

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date November 23, 1945

To Chairman Eccles

Subject: Revision of Figures on Total

From Richard A. Misgrave R.A.M.

Gross Debt in the United States

I am attaching a revised table of estimates of gross debt outstanding. This table should be substituted for Table III in the tables on "Inflation Potential" which you had prepared last June. A recent revision in Department of Commerce estimates makes this substitution necessary.

The public debt figures are changed only slightly, but you will note that the revised figures for corporation debt are substantially higher, particularly for the war years. This is due to the inclusion of a new category in the revised estimates covering short-term liabilities other than notes and accounts payable previously included. This new category covers tax liabilities and all other current or deferred liabilities, such as interest and dividends matured but unpaid which are not normally grouped under notes and accounts payable.

I am also attaching a table which shows the corporate debt figures in more detail. On the basis of the revised figures, it appears that private debt increased from 1940 to 1945, whereas the old figures showed a decline.

Attachments 2

TABLE III (Revised)
 TOTAL PUBLIC AND PRIVATE GROSS DEBT ^{1/}
 (in billions of dollars)

Type of Debt	End of Calendar Years				
	1929	1933	1940	1944	1945 ^{2/}
Total	213	187	215	419	453
Public	35	45	74	260	298
Federal	18	25	54	242	282
State and Local	17	20	20	18	16
Private	178	142	141	159	155
Corporations	109	94	91	110	107
Other	69	48	50	49	48

^{1/} From "United States Debt Pattern in War and Peace" by Alvin Slater, Survey of Current Business, September 1945.

^{2/} Estimated.

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TOTAL GROSS CORPORATE DEBT ^{1/}
(in billions of dollars)

Type of Debt	End of Calendar Years				
	1929	1933	1940	1944	1945 ^{2/}
Total, all corporations	109	94	91	110	107
Long-term	58	59	53	50	49
Short-term	51	35	38	60	58
Notes and accounts payable	36	24	23	28	27
Other, including tax liability	15	11	15	32	31

^{1/} From "United States Debt Pattern in War and Peace" by Alvin Slater, Survey of Current Business, September 1945.

^{2/} Estimated.

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