

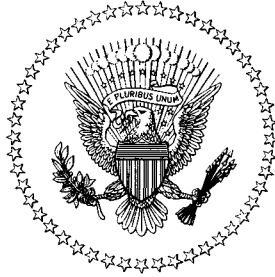
Economic Report

of the President

TRANSMITTED TO THE CONGRESS

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TRANSMITTED TO THE CONGRESS
JANUARY 20, 1959



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LETTER OF TRANSMITTAL

THE WHITE HOUSE,
January 20, 1959.

To the Congress of the United States:

I present herewith my Economic Report, as required by Section 3(a) of the Employment Act of 1946.

In preparing this Report, I have had the advice and assistance of the Council of Economic Advisers. I have also had the advice of the heads of executive departments and independent agencies of the Government. I set forth below, largely in the language of the Report itself, what I consider to be its salient conclusions and recommendations.

Economic Recovery in 1958

When the Economic Report was submitted to the Congress in January 1958, a contraction in production and employment that had started some six months earlier was still under way. The decline proved to be sharper than the 1953-54 recession, but it did not last as long. A recovery began in May 1958, and by the end of the year most of the ground lost had been regained. Gross national product, our broadest measure of the Nation's output of goods and services, was at an annual rate of \$453 billion in the fourth quarter of the year. In dollars of constant purchasing power, this was almost equal to the highest output attained in the pre-recession period. Nearly a million more people were at work in December 1958 than in July, after allowance for seasonal changes. Although the number of persons unemployed was above 4 million in December, it was 1 million below the highest unemployment figure reached during the recession. Wage and salary income and consumer spending were at an all-time high, and the index of consumer prices had been virtually stable for six months, although about 2 percent higher than a year earlier.

Economic Policies in 1957-58

The events of the last 18 months show again the considerable capacity of our economy to resist contractive influences and to hold a downturn within fairly narrow limits.

Many factors contribute to this capacity. Chief among them are the industry and resourcefulness of our people, the strength and resiliency of our free competitive institutions, and the continuing operation in the American economy of powerful forces making for long-term growth.

Also of importance are features of our economic system that moderate the impact of contractive influences on personal income, and thus help to

maintain demand. Increasingly, our people work in industries and occupations that are not readily affected by moderate economic declines. And such reductions in income as do result from lower production and employment are offset, to a considerable extent, by supplementary payments, notably by those made under the Federal-State system of unemployment insurance.

Governmental actions also played an important role in moderating the recession and helping to bring about a prompt and sound recovery. Monetary and credit policies were employed vigorously to assure ample supplies of credit. Legislation was enacted to lengthen temporarily the period of entitlement to unemployment benefits. Numerous actions were taken to spur building activity. Steps were taken to accelerate Federal construction projects already under way and to speed up projects supported by Federal financial assistance. Activities under a number of Federal credit programs, in addition to those in the housing field, helped counter the recession. And the acceleration of defense procurement, which was being undertaken in line with national security policy, exerted an expansive effect.

The 1957-58 recession shows that the major emphasis of Federal policies to counteract an economic downturn should be placed on measures that will act promptly to help shift the balance of economic forces from contraction to recovery and growth. Though an effective contribution can be made by the acceleration of public construction projects already under way, little reliance can be placed on large undertakings which, however useful they may be in the longer term, can be put into operation only after an extended interval.

The 1957-58 experience is also a reminder that there is no simple prescription for corrective action which can be applied with only minor variations in every business downturn. It emphasizes the importance, in a situation in which powerful corrective forces are at work, of avoiding hasty and disproportionate actions, such as tax reductions that needlessly endanger the prospects of future fiscal balance and prejudice the orderly revision of the tax structure.

As production, employment, and income moved upward in 1958, the economic policies of Government became increasingly concerned with keeping the recovery on a sound basis and promoting a sustainable long-term expansion. Monetary and credit policy was shifted with a view to limiting the expansion of bank credit to a sustainable pace. The large financing operations of the United States Treasury are being conducted with a view to enhancing the basic stability of our financial system and promoting sound economic growth. And the fiscal operations of Government are moving in the direction of restoring a balance between outlays and incomes and thereby countering potential inflationary tendencies.

The Economic Outlook

As 1959 opens, there is reason for confidence that the improvement in business activity which began in the second quarter of last year will

be extended into the months ahead. Factors that influence decisions on business capital outlays have become more favorable, and an upturn in these expenditures may already be under way. Residential construction outlays should contribute further to economic expansion, especially if favorable action is taken by the Congress on recommendations made in the Report to provide a steadier and more assured flow of private funds into mortgages. Sales of United States products in foreign markets may increase as the pace of business activity abroad quickens and the trade position of primary producing countries is improved. The combined outlays of Federal, State, and local government units will continue to rise. Under the impact of these developments, the liquidation of inventories should soon come to an end; indeed, the gap between current sales and stepped-up production schedules may already have been closed. The effect of these favorable factors on employment and income can be expected to enlarge the markets for consumer goods and thereby to reinforce the conditions making for over-all economic expansion.

A Program for Economic Growth with Stable Prices

Our objective must be to establish a firm foundation for extending economic growth with stable prices into the months and years ahead. This will not come about automatically. To attain our goal, we must safeguard and improve the institutions of our free competitive economy. These are basic to America's unassailable economic strength. We must wage a relentless battle against impediments to the fullest and most effective use of our human and technological resources. We must provide incentives for the enlargement and improvement of the facilities that supplement human effort and make it increasingly productive. Finally, an indispensable condition for achieving vigorous and continuing economic growth is firm confidence that the value of the dollar will be reasonably stable in the years ahead.

Action to meet these challenges is required on many fronts, by all groups in our society and by all units of government.

The individual consumer can play an important part by shopping carefully for price and quality. In this way the American housekeeper can be a powerful force in holding down the cost of living and strengthening the principle that good values and good prices make good business.

Businessmen must redouble their efforts. They must wage a ceaseless war against costs. Production must be on the most economical basis possible. The importance of wide and growing markets must be borne in mind in setting prices. Expanding markets, in themselves, promise economies that help keep costs and prices in check.

Leaders of labor unions have a particularly critical role to play, in view of the great power lodged in their hands. Their economic actions must reflect awareness that the only road to greater material well-being for the Nation lies in the fullest realization of our productivity potential and that stability of prices is an essential condition of sustainable economic growth.

The terms of agreements reached between labor and management in wage and related matters will have a critical bearing on our success in attaining a high level of economic growth with stable prices. It is not the function of Government in our society to establish the terms of these contracts, but it must be recognized that the public has a vital interest in them. Increases in money wages and other compensation not justified by the productivity performance of the economy are inevitably inflationary. They impose severe hardships on those whose incomes are not enlarged. They jeopardize the capacity of the economy to create jobs for the expanding labor force. They endanger present jobs by limiting markets at home and impairing our capacity to compete in markets abroad. In short, they are, in the end, self-defeating.

Self-discipline and restraint are essential if reasonable stability of prices is to be reached within the framework of the free competitive institutions on which we rely heavily for the improvement of our material welfare. If the desired results cannot be achieved under our arrangements for determining wages and prices, the alternatives are either inflation, which would damage our economy and work hardships on millions of Americans, or controls, which are alien to our traditional way of life and which would be an obstacle to the Nation's economic growth and improvement.

The chief way for Government to discharge its responsibility in helping to achieve economic growth with price stability is through the prudent conduct of its own financial affairs. The budget submitted to the Congress for the fiscal year 1960, which balances expenditures with receipts at a level of \$77 billion, seeks to fulfill this responsibility. If Government spending is held within the limits set in the proposed budget, the growth of our economy at the rate that may be expected would make it possible in the reasonably foreseeable future to provide, through a significant further step in tax reform and reduction, added incentives and means for vigorous economic growth and improvement.

Governmental actions in other areas can also help to maintain price stability as our economy expands. The Congress will be requested to amend the Employment Act of 1946 to make reasonable price stability an explicit goal of Federal economic policy, coordinate with the goals of maximum production, employment, and purchasing power now specified in that Act. Steps will be taken within the Executive Branch to assure that governmental programs and activities are administered in line with the objective of reasonable price stability, and programs for the enlargement and improvement of public information on prices, wages and related costs, and productivity will be accelerated.

The many continuing programs of Government that promote the expansion and improvement of our economy will be administered vigorously. Also, new legislation will be requested to strengthen competitive forces, to enhance personal welfare, to promote integrity in labor-management relationships and to foster better industrial relations, to assist local areas

experiencing heavy and persistent unemployment, to make more effective use of the large Federal expenditures relating to agricultural price support, to promote conditions favorable to trade among nations, and to assist in the economic growth and development of the Free World.

Favorable consideration of these legislative proposals by the Congress will materially help to achieve the goals of vigorous, orderly, and sustainable economic progress within a framework of reasonable price stability.

All of our people, in view of their broad common interest in promoting the Nation's economic strength, can fully support this program.

DWIGHT D. EISENHOWER.

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Chapter 1

The Lessons of Recession and Recovery in 1957–58

WHEN THE ECONOMIC REPORT was submitted to the Congress in January 1958, the American economy was in a recession that had started about six months earlier. The decline was still moderate, but it was gaining momentum and spreading to additional areas of the economy. The Economic Report gave an account of the recession as it had developed to the turn of the year, and expressed the view that the underlying strength and regenerative powers of our free competitive system, supported by appropriate private and public policies, might be expected to bring the decline to an end soon and to restore the economy to an upward path. The recession did, in fact, halt in April 1958. By May, a recovery was under way; and before many months had passed, most of the ground lost during the decline had been regained. As 1958 ended, we were moving toward new high levels of production and employment.

The present Economic Report therefore reviews the greater part of a full economic cycle. Chapter 2 describes the extent of the contraction and how it started, what helped to keep it within narrow limits, how recovery began and developed, and what the economic situation was at the end of the year. Chapter 3 summarizes the Government actions that helped to shorten the decline, to reduce the severity of its impact, and to promote a sound recovery. And Chapter 4 proposes a program for promoting economic growth on a sustainable, inflation-free basis.

These major divisions of the Report are presented in fulfillment of the explicit requirements of the Employment Act of 1946. But it is useful also to consider what broad lessons may be learned from the events of the past year and a half as guides for the future. What do these events tell us about how our economy responds to contractive influences, about the role that Government can usefully play in seeking to moderate economic fluctuations, and about the problems that Americans must face in the years ahead in striving to achieve high and sustainable rates of economic growth, unmarred by inflation? These questions are treated in the present chapter.

THE ECONOMY'S CAPACITY TO RESIST RECESSION

In many respects, the most important lesson taught by the recent recession is that a competitive economic system has remarkable power to resist contractive pressures and, without an extended interruption of growth, to stage

a good recovery. The inherent features of our economy that make this possible—its strength and resiliency—are due mainly to our free competitive institutions, to the stability of our institutions of saving, banking, and finance, and to the character of our people, notably their industry and resourcefulness and their capacity to take a confident and balanced view of the Nation's economic prospects. Other sources of strength are due to certain long-term, structural changes in our economy—which have resulted in growing percentages of American workers being employed in industries and occupations not readily affected by an economic downturn—and to certain changes in business practices, notably long-term planning for the enlargement of operations.

Our economy is also aided in resisting recession by features that tend to moderate the impact of a decline in economic activity on the flow of income to individuals and thus on the volume of spending for consumption. The most important of these is the Federal-State unemployment insurance system, under which payments are made to individuals out of work. In addition, our system of graduated personal income taxes cushions the impact of an over-all decline in income on the amounts available for spending on consumer goods and for savings.

These features of our economy, which were clearly evident in the 1957–58 recession, have certain implications for public policy that are worthy of special note. First, the capacity of our economy to withstand contractive influences provides time for regenerative processes to make the adjustments needed for sound recovery, and for the counteractive measures taken by Government, jointly with factors making for long-term growth, to make their effects felt. Where necessary, efforts should be made to strengthen these features of our economic system.

Second, the major emphasis of Federal countercyclical policy should be placed on measures that will result in prompt action to help promote a shift in the balance of economic forces from contraction to recovery and growth. Though a useful contribution can be made by the acceleration of public works projects that are already under way or are ready to be started, little reliance can be placed on large undertakings which, however useful they may be in the longer term, can be put into operation only after an extended interval of planning. By the time they are fully under way, they may exert excessive demand on an economy that has already recovered.

Third, in contrast to large-scale public works, monetary and credit policy, used vigorously, can produce prompt and significantly helpful results. Although the easing of credit does not affect all parts of the economy to the same degree, it works broadly, is promptly reversible, and makes its impact felt without entailing direct governmental intervention in the affairs of business concerns and individuals.

Finally, the capacity to resist short-term fluctuations can be increased by Government actions to strengthen the factors that make for long-term economic growth—vigorously competitive markets, research and develop-

ment activity, and heightened incentives for all Americans to work, save, and invest. It is on these factors that we depend most heavily for the thrust that lifts the economy from recession to recovery and for the stimulus to continuing economic expansion and improvement.

POLICY IMPLICATIONS OF DIFFERENCES AMONG ECONOMIC CYCLES

Although all economic cycles have certain common characteristics, each is unique in character and follows a course that varies in significant respects from its predecessors. These distinctive characteristics must be taken into account when governmental policies intended to help reverse a recessionary trend are formulated.

The need to do this was especially evident in the 1957–58 recession. It had been preceded by a major expansion in productive capacity without a corresponding increase in utilization, so that when the downturn began there was ample, if not temporarily excess, capacity in a number of important industries. In contrast, the expansion of capacity prior to the 1953 downturn had been matched by a roughly equivalent increase in production. Similarly, the American consumers' requirements for a broad range of goods were more nearly satisfied when business activity turned down in 1957 than they had been when activity began to recede in 1953. Sales of automobiles reached an exceptionally high level in 1955, aided by a sharp easing of instalment credit terms. In 1953–54, production of Western European nations was expanding rapidly, world commodity prices were relatively stable, and international trade was continuing to rise. In 1957–58, on the other hand, industrial activity in Western Europe tended to level off, commodity prices weakened, and international trade turned downward for the time being.

These differences naturally affected the character and extent of the recent decline. Business expenditures for new plant and equipment, which had fallen only 11 percent in 1953–55, dropped 22 percent in 1957–58. Total consumer expenditures were virtually stable in both periods; but in the nine months following the 1957 peak, automobile production fell 47 percent, compared with an 11 percent decline following the economic downturn in 1953. Merchandise exports, which had increased 18 percent in 1953–54, fell by about that amount in the 1957–58 recession.

But from the viewpoint of public policy, the most significant difference between the two periods was in Federal fiscal operations. In the three quarters following the 1957 peak of activity, Federal purchases of goods and services increased \$1 billion, measured on an annual rate basis; in the comparable period of 1953–54, they fell \$6 billion, largely as a result of the termination of the Korean conflict. This critical difference was accentuated by the fact that, although State and local government purchases of goods and services were rising in both recessions, they rose more in 1957–58 than in 1953–54. It was clear in January 1958 that even without a general tax reduction the fiscal operations of the Federal Government would have

a significantly more expansive effect on the economy than they had had during the 1953-54 recession, notwithstanding the tax cut of \$7.5 billion in early 1954. As it turned out, the economy received an even larger stimulus from Federal fiscal operations in the fiscal year 1958 than had been expected at first. And this effect has been intensified in the fiscal year 1959.

These facts are a reminder that there is no single prescription for corrective action which can be applied with only minor variations in every cyclical episode. They emphasize the importance, in a situation in which powerful corrective forces are already at work, of avoiding hasty and disproportionate actions, such as tax reductions that needlessly endanger the prospects of future fiscal balance and prejudice the orderly revision of the tax structure. Clearly, the distinctive features of a downturn are pertinent not only to an appraisal of the probable course of business activity as contraction develops but also to the design of measures to help stem the downturn and promote recovery.

ACHIEVING VIGOROUS AND SUSTAINABLE ECONOMIC GROWTH

We may justifiably take satisfaction in the increases already achieved in employment, production, and incomes and in the fact that the price level has been reasonably steady of late.

Our objective now must be to establish a firm foundation for extending this economic advance and price stability into the months and years ahead. But this will not come about automatically. On that point, history is clear. Action is required on many fronts, by all groups in our society, and by all units of government.

First, we must zealously safeguard and improve the institutions of our free and competitive economy. America's unassailable economic strength derives in no small measure from the fact that over the years there have been incentives and freedom to do new things and to challenge old and established ways. Our strength comes in large part from the pressures which this competition entails. Measures to shelter groups from these pressures and from the need to make the readjustments that they compel come at the cost of limiting our capacity to grow.

Second, a high rate of growth in our economy requires that we wage a relentless battle against impediments to the full and most effective use of our human and technological resources. Such impediments curb the productivity of our work force and increase production costs. They raise the prices of the things we buy and limit the success of our efforts to lift levels of living.

Third, if we are to achieve a rapid rate of economic growth and improvement in the years ahead, we must continue to enlarge and improve the plant and equipment that supplement human effort and make it increasingly productive. There must be strong incentives for businesses to commit ever larger sums for expanding their operations and reducing their costs. And there must also be incentives for the thrift essential to the financing of these

critically important outlays. Policies that weaken these incentives will cause us to fall short of achieving our full potential for expansion.

Finally, an indispensable condition for achieving vigorous and continuing economic growth is firm confidence that the value of the dollar will be reasonably stable in the years ahead. In recent months, prices generally have moved within a narrow range, and some of the price increases early in the year were the result of temporary conditions, such as the effect of adverse weather on food supplies. But these facts provide no basis for complacency regarding the long-term problem of maintaining reasonably stable prices. Despite recession during the first part of the year, wage rates continued to move upward. The rate of increase was nearly as great as in periods of economic expansion, and higher than the rate at which gains in productivity have been achieved in our economy over extended periods of time. Obviously, if we have only limited success in restraining increases in unit costs during recession, much remains to be done to achieve a basis for holding prices reasonably steady when productive capacity is more fully utilized. To this challenge everyone must respond.

The individual consumer can play an important part by shopping carefully for price and quality. In this way, the American housekeeper can be a powerful force for holding down the cost of living and strengthening the principle that good values and good prices make good business.

Businessmen must redouble their efforts. They must wage a ceaseless war against costs. Production must be on the most economical basis possible. The importance of wide and growing markets must be borne in mind in setting prices. Expanded markets, in themselves, promise economies that help keep costs and prices in check.

Leaders of labor unions, in view of the great power lodged in their hands, have a particularly critical role to play. Their economic actions must reflect awareness that stability of prices is an essential condition of sustainable economic growth and that the only road to greater material well-being for the Nation lies in the fullest possible realization of our productivity potential. This requires not only that our resources be fully employed, but that arbitrary restraints on their most effective utilization be removed. We can realize more from our economy only to the extent that we produce more.

It is not the function of Government in our society to establish the terms of contracts between labor and management; yet it must be recognized that the public has a vital interest in these agreements. Increases in money wages and other compensation not justified by the productivity performance of the economy are inevitably inflationary. They impose severe hardships on those whose incomes are not enlarged. They jeopardize the capacity of the economy to create jobs for the expanding labor force. They endanger present jobs by limiting markets at home and impairing our capacity to compete in markets abroad. In short, they are, in the end, self-defeating.

Self-discipline and restraint are essential if agreements consistent with a reasonable stability of prices are to be reached within the framework of the

free competitive institutions on which we rely heavily for the improvement of our material welfare. If the desired results cannot be achieved under our arrangements for determining wages and prices, the alternatives are either inflation, which would damage our economy and work hardships on millions of Americans, or controls, which are alien to our traditional way of life and which would be an obstacle to the Nation's economic growth and improvement.

Government also has a vitally important part to play in helping to prevent inflationary developments. First, through the management of its fiscal affairs, it can help to create an environment favorable to the achievement and maintenance of price stability. Second, to the extent consistent with other national objectives, it must strive to operate those Government programs that directly affect costs and prices in a way that will contribute to over-all price stability. Third, it must lose no opportunity, through revisions of its tax structure or by other means, to promote improvements in productivity and to provide greater incentives for economic expansion.

Numerous elements in the program recommended to the Congress in Chapter 4 of this Report are concerned explicitly with establishing a more secure basis for the price stability essential for orderly economic expansion. Other parts of the program, though immediately directed to other goals, will also further this objective. All of our people, in view of their broad common interest in economic growth, can fully support this program.

Chapter 2

Economic Developments in 1958 and Outlook for 1959

AFTER A SHARP but brief contraction starting in the third quarter of 1957, economic activity turned upward in the second quarter of 1958. Signs that the recession was being reversed began to appear early in May and, once started, the recovery spread rapidly through the economy. By the end of the year most of the ground lost during the contraction had been regained. The index of industrial production was 142 percent of the 1947-49 average, compared with the peak of 146 in 1957; total employment had increased by about 1 million from its recession low; unemployment had been reduced by approximately the same amount; and the income and expenditures of individuals were at new high levels. Gross national product, our broadest measure of the Nation's output of goods and services, had risen to an annual rate of \$453 billion. Expressed in dollars of constant purchasing power, this represented an output of goods and services about equal to the peak reached in 1957.

EXTENT OF THE DECLINE

Measured by the duration and extent of declines in employment, production, and income, the 1957-58 recession may be regarded as a moderate one by the standards of earlier experience (Table 1). The Nation's total output

TABLE 1.—*Duration and extent of declines in selected economic indicators*

Period	Duration (months)	Percentage change ¹			
		Nonagricultural employment		Industrial production	Personal income
		Total (Census)	Wage and salary workers (BLS) ²		
1929-33.....	43	(3)	-30.7	-50.8	-49.8
1937-38.....	13	(3)	-10.0	-32.3	-11.2
1948-49.....	11	-0.7	-4.1	-7.7	-3.4
1953-54.....	13	-2.5	-3.4	-9.6	-1.1
1957-58.....	9	-1.7	-4.4	-12.4	-1.9

¹ Percentage change from cyclical peak to cyclical trough (3-month centered averages), based on seasonally adjusted data.

² In nonagricultural establishments. See Table D-22, footnote 1, for explanation of differences between this series and the Bureau of the Census series.

³ Not available.

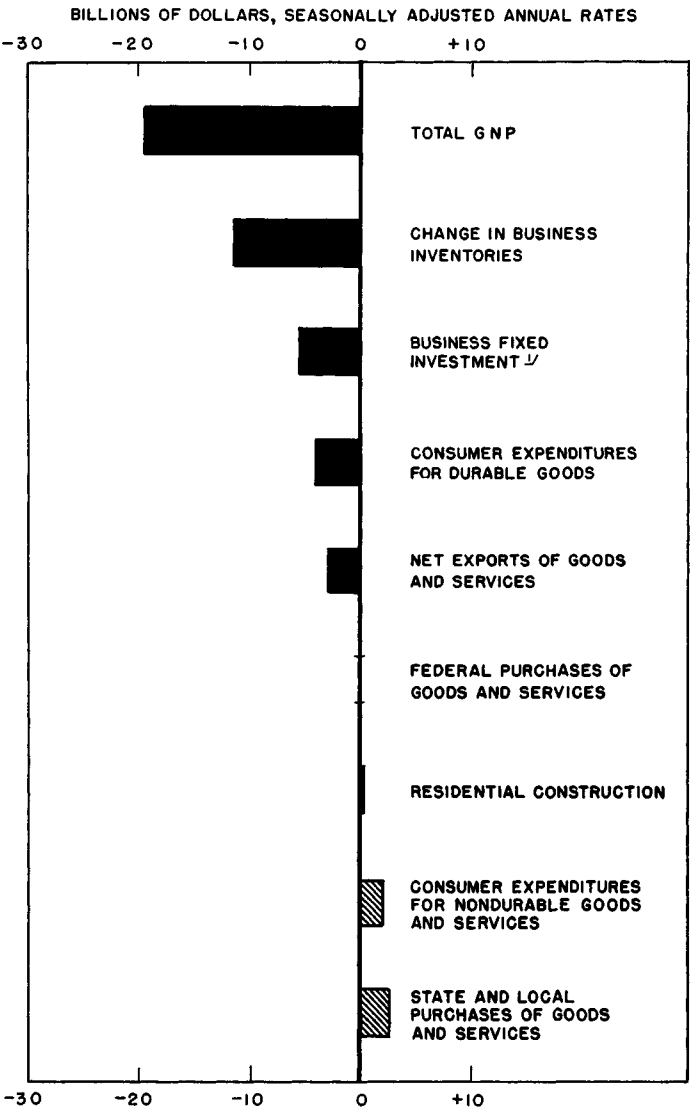
Sources: Board of Governors of the Federal Reserve System, Department of Commerce, Department of Labor, National Bureau of Economic Research, and Council of Economic Advisers.

CHART 1

Changes in Major Sectors of the Nation's Output

Third Quarter 1957 to First Quarter 1958

State and local spending and consumer outlays on nondurables and services helped offset declines in business investment, exports, and consumer spending on durables.



^{1/} PRODUCERS' DURABLE EQUIPMENT AND NONRESIDENTIAL CONSTRUCTION.
SOURCE: DEPARTMENT OF COMMERCE.

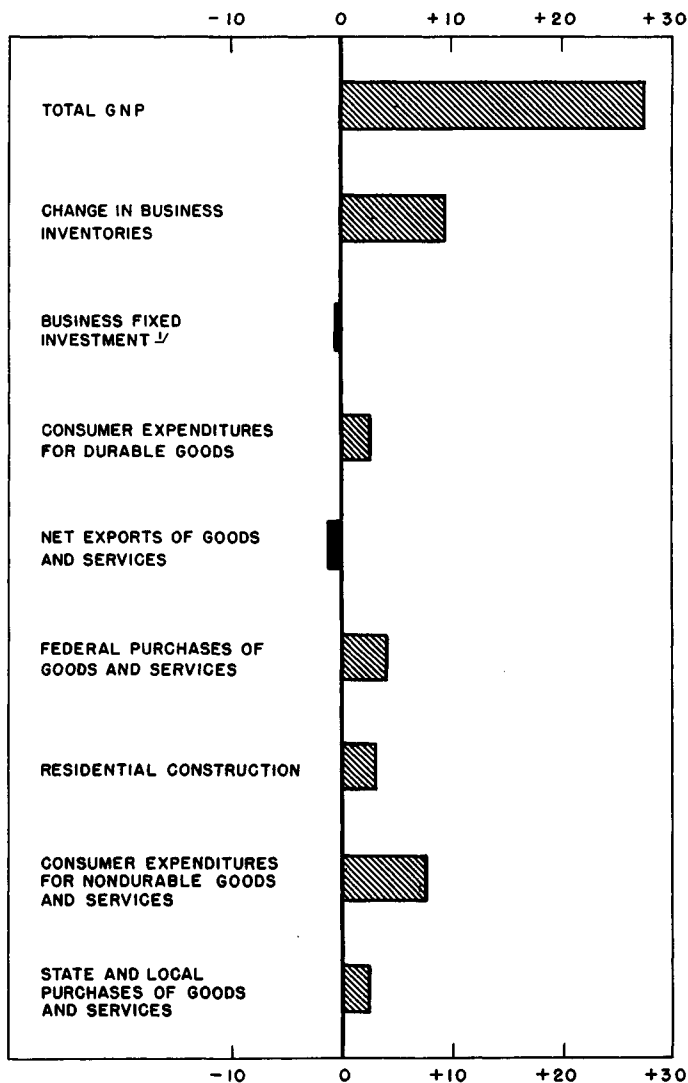
CHART 2

Changes in Major Sectors of the Nation's Output

First Quarter 1958 to Fourth Quarter 1958

Changes in inventory investment and purchases by consumers and by government were major factors in the GNP increase.

BILLIONS OF DOLLARS, SEASONALLY ADJUSTED ANNUAL RATES



^{1/2} PRODUCERS' DURABLE EQUIPMENT AND NONRESIDENTIAL CONSTRUCTION.

SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS.

of goods and services, adjusted for changes in prices, fell about 5½ percent between the third quarter of 1957 and the first quarter of 1958. Industrial output decreased more sharply, which is typical of economic contractions; over a period of eight months, it decreased 13 percent. Employment in manufacturing industries began to decline in January 1957, slowly for six or seven months and then more rapidly. By May 1958, one month after what is commonly regarded as the low point in general business activity, a decline of 11 percent had been recorded. Reductions in non-farm employment outside of manufacturing were smaller. Unemployment began to rise in the third quarter of 1957 and fluctuated around 5 million in the spring and summer of 1958. Lower employment naturally meant a reduction in the incomes received by individuals. Total wage and salary payments fell 3½ percent between July 1957 and April 1958. The drop in total personal income, on the other hand, was only 1 percent.

These broad measures tend to obscure the fact that economic fluctuations characteristically affect some parts of the economy more severely than others. The recent recession was no exception in this respect. Production of nondurable goods declined very little, and the output of the service industries actually increased. On the other hand, production of consumer durable goods fell 27 percent from July 1957 to April 1958; the output of steel and of machinery fell 40 percent and 21 percent, respectively; and the production of automobiles in April 1958 was about 40 percent below what it had been in the same month of 1957.

The pace of the decline was also uneven. The downturn was preceded by a slowing in the rate of growth of the economy, and for the first few months the rate of contraction was relatively moderate. However, it tended to accelerate in the early months of 1958, with the result that a large proportion of the total decline was compressed into a period covering less than half of its full duration.

By the end of March the decline was abating, and by May indications of a general improvement began to appear. The signs of recovery, which multiplied quickly, were confirmed before long by a sustained upturn, and the recession may now be regarded as having ended in April.

MAJOR FACTORS IN THE DECLINE

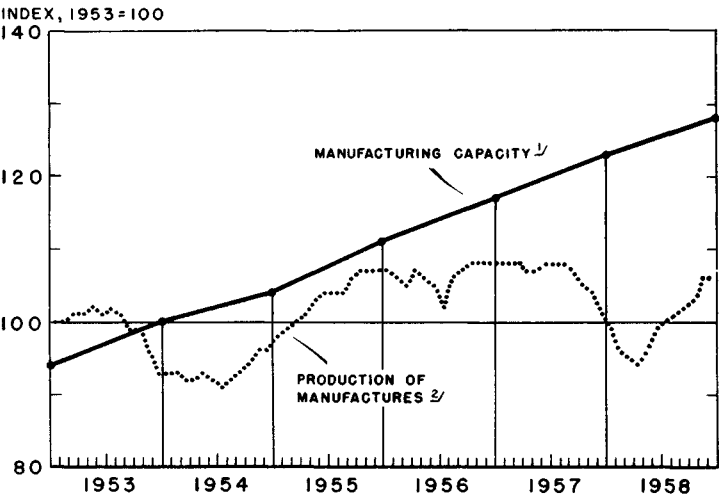
Early in 1957, changes in several economic sectors, developing at the same time mainly by coincidence, tended to sap the vigor of the expansion then in progress. Each exerted a growing downward pressure on production and employment, and ultimately their joint effect was to tip the balance, around midyear, toward a general reduction in economic activity (Chart 1).

The major developments were the decrease in the volume of incoming business of the capital goods industries and reduced appropriations by manufacturing businesses for their investment expenditure programs. By the end of 1957, these early signs were confirmed by lower expenditures of business concerns on machinery, equipment, and new facilities. Throughout

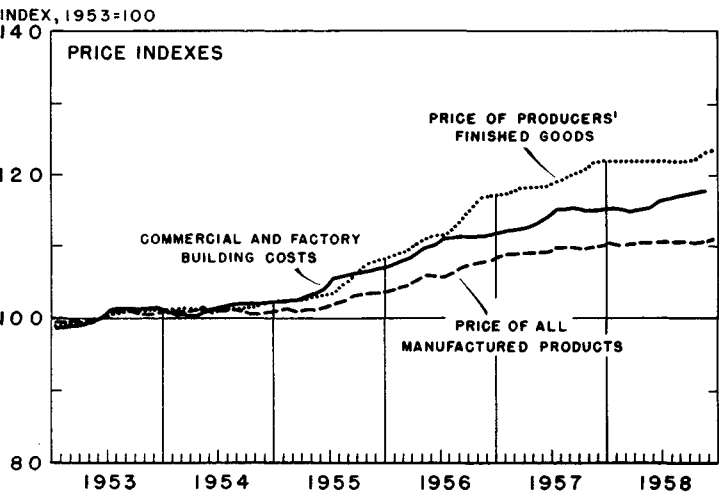
CHART 3

Manufacturing Capacity, Production, and Prices

Manufacturing capacity rose in 1956-58 relative to production . . .



. . . and prices of capital goods rose relative to the prices of other products.



^{1/} END OF YEAR.

^{2/} SEASONALLY ADJUSTED.

SOURCES: McGRAW-HILL PUBLISHING COMPANY, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, DEPARTMENT OF LABOR, AND E. H. BOECKH AND ASSOCIATES.

most of 1957, financing for expansion programs was becoming more costly. Corporate liquidity was low, and instances of capital issues being postponed because of unfavorable financing conditions increased. Clearly, financial considerations were exerting a progressively greater influence on businesses to restrict their commitments for further expansion of their facilities.

A more basic factor affecting the capital expansion programs of businesses was the widening gap between the supply and use of industrial capacity. In manufacturing alone, spending on new plant and equipment between 1953 and 1957 had increased capacity by about one-fourth, but production had increased by only 7 percent. At the same time, the cost of new capacity, as reflected in the prices of industrial equipment, rose substantially more than the prices of industrial output (Chart 3).

Pressure to curtail the capital improvement and expansion programs of businesses mounted rapidly. By the second quarter of 1958, outlays for these purposes had dropped \$7.4 billion, on an annual rate basis, from the peak reached three quarters earlier. This sharp decline was a major factor in initiating the general economic contraction.

A similar though lesser impact on business activity resulted from a reduction in merchandise exports. These had risen at a particularly rapid rate in 1956 and early 1957, and in the first quarter of the latter year they were 60 percent higher than in 1954. The decline that began in the second quarter of 1957 persisted through the first quarter of 1958, when the volume of exports stabilized some 20 percent below the level a year earlier. Initially, the decline occurred largely in wheat, cotton, and petroleum, but it soon spread to exports of metals, machinery, and manufactured goods generally.

The rising volume of exports in 1956 and early 1957 had helped to maintain an upward trend in our economy at a time when domestic investment demands were beginning to level off. The disappearance of the special factors accounting for this surge in foreign sales coincided with the decline in investment outlays of business concerns, and reinforced this downward pressure on economic activity. The Suez crisis that had led earlier to unusually heavy petroleum shipments subsided. Shipments of cotton and other agricultural products, which had been exceptionally large during the second half of 1956 and the first half of 1957, declined. Economic activity in certain industrialized countries of Western Europe and in Japan ceased to increase, following a prolonged period of expansion; and, in view of their large stocks of imported materials, these countries reduced their demands on the productive capacity of the United States. Industrial contraction in Canada resulted in smaller United States exports to that important market, and some of the less developed countries of the world curtailed imports, because of a weakening in their terms of trade and foreign exchange positions.

The drop in our shipments abroad, occurring at a time when our imports were declining very little, meant a decrease in net exports of goods and

services of about \$4 billion on an annual rate basis from the first half of 1957 to the first half of 1958.

Obligations by the Department of Defense for major procurement and production items, which had risen in the second and third quarters of 1956 to an annual rate of about \$18.2 billion, were being made at a \$10.6 billion rate in the same period of 1957, but actual expenditures changed much less, and only after some time lag. The annual rate of purchases of goods and services for national defense declined from \$44.9 billion in the second and third quarters of 1957 to \$43.9 billion in the fourth quarter; but since Federal expenditures for nondefense programs increased, total expenditures in the fourth quarter declined only \$600 million. Additional nondefense expenditures caused a rise in the total for the first quarter of 1958. Subsequently, however, both defense and nondefense spending increased, and total expenditures in the fourth quarter reached \$53.8 billion. Meanwhile, the rise in expenditures of State and local government units continued. As a result, total expenditures for goods and services by all units of government—Federal, State, and local—increased throughout the recession. In the first quarter of 1958, they were 3 percent higher than they had been six months earlier.

Finally, although the aggregate of consumer spending changed very little, large and important shifts occurred in the amounts spent on different groups of goods. Purchases of consumer durable goods moved irregularly in the first three quarters of 1957, then dropped sharply in the next six months. In the first half of 1958, they were 11 percent less than in the third quarter of 1957, and approximately four-fifths of the decline was accounted for by reduced purchases of automobiles. Sharp cuts in consumer purchases of durable goods are by no means unprecedented in recession, but the 1957–58 decline was unusually large in view of the small reduction—about 1 percent—in the amount of income available to consumers after payment of taxes.

These largely independent changes in demand—lower rates of spending by businesses on new plant and equipment, smaller exports, briefly and slightly reduced purchases by the Federal Government, a lower rate of contract placement, and reduced expenditures by consumers for durable goods—led to a change in the inventory policies of business concerns. This change was a major factor in the decline.

From 1955 to mid-1957, business inventories were increased substantially. To a considerable extent this represented the rebuilding and enlargement of stocks of materials, work in process, and finished products that are a normal part of any expansion period. The rate of inventory accumulation slackened noticeably in the first three quarters of 1957, however, as uncertainties about future sales and prices emerged and as the financing of inventories became more costly and difficult. But the major change did not come until the final quarter of the year. Business concerns then curtailed their production schedules sharply below the rate at which they were making sales, and

by the first quarter of 1958 inventories were being reduced at the rate of \$9.5 billion per year. Thus, a rather common feature of economic fluctuations in an enterprise economy was repeated: a moderate decline in the pace of actual sales produced a much larger effect on production and employment by provoking a sharp swing from inventory accumulation to inventory liquidation.

The inventory declines were closely related to the specific reductions in demand already noted. Indeed, reductions in inventory holdings by manufacturers of machinery, aircraft, and automobiles accounted for over one-half of the decline in total business inventories. Producers supplying these industries in turn were faced with substantial declines in incoming business, and they attempted to pare down their holdings. As a consequence, particularly large reductions occurred in the output of the supplying industries.

Certain additional developments also influenced inventory policies. Special problems of excess capacity and unfavorable relationships between current sales and inventory holdings affected the petroleum, chemical, and paper industries. The inventories of manufacturers of consumer household durable goods were high when the downturn began; although sales declined only moderately, production was cut sharply in order to complete the indicated adjustment. And distributors of all types of consumer goods—apart from automobile dealers, whose inventories were rising sharply—cut their purchases from manufacturers and drew down their inventories, even though consumer purchases were well maintained. The major part of this liquidation of trade inventories came in the first quarter of 1958, when recessionary pressures were greatest.

The impact of these inventory adjustments was considerable. The swing from accumulation at an annual rate of \$2.2 billion per year in the third quarter of 1957 to liquidation at the annual rate of \$9.5 billion during the first quarter of 1958 reduced gross national product by \$11.7 billion, about 60 percent of its entire decline during this period.

RESISTANCE TO CONTRACTION

Measures taken in 1957–58 specifically to counteract economic recession, and other measures taken for reasons independent of economic conditions, played an important part in limiting the contraction in production and employment to a moderate over-all decline and to a brief span of time. But these limiting features were in part also the result of the considerable and growing capacity of our economic system to resist deflationary forces.

A major element in the economy's resistance to recession in 1957–58 was the maintenance of over-all consumer demand, a result that may be attributed to consumer confidence and to the maintenance of personal income. Although gross national product was \$20 billion lower on an annual-rate basis in the first quarter of 1958 than in the third quarter of 1957, the decline in personal disposable (after tax) income was less than \$4 billion, and aggregate consumer expenditures fell only \$2 billion.

In contrast, during the recessions prior to World War II, large declines in investment activity commonly resulted in large contractions in personal income, and reduced incomes naturally led to lower consumer purchases. But in recessions since the war, the relative stability of consumer incomes and purchases has provided a check on this potentially cumulative process. As a result, declines in production have been contained within a narrower segment of the economy.

A number of factors help to account for the maintenance of consumer income during the 1957-58 recession. First, the decline in personal income earned in production was small relative to the contraction in the value of output. For every decline of \$1 billion in private output, personal income earned fell only \$360 million; in 1929-30, it fell \$670 million for each \$1 billion decline in output. This relatively more moderate decline in earned income resulted in part from the fact that a larger proportion of our labor force is now employed in industries and occupations not quickly affected by moderate changes in business conditions; and even in the industries that are more sensitive to business fluctuations, a larger proportion of employees hold positions not usually affected by production cutbacks of short duration. Moreover, wage rates continued to press upward during the 1957-58 period, increasing the pay of employed persons and moderating the income reductions of those working a shorter week. But this is a factor that works two ways. It may sustain income for the employed; but to the extent that it leads to higher costs and prices, it may induce reductions in the working force and be an obstacle to re-employment.

Some of the factors that have made personal income earned in production more resistant to recession have, on the other hand, made corporate income more sensitive. Total corporate profits, and consequently the revenues received by Government from corporate income taxes, fell sharply during the recession. Because corporate dividends were maintained at a high level, helping to sustain personal income, corporate retentions of income were sharply reduced. For every \$1 billion decline in gross national product, corporate income taxes and retained earnings (adjusted for inventory valuation) together fell \$590 million from the third quarter of 1957 to the first quarter of 1958, compared with a drop of \$240 million from 1929 to 1930.

Another development accounting for the small decline in personal income earned in production was the rise in farm income during the recession. Net farm income rose in the first quarter of 1958 to an annual rate that was 10 percent higher than in 1957, increased another 6 percent in the second quarter, and then remained roughly unchanged for the rest of the year. To some extent, however, the beneficial results for the economy of the larger income of farmers were offset by the effect of higher farm prices, which reduced nonfarm real income and purchases.

Second, certain supplements to earnings helped to maintain aggregate consumer income. Unemployment compensation payments increased sharply as employment and earnings fell, and the extension of these benefits

for additional periods in 1958 provided a further offset to lost pay for those who had exhausted their rights. Actually, the extended benefits did not begin to be paid until after the recovery had started; nevertheless, they assisted those who felt the recession's effect for the longest time and they also strengthened the recovery movement. In addition, supplemental unemployment compensation payments under private plans helped to maintain personal incomes and consumption expenditures. Another major income supplement was the steady increase in payments under social security, pension, and other benefit arrangements. The increase in such payments during the recession resulted from the growth in the number of persons eligible to receive them and from benefit increases under certain public social security programs which had been legislated earlier.

The increase in these so-called "transfer" payments was very large: \$2.6 billion on an annual rate basis between the third quarter of 1957 and the first quarter of 1958, and another \$2.6 billion by the third quarter. In this way, not only was the personal income earned in production relatively well maintained during the recession, but the declines that did occur were appreciably moderated in their effect on total personal income.

Finally, part of the fall in personal income was offset by a decline in tax obligations, so that the income available to consumers after taxes, and thus their purchasing power, declined less than the flow of personal income.

The combination of these three stabilizing factors—the small decline in earned personal income relative to the decline in production, the growth in transfer payments, and the reduction in personal tax payments—greatly moderated the fall in consumer income available for spending. And consumers, in turn, reduced their purchases of goods and services by less than the fall in their income.

If purchases by consumers in 1957–58 had fallen as much, in proportion to the decline in all other demands for output, as from 1929 to 1930, they

TABLE 2.—*Changes in income and consumption in recessions*

Period	Percentage change				Ratio of change in consumption to change in gross national product (percent) ¹
	Gross national product	Personal income earned in production	Disposable personal income	Personal consumption expenditures	
1929–30.....	-12.7	-10.7	-10.5	-10.1	0.60
1937–38.....	-6.2	-8.0	-7.5	-4.0	.48
1948–49.....	-3.6	-3.7	-2.0	.2	(²)
1953–54.....	-2.7	-1.1	.8	1.4	(²)
1957–58.....	-4.4	-2.2	-1.2	-.7	.11

¹ Ratio based on change in dollar amounts.

² Not computed because consumption rose while gross national product declined.

NOTE.—Changes from 1929 to 1930 and from 1937 to 1938 are based on annual data. Other changes are based on seasonally adjusted data for the peak and trough quarters of gross national product.

Sources: Department of Commerce and Council of Economic Advisers.

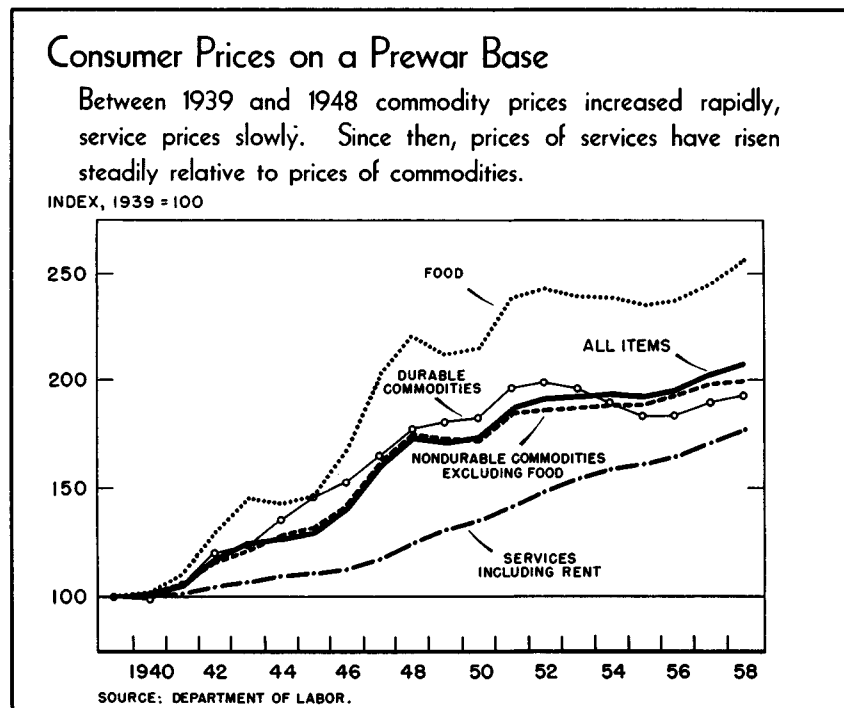
would have dropped by at least \$26 billion. Actually, they fell only \$2 billion. While gross national product fell 4½ percent, personal disposable income fell only about 1 percent, and consumption expenditures only 0.7 percent (Table 2).

The moderate extent and relatively short duration of the recession were also due in part to the absence of adverse financial developments—which in the past have tended to aggravate business contractions—and to the increase of asset values, notably farm land and real estate. These circumstances reflect the fact that the recession was brief and moderate, but they helped to keep it brief and moderate.

PRICES AND COSTS

Public attention was attracted during the recession to the apparent paradox of prices continuing to rise while production and employment were declining. Attention was naturally focused mainly on consumer prices. As measured by the consumer price index, this group of prices rose, on the average, by about 2 percent, though there was considerable diversity of movement among different items. A major part of the increase was due to higher food prices and the continuing upward drift in the costs of various services used by consumers (Charts 4 and 5). On the other hand, prices of manufactured products, with the major exception of new and used automobiles, were reasonably stable.

CHART 4

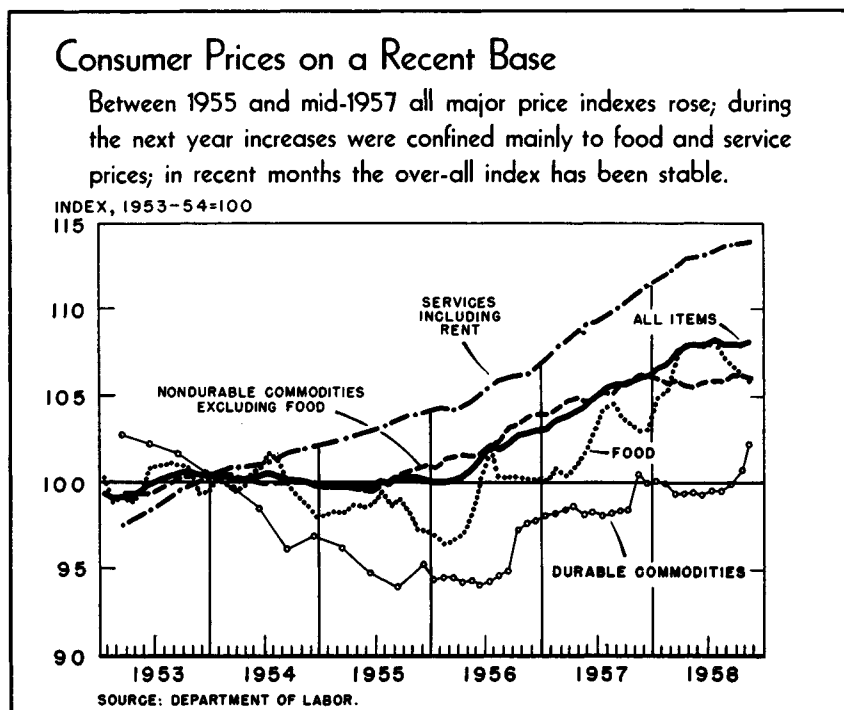


Prices in wholesale markets rose somewhat less than prices at retail, and have been roughly stable since early in 1958. Again, however, the average of wholesale prices fails to disclose the considerable differences of movement among commodity groups. Prices of farm products and foods rose sharply during the recession and then declined after mid-1958. Prices of raw materials, which are always sensitive to changes in domestic and world market conditions, declined sharply during the recession but recovered rapidly after the upturn. Prices of manufactured products continued to rise during the early months of the contraction, but fluctuated within a narrow range throughout 1958 (Chart 6).

While it is important to beware of overly simple explanations for the rise in prices during the last few years, and in particular for the continuance of some increases during the recession, three factors of major importance may be identified as having contributed to these results. First, during the early part of the upward price movement which started about three years ago, some increases were caused by heavy and rapidly mounting demands. These higher prices often became higher costs for other industries, thus diffusing their effects throughout much of the economy.

Second, a substantial part of the rise during the recession reflected forces not closely related to the immediate business situation. Prices of services, on which consumers spend over one-third of their total outlays, were making a delayed adjustment to earlier increases in prices and costs. This paralleled

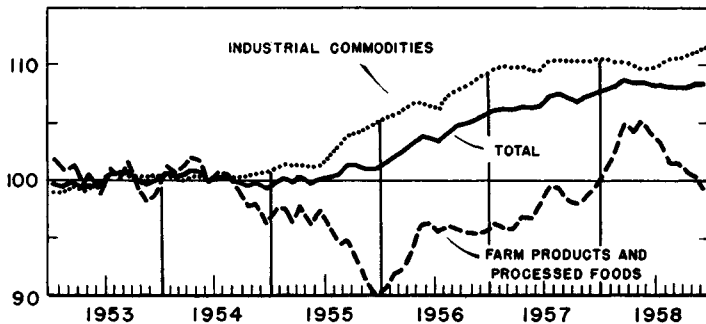
CHART 5



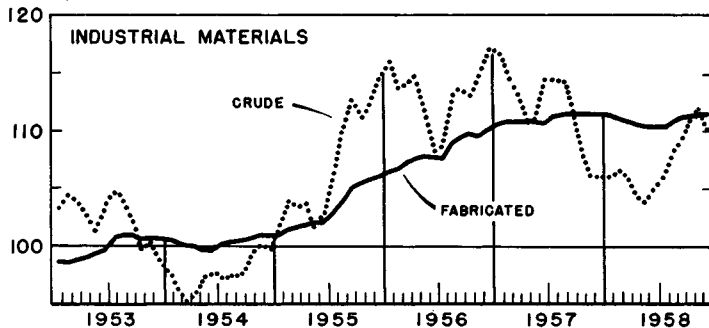
Wholesale Commodity Prices

The wholesale price index was roughly stable in recession and recovery. Offsetting changes occurred in prices of the various components.

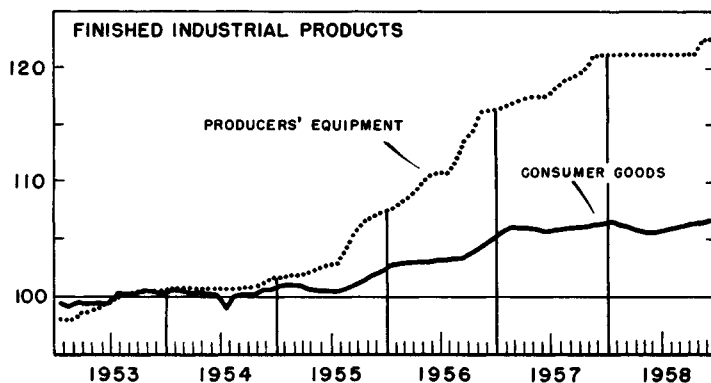
INDEX, 1953-54=100



INDEX, 1953-54=100



INDEX, 1953-54=100



SOURCE: DEPARTMENT OF LABOR.

the experience in the other two postwar recessions. Prices of food, which account for roughly one-quarter of the expenditures of consumers, rose mainly because of supply conditions. Lower marketings of livestock resulted in higher meat prices; and unfavorable weather conditions reduced the supplies, and led to higher prices, of fresh fruits and vegetables.

Third, substantial increases in costs in recent years have influenced prices. Large additions to productive capacity, and the replacement in this period of facilities originally acquired when costs and prices were lower, have caused capital costs to mount sharply. A rapidly enlarging complement of professional and technical personnel has also added to costs, though inevitably the full beneficial effects of these larger staffs will be realized only over an extended period of time. Since commensurate gains in output have not occurred, these increases in costs have resulted in higher expenses per unit of output produced.

Finally, wages, salaries, and employee fringe benefits have increased at rates above those consistent with the long-run productivity performance of the economy. As a result, employee compensation per unit of output, which had been fairly stable between 1953 and 1955, rose about 10 percent in the next two years.

This persistent advance in costs of all types naturally exerted an upward pressure on prices. The increase in prices that did occur was less than the rise in costs, however, with the result that profits per unit of output were lower in 1956 and 1957 than in 1955.

Clearly, severe reductions in the price level during a brief and moderate recession are not to be expected and would not be a proper objective of national economic policy. Indeed, such reductions might impede early recovery of the economy. Rather, the problem is how to achieve a reasonable stability of prices when economic activity is advancing and output and employment are high. The limited downward flexibility of prices in a moderate recession, and the upward movement even then of certain key prices and costs, highlight and emphasize the need for public and private policies that will produce the desired price stability at all times.

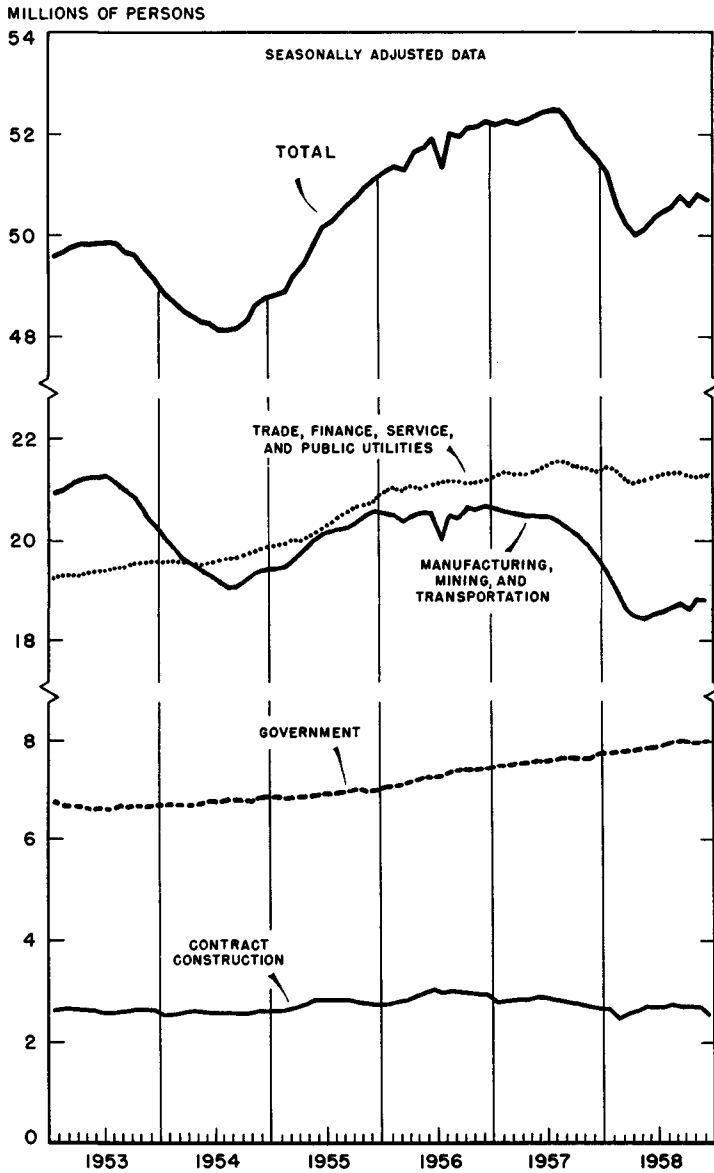
RESUMPTION OF ECONOMIC EXPANSION

Even during periods of general economic contraction, some industries and some regions of the Nation continue to forge ahead and others experience only a temporary cessation or slowing down of their rate of growth. This continuing strength helps to moderate cutbacks of production elsewhere; and when demands begin to rise again in areas where there had been actual declines, over-all gains in output and employment follow quickly.

A pattern of this type prevailed in the 1957-58 recession. While production and employment were declining rather sharply in some sectors, notably in the heavy industries and in those producing consumer durable goods, output and sales of consumer nondurable goods fell only slightly, the service industries expanded, and purchases by State and local governments con-

Employment in Nonagricultural Establishments

Manufacturing, mining, and transportation accounted for four-fifths of the 1957-58 decline in employment and for half of the increase since April.



tinued to rise. Then, as areas of the economy that had suffered declines resumed expansion, and as sales began to be met increasingly out of current production rather than out of inventories, a rise in general economic activity started (Chart 2).

In the early part of 1958, shifts of this kind developed quickly. In February, employment was declining in all major sectors of the private economy; only in government was it increasing. By April and May, increases in private employment were reported (Charts 7 and 8). The demand for goods and services ceased declining in a number of industries and in some cases began to rise. The decline of exports virtually ended by the second quarter of 1958, eliminating an important contractive force.

As indicated earlier, Federal outlays on goods and services fell only in the fourth quarter of 1957, and then by a relatively small amount—\$600 million on an annual rate basis. A rise in such outlays began in the next quarter. Purchases of nondefense goods and services by the Federal Government rose at an annual rate of \$3 billion from the first to the fourth quarter of 1958, largely on account of increased payments under agricultural price support programs and higher Government pay scales. And defense outlays, significantly influenced by the effect of pay increases, rose at an annual rate of \$400 million between the first and second quarters of 1958 and by another \$900 million in the next two quarters. At the same time, there was a sharp increase in the placement of contracts for the purchase of military goods. New orders for major items of defense goods, which in the second half of 1957 were being placed at an annual rate of \$12 billion, increased to an annual rate of \$22 billion in the first half of 1958. The most immediate effect of this rise was to slow and eventually halt the liquidation of inventories by defense contractors.

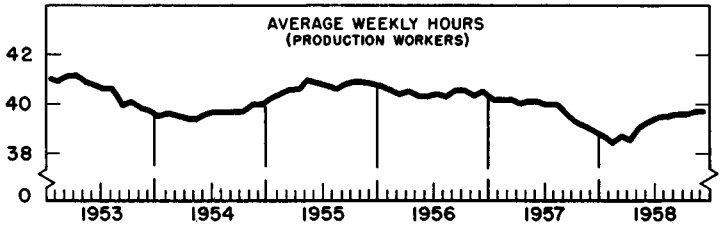
Most of the decline in business expenditures for plant and equipment had occurred by the second quarter of 1958. However, indications that the decline would not be of long duration began to appear early in the year; new orders for machinery and equipment, after falling sharply in the late months of 1957, stabilized after the turn of the year and moved upward shortly thereafter. Surveys of the plans of businesses for capital outlays reported in September 1958 and again in December indicated that the decline in these expenditures had ended and that some increase was in prospect. Although industrial capacity was generally ample, the need for more or for improved facilities was already being felt in some industries. Throughout the economy, increased competitive pressures and rising costs intensified the search for more efficient production techniques.

Indications that home building would help promote an upturn were apparent early. Applications for FHA commitments, after declining more than seasonally in the final quarter of 1957, moved moderately upward through March 1958 and then increased strongly for the next six months. The number of new private dwelling units being started increased steadily after February. As was to be expected, time was required for these changes

Employment, Hours, and Earnings in Manufacturing

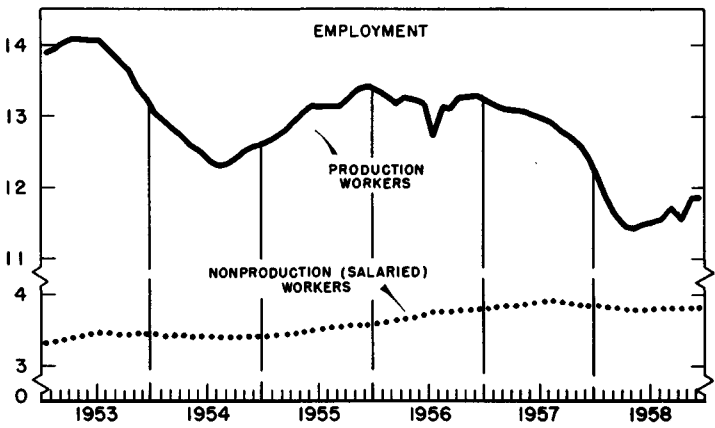
The average length of the workweek turned up in March 1958 . . .

HOURS*



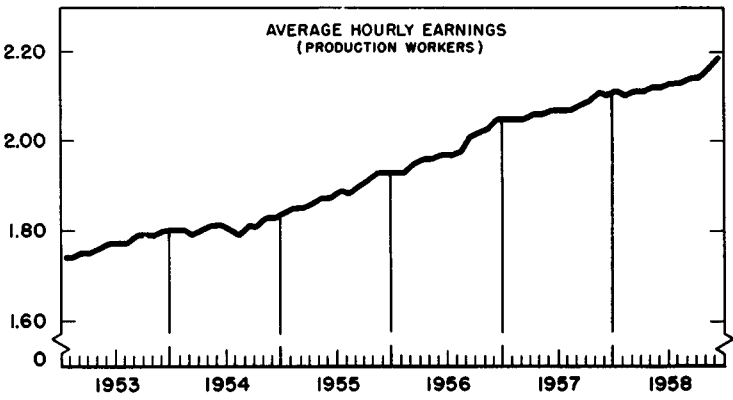
. . . and employment of production workers in June.

MILLIONS OF PERSONS*



Hourly earnings continued to advance throughout the year.

DOLLARS



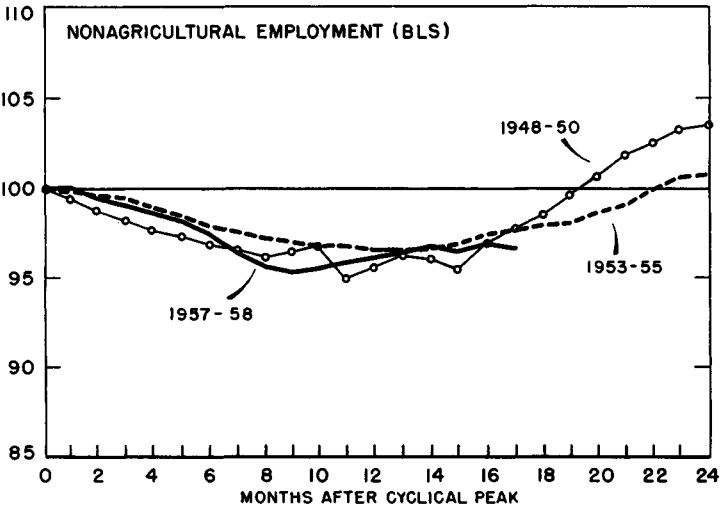
* SEASONALLY ADJUSTED DATA.

SOURCES: DEPARTMENT OF LABOR AND DEPARTMENT OF COMMERCE.

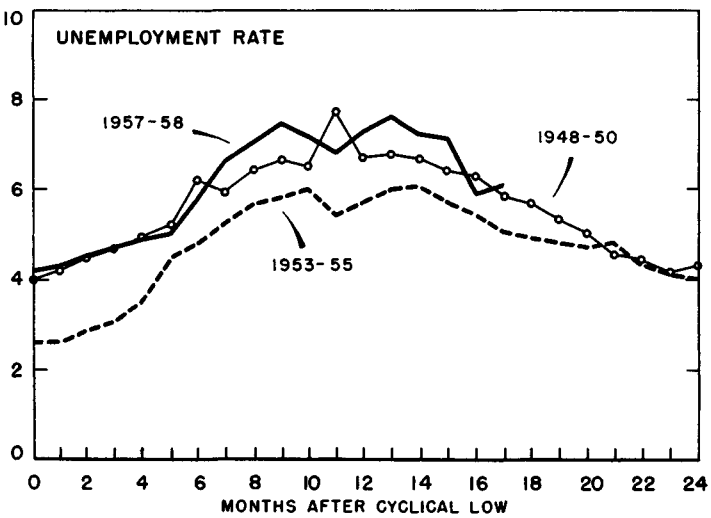
Employment, Production, and Income

Employment changes have been broadly similar to previous post-war experience.

PEAK MONTH = 100 *



PERCENT OF CIVILIAN LABOR FORCE *

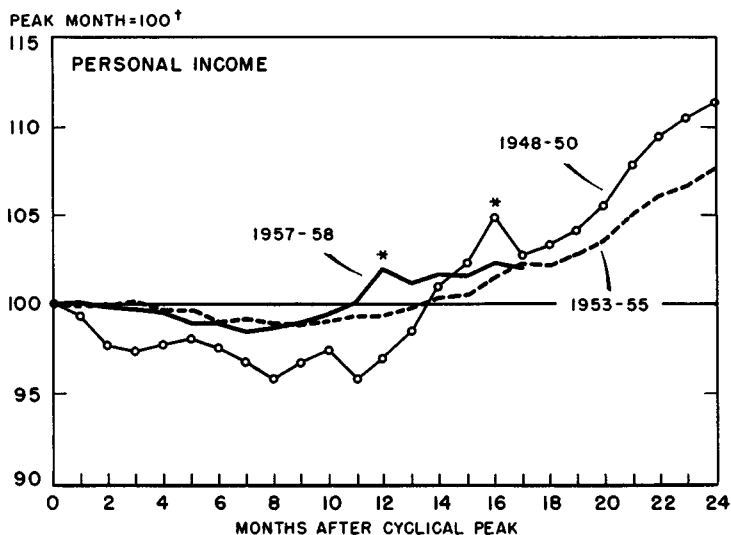
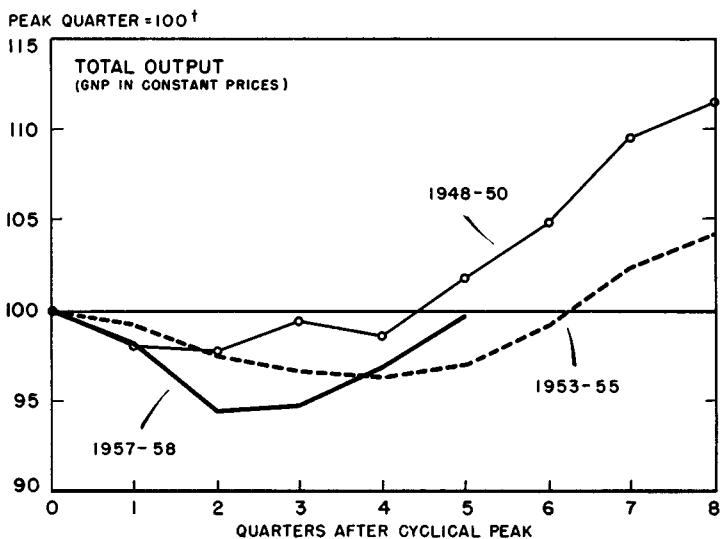


* SEASONALLY ADJUSTED.

SOURCES: DEPARTMENT OF LABOR, DEPARTMENT OF COMMERCE, AND COUNCIL OF ECONOMIC ADVISERS.

Employment, Production, and Income

Changes in production and income also have been similar to previous experience.



[†] SEASONALLY ADJUSTED.

* INCLUDES SPECIAL LUMP-SUM PAYMENTS.

SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS.

to be translated into actual construction activity, but the volume of expenditures for residential construction turned upward after May and quickly pushed well above the levels of 1956 and 1957.

The rise in home building activity and the stability of consumer demand in general began early in 1958 to exert a favorable influence on the inventory policies of producers and distributors of building materials and consumer goods. In the first quarter of the year, these industries were cutting back their inventories sharply. Except for automobiles, however, sales were not falling by a significant amount, and in many cases were rising. As retail and wholesale firms placed larger orders with manufacturers, the latter increased their production, both to meet the increased sales and to replenish their own inventories. In preparation for a new model year, the automobile industry also began expanding production and adding to inventories. The change in the rate of inventory investment by wholesalers and retailers and by the automobile industry accounted for a rise of about \$4 billion in national product between the first and fourth quarters of 1958, about one-seventh of the total increase recorded for that period.

Although inventories of manufacturers not closely associated with consumer developments continued to decline throughout the summer at a fairly rapid rate, they eventually began to feel the effects of the increase in demand elsewhere. Inventory reductions were slowed considerably, as production expanded faster than sales; but in some industries, particularly those producing capital goods, liquidation continued in the final quarter of 1958. For the economy as a whole, however, the rate of production in the fourth quarter was equal to sales, whereas in the first quarter it had been \$9.5 billion less than sales. This rise of \$9.5 billion accounted for more than one-third of the increase in gross national product during the period.

As a result of increases in sales and production, and a continued rise in transfer payments, personal income began to rise in March. Apart from the effects of retroactive salary payments to Federal employees in July, and the pattern of dividend payments in December, the increase continued through the year, providing the basis for higher consumption expenditures. Although the decline in consumer spending on durable goods continued through the second quarter, total consumption expenditures began to increase in that quarter and by the end of the year retail sales were above sales a year earlier. After September, purchases of durable goods increased substantially.

Responding to the increase in output and sales, corporate profits recovered sharply in the second half of 1958. By the fourth quarter of the year, they were apparently equal to the highest quarterly figure in 1957 and only slightly below the peak attained in 1955. Supplementing the increasing allowances for depreciation, these higher earnings were providing substantially larger amounts of internal funds to business concerns by the end of the year.

Had it not been for extensive work stoppages in the final quarter, the recovery in output, employment, and income, and in spending by consumers, would have been more rapid. As it was, changes in employment followed fairly closely the patterns of change in previous postwar cycles. The rate of

unemployment, which had risen above the rate in previous recessions since the war, also fell rapidly. In the final two months of the year, the unemployment rate was close to what it had been in the corresponding period in the 1948-50 recession and recovery, though still above what it had been in the corresponding period in 1953-55 (Chart 9).

DEVELOPMENTS IN WORLD PRODUCTION AND TRADE

The recession was not limited to the United States in its origins or in its effects. Production ceased to expand in most other industrial countries of the Free World, and in some countries it declined in 1957-58 (Chart 10). However, the general level of industrial output abroad in the closing months of 1958 was moderately higher than it had been a year earlier, and many indications pointed toward a renewal of expansion in countries with which the American economy is closely related. World commodity prices, crucial to the incomes of the primary producing countries, stabilized in the first half of the year, and some of them tended to strengthen in the second half. World trade, after its first significant setback since the Korean conflict, also appeared to reflect a strengthening of demand.

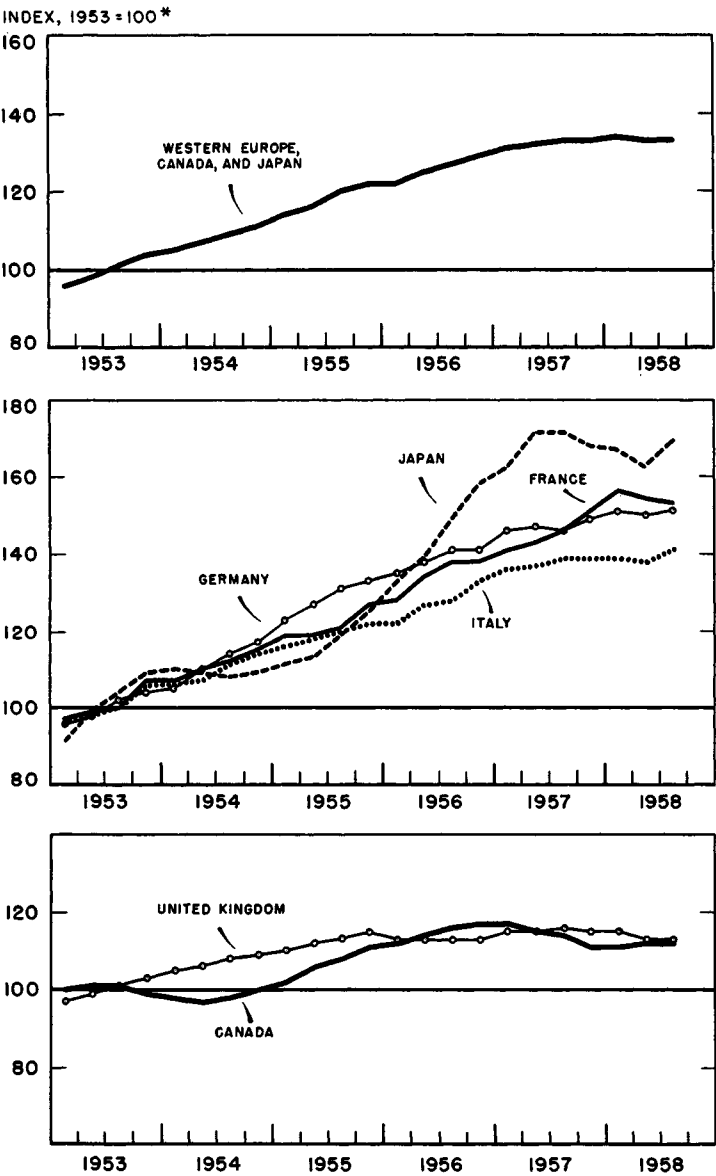
The period of expansion which preceded the recession produced certain maladjustments abroad, the correction of which entailed at least some slowing down in production and trade before growth could be resumed on a firmer footing. As in the United States, the expansion of industrial capacity in certain countries was greater than the increase in industrial output. In the United Kingdom, the increase in capacity resulting from large investment outlays after 1955 was not matched by a corresponding increase in industrial production or in output per worker. As wage rates continued to rise rapidly, labor costs per unit of output increased. Together with rising capital costs, they exerted an upward pressure on prices. In most other industrial countries, the investment boom was translated into a rapid growth in output and in productivity. Some of these countries, especially the Federal Republic of Germany, Italy, and Austria, successfully combined these high growth rates with only moderate price increases. Others, however, including particularly Japan, France, and the Netherlands, developed strong inflationary pressures at home and unsustainably heavy external deficits as their demands for capital goods and industrial materials rose. To these maladjustments were added the strains in international payments produced by the Suez crisis and the short-term capital movements that started in late 1956.

Readjustments thus had to be made in a number of countries at about the same time. The timing of these shifts was partly coincidental, but their effects were closely intertwined. A contraction of demand arising out of them had immediate effects on inventory policies not only in the countries immediately concerned but in other countries as well, as world prices of primary commodities weakened. Some commodities were already vulnerable to such changes. This was especially true with respect to nonferrous metals, for which production capacity in the United States and abroad had

CHART 10

Foreign Industrial Production

Production abroad rose rapidly from 1952 to mid-1957 and since then has shown little further change.



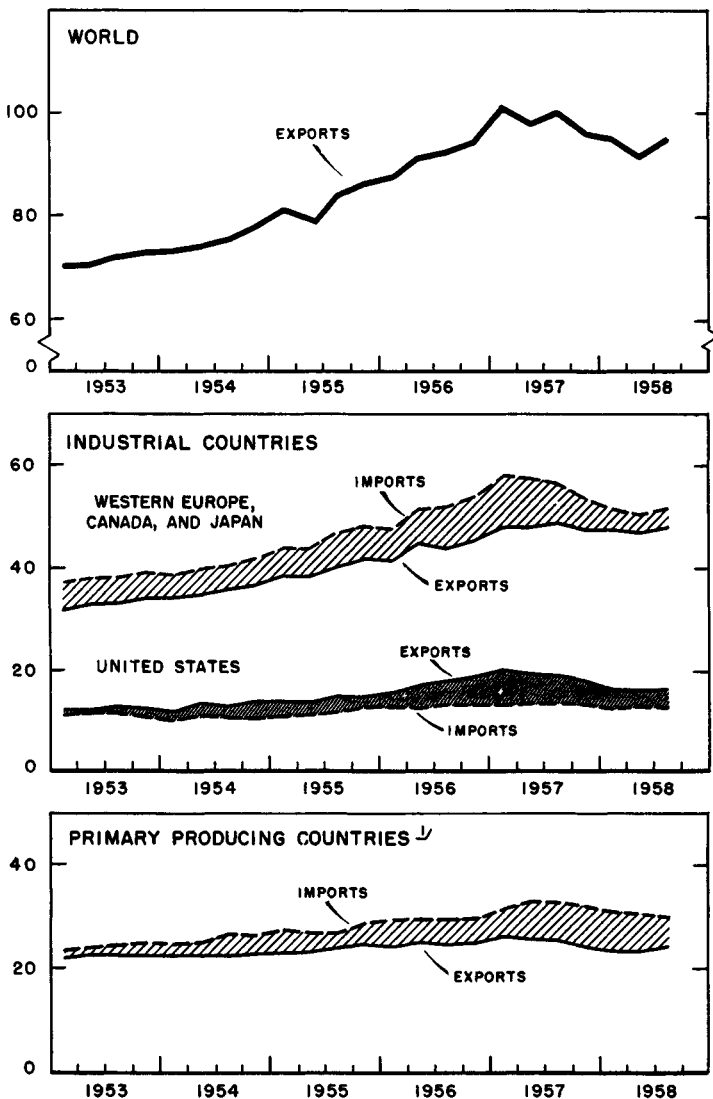
* SEASONALLY ADJUSTED.

SOURCES: DEPARTMENT OF COMMERCE AND ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION.

World Trade

The chief decline was in exports of the U. S. and the primary producing countries and in imports of other industrial countries.

BILLIONS OF DOLLARS *



* SEASONALLY ADJUSTED ANNUAL RATES.

∩ EXCLUDES PETROLEUM-EXPORTING COUNTRIES (BUT LATTER ARE INCLUDED IN WORLD TOTAL).

NOTE: DATA EXCLUDE TRADE OF USSR AND SOVIET-BLOC COUNTRIES.

SOURCES: DEPARTMENT OF COMMERCE AND INTERNATIONAL MONETARY FUND.

been rapidly expanded in response to the extraordinary demands generated by the Korean conflict and its aftermath and by the investment boom. Burdensome surpluses of coffee had also been generated by excessive increases in capacity.

The decline of commodity prices, in turn, reduced the buying power of countries producing primary products, in many of which the demand for imports had already grown beyond export earnings or other means of financing.

For these reasons, international trade receded from the high level reached in the first half of 1957 and declined into the early part of 1958 (Chart 11). The decline was especially marked in United States exports, for reasons related to their commodity composition and country distribution. In the second half of 1958, however, United States exports were at about the same rate as in the first half of the year, and there appeared to be some strengthening in world trade.

OUTLOOK FOR 1959

An examination of changes in demand that have been occurring recently in the major sectors of our economy provides a useful basis for estimating further changes during the months ahead. In the private sector, the industries that supply capital goods and facilities have, so far, contributed only modestly to the recovery. New orders for such goods have improved and demands for them have begun to rise, but output in the industries producing these goods has not increased markedly and the increase in employment has been even more restricted. In the months ahead, however, these industries and others more or less closely related to them should make a larger contribution to rising production, employment, and income. Factors that have a considerable influence on capital outlay decisions have become more favorable. Business earnings have improved. The rate of utilization of existing industrial capacity, though still not exerting pressure on businesses generally to enlarge their facilities, has increased sufficiently to bring the need for additional capacity within sight for some industries and firms. Moreover, the need for controlling costs provides incentives to replace obsolete and high-cost facilities, even though they remain operational. Present evidence indicates that business concerns contemplate no further curtailment of their expenditures for new and better facilities, and an upturn in such expenditures may already be under way. In the past, improving economic conditions have typically led business concerns to revise upward their plans for capital outlays, and it is reasonable to believe that some such revision may take place as the year progresses. There is not, as yet, a sufficient basis for judging how large the eventual increase in demand from this sector of the economy may be, but it seems reasonable to expect that it will make an increasing contribution to a rise in over-all economic activity.

Although residential construction has already risen by about one-fourth since mid-1958, it is continuing to be a major factor in economic recovery.

Financing commitments already in hand and uncompleted starts should entail some further increase in construction outlays in the next few months. Subsequently, however, the level of building activity will depend increasingly on the capacity of the industry to compete for funds in the capital markets. Favorable action by the Congress on recommendations made elsewhere in this Report to correct those features of our housing laws that tend currently to impede the flow of private funds into home financing would significantly improve the outlook for a sustained high level of residential construction.

For the time being, exports are still affected by some of the factors that contributed to their decline in 1958: a leveling of industrial activity abroad; apparently large inventories of some commodities that are important in United States shipments; and continued trade deficits and strains on foreign exchange reserves in some of the primary producing countries. These conditions not only moderate foreign demands for United States output but also produce keener export competition. A decisive upturn in United States exports can scarcely be expected until a renewed rise in industrial activity abroad sets in, and perhaps then only with some delay where inventories or idle capacity are large. However, there are encouraging indications of such a rise in some countries abroad, and policies favorable to economic expansion have been undertaken generally. Increased demand arising from renewed expansion in the industrial countries may be expected to benefit the trade position of primary producing countries. Meanwhile, United States imports appear to be strengthening further, as domestic economic activity rises, and this should help to increase foreign buying power, both directly through larger earnings from the United States and, more widely, through some continued firming of raw material prices. Accordingly, the prospect is that in the course of this year foreign economic activity and, possibly with some delay, the foreign demand for United States exports should begin to rise again in a mutually reinforcing relationship with our own economy.

Farm production may be expected to remain an element of strength and stability in 1959. Even with growing conditions less favorable than in 1958, which was an exceptional year, the aggregate output of crops promises to remain high. It is expected that the total supply of milk, eggs, and meat will be increased, the last especially by a substantial amount of pork. Large production and stocks of many crops are likely to keep farm prices under some pressure, but prices of many products are protected from severe decline by governmental supports. Livestock prices may recede somewhat, owing to larger supplies of hogs and poultry, though beef cattle prices may remain relatively unchanged. Farmers' cash receipts from marketings may be well maintained but total expenses on account of farm production will probably continue to rise somewhat, reflecting higher payments for wages, taxes, interest, and machinery. Lower or unchanged costs are expected for other items. In these conditions, income from farming may be slightly below that in 1958, but still high, and farmers' expenditures for

production and consumption may be expected to remain at levels favorable to an expansion of business activity. Also, the high productivity of agriculture and large stocks of food and feed should help restrain increases in the general price level in the year ahead.

In the public sector of the economy, a rise in Government outlays—Federal, State, and local combined—may be expected in the present year, though probably a smaller increase than in 1958. Outlays by State and local governments have been rising steadily, and they may be expected to continue expanding at the same rate as in the past year, if not at a somewhat higher rate. The Federal Government's outlays for goods and services and for transfer payments in connection with social security programs will increase in 1959, though by a lesser amount than in the past year.

If increases in the demand for output continue to develop along these lines, the liquidation of inventories should soon come to an end, if it has not already done so, and some stepping up in production schedules above sales can reasonably be expected. A building up of stocks of materials and work in process is typical of a period of economic expansion. Moreover, inventories of some businesses in 1958 appear to have fallen below the amounts appropriate for even the reduced pace of sales at that time. The improved liquidity position of business concerns and financial institutions should make it possible to finance needed increases in inventories with reasonable ease.

When account is taken of the currently favorable appraisal of economic conditions which consumers appear to hold, their improved credit position, and the higher incomes likely to be generated in sectors of the economy not directly connected with the production of consumer goods, it seems reasonable to expect an enlarging market for these goods in the coming year. In turn, higher employment in these industries may be expected to contribute further to the increase in economic activity generally. On the other hand, the extent to which increases in income can lead to higher consumption of goods and services, and thus to higher levels of production and employment in the consumption goods industries, depends on whether increases in wage and other costs are held within limits consistent with reasonable stability of consumer prices.

With due allowance for the limitations that surround all efforts to forecast the probable course of activity in a free economy, there is a reasonable basis for confidence that the recent improvement in activity will be extended into the months ahead. However, it must be recognized that the actions of all individuals and groups in the Nation—consumers, business concerns, labor organizations, and Government—will have a decisive bearing on the outcome. All must play their parts appropriately if the high levels of employment, production, and purchasing power envisaged by the Employment Act are to be attained. A significant contribution by Government to the accomplishment of this purpose, and particularly to the achievement of the price stability essential for sustainable economic growth, would be assured by the economic program outlined in Chapter 4. That program is recommended to the favorable attention of the Congress.

Chapter 3

Economic Policies in 1958

VARIOUS MEASURES undertaken by Government helped overcome the contractive forces in our economy in 1957–58. Some of these measures were initiated specifically to help reverse the decline and to promote a higher level of business activity. Others were designed to mitigate the special hardships experienced by individuals and families through loss of employment. Still others were called for by considerations entirely independent of economic conditions, but they nevertheless had the effect of stimulating economic activity. After the recovery started, policies were directed to helping achieve a high and sustainable rate of economic growth with stable prices.

A review of these actions and an appraisal of how they influenced the year's economic developments are important as guides for Government and for private individuals and groups in meeting future problems of economic stabilization with balanced and constructive policies.

POLICIES DURING THE CONTRACTION

Money and Credit

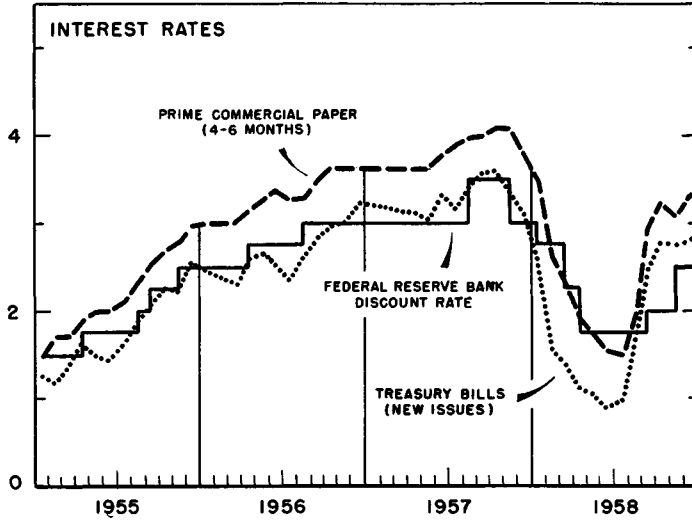
During the past 18 months, monetary and credit policy was directed successively to moderating the rate of credit expansion, helping to reverse economic contraction, and encouraging a steady and balanced recovery and growth.

Demands for capital and credit were heavy in the months preceding the 1957 downturn. Plant and equipment expenditures were at an all-time high, and expanding inventories required financing. Because the cash and liquidity position of businesses was relatively strained, funds to help finance investment programs and working capital needs were necessarily sought in large volume from outside sources. But because the Federal Reserve System confined the reserves supplied to member banks at its own initiative to amounts consistent only with seasonal swings in activity, bank credit was less readily available than in 1956. Businesses did obtain additional credit from commercial banks, but the increase was much smaller than in 1956, and more reliance for funds had to be placed on the capital markets. Securities offered by corporations increased to a new high volume, and the offerings of State and local governments approached record amounts. Meanwhile, the flow of funds into life insurance companies, savings and loan associations, and mutual savings banks slackened. Although larger

Interest Rates and Bond Yields

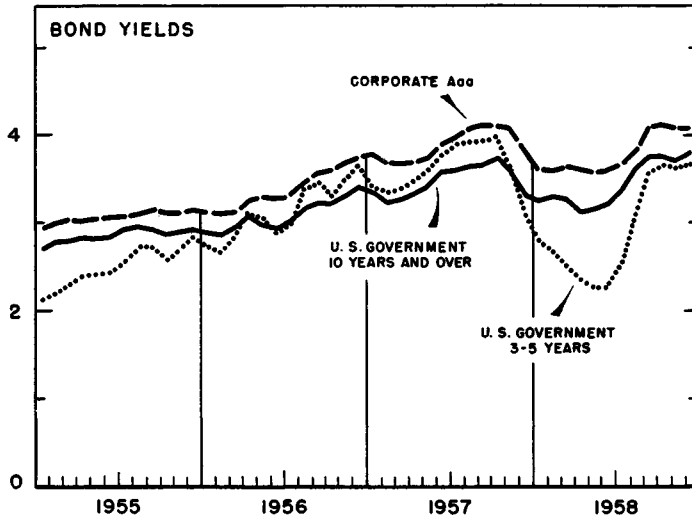
Short-term interest rates continued to decline until mid-1958, then rose sharply until October.

PERCENT PER ANNUM



Long-term interest rates declined slightly early in the year, but rose rapidly from midyear until October.

PERCENT PER ANNUM

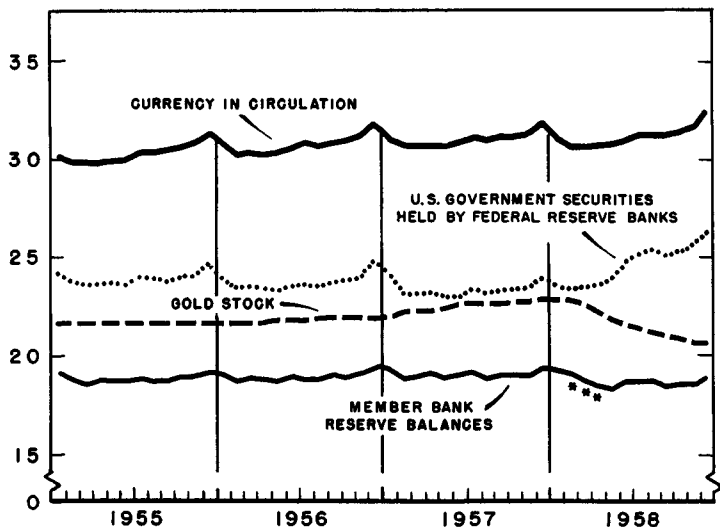


SOURCES: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, MOODY'S INVESTORS SERVICE, AND TREASURY DEPARTMENT.

Member Bank Reserves

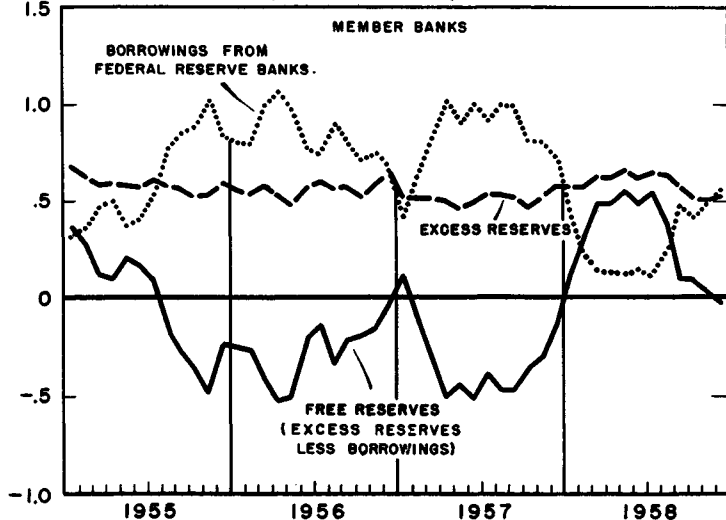
In 1958 the rise in Federal Reserve holdings of U. S. Government securities offset the effect of gold outflow on bank reserves.

BILLIONS OF DOLLARS †



Free reserves increased sharply early in 1958 and declined after midyear.

BILLIONS OF DOLLARS † (ENLARGED SCALE)



† AVERAGES OF DAILY FIGURES.

* CHANGE IN RESERVE REQUIREMENTS.

SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

amounts of savings were supplied from other sources, notably from the increasing volume of time deposits in commercial banks, the rising tide of financial demands in the capital markets helped bring about progressively higher interest rates and bond yields. The peak of credit and capital costs came in the fall of 1957, when interest rates generally reached the highest levels since the early 1930's (Chart 12).

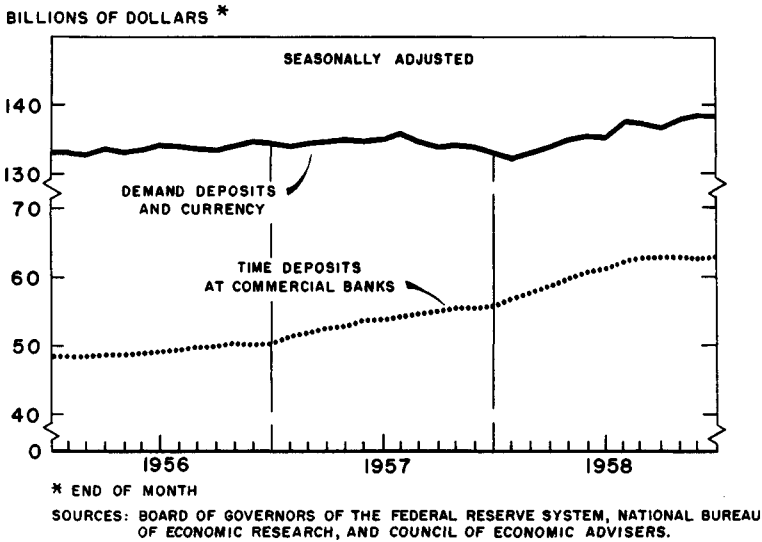
By the end of September, there were indications that the demand by business concerns for bank credit was slackening; and the flow of funds into home financing fell as the ceiling interest rates on federally underwritten mortgages became increasingly out of line with yields available on investments not subject to such controls. In the second half of October, the Federal Reserve authorities began to ease slightly the reserve position of member banks through open market operations in United States Government securities. This was followed in mid-November by a reduction in the discount rate from $3\frac{1}{2}$ percent to 3 percent, signaling a decisive change in policy. Subsequently, the Federal Reserve authorities eased reserve positions still more by open market purchases of Government securities and released some \$1.5 billion of bank reserves by lowering reserve requirements. In a series of steps over five months beginning in mid-November, the discount rate was reduced to $1\frac{3}{4}$ percent. By March 1958, the reserve position of banks had eased markedly. Member bank borrowings from the Federal Reserve Banks were nearly \$1 billion below those of September 1957, and net free reserves (excess reserves less borrowings) had increased to \$500 million. This reserve position of member banks remained virtually unchanged until July 1958 (Chart 13). Monetary policy was, moreover, sufficiently expansionary to offset the impact on bank reserves of a gold outflow of \$1.4 billion, which took place in the first six months of the year.

These steps produced emphatic reactions in financial markets. The improved reserve position of commercial banks enabled them to add nearly \$10 billion in loans and investments to their assets in the first half of 1958. This took the form largely of additions to their holdings of United States Government securities, which increased \$6.0 billion by midyear, but their holdings of State and local securities also increased significantly. The demand for bank credit from most other borrowers was not heavy, and other forms of credit increased only a little or declined. As a result, the ratio of United States Government securities to loans in bank portfolios increased.

Because the major part of this increase in bank assets was reflected in an expansion of \$5.7 billion of time deposits, the volume of demand deposits and currency, which is the economy's active money supply, increased by only \$2.2 billion, on a seasonally adjusted basis (Chart 14). Without posing potentially inflationary threats, this timely expansion of the money supply helped to improve the liquidity position of the economy generally.

Money Supply

The money supply increased in 1958, mainly in the first 7 months of the year.



Borrowing costs and investment yields in capital and credit markets reacted quickly to these developments. Short-term interest rates fell sharply. The rate on 91-day Treasury bills dropped significantly below 1 percent by May, and the rate on prime commercial paper was reduced to as low as 1½ percent in June. In the market for longer-term funds, the yield on outstanding long-term United States Government issues fell to a low of 3.05 percent in April, a decline of 19 percent from the October 1957 high. By the time the economy was turning from recession to recovery, the yield on high-grade corporate bonds had fallen 14 percent below its 1957 high, and the yield on high-grade municipal securities almost 19 percent. Prices of FHA-insured and VA-guaranteed home mortgages in secondary markets had risen significantly by midyear, and there was a rapid improvement in the availability of mortgage investment funds throughout the country.

Housing and Home Financing

Nowhere in the economy was the stimulative effect of the easing of credit conditions more clearly visible than in residential building. Evidences of underlying strength in this area, in which activity had been declining more or less steadily for two years, were apparent as early as mid-1957. Low vacancy rates, a somewhat quickened tempo of sales, and a reduction in

the number of unsold houses held by builders suggested a firming of demand. In numerous communities, the elimination of rent controls had created conditions more favorable to the construction of apartment projects; and significant progress had been made, through the provision of needed community facilities, in removing deficiencies that were impeding the construction of single-family homes. In August 1957, minimum downpayment requirements on FHA-insured loans were reduced by administrative order, issued under the authority granted by the Housing Act of that year. And the increase in residential construction costs, which had been particularly rapid during 1955 and a good part of 1956, halted.

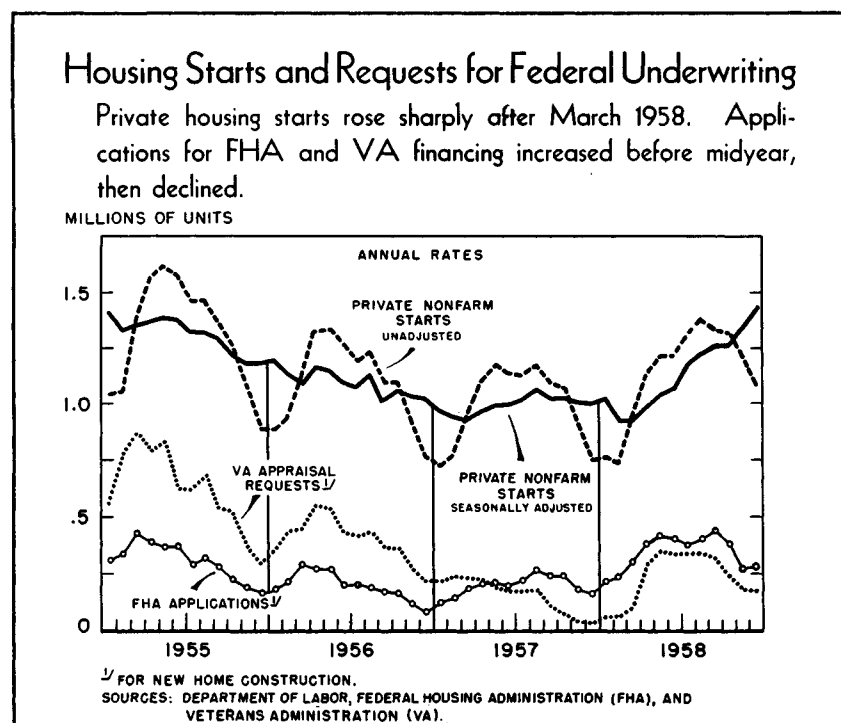
In this favorable environment, an increase in the flow of private funds into the home mortgage market served rather quickly to initiate an upturn in prospective residential building activity. Indeed, the reaction was so marked that it was necessary in January 1958 to request authority from the Congress to use additional funds to meet the costs of processing an unexpectedly large volume of applications for FHA loan insurance (Chart 15).

Numerous administrative actions were taken to spur building activity. In December 1957, more than \$175 million was released for purchases of mortgages by the Federal National Mortgage Association (FNMA) and to assist urban renewal. Early in January 1958, the rule requiring that closing costs on FHA-insured loans be paid in cash—a rule which had been imposed in 1955 as a check on the excessive use of credit—was rescinded. In February, a new program was launched by the Federal Home Loan Bank Board to make loans available on a five-year basis to member associations, supplementing its shorter-term loan program. In March, adjustments were made in allowable discounts on VA loans, another \$200 million was released to the FNMA for the purchase of mortgages under its special assistance programs, and the Housing and Home Finance Agency was directed by the President to expedite construction on approved and planned projects for college housing, urban renewal, and public housing. Early in April, minimum downpayment requirements on VA-guaranteed loans were reduced. In the same month, several additional steps were taken under authority granted by the newly approved housing legislation. Adjustments were made in the interest rate on military housing to expedite the flow of private funds into this type of investment; minimum downpayment requirements were reduced on FHA-insured loans; the interest rate on VA-guaranteed loans was adjusted upward to the maximum permitted under the law, in order to draw additional funds into this type of investment; discount controls, which had previously tended to block the flow of funds into FHA-insured and VA-guaranteed loans, were removed; and \$325 million was released by the President for purchases by the FNMA of mortgages on properties in urban renewal areas and on housing for elderly persons and for military personnel. Funds were made available in April, May, July,

and August, under the FNMA special assistance program created by the April housing legislation for the purchase of mortgages ranging in amount up to \$13,500. At that time, the law required that qualifying mortgages be purchased at par. Since this assured financing of projects at costs below the price of funds obtainable from private sources, and because the law authorized the issuance of advance commitments, builders turned at once to the Federal Government. By the middle of September, virtually all of the \$1 billion authorized by this legislation had been committed to be paid out as mortgages were delivered.

As already indicated, evidence of an imminent upturn in home building was visible even before the end of 1957, but the increase naturally lagged by some months behind the improvement in financial conditions. A small increase in housing starts began in March 1958, when the seasonally adjusted annual rate rose slightly above the 915,000 reached in February. By December 1958, starts of new homes had reached a rate of 1,430,000. The volume of new residential construction expenditures also increased, but somewhat later than the rise in housing starts. Although other types of construction activity continued at a high level, it was residential building that supplied the major impetus from the construction field to general economic recovery.

CHART 15



Unemployment Insurance Benefits

The primary objective of our Federal-State system of unemployment insurance is directly to aid those experiencing involuntary loss of employment. However, by sustaining the aggregate purchasing power of consumers at a level higher than would otherwise prevail, these payments contribute significantly to the stabilization of the whole economy.

In both these respects, benefit payments were materially helpful during the 1957-58 recession. Payments rose moderately in the third quarter of 1957 and very sharply in the fourth quarter and after the turn of the year, as unemployment mounted. From July 1957 to April 1958, they directly offset about one-third of the decline in wage and salary disbursements and, because they are not taxable, their effect in maintaining disposable personal income was even greater.

The contraction of job opportunities meant that unemployment was extended for many workers beyond normal lengths and beyond the period of benefit rights under basic laws. As a result, the number of persons exhausting their benefits rose from 82,000 per month in September 1957 to a peak of 285,000 in July 1958.

Legislation was requested in March 1958 to lengthen temporarily the period of entitlement to unemployment benefits, and a bill was enacted in June. States participating in this temporary program, or otherwise extending the duration of benefits, accounted for 70 percent of covered employment. The number of unemployed persons eligible for its benefits reached a maximum of 658,000 in late August 1958. Extra benefits amounted to about \$390 million during the year.

Defense Procurement

The Economic Report of January 1958 noted that the economy was beginning to feel the impact of an increase in defense expenditures. In the January 1958 Budget Message, \$39.6 billion of new obligational authority was requested for the military functions of the Department of Defense, and budget expenditures of \$40.3 billion were contemplated for the fiscal year 1959. The latter figure was \$1.4 billion higher than the expenditures estimated for fiscal 1958. Much of this increase resulted from higher planned expenditures for military research and development programs, additional military construction, and a contingency reserve for the acceleration of weapons development. In line with national security policy, a supplemental appropriation request of close to \$1.3 billion was made on January 7, 1958, as an advance on the program for the fiscal year 1959; and in April, close to \$1.5 billion of additional funds were requested for the fiscal year 1959.

The acceleration of defense procurement under the amounts appropriated in the calendar year 1958 and prior years was soon evident in the awarding

of contracts for major items. In the third quarter of 1957, gross obligations for major procurement and production in the Department of Defense military functions amounted to \$2.2 billion. They rose to nearly \$3.9 billion in the fourth quarter of 1957, and reached \$4.7 billion and \$6.1 billion in the first and second quarters of 1958, respectively.

Because changes in the backlog of unfilled orders permit the rate of current production to follow a more even course than would be dictated by the flow of new orders alone, this acceleration in defense contracting was not accompanied by a corresponding increase of output in the affected industries. However, the rise in defense contracting in the first half of 1958 did result in an expansion of defense production, and through its effect on the inventory policies of defense contractors had a significantly stimulative effect on the economy.

Civil Procurement and Construction

Steps taken to accelerate needed Government procurement and construction in nondefense programs also had a helpful, though necessarily limited, effect. Early in March, accelerated procurement of needed equipment and supplies was authorized, and instructions were issued to agencies calling for the placement of as many planned orders as possible under available authorizations. Stress was placed on the desirability of giving these orders, insofar as possible, to firms in areas of substantial labor surplus.

Legislation was requested in March and enacted in April to make available for immediate use one-half of the amounts requested for the purchase of supplies and equipment in the fiscal year 1959. The General Services Administration, the Veterans Administration, and other civilian agencies ordered substantial quantities of supplies under this plan, and the Post Office Department placed orders for new trucks earlier than had been scheduled. A program for accelerating the repair and modernization of Federal buildings was also put into operation in March, and congressional assent to requests for supplemental appropriations made it possible to continue an accelerated rate of activity on Federal water projects already under way.

Acceleration of Grants-in-Aid and Tax Refunds

Allocations to State and local bodies under various Federal grant programs, including aid for the construction of hospitals, medical research facilities, and airports, were accelerated during March and April so that contracts might be negotiated for projects that could be started immediately.

Special efforts were made by the Internal Revenue Service in 1958 to speed up the payment of refunds to those who had overpaid their 1957 income taxes. Refunds distributed in the first five months of the year exceeded those of the same period of 1957 by \$700 million.

Federal-Aid Highway Program

In order to maintain construction of the Interstate Highway System on schedule, legislation was requested to permit larger allocations to the States than would have been possible under the original provisions of the law. Such legislation was enacted in April, and allotments were promptly made. During the following six months, contracts were negotiated by the States for the construction of Federal-aid highways to cost \$3 billion, 80 percent more than the amount obligated during the corresponding period of 1957 (Table 3). During this same six-month period, Federal payments to the States exceeded \$1¼ billion. This, also, was more than 80 percent greater than the amounts paid during the same months a year earlier.

TABLE 3.—*Obligations and payments on Federal-aid highway programs, 1957–58*
[Millions of dollars]

Period	New obligations for highway construction ¹			Federal payments to States		
	Total	Interstate program	Other programs ²	Total	Interstate program	Other programs ²
1957: First quarter.....	781	418	364	214	82	132
Second quarter.....	806	410	486	235	64	171
Third quarter.....	803	405	398	362	120	242
Fourth quarter.....	1,174	833	341	423	173	250
1958: First quarter.....	770	386	385	269	129	140
Second quarter.....	1,378	598	780	410	251	159
Third quarter.....	1,399	737	662	643	365	278
Fourth quarter ³	1,266	650	615	886	509	377

¹ Includes Federal and State matching funds.

² Includes primary, secondary, and urban extension highways.

³ Preliminary estimates by Council of Economic Advisers.

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

Source: Department of Commerce (except as noted).

Federal Credit Programs

Steps to help counter the recession were taken in a number of Federal credit programs outside the housing field. Loan approvals by the Small Business Administration during the first half of 1958 amounted to about \$122 million, \$33 million more than in the corresponding period of 1957. The Export-Import Bank contributed even more heavily to the increased volume of Federal lending activity. Its contribution through loan authorizations toward the financing of domestic economic activity is estimated to have been more than \$250 million larger in the first half of 1958 than in the corresponding period of 1957.

Federal Fiscal Operations

Not all Federal actions taken to help counteract recession are reflected in Federal budget accounts. Many involved no additional budget outlays at all and, where the placement of contracts and orders was involved, some part of the impact on the economy came at an earlier date than would be suggested by their eventual reflection in the budget as expenditures. Even so, significant interactions between economic developments and Government fiscal operations are revealed in the Federal budget.

In the fiscal year 1958, Federal expenditures were \$2.5 billion higher than in the fiscal year 1957—the twelve-month period which preceded the 1957 downturn (Table 4). This increase was due in part to actions taken specifically to help counter the recession but in part also to actions which, though taken for other reasons, had an expansive effect on the economy. Directly and indirectly, increases in Federal expenditures resulted in an

TABLE 4.—*Federal budget receipts and expenditures, fiscal years 1957–60*

[Billions of dollars]

Fiscal year	Receipts	Expenditures	Surplus or deficit (—)
1957.....	71.0	69.4	1.6
1958.....	69.1	71.9	-2.8
1959 ¹	68.0	80.9	-12.9
1960 ¹	77.1	77.0	.1

¹ Estimate.

Sources: Treasury Department and Bureau of the Budget.

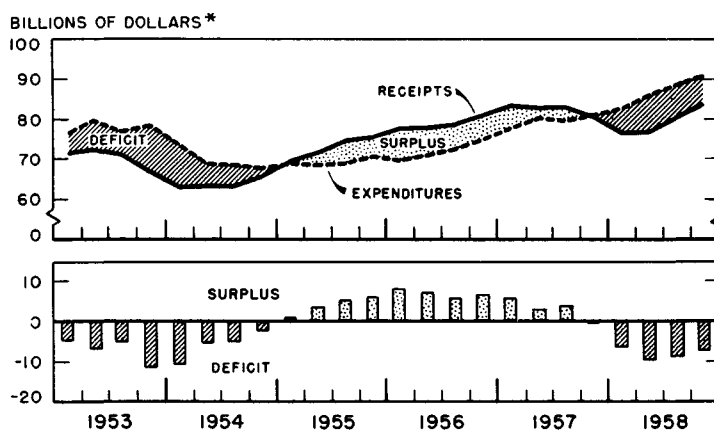
additional demand for output at a time when private demand had slackened. Furthermore, a small part of the impact of the recession on economic activity in general was lessened by a decline in personal income tax payments. Because of the structure of our tax system, the decline in personal income after taxes was less than the decline in income before taxes.

CHART 16

Federal Government Receipts and Expenditures

National Income Accounts

Expenditures rose steadily in 1958. Receipts fell in the first part of the year and increased thereafter.



* SEASONALLY ADJUSTED ANNUAL RATES.

SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS.

The effect of changes in the Federal Government's fiscal operations can be followed more closely in our national income accounts. Total receipts and payments as registered in these accounts are larger, and differ from those in the budget, mainly because of the inclusion of trust fund operations, the exclusion of intra-governmental transactions, and the timing of transactions on a basis more closely related to their economic effects.

These accounts show that in the third quarter of 1957 the Federal Government was withdrawing more funds from the economy through receipts than it was putting in through disbursements. Aggregate receipts at the seasonally adjusted annual rate of \$83.3 billion exceeded disbursements by \$3.4 billion. By the first quarter of 1958, on the other hand, receipts fell short of disbursements by an annual amount of \$6.6 billion; in this quarter, therefore, the Federal Government's combined fiscal operations were, on balance, exerting a stimulative effect on the economy. This turnabout of \$10 billion—nearly three-fourths of which was reflected in the decline in receipts—had a greater impact on the economy than did fiscal operations in either of the two other postwar contractions (Chart 16).

POLICIES AFTER THE UPTURN

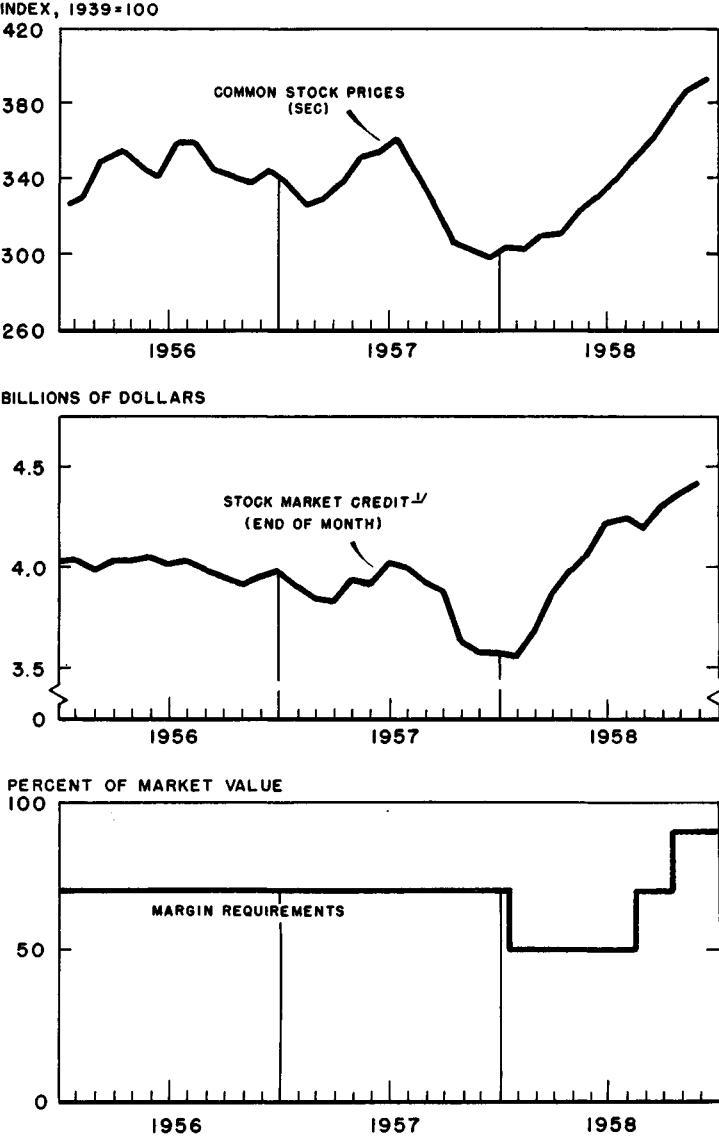
With production, employment, and income moving upward in the second quarter of 1958, the economic policies of Government became concerned increasingly with keeping the recovery on a sound basis and promoting a sustainable, long-term expansion.

Credit and capital markets responded quickly to the rapidly strengthening confidence that a firm recovery was under way. The large financing requirements of the Treasury also influenced financial markets. The upturn in interest rates, which reflected these changed views and conditions, was accentuated by the liquidation, beginning in June, of large speculative holdings of United States Government securities. Interest rates subsequently stabilized, however, and the liquidation appears not to have had any continuing effect on capital costs. To the greatest extent possible, the large-scale Treasury financing that was essential in these months was carried out in ways designed to minimize inflationary consequences and yet not to hamper the recovery and expansion of the economy by putting undue pressure on long-term capital markets.

The events of 1958 presented an unusual variety of problems in the management of the public debt. During the year, an increase of \$8 billion in the public debt had to be financed, and \$53.2 billion of maturing marketable issues (exclusive of bills) needed refinancing. At the same time, the reduced pressure of private demand for credit made it practicable to undertake a lengthening of the average maturity of the Federal debt. In the first six months of the year, \$19.6 billion of intermediate and long-term securities were issued, which resulted in a significant increase in the average length of the outstanding marketable debt. But after July, heavier than expected subscriptions to the June exchange bond and the later rapid decline in bond

Stock Prices and Credit

Stock prices rose to a record level in 1958.



^{1/} CUSTOMERS' NET DEBIT BALANCES AND BANK LOANS TO OTHERS THAN BROKERS AND DEALERS. EXCLUDES U. S. GOVERNMENT SECURITIES.

SOURCES: SECURITIES AND EXCHANGE COMMISSION, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, AND NEW YORK STOCK EXCHANGE.

prices caused the Treasury to repurchase a quantity of its newly issued securities. During the latter part of July, the Federal Reserve suspended temporarily its policy of confining open market operations to short-term securities. For the remainder of 1958, the Treasury confined its borrowings to maturities not in excess of 2½ years.

It was evident by the end of the year that the Treasury's vast and difficult financing operation was being satisfactorily concluded. By December 31, most of the Treasury's prospective new money requirements for the current fiscal year had already been met. The Federal debt increased \$6.6 billion during the second half of the year, but only about \$2 billion of additional United States Government securities had been absorbed by the banking system. The expansion of the money supply, measured in terms of demand deposits and currency in circulation, had been limited to about \$3 billion, or 2 percent, in the second half of the year. Most of the remainder of the Treasury's borrowing needs during this half-year were met from non-financial corporations and other short-term investors, rather than from longer-term holders of securities.

As business conditions improved, monetary and credit policy was shifted, with a view to limiting the expansion of bank credit to a sustainable pace. The increased restraint on bank reserves was marked by the sharp rise in member bank borrowings that began in August. Discount rates were raised to 2 percent in August and to 2½ percent in October, as short-term money rates moved upward. Margin requirements on new stock purchases were raised from 50 percent to 70 percent in August and to 90 percent in October, to prevent the excessive use of credit in stock market transactions, equity prices having risen in the meantime to record levels (Chart 17).

The response of interest rates to the recovery of the economy and the shift in monetary policy was rapid. Within the short space of four months, a rise in short-term borrowing costs wiped out much of the previous reduction, long-term capital costs returned to the levels they had reached in the late summer and early fall of 1957, and funds became more costly and somewhat less readily available in the mortgage market. By the close of the year, capital and credit markets had moved a considerable distance toward the conditions prevailing 18 to 24 months earlier.

Federal receipts and disbursements also reflected the economic and financial developments of the recovery period. The aggregate of the Federal Government's disbursements, as registered in national income accounts, rose from a seasonally adjusted annual rate of \$82.8 billion in the first quarter of 1958 to \$90.6 billion in the final quarter. Meanwhile, Federal receipts of all types, which had declined under the impact of recession to an annual rate of \$76.1 billion by the first quarter of 1958, rose to a rate of \$83.4 billion in the fourth quarter.

The gap between the Federal Government's disbursements and receipts narrowed, from a rate of \$9.9 billion in the second quarter of the year to \$7.2 billion as the year ended, as the fiscal operations of Government, which

had tended earlier in the year to cushion the contraction, moved in the direction of restoring a balance between outlays and receipts and thereby countering potentially inflationary tendencies. This direction of change in the fiscal operations of Government is favorable to sustainable economic growth and improvement. Its beneficial effects would be extended by enactment of the financial plan presented to the Congress in the 1960 budget.

Chapter 4

A Program for Economic Growth with Price Stability

THE EMPLOYMENT ACT OF 1946, under which this Report is submitted to the Congress, lays principal emphasis on the need for public and private policies to promote high levels of employment, production, and purchasing power. Achievement of these goals has assumed increasing importance with the addition of a heavy and continuing burden—the maintenance of strong national defenses—which our economy must carry while raising the living standards of an increasing population and helping to discharge the Nation's international responsibilities.

Experience during the life of the Act has, however, directed attention more and more to the need for a framework of reasonable price stability in order to achieve sustainable economic growth. A persistent upward movement of prices would do great harm to our economy. Quite apart from the inequities it would impose on those whose incomes would not rise correspondingly, it would narrow markets at home for important groups of goods, lower our capability to compete in the world's markets, and by requiring restrictive fiscal and monetary policies, lessen our chances of fully realizing our potential for economic growth. If price increases were to accelerate, the continuing upward movement would sooner or later undermine the confidence on which our economic system depends and would eventually release drastic corrective forces. Since some of the forces that tend to produce an upward movement of prices are themselves expressions of the process of vigorous growth in a free economy, the objective of national economic policy must be to balance encouragement and restraint.

Clearly, reasonable stability of costs and prices cannot be preserved by any single policy or measure, nor by Government acting alone. To achieve the goal of inflation-free, sustainable growth requires that we adopt appropriate policies and modify certain practices in both the public and private sectors of the economy. As noted in Chapter 1, every group in the Nation has a responsibility to help check the forces which contribute to increases in costs and prices. Although success depends on a combination of appropriate public and private policies and actions, Government must supply the required leadership and direction for its achievement.

A BALANCED 1960 BUDGET

The principal means by which Government can express leadership in the effort to preserve price stability is to conduct its own financial affairs prudently. The budget submitted to the Congress for the fiscal year 1960, which balances expenditures with receipts at a level of \$77 billion, seeks to fulfill this responsibility.

The expenditures estimated for fiscal 1960 are \$3.9 billion less than those estimated for the present fiscal year. A few items account for most of this difference. First, an important part is accounted for by a nonrecurring expenditure of about \$1.4 billion for the increased quota of the United States in the International Monetary Fund, which is recommended for the fiscal year 1959.

Second, during the current fiscal year the Federal National Mortgage Association will purchase most of the mortgages for which commitments were made under the housing legislation enacted in April 1958. Net purchases of mortgages under this special assistance program in fiscal 1960 will be about \$360 million less than in fiscal 1959.

Third, all the budget transactions in 1960 of the Federal National Mortgage Association, and those of the Export-Import Bank as well, are being put on a self-sustaining basis by aligning new credit extensions more closely with collections on outstanding credits and by sales of portfolio assets. The resulting reduction in net budget expenditures between 1959 and 1960 will be over \$300 million for the Federal National Mortgage Association and almost \$250 million for the Export-Import Bank.

Fourth, the expiration on April 1, 1959 of the law providing for a temporary extension of the duration of unemployment compensation payments will result in a decrease of over \$400 million in expenditures in the fiscal year 1960.

Fifth, the termination of the acreage reserve will reduce expenditures in the fiscal year 1960 by more than \$700 million, although a partially offsetting increase will occur in the conservation reserve program.

Sixth, proposals will be made for rate adjustments to cover the costs of operating the postal establishment, except for specified public services; these proposals will lower budget expenditures by \$350 million. This reduction, together with nonrecurring items affecting budget expenditures in the fiscal year 1959—retroactive pay increases and higher payments for transportation—account for the decrease of the postal deficit by \$645 million in the fiscal year 1960.

Seventh, the funding of retroactive pay increases to Federal civilian employees, apart from the payments to postal employees mentioned above, added some \$250 million to expenditures. These payments were made mainly in the fiscal year 1959 and do not recur in the new fiscal year.

Finally, expenditures of other Federal departments and agencies will be reduced, to the extent that this is consistent with the satisfactory performance of their respective responsibilities.

Although the projected expenditures are lower in the aggregate, they include increased outlays for many programs that support the growth of our economy and assist growth elsewhere in the Free World. Outlays for research and development will be increased over \$600 million, with emphasis on space exploration, peaceful as well as military uses of atomic energy, and basic science. Federal expenditures to improve education, especially in science and mathematics, will rise significantly. Federal expenditures for the conservation and development of land and water resources (including agricultural) will rise almost \$200 million. All Federal expenditures for civil public works—including grants to States, mainly from the Highway Trust Fund—will be increased \$700 million; at \$5.2 billion, they will be higher than ever before. Larger expenditures are estimated for other grants and long-term loans to foster community development. Expenditures by the Federal Aviation Agency, primarily for the construction and operation of new facilities for the Federal airways system, will increase almost \$100 million. Programs will be proposed for assistance to areas where unemployment that is considerably above the national average persists, and for grants to localities for the modernization of airports; however, the latter will not affect expenditures until after the fiscal year 1960. Higher expenditures are expected for economic and technical cooperation under the Mutual Security Program, but because of a reduction in the military assistance portion, expenditures for this Program as a whole will be decreased.

The revenues projected in the 1960 budget are substantially higher than those estimated for the current fiscal year, reflecting the confident expectation that economic recovery will be extended into the calendar year 1959 and beyond.

Certain actions by the Congress are needed to give effect to the 1960 financial plan. First, changes are required in the laws affecting Federal revenues: the corporate income tax and excise taxes on automobiles and parts, cigarettes, distilled spirits, and wines and beer should be continued at their present levels for one year beyond June 30, 1959; a temporary increase in the Federal motor fuel tax should be enacted to continue construction of the Interstate Highway System on a self-sustaining basis; the tax on aviation gasoline should be raised, and a similar rate for jet fuels, now tax free, should be enacted, to help pay the Federal cost of operating the airways; and a revision in postal rates should be authorized. The Congress has been requested to enact a permanent plan for the taxation of life insurance companies, and it will be asked to adjust present laws relating to the taxation of cooperatives. The Congress will also be requested to specify the treatment processes which shall be considered as mining for the purpose of computing percentage depletion allowances in the case of mineral products. This amendment, prompted by court decisions and similar to that recommended last year for cement and clay products, would prevent an unintended

extension of depletion allowances to the sales price of finished products. Recommendations will also be made for certain additional user charges.

Second, the Congress will be requested to grant wider administrative authority for setting maximum interest rates for various credit programs and to make certain adjustments in rates. These include the Veterans Administration programs of home loan guaranties and direct home loans, the rental (including armed services) and cooperative housing programs of the Federal Housing Administration (Sections 207, 803, and 213 of the National Housing Act), the college housing program of the Housing and Home Finance Agency, the loan program of the Rural Electrification Administration, and ship mortgage loans of the Maritime Administration. The flow of private funds into home construction and other types of building is restricted when market interest rates are high relative to the legally prescribed ceiling rates; as a result, the volume of construction is restricted and an increased part of its financing is shifted to the Federal Government.

Third, improvements are needed in the procedures by which appropriation bills are enacted into law. The Congress will be requested to grant the President authority to veto, or reduce the amounts for, specific items in appropriation bills and in other bills authorizing expenditures.

OTHER GOVERNMENTAL FINANCIAL POLICIES

Acceptance by the Congress of the expenditure level of the 1960 budget would be the most important single step in discharging Government's responsibility to help preserve the stability of prices and costs through prudent management of its own financial affairs. Moreover, adherence to the proposed expenditure program would provide an opportunity, as budgetary results improve with economic recovery, to promote economic growth by making a start on constructive tax reduction and reform. The growth of the American economy was significantly aided by the 1954 tax changes. But our tax burden remains heavy, and in important respects Federal taxes are levied in ways that tend to weaken the incentives on which we mainly rely for vigorous economic expansion. If our economy grows at the expected rate, and if Government spending is held within the limits set in the proposed budget, a significant additional step in tax reduction and reform can be taken in the reasonably foreseeable future.

Federal debt management policies are also pertinent to the achievement of sustainable economic growth without inflation. In the formulation of these policies, account must be taken of the necessarily far-reaching impact on the economy of the continual refinancing of large parts of the present debt of \$283 billion, of which \$228.5 billion is held by the public. The magnitude of this refinancing problem is indicated by the fact that \$49 billion of the marketable debt outstanding at the end of 1958, exclusive of \$24 billion of 13- and 26-week Treasury bills, will mature in 1959. This

is in addition to the cash borrowing in the market required by seasonal needs and by the redemption of nonmarketable debt.

Insofar as possible, financial requirements will be met in ways designed to reduce the frequency of Treasury issues and to improve the structure of the debt. By offering securities which are attractive to investors outside the banks, particularly to savings institutions, pension funds, individuals, and other long-term investors, the Treasury can avoid undue reliance on bank credit and thus assist, rather than interfere with, the exercise of monetary policies appropriate to the maintenance of sustainable economic growth and price stability. The 4 percent bonds due in 1980 that were announced in January 1959 are an example of such offerings.

As indicated in Chapter 2, a large part of the financing of the 1959 deficit had already been completed by the end of the calendar year 1958 without impairing the effectiveness of monetary policy. Completion of needed financing will bring the public debt to \$285 billion before June 30, 1959, and it will be necessary to renew the request made of the Congress last summer for a permanent debt limit of \$285 billion—\$2 billion higher than at present. Adherence to the 1960 financial plan and receipt of revenues as expected would obviate the need for a larger increase in the permanent debt limit. But a temporary increase of an additional amount will be needed to cover heavy borrowing requirements in the first half of the next fiscal year. These borrowings would be repaid, however, before June 30, 1960.

Finally, the maintenance of a framework of price stability requires the avoidance of excessive extension of credit. Responsibility for monetary and credit policies rests with the Federal Reserve authorities who have independent status within Government. However, to help coordinate the monetary and credit policies so determined with the economic and financial policies of the Executive Branch of Government, frequent meetings of principal officials have been held for the exchange of views. These meetings have proved useful and will be continued.

ADDITIONAL GOVERNMENTAL ACTIONS TO MAINTAIN PRICE STABILITY

Adherence to the financial plan presented in the 1960 budget and the pursuit of appropriate monetary, credit, and debt management policies would help attain rising production and employment at stable prices. Governmental actions in other areas can also help to maintain price stability as our economy expands.

First, the Congress is requested to amend the Employment Act of 1946 to make reasonable price stability an explicit goal of Federal economic policy, coordinate with the goals of maximum production, employment, and purchasing power now specified in that Act. Such an amendment would strengthen Government's hand in restraining inflationary forces and would

help build a public opinion favorable to the adoption and vigorous application of needed measures. This amendment would make it clear that Government is as determined to direct its policies toward maintenance of price stability as it is to employ them in combating economic contraction.

Second, a Cabinet Committee on Price Stability for Economic Growth is being established to follow governmental and private activities affecting costs, prices, and economic growth; initiate studies by Government or by groups of private citizens of price stability in relation to economic growth; seek ways to enhance productivity in the American economy and to build a better public understanding of the need for reasonable price stability in a free society and of the conditions necessary to achieve this objective.

Third, a Committee on Government Activities Affecting Prices and Costs is being established, to follow the operation of all relevant Federal programs, including those involving procurement, construction, stockpiling, and commodity price support, and to make recommendations to the appropriate departments or agencies or to the President for the administration of these programs in line with the objective of reasonable price stability.

Fourth, questions concerning the level and movement of consumer prices, changes in wage rates and earnings, and changes in productivity have assumed such significance in our economy as to require more and better statistics concerning them. Accordingly, the Bureau of the Budget has been requested to accelerate programs for enlargement and improvement of public information on prices, wages and related costs, and productivity.

ADDITIONAL MEASURES FOR ECONOMIC GROWTH

The Federal policies and actions outlined above will do much to assure a vigorous growth of our economy, free from inflation. However, additional measures should be taken by Government to promote the Nation's economic strength and well-being.

Competition

The vitality of our economic system depends in large part on vigorous competition, which would be enhanced by certain improvements in our antitrust laws. The Congress is urged to act favorably on five proposals, as follows: to authorize Federal regulation of the merger of banking institutions accomplished through the acquisition of assets; to require notification to the antitrust agencies when firms of significant size that are engaged in interstate commerce propose to merge; to grant the Attorney General power to issue civil investigative demands under which the necessary facts may be elicited when civil procedures are contemplated in antitrust cases; to make cease-and-desist orders issued by the Federal Trade Commission for violations of the Clayton Act final unless appealed to the courts; and to authorize the Federal Trade Commission to seek preliminary injunctions in merger cases where a violation of law is likely.

Small Business

Legislative actions taken last year will greatly enlarge the opportunities for the formation of new businesses and yield important benefits to existing small concerns and to the economy generally. To facilitate the access of small business concerns to capital and credit, the Small Business Administration was made permanent; its loan authorization was substantially increased; and it was authorized to help State and local development companies extend financial and other aids to small businesses, and to license and purchase the obligations of investment companies especially organized to provide capital on a long-term debt and equity basis to small businesses.

Small concerns may also be expected to benefit from certain changes in the tax laws enacted by the last Congress. These include ordinary-loss rather than capital-loss treatment for losses incurred on the investment of private funds in small business investment companies; similar treatment of losses incurred by small business investment companies or by an original investor in a small business concern (up to a limited amount); allowance to small business investment companies of a 100 percent tax deduction for intercorporate dividends received, rather than the 85 percent generally permitted; provision of an additional depreciation allowance for the acquisition of new and used tangible personal property; the option for certain small corporations of having their profits taxed directly, as if they were partnerships; the option to pay estate taxes over a period of up to 10 years, where the estate consists largely of investments in closely held business concerns; extension of the carryback of net operating losses from two to three years; and an increase, from \$60,000 to \$100,000, in the minimum accumulated earnings credit.

Other steps taken in 1958 include an Act to improve the opportunities of small business concerns in obtaining Government procurement contracts, and a new program of the Small Business Administration to facilitate the sharing by small companies in Government research and development contracts.

The Cabinet Committee on Small Business, which was established in 1956, continues to follow closely the position of small firms in the economy. A recommendation made by the Committee in its *Second Progress Report* is called to the attention of the Congress for favorable action, namely that the Securities and Exchange Act be amended to extend the privilege of the simplified Regulation A filings to a wider range of security issues.

Although significant benefits for small business concerns may be expected from the actions already taken and from those proposed, the long-run health of small concerns also requires an environment of satisfactory labor-management relations and opportunities to retain a larger share of business earnings. The first of these conditions would be advanced by enactment of the proposals made below for changes in legislation governing labor-management relations. The second would be advanced by adherence to the expenditure level proposed in the budget for the fiscal year 1960, which

would bring closer the time when additional steps can be taken to make our tax system more conducive to economic growth.

Personal Welfare

Substantial progress has been made by the States in recent years in raising the standards of the unemployment insurance system. Benefits have been increased and their potential duration lengthened. Coverage has been broadened to include more than four-fifths of all employees in nonagricultural establishments.

Still further improvements are necessary and desirable. Enactment of legislation is requested to provide for extending the coverage of the system to employees of firms having fewer than four workers; to make its benefits available to employees of Federal instrumentalities, nonprofit organizations, and certain other groups; to bring the provisions of the District of Columbia system up to those recommended for the States; and to provide for extending the system to workers in Puerto Rico. Benefits should be raised so that the majority of covered workers will be eligible for payments equal to at least half their regular earnings; and the maximum duration of benefits should be lengthened to 26 weeks for any person who qualifies for any benefit and who remains unemployed that long.

These steps would greatly enhance the contribution that the unemployment compensation system makes to our economy's capacity to resist recession. During the recent recession, this system offset directly about one-third of the decline in wage and salary payments. Supplemented by temporary legislation providing longer duration of eligibility for employees who exhausted their entitlement to benefits, unemployment insurance payments substantially alleviated hardships arising from loss of income.

In an industrial economy, occupational accidents may result in hardship for an employee and his dependents. It is therefore again recommended that the States, which have primary responsibility, strengthen their systems of workmen's compensation.

Certain legislative improvements are required in programs that lie within Federal jurisdiction. Proposals will be made to the Congress to extend the coverage of the Fair Labor Standards Act. Favorable consideration is again requested for legislation to revise the ambiguous and outmoded provisions of the 8-hour laws applying to Federal and federally assisted construction projects and to carry out the principle of equal pay for equal work without discrimination based on sex.

The Economic Report of 1958 outlined the responsibility of the Government to maintain a framework of laws to protect the basic rights of the individual, to promote integrity in labor-management relationships, and to foster better industrial relations. Proposed legislation to accomplish these purposes having failed of enactment, the Congress will again be requested to require reporting and disclosure of financial dealings between employers and employee representatives and their agents, and to

require public reports of union finances, organization, and procedures. Requested legislation will also prescribe standards to promote democratic procedures in union affairs, including the election of union officers, and to correct abuses in the supervision of the affairs of subordinate bodies. Modifications will be proposed in the law governing secondary boycotts, organizational and recognition picketing, and representation elections, and authority will be requested for the States to act in labor-management disputes where the National Labor Relations Board declines jurisdiction. Legislation will also be requested to correct shortcomings in the Welfare and Pension Plans Disclosure Act enacted by the 85th Congress.

Area Assistance

Despite the forward economic strides of the Nation since the war, some communities have suffered substantial and persistent unemployment, when measured against national experience. Federal assistance to these communities is required not only to mitigate the hardships of individuals and families but also to provide for the use of underutilized resources, to the enhancement of the national welfare.

A program of assistance through development loans and through grants for technical studies will be recommended to the Congress in order that these communities may share in the general economic advance. By design and administration, the program would seek to complement and reinforce community efforts to help themselves, to encourage maximum participation by State and local agencies and private investment institutions, and to create new job opportunities instead of merely transferring jobs from one locality to another.

The program would also provide technical aid to towns heavily dependent on a major industry and to rural low-income areas, to help them achieve greater economic stability through diversification.

Agriculture

Recommendations will be made to the Congress by the Executive with a view to reducing the cost of price stabilization operations, stopping the increase of surplus stocks, and making progress in the reduction of accumulated supplies. Major revisions are overdue in the legislation relating to these agricultural programs. In their present form, these statutes have the effect of adding many billions of dollars annually to the Federal budget. Net budget expenditures for agricultural price and income support increased from an annual average of \$3.5 billion during the fiscal years 1955–58 to an estimated \$5.4 billion in the fiscal year 1959.

What is more, experience has demonstrated that it is very difficult to foretell reliably how much the Federal Government will be required to expend in a given fiscal period under what are essentially open-end commitments for price support, a fact that greatly complicates the management of the Federal Government's fiscal affairs.

Even these large expenditures have not brought farm output into line with commercial demands at home and abroad while maintaining and stabilizing farm income. Ever since the Korean conflict, the aggregate output of our farms has exceeded these demands by substantial amounts. Steps taken to reduce surpluses while protecting farm incomes—Commodity Credit Corporation support of prices at slightly declining minimum levels, retirement of acreage from cultivation, and large exports under loan or subsidy arrangements—have not succeeded in preventing an increase in surplus stocks. By June 30, 1959, there will be a record carryover of 1.3 billion bushels of wheat, the equivalent of more than 2 years of domestic requirements, and a carryover of 1.8 billion bushels of corn. Stocks of cotton remain excessive; stocks of tobacco and rice are large; and if it were not for the surplus disposal program, stocks of dairy products and of fats and oils would be high.

The investment of the Commodity Credit Corporation in price supported commodities is expected to rise to more than \$9 billion by June 30, 1959, and to almost \$10.5 billion by June 30, 1960. To carry out existing commitments on price support activities will probably require use of most of the Corporation's borrowing authority of \$14.5 billion. Expenditures of the Federal Government for storage, transportation, and interest on these surplus holdings are estimated at \$850 million for the fiscal year 1959 and at \$1.2 billion for the fiscal year 1960.

The recent sharp increase in the cost of our agricultural programs is due in part to exceptionally favorable crop conditions in 1958. But a major part of the increase is due to the programs themselves. These are not properly adjusted to the rapidity with which farm technology is improving. Remedial legislation should be enacted without delay. Even though action taken at this time can become effective only in the fiscal year 1961, steps to bring the price stabilization expenditures of the Federal Government under control and to reduce them materially are urgently needed.

Actually, the majority of farm people derive little or no benefit from our agricultural price support legislation. Cattle ranchers, producers of poultry and eggs, and growers of fruits and vegetables operate their farms today practically without price supports. Only some 1.5 million of our commercial farmers are the recipients of price support outlays in any material amounts, and, within this group, those with the higher incomes are the main beneficiaries. More than 2.5 million farmers—whose annual sales are less than \$2,500 and who produce each year only about 9 percent of our marketed farm products—receive only very small supplements, or none at all, to their incomes from Government expenditures for price support.

Foreign Economic Policy

Next to maintaining the mutual security of the Free World, the chief concern of the United States in its foreign economic policy is to promote conditions favorable to the exchange of goods, services, technology, and

capital among nations, and to assist in economic growth and development. The efforts to rebuild and expand the economy of Western Europe and Japan, to which we have contributed so much, have met with remarkable success. We can now look forward to increasingly effective participation by the industrial nations of Europe in the task of supplying credit and investment capital, along with goods and services, to the less developed areas of the world.

The United States will continue to share with friendly nations its advanced technology and the achievements of its scientific research in public health, resource development, agriculture, industry, and commerce. This policy will be continued through our technical assistance programs, as well as through international agencies.

The impressive gains of the European economies have been accompanied by efforts at removing hindrances to foreign trade. At the end of 1958, the leading European countries made their currencies convertible for non-residents. Simultaneously, the European Payments Union was replaced by the European Monetary Agreement, which had been prepared by the Organization for European Economic Cooperation several years earlier, to become effective when currency convertibility measures were taken. Although these countries have not given up their foreign exchange control, their step implies the intention of proceeding further with the removal of discriminatory controls and other import restrictions, beyond the liberalization measures adopted in recent months by the United Kingdom, France, and others.

The European Economic Community of six continental countries, which came into existence on January 1, 1958, has lowered duties by 10 percent and liberalized quota restrictions as a first move in connection with the development of its common market. Some of these concessions have been extended to other countries.

The United States is favorably disposed toward such regional reduction and eventual elimination of trade barriers; but as a signatory to the General Agreement on Tariffs and Trade, it insists on the principle that such regional arrangements must lead to the creation of more favorable trade relations with other countries. The new authority provided by the Congress last year by the four-year extension of the Trade Agreements Act will be used in further efforts to reduce trade barriers on a reciprocal basis, and the enlarged loan authority of the Export-Import Bank will promote United States exports as well as contribute to economic growth abroad.

The increasing participation of other industrial countries in financing the flow of trade and the development of industrially retarded countries is reassuring and welcome, inasmuch as additional economic resources are thus brought into action. However, the task of financing sound and sustainable economic development in large areas of Latin America, Africa, and Asia is of such scope and urgency that it requires joint efforts. In this connec-

tion, the Government of the United States, together with other members of the International Monetary Fund and the International Bank for Reconstruction and Development, is proposing that the resources of those institutions be enlarged. Special legislation will be proposed to the Congress.

The United States is exploring the feasibility of cooperating with other countries in their efforts to establish regional agreements on freer trade and economic development. An inter-American development banking institution is under consideration. The United States has also expressed its readiness to support a regional Arab development institution, should the Arab states desire it and support it with their own capital. Also under study is an International Development Association, which would be affiliated with the International Bank for Reconstruction and Development and would extend to less developed countries loans repayable wholly or partially in the currency of the borrowing country. Requests for authorizations for some of these programs will be submitted in due time to the Congress.

The Development Loan Fund, which began in 1958 to extend loans for economic growth in less developed countries, needs additional obligational authority.

Authorization for sales of surplus agricultural commodities for foreign currency under Title I of Public Law 480 and for the donation of such commodities for famine relief and other assistance under Title II expires December 31, 1959. In view of the continued existence of heavy surpluses of farm products and the desirability of using such stocks constructively, the authority should be extended.

CONTINUING PROGRAMS FOR ECONOMIC GROWTH AND IMPROVEMENT

The need for new programs or for legislative changes in those already in existence should not cause us to neglect the contributions to economic improvement that are made by continuing programs that return to the attention of the Congress only with respect to the amount of funds they annually require or for occasional legislative revision.

Under the 1960 budget, the Federal Government will continue activities which will strengthen the Nation in health, education, scientific development, transportation, and other important areas. The Federal Government's efforts will, of course, be supplemented by the efforts of State and local governments and by countless private undertakings. This blend of public and private action will enable us to take full advantage of the opportunities that lie before us for an improvement in the level of living.

Nowhere are these opportunities more plainly registered than in recent Census Bureau projections of population growth, which has proved a sure avenue of economic progress in American circumstances. The lowest of these new projections indicates a rise to 202.5 million persons by 1970, from the present 175 million; the highest, a rise to 219.5 million. The corresponding estimates for 1975 are 215.8 million and 243.9 million.

Projections for selected age groups suggest the magnitude of the developing demand for schooling. By mid-1962, children of elementary school age (5–13 years) should number about 34.5 million, 3.3 million more than the corresponding total for mid-1958; and the annual growth of this group may exceed 1 million during the remainder of the 1960's. The number of children of high school age (14–17 years), which was about 10.6 million in mid-1958, may increase to 12.9 million by mid-1962 and to 15.9 million by mid-1970. By 1962, the number of college-age persons (18–21) may be about 10.7 million; in 1975, about 16.3 million, or twice the 1957 figure.

Education

To discharge fully their traditional obligation to the younger generation, State and local governments will obviously have to increase their efforts greatly to provide needed school buildings, equipment, and teachers, particularly for secondary education. State and private institutions will have to do likewise to accommodate greater numbers of college and graduate students.

In the areas of secondary and higher education, additional support is being requested for the science and education programs administered by the National Science Foundation and the Department of Health, Education, and Welfare. Projected expenditures of the first of these agencies for science education during the fiscal year 1960 are almost one-fifth greater than the estimated expenditures for 1959 and four times the 1958 outlay. The increased expenditures would be made for graduate and faculty fellowships and for training high school and college teachers of science and mathematics.

Further Federal assistance to secondary and higher education is provided under the National Defense Education Act of 1958, through contributions to student loan funds; matching grants to States for equipment needed in teaching science, mathematics, and foreign languages; fellowships for graduate study; grants to States for guidance, counseling, and testing services; and support of training programs for foreign language teachers. Two other important features of the Act are the authorization of Federal financial assistance to States for improving educational statistics, and the authorization of a unit in the Federal Government to provide or arrange for abstracting, translating, and other services to improve the distribution of scientific information.

Personal Security and Health

Programs designed to enhance personal security also contribute to the Nation's economic strength and well-being. Protection from want in old age, for families losing breadwinners, and for persons permanently disabled is afforded by the Federal Social Security system. Broadening of the coverage of the Old Age, Survivors, and Disability Insurance program in recent years to nearly 90 percent of all persons in paid employment, together with

the normal increase in the number of persons eligible for benefits, has increased benefit payments from \$5.7 billion in 1956 to \$7.3 billion in 1957, and to an annual rate of \$8.9 billion at the end of 1958. The increase in 1958 played an important role in helping to maintain the flow of incomes during recession. Benefits are currently being paid to more than 12 million persons, and the average monthly benefit for old age is approximately \$66. Amendments adopted in 1958 increased benefit amounts, which had been practically unchanged since 1954, by 7 percent, effective in January 1959. Taxes were also increased in order to strengthen the actuarial basis of the program.

Federal contributions to State-operated public assistance programs in behalf of the aged, the blind, the disabled, and dependent children will continue to rise in fiscal year 1960. An Advisory Council authorized by recent legislation is studying the appropriate distribution of financial responsibility between the Federal Government and the States.

Through the Rural Development Program initiated in 1955 and carried forward through existing agencies under the guidance of an interagency committee of the Federal Government, efforts are being made to aid farm families most in need of assistance. The program now reaches more than 100 rural counties. Beneficial results in the form of increased job opportunities, improved farm practices, and higher standards of living are already evident.

In the area of health, sharply increasing outlays have been made in recent years for the medical research and training programs administered by the National Institutes of Health in the Department of Health, Education, and Welfare. Sizable funds have also been expended to assist the construction of hospitals and health research facilities. Expenditures will increase further in the fiscal year 1960. The budget also provides larger sums for the enforcement of the food and drug laws, including administration of the new chemical additives amendment enacted in 1958.

Construction and Transportation

The increase in population and changes in the location patterns of people and industry will require greater public and private investment in fields other than education. The formation of new families and the continuing movement from cities will require additional residential construction and places of worship and commercial and community facilities of all kinds, including utilities. Responsibility for these undertakings rests largely on private individuals and firms, but Government programs of loan insurance and guaranty make an important contribution to home construction. The effectiveness of these programs would be materially increased by favorable action on the proposals made to the Congress to grant greater discretionary authority to the Executive for determining maximum interest rates on certain insured, guaranteed, and direct loans. Other proposals for changes

in present laws affecting housing and home financing and the program of Federal assistance to urban renewal projects will be made to the Congress.

Construction of Federal-aid highways, which form a vital part of the network of roads connecting our cities, is increasing rapidly. The interstate highway program, enacted in 1956, authorizes construction of 41,000 miles of limited-access roads linking 90 percent of all cities with 50,000 or more inhabitants, as well as many smaller places along the way. The Federal share of the cost is financed out of revenues obtained from highway users. Proposals are being made to keep the program on this self-supporting basis. In the calendar year 1958, total capital outlays for Federal-aid and all other new highway construction reached \$6.2 billion, about \$600 million more than in 1957 and about three and one-half times the outlay of a decade ago. Still higher expenditures may be expected in the present calendar year and in several succeeding years.

Recent legislation will also strengthen the air, rail, and waterway components of the Nation's transportation system. A unified Federal Aviation Agency will allocate air space, develop and operate a common system of navigation facilities for civil and military aircraft, and make and enforce safety regulations for civilian aviation. The Transportation Act of 1958 and the repeal of Federal excise taxes on the transportation of property, also enacted last year, will help improve the physical and financial condition of the railroads.

The St. Lawrence Seaway, which will open in the spring, will provide deep water transportation almost half-way across the continent, reducing shipping costs and directly serving eight States that have almost two-fifths of the population and constitute the agricultural and industrial heart of the land. User tolls will make the Seaway, constructed with Federal funds in a joint venture with the Canadian Government, a self-liquidating project.

Water Projects and Mineral Exploration

Many public and private programs are improving the Nation's base of material resources. Water and related power projects under way will facilitate the economic development of the Western states. Federal expenditures for such projects are much higher than they were a few years ago, and further increases are expected in 1960 and 1961. Progress toward economical conversion of saline to fresh water by chemical and other techniques will be assisted by 1958 legislation for the construction of demonstration plants and by increased appropriations for the fiscal years 1959 and 1960. Other contributions to the resource base are envisaged. In 1958, legislation authorized a continuing program of assistance to minerals exploration. The Congress is requested to enact a long-range program for conservation of the Nation's supply of helium gas, encouraging maximum private participation in, and financing of, this endeavor.

Research and Development

The Nation's technological base is being strengthened by Government programs in support of scientific research and development. Many of these programs, though undertaken initially or primarily to maintain the Nation's military might, contribute increasingly to peaceful technology. Thus, the billions of dollars spent annually for military research and development are extending the horizons of civilian industry, providing experience for professional and other skilled workers, and expanding private opportunities for investment in new materials, processes, and products.

The benefits to be derived from research and development activities can be enhanced by closer working relations between Government and private interests. Large companies and universities already participate extensively in Government contract or Government-supported research, supplementing the substantial endeavors conducted on their own account. The research capabilities of small companies are necessarily limited, but many small firms have formal programs under way and some have achieved notable success. Explicit provision for the encouragement of research—direct and Government contract—by small businesses was made in the 1958 revision of the Small Business Act.

Most current research and development activity involves the useful application of known principles rather than the search for new avenues of fundamental advance. Greater attention can appropriately be given by private enterprise to the advantages obtainable from basic research. Meanwhile, Government expenditures for basic research are rising. For all agencies, they will amount to about \$500 million in the fiscal year 1960. In the same year, expenditures by the National Science Foundation for basic research will be about one-third above the figure for 1959 and more than double that for 1958.

In the field of atomic energy, important strides have been taken toward the adaptation of military technology to peaceful uses. A full-scale prototype atomic power reactor was operated in 1958, and other plants, of commercial size, are being planned and built under cooperative industry-Government arrangements. The wider industrial, agricultural, and medical use of radioisotopes and radiation sources is being stimulated. Incentives are being provided to private organizations for the commercial undertaking of activities heretofore performed only by the Government. Technical and financial assistance is being given to the European Atomic Energy Community, and through bilateral agreements to separate nations, in the development of power reactors and provision of small-scale reactors for research and training. Other efforts are being made through the International Atomic Energy Agency and through diplomatic negotiations to realize more fully for the world the peaceful possibilities inherent in nuclear fission. And progress is being made in cooperative international research on the generation of electric power by the controlled release of fusion energy—a project which, if successful, promises great benefits to mankind.

Appendix A

**SUMMARY OF RECOMMENDATIONS IN
THE ECONOMIC REPORT OF
THE PRESIDENT**

Summary of Recommendations in the Economic Report of the President

I. GOVERNMENT FINANCIAL POLICIES

- a) Continue for one year beyond June 30, 1959, the present tax rate on corporate income and the excise taxes on automobiles and parts, cigarettes, distilled spirits, and wines and beer. [Page 50]
- b) Increase temporarily the Federal tax on motor fuels, raise the tax on aviation gasoline, and impose a similar tax on jet fuels. [Page 50]
- c) Authorize a revision in postal rates. [Page 50]
- d) Enact a permanent plan for the taxation of life insurance companies and adjust the present laws relating to the taxation of cooperatives. [Page 50]
- e) Specify the treatment processes which shall be considered as mining for the purpose of computing percentage depletion allowances in the case of mineral products. [Page 50]
- f) Grant wider administrative authority in setting interest rates and make certain adjustments in rates for various credit programs, as follows: Veterans Administration programs of guaranteed and direct home loans; Federal Housing Administration programs of rental (including armed services) and cooperative housing (Sections 207, 803, and 213 of the National Housing Act); the college housing program of the Housing and Home Finance Agency; the loan program of the Rural Electrification Administration; and the ship mortgage loan program of the Maritime Administration. [Page 51]
- g) Provide the President with authority to veto or reduce the amounts for specific items in appropriation bills and in other bills authorizing expenditures. [Page 51]
- h) Raise the permanent debt limit by \$2 billion, to \$285 billion, and authorize a further temporary increase for the fiscal year 1960. [Page 52]

II. MEASURES TO PROMOTE ECONOMIC GROWTH WITH PRICE STABILITY

- a) Amend the Employment Act of 1946 to make price stability an explicit goal of Federal economic policy. [Page 52]
- b) Extend Federal regulation to bank mergers accomplished through the acquisition of assets. [Page 53]
- c) Require notification to the antitrust agencies of proposed mergers by businesses of significant size engaged in interstate commerce. [Page 53]

- d) Empower the Attorney General to issue civil investigative demands in antitrust cases when civil procedures are contemplated. [Page 53]
- e) Make Federal Trade Commission cease-and-desist orders final when issued for violations of the Clayton Act, unless appealed to the courts. [Page 53]
- f) Authorize the Federal Trade Commission to seek preliminary injunctions in merger cases where a violation of law is likely. [Page 53]
- g) Amend the Securities and Exchange Act to extend the privilege of Regulation A filings to a wider range of security issues. [Page 54]
- h) Enact a program that will provide assistance, through development loans and grants for technical studies, to communities that have suffered substantial and persistent unemployment; and technical aid for the diversification of rural low-income areas and of towns heavily dependent on a major industry. [Page 56]
- i) Enact a long-range program to conserve helium gas. [Page 62]

III. PERSONAL WELFARE

- a) Provide for extending the coverage of the Federal-State unemployment insurance system to employees of firms having fewer than four workers, to employees of Federal instrumentalities, nonprofit organizations and certain other groups, and to workers in Puerto Rico. [Page 55]
- b) Bring the provisions of the District of Columbia unemployment insurance system up to the standards recommended for the States. [Page 55]
- c) Strengthen State systems of workmen's compensation. (State responsibility.) [Page 55]
- d) Extend the coverage of the Fair Labor Standards Act. [Page 55]
- e) Improve the 8-hour laws applicable to Federal and federally assisted construction projects. [Page 55]
- f) Carry out the principle of equal pay for equal work without discrimination based on sex. [Page 55]
- g) Require reporting and disclosure of financial dealings between employers and employee representatives and their agents, and the filing of public reports on the status of union finances, organization, and procedures. [Pages 55-56]
- h) Prescribe standards to promote democratic procedures in union affairs. [Page 56]
- i) Modify the law governing secondary boycotts, organizational and recognition picketing, and representation elections; and provide that States be given jurisdiction in labor-management disputes where the National Labor Relations Board declines to exercise authority. [Page 56]
- j) Correct shortcomings in the Welfare and Pension Plans Disclosure Act. [Page 56]

IV. FOREIGN ECONOMIC POLICY

- a) Enlarge the resources of the International Monetary Fund and the International Bank for Reconstruction and Development. [Pages 58–59]
- b) Provide additional authorization for the Development Loan Fund. [Page 59]
- c) Extend the authority for sales of surplus agricultural commodities for foreign currencies and for the donation of such commodities for famine relief and other assistance. [Page 59]

Appendix B

**REPORT TO THE PRESIDENT ON THE
ACTIVITIES OF THE COUNCIL
OF ECONOMIC ADVISERS
DURING 1958**

Letter of Transmittal

DECEMBER 30, 1958.

The PRESIDENT.

SIR: The Council of Economic Advisers submits this Annual Report for calendar year 1958 in accordance with the requirements of Congress, as set forth in Section 4 (d) of the Employment Act of 1946.

Respectfully,

RAYMOND J. SAULNIER, *Chairman.*

KARL BRANDT.

PAUL W. McCracken.

Report to the President on the Activities of the Council of Economic Advisers During 1958

The Council's attention in the early months of 1958 was focused largely on measures to help arrest the economic decline; after April, attention was directed increasingly to measures that would help promote a sound recovery in the economy and a high and sustainable rate of long-term expansion.

Through its Chairman, the Council kept the President informed of economic developments and their policy and program implications. The Chairman attended all Cabinet meetings and reported frequently to the Cabinet on economic developments and policy. The Chairman also attended, on direction of the President, all meetings of the National Security Council at which economic questions were discussed.

The Council was called upon frequently during the year to appraise proposals for legislative or administrative actions, with special regard to the effect they might have on the growth and stability of the economy. Through its membership on interdepartmental committees and task forces, and through frequent consultation with Government and private agencies, the Council participated in the formulation of policies affecting economic growth and stability. A Council member serves on the Council on Foreign Economic Policy and the Civil and Defense Mobilization Board. The Chairman of the Council is also Chairman of the Cabinet Committee on Small Business and serves on the President's Special Committee on Financial Policies for Postattack Operations. Council staff members serve on *ad hoc* committees of the latter committee. The Council conferred frequently with the State Department on foreign economic questions, and its senior staff economist on international economic matters attended most meetings of the National Advisory Council on International Monetary and Financial Problems.

The Council participated in a number of international meetings during the year and continued its cooperation with various international agencies. In April a member of the staff participated in the Thirteenth Plenary Session of the United Nations Economic Commission for Europe held in Geneva, Switzerland; and a member of the Council, accompanied by senior staff economists, attended two meetings under the auspices of the Organization for European Economic Cooperation (OEEC) in Paris. In July, the Council submitted a *Survey of Economic Developments in the United States* for the Annual Review of the OEEC; and in February, it submitted responses to the United Nations' annual questionnaire on eco-

conomic developments and policies. In December, a member of the Council staff participated in a meeting of the "Economic Experts" group of the OEEC, held in Paris. Two members of the staff met frequently with foreign groups studying in this country under the auspices of the International Cooperation Administration.

During the year, the Council met with representatives of business concerns, financial houses, and consumer organizations, and representatives of farm and other groups to discuss business conditions, the economic outlook, and policy questions relating to the economy's growth and stability. The Chairman participated in the semiannual meetings of the Business Advisory Council of the Department of Commerce, and a staff member attended meetings of the technical consultants to that body.

In accordance with the Employment Act, the Council assisted the President in the preparation of the annual Economic Report. This Report, which is transmitted to the Congress in January, reviews the economic developments of the past year, including the steps taken by Government to promote the economy's growth and stability; appraises the current position of the economy and the outlook for the year ahead; and makes recommendations to the Congress and suggestions to the States, local communities, and private groups for actions and policies to help achieve the goals set forth in the Employment Act. It also includes an extensive appendix of statistical information bearing on the United States economy.

Twenty-nine thousand copies of the January 1958 *Economic Report of the President* were published, of which half were sold to the public through the Superintendent of Documents. Copies were supplied to all members of the Congress and were made available to depository libraries throughout the country.

The Council also prepares *Economic Indicators*, a monthly compendium of current economic statistics. This widely used periodical is published by the Joint Economic Committee of the Congress. Like the *Economic Report of the President*, it is distributed to all members of the Congress and to depository libraries. An additional 6,500 copies of *Economic Indicators* go to paying subscribers.

Council Membership

The present members of the Council are Raymond J. Saulnier, Paul W. McCracken, and Karl Brandt.

Dr. Saulnier, Professor of Economics on leave from Barnard College, Columbia University, and from the National Bureau of Economic Research, where he is Director of the Financial Research Program, has served as a consultant to the Council from 1953 to 1955, as a member of the Council since April 1955, and as Chairman since December 1956.

Dr. McCracken, Professor of Business Conditions on leave from the School of Business Administration, University of Michigan, has served as

a member of the Council since December 1956 and previously as a member of the senior staff.

Dr. Brandt was designated a member of the Council, on an interim appointment basis, in November 1958. He is Professor of Agricultural Economics on leave from Stanford University, where he is Associate Director of the Food Research Institute. Dr. Brandt's name will be transmitted to the Senate for confirmation when the Congress convenes in January 1959.

Joseph S. Davis, Professor Emeritus of Stanford University and formerly Director of the Food Research Institute at that University, resigned his membership on the Council in October 1958. Dr. Davis had served as a member of the Council from May 2, 1955.

Council Staff

The Council has a staff of 29 persons, of whom 14 are senior economists and statisticians. Each senior staff member is assigned one or more areas for special attention, and cooperates with other Government agencies and with business, labor, and other private groups in analyzing and evaluating economic developments. Two of the members are on leave from university faculties; all others are permanent employees. Supplementing its full-time staff, several university economists serve the Council occasionally as consultants. The present members of the senior staff are Bernard S. Beckler, Henry W. Briefs (on leave, Georgetown University), Samuel L. Brown, Robert C. Colwell, Frances M. James, Marshall A. Kaplan, Hal B. Lary, David W. Lusher, John A. Schnittker (on leave, Kansas State College), Charles L. Schultze, Irving H. Siegel, Walter F. Stettner, Collis Stocking, and Charles A. Taff.

Advisory Board on Economic Growth and Stability

The Advisory Board on Economic Growth and Stability, which meets weekly under the Chairmanship of the Chairman of the Council, was established by the President in 1953 to advise with the Council on matters affecting the growth and stability of the economy. Present members of the Board are as follows:

Department of State—Thomas C. Mann, Assistant Secretary for Economic Affairs

Department of the Treasury—Julian B. Baird, Under Secretary

Department of Agriculture—True D. Morse, Under Secretary

Department of Commerce—Frederick H. Mueller, Under Secretary

Department of Labor—James T. O'Connell, Under Secretary

Department of Health, Education, and Welfare—Bertha Adkins, Under Secretary

Board of Governors of the Federal Reserve System—Abbot L. Mills, Member of the Board

Bureau of the Budget—Roger W. Jones, Deputy Director

Export-Import Bank of Washington—Samuel C. Waugh, President
The White House Office—Don Paarlberg, Special Assistant to the
President
Council of Economic Advisers—Raymond J. Saulnier, Chairman

Budget for Fiscal Year 1959

For the fiscal year 1959, the Congress appropriated \$375,000 for the Council's activities. A supplemental budget request for \$20,000 is being made to cover part of the cost of increased salaries due under the terms of the Federal Employees Salary Increase Act of 1958.

Appendix C

SOME MAJOR ECONOMIC DEVELOPMENTS
IN 1958

- I. Employment and Earnings**
 - II. Prices**
 - III. Agriculture**
 - IV. Financial Developments**
 - V. Government Finances**
 - VI. United States Foreign Trade and Payments**
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I. Employment and Earnings

Recession and recovery in 1957 and 1958 were clearly reflected in the Nation's labor markets. Employment declined sharply in late 1957 and early 1958. Recovery began in May and continued through the end of the year. Unemployment, which had increased to the highest levels since World War II, declined significantly after August 1958. Unemployment benefits, particularly in view of the longer duration of eligibility made possible by special temporary legislative action, played a major part in counteracting the reduction of wage income. Despite the fall of employment and the rise of unemployment, wage rates and hourly earnings continued to advance. Real weekly earnings declined through April, but recovered as the workweek was lengthened and as prices stabilized. Though infrequent for most of the year, labor disputes increased sharply in late autumn.

EMPLOYMENT

Total employment in nonagricultural establishments, as estimated from employers' payroll records, began to recede in August 1957, and by April 1958 it had fallen by 2.4 million, seasonally adjusted. Four-fifths of the reduction was in manufacturing, mining, and transportation, although these industries account for only two-fifths of nonfarm employment. The decline was halted in April, and employment began to rise moderately in May. The expansion continued to the end of the year, although delayed in October and November by labor disputes. In December, employment on nonfarm payrolls was 50.7 million, an increase of 700,000 from the April low figure.

Part of the decline of nonfarm payroll employment during the recession was due to less extensive dual jobholding and to reduced labor turnover, as well as to the fall in the number of employed persons. Monthly estimates of the Bureau of the Census based upon household sample surveys indicated a drop of 1.3 million from July 1957 to April 1958 in the number of persons having nonfarm wage and salary jobs as their primary activity, compared with a total reduction of 2.4 million estimated by the Bureau of Labor Statistics from employer payroll records. All of this difference cannot be accounted for, but part of it is doubtless due to the fact that persons holding two jobs, or moving from one job to another and therefore receiving pay from more than one employer, are counted only once in the household surveys but twice in the payroll records. The smaller decline of the Census estimates thus in part reflects the lessened dual jobholding and reduced labor turnover shown by other surveys.

Employment began to recede in several important industrial sectors before the general downturn in business that started after the middle of 1957. Moderate reductions commenced in the construction industry, in transportation, and in nondurable manufacturing as early as the middle of 1956, and in durable goods manufacturing after the end of that year. However, until mid-1957, these declines were more than offset by continued increases in nonmanufacturing sectors, especially in trade, in State and local government, and in financial and service industries. But in the late summer of 1957, reductions appeared in mining, communications, and trade, and the downward trend in employment in construction continued.

TABLE C-1.—*Changes in nonagricultural employment since December 1956*

[Thousands of persons, seasonally adjusted data]

Major industry group	Change		
	December 1956 to July 1957	July 1957 to April 1958	April 1958 to December 1958 ¹
Nonagricultural employment: ²	213	-2,410	682
Manufacturing.....	-217	-1,633	424
Durable goods.....	-157	-1,327	374
Ordnance and accessories.....	-6	-7	13
Lumber and wood products (except furniture).....	-29	-68	38
Furniture and fixtures.....	9	-40	18
Stone, clay, and glass products.....	-16	-48	29
Primary metal industries.....	-37	-252	82
Fabricated metal products (except ordnance, machinery, and transportation equipment).....	3	-143	49
Machinery (except electrical).....	-17	-244	-23
Electrical machinery.....	20	-157	56
Transportation equipment.....	-77	-302	98
Instruments and related products.....	-2	-26	7
Miscellaneous manufacturing industries.....	-5	-40	7
Nondurable goods.....	-60	-306	50
Food and kindred products.....	-39	-32	-22
Tobacco manufactures.....	-7	-1	-3
Textile-mill products.....	-11	-87	11
Apparel and other finished textile products.....	7	-69	31
Paper and allied products.....	-8	-19	3
Printing, publishing, and allied industries.....	-3	-4	-1
Chemicals and allied products.....	14	-30	-1
Products of petroleum and coal.....	-3	-9	-4
Rubber products.....	-4	-28	13
Leather and leather products.....	-6	-27	23
Mining.....	17	-105	-15
Contract construction.....	-70	-223	-74
Transportation and public utilities.....	-12	-273	-26
Transportation.....	-32	-241	10
Communication.....	14	-29	-36
Public utilities.....	6	-3	0
Wholesale and retail trade.....	122	-318	50
Wholesale trade.....	59	-77	-12
Retail trade.....	63	-241	62
Finance, insurance, and real estate.....	24	7	28
Service and miscellaneous.....	170	-43	94
Government.....	179	178	201
Federal.....	13	-58	62
State and local.....	166	236	139

¹ Based on preliminary data for December.

² See Table D-22, footnote 1, for type of workers included.

Source: Department of Labor.

By the fourth quarter, the contraction had become quite general, and it was accelerating in most manufacturing industries, with particularly sharp reductions in firms producing primary metals, transportation equipment, and machinery. Steeper declines took place in the first quarter of 1958 in transportation and in construction. In financial and service industries, on the other hand, the hitherto steadily rising employment trend merely leveled out for several months, and in State and local governments, the strong employment uptrend was completely unaffected by the recession (Table C-1).

Employment cutbacks were heaviest for hourly-rated production jobs in manufacturing industries. The number of such jobs declined by 1.5 million, or 12 percent, from July 1957 to April 1958, while "nonproduction" or salaried jobs declined by 100,000, or about 3 percent. The recovery of manufacturing employment since late spring has been due almost entirely to an expansion of production work; salaried employment has risen only slightly since that time.

The occupational groups in general civilian employment that were most affected by the recession were operatives and related workers, and craftsmen and foremen (Table C-2). The employment of professional and technical personnel, which has followed a strong upward trend in recent years, continued to increase, rising by 400,000, or around 7 percent, between 1957 and 1958.

Contraction of employment was very rapid in the early months of 1958, and was aggravated by especially unfavorable weather in February and March. Some signs of recovery appeared in April, however, as the number of jobs began to increase in construction and firmed in nondurable manufacturing. In late spring and summer, the recovery spread to durable goods manufacturing, trade, and service and financial enterprises, and by

TABLE C-2.—*Civilian employment, by major occupational group, 1947, 1957, and 1958*

[Thousands of persons 14 years of age and over]

Major occupational group	1947	1957	1958	Change, 1957 to 1958
Employment.....	57,843	65,016	63,907	-1,109
Professional, technical, and kindred workers.....	3,794	6,468	6,893	425
Farmers and farm managers.....	4,995	3,329	3,128	-201
Managers, officials, and proprietors, except farm....	5,795	6,703	6,727	24
Clerical and kindred workers.....	7,200	9,152	9,124	-28
Sales workers.....	3,394	4,128	4,105	-23
Craftsmen, foremen, and kindred workers.....	7,754	8,664	8,487	-177
Operatives and kindred workers.....	12,274	12,530	11,464	-1,066
Private household workers.....	1,730	2,098	2,210	112
Service workers, except private household.....	4,256	5,534	5,571	37
Farm laborers and foremen.....	3,124	2,730	2,529	-201
Laborers, except farm and mine.....	3,526	3,680	3,669	-11

Note.—Annual figures shown above are averages of data for January, April, July, and October, since data prior to 1958 are available only for these months. The data represent total employment of the civilian labor force and, therefore, include proprietors and self-employed persons. See *Current Population Reports*, Series P-57, No. 193, Table 15, for list of workers included in each group.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

August employment was expanding moderately in most of the principal sectors of the economy.

Extensive work stoppages in the automotive and other hard goods manufacturing industries retarded the increase of employment in the final quarter of the year. The number of employees involved in labor disputes, which had remained very low until September, rose abruptly to more than 500,000 late in that month, rose further to 525,000 in October, and was 300,000 in November. These stoppages substantially affected the recovery of employment in the final quarter of the year through their indirect effects on supplying industries, as well as by their immediate impact on the workers and firms directly involved.

Employment in agriculture, where trends are especially difficult to estimate over short periods, appears to have been unaffected by the recession. The Department of Agriculture estimates that total employment on farms was virtually unchanged in 1958. The Census Bureau, using different definitions and procedures, reports farm employment reduced by 6 percent from 1957 to 1958 (Tables D-17 and D-65).

UNEMPLOYMENT

Unemployment, which for two years had fluctuated narrowly around 2.8 million, or 4.2 percent of the civilian labor force, began to rise moderately, after adjustment for seasonal factors, in the third quarter of 1957. As employment fell more sharply toward the end of the year, and as the labor force continued to grow, unemployment increased more rapidly and in April 1958 exceeded 5 million. This high level of unemployment, seasonally adjusted, persisted until September, when substantial reductions began. By December 1958, unemployment had declined to 4.1 million, a seasonally adjusted rate of 6.1 percent of the labor force.

The 4.0 to 4.4 percent ratio of unemployment to the civilian labor force that prevailed from the summer of 1955 to the third quarter of 1957 was considerably higher than that which prevailed before the onset of the 1953-54 recession, and was somewhat higher than before the downturn in 1948. The reductions of employment in 1957 and early 1958 resulted, therefore, in rates of unemployment higher than those reached in the two prior recessions since World War II. However, both the recovery of employment and significant reductions of unemployment commenced relatively earlier than in 1949 or in 1954; in December, the rate of unemployment was not much different from that in the corresponding period of the 1948-50 recession and recovery, although still above the rate of the 1953-54 period.

A large part of the unemployed are a swiftly changing group, during recession as well as in more prosperous times. Although total unemployment rose steeply from December 1957 to April 1958, an average of a million or more previously jobless workers were able to find work each month. However, about three-fifths of those unemployed in any month

were still unemployed in the following month, and slower rates of hiring and rising layoffs rapidly increased the number of those out of work 15 weeks or more, from 490,000 at the outset of the recession to 1.9 million in April 1958. In September 1958, the recall of workers who had been laid off in manufacturing industries brought the first significant reduction of long-term unemployment. Substantial reductions, after allowance for seasonal factors, continued in the final months of the year.

Because the decline in unemployment was most severe in durable goods manufacturing and related industries, the impact upon the working population was quite uneven. Of the total increase of 2.4 million jobless persons from April 1957 to April 1958, by far the greater part were men, their numbers rising by 1.7 million, or 93 percent. Men from 20 to 34 years of age were especially affected, and the rate of unemployment for married men living with their families—that is, for those most likely to be strongly attached to the labor force—rose from 2.3 percent in July 1957 to a peak of 6.5 percent in March 1958. In the spring and summer, employment opportunities improved, and the rate of unemployment diminished for heads of families to 4.8 percent by the end of the year. Unemployment among women also rose substantially, but not to the same extent as among men.

Durable goods manufacturing industries accounted for about one-third of the total rise of the jobless, and rates of unemployment among durable goods workers reached 12 percent in April 1958; they were especially high in industries manufacturing primary metals and transportation equipment, rising to 13 percent and 14 percent, respectively. Large increases also occurred in the railroad industry, in mining, and in construction. Service industries, government, and public utilities were least affected.

The uneven effect of the recession on the different areas of the country is shown by the statistics of insured unemployment (Table C-3). By April 1958, rates of insured unemployment were 7 percent or more in New England, many of the Middle Atlantic and North Central States, and California, and were more than double the rates in the previous year. In Michigan, Ohio, and West Virginia, the rates had at least tripled. In several Southern and Western States, however, insured unemployment remained below 5 percent of covered employment. Of the Nation's 145 principal labor market areas, the number having "substantial labor surpluses" increased from 21 in July 1957 to 86 by July 1958 and then declined to 80 in November, according to surveys by the Bureau of Employment Security. However, reduced unemployment and an improved employment outlook were evident in 31 labor market areas during the second half of the year.

More than four-fifths of nonagricultural wage and salary workers are covered by the system of unemployment insurance. Consequently, benefit payments increased rapidly during the recession and partially compensated for the wage loss to the employee and his family. While the provisions of the unemployment insurance system still fall short of the President's recommendations, unemployment benefit payments rose from an annual rate

TABLE C-3.—*Insured unemployment under State and Federal employee programs, April 1957 and April 1958*

State	Insured unemployment ¹			Insured unemployment as percent of covered employment	
	Week ended April 13, 1957	Week ended April 12, 1958	Increase, 1957 to 1958 ²	Week ended April 13, 1957 ³	Week ended April 12, 1958 ⁴
	Thousands			Percent	
United States.....	1,486	3,353	1,877	3.7	8.1
Alabama.....	23	48	24	4.4	8.3
Arizona.....	6	13	7	3.1	6.4
Arkansas.....	19	30	11	7.1	11.2
California.....	125	325	200	3.5	8.6
Colorado.....	6	14	8	2.1	4.3
Connecticut.....	21	63	42	2.8	8.1
Delaware.....	3	7	4	2.4	5.5
District of Columbia.....	5	9	4	1.2	1.9
Florida.....	13	35	22	1.9	4.5
Georgia.....	27	52	25	3.6	6.7
Idaho.....	5	7	2	4.8	6.1
Illinois.....	68	178	110	2.5	6.4
Indiana.....	37	93	56	3.3	8.2
Iowa.....	10	17	6	2.5	3.8
Kansas.....	11	20	9	3.0	5.2
Kentucky.....	37	67	30	7.8	14.0
Louisiana.....	16	30	14	2.9	5.2
Maine.....	12	30	18	6.0	14.3
Maryland.....	14	48	34	2.0	6.5
Massachusetts.....	57	124	66	3.7	7.9
Michigan.....	87	297	210	4.5	15.2
Minnesota.....	35	57	22	5.4	8.6
Mississippi.....	17	24	6	7.3	9.2
Missouri.....	31	65	33	3.2	6.5
Montana.....	9	13	4	7.2	10.5
Nebraska.....	7	9	2	3.5	4.2
Nevada.....	3	6	4	3.8	9.0
New Hampshire.....	7	16	9	4.9	11.0
New Jersey.....	75	153	78	4.9	9.7
New Mexico.....	4	7	3	2.9	4.7
New York.....	184	399	215	3.8	7.8
North Carolina.....	46	68	22	5.6	7.9
North Dakota.....	4	6	2	6.3	8.3
Ohio.....	65	223	158	2.5	8.4
Oklahoma.....	14	28	15	3.6	6.9
Oregon.....	21	32	11	5.9	8.5
Pennsylvania.....	167	347	180	5.1	10.6
Rhode Island.....	19	27	8	7.6	10.6
South Carolina.....	15	24	9	3.9	5.7
South Dakota.....	3	3	1	3.7	4.0
Tennessee.....	39	62	23	6.1	9.2
Texas.....	34	80	46	2.0	4.4
Utah.....	5	11	6	2.7	5.6
Vermont.....	3	6	3	4.0	8.1
Virginia.....	12	32	20	1.8	4.4
Washington.....	28	52	23	4.5	8.1
West Virginia.....	13	52	39	3.7	13.6
Wisconsin.....	24	53	29	2.9	6.2
Wyoming.....	2	4	2	3.3	6.8

¹ Represents the number of unemployed workers covered by unemployment insurance programs who have completed at least 1 week of unemployment. Excludes territories.

² Based on unrounded data.

³ Based on average covered employment for 12 months ended June 1956.

⁴ Based on average covered employment for 12 months ended June 1957.

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

Source: Department of Labor.

(seasonally adjusted) of \$1.7 billion in July 1957 to \$4.3 billion in April 1958, thus directly offsetting nearly one-third of the decline in total wage and salary payments, and providing benefits for the laid-off employee averaging \$30 to \$37 per week in the principal industrial states. Private supplementary unemployment benefit plans, which raised the level of benefits for the unemployed in certain industries, also helped to maintain incomes.

As in earlier recessions, the number of beneficiaries exhausting their regular entitlement to benefits began to rise rapidly a few months after the onset of recession. Starting at 82,000 per month in September 1957, these exhaustions increased to a peak of 285,000 in July 1958. Legislation recommended by the President and enacted by the Congress provided, by means of agreements with the States, for the payment of benefits for additional periods to persons still unemployed who had exhausted their regular benefits. States participating in the program, or otherwise extending the duration of benefits, accounted for 70 percent of covered employment. Unemployed persons claiming benefits under this temporary program reached a maximum of 658,000 in August 1958, and then declined to less than 400,000 by the end of the year. Extended unemployment benefit payments amounted to approximately \$390 million during 1958.

The months of recession also affected other social security and public assistance programs, even though these are less closely related to employment trends than unemployment insurance. Total recipients of aid to dependent children increased more sharply than in previous years. Cases of "General Assistance"—relief provided from State and local funds where applicants are not eligible for federally assisted programs—also increased more in late 1957 and early 1958 than would be expected for seasonal reasons.

HOURS WORKED AND EARNINGS

The average workweek of production workers in manufacturing industries declined moderately during the first half of 1957, and sharply from September 1957 through February 1958. It then turned upward and advanced through the rest of the year. Gross average hourly earnings, which had leveled out at \$2.11 in the final months of 1957, remained practically unchanged through April 1958, but then rose at a quickening pace during the second half of the year, reaching \$2.19 in December. Hourly earnings, excluding premium pay for overtime, continued to rise throughout the year. Average weekly earnings, reflecting both changing hours and changing rates, declined from September 1957 to February 1958, but by June they had recovered all of their lost ground, and at \$88.04 in December were \$5.30 above earnings a year earlier. In terms of real purchasing power, weekly earnings continued to decline through April 1958, but recovered sharply by the end of the year, as the workweek was lengthened and as consumer prices stabilized.

The manufacturing workweek and the amount of overtime worked began to recede early in 1956 from the high levels of 1955, and declined

gradually until September 1957, when the contraction became sharper. The low point was reached in February 1958 when average hours of work were lower (seasonally adjusted) than at any time since World War II. An upturn occurred in March, before the beginning of the recovery of employment. This development is typical of periods of recovery. When demand improves, production is first increased by lengthening the work-week, and later by adding employees.

Reduced overtime tends somewhat to counteract, in recession periods, the continued rise of basic wage rates. In February 1958, when overtime had been minimized and the workweek was shortest, gross average hourly earnings in manufacturing were 2.4 percent above the level of February 1957, while average straight-time earnings were 3.5 percent higher. The continued rise in basic wage rates in 1958 is reflected in the index of hourly earnings excluding premium pay for overtime and adjusted for inter-industry shifts of employment (Table C-4).

Reduced hours of work and less overtime, and the continued rise of consumer prices, resulted in a persistent decline of real weekly earnings in 1957 and through April 1958, despite the rise of basic wage rates. However, this tendency was reversed by the increase in hours of work and by the tendency of prices to stabilize after the middle of 1958. By the end of the year, real weekly wages had recovered nearly all of the ground lost since the record rates of late 1956.

Pay rates of armed forces personnel, and of salaried civilian employees of the Federal Government, which had been unchanged since early in 1955, were increased by about 10 percent, on the average, during 1958. The increases were made retroactive to January 1958 for civilian employees,

TABLE C-4.—*Index of average hourly earnings, adjusted for overtime and inter-industry employment shifts, selected periods, 1948-58*¹

[1947-49=100]						
Month	1948	1949	1953	1954	1957	1958
January.....	97.4	105.4	128.2	134.3	151.3	158.4
February.....	98.2	105.3	128.8	134.2	151.7	158.7
March.....	98.1	105.5	129.1	134.4	152.4	159.2
April.....	98.4	105.9	129.4	134.5	152.6	159.6
May.....	99.4	105.9	129.8	135.0	153.1	160.1
June.....	100.5	106.2	130.4	135.0	154.0	160.4
July.....	102.1	106.5	131.4	135.1	154.5	161.1
August.....	103.2	106.1	131.4	134.8	155.1	160.9
September.....	104.5	106.4	133.3	136.3	155.5	161.6
October.....	104.4	105.8	132.6	136.3	156.4	² 161.4
November.....	104.8	106.2	133.3	136.4	157.2	² 162.9
December.....	104.8	106.5	133.5	136.3	157.6	(³)

¹ For production workers in manufacturing. See note below.

² Preliminary.

³ Not available.

NOTE.—Average hourly earnings of production workers in manufacturing are affected by changes in premium pay for overtime, by changes in the industrial composition of employment, and by other factors, as well as by general changes in hourly wage rates. This index excludes the effects of premium pay for overtime and of interindustry employment shifts, and better reflects the movements of wage rates. Employment weights for industries are based upon average 1954 production man-hours.

Sources: Department of Labor.

resulting in lump-sum cash payments of about \$332 million in June and July. In all, about 3.4 million persons are receiving higher salaries under this legislation, and the total rise of income amounts to about \$1.4 billion per year.

Farm wage rates, according to the index compiled by the Department of Agriculture, increased by about 3 percent between July 1957 and July 1958.

COLLECTIVE BARGAINING DEVELOPMENTS

Basic wage rates, established in major collective bargaining situations, continued to rise in 1958. As in 1957, the over-all average wage increase was about 12 cents an hour, and increases were negotiated or put into effect for 6.8 million workers—about 85 percent of those covered by major collective bargaining contracts (Table C-5). Improvements of supplementary benefits continued to characterize three out of every four settlements.

TABLE C-5.—*Distribution of employees receiving wage increases under major labor agreements, 1956-58*¹

Size of increase (cents per hour)	1956	1957	1958 ²
Employees receiving wage increases:			
Number (millions).....	7.5	7.6	6.8
	Percent		
Percentage distribution: Total.....	100	100	100
Under 5 cents.....	1	2	3
5 and under 9 cents.....	19	21	21
9 and under 13 cents.....	62	30	32
13 and under 17 cents.....	8	38	22
17 cents and over.....	7	5	19
Not specified or computed.....	3	2	2

¹ Includes cost of living, deferred, and newly negotiated wage increases received under collective bargaining situations affecting 1,000 or more employees and coming to the attention of the Department of Labor. Excludes construction, services, finance, and government.

² Preliminary.

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

Source: Department of Labor.

At the outset of 1958, about 3.3 million employees were covered by labor agreements providing for specified wage increases during the year, and in most cases for cost of living adjustments as well. In addition, at least one cost of living wage review was scheduled for about 1 million workers before expiration of their contracts in 1958. Employees in the steel, aluminum, meatpacking, and railroad industries received total increases ranging from 12 to 19 cents per hour, as a result of both deferred and escalator adjustments. Automobile workers received total increases of approximately 13 cents per hour in 1958 under both old and newly negotiated contracts. The continued advance of the consumer price index until August, and the record number—4 million—of employees with wages subject to cost of living escalator clauses, were major factors in the continued rise of wage rates.

Wage increases were negotiated for 3.5 million employees in 1958. Negotiated increases tended, on the whole, to be slightly smaller than in 1957, with 7 to 9 cents per hour being the most common, compared with 9 to 11 cents in 1956 and 1957. About 7 percent of workers affected by negotiations received no wage increase.

After delayed negotiations, three-year settlements in the automobile industry were concluded with major firms in September and October. Wage increases of 2.5 percent at 13-month intervals, extra increases for skilled employees, continued cost of living adjustments, and improvements of severance pay, pensions, and supplemental unemployment benefits were provided. An agreement reached in the coal mining industry in November increased wages by \$2 per day, effective in 1959, and provided higher vacation pay and other benefits.

II. Prices

Prices of most manufactured industrial goods in both retail and wholesale markets have been fairly stable over the last 18 months. On the other hand, prices of other types of goods—farm products, industrial raw materials, foods, and services—have changed by relatively large amounts, some fluctuating over a wide range and others rising steadily.

In wholesale markets, farm prices rose during most of the period of contraction, and then declined in the last nine months of 1958. Prices of industrial raw materials, on the other hand, moved in the opposite direction, falling as economic activity receded and rising during the recovery. Reflecting these offsetting price movements and the stability of prices of most manufactured goods, the wholesale price index has been roughly unchanged since mid-1957.

Prices of consumer services have continued to advance steadily; food prices rose sharply in early 1958, and despite some modest declines in recent months they have remained above 1957 levels. Together with higher prices for new and used automobiles, these developments accounted for almost all of the 2.6 percent increase in the consumer price index between July 1957 and November 1958.

FARM AND FOOD PRICES

Farm prices rose irregularly throughout 1956 and 1957 from the abnormally low levels of the winter of 1955–56, and the rise was accelerated in early 1958. During the first three months of 1958, wholesale prices of farm products rose 9 percent above prices in the same quarter of 1957, while the volume of marketings, particularly of price-supported crops, rose 5 percent. Marketings of livestock, however, were smaller than in the preceding year, and unfavorable weather during the winter and early spring reduced the supply of fresh fruits and vegetables. Although the maintenance of consumer income undoubtedly contributed to the rise in food prices during the recession, these changing supply conditions played the major role. As food supplies increased in the summer and fall of 1958, food prices declined; nevertheless, they remained above 1957 levels. During most of the period of rising farm prices, marketing margins continued to advance. The higher manufacturing, transportation, and distribution costs resulted not only from higher wage rates, freight charges, and the like, but also from the costs incurred in continually adding to the quality, variety, and “built-in” services incorporated in prepared and packaged foods. A large part of the rise in

margins came in the second half of 1958, when the fall in farm prices was accompanied by a much smaller decline in food prices. In November, retail food prices were still about 2 percent above mid-1957 levels.

CONSUMER SERVICES

Ever since World War II, prices of consumer services have been rising steadily, through economic expansions and contractions. They have increased not only absolutely but also in relation to prices of commodities. Because of their relatively small rise during the war years, however, the increase since then has only recently brought service prices, excluding rent, back to their 1939 relationship to nonfood commodity prices. Rents are still well below their prewar relationship to other prices. While the prewar relationship between prices of services and other prices is not necessarily normal for the current period, some of the relatively sharp increase in prices of services during the past ten years may reflect an attempt to achieve in these industries the real income gains attained earlier in other segments of the economy.

Consumer services cover a wide variety of economic activities, ranging from the highly industrialized and regulated public utilities to domestic service. They also include such items as real estate taxes and property insurance premiums, which have little immediate connection with the state of business activity. It is not surprising, then, that there have been significant differences among the various categories in the timing and magnitude of price changes.

Prices of services provided by the regulated public utilities tend to adjust to inflationary pressures with some time lag. During the nine months following the conflict in Korea, for example, when other prices were rising sharply, prices of most of these utilities increased moderately. In the succeeding two years, on the other hand, they rose fairly rapidly while commodity prices were falling. Similarly, the prices of this group of services advanced quite gradually from 1956 to mid-1957, but since then they have risen at a much more rapid rate. The recent increase is more a delayed reaction to cost increases that occurred earlier than a reflection of inflationary forces currently at work. Since the end of World War II, prices of some of these services—gas, electricity, and telephone—have risen substantially less than prices of other services. A major reason for the smaller increase is that these services are very highly industrialized and have achieved substantial efficiencies of operation through large investment programs, rapid expansion of operations, and the introduction of new technology. Certain other utilities, particularly local public transit, although relatively large users of capital equipment, have faced problems peculiar to their industry, which have tended to raise their costs and prices even more than for services in general.

For another large group of services included in the consumer price index, prices are influenced by governmental and administrative factors not

closely related to the current state of the economy. The most important items in this group are real estate taxes, auto registration fees, postage rates, mortgage interest, and automobile and property insurance premiums. Some of these items have been included in the consumer price index only since December 1952. Since then, prices for this group have risen faster than service prices generally. While property taxes, insurance rates, and other items of a similar nature tend, in the long run, to be influenced by general economic conditions, the specific timing of changes is usually determined by noneconomic considerations.

For consumer services other than the regulated utilities and the miscellaneous group discussed above, a common characteristic is that a large part of their total cost is payment for labor services. They normally cannot achieve the efficiencies made possible by heavy capital investment and new technology to the same extent as the commodity producing and public utility industries. For this group of "other" services, prices have risen steadily since the end of the war, and substantially more than the prices of services provided by the regulated utilities. In many instances, an advance in prices for this group when other prices are stable reflects an adjustment of wages and salaries to increases in living costs which occurred at some earlier period. Also, wage and salary gains often lead to cost and price increases in many of the service industries, in contrast to the industrialized sectors where there is greater opportunity for wage and salary increases to be offset by improvements in productivity.

Taken altogether, service prices, excluding rent, rose 3.9 percent between mid-1957 and mid-1958, and another 0.7 percent in the second half of 1958. Since March of last year, however, the rate of increase has been somewhat slower than during most years since the war. Rent has risen about 2.5 percent in the 18 months since the middle of 1957. While this is about the rate of increase which has persisted since 1953, it is well below the annual increases of 4 to 5 percent in earlier postwar years.

INDUSTRIAL MATERIALS

A number of important crude or slightly processed materials used by American industry, such as lead, zinc, copper, tin, and natural rubber, are supplied in whole or in part from abroad. In most instances, the United States purchases a significant part of the world supply, but other industrial nations are also heavy buyers. Hence, prices of these materials were determined during the recession not only by the course of economic activity in the United States but also by the leveling of industrial production and the reduction in inventory purchases by other industrialized nations. Prices of these materials have also been affected in recent years by the termination of large-scale stockpiling, and by supplies from new sources which have been developed since the post-Korean defense mobilization began. The changes in industrial production and inventories in the United States were, nevertheless, major factors determining the movement of prices of crude and slightly

processed materials, not only prices of domestic materials but also those of foreign supplies on which the United States relies heavily.

Prices of this group of commodities tend to be much more volatile than those of fabricated materials. After reaching a peak in December 1956, prices of crude materials, exclusive of farm products, declined irregularly to mid-1957, as industrial production leveled and purchases for inventory receded. In the succeeding nine months, the decline was more rapid, as industrial consumption of materials decreased sharply and inventories were reduced. Prices moved upward in the summer of 1958, shortly after industrial production began to recover. Since stocks of copper, lead, and zinc had risen during the recession, the increased consumption of these materials was at first achieved by drawing down inventories; subsequently, purchases from primary producers increased. Later in the year, the restoration of tariffs on copper and the imposition of import quotas on lead and zinc strengthened the tendency for the prices of these commodities to rise. Prices of steel scrap, rubber, and tin also advanced sharply as the recovery progressed. Prices of crude and slightly processed industrial materials as a whole began to rise in June, and by the end of the year they had almost reached the level recorded prior to the recession.

SEMIFINISHED AND FINISHED PRODUCTS

With some notable exceptions, prices of fabricated industrial products (intermediate materials and finished goods) changed little during 1958 (Table C-6). Prices tended to decline in the first half of the year, but subsequently they rose enough to erase these declines. Prices of steel and of many intermediate steel-using products advanced significantly in both 1957 and 1958. Steel prices were raised on the average by 4.2 percent in July 1957 and by 2.6 percent in August 1958. Both price increases were put into effect shortly after substantial upward adjustments of wage rates in the industry. On the other hand, prices of nonferrous metal products, along with those of basic copper, lead, and zinc, declined during the recession. Although prices of these products have increased in recent months, they are still below their pre-recession peaks. Prices of building materials were relatively stable during 1956 and 1957 and then declined slightly in early 1958. In the second half of the year, however, the rapid increase in residential building and in public construction was accompanied by a recovery in the prices of construction materials. Prices of semifinished nondurable commodities, which had risen only moderately during the overall price advance in 1956 and 1957, fell throughout 1958. For all intermediate materials, components, and supplies as a group, prices at the end of 1958 differed little from those prevailing at mid-1957. A small rise occurred in the last half of 1957, a modest decline during early 1958, and an equally modest recovery in the latter part of the year.

During the two years preceding the recession, prices of machinery and equipment rose 15 percent, the sharpest increase for any major group of

TABLE C-6.—*Changes in wholesale price indexes since June 1955*

Commodity group	Percentage change			
	June 1955 to July 1957	July 1957 to December 1957	December 1957 to June 1958	June 1958 to December 1958 ¹
All commodities.....	7.2	0.3	0.6	0.0
Farm products.....	1.1	-.2	3.2	-5.1
Processed foods.....	3.2	.2	5.7	-4.1
Other than farm products and processed foods (industrial).....	8.7	.3	-.6	1.5
Crude materials ²	11.3	-7.3	-1.2	4.8
Intermediate materials, supplies, and compo- nents ³	9.0	.2	-1.0	1.0
Materials for durable manufacturing.....	12.1	.3	-.8	2.4
Materials for nondurable manufacturing.....	3.3	.0	-1.2	.0
Components for manufacturing.....	15.7	.7	.1	.9
Materials and components for construction.....	7.3	-.3	-.6	1.5
Finished goods:				
Producer finished goods.....	15.2	2.5	-.1	1.3
Consumer durable goods.....	6.8	1.6	-.2	1.2
Consumer nondurable goods (other than food).....	4.5	.4	-1.4	1.0
Special index: All manufactured products.....	8.0	.4	.3	.4

¹ Based on preliminary data for December 1958.

² Excludes a number of partially processed materials, such as copper, lead, and zinc, which are discussed in the text along with crude materials. In this table, these materials are included in intermediate materials, supplies, and components.

³ Includes groups not shown separately.

Source: Department of Labor.

finished products. Even during the last half of 1957, when machinery orders and sales were falling rapidly, prices advanced another 2½ percent. After November 1957, prices stabilized and remained so for most of 1958. Late in the year, however, there were a number of small increases on particular lines of equipment, notably agricultural and construction machinery.

With the principal exception of automobiles, the average increase in prices of finished consumer goods, at wholesale and retail, was slight in the past 18 months. Prices of new automobiles were raised in 1957 and 1958 when new models were introduced. However, a comparison of published indexes at the end of 1958 with those in mid-1957, covering changes for two model years, tends to exaggerate the increase, since discounts were larger at the beginning of this period than at the end. The changes in prices of consumer goods, both as published and as adjusted to eliminate the essentially seasonal changes in prices of automobiles, are shown in Table C-7. The rise in prices of used cars was particularly marked in the past 18 months, continuing the advance begun in the period of very low prices in early 1956. Over the past three years, almost half of the 9 percent increase in the prices of consumer durable goods was due to the rise in prices of new cars, and another third to the rise in prices of used cars.

Prices of appliances, which had fallen for many years, continued to decline after mid-1957, but the decreases tended to be small. Furniture prices also fell slightly; apparel prices declined after a moderate seasonal increase in late 1957; and prices of gasoline, fuel oil, and textile house-furnishings moved lower. On the other hand, increases occurred in prices of tires, prescriptions and drugs, cigarettes, newspapers, soaps and detergents, and many other miscellaneous products. On balance, as can be seen from Table C-7, when automobile prices are excluded, the indexes of prices of consumer durable and nondurable commodities advanced very slightly.

TABLE C-7.—*Changes in consumer price indexes since 1957*

Item	Relative importance in index, December 1957 ¹	Percentage change, July 1957 to November 1958	
		Based on published data	Based on adjusted data ²
All items.....	100.0	2.6	2.5
Food.....	28.6	1.7	.....
Other commodities.....	36.4	2.0	1.7
Durable goods.....	13.6	4.3	3.4
New automobiles.....	3.0	13.6	9.3
Used automobiles.....	1.6	9.0	.....
Other durable goods ³	9.0	.7	.....
Appliances.....	3.1	⁴ -1.9	.....
Furniture and bedding.....	1.7	⁴ -.9	.....
Nondurable goods.....	22.8	.7	.....
Services including rent.....	34.2	4.0	.....

¹ Detail will not add to total because a small number of items could not be allocated to any individual group.

² Indexes for July 1957 for groups containing new automobiles were adjusted to eliminate, so far as possible the effect of changing discounts during the model year.

³ Includes groups not shown separately.

⁴ Change from June 1957 to September 1958.

Sources: Department of Labor and Council of Economic Advisers.

The index of prices of consumer goods rose 2.6 percent, mainly because of increases in the prices of three groups of items—foods, services, and automobiles. The over-all index of wholesale prices, in contrast, changed very little in the recession and during the recovery to date. This index includes prices of very few service items, but it does include prices of industrial raw materials. In general, the prices of these materials moved in the opposite direction from prices of farm products and processed foods, falling in the early part of 1958, when farm prices were increasing, and rising in the latter part of the year, when farm prices were declining. Price changes in these two major groups tended to offset each other, while prices of semifinished and finished industrial products moved within a very narrow range. The rise in the consumer price index relative to the wholesale price index therefore reflects not an increase in retail margins, but rather the substantially different composition of the two indexes.

COMPARISON OF DOMESTIC AND FOREIGN PRICE DEVELOPMENTS

The United States was not the only country to experience an increase in the general level of prices during the past several years (Table C-8). In fact, the average change in United States prices between 1953 and 1957 was somewhat less than the change in many Western European countries, though nearly as much as in Germany and Italy. In the United States, wholesale prices of nondurable goods and of farm products behaved in substantially different fashion from those of durable industrial products. Despite their rise in 1956 and 1957, farm prices in the United States were lower at the end of the 1953-57 period than at the beginning, while in most West-

TABLE C-8.—*Price changes in the United States and selected other industrial nations, 1953 to 1957*

Price series	Percentage change, 1953 to 1957					
	United States	United Kingdom	France	Germany, Federal Republic	Italy	Norway
Gross national product deflators: ¹						
Total.....	9	16	11	9	8	21
Consumption.....	6	14	11	7	8	14
Gross domestic fixed investment..	15	14	13	11	8	13
Producers' durable equipment.....	17	14	7	5	6	(²)
Consumer price index:						
All items.....	5	16	³ 6	6	10	12
Food.....	2	5	³ 3	9	11	13
Selected wholesale price indexes:						
Textile products.....	-4	2	4	3	-1	(²)
Building materials.....	9	13	7	(²)	3	11
Machinery.....	21	15	(²)	6	(²)	4
Index of prices received by farmers.....	-6	2	15	16	16	15

¹ Implicit deflators for gross national product and specified components. For Germany (1956-57) and France (1953), deflators for producers' durable equipment were not available; estimates, based on other data, were used.

² Not available.

³ Based on data for Paris only.

⁴ Based on wholesale price index of farm products.

Sources: Based on data from various agencies of the U. S. Government and international organizations.

ern European countries they had increased substantially. Prices of many nondurable goods in the United States also were more stable than those abroad, and prices of most consumer goods rose less than in Western Europe.

The increase in prices of durable goods for industrial use, on the other hand, seems to have been greater in this country, both relative to other prices here and to prices of similar goods produced abroad. Prices of machinery and equipment rose at a particularly rapid rate; scattered evidence from a comparison of prices of processed durable materials indicates that the rise in prices in this country was greater than the increase abroad. The over-all price behavior in the United States, compared with other industrial nations, thus conceals significantly divergent trends among different commodity groups.

III. Agriculture

For American agriculture, 1958 was a year of exceptionally favorable weather and marked prosperity. Outstanding developments were record yields and output of many crops, increased livestock prices, and a sharp rise in farm income. The demand for food remained strong throughout the year as personal incomes fell only moderately and briefly. The food component of the consumer price index averaged 4 percent higher than in 1957 as farm prices and the cost of marketing services rose about equally. Also, exports of farm products remained high, although they were smaller in the fiscal year 1958 than in 1957. Still, domestic and foreign demands were again not large enough to absorb the output of many crops.

Agriculture's remarkable productivity, aided by favorable weather, resulted in record crop output even though the acreage planted was the smallest in many years. As a result, the two-year decline in price support activity ended, and Federal expenditures for the stabilization of farm prices and incomes are expected to be a record \$5.4 billion in the fiscal year 1959. Despite continued intensive efforts to dispose of surplus commodities, the value of farm commodities under loan and in inventories of the Commodity Credit Corporation (CCC) by mid-1959 may exceed the 1956 peak. Price support commitments now made on 1959 crops suggest high expenditures again in the fiscal year 1960, if production in 1959 is near the average of recent years.

LEVEL AND SOURCES OF FARM INCOME

Realized net income of farm operators in 1958 was \$13.0 billion, 20 percent more than in 1957 and the highest since 1953 (Table D-64). Delayed marketings of 1957 crops, chiefly feed grains and cotton, contributed more than \$400 million to the increase in 1958. Total net income including inventory change was \$13.2 billion, 14 percent higher than in 1957. Production expenses increased 5 percent, as feeder livestock prices, wage rates, prices of farm machinery and motor vehicles, and taxes rose. Farm people earned more than \$6 billion from nonfarm sources so that their average per capita income from all sources exceeded \$1,000 for the first time.

The rise in farm output and income in 1958 contributed to enlarged expenditures on farm machinery, and thus to a greater productive capacity. Also, the living standards of farm families continued to improve as a result of gains in income. In addition, the increased farm expenditures helped to moderate the business decline and to speed recovery. However,

many farm people did not share in the gains in 1958, and they still have very low incomes. Wide differences in productive assets per farm and in alternative employment opportunities continue to lead to large income disparities among farmers and to considerable diversity in the problems faced by farm people.

Farms with annual gross sales of more than \$2,500 represent only about 45 percent of all farms but produce nine-tenths of all farm products sold. Operators of these farms earn most of their income from farming; they are the chief beneficiaries of public expenditures for agricultural credit, conservation, and price support programs; with the public, they share in the important benefits of agricultural research. Per family average income from all sources for the 2.2 million farms in this group has been comparatively high (Table C-9). Large differences exist within the group, however; in 1954, 28 percent of all farms in this group made 64 percent of the group's sales of farm products.

TABLE C-9.—*Number of farms and average income of farm families, 1947 and 1952-56*

Year	Farms with sales of more than \$2,500 per year				Farms with sales of less than \$2,500 per year			
	Number (thousands)	Average income ¹			Number (thousands)	Average income ¹		
		Total	Farm	Off-farm		Total	Farm	Off-farm
1947.....	2, 140	\$5, 716	\$4, 969	\$747	3, 733	\$2, 359	\$1, 114	\$1, 245
1952.....	2, 138	6, 189	5, 104	1, 085	3, 283	2, 816	1, 086	1, 730
1953.....	2, 158	5, 655	4, 530	1, 125	3, 150	2, 706	937	1, 769
1954.....	2, 180	5, 528	4, 363	1, 165	3, 021	2, 691	881	1, 810
1955.....	2, 196	5, 417	4, 123	1, 294	2, 889	2, 806	806	2, 000
1956.....	2, 213	5, 415	4, 033	1, 382	2, 751	2, 925	789	2, 136

¹ Farm-operator family.

Source: Department of Agriculture.

Families on the 2.8 million low-production farms with annual sales below \$2,500 earn little income from farming, but their off-farm income is comparatively large (Table C-9). Again, there is a wide range within the group. On many of these farms, the operator has little supplementary employment, and farm sales are his major source of income. However, the number of these farmers who are finding off-farm jobs is growing.

About 1.5 million part-time and residential farmers make up the remainder of the low-production group. Gross sales of these units are very low since farms are small, and many of the farm operators have off-farm jobs. Only 2 percent of all sales of farm products are made by part-time and residential farms, which comprise nearly one-third of all farms. Clearly, the welfare of the families on low-production farms is more closely linked with the expanding nonfarm sector of our economy than with agriculture as such.

FINANCIAL POSITION

The financial position of agriculture, which was already strong, continued to improve in 1958. Farm debt increased somewhat, but farm assets rose by a larger amount, as the stock of machinery, the number and value of livestock on farms, and land prices increased. Equities in farm properties reached new peaks, with the gain in equities alone nearly equal to the total farm real estate debt.

PRODUCTION AND PRICES

Most of the gains in farm income in 1958 are attributable to the coincidence of record output of crops with insufficiently flexible, supported prices; sharply higher prices for certain crops whose output was reduced; and comparatively high prices for the moderately reduced marketings of livestock. In addition, the maintenance of personal income and consumer spending during the business contraction contributed significantly to higher farm incomes.

Crops

Total crop production in 1958 exceeded the record output of 1956 and 1957 by 11 percent, while harvested acreage was little changed from those years and was 5 percent below the 1951-55 average. New record yields per acre were reported for wheat, corn, cotton, sorghum grain, soybeans, rice, and other crops which together made up 96 percent of all crop acreage in 1958. These increases were the joint result of widespread favorable weather and improved technology, the latter both a permanent and major source of increased farm output.

Production of food grains was 48 percent higher in 1958 than in 1957. An increase of more than 400 million bushels in stocks of wheat is indicated by present estimates of domestic and foreign sales in the year ending June 30, 1959. Despite record output and large carryovers, the index of prices received by farmers for food grains declined only moderately in 1958, as price supports operating through nonrecourse loans set effective limits on the price declines resulting from the large crops. The statutory price support for wheat of the 1958 crop was 9 percent below, and for rice 5 percent below, that of 1957; prices for both commodities reflected these reductions, with wheat prices slightly below, and rice prices slightly above, the support level.

Price supports had similar sustaining effects on the prices of feed grains and oil crops in 1958, despite sharply increased output. As a result, the increase in income from these major price-supported crops was very large; food and feed grains, and oil crops accounted for one-third of the increase in cash receipts from farm marketings in 1958.

Reductions in the size of crops were rare in 1958; for two major commodities, however, reduced output contributed to increases in cash receipts

and in net farm income. Smaller marketings of early citrus fruits following frost damage sent their prices up sharply; the seasonally adjusted index of prices received by farmers for all fruit rose 19 percent in the month preceding April 15. For the year, citrus fruit prices were 28 percent higher than in 1957, while production decreased 15 percent. As a result, the value of production of the reduced 1957-58 crop was \$426 million, \$47 million more than the value of the larger 1956-57 crop. Noncitrus fruit production was slightly reduced, and prices were moderately above those in 1957.

A shortage of fresh vegetables early in the season caused their prices to rise sharply; prices fell as supplies increased at midyear.

Eight percent of the increased cash receipts from farm marketings in 1958 was attributable to fruits and vegetables.

Livestock

Per capita meat consumption in 1958 was less than in 1957, as red meat production declined 4 percent, largely early in the year. By mid-year, monthly pork output began to exceed the 1957 volume. Beef output, however, continued well below 1957, as breeding herds were restocked following large reductions in 1956 and 1957; cattle on farms increased by more than 2 million head in 1958. Lamb and mutton production was also slightly below 1957, but poultry meat production increased 11 percent, partly offsetting the reduction in red meat supplies (Table C-10).

TABLE C-10.—*Meat and poultry: Prices, receipts, production, and consumption, 1952-58*

Year	Prices received for meat animals (1910-14=100) ¹	Receipts from sale of meat animals (billions of dollars)	Production			Consumption per capita		
			Total	Red meats	Poultry meat	Total	Red meats	Poultry meat
			Billions of pounds			Pounds		
1952.....	353	10.1	27.2	23.0	4.2	173	146	27
1953.....	296	8.7	29.0	24.7	4.3	182	155	27
1954.....	292	8.9	29.8	25.2	4.6	183	155	28
1955.....	249	8.2	31.3	26.9	4.4	189	163	26
1956.....	238	8.3	33.2	28.1	5.2	197	167	30
1957.....	279	9.4	32.4	26.9	5.5	191	159	32
1958 ²	334	10.8	31.8	25.8	6.0	186	152	34

¹ Index of prices received by farmers for meat animals.

² Preliminary.

Source: Department of Agriculture.

The reduction in total and per capita meat supplies was reflected in increased prices in 1957 and even larger increases in 1958, when the index of prices received for meat animals rose 20 percent. Because of this sharp price response to moderately reduced marketings, sales of meat animals accounted for nearly half of the 1958 increase in cash receipts from farm marketings.

Even though there was some increase in 1958 in the volume of marketings of poultry and eggs, prices increased slightly. Dairy production and marketings were almost the same as in 1957, but prices fell moderately.

EXPORTS

Agricultural exports decreased by 15 percent, to \$4 billion in the year ended June 30, 1958; nevertheless, they were exceeded in only two other years on record. Grains, cotton, and animal products accounted for most of the decrease. Thirty percent of all exports of farm products were shipped under special programs, compared with 40 percent in the fiscal year 1957, mostly under provisions of Public Law 480. Cash exports remained at \$2.8 billion, partly because export subsidies continued to be paid on several commodities in order to bridge the gap between domestic and world prices. Sales for foreign currencies and grants for relief accounted for nine-tenths of the exports under special programs. Barter transactions declined, under revised regulations, to only one-fourth the volume of the preceding fiscal year.

The Department of Agriculture expects a small decline in agricultural exports during the fiscal year 1959, chiefly because of increased production in importing countries. Cotton exports may not exceed 4 million bales, a sharp drop from fiscal 1958, while wheat exports are expected to increase slightly. Exports of farm products in the period from July to December 1958 were 4 percent below those in the same period in 1957.

PRICE SUPPORT OPERATIONS

Farm income has become increasingly dependent on price supports, as rising productivity and increased resources have combined to keep the output of major farm commodities well in excess of total demand at established prices. Somewhat less favorable crop weather, the soil bank, and large exports based primarily on special financing or grants for relief, permitted reductions in the carryover of wheat and cotton in 1956 and 1957. Feed grain carryover, however, has increased in each of the last eight years. Oil-bearing crops have become heavily dependent on surplus disposal programs. High levels of price support activity in grains, cotton, and oilseeds from the 1958 crop indicate a record total of CCC holdings by mid-1959.

Since the fiscal year 1953, budget expenditures for the stabilization of farm prices and incomes have ranged from \$1.7 billion to the record \$5.4 billion estimated for the present fiscal year (Table C-11). Most of these expenditures have been in support of the prices of wheat, corn, and cotton, commodities which have continued to present grave problems of overproduction and excess carryover.

TABLE C-11.—*Net budget expenditures for agricultural programs, fiscal years 1953–60*

[Millions of dollars]

Fiscal year	Agriculture and agricultural resources		
	Total	Stabilization of farm prices and income	
		Total	Commodity Credit Corporation ¹
1953.....	2,936	2,125	1,962
1954.....	2,557	1,689	1,392
1955.....	4,389	3,488	3,305
1956.....	4,868	3,900	3,607
1957.....	4,526	3,430	2,793
1958.....	4,389	3,151	2,294
1959 ²	6,775	5,386	4,420
1960 ²	5,996	4,490	4,218

¹ Excludes the CCC portion of acreage reserve program expenditures as follows: \$4 million in 1956, \$344 million in 1957, \$81 million in 1958, and \$99 million in 1959.

² Estimate.

Sources: Treasury Department and Bureau of the Budget.

COMMODITY MARKETS

Per capita consumption of wheat as food in the United States has declined for many years as personal incomes have risen and diets changed. From 1910 to 1957, the total amount of wheat used as food actually fell slightly, although population almost doubled. Exports in the period since the war have depended heavily on grants for relief and on sales for foreign currencies. For the crop years 1953 through 1957, 63 percent of all wheat exported was shipped under special Government programs, chiefly Public Law 480 and the Marshall Plan. In that period, domestic uses plus cash exports (excluding those under special programs) averaged 737 million bushels per year, 73 percent of average annual production (Table C-12). At 1956–58 average yields, enough wheat to supply these markets can be produced on about 60 percent of the present national acreage allotment. If

TABLE C-12.—*Wheat: Production, utilization, and carryover, 1952–58*

[Millions of bushels]

Crop year ¹	Production	Utilization			Change in carry-over	Carryover, end of year	
		Domes-tic	Regular exports	Special exports		Total	Under price support program
1952.....	1,306	661	288	30	350	606	493
1953.....	1,173	634	116	101	328	934	850
1954.....	984	611	116	158	102	1,036	990
1955.....	935	601	105	241	—3	1,033	980
1956.....	1,004	587	174	375	—124	909	837
1957.....	951	588	152	249	—28	881	853
1958 ²	1,462	608	140	290	434	1,315	1,250

¹ Beginning July 1.

² Preliminary.

Source: Department of Agriculture.

such yields occur, production from a larger acreage will either add to the already large carryover or require shipment through surplus disposal programs, unless markets are expanded. A substantial addition to stocks appears likely from the 1959 crop, according to present indications as reported by the Department of Agriculture.

Utilization of feed grains is tied closely to the production of livestock and livestock products which, unlike wheat, have been increasingly in demand as per capita incomes have risen. As a result, grains fed to livestock have increased, although irregularly; exports also have risen, partly under special financing. Yet production has exceeded utilization each year since 1952 (Table C-13). Price support holdings of feed grains, already nearly \$3 billion on June 30, 1958, may be expected to rise as a result of the large 1958 crop.

TABLE C-13.—*Feed grains: Production, utilization, and carryover, 1952-58*

[Millions of tons]

Crop year ¹	Production	Utilization	Change in carry-over	Carryover, end of year	
				Total	Under price support program
1952.....	120	114	7	27	17
1953.....	117	115	5	32	23
1954.....	124	117	7	39	30
1955.....	131	128	4	43	35
1956.....	130	126	6	49	41
1957.....	143	134	10	59	50
1958 ²	158	140	19	78	68

¹ Beginning July 1 for oats and barley, and October 1 for corn and sorghum grain.

² Preliminary.

Source: Department of Agriculture.

Cotton has faced strong competition from foreign cotton in the world market, as well as from artificial cellulose and synthetic fibers in the domestic market. Domestic per capita consumption has fallen in the past few years, and mill consumption has been reduced despite a growing population. Exports have been unstable, rising sharply after the war and again in 1956 and 1957, largely because of foreign shortages and special financing. Stocks in the past six years have fluctuated widely, but at present they are only moderately excessive. Total utilization in the 1958 crop year (August 1958 to July 1959) is estimated at 12 million bales, only slightly more than 1958 production, which was reduced sharply because more than one-fourth of the cotton acreage allotment was placed in the soil bank. It is possible that, under present programs, production in 1959 and 1960 may again exceed utilization and that stocks may increase.

Tobacco also poses a serious problem in view of drastically reduced acreage, rising yields, declining cash exports, and large carryover. Under the present program, support prices are rising, thus increasing the tendency toward higher yields per acre and jeopardizing foreign markets.

Prices of oilseeds, including soybeans, cottonseed, flaxseed, and peanuts, also depend heavily on Government support; excessive Government-held stocks of soybeans and cottonseed have been prevented so far only by heavy exports under Public Law 480.

While domestic consumption of these major crops either has declined or has increased slowly, and exports have depended heavily on Government programs, production per acre has increased sharply because of improved crop varieties, expanded use of fertilizer, increased irrigation, and better cultivation. In 1957, crop production per acre was 12 percent above output in 1947-49; in 1958, it was 26 percent higher. Virtually all crops have shared in these gains. Per acre yields of wheat, corn, and rice in 1956-58 were, respectively, 37, 33, and 50 percent more than in 1947-49. Cotton yielded 47 percent more, tobacco 30 percent more, and soybeans 16 percent more per acre in 1956-58 than in the earlier period. The output of most crops would be raised significantly if farmers were to increase fertilizer applications in response to present favorable crop-fertilizer price ratios, or were to adopt available machinery even more rapidly. Also, improvements in livestock breeding and feeding have reduced the feed requirements per unit of output for some types of livestock production.

IV. Financial Developments

Shifts in monetary and credit policy during 1958, and the changes in the underlying economic conditions that called for them, were quickly and strikingly reflected in financial markets. The principal developments affecting the demand for capital and credit, the supply of funds available for various users, and changes in interest rates and stock prices are described in the following sections.

DEMANDS IN FINANCIAL MARKETS

Corporations

The financing requirements of corporations in 1958 were lower than in 1957 as capital outlays and inventory expenditures declined much more rapidly than the flow of internal funds from depreciation allowances and retained earnings. Loans to businesses from commercial banks declined \$400 million, compared with a growth of \$1.8 billion in 1957. Gross proceeds of corporate security offerings were \$11.5 billion, about one-tenth less than the record set in 1957. In the second half of the year, a rapid improvement in retained earnings limited the need for an expansion of borrowing as economic activity recovered. It was not until the fourth quarter that business loan activity by commercial banks showed a significant increase, and this was partially offset by a decline in corporate security flotations.

Despite the attractiveness given to equity financing by rising stock prices, only about one-tenth of corporate flotations last year took the form of common stock, compared with about one-fifth in recent years. Although bonds convertible into common stock increased as a proportion of total offerings, and rose somewhat in absolute dollar volume over 1957, this was more than accounted for by one sizable offering in the first quarter.

Corporate liquidity improved over the year, though it remained close to the low point in the period since the end of World War II. There was a reversal of the decline that had taken place since 1955 in corporate holdings of United States Government securities and cash, and the proportion of these liquid assets to current liabilities rose somewhat.

Consumers

In 1958, for the first time in the years since the war, consumer credit outstanding remained practically unchanged (Table C-14). Automobile paper outstanding declined by more than \$1 billion, as the volume of new automobile credit extended fell below repayments, which changed very

little. This decline was offset mainly by a continued growth in personal loan credit and in noninstalment credit.

Residential mortgage debt expanded more than in 1957, mainly in the second half of the year. The increase reflected substantial commitments made by financial institutions in late 1957 and the first half of 1958, when easier credit conditions widened the differential between mortgage yields and corporate bond yields and made mortgages a more attractive investment. Further effects of these commitments on mortgage debt will be felt in 1959. The increase in nonfarm residential mortgage debt over the entire year was \$10.4 billion, compared with \$8.6 billion in 1957; for the second half of 1958, however, the increase has been estimated at \$6.3 billion, compared with \$4.2 billion in the second half of 1957.

TABLE C-14.—*Changes in short- and intermediate-term consumer credit outstanding, 1955-58*

[Millions of dollars]

Type of credit	1955	1956	1957	1958 ¹
Total consumer credit outstanding (end of period).....	38,670	42,097	44,774	44,800
Net change in consumer credit outstanding:				
All types of consumer credit.....	6,378	3,427	2,677	0
Instalment credit.....	5,390	2,869	2,268	-400
Automobile paper.....	3,663	987	950	-1300
Other consumer goods paper.....	883	876	182	300
Repair and modernization loans.....	73	206	196	0
Personal loans.....	771	800	940	600
Noninstalment credit.....	988	558	409	400

¹ Preliminary estimates by Council of Economic Advisers.

NOTE.—Data are not adjusted for seasonal variation.

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

Consumers maintained a remarkably good record in meeting debt payments, despite the recession. Delinquencies in meeting automobile payments were low, although there was a sharp increase in repossessions of automobiles.

State and Local Governments

In order to finance mounting construction expenditures, State and local governments further expanded their security flotations, to the record figure of \$7.4 billion. In addition, the dollar volume of bonds authorized at elections was much larger in 1958 than in 1957; however, the authorizations fell short of the record level reached in 1956. A large part of the 1958 increase in proceeds from State and local offerings went for roads and bridges, as States obtained funds to match Federal aid for accelerating the highway programs.

Federal Government

The Federal debt rose \$8.0 billion during the past year, with \$6.6 billion of the increase occurring during the second half. In addition, the Treasury refinanced a large volume of maturing securities, thus heightening the impact of the Federal Government on credit markets. Two very long-term bonds were issued, lengthening the maturity structure of the debt. In February, about \$1.7 billion of 3½ percent bonds falling due in 1990 were issued as part of a large exchange offering. In June, \$1.1 billion of 3¼ percent bonds due in 1985 were offered for cash. The latter issue came at the same time that a large refinancing offer, mainly into a new 2⅝ percent bond maturing in 1965, was made. The sharp decline that occurred shortly thereafter in the prices of Government securities led the Treasury Department to repurchase \$625 million of the 2⅝ percent bonds in the open market.

In the second half of the year, the Treasury restricted its financing operations to relatively short-term securities. A notable development, initiated in December, was the issue of a series of 26-week Treasury bills to supplement the usual 13-week bills. With capital markets again favorable, the Treasury issued a long-term security for cash in January 1959.

SUPPLY OF FUNDS

Federal Reserve Policy

The first public indication of a reversal of the Federal Reserve's policy of monetary restraint came in mid-November 1957, with the reduction of the discount rate from 3½ percent to 3 percent. Although this action by itself did little to make money and credit more easily available, it helped to initiate a sharp decline in interest rates that continued into early 1958. Three further decreases lowered the discount rate to 1¾ percent by May 1958.

To provide funds to commercial banks, the Federal Reserve authorities reduced reserve requirements. Successive decreases, announced in February, March, and April, lowered reserve requirements against demand deposits from 20, 18, and 12 percent in the three classes of member banks, to 18, 16½, and 11 percent. This was equivalent to releasing about \$1.5 billion in reserve funds that could serve as a basis for a multiple expansion of money and credit. In addition, the Federal Reserve authorities provided bank reserves through open market purchases of United States Government securities. This need arose in part from an outflow during the year of more than \$2 billion of gold, which, if not offset, would have reduced bank reserves by an equivalent amount.

On July 18, the Open Market Committee of the Federal Reserve System authorized open market purchases of Government securities other than Treasury bills, as a result of the sharp decline in Government security prices. For a short while, some long-term securities were purchased by the

Federal Reserve System, although most of the purchases under this authorization were confined to the new $1\frac{5}{8}$ percent one-year Treasury Certificates that were being marketed in July. Open market operations during the major part of the year continued to be restricted to 13-week Treasury bills.

The effect of the various Federal Reserve actions was to provide the basis for a substantial expansion of bank deposits. From January through July, the money supply (demand deposits and currency) increased \$5.4 billion, on a seasonally adjusted basis, more than offsetting a decline during the preceding six months. Time deposits at commercial banks increased \$5.7 billion. The rise in time deposits on an annual basis was the highest in any year since the end of the war.

Monetary policy shifted as business conditions improved and concern emerged over possible inflationary developments. In mid-August, the Federal Reserve Board approved an increase in the discount rate from $1\frac{3}{4}$ percent to 2 percent. A reversal also occurred in the tenor of Federal Reserve open market operations. Previously, such operations, by providing large amounts of reserve funds to member banks, had almost eliminated the need for member bank borrowing at Federal Reserve banks. In late August and early September, as the reserve position of member banks came under increasing pressure, borrowings from the Federal Reserve banks rose rapidly. In October, Federal Reserve banks again raised the discount rate, from 2 percent to $2\frac{1}{2}$ percent. Margin requirements against new stock purchases, which had been reduced from 70 percent to 50 percent in January, were raised again to 70 percent in August and to 90 percent in October. The money supply rose \$700 million from July through December, a rate of increase that was considerably less than the rate in early 1958. Time deposits, likewise, grew at a much slower rate.

Commercial Bank Credit

As a result of Federal Reserve actions in the first half of the year, loans and investments of commercial banks (excluding interbank loans) expanded by \$8.9 billion, in contrast to a decline of \$200 million during the same period of 1957. For 1958 as a whole, the expansion of bank loans and investments was more than \$14 billion (Table C-15), the largest expansion in any year since the war.

In the absence of a strong private demand for credit, most of the expansion in bank assets took the form of enlarged holdings of United States Government securities. These rose by \$7.9 billion (based on par value; see Table C-16) and accounted for almost all the increase in the publicly held Federal debt. However, this increase in commercial bank holdings, made possible by additional reserve funds, was concentrated in the first half of 1958, and was accomplished largely through a reduction in the holdings of other investors; Government securities outstanding rose very little during the first half of the year.

TABLE C-15.—*Net changes in commercial bank holdings of loans and investments, 1955-58*

[Billions of dollars]

Loan or investment	1955	1956	1957	1958
Loans (excluding interbank) and investments ¹	4.6	4.2	4.9	14.4
Loans (excluding interbank) ²	11.6	7.6	3.5	3.9
Business.....	6.4	5.5	1.8	-4
Real estate.....	2.4	1.7	.6	2.4
Consumer.....	2.3	1.3	1.1	(?)
Security.....	.6	-8	-1	.3
Agricultural.....	-7	-3	-1	.9
All other.....	.9	.5	.3	.7
Investments.....	-7.0	-3.5	1.3	10.3
U. S. Government securities.....	-7.4	-3.0	-3	7.9
Other securities.....	.4	-4	1.7	2.5

¹ Preliminary estimates by Council of Economic Advisers.

² Total loans are net of, and individual loans are gross of, valuation reserves.

³ Less than \$50 million.

NOTE.—See Table D-41 for data including interbank loans.

Detail will not necessarily add to totals because of rounding.

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

After midyear, when the public debt rose rapidly, commercial banks added to their holdings of United States Government securities at a much slower rate, absorbing about one-fourth of the increase in the publicly held Federal debt. The additional Government securities were placed in nonbank hands, in some cases with commercial banks serving in effect as underwriters. Thus, large-scale monetization of the public debt—i. e., additions to bank holdings through reserve funds provided by monetary authorities—that might have provided the basis for a renewal of inflationary pressures was avoided.

TABLE C-16.—*Net changes in ownership of the publicly held Federal debt during 1958*¹

[Billions of dollars]

Investor group	1958	
	First half	Second half ²
Debt held by the public: Total.....	0.8	8.1
Commercial banks ³	5.8	2.1
Federal Reserve Banks.....	1.2	.9
Mutual savings banks.....	-2	-1
Insurance companies.....	-3	.5
Other corporations.....	-3.2	4.0
State and local governments.....	-1	.3
Individuals.....	-1.1	-8
Miscellaneous investors.....	-1.4	1.2

¹ Change based on par value. See Table D-49.

² Based on preliminary estimates for December 31, 1958 by Council of Economic Advisers.

³ The change in ownership of Federal debt by commercial banks given in this table differs from Table C-15. This table is based on par values and includes holdings of banks in United States Territories and possessions, whereas Table C-15 is based on book values and includes only banks within the continental United States.

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

Source: Treasury Department (except as noted).

The maturity structure of Government securities held by banks was lengthened as a result principally of intermediate-term securities offered in Treasury financing operations. Since such issues are not as liquid as short-term Government securities, the liquidity of banks was not enhanced as substantially as the increase in bank holdings of Government securities might indicate. Moreover, after the middle of the year, market prices of securities of intermediate- and long-term maturity declined as interest rates rose, making banks more reluctant to sell them because of the capital losses that would be entailed.

In view of the reduced demands for consumer and business loans, the major portion of the remaining increase in bank assets consisted of larger holdings of State and local securities and real estate loans. The increase in the former was a substantial fraction of the total increase in State and local securities. Bank loans to aid in financing real estate transactions, including mortgages and interim credit, also expanded significantly, particularly in the second half of the year, and the rise in bank holdings of real estate loans was about the same as the 1955 record increase.

Nonbank Financial Institutions

Individuals added large amounts on balance to their financial assets. The rise in savings capital at savings and loan associations exceeded by more than one-quarter the rise in 1957 (Table C-17). In mutual savings

TABLE C-17.—*Flow of funds for selected nonbank financial institutions, 1955-58*
[Millions of dollars]

Item	First ten months			
	1955	1956	1957	1958
Life insurance companies:				
Net change in assets.....	4,948	4,615	4,435	4,744
Savings and loan associations:				
Net change in savings capital.....	3,688	3,757	3,463	4,464
Mutual savings banks:				
Net change in deposits.....	1,473	1,396	1,222	1,886

Sources: Institute of Life Insurance, Federal Savings and Loan Insurance Corporation, National Association of Mutual Savings Banks, and Federal Deposit Insurance Corporation.

banks, which are concentrated in the northeast section of the country, the rate of growth in savings accounts increased by more than 50 percent. The flow of savings into life insurance companies, as measured by the net increase in life insurance assets, was slightly greater than in 1957. Savings and loan associations and mutual savings banks used the additional funds available to increase substantially their accumulation of mortgages, and life insurance companies increased their accumulation of State and local securities. Holdings of United States Government securities by life insurance companies seem likely to show little change for the year as a whole. This

would make it the first year since 1946 that life insurance companies did not reduce their holdings of such securities significantly.

Although the flow of funds from individuals directly into common stocks may have declined somewhat, the flow of funds into mutual funds as measured by the accumulation of mutual fund shares was at a record level. As a result, mutual funds increased their accumulation of common stocks. In addition, many pension funds were reported to be enlarging their equity portfolios. Individuals, however, continue to hold the largest amount of shares and, according to the public transactions study of the New York Stock Exchange, they continue to account for most transactions on the Exchange.

INTEREST RATES AND STOCK PRICES

The decline in interest rates that began in the autumn of 1957 continued into 1958 as economic activity diminished and Federal Reserve authorities made credit more readily available. The drop in long-term interest rates was particularly sharp through early January 1958. By then, the average yield on long-term United States Government bonds had fallen about $\frac{1}{2}$ of 1 percent, and a further decrease occurred through April. Short-term rates declined almost continuously through late May. The rate on new 13-week Treasury bills, which had reached $3\frac{3}{8}$ percent in 1957, fell to about $\frac{5}{8}$ of 1 percent.

With economic recovery, interest rates rose even more abruptly than they had declined. By early autumn, interest rates on long-term Government securities not only surpassed the rates in 1957 but were the highest since, the early 1930's. Other long-term rates also increased, although not quite as much. Short-term interest rates rose swiftly, with new Treasury bills yielding almost 3 percent six months after yields significantly below 1 percent had prevailed; however, short-term rates did not attain the high rates of 1957. Thus, short- and long-term interest rates advanced from the low levels of early 1958 in a remarkably brief time, in contrast to the protracted period of low interest rates during the economic contraction of 1953-54.

A combination of factors contributed to the sharpness of the rise in rates. These included the suddenness with which the upturn in business activity came about; the projected rise in the supply of Government securities, reflecting the Federal deficit; and widespread discussion of potential inflationary pressures. Another factor was the large-scale selling of United States Government securities by many of those who had bought earlier in the year on the assumption of declining interest rates and rising bond prices. Many Government bonds, notably the $2\frac{3}{8}$ percent bonds of 1965 issued in June, had been bought on a thin margin basis. When bond prices began to decline, many of these holders had little choice but to sell their securities. This helped bring about further price declines through the summer months, making for sharply higher interest rates.

Stock market prices increased persistently throughout most of 1958. By autumn, prices of common stocks exceeded their previous highs; and, according to one measure, prices of industrial stocks at the end of the year were, on the average, 22 times the earnings that had prevailed in the year ended September 1958. This high capitalization of current earnings had occurred only seldom in the past, and then under unusual circumstances. The dividend yield of a composite of stocks declined during 1958 from about $4\frac{2}{3}$ percent to $3\frac{1}{4}$ percent, considerably below yields on long-term bonds. After the middle of the year, low-price stocks became the most actively traded, and they increased in price substantially more than high-price stocks. The proportion of stock market transactions for short-term and trading purposes was the largest since 1955, according to the public transactions study of the New York Stock Exchange.

Stock market credit, as measured by net debit balances of New York Stock Exchange firms and bank loans to others than brokers and dealers, increased about \$900 million from the end of 1957 to the end of 1958, and about \$400 million when measured from the peak figure in 1957. Most of the rise occurred before August 1958, at which time margin requirements on new stock purchases were raised from 50 percent to 70 percent, and other moves were taken to restrain general credit expansion.

V. Government Finances

Federal, State, and local government expenditures increased during the calendar year 1958. State and local receipts also rose, but Federal Government receipts declined, reflecting the effect of economic recession on corporate and individual incomes. For the fiscal year 1958, the Federal budget showed a small deficit (the first in three years), and a much larger one is estimated for the current fiscal year. State and local debt rose by \$4.7 billion during the year ended June 30, 1958; the Federal debt increased by \$5.8 billion in the same period and by an additional \$6.6 billion during the second half of the calendar year 1958. It is expected to increase by another \$2 billion by June 30, 1959.

FEDERAL FINANCES

Expenditures

Budget expenditures in the year ended June 30, 1958 amounted to \$71.9 billion, \$2.5 billion higher than in the preceding fiscal year. There were increases in nearly all categories, with the largest increases in the major national security and commerce and housing categories (Table C-18).

TABLE C-18.—*Federal budget expenditures, 1957-60*

[Fiscal years, billions of dollars]

Function	1957	1958	1959 (estimated)	1960 (estimated)
Total budget expenditures.....	69.4	71.9	80.9	77.0
Major national security.....	43.3	44.1	46.1	45.8
International affairs and finance.....	2.0	2.2	3.7	2.1
Commerce and housing.....	1.5	2.1	3.5	2.2
Agriculture and agricultural resources.....	4.5	4.4	6.8	6.0
Natural resources.....	1.3	1.5	1.7	1.7
Labor and welfare.....	3.0	3.4	4.4	4.1
Veterans services and benefits.....	4.8	5.0	5.2	5.1
Interest.....	7.3	7.7	7.6	8.1
General government.....	1.8	1.4	1.7	1.7
Allowance for contingencies.....			.2	.1

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

Sources: Treasury Department and Bureau of the Budget.

A further rise in budget expenditures, to \$80.9 billion, is indicated for the current fiscal year (1959), as increases in nearly all major categories are expected. For each of the four categories—agriculture and agricultural resources, major national security, international affairs and finance, and commerce and housing—an increase of more than \$1 billion is estimated.

The largest single increase is expected for agriculture and agricultural

resources, primarily because record crops have caused increased payments to farmers under open-end commitments for price support. To a smaller extent, the increase results from additional soil bank payments for corn and cotton acreage. Estimates for expenditures on agriculture and agricultural resources in the fiscal year 1959 have been revised upward repeatedly, from \$4.6 billion in the January 1958 budget to \$6.4 billion in the midyear review and to \$6.8 billion as of January 1959. Agricultural expenditures therefore become the third largest category in the Federal budget, exceeded only by expenditures for national security and interest payments on the public debt.

The increase estimated for national security expenditures in the current fiscal year is attributable primarily to higher spending on research and development, procurement of missiles, larger operating expenditures, and higher expenditures for military construction. Expenditures of the Atomic Energy Commission are expected to increase by over \$300 million. An estimated increase of more than \$1 billion for research and development (including testing and evaluation) will raise estimated expenditures by the Department of Defense in this category to a level 50 percent higher than in the fiscal year 1958. Increased expenditures for new weapons and more modern equipment, on the other hand, will be more than offset by a reduction in expenditures for conventional weapons and equipment, resulting in an estimated reduction of \$600 million in total expenditures for procurement.

The estimated increase in expenditures for international affairs and finance is due primarily to the recommended expenditure for the additional United States quota in the International Monetary Fund.

The higher expenditures for commerce and housing in fiscal 1959 reflect primarily the purchases of mortgages for low- and medium-priced housing by the Federal National Mortgage Association, extension of the direct home loan program of the Veterans Administration, larger expenditures for the modernization of airway navigation facilities, and greater assistance to small business by the Small Business Administration. Despite the rise in postal rates, a significant increase is expected in the net deficit of the Post Office Department, owing to the pay increase for postal workers enacted in May 1958 and to higher payments to railroads on account of the increase in rates granted them by the ICC in the spring of 1958.

The increase of almost \$1 billion estimated for labor and welfare is chiefly the result of the program enacted in June 1958, which provides for temporary advances to States for the extension of unemployment compensation benefits, and of recent legislation increasing the Federal share of payments to States for public assistance grants.

Revenues

Federal budget receipts in the fiscal year 1958 were almost \$2 billion less than in the preceding year, reflecting the impact of the recession. Receipts from taxes on individual incomes declined by about \$900 million, and those from taxes on corporate incomes by \$1.1 billion. Revenues from

excise taxes declined by about \$400 million. However, other receipts, including customs and miscellaneous receipts, rose by more than \$500 million.

A further decline in revenues is expected in the fiscal year 1959. Receipts from the corporate income tax are expected to fall by \$3 billion as a result of the decline in corporate profits during the calendar year 1958, which was particularly sharp in the first half of the year. On the other hand, receipts from the personal income tax, which is collected mainly on a current basis, are expected to increase, reflecting the economic recovery and the rise in personal incomes beginning in the spring of 1958. Small declines are estimated for excise and other receipts, except customs. The net effect of all these changes will be a decrease of approximately \$1 billion from the fiscal year 1958 in Federal revenues. (For details on Federal budget receipts by source, see Table D-51.)

Upon recommendation of the President, the Congress extended for one year the current rates of the corporate income tax and certain Federal excise taxes which were to be reduced last June. It also repealed the taxes on transportation of property (including coal, and oil by pipeline), effective August 1, 1958, at a revenue loss estimated at \$350 million for the remainder of the fiscal year 1959 and somewhat over \$500 million for a full year. In addition, it enacted a number of technical tax revisions, including changes aimed at aiding small business; the revisions from which small business is expected to benefit are estimated as involving a loss of \$260 million in revenue in the fiscal year 1959.

Consolidated Cash Statement

The consolidated cash statement, which presents information on the total flow of money between the public and the Federal Government, shifted—like the conventional budget—from a surplus in the fiscal year 1957 to a deficit in fiscal 1958. However, both the change from the fiscal year 1957 to the fiscal year 1958, and the deficit in the fiscal year 1958, were smaller than those shown by the conventional budget. In every fiscal year from 1953 through 1958 (as well as in most prior years), the Federal budget on a consolidated cash basis has shown smaller deficits or larger surpluses than the conventional budget (Table C-19).

Trust funds, whose receipts and disbursements are included in the consolidated cash statement but not in the conventional budget, have shown a surplus in recent years, including the fiscal year 1958. In addition, accrued interest on savings bonds has exceeded the cash interest paid on redeemed bonds and has contributed to a reduction in Federal cash payments relative to budget expenditures.

Through the fiscal year 1957, the largest of the trust funds—the Federal Old-Age and Survivors Insurance (OASI) Trust Fund—showed a consistent and substantial excess of receipts over payments, although the amount of the excess has been declining in recent years. Most of the other trust funds also showed a consistent excess of receipts over payments during this

TABLE C-19.—*Relation between the Federal budget surplus or deficit, receipts from and payments to the public, and change in the public debt, 1953-59*

[Fiscal years, billions of dollars]

Item	1953	1954	1955	1956	1957	1958	1959 (estimated)
Budget surplus or deficit (—).....	-9.4	-3.1	-4.2	1.6	1.6	-2.8	-12.9
Plus: Net receipts, or expenditures (—), from trust account transactions.....	3.6	2.0	1.0	2.2	1.4	.3	-1.3
Accrued interest and other noncash expenditures (net).....	.5	.6	.6	.9	-.8	.5	1.9
Less: Receipts from exercise of monetary authority.....	.1	.1	(1)	(1)	(1)	.1	.1
Expenditures (net) of government-sponsored enterprises.....	-.1	-.4	.1	.3	(1)	-.6	.9
Equals: Net receipts from, or payments (—) to, the public (consolidated cash surplus or deficit).....	-5.3	-.2	-2.7	4.5	2.1	-1.5	-13.2
Plus: Receipts from seigniorage less changes in cash balance held outside Treasury.....	.1	-.2	.3	.2	(1)	-.1	.4
Less: Increase or decrease (—) in Treasurer's account balance.....	-2.3	2.1	-.6	.3	-1.0	4.2	-4.3
Equals: Net cash borrowing from the public or repayment (—) ²	2.9	2.5	1.8	-4.4	-3.1	5.8	8.5
Plus: Accrued interest on savings bonds and Treasury bills.....	.7	.5	.5	.5	.4	.3	.5
Issuance of public debt securities representing budget expenditures or refunds of receipts.....	(1)	.1	.1	.2	-.7	-.5	1.2
Net investment in Federal securities by government agencies.....	3.3	2.1	1.5	3.2	2.3	.7	-.5
Less: Net sale of obligations of government enterprises in the market.....	(1)	(1)	.9	1.0	1.2	.4	1.0
Equals: Net increase in public debt.....	7.0	5.2	3.1	-1.6	-2.2	5.8	8.7

¹ Less than \$50 million.

² Sign changed.

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

Sources: Treasury Department and Bureau of the Budget.

period. An occasional excess of payments over receipts in one trust fund, such as the Unemployment Trust Fund in the fiscal years 1954 and 1955, was more than offset by an excess of receipts over payments in other funds.

A change began, however, in the fiscal year 1958, when payments from the OASI Trust Fund exceeded receipts for the first time. Substantial net payments were also shown by the Unemployment Trust Fund in that year. These net payments were more than offset in total by the net receipts of the Federal Disability Insurance Trust Fund, the Federal Employees Retirement Fund, and the Highway Trust Fund. In the fiscal year 1959, however, payments of the Highway Trust Fund, as well as the OASI Trust Fund and the Unemployment Trust Fund, are expected to be substantially in excess of current receipts; therefore, the current operations of the trust funds are expected to show, for the first time in recent years, a substantial net excess of expenditures over receipts, and the anticipated Federal deficit on a consolidated cash basis is expected to exceed the estimated deficit on a conventional basis (Table C-19).

It is estimated that in the fiscal year 1960 the situation will be reversed again and that the Federal surplus on a consolidated cash basis will be

larger than the budget surplus on the conventional basis. Current operations of the trust funds are then expected to show again a small net accumulation, partly because of higher contributions to the OASI Trust Fund, effective January 1, 1959, smaller net payments by the Unemployment Trust Fund, and increased revenues for the Highway Trust Fund from the recommended increase in the Federal gasoline tax.

Public Debt

The public debt increased by \$5.8 billion, to \$276.3 billion, during the fiscal year ended June 30, 1958. By the end of the calendar year 1958, it had increased to \$282.9 billion, an increase of \$8 billion for the year. A further increase of approximately \$2 billion by June 30, 1959 is now estimated. The increase in the public debt during the fiscal year 1958 was substantially in excess of either the conventional budget deficit or the cash deficit for the same period, but the opposite result is expected for the fiscal year 1959 (Table C-19). The major reason for this difference is that the Treasury's cash balance was abnormally high on June 30, 1958.

Changes in the public debt do not necessarily measure the impact of Government debt operations on the economy in terms of withdrawals of funds from, or additions of funds to, the public. Net receipts by trust accounts, which are invested in United States Government securities, provide the Treasury with funds that can be used to redeem securities held by the public or to reduce the amount of borrowing from the public if there is a budget deficit. On the other hand, net payments by trust accounts reduce the cash position of the Treasury, and may lead to an increase in the debt held by the public as Federal security holdings by these accounts are reduced. The relationships between the budget surplus or deficit, net cash receipts or payments, and changes in the public debt are shown in Table C-19 for the fiscal years 1953 to 1959, inclusive.

FEDERAL, STATE, AND LOCAL FINANCES

Data on the net results of the financial transactions of the Federal Government on a cash basis (Table C-20) show that the relationship between Federal cash payments and receipts has fluctuated considerably in recent years. A deficit of \$5.3 billion in the fiscal year 1953 was practically eliminated in the following year. A deficit of \$2.7 billion in 1955 was followed by a substantial surplus in the fiscal year 1956 and a smaller surplus in the fiscal year 1957. In the fiscal year 1958, there was a deficit of \$1.5 billion.

By contrast, cash receipts and payments of State and local government units show much smaller swings during this period, with both cash receipts and payments increasing steadily. Since 1953, payments have consistently exceeded receipts, with the largest deficit occurring in 1958. Except for 1953, therefore, the net effect of State and local cash transactions has been to reduce the size of the cash surplus or to increase the size of the cash deficit of all government units combined.

TABLE C-20.—*Consolidated cash statements of Federal and State and local governments, 1953-58*

[Fiscal years, billions of dollars]

Receipts or payments	1953	1954	1955	1956	1957	1958
Total government:						
Cash receipts.....	93.9	95.6	93.5	105.8	113.1	114.4
Cash payments.....	99.1	96.1	97.5	101.7	111.6	117.7
Total cash surplus or deficit (—).....	-5.2	- .5	-4.0	4.1	1.5	-3.3
Federal Government:						
Cash receipts.....	71.5	71.6	67.8	77.1	82.1	81.9
Cash payments.....	76.8	71.9	70.5	72.6	80.0	83.4
Federal cash surplus or deficit (—).....	-5.3	- .2	-2.7	4.5	2.1	-1.5
State and local governments:¹						
Cash receipts.....	22.4	24.0	25.7	28.7	31.0	32.5
Cash payments.....	22.3	24.2	27.0	29.1	31.6	34.3
State and local cash surplus or deficit (—).....	.1	- .2	-1.3	- .4	- .6	-1.8

¹ Estimates by Council of Economic Advisers.

NOTE.—Federal grants-in-aid have been deducted from State and local government receipts and payments since they are included in Federal payments.
Detail will not necessarily add to totals because of rounding.

Sources: Treasury Department and Bureau of the Budget (except as noted).

All major classes of State and local government expenditures increased during the past year. Expenditures for education—more than one-third of the total—continued to be by far the largest single outlay, followed by expenditures for highways and public welfare. As in previous years, property taxes and taxes on sales and gross receipts accounted for about three-fifths of State and local revenues. Both these sources of receipts, and also revenue from personal income taxes, have increased from year to year. Receipts from taxes on corporate profits—not an important source of revenue for State and local governments—declined in 1958.

RECEIPTS AND EXPENDITURES OF FEDERAL, STATE, AND LOCAL GOVERNMENTS: NATIONAL INCOME ACCOUNTS

Quarterly changes in Government receipts and expenditures, at seasonally adjusted annual rates, are shown in Table C-21 in terms of the national income accounts. The presentation of Government receipts and expenditures in these accounts shows the contribution of Government operations to the gross national product and the income of the economy more directly than the presentation in either the conventional budget or the consolidated cash statement. A major difference between the national income concept and the consolidated Government cash statement is that the former excludes capital transactions, such as sales of Government property, mortgage purchases by the Federal National Mortgage Association, and Government purchases of other existing assets. Adjustments are also made for other reasons, such as differences in timing between the recording of certain transactions in the national income accounts and the actual outlay or receipt of cash by the Government. For fiscal 1958,

the major part of the difference between receipts in the national income accounts and in the consolidated cash statement was due to the difference in timing between the accrual and payment of corporate profits taxes. (For a reconciliation between Federal Government receipts and payments on a cash basis and on a national income basis, see Table D-54.)

As indicated in Table C-21, the surplus of Federal Government operations on income and product account in the third quarter of the calendar year 1957 was wiped out in the fourth quarter when receipts and expenditures were nearly in balance; and in each quarter of the calendar year 1958,

TABLE C-21.—*Government receipts and expenditures as shown in the national income accounts, 1957-58*

[Calendar years, billions of dollars, seasonally adjusted annual rates]

Receipt or expenditure	1957		1958			
	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter ¹
Federal Government:						
Receipts.....	83.3	80.6	76.1	76.1	80.2	83.4
Expenditures.....	79.9	80.8	82.8	86.0	88.7	90.6
Purchases of goods and services.....	49.7	49.1	49.7	50.7	52.2	53.8
Transfer payments.....	17.1	18.6	19.5	21.5	22.1	21.7
Grants-in-aid to State and local governments.....	4.3	4.4	4.4	4.8	5.4	6.0
All other ²	8.8	8.8	9.1	9.1	9.0	9.1
Excess of receipts or expenditures (-).....	3.4	-2.2	-6.6	-9.9	-8.6	-7.2
State and local governments:						
Receipts.....	38.3	38.5	38.9	39.8	41.2	42.8
Expenditures.....	38.9	40.6	41.6	42.1	42.8	44.0
Purchases of goods and services.....	36.1	37.8	38.6	39.1	39.9	41.0
All other ²	2.7	2.9	3.1	3.0	3.0	3.0
Excess of receipts or expenditures (-).....	-0.6	-2.1	-2.7	-2.2	-1.6	-1.2

¹ Preliminary estimate by Council of Economic Advisers.

² See Table D-53, for items included.

NOTE.—Federal grants-in-aid to State and local governments are reflected in Federal expenditures and State and local receipts and expenditures.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

Federal Government operations showed a large deficit, the largest being recorded in the second quarter. Both a substantial decline in receipts and an increase in expenditures contributed to the shift from a surplus in the third quarter of 1957 to a deficit in the first quarter of 1958. Federal receipts reached a low point in the first and second quarters of 1958; by the fourth quarter, they had recovered all the loss since the third quarter of 1957. Expenditures, however, continued to rise in each quarter of 1958; and by the third quarter, they were more than 10 percent above expenditures a year earlier. All major types of Federal expenditures increased, with the largest rise occurring in transfer payments.

Purchases of goods and services by the Federal Government in the first quarter of 1958 were about the same as in the last two quarters of 1957, but in the following three quarters they increased at an accelerating rate. Payments for national defense, by far the largest component, account for some of the increase during this period. Greater outlays for the support of agricultural prices, as well as increased payments to Government employees, contributed to the increase in nondefense purchases of goods and services.

The steady rise in transfer payments through the third quarter of 1958 reflects primarily higher unemployment insurance payments as well as increased benefit payments under the old-age, survivors, and disability system. Likewise, benefit payments from other social insurance funds, and compensation and pension payments to veterans, have been increasing.

Grants-in-aid to State and local governments have been rising, particularly in the last three quarters of 1958. The two major items accounting for the rise are the increase in Federal public assistance grants to States and grants-in-aid under the highway program.

State and local receipts and expenditures during this period show a steady upward trend. However, while the increases in expenditures in the fourth quarter of 1957 and the first quarter of 1958 were more rapid than the increases in receipts, the gap between receipts and expenditures narrowed in subsequent quarters. State and local purchases of goods and services rose steadily during this period; the most significant expenditures were for education and for the construction of highways and other facilities.

VI. United States Foreign Trade and Payments

Changes during the past two years in the economic situation in the United States and abroad inevitably affected this country's foreign trade and payments. While imports were well maintained, exports declined sharply after mid-1957; as a result, the United States surplus on transactions in goods and services in the first half of 1958 was much below the high level attained a year earlier and about the same as in 1956 (Table C-22). At the same time, the net outflow of capital remained considerably above the early 1956 rate. These changes resulted in substantial additions to foreign gold and liquid dollar assets. Thus a movement which had proceeded for several years before the Suez crisis was resumed, but at a higher rate.

TABLE C-22.—*United States balance of payments, selected periods, 1952-58*¹

[Millions of dollars]

Receipt or payment	July 1952- June 1956 (annual average)	1956, first half	1957, first half	1958		
				First half	Third quarter	
		Seasonally adjusted annual rates				
United States receipts ²	18, 955	22, 970	27, 716	22, 946	23, 324	
Merchandise exports.....	13, 401	16, 246	20, 044	16, 154	16, 324	
Services and military transactions.....	5, 259	6, 160	7, 086	6, 764	7, 000	
Foreign long-term investments in United States.....	295	564	586	28		
United States payments ²	20, 903	24, 408	27, 860	26, 334	26, 876	
Merchandise imports.....	11, 154	12, 530	13, 198	12, 538	12, 712	
Services and military expenditures.....	5, 983	7, 050	7, 336	7, 518	7, 880	
Remittances and pensions.....	601	610	686	676	724	
Government grants and related capital outflows (net).....	2, 128	2, 428	2, 978	2, 454	2, 412	
United States private and other Government capital outflows (net).....	1, 037	1, 790	3, 662	3, 148	3, 148	
Excess of receipts or payments:						
All transactions.....	-1, 948	-1, 438	-144	-3, 388	-3, 552	
Goods and services.....	1, 523	2, 826	6, 596	2, 862	2, 732	
Capital, grants, remittances and pensions.....	-3, 471	-4, 264	-6, 740	-6, 250	-6, 284	
Errors and omissions (net receipts).....	303	214	1, 148	386	376	
Increase in foreign gold and liquid dollar assets through transactions with the United States.....	1, 645	1, 224	-1, 004	3, 002	3, 176	

¹ The selection of periods is dictated by the behavior of certain major items in the balance of payments, especially that of United States exports. Mid-1952 to mid-1956 provides a base period of more or less normal development of trade and payments after the repercussions of the Korean conflict were over and before the effects of the Suez crisis were felt; the first half of 1956 is given separately to show the levels prevailing at the end of that period. The first half of 1957 shows United States exports and other transactions at their peak, influenced by the general level of economic activity as well as by the Suez situation and other special forces. The first half and third quarter of 1958 give the more current situation, affected by the recession and other developments.

² Transfers of military aid are excluded both from exports (under receipts) and from grants (under payments).

Source: Department of Commerce.

REASONS FOR DECLINE IN UNITED STATES EXPORTS

From the first half of 1957 to the first half of 1958, the value of United States merchandise exports fell more—in relative as well as absolute terms—than those of all other countries combined (Table C-23; also Chart 11

TABLE C-23.—*Exports of the United States and other countries, 1956-58*

Period	United States	Foreign countries ¹		
		Total	Western Europe, Canada, and Japan	Other countries ²
Billions of dollars, seasonally adjusted annual rates				
1956: First half.....	16.2	73.4	43.2	30.2
Second half.....	18.4	75.0	44.8	30.2
1957: First half.....	20.0	79.6	47.9	31.7
Second half.....	18.6	79.6	48.2	31.4
1958: First half.....	16.1	77.1	47.2	29.9
Third quarter.....	16.3	³ 78.6	³ 47.9	³ 30.7
Percent				
Change, first half 1957 to first half 1958:				
Value.....	-19.5	-3.1	-1.5	-5.7
Unit value.....	-.5	-4.0	-2.0	-6.5

¹ Excludes exports of U.S.S.R. and Soviet bloc countries.

² Includes Ireland, Iceland, Finland, Spain, and Yugoslavia.

³ Preliminary.

Sources: Department of Commerce, International Monetary Fund, and United Nations.

in Chapter 2). The reduction in the value of exports of foreign countries was due chiefly to a fall in export prices of the primary producing countries. Exports of the industrially developed countries declined relatively little, and, unlike those of the United States, remained significantly higher in the first six months of 1958 than in the first half of 1956. Exports, adjusted for seasonal variations, of these other industrial countries rose moderately again in the third quarter of 1958; and exports of the United States were slightly higher in that quarter than earlier in the year.

Examination of the export performance of the United States discloses that by far the greater part of the recent decline, as well as much of the sharp rise immediately preceding it, is attributable to developments in a few products. Six major commodities or commodity groups, which usually constitute only about 30 percent of total United States exports, accounted for most of the rise from the first half of 1956 to the first half of 1957 and for about three-fourths of the fall in the first half of 1958 (Table C-24).

Special circumstances dominated the movements of petroleum, cotton, and wheat. Petroleum exports were temporarily swollen in the first half of 1957 by the interruption of traffic through the Suez Canal. Cotton exports, which had been abnormally low in the first half of 1956, pending

TABLE C-24.—*Change in United States exports, 1956 to 1958*

[Millions of dollars, annual rates]

Commodity group ¹	Exports, first half 1956	Change	
		First half 1956 to first half 1957	First half 1957 to first half 1958
Total exports, excluding "special category".....	16,294	3,690	-3,920
Six main items in the decline ¹	5,029	2,357	-2,992
Crude petroleum and selected fuels ²	214	582	-617
Raw cotton including linters.....	484	794	-422
Wheat.....	669	241	-335
Coal and related fuels.....	630	224	-328
Iron and steel-mill products, nonferrous metals, scrap, and ferroalloys.....	1,526	562	-1,030
Automobiles and parts and accessories.....	1,506	-46	-260
Other exports ¹	11,265	1,333	-928
Meat and dairy products, lard, and other edible animal products.....	383	29	-140
Oils, greases, and other inedible animal products.....	313	21	-60
Vegetable food products and beverages, excluding wheat.....	1,235	-28	97
Rubber and manufactures.....	262	46	-26
Oilseeds and expressed oils.....	256	78	-137
Wood and paper.....	444	46	-44
Lubricating oil and other petroleum products.....	308	46	-72
Metal manufactures.....	462	44	-20
Machinery, all types.....	3,612	438	-218
Chemicals and related products.....	1,244	164	-60
Textile manufactures (semi- and finished manufactures).....	632	66	-68
Selected finished manufactures ³	673	91	-41
All other products ⁴	1,441	292	-139

¹ Exports grouped to show main products accounting for the decline from first half 1957 to first half 1958. See Table D-73 for additional detail by area.

² Includes gas oil, fuel oil, and motor fuel other than aviation gasoline.

³ Includes photographic and projection goods, scientific and professional instruments, musical instruments, miscellaneous office supplies, small arms and ammunition, books, maps, and other printed matter.

⁴ Includes, in addition to miscellaneous items, such exports as tobacco and tobacco products, articles for charity, and total reexports of merchandise.

Sources: Department of Commerce and Council of Economic Advisers.

a revision of the United States export price, rose subsequently when foreign stocks were being replenished, but later declined, although they still were relatively high. Wheat shipments were exceptionally large for a time because of the poor 1956 harvest in Europe and because of deliveries to the Far East under special programs.

Two other export items—metals and coal—proved to be extremely sensitive to changes in demand—first when foreign production capacity was strained during the boom and later when excess capacity emerged. The effect of this changed world market situation on United States steel exports has been aggravated by intensified price competition from foreign suppliers. United States coal remains strongly competitive at its landed price abroad, but it is encountering serious obstacles in Europe. There, stocks have piled up at pithead because of continued high coal production in the face of decreased demand as a result of reduced activity in the European steel industry, cuts in users' stocks, gains in coal-burning efficiency, and further displacement by fuel oil.

Exports of automobiles, parts, and accessories have shown a general and pronounced decline, after having failed to share in the over-all rise in

United States exports in 1957. The decline in 1958—especially that in exports of motor trucks which had previously increased—is attributable in considerable part to cyclical influences. Exports of passenger cars and of chassis, however, have fallen over the last several years so much that they now represent only a quarter of the total value of exports of this group. Meanwhile, exports of foreign cars have risen rapidly; in the first half of 1958, their value was equivalent to five times the American exports of passenger cars and chassis. The growth in demand abroad for the small foreign models reflects the spread of the market to lower income groups, the increase in traffic congestion in many cities, steeply graduated taxes on large cars and high gasoline taxes in many countries, continued restrictions on car imports in the producing countries, and, in some other countries, preferential import treatment for small cars.

In addition to the influence of the shifts in the major export items just discussed, United States exports have been affected by changes in the economic situation in certain countries. The annual rate of sales to Canada alone in the first half of 1958 was \$750 million below the rate a year earlier. Half of this decline was in exports of products other than the six discussed above (Table D-73). The decline in sales of machinery to Canada is especially noteworthy since it is in contrast to such sales to most other countries and reflects a slower rate of industrial investment in Canada.

Much of the \$400 million decline in the annual rate of exports to Western Europe (Table D-73) of items other than the six separately discussed is directly attributable to changes in general business conditions or in agricultural production, though the effects of these changes have been felt by other suppliers as well.

In summary, the relatively sharp decline in United States exports after the middle of 1957 is accounted for by a combination of factors: the disappearance of certain special circumstances which had, for a time, raised shipments of petroleum, cotton, and wheat to exceptionally high levels; and cyclical shifts which had also lifted certain exports, such as steel and other metals, to unusually high levels but which now leave them temporarily depressed. Both sets of influences have affected United States exports with particular force because of their broad commodity composition, which differs from that of any other industrial country, and to some extent also because of their country distribution. These reasons for the wide swings in United States exports, however, do not diminish the importance of efforts to strengthen the position of the United States in a more highly competitive world market.

FACTORS OF STRENGTH AND WEAKNESS IN UNITED STATES IMPORTS

The total value of United States imports, on the other hand, has been relatively well maintained. This comparative strength is attributable to several forces, including particularly the maintenance of consumer demand.

TABLE C-25.—*Change in United States imports, 1956 to 1958*

[Millions of dollars, annual rates]

Commodity group ¹	Imports, first half 1956	Change	
		First half 1956 to first half 1957	First half 1957 to first half 1958
Total imports for consumption.....	12, 473	323	-298
Main items increasing ¹	3, 220	420	728
Meats, meat products, and cattle.....	164	24	216
Other foods, except coffee.....	1, 696	-30	190
Petroleum and products.....	1, 232	266	114
Automobiles.....	128	160	208
Items showing little change ¹	3, 611	47	-52
Sawmill products.....	300	-68	-14
Chemicals and related products.....	290	-6	-2
Machinery, including agricultural and office.....	374	70	18
Textile manufactures ²	608	4	-2
Selected finished manufactures ³	184	34	-6
All other products.....	1, 855	13	-46
Main items decreasing ¹	5, 642	-144	-974
Coffee.....	1, 500	-84	-186
Nonferrous metals, iron ore, ferroalloys and steel-mill products.....	2, 028	204	-482
Diamonds, rough, cut, and bort.....	244	-52	-34
Natural crude rubber.....	450	-108	-100
Wool and other textile fibers ⁴	416	-68	-102
Newsprint and paper base stocks.....	1, 004	-36	-70

¹ Imports grouped according to direction of change from first half of 1957 to first half 1958.² Semimanufactures other than man-made filaments included.³ Leather goods, photographic goods, scientific and professional instruments, toys and athletic goods, advanced metal manufactures.⁴ Cotton, silk, man-made filaments, and hard fibers.

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

Source: Department of Commerce.

As shown in Table C-25, the value of a substantial number of imported commodities has either increased or changed very little. Imports of automobiles, especially, continued to rise during the recession; imports of meat and other foodstuffs, except coffee, were substantially greater in the first half of 1958 than a year earlier, though largely because of temporary conditions affecting domestic supplies of some of these products; and petroleum imports were also higher, but the increase was less than in the first half of 1957, when the rise from a year earlier was due to higher prices as well as greater volume.

The value of imports of coffee in the first half of 1958 was sharply below the value in the same period of 1956 and of 1957. The pressure of coffee supplies on the market resulted in some weakening of prices and therefore in increased caution in dealers' inventory policies; as a result, the volume as well as the price of coffee imports declined.

The other main commodity imports shown in Table C-25 as decreasing are all in the nature of industrial materials. This group as a whole declined by an annual rate close to \$800 million, or almost 20 percent, from the first half of 1957 to the first half of 1958. Reductions in volume and in price were of about equal importance.

These changes in United States imports affected different supplying countries and areas according to the composition of their exports. Exports from the Middle East to the United States increased because of petroleum; those from Mexico and Cuba expanded chiefly because of meat and other foodstuffs. On the other hand, exports to the United States from the coffee-supplying countries in Latin America were depressed, and also those from Canada and Latin American countries for which nonferrous metals and other industrial materials are important. Influenced by good markets for cocoa and for African types of coffee, United States imports from Africa were well maintained. Imports from Europe fluctuated very little, as increases in automobiles offset decreases in steel and other metals. Imports from Japan rose, but those from other areas in the Far East fell because of smaller United States purchases of rubber and tin.

INCREASE IN UNITED STATES INVESTMENT ABROAD

Like receipts from exports, the net outflow of funds in the form of capital investment and grants from the United States had risen to a peak in the first half of 1957. The subsequent decline, however, was smaller than the decrease in exports, and the net outflow of funds in the first six months of 1958 still exceeded that in the corresponding period in 1956 or earlier (Table C-22). The large outflow in 1957 included substantial payments for oil concessions (Table D-72) and related investment activities in Venezuela. The net outflow of capital exclusive of these payments continued to increase during each of the last several years. Preliminary estimates indicate that the net outflow in the third quarter of 1958, adjusted to correct for the usual summer lull, was about the same as in the first half of the year, though with offsetting changes in the component items.

The largest increase over the first half of 1956—at least up to mid-1958—was in new foreign security offerings; United States private direct investment abroad, after a considerable expansion in 1957, fell back to its earlier level. (For details by type and area of investment, see Tables D-71 and D-72.) Private short-term credits abroad and Government lending have also risen, while the inflow of foreign redemption payments to American bondholders and of foreign long-term investment in this country has declined.

There may also have been some unrecorded capital outflow, following the large shifts of funds to the United States during the Suez crisis and the subsequent currency speculation in Europe. By their nature, such shifts frequently do not appear in the recorded data on capital flows, and the only evidence of these movements lies in the behavior of the residual items (errors and omissions) in the United States global balance of payments (Tables C-22 and D-71). This item normally shows unidentified receipts of several hundred million dollars annually, because of overestimates of certain payments or underestimates of certain receipts for which precise records are not available. With due allowance for this de-

iciency in the estimates, the inflow of unrecorded capital during the 12 months from October 1956 through September 1957 seems to have reached something like \$1 billion. Any subsequent outflow of these funds has been small, at most, or outweighed by other unrecorded receipts.

The high level of foreign security flotations in the United States during the first half of 1958 is accounted for largely by bond offerings by the International bank for Reconstruction and Development to finance its growing lending operations abroad, and by Canadian issues. The spread between interest rates in the United States and Canada in the early part of the year gave a particular inducement to the flotation of Canadian issues in the United States market. There has also been, especially in the latter part of 1958, a noteworthy rise in securities offered by overseas countries. Foreign bonds payable in United States dollars have again become an attractive investment medium for security buyers, both in this country and abroad.

The large outflow of public and private capital from the United States since the end of the war has helped to achieve a rapid growth in the world economy. It has also made possible a high volume of United States exports, directly by providing funds which were spent on United States goods and indirectly by leading to the strengthening of foreign reserves and helping to remove obstacles to international trade and payments. When, as recently, foreign purchases of American goods slacken for any reason, a continuing strong flow of dollars for imports and for foreign investment and grants results, for the time being in a faster increase in the gold and dollar holdings of other countries. At the same time, however, these movements strengthen the basis for economic expansion and generate conditions favorable to the growth of United States exports. Such considerations are pertinent to an appreciation of the foreign trade and payments position of the United States in 1958.

RISE IN GOLD AND DOLLAR HOLDINGS OF INDUSTRIAL COUNTRIES

Since the autumn of 1957, foreign countries and international institutions have increased considerably their holdings of gold and liquid dollar assets through transactions with the United States. During the year ended September 1958, their gains from this source totaled \$0.8 billion in dollar funds and \$1.8 billion in gold. Inclusive of gold acquired from new foreign production or other sources outside the United States, the 12-month gain in gold and dollar balances owned abroad amounted to \$3.4 billion.

This gain, however, accrued almost exclusively to the industrially developed countries; the holdings of other countries decreased considerably. The 12-month changes in foreign gold and dollar holdings (in millions of dollars) were distributed as follows: United Kingdom, +1,380; Netherlands, +421; Belgium, +326; Italy, +416; Federal Republic of Germany, +263; Switzerland, +165; other Western Europe, +545; Canada, +149; Japan, +312; Venezuela, -382; other Latin America, -226; all other countries,

— 311; international institutions, + 351 (see Table D-75 for further details). The increases were primarily in reserves of countries which ordinarily hold official reserves chiefly in gold, though some of them also added to their dollar holdings on official or private account. Conversely, the decreases were largely in countries (for example, most Latin American countries), which usually keep most or much of their official reserves in dollars, in addition to private funds held in this currency; however, some of them had to reduce their gold holdings also.

INCREASE IN THE USE OF DOLLARS FOR MULTILATERAL SETTLEMENTS

The large increases in the gold and dollar holdings of the industrially advanced countries—Western Europe, Canada, and Japan—resulted in considerable part from the strains in the foreign trade and payments of the less developed countries and of certain others which are also exporters of primary products. Domestic inflation, overimporting, and widespread declines in the prices of export commodities and in export earnings in recent years have caused sharp increases in the trade and payments deficits of the primary producing countries with third areas, chiefly Western Europe. (For changes in trade flows, see Chart 11 and Table D-74.) As a regular feature of the multilateral trade system, part of these deficits is usually settled in dollars. Indirect evidence indicates that the amount of dollars so employed recently has been much greater than in the years prior to 1957; in this comparison, 1957 is disregarded because of the exceptionally large deficits on trade or capital account of certain Western European countries and Japan.

The data in Table C-26 (though subject to a considerable margin of error) suggest that the net annual rate of gold and dollars used for multilateral settlements by the countries exporting primary goods was at least \$1 billion or more higher in the first half of 1958 than in the first half of 1956, and higher still in comparison with the 1952-56 average. The fact that the net receipts of gold and dollars of Western Europe, Canada, and Japan via multilateral settlements have risen by a still greater amount in the period since 1956 reflects the increased activity of the International Monetary Fund—which has helped to relieve strains in international payments—and the increase in loans by the International Bank for Reconstruction and Development.

The increase in multilateral settlements, far more than any change in the net receipts of the industrial countries from the United States, accounts for the recent large increases in the gold and dollar accumulations of this group of countries.

By far the greater part of dollar settlements of the primary producing countries with the industrial group has been covered by their net receipts from the United States, as shown in Table C-26. These receipts, together with the growing financial support given by the United States through international institutions, have effectively assisted in rebuilding and

TABLE C-26.—*Use of gold and dollars for international settlements, selected periods, 1952-58*

[Millions of dollars]

Area and item	July 1952- June 1956 (annual average)	1956, first half	1957, first half	1958, first half
		Annual rates		
Western Europe:				
Increase in gold and dollar holdings.....	1,700	1,260	625	3,540
Less: Net receipts from known transactions with the United States ¹	1,250	1,070	-235	1,410
Goods and services.....	140	80	-1,480	285
Capital ² and grants.....	1,110	990	1,245	1,125
Equals: Other gold and dollar receipts, net.....	450	190	860	2,130
Canada:				
Increase in gold and dollar holdings.....	55	270	430	440
Less: New gold production.....	150	155	155	160
Net receipts from known transactions with the United States ¹	-575	-990	-635	-75
Goods and services.....	-970	-1,725	-1,920	-1,250
Capital ² and grants.....	395	735	1,285	1,175
Equals: Other gold and dollar receipts, net.....	480	1,105	910	355
Japan:				
Increase in gold and dollar holdings.....	80	290	-785	435
Less: Net receipts from known transactions with the United States ¹	325	350	-325	250
Equals: Other gold and dollar receipts, net.....	-245	-60	-460	185
Other countries:				
Increase in gold and dollar holdings ³	200	330	890	-765
Less: New gold production ³	665	725	740	785
Net receipts from known transactions with the United States ¹	870	1,400	1,400	1,500
Goods and services.....	-885	-1,290	-2,650	-1,900
Capital ² and grants.....	1,755	2,690	4,050	3,400
Equals: Other gold and dollar receipts, net.....	-1,335	-1,795	-1,250	-3,050
International institutions:				
Increase in gold and dollar holdings.....	165	115	-900	450
Less: Net receipts from known transactions with the United States ¹	75	40	320	660
Equals: Other gold and dollar receipts, net.....	90	75	-1,220	-210
Addendum:				
Deficiency in sum of net gold and dollar receipts as given above.....	560	485	1,160	590
Unidentified transfers, net, to the United States ⁴	290	315	1,250	485
Other unidentified uses [or receipts (-)] of gold and dollars, net.....	270	170	-90	105

¹ See Table D-72. The balance for Japan, however, is a rough estimate by the Council of Economic Advisers, and the figures for "other countries" have been adjusted accordingly to exclude Japan.

² Includes movements of long- and short-term U. S. capital and of foreign long-term investments in the United States (other than United States Government securities).

³ Excludes gold holdings and gold production of the U. S. S. R. and other countries of the Soviet bloc.

⁴ Errors and omissions item in Table D-71, expressed as an annual rate rounded to the nearest \$5 million.

NOTE.—The area or country figures on "other gold and dollar receipts" (derived as a residual in the manner indicated above) include not only inter-area settlements but also unrecorded transfers to the United States. The latter are known only on a net global basis (as the errors and omissions item in the United States over-all balance of payments). They explain, as shown in the addendum to the table above, most of the discrepancy between the sums of the plus and minus figures for "other gold and dollar receipts." The remainder of the discrepancy would, in principle, represent the net effect of such operations as (a) use of gold in the arts and industry or for hoarding and (b) receipts of gold from dishoarding or from Soviet sales.

Source: Council of Economic Advisers.

strengthening the framework of multilateral trade and payments and have contributed much to the progress in overcoming restrictive forces in the world economy.

For the remainder of their multilateral gold and dollar settlements, the primary producing countries have drawn on their accumulated gold and dollar holdings. In addition, they reduced their balances in other currencies; sterling balances alone were drawn down in the first half of 1958 at an annual rate of some \$300 million, compared with no reduction two years earlier.

Preliminary estimates indicate that in the third quarter of 1958 the primary producing countries continued to make large settlements in gold and dollars, covered partly by their net receipts from the United States and partly by further drawings on their reserves. Canada also showed net payments for the quarter, though perhaps for seasonal reasons. Western Europe's net gold and dollar receipts from third countries continued at about the same rate as earlier in the year; these receipts, together with a large surplus in transactions with the United States, caused Western Europe's gold and dollar holdings to rise further.

UNITED STATES EXPORT PERFORMANCE AND THE ADJUSTMENT PROBLEM

The increase in the foreign investment and other payments of the United States in recent years has not been matched by an equally large growth in its exports of goods and services. The annual rate of outflow through private and public investments and grants, net of foreign long-term investment in this country, was some \$2.8 billion higher in the first three quarters of 1958 than in 1952-56 (Table C-22). Imports of goods and services together with military expenditures abroad rose over the same period by \$3.1 billion. Thus, the total increase in these transactions was \$5.9 billion.

Exports of goods and services have risen about \$4.4 billion above the 1952-56 average, or at an annual rate of 6 percent. Most of this increase had occurred by 1956, and was surpassed temporarily in 1957 because of exceptional demand forces at that time. The level actually attained in 1958 can be regarded as a significant increase in relation to earlier years, since foreign economic conditions last year were not favorable to the normal development of United States exports. Some major shifts in international trade were unavoidable, not only because of the cessation of certain conditions (such as those related to the Suez crisis) that had prevailed in the early part of 1957, but also because various maladjustments had arisen during the previous period of rapid growth (see Chapter 2). Contrasting developments during the two latest recessions illustrate the significance of sustained world economic growth for United States exports. While United States imports slackened in the 1953-54 recession and remained weak for some time, exports, after only a momentary pause, followed the upward course of economic activity abroad (Charts 10 and 11) and contributed to recovery in the United States.

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NATIONAL INCOME OR EXPENDITURE

TABLE D-1.—Gross national product or expenditure, 1929–58

(Billions of dollars)

Period	Total gross national product	Personal consumption expenditures ¹	Gross private domestic investment ²				Net exports of goods and services ³			Government purchases of goods and services					
			Total	New construction	Producers' durable equipment	Net change in business inventories	Net exports	Exports	Imports	Total	Federal				State and local
											Total	National defense ⁴	Other	Less: Government sales	
1929.....	104.4	79.0	16.2	8.7	5.8	1.7	0.8	7.0	6.3	8.5	1.3	1.3	(5)	7.2	
1930.....	91.1	71.0	10.3	6.2	4.5	— .4	.7	5.4	4.8	9.2	1.4	1.4	(5)	7.8	
1931.....	76.3	61.3	5.5	4.0	2.8	—1.3	.2	3.6	3.4	9.2	1.5	1.5	(5)	7.7	
1932.....	58.5	49.3	.9	1.9	1.6	—2.6	.2	2.5	2.3	8.1	1.5	1.5	(5)	6.6	
1933.....	56.0	46.4	1.4	1.4	1.6	—1.6	.2	2.4	2.3	8.0	2.0	2.0	(5)	6.0	
1934.....	65.0	51.9	2.9	1.7	2.3	—1.1	.4	3.0	2.5	9.8	3.0	3.0	(5)	6.8	
1935.....	72.5	56.3	6.3	2.3	3.1	.9	— .1	3.3	3.3	10.0	2.9	2.9	(5)	7.1	
1936.....	82.7	62.6	8.4	3.3	4.2	1.0	— .1	3.5	3.6	11.8	4.8	4.8	(5)	7.0	
1937.....	90.8	67.3	11.7	4.4	5.1	2.2	.1	4.6	4.5	11.7	4.6	4.6	(5)	7.2	
1938.....	85.2	64.6	6.7	4.0	3.6	— .9	1.1	4.3	3.2	12.8	5.3	5.3	(5)	7.5	
1939.....	91.1	67.6	9.3	4.8	4.2	.4	.9	4.4	3.5	13.3	5.2	1.3	3.9	(5)	8.2
1940.....	100.6	71.9	13.2	5.5	5.5	2.2	1.5	5.4	3.8	14.1	6.2	2.2	4.0	(5)	7.9
1941.....	125.8	81.9	18.1	6.6	6.9	4.5	1.1	6.0	4.8	24.8	16.9	13.8	3.2	(5)	7.8
1942.....	159.1	89.7	9.9	3.7	4.3	1.8	— .2	4.9	5.1	59.7	52.0	49.6	2.7	0.2	7.7
1943.....	192.5	100.5	5.6	2.3	4.0	— .8	—2.2	4.5	6.8	88.6	81.2	80.4	1.5	.6	7.4
1944.....	211.4	109.8	7.1	2.7	5.4	—1.0	—2.1	5.4	7.5	96.5	89.0	88.6	1.6	1.2	7.5
1945.....	213.6	121.7	10.4	3.8	7.7	—1.1	—1.4	7.4	8.8	82.9	74.8	75.9	1.0	2.2	8.1
1946.....	210.7	147.1	28.1	11.0	10.7	6.4	4.9	12.8	7.9	30.5	20.6	18.8	4.5	2.7	9.9
1947.....	234.3	165.4	31.5	15.3	16.7	— .5	9.0	17.9	8.9	28.4	15.6	11.4	5.4	1.1	12.7
1948.....	259.4	178.3	43.1	19.5	18.9	4.7	3.5	14.5	11.0	34.5	19.3	11.6	8.2	.5	15.2
1949.....	258.1	181.2	33.0	18.8	17.2	—3.1	3.8	14.0	10.2	40.2	22.2	13.6	8.9	.2	17.9
1950.....	284.6	195.0	50.0	24.2	18.9	6.8	.6	13.1	12.5	39.0	19.3	14.3	5.2	.1	19.7
1951.....	329.0	209.8	56.3	24.8	21.3	10.2	2.4	17.9	15.5	60.5	38.8	33.9	5.2	.3	21.7
1952.....	347.0	219.8	49.9	25.5	21.3	3.1	1.3	17.4	16.1	76.0	52.9	46.4	6.7	.3	23.2
1953.....	365.4	232.6	50.3	27.6	22.3	.4	— .4	16.6	17.0	82.8	58.0	49.3	9.0	.3	24.9
1954.....	363.1	238.0	48.9	29.7	20.8	—1.6	1.0	17.5	16.5	75.3	47.5	41.2	6.7	.3	27.7
1955.....	397.5	256.9	63.8	34.9	23.1	5.8	1.1	19.4	18.3	75.6	45.3	39.1	6.6	.4	30.3
1956.....	419.2	269.4	68.2	35.7	27.0	5.4	2.8	23.0	20.2	78.8	45.7	40.3	5.7	.3	33.1
1957.....	440.3	284.4	65.3	36.5	27.9	1.0	4.9	26.0	21.0	85.7	49.4	44.3	5.5	.4	36.3
1958 ⁶	436.7	290.6	53.5	36.5	22.6	—5.6	1.3	(7)	(7)	91.2	51.6	44.3	7.6	.3	39.6
1956:															
First quarter.....	410.8	265.2	68.0	35.2	25.9	6.9	.8	20.9	20.1	76.8	44.8	39.1	6.1	.3	32.0
Second quarter.....	414.9	267.2	67.7	35.8	26.6	5.4	2.8	22.5	19.8	77.2	44.5	39.1	5.7	.4	32.7
Third quarter.....	420.5	269.7	68.1	35.8	27.3	4.9	3.2	23.6	20.4	79.5	46.1	41.0	5.4	.3	33.4
Fourth quarter.....	430.5	275.4	68.8	36.2	28.2	4.4	4.4	24.8	20.4	81.8	47.5	42.1	5.7	.3	34.4
1957:															
First quarter.....	436.3	279.8	65.9	36.1	28.7	1.1	5.6	26.4	20.8	85.0	49.1	43.7	5.8	.4	35.9
Second quarter.....	441.2	282.5	67.0	36.1	28.1	2.9	6.0	26.6	20.6	85.7	49.7	44.9	5.1	.3	36.0
Third quarter.....	445.6	288.3	66.7	36.6	28.0	2.2	4.8	26.0	21.2	85.8	49.7	44.9	5.2	.5	36.1
Fourth quarter.....	438.9	287.2	61.5	37.1	26.7	—2.3	3.3	24.9	21.6	86.9	49.1	43.9	5.7	.5	37.8
1958:															
First quarter.....	425.8	286.2	49.6	36.3	22.9	—9.5	1.7	21.9	20.2	88.3	49.7	43.7	6.3	.3	38.6
Second quarter.....	429.0	288.3	49.2	34.9	22.3	—8.0	1.7	22.4	20.8	89.7	50.7	44.1	6.9	.3	39.1
Third quarter.....	439.0	291.5	53.7	36.3	22.3	—5.0	1.7	22.8	21.2	92.0	52.2	44.5	8.0	.4	39.9
Fourth quarter ⁶	453.0	296.5	61.5	38.6	23.0	(5)	.2	(7)	(7)	94.8	53.8	45.0	9.2	.4	41.0

¹ See Table D-7 for major components.

² See Table D-8 for more detail and explanation of components.

³ For 1929–45, net exports of goods and services and net foreign investment have been equated, since foreign net transfers by government were negligible during that period.

⁴ This category corresponds closely to the major national security classification in the *Budget of the United States Government for the Fiscal Year ending June 30, 1960*.

⁵ Less than \$50 million.

⁶ Preliminary; fourth quarter by Council of Economic Advisers.

⁷ Not available.

⁸ Data for the last 3 quarters of 1958 have not been revised to reflect lower expenditures reported in the last two surveys of business expenditures for new plant and equipment. See Table D-30.

NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-2.—Gross national product or expenditure, in 1958 prices, 1929-58¹—Continued

[Billions of dollars, 1958 prices]

Period	Total gross national product	Personal consumption expenditures				Gross private domestic investment					
		Total	Durable goods	Non-durable goods	Services	Total	New construction			Producers' durable equipment	Change in business inventories
							Total	Residential (non-farm)	Other		
1929	201.0	138.0	15.7	69.4	52.9	40.6	24.1	9.6	14.5	13.2	3.3
1930	182.0	129.7	12.5	66.1	51.1	27.8	17.9	5.6	12.3	10.5	— .6
1931	168.3	125.7	10.8	65.7	49.2	17.3	12.6	4.7	7.9	7.0	—2.3
1932	143.1	114.3	8.2	60.5	45.6	4.9	7.0	2.3	4.7	4.2	—6.2
1933	139.5	111.6	7.9	58.7	45.0	5.1	5.3	1.7	3.6	4.4	—4.6
1934	152.9	117.4	9.1	62.6	45.7	9.1	5.9	2.1	3.8	6.0	—2.8
1935	168.3	124.7	11.3	66.1	47.3	18.3	7.8	3.4	4.3	8.0	2.6
1936	191.7	137.5	13.9	73.7	49.9	24.6	10.8	5.1	5.8	10.9	2.9
1937	202.5	142.3	14.6	76.2	51.6	31.0	13.0	5.5	7.5	12.4	5.6
1938	192.8	139.9	11.8	77.5	50.6	18.0	11.6	5.6	6.0	8.6	—2.2
1939	208.8	147.8	14.0	81.6	52.1	25.1	14.0	7.5	6.4	10.0	1.1
1940	227.0	155.7	16.2	85.4	54.1	33.4	15.6	8.1	7.5	13.0	4.8
1941	264.1	166.0	18.6	91.1	56.3	42.3	17.5	8.7	8.8	15.3	9.5
1942	299.4	162.4	11.5	92.9	58.0	21.7	9.0	4.0	5.0	8.8	3.9
1943	335.7	166.6	9.9	95.8	60.9	12.9	5.1	1.9	3.2	8.2	— .4
1944	360.0	172.6	9.1	100.0	63.5	14.5	5.6	1.6	4.0	10.9	—2.0
1945	354.1	184.6	10.3	107.9	66.4	20.1	7.7	2.0	5.7	15.1	—2.8
1946	312.2	207.0	20.5	114.5	72.0	49.0	20.0	8.1	11.9	19.1	9.9
1947	311.8	210.5	24.6	112.0	73.9	48.8	22.9	10.7	12.2	25.8	.1
1948	323.7	214.5	26.0	111.8	76.8	57.2	26.0	12.7	13.3	27.0	4.2
1949	324.0	220.0	27.8	113.1	79.1	45.4	25.6	12.5	13.2	23.5	—3.7
1950	351.6	233.4	33.9	116.2	83.3	64.4	31.3	17.2	14.1	25.3	7.8
1951	379.6	235.3	30.8	118.3	86.2	66.9	29.9	14.3	15.7	26.1	10.9
1952	393.3	241.4	30.1	122.3	89.0	58.6	29.8	14.2	15.6	25.9	2.9
1953	411.1	253.1	34.9	125.9	92.3	59.1	31.7	15.1	16.6	26.7	.7
1954	403.2	256.3	34.2	127.0	95.1	56.7	34.1	17.1	17.0	24.7	—2.0
1955	435.4	275.6	41.8	133.4	100.4	72.1	38.8	20.1	18.7	26.7	6.5
1956	446.1	284.0	40.0	138.5	105.4	73.1	37.7	18.1	19.5	29.4	6.0
1957	451.1	291.1	40.3	141.2	109.6	67.0	37.2	17.2	20.0	28.6	1.2
1958 ²	436.7	290.6	36.8	142.0	111.8	53.5	36.5	17.8	18.7	22.6	—5.6
Seasonally adjusted annual rates											
1956:											
First quarter	443.4	282.8	41.0	138.3	103.5	74.7	38.1	18.7	19.4	29.0	7.6
Second quarter	444.1	283.0	39.6	138.7	104.7	72.7	37.6	18.1	19.4	29.2	6.0
Third quarter	445.1	282.9	38.8	138.0	106.1	72.5	37.5	17.9	19.7	29.6	5.4
Fourth quarter	451.5	287.1	40.5	139.2	107.4	72.4	37.6	18.0	19.6	29.8	5.0
1957:											
First quarter	452.4	289.1	40.9	140.0	108.3	68.9	37.6	17.4	20.1	29.8	1.5
Second quarter	453.7	290.1	39.8	140.8	109.5	68.9	36.7	16.6	20.1	28.9	3.3
Third quarter	453.3	293.9	40.7	143.0	110.2	67.7	37.0	16.9	20.0	28.5	2.2
Fourth quarter	444.4	291.3	39.8	140.9	110.6	62.3	37.4	17.6	19.8	27.0	—2.1
1958:											
First quarter	427.7	287.4	36.6	139.9	110.8	49.8	36.4	17.1	19.2	23.0	—9.5
Second quarter	429.0	288.2	35.8	140.9	111.5	49.2	34.8	16.3	18.5	22.3	—8.0
Third quarter	438.6	291.5	36.1	143.1	112.2	53.7	36.4	18.0	18.4	22.3	—5.0
Fourth quarter ³	451.5	295.5	38.6	144.2	112.8	61.4	38.5	20.0	18.5	23.0	(⁴)

See footnotes at end of table, p. 141.

TABLE D-2.—Gross national product or expenditure, in 1958 prices, 1929-58¹—Continued

[Billions of dollars, 1958 prices]

Period	Net exports of goods and services ²	Government purchases of goods and services				
		Total	Federal			State and local
			Total ³	National defense ^{3,4}	Other	
1929.....	.9	21.5	3.5	(5)	(6)	18.0
1930.....	.8	23.7	4.0	(5)	(5)	19.7
1931.....	.2	25.0	4.4	(5)	(5)	20.7
1932.....	.1	23.8	4.6	(5)	(5)	19.2
1933.....	-.4	23.1	6.2	(5)	(5)	16.9
1934.....	-.2	26.5	8.2	(5)	(5)	18.3
1935.....	-1.5	26.8	7.9	(5)	(5)	18.9
1936.....	-1.7	31.3	12.1	(5)	(5)	19.2
1937.....	-1.1	30.3	11.4	(5)	(5)	18.9
1938.....	1.4	33.6	13.5	(5)	(5)	20.1
1939.....	.8	35.1	13.0	3.1	9.8	22.1
1940.....	1.7	36.3	15.5	5.6	9.9	20.8
1941.....	(6)	55.8	36.2	29.4	6.8	19.6
1942.....	-2.4	117.8	99.9	94.8	5.1	17.8
1943.....	-6.1	162.3	146.1	143.4	2.7	16.2
1944.....	-6.2	179.2	163.3	160.4	2.8	15.9
1945.....	-4.9	154.4	138.1	136.2	1.9	16.2
1946.....	4.7	51.5	33.3	26.0	7.3	18.2
1947.....	9.1	43.4	22.8	14.9	7.9	20.6
1948.....	2.8	49.2	27.0	15.5	11.5	22.2
1949.....	3.5	55.2	29.8	17.9	11.9	25.3
1950.....	1.1	52.6	25.5	18.6	6.9	27.2
1951.....	3.2	74.1	46.3	40.1	6.2	27.8
1952.....	2.3	91.1	62.8	54.8	8.0	28.3
1953.....	.1	98.8	69.3	58.6	10.8	29.5
1954.....	2.0	88.1	56.1	48.2	7.9	32.0
1955.....	2.1	85.6	51.3	43.9	7.4	34.3
1956.....	3.7	85.3	49.6	43.4	6.2	35.7
1957.....	5.3	87.7	50.4	44.8	5.6	37.3
1958 ⁷	1.3	91.2	51.6	44.0	7.6	39.6
Seasonally adjusted annual rates						
1956: First quarter.....	1.5	84.3	49.1	42.4	6.7	35.2
Second quarter.....	3.7	84.5	49.0	42.7	6.3	35.5
Third quarter.....	4.2	85.5	49.9	44.0	5.9	35.6
Fourth quarter.....	5.4	86.6	50.3	44.3	6.0	36.2
1957: First quarter.....	6.0	88.3	51.2	45.2	6.0	37.1
Second quarter.....	6.6	88.1	51.2	45.9	5.3	36.9
Third quarter.....	5.1	86.6	49.9	44.7	5.3	36.7
Fourth quarter.....	3.4	87.4	49.3	43.6	5.7	38.1
1958: First quarter.....	1.7	88.8	49.9	43.6	6.3	38.9
Second quarter.....	1.7	89.9	50.9	44.0	6.9	39.0
Third quarter.....	1.7	91.7	51.9	44.0	7.9	39.8
Fourth quarter ⁷.....	.2	94.5	53.5	44.5	9.1	40.9

¹ These estimates represent an approximate conversion of the Department of Commerce series in 1954 prices. (See Tables D-4 and D-5.) This was done by major components, using the implicit price indexes converted to a 1958 base. Although it would have been preferable to redeflate the series by minor components, this would not substantially change the results except possibly for the period of World War II, and for the series on change in business inventories.

For explanation of conversion of estimates in current prices to those in 1954 prices, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959. (The basic income and product series have been revised beginning 1946.)

² For 1929-45, net exports of goods and services and net foreign investment have been equated, since foreign net transfers by government were negligible during that period.

³ Net of Government sales, which are not shown separately in this table. See Table D-1 for Government sales in current prices.

⁴ See Table D-1, footnote 4.

⁵ Not available separately.

⁶ Less than \$50 million.

⁷ Preliminary.

⁸ See footnote 8, Table D-1.

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

Sources: Department of Commerce and Council of Economic Advisers.

TABLE D-3.—Gross private and government product, in current and 1958 prices, 1929–58

[Billions of dollars]

Period	Current prices					1958 prices ⁴				
	Total gross national product	Gross private product ¹			Gross government product ³	Total gross national product	Gross private product ¹			Gross government product ³
		Total	Farm ²	Non-farm			Total	Farm ²	Non-farm	
1929.....	104.4	100.1	9.8	90.3	4.3	201.0	188.3	16.6	171.6	12.7
1930.....	91.1	86.6	7.7	78.8	4.5	182.0	168.7	15.2	153.5	13.4
1931.....	76.3	71.6	6.2	65.4	4.7	168.3	154.7	17.8	137.0	13.6
1932.....	58.5	54.0	4.4	49.6	4.4	143.1	129.9	16.7	113.2	13.3
1933.....	56.0	51.3	4.6	46.7	4.7	139.5	125.2	16.5	108.7	14.2
1934.....	65.0	59.4	4.3	55.1	5.6	152.9	136.4	13.7	122.8	16.4
1935.....	72.5	66.6	6.9	59.6	5.9	168.3	150.8	16.7	134.1	17.6
1936.....	82.7	75.5	6.3	69.2	7.3	191.7	171.1	14.2	156.8	20.6
1937.....	90.8	83.9	8.1	75.8	6.9	202.5	183.1	17.8	165.3	19.4
1938.....	85.2	77.6	6.7	70.9	7.6	192.8	171.8	18.0	153.9	21.0
1939.....	91.1	83.5	6.5	77.0	7.6	208.8	187.6	17.9	169.7	21.2
1940.....	100.6	92.8	6.8	86.0	7.8	227.0	205.2	17.6	187.5	21.8
1941.....	125.8	116.4	9.4	107.0	9.4	264.1	236.9	19.0	218.0	27.2
1942.....	159.1	144.0	13.4	130.6	15.1	299.4	259.9	20.6	239.2	39.6
1943.....	192.5	167.0	15.3	151.7	25.6	335.7	273.7	18.9	254.8	62.0
1944.....	211.4	179.2	15.7	163.5	32.2	360.0	288.3	19.4	268.9	71.7
1945.....	213.6	178.4	16.2	162.2	35.2	354.1	283.8	18.3	265.5	70.3
1946.....	210.7	189.9	19.3	170.7	20.7	312.2	275.3	18.6	256.8	36.8
1947.....	234.3	217.6	20.7	196.9	16.7	311.8	283.8	17.0	266.7	28.1
1948.....	259.4	242.0	23.8	218.2	17.4	323.7	295.6	19.5	276.1	28.1
1949.....	258.1	238.7	19.3	219.4	19.4	324.0	294.5	18.5	276.0	29.5
1950.....	284.6	263.8	20.5	243.2	20.8	351.6	321.0	19.5	301.5	30.5
1951.....	329.0	301.7	23.6	278.2	27.3	379.6	341.7	18.2	323.5	37.9
1952.....	347.0	316.0	22.8	293.2	31.0	393.3	352.4	19.0	333.4	40.9
1953.....	365.4	333.6	20.9	312.7	31.8	411.1	370.6	19.6	351.0	40.5
1954.....	363.1	330.8	20.3	310.5	32.3	403.2	363.3	20.5	342.8	39.8
1955.....	397.5	363.5	19.6	343.9	34.0	435.4	395.6	21.6	374.0	39.8
1956.....	419.2	382.9	19.4	363.5	36.3	446.1	405.7	21.7	383.9	40.4
1957.....	440.3	401.7	19.3	382.4	38.6	451.1	410.1	21.0	389.1	40.9
1958 ⁴	436.7	395.6	22.1	373.5	41.1	436.7	395.6	22.1	373.5	41.1

¹ Gross national product less compensation of general government employees, i. e., gross product accruing from domestic business, households, and institutions, and from the rest of the world.

² See *Survey of Current Business*, October 1958, for description of series and estimates in current and constant prices and implicit deflators for 1910–57.

³ Includes compensation of general government employees and excludes compensation of employees in government enterprises. Government enterprises are those agencies of government whose operating costs are at least to a substantial extent covered by the sale of goods and services, in contrast to the general activities of government which are financed mainly by tax revenues and debt creation. Government enterprises, in other words, conduct operations essentially commercial in character, even though they perform them under governmental auspices. The Post Office and public power systems are typical examples of government enterprises. On the other hand, State universities and public parks, where the fees and admissions cover only a nominal part of operating costs, are part of general government activities.

⁴ See Table D-2, footnote 1.

⁵ Preliminary.

NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE D-4.—Gross national product or expenditure, in 1954 prices, 1929-58¹

[Billions of dollars, 1954 prices]

Period	Total gross national product	Personal consumption expenditures				Gross private domestic investment				Net exports of goods and services	Government purchases of goods and services			Gross private product ⁴
		Total	Durable goods	Nondurable goods	Services	Total	New construction	Producers' durable equipment	Change in business inventories		Total	Federal ²	State and local	
1929.....	181.8	128.1	14.9	65.3	48.0	35.0	20.9	11.1	3.0	0.2	18.5	2.9	15.6	171.5
1930.....	164.5	120.3	11.8	62.1	46.4	23.6	15.4	8.8	-1.7	.2	20.5	3.4	17.1	153.7
1931.....	153.0	116.6	10.3	61.8	44.6	15.0	10.9	5.9	-1.8	-.3	21.6	3.7	17.9	142.0
1932.....	130.1	106.0	7.8	56.9	41.4	3.9	6.0	3.5	-5.6	-.3	20.5	3.9	16.6	119.4
1933.....	126.6	103.5	7.5	55.2	40.8	4.0	4.6	3.7	-4.2	-.8	19.9	5.3	14.6	115.0
1934.....	138.5	108.9	8.6	58.8	41.5	7.4	5.1	5.0	-2.8	-.6	22.8	6.9	15.8	125.1
1935.....	152.9	115.8	10.7	62.1	42.9	16.1	6.7	6.7	2.6	-1.9	23.0	6.7	16.3	138.7
1936.....	173.3	127.7	13.1	69.2	45.3	21.0	9.4	9.2	2.4	-2.2	26.9	10.3	16.6	156.6
1937.....	183.5	132.1	13.8	71.6	46.8	27.0	11.3	10.5	5.2	-1.6	26.0	9.6	16.4	167.8
1938.....	175.1	129.9	11.2	72.8	45.9	15.5	10.1	7.3	-1.8	.8	28.8	11.4	17.4	158.1
1939.....	189.3	137.3	13.3	76.7	47.2	21.6	12.2	8.5	1.0	.3	30.1	11.0	19.1	172.1
1940.....	205.8	144.6	15.3	80.2	49.1	29.0	13.6	10.9	4.5	1.1	31.1	13.1	18.0	188.1
1941.....	238.1	154.3	17.6	85.6	51.1	36.7	15.3	12.9	8.6	-.6	47.7	30.7	16.9	216.0
1942.....	266.9	150.8	10.9	87.3	52.6	18.8	7.8	7.4	3.6	-2.9	100.1	37.2	15.4	234.8
1943.....	296.7	154.6	9.4	90.0	55.2	10.7	4.4	6.9	-.6	-6.6	137.9	123.9	14.0	246.4
1944.....	317.9	204.3	8.6	94.0	57.6	12.3	4.8	9.2	-1.7	-6.7	152.2	138.4	13.8	259.8
1945.....	314.0	171.4	9.8	101.4	60.2	17.0	6.6	12.7	-2.4	-5.6	131.2	117.1	14.0	257.0
1946.....	282.5	192.3	19.4	107.6	65.3	42.4	17.3	16.1	9.0	3.8	43.9	28.2	15.8	252.7
1947.....	282.3	195.6	23.3	105.3	67.0	41.5	19.9	21.7	-.1	8.0	37.2	19.4	17.8	259.6
1948.....	293.1	199.3	24.6	105.1	69.6	49.8	22.7	22.8	4.4	2.0	42.1	22.9	19.2	270.3
1949.....	292.7	204.3	26.3	106.3	71.7	38.5	22.3	19.8	-3.6	2.6	47.2	25.3	21.9	268.7
1950.....	318.1	216.8	32.1	109.2	75.5	55.9	27.4	21.3	7.2	.2	45.1	21.6	23.5	293.3
1951.....	341.8	218.5	29.2	111.2	78.2	57.7	26.0	22.0	9.7	2.2	63.3	39.3	24.1	311.1
1952.....	353.5	224.2	28.5	115.0	80.8	50.4	26.0	21.8	2.6	1.2	77.7	53.3	24.5	320.4
1953.....	369.0	235.1	33.1	118.3	83.7	50.6	27.6	22.5	.5	-.9	84.3	58.8	25.5	336.2
1954.....	363.1	238.0	32.4	119.3	86.3	48.9	29.7	20.8	-1.6	1.0	75.3	47.5	27.7	330.8
1955.....	392.7	256.0	39.6	125.4	91.0	62.5	33.9	22.5	6.1	.9	73.2	43.5	29.7	360.4
1956.....	402.2	263.7	37.9	130.2	95.6	63.1	32.8	24.8	5.6	2.4	72.9	42.0	30.9	369.4
1957.....	407.0	270.3	38.1	132.7	99.4	57.8	32.3	24.1	1.4	3.9	75.0	42.7	32.3	373.8
1958 ⁵	394.3	269.7	34.8	133.5	101.4	46.5	31.8	19.1	-4.4	.1	78.0	43.7	34.3	361.0
Seasonally adjusted annual rates														
1956:														
First quarter.....	399.6	262.7	38.8	130.0	93.9	64.5	33.2	24.4	6.9	0.3	72.1	41.6	30.4	(⁶)
Second quarter.....	400.4	262.9	37.5	130.3	95.0	62.8	32.7	24.6	5.5	2.5	72.3	41.6	30.7	(⁶)
Third quarter.....	401.4	262.7	36.8	129.7	96.3	62.8	32.7	24.9	5.2	2.9	73.1	42.3	30.8	(⁶)
Fourth quarter.....	407.1	266.6	38.4	130.8	97.4	62.5	32.7	25.1	4.6	4.0	74.0	42.7	31.3	(⁶)
1957:														
First quarter.....	407.9	268.5	38.7	131.6	98.2	59.3	32.7	25.2	1.5	4.6	75.5	43.4	32.1	(⁶)
Second quarter.....	409.3	269.3	37.7	132.3	99.3	59.5	31.9	24.3	3.3	5.1	75.4	43.4	31.9	(⁶)
Third quarter.....	409.1	272.9	38.5	134.4	100.0	58.4	32.1	24.0	2.3	3.7	74.1	42.3	31.8	(⁶)
Fourth quarter.....	401.2	270.4	37.6	132.4	100.3	54.0	32.5	22.7	-1.3	2.0	74.8	41.8	33.0	(⁶)
1958:														
First quarter.....	386.2	266.7	34.6	131.5	100.5	43.2	31.6	19.4	-7.8	.4	75.9	42.3	33.6	(⁶)
Second quarter.....	387.3	267.4	33.9	132.4	101.1	42.6	30.3	18.8	-6.5	.3	76.9	43.2	33.8	(⁶)
Third quarter.....	396.1	270.5	34.2	134.5	101.8	46.6	31.7	18.8	-3.9	.5	78.4	44.0	34.4	(⁶)
Fourth quarter ⁷	407.8	274.3	36.5	135.5	102.3	53.6	33.6	19.3	.7	-.9	80.8	45.4	35.4	(⁶)

¹ For explanation of conversion of estimates in current prices to those in 1954 prices, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959. (The basic income and product series have been revised beginning 1946.) See Table D-5 for implicit price deflators.

² For 1929-45, net exports of goods and services and net foreign investment have been equated, since foreign net transfers by government were negligible during that period.

³ Net of Government sales.

⁴ Gross national product less compensation of general government employees.

⁵ Preliminary estimates by Council of Economic Advisers.

⁶ Not available.

⁷ See footnote 8, Table D-1.

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

Source: Department of Commerce (except as noted).

TABLE D-5.—*Implicit price deflators for gross national product, 1929-58*

[Index numbers, 1954=100]

Period	Gross national product ¹	Personal consumption expenditures				Gross private domestic investment ¹			
		Total	Durable goods	Non-durable goods	Services	New construction			Producers' durable equipment
						Total	Residential non-farm	Other	
1929.....	57.4	61.6	62.0	57.7	66.8	41.7	41.8	41.6	52.5
1930.....	55.4	59.0	60.5	54.8	64.2	40.0	40.8	39.7	50.5
1931.....	49.9	52.6	53.5	46.9	60.3	36.5	37.1	36.2	47.9
1932.....	44.9	46.5	47.0	40.0	55.3	31.1	30.1	31.7	45.5
1933.....	44.2	44.8	46.1	40.3	50.7	31.2	29.8	31.9	43.1
1934.....	46.9	47.6	48.8	45.3	50.7	33.3	33.1	33.4	45.9
1935.....	47.4	48.6	47.9	47.2	50.9	34.1	32.6	35.4	45.6
1936.....	47.7	49.1	47.9	47.4	51.9	34.8	34.3	35.2	45.4
1937.....	49.5	50.9	50.3	49.1	53.8	39.0	37.8	39.9	48.7
1938.....	48.7	49.8	50.8	46.7	54.5	39.1	39.2	39.1	50.2
1939.....	48.1	49.2	50.2	45.8	54.5	39.0	39.5	38.4	49.4
1940.....	48.9	49.7	50.7	46.4	54.8	40.1	40.9	39.1	50.6
1941.....	52.9	53.1	54.8	50.5	56.8	43.4	44.6	42.2	54.0
1942.....	59.6	59.5	64.2	58.8	59.8	47.6	47.7	47.6	58.5
1943.....	64.9	65.0	70.3	65.8	62.8	53.0	51.4	54.0	58.4
1944.....	66.5	68.6	78.7	69.5	65.5	56.3	56.2	56.3	59.3
1945.....	68.0	71.0	82.8	72.2	67.1	57.8	60.0	56.9	60.0
1946.....	74.6	76.5	82.0	78.8	71.1	63.7	65.3	62.6	66.7
1947.....	83.0	84.6	88.4	88.7	76.8	76.6	78.4	74.8	76.8
1948.....	88.5	89.5	92.4	94.0	81.7	85.9	88.6	83.1	83.1
1949.....	88.2	88.7	93.5	90.9	83.6	84.3	85.9	82.6	87.0
1950.....	89.5	89.9	94.6	91.4	85.9	88.3	90.9	85.1	89.0
1951.....	96.2	96.0	101.1	99.0	89.8	95.3	97.5	93.1	96.8
1952.....	98.1	98.0	102.2	100.1	93.6	98.4	100.3	96.5	97.5
1953.....	99.0	99.0	99.4	99.7	97.7	100.1	101.3	98.9	99.0
1954.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1955.....	101.2	100.4	100.1	99.5	101.7	103.1	103.0	103.2	102.6
1956.....	104.2	102.2	101.3	100.9	104.2	109.0	108.1	109.8	109.0
1957.....	108.2	105.2	104.7	104.0	107.1	112.9	110.1	115.5	115.8
1958 ²	110.7	107.7	105.6	106.4	110.2	114.8	111.0	118.8	118.6
1956: First quarter.....	102.8	101.0	99.7	99.7	103.2	106.1	106.0	106.3	106.0
Second quarter.....	103.6	101.7	100.6	100.4	103.8	109.4	108.2	110.5	108.1
Third quarter.....	104.8	102.7	101.9	101.5	104.6	109.8	109.0	110.5	109.6
Fourth quarter.....	105.7	103.3	103.0	102.0	105.2	110.6	109.2	112.0	112.2
1957: First quarter.....	107.0	104.2	103.8	103.0	106.1	110.6	109.1	111.9	114.2
Second quarter.....	107.8	104.9	104.7	103.6	106.6	113.2	110.0	115.9	115.3
Third quarter.....	108.9	105.7	105.0	104.5	107.4	113.9	110.9	116.5	116.3
Fourth quarter.....	109.4	106.2	105.3	104.8	108.4	114.2	110.7	117.5	117.4
1958: First quarter.....	110.3	107.3	104.8	106.3	109.5	114.7	111.1	118.2	118.0
Second quarter.....	110.8	107.8	105.2	106.8	110.1	115.1	110.4	119.5	118.8
Third quarter.....	110.8	107.8	105.6	106.2	110.5	114.5	110.8	118.4	118.9
Fourth quarter ²	111.1	108.1	106.8	106.3	111.0	115.0	111.5	118.9	118.9

See footnotes at end of table, p. 145.

TABLE D-5.—*Implicit price deflators for gross national product, 1929-58—Continued*

[Index numbers, 1954=100]

Period	Exports and imports of goods and services ¹		Government purchases of goods and services		
	Exports	Imports	Total	Federal	State and local
1929	63.1	57.3	45.8	44.5	46.1
1930	55.0	48.9	44.9	41.8	45.5
1931	43.2	39.7	42.7	41.7	43.0
1932	36.2	32.3	39.4	38.2	39.7
1933	35.2	29.3	40.3	38.3	41.1
1934	43.0	33.8	42.9	43.2	42.8
1935	44.7	36.0	43.4	43.7	43.3
1936	46.0	36.9	44.0	46.9	42.2
1937	48.9	41.1	45.1	47.3	43.8
1938	46.5	38.0	44.5	46.1	43.4
1939	46.9	38.6	44.2	46.8	42.7
1940	51.2	40.9	45.2	47.0	43.9
1941	56.1	43.0	51.9	55.1	46.2
1942	64.9	48.9	59.6	61.4	49.8
1943	68.1	51.3	64.3	65.6	52.7
1944	73.3	53.3	63.4	64.3	54.6
1945	75.3	57.4	63.2	63.9	57.4
1946	80.8	65.5	69.4	73.0	63.0
1947	93.4	79.7	76.4	80.8	71.5
1948	98.6	86.3	82.0	84.4	79.3
1949	92.7	82.0	85.1	88.0	81.7
1950	90.3	87.8	86.5	89.6	83.7
1951	103.3	102.8	95.5	98.7	90.2
1952	103.0	102.8	97.8	99.2	94.8
1953	101.0	98.2	98.3	98.6	97.5
1954	100.0	100.0	100.0	100.0	100.0
1955	100.7	99.9	103.3	104.1	102.2
1956	103.4	101.9	108.1	108.8	107.2
1957	106.7	102.8	114.2	115.6	112.4
1958 ²	105.0	99.0	116.9	117.9	115.6
1956: First quarter	(1)	(1)	106.4	107.7	104.7
Second quarter	(1)	(1)	106.6	107.0	106.2
Third quarter	(1)	(1)	108.7	109.1	108.2
Fourth quarter	(1)	(1)	110.4	111.2	109.4
1957: First quarter	(1)	(1)	112.2	113.1	110.9
Second quarter	(1)	(1)	113.4	114.4	111.9
Third quarter	(1)	(1)	115.4	117.4	112.8
Fourth quarter	(1)	(1)	115.8	117.4	113.8
1958: First quarter	(1)	(1)	116.2	117.5	114.8
Second quarter	(1)	(1)	116.7	117.4	115.7
Third quarter	(1)	(1)	117.3	118.5	115.9
Fourth quarter ²	(1)	(1)	117.3	118.5	115.9

¹ Separate deflators are not available for total gross private domestic investment, change in business inventories, and net exports of goods and services, and for exports and imports quarterly.

For explanation of conversion of estimates in current prices to those in 1954 prices, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959. (The basic income and product series have been revised beginning 1946.)

² Preliminary estimates by Council of Economic Advisers.

Source: Department of Commerce (except as noted).

TABLE D-6.—Gross national product: Receipts and expenditures by major economic groups, 1929-58

[Billions of dollars]

Period	Persons			Business			International		
	Dis- pos- able per- sonal income	Per- sonal con- sump- tion ex- pendi- tures	Per- sonal saving or dis- saving (-)	Gross re- tain- ed ear- nings ¹	Gross private do- mestic invest- ment	Excess of re- ceipts or in- vest- ment (-)	Foreign net trans- fers by govern- ment ²	Net exports of goods and services ²	Excess of transfers or net exports (-)
1929.....	83.1	79.0	4.2	11.5	16.2	-4.7	(2)	0.8	-0.8
1930.....	74.4	71.0	3.4	8.8	10.3	-1.5	(2)	.7	-.7
1931.....	63.8	61.3	2.5	5.2	5.5	-.3	(2)	.2	-.2
1932.....	48.7	49.3	-.6	2.7	.9	1.8	(2)	.2	-.2
1933.....	45.7	46.4	-.6	2.6	1.4	1.2	(2)	.2	-.2
1934.....	52.0	51.9	.1	4.9	2.9	2.0	(2)	.4	-.4
1935.....	58.3	56.3	2.0	6.3	6.3	.1	(2)	-.1	.1
1936.....	66.2	62.6	3.6	6.5	8.4	-1.9	(2)	-.1	.1
1937.....	71.0	67.3	3.7	7.8	11.7	-4.0	(2)	.1	-.1
1938.....	65.7	64.6	1.1	7.8	6.7	1.2	(2)	1.1	-1.1
1939.....	70.4	67.6	2.9	8.3	9.3	-1.0	(2)	.9	-.9
1940.....	76.1	71.9	4.2	10.4	13.2	-2.8	(2)	1.5	-1.5
1941.....	93.0	81.9	11.1	11.5	18.1	-6.6	(2)	1.1	-1.1
1942.....	117.5	89.7	27.8	14.1	9.9	4.3	(2)	-.2	.2
1943.....	133.5	100.5	33.0	16.3	5.6	10.7	(2)	-2.2	2.2
1944.....	146.8	109.8	36.9	17.2	7.1	10.1	(2)	-2.1	2.1
1945.....	150.4	121.7	28.7	15.6	10.4	5.2	(2)	-1.4	1.4
1946.....	160.6	147.1	13.5	13.1	28.1	-15.1	0.3	4.9	-4.6
1947.....	170.1	165.4	4.7	18.9	31.5	-12.6	.1	9.0	-8.9
1948.....	189.3	178.3	11.0	26.6	43.1	-16.5	1.6	3.5	-1.9
1949.....	189.7	181.2	8.5	27.6	33.0	-5.4	3.2	3.8	-.5
1950.....	207.7	195.0	12.6	27.7	50.0	-22.3	2.8	.6	2.2
1951.....	227.5	209.8	17.7	31.5	56.3	-24.8	2.1	2.4	-.2
1952.....	238.7	219.8	18.9	33.2	49.9	-16.6	1.5	1.3	.2
1953.....	252.5	232.6	19.8	34.3	50.3	-16.0	1.6	-.4	2.0
1954.....	256.9	238.0	18.9	35.5	48.9	-13.4	1.4	1.0	.4
1955.....	274.4	256.9	17.5	42.1	63.8	-21.8	1.5	1.1	.4
1956.....	290.5	269.4	21.1	43.2	68.2	-25.0	1.4	2.8	-1.4
1957.....	305.1	284.4	20.7	45.6	65.3	-19.7	1.5	4.9	-3.5
1958 ⁴	310.5	290.6	19.9	45.0	53.5	-8.5	1.2	1.3	-.1
Seasonally adjusted annual rates									
1956: First quarter.....	283.1	265.2	17.9	42.6	68.0	-25.4	1.3	0.8	0.5
Second quarter.....	288.8	267.2	21.6	41.8	67.7	-25.9	1.5	2.8	-1.3
Third quarter.....	292.1	269.7	22.4	43.7	68.1	-24.4	1.2	3.2	-2.0
Fourth quarter.....	297.2	275.4	21.7	44.9	68.8	-23.9	1.6	4.4	-2.8
1957: First quarter.....	300.0	279.8	20.3	44.8	65.9	-21.1	1.4	5.6	-4.2
Second quarter.....	305.7	282.5	23.2	45.2	67.0	-21.8	1.8	6.0	-4.2
Third quarter.....	308.7	288.3	20.4	46.4	66.7	-20.3	1.2	4.8	-3.6
Fourth quarter.....	306.8	287.2	19.6	45.4	61.5	-16.1	1.4	3.3	-1.9
1958: First quarter.....	305.0	286.2	18.8	42.4	49.6	-7.2	1.2	1.7	-.5
Second quarter.....	307.5	288.3	19.2	43.9	⁵ 49.2	-5.3	1.2	1.7	-.5
Third quarter.....	314.0	291.5	22.5	44.5	⁵ 53.7	-9.2	1.2	1.7	-.5
Fourth quarter ⁴	315.4	296.5	19.0	49.2	⁵ 61.5	-12.3	1.2	.2	1.0

See footnotes at end of table.

TABLE D-6.—*Gross national product: Receipts and expenditures by major economic groups, 1929-58—Continued*

[Billions of dollars]

Period	Government					Statistical discrepancy	GROSS NATIONAL PRODUCT
	Tax and nontax receipts or accruals	Less: Transfers, interest, and subsidies ¹	Net receipts	Purchases of goods and services	Surplus or deficit (—) on income and product account		
1929.....	11.3	1.7	9.5	8.5	1.0	0.3	104.4
1930.....	10.8	1.8	8.9	9.2	— .3	—1.0	91.1
1931.....	9.5	3.1	6.4	9.2	—2.8	.8	76.3
1932.....	8.9	2.5	6.4	8.1	—1.7	.8	58.5
1933.....	9.3	2.6	6.7	8.0	—1.4	.9	56.0
1934.....	10.5	3.1	7.4	9.8	—2.4	.7	65.0
1935.....	11.4	3.4	8.0	10.0	—2.0	— .2	72.5
1936.....	12.9	4.1	8.9	11.8	—3.0	1.1	82.7
1937.....	15.4	3.1	12.3	11.7	.6	— .2	90.8
1938.....	15.0	3.8	11.2	12.8	—1.6	.5	85.2
1939.....	15.4	4.2	11.2	13.3	—2.1	1.2	91.1
1940.....	17.7	4.4	13.3	14.1	— .7	.8	100.6
1941.....	25.0	4.0	21.0	24.8	—3.8	.4	125.8
1942.....	32.6	4.3	28.3	59.7	—31.4	— .8	159.1
1943.....	49.2	4.8	44.4	88.6	—44.2	—1.7	192.5
1944.....	51.2	6.5	44.6	96.5	—51.9	2.8	211.4
1945.....	53.2	10.1	43.1	82.9	—39.7	4.5	213.6
1946.....	51.1	16.5	34.6	30.5	4.1	2.1	210.7
1947.....	57.1	15.4	41.6	28.4	13.3	3.5	234.3
1948.....	59.2	16.5	42.8	34.5	8.2	— .8	259.4
1949.....	56.4	19.4	37.0	40.2	—3.1	.5	258.1
1950.....	69.3	22.1	47.2	39.0	8.2	— .7	284.6
1951.....	85.5	18.9	66.6	60.5	6.1	1.2	329.0
1952.....	90.6	18.4	72.2	76.0	—3.9	1.4	347.0
1953.....	94.9	19.2	75.7	82.8	—7.1	1.3	365.4
1954.....	90.0	21.5	68.5	75.3	—6.7	.9	363.1
1955.....	101.4	23.0	78.4	75.6	2.9	1.0	397.5
1956.....	110.4	25.3	85.1	78.8	6.3	— .9	419.2
1957.....	116.2	28.8	87.4	85.7	1.7	— .7	440.3
1958 ⁴	114.5	33.3	81.2	91.2	—10.0	—1.2	436.7
Seasonally adjusted annual rates							
1956: First quarter ..	108.4	24.3	84.1	76.8	7.2	—0.2	410.8
Second quarter ..	109.3	25.3	84.1	77.2	6.9	—1.3	414.9
Third quarter ..	110.4	25.4	85.0	79.5	5.4	—1.5	420.5
Fourth quarter ..	113.7	26.3	87.4	81.8	5.5	— .5	430.5
1957: First quarter ..	116.4	27.3	89.1	85.0	4.1	.9	436.3
Second quarter ..	116.3	29.3	87.0	85.7	1.3	1.5	441.2
Third quarter ..	117.3	28.7	88.6	85.8	2.8	.7	445.6
Fourth quarter ..	114.7	30.2	84.5	86.9	—2.3	.7	438.9
1958: First quarter ..	110.6	31.6	79.0	88.3	—9.4	—1.7	425.8
Second quarter ..	111.1	33.5	77.6	89.7	—12.2	—1.1	429.0
Third quarter ..	116.0	34.1	81.9	92.1	—10.2	—2.7	439.0
Fourth quarter ⁴ ..	120.2	33.8	86.4	94.8	—8.4	.9	453.0

¹ Undistributed corporate profits, corporate inventory valuation adjustment, capital consumption allowances, and excess of wage accruals over disbursements.

² For 1929-45, foreign net transfers by government were negligible; therefore, for that period, net exports of goods and services and net foreign investment have been equated.

³ Government transfer payments to persons, foreign net transfers by government, net interest paid by government, and subsidies less current surplus of government enterprises.

⁴ Preliminary; fourth quarter by Council of Economic Advisers.

⁵ See footnote 8, Table D-1.

NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, a Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-7.—Personal consumption expenditures, 1929–58

(Billions of dollars)

Period	Total personal consumption expenditures	Durable goods				Nondurable goods				Services			
		Total	Automobiles and parts	Furniture and household equipment	Other	Total	Food excluding alcoholic beverages ¹	Clothing and shoes ²	Gasoline and oil	Other	Total	Housing ³	Household operation
1929.....	79.0	9.2	3.2	4.8	1.2	37.7	19.5	9.4	1.8	7.0	32.1	11.4	4.0
1930.....	71.0	7.2	2.2	3.9	1.1	34.0	18.0	8.0	1.7	6.3	29.8	11.0	3.9
1931.....	61.3	5.5	1.6	3.1	.9	28.9	14.7	6.9	1.5	5.7	26.9	10.3	3.5
1932.....	49.3	3.6	.9	2.1	.6	22.8	11.4	5.1	1.5	4.8	22.9	9.0	3.0
1933.....	46.4	3.5	1.1	1.9	.5	22.3	10.9	4.6	1.5	5.3	20.7	7.9	2.8
1934.....	51.9	4.2	1.4	2.2	.6	26.7	12.2	5.7	1.6	7.2	21.0	7.6	3.0
1935.....	56.3	5.1	1.9	2.6	.7	29.3	13.6	6.0	1.7	7.9	21.9	7.6	3.2
1936.....	62.6	6.3	2.3	3.2	.8	32.8	15.2	6.6	1.9	9.1	23.5	7.9	3.4
1937.....	67.3	6.9	2.4	3.6	1.0	35.2	16.4	6.8	2.1	9.8	25.1	8.4	3.7
1938.....	64.6	5.7	1.6	3.1	.9	34.0	15.6	6.8	2.1	9.5	25.0	8.8	3.6
1939.....	67.6	6.7	2.2	3.5	1.0	35.1	15.7	7.1	2.2	10.1	25.8	9.0	3.8
1940.....	71.9	7.8	2.7	3.9	1.1	37.2	16.7	7.4	2.3	10.8	26.9	9.3	4.0
1941.....	81.9	9.7	3.4	4.9	1.4	43.2	19.4	8.8	2.6	12.3	29.0	10.0	4.3
1942.....	89.7	7.0	.7	4.7	1.6	51.3	23.7	11.0	2.1	14.5	31.5	10.8	4.8
1943.....	100.5	6.6	.8	3.9	1.9	59.3	27.8	13.4	1.3	16.7	34.7	11.3	5.2
1944.....	109.8	6.8	.8	3.8	2.2	65.4	30.6	14.6	1.4	18.7	37.7	11.9	5.9
1945.....	121.7	8.1	1.0	4.6	2.5	73.2	34.1	16.5	1.8	20.8	40.4	12.4	6.4
1946.....	147.1	15.9	3.9	8.7	3.3	84.8	40.7	18.2	3.0	22.9	46.4	13.8	6.7
1947.....	165.4	20.6	6.3	11.0	3.4	93.4	45.8	18.8	3.6	25.2	51.4	15.6	7.4
1948.....	178.3	22.7	7.4	11.9	3.4	98.7	48.2	20.1	4.4	26.0	56.9	17.6	7.9
1949.....	181.2	24.6	9.8	11.5	3.3	96.6	46.4	19.3	5.0	25.9	60.0	19.3	8.4
1950.....	195.0	30.4	13.0	14.0	3.4	99.8	47.4	19.6	5.4	27.4	64.9	21.2	9.3
1951.....	209.8	29.5	11.6	14.2	3.7	110.1	53.4	21.1	6.0	29.5	70.2	23.2	10.1
1952.....	219.8	29.1	11.0	14.1	3.9	115.1	55.8	21.9	6.7	30.7	75.6	25.4	10.8
1953.....	232.6	32.9	14.0	14.7	4.1	118.0	56.6	21.9	7.5	31.8	81.8	27.5	11.7
1954.....	238.0	32.4	13.4	14.8	4.3	119.3	57.7	21.9	8.0	31.7	86.3	29.1	12.1
1955.....	256.9	39.6	18.3	16.6	4.8	124.8	59.2	23.4	8.8	33.4	92.5	30.7	13.5
1956.....	269.4	38.4	15.6	17.4	5.3	131.4	62.2	24.5	9.6	35.1	99.6	32.8	14.8
1957.....	284.4	39.9	17.1	17.3	5.5	138.0	66.4	24.6	10.2	36.7	106.5	35.4	15.8
1958 ⁴	290.6	36.8	14.0	17.1	5.6	142.0	69.1	24.4	10.4	38.0	111.8	37.1	16.8
Seasonally adjusted annual rates													
1956: First quarter.....	265.2	38.7	16.0	17.4	5.3	129.6	61.3	24.1	9.2	35.0	96.9	31.8	14.4
Second quarter.....	267.2	37.8	15.1	17.5	5.3	130.9	61.9	24.3	9.5	35.2	98.6	32.3	14.7
Third quarter.....	269.7	37.5	15.0	17.1	5.3	131.6	62.3	24.6	9.6	35.1	100.6	33.1	14.9
Fourth quarter.....	275.4	39.5	16.5	17.7	5.4	133.4	63.5	24.8	9.9	35.2	102.5	33.8	15.1
1957: First quarter.....	279.8	40.2	17.3	17.5	5.4	135.5	64.6	24.8	10.2	35.9	104.1	34.4	15.3
Second quarter.....	282.5	39.5	16.7	17.3	5.4	137.1	66.1	24.3	10.2	36.5	105.9	35.1	15.6
Third quarter.....	288.3	40.4	17.3	17.5	5.6	140.5	67.8	25.1	10.3	37.3	107.4	35.7	15.8
Fourth quarter.....	287.2	39.6	17.1	17.0	5.5	138.8	67.2	24.4	10.2	37.1	108.7	36.3	16.2
1958: First quarter.....	286.2	36.3	13.6	17.1	5.6	139.8	68.3	23.9	10.3	37.3	110.1	36.6	16.4
Second quarter.....	288.3	35.6	13.5	16.6	5.5	141.4	69.3	24.0	10.3	37.8	111.3	36.9	16.7
Third quarter.....	291.5	36.1	13.2	17.3	5.6	142.9	69.2	24.8	10.5	38.4	112.5	37.2	17.0
Fourth quarter ⁴	296.5	39.0	15.8	17.6	5.6	144.0	69.8	24.9	10.7	38.6	113.5	37.5	17.2

¹ Quarterly data are estimates by Council of Economic Advisers.² Includes standard clothing issued to military personnel.³ Includes imputed rental value of owner-occupied dwellings.⁴ Preliminary; fourth quarter by Council of Economic Advisers.NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-8.—Gross private domestic investment, 1929–58

[Billions of dollars]

Period	Total gross private domestic investment	Nonfarm producers' plant and equipment			Farm equipment and construction			Residential construction (non-farm)	Other private construction	Net change in business inventories		
		Total ¹	Equip-ment ²	Con-struc-tion ³	Total ⁴	Equip-ment	Con-struc-tion			Total	Non-farm ⁵	Farm
1929.....	16.2	9.5	5.2	4.2	0.9	0.6	0.3	3.6	0.5	1.7	1.8	-0.2
1930.....	10.3	7.4	4.0	3.4	.7	.5	.2	2.1	.5	-.4	-.1	-.3
1931.....	5.5	4.5	2.6	1.9	.4	.3	.1	1.6	.4	-1.3	-1.6	.3
1932.....	.9	2.5	1.4	1.0	.2	.1	(?)	.6	.2	-2.6	-2.6	(?)
1933.....	1.4	2.3	1.5	.8	.2	.1	(?)	.5	.1	-1.6	-1.4	-.3
1934.....	2.9	3.0	2.1	.9	.3	.3	.1	.6	.1	-1.1	.2	-1.3
1935.....	6.3	3.8	2.7	1.1	.5	.4	.1	1.0	.1	.9	.4	.5
1936.....	8.4	5.1	3.6	1.4	.7	.5	.2	1.6	.1	1.0	2.1	-1.1
1937.....	11.7	6.6	4.5	2.1	.8	.6	.2	1.9	.2	2.2	1.7	.5
1938.....	6.7	4.7	3.1	1.6	.7	.5	.2	2.0	.2	-.9	-1.0	.1
1939.....	9.3	5.3	3.7	1.6	.7	.5	.2	2.7	.2	.4	.3	.1
1940.....	13.2	7.0	4.9	2.0	.8	.6	.2	3.0	.2	2.2	1.9	.3
1941.....	18.1	8.7	6.1	2.6	1.1	.8	.3	3.5	.2	4.5	4.0	.5
1942.....	9.9	5.3	3.7	1.6	.9	.7	.3	1.7	.1	1.8	.7	1.2
1943.....	5.6	4.6	3.5	1.1	.8	.6	.3	.9	(?)	-.8	-.6	-.2
1944.....	7.1	6.3	4.7	1.5	1.0	.7	.3	.8	.1	-1.0	-.6	-.4
1945.....	10.4	9.3	6.9	2.3	1.0	.7	.3	1.1	.1	-1.1	-.6	-.5
1946.....	28.1	14.8	9.8	5.0	1.8	.9	.9	4.8	.4	6.4	6.4	(?)
1947.....	31.5	20.7	14.9	5.8	3.2	1.8	1.4	7.5	.5	-.5	1.3	-1.8
1948.....	43.1	23.3	16.4	6.9	4.1	2.6	1.5	10.1	.9	4.7	3.0	1.7
1949.....	33.0	21.0	14.4	6.6	4.4	2.9	1.5	9.6	1.1	-3.1	-2.2	-.9
1950.....	50.0	23.4	16.2	7.2	4.4	2.7	1.6	14.1	1.3	6.8	6.0	.8
1951.....	56.3	27.4	18.4	9.1	4.8	2.9	1.8	12.5	1.4	10.2	9.1	1.2
1952.....	49.9	28.1	18.6	9.5	4.6	2.7	1.9	12.8	1.3	3.1	2.1	.9
1953.....	50.3	30.2	19.5	10.7	4.5	2.8	1.7	13.8	1.4	.4	1.1	-.6
1954.....	48.9	29.5	18.5	11.0	4.0	2.3	1.6	15.4	1.7	-1.6	-2.1	.5
1955.....	63.8	33.4	20.6	12.8	4.1	2.5	1.6	18.7	1.8	5.8	5.5	.3
1956.....	68.2	39.4	24.8	14.6	3.8	2.2	1.6	17.7	1.9	5.4	5.9	-.5
1957.....	65.3	41.1	25.5	15.6	4.0	2.4	1.6	17.0	2.2	1.0	.2	.8
1958 ⁶	53.5	35.0	20.4	14.6	3.9	2.3	1.6	17.8	2.5	-5.6	-5.8	.2
Seasonally adjusted annual rates												
1956:												
First quarter.....	68.0	37.9	23.9	14.0	3.6	2.0	1.6	17.8	1.8	6.9	7.4	-.5
Second quarter.....	67.7	39.2	24.5	14.7	3.6	2.1	1.6	17.7	1.9	5.4	6.2	-.8
Third quarter.....	68.1	39.8	25.0	14.8	3.9	2.3	1.6	17.6	1.9	4.9	5.3	-.4
Fourth quarter.....	68.8	40.7	25.9	14.9	3.9	2.4	1.6	17.7	2.0	4.4	4.6	-.2
1957:												
First quarter.....	65.9	41.5	26.3	15.2	4.0	2.5	1.6	17.2	2.1	1.1	.6	.5
Second quarter.....	67.0	41.3	25.5	15.8	4.1	2.5	1.6	16.5	2.2	2.9	2.0	.9
Third quarter.....	66.7	41.4	25.6	15.8	3.9	2.4	1.6	16.9	2.2	2.2	1.3	.9
Fourth quarter.....	61.5	40.1	24.4	15.7	3.8	2.2	1.6	17.6	2.3	-2.3	-3.1	.8
1958:												
First quarter.....	49.6	36.0	20.8	15.2	3.6	2.0	1.6	17.1	2.4	-9.5	-9.3	-.2
Second quarter.....	⁷ 49.2	⁸ 34.7	20.1	14.6	3.9	2.3	1.6	16.2	2.4	-8.0	-7.8	-.2
Third quarter.....	⁹ 53.7	⁹ 34.4	20.1	14.3	3.8	2.2	1.6	17.9	2.5	-5.0	-5.4	.4
Fourth quarter ²	⁹ 61.5	⁹ 34.8	20.4	14.4	4.2	2.6	1.6	20.1	2.5	(?)	-.7	.7

¹ Items for nonfarm producers' plant and equipment are not comparable with those shown in Table D-30 principally because the latter exclude equipment and construction outlays charged to current expense and also investment by nonprofit organizations and professional persons.

² Total producers' durable equipment less farm machinery and equipment, and farmers' purchases of tractors and business motor vehicles.

³ Industrial buildings, public utilities, gas- and oil-well drilling, warehouses, office and loft buildings, stores, restaurants, garages, miscellaneous nonresidential construction, and all other private construction.

⁴ Farm construction (residential and nonresidential) plus farm machinery and equipment, and farmers' purchases of tractors and business motor vehicles. (See footnote 2.)

⁵ Includes religious, educational, social and recreational, and hospital and institutional.

⁶ After inventory valuation adjustment.

⁷ Less than \$50 million.

⁸ Preliminary; fourth quarter by Council of Economic Advisers.

⁹ See footnote 8, Table D-1.

NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-9.—National income by type of income, 1929-58

[Billions of dollars]

Period	Total national income ¹	Com- pen- sation of em- ploy- ees ²	Business and professional income and inventory valuation adjustment			In- come of farm proprie- tors ³	Rent- al in- come of per- sons	Corporate profits and inventory valuation adjustment			Net in- terest
			Total	In- come of un- incor- porated enter- prises	In- ven- tory valua- tion ad- just- ment			Total	Cor- porate profits before taxes ⁴	In- ven- tory valua- tion ad- just- ment	
1929.....	87.8	51.1	8.8	8.6	0.1	6.0	5.4	10.1	9.6	0.5	6.4
1930.....	75.7	46.8	7.4	6.7	.8	4.1	4.8	6.6	3.3	3.3	6.0
1931.....	59.7	39.7	5.6	5.0	.6	3.2	3.8	1.6	— .8	2.4	5.8
1932.....	42.5	31.1	3.4	3.1	.3	1.9	2.7	— 2.0	— 3.0	1.0	5.4
1933.....	40.2	29.5	3.2	3.7	— .5	2.4	2.0	— 2.0	.2	— 2.1	5.0
1934.....	49.0	34.3	4.6	4.6	— .1	2.4	1.7	1.1	1.7	— .6	4.9
1935.....	57.1	37.3	5.4	5.4	(⁵)	5.0	1.7	2.9	3.1	— .2	4.8
1936.....	64.9	42.9	6.5	6.6	— .1	4.0	1.8	5.0	5.7	— .7	4.7
1937.....	73.6	47.9	7.1	7.1	(⁵)	5.6	2.1	6.2	6.2	(⁵)	4.7
1938.....	97.6	45.0	6.8	6.6	.2	4.3	2.6	4.3	3.3	1.0	4.6
1939.....	72.8	48.1	7.3	7.5	— .2	4.3	2.7	5.7	6.4	— .7	4.6
1940.....	81.6	52.1	8.4	8.5	(⁵)	4.6	2.9	9.1	9.3	— .2	4.5
1941.....	104.7	64.8	10.9	11.5	— .6	6.5	3.5	14.5	17.0	— 2.5	4.5
1942.....	137.7	85.3	13.9	14.3	— .4	10.0	4.5	19.7	20.9	— 1.2	4.3
1943.....	170.3	109.6	16.8	17.0	— .2	11.4	5.1	23.8	24.6	— .8	3.7
1944.....	182.6	121.3	18.0	18.1	— .1	11.5	5.4	23.0	23.3	— .3	3.3
1945.....	181.2	123.2	19.0	19.1	— .1	11.8	5.6	18.4	19.0	— .6	3.2
1946.....	180.9	117.7	21.3	23.0	— 1.7	15.3	6.2	17.3	22.6	— 5.3	3.1
1947.....	198.2	128.8	19.9	21.4	— 1.5	15.5	6.5	23.6	29.5	— 5.9	3.8
1948.....	223.5	141.0	22.4	22.8	— .4	17.8	7.3	30.8	33.0	— 2.2	4.2
1949.....	217.7	140.8	22.7	22.2	.5	12.9	8.3	28.2	26.4	1.9	4.8
1950.....	241.9	154.2	23.5	24.6	— 1.1	14.0	9.0	35.7	40.6	— 5.0	5.5
1951.....	279.3	180.3	26.0	26.3	— .3	16.3	9.4	41.0	42.2	— 1.2	6.3
1952.....	292.2	195.0	26.9	26.7	.2	15.3	10.2	37.7	36.7	1.0	7.1
1953.....	305.6	208.8	27.4	27.6	— .2	13.3	10.5	37.3	38.3	— 1.0	8.2
1954.....	301.8	207.6	27.8	27.8	(⁵)	12.7	10.9	33.7	34.1	— .3	9.1
1955.....	330.2	223.9	30.4	30.6	— .2	11.8	10.7	43.1	44.9	— 1.7	10.4
1956.....	349.4	241.8	30.8	31.3	— .5	11.6	10.9	42.9	45.5	— 2.6	11.3
1957.....	364.0	254.6	31.4	31.7	— .3	11.6	11.8	41.9	43.4	— 1.5	12.6
1958 ⁶	359.6	253.8	31.0	31.0	(⁵)	13.2	12.2	36.2	36.4	— .2	13.2
Seasonally adjusted annual rates											
1956: First quarter.....	342.2	235.3	30.7	31.1	— 0.4	11.3	10.7	43.3	46.2	— 2.8	10.9
Second quarter.....	346.2	240.6	30.9	31.6	— .7	11.3	10.7	41.6	44.8	— 3.2	11.1
Third quarter.....	350.8	243.0	30.8	31.0	— .2	11.9	10.9	42.8	44.3	— 1.5	11.4
Fourth quarter.....	357.9	248.1	30.9	31.5	— .6	12.0	11.2	44.0	46.7	— 2.7	11.7
1957: First quarter.....	361.5	251.6	31.1	31.4	— .3	11.5	11.4	43.7	46.1	— 2.4	12.1
Second quarter.....	364.1	254.9	31.4	31.7	— .3	11.6	11.7	42.0	43.5	— 1.5	12.5
Third quarter.....	368.7	257.3	31.7	31.8	— .1	11.8	12.0	43.1	44.2	— 1.1	12.8
Fourth quarter.....	361.5	254.8	31.3	31.8	— .5	11.5	12.2	38.8	39.9	— 1.1	12.9
1958: First quarter.....	350.6	250.9	30.6	30.7	— .1	12.6	12.1	31.3	31.7	— .3	13.0
Second quarter.....	352.4	250.7	30.7	30.7	(⁵)	13.4	12.1	32.5	32.0	.5	13.1
Third quarter.....	363.1	255.3	31.1	30.9	.2	13.3	12.2	38.0	37.9	.2	13.2
Fourth quarter ⁶	372.1	258.4	31.8	31.9	— .2	13.3	12.3	43.0	44.0	— 1.0	13.3

¹ National income is the total net income earned in production. It differs from gross national product mainly in that it excludes depreciation charges and other allowances for business and institutional consumption of durable capital goods, and indirect business taxes. See Table D-10.

² Wages and salaries and supplements to wages and salaries (employer contributions for social insurance; employer contributions to private pension, health, and welfare funds; compensation for injuries; directors' fees; pay of the military reserve; and a few other minor items).

³ Excludes income resulting from net reductions of farm inventories and gives credit in computing income to net additions to farm inventories during the period. Data for 1929-45 differ from those shown in Table D-64 because of revisions by the Department of Agriculture not yet incorporated into the national income accounts.

⁴ See Table D-56 for corporate tax liability (Federal and State income and excess profits taxes) and corporate profits after taxes.

⁵ Less than \$50 million.

⁶ Preliminary; fourth quarter by Council of Economic Advisers.

⁷ Provisional.

NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-10.—*Relation of gross national product and national income, 1929-58*

[Billions of dollars]

Period	Gross national product	Less: Capital con- sumption allowances			Equals: Net national product	Plus: Sub- sidies less current surplus of gov- ernment enter- prises	Less:					Equals: National income
		Total	Depre- ciation charges	Other ¹			Indirect business tax			Busi- ness trans- fer pay- ments	Sta- tistical dis- crepancy	
							Total	Federal	State and local			
1929.....	104.4	8.6	7.7	0.9	95.8	-0.1	7.0	1.2	5.8	0.6	0.3	87.8
1930.....	91.1	8.5	7.7	.8	82.6	-.1	7.2	1.0	6.1	.5	-1.0	75.7
1931.....	76.3	8.2	7.6	.6	68.1	(2)	6.9	.9	6.0	.6	.8	59.7
1932.....	58.5	7.6	7.0	.6	50.9	(2)	6.8	.9	5.8	.7	.8	42.5
1933.....	56.0	7.2	6.7	.5	48.8	(2)	7.1	1.6	5.4	.7	.9	40.2
1934.....	65.0	7.1	6.6	.5	57.9	.3	7.8	2.2	5.6	.6	.7	49.0
1935.....	72.5	7.2	6.7	.6	65.3	.4	8.2	2.2	6.0	.6	-.2	57.1
1936.....	82.7	7.5	6.7	.8	75.2	(2)	8.7	2.3	6.4	.6	1.1	64.9
1937.....	90.8	7.7	6.9	.8	83.0	.1	9.2	2.4	6.8	.6	-.2	73.6
1938.....	85.2	7.8	6.9	.8	77.4	.2	9.2	2.2	6.9	.4	.5	67.6
1939.....	91.1	7.8	7.1	.7	83.3	.5	9.4	2.3	7.0	.5	1.2	72.8
1940.....	100.6	8.1	7.3	.8	92.5	.4	10.0	2.6	7.4	.4	.8	81.6
1941.....	125.8	9.0	8.1	1.0	116.8	.1	11.3	3.6	7.7	.5	.4	104.7
1942.....	159.1	10.2	9.2	1.0	149.0	.2	11.8	4.0	7.7	.5	-.8	137.7
1943.....	192.5	10.9	9.9	1.0	181.6	.2	12.7	4.9	7.8	.5	-1.7	170.3
1944.....	211.4	12.0	10.8	1.2	199.4	.7	14.1	6.2	8.0	.5	2.8	182.6
1945.....	213.6	12.5	11.2	1.3	201.0	.8	15.5	7.1	8.4	.5	4.5	181.2
1946.....	210.7	10.7	9.0	1.7	200.0	.9	17.3	7.9	9.4	.6	2.1	180.9
1947.....	234.3	13.0	11.1	2.0	221.3	-.2	18.6	7.9	10.8	.7	3.5	198.2
1948.....	259.4	15.5	13.1	2.4	244.0	-.2	20.4	8.1	12.3	.7	-.8	223.5
1949.....	258.1	17.3	15.1	2.2	240.8	-.2	21.6	8.2	13.5	.8	.5	217.7
1950.....	284.6	19.1	16.5	2.6	265.5	.2	23.7	9.0	14.7	.8	-.7	241.9
1951.....	329.0	22.0	18.8	3.2	307.0	.2	25.6	9.5	16.1	1.0	1.2	279.3
1952.....	347.0	24.0	20.9	3.1	323.0	-.2	28.1	10.5	17.6	1.2	1.4	292.2
1953.....	365.4	26.5	23.1	3.5	338.9	-.4	30.2	11.2	19.0	1.4	1.3	305.6
1954.....	363.1	28.8	25.2	3.6	334.3	-.2	30.2	10.1	20.1	1.3	.9	301.8
1955.....	397.5	32.0	27.9	4.0	365.5	(2)	32.9	11.0	21.8	1.5	1.0	330.2
1956.....	419.2	34.7	30.8	3.9	384.5	1.0	35.6	11.6	24.0	1.5	-.9	349.4
1957.....	440.3	37.7	33.7	4.0	402.6	1.3	37.6	12.2	25.4	1.6	.7	364.0
1958 ³	436.7	39.6	35.9	3.7	397.1	1.5	38.6	11.9	26.7	1.6	-1.2	359.6
Seasonally adjusted annual rates												
1956:												
First quarter.....	410.8	33.7	(⁴)	(⁴)	377.1	.9	34.5	11.1	23.4	1.5	-.2	342.2
Second quarter.....	414.9	34.3	(⁴)	(⁴)	380.6	1.0	35.3	11.4	23.9	1.5	-1.3	346.2
Third quarter.....	420.5	35.0	(⁴)	(⁴)	385.5	1.1	35.8	11.6	24.3	1.5	-1.5	350.8
Fourth quarter.....	430.5	35.7	(⁴)	(⁴)	394.8	1.2	37.0	12.4	24.6	1.5	-.5	357.9
1957:												
First quarter.....	436.3	36.6	(⁴)	(⁴)	399.7	1.4	37.1	12.1	25.0	1.6	.9	361.5
Second quarter.....	441.2	37.5	(⁴)	(⁴)	403.7	1.4	37.8	12.5	25.3	1.6	1.5	364.1
Third quarter.....	445.6	38.1	(⁴)	(⁴)	407.5	1.3	37.9	12.3	25.6	1.6	.7	368.7
Fourth quarter.....	438.9	38.5	(⁴)	(⁴)	400.4	1.2	37.7	12.0	25.7	1.6	.7	361.5
1958:												
First quarter.....	425.8	38.9	(⁴)	(⁴)	386.9	1.6	38.0	12.0	25.9	1.6	-1.7	350.6
Second quarter.....	429.0	39.3	(⁴)	(⁴)	389.7	1.5	38.3	11.8	26.5	1.6	-1.1	352.4
Third quarter.....	439.0	39.7	(⁴)	(⁴)	399.3	1.5	38.6	11.7	26.9	1.6	-2.7	363.1
Fourth quarter ⁴	453.0	40.4	(⁴)	(⁴)	412.6	1.5	39.5	11.9	27.6	1.6	.9	372.1

¹ Accidental damage to fixed capital and capital outlays charged to current account.² Less than \$50 million.³ Preliminary; fourth quarter by Council of Economic Advisers.⁴ Not available.NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business, 1959*.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-11.—*Relation of national income and personal income, 1929-58*

[Billions of dollars]

Period	National income	Less:			Plus:				Equals:
		Corporate profits and inventory valuation adjustment	Contributions for social insurance	Excess of wage accruals over disbursements	Government transfer payments to persons	Net interest paid by government	Dividends	Business transfer payments	
1929.....	87.8	10.1	0.2	-----	0.9	1.0	5.8	0.6	85.8
1930.....	75.7	6.6	.3	-----	1.0	1.0	5.5	.5	76.9
1931.....	59.7	1.6	.3	-----	2.1	1.1	4.1	.6	65.7
1932.....	42.5	-2.0	.3	-----	1.4	1.1	2.6	.7	50.1
1933.....	40.2	-2.0	.3	-----	1.5	1.2	2.1	.7	47.2
1934.....	49.0	1.1	.3	-----	1.6	1.2	2.6	.6	53.6
1935.....	57.1	2.9	.3	-----	1.8	1.1	2.9	.6	60.2
1936.....	64.9	5.0	.6	-----	2.9	1.1	4.5	.6	68.5
1937.....	73.6	6.2	1.8	-----	1.9	1.2	4.7	.6	73.9
1938.....	67.6	4.3	2.0	-----	2.4	1.2	3.2	.4	68.6
1939.....	72.8	5.7	2.1	-----	2.5	1.2	3.8	.5	72.9
1940.....	81.6	9.1	2.3	-----	2.7	1.3	4.0	.4	78.7
1941.....	104.7	14.5	2.8	-----	2.6	1.3	4.5	.5	96.3
1942.....	137.7	19.7	3.5	-----	2.6	1.5	4.3	.5	123.5
1943.....	170.3	23.8	4.5	0.2	2.5	2.1	4.5	.5	151.4
1944.....	182.6	23.0	5.2	- .2	3.1	2.8	4.7	.5	165.7
1945.....	181.2	18.4	6.1	-----	5.6	3.7	4.7	.5	171.2
1946.....	180.9	17.3	6.0	-----	10.9	4.5	5.8	.6	179.3
1947.....	198.2	23.6	5.7	-----	11.1	4.4	6.5	.7	191.6
1948.....	223.5	30.8	5.2	-----	10.5	4.5	7.2	.7	210.4
1949.....	217.7	28.2	5.7	-----	11.6	4.7	7.5	.8	206.3
1950.....	241.9	35.7	6.9	-----	14.3	4.8	9.2	.8	228.5
1951.....	279.3	41.0	8.2	.1	11.6	5.0	9.0	1.0	256.7
1952.....	292.2	37.7	8.6	-----	12.0	5.0	9.0	1.2	273.1
1953.....	305.6	37.3	8.7	- .1	12.9	5.2	9.2	1.4	288.3
1954.....	301.8	33.7	9.7	-----	15.0	5.4	9.8	1.3	289.8
1955.....	330.2	43.1	11.0	-----	16.0	5.4	11.2	1.5	310.2
1956.....	349.4	42.9	12.3	-----	17.1	5.7	12.0	1.5	330.5
1957.....	364.0	41.9	14.2	-----	19.9	6.2	12.4	1.6	347.9
1958 ¹	359.6	² 36.2	14.4	-----	24.4	6.2	12.3	1.6	353.4
Seasonally adjusted annual rates									
1956: First quarter.....	342.2	43.3	11.9	-----	16.6	5.5	11.7	1.5	322.3
Second quarter.....	346.2	41.6	12.1	-----	17.0	5.7	12.0	1.5	328.7
Third quarter.....	350.8	42.8	12.5	-----	17.3	5.8	12.2	1.5	332.3
Fourth quarter.....	357.9	44.0	12.7	-----	17.6	5.9	11.8	1.5	338.1
1957: First quarter.....	361.5	43.7	14.0	-----	18.4	6.1	12.5	1.6	342.3
Second quarter.....	364.1	42.0	14.1	-----	19.9	6.2	12.6	1.6	348.4
Third quarter.....	368.7	43.1	14.3	-----	20.0	6.2	12.7	1.6	351.8
Fourth quarter.....	361.5	38.8	14.2	-----	21.3	6.2	12.0	1.6	349.7
1958: First quarter.....	350.6	31.3	14.2	.8	22.5	6.3	12.5	1.6	347.3
Second quarter.....	352.4	32.5	14.2	.8	24.6	6.2	12.4	1.6	349.8
Third quarter.....	363.1	38.0	14.7	-1.5	25.2	6.2	12.5	1.6	357.5
Fourth quarter ¹	372.1	² 43.0	14.6	-----	24.9	6.2	11.8	1.6	359.1

¹ Preliminary; fourth quarter by Council of Economic Advisers.² Provisional.NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-12.—Sources of personal income, 1929–58

[Billions of dollars]

Period	Total personal income	Labor income (wage and salary disbursements and other labor income) ¹	Proprietors' income ²		Rental income of persons	Dividends	Personal interest income	Transfer payments	Less: Personal contributions for social insurance	Non-agricultural personal income ⁴
			Farm ³	Business and professional						
1929.....	85.8	51.0	6.0	8.8	5.4	5.8	7.4	1.5	0.1	77.7
1930.....	76.9	46.7	4.1	7.4	4.8	5.5	6.9	1.5	.1	70.8
1931.....	65.7	39.6	3.2	5.6	3.8	4.1	6.9	2.7	.2	60.9
1932.....	50.1	30.9	1.9	3.4	2.7	2.6	6.6	2.2	.2	46.9
1933.....	47.2	29.4	2.4	3.2	2.0	2.1	6.2	2.1	.2	43.6
1934.....	53.6	34.1	2.4	4.6	1.7	2.6	6.1	2.2	.2	49.8
1935.....	60.2	37.2	5.0	5.4	1.7	2.9	5.9	2.4	.2	53.9
1936.....	68.5	42.5	4.0	6.5	1.8	4.5	5.8	3.5	.2	63.2
1937.....	73.9	46.7	5.6	7.1	2.1	4.7	5.9	2.4	.6	67.0
1938.....	68.6	43.6	4.3	6.8	2.6	3.2	5.8	2.8	.6	62.8
1939.....	72.9	46.6	4.3	7.3	2.7	3.8	5.8	3.0	.6	67.1
1940.....	78.7	50.5	4.6	8.4	2.9	4.0	5.8	3.1	.7	72.6
1941.....	96.3	62.8	6.5	10.9	3.5	4.5	5.8	3.1	.8	88.0
1942.....	123.5	83.0	10.0	13.9	4.5	4.3	5.8	3.1	1.2	111.5
1943.....	151.4	106.7	11.4	16.8	5.1	4.5	5.8	3.0	1.8	137.6
1944.....	165.7	118.5	11.5	18.0	5.4	4.7	6.2	3.6	2.2	151.6
1945.....	171.2	119.4	11.8	19.0	5.6	4.7	6.9	6.2	2.3	156.8
1946.....	179.3	113.8	15.3	21.3	6.2	5.8	7.6	11.4	2.0	161.2
1947.....	191.6	125.2	15.5	19.9	6.5	6.5	8.2	11.8	2.1	172.8
1948.....	210.4	137.9	17.8	22.4	7.3	7.2	8.7	11.3	2.2	189.2
1949.....	208.3	137.4	12.9	22.7	8.3	7.5	9.4	12.4	2.2	192.1
1950.....	228.5	150.2	14.0	23.5	9.0	9.2	10.3	15.1	2.9	211.3
1951.....	256.7	175.5	16.3	26.0	9.4	9.0	11.2	12.6	3.4	237.0
1952.....	273.1	190.2	15.3	26.9	10.2	9.0	12.1	13.2	3.8	254.3
1953.....	288.3	204.1	13.3	27.4	10.5	9.2	13.4	14.3	3.9	271.5
1954.....	289.8	202.5	12.7	27.8	10.9	9.8	14.6	16.2	4.6	273.8
1955.....	310.2	218.0	11.8	30.4	10.7	11.2	15.8	17.5	5.2	295.0
1956.....	330.5	235.2	11.6	30.8	10.9	12.0	17.0	18.6	5.7	315.4
1957.....	347.9	247.1	11.6	31.4	11.8	12.4	18.8	21.5	6.6	332.7
1958 ⁵	353.4	246.2	13.2	31.0	12.2	12.3	19.4	25.9	6.7	336.6
Seasonally adjusted annual rates										
1956:										
First quarter...	322.3	229.0	11.3	30.7	10.7	11.7	16.5	18.1	5.6	307.6
Second quarter...	328.7	234.1	11.3	30.9	10.7	12.0	16.9	18.5	5.7	313.9
Third quarter...	332.3	236.2	11.9	30.8	10.9	12.2	17.2	18.8	5.7	316.9
Fourth quarter...	338.1	241.2	12.0	30.9	11.2	11.8	17.6	19.1	5.9	322.5
1957:										
First quarter...	342.3	244.2	11.5	31.1	11.4	12.5	18.2	20.0	6.6	327.2
Second quarter...	348.4	247.3	11.6	31.4	11.7	12.6	18.7	21.5	6.6	333.2
Third quarter...	351.8	249.6	11.8	31.7	12.0	12.7	19.0	21.6	6.7	336.3
Fourth quarter...	349.7	247.2	11.5	31.3	12.2	12.0	19.1	22.9	6.6	334.6
1958:										
First quarter...	347.3	242.6	12.6	30.6	12.1	12.5	19.3	24.2	6.7	331.0
Second quarter...	349.8	242.4	13.4	30.7	12.1	12.4	19.3	26.2	6.7	332.8
Third quarter...	357.5	249.0	13.3	31.1	12.2	12.5	19.4	26.8	6.9	340.7
Fourth quarter ⁵ ...	359.1	250.6	13.3	31.8	12.3	11.8	19.5	26.5	6.8	342.3

¹ The total of wage and salary disbursements and other labor income differs from compensation of employees in Table D-9 in that it excludes employer contributions for social insurance and excludes the excess of wage accruals over wage disbursements.

² Excludes income resulting from net reductions of inventories and gives credit in computing income to net additions to inventories during the period.

³ Data for 1929-45 differ from those in Table D-64 because of revisions by the Department of Agriculture not yet incorporated into the national income accounts.

⁴ Nonagricultural income is personal income exclusive of net income of unincorporated farm enterprises, farm wages, agricultural net interest, and net dividends paid by agricultural corporations.

⁵ Preliminary; fourth quarter by Council of Economic Advisers.

NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-13.—*Disposition of personal income, 1929-58*

Period	Personal income	Less: Personal taxes ¹	Equals: Disposable personal income	Less: Personal consumption expenditures	Equals: Personal saving	Saving as percent of disposable personal income (percent) ²
Billions of dollars						
1929.....	85.8	2.6	83.1	79.0	4.2	5.0
1930.....	76.9	2.5	74.4	71.0	3.4	4.6
1931.....	65.7	1.9	63.8	61.3	2.5	3.9
1932.....	50.1	1.5	48.7	49.3	-.6	-1.3
1933.....	47.2	1.5	45.7	46.4	-.6	-1.4
1934.....	53.6	1.6	52.0	51.9	.1	.2
1935.....	60.2	1.9	58.3	56.3	2.0	3.5
1936.....	68.5	2.3	66.2	62.6	3.6	5.4
1937.....	73.9	2.9	71.0	67.3	3.7	5.3
1938.....	68.6	2.9	65.7	64.6	1.1	1.6
1939.....	72.9	2.4	70.4	67.6	2.9	4.1
1940.....	78.7	2.6	76.1	71.9	4.2	5.5
1941.....	96.3	3.3	93.0	81.9	11.1	11.9
1942.....	123.5	6.0	117.5	89.7	27.8	23.6
1943.....	151.4	17.8	133.5	100.5	33.0	24.7
1944.....	165.7	18.9	146.8	109.8	36.9	25.2
1945.....	171.2	20.9	150.4	121.7	28.7	19.1
1946.....	179.3	18.7	160.6	147.1	13.5	8.4
1947.....	191.6	21.5	170.1	165.4	4.7	2.8
1948.....	210.4	21.1	189.3	178.3	11.0	5.8
1949.....	208.3	18.7	189.7	181.2	8.5	4.5
1950.....	228.5	20.8	207.7	195.0	12.6	6.1
1951.....	256.7	29.2	227.5	209.8	17.7	7.8
1952.....	273.1	34.4	238.7	219.8	18.9	7.9
1953.....	288.3	35.8	252.5	232.6	19.8	7.9
1954.....	289.8	32.9	256.9	238.0	18.9	7.3
1955.....	310.2	35.7	274.4	256.9	17.5	6.4
1956.....	330.5	40.1	290.5	269.4	21.1	7.2
1957.....	347.9	42.7	305.1	284.4	20.7	6.8
1958 ³	353.4	43.0	310.5	290.6	19.9	6.4
Seasonally adjusted annual rates						
1956: First quarter.....	322.3	39.2	283.1	265.2	17.9	6.3
Second quarter.....	328.7	39.9	288.8	267.2	21.6	7.5
Third quarter.....	332.3	40.2	292.1	269.7	22.4	7.7
Fourth quarter.....	338.1	40.9	297.2	275.4	21.7	7.3
1957: First quarter.....	342.3	42.3	300.0	279.8	20.3	6.8
Second quarter.....	348.4	42.7	305.7	282.5	23.2	7.6
Third quarter.....	351.8	43.1	308.7	288.3	20.4	6.6
Fourth quarter.....	349.7	43.0	306.8	287.2	19.6	6.4
1958: First quarter.....	347.3	42.3	305.0	286.2	18.8	6.2
Second quarter.....	349.8	42.3	307.5	288.3	19.2	6.2
Third quarter.....	357.5	43.5	314.0	291.5	22.5	7.2
Fourth quarter ³	359.1	43.7	315.4	296.5	19.0	6.0

¹ Includes also such items as fines, penalties, and donations.² Annual percentages are based on data in millions of dollars, and may therefore differ slightly from percentages computed on the basis of figures shown in this table.³ Preliminary; fourth quarter by Council of Economic Advisers.NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-14.—*Total and per capita disposable personal income and personal consumption expenditures, in current and 1958 prices, 1929-58*

Period	Total disposable personal income (billions of dollars)		Per capita disposable personal income (dollars)		Total personal consumption expenditures (billions of dollars)		Per capita personal consumption expenditures (dollars)		Population (thousands) ²
	Current prices	1958 prices ¹	Current prices	1958 prices ¹	Current prices	1958 prices ¹	Current prices	1958 prices ¹	
1929.....	83.1	139.9	682	1,148	79.0	132.9	648	1,091	121,875
1930.....	74.4	128.5	604	1,043	71.0	122.6	576	995	123,188
1931.....	63.8	121.1	514	975	61.3	116.4	494	937	124,149
1932.....	48.7	102.9	389	822	49.3	104.2	395	835	124,949
1933.....	45.7	102.1	364	812	46.4	103.6	369	824	125,690
1934.....	52.0	112.0	411	886	51.9	111.8	410	884	126,485
1935.....	58.3	122.5	458	962	56.3	118.3	442	929	127,362
1936.....	66.2	137.7	517	1,075	62.6	130.2	488	1,015	128,181
1937.....	71.0	142.6	551	1,106	67.3	135.1	522	1,048	128,961
1938.....	65.7	134.3	505	1,033	64.6	132.2	497	1,016	129,969
1939.....	70.4	146.5	538	1,119	67.6	140.5	516	1,073	131,028
1940.....	76.1	156.9	576	1,188	71.9	148.2	544	1,122	132,122
1941.....	93.0	182.3	697	1,367	81.9	160.5	614	1,204	133,402
1942.....	117.5	208.0	871	1,542	89.7	158.8	665	1,177	134,860
1943.....	133.5	222.6	977	1,628	100.5	167.6	735	1,225	136,739
1944.....	146.8	241.0	1,060	1,741	109.8	180.4	794	1,304	138,397
1945.....	150.4	241.3	1,075	1,726	121.7	195.3	870	1,396	139,928
1946.....	160.6	237.5	1,136	1,680	147.1	217.6	1,040	1,538	141,389
1947.....	170.1	219.8	1,180	1,525	165.4	213.7	1,148	1,484	144,126
1948.....	189.3	227.3	1,291	1,550	178.3	214.1	1,216	1,460	146,631
1949.....	189.7	229.9	1,271	1,541	181.2	219.6	1,214	1,472	149,188
1950.....	207.7	249.3	1,369	1,643	195.0	234.1	1,286	1,544	151,683
1951.....	227.5	252.8	1,474	1,638	209.8	233.1	1,359	1,510	154,360
1952.....	238.7	259.5	1,520	1,652	219.8	238.9	1,400	1,522	157,028
1953.....	252.5	272.4	1,582	1,707	232.6	251.0	1,457	1,572	159,636
1954.....	256.9	276.2	1,582	1,701	238.0	255.9	1,466	1,576	162,417
1955.....	274.4	295.7	1,661	1,790	256.9	276.9	1,555	1,676	165,270
1956.....	290.5	308.3	1,727	1,833	269.4	286.0	1,602	1,701	168,176
1957.....	305.1	313.3	1,782	1,830	284.4	292.0	1,661	1,705	171,196
1958 ³	310.5	310.5	1,784	1,784	290.6	290.6	1,670	1,670	174,064
Seasonally adjusted annual rates									
1956: First quarter.....	283.1	304.7	1,694	1,823	265.2	285.5	1,587	1,708	167,158
Second quarter.....	288.8	308.5	1,721	1,839	267.2	285.5	1,592	1,701	167,828
Third quarter.....	292.1	308.1	1,733	1,828	269.7	284.5	1,600	1,688	168,600
Fourth quarter.....	297.2	311.2	1,754	1,837	275.4	288.4	1,626	1,703	169,424
1957: First quarter.....	300.0	312.2	1,763	1,835	279.8	291.2	1,644	1,711	170,151
Second quarter.....	305.7	315.2	1,789	1,844	282.5	291.2	1,654	1,705	170,839
Third quarter.....	308.7	314.7	1,799	1,834	288.3	293.9	1,680	1,713	171,612
Fourth quarter.....	306.8	311.8	1,780	1,809	287.2	291.9	1,666	1,693	172,393
1958: First quarter.....	305.0	306.8	1,762	1,773	286.2	287.9	1,654	1,664	173,054
Second quarter.....	307.5	306.9	1,770	1,766	288.3	287.7	1,660	1,657	173,705
Third quarter.....	314.0	313.1	1,800	1,795	291.5	290.6	1,671	1,666	174,460
Fourth quarter ³	315.4	314.5	1,800	1,795	296.5	295.6	1,692	1,687	175,253

¹ Dollar estimates in current prices divided by the consumer price index on a 1958 base (using 11-month average). Personal consumption expenditures in this table therefore differ from the data in Table D-2.

² Population of the continental United States including armed forces overseas. Annual data are for July 1; quarterly data are for middle of period.

³ Preliminary; fourth quarter by Council of Economic Advisers.

NOTE.—Annual figures for total income and expenditures in 1958 prices and for per capita income and expenditures in current prices are computed from data in millions of dollars.

Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

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

TABLE D-15.—Financial saving by individuals, 1939-58¹

[Billions of dollars]

Period	Total	Cur- rency and bank de- posits ²	Sav- ings and loan as- so- ciation shares	Securities				Pri- vate insur- ance re- serves ⁴	Non- insur- ed pen- sion funds ⁵	Gov- ern- ment insur- ance and pension re- serves ⁶	Less: Increase in debt		
				Total	U. S. sav- ings bonds	Other gov- ern- ment ³	Cor- porate and other				Mort- gage debt ⁷	Con- sumer debt ⁷	Secur- ities loans ⁸
1939.....	4.24	3.04	0.04	-0.83	0.66	-0.87	-0.62	1.72	0.05	1.30	0.50	0.81	-0.23
1940.....	4.23	2.93	.20	-.43	.86	-.84	-.44	1.85	.05	1.30	.85	1.01	-.20
1941.....	10.51	4.84	.36	2.64	2.75	.38	-.50	2.14	.08	1.86	.82	.69	-.11
1942.....	29.28	10.95	.25	10.33	7.98	2.34	.01	2.49	.12	2.55	.10	-2.96	.27
1943.....	38.69	16.20	.55	14.14	11.14	3.25	-.26	2.85	.20	3.92	-.38	-1.03	.58
1944.....	41.39	17.57	.81	15.71	11.80	4.59	-.68	3.21	.60	4.96	-.05	.14	1.38
1945.....	37.33	19.01	1.06	9.93	6.85	4.23	-1.16	3.46	.93	5.14	.22	.48	1.48
1946.....	14.04	10.61	1.18	-1.43	.96	-2.40	(⁹)	3.42	.30	3.55	3.60	2.32	-2.34
1947.....	6.45	2.07	1.20	2.42	2.01	-.28	.69	3.64	.30	3.49	4.62	2.81	-.76
1948.....	2.69	-1.78	1.19	3.12	1.60	.40	1.12	3.75	.40	3.57	4.72	2.41	.43
1949.....	2.09	-1.38	1.51	2.39	1.46	.20	.73	3.71	.60	2.34	4.12	2.64	.32
1950.....	.93	3.74	1.54	.90	.25	-.07	.71	3.92	.90	1.09	7.29	3.64	.22
1951.....	10.87	6.00	2.07	.43	-.47	-.77	1.67	4.06	1.35	4.24	6.59	.99	-.30
1952.....	12.95	7.14	3.05	3.44	.09	1.28	2.07	4.88	1.51	4.40	6.52	4.36	.60
1953.....	10.73	4.93	3.64	3.39	.20	1.88	1.32	5.04	1.84	3.24	7.30	3.65	.40
1954.....	9.19	5.41	4.45	.22	.60	-.95	.57	5.38	1.93	2.63	9.01	.96	.86
1955.....	6.93	3.81	4.79	6.28	.28	3.29	2.73	5.49	2.08	3.09	11.93	6.09	.60
1956.....	13.62	4.87	4.83	5.16	-.09	2.98	2.27	5.64	2.41	3.49	10.38	3.14	-.75
1957.....	16.62	5.65	4.80	6.02	-1.91	3.93	3.99	5.13	2.68	3.09	8.25	2.58	-.07
1956:													
First quarter.....	5.04	-.14	1.08	2.89	.16	2.35	.37	1.28	.60	.77	2.48	-.53	-.52
Second quarter.....	2.25	.44	1.52	.88	-.08	.39	.56	1.34	.60	1.58	2.75	1.43	-.08
Third quarter.....	3.21	1.62	.67	.83	-.08	.30	.62	1.56	.60	.94	2.76	.68	-.44
Fourth quarter.....	3.12	2.94	1.57	.56	-.10	-.06	.72	1.46	.60	.21	2.39	1.56	.28
1957:													
First quarter.....	5.52	.15	.99	2.43	-.58	1.87	1.15	1.22	.67	.73	1.93	-.93	-.34
Second quarter.....	2.87	.72	1.62	1.02	-.46	.12	1.37	1.15	.67	1.44	2.19	1.50	.05
Third quarter.....	4.86	2.20	.49	2.16	-.49	1.87	.77	1.52	.67	.76	2.20	.75	-.02
Fourth quarter.....	3.36	2.58	1.71	.41	-.38	.08	.70	1.25	.67	.15	1.92	1.25	.24
1958:													
First quarter.....	4.55	.40	1.32	.96	-.01	-.28	1.25	1.23	.65	-.25	1.51	-1.77	.01
Second quarter.....	1.20	1.14	1.82	-.77	-.19	-.73	.15	1.15	.65	.72	2.15	.31	1.05
Third quarter.....	5.22	5.14	.67	-1.42	-.16	-1.80	.54	1.34	.65	.19	2.79	.09	-1.53

¹ Individuals' saving, in addition to personal holdings, covers saving of unincorporated business, trust funds, and nonprofit institutions in the forms specified.

² Includes currency, demand deposits, time and savings deposits, shares and deposits in credit unions, and the postal savings system.

³ Includes armed forces leave bonds and other U. S. Government bonds (except savings bonds) and all securities issued by State and local governments.

⁴ Includes insured pension reserves.

⁵ Includes Social Security funds, State and local retirement systems, etc.

⁶ Mortgage debt to institutions on one- to four-family nonfarm dwellings.

⁷ Consumer debt owed to corporations, largely attributable to purchases of automobiles and other durable consumer goods, although including some debt arising from purchases of consumption goods. Policy loans on Government and private life insurance have been deducted from those items of saving.

⁸ Change in bank loans made for the purpose of purchasing or carrying securities.

⁹ Less than \$5 million.

NOTE.—In addition to the concept of saving shown above, there are other concepts of individuals' saving, with varying degrees of coverage, currently in use. The series with the most complete coverage, the personal saving estimates of the Department of Commerce, is derived as the difference between personal income and expenditures. Conceptually, Commerce saving includes the following items not included in Securities and Exchange Commission saving: Housing and farm and unincorporated business investment in inventories and plant and equipment, net of depreciation and increase in debt. Government insurance is excluded from the Commerce saving series. For a reconciliation of the two series, see Securities and Exchange Commission *Statistical Bulletin*, October 1958.

Revisions for 1957-58 in the consumer credit statistics of the Board of Governors of the Federal Reserve System have not yet been incorporated into these estimates.

Detail will not necessarily add to totals because of rounding.

Source: Securities and Exchange Commission.

TABLE D-16.—*Sources and uses of gross saving, 1929-58*

[Billions of dollars]

Period	Gross private saving and government surplus or deficit on income and product transactions						Gross investment			Statistical discrepancy	
	Total	Private saving			Government surplus or deficit (-)			Total	Gross private domestic investment		Net foreign investment ¹
		Total	Personal saving	Gross business saving	Total	Federal	State and local				
1929	16.7	15.7	4.2	11.5	1.0	1.2	-0.1	17.0	16.2	0.8	0.3
1930	11.9	12.2	3.4	8.8	-3	.3	-.5	11.0	10.3	.7	-1.0
1931	4.9	7.7	2.5	5.2	-2.8	-2.1	-.7	5.7	5.5	.2	.8
1932	.3	2.0	-.6	2.7	-1.7	-1.5	-.2	1.1	.9	.2	.8
1933	.6	1.9	-.6	2.6	-1.4	-1.3	(2)	1.5	1.4	.2	.9
1934	2.6	5.0	.1	4.9	-2.4	-2.9	.5	3.3	2.9	.4	.7
1935	6.4	8.4	2.0	6.3	-2.0	-2.6	.6	6.2	6.3	-.1	-.2
1936	7.2	10.1	3.6	6.5	-3.0	-3.5	.5	8.3	8.4	-.1	1.1
1937	12.1	11.5	3.7	7.8	.6	-.2	.7	11.8	11.7	.1	-.2
1938	7.3	8.9	1.1	7.8	-1.6	-2.0	.4	7.8	6.7	1.1	.5
1939	9.0	11.2	2.9	8.3	-2.1	-2.2	.1	10.2	9.3	.9	1.2
1940	13.9	14.6	4.2	10.4	-.7	-1.4	.7	14.7	13.2	1.5	.8
1941	18.8	22.6	11.1	11.5	-3.8	-5.1	1.3	19.2	18.1	1.1	.4
1942	10.5	41.9	27.8	14.1	-31.4	-33.2	1.8	9.7	9.9	-.2	-.8
1943	5.1	49.3	33.0	16.3	-44.2	-46.7	2.5	3.4	5.6	-2.2	-1.7
1944	2.3	54.2	36.9	17.2	-51.9	-54.6	2.7	5.0	7.1	-2.1	2.8
1945	4.5	44.3	28.7	15.6	-39.7	-42.3	2.6	9.0	10.4	-1.4	4.5
1946	30.6	26.5	13.5	13.1	4.1	2.2	1.9	32.7	28.1	4.6	2.1
1947	36.8	23.6	4.7	18.9	13.3	12.2	1.1	40.4	31.5	8.9	3.5
1948	45.9	37.6	11.0	26.6	8.2	8.0	.3	45.0	43.1	1.9	-.8
1949	33.0	36.1	8.5	27.6	-3.1	-2.5	-.6	33.5	33.0	.5	.5
1950	48.5	40.3	12.6	27.7	8.2	9.2	-1.0	47.8	50.0	-2.2	-.7
1951	55.3	49.2	17.7	31.5	6.1	6.4	-.3	56.6	56.3	.2	1.2
1952	48.3	52.2	18.9	33.2	-3.9	-3.9	.1	49.7	49.9	-.2	1.4
1953	47.0	54.1	19.8	34.3	-7.1	-7.4	.3	48.3	50.3	-2.0	1.3
1954	47.6	54.4	18.9	35.5	-6.7	-5.8	-.9	48.5	48.9	-.4	.9
1955	62.4	59.6	17.5	42.1	2.9	3.8	-1.0	63.4	63.8	-.4	1.0
1956	70.5	64.2	21.1	43.2	6.3	6.8	-.6	69.6	68.2	1.4	-.9
1957	68.0	66.3	20.7	45.6	1.7	2.9	-1.2	68.8	65.3	3.5	.7
1958 ²	54.9	64.9	19.9	45.0	-10.0	-8.1	-1.9	53.6	53.5	.1	-1.2
Seasonally adjusted annual rates											
1956:											
First quarter	67.7	60.5	17.9	42.6	7.2	7.7	-.5	67.5	68.0	-.5	-.2
Second quarter	70.3	63.4	21.6	41.8	6.9	7.3	-.4	69.0	67.7	1.3	-1.3
Third quarter	71.6	66.2	22.4	43.7	5.4	5.8	-.4	70.0	68.1	2.0	-1.5
Fourth quarter	72.0	66.5	21.7	44.9	5.5	6.5	-1.0	71.6	68.8	2.8	-.5
1957:											
First quarter	69.2	65.1	20.3	44.8	4.1	5.5	-1.4	70.1	65.9	4.2	.9
Second quarter	69.7	68.4	23.2	45.2	1.3	2.6	-1.3	71.2	67.0	4.2	1.5
Third quarter	69.6	66.8	20.4	46.4	2.8	3.4	-.6	70.3	66.7	3.6	.7
Fourth quarter	62.6	64.9	19.6	45.4	-2.3	-.2	-2.1	63.4	61.5	1.9	.7
1958:											
First quarter	51.8	61.2	18.8	42.4	-9.4	-6.6	-2.7	50.1	49.6	.5	-1.7
Second quarter	50.9	63.1	19.2	43.9	-12.2	-9.9	-2.2	49.7	49.2	.5	-1.1
Third quarter	57.1	67.0	22.5	44.5	-10.2	-8.6	-1.6	54.2	53.7	.5	-2.7
Fourth quarter ³	59.8	68.2	19.0	49.2	-8.4	-7.2	-1.2	60.5	61.5	-1.0	.9

¹ Net exports of goods and services less foreign net transfers by Government. For 1929-45, net foreign investment and net exports of goods and services have been equated, since foreign net transfers by government were negligible during that period.

² Less than \$50 million.

³ Preliminary; fourth quarter by Council of Economic Advisers.

NOTE.—Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

EMPLOYMENT AND WAGES

TABLE D-17.—Noninstitutional population and the labor force, 1929-58

Period	Non-institutional population ¹	Total labor force (including armed forces) ¹	Armed forces ¹	Civilian labor force					Total labor force as percent of non-institutional population	Unemployment as percent of civilian labor force	
				Total	Employment ²			Unemployment ²			
					Total	Agricultural	Non-agricultural				
Thousands of persons 14 years of age and over										Percent	
Old definitions: ²											
1929.....	(3)	49, 440	260	49, 180	47, 630	10, 450	37, 180	1, 550	(3)	3. 2	
1930.....	(3)	50, 080	260	49, 820	45, 480	10, 340	35, 140	4, 340	(3)	8. 7	
1931.....	(3)	50, 680	260	50, 420	42, 400	10, 290	32, 110	8, 020	(3)	15. 9	
1932.....	(3)	51, 250	250	51, 000	38, 940	10, 170	28, 770	12, 060	(3)	23. 6	
1933.....	(3)	51, 840	250	51, 590	38, 760	10, 090	28, 670	12, 830	(3)	24. 9	
1934.....	(3)	52, 490	260	52, 230	40, 890	9, 900	30, 990	11, 340	(3)	21. 7	
1935.....	(3)	53, 140	270	52, 870	42, 260	10, 110	32, 150	10, 610	(3)	20. 1	
1936.....	(3)	53, 740	300	53, 440	44, 410	10, 000	34, 410	9, 030	(3)	16. 9	
1937.....	(3)	54, 320	320	54, 000	46, 300	9, 820	36, 480	7, 700	(3)	14. 3	
1938.....	(3)	54, 950	340	54, 610	44, 220	9, 690	34, 530	10, 390	(3)	19. 0	
1939.....	(3)	55, 600	370	55, 230	45, 750	9, 610	36, 140	9, 480	(3)	17. 2	
1940.....	100, 380	56, 180	540	55, 640	47, 520	9, 540	37, 980	8, 120	56. 0	14. 6	
1941.....	101, 520	57, 530	1, 620	55, 910	50, 350	9, 100	41, 250	5, 560	56. 7	9. 9	
1942.....	102, 610	60, 380	3, 970	56, 410	53, 750	9, 250	44, 500	2, 660	58. 8	4. 7	
1943.....	103, 660	64, 560	9, 020	55, 540	54, 470	9, 080	45, 390	1, 070	62. 3	1. 9	
1944.....	104, 630	66, 040	11, 410	54, 630	53, 960	8, 950	45, 010	670	63. 1	1. 2	
1945.....	105, 520	65, 290	11, 430	53, 860	52, 820	8, 580	44, 240	1, 040	61. 9	1. 9	
1946.....	106, 520	60, 970	3, 450	57, 520	55, 250	8, 320	46, 930	2, 270	57. 2	3. 9	
1947.....	107, 608	61, 758	1, 590	60, 168	58, 027	8, 266	49, 761	2, 142	57. 4	3. 6	
1948.....	108, 632	62, 898	1, 456	61, 442	59, 378	7, 973	51, 405	2, 064	57. 9	3. 4	
1949.....	109, 773	63, 721	1, 616	62, 105	58, 710	8, 026	50, 684	3, 395	58. 0	5. 5	
1950.....	110, 929	64, 749	1, 650	63, 099	59, 957	7, 507	52, 450	3, 142	58. 4	5. 0	
1951.....	112, 075	65, 983	3, 097	62, 884	61, 005	7, 054	53, 951	1, 879	58. 9	3. 0	
1952.....	113, 270	66, 560	3, 594	62, 966	61, 293	6, 805	54, 488	1, 673	58. 8	2. 7	
1953.....	115, 094	67, 362	3, 547	63, 815	62, 213	6, 562	55, 651	1, 602	58. 5	2. 5	
1954.....	116, 219	67, 818	3, 350	64, 468	61, 238	6, 504	54, 734	3, 230	58. 4	5. 0	
1955.....	117, 388	68, 896	3, 048	65, 847	63, 193	6, 730	56, 464	2, 654	58. 7	4. 0	
1956.....	118, 734	70, 387	2, 857	67, 530	64, 979	6, 585	58, 394	2, 551	59. 3	3. 8	
1957.....	120, 445	70, 761	2, 797	67, 964	65, 272	6, 229	59, 043	2, 693	58. 7	4. 0	
New definitions: ²											
1947.....	107, 608	61, 758	1, 590	60, 168	57, 812	8, 256	49, 557	2, 356	57. 4	3. 9	
1948.....	108, 632	62, 898	1, 456	61, 442	59, 117	7, 960	51, 156	2, 325	57. 9	3. 8	
1949.....	109, 773	63, 721	1, 616	62, 105	58, 423	8, 017	50, 406	3, 682	58. 0	5. 9	
1950.....	110, 929	64, 749	1, 650	63, 099	59, 748	7, 497	52, 251	3, 351	58. 4	5. 3	
1951.....	112, 075	65, 983	3, 097	62, 884	60, 784	7, 048	53, 736	2, 099	58. 9	3. 3	
1952.....	113, 270	66, 560	3, 594	62, 966	61, 035	6, 792	54, 243	1, 932	58. 8	3. 1	
1953.....	115, 094	67, 362	3, 547	63, 815	61, 945	6, 555	55, 390	1, 870	58. 5	2. 9	
1954.....	116, 219	67, 818	3, 350	64, 468	60, 890	6, 495	54, 395	3, 578	58. 4	5. 6	
1955.....	117, 388	68, 896	3, 048	65, 848	62, 944	6, 718	56, 225	2, 904	58. 7	4. 4	
1956.....	118, 734	70, 387	2, 857	67, 530	64, 708	6, 572	58, 135	2, 822	59. 3	4. 2	
1957.....	120, 445	70, 744	2, 797	67, 946	65, 011	6, 222	58, 789	2, 936	58. 7	4. 3	
1958.....	121, 950	71, 284	2, 637	68, 647	63, 966	5, 844	58, 122	4, 681	58. 5	6. 8	

See footnotes at end of table.

TABLE D-17.—Noninstitutional population and the labor force, 1929-58—Continued

Period	Non-institutional population ¹	Total labor force (including armed forces) ¹	Armed forces ¹	Civilian labor force					Total labor force as percent of non-institutional population	Unemployment as percent of civilian labor force	
				Total	Employment ²			Unemployment ²		Unadjusted	Seasonally adjusted
					Total	Agricultural	Non-agricultural				
Thousands of persons 14 years of age and over									Percent		
New definitions ²											
1956: January.....	118,080	68,691	2,916	65,775	62,684	5,625	57,059	3,092	58.1	4.7	4.0
February.....	118,180	68,397	2,906	65,491	62,354	5,463	56,891	3,136	57.9	4.8	4.1
March.....	118,293	68,806	2,893	65,913	62,787	5,662	57,124	3,125	58.2	4.7	4.3
April.....	118,367	69,434	2,879	66,555	63,799	6,386	57,410	2,755	58.7	4.1	4.1
May.....	118,537	70,711	2,865	67,846	64,950	7,120	57,830	2,896	59.7	4.3	4.4
June.....	118,632	72,274	2,844	69,430	66,027	7,859	58,166	3,403	60.9	4.9	4.4
July.....	118,762	72,325	2,836	69,489	66,354	7,674	58,680	3,134	60.9	4.5	4.4
August.....	118,891	71,787	2,840	68,947	66,420	7,237	59,184	2,527	60.4	3.7	4.1
September.....	119,047	70,896	2,827	68,069	65,774	7,376	58,395	2,295	59.6	3.4	4.0
October.....	119,198	70,905	2,823	68,082	65,955	7,168	58,785	2,127	59.5	3.1	4.0
November.....	119,344	70,560	2,828	67,732	65,084	6,190	58,893	2,648	59.1	3.9	4.2
December.....	119,481	69,855	2,826	67,029	64,306	5,105	59,199	2,723	58.5	4.1	4.1
1957: January.....	119,614	68,638	2,817	65,821	62,578	4,935	57,643	3,244	57.4	4.9	4.2
February.....	119,745	69,128	2,817	66,311	63,190	5,195	57,996	3,121	57.7	4.7	4.1
March.....	119,899	69,562	2,816	66,746	63,865	5,434	58,431	2,882	58.0	4.3	3.9
April.....	120,057	69,771	2,820	66,951	64,261	5,755	58,506	2,690	58.1	4.0	4.0
May.....	120,199	70,714	2,821	67,893	65,178	6,659	58,519	2,715	58.8	4.0	4.1
June.....	120,383	72,661	2,819	69,842	66,504	7,534	58,970	3,337	60.4	4.8	4.2
July.....	120,579	73,051	2,823	70,228	67,221	7,772	59,449	3,007	60.6	4.3	4.2
August.....	120,713	71,833	2,839	68,994	66,385	6,823	59,562	2,609	59.5	3.8	4.3
September.....	120,842	71,044	2,819	68,225	65,674	6,518	59,156	2,552	58.8	3.7	4.5
October.....	120,983	71,299	2,786	68,513	66,005	6,837	59,168	2,508	58.9	3.7	4.7
November.....	121,109	70,790	2,729	68,061	64,873	5,817	59,057	3,188	58.5	4.7	4.9
December.....	121,221	70,458	2,688	67,770	64,396	5,385	59,012	3,374	58.1	5.0	5.0
1958: January.....	121,325	69,379	2,647	66,732	62,238	4,998	57,240	4,494	57.2	6.7	5.8
February.....	121,432	69,804	2,644	67,160	61,988	4,830	57,158	5,173	57.5	7.7	6.7
March.....	121,555	70,158	2,648	67,510	62,311	5,072	57,239	5,198	57.7	7.7	7.0
April.....	121,656	70,681	2,654	68,027	62,907	5,558	57,349	5,120	58.1	7.5	7.5
May.....	121,776	71,603	2,638	68,965	64,061	6,272	57,789	4,904	58.8	7.1	7.2
June.....	121,900	73,049	2,631	70,418	64,981	6,900	58,081	5,437	59.9	7.7	6.8
July.....	121,993	73,104	2,631	70,473	65,179	6,718	58,461	5,294	59.9	7.5	7.3
August.....	122,092	72,703	2,636	70,067	65,367	6,621	58,746	4,699	59.5	6.7	7.6
September.....	122,219	71,375	2,635	68,740	64,629	6,191	58,438	4,111	58.4	6.0	7.2
October.....	122,361	71,743	2,632	69,111	65,306	6,404	58,902	3,805	58.6	5.5	7.1
November.....	122,486	71,112	2,627	68,485	64,653	5,695	58,958	3,833	58.1	5.6	5.9
December.....	122,609	70,701	2,620	68,081	63,973	4,871	59,102	4,108	57.7	6.0	6.1

¹ Data for 1940-52 revised to include about 150,000 members of the armed forces who were outside the continental United States in 1940 and who were, therefore, not enumerated in the 1940 Census and were excluded from the 1940-52 estimates.

² See Note.

³ Not available.

NOTE.—Civilian labor force data beginning with May 1956 are based on a 330-area sample. For January 1954-April 1956 they are based on a 230-area sample; for 1946-53 on a 68-area sample; for 1940-45 on a smaller sample; and for 1929-39 on sources other than direct enumeration.

Effective January 1957, persons on layoff with definite instructions to return to work within 30 days of layoff and persons waiting to start new wage and salary jobs within the following 30 days are classified as unemployed. Such persons had previously been classified as employed (with a job but not at work). The combined total of the groups changing classification has averaged about 200,000 to 300,000 a month in recent years. The small number of persons in school during the survey week and waiting to start new jobs are classified as not in the labor force instead of employed as formerly. Persons waiting to open new businesses or start new farms within 30 days continue to be classified as employed. (New definitions series for periods prior to January 1957 are Census Bureau estimates under the old definitions adjusted by Council of Economic Advisers to the new definitions.)

Beginning July 1955, monthly data are for the calendar week containing the 12th of the month; previously, for week containing the 8th. Annual data are averages of monthly figures.

For the years 1940-52, estimating procedures made use of 1940 Census data; for subsequent years, 1950 Census data were used. For the effects of this change on the historical comparability of the data, see *Annual Report on the Labor Force, 1954*, Series P-50, No. 59, April 1955, p. 12.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce, Department of Labor (labor force, 1929-39), and Council of Economic Advisers.

TABLE D-18.—*Employment and unemployment, by age and sex, 1942-58*

[Thousands of persons 14 years of age and over]

Period	Total civilian labor force	Employed						Unemployed					
		Total em- ployed	14-19 years	20-44 years		45 years and over		Total unem- ployed	14-19 years	20-44 years		45 years and over	
				Male	Fe- male	Male	Fe- male			Male	Fe- male	Male	Fe- male
Old definitions: ¹													
1942.....	56,410	53,750	5,770	20,790	9,400	14,160	3,630	2,660	510	670	520	770	190
1943.....	55,540	54,470	6,350	17,550	11,050	15,160	4,360	1,070	290	180	260	240	100
1944.....	54,630	53,960	6,050	16,380	11,280	15,480	4,770	670	200	140	170	110	50
1945.....	53,860	52,820	5,480	15,830	11,140	15,520	4,850	1,040	190	330	270	200	50
1946.....	57,520	55,250	4,550	21,170	9,870	15,280	4,380	2,270	290	1,200	280	410	90
1947.....	60,168	58,027	4,717	23,409	9,828	15,474	4,600	2,142	425	920	303	396	99
1948.....	61,442	59,378	4,841	23,842	10,098	15,677	4,924	2,064	415	757	353	414	127
1949.....	62,105	58,710	4,512	23,483	10,087	15,491	5,138	3,395	595	1,329	559	719	194
1950.....	63,099	59,957	4,564	23,833	10,376	15,666	5,517	3,142	543	1,119	552	697	232
1951.....	62,884	61,005	4,614	23,594	10,833	16,144	5,819	1,879	356	515	419	402	190
1952.....	62,966	61,293	4,530	23,372	10,917	16,345	6,130	1,673	362	495	344	345	127
1953.....	63,815	62,213	4,514	23,715	10,953	16,725	6,306	1,602	312	512	300	363	116
1954.....	64,468	61,238	4,285	23,178	10,730	16,649	6,395	3,230	515	1,158	617	684	256
1955.....	65,847	63,193	4,446	23,768	11,000	16,878	7,101	2,654	471	854	502	606	222
1956.....	67,530	64,979	4,764	24,051	11,271	17,294	7,598	2,551	510	784	491	530	239
New definitions: ¹													
1957.....	67,946	65,011	4,719	23,992	11,247	17,247	7,803	2,936	574	936	566	605	254
1958.....	68,647	63,966	4,512	23,374	11,028	17,036	8,015	4,681	758	1,715	850	966	392
1957: January.....	65,821	62,578	3,871	23,598	10,797	16,846	7,468	3,244	493	1,078	652	731	289
February.....	66,311	63,190	3,973	23,583	11,066	16,955	7,612	3,121	465	1,086	566	724	280
March.....	66,746	63,865	4,087	23,807	11,077	17,109	7,786	2,882	497	947	506	671	262
April.....	66,951	64,261	4,204	23,911	11,091	17,212	7,843	2,690	461	915	517	606	192
May.....	67,893	65,178	4,475	24,084	11,276	17,407	7,936	2,715	566	790	556	563	242
June.....	69,842	66,504	5,667	24,346	11,191	17,480	7,820	3,337	1,105	874	606	528	225
July.....	70,228	67,221	6,332	24,490	11,201	17,385	7,814	3,007	847	828	582	499	251
August.....	68,994	66,385	5,953	24,450	11,067	17,304	7,613	2,609	553	779	554	479	244
September.....	68,225	65,674	4,680	24,199	11,416	17,430	7,945	2,552	436	802	555	505	251
October.....	68,513	66,005	4,678	24,101	11,766	17,431	8,030	2,508	401	809	523	528	248
November.....	68,061	64,873	4,338	23,832	11,550	17,274	7,878	3,188	547	1,023	638	667	313
December.....	67,770	64,396	4,384	23,513	11,465	17,125	7,909	3,374	512	1,294	541	768	258
1958: January.....	66,732	62,238	3,805	23,022	10,890	16,837	7,682	4,494	578	1,839	779	920	377
February.....	67,160	61,988	3,844	22,738	10,779	16,784	7,844	5,173	640	2,095	932	1,103	400
March.....	67,510	62,311	3,878	22,818	10,877	16,746	7,994	5,198	603	2,147	894	1,171	382
April.....	68,027	62,907	4,016	23,018	10,942	16,888	8,039	5,120	673	1,959	937	1,114	436
May.....	68,965	64,061	4,361	23,266	11,131	17,137	8,167	4,904	776	1,812	915	992	410
June.....	70,418	64,981	5,308	23,513	10,983	17,146	8,031	5,437	1,360	1,836	906	916	420
July.....	70,473	65,179	5,756	23,567	10,887	17,119	7,851	5,294	1,200	1,848	886	930	428
August.....	70,067	65,367	5,797	23,769	10,891	17,058	7,852	4,699	754	1,633	907	968	436
September.....	68,740	64,629	4,416	23,730	11,125	17,236	8,122	4,111	695	1,365	838	825	387
October.....	69,111	65,306	4,468	23,823	11,450	17,351	8,214	3,805	601	1,265	752	807	381
November.....	68,485	64,654	4,238	23,763	11,286	17,172	8,195	3,833	625	1,258	745	874	330
December.....	68,081	63,974	4,252	23,467	11,096	16,964	8,194	4,109	587	1,529	707	968	316

¹ See Note, Table D-17 for explanation of differences between the old and new definitions.

NOTE.—Data are not available prior to 1942 for all the age/sex groups above.

See Note, Table D-17 for information on area sample used and reporting periods.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

TABLE D-19.—*Employed persons not at work, by reason for not working, and special groups of unemployed persons, 1946-58*¹

[Thousands of persons 14 years of age and over]

Period	Employed persons not at work, by reason for not working						Special groups of un- employed persons ³	
	Total	Bad weather	Indus- trial dispute	Vacation	Illness	All other reasons ²	Tempo- rary layoff ⁴	New wage and salary job ⁵
1946.....	2, 103	(⁶)	(⁶)	662	819	(⁶)	97	58
1947.....	2, 260	211	95	834	847	273	123	92
1948.....	2, 490	197	97	1, 044	844	308	141	121
1949.....	2, 243	110	79	1, 044	719	291	185	101
1950.....	2, 440	151	85	1, 137	718	349	92	116
1951.....	2, 459	111	57	1, 073	782	436	117	103
1952.....	2, 555	68	164	1, 130	775	418	142	117
1953.....	2, 529	96	73	1, 171	827	362	167	101
1954.....	2, 688	73	53	1, 361	776	425	221	127
1955.....	2, 683	103	61	1, 268	835	416	133	117
1956.....	2, 888	109	76	1, 346	901	456	124	147
1957.....	3, 017	139	45	1, 447	962	425	150	110
1958.....	3, 076	182	59	1, 479	882	474	166	120
1957: January.....	1, 994	354	12	313	876	442	202	103
February.....	2, 611	226	26	342	999	418	149	93
March.....	1, 905	167	40	342	975	382	102	83
April.....	1, 822	139	40	429	896	317	143	68
May.....	2, 056	149	46	707	810	344	142	147
June.....	3, 358	61	66	1, 959	783	489	137	251
July.....	7, 014	17	113	5, 577	793	514	189	136
August.....	6, 048	25	81	4, 522	885	535	129	105
September.....	2, 777	47	41	1, 430	857	402	148	99
October.....	2, 571	53	34	794	1, 342	348	181	54
November.....	2, 492	175	16	524	1, 339	438	121	84
December.....	2, 161	257	27	421	989	467	160	96
1958: January.....	2, 297	342	22	330	1, 145	458	187	61
February.....	2, 821	708	27	353	1, 202	531	227	68
March.....	2, 149	271	54	324	1, 026	474	201	64
April.....	2, 316	135	41	742	938	460	207	88
May.....	1, 902	40	50	584	836	391	160	188
June.....	3, 305	65	45	1, 867	751	577	156	328
July.....	7, 315	145	31	5, 781	745	612	176	130
August.....	5, 893	27	58	4, 517	736	555	154	175
September.....	2, 731	29	58	1, 512	737	395	112	135
October.....	2, 224	20	206	788	821	389	129	70
November.....	1, 971	44	33	602	850	442	153	56
December.....	1, 991	353	85	353	801	399	129	77

¹ Data prior to 1957 are Census Bureau estimates adjusted by Council of Economic Advisers to the new definitions of employment and unemployment.

² Includes persons waiting to open new businesses or start new farms within 30 days.

³ Under the old definitions of employment and unemployment, these groups were included in the "employed but not at work" category.

⁴ Persons on layoff with definite instructions to return to work within 30 days of the layoff.

⁵ Persons scheduled to start new wage and salary jobs within 30 days. Under the old definitions, the "new job or business" group included these persons as well as persons waiting to open new businesses or start new farms within 30 days (see "all other" category in this table) and persons in school during the survey week and waiting to start new jobs (these are now classified as "not in the labor force").

⁶ Not available.

NOTE.—See Note, Table D-17 for information on area sample used and reporting periods. Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-20.—*Unemployed persons, by duration of unemployment, 1946-58*

Period	Total unemployed	Duration of unemployment				Average duration of unemployment (weeks)
		4 weeks and under	5-14 weeks	15-26 weeks	Over 26 weeks	
Thousands of persons 14 years of age and over						
Old definitions: ¹						
1946.....	2,270	(²)	(²)	(²)	141	(³)
1947.....	2,142	1,041	704	234	164	9.8
1948.....	2,064	1,087	669	193	116	8.6
1949.....	3,395	1,517	1,195	427	256	10.0
1950.....	3,142	1,307	1,055	425	357	12.1
1951.....	1,879	1,003	574	166	137	9.7
1952.....	1,673	925	517	148	84	8.3
1953.....	1,602	910	482	132	79	8.1
1954.....	3,230	1,303	1,115	495	317	11.7
1955.....	2,654	1,138	815	367	336	13.2
1956.....	2,551	1,214	804	301	232	11.3
New definitions: ¹						
1957.....	2,936	1,485	890	321	239	10.4
1958.....	4,682	1,833	1,397	785	667	13.8
1957: First quarter.....	3,082	1,382	1,108	371	223	10.6
Second quarter.....	2,914	1,559	738	359	258	10.7
Third quarter.....	2,723	1,469	781	245	228	9.8
Fourth quarter.....	3,023	1,530	935	309	248	10.3
1958: First quarter.....	4,955	1,902	1,900	799	354	11.1
Second quarter.....	5,154	2,024	1,377	1,126	626	13.5
Third quarter.....	4,701	1,785	1,322	683	911	15.3
Fourth quarter.....	3,915	1,619	986	533	776	15.9

¹ See Note, Table D-17 for explanation of differences between the old and new definitions.

² For duration of less than 6 months, data are available only for under 3 months (1,568,000) and 3 to 6 months (564,000).

³ Not available.

NOTE.—See Note, Table D-17 for information on area sample used and reporting periods. Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce.

TABLE D-21.—Unemployment insurance programs, selected data, 1939 and 1946-58

Period	Initial claims ¹		Insured unem- ployment ⁴		Exhaus- tions, State pro- grams ^{3, 7}	State insured unem- plov- ment as per- cent of covered employ- ment (per- cent) ^{2, 4}	Benefits paid under State pro- grams ³	
	State, veteran, and Federal employee pro- grams ²	State pro- grams ³	All pro- grams ⁵	State pro- grams ^{3, 6}			Total (millions of dol- lars) ⁸	Average weekly check (dollars) ⁹
	Weekly average (thousands)							
1939.....	188	188		1,086	61	5.1	429.3	10.66
1946.....	341	189	2,803	1,294	38	4.3	1,094.9	18.50
1947.....	280	187	1,804	1,008	24	3.1	775.1	17.83
1948.....	282	210	1,465	999	20	3.0	789.9	19.03
1949.....	375	323	2,474	1,973	37	6.2	1,736.0	20.48
1950.....	239	236	1,599	1,497	36	4.6	1,373.1	20.76
1951.....	211	208	996	965	16	2.8	840.4	21.09
1952.....	215	215	1,064	1,019	18	2.9	998.2	22.79
1953.....	222	217	1,058	988	15	2.8	962.2	23.58
1954.....	310	303	2,039	1,857	34	5.2	2,026.9	24.93
1955.....	236	228	1,388	1,269	25	3.4	1,379.2	25.08
1956.....	234	229	1,312	1,225	20	3.1	1,409.3	27.06
1957.....	276	271	1,560	1,466	23	3.5	1,766.4	28.21
1958 ¹⁰	¹¹ 379	372	¹¹ 2,727	2,537	50	6.1	3,475.0	30.55
1957: January.....	347	340	1,850	1,737	23	4.4	177.6	27.73
February.....	256	251	1,846	1,730	24	4.3	164.9	27.85
March.....	219	214	1,700	1,592	27	4.0	168.8	27.72
April.....	254	250	1,565	1,475	26	3.6	154.3	27.72
May.....	221	218	1,424	1,350	23	3.3	145.7	27.47
June.....	226	220	1,319	1,251	23	3.0	123.5	27.44
July.....	280	276	1,368	1,285	21	3.1	130.1	27.59
August.....	196	191	1,228	1,151	21	2.8	121.3	27.87
September.....	250	246	1,240	1,167	20	2.8	113.3	28.64
October.....	263	259	1,314	1,237	21	3.0	131.8	29.20
November.....	325	320	1,623	1,513	20	3.6	136.6	29.44
December.....	466	460	2,256	2,112	25	5.1	207.1	29.75
1958: January.....	505	497	3,065	2,877	32	6.9	313.0	30.09
February.....	461	454	3,375	3,163	36	7.6	320.2	30.48
March.....	435	427	3,505	3,276	46	7.9	370.2	30.53
April.....	457	451	3,527	3,302	53	7.9	403.8	30.88
May.....	355	349	3,186	2,984	54	7.1	363.6	30.80
June.....	369	360	2,847	2,667	60	6.3	325.0	30.80
July.....	367	361	2,717	2,511	62	6.0	305.6	30.62
August.....	302	298	2,374	2,203	61	5.2	255.4	30.50
September.....	273	269	2,062	1,906	54	4.5	231.1	30.66
October.....	276	274	1,863	1,722	49	4.1	210.3	30.45
November.....	¹¹ 328	315	¹¹ 1,957	1,781	44	4.3	174.5	30.33
December ¹⁰	¹¹ 415	405	¹¹ 2,300	2,106	43	5.0	206.0	30.50

¹ Most of these are instances of new unemployment.

² Data on veterans relate to those under the following programs: Servicemen's Readjustment Act which became effective in October 1944 and expired for most veterans in July 1949, and Veterans Readjustment Assistance Act of 1952, effective October 15, 1952.

³ Beginning 1955, data include State programs and the program for Federal employees; all prior years are for State programs only. Beginning 1956, data also include workers added by the extension of coverage to smaller firms.

⁴ Represents the number of unemployed workers covered by unemployment insurance programs who have completed at least one week of unemployment. Excludes territories.

⁵ State, veteran, Railroad Retirement, and Federal employee programs.

⁶ State unemployment insurance programs during the period shown excluded from coverage agricultural workers, domestic servants, workers in nonprofit organizations, unpaid family workers, the self-employed, and (in most States) workers in very small firms.

⁷ Represents the number of individuals who received payment for the final week of compensable unemployment in a benefit year. Workers who have exhausted benefit rights do not necessarily remain unemployed; some find employment, and others withdraw from the labor force.

⁸ Monthly totals are gross amounts; annual figures are adjusted for voided benefit checks.

⁹ For total unemployment only.

¹⁰ Preliminary.

¹¹ Includes activities under the unemployment compensation program for ex-servicemen, which became effective October 27, 1958.

Source: Department of Labor.

TABLE D-22.—*Number of wage and salary workers in nonagricultural establishments, 1929-58*¹

(Thousands of employees)

Period	Total wage and salary workers	Manufacturing			Mining	Contract construction	Transportation and public utilities	Trade ²	Finance	Service ²	Government (Federal, State, and local)
		Total	Durable goods	Non-durable goods							
1929.....	31,041	10,534	(3)	(3)	1,078	1,497	3,907	6,401	1,431	3,127	3,066
1930.....	29,143	9,401	(3)	(3)	1,000	1,372	3,675	6,064	1,398	3,084	3,149
1931.....	26,383	8,021	(3)	(3)	864	1,214	3,243	5,531	1,333	2,913	3,264
1932.....	23,377	6,797	(3)	(3)	722	970	2,804	4,907	1,270	2,682	3,225
1933.....	23,466	7,258	(3)	(3)	735	809	2,659	4,999	1,225	2,614	3,167
1934.....	25,699	8,346	(3)	(3)	874	862	2,736	5,552	1,247	2,784	3,298
1935.....	26,792	8,907	(3)	(3)	888	912	2,771	5,692	1,262	2,883	3,477
1936.....	28,802	9,653	(3)	(3)	937	1,145	2,956	6,076	1,313	3,060	3,662
1937.....	30,718	10,606	(3)	(3)	1,066	1,112	3,114	6,543	1,355	3,233	3,749
1938.....	28,902	9,253	(3)	(3)	882	1,055	2,840	6,453	1,347	3,196	3,876
1939.....	30,311	10,078	4,683	5,394	845	1,150	2,912	6,612	1,399	3,321	3,995
1940.....	32,058	10,780	5,337	5,443	916	1,294	3,013	6,940	1,436	3,477	4,202
1941.....	36,220	12,974	6,945	6,028	947	1,790	3,248	7,416	1,480	3,705	4,660
1942.....	39,779	15,051	8,804	6,247	983	2,170	3,433	7,333	1,469	3,857	5,483
1943.....	42,106	17,381	11,077	6,304	917	1,567	3,619	7,189	1,345	3,919	6,080
1944.....	41,634	17,111	10,858	6,253	883	1,094	3,798	7,260	1,409	3,934	6,043
1945.....	40,037	15,302	9,079	6,222	826	1,132	3,872	7,522	1,428	4,011	5,944
1946.....	41,287	14,461	7,739	6,722	852	1,661	4,023	8,602	1,619	4,474	5,595
1947.....	43,462	15,290	8,372	6,918	943	1,982	4,122	9,196	1,672	4,783	5,474
1948.....	44,448	15,321	8,312	7,010	982	2,169	4,141	9,519	1,741	4,925	5,650
1949.....	43,315	14,178	7,473	6,705	918	2,165	3,949	9,513	1,765	4,972	5,856
1950.....	44,738	14,967	8,085	6,882	889	2,333	3,977	9,645	1,824	5,077	6,026
1951.....	47,347	16,104	9,080	7,024	916	2,603	4,166	10,012	1,892	5,264	6,389
1952.....	48,303	16,334	9,340	6,994	885	2,634	4,185	10,281	1,967	5,411	6,609
1953.....	49,681	17,238	10,105	7,133	852	2,622	4,221	10,527	2,038	5,538	6,645
1954.....	48,431	15,995	9,122	6,873	777	2,593	4,009	10,520	2,122	5,664	6,751
1955.....	50,056	16,563	9,549	7,014	777	2,759	4,062	10,846	2,219	5,916	6,914
1956.....	51,766	16,903	9,835	7,068	807	2,929	4,161	11,221	2,308	6,160	7,277
1957.....	52,162	16,782	9,821	6,961	809	2,808	4,151	11,302	2,348	6,336	7,626
1958 ⁴	50,531	15,462	8,739	6,723	721	2,649	3,905	11,136	2,375	6,394	7,889
Seasonally adjusted											
1956: January.....	51,301	16,951	9,863	7,088	792	2,768	4,154	11,197	2,271	6,108	7,060
February.....	51,391	16,898	9,802	7,096	794	2,802	4,141	11,231	2,284	6,138	7,103
March.....	51,303	16,812	9,736	7,076	801	2,834	4,131	11,163	2,288	6,127	7,147
April.....	51,631	16,931	9,839	7,092	814	2,891	4,144	11,242	2,289	6,147	7,173
May.....	51,767	16,922	9,814	7,108	809	2,964	4,163	11,215	2,300	6,130	7,264
June.....	51,963	16,894	9,800	7,094	822	3,079	4,182	11,251	2,307	6,160	7,268
July.....	51,345	16,471	9,438	7,033	759	2,984	4,134	11,227	2,306	6,182	7,282
August.....	52,029	16,900	9,835	7,065	819	3,007	4,163	11,269	2,329	6,164	7,378
September.....	51,953	16,873	9,834	7,039	824	2,980	4,170	11,206	2,328	6,171	7,401
October.....	52,137	17,043	9,978	7,065	820	2,951	4,183	11,242	2,330	6,165	7,403
November.....	52,156	17,057	10,033	7,024	814	2,926	4,165	11,238	2,330	6,201	7,425
December.....	52,251	17,093	10,050	7,043	811	2,917	4,175	11,246	2,325	6,225	7,459
1957: January.....	52,194	17,030	10,017	7,013	808	2,798	4,181	11,275	2,321	6,268	7,513
February.....	52,254	16,978	9,991	6,987	807	2,831	4,161	11,306	2,330	6,306	7,535
March.....	52,207	16,949	9,952	6,997	803	2,859	4,164	11,258	2,329	6,279	7,566
April.....	52,243	16,947	9,940	7,007	812	2,855	4,157	11,265	2,326	6,284	7,597
May.....	52,340	16,930	9,928	7,002	814	2,891	4,158	11,298	2,335	6,306	7,608
June.....	52,415	16,909	9,921	6,988	823	2,899	4,159	11,327	2,342	6,347	7,609
July.....	52,464	16,876	9,893	6,983	828	2,847	4,163	11,368	2,349	6,395	7,638
August.....	52,457	16,826	9,863	6,963	820	2,805	4,179	11,402	2,359	6,372	7,694
September.....	52,224	16,678	9,726	6,952	814	2,782	4,170	11,349	2,366	6,380	7,685
October.....	52,015	16,604	9,681	6,923	802	2,763	4,141	11,315	2,373	6,343	7,674
November.....	51,758	16,455	9,562	6,893	789	2,710	4,104	11,290	2,372	6,367	7,671
December.....	51,516	16,252	9,393	6,859	784	2,679	4,070	11,237	2,365	6,382	7,747

See footnotes at end of table.

TABLE D-22.—*Number of wage and salary workers in nonagricultural establishments, 1929-58*¹—
Continued

(Thousands of employees)

Period	Total wage and salary workers	Manufacturing			Mining	Contract construction	Transportation and public utilities	Trade ²	Finance	Service ²	Government (Federal, State, and local)
		Total	Durable goods	Non-durable goods							
		Seasonally adjusted									
1958: January ----	51, 223	15, 965	9, 155	6, 810	766	2, 652	4, 045	11, 305	2, 368	6, 368	7, 754
February ----	50, 575	15, 648	8, 895	6, 753	747	2, 455	3, 990	11, 235	2, 367	6, 367	7, 766
March ----	50, 219	15, 389	8, 717	6, 672	733	2, 573	3, 930	11, 116	2, 360	6, 330	7, 788
April ----	50, 054	15, 243	8, 566	6, 677	723	2, 624	3, 890	11, 050	2, 356	6, 352	7, 816
May ----	50, 147	15, 202	8, 498	6, 704	718	2, 698	3, 877	11, 087	2, 370	6, 360	7, 835
June ----	50, 315	15, 275	8, 556	6, 719	713	2, 698	3, 888	11, 105	2, 367	6, 392	7, 877
July ----	50, 411	15, 312	8, 596	6, 716	709	2, 693	3, 877	11, 121	2, 363	6, 433	7, 903
August ----	50, 570	15, 330	8, 605	6, 725	701	2, 711	3, 867	11, 175	2, 377	6, 420	7, 989
September ----	50, 780	15, 529	8, 801	6, 728	707	2, 698	3, 858	11, 151	2, 392	6, 440	8, 005
October ----	50, 582	15, 358	8, 625	6, 733	708	2, 698	3, 887	11, 154	2, 392	6, 399	7, 986
November ⁴ ----	50, 825	15, 664	8, 914	6, 750	708	2, 692	3, 876	11, 110	2, 389	6, 424	7, 962
December ⁴ ----	50, 736	15, 667	8, 940	6, 727	708	2, 550	3, 864	11, 100	2, 384	6, 446	8, 017

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 unpaid family workers. Not comparable with estimates of nonagricultural employment of the civilian labor force (Table D-17) which include proprietors, self-employed persons, domestic servants, and unpaid family workers, which count persons as employed when they are not at work because of industrial disputes, bad weather, etc., and which are based on a sample survey of households, whereas the estimates in this table are based on reports from employing establishments.

² Beginning with 1939, data are not strictly comparable with data shown for earlier years because of the shift of the automotive repair service industry from the trade to the service division.

³ Not available.

⁴ Preliminary.

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

Source: Department of Labor.

TABLE D-23.—Average weekly hours of work in selected industries, 1929–58

Period	Manufacturing			Bitumi- nous coal mining	Build- ing con- struction	Class I rail- roads ¹	Tele- phone ²	Whole- sale trade	Retail trade (except eating and drink- ing places)	Laun- dries
	Total	Du- rable goods	Non- du- rable goods							
1929.....	44.2	(3)	(3)	38.4	(3)	(3)	(3)	(3)	(3)	(3)
1930.....	42.1	(3)	(3)	33.5	(3)	(3)	(3)	(3)	(3)	(3)
1931.....	40.5	(3)	(3)	28.3	(3)	(3)	(3)	(3)	(3)	(3)
1932.....	38.3	32.6	41.9	27.2	(3)	(3)	(3)	(3)	(3)	(3)
1933.....	38.1	34.8	40.0	29.5	(3)	(3)	(3)	(3)	(3)	(3)
1934.....	34.6	33.9	35.1	27.0	28.9	(3)	(3)	(3)	(3)	39.4
1935.....	36.6	37.3	36.1	26.4	30.1	(3)	(3)	41.3	(3)	41.0
1936.....	39.2	41.0	37.7	28.8	32.8	(3)	(3)	42.6	(3)	42.7
1937.....	38.6	40.0	37.4	27.9	33.4	(3)	38.8	42.8	(3)	42.6
1938.....	35.6	35.0	36.1	23.5	32.1	(3)	38.9	42.2	(3)	41.6
1939.....	37.7	38.0	37.4	27.1	32.6	43.7	39.1	41.7	42.7	41.8
1940.....	38.1	39.3	37.0	28.1	33.1	44.3	39.5	41.2	42.5	41.8
1941.....	40.6	42.1	38.9	31.1	34.8	45.8	40.1	41.0	42.1	42.1
1942.....	42.9	45.1	40.3	32.9	36.4	47.0	40.5	41.3	41.1	42.2
1943.....	44.9	46.6	42.5	36.6	38.4	48.7	41.9	42.2	40.3	42.9
1944.....	45.2	46.6	43.1	43.4	39.6	48.9	42.3	42.9	40.4	42.9
1945.....	43.4	44.1	42.3	42.3	39.0	48.5	³ 41.7	42.7	40.3	42.8
1946.....	40.4	40.2	40.5	41.6	38.1	46.0	39.4	41.5	40.7	42.9
1947.....	40.4	40.6	40.1	40.7	37.6	46.4	37.4	41.0	40.3	42.6
1948.....	40.1	40.5	39.6	38.0	⁴ 37.3	46.2	39.2	40.9	40.3	41.9
1949.....	39.2	39.5	38.8	32.6	36.7	43.7	38.5	40.7	40.4	41.5
1950.....	40.5	41.2	39.7	35.0	36.3	40.8	38.9	40.7	40.5	41.2
1951.....	40.7	41.6	39.5	35.2	37.2	41.0	39.1	40.7	40.2	41.1
1952.....	40.7	41.5	39.6	34.1	38.1	40.6	38.5	40.6	39.9	41.1
1953.....	40.5	41.3	39.5	34.4	37.0	40.6	38.7	40.5	39.2	40.5
1954.....	39.7	40.2	39.0	32.6	36.2	40.8	38.9	40.4	39.1	40.1
1955.....	40.7	41.4	39.8	37.6	36.2	41.9	39.6	40.6	39.0	40.3
1956.....	40.4	41.1	39.5	37.8	36.4	41.7	39.5	40.4	38.6	40.3
1957.....	39.8	40.3	39.1	36.6	36.1	41.7	39.0	40.2	38.1	39.7
1958 ⁵	39.2	39.5	38.8	33.6	35.7	41.6	38.4	40.1	38.0	39.3
1957: January.....	40.2	40.9	39.1	37.5	34.0	42.5	38.7	40.2	38.2	39.8
February.....	40.2	40.9	39.2	38.4	36.3	42.2	39.0	40.2	38.1	39.8
March.....	40.1	40.8	39.1	37.4	36.0	40.9	38.7	40.1	38.0	39.9
April.....	39.8	40.5	38.8	37.0	36.2	42.0	38.7	40.0	37.9	40.0
May.....	39.7	40.3	38.9	35.8	36.4	42.4	39.0	40.1	38.0	40.3
June.....	40.0	40.5	39.2	37.6	36.9	41.0	39.2	40.3	38.2	40.4
July.....	39.8	40.0	39.4	36.3	36.8	42.6	39.5	40.4	38.6	39.8
August.....	40.0	40.3	39.5	36.5	37.2	42.3	38.9	40.4	38.6	39.4
September.....	39.9	40.2	39.6	36.9	36.8	41.1	38.8	40.4	38.1	39.6
October.....	39.5	39.8	39.0	36.4	36.5	42.2	39.2	40.2	37.6	39.4
November.....	39.3	39.7	38.8	33.5	34.4	40.9	40.0	40.0	37.5	39.0
December.....	39.4	39.7	39.0	35.5	34.9	40.8	38.6	40.4	38.3	39.5
1958: January.....	38.7	38.9	38.3	34.0	35.2	41.6	38.0	40.1	37.8	39.0
February.....	38.4	38.6	38.1	33.1	33.0	41.5	38.2	39.8	37.8	38.6
March.....	38.6	39.0	38.1	31.7	35.2	40.1	37.8	39.9	37.8	39.0
April.....	38.3	38.8	37.7	30.0	35.5	41.4	37.7	39.6	37.8	39.2
May.....	38.7	39.1	38.1	31.1	36.3	41.2	37.8	40.0	37.8	39.6
June.....	39.2	39.6	38.7	35.2	36.2	41.3	38.2	40.1	38.2	39.8
July.....	39.2	39.4	39.0	32.4	36.3	42.5	38.5	40.3	38.7	39.7
August.....	39.6	39.8	39.4	35.3	36.7	41.2	38.6	40.2	38.7	39.3
September.....	39.9	40.2	39.5	35.4	36.5	42.2	39.0	40.3	38.0	39.3
October.....	39.8	40.1	39.4	35.8	36.8	42.6	39.0	40.3	37.9	39.4
November ⁶	39.9	40.3	39.4	35.6	35.4	(3)	39.6	40.1	37.8	38.9
December ⁶	40.2	40.7	39.6	(3)	(3)	(3)	(3)	(3)	(3)	(3)

¹ Averages are based upon monthly data (exclusive of switching and terminal companies) summarized in the M-300 report by the ICC and relate to all employees who received pay during the month, except executives, officials, and staff assistants (ICC Group I). Beginning September 1949, data reflect a reduction in the basic workweek from 48 to 40 hours.

² Prior to April 1945, data relate to all employees except executives; from April 1945 to May 1949, mainly to employees subject to the Fair Labor Standards Act; and beginning June 1949, to nonsupervisory employees only.

³ Not available.

⁴ Data beginning with January of year noted are not comparable with those for earlier periods.

⁵ Nine-month average, April through December, because of new series started in April 1945.

⁶ Preliminary.

NOTE.—Data are for production workers in manufacturing and mining, construction workers in building construction, and for nonsupervisory employees in other industries (except as noted). Data are for payroll periods ending nearest the 15th of the month.

The annual figures for 1958 are simple arithmetic averages of the monthly figures shown and are not strictly comparable with the averages for earlier years, which have been weighted by data on employment.

Source: Department of Labor.

TABLE D-24.—Average gross hourly earnings in selected industries, 1929–58

Period	Manufacturing			Bitu- minous coal mining	Build- ing con- struction	Class I rail- roads ¹	Tele- phone ²	Whole- sale trade	Retail trade (except eating and drinking places)	Laun- dries	Agri- cul- ture ³
	Total	Dura- ble goods	Non- dura- ble goods								
1929.....	\$0.566	(4)	(4)	\$0.681	(4)	(4)	(4)	(4)	(4)	(4)	\$0.241
1930.....	.552	(4)	(4)	.684	(4)	(4)	(4)	(4)	(4)	(4)	.226
1931.....	.515	(4)	(4)	.647	(4)	(4)	(4)	(4)	(4)	(4)	.172
1932.....	.446	\$0.497	\$0.420	.520	(4)	(4)	(4)	(4)	(4)	(4)	.129
1933.....	.442	.472	.427	.501	(4)	(4)	(4)	(4)	(4)	(4)	.115
1934.....	.532	.556	.515	.673	\$0.795	(4)	(4)	(4)	(4)	\$0.378	.129
1935.....	.550	.577	.530	.745	.815	(4)	(4)	\$0.648	(4)	.376	.142
1936.....	.556	.586	.529	.794	.824	(4)	(4)	.667	(4)	.378	.152
1937.....	.624	.674	.577	.856	.903	(4)	\$0.774	.698	(4)	.395	.172
1938.....	.627	.686	.584	.878	.908	(4)	.816	1.700	(4)	.414	.166
1939.....	.633	.698	.582	.886	.932	\$0.730	.822	.715	\$0.542	.422	.166
1940.....	.661	.724	.602	.883	.958	.733	.827	.739	.553	.429	.169
1941.....	.729	.808	.640	.993	1.010	.743	.820	.793	.580	.444	.206
1942.....	.853	.947	.723	1.059	1.148	.837	.843	.860	.626	.482	.268
1943.....	.961	1.059	.903	1.139	1.252	.852	.870	.933	.679	.538	.353
1944.....	1.019	1.117	.861	1.186	1.319	.948	.911	.985	.731	.605	.423
1945.....	1.023	1.111	.904	1.240	1.379	.955	1.029	.783	.648	.472	
1946.....	1.086	1.156	1.015	1.401	1.478	1.087	1.124	1.150	.893	.704	.515
1947.....	1.237	1.292	1.171	1.636	1.681	1.186	1.197	1.268	1.009	.767	.547
1948.....	1.350	1.410	1.278	1.898	1.848	1.301	1.248	1.359	1.088	.817	.580
1949.....	1.401	1.469	1.325	1.941	1.935	1.427	1.345	1.414	1.137	.843	.559
1950.....	1.465	1.537	1.378	2.010	2.031	1.572	1.398	1.483	1.176	.861	.561
1951.....	1.59	1.67	1.48	2.21	2.19	1.73	1.49	1.58	1.26	.92	.625
1952.....	1.67	1.77	1.54	2.29	2.31	1.83	1.59	1.67	1.32	.94	.661
1953.....	1.77	1.87	1.61	2.48	2.48	1.88	1.68	1.77	1.40	.98	.672
1954.....	1.81	1.92	1.66	2.48	2.60	1.93	1.76	1.83	1.45	1.00	.661
1955.....	1.88	2.01	1.71	2.56	2.66	1.96	1.82	1.90	1.50	1.01	.675
1956.....	1.98	2.10	1.80	2.81	2.80	2.12	1.86	2.01	1.57	1.05	.705
1957.....	2.07	2.20	1.88	3.02	2.96	2.26	1.95	2.10	1.64	1.09	.728
1958 ⁷	2.13	2.28	1.94	3.02	3.09	2.43	2.05	2.17	1.70	1.13	.757
1957: January.....	2.05	2.18	1.86	2.95	2.91	2.19	1.91	2.06	1.61	1.07	.785
February.....	2.05	2.17	1.86	2.93	2.92	2.24	1.92	2.06	1.61	1.07	.....
March.....	2.05	2.18	1.87	2.93	2.90	2.20	1.92	2.07	1.61	1.07	.....
April.....	2.06	2.18	1.87	3.02	2.91	2.21	1.93	2.07	1.62	1.08	.643
May.....	2.06	2.18	1.88	3.01	2.93	2.23	1.94	2.09	1.64	1.09	.....
June.....	2.07	2.19	1.89	3.05	2.94	2.27	1.95	2.11	1.66	1.09	.....
July.....	2.07	2.20	1.89	3.09	2.95	2.24	1.94	2.11	1.67	1.09	.717
August.....	2.07	2.21	1.88	3.04	2.97	2.26	1.94	2.11	1.66	1.10	.....
September.....	2.08	2.22	1.90	3.06	3.02	2.28	1.95	2.13	1.67	1.11	.....
October.....	2.09	2.23	1.90	3.04	3.02	2.25	1.97	2.13	1.67	1.11	.757
November.....	2.11	2.24	1.91	3.05	3.03	2.40	1.98	2.14	1.66	1.11	.....
December.....	2.10	2.24	1.92	3.04	3.05	2.40	2.01	2.14	1.63	1.11	.....
1958: January.....	2.11	2.24	1.92	3.04	3.07	2.38	2.01	2.13	1.68	1.12	.804
February.....	2.10	2.24	1.92	3.04	3.08	2.44	2.01	2.15	1.68	1.12	.....
March.....	2.11	2.25	1.93	3.04	3.06	2.40	2.02	2.15	1.67	1.12	.....
April.....	2.11	2.25	1.94	3.02	3.06	2.39	2.03	2.15	1.68	1.13	.657
May.....	2.12	2.26	1.94	3.00	3.06	2.43	2.04	2.16	1.69	1.13	.....
June.....	2.12	2.27	1.94	3.02	3.06	2.45	2.05	2.18	1.70	1.14	.....
July.....	2.13	2.28	1.94	3.02	3.09	2.43	2.06	2.19	1.71	1.14	.728
August.....	2.13	2.29	1.93	3.00	3.09	2.45	2.07	2.18	1.71	1.14	.....
September.....	2.14	2.30	1.95	3.01	3.13	2.45	2.08	2.20	1.71	1.14	.....
October.....	2.14	2.29	1.95	3.01	3.13	2.43	2.09	2.18	1.71	1.14	.795
November ⁷	2.17	2.33	1.96	3.03	3.13	(4)	2.08	2.19	1.71	1.14	.....
December ⁷	2.19	2.35	1.97	(4)	(4)	(4)	(4)	(4)	(4)	(4)	.....

¹ Averages are based upon monthly data (exclusive of switching and terminal companies) summarized in the M-300 report by the ICC and relate to all employees who received pay during the month, except executives, officials, and staff assistants (ICC group I). Beginning September 1949, data reflect a wage rate increase and reduction in basic workweek from 48 to 40 hours.

² Prior to April 1945, data relate to all employees except executives; from April 1945 to May 1949, mainly to employees subject to the Fair Labor Standards Act; and beginning June 1949, to nonsupervisory employees only.

³ Weighted average of all farm wage rates on a per hour basis.

⁴ Not available.

⁵ Data beginning with January of year noted are not comparable with those for earlier periods.

⁶ Nine-month average, April through December, because of new series started in April 1945.

⁷ Preliminary.

NOTE.—Data are for production workers in manufacturing and mining, construction workers in building construction, and for all nonsupervisory employees in other industries (except as noted). Data are for pay-roll periods ending nearest the 15th of the month.

The annual figures for 1958 are simple arithmetic averages of the monthly figures shown and are not strictly comparable with the averages for earlier years, which have been weighted by data on man-hours.

Sources: Department of Labor and Department of Agriculture.

TABLE D-25.—Average gross weekly earnings in selected industries, 1929-58

Period	Manufacturing			Bitumi- nous coal mining	Build- ing con- struction	Class I rail- roads ¹	Tele- phone ²	Whole- sale trade	Retail trade (except eating and drink- ing places)	Laun- dries
	Total	Dura- ble goods	Non- durable goods							
1929.....	\$25.03	\$27.22	\$22.93	\$25.72	(3)	(3)	(3)	(3)	(3)	(3)
1930.....	23.25	24.77	21.84	22.21	(3)	(3)	(3)	(3)	(3)	(3)
1931.....	20.87	21.28	20.50	17.69	(3)	(3)	(3)	(3)	(3)	(3)
1932.....	17.05	16.21	17.57	13.91	(3)	(3)	(3)	\$27.72	(3)	(3)
1933.....	16.73	16.43	16.89	14.47	(3)	(3)	(3)	26.11	(3)	(3)
1934.....	18.40	18.87	18.05	18.10	\$22.97	(3)	(3)	26.37	(3)	\$14.89
1935.....	20.13	21.52	19.11	19.58	24.51	(3)	(3)	26.76	(3)	15.42
1936.....	21.78	24.04	19.94	22.71	27.01	(3)	(3)	28.41	(3)	16.14
1937.....	24.05	26.91	21.53	23.84	30.14	(3)	\$30.03	29.87	(3)	16.83
1938.....	22.30	24.01	21.05	20.80	29.19	(3)	31.74	29.54	(3)	17.22
1939.....	23.86	26.50	21.78	23.88	30.39	\$31.90	32.14	29.82	\$23.14	17.64
1940.....	25.20	28.44	22.27	24.71	31.70	32.47	32.67	30.45	23.50	17.93
1941.....	29.58	34.04	24.92	30.86	35.14	34.03	32.88	32.51	24.42	18.69
1942.....	36.65	42.73	29.13	35.02	41.80	39.34	34.14	35.52	25.73	20.34
1943.....	43.14	49.30	34.12	41.62	48.13	41.49	36.45	39.37	27.36	23.08
1944.....	46.08	52.07	37.12	51.27	52.18	46.36	38.54	42.26	29.53	25.95
1945.....	44.39	49.05	38.29	52.25	53.73	46.32	40.12	43.94	31.55	27.73
1946.....	43.82	46.49	41.14	58.03	56.24	50.00	44.29	47.73	36.35	30.20
1947.....	49.97	52.46	46.96	66.59	63.30	55.03	44.77	51.99	40.66	32.71
1948.....	54.14	57.11	50.61	72.12	68.85	60.11	48.92	55.58	43.85	34.23
1949.....	54.92	58.03	51.41	63.28	70.95	62.36	51.78	57.55	45.93	34.98
1950.....	59.33	63.32	54.71	70.35	73.73	64.14	54.38	60.36	47.63	35.47
1951.....	64.71	69.47	58.46	77.79	81.47	70.93	58.26	64.31	50.65	37.81
1952.....	67.97	73.46	60.98	78.09	88.01	74.30	61.22	67.80	52.67	38.63
1953.....	71.60	77.23	63.60	85.31	91.76	76.33	65.02	71.69	54.88	39.69
1954.....	71.86	77.18	64.74	80.85	94.12	78.74	68.46	73.93	56.70	40.10
1955.....	76.5 ²	83.21	68.06	96.26	96.29	82.12	72.07	77.14	58.50	40.70
1956.....	79.99	86.31	71.10	106.22	101.92	88.40	73.47	81.20	60.60	42.32
1957.....	82.39	88.66	73.51	110.53	106.86	94.24	76.05	84.42	62.48	43.27
1958 ³	83.50	90.06	75.27	101.47	110.31	101.09	78.72	87.02	64.60	44.41
1957: January.....	82.41	89.16	72.73	110.63	98.94	93.08	73.92	82.81	61.50	42.59
February.....	82.41	88.75	72.91	112.51	106.00	94.53	74.88	82.81	61.34	42.59
March.....	82.21	88.94	73.12	109.58	104.40	89.98	74.30	83.01	61.18	42.69
April.....	81.99	88.29	72.56	111.74	105.34	92.82	74.69	82.80	61.40	43.20
May.....	81.78	87.85	73.13	107.76	106.65	94.55	75.66	83.81	62.32	43.93
June.....	82.80	88.70	74.09	114.68	108.49	93.07	76.44	85.03	63.41	44.04
July.....	82.39	88.00	74.47	112.17	108.56	95.42	76.63	85.24	64.46	43.38
August.....	82.80	89.06	74.26	110.96	110.48	95.60	75.47	85.24	64.08	43.34
September.....	82.99	89.24	75.24	112.91	111.14	93.71	75.66	86.05	63.63	43.96
October.....	82.56	88.75	74.10	110.66	110.23	94.95	77.22	85.63	62.79	43.73
November.....	82.92	88.93	74.11	102.18	104.23	98.16	79.20	85.60	62.25	43.29
December.....	82.74	88.93	74.88	107.92	106.45	97.92	77.59	86.46	62.43	43.85
1958: January.....	81.66	87.14	73.54	103.36	108.06	99.01	76.38	85.41	63.50	43.68
February.....	80.64	86.46	73.15	100.62	101.64	101.26	76.78	85.57	63.50	43.23
March.....	81.45	87.75	73.53	96.37	107.71	96.24	76.36	85.79	63.13	43.68
April.....	80.81	87.30	73.14	90.60	108.63	98.95	76.53	85.14	63.50	44.30
May.....	82.04	88.37	73.91	93.30	111.08	100.12	77.11	86.40	63.88	44.75
June.....	83.10	89.89	75.08	106.30	110.77	101.19	78.31	87.42	64.94	45.37
July.....	83.50	89.83	75.66	97.85	112.17	103.28	79.31	88.26	66.18	45.26
August.....	84.35	91.14	76.04	105.90	113.40	100.94	79.90	87.64	66.18	44.80
September.....	85.39	92.46	77.03	106.55	114.25	103.39	81.12	88.66	64.98	44.80
October.....	85.17	91.83	76.83	107.76	115.18	103.52	81.51	87.85	64.81	44.92
November ⁴	86.58	93.90	77.22	107.87	110.80	(3)	82.37	87.82	64.64	44.35
December ⁵	88.04	95.65	78.01	(3)	(3)	(3)	(3)	(3)	(3)	(3)

¹ Averages are based upon monthly data (exclusive of switching and terminal companies) summarized in the M-300 report by the ICC and relate to all employees who received pay during the month, except executives, officials, and staff assistants (ICC group I). Beginning September 1949, data reflect a wage rate increase and reduction in the basic workweek from 48 to 40 hours.

² Prior to April 1945, data relate to all employees except executives; from April 1945 to May 1949, mainly to employees subject to the Fair Labor Standards Act; and beginning June 1949, to nonsupervisory employees only.

³ Not available.

⁴ Data beginning with January of year noted are not comparable with those for earlier periods.

⁵ Nine-month average, April through December, because of new series started in April 1945.

⁶ Preliminary.

NOTE.—Data are for production workers in manufacturing and mining, construction workers in building construction, and for nonsupervisory employees in other industries (except as noted). Data are for pay-roll periods ending nearest the 15th of the month.

The annual figures for 1958 are simple arithmetic averages of the monthly figures shown and are not strictly comparable with the averages for earlier years, which have been weighted by data on man-hours.

Source: Department of Labor.

TABLE D-26.—Average weekly hours and hourly earnings, gross and excluding overtime, in manufacturing industries, 1939-58

Period	All manufacturing industries				Durable goods manufacturing industries				Nondurable goods manufacturing industries			
	Average weekly hours		Average hourly earnings		Average weekly hours		Average hourly earnings		Average weekly hours		Average hourly earnings	
	Gross	Excluding overtime	Gross	Excluding overtime	Gross	Excluding overtime	Gross	Excluding overtime	Gross	Excluding overtime	Gross	Excluding overtime
1939.....	37.7	(1)	\$0.633	(1)	38.0	(1)	\$0.698	(1)	37.4	(1)	\$0.582	(1)
1940.....	38.1	(1)	.661	(1)	39.3	(1)	.724	(1)	37.0	(1)	.602	(1)
1941.....	40.6	(1)	.729	\$0.702	42.1	(1)	.808	\$0.770	38.9	(1)	.640	\$0.625
1942.....	42.9	(1)	.853	.805	45.1	(1)	.947	.881	40.3	(1)	.723	.698
1943.....	44.9	(1)	.961	.894	46.6	(1)	1.059	.976	42.5	(1)	.803	.763
1944.....	45.2	(1)	1.019	.947	46.6	(1)	1.117	1.029	43.1	(1)	.861	.814
1945.....	43.4	(1)	1.023	2.963	44.1	(1)	1.111	21.042	42.3	(1)	.904	2.858
1946.....	40.4	(1)	1.086	1.051	40.2	(1)	1.156	1.122	40.5	(1)	1.015	.981
1947.....	40.4	(1)	1.237	1.198	40.6	(1)	1.292	1.250	40.1	(1)	1.171	1.133
1948.....	40.1	(1)	1.350	1.310	40.5	(1)	1.410	1.366	39.6	(1)	1.278	1.241
1949.....	39.2	(1)	1.401	1.367	39.5	(1)	1.469	1.434	38.8	(1)	1.325	1.292
1950.....	40.5	(1)	1.465	1.415	41.2	(1)	1.537	1.480	39.7	(1)	1.378	1.337
1951.....	40.7	(1)	1.59	1.53	41.6	(1)	1.67	1.60	39.5	(1)	1.48	1.43
1952.....	40.7	(1)	1.67	1.61	41.5	(1)	1.77	1.70	39.6	(1)	1.54	1.49
1953.....	40.5	(1)	1.77	1.71	41.3	(1)	1.87	1.80	39.5	(1)	1.61	1.56
1954.....	39.7	(1)	1.81	1.76	40.2	(1)	1.92	1.86	39.0	(1)	1.66	1.61
1955.....	40.7	(1)	1.88	1.82	41.4	(1)	2.01	1.93	39.8	(1)	1.71	1.66
1956.....	40.4	37.6	1.98	1.91	41.1	38.1	2.10	2.03	39.5	37.0	1.80	1.75
1957.....	39.8	37.4	2.07	2.01	40.3	37.9	2.20	2.14	39.1	36.7	1.88	1.83
1958 ³	39.2	37.2	2.13	2.07	39.5	37.6	2.28	2.22	38.8	36.6	1.94	1.89
1957: January.....	40.2	37.6	2.05	1.98	40.9	38.0	2.18	2.10	39.1	36.8	1.86	1.81
February.....	40.2	37.7	2.05	1.99	40.9	38.2	2.17	2.11	39.2	36.9	1.86	1.81
March.....	40.1	37.6	2.05	1.99	40.8	38.2	2.18	2.11	39.1	36.8	1.87	1.81
April.....	39.8	37.5	2.06	2.00	40.5	38.1	2.18	2.12	38.8	36.6	1.87	1.82
May.....	39.7	37.5	2.06	2.00	40.3	38.1	2.18	2.12	38.9	36.7	1.88	1.83
June.....	40.0	37.6	2.07	2.01	40.5	38.1	2.19	2.13	39.2	36.8	1.89	1.83
July.....	39.8	37.4	2.07	2.01	40.0	37.7	2.20	2.14	39.4	36.9	1.89	1.83
August.....	40.0	37.6	2.07	2.01	40.3	38.0	2.21	2.14	39.5	37.0	1.88	1.82
September.....	39.9	37.4	2.08	2.02	40.2	37.7	2.22	2.16	39.6	37.0	1.90	1.83
October.....	39.5	37.2	2.09	2.03	39.8	37.5	2.23	2.17	39.0	36.6	1.90	1.84
November.....	39.3	37.0	2.11	2.05	39.7	37.5	2.24	2.18	38.8	36.4	1.91	1.86
December.....	39.4	37.4	2.10	2.05	39.7	37.8	2.24	2.19	39.0	36.8	1.92	1.86
1958: January.....	38.7	37.0	2.11	2.06	38.9	37.3	2.24	2.20	38.3	36.4	1.92	1.88
February.....	38.4	36.8	2.10	2.06	38.6	37.1	2.24	2.20	38.1	36.2	1.92	1.87
March.....	38.6	37.0	2.11	2.07	39.0	37.5	2.25	2.21	38.1	36.2	1.93	1.88
April.....	38.3	36.8	2.11	2.07	38.8	37.4	2.25	2.21	37.7	36.0	1.94	1.89
May.....	38.7	37.0	2.12	2.07	39.1	37.6	2.26	2.21	38.1	36.2	1.94	1.89
June.....	39.2	37.3	2.12	2.07	39.6	37.9	2.27	2.22	38.7	36.6	1.94	1.89
July.....	39.2	37.3	2.13	2.08	39.4	37.6	2.28	2.23	39.0	36.8	1.94	1.89
August.....	39.6	37.3	2.13	2.07	39.8	37.7	2.29	2.23	39.4	37.0	1.93	1.88
September.....	39.9	37.5	2.14	2.08	40.2	37.9	2.30	2.24	39.5	36.9	1.95	1.89
October.....	39.8	37.4	2.14	2.08	40.1	37.7	2.29	2.23	39.4	36.9	1.95	1.89
November.....	39.9	37.4	2.17	2.11	40.3	37.8	2.33	2.26	39.4	36.9	1.96	1.90
December ³	40.2	37.5	2.19	(1)	40.7	38.0	2.35	(1)	39.6	37.0	1.97	(1)

¹ Not available.

² Eleven-month average; August 1945 excluded because of VJ Day holiday period.

³ Preliminary.

NOTE.—Data relate to production workers and are for payroll periods ending nearest the 15th of the month.

The annual figures for 1958 are simple arithmetic averages of the monthly figures shown and are not strictly comparable with the averages for earlier years, which have been weighted by data on employment (in the case of hours) and man-hours (in the case of earnings).

Source: Department of Labor.

TABLE D-27.—Average weekly earnings, gross and net spendable, in manufacturing industries, in current and 1958 prices, 1939–58

Period	Average gross weekly earnings		Average net spendable weekly earnings ²			
			Worker with no dependents		Worker with three dependents	
	Current prices	1958 prices ¹	Current prices	1958 prices ¹	Current prices	1958 prices ¹
1939.....	\$23.86	\$49.60	\$23.58	\$49.02	\$23.62	\$49.11
1940.....	25.20	51.96	24.69	50.91	24.95	51.44
1941.....	29.58	58.00	28.05	55.00	29.28	57.41
1942.....	36.65	64.87	31.77	56.23	36.28	64.21
1943.....	43.14	71.90	36.01	60.02	41.39	68.98
1944.....	46.08	75.67	38.29	62.87	44.06	72.35
1945.....	44.39	71.25	36.97	59.34	42.74	68.60
1946.....	43.82	64.82	37.72	55.80	43.20	63.91
1947.....	49.97	64.56	42.76	55.25	48.24	62.33
1948.....	54.14	64.99	47.43	56.94	53.17	63.83
1949.....	54.92	66.57	48.09	58.29	53.83	65.25
1950.....	59.33	71.22	51.09	61.33	57.21	68.68
1951.....	64.71	71.90	54.04	60.04	61.28	68.09
1952.....	67.97	73.88	55.66	60.50	63.62	69.15
1953.....	71.69	77.34	58.54	63.15	66.58	71.82
1954.....	71.86	77.27	59.55	64.03	66.78	71.81
1955.....	76.52	82.46	63.15	68.05	70.45	75.92
1956.....	79.99	84.92	65.86	69.92	73.22	77.73
1957.....	82.39	84.59	67.57	69.37	74.97	76.97
1958 ³	83.50	83.50	68.46	68.46	75.88	75.88
1957: January.....	82.41	86.02	67.58	70.54	74.99	78.28
February.....	82.41	85.67	67.58	70.25	74.99	77.95
March.....	82.21	85.28	67.42	69.94	74.82	77.61
April.....	81.99	84.79	67.25	69.54	74.64	77.19
May.....	81.78	84.40	67.08	69.23	74.47	76.85
June.....	82.80	85.01	67.90	69.71	75.31	77.32
July.....	82.39	84.16	67.57	69.02	74.97	76.58
August.....	82.80	84.40	67.90	69.22	75.31	76.77
September.....	82.99	84.60	68.05	69.37	75.46	76.92
October.....	82.56	84.16	67.70	69.01	75.11	76.56
November.....	82.92	84.18	67.99	69.03	75.40	76.55
December.....	82.74	84.00	67.85	68.88	75.26	76.41
1958: January.....	81.66	82.40	66.98	67.59	74.37	75.05
February.....	80.64	81.21	66.17	66.64	73.54	74.06
March.....	81.45	81.53	66.81	66.88	74.20	74.27
April.....	80.81	80.73	66.30	66.23	73.67	73.60
May.....	82.04	81.88	67.29	67.16	74.68	74.53
June.....	83.10	82.93	68.14	68.00	75.55	75.40
July.....	83.50	83.17	68.46	68.19	75.88	75.58
August.....	84.35	84.18	69.14	69.00	76.58	76.43
September.....	85.39	85.22	69.97	69.83	77.43	77.28
October.....	85.17	85.00	69.80	69.66	77.25	77.10
November ³	86.58	86.24	70.93	70.65	78.41	78.10
December ³	88.04	(⁴)	72.10	(⁴)	79.60	(⁴)

¹ Estimates in current prices divided by the consumer price index on a 1958 base (using 11-month average).

² Average gross weekly earnings less social security and income taxes.

³ Preliminary.

⁴ Not available.

NOTE.—Data relate to production workers and are for payroll periods ending nearest the 15th of the month.

The annual figures for 1958 are simple arithmetic averages of the monthly figures shown and are not strictly comparable with the averages for earlier years, which have been weighted by data on man-hours.

Source: Department of Labor.

TABLE D-28.—*Labor turnover rates in manufacturing industries, 1930-58*

[Rates per 100 employees]

Period	Separation rates				Accession rates
	Total	Quit ¹	Layoff	Discharge, military, and miscellaneous ¹	
1930.....	5.0	1.6	3.0	0.4	3.1
1931.....	4.0	.9	2.9	.2	3.1
1932.....	4.4	.7	3.5	.2	3.3
1933.....	3.8	.9	2.7	.2	5.4
1934.....	4.1	.9	3.0	.2	4.7
1935.....	3.6	.9	2.5	.2	4.2
1936.....	3.4	1.1	2.1	.2	4.4
1937.....	4.4	1.3	3.0	.2	3.6
1938.....	4.1	.6	3.4	.1	3.8
1939.....	3.1	.8	2.2	.1	4.1
1940.....	3.4	.9	2.2	.3	4.4
1941.....	3.9	2.0	1.3	.7	5.4
1942.....	6.5	3.8	1.1	1.7	7.6
1943.....	7.3	5.2	.6	1.5	7.5
1944.....	6.8	5.1	.6	1.1	6.1
1945.....	8.3	5.1	2.3	.9	6.3
1946.....	6.1	4.3	1.2	.6	6.7
1947.....	4.8	3.4	1.0	.5	5.1
1948.....	4.6	2.8	1.3	.5	4.4
1949.....	4.3	1.5	2.4	.3	3.5
1950.....	3.5	1.9	1.1	.5	4.4
1951.....	4.4	2.4	1.2	.8	4.4
1952.....	4.1	2.3	1.1	.6	4.4
1953.....	4.3	2.3	1.3	.7	3.9
1954.....	3.5	1.1	1.9	.4	3.0
1955.....	3.3	1.6	1.2	.5	3.7
1956.....	3.5	1.6	1.5	.5	3.4
1957.....	3.6	1.4	1.7	.4	2.9
1958 ²	3.6	.9	2.4	.4	3.1
1957: January.....	3.3	1.3	1.5	.5	3.2
February.....	3.0	1.2	1.4	.4	2.8
March.....	3.3	1.3	1.4	.4	2.8
April.....	3.3	1.3	1.5	.4	2.8
May.....	3.4	1.4	1.5	.6	3.0
June.....	3.0	1.3	1.1	.4	3.9
July.....	3.1	1.4	1.3	.4	3.2
August.....	4.0	1.9	1.6	.6	3.2
September.....	4.4	2.2	1.8	.4	3.3
October.....	4.0	1.3	2.3	.4	2.9
November.....	4.0	.9	2.7	.4	2.2
December.....	3.8	.7	2.7	.4	1.7
1958: January.....	5.0	.8	3.8	.5	2.5
February.....	3.9	.7	2.9	.4	2.2
March.....	4.2	.7	3.2	.4	2.4
April.....	4.1	.7	3.0	.4	2.5
May.....	3.6	.8	2.4	.3	3.0
June.....	2.9	.8	1.8	.4	3.8
July.....	3.2	.9	2.0	.3	3.3
August.....	3.5	1.2	1.9	.4	3.9
September.....	3.5	1.5	1.6	.4	4.0
October.....	3.2	1.1	1.7	.4	3.4
November ³	2.7	.8	1.6	.4	2.7

¹ Prior to 1940, military and miscellaneous separations are included with quits.² January-November average.³ Preliminary.

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

Source: Department of Labor.

PRODUCTION AND BUSINESS ACTIVITY

TABLE D-29.—Industrial production indexes, 1929-58

[1947-49=100]

Period	Industrial production										
	Total	Manufactures									
		Total	Durable								
			Total	Primary metals	Fabricated metal products	Non-electrical machinery	Electrical machinery	Transportation equipment	Instruments and related products	Clay, glass, and lumber products	Furniture and miscellaneous manufactures
1929.....	59	58	60								
1930.....	49	48	45								
1931.....	40	39	31								
1932.....	31	30	19								
1933.....	37	36	24								
1934.....	40	39	30								
1935.....	47	46	38								
1936.....	56	55	49								
1937.....	61	60	55								
1938.....	48	46	35								
1939.....	58	57	49								
1940.....	67	66	63								
1941.....	87	88	91								
1942.....	106	110	126								
1943.....	127	133	162								
1944.....	125	130	159								
1945.....	107	110	123								
1946.....	90	90	86								
1947.....	100	100	101	103	103	104	101	96	100	100	100
1948.....	104	103	104	107	104	106	101	102	105	105	104
1949.....	97	97	95	90	93	90	98	102	95	95	95
1950.....	112	113	116	115	115	105	131	120	114	115	117
1951.....	120	121	128	126	122	126	138	135	128	121	116
1952.....	124	125	136	116	121	136	167	154	142	118	118
1953.....	134	136	153	132	136	143	194	189	155	125	131
1954.....	125	127	137	108	123	125	177	175	140	123	121
1955.....	139	140	155	140	134	135	194	203	149	138	132
1956.....	143	144	159	138	135	153	207	199	166	140	135
1957.....	143	145	160	131	139	150	204	213	172	133	132
1958 ¹	134	136	142	104	128	128	179	188	164	129	127
Seasonally adjusted											
1957: January.....	145	147	163	143	137	154	206	218	173	133	131
February.....	146	147	164	143	138	155	206	222	174	134	129
March.....	145	147	163	137	138	155	204	219	173	134	132
April.....	144	145	160	134	138	152	196	216	172	134	132
May.....	144	145	160	132	138	152	199	216	173	136	132
June.....	145	147	163	132	139	153	207	220	173	140	133
July.....	145	147	162	134	141	152	215	216	173	133	133
August.....	145	147	163	136	140	151	215	216	174	136	135
September.....	144	146	160	131	139	150	209	212	173	134	135
October.....	142	143	156	128	137	148	197	208	170	131	132
November.....	139	141	154	121	141	143	203	203	170	128	129
December.....	135	137	146	107	135	137	194	194	168	124	125
1958: January.....	133	135	142	100	129	130	192	191	166	125	123
February.....	130	131	137	95	124	127	177	185	163	120	120
March.....	128	129	135	91	122	126	170	183	160	120	121
April.....	126	128	131	86	118	122	166	178	159	120	121
May.....	128	130	134	91	120	122	167	182	158	124	122
June.....	132	134	139	103	125	125	171	185	160	129	126
July.....	134	136	141	102	129	125	181	185	162	134	129
August.....	136	138	144	109	132	126	188	186	162	135	130
September.....	137	139	145	113	135	129	186	178	166	136	132
October.....	138	140	146	122	133	130	180	183	169	133	134
November.....	141	144	152	123	136	133	182	205	172	138	134
December ¹	142	144	152	123	137	133	189	203	175	137	132

See footnotes at end of table, p. 173.

TABLE D-29.—*Industrial production indexes, 1929-58—Continued*

[1947-49=100]

Period	Industrial production							Output of consumer durables			
	Manufactures						Min-erals	Total	Autos	Major house-hold goods	Other consumer durables
	Nondurable										
	Total	Textiles and apparel	Rubber and leather products	Paper and printing	Chemical and petroleum products	Foods, beverages, and tobacco					
1929.....	56						68				
1930.....	51						59				
1931.....	48						51				
1932.....	42						42				
1933.....	48						48				
1934.....	49						51				
1935.....	55						55				
1936.....	61						63				
1937.....	64						71				
1938.....	57						62				
1939.....	66						68				
1940.....	69						76				
1941.....	84						81				
1942.....	93						84				
1943.....	103						87				
1944.....	99						93				
1945.....	96						92				
1946.....	95						91				
1947.....	99	99	106	96	97	101	100	98	85	99	109
1948.....	102	103	101	103	103	100	106	102	93	105	105
1949.....	99	97	93	101	100	100	94	101	122	96	86
1950.....	111	110	110	114	118	103	105	133	159	143	95
1951.....	114	106	105	118	132	105	115	114	127	118	96
1952.....	114	105	107	118	133	106	114	105	103	115	95
1953.....	118	107	113	125	142	107	116	127	146	132	102
1954.....	116	100	104	125	142	106	111	116	131	122	95
1955.....	126	109	122	137	159	109	122	147	190	144	106
1956.....	129	108	117	145	167	112	129	131	138	144	111
1957.....	130	105	118	148	172	112	128	130	146	132	111
1958 ¹	130	104	113	148	170	115	117	113	101	(2)	110
Seasonally adjusted											
1957: January.....	130	105	118	148	173	111	131	132	154	130	113
February.....	131	105	121	147	172	113	132	135	156	135	114
March.....	131	106	124	147	171	114	132	132	149	132	114
April.....	130	106	118	146	171	111	131	123	136	123	110
May.....	131	106	118	148	173	112	130	126	144	127	109
June.....	131	106	119	148	172	113	127	134	157	134	110
July.....	131	107	119	146	174	113	128	132	147	138	111
August.....	132	106	122	149	175	112	129	135	154	139	112
September.....	131	106	120	149	174	113	129	134	150	137	114
October.....	130	104	117	149	173	111	127	129	143	134	112
November.....	128	101	116	149	171	110	123	128	142	134	110
December.....	127	97	108	146	169	113	123	119	127	124	107
1958: January.....	127	97	108	146	168	114	121	113	117	118	105
February.....	125	97	105	144	164	114	118	110	107	117	107
March.....	124	95	106	142	163	113	112	104	92	114	108
April.....	125	98	102	143	164	113	109	97	81	107	106
May.....	126	99	104	143	165	114	109	105	96	113	105
June.....	129	102	111	146	168	116	112	111	99	123	111
July.....	132	107	114	148	171	116	116	114	99	133	111
August.....	133	108	116	150	174	116	120	115	95	137	112
September.....	133	109	119	150	174	116	123	103	56	138	113
October.....	134	110	119	153	175	116	122	108	67	141	114
November.....	135	112	125	152	176	116	123	134	139	150	114
December ¹	136	112	125	153	178	116	123	137	143	(2)	116

¹ Preliminary.² Not available.

NOTE.—Detail not available prior to 1947.

Source: Board of Governors of the Federal Reserve System.

TABLE D-30.—*Business expenditures for new plant and equipment, 1939 and 1945-59*

[Billions of dollars]

Period	Total ¹	Manufacturing			Mining	Transportation		Public utilities	Commercial and other ²
		Total	Durable goods	Non-durable goods		Rail-road	Other		
1939.....	5.51	1.94	0.76	1.19	0.33	0.28	0.36	0.52	2.08
1945.....	8.69	3.98	1.59	2.39	.38	.55	.57	.50	2.70
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
1955.....	28.70	11.44	5.44	6.00	.96	.92	1.60	4.31	9.47
1956 ³	35.08	14.95	7.62	7.33	1.24	1.23	1.71	4.90	11.05
1957 ³	36.96	15.96	8.02	7.94	1.24	1.40	1.77	6.20	10.40
1958 ³ ⁴	30.53	11.50	5.54	5.96	.92	.76	1.50	6.10	9.74
Seasonally adjusted annual rates									
1956: First quarter.....	32.82	13.45	6.57	6.88	1.13	1.25	1.65	4.56	10.78
Second quarter.....	34.49	14.65	7.38	7.27	1.28	1.22	1.63	4.61	11.10
Third quarter.....	35.87	15.78	8.20	7.58	1.26	1.20	1.79	5.08	10.76
Fourth quarter.....	36.46	15.81	8.21	7.60	1.28	1.23	1.76	5.27	11.11
1957: First quarter.....	36.89	16.12	8.09	8.03	1.35	1.42	1.52	5.72	10.76
Second quarter.....	37.03	16.25	8.31	7.94	1.28	1.35	1.82	5.93	10.40
Third quarter.....	37.75	16.37	8.23	8.14	1.24	1.54	1.81	6.64	10.15
Fourth quarter.....	36.23	15.27	7.57	7.70	1.15	1.26	1.91	6.43	10.21
1958: First quarter.....	32.41	13.20	6.58	6.62	1.00	1.02	1.69	5.87	9.63
Second quarter.....	30.32	11.53	5.57	5.96	.92	.77	1.40	5.97	9.73
Third quarter.....	29.61	10.86	5.16	5.70	.88	.63	1.29	6.10	9.85
Fourth quarter ⁴	29.93	10.79	5.11	5.68	.91	.59	1.64	6.32	9.68
1959: First quarter ⁴	30.51	11.06	5.35	5.71	.84	.54	1.72	6.41	9.94

¹ Excludes agriculture.² Commercial and other includes trade, service, finance, communications, and construction.³ Annual total is the sum of unadjusted quarterly expenditures; it does not necessarily coincide with the average of seasonally adjusted figures. See footnote 4.⁴ Estimates for fourth quarter 1958 and first quarter 1959 based on anticipated capital expenditures reported by business between late October and early December 1958. The quarterly anticipations include adjustments, when necessary, for systematic tendencies in anticipatory data.

NOTE.—These figures do not agree precisely with the plant and equipment expenditures included in the gross national product estimates of the Department of Commerce. The main difference lies in the inclusion in the gross national product of investment by farmers, professionals, and institutions, and of certain outlays charged to current account.

This series is not available for years prior to 1939 and for 1940 to 1944.

Detail will not necessarily add to totals because of rounding.

Sources: Securities and Exchange Commission and Department of Commerce.

TABLE D-31.—*New construction activity, 1929–58*

[Value put in place, millions of dollars]

Period	Total new construction	Private construction							Public construction
		Total ¹	Residential building (non-farm)	Nonresidential building and other construction					
				Total	Commercial ²	Industrial	Public utility	Other ³	
1929.....	10,793	8,307	3,625	4,682	1,135	949	1,578	1,020	2,486
1930.....	8,741	5,883	2,075	3,808	893	532	1,527	856	2,858
1931.....	6,427	3,768	1,565	2,203	454	221	946	582	2,659
1932.....	3,538	1,676	630	1,046	223	74	467	282	1,862
1933.....	2,879	1,231	470	761	130	176	261	194	1,648
1934.....	3,720	1,509	625	884	173	191	326	194	2,211
1935.....	4,232	1,999	1,010	989	211	158	363	257	2,233
1936.....	6,497	2,981	1,565	1,416	290	266	518	342	3,516
1937.....	6,999	3,903	1,875	2,028	387	492	705	444	3,096
1938.....	6,980	3,560	1,990	1,570	285	232	605	448	3,420
1939.....	8,198	4,389	2,680	1,709	292	254	683	480	3,809
1940.....	8,682	5,054	2,985	2,069	348	442	771	508	3,628
1941.....	11,957	6,206	3,510	2,696	409	801	872	614	5,751
1942.....	14,075	3,415	1,715	1,700	155	346	786	413	10,660
1943.....	8,301	1,979	885	1,094	33	156	570	335	6,322
1944.....	5,259	2,186	815	1,371	56	208	725	382	3,073
1945.....	5,809	3,411	1,276	2,135	203	642	827	463	2,398
1946.....	12,737	10,375	4,752	5,623	1,132	1,689	1,374	1,428	2,362
1947.....	17,915	14,481	7,535	6,946	856	1,702	2,338	2,050	3,434
1948.....	23,222	18,395	10,122	8,273	1,253	1,397	3,043	2,580	4,827
1949.....	24,163	17,759	9,642	8,117	1,027	972	3,323	2,795	6,404
1950.....	29,955	22,954	14,100	8,854	1,288	1,062	3,330	3,174	7,001
1951.....	32,739	23,320	12,529	10,791	1,371	2,117	3,729	3,547	9,419
1952.....	34,750	23,849	12,842	11,007	1,137	2,320	4,003	3,547	10,901
1953.....	37,118	25,724	13,777	11,947	1,791	2,229	4,416	3,511	11,394
1954.....	39,601	27,679	15,379	12,300	2,212	2,030	4,284	3,774	11,922
1955.....	44,581	32,620	18,705	13,915	3,218	2,399	4,543	3,755	11,961
1956.....	46,292	33,287	17,677	15,610	3,631	3,084	5,113	3,782	13,005
1957.....	48,115	33,988	17,019	16,969	3,564	3,557	5,624	4,224	14,127
1958 ⁴	48,980	33,947	17,884	16,063	3,561	2,443	5,554	4,505	15,033
Seasonally adjusted annual rates									
1957: January.....	48,204	33,360	17,280	16,080	3,504	3,456	5,112	4,008	14,844
February.....	47,436	33,444	17,088	16,356	3,396	3,588	5,280	4,092	13,992
March.....	47,832	33,720	17,088	16,632	3,492	3,672	5,316	4,152	14,112
April.....	47,700	33,588	16,656	16,932	3,528	3,744	5,436	4,224	14,112
May.....	47,688	33,744	16,320	17,424	3,636	3,780	5,772	4,236	13,944
June.....	47,688	33,732	16,476	17,256	3,624	3,732	5,640	4,260	13,956
July.....	46,860	33,588	16,596	16,992	3,504	3,600	5,772	4,116	13,272
August.....	48,048	34,092	16,944	17,148	3,552	3,612	5,688	4,296	13,956
September.....	48,576	34,284	17,184	17,100	3,576	3,480	5,748	4,296	14,292
October.....	49,584	34,776	17,532	17,244	3,672	3,396	5,880	4,296	14,808
November.....	49,224	34,824	17,664	17,160	3,660	3,372	5,820	4,308	14,400
December.....	50,100	34,584	17,532	17,052	3,648	3,264	5,796	4,344	15,516
1958: January.....	48,816	33,960	17,340	16,620	3,456	3,228	5,628	4,308	14,856
February.....	48,048	33,552	17,220	16,332	3,372	3,024	5,592	4,344	14,496
March.....	47,592	33,084	16,764	16,320	3,456	2,880	5,652	4,332	14,508
April.....	46,572	32,388	16,212	16,176	3,528	2,664	5,616	4,368	14,184
May.....	46,548	32,352	16,176	16,176	3,624	2,520	5,592	4,440	14,196
June.....	47,148	32,700	16,632	16,068	3,732	2,340	5,508	4,488	14,448
July.....	47,772	33,120	17,208	15,912	3,696	2,244	5,436	4,536	14,652
August.....	48,492	33,588	17,952	15,636	3,528	2,148	5,436	4,524	14,904
September.....	49,428	34,164	18,480	15,684	3,492	2,064	5,520	4,608	15,264
October.....	51,348	35,328	19,476	15,852	3,552	2,064	5,568	4,668	16,020
November.....	52,536	36,180	20,184	15,996	3,624	2,100	5,568	4,704	16,356
December ⁴	53,676	36,588	20,580	16,008	3,660	2,076	5,604	4,668	17,088

¹ Excludes construction expenditures for crude petroleum and natural gas drilling, and therefore does not agree with the new construction expenditures included in the gross national product. (Table D-1).² Office buildings, warehouses, stores, restaurants, and garages.³ Includes farm, institutional, and all other.⁴ Preliminary.

Sources: Department of Commerce and Department of Labor.

TABLE D-32.—*New public construction activity, 1929-58*

[Value put in place, millions of dollars]

Period	Total new public construction ¹				Major types of new public construction						
	All public sources	Federal		State and local	High-way	Educa-tional	Hos-pital and institu-tional	Sewer and water and miscel-laneous public service	Con-serva-tion and de-velop-ment	Mili-tary facilities	All other public ²
		Direct	Federal aid								
1929	2, 486	155	80	2, 251	1, 266	389	101	404	115	19	192
1930	2, 858	209	104	2, 545	1, 516	364	118	500	137	29	194
1931	2, 659	271	235	2, 153	1, 355	285	110	479	156	40	234
1932	1, 862	333	111	1, 418	958	130	83	291	150	34	216
1933	1, 648	516	286	846	847	52	49	160	359	36	145
1934	2, 211	626	721	864	1, 000	148	51	228	518	47	219
1935	2, 233	814	567	852	845	153	38	246	700	37	214
1936	3, 516	797	1, 566	1, 153	1, 362	366	74	509	658	29	518
1937	3, 096	776	1, 117	1, 203	1, 226	253	73	445	605	37	457
1938	3, 420	717	1, 320	1, 383	1, 421	311	97	492	551	62	486
1939	3, 809	759	1, 377	1, 673	1, 381	468	127	507	570	125	631
1940	3, 628	1, 182	946	1, 500	1, 302	156	54	469	528	385	734
1941	5, 751	3, 751	697	1, 303	1, 066	158	42	393	500	1, 620	1, 972
1942	10, 660	9, 313	475	872	734	128	35	254	357	5, 016	4, 136
1943	6, 322	5, 609	268	445	446	63	44	156	285	2, 550	2, 778
1944	3, 073	2, 505	126	442	362	41	58	125	163	837	1, 487
1945	2, 398	1, 737	99	562	398	59	85	152	130	690	884
1946	2, 362	870	244	1, 248	895	101	85	278	260	188	555
1947	3, 434	840	409	2, 185	1, 451	287	85	492	424	204	491
1948	4, 827	1, 177	417	3, 233	1, 774	618	223	699	670	158	685
1949	6, 404	1, 488	461	4, 455	2, 131	934	477	803	852	137	1, 070
1950	7, 001	1, 625	465	4, 911	2, 272	1, 133	496	819	942	177	1, 162
1951	9, 419	2, 982	479	5, 958	2, 518	1, 513	528	959	912	887	2, 102
1952	10, 901	4, 186	619	6, 096	2, 820	1, 619	473	958	900	1, 388	2, 743
1953	11, 394	4, 151	700	6, 543	3, 160	1, 714	365	1, 050	892	1, 307	2, 906
1954	11, 922	3, 445	709	7, 768	3, 870	2, 134	360	1, 171	773	1, 030	2, 584
1955	11, 961	2, 800	758	8, 403	4, 050	2, 442	322	1, 318	701	1, 313	1, 815
1956	13, 005	2, 772	878	9, 355	4, 655	2, 556	298	1, 659	826	1, 395	1, 616
1957	14, 127	3, 018	1, 363	9, 746	4, 971	2, 825	350	1, 737	971	1, 322	1, 951
1958 ³	15, 033	3, 152	2, 168	9, 713	5, 350	2, 877	401	1, 838	1, 004	1, 235	2, 328

¹ For expenditures classified by ownership, combine "Federal aid" and "State and local" columns to obtain State and local ownership. "Direct" column stands as it is for Federal ownership.

² Includes nonresidential building other than educational and hospital and institutional (industrial, commercial, public administration, social and recreational, and miscellaneous), public residential buildings, and publicly owned parks and playgrounds, memorials, etc.

³ Preliminary.

Sources: Department of Commerce and Department of Labor.

TABLE D-33.—Housing starts and applications for financing, 1929-58

[Thousands of units]

Period	New nonfarm housing starts						Proposed home construction ²		
	Total	Publicly financed	Privately financed			Private, seasonally adjusted annual rates	FHA applications	VA appraisal requests	
			Total	Government programs					
				Total ¹	FHA ¹	VA			
1929 ³	509.0		509.0						
1930	330.0		330.0						
1931	254.0		254.0						
1932	134.0		134.0						
1933	93.0		93.0						
1934	126.0		126.0						
1935	221.0	5.3	215.7	14.0	14.0		⁴ 20.6		
1936	319.0	14.8	304.2	49.4	49.4		47.8		
1937	336.0	3.6	332.4	60.0	60.0		49.8		
1938	406.0	6.7	399.3	118.7	118.7		131.1		
1939	515.0	56.6	458.4	158.1	158.1		179.8		
1940	602.6	73.0	529.6	180.1	180.1		231.2		
1941	706.1	86.6	619.5	220.4	220.4		288.5		
1942	356.0	54.8	301.2	165.7	165.7		238.5		
1943	191.0	7.3	183.7	146.2	146.2		144.4		
1944	141.8	3.1	138.7	93.3	93.3		62.9		
1945	209.3	1.2	208.1	(⁵)	41.2	(⁵)	56.6	(⁵)	
1946	670.5	8.0	662.5	(⁵)	69.0	(⁵)	121.7	(⁵)	
1947	849.0	3.4	845.6	(⁵)	229.0	(⁵)	286.4	(⁵)	
1948	931.6	18.1	913.5	(⁵)	294.1	(⁵)	293.2	(⁵)	
1949	1,025.1	36.3	988.8	(⁵)	363.8	(⁵)	327.0	(⁵)	
1950	1,396.0	43.8	1,352.2	686.7	486.7	⁶ 200.0	397.7	(⁵)	
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	408.5	252.0	156.5	253.7	251.4	
1954	1,220.4	18.7	1,201.7	583.3	276.3	307.0	338.6	535.4	
1955	1,328.9	19.4	1,309.5	669.6	276.7	392.9	306.2	620.8	
1956	1,118.1	24.2	1,093.9	460.0	189.3	270.7	197.7	401.5	
1957	1,041.9	49.1	992.8	296.7	168.4	128.3	198.8	159.4	
1958 ⁷	1,197.7	67.1	1,130.6	397.6	295.4	102.2	341.7	234.2	
1957: January	64.2	4.1	60.1	19.7	7.7	12.0	⁸ 962	10.5	18.9
February	65.8	2.7	63.1	19.2	9.3	9.9	⁸ 935	12.1	20.2
March	87.0	7.7	79.3	22.7	11.3	11.4	⁸ 933	16.2	19.5
April	93.7	2.3	91.4	25.6	12.1	13.5	⁸ 968	16.8	19.4
May	103.0	6.1	96.9	27.0	14.9	12.0	⁸ 994	16.9	16.6
June	99.9	5.4	94.5	28.3	15.3	13.0	⁸ 995	16.6	13.7
July	97.8	3.9	93.9	28.0	15.7	12.3	⁸ 1,015	18.4	14.0
August	100.0	3.2	96.8	29.3	17.7	11.6	⁸ 1,056	22.3	14.5
September	91.9	1.7	90.2	28.2	16.4	11.8	⁸ 1,012	20.4	8.9
October	97.0	8.6	88.4	28.4	18.7	9.7	⁸ 1,020	20.2	6.4
November	78.2	2.5	75.7	21.4	15.0	6.4	⁸ 1,009	14.7	3.7
December	63.4	.9	62.5	18.9	14.2	4.6	⁸ 1,000	13.6	3.5
1958: January	67.9	5.0	62.9	17.4	13.3	4.1	⁸ 1,090	17.3	5.2
February	66.1	5.1	61.0	14.1	11.3	2.8	⁸ 915	20.6	5.3
March	81.4	4.1	77.3	19.6	16.5	3.1	⁸ 918	25.0	8.4
April	99.1	4.9	94.2	27.4	22.7	4.8	⁸ 983	31.6	24.8
May	108.5	7.2	101.3	32.0	26.0	6.0	⁸ 1,039	34.6	29.2
June	112.9	11.6	101.3	36.5	28.0	8.5	⁸ 1,057	33.4	28.4
July	112.8	4.2	108.6	40.3	29.7	10.6	⁸ 1,174	31.8	28.5
August	124.0	9.4	114.6	43.6	30.5	13.1	⁸ 1,228	33.6	28.5
September	121.0	10.1	110.9	46.3	31.9	14.3	⁸ 1,255	36.8	26.7
October	⁷ 111.0	⁷ 2.0	⁷ 109.0	49.4	34.7	14.7	⁷ 1,260	31.8	19.1
November	⁷ 102.0	⁷ 2.0	⁷ 100.0	36.8	25.8	11.0	⁷ 1,350	22.3	15.3
December ⁷	91.0	1.5	89.5	34.2	25.0	9.2	⁷ 1,450	23.0	14.8

¹ Excludes armed forces housing in 1956 (2,567 units); 1957 (18,573 units); and 1958 (23,744 units).² Units in mortgage applications for new home construction.³ The number of starts for the years 1920-28, respectively, was as follows: 247,000; 449,000; 716,000; 871,000; 893,000; 937,000; 849,000; 810,000; and 753,000.⁴ FHA program approved in June 1934; all 1934 activity included in 1935.⁵ Not available.⁶ Partly estimated.⁷ Preliminary.

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

TABLE D-34.—Sales and inventories in manufacturing and trade, 1939-58

[Amounts in billions of dollars]

Period	Total manufacturing and trade ¹			Manufacturing			Wholesale trade ¹			Retail trade ¹		
	Sales ²	Inventories ³	Ratio ⁴	Sales ²	Inventories ³	Ratio ⁴	Sales ²	Inventories ³	Ratio ⁴	Sales ²	Inventories ³	Ratio ⁴
1939.....	10.8	20.1	1.77	5.1	11.5	2.11	2.2	3.1	1.34	3.5	5.5	1.53
1940.....	12.1	22.2	1.72	5.9	12.8	2.06	2.4	3.2	1.30	3.9	6.1	1.49
1941.....	15.8	28.8	1.58	8.2	17.0	1.78	3.0	4.0	1.20	4.6	7.8	1.48
1942.....	18.6	31.1	1.66	10.4	19.3	1.77	3.4	3.8	1.19	4.8	8.0	1.76
1943.....	21.9	31.3	1.40	12.8	20.1	1.51	3.8	3.7	.97	5.3	7.6	1.43
1944.....	23.8	31.1	1.33	13.8	19.5	1.45	4.2	3.9	.94	5.9	7.6	1.31
1945.....	23.9	30.9	1.30	12.9	18.4	1.48	4.5	4.6	.91	6.5	7.9	1.21
1946.....	27.2	42.9	1.33	12.6	24.5	1.66	6.0	6.6	.90	8.5	11.9	1.13
1947.....	33.2	50.5	1.43	15.9	28.9	1.71	7.3	7.6	1.01	10.0	14.1	1.27
1948.....	36.1	55.4	1.48	17.6	31.7	1.72	7.5	7.9	1.01	10.9	15.8	1.40
1949.....	34.5	51.8	1.56	16.4	28.9	1.86	7.2	7.6	1.07	10.9	15.3	1.43
1950.....	39.7	62.8	1.39	19.3	34.3	1.57	8.4	9.1	.96	12.0	19.3	1.40
1951.....	44.7	73.8	1.58	22.3	42.8	1.77	9.4	9.7	1.05	13.0	21.2	1.65
1952.....	45.9	75.4	1.61	22.8	43.8	1.90	9.6	10.0	1.01	13.5	21.6	1.55
1953.....	48.4	78.6	1.61	24.5	45.4	1.84	9.8	10.5	1.06	14.1	22.7	1.59
1954.....	47.4	75.5	1.62	23.5	43.0	1.86	9.7	10.4	1.07	14.1	22.1	1.59
1955.....	52.3	81.7	1.49	26.3	46.4	1.68	10.6	11.4	1.02	15.3	23.9	1.50
1956.....	54.8	89.1	1.56	27.7	52.3	1.79	11.3	13.0	1.08	15.8	23.9	1.50
1957.....	56.3	90.7	1.61	28.4	53.5	1.89	11.3	12.7	1.13	16.7	24.5	1.44
1958 ⁵ 6.....	53.8	85.1	1.61	26.2	49.3	1.93	11.0	12.1	1.11	16.6	23.7	1.46
Seasonally adjusted												
1957: January.....	57.9	89.3	1.54	30.0	52.4	1.75	11.6	12.9	1.11	16.3	24.0	1.47
February.....	57.4	89.6	1.56	29.5	52.9	1.78	11.5	12.8	1.11	16.4	23.9	1.46
March.....	56.2	89.9	1.60	28.4	53.3	1.87	11.4	12.8	1.12	16.3	23.7	1.46
April.....	56.4	90.1	1.59	28.7	53.7	1.87	11.3	12.8	1.13	16.4	23.7	1.44
May.....	56.8	90.6	1.59	28.6	53.9	1.88	11.5	12.7	1.11	16.6	23.9	1.43
June.....	56.4	90.7	1.61	28.1	53.9	1.91	11.4	12.7	1.11	16.8	24.1	1.43
July.....	57.4	91.0	1.58	29.0	54.1	1.86	11.4	12.7	1.12	17.0	24.1	1.42
August.....	57.0	91.3	1.60	28.6	54.2	1.89	11.4	12.8	1.12	17.0	24.3	1.42
September.....	56.3	91.3	1.62	28.2	54.2	1.92	11.2	12.8	1.15	16.9	24.4	1.44
October.....	55.7	91.1	1.64	28.1	54.1	1.93	11.0	12.8	1.17	16.7	24.2	1.45
November.....	54.7	91.0	1.66	27.2	53.9	1.98	10.9	12.8	1.17	16.6	24.3	1.47
December.....	54.5	90.7	1.67	26.7	53.5	2.01	10.9	12.7	1.17	16.8	24.5	1.45
1958: January.....	53.8	90.0	1.68	26.4	52.9	2.02	10.7	12.6	1.18	16.7	24.5	1.46
February.....	52.1	89.3	1.72	25.5	52.4	2.06	10.5	12.5	1.20	16.1	24.3	1.51
March.....	51.3	88.5	1.73	24.9	52.0	2.09	10.3	12.4	1.21	16.1	24.1	1.51
April.....	52.1	87.6	1.69	24.9	51.5	2.07	10.7	12.2	1.15	16.5	23.9	1.46
May.....	52.4	86.9	1.66	25.2	50.9	2.03	10.7	12.1	1.14	16.6	23.9	1.44
June.....	53.2	86.4	1.63	25.7	50.2	1.96	10.9	12.1	1.11	16.6	24.1	1.45
July.....	54.0	85.9	1.60	26.3	49.8	1.90	11.0	12.1	1.10	16.7	24.0	1.44
August.....	54.4	85.4	1.58	26.4	49.4	1.88	11.1	12.1	1.09	16.9	23.9	1.42
September.....	54.8	85.0	1.56	26.8	49.3	1.84	11.4	12.1	1.06	16.6	23.7	1.44
October.....	55.6	84.9	1.53	27.2	49.3	1.82	11.5	12.1	1.05	16.9	23.5	1.39
November ⁶	56.2	85.1	1.51	27.6	49.3	1.79	11.6	12.1	1.04	17.0	23.7	1.39
December ⁶	-----	-----	-----	-----	-----	-----	-----	-----	-----	17.5	-----	-----

¹ The series beginning in 1948 are not comparable with the previous years because of changes in definition for the wholesale series. Beginning in 1951, the estimates of retail sales and inventories are based on a new method of estimation adopted by the Bureau of the Census.

² Monthly average shown for year and total for month.

³ Seasonally adjusted, end of period.

⁴ Inventory/sales ratio. For annual periods, ratio of weighted average inventories to average monthly sales; for monthly data, ratio of average end of current and previous months' inventories to sales for month.

⁵ Where December data not available, data for year calculated on basis of no change from November.

⁶ Preliminary.

NOTE.—For a description of the series and their comparability, see *Survey of Current Business*, September and November 1952, January 1954, and June 1957 for retail, and August 1957 for manufacturing and wholesale.

The inventory figures in this table do not agree with the estimates of change in business inventories included in the gross national product since these figures cover only manufacturing and trade rather than all business, and show inventories in terms of current book value without adjustment for revaluation.

Source: Department of Commerce.

TABLE D-35.—*Manufacturers' sales, inventories, and orders, 1939-58*

[Billions of dollars]

Period	Sales ¹		Inventories ²						New orders ¹			Un-filled orders (unad-justed) ³
	Durable goods industries	Non-durable goods industries	Durable-goods industries			Nondurable-goods industries			Total	Durable goods industries	Non-durable goods industries	
			Pur-chased materials	Goods in process	Fin-ished goods	Pur-chased materials	Goods in process	Fin-ished goods				
1939.....	1.9	3.2	1.8	1.5	2.1	2.4	0.8	2.9	5.4	2.2	3.2	7.0
1940.....	2.5	3.4	2.1	2.0	2.2	2.6	.9	3.0	6.8	3.4	3.4	18.4
1941.....	3.8	4.4	3.1	3.2	2.3	4.0	1.2	3.2	9.8	5.3	4.5	37.9
1942.....	5.2	5.3	3.7	4.6	2.2	4.3	1.2	3.3	13.3	8.0	5.3	72.9
1943.....	6.9	6.0	3.9	5.2	2.1	4.5	1.4	3.0	12.7	6.8	5.9	71.5
1944.....	7.3	6.4	3.3	5.0	2.1	4.7	1.4	3.0	11.9	5.5	6.4	49.0
1945.....	6.3	6.6	3.2	3.5	2.1	4.9	1.5	3.2	10.5	3.9	6.6	20.9
1946.....	5.0	7.6	4.5	4.6	2.9	6.5	1.8	4.2	13.7	5.9	7.8	33.8
1947.....	6.7	9.2	5.1	5.2	4.0	7.2	2.2	5.2	15.6	6.4	9.3	30.3
1948.....	7.6	10.0	5.6	5.4	4.7	7.3	2.2	6.5	17.4	7.5	9.9	26.9
1949.....	7.1	9.3	4.6	4.7	4.7	6.5	2.1	6.3	15.9	6.6	9.3	20.8
1950.....	8.8	10.5	6.1	6.0	4.7	8.4	2.5	6.6	21.0	10.3	10.7	41.1
1951.....	10.4	11.9	7.4	8.6	6.8	9.1	2.7	8.2	24.5	12.7	11.8	67.6
1952.....	10.9	11.9	7.3	10.2	6.9	8.6	2.7	8.1	23.6	11.7	11.9	76.3
1953.....	12.4	12.1	7.4	10.7	8.1	8.1	2.7	8.4	23.1	11.0	12.1	59.5
1954.....	11.2	12.3	6.5	9.8	7.7	7.9	2.6	8.4	22.5	10.2	12.3	46.9
1955.....	13.1	13.3	7.4	11.1	8.2	8.1	2.8	8.8	27.2	13.9	13.3	56.9
1956.....	13.8	13.9	8.7	12.8	9.2	8.5	3.0	10.1	28.3	14.4	13.9	64.2
1957.....	14.2	14.2	8.3	12.7	10.1	8.8	3.1	10.5	27.3	13.1	14.2	50.7
1958 ^{4 5}	12.4	13.8	7.7	11.3	8.9	8.6	2.9	9.9	26.0	12.1	13.9	46.4
Seasonally adjusted												
1957:												
January.....	14.9	15.0	8.6	12.8	9.2	8.6	3.0	10.2	28.9	14.2	14.8	64.0
February.....	14.8	14.7	8.7	12.9	9.3	8.7	3.0	10.3	28.6	14.1	14.5	63.7
March.....	14.2	14.2	8.7	13.0	9.4	8.7	3.0	10.4	28.1	13.9	14.2	63.2
April.....	14.3	14.4	8.6	13.4	9.4	8.7	3.0	10.6	27.9	13.2	14.7	61.9
May.....	14.3	14.3	8.5	13.4	9.6	8.9	2.9	10.5	28.4	14.1	14.3	61.1
June.....	14.2	13.9	8.4	13.3	9.7	9.0	3.0	10.5	27.1	13.2	13.8	60.3
July.....	14.6	14.5	8.4	13.5	9.8	9.0	2.9	10.5	27.3	13.0	14.3	59.3
August.....	14.3	14.3	8.4	13.6	9.8	9.0	3.0	10.5	27.3	13.2	14.2	57.8
September.....	14.1	14.1	8.5	13.4	9.8	8.9	2.9	10.5	26.6	12.5	14.0	56.0
October.....	13.9	14.1	8.6	13.2	9.9	8.9	3.0	10.4	26.2	12.2	14.1	53.2
November.....	13.5	13.7	8.6	13.1	9.8	8.9	3.0	10.4	26.0	12.4	13.7	52.0
December.....	13.1	13.6	8.3	12.7	10.1	8.8	3.1	10.5	25.1	11.4	13.7	50.7
1958:												
January.....	12.6	13.7	8.3	12.4	9.9	8.8	3.0	10.5	24.4	10.7	13.7	49.1
February.....	12.0	13.5	8.3	12.1	9.9	8.8	3.0	10.4	24.1	10.7	13.4	47.8
March.....	11.7	13.3	8.1	11.9	9.8	8.8	2.9	10.4	24.8	11.5	13.3	47.5
April.....	11.5	13.4	8.0	11.8	9.7	8.8	2.9	10.4	24.5	10.8	13.7	46.5
May.....	11.6	13.6	7.8	11.6	9.6	8.8	2.9	10.2	25.0	11.4	13.6	46.1
June.....	12.1	13.7	7.6	11.4	9.5	8.8	2.9	10.0	25.8	12.2	13.5	46.4
July.....	12.3	14.0	7.5	11.3	9.5	8.8	2.9	9.8	26.4	12.5	13.9	46.7
August.....	12.4	14.0	7.4	11.3	9.3	8.7	3.0	9.7	26.1	12.2	13.9	46.7
September.....	12.7	14.1	7.5	11.3	9.2	8.6	2.9	9.7	27.0	12.9	14.2	46.2
October.....	12.9	14.2	7.7	11.3	9.0	8.7	2.9	9.8	27.9	13.5	14.4	46.1
November ⁵	13.4	14.2	7.7	11.3	8.9	8.6	2.9	9.9	27.9	13.7	14.2	46.4

¹ Monthly average shown for year and total for month.² Book value, seasonally adjusted, end of period.³ End of period.⁴ Based on data through November.⁵ Preliminary.

NOTE.—See Table D-34 for total sales and inventories of manufacturers.

Source: Department of Commerce.

PRICES

TABLE D-36.—*Wholesale price indexes, 1929–58*

[1947-49=100] ¹

Period	All commodities	Farm products	Processed foods	All commodities other than farm products and foods				
				Total	Textile products and apparel	Chemicals and allied products	Rubber and rubber products	Lumber and wood products
1929	61.9	58.6	58.5	65.5	64.2	(?)	83.5	31.9
1930	56.1	49.3	53.3	60.9	57.1	(?)	73.0	29.4
1931	47.4	36.2	44.8	53.6	47.1	(?)	62.0	23.8
1932	42.1	26.9	36.5	50.2	39.0	(?)	53.8	20.3
1933	42.8	28.7	36.3	50.9	46.0	51.2	56.8	24.2
1934	48.7	36.5	42.6	56.0	51.8	53.7	65.8	28.5
1935	52.0	44.0	52.1	55.7	50.4	56.0	66.4	27.4
1936	52.5	45.2	50.1	56.9	50.8	56.4	71.7	28.7
1937	56.1	48.3	52.4	61.0	54.2	59.0	84.4	33.7
1938	51.1	38.3	45.6	58.4	47.4	55.9	82.7	30.8
1939	50.1	36.5	43.3	58.1	49.5	55.8	86.3	31.6
1940	51.1	37.8	43.6	59.4	52.4	56.6	80.2	35.2
1941	56.8	46.0	50.5	63.7	60.3	61.6	86.5	41.8
1942	64.2	59.2	59.1	68.3	68.9	69.3	100.6	45.4
1943	67.0	68.5	61.6	69.3	69.2	69.5	103.3	48.0
1944	67.6	68.9	60.4	70.4	69.9	70.2	102.0	51.9
1945	68.8	71.6	60.8	71.3	71.1	70.6	98.9	52.5
1946	78.7	83.2	77.6	78.3	82.6	76.3	99.4	60.3
1947	96.4	100.0	98.2	95.3	100.1	101.4	99.0	93.7
1948	104.4	107.3	106.1	103.4	104.4	103.8	102.1	107.2
1949	99.2	92.8	95.7	101.3	95.5	94.8	98.9	99.2
1950	103.1	97.5	99.8	105.0	99.2	96.3	120.5	113.9
1951	114.8	113.4	111.4	115.9	110.6	110.0	148.0	123.9
1952	111.6	107.0	108.8	113.2	99.8	104.5	134.0	120.3
1953	110.1	97.0	104.6	114.0	97.3	105.7	125.0	120.2
1954	110.3	95.6	105.3	114.5	95.2	107.0	126.9	118.0
1955	110.7	89.6	101.7	117.0	95.3	106.6	143.8	123.6
1956	114.3	88.4	101.7	122.2	95.3	107.2	145.8	125.4
1957	117.6	90.9	105.6	125.6	95.4	109.5	145.2	119.0
1958 ²	119.2	94.9	110.9	126.0	93.5	110.4	145.0	117.7
1957: January	116.9	89.3	104.3	125.2	95.8	108.7	145.0	121.3
February	117.0	88.8	103.9	125.5	95.7	108.8	143.9	120.7
March	116.9	88.8	103.7	125.4	95.4	108.8	144.3	120.1
April	117.2	90.6	104.3	125.4	95.3	109.1	144.5	120.2
May	117.1	89.5	104.9	125.2	95.4	109.1	144.7	119.7
June	117.4	90.9	106.1	125.2	95.5	109.3	145.1	119.7
July	118.2	92.8	107.2	125.7	95.4	109.5	144.9	119.3
August	118.4	93.0	106.8	126.0	95.4	109.8	146.9	118.6
September	118.0	91.0	106.5	126.0	95.4	110.2	146.5	117.8
October	117.8	91.5	105.5	125.8	95.1	110.4	146.2	117.3
November	118.1	91.9	106.5	125.9	95.0	110.3	144.7	116.9
December	118.5	92.6	107.4	126.1	94.9	110.6	145.7	116.3
1958: January	118.9	93.7	109.5	126.1	94.6	110.8	145.1	116.3
February	119.0	96.1	109.9	125.7	94.1	110.6	144.6	115.8
March	119.7	100.5	110.7	125.7	94.0	110.7	144.6	115.5
April	119.3	97.7	111.5	125.5	93.7	111.0	144.5	115.7
May	119.5	98.5	112.9	125.3	93.5	110.8	143.8	115.9
June	119.2	95.6	113.5	125.3	93.3	110.7	144.2	116.4
July	119.2	95.0	112.7	125.6	93.3	110.4	144.7	116.8
August	119.1	93.2	111.3	126.1	93.3	110.0	144.4	118.6
September	119.1	93.1	111.1	126.2	93.3	109.9	145.2	120.4
October	119.0	92.3	110.0	126.4	93.2	110.2	146.1	120.8
November	119.2	92.1	109.5	126.8	93.1	110.2	146.6	120.0
December ³	119.2	90.7	108.8	127.2	93.2	110.0	146.7	119.6

See footnotes at end of table, p. 181.

TABLE D-36.—Wholesale price indexes, 1929-58—Continued

[1947-49=100] ¹

Period	All commodities other than farm products and foods (continued)								
	Hides, skins, leather, and leather products	Fuel, power, and lighting materials	Pulp, paper, and allied products	Metals and metal products	Machinery and motive products	Furniture and other household durables	Non-metallic minerals (structural)	Tobacco manufactures and bottled beverages	Miscellaneous products
1929.....	59.3	70.2	(²)	67.0	(²)	69.3	72.6	86.6	(²)
1930.....	54.4	66.5	(²)	60.3	(²)	68.2	72.4	87.1	(²)
1931.....	46.8	57.2	(²)	54.1	(²)	62.8	67.6	84.6	(²)
1932.....	39.7	59.5	(²)	49.9	(²)	55.4	63.4	81.4	(²)
1933.....	44.0	56.1	(²)	50.9	(²)	55.5	66.9	72.8	(²)
1934.....	47.1	62.0	(²)	56.2	(²)	60.2	71.6	76.0	(²)
1935.....	48.7	62.2	(²)	56.2	(²)	59.8	71.6	75.9	(²)
1936.....	51.9	64.5	(²)	57.3	(²)	60.6	71.7	75.8	(²)
1937.....	56.9	65.7	(²)	65.6	(²)	67.2	73.4	76.5	(²)
1938.....	50.5	64.7	(²)	63.1	(²)	65.6	71.1	76.4	(²)
1939.....	52.0	61.8	(²)	62.6	65.3	65.4	69.5	76.4	(²)
1940.....	54.8	60.7	(²)	62.8	66.2	66.8	69.7	77.3	(²)
1941.....	58.9	64.5	(²)	64.0	68.6	71.2	71.3	78.1	(²)
1942.....	64.0	66.4	(²)	64.9	71.2	76.8	74.1	79.1	(²)
1943.....	63.9	68.4	(²)	64.8	71.0	76.4	74.5	83.0	(²)
1944.....	63.4	70.3	(²)	64.8	71.0	78.4	75.9	83.4	(²)
1945.....	64.2	71.1	(²)	65.9	71.6	78.6	79.1	85.8	(²)
1946.....	74.6	76.2	(²)	73.9	80.3	83.0	84.2	89.7	(²)
1947.....	101.0	90.9	98.6	91.3	92.5	95.6	93.9	97.2	100.8
1948.....	102.1	107.1	102.9	103.9	100.9	101.4	101.7	100.5	103.1
1949.....	96.9	101.9	98.5	104.8	106.6	103.1	104.4	102.3	96.1
1950.....	104.6	103.0	100.9	110.3	108.6	105.3	106.9	103.5	96.6
1951.....	120.3	106.7	119.6	122.8	119.0	114.1	113.6	109.4	104.9
1952.....	97.2	106.6	116.5	123.0	121.5	112.0	113.6	111.8	108.3
1953.....	98.5	109.5	116.1	126.9	123.0	114.2	118.2	115.4	97.8
1954.....	94.2	108.1	116.3	128.0	124.6	115.4	120.9	120.6	102.5
1955.....	93.8	107.9	119.3	136.6	128.4	115.9	124.2	121.6	92.0
1956.....	99.3	111.2	127.2	148.4	137.8	119.1	129.6	122.3	91.0
1957.....	99.4	117.2	129.6	151.2	146.1	122.2	134.6	126.1	89.6
1958 ³	100.6	112.7	131.0	150.4	149.8	123.2	136.0	128.2	94.2
1957: January.....	98.4	116.3	128.6	152.2	143.9	121.9	132.0	124.0	93.2
February.....	98.0	119.6	128.5	151.4	144.5	121.9	132.7	124.1	92.4
March.....	98.4	119.2	128.7	151.0	144.8	121.9	133.2	124.1	92.0
April.....	98.6	119.5	128.6	150.1	145.0	121.5	134.6	124.5	91.4
May.....	98.9	118.5	128.9	150.0	145.1	121.6	135.0	124.5	89.4
June.....	99.8	117.2	128.9	150.6	145.2	121.7	135.1	124.7	87.3
July.....	100.6	116.4	129.5	152.4	145.8	122.2	135.2	127.7	88.8
August.....	100.3	116.3	129.9	153.2	146.2	122.4	135.3	127.7	90.1
September.....	100.0	116.1	130.1	152.2	146.9	122.3	135.2	127.7	89.4
October.....	100.1	115.8	130.9	150.8	147.2	122.6	135.3	127.7	87.7
November.....	100.0	115.7	130.9	150.4	149.2	122.7	135.4	127.8	86.8
December.....	99.5	116.2	131.0	150.5	149.4	123.5	135.7	128.0	87.2
1958: January.....	99.5	116.1	130.8	150.0	149.4	123.8	136.4	128.1	88.3
February.....	99.6	113.6	130.8	150.1	149.3	123.6	136.5	128.1	89.3
March.....	99.5	112.4	130.5	149.8	149.2	123.5	135.3	128.0	94.3
April.....	99.7	111.0	130.5	148.6	149.4	123.4	135.4	128.0	97.8
May.....	99.9	110.3	130.5	148.6	149.4	123.2	135.4	128.0	96.2
June.....	100.3	110.7	130.5	148.8	149.5	123.0	135.2	128.0	93.7
July.....	100.3	111.9	131.0	148.8	149.5	123.2	135.3	128.0	97.2
August.....	100.5	113.7	131.0	150.8	149.5	123.0	135.2	128.0	95.6
September.....	100.2	114.1	131.7	151.3	149.4	123.0	136.7	128.0	92.5
October.....	101.4	113.0	131.9	152.2	149.9	123.0	136.7	128.8	91.2
November.....	102.3	112.6	131.9	153.0	151.2	122.7	136.7	128.7	93.2
December ³	103.6	112.9	131.4	153.0	151.5	122.8	136.9	128.7	100.9

¹ This does not replace the former index (1926=100) as the official index prior to January 1952. These data from January 1947 through December 1951 represent the revised sample and the 1947-49 weighting pattern. Prior to January 1947 they are based on the month-to-month movement of the former index.

² Not available.

³ Preliminary.

Source: Department of Labor.

TABLE D-37.—Wholesale price indexes, by stage of processing, 1947-58

[1947-49=100]

Period	All commodities	Crude materials				Intermediate materials, supplies, and components ¹						
		Total	Food-stuffs and feed-stuffs	Non-food materials, except fuel	Fuel	Total	Materials and components for manufacturing					Materials and components for construction
							Total	Materials for food manufacturing	Materials for non-durable manufacturing	Materials for durable manufacturing	Components for manufacturing	
1947.....	96.4	98.6	100.7	96.0	89.4	96.2	96.4	102.8	99.2	91.2	94.4	93.3
1948.....	104.4	108.0	108.8	106.8	105.6	104.0	104.0	106.0	105.0	103.0	101.9	103.2
1949.....	99.2	93.4	90.5	97.2	105.0	99.9	99.6	91.2	95.8	105.8	103.8	103.5
1950.....	103.1	101.8	97.0	111.0	104.6	104.3	104.5	94.9	100.5	111.9	107.6	108.9
1951.....	114.8	116.9	112.3	128.1	106.5	116.9	118.4	105.7	116.5	124.3	122.2	119.1
1952.....	111.6	107.4	105.7	110.9	107.2	113.5	113.4	101.5	104.8	124.6	122.5	118.3
1953.....	110.1	99.2	94.6	106.2	111.0	114.1	115.2	101.8	104.0	130.1	124.7	120.2
1954.....	110.3	98.3	94.7	104.2	106.0	114.8	115.4	100.9	102.3	133.1	125.3	120.9
1955.....	110.7	94.5	85.7	110.1	105.8	117.0	118.2	97.7	102.7	139.7	130.9	125.6
1956.....	114.3	95.0	84.0	114.2	113.3	122.1	123.7	98.0	104.3	148.5	142.9	132.0
1957.....	117.6	97.2	87.7	112.5	119.7	125.1	126.9	99.9	105.7	153.2	148.3	132.9
1958 ⁴	119.2	99.4	92.8	108.4	121.2	125.3	127.2	102.2	104.7	154.3	149.5	132.9
1957:												
January....	116.9	97.4	86.3	115.8	120.8	124.8	126.4	101.1	105.4	152.1	147.5	132.8
February....	117.0	96.7	85.9	114.2	121.7	125.1	126.5	100.4	105.5	152.6	147.4	132.8
March.....	116.9	96.7	86.5	113.4	119.9	124.9	126.3	99.6	105.2	152.5	147.6	132.7
April.....	117.2	97.1	88.0	111.6	120.0	125.0	126.3	99.0	105.4	152.5	147.9	132.8
May.....	117.1	96.5	86.9	112.0	119.3	124.7	126.2	98.5	105.6	152.0	148.0	132.6
June.....	117.4	98.8	89.1	115.0	118.1	124.5	126.2	99.2	105.9	151.6	147.7	132.6
July.....	118.2	99.7	90.4	115.2	118.0	125.2	127.1	100.1	105.8	153.8	148.3	133.3
August.....	118.4	99.6	90.3	115.0	118.0	125.5	127.4	99.5	105.9	154.7	148.8	133.4
September..	118.0	97.0	87.3	112.6	118.6	125.4	127.4	99.6	106.0	154.3	149.4	133.1
October....	117.8	95.3	86.1	109.9	119.0	125.2	127.3	99.6	106.0	154.2	148.9	133.0
November..	118.1	95.3	86.8	108.1	120.5	125.3	127.5	100.8	105.8	154.2	149.2	133.0
December..	118.5	96.4	88.5	107.7	122.4	125.4	127.6	101.6	105.8	154.2	149.3	132.9
1958:												
January....	118.9	97.5	90.3	107.6	123.0	125.4	127.5	102.4	105.7	153.8	149.3	133.0
February....	119.0	99.5	93.2	107.9	123.5	125.0	127.3	102.5	105.4	153.6	149.1	132.6
March.....	119.7	101.5	96.7	107.1	123.4	125.0	127.1	102.4	105.2	153.5	148.8	131.9
April.....	119.3	100.3	95.4	106.3	117.9	125.1	126.9	103.2	105.0	152.9	148.5	131.8
May.....	119.5	101.7	97.7	106.0	117.9	124.9	126.8	103.5	104.6	152.9	149.0	132.0
June.....	119.2	100.7	95.7	107.0	118.2	124.7	126.9	103.4	104.5	152.9	149.4	132.1
July.....	119.2	100.0	94.3	107.7	118.8	125.0	126.7	102.6	104.3	152.9	149.5	132.1
August.....	119.1	99.1	92.1	109.3	120.6	125.3	127.2	101.8	104.2	155.0	149.5	132.7
September..	119.1	98.4	90.7	109.6	121.8	125.4	127.3	101.5	104.1	155.4	149.8	133.7
October....	119.0	98.0	89.3	111.1	123.1	125.4	127.6	101.4	104.2	156.2	150.2	134.2
November..	119.2	98.4	89.9	111.2	123.0	125.7	127.8	101.2	104.3	156.6	150.7	134.1
December ⁴ ..	119.2	97.1	88.4	110.1	123.5	126.3	127.8	100.4	104.5	156.5	150.7	134.1

See footnotes at end of table, p. 183.

TABLE D-37.—Wholesale price indexes, by stage of processing, 1947-58—Continued

[1947-49=100]

Period	Finished goods						Special groups of industrial products		
	Total	Consumer finished goods				Pro-ducer finished goods	Crude materials ¹	Inter-mediate materials, supplies, and components ²	Con-sumer finished goods ex-cluding foods
		Total	Foods	Other non-durable goods	Du-rable goods				
1947.....	95.9	96.8	97.0	97.4	94.8	92.8	92.9	95.3	96.6
1948.....	103.5	104.1	105.8	103.5	101.3	101.1	108.5	103.7	102.8
1949.....	100.6	99.2	97.2	99.2	104.0	106.1	98.6	101.0	100.6
1950.....	102.4	100.9	99.2	100.8	105.0	108.7	109.9	105.7	102.1
1951.....	112.1	110.3	111.3	108.5	112.1	119.3	120.8	118.5	109.6
1952.....	111.5	109.0	110.4	105.9	113.0	121.3	109.3	114.7	108.0
1953.....	110.4	107.1	104.6	106.9	113.8	123.1	108.5	116.2	108.9
1954.....	110.7	107.1	103.8	107.2	114.7	124.7	103.3	116.7	109.4
1955.....	110.9	106.4	101.1	107.8	115.9	128.5	113.4	120.1	110.2
1956.....	114.0	108.0	101.0	109.9	119.7	138.1	120.0	126.0	112.8
1957.....	118.1	111.1	104.5	112.4	123.3	146.7	118.3	129.3	115.7
1958 ⁴	120.8	113.5	110.5	111.7	125.0	150.3	113.7	129.1	115.8
1957: January.....	116.7	109.9	102.3	111.8	122.9	144.3	123.5	128.7	115.2
February.....	117.0	110.2	101.8	112.9	123.0	144.7	121.2	129.0	115.9
March.....	116.9	109.9	101.3	112.7	122.9	145.1	119.7	129.0	115.8
April.....	117.4	110.5	102.7	112.8	122.7	145.3	117.1	129.1	115.8
May.....	117.4	110.5	103.1	112.5	122.7	145.5	117.6	129.0	115.5
June.....	117.6	110.7	104.2	112.0	122.7	145.5	121.4	128.9	115.3
July.....	118.5	111.6	106.2	112.2	122.9	146.4	121.3	129.5	115.4
August.....	118.6	111.6	106.2	112.2	123.1	147.2	121.2	129.8	115.5
September.....	118.8	111.6	106.0	112.4	123.0	147.8	118.3	129.8	115.6
October.....	119.0	111.8	106.2	112.4	123.5	148.4	114.4	129.8	115.7
November.....	119.6	112.2	106.8	112.3	124.7	149.8	112.1	129.8	116.1
December.....	119.9	112.5	107.2	112.6	124.9	150.1	112.5	129.8	116.3
1958: January.....	120.6	113.3	109.2	112.5	125.1	150.1	112.2	129.7	116.3
February.....	120.6	113.3	110.1	111.8	124.9	150.1	112.9	129.2	115.8
March.....	121.4	114.4	113.1	111.5	124.9	150.0	112.0	128.8	115.6
April.....	120.9	113.7	111.9	111.1	124.8	150.1	110.2	128.6	115.3
May.....	121.0	113.9	112.5	110.9	124.7	150.0	109.7	128.5	115.2
June.....	120.7	113.6	111.6	111.0	124.7	150.0	111.2	128.5	115.2
July.....	120.8	113.7	111.5	111.4	124.7	150.0	112.4	128.5	115.5
August.....	120.6	113.3	110.0	112.0	124.7	150.0	114.7	129.1	115.8
September.....	120.9	113.7	110.8	112.2	124.6	150.1	115.9	129.4	116.0
October.....	120.6	113.3	109.6	112.2	125.0	150.3	117.8	129.6	116.1
November.....	120.6	113.0	108.5	112.0	126.0	151.6	118.5	129.7	116.3
December ⁴	120.5	112.8	107.7	112.1	126.2	151.9	116.5	129.8	116.5

¹ Includes, in addition to subgroups shown, processed fuels and lubricants, containers, and supplies.² Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.³ Excludes intermediate materials for food manufacturing and manufactured animal feeds.⁴ Preliminary.NOTE.—For a listing of the commodities included in each sector and their relative importance, see *Monthly Labor Review*, December 1955.

Source: Department of Labor.

TABLE D-38.—Consumer price indexes, 1929–58

For city wage-earner and clerical-worker families

[1947-49=100]

Period	All items	Food	Housing		Apparel	Transportation	Medical care	Personal care	Reading and recreation	Other goods and services
			Total	Rent						
1929.....	73.3	65.6	(1)	117.4	60.3	(1)	(1)	(1)	(1)	(1)
1930.....	71.4	62.4	(1)	114.2	58.9	(1)	(1)	(1)	(1)	(1)
1931.....	65.0	51.4	(1)	108.2	53.6	(1)	(1)	(1)	(1)	(1)
1932.....	58.4	42.8	(1)	97.1	47.5	(1)	(1)	(1)	(1)	(1)
1933.....	55.3	41.6	(1)	83.6	45.9	(1)	(1)	(1)	(1)	(1)
1934.....	57.2	46.4	(1)	78.4	50.2	(1)	(1)	(1)	(1)	(1)
1935.....	58.7	49.7	71.8	78.2	50.6	69.6	71.4	54.6	58.1	67.2
1936.....	59.3	50.1	72.8	80.1	51.0	70.2	71.6	55.3	59.1	67.0
1937.....	61.4	52.1	75.4	83.8	53.7	71.3	72.3	58.5	60.8	68.8
1938.....	60.3	48.4	76.6	86.5	53.4	71.9	72.5	59.8	62.9	69.4
1939.....	59.4	47.1	76.1	86.6	52.5	70.2	72.6	59.6	63.0	70.6
1940.....	59.9	47.8	76.4	86.9	53.2	69.8	72.7	59.5	64.1	72.8
1941.....	62.9	52.2	78.3	88.4	55.6	72.2	73.1	61.0	66.4	74.2
1942.....	69.7	61.3	81.8	90.4	64.9	78.5	75.1	66.9	69.5	76.3
1943.....	74.0	68.3	82.8	90.3	67.8	78.2	78.7	73.8	75.3	80.2
1944.....	75.2	67.4	84.7	90.6	72.6	78.2	81.2	79.0	83.4	82.4
1945.....	76.9	68.9	86.1	90.9	76.3	78.1	83.1	81.5	86.8	85.7
1946.....	83.4	79.0	88.3	91.4	83.7	82.1	87.7	87.4	89.7	88.6
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
1955.....	114.5	110.9	120.0	130.3	103.7	126.4	128.0	115.3	106.6	120.2
1956.....	116.2	111.7	121.7	132.7	105.5	128.7	132.6	120.0	108.1	122.0
1957.....	120.2	115.4	125.6	135.2	106.9	136.0	138.0	124.4	112.2	125.5
1958 ¹	123.4	120.4	127.7	137.7	106.9	140.1	144.1	128.6	116.7	127.2
1957: January.....	118.2	112.8	123.8	134.2	106.4	133.6	135.3	122.1	109.9	123.8
February.....	118.7	113.6	124.5	134.2	106.1	134.4	135.5	122.6	110.0	124.0
March.....	118.9	113.2	124.9	134.4	106.8	135.1	136.4	122.9	110.5	124.2
April.....	119.3	113.8	125.2	134.5	106.5	135.5	136.9	123.3	111.8	124.2
May.....	119.6	114.6	125.3	134.7	106.5	135.3	137.3	123.4	111.4	124.3
June.....	120.2	116.2	125.5	135.0	106.6	135.3	137.9	124.2	111.8	124.6
July.....	120.8	117.4	125.5	135.2	106.5	135.8	138.4	124.7	112.4	126.6
August.....	121.0	117.9	125.7	135.4	106.6	135.9	138.6	124.9	112.6	126.7
September.....	121.1	117.0	126.3	135.7	107.3	135.9	139.0	125.1	113.3	126.7
October.....	121.1	116.4	126.6	136.0	107.7	135.8	139.7	126.2	113.4	126.8
November.....	121.6	116.0	126.8	136.3	107.9	140.0	140.3	126.7	114.4	126.8
December.....	121.6	116.1	127.0	136.7	107.6	138.9	140.8	127.0	114.6	126.8
1958: January.....	122.3	118.2	127.1	136.8	106.9	138.7	141.7	127.8	116.6	127.0
February.....	122.5	118.7	127.3	137.0	106.8	138.5	141.9	128.0	116.6	127.0
March.....	123.3	120.8	127.5	137.1	106.8	138.7	142.3	128.3	117.0	127.2
April.....	123.5	121.6	127.7	137.3	106.7	138.3	142.7	128.5	117.0	127.2
May.....	123.6	121.6	127.8	137.5	106.7	138.7	143.7	128.5	116.6	127.2
June.....	123.7	121.6	127.8	137.7	106.7	138.9	143.9	128.6	116.7	127.2
July.....	123.9	121.7	127.7	137.8	106.7	140.3	144.6	128.9	116.6	127.2
August.....	123.7	120.7	127.9	138.1	106.6	141.0	145.0	128.9	116.7	127.1
September.....	123.7	120.3	127.9	138.2	107.1	141.3	146.1	128.7	116.6	127.1
October.....	123.7	119.7	127.9	138.3	107.3	142.7	146.7	128.8	116.6	127.2
November.....	123.9	119.4	128.0	138.4	107.7	144.5	147.0	129.1	117.0	127.3

¹ Not available.² January–November average.

Source: Department of Labor.

TABLE D-39.—Consumer price indexes, by selected major groups, 1935-58

For city wage-earner and clerical-worker families

[1947-49=100]

Period	All items	All items less food	All items less shelter	Commodities					Services		
				All commodities	Food	Commodities less food			All services	Rent	All services less rent
						All	Durables	Non-durables			
1935.....	58.7	65.8	55.5	52.0	49.7	57.3	53.3	57.1	75.6	78.2	72.6
1936.....	59.3	66.5	56.2	52.7	50.1	57.9	54.1	57.6	76.4	80.1	72.2
1937.....	61.4	68.9	58.0	54.7	52.1	60.4	57.5	59.9	78.7	83.8	72.9
1938.....	60.3	69.6	56.4	52.7	48.4	60.4	58.5	59.6	80.3	86.5	73.5
1939.....	59.4	69.1	55.4	51.6	47.1	59.4	57.3	58.7	80.4	86.6	73.5
1940.....	59.9	69.4	55.8	52.1	47.8	59.8	56.8	59.3	80.6	86.9	73.6
1941.....	62.9	71.4	59.1	55.7	52.2	62.7	60.7	61.8	81.6	88.4	74.5
1942.....	69.7	76.4	66.6	63.8	61.3	69.8	68.9	68.4	84.2	90.4	77.8
1943.....	74.0	78.5	71.6	69.4	68.3	72.7	71.2	71.3	85.8	90.3	81.3
1944.....	75.2	81.5	72.9	70.2	67.4	76.7	77.8	74.9	87.9	90.6	85.2
1945.....	76.9	83.4	74.8	72.3	68.9	79.7	83.7	77.6	89.0	90.9	87.0
1946.....	83.4	87.0	82.3	80.1	79.0	84.7	87.5	83.3	90.8	91.4	90.2
1947.....	95.5	95.1	95.6	96.3	95.9	95.7	94.9	95.7	94.5	94.4	94.7
1948.....	102.8	101.9	103.1	103.2	104.1	102.9	101.8	103.1	100.4	100.7	100.1
1949.....	101.8	103.0	101.3	100.6	100.0	101.5	103.3	101.1	105.1	105.0	105.2
1950.....	102.8	104.2	102.0	101.2	101.2	101.3	104.4	100.9	108.5	108.8	108.1
1951.....	111.0	110.8	110.5	110.3	112.6	108.9	112.4	108.5	114.1	113.1	114.6
1952.....	113.5	113.5	112.7	111.7	114.6	109.8	113.8	109.1	119.3	117.9	120.1
1953.....	114.4	115.7	113.1	111.3	112.8	110.0	112.6	110.1	124.2	124.1	124.6
1954.....	114.8	116.4	113.0	110.2	112.6	108.6	108.3	110.6	127.5	128.5	127.7
1955.....	114.5	116.7	112.4	109.0	110.9	107.5	105.1	110.6	129.8	130.3	130.1
1956.....	116.2	118.8	114.0	110.1	111.7	108.9	105.1	113.0	132.6	132.7	133.0
1957.....	120.2	122.8	117.8	113.6	115.4	112.3	108.8	116.1	137.7	135.2	138.6
1958 ¹	123.4	125.4	121.2	116.3	120.4	113.3	110.3	116.9	142.3	137.7	143.7
1957: January.....	118.2	121.0	115.9	111.9	112.8	111.2	108.2	114.7	135.0	134.2	135.6
February.....	118.7	121.5	116.4	112.3	113.6	111.4	108.3	115.0	135.7	134.2	136.5
March.....	118.9	122.0	116.5	112.4	113.2	111.9	108.6	115.6	136.3	134.4	137.1
April.....	119.3	122.3	116.9	112.8	113.8	112.1	108.8	115.8	136.7	134.5	137.6
May.....	119.6	122.3	117.1	113.0	114.6	111.8	108.3	115.6	137.2	134.7	138.1
June.....	120.2	122.5	117.8	113.7	116.2	111.9	108.4	115.8	137.5	135.0	138.4
July.....	120.8	122.8	118.5	114.4	117.4	112.2	108.2	116.3	137.9	135.2	138.9
August.....	121.0	123.0	118.7	114.6	117.9	112.1	108.4	116.0	138.3	135.4	139.3
September.....	121.1	123.4	118.7	114.5	117.0	112.6	108.6	116.7	138.8	135.7	139.8
October.....	121.1	123.7	118.6	114.3	116.4	112.8	108.6	117.0	139.2	136.0	140.3
November.....	121.6	124.6	119.2	114.7	116.0	113.8	110.9	117.4	139.8	136.3	140.9
December.....	121.6	124.5	119.2	114.7	116.1	113.6	110.3	117.3	140.0	136.7	141.1
1958: January.....	122.3	124.7	120.0	115.4	118.2	113.5	110.5	117.0	140.5	136.8	141.7
February.....	122.5	124.8	120.2	115.5	118.7	113.2	110.3	116.7	141.0	137.0	142.3
March.....	123.3	125.0	121.0	116.4	120.8	113.1	109.6	116.9	141.7	137.1	143.1
April.....	123.5	125.0	121.2	116.6	121.6	112.8	109.6	116.6	142.1	137.3	143.5
May.....	123.6	125.1	121.3	116.6	121.6	112.9	109.7	116.5	142.3	137.5	143.8
June.....	123.7	125.2	121.4	116.6	121.6	112.9	109.6	116.7	142.3	137.7	143.8
July.....	123.9	125.4	121.6	116.8	121.7	113.1	109.8	116.9	142.6	137.8	144.1
August.....	123.7	125.6	121.4	116.4	120.7	113.2	109.9	116.9	143.0	138.1	144.4
September.....	123.7	125.8	121.5	116.4	120.3	113.5	110.3	117.2	143.0	138.2	144.4
October.....	123.7	126.0	121.5	116.4	119.7	113.9	111.2	117.2	143.1	138.3	144.5
November.....	123.9	126.5	121.7	116.6	119.4	114.5	112.8	117.1	143.4	138.4	144.8

¹ January-November average.

Source: Department of Labor.

MONEY SUPPLY, CREDIT, AND FINANCE

TABLE D-40.—*Deposits and currency, 1929-58*

[Billions of dollars]

End of period	Total deposits and currency	U. S. Government deposits ¹	Total excluding U. S. Government deposits ²					Demand deposits and currency, seasonally adjusted		
			Total	Time deposits ³	Demand deposits and currency			Total	Demand deposits adjusted ⁴	Currency outside banks
					Total	Demand deposits adjusted ⁴	Currency outside banks			
1929.....	54.7	0.2	54.6	28.2	26.4	22.8	3.6			
1930.....	53.6	.3	53.2	28.7	24.6	21.0	3.6			
1931.....	48.4	.5	47.9	26.0	21.9	17.4	4.5			
1932.....	45.4	.5	44.9	24.5	20.4	15.7	4.7			
1933.....	42.6	1.0	41.5	21.7	19.8	15.0	4.8			
1934.....	48.1	1.8	46.3	23.2	23.1	18.5	4.7			
1935.....	52.7	1.5	51.3	24.2	27.0	22.1	4.9			
1936.....	57.6	1.2	56.4	25.4	31.0	25.5	5.5			
1937.....	56.8	1.0	55.8	26.2	29.6	24.0	5.6			
1938.....	59.9	1.8	58.1	26.3	31.8	26.0	5.8			
1939.....	64.7	1.5	63.3	27.1	36.2	29.8	6.4			
1940.....	71.1	1.1	70.0	27.7	42.3	34.9	7.3			
1941.....	79.1	2.8	76.3	27.7	48.6	39.0	9.6			
1942.....	100.5	9.2	91.3	28.4	62.9	48.9	13.9			
1943.....	123.4	11.0	112.4	32.7	79.6	60.8	18.8			
1944.....	151.4	21.2	130.2	39.8	90.4	66.9	23.5			
1945.....	176.4	25.6	150.8	48.5	102.3	75.9	26.5			
1946.....	167.5	3.5	164.0	54.0	110.0	83.3	26.7			
1947.....	172.3	2.3	170.0	56.4	113.6	87.1	26.5			
1948.....	172.7	3.6	169.1	57.5	111.6	85.5	26.1			
1949.....	173.9	4.1	169.8	58.6	111.2	85.8	25.4			
1950.....	180.6	3.7	176.9	59.2	117.7	92.3	25.4			
1951.....	189.9	3.9	186.0	61.5	124.5	98.2	26.3			
1952.....	200.4	5.6	194.8	65.8	129.0	101.5	27.5			
1953.....	205.7	4.8	200.9	70.4	130.5	102.5	28.1			
1954.....	214.8	5.1	209.7	75.3	134.4	106.6	27.9			
1955.....	221.0	4.4	216.6	78.4	138.2	109.9	28.3			
1956.....	226.4	4.5	222.0	82.2	139.7	111.4	28.3			
1957.....	232.3	4.7	227.7	89.1	138.6	110.3	28.3			
1958 ⁵	245.9	4.9	241.0	97.8	143.1	114.5	28.6			
1957: January.....	222.4	2.5	219.9	82.9	136.9	109.5	27.4	134.1	106.5	27.6
February.....	221.1	3.1	218.0	83.6	134.4	107.0	27.4	134.5	106.9	27.6
March.....	221.5	4.3	217.2	84.6	132.6	105.2	27.4	134.7	107.0	27.7
April.....	224.3	4.7	219.6	84.9	134.7	107.3	27.4	135.0	107.3	27.7
May.....	224.2	5.8	218.4	85.7	132.7	104.8	27.9	134.6	106.6	28.0
June.....	224.9	5.2	219.7	86.4	133.3	105.6	27.8	135.2	107.3	27.9
July.....	225.2	4.2	221.0	86.7	134.3	106.6	27.8	136.0	108.0	28.0
August.....	225.0	4.9	220.0	87.1	132.9	105.1	27.8	134.7	106.8	27.9
September.....	225.4	4.5	220.9	87.7	133.3	105.5	27.8	133.9	106.2	27.7
October.....	226.9	3.9	223.0	88.1	134.9	107.2	27.8	134.2	106.5	27.7
November.....	227.0	3.8	223.3	87.6	135.7	107.2	28.5	134.0	105.9	28.1
December.....	232.3	4.7	227.7	89.1	138.6	110.3	28.3	133.2	105.1	28.1
1958: January.....	227.7	2.9	224.8	89.8	135.0	107.6	27.3	132.2	104.7	27.5
February.....	228.0	4.2	223.9	90.9	133.0	105.6	27.4	133.1	105.5	27.6
March.....	230.9	6.4	224.5	92.5	132.0	104.6	27.4	134.0	106.4	27.6
April.....	234.4	6.0	228.4	93.6	134.8	107.2	27.6	135.0	107.2	27.8
May.....	234.2	6.1	228.1	94.6	133.5	105.8	27.8	135.5	107.6	27.9
June.....	239.5	10.0	229.5	95.5	134.0	106.2	27.8	135.4	107.4	28.0
July ⁵	237.2	4.8	232.4	96.5	135.9	108.1	27.9	137.6	109.5	28.1
August ⁵	238.7	6.2	232.5	97.0	135.5	107.5	28.0	137.3	109.2	28.1
September ⁵	238.1	5.0	233.1	97.2	135.9	108.1	27.9	136.7	108.9	27.8
October ⁵	240.5	4.2	236.2	97.4	138.8	110.8	28.0	137.9	110.0	27.9
November ⁵	243.4	6.3	237.0	96.7	140.3	111.6	28.8	138.5	110.3	28.2
December ⁵	245.9	4.9	241.0	97.8	143.1	114.5	28.6	138.3	110.5	28.0

¹ Includes U. S. Government deposits at Federal Reserve Banks and commercial and savings banks and, beginning with 1933, includes U. S. Treasurer's time deposits, open account.

² Includes holdings of State and local governments.

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

⁴ Includes demand deposits, other than interbank and U. S. Government, less cash items in process of collection.

⁵ Preliminary; December estimates by Council of Economic Advisers.

NOTE.—Monthly data are for the last Wednesday of the month, except the unadjusted data for December 1957 and June and December 1958, which are for call dates. All end-of-year figures are for call dates.

Detail will not necessarily add to total because of rounding.

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

TABLE D-41.—*Loans and investments of all commercial banks, 1929-58*

[Billions of dollars]

End of period ¹	Total loans and invest- ments	Loans		Investments		
		Total ²	Business loans ³	Total	U. S. Gov- ernment obligations ⁴	Other securities
1929—June ⁵	49.4	35.7	(⁶)	13.7	4.9	8.7
1930—June ⁵	48.9	34.5	(⁶)	14.4	5.0	9.4
1931—June ⁵	44.9	29.2	(⁶)	15.7	6.0	9.7
1932—June ⁵	36.1	21.8	(⁶)	14.3	6.2	8.1
1933—June ⁵	30.4	16.3	(⁶)	14.0	7.5	6.5
1934—June ⁵	32.7	15.7	(⁶)	17.0	10.3	6.7
1935.....	36.1	15.2	(⁶)	20.9	13.8	7.1
1936.....	39.6	16.4	(⁶)	23.1	15.3	7.9
1937.....	38.4	17.2	(⁶)	21.2	14.2	7.0
1938.....	38.7	16.4	5.7	22.3	15.1	7.2
1939.....	40.7	17.2	6.4	23.4	16.3	7.1
1940.....	43.9	18.8	7.3	25.1	17.8	7.4
1941.....	50.7	21.7	9.3	29.0	21.8	7.2
1942.....	67.4	19.2	7.9	48.2	41.4	6.8
1943.....	85.1	19.1	7.9	66.0	59.8	6.1
1944.....	105.5	21.6	8.0	83.9	77.6	6.3
1945.....	124.0	26.1	9.6	97.9	90.6	7.3
1946.....	114.0	31.1	14.2	82.9	74.8	8.1
1947.....	116.3	38.1	18.2	78.2	69.2	9.0
1948.....	114.3	42.5	18.9	71.8	62.6	9.2
1949.....	120.2	43.0	17.1	77.2	67.0	10.2
1950.....	126.7	52.2	21.9	74.4	62.0	12.4
1951.....	132.6	57.7	25.9	74.9	61.5	13.3
1952.....	141.6	64.2	27.9	77.5	63.3	14.1
1953.....	145.7	67.6	27.2	78.1	63.4	14.7
1954.....	155.9	70.6	26.9	85.3	69.0	16.3
1955.....	160.9	82.6	33.2	78.3	61.6	16.7
1956.....	165.1	90.3	38.7	74.8	58.6	16.3
1957.....	170.1	93.9	40.5	76.2	58.2	17.9
1958 ⁷	184.5	97.9	40.1	86.5	66.1	20.4
1957: January.....	162.8	88.9	37.6	73.9	57.7	16.2
February.....	162.5	89.3	37.8	73.2	56.8	16.3
March.....	162.9	90.6	39.0	72.2	55.7	16.5
April.....	165.1	91.0	39.0	74.1	57.5	16.7
May.....	165.1	91.2	38.9	73.9	57.1	16.8
June.....	165.6	93.3	40.5	72.3	55.5	16.8
July.....	165.4	92.3	39.6	73.0	56.3	16.8
August.....	165.9	92.8	39.9	73.1	56.2	16.9
September.....	166.3	93.4	40.3	72.9	55.9	17.1
October.....	167.9	93.0	39.7	74.9	57.3	17.6
November.....	167.3	92.9	39.6	74.3	56.9	17.4
December.....	170.1	93.9	40.5	76.2	58.2	17.9
1958: January.....	167.7	92.0	38.8	75.6	57.7	17.9
February.....	168.6	92.1	38.6	76.5	58.3	18.2
March.....	171.4	93.0	39.2	78.4	59.6	18.9
April.....	175.6	93.5	38.4	82.1	62.8	19.3
May.....	175.4	92.9	38.1	82.5	63.1	19.4
June.....	179.9	95.6	38.9	84.3	64.2	20.1
July ⁷	177.6	93.6	37.9	84.0	64.1	19.9
August ⁷	180.0	93.8	38.3	86.2	66.1	20.2
September ⁷	179.5	94.2	38.7	85.3	64.7	20.6
October ⁷	181.4	94.9	38.8	86.5	66.0	20.5
November ⁷	183.6	96.0	39.2	87.6	67.3	20.3
December ⁷	184.5	97.9	40.1	86.5	66.1	20.4

¹ End-of-year, December 1957, June and December 1958 figures are for call dates. Other data (including those for June 1957) are for the last Wednesday of the month.

² Data are shown net, i. e., after deduction of valuation reserves. Includes commercial and industrial, agricultural, security, real estate, bank, consumer, and other loans.

³ Beginning with 1948, data are shown gross of valuation reserves, instead of net as for previous years. Prior to June 1947 and for months other than June and December, data are estimated on the basis of reported data for all insured commercial banks and for weekly reporting member banks.

⁴ Figures in this table are based on book values and relate only to banks within the continental United States. Therefore, they do not agree with figures in Table D-49, which are on the basis of par values and include holdings of banks in United States Territories and possessions.

⁵ June data are used because complete end-of-year data are not available prior to 1935 for U. S. Government obligations and other securities.

⁶ Not available.

⁷ Preliminary; December estimates 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).

TABLE D-42.—Federal Reserve Bank credit and member bank reserves, 1929–58

[Averages of daily figures, millions of dollars]

Period	Reserve Bank credit outstanding				Member bank reserves			Member bank free reserves (excess reserves less borrowings)
	Total	U. S. Government securities	Member bank borrowings	All other, mainly float	Total	Required	Excess	
1929.....	1,459	208	943	308	2,358	2,315	43	—900
1930.....	1,087	564	271	252	2,379	2,324	55	—216
1931.....	1,274	669	323	282	2,323	2,234	89	—234
1932.....	2,077	1,461	518	98	2,114	1,858	256	—262
1933.....	2,429	2,052	234	143	2,343	¹ 1,815	¹ 528	294
1934.....	2,502	2,432	29	41	3,676	¹ 2,112	¹ 1,564	1,535
1935.....	2,475	2,431	7	37	5,001	2,532	2,469	2,462
1936.....	2,481	2,431	6	44	5,989	3,477	2,512	2,506
1937.....	2,554	2,504	14	36	6,830	5,610	1,220	1,206
1938.....	2,600	2,565	9	26	7,935	5,413	2,522	2,513
1939.....	2,628	2,584	4	40	10,352	5,960	4,392	4,388
1940.....	2,487	2,417	3	67	13,249	6,923	6,326	6,323
1941.....	2,293	2,187	5	101	13,404	8,080	5,324	5,319
1942.....	3,408	3,191	5	212	12,648	9,980	2,668	2,663
1943.....	8,182	7,724	24	434	12,626	11,116	1,510	1,486
1944.....	15,358	14,772	135	451	13,222	12,176	1,046	911
1945.....	22,211	21,363	366	482	15,055	13,934	1,121	755
1946.....	24,029	23,250	215	564	15,969	14,993	976	761
1947.....	22,989	22,330	156	503	16,461	15,608	853	697
1948.....	22,283	21,511	140	632	18,001	17,164	837	697
1949.....	20,161	19,560	115	486	17,774	16,952	822	707
1950.....	19,062	18,410	106	546	16,400	15,617	783	677
1951.....	24,070	22,756	289	1,025	19,293	18,536	757	468
1952.....	24,801	23,066	780	955	20,356	19,642	714	—96
1953.....	26,262	24,661	768	833	19,996	19,319	677	—91
1954.....	25,602	24,646	147	809	19,276	18,501	775	628
1955.....	25,472	23,891	607	974	18,843	18,257	586	—21
1956.....	25,702	23,709	831	1,162	18,965	18,403	562	—269
1957.....	25,373	23,345	837	1,191	19,021	18,504	517	—320
1958.....	25,982	24,654	294	1,032	18,647	² 18,056	² 592	² 288
1957: January.....	25,905	24,092	407	1,406	19,295	18,773	523	117
February.....	24,912	23,111	640	1,161	18,816	18,302	514	—126
March.....	24,968	23,061	834	1,073	18,884	18,366	518	—316
April.....	25,411	23,239	1,011	1,161	19,087	18,580	506	—505
May.....	25,041	23,041	909	1,091	18,827	18,362	465	—444
June.....	25,189	22,989	1,005	1,195	18,982	18,485	496	—508
July.....	25,466	23,351	917	1,198	19,129	18,595	534	—383
August.....	25,166	23,146	1,005	1,015	18,834	18,300	534	—471
September.....	25,489	23,325	988	1,176	18,956	18,434	522	—467
October.....	25,326	23,348	811	1,167	19,040	18,573	467	—344
November.....	25,373	23,417	804	1,152	18,958	18,447	512	—293
December.....	26,186	23,982	710	1,494	19,420	18,843	577	—133
1958: January.....	25,229	23,608	451	1,170	19,296	18,723	573	122
February.....	24,568	23,378	242	948	19,000	18,434	567	324
March.....	24,559	23,486	138	935	18,730	18,097	633	495
April.....	24,682	23,649	130	903	18,394	17,772	623	493
May.....	24,939	23,939	119	881	18,223	17,557	666	547
June.....	25,851	24,749	142	960	18,600	17,974	626	484
July.....	26,310	25,218	109	983	18,609	17,953	656	546
August.....	26,554	25,410	252	892	18,580	17,946	635	383
September.....	26,548	25,051	476	1,021	18,425	17,854	571	95
October.....	26,789	25,296	425	1,068	18,476	17,955	521	96
November.....	27,211	25,650	486	1,074	18,540	18,034	506	20
December.....	28,412	26,312	557	1,536	18,899	² 18,372	² 527	² —30

¹ Data from March 1933 through April 1934 are for licensed banks only.² Preliminary.

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

Source: Board of Governors of the Federal Reserve System.

TABLE D-43.—Bond yields and interest rates, 1929–58

[Percent per annum]

Period	U. S. Government securities			Corporate bonds (Moody's)		Common stock yields, 200 stocks (Moody's)	High-grade municipal bonds (Standard & Poor's)	Average rate on short-term bank loans to business—selected cities	Prime commercial paper, 4–6 months	Federal Reserve Bank discount rate
	3-month Treasury bills ¹	9–12 month issues ²	Taxable bonds ³	Aaa	Baa					
1929.....	(4)	(5)	-----	4.73	5.90	3.41	4.27	(6)	5.85	5.16
1930.....	(4)	(5)	-----	4.55	5.90	4.54	4.07	(6)	3.59	3.04
1931.....	1.402	(5)	-----	4.58	7.62	6.17	4.01	(6)	2.64	2.11
1932.....	.879	(5)	-----	5.01	9.30	7.36	4.65	(6)	2.73	2.82
1933.....	.515	(5)	-----	4.49	7.76	4.42	4.71	(6)	1.73	2.56
1934.....	.256	(5)	-----	4.00	6.32	4.11	4.03	(6)	1.02	1.54
1935.....	.137	(5)	-----	3.60	5.75	4.06	3.40	(6)	.75	1.50
1936.....	.143	(5)	-----	3.24	4.77	3.50	3.07	(6)	.75	1.50
1937.....	.447	(5)	-----	3.26	5.03	4.77	3.10	(6)	.94	1.33
1938.....	.053	(5)	-----	3.19	5.80	4.38	2.91	(6)	.81	1.00
1939.....	.023	(5)	-----	3.01	4.96	4.15	2.76	2.1	.59	1.00
1940.....	.014	(5)	-----	2.84	4.75	5.31	2.50	2.1	.56	1.00
1941.....	.103	(5)	-----	2.77	4.33	6.25	2.10	2.0	.53	1.00
1942.....	.326	(5)	2.46	2.83	4.28	6.67	2.36	2.2	.66	1.00
1943.....	.373	.75	2.47	2.73	3.91	4.89	2.06	2.6	.69	1.00
1944.....	.375	.79	2.48	2.72	3.61	4.81	1.86	2.4	.73	1.00
1945.....	.375	.81	2.37	2.62	3.29	4.19	1.67	2.2	.75	1.00
1946.....	.375	.82	2.19	2.53	3.05	3.97	1.64	2.1	.81	1.00
1947.....	.594	.88	2.25	2.61	3.24	5.13	2.01	2.1	1.03	1.00
1948.....	1.040	1.14	2.44	2.82	3.47	5.78	2.40	2.5	1.44	1.34
1949.....	1.102	1.14	2.31	2.66	3.42	6.63	2.21	2.7	1.49	1.50
1950.....	1.218	1.26	2.32	2.62	3.24	6.27	1.98	2.7	1.45	1.59
1951.....	1.552	1.73	2.57	2.86	3.41	6.12	2.00	3.1	2.16	1.75
1952.....	1.766	1.81	2.68	2.96	3.52	5.50	2.19	3.5	2.33	1.75
1953.....	1.931	2.07	2.94	3.20	3.74	5.49	2.72	3.7	2.52	1.99
1954.....	.953	.92	2.55	2.90	3.51	4.78	2.37	3.6	1.58	1.60
1955.....	1.753	1.89	2.84	3.06	3.53	4.06	2.53	3.7	2.18	1.89
1956.....	2.658	2.83	3.08	3.36	3.88	4.07	2.93	4.2	3.31	2.77
1957.....	3.267	3.53	3.47	3.89	4.71	4.33	3.60	4.6	3.81	3.12
1958.....	1.839	2.09	3.43	3.79	4.73	4.05	3.56	4.3	2.46	2.16
1956: January.....	2.456	2.50	2.88	3.11	3.60	4.21	2.64	-----	3.00	2.50
February.....	2.372	2.38	2.85	3.08	3.58	4.09	2.58	-----	3.00	2.50
March.....	2.310	2.43	2.93	3.10	3.60	3.86	2.69	3.93	3.00	2.50
April.....	2.613	2.83	3.07	3.24	3.68	3.87	2.88	-----	3.14	2.65
May.....	2.650	2.83	2.97	3.28	3.73	4.13	2.86	-----	3.27	2.75
June.....	2.527	2.69	2.93	3.26	3.76	4.01	2.75	4.14	3.38	2.75
July.....	2.334	2.62	3.00	3.28	3.80	3.87	2.78	-----	3.27	2.75
August.....	2.606	3.01	3.17	3.43	3.93	4.02	2.94	-----	3.28	2.81
September.....	2.850	3.17	3.21	3.56	4.07	4.24	3.07	4.35	3.50	3.00
October.....	2.961	3.07	3.20	3.59	4.17	4.23	3.14	-----	3.63	3.00
November.....	3.000	3.15	3.30	3.69	4.24	4.25	3.38	-----	3.63	3.00
December.....	3.230	3.33	3.40	3.75	4.37	4.13	3.44	4.38	3.63	3.00

See footnotes at end of table, p. 190.

TABLE D-43.—*Bond yields and interest rates, 1929-58—Continued*

[Percent per annum]

Period	U. S. Government securities			Corporate bonds (Moody's)		Common stock yields, 200 stocks (Moody's)	High-grade municipal bonds (Standard & Poor's)	Average rate on short-term bank loans to business—selected cities	Prime commercial paper, 4-6 months	Federal Reserve Bank discount rate
	3-month Treasury bills ¹	9-12 month issues ²	Taxable bonds ³	Aaa	Baa					
1957: January.....	3.210	3.17	3.34	3.77	4.49	4.31	3.40	-----	3.63	3.00
February.....	3.165	3.23	3.22	3.67	4.47	4.44	3.26	-----	3.63	3.00
March.....	3.140	3.35	3.26	3.66	4.43	4.35	3.32	4.38	3.63	3.00
April.....	3.113	3.41	3.32	3.67	4.44	4.16	3.33	-----	3.63	3.00
May.....	3.042	3.37	3.40	3.74	4.52	4.05	3.52	-----	3.63	3.00
June.....	3.316	3.55	3.58	3.91	4.63	4.05	3.75	4.40	3.79	3.00
July.....	3.165	3.71	3.60	3.99	4.73	4.01	3.75	-----	3.88	3.00
August.....	3.404	3.93	3.63	4.10	4.82	4.21	3.91	-----	3.98	3.15
September.....	3.578	4.02	3.66	4.12	4.93	4.50	3.90	4.83	4.00	3.50
October.....	3.591	3.94	3.73	4.10	4.99	4.68	3.79	-----	4.10	3.50
November.....	3.337	3.52	3.57	4.08	5.09	4.58	3.76	-----	4.07	3.23
December.....	3.102	3.09	3.30	3.81	5.03	4.77	3.47	4.85	3.81	3.00
1958: January.....	2.598	2.56	3.24	3.60	4.83	4.56	3.32	-----	3.49	2.94
February.....	1.562	1.93	3.28	3.59	4.66	4.62	3.37	-----	2.63	2.75
March.....	1.354	1.77	3.25	3.63	4.68	4.50	3.45	4.49	2.33	2.35
April.....	1.126	1.35	3.12	3.60	4.67	4.35	3.31	-----	1.90	2.03
May.....	1.046	1.21	3.14	3.57	4.62	4.27	3.25	-----	1.71	1.75
June.....	.881	.98	3.20	3.57	4.55	4.15	3.26	4.17	1.54	1.75
July.....	.962	1.34	3.36	3.67	4.53	3.97	3.45	-----	1.50	1.75
August.....	1.686	2.14	3.60	3.85	4.67	3.91	3.74	-----	1.96	1.75
September.....	2.484	2.84	3.75	4.09	4.87	3.72	3.96	4.21	2.93	1.91
October.....	2.793	2.83	3.76	4.11	4.92	3.64	3.94	-----	3.23	2.00
November.....	2.756	2.92	3.70	4.09	4.87	3.54	3.84	-----	3.08	2.40
December.....	2.814	3.24	3.80	4.08	4.85	3.34	3.84	4.50	3.33	2.50

¹ Rate on new issues within period. Issues were tax exempt prior to March 1, 1941, and fully taxable thereafter. For the period 1934-37, series includes issues with maturities of more than 3 months.

² Includes certificates of indebtedness and selected note and bond issues (fully taxable).

³ First issued in 1941. Series includes: October 1941-March 1952, bonds due or callable after 15 years; April 1952-March 1953, bonds due or callable after 12 years; April 1953 to date, bonds due or callable 10 years and after.

⁴ Treasury bills were first issued in December 1929 and were issued irregularly in 1930.

⁵ Not available before August 1942.

⁶ Not available on same basis as for 1939 and subsequent years.

⁷ From October 30, 1942, to April 24, 1946, a preferential rate of 0.50 percent was in effect for advances secured by Government securities maturing or callable in 1 year or less.

NOTE.—Yields and rates computed for New York City, except for short-term bank loans.

Sources: Treasury Department, Board of Governors of the Federal Reserve System, Moody's Investors Service, and Standard & Poor's Corporation.

TABLE D-44.—Short- and intermediate-term consumer credit outstanding, 1929–58

[Millions of dollars]

End of period	Total	Instalment credit					Noninstalment credit		
		Tqtal	Auto- mobile paper ¹	Other con- sumer goods paper ¹	Repair and modern- ization loans ²	Per- sonal loans	Total	Charge ac- counts	Other ³
1929.....	6,444	3,151	(4)	(4)	(4)	(4)	3,293	1,602	1,691
1930.....	5,767	2,687	(4)	(4)	(4)	(4)	3,080	1,476	1,604
1931.....	4,760	2,207	(4)	(4)	(4)	(4)	2,553	1,265	1,288
1932.....	3,567	1,521	(4)	(4)	(4)	(4)	2,046	1,020	1,026
1933.....	3,482	1,588	(4)	(4)	(4)	(4)	1,894	990	904
1934.....	3,904	1,871	(4)	(4)	(4)	(4)	2,033	1,102	931
1935.....	4,911	2,694	(4)	(4)	(4)	(4)	2,217	1,183	1,034
1936.....	6,135	3,623	(4)	(4)	(4)	(4)	2,512	1,300	1,212
1937.....	6,689	4,015	(4)	(4)	(4)	(4)	2,674	1,336	1,338
1938.....	6,338	3,691	(4)	(4)	(4)	(4)	2,647	1,362	1,285
1939.....	7,222	4,503	1,497	1,620	298	1,088	2,719	1,414	1,305
1940.....	8,338	5,514	2,071	1,827	371	1,245	2,824	1,471	1,353
1941.....	9,172	6,085	2,458	1,929	376	1,322	3,087	1,645	1,442
1942.....	5,983	3,166	742	1,195	255	974	2,817	1,444	1,373
1943.....	4,901	2,136	355	819	130	832	2,765	1,440	1,325
1944.....	5,111	2,176	397	791	119	869	2,935	1,517	1,418
1945.....	5,665	2,462	455	816	182	1,009	3,203	1,612	1,591
1946.....	8,384	4,172	981	1,290	405	1,496	4,212	2,076	2,136
1947.....	11,570	6,695	1,924	2,143	718	1,910	4,875	2,353	2,522
1948.....	14,398	8,996	3,018	2,901	853	2,224	5,402	2,673	2,729
1949.....	17,305	11,590	4,555	3,706	898	2,431	5,715	2,795	2,920
1950.....	21,395	14,703	6,074	4,799	1,016	2,814	6,692	3,291	3,401
1951.....	22,617	15,294	5,972	4,880	1,085	3,357	7,323	3,605	3,718
1952.....	27,401	19,403	7,733	6,174	1,385	4,111	7,998	4,011	3,987
1953.....	31,243	23,005	9,835	6,779	1,610	4,781	8,238	4,124	4,114
1954.....	32,292	23,568	9,809	6,751	1,616	5,392	8,724	4,308	4,416
1955.....	38,670	28,958	13,472	7,634	1,689	6,163	9,712	4,579	5,133
1956.....	42,007	31,827	14,459	8,510	1,895	6,963	10,270	4,735	5,535
1957.....	44,774	34,095	15,409	8,692	2,091	7,903	10,679	4,829	5,850
1958 ⁴	44,800	33,700	14,100	9,000	2,100	8,500	11,100	5,000	6,100
1957: January.....	41,288	31,581	14,404	8,320	1,890	6,977	9,707	4,171	5,536
February.....	40,877	31,494	14,419	8,168	1,875	7,032	9,383	3,714	5,669
March.....	40,854	31,527	14,509	8,049	1,880	7,089	9,327	3,560	5,767
April.....	41,352	31,782	14,664	8,017	1,894	7,207	9,570	3,772	5,798
May.....	42,080	32,165	14,849	8,092	1,928	7,296	9,915	3,943	5,972
June.....	42,496	32,602	15,086	8,164	1,956	7,396	9,894	3,987	5,907
July.....	42,633	32,962	15,277	8,196	1,981	7,508	9,671	3,927	5,744
August.....	43,033	33,283	15,431	8,221	2,024	7,607	9,750	3,968	5,782
September.....	43,159	33,393	15,488	8,220	2,049	7,636	9,766	3,966	5,800
October.....	43,162	33,484	15,505	8,229	2,078	7,672	9,678	4,044	5,634
November.....	43,438	33,566	15,459	8,289	2,065	7,723	9,872	4,147	5,725
December.....	44,774	34,095	15,409	8,692	2,091	7,903	10,679	4,829	5,850
1958: January.....	43,904	33,713	15,235	8,495	2,069	7,914	10,191	4,290	5,901
February.....	43,017	33,278	15,030	8,277	2,041	7,930	9,739	3,754	5,985
March.....	42,500	32,940	14,793	8,179	2,019	7,949	9,560	3,579	5,981
April.....	42,617	32,888	14,691	8,124	2,017	8,056	9,729	3,772	5,957
May.....	42,985	32,910	14,613	8,158	2,038	8,101	10,075	4,010	6,065
June.....	43,079	33,008	14,590	8,190	2,048	8,180	10,071	4,012	6,059
July.....	42,923	33,074	14,567	8,197	2,061	8,249	9,849	3,927	5,922
August.....	43,128	33,165	14,514	8,254	2,091	8,306	9,963	3,956	6,007
September.....	43,144	33,079	14,332	8,312	2,107	8,328	10,065	4,033	6,032
October.....	43,164	33,052	14,164	8,411	2,128	8,349	10,112	4,191	5,921
November.....	43,464	33,126	14,066	8,528	2,146	8,386	10,338	4,297	6,041
December ⁵	44,800	33,700	14,100	9,000	2,100	8,500	11,100	5,000	6,100

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 Single-payment loans and service credit.⁴ Not available.⁵ Preliminary estimates by Council of Economic Advisers.

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

TABLE D-45.—*Instalment credit extended and repaid, 1946-58*

[Millions of dollars]

Period	Total		Automobile paper		Other consumer goods paper		Repair and modernization loans		Personal loans	
	Ex- tended	Re- paid	Ex- tended	Re- paid	Ex- tended	Re- paid	Ex- tended	Re- paid	Ex- tended	Re- paid
1946.....	8,495	6,785	1,969	1,443	3,077	2,603	423	200	3,026	2,539
1947.....	12,713	10,190	3,692	2,749	4,498	3,645	704	391	3,819	3,405
1948.....	15,585	13,284	5,217	4,123	5,383	4,625	714	579	4,271	3,957
1949.....	18,108	15,514	6,967	5,430	5,865	5,060	734	689	4,542	4,335
1950.....	21,558	18,445	8,530	7,011	7,150	6,057	835	717	5,043	4,660
1951.....	23,576	22,985	8,956	9,058	7,485	7,404	841	772	6,294	5,751
1952.....	29,514	25,405	11,764	10,003	9,186	7,892	1,217	917	7,347	6,593
1953.....	31,558	27,956	12,981	10,879	9,227	8,622	1,344	1,119	8,006	7,336
1954.....	31,051	30,488	11,807	11,833	9,117	9,145	1,261	1,255	8,866	8,255
1955.....	39,039	33,649	16,745	13,082	10,634	9,751	1,388	1,315	10,272	9,501
1956.....	40,063	37,194	15,563	14,576	11,590	10,714	1,568	1,362	11,342	10,542
1957.....	42,426	40,158	16,545	15,595	11,626	11,444	1,662	1,466	12,593	11,653
1958 ¹	40,400	40,800	14,100	15,400	11,800	11,500	1,600	1,600	12,900	12,300
Unadjusted										
1957: January.....	3,105	3,351	1,253	1,308	816	1,006	104	119	932	918
February.....	2,972	3,059	1,207	1,192	758	910	109	114	898	843
March.....	3,351	3,318	1,373	1,283	848	967	121	116	1,009	952
April.....	3,590	3,335	1,457	1,302	898	930	132	118	1,103	985
May.....	3,760	3,377	1,503	1,318	1,027	952	160	126	1,070	981
June.....	3,661	3,224	1,482	1,245	988	916	144	116	1,047	947
July.....	3,845	3,485	1,550	1,359	1,008	976	156	131	1,131	1,019
August.....	3,693	3,372	1,454	1,300	1,012	987	164	121	1,063	964
September.....	3,386	3,276	1,350	1,293	928	929	152	127	956	927
October.....	3,547	3,456	1,393	1,376	978	969	155	126	1,021	985
November.....	3,428	3,346	1,231	1,277	1,014	954	138	121	1,045	994
December.....	4,088	3,559	1,292	1,342	1,351	948	127	131	1,318	1,138
1958: January.....	3,088	3,470	1,176	1,350	794	991	107	129	1,011	1,000
February.....	2,742	3,177	1,014	1,219	714	932	95	123	919	903
March.....	3,156	3,494	1,094	1,331	901	999	111	133	1,050	1,031
April.....	3,335	3,387	1,211	1,313	876	931	131	133	1,117	1,010
May.....	3,371	3,349	1,199	1,277	1,000	966	144	123	1,028	983
June.....	3,477	3,379	1,257	1,280	973	941	146	136	1,101	1,022
July.....	3,483	3,417	1,281	1,304	956	949	146	133	1,100	1,031
August.....	3,385	3,294	1,193	1,246	976	919	151	121	1,065	1,008
September.....	3,297	3,383	1,105	1,287	993	935	158	142	1,041	1,019
October.....	3,475	3,502	1,173	1,341	1,075	976	159	138	1,068	1,047
November.....	3,338	3,264	1,091	1,189	1,054	937	141	123	1,052	1,015
December ¹	4,200	3,600	1,300	1,250	1,400	1,000	150	150	1,350	1,200
Seasonally adjusted										
1957: January.....	3,498	3,298	1,414	1,314	952	942	134	117	998	925
February.....	3,503	3,259	1,398	1,283	956	934	138	121	1,011	921
March.....	3,428	3,262	1,366	1,270	932	939	133	115	997	938
April.....	3,461	3,284	1,362	1,291	932	910	133	117	1,034	966
May.....	3,551	3,317	1,352	1,303	1,006	919	147	125	1,046	970
June.....	3,534	3,345	1,347	1,292	995	953	138	122	1,054	978
July.....	3,608	3,381	1,371	1,306	1,010	968	142	129	1,085	978
August.....	3,580	3,356	1,343	1,281	1,018	982	150	121	1,069	972
September.....	3,542	3,398	1,377	1,303	974	979	140	128	1,051	988
October.....	3,533	3,369	1,424	1,312	913	958	139	122	1,057	977
November.....	3,553	3,393	1,384	1,281	958	980	134	118	1,077	1,014
December.....	3,635	3,496	1,407	1,359	980	980	134	131	1,114	1,026
1958: January.....	3,481	3,415	1,331	1,357	933	929	137	126	1,080	1,003
February.....	3,221	3,389	1,171	1,312	896	960	122	130	1,032	987
March.....	3,184	3,384	1,067	1,294	978	964	122	130	1,017	996
April.....	3,262	3,393	1,151	1,328	916	920	132	135	1,063	1,010
May.....	3,243	3,339	1,100	1,285	986	941	134	124	1,023	989
June.....	3,259	3,393	1,101	1,279	961	962	135	138	1,062	1,014
July.....	3,330	3,367	1,159	1,278	961	948	135	132	1,075	1,009
August.....	3,415	3,404	1,148	1,277	1,013	948	142	124	1,112	1,055
September.....	3,324	3,377	1,088	1,247	999	950	142	139	1,085	1,041
October.....	3,450	3,419	1,205	1,282	998	964	143	134	1,104	1,039
November.....	3,591	3,449	1,282	1,244	1,034	1,002	142	124	1,133	1,079
December ¹	3,600	3,400	1,300	1,200	1,050	1,000	150	150	1,100	1,050

¹ Preliminary; December by Council of Economic Advisers.

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

TABLE D-46.—*Mortgage debt outstanding, by type of property and of financing, 1939-58*

[Billions of dollars]

End of period	All prop- erties	Nonfarm properties						Multi- family and com- mer- cial prop- erties ^{1 2}	Farm prop- erties
		Total	1- to 4-family houses				Con- ven- tional ¹		
			Total	Government under- written					
				Total	FHA in- sured	VA guar- anteed			
1939	35.5	28.9	16.3	1.8	1.8	-----	14.5	12.5	6.6
1940	36.5	30.0	17.4	2.3	2.3	-----	15.1	12.6	6.5
1941	37.6	31.2	18.4	3.0	3.0	-----	15.4	12.9	6.4
1942	36.7	30.8	18.2	3.7	3.7	-----	14.5	12.5	6.0
1943	35.3	29.9	17.8	4.1	4.1	-----	13.7	12.1	5.4
1944	34.7	29.7	17.9	4.2	4.2	-----	13.7	11.8	4.9
1945	35.5	30.8	18.6	4.3	4.1	0.2	14.3	12.2	4.8
1946	41.8	36.9	23.0	6.1	3.7	2.4	16.9	13.8	4.9
1947	48.9	43.9	28.2	9.3	3.8	5.5	18.9	15.7	5.1
1948	56.2	50.9	33.3	12.5	5.3	7.2	20.8	17.6	5.3
1949	62.7	57.1	37.6	15.0	6.9	8.1	22.6	19.5	5.6
1950	72.8	66.7	45.2	18.9	8.6	10.3	26.3	21.6	6.1
1951	82.3	75.6	51.7	22.9	9.7	13.2	28.8	23.9	6.7
1952	91.4	84.2	58.5	25.4	10.8	14.6	33.1	25.7	7.3
1953	101.3	93.6	66.1	28.1	12.0	16.1	38.0	27.5	7.8
1954	113.8	105.5	75.7	32.1	12.8	19.3	43.6	29.8	8.3
1955	130.0	120.9	88.2	38.9	14.3	24.6	49.3	32.7	9.1
1956	144.5	134.6	99.0	43.9	15.5	28.4	55.1	35.6	9.9
1957	156.6	146.1	107.6	47.2	16.5	30.7	60.4	38.5	10.5
1958 ³	171.2	160.0	118.0	50.2	19.7	30.5	67.8	42.0	11.2
1956: First quarter	133.5	124.1	90.7	40.2	14.7	25.5	50.5	33.4	9.4
Second quarter	137.5	127.9	93.7	41.3	15.0	26.3	52.4	34.2	9.6
Third quarter	141.3	131.5	96.6	42.5	15.2	27.3	54.1	34.9	9.8
Fourth quarter	144.5	134.6	99.0	43.9	15.5	28.4	55.1	35.6	9.9
1957: First quarter	147.3	137.2	101.1	45.1	15.7	29.4	55.9	36.2	10.1
Second quarter	150.4	140.1	103.4	45.9	15.9	30.0	57.5	36.7	10.3
Third quarter	153.7	143.3	105.7	46.5	16.1	30.4	59.2	37.5	10.4
Fourth quarter	156.6	146.1	107.6	47.2	16.5	30.7	60.4	38.5	10.5
1958: First quarter ³	159.1	148.5	109.3	47.7	17.1	30.6	61.6	39.1	10.6
Second quarter ³	162.6	151.7	111.7	48.3	17.7	30.6	63.4	40.0	10.9
Third quarter ³	166.7	155.7	114.8	49.2	18.6	30.6	65.6	40.9	11.1
Fourth quarter ³	171.2	160.0	118.0	50.2	19.7	30.5	67.8	42.0	11.2

¹ Derived figures.² Includes negligible amount of farm loans held by savings and loan associations.³ Preliminary; fourth quarter by Council of Economic Advisers.

Source: Board of Governors of the Federal Reserve System, estimated and compiled from data supplied by various Government and private organizations (except as noted).

TABLE D-47.—*Net public and private debt, 1929-58*¹

[Billions of dollars]

End of period :	Total	Federal Government	State and local government :	Private									
				Total	Corporate			Individual and noncorporate					
					Total	Long-term	Short-term	Total	Farm ³	Nonfarm			
										Total	Mortgage	Commercial and financial ⁴	Consumer
1929.....	190.9	16.5	13.2	161.2	88.9	47.3	41.6	72.3	12.2	60.1	31.2	22.4	6.4
1930.....	191.0	16.5	14.1	160.4	89.3	51.1	38.2	71.1	11.8	59.4	32.0	21.6	5.8
1931.....	181.9	18.5	15.5	147.9	83.5	50.3	33.2	64.4	11.1	53.3	30.9	17.6	4.8
1932.....	174.6	21.3	16.6	136.7	80.0	49.2	30.8	56.7	10.1	46.6	29.0	14.0	3.6
1933.....	168.5	24.3	16.7	127.5	76.9	47.9	29.1	50.6	9.1	41.5	26.3	11.7	3.5
1934.....	171.4	30.4	15.9	125.1	75.5	44.6	30.9	49.6	8.9	40.7	25.5	11.2	3.9
1935.....	174.7	34.4	16.0	124.2	74.8	43.6	31.2	49.4	9.0	40.4	24.7	10.8	4.9
1936.....	180.3	37.7	16.2	126.4	76.1	42.5	33.5	50.3	8.6	41.7	24.4	11.2	6.1
1937.....	182.0	39.2	16.1	126.7	75.8	43.5	32.3	50.9	8.6	42.3	24.3	11.3	6.7
1938.....	179.6	40.5	16.0	123.1	73.3	44.8	28.4	49.8	9.0	40.9	24.5	10.1	6.3
1939.....	183.2	42.6	16.3	124.3	73.5	44.4	29.2	50.8	8.8	42.0	25.0	9.8	7.2
1940.....	189.9	44.8	16.5	128.6	75.6	43.7	31.9	53.0	9.1	43.9	26.0	9.5	8.3
1941.....	211.6	56.3	16.3	139.0	83.4	43.6	39.8	55.6	9.2	46.4	27.2	10.0	9.2
1942.....	259.0	101.7	15.8	141.5	91.6	42.7	49.0	49.9	8.9	41.0	26.8	8.1	6.0
1943.....	313.6	154.4	14.9	144.3	95.5	41.0	54.5	48.8	8.2	40.5	26.2	9.5	4.9
1944.....	370.8	211.9	14.1	144.8	94.1	39.8	54.3	50.7	7.7	43.0	26.1	11.8	5.1
1945.....	406.3	252.7	13.7	139.9	85.3	38.3	47.0	54.6	7.2	47.4	27.0	14.8	5.7
1946.....	397.4	229.7	13.6	154.1	93.5	41.3	52.2	60.6	7.6	53.0	32.5	12.1	8.4
1947.....	417.4	223.3	14.4	179.7	108.9	46.1	62.8	70.8	8.6	62.2	38.7	11.9	11.6
1948.....	433.6	216.5	16.2	200.9	117.8	52.5	65.3	83.1	10.8	72.3	45.1	12.9	14.4
1949.....	448.4	218.6	18.1	211.7	118.0	56.5	61.5	93.7	11.9	81.8	50.6	13.9	17.3
1950.....	490.3	218.7	20.7	250.9	142.1	60.1	81.9	108.8	12.2	96.6	59.4	15.8	21.4
1951.....	524.0	218.5	23.3	282.2	162.5	66.6	95.9	119.7	13.6	106.1	67.4	16.1	22.6
1952.....	555.2	222.9	25.8	306.5	171.0	73.3	97.7	135.5	15.1	120.3	75.2	17.8	27.4
1953.....	586.4	228.1	28.6	329.7	179.5	78.3	101.2	150.2	16.9	133.3	83.8	18.4	31.2
1954.....	611.8	230.2	33.4	348.2	182.8	82.9	100.0	165.4	17.6	147.8	94.7	20.8	32.3
1955.....	672.2	231.5	38.4	402.3	212.1	90.0	122.2	190.2	18.8	171.4	108.8	24.0	38.7
1956.....	699.8	225.4	42.7	431.7	224.2	97.4	126.7	207.5	19.5	188.0	121.2	24.6	42.1
1957.....	725.8	224.4	46.7	454.7	232.8	106.0	126.8	221.9	20.3	201.7	131.7	25.2	44.8
1958 ⁵	757.9	232.5	50.9	474.5	236.0	113.5	122.5	238.5	22.0	216.5	144.3	27.5	44.7

¹ Net public and private debt outstanding is a comprehensive aggregate of the indebtedness of borrowers after elimination of certain types of duplicating governmental and corporate debt. For a further explanation of the concept, see *Survey of Current Business*, October 1950.

² Data for State and local government debt are for June 30 of each year.

³ Farm mortgages and farm production loans. Farmers' financial and consumer debt is included in the nonfarm categories.

⁴ Financial debt is debt owed to banks for purchasing or carrying securities, customers' debt to brokers, and debt owed to life insurance companies by policyholders.

⁵ Preliminary estimates by Council of Economic Advisers.

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

Sources: Department of Agriculture, Department of Commerce, Treasury Department, Board of Governors of the Federal Reserve System, Federal Savings and Loan Insurance Corporation, and Interstate Commerce Commission (except as noted).

GOVERNMENT FINANCE

TABLE D-48.—U. S. Government debt, by kind of obligation, 1929-58

[Billions of dollars]

End of period	Gross public debt and guaranteed issues ¹	Interest-bearing public debt					Special issues ⁴
		Marketable public issues		Nonmarketable public issues			
		Short-term issues ²	Treasury bonds	United States savings bonds	Treasury tax and savings notes	Investment bonds ³	
1929.....	16.3	3.3	11.3				0.6
1930.....	16.0	2.9	11.3				.8
1931.....	17.8	2.8	13.5				.4
1932.....	20.8	5.9	13.4				.4
1933.....	24.0	7.5	14.7				.4
1934.....	31.5	11.1	15.4				.6
1935.....	35.1	14.2	14.3	0.2			.7
1936.....	39.1	12.5	19.5	.5			.6
1937.....	41.9	12.5	20.5	1.0			2.2
1938.....	44.4	9.8	24.0	1.4			3.2
1939.....	47.6	7.7	26.9	2.2			4.2
1940.....	50.9	7.5	28.0	3.2			5.4
1941.....	64.3	8.0	33.4	6.1	2.5		7.0
1942.....	112.5	27.0	49.3	15.0	6.4		9.0
1943.....	170.1	47.1	67.9	27.4	8.6		12.7
1944.....	232.1	69.9	91.6	40.4	9.8		16.3
1945.....	278.7	78.2	120.4	48.2	8.2		20.0
1946.....	259.5	57.1	119.3	49.8	5.7		24.6
1947.....	257.0	47.7	117.9	52.1	5.4	1.0	29.0
1948.....	252.9	45.9	111.4	55.1	4.6	1.0	31.7
1949.....	257.2	50.2	104.8	56.7	7.6	1.0	33.9
1950.....	256.7	58.3	94.0	58.0	8.6	1.0	33.7
1951.....	259.5	65.6	76.9	57.6	7.5	13.0	35.9
1952.....	267.4	68.7	79.8	57.9	5.8	13.4	39.2
1953.....	275.2	77.3	77.2	57.7	6.0	12.9	41.2
1954.....	278.8	76.0	81.8	57.7	4.5	12.7	42.6
1955.....	280.8	81.3	81.9	57.9	(⁵)	12.3	43.9
1956.....	276.7	79.5	80.8	56.3	(⁵)	11.6	45.6
1957.....	275.0	82.1	82.1	52.5	(⁵)	10.3	45.8
1958.....	283.0	92.2	83.4	51.2	(⁵)	9.0	44.8
1957: January.....	276.3	79.6	80.8	56.0	(⁵)	11.6	45.3
February.....	276.4	80.0	80.8	55.8	(⁵)	11.5	45.5
March.....	275.1	79.1	80.8	55.6	(⁵)	11.4	45.6
April.....	274.1	79.1	80.8	55.4	(⁵)	11.3	45.2
May.....	275.3	79.5	80.8	55.2	(⁵)	11.2	46.1
June.....	270.6	74.9	80.8	54.6	(⁵)	11.1	46.8
July.....	272.6	77.9	80.8	54.3	(⁵)	11.0	46.3
August.....	274.0	79.4	80.8	54.0	(⁵)	10.9	46.7
September.....	274.5	81.0	80.8	53.8	(⁵)	10.7	46.2
October.....	274.2	80.8	81.4	53.5	(⁵)	10.5	46.1
November.....	274.9	81.9	81.4	53.2	(⁵)	10.3	46.0
December.....	275.0	82.1	82.1	52.5	(⁵)	10.3	45.8
1958: January.....	274.7	82.5	82.1	52.3	(⁵)	10.2	45.5
February.....	274.8	78.1	86.3	52.3	(⁵)	10.1	46.0
March.....	272.7	75.2	87.7	52.3	(⁵)	9.8	45.8
April.....	275.2	78.3	87.7	52.2	(⁵)	9.7	45.4
May.....	275.7	78.3	87.6	52.1	(⁵)	9.7	46.1
June.....	276.4	75.7	90.9	52.0	(⁵)	9.6	46.2
July.....	275.6	75.8	90.5	51.9	(⁵)	9.5	45.9
August.....	278.6	81.6	87.6	51.9	(⁵)	9.3	46.3
September.....	276.8	81.9	85.7	51.8	(⁵)	9.2	46.0
October.....	280.3	86.4	85.7	51.7	(⁵)	9.1	45.4
November.....	283.2	89.6	85.7	51.7	(⁵)	9.1	45.1
December.....	283.0	92.2	83.4	51.2	(⁵)	9.0	44.8

¹ Total includes non-interest-bearing debt, fully guaranteed securities (except those held by the Treasury), Postal Savings bonds, prewar bonds, adjusted service bonds, depositary bonds, and armed forces leave bonds, not shown separately. Not all of total shown is subject to statutory debt limitation.

² Bills, certificates of indebtedness, and notes.

³ Series A bonds and, beginning in April 1951, Series B convertible bonds.

⁴ Issued to U. S. Government investment accounts. These accounts also held \$9.7 billion of public marketable and nonmarketable issues on December 31, 1958.

⁵ Less than \$50 million.

⁶ The last series of treasury savings notes matured in April 1956.

⁷ Of this amount, \$282.6 billion was subject to the statutory debt limitation of \$288 billion.

Source: Treasury Department.

TABLE D-49.—*Estimated ownership of Federal obligations, 1939-58*[Par values ¹, billions of dollars]

End of period	Gross public debt and guaranteed issues ²								
	Total	Held by U. S. Government investment accounts	Held by others						
			Total	Federal Reserve Banks	Commercial banks ³	Mutual savings banks and insurance companies	Other corporations ⁴	State and local governments ⁵	Miscellaneous investors ⁷
1939.....	47.6	6.5	41.1	2.5	15.9	9.4	2.2	0.4	10.1
1940.....	50.9	7.6	43.3	2.2	17.3	10.1	2.0	.5	10.6
1941.....	64.3	9.5	54.7	2.3	21.4	11.9	4.0	.7	13.6
1942.....	112.5	12.2	100.2	6.2	41.1	15.8	10.1	1.0	23.7
1943.....	170.1	16.9	153.2	11.5	59.9	21.2	16.4	2.1	37.6
1944.....	232.1	21.7	210.5	18.8	77.7	28.0	21.4	4.3	53.3
1945.....	278.7	27.0	251.6	24.3	90.8	34.7	22.2	6.5	64.1
1946.....	259.5	30.9	228.6	23.3	74.5	36.7	15.3	6.3	64.2
1947.....	257.0	34.4	222.6	22.6	68.7	35.9	14.1	7.3	65.7
1948.....	252.9	37.3	215.5	23.3	62.5	32.7	14.8	7.9	65.5
1949.....	257.2	39.4	217.8	18.9	66.8	31.5	16.8	8.1	66.3
1950.....	256.7	39.2	217.5	20.8	61.8	29.6	19.7	8.8	66.3
1951.....	259.5	42.3	217.2	23.8	61.6	26.3	20.7	9.6	64.6
1952.....	267.4	45.9	221.6	24.7	63.4	25.5	19.9	11.1	65.1
1953.....	275.2	48.3	226.9	25.9	63.7	25.0	21.5	12.7	64.9
1954.....	278.8	49.6	229.2	24.9	69.2	23.8	19.2	14.4	63.6
1955.....	280.8	51.7	229.1	24.8	62.0	22.8	23.0	15.1	65.8
1956.....	276.7	54.0	222.7	24.9	59.3	20.9	18.2	16.1	67.3
1957.....	275.0	55.2	219.8	24.2	59.1	19.6	16.5	17.0	66.8
1958 ⁸	283.0	54.5	228.5	26.4	67.0	19.5	17.3	17.2	64.9
1957: January.....	276.3	53.9	222.4	23.4	58.3	20.9	19.9	16.2	67.3
February.....	276.4	54.1	222.3	22.9	57.7	20.8	20.6	16.3	67.6
March.....	275.1	54.2	221.0	23.1	58.1	20.6	17.7	16.6	68.4
April.....	274.1	53.7	220.4	23.2	58.0	20.5	17.6	16.8	68.2
May.....	275.3	54.9	220.5	23.1	57.7	20.4	18.2	16.8	67.9
June.....	270.6	55.6	215.1	23.0	55.8	20.2	15.4	16.9	67.8
July.....	272.6	55.2	217.4	23.4	56.8	20.2	16.0	16.9	67.9
August.....	274.0	55.8	218.2	23.5	56.6	20.1	16.5	17.1	68.4
September.....	274.5	55.4	219.1	23.3	58.3	20.1	15.7	17.2	68.5
October.....	274.2	55.4	218.7	23.3	58.1	20.0	15.9	17.2	67.8
November.....	274.9	55.3	219.6	23.7	58.2	19.7	16.5	17.3	67.6
December.....	275.0	55.2	219.8	24.2	59.1	19.6	16.5	17.0	66.8
1958: January.....	274.7	55.1	219.6	23.3	58.6	19.6	17.3	17.3	67.1
February.....	274.8	55.4	219.4	23.2	59.4	19.5	17.2	17.3	66.8
March.....	272.7	55.4	217.4	23.6	59.4	19.4	15.4	17.3	66.9
April.....	275.2	55.2	220.0	23.7	63.2	19.3	14.6	17.1	66.4
May.....	275.7	55.8	220.0	24.2	63.6	19.1	14.7	17.0	66.1
June.....	276.4	55.9	220.5	25.4	64.9	19.1	13.3	16.9	65.7
July.....	275.6	55.6	220.0	24.5	65.0	19.2	13.9	17.0	65.3
August.....	278.6	56.0	222.6	25.3	66.4	19.4	14.6	17.0	65.0
September.....	276.8	55.6	221.2	25.0	65.5	19.4	14.3	17.0	64.8
October.....	280.3	55.1	225.3	25.4	66.7	19.4	15.9	17.2	64.9
November ⁸	283.2	54.8	228.4	26.2	67.7	19.5	16.9	17.2	64.9
December ⁸	283.0	54.5	228.5	26.4	67.0	19.5	17.3	17.2	64.9

¹ United States savings bonds, series A-F and J, are included at current redemption value.² Excludes guaranteed securities held by the Treasury. Not all of total shown is subject to statutory debt limitation.³ Includes commercial banks, trust companies, and stock savings banks in the United States and in Territories and possessions; figures exclude securities held in trust departments. Since the estimates in this table are on the basis of par values and include holdings of banks in United States Territories and possessions, they do not agree with the estimates in Table D-41, which are based on book values and relate only to banks within the continental United States.⁴ Exclusive of banks and insurance companies.⁵ Includes trust, sinking, and investment funds of State and local governments and their agencies, and of Territories and possessions.⁶ Includes partnerships and personal trust accounts.⁷ Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, and investments of foreign balances and international accounts in this country. Beginning with December 1946, the foreign accounts include investments by the International Bank for Reconstruction and Development and the International Monetary Fund in special non-interest-bearing notes issued by the U. S. Government. Beginning with June 30, 1947, includes holdings of Federal land banks.⁸ Preliminary estimates by Council of Economic Advisers.

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

Source: Treasury Department (except as noted).

TABLE D-50.—Federal budget receipts and expenditures and the public debt, 1929-60

[Millions of dollars]

Period	Net budget receipts ¹	Budget expenditures	Surplus or deficit (-)	Public debt at end of year ²
Fiscal year:				
1929	3,861	3,127	734	16,931
1930	4,058	3,320	738	16,185
1931	3,116	3,577	-462	16,801
1932	1,924	4,659	-2,735	19,487
1933	2,021	4,623	-2,602	22,539
1934	3,064	6,694	-3,630	27,053
1935	3,730	6,521	-2,791	28,701
1936	4,069	8,493	-4,425	33,779
1937	4,979	7,756	-2,777	36,425
1938	5,615	6,792	-1,177	37,165
1939	4,996	8,858	-3,862	40,440
1940	5,144	9,062	-3,918	42,968
1941	7,103	13,262	-6,159	48,961
1942	12,555	34,046	-21,490	72,422
1943	21,987	79,407	-57,420	136,696
1944	43,635	95,059	-51,423	201,003
1945	44,475	98,416	-53,941	258,682
1946	39,771	60,448	-20,676	269,422
1947	39,786	39,032	754	258,286
1948	41,488	33,069	8,419	252,292
1949	37,696	39,507	-1,811	252,770
1950	36,495	39,617	-3,122	257,357
1951	47,568	44,058	3,510	255,222
1952	61,391	65,408	-4,017	259,105
1953	64,825	74,274	-9,449	266,071
1954	64,655	67,772	-3,117	271,260
1955	60,390	64,570	-4,180	274,374
1956	68,165	66,540	1,626	272,751
1957	71,029	69,433	1,596	270,527
1958	69,117	71,936	-2,819	276,343
1959 ³	68,000	80,871	-12,871	285,000
1960 ³	77,100	77,030	70	285,000
Calendar year:				
1946	38,568	41,080	-2,512	259,149
1947	40,389	37,955	2,434	256,900
1948	40,864	35,623	5,241	252,800
1949	37,514	41,106	-3,592	257,130
1950	37,306	37,728	-422	256,708
1951	52,979	56,337	-3,358	259,419
1952	64,840	70,682	-5,842	267,391
1953	63,841	72,997	-9,157	275,168
1954	61,171	64,854	-3,683	278,750
1955	63,358	66,129	-2,771	280,769
1956	70,994	67,216	3,779	276,628
1957	72,284	71,692	592	274,898
1958	⁴ 68,700	⁴ 75,800	⁴ -7,100	282,922

¹ Gross receipts less refunds of receipts and transfers of tax receipts to the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund, the railroad retirement account, and the highway trust fund.

² Excludes guaranteed obligations. The change in the public debt from year to year reflects not only the budget surplus or deficit but also changes in the Treasury's cash balances, the effect of certain trust fund transactions, and direct borrowing from the public by certain Government enterprises.

³ Estimate.

⁴ Estimated by Council of Economic Advisers from data available as of January 15, 1959. May therefore differ from figures in Treasury Department monthly statement of receipts and expenditures to be released about January 20, 1959.

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

Sources: Treasury Department and Bureau of the Budget (except as noted).

TABLE D-51.—Federal budget receipts by source and expenditures by function, fiscal years 1946-60

[Millions of dollars]

Fiscal year	Budget receipts by source					Budget expenditures by function						Budget surplus or deficit (-)
	Total	Individual income taxes	Corporation income taxes	Excise taxes	All other receipts ¹	Total	Major national security	Veterans' services and benefits	Agriculture and agricultural resources	Interest	All other expenditures ²	
1946.....	39,771	16,157	11,833	6,999	4,782	60,448	43,207	4,416	747	4,816	7,262	-20,676
1947.....	39,786	17,835	8,569	7,207	6,175	39,032	14,372	7,381	1,243	5,012	11,022	754
1948.....	41,488	19,305	9,678	7,356	5,150	33,069	11,771	6,654	575	5,248	8,820	8,419
1949.....	37,696	15,548	11,195	7,502	3,451	39,507	12,907	6,726	2,512	5,445	11,917	-1,811
1950.....	36,495	15,745	10,448	7,549	2,752	39,617	13,009	6,646	2,783	5,817	11,361	-3,122
1951.....	47,568	21,643	14,106	8,648	3,171	44,058	22,444	5,342	650	5,714	9,907	3,510
1952.....	61,391	27,913	21,225	8,851	3,402	65,408	43,976	4,863	1,045	5,934	9,590	-4,017
1953.....	64,825	30,108	21,238	9,868	3,610	74,274	50,363	4,298	2,936	6,583	10,094	-9,449
1954.....	64,655	29,542	21,101	9,945	4,067	67,772	46,904	4,256	2,557	6,470	7,584	-3,117
1955.....	60,390	28,747	17,861	9,131	4,650	64,570	40,626	4,457	4,389	6,438	8,661	-4,180
1956.....	68,165	32,188	20,880	9,929	5,169	66,540	40,641	4,756	4,868	6,846	9,428	1,626
1957.....	71,029	35,620	21,167	9,055	5,187	69,433	43,270	4,793	4,526	7,308	9,536	1,596
1958.....	69,117	34,724	20,074	8,612	5,708	71,936	44,142	5,026	4,389	7,689	10,689	-2,819
1959 ³	68,000	36,900	17,000	8,467	5,633	80,871	46,120	5,198	6,775	7,601	15,177	-12,871
1960 ³	77,100	40,700	21,448	8,945	6,007	77,030	45,805	5,088	5,996	8,096	12,046	70

¹ Includes employment taxes, estate and gift taxes, customs revenues, and miscellaneous receipts.² Includes expenditures for international affairs and finance (including defense support under the mutual security program), labor and welfare, natural resources, commerce and housing, and general government; also includes adjustment to daily Treasury statement (for actuals) and allowance for contingencies (for estimates).³ Estimate.

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

Sources: Treasury Department and Bureau of the Budget.

TABLE D-52.—Government cash receipts from and payments to the public, 1946-60

[Billions of dollars]

Period	Total			Federal ¹			State and local ²		
	Cash receipts	Cash payments	Excess of receipts or of payments (—)	Cash receipts	Cash payments	Excess of receipts or of payments (—)	Cash receipts	Cash payments	Excess of receipts or of payments (—)
Calendar year:									
1946.....	52.9	50.9	2.0	41.4	41.4	(3)	11.4	9.5	1.9
1947.....	57.4	50.7	6.7	44.3	38.6	5.7	13.1	12.1	1.0
1948.....	60.0	51.8	8.2	44.9	36.9	8.0	15.1	14.9	.2
1949.....	57.9	59.8	-1.8	41.3	42.6	-1.3	16.6	17.1	-.5
1950.....	60.4	61.1	-.6	42.4	42.0	.4	18.0	19.1	-1.1
1951.....	79.1	78.3	.9	59.3	58.0	1.2	19.9	20.2	-.4
1952.....	93.1	94.7	-1.6	71.4	73.1	-1.6	21.7	21.6	.1
1953.....	93.4	99.3	-5.9	70.1	76.3	-6.1	23.2	23.0	.3
1954.....	93.3	95.2	-2.0	68.6	69.7	-1.1	24.7	25.6	-.9
1955.....	98.4	100.2	-1.8	71.4	72.2	-.7	26.9	28.0	-1.1
1956.....	110.2	105.2	4.9	80.3	74.8	5.5	29.8	30.4	-.6
1957.....	116.3	116.3	(3)	84.5	83.3	1.2	31.8	33.0	-1.1
1958 ⁴	115.1	124.2	-9.1	81.7	88.8	-7.1	33.4	35.4	-2.0
Fiscal year:									
1953.....	93.9	99.1	-5.2	71.5	76.8	-5.3	22.4	22.3	.1
1954.....	95.6	96.1	-.5	71.6	71.9	-.2	24.0	24.2	-.2
1955.....	93.5	97.5	-4.0	67.8	70.5	-2.7	25.7	27.0	-1.3
1956.....	105.8	101.7	4.1	77.1	72.6	4.5	28.7	29.1	-.4
1957.....	113.1	111.6	1.5	82.1	80.0	2.1	31.0	31.6	-.6
1958.....	114.4	117.7	-3.3	81.9	83.4	-1.5	32.5	34.3	-1.8
1959 ⁵				81.7	94.9	-13.2			
1960 ⁶				93.5	92.9	.6			

¹ For derivation of Federal cash receipts and payments, see *Budget of the United States Government for the Fiscal Year ending June 30, 1960*, and Table D-54.

² Estimated by Council of Economic Advisers from receipts and expenditures in the national income accounts. Cash receipts consist of personal tax and nontax receipts, indirect business tax and nontax accruals, and corporate tax accruals adjusted to a collection basis. Cash payments are total expenditures less Federal grants-in-aid and less contributions for social insurance. (Federal grants-in-aid are therefore excluded from State and local receipts and payments and included only in Federal payments.) See Table D-53.

³ Less than \$50 million.

⁴ Preliminary.

⁵ Estimate.

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

Sources: Treasury Department, Bureau of the Budget, Department of Commerce, and Council of Economic Advisers.

TABLE D-53.—Government receipts and expenditures as shown in the national income accounts, 1955-58¹

[Calendar years, billions of dollars]

Receipt or expenditure	1955			1956			1957			1958 ²		
	Year	First half ²	Second half ²	Year	First half ²	Second half ²	Year	First half ²	Second half ²	Year	First half ²	Second half ²
Total government												
Receipts.....	101.5	98.3	104.4	110.3	108.8	112.0	116.2	116.4	116.0	114.5	110.8	118.1
Expenditures.....	98.6	97.6	99.4	104.1	101.8	106.4	114.5	113.7	115.8	124.5	121.6	127.4
Excess of receipts or of expenditures (—).....	2.9	.7	5.0	6.3	7.0	5.6	1.7	2.7	.2	-10.0	-10.8	-9.4
Federal Government												
Receipts.....	72.8	70.5	75.0	78.7	77.7	79.8	82.5	83.0	82.0	79.0	76.1	81.8
Personal tax and non-tax receipts.....	31.5	31.0	32.1	35.2	34.8	35.6	37.4	37.2	37.6	37.1	36.6	37.7
Corporate profits tax accruals.....	20.9	19.6	22.2	21.4	21.4	21.4	20.7	21.3	20.0	17.7	15.5	19.8
Indirect business tax and nontax accruals.....	11.0	10.9	11.2	11.6	11.2	12.0	12.2	12.3	12.2	11.9	12.0	11.8
Contributions for social insurance.....	9.3	9.0	9.6	10.5	10.2	10.8	12.2	12.2	12.3	12.3	12.1	12.4
Expenditures.....	68.9	68.3	69.4	71.9	70.2	73.6	79.6	78.9	80.4	87.0	84.4	89.8
Purchases of goods and services.....	45.3	44.9	45.7	45.7	44.6	46.8	49.4	49.4	49.4	51.6	50.2	53.0
Transfer payments.....	14.0	14.1	13.9	14.9	14.6	15.2	17.3	16.9	17.8	21.2	20.5	22.0
To persons.....	12.5	12.4	12.6	13.5	13.2	13.8	15.9	15.3	16.6	20.0	19.3	20.8
Foreign (net).....	1.5	1.7	1.3	1.4	1.4	1.4	1.5	1.6	1.3	1.2	1.2	1.2
Grants-in-aid to State and local governments.....	3.0	3.0	3.2	3.3	3.1	3.4	4.1	3.8	4.4	5.1	4.6	5.7
Net interest paid.....	4.9	4.9	5.0	5.2	5.1	5.4	5.6	5.6	5.7	5.7	5.7	5.6
Subsidies less current surplus of Government enterprises.....	1.6	1.5	1.8	2.8	2.7	2.8	3.1	3.2	3.1	3.4	3.4	3.4
Excess of receipts or of expenditures (—).....	3.8	2.2	5.6	6.8	7.5	6.2	2.9	4.0	1.6	-8.1	-8.2	-8.0
State and local governments:												
Receipts.....	31.7	30.8	32.6	34.9	34.2	35.6	37.8	37.2	38.4	40.6	39.4	42.0
Personal tax and non-tax receipts.....	4.2	4.2	4.3	4.8	4.8	5.0	5.4	5.2	5.4	5.8	5.8	5.9
Corporate profits tax accruals.....	1.0	.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	.9	.7	1.0
Indirect business tax and nontax accruals.....	21.8	21.2	22.5	24.0	23.6	24.4	25.4	25.2	25.6	26.7	26.2	27.2
Contributions for social insurance.....	1.7	1.6	1.7	1.8	1.8	1.8	2.0	1.9	2.0	2.1	2.1	2.2
Federal grants-in-aid.....	3.0	3.0	3.2	3.3	3.1	3.4	4.1	3.8	4.4	5.1	4.6	5.7
Expenditures.....	32.7	32.3	33.2	35.5	34.7	36.2	39.0	38.6	39.8	42.6	41.8	43.4
Purchases of goods and services.....	30.3	29.8	30.8	33.1	32.4	33.9	36.3	36.0	37.0	39.6	38.8	40.4
Transfer payments.....	3.5	3.6	3.5	3.6	3.6	3.6	4.0	3.8	4.0	4.3	4.3	4.4
Net interest paid.....	.5	.4	.5	.5	.5	.5	.5	.5	.6	.6	.6	.6
Less: Current surplus of Government enterprises.....	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.8	1.9	1.8	2.0
Excess of receipts or of expenditures (—).....	-1.0	-1.4	-.5	-.6	-.4	-.7	-1.2	-1.4	-1.4	-1.9	-2.4	-1.4

¹ These accounts, like the cash budget, include the transactions of the trust accounts. Unlike both the conventional budget and the cash statement, they exclude certain capital and lending transactions. In general, they do not use the cash basis for transactions with business. Instead, corporate profits taxes are included in receipts on an accrual instead of a cash basis; expenditures are timed with the delivery instead of the payment for goods and services; and CCC guaranteed price-support crop loans financed by banks are counted as expenditures when the loans are made, not when CCC redeems them.

² Seasonally adjusted annual rates.

³ Preliminary; fourth quarter estimates by Council of Economic Advisers.

NOTE.—Federal grants-in-aid to State and local governments are reflected in Federal expenditures and State and local receipts and expenditures. Total government receipts and expenditures have been adjusted to eliminate this duplication.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-54.—*Reconciliation of Federal Government receipts and expenditures in the conventional budget and the consolidated cash statement with receipts and expenditures in the national income accounts, fiscal years 1956-58*

[Billions of dollars]

Receipts or expenditures	Fiscal years		
	1956	1957	1958
RECEIPTS			
Budget receipts.....	68.2	71.0	69.1
Less: Intragovernmental transactions.....	2.7	3.2	3.5
Receipts from exercise of monetary authority.....	.0	.0	.1
Plus: Trust fund receipts.....	11.7	14.4	16.3
Equals: Federal receipts from the public (consolidated cash receipts).....	77.1	82.1	81.9
Less: Adjustment for agency coverage:			
District of Columbia revenues.....	.2	.2	.2
Plus: Adjustments for netting and consolidation:			
Federal Government contributions to:			
Employee retirement funds.....	.2	.5	.7
Veterans' life insurance funds.....	.1	.0	.0
Federal Government employee contributions to employee retirement funds.....	.6	.7	.7
Interest, dividends, and other earnings.....	-.4	-.5	-.8
Adjustments for timing:			
Excess of taxes included in national income accounts over cash collections:			
Personal.....	.2	-.3	-.1
Corporate profits.....	.7	.1	-2.3
Other.....	.0	.2	-.1
Miscellaneous.....	-.4	.2	-.2
Less: Adjustments for capital transactions:			
Realization upon loans and investments.....	.3	.3	.3
Proceeds from sale of government property.....	.5	.4	.3
Recoveries and refunds.....	.6	.4	.5
Equals: Receipts—national income accounts.....	76.4	81.7	78.3
EXPENDITURES			
Budget expenditures.....	66.5	69.4	71.9
Less: Intragovernmental transactions.....	2.7	3.2	3.5
Accrued interest and other noncash expenditures (net).....	.9	-.8	.5
Plus: Trust fund expenditures.....	9.4	13.0	16.1
Government-sponsored enterprise expenditures (net).....	.3	.0	-.6
Equals: Federal payments to the public (consolidated cash expenditures).....	72.6	80.0	83.4
Less: Adjustment for agency coverage:			
District of Columbia expenditures.....	.2	.2	.2
Plus: Adjustments for netting and consolidation:			
Federal Government contributions to:			
Employee retirement funds.....	.2	.5	.7
Veterans' life insurance funds.....	.1	.0	.0
Federal Government employee contributions to employee retirement funds.....	.6	.7	.7
Interest received and proceeds of government sales.....	-.8	-.6	-.6
Adjustments for timing:			
Accrued interest on savings bonds and Treasury bills.....	.4	.6	.3
Commodity Credit Corporation guaranteed non-recourse loans (net change).....	-.4	-.2	.1
Increase in clearing account.....	.3	-.8	.6
Miscellaneous.....	-1.3	-1.0	-1.0
Less: Adjustments for capital transactions:			
Loans and other adjustments:			
Federal National Mortgage Association secondary market operations.....	.1	1.0	.1
Other.....	1.1	.4	1.1
Purchase of land and existing assets.....	.0	.0	.1
Trust and deposit fund expenditures.....	.8	.5	-.2
Redemption of International Monetary Fund notes.....	-.2	.7	.4
Equals: Expenditures—national income accounts.....	69.7	76.5	82.5

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

Sources: Treasury Department, Bureau of the Budget, and Department of Commerce.

TABLE D-55.—State and local government revenues and expenditures, selected fiscal years, 1927-57

[Millions of dollars]

Fiscal year ¹	Revenues by source ²							Expenditures by function ³				
	Total	Property taxes	Sales and gross receipts taxes	Individual income taxes	Corporation net income taxes	Revenue from Federal Government	All other revenue ⁴	Total	Edu- cation	High- ways	Public wel- fare	All other ⁴
1927.....	7,271	4,730	470	70	92	116	1,793	7,210	2,235	1,809	151	3,015
1932.....	7,267	4,487	752	74	79	232	1,643	7,765	2,311	1,741	444	3,269
1934.....	7,713	4,076	1,008	80	49	1,051	1,449	7,181	1,831	1,509	889	2,952
1936.....	8,504	4,093	1,484	153	113	1,057	1,604	7,644	2,177	1,425	827	3,215
1938.....	9,228	4,440	1,794	218	165	800	1,811	8,757	2,491	1,650	1,069	3,547
1940.....	9,609	4,430	1,982	224	156	945	1,872	9,229	2,638	1,573	1,156	3,862
1942.....	10,417	4,537	2,351	276	272	858	2,123	9,190	2,586	1,490	1,225	3,889
1944.....	10,908	4,604	2,289	342	451	954	2,269	8,863	2,793	1,200	1,133	3,737
1946.....	12,357	4,986	2,986	422	447	855	2,661	11,028	3,356	1,672	1,409	4,591
1948.....	17,251	6,126	4,442	543	592	1,861	3,685	17,684	5,379	3,036	2,099	7,170
1950.....	20,911	7,349	5,154	788	593	2,486	4,541	22,787	7,177	3,803	2,940	8,867
1952.....	25,181	8,652	6,357	998	846	2,566	5,763	26,098	8,318	4,650	2,788	10,340
1953.....	27,307	9,375	6,927	1,065	817	2,870	6,252	27,910	9,390	4,987	2,914	10,619
1954.....	29,013	9,967	7,276	1,127	778	2,966	6,897	30,701	10,557	5,527	3,060	11,556
1955.....	31,073	10,735	7,643	1,237	744	3,131	7,584	33,724	11,907	6,452	3,168	12,196
1956.....	34,667	11,749	8,691	1,538	890	3,335	8,465	36,711	13,220	6,953	3,139	13,397
1957 ⁵	38,310	13,097	9,461	1,767	984	3,838	9,163	40,438	14,501	7,762	3,411	14,763

¹ Fiscal years not the same for all governments.² Excludes revenues or expenditures of publicly owned utilities and liquor stores, and of insurance-trust activities. Intergovernmental receipts and payments between governments in these categories are also excluded.³ Includes licenses and other taxes and charges and miscellaneous revenues.⁴ Includes expenditures for health, hospitals, police, local fire protection, natural resources, sanitation, housing and community redevelopment, local recreation, general control, interest on general debt, and other and unallocable expenditures.⁵ Preliminary.

NOTE.—Data are not available for intervening years.

See Table D-47 for net debt of State and local governments.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (Bureau of the Census).

CORPORATE PROFITS AND FINANCE

TABLE D-56.—*Profits before and after taxes, all private corporations, 1929-58*

[Billions of dollars]

Period	Corporate profits before taxes	Corporate tax liability ¹	Corporate profits after taxes		
			Total	Dividend payments	Undistributed profits
1929.....	9.6	1.4	8.3	5.8	2.4
1930.....	3.3	.8	2.5	5.5	-3.0
1931.....	-.8	.5	-1.3	4.1	-5.4
1932.....	-3.0	.4	-3.4	2.6	-6.0
1933.....	.2	.5	-.4	2.1	-2.4
1934.....	1.7	.7	1.0	2.6	-1.6
1935.....	3.1	1.0	2.2	2.9	-.7
1936.....	5.7	1.4	4.3	4.5	-.2
1937.....	6.2	1.5	4.7	4.7	(²)
1938.....	3.3	1.0	2.3	3.2	-.9
1939.....	6.4	1.4	5.0	3.8	1.2
1940.....	9.3	2.8	6.5	4.0	2.4
1941.....	17.0	7.6	9.4	4.5	4.9
1942.....	20.9	11.4	9.5	4.3	5.2
1943.....	24.6	14.1	10.5	4.5	6.0
1944.....	23.3	12.9	10.4	4.7	5.7
1945.....	19.0	10.7	8.3	4.7	3.6
1946.....	22.6	9.1	13.4	5.8	7.7
1947.....	29.5	11.3	18.2	6.5	11.7
1948.....	33.0	12.5	20.5	7.2	13.3
1949.....	26.4	10.4	16.0	7.5	8.5
1950.....	40.6	17.9	22.8	9.2	13.6
1951.....	42.2	22.4	19.7	9.0	10.7
1952.....	36.7	19.5	17.2	9.0	8.3
1953.....	38.3	20.2	18.1	9.2	8.9
1954.....	34.1	17.2	16.8	9.8	7.0
1955.....	44.9	21.8	23.0	11.2	11.8
1956.....	45.5	22.4	23.1	12.0	11.0
1957.....	43.4	21.6	21.8	12.4	9.4
1958 ³	⁴ 36.4	18.5	17.8	12.3	5.6
Seasonally adjusted annual rates					
1956: First quarter.....	46.2	22.8	23.4	11.7	11.7
Second quarter.....	44.8	22.1	22.7	12.0	10.7
Third quarter.....	44.3	21.8	22.4	12.2	10.2
Fourth quarter.....	46.7	23.0	23.7	11.8	11.9
1957: First quarter.....	46.1	23.0	23.1	12.5	10.6
Second quarter.....	43.5	21.7	21.8	12.6	9.2
Third quarter.....	44.2	22.0	22.1	12.7	9.4
Fourth quarter.....	39.9	19.9	20.0	12.0	8.0
1958: First quarter.....	31.7	16.1	15.5	12.5	3.0
Second quarter.....	32.0	16.3	15.7	12.4	3.3
Third quarter.....	37.9	19.3	18.6	12.5	6.1
Fourth quarter ³	⁴ 44.0	22.4	21.6	11.8	9.8

¹ Federal and State corporate income and excess profits taxes.

² \$48 million.

³ Preliminary; fourth quarter by Council of Economic Advisers.

⁴ Provisional.

NOTE.—No allowance has been made for inventory valuation adjustment. See Table D-9 for profits before taxes and inventory valuation adjustment.

Series revised beginning 1946. For details, see *U. S. Income and Output, A Supplement to the Survey of Current Business*, 1959.

Detail will not necessarily add to totals because of rounding.

Source: Department of Commerce (except as noted).

TABLE D-57.—*Relation of profits before and after taxes to stockholders' equity and to sales, private manufacturing corporations, by asset size class, 1956-58*

[Thousands of dollars]

Period	All asset sizes		Under 250		250-999		1,000-4,999		5,000-99,999		100,000 and over	
	Ratio of profits (annual rate) to stockholders' equity—percent											
	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes
1956:												
First quarter.....	23.8	12.5	17.3	10.3	18.9	9.5	21.4	10.6	22.8	11.2	25.4	13.7
Second quarter.....	24.2	13.0	24.0	15.6	22.1	11.5	21.5	10.4	24.1	12.0	24.9	13.9
Third quarter.....	20.2	11.0	25.2	15.3	23.0	11.7	21.4	10.7	22.4	11.1	18.6	10.8
Fourth quarter.....	22.3	12.6	13.0	5.8	12.8	5.8	18.9	9.1	22.4	11.4	24.0	14.5
1957:												
First quarter.....	22.5	11.9	15.6	8.4	15.7	7.5	18.8	8.9	20.8	10.1	24.5	13.6
Second quarter.....	21.6	11.6	19.4	11.1	19.2	10.0	19.7	9.6	21.4	10.6	22.2	12.4
Third quarter.....	19.1	10.5	18.2	11.0	20.4	10.1	18.7	9.1	20.0	10.0	18.8	10.9
Fourth quarter.....	16.8	9.8	5.5	.7	7.4	2.4	12.2	5.4	16.6	8.6	18.7	11.8
1958:												
First quarter.....	12.9	6.8	1.5	-3.0	7.6	2.1	8.9	2.9	12.9	6.1	14.3	8.4
Second quarter.....	13.9	7.8	9.2	4.7	12.4	5.7	13.0	5.9	14.3	7.1	14.1	8.6
Third quarter.....	15.9	9.0	16.7	10.3	16.3	8.9	16.8	8.0	17.0	8.5	15.3	9.3
	Profits per dollar of sales—cents											
	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes	Before taxes	After taxes
1956:												
First quarter.....	10.2	5.3	3.3	1.9	4.6	2.3	6.9	3.4	9.8	4.8	13.1	7.0
Second quarter.....	10.3	5.5	4.6	3.0	5.2	2.7	6.9	3.3	10.1	5.0	12.8	7.1
Third quarter.....	9.0	4.9	4.9	3.0	5.3	2.7	6.9	3.5	9.7	4.8	10.5	6.1
Fourth quarter.....	9.3	5.2	2.4	1.1	2.9	1.3	5.9	2.9	9.4	4.8	11.9	7.2
1957:												
First quarter.....	9.7	5.1	3.1	1.7	3.7	1.8	6.3	3.0	9.0	4.4	12.4	6.9
Second quarter.....	9.4	5.0	3.7	2.1	4.5	2.3	6.3	3.1	9.1	4.5	11.6	6.5
Third quarter.....	8.5	4.7	3.5	2.1	4.7	2.3	6.0	2.9	8.8	4.4	10.3	6.0
Fourth quarter.....	7.6	4.4	1.0	.1	1.8	.6	3.9	1.7	7.4	3.9	10.2	6.5
1958:												
First quarter.....	6.4	3.4	.3	-.6	1.9	.5	3.1	1.0	6.4	3.0	8.7	5.1
Second quarter.....	6.8	3.8	1.9	.9	2.9	1.4	4.4	2.0	6.9	3.4	8.6	5.2
Third quarter.....	7.7	4.4	3.3	2.0	3.8	2.1	5.4	2.6	8.0	4.0	9.4	5.7

NOTE.—Data on a comparable basis are not available for earlier periods. For details concerning compilation of the series, see *Quarterly Financial Reports for U. S. Manufacturing Corporations*, Federal Trade Commission and Securities and Exchange Commission.

Sources: Federal Trade Commission and Securities and Exchange Commission.

TABLE D-58.—*Relation of profits after taxes to stockholders' equity and to sales, private manufacturing corporations, by industry group, 1956-58*

Period	All private manufacturing corporations	Durable goods industries											
		Lumber and wood products (except furniture)	Furniture and fixtures	Stone, clay, and glass products	Primary iron and steel industries	Primary non-ferrous metal industries	Fabricated metal products	Machinery (except electrical)	Electrical machinery, equipment, and supplies	Motor vehicles and equipment	Other transportation equipment	Instruments and related products	Miscellaneous manufacturing (including ordinance)
		Ratio of profits after Federal taxes (annual rate) to stockholders' equity — percent											
1956:													
First quarter....	12.5	9.1	10.7	12.6	14.7	19.9	10.9	11.9	10.3	16.7	14.3	8.7	9.7
Second quarter....	13.0	11.0	11.4	17.2	15.1	18.0	11.5	14.2	12.1	13.1	16.7	11.9	10.4
Third quarter....	11.0	9.0	13.0	15.9	6.0	13.9	11.0	12.0	11.6	6.9	13.6	12.5	13.3
Fourth quarter....	12.6	5.6	11.2	13.6	15.1	14.1	9.4	12.3	11.4	15.7	16.1	16.3	13.0
1957:													
First quarter....	11.9	2.0	7.3	10.0	13.8	12.4	9.5	12.3	13.9	18.8	14.8	10.6	6.9
Second quarter....	11.6	6.2	9.2	13.7	13.0	9.7	10.9	13.0	12.9	15.3	16.4	12.4	7.5
Third quarter....	10.5	6.5	9.7	13.8	9.9	8.1	11.0	10.1	11.5	9.2	13.9	11.6	10.4
Fourth quarter....	9.8	4.1	7.8	11.9	8.9	7.1	5.8	7.5	11.9	13.6	13.8	13.2	5.8
1958:													
First quarter....	6.8	.2	2.0	4.6	5.3	5.7	4.9	5.7	8.5	8.3	11.0	6.9	1.6
Second quarter....	7.8	3.1	3.4	11.1	6.5	4.6	7.3	7.7	9.2	5.9	9.9	9.3	6.9
Third quarter....	9.0	11.0	8.7	14.9	6.5	5.6	8.8	7.2	10.3	1.6	10.1	12.1	14.7
		Profits after taxes per dollar of sales — cents											
1956:													
First quarter....	5.3	4.4	3.1	7.3	7.3	10.2	4.2	5.2	3.6	6.0	3.6	4.5	3.2
Second quarter....	5.5	4.7	3.3	9.1	7.2	9.8	4.2	5.8	4.0	5.0	3.8	5.8	3.4
Third quarter....	4.9	3.8	4.0	8.6	4.1	8.1	4.0	5.3	3.9	3.3	3.2	6.1	4.1
Fourth quarter....	5.2	2.5	3.1	7.8	7.5	8.7	3.5	5.2	3.5	5.8	3.2	6.6	3.8
1957:													
First quarter....	5.1	1.0	2.3	6.6	7.1	8.1	3.7	5.3	4.5	6.3	3.2	5.3	2.4
Second quarter....	5.0	2.9	2.8	8.1	7.0	6.6	4.1	5.5	4.3	5.7	3.3	5.8	2.4
Third quarter....	4.7	3.1	3.1	7.8	6.1	6.0	4.2	4.7	4.0	4.0	3.1	5.7	3.2
Fourth quarter....	4.4	2.1	2.4	7.4	5.8	5.5	2.3	3.7	4.0	5.4	2.9	6.0	1.9
1958:													
First quarter....	3.4	.1	.7	3.1	4.2	4.8	2.2	3.1	3.2	3.7	2.6	3.7	.6
Second quarter....	3.8	1.6	1.2	7.3	5.0	3.9	3.1	3.9	3.5	2.9	2.3	4.8	2.3
Third quarter....	4.4	5.0	2.8	8.9	5.0	4.4	3.5	3.9	3.9	1.0	2.5	6.2	4.7

See footnotes at end of table, p. 206.

TABLE D-58.—*Relation of profits after taxes to stockholders' equity and to sales, private manufacturing corporations, by industry group, 1956-58—Continued*

Period	Nondurable goods industries										
	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and related products	Paper and allied products	Printing and publishing (except newspapers)	Chemicals and allied products	Petroleum refining	Products of petroleum and coal (except petroleum refining)	Rubber products	Leather and leather products
Ratio of profits after Federal taxes (annual rate) to stockholders' equity — percent											
1956:											
First quarter	8.2	10.0	6.4	6.8	12.1	16.3	15.0	13.1	7.7	11.9	9.6
Second quarter	9.9	12.0	4.8	4.5	12.2	15.0	14.7	14.0	11.1	13.1	6.6
Third quarter	10.4	12.7	5.5	10.9	11.0	11.0	13.1	13.2	12.0	11.0	6.3
Fourth quarter	8.7	12.1	6.4	10.0	11.3	10.0	13.9	15.3	8.4	12.8	6.4
1957:											
First quarter	7.4	10.3	4.4	6.7	10.2	12.3	13.7	14.4	4.3	11.5	6.6
Second quarter	8.4	11.9	4.4	5.9	9.0	14.8	13.9	11.8	8.2	11.6	6.5
Third quarter	10.4	13.9	4.8	9.7	8.7	11.9	13.1	11.1	10.8	10.9	6.9
Fourth quarter	8.3	13.8	3.4	3.0	7.8	8.0	12.3	12.5	7.6	10.6	8.0
1958:											
First quarter	6.9	11.8	.9	3.4	6.8	8.3	9.9	8.9	— .8	6.7	4.1
Second quarter	8.6	13.3	2.7	1.3	7.6	9.3	11.3	8.2	6.2	8.1	3.2
Third quarter	9.9	14.5	5.2	9.5	7.4	11.5	12.0	10.4	9.8	11.3	8.4
Profits after taxes per dollar of sales — cents											
1956:											
First quarter	2.2	4.5	2.8	1.4	6.4	5.4	8.5	10.6	3.8	4.3	2.8
Second quarter	2.6	5.0	2.2	1.0	6.4	5.0	8.1	12.0	4.7	4.6	1.9
Third quarter	2.7	5.3	2.6	2.1	5.9	3.7	7.6	11.4	5.3	4.1	1.8
Fourth quarter	2.2	5.1	2.8	1.9	5.9	3.0	7.9	12.3	3.8	4.7	1.8
1957:											
First quarter	2.0	4.7	2.0	1.4	5.7	4.0	7.8	11.0	2.1	4.4	1.8
Second quarter	2.2	4.9	2.0	1.2	4.9	4.8	7.9	10.2	3.6	4.3	1.9
Third quarter	2.6	5.5	2.2	1.8	4.9	5.8	7.6	9.8	4.4	4.0	2.0
Fourth quarter	2.1	5.4	1.5	.6	4.5	2.5	7.3	11.3	3.4	4.1	2.4
1958:											
First quarter	1.8	5.1	.4	.7	4.1	2.8	6.4	8.2	— .5	3.0	1.3
Second quarter	2.2	5.2	1.3	.3	4.5	3.3	6.7	8.2	2.9	3.4	1.0
Third quarter	2.5	5.5	2.4	1.7	4.3	4.0	7.0	9.9	3.9	4.5	2.4

NOTE.—Data on a comparable basis are not available for earlier periods. For explanatory notes concerning compilation of the series, see *Quarterly Financial Reports for U. S. Manufacturing Corporations* by Federal Trade Commission and Securities and Exchange Commission.

Sources: Federal Trade Commission and Securities and Exchange Commission.

TABLE D-59.—*Sources and uses of corporate funds, 1947-58*¹

[Billions of dollars]

Source or use of funds	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958 ²
Total uses.....	28.2	27.0	16.8	36.5	36.8	27.3	28.2	24.0	45.1	39.9	39.3	33.5
Plant and equipment outlays.....	17.0	18.8	16.3	16.9	21.6	22.4	23.9	22.4	24.2	29.9	32.7	26.5
Inventories (change in book value).....	7.1	4.2	-3.6	9.8	9.8	1.3	1.8	-1.6	6.7	8.4	1.7	-4.5
Change in customer net receivables ³	3.1	2.8	.9	5.0	2.0	3.1	.7	2.4	6.4	5.0	4.4	6.5
Cash and U. S. Government securities.....	1.0	1.0	3.2	4.5	2.8	.1	1.8	(4)	5.0	-4.3	-1.8	2.5
Other assets.....	(4)	.2	(4)	.3	.6	.4	(4)	.8	2.8	.9	2.3	2.5
Total sources.....	27.9	27.8	15.8	35.4	36.9	28.1	30.0	22.4	44.8	41.5	41.2	33.5
Internal sources.....	16.6	18.8	14.9	20.8	19.0	17.8	19.7	19.8	26.6	27.9	28.5	27.5
Retained profits and depletion allowances.....	11.4	12.6	7.8	13.0	10.0	7.4	7.9	6.3	10.9	10.2	8.8	⁵ 6.0
Depreciation and amortization allowances.....	5.2	6.2	7.1	7.8	9.0	10.4	11.8	13.5	15.7	17.7	19.7	21.5
External sources.....	11.3	9.0	.9	14.6	17.9	10.3	10.3	2.6	18.2	13.6	12.7	6.0
Change in Federal income tax liability.....	2.1	.9	-2.2	7.3	4.3	-3.1	.6	-3.1	3.8	-1.4	-1.9	-3.0
Other liabilities.....	1.5	.4	.5	1.0	1.9	2.4	2.2	.4	2.1	2.0	1.9	(4)
Change in bank loans and mortgage loans.....	3.3	1.8	-2.3	2.6	5.4	3.1	.4	-.6	5.4	5.2	1.8	-1.0
Net new issues.....	4.4	5.9	4.9	3.7	6.3	7.9	7.1	5.9	6.9	7.8	10.9	10.0
Discrepancy (uses less sources).....	.3	-.8	1.0	1.1	-.1	-.8	-1.8	1.6	.3	-1.6	-1.9	(4)

¹ Excludes banks and insurance companies.² Preliminary estimates.³ Receivables are net of payables, which are therefore not shown separately.⁴ Less than \$50 million.⁵ Preliminary estimate by Council of Economic Advisers.

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

Source: Department of Commerce based on Securities and Exchange Commission and other financial data (except as noted).

TABLE D-60.—*Current assets and liabilities of U. S. corporations, 1954-58*¹

[Billions of dollars, end of period]

Asset or liability	1954	1955	1956	1957				1958		
				First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter
Total current assets.....	194.6	224.5	235.9	235.2	234.9	239.5	239.9	232.8	231.0	236.0
Cash on hand and in banks.....	33.4	34.6	35.1	32.3	33.0	33.7	35.0	32.6	34.5	35.5
U. S. Government securities.....	19.2	23.0	18.2	17.7	15.4	15.7	16.5	15.4	13.3	14.3
Receivables from U. S. Government ²	2.4	2.3	2.6	2.5	2.5	2.4	2.8	2.7	2.6	2.7
Other notes and accounts receivable.....	71.2	87.1	94.5	94.9	96.1	98.7	97.5	94.6	96.0	99.9
Inventories.....	65.3	72.8	80.4	82.3	82.4	83.2	82.2	81.4	78.3	77.3
Other current assets ³	3.1	4.7	5.1	5.5	5.4	5.7	5.9	6.2	6.3	6.3
Total current liabilities.....	99.7	121.5	126.8	124.2	122.8	126.6	126.5	118.0	114.5	117.2
Advances and prepayments, U. S. Government ²	2.4	2.3	2.4	2.5	2.6	2.6	2.3	2.1	1.9	1.8
Other notes and accounts payable.....	59.3	73.5	78.0	77.0	77.3	78.3	77.6	73.2	72.1	73.1
Federal income tax liabilities.....	15.5	19.3	17.9	15.4	13.1	14.8	16.0	12.8	10.1	11.7
Other current liabilities.....	22.5	26.5	28.6	29.4	29.7	31.0	30.6	29.9	30.4	30.6
Net working capital.....	94.9	103.0	109.1	111.0	112.1	112.9	113.5	114.8	116.6	118.8

¹ All corporations in the United States, excluding banks, savings and loan associations, and insurance companies. Data for 1954-55 are based on *Statistics of Income*, covering virtually all corporations in the United States. *Statistics of Income* data may not be strictly comparable from year to year because of changes in the tax laws, basis for filing returns, and processing of data for compilation purposes. Data for 1956-58 are estimates based on data compiled from many different sources, including data on corporations registered with the Securities and Exchange Commission. As more complete data become available, estimates are revised.

² Receivables from and payables to U. S. Government do not include amounts offset against each other on the corporation's books or amounts arising from subcontracting which are not directly due from or to the U. S. Government. Wherever possible, adjustments have been made to include U. S. Government advances offset against inventories on the corporation's books.

³ Includes marketable securities other than U. S. Government.

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

Source: Securities and Exchange Commission.

TABLE D-61.—State and municipal and corporate securities offered, 1934-58¹

[Millions of dollars]

Period	State and municipal securities offered for cash (principal amounts)	Corporate securities offered for cash ²									
		Gross proceeds ³				Proposed uses of net proceeds ⁴					
		Total	Common stock	Preferred stock	Bonds and notes	Total	New money			Retirement of securities	Other purposes
							Total	Plant and equipment	Working capital		
1934.....	939	397	19	6	372	384	57	32	26	231	95
1935.....	1,232	2,332	22	86	2,224	2,266	208	111	96	1,865	193
1936.....	1,121	4,572	272	271	4,028	4,431	858	380	478	3,368	204
1937.....	908	2,310	785	406	1,618	2,239	991	574	417	1,100	148
1938.....	1,108	2,155	25	86	2,044	2,110	681	504	177	1,206	222
1939.....	1,128	2,164	87	98	1,980	2,115	325	170	155	1,695	95
1940.....	1,238	2,677	108	183	2,386	2,615	569	424	145	1,854	192
1941.....	956	2,667	110	167	2,390	2,623	868	661	707	1,583	172
1942.....	524	1,062	34	112	917	1,043	474	287	187	396	173
1943.....	435	1,170	56	124	990	1,147	368	141	167	739	100
1944.....	661	3,202	163	369	2,670	3,142	657	252	405	2,389	96
1945.....	795	6,011	397	758	4,855	5,902	1,080	638	442	4,555	267
1946.....	1,157	6,900	891	1,127	4,882	6,757	3,279	2,115	1,164	2,868	610
1947.....	2,324	6,577	779	762	5,036	6,466	4,591	3,409	1,182	1,352	524
1948.....	2,690	7,078	614	492	5,973	6,959	5,929	4,221	1,708	307	722
1949.....	2,907	6,052	736	425	4,890	5,959	4,606	3,724	882	401	952
1950.....	3,532	6,361	811	631	4,920	6,261	4,006	2,966	1,041	1,271	984
1951.....	3,189	7,741	1,212	838	5,691	7,607	6,531	5,110	1,421	486	589
1952.....	4,401	9,534	1,369	564	7,601	9,380	8,180	6,312	1,868	664	537
1953.....	5,558	8,898	1,326	489	7,083	8,755	7,960	5,647	2,313	260	535
1954.....	6,969	9,516	1,213	816	7,488	9,365	6,780	5,110	1,670	1,875	709
1955.....	5,977	10,240	2,185	635	7,420	10,049	7,957	5,333	2,624	1,227	864
1956.....	5,446	10,939	2,301	636	8,002	10,749	9,663	6,709	2,954	364	721
1957.....	6,958	12,884	2,516	411	9,957	12,661	11,784	9,040	2,744	214	663
1958 ⁵	7,400	11,518	1,335	544	9,640	11,331	9,926	7,841	2,084	553	852
1956: First quarter...	1,517	2,250	352	191	1,706	2,209	1,947	1,076	871	106	155
Second quarter...	1,617	2,989	532	146	2,311	2,935	2,589	1,864	725	130	215
Third quarter...	928	2,690	457	99	2,134	2,641	2,369	1,637	732	86	187
Fourth quarter...	1,384	3,010	960	199	1,851	2,964	2,758	2,132	626	42	164
1957: First quarter...	1,758	3,558	753	98	2,706	3,493	3,180	2,591	589	49	264
Second quarter...	1,689	3,258	765	139	2,354	3,194	2,948	2,238	710	46	201
Third quarter...	1,549	2,997	404	72	2,521	2,950	2,809	1,955	853	51	91
Fourth quarter...	1,962	3,071	593	102	2,376	3,023	2,847	2,255	592	69	107
1958: First quarter...	2,206	3,314	287	182	2,845	3,269	3,069	2,560	509	135	66
Second quarter...	2,228	2,908	212	135	2,562	2,860	2,278	1,896	382	238	344
Third quarter...	1,668	2,944	344	104	2,496	2,896	2,582	1,936	645	112	203
Fourth quarter ⁵ ...	1,283	2,352	493	122	1,737	2,305	1,997	1,449	548	68	240

¹ These data cover substantially all new issues of State, municipal, and corporate securities offered for cash sale in the United States in amounts over \$100,000 and with terms to maturity of more than 1 year.

² Excludes notes issued exclusively to commercial banks, intercorporate transactions, and issues sold through continuous offerings, such as securities of open-end investment companies and employee-purchase plans.

³ Number of units multiplied by offering price.

⁴ Net proceeds represents the amount received by the issuer after payment of compensation to distributors and other costs of flotation.

⁵ Preliminary.

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

Sources: Securities and Exchange Commission, *The Commercial and Financial Chronicle*, and *The Bond Buyer*.

TABLE D-62.—Common stock prices and earnings and stock market credit, 1939-58

Period	Common stock prices index, 1939=100 (SEC) ¹	Common stock price/earnings ratio—industrials (Standard & Poor's) ²	Stock market credit			
			Customer credit (excluding U. S. Government securities)			Bank loans to brokers and dealers ⁵
			Total	Net debit balances ³	Bank loans to "others" ⁴	
Millions of dollars						
1939.....	100.0	15.06	(⁶)	(⁶)	(⁶)	715
1940.....	94.2	10.22	(⁶)	(⁶)	(⁶)	584
1941.....	85.7	7.92	(⁶)	(⁶)	(⁶)	535
1942.....	74.9	12.18	(⁶)	(⁶)	(⁶)	850
1943.....	99.2	14.40	(⁶)	(⁶)	(⁶)	1,328
1944.....	108.1	16.07	(⁶)	(⁶)	353	2,137
1945.....	131.2	19.74	1,374	942	432	2,782
1946.....	149.4	13.90	976	473	503	1,471
1947.....	130.9	8.94	1,032	517	515	784
1948.....	132.7	6.45	968	499	469	1,331
1949.....	127.7	6.88	1,249	821	428	1,608
1950.....	154.1	7.03	1,798	1,237	561	1,742
1951.....	184.9	9.54	1,826	1,253	573	1,419
1952.....	195.0	10.91	1,980	1,332	648	2,002
1953.....	193.3	9.56	2,445	1,665	780	2,248
1954.....	229.8	12.90	3,436	2,388	1,048	2,688
1955.....	304.6	12.83	4,030	2,791	1,239	2,852
1956.....	345.0	14.19	3,984	2,823	1,161	2,214
1957.....	331.4	12.24	3,576	2,482	1,094	2,190
1958.....	340.9	(⁶)	(⁶)	(⁶)	1,270	2,504
1957: January.....	338.2	-----	3,902	2,761	1,141	1,689
February.....	325.1	-----	3,846	2,729	1,117	1,760
March.....	328.5	13.10	3,832	2,713	1,119	1,670
April.....	338.6	-----	3,938	2,792	1,146	1,842
May.....	352.2	-----	3,924	2,794	1,130	1,765
June.....	354.6	14.36	4,031	2,887	1,144	1,842
July.....	361.8	-----	4,004	2,885	1,119	1,660
August.....	343.2	-----	3,929	2,833	1,096	1,810
September.....	327.9	12.76	3,882	2,789	1,093	1,748
October.....	306.4	-----	3,643	2,568	1,075	1,642
November.....	301.8	-----	3,577	2,517	1,060	1,610
December.....	298.5	12.24	3,576	2,482	1,094	2,190
1958: January.....	304.7	-----	3,554	2,487	1,067	1,645
February.....	304.0	-----	3,679	2,580	1,099	1,882
March.....	310.8	13.70	3,863	2,665	1,198	2,070
April.....	311.9	-----	3,980	2,735	1,245	2,749
May.....	322.9	-----	4,069	2,856	1,213	2,204
June.....	330.6	15.92	4,218	2,921	1,297	3,170
July.....	339.2	-----	4,252	3,021	1,231	2,308
August.....	351.7	-----	4,199	3,013	1,186	1,665
September.....	360.5	18.20	4,308	3,109	1,199	1,671
October.....	376.4	-----	4,369	3,188	1,181	1,641
November.....	387.8	-----	4,423	3,245	1,178	1,915
December.....	392.8	(⁶)	(⁶)	(⁶)	1,270	2,504

¹ Based on 265 stocks.² Based on 50 stocks for 1939-56 and 425 stocks beginning 1957. Ratio is obtained by dividing aggregate market value at end of period by aggregate earnings for 12 months ending with period shown.³ As reported by member firms of the New York Stock Exchange carrying margin accounts. Includes net debit balances of all customers (other than general partners in the reporting firm and member firms of national exchanges) whose combined accounts net to a debit. Balances secured by U. S. Government obligations are excluded. Data are for end of period.⁴ Loans by weekly reporting member banks to others than brokers and dealers for purchasing or carrying securities except U. S. Government obligations. However, some U. S. Government securities are included after 1952. Series revised beginning July 1946 and March 1953. Data are for last Wednesday of period.⁵ Loans by weekly reporting member banks for purchasing or carrying securities, including U. S. Government obligations. Series revised beginning July 1946 and January 1952. Data are for last Wednesday of period.⁶ Not available.

Sources: Securities and Exchange Commission, Board of Governors of the Federal Reserve System, Standard & Poor's Corporation, and New York Stock Exchange.

TABLE D-63.—Business population and business failures, 1929-58

Period	Operating businesses and business turnover (thousands of firms) ¹				New business incor- porations (num- ber) ²	Business failures ^{3,4}						
	Operating busi- nesses ⁵	New busi- nesses ⁵	Dis- con- tinued busi- nesses ⁵	Busi- ness trans- fers ⁵		Busi- ness failure rate ⁶	Number of failures			Amount of current liabilities (millions of dollars)		
							Total	Liability size class		Total	Liability size class	
								Under \$100,000	\$100,000 and over		Under \$100,000	\$100,000 and over
1929.....	3,029.0	(⁶)	(⁶)	(⁶)	(⁶)	103.9	22,909	22,165	744	483.3	261.5	221.8
1930.....	2,993.7	(⁶)	(⁶)	(⁶)	(⁶)	121.6	26,355	25,408	947	668.3	303.5	364.8
1931.....	2,916.4	(⁶)	(⁶)	(⁶)	(⁶)	133.4	28,285	27,230	1,055	736.3	354.2	382.2
1932.....	2,828.1	(⁶)	(⁶)	(⁶)	(⁶)	154.1	31,822	30,197	1,625	928.3	432.6	495.7
1933.....	2,782.1	(⁶)	(⁶)	(⁶)	(⁶)	100.3	19,859	18,880	979	457.5	215.5	242.0
1934.....	2,884.0	(⁶)	(⁶)	(⁶)	(⁶)	61.1	12,091	11,421	670	334.0	138.5	195.4
1935.....	2,991.9	(⁶)	(⁶)	(⁶)	(⁶)	61.7	12,244	11,691	553	310.6	135.5	175.1
1936.....	3,069.8	(⁶)	(⁶)	(⁶)	(⁶)	47.8	9,607	9,285	322	203.2	102.8	100.4
1937.....	3,136.3	(⁶)	(⁶)	(⁶)	(⁶)	45.9	9,490	9,203	287	183.3	101.9	81.4
1938.....	3,073.7	(⁶)	(⁶)	(⁶)	(⁶)	61.1	12,836	12,553	283	246.5	140.1	106.4
1939.....	3,222.2	(⁶)	(⁶)	(⁶)	(⁶)	69.6	14,768	14,541	227	182.5	132.9	49.7
1940.....	3,318.9	275.2	318.1	(⁶)	(⁶)	63.0	13,619	13,400	219	166.7	119.9	46.8
1941.....	3,276.0	290.0	270.7	(⁶)	(⁶)	54.5	11,848	11,685	163	136.1	100.7	35.4
1942.....	3,295.3	121.2	386.5	(⁶)	(⁶)	44.6	9,405	9,282	123	100.8	80.3	20.5
1943.....	3,030.0	146.0	337.0	(⁶)	(⁶)	16.4	3,221	3,155	66	45.3	30.2	15.1
1944.....	2,839.1	330.9	174.6	359.4	(⁶)	6.5	1,222	1,176	46	31.7	14.5	17.1
1945.....	2,995.4	422.7	175.6	473.2	(⁶)	4.2	809	759	50	30.2	11.4	18.8
1946.....	3,242.5	617.4	208.7	626.9	132,916	5.2	1,129	1,002	127	67.3	15.7	51.6
1947.....	3,651.2	460.8	239.2	571.9	112,638	14.3	3,474	3,103	371	204.6	63.7	140.9
1948.....	3,872.9	393.3	282.0	501.3	96,101	20.4	5,250	4,853	397	234.6	93.9	140.7
1949.....	3,984.2	331.1	306.5	434.7	85,491	34.4	9,246	8,708	538	308.1	161.4	146.7
1950.....	4,008.7	348.2	289.6	419.4	92,925	34.3	9,162	8,746	416	248.3	151.2	97.1
1951.....	4,067.3	363.2	309.3	378.3	83,649	30.7	8,058	7,626	432	259.5	131.6	128.0
1952.....	4,121.3	363.9	306.3	374.9	92,819	28.7	7,611	7,081	530	283.3	131.9	151.4
1953.....	4,178.8	340.5	334.0	356.2	102,545	33.2	8,862	8,075	787	394.2	167.5	226.6
1954.....	4,185.3	334.2	330.6	319.7	117,164	42.0	11,096	10,226	860	462.6	211.4	251.2
1955.....	4,189.0	380.4	324.1	327.0	139,651	41.6	10,969	10,113	856	449.4	206.4	243.0
1956.....	4,245.2	380.8	337.0	327.3	140,775	48.0	12,686	11,615	1,071	562.7	239.8	322.9
1957.....	4,289.0	365.6	332.0	341.0	136,697	51.7	13,739	12,547	1,192	615.3	267.1	348.2
1958.....	4,322.7				150,268	55.9	14,964	13,499	1,465	728.3	297.6	430.7
1957:												
January.....	4,289.0				13,387	48.0	1,148	1,022	126	54.1	21.0	33.0
February.....					10,791	51.1	1,146	1,042	104	65.4	23.1	42.3
March.....		211.0	176.9	193.2	12,049	54.9	1,336	1,225	111	55.8	25.2	30.6
April.....					12,312	48.2	1,175	1,071	104	57.1	23.1	34.0
May.....					12,220	50.1	1,200	1,069	131	52.6	21.5	31.0
June.....					11,269	50.0	1,084	988	96	51.5	20.7	30.8
July.....	4,323.2				11,686	47.8	1,059	974	85	44.3	19.7	24.6
August.....					11,361	53.4	1,145	1,070	75	43.5	23.4	20.2
September.....					10,526	58.7	1,071	984	87	45.4	20.9	24.5
October.....		154.6	155.1	147.8	11,251	51.5	1,122	1,032	90	47.4	22.3	25.1
November.....					9,270	56.0	1,173	1,075	98	52.9	23.6	29.3
December.....					10,575	51.9	1,080	995	85	45.3	22.6	22.7
1958:												
January.....	4,322.7				13,080	55.2	1,279	1,142	137	64.4	23.8	40.6
February.....					10,466	54.1	1,238	1,113	125	65.3	24.4	40.9
March.....					11,670	60.0	1,495	1,342	153	71.6	31.6	40.0
April.....					11,329	59.7	1,458	1,275	183	84.0	27.8	56.2
May.....					11,943	55.3	1,341	1,235	106	56.2	28.5	27.8
June.....					11,991	57.3	1,260	1,130	130	61.4	25.2	36.2
July.....					12,454	58.2	1,253	1,139	114	65.4	25.4	39.9
August.....					12,234	54.0	1,127	1,018	109	50.8	22.5	28.3
September.....					12,932	53.4	1,039	932	107	48.1	21.4	26.7
October.....					13,633	57.4	1,271	1,178	93	47.3	24.1	23.2
November.....					12,090	55.9	1,121	1,007	114	56.7	21.5	35.2
December.....					16,446	51.3	1,082	988	94	57.1	21.5	35.6

¹ Excludes firms in the fields of agriculture and professional services. Includes self-employed person only if he has either an established place of business or at least one paid employee.

² Annual data through 1939 are averages of end-of-quarter estimates centered at June 30. Beginning 1940, annual data are for January 1.

³ Total for period.

⁴ Commercial and industrial failures only. Excludes failures of banks and railroads and, beginning 1933, of real estate, insurance, holding, and financial companies, steamship lines, travel agencies, etc.

⁵ Failure rate per 10,000 listed enterprises. Monthly data are seasonally adjusted.

⁶ Not available.

⁷ Series revised; not strictly comparable with earlier data.

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

Sources: Department of Commerce and Dun & Bradstreet, Inc.

AGRICULTURE

TABLE D-64.—Income of the farm population, 1929-58

Period	Income from agricultural sources										Income from all sources (including net change in inventories)	Per capita income from all sources (dollars)
	Farm operators' income							Wages of farm resident workers	Total (including net change in inventories)	Income from non-agricultural sources		
	Realized gross farm income				Net farm income ²							
	Total ¹	Cash receipts from marketings	Government payments	Farm production expenses	Realized (excluding net change in inventories)	Total (including net change in inventories) ³						
		Live-stock and products			Crops							
Billions of dollars												
1929.....	13.9	6.2	5.1	0	7.6	6.3	6.1	0.9	7.0	(4)	(4)	(4)
1930.....	11.4	5.2	3.9	0	6.9	4.5	4.3	.8	5.1	(4)	(4)	(4)
1931.....	8.4	3.8	2.5	0	5.5	2.9	3.3	.6	4.0	(4)	(4)	(4)
1932.....	6.4	2.8	2.0	0	4.4	1.9	2.0	.5	2.5	(4)	(4)	(4)
1933.....	7.1	2.8	2.5	0.1	4.3	2.8	2.6	.4	3.0	(4)	(4)	(4)
1934.....	8.5	3.3	3.0	.4	4.7	3.9	2.9	.5	3.4	1.9	5.3	165
1935.....	9.7	4.1	3.0	.6	5.1	4.6	5.3	.6	5.9	2.0	7.9	244
1936.....	10.7	4.7	3.6	.3	5.6	5.1	4.3	.6	5.0	2.3	7.3	228
1937.....	11.3	4.9	3.9	.3	6.1	5.2	6.0	.7	6.8	2.5	9.3	286
1938.....	10.1	4.5	3.2	.4	5.8	4.3	4.4	.7	5.1	2.3	7.4	239
1939.....	10.6	4.5	3.3	.8	6.2	4.4	4.5	.7	5.2	2.5	7.7	249
1940.....	11.0	4.9	3.5	.7	6.7	4.3	4.6	.7	5.3	2.7	8.0	262
1941.....	13.8	6.5	4.6	.5	7.7	6.2	6.6	.9	7.5	3.1	10.6	349
1942.....	18.8	9.0	6.5	.6	9.9	8.8	9.9	1.2	11.1	3.8	14.9	509
1943.....	23.4	11.5	8.1	.6	11.5	11.9	11.8	1.4	13.2	4.2	17.4	654
1944.....	24.4	11.4	9.2	.8	12.2	12.2	11.8	1.5	13.4	4.4	17.8	696
1945.....	25.8	12.0	9.7	.7	12.9	12.8	12.4	1.6	14.0	4.2	18.2	720
1946.....	29.7	13.8	11.0	.8	14.5	15.2	15.3	1.8	17.0	4.3	21.4	806
1947.....	34.4	16.5	13.1	.3	17.0	17.3	15.5	1.9	17.5	4.9	22.4	825
1948.....	34.9	17.1	13.1	.3	18.9	16.1	17.8	2.0	19.8	5.1	24.9	962
1949.....	31.8	15.4	12.4	.2	18.0	13.8	12.9	1.8	14.7	5.2	19.9	767
1950.....	32.5	16.1	12.4	.3	19.3	13.2	14.0	1.7	15.7	5.3	21.0	838
1951.....	37.3	19.6	13.3	.3	22.2	15.2	16.3	1.8	18.1	5.6	23.7	983
1952.....	37.0	18.3	14.4	.3	22.6	14.4	15.3	1.9	17.3	6.1	23.4	962
1953.....	35.3	16.9	14.2	.2	21.4	13.9	13.3	1.8	15.1	6.0	21.1	931
1954.....	33.9	16.3	13.7	.3	21.7	12.2	12.7	1.8	14.4	5.8	20.2	925
1955.....	33.3	15.9	13.7	.2	21.9	11.5	11.8	1.7	13.5	6.3	19.8	894
1956.....	34.6	16.3	14.2	.6	22.5	12.1	11.6	1.8	13.4	6.7	20.1	903
1957.....	34.3	17.4	12.4	1.0	23.5	10.8	11.6	1.8	13.4	6.3	19.7	967
1958 ⁴	37.6	18.8	14.1	1.1	24.6	13.0	13.2	1.8	15.0	6.4	21.4	1,027
Seasonally adjusted annual rates												
1957:												
First quarter..	34.4	(4)	(4)	(4)	23.4	11.0	11.5	(4)	(4)	(4)	(4)	(4)
Second quarter..	34.3	(4)	(4)	(4)	23.6	10.7	11.6	(4)	(4)	(4)	(4)	(4)
Third quarter..	34.3	(4)	(4)	(4)	23.4	10.9	11.8	(4)	(4)	(4)	(4)	(4)
Fourth quarter..	34.3	(4)	(4)	(4)	23.6	10.7	11.5	(4)	(4)	(4)	(4)	(4)
1958:												
First quarter ⁵ ..	37.0	(4)	(4)	(4)	24.2	12.8	12.6	(4)	(4)	(4)	(4)	(4)
Second quarter ⁵ ..	38.0	(4)	(4)	(4)	24.4	13.6	13.4	(4)	(4)	(4)	(4)	(4)
Third quarter ⁵ ..	37.7	(4)	(4)	(4)	24.8	12.9	13.3	(4)	(4)	(4)	(4)	(4)
Fourth quarter ⁵ ..	37.8	(4)	(4)	(4)	25.2	12.6	13.3	(4)	(4)	(4)	(4)	(4)

¹ Also includes nonmoney income furnished by farms (value of farm products consumed in farm households and gross rental value of farm dwellings), not shown separately.

² Realized gross farm income less farm production expenses.

³ Data prior to 1946 differ from farm proprietors' income shown in Tables D-9 and D-12 because of revisions by the Department of Agriculture not yet incorporated into the national income accounts of the Department of Commerce.

⁴ Not available.

⁵ Preliminary.

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

Source: Department of Agriculture.

TABLE D-65.—Farm population, employment, and productivity, 1929-58

Period	Farm population (April 1) ¹		Net migration to and from farms (thousands) ³	Farm employment (thousands) ⁴			Average gross hourly earnings of hired farm workers ⁵	Man- hours of farm work	Farm output per man- hour	Crop production	
	Number (thous- ands)	As per cent of total popula- tion ²		Total	Family workers	Hired workers				Per man- hour	Per acre
Index, 1947-49=100											
1929	30,580	25.1	-477	12,763	9,360	3,403	\$0.241	135	55	53	79
1930	30,529	24.8	-61	12,497	9,307	3,190	.226	134	54	52	75
1931	30,845	24.8	156	12,745	9,642	3,103	.172	137	58	56	83
1932	31,388	25.1	607	12,816	9,922	2,894	.129	132	58	57	79
1933	32,393	25.8	-463	12,739	9,874	2,865	.115	132	53	51	71
1934	32,305	25.5	-527	12,627	9,765	2,862	.129	118	51	49	59
1935	32,161	25.3	-799	12,733	9,855	2,878	.142	123	59	58	76
1936	31,737	24.8	-834	12,331	9,350	2,981	.152	119	55	52	65
1937	31,266	24.2	-661	11,978	9,054	2,924	.172	129	64	62	88
1938	30,980	23.8	-545	11,622	8,815	2,807	.166	120	66	65	85
1939	30,840	23.5	-703	11,338	8,611	2,727	.166	121	66	65	85
1940	30,547	23.1	-633	10,979	8,300	2,679	.169	119	70	69	88
1941	30,273	22.7	-1,424	10,669	8,017	2,652	.206	117	74	73	89
1942	29,234	21.7	-2,975	10,504	7,949	2,555	.268	122	79	79	99
1943	26,681	19.5	-1,563	10,446	8,010	2,436	.353	121	78	77	91
1944	25,495	18.4	-564	10,219	7,988	2,231	.423	120	81	81	96
1945	25,295	18.1	864	10,000	7,881	2,119	.472	112	86	86	95
1946	26,483	18.7	151	10,295	8,106	2,189	.515	108	91	92	101
1947	27,124	18.8	-1,686	10,382	8,115	2,267	.547	103	92	91	95
1948	25,903	17.7	-371	10,363	8,026	2,337	.580	100	104	105	106
1949	25,954	17.4	-1,314	9,964	7,712	2,252	.559	97	104	104	99
1950	25,058	16.5	-1,302	9,926	7,597	2,329	.561	89	112	115	97
1951	24,160	15.7	-271	9,546	7,310	2,236	.625	91	113	112	98
1952	24,283	15.5	-1,996	9,149	7,005	2,144	.661	89	120	123	103
1953	22,679	14.2	-1,171	8,864	6,775	2,089	.672	88	123	124	103
1954	21,890	13.5	-91	8,639	6,579	2,060	.661	85	127	129	101
1955	22,158	13.4	-256	8,364	6,347	2,017	.675	85	132	135	106
1956	22,257	13.2	-2,236	7,820	5,899	1,921	.705	83	136	141	109
1957	20,396	11.9	93	7,577	5,682	1,895	.728	79	143	154	112
1958 ⁶	20,827	12.0	(7)	7,525	5,570	1,955	.757	80	154	169	126

¹ Farm population as defined by Department of Agriculture and Department of Commerce, i. e., civilian population living on farms, both urban and rural, regardless of occupation.

² Total population as of July 1 including armed forces overseas.

³ Net change for year beginning in April, estimated by Department of Agriculture. For 1940 and subsequent years, includes inductions and enlistments into the armed forces, and persons returning from the armed forces. For all years, includes persons who have not moved but who are in and out of the farm population because agricultural operations have begun or have ceased on the place where they are living.

⁴ Includes persons doing farm work on all farms. These data, published by the Department of Agriculture, Agricultural Marketing Service, differ from those on agricultural employment by the Department of Commerce, Bureau of the Census (see Table D-17) because of differences in the method of approach, in concepts of employment, and in time of month for which the data are collected. For further explanation, see monthly reports on *Farm Labor* by the Department of Agriculture.

⁵ Weighted average of all farm wage rates on a per-hour basis.

⁶ Preliminary.

⁷ Not available.

Sources: Department of Agriculture and Department of Commerce.

TABLE D-66.—*Farm production indexes, 1929-58*

[1947-49=100]

Period	Farm out- put ¹	Livestock and products				Crops								
		Total ²	Meat ani- mals	Dairy prod- ucts	Poul- try and eggs	Total ³	Feed grains	Hay and for- age	Food grains	Vege- tables	Fruits and nuts	Cot- ton	To- bac- co	Oil bear- ing crops
1929 ----	74	77	77	82	63	79	83	88	66	81	76	104	75	21
1930 ----	72	78	78	84	65	76	73	75	72	82	75	98	81	23
1931 ----	79	80	82	86	63	84	84	79	76	83	94	119	76	23
1932 ----	76	81	83	86	63	80	95	86	62	83	76	91	49	21
1933 ----	70	82	86	87	62	71	73	79	45	80	77	91	68	18
1934 ----	60	75	73	85	59	58	48	67	44	87	72	68	54	21
1935 ----	72	72	66	86	59	76	80	96	53	88	91	75	65	34
1936 ----	65	77	74	87	63	64	53	74	52	83	72	87	58	27
1937 ----	82	76	71	86	63	88	87	87	72	89	95	133	78	30
1938 ----	79	79	77	89	65	83	84	98	75	89	85	84	69	36
1939 ----	80	85	87	90	69	82	83	93	61	88	98	83	94	47
1940 ----	83	87	89	92	70	85	85	106	67	91	95	88	72	56
1941 ----	86	92	94	96	77	86	91	106	76	92	102	75	62	61
1942 ----	96	102	107	100	89	97	104	115	80	96	100	90	70	92
1943 ----	94	111	120	99	102	90	96	110	69	103	87	80	70	98
1944 ----	97	105	108	101	102	96	100	109	85	99	102	86	96	82
1945 ----	96	104	103	103	106	93	97	113	89	101	93	63	98	88
1946 ----	98	101	101	102	99	98	105	104	92	110	110	61	114	85
1947 ----	95	100	100	101	98	93	81	103	108	98	104	83	105	91
1948 ----	104	97	97	98	96	106	116	100	103	103	96	104	98	109
1949 ----	101	103	103	101	106	101	103	97	89	99	100	113	97	100
1950 ----	100	107	109	101	111	97	104	106	83	98	104	70	101	116
1951 ----	103	112	117	100	116	99	97	111	82	92	106	106	115	106
1952 ----	107	112	117	100	117	103	102	107	105	92	102	106	112	104
1953 ----	108	114	116	105	120	103	101	110	96	96	104	115	103	102
1954 ----	108	117	121	107	125	101	106	109	85	94	104	96	110	116
1955 ----	112	120	127	108	123	105	112	116	80	96	104	103	109	128
1956 ----	113	122	123	110	136	106	112	110	84	101	110	93	107	152
1957 ----	113	121	120	111	137	106	122	126	79	97	108	77	83	148
1958 ⁴ ----	123	124	123	111	144	118	134	125	117	101	110	81	87	181

¹ Farm output measures the annual volume of farm production available for eventual human use through sales from farms or consumption in farm households. Total excludes production of feed for horses and mules.

² Includes certain items not shown separately.

³ Includes production of feed for horses and mules and certain other items not shown separately.

⁴ Preliminary.

Source: Department of Agriculture.

TABLE D-67.—Indexes of prices received and prices paid by farmers, and parity ratio, 1929–58

[1910-14=100]

Period	Prices received by farmers										Prices paid by farmers				
	All farm products ¹	Crops						Livestock and products				All items, interest, taxes, and wage rates (parity index)	Family living items	Production items	Parity ratio ²
		All crops ¹	Food grains	Feed grains and hay	Cotton	Tobacco	Oil-bearing crops	All livestock and products ¹	Meat animals	Dairy products	Poultry and eggs				
1929.....	148	135	116	118	150	171	143	159	155	166	161	160	154	146	92
1930.....	125	115	93	106	104	140	111	134	133	142	128	151	144	135	83
1931.....	87	75	56	74	64	98	73	98	91	111	98	130	124	113	67
1932.....	65	57	44	48	49	84	44	72	63	86	81	112	106	99	58
1933.....	70	71	66	57	68	107	57	70	59	87	74	109	108	99	64
1934.....	90	98	90	95	101	156	103	81	68	101	89	120	122	114	75
1935.....	109	103	97	107	98	171	127	114	115	114	116	124	124	122	88
1936.....	114	108	108	103	99	163	120	119	118	125	115	124	124	122	92
1937.....	122	118	120	125	94	200	129	126	130	131	111	131	128	132	93
1938.....	97	80	75	71	70	173	95	112	113	115	110	124	122	122	78
1939.....	95	82	72	72	74	152	96	107	110	110	96	123	120	121	77
1940.....	100	90	84	85	83	134	103	109	108	120	98	124	121	123	81
1941.....	124	108	97	92	111	157	138	138	143	140	122	133	130	130	93
1942.....	159	145	120	115	156	247	183	171	186	163	152	152	149	148	105
1943.....	³ 193	187	148	152	167	319	202	198	203	³ 198	191	171	166	164	113
1944.....	³ 197	199	166	172	172	348	222	196	190	³ 222	177	182	175	173	108
1945.....	³ 207	202	172	167	179	360	228	211	³ 207	³ 229	198	190	182	176	109
1946.....	³ 236	228	201	202	238	376	260	242	³ 248	³ 268	201	208	202	191	113
1947.....	276	263	271	256	274	374	363	288	329	273	223	240	237	224	111
1948.....	287	255	250	258	272	380	351	315	361	301	242	260	251	250	110
1949.....	250	224	218	177	246	398	242	272	311	252	221	251	243	238	100
1950.....	258	233	224	193	282	402	276	280	340	249	186	256	246	246	101
1951.....	302	265	243	226	336	436	339	336	409	286	228	282	268	273	107
1952.....	288	268	244	234	310	432	296	306	353	302	206	287	271	274	100
1953.....	258	242	231	208	268	429	274	272	296	274	221	279	270	253	92
1954.....	249	242	232	206	274	439	279	255	292	252	176	281	274	252	89
1955.....	236	236	229	187	272	437	250	236	249	253	188	281	273	249	84
1956.....	235	240	224	185	268	453	250	230	238	260	177	285	278	249	82
1957.....	242	233	225	170	264	465	252	249	279	264	162	295	286	258	82
1958.....	255	232	206	156	253	481	228	275	334	259	169	305	292	270	84
1957:															
January.....	237	237	237	187	256	457	266	238	253	271	155	292	283	255	81
February.....	235	234	235	181	255	458	260	236	252	266	156	293	284	256	80
March.....	238	237	235	181	252	459	265	238	263	260	149	294	284	258	81
April.....	241	241	233	180	258	459	264	242	275	253	148	296	285	259	81
May.....	242	241	225	179	266	457	263	242	280	248	143	296	286	259	82
June.....	243	240	218	173	270	457	260	245	288	246	145	296	287	257	82
July.....	246	237	218	170	273	460	250	254	297	253	155	295	287	257	83
August.....	247	232	217	169	278	469	252	261	302	260	168	295	287	257	84
September.....	245	227	217	163	279	484	244	260	291	272	175	295	287	258	83
October.....	241	225	219	156	273	483	231	255	275	278	181	296	286	258	81
November.....	242	223	221	150	263	473	235	258	277	280	188	298	289	260	81
December.....	243	219	221	151	239	466	237	263	293	275	185	299	289	263	81
1958:															
January.....	247	224	217	146	232	474	233	267	308	269	174	301	289	264	82
February.....	252	229	219	148	211	475	229	273	324	266	169	302	290	265	83
March.....	263	245	224	152	220	475	234	280	336	261	187	304	293	269	87
April.....	264	252	223	162	236	475	237	275	339	249	172	306	293	271	86
May.....	264	246	221	163	246	475	238	280	355	244	168	306	294	271	86
June.....	255	232	197	167	246	474	239	275	348	241	163	305	293	270	84
July.....	254	228	190	165	260	473	227	277	347	246	166	305	293	270	83
August.....	251	225	190	163	281	483	232	275	338	255	166	304	291	269	83
September.....	258	232	195	160	292	482	220	280	339	264	174	305	290	272	85
October.....	252	227	199	153	281	501	214	275	330	271	164	307	291	271	82
November.....	251	225	200	145	274	485	215	274	326	272	164	308	293	272	81
December.....	246	220	198	154	256	505	215	270	323	270	157	308	291	273	80

¹ Includes items not shown separately.² Percentage ratio of index of prices received by farmers for all farm products to parity index.³ Includes wartime subsidy payments.

Source: Department of Agriculture.

TABLE D-68.—Comparative balance sheet of agriculture, 1940-59

[Billions of dollars]

Beginning of period	Assets									Claims			
	Total	Real estate	Other physical assets				Financial assets			Total	Real estate debt	Other debt	Proprietors' equities
			Live-stock	Ma-chin-ery and motor vehicles	Crops ¹	House-hold fur-nish-ings and equip-ment ²	Depos-its and cur-rency	U. S. sav-ings bonds	Invest-ment in co-operatives				
1940-----	53.0	33.6	5.1	3.1	2.7	4.3	3.2	0.2	0.8	53.0	6.6	3.4	43.0
1941-----	55.1	34.4	5.3	3.3	3.0	4.3	3.5	.4	.9	55.1	6.5	3.9	44.7
1942-----	62.5	37.5	7.1	4.0	3.8	4.5	4.2	.5	.9	62.5	6.4	4.1	52.6
1943-----	73.3	41.6	9.6	4.9	5.1	4.6	5.4	1.1	1.0	73.3	6.0	4.0	63.3
1944-----	83.8	48.2	9.7	5.3	6.1	4.6	6.6	2.2	1.1	83.8	5.4	3.5	74.9
1945-----	93.1	53.9	9.0	6.3	6.7	4.7	7.9	3.4	1.2	93.1	4.9	3.4	84.8
1946-----	102.0	61.0	9.7	5.2	6.3	4.8	9.4	4.2	1.4	102.0	4.8	3.2	94.0
1947-----	113.9	68.5	11.9	5.1	7.1	5.4	10.2	4.2	1.5	113.9	4.9	3.6	105.4
1948-----	125.2	73.7	13.3	7.0	9.0	6.2	9.9	4.4	1.7	125.2	5.1	4.2	115.9
1949-----	132.1	76.6	14.4	9.4	8.6	7.0	9.6	4.6	1.9	132.1	5.3	6.1	120.7
1950-----	130.8	75.3	12.9	11.3	7.6	7.8	9.1	4.7	2.1	130.8	5.6	6.9	118.3
1951-----	149.6	86.8	17.1	13.0	7.9	8.7	9.1	4.7	2.3	149.6	6.1	7.0	136.5
1952-----	165.6	96.0	19.5	15.2	8.8	9.5	9.4	4.7	2.5	165.6	6.7	7.9	151.0
1953-----	162.9	96.6	14.8	15.6	9.0	10.2	9.4	4.6	2.7	162.9	7.3	8.8	146.8
1954-----	159.7	94.7	11.7	16.3	9.2	10.8	9.4	4.7	2.9	159.7	7.8	9.3	142.6
1955-----	164.7	98.8	11.2	16.2	9.6	11.4	9.4	5.0	3.1	164.7	8.3	9.5	146.9
1956-----	168.3	102.7	10.7	16.7	8.3	11.9	9.5	5.2	3.3	168.3	9.1	9.8	149.4
1957-----	176.4	109.5	11.1	17.2	8.3	12.4	9.3	5.1	3.5	176.4	9.9	9.6	156.9
1958-----	186.7	116.3	14.2	17.6	7.6	12.8	9.4	5.1	3.7	186.7	10.5	9.7	166.5
1959 ³ -----	200.0	123.2	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	200.0	11.2	11.4	177.4

¹ Includes all crops held on farms for whatever purpose and crops held off farms as security for Commodity Credit Corporation loans. The latter on January 1, 1958, totaled \$700 million.

² Estimated valuation for 1940, plus purchases minus depreciation since then.

³ Preliminary.

⁴ Not available.

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

Source: Department of Agriculture.

TABLE D-69.—Level-of-living indicators for farm-operator families, selected years, 1920-56

Period	Level-of-living indexes ¹ (U. S. average in 1945=100)					Percentage of all families reporting:							
	United States	North-east	North Central	South	West	Elec-tric-ity ²	Tele-phones	Auto-mob-iles	Run-ning water	Me-chan-ical refrig-erators	Tele-vision	Home freezers	
1920-----						³ 7	39	31	10				
1930-----	75	102	104	44	93	13	34	58	16				
1940-----	79	115	104	49	102	33	25	58	22	15			
1945-----	100	138	128	65	127	48	32	62	29	32			
1950-----	122	152	147	92	145	78	38	63	43	63			12
1954-----	140	167	161	113	163	93	47	71	59		36		32
1956 ⁴ -----	145	169	165	119	167	94	52	74	64	90	53		39

¹ Indexes based on percent of farms with electricity, telephones, and automobiles and the average value of products sold or traded in the year preceding the appropriate Census of Agriculture.

² Differs in minor respects from series shown in Table D-70.

³ Gas or electric lights.

⁴ Based on Special Cooperative Survey of Farmers' Expenditures.

Source: Department of Agriculture.

TABLE D-70.—Selected indicators of farming conditions, 1929-58

Period	Number of farms (thousands)	Average value of production assets per farm (dollars) ¹	Total investment in farm plant and equipment (millions of dollars)		Real estate debt as percent of value of real estate (percent) ³	Foreclosure rate per 1,000 farms ⁴	Operators' net income per farm (dollars) ⁵	Farm income per worker (dollars) ⁶	Percent of all farms with central station electrical service ⁷
			Gross	Net ²					
1929.....	6, 512	(⁹)	966	50	20.3	15.7	962	593	(⁹)
1930.....	6, 546	(⁹)	717	-238	20.1	18.7	691	456	(⁹)
1931.....	6, 608	(⁹)	408	-448	21.5	28.4	437	298	(⁹)
1932.....	6, 687	(⁹)	194	-540	24.5	38.8	288	203	(⁹)
1933.....	6, 741	(⁹)	189	-455	27.5	28.0	410	266	(⁹)
1934.....	6, 776	(⁹)	376	-274	23.9	21.0	571	360	(⁹)
1935.....	6, 814	(⁹)	560	-104	22.8	20.3	676	423	10.9
1936.....	6, 739	(⁹)	756	28	21.7	18.1	762	487	12.3
1937.....	6, 636	(⁹)	903	107	20.3	14.3	788	519	15.8
1938.....	6, 527	(⁹)	685	-148	19.8	13.4	655	452	19.1
1939.....	6, 441	(⁹)	774	-7	19.9	12.5	682	475	22.1
1940.....	6, 350	6, 094	872	76	19.6	10.4	675	484	30.4
1941.....	6, 293	6, 340	1, 199	325	18.9	6.1	978	694	34.9
1942.....	6, 202	7, 449	1, 202	-168	17.0	4.3	1, 423	995	38.3
1943.....	6, 089	8, 934	918	-485	14.3	3.0	1, 950	1, 331	40.3
1944.....	6, 003	10, 328	1, 488	25	11.2	1.9	2, 035	1, 411	42.2
1945.....	5, 967	11, 346	1, 533	193	9.2	1.5	2, 154	1, 515	45.7
1946.....	5, 926	12, 435	2, 035	811	7.8	1.1	2, 569	1, 726	54.3
1947.....	5, 871	14, 154	3, 245	1, 641	7.2	1.0	2, 947	1, 937	61.0
1948.....	5, 803	15, 906	4, 316	2, 257	6.9	1.2	2, 767	1, 842	68.6
1949.....	5, 722	17, 144	4, 492	2, 064	6.9	1.4	2, 410	1, 671	78.2
1950.....	5, 648	16, 979	4, 594	1, 858	7.4	1.5	2, 334	1, 598	77.2
1951.....	5, 535	20, 434	4, 825	1, 599	7.0	1.6	2, 739	1, 881	84.2
1952.....	5, 421	23, 206	4, 696	1, 297	7.0	1.3	2, 659	1, 882	88.1
1953.....	5, 308	22, 946	4, 785	1, 265	7.5	1.7	2, 619	1, 883	90.8
1954.....	5, 201	22, 592	4, 230	614	8.2	2.0	2, 346	1, 727	92.3
1955.....	5, 087	23, 806	4, 229	507	8.4	2.3	2, 255	1, 698	93.4
1956.....	4, 969	25, 096	3, 857	116	8.8	2.0	2, 437	1, 906	94.2
1957.....	4, 856	27, 203	4, 064	149	9.1	1.7	2, 232	1, 762	94.8
1958 ⁸	4, 754	29, 600	4, 307	301	9.0	(⁹)	2, 735	2, 126	95.4

¹ Farm real estate less value of dwellings, crops held for feed, livestock, machinery and equipment less 60 percent of the value of automobiles, and demand deposits used for production. Data are for January 1.

² Gross investment less depreciation and other capital consumption.

³ Data are for January 1.

⁴ Data are for year beginning March 15.

⁵ Including Government payments and excluding the net change in inventories.

⁶ Net income of farm operators including Government payments and excluding the net change in inventories, plus farm wages of resident workers and other hired workers.

⁷ Data are for June 30, except for the Census of Agriculture years: 1935 (January 1), 1940 (April 1), 1945 (January 1), and 1950 (April 1).

⁸ Not available.

⁹ Preliminary.

Source: Department of Agriculture.

INTERNATIONAL TRANSACTIONS

TABLE D-71.—United States balance of payments, 1952-58¹

[Millions of dollars]

Type of transaction	July 1952-June 1956 (annual average)	1956		1957		1958	
		First half	Second half	First half	Second half	First half	Third quarter
United States payments: Total.....	20,980	12,522	13,226	14,194	12,994	13,379	6,585
Imports of goods and services: Total.....	17,157	9,898	9,912	10,316	10,391	10,061	5,258
Merchandise, adjusted, excluding military.....	11,164	6,426	6,365	6,640	6,651	6,313	3,116
Transportation.....	1,149	707	725	711	717	728	408
Travel.....	1,029	535	740	565	807	621	586
Miscellaneous services, excluding military.....	686	358	426	363	480	382	248
Military expenditures.....	2,657	1,572	1,338	1,725	1,395	1,733	757
Income on investments:							
Private.....	385	232	232	213	239	219	111
Government.....	87	68	86	99	102	65	32
Unilateral transfers, net, excluding military: Total.....	2,397	1,183	1,149	1,226	1,081	1,143	548
Government grants.....	1,795	875	820	883	730	805	367
Remittances and other transfers.....	602	308	329	343	351	338	181
United States capital, net: Total.....	1,376	1,441	2,165	2,652	1,522	2,175	779
Private, net: Total.....	1,159	1,100	1,880	2,203	1,008	1,714	441
Direct investments, net.....	776	630	1,209	1,395	677	578	164
New issues.....	255	205	252	399	198	721	46
Redemptions.....	-143	-94	-75	-70	-79	-40	-10
Other long-term, net.....	58	206	113	216	167	207	148
Short-term, net.....	213	153	381	263	45	248	93
Government, net: Total.....	217	341	285	449	514	461	338
Long-term capital, outflow.....	522	294	240	258	729	494	334
Repayments.....	-474	-185	-294	-360	-299	-338	-110
Short-term, net.....	169	232	339	551	84	305	114
United States receipts: Total.....	18,980	11,581	12,479	13,935	12,902	11,508	5,533
Exports of goods and services: Total.....	18,685	11,299	12,219	13,642	12,834	11,494	5,533
Merchandise, adjusted, excluding military.....	13,437	8,366	8,955	10,239	9,088	8,239	3,795
Transportation.....	1,303	769	850	989	858	792	416
Travel.....	606	316	389	364	421	364	256
Miscellaneous services.....	966	514	545	607	661	605	322
Military transactions.....	167	91	65	84	284	159	49
Income on investments:							
Direct investments.....	1,705	1,000	1,160	1,085	1,228	1,027	541
Other private.....	238	145	159	175	188	195	99
Government.....	263	98	96	99	106	113	55
Foreign long-term investments in the United States, net ²	295	282	260	293	68	14	-----
Net United States payments (-).....	-1,950	-941	-747	-259	-92	-1,871	-1,052
Increase in liquid dollar holdings by foreign countries and international institutions.....	1,242	899	403	308	-35	183	394
United States gold sales or purchases (-).....	416	-115	-191	-673	-125	1,445	483
Errors and omissions.....	292	157	535	624	252	243	175

¹ Excludes transfers of goods and services under military grant programs.

² Excludes investment in U. S. Government securities.

Source: Department of Commerce.

TABLE D-72.—United States balance of payments with individual areas, 1952-58¹

[Millions of dollars]

Area and type of transaction	July 1952-June 1956 (annual average)	1956		1957		1958	
		First half	Second half	First half	Second half	First half	Third quarter
Western Europe:							
United States payments: Total.....	6,630	4,005	4,120	4,399	3,896	4,052	2,160
Imports of nonmilitary goods.....	2,290	1,430	1,518	1,539	1,552	1,512	803
Military expenditures.....	1,429	976	700	1,049	747	1,004	396
France.....	487	289	154	233	159	211	(²)
Germany.....	258	167	175	246	207	325	(²)
United Kingdom.....	308	267	168	317	170	213	75
Other services.....	1,587	933	1,002	937	1,063	971	636
Remittances and other transfers, net.....	264	148	152	146	166	150	92
Government grants and capital, net.....	911	343	181	372	316	233	87
Greece, Spain, Turkey, and Yugoslavia.....	301	261	174	302	89	179	84
Private capital, net outflow.....	149	175	567	356	52	182	146
Direct investments.....	84	110	346	157	97	83	34
Other long-term.....	-28	52	63	90	-34	110	45
Short-term.....	93	13	158	109	-11	-11	67
United States receipts: Total.....	5,376	3,469	3,974	4,516	3,875	3,348	1,561
Exports of nonmilitary goods.....	3,687	2,481	2,864	3,282	2,656	2,349	1,078
Income on investments abroad:							
Government.....	203	61	64	57	67	62	32
Private.....	244	159	186	171	216	215	94
Other services and military transactions.....	1,033	598	647	754	878	718	356
Foreign long-term investments in the United States, net ³	209	170	213	252	58	4	1
Net United States receipts or payments (-).....	-1,254	-536	-146	117	-21	-704	-599
Canada:							
United States payments: Total.....	3,693	2,189	2,554	2,438	2,356	2,273	1,255
Imports of nonmilitary goods.....	2,522	1,392	1,521	1,421	1,519	1,279	704
Military expenditures.....	206	121	138	136	152	186	90
Other services.....	524	220	377	228	386	227	265
Remittances and other transfers, net.....	12	6	6	7	7	6	4
Government capital, net.....	-2	-5	-----	1	1	-1	-----
Private capital, net outflow.....	431	455	512	645	291	576	192
Direct investments.....	382	260	275	416	168	145	114
Other long-term.....	25	191	204	273	91	339	71
Short-term.....	24	-5	33	-44	32	92	7
United States receipts: Total.....	4,268	2,683	2,685	2,755	2,515	2,310	1,183
Exports of nonmilitary goods.....	3,218	2,068	2,046	2,142	1,872	1,763	850
Income on investments:							
Government.....	384	212	275	256	284	229	133
Private.....	619	315	359	347	358	325	207
Other services and military transactions.....	47	88	5	10	-9	-7	-7
Foreign long-term investments in the United States, net ³	47	88	5	10	-9	-7	-7
Net United States receipts or payments (-).....	575	494	131	317	159	37	-72

See footnotes at end of table, p. 221.

TABLE D-72.—United States balance of payments with individual areas, 1952-58 ¹—Continued

[Millions of dollars]

Area and type of transaction	July 1952- June 1956 (annual average)	1956		1957		1958	
		First half	Second half	First half	Second half	First half	Third quarter
Latin America:							
United States payments: Total	4,844	2,801	3,030	3,434	3,240	2,966	1,422
Imports of nonmilitary goods	3,572	1,982	1,793	2,007	1,922	1,917	850
Military expenditures	25	13	14	18	17	26	13
Other services	778	462	523	473	513	470	271
Remittances and other transfers, net	37	20	20	27	24	22	10
Government grants and capital, net	179	91	87	94	163	163	246
Private capital outflow, net	253	233	593	815	601	368	32
Direct investments	153	141	471	704	400	301	-4
Oil concession payments to Venezuela			223	267	90	-14	
Other long-term	71	17	38	34	111		19
Short-term	29	75	84	77	90	81	17
United States receipts: Total	4,722	2,698	2,917	3,229	3,365	2,947	1,451
Exports of nonmilitary goods	3,272	1,864	1,966	2,238	2,390	2,098	989
Income on investments:							
Government	29	17	17	20	20	22	10
Private	662	416	468	502	473	395	216
Other services and military transactions	739	392	442	455	477	434	242
Foreign long-term investments in the United States, net ²	20	9	24	14	5	-2	-6
Net United States receipts or payments (-)	-122	-103	-113	-205	125	-19	29
Other countries:							
United States payments: Total	5,598	3,461	3,428	3,710	3,340	3,705	1,668
Imports of nonmilitary goods	2,780	1,622	1,533	1,673	1,658	1,605	759
Japan	341	263	295	273	328	302	177
Military expenditures	997	462	496	522	479	517	258
Japan	613	246	238	224	221	205	(³)
Other services	406	276	269	294	324	325	170
Remittances and other transfers, net	289	134	151	163	154	160	75
Government grants and capital, net	849	748	751	821	720	845	364
Cambodia, Laos, Vietnam, Korea, and China (Taiwan)	435	376	349	475	304	401	143
Japan	40	60	66	-5	53	-15	4
India	65	49	69	71	115	113	48
Pakistan	64	81	75	59	47	79	34
Private capital, net outflow	277	219	238	237	5	253	42
Direct investments	156	110	117	118	12	49	20
Other long-term	55	39	15	-1	58	118	20
Short-term	66	70	106	120	-65	86	2
United States receipts: Total	4,526	2,684	2,854	3,381	3,097	2,851	1,311
Exports of nonmilitary goods	3,240	1,938	2,069	2,564	2,157	2,016	872
Japan	663	378	521	721	510	443	184
Income on investments:							
Government	31	20	15	22	19	29	13
Private	640	351	382	322	436	371	189
Other services and military transactions	605	363	379	463	476	421	227
Foreign long-term investments in the United States, net ²	10	12	9	10	9	14	10
Net United States receipts or payments (-)	-1,072	-777	-574	-329	-243	-854	-357

See footnotes at end of table, p. 221.

TABLE D-72.—United States balance of payments with individual areas, 1952-58 ¹—Continued

[Millions of dollars]

Area and type of transaction	July 1952- June 1956 (annual average)	1956		1957		1958	
		First half	Second half	First half	Second half	First half	Third quarter
International Institutions:							
United States payments: Total.....	164	66	94	213	162	383	80
Government grants and capital, net.....	74	39	86	44	44	26	8
Private capital, net outflow.....	48	18	-30	150	59	335	29
Other payments.....	42	9	38	19	59	22	43
United States receipts: Total.....	89	47	49	54	50	52	27
Exports of nonmilitary goods.....	20	15	10	13	13	13	6
Income on investments:							
Government.....							
Private.....	14	7	8	9	7	12	8
Other services.....	46	22	22	25	25	22	11
Foreign long-term investments in the United States, net ³	9	3	9	7	5	5	2
Net United States receipts or payments (-).....	-75	-19	-45	-159	-112	-331	-53
Addendum: Total sterling area:							
United States payments: Total.....	3,431	2,121	2,196	2,412	2,326	2,292	1,100
Imports of nonmilitary goods.....	1,719	1,006	994	1,094	1,068	1,050	488
Military expenditures.....	399	329	239	406	264	326	123
Other services.....	767	451	456	453	496	482	269
Remittances and other transfers, net.....	95	49	48	56	57	56	27
Government grants and capital, net.....	332	177	116	169	430	237	109
United Kingdom.....	143	11	-54	-1	245	10	-1
Private capital, net outflow.....	119	109	343	234	11	141	84
Direct investments.....	86	93	240	126	76	88	26
United Kingdom.....	22	48	213	89	68	40	-3
Other long-term.....	8	44	82	40	-16	38	29
Short-term.....	25	-28	21	68	-49	15	29
United States receipts: Total.....	3,019	1,749	1,961	2,176	2,054	1,815	851
Exports of nonmilitary goods.....	1,856	1,108	1,240	1,445	1,341	1,148	525
Income on investments:							
Government.....	104	13	13	14	17	24	4
Private.....	381	228	280	225	302	277	127
Other services and military transac- tions.....	584	310	338	380	383	355	197
Foreign long-term investments in the United States, net ³	94	90	90	112	11	11	-2
Net United States receipts or payments (-).....	-412	-372	-235	-236	-272	-477	-249

¹ Excludes transfers of goods and services under military grant programs.² Not available.³ Excludes investment in U. S. Government securities.

Source: Department of Commerce.

TABLE D-73.—United States exports by selected commodities and markets, 1956–58

[Millions of dollars, annual rates]

Commodity and period	Total, all countries	Main countries accounting for decline from first half 1957 to first half 1958				All other countries
		Total	Western Europe ¹	Canada	Japan	
Total exports, excluding "special category": ²						
1956: First half.....	16,294	9,383	4,589	4,036	758	6,911
1957: First half.....	19,984	11,666	6,040	4,184	1,442	8,318
1958: First half.....	16,064	8,592	4,278	3,428	886	7,472
Six main groups in the decline:						
1956: First half.....	5,029	3,229	1,612	1,191	426	1,800
1957: First half.....	7,386	4,971	2,838	1,185	948	2,415
1958: First half.....	4,394	2,648	1,468	807	373	1,746
Crude petroleum and related fuels:						
1956: First half.....	214	108	29	61	18	106
1957: First half.....	796	609	481	73	55	187
1958: First half.....	179	106	37	37	32	73
Cotton, raw, including linters:						
1956: First half.....	484	396	198	12	186	88
1957: First half.....	1,278	1,070	750	52	268	208
1958: First half.....	856	678	470	46	162	178
Wheat:						
1956: First half.....	669	327	281	(³)	46	342
1957: First half.....	910	420	347	(³)	73	490
1958: First half.....	575	236	149	-----	87	339
Coal and related fuels:						
1956: First half.....	630	594	376	190	28	36
1957: First half.....	854	798	556	194	48	56
1958: First half.....	526	498	354	108	36	28
Iron and steel-mill products, scrap, nonferrous metals and ferroalloys:						
1956: First half.....	1,526	1,128	576	408	144	398
1957: First half.....	2,088	1,528	608	428	492	560
1958: First half.....	1,058	694	378	264	52	364
Automobiles, parts, and accessories:						
1956: First half.....	1,506	676	152	520	4	830
1957: First half.....	1,460	546	96	438	12	914
1958: First half.....	1,200	436	80	352	4	764
Other exports:						
1956: First half.....	11,265	6,154	2,977	2,845	332	5,111
1957: First half.....	12,598	6,695	3,202	2,999	494	5,903
1958: First half.....	11,670	5,944	2,810	2,621	513	5,726
Machinery, all types:						
1956: First half.....	3,612	1,892	608	1,210	74	1,720
1957: First half.....	4,050	2,072	664	1,278	130	1,978
1958: First half.....	3,832	1,808	602	1,018	188	2,024
Chemicals and related products: ⁴						
1956: First half.....	1,244	620	292	252	76	624
1957: First half.....	1,408	710	354	254	102	698
1958: First half.....	1,348	688	366	246	76	660
Textile manufactures: ⁴						
1956: First half.....	632	254	106	148	(³)	378
1957: First half.....	698	294	134	156	4	404
1958: First half.....	630	248	98	150	(³)	382
All other exports:						
1956: First half.....	5,777	3,388	1,971	1,235	182	2,389
1957: First half.....	6,442	3,619	2,050	1,311	258	2,823
1958: First half.....	5,860	3,200	1,744	1,207	249	2,660

¹ Excludes Greece and Turkey.² "Special category" includes those commodities for which detailed statistics are withheld for security reasons. The data for the first half of 1956 include estimates for commodities declassified in a revision of "special category" coverage in 1957.³ Less than \$500,000.⁴ Includes semifinished manufactures as well as finished products except those for Japan which include finished manufactures only.

Source: Department of Commerce.

TABLE D-74.—*World exports, 1956-58*

[Millions of dollars, annual rates]

Exports to Exports from	World ¹	United States	United Kingdom, Iceland, and Ireland	Continental Western Europe	Canada	Japan	Outer sterling area	Latin America	All other countries
World:									
1956: First half.....	² 91,349	12,378	10,047	27,755	5,392	2,472	11,584	7,161	13,159
Change, first half:									
1956-1957.....	² 10,113	118	395	4,007	208	1,207	1,120	1,314	1,442
1957-1958.....	² -6,363	-261	-507	-2,583	-780	-1,101	-321	-371	-387
United States:									
1956: First half.....	² 16,728	-----	³ 842	³ 3,479	4,167	³ 755	³ 1,242	3,754	³ 2,113
Change, first half:									
1956-1957.....	² 3,742	-----	³ 338	³ 1,116	144	³ 680	³ 322	784	³ 341
1957-1958.....	² -3,844	-----	³ -393	³ -1,321	-769	³ -555	³ -169	-260	³ -427
United Kingdom, Iceland, and Ireland:									
1956: First half.....	9,690	694	571	2,388	523	61	3,856	397	1,146
Change, first half:									
1956-1957.....	566	62	21	315	18	50	111	47	-82
1957-1958.....	-462	39	51	-352	1	-55	-125	-10	-1
Continental Western Europe:									
1956: First half.....	25,906	1,876	2,351	12,690	241	128	1,800	1,465	5,058
Change, first half:									
1956-1957.....	3,569	190	-23	2,013	29	129	220	288	676
1957-1958.....	-484	-29	13	-557	-11	-77	76	66	114
Canada:									
1956: First half.....	4,633	2,781	756	411	-----	112	259	163	150
Change, first half:									
1956-1957.....	239	146	-33	104	-----	24	-18	74	-59
1957-1958.....	23	-98	45	60	-----	-35	83	-45	13
Japan:									
1956: First half.....	2,320	501	86	132	65	-----	606	174	551
Change, first half:									
1956-1957.....	335	26	-24	76	-5	-----	76	-40	122
1957-1958.....	127	75	9	-15	4	-----	-55	54	61
Outer sterling area:									
1956: First half.....	12,266	1,166	3,728	2,548	212	656	2,217	114	1,347
Change, first half:									
1956-1957.....	533	-6	-51	-57	9	276	171	95	-14
1957-1958.....	-928	3	-238	-62	-32	-324	-207	(⁴)	-65
Latin America:									
1956: First half.....	8,568	4,045	668	1,671	95	224	104	597	1,089
Change, first half:									
1956-1957.....	240	-254	206	203	21	32	18	136	-68
1957-1958.....	-819	-225	-134	-268	-7	-33	-5	-76	-100
All other countries:									
1956: First half.....	11,238	1,315	1,045	4,436	89	536	1,500	497	1,705
Change, first half:									
1956-1957.....	889	-46	-39	237	-8	16	220	-70	526
1957-1958.....	24	-26	140	-68	34	-22	81	-100	18

¹ Totals for each exporting area include amounts for which destinations are not specified in sources, and therefore exceed sums of destination details.

² Excludes U. S. military aid exports.

³ Excludes U. S. "special category" shipments for which destination details are withheld on security grounds. Figures for 1956 and for 1956-57 changes are based upon the "special category" coverage in effect until mid-1957, while 1957-58 changes are computed from revised data reflecting the more limited "special category" coverage subsequently in effect.

⁴ Less than \$500,000.

NOTE.—Data exclude exports of U. S. S. R. and Soviet bloc countries to each other. Detail will not necessarily add to totals because of rounding.

Sources: United Nations and Department of Commerce.

TABLE D-75.—*Estimated gold reserves and dollar holdings of foreign countries and international institutions, 1952 and 1956-58*

[Millions of dollars; end of period]

Area and country	1952	1956		1957		1958		
		Sept.	Dec.	Sept.	Dec.	Mar.	June	Sept.
Total.....	24, 451	32, 933	32, 621	32, 299	32, 712	33, 397	34, 704	35, 708
Continental Western Europe.....	8, 651	14, 429	14, 433	14, 756	15, 074	15, 251	15, 786	16, 892
Austria.....	149	358	377	432	460	465	473	561
Belgium-Luxembourg (and Belgian Congo).....	1, 027	1, 277	1, 239	1, 173	1, 190	1, 266	1, 400	1, 477
France (and dependencies).....	1, 141	1, 638	1, 512	1, 013	955	921	916	1, 030
Germany.....	691	3, 112	3, 343	4, 077	4, 113	3, 983	4, 052	4, 340
Italy.....	665	1, 288	1, 270	1, 460	1, 533	1, 530	1, 682	1, 876
Netherlands (and Netherlands West Indies and Surinam).....	824	1, 136	1, 080	983	1, 058	1, 274	1, 302	1, 402
Scandinavian countries (Sweden, Norway, Denmark, and Finland).....	606	837	882	969	980	983	940	1, 042
Other.....	3, 548	4, 783	4, 730	4, 649	4, 785	4, 829	5, 021	5, 164
Sterling area.....	3, 473	4, 160	4, 157	3, 847	4, 243	4, 851	5, 135	5, 206
United Kingdom.....	2, 514	3, 086	3, 015	2, 687	3, 080	3, 701	4, 030	4, 067
Other.....	959	1, 074	1, 142	1, 160	1, 163	1, 150	1, 105	1, 139
Canada.....	2, 627	2, 899	2, 996	3, 229	3, 195	3, 163	3, 432	3, 378
Latin America.....	3, 432	4, 158	4, 313	4, 752	4, 544	4, 415	4, 383	4, 144
Argentina.....	428	399	370	313	263	270	266	244
Brazil.....	392	583	550	458	457	441	451	459
Chile.....	121	152	138	118	116	118	127	125
Colombia.....	194	180	210	244	215	200	192	207
Cuba.....	543	574	514	583	525	517	503	495
Mexico.....	380	565	604	556	569	539	488	523
Peru.....	107	117	119	96	88	82	93	92
Venezuela.....	521	811	1, 061	1, 617	1, 556	1, 430	1, 462	1, 235
Other.....	746	777	747	767	755	818	801	764
Asia.....	2, 376	2, 810	2, 812	2, 399	2, 340	2, 404	2, 475	2, 499
Japan.....	931	1, 190	1, 149	700	716	835	933	1, 012
Other.....	1, 445	1, 620	1, 663	1, 699	1, 624	1, 569	1, 542	1, 487
All other countries.....	345	368	375	415	397	394	351	337
International institutions.....	3, 547	4, 109	3, 535	2, 901	2, 919	2, 919	3, 142	3, 252

NOTE.—Includes gold reserves and dollar holdings of all foreign countries with the exception of gold reserves of U. S. S. R. and other Eastern European countries, and of international institutions (International Bank for Reconstruction and Development, International Monetary Fund, United Nations and others). Holdings of the Bank for International Settlements (both for its own and EPU account) and of the Tripartite Commission for Restitution of Monetary Gold are included under "other" Continental Western Europe.

Source: Board of Governors of the Federal Reserve System.

TABLE D-76.—*Price changes in international trade, 1955-58*[1953=100] ¹

Trade sector	1955	1956		1957		1958		
		First quarter	Third quarter	First quarter	Third quarter	First quarter	Second quarter	Third quarter
United States foreign trade: ²								
Exports: Total.....	100	104	104	108	107	107	106	106
Foodstuffs.....	89	88	88	92	89	89	91	89
Industrial materials.....	104	111	108	111	107	103	101	100
Finished manufactures.....	100	104	105	110	112	114	112	112
Imports for consumption: Total.....	102	104	104	106	105	102	100	99
Foodstuffs.....	101	97	100	101	99	99	97	96
Industrial materials.....	104	109	107	112	108	103	101	100
Finished manufactures.....	98	100	100	101	102	101	101	100
World trade: ³								
Industrial countries: Exports.....	99	102	102	105	105	104	103	(⁴)
Other countries: Exports.....	100	99	98	101	100	95	94	(⁴)
Commodity classes:								
Manufactured goods ⁵	99	102	103	106	107	108	107	107
Nonferrous base metals ⁵	119	134	117	110	96	85	86	90
Primary commodities ⁶	100	99	101	106	102	97	96	96
Foodstuffs ⁶	96	94	98	100	97	93	94	95
Other agricultural commodities ⁶	102	100	100	105	102	94	91	90
Wool ⁶	84	80	88	99	96	77	69	65
Minerals ⁶	102	107	108	119	111	109	109	108
Metal ores ⁶	103	111	108	112	105	99	99	99
Crude petroleum ⁶	104	104	104	107	112	112	112	112

¹ Data shown for United States foreign trade and for country groups and for manufactured goods in the world trade section of the table are unit value indexes. All others are price indexes.

For description of world trade indexes by commodity classes, see "Methods in Compiling the United Nations Price Indexes for Basic Commodities in International Trade," Statistical Paper, Series M, No. 29, United Nations, New York.

² The series shown for foodstuffs is the weighted average of the two commodity classes, crude foodstuffs and manufactured foodstuffs. The series shown for industrial materials is the weighted average of the two commodity classes, crude materials and semimanufactures.

³ Excludes trade of U. S. S. R. and Soviet bloc countries.

⁴ Not available.

⁵ Exports.

⁶ Exports and imports.

Sources: Department of Commerce and United Nations.