

POOR PRINT
Epreuve illisible

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the development of a maximum war effort is going to require not only a check to further expansion of consumption, but probably a reduction from the present figures in many fields where civilian demands compete with war requirements.

Instalment sales are known to have increased more rapidly than retail sales in general, though actual statistics are confined to a few fields. Instalment sales by Department stores, which now sell almost every kind of merchandise on instalment credit, are known to have increased in the past year by 30% or 35%, as compared with an increase of about 19% or 20% in their total sales. The number of new motor cars sold on the instalment plan during the first five months of this year was $7\frac{1}{2}\%$ higher than last year, despite the fact that total sales of new cars were down by about $5\frac{1}{2}\%$. Instalment credit has undoubtedly contributed to the great expansion in the demand for durable consumers' goods of many kinds, despite the taxes placed on them and on incomes. However, it must be noted that the main reason for the increase in this demand has been the increase in incomes, particularly of wage earners.

Instalment sales constitute a large proportion of all retail sales of certain types of merchandise. An official survey in 1937 showed that about 40% of automobile sales, and 60% to 70% of furniture, radio and household appliance sales, were on the instalment plan. It is believed about 12% to 15% of all department store sales are now on instalment plans. Terms of instalment sales naturally vary, according to the type of merchandise. At present standard terms for new automobiles are 33 $\frac{1}{3}\%$ down and twenty-four months to pay. Radios and small electrical appliances generally require somewhat smaller down-payments, say 15% and maximum periods of 12, 15 or 18 months. Refrigerators and stoves, however, may be purchased for payment over a period as long as three years.