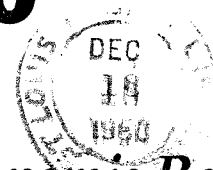


Economic Indicators

DECEMBER 1950



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

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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.

Charts drawn by Graphics Unit, Office of the Secretary, Department of Commerce

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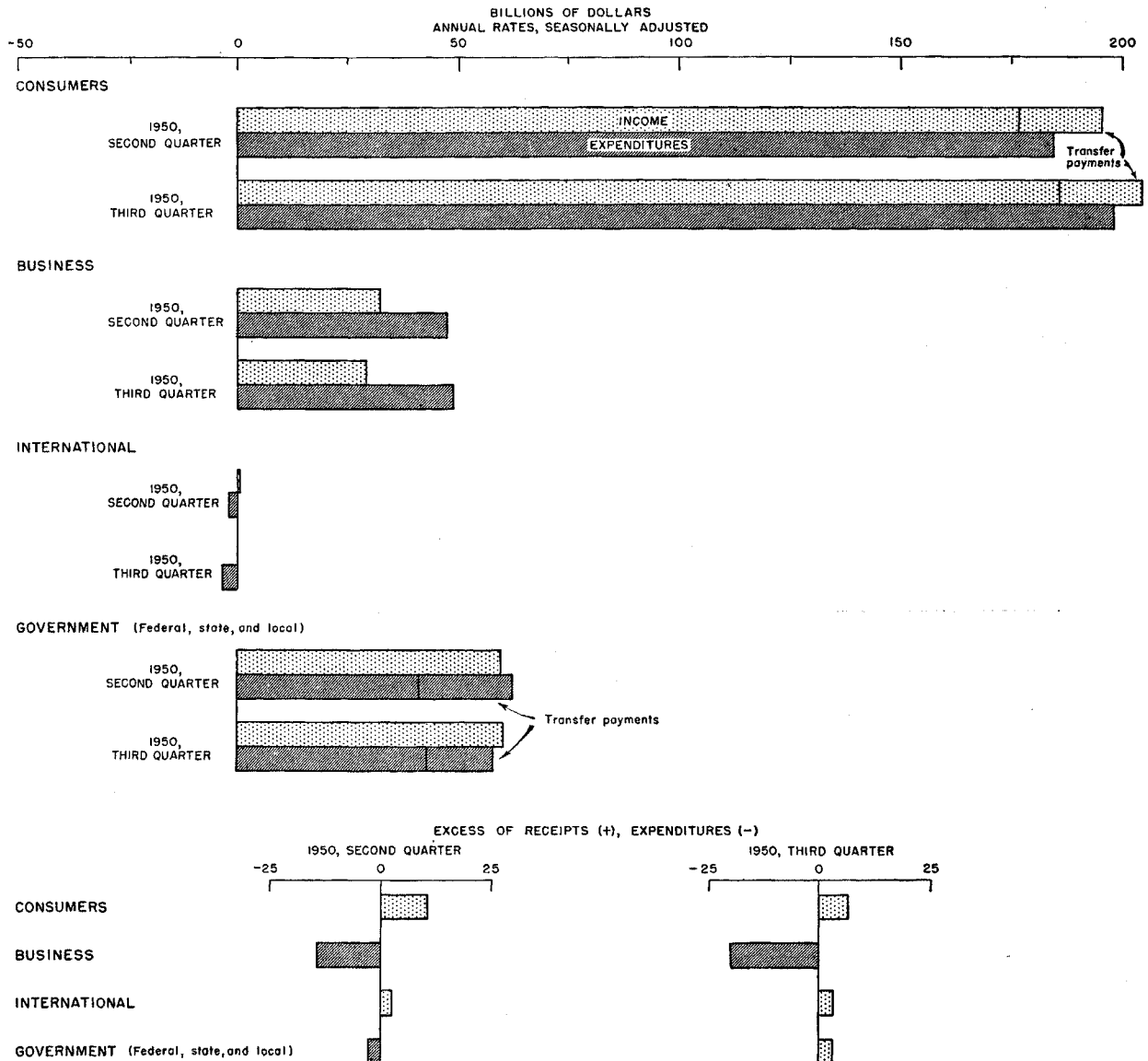
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THE TOTAL OUTPUT OF THE ECONOMY

THE NATION'S ECONOMIC BUDGET

Consumer incomes and expenditures both increased sharply in 3rd quarter. Business income declined mainly because the increase in inventory valuation adjustment more than offset the rise in corporate profits. Business expenditures increased slightly. The government account changed from a deficit to a surplus.



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

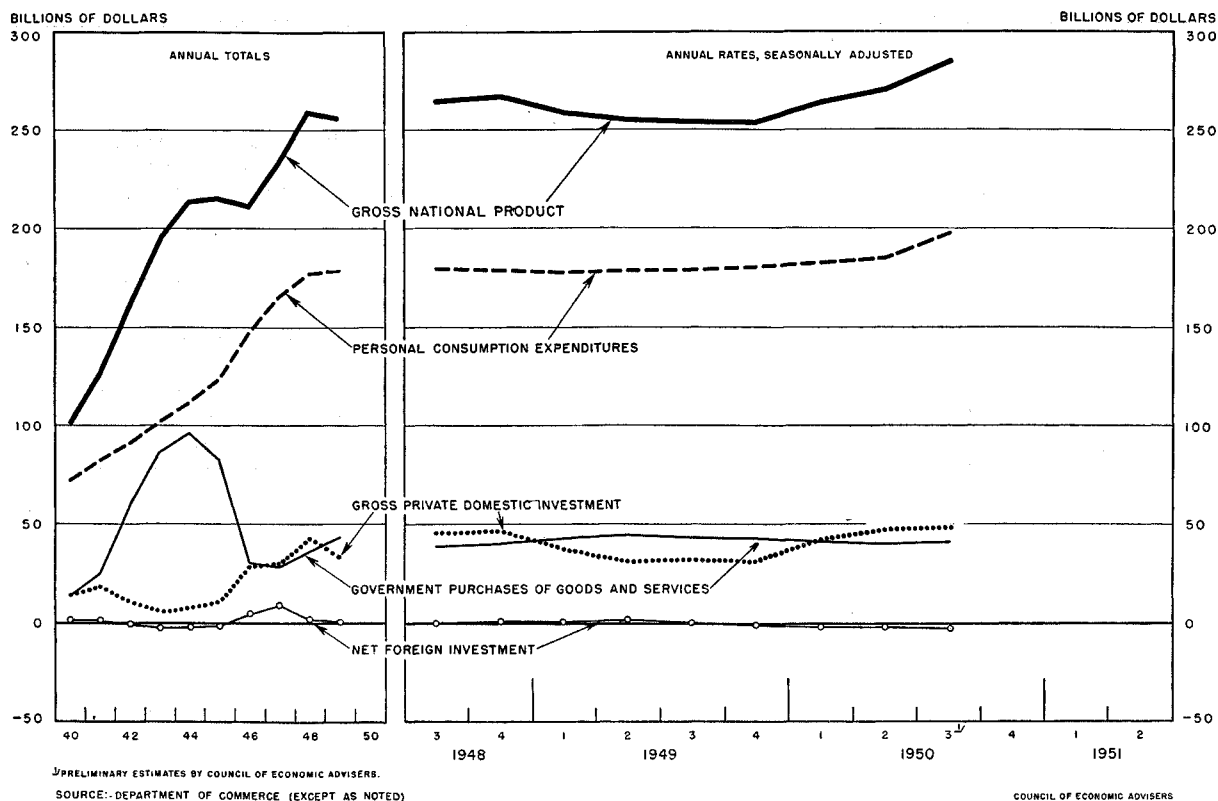
NOTE: SEE PAGE 2 FOR THE NATION'S ECONOMIC BUDGET TOTAL (GROSS NATIONAL PRODUCT)

SOURCE: ECONOMIC REPORT OF THE PRESIDENT, JULY 1950, APPENDIX A.

COUNCIL OF ECONOMIC ADVISERS

GROSS NATIONAL PRODUCT

Total expenditures for goods and services rose \$14 billion (annual rate), or 5 percent, in 3rd quarter. Personal consumption expenditures increased 7 percent and business investment, 3 percent. Government purchases showed little increase. Net foreign investment continued to drop.



[Billions of dollars]

Period *	Total gross national product	Personal consumption expenditures	Gross private domestic investment	Net foreign investment	Government purchases of goods and services
1939.....	91.3	67.5	9.9	0.9	13.1
1944.....	213.7	111.6	7.7	-2.1	96.5
1946.....	211.1	146.9	28.7	4.6	30.9
1947.....	233.3	165.6	30.2	8.9	28.6
1948.....	259.1	177.4	43.1	1.9	36.6
1949.....	255.6	178.8	33.0	.4	43.3
Annual rates, seasonally adjusted					
1949: First quarter.....	258.8	177.4	37.5	1.0	42.9
Second quarter.....	255.2	178.4	31.3	1.3	44.3
Third quarter.....	254.4	179.0	32.1	.1	43.2
Fourth quarter.....	253.8	180.6	31.2	-.7	42.8
1950: First quarter.....	263.4	182.4	41.7	-1.7	41.0
Second quarter.....	270.3	185.2	46.9	-2.0	40.2
Third quarter.....	284.3	198.4	48.4	-3.3	40.8

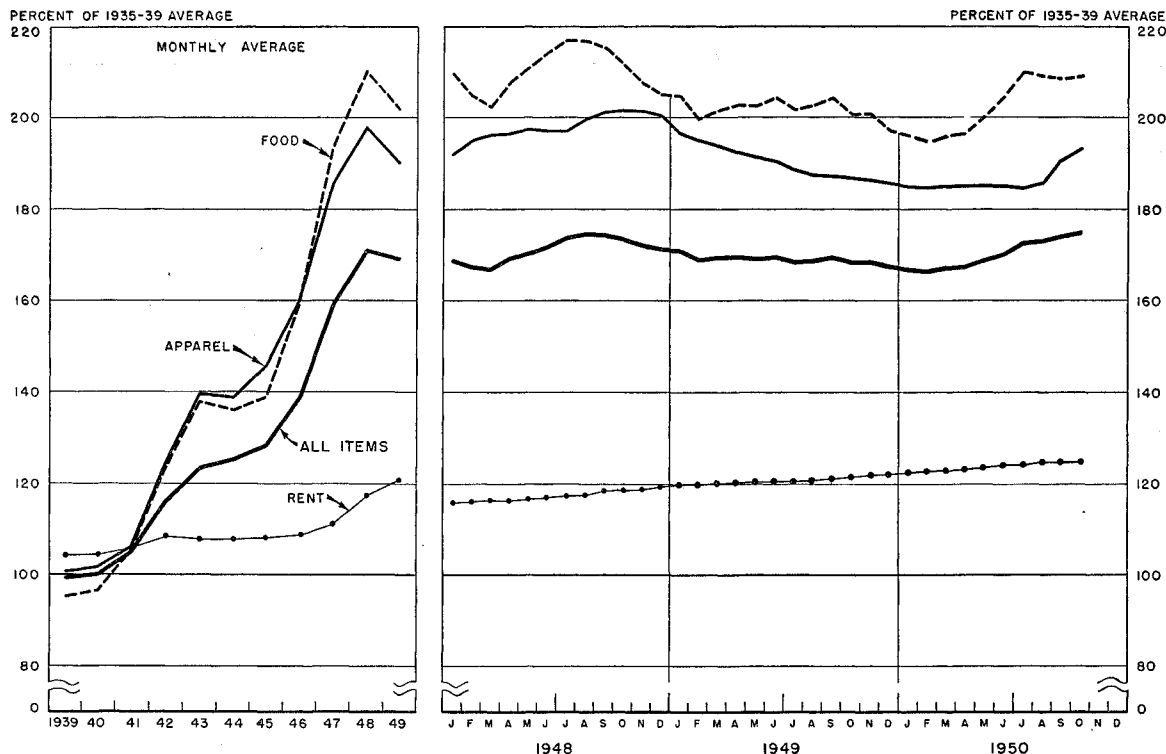
NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

PRICES

CONSUMERS' PRICES

Consumers' prices rose 0.6 percent from September 15 to October 15, to exceed the previous 1948 peak by 0.2 percent. The sharpest price increases were for apparel and housefurnishings. Food prices, although slightly higher, were held down by seasonal declines in meat prices.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[1935-39=100]

Period	All items	Food	Apparel	Rent	Fuel, electricity, and refrigeration	House furnishings	Miscellaneous
1940 monthly average	100.2	96.6	101.7	104.6	99.7	100.5	101.1
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
1949 monthly average	169.1	201.9	190.1	120.8	137.5	189.0	154.6
1949: September 15	169.6	204.2	187.2	121.2	137.0	185.6	155.2
October 15	168.5	200.6	186.8	121.5	138.4	185.2	155.2
November 15	168.6	200.8	186.3	122.0	139.1	185.4	154.9
December 15	167.5	197.3	185.8	122.2	139.7	185.4	155.5
1950: January 15	166.9	196.0	185.0	122.6	140.0	184.7	155.1
February 15	166.5	194.8	184.8	122.8	140.3	185.3	155.1
March 15	167.0	196.0	185.0	122.9	140.9	185.4	155.0
April 15	167.3	196.6	185.1	123.1	141.4	185.6	154.8
May 15	168.6	200.3	185.1	123.5	138.8	185.4	155.3
June 15	170.2	204.6	185.0	123.9	138.9	185.2	155.3
July 15	172.5	210.0	184.7	124.3	139.5	186.4	156.2
August 15	173.0	209.0	185.9	124.6	140.9	189.3	158.1
September 15	173.8	208.5	190.5	124.8	141.8	195.4	158.8
October 15	174.8	209.0	193.4	125.0	143.1	199.8	159.5

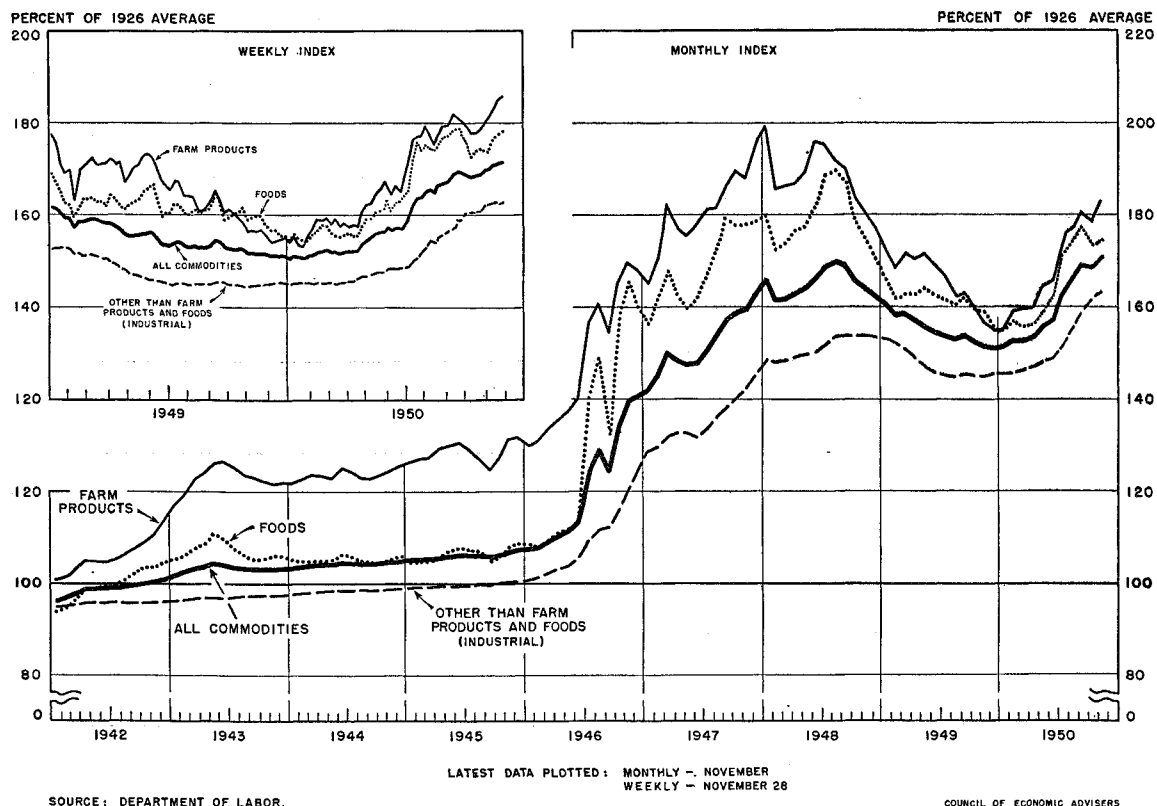
¹ A special survey indicates that food prices increased 0.2 percent between October 15 and November 15.

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

Source: Department of Labor.

WHOLESALE PRICES

Wholesale prices advanced to new postwar peaks during November, with prices of industrial products, farm products, and foods all increasing.



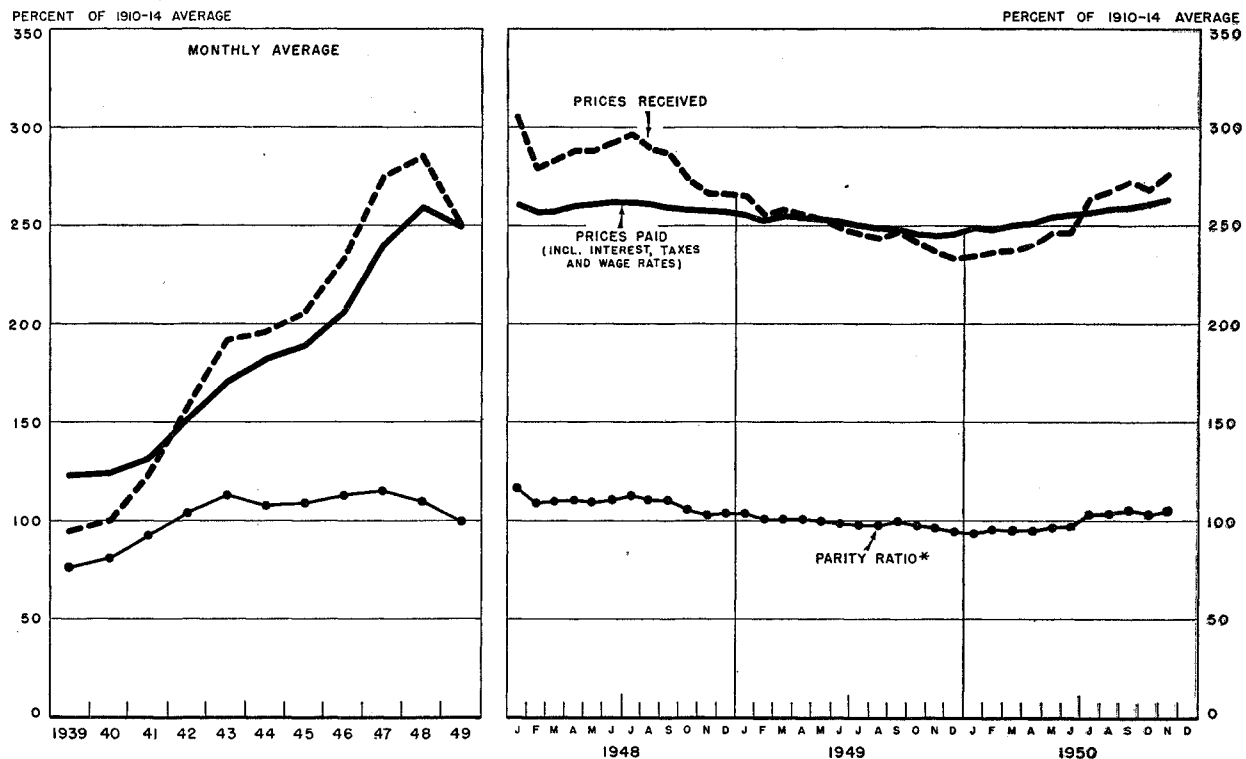
[1926=100]

Period	All commodities	Farm products	Foods	Other than farm products and foods
1942 monthly average	98.8	105.9	99.6	95.5
1946 monthly average	121.1	148.9	130.7	109.5
1947 monthly average	152.1	181.2	168.7	135.2
1948 monthly average	165.1	188.3	179.1	151.0
1949 monthly average	155.0	165.5	161.4	147.3
1949: October	152.2	159.6	159.6	145.0
November	151.6	156.8	158.9	145.0
December	151.2	154.9	155.7	145.4
1950: January	151.5	154.7	154.8	145.8
February	152.7	159.1	156.7	145.9
March	152.7	159.4	155.5	146.1
April	152.9	159.3	155.3	146.4
May	155.9	164.7	159.9	147.6
June	157.3	165.9	162.1	148.8
July	162.9	176.0	171.4	151.5
August	166.4	177.6	174.6	155.5
September	169.5	180.4	177.2	159.2
October	169.1	177.8	172.5	161.5
November ¹	171.1	183.0	174.9	163.1
Week ended:				
1950: November 7	170.0	181.3	173.6	162.2
14	171.0	183.1	176.5	162.6
21	171.2	184.9	177.5	162.4
28	171.7	185.7	178.2	162.8
December 5	172.6	187.5	180.0	163.4

¹ Estimates based on change in weekly data.
Source: Department of Labor.

PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers jumped sharply in November, reaching a point 12 percent above the pre-Korean level. Prices paid by farmers were at a record high.



* RATIO OF INDEX OF PRICES RECEIVED TO INDEX OF PRICES PAID, INTEREST, TAXES AND WAGE RATES.

SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL ECONOMIC ADVISERS

[1910-14=100]

Period	Prices received by farmers	Prices paid by farmers (including interest, taxes, and wage rates)	Parity ratio ¹
1939 monthly average.....	95	123	77
1942 monthly average.....	158	152	104
1944 monthly average.....	² 196	182	108
1946 monthly average.....	² 234	207	113
1947 monthly average.....	275	240	115
1948 monthly average.....	285	259	110
1949 monthly average.....	249	250	100
1949: October 15.....	242	246	98
November 15.....	237	245	97
December 15.....	233	246	95
1950: January 15.....	235	249	94
February 15.....	237	248	96
March 15.....	237	250	95
April 15.....	241	251	96
May 15.....	247	254	97
June 15.....	247	255	97
July 15.....	263	256	103
August 15.....	267	258	103
September 15.....	272	261	104
October 15.....	268	261	103
November 15.....	276	263	105

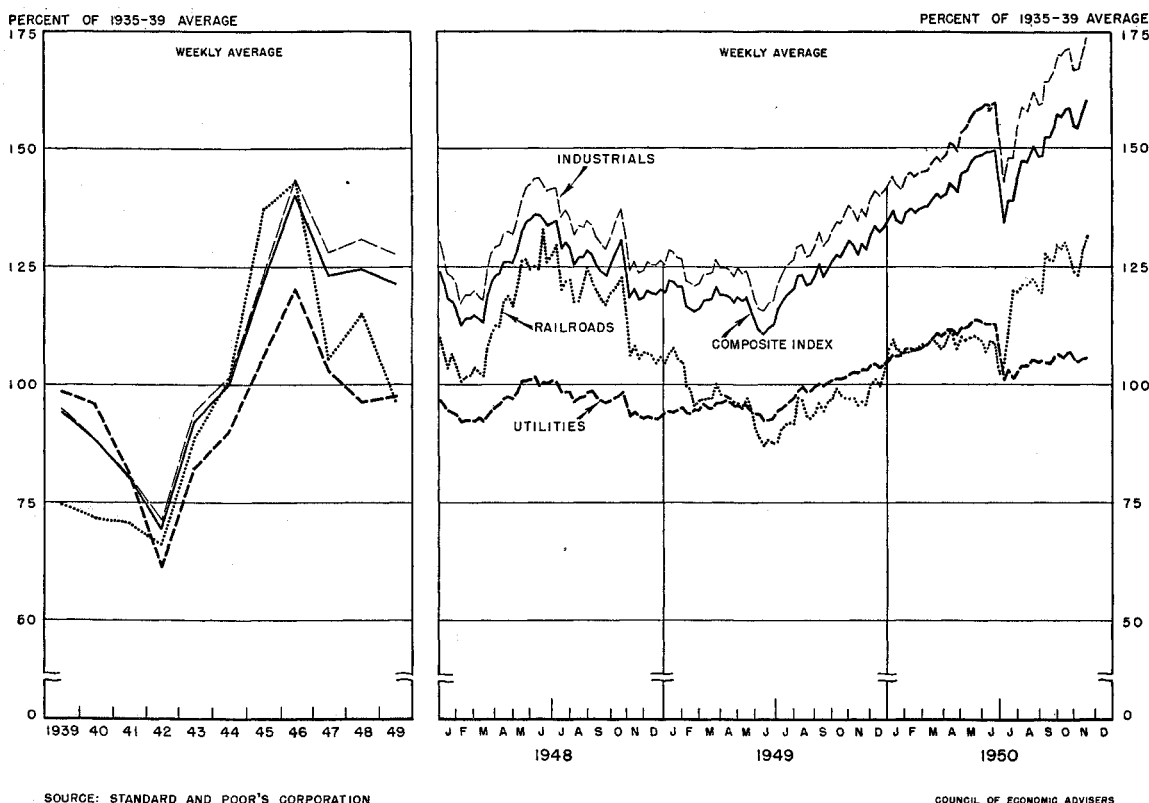
¹ Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates.

² Includes wartime subsidy payments paid on beef cattle, sheep, lambs, milk, and butterfat between October 1943 and June 1946.

Source: Department of Agriculture.

STOCK PRICES

Industrial and railroad stock prices made record gains during most of November but declined sharply in the last week of the month.



[1935-39=100]

Period	Composite 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
1949.....	121.3	127.5	96.4	97.5
1949: October.....	127.3	134.4	97.6	101.2
November.....	129.1	136.5	96.2	102.6
December.....	132.7	140.3	101.0	104.1
1950: January.....	135.1	142.6	107.8	105.8
February.....	136.7	144.4	107.2	107.4
March.....	138.8	146.5	108.5	109.6
April.....	141.8	150.0	109.5	111.0
May.....	146.9	156.1	109.7	112.8
June.....	147.7	157.6	107.1	111.5
July.....	138.2	147.3	109.7	103.0
August.....	147.2	158.0	120.6	104.2
September.....	151.7	163.3	125.1	104.9
October.....	157.8	170.6	129.2	106.2
November.....	156.1	168.8	126.5	105.0
Week ended:				
1950: November 1.....	154.6	167.0	123.7	105.4
8.....	154.1	166.6	123.1	104.7
15.....	157.1	169.9	128.4	105.3
22.....	160.0	173.5	131.5	105.5
29 ²	154.5	167.1	125.7	104.0

¹ Composite 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.

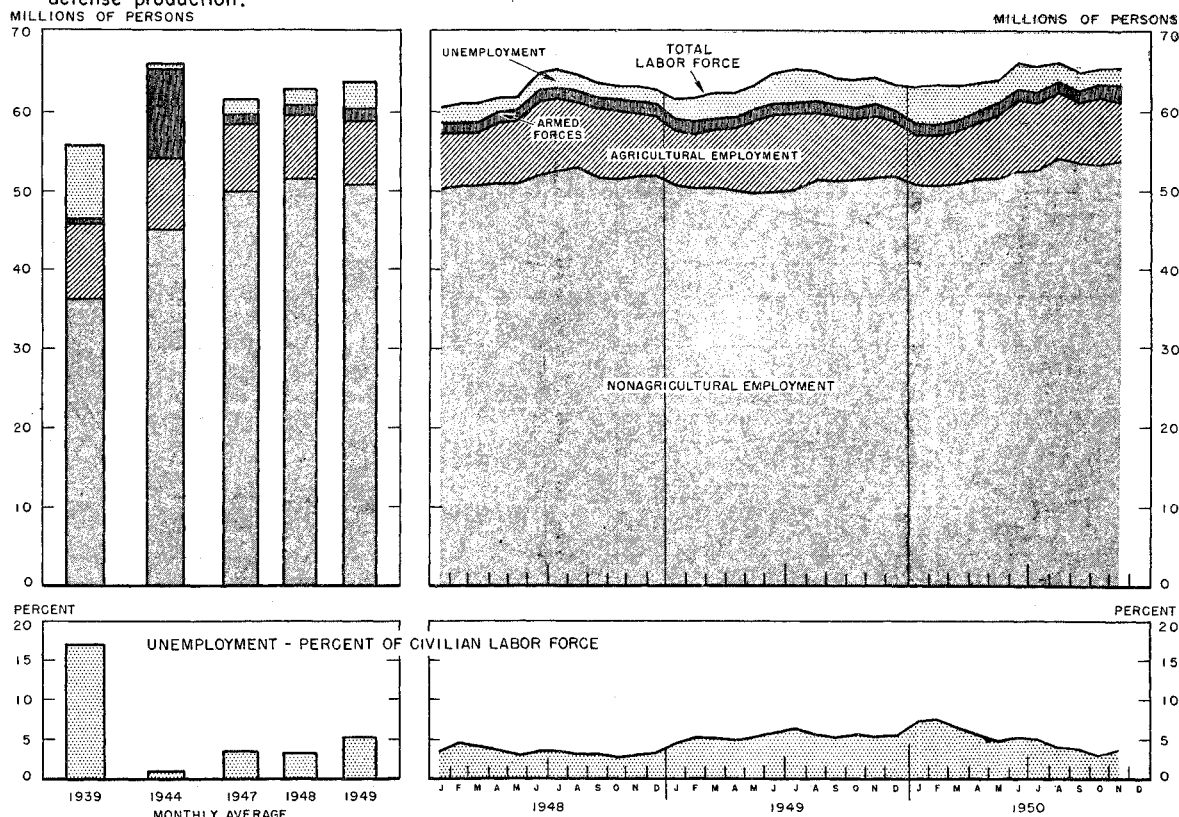
² Data became available after chart was prepared.

Source: Standard & Poor's Corporation.

EMPLOYMENT AND WAGES

LABOR FORCE

Most changes in the labor force in November were due to seasonal factors. Agricultural employment dropped; nonagricultural employment increased. Unemployment was higher, chiefly because of women entering the labor force in search of holiday jobs and a small number of factory workers affected by conversion to defense production.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Civilian labor force					Unemployment as percent of total civilian labor force
	Total	Employment ¹			Unemployment	
		Total	Agricultural	Nonagricultural		
	Thousands of persons, 14 years of age and over					
1939 monthly average----	55, 230	45, 750	9, 610	36, 140	9, 480	17. 2
1944 monthly average----	54, 630	53, 960	8, 950	45, 010	670	1. 2
1947 monthly average----	60, 168	58, 027	8, 266	49, 761	2, 142	3. 6
1948 monthly average----	61, 442	59, 378	7, 973	51, 405	2, 064	3. 4
1949 monthly average----	62, 105	58, 710	8, 026	50, 684	3, 395	5. 5
1949: October-----	62, 576	59, 001	7, 710	51, 290	3, 576	5. 7
November-----	62, 927	59, 518	7, 878	51, 640	3, 409	5. 4
December-----	62, 045	58, 556	6, 773	51, 783	3, 489	5. 6
1950: January-----	61, 427	56, 947	6, 198	50, 749	4, 480	7. 3
February-----	61, 637	56, 953	6, 223	50, 730	4, 684	7. 6
March-----	61, 675	57, 551	6, 675	50, 877	4, 123	6. 7
April-----	62, 183	58, 668	7, 195	51, 473	3, 515	5. 7
May-----	62, 788	59, 731	8, 062	51, 669	3, 057	4. 9
June-----	64, 866	61, 482	9, 046	52, 436	3, 384	5. 2
July-----	64, 427	61, 214	8, 440	52, 774	3, 213	5. 0
August-----	64, 867	62, 367	8, 160	54, 207	2, 500	3. 9
September-----	63, 567	61, 226	7, 811	53, 415	2, 341	3. 7
October-----	63, 704	61, 764	8, 491	53, 273	1, 940	3. 0
November-----	63, 512	61, 271	7, 551	53, 721	2, 240	3. 5

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.

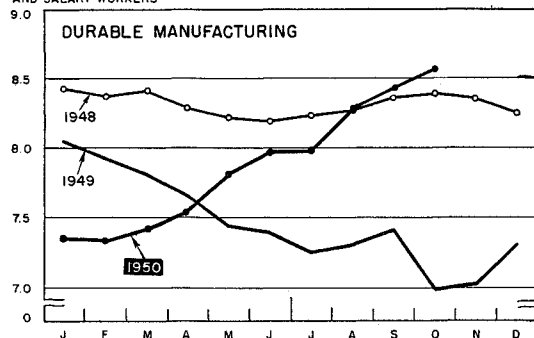
NOTE.—Detail will not necessarily add to totals because of rounding.

SOURCE: DEPARTMENT OF COMMERCE.

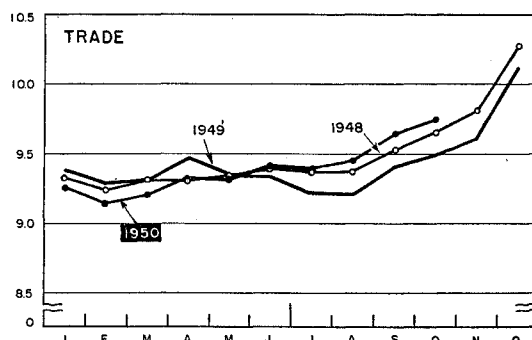
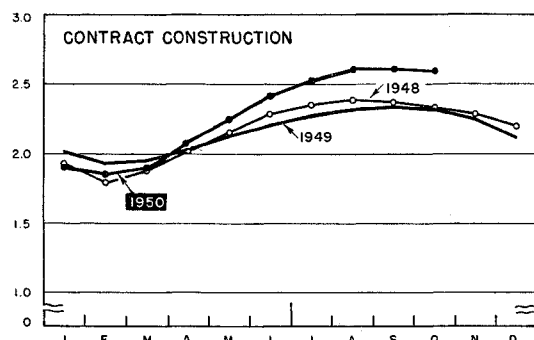
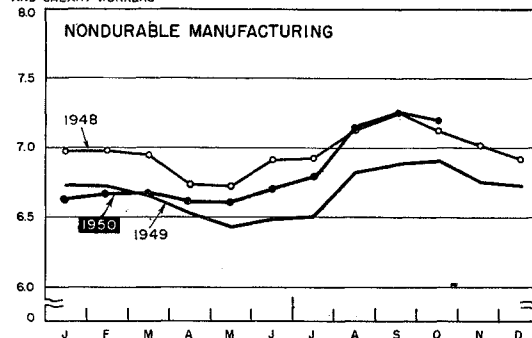
NONAGRICULTURAL EMPLOYMENT - SELECTED INDUSTRIES

Manufacturing employment rose by 70,000 between mid-September and mid-October to nearly 15.8 million, a new postwar record. The increase reflected acceleration in plant and equipment expenditures and record sales of consumers' goods. Employment increased seasonally in trade.

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	Manufacturing			Contract construction	Trade	Finance and service	Government (Federal, State, local)	Transportation and public utilities	Mining
	Total	Durable goods	Nondur- able goods						
1939 monthly average.....	10, 078	4, 683	5, 394	1, 150	6, 612	4, 703	3, 987	2, 912	845
1943 monthly average.....	17, 381	11, 077	6, 304	1, 567	7, 189	5, 320	6, 049	3, 619	917
1946 monthly average.....	14, 461	7, 739	6, 722	1, 661	8, 612	6, 207	5, 607	4, 023	852
1947 monthly average.....	15, 247	8, 373	6, 874	1, 982	9, 196	6, 427	5, 454	4, 122	943
1948 monthly average.....	15, 286	8, 315	6, 970	2, 165	9, 491	6, 515	5, 613	4, 151	981
1949 monthly average.....	14, 146	7, 465	6, 681	2, 156	9, 438	6, 545	5, 811	3, 977	932
1949: September.....	14, 312	7, 409	6, 903	2, 341	9, 409	6, 604	5, 893	3, 959	948
October.....	13, 892	6, 986	6, 906	2, 313	9, 505	6, 561	5, 866	3, 871	593
November.....	13, 807	7, 050	6, 757	2, 244	9, 607	6, 534	5, 783	3, 892	917
December.....	14, 031	7, 303	6, 728	2, 088	10, 156	6, 508	6, 041	3, 930	940
1950: January.....	13, 980	7, 342	6, 638	1, 919	9, 246	6, 473	5, 777	3, 869	861
February.....	13, 997	7, 324	6, 673	1, 861	9, 152	6, 473	5, 742	3, 841	595
March.....	14, 103	7, 418	6, 685	1, 907	9, 206	6, 499	5, 769	3, 873	938
April.....	14, 162	7, 548	6, 614	2, 076	9, 346	6, 560	5, 915	3, 928	939
May.....	14, 413	7, 809	6, 604	2, 245	9, 326	6, 602	5, 900	3, 885	940
June.....	14, 666	7, 964	6, 702	2, 414	9, 411	6, 653	5, 832	4, 023	946
July.....	14, 777	7, 978	6, 799	2, 532	9, 390	6, 672	5, 741	4, 062	922
August ²	15, 442	8, 287	7, 155	2, 621	9, 459	6, 666	5, 793	4, 118	954
September ²	15, 687	8, 435	7, 252	2, 610	9, 648	6, 644	6, 004	4, 136	951
October ²	15, 757	8, 563	7, 194	2, 595	9, 745	6, 577	6, 039	4, 112	944

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. 7) 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.

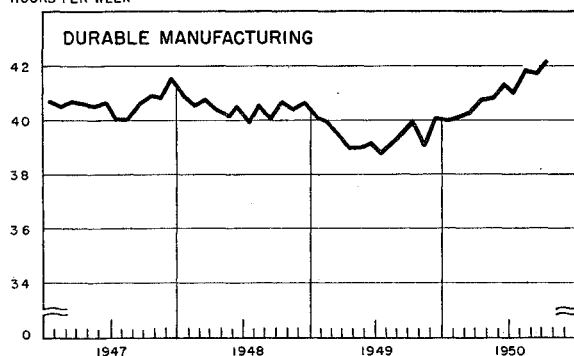
² Preliminary estimates

Source: Department of Labor.

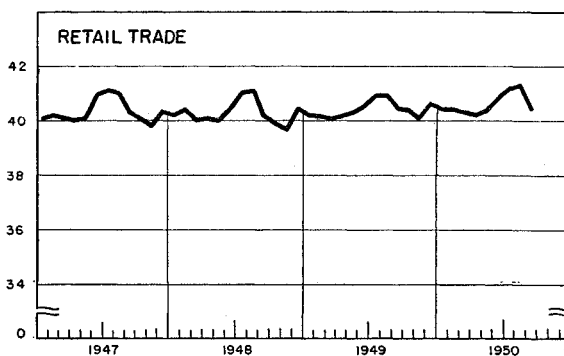
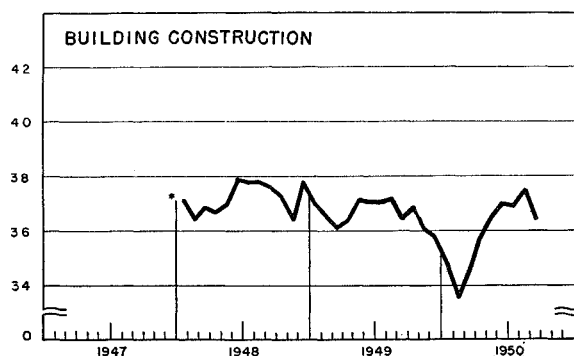
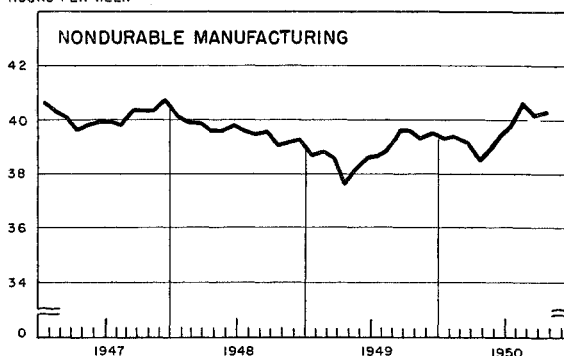
AVERAGE WEEKLY HOURS - SELECTED INDUSTRIES

The average workweek in manufacturing industries increased to 41.4 hours in October, the longest workweek since December 1945.

HOURS PER WEEK



HOURS PER WEEK



* NOT AVAILABLE PRIOR TO JANUARY 1948

SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Hours per week, selected industries ¹]

Period	Manufacturing			Building construction	Retail trade
	Total	Durable goods	Nondurable goods		
1939 monthly average.....	37.7	38.0	37.4	(2)	(2)
1943 monthly average.....	44.9	46.6	42.5	(2)	(2)
1946 monthly average.....	40.4	40.2	40.5	(2)	(2)
1947 monthly average.....	40.4	40.6	40.1	(2)	40.3
1948 monthly average.....	40.1	40.5	39.6	37.3	40.3
1949 monthly average.....	39.2	39.5	38.8	36.7	40.4
1949: September.....	39.6	39.6	39.6	36.5	40.5
October.....	39.7	39.9	39.6	36.9	40.4
November.....	39.1	39.0	39.3	36.1	40.1
December.....	39.8	40.1	39.5	35.8	40.7
1950: January.....	39.7	40.0	39.4	34.8	40.4
February.....	39.7	40.1	39.3	33.7	40.4
March.....	39.7	40.2	39.2	34.5	40.3
April.....	39.7	40.7	38.5	35.6	40.2
May.....	39.9	40.8	38.9	36.5	40.4
June.....	40.5	41.3	39.5	37.0	40.9
July.....	40.5	41.1	39.8	36.9	41.2
August ²	41.2	41.8	40.5	37.5	41.3
September ²	41.0	41.7	40.2	36.4	40.4
October ²	41.4	42.2	40.3	(2)	(2)

¹ For production and related workers.

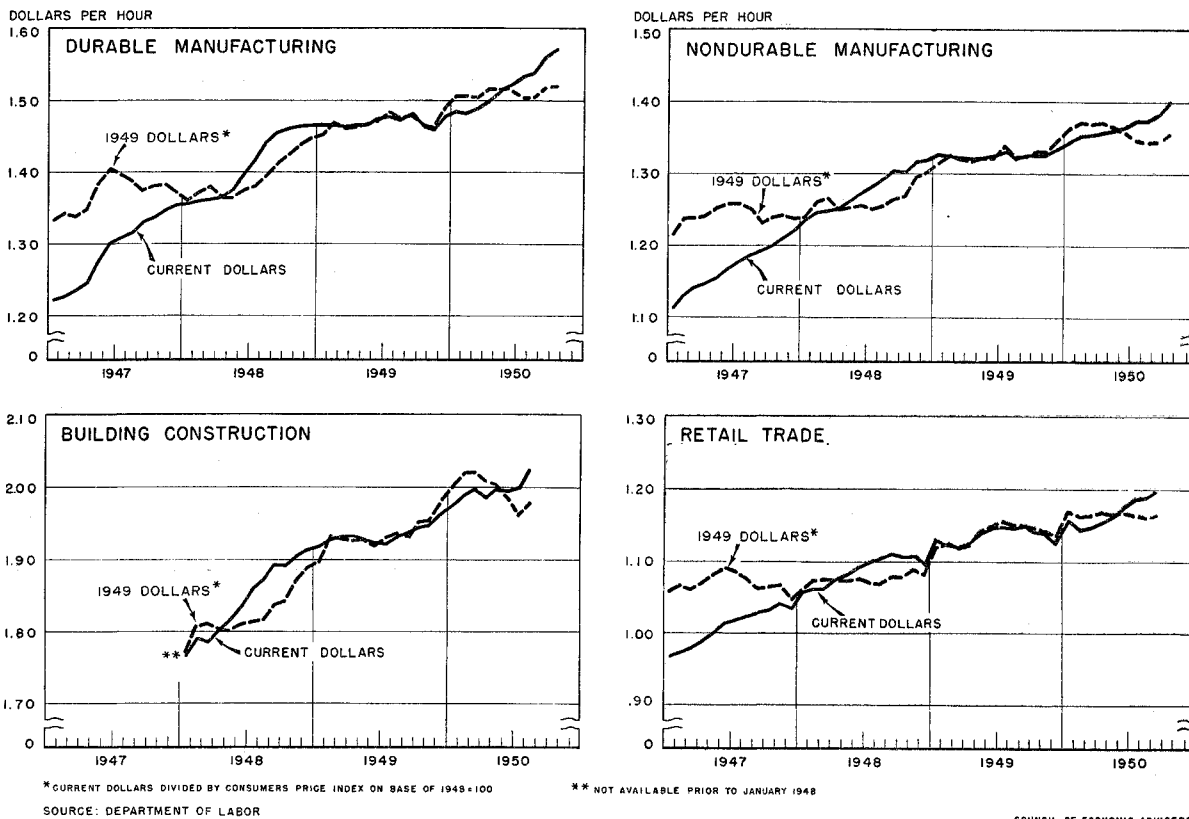
² Not available.

³ Preliminary estimates.

Source: Department of Labor.

AVERAGE HOURLY EARNINGS - SELECTED INDUSTRIES

Hourly earnings in industries manufacturing durable goods rose by slightly over 1 cent between September and October. But in nondurable goods industries, they rose by over 2 cents.



[Selected industries ¹]

Period	All manufacturing		Durable goods manufacturing		Nondurable goods manufacturing		Building construction		Retail trade	
	Current dollars	1949 dollars ²	Current dollars	1949 dollars ²	Current dollars	1949 dollars ²	Current dollars	1949 dollars ²	Current dollars	1949 dollars ²
1939 monthly average.....	\$0.633	\$1.077	\$0.698	\$1.187	\$0.582	\$0.990	(³)	(³)	(³)	(³)
1943 monthly average.....	.961	1.286	1.059	1.418	.803	1.098	(³)	(³)	(³)	(³)
1946 monthly average.....	1.086	1.287	1.156	1.370	1.015	1.232	(³)	(³)	(³)	(³)
1947 monthly average.....	1.237	1.312	1.292	1.370	1.171	1.242	(³)	(³)	\$1.009	\$1.070
1948 monthly average.....	1.350	1.334	1.410	1.393	1.278	1.263	\$1.848	\$1.826	1.088	1.075
1949 monthly average.....	1.401	1.401	1.469	1.469	1.325	1.325	1.935	1.935	1.137	1.137
1949: September.....	1.407	1.403	1.482	1.478	1.328	1.324	1.938	1.932	1.150	1.147
October.....	1.392	1.398	1.458	1.464	1.325	1.330	1.944	1.952	1.140	1.145
November.....	1.392	1.396	1.457	1.461	1.325	1.329	1.947	1.953	1.138	1.141
December.....	1.408	1.421	1.476	1.489	1.334	1.346	1.964	1.982	1.126	1.136
1950: January.....	1.418	1.437	1.485	1.505	1.343	1.361	1.976	2.002	1.153	1.168
February.....	1.420	1.442	1.483	1.506	1.350	1.371	1.988	2.018	1.145	1.162
March.....	1.424	1.441	1.486	1.504	1.353	1.369	1.995	2.019	1.148	1.162
April.....	1.434	1.450	1.499	1.516	1.355	1.370	1.986	2.008	1.156	1.169
May.....	1.442	1.446	1.509	1.514	1.358	1.362	1.998	2.004	1.162	1.165
June.....	1.453	1.444	1.522	1.513	1.365	1.357	1.995	1.983	1.175	1.168
July.....	1.462	1.433	1.533	1.503	1.375	1.348	2.006	1.967	1.189	1.166
August ⁴	1.463	1.430	1.537	1.502	1.375	1.344	2.031	1.985	1.190	1.163
September ⁴	1.480	1.440	1.561	1.518	1.381	1.343	2.076	2.018	1.198	1.165
October ⁴	1.497	1.448	1.572	1.520	1.402	1.356	(³)	(³)	(³)	(³)

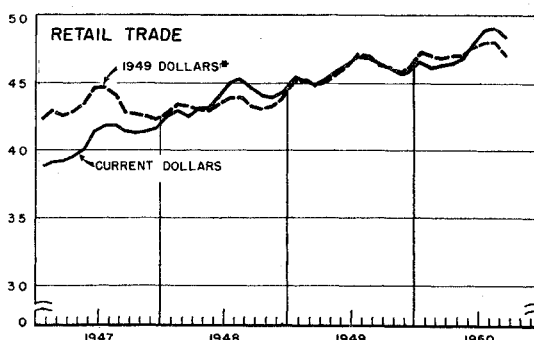
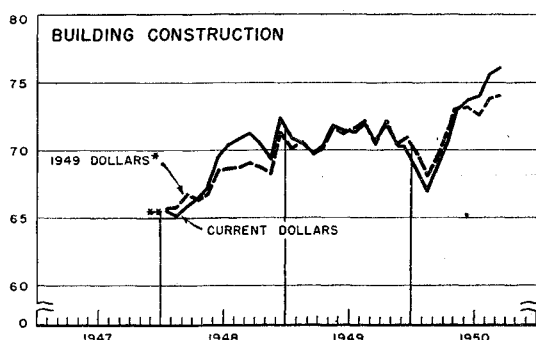
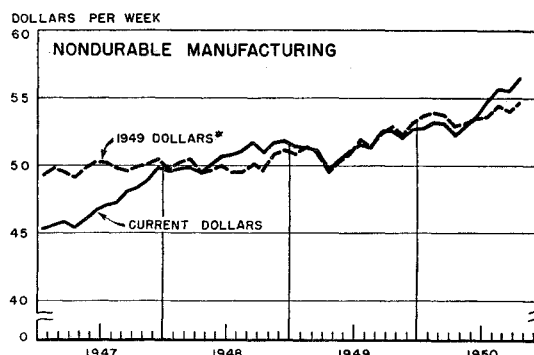
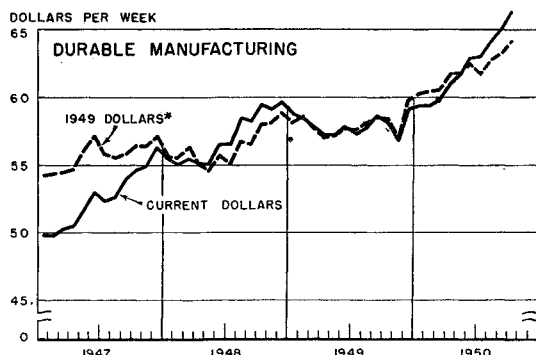
¹ Production and related workers.
² Not available.

³ Current dollars divided by consumers' price index on base 1949=100. See note 3 to table on page 27.
⁴ Preliminary estimates.

Source: Department of Labor.

AVERAGE WEEKLY EARNINGS - SELECTED INDUSTRIES

Average weekly earnings in manufacturing continued their steady rise in October. In durable goods industries, they increased by \$1.25, largely because of the longer workweek. In nondurable goods industries, they increased by about \$1.00, due chiefly to wage rate increases.



* CURRENT DOLLARS DIVIDED BY CONSUMERS PRICE INDEX ON BASE OF 1949=100

** NOT AVAILABLE PRIOR TO JANUARY 1948

SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISORS

[Selected industries ¹]

Period	All manufacturing		Durable goods manufacturing		Nondurable goods manufacturing		Building construction		Retail trade	
	Current dollars	1949 dollars ²	Current dollars	1949 dollars ²	Current dollars	1949 dollars ²	Current dollars	1949 dollars ²	Current dollars	1949 dollars ²
1939 monthly average.....	\$23.86	\$40.58	\$26.50	\$45.07	\$21.78	\$37.04	(³)	(³)	(³)	(³)
1943 monthly average.....	43.14	57.75	49.30	66.00	34.12	46.68	(³)	(³)	(³)	(³)
1946 monthly average.....	43.82	51.92	46.49	55.08	41.14	49.93	(³)	(³)	(³)	(³)
1947 monthly average.....	49.97	52.99	52.46	55.63	46.96	49.80	(³)	(³)	\$40.66	\$43.12
1948 monthly average.....	54.14	53.50	57.11	56.43	50.61	50.01	\$68.85	\$68.03	43.85	43.33
1949 monthly average.....	54.92	54.92	58.03	58.03	51.41	51.41	70.95	70.95	45.93	45.93
1949: September.....	55.72	55.55	58.69	58.51	52.59	52.43	70.69	70.48	46.58	46.44
October.....	55.26	55.48	58.17	58.40	52.47	52.68	71.80	72.09	46.06	46.24
November.....	54.43	54.59	56.82	56.99	52.07	52.23	70.21	70.42	45.63	45.77
December.....	56.04	56.55	59.19	59.73	52.69	53.17	70.26	70.90	45.83	46.25
1950: January.....	56.29	57.03	59.40	60.18	52.91	53.61	68.76	69.67	46.58	47.19
February.....	56.37	57.23	59.47	60.38	53.06	53.87	67.00	68.02	46.26	46.96
March.....	56.53	57.22	59.74	60.47	53.04	53.68	68.83	69.67	46.26	46.82
April.....	56.93	57.56	61.01	61.69	52.17	52.75	70.70	71.49	46.47	46.99
May.....	57.54	57.71	61.57	61.76	52.83	52.99	72.93	73.15	46.94	47.08
June.....	58.85	58.50	62.86	62.48	53.92	53.60	73.82	73.38	48.06	47.77
July.....	59.21	58.05	63.01	61.77	54.73	53.66	74.02	72.57	48.99	48.03
August ⁴	60.28	58.92	64.25	62.81	55.69	54.44	75.57	73.87	49.15	48.04
September ⁴	60.68	59.03	65.09	63.32	55.52	54.01	76.16	74.09	48.40	47.08
October ⁴	61.98	59.94	66.34	64.16	56.50	54.64	(³)	(³)	(³)	(³)

¹ For production and related workers.

² Not available.

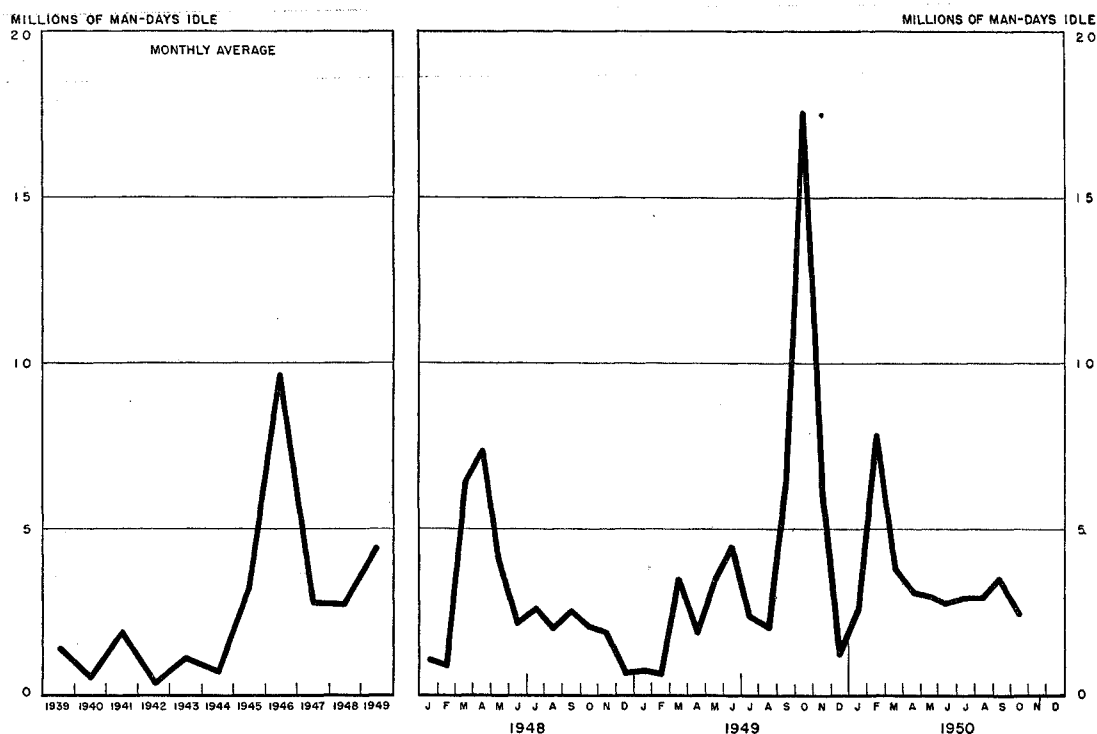
³ Current dollars divided by consumers' price index on the base 1949=100. See note 3 to table on page 27.

⁴ Preliminary estimates.

Source: Department of Labor.

WORK STOPPAGES

Man-days of idleness resulting from work stoppages decreased in October. No large stoppages began during the month.



SOURCE: DEPARTMENT OF LABOR.

COUNCIL OF ECONOMIC ADVISERS

Period	Man-days of idleness during period		Workers involved in stoppages		Number of stoppages	
	Monthly average (thousands)	Percent of estimated working time	Beginning in period (thousands)	In effect during month (thousands)	Beginning in period	In effect during month
1939.....	1,483	0.28	1,170		2,613	
1941.....	1,917	.32	2,360		4,288	
1942.....	348	.05	840		2,968	
1944.....	727	.09	2,120		4,956	
1945.....	3,167	.47	3,470		4,750	
1946.....	9,667	1.43	4,600		4,985	
1947.....	2,883	.41	2,170		3,693	
1948.....	2,842	.37	1,960		3,419	
1949.....	4,208	.59	3,030		3,606	
1949: September.....	6,270	.87	507	603	287	536
October.....	17,500	2.49	570	977	256	475
November.....	6,270	.93	57	914	197	388
December.....	1,350	.19	46	417	170	323
1950: January ¹	2,600	.38	185	300	225	340
February ¹	7,850	1.27	75	515	210	325
March ¹	3,750	.49	80	530	260	400
April ¹	3,150	.47	160	300	400	550
May ¹	3,000	.40	325	500	450	650
June ¹	2,750	.36	260	400	425	650
July ¹	2,900	.41	225	400	425	650
August ¹	2,900	.35	350	465	560	800
September ¹	3,500	.48	275	460	525	800
October ¹	2,450	.30	180	300	525	800

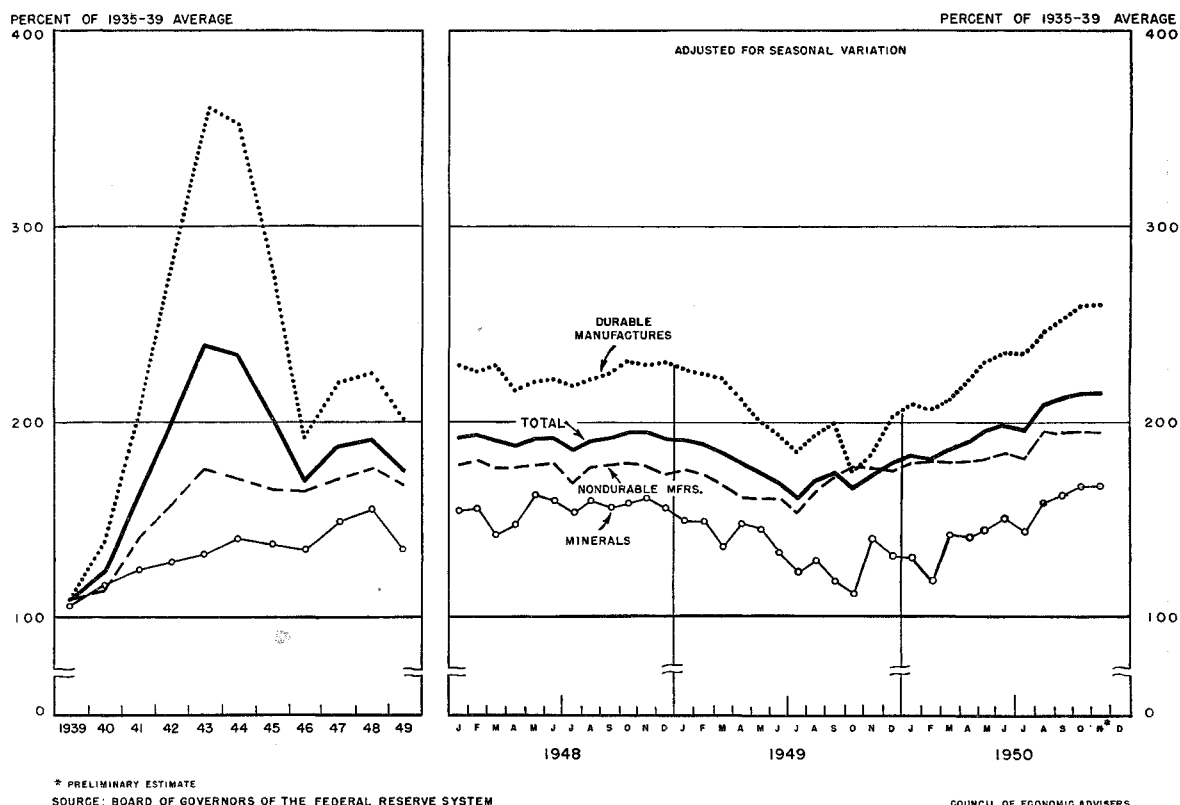
¹ Preliminary estimates.

Source: Department of Labor.

PRODUCTION AND BUSINESS ACTIVITY

INDUSTRIAL PRODUCTION

Preliminary estimates indicate that industrial production in November dropped just below the high October level because of the storms. The expansion in October was primarily the result of increased output of machinery and producers' durable goods and the record production of nondurable goods.



[1935-39 = 100, seasonally adjusted]

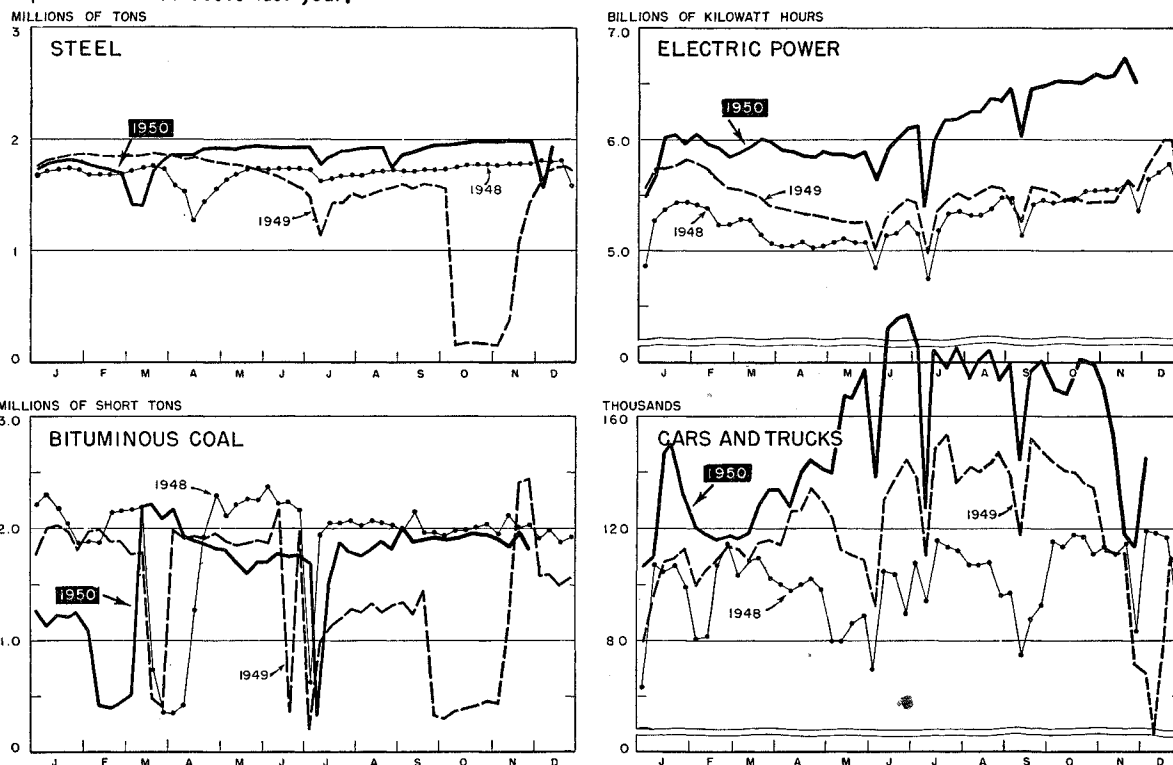
Period	Total industrial production	Manufactures			Minerals
		Total	Durable goods	Nondurable goods	
1943 monthly average.....	239	258	360	176	132
1946 monthly average.....	170	177	192	165	134
1947 monthly average.....	187	194	220	172	149
1948 monthly average.....	192	198	225	177	155
1949 monthly average.....	176	183	202	168	135
1949: September.....	174	184	199	172	119
October.....	166	176	175	177	112
November.....	173	179	181	177	141
December.....	179	188	203	176	132
1950: January.....	183	192	209	179	130
February.....	180	192	207	180	118
March.....	187	194	211	181	144
April.....	190	199	222	180	140
May.....	195	204	231	181	145
June.....	199	208	236	183	151
July.....	196	206	235	181	144
August.....	209	218	247	195	159
September.....	212	220	252	194	163
October ¹	215	224	260	195	167
November ¹	214	222	256	195	164

¹ Preliminary estimates.

Source: Board of Governors of the Federal Reserve System.

WEEKLY PRODUCTION - SELECTED INDICATORS

Steel mill operations averaged 102.7 percent of rated capacity during November, breaking all previous tonnage records. Electric power production established new peaks; coal output continued at a high rate. Although assembly of cars and trucks declined because of changing models and taking inventories, production was above last year.



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

COUNCIL OF ECONOMIC ADVISERS

Period	Steel		Electric power, by utilities (millions of kilowatt-hours)	Bituminous coal (thousands of short tons) ²	Cars and trucks (number)
	Thousands of net tons	Percent of theoretical capacity ¹			
Weekly average:					
1947-----	1, 628	93. 0	4, 821	2, 058	92, 163
1948-----	1, 695	94. 1	5, 300	1, 948	82, 340
1949-----	1, 496	81. 0	5, 500	1, 427	120, 350
Week ended:					
1949: November 5-----	162	8. 8	5, 435	457	112, 838
12-----	387	21. 0	5, 435	1, 213	111, 727
19-----	1, 058	57. 4	5, 644	2, 431	111, 779
26-----	1, 442	78. 2	5, 537	2, 458	71, 860
December 3-----	1, 617	87. 7	5, 743	1, 591	68, 385
10-----	1, 690	91. 7	5, 881	1, 601	46, 667
1950: November 4-----	1, 975	102. 4	6, 551	1, 902	169, 553
11-----	1, 987	103. 0	6, 574	1, 831	153, 695
18-----	1, 981	102. 7	6, 728	1, 974	118, 404
25-----	1, 981	102. 7	6, 508	1, 810	116, 059
December 2-----	1, 576	81. 7	6, 716	1, 567	145, 864
9-----	1, 938	100. 5	-----	-----	-----

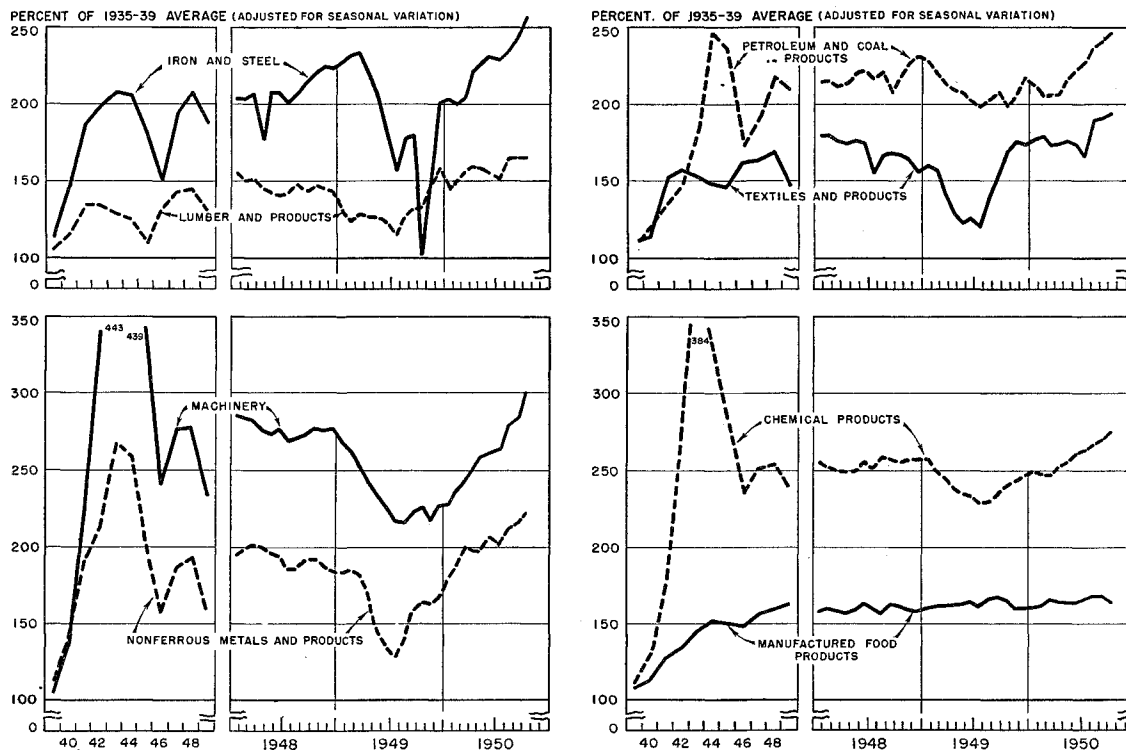
¹ Based on weekly net ton capacity of 1,749,928 for 1947, 1,802,476 for 1948, 1,843,516 for 1949, 1,906,268 for the first half of 1950, and 1,928,721 beginning July 1, 1950.

² Daily average for week.

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

PRODUCTION OF SELECTED MANUFACTURES

Production of iron and steel and machinery climbed substantially above September levels in October; output of other durable goods continued strong. There was increased activity among nondurable industries manufacturing textiles, chemicals, and petroleum products.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[1935-39=100, seasonally adjusted]

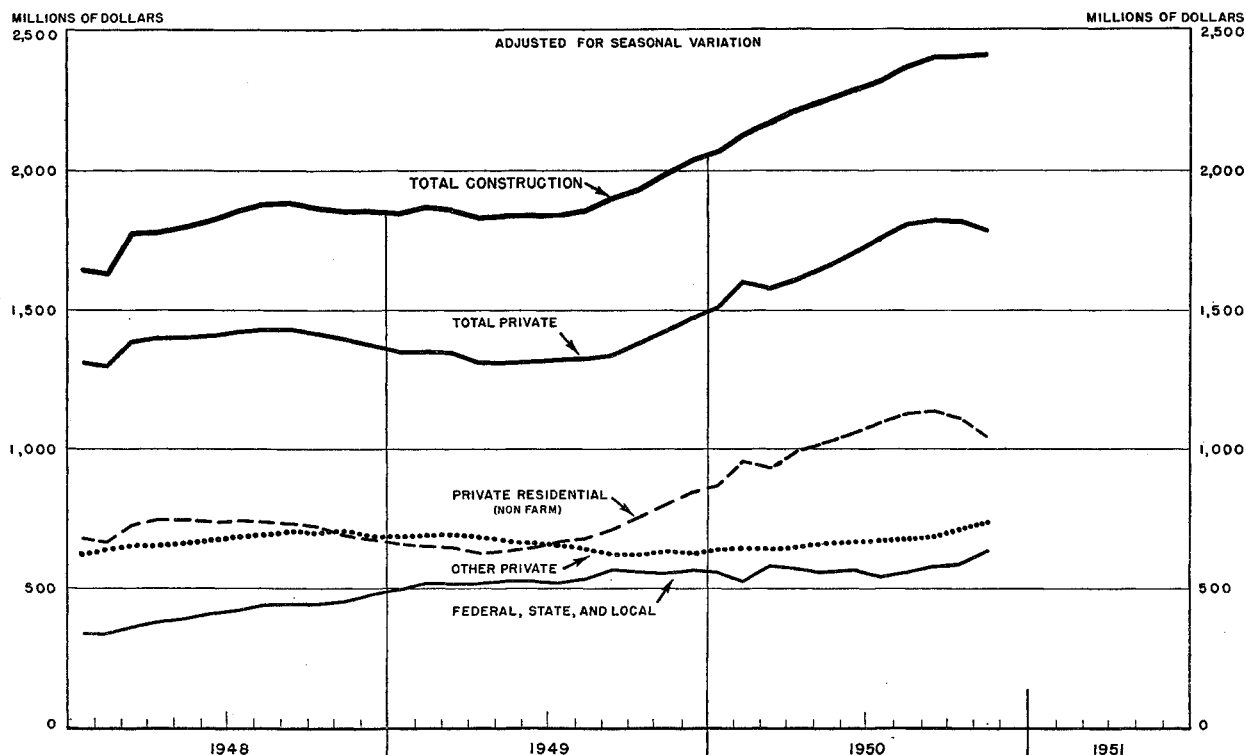
Period	Durable manufactures				Nondurable manufactures			
	Iron and steel	Lumber and products	Machinery	Nonferrous metals and products	Textiles and products	Petroleum and coal products	Manufactured food products	Chemical products
1943 monthly average.....	208	129	443	267	153	185	145	384
1946 monthly average.....	150	131	240	157	162	173	149	236
1947 monthly average.....	195	143	276	187	163	193	157	251
1948 monthly average.....	208	145	277	193	170	218	159	254
1949 monthly average.....	188	130	234	160	147	209	163	241
1949: September.....	179	132	224	157	155	208	167	236
October.....	102	133	226	164	169	198	165	240
November.....	145	147	217	163	175	205	160	243
December.....	201	159	227	166	173	219	160	245
1950: January.....	203	144	229	180	178	211	161	248
February.....	201	150	236	190	179	205	161	247
March.....	205	156	243	200	173	207	165	247
April.....	222	159	251	198	174	206	164	252
May.....	226	158	258	197	175	216	164	256
June.....	231	155	262	207	173	222	164	261
July.....	228	151	265	202	165	229	167	263
August.....	236	165	279	212	189	238	168	267
September.....	245	165	286	216	191	242	168	270
October ¹	254	165	300	222	194	247	164	275

¹ Preliminary estimates.

Source: Board of Governors of the Federal Reserve System.

NEW CONSTRUCTION

Expenditures of \$2.4 billion (seasonally adjusted) for new construction in November were practically unchanged from the October level but were 22 percent above a year ago. Private residential nonfarm activity continued to decline moderately from its September peak. Other private and public construction were above their October levels.



SOURCES: DEPARTMENT OF COMMERCE AND DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars, seasonally adjusted]

Period	Total new construction	Private construction			Federal, State, and local ¹
		Total private	Residential (nonfarm)	Other	
1939 monthly average.....	683	366	223	142	317
1942 monthly average.....	1,173	285	143	142	888
1944 monthly average.....	438	182	68	114	256
1946 monthly average.....	1,000	803	335	469	197
1947 monthly average.....	1,386	1,094	526	568	291
1948 monthly average.....	1,798	1,389	715	674	409
1949 monthly average.....	1,883	1,350	691	659	532
1949: October.....	1,934	1,375	752	623	559
November.....	1,985	1,428	792	636	557
December.....	2,039	1,471	842	629	568
1950: January.....	2,068	1,506	863	643	562
February.....	2,127	1,600	956	644	527
March.....	2,167	1,579	938	641	588
April.....	2,216	1,637	991	646	579
May.....	2,240	1,674	1,015	659	566
June.....	2,284	1,719	1,055	664	565
July.....	2,319	1,772	1,099	673	547
August.....	2,369	1,808	1,128	680	561
September.....	2,408	1,824	1,136	688	584
October ²	2,419	1,822	1,110	712	597
November ²	2,423	1,786	1,047	739	637

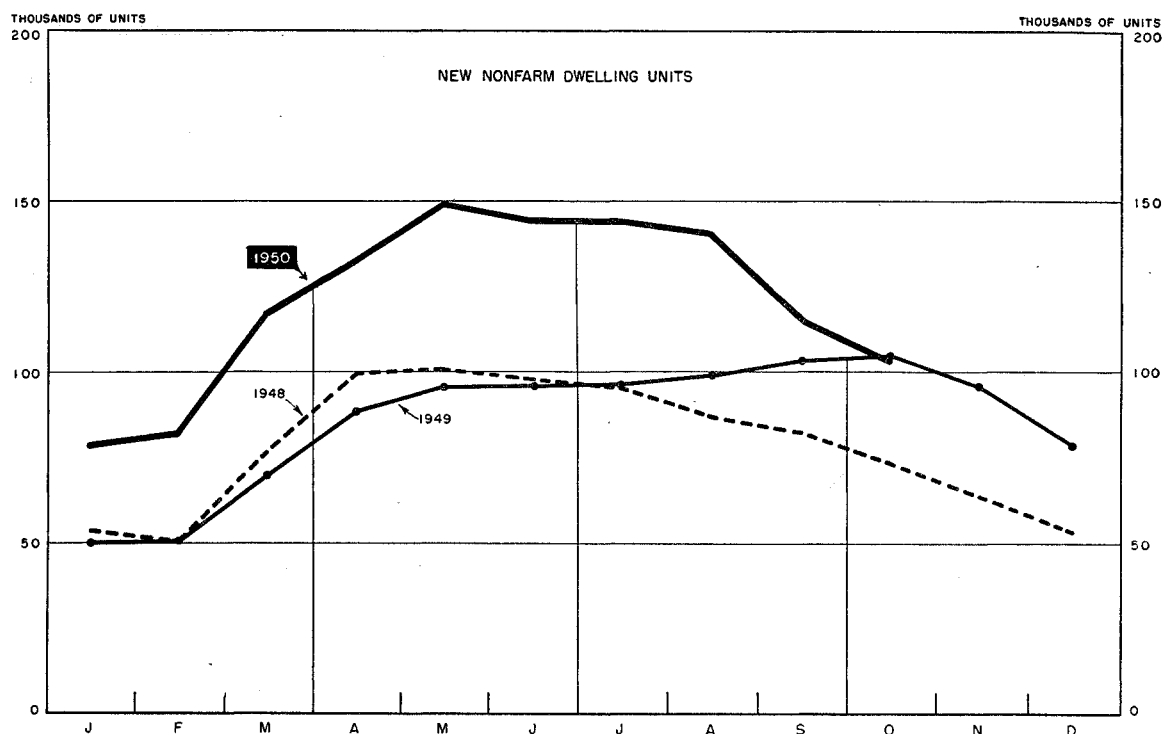
¹ Includes public residential construction.

² Preliminary estimates.

Sources: Department of Commerce and Department of Labor

NEW HOUSING STARTS

New housing starts in October dropped 10 percent below the September level and, for the first time this year, were below the corresponding month of 1949. Credit restrictions probably contributed to the decline.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

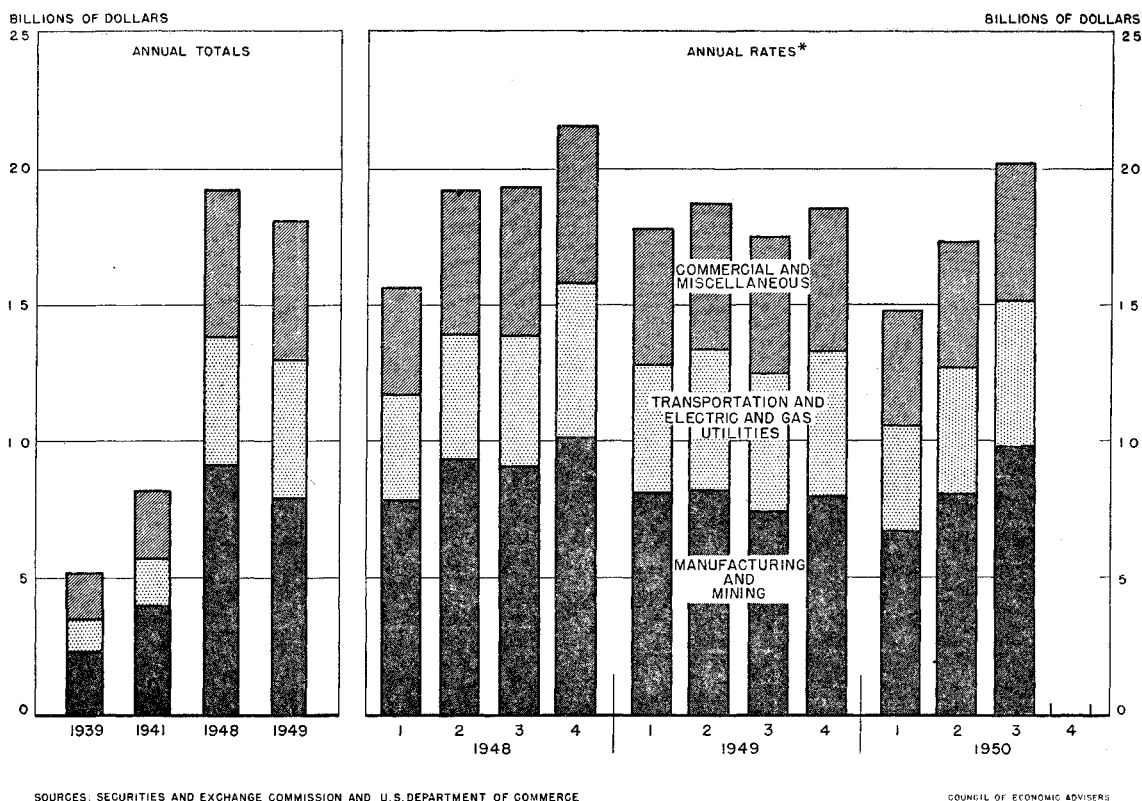
Month	New nonfarm units started			
	1947	1948	1949	1950
January.....	39,300	53,500	50,000	78,700
February.....	42,800	50,100	50,400	82,900
March.....	56,000	76,400	69,400	117,300
April.....	67,100	99,500	88,300	133,400
May.....	72,900	100,300	95,400	149,100
June.....	77,200	97,800	95,500	144,300
July.....	81,100	95,000	96,100	144,400
August.....	86,300	86,700	99,000	¹ 141,000
September.....	93,800	82,300	102,900	¹ 115,000
October.....	94,000	73,400	104,300	¹ 103,000
November.....	79,700	63,700	95,500	-----
December.....	58,800	52,900	78,300	-----
Total.....	849,000	931,600	1,025,100	-----
Monthly average.....	70,750	77,600	85,425	-----

¹ Preliminary estimates.

Source: Department of Labor.

EXPENDITURES FOR NEW PLANT AND EQUIPMENT

Nonfarm plant and equipment expenditures have risen in each quarter of 1950. Businessmen reported in November that in the first quarter of next year outlays would exceed those of any previous first quarter and show an increase of 30 percent over the first quarter of 1950.



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

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
1948.....	19,230	8,340	800	1,320	700	2,680	5,390
1949.....	18,120	7,250	740	1,350	520	3,140	5,120
1950 ³	18,130	7,950	690	1,140	430	3,220	4,700
1949: First quarter.....	17,840	7,400	760	1,440	520	2,720	5,040
Second quarter.....	18,640	7,520	760	1,520	560	3,120	5,160
Third quarter.....	17,480	6,760	720	1,240	560	3,160	5,040
Fourth quarter.....	18,520	7,320	720	1,200	480	3,560	5,280
1950: First quarter.....	14,800	6,080	600	920	320	2,600	4,240
Second quarter.....	17,320	7,440	640	1,200	360	3,040	4,640
Third quarter ³	18,760	8,200	720	1,120	480	3,280	4,920
Fourth quarter ³	21,640	10,080	800	1,280	560	3,960	4,960
1951: First quarter ³	19,240	8,760	680	1,280	600	2,960	4,920

¹ Excludes agriculture.

² Commercial and miscellaneous composed of trade, service, finance, and communication.

³ Revisions for actual third and anticipated fourth quarter of 1950 and first quarter of 1951 expenditures became available after the chart was prepared.

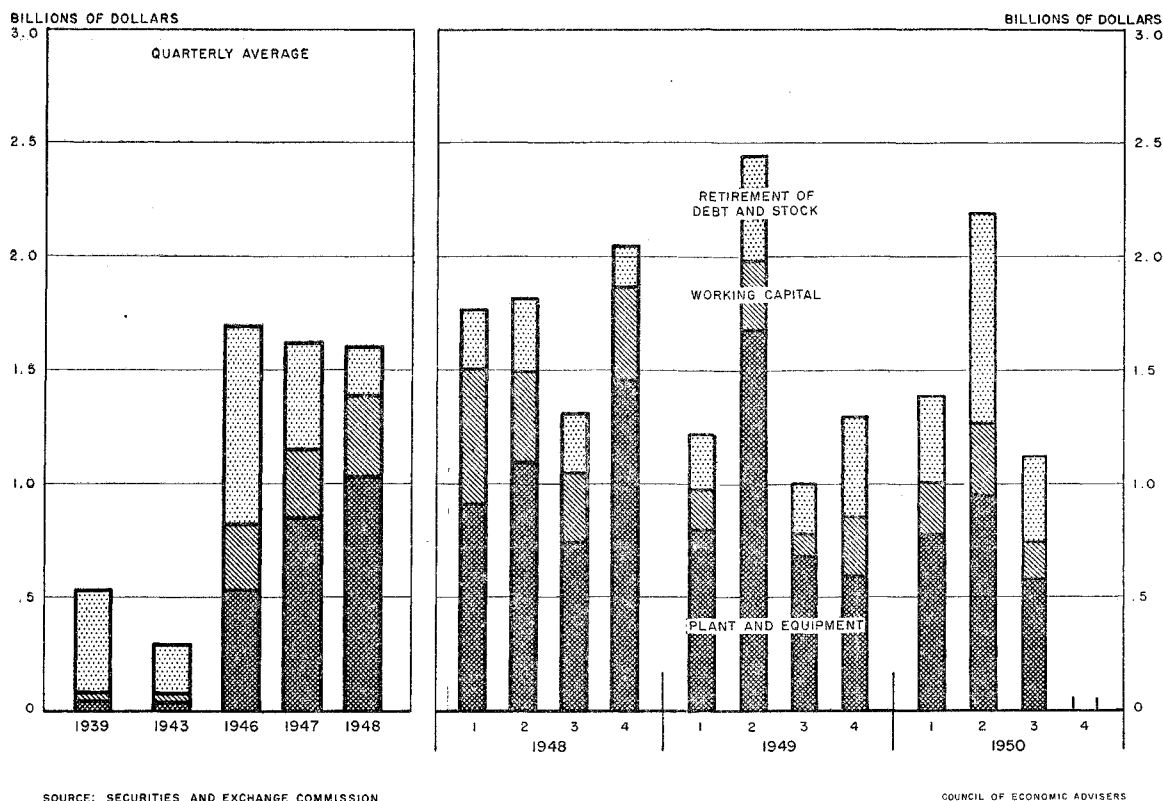
NOTE.—These figures do not agree with the totals included in the gross national product estimates of the Department of Commerce, principally because the latter cover agricultural investment and also certain equipment and construction outlays charged to current expense. Figures for 1939-44 are Federal 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

Net proceeds from new security issues showed a large seasonal decline in 3rd quarter of the year. About $\frac{2}{3}$ of the total was for financing expansion in fixed and working capital; the remainder for retirement of debt and stock.



[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
1946 quarterly average.....	1,689	820	529	291	869
1947 quarterly average.....	1,617	1,148	852	296	469
1948 quarterly average.....	1,740	1,482	1,055	428	258
1949 quarterly average.....	1,490	1,151	931	221	338
1948: Third quarter.....	1,321	1,056	743	314	264
Fourth quarter.....	2,051	1,870	1,469	401	182
1949: First quarter.....	1,210	970	784	186	240
Second quarter.....	2,441	1,986	1,675	312	456
Third quarter.....	1,009	788	669	120	219
Fourth quarter.....	1,299	861	596	265	438
1950: First quarter.....	1,398	1,014	777	237	384
Second quarter.....	2,193	1,275	958	317	918
Third quarter ²	1,120	742	577	165	379

¹ Includes small amount for other purposes.

² Preliminary estimates.

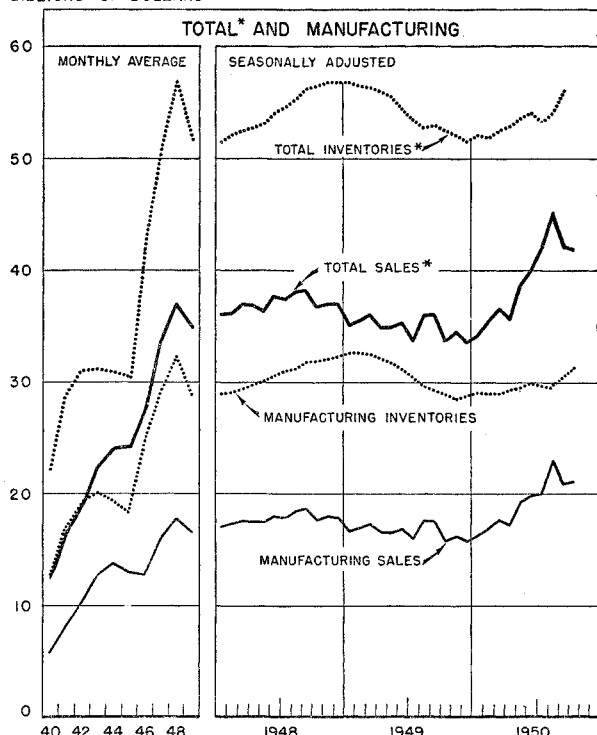
NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Securities and Exchange Commission.

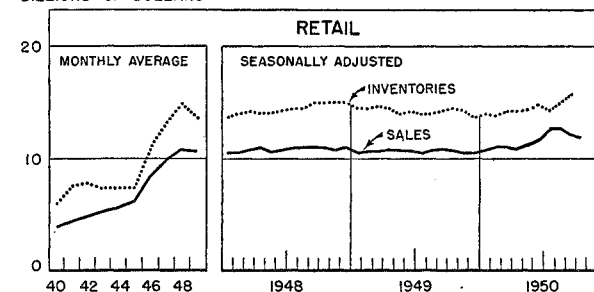
INVENTORIES AND SALES

Retail sales subsided further in October but remained above the highest pre-Korea level. Manufacturer's new orders, inventories, and sales all rose substantially.

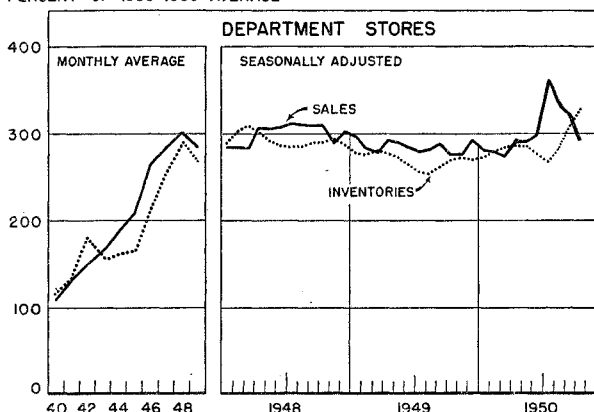
BILLIONS OF DOLLARS



BILLIONS OF DOLLARS



PERCENT OF 1935-1939 AVERAGE



* WHOLESALE, MANUFACTURING, AND RETAIL

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

COUNCIL OF ECONOMIC ADVISERS

Period	Total business ¹		Manufacturing			Retail		Department stores	
	Inven- tories ²	Sales ³	Inven- tories ²	Sales ³	New orders ⁴	Inven- tories ²	Sales ³	Inven- tories ⁵	Sales ⁶
	Millions of dollars, seasonally adjusted ⁴							1935-39=100, season- ally adjusted	
1939-----	20, 172	11, 109	11, 465	5, 100	(⁹)	5, 532	3, 504	102	106
1943-----	31, 143	22, 372	20, 098	12, 822	(⁹)	7, 361	5, 277	155	168
1945-----	30, 571	24, 181	18, 390	12, 883	(⁹)	7, 543	6, 315	166	207
1946-----	42, 389	27, 559	24, 498	12, 617	13, 694	11, 226	8, 358	213	264
1947-----	50, 794	33, 571	28, 920	15, 918	15, 622	13, 221	9, 909	255	286
1948-----	56, 756	37, 023	32, 276	17, 811	17, 504	14, 969	10, 837	291	302
1949-----	51, 594	34, 886	28, 865	16, 666	16, 102	13, 698	10, 682	270	285
1949: September-----	52, 861	35, 995	29, 320	17, 621	18, 172	14, 355	10, 856	263	289
October-----	52, 535	33, 596	28, 923	15, 798	17, 151	14, 475	10, 678	270	276
November-----	52, 105	34, 404	28, 656	16, 221	16, 868	14, 336	10, 630	273	277
December-----	51, 594	33, 505	28, 865	15, 756	16, 009	13, 698	10, 503	271	293
1950: January-----	52, 003	34, 244	29, 014	16, 216	17, 032	13, 998	10, 855	272	282
February-----	51, 796	35, 305	28, 961	16, 877	16, 861	13, 800	11, 101	279	280
March-----	52, 448	36, 599	29, 037	17, 797	18, 810	14, 282	11, 125	285	274
April-----	52, 837	35, 645	29, 315	17, 206	17, 182	14, 138	11, 080	286	292
May-----	53, 456	38, 652	29, 562	19, 309	19, 097	14, 416	11, 327	285	290
June-----	54, 117	39, 896	29, 904	19, 838	20, 666	14, 720	11, 699	276	298
July-----	53, 119	41, 805	29, 706	20, 092	22, 046	14, 125	12, 700	268	362
August ⁷ -----	54, 374	45, 085	29, 736	22, 613	27, 134	15, 076	12, 682	284	335
September ⁷ -----	56, 263	41, 950	30, 594	20, 965	23, 581	15, 793	12, 130	309	320
October ⁷ -----	58, 130	41, 798	31, 400	21, 200	24, 600	16, 548	11, 760	328	292

¹ Total business includes manufacturing, retail, and wholesale (not shown separately in this table).

² Book value, end of period.

³ Monthly average for year and total for month.

⁴ Data for new orders not adjusted for seasonal variation.

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

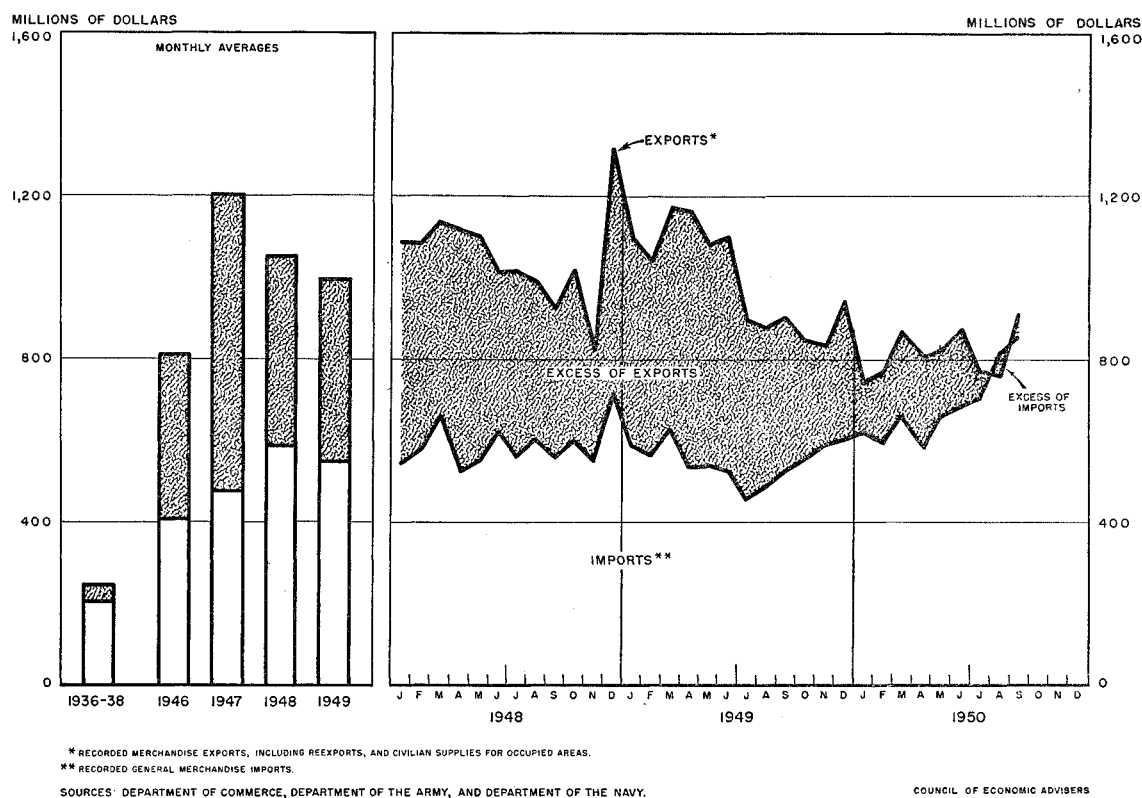
⁶ Not available.

⁷ Preliminary estimates.

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

MERCHANDISE EXPORTS AND IMPORTS

In October, merchandise imports rose to a new high of \$921 million, 67 percent above the 1949 monthly average. As in August, they slightly exceeded exports, which remained virtually unchanged in October after having increased greatly in September.



[Millions of dollars]

Period	Exports ¹	Imports ¹	Excess of exports
1936-38 monthly average.....	247	207	40
1943 monthly average.....	1,080	282	798
1946 monthly average.....	849	410	439
1947 monthly average.....	1,278	480	799
1948 monthly average.....	1,054	594	461
1949 monthly average.....	1,003	555	448
1949: September.....	910	530	379
1949: October.....	853	557	296
1949: November.....	841	593	248
1949: December.....	944	605	339
1950: January.....	743	623	120
1950: February.....	770	600	170
1950: March.....	864	664	200
1950: April.....	806	583	223
1950: May.....	828	659	169
1950: June.....	876	685	191
1950: July.....	774	707	67
1950: August.....	763	820	-57
1950: September.....	911	857	53
1950: October ³	904	921	-17

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

² Recorded general merchandise imports.

³ Data became available after chart was prepared.

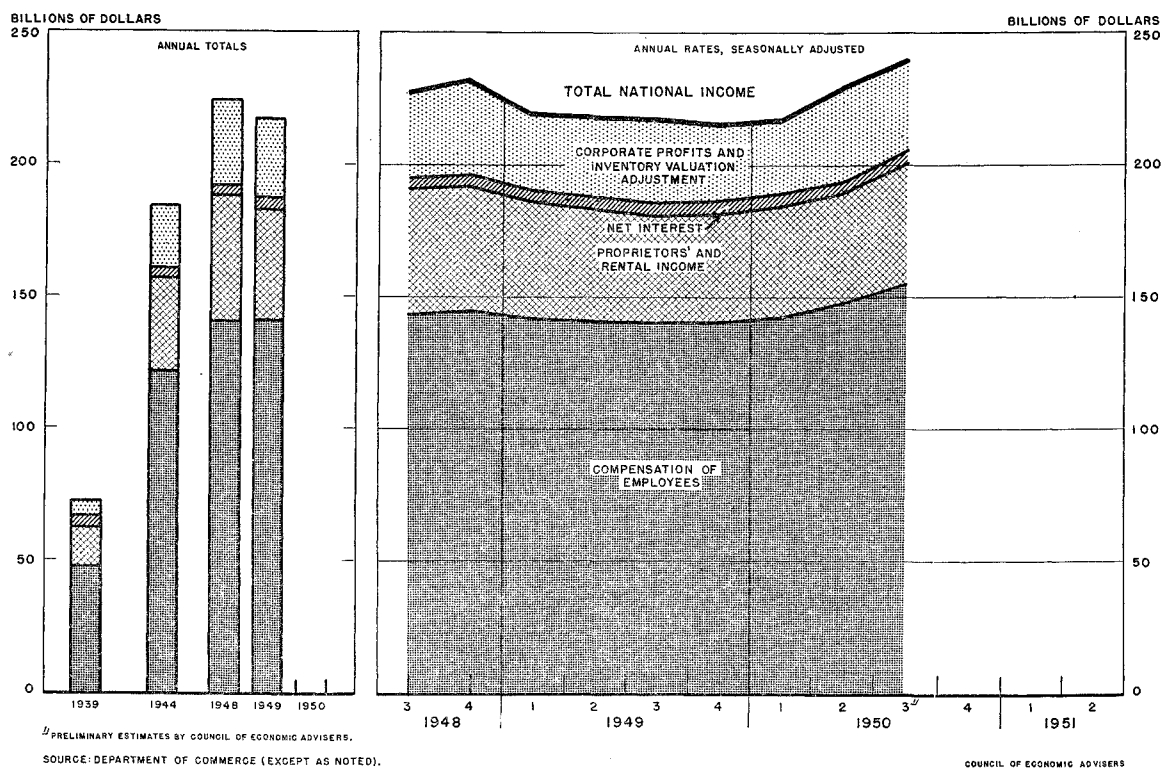
Note: Detail will not necessarily add to totals because of rounding.

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

PURCHASING POWER

NATIONAL INCOME

The increase of over \$10½ billion (annual rate) in national income between 2nd and 3rd quarters was the largest quarterly gain, dollar-wise, on record. Percentage-wise, the increase was more than 4½ percent, or about the same as between the first two quarters of 1948.



[Billions of dollars]

Period	Total national income	Compensation of employees	Proprietors' (business, professional, farm) 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.....	180.3	117.1	42.0	2.9	18.3	23.5	-5.2
1947.....	198.7	128.0	42.4	3.5	24.7	30.5	-5.8
1948.....	223.5	140.2	47.3	4.1	31.8	33.9	-2.0
1949.....	216.8	140.6	41.7	4.7	29.9	27.6	+2.2
Annual rates, seasonally adjusted							
1949: First quarter.....	218.8	141.5	43.8	4.6	28.8	28.3	+0.5
Second quarter.....	217.8	140.5	42.2	4.7	30.4	26.4	+3.9
Third quarter.....	216.7	140.0	40.1	4.8	31.8	28.2	+3.7
Fourth quarter.....	214.2	140.2	40.7	4.8	28.4	27.6	+0.8
1950: First quarter.....	216.9	142.3	41.5	5.0	28.2	29.2	-1.0
Second quarter.....	229.1	147.9	41.2	5.0	35.0	37.4	-2.3
Third quarter.....	¹ 239.7	155.2	45.4	5.0	¹ 134.1	¹ 42.0	-7.9

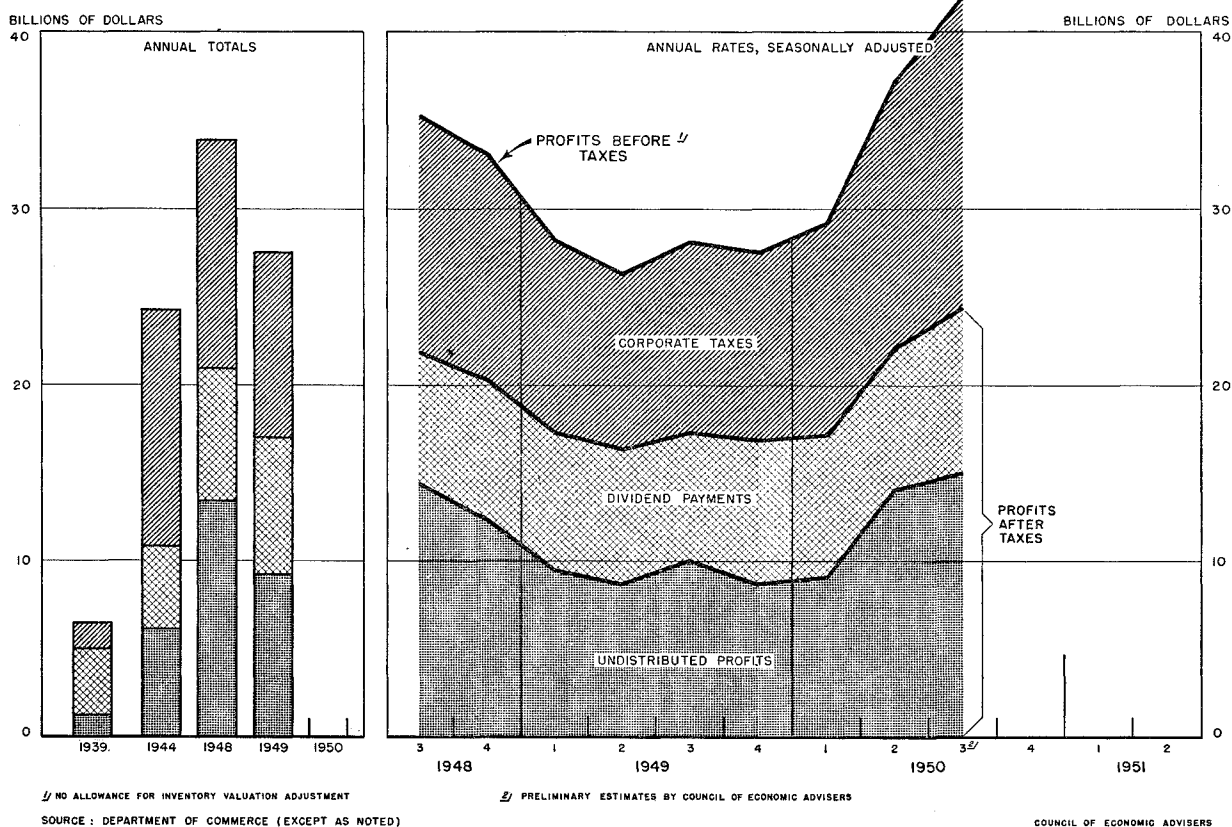
¹ Estimates by Council of Economic Advisers; based on incomplete data.

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

SOURCE: Department of Commerce (except as noted).

CORPORATE PROFITS

Estimated corporate profits for both 2nd and 3rd quarters of 1950 have been revised upward by about \$2 billion (seasonally adjusted annual rates). Despite the high corporate tax liability, at an annual rate of \$17.6 billion in 3rd quarter, 67 percent higher than in 1949, profits after taxes were also running at an all-time high. Both dividends and undistributed profits benefited in the increase.



[Billions of dollars]

Period	Corporate profits before taxes	Corporate tax liability	Corporate profits after taxes		
			Total	Dividend payments	Undistributed profits
1939	6.5	1.5	5.0	3.8	1.2
1944	24.3	13.5	10.8	4.7	6.1
1946	23.5	9.6	13.9	5.8	8.1
1947	30.5	11.9	18.5	6.6	12.0
1948	33.9	13.0	20.9	7.5	13.4
1949	27.6	10.6	17.0	7.8	9.2
Annual rates, seasonally adjusted					
1949: First quarter	28.3	10.9	17.4	7.9	9.5
Second quarter	26.4	10.0	16.4	7.7	8.7
Third quarter	28.2	10.8	17.3	7.4	10.0
Fourth quarter	27.6	10.6	16.9	8.2	8.7
1950: First quarter	29.2	12.0	17.2	8.1	9.1
Second quarter	37.4	15.1	22.2	8.2	14.0
Third quarter ¹	42.0	17.6	24.4	9.4	15.0

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

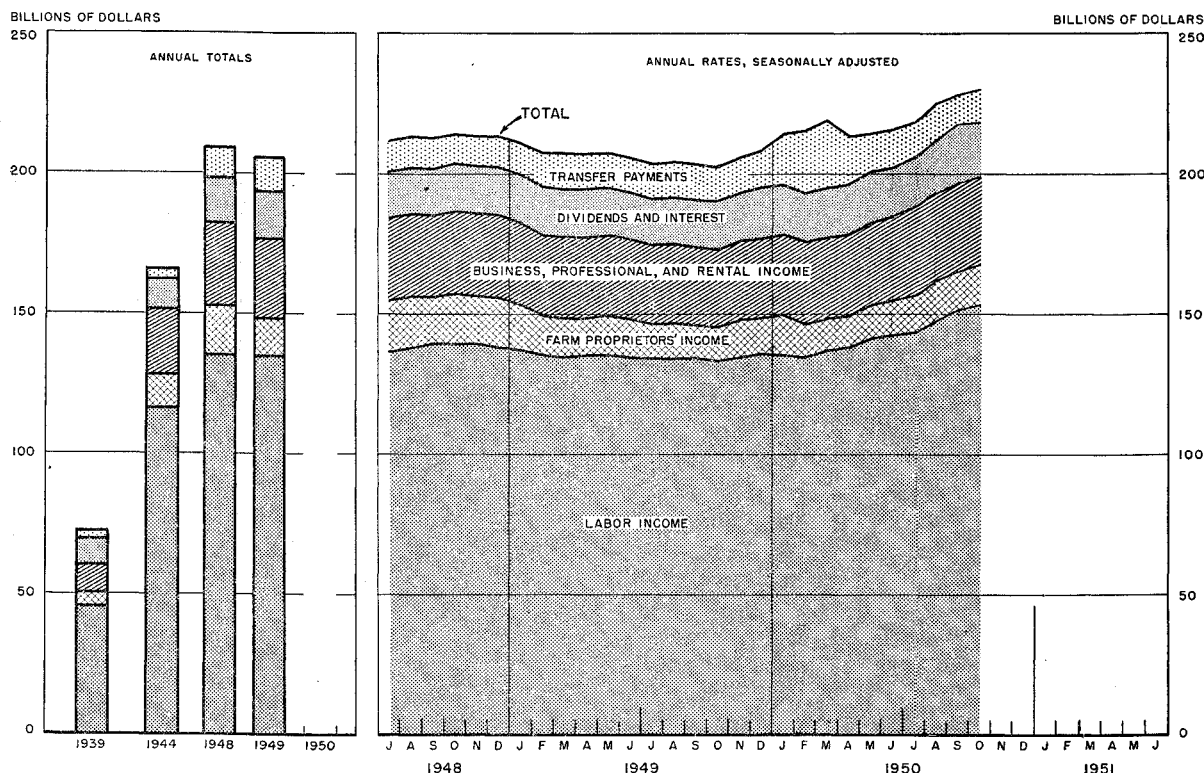
NOTE.—No allowance has been made for inventory valuation adjustment. See p. 22 for profits before taxes and inventory valuation adjustment.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

PERSONAL INCOME

Personal income continued to increase in October due primarily to further advances in wages and salaries and a gain in farm income. Transfer payments also rose as Old Age and Survivors' Insurance benefits were increased under the new Social Security Act. Dividends dropped.



SOURCE: DEPARTMENT OF COMMERCE.

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

Period	Total personal income	Labor income (salaries, wages, and other labor income)	Proprietors' income		Dividends and personal interest	Transfer payments
			Farm	Business, professional, and rental income		
1939.....	72.6	45.6	4.5	10.2	9.2	3.0
1944.....	165.9	116.2	11.8	23.7	10.6	3.6
1947.....	191.0	122.3	15.6	26.8	14.5	11.8
1948.....	209.5	135.0	17.7	29.6	16.1	11.2
1949.....	206.1	134.9	13.4	28.3	17.2	12.3
Annual rates, seasonally adjusted						
1949: September.....	203.4	134.6	11.6	27.7	17.0	12.6
October.....	202.4	133.3	12.1	27.7	17.2	12.1
November.....	205.7	134.4	13.6	28.1	17.2	12.4
December.....	208.4	136.0	12.7	27.9	18.9	12.9
1950: January.....	214.6	135.2	14.6	28.9	17.5	¹ 18.4
February.....	215.4	134.5	12.3	28.7	17.7	¹ 22.2
March.....	219.3	136.9	11.4	28.8	18.0	¹ 24.2
April.....	213.8	138.6	11.0	28.8	18.2	¹ 17.2
May.....	214.5	141.1	12.1	29.4	17.8	¹ 14.1
June.....	217.1	143.6	12.1	30.2	17.8	¹ 13.4
July.....	220.7	145.1	13.6	31.9	17.8	12.3
August.....	225.4	148.9	13.7	32.4	18.4	12.0
September.....	228.7	151.2	13.3	31.7	21.1	11.4
October ²	230.1	153.4	13.9	31.7	19.1	12.0

¹ Includes veterans' insurance dividend. During first quarter, the payment was at annual rate of \$8.5 billion (or \$2.1 billion, quarterly total) and during second quarter at \$2.0 billion (or \$502 million, quarterly total).

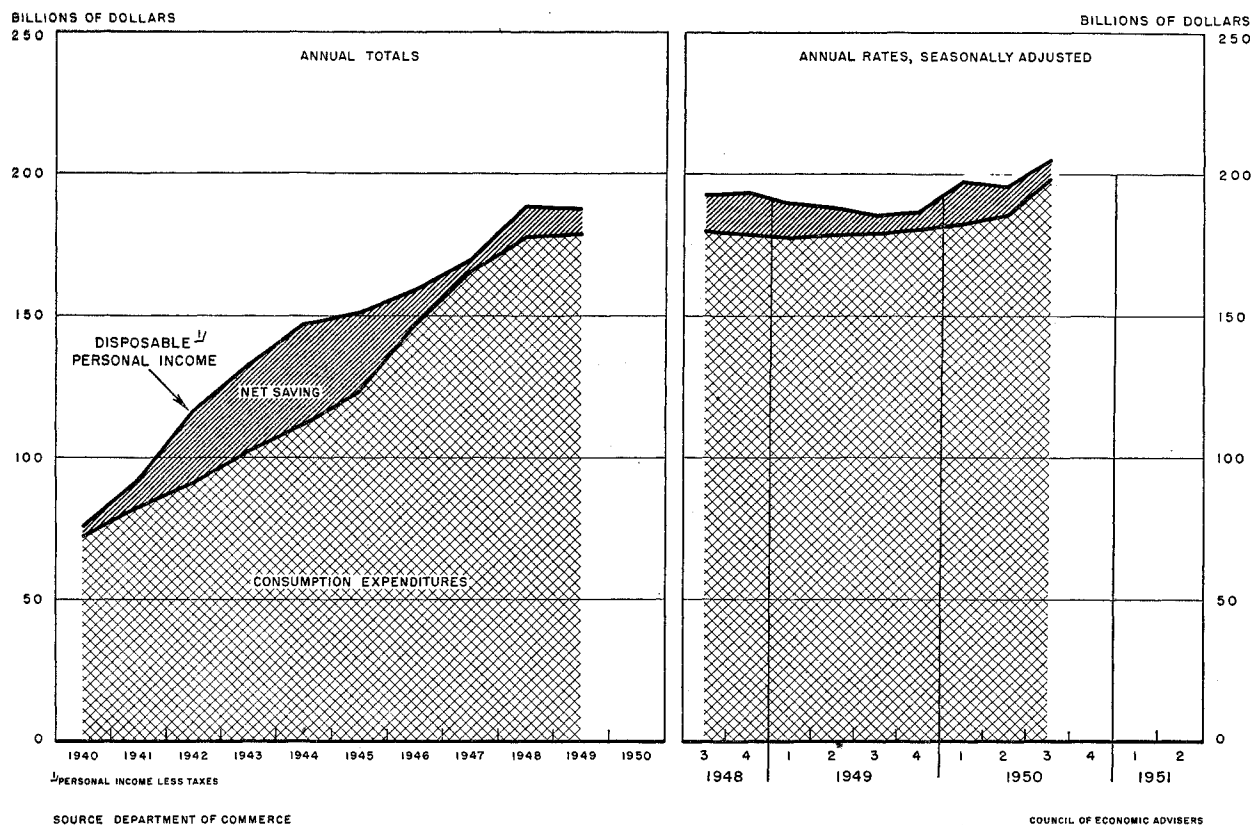
² Preliminary estimates.

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

SOURCE: Department of Commerce.

CONSUMER INCOME, SPENDING, AND SAVING

Consumption expenditures rose more rapidly than incomes in 3rd quarter, resulting in a drop in saving.



Period	Disposable personal income ¹	Less: Personal consumption expenditures	Equals: Personal net saving	Net saving as percent of disposable income
Billions of dollars				
1939.....	70.2	67.5	2.7	3.8
1941.....	92.0	82.3	9.8	10.7
1942.....	116.7	91.2	25.6	21.9
1944.....	147.0	111.6	35.4	24.1
1946.....	158.9	146.9	12.0	7.6
1947.....	169.5	165.6	3.9	2.3
1948.....	188.4	177.4	10.9	5.8
1949.....	187.4	178.8	8.6	4.6
Annual rates, seasonally adjusted				
1949: First quarter.....	189.9	177.4	12.5	6.6
Second quarter.....	188.2	178.4	9.8	5.2
Third quarter.....	185.1	179.0	6.2	3.3
Fourth quarter.....	186.8	180.6	6.2	3.3
1950: First quarter.....	197.5	182.4	15.0	7.6
Second quarter.....	195.6	185.2	10.4	5.3
Third quarter.....	204.7	198.4	6.4	3.1

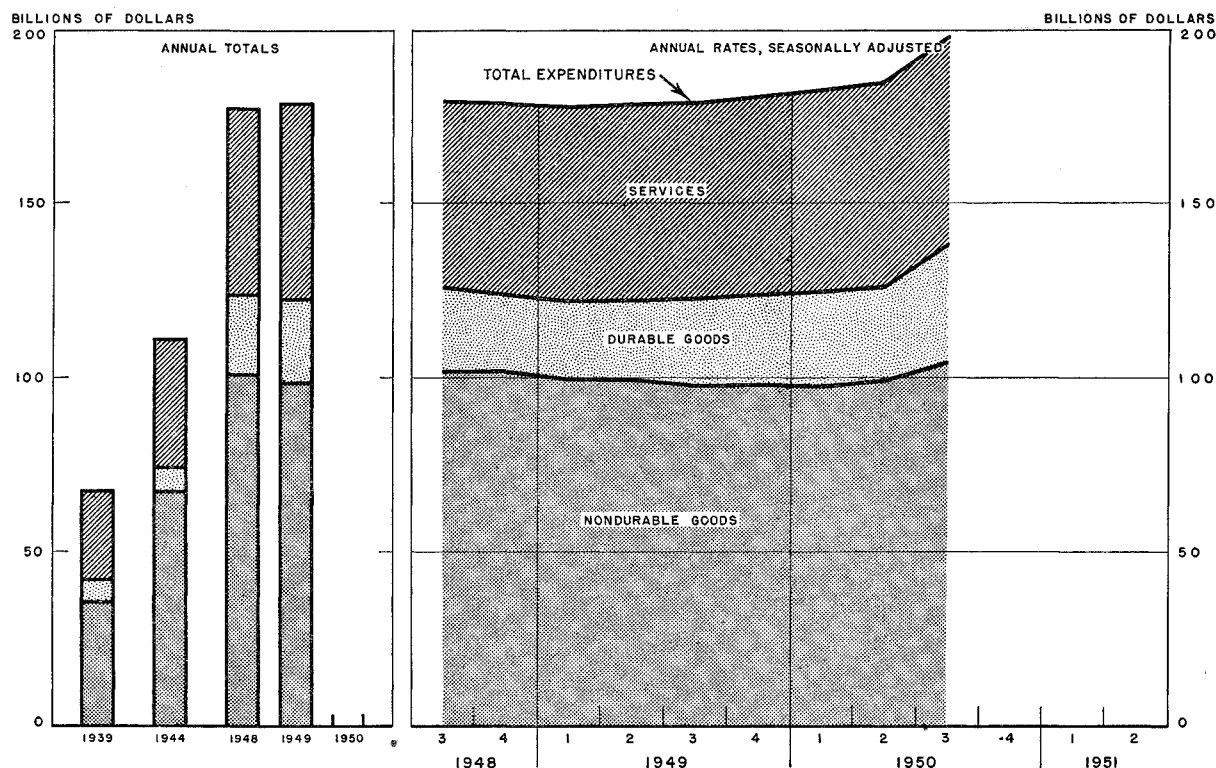
¹ Income less taxes.

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

Source: Department of Commerce.

PERSONAL CONSUMPTION EXPENDITURES

Consumption expenditures rose \$13 billion (annual rate) from 2nd to 3rd quarter. Expenditures for durable goods were 25 percent above the high levels of first half of this year. Expenditures for nondurable goods and services also reached new highs.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

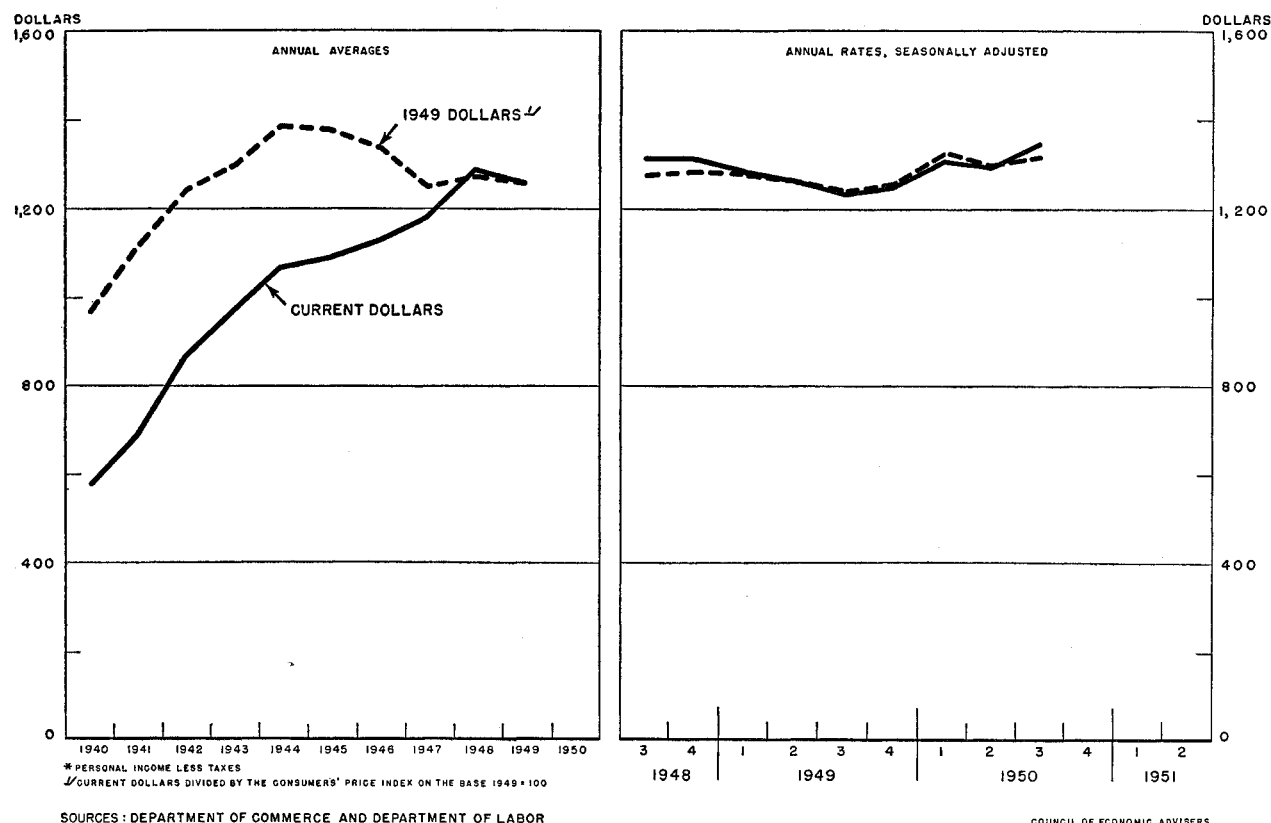
Period	Personal consumption expenditures			
	Total	Nondurable goods	Durable goods	Services
1939.....	67.5	35.3	6.7	25.5
1944.....	111.6	67.1	7.1	37.4
1946.....	146.9	85.8	16.6	44.5
1947.....	165.6	95.1	21.4	49.1
1948.....	177.4	100.9	22.9	53.7
1949.....	178.8	98.5	23.8	56.4
Annual rates, seasonally adjusted				
1949: First quarter.....	177.4	99.4	22.4	55.6
Second quarter.....	178.4	99.2	23.0	56.2
Third quarter.....	179.0	97.6	24.7	56.6
Fourth quarter.....	180.6	97.9	25.3	57.4
1950: First quarter.....	182.4	97.4	26.9	58.1
Second quarter.....	185.2	99.3	26.7	59.2
Third quarter.....	198.4	104.9	33.5	59.9

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

Source: Department of Commerce.

PER CAPITA DISPOSABLE INCOME*

Per capita disposable income gained $1\frac{1}{2}$ percent in terms of purchasing power between the 2nd and 3rd quarters.



Period	Per capita disposable personal income ¹		Consumers' price index ² 1949=100
	Current dollars	1949 dollars ²	
1939.....	\$536	\$912	58.8
1941.....	691	1,110	62.2
1942.....	867	1,247	69.5
1944.....	1,065	1,388	76.7
1946.....	1,125	1,333	84.4
1947.....	1,177	1,248	94.3
1948.....	1,285	1,270	101.2
1949.....	1,256	1,256	100.0
	Annual rates, seasonally adjusted		Not adjusted for seasonal variation
	Current dollars	1949 dollars	
1949: First quarter.....	\$1,280	\$1,275	100.4
Second quarter.....	1,264	1,261	100.2
Third quarter.....	1,237	1,239	99.9
Fourth quarter.....	1,243	1,249	99.5
1950: First quarter.....	1,309	1,327	98.6
Second quarter.....	1,291	1,294	99.8
Third quarter.....	1,345	1,314	102.4

¹ Income less taxes.

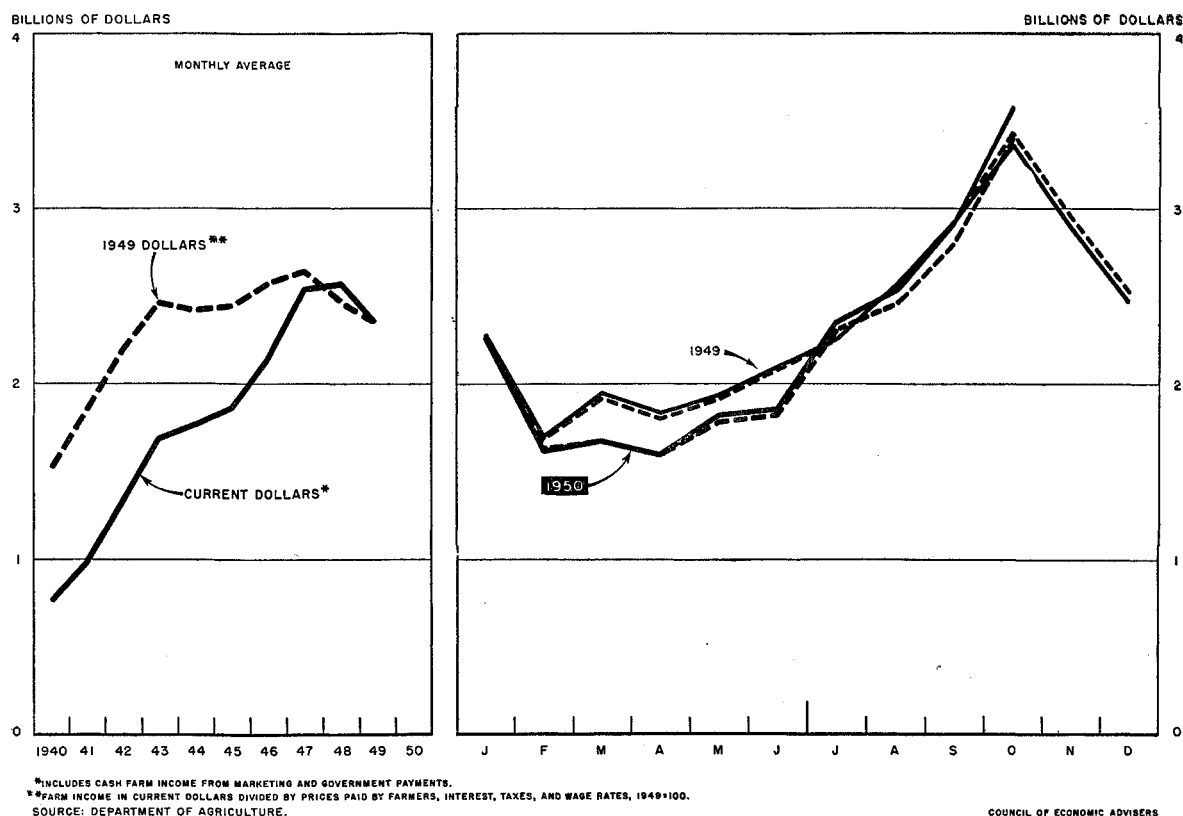
² Current dollars divided by the consumers' price index on the base 1949=100.

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 3.

Sources: Department of Commerce and Department of Labor.

FARM INCOME

Farm income in October was 6 percent higher than in October 1949. With prices paid also increasing 6 percent, the purchasing power of farm income was about the same as in 1949.



Period	Farm income (millions of current dollars) ¹	Prices paid by farmers (incl. interest, taxes, and wage rates) 1949=100 ²	Farm income (millions of 1949 dollars) ³
1939 monthly average.....	724	49	1,478
1941 monthly average.....	981	53	1,851
1942 monthly average.....	1,339	61	2,195
1944 monthly average.....	1,764	73	2,416
1946 monthly average.....	2,136	83	2,573
1947 monthly average.....	2,527	96	2,632
1948 monthly average.....	2,567	104	2,468
1949 monthly average.....	2,359	100	2,359
1949: September.....	2,929	99	2,959
October.....	3,366	98	3,435
November.....	2,905	98	2,964
December.....	2,473	98	2,523
1950: January.....	2,254	100	2,254
February.....	1,614	99	1,630
March.....	1,674	100	1,674
April.....	1,594	100	1,594
May.....	1,819	102	1,783
June.....	1,859	102	1,823
July.....	2,356	102	2,310
August.....	2,551	103	2,477
September ⁴	2,913	104	2,801
October ⁴	3,580	104	3,442

¹ Includes cash farm income from marketings and Government payments.

² Converted from the reported base, 1910-14=100, to the base 1949=100.

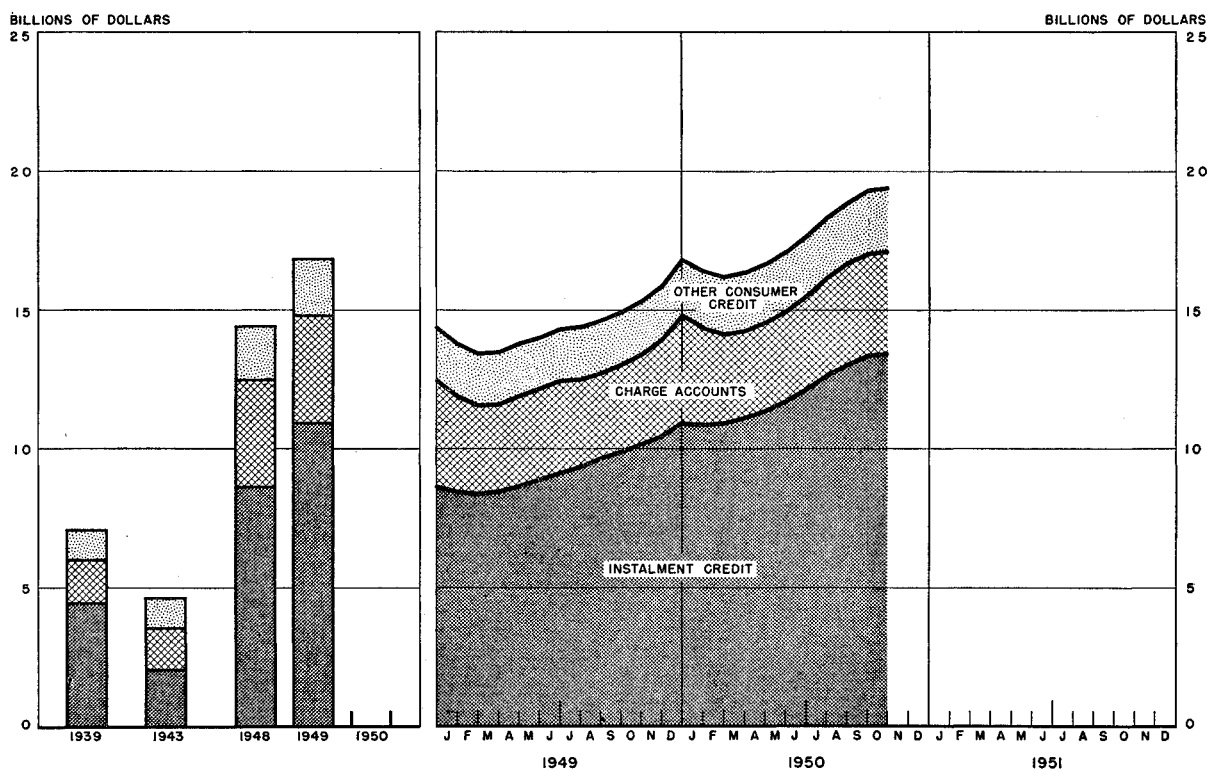
³ Farm income in current dollars divided by prices paid by farmers, interest, taxes, and wage rates, 1949=100.

⁴ Preliminary estimates.

Source: Department of Agriculture.

CONSUMER CREDIT

Consumer credit expanded slightly in October. Instalment credit, which had paced the growth in preceding months, rose only \$42 million, largely because of the impact of Regulation W and the decline in anticipatory buying. The increase in instalment credit was the smallest since the usual January decline.



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.....	7,031	4,424	1,267	3,157	1,544	1,063
1943.....	4,600	2,001	175	1,826	1,498	1,101
1946.....	8,677	4,000	544	3,456	3,054	1,623
1947.....	11,862	6,434	1,151	5,283	3,612	1,816
1948.....	14,366	8,600	1,961	6,639	3,854	1,912
1949.....	16,809	10,890	3,144	7,746	3,909	2,010
1949: September.....	14,957	9,899	2,876	7,023	3,123	1,935
October.....	15,336	10,166	2,986	7,180	3,197	1,973
November.....	15,884	10,441	3,085	7,356	3,454	1,989
December.....	16,809	10,890	3,144	7,746	3,909	2,010
1950: January.....	16,368	10,836	3,179	7,657	3,506	2,026
February.....	16,159	10,884	3,256	7,628	3,233	2,042
March.....	16,338	11,077	3,355	7,722	3,211	2,050
April.....	16,639	11,322	3,470	7,852	3,241	2,076
May.....	17,077	11,667	3,600	8,067	3,290	2,120
June.....	17,651	12,105	3,790	8,315	3,392	2,154
July.....	18,295	12,598	3,994	8,604	3,527	2,170
August.....	18,842	13,009	4,107	8,902	3,636	2,197
September.....	19,315	13,337	4,213	9,124	3,741	2,237
October ²	19,366	13,379	4,231	9,148	3,703	2,284

¹ Other consumer credit includes single-payment loans under \$3,000 made by commercial banks and pawnbrokers and service credit. The single-payment loan item was revised in November to exclude loans over \$3,000. See Federal Reserve Bulletin for November 1950, pages 1465-6.

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

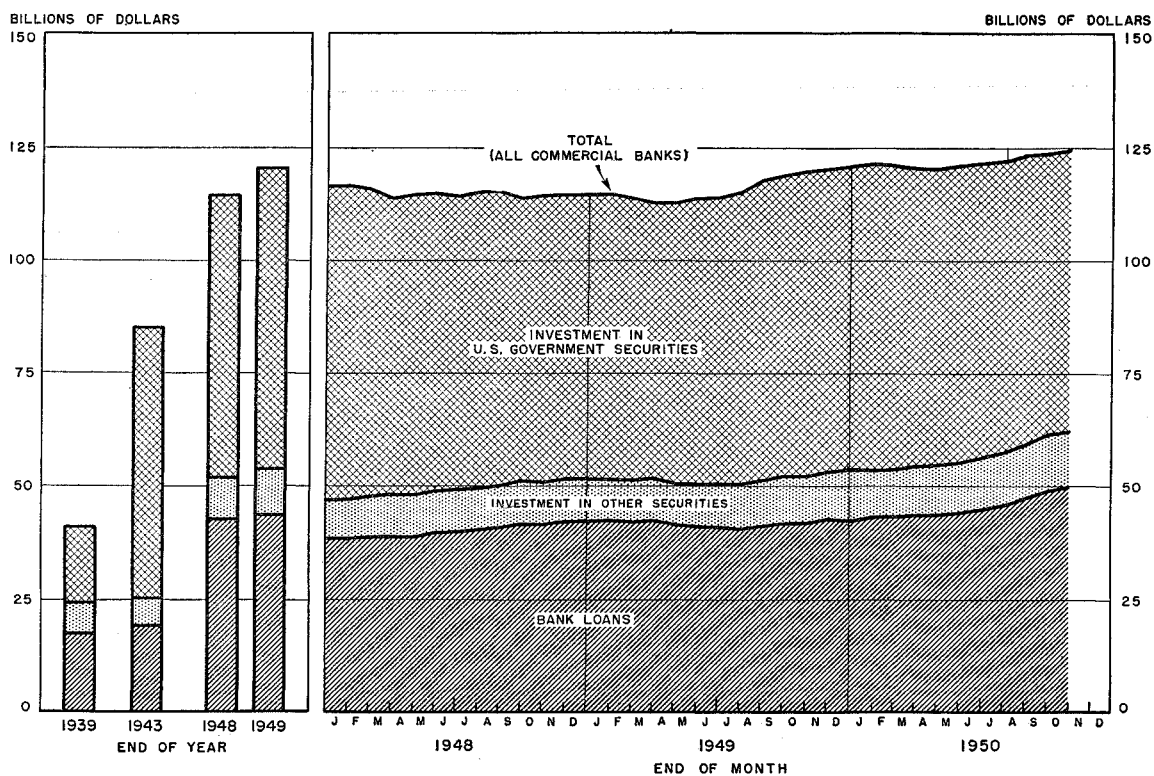
Source: Board of Governors of the Federal Reserve System.

² Preliminary estimates.

MONEY, BANKING, AND FEDERAL FINANCE

BANK LOANS AND INVESTMENTS

Commercial bank loans expanded in October but at a much lower rate than in September. There was no change in investment total.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars, all commercial banks]

End of period	Total loans and investments	Bank loans	Investments		
			Total	U. S. Government securities	Other securities
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
1949.....	120.2	43.0	77.2	67.0	10.2
1949: September.....	118.5	41.7	76.8	66.7	10.2
October.....	119.5	41.8	77.7	67.6	10.1
November.....	119.7	42.7	77.0	66.9	10.1
December.....	120.2	43.0	77.2	67.0	10.2
1950: January.....	121.2	42.9	78.3	68.0	10.3
February.....	120.6	43.1	77.5	67.1	10.4
March.....	120.3	43.7	76.6	65.8	10.8
April.....	120.3	43.8	76.5	65.5	11.0
May.....	121.2	44.1	77.1	66.1	11.0
June.....	121.8	44.8	77.0	65.8	11.2
July.....	122.3	46.0	76.3	65.0	11.4
August.....	123.3	47.3	76.0	64.2	11.8
September.....	123.7	49.0	74.6	62.5	12.1
October ¹	124.5	49.9	74.6	62.5	12.1

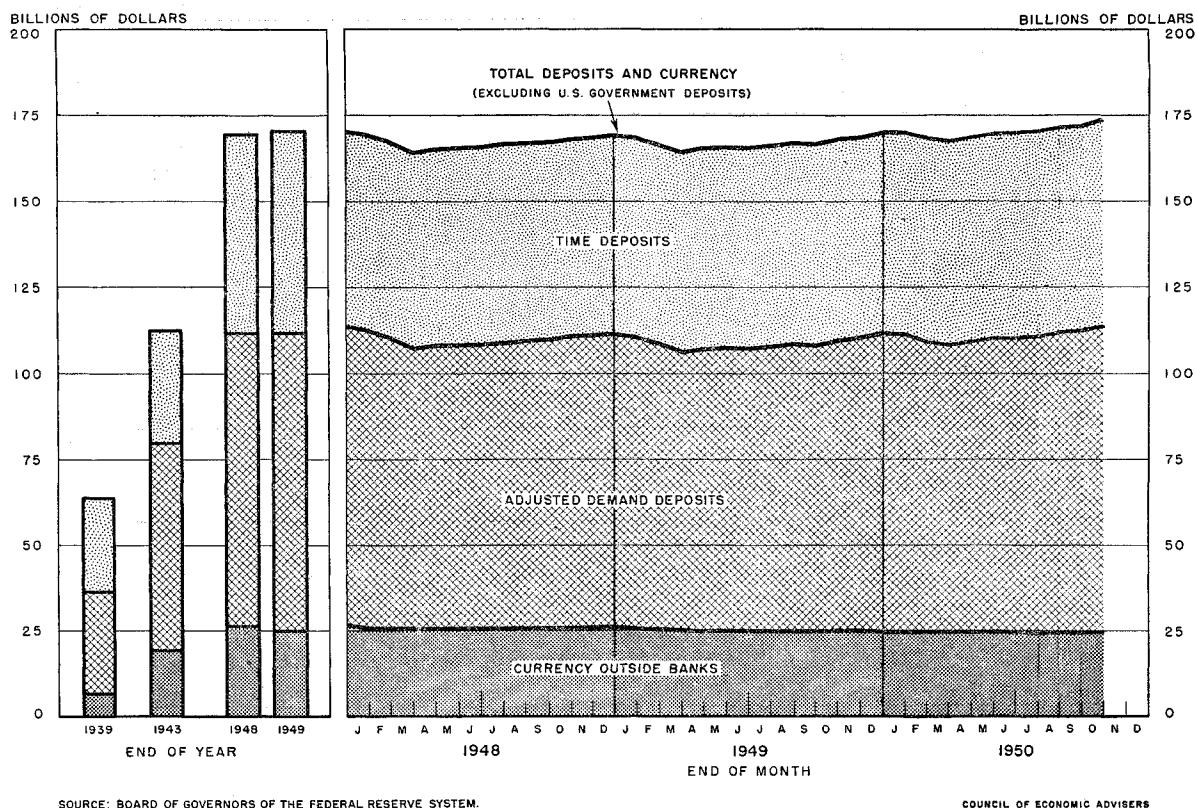
¹ Preliminary estimates.

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

SOURCE: Board of Governors of the Federal Reserve System.

MONEY SUPPLY

The privately-held money supply increased \$1.3 billion during October. Demand deposits rose sharply. The decline in time deposits, that started in July, subsided.



[Billions of dollars]

End of period	Total privately-held 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
1949.....	169.8	25.4	85.8	58.6
1949: September.....	166.3	24.9	83.1	58.4
October.....	167.7	24.9	84.3	58.4
November.....	168.1	25.1	85.0	58.0
December.....	169.8	25.4	85.8	58.6
1950: January.....	169.7	24.5	86.4	58.7
February.....	168.2	24.7	84.5	59.0
March.....	167.1	24.6	83.3	59.3
April.....	168.4	24.6	84.3	59.5
May.....	169.2	24.7	85.0	59.5
June.....	170.0	25.2	85.0	59.7
July.....	170.2	24.4	86.5	59.4
August.....	171.0	24.5	87.4	59.1
September.....	171.7	24.5	88.1	59.0
October ³	173.0	24.6	89.4	59.0

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.

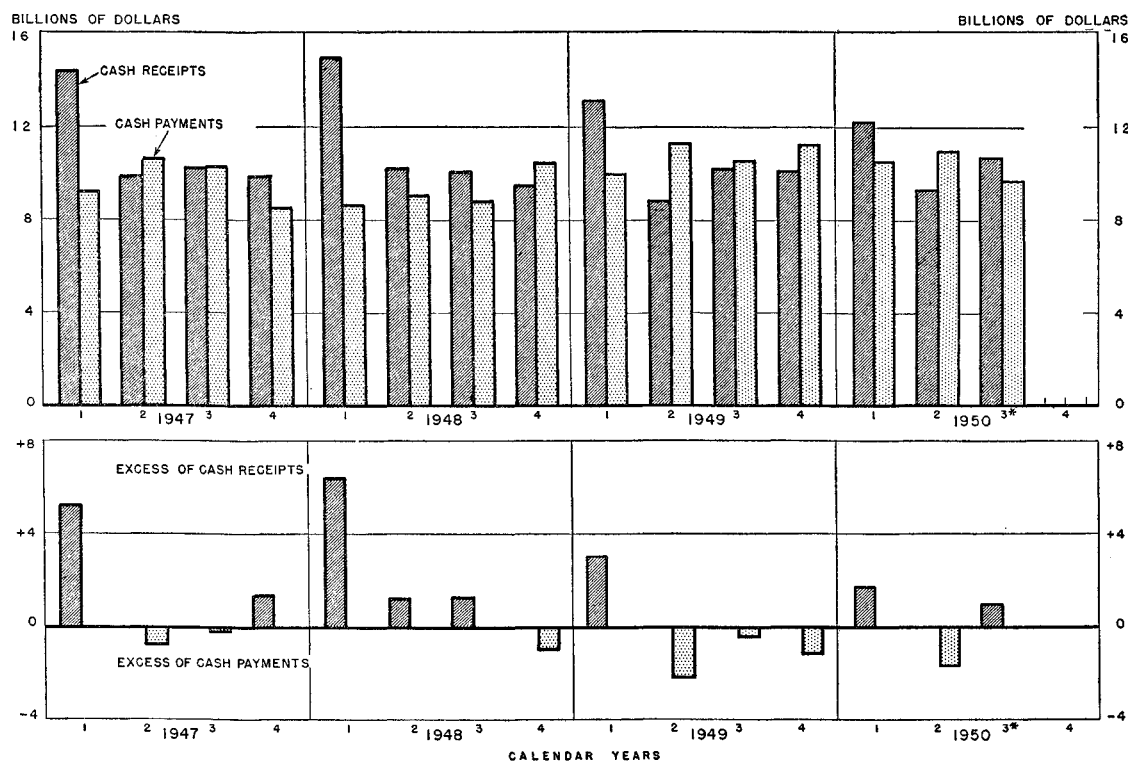
³ Preliminary estimates.

Source: Board of Governors of the Federal Reserve System.

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

FEDERAL CASH RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

In 3rd quarter of 1950, cash payments to the public were \$1.1 billion smaller than receipts. In the corresponding quarter of 1949 payments exceeded receipts by \$386 million.



* PRELIMINARY ESTIMATES

SOURCE: BUREAU OF THE BUDGET AND TREASURY DEPARTMENT.

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Calendar years	Federal cash receipts from the public	Federal cash payments to the public	Excess of receipts (+) or payments (-)
Calendar year total:			
1946.....	41,451	41,399	+52
1947.....	44,282	38,616	+5,666
1948.....	44,922	36,897	+8,027
1949.....	41,346	42,642	-1,295
Quarterly total, not adjusted for seasonal:			
1947: Third quarter.....	10,220	10,288	-67
1947: Fourth quarter.....	9,869	8,536	+1,332
1948: First quarter.....	15,037	8,641	+6,399
1948: Second quarter.....	10,239	9,033	+1,205
1948: Third quarter.....	10,085	8,735	+1,349
1948: Fourth quarter.....	9,560	10,488	-926
1949: First quarter.....	13,122	9,964	+3,159
1949: Second quarter.....	8,814	11,389	-2,574
1949: Third quarter.....	10,143	10,528	-386
1949: Fourth quarter.....	9,267	10,762	-1,495
1950: First quarter.....	12,235	10,760	+1,475
1950: Second quarter.....	9,303	11,105	-1,803
1950: Third quarter ¹	10,494	9,351	+1,143

¹ Preliminary estimates based on incomplete data.

Sources: Treasury Department and Bureau of the Budget.

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

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