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Economic Indicators

AUGUST 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. Young *Chairman.*

Leontine Heyslerling *Vice Chairman.*

John D. Clark

Contents

THE NATION'S ECONOMIC BUDGET

	Page
The Nation's Economic Budget	1

PRICES

Consumers' Prices	2
Wholesale Prices	3
Prices Received and Paid by Farmers	4
Stock Prices	5

EMPLOYMENT

Labor Force	6
Employment in Business and Government	7
Average Weekly Hours	8
Work Stoppages	9

PRODUCTION AND BUSINESS ACTIVITY

Industrial Production	10
Production of Selected Durable Manufactures	11
Production of Selected Nondurable Manufactures	12
Weekly Production—Selected Indicators	13
New Construction	14
New Housing Starts	15
Expenditures for New Plant and Equipment	16
New Corporate Security Issues	17
Inventories and Sales	18
Merchandise Exports and Imports	19

PURCHASING POWER

National Income	20
Corporate Profits	21
Personal Income	22
Consumer Income, Spending, and Saving	23
Per Capita Income	24
Average Hourly Earnings	25
Average Weekly Earnings	26
Farm Income	27
Personal Consumption Expenditures	28
Consumer Credit	29

MONEY, BANKING, AND FEDERAL FINANCE

Bank Loans and Investments	30
Money Supply	31
Federal Cash Receipts From and Payments to the Public	32

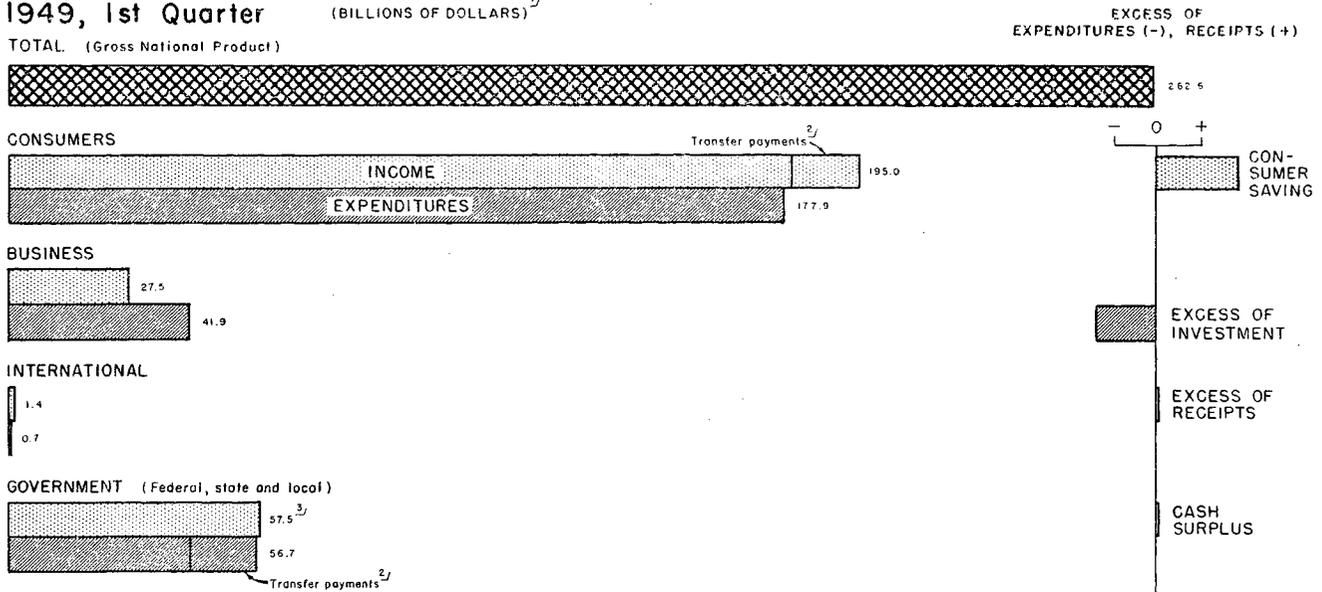
THE NATION'S ECONOMIC BUDGET

THE NATION'S ECONOMIC BUDGET

The Nation's Economic Budget total decreased less than 3 percent from 1st to 2nd quarter of 1949, according to preliminary estimates. A shift from accumulation to liquidation of inventories accounted for most of the 19 percent drop in business outlays. Government expenditures increased about 9 percent, chiefly as result of transfer payments.

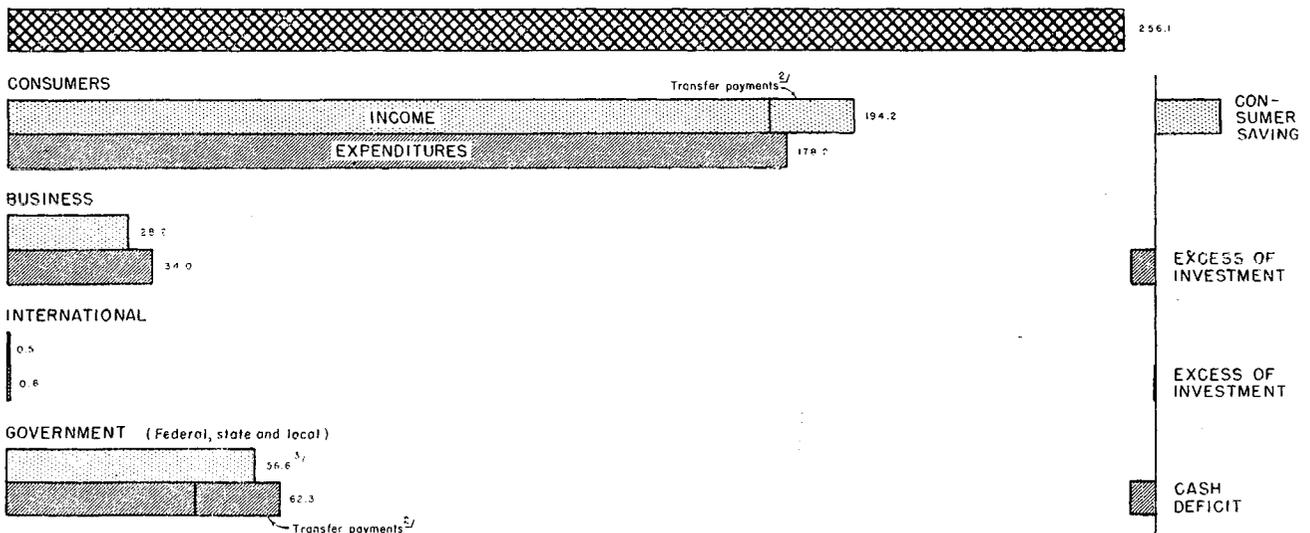
1949, 1st Quarter (BILLIONS OF DOLLARS)^{1/}

TOTAL (Gross National Product)



1949, 2nd Quarter (BILLIONS OF DOLLARS)^{1/}

TOTAL (Gross National Product)



^{1/} ANNUAL RATES, SEASONALLY ADJUSTED.

^{2/} TRANSFER PAYMENTS ARE INCLUDED IN RECEIPTS OR EXPENDITURES OF THE SEPARATE ACCOUNTS BUT NOT IN THE TOTAL GROSS NATIONAL PRODUCT.

^{3/} INCLUDES AN ADJUSTMENT OF +2.2 BILLION IN THE 1ST QUARTER OF 1949 AND + 1.9 BILLION IN THE SECOND QUARTER OF 1949.

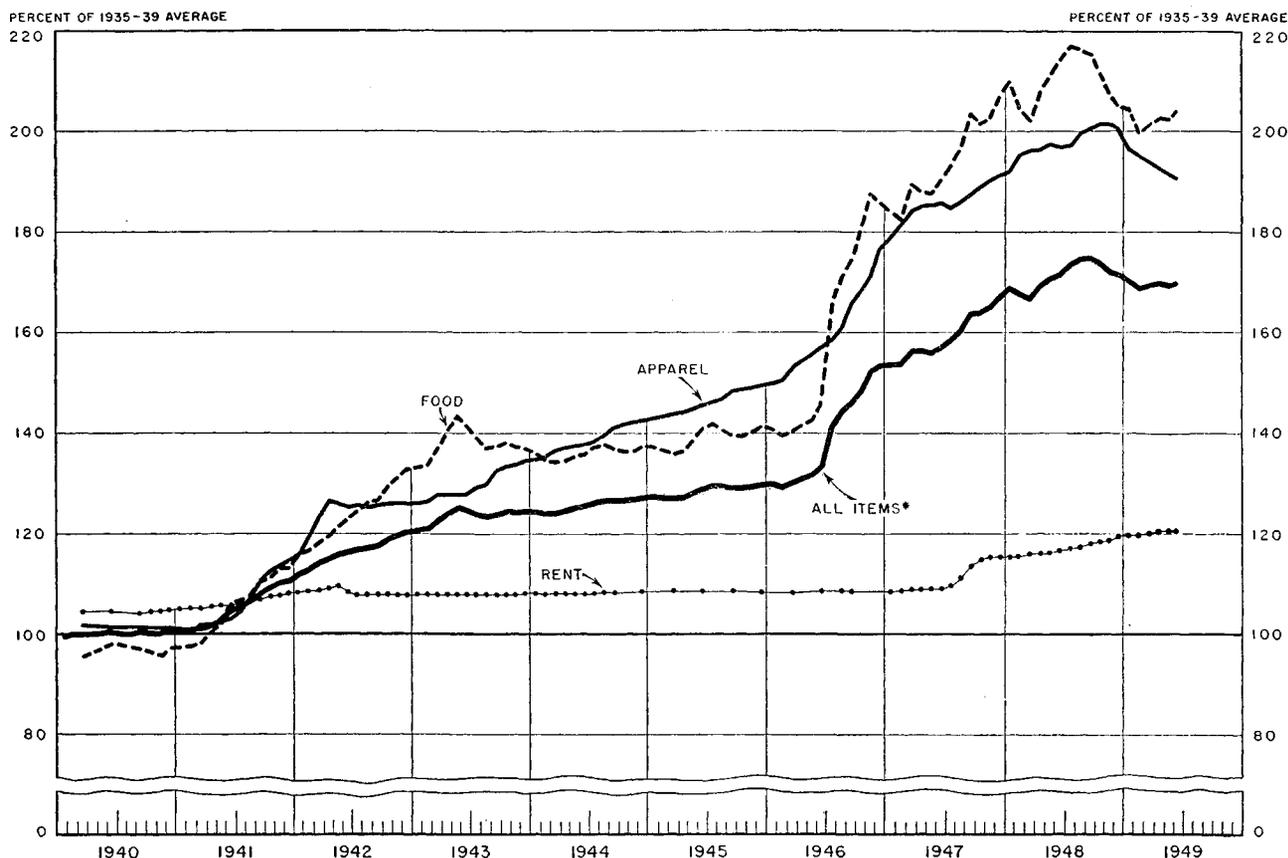
SOURCE: SEE ECONOMIC REPORT OF THE PRESIDENT, JULY 1949, APPENDIX A.

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PRICES

CONSUMERS' PRICES

Consumers' prices rose slightly in June reflecting a seasonal increase in food prices which more than offset continued declines in apparel and housefurnishings. Rents continued their upward creep.



*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]

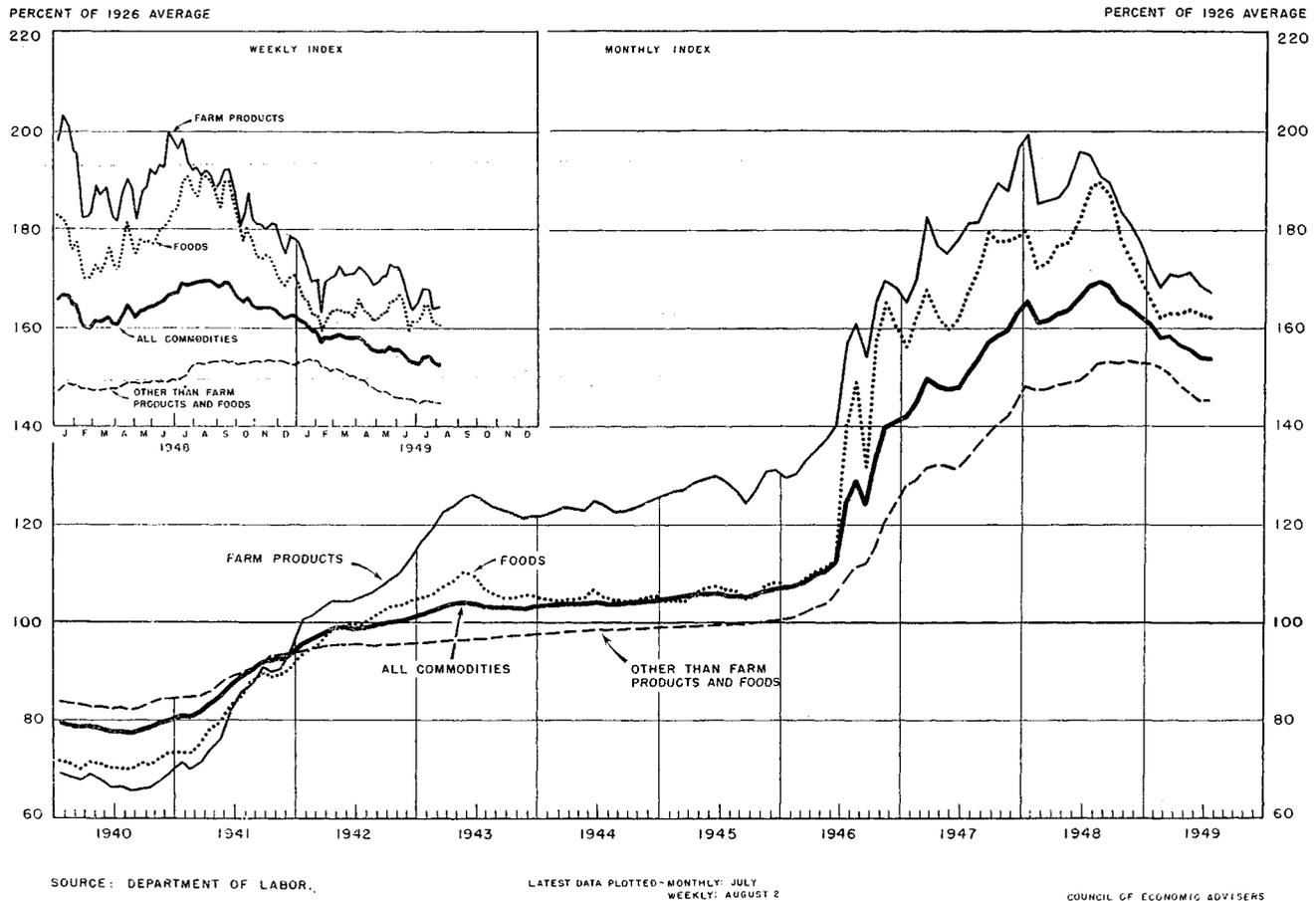
Period	All items	Food	Apparel	Rent	Fuel, electricity, and refrigeration	House furnishings	Miscellaneous
1939 monthly average.....	99.4	95.2	100.5	104.3	99.0	101.3	100.7
1940 monthly average.....	100.2	96.6	101.7	104.6	99.7	100.5	101.1
1941 monthly average.....	105.2	105.5	106.3	106.2	102.2	107.3	104.0
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: 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
June.....	169.6	204.3	199.3	120.6	135.6	187.3	154.2

NOTE.—Prices are for moderate-income families in large cities.

Source: Department of Labor.

WHOLESALE PRICES

Farm products and food prices rose during the first three weeks of July but ended the month at about the same level that prevailed at the end of June.



[1926=100]

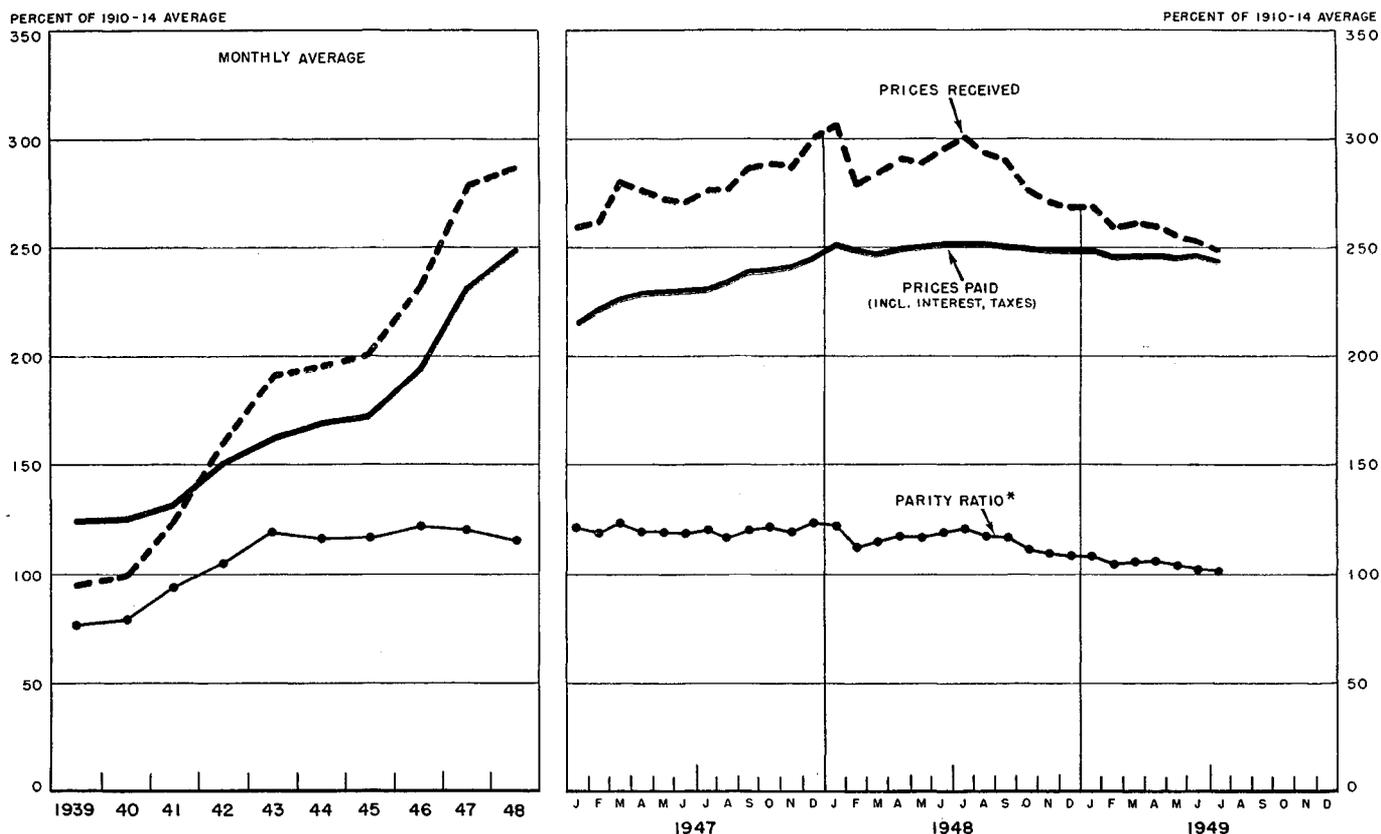
Period	All commodities	Farm products	Foods	Other than farm products and foods
1941 monthly average.....	87.3	82.4	82.7	89.0
1942 monthly average.....	98.8	105.9	99.6	95.5
1946 monthly average.....	121.1	148.9	130.7	109.5
June.....	112.9	140.1	112.9	105.6
1947 monthly average.....	152.1	181.2	168.7	135.2
1948 monthly average.....	165.1	188.3	179.1	151.0
1948: 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	148.9
May.....	155.7	171.2	163.8	146.8
June.....	154.4	168.5	162.4	145.5
July ¹	153.8	167.2	162.2	145.1
Week ended:				
July 5.....	152.7	165.6	161.3	144.5
12.....	154.2	168.5	164.2	145.1
19.....	154.3	168.4	164.2	145.2
26.....	152.8	164.3	161.2	145.1
Aug. 2.....	152.6	164.3	160.6	144.9

¹ Estimate based on change in weekly index.

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.

PRICES RECEIVED AND PAID BY FARMERS

The gradual decline in the average level of farm prices, and in the farm parity ratio, continued from June to July.



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

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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: 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
July.....	249	244	102

¹ August 1909-July 1914=100.

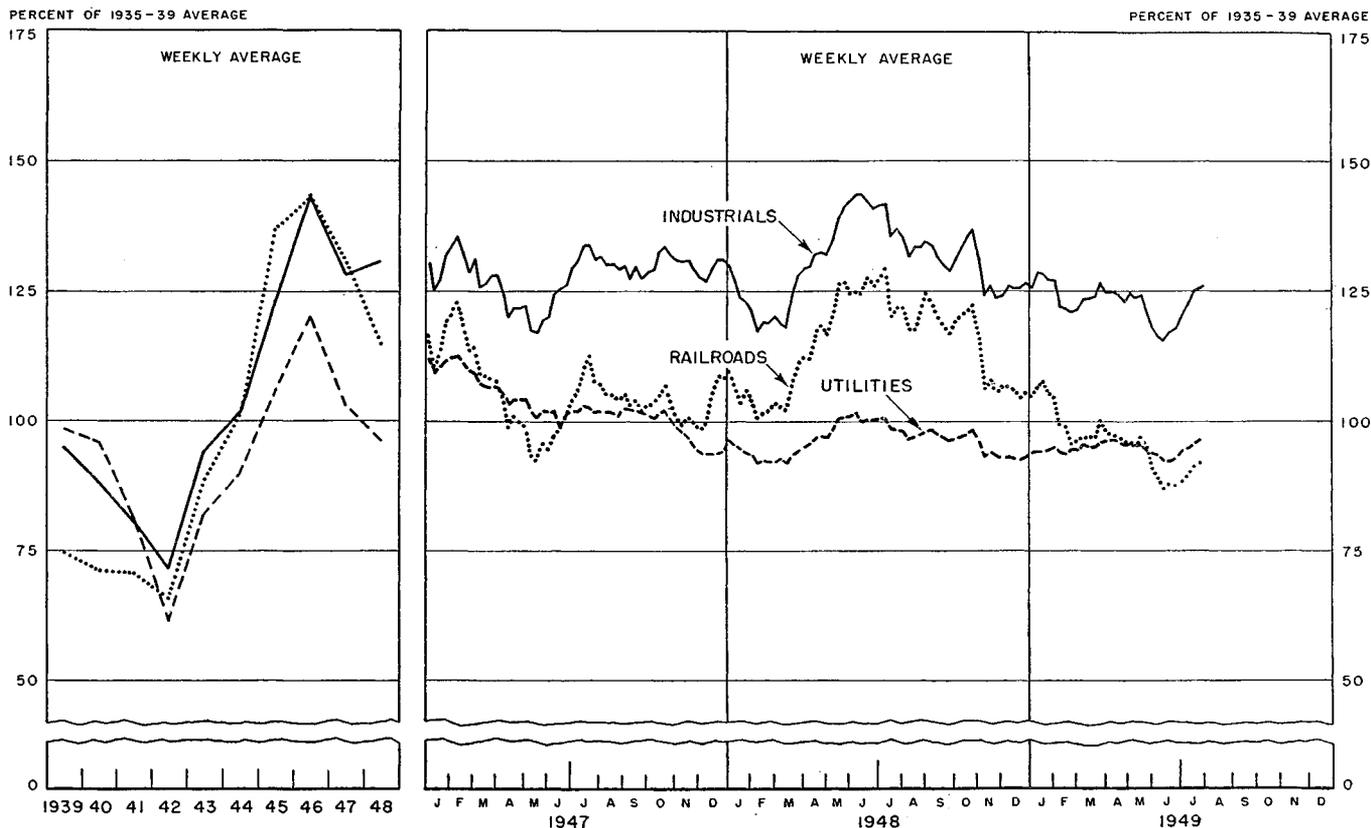
² 1910-14=100.

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

Source: Department of Agriculture.

STOCK PRICES

Stock prices in July rose sharply, wiping out most of the decline since January.



SOURCE: STANDARD AND POOR'S CORPORATION.

COUNCIL OF ECONOMIC ADVISERS

[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:				
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
July.....	117.8	123.4	90.6	95.4
Week ended:				
July 6.....	115.4	121.0	88.7	94.5
13.....	117.2	123.2	90.3	94.8
20.....	118.8	125.1	91.5	95.7
27.....	119.6	125.9	92.0	96.4
Aug. 3 ²	120.3	126.6	91.7	97.3

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.

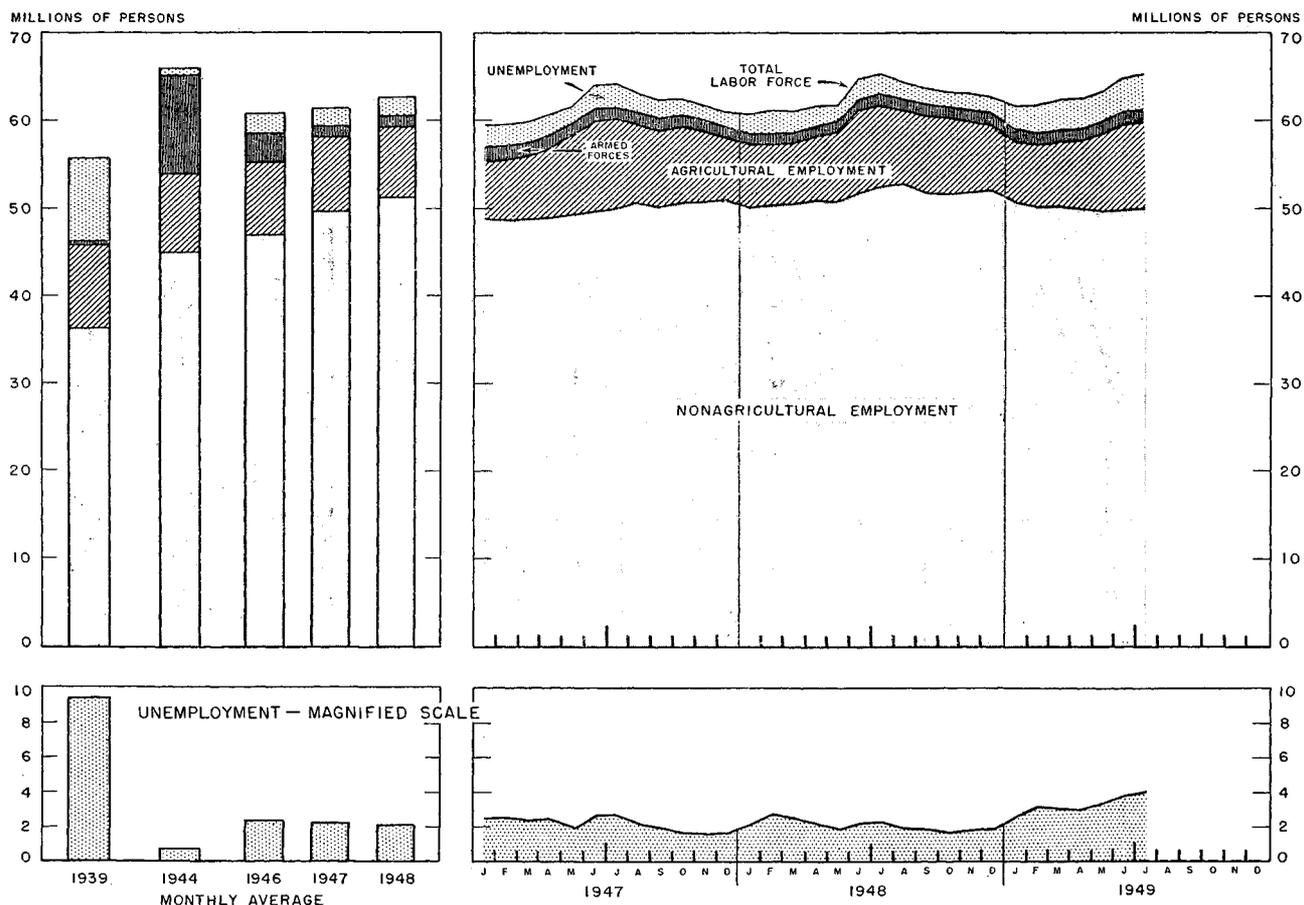
² Data became available after chart was prepared.

Source: Standard & Poor's Corporation.

EMPLOYMENT

LABOR FORCE

Unemployment rose moderately in July to 4.1 million. Total employment, however, also increased slightly.



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: 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
July.....	65,278	59,720	50,073	9,647	1,463	4,095

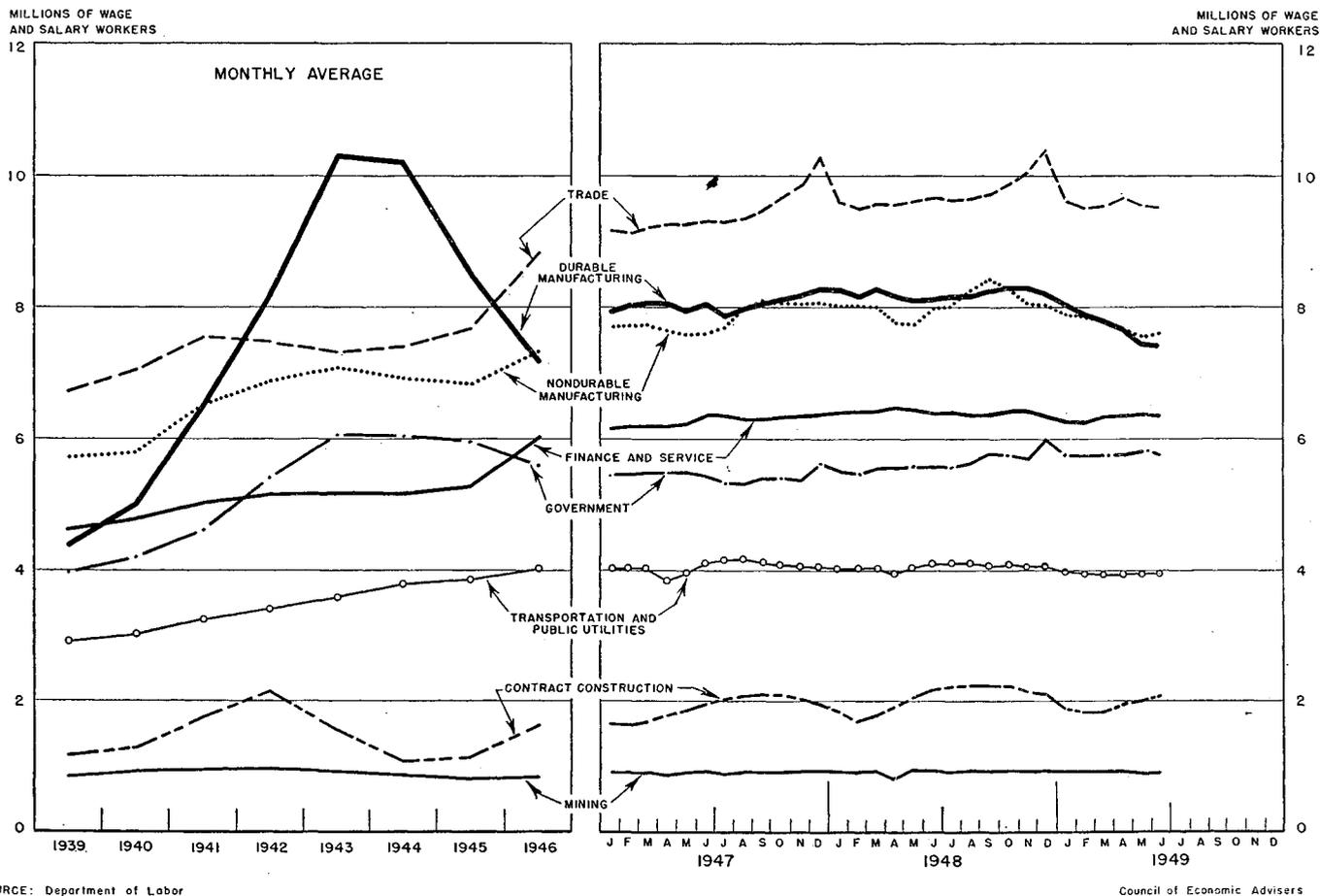
¹ Includes part-time workers and those who had jobs but were not at work for such reasons as vacation, illness, bad weather, temporary lay-off, and industrial disputes.

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

Source: Department of Commerce.

EMPLOYMENT IN BUSINESS AND GOVERNMENT

After eight months of declines, employment in nondurable manufacturing increased about 50,000 in June. Construction employment continued to rise, but less than during the same period a year ago.



[Thousands of wage and salary workers ¹]

Period	Durable manufacturing	Nondurable manufacturing	Trade	Finance and service	Government (Federal, State, local)	Transportation and public utilities	Contract construction	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: 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.....	7,807	7,818	9,525	6,314	5,762	3,912	1,841	914
April ²	7,656	7,676	9,683	6,362	5,773	3,929	1,941	919
May ²	7,451	7,579	9,535	6,405	5,820	3,952	2,016	908
June ²	7,430	7,631	9,520	6,394	5,783	3,984	2,081	913

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.

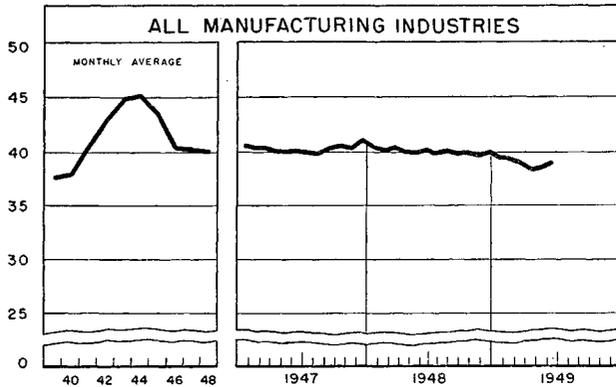
² Preliminary estimate.

Source: Department of Labor.

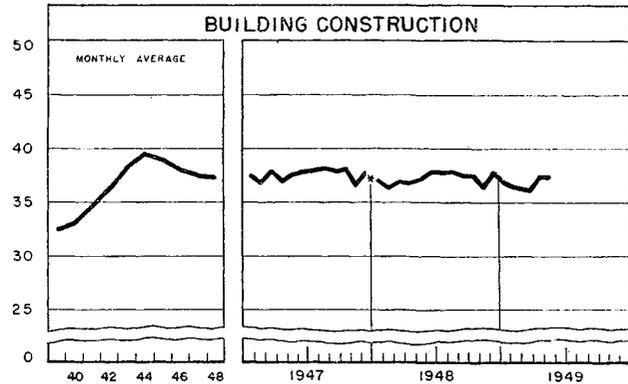
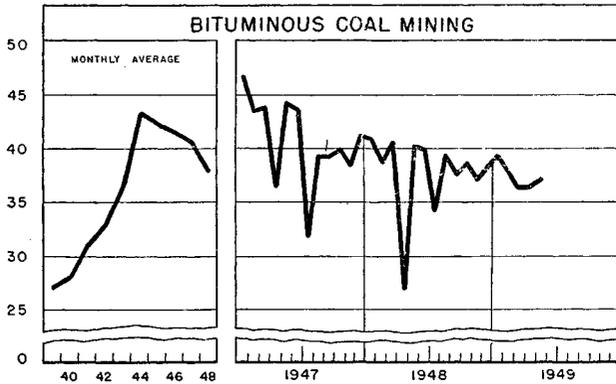
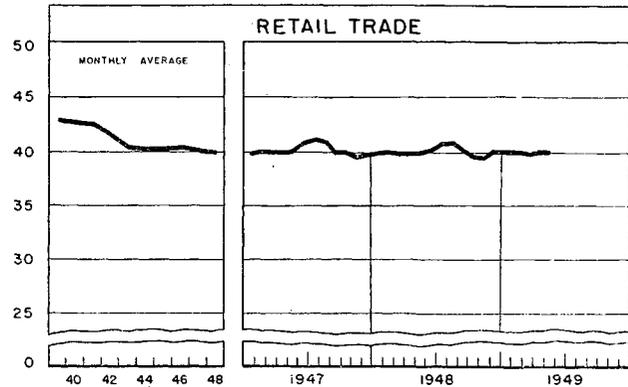
AVERAGE WEEKLY HOURS

Average weekly hours of work in manufacturing rose in May and again in June, according to preliminary data. Most nonmanufacturing industries reported little change in May.

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: 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.....	39.0	39.9	36.1	36.3
April ²	38.3	40.1	36.4	37.4
May ²	38.5	40.1	37.2	37.4
June ²	38.9			

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

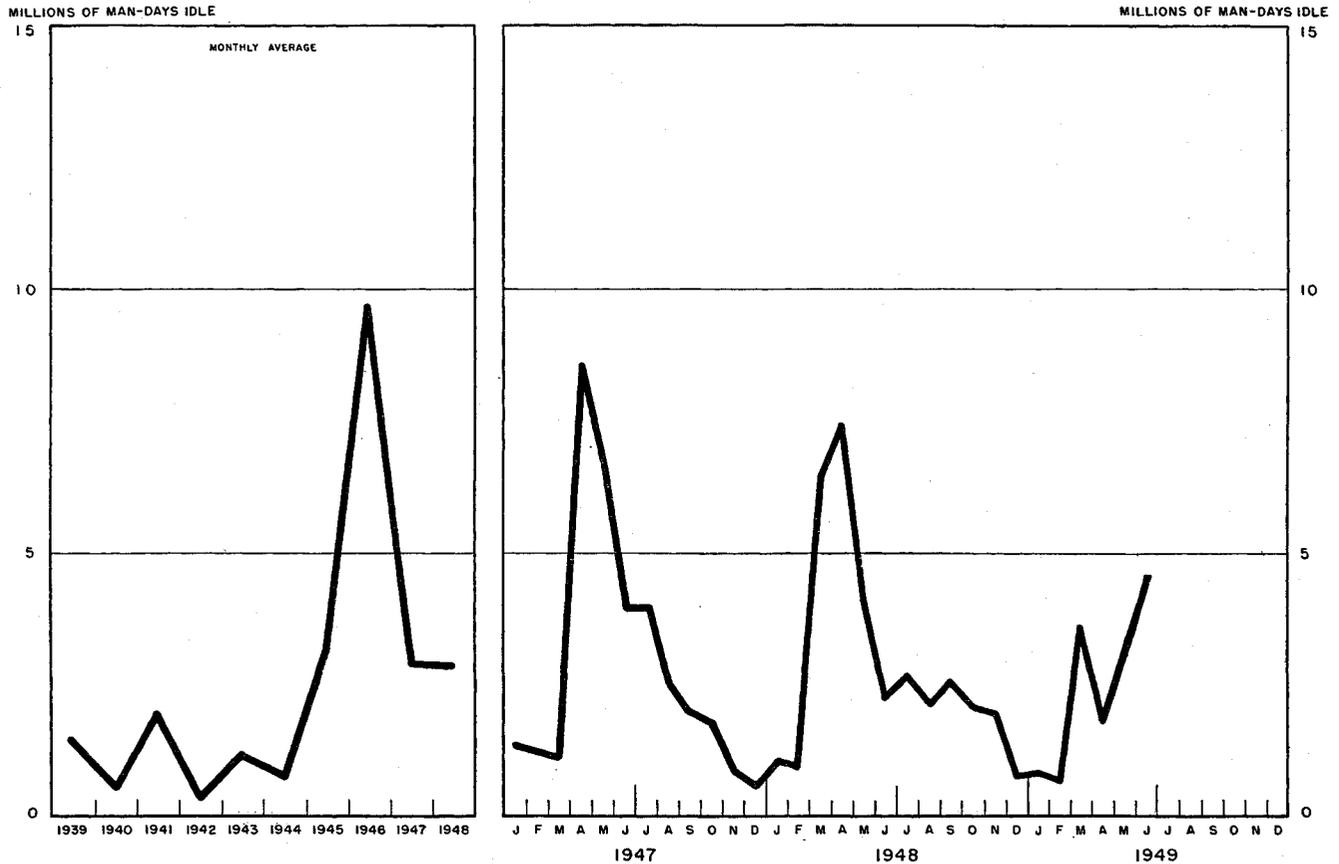
² Preliminary estimate.

³ Based on pay period during coal stoppage.

Source: Department of Labor.

WORK STOPPAGES

The week of "stabilizing inactivity" in coal mining was an important factor in the increase in man-days of idleness caused by work stoppages in June.



SOURCE: DEPARTMENT OF LABOR.

COUNCIL OF ECONOMIC ADVISERS

[Thousands]

Period	Number of stoppages		Workers involved in stoppages		Man-days idle during period	
	Beginning in period	In effect during month	Beginning in period	In effect during month	Monthly average	Percent of estimated working time
1939.....	2,613	-----	1,171	-----	1,484	0.28
1941.....	4,288	-----	2,363	-----	1,921	.32
1942.....	2,968	-----	840	-----	349	.05
1943.....	3,752	-----	1,981	-----	1,125	.15
1944.....	4,956	-----	2,116	-----	727	.09
1945.....	4,750	-----	3,467	-----	3,169	.47
1946.....	4,985	-----	4,600	-----	9,667	1.43
1947.....	3,693	-----	2,170	-----	2,883	.41
1948.....	3,419	-----	1,960	-----	2,842	.37
1948: May.....	339	553	168	344	4,080	.57
June.....	349	565	169	243	2,220	.28
July.....	394	614	218	307	2,670	.36
August.....	355	603	143	232	2,100	.26
September.....	299	553	158	267	2,540	.33
October.....	256	468	110	194	2,060	.27
November.....	216	388	111	189	1,910	.26
December.....	144	283	40	93	713	.09
1949: January ¹	225	400	70	110	800	.11
February ¹	225	350	80	120	650	.10
March ¹	275	400	500	540	3,600	.46
April ¹	400	500	175	225	1,800	.25
May ¹	450	600	250	320	3,200	.45
June ¹	375	550	575	660	4,600	.61

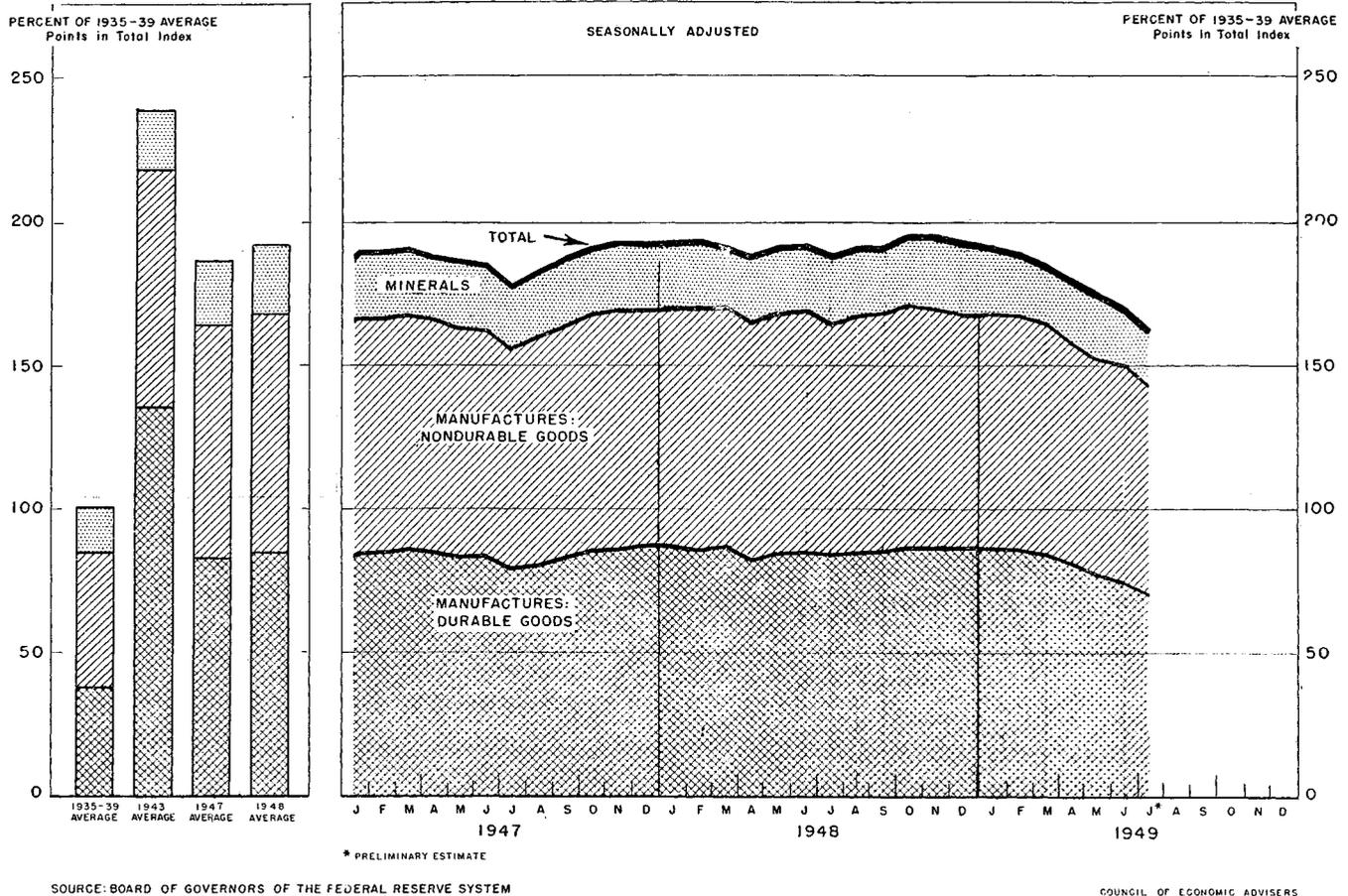
¹ Preliminary estimate.

Source: Department of Labor.

PRODUCTION AND BUSINESS ACTIVITY

INDUSTRIAL PRODUCTION

The industrial production index dropped 5 points in June for the 4th consecutive month and still further in July, according to preliminary estimates. Part of the July decline was due to the spreading practice of plant-wide vacations, especially in nondurables. The seasonal adjustment factor has not been revised to take account of this.



[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	Nondurable goods		Durable goods	Nondurable 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: 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.....	179	184	212	162	148	81	76	23
May ¹	174	179	201	161	145	76	75	22
June ¹	169	175	194	161	134	74	75	20
July ¹	162	168	185	154	125	70	72	19

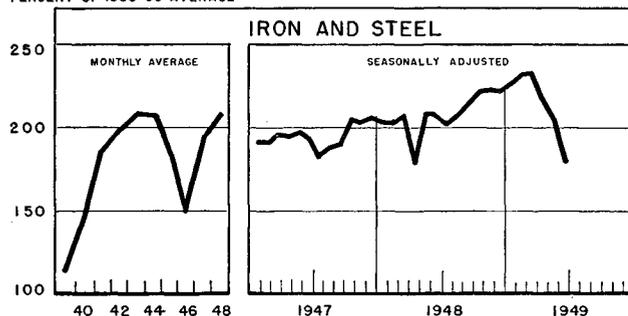
¹ Preliminary estimate. Part of the July decline, especially in nondurables was due to the spreading practice of plant-wide vacations. The seasonal adjustment factor has not been revised to take account of this.

Source: Board of Governors of the Federal Reserve System.

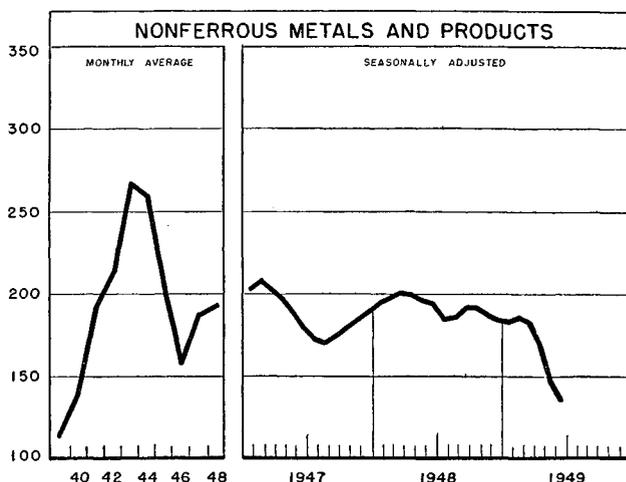
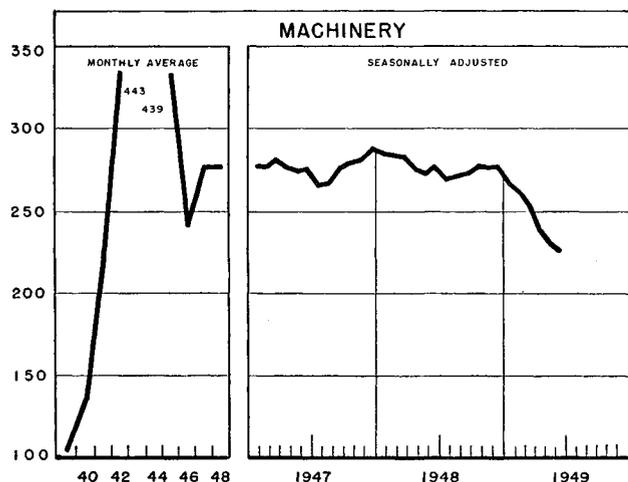
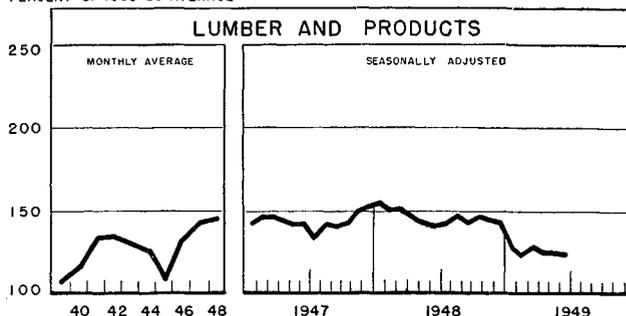
PRODUCTION OF SELECTED DURABLE MANUFACTURES

Production of ferrous and nonferrous metals continued their steep decline in June. Output of most machinery industries was curtailed further. Production of lumber and products was maintained at about the same level that has prevailed since the first of the year.

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: 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.....	219	126	240	167
May ¹	204	126	232	145
June ¹	177	124	226	135

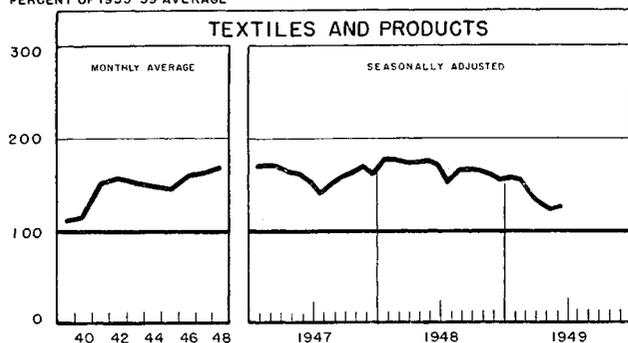
¹ Preliminary estimate.

Source: Board of Governors of the Federal Reserve System.

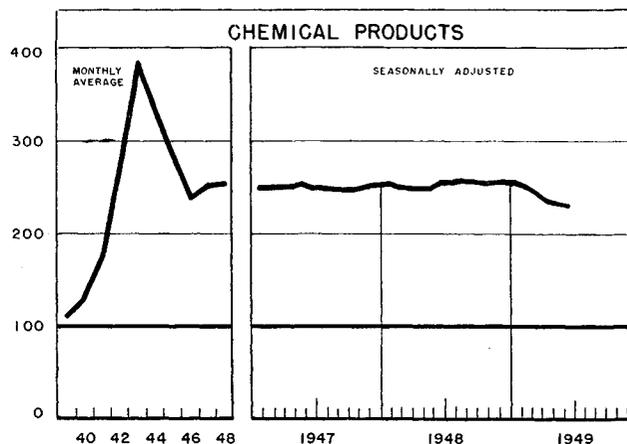
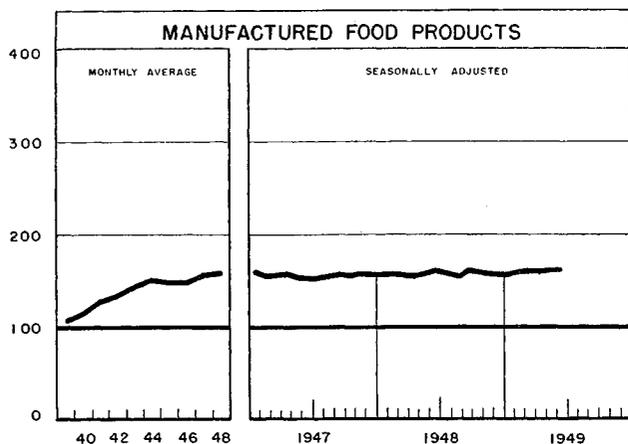
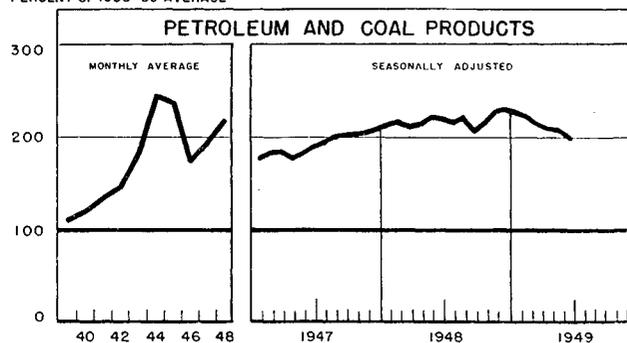
PRODUCTION OF SELECTED NONDURABLE MANUFACTURES

Production of textiles increased somewhat in June from the low point reached in May. Food processing rose slightly. Activity at petroleum refineries and chemical plants declined.

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]

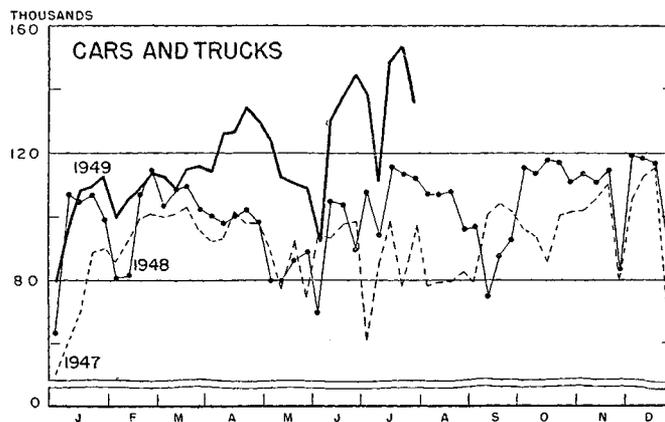
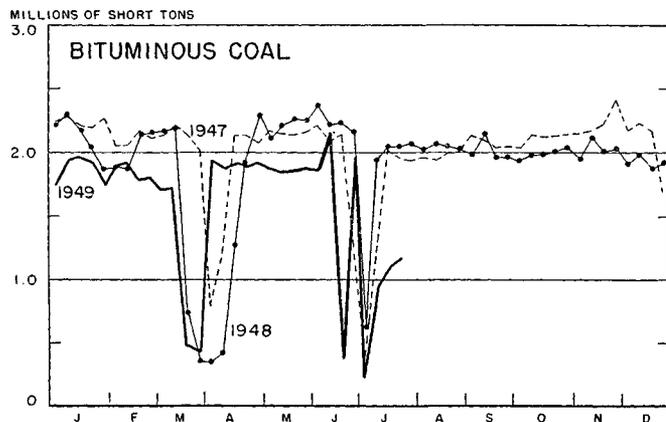
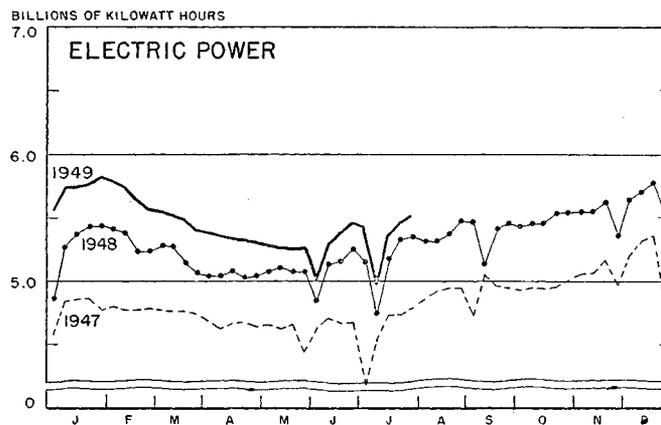
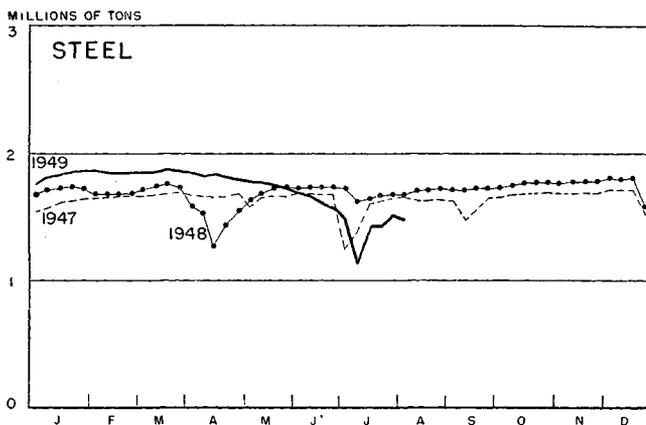
Period	Textiles and products	Petroleum and coal products	Manufactured food products	Chemical products
1935-39 monthly average.....	100	100	100	100
1943 monthly average.....	153	185	145	384
1945 monthly average.....	146	235	151	284
1946 monthly average.....	162	173	150	236
1947 monthly average.....	163	193	157	251
1948 monthly average.....	169	218	159	254
1948: 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.....	142	213	162	245
April.....	129	209	162	237
May ¹	123	207	162	234
June ¹	126	199	164	231

¹ Preliminary estimate.

Source: Board of Governors of the Federal Reserve System.

WEEKLY PRODUCTION - SELECTED INDICATORS

Steel production dropped further during the early part of July and then made some recovery. Electric power continued above rates of a year ago. Bituminous coal mining reflected the shortened work week. Output of cars and trucks reached an all time weekly peak during the last of July.



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

COUNCIL OF ECONOMIC ADVISERS

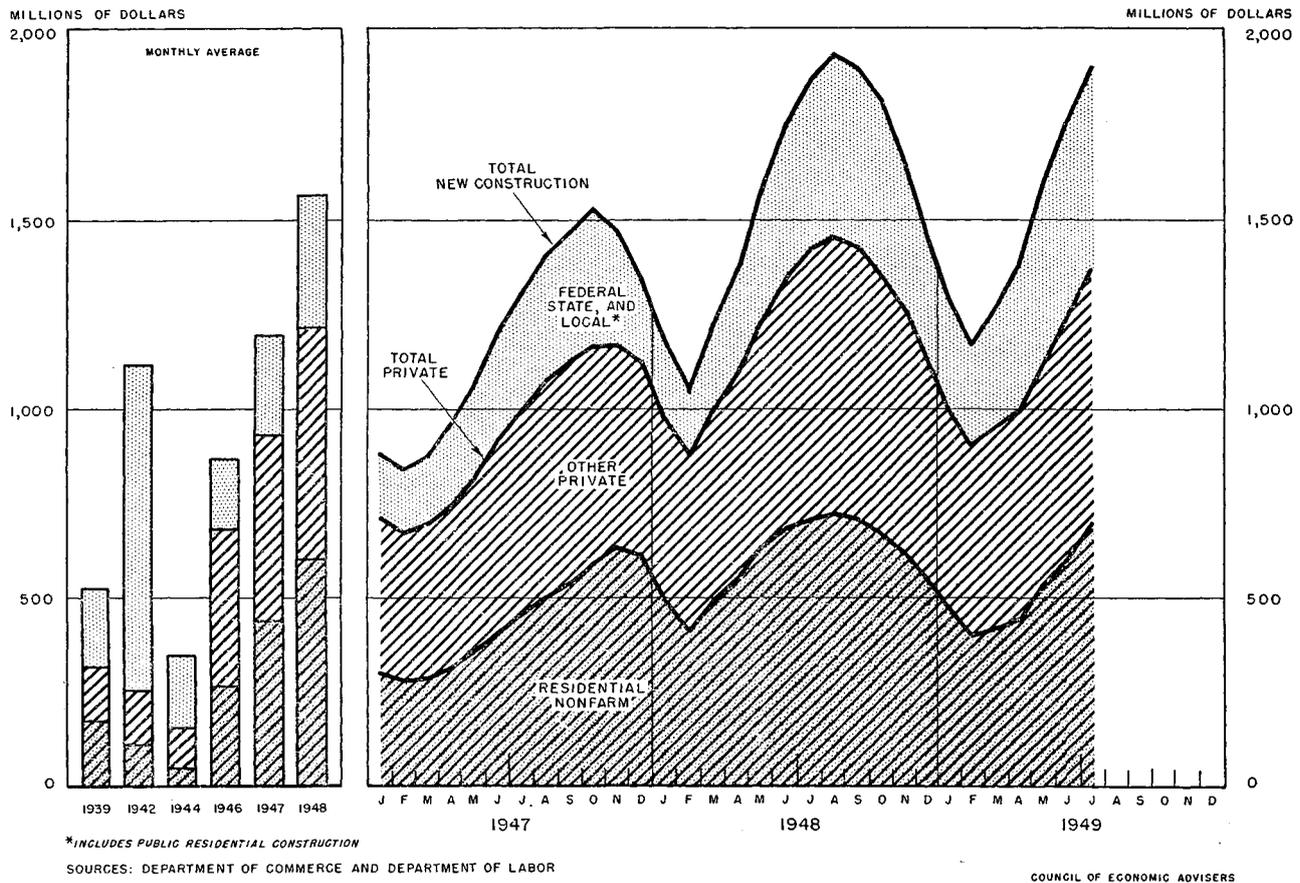
Period	Steel (thousands of net tons)	Electric power, by utilities (millions of kilowatt-hours)	Bituminous coal (thousands of short tons) ¹	Cars and trucks (number)
Weekly average:				
1947	1, 637	4, 821	2, 008	90, 860
1948	1, 700	5, 300	1, 906	100, 670
Week ended:				
1948: July 3	1, 716	5, 166	613	108, 052
10	1, 628	4, 760	1, 968	93, 691
17	1, 637	5, 197	2, 046	115, 794
24	1, 678	5, 342	2, 056	113, 275
31	1, 678	5, 352	2, 094	111, 890
Aug. 7	1, 697	5, 319	2, 029	107, 219
14	1, 710	5, 318	2, 094	107, 174
1949: July 2	1, 473	5, 410	218	138, 802
9	1, 128	4, 982	945	111, 793
16	1, 434	5, 342	1, 107	149, 380
23	1, 444	5, 462	1, 166	153, 090
30	1, 502	5, 518	1, 227	135, 373
Aug. 6	1, 499			
13	1, 517			

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

Total new construction in July increased more than 9 1/2 percent over June. Private construction rose somewhat more and public somewhat less than seasonally.



[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: 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.....	1,585	1,117	530	587	468
June ²	1,745	1,239	600	639	506
July ²	1,913	1,371	700	671	542

¹ Includes public residential construction.

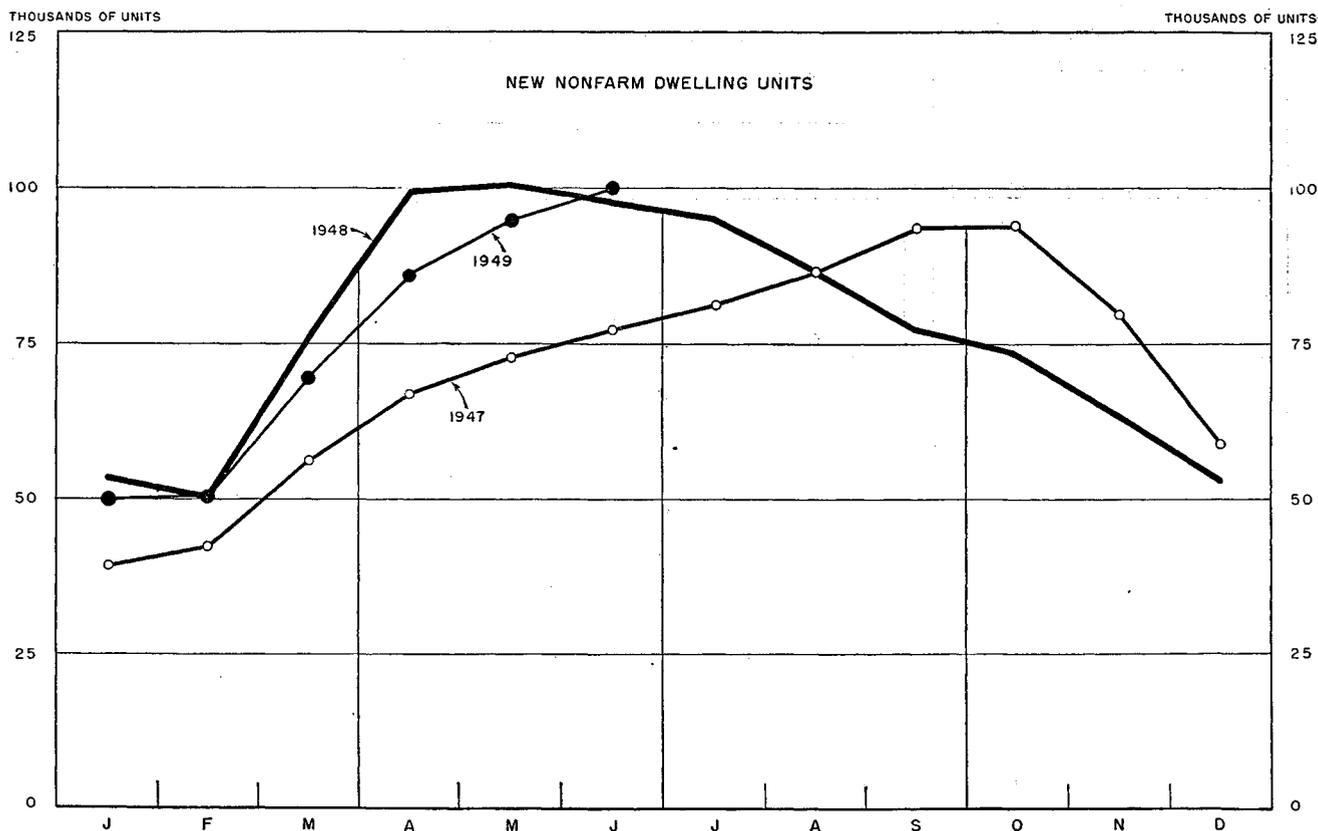
² Preliminary estimate.

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

Sources: Department of Commerce and Department of Labor.

NEW HOUSING STARTS

June starts at 100,000 exceeded the figure for the preceding year. The indications are that the July figure will at least equal and may again exceed that for last year.



SOURCE: DEPARTMENT OF LABOR.

COUNCIL OF ECONOMIC ADVISERS

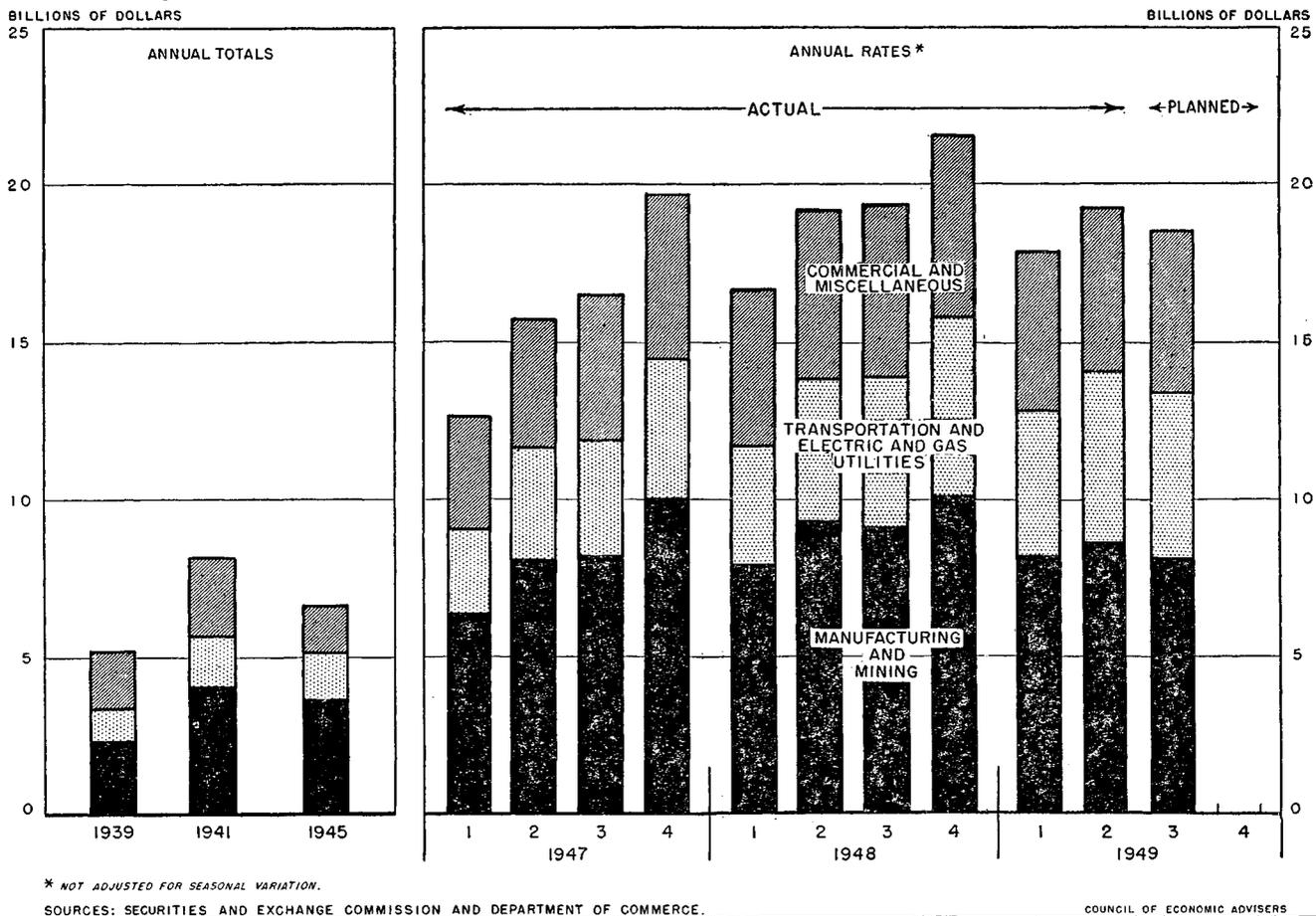
Month	New nonfarm units started		
	1947	1948	1949
January	39,300	53,500	50,000
February	42,800	50,100	50,400
March	56,000	76,400	69,400
April	67,100	99,500	186,000
May	72,900	100,300	195,000
June	77,200	97,800	1100,000
July	81,100	95,000	
August	86,300	86,600	
September	93,800	82,200	
October	94,000	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.

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: First quarter	16,180	7,460	690	910	800	1,900	4,430
1948: First quarter	19,230	8,340	800	1,320	700	2,680	5,390
1947: Second quarter	12,640	5,800	600	640	720	1,320	3,600
1948: Second quarter	15,760	7,400	640	880	920	1,800	4,120
1947: Third quarter	16,560	7,480	720	920	800	2,000	4,640
1948: Third quarter	19,760	9,160	840	1,200	760	2,480	5,360
1947: Fourth quarter	16,680	7,200	720	1,080	720	2,000	4,960
1948: Fourth quarter	19,280	8,560	800	1,240	760	2,560	5,360
1949: First quarter	19,320	8,360	800	1,320	680	2,760	5,440
1949: Second quarter ³	21,640	9,280	880	1,640	680	3,400	5,760
1949: Third quarter ⁴	17,840	7,400	760	1,440	520	2,720	5,040
	19,280	7,840	800	1,640	560	3,240	5,200
	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.

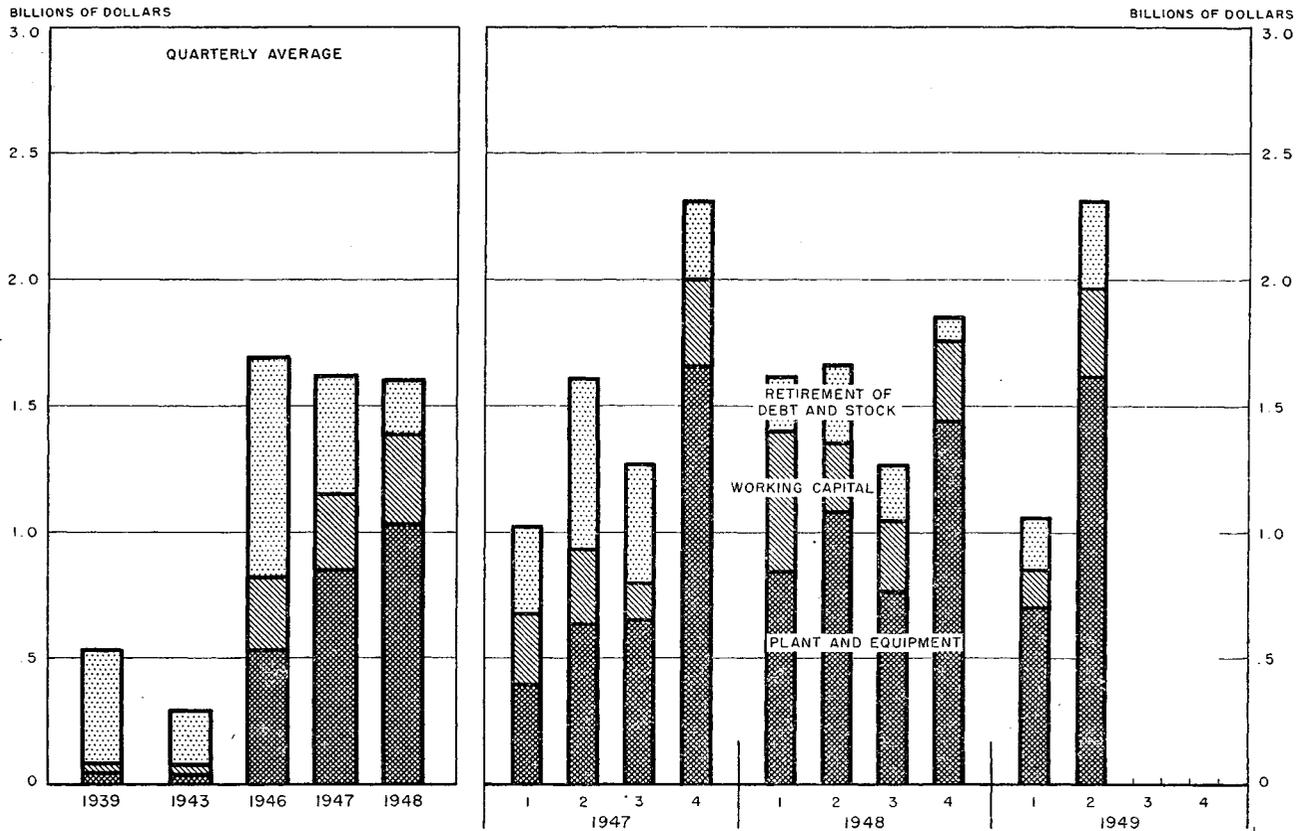
NOTE.—These figures do not agree with the totals included in the gross national product estimates of the Department of Commerce, principally because the latter cover agricultural investment and also certain equipment and construction outlays charged to current expense. Figures for 1939-44 are Federal 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 more than doubled in the 2nd quarter reflecting a rise 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.....	1,056	850	699	152	206
Second quarter ²	2,311	1,968	1,615	353	343

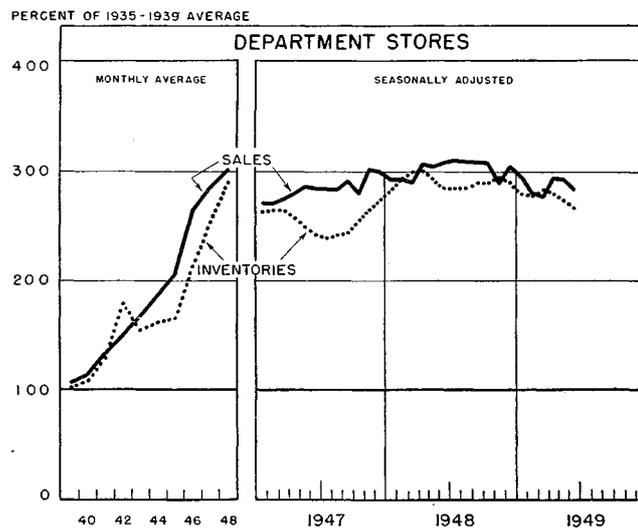
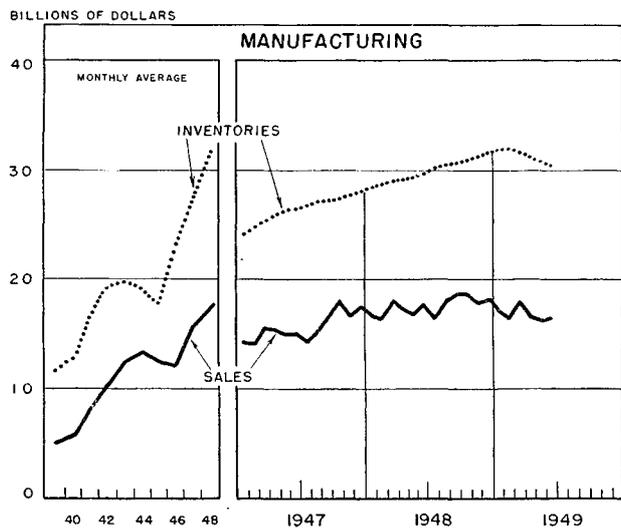
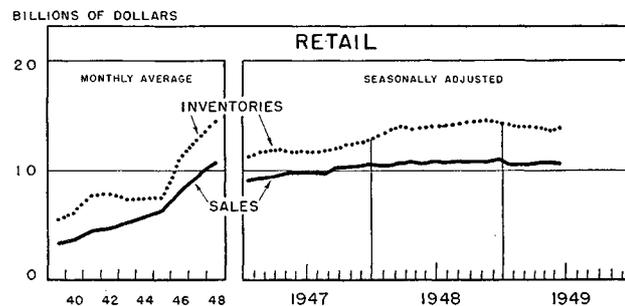
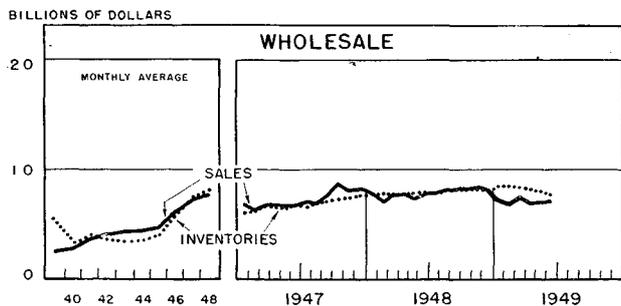
¹ Includes small amount for other purposes.

² Preliminary estimate.

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

INVENTORIES AND SALES

Divergent trends marked inventories and sales in June. Manufacturing and wholesale inventories dropped while sales rose moderately, on the other hand both retail sales and inventories advanced.



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	7,804	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: 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	14,092	10,615	32,062	16,691	278	295	
February	8,567	6,802	13,939	10,588	32,070	16,424	276	281	
March	8,445	7,489	14,237	10,620	31,793	18,107	283	277	
April ⁶	8,186	6,962	14,057	10,767	31,266	16,763	280	294	
May ⁶	7,912	7,077	13,766	10,726	30,902	16,303	273	292	
June ⁶	7,827	7,086	13,806	10,737	30,400	16,500	265	284	

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.

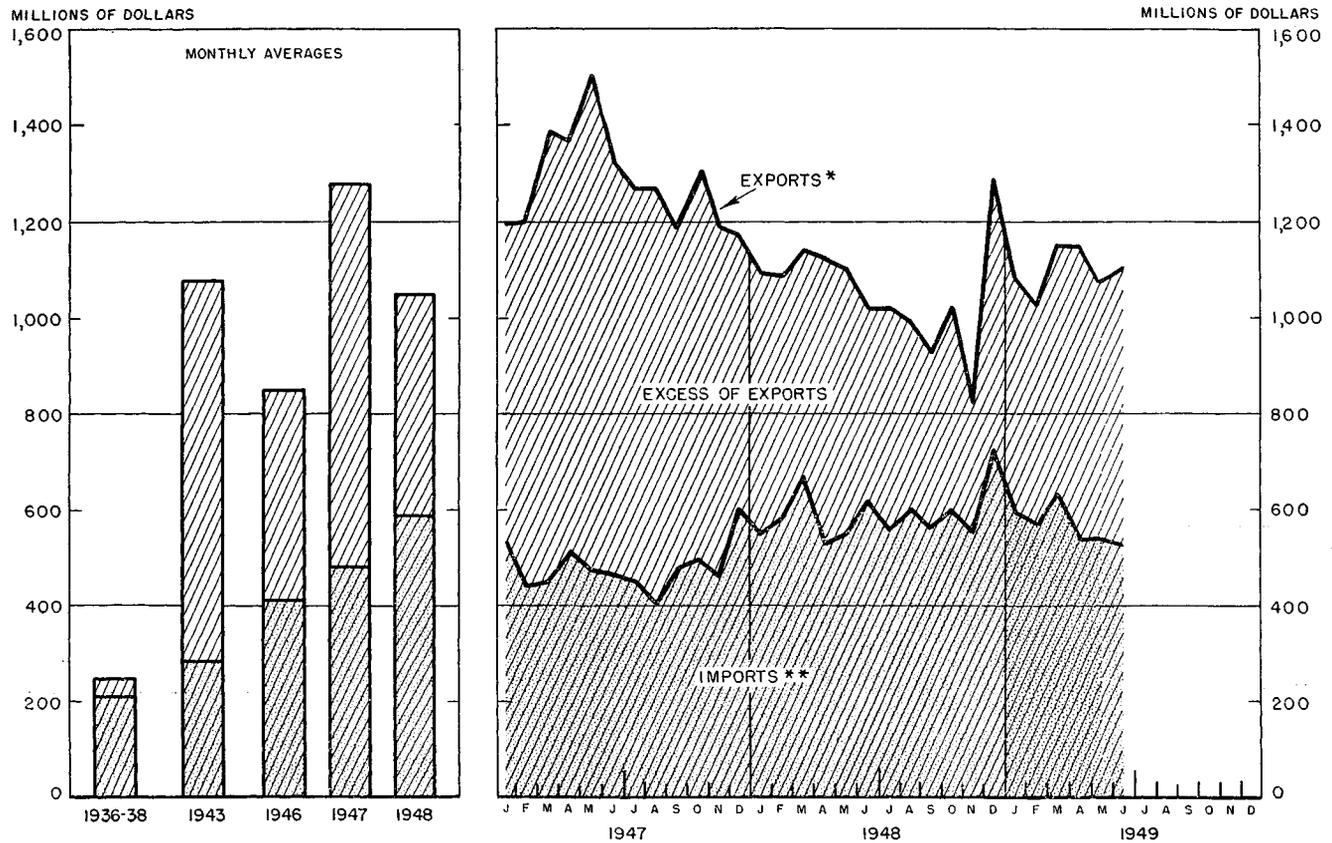
⁵ Indexes computed from data on retail value of sales for month and retail book value of inventories, end of period.

⁶ Preliminary estimate.

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

MERCHANDISE EXPORTS AND IMPORTS

The export surplus increased in June as exports rose 2½ percent and imports dropped at about the same rate.



* 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: May.....	1,102	554	548
June.....	1,015	625	390
July.....	1,019	563	456
August.....	990	606	384
September.....	926	560	366
October.....	1,021	600	421
November.....	820	554	266
December.....	1,285	720	565
1949: January.....	1,094	590	504
February.....	1,032	568	464
March.....	1,159	632	527
April.....	1,148	534	614
May.....	1,077	539	538
June.....	1,104	526	578

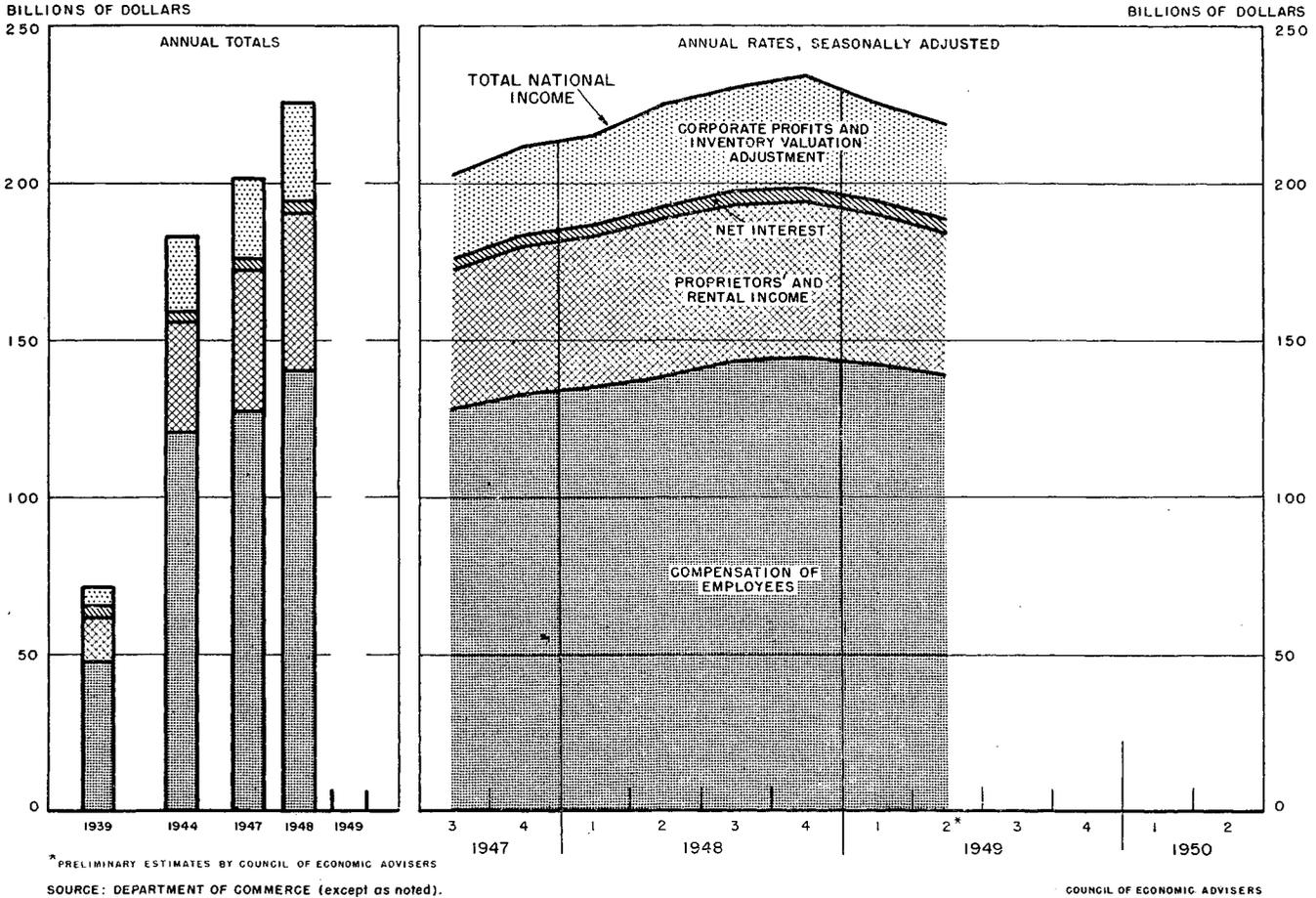
¹ Recorded merchandise exports, including reexports, and civilian supplies for occupied areas.

² Recorded general merchandise imports.

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

NATIONAL INCOME

The revised series on national income shows a \$12.6 billion¹ drop, or 5 percent, from the peak in 4th quarter 1948 to 2nd quarter 1949. Corporate profits, including the inventory valuation adjustment, accounted for one-half of the decline while the compensation of employees accounted for about one-fourth.



[Billions of dollars]

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.....	183.8	121.2	35.5	3.1	24.0	24.3	-0.3
1946.....	179.6	117.0	41.3	3.0	18.3	23.6	-5.3
1947.....	201.7	127.6	45.1	3.4	25.6	31.6	-6.0
1948.....	226.2	140.3	49.5	3.8	32.6	34.8	-2.2
Annual rates, seasonally adjusted							
1948: First quarter.....	215.1	135.1	48.0	3.6	28.5	33.0	-4.5
Second quarter.....	224.9	137.7	50.4	3.7	33.0	35.0	-2.0
Third quarter.....	230.4	143.3	49.9	3.9	33.3	36.6	-3.3
Fourth quarter.....	234.3	144.9	49.7	4.1	35.7	34.5	-1.2
1949: First quarter ¹	² 225.3	142.5	47.8	4.2	² 30.8	² 28.4	² +2.3
Second quarter ²	222.2	141.7	46.7	4.3	29.5	24.8	+4.7

¹ Preliminary estimates.

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

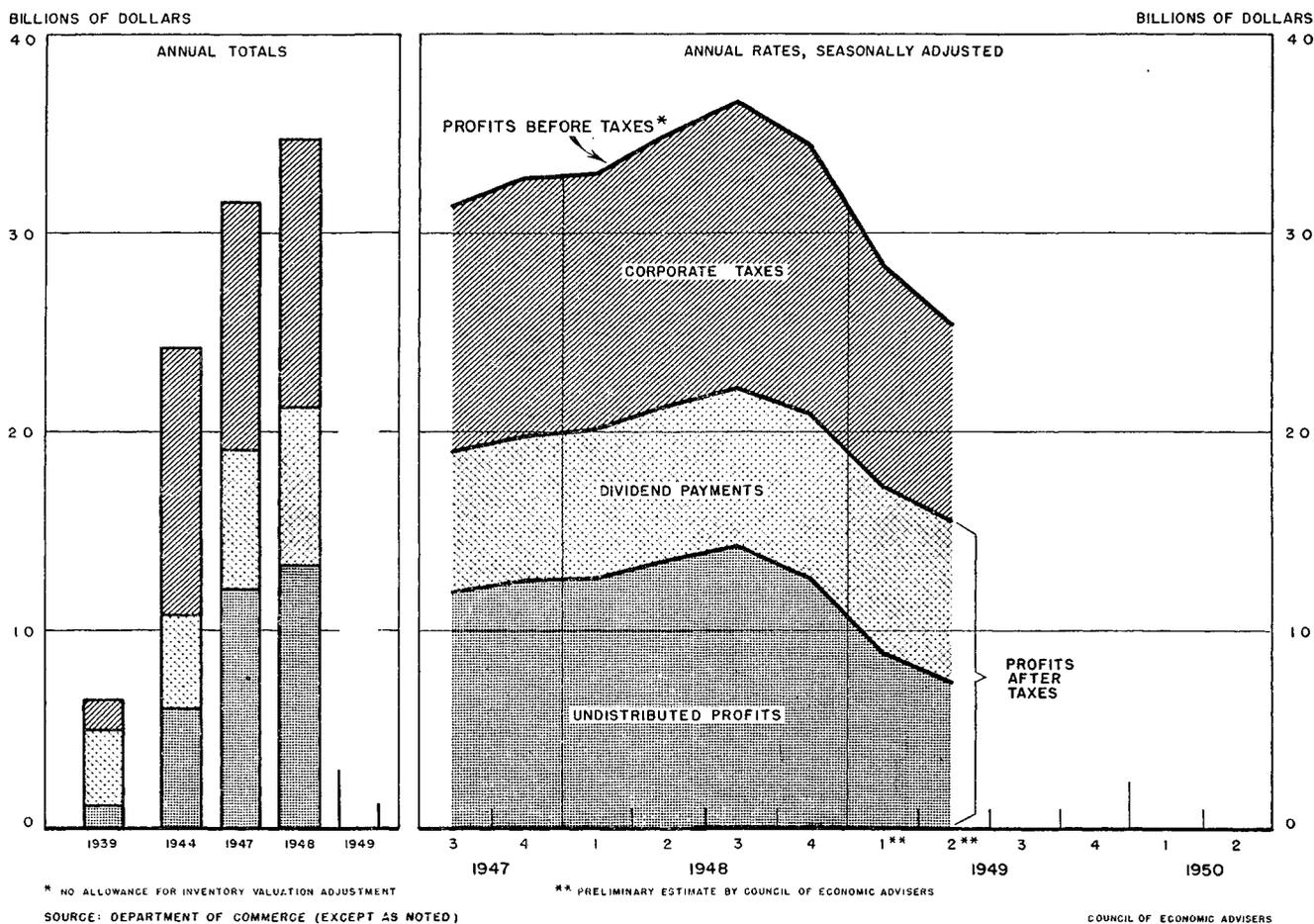
NOTE.—Detail will not necessarily add to totals because of rounding.

Figures for 1944-48 are revised and do not agree with data previously published in the Indicators. See Survey of Current Business, July 1949, for details of the revisions.

Source: Department of Commerce (except as noted).

CORPORATE PROFITS

Corporate profits reached their peak rate in 3rd quarter of 1948, and have declined steadily since then, according to revised estimates. In 2nd quarter of 1949, they were \$24.8 billion (annual rate), or \$11.8 billion below the peak. Change in replacement costs of inventories was equivalent to two-thirds of the drop.



[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.....	23.6	9.6	13.9	5.8	8.1
1947.....	31.6	12.5	19.1	7.0	12.1
1948.....	34.8	13.6	21.2	7.9	13.2
Annual rates, seasonally adjusted					
1948: First quarter.....	33.0	12.8	20.2	7.6	12.6
Second quarter.....	35.0	13.7	21.3	7.7	13.6
Third quarter.....	36.6	14.4	22.2	7.9	14.3
Fourth quarter.....	34.5	13.6	20.9	8.3	12.6
1949: First quarter ¹	28.4	11.2	17.3	8.4	8.9
Second quarter ¹	24.8	9.7	15.1	8.5	6.6

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

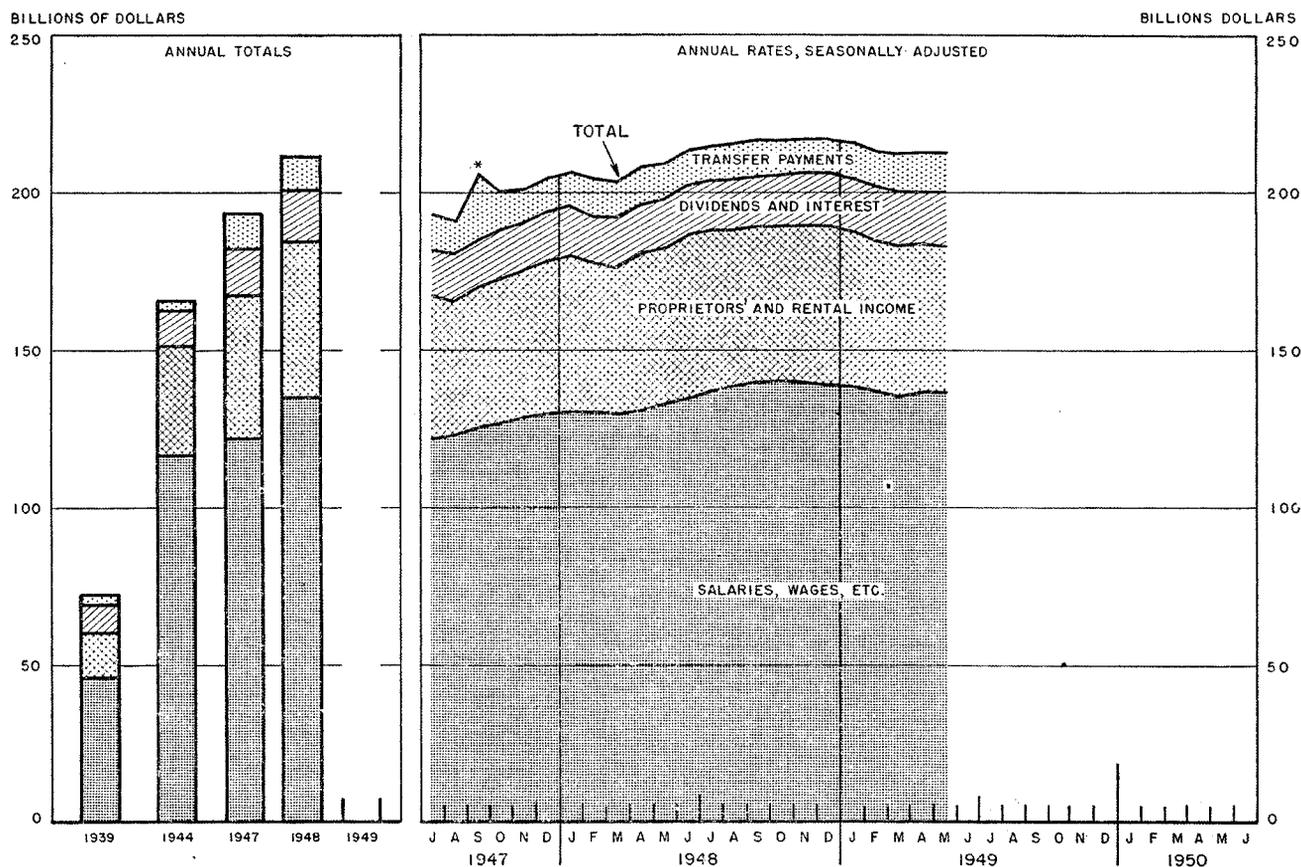
NOTE.—No allowance has been made for inventory valuation adjustment. See p. 20 for profits before taxes and inventory valuation adjustment.

Figures for 1944-48 are revised and do not agree with data previously published in the Indicators. See Survey of Current Business, July 1949, for details of the revisions.

Detail will not necessarily add to totals because of rounding.

PERSONAL INCOME

According to revised estimates, personal income, between February and June, has shown little major change. In June, it was 2 percent below the December 1948 peak level.



* TERMINAL LEAVE BOND CASHING STARTED IN SEPTEMBER, 1947.

SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

Period	Total personal income	Salaries, wages, and other labor income	Proprietors' and rental income	Dividends and personal interest	Transfer payments
1939.....	72.6	45.7	14.7	9.2	3.0
1944.....	165.9	116.2	35.5	10.6	3.6
1946.....	176.9	111.0	41.2	13.2	11.4
1947.....	193.5	122.0	45.1	14.8	11.7
1948.....	211.9	135.1	49.5	16.2	11.1
Annual rates, seasonally adjusted					
1948: May.....	209.3	132.9	49.3	15.9	11.2
June.....	213.4	134.5	51.8	15.9	11.2
July.....	214.5	136.6	50.8	16.0	11.1
August.....	215.4	138.5	49.5	16.3	11.1
September.....	216.3	139.7	49.4	16.5	10.7
October.....	216.3	140.1	49.0	16.8	10.4
November.....	216.6	139.5	49.8	16.9	10.4
December.....	217.0	139.1	50.3	16.9	10.7
1949: January.....	215.7	138.6	49.0	17.0	11.1
February.....	212.9	137.1	47.2	17.1	11.5
March.....	212.4	135.6	47.3	17.1	12.4
April.....	212.5	136.8	46.3	17.2	12.2
May.....	212.9	136.9	46.7	17.3	12.0
June ¹	213.5	136.7	47.2	17.5	12.1

¹ Data became available after chart was prepared.

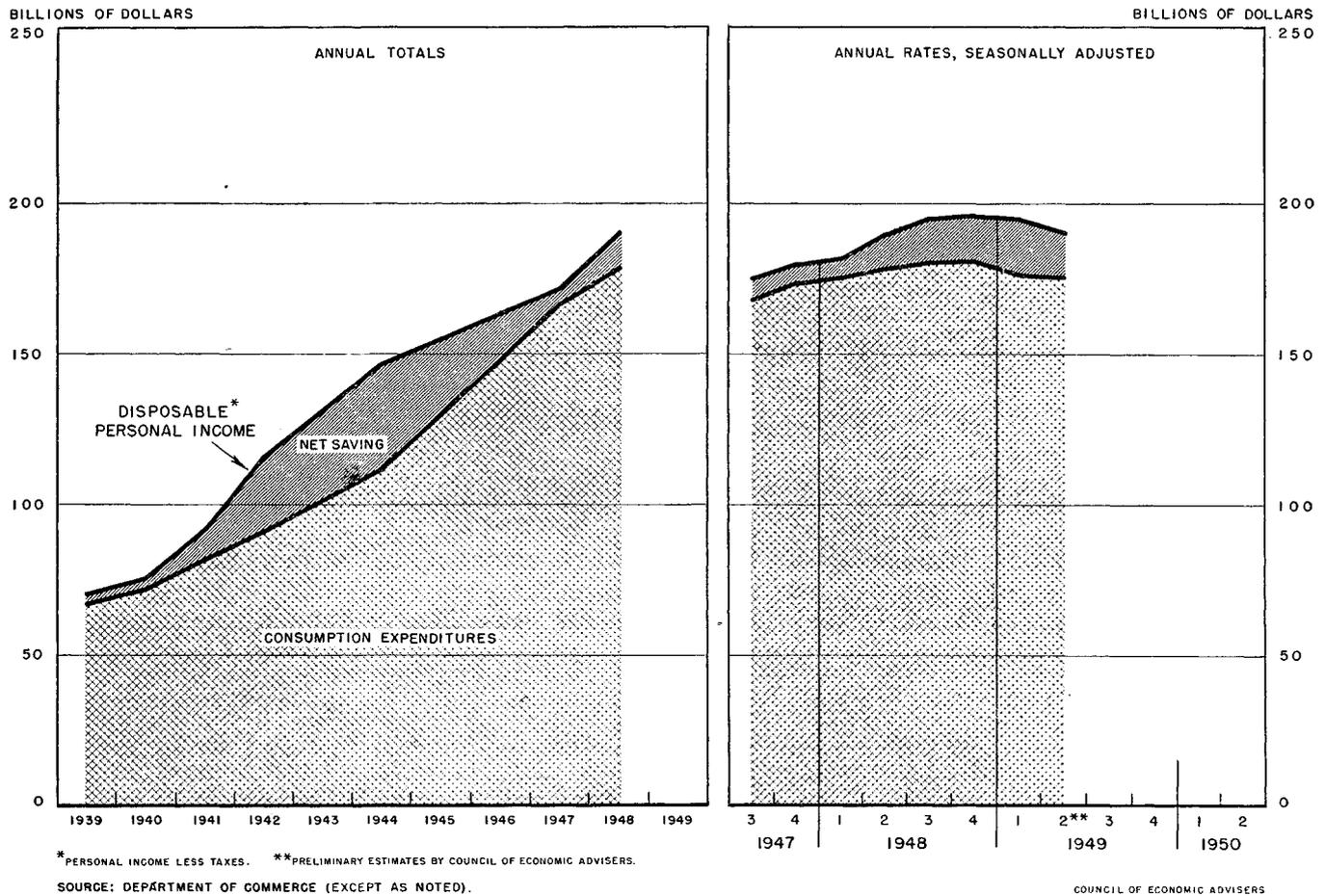
NOTE.—Detail will not necessarily add to totals because of rounding.

Figures for 1944-48 are revised and do not agree with data previously published in the Indicators. See Survey of Current Business, July 1949, for details of the revisions.

Source: Department of Commerce.

CONSUMER INCOME, SPENDING, AND SAVING

According to revised estimates, disposable income dropped moderately from 1st to 2nd quarter while expenditures rose slightly, thus reducing the rate of saving by \$1 billion.



[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.....	147.0	111.6	35.4
1945.....	151.1	123.1	28.0
1946.....	158.1	147.8	10.3
1947.....	172.0	166.9	5.1
1948.....	190.8	178.8	12.0
Annual rates, seasonally adjusted			
1948: First quarter.....	181.9	175.2	6.7
Second quarter.....	189.6	178.7	10.8
Third quarter.....	195.2	180.3	15.0
Fourth quarter.....	196.2	180.9	15.3
1949: First quarter.....	195.0	177.9	17.1
Second quarter ²	194.2	178.2	16.0

¹ Income less taxes.

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

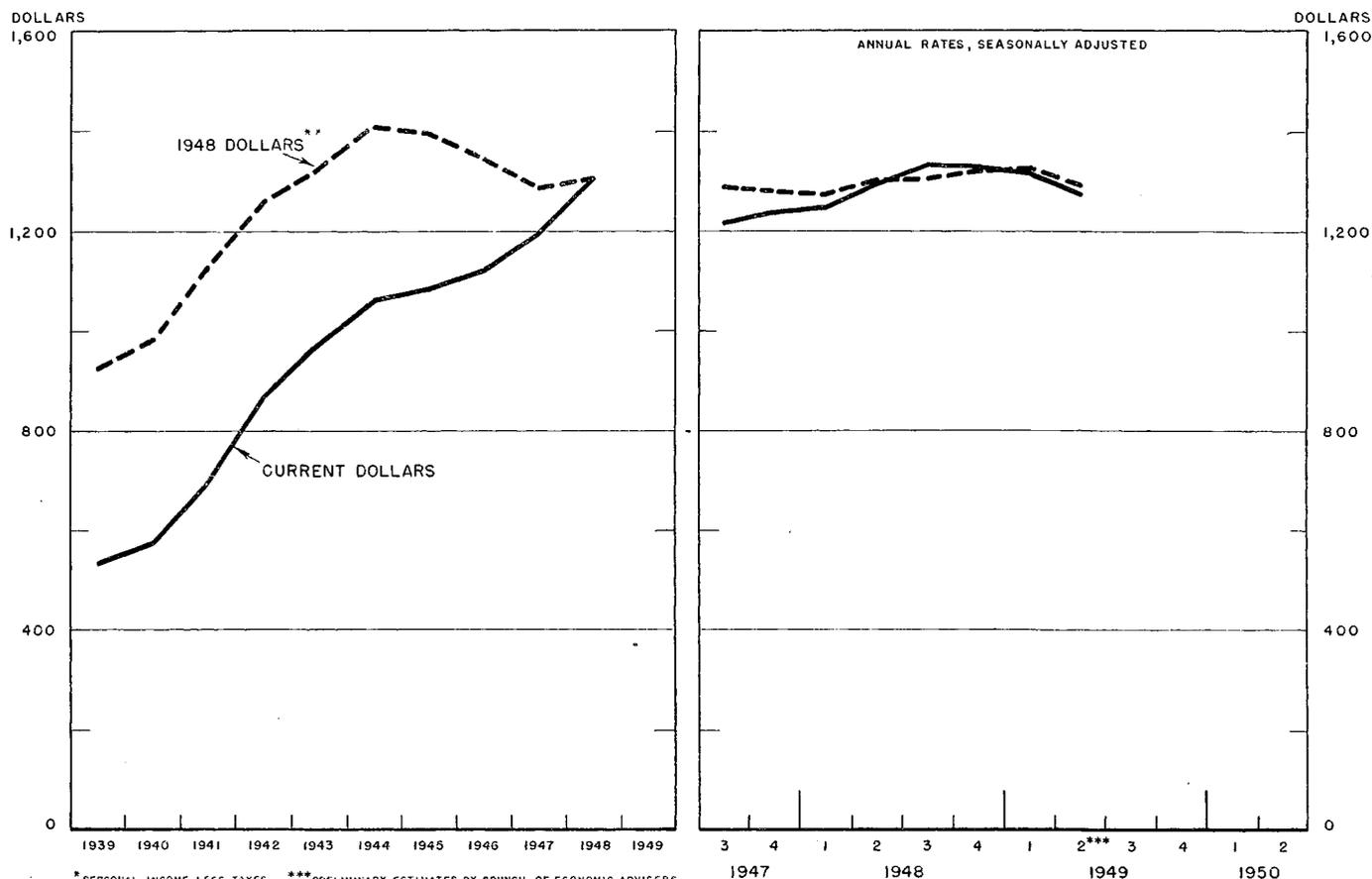
NOTE.—Detail will not necessarily add to totals because of rounding.

Figures for 1942-48 are revised and do not agree with data previously published in the Indicators. See Survey of Current Business, July 1949, for details of the revisions.

Source: Department of Commerce (except as noted).

PER CAPITA INCOME*

Per capita disposable income fell about 1 percent from 1st to 2nd quarter of 1949, as measured in current dollars, or 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

SOURCE: DEPARTMENT OF COMMERCE AND DEPARTMENT OF LABOR (EXCEPT AS NOTED).

COUNCIL OF ECONOMIC ADVISERS

Period	Per capita disposable personal income ¹		Consumers' price index* 1948=100
	Current dollars	1948 dollars ²	
1939	536	923	58.1
1940	574	981	58.5
1941	691	1,125	61.4
1942	867	1,262	68.7
1943	970	1,314	73.8
1944	1,065	1,405	75.8
1945	1,082	1,389	77.9
1946	1,119	1,342	83.4
1947	1,194	1,282	93.1
1948	1,302	1,302	100.0
	Annual rates, seasonally adjusted		Not adjusted for seasonal variation
1948: First quarter	1,248	1,273	
Second quarter	1,296	1,301	99.6
Third quarter	1,329	1,306	101.8
Fourth quarter	1,329	1,320	100.7
1949: First quarter	1,316	1,327	99.2
Second quarter ⁴	1,305	1,318	99.0

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.

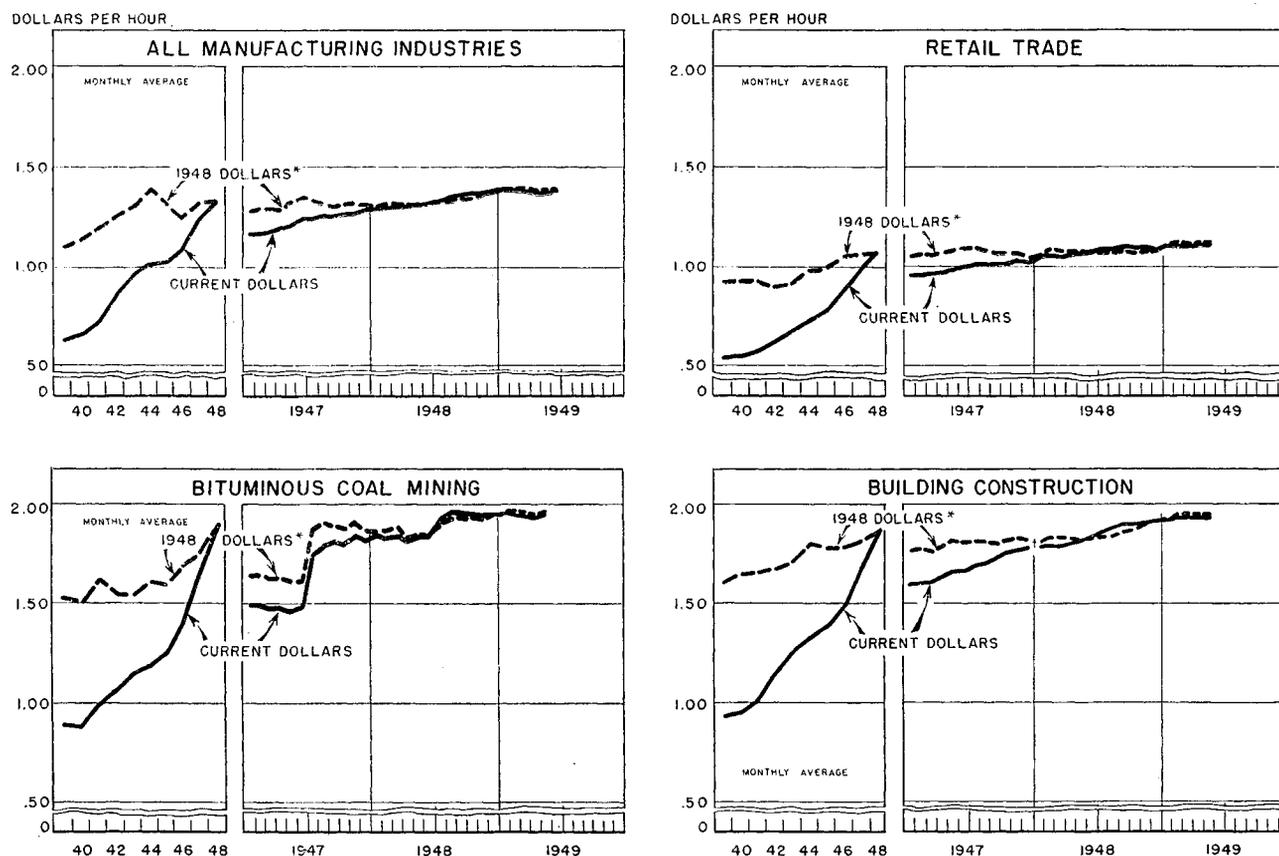
⁴ Estimates by Council of Economic Advisers; based on preliminary data.

NOTE.—Figures for 1942-48 are revised and do not agree with data previously published in the Indicators. See Survey of Current Business, July 1949, for details of the provisions.

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

AVERAGE HOURLY EARNINGS

Average hourly earnings in manufacturing increased in June, the first increase this year, according to preliminary data.



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

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 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: 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.....	1.374	1.388	1.102	1.113	1.941	1.961	1.933	1.953
April ³	1.374	1.386	1.106	1.116	1.932	1.950	1.934	1.952
May ³	1.373	1.390	1.114	1.128	1.947	1.971	1.931	1.954
June ³	1.380	1.393						

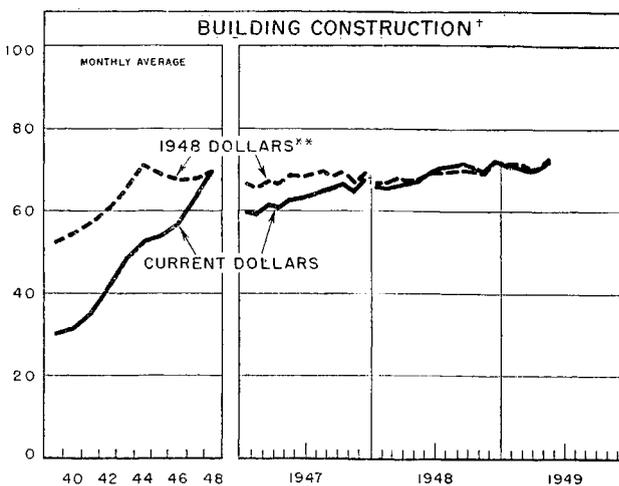
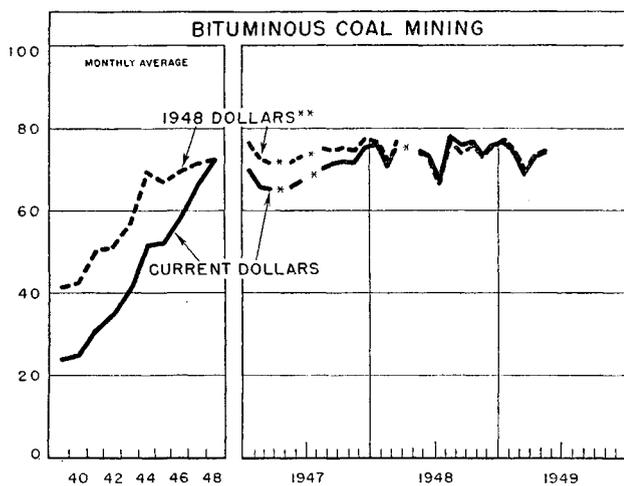
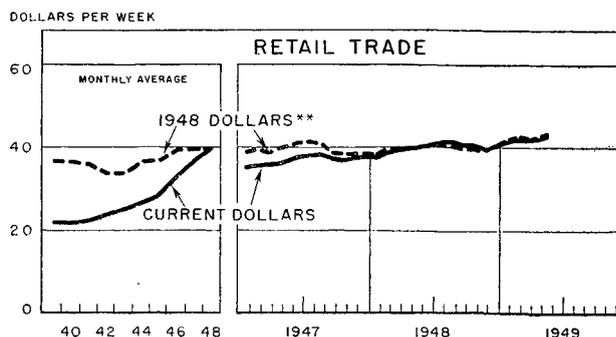
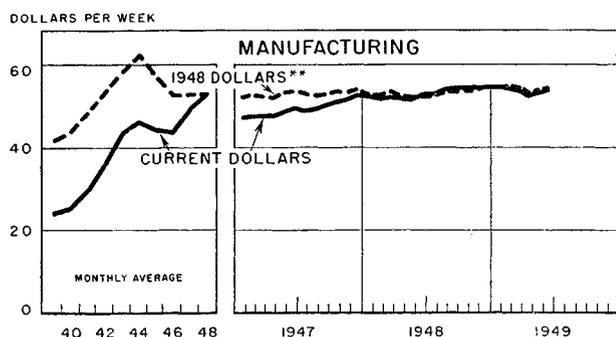
¹ Data prior to 1948 not exactly comparable with later data.

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

³ Preliminary estimate.

AVERAGE WEEKLY EARNINGS

Weekly earnings in most major industries increased in May. Manufacturing industries, reflecting a longer work week, rose further in June, but were still below the December 1948 peak.



* 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 ²	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: 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	53.59	54.13	41.48	41.90	68.41	69.10	69.83	70.54
April ³	52.62	53.10	41.81	42.19	72.70	73.36	70.33	70.97
May ³	52.86	53.50	42.40	42.91	73.70	74.59	71.82	72.69
June ³	53.68	54.17						

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

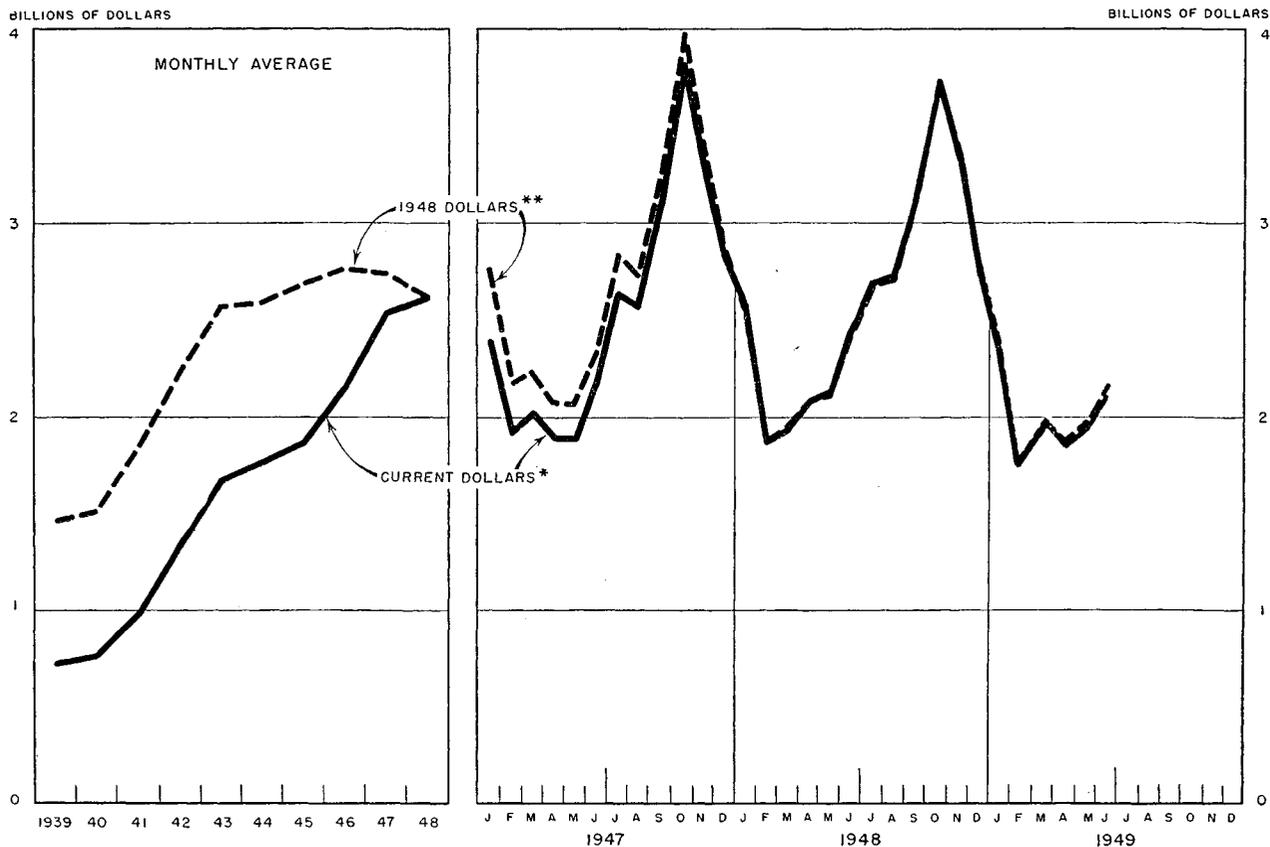
² Current dollars divided by consumers' price index on the base 1948=100. See note 3 to table on page 24.

³ Preliminary estimates.

Source: Department of Labor.

FARM INCOME

Farmers' cash income increased seasonally from May to June, but represented about 10 percent less income than in June last year, after allowing for the 3 percent lower level of prices paid by farmers.



* 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: 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.....	1,850	98.8	1,872
May ⁴	1,944	98.4	1,976
June ⁴	2,118	98.0	2,161

¹ Includes cash farm income from marketings and Government payments.

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

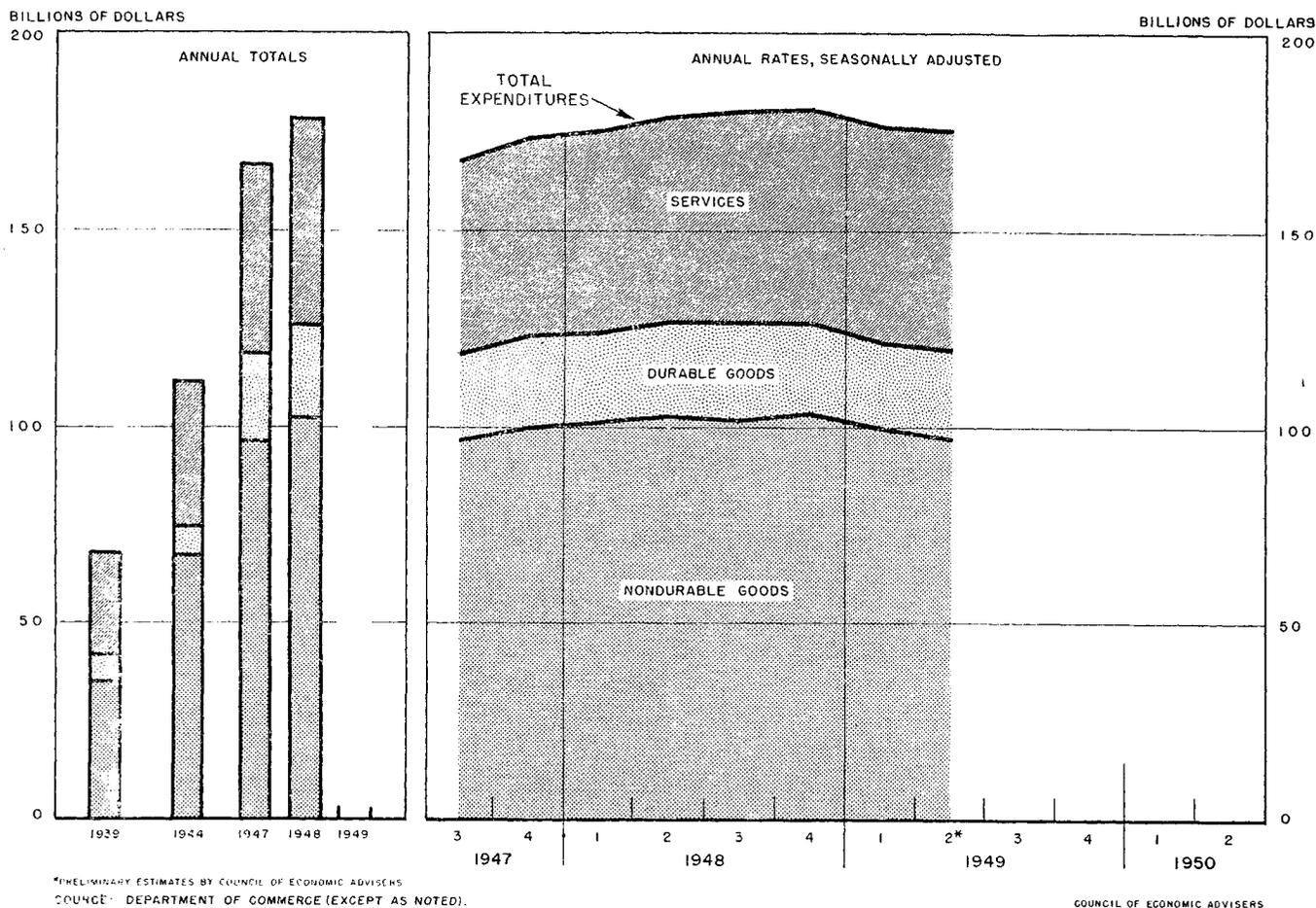
³ Farm income in current dollars divided by prices paid by farmers, interest, and taxes, 1948=100.

⁴ Preliminary estimates.

Source: Department of Agriculture.

PERSONAL CONSUMPTION EXPENDITURES

Nondurable goods purchases continued to fall in the 2nd quarter but at a much slower rate. Durable goods (mainly automobiles) and service expenditures advanced.



[Billions of dollars]

Period	Personal consumption expenditures			
	Total	Nondurable goods	Durable goods	Services
1939.....	67.5	35.3	6.7	25.5
1944.....	111.6	67.1	7.1	37.4
1946.....	147.8	87.5	16.5	44.5
1947.....	166.9	96.2	22.0	48.8
1948.....	178.8	102.2	23.5	53.1
Annual rates, seasonally adjusted				
1948: First quarter.....	175.2	101.2	22.7	51.3
Second quarter.....	178.7	102.4	23.8	52.5
Third quarter.....	180.3	101.8	24.8	53.7
Fourth quarter.....	180.9	103.3	22.9	54.8
1949: First quarter.....	177.9	99.9	22.5	55.4
Second quarter ¹	178.2	98.7	23.6	55.9

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

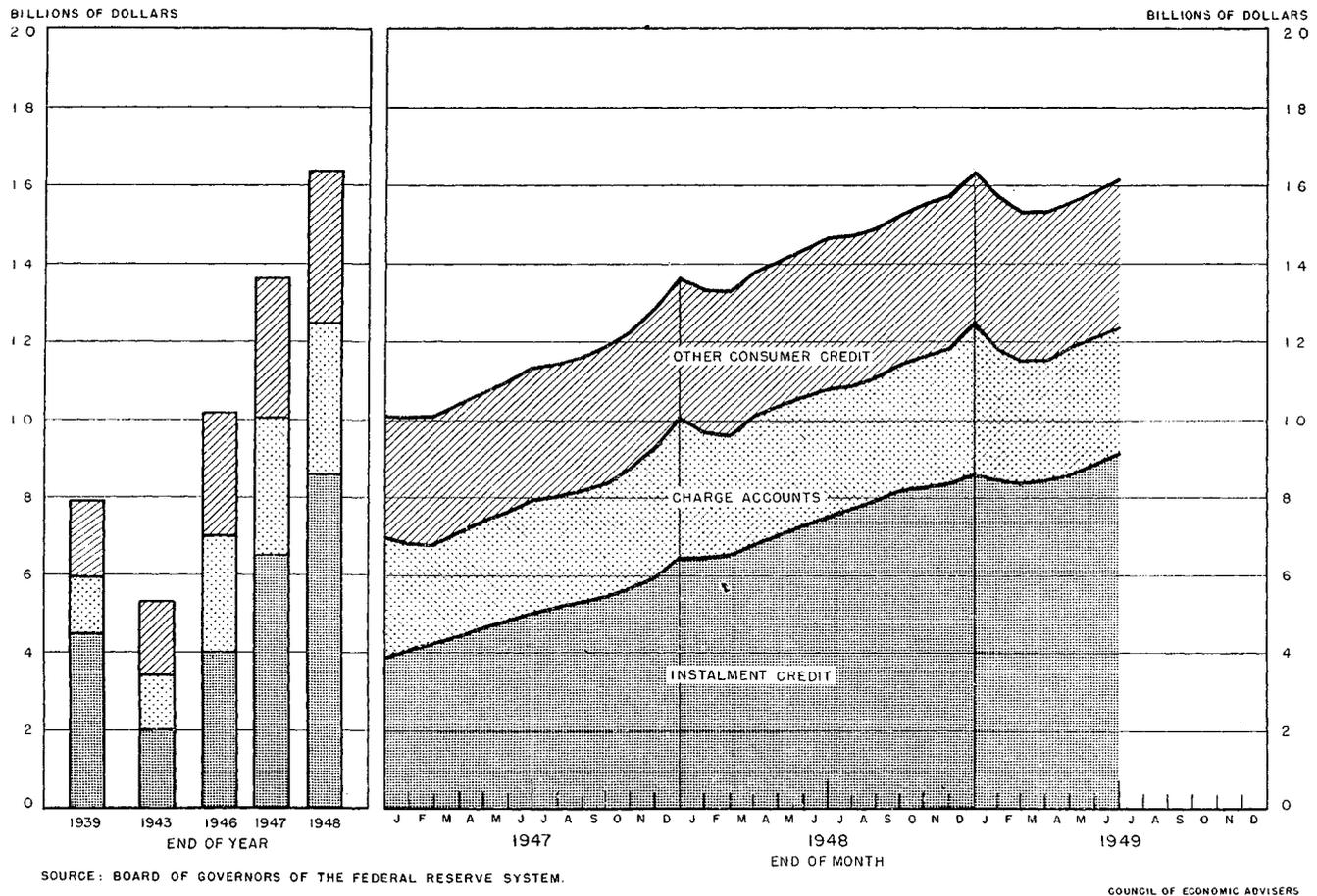
NOTE.—Detail will not necessarily add to totals because of rounding.

Figures for 1944-48 are revised and do not agree with data previously published in the Indicators. See Survey of Current Business, July 1949, for details of the revisions.

Source: Department of Commerce (except as noted).

CONSUMER CREDIT

Total consumer credit increased \$288 million, or 2 percent, during June. A large part of the rise was attributable to further expansion in instalment credit, especially for sales of automobiles.



[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: 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.....	15,360	8,427	2,105	6,322	3,148	3,785
April.....	15,618	8,627	2,241	6,386	3,258	3,733
May ²	15,853	8,890	2,386	6,504	3,249	3,714
June ²	16,141	9,133	2,507	6,626	3,282	3,726

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

² Preliminary estimates.

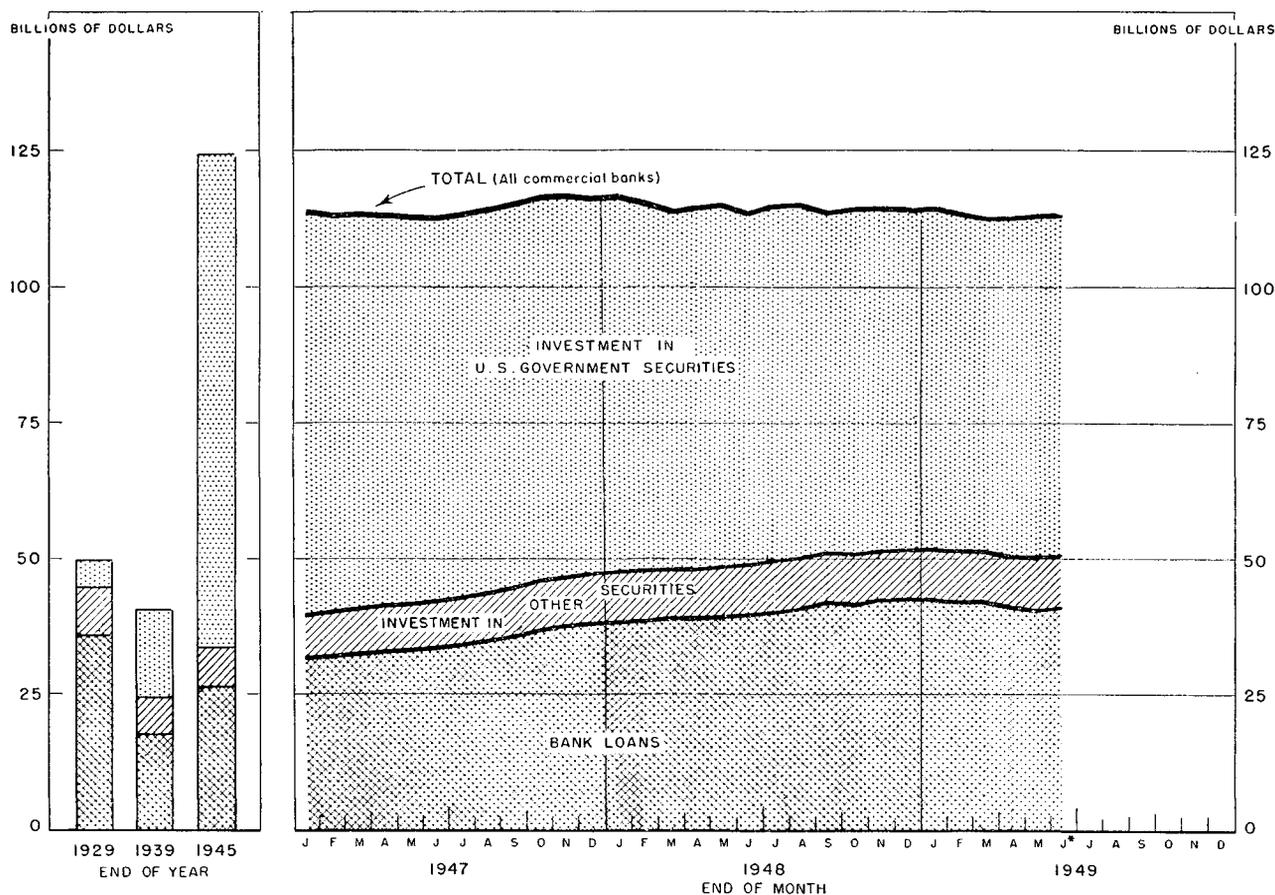
NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Board of Governors of the Federal Reserve System.

MONEY, BANKING, AND FEDERAL FINANCE

BANK LOANS AND INVESTMENTS

Bank loans, after dropping for two months, increased about \$300 million in June. Banks held \$200 million less in government securities and \$200 million more in other securities.



SOURCE: Board of Governors of the Federal Reserve System

*PRELIMINARY ESTIMATE

Council of Economic Advisers

[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: 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	113.4	40.9	72.6	63.2	9.3
June ¹	113.7	41.2	72.5	63.0	9.5

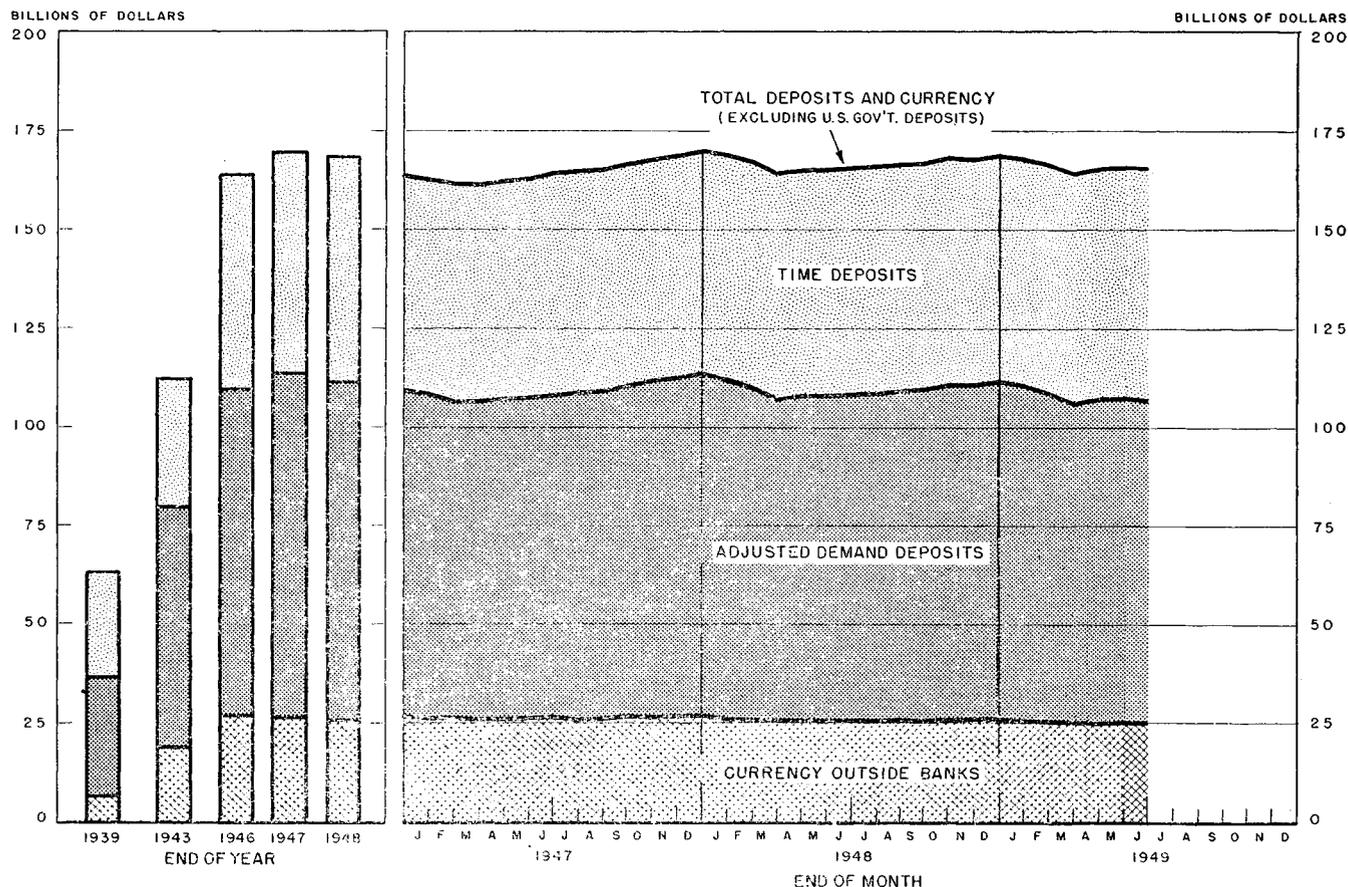
¹ Preliminary estimates.

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

SOURCE: Board of Governors of the Federal Reserve System.

MONEY SUPPLY

The continued increase in time deposits in June was offset by a drop in demand deposits, decreasing the total money supply slightly from the May level.



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: 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.....	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
June ³	165.6	25.0	82.2	58.4

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.

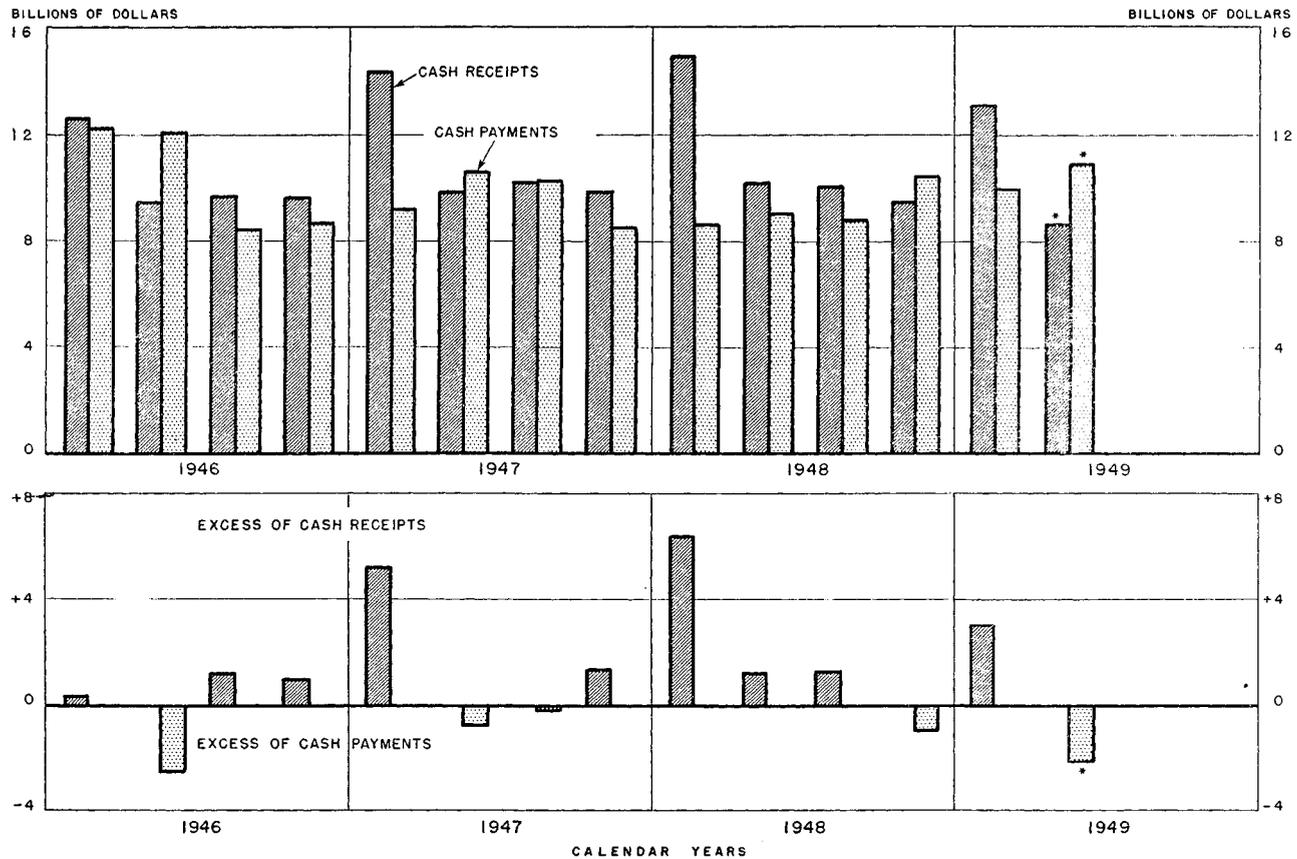
³ Preliminary estimates.

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 \$2.2 billion during the 2nd quarter compares with a surplus of \$1.2 billion during the same quarter of 1948.



* PRELIMINARY ESTIMATES

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.