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Economic Indicators

AUGUST 1955

*Prepared for the Joint Committee on the Economic Report
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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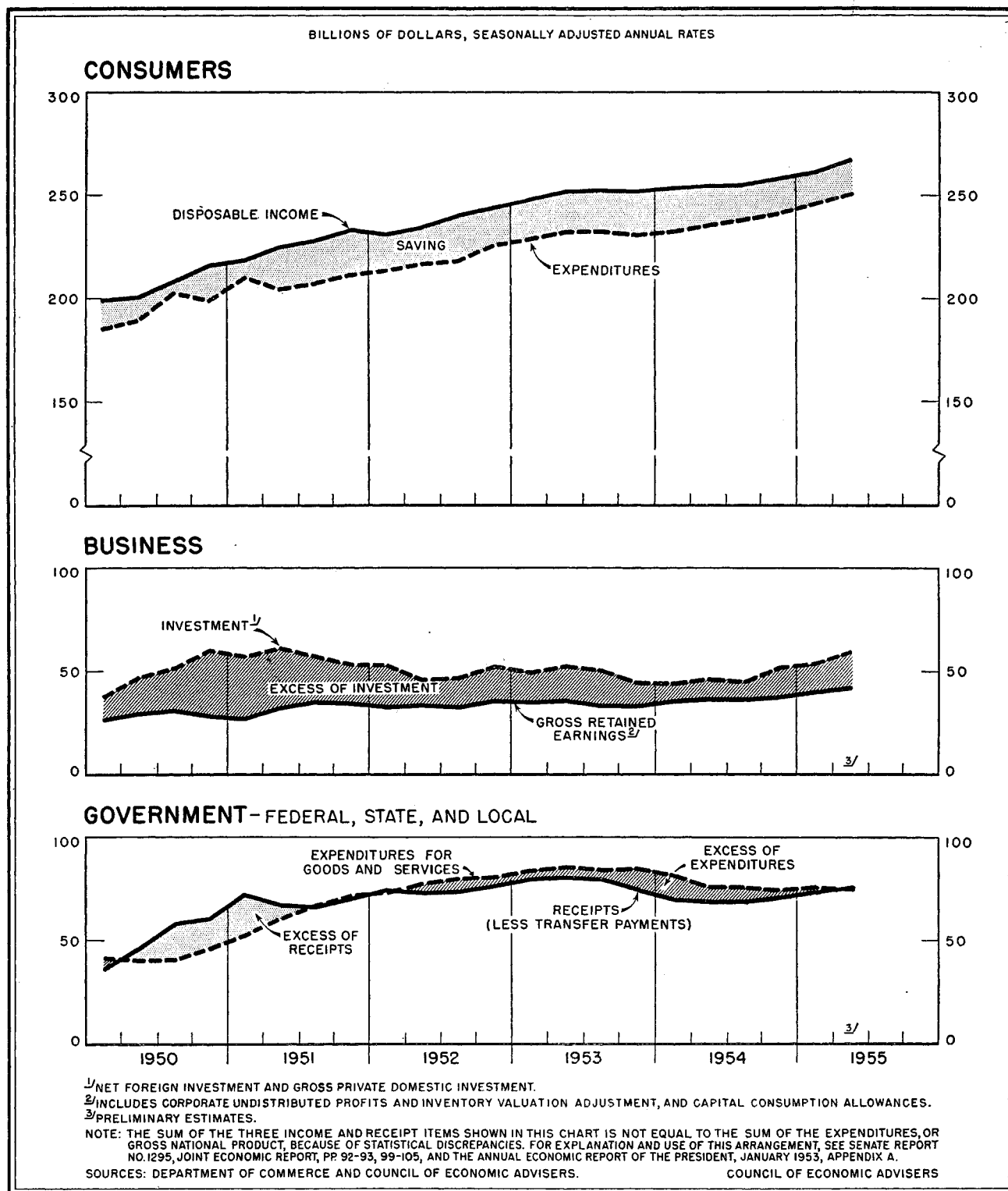
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TOTAL OUTPUT, INCOME, AND SPENDING

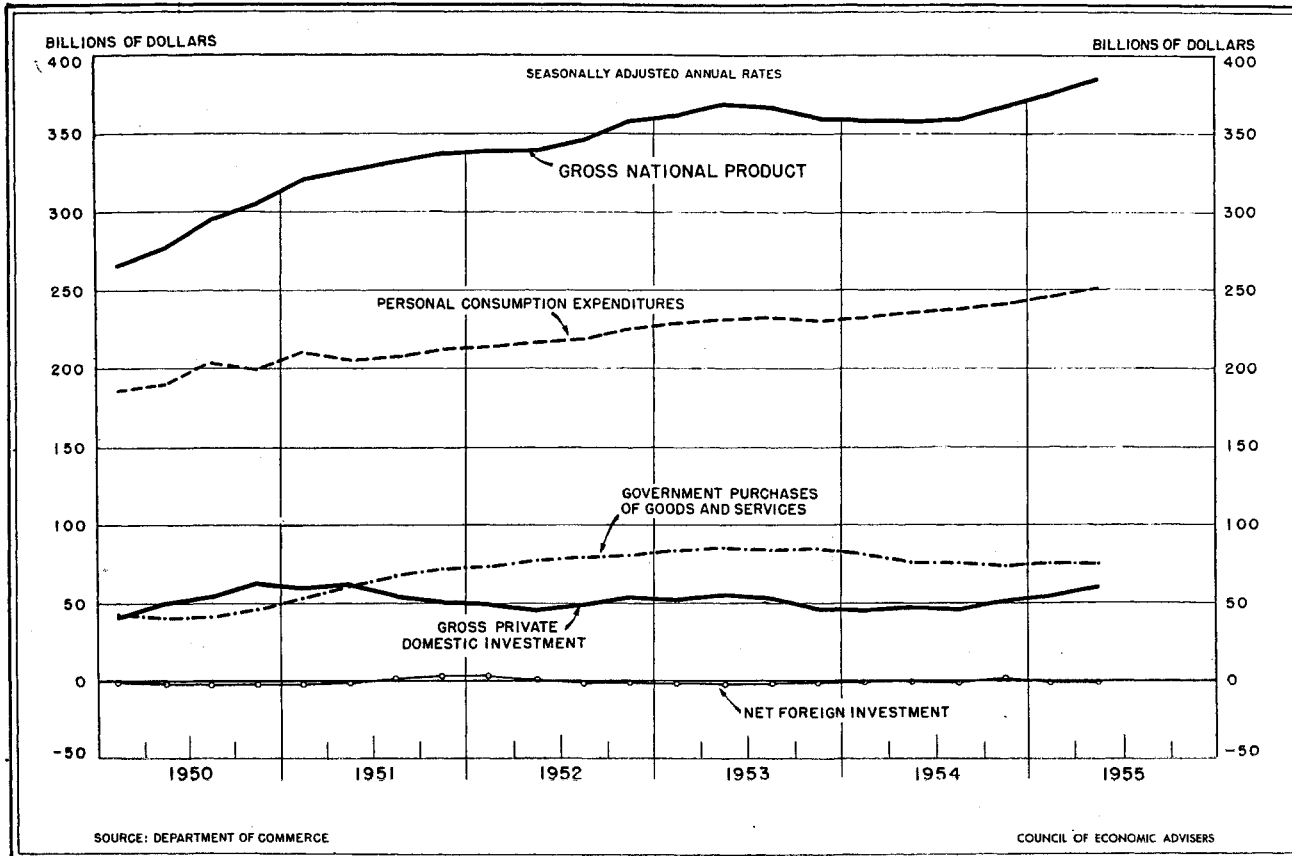
THE NATION'S INCOME, EXPENDITURE, AND SAVING

Estimates of total income and expenditures for the second quarter of 1955 reflect the continued rise in over-all economic activity.



GROSS NATIONAL PRODUCT OR EXPENDITURE

The gross national product rose substantially in the second quarter to a new record high of about \$385 billion (seasonally adjusted annual rate), according to current estimates. Increases of about \$5 billion in personal consumption expenditures and \$6 billion in gross private domestic investment were partially offset by a \$1 billion decline in government purchases.



[Billions of dollars]

| Period | Total gross national product | Personal consumption expenditures | Gross private domestic investment | Net foreign investment | Government purchases of goods and services | | | | |
|----------------------------------|------------------------------|-----------------------------------|-----------------------------------|------------------------|--|--------------------|--------------------------------|-------|-----------------|
| | | | | | Total ¹ | Federal | | | State and local |
| | | | | | | Total ¹ | National security ² | Other | |
| 1939..... | 91.1 | 67.6 | 9.3 | 0.9 | 13.3 | 5.2 | 1.3 | 3.9 | 8.2 |
| 1946..... | 209.2 | 146.6 | 27.1 | 4.6 | 30.9 | 20.9 | 21.2 | 2.5 | 10.0 |
| 1947..... | 232.2 | 165.0 | 29.7 | 8.9 | 28.6 | 15.8 | 13.3 | 3.8 | 12.8 |
| 1948..... | 257.3 | 177.6 | 41.2 | 2.0 | 36.6 | 21.0 | 16.0 | 5.6 | 15.6 |
| 1949..... | 257.3 | 180.6 | 32.5 | .5 | 43.6 | 25.4 | 19.3 | 6.6 | 18.2 |
| 1950..... | 285.1 | 194.0 | 51.2 | -2.2 | 42.0 | 22.1 | 18.5 | 3.9 | 19.9 |
| 1951..... | 328.2 | 208.3 | 56.9 | .2 | 62.8 | 41.0 | 37.3 | 4.2 | 21.8 |
| 1952..... | 345.2 | 218.3 | 49.6 | -.2 | 77.5 | 54.3 | 48.8 | 5.8 | 23.2 |
| 1953..... | 364.5 | 230.6 | 51.4 | -2.0 | 84.5 | 59.5 | 51.4 | 8.5 | 25.0 |
| 1954..... | 360.5 | 236.5 | 47.2 | -.3 | 77.0 | 49.2 | 43.2 | 6.3 | 27.8 |
| Seasonally adjusted annual rates | | | | | | | | | |
| 1954: First quarter..... | 358.3 | 232.2 | 45.5 | -1.1 | 81.7 | 54.7 | 46.8 | 8.3 | 27.0 |
| Second quarter..... | 357.6 | 235.1 | 46.9 | -.3 | 75.9 | 48.6 | 43.6 | 5.4 | 27.3 |
| Third quarter..... | 358.8 | 237.9 | 45.9 | -.7 | 75.8 | 47.7 | 42.1 | 6.1 | 28.1 |
| Fourth quarter..... | 367.1 | 241.0 | 50.7 | .9 | 74.5 | 45.7 | 40.5 | 5.5 | 28.7 |
| 1955: First quarter..... | 375.3 | 245.8 | 54.1 | -.4 | 75.8 | 46.4 | 41.2 | 5.5 | 29.4 |
| Second quarter..... | 384.8 | 250.5 | 60.1 | -.7 | 74.9 | 45.2 | 40.4 | 5.2 | 29.7 |

¹Less Government sales.

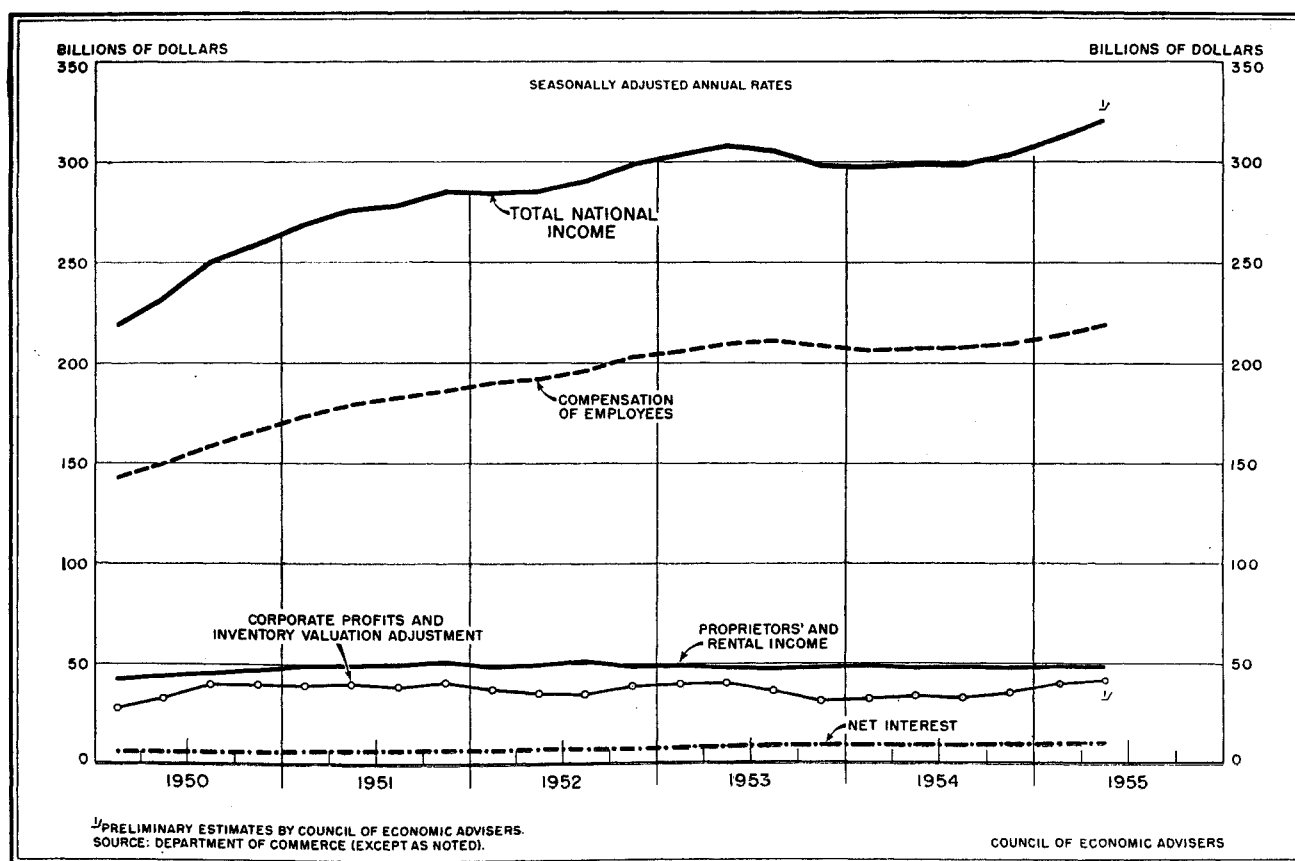
²Includes expenditures for military services, international security and foreign relations (except foreign loans), development and control of atomic energy, promotion of the merchant marine, promotion of defense production and economic stabilization, and civil defense. For further details, see *Economic Report of the President*, January 1955 (p. 137), and *National Income, 1954 Edition* (p. 148). These expenditures are not comparable with the "national security" category in *The Budget of the U. S. Government for the Fiscal Year Ending June 30, 1955*, and shown on p. 31 of *Economic Indicators*.

NOTE.—The figures beginning with 1952 are the revised series. For details, see *Survey of Current Business*, July 1955. Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

NATIONAL INCOME

The increase in general business activity during the second quarter was reflected in a \$9 billion (seasonally adjusted annual rate) rise in national income. Increases in employee compensation and corporate profits accounted for most of the rise.



[Billions of dollars]

| Period | Total national income | Compensation of employees ¹ | Proprietors' income | | Rental income of persons | Net interest | Corporate profits and inventory valuation adjustment | | |
|----------------------------------|-----------------------|--|---------------------|---------------------------|--------------------------|--------------|--|----------------------|--------------------------------|
| | | | Farm | Business and professional | | | Total | Profits before taxes | Inventory valuation adjustment |
| 1939..... | 72.8 | 48.1 | 4.3 | 7.3 | 2.7 | 4.6 | 5.7 | 6.4 | -0.7 |
| 1946..... | 179.6 | 117.7 | 13.9 | 21.3 | 6.2 | 3.1 | 17.3 | 22.6 | -5.3 |
| 1947..... | 197.2 | 128.8 | 14.5 | 19.9 | 6.5 | 3.8 | 23.6 | 29.5 | -5.9 |
| 1948..... | 221.6 | 140.9 | 16.7 | 21.6 | 7.2 | 4.5 | 30.6 | 32.8 | -2.2 |
| 1949..... | 216.2 | 140.9 | 12.7 | 21.4 | 7.9 | 5.2 | 28.1 | 26.2 | 1.9 |
| 1950..... | 240.0 | 154.3 | 13.3 | 22.9 | 8.5 | 5.9 | 35.1 | 40.0 | -4.9 |
| 1951..... | 277.0 | 180.4 | 16.0 | 24.8 | 9.1 | 6.8 | 39.9 | 41.2 | -1.3 |
| 1952..... | 289.5 | 195.3 | 14.3 | 25.7 | 9.9 | 7.4 | 36.9 | 35.9 | 1.0 |
| 1953..... | 303.6 | 209.2 | 12.3 | 25.9 | 10.3 | 8.8 | 37.2 | 38.3 | -1.1 |
| 1954..... | 299.7 | 207.9 | 12.0 | 25.9 | 10.5 | 9.5 | 33.8 | 34.0 | -0.2 |
| Seasonally adjusted annual rates | | | | | | | | | |
| 1954: First quarter..... | 297.7 | 206.7 | 13.2 | 25.3 | 10.4 | 9.4 | 32.6 | 32.7 | -0.2 |
| Second quarter..... | 298.9 | 207.2 | 11.9 | 25.9 | 10.5 | 9.5 | 34.0 | 33.7 | 0.2 |
| Third quarter..... | 298.7 | 207.8 | 11.7 | 26.0 | 10.6 | 9.5 | 33.1 | 33.5 | -0.5 |
| Fourth quarter..... | 303.2 | 209.8 | 11.2 | 26.3 | 10.7 | 9.7 | 35.5 | 36.0 | -0.5 |
| 1955: First quarter..... | 311.4 | 213.1 | 11.5 | 26.6 | 10.7 | 9.9 | 39.6 | 40.9 | -1.3 |
| Second quarter..... | ² 320.3 | 219.5 | 11.0 | 27.1 | 10.7 | 10.3 | ² 41.7 | ² 42.5 | -0.8 |

¹ Includes employer contributions for social insurance. (See also p. 4.)

² Preliminary estimates by Council of Economic Advisers.

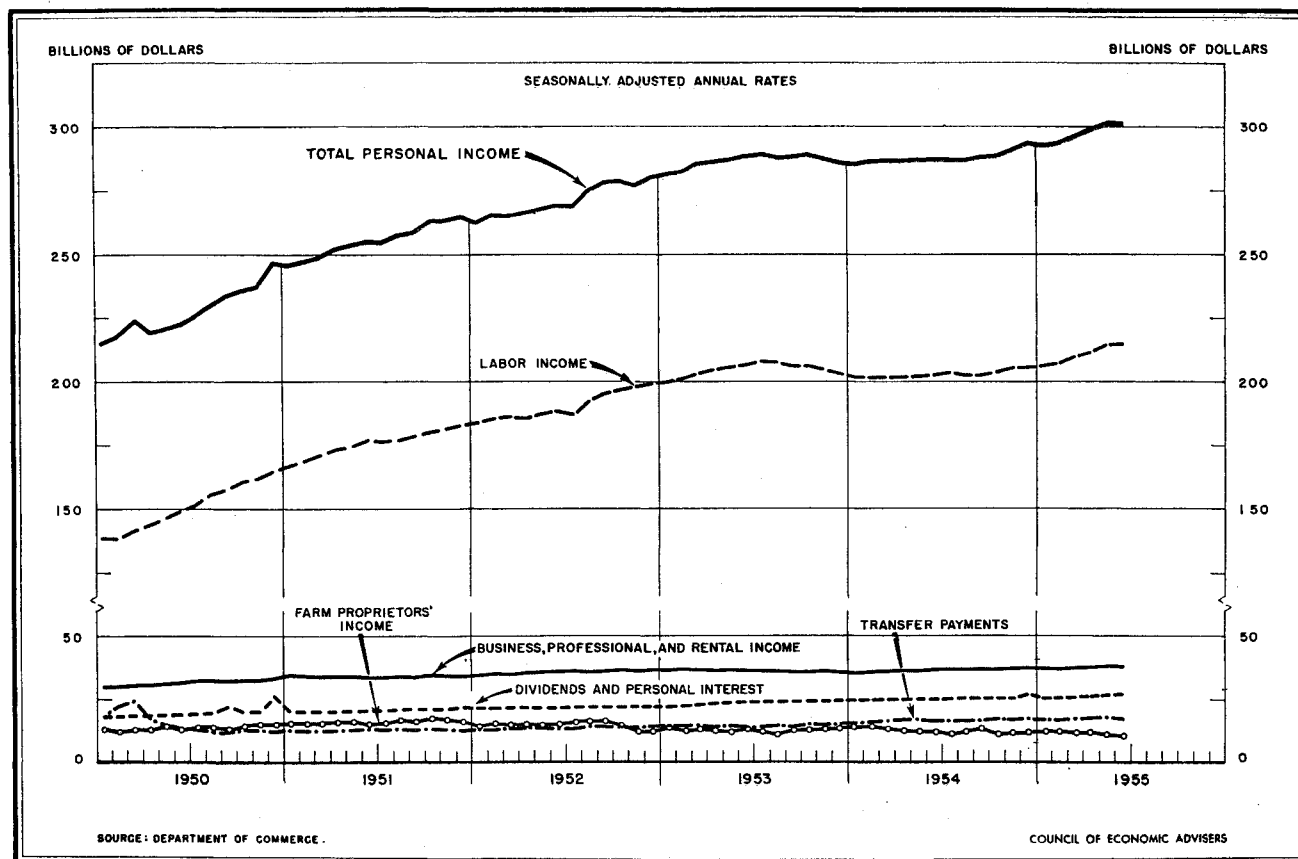
NOTE.—The figures beginning with 1952 are the revised series. For details, see *Survey of Current Business*, July 1955.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

SOURCES OF PERSONAL INCOME

Personal income remained at a level of about \$301 billion (seasonally adjusted annual rate) in June. Labor income and investment income rose somewhat, while farm income and transfer payments declined.



[Billions of dollars]

| Period | Total personal income | Labor income (wage and salary disbursements and other labor income) ¹ | Proprietors' income | | Rental income of persons | Dividends | Personal interest income | Transfer payments | Less: Personal contributions for social insurance | Nonagricultural personal income ² |
|----------------------------------|-----------------------|--|---------------------|---------------------------|--------------------------|-----------|--------------------------|-------------------|---|--|
| | | | Farm | Business and professional | | | | | | |
| 1939..... | 72.9 | 46.6 | 4.3 | 7.3 | 2.7 | 3.8 | 5.8 | 3.0 | 0.6 | 67.1 |
| 1946..... | 178.0 | 113.8 | 13.9 | 21.3 | 6.2 | 5.8 | 7.6 | 11.4 | 2.0 | 161.1 |
| 1948..... | 208.7 | 137.9 | 16.7 | 21.6 | 7.2 | 7.2 | 9.0 | 11.3 | 2.2 | 188.5 |
| 1949..... | 206.8 | 137.4 | 12.7 | 21.4 | 7.9 | 7.5 | 9.8 | 12.4 | 2.2 | 190.8 |
| 1950..... | 227.1 | 150.3 | 13.3 | 22.9 | 8.5 | 9.2 | 10.6 | ³ 15.1 | 2.9 | 210.5 |
| 1951..... | 255.3 | 175.6 | 16.0 | 24.8 | 9.1 | 9.1 | 11.6 | 12.6 | 3.4 | 235.7 |
| 1952..... | 271.1 | 190.5 | 14.3 | 25.7 | 9.9 | 9.0 | 12.3 | 13.2 | 3.8 | 253.1 |
| 1953..... | 286.2 | 204.6 | 12.3 | 25.9 | 10.3 | 9.3 | 13.8 | 14.0 | 3.9 | 270.2 |
| 1954..... | 287.6 | 202.8 | 12.0 | 25.9 | 10.5 | 10.0 | 14.7 | 16.2 | 4.5 | 271.9 |
| Seasonally adjusted annual rates | | | | | | | | | | |
| 1954: May..... | 286.7 | 202.2 | 11.8 | 25.7 | 10.5 | 9.8 | 14.7 | 16.5 | 4.5 | 271.0 |
| June..... | 286.7 | 202.4 | 11.7 | 26.0 | 10.5 | 9.9 | 14.7 | 16.0 | 4.5 | 272.1 |
| July..... | 287.1 | 203.2 | 11.0 | 26.0 | 10.6 | 9.9 | 14.7 | 16.1 | 4.4 | 272.1 |
| August..... | 286.7 | 202.4 | 11.6 | 25.9 | 10.6 | 9.9 | 14.7 | 16.1 | 4.6 | 271.5 |
| September..... | 287.9 | 202.4 | 12.5 | 26.0 | 10.6 | 10.0 | 14.7 | 16.3 | 4.5 | 272.1 |
| October..... | 288.4 | 203.5 | 10.9 | 26.0 | 10.7 | 10.1 | 14.8 | 17.0 | 4.5 | 273.8 |
| November..... | 290.8 | 205.3 | 11.3 | 26.3 | 10.7 | 10.1 | 14.8 | 16.8 | 4.5 | 275.9 |
| December..... | 293.4 | 205.5 | 11.5 | 26.7 | 10.7 | 11.7 | 14.9 | 17.1 | 4.6 | 278.1 |
| 1955: January..... | 292.2 | 206.1 | 11.7 | 26.6 | 10.7 | 10.1 | 14.9 | 17.0 | 5.0 | 276.5 |
| February..... | 293.2 | 207.1 | 11.7 | 26.4 | 10.7 | 10.2 | 15.1 | 17.0 | 5.0 | 277.7 |
| March..... | 295.7 | 209.4 | 11.1 | 26.7 | 10.7 | 10.4 | 15.2 | 17.4 | 5.1 | 280.9 |
| April..... | 298.9 | 211.5 | 11.4 | 26.9 | 10.6 | 10.6 | 15.3 | 17.6 | 5.1 | 283.7 |
| May..... | 301.4 | 214.2 | 10.9 | 27.2 | 10.7 | 10.7 | 15.4 | 17.5 | 5.2 | 286.6 |
| June ⁴ | 301.2 | 214.6 | 10.5 | 27.1 | 10.7 | 10.8 | 15.5 | 17.2 | 5.2 | 286.8 |

¹ Compensation of employees (see p. 3) excluding employer contributions for social insurance.

² Personal income exclusive of net income of unincorporated farm enterprises, farm wages, agricultural net interest, and net dividends paid by agricultural corporations.

³ Includes \$2.7 billion National Service Life Insurance dividend, most of which was paid in the first half of the year.

⁴ Preliminary estimates.

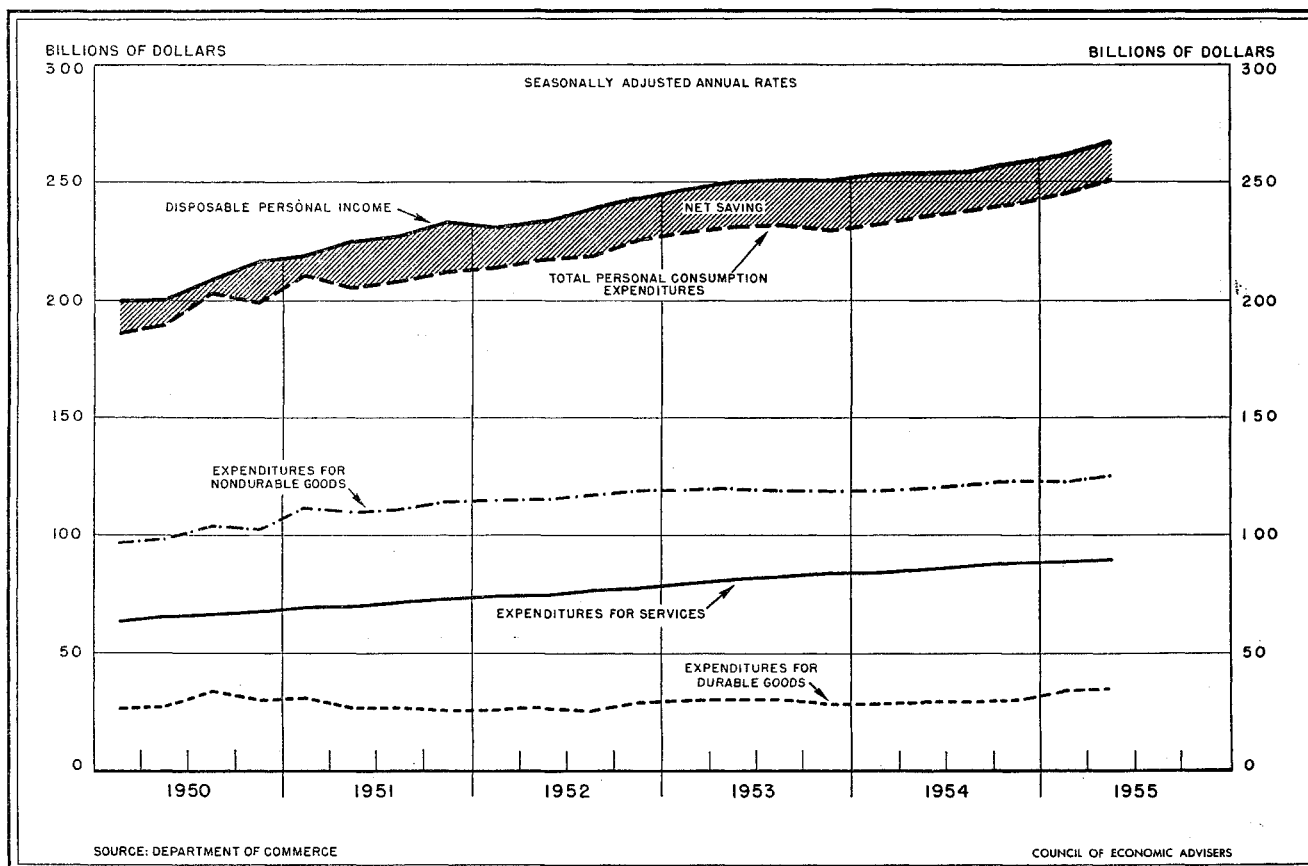
NOTE.—The figures beginning with 1952 are the revised series. For details, see *Survey of Current Business*, July 1955.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

DISPOSITION OF PERSONAL INCOME

Disposable personal income rose by \$6 billion (seasonally adjusted annual rate) in the second quarter. Personal consumption expenditures rose almost \$5 billion; \$3 billion of this rise was for increased purchases of nondurables. The rate of personal saving rose moderately.



| Period | Personal income | Less: | Equals: | Less: Personal consumption expenditures | | | | Equals: | Saving as percent of disposable income |
|---|-----------------|-----------------------------|----------------------------|---|---------------|-------------------|----------|-----------------|--|
| | | Personal taxes ¹ | Disposable personal income | Total | Durable goods | Non-durable goods | Services | Personal saving | |
| Billions of dollars | | | | | | | | | |
| 1939..... | 72.9 | 2.4 | 70.4 | 67.6 | 6.7 | 35.1 | 25.8 | 2.9 | 4.1 |
| 1946..... | 178.0 | 18.8 | 159.2 | 146.6 | 15.9 | 84.5 | 46.2 | 12.6 | 7.9 |
| 1947..... | 190.5 | 21.5 | 169.0 | 165.0 | 20.6 | 93.1 | 51.3 | 4.0 | 2.4 |
| 1948..... | 208.7 | 21.1 | 187.6 | 177.6 | 22.2 | 98.7 | 56.7 | 10.0 | 5.3 |
| 1949..... | 206.8 | 18.7 | 188.2 | 180.6 | 23.6 | 96.9 | 60.1 | 7.6 | 4.0 |
| 1950..... | 227.1 | 20.9 | 206.1 | 194.0 | 28.6 | 100.4 | 65.0 | 12.1 | 5.9 |
| 1951..... | 255.3 | 29.3 | 226.1 | 208.3 | 27.1 | 111.1 | 70.1 | 17.7 | 7.8 |
| 1952..... | 271.1 | 34.4 | 236.7 | 218.3 | 26.6 | 116.0 | 75.7 | 18.4 | 7.8 |
| 1953..... | 286.2 | 35.8 | 250.4 | 230.6 | 29.8 | 118.9 | 81.8 | 19.8 | 7.9 |
| 1954..... | 287.6 | 32.8 | 254.8 | 236.5 | 29.3 | 120.9 | 86.4 | 18.3 | 7.2 |
| Billions of dollars, seasonally adjusted annual rates | | | | | | | | | |
| 1954: First quarter..... | 285.8 | 32.7 | 253.1 | 232.2 | 28.3 | 119.2 | 84.7 | 21.0 | 8.3 |
| Second quarter..... | 286.6 | 32.7 | 253.9 | 235.1 | 29.0 | 120.4 | 85.7 | 18.8 | 7.4 |
| Third quarter..... | 287.3 | 32.8 | 254.5 | 237.9 | 29.4 | 121.5 | 87.0 | 16.6 | 6.5 |
| Fourth quarter..... | 290.8 | 33.1 | 257.8 | 241.0 | 30.4 | 122.5 | 88.1 | 16.8 | 6.5 |
| 1955: First quarter..... | 293.6 | 32.6 | 261.0 | 245.8 | 34.4 | 122.4 | 89.0 | 15.3 | 5.9 |
| Second quarter..... | 300.5 | 33.4 | 267.1 | 250.5 | 35.1 | 125.3 | 90.2 | 16.6 | 6.2 |

¹ Includes such items as fines, penalties, and donations.

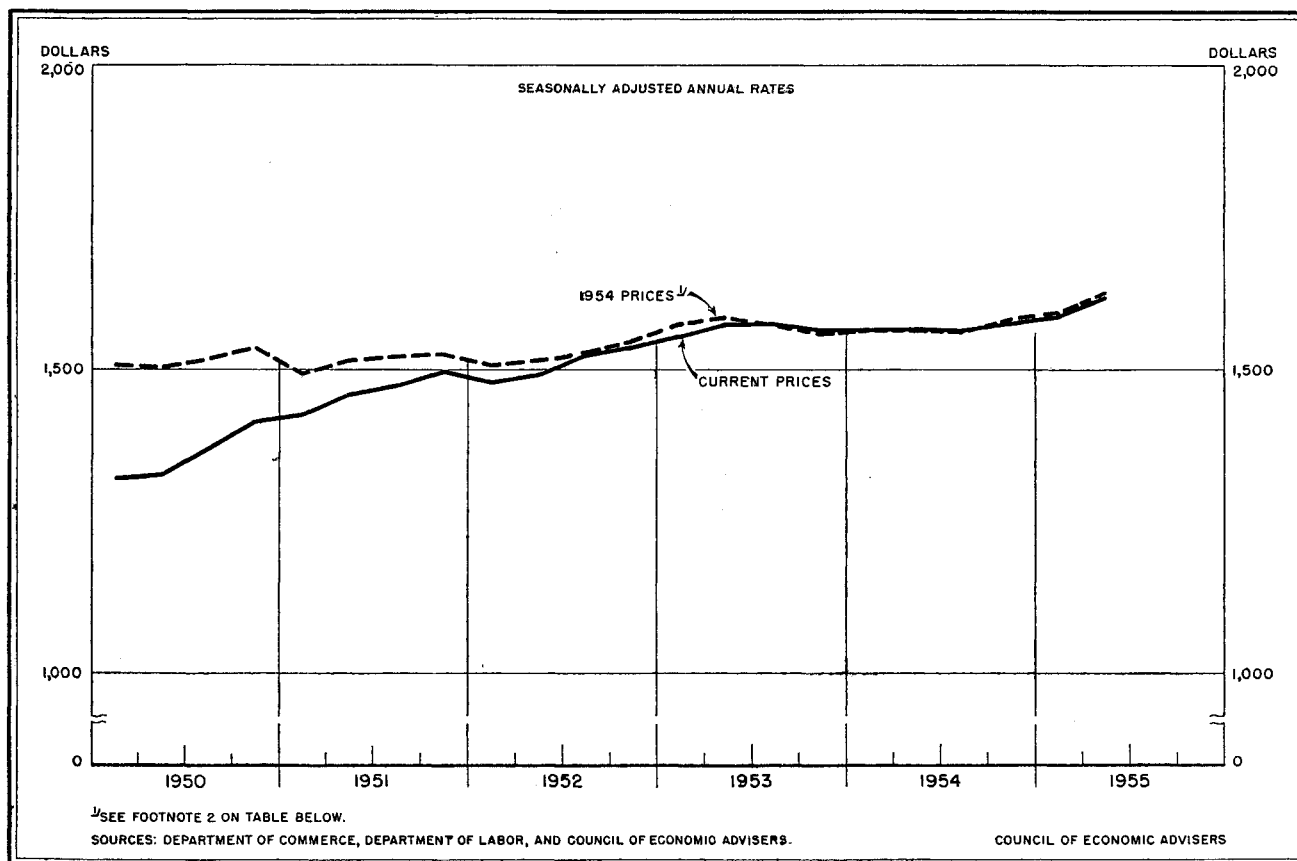
NOTE.—The figures beginning with 1952 are the revised series. For details, see *Survey of Current Business*, July 1955.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

PER CAPITA DISPOSABLE INCOME

Per capita disposable income (seasonally adjusted) reached a new high in the second quarter of this year. In constant prices, it exceeded that of the corresponding quarter of 1954 by 4 percent.



| Period | Total disposable personal income (billions of dollars) ¹ | | Per capita disposable personal income (dollars) ¹ | | Population (thousands) ² |
|----------------------------------|---|--------------------------|--|--------------------------|-------------------------------------|
| | Current prices | 1954 prices ² | Current prices | 1954 prices ² | |
| 1939..... | 70.4 | 136.3 | 538 | 1,041 | 131,028 |
| 1946..... | 159.2 | 219.3 | 1,126 | 1,551 | 141,389 |
| 1947..... | 169.0 | 203.1 | 1,173 | 1,410 | 144,126 |
| 1948..... | 187.6 | 209.6 | 1,279 | 1,429 | 146,631 |
| 1949..... | 188.2 | 212.1 | 1,261 | 1,422 | 149,188 |
| 1950..... | 206.1 | 230.3 | 1,359 | 1,518 | 151,683 |
| 1951..... | 226.1 | 233.8 | 1,465 | 1,515 | 154,360 |
| 1952..... | 236.7 | 239.4 | 1,508 | 1,525 | 157,028 |
| 1953..... | 250.4 | 251.1 | 1,568 | 1,573 | 159,643 |
| 1954..... | 254.8 | 254.8 | 1,569 | 1,569 | 162,409 |
| Seasonally adjusted annual rates | | | | | |
| 1954: First quarter..... | 253.1 | 252.6 | 1,568 | 1,565 | 161,439 |
| Second quarter..... | 253.9 | 253.6 | 1,567 | 1,565 | 162,075 |
| Third quarter..... | 254.5 | 254.2 | 1,563 | 1,561 | 162,806 |
| Fourth quarter..... | 257.8 | 258.6 | 1,576 | 1,581 | 163,582 |
| 1955: First quarter..... | 261.0 | 262.0 | 1,589 | 1,595 | 164,262 |
| Second quarter..... | 267.1 | 268.2 | 1,620 | 1,627 | 164,911 |

¹ Income less taxes.

² Dollar estimates in current prices divided by consumer price index on base 1954=100.

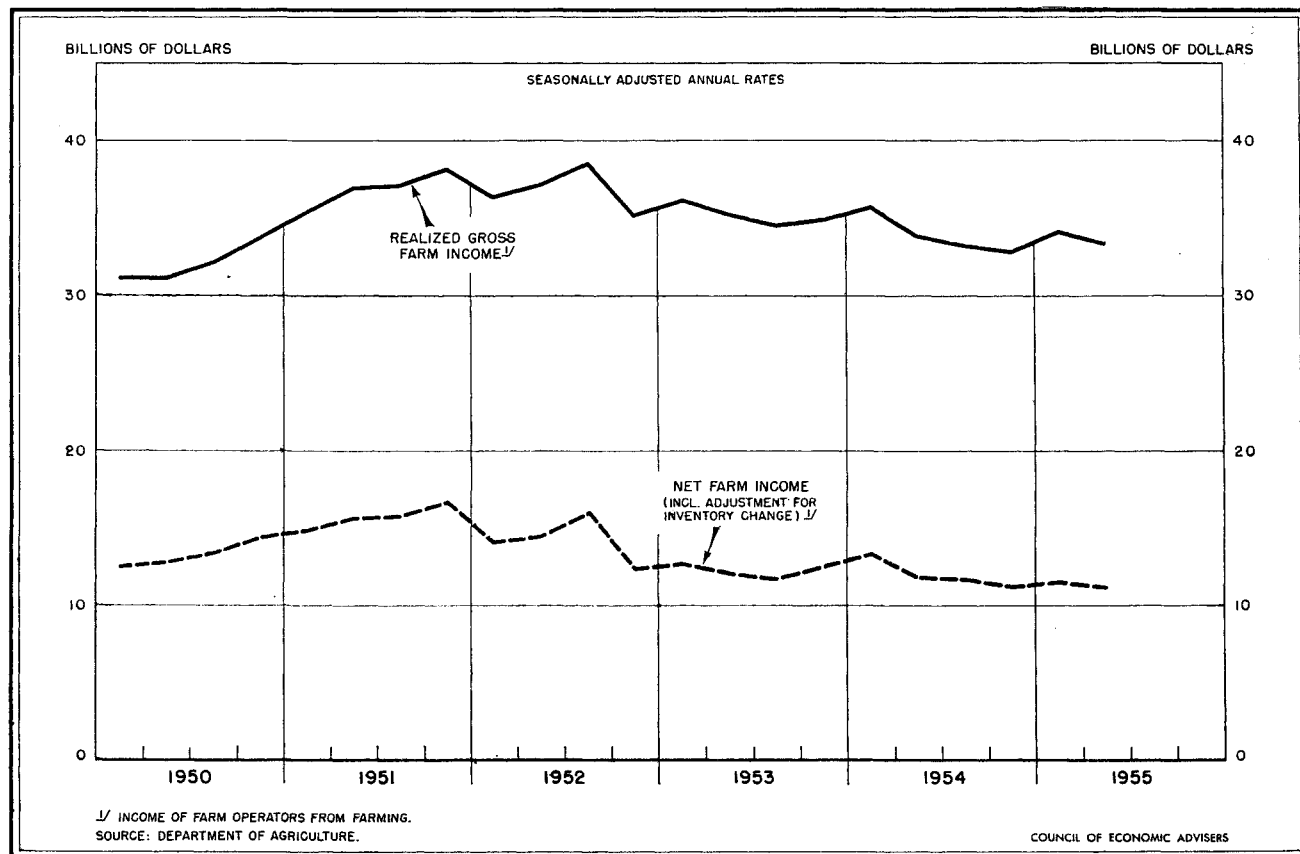
³ Includes armed forces overseas. Annual data as of July 1; quarterly data centered in the middle of the period, interpolated from monthly figures.

NOTE.—The figures beginning with 1952 are the revised series. For details, see *Survey of Current Business*, July 1955.

Sources: Department of Commerce, Department of Labor, and Council of Economic Advisers.

FARM INCOME

Gross and net farm income (seasonally adjusted) declined in the second quarter.



| Period | Farm operators' income | | | | | | Number of farms (thousands) ^a |
|---|---|--------------------------|--|--|---|--------------------------|--|
| | Realized gross farm income ¹ | Farm production expenses | Net income ² | | Net income per farm (including adjustment for inventory change) | | |
| | | | Excluding adjustment for inventory change ³ | Including adjustment for inventory change ⁴ | Current prices | 1954 prices ⁵ | |
| | | | | | | | |
| Billions of dollars | | | | | Dollars | | |
| 1939..... | 10.4 | 6.1 | 4.3 | 4.3 | 670 | 1,523 | 6,441 |
| 1946..... | 29.0 | 14.8 | 14.2 | 13.9 | 2,353 | 3,180 | 5,927 |
| 1947..... | 34.0 | 17.2 | 16.8 | 14.5 | 2,466 | 2,867 | 5,873 |
| 1948..... | 34.5 | 18.9 | 15.6 | 16.7 | 2,884 | 3,135 | 5,804 |
| 1949..... | 31.8 | 18.2 | 13.6 | 12.7 | 2,222 | 2,497 | 5,723 |
| 1950..... | 32.1 | 19.7 | 12.4 | 13.3 | 2,352 | 2,613 | 5,648 |
| 1951..... | 36.9 | 22.4 | 14.5 | 15.8 | 2,819 | 2,877 | 5,596 |
| 1952..... | 36.8 | 23.2 | 13.6 | 14.3 | 2,579 | 2,605 | 5,535 |
| 1953..... | 35.3 | 22.4 | 12.9 | 12.3 | 2,235 | 2,258 | 5,482 |
| 1954..... | 34.0 | 22.4 | 11.6 | 12.0 | 2,212 | 2,212 | 5,425 |
| <i>Seasonally adjusted annual rates</i> | | | | | | | |
| 1954: First quarter..... | 35.8 | 22.7 | 13.1 | 13.2 | 2,433 | 2,458 | 5,425 |
| Second quarter..... | 33.9 | 22.5 | 11.4 | 11.9 | 2,194 | 2,194 | 5,425 |
| Third quarter..... | 33.3 | 22.2 | 11.1 | 11.7 | 2,157 | 2,136 | 5,425 |
| Fourth quarter..... | 32.9 | 22.1 | 10.8 | 11.2 | 2,065 | 2,086 | 5,425 |
| 1955: First quarter..... | 34.2 | 22.7 | 11.5 | 11.5 | 2,144 | 2,166 | ⁷ 5,365 |
| Second quarter..... | 33.3 | 22.5 | 10.8 | 11.0 | 2,050 | 2,050 | ⁷ 5,365 |

¹ Includes cash receipts from farm marketings, value of farm products consumed directly in farm households, gross rental value of farm dwellings, and Government payments to farmers.

² Excludes (a) farm wages paid to workers living on farms and (b) any income to farm people from nonfarm sources. These items in 1954 were as follows: (a) 2.1 billion dollars and (b) 5.7 billion dollars.

³ Realized gross income less farm production expenses.

⁴ Same as farm proprietors' income on pages 3 and 4 except for 1951, which includes revisions by the Department of Agriculture not yet incorporated into the national income accounts of the Department of Commerce.

⁵ Dollar estimates in current prices divided by index of prices paid by farmers for items used in family living, on base 1954=100.

⁶ For the quarterly data, the number of farms is held constant within a given year.

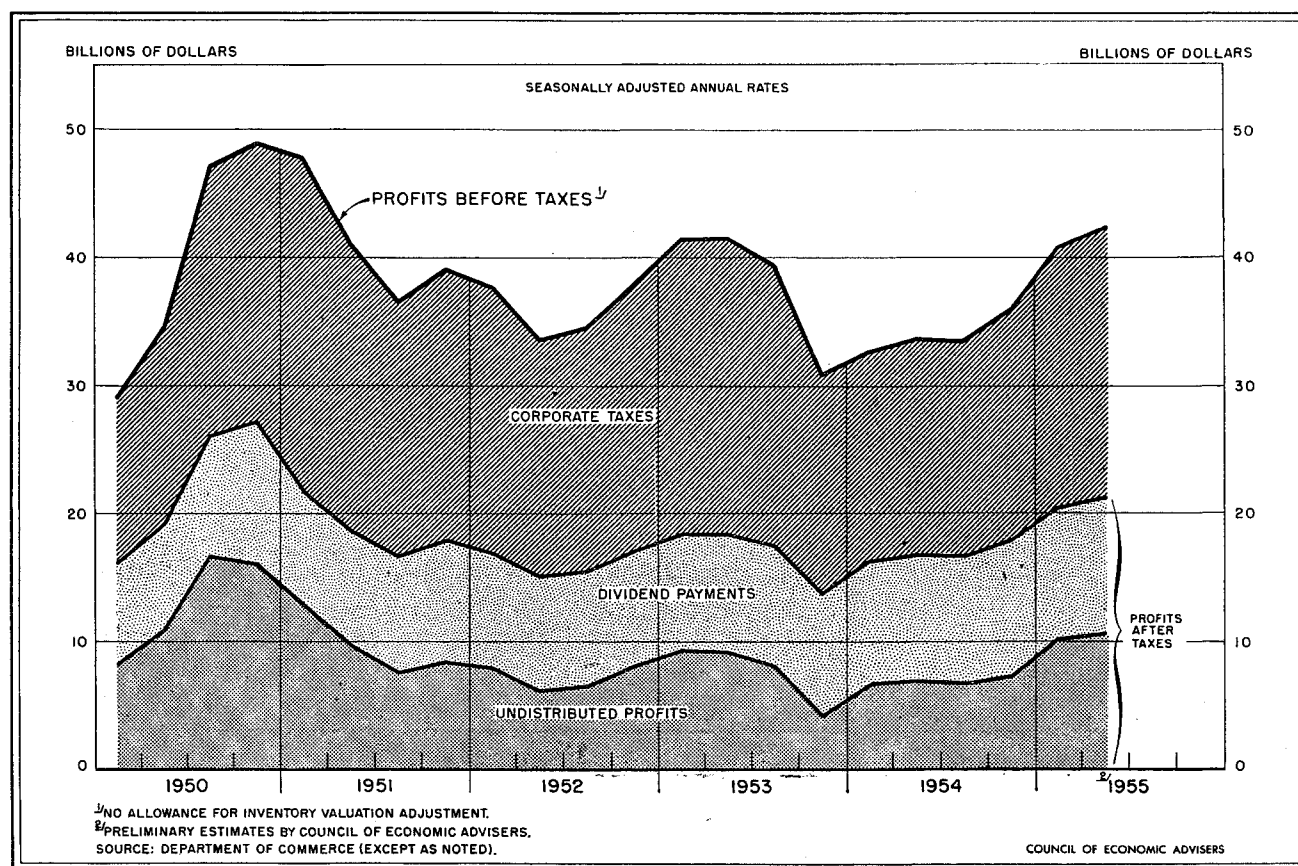
⁷ Estimate by Council of Economic Advisers.

NOTE.—Estimates for 1952-55 reflect interim revisions made in connection with the annual report on national income by the Department of Commerce. Final revisions will be completed by the Department of Agriculture in October.

Source: Department of Agriculture (except as noted).

CORPORATE PROFITS

Corporate profits (seasonally adjusted), both before and after taxes, continued to rise in the second quarter of 1955, according to preliminary estimates.



[Billions of dollars]

| Period | Corporate profits before taxes | Corporate tax liability | Corporate profits after taxes | | |
|----------------------------------|--------------------------------|-------------------------|-------------------------------|-------------------|-----------------------|
| | | | Total | Dividend payments | Undistributed profits |
| 1939..... | 6.4 | 1.4 | 5.0 | 3.8 | 1.2 |
| 1946..... | 22.6 | 9.1 | 13.4 | 5.8 | 7.7 |
| 1947..... | 29.5 | 11.3 | 18.2 | 6.5 | 11.7 |
| 1948..... | 32.8 | 12.5 | 20.3 | 7.2 | 13.0 |
| 1949..... | 26.2 | 10.4 | 15.8 | 7.5 | 8.3 |
| 1950..... | 40.0 | 17.8 | 22.1 | 9.2 | 12.9 |
| 1951..... | 41.2 | 22.5 | 18.7 | 9.1 | 9.6 |
| 1952..... | 35.9 | 19.8 | 16.1 | 9.0 | 7.1 |
| 1953..... | 38.3 | 21.3 | 17.0 | 9.3 | 7.7 |
| 1954..... | 34.0 | 17.1 | 17.0 | 10.0 | 7.0 |
| Seasonally adjusted annual rates | | | | | |
| 1954: First quarter..... | 32.7 | 16.4 | 16.3 | 9.7 | 6.6 |
| Second quarter..... | 33.7 | 16.9 | 16.8 | 9.8 | 7.0 |
| Third quarter..... | 33.5 | 16.8 | 16.7 | 10.0 | 6.7 |
| Fourth quarter..... | 36.0 | 18.1 | 17.9 | 10.6 | 7.3 |
| 1955: First quarter..... | 40.9 | 20.5 | 20.4 | 10.2 | 10.2 |
| Second quarter..... | ¹ 42.5 | ¹ 21.3 | ¹ 21.2 | 10.7 | ¹ 10.5 |

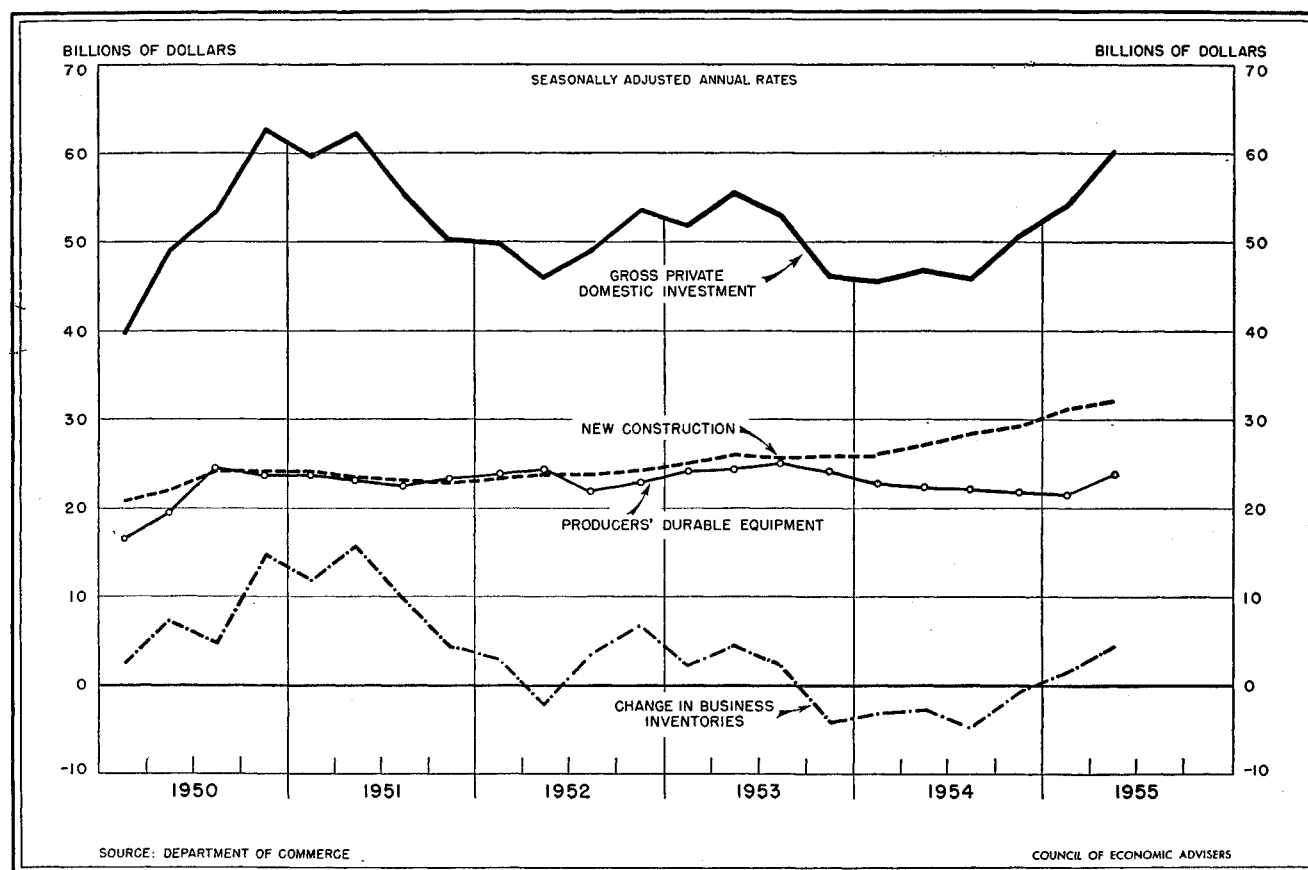
¹ Preliminary estimates by Council of Economic Advisers.

NOTE.—The figures beginning with 1952 are the revised series. For details, see *Survey of Current Business*, July 1955. See p. 3 for profits before taxes and after inventory valuation adjustment.

Detail will not necessarily add to totals because of rounding. Source: Department of Commerce (except as noted).

GROSS PRIVATE DOMESTIC INVESTMENT

Gross private domestic investment increased by \$6 billion (seasonally adjusted annual rate) in the second quarter of 1955. Investment in inventories and producers' equipment rose considerably. Construction continued to increase.



[Billions of dollars]

| Period | Total gross private domestic investment | Fixed investment | | | | | | Change in business inventories | |
|----------------------------------|---|------------------|------------------|---------------------|--|------------------------------|------|--------------------------------|----------|
| | | Total | New construction | | | Producers' durable equipment | | Total | Non-farm |
| | | | Total | Residential nonfarm | Commercial and industrial ¹ | All other ² | | | |
| 1939..... | 9.3 | 8.9 | 4.8 | 2.7 | 1.2 | 0.8 | 4.2 | 0.4 | 0.3 |
| 1946..... | 27.1 | 21.0 | 10.3 | 4.0 | 4.2 | 2.1 | 10.7 | 6.1 | 6.4 |
| 1947..... | 29.7 | 30.7 | 14.0 | 6.3 | 4.9 | 2.8 | 16.7 | -1.0 | 1.3 |
| 1948..... | 41.2 | 37.0 | 17.9 | 8.6 | 5.7 | 3.6 | 19.1 | 4.2 | 3.0 |
| 1949..... | 32.5 | 35.3 | 17.5 | 8.3 | 5.3 | 3.9 | 17.8 | -2.7 | -1.9 |
| 1950..... | 51.2 | 43.9 | 22.7 | 12.6 | 5.7 | 4.5 | 21.1 | 7.4 | 6.4 |
| 1951..... | 56.9 | 46.5 | 23.3 | 11.0 | 7.2 | 5.1 | 23.2 | 10.4 | 9.0 |
| 1952..... | 49.6 | 46.8 | 23.7 | 11.1 | 7.5 | 5.2 | 23.1 | 2.8 | 2.1 |
| 1953..... | 51.4 | 50.2 | 25.8 | 11.9 | 8.4 | 5.4 | 24.4 | 1.2 | 1.9 |
| 1954..... | 47.2 | 50.1 | 27.8 | 13.5 | 8.6 | 5.7 | 22.3 | -2.9 | -3.2 |
| Seasonally adjusted annual rates | | | | | | | | | |
| 1954: First quarter..... | 45.5 | 48.8 | 25.9 | 11.8 | 8.5 | 5.6 | 22.9 | -3.2 | -3.4 |
| Second quarter..... | 46.9 | 49.7 | 27.3 | 13.0 | 8.5 | 5.8 | 22.4 | -2.7 | -3.2 |
| Third quarter..... | 45.9 | 50.7 | 28.5 | 14.2 | 8.6 | 5.7 | 22.2 | -4.9 | -5.4 |
| Fourth quarter..... | 50.7 | 51.3 | 29.4 | 15.0 | 8.7 | 5.7 | 21.9 | -.6 | -1.0 |
| 1955: First quarter..... | 54.1 | 52.7 | 31.2 | 16.0 | 9.3 | 5.9 | 21.5 | 1.5 | 1.5 |
| Second quarter..... | 60.1 | 55.8 | 32.1 | 16.4 | 9.8 | 5.9 | 23.7 | 4.3 | 4.2 |

¹ Includes public utility.

² Includes petroleum and natural gas well drilling.

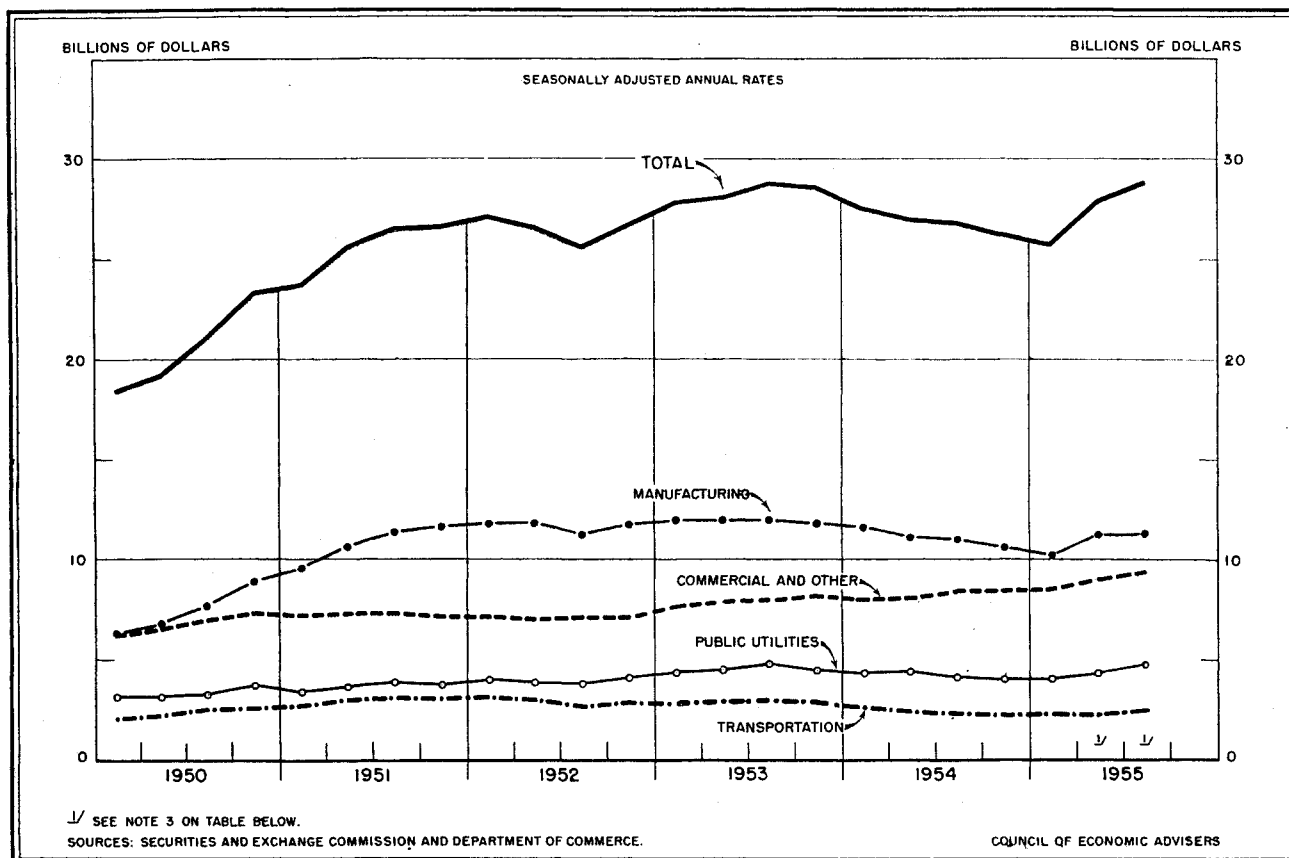
NOTE.—The figures beginning with 1952 are the revised series. For details, see *Survey of Current Business*, July 1955.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

EXPENDITURES FOR NEW PLANT AND EQUIPMENT

According to a survey made in April and May, expenditures for new plant and equipment were expected to increase 9 percent between the first and second quarters—the largest quarterly rise since the last half of 1950. Plans for the third quarter indicated an additional rise of 3 percent to a level of about \$29 billion (seasonally adjusted annual rate), equalling the previous peak in the third quarter of 1953.



[Billions of dollars]

| Period | Total ¹ | Manufacturing | | | Mining | Transportation | | Public utilities | Commercial and other ² |
|-----------------------------------|--------------------|---------------|---------------|------------------|--------|----------------|-------|------------------|-----------------------------------|
| | | Total | Durable goods | Nondurable goods | | Railroads | Other | | |
| 1939..... | 5.51 | 1.94 | 0.76 | 1.19 | 0.33 | 0.28 | 0.36 | 0.52 | 2.08 |
| 1946..... | 14.85 | 6.79 | 3.11 | 3.68 | .43 | .58 | .92 | .79 | 5.33 |
| 1947..... | 20.61 | 8.70 | 3.41 | 5.30 | .69 | .89 | 1.30 | 1.54 | 7.49 |
| 1948..... | 22.06 | 9.13 | 3.48 | 5.65 | .88 | 1.32 | 1.28 | 2.54 | 6.90 |
| 1949..... | 19.28 | 7.15 | 2.59 | 4.56 | .79 | 1.35 | .89 | 3.12 | 5.98 |
| 1950..... | 20.60 | 7.49 | 3.14 | 4.36 | .71 | 1.11 | 1.21 | 3.31 | 6.78 |
| 1951..... | 25.64 | 10.85 | 5.17 | 5.68 | .93 | 1.47 | 1.49 | 3.66 | 7.24 |
| 1952..... | 26.49 | 11.63 | 5.61 | 6.02 | .98 | 1.40 | 1.50 | 3.89 | 7.09 |
| 1953..... | 28.32 | 11.91 | 5.65 | 6.26 | .99 | 1.31 | 1.56 | 4.55 | 8.00 |
| 1954..... | 26.83 | 11.04 | 5.09 | 5.95 | .98 | .85 | 1.51 | 4.22 | 8.23 |
| Seasonally adjusted annual rates | | | | | | | | | |
| 1954: First quarter..... | 27.46 | 11.62 | 5.40 | 6.22 | .94 | 1.04 | 1.57 | 4.33 | 7.97 |
| Second quarter..... | 26.92 | 11.09 | 5.18 | 5.90 | 1.04 | .91 | 1.44 | 4.37 | 8.07 |
| Third quarter..... | 26.84 | 10.98 | 5.06 | 5.93 | 1.00 | .80 | 1.51 | 4.12 | 8.42 |
| Fourth quarter..... | 26.18 | 10.58 | 4.80 | 5.79 | .91 | .68 | 1.53 | 4.01 | 8.46 |
| 1955: First quarter..... | 25.65 | 10.17 | 4.78 | 5.39 | .80 | .74 | 1.46 | 4.01 | 8.46 |
| Second quarter ³ | 27.86 | 11.22 | 5.21 | 6.01 | .94 | .80 | 1.58 | 4.37 | 8.96 |
| Third quarter ³ | 28.83 | 11.30 | 5.38 | 5.92 | .95 | .86 | 1.62 | 4.77 | 9.34 |

¹ Excludes agriculture.

² Commercial and other includes trade, service, finance, communications, and construction.

³ Estimates based on anticipated capital expenditures as reported by business in April and May 1955.

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.

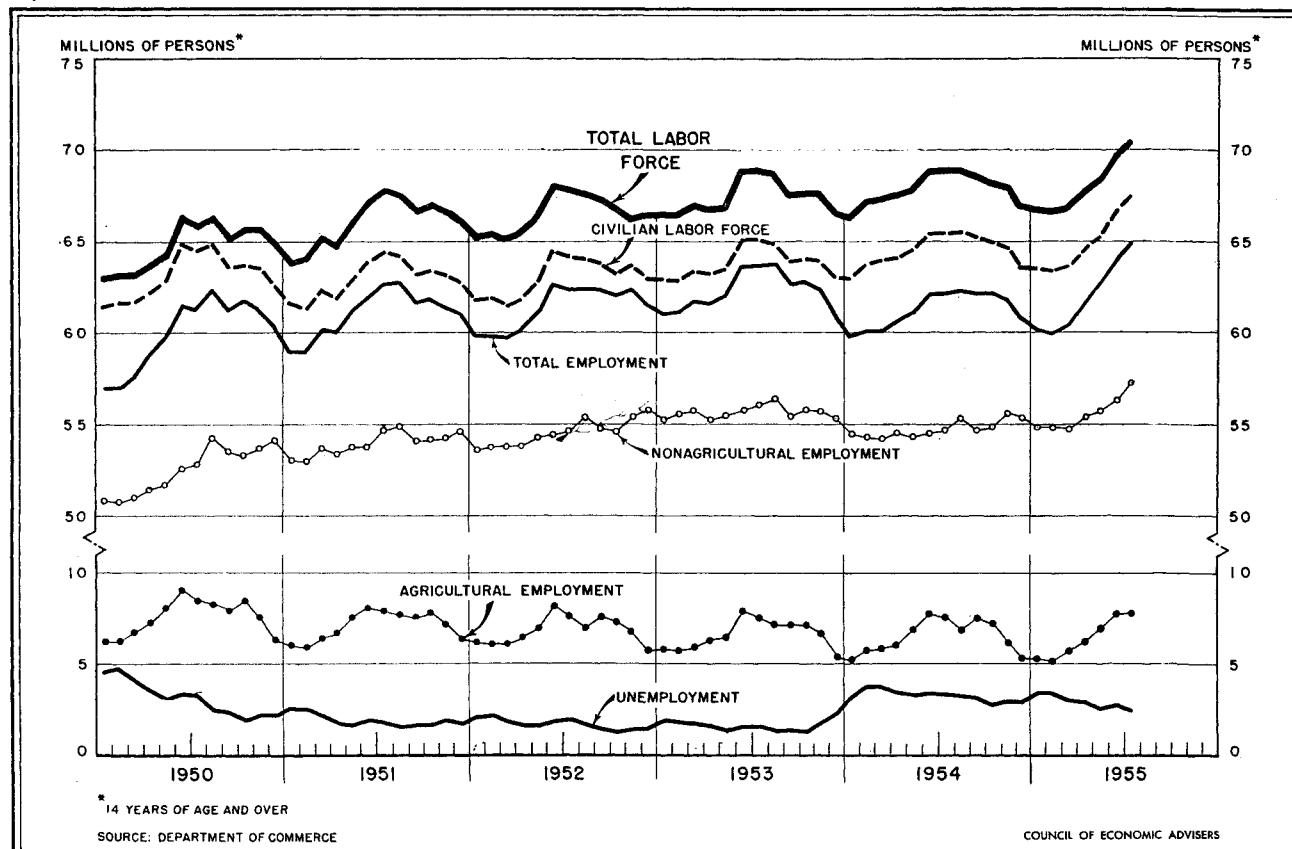
Detail will not necessarily add to totals because of rounding.

SOURCES: SECURITIES AND EXCHANGE COMMISSION AND DEPARTMENT OF COMMERCE.

EMPLOYMENT, UNEMPLOYMENT, AND WAGES

STATUS OF THE LABOR FORCE

Employment rose between early June and mid-July to an alltime high of almost 65 million, as young workers found jobs after the close of school. Unemployment declined by over 200,000; there is usually no change at this time of year.



| Period | Total labor force (including armed forces) | Civilian labor force | Employment ¹ | | | Tempo- rary layoffs ² | Unemployment ³ | | Insured unemployment ⁴ | |
|--|--|----------------------|-------------------------|-------------------|----------------------|--|---------------------------|------------------------------------|--|---|
| | | | Total | Agricul- tural | Nonagri- cultural | | Number | % of civilian labor force | Thousands of persons (all pro- grams) | % of covered employment (State pro- grams) |
| | | | | | | | | | | |
| Thousands of persons 14 years of age and over ⁵ | | | | | | | | | | |
| 1939..... | 55, 600 | 55, 230 | 45, 750 | 9, 610 | 36, 140 | ----- | 9, 480 | 17. 2 | ----- | ----- |
| 1949..... | 63, 721 | 62, 105 | 58, 710 | 8, 026 | 50, 684 | 185 | 3, 395 | 5. 5 | 2, 470 | 6. 2 |
| 1950..... | 64, 749 | 63, 099 | 59, 957 | 7, 507 | 52, 450 | 92 | 3, 142 | 5. 0 | 1, 599 | 4. 6 |
| 1951..... | 65, 982 | 62, 884 | 61, 005 | 7, 054 | 53, 951 | 117 | 1, 879 | 3. 0 | 996 | 2. 8 |
| 1952..... | 66, 560 | 62, 966 | 61, 293 | 6, 805 | 54, 488 | 142 | 1, 673 | 2. 7 | 1, 064 | 2. 9 |
| 1953..... | 67, 362 | 63, 815 | 62, 213 | 6, 562 | 55, 651 | 142 | 1, 602 | 2. 5 | 1, 058 | 2. 8 |
| 1954..... | 67, 818 | 64, 468 | 61, 238 | 6, 504 | 54, 734 | 221 | 3, 230 | 5. 0 | 2, 039 | 5. 2 |
| 1954: June..... | 68, 788 | 65, 445 | 62, 098 | 7, 628 | 54, 470 | 229 | 3, 347 | 5. 1 | 2, 082 | 5. 3 |
| July..... | 68, 824 | 65, 494 | 62, 148 | 7, 486 | 54, 661 | 298 | 3, 347 | 5. 1 | 2, 037 | 5. 1 |
| August..... | 68, 856 | 65, 522 | 62, 277 | 6, 928 | 55, 349 | 143 | 3, 245 | 5. 0 | 1, 871 | 4. 6 |
| September..... | 68, 566 | 65, 244 | 62, 145 | 7, 527 | 54, 618 | 198 | 3, 100 | 4. 8 | 1, 752 | 4. 3 |
| October..... | 68, 190 | 64, 882 | 62, 141 | 7, 239 | 54, 902 | 136 | 2, 741 | 4. 2 | 1, 631 | 4. 0 |
| November..... | 67, 909 | 64, 624 | 61, 732 | 6, 154 | 55, 577 | 120 | 2, 893 | 4. 5 | 1, 643 | 4. 0 |
| December..... | 66, 811 | 63, 526 | 60, 688 | 5, 325 | 55, 363 | 137 | 2, 838 | 4. 5 | 1, 869 | 4. 6 |
| 1955: January..... | 66, 700 | 63, 497 | 60, 150 | 5, 297 | 54, 853 | 251 | 3, 347 | 5. 3 | 2, 201 | 5. 5 |
| February..... | 66, 550 | 63, 321 | 59, 938 | 5, 084 | 54, 854 | 145 | 3, 383 | 5. 3 | 2, 109 | 5. 2 |
| March..... | 66, 840 | 63, 654 | 60, 477 | 5, 692 | 54, 785 | 75 | 3, 176 | 5. 0 | 1, 875 | 4. 7 |
| April..... | 67, 784 | 64, 647 | 61, 685 | 6, 215 | 55, 470 | 108 | 2, 962 | 4. 6 | 1, 651 | 4. 1 |
| May..... | 68, 256 | 65, 192 | 62, 703 | 6, 963 | 55, 740 | 133 | 2, 489 | 3. 8 | 1, 392 | 3. 6 |
| June..... | 69, 692 | 66, 696 | 64, 016 | 7, 681 | 56, 335 | 107 | 2, 679 | 4. 0 | 1, 226 | 3. 2 |
| July..... | 70, 429 | 67, 465 | 64, 995 | 7, 704 | 57, 291 | 157 | 2, 471 | 3. 7 | ⁶ 1, 202 | 3. 1 |

¹ Includes part-time workers and those with jobs but not at work for such reasons as vacations, illness, bad weather, temporary layoff, and industrial disputes; excludes armed forces.

² Shown separately so as to afford a basis for further analysis of employment and unemployment.

³ See footnote 2.

⁴ Weekly average.

⁵ Data for 1949-53 (1953 revised series) based on 68-area sample; beginning 1954, on 230-area sample. Starting July 1955, data are for week ending nearest

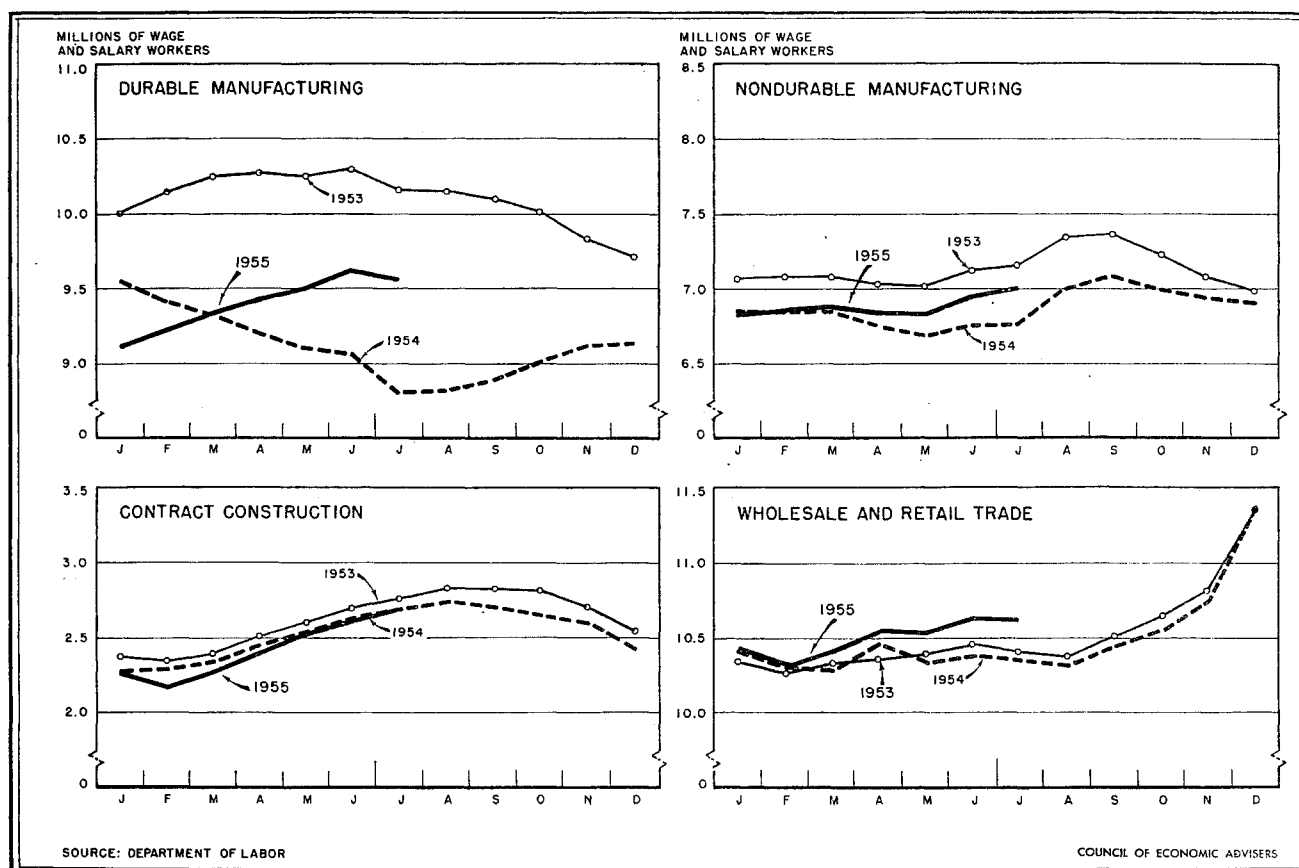
15th of month; previously, for week containing 8th of month.

⁶ Preliminary estimate.

Sources: Department of Commerce (labor force) and Department of Labor (insured unemployment).

NONAGRICULTURAL EMPLOYMENT

Employment in nonagricultural establishments (seasonally adjusted) rose by 200,000 from June to July. Employment fell less than seasonally in durable goods manufacturing and rose seasonally in nondurable goods manufacturing.



[Thousands of wage and salary workers ¹]

| Period | Total adjusted for seasonal variation | Total | Manufacturing | | | Mining | Contract construc- tion | Wholesale and retail trade | Govern- ment (Federal, State, local) | Other |
|-------------------------------------|---|--------|---------------|------------------|-----------------------|--------|-------------------------------|----------------------------------|--|--------|
| | | | Total | Durable goods | Nondu- rable goods | | | | | |
| | | | | | | | | | | |
| Not adjusted for seasonal variation | | | | | | | | | | |
| 1939----- | | 30,311 | 10,078 | 4,683 | 5,394 | 845 | 1,150 | 6,612 | 3,995 | 7,632 |
| 1946----- | | 41,287 | 14,461 | 7,739 | 6,722 | 852 | 1,661 | 8,602 | 5,595 | 10,116 |
| 1948----- | | 44,448 | 15,321 | 8,312 | 7,010 | 982 | 2,169 | 9,519 | 5,650 | 10,807 |
| 1949----- | | 43,315 | 14,178 | 7,473 | 6,705 | 918 | 2,165 | 9,513 | 5,856 | 10,686 |
| 1950----- | | 44,738 | 14,967 | 8,085 | 6,882 | 889 | 2,333 | 9,645 | 6,026 | 10,878 |
| 1952----- | | 48,303 | 16,334 | 9,340 | 6,994 | 885 | 2,634 | 10,281 | 6,609 | 11,563 |
| 1953----- | | 49,681 | 17,238 | 10,105 | 7,133 | 852 | 2,622 | 10,527 | 6,645 | 11,797 |
| 1954----- | | 48,285 | 15,989 | 9,120 | 6,870 | 770 | 2,527 | 10,498 | 6,751 | 11,751 |
| 1954: June----- | 48,170 | 48,200 | 15,835 | 9,066 | 6,769 | 771 | 2,629 | 10,389 | 6,716 | 11,860 |
| July----- | 48,048 | 47,866 | 15,584 | 8,811 | 6,773 | 760 | 2,686 | 10,351 | 6,551 | 11,934 |
| August----- | 48,029 | 48,123 | 15,822 | 8,820 | 7,002 | 763 | 2,735 | 10,321 | 6,563 | 11,919 |
| September----- | 48,020 | 48,490 | 15,972 | 8,887 | 7,085 | 744 | 2,698 | 10,447 | 6,746 | 11,883 |
| October----- | 48,129 | 48,580 | 16,007 | 9,002 | 7,005 | 743 | 2,652 | 10,548 | 6,829 | 11,801 |
| November----- | 48,386 | 48,808 | 16,057 | 9,121 | 6,936 | 749 | 2,598 | 10,745 | 6,917 | 11,742 |
| December----- | 48,380 | 49,463 | 16,050 | 9,144 | 6,906 | 747 | 2,426 | 10,354 | 7,166 | 11,720 |
| 1955: January----- | 48,398 | 47,741 | 15,925 | 9,113 | 6,812 | 741 | 2,237 | 10,419 | 6,835 | 11,584 |
| February----- | 48,440 | 47,753 | 16,060 | 9,220 | 6,840 | 737 | 2,169 | 10,309 | 6,873 | 11,605 |
| March----- | 48,766 | 48,212 | 16,201 | 9,323 | 6,878 | 739 | 2,255 | 10,408 | 6,922 | 11,687 |
| April----- | 48,881 | 48,643 | 16,255 | 9,418 | 6,837 | 739 | 2,399 | 10,549 | 6,927 | 11,774 |
| May----- | 49,214 | 48,918 | 16,334 | 9,501 | 6,833 | 742 | 2,526 | 10,534 | 6,881 | 11,901 |
| June ² ----- | 49,483 | 49,487 | 16,563 | 9,615 | 6,948 | 760 | 2,615 | 10,633 | 6,851 | 12,065 |
| July ² ----- | 49,684 | 49,465 | 16,557 | 9,557 | 7,000 | 748 | 2,694 | 10,624 | 6,706 | 12,136 |

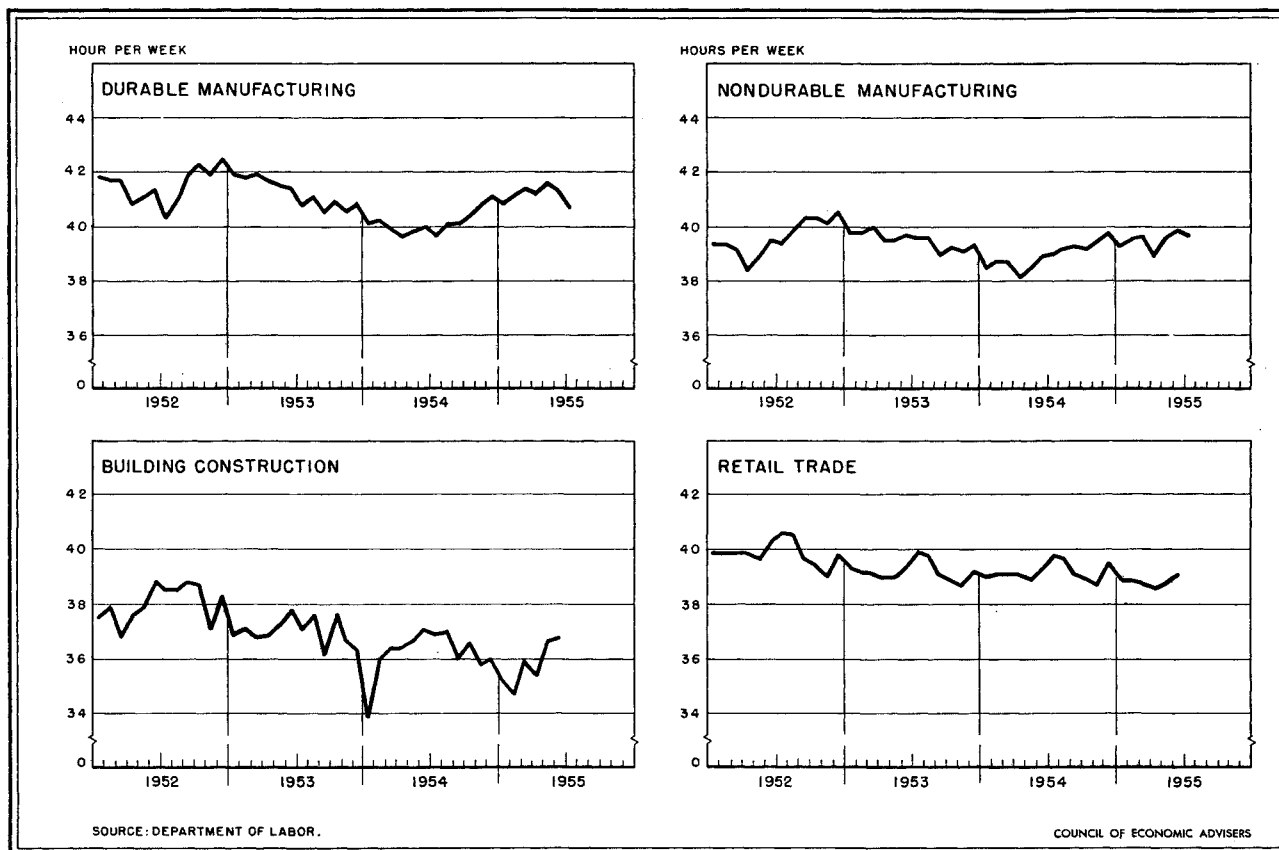
¹ Includes all full- and part-time wage and salary workers in nonagricultural establishments who worked during or received pay for any part of the pay period ending nearest the 15th of the month. Excludes proprietors, self-employed persons, domestic servants, and personnel of the armed forces. Total derived from this table not comparable with estimates of nonagricultural employment of the civilian labor force reported by the Department of Commerce (p. 11) 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.

NOTE.—Beginning with 1953, data are based on first quarter 1954 benchmark levels.
Source: Department of Labor.

AVERAGE WEEKLY HOURS - SELECTED INDUSTRIES

The average workweek of factory production workers declined from 40.7 hours in June to 40.3 hours in July. A decline is usual at this time of year.



[Hours per week, for production workers or nonsupervisory employees]

| Period | Manufacturing | | | Building construction | Retail trade |
|-------------------------|--------------------|---------------|------------------|-----------------------|------------------|
| | Total ^a | Durable goods | Nondurable goods | | |
| 1939..... | 37.7 | 38.0 | 37.4 | 32.6 | 42.7 |
| 1946..... | 40.4 | 40.2 | 40.5 | 38.1 | 40.7 |
| 1947..... | 40.4 | 40.6 | 40.1 | 37.6 | 40.3 |
| 1948..... | 40.1 | 40.5 | 39.6 | ¹ 37.3 | 40.3 |
| 1949..... | 39.2 | 39.5 | 38.8 | 36.7 | 40.4 |
| 1950..... | 40.5 | 41.2 | 39.7 | 36.3 | 40.5 |
| 1951..... | 40.7 | 41.6 | 39.5 | 37.2 | 40.2 |
| 1952..... | 40.7 | 41.5 | 39.6 | 38.1 | 39.9 |
| 1953..... | 40.5 | 41.3 | 39.5 | 37.0 | 39.2 |
| 1954..... | 39.7 | 40.2 | 39.0 | 36.2 | 39.2 |
| 1954: June..... | 39.5 | 40.0 | 38.9 | 37.1 | 39.3 |
| July..... | 39.4 | 39.7 | 39.0 | 36.9 | 39.8 |
| August..... | 39.7 | 40.1 | 39.2 | 37.0 | 39.7 |
| September..... | 39.7 | 40.1 | 39.3 | 36.0 | 39.1 |
| October..... | 39.9 | 40.4 | 39.2 | 36.6 | 38.9 |
| November..... | 40.2 | 40.8 | 39.5 | 35.8 | 38.7 |
| December..... | 40.5 | 41.1 | 39.8 | 36.0 | 39.5 |
| 1955: January..... | 40.2 | 40.9 | 39.3 | 35.1 | 38.9 |
| February..... | 40.4 | 41.1 | 39.5 | 34.7 | 38.9 |
| March..... | 40.6 | 41.4 | 39.7 | 35.9 | 38.8 |
| April..... | 40.3 | 41.2 | 39.0 | 35.4 | 38.6 |
| May..... | 40.8 | 41.6 | 39.6 | 36.7 | 38.8 |
| June ² | 40.7 | 41.3 | 39.9 | 36.8 | 39.1 |
| July ² | 40.3 | 40.7 | 39.7 | (³) | (³) |

¹ Data beginning with January 1948 are not strictly comparable with those for earlier periods.

² Preliminary estimates.

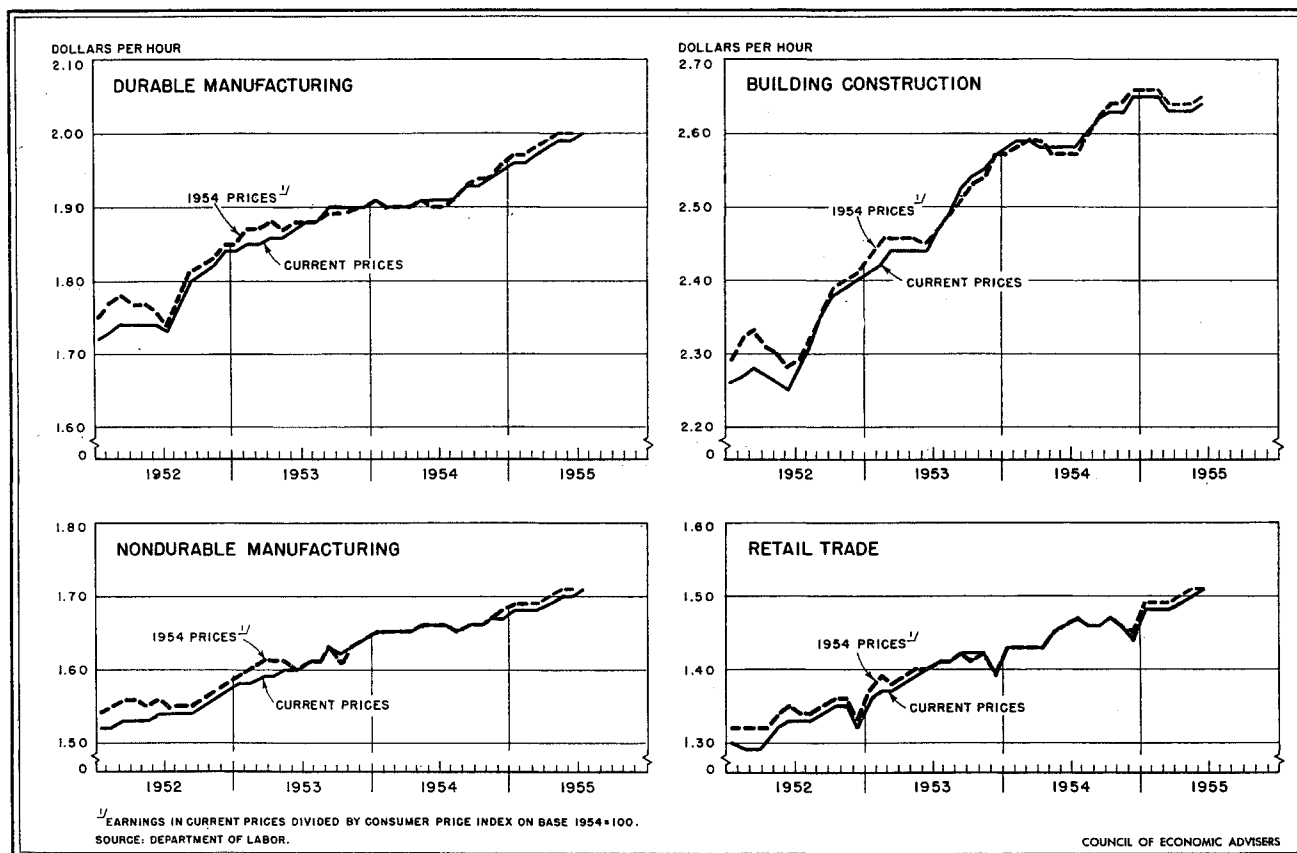
³ Not available.

Note.—Beginning with 1953, data are based on first quarter 1954 benchmark levels of employment.

Source: Department of Labor.

AVERAGE HOURLY EARNINGS - SELECTED INDUSTRIES

Average hourly earnings of production workers in manufacturing were \$1.88 in July, 1 cent higher than in June and 8 cents higher than in July of last year.



[For production workers or nonsupervisory employees]

| Period | All manufacturing | | Durable goods manufacturing | | Nondurable goods manufacturing | | Building construction | | Retail trade | |
|-------------------------|-------------------|--------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------|-----------------------|--------------------------|------------------|--------------------------|
| | Current prices | 1954 prices ¹ | Current prices | 1954 prices ¹ | Current prices | 1954 prices ¹ | Current prices | 1954 prices ¹ | Current prices | 1954 prices ¹ |
| 1939..... | \$0. 633 | \$1. 224 | \$0. 698 | \$1. 350 | \$0. 582 | \$1. 126 | \$0. 932 | \$1. 803 | \$0. 542 | \$1. 048 |
| 1946..... | 1. 086 | 1. 496 | 1. 156 | 1. 592 | 1. 015 | 1. 398 | 1. 478 | 2. 036 | . 893 | 1. 230 |
| 1947..... | 1. 237 | 1. 487 | 1. 292 | 1. 553 | 1. 171 | 1. 407 | 1. 681 | 2. 020 | 1. 009 | 1. 213 |
| 1948..... | 1. 350 | 1. 508 | 1. 410 | 1. 575 | 1. 278 | 1. 428 | ² 1. 848 | ² 2. 065 | 1. 088 | 1. 216 |
| 1949..... | 1. 401 | 1. 579 | 1. 469 | 1. 656 | 1. 325 | 1. 494 | 1. 935 | 2. 182 | 1. 137 | 1. 282 |
| 1950..... | 1. 465 | 1. 637 | 1. 537 | 1. 717 | 1. 378 | 1. 540 | 2. 031 | 2. 269 | 1. 176 | 1. 314 |
| 1951..... | 1. 59 | 1. 64 | 1. 67 | 1. 73 | 1. 48 | 1. 53 | 2. 19 | 2. 26 | 1. 26 | 1. 30 |
| 1952..... | 1. 67 | 1. 69 | 1. 77 | 1. 79 | 1. 54 | 1. 56 | 2. 31 | 2. 34 | 1. 32 | 1. 33 |
| 1953..... | 1. 77 | 1. 78 | 1. 87 | 1. 88 | 1. 61 | 1. 61 | 2. 48 | 2. 49 | 1. 40 | 1. 40 |
| 1954..... | 1. 81 | 1. 81 | 1. 92 | 1. 92 | 1. 66 | 1. 66 | 2. 60 | 2. 60 | 1. 45 | 1. 45 |
| 1954: June..... | 1. 81 | 1. 80 | 1. 91 | 1. 90 | 1. 66 | 1. 66 | 2. 58 | 2. 57 | 1. 46 | 1. 46 |
| July..... | 1. 80 | 1. 79 | 1. 91 | 1. 90 | 1. 66 | 1. 66 | 2. 58 | 2. 57 | 1. 47 | 1. 47 |
| August..... | 1. 79 | 1. 79 | 1. 91 | 1. 91 | 1. 65 | 1. 65 | 2. 60 | 2. 59 | 1. 46 | 1. 46 |
| September..... | 1. 81 | 1. 81 | 1. 93 | 1. 93 | 1. 66 | 1. 66 | 2. 62 | 2. 62 | 1. 46 | 1. 46 |
| October..... | 1. 81 | 1. 82 | 1. 93 | 1. 94 | 1. 66 | 1. 66 | 2. 63 | 2. 64 | 1. 47 | 1. 47 |
| November..... | 1. 83 | 1. 83 | 1. 94 | 1. 94 | 1. 67 | 1. 67 | 2. 63 | 2. 64 | 1. 46 | 1. 46 |
| December..... | 1. 83 | 1. 84 | 1. 95 | 1. 96 | 1. 67 | 1. 68 | 2. 65 | 2. 66 | 1. 44 | 1. 45 |
| 1955: January..... | 1. 84 | 1. 85 | 1. 96 | 1. 97 | 1. 68 | 1. 69 | 2. 65 | 2. 66 | 1. 48 | 1. 49 |
| February..... | 1. 85 | 1. 86 | 1. 96 | 1. 97 | 1. 68 | 1. 69 | 2. 65 | 2. 66 | 1. 48 | 1. 49 |
| March..... | 1. 85 | 1. 86 | 1. 97 | 1. 98 | 1. 68 | 1. 69 | 2. 63 | 2. 64 | 1. 48 | 1. 49 |
| April..... | 1. 86 | 1. 87 | 1. 98 | 1. 99 | 1. 69 | 1. 70 | 2. 63 | 2. 64 | 1. 49 | 1. 50 |
| May..... | 1. 87 | 1. 88 | 1. 99 | 2. 00 | 1. 70 | 1. 71 | 2. 63 | 2. 64 | 1. 50 | 1. 51 |
| June ³ | 1. 87 | 1. 88 | 1. 99 | 2. 00 | 1. 70 | 1. 71 | 2. 64 | 2. 65 | 1. 51 | 1. 51 |
| July ³ | 1. 88 | (⁴) | 2. 00 | (⁴) | 1. 71 | (⁴) | (⁴) | (⁴) | (⁴) | (⁴) |

¹ Earnings in current prices divided by consumer price index on base 1954=100.

² Data beginning with January 1948 are not strictly comparable with those for earlier periods.

NOTE.—Beginning with 1953, data are based on first quarter 1954 benchmark levels of employment.

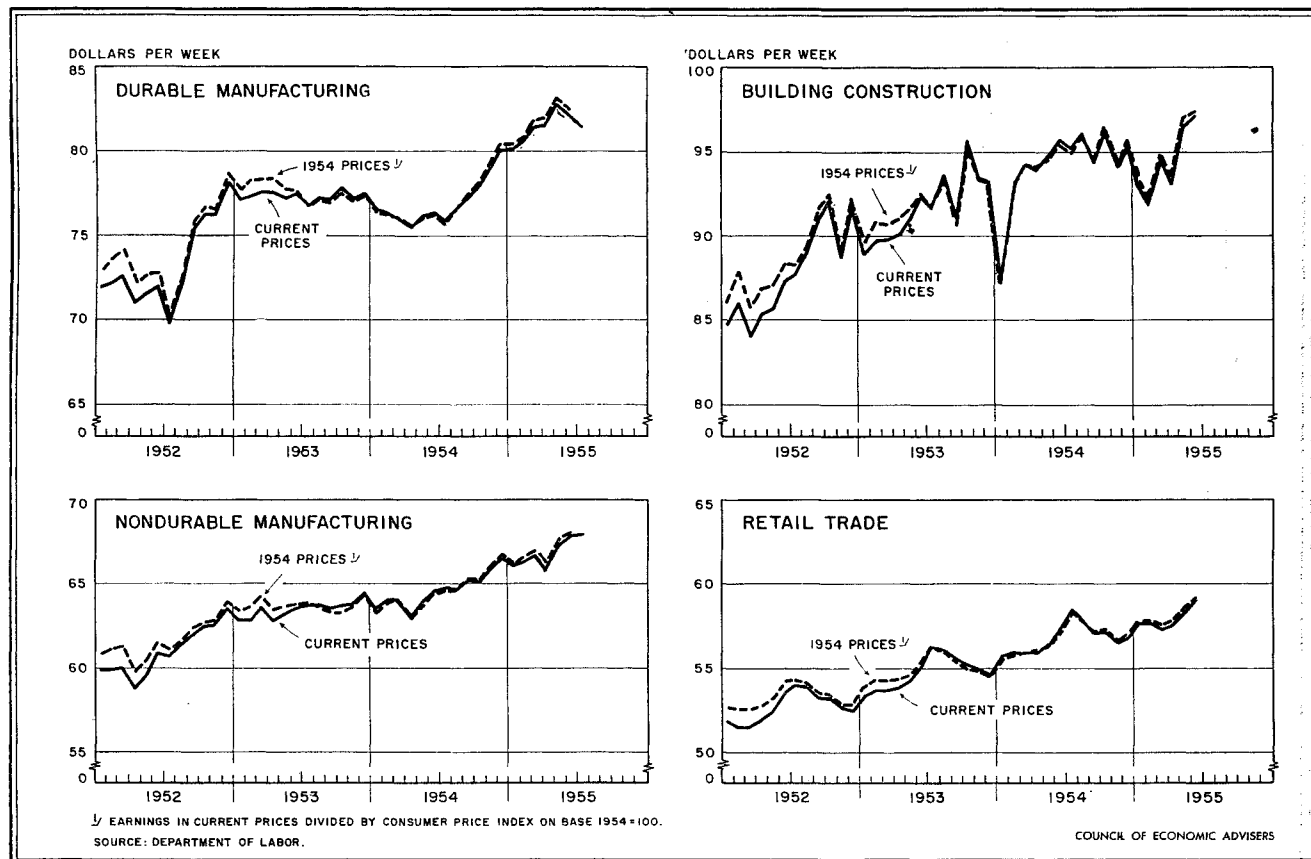
Source: Department of Labor.

³ Preliminary estimates.

⁴ Not available.

AVERAGE WEEKLY EARNINGS - SELECTED INDUSTRIES

Average weekly earnings of factory production workers declined from \$76.11 in June to \$75.76 in July as a result of the shorter workweek. The July figure was \$4.84 higher than a year earlier.



[For production workers or nonsupervisory employees]

| Period | All manufacturing | | Durable goods manufacturing | | Nondurable goods manufacturing | | Building construction | | Retail trade | |
|-------------------------|-------------------|--------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------|-----------------------|--------------------------|------------------|--------------------------|
| | Current prices | 1954 prices ¹ | Current prices | 1954 prices ¹ | Current prices | 1954 prices ¹ | Current prices | 1954 prices ¹ | Current prices | 1954 prices ¹ |
| 1939..... | \$23.86 | \$46.15 | \$26.50 | \$51.26 | \$21.78 | \$42.13 | \$30.39 | \$58.78 | \$23.14 | \$44.76 |
| 1946..... | 43.82 | 60.36 | 46.49 | 64.04 | 41.14 | 56.67 | 56.24 | 77.47 | 36.35 | 50.07 |
| 1947..... | 49.97 | 60.06 | 52.46 | 63.05 | 46.96 | 56.44 | 63.30 | 76.08 | 40.66 | 48.87 |
| 1948..... | 54.14 | 60.49 | 57.11 | 63.81 | 50.61 | 56.55 | ² 68.85 | ² 76.93 | 43.85 | 48.99 |
| 1949..... | 54.92 | 61.92 | 58.03 | 65.42 | 51.41 | 57.96 | 70.95 | 79.99 | 45.93 | 51.78 |
| 1950..... | 59.33 | 66.29 | 63.32 | 70.75 | 54.71 | 61.13 | 73.73 | 82.38 | 47.63 | 53.22 |
| 1951..... | 64.71 | 66.92 | 69.47 | 71.84 | 58.46 | 60.46 | 81.47 | 84.25 | 50.65 | 52.38 |
| 1952..... | 67.97 | 68.73 | 73.46 | 74.28 | 60.98 | 61.66 | 88.01 | 88.99 | 52.67 | 53.26 |
| 1953..... | 71.69 | 71.91 | 77.23 | 77.46 | 63.60 | 63.79 | 91.76 | 92.04 | 54.88 | 55.05 |
| 1954..... | 71.86 | 71.86 | 77.18 | 77.18 | 64.74 | 64.74 | 94.12 | 94.12 | 56.84 | 56.84 |
| 1954: June..... | 71.50 | 71.29 | 76.40 | 76.17 | 64.57 | 64.38 | 95.72 | 95.43 | 57.38 | 57.21 |
| July..... | 70.92 | 70.71 | 75.83 | 75.60 | 64.74 | 64.55 | 95.20 | 94.92 | 58.51 | 58.33 |
| August..... | 71.06 | 70.92 | 76.59 | 76.44 | 64.68 | 64.55 | 96.20 | 96.01 | 57.96 | 57.84 |
| September..... | 71.86 | 71.93 | 77.39 | 77.47 | 65.24 | 65.31 | 94.32 | 94.41 | 57.09 | 57.15 |
| October..... | 72.22 | 72.44 | 77.97 | 78.20 | 65.07 | 65.27 | 96.26 | 96.55 | 57.18 | 57.35 |
| November..... | 73.57 | 73.42 | 79.15 | 79.31 | 65.97 | 66.10 | 94.15 | 94.34 | 56.50 | 56.61 |
| December..... | 74.12 | 74.42 | 80.15 | 80.47 | 66.47 | 66.74 | 95.40 | 95.78 | 56.88 | 57.11 |
| 1955: January..... | 73.97 | 74.27 | 80.16 | 80.48 | 66.02 | 66.29 | 93.02 | 93.39 | 57.57 | 57.80 |
| February..... | 74.74 | 75.04 | 80.56 | 80.88 | 66.36 | 66.63 | 91.96 | 92.33 | 57.57 | 57.80 |
| March..... | 75.11 | 75.41 | 81.56 | 81.89 | 66.70 | 66.97 | 94.42 | 94.80 | 57.42 | 57.65 |
| April..... | 74.96 | 75.34 | 81.58 | 81.99 | 65.91 | 66.24 | 93.10 | 93.57 | 57.51 | 57.80 |
| May..... | 76.30 | 76.68 | 82.78 | 83.20 | 67.32 | 67.66 | 96.52 | 97.01 | 58.20 | 58.49 |
| June ³ | 76.11 | 76.34 | 82.19 | 82.44 | 67.83 | 68.03 | 97.15 | 97.44 | 59.04 | 59.22 |
| July ³ | 75.76 | (⁴) | 81.40 | (⁴) | 67.89 | (⁴) | (⁴) | (⁴) | (⁴) | (⁴) |

¹ Earnings in current prices divided by consumer price index on base 1954=100.

² Data beginning with January 1948 are not strictly comparable with those for earlier periods.

³ Preliminary estimates.

⁴ Not available.

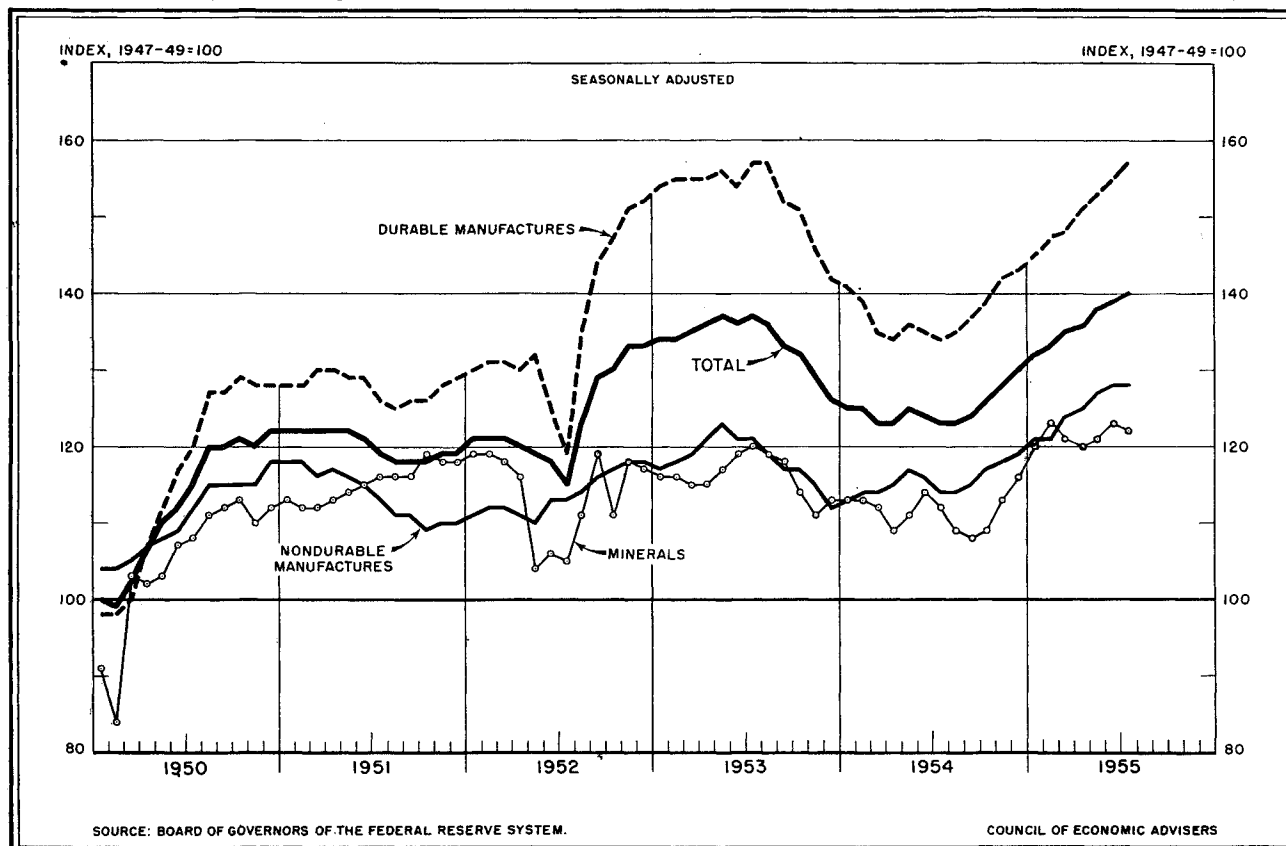
NOTE.—Beginning with 1953, data are based on first quarter 1954 benchmark levels of employment.

Source: Department of Labor.

PRODUCTION AND BUSINESS ACTIVITY

INDUSTRIAL PRODUCTION

According to preliminary estimates, the seasonally adjusted index of industrial production reached a new high of 140 (1947-49=100) in July. Durable goods manufacturing reached the previous peak in 1953 for the first time since the current expansion began.



[1947-49=100, seasonally adjusted]

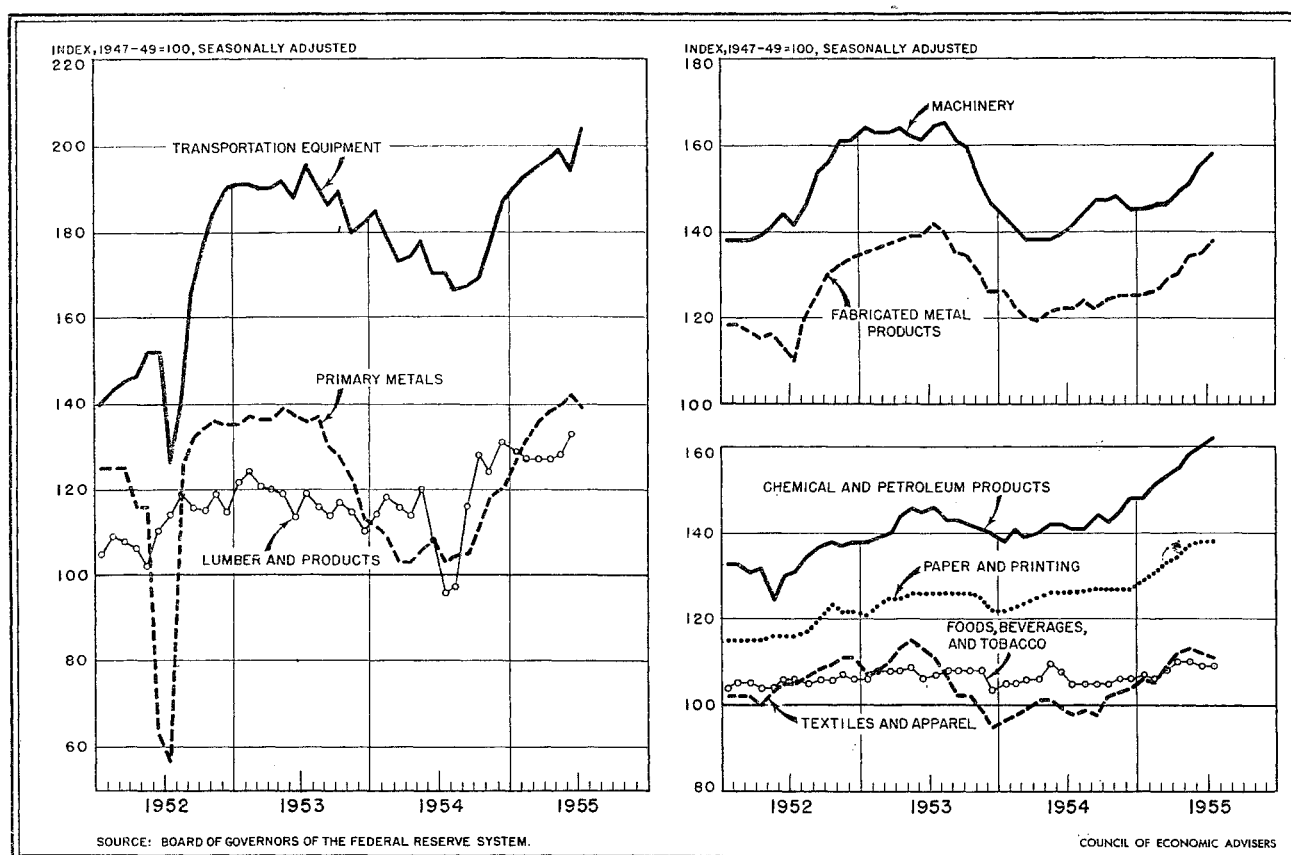
| Period | Total industrial production | Manufactures | | | Minerals |
|-------------------------|-----------------------------|--------------|---------|------------|----------|
| | | Total | Durable | Nondurable | |
| 1939..... | 58 | 57 | 49 | 66 | 68 |
| 1946..... | 90 | 90 | 86 | 95 | 91 |
| 1947..... | 100 | 100 | 101 | 99 | 100 |
| 1948..... | 104 | 103 | 104 | 102 | 106 |
| 1949..... | 97 | 97 | 95 | 99 | 94 |
| 1950..... | 112 | 113 | 116 | 111 | 105 |
| 1951..... | 120 | 121 | 128 | 114 | 115 |
| 1952..... | 124 | 125 | 136 | 114 | 114 |
| 1953..... | 134 | 136 | 153 | 118 | 116 |
| 1954 ¹ | 125 | 127 | 137 | 116 | 111 |
| 1954: June..... | 124 | 125 | 135 | 116 | 114 |
| July..... | 123 | 124 | 134 | 114 | 112 |
| August..... | 123 | 125 | 135 | 114 | 109 |
| September..... | 124 | 126 | 137 | 115 | 108 |
| October..... | 126 | 128 | 139 | 117 | 109 |
| November..... | 128 | 130 | 142 | 118 | 113 |
| December..... | 130 | 131 | 143 | 119 | 116 |
| 1955: January..... | 132 | 133 | 145 | 121 | 120 |
| February..... | 133 | 134 | 147 | 121 | 123 |
| March..... | 135 | 136 | 148 | 124 | 121 |
| April..... | 136 | 138 | 151 | 125 | 120 |
| May..... | 138 | 140 | 153 | 127 | 121 |
| June..... | 139 | 141 | 155 | 128 | 123 |
| July ¹ | 140 | 143 | 157 | 128 | 122 |

¹ Preliminary estimates.

Source: Board of Governors of the Federal Reserve System.

PRODUCTION OF SELECTED MANUFACTURES

Durable goods manufacturing industries shared unevenly in the July rise in production. Nondurable goods manufacturing showed little change.



[1947-49=100, seasonally adjusted]

| Period | Durable manufactures | | | | | Nondurable manufactures | | | | Consumer durable goods |
|-------------------|----------------------|---------------------------|-----------|--------------------------|---------------------|-------------------------|--------------------|---------------------------------|-------------------------------|------------------------|
| | Primary metals | Fabricated metal products | Machinery | Transportation equipment | Lumber and products | Textiles and apparel | Paper and printing | Chemical and petroleum products | Foods, beverages, and tobacco | |
| 1939 | 53 | | 38 | 48 | 80 | 80 | | | | |
| 1947 | 103 | 103 | 103 | 96 | 101 | 99 | 96 | 97 | 101 | 98 |
| 1948 | 107 | 104 | 104 | 102 | 106 | 103 | 103 | 103 | 100 | 102 |
| 1949 | 90 | 93 | 93 | 102 | 93 | 97 | 101 | 100 | 100 | 101 |
| 1950 | 115 | 115 | 114 | 120 | 113 | 110 | 114 | 118 | 103 | 133 |
| 1951 | 126 | 122 | 130 | 135 | 113 | 106 | 118 | 132 | 105 | 114 |
| 1952 | 116 | 121 | 147 | 154 | 111 | 105 | 118 | 133 | 106 | 105 |
| 1953 | 132 | 136 | 160 | 189 | 118 | 107 | 125 | 142 | 107 | 127 |
| 1954 ¹ | 108 | 123 | 142 | 175 | 115 | 100 | 125 | 142 | 106 | 116 |
| 1954: June | 108 | 122 | 139 | 170 | 108 | 99 | 126 | 142 | 108 | 118 |
| July | 103 | 122 | 141 | 170 | 96 | 98 | 126 | 141 | 105 | 116 |
| August | 105 | 124 | 144 | 166 | 97 | 99 | 126 | 141 | 105 | 115 |
| September | 105 | 122 | 147 | 167 | 116 | 98 | 127 | 144 | 105 | 114 |
| October | 111 | 124 | 147 | 169 | 128 | 102 | 127 | 143 | 105 | 112 |
| November | 118 | 125 | 148 | 175 | 124 | 103 | 127 | 145 | 106 | 119 |
| December | 121 | 125 | 145 | 187 | 131 | 104 | 127 | 148 | 106 | 125 |
| 1955: January | 127 | 125 | 145 | 191 | 129 | 106 | 129 | 148 | 107 | 131 |
| February | 131 | 126 | 146 | 193 | 127 | 105 | 130 | 151 | 106 | 135 |
| March | 136 | 129 | 146 | 195 | 127 | 109 | 133 | 153 | 108 | 139 |
| April | 138 | 130 | 149 | 197 | 127 | 112 | 134 | 155 | 110 | 144 |
| May | 140 | 134 | 151 | 199 | 128 | 113 | 137 | 158 | 110 | 145 |
| June | 142 | 135 | 155 | 194 | 133 | 112 | 138 | 160 | 109 | 147 |
| July ¹ | 139 | 138 | 158 | 204 | (²) | 111 | 138 | 162 | 109 | 155 |

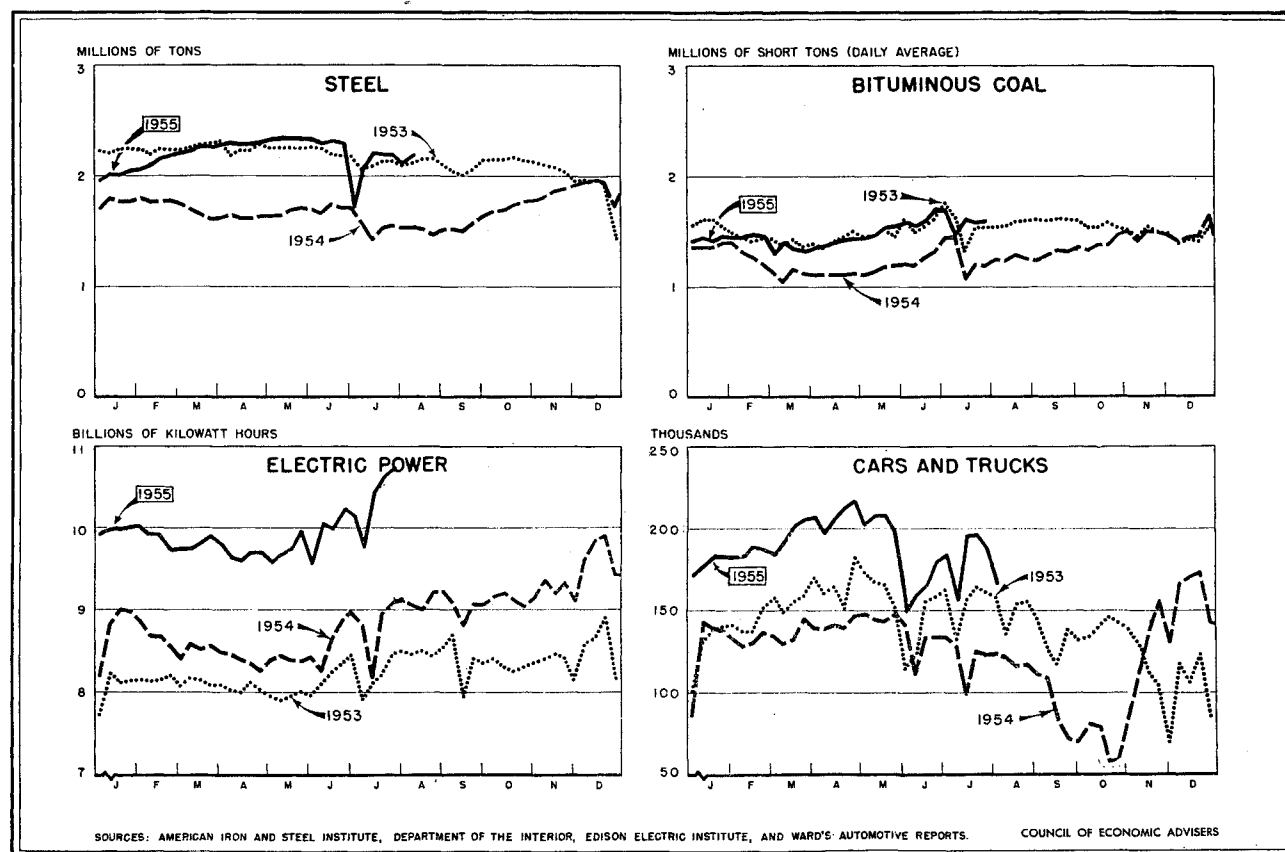
¹Preliminary estimates.

²Not available.

Source: Board of Governors of the Federal Reserve System.

WEEKLY INDICATORS OF PRODUCTION

Electric power production was at a new high during July. Car and truck assemblies during the month were higher than in June, but steel and paperboard output and bituminous coal mining were lower.



| Period | Steel produced | | Electric power distributed (millions of kilowatt-hours) | Bituminous coal mined (thousands of short tons) ² | Freight loaded (thousands of cars) | Paperboard produced (thousands of tons) | Cars and trucks assembled (thousands) | | |
|-----------------------------|-----------------------|--|---|--|------------------------------------|---|---------------------------------------|-------|--------|
| | Thousands of net tons | Percent of theoretical capacity ¹ | | | | | Total | Cars | Trucks |
| Weekly average: | | | | | | | | | |
| 1950----- | 1,857 | 96.9 | 6,183 | 1,687 | 748 | 214 | 154.2 | 128.4 | 25.9 |
| 1951----- | 2,018 | 100.9 | 6,958 | 1,772 | 779 | 229 | 129.8 | 102.7 | 27.2 |
| 1952----- | 1,782 | 85.8 | 7,451 | 1,548 | 730 | 213 | 106.8 | 83.4 | 23.4 |
| 1953----- | 2,141 | 94.9 | 8,244 | 1,521 | 737 | 241 | 141.1 | 118.0 | 23.2 |
| 1954----- | 1,694 | 71.0 | 8,883 | 1,304 | 651 | 236 | 125.6 | 106.0 | 19.7 |
| 1954: July----- | 1,499 | 62.9 | 8,841 | 1,184 | 658 | 199 | 117.6 | 100.3 | 17.3 |
| August----- | 1,505 | 63.1 | 9,122 | 1,288 | 677 | 246 | 116.4 | 99.8 | 16.5 |
| September----- | 1,591 | 66.7 | 9,040 | 1,379 | 687 | 235 | 82.8 | 67.5 | 15.3 |
| October----- | 1,738 | 72.9 | 9,124 | 1,410 | 726 | 254 | 70.8 | 55.8 | 15.0 |
| November----- | 1,886 | 79.1 | 9,240 | 1,498 | 671 | 254 | 134.2 | 113.7 | 20.5 |
| December----- | 1,875 | 78.6 | 9,645 | 1,502 | 610 | 227 | 159.4 | 138.9 | 20.5 |
| 1955: January----- | 1,995 | 82.7 | 9,936 | 1,444 | 631 | 243 | 178.9 | 156.9 | 22.0 |
| February----- | 2,124 | 88.0 | 9,902 | 1,463 | 644 | 260 | 185.0 | 169.2 | 15.8 |
| March----- | 2,253 | 93.4 | 9,796 | 1,376 | 656 | 270 | 198.1 | 174.1 | 23.9 |
| April----- | 2,288 | 94.8 | 9,658 | 1,366 | 693 | 263 | 207.6 | 177.0 | 30.6 |
| May----- | 2,331 | 96.6 | 9,741 | 1,523 | 766 | 275 | 204.2 | 173.3 | 30.9 |
| June----- | 2,272 | 94.1 | 9,986 | 1,617 | 756 | 278 | 168.1 | 141.8 | 26.2 |
| July ³ ----- | 2,061 | 85.4 | 10,386 | 1,573 | 758 | 232 | 183.8 | 158.0 | 25.8 |
| Week ended: | | | | | | | | | |
| 1955: July 2----- | 1,716 | 71.1 | 10,138 | 1,723 | 697 | 279 | 184.7 | 158.4 | 26.3 |
| 9----- | 2,073 | 85.9 | 9,759 | 1,478 | 653 | 156 | 155.7 | 134.1 | 21.6 |
| 16----- | 2,202 | 91.2 | 10,440 | 1,622 | 799 | 226 | 195.4 | 167.5 | 28.0 |
| 23----- | 2,195 | 91.0 | 10,620 | 1,582 | 786 | 265 | 196.4 | 169.1 | 27.3 |
| 30----- | 2,190 | 90.7 | 10,727 | 1,602 | 796 | 280 | 187.5 | 161.4 | 26.1 |
| August 6 ³ ----- | 2,098 | 86.9 | ⁴ 10,925 | ----- | 765 | 278 | 165.7 | 142.6 | 23.1 |
| 13 ³ ----- | 2,192 | 90.8 | ----- | ----- | ----- | ----- | ----- | ----- | ----- |

¹ Percent of capacity based on weekly net ton capacity of 1,906,268 for the first half of 1950; 1,928,721 beginning July 1, 1950; 1,999,034 beginning January 1, 1951; 2,077,040 beginning January 1, 1952; 2,254,459 beginning January 1, 1953; 2,384,549 beginning January 1, 1954; and 2,413,278 beginning January 1, 1955.

² Daily average for week.

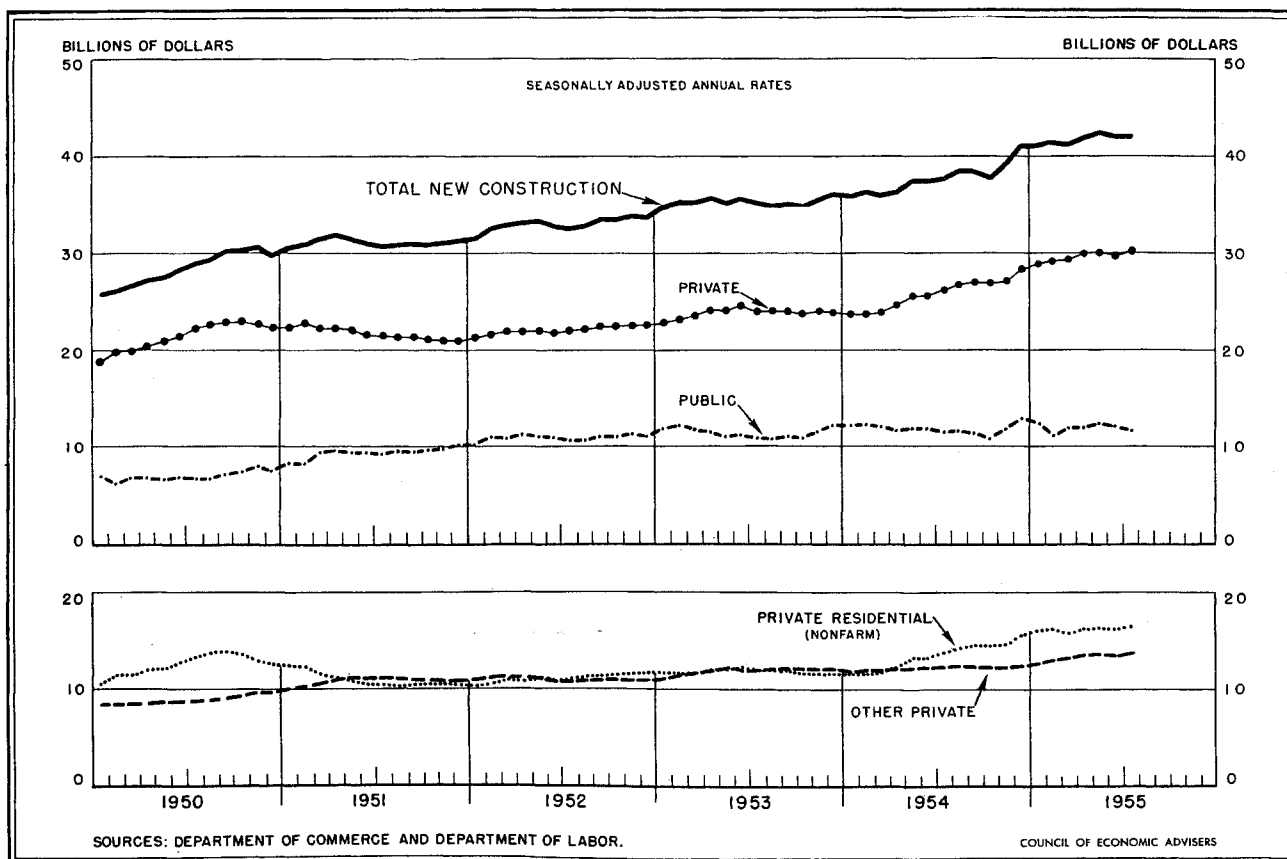
³ Preliminary estimates.

⁴ Not plotted.

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

NEW CONSTRUCTION

In July, expenditures for total new construction, expressed as a seasonally adjusted annual rate, continued at \$42 billion. Private construction rose to a new high, while public construction declined. On a seasonally adjusted basis, construction contracts awarded were 5 percent below the June level, but nearly 25 percent higher than a year earlier.



[Billions of dollars]

| Period | Total new construction | Private | | | Federal, State, and local | Construction contracts awarded in 37 Eastern States ¹ | |
|----------------------------------|------------------------|---------------|-----------------------|-------|---------------------------|--|---------------------|
| | | Total private | Residential (nonfarm) | Other | | | |
| 1939 | 8.2 | 4.4 | 2.7 | 1.7 | 3.8 | 3.6 | ----- |
| 1946 | 12.0 | 9.6 | 4.0 | 5.6 | 2.4 | 7.5 | ----- |
| 1947 | 16.7 | 13.3 | 6.3 | 6.9 | 3.4 | 7.8 | ----- |
| 1948 | 21.7 | 16.9 | 8.6 | 8.3 | 4.8 | 9.4 | ----- |
| 1949 | 22.8 | 16.4 | 8.3 | 8.1 | 6.4 | 10.4 | ----- |
| 1950 | 28.5 | 21.5 | 12.6 | 8.9 | 7.0 | 14.5 | ----- |
| 1951 | 31.2 | 21.8 | 11.0 | 10.8 | 9.4 | 15.8 | ----- |
| 1952 | 33.0 | 22.1 | 11.1 | 11.0 | 10.9 | 16.8 | ----- |
| 1953 | 35.3 | 23.9 | 11.9 | 11.9 | 11.4 | 17.4 | ----- |
| 1954 | 37.6 | 25.8 | 13.5 | 12.3 | 11.8 | 19.8 | ----- |
| Seasonally adjusted annual rates | | | | | | Annual rates | |
| | | | | | | Un-adjusted | Seasonally adjusted |
| 1954: June | 37.3 | 25.5 | 13.2 | 12.3 | 11.8 | 20.8 | 19.3 |
| July | 37.6 | 26.2 | 13.8 | 12.4 | 11.4 | 22.0 | 19.3 |
| August | 38.4 | 26.7 | 14.3 | 12.4 | 11.7 | 18.9 | 18.3 |
| September | 38.4 | 27.0 | 14.6 | 12.4 | 11.4 | 21.8 | 18.9 |
| October | 37.6 | 26.9 | 14.5 | 12.3 | 10.8 | 23.6 | 23.4 |
| November | 39.0 | 27.2 | 14.7 | 12.5 | 11.8 | 18.0 | 20.9 |
| December | 41.1 | 28.2 | 15.7 | 12.5 | 12.9 | 21.9 | 22.9 |
| 1955: January | 41.1 | 28.8 | 16.0 | 12.7 | 12.4 | 18.0 | 24.4 |
| February | 41.4 | 29.2 | 16.1 | 13.1 | 12.2 | 19.0 | 25.6 |
| March | 41.3 | 29.4 | 16.0 | 13.4 | 12.0 | 25.6 | 26.1 |
| April | 41.9 | 30.0 | 16.4 | 13.6 | 11.9 | 27.9 | 24.4 |
| May | 42.4 | 30.0 | 16.4 | 13.6 | 12.3 | 26.2 | 22.8 |
| June | 42.0 | 29.8 | 16.3 | 13.5 | 12.2 | 27.1 | 25.1 |
| July ² | 42.0 | 30.3 | 16.6 | 13.7 | 11.7 | 27.3 | 23.9 |

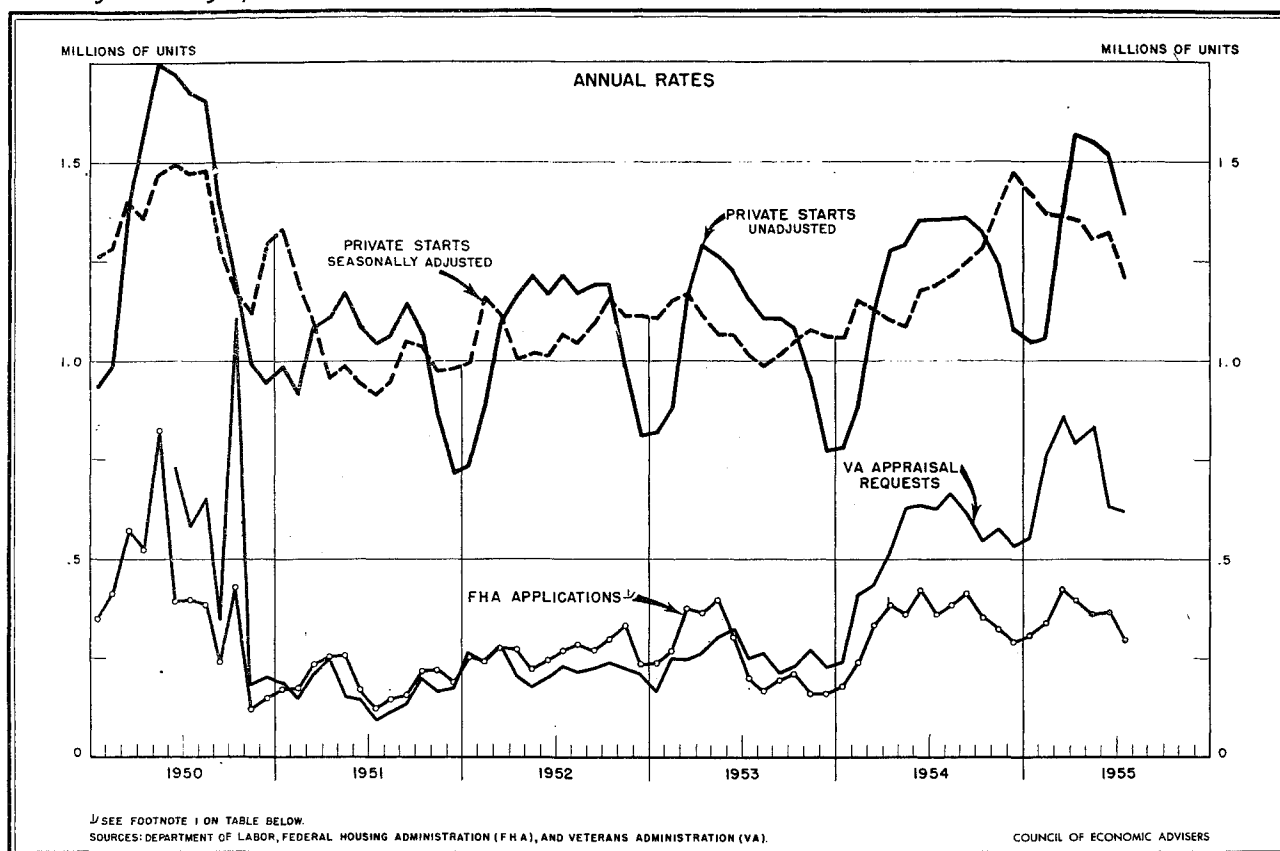
¹ Compiled by F. W. Dodge Corporation; seasonally adjusted by the National Bureau of Economic Research. Omits small contracts, and covers rural areas less fully than urban.

Sources: Department of Commerce, Department of Labor, and F. W. Dodge Corporation (except as noted).

² Preliminary estimates.

HOUSING STARTS AND APPLICATIONS FOR FINANCING

The number of private nonfarm housing starts declined from 1.3 to 1.2 million units (seasonally adjusted annual rate) between June and July.



[Thousands of units]

| Period | New nonfarm housing starts | | | | | | Proposed home construction | |
|-----------------------|----------------------------|----------------------|---------------------|-------------------------|--------|---|---|----------------------------------|
| | Total | Publicly financed | Privately financed | | | Private, seasonally adjusted annual rates | Applications for FHA com- mitments ¹ | Requests for VA appraisals |
| | | | Total | Government underwritten | | | | |
| | | | | Total | FHA | | | |
| Annual total: 1939 | 515. 0 | 56. 6 | 458. 4 | 158. 1 | 158. 1 | | 167. 8 | |
| 1946 | 670. 5 | 8. 0 | 662. 5 | 152. 0 | 69. 0 | ² 83. 0 | 121. 7 | (³) |
| 1948 | 931. 6 | 18. 1 | 913. 5 | 396. 1 | 294. 1 | ² 102. 0 | 293. 2 | (³) |
| 1949 | 1, 025. 1 | 36. 3 | 988. 8 | 468. 8 | 363. 8 | ² 105. 0 | 327. 0 | (³) |
| 1950 | 1, 396. 0 | 43. 8 | 1, 352. 2 | 686. 7 | 486. 7 | ² 200. 0 | 397. 7 | (³) |
| 1951 | 1, 091. 3 | 71. 2 | 1, 020. 1 | 412. 2 | 263. 5 | 148. 6 | 192. 8 | 164. 4 |
| 1952 | 1, 127. 0 | 58. 5 | 1, 068. 5 | 421. 2 | 279. 9 | 141. 3 | 267. 9 | 226. 3 |
| 1953 | 1, 103. 8 | 35. 5 | 1, 068. 3 | 408. 6 | 252. 0 | 156. 6 | 253. 7 | 251. 4 |
| 1954 | 1, 220. 4 | 18. 7 | 1, 201. 7 | 583. 3 | 276. 3 | 307. 0 | 338. 6 | 535. 4 |
| Monthly average: 1950 | 116. 3 | 3. 6 | 112. 7 | 57. 2 | 40. 6 | 16. 7 | 33. 1 | (³) |
| 1953 | 92. 0 | 3. 0 | 89. 0 | 34. 0 | 21. 0 | 13. 1 | 21. 1 | 21. 0 |
| 1954 | 101. 7 | 1. 6 | 100. 1 | 48. 6 | 23. 0 | 25. 6 | 28. 2 | 44. 6 |
| 1954: June | 116. 5 | 3. 9 | 112. 6 | 55. 6 | 27. 7 | 27. 9 | 35. 2 | 52. 7 |
| July | 116. 0 | 3. 1 | 112. 9 | 52. 2 | 25. 4 | 26. 8 | 30. 1 | 52. 3 |
| August | 114. 3 | 1. 3 | 113. 0 | 60. 3 | 27. 0 | 33. 3 | 32. 2 | 55. 4 |
| September | 115. 7 | 2. 3 | 113. 4 | 59. 8 | 25. 9 | 33. 9 | 34. 8 | 51. 3 |
| October | 110. 7 | . 2 | 110. 5 | 58. 2 | 24. 7 | 33. 5 | 29. 3 | 45. 6 |
| November | 103. 6 | . 3 | 103. 3 | 62. 4 | 26. 3 | 36. 0 | 26. 9 | 47. 7 |
| December | 90. 6 | . 7 | 89. 9 | 50. 7 | 21. 5 | 29. 1 | 24. 3 | 44. 3 |
| 1955: January | 87. 6 | . 3 | 87. 3 | 46. 1 | 20. 0 | 26. 1 | 25. 6 | 46. 2 |
| February | 89. 9 | 2. 0 | 87. 9 | 45. 3 | 17. 2 | 28. 0 | 28. 3 | 64. 2 |
| March | 113. 8 | 1. 0 | 112. 8 | 53. 6 | 23. 8 | 29. 8 | 35. 6 | 71. 9 |
| April | 132. 0 | 1. 5 | 130. 5 | 60. 3 | 25. 8 | 34. 5 | 33. 1 | 65. 9 |
| May | ⁴ 132. 0 | ⁴ 2. 5 | ⁴ 129. 5 | 65. 9 | 28. 0 | 37. 8 | ⁴ 1, 306 | 69. 3 |
| June | ⁴ 129. 0 | ⁴ 2. 5 | ⁴ 126. 5 | 71. 6 | 32. 1 | 39. 5 | ⁴ 1, 320 | 52. 4 |
| July ⁴ | 115. 0 | . 8 | 114. 2 | 62. 9 | 25. 5 | 37. 4 | 24. 3 | 51. 4 |

¹ Units represented by mortgage applications for new home construction.

² Estimated.

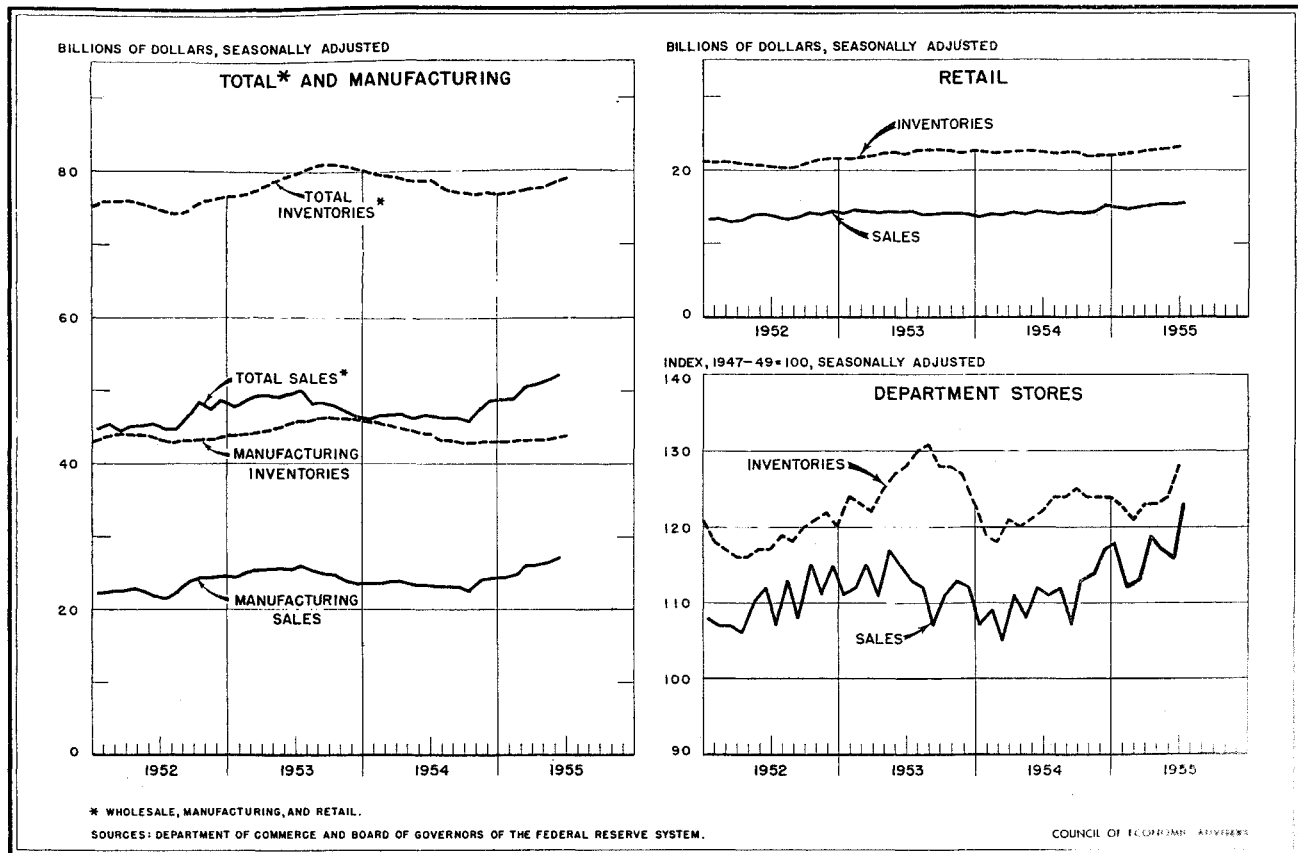
³ Not available.

⁴ Preliminary estimates.

Sources: Department of Labor, Federal Housing Administration (FHA), and Veterans Administration (VA).

SALES AND INVENTORIES-MANUFACTURING AND TRADE

In July, retail sales increased 2 percent, according to preliminary estimates. Total sales of manufacturing and trade firms (seasonally adjusted) increased 1 percent in June, due principally to a 2 percent increase in manufacturers' sales. Manufacturers' new orders increased slightly from the May level and continued to exceed sales. Inventories of manufacturers and retailers also increased during June.



| Period | Manufacturing and trade | | Manufacturing | | | Wholesale | | Retail | | Department stores | |
|-------------------|--|-------------------------------|--------------------|-------------------------------|----------------------------|--------------------|-------------------------------|--------------------|-------------------------------|--------------------|---|
| | Sales ¹ | Inven- tories ² | Sales ¹ | Inven- tories ² | New orders ¹ | Sales ¹ | Inven- tories ² | Sales ¹ | Inven- tories ² | Sales ¹ | Inven- tories ² |
| | Billions of dollars, seasonally adjusted | | | | | | | | | | Index 1947-49=100, seasonally adjusted |
| 1939 | 10. 8 | 20. 1 | 5. 1 | 11. 5 | 5. 4 | 2. 2 | 3. 1 | 3. 5 | 5. 5 | 35 | 35 |
| 1946 | 27. 2 | 42. 9 | 12. 6 | 24. 5 | 13. 7 | 6. 0 | 6. 6 | 8. 5 | 11. 9 | 90 | 77 |
| 1948 | 36. 4 | 55. 6 | 17. 6 | 31. 7 | 17. 4 | 7. 9 | 8. 1 | 10. 9 | 15. 8 | 104 | 107 |
| 1949 | 34. 7 | 52. 1 | 16. 4 | 28. 9 | 15. 9 | 7. 4 | 7. 9 | 10. 9 | 15. 3 | 98 | 100 |
| 1950 | 39. 9 | 64. 1 | 19. 3 | 34. 3 | 21. 0 | 8. 7 | 10. 5 | 12. 0 | 19. 3 | 105 | 109 |
| 1951 | 44. 9 | 75. 2 | 22. 3 | 42. 8 | 24. 5 | 9. 4 | 11. 1 | 13. 2 | 21. 2 | 109 | 129 |
| 1952 | 45. 9 | 76. 7 | 22. 8 | 43. 8 | 23. 6 | 9. 4 | 11. 3 | 13. 7 | 21. 6 | 110 | 118 |
| 1953 | 48. 4 | 80. 3 | 24. 9 | 45. 9 | 23. 4 | 9. 3 | 11. 7 | 14. 2 | 22. 7 | 112 | 126 |
| 1954 | 46. 7 | 76. 9 | 23. 4 | 43. 3 | 22. 4 | 9. 1 | 11. 5 | 14. 2 | 22. 1 | 111 | 122 |
| 1954: May | 46. 1 | 78. 9 | 23. 2 | 44. 3 | 21. 9 | 8. 9 | 11. 8 | 14. 0 | 22. 8 | 108 | 121 |
| June | 46. 9 | 78. 6 | 23. 3 | 44. 2 | 22. 0 | 9. 1 | 11. 9 | 14. 4 | 22. 6 | 112 | 122 |
| July | 46. 6 | 77. 6 | 23. 2 | 43. 4 | 21. 4 | 9. 1 | 11. 8 | 14. 3 | 22. 4 | 111 | 124 |
| August | 46. 3 | 77. 3 | 23. 1 | 43. 1 | 21. 9 | 9. 1 | 11. 8 | 14. 2 | 22. 5 | 112 | 124 |
| September | 46. 4 | 77. 0 | 23. 0 | 42. 9 | 23. 3 | 9. 2 | 11. 7 | 14. 2 | 22. 4 | 108 | 125 |
| October | 45. 6 | 76. 9 | 22. 5 | 43. 2 | 22. 9 | 9. 0 | 11. 7 | 14. 1 | 22. 0 | 113 | 124 |
| November | 47. 6 | 77. 1 | 24. 0 | 43. 3 | 23. 1 | 9. 3 | 11. 7 | 14. 4 | 22. 1 | 114 | 124 |
| December | 48. 7 | 76. 9 | 24. 1 | 43. 3 | 24. 8 | 9. 5 | 11. 5 | 15. 1 | 22. 1 | 117 | 124 |
| 1955: January | 48. 7 | 76. 9 | 24. 3 | 43. 2 | 24. 6 | 9. 5 | 11. 5 | 14. 9 | 22. 2 | 118 | 123 |
| February | 48. 9 | 77. 3 | 24. 6 | 43. 3 | 24. 8 | 9. 5 | 11. 7 | 14. 8 | 22. 4 | 112 | 121 |
| March | 50. 7 | 77. 5 | 26. 0 | 43. 3 | 26. 5 | 9. 7 | 11. 6 | 15. 1 | 22. 6 | 113 | 123 |
| April | 50. 9 | 77. 7 | 26. 0 | 43. 3 | 26. 1 | 9. 6 | 11. 7 | 15. 3 | 22. 8 | 119 | 123 |
| May | 51. 7 | 78. 4 | 26. 7 | 43. 5 | 27. 7 | 9. 7 | 11. 8 | 15. 4 | 23. 0 | 117 | 124 |
| June ⁵ | 52. 2 | 78. 8 | 27. 2 | 43. 8 | 27. 8 | 9. 7 | 11. 8 | 15. 3 | 23. 2 | 116 | 128 |
| July ⁵ | | | | | | | | 15. 6 | | 123 | |

¹ Monthly average for year and total for month.

² Book value, end of period.

³ Book value, end of period, except annual data, which are monthly averages.

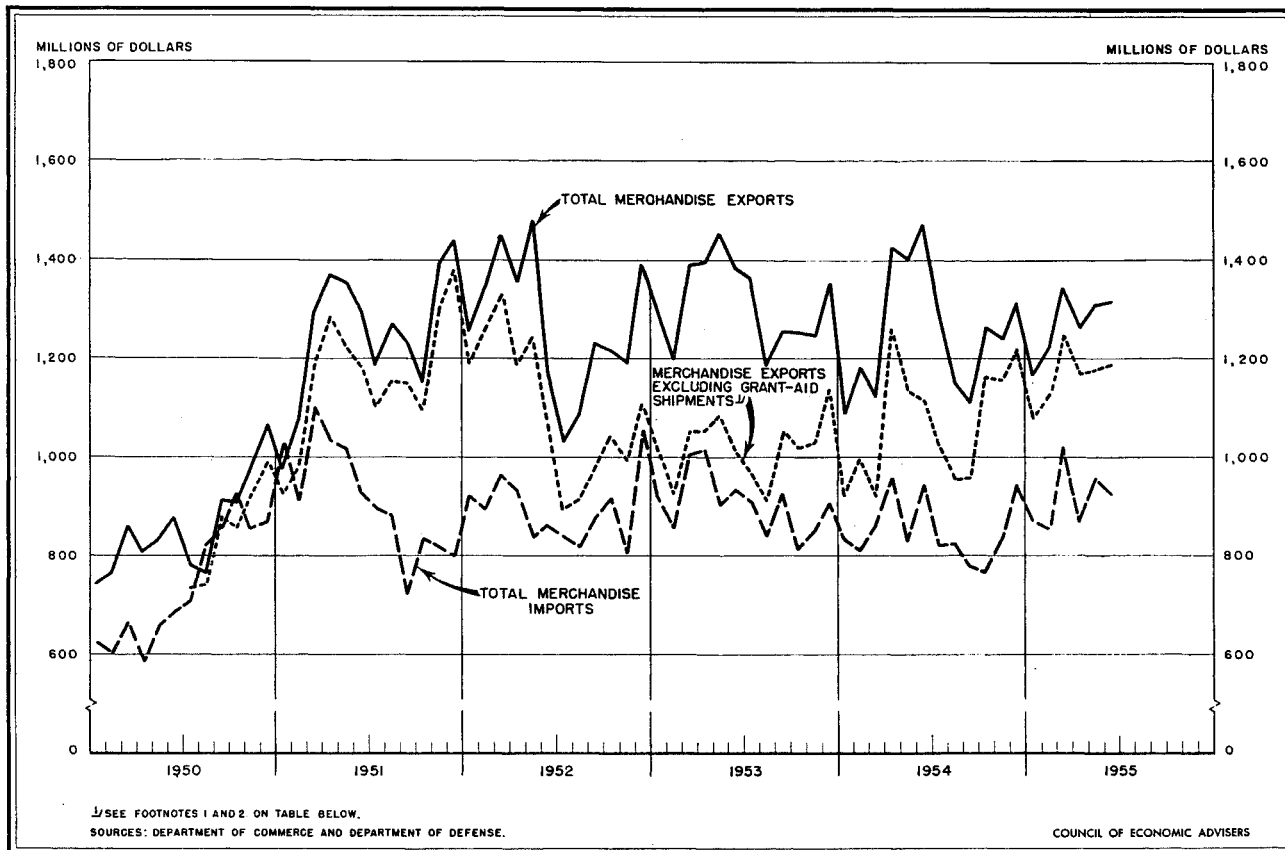
Sources: Department of Commerce and Board of Governors of the Federal Reserve System.

⁴ New series on retail trade beginning with 1951; not comparable with previous data. See *Survey of Current Business*, September and November 1952, for detail.

⁵ Preliminary estimates.

MERCHANDISE EXPORTS AND IMPORTS

For the first half of the year, commercial exports were 10 percent higher and imports 5 percent higher than in the corresponding period of 1954. Total merchandise exports were 1 percent lower than in the first half of 1954 because of the decline in military aid shipments.



| Period | Merchandise exports [Millions of dollars] | | | Merchandise imports | Excess of exports (+) or imports (-) | |
|------------------------------|--|----------------------------------|-------------------------------|---------------------|---|-------------------------------|
| | Total | Grant-aid shipments ¹ | Excluding grant-aid shipments | | Total | Excluding grant-aid shipments |
| 1936-38 monthly average..... | 247 | (²) | (²) | 207 | +40 | (²) |
| 1946 monthly average..... | 812 | 54 | 757 | 412 | +400 | +345 |
| 1947 monthly average..... | 1,278 | 96 | 1,182 | 480 | +798 | +702 |
| 1948 monthly average..... | 1,054 | (²) | (²) | 594 | +460 | (²) |
| 1949 monthly average..... | 1,003 | (²) | (²) | 552 | +452 | (²) |
| 1950 monthly average..... | 856 | 24 | 833 | 738 | +118 | +95 |
| 1951 monthly average..... | 1,253 | 89 | 1,164 | 914 | +339 | +250 |
| 1952 monthly average..... | 1,266 | 166 | 1,100 | 893 | +373 | +207 |
| 1953 monthly average..... | 1,314 | 293 | 1,022 | 906 | +408 | +116 |
| 1954 monthly average..... | 1,258 | 188 | 1,070 | 851 | +407 | +219 |
| 1954: May..... | 1,401 | 264 | 1,137 | 829 | +572 | +308 |
| June..... | 1,474 | 359 | 1,115 | 946 | +528 | +168 |
| July..... | 1,291 | 268 | 1,023 | 822 | +469 | +202 |
| August..... | 1,156 | 200 | 955 | 825 | +331 | +130 |
| September..... | 1,114 | 153 | 961 | 780 | +334 | +181 |
| October..... | 1,265 | 104 | 1,161 | 764 | +502 | +398 |
| November..... | 1,249 | 85 | 1,164 | 839 | +410 | +325 |
| December..... | 1,318 | 98 | 1,221 | 942 | +376 | +279 |
| 1955: January..... | 1,166 | 85 | 1,080 | 870 | +295 | +210 |
| February..... | 1,233 | 95 | 1,138 | 850 | +384 | +289 |
| March..... | 1,342 | 92 | 1,250 | 1,019 | +324 | +231 |
| April..... | 1,264 | 94 | 1,170 | 871 | +393 | +299 |
| May..... | 1,308 | 131 | 1,177 | 956 | +352 | +221 |
| June..... | 1,315 | 128 | 1,187 | ³ 925 | ³ +390 | ³ +262 |

¹ Beginning with 1950, figures include only Department of Defense shipments of grant-aid military supplies and equipment under the Mutual Security Program. Shipments for the first 6 months of the program (July-December 1950) amounted to 282 million dollars.

² Not available.

³ Preliminary estimates.

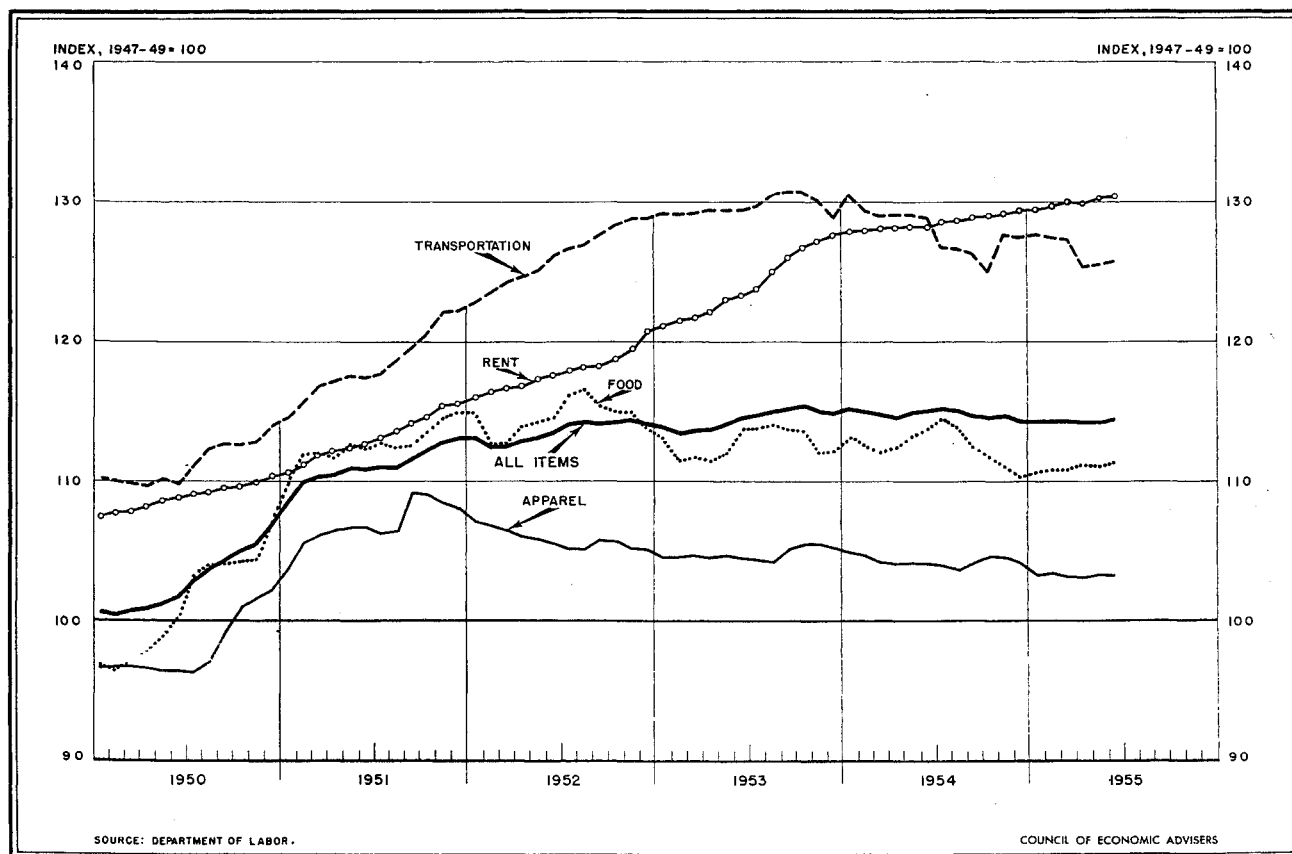
NOTE—Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Department of Defense.

PRICES

CONSUMER PRICES

The average of consumer prices increased slightly in June.



[1947-49=100]

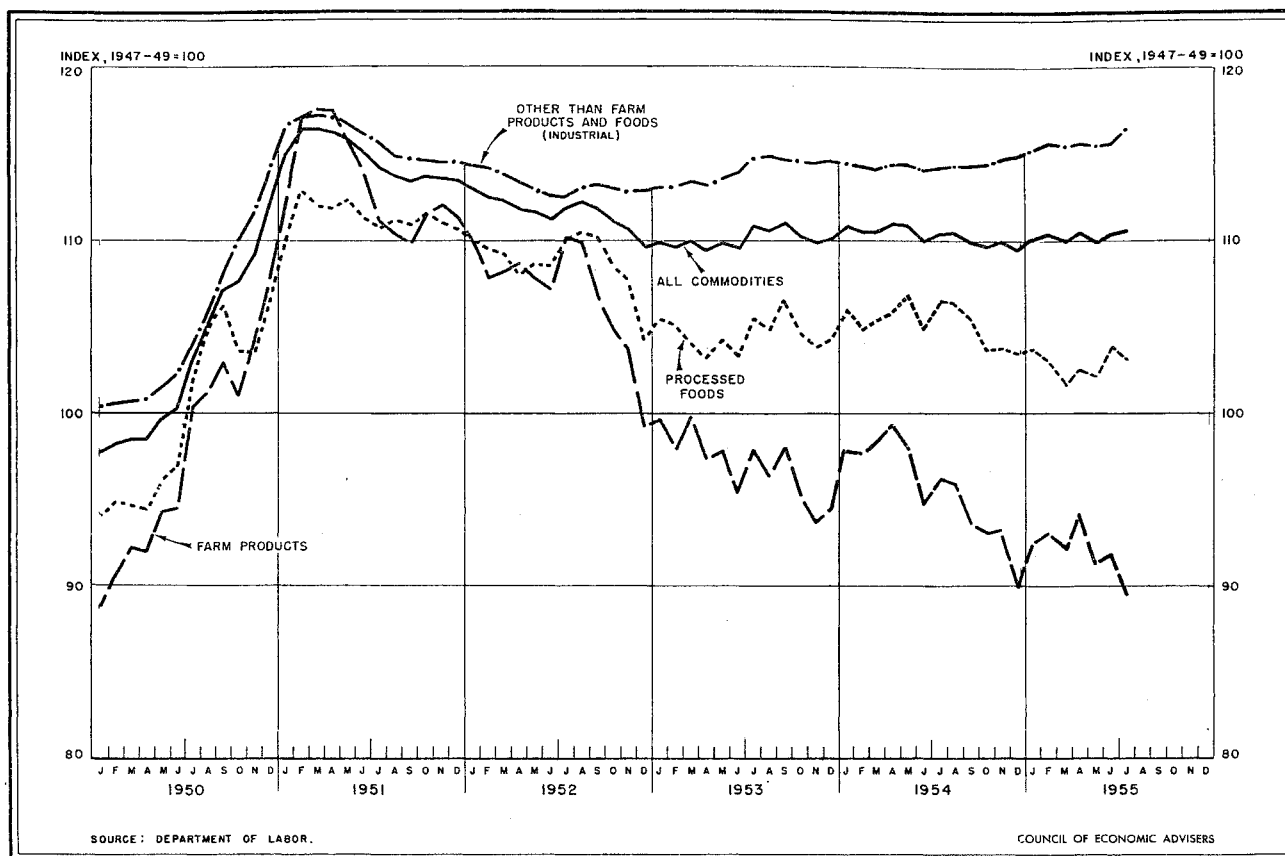
| Period | All items | Food | Housing | | Apparel | Transportation | Medical care | Personal care | Reading and recreation | Other goods and services |
|--------------------|-----------|-------|---------|-------|---------|----------------|--------------|---------------|------------------------|--------------------------|
| | | | Total | Rent | | | | | | |
| 1939..... | 59.4 | 47.1 | (1) | 86.6 | 52.5 | (1) | (1) | (1) | (1) | (1) |
| 1946..... | 83.4 | 79.0 | (1) | 91.4 | 83.7 | (1) | (1) | (1) | (1) | (1) |
| 1947..... | 95.5 | 95.9 | 95.0 | 94.4 | 97.1 | 90.6 | 94.9 | 97.6 | 95.5 | 96.1 |
| 1948..... | 102.8 | 104.1 | 101.7 | 100.7 | 103.5 | 100.9 | 100.9 | 101.3 | 100.4 | 100.5 |
| 1949..... | 101.8 | 100.0 | 103.3 | 105.0 | 99.4 | 108.5 | 104.1 | 101.1 | 104.1 | 103.4 |
| 1950..... | 102.8 | 101.2 | 106.1 | 108.8 | 98.1 | 111.3 | 106.0 | 101.1 | 103.4 | 105.2 |
| 1951..... | 111.0 | 112.6 | 112.4 | 113.1 | 106.9 | 118.4 | 111.1 | 110.5 | 106.5 | 109.7 |
| 1952..... | 113.5 | 114.6 | 114.6 | 117.9 | 105.8 | 126.2 | 117.2 | 111.8 | 107.0 | 115.4 |
| 1953..... | 114.4 | 112.8 | 117.7 | 124.1 | 104.8 | 129.7 | 121.3 | 112.8 | 108.0 | 118.2 |
| 1954..... | 114.8 | 112.6 | 119.1 | 128.5 | 104.3 | 128.0 | 125.2 | 113.4 | 107.0 | 120.1 |
| 1954: May..... | 115.0 | 113.3 | 118.9 | 128.3 | 104.2 | 129.1 | 125.1 | 113.0 | 106.4 | 120.1 |
| June..... | 115.1 | 113.8 | 118.9 | 128.3 | 104.2 | 128.9 | 125.1 | 112.7 | 106.4 | 120.1 |
| July..... | 115.2 | 114.6 | 119.0 | 128.5 | 104.0 | 126.7 | 125.2 | 113.3 | 107.0 | 120.3 |
| August..... | 115.0 | 113.9 | 119.2 | 128.6 | 103.7 | 126.6 | 125.5 | 113.4 | 106.6 | 120.2 |
| September..... | 114.7 | 112.4 | 119.5 | 128.8 | 104.3 | 126.4 | 125.7 | 113.5 | 106.5 | 120.1 |
| October..... | 114.5 | 111.8 | 119.5 | 129.0 | 104.6 | 125.0 | 125.9 | 113.4 | 106.9 | 120.1 |
| November..... | 114.6 | 111.1 | 119.5 | 129.2 | 104.6 | 127.6 | 126.1 | 113.8 | 106.8 | 120.0 |
| December..... | 114.3 | 110.4 | 119.7 | 129.4 | 104.3 | 127.3 | 126.3 | 113.6 | 106.6 | 119.9 |
| 1955: January..... | 114.3 | 110.6 | 119.6 | 129.5 | 103.3 | 127.6 | 126.5 | 113.7 | 106.9 | 119.9 |
| February..... | 114.3 | 110.8 | 119.6 | 129.7 | 103.4 | 127.4 | 126.8 | 113.5 | 106.4 | 119.8 |
| March..... | 114.3 | 110.8 | 119.6 | 130.0 | 103.2 | 127.3 | 127.0 | 113.5 | 106.6 | 119.8 |
| April..... | 114.2 | 111.2 | 119.5 | 129.9 | 103.1 | 125.3 | 127.3 | 113.7 | 106.6 | 119.8 |
| May..... | 114.2 | 111.1 | 119.4 | 130.3 | 103.3 | 125.5 | 127.5 | 113.9 | 106.5 | 119.9 |
| June..... | 114.4 | 111.3 | 119.7 | 130.4 | 103.2 | 125.8 | 127.6 | 114.7 | 106.2 | 119.9 |

¹ Not available.

Source: Department of Labor.

WHOLESALE PRICES

The average of wholesale prices increased in July, as increased prices for industrial commodities more than offset declines in the average prices of farm products and processed foods.



[1947-49=100]

| Period | All commodities | Farm products | Processed foods | Other than farm products and foods (industrial) |
|--------------------------|-----------------|---------------|-----------------|---|
| 1939..... | 50.1 | 36.5 | 43.3 | 58.1 |
| 1946..... | 78.7 | 83.2 | 77.6 | 78.3 |
| 1947..... | 96.4 | 100.0 | 98.2 | 95.3 |
| 1948..... | 104.4 | 107.3 | 106.1 | 103.4 |
| 1949..... | 99.2 | 92.8 | 95.7 | 101.3 |
| 1950..... | 103.1 | 97.5 | 99.8 | 105.0 |
| 1951..... | 114.8 | 113.4 | 111.4 | 115.9 |
| 1952..... | 111.6 | 107.0 | 108.8 | 113.2 |
| 1953..... | 110.1 | 97.0 | 104.6 | 114.0 |
| 1954..... | 110.3 | 95.6 | 105.3 | 114.5 |
| 1954: June..... | 110.0 | 94.8 | 105.0 | 114.2 |
| July..... | 110.4 | 96.2 | 106.5 | 114.3 |
| August..... | 110.5 | 95.8 | 106.4 | 114.4 |
| September..... | 110.0 | 93.6 | 105.5 | 114.4 |
| October..... | 109.7 | 93.1 | 103.7 | 114.5 |
| November..... | 110.0 | 93.2 | 103.8 | 114.8 |
| December..... | 109.5 | 89.9 | 103.5 | 114.9 |
| 1955: January..... | 110.1 | 92.5 | 103.8 | 115.2 |
| February..... | 110.4 | 93.1 | 103.2 | 115.7 |
| March..... | 110.0 | 92.1 | 101.6 | 115.6 |
| April..... | 110.5 | 94.2 | 102.5 | 115.7 |
| May..... | 109.9 | 91.2 | 102.1 | 115.5 |
| June..... | 110.3 | 91.8 | 103.9 | 115.6 |
| July..... | 110.6 | 89.5 | 103.1 | 116.5 |
| Week ended: ¹ | | | | |
| 1955: August 2..... | 110.1 | 87.2 | 101.1 | 116.7 |
| 9..... | 110.1 | 87.8 | 100.9 | 116.7 |

¹ Weekly series based on a smaller sample than the monthly series.
Source: Department of Labor.

The index of prices received by farmers declined 2 percent during the month ended July 15. The index of prices paid by farmers was slightly lower than a month earlier. The parity ratio dropped 2 points to 84—4 points below a year earlier.

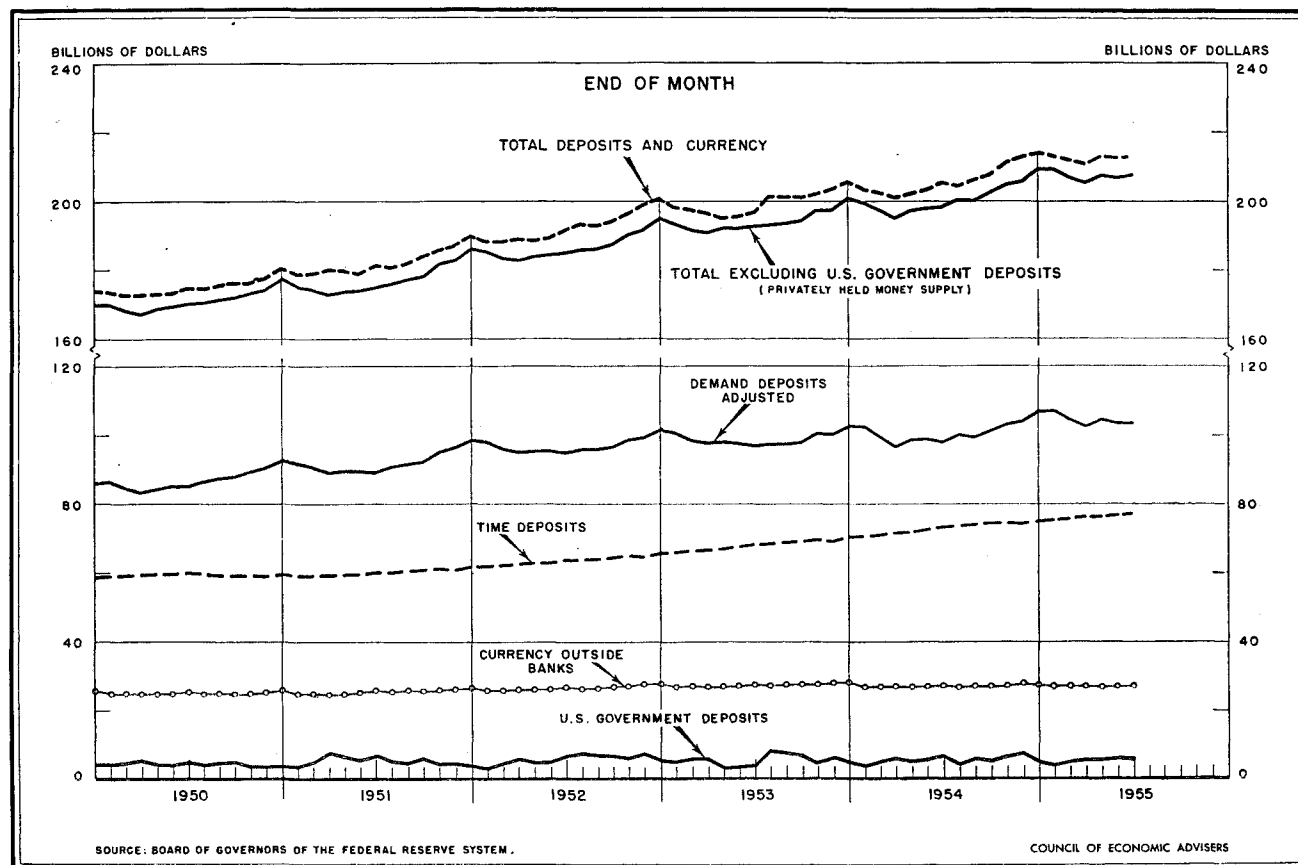


¹ Percentage ratio of index of prices received by farmers to parity index.
² Includes wartime subsidies paid on beef cattle, sheep, lambs, milk, and butterfat between October 1943 and June 1946.
 Source: Department of Agriculture.

CURRENCY, CREDIT, AND SECURITY MARKETS

CURRENCY AND DEPOSITS

Demand deposits were unchanged between the end of May and the end of June; a decrease is usual at this time of the year. On a seasonally adjusted basis, total deposits (excluding Government) and currency have changed very little since the end of April.



[Billions of dollars]

| End of period | Total deposits and currency | U. S. Government deposits ¹ | Total excluding U. S. Government deposits (privately held money supply) | | | |
|----------------------------------|-----------------------------|--|---|------------------------|---------------------------------------|----------------------------|
| | | | Total | Currency outside banks | Demand deposits adjusted ² | Time deposits ³ |
| 1946..... | 167.5 | 3.5 | 164.0 | 26.7 | 83.3 | 54.0 |
| 1948..... | 172.7 | 3.6 | 169.1 | 26.1 | 85.5 | 57.5 |
| 1949..... | 173.9 | 4.1 | 169.8 | 25.4 | 85.8 | 58.6 |
| 1950..... | 180.6 | 3.7 | 176.9 | 25.4 | 92.3 | 59.2 |
| 1951..... | 189.9 | 3.9 | 186.0 | 26.3 | 98.2 | 61.4 |
| 1952..... | 200.4 | 5.6 | 194.8 | 27.5 | 101.5 | 65.8 |
| 1953..... | 205.7 | 4.8 | 200.9 | 28.1 | 102.5 | 70.4 |
| 1954..... | 214.8 | 5.1 | 209.7 | 27.9 | 106.6 | 75.3 |
| 1954: May..... | 203.6 | 5.6 | 198.0 | 26.8 | 98.7 | 72.5 |
| June..... | 205.3 | 6.8 | 198.5 | 27.1 | 98.1 | 73.3 |
| July..... | 204.8 | 4.4 | 200.4 | 26.8 | 100.0 | 73.7 |
| August..... | 206.3 | 6.0 | 200.3 | 26.9 | 99.4 | 74.0 |
| September..... | 207.7 | 5.2 | 202.5 | 26.9 | 101.2 | 74.4 |
| October..... | 211.3 | 6.6 | 204.7 | 26.9 | 103.1 | 74.8 |
| November..... | 213.3 | 7.5 | 205.8 | 27.5 | 104.0 | 74.3 |
| December..... | 214.8 | 5.1 | 209.7 | 27.9 | 106.6 | 75.3 |
| 1955: January ⁴ | 213.4 | 4.2 | 209.2 | 26.8 | 107.0 | 75.4 |
| February ⁴ | 212.0 | 5.1 | 206.9 | 26.8 | 104.5 | 75.7 |
| March ⁴ | 210.6 | 5.3 | 205.3 | 26.7 | 102.4 | 76.2 |
| April ⁴ | 213.0 | 5.6 | 207.4 | 26.7 | 104.5 | 76.2 |
| May ⁴ | 212.6 | 5.9 | 206.7 | 26.8 | 103.4 | 76.5 |
| June ⁴ | 213.0 | 5.6 | 207.4 | 27.1 | 103.4 | 77.0 |

¹ Includes U. S. Government deposits at Federal Reserve banks and commercial and savings banks, and U. S. Treasurer's time deposits, open account.

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

³ Includes deposits in commercial banks, mutual savings banks, and Postal Savings System, but excludes interbank deposits.

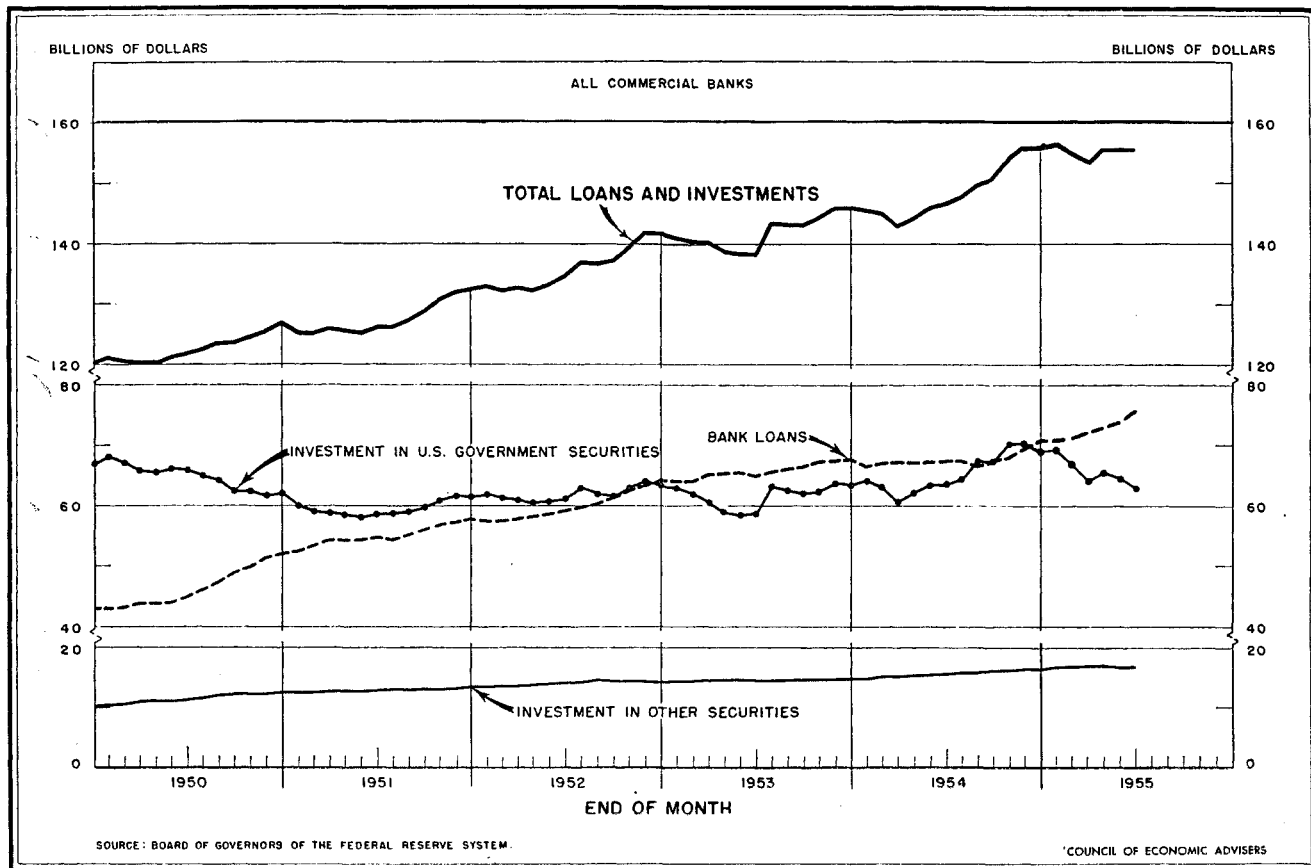
⁴ Preliminary estimates.

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

Source: Board of Governors of the Federal Reserve Board.

BANK LOANS, INVESTMENTS, AND RESERVES

Total loans and investments of commercial banks were unchanged between the end of May and the end of June. A rise of \$1.8 billion in loans was offset by a decline in holdings of U. S. Government securities.



[Billions of dollars]

| End of period | All commercial banks | | | | | Weekly reporting member banks ^{1 2} | All member banks ^{1 3} | | |
|----------------------------------|----------------------------------|-------|-------------|-------------------------------------|---------------------|--|---------------------------------|--------|---|
| | Total loans and invest- ments | Loans | Investments | | | | Reserve balances | | Borrow- ings at Federal Reserve Banks |
| | | | Total | U. S. Gov- ernment securities | Other securities | | Required | Excess | |
| 1949----- | 120.2 | 43.0 | 77.2 | 67.0 | 10.2 | 13.9 | 17.0 | .8 | .1 |
| 1950----- | 126.7 | 52.2 | 74.4 | 62.0 | 12.4 | 17.9 | 15.6 | .8 | .1 |
| 1951----- | 132.6 | 57.7 | 74.9 | 61.5 | 13.3 | 21.6 | 18.5 | .8 | .3 |
| 1952----- | 141.6 | 64.2 | 77.5 | 63.3 | 14.1 | 23.4 | 19.6 | .7 | .8 |
| 1953----- | 145.7 | 67.6 | 78.1 | 63.4 | 14.7 | 23.4 | 19.3 | .7 | .8 |
| 1954----- | 155.9 | 70.6 | 85.3 | 69.0 | 16.3 | 22.4 | 18.5 | .8 | .1 |
| 1954: May----- | 145.7 | 67.1 | 78.6 | 63.3 | 15.3 | 21.9 | 18.8 | .7 | .2 |
| June----- | 146.4 | 67.3 | 79.0 | 63.5 | 15.5 | 21.9 | 18.8 | .9 | .1 |
| July----- | 147.3 | 67.3 | 80.0 | 64.3 | 15.7 | 21.5 | 18.3 | .8 | .1 |
| August----- | 149.5 | 66.5 | 83.0 | 67.3 | 15.7 | 20.8 | 17.6 | .8 | .1 |
| September----- | 150.6 | 67.3 | 83.3 | 67.3 | 16.0 | 21.0 | 17.6 | .8 | .1 |
| October----- | 154.0 | 67.7 | 86.3 | 70.2 | 16.1 | 21.0 | 18.2 | .7 | .1 |
| November----- | 155.7 | 69.4 | 86.3 | 70.1 | 16.2 | 22.1 | 18.4 | .8 | .2 |
| December----- | 155.9 | 70.6 | 85.3 | 69.0 | 16.3 | 22.4 | 18.6 | .7 | .2 |
| 1955: January ⁴ ----- | 156.2 | 70.6 | 85.7 | 69.0 | 16.7 | 22.0 | 18.4 | .7 | .3 |
| February ⁴ ----- | 154.8 | 71.2 | 83.6 | 66.8 | 16.8 | 22.1 | 18.2 | .6 | .4 |
| March ⁴ ----- | 153.5 | 72.3 | 81.2 | 64.2 | 17.0 | 22.6 | 18.0 | .6 | .5 |
| April ⁴ ----- | 155.5 | 72.9 | 82.6 | 65.6 | 17.0 | 22.5 | 18.2 | .6 | .5 |
| May ⁴ ----- | 155.5 | 73.9 | 81.6 | 64.9 | 16.7 | 22.6 | 18.2 | .6 | .4 |
| June ⁴ ----- | 155.5 | 75.7 | 79.8 | 63.0 | 16.8 | 23.5 | 18.1 | .6 | .4 |
| July ⁴ ----- | | | | | | 23.5 | 18.2 | .6 | .5 |

¹ Member banks include, besides all national banks, those State banks that have taken membership in the Federal Reserve System.

² Commercial, industrial, and agricultural loans; revised series beginning January 1952. Such loans by weekly reporting member banks represent approximately 70 percent of business loans by all commercial banks.

³ Data are averages of daily figures on balances and borrowings during the period.

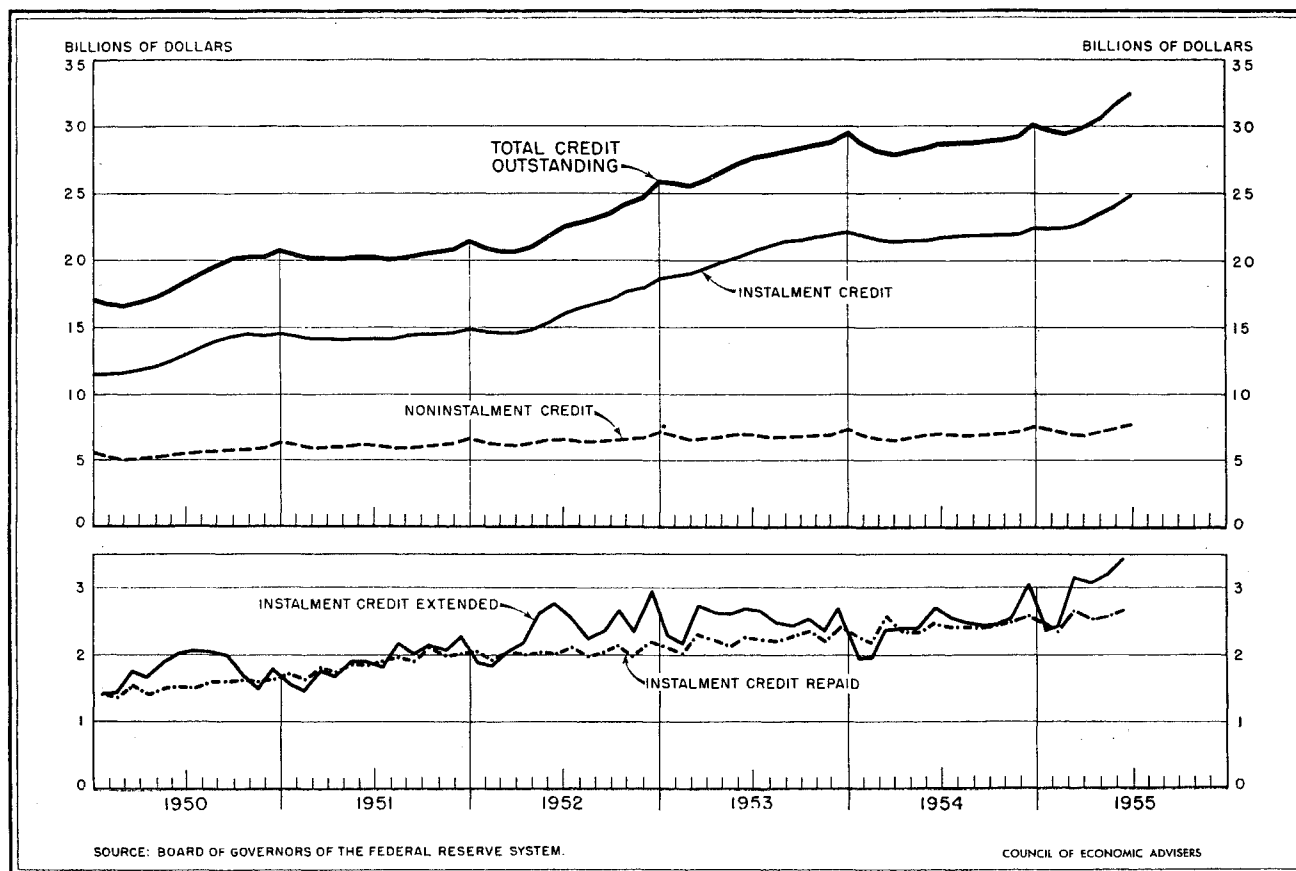
⁴ Preliminary estimates.

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

Source: Board of Governors of the Federal Reserve System.

CONSUMER CREDIT

In June, total consumer credit outstanding rose \$900 million to a new high of \$32.5 billion. The increase of \$2.5 billion during the second quarter exceeds any past performance. Increased instalment financing of automobile purchases accounted for most of the rise.



[Millions of dollars]

| End of period | Total consumer credit outstanding | Instalment credit outstanding | | | | | Noninstalment credit outstanding | | Instalment credit extended ¹ | Instalment credit repaid ¹ |
|--------------------|-----------------------------------|-------------------------------|--------------------------------|---|---|----------------|----------------------------------|-----------------|---|---------------------------------------|
| | | Total | Auto-mobile paper ¹ | Other consumer goods paper ¹ | Repair and modernization loans ² | Personal loans | Total | Charge accounts | | |
| 1939----- | 7,222 | 4,503 | 1,497 | 1,620 | 298 | 1,088 | 2,719 | 1,414 | ----- | ----- |
| 1946----- | 8,384 | 4,172 | 981 | 1,290 | 405 | 1,496 | 4,212 | 2,076 | 8,495 | 6,785 |
| 1947----- | 11,570 | 6,695 | 1,924 | 2,143 | 718 | 1,910 | 4,875 | 2,353 | 12,713 | 10,190 |
| 1948----- | 14,411 | 8,968 | 3,054 | 2,842 | 843 | 2,229 | 5,443 | 2,713 | 15,540 | 13,267 |
| 1949----- | 17,104 | 11,516 | 4,699 | 3,486 | 887 | 2,444 | 5,588 | 2,680 | 18,002 | 15,454 |
| 1950----- | 20,813 | 14,490 | 6,342 | 4,337 | 1,006 | 2,805 | 6,323 | 3,006 | 21,256 | 18,282 |
| 1951----- | 21,468 | 14,837 | 6,242 | 4,270 | 1,090 | 3,235 | 6,631 | 3,096 | 22,791 | 22,444 |
| 1952----- | 25,827 | 18,684 | 8,099 | 5,328 | 1,406 | 3,851 | 7,143 | 3,342 | 28,397 | 24,550 |
| 1953----- | 29,537 | 22,187 | 10,341 | 5,831 | 1,649 | 4,366 | 7,350 | 3,411 | 30,321 | 26,818 |
| 1954----- | 30,125 | 22,467 | 10,396 | 5,668 | 1,616 | 4,787 | 7,658 | 3,518 | 29,304 | 29,024 |
| 1954: May----- | 28,372 | 21,487 | 10,002 | 5,370 | 1,634 | 4,481 | 6,885 | 2,786 | 2,397 | 2,336 |
| June----- | 28,666 | 21,717 | 10,168 | 5,367 | 1,635 | 4,547 | 6,949 | 2,819 | 2,703 | 2,473 |
| July----- | 28,725 | 21,849 | 10,298 | 5,328 | 1,637 | 4,586 | 6,876 | 2,773 | 2,549 | 2,417 |
| August----- | 28,736 | 21,901 | 10,349 | 5,294 | 1,642 | 4,616 | 6,835 | 2,734 | 2,477 | 2,425 |
| September----- | 28,856 | 21,935 | 10,365 | 5,287 | 1,642 | 4,641 | 6,921 | 2,807 | 2,441 | 2,407 |
| October----- | 28,975 | 21,952 | 10,340 | 5,324 | 1,637 | 4,651 | 7,023 | 2,892 | 2,454 | 2,437 |
| November----- | 29,209 | 22,014 | 10,296 | 5,398 | 1,631 | 4,689 | 7,195 | 3,042 | 2,554 | 2,492 |
| December----- | 30,125 | 22,467 | 10,396 | 5,668 | 1,616 | 4,787 | 7,658 | 3,518 | 3,046 | 2,593 |
| 1955: January----- | 29,760 | 22,436 | 10,459 | 5,609 | 1,574 | 4,794 | 7,324 | 3,225 | 2,389 | 2,420 |
| February----- | 29,518 | 22,508 | 10,641 | 5,484 | 1,550 | 4,833 | 7,010 | 2,831 | 2,416 | 2,344 |
| March----- | 29,948 | 22,974 | 11,053 | 5,479 | 1,530 | 4,912 | 6,974 | 2,735 | 3,159 | 2,693 |
| April----- | 30,655 | 23,513 | 11,482 | 5,492 | 1,534 | 5,005 | 7,142 | 2,859 | 3,089 | 2,550 |
| May----- | 31,568 | 24,149 | 11,985 | 5,555 | 1,546 | 5,063 | 7,419 | 3,011 | 3,206 | 2,570 |
| June----- | 32,471 | 24,914 | 12,561 | 5,639 | 1,562 | 5,152 | 7,557 | 3,040 | 3,443 | 2,678 |

¹ Includes all consumer credit extended for the purpose of purchasing automobiles and other consumer goods and secured by the items purchased.

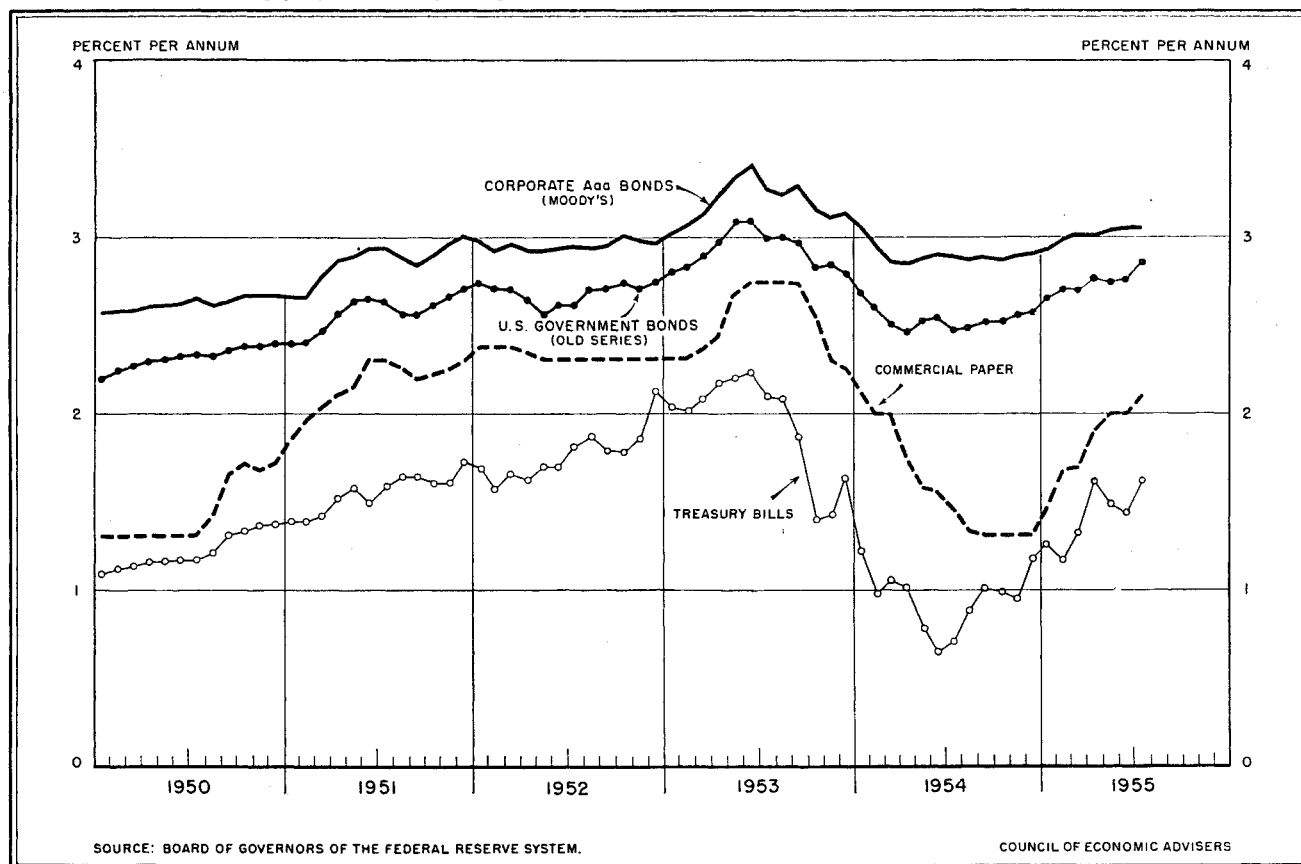
² Includes only such loans held by financial institutions; those held by retail outlets are included in "other consumer goods paper."

³ Credit extended or repaid during the period.

Source: Board of Governors of the Federal Reserve System.

BOND YIELDS AND INTEREST RATES

Interest rates rose during July and early August.



[Percent per annum]

| Period | U. S. Government security yields | | | High-grade municipal bonds ⁵ | Corporate bonds (Moody's) | | Prime commercial paper, 4-6 months |
|--------------------|---|----------------------------|-------------------------|---|------------------------------|-------|---|
| | 3-month Treasury bills ¹ | Taxable bonds ² | | | Aaa | Baa | |
| | | Old series ³ | New series ⁴ | | | | |
| 1939..... | 0. 023 | | | 2. 76 | 3. 01 | 4. 96 | 0. 59 |
| 1948..... | 1. 040 | 2. 44 | | 2. 40 | 2. 82 | 3. 47 | 1. 44 |
| 1949..... | 1. 102 | 2. 31 | | 2. 21 | 2. 66 | 3. 42 | 1. 49 |
| 1950..... | 1. 218 | 2. 32 | | 1. 98 | 2. 62 | 3. 24 | 1. 45 |
| 1951..... | 1. 552 | 2. 57 | | 2. 00 | 2. 86 | 3. 41 | 2. 16 |
| 1952..... | 1. 766 | 2. 68 | | 2. 19 | 2. 96 | 3. 52 | 2. 33 |
| 1953..... | 1. 931 | 2. 93 | 3. 16 | 2. 72 | 3. 20 | 3. 74 | 2. 52 |
| 1954..... | . 953 | 2. 53 | 2. 70 | 2. 37 | 2. 90 | 3. 51 | 1. 58 |
| 1954: June..... | . 650 | 2. 54 | 2. 70 | 2. 48 | 2. 90 | 3. 49 | 1. 56 |
| July..... | . 710 | 2. 47 | 2. 62 | 2. 31 | 2. 89 | 3. 50 | 1. 45 |
| August..... | . 892 | 2. 48 | 2. 60 | 2. 23 | 2. 87 | 3. 49 | 1. 33 |
| September..... | 1. 007 | 2. 51 | 2. 64 | 2. 29 | 2. 89 | 3. 47 | 1. 31 |
| October..... | . 987 | 2. 52 | 2. 65 | 2. 32 | 2. 87 | 3. 46 | 1. 31 |
| November..... | . 948 | 2. 55 | 2. 68 | 2. 29 | 2. 89 | 3. 45 | 1. 31 |
| December..... | 1. 174 | 2. 57 | 2. 68 | 2. 33 | 2. 90 | 3. 45 | 1. 31 |
| 1955: January..... | 1. 257 | 2. 65 | 2. 76 | 2. 39 | 2. 93 | 3. 45 | 1. 47 |
| February..... | 1. 177 | 2. 72 | 2. 92 | 2. 42 | 2. 99 | 3. 47 | 1. 68 |
| March..... | 1. 335 | 2. 71 | 2. 92 | 2. 45 | 3. 02 | 3. 48 | 1. 69 |
| April..... | 1. 620 | 2. 77 | 2. 92 | 2. 43 | 3. 01 | 3. 49 | 1. 90 |
| May..... | 1. 491 | 2. 75 | 2. 91 | 2. 41 | 3. 04 | 3. 50 | 2. 00 |
| June..... | 1. 432 | 2. 76 | 2. 91 | 2. 48 | 3. 05 | 3. 51 | 2. 00 |
| July..... | 1. 622 | 2. 87 | 2. 96 | 2. 62 | 3. 05 | 3. 52 | 2. 11 |
| Week ended: | | | | | | | |
| 1955: July 2..... | 1. 401 | 2. 81 | 2. 94 | 2. 55 | 3. 05 | 3. 51 | 2. 00 |
| 9..... | 1. 541 | 2. 82 | 2. 94 | 2. 60 | 3. 05 | 3. 51 | 2. 05 |
| 16..... | 1. 606 | 2. 83 | 2. 94 | 2. 62 | 3. 05 | 3. 52 | 2. 06 |
| 23..... | 1. 620 | 2. 90 | 2. 96 | 2. 62 | 3. 05 | 3. 52 | 2. 14 |
| 30..... | 1. 720 | 2. 94 | 2. 99 | 2. 64 | 3. 07 | 3. 53 | 2. 19 |
| August 6..... | 1. 850 | 2. 94 | 3. 03 | 2. 66 | 3. 09 | 3. 55 | 2. 28 |
| 13..... | 1. 889 | 2. 90 | 3. 02 | 2. 66 | 3. 09 | 3. 56 | 2. 31 |

¹ Rate on new issues within period.

² Bonds in this classification were first issued in March 1941.

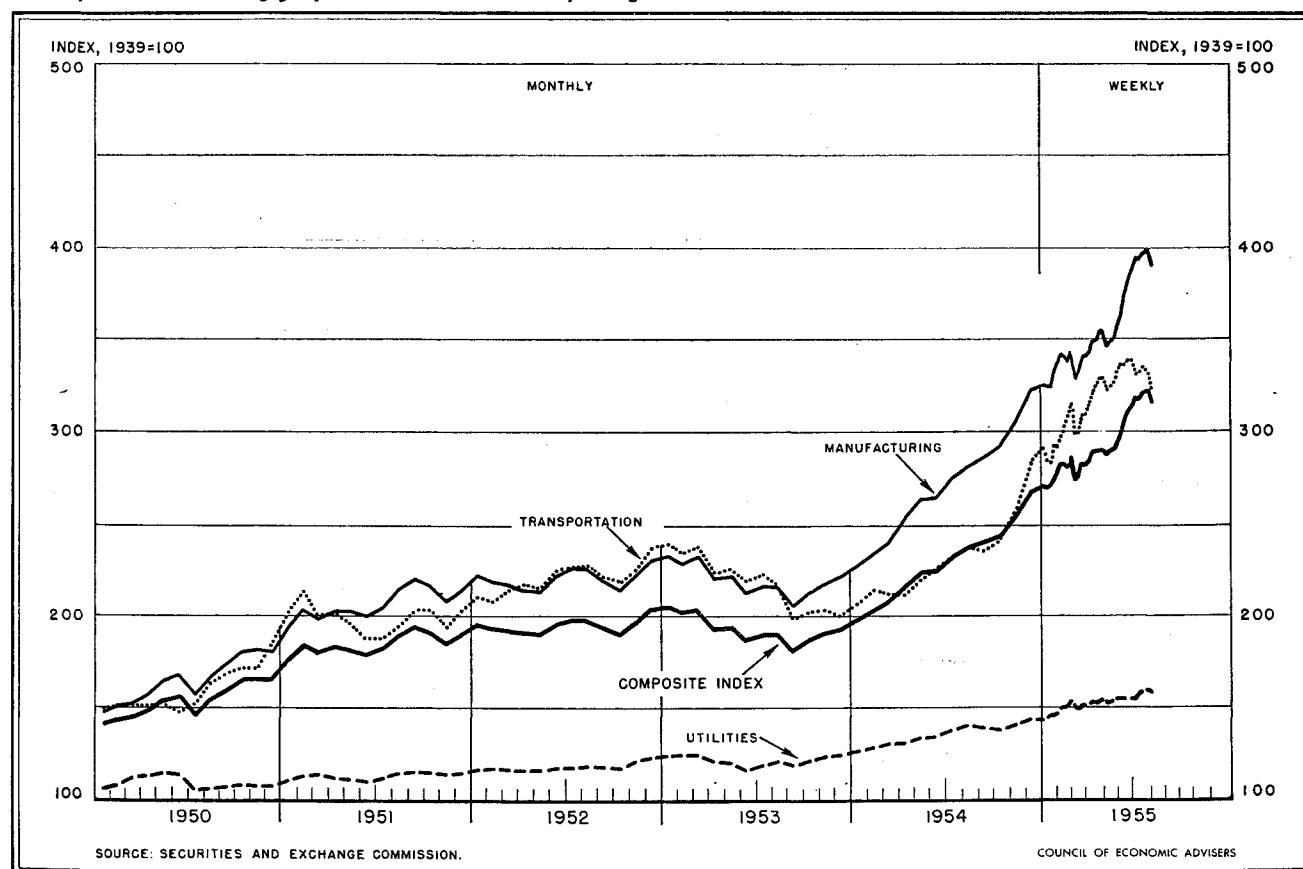
³ Beginning April 1952, 2½-percent bonds first callable after 12 years; Prior to that, only bonds due or callable after 15 years were included.

⁴ 3¼-percent bonds of 1978-83, issued in May 1953; and 3-percent bonds of 1996, issued in February 1955.

⁵ Standard and Poor's. Weekly data are Wednesday figures. Source: Board of Governors of the Federal Reserve System.

STOCK PRICES

Stock prices rose during July and declined in early August.



| [1939 = 100] | | | | | | | | |
|--------------------|--------------------------------------|---------------|------------------|-----------------------|---------------------|-----------|-----------------------------------|--------|
| Period | Com- posite index ¹ | Manufacturing | | | Trans- portation | Utilities | Trade, finance, and service | Mining |
| | | Total | Durable goods | Nondura- ble goods | | | | |
| Weekly average: | | | | | | | | |
| 1946..... | 149. 4 | 146. 6 | 138. 6 | 154. 5 | 202. 4 | 121. 0 | 204. 3 | 125. 5 |
| 1947..... | 130. 9 | 132. 4 | 119. 9 | 144. 6 | 149. 1 | 105. 5 | 162. 8 | 117. 2 |
| 1948..... | 132. 7 | 136. 8 | 124. 3 | 148. 6 | 158. 1 | 99. 3 | 156. 9 | 133. 0 |
| 1949..... | 127. 7 | 132. 1 | 116. 0 | 147. 2 | 136. 0 | 98. 1 | 160. 7 | 129. 4 |
| 1950..... | 154. 1 | 165. 7 | 150. 2 | 180. 2 | 160. 0 | 108. 9 | 183. 8 | 143. 5 |
| 1951..... | 184. 9 | 206. 8 | 178. 5 | 233. 1 | 199. 0 | 112. 6 | 207. 9 | 204. 9 |
| 1952..... | 195. 0 | 220. 2 | 188. 8 | 249. 3 | 220. 6 | 117. 9 | 206. 0 | 275. 7 |
| 1953..... | 193. 3 | 220. 1 | 192. 6 | 245. 2 | 218. 7 | 121. 5 | 207. 1 | 240. 5 |
| 1954..... | 229. 8 | 271. 3 | 245. 2 | 295. 2 | 232. 6 | 135. 8 | 235. 6 | 267. 0 |
| 1954: August..... | 237. 1 | 280. 0 | 257. 0 | 301. 0 | 237. 1 | 140. 8 | 243. 1 | 262. 6 |
| September..... | 240. 4 | 285. 6 | 260. 2 | 308. 8 | 236. 0 | 139. 8 | 247. 2 | 267. 8 |
| October..... | 243. 6 | 291. 2 | 267. 4 | 312. 8 | 240. 4 | 138. 2 | 248. 6 | 269. 4 |
| November..... | 254. 4 | 305. 2 | 284. 4 | 324. 0 | 259. 4 | 141. 2 | 260. 4 | 277. 9 |
| December..... | 267. 7 | 322. 7 | 298. 3 | 345. 0 | 284. 8 | 144. 1 | 267. 5 | 310. 3 |
| 1955: January..... | 270. 6 | 326. 4 | 306. 9 | 344. 0 | 288. 1 | 145. 3 | 269. 8 | 314. 4 |
| February..... | 281. 0 | 340. 0 | 320. 0 | 358. 2 | 300. 3 | 150. 0 | 276. 0 | 314. 6 |
| March..... | 279. 6 | 336. 9 | 318. 2 | 353. 8 | 305. 4 | 150. 9 | 274. 6 | 315. 1 |
| April..... | 286. 8 | 347. 0 | 326. 8 | 365. 3 | 320. 5 | 152. 1 | 277. 3 | 311. 3 |
| May..... | 289. 0 | 349. 6 | 324. 5 | 372. 4 | 326. 0 | 153. 5 | 280. 5 | 302. 6 |
| June..... | 302. 9 | 370. 1 | 344. 4 | 393. 4 | 336. 5 | 154. 3 | 294. 2 | 313. 8 |
| July..... | 318. 8 | 394. 6 | 366. 1 | 420. 7 | 333. 9 | 156. 6 | 304. 3 | 317. 2 |
| Week ended: | | | | | | | | |
| 1955: July 1..... | 314. 2 | 388. 3 | 355. 4 | 418. 3 | 338. 0 | 154. 1 | 299. 6 | 323. 1 |
| 8..... | 318. 5 | 395. 0 | 363. 2 | 424. 1 | 331. 1 | 154. 6 | 307. 6 | 313. 3 |
| 15..... | 318. 2 | 393. 4 | 365. 4 | 418. 9 | 332. 6 | 157. 0 | 305. 4 | 315. 8 |
| 22..... | 321. 1 | 397. 3 | 371. 1 | 421. 2 | 335. 9 | 158. 2 | 305. 5 | 318. 9 |
| 29..... | 322. 1 | 399. 2 | 375. 2 | 420. 9 | 331. 7 | 159. 0 | 303. 4 | 315. 1 |
| August 5..... | 315. 6 | 389. 9 | 369. 2 | 408. 7 | 323. 9 | 157. 6 | 300. 8 | 312. 0 |

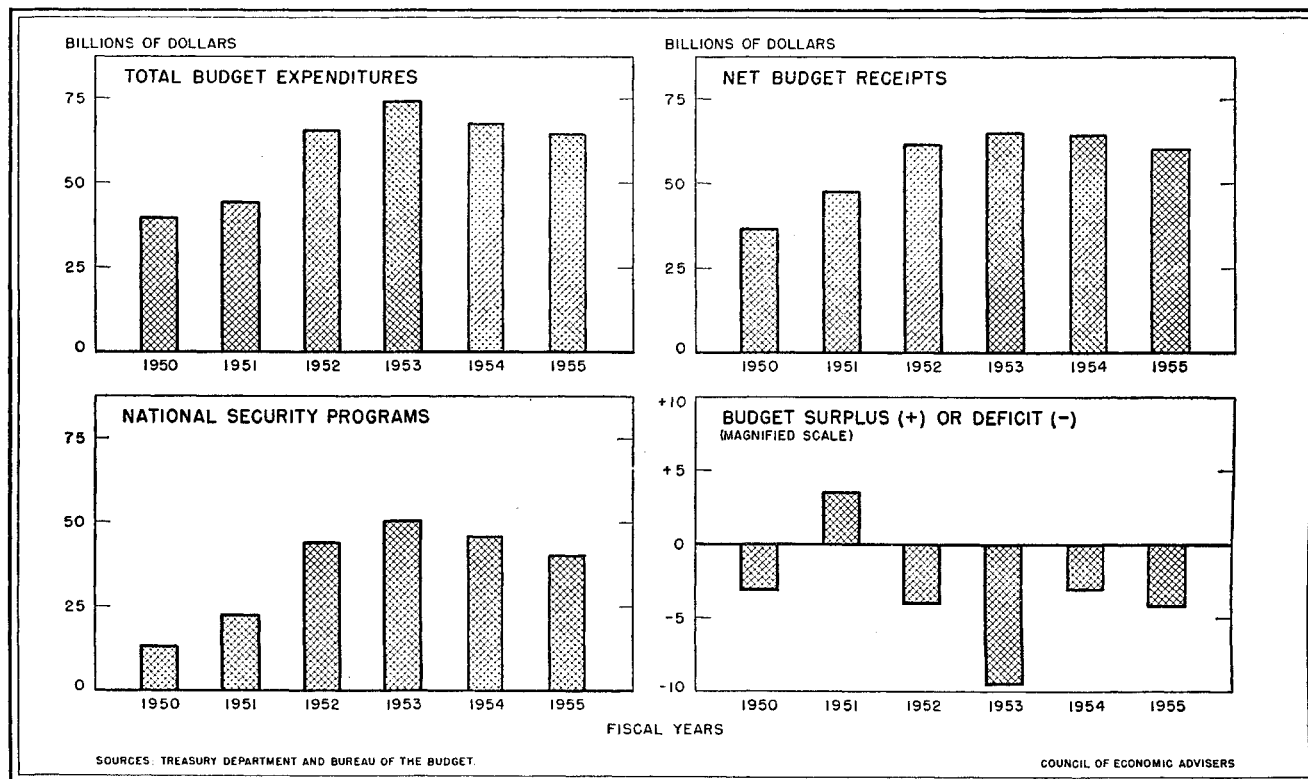
¹ Includes 265 common stocks: 98 for durable goods manufacturing, 72 for nondurable goods manufacturing, 21 for transportation, 29 for utilities, 31 for trade, finance, and service, and 14 for mining. Indexes are for weekly closing prices.

Source: Securities and Exchange Commission.

FEDERAL FINANCE

BUDGET RECEIPTS AND EXPENDITURES

Fiscal year 1955 closed with a budget deficit of \$4.2 billion.



[Billions of dollars]

| Period | Net budget receipts | Budget expenditures | | Budget surplus (+) or deficit (-) | Public debt (end of period) ² |
|-----------------------|---------------------|---------------------|--------------------------------|-----------------------------------|--|
| | | Total | National security ¹ | | |
| Fiscal year 1944..... | 43.6 | 95.1 | 75.8 | -51.4 | 202.6 |
| Fiscal year 1947..... | 39.8 | 39.0 | 14.4 | +8 | 258.4 |
| Fiscal year 1948..... | 41.5 | 33.1 | 11.8 | +8.4 | 252.4 |
| Fiscal year 1949..... | 37.7 | 39.5 | 12.9 | -1.8 | 252.8 |
| Fiscal year 1950..... | 36.5 | 39.6 | 13.0 | -3.1 | 257.4 |
| Fiscal year 1951..... | 47.6 | 44.1 | 22.3 | +3.5 | 255.3 |
| Fiscal year 1952..... | 61.4 | 65.4 | 43.8 | -4.0 | 259.2 |
| Fiscal year 1953..... | 64.8 | 74.3 | 50.3 | -9.4 | 266.1 |
| Fiscal year 1954..... | 64.7 | 67.8 | 46.5 | -3.1 | 271.3 |
| Fiscal year 1955..... | 60.3 | 64.5 | 40.4 | -4.2 | 274.4 |
| 1954: April..... | 2.8 | 5.3 | 3.7 | -2.5 | 271.1 |
| May..... | 3.6 | 5.2 | 3.3 | -1.6 | 273.6 |
| June..... | 10.6 | 7.3 | 4.5 | +3.3 | 271.3 |
| July..... | 2.8 | 4.8 | 3.2 | -2.0 | 271.0 |
| August..... | 3.9 | 6.7 | 3.4 | -2.8 | 275.0 |
| September..... | 5.0 | 5.0 | 3.3 | - | 274.8 |
| October..... | 2.6 | 4.9 | 3.3 | -2.2 | 278.8 |
| November..... | 4.2 | 3.8 | 3.3 | +4 | 278.9 |
| December..... | 3.7 | 6.3 | 3.7 | -2.5 | 278.8 |
| 1955: January..... | 4.7 | 4.9 | 3.2 | - | 278.5 |
| February..... | 5.4 | 4.8 | 3.1 | +6 | 278.2 |
| March..... | 9.7 | 5.9 | 3.5 | +3.8 | 274.1 |
| April..... | 3.7 | 5.2 | 3.3 | -1.5 | 276.7 |
| May..... | 4.4 | 5.4 | 3.3 | -9 | 277.5 |
| June..... | 10.0 | 6.7 | 3.9 | +3.4 | 274.4 |

¹ Revised to include the items classified as "national security" in *The Budget of The United States Government for the Fiscal Year Ending June 30, 1955*. These expenditure items are: Military functions of Defense Department, mutual military program, development and control of atomic energy, and allocation of critical and strategic materials.

² Includes guaranteed securities, except those held by the Treasury. Not all of total shown is subject to statutory debt limitation.

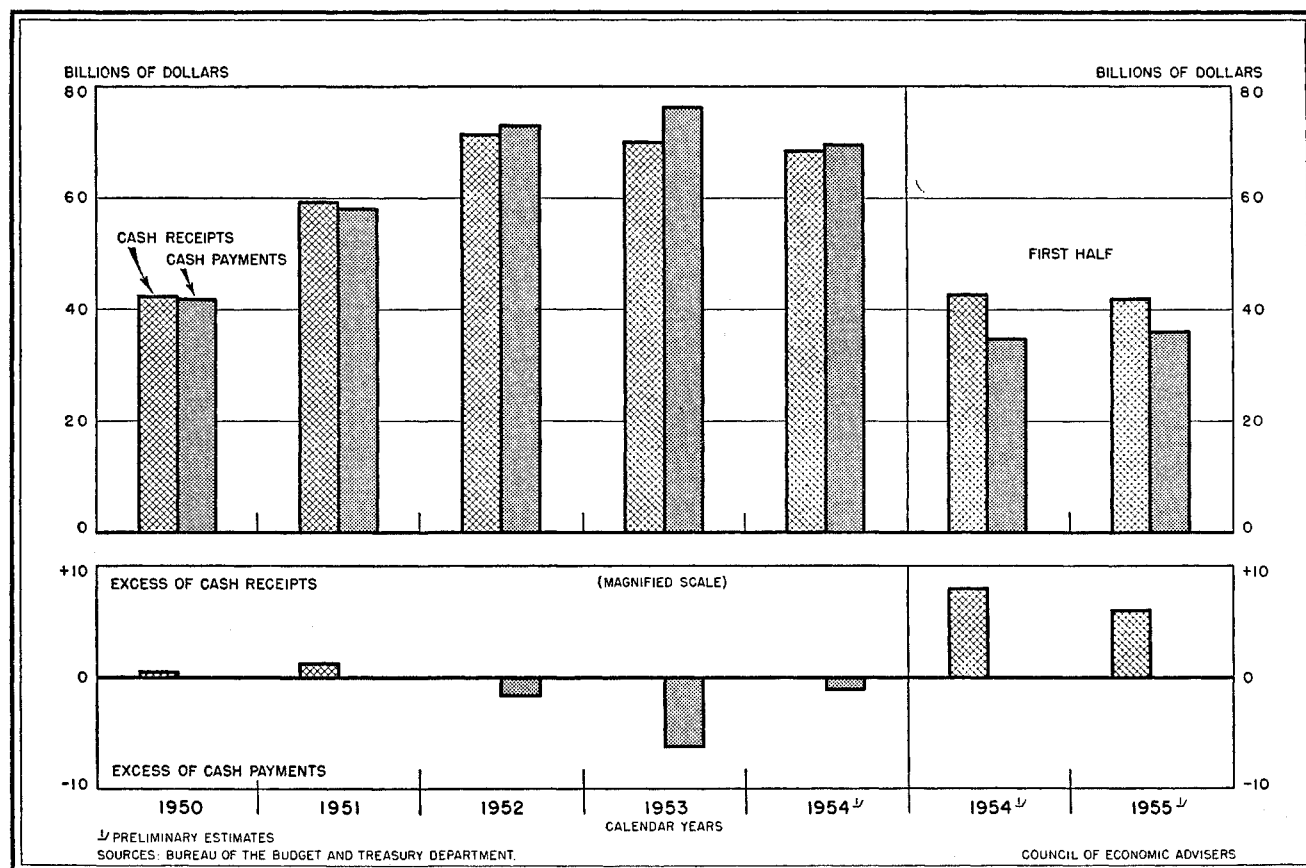
NOTE.—Beginning with February 1954, the reporting of budget receipts and expenditures is on a basis consistent with that used in preparing budget estimates. The figures shown above for fiscal years 1953 and 1954 are those published by the Treasury Department on the new basis.

Detail will not necessarily add to totals because of rounding.

Sources: Treasury Department and Bureau of the Budget.

CASH RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

Federal cash receipts exceeded cash payments by \$1.9 billion in the second quarter of this year. A cash surplus is usual at this time of the year. For the entire fiscal year 1955, Federal cash payments exceeded cash receipts by \$3.0 billion.



[Millions of dollars]

| Calendar year | Cash receipts from the public | Cash payments to the public | Excess of receipts (+) or payments (-) |
|---|-------------------------------|-----------------------------|--|
| Calendar year total: | | | |
| 1946..... | 41,441 | 41,399 | +42 |
| 1947..... | 44,282 | 38,616 | +5,666 |
| 1948..... | 44,922 | 36,897 | +8,027 |
| 1949..... | 41,346 | 42,642 | -1,295 |
| 1950..... | 42,419 | 41,969 | +450 |
| 1951..... | 59,278 | 58,034 | +1,244 |
| 1952..... | 71,339 | 72,980 | -1,641 |
| 1953..... | 70,041 | 76,194 | -6,153 |
| 1954 ¹ | 68,562 | 69,622 | -1,060 |
| Quarterly totals, not adjusted for seasonal variation: | | | |
| 1953: Third quarter..... | 15,357 | 18,870 | -3,513 |
| Fourth quarter..... | 13,471 | 18,109 | -4,638 |
| 1954: ¹ First quarter..... | 23,693 | 16,459 | +7,234 |
| Second quarter..... | 19,115 | 18,431 | +684 |
| Third quarter..... | 13,501 | 18,582 | -5,082 |
| Fourth quarter..... | 12,253 | 16,172 | -3,918 |
| 1955: ¹ First quarter..... | 21,287 | 17,161 | +4,126 |
| Second quarter..... | 20,749 | 18,878 | +1,871 |

¹ Preliminary estimates.

NOTE.—Detail will not necessarily add to totals because of rounding.
Sources: Bureau of the Budget and Treasury Department.

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