



# Economic Indicators

## **JANUARY 1951**

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by the Council of Economic Advisers*

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### 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.

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

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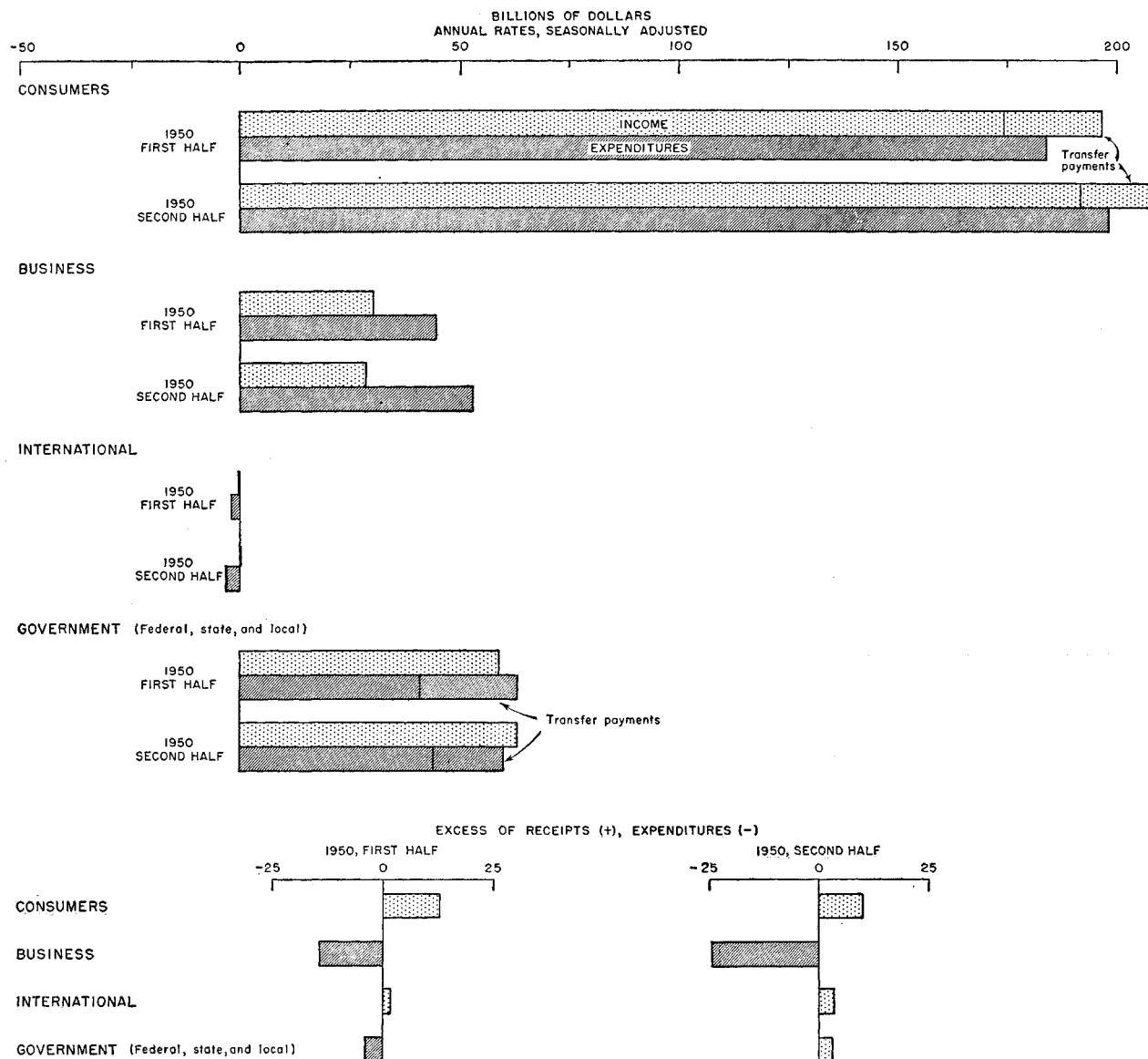
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# THE TOTAL OUTPUT OF THE ECONOMY

## THE NATION'S ECONOMIC BUDGET

Consumer expenditures and business investment increased sharply from 1st to 2nd half of 1950.



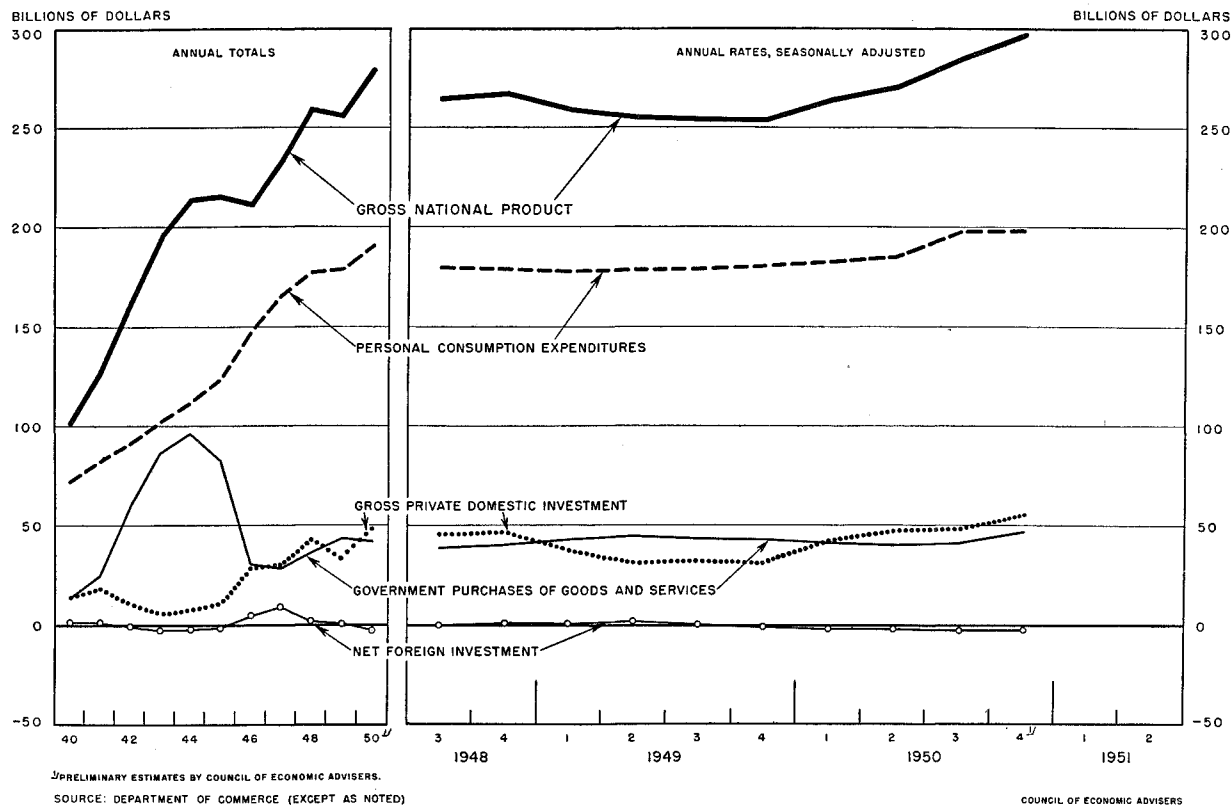
✓ TRANSFER PAYMENTS ARE INCLUDED IN RECEIPTS OR EXPENDITURES OF THE SEPARATE ACCOUNTS BUT NOT IN THE TOTAL GROSS NATIONAL PRODUCT.

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

SOURCE: ECONOMIC REPORT OF THE PRESIDENT, JANUARY 1951, APPENDIX C.

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Gross national product rose by almost \$13 billion or 4½%, between 3rd and 4th quarters of 1950, as private investment spurted ahead and government expenditures for goods and services began to rise.



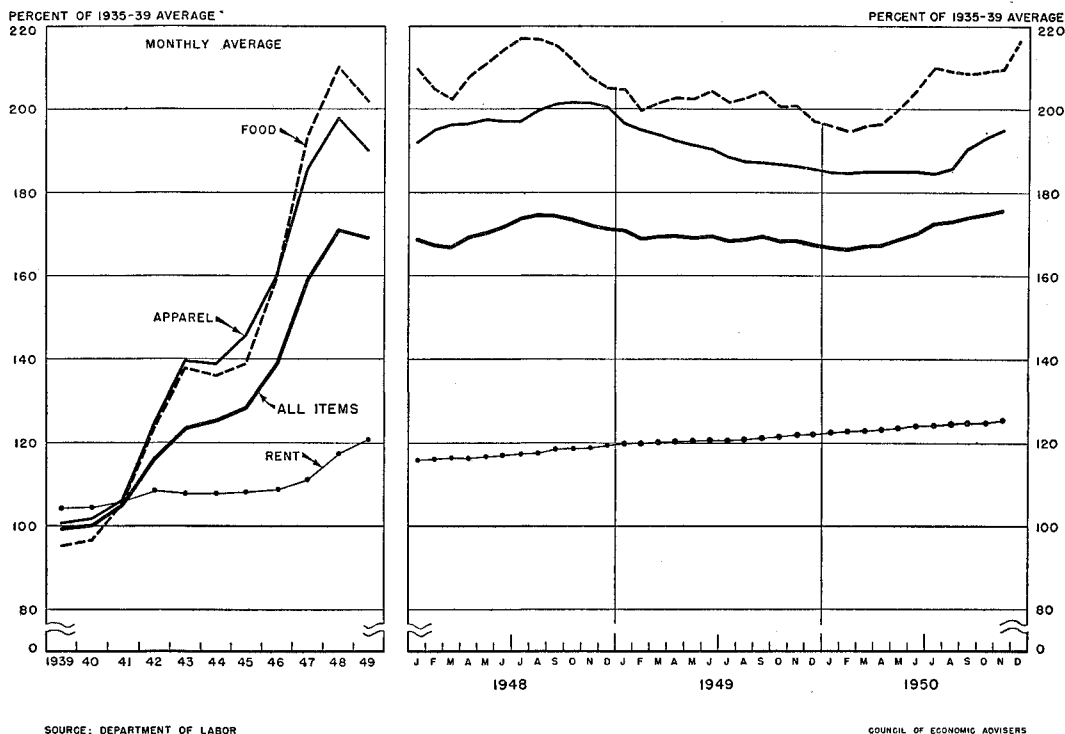
Period	Total gross national product	Personal consumption expenditures	Gross private domestic investment	Net foreign investment	Government purchases of goods and services
1939 .....	91.3	67.5	9.9	0.9	13.1
1944 .....	213.7	111.6	7.7	-2.1	96.5
1946 .....	211.1	146.9	28.7	4.6	30.9
1947 .....	233.3	165.6	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
1950 <sup>1</sup> .....	278.8	190.8	48.5	-2.6	42.1
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	-1.7	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
Fourth quarter <sup>1</sup> .....	297.0	197.0	57.0	-3.5	46.5

Source: Department of Commerce (except as noted).

# PRICES

## CONSUMERS' PRICES

Consumers' prices, continuing to exceed previous peaks, rose a further 0.5 % from October 15 to November 15. All of the major categories of the index showed increases, with those in housefurnishings and apparel being the sharpest. A special survey indicates that food prices increased 3.2 % between November 15 and December 15.



[1935-39=100]

Period	All items	Food	Apparel	Rent	Fuel, electricity, and refrigeration	Housefurnishings	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: 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	124.4	139.5	186.4	156.2
August 15-----	173.0	209.0	185.9	124.8	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
November 15-----	175.6	209.5	195.0	125.4	143.7	202.3	160.5
December 15-----	(1)	<sup>2</sup> 216.3	(1)	(1)	(1)	(1)	(1)

<sup>1</sup> Not available.

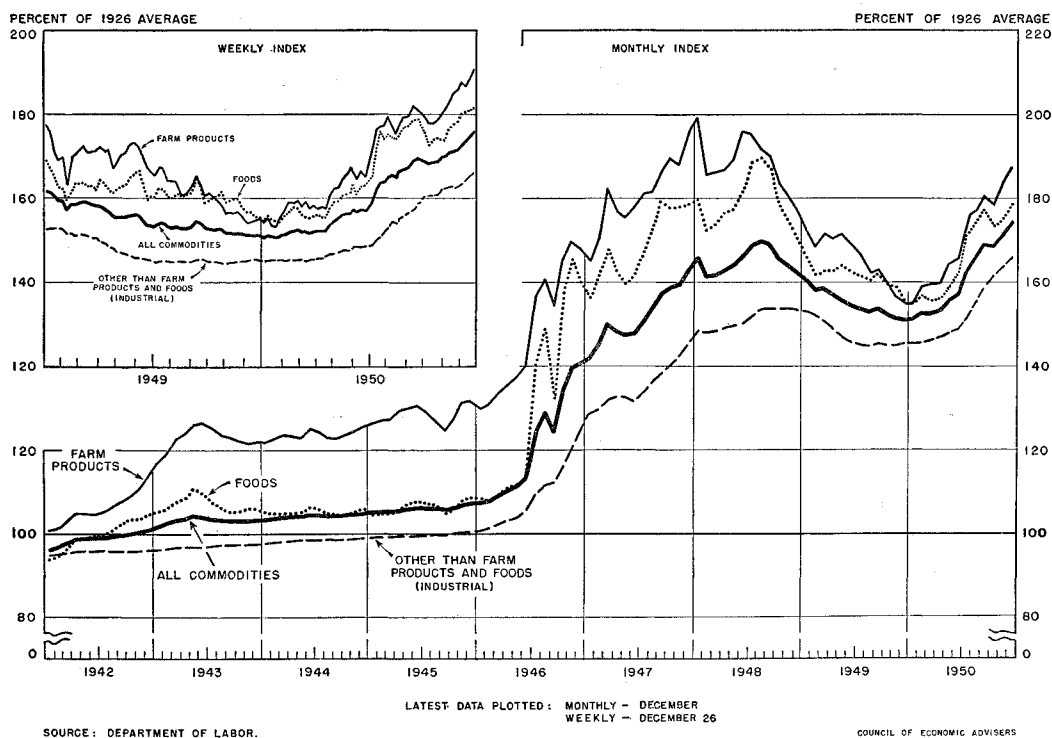
<sup>2</sup> A special survey indicates that food prices increased 1.2 percent between December 15 and January 2.

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

Source: Department of Labor.

# WHOLESALE PRICES

Wholesale prices increased at the fastest pace since September, and continued to reach new postwar highs throughout December. Farm, food, and industrial prices all advanced substantially.



[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
1950 monthly average <sup>1</sup>	161.4	170.5	151.6	152.3
1949: 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	171.6	183.7	175.2	163.5
December <sup>1</sup>	174.5	187.3	178.9	165.9
Week ended:				
1950: December 5	172.7	187.5	180.0	163.4
12	173.6	186.5	180.5	164.5
19	174.7	188.5	180.8	165.2
26	176.0	190.6	181.4	165.9
1951: January 2 <sup>2</sup>	176.8	189.3	181.9	167.1
9 <sup>2</sup>	178.1	191.9	183.0	167.8
16 <sup>2</sup>	178.7	191.5	182.1	168.9

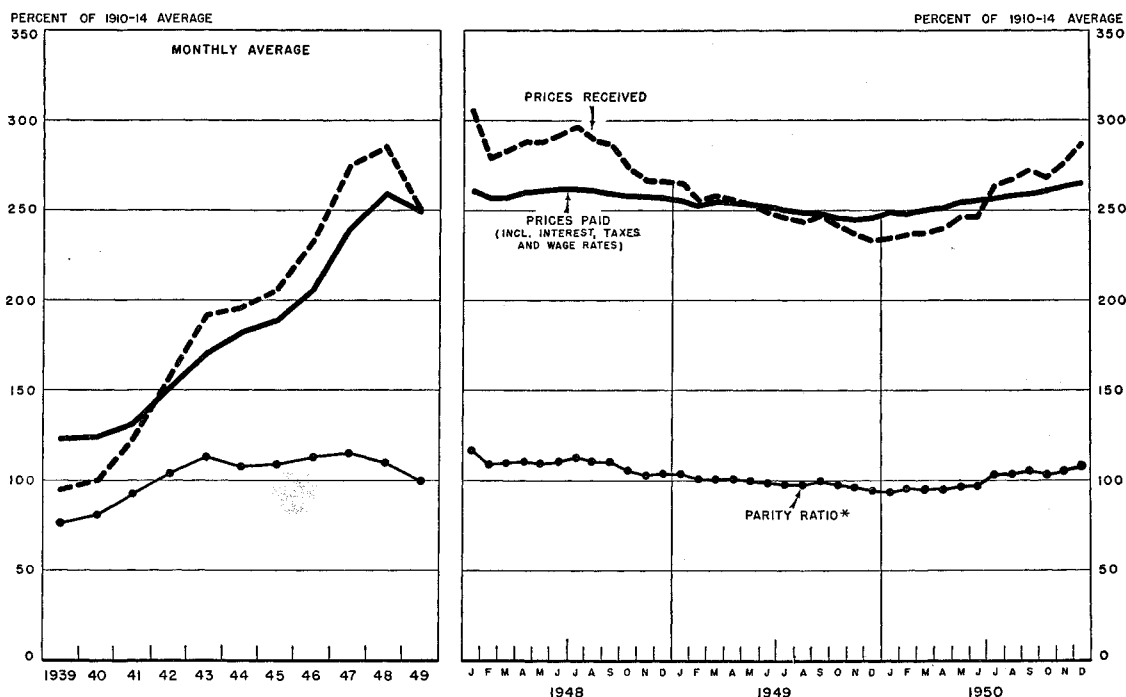
<sup>1</sup> Estimates based on incomplete data.

<sup>2</sup> Data became available after chart was prepared.

Source: Department of Labor.

# PRICES RECEIVED AND PAID BY FARMERS

Farm prices rose sharply again in December. The average price of farm products was 8% above parity.



\* 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 <sup>1</sup>
1939 monthly average.....	95	123	77
1942 monthly average.....	158	152	104
1944 monthly average.....	196	182	108
1946 monthly average.....	234	207	113
1947 monthly average.....	275	240	115
1948 monthly average.....	285	259	110
1949 monthly average.....	249	250	100
1950 monthly average.....	256	256	100
1949: November 15.....	237	246	96
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	260	105
October 15.....	268	261	103
November 15.....	276	263	105
December 15.....	286	265	108

<sup>1</sup> Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates.

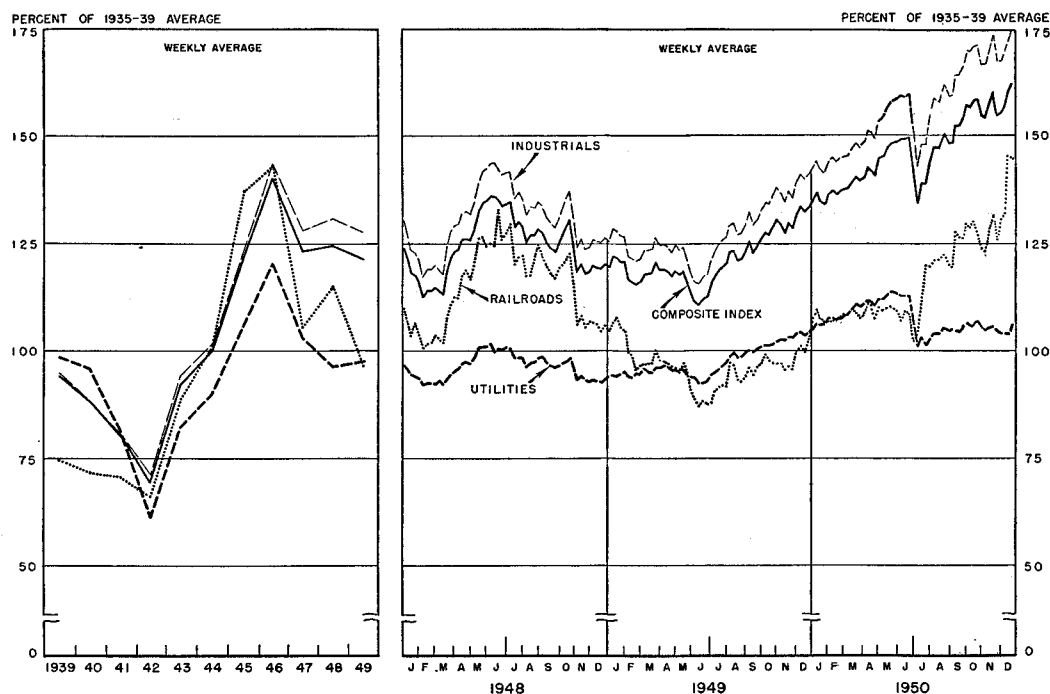
<sup>2</sup> Includes wartime subsidy payments paid on beef cattle, sheep, lambs, milk, and butterfat between October 1943 and June 1946.

Source: Department of Agriculture.



# STOCK PRICES

Stock prices in general advanced through December reflecting the boom in railroad stocks and rapid increases in industrials.



SOURCE: STANDARD AND POOR'S CORPORATION

COUNCIL OF ECONOMIC ADVISERS

[1935-39=100]

Period	Composite index <sup>1</sup>	Industrials	Railroads	Utilities
<b>Weekly average:</b>				
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
1950.....	146.4	156.4	116.7	107.2
1949: 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
December.....	158.4	171.2	139.4	104.4
<b>Week ended:</b>				
1950: December 6.....	155.0	167.5	130.6	103.7
13.....	156.9	169.5	137.1	103.9
20.....	159.7	172.6	145.4	103.9
27.....	162.0	175.1	144.5	106.2
1951: January 3 <sup>2</sup> .....	164.9	178.3	147.8	107.4
10 <sup>2</sup> .....	165.7	179.3	147.8	107.9

<sup>1</sup> 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.

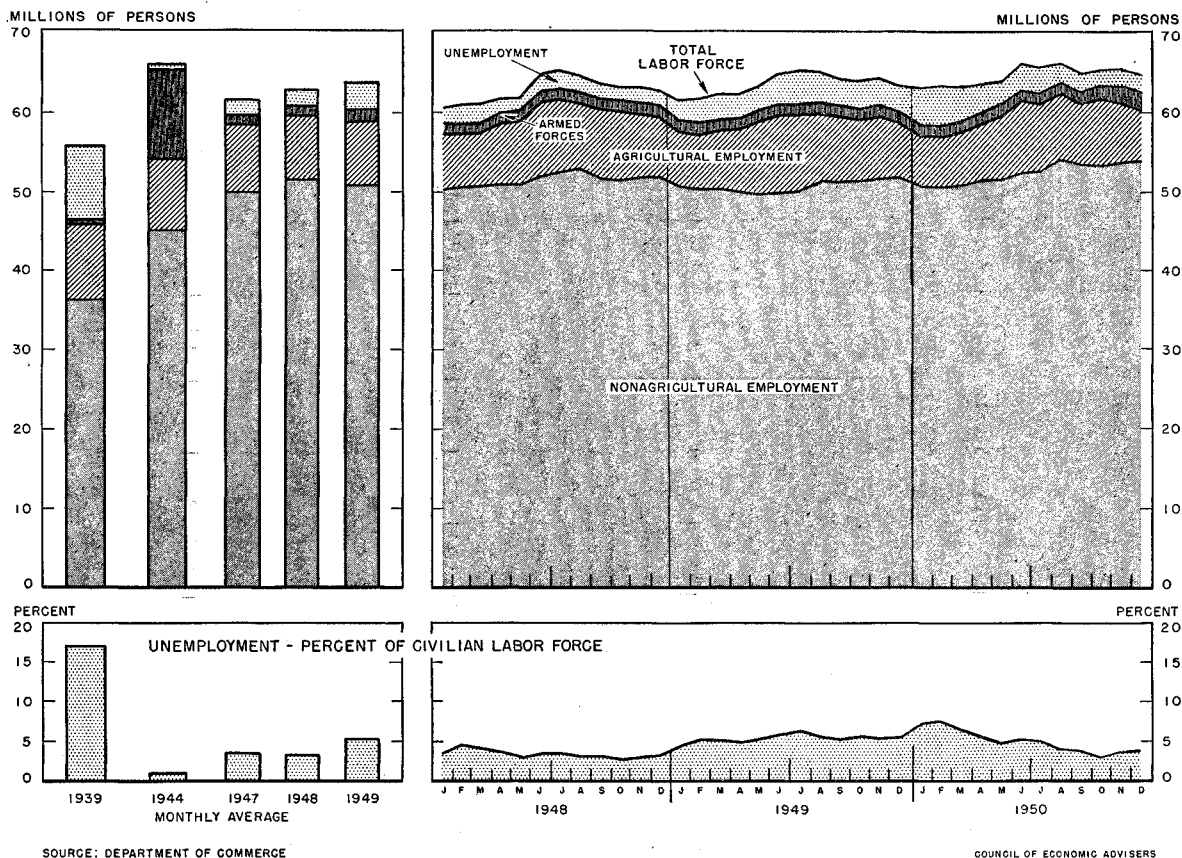
<sup>2</sup> Data became available after chart was prepared.

Source: Standard & Poor's Corporation.

# EMPLOYMENT AND WAGES

## LABOR FORCE

The labor force decreased seasonally in December by about 1 million. An increase in nonagricultural employment of about 350,000 was partially offset by a large decline in agricultural employment. Unemployment remained virtually unchanged.



Period	Total labor force (including armed forces)	Civilian labor force					Unemployment as percent of total civilian labor force
		Total	Employment <sup>1</sup>			Unemployment	
			Total	Agricultural	Nonagricultural		
Thousands of persons, 14 years of age and over							
1939 monthly average----	55, 600	55, 230	45, 750	9, 610	36, 140	9, 480	17. 2
1944 monthly average----	65, 890	54, 630	53, 960	8, 950	45, 010	670	1. 2
1947 monthly average----	61, 608	60, 168	58, 027	8, 266	49, 761	2, 142	3. 6
1948 monthly average----	62, 748	61, 442	59, 378	7, 973	51, 405	2, 064	3. 4
1949 monthly average----	63, 571	62, 105	58, 710	8, 026	50, 684	3, 395	5. 5
1950 monthly average----	64, 599	63, 099	59, 957	7, 507	52, 450	3, 142	5. 0
1949: November-----	64, 363	62, 927	59, 518	7, 878	51, 640	3, 409	5. 4
December-----	63, 475	62, 045	58, 556	6, 773	51, 783	3, 489	5. 6
1950: January-----	62, 835	61, 427	56, 947	6, 198	50, 749	4, 480	7. 3
February-----	63, 003	61, 637	56, 953	6, 223	50, 730	4, 684	7. 6
March-----	63, 021	61, 675	57, 551	6, 675	50, 877	4, 123	6. 7
April-----	63, 513	62, 183	58, 668	7, 195	51, 473	3, 515	5. 7
May-----	64, 108	62, 788	59, 731	8, 062	51, 669	3, 057	4. 9
June-----	66, 177	64, 866	61, 482	9, 046	52, 436	3, 384	5. 2
July-----	65, 742	64, 427	61, 214	8, 440	52, 774	3, 213	5. 0
August-----	66, 204	64, 867	62, 367	8, 160	54, 207	2, 500	3. 9
September-----	65, 020	63, 567	61, 226	7, 811	53, 415	2, 341	3. 7
October-----	65, 438	63, 704	61, 764	8, 491	53, 273	1, 940	3. 0
November-----	65, 453	63, 512	61, 271	7, 551	53, 721	2, 240	3. 5
December-----	64, 674	62, 538	60, 308	6, 234	54, 075	2, 229	3. 6

<sup>1</sup> 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.

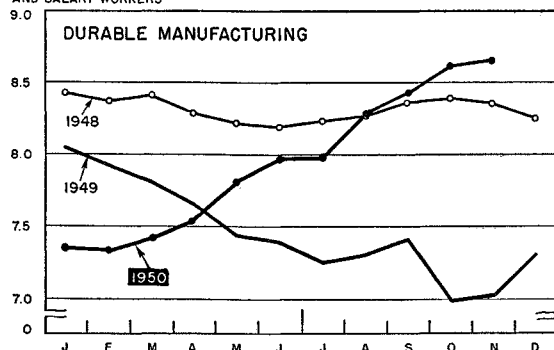
NOTE.—Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

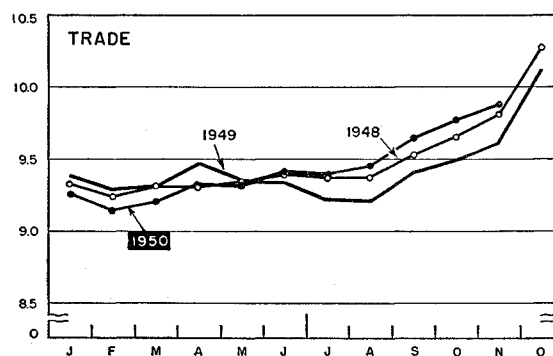
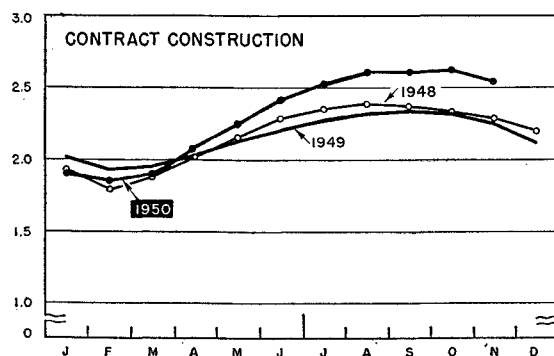
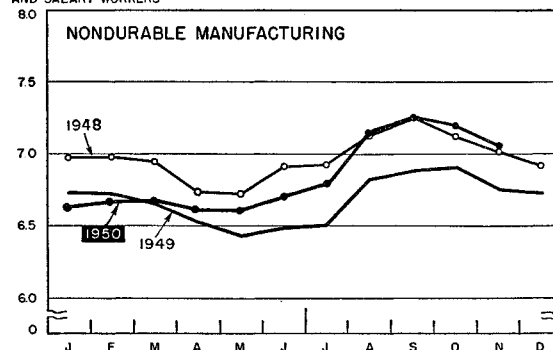
# NONAGRICULTURAL EMPLOYMENT - SELECTED INDUSTRIES

Manufacturing employment decreased by about 110,000 in November due to seasonal decreases in food, apparel, and leather industries. Employment in primary metals and machinery increased slightly.

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 <sup>1</sup>]

Period	Manufacturing			Contract construc- tion	Trade	Finance and service	Govern- ment (Federal, State, local)	Transpor- tation 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, 979	932
1949: 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 .....	15, 450	8, 294	7, 156	2, 629	9, 474	6, 664	5, 793	4, 120	950
September <sup>2</sup> .....	15, 682	8, 425	7, 257	2, 615	9, 660	6, 644	6, 004	4, 138	946
October <sup>2</sup> .....	15, 819	8, 612	7, 207	2, 620	9, 766	6, 579	6, 039	4, 135	941
November <sup>2</sup> .....	15, 707	8, 647	7, 060	2, 537	9, 880	6, 545	6, 037	4, 114	936

<sup>1</sup> 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.

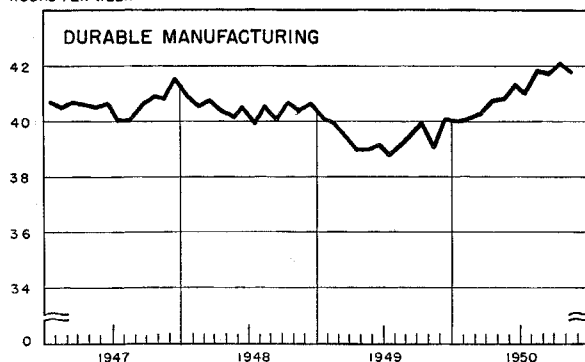
<sup>2</sup> Preliminary estimates.

Source: Department of Labor.

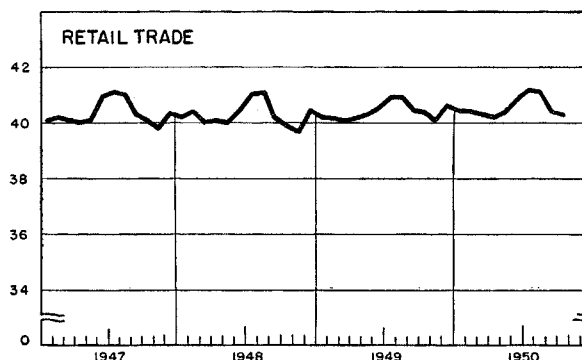
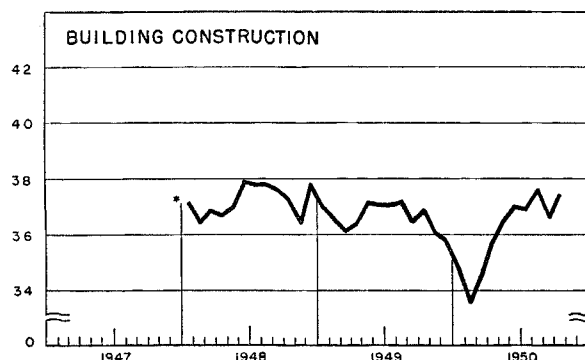
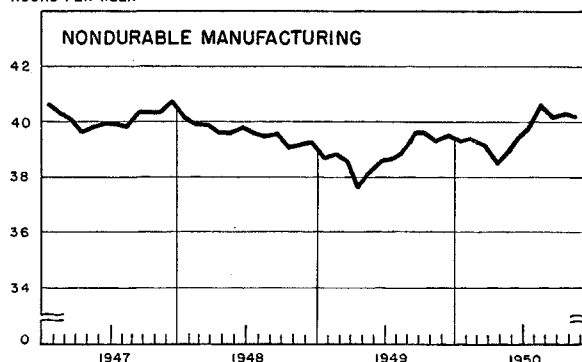
## AVERAGE WEEKLY HOURS - SELECTED INDUSTRIES

The workweek in manufacturing averaged 41.1 hours in November. The slight decline from the October level of 41.3 was mainly because of holidays.

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 <sup>1</sup>]

Period	Manufacturing			Building construction	Retail trade
	Total	Durable goods	Nondurable goods		
1939 monthly average.....	37.7	38.0	37.4	( <sup>2</sup> )	( <sup>2</sup> )
1943 monthly average.....	44.9	46.6	42.5	( <sup>2</sup> )	( <sup>2</sup> )
1946 monthly average.....	40.4	40.2	40.5	( <sup>2</sup> )	( <sup>2</sup> )
1947 monthly average.....	40.4	40.6	40.1	( <sup>2</sup> )	40.3
1948 monthly average.....	40.1	40.5	39.6	37.8	40.3
1949 monthly average.....	39.2	39.5	38.8	36.7	40.4
1949: 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.....	41.2	41.8	40.5	37.6	41.1
September <sup>3</sup> .....	41.0	41.7	40.2	36.6	40.4
October <sup>3</sup> .....	41.3	42.1	40.3	37.4	40.3
November <sup>3</sup> .....	41.1	41.8	40.2	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup> For production and related workers.

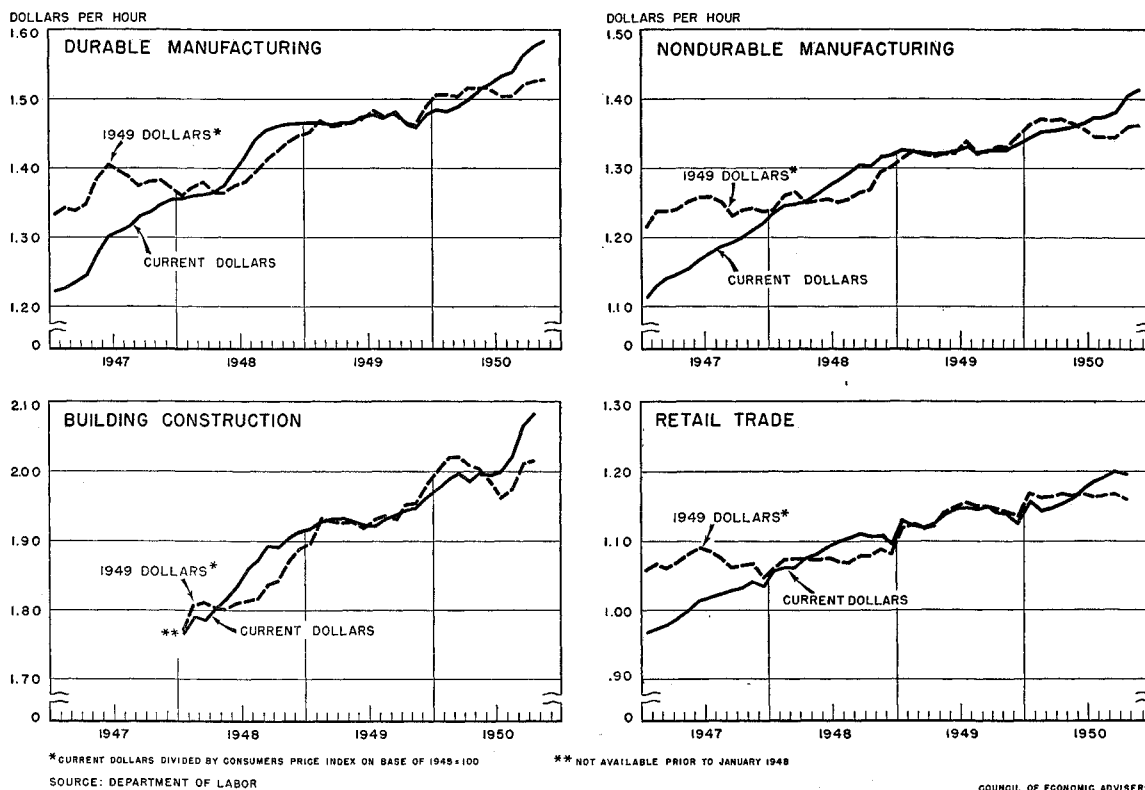
<sup>2</sup> Not available.

<sup>3</sup> Preliminary estimates.

Source: Department of Labor.

## AVERAGE HOURLY EARNINGS - SELECTED INDUSTRIES

Hourly earnings in manufacturing continued upward in November. The one-cent increase brought average hourly earnings to a new peak of \$1.51.



[Production and related workers in selected industries]

Period	All manufacturing		Durable goods manufacturing		Nondurable goods manufacturing		Building construction		Retail trade	
	Current dollars	1949 dollars <sup>1</sup>	Current dollars	1949 dollars <sup>1</sup>	Current dollars	1949 dollars <sup>1</sup>	Current dollars	1949 dollars <sup>1</sup>	Current dollars	1949 dollars <sup>1</sup>
1939 monthly average.....	\$0.633	\$1.077	\$0.698	\$1.187	\$0.582	\$0.990	(2)	(2)	(2)	(2)
1943 monthly average.....	.961	1.286	1.059	1.418	.803	1.098	(2)	(2)	(2)	(2)
1946 monthly average.....	1.086	1.287	1.156	1.370	1.015	1.232	(2)	(2)	(2)	(2)
1947 monthly average.....	1.237	1.312	1.292	1.370	1.171	1.242	(2)	(2)	\$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: 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.....	1.464	1.431	1.539	1.504	1.374	1.343	2.021	1.976	1.192	1.165
September <sup>3</sup> .....	1.480	1.440	1.563	1.520	1.381	1.343	2.066	2.010	1.200	1.167
October <sup>3</sup> .....	1.501	1.452	1.577	1.525	1.406	1.360	2.083	2.015	1.197	1.158
November <sup>3</sup> .....	1.510	1.455	1.586	1.528	1.413	1.361	(2)	(2)	(2)	(2)

<sup>1</sup> Current dollars divided by consumers' price index on base 1949=100. See note 3 to table on page 27.

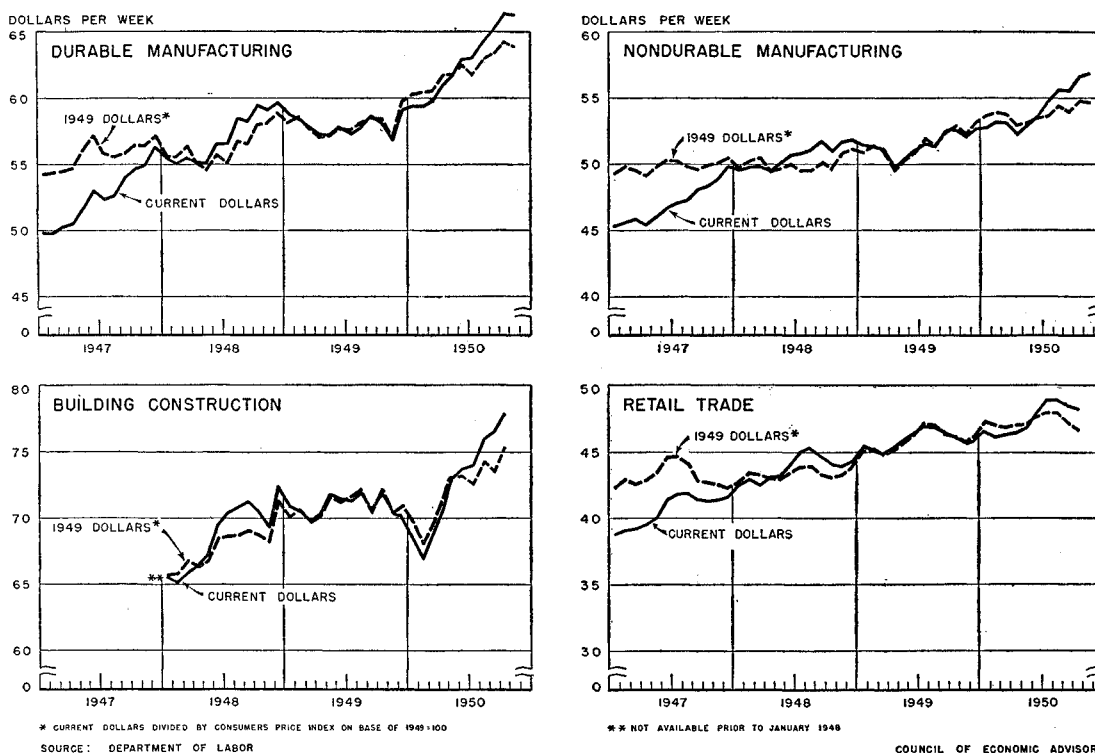
<sup>2</sup> Not available.

<sup>3</sup> Preliminary estimates.

Source: Department of Labor.

## AVERAGE WEEKLY EARNINGS - SELECTED INDUSTRIES

Weekly earnings of \$62.06 in November were practically unchanged from the October level. The slight increase in hourly earnings was about offset by the decline in hours.



### [Production and related workers in selected industries]

Period	All manufacturing		Durable goods manufacturing		Nondurable goods manufacturing		Building construction		Retail trade	
	Current dollars	1949 dollars <sup>1</sup>	Current dollars	1949 dollars <sup>1</sup>	Current dollars	1949 dollars <sup>1</sup>	Current dollars	1949 dollars <sup>1</sup>	Current dollars	1949 dollars <sup>1</sup>
1939 monthly average.....	\$23.86	\$40.58	\$26.50	\$45.07	\$21.78	\$37.04	(2)	(2)	(2)	(2)
1943 monthly average.....	43.14	57.75	49.30	66.00	34.12	46.68	(2)	(2)	(2)	(2)
1946 monthly average.....	43.82	51.92	46.49	55.08	41.14	49.93	(2)	(2)	(2)	(2)
1947 monthly average.....	49.97	52.99	52.46	55.63	46.96	49.80	(2)	(2)	\$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: 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.....	60.32	58.96	64.33	62.88	55.65	54.40	75.99	74.28	48.99	47.89
September <sup>3</sup> .....	60.68	59.03	65.18	63.40	55.52	54.01	75.62	73.56	48.48	47.16
October <sup>3</sup> .....	61.99	59.95	66.39	64.21	56.66	54.80	77.90	75.34	48.24	46.65
November <sup>3</sup> .....	62.06	59.79	66.29	63.86	56.80	54.72	(2)	(2)	(2)	(2)

<sup>1</sup> Current dollars divided by consumers' price index on the base 1949=100. See note 3 to table on page 27.

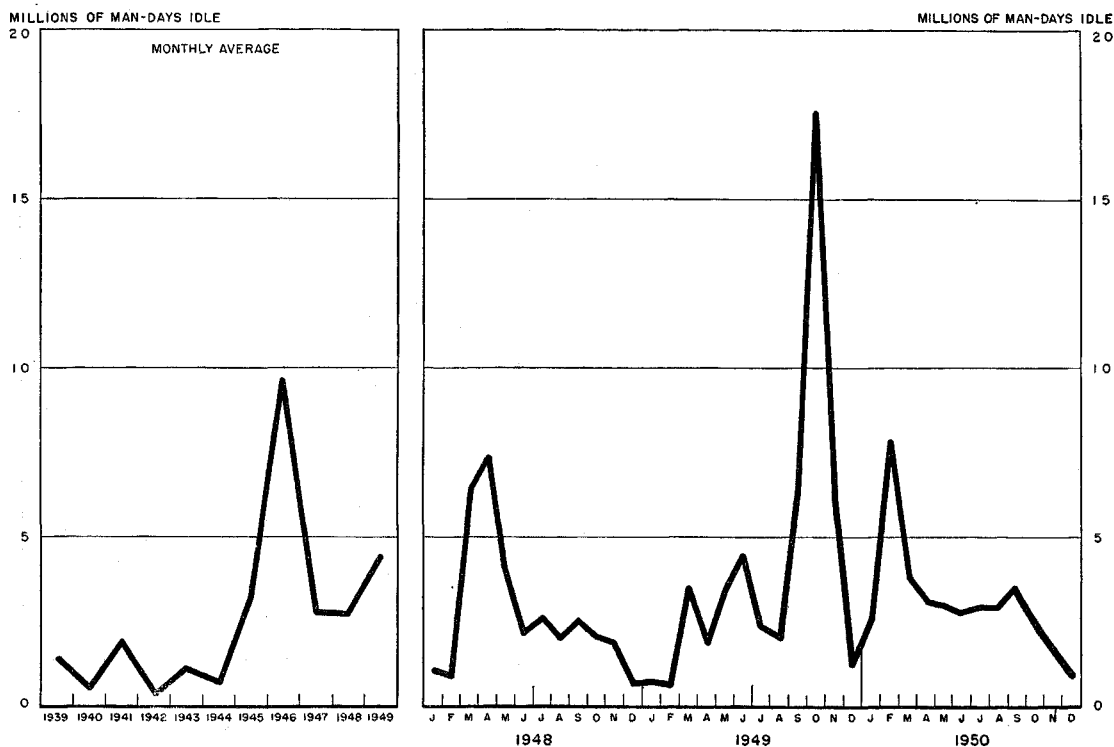
<sup>2</sup> Not available.

<sup>3</sup> Preliminary estimates.

Source: Department of Labor.

# WORK STOPPAGES

Man-days of idleness resulting from work stoppages decreased in November. Since then there have been no large stoppages.



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	-----
1950 <sup>1</sup> .....	3,200	.44	2,300	-----	4,700	-----
1949: November.....	6,270	.93	57	914	197	388
December.....	1,350	.19	46	417	170	323
1950: January <sup>1</sup> .....	2,700	.39	170	300	245	340
February <sup>1</sup> .....	8,600	1.40	56	515	205	325
March <sup>1</sup> .....	3,900	.51	84	530	300	400
April <sup>1</sup> .....	3,300	.49	156	300	405	550
May <sup>1</sup> .....	3,300	.44	352	500	485	650
June <sup>1</sup> .....	2,600	.34	271	400	480	650
July <sup>1</sup> .....	2,800	.40	220	400	460	650
August <sup>1</sup> .....	2,600	.31	340	465	620	800
September <sup>1</sup> .....	3,500	.48	275	460	525	800
October <sup>1</sup> .....	2,450	.30	180	300	525	800
November <sup>1</sup> .....	1,750	.23	160	275	250	575
December <sup>1</sup> .....	1,000	.14	40	( <sup>2</sup> )	200	( <sup>2</sup> )

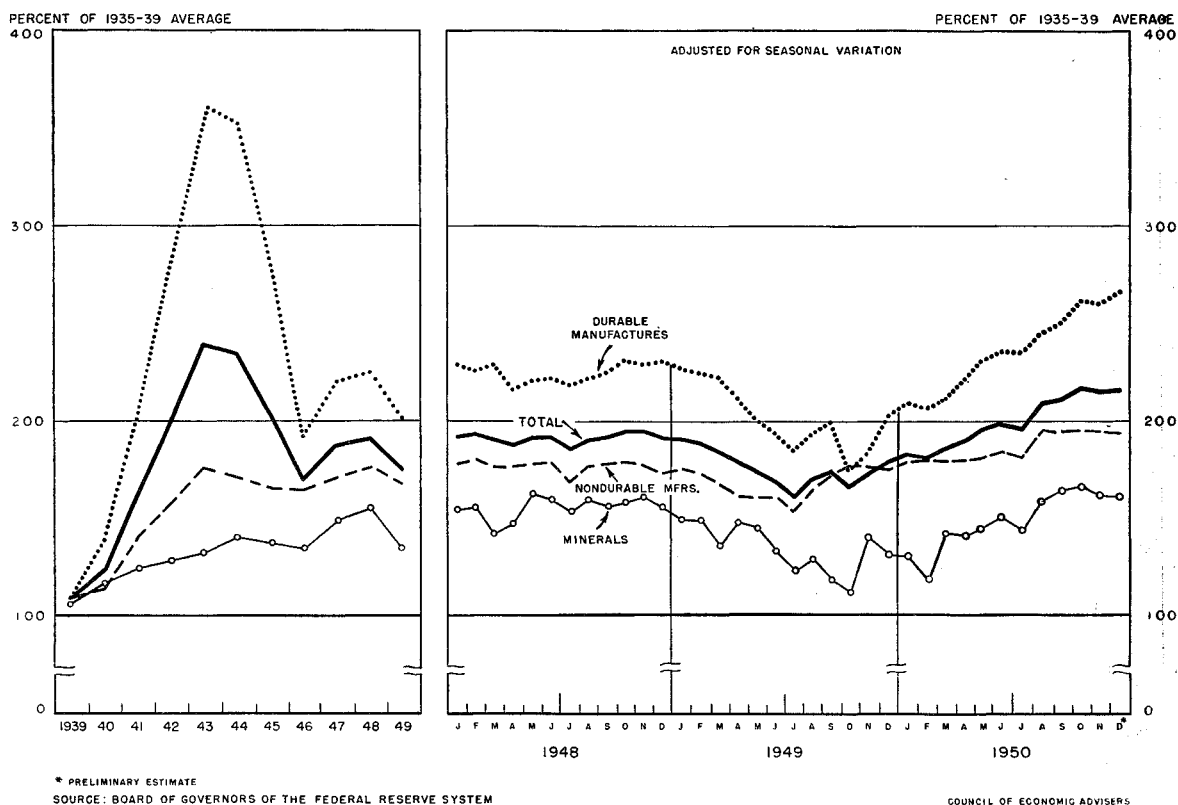
<sup>1</sup> Preliminary estimates.  
<sup>2</sup> Not available.

Source: Department of Labor.

# PRODUCTION AND BUSINESS ACTIVITY

## INDUSTRIAL PRODUCTION

Preliminary estimates for December indicate a small rise in the total index of industrial production, due entirely to an increase in the manufacture of durable 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
1950 monthly average <sup>1</sup> .....	200	209	236	187	149
1949: 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	237	184	151
July.....	196	206	235	181	144
August.....	209	218	247	195	159
September.....	211	220	251	194	164
October.....	217	226	262	196	166
November <sup>1</sup> .....	215	225	260	195	162
December <sup>1</sup> .....	216	226	266	194	161

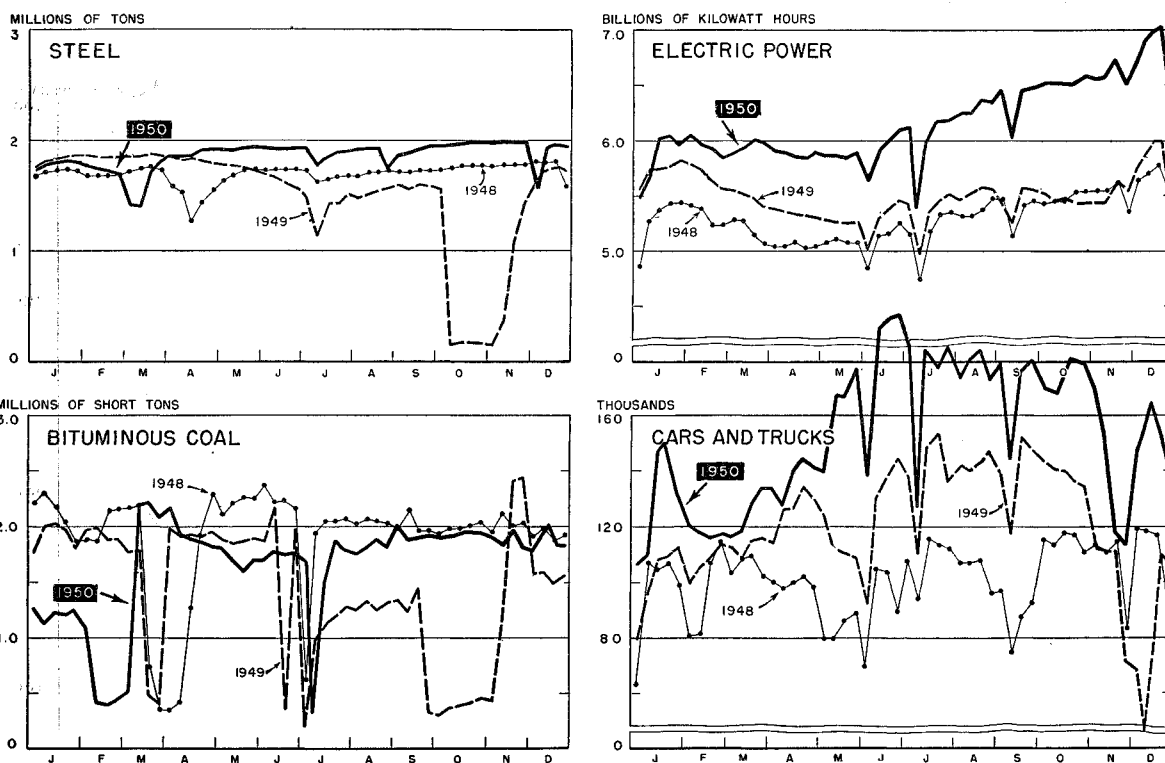
<sup>1</sup> Preliminary estimates.

Source: Board of Governors of the Federal Reserve System.



# WEEKLY PRODUCTION - SELECTED INDICATORS

Steel production during December and in the 1st half of January was maintained at very high levels. Electric power output reached a new record in the week ended December 23. Most other weekly production data indicate high levels of activity.



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

COUNCIL OF ECONOMIC ADVISERS

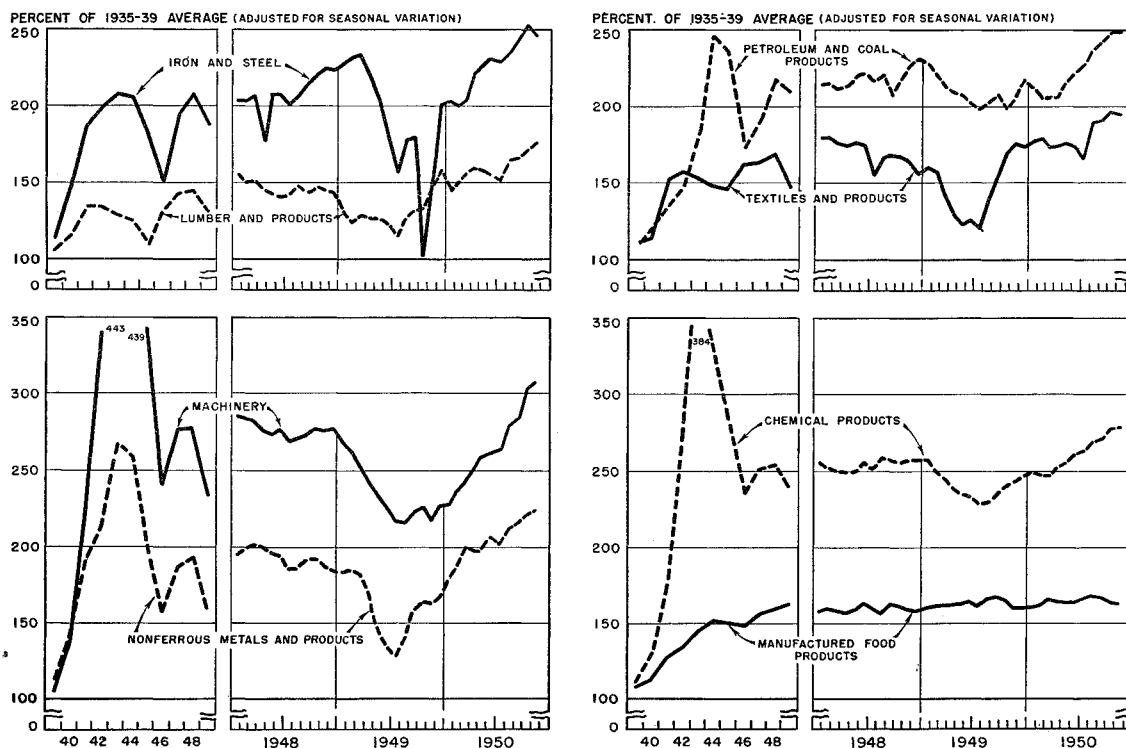
Period	Steel		Electric power, by utilities (millions of kilowatt-hours)	Bituminous coal (thousands of short tons) <sup>2</sup>	Cars and trucks (number)
	Thousands of net tons	Percent of theoretical capacity <sup>1</sup>			
Weekly average:					
1947-----	1, 628	93. 0	4, 821	2, 058	92, 163
1948-----	1, 695	94. 1	5, 300	1, 948	82, 340
1949-----	1, 496	81. 0	5, 500	1, 427	120, 350
1950 <sup>3</sup> -----	1, 855	96. 7	6, 183	1, 652	154, 166
Week ended:					
1949: December 3-----	1, 617	87. 7	5, 743	1, 591	68, 385
10-----	1, 691	91. 7	5, 881	1, 601	46, 667
17-----	1, 735	94. 1	5, 997	1, 509	79, 692
24-----	1, 742	94. 5	5, 994	1, 565	110, 594
31-----	1, 716	93. 1	5, 493	1, 328	106, 744
1950: January 7-----	1, 772	92. 9	5, 695	1, 130	110, 326
14-----	1, 792	94. 0	6, 029	1, 237	146, 956
1950: December 2-----	1, 576	81. 7	6, 716	1, 554	147, 300
9-----	1, 938	100. 5	6, 909	1, 903	154, 731
16-----	1, 954	101. 3	6, 985	2, 001	164, 318
23-----	1, 944	100. 8	7, 033	1, 838	152, 705
30-----	1, 931	100. 1	6, 479	1, 820	127, 033
1951: January 6 <sup>4</sup> -----	1, 963	98. 6	6, 602	2, 012	93, 595
13 <sup>4</sup> -----	1, 981	99. 1	6, 981	1, 977	133, 502
20 <sup>4</sup> -----	1, 991	99. 6			

<sup>1</sup> 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, 1,928,721 beginning July 1, 1950, and 1,999,034 beginning January 1, 1951. <sup>2</sup> Daily average for week. <sup>3</sup> Preliminary estimates. <sup>4</sup> Data became available after chart was prepared.

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

## PRODUCTION OF SELECTED MANUFACTURES

A small decline in steel production in November reflected the temporary effects of the severe storm. More recent data indicate that steel mills have since been operating above rated capacity. Production of most other durable goods increased in November; output of nondurable goods continued near their recent levels.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

COUNCIL OF ECONOMIC ADVISERS

[1935-39=100, seasonally adjusted]

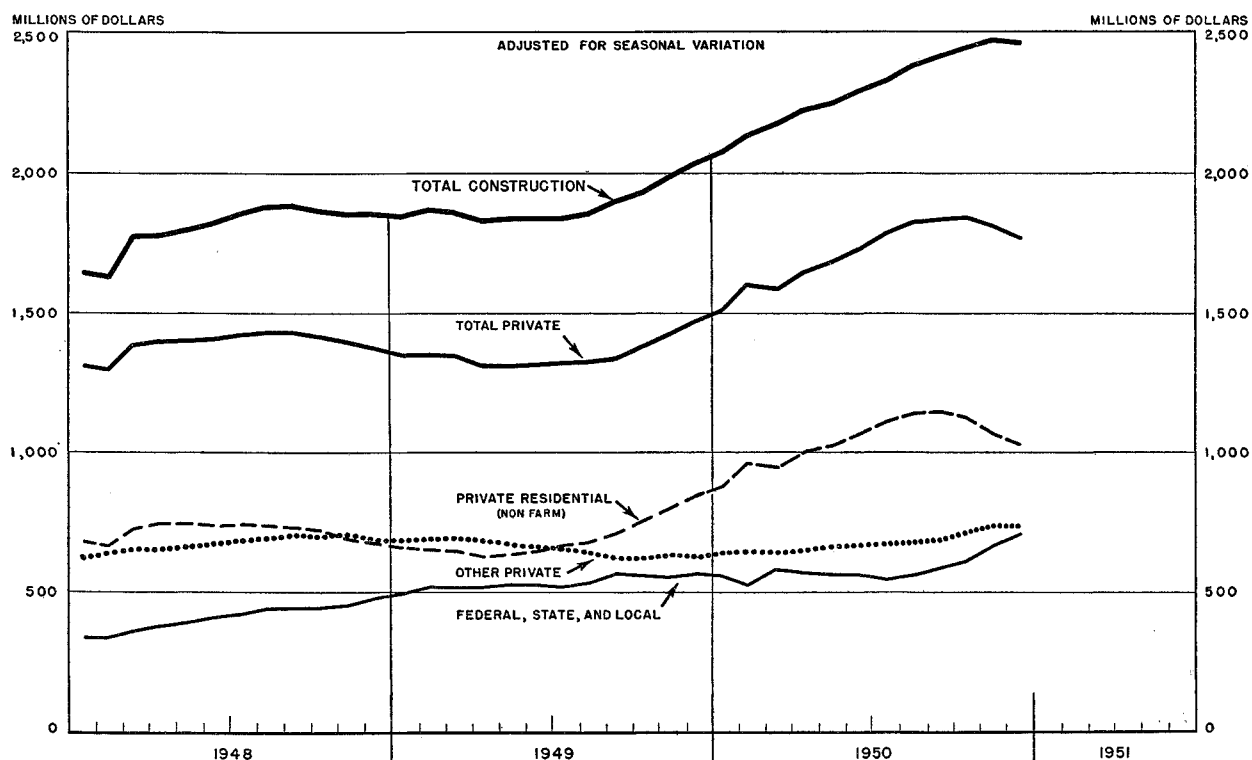
Period	Durable manufactures				Nondurable manufactures			
	Iron and steel	Lumber and products	Machinery	Nonferrous metals and products	Textiles and products	Petroleum and coal products	Manufactured food products	Chemical products
1943 monthly average.....	208	129	443	267	153	185	145	384
1946 monthly 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: 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	269
September.....	245	166	285	216	191	243	167	271
October.....	253	171	303	221	197	249	164	277
November <sup>1</sup> .....	246	176	307	224	195	249	163	278

<sup>1</sup> Preliminary estimates.

Source: Board of Governors of the Federal Reserve System.

# NEW CONSTRUCTION

Expenditures for new construction, on a seasonally adjusted basis, dropped slightly in December, for the first time in 1950. The small decline in private residential nonfarm construction was mainly responsible.



SOURCES: DEPARTMENT OF COMMERCE AND DEPARTMENT OF LABOR.

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars, seasonally adjusted]

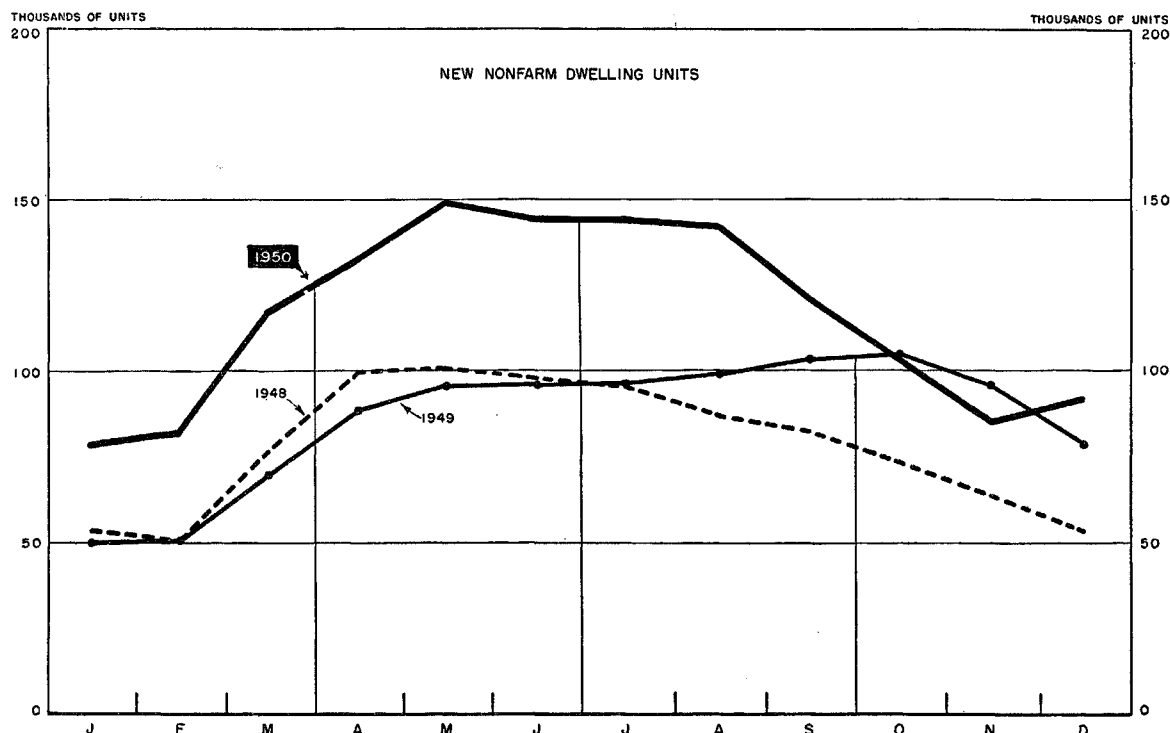
Period	Total new construction	Private construction			Federal, State, and local <sup>1</sup>
		Total private	Residential (nonfarm)	Other	
1939 monthly average.....	683	366	223	142	317
1942 monthly average.....	1, 173	285	143	142	888
1944 monthly average.....	438	182	68	114	256
1946 monthly average.....	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
1950 monthly average.....	2, 310	1, 721	1, 042	679	589
1949: November.....	1, 985	1, 428	792	636	557
December.....	2, 039	1, 471	842	629	568
1950: January.....	2, 079	1, 518	875	643	561
February.....	2, 134	1, 608	965	643	526
March.....	2, 179	1, 592	950	642	587
April.....	2, 227	1, 648	1, 000	648	579
May.....	2, 250	1, 685	1, 025	660	565
June.....	2, 293	1, 729	1, 065	664	564
July.....	2, 333	1, 786	1, 110	676	547
August.....	2, 388	1, 824	1, 140	684	564
September.....	2, 427	1, 836	1, 145	691	591
October.....	2, 454	1, 842	1, 125	717	612
November.....	2, 479	1, 813	1, 070	743	666
December.....	2, 472	1, 767	1, 030	737	705

<sup>1</sup> Includes public residential construction.

Sources: Department of Commerce and Department of Labor.

# NEW HOUSING STARTS

New housing starts increased contraseasonally in December. Almost 1.4 million houses were started in 1950, about  $\frac{1}{2}$  more than in the previous record year 1949.



SOURCE: DEPARTMENT OF LABOR.

COUNCIL OF ECONOMIC ADVISERS

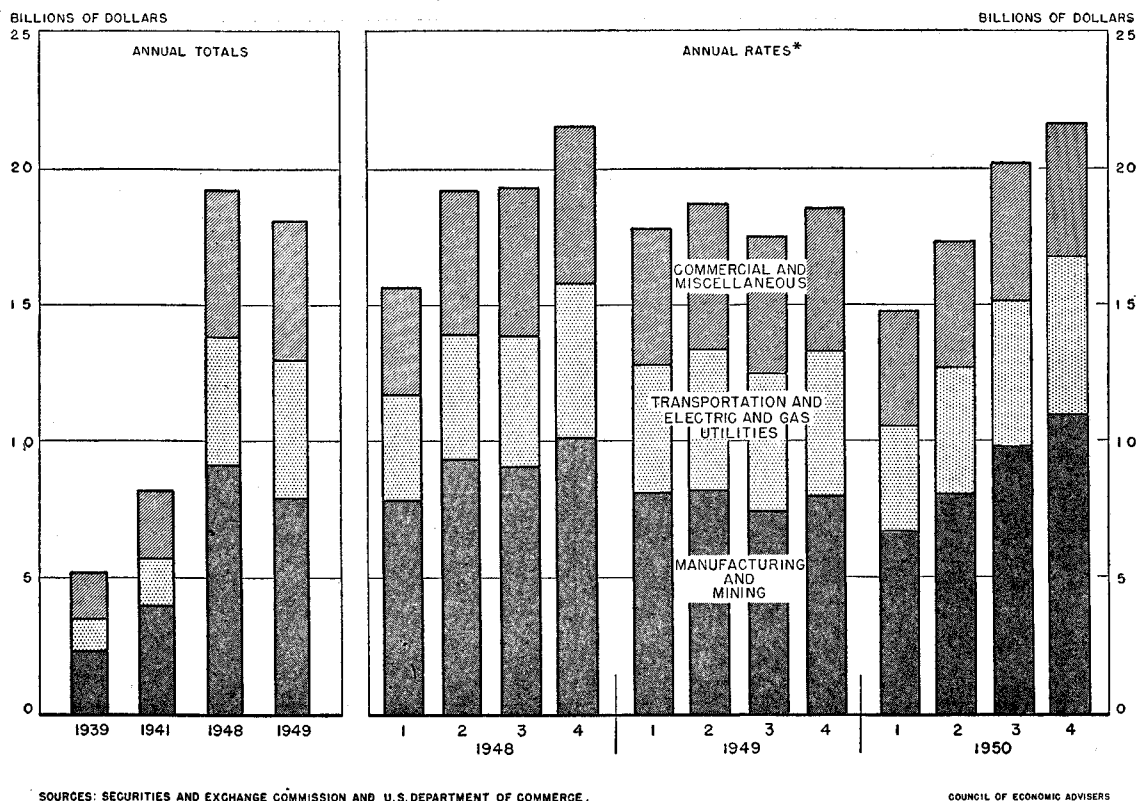
Month	New nonfarm units started			
	1947	1948	1949	1950
January.....	39,300	53,500	50,000	78,700
February.....	42,800	50,100	50,400	82,900
March.....	56,000	76,400	69,400	117,300
April.....	67,100	99,500	88,300	133,400
May.....	72,900	100,300	95,400	149,100
June.....	77,200	97,800	95,500	144,300
July.....	81,100	95,000	96,100	144,400
August.....	86,300	86,700	99,000	141,900
September.....	93,800	82,300	102,900	120,600
October.....	94,000	73,400	104,300	<sup>1</sup> 103,000
November.....	79,700	63,700	95,500	<sup>1</sup> 85,000
December.....	58,800	52,900	78,300	<sup>1</sup> 92,000
Total.....	849,000	931,600	1,025,100	<sup>1</sup> 1,392,000
Monthly average.....	70,750	77,600	85,425	<sup>1</sup> 116,050

<sup>1</sup> 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 <sup>1</sup>	Manufacturing	Mining	Transportation		Electric and gas utilities	Commercial and miscellaneous <sup>2</sup>
				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 <sup>3</sup> .....	18,130	7,950	690	1,140	430	3,220	4,700
1951 <sup>3</sup> .....	21,880	10,570	820	1,360	620	3,440	5,070
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.....	18,760	8,200	720	1,120	480	3,280	4,920
Fourth quarter <sup>3</sup> .....	21,640	10,080	800	1,280	560	3,960	4,960
1951: First quarter <sup>3</sup> .....	19,240	8,760	680	1,280	600	2,960	4,920

<sup>1</sup> Excludes agriculture.

<sup>2</sup> Commercial and miscellaneous composed of trade, service, finance, and communication.

<sup>3</sup> Estimates for fourth quarter 1950, first quarter 1951, and year 1951 based on anticipated capital expenditure of business.

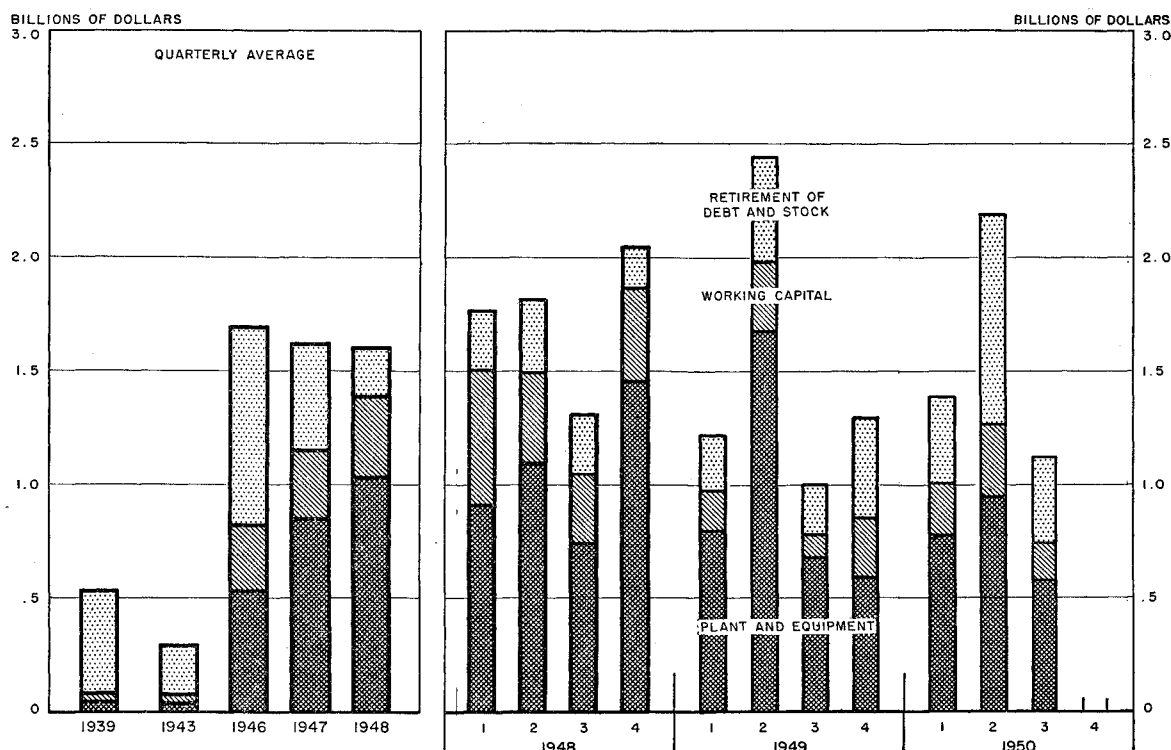
NOTE.—These figures do not agree with the totals included in the gross national product estimates of the Department of Commerce, principally because the latter cover agricultural investment and also certain equipment and construction outlays charged to current expense. Figures for 1939-44 are Federal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

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.



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 <sup>1</sup>
		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	427	258
1949 quarterly average.....	1,490	1,152	931	220	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	789	669	120	219
Fourth quarter.....	1,299	862	596	265	438
1950: First quarter.....	1,398	1,014	777	237	384
Second quarter.....	2,193	1,275	958	317	919
Third quarter <sup>2</sup> .....	1,120	742	577	165	378

<sup>1</sup> Includes small amount for other purposes.

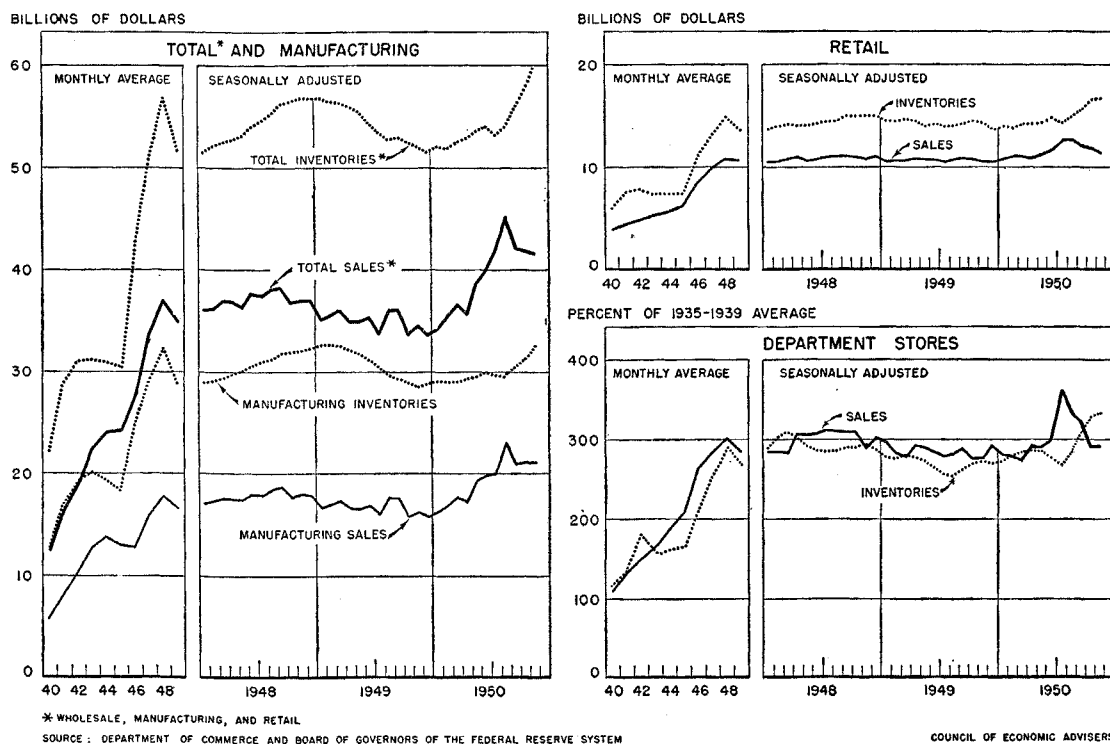
<sup>2</sup> Preliminary estimates.

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

Source: Securities and Exchange Commission.

# INVENTORIES AND SALES

In November retail sales declined slightly while inventories increased a little. Manufacturing inventories rose, sales did not change appreciably, and new orders dropped substantially.



Period	Total business <sup>1</sup>		Manufacturing			Retail		Department stores	
	Inven- tories <sup>2</sup>	Sales <sup>3</sup>	Inven- tories <sup>2</sup>	Sales <sup>3</sup>	New orders <sup>4</sup>	Inven- tories <sup>2</sup>	Sales <sup>3</sup>	Inven- tories <sup>5</sup>	Sales <sup>6</sup>
	Millions of dollars, seasonally adjusted <sup>4</sup>							1935-39=100, season- ally adjusted	
1939.....	20, 172	11, 109	11, 465	5, 100	( <sup>9</sup> )	5, 532	3, 504	102	106
1943.....	31, 143	22, 372	20, 098	12, 822	( <sup>9</sup> )	7, 361	5, 277	155	168
1945.....	30, 571	24, 181	18, 390	12, 883	( <sup>9</sup> )	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: October.....	52, 539	33, 596	28, 927	15, 798	17, 151	14, 475	10, 678	270	276
November.....	52, 114	34, 404	28, 665	16, 221	16, 868	14, 336	10, 630	273	277
December.....	51, 608	33, 550	28, 879	15, 756	16, 009	13, 698	10, 503	271	293
1950: January.....	52, 024	34, 244	29, 035	16, 216	17, 032	13, 998	10, 855	272	282
February.....	51, 825	35, 305	28, 990	16, 877	16, 861	13, 800	11, 101	279	280
March.....	52, 484	36, 599	29, 073	17, 797	18, 810	14, 282	11, 125	285	274
April.....	52, 906	35, 645	29, 384	17, 206	17, 182	14, 138	11, 080	286	292
May.....	53, 553	38, 652	29, 659	19, 309	19, 097	14, 416	11, 327	285	290
June.....	54, 241	39, 896	30, 028	19, 838	20, 666	14, 720	11, 699	276	298
July.....	53, 243	41, 982	29, 830	20, 269	22, 223	14, 125	12, 700	268	362
August.....	54, 496	45, 275	29, 858	22, 956	27, 323	15, 076	12, 682	284	335
September <sup>7</sup> .....	56, 401	42, 142	30, 732	21, 154	23, 760	15, 793	12, 133	309	320
October <sup>7</sup> .....	58, 465	41, 828	31, 784	21, 229	24, 686	16, 540	11, 759	328	292
November <sup>7</sup> .....	59, 775	41, 530	32, 700	21, 200	22, 954	16, 656	11, 390	332	291

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

<sup>2</sup> Book value, end of period.

<sup>3</sup> Monthly average for year and total for month.

<sup>4</sup> Data for new orders not adjusted for seasonal variation.

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

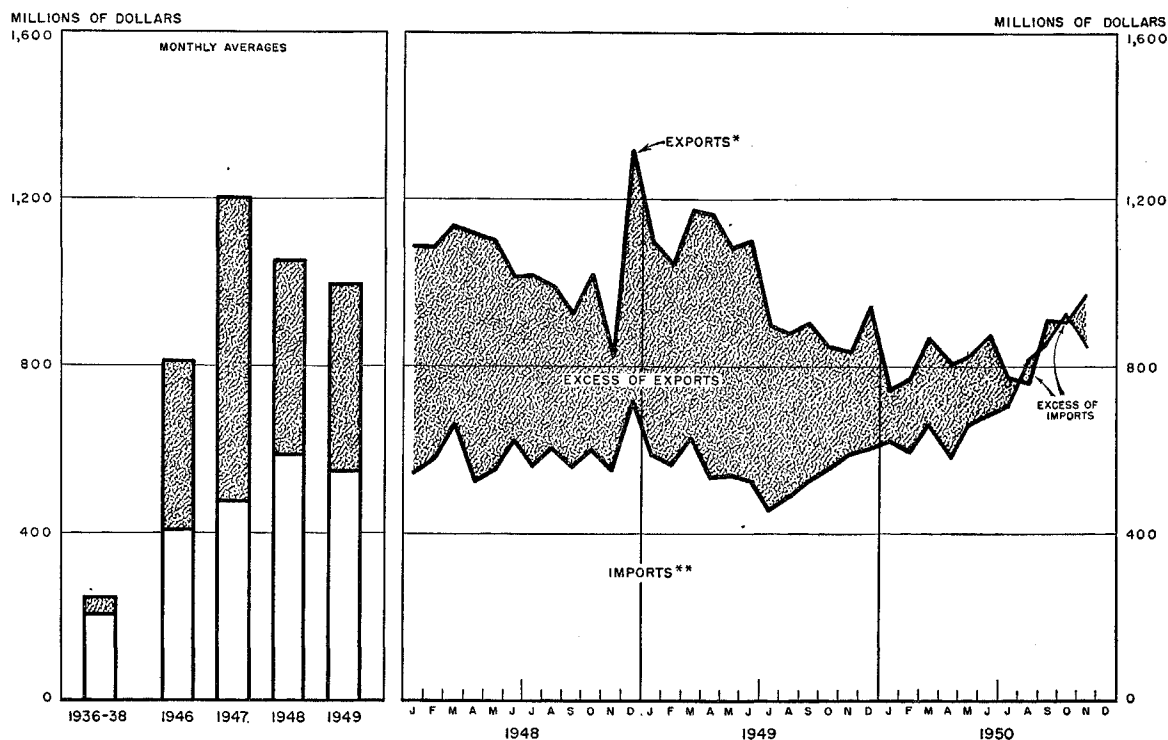
<sup>6</sup> Not available.

<sup>7</sup> Preliminary estimates.

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

# MERCHANDISE EXPORTS AND IMPORTS

Imports fell 8% in November, the first decline since last April. A rise of 8% in exports, to the highest level since June 1949, reinforced the recent evidence of a new upward trend. These changes converted the small import surplus of October into an export surplus of \$126 million.



\* 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 <sup>1</sup>	Imports <sup>2</sup>	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	552	451
1949: October.....	853	557	296
November.....	841	593	248
December.....	944	605	339
1950: January.....	741	623	118
February.....	767	600	167
March.....	861	665	196
April.....	803	585	218
May.....	828	659	169
June.....	876	685	191
July.....	773	707	66
August.....	763	820	-57
September.....	912	857	55
October.....	904	922	-18
November.....	978	852	126

<sup>1</sup> Recorded merchandise exports, including reexports, and civilian supplies for occupied areas.

<sup>2</sup> Recorded general merchandise imports.

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

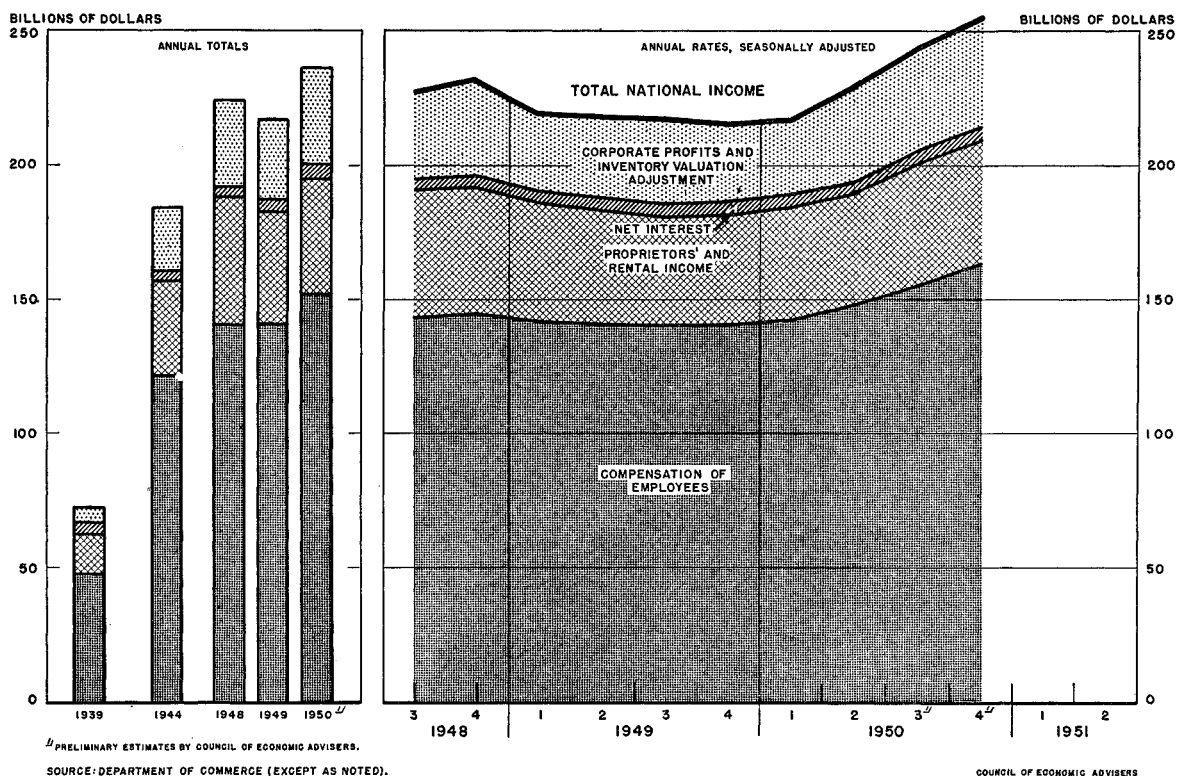
Sources: Department of Commerce, Department of the Army, and Department of the Navy.



# PURCHASING POWER

## NATIONAL INCOME

National income gained at an annual rate of \$11 billion (seasonally adjusted) between 3rd and 4th quarters of 1950, \$8 billion of which was due to a rise in compensation of employees.



[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
1950 <sup>1</sup> .....	236.2	152.2	43.6	5.0	35.5	40.2	-4.7
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.....	<sup>1</sup> 243.7	155.2	45.4	5.0	<sup>1</sup> 38.1	<sup>1</sup> 46.0	-7.9
Fourth quarter <sup>1</sup> .....	254.7	163.2	46.0	5.0	40.5	48.0	-7.5

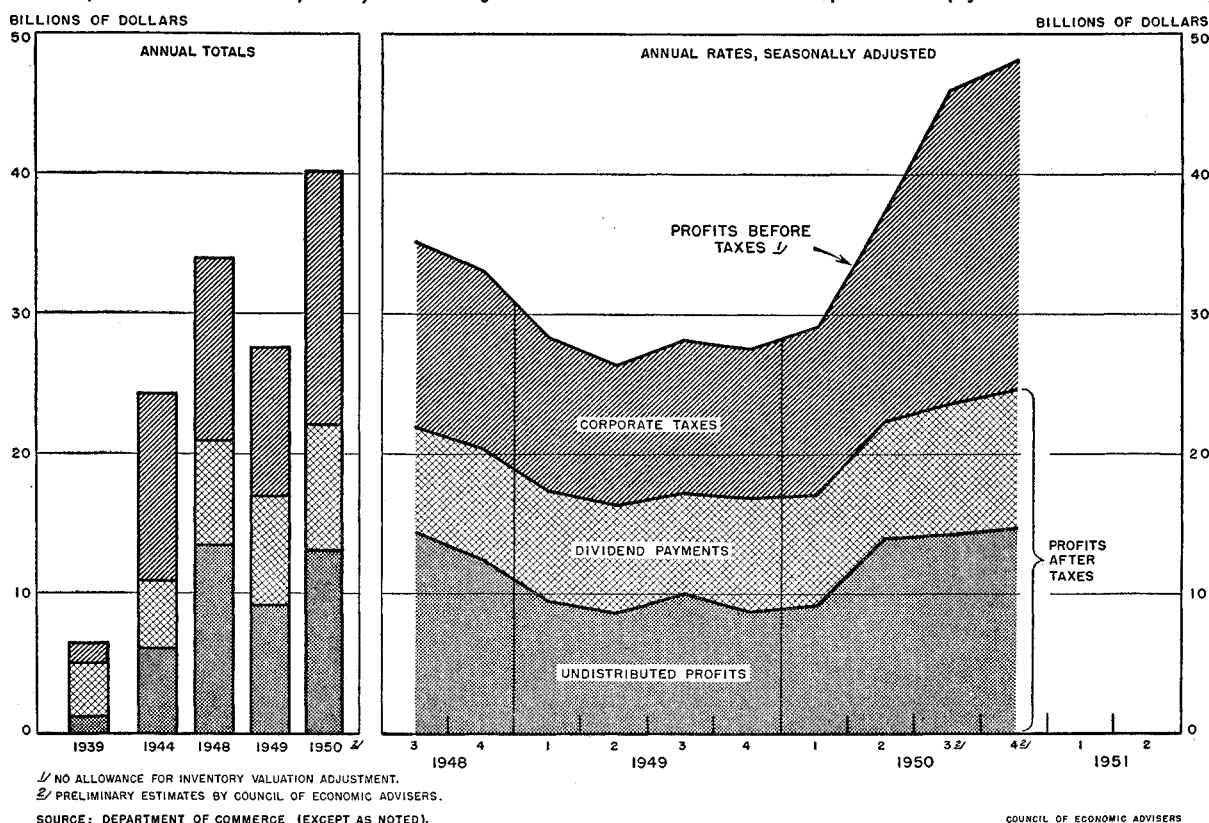
<sup>1</sup> Estimates based on incomplete data, corporate profits and total national income for third quarter and all items for fourth quarter by Council of Economic Advisers.

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

Source: Department of Commerce (except as noted).

# CORPORATE PROFITS

Corporate profits for 4th quarter of 1950 far surpassed those of any previous period. Preliminary estimates indicate gains of \$2 billion before taxes and almost \$1 billion after taxes (seasonally adjusted annual rates) over profits for the 3rd quarter, even though the latter have been revised upward sharply.



[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
1950 <sup>1</sup> .....	40.2	18.3	21.9	8.9	13.0
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 <sup>1</sup> .....	46.0	22.4	23.6	9.4	14.2
Fourth quarter <sup>1</sup> .....	48.0	23.5	24.5	9.8	14.7

<sup>1</sup> Estimates based on incomplete data, third and fourth quarters by Council of Economic Advisers.

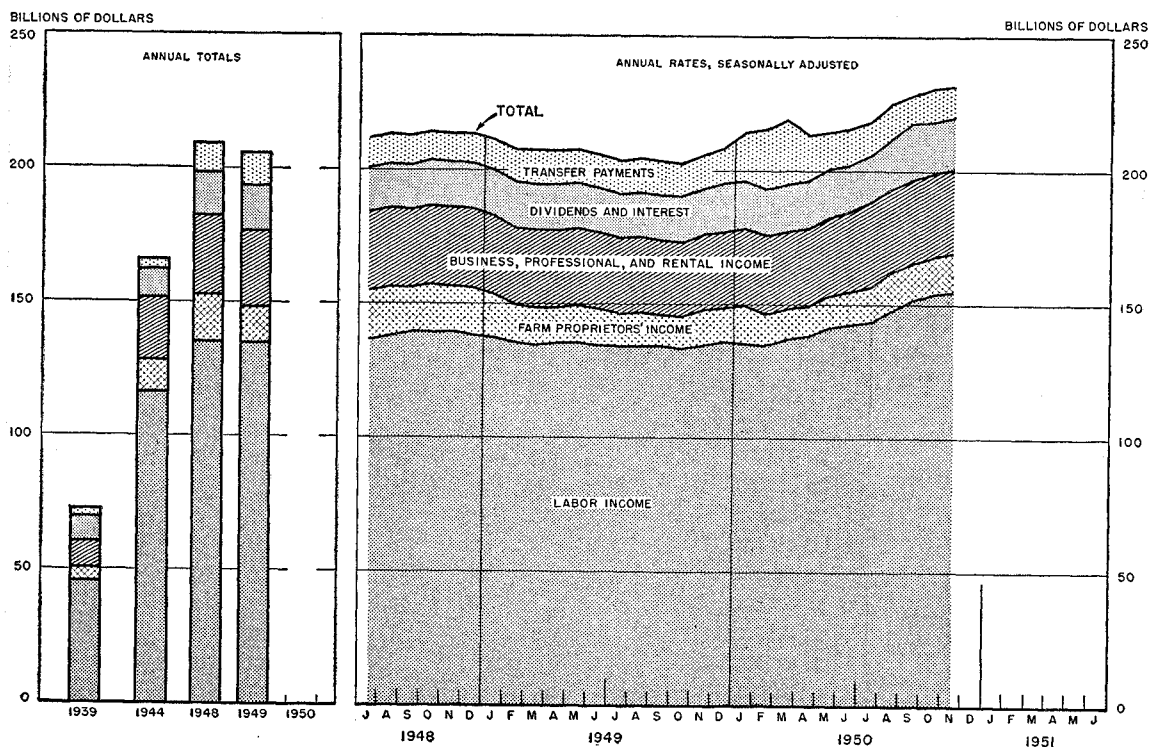
NOTE.—No allowance has been made for inventory valuation adjustment. See p.22 for profits before taxes and inventory valuation adjustment.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

# PERSONAL INCOME

The rise in personal income in November of almost \$1 billion (seasonally adjusted annual rate) was considerably less than in the preceding month, according to the revised estimates.



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	134.9	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: 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	<sup>1</sup> 18.4
February.....	215.4	134.5	12.3	28.7	17.7	<sup>1</sup> 22.2
March.....	219.3	136.9	11.4	28.8	18.0	<sup>1</sup> 24.2
April.....	213.8	138.6	11.0	28.8	18.2	<sup>1</sup> 17.2
May.....	214.5	141.1	12.1	29.4	17.8	<sup>1</sup> 14.1
June.....	217.1	143.6	12.1	30.2	17.8	<sup>1</sup> 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.....	231.1	154.1	13.9	31.8	19.2	12.1
November <sup>2</sup> .....	231.9	154.7	14.5	31.6	19.3	11.8

<sup>1</sup> 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).

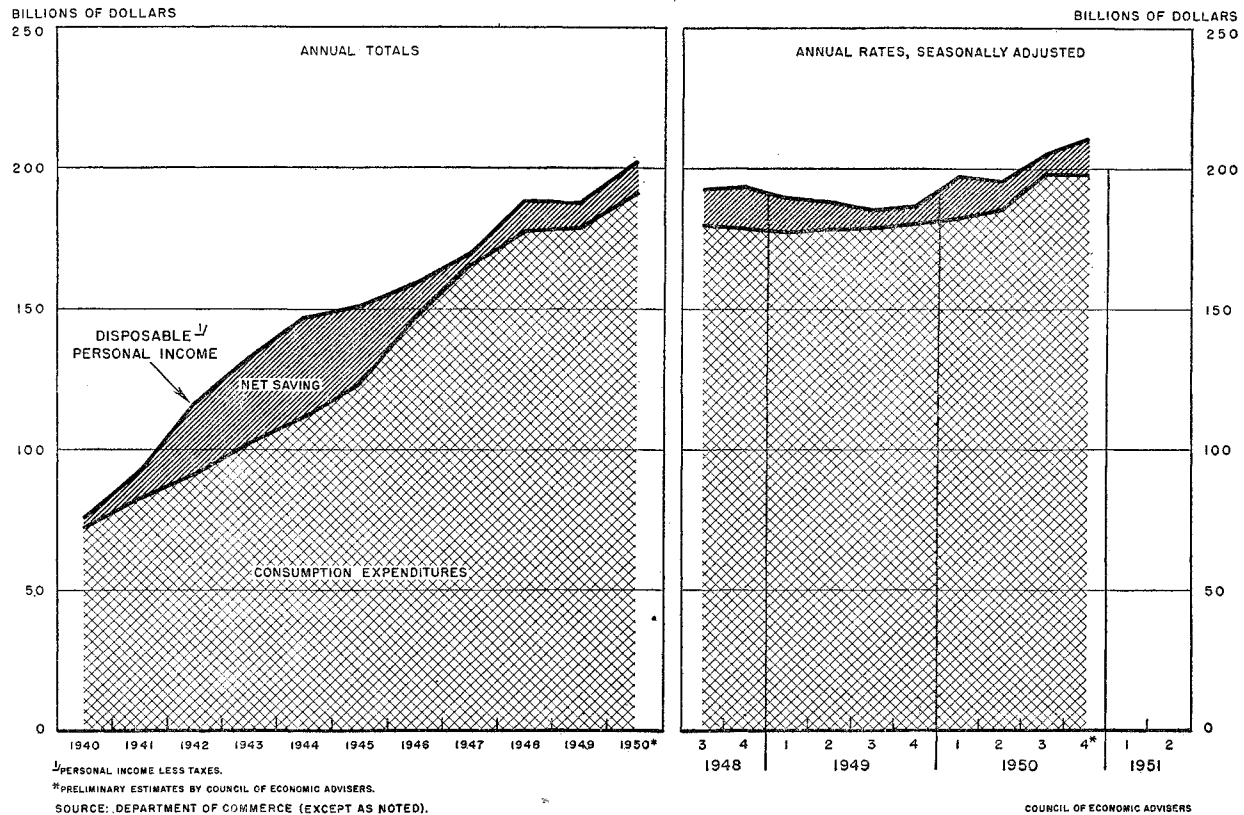
<sup>2</sup> Preliminary estimates.

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

Source: Department of Commerce.

# CONSUMER INCOME, SPENDING, AND SAVING

Consumer spending declined in 4th quarter, while income continued to gain. As a result, saving increased sharply from 3.1 to 6.4% of disposable income.



Period	Disposable personal income <sup>1</sup>	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
1950 <sup>2</sup> .....	202.1	190.8	11.3	5.6
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
Fourth quarter <sup>2</sup> .....	210.5	197.0	13.5	6.4

<sup>1</sup> Income less taxes.

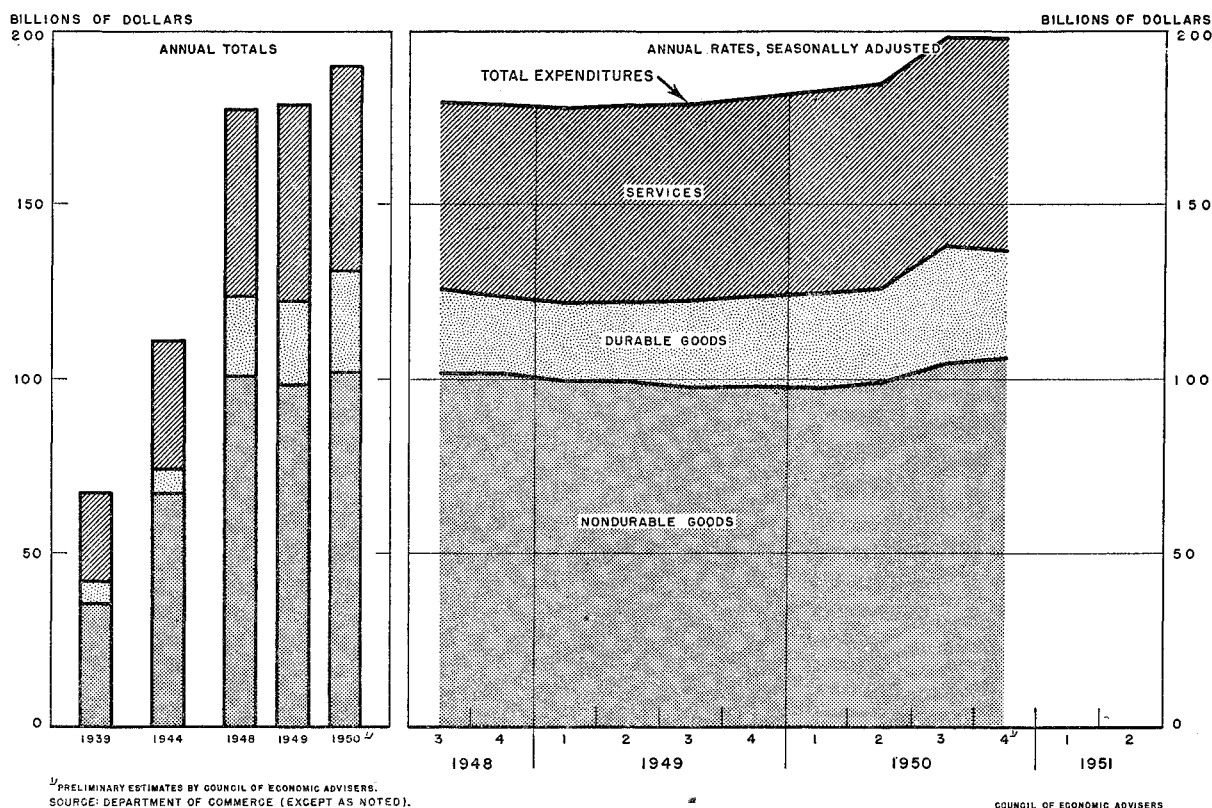
<sup>2</sup> Estimates based on incomplete data; fourth quarter by Council of Economic Advisers.

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

Sources: Department of Commerce (except as noted).

# PERSONAL CONSUMPTION EXPENDITURES

Consumption expenditures for durable goods declined by an annual rate of \$ 3 billion between 3rd and 4th quarters of 1950. Expenditures for nondurable goods and services advanced moderately.



[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
1950 <sup>1</sup> .....	190.8	101.8	29.4	59.6
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
Fourth quarter <sup>1</sup> .....	197.0	105.5	30.5	61.0

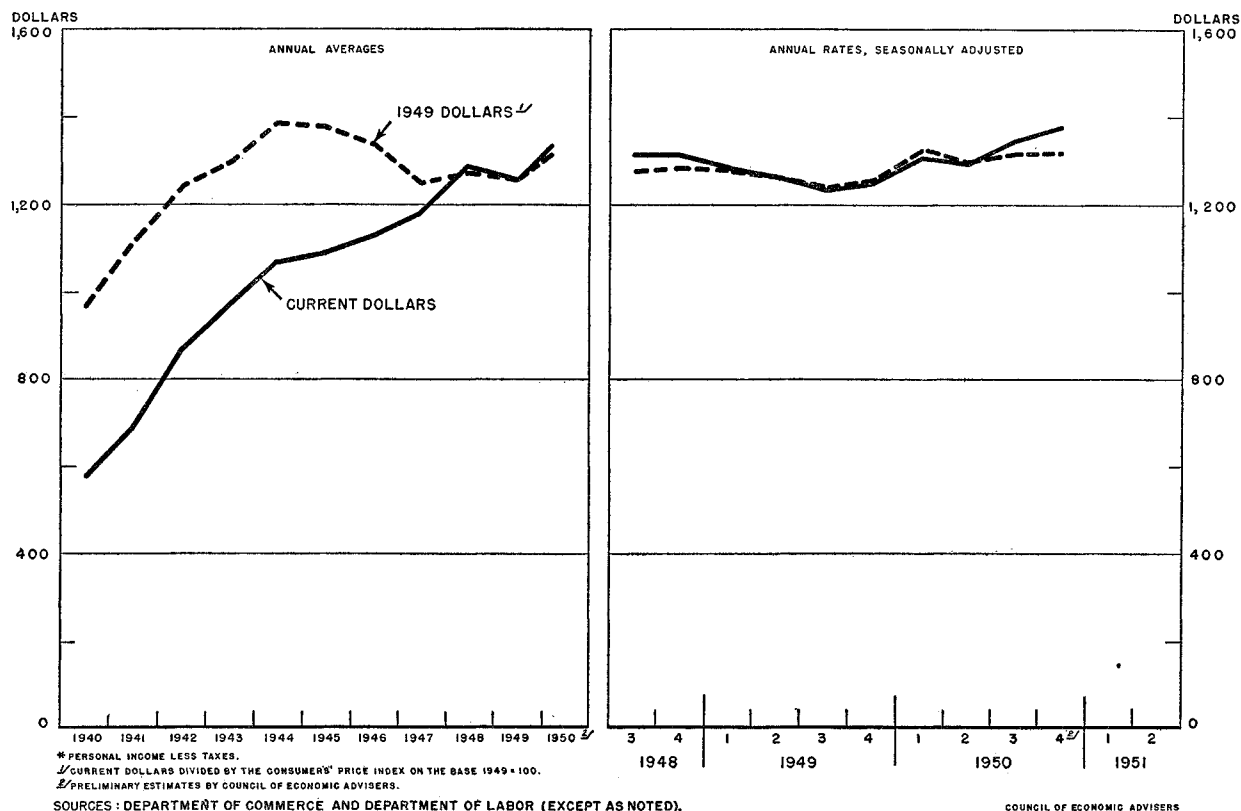
<sup>1</sup> Estimates based on incomplete data; fourth quarter by Council of Economic Advisers.

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

Source: Department of Commerce (except as noted).

# PER CAPITA DISPOSABLE INCOME\*

Per capita disposable income was practically unchanged in terms of purchasing power between 3rd and 4th quarters.



Period	Per capita disposable personal income <sup>1</sup>		Consumers' price index <sup>3</sup> 1949=100
	Current dollars	1949 dollars <sup>2</sup>	
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
1950 <sup>4</sup> .....	1,332	1,315	101.3
Annual rates, seasonally adjusted			Not adjusted for seasonal variation
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
Fourth quarter <sup>4</sup> .....	1,377	1,319	104.4

<sup>1</sup> Income less taxes.

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

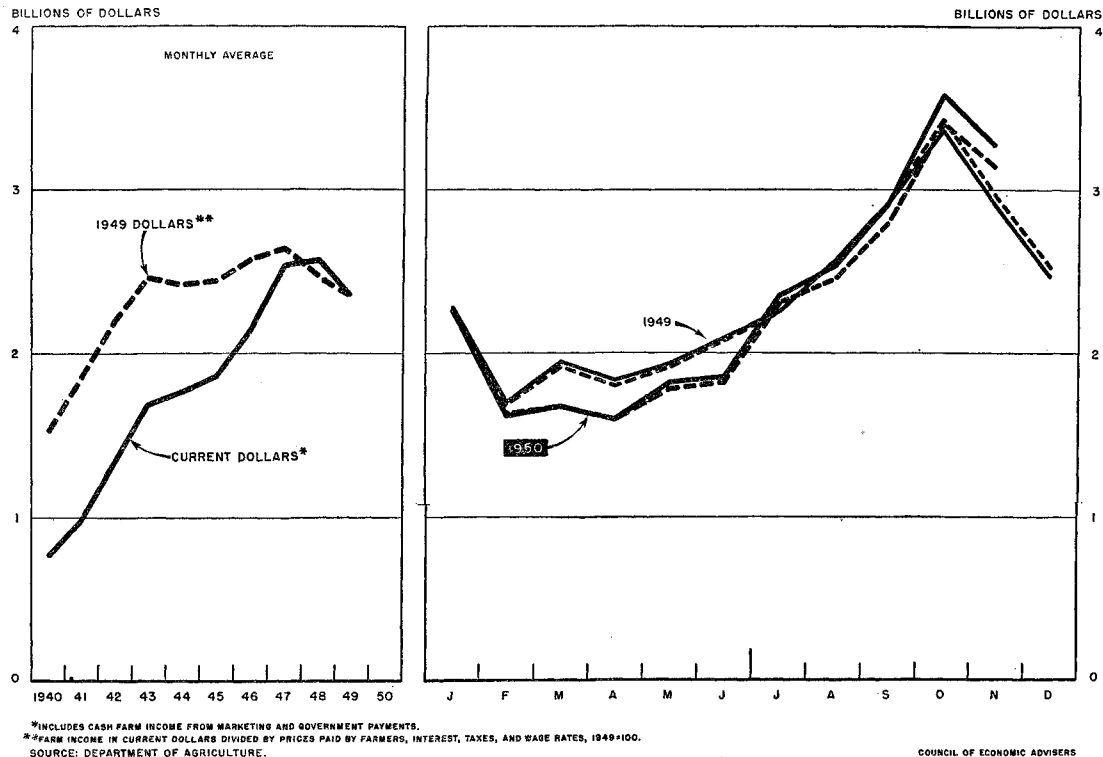
<sup>3</sup> The consumers' price index has been roughly adjusted to take account of the understatement from December 1941-February 1947. This adjustment is in line with the report of the Mitchell Committee. The unadjusted index will be found on page 3.

<sup>4</sup> Estimates based on incomplete data; fourth quarter by Council of Economic Advisers.

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

## FARM INCOME

The seasonal November drop in farm income was less in 1950 than in 1949. In real terms (1949 dollars), farm income in November 1950 was 5% higher than a year earlier.



Period	Farm income (millions of current dollars) <sup>1</sup>	Prices paid by farmers (incl. interest, taxes, and wage rates) 1949=100 <sup>2</sup>	Farm income (millions of 1949 dollars) <sup>3</sup>
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: 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.....	2,913	104	2,801
October <sup>4</sup> .....	3,585	104	3,447
November <sup>4</sup> .....	3,277	105	3,121

<sup>1</sup> Includes cash farm income from marketings and Government payments.

<sup>2</sup> Converted from the reported base, 1910-14=100, to the base 1949=100.

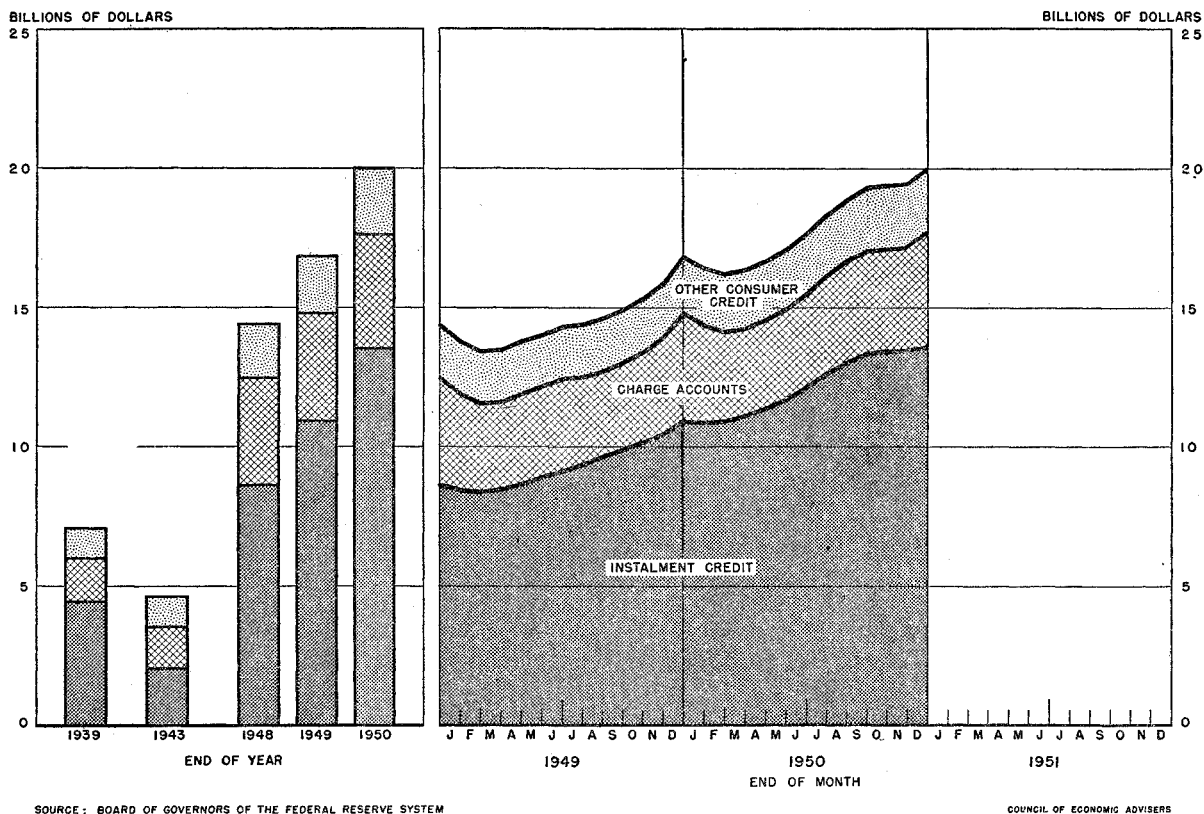
<sup>3</sup> Farm income in current dollars divided by prices paid by farmers, interest, taxes, and wage rates, 1949=100.

<sup>4</sup> Preliminary estimates.

Source: Department of Agriculture.

# CONSUMER CREDIT

Consumer credit outstanding, after leveling off in November, rose again during December, but less than seasonally. Instalment credit dropped about \$60 million in November, largely as a result of Regulation W, and expanded moderately with other forms of consumer credit in December.



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 <sup>1</sup>
		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.....	14,866	8,600	1,961	6,639	3,854	1,912
1949.....	16,809	10,890	3,144	7,746	3,909	2,010
1950 <sup>2</sup> .....	20,000	13,500	4,200	9,300	4,100	2,400
1949: 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 <sup>2</sup> .....	19,866	13,379	4,231	9,148	3,703	2,284
November <sup>2</sup> .....	19,412	13,319	4,179	9,140	3,739	2,354
December <sup>2</sup> .....	20,000	13,500	4,200	9,300	4,100	2,400

<sup>1</sup> Includes loans by pawnbrokers, service credit, and single-payment loans under \$3,000 made by commercial banks. 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.

<sup>2</sup> Estimates based on incomplete data; December by Council of Economic Advisers.

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

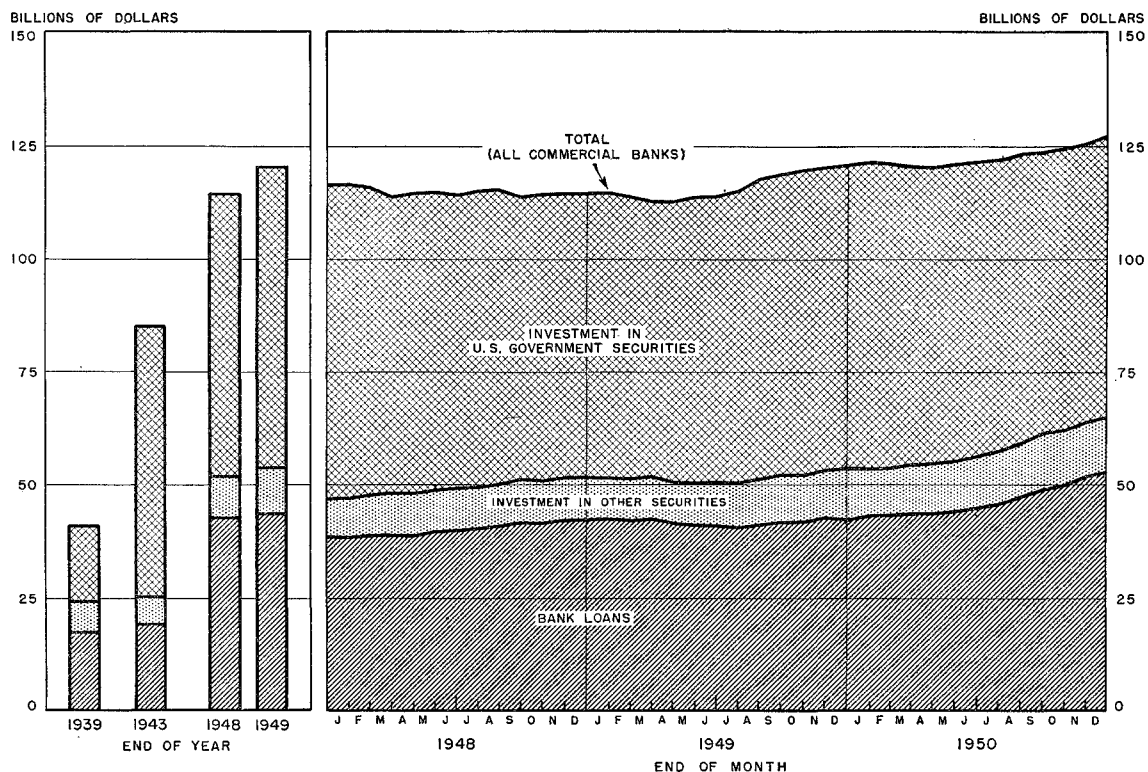
Source: Board of Governors of the Federal Reserve System (except as noted).



# MONEY, BANKING, AND FEDERAL FINANCE

## BANK LOANS AND INVESTMENTS

Commercial bank loans continued to expand rapidly during November and December. The November jump was the largest monthly increase of the year. Total investments declined during November but rose in December.



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
1950 <sup>1</sup> .....	127.2	52.7	74.5	62.3	12.2
1949: 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.....	124.5	49.9	74.6	62.5	12.1
November <sup>1</sup> .....	125.5	51.7	73.9	61.8	12.1
December <sup>1</sup> .....	127.2	52.7	74.5	62.3	12.2

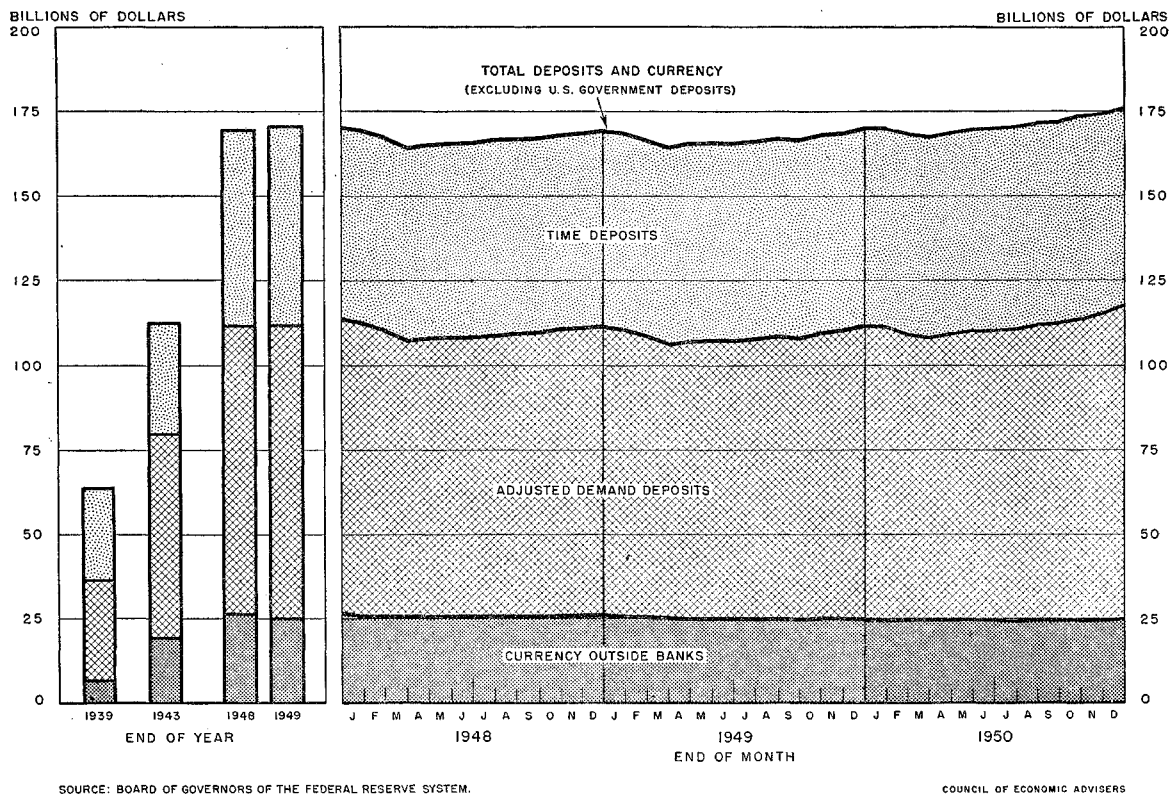
<sup>1</sup> Estimates based on incomplete data; December by Council of Economic Advisers.

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

SOURCE: Board of Governors of the Federal Reserve System (except as noted).

# MONEY SUPPLY

The privately-held money supply reached a new high of \$176.2 billion at the end of December. Demand deposits expanded \$2.7 billion during November and December. Time deposits fell \$100 million during the same period. Currency outside banks increased seasonally.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

End of period	Total privately-held money supply <sup>1</sup>	Currency outside banks	Adjusted demand deposits <sup>2</sup>	Time deposits <sup>3</sup>
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
1950 <sup>3</sup> .....	176.2	25.2	92.1	58.9
1949: 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.....	173.0	24.6	89.4	59.0
November <sup>4</sup> .....	174.2	24.8	90.7	58.7
December <sup>4</sup> .....	176.2	25.2	92.1	58.9

<sup>1</sup> Includes deposits and currency held by state and local governments.

<sup>2</sup> Includes demand deposits, other than interbank and U. S. Government, less cash items in process of collection.

<sup>3</sup> Includes deposits in commercial banks, mutual savings banks, and Postal Savings System.

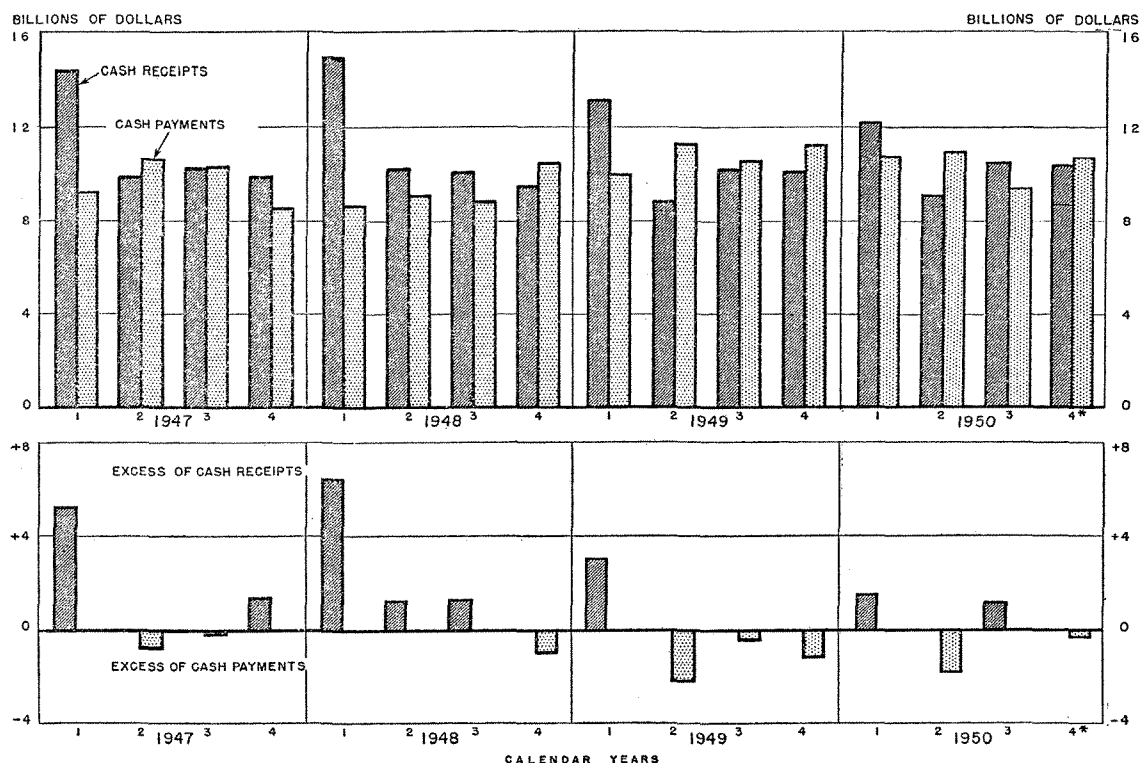
<sup>4</sup> Estimates based on incomplete data; December by Council of Economic Advisers.

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

Source: Board of Governors of the Federal Reserve System (except as noted.)

# FEDERAL CASH RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

In 4th quarter of 1950, cash payments to the public exceeded receipts by \$280 million. In the corresponding quarter of 1949 payments were \$1.5 billion in excess of receipts.



\* 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
1950 <sup>1</sup>	42,441	41,905	+536
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	10,494	9,351	+1,143
1950: Fourth quarter <sup>1</sup>	10,409	10,689	-280

<sup>1</sup> 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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