

Plans to buy household durable goods, which had continued weak throughout 1961, showed greater strength in July than in any other recent survey. Plans to buy such goods declined less from April to July than in either 1960 or 1961, as a less than seasonal reduction in plans to buy air conditioners was offset by an increase in plans to buy most other items covered.

As in the second half of last year and the first half of this year, but in contrast to the 1959 to early 1960 expansion period, strength was concentrated in plans to buy within 3 months and in definite plans, as opposed to plans to buy in 3 to 6 months and in more tentative plans. Three-month plans were at the highest July level since the survey began, while total 6-month plans were only moderately higher than in 1961 and below earlier July levels.

In general, planners expressing plans to buy within 3 months and those saying that their plans are definite are more likely to purchase than those expressing tentative plans to buy or plans to buy after a longer period. On the other hand, such planners account for a relatively small share of total purchases in any period, and a high level of aggregate purchases requires large purchases by tentative planners and by consumers classified as "nonplanners."

It is possible that the tendency for 3-month plans and definite plans to rise while the more tentative plans remain low may mean that people are willing to make those purchases to which they have given considerable thought but that they are adopting a wait-and-see attitude with respect to making longer range plans.

It should be noted that the weakness of 6-month plans for household durable goods compared with earlier years was concentrated particularly in refrigerators and washing machines; plans to buy television sets and growth items such as air conditioners and clothes dryers are generally close to or above 1960 levels. The strength in 3-month plans, however, was particularly great for refrigerators and washing machines.

There has apparently been some shift recently in the income structure of plans to buy new cars and household durable goods. While total plans to buy these items were generally equal to or above year-ago levels, plans on the part of families with incomes of \$7,500 or more—about 25 percent of all families—were at the lowest July level in the 4-year history of the Survey. Plans to buy houses and used cars on the part of this upper income group, however, were equal to or above year-earlier levels.

Plans to purchase household appliances by high-income respondents have remained weak during the entire period of economic expansion, while plans of lower income groups have strengthened. Recently there has been some pickup in plans on the part of high-income respondents to buy growth items—air conditioners, clothes dryers, dishwashers, and radio and phonographic equipment—but their plans to buy the items labeled as major durables—washing machines, refrigerators, and television sets—were at new July lows.

Senator BUSH. Why do you call those growth items?

Miss DINGLE. They have been expanding more with respect to ownership in recent years than washing machines, refrigerators, and television sets. Like other items, at the time of introduction they