous	67	141	139	138				
Coal	67	78.2	76.8	77.0				
All other	67	34.6	32.6	30.7				
Department stores:								
Indexes (1935-39 = 100): ⁴								
Sales	68	28.6	*29.2	30.5				
Stocks	68	310	*312	316				
296 stores:								
Sales (mill. dollars)	69	*297	*284	273				
Stocks (mill. dollars)	69	339	336	*275				
Outstanding orders (mill. dollars)	69	919	859	*829				
Stocks-sales ratio (months' supply)	69	339	462	*559				
Consumers' prices (1935-39 = 100):								
All items	71	2.7	2.6	*3.0				
Food	71	170.5	171.7	173.7				
Apparel	71	210.9	214.1	216.8				
Rent	71	197.5	196.9	197.1				
Wholesale prices (1926 = 100), total	73	116.7	117.0	117.3				
Farm products	73	163.9	166.2	168.6				
Foods	74	189.1	196.0	194.9				
Other than farm and foods, total	73	177.4	181.4	188.3				
Textile products	74	*149.1	149.6	151.1				
Hides and leather products	74	150.2	149.6	148.9				
Chemicals and allied products	75	*188.4	187.7	189.2				
Fuel and lighting materials	75	134.7	135.8	134.4				
Building materials	75	132.6	133.1	135.7				
Metals and metal products	75	196.4	196.8	199.4				
Miscellaneous	74	157.1	*158.8	162.8				
		121.5	*121.5	120.3				

For footnotes see p. 1176

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOKS—Continued

BANK CREDIT, MONEY RATES, AND BUSINESS *—Continued

	Chart book page	1947			1948			Chart book page	1947		1948
		Oct.-Dec.	Jan.-Mar.	Apr.-June	June 30	Dec. 31	June 30				
QUARTERLY FIGURES—Cont.		<i>In unit indicated</i>						CALL DATE FIGURES⁷			
BUSINESS FINANCE—Cont.								<i>In billions of dollars</i>			
Corporate assets and liabilities (bill. dollars): ⁶							ALL MEMBER BANKS				
Current assets, total..... 44	114.9	115.3					Holdings of U. S. Govt. securities:				
Cash..... 44	22.4	22.1					Bonds..... 12	46.51	45.29	40.25	
U. S. Govt. securities..... 44	13.5	13.2					Notes..... 12	4.37	4.82	4.10	
Inventories..... 44	41.7	43.0					Certificates..... 12	7.54	5.82	7.60	
Receivables..... 44	35.6	35.4					Bills..... 12	.77	1.99	2.19	
Current liabilities, total..... 44	54.0	52.9					Loans:⁸				
Notes and accounts payable..... 44	34.1	32.6					Commercial..... 13	13.82	16.96	16.73	
Federal income tax liabilities..... 44	9.9	10.0					Agricultural..... 13	.97	1.05	1.24	
Net working capital..... 44	60.9	62.4					Real estate..... 13	6.24	7.13	7.78	
Plant and equipment expenditures (bill. dollars): ⁶							Consumer..... 13	4.00	4.66	5.25	
All business..... 45	5.0	4.2	*4.7				For purchasing securities:				
Manufacturing and mining; railroads and utilities..... 45	3.3	2.7	3.2				To brokers and dealers..... 13	1.51	.81	1.17	
Manufacturing and mining..... 45	2.5	*2.0	2.2				To others..... 13	1.15	1.07	.96	
Corporate profits, taxes, and dividends (annual rates, bill. dollars): ⁶							State and local govt. securities..... 13	3.98	4.20	4.44	
Profits before taxes..... 46	32.4	31.4					Other securities..... 13	2.97	3.11	3.00	
Profits after taxes (dividends and undistributed profits)..... 46	19.7	19.2					FIGURES FOR SELECTED DATES				
Undistributed profits..... 46	12.6	11.9					<i>In billions of dollars</i>				
Corporate profits after taxes (quarterly totals):							1946		1947		
All corporations (bill. dollars): ⁶ 47	4.9	4.8					Dec.		Dec. ⁹		
Large corporations, total (bill. dollars)..... 47	1.3	1.3	1.4				<i>In billions of dollars</i>				
Durable manufacturing (mill. dollars)..... 47	508	*512	557				1947		1948		
Non-durable manufacturing (mill. dollars)..... 47	446	*461	471				Feb. 26		Jan. 30 ⁹		
Electric power and telephone (mill. dollars)..... 47	199	229	204				LIQUID ASSET HOLDINGS⁶				
Railroads (mill. dollars)..... 47	157	72	185				Individuals and business:				
							Total holdings..... 24	231.5		236.8	
							Deposits and currency..... 24	143.3		146.7	
							Savings and loan shares..... 24	8.4		9.5	
							U. S. Govt. securities..... 24	79.8		80.6	
							Individuals:				
							Total holdings..... 24	165.2		172.0	
							Deposits and currency..... 24	101.5		104.7	
							Savings and loan shares..... 24	8.1		9.2	
							U. S. Govt. securities..... 24	55.6		58.1	
							Corporations:				
							Total holdings..... 24	38.9		38.4	
							Deposits and currency..... 24	23.5		23.8	
							U. S. Govt. securities..... 24	15.3		14.5	
							Unincorporated businesses:				
							Total holdings..... 24	27.4		26.4	
							Deposits and currency..... 24	18.3		18.2	
							U. S. Govt. securities..... 24	8.9		8.0	
							OWNERSHIP OF DEMAND DEPOSITS⁶				
							1947		1948		
							Feb. 26		Jan. 30 ⁹		
							Individuals, partnerships, and corporations, total..... 25				
							Nonfinancial:				
							Total..... 25	37.2		39.8	
							Manufacturing and mining..... 25	16.0		17.3	
							Trade..... 25	12.5		13.4	
							Public utilities..... 25	4.2		4.1	
							Other..... 25	4.5		4.9	
							Financial:				
							Total..... 25	6.5		7.4	
							Insurance companies..... 25	2.1		2.7	
							Other..... 25	4.5		4.7	
							Individuals:				
							Total..... 25	28.9		30.1	
							Individuals excl. farmers..... 25	22.0		22.9	
							Farmers..... 25	6.9		7.2	
							Nonprofit assns. and other..... 25	5.2		5.1	

⁶ Estimated. ⁷ Preliminary. ⁸ Revised. ⁹ Corrected. n.a. Not available.

¹ For charts on pp. 28, 33, 35, 36, and 39, figures for a more recent period are available in the regular BULLETIN table that show those series. Because the Chart Book is usually released for duplication some time after the BULLETIN has gone to press, most weekly charts and several monthly charts include figures for a more recent date than are shown in this table.

² Figures for other than Wednesday dates are shown under the Wednesday included in the weekly period.

³ Less than 5 million dollars.

⁴ Adjusted for seasonal variation.

⁵ As of Apr. 30, 1948.

⁶ Estimates for July-Sept. 1948 quarter are (in billions of dollars): All business, 4.6; manufacturing and mining, railroads and utilities, 3.1; manufacturing and mining, 2.0.

⁷ Member bank holdings of State and local government securities on Oct. 6, 1947, and on Apr. 12, 1948, were 4.22 and 4.45 billion dollars, respectively, and of other securities were 3.08 and 3.02 billion dollars, respectively; data for other series are available for June and December dates only.

⁸ Beginning June 30, 1948, individual loan items are reported gross, i. e., before deduction of valuation reserves; previously they were reported net of such reserves.

* Monthly issues of this edition of the Chart Book may be obtained at an annual subscription rate of \$9.00; individual copies of monthly issues, at \$1.00 each.

CURRENT STATISTICS FOR FEDERAL RESERVE CHART BOOKS—Continued
CONSUMER CREDIT*

	Chart book page ¹	1948				Chart book page ¹	1948		
		May	June ²	July ²			May	June ²	July ²
		<i>In millions of dollars</i>					<i>In millions of dollars</i>		
Consumer credit outstanding, total. ²	3	13,814	14,128	14,189	Consumer instalment sale credit outstanding, cumulative totals: ² —Cont.				
Instalment credit, total. ²	3, 5	6,958	7,144	7,328	Furniture and household appliance stores.....	6	1,722	1,764	1,786
Instalment loans ²	5	3,700	3,778	3,851	Department stores and mail-order houses.....	6	1,129	1,155	1,169
Instalment sale credit.....	5	3,258	3,366	3,477	All other.....	6	426	435	437
Charge accounts.....	3	3,263	3,364	3,202	Consumer instalment sale credit granted, cumulative totals: ⁴				
Single-payment loans ²	3	2,661	2,678	2,712	Consumer instalment loan credit outstanding, cumulative totals: ⁴				
Service credit.....	3	932	942	947	Commercial and industrial banks ²	8	3,700	3,778	3,851
Consumer credit outstanding, cumulative totals: ²					Small loan companies.....	8	1,914	1,950	1,983
Instalment credit ²	4	13,814	14,128	14,189	Credit unions ²	8	1,166	1,192	1,213
Charge accounts.....	4	6,856	6,984	6,861	Miscellaneous lenders.....	8	906	920	931
Single-payment loans ²	4	3,593	3,620	3,659	Insured repair and modernization loans.....	8	635	645	653
Service credit.....	4	932	942	947					
Consumer instalment sale credit outstanding, cumulative totals: ²									
Automobile dealers.....	6	3,258	3,366	3,477					

¹ Preliminary. ² Annual figures for charts on pp. 9-19, inclusive, are published as they become available.
³ Includes revisions shown on pp. 933-937 of the BULLETIN for August 1948.
⁴ The figures shown here are cumulative totals, not aggregates for the individual components. Aggregates for each component may be derived by subtracting from the figure shown, the total immediately following it.
⁵ Figures for this series are in process of revision and will not be available for several months.
⁶ Copies of the Chart Book may be obtained at a price of 50 cents.

AUGUST CROP REPORT, BY FEDERAL RESERVE DISTRICTS

BASED ON ESTIMATES OF THE DEPARTMENT OF AGRICULTURE, BY STATES, AS OF AUGUST 1, 1948

[In thousands of units]

Federal Reserve district	Cotton		Corn		Winter wheat		Spring wheat	
	Production 1947 ¹	Estimate Aug. 1, 1948	Production 1947	Estimate Aug. 1, 1948	Production 1947	Estimate Aug. 1, 1948	Production 1947	Estimate Aug. 1, 1948
	<i>Bales</i>	<i>Bales</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>
Boston.....			6,906	6,656				
New York.....			24,385	31,880	10,448	13,309	80	100
Philadelphia.....			51,515	57,436	20,086	16,056		
Cleveland.....			181,524	255,236	54,840	63,892		
Richmond.....	1,121	1,650	164,313	174,878	30,684	27,135		
Atlanta.....	2,185	2,810	167,485	179,111	8,203	8,193		
Chicago.....			885,728	1,443,953	70,492	87,057	1,509	1,703
St. Louis.....	² 3,210	³ 4,840	301,354	445,145	51,610	71,707	14	17
Minneapolis.....			311,826	425,616	32,194	44,555	253,898	257,918
Kansas City.....	274	291	242,282	420,033	552,571	457,254	5,207	4,630
Dallas.....	4,078	4,372	57,398	59,870	127,459	55,265	102	139
San Francisco.....	983	1,206	6,236	6,549	109,383	136,992	36,139	38,401
Total.....	11,851	15,169	2,400,952	3,506,363	1,067,970	981,415	296,949	302,908

Federal Reserve district	Oats		Tame hay		Tobacco		White potatoes	
	Production 1947	Estimate Aug. 1, 1948	Production 1947	Estimate Aug. 1, 1948	Production 1947	Estimate Aug. 1, 1948	Production 1947	Estimate Aug. 1, 1948
	<i>Bushels</i>	<i>Bushels</i>	<i>Tons</i>	<i>Tons</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Bushels</i>	<i>Bushels</i>
Boston.....	4,101	4,623	4,108	3,930	35,499	34,552	72,227	71,379
New York.....	14,256	24,813	6,648	6,341	1,323	1,082	39,785	39,720
Philadelphia.....	12,576	17,071	2,646	2,548	58,518	57,770	21,280	21,302
Cleveland.....	27,834	63,298	5,863	5,452	128,945	129,602	11,820	11,939
Richmond.....	37,453	27,228	4,522	4,843	1,259,188	990,026	26,230	26,982
Atlanta.....	32,720	28,925	3,902	3,678	264,387	213,734	12,580	12,249
Chicago.....	448,519	618,875	18,080	15,375	36,431	32,858	23,209	22,772
St. Louis.....	54,714	73,986	9,018	8,719	317,270	311,907	8,204	8,254
Minneapolis.....	362,585	415,952	9,893	9,547	2,876	2,497	41,946	40,006
Kansas City.....	153,260	146,275	9,578	9,930	3,326	3,755	32,590	31,421
Dallas.....	36,140	18,669	1,825	1,779			5,114	4,932
San Francisco.....	31,812	30,729	13,111	12,703			89,422	108,171
Total.....	1,215,970	1,470,444	89,194	84,845	2,107,763	1,777,783	384,407	399,127

¹ As revised in August 1948.
² Includes 10,000 bales grown in miscellaneous territory.
³ Includes 15,000 bales grown in miscellaneous territory.

**NUMBER OF BANKING OFFICES ON FEDERAL RESERVE PAR LIST AND NOT ON PAR LIST,
BY FEDERAL RESERVE DISTRICTS AND STATES**

Federal Reserve district or State	Total banks, branches and offices on which checks are drawn		On par list						Not on par list (Nonmember)	
			Total		Member		Nonmember		Banks	Branches and offices
			Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices		
United States total:										
Dec. 31, 1945.....	14,002	3,947	11,869	3,616	6,877	2,909	4,992	707	2,133	331
Dec. 31, 1946.....	14,043	3,981	11,957	3,654	6,894	2,913	5,063	741	2,086	327
Dec. 31, 1947.....	14,078	4,148	12,037	3,823	6,917	3,051	5,120	772	2,041	325
July 31, 1948 ^p	14,084	4,248	12,070	3,931	6,913	3,129	5,157	802	2,014	317
By districts and by States July 31, 1948^p										
<i>District</i>										
Boston.....	496	298	496	298	336	219	160	79		
New York.....	914	848	914	848	787	785	127	63		
Philadelphia.....	843	137	843	137	646	100	197	37		
Cleveland.....	1,141	258	1,141	258	709	222	432	36		
Richmond.....	1,013	444	800	325	479	210	321	115	213	119
Atlanta.....	1,174	166	552	130	345	113	207	17	622	36
Chicago.....	2,488	573	2,434	548	1,000	224	1,434	324	54	25
St. Louis.....	1,470	132	1,126	72	494	39	632	33	344	60
Minneapolis.....	1,279	111	621	43	476	26	145	17	658	68
Kansas City.....	1,750	9	1,741	9	758	6	983	3	9	
Dallas.....	1,013	40	903	31	616	20	287	11	110	9
San Francisco.....	503	1,232	499	1,232	267	1,165	232	67	4	
<i>State</i>										
Alabama.....	222	22	114	22	88	22	26		108	
Arizona.....	10	41	10	41	5	31	5	10		
Arkansas.....	229	19	104	5	66	1	38	4	125	14
California.....	193	909	193	909	114	866	79	43		
Colorado.....	142	1	142	1	92	1	50			
Connecticut.....	115	26	115	26	65	13	50	13		
Delaware.....	39	14	39	14	17	4	22	10		
District of Columbia.....	19	39	19	39	16	36	3			
Florida.....	178	2	117	2	73	2	44		61	
Georgia.....	388	31	99	27	65	26	34	1	289	4
Idaho.....	49	45	49	45	26	43	23	2		
Illinois.....	880	3	878	3	502	3	376		2	
Indiana.....	487	94	487	94	237	38	250	56		
Iowa.....	665	162	665	162	163		502	162		
Kansas.....	608		606		214		392		2	
Kentucky.....	383	39	383	39	112	25	271	14		
Louisiana.....	161	64	58	41	46	36	12	5	103	23
Maine.....	63	69	63	69	38	37	25	32		
Maryland.....	166	103	166	103	78	68	88	35		
Massachusetts.....	184	159	184	159	147	144	37	15		
Michigan.....	443	212	443	212	230	163	213	49		
Minnesota.....	679	6	263	6	206	6	57		416	
Mississippi.....	206	56	40	8	32	1	8	7	166	48
Missouri.....	596		529		180		349		67	
Montana.....	112		112		84		28			
Nebraska.....	410	2	410	2	144	2	266			
Nevada.....	8	18	8	18	6	17	2	1		
New Hampshire.....	74	2	74	2	52	1	22	1		
New Jersey.....	338	138	338	138	290	123	48	15		
New Mexico.....	48	11	48	11	33	2	15	9		
New York.....	648	723	648	723	567	672	81	51		
North Carolina.....	208	177	92	61	54	34	38	27	116	116
North Dakota.....	150	24	61	6	42		19	6	89	18
Ohio.....	666	197	666	197	424	171	242	26		
Oklahoma.....	384	1	376	1	224	1	152		8	
Oregon.....	70	86	70	86	33	80	37	6		
Pennsylvania.....	988	154	988	154	756	129	232	25		
Rhode Island.....	19	41	19	41	11	29	8	12		
South Carolina.....	149	34	60	32	32	27	28	5	89	2
South Dakota.....	170	47	70	22	63	20	7	2	100	25
Tennessee.....	294	75	199	59	81	47	118	12	95	16
Texas.....	894	4	835	4	566	4	269		59	
Utah.....	55	22	55	22	31	20	24	2		
Vermont.....	69	11	69	11	40	2	29	9		
Virginia.....	315	91	309	90	203	45	106	45	6	1
Washington.....	120	123	116	123	53	116	63	7	4	
West Virginia.....	182		180		109		71		2	
Wisconsin.....	553	151	446	101	163	21	283	80	107	50
Wyoming.....	55		55		40		15			

^p Preliminary.

¹ Excludes mutual savings banks, on a few of which some checks are drawn.

² Includes branches and other additional offices at which deposits are received, checks paid, or money lent, including "banking facilities" at military reservations (see footnote 4, p. 241, of the BULLETIN for February 1948).

Back figures.—See *Banking and Monetary Statistics*, Table 15, and *Annual Reports*.

CHANGES IN NUMBER OF BANKING OFFICES IN THE UNITED STATES

[Figures for last date shown are preliminary]

	All banks	Commercial and stock savings banks and nondeposit trust companies							Mutual savings banks	
		Total	Member banks			Nonmember banks			Insured ¹	Non-insured
			Total ¹	National	State member ¹	Total	Insured ²	Non-insured ²		
Banks (Head Offices)										
Dec. 31, 1933.....	15,029	14,450	6,011	5,154	857	8,439	8,439		579	
Dec. 31, 1934.....	16,063	15,484	6,442	5,462	980	9,042	7,699	1,343	68	511
Dec. 31, 1941.....	14,825	14,277	6,619	5,117	1,502	7,661	6,810	851	52	496
Dec. 31, 1945.....	14,553	14,011	6,884	5,017	1,867	7,130	6,416	714	192	350
Dec. 31, 1946.....	14,585	14,044	6,900	5,007	1,893	7,147	6,457	690	191	350
Dec. 31, 1947 ³	14,714	14,181	6,923	5,005	1,918	7,261	6,478	783	194	339
June 30, 1948.....	14,719	14,187	6,925	4,998	1,927	7,265	6,493	772	193	339
Branches and Additional Offices⁴										
Dec. 31, 1933.....	2,911	2,786	2,081	1,121	960	705	705		125	
Dec. 31, 1934.....	3,133	3,007	2,224	1,243	981	783	783		126	
Dec. 31, 1941.....	3,699	3,564	2,580	1,565	1,015	984	932	52	32	103
Dec. 31, 1945.....	4,090	3,947	2,909	1,811	1,098	1,038	981	57	101	42
Dec. 31, 1946.....	4,138	3,981	2,913	1,781	1,132	1,068	1,006	62	115	42
Dec. 31, 1947 ³	4,332	4,161	3,051	1,870	1,181	1,110	1,043	67	124	47
June 30, 1948.....	4,426	4,247	3,116	1,907	1,209	1,131	1,065	66	130	49
Bank Changes Jan. 1-June 30, 1948										
New banks ⁵	+43	+43	+7	+5	+2	+36	+24	+12		
Consolidations and absorptions:										
Banks converted into branches.....	-21	-21	-12	-6	-6	-9	-8	-1		
Other.....	-11	-10	-6	-6		-4	-3	-1	1	
Voluntary liquidations ⁷	-5	-5				-5	-3	-2		
Unclassified.....	-1	-1				-1		-1		
Inter-class changes:										
Conversions—										
National into State.....			-1	-1		+1	+1			
State into national.....			+1	+1		-1	-1			
Federal Reserve membership: ⁸										
Admissions of State banks.....			+15		+15	-15	-14	-1		
Withdrawals of State banks.....			-2		-2	+2	+2			
Federal deposit insurance: ⁹										
Admissions of State banks.....							+17	-17		
Withdrawals of State banks.....										
Net increase or decrease.....	+5	+6	+2	-7	+9	+4	+15	-11	-1	
Number of banks, June 30, 1948.....	14,719	14,187	6,925	4,998	1,927	7,265	6,493	772	193	339
Branch and Additional Office Changes Jan. 1-June 30, 1948										
De novo branches.....	+85	+77	+53	+33	+20	+24	+21	+3	+6	+2
Banks converted into branches.....	+21	+21	+18	+9	+9	+3	+3			
Branches and offices discontinued.....	-12	-12	-9	-5	-4	-3	-3			
Inter-class branch changes:										
Nonmember to State member.....			+3		+3	-3	-3			
Noninsured to insured.....							+4	-4		
Net increase or decrease.....	+94	+86	+65	+37	+28	+21	+22	-1	+6	+2
Number on June 30, 1948:										
Branches.....	4,354	4,175	3,049	1,853	1,196	1,126	1,060	66	130	49
Banking facilities at military reservations.....	72	72	67	54	13	5	5			

¹ Revised.

² The State member bank figures and the insured mutual savings bank figures *both* include three member mutual savings banks that became members of the Federal Reserve System during 1941. These banks are not included in the total for "commercial banks" and are included only once in "all reporting banks."

³ Federal deposit insurance did not become operative until Jan. 1, 1934.

⁴ As of June 30, 1947, the series was revised to conform (except that it excludes possessions) with the number of banks in the revised all bank series announced in November 1947 by the Federal bank supervisory authorities. The revision resulted in a net addition of 115 banks and 9 branches.

⁵ Covers all branches and other additional offices at which deposits are received, checks paid, or money lent. Offices at military reservations (shown separately below) consist mostly of "banking facilities" provided through arrangements made by the Treasury Department with banks designated as depositories and financial agents of the Government. Three of these banking facilities are in each case operated by two national banks, each bank having separate teller windows; each of these facilities is counted as one banking office only.

⁶ Separate figures not available for branches of insured and noninsured banks.

⁷ Exclusive of new banks organized to succeed operating banks.

⁸ Exclusive of liquidations incident to succession, conversion, and absorption of banks.

⁹ Exclusive of conversions of national banks into State bank members, or vice versa. Such changes do not affect Federal Reserve membership; they are included under "conversions."

¹⁰ Exclusive of insured nonmember banks converted into national banks or admitted to Federal Reserve membership, or vice versa. Such changes do not affect Federal Deposit Insurance Corporation membership; they are included in the appropriate groups under "inter-class bank changes."

Back figures.—See *Banking and Monetary Statistics*, Tables 1 and 14, pp. 16-17 and 52-53, and descriptive text, pp. 13-14.

INTERNATIONAL FINANCIAL STATISTICS

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Tables on the following pages include the principal available statistics of current significance relating to gold, international capital transactions of the United States, and financial developments abroad. The data are compiled for the most part from regularly published sources such as central and commercial bank statements and official statistical bulletins, some data are reported to the Board directly. Figures on international capital transactions of the United States are collected by the Federal Reserve Banks from banks, bankers, brokers, and dealers in the United States in accordance with the Treasury Regulation of November 12, 1934. Back figures for all except price tables, together with descriptive text, may be obtained from the Board's publication, *Banking and Monetary Statistics*.

INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES

NET CAPITAL MOVEMENT TO UNITED STATES SINCE JANUARY 2, 1935

[Net movement from United States, (-). In millions of dollars]

TABLE 1.—TOTAL CAPITAL MOVEMENT, BY TYPES

From Jan. 2, 1935, through—	Total	Increase in foreign banking funds in U. S.			Increase in funds of international institutions in U. S.	Decrease in U. S. banking funds abroad	Foreign securities: Return of U. S. funds	Domestic securities: Inflow of foreign funds	Inflow in brokerage balances
		Total	Official ¹	Other					
1935—Dec. (Jan. 1, 1936)	1,440.7	631.5	38.0	593.5		361.4	125.2	316.7	6.0
1936—Dec. 30	2,667.4	989.5	140.1	849.4		431.5	316.2	917.4	12.9
1937—Dec. 29	3,501.1	1,259.3	334.7	924.6		449.1	583.2	1,162.0	47.5
1938—Dec. (Jan. 4, 1939)	3,933.0	1,513.9	327.0	1,186.9		510.1	641.8	1,219.7	47.6
1939—Mar. 29	4,279.4	1,829.4	393.2	1,436.2		550.5	646.7	1,188.9	63.9
June 28	4,742.0	2,194.6	508.1	1,686.5		607.5	664.5	1,201.4	74.0
Sept. 27	5,118.2	2,562.4	635.0	1,927.3		618.4	676.9	1,177.3	83.1
Dec. (Jan. 3, 1940)	5,112.8	2,522.4	634.1	1,888.3		650.4	725.7	1,133.7	80.6
1940—Mar. (Apr. 3)	5,207.8	2,630.9	631.0	1,999.9		631.6	761.6	1,095.0	88.7
June (July 2)	5,531.3	2,920.7	1,012.9	1,907.8		684.1	785.6	1,042.1	98.9
Sept. (Oct. 2)	5,831.2	3,175.9	1,195.4	1,980.5		773.6	793.1	1,087.0	101.6
Dec. (Jan. 1, 1941)	5,807.9	3,239.3	1,281.1	1,958.3		775.1	803.8	888.7	100.9
1941—Mar. (Apr. 2)	5,607.4	3,229.7	1,388.6	1,841.0		767.4	812.7	701.8	95.9
June (July 2)	5,660.1	3,278.0	1,459.8	1,818.2		818.6	834.1	631.2	98.2
Sept. (Oct. 1)	5,612.6	3,241.8	1,424.0	1,817.7		805.3	841.1	623.5	100.9
Dec. 31	5,354.1	2,979.6	1,177.1	1,802.6		791.3	855.5	626.7	100.9
1942—Mar. (Apr. 1)	5,219.3	2,820.9	1,068.9	1,752.0		819.7	849.6	624.9	104.3
June 30 ²	5,636.4	3,217.0	1,352.8	1,864.2		842.3	838.8	632.0	106.2
Sept. 30	5,798.0	3,355.7	1,482.2	1,873.5		858.2	830.5	646.1	107.5
Dec. 31	5,980.2	3,465.5	1,557.2	1,908.3		888.8	848.2	673.3	104.4
1943—Mar. 31	6,292.6	3,788.9	1,868.6	1,920.3		898.7	810.5	685.9	108.6
June 30	6,652.1	4,148.3	2,217.1	1,931.2		896.9	806.8	687.9	112.1
Sept. 30	6,918.7	4,278.0	2,338.3	1,939.7		888.6	929.3	708.1	114.8
Dec. 31	7,267.1	4,644.8	2,610.0	2,034.8		877.6	925.9	701.1	117.8
1944—Mar. 31	7,611.9	5,034.4	3,005.0	2,029.4		868.0	904.1	685.8	119.6
June 30	7,610.4	5,002.5	2,812.2	2,190.3		856.6	929.8	702.4	119.1
Sept. 30	7,576.9	4,807.2	2,644.8	2,162.3		883.5	1,026.2	737.8	122.2
Dec. 31	7,728.4	4,865.2	2,624.9	2,240.3		805.8	1,019.4	911.8	126.3
1945—Mar. 31	8,002.6	5,219.4	2,865.1	2,354.3		848.5	983.7	820.6	130.5
June 30	8,422.8	5,671.0	3,313.2	2,357.9		760.4	1,011.2	848.4	131.8
Sept. 30	8,858.6	6,042.2	3,554.9	2,487.2		865.3	998.2	818.4	134.6
Dec. 31	8,802.8	6,144.5	3,469.0	2,675.5		742.7	972.8	798.7	144.1
1946—Mar. 31	8,730.8	6,098.8	3,384.6	2,714.1	70.6	703.6	1,073.0	645.1	139.9
June 30	8,338.2	5,662.7	2,852.0	2,810.7	190.8	624.5	1,103.9	615.0	141.4
Sept. 30	8,250.1	5,681.7	2,834.4	2,847.3	249.1	519.8	1,170.7	478.3	150.4
Dec. 31	8,009.5	5,272.3	2,333.6	2,938.7	453.8	427.2	1,237.9	464.5	153.7
1947—Jan. 31	8,077.3	5,300.6	2,416.0	2,884.6	449.0	404.8	1,308.2	464.4	150.4
Feb. 28	9,959.9	5,047.3	2,006.2	3,041.1	2,705.6	380.9	1,229.8	439.7	156.6
Mar. 31	9,736.7	4,841.3	1,725.4	3,115.9	2,707.0	337.1	1,282.6	414.3	154.5
Apr. 30	9,771.5	4,815.4	1,718.8	3,096.7	2,702.5	333.6	1,341.6	416.7	161.6
May 31	9,508.2	4,498.0	1,448.7	3,049.3	2,819.4	255.3	1,380.7	398.5	156.4
June 30	9,440.8	4,591.9	1,447.2	3,144.7	2,694.3	202.5	1,398.0	393.4	160.8
July 31	9,443.6	4,703.2	1,616.8	3,086.4	2,861.1	156.3	1,177.3	385.9	159.8
Aug. 31	9,516.8	4,870.3	1,726.9	3,143.5	2,758.0	168.2	1,193.6	362.6	164.1
Sept. 30	9,018.6	4,456.0	1,298.5	3,157.5	2,655.4	178.3	1,230.3	338.8	159.9
Oct. 31	8,693.5	4,324.1	1,232.9	3,091.2	2,481.4	172.1	1,243.6	310.0	162.2
Nov. 30	8,551.9	4,262.4	1,200.0	3,062.4	2,380.4	211.6	1,254.5	290.0	153.1
Dec. 31	8,323.2	4,120.3	1,121.8	2,998.5	2,242.0	174.6	1,276.9	367.0	142.4
1948—Jan. 31	8,174.2	4,094.8	1,137.2	2,957.6	2,185.0	106.5	1,287.7	359.6	140.6
Feb. 29	8,216.1	4,235.0	1,270.7	2,964.3	2,124.6	88.7	1,292.4	340.3	135.2
Mar. 31	8,159.7	4,370.6	1,346.4	3,024.2	1,985.3	51.7	1,296.4	312.3	143.3
Apr. 30	7,950.1	4,250.1	1,281.8	2,968.3	1,955.2	22.0	1,304.4	272.4	146.1

^r Revised.

¹ This category made up as follows: through Sept. 21, 1938, funds held by foreign central banks at the Federal Reserve Bank of New York and deposit accounts held with the U. S. Treasury; beginning Sept. 28, 1938, also funds held at commercial banks in New York City by central banks maintaining accounts at the Federal Reserve Bank of New York; beginning July 17, 1940, also funds in accounts at the Federal Reserve Bank of New York which had been transferred from central bank to government names; beginning with the new series commencing with the month of July 1942, all funds held with banks and bankers in the United States by foreign central banks and by foreign central governments and their agencies (including official purchasing missions, trade and shipping missions, diplomatic and consular establishments, etc.).

² The weekly series of capital movement statistics reported through July 1, 1942, was replaced by a monthly series commencing with July 1942. Since the old series overlapped the new by one day, the cumulative figures were adjusted to represent the movement through June 30 only. This adjustment, however, is incomplete since it takes into account only certain significant movements known to have occurred on July 1. Subsequent figures are based upon new monthly series. For further explanation, see BULLETIN for January 1943, p. 98.

³ Includes outflow of \$249,300,000 resulting from the sale of debentures in the United States by the International Bank for Reconstruction and Development. (Of the total issue of \$250,000,000, \$700,000 was sold directly to Canadian purchasers.)

⁴ Includes inflow of 74.5 million dollars resulting from purchase of domestic securities by international institutions.

NOTE.—Statistics reported by banks, bankers, brokers, and dealers. For full description of statistics see *Banking and Monetary Statistics*, pp. 558-560; for back figures through 1941 see Tables 161 and 162, pp. 574-637, in the same publication, and for those subsequent to 1941 see BULLETIN for September 1945, pp. 960-974.

INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES—Continued
NET CAPITAL MOVEMENT TO UNITED STATES SINCE JANUARY 2, 1935—Continued

[Net movement from United States, (-). In millions of dollars]

TABLE 5.—FOREIGN SECURITIES: RETURN OF U. S. FUNDS, BY COUNTRIES
(Net Purchases by Foreigners of Foreign Securities Owned in U. S.)

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
1939—Dec. (Jan. 3, 1940).....	725.7	125.5	42.1	29.4	45.0	27.6	225.6	495.2	-7.6	184.0	42.8	11.3
1940—Dec. (Jan. 1, 1941).....	803.8	128.6	43.4	31.0	46.0	28.1	232.9	510.0	25.0	202.3	53.0	13.5
1941—Dec. 31.....	855.5	127.6	51.6	31.5	44.3	28.1	238.4	521.3	35.4	221.1	61.2	16.6
1942—Dec. 31.....	848.2	125.4	52.4	31.6	44.9	28.0	244.1	526.3	-3.0	245.4	61.5	18.0
1943—Dec. 31.....	925.9	127.6	50.6	33.0	44.7	27.9	246.6	530.3	41.2	272.3	62.2	19.9
1944—Dec. 31.....	1,019.4	126.5	51.0	33.6	44.5	27.6	246.9	530.1	104.9	302.0	61.3	21.0
1945—Dec. 31.....	972.8	117.7	51.2	33.0	45.2	27.5	249.2	523.8	49.1	317.1	60.8	22.0
1946—Dec. 31.....	1,237.9	96.8	50.2	26.0	31.2	26.7	260.2	491.2	236.6	448.4	61.1	.7
1947—May 31.....	1,380.7	103.6	49.6	2.2	31.4	26.9	258.3	472.0	358.8	474.2	61.0	14.7
June 30.....	1,398.0	105.7	49.5	1.7	31.2	26.8	265.4	480.4	374.7	478.8	61.1	3.0
July 31.....	1,177.3	104.2	48.3	.7	31.2	26.7	266.4	477.5	389.1	481.8	61.2	-232.2
Aug. 31.....	1,193.6	104.3	47.9	.2	30.2	26.7	267.3	476.5	397.0	488.0	61.4	-229.3
Sept. 30.....	1,230.3	101.5	47.9	-1.1	26.5	26.7	267.9	469.4	417.3	507.9	61.3	-225.6
Oct. 31.....	1,243.6	99.1	47.5	-2.6	22.7	26.6	267.8	461.1	421.9	523.3	61.3	-224.0
Nov. 30.....	1,254.5	96.9	47.2	-3.3	18.8	26.5	267.9	453.9	427.2	534.0	61.6	-222.3
Dec. 31.....	1,276.9	94.9	47.1	-3.9	16.3	26.5	275.8	456.7	441.8	537.6	61.6	-220.9
1948—Jan. 31.....	1,287.7	93.2	46.8	-4.4	13.7	26.4	276.7	452.5	451.3	542.1	61.7	-219.8
Feb. 29.....	1,292.4	93.3	46.6	-4.9	10.7	26.4	277.1	449.3	454.6	546.2	61.7	-219.4
Mar. 31.....	1,296.4	92.0	46.1	-5.9	7.4	26.3	277.8	443.9	458.6	549.3	62.0	-217.5
Apr. 30.....	1,304.3	90.7	45.2	-6.2	3.7	26.5	278.4	438.2	467.0	552.9	62.1	-215.8

TABLE 6.—DOMESTIC SECURITIES: INFLOW OF FOREIGN FUNDS, BY COUNTRIES
(Net Purchases by Foreigners of U. S. Securities)

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
1939—Dec. (Jan. 3, 1940).....	1,133.7	328.1	76.6	227.7	344.7	-4.9	32.2	1,004.4	-2.6	30.1	87.6	14.3
1940—Dec. (Jan. 1, 1941).....	888.7	157.1	74.4	233.2	348.1	2.7	35.8	851.3	-18.4	25.6	17.6	12.6
1941—Dec. 31.....	626.7	-70.1	74.9	236.7	336.4	-1.1	37.1	615.0	-44.7	28.1	17.5	10.9
1942—Dec. 31.....	673.3	-77.6	80.5	236.9	360.5	-1.1	44.4	644.7	-45.1	35.2	27.7	10.9
1943—Dec. 31.....	701.1	-100.3	82.7	239.9	367.3	.6	55.4	645.7	-58.2	40.5	62.5	10.6
1944—Dec. 31.....	911.8	-125.4	77.3	239.0	368.5	1.9	72.4	633.7	-28.1	54.9	240.5	10.7
1945—Dec. 31.....	798.7	-157.9	81.7	233.5	355.4	2.2	68.0	582.9	-126.6	81.3	251.3	9.9
1946—Dec. 31.....	464.5	-194.9	74.9	207.0	337.9	2.1	57.3	484.3	-143.0	87.6	26.8	8.8
1947—May 31.....	398.5	-200.5	72.3	168.6	345.4	-15.4	45.2	415.5	-141.0	86.5	28.8	8.7
June 30.....	393.4	-202.7	71.8	158.4	343.1	-15.3	42.6	398.0	-126.3	85.3	28.4	8.0
July 31.....	385.9	-203.5	71.1	149.7	351.2	-15.1	40.8	394.2	-128.1	84.2	27.5	8.1
Aug. 31.....	362.6	-203.3	73.6	129.9	350.7	-15.1	40.6	376.3	-131.7	82.7	27.3	8.0
Sept. 30.....	338.8	-204.1	69.0	124.4	350.4	-15.1	42.2	366.9	-141.7	78.5	27.1	8.1
Oct. 31.....	310.0	-205.1	42.9	118.0	352.0	-15.2	41.8	334.5	-142.6	84.6	27.7	5.9
Nov. 30.....	290.0	-205.7	31.5	113.9	353.9	-15.2	42.1	320.5	-147.0	82.9	27.8	5.7
Dec. 31.....	2 367.0	-203.8	24.7	108.7	350.9	-15.0	43.1	308.7	-139.8	84.2	28.3	2 85.6
1948—Jan. 31.....	359.6	-203.7	17.3	106.2	347.2	-15.3	44.1	295.7	-137.8	87.8	28.5	85.4
Feb. 29.....	340.3	-203.6	6.6	102.9	343.2	-15.2	43.8	277.6	-142.3	91.0	28.6	85.3
Mar. 31.....	312.3	-204.4	-4.7	96.7	336.7	-16.2	44.0	252.1	-144.3	90.3	28.9	85.4
Apr. 30.....	272.4	-203.6	-24.5	78.0	330.4	-16.2	43.5	207.7	-142.0	90.6	31.0	85.1

TABLE 7.—INFLOW IN BROKERAGE BALANCES, BY COUNTRIES
(The Net Effect of Increases in Foreign Brokerage Balances in U. S. and of Decreases in Balances Held by Brokers and Dealers in U. S. with Brokers and Dealers Abroad)

From Jan. 2, 1935, through—	Total	United Kingdom	France	Netherlands	Switzerland	Italy	Other Europe	Total Europe	Canada	Latin America	Asia	All other
1939—Dec. (Jan. 3, 1940).....	80.6	19.4	20.1	9.3	17.8	.1	4.9	71.6	8.7	1.6	-3.4	2.1
1940—Dec. (Jan. 1, 1941).....	100.9	17.0	19.9	13.4	16.2	.2	7.7	74.3	10.7	9.2	6.0	.7
1941—Dec. 31.....	100.9	16.8	19.9	17.6	13.5	.2	7.7	75.7	14.1	3.9	6.3	.8
1942—Dec. 31.....	104.4	17.4	20.7	17.5	13.7	.2	8.5	78.1	15.2	4.2	6.0	.9
1943—Dec. 31.....	117.8	18.8	21.5	19.9	19.3	.3	9.2	89.1	17.6	3.8	6.0	1.3
1944—Dec. 31.....	126.3	18.5	23.1	22.3	23.0	.3	10.4	97.7	16.2	5.1	5.6	1.8
1945—Dec. 31.....	144.1	19.8	23.4	26.0	30.3	.4	13.6	113.6	19.5	5.9	3.8	1.3
1946—Dec. 31.....	153.7	19.2	20.5	17.5	39.6	.4	14.7	112.0	21.5	13.4	4.8	2.0
1947—May 31.....	156.4	18.4	19.9	16.9	40.4	.4	13.5	109.5	19.6	18.5	8.0	.9
June 30.....	160.8	18.9	19.7	18.2	43.2	.5	14.0	114.5	19.7	19.0	6.7	1.0
July 31.....	159.8	20.2	19.5	17.0	42.6	.5	14.3	114.0	19.1	19.0	6.9	.8
Aug. 31.....	164.1	18.3	19.4	17.0	43.4	.4	14.2	112.8	20.0	23.5	7.1	.8
Sept. 30.....	159.9	18.7	19.5	16.6	43.0	.4	14.3	112.5	20.7	18.7	7.3	.8
Oct. 31.....	162.2	19.3	19.2	16.9	42.0	.4	14.4	112.2	19.5	20.9	6.8	2.8
Nov. 30.....	153.1	19.7	19.1	16.6	39.6	.4	14.1	109.5	19.0	17.3	6.5	.7
Dec. 31.....	142.4	18.2	19.1	12.7	38.2	.3	14.2	102.7	19.6	12.9	6.6	.7
1948—Jan. 31.....	140.6	17.5	19.1	12.4	37.8	.5	13.7	101.1	19.6	11.8	7.4	.7
Feb. 29.....	135.2	17.4	18.9	12.2	37.2	.4	13.1	99.3	19.1	9.7	6.6	.6
Mar. 31.....	143.3	17.8	18.9	13.6	41.1	.5	13.1	105.1	19.2	10.7	7.7	.7
Apr. 30.....	3 146.1	18.4	19.2	11.7	43.4	.7	13.1	106.4	19.1	11.7	7.6	1.1

^r Revised.

¹ Includes outflow of \$249,300,000 resulting from the sale of debentures in the United States by the International Bank for Reconstruction and Development. (Of the total issue of \$250,000,000, \$700,000 was sold directly to Canadian purchasers.)

² Includes inflow of 74.5 million dollars resulting from purchase of domestic securities by international institutions.

³ Amounts outstanding Apr. 30 (in millions of dollars): foreign brokerage balances in United States, 96.0; United States brokerage balances abroad, 26.7.

INTERNATIONAL CAPITAL TRANSACTIONS OF THE UNITED STATES—Continued
SHORT-TERM FOREIGN LIABILITIES AND ASSETS REPORTED BY BANKS IN THE UNITED STATES,
BY COUNTRIES—Continued

[In millions of dollars]

LIABILITIES—SUPPLEMENTARY DATA—Continued

Asia and All Other

Date	Asia	China and Man-chu-ria	French Indo-China	Hong Kong	India	British Ma-laya	Japan	Neth-erlands East Indies	Phil-ippine Is-lands	Tur-key	Other Asia ¹	All other	Austra-lia	New Zealand	Egypt and Anglo-Egyptian Sudan	French Mo-rocco	Union of South Africa	Other
1942—Dec. 31..	930.0	360.9	27.4	41.6	13.1	1.0	4.8	160.4	254.7	29.9	36.2	149.6	23.1	4.8	6.8	12.1	11.0	91.8
1943—Dec. 31..	1,108.8	574.2	27.4	23.9	18.2	.9	4.1	110.1	259.1	35.4	55.5	175.3	25.3	5.1	6.1	10.3	4.5	124.1
1944—Dec. 31..	1,069.2	427.3	27.4	22.9	22.1	1.3	4.0	110.5	365.8	23.7	64.2	174.0	52.9	3.5	7.3	4.3	8.3	97.6
1945—Dec. 31..	1,549.6	582.3	28.0	27.4	33.4	1.2	4.1	113.7	629.1	52.5	78.0	181.8	28.9	4.3	18.9	10.0	6.4	113.4
1946—Dec. 31..	1,316.4	431.9	39.9	44.9	43.5	17.3	16.6	127.1	446.6	54.7	93.8	232.8	45.5	8.0	20.8	14.9	47.2	96.4
1947—May 31..	1,153.7	354.3	40.5	41.5	33.4	9.6	18.0	95.4	432.2	57.0	71.8	206.7	36.2	8.7	20.5	14.9	50.0	76.5
June 30..	1,147.4	339.1	37.2	41.1	41.2	8.8	16.7	94.9	448.8	51.0	68.5	207.0	47.8	8.6	22.6	13.9	39.5	74.5
July 31..	1,113.2	309.6	36.2	47.2	43.3	11.8	17.6	85.8	452.6	40.4	68.7	214.1	42.4	9.4	19.4	13.7	49.5	79.7
Aug. 31..	1,091.5	286.1	35.3	44.7	53.6	14.6	17.6	82.8	440.3	41.7	74.9	218.5	46.2	9.5	21.1	13.3	55.5	72.9
Sept. 30..	1,065.1	269.7	8.2	45.5	54.4	13.8	17.8	70.8	464.3	41.7	79.1	205.9	47.5	8.3	24.1	11.8	37.6	76.2
Oct. 31..	1,057.7	263.3	8.7	43.6	55.0	12.4	25.5	59.7	470.9	39.7	78.9	204.4	43.8	6.5	25.8	11.4	43.3	73.6
Nov. 30..	1,064.2	250.2	9.3	41.8	56.7	16.5	28.9	65.9	476.0	39.2	79.7	197.3	34.8	6.5	26.9	10.2	46.3	72.7
Dec. 31..	1,057.9	229.9	6.5	39.8	62.4	11.0	31.3	69.3	488.6	37.6	81.5	193.7	30.6	5.9	25.0	10.1	46.4	75.8
1948—Jan. 31..	1,026.9	213.5	6.2	41.1	67.7	11.8	37.1	65.7	466.9	34.2	82.7	206.8	26.2	5.4	37.6	9.4	55.1	73.1
Feb. 29..	1,021.0	188.7	6.3	41.6	57.8	13.1	53.8	57.0	484.7	34.6	83.4	203.4	28.5	6.2	42.7	9.2	41.5	75.2
Mar. 31..	1,023.0	173.8	4.9	38.8	53.1	13.9	85.4	60.5	476.4	30.0	86.3	196.3	24.8	6.1	36.4	8.6	44.8	75.6
Apr. 30..	964.4	150.2	4.8	37.6	41.9	12.3	76.3	51.8	474.2	25.7	89.6	159.5	19.7	4.6	31.3	8.2	21.0	74.7

¹Beginning with January 1948, includes Pakistan, Burma, and Ceylon, previously included with India.

Footnotes to table on preceding page.

¹ Country breakdown is for "Official and private."

² Prior to Jan. 3, 1940, the figures under Asia represent Far East only, the remaining Asiatic countries being included under "All other."

³ Report dates for these years are as follows: 1938—Jan. 4, 1939; 1939—Jan. 3, 1940; and 1940—Jan. 1, 1941.

⁴ Official Canadian holdings of U. S. dollars on Dec. 31, 1946, amounted to 686.2 million dollars, according to the annual report of the Foreign Exchange Control Board of Canada for 1946.

⁵ Beginning March 1947, figures include balances in accounts opened by Occupation Authorities for foreign trade purposes.

NOTE.—Certain of the figures are not strictly comparable with the corresponding figures for preceding months owing to changes in reporting practice of various banks. The cumulative figures in Tables 1, 2, and 3 of "Net Capital Movement to United States" have been adjusted to exclude the unreal movements introduced by these changes. For further explanation see *Banking and Monetary Statistics*, pp. 578-584, and BULLETIN for March 1947, p. 339, and September 1948, pp. 967-970.

ASSETS

Date	Total	United Kingdom	France	Neth-erlands	Switzer-land	Italy	Other Europe	Total Europe	Canada	Latin America	Asia ¹	All other ¹
1938—Dec. (Jan. 4, 1939).....	594.0	86.0	10.3	24.2	5.5	13.5	135.4	274.9	60.4	99.1	144.1	15.5
1939—Dec. (Jan. 3, 1940).....	508.7	39.9	4.9	5.7	5.2	11.8	104.7	172.2	39.7	113.3	174.1	9.3
1940—Dec. (Jan. 1, 1941).....	384.0	23.0	4.2	.9	1.5	2.0	69.5	101.0	36.0	122.7	117.8	6.4
1941—Dec. 31.....	367.8	20.9	1.8	1.1	2.6	1.5	60.5	88.4	33.6	148.3	87.9	9.7
1942—Dec. 31.....	246.7	12.6	1.3	.5	1.5	.4	56.3	72.6	34.3	99.7	35.3	4.8
1943—Dec. 31.....	257.9	19.9	1.1	.4	3.0	.4	52.9	77.6	37.8	112.2	26.3	3.9
1944—Dec. 31.....	329.7	25.9	1.4	.3	1.3	.3	78.3	107.5	28.1	131.0	51.4	11.7
1945—Dec. 31.....	392.8	25.4	1.1	36.3	2.9	.3	74.6	140.7	53.3	158.9	29.9	9.9
1946—Dec. 31.....	708.3	47.7	5.7	151.0	9.8	16.0	82.8	312.9	52.2	226.8	99.2	17.2
1947—May 31.....	880.2	39.6	18.8	39.3	9.5	23.8	113.1	244.1	36.8	438.0	127.3	34.0
June 30.....	933.0	39.3	20.1	49.0	7.8	24.1	127.6	268.0	36.4	424.9	173.3	30.5
July 31.....	979.2	36.9	21.4	47.2	10.2	24.3	138.8	278.9	34.0	444.9	185.0	36.3
Aug. 31.....	967.3	34.1	20.9	45.9	9.8	23.6	139.7	274.0	32.2	451.8	177.7	31.7
Sept. 30.....	957.2	29.2	22.1	46.8	9.3	23.2	137.9	268.6	29.1	447.7	177.5	34.3
Oct. 31.....	963.4	33.1	17.6	48.6	6.4	24.9	135.4	266.0	29.8	466.7	164.6	36.3
Nov. 30.....	923.9	31.8	14.9	47.2	5.7	23.6	135.6	258.9	26.5	477.5	127.7	33.3
Dec. 31.....	960.9	29.2	23.4	49.1	7.0	21.1	130.9	260.6	27.5	514.3	127.0	31.5
1948—Jan. 31.....	1,029.0	22.5	97.8	51.1	6.3	21.2	129.2	328.2	25.2	519.3	126.6	29.7
Feb. 29.....	1,046.8	18.9	113.7	52.3	6.0	20.9	134.5	346.3	25.4	517.5	134.4	23.1
Mar. 31.....	1,083.8	18.5	118.5	51.3	6.4	17.4	152.9	364.9	28.4	537.3	131.1	22.1
Apr. 30.....	1,113.5	23.5	116.0	60.2	6.2	15.9	160.1	381.9	27.7	559.6	121.5	22.8

¹ Prior to Jan. 3, 1940, the figures under Asia represent Far East only, the remaining Asiatic countries being included under "All other."

NOTE.—The figures in this table are not fully comparable throughout since certain changes or corrections took place in the reporting practice of reporting banks on Aug. 12, 1936, and Oct. 18, 1939. (See *Banking and Monetary Statistics*, Table 161, pp. 589 and 591.) On June 30, 1942, reporting practice was changed from a weekly to a monthly basis. For further information see BULLETIN for September 1945, pp. 971-974.

**INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

[Millions of dollars]

International Fund	1948		1947		International Bank	1948		1947	
	May	Feb.	Nov.	May		June	Mar.	Dec.	June
Gold.....	1,363	1,357	1,356	1,333	Gold.....	(1)	4	4	.....
Member currencies (balances with depositories and securities payable on demand):					Member currencies (balances with depositories and securities payable on demand):				
United States.....	1,450	1,559	1,626	2,030	United States.....	102	165	267	478
Other members.....	3,992	3,869	3,630	3,155	Other members.....	918	914	909	872
Unpaid balance of member subscriptions.....	1,171	1,176	1,309	1,202	Investment securities (U. S. Govt. obligations).....	422	410	412	156
Other assets.....	(1)	(1)	(1)	(1)	Calls on subscriptions to capital stock ³	5	5	5	4
Member subscriptions.....	7,976	7,961	7,922	7,722	Loans (incl. undisbursed portions).....	497	497	497	250
Accumulated net income.....				-1	Other assets.....	5	7	3	.....
					Bonds outstanding.....	254	250	250	.....
					Loans—undisbursed.....	27	94	197	158
					Other liabilities.....	4	2	4	.....
					Special reserve.....	3	2	1	(1)
					Capital ³	1,657	1,653	1,645	1,605
					Accumulated net income.....	3	1	-1	-1
Currency bought ² (Cumulative figures)	1948			1947					
	July	June	May	May					
Belgian francs.....	33.0	33.0	33.0	.....				
Chilean pesos.....	8.8	8.8	8.8	.....				
Danish kroner.....	10.2	10.2	10.2	.....				
French francs.....	125.0	125.0	125.0	25.0					
Indian rupees.....	44.1	44.1	36.1	.....				
Mexican pesos.....	22.5	22.5	22.5	.....				
Netherlands guilders.....	75.4	75.4	75.4	12.0					
Norwegian kroner.....	9.6	7.3	5.0	.....				
Turkish liras.....	5.0	5.0	5.0	.....				
Pounds sterling.....	300.0	300.0	300.0	.....				
Total.....	633.6	631.3	621.0	37.0					

¹ Less than \$500,000.

² As of July 31, 1948, the Fund had sold 616.1 million U. S. dollars; in addition, the Netherlands received 1.5 million pounds sterling in May 1947 and 300 million Belgian francs in May 1948, and Norway received 100 million Belgian francs in June 1948 and an additional 100 million in July 1948.

³ Excludes uncalled portions of capital subscriptions, amounting to 6,629 million dollars as of June 30, 1948, of which 2,540 million represents the subscription of the United States.

CENTRAL BANKS

Bank of England (Figures in millions of pounds sterling)	Assets of issue department		Assets of banking department				Note circulation ³	Liabilities of banking department			
	Gold ¹	Other assets ²	Cash reserves		Discounts and advances	Securities		Deposits			Other liabilities and capital
			Coin	Notes				Bankers'	Public	Other	
1935—Dec. 25.....	200.1	260.0	.6	35.5	8.5	94.7	424.5	72.1	12.1	37.1	18.0
1936—Dec. 30.....	313.7	200.0	.6	46.3	17.5	155.6	467.4	150.6	12.1	39.2	18.0
1937—Dec. 29.....	326.4	220.0	.8	41.1	9.2	135.5	505.3	120.6	11.4	36.6	18.0
1938—Dec. 28.....	326.4	230.0	.8	51.7	28.5	90.7	504.7	101.0	15.9	36.8	18.0
1939—Dec. 27.....	.2	580.0	1.0	25.6	4.3	176.1	554.6	117.3	29.7	42.0	17.9
1940—Dec. 25.....	.2	630.0	.9	13.3	4.0	199.1	616.9	135.7	12.5	51.2	17.9
1941—Dec. 31.....	.2	780.0	.3	28.5	6.4	267.8	751.7	219.9	11.2	54.1	17.9
1942—Dec. 30.....	.2	950.0	.9	26.8	3.5	267.9	923.4	223.4	9.0	48.8	17.9
1943—Dec. 29.....	.2	1,100.0	.9	11.6	2.5	307.9	1,088.7	234.3	10.3	60.4	17.9
1944—Dec. 27.....	.2	1,250.0	1.9	11.6	5.1	317.4	1,238.6	260.7	5.2	52.3	17.8
1945—Dec. 26.....	.2	1,400.0	.4	20.3	8.4	327.0	1,379.9	274.5	5.3	58.5	17.8
1946—Dec. 25.....	.2	1,450.0	1.3	22.1	13.6	327.6	1,428.2	278.9	10.3	57.3	18.1
1947—Aug. 27.....	.2	1,450.0	2.5	56.8	16.6	332.0	1,393.4	282.0	14.0	93.4	18.4
Sept. 24.....	.2	1,450.0	2.3	73.7	14.6	325.9	1,376.5	289.6	16.2	92.1	18.5
Oct. 29.....	.2	1,450.0	2.0	89.4	5.9	318.9	1,360.8	288.8	13.8	95.9	17.8
Nov. 26.....	.2	1,450.0	1.5	109.8	4.5	302.1	1,340.5	292.5	14.0	93.3	18.0
Dec. 31.....	.2	1,450.0	.3	100.5	15.2	331.3	1,349.7	315.1	18.6	95.5	18.1
1948—Jan. 28.....	.2	1,400.0	.3	131.3	12.7	274.3	1,269.0	290.8	16.3	93.0	18.3
Feb. 25.....	.2	1,350.0	.2	118.6	11.3	284.3	1,231.6	290.6	12.1	93.3	18.4
Mar. 31.....	.2	1,300.0	.5	54.4	14.4	367.0	1,245.9	314.3	9.0	94.3	18.6
Apr. 28.....	.2	1,300.0	.7	62.4	14.5	350.6	1,237.8	307.4	12.6	90.3	17.8
May 26.....	.2	1,300.0	.6	56.0	9.8	366.9	1,244.2	311.8	10.7	93.0	18.0
June 30.....	.2	1,300.0	.7	48.0	17.8	383.8	1,252.2	325.4	14.5	92.2	18.2
July 28.....	.2	1,300.0	.8	15.2	13.4	400.5	1,285.0	311.0	11.2	89.4	18.3

⁴ Corrected.

¹ Through February 1939, valued at legal parity of 85 shillings a fine ounce; thereafter at market price, which fluctuated until Sept. 6, 1939, when it was officially set at 168 shillings per fine ounce; the latter rate remained in effect until June 9, 1945, when it was raised to 172 shillings and three pence.

² Securities and silver coin held as cover for fiduciary issue, the amount of which is also shown by this figure.

³ Notes issued less amounts held in banking department.

⁴ On Jan. 6, 1939, 200 million pounds sterling of gold (at legal parity) transferred from Bank to Exchange Equalization Account; on Mar. 1, 1939, about 5.5 million pounds (at current price) transferred from Exchange Account to Bank; on July 12, 1939, 20 million pounds transferred from Exchange Account to Bank; on Sept. 6, 1939, 279 million pounds transferred from Bank to Exchange Account.

⁵ Fiduciary issue decreased by 50 million pounds each on Jan. 7, Feb. 4, and Mar. 3, 1948. For details on previous changes in the fiduciary issue see BULLETIN for February 1948, p. 254.

NOTE.—For back figures on Bank of England, see *Banking and Monetary Statistics*, Table 164, pp. 638-640; for description of statistics, see pp. 560-561 in same publication.

CENTRAL BANKS—Continued

Bank of Canada (Figures in millions of Canadian dollars)	Assets					Liabilities				
	Gold	Sterling and United States dollars	Dominion and provin- cial government securities		Other assets	Note circulation ²	Deposits			Other liabilities and capital ³
			Short- term ¹	Other			Chartered banks	Dominion government	Other	
1938—Dec. 31.....	185.9	28.4	144.6	40.9	5.2	175.3	200.6	16.7	3.1	9.3
1939—Dec. 30.....	225.7	64.3	181.9	49.9	5.5	232.8	217.0	46.3	17.9	13.3
1940—Dec. 31.....	(*)	38.4	448.4	127.3	12.4	359.9	217.7	10.9	9.5	28.5
1941—Dec. 31.....		200.9	391.8	216.7	33.5	496.0	232.0	73.8	6.0	35.1
1942—Dec. 31.....		.5	807.2	209.2	31.3	693.6	259.9	51.6	19.1	24.0
1943—Dec. 31.....		.6	787.6	472.8	47.3	874.4	340.2	20.5	17.8	55.4
1944—Dec. 30.....		172.3	906.9	573.9	34.3	1,036.0	401.7	12.9	27.7	209.1
1945—Dec. 31.....		156.8	1,157.3	688.3	29.5	1,129.1	521.2	153.3	29.8	198.5
1946—Dec. 31.....		1.0	1,197.4	708.2	42.1	1,186.2	565.5	60.5	93.8	42.7
1947—Aug. 30.....		2.4	1,141.5	720.3	39.0	1,158.9	515.0	133.6	58.7	37.1
Sept. 30.....		1.9	1,088.0	744.7	49.5	1,172.2	481.1	128.2	62.0	40.5
Oct. 31.....		.7	1,136.4	799.4	53.1	1,179.4	548.7	143.4	71.2	46.9
Nov. 29.....		1.4	1,039.9	820.6	46.2	1,182.3	536.7	84.2	62.0	42.8
Dec. 31.....		2.0	1,022.0	858.5	43.7	1,211.4	536.2	68.8	67.5	42.4
1948—Jan. 31.....		(*)	931.3	863.2	48.2	1,157.5	538.3	44.6	60.6	41.7
Feb. 28.....		.6	974.4	825.7	47.2	1,156.3	531.8	60.8	75.0	24.0
Mar. 31.....		.1	985.2	806.7	62.7	1,180.8	519.2	42.2	86.7	25.9
Apr. 30.....		.2	1,124.1	767.8	60.5	1,183.0	558.9	57.9	126.0	26.9
May 31.....		.5	1,179.7	775.0	51.6	1,195.7	547.3	135.9	95.8	32.0
June 30.....		.2	1,152.9	790.9	56.8	1,206.5	517.0	138.4	107.2	31.7
July 31.....		.1	1,145.2	773.6	39.2	1,220.3	502.5	119.0	84.1	32.1

Bank of France (Figures in millions of francs)	Assets							Liabilities					
	Gold ⁶	Foreign ex- change	Domestic bills			Advances to Government		Other assets ⁹	Note circula- tion	Deposits			Other liabili- ties and capital
			Open market ⁷	Special ⁷	Other	For oc- cupation costs ⁸	Other ⁷			Gov- ernment	C.A.R. ¹⁰	Other	
1938—Dec. 29....	87,265	821	7,422	1,797	7,880	.....	20,627	18,498	110,935	5,061	.....	25,595	2,718
1939—Dec. 28....	97,267	112	11,273	2,345	5,149	.....	34,673	20,094	151,322	1,914	.....	14,751	2,925
1940—Dec. 26....	84,616	42	43,194	661	3,646	.....	72,317	63,900	23,179	218,383	984	41,400	27,202
1941—Dec. 31....	84,598	38	42,115	12	4,517	.....	142,507	69,500	22,121	270,144	1,517	64,580	25,272
1942—Dec. 31....	84,598	37	43,661	169	5,368	.....	210,965	68,250	21,749	382,774	770	16,857	29,935
1943—Dec. 30....	84,598	37	44,699	29	7,543	.....	326,973	64,400	21,420	500,386	578	10,724	33,137
1944—Dec. 28....	75,151	42	47,288	48	18,592	.....	426,000	15,850	35,221	572,510	748	.....	37,855
1945—Dec. 27....	129,817	68	23,038	303	25,548	.....	426,000	.....	39,122	570,006	12,048	.....	57,755
1946—Dec. 26....	94,817	7	77,621	3,135	76,254	.....	426,000	67,900	47,577	721,865	765	.....	63,468
1947—July 31....	64,817	6	99,114	8	85,195	.....	426,000	113,600	120,046	831,587	792	.....	71,329
Aug. 28....	64,817	3	97,490	20	98,224	.....	426,000	124,900	105,639	838,442	750	.....	70,651
Sept. 25....	52,817	7	107,877	130	101,935	.....	426,000	139,300	103,067	852,195	779	.....	71,299
Oct. 30....	52,817	10	108,050	250	132,913	.....	426,000	127,800	108,155	867,700	762	.....	81,030
Nov. 27....	65,225	13	111,368	285	150,065	.....	426,000	116,000	110,303	879,492	846	.....	87,513
Dec. 31....	65,225	12	137,397	64	117,826	.....	426,000	147,400	121,061	920,831	733	.....	82,479
1948—Jan. 22 ¹¹ ..	65,225	9	145,814	64	125,687	.....	426,000	120,700	104,474	891,546	771	.....	82,849
Mar. 25....	65,225	15	157,997	12	147,841	.....	426,000	155,000	108,979	773,199	791	.....	271,034
Apr. 29....	65,225	17	156,424	55	149,341	.....	426,000	129,500	113,590	759,054	790	.....	265,123
May 27....	65,225	22	149,849	27	165,265	.....	426,000	121,800	113,938	768,567	812	.....	256,948
June 24....	65,225	21	141,276	55	165,984	.....	426,000	122,800	102,405	790,639	738	.....	216,026
July 29....	65,225	45	148,812	156	169,674	.....	426,000	153,200	113,212	836,662	764	.....	225,251

¹ Securities maturing in two years or less.
² Includes notes held by the chartered banks, which constitute an important part of their reserves.
³ Beginning November 1944, includes a certain amount of sterling and United States dollars.
⁴ On May 1, 1940, gold transferred to Foreign Exchange Control Board in return for short-term Government securities (see BULLETIN for July 1940, pp. 677-678).
⁵ Less than \$50,000.
⁶ Gold revalued on Dec. 26, 1945, on basis of 134,027.90 francs per fine kilogram. For details on previous devaluations and other changes in the gold holdings of the Bank of France, see BULLETIN for May 1948, p. 601; May 1940, pp. 466-467; January 1939, p. 29; September 1937, p. 853; and November 1936, pp. 878-880.
⁷ For explanation of this item, see BULLETIN for July 1940, p. 732.
⁸ By a series of Conventions between the Bank of France and the Treasury, dated from Aug. 25, 1940, through July 20, 1944, advances of 441,000 million francs were authorized to meet the costs of the German army of occupation.
⁹ From Dec. 28, 1944, through Nov. 20, 1947, includes 9,447 million francs charged to the State to reimburse the Bank for the gold turned over by it to the National Bank of Belgium on Dec. 22, 1944. During the week ending Nov. 27, 1947, this amount was reduced to 5,039 million francs by a payment from the State to the Bank.
¹⁰ Central Administration of the Reichskreditkassen.
¹¹ Includes a noninterest loan to the Government, which was raised from 10,000 million to 50,000 million francs by law of Mar. 29, 1947.
¹² Publication of Bank's statement suspended from Jan. 22 until Mar. 4, 1948.
NOTE.—For back figures on Bank of Canada and Bank of France, see *Banking and Monetary Statistics*, Tables 166 and 165, pp. 644-645 and pp. 641-643, respectively; for description of statistics, see pp. 562-564 in same publication. For last available report from the Reichsbank (February 1945), see BULLETIN for December 1946, p. 1424.

CENTRAL BANKS—Continued

Central Bank (Figures as of last report date of month)	1948			1947	Central Bank (Figures as of last report date of month)	1948			1947
	July	June	May	July		July	June	May	July
Central Bank of the Argentine Republic (millions of pesos):					Bank of the Republic of Colombia —Cont.				
Gold reported separately.....		621	667	1,617	Deposits.....	166,218	165,502	160,205	175,440
Other gold and foreign exchange.....		2,083	2,173	2,428	Other liabilities and capital...	42,939	43,845	42,200	33,612
Government securities.....		880	881	952	National Bank of Costa Rica —				
Temporary advances to Govt.....					Issue dept. (thousands of colones):				
Rediscounts and loans to banks ¹	17,170	16,814	11,434	Gold.....			11,663	11,369	
Other assets.....	2,885	2,747	2,627	Foreign exchange.....			36,591	7,881	
Currency circulation ²	5,955	5,787	4,526	Contributions to Int'l Fund and to Int'l. Bank.....			30,321	30,321	
Deposits—Member bank.....	579	739	453	Loans and discounts.....			66,770	63,020	
Government.....	1,748	1,716	1,332	Securities.....			8,039	4,003	
Nationalized ³	14,185	13,955	11,903	Other assets.....			1,032	1,051	
Other.....	253	217	73	Note circulation.....			102,204	73,809	
Other liabilities and capital.....	918	868	771	Demand deposits.....			45,064	37,310	
				Other liabilities and capital...			7,149	6,527	
Commonwealth Bank of Australia (thousands of pounds):				National Bank of Czechoslovakia (millions of koruny):					
Gold and foreign exchange.....	255,287	247,574	178,971	Gold and foreign exchange ⁴	3,403	3,736	3,705	4,694	
Checks and bills of other banks.....	11,752	3,054	2,095	Loans and discounts.....	19,349	16,998	16,753	4,302	
Securities (incl. Government and Treasury bills).....	396,819	405,569	410,572	Other assets.....	50,736	51,749	51,610	124,181	
Other assets.....	43,212	28,020	17,034	Note circulation—Old.....	(⁵)	(⁶)	(⁷)	930	
Note circulation.....	196,605	194,893	204,143	New.....	61,518	60,238	59,479	45,037	
Deposits of Trading Banks:				Other.....	(⁸)	(⁹)	(⁸)	68,784	
Special.....	294,480	288,930	248,064	Deposits—Old.....	1,773	1,374	1,597	9,288	
Other.....	28,201	24,899	24,195	New.....	10,197	10,872	10,991	9,138	
Other liabilities and capital.....	187,785	175,495	132,270	Other liabilities and capital.....					
				National Bank of Denmark (millions of kroner):					
National Bank of Belgium (millions of francs):				Gold.....		70	70	71	
Gold.....	27,922	27,240	26,939	Foreign exchange.....		98	105	77	
Foreign exchange.....	11,336	12,099	12,186	Contributions to Int'l Fund and to Int'l. Bank.....			65	65	
Net claim on Int'l. Fund ¹	544	544	544	Clearing accounts (net).....			26	22	
Loans to Government.....	51,045	49,461	51,026	Loans and discounts.....			19	16	
Other loans and discounts.....	10,280	9,088	6,732	Securities.....			99	104	
Claim against Bank of Issue.....	64,597	64,597	64,597	Govt. compensation account.....		5,229	5,405	6,005	
Other assets.....	1,762	1,967	1,944	Other assets.....		172	174	272	
Note circulation.....	81,112	78,365	77,856	Note circulation.....		1,477	1,486	1,462	
Demand deposits.....	5,516	5,723	5,380	Deposits—Government.....		1,741	1,754	2,340	
Blocked accounts ⁴	78,696	78,699	78,553	Other.....		2,410	2,572	2,646	
Other liabilities and capital.....	2,162	2,209	2,179	Other liabilities and capital.....		151	149	149	
				Central Bank of Ecuador (thousands of sucres):					
Central Bank of Bolivia—Monetary dept. (millions of bolivianos):				Gold.....	277,274	276,774	274,229		
Gold at home and abroad.....			954	Foreign exchange (net).....		2,151	11,828	18,447	
Foreign exchange.....			158	Net claim on Int'l Fund ¹		16,880	16,880	16,877	
Loans and discounts.....			354	Loans and discounts.....		234,000	215,389	255,887	
Government securities.....			771	Other assets.....		104,510	95,932	133,955	
Other assets.....			16	Note circulation.....		321,201	315,179	347,758	
Note circulation.....			1,844	Demand deposits.....		244,313	227,531	297,413	
Deposits.....			167	Other liabilities and capital.....		69,300	74,094	54,224	
Other liabilities and capital.....			241						
				National Bank of Egypt (thou- sands of pounds):					
National Bank of Bulgaria ⁵				Gold.....		6,376	6,376	6,376	
Central Bank of Chile (millions of pesos):				Foreign exchange.....		15,625	17,624	13,432	
Gold ⁶		1,150	1,139	Loans and discounts.....		2,122	2,077	3,289	
Foreign exchange (net).....		94	159	British, Egyptian, and other Government securities.....		315,694	310,345	297,559	
Net claim on Int'l. Fund ⁷		1	3	Other assets.....		19,741	20,247	24,731	
Discounts for member banks.....		996	1,132	Note circulation.....		133,745	137,510	122,759	
Loans to Government.....		782	787	Deposits—Government.....		82,154	80,302	83,836	
Other loans and discounts.....		1,508	1,536	Other.....		134,483	130,220	123,666	
Other assets.....		1,346	1,251	Other liabilities and capital.....		9,175	8,636	15,126	
Note circulation.....		4,414	4,363						
Deposits—Bank.....		754	846	Central Reserve Bank of El Salva- dor (thousands of colones):					
Other.....		365	332	Gold.....	36,510	36,560	36,608	37,071	
Other liabilities and capital.....		343	465	Foreign exchange (net).....	39,820	42,776	45,633	40,570	
				Net claim on Int'l Fund ¹	1,564	1,564	1,563	1,563	
Bank of the Republic of Colombia (thousands of pesos):				Loans and discounts.....	1,190	1,282	2,233	2,028	
Gold and foreign exchange ⁷	162,260	166,704	162,555	Government debt and securities	5,123	5,248	5,243	5,516	
Net claim on Int'l. Fund ⁸	21,868	21,867	21,871	Other assets.....	1,596	1,682	1,548	1,710	
Paid-in capital—Int'l. Bank.....	1,230	1,229	1,225	Note circulation.....	50,855	52,207	53,282	50,484	
Loans and discounts.....	151,983	146,867	141,416	Deposits.....	29,188	31,150	31,938	29,520	
Government loans and securities.....	126,831	127,605	118,679	Other liabilities and capital.....	5,759	5,755	5,598	8,455	
Other assets.....	54,375	46,674	48,303						
Note circulation.....	309,390	301,600	291,645						

¹ Government decree of Apr. 24, 1946, provided for the guarantee of all deposits registered in the name of the Central Bank.
² By decree of May 24, 1946, the Central Bank became responsible for all subsidiary money.
³ This figure represents the amount of the bank's subscription to the Fund less the bank's local currency liability to the Fund. Until such time as the Fund engages in operations in this currency, the "net claim" will equal the country's gold contribution.
⁴ Includes increment resulting from gold revaluation, notes forfeited to the State, and frozen old notes and current accounts.
⁵ For last available report (January 1943), see BULLETIN for July 1943, p. 697.
⁶ Beginning January 1948, gold valued at 31 pesos per U. S. dollar, while previously it was valued at 4.855 pesos per dollar.
⁷ Gold not reported separately beginning May 31, 1948.
⁸ Gold not reported separately beginning Dec. 31, 1946.
⁹ Change due to transfers in accordance with the law of July 2, 1947, relating to the Monetary Liquidation Fund.

CENTRAL BANKS—Continued

Central Bank (Figures as of last report date of month)	1948			1947	Central Bank (Figures as of last report date of month)	1948			1947
	July	June	May	July		July	June	May	July
Bank of Paraguay—Monetary dept. (thousands of guaranies):					Swiss National Bank (millions of francs):				
Gold.....	738	745	745	1,881	Gold.....	5,560	5,659	5,672	5,187
Foreign exchange (net).....	18,158	22,360	22,107	24,579	Foreign exchange.....	124	117	107	96
Net claim on Int'l. Fund ¹	2,709	2,709	2,709	1,549	Loans and discounts.....	204	252	247	84
Paid-in capital—Int'l. Bank.....	-16	-16	-16	3	Other assets.....	93	102	92	82
Loans and discounts.....	36,808	28,647	27,240	16,642	Note circulation.....	4,233	4,221	4,158	3,980
Government loans and securities.....	6,493	6,694	7,059	9,728	Other sight liabilities.....	1,202	1,246	1,298	1,127
Other assets.....	1,568	2,666	1,703	447	Other liabilities and capital.....	546	663	663	342
Note and coin issue.....	52,628	53,228	51,078	41,328	Central Bank of the Republic of Turkey (thousands of pounds):				
Demand deposits.....	9,767	7,425	7,411	10,544	Gold ⁶	458,542	470,296	517,088	
Other liabilities and capital.....	4,063	3,153	3,058	2,957	Foreign exchange and foreign clearings.....	146,630	170,296	300,228	
Central Reserve Bank of Peru (thousands of soles):					Loans and discounts.....	649,338	630,241	596,857	
Gold and foreign exchange.....	101,667	108,513	116,297		Securities.....	178,332	178,539	187,122	
Net claim on Int'l. Fund ¹	20,496	20,496	20,491		Other assets.....	35,292	30,694	33,061	
Contribution to Int'l. Bank.....	2,356	2,356	2,480		Note circulation.....	865,517	881,567	929,170	
Loans and discounts to banks.....	99,890	101,486	78,534		Deposits—Gold.....	153,029	153,021	148,360	
Loans to Government.....	748,249	747,999	699,095		Other.....	216,995	224,732	324,330	
Other assets.....	49,519	62,468	87,548		Other liabilities and capital.....	232,592	220,746	232,496	
Note circulation.....	723,256	717,302	679,455		Bank of the Republic of Uruguay (thousands of pesos):				
Deposits.....	226,232	240,122	211,913		Gold.....	308,258	308,258	286,419	
Other liabilities and capital.....	72,690	85,894	113,077		Silver.....	12,387	12,342	13,004	
Bank of Portugal (millions of escudos):					Paid-in capital—Int'l. Bank.....	314	314	318	
Gold.....			4,345	5,239	Advances to State and government bodies.....	63,044	63,783	28,402	
Foreign exchange (net).....			10,139	11,284	Other loans and discounts.....	195,271	192,838	147,038	
Loans and discounts.....			405	410	Other assets.....	303,011	292,161	354,370	
Advances to Government.....			1,283	1,286	Note circulation.....	250,513	250,759	214,095	
Other assets.....			496	549	Deposits—Government.....	75,635	76,465	55,788	
Note circulation.....			8,310	8,200	Other.....	268,244	265,668	242,226	
Demand deposits—Government.....			1,240	2,330	Other liabilities and capital.....	287,894	276,804	317,442	
Other.....			6,209	7,322	Central Bank of Venezuela (thousands of bolivares):				
Other liabilities and capital.....			910	916	Gold ⁶	829,625	705,716	705,510	617,912
National Bank of Rumania					Foreign exchange (net).....	72,346	210,793	39,389	31,267
South African Reserve Bank (thousands of pounds):					Other assets.....	78,528	96,419	84,607	92,603
Gold ¹	91,640	95,323	184,810		Note circulation—Central Bank.....	628,815	638,266	637,783	487,579
Foreign bills.....	71,258	81,235	10,674		National banks.....	3,248	3,371	3,406	4,748
Other bills and loans.....	85,876	86,154	7,627		Deposits.....	308,092	310,058	171,446	210,858
Other assets.....	7,791	11,934	12,527		Other liabilities and capital.....	40,343	61,233	16,870	38,597
Note circulation.....	64,741	64,906	63,429		National Bank of the Kingdom of Yugoslavia ²				
Deposits.....	184,255	203,269	145,957		Bank for International Settlements ⁷ (thousands of Swiss gold francs):				
Other liabilities and capital.....	7,569	6,469	6,252		Gold in bars.....	95,974	92,728	99,241	82,712
Bank of Spain (millions of pesetas):					Cash on hand and on current account with banks.....	30,153	32,426	35,286	14,429
Gold.....			1,216		Sight funds at interest.....	497	374	374	3,574
Silver.....			500		Rediscountable bills and acceptances (at cost).....	20,079	20,345	31,323	33,451
Government loans and securities.....			15,857		Time funds at interest.....	33,260	33,412	9,478	13,538
Other loans and discounts.....			9,748		Sundry bills and investments.....	127,439	100,259	83,857	66,676
Other assets.....			2,874		Funds invested in Germany.....	297,201	297,201	297,197	291,160
Note circulation.....			24,825		Other assets.....	1,259	2,575	2,893	2,506
Deposits—Government.....			1,112		Demand deposits (gold).....	18,045	19,380	17,585	18,093
Other.....			3,681		Short-term deposits (various currencies):				
Other liabilities and capital.....			575		Central banks for own account.....	109,568	82,268	49,076	11,666
Bank of Sweden (millions of kronor):					Other.....	1,435	1,371	4,270	2,087
Gold.....	178	188	205	316	Long-term deposits: Special accounts.....	228,909	228,909	228,909	228,909
Foreign assets (net).....	188	170	181	298	Other liabilities and capital.....	247,904	247,390	259,808	247,291
Swedish Govt. securities and advances to National Debt Office ⁴	3,041	3,247	3,129	2,398					
Other domestic bills and advances.....	150	60	99	224					
Other assets.....	463	367	347	371					
Note circulation.....	2,784	2,824	2,734	2,543					
Demand deposits—Government.....	645	732	602	570					
Other.....	119	133	334	113					
Other liabilities and capital.....	472	342	292	382					

^r Revised.

¹ This figure represents the amount of the bank's subscription to the Fund less the bank's local currency liability to the Fund. Until such time as the Fund engages in operations in this currency, the "net claim" will equal the country's gold contribution.

² For last available report from the central bank of Rumania (June 1944), see BULLETIN for March 1945, p. 286; and of Yugoslavia (February 1941), see BULLETIN for March 1942, p. 282.

³ Gold revalued in June 1946 from approximately 85 to 172 shillings per fine ounce.

⁴ Includes small amount of non-Government bonds.

⁵ Gold revalued on Sept. 9, 1946, from 1,406.58 to 3,150.77 Turkish pounds per fine kilogram.

⁶ Beginning October 1944, a certain amount of gold formerly reported in the bank's account shown separately for account of the Government.

⁷ See BULLETIN for December 1936, p. 1025.

MONEY RATES IN FOREIGN COUNTRIES

DISCOUNT RATES OF CENTRAL BANKS

[Per cent per annum]

Date effective	Central bank of—							Central bank of—	Rate Aug. 31	Date effective	Central bank of—	Rate Aug. 31	Date effective
	United Kingdom	France	Germany	Belgium	Netherlands	Sweden	Switzerland						
In effect Dec. 31, 1937	2	3	4	2	2	2½	1½	Albania	5½	Mar. 21, 1940	Ireland	2½	Nov. 23, 1943
May 10, 1938				4				Argentina	3½	Mar. 1, 1936	Italy	5½	Sept. 6, 1947
May 13		2½						Austria	3½	Aug. 3, 1945	Japan	5.11	July 5, 1948
May 30				3				Belgium	3½	Aug. 27, 1947	Java	3	Jan. 14, 1937
Sept. 28		3						Bolivia	6	Nov. 8, 1940	Latvia	5	Feb. 17, 1940
Oct. 27				2½									
Nov. 25		2½											
Jan. 4, 1939		2						Bulgaria	4½	Aug. 14, 1946	Lithuania	6	July 15, 1939
Apr. 17				4				Canada	1½	Feb. 8, 1944	Mexico	4½	June 4, 1942
May 11								Chile	3-4½	Dec. 16, 1936	Netherlands	2½	June 27, 1941
July 6				2½				Colombia	4	July 18, 1933	New Zealand	1½	July 26, 1941
Aug. 24	4							Costa Rica	3	Apr. 1, 1939	Norway	2½	Jan. 9, 1946
Aug. 29					3			Czechoslovakia	2½	Oct. 28, 1945	Peru	6	Nov. 13, 1947
Sept. 28	3												
Oct. 26	2												
Dec. 15													
Jan. 25, 1940				2				Denmark	3½	Jan. 15, 1946	Portugal	2½	Jan. 12, 1944
Apr. 9			3½					Ecuador	7	June 8, 1943	Rumania	5	Mar. 25, 1948
May 17								El Salvador	4	Oct. 15, 1946	South Africa	3	June 2, 1941
Mar. 17, 1941		1¾						Estonia	4½	Oct. 1, 1935	Spain	4½	Oct. 27, 1947
May 29								Finland	7¼	Feb. 6, 1948	Sweden	2½	Feb. 9, 1945
June 27					2½								
Jan. 16, 1945				1½									
Jan. 20		1½											
Feb. 9						2½		France	2½	Oct. 9, 1947	Switzerland	1½	Nov. 26, 1936
Nov. 7, 1946				2½				Greece	3½	Apr. 9, 1940	Turkey	4	July 1, 1938
Dec. 19				3				Hungary	5	Nov. 1, 1947	United Kingdom	2	Oct. 26, 1939
Jan. 10, 1947		1¾						India	3	Nov. 28, 1935	U. S. S. R.	4	July 1, 1936
Aug. 27		2¼		3½							Yugoslavia	1-4	Jan. 1, 1947
Oct. 9		2½											
In effect Aug. 31, 1948	2	3	3½	3½	2½	2½	1½						

NOTE.—Changes since July 31: None.

OPEN-MARKET RATES

[Per cent per annum]

Year and Month	Canada	United Kingdom				France	Netherlands		Sweden	Switzerland
	Treasury bills 3 months	Bankers' acceptances 3 months	Treasury bills 3 months	Day-to-day money	Bankers' allowance on deposits	Day-to-day money	Treasury bills 3 months	Day-to-day money	Loans up to 3 months	Private discount rate
1932—June		1.05	.85	.99	1½				4-6	1.50
1933—June		.50	.40	.62	1½				3-5½	1.50
1934—June		.91	.85	.92	1½				2½-5	1.50
1935—June		.71	.64	.75	1½				2½-4½	2.60
1936—June	.84	.78	.78	.75	1½				2½-5	2.25
1937—June	.64	.68	.68	.79	1½	4.61			2½-5	1.00
1938—June	.47	.59	.59	.75	1½	1.69			2½-5	1.00
1939—June	.61	.75	.76	.77	1½	1.50			2½-5	1.00
1940—June	.74	1.03	1.02	1.00	1½				3½-5½	1.50
1941—June	.59	1.03	1.00	1.00	1½	1.47			3-5½	1.25
1942—June	.54	1.03	1.00	1.00	1½	1.58			3-5½	1.25
1943—June	.50	1.03	1.00	1.06	1½	1.67			3-5½	1.25
1944—June	.39	1.03	1.00	1.13	1½	1.58			3-5½	1.25
1945—June	.36	1.03	1.00	1.13	1½	1.74			2½-5	1.25
1946—June	.39	.53	.50	.63	1½	1.32	1.42	1.00	2½-4½	1.25
1947—June	.41	.53	.51	.63	1½	1.45	1.46	.86	2½-4½	1.25
1947—July	.41	.53	.51	.63	1½	1.51	1.52	1.09	2½-4½	1.25
Aug.	.41	.53	.51	.63	1½	1.46	1.30	1.00	2½-4½	1.25
Sept.	.41	.53	.51	.63	1½	1.44	1.08	.75	2½-4½	1.25
Oct.	.41	.53	.51	.63	1½	1.64	.95	.95	2½-4½	1.38
Nov.	.41	.53	.51	.63	1½	2.12	.93	.74	2½-4½	1.38
Dec.	.41	.53	.51	.63	1½	2.04	1.13	.53	2½-4½	1.38
1948—Jan.	.41	.54	.51	.63	1½	2.02	1.28	.57	2½-4½	1.50
Feb.	.41	.56	.50	.63	1½	2.00	1.38	.78	2½-4½	1.50
Mar.	.41	.56	.51	.63	1½	2.09	1.45	.99	2½-4½	1.50
Apr.	.41	.56	.51	.63	1½	2.00	1.38	.93	2½-4½	1.50
May	.41	.56	.51	.63	1½		1.33	.94	2½-4½	1.50
June	.41	.56	.51	.63	1½		1.36	.84	2½-4½	1.50

NOTE.—For monthly figures on money rates in these and other foreign countries through 1941 see *Banking and Monetary Statistics*, Table 172, pp. 656-661, and for description of statistics see pp. 571-572 in same publication.

COMMERCIAL BANKS

United Kingdom ¹ (11 London clearing banks. Figures in millions of pounds sterling)	Assets							Liabilities			
	Cash reserves	Money at call and short notice	Bills discounted	Treasury deposit receipts ²	Securities	Loans to customers	Other assets	Deposits			Other liabilities and capital
								Total	Demand	Time	
1941—December.....	366	141	171	758	999	823	324	3,329	2,168	1,161	253
1942—December.....	390	142	198	896	1,120	794	325	3,629	2,429	1,200	236
1943—December.....	422	151	133	1,307	1,154	761	349	4,032	2,712	1,319	245
1944—December.....	500	199	147	1,667	1,165	772	347	4,545	3,045	1,500	250
1945—December.....	536	252	369	1,523	1,234	827	374	4,850	3,262	1,588	265
1946—December.....	499	432	610	1,560	1,427	994	505	5,685	3,823	1,862	342
1947—July.....	475	442	699	1,283	1,488	1,139	504	5,644	3,668	1,975	386
August.....	479	455	724	1,248	1,492	1,154	473	5,628	3,663	1,965	396
September.....	465	472	758	1,193	1,493	1,155	476	5,615	3,653	1,962	397
October.....	468	466	825	1,147	1,500	1,185	487	5,690	3,713	1,977	387
November.....	488	476	799	1,196	1,500	1,205	492	5,767	3,781	1,986	389
December.....	502	480	793	1,288	1,483	1,219	567	5,935	3,962	1,972	396
1948—January.....	476	460	800	1,217	1,480	1,231	513	5,776	3,821	1,955	401
February.....	465	442	713	1,157	1,485	1,280	500	5,642	3,700	1,942	400
March.....	472	468	804	1,153	1,486	1,308	507	5,794	3,686	2,108	404
April.....	478	463	778	1,240	1,482	1,315	509	5,861	3,744	2,117	404
May.....	488	454	723	1,248	1,477	1,334	547	5,869	3,832	2,037	401
June.....	492	473	659	1,361	1,478	1,354	530	5,955	3,872	2,083	393

Canada (10 chartered banks. End of month figures in millions of Canadian dollars)	Assets						Liabilities				
	Entirely in Canada			Security loans abroad and net due from foreign banks	Securities	Other assets	Note circulation	Deposits payable in Canada excluding interbank deposits			Other liabilities and capital
	Cash reserves	Security loans	Other loans and discounts					Total	Demand	Time	
1941—December.....	356	32	1,169	168	1,759	653	71	3,105	1,436	1,669	962
1942—December.....	387	31	1,168	231	2,293	657	60	3,657	1,984	1,673	1,049
1943—December.....	471	48	1,156	250	2,940	744	42	4,395	2,447	1,948	1,172
1944—December.....	550	92	1,211	214	3,611	782	34	5,137	2,714	2,423	1,289
1945—December.....	694	251	1,274	227	4,038	869	26	5,941	3,076	2,865	1,386
1946—December.....	753	136	1,507	132	4,232	1,039	21	6,252	2,783	3,469	1,525
1947—July.....	645	99	1,761	119	4,110	1,036	20	6,170	2,481	3,690	1,580
August.....	670	82	1,805	116	4,109	1,014	19	6,186	2,412	3,774	1,591
September.....	663	83	2,027	113	3,963	933	19	6,193	2,387	3,806	1,570
October.....	702	93	1,931	102	3,882	1,156	19	6,283	2,531	3,753	1,563
November.....	695	92	2,065	107	3,850	1,051	18	6,279	2,569	3,710	1,562
December.....	731	105	1,999	106	3,874	1,159	18	6,412	2,671	3,740	1,544
1948—January.....	698	77	1,953	97	3,972	1,029	18	6,281	2,457	3,824	1,526
February.....	679	70	1,933	108	3,968	1,017	18	6,227	2,346	3,881	1,531
March.....	698	65	1,922	106	4,036	1,123	18	6,399	2,472	3,927	1,532
April.....	710	76	1,930	108	4,072	1,114	18	6,464	2,513	3,951	1,528
May.....	728	80	1,925	127	4,066	1,107	17	6,456	2,501	3,955	1,561
June.....	685	84	1,930	135	4,143	1,129	17	6,528	2,592	3,936	1,561

France (4 large banks. End of month figures in millions of francs)	Assets					Liabilities				
	Cash reserves	Due from banks	Bills discounted	Loans	Other assets	Deposits			Own acceptances	Other liabilities and capital
						Total	Demand	Time		
1941—December.....	6,589	3,476	61,897	8,265	2,040	76,656	75,744	912	413	5,199
1942—December.....	7,810	3,458	73,917	10,625	2,622	91,549	91,225	324	462	6,422
1943—December.....	8,548	4,095	90,897	14,191	2,935	112,732	111,191	1,541	428	7,506
1944—December.....	10,365	4,948	99,782	18,653	2,190	128,758	126,578	2,180	557	6,623
1945—December.....	14,602	13,804	155,025	36,166	7,360	213,908	211,871	2,037	2,898	10,151
1946—December.....	17,943	18,919	195,177	64,933	23,392	291,894	290,004	1,890	15,694	12,777
1947—June.....	27,316	20,419	196,762	73,569	22,866	312,289	309,137	3,152	17,679	10,964
July.....	21,428	20,388	208,792	79,789	24,928	324,665	321,678	2,987	18,589	12,072
August.....	21,585	19,464	210,551	80,220	29,200	326,393	323,415	2,978	21,932	12,695
September.....	20,950	20,451	209,323	85,712	31,391	331,219	328,438	2,781	23,149	13,459
October.....	19,696	19,018	211,760	86,269	32,338	330,949	327,997	2,952	23,304	14,830
November.....	21,597	20,691	205,314	92,010	33,482	333,858	331,059	2,799	23,632	15,603
December.....	22,551	19,410	219,374	86,344	37,291	342,166	338,710	3,457	25,175	17,628
1948—January.....	31,004	28,345	230,986	100,960	28,604	384,403	379,194	5,210	25,218	10,278
February.....	29,111	30,800	250,402	98,196	29,248	401,930	396,683	5,247	25,123	10,704
March.....	36,687	27,214	260,660	101,565	32,114	419,991	414,629	5,362	26,173	12,076
April.....	29,808	27,283	269,554	105,112	33,661	423,905	418,077	5,828	26,878	14,634
May.....	32,885	26,713	270,399	113,086	35,138	435,436	429,788	5,649	27,104	15,681

¹ From September 1939 through November 1946, this table represents aggregates of figures reported by individual banks for days, varying from bank to bank, toward the end of the month. After November 1946, figures for all banks are compiled on the third Wednesday of each month, except in June and December, when the statements will give end-of-month data.

² Represent six-month loans to the Treasury at 1½ per cent through Oct. 20, 1945, and at ½ per cent thereafter.

NOTE.—For back figures and figures on German commercial banks, see *Banking and Monetary Statistics*, Tables 168–171, pp. 648–655, and for description of statistics see pp. 566–571 in same publication.

FOREIGN EXCHANGE RATES

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

Year or month	Argentina (peso)			Australia (pound)		Belgium (franc)	Brazil (cruzeiro*)		Canada (dollar)		Chile (peso)	
	"Regular products" †	"Non-regular products" ‡	Certain industrial products	Official	Free		Official	Free	Official	Free	Official	Export
1941	29.773	23.704		322.80	321.27		6.0575	5.0705	90.909	87.345	4 5.1664	4 4.0000
1942	29.773	23.704		322.80	321.50		6.0584	5.1427	90.909	88.379		
1943	29.773	24.732		322.80	321.50		6.0586	5.1280	90.909	89.978		
1944	29.773	25.125		322.80			6.0594	5.1469	90.909	89.853		
1945	29.773	25.125		322.80	321.17	4 2.2860	6.0602	5.1802	90.909	90.485		
1946	29.773	25.125		321.34		2.2829	6.0602	(9)	95.198	93.288		
1947	29.773	25.125		321.00		2.2817	5.4403		100.000	91.999		
1947—September	29.773	25.125		321.12		2.2833	5.4406		100.000	90.362		
October	29.773	25.125		321.19		2.2830	5.4406		100.000	89.989		
November	29.773	25.125		321.15		2.2812	5.4406		100.000	89.589		
December	29.773	25.125		321.21		2.2789	5.4406		100.000	88.359		
1948—January	29.773	25.125		321.16		2.2784	5.4406		100.000	90.455		
February	29.773	25.125		321.20		2.2789	5.4406		100.000	89.062		
March	29.773	25.125		321.21		2.2793	5.4406		100.000	89.280		
April	29.773	25.125		321.23		2.2796	5.4406		100.000	90.633		
May	29.773	25.125		321.21		2.2798	5.4406		100.000	92.273		
June	29.773	25.125		321.21		2.2805	5.4406		100.000	93.229		
July	29.773	25.125	8 20.000	321.23		2.2807	5.4406		100.000	92.829		
August	29.773	25.125	20.000	321.23		2.2830	5.4406		100.000	92.701		

Year or month	China (yuan Shanghai)	Colombia (peso)	Czechoslovakia (kouruna)	Denmark (krone)	Finland (markka)	France (franc)		Hong Kong (dollar)	India (rupee)	Italy (lira)	Mexico (peso)	Netherlands (guilder)
						Official	Free					
1941	4 5.313	57.004			2 2.0101			4 24.592	30.137	4 5.0703	20.538	
1942		57.052							30.122		20.569	
1943		57.265							30.122		20.577	
1944		57.272							30.122		20.581	
1945		57.014					4 1.9711		30.122		20.581	4 37.933
1946		57.020	4 2.0060	4 20.876			.8409		30.155	4 4.4434	20.581	37.813
1947		57.001	2.0060	20.864			.8407		30.164		20.577	37.760
1947—September		56.980	2.0060	20.861			.8407		30.167		20.578	37.751
October		56.980	2.0060	20.861			.8407		30.169		20.576	37.762
November		56.980	2.0060	20.863			.8404		30.176		20.576	37.768
December		56.980	2.0060	20.860			.8403		30.177		20.575	37.699
1948—January		56.991	2.0060	20.860			9 8.400		30.172		20.576	37.654
February		57.010	2.0060	20.860			10 4.671	10 3.270	30.168		20.575	37.714
March		57.010	2.0060	20.860			.4671	.3270	30.168		20.575	37.750
April		57.010	2.0060	20.860			.4671	.3277	130 169		20.578	37.765
May		57.010	2.0060	20.860			.4671	.3272	130 169		20.574	37.755
June		57.010	2.0060	20.859			.4671	.3268	130 169		20.573	37.718
July		(13)	2.0060	20.858			.4671	.3265	130 169		20.573	37.645
August		(13)	2.0060	20.855			.4671	.3268	130 169		(13)	37.621

Year or month	New Zealand (pound)	Norway (krone)	Portugal (escudo)	South Africa (pound)	Spain (peseta)	Straits Settlements (dollar)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)		Uruguay (peso)	
									Official	Free	Controlled	Non-controlled
1941	322.54		4 4.0023	398.00	9 1.130	47.133	4 23.829	4 23.210	403.50	403.18	65.830	43.380
1942	322.78			398.00		4 46.919			403.50	403.50	65.830	52.723
1943	324.20			398.00					403.50	403.50	65.830	52.855
1944	324.42			398.00					403.50		65.830	53.506
1945	323.46			399.05					403.50	403.02	65.830	55.159
1946	322.63	4 20.176	4 4.0501	400.50	9 1.132		4 25.859	4 23.363	403.28		65.830	56.280
1947	322.29	20.160	4.0273	400.74	9 1.132		27.824	23.363	402.86		65.830	56.239
1947—September	322.41	20.158	4.0203	400.75	9 1.132		27.822	23.363	403.00		65.830	56.204
October	322.48	20.159	4.0240	400.75	9 1.132		27.823	23.363	403.10		65.830	56.204
November	322.44	20.159	3.9985	400.75	9 1.132		27.825	23.363	403.05		65.830	56.204
December	322.50	20.159	4.0088	400.75	9 1.132		27.826	23.363	403.13		65.830	56.204
1948—January	322.45	20.159	4.0043	400.75	9 1.132		27.825	23.363	403.07		65.830	56.198
February	322.49	20.160	3.9700	400.75	9 1.132		27.826	23.363	403.11		65.830	56.180
March	322.50	20.160	3.9856	400.75	9 1.132		27.826	23.363	403.13		65.830	56.180
April	322.51	20.160	3.9966	400.75	9 1.132		27.826	23.363	403.15		65.830	56.180
May	322.49	20.160	4.0334	400.75	9 1.132		27.825	23.363	403.12		65.830	56.180
June	322.50	20.158	4.0345	400.75	9 1.132		27.824	23.363	403.13		65.830	56.180
July	322.51	20.158	4.0329	400.75	9 1.132		27.824	23.363	403.14		65.830	56.180
August	13 353.87	20.158	4.0327	400.75	9 1.132		27.824	23.363	403.15		(13)	(13)

† Through June 22, 1948, shown as special rate.

‡ Through June 22, 1948, shown as special export rate.

§ Prior to Nov. 1, 1942, the official designation of the Brazilian currency unit was the "milreis."

¶ Average of daily rates for that part of the year during which quotations were certified.

** At the end of June 1945 official rates for the Australian and British pounds were abolished, and after this date quotations are buying rates in the New York market. The rates shown represent averages for the second half of 1945 and are comparable to those quoted before 1940.

†† The rate quoted after July 22, 1946, is not strictly comparable to the "free" rate shown before that date. The average for the "free" rate for July 1-19 is 5.1902, and for Jan. 1-July 19, 5.1860, while the average for the new rate for July 25-31 is 5.3350, and for July 25-Dec. 31, 5.3955.

‡‡ Based on quotations through June 22.

§§ Based on quotations through Jan. 23.

¶¶ Excludes Pakistan.

‡‡‡ Temporarily omitted.

††† As of Aug. 19, the New Zealand Government increased the value of its currency, placing it on a par with the British pound. Average old rate Aug. 1, through Aug. 18, 321.5166; average new rate Aug. 19 through Aug. 31, 399.1342.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES
WHOLESALE PRICES—ALL COMMODITIES

[Index numbers]

Year or month	United States	Canada	Mexico	United Kingdom	France	Italy	Japan	Netherlands	Sweden	Switzerland
	(1926 = 100)	(1926 = 100)	(1929 = 100)	(1930 = 100)	(1938 = 100)	(1938 = 100)	(1933 = 100)	(July 1938-June 1939 = 100)	(1935 = 100)	(July 1914 = 100)
1926.....	100	100	.....	¹ 124	106	.....	132	150	¹ 126	144
1934.....	75	72	95	88	58	65	99	90	196	90
1935.....	80	72	95	89	52	72	103	87	100	90
1936.....	81	75	101	94	63	80	110	91	102	96
1937.....	86	85	119	109	89	94	133	108	114	111
1938.....	79	79	126	101	100	100	140	102	111	107
1939.....	77	75	127	103	105	104	155	105	115	111
1940.....	79	83	128	137	139	121	173	131	146	143
1941.....	87	90	136	153	171	136	183	157	172	184
1942.....	99	96	148	159	201	153	197	157	189	210
1943.....	103	100	182	163	234	.....	209	160	196	218
1944.....	104	103	227	166	265	.....	233	164	196	223
1945.....	106	104	247	169	375	.....	308	181	194	221
1946.....	121	109	286	175	648	.....	1,599	251	186	215
1947.....	152	129	302	192	989	5,159	5,103	271	199	224
1947—August.....	154	131	292	194	1,004	5,889	6,503	271	199	223
September.....	157	134	298	195	1,096	6,202	6,960	272	202	224
October.....	159	139	304	199	1,129	6,010	7,833	274	203	230
November.....	160	143	306	203	1,211	5,647	8,599	277	204	232
December.....	163	144	303	204	1,217	*5,526	8,863	280	205	232
1948—January.....	166	147	302	212	1,463	5,373	9,144	279	207	234
February.....	161	147	304	217	1,537	5,343	9,288	279	209	234
March.....	161	147	303	217	1,536	5,318	9,480	279	210	235
April.....	163	149	303	219	1,555	5,241	9,537	279	213	234
May.....	164	150	313	220	1,653	*5,185	9,634	*279	214	233
June.....	166	152	321	222	1,691	.....	.....	.....	*216	233
July.....	169	152	326	222	.....	.....	.....	.....	.....	.....

^p Preliminary. ^r Revised.

¹ Approximate figure, derived from old index (1913 = 100).

Sources.—See BULLETIN for June 1948, p. 746; July 1947, p. 934; January 1941, p. 84; April 1937, p. 372; March 1937, p. 276; and October 1935, p. 678.

WHOLESALE PRICES—GROUPS OF COMMODITIES

[Indexes for groups included in total index above]

Year or month	United States (1926 = 100)			Canada (1926 = 100)			United Kingdom (1930 = 100)		Netherlands (July 1938-June 1939 = 100)		
	Farm products	Foods	Other commodities	Farm products	Raw and partly manufactured goods	Fully and chiefly manufactured goods	Foods	Industrial products	Foods	Industrial raw products	Industrial finished products
1926.....	100	100	100	100	100	100	.....	.....	.....	.....	.....
1934.....	65	71	78	59	64	73	85	90	.....	.....	.....
1935.....	79	84	78	64	66	73	87	90	.....	.....	.....
1936.....	81	82	80	69	71	74	92	96	.....	.....	.....
1937.....	86	86	85	87	84	81	102	112	.....	.....	.....
1938.....	69	74	82	74	73	78	97	104	.....	.....	.....
1939.....	65	70	81	64	67	75	97	106	103	112	104
1940.....	68	71	83	68	75	82	133	138	121	163	126
1941.....	82	83	89	73	82	89	146	156	140	177	148
1942.....	106	100	96	85	90	92	158	160	157	175	154
1943.....	123	107	97	98	99	93	160	164	157	174	159
1944.....	123	105	99	107	104	94	158	170	159	179	163
1945.....	128	106	100	112	106	94	153	175	172	193	184
1946.....	149	131	110	118	110	99	158	184	200	282	261
1947.....	181	169	135	126	131	117	165	207	214	328	276
1947—August.....	182	172	136	126	133	117	167	209	204	338	276
September.....	186	179	138	127	134	123	165	213	205	339	277
October.....	190	178	140	129	139	128	167	218	213	339	277
November.....	188	178	142	133	143	131	171	221	227	341	279
December.....	197	178	146	137	145	132	172	222	236	342	279
1948—January.....	199	180	148	141	148	137	174	235	235	340	279
February.....	185	172	148	139	147	137	181	237	233	340	280
March.....	186	174	148	138	147	137	181	239	232	339	280
April.....	187	177	149	141	150	137	182	241	231	340	280
May.....	189	177	149	144	153	137	182	243	*230	*341	*281
June.....	196	181	150	148	156	138	184	244	.....	.....	.....
July.....	195	188	151	147	155	139	184	244	.....	.....	.....

^p Preliminary.

Sources.—See BULLETIN for July 1947, p. 934; May 1942, p. 451; March 1935, p. 180; and March 1931, p. 159.

PRICE MOVEMENTS IN PRINCIPAL COUNTRIES—Continued

RETAIL FOOD PRICES [Index numbers]						COST OF LIVING [Index numbers]							
Year or month	United States (1935-39 = 100)	Canada (1935-39 = 100)	United Kingdom (June 1947 = 100)	France (1938 = 100)	Netherlands (1911-13 = 100)	Switzerland (June 1914 = 100)	Year or month	United States (1935-39 = 100)	Canada (1935-39 = 100)	United Kingdom (June 1947 = 100)	France (1938 = 100)	Netherlands (1911-13 = 100)	Switzerland (June 1914 = 100)
1936	101	98	130		120	120	1936	99	98	147		132	130
1937	105	103	139		127	130	1937	103	101	154		137	137
1938	98	104	141	100	130	130	1938	101	102	156	100	139	137
1939	95	101	141	108	130	132	1939	99	102	158	108	140	138
1940	97	106	164	129	150	146	1940	100	106	184	129	154	151
1941	106	116	168	149	177	175	1941	105	112	199	150	175	174
1942	124	127	161	174	191	200	1942	117	117	200	175	187	193
1943	138	131	166	224	198	211	1943	124	118	199	224	195	203
1944	136	131	168	275		215	1944	126	119	201	285		208
1945	139	133	170	377		215	1945	128	119	203	393		209
1946	160	140	169	645		210	1946	139	124	204	645		208
1947	194	160	² 101	1,043		222	1947	159	136	² 101	1,030		217
1947—August	197	161	99	1,089		222	1947—August	160	137	100	1,068		218
September	204	165	100	1,187		222	September	164	139	101	1,157		218
October	202	171	101	1,309		229	October	164	142	101	1,268		223
November	203	174	103	1,378		230	November	165	144	103	1,336		223
December	207	179	103	1,393		230	December	167	146	104	1,354		223
1948—January	210	182	104	1,437		230	1948—January	169	148	104	1,414		224
February	205	186	108	1,541		230	February	168	150	106	1,519		224
March	202	186	109	1,518		229	March	167	151	106	1,499		223
April	208	187	109	1,524		229	April	169	152	108	1,499		223
May	211	191	108	1,541		229	May	171	153	108	1,511		223
June	214	194	113	1,560		230	June	172	154	110	1,529		224
July	217	201					July	174	157				

¹ Revised index from March 1936 (see BULLETIN for April 1937, p. 373).
² This average is based on figures for the new index, beginning June. The averages for the old index, based on figures for January-June 17, are 203 for retail food prices and 166 for cost of living.
 Sources.—See BULLETIN for July 1947, p. 935; May 1942, p. 451; October 1939, p. 943; and April 1937, p. 373.

SECURITY PRICES

[Index numbers except as otherwise specified]

Year or month	Bonds					Common stocks				
	United States ¹ (high grade)	Canada ² (1935-39 = 100)	United Kingdom (December 1921=100)	France (1938=100)	Netherlands ³	United States (1935-39 = 100)	Canada ⁴ (1935-39 = 100)	United Kingdom (1926=100)	France ⁵ (December 1938=100)	Netherlands ⁶ (1938=100)
Number of issues...	12	(?)	87	50	13	416	100	278	⁷ 295	37
1939	113.8	98.2	112.3	114.2		94.2		75.9	112	
1940	115.9	95.1	118.3	⁷ 114.2		88.1	77.4	70.8	⁷ 140	
1941	117.8	99.4	123.8	⁸ 143.4		80.0	67.5	72.5	⁸ 308	
1942	118.3	100.7	127.3	146.4		69.4	64.2	75.3	479	
1943	120.3	102.6	127.8	146.6		91.9	83.5	84.5	540	
1944	120.9	103.0	127.5	150.5		99.8	83.8	88.6	551	
1945	122.1	105.2	128.3	152.1		121.5	99.6	92.4	694	
1946	123.4	117.2	132.1	144.6	109.0	139.9	115.7	96.2	875	155.9
1947	¹ 103.2	118.5	130.8	132.0	105.6	123.0	106.0	94.6	1,149	202.7
1947—August	104.5	119.2	126.4	128.6	106.3	¹ 124.4	105.5	92.2	1,265	206.5
September	103.6	119.0	126.4	125.2	106.6	123.1	104.1	88.7	1,298	218.7
October	101.1	118.8	128.0	122.0	105.9	125.1	105.5	89.3	1,245	225.1
November	99.6	118.5	128.2	121.4	104.0	123.6	107.3	90.2	1,294	212.9
December	97.9	117.9	130.1	122.2	103.7	122.4	106.2	92.6	1,211	215.3
1948—January	98.1	108.6	130.5	118.9	108.3	120.1	107.5	93.9	1,301	225.4
February	98.1	108.6	130.6	119.1	107.3	114.2	102.2	91.1	1,229	239.8
March	98.5	103.4	130.0	119.0	107.6	116.4	101.5	90.2	1,239	242.2
April	99.4	103.6	129.1	119.1	107.6	124.6	109.1	93.2	1,190	
May	99.9	104.9	129.1	118.2	¹⁰ 107.3	130.2	116.5	94.8	1,127	
June	100.2	104.8	129.5	118.6		135.1	120.3	93.9	1,086	
July	99.2	104.6	129.3			131.9	116.3			

^r Revised. ^p Preliminary.
¹ New series beginning 1947, derived from average yields of 12 bonds on basis of a 2½ per cent 30-year bond. Annual average for the old series for 1947 (121.5) and figures for years prior to 1947 are derived from average of 5 median yields in a list of 15 issues on basis of a 4 per cent 20-year bond. Source.—Standard and Poor's Corporation; for compilations of back figures on prices of both bonds and common stocks in the United States see *Banking and Monetary Statistics*, Table 130, p. 475, and Table 133, p. 479.
² This index is based on one 15-year 3 per cent theoretical bond. Yearly averages for 1939 and 1940 are based on monthly averages and thereafter on the capitalized yield as calculated on the 15th of every month.
³ This index represents the reciprocals of average yields for 13 issues, including government, provincial, municipal, mortgage, and industrial bonds. The average yield in the base period (January-March 1937) was 3.39 per cent.
⁴ This index is based on 95 common stocks through 1944, and on 100 stocks thereafter.
⁵ In September 1946 this index was revised to include 185 metropolitan issues, 90 issues of colonial France, and 20 issues of French companies abroad. See "Bulletin de la Statistique Générale," September-November 1946, p. 424.
⁶ This is a new index for 37 Netherlands issues (27 industrial, 5 banking, and 5 shipping shares) and represents an unweighted monthly average of daily quotations. The figures are not comparable with data for previous years shown in earlier BULLETINS.
⁷ Average based on figures for 5 months; no data available June-December.
⁸ Average based on figures for 10 months; no data available January-February.
 Sources.—See BULLETIN for June 1948, p. 747; March 1947, p. 349; November 1937, p. 1172; July 1937, p. 698; April 1937, p. 373; June 1935, p. 394; and February 1932, p. 121.

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¹A more complete list, including periodical releases and reprints, appeared on pp. 750-53 of the June 1948 BULLETIN.

FEDERAL RESERVE PUBLICATIONS

REPRINTS

(From Federal Reserve Bulletin unless indicated by an asterisk.)

- VALUES AND LIMITATIONS OF CONSUMER FINANCIAL SURVEYS FOR ECONOMIC RESEARCH, by Ralph A. Young and Duncan McC. Holthausen. March 1947. 9 pages.
- METHODS OF RESTRICTING MONETIZATION OF PUBLIC DEBT BY BANKS. April 1947. 4 pages.
- REVISION OF WEEKLY STATISTICS FOR MEMBER BANKS IN LEADING CITIES. June-July 1947. 9 pages.
- SURVEY OF CONSUMER FINANCES. June, July, and August 1947. 44 pages.
- RETAIL CREDIT SURVEY—1947. From July 1948 BULLETIN with supplementary information for nine separate trades. 41 pages.
- BUSINESS LOANS OF MEMBER BANKS. March, May, June, July, and August 1947. 80 pages.
- FINANCIAL POSITION OF MANUFACTURING AND TRADE IN RELATION TO SIZE AND PROFITABILITY, 1946, by Albert R. Koch and Charles H. Schmidt. September 1947. 12 pages.
- REVISION OF NATIONAL INCOME AND PRODUCT STATISTICS. September 1947. 12 pages.
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- FINANCIAL POSITION AND BUYING PLANS OF CONSUMERS, July 1947. October 1947. 4 pages.
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- BANK LOANS TO FARMERS. October-December 1947. 36 pages.
- BANKING ASSETS AND THE MONEY SUPPLY SINCE 1929, by Morris A. Copeland and Daniel H. Brill. January 1948. 9 pages.
- PROPOSAL FOR A SPECIAL RESERVE REQUIREMENT AGAINST THE DEMAND AND TIME DEPOSITS OF BANKS, by Marriner S. Eccles. January 1948. 10 pages.
- THE FEDERAL RESERVE CHART BOOK AS AN AID TO BANK MANAGEMENT, by Charles H. Schmidt. April 1948. 9 pages.
- * STATEMENT ON BEHALF OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM BEFORE THE JOINT COMMITTEE ON THE ECONOMIC REPORT. Presented by Marriner S. Eccles on April 13, 1948. 7 pages.
- * WHAT ABOUT MONEY AND CREDIT? Address by M. S. Szymczak on May 7, 1948 at the 55th Annual Convention of the Alabama Bankers Association. 7 pages.
- NEW COMMERCIAL BANKING OFFICES, 1936-1947, by Caroline H. Cagle and Raymond C. Kolb. May 1948. 12 pages.
- ESTIMATED LIQUID ASSET HOLDINGS OF INDIVIDUALS AND BUSINESSES. June 1948. 2 pages.
- RECENT DEVELOPMENTS IN BUSINESS FINANCE *and* INDUSTRIAL DIFFERENCES IN LARGE CORPORATION FINANCING, by Charles H. Schmidt. June 1948. 19 pages.
- 1948 SURVEY OF CONSUMER FINANCES—
- I. EXPENDITURES FOR DURABLE GOODS. June 1948. 15 pages.
 - II. THE DISTRIBUTION OF CONSUMER INCOME IN 1947. June 1948. 8 pages.
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 - IV. CONSUMER SAVING AND EXPENDITURE. August 1948. 19 pages.
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- STATEMENT BEFORE THE HOUSE BANKING AND CURRENCY COMMITTEE. Presented by Thomas B. McCabe on August 2, 1948. 8 pages.
- REGULATION OF CONSUMER INSTALMENT CREDIT. Statement by R. M. Evans before the House Banking and Currency Committee on August 2, 1948. 2 pages.
- THE BALANCE SHEET OF AGRICULTURE, 1948. September 1948. 16 pages.
- * MEANS OF COMBATING INFLATION. Statements of Marriner S. Eccles before House Banking and Currency Committee on August 3, 1948 and before the Senate Banking and Currency Committee on July 29 and 30 on S. J. Res. 157. 2 pamphlets.

