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Economic Indicators

JULY 1949

*Prepared for the Joint Committee on the Economic Report
by the Council of Economic Advisers*

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1949

JOINT COMMITTEE ON THE ECONOMIC REPORT

(Created pursuant to Sec. 5 (a) of Public Law 304, 79th Cong.)

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[PUBLIC LAW 120—81ST CONGRESS; CHAPTER 237—1ST SESSION]

JOINT RESOLUTION [S. J. Res. 55]

To print the monthly publication entitled "Economic Indicators"

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Joint Committee on the Economic Report be authorized to issue a monthly publication entitled "Economic Indicators," and that a sufficient quantity be printed to furnish one copy to each Member of Congress; the Secretary and the Sergeant at Arms of the Senate; the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives; two copies to the libraries of the Senate and House, and the Congressional Library; seven hundred copies to the Joint Committee on the Economic Report; and the required number of copies to the Superintendent of Documents for distribution to depository libraries; and that the Superintendent of Documents be authorized to have copies printed for sale to the public.

Approved June 23, 1949.

To the Members of Congress:

From the time the Joint Committee on the Economic Report was established its members realized that one of its basic needs was a concise and meaningful picture of current economic trends and developments.

Fortunately, the joint committee found that *Economic Indicators*, a set of basic charts and tables compiled monthly by the Council of Economic Advisers, admirably filled this need. While this material was prepared originally for the use of the President, the Council, and other officials in the executive offices, the Council made it available to the joint committee.

Other Members of Congress also expressed an interest in being able to obtain a quick picture of current economic facts without having to go through voluminous and specialized documents. In addition businessmen, farm leaders, labor organizations, and representatives of the press and radio indicated their desire for this information.

Accordingly, the joint committee provided the Congress and the public with a limited number of copies of *Economic Indicators* as a committee print pending final action on authorizing the publication on a more permanent basis. As is indicated above such legislation has now been passed and the committee will issue the report on a regular monthly basis.

Comments or suggestions with respect to possible improvements in this presentation will always be welcome.



U.S.S.

Chairman, Joint Committee on the Economic Report.

Letter of Transmittal

HON. JOSEPH C. O'MAHONEY, *Chairman,*
Joint Committee on the Economic Report,
United States Congress, Washington, D. C.

DEAR SENATOR: The Council of Economic Advisers is happy to cooperate with the Joint Committee on the Economic Report in making *Economic Indicators* available to the Congress as a whole and to the general public, in accordance with Public Law 120, Eighty-first Congress.

In carrying out its mandate under the Employment Act of 1946, the Council has found it desirable to bring together in concise and graphic form the most important facts showing current trends in the Nation's economy. Thus the Executive Office is in a better position to point up the key problems of national economic policy and to promote the improvement and coordination of the Federal Government's widespread statistical services.

In this undertaking the Council has the full cooperation of the several agencies of the Federal Government that collect statistical material. In many cases these agencies supply advance estimates for use in *Economic Indicators*. While the charts are drawn through the courtesy of the Graphics Unit in the Office of the Secretary of Commerce, the Council takes complete responsibility for the graphic presentation.

This material has proven useful to the President, the Council, the executive departments, and the Congress. Furthermore, its usefulness to the general public has been impressed upon us, particularly by the representatives of business, labor, agriculture, and consumer organizations with whom we regularly consult.

We believe that the Congress is performing a service of real value by making this material available.

Sincerely yours,

Edwin F. Moore *Chairman.*

Leon Keyserling *Vice Chairman.*

John D. Clark

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THE NATION'S ECONOMIC BUDGET

THE NATION'S ECONOMIC BUDGET

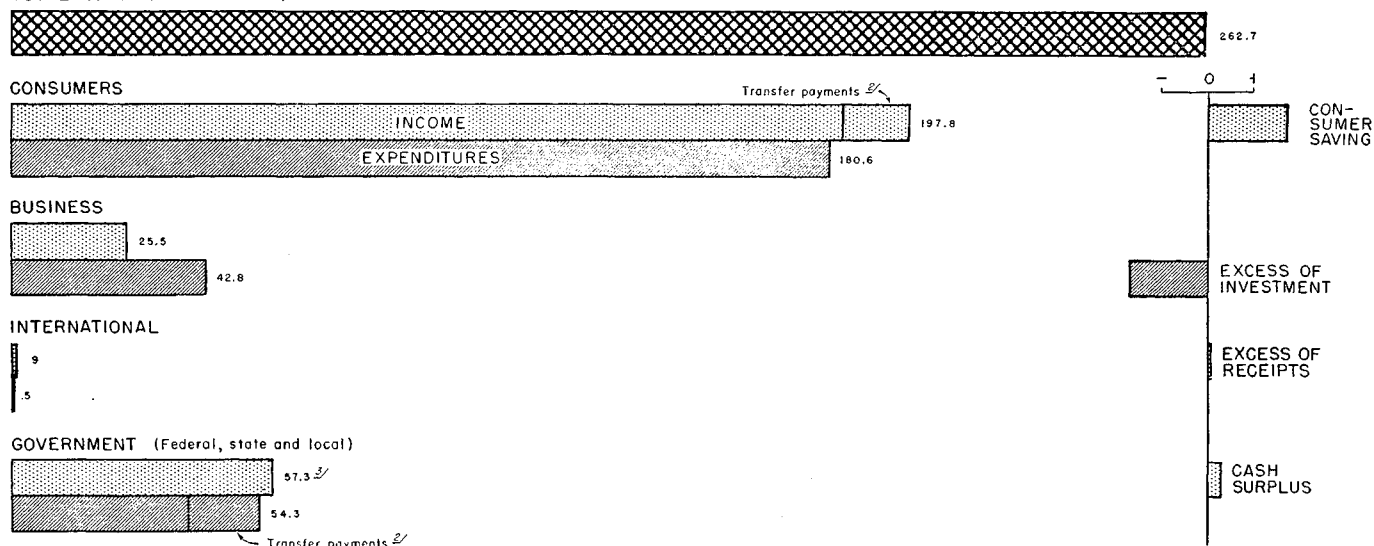
A general decline in economic activity during the 1st half of 1949 resulted in about a 3 1/2 percent decrease in gross national product from the level of the last half of 1948, according to preliminary estimates. Cash payments by Federal, State, and local governments exceeded cash receipts, leaving a small cash deficit.

1948, 2nd Half

(BILLIONS OF DOLLARS) ✓

EXCESS OF
EXPENDITURES (-), RECEIPTS (+)

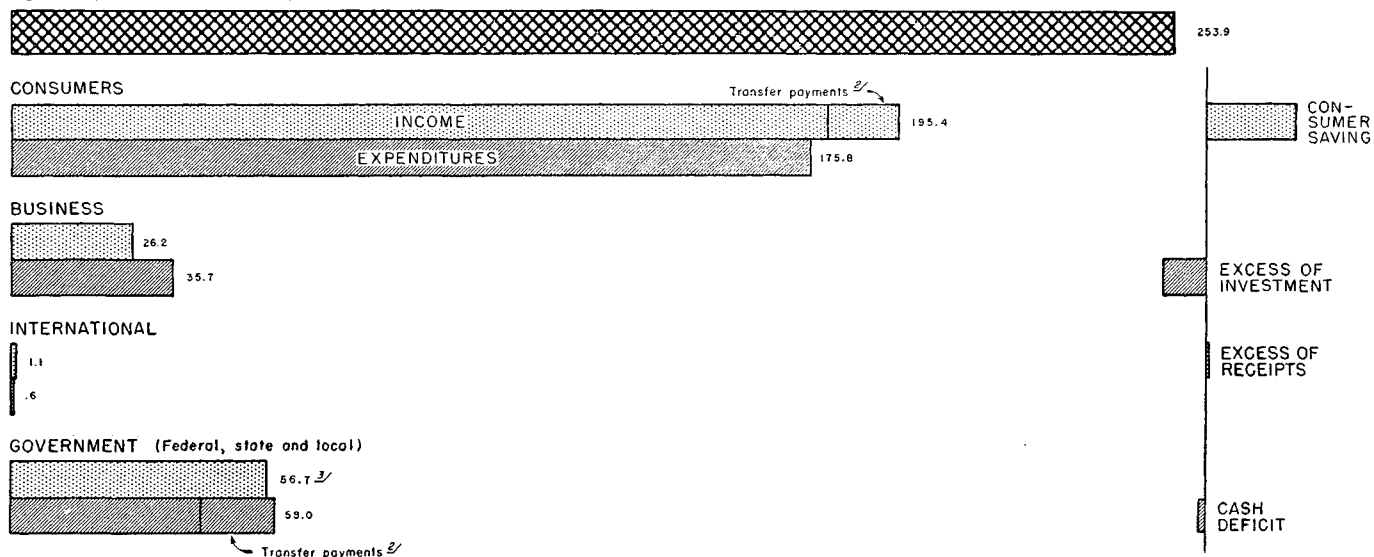
TOTAL (Gross National Product)



1949, 1st Half

(BILLIONS OF DOLLARS) ✓

TOTAL (Gross National Product)



✓ ANNUAL RATES, SEASONALLY ADJUSTED.

✓ TRANSFER PAYMENTS ARE INCLUDED IN RECEIPTS OR EXPENDITURES OF THE SEPARATE ACCOUNTS BUT NOT IN THE TOTAL GROSS NATIONAL PRODUCT

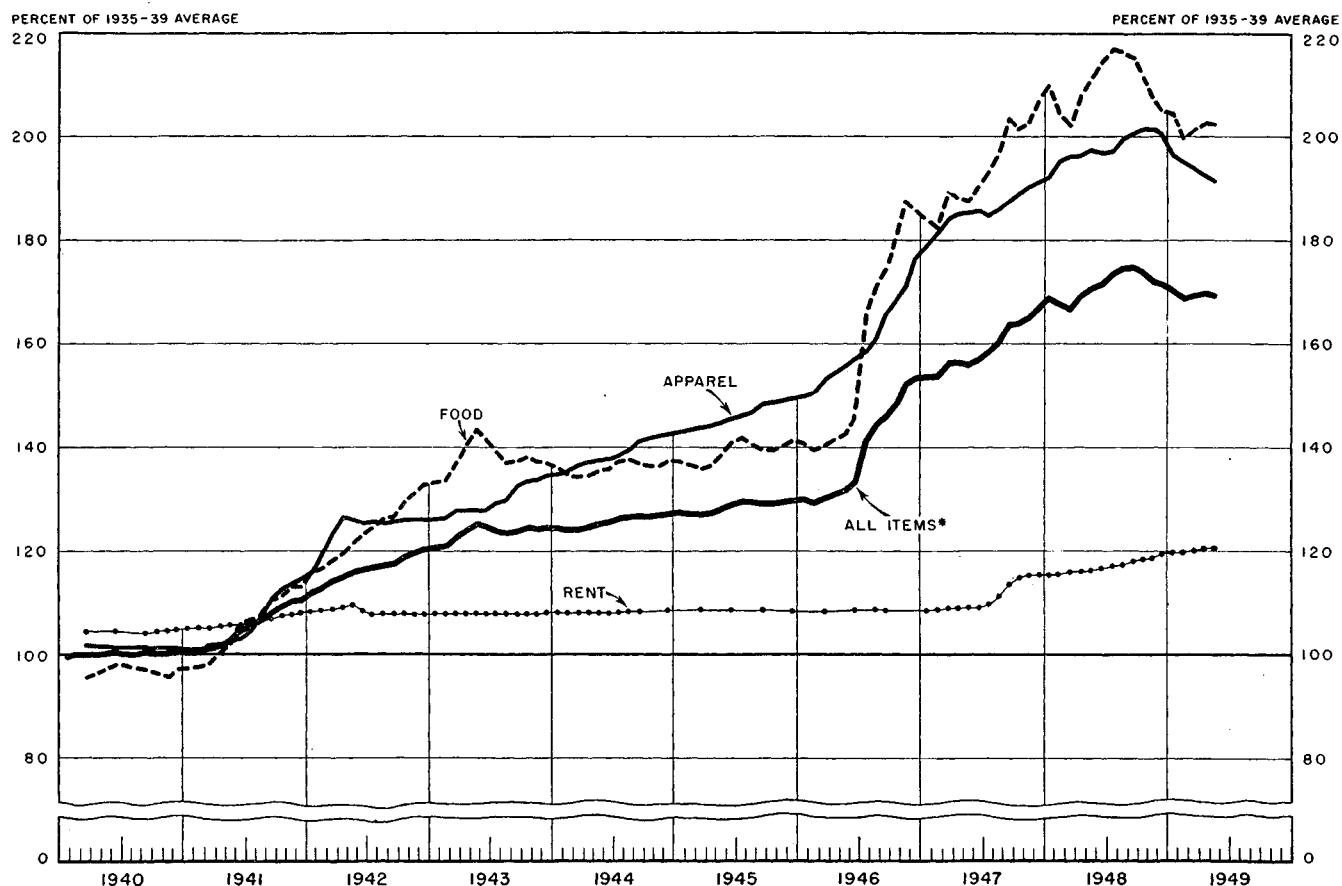
✓ INCLUDES AN ADJUSTMENT OF - \$1.6 BILLION IN THE 2ND HALF OF 1948 AND + \$1.9 BILLION IN THE FIRST HALF OF 1949.

SOURCE: SEE ECONOMIC REPORT OF THE PRESIDENT, JANUARY 1949, APPENDIX A.

PRICES

CONSUMERS' PRICES

The consumers' price index fell slightly in May for the first time in three months. Rents continued to advance, while the price of food and other items showed a decrease.



*ALSO INCLUDES HOUSEFURNISHINGS, FUEL, ELECTRICITY, REFRIGERATION, AND MISCELLANEOUS GOODS AND SERVICES, NOT SHOWN ON CHART.
SOURCE: DEPARTMENT OF LABOR.

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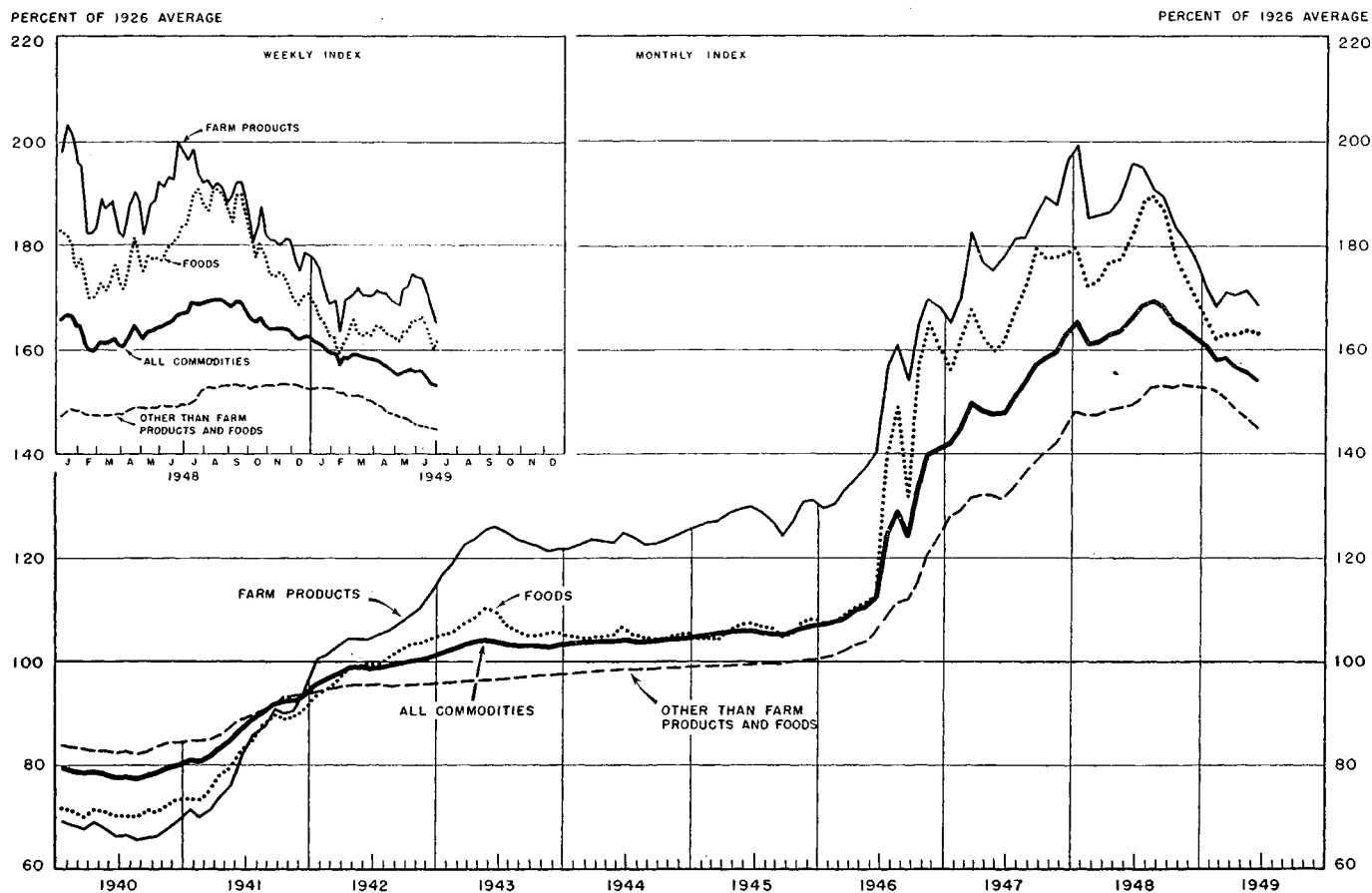
[1935-39=100]

Period	All items	Food	Apparel	Rent	Fuel, electricity, and refrigeration	House furnishings	Miscellaneous
1939 monthly average.....	99.4	95.2	100.5	104.3	99.0	101.3	100.7
1940 monthly average.....	100.2	96.6	101.7	104.6	99.7	100.5	101.1
1941 monthly average.....	105.2	105.5	106.3	106.2	102.2	107.3	104.0
1942 monthly average.....	116.5	123.9	124.2	108.5	105.4	122.2	110.9
1943 monthly average.....	123.6	138.0	129.7	108.0	107.7	125.6	115.8
1944 monthly average.....	125.5	136.1	138.8	108.2	109.8	136.4	121.3
1945 monthly average.....	128.4	139.1	145.9	108.3	110.3	145.8	124.1
1946 monthly average.....	139.3	159.6	160.2	108.6	112.4	159.2	128.8
1947 monthly average.....	159.2	193.8	185.8	111.2	121.1	184.4	139.9
1948 monthly average.....	171.2	210.2	198.0	117.4	133.9	195.8	149.9
1948: May.....	170.5	210.9	197.5	116.7	131.8	193.6	147.5
June.....	171.7	214.1	196.9	117.0	132.6	194.8	147.5
July.....	173.7	216.8	197.1	117.3	134.8	195.9	150.8
August.....	174.5	216.6	199.7	117.7	136.8	196.3	152.4
September.....	174.5	215.2	201.0	118.5	137.3	198.1	152.7
October.....	173.6	211.5	201.6	118.7	137.8	198.8	153.7
November.....	172.2	207.5	201.4	118.8	137.9	198.7	153.9
December.....	171.4	205.0	200.4	119.5	137.8	198.6	154.0
1949: January.....	170.9	204.8	196.5	119.7	138.2	196.5	154.1
February.....	169.0	199.7	195.1	119.9	138.8	195.6	154.1
March.....	169.5	201.6	193.9	120.1	138.9	193.8	154.4
April.....	169.7	202.8	192.5	120.3	137.4	191.9	154.6
May.....	169.2	202.4	191.3	120.4	135.4	189.5	154.5

NOTE.—Prices are for moderate-income families in large cities.
Source: Department of Labor.

WHOLESALE PRICES

Farm products and food prices dropped during June. Industrial prices continued their decline.



SOURCE: DEPARTMENT OF LABOR.

LATEST DATA PLOTTED—MONTHLY: JUNE
WEEKLY: JUNE 28

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[1926=100]

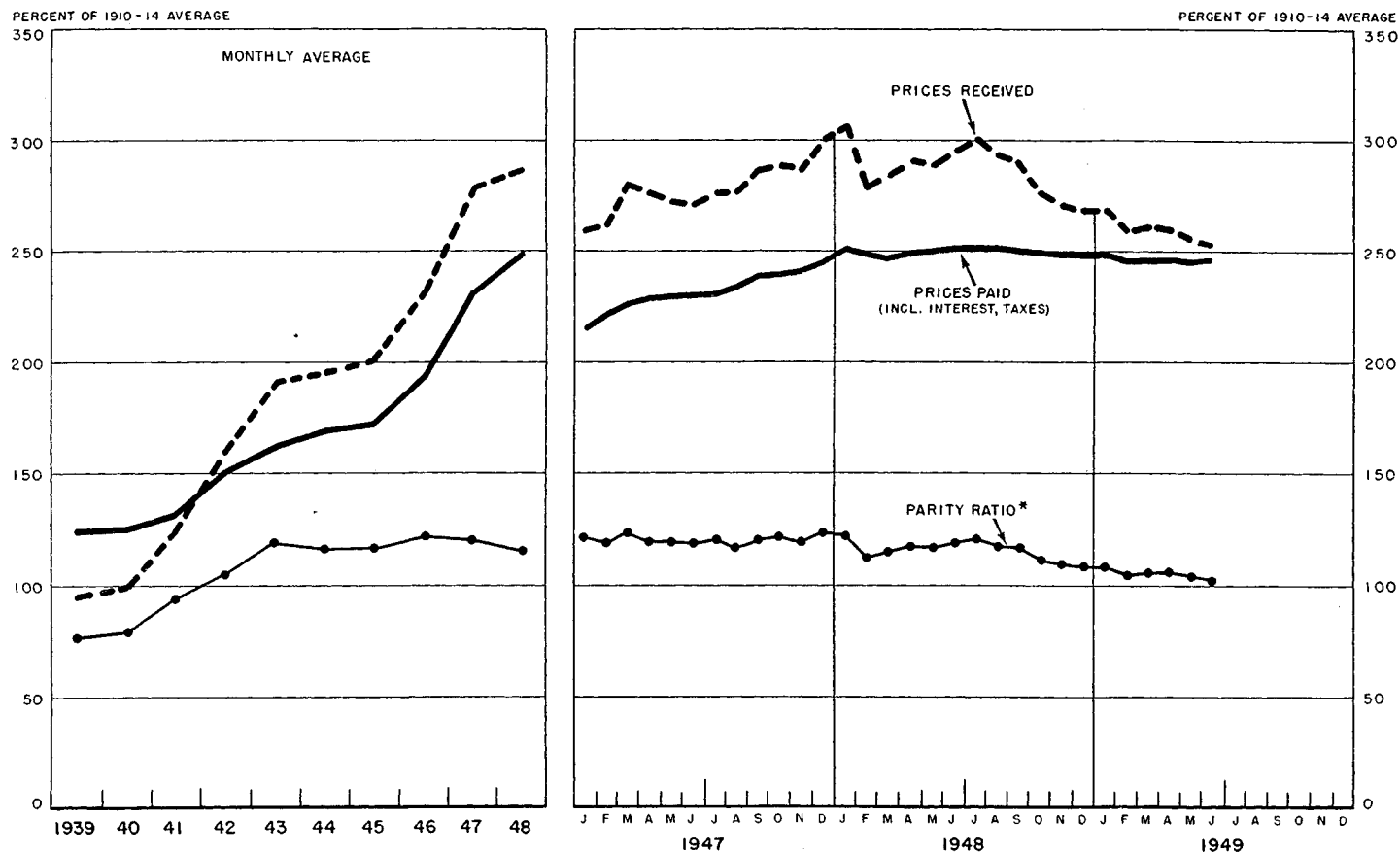
Period	All commodities	Farm products	Foods	Other than farm products and foods
1941 monthly average.....	87.3	82.4	82.7	89.0
1942 monthly average.....	98.8	105.9	99.6	95.5
1946 monthly average.....	121.1	148.9	130.7	109.5
June.....	112.9	140.1	112.9	105.6
1947 monthly average.....	152.1	181.2	168.7	135.2
1948 monthly average.....	165.1	188.3	179.1	151.0
1948: May.....	164.2	189.1	177.4	149.5
June.....	166.4	196.0	181.4	149.9
July.....	168.8	195.2	188.3	151.4
August.....	169.8	191.5	189.8	153.3
September.....	168.9	189.9	186.9	153.6
October.....	165.4	183.5	178.2	153.4
November.....	164.0	180.8	174.3	153.6
December.....	162.4	177.3	170.2	153.1
1949: January.....	160.6	172.5	165.8	152.9
February.....	158.1	168.3	161.5	151.8
March.....	158.4	171.5	162.9	150.7
April.....	156.9	170.5	162.9	148.8
May.....	155.7	171.2	163.9	146.7
June.....	154.0	168.5	163.0	145.0
Week ended:				
June 7.....	155.9	172.7	167.0	145.8
14.....	154.6	169.6	163.4	145.6
21.....	153.0	165.9	159.6	145.4
28.....	152.9	164.0	161.2	145.2
July 5.....	152.7	165.6	161.3	144.5

NOTE.—The weekly index presented here is a revised index which permits direct comparison with the monthly index. It is not comparable with the old weekly index which does not permit such a comparison.

Source: Department of Labor.

PRICES RECEIVED AND PAID BY FARMERS

Falling prices especially for truck crops, food grains, and oil seeds, lowered the index of prices received by farmers nearly 2 percent from May to June, and brought the parity ratio to the lowest level in 7 years. Contrary to the general trend, hog prices rose 5 percent.



* RATIO OF PRICES RECEIVED TO PRICES PAID, INTEREST, AND TAXES.
SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

Period	Prices received by farmers ¹	Prices paid by farmers (including interest and taxes) ²	Parity ratio ³
1939 monthly average.....	95	124	77
1941 monthly average.....	124	132	94
1942 monthly average.....	159	150	106
1943 monthly average.....	192	162	119
1944 monthly average.....	195	169	116
1945 monthly average.....	202	172	117
1946 monthly average.....	233	193	121
1947 monthly average.....	278	231	120
1948 monthly average.....	287	249	115
1948: May.....	289	250	116
June.....	295	251	118
July.....	301	251	120
August.....	293	251	117
September.....	290	250	116
October.....	277	249	111
November.....	271	247	109
December.....	268	247	108
1949: January.....	268	248	108
February.....	258	245	105
March.....	261	246	106
April.....	260	246	106
May.....	256	245	104
June.....	252	245	103

¹ August 1909-July 1914=100.

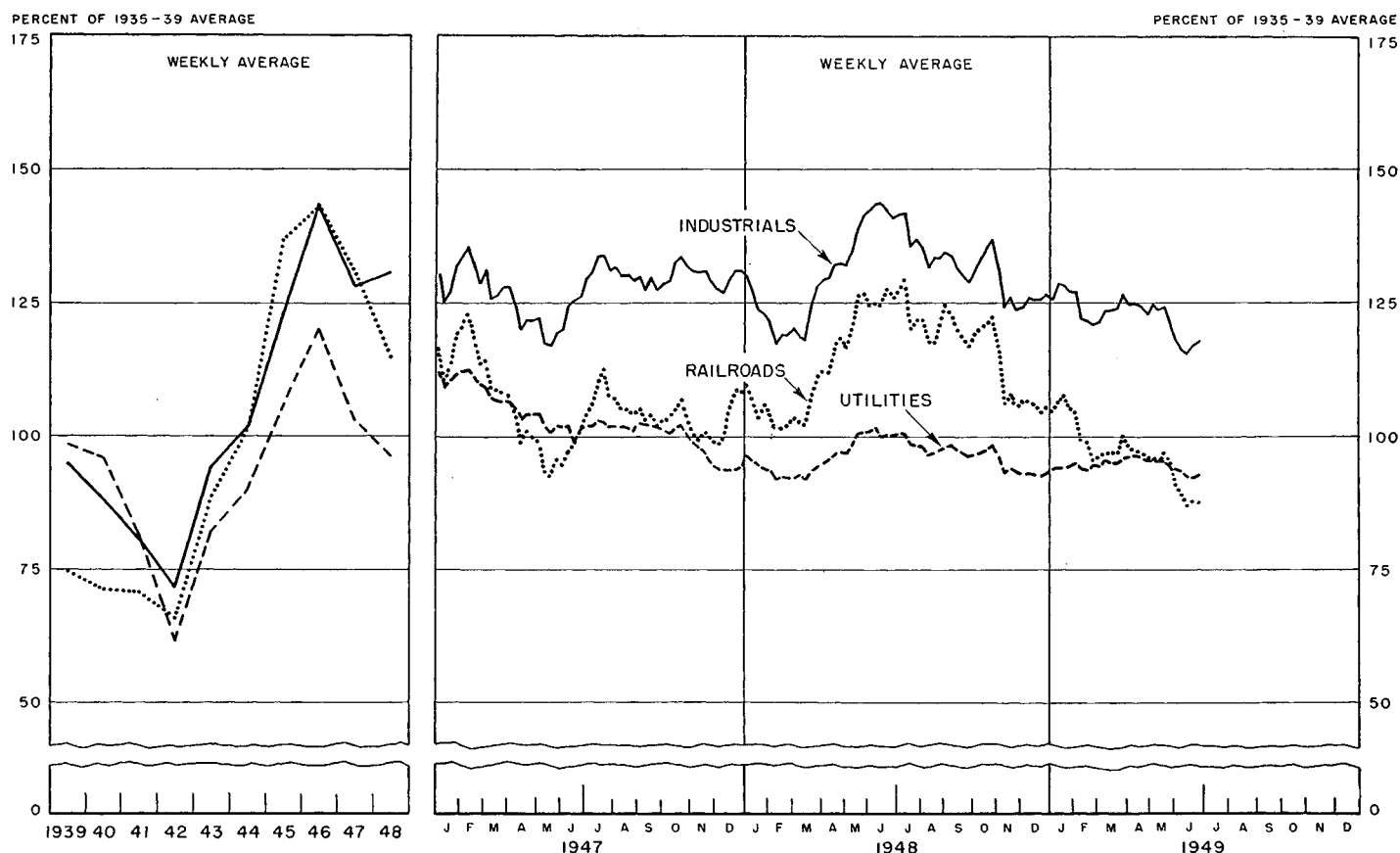
² 1910-14=100.

³ Ratio of prices received to prices paid, interest, and taxes.

Source: Department of Agriculture.

STOCK PRICES

Stock prices fell during the first half of June and then leveled off.



SOURCE: STANDARD AND POOR'S CORPORATION.

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[1935-39=100]

Period	Combined index ¹	Industrials	Railroads	Utilities
Weekly average:				
1939.....	94.2	94.8	74.7	98.6
1942.....	69.4	71.3	66.1	61.3
1946.....	139.9	143.4	143.0	120.2
1948.....	124.4	130.6	114.7	96.2
1948: May.....	130.2	136.9	122.6	99.2
June.....	135.1	142.7	125.6	100.6
July.....	131.9	138.9	124.7	99.5
August.....	127.1	133.5	119.7	97.3
September.....	125.7	131.7	120.4	97.3
October.....	127.8	134.3	120.9	97.4
November.....	120.4	126.4	108.8	94.2
December.....	119.4	125.5	105.8	92.9
1949: January.....	121.0	127.3	105.9	94.2
February.....	117.2	122.7	99.6	94.4
March.....	118.0	123.7	97.4	95.3
April.....	118.5	124.2	97.1	96.1
May.....	117.7	123.4	95.8	95.3
June.....	112.0	117.0	88.4	93.0
Week ended:				
June 1.....	113.1	118.1	90.8	93.8
8.....	111.5	116.2	88.7	93.6
15.....	110.7	115.6	87.0	92.3
22.....	112.0	117.2	88.1	92.5
29.....	112.5	117.8	87.4	92.7

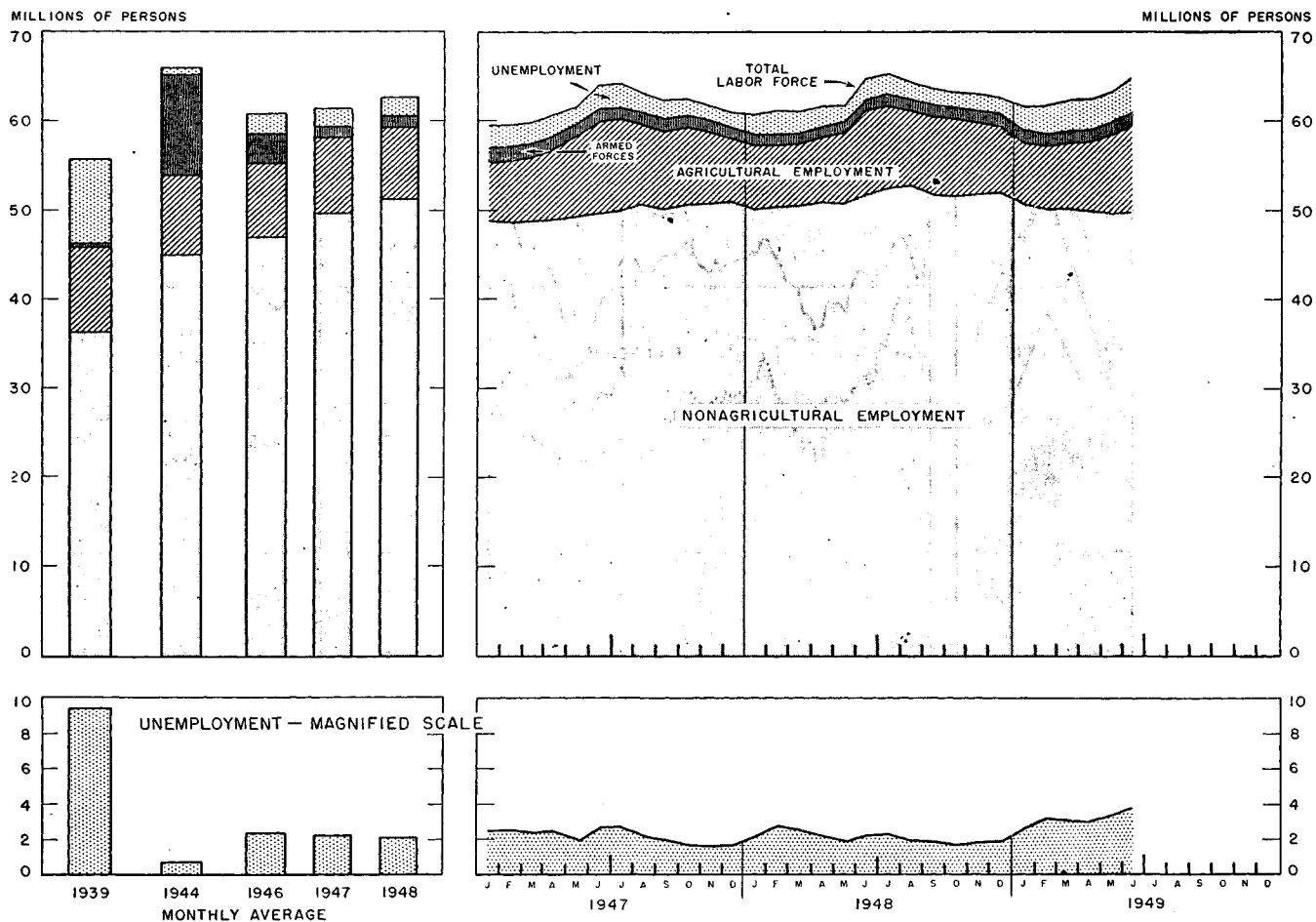
¹ Combined index prior to June 23, 1948, was based on 402 common stocks, and included 354 industrials, 20 railroads, and 28 utilities; thereafter, 416 common stocks are represented, with 365 industrials, 20 railroads, and 31 utilities.

Source: Standard & Poor's Corporation.

EMPLOYMENT

LABOR FORCE

The unemployment increase from May to June (3.3 million to 3.8 million) was primarily among teenagers. Nonagricultural employment rose only slightly, and stood 2 million below a year ago.



SOURCE: DEPARTMENT OF COMMERCE.

COUNCIL OF ECONOMIC ADVISERS

[Thousands of persons 14 years of age and over]

Period	Total labor force, including armed forces	Civilian employment ¹			Armed forces	Unemployment
		Total	In non-agricultural industries	In agriculture		
1939 monthly average...	55,600	45,750	36,140	9,610	370	9,480
1944 monthly average...	65,890	53,960	45,010	8,950	11,260	670
1946 monthly average...	60,820	55,250	46,930	8,320	3,300	2,270
1947 monthly average...	61,608	58,027	49,761	8,266	1,440	2,142
1948 monthly average...	62,748	59,378	51,405	7,973	1,307	2,064
1948: May.....	61,660	58,660	50,800	7,861	1,238	1,761
June.....	64,740	61,296	51,899	9,396	1,261	2,184
July.....	65,135	61,615	52,452	9,163	1,293	2,227
August.....	64,511	61,245	52,801	8,444	1,325	1,941
September.....	63,578	60,312	51,590	8,723	1,366	1,899
October.....	63,166	60,134	51,506	8,627	1,391	1,642
November.....	63,138	59,893	51,932	7,961	1,414	1,831
December.....	62,828	59,434	52,059	7,375	1,453	1,941
1949: January.....	61,546	57,414	50,651	6,763	1,468	2,664
February.....	61,896	57,168	50,174	6,993	1,508	3,221
March.....	62,305	57,647	50,254	7,393	1,491	3,167
April.....	62,327	57,819	49,999	7,820	1,492	3,016
May.....	63,452	58,694	49,720	8,974	1,469	3,289
June.....	64,866	59,619	49,924	9,696	1,468	3,778

¹ Includes part-time workers and those who had jobs but were not at work for such reasons as vacation, illness, bad weather, temporary lay-off, and industrial disputes.

NOTE.—Detail will not necessarily add to totals because of rounding.

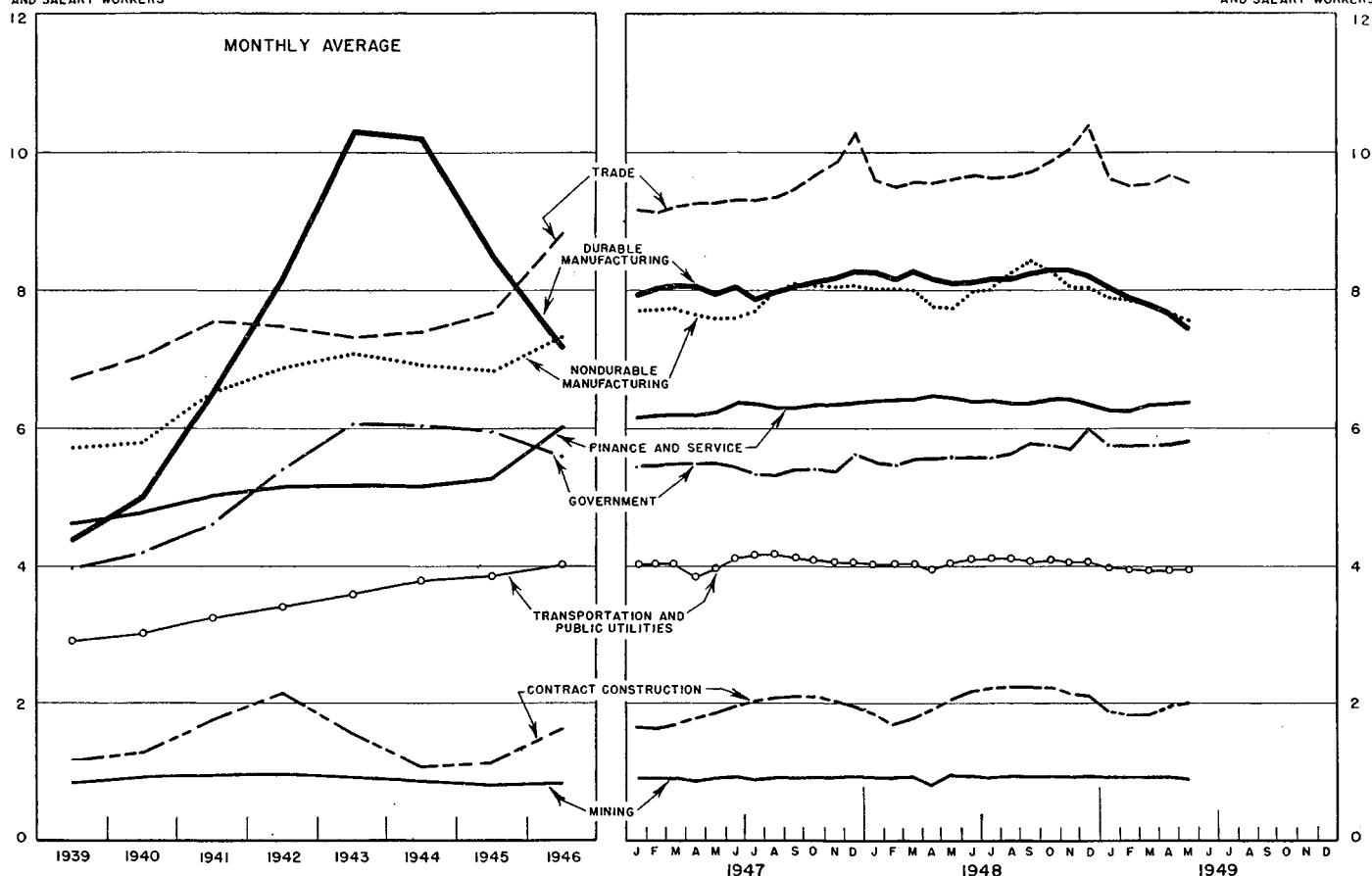
Source: Department of Commerce.

EMPLOYMENT IN BUSINESS AND GOVERNMENT

Further declines in employment in both durable and nondurable manufacturing were the most significant employment developments in May. Construction continued its seasonal rise, and stood at essentially the same level as a year ago.

MILLIONS OF WAGE
AND SALARY WORKERS

MILLIONS OF WAGE
AND SALARY WORKERS



SOURCE: Department of Labor

Council of Economic Advisers

[Thousands of wage and salary workers ¹]

Period	Durable manufac- turing	Nondurable manufac- turing	Trade	Finance and service	Government (Federal, State, local)	Transporta- tion and public utilities	Contract construc- tion	Mining
1939 monthly average.....	4,357	5,720	6,705	4,610	3,987	2,912	1,150	845
1943 monthly average.....	10,297	7,084	7,322	5,187	6,049	3,619	1,567	917
1946 monthly average.....	7,180	7,335	8,820	6,016	5,607	4,023	1,661	852
1947 monthly average.....	8,055	7,846	9,450	6,278	5,449	4,060	1,921	911
1948 monthly average.....	8,214	8,063	9,746	6,400	5,658	4,065	2,060	925
1948: April.....	8,164	7,786	9,576	6,472	5,577	3,974	1,933	817
May.....	8,114	7,778	9,617	6,454	5,624	4,042	2,052	935
June.....	8,122	7,993	9,670	6,389	5,607	4,105	2,173	950
July.....	8,165	8,007	9,646	6,399	5,604	4,136	2,219	922
August.....	8,188	8,253	9,660	6,383	5,650	4,139	2,253	952
September.....	8,294	8,403	9,733	6,379	5,801	4,092	2,239	948
October.....	8,318	8,279	9,889	6,364	5,789	4,091	2,206	941
November.....	8,303	8,158	10,034	6,364	5,714	4,066	2,162	938
December.....	8,222	8,061	10,381	6,346	5,994	4,066	2,079	939
1949: January.....	8,005	7,885	9,625	6,265	5,761	3,978	1,906	925
February.....	7,898	7,879	9,513	6,272	5,759	3,956	1,820	922
March ²	7,807	7,818	9,525	6,314	5,762	3,912	1,841	914
April ²	7,665	7,673	9,685	6,356	5,773	3,929	1,937	919
May ²	7,444	7,573	9,557	6,390	5,820	3,959	2,010	902

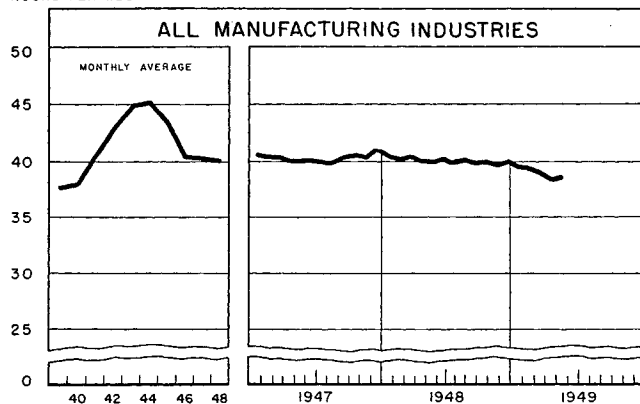
¹ Includes all full- and part-time wage and salary workers in nonagricultural establishments who worked or received pay during the pay period ending nearest the 15th of the month. Excludes proprietors, self-employed persons, domestic servants, and personnel of the armed forces. Total derived from this table not comparable with estimates of nonagricultural employment of the civilian labor force reported by the Department of Commerce (p. 6) which include proprietors, self-employed persons, and domestic servants; which count persons as employed when they are not at work because of industrial disputes; and which are based on an enumeration of population, whereas the estimates in this table are based on reports from employing establishments.

Source: Department of Labor.

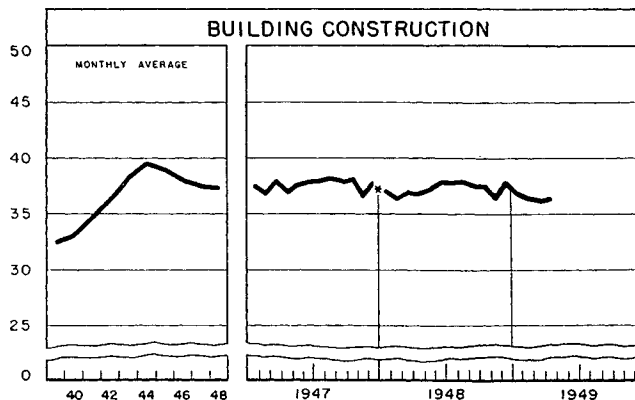
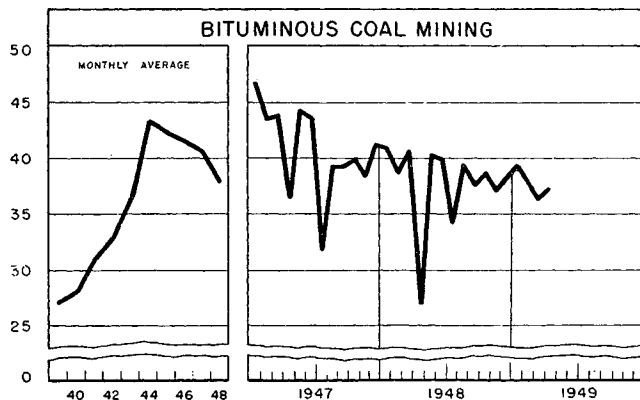
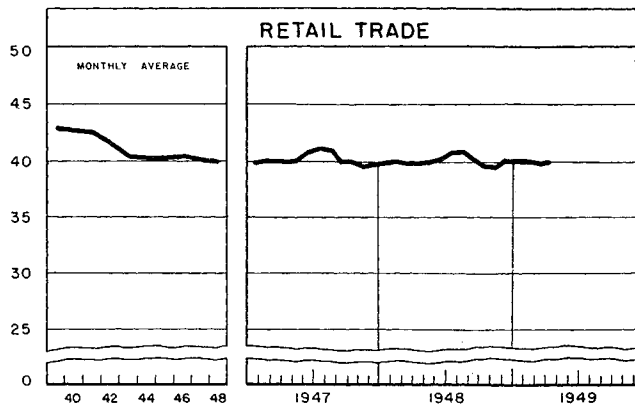
AVERAGE WEEKLY HOURS

A small increase in average weekly hours in manufacturing in May reversed the downward trend of the prior 4 months.

HOURS PER WEEK



HOURS PER WEEK



* SEE NOTE ON TABLE
SOURCE: DEPARTMENT OF LABOR.

COUNCIL OF ECONOMIC ADVISERS

[Hours per week, selected industries]

Period	All manufacturing industries	Retail trade	Bituminous coal mining	Building construction ¹
1939 monthly average.....	37.7	43.0	27.1	32.6
1941 monthly average.....	40.6	42.5	31.1	34.8
1944 monthly average.....	45.2	40.3	43.4	39.6
1945 monthly average.....	43.4	40.3	42.3	39.0
1946 monthly average.....	40.4	40.5	41.6	38.1
1947 monthly average.....	40.3	40.2	40.6	37.6
1948 monthly average.....	40.1	40.1	38.0	37.3
1948: April.....	40.1	39.8	³ 27.0	36.7
May.....	39.9	39.9	40.3	37.0
June.....	40.2	40.3	39.9	37.9
July.....	39.8	40.8	³ 34.2	37.8
August.....	40.1	41.0	39.4	37.8
September.....	39.8	40.2	37.9	37.6
October.....	40.0	39.7	38.6	37.3
November.....	39.8	39.5	37.1	36.4
December.....	40.0	40.2	38.5	37.8
1949: January.....	39.5	40.0	39.3	37.0
February.....	39.3	40.0	38.0	36.5
March ²	39.0	39.9	36.3	36.1
April ²	38.3	40.1	37.4	36.3
May ²	38.6			

¹ Data prior to 1948 not exactly comparable with later data.

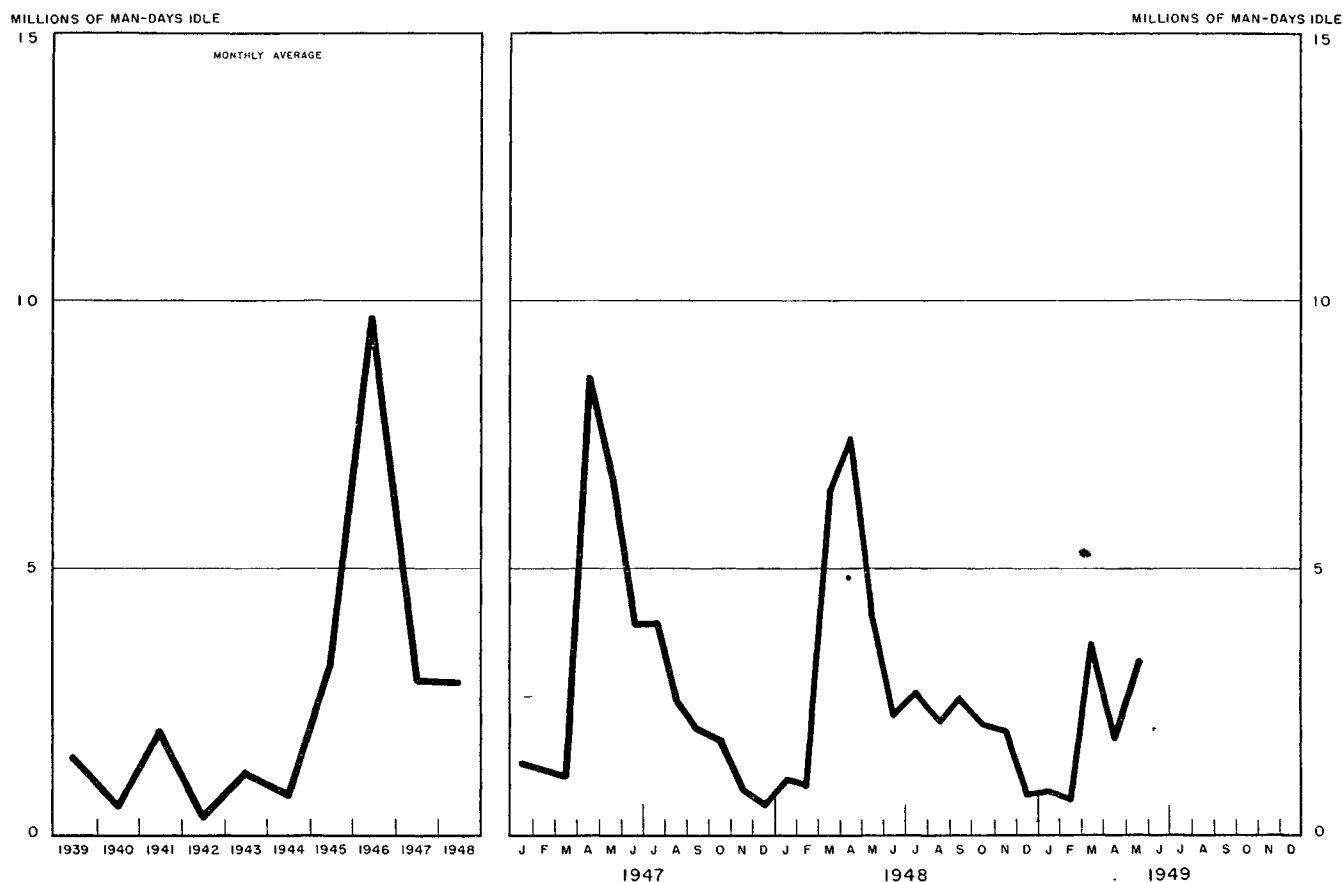
² Preliminary estimate.

³ Based on pay period during coal stoppage.

Source: Department of Labor.

WORK STOPPAGES

The Ford strike was an important factor in the increase in man-days of idleness caused by work stoppages in May.



SOURCE: DEPARTMENT OF LABOR.

COUNCIL OF ECONOMIC ADVISERS

Period	Man-days idle (thousands)	Man-days idle as percent of estimated avail- able working time
1939 monthly average.....	1,484	0.3
1941 monthly average.....	1,921	.3
1942 monthly average.....	349	.1
1943 monthly average.....	1,125	.2
1944 monthly average.....	727	.1
1945 monthly average.....	3,169	.5
1946 monthly average.....	9,667	1.4
1947 monthly average.....	2,883	.4
1948 monthly average.....	2,842	.4
1948: April.....	7,410	1.0
May.....	4,080	.6
June.....	2,220	.3
July.....	2,670	.4
August.....	2,100	.3
September.....	2,540	.3
October.....	2,060	.3
November.....	1,910	.3
December.....	713	.1
1949: January ¹	800	.1
February ¹	650	.1
March ¹	3,600	.5
April ¹	1,800	.2
May ¹	3,200	.4

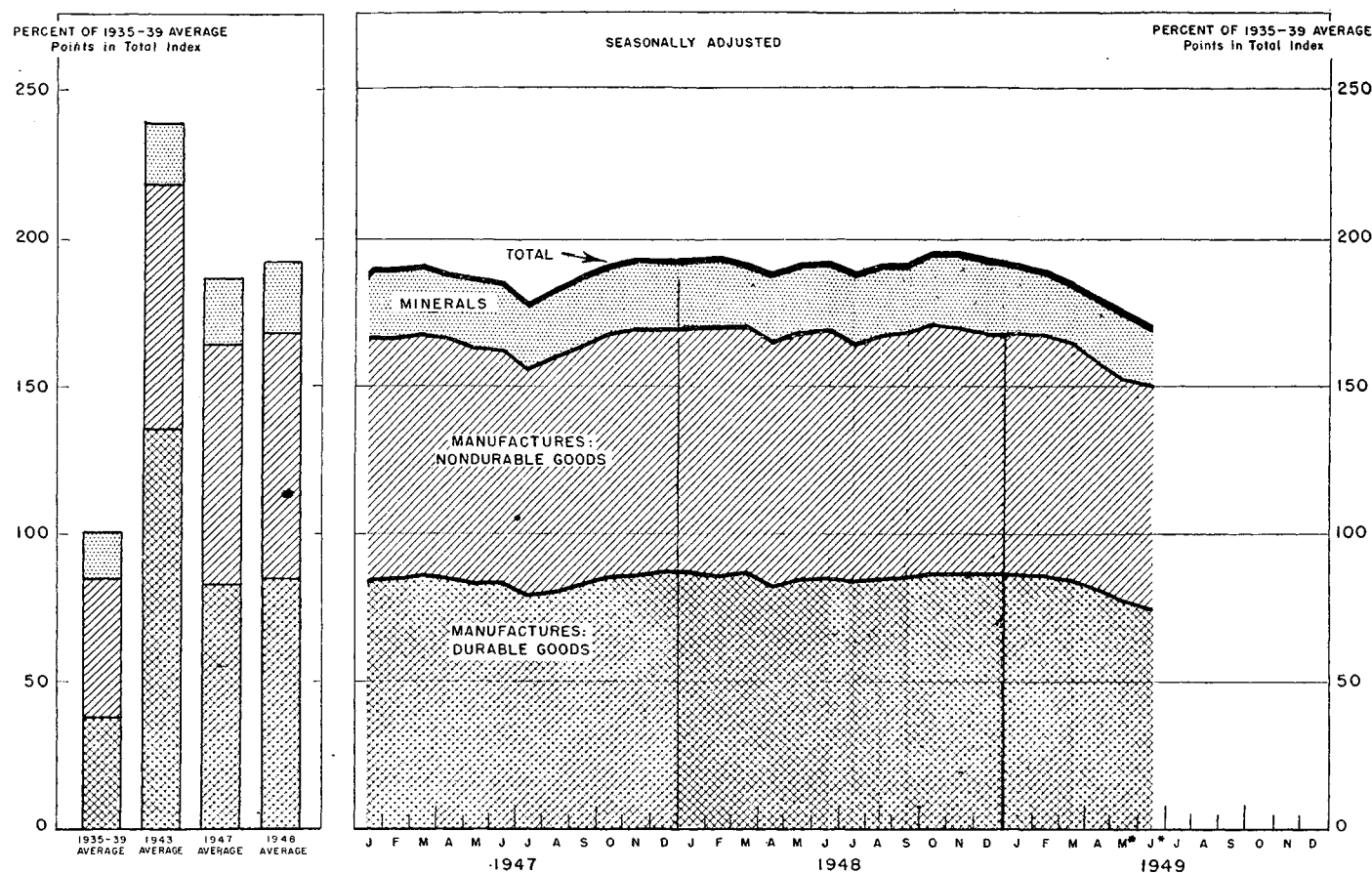
¹ Preliminary estimate.

Source: Department of Labor.

PRODUCTION AND BUSINESS ACTIVITY

INDUSTRIAL PRODUCTION

For the 4th successive month, the index of industrial production showed a 5 point drop, according to preliminary data for June. All three major components shared in the decline.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[1935-39=100, seasonally adjusted]

Period	Indexes, 1935-39=100					Points in total index, 1935-39 average for total=100		
	Total industrial production	Manufactures			Minerals	Manufactures		Minerals
		Total	Durable goods	Nondura- ble goods		Durable goods	Nondura- ble goods	
1935-39 monthly average.....	100	100	100	100	100	38	47	15
1943 monthly average.....	239	258	360	176	132	136	83	20
1945 monthly average.....	203	214	274	166	137	104	78	21
1946 monthly average.....	170	177	192	165	134	73	77	21
1947 monthly average.....	187	194	220	172	149	83	81	23
1948 monthly average.....	192	198	225	177	155	85	83	24
1948: May.....	192	197	221	178	162	84	83	25
June.....	192	198	222	179	159	84	84	24
July.....	186	192	219	169	153	83	79	23
August.....	191	197	223	177	159	84	82	24
September.....	192	199	225	178	156	85	83	24
October.....	195	202	231	179	158	87	84	24
November.....	195	201	229	178	161	87	83	25
December.....	192	199	231	173	156	87	81	24
1949: January.....	191	198	227	175	149	86	82	23
February.....	189	196	226	173	149	86	81	23
March.....	184	193	223	168	136	84	79	21
April ¹	179	185	213	162	148	81	76	22
May ¹	174	179	201	161	146	76	76	22
June ¹	169	175	194	159	134	74	75	20

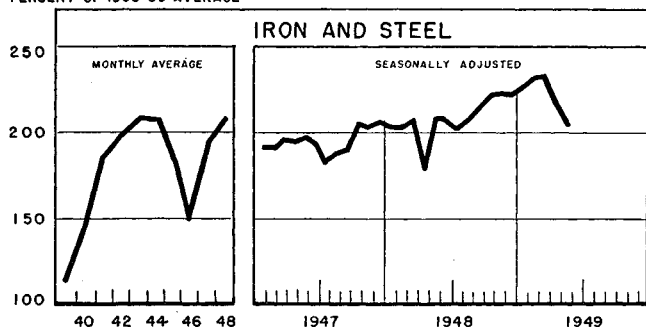
¹ Preliminary estimate.

Source: Board of Governors of the Federal Reserve System.

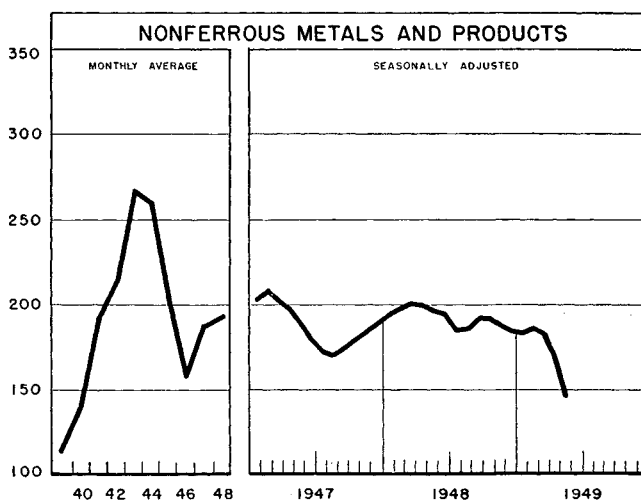
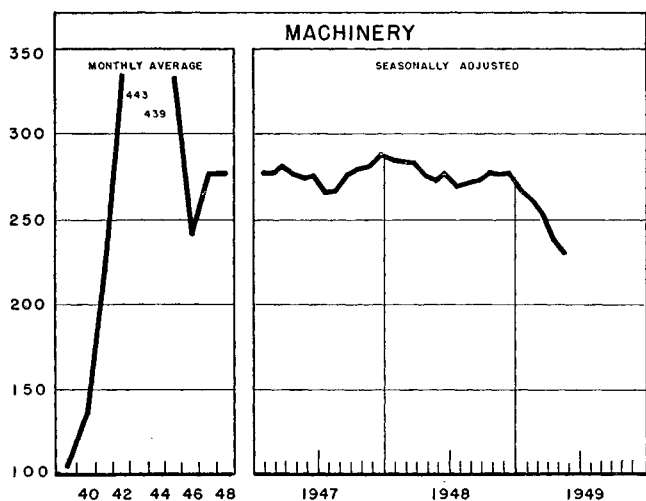
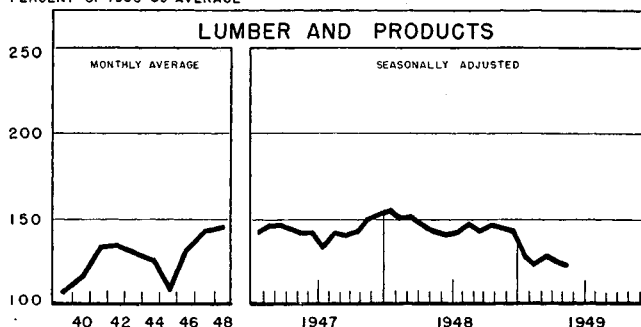
PRODUCTION OF SELECTED DURABLE MANUFACTURES

Substantial decreases occurred in May in the production of both ferrous and nonferrous metals.

PERCENT OF 1935-39 AVERAGE



PERCENT OF 1935-39 AVERAGE



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

COUNCIL OF ECONOMIC ADVISERS

[1935-39=100, seasonally adjusted]

Period	Iron and steel	Lumber and products	Machinery	Nonferrous metals and products
1935-39 monthly average.....	100	100	100	100
1943 monthly average.....	208	129	443	267
1945 monthly average.....	183	109	343	204
1946 monthly average.....	150	131	240	157
1947 monthly average.....	195	143	276	187
1948 monthly average.....	208	145	277	193
1948: April.....	177	145	275	200
May.....	208	142	273	196
June.....	208	140	277	194
July.....	201	142	269	185
August.....	207	148	271	186
September.....	214	143	273	192
October.....	221	147	277	192
November.....	224	145	276	187
December.....	223	143	277	184
1949: January.....	228	129	268	183
February.....	232	123	262	186
March.....	233	129	252	184
April ¹	219	126	240	168
May ¹	204	124	230	146

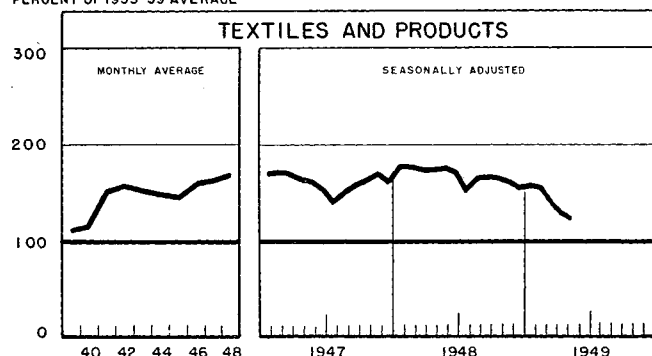
¹ Preliminary estimate.

Source: Board of Governors of the Federal Reserve System.

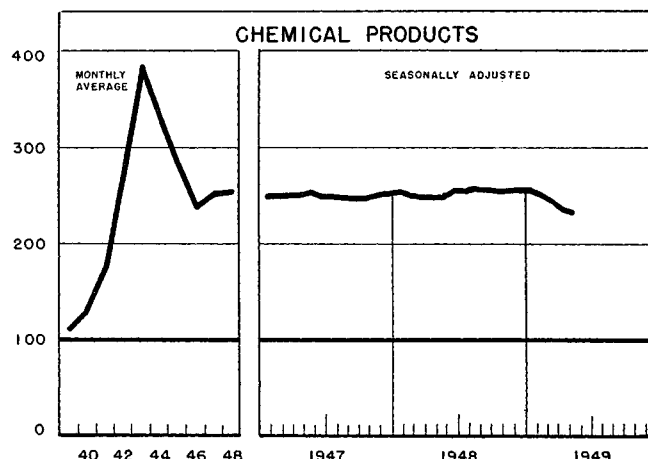
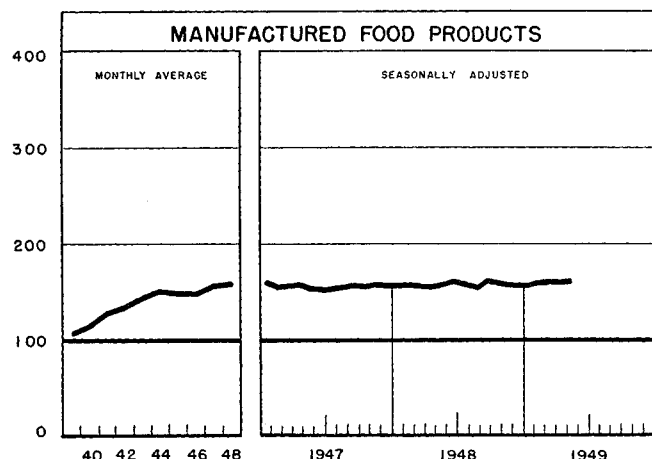
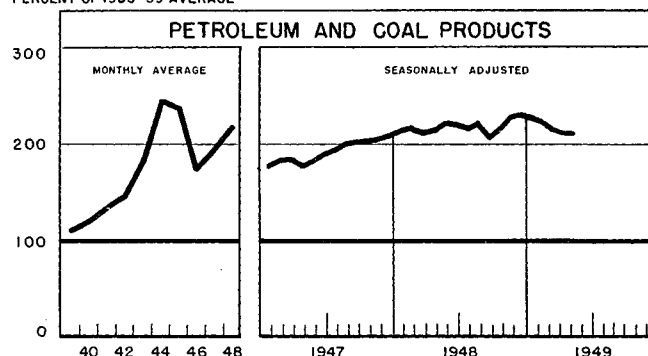
PRODUCTION OF SELECTED NONDURABLE MANUFACTURES

The decline in production of textiles and chemicals continued in May, but at a slower rate than in preceding months. Food processing reached a new high.

PERCENT OF 1935-39 AVERAGE



PERCENT OF 1935-39 AVERAGE



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[1935-39=100, seasonally adjusted]

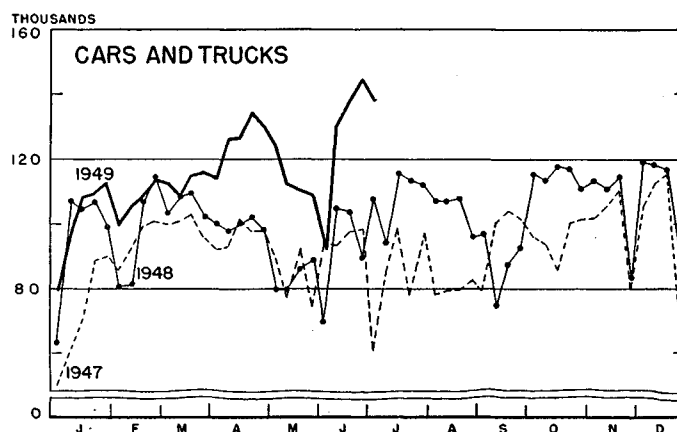
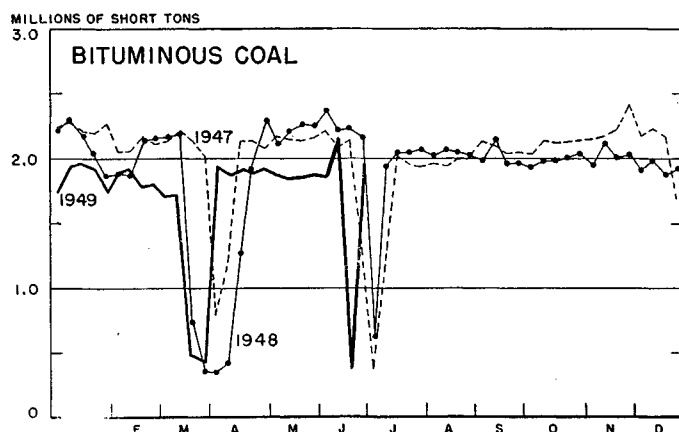
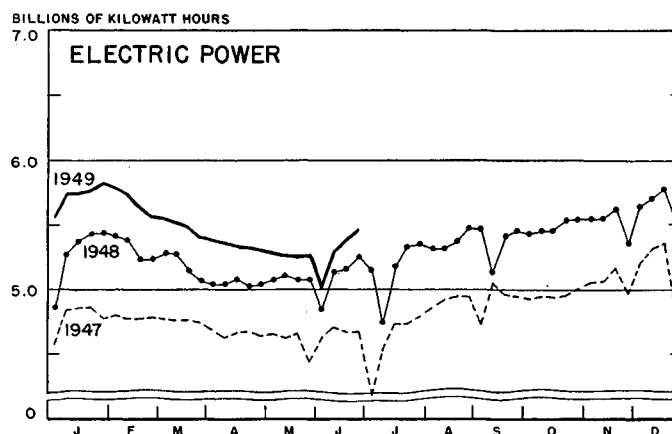
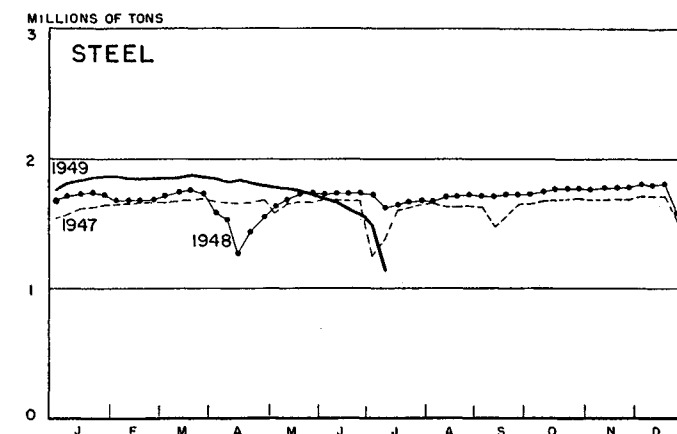
Period	Textiles and products	Petroleum and coal products	Manufactured food products	Chemical products
1935-39 monthly average.....	100	100	100	100
1943 monthly average.....	153	185	145	384
1945 monthly average.....	146	235	151	284
1946 monthly average.....	162	173	150	236
1947 monthly average.....	163	193	157	251
1948 monthly average.....	169	218	159	254
1948: April.....	175	213	157	249
May.....	177	220	159	249
June.....	174	220	163	256
July.....	154	217	160	251
August.....	166	221	156	259
September.....	168	207	163	257
October.....	167	217	161	255
November.....	164	227	159	257
December.....	156	231	158	257
1949: January.....	160	228	160	257
February.....	157	221	162	250
March ¹	142	213	162	245
April ¹	129	210	163	237
May.....	123	211	164	234

¹ Preliminary estimate.

Source: Board of Governors of the Federal Reserve System.

WEEKLY PRODUCTION - SELECTED INDICATORS

Steel production dropped again in June. Production of bituminous coal returned to levels prevailing before the work stoppage. The number of automobiles manufactured increased sharply. Output of electric power continued above last year's rates.



AMERICAN IRON AND STEEL INSTITUTE, EDISON ELECTRIC INSTITUTE, DEPARTMENT OF THE INTERIOR, WARD'S AUTOMOTIVE REPORTS.

COUNCIL OF ECONOMIC ADVISERS

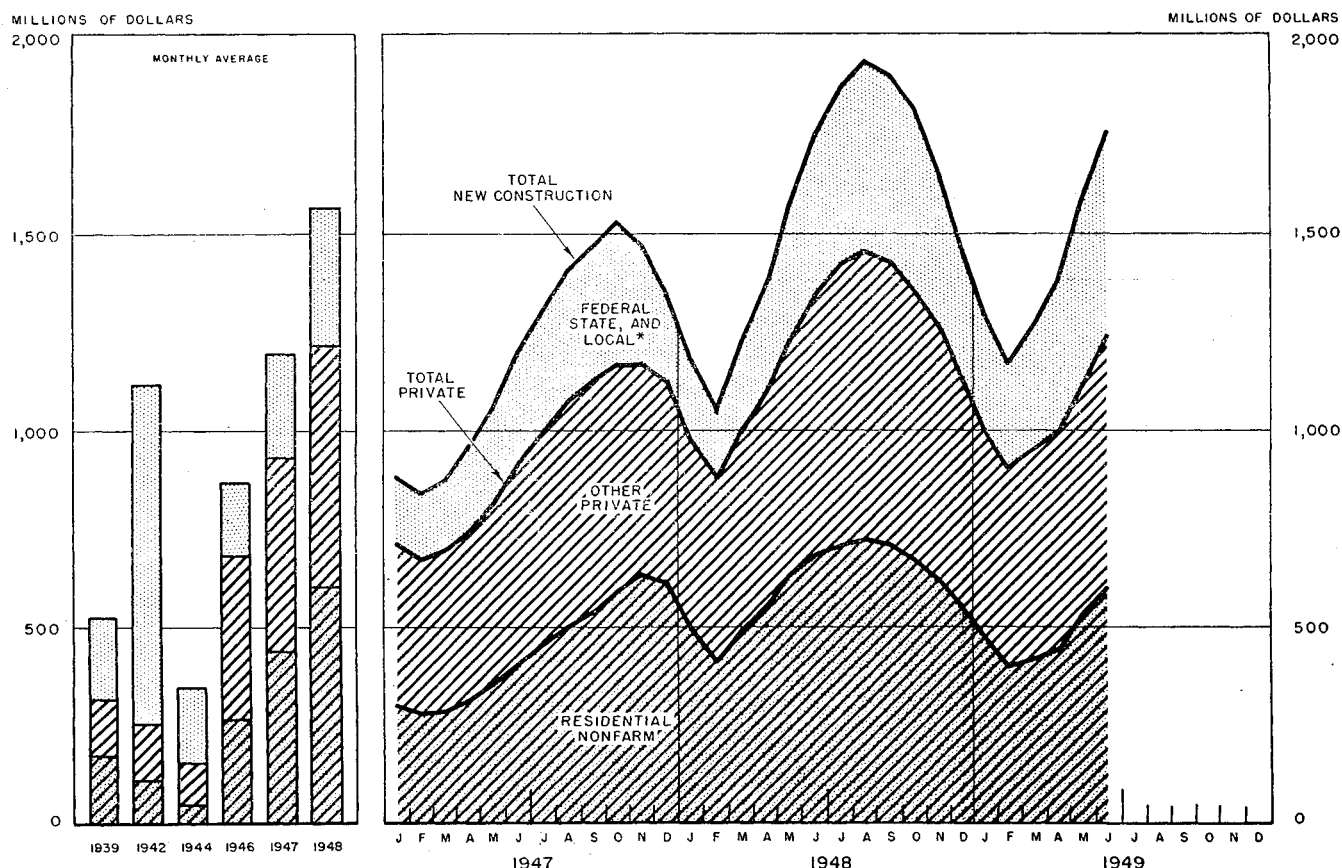
Period	Steel (thousands of net tons)	Electric power, by utilities (millions of kilowatt-hours)	Bituminous coal (thousands of short tons) ¹	Cars and trucks (number)
Weekly average:				
1947.....	1, 637	4, 821	2, 008	90, 860
1948.....	1, 700	5, 300	1, 906	100, 670
Week ended:				
1948: June 5.....	1, 730	4, 845	2, 361	69, 947
12.....	1, 732	5, 132	2, 220	104, 407
19.....	1, 730	5, 159	2, 229	103, 535
26.....	1, 734	5, 257	2, 126	89, 147
July 3.....	1, 716	5, 166	613	108, 052
10.....	1, 628	4, 760	1, 968	93, 691
1949: June 4.....	1, 692	5, 018	1, 850	91, 955
11.....	1, 643	5, 300	2, 160	130, 151
18.....	1, 598	5, 373	369	139, 005
25.....	1, 556	5, 466	1, 963	145, 372
July 2.....	1, 473	5, 410		138, 958
9.....	1, 128			

¹ Daily average for week.

Sources: American Iron and Steel Institute, Edison Electric Institute, Department of the Interior, and Ward's Automotive Reports.

NEW CONSTRUCTION

Both private and public construction activity continued to rise in June. The increase in public construction was only seasonal, but private increased more than seasonally.



*INCLUDES PUBLIC RESIDENTIAL CONSTRUCTION

SOURCES: DEPARTMENT OF COMMERCE AND DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	Total new construction	Private construction			Federal, State, and local ¹
		Total private	Residential (nonfarm)	Other	
1939 monthly average.....	526	317	176	141	208
1942 monthly average.....	1,118	251	110	141	867
1944 monthly average.....	345	152	45	107	193
1946 monthly average.....	871	688	265	422	184
1947 monthly average.....	1,194	932	438	493	262
1948 monthly average.....	1,565	1,214	602	612	351
1948: April.....	1,378	1,099	550	549	279
May.....	1,572	1,222	625	597	350
June.....	1,754	1,348	682	666	406
July.....	1,874	1,423	707	716	451
August.....	1,934	1,454	720	734	480
September.....	1,901	1,427	707	720	474
October.....	1,814	1,355	670	685	459
November.....	1,646	1,256	615	641	390
December.....	1,447	1,129	547	582	318
1949: January.....	1,293	1,002	475	527	291
February.....	1,172	905	400	505	267
March.....	1,267	951	420	531	316
April.....	1,378	997	445	552	381
May ²	1,584	1,117	530	587	467
June ²	1,759	1,241	600	641	518

¹ Includes public residential construction.

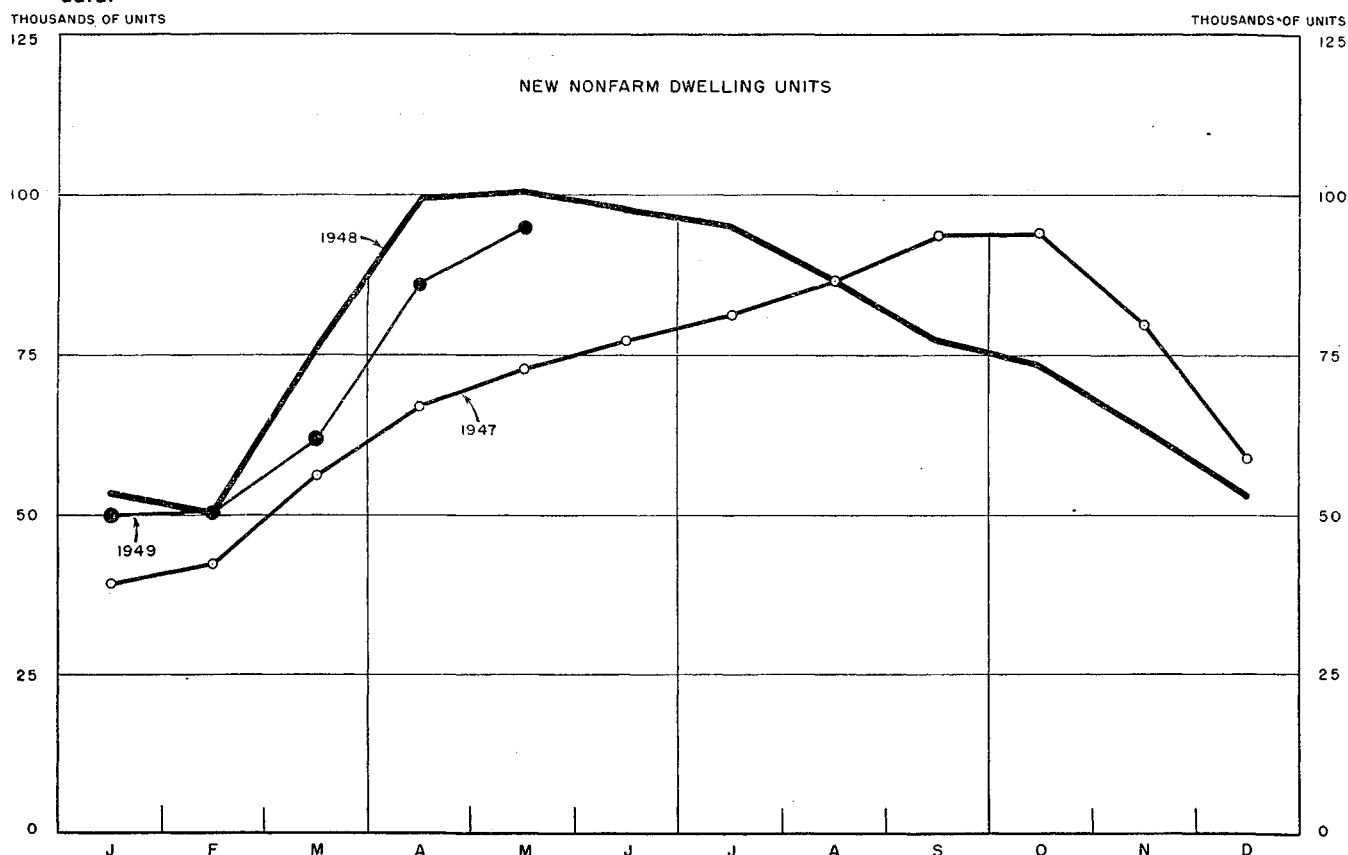
² Preliminary estimate.

NOTE.—Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Department of Labor.

NEW HOUSING STARTS

About 95,000 new permanent dwelling units were started in May, bringing the total for this year to about 10 percent below the number for the corresponding period in 1948. May was the second successive month to show a more than seasonal increase. Starts in June were about equal to the number in June 1948, according to preliminary data.



SOURCE: DEPARTMENT OF LABOR.

COUNCIL OF ECONOMIC ADVISERS

Month	New nonfarm units started		
	1947	1948	1949
January.....	39,300	53,500	50,000
February.....	42,800	50,100	50,400
March.....	56,000	76,400	¹ 69,400
April.....	67,100	99,500	¹ 86,000
May.....	72,900	100,300	¹ 95,000
June.....	77,200	97,800	² 100,000
July.....	81,100	95,000	-----
August.....	86,300	86,600	-----
September.....	93,800	82,200	-----
October.....	94,000	73,400	-----
November.....	79,700	63,600	-----
December.....	58,800	52,900	-----
Total.....	849,000	931,300	-----
Monthly average.....	70,750	77,600	-----

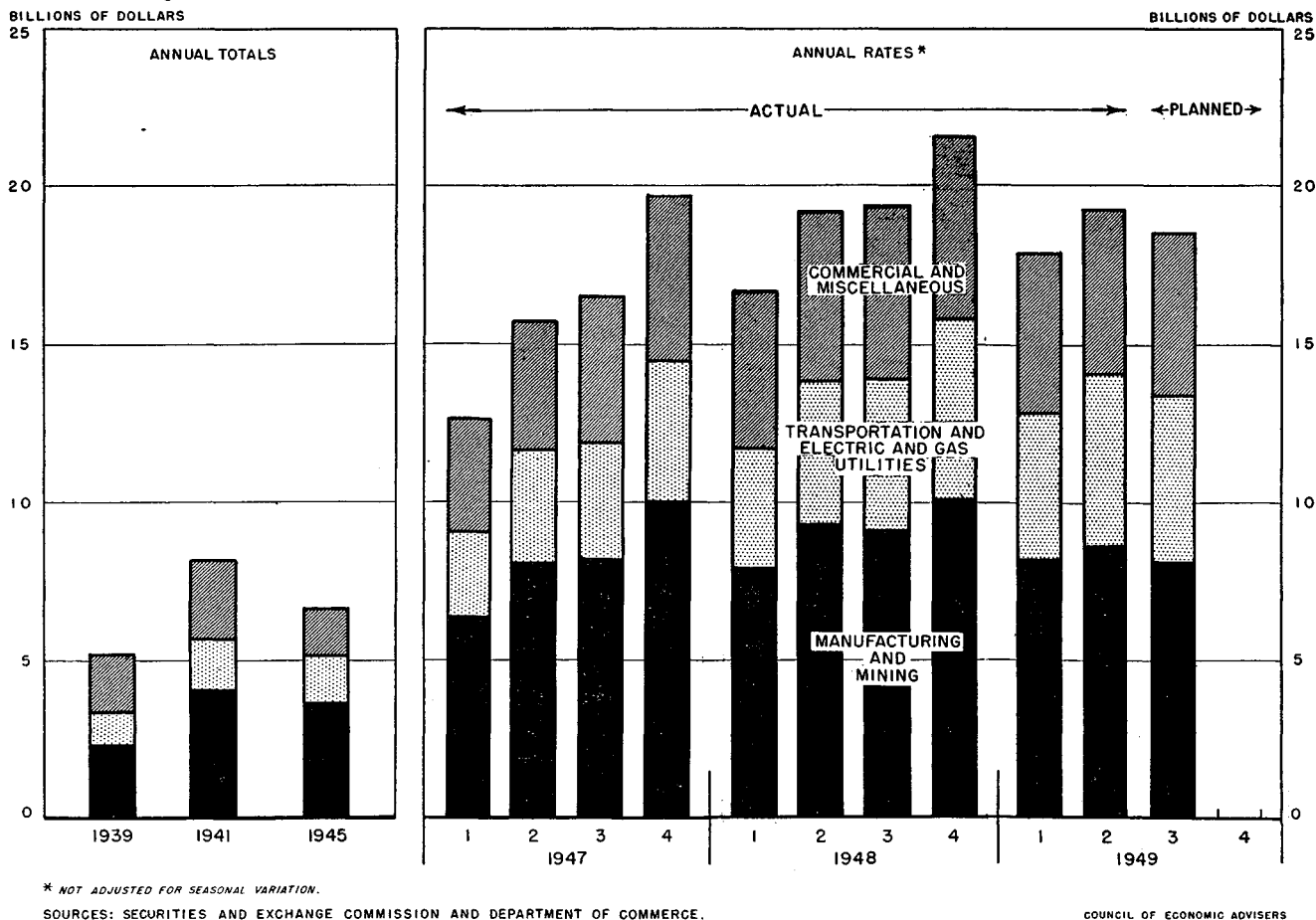
¹ Preliminary estimate. March data revised after chart was prepared.

² Data became available after the chart was prepared.

Source: Department of Labor.

EXPENDITURES FOR NEW PLANT AND EQUIPMENT

Estimated nonagricultural business expenditures for plant and equipment in 2nd quarter of 1949 showed, for the first time in the postwar period, no gain over the corresponding quarter of the previous year. Anticipated expenditures in 3rd quarter of this year run lower, with electric and gas utilities the only field to show a continued gain.



[Millions of dollars, annual rates, not adjusted for seasonal]

Period	Total ¹	Manufacturing	Mining	Transportation		Electric and gas utilities	Commercial and miscellaneous ²
				Railroad	Other		
1939	5,200	1,930	380	280	280	480	1,850
1941	8,190	3,400	680	560	340	710	2,490
1945	6,630	3,210	440	550	320	630	1,480
1947	16,180	7,460	690	910	800	1,900	4,430
1948	19,230	8,340	800	1,320	700	2,680	5,390
1947: First quarter	12,640	5,800	600	640	720	1,320	3,600
Second quarter	15,760	7,400	640	880	920	1,800	4,120
Third quarter	16,560	7,480	720	920	800	2,000	4,640
Fourth quarter	19,760	9,160	840	1,200	760	2,480	5,360
1948: First quarter	16,680	7,200	720	1,080	720	2,000	4,960
Second quarter	19,280	8,560	800	1,240	760	2,560	5,360
Third quarter	19,320	8,360	800	1,320	680	2,760	5,440
Fourth quarter	21,640	9,280	880	1,640	680	3,400	5,760
1949: First quarter	17,840	7,400	760	1,440	520	2,720	5,040
Second quarter ³	19,280	7,840	800	1,640	560	3,240	5,200
Third quarter ⁴	18,520	7,360	760	1,240	680	3,320	5,120

¹ Excludes agriculture.

² Commercial and miscellaneous include trade, service, finance, and communication.

³ Preliminary estimates of actual expenditures.

⁴ Estimates based on anticipated capital expenditures of business.

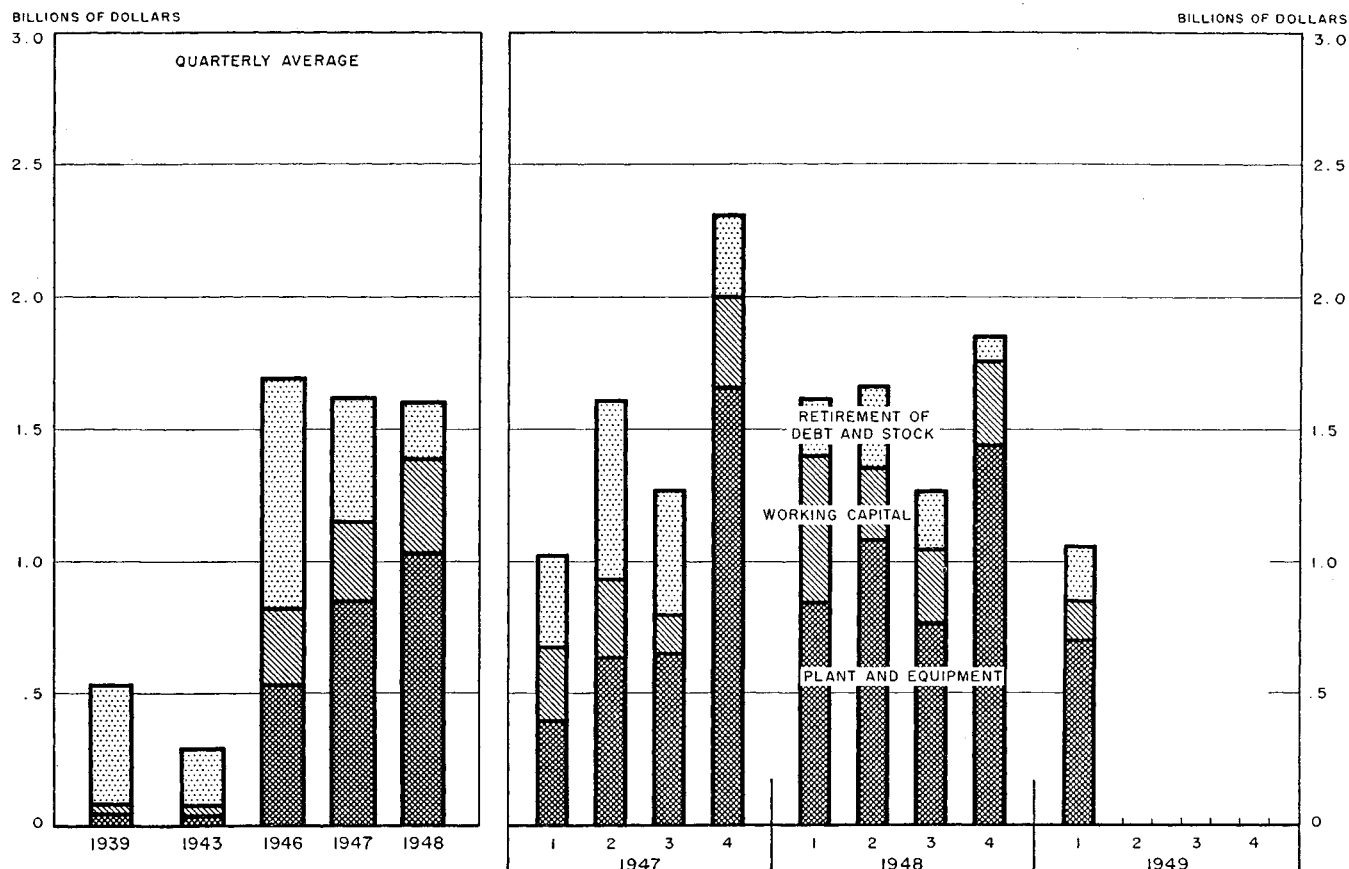
NOTE.—These figures do not agree with the totals included in the gross national product estimates of the Department of Commerce, principally because the latter cover agricultural investment and also certain equipment and construction outlays charged to current expense. Figures for 1939–44 are Federal Reserve Board estimates based on Securities and Exchange Commission and other data.

Detail will not necessarily add to totals because annual rates are based on quarterly figures rounded to the nearest 10,000,000.

Sources: Securities and Exchange Commission and Department of Commerce (except as noted).

NEW CORPORATE SECURITY ISSUES

Total proceeds from new corporate security issues fell heavily in the 1st quarter reflecting a decline in both fixed and working capital financing.



SOURCE: SECURITIES AND EXCHANGE COMMISSION.

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	Estimated net proceeds	Proposed uses of net proceeds			
		New money			Retirement of debt and stock ¹
		Total	Plant and equipment	Working capital	
1939 quarterly average.....	529	81	43	39	448
1943 quarterly average.....	287	77	35	42	210
1945 quarterly average.....	1,475	270	159	111	1,206
1946 quarterly average.....	1,689	820	529	291	869
1947 quarterly average.....	1,617	1,148	852	296	469
1948 quarterly average.....	1,604	1,392	1,035	357	212
1947: Third quarter.....	1,374	884	692	192	490
Fourth quarter.....	2,311	2,000	1,654	347	310
1948: First quarter.....	1,614	1,400	845	555	214
Second quarter.....	1,663	1,353	1,080	274	309
Third quarter.....	1,267	1,045	764	281	221
Fourth quarter.....	1,873	1,767	1,451	316	105
1949: First quarter ²	1,057	851	699	152	206

¹ Includes small amount for other purposes.

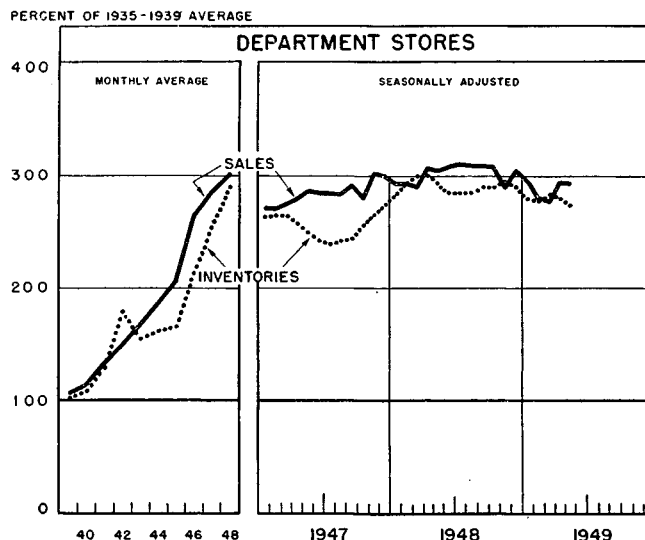
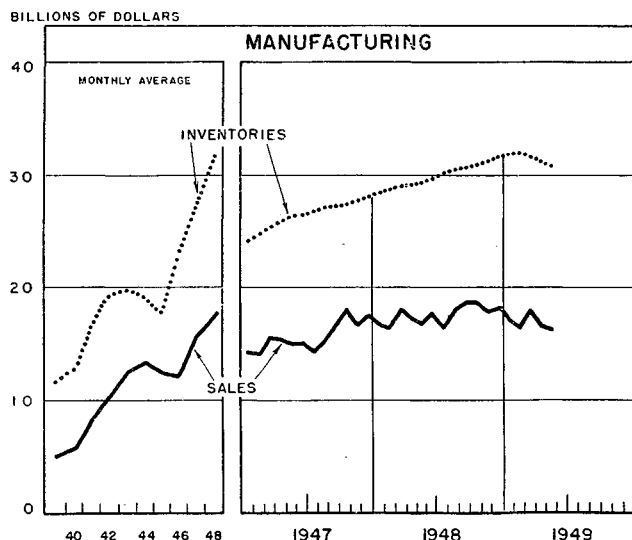
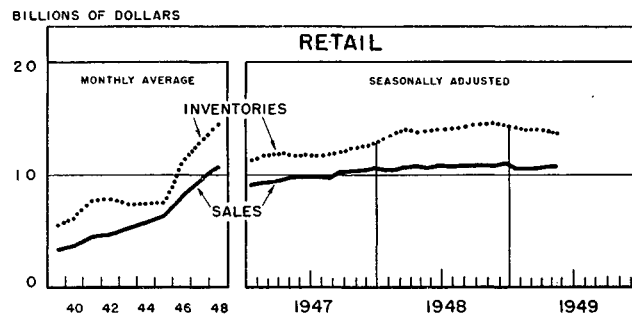
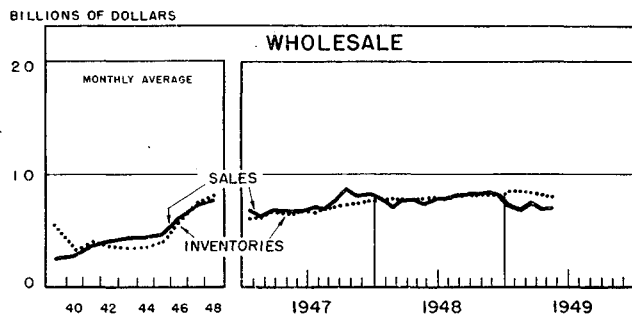
² Preliminary estimate.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Securities and Exchange Commission.

INVENTORIES AND SALES

Liquidation of inventories in manufacturing and trade continued in May. Manufacturers' sales also fell off, but retail and wholesale levels were maintained.



SOURCE: DEPARTMENT OF COMMERCE AND BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

Period	Wholesale ¹		Retail ²		Manufacturing ¹		Department stores	
	Inventories ³	Sales ⁴	Inventories ³	Sales ⁴	Inventories ³	Sales ⁴	Inventories	Sales
Millions of dollars							1935-39=100, seasonally adjusted ⁵	
1939.....	3,200	2,505	5,502	3,504	11,516	5,112	102	106
1941.....	4,151	3,650	7,620	4,624	17,024	8,172	131	133
1943.....	3,577	4,330	7,350	5,310	19,897	12,603	155	168
1945.....	4,216	4,777	7,502	6,387	17,924	12,371	166	207
1946.....	5,823	6,138	11,049	8,399	23,435	12,020	213	264
1947.....	7,545	7,304	12,953	9,860	28,020	15,671	255	286
1948.....	8,315	7,867	14,556	10,784	31,713	17,587	291	302
1948: May.....	7,801	7,389	13,951	10,620	29,437	16,777	293	305
June.....	7,953	7,766	14,065	10,862	29,727	17,871	285	308
July.....	7,930	7,796	14,080	10,857	30,236	16,403	285	311
August.....	8,100	8,161	14,145	10,893	30,429	18,169	285	309
September.....	8,243	8,286	14,531	10,968	30,710	18,781	290	309
October.....	8,400	8,376	14,576	10,894	30,848	18,807	290	308
November.....	8,507	8,242	14,779	10,771	31,225	17,980	296	289
December.....	8,315	8,196	14,556	11,062	31,713	18,130	291	305
1949: January.....	8,527	7,163	14,107	10,615	32,062	16,691	279	294
February.....	8,567	6,802	13,952	10,588	32,070	16,424	278	281
March ⁶	8,445	7,489	14,220	10,620	31,793	18,107	284	277
April ⁶	8,152	6,959	14,052	10,719	31,266	16,763	281	294
May ⁶	7,884	7,094	13,750	10,705	30,823	16,190	274	293

¹ Not adjusted for seasonal variation.

² Adjusted for seasonal variation.

³ Book value, end of period.

⁴ Monthly average for year and total for month.

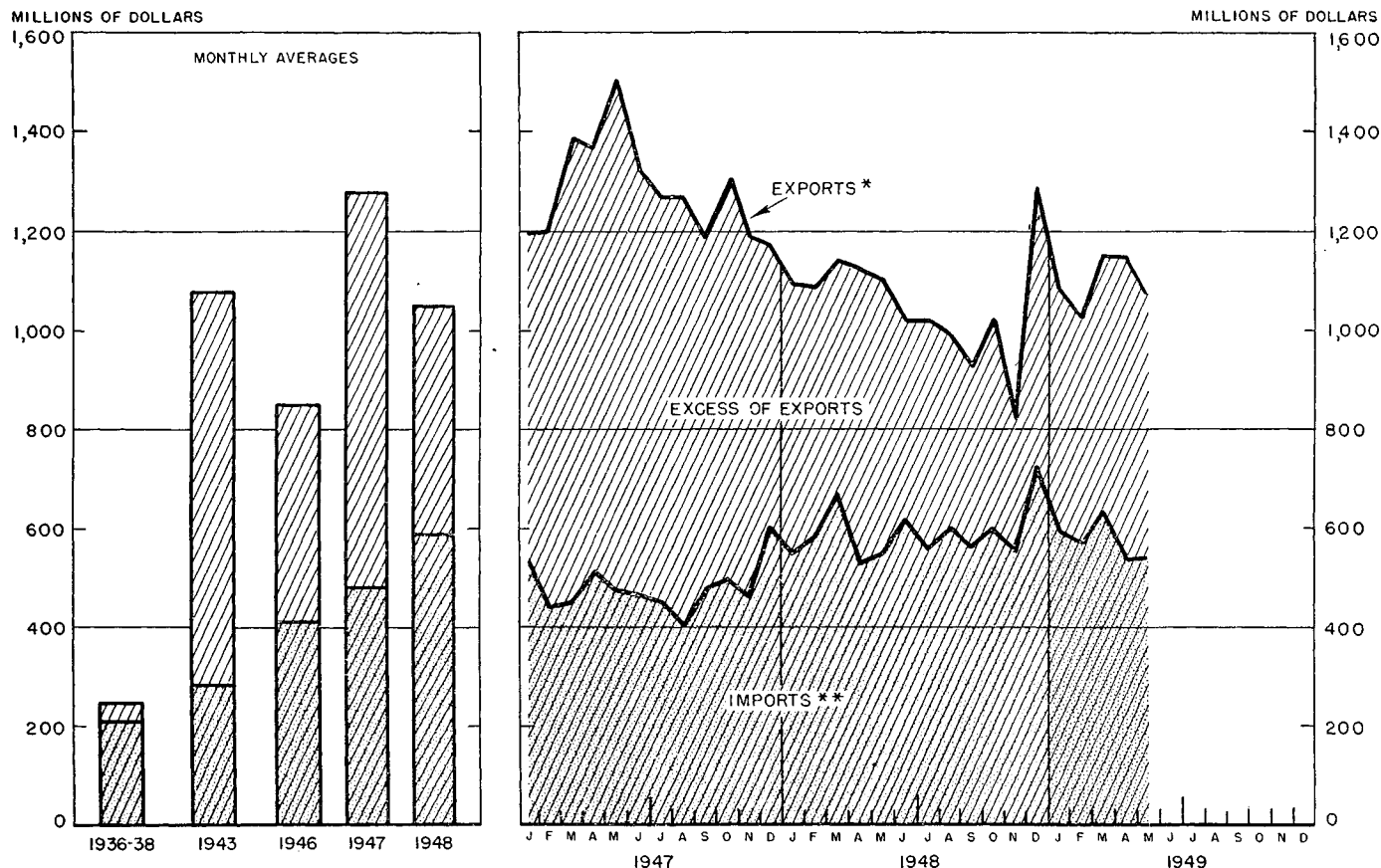
⁵ Indexes computed from data on retail value of sales for month and retail book value of inventories, end of period.

⁶ Preliminary estimate.

Sources: Department of Commerce and Board of Governors of the Federal Reserve System.

MERCHANDISE EXPORTS AND IMPORTS

Imports increased slightly from April to May, but exports fell 6 percent.



* RECORDED MERCHANDISE EXPORTS, INCLUDING REEXPORTS, AND CIVILIAN SUPPLIES FOR OCCUPIED AREAS.

** RECORDED GENERAL MERCHANDISE IMPORTS.

SOURCES: DEPARTMENT OF COMMERCE, DEPARTMENT OF THE ARMY, AND DEPARTMENT OF THE NAVY

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	Exports ¹	Imports ²	Excess of exports
1936-38 monthly average.....	247	207	40
1943 monthly average.....	1,080	282	798
1945 monthly average.....	877	346	531
1946 monthly average.....	849	410	439
1947 monthly average.....	1,278	478	801
1948 monthly average.....	1,051	594	457
1948: April.....	1,120	528	592
May.....	1,102	549	553
June.....	1,015	615	400
July.....	1,019	558	461
August.....	990	599	391
September.....	926	558	368
October.....	1,021	597	424
November.....	820	550	270
December.....	1,284	721	563
1949: January.....	1,090	590	500
February.....	1,033	568	465
March.....	1,154	632	522
April.....	1,148	534	614
May.....	1,077	539	538

¹ Recorded merchandise exports, including reexports, and civilian supplies for occupied areas.

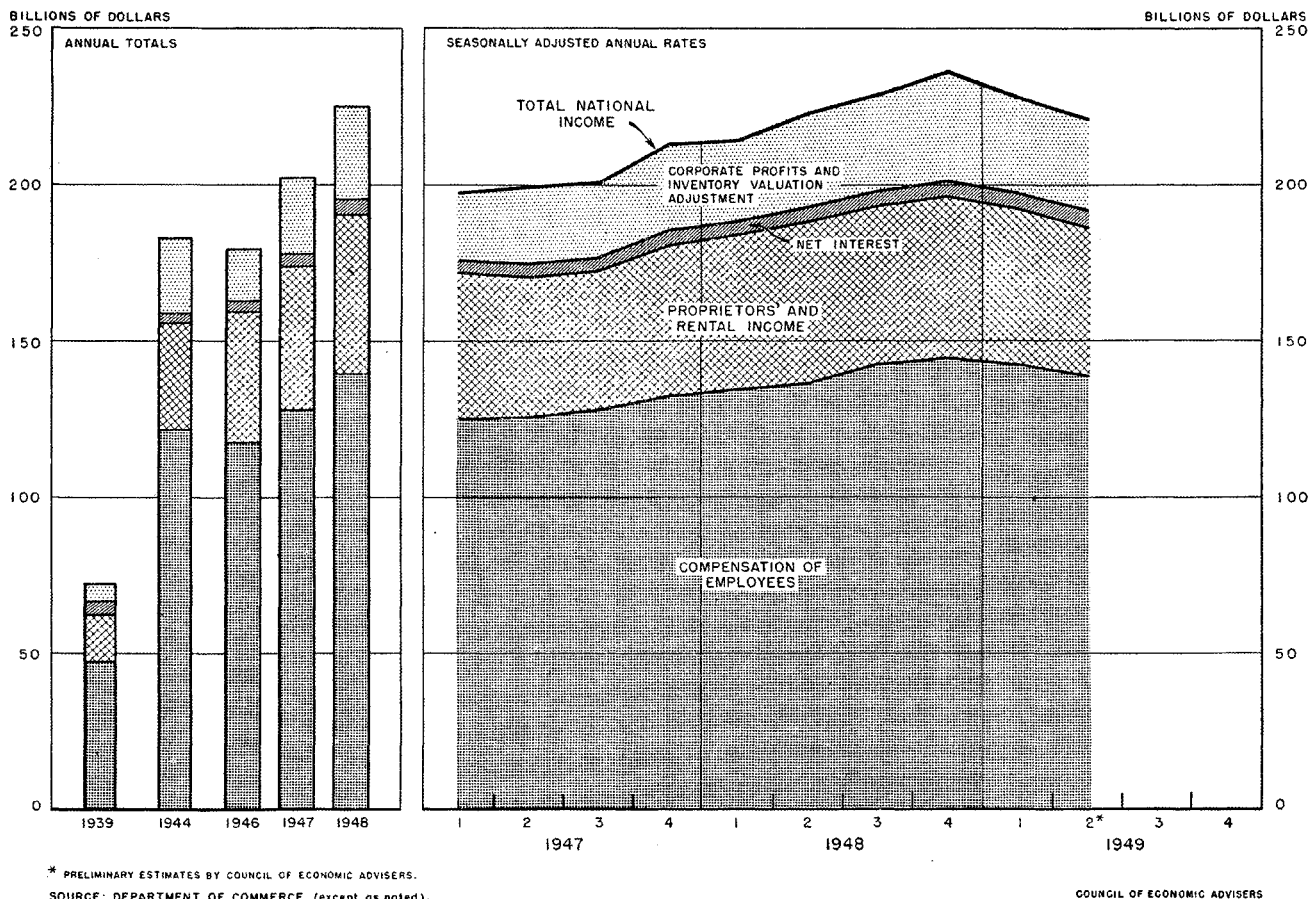
² Recorded general merchandise imports.

Sources: Department of Commerce, Department of the Army, and Department of the Navy.

PURCHASING POWER

NATIONAL INCOME

National income declined 3 percent from the 1st to the 2nd quarter, according to preliminary estimates. Compensation of employees, corporate profits, and proprietors' income accounted for the drop.



Period	Total national income	Compensation of employees	Proprietors' and rental income	Net interest	Corporate profits and inventory valuation adjustment		
					Total	Profits before taxes	Inventory valuation adjustment
1939.....	72.5	47.8	14.7	4.2	5.8	6.5	-0.7
1944.....	182.4	121.1	34.1	3.1	24.0	24.3	-0.3
1946.....	179.3	117.3	41.8	3.4	16.8	21.8	-5.0
1947.....	202.5	127.5	46.0	4.3	24.7	29.8	-5.1
1948.....	224.9	139.4	50.9	4.9	29.8	32.8	-3.0
Annual rates, seasonally adjusted							
1948: First quarter.....	213.9	134.0	49.9	4.7	25.3	30.5	-5.3
Second quarter.....	222.3	136.3	51.6	4.8	29.6	32.1	-2.5
Third quarter.....	228.2	142.4	50.6	5.0	30.2	34.0	-3.9
Fourth quarter.....	235.6	144.7	51.4	5.2	34.3	34.7	-0.4
1949: First quarter ¹	² 228.0	141.9	50.0	5.3	² 30.7	² 28.8	² +1.9
Second quarter ²	221.0	139.0	47.5	5.4	29.0	25.5	+3.5

¹ Preliminary estimates.

² Estimates by Council of Economic Advisers; based on preliminary data.

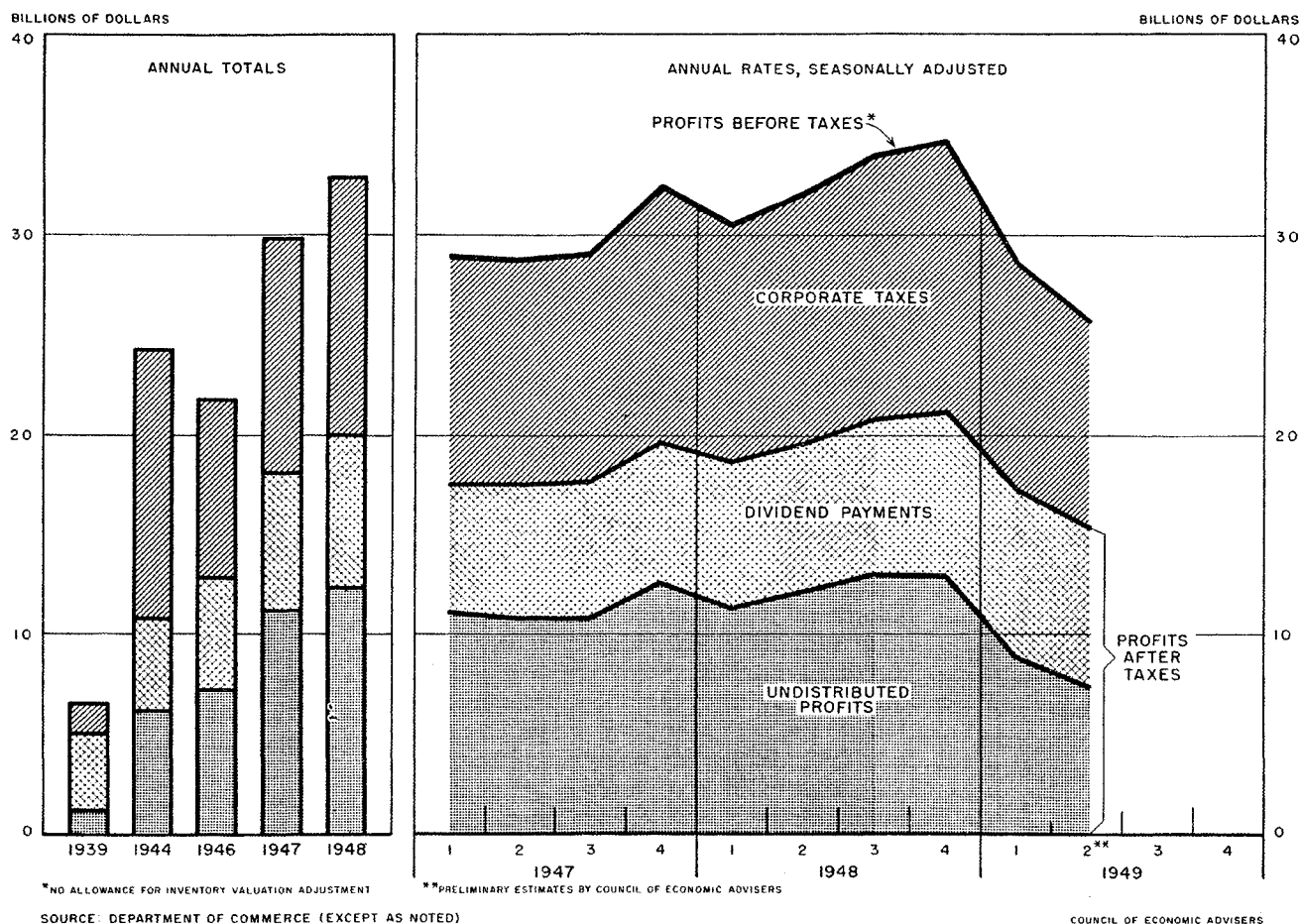
NOTE.—Detail will not necessarily add to totals because of rounding.

Revised estimates of the national income and product series will be published in the Survey of Current Business, July 1949.

Source: Department of Commerce (except as noted).

CORPORATE PROFITS

Corporate profits, after reaching peak levels in the fourth quarter of 1948, have declined quarter by quarter, during the first half of 1949, reflecting the effects of lower prices and lower levels of activity.



[Billions of dollars]

Period	Corporate profits before taxes	Corporate tax liability	Corporate profits after taxes		
			Total	Dividend payments	Undistributed profits
1929.....	9.8	1.4	8.4	5.8	2.6
1939.....	6.5	1.5	5.0	3.8	1.2
1944.....	24.3	13.5	10.8	4.7	6.1
1946.....	21.8	9.0	12.8	5.6	7.2
1947.....	29.8	11.7	18.1	6.9	11.2
1948.....	32.8	12.8	20.1	7.8	12.3
Annual rates, seasonally adjusted					
1948: First quarter.....	30.5	11.8	18.7	7.4	11.3
Second quarter.....	32.1	12.5	19.6	7.4	12.2
Third quarter.....	34.0	13.3	20.8	7.7	13.1
Fourth quarter.....	34.7	13.5	21.2	8.3	12.9
1949: First quarter ¹	28.8	11.6	17.2	8.3	8.9
Second quarter ¹	25.5	10.2	15.3	8.0	7.3

¹ Estimates by Council of Economic Advisers; based on preliminary data.

NOTE.—No allowance has been made for inventory valuation adjustment. See p. 20 for profits before taxes and inventory valuation adjustment.

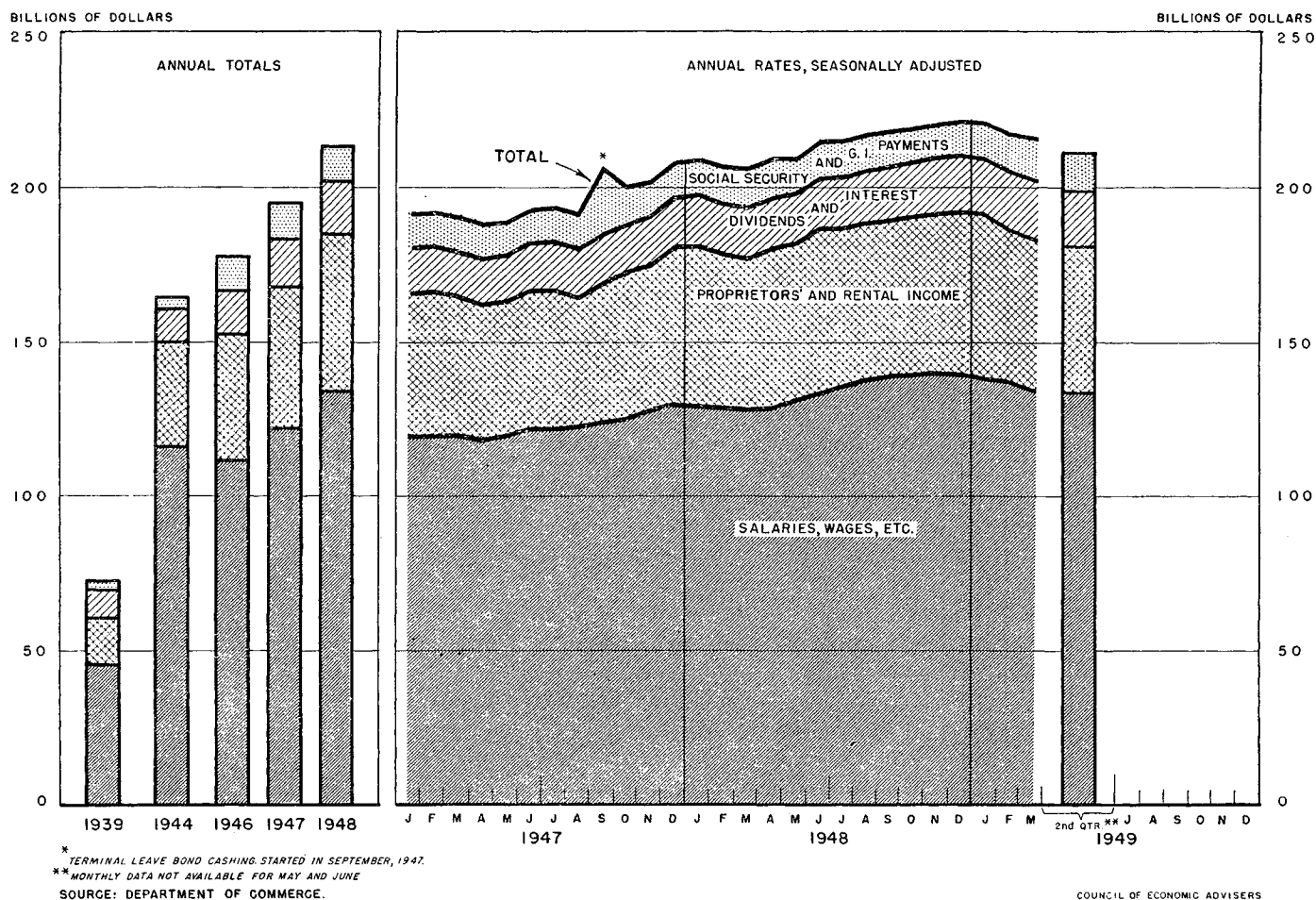
Revised estimates of the national income and product series will be published by the Survey of Current Business, July 1949.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

PERSONAL INCOME

Personal income dropped about \$5 billion (annual rate) from 1st to 2nd quarter. Salaries and wages and proprietors' income (business, professional, and farm) shared about equally in the decline.



[Billions of dollars]

Period	Total personal income	Salaries, wages, and other labor income	Proprietors' and rental income	Dividends and interest	Social security and GI payments
1939.....	72.6	45.7	14.7	9.2	3.0
1944.....	164.5	116.1	34.1	10.6	3.6
1946.....	178.1	111.4	41.8	13.5	11.4
1947.....	195.2	121.9	46.0	15.6	11.7
1948.....	213.6	134.3	50.9	17.3	11.1
Annual rates, seasonally adjusted					
1948: April.....	208.6	128.8	51.2	16.7	11.9
May.....	209.2	131.0	50.4	16.8	11.0
June.....	214.4	133.4	53.0	16.9	11.1
July.....	214.8	135.5	51.2	17.0	11.1
August.....	216.7	138.0	50.3	17.3	11.1
September.....	217.3	138.8	50.4	17.5	10.6
October.....	218.5	139.6	50.7	17.8	10.4
November.....	219.9	140.1	51.4	18.1	10.3
December.....	221.0	139.8	52.1	18.4	10.7
1949: First quarter.....	216.6	136.7	50.1	18.3	11.7
January.....	219.2	138.4	51.4	18.3	11.1
February.....	216.3	136.8	49.7	18.3	11.5
March.....	214.6	134.8	49.1	18.3	12.4
Second quarter ¹	211.5	134.0	47.5	18.1	11.9
April.....	213.6	135.3	48.0	18.2	12.1

¹ Estimates by Council of Economic Advisers; based on preliminary data.

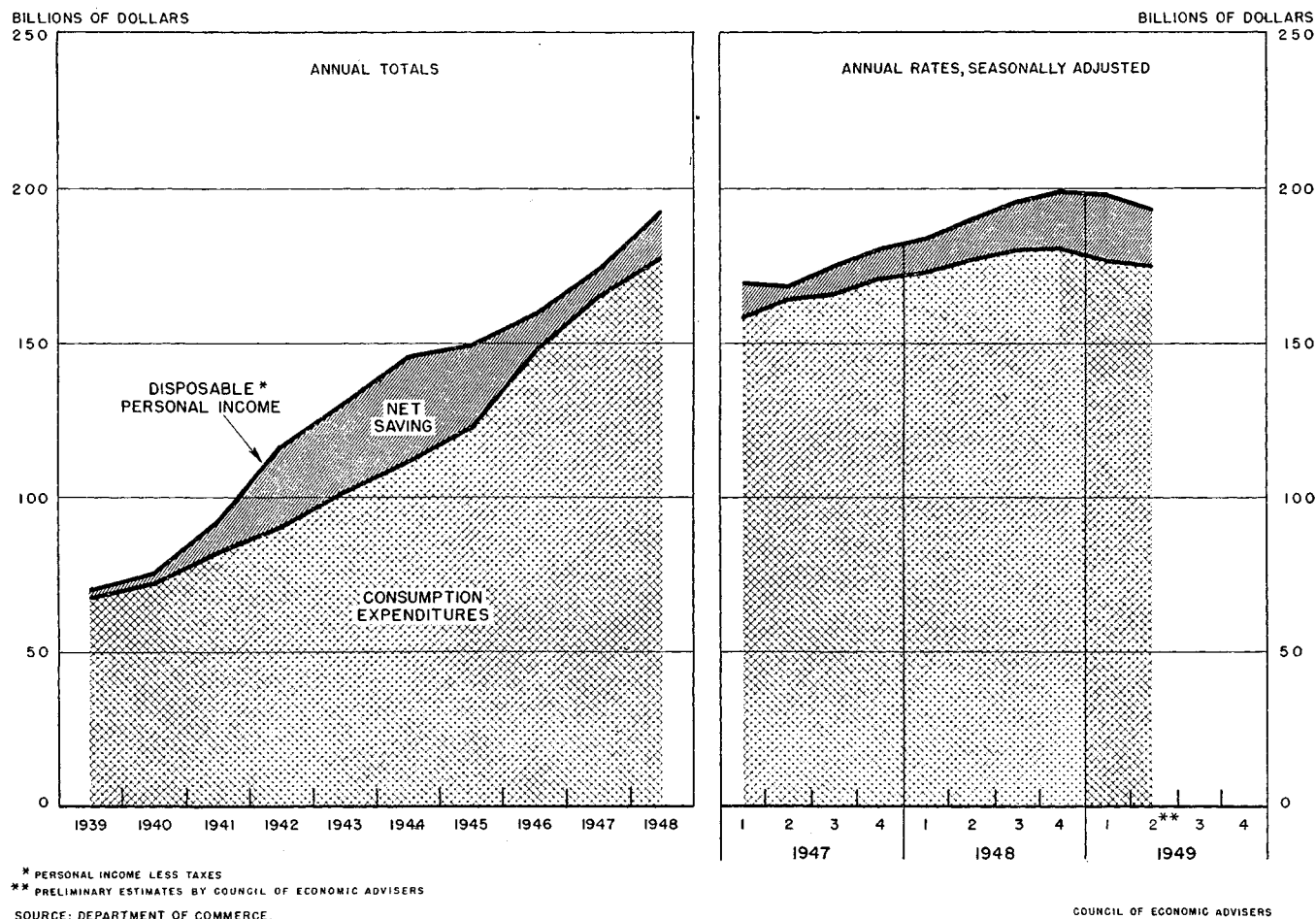
NOTE.—Detail will not necessarily add to totals because of rounding.

Revised estimates of the national income and product series will be published by the Survey of Current Business, July 1949.

Source: Department of Commerce (except as noted).

CONSUMER INCOME, SPENDING, AND SAVING

For the 2nd. quarter of 1949, consumer disposable income decreased about 2 1/2 percent from the 1st quarter level. Consumption expenditures decreased only 1 percent, so that most of the decrease in income was reflected in a lower rate of personal saving.



[Billions of dollars]

Period	Disposable personal income ¹	Less: Personal consumption expenditures	Equals: Personal saving
1939.....	70.2	67.5	2.7
1940.....	75.7	72.1	3.7
1941.....	92.0	82.3	9.8
1942.....	116.2	90.8	25.4
1943.....	131.6	101.6	30.0
1944.....	145.6	111.4	34.2
1945.....	149.4	122.8	26.6
1946.....	159.2	147.4	11.8
1947.....	173.6	164.8	8.8
1948.....	192.6	177.7	14.9
Annual rates, seasonally adjusted			
1948: First quarter.....	183.9	172.5	11.4
Second quarter.....	190.2	177.3	12.9
Third quarter.....	196.2	180.1	16.1
Fourth quarter.....	199.4	181.0	18.4
1949: First quarter.....	197.8	176.6	21.2
Second quarter ²	193.0	175.0	18.0

¹ Income less taxes.

² Estimates by Council of Economic Advisers; based on preliminary data.

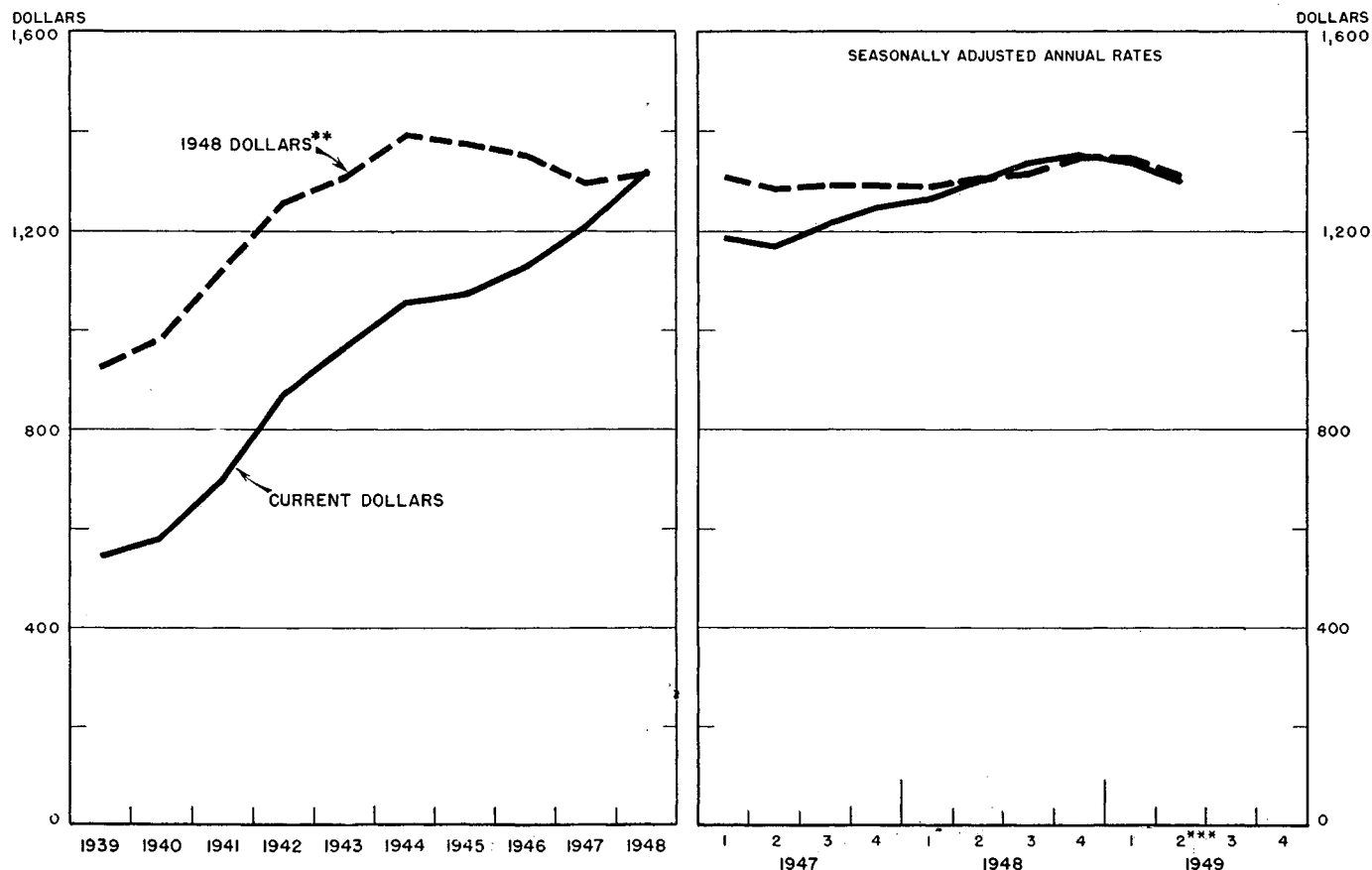
NOTE.—Detail will not necessarily add to totals because of rounding.

Revised estimates of the national income and product series will be published by the Survey of Current Business, July 1949.

Source: Department of Commerce (except as noted).

PER CAPITA INCOME*

Per capita disposable income fell 3 percent from 1st to 2nd quarter of 1949, as measured in current dollars, or 2½ percent in terms of real purchasing power.



* PERSONAL INCOME LESS TAXES *** PRELIMINARY ESTIMATES BY COUNCIL OF ECONOMIC ADVISERS
 ** CURRENT DOLLARS DIVIDED BY THE CONSUMERS' PRICE INDEX ON THE BASE 1948=100.
 SOURCES: DEPARTMENT OF COMMERCE AND DEPARTMENT OF LABOR (EXCEPT AS NOTED).

COUNCIL OF ECONOMIC ADVISERS

Period	Per capita disposable personal income ¹		Consumers' price index ² 1948=100
	Current dollars	1948 dollars ³	
1939.....	536	923	58.1
1940.....	574	981	58.5
1941.....	691	1,125	61.4
1942.....	863	1,256	68.7
1943.....	964	1,306	73.8
1944.....	1,054	1,391	75.8
1945.....	1,070	1,374	77.9
1946.....	1,127	1,351	83.4
1947.....	1,205	1,294	93.1
1948.....	1,314	1,314	100.0
	Annual rates, seasonally adjusted		Not adjusted for seasonal variation
1948: First quarter.....	1,262	1,288	98.0
Second quarter.....	1,300	1,305	99.6
Third quarter.....	1,335	1,311	101.8
Fourth quarter.....	1,351	1,342	100.7
1949: First quarter.....	1,334	1,345	99.2
Second quarter ⁴	1,297	1,311	98.9

¹ Income less taxes.

² Current dollars divided by the consumers' price index on the base 1948=100.

³ The consumers' price index has been roughly adjusted to take account of the understatement from December 1941–February 1947. This adjustment is in line with the report of the Mitchell Committee. The unadjusted index will be found on page 2.

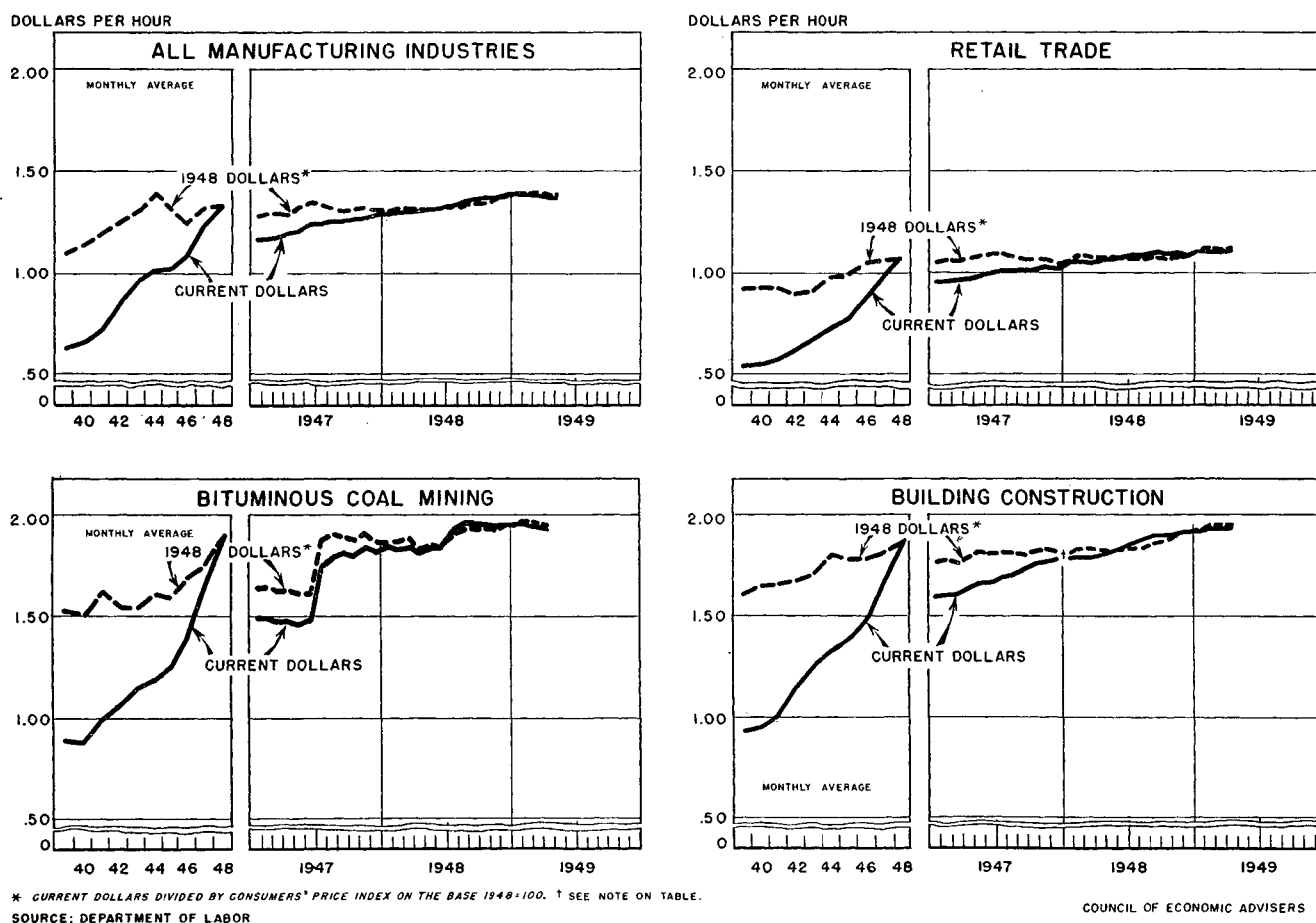
⁴ Estimates by Council of Economic Advisers; based on preliminary data.

NOTE.—Revised estimates of the national income and product series will be published in the Survey of Current Business, July 1949.

Sources: Department of Commerce and Department of Labor (except as noted).

AVERAGE HOURLY EARNINGS

Average hourly earnings for most industries remained relatively stable in April. Manufacturing earnings in May again showed little change, according to preliminary data.



[Selected industries]

Period	Manufacturing		Retail trade		Bituminous coal mining		Building construction ¹	
	Current dollars	1948 dollars ²	Current dollars	1948 dollars ²	Current dollars	1948 dollars ²	Current dollars	1948 dollars ²
1939 monthly average.....	0. 633	1. 090	0. 536	0. 923	0. 886	1. 525	0. 932	1. 604
1941 monthly average.....	. 729	1. 187	. 568	. 925	. 993	1. 617	1. 010	1. 645
1944 monthly average.....	1. 019	1. 381	. 724	. 981	1. 186	1. 607	1. 319	1. 787
1945 monthly average.....	1. 023	1. 313	. 773	. 992	1. 240	1. 592	1. 379	1. 770
1946 monthly average.....	1. 084	1. 230	. 878	1. 053	1. 401	1. 680	1. 478	1. 772
1947 monthly average.....	1. 221	1. 311	. 991	1. 064	1. 633	1. 754	1. 681	1. 806
1948 monthly average.....	1. 327	1. 327	1. 067	1. 067	1. 899	1. 899	1. 848	1. 848
1948: April.....	1. 292	1. 306	1. 055	1. 067	⁴ 1. 821	⁴ 1. 841	1. 804	1. 824
May.....	1. 301	1. 306	1. 064	1. 068	1. 841	1. 848	1. 815	1. 822
June.....	1. 316	1. 312	1. 070	1. 067	1. 850	1. 844	1. 836	1. 830
July.....	1. 332	1. 312	1. 077	1. 061	1. 936	1. 907	1. 862	1. 834
August.....	1. 349	1. 324	1. 080	1. 060	1. 967	1. 930	1. 874	1. 839
September.....	1. 362	1. 337	1. 086	1. 066	1. 970	1. 933	1. 895	1. 860
October.....	1. 366	1. 347	1. 080	1. 065	1. 959	1. 932	1. 892	1. 866
November.....	1. 372	1. 364	1. 084	1. 078	1. 951	1. 939	1. 906	1. 895
December.....	1. 376	1. 375	1. 072	1. 071	1. 960	1. 958	1. 915	1. 913
1949: January.....	1. 380	1. 383	1. 110	1. 112	1. 949	1. 953	1. 918	1. 922
February.....	1. 377	1. 395	1. 104	1. 119	1. 943	1. 969	1. 930	1. 955
March ³	1. 374	1. 388	1. 102	1. 113	1. 941	1. 961	1. 933	1. 953
April ³	1. 376	1. 388	1. 106	1. 116	1. 932	1. 950	1. 933	1. 951
May ³	1. 375	1. 392						

¹ Data prior to 1948 not exactly comparable with later data.

² Current dollars divided by consumers' price index on the base 1948=100.

³ Preliminary estimate.

⁴ Based on pay period during coal stoppage.

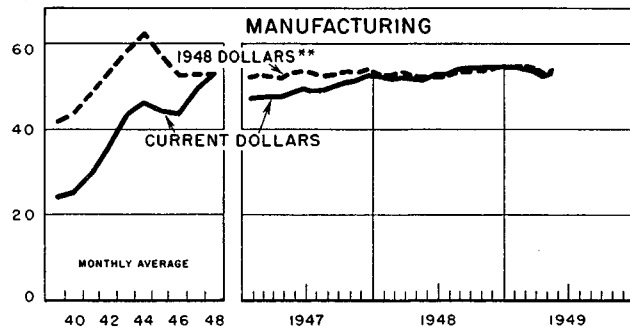
See note 3 to table on page 24.

Source: Department of Labor.

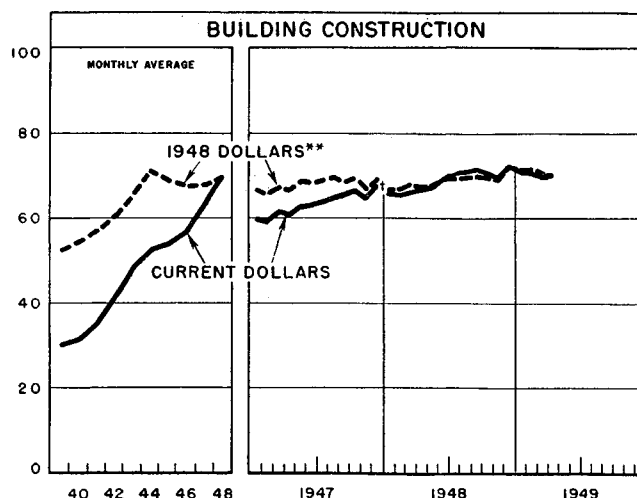
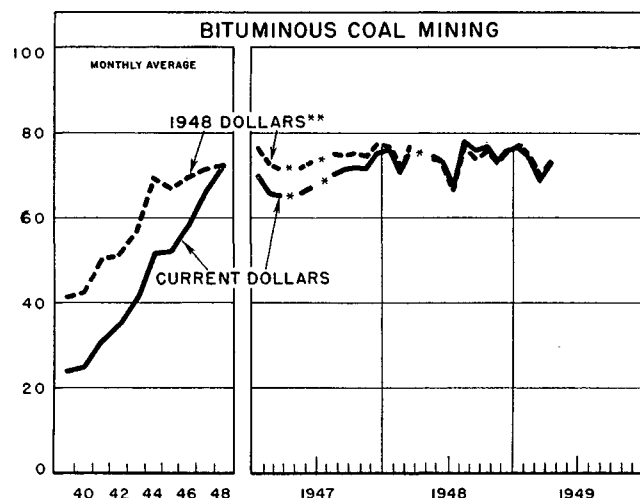
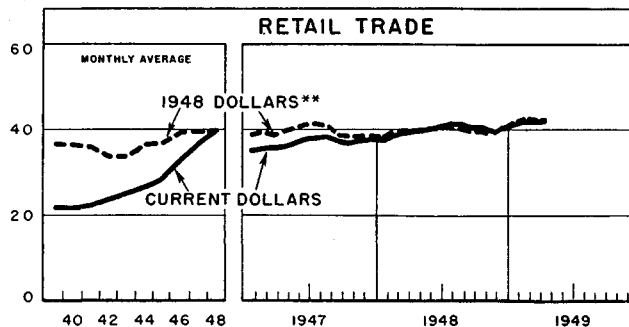
AVERAGE WEEKLY EARNINGS

Take-home pay of manufacturing workers rose in May for the first time in 5 months, reflecting a slight increase in working time.

DOLLARS PER WEEK



DOLLARS PER WEEK



* EARNINGS DATA DISTORTED DURING THESE MONTHS BECAUSE OF WORK STOPPAGES OR VACATIONS.
SOURCE: DEPARTMENT OF LABOR.

** CURRENT DOLLARS DIVIDED BY CONSUMERS' PRICE INDEX ON BASE OF 1948=100
† SEE NOTE ON TABLE.

COUNCIL OF ECONOMIC ADVISERS

[Selected industries]

Period	Manufacturing		Retail trade		Bituminous coal mining		Building construction ¹	
	Current dollars	1948 dollars ²	Current dollars	1948 dollars ³	Current dollars	1948 dollars ²	Current dollars	1948 dollars ²
1939 monthly average.....	23.86	41.07	21.17	36.44	23.88	41.10	30.39	52.31
1941 monthly average.....	29.58	48.18	21.94	35.73	30.86	50.26	35.14	57.23
1944 monthly average.....	46.08	62.44	26.58	36.02	51.27	69.47	52.18	70.70
1945 monthly average.....	44.39	56.98	28.31	36.34	52.25	67.07	53.73	68.97
1946 monthly average.....	43.74	52.45	32.55	39.03	58.03	69.58	56.24	67.43
1947 monthly average.....	49.25	52.90	36.67	39.39	66.86	71.81	63.30	67.99
1948 monthly average.....	53.15	53.15	39.98	39.98	72.57	72.57	68.85	68.85
1948: April.....	51.79	52.37	39.27	39.71	⁴ 49.53	⁴ 50.08	66.45	67.19
May.....	51.86	52.07	39.84	40.00	74.08	74.38	67.22	67.49
June.....	52.85	52.69	40.52	40.40	73.87	73.65	69.53	69.32
July.....	52.95	52.17	41.19	40.58	67.62	66.62	70.47	69.43
August.....	54.05	53.04	41.19	40.42	78.10	76.64	70.91	69.59
September.....	54.19	53.18	40.48	39.73	75.51	74.10	71.29	69.96
October.....	54.65	53.90	40.32	39.76	76.40	75.34	70.59	69.62
November.....	54.56	54.23	39.67	39.43	73.52	73.08	69.39	68.98
December.....	55.01	54.96	40.62	40.58	75.79	75.71	72.33	72.26
1949: January.....	54.51	54.62	41.79	41.87	76.84	76.99	70.88	71.02
February.....	54.12	54.83	41.56	42.11	74.31	75.29	70.53	71.46
March ³	53.59	54.13	41.48	41.90	68.41	69.10	69.83	70.54
April ³	52.70	53.18	41.81	42.19	72.70	73.36	70.28	70.92
May ³	53.08	53.72						

¹ Data prior to 1948 not exactly comparable with later data.

² Current dollars divided by consumers' price index on the base 1948=100. See note 3 to table on page 24.

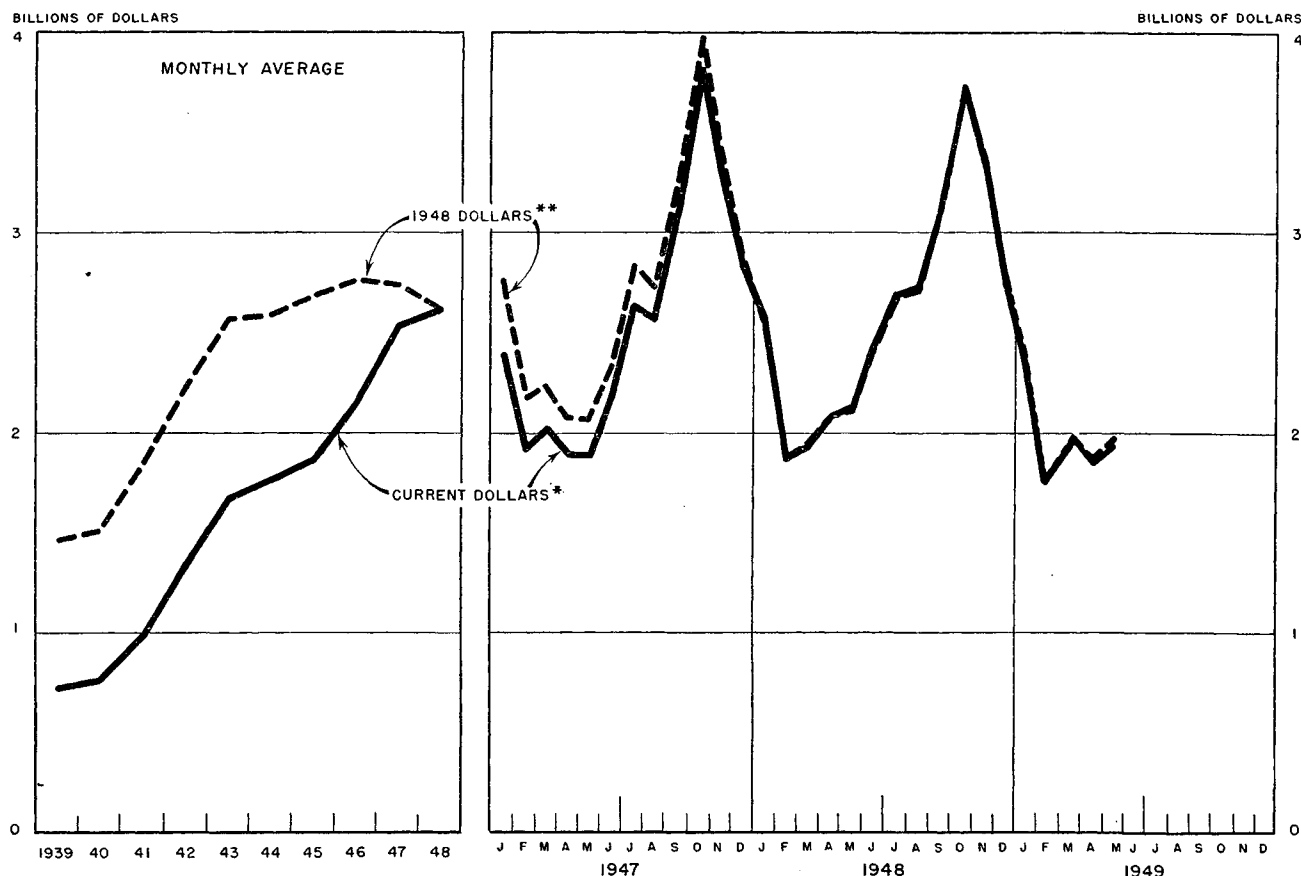
³ Preliminary estimates.

⁴ Based on pay period during coal stoppage.

Source: Department of Labor.

FARM INCOME

Farmers' cash receipts increased from April to May. In 1948 dollars, receipts were about 6 percent smaller than in May of last year.



* INCLUDES CASH FARM INCOME FROM FROM MARKETINGS AND GOVERNMENT PAYMENTS.
 ** FARM INCOME IN CURRENT DOLLARS DIVIDED BY PRICES PAID BY FARMERS, INTEREST AND TAXES, 1948=100.
 SOURCE: DEPARTMENT OF AGRICULTURE.

COUNCIL OF ECONOMIC ADVISERS

Period	Farm income (millions of current dollars) ¹	Prices paid by farmers (incl. interest and taxes) 1948= 100 ²	Farm income (millions of 1948 dollars) ³
1939 monthly average.....	724	49.8	1,454
1941 monthly average.....	981	53.0	1,851
1942 monthly average.....	1,340	60.2	2,226
1943 monthly average.....	1,678	65.1	2,578
1944 monthly average.....	1,765	67.9	2,599
1945 monthly average.....	1,857	69.1	2,687
1946 monthly average.....	2,110	77.5	2,723
1947 monthly average.....	2,542	92.8	2,739
1948 monthly average.....	2,609	100.0	2,609
1948: April.....	2,075	100.0	2,075
May.....	2,119	100.4	2,111
June.....	2,437	100.8	2,418
July.....	2,693	100.8	2,672
August.....	2,722	100.8	2,700
September.....	3,132	100.4	3,120
October.....	3,714	100.0	3,714
November.....	3,314	99.2	3,341
December.....	2,740	99.6	2,751
1949: January.....	2,383	99.6	2,393
February.....	1,783	98.4	1,812
March.....	1,973	98.8	1,997
April ⁴	1,850	98.8	1,872
May ⁴	1,949	98.4	1,981

¹ Includes cash farm income from marketings and Government payments.

² Converted from the reported base, 1910-14=100, to the base 1948=100.

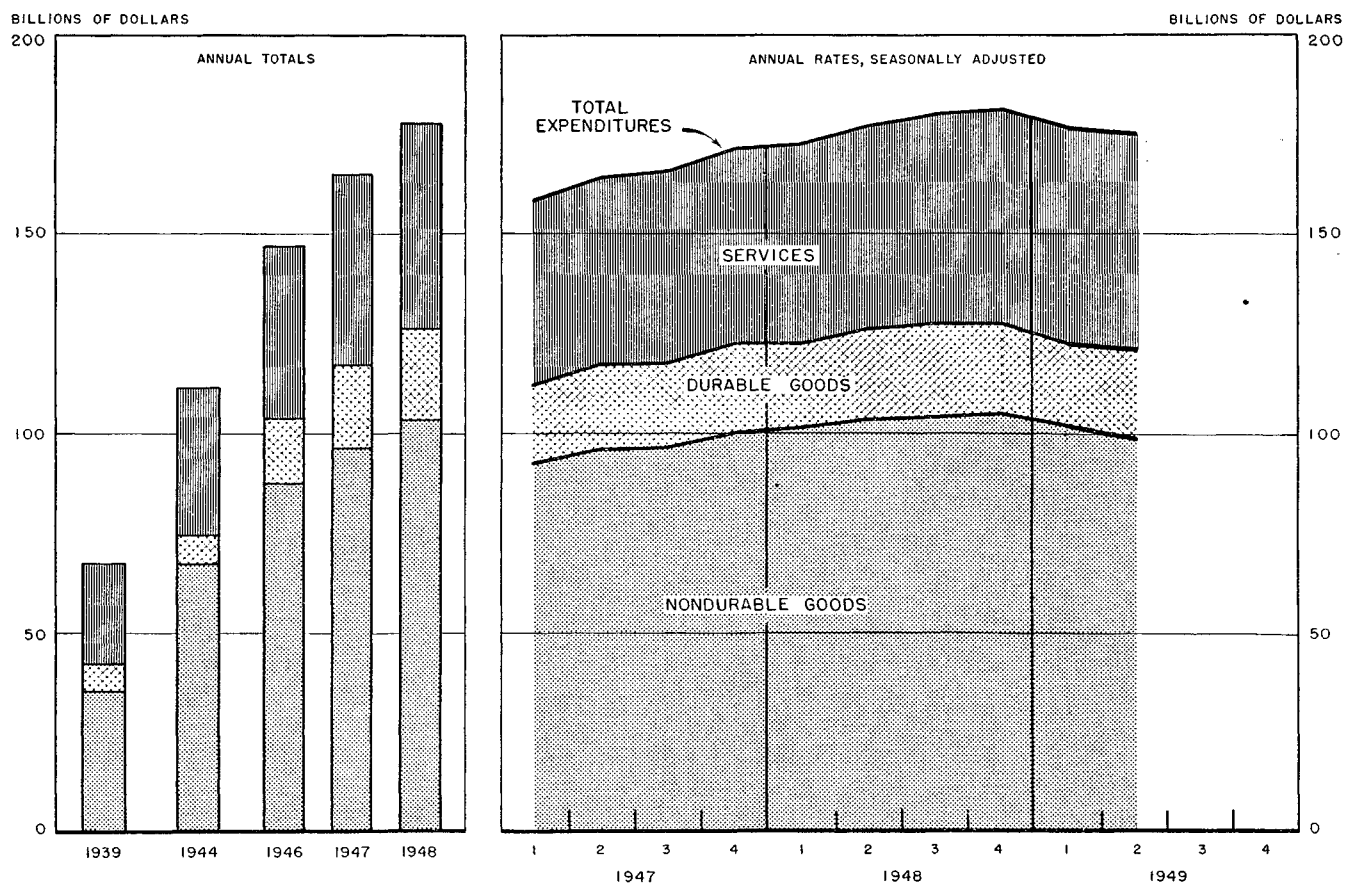
³ Farm income in current dollars divided by prices paid by farmers, interest, and taxes, 1948=100.

⁴ Preliminary estimates.

Source: Department of Agriculture.

PERSONAL CONSUMPTION EXPENDITURES

A $2\frac{1}{2}$ percent decrease in expenditure for nondurable goods from 1st to 2nd quarter of 1949 was only partly offset by small increases in expenditure for durable goods and for services.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

Period	Personal consumption expenditures			
	Total	Nondurable goods	Durable goods	Services
1939.....	67.5	35.3	6.7	25.5
1944.....	111.4	67.5	6.9	37.0
1946.....	147.4	87.5	16.2	43.6
1947.....	164.8	96.5	21.0	47.3
1948.....	177.7	103.6	22.7	51.4
Annual rates, seasonally adjusted				
1948: First quarter.....	172.5	101.4	21.3	49.8
Second quarter.....	177.3	103.7	22.8	50.8
Third quarter.....	180.1	104.3	23.7	52.1
Fourth quarter.....	181.0	105.1	22.9	53.0
1949: First quarter.....	176.6	101.4	21.5	53.7
Second quarter ¹	175.0	99.0	22.0	54.0

¹ Estimates by Council of Economic Advisers; based on preliminary data.

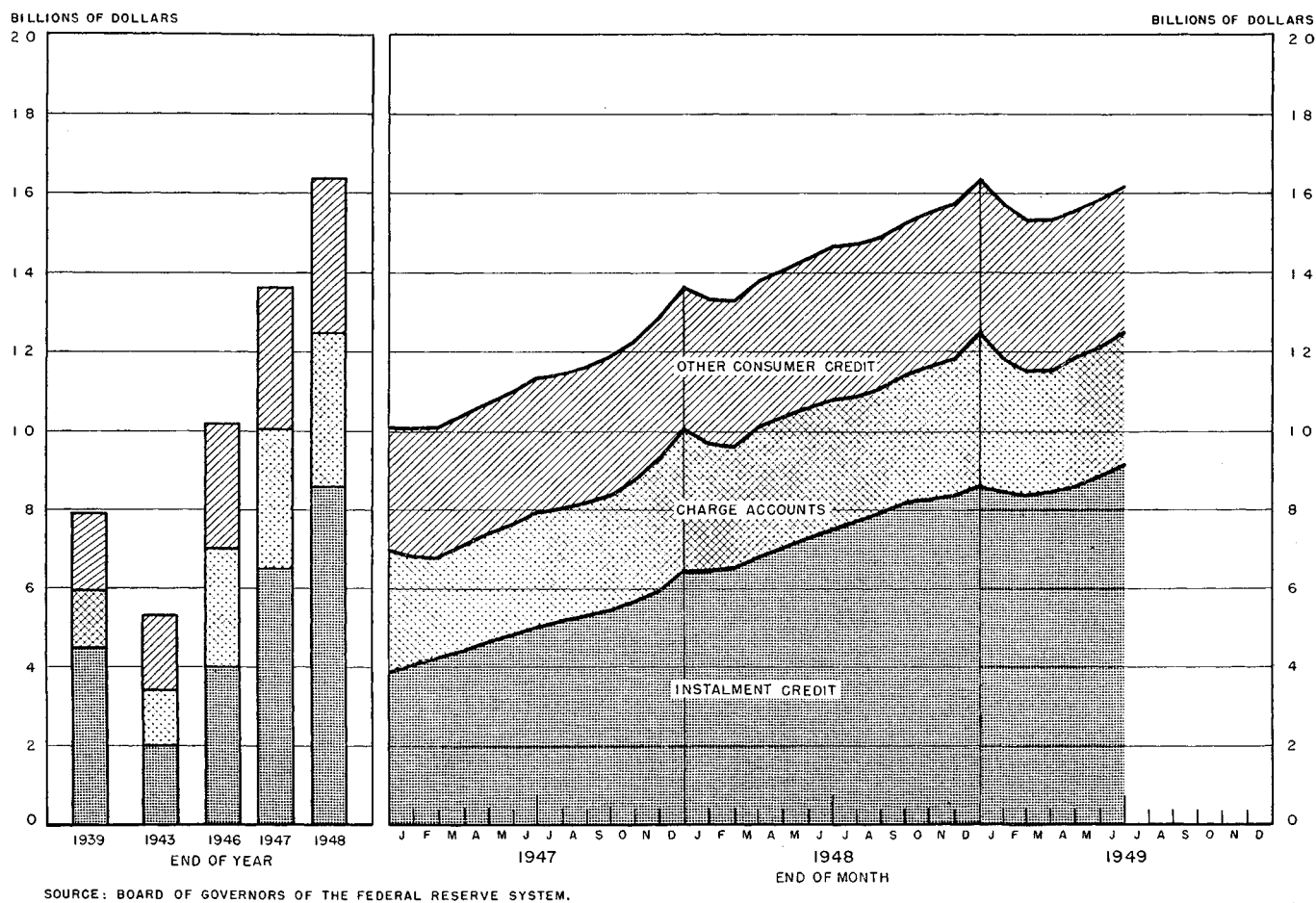
NOTE.—Detail will not necessarily add to totals because of rounding.

Revised estimates of the national income and product series will be published in the Survey of Current Business, July 1949.

Source: Department of Commerce (except as noted).

CONSUMER CREDIT

Continuing large sales of automobiles were an important factor in the rise in consumer credit in May.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

End of period	Total consumer credit outstanding	Instalment credit			Charge accounts	Other consumer credit ¹
		Total	Automobile sale credit	Other sale credit and loans		
1939.....	7,969	4,424	1,267	3,157	1,544	2,001
1943.....	5,378	2,001	175	1,826	1,498	1,879
1946.....	10,191	4,000	544	3,456	3,054	3,137
1947.....	13,673	6,434	1,151	5,283	3,612	3,627
1948.....	16,319	8,600	1,961	6,639	3,854	3,865
1948: April.....	14,059	7,094	1,468	5,626	3,236	3,729
May.....	14,311	7,318	1,536	5,782	3,245	3,748
June.....	14,669	7,533	1,602	5,931	3,352	3,784
July.....	14,723	7,738	1,689	6,049	3,185	3,800
August.....	14,916	7,972	1,781	6,191	3,130	3,814
September.....	15,231	8,190	1,858	6,332	3,227	3,814
October.....	15,518	8,233	1,889	6,344	3,457	3,828
November.....	15,739	8,322	1,922	6,400	3,557	3,860
December.....	16,319	8,600	1,961	6,639	3,854	3,865
1949: January.....	15,749	8,425	1,965	6,460	3,457	3,867
February.....	15,332	8,339	1,996	6,343	3,176	3,817
March.....	15,361	8,428	2,105	6,331	3,148	3,785
April ²	15,622	8,631	2,241	6,392	3,258	3,733
May ²	15,847	8,884	2,386	6,498	3,249	3,714

¹ Includes single-payment loans of commercial banks and pawnbrokers and service credit.

² Preliminary estimates.

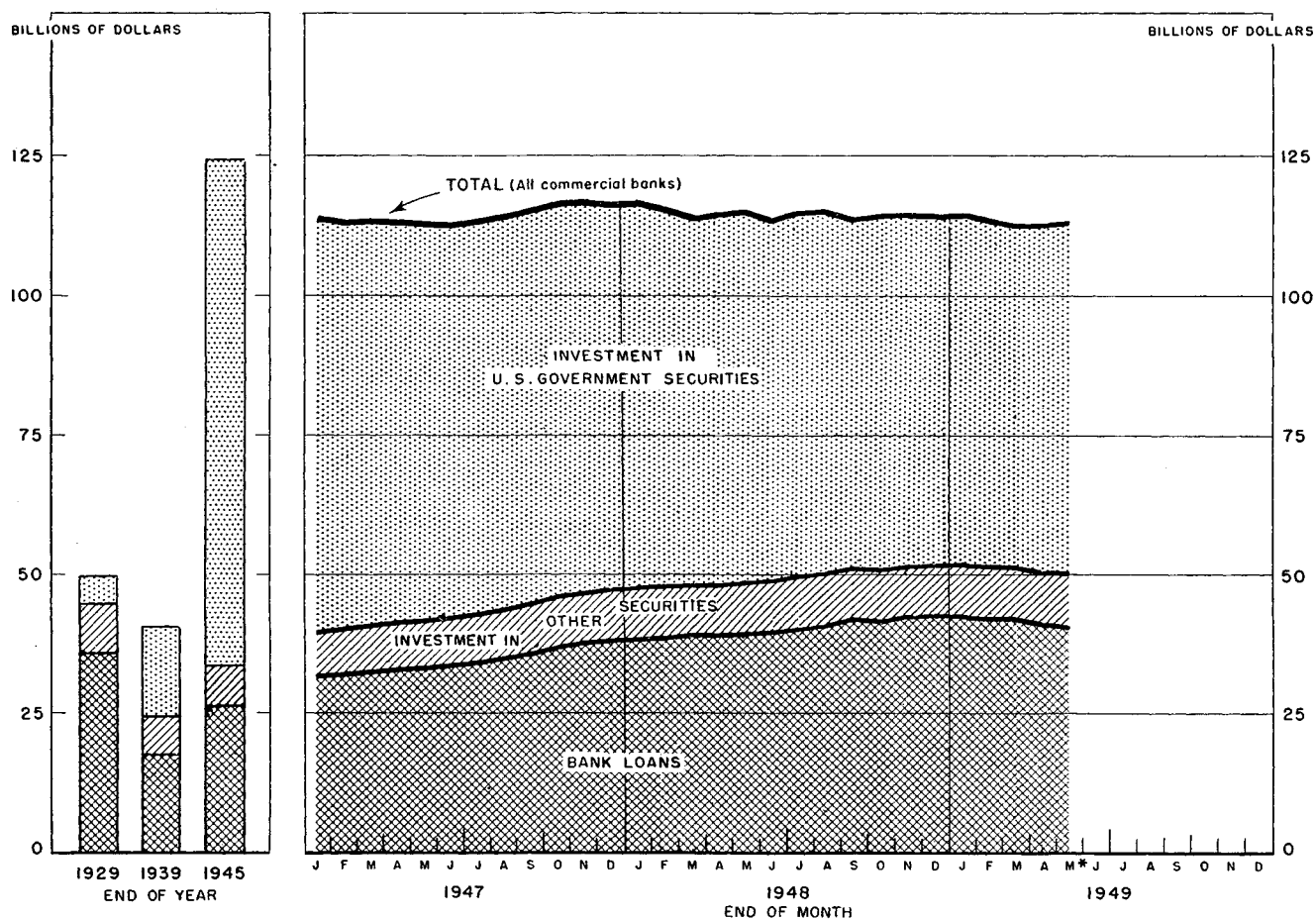
NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Board of Governors of the Federal Reserve System.

MONEY, BANKING, AND FEDERAL FINANCE

BANK LOANS AND INVESTMENTS

In May bank loans continued to decline and banks increased their holdings of Government securities by more than \$1 billion.



[Billions of dollars]

End of period	Total loans and investments	Bank loans	Investments		
			Total	U. S. Government securities	Other securities
1929.....	49.5	36.0	13.5	4.8	8.7
1939.....	40.7	17.2	23.4	16.3	7.1
1945.....	124.0	26.1	97.9	90.6	7.3
1947.....	116.3	38.1	78.2	69.2	9.0
1948.....	114.3	42.5	71.8	62.6	9.2
1948: April.....	114.3	38.8	75.5	66.3	9.2
May.....	114.6	39.5	75.0	65.9	9.2
June.....	113.9	39.9	74.0	64.8	9.2
July.....	114.8	40.1	74.6	65.3	9.3
August.....	115.1	40.6	74.5	65.1	9.4
September.....	113.6	41.7	71.9	62.5	9.4
October.....	114.1	41.6	72.5	63.3	9.2
November.....	114.2	42.3	71.9	62.8	9.1
December.....	114.3	42.5	71.8	62.6	9.2
1949: January.....	114.5	42.4	72.0	63.0	9.1
February.....	113.4	42.0	71.4	62.2	9.1
March.....	112.5	42.4	70.1	60.9	9.2
April.....	112.5	41.3	71.2	62.0	9.2
May ¹	113.4	40.9	72.6	63.2	9.3

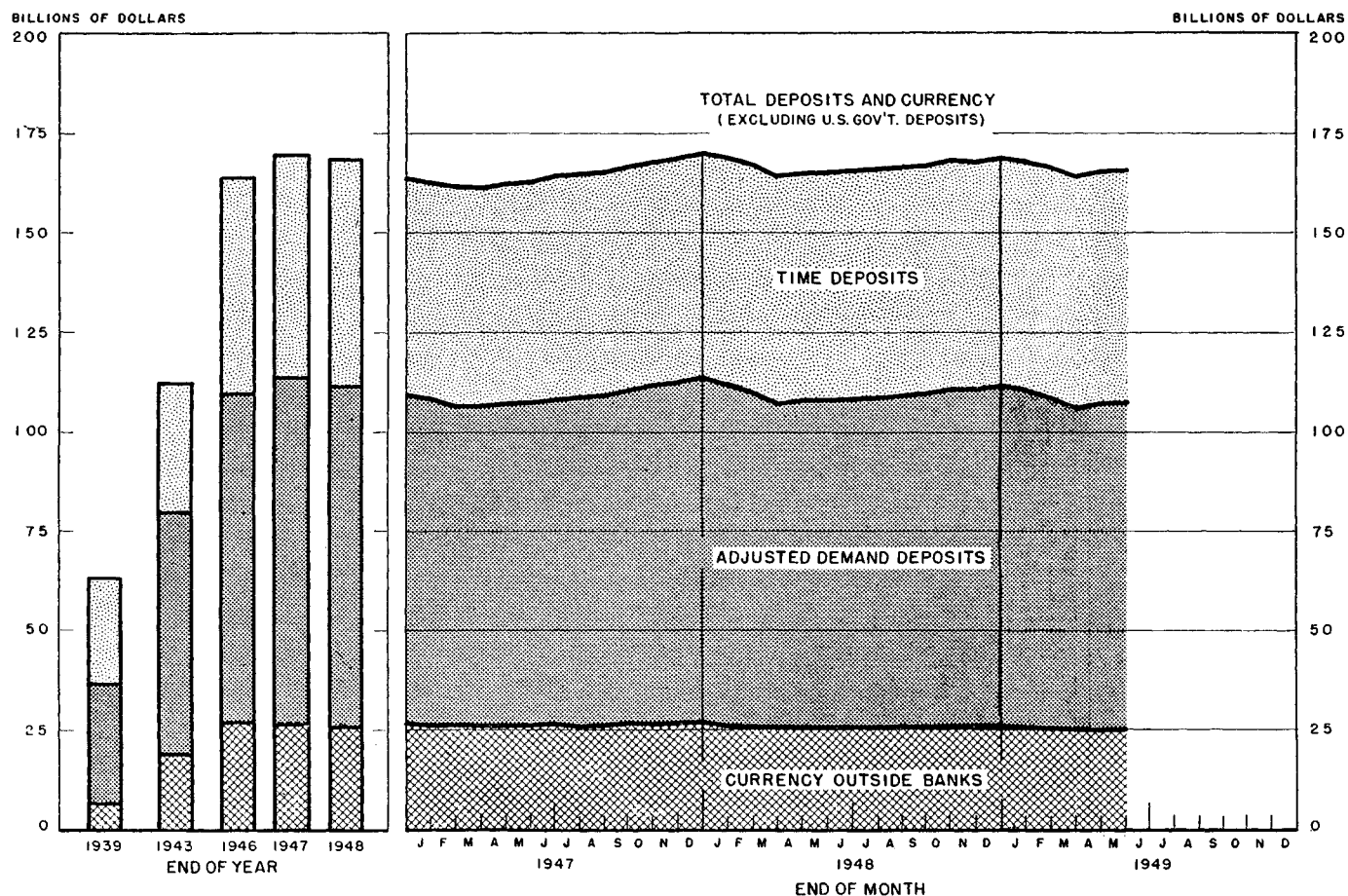
¹ Preliminary estimates.

Note.—Detail will not necessarily add to totals because of rounding.

Source: Board of Governors of the Federal Reserve System.

MONEY SUPPLY

In May as in April, the money supply increased slightly.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

End of period	Total money supply	Currency outside banks	Adjusted demand deposits ¹	Time deposits ²
1939.....	63.3	6.4	29.8	27.1
1943.....	112.4	18.8	60.8	32.7
1946.....	164.0	26.7	83.3	54.0
1947.....	170.0	26.5	87.1	56.4
1948.....	169.1	26.1	85.5	57.5
1948: April.....	165.0	25.4	82.7	56.9
May.....	165.1	25.4	82.8	56.9
June.....	165.7	25.6	82.7	57.4
July.....	166.0	25.5	83.3	57.3
August.....	166.7	25.6	83.8	57.3
September.....	166.9	25.7	83.9	57.3
October.....	168.1	25.7	85.1	57.3
November.....	168.1	25.9	85.2	57.0
December.....	169.1	26.1	85.5	57.5
1949: January.....	168.2	25.2	85.4	57.6
February ³	166.3	25.1	83.4	57.8
March ³	164.2	25.1	81.1	58.0
April ³	165.5	24.9	82.4	58.1
May ³	165.7	25.0	82.6	58.2

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

² Includes deposits in commercial banks, mutual savings banks, and Postal Savings System.

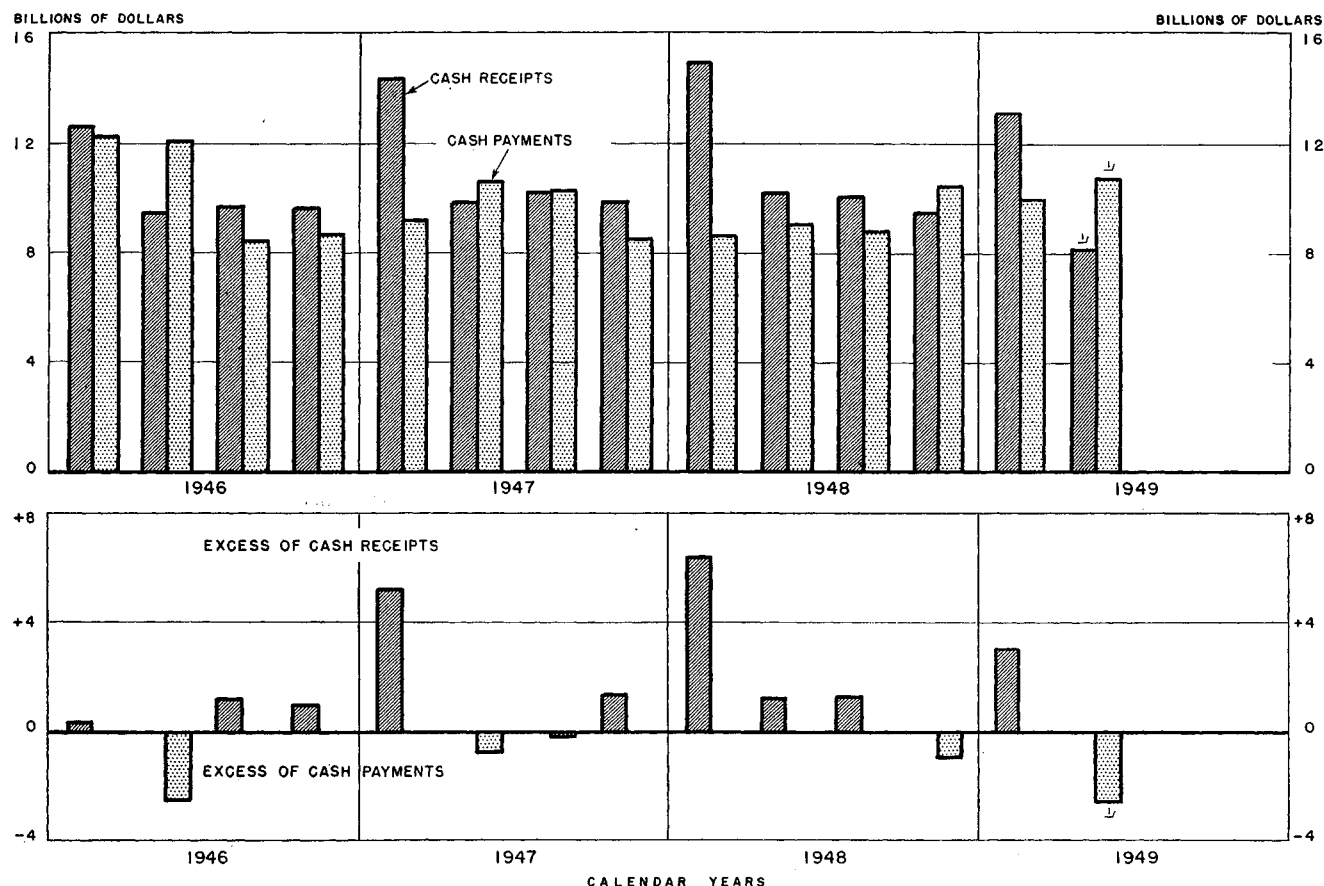
³ Preliminary estimates.

NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Board of Governors of the Federal Reserve System.

FEDERAL CASH RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

The cash deficit of about \$2.6 billion during the 2nd quarter compares with a surplus of \$1.6 billion during the same quarter of 1948.



PRELIMINARY

SOURCE: BUREAU OF THE BUDGET AND TREASURY DEPARTMENT.

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[Millions of dollars]

Calendar years	Federal cash receipts from the public ¹	Federal cash payments to the public ¹	Excess of receipts (+) or payments (-)
Calendar year total:			
1946.....	41,426	41,372	+54
1947.....	44,279	38,584	+5,695
1948.....	44,920	36,954	+7,967
Quarterly total, not adjusted for seasonal:			
1946: First quarter.....	12,632	12,244	+388
Second quarter.....	9,462	12,008	-2,547
Third quarter.....	9,702	8,449	+1,252
Fourth quarter.....	9,630	8,671	+959
1947: First quarter.....	14,345	9,163	+5,182
Second quarter.....	9,847	10,628	-781
Third quarter.....	10,220	10,257	-37
Fourth quarter.....	9,869	8,536	+1,331
1948: First quarter.....	15,037	8,637	+6,400
Second quarter.....	10,238	9,033	+1,205
Third quarter.....	10,085	8,798	+1,287
Fourth quarter.....	9,560	10,486	-925
1949: First quarter.....	13,122	9,931	+3,191
Second quarter ²	8,760	10,940	-2,180

¹ Payments of refunds of Government receipts are now reported as deductions from total receipts; previously, they were reported as expenditures.

² Preliminary estimates based on incomplete data.

NOTE.—Detail will not necessarily add to totals because of rounding.

Sources: Treasury Department and Bureau of the Budget.