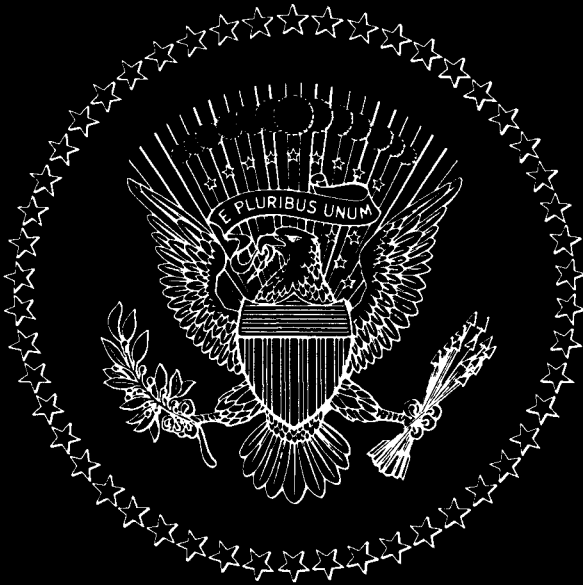
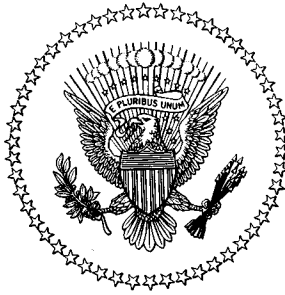


ECONOMIC REPORT OF THE PRESIDENT

**TRANSMITTED
TO THE CONGRESS
FEBRUARY 1971**



Economic Report of the President



Transmitted to the Congress
February 1971

TOGETHER WITH
THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS

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**ECONOMIC REPORT
OF THE PRESIDENT**

ECONOMIC REPORT OF THE PRESIDENT

To the Congress of the United States:

1970 was the year in which we paid for the excesses of 1966, 1967, and 1968, when Federal spending went \$40 billion beyond full employment revenues. But we are nearing the end of these payments, and 1971 will be a better year, leading to a good year in 1972—and to a new steadiness of expansion in the years beyond.

We are facing the greatest economic test of the postwar era. It is a test of our ability to root out inflation without consigning our free economy to the stagnation of unemployment. We will pass that test. But it is a real test and we shall pass it only by doing all we are capable of doing.

The key to economic policy in 1971 is orderly expansion. While continuing to reduce the rate of inflation, total spending and total output should rise as rapidly as possible to lift the economy to full employment and full production. Fiscal policy must play its full and responsible role, and the economy's course in the year ahead will also reflect the extent to which the monetary and credit needs of economic expansion are met. With the stimulus and discipline from the budget that I have put forward, and with the Federal Reserve System providing fully for the monetary needs of the economy, we can look forward confidently to vigorous and orderly expansion during 1971.

At the same time we must be relentless in our efforts toward the greater stability of costs and prices that is the foundation for an enduring and full prosperity. Much has already been accomplished. Prices in the market place have been rising less rapidly, and some that usually change early have actually declined, responding to changing pressures in the market.

In some cases the response of costs and prices has been slow, as the result of insulation from market forces. Often these market problems have been created by the Government itself. Accordingly, the Government has a responsibility to prevent misuses and imbalances of market power which impede orderly operation of our free economic system.

This Administration intends to carry out that responsibility fully and fairly.

To get the economy rising at the right rate, neither too rapidly nor too slowly, is never an easy task. Economic policy does not operate with the precision needed to keep the economy exactly on a narrow path. But fortunately absolute precision is not required. What is required is that we operate within a range where both unemployment and inflation are moving unmistakably downward toward our goal. The full resources of Government, with the understanding and cooperation of the citizens, can accomplish that.

THE DUAL TRANSITION OF 1970

Faced with one of the largest inflations in American history we have sought first to stop its rate from speeding up and then to get the rate down. This has been done. The annual rate of increase of the consumer price index, which was 6.0 percent from June 1969 to June 1970, dropped to 4.6 percent in the last half of 1970. Wholesale prices, which usually move before the prices consumers pay, have slowed down even more, from a 5.3 percent rate in the first half of 1969 to a 2.1 percent rate in the second half of 1970. Because productivity began to rise, after earlier sluggishness, labor costs per unit of output rose much less in 1970 than they did in 1969, and this contributed to slower price increases.

While the Nation was making the transition to a less inflationary economy it was also making the transition to a lower level of defense spending. Men released from the Armed Forces have been out of touch with the civilian labor market and need time to readjust. Workers laid off from defense production are likely to be concentrated in particular areas, which are often not the areas where nondefense activity is expanding. Their curtailed purchasing power further tends to lower employment of others in their area. During 1970, the number of persons in military and civilian employment for defense was reduced by about 1 million. Most of these people have found work, and others will soon do so. But during the transition many were unemployed, and their number added to the total unemployment rate.

These two simultaneous transitions, from a wartime to a peacetime economy and from a higher to a lower rate of inflation, would inevitably be accompanied by some decline in output and rise in unemployment. The aim of our policy was to keep the decline in output and the rise in unemployment as small as possible.

Fiscal and monetary policy both became more expansive early in 1970, in order to get output rising again while the cost of living slowed its rise. This result was achieved. Total output declined only 1 percent from

its high reached in the third quarter of 1969 to the first quarter of 1970; it leveled out in the second quarter and rose in the third. Fourth-quarter output was held down by the auto strike; without it, another increase would have been shown.

The timely shift of policy limited the decline of output; it also helped counter the increase in unemployment caused by the dual transition. The average unemployment rate for the year was 4.9 percent. At the end of the year, partly as a result of the auto strike, the unemployment rate was about 6 percent. About half of the unemployed had been without work for less than 6 weeks. Most of the unemployed who had lost their most recent job were receiving unemployment compensation.

THE ROAD TO ORDERLY EXPANSION

Our first task now must be to assure more rapid expansion and so to reduce the unemployment rate. We are now in a position to do that, while the progress against inflation continues. The restraint of 1969 and the slowdown of 1970 have set in motion strenuous efforts at cost reduction. These actions, as the pace of the economy quickens, will bear fruit in better productivity and costs. Prices have begun to rise less rapidly. There are the first faint signs of a retardation in wage increases in some sectors. Much of the anti-inflationary effect of the 1970 slowdown still has to be felt. And if the expansion is properly controlled in 1971 the conditions for further slackening of the inflation rate will remain. The expectation of continued rapid inflation has been weakened by the firm policies of the past 2 years and we must strengthen this growing confidence in the future value of money.

Forces now present in the economy, partly resulting from policies of 1970, make economic expansion in 1971 probable.

- The greater supply and lower cost of mortgage money has stimulated a 40-percent increase in the rate at which construction of new houses is started.
- Improved financial conditions are leading to a strong increase of State and local spending.
- Interest rates have dropped; the prime rate is down sharply from its peak of 8½ percent.
- Consumers' after-tax incomes have increased and their saving has been high.
- In the early part of 1971 the economy will get a boost as the production lost during last year's auto strike is made up.
- Exports have been strong, and in 1970 were 14 percent above those of a year earlier.

These are powerful upward pressures, but existing and foreseeable expansionary forces in the economy are not strong enough to assure that output will rise as much as is desired and feasible. These forces must, therefore, be supplemented by expansive fiscal and monetary policies.

The full employment budget that I have submitted will do its full share in stimulating a solid expansion. Outlays will rise by \$16½ billion, or about 7½ percent, between the current fiscal year and the next—appropriate for orderly expansion, but far short of the inflationary 15 percent average annual increases from 1965 to 1968. In addition, receipts have been reduced \$2.7 billion by the depreciation reform which I have initiated to stimulate investment, jobs, and growth.

In fiscal 1971, the Federal Government will spend \$212.8 billion, which is equivalent to the revenues the economy would be generating at full capacity. The actual deficit is expected to be \$18½ billion. In fiscal 1972, also, the planned expenditures are equivalent to the revenues we would get at full employment. How big the actual deficit will be next year, in fiscal 1972, will depend on economic conditions. If the economy follows the expected path of a vigorous, noninflationary expansion, the deficit will decline to \$11½ billion. This combination of deficits is appropriate to the situation through which the economy has been passing. The budget moved into deficit during calendar 1970 as the economy lagged below its potential. Accepting this deficit helped to keep the decline in the economy moderate. It was a policy of not subjecting individuals and businesses to higher tax rates, and of not cutting back Federal spending, when the economy is weak because such actions would have weakened economic conditions further.

To say that deficits are appropriate in certain conditions is not to say that deficits are always appropriate or that the size of the deficit is ever a matter of indifference. Such a policy of free-for-all deficit financing would be an invitation to inflation and to wasteful spending.

As I stated last June, we need to abide by a principle of budget policy which permits flexibility in the budget and yet limits the inevitable tendency to wasteful and inflationary action. The useful and realistic principle of the full employment budget is that, except in emergencies, *expenditures should not exceed the revenues that the tax system would yield when the economy is operating at full employment.* The budget for fiscal 1972 follows this principle.

Balancing the budget at full employment does not deny or conceal the deficit that will exist this year and almost certainly next year. It does, however, avoid large deficits when they would be inflationary, like the swing to a big deficit in fiscal 1968. It means that even when the economy is low we must not allow our expenditures to outrun the

revenue-producing capacity of the tax system, piling up the prospect of dangerous deficits in the future when the economy is operating at a high level. Moreover, to say that expenditures must not exceed the full employment revenues draws a clear line beyond which we must not raise the budget unless we are willing to pay more taxes. This is an irreplaceable test of the justification for spending. It keeps fiscal discipline at the center of budget decisions.

Fiscal policy should do its share in promoting economic expansion, and our proposed budget would do that. But fiscal policy cannot undertake the responsibility of doing by itself everything needed for economic expansion in the near future. To try to do that would drive taxes and expenditures off the course that is needed for the longer run. The task of economic stabilization must be accomplished by a concert of economic policies. The combined use of these policies, starting near the beginning of 1969, finally checked the accelerating inflation that had kept the economy overheated for years. A turn of fiscal and monetary policies in a more expansive direction at the beginning of 1970 limited the economic decline and initiated an upturn. Concerted policies of expansion are needed now to lift the economy fast enough to make rapid progress toward full employment, and these needs will be fully met.

PRICE STABILITY AND FULL PROSPERITY

In a fundamental sense, as I have always emphasized, the control of inflation and the achievement of full employment are mutually supporting, not conflicting, goals. Nothing would contribute more to the new expansion than confidence that the threat of inflation is fading. As part of my program of expansion I propose to justify that confidence.

The basic conditions to bring about a simultaneous reduction of unemployment and inflation are coming into being. We are going to continue to slow down the rate of inflation in the middle of an orderly expansion. And we are going to do it by relying upon free markets and strengthening them, not by suppressing them. Free prices and wages are the heart of our economic system; we should not stop them from working even to cure an inflationary fever. I do not intend to impose wage and price controls which would substitute new, growing and more vexatious problems for the problems of inflation. Neither do I intend to rely upon an elaborate facade that seems to be wage and price control but is not. Instead, I intend to use all the effective and legitimate powers of Government to unleash and strengthen those forces of the free market that hold prices down. This is a policy of action, but not a policy of action for action's sake.

The process of reducing inflation is a process of learning. Business and labor must learn a pattern of behavior different from the one they have learned and practiced during the inflationary boom. Labor contracts and price lists cannot embody the expectation that prices will continue rising at the peak rates of recent years. Businesses cannot expect to pass all cost increases along in higher prices. The ritual of periodic increases in prices has no place in an economy moving toward greater stability.

These lessons are being learned. Most of all they are being taught by the facts of economic life today. Consumers are already imposing stern discipline in markets where sellers have not begun to adapt their pricing to the new, less-inflationary conditions of the economy.

But there are cases where these lessons are not being learned and actions have been taken or are under review. In those cases the Government will act to correct the conditions which give rise to excessive price and wage increases.

Actions were taken to augment the supply of lumber, and to deal with domestic copper prices that were out of line with world markets. To restrain increases in the price of crude oil, this Administration took steps to permit greater production on Federal offshore leases and to increase oil imports. Faced with inflationary price increases for some steel products, I have ordered a review of the conditions which permit or cause such increases, and threaten jobs in steel-using industries.

We have been particularly concerned with increases in the costs of construction. It is now more critical than ever to check inflationary wage and price increases in an industry where unemployment is high. The 1972 Budget provides for a large increase in construction expenditures. This should support increased employment in construction, but will do so only if the larger appropriations are not eaten up by higher wages and other costs. I have asked the leaders of labor unions and contractors in the industry to propose a plan for bringing the behavior of construction wages, costs, and prices into line with the requirements of national economic policy. A workable voluntary plan will avert the need for Government action.

Those of us who value the free market system most cannot disregard the cases where it is being kept from working well. In some of these cases it is Government which limits the free market's effectiveness and Government has the means to make it work better. We must constantly review our economic institutions to see where the competitive market mechanism that has served us so well can replace restrictive arrangements originally introduced in response to conditions that no longer exist. We must also devise efficient solutions to problems that have become more urgent recently, such as those of pollution and adequate health

care. Where inadequate market arrangements are delaying our advance toward full employment with price stability, we have a responsibility now to correct them.

In our market-oriented policy, our domestic goals and our international goals are interrelated. Success in our struggle against inflation will help to safeguard our international economic strength, and allow our highly productive enterprises and workers to compete in world markets. The liberal policy with respect to international trade to which this Administration is committed will help keep price increases in check here while giving our farms, factories, and banks a profitable market abroad. At the same time we have to make sure that the burden of adjustment to changing conditions in world markets does not fall entirely on a few exposed industries.

With the cooperation of the private sector, an expansionary public economic policy will achieve a goal we have not seen in the American economy in many years: full prosperity without war, full prosperity without inflation.

In the record of progress toward that new prosperity, I am convinced that economic historians of the future will regard 1970 as a necessarily difficult year of turnaround—but a year that set the stage for strong and orderly expansion.

A handwritten signature in dark ink, reading "Richard Nixon". The signature is written in a cursive, flowing style with a large, prominent "R" and "N".

February 1, 1971.

**THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS**

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., January 30, 1971.

THE PRESIDENT:

SIR: The Council of Economic Advisers herewith submits its Annual Report, February 1971, in accordance with Section 4(c) (2) of the Employment Act of 1946.

Respectfully,



PAUL W. McCRACKEN,
Chairman.



HENDRIK S. HOUTHAKKER.



HERBERT STEIN.

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A Quarter Century of the Employment Act of 1946

“WE MEET TO CONSIDER what I profoundly believe to be as important a proposal as any before the Congress within my memory.” With these words Senator Wagner of New York, on July 30, 1945, convened the subcommittee of the Senate Banking and Currency Committee to begin hearings on S. 380, “The Full Employment Act of 1945.” In February 1946, a quarter of a century ago this month, President Truman signed into law the “Employment Act of 1946.” The 25th anniversary of that Act provides a useful opportunity to look at the road that we have been traveling and where we may be going.

The Employment Act of 1946 made two major contributions to the management of economic policy. Section 2 explicitly declares the objectives of national economic policy, the most familiar passage of that section being the last eight words: “to promote maximum employment, production, and purchasing power.” More than a hundred other words in this one-sentence statement concern national economic objectives and they are all important. Economic programs and policies, for example, are to be consistent with “other essential considerations of national policy” and all are to be carried out by means “calculated to foster and promote free competitive enterprise and the general welfare. . . .” While the closing words are the most widely quoted of Section 2, the framers of the Act did not ignore the complex nature of our economic objectives and the fact that we must strive for an optimum balance among competing objectives, since the single-minded pursuit of one would inevitably mean sacrifices elsewhere.

The Employment Act of 1946 also provided for some additions to the structure and activities of Government. It created the Joint Economic Committee of the Congress as well as the Council of Economic Advisers in the Executive Office of the President. During the quarter of a century that this structure has been in operation, 58 Members of the Senate and House (including the present Committee members) have served on the Joint Economic Committee. Mr. Patman of Texas, alternating Chairman of the Committee, played a major role and was floor manager for the bill in the House; and Senator Fulbright of Arkansas, a present member of the Joint Economic Committee, was a member of Senator Wagner’s subcommittee that conducted the initial hearings. Two of the present members have served on the Joint Economic Committee since its inception. During

this period 25 of the Nation's economists have served as Members of the Council of Economic Advisers under five Presidents. There have been eight Chairmen of the Council, five of whom had previously served as Members.

Have this structure and the operations that have evolved within it made any significant impact on policy? Considering their nature, this is a reasonable question. The Joint Economic Committee does not have legislative functions: proposed legislation that deals with the building blocks of economic policy is handled by other committees of the Congress. The Council of Economic Advisers is one of the smallest agencies in the Federal Government. It advises; it does not manage. On almost any issue of economic policy another senior official of the Administration will have immediate responsibilities—the Secretary of the Treasury for taxes, the Secretary of Agriculture for farm policy, the Director of the Office of Management and Budget for expenditure policy.

Even so the Joint Economic Committee and the Council of Economic Advisers have clearly influenced Government policy. To some extent this result was planned by those who framed the Act. They did not leave entirely to chance and the evolution of experience the responsibilities for implementing Section 2. They also added Sections 3, 4, and 5, which set up some quite explicit responsibilities. They call, for example, on the President to transmit each year an economic report that sets forth such matters as current and foreseeable trends in employment, production, and purchasing power and outlines a program for carrying out the policy declared in Section 2. They direct the Council, among other things, "to appraise the various programs and activities of the Federal Government in the light of the policy declared in Section 2 for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policy and to make recommendations to the President with respect thereto. . . ." They call on the Joint Economic Committee to make a continuing study of programs and their coordination and to report to the Congress. And the Act calls for cooperation among all groups in our society in attaining these objectives.

Within this general framework a substantial complex of activities has emerged. For one thing the Joint Economic Committee has come to be one of the major, ongoing, national seminars on economic policy. Witnesses at its hearings include Government officials, a wide range of scholars from the universities, leaders of unions and businesses, and students of economic policy from abroad. The membership of this Committee includes chairmen and senior members of major legislative committees; and the published *Proceedings of Hearings* and other Committee publications have had a marked influence on national thinking about public policy and have increased the understanding in government and public circles of the problems and issues of economic policy and economic performance.

The Council of Economic Advisers has also had a pervasive influence in shaping policy. Through it the discipline of economic thinking has been introduced at a level where it directly affects decisions. While Government agencies have long had economists, the Council of Economic Advisers is an agency in which economists are the principals. Though small, it reports directly to the President. And having no particular constituency it can look at the broader public interest. The Council assists in the preparation of the President's *Economic Report*, which has become the major statement of national economic developments, programs, and policies. The requirement to submit an annual economic report subjects the Administration to the discipline of specifying its targets and appraising the adequacy of its policies for reaching the targets.

Have the results of efforts by these two bodies shown up in the performance of the economy during this quarter of a century? In employment the performance has been reasonably good. The unemployment rate during the past 25 years has averaged 4.6 percent, and the highest yearly rate was 6.8 percent in 1958. In the 25 years before the war, ending with 1940, the average unemployment rate was 10.9 percent, and its peak was 24.9 percent in 1933. This 25-year period includes the Great Depression, however, which dominates the record. If we look at the quarter of a century before the Great Depression, ending with 1929, the average was 4.7 percent, the highest unemployment rate was 11.7 percent in 1921, and in three other years (1908, 1914, and 1915) the 1958 rate was exceeded. This suggests that we have not appreciably reduced the incidence of small departures from maximum employment but that we have reduced the incidence of large departures, which is just what one would expect aggregate economic policy to be able to do.

During the quarter of a century since World War II, the goods and services made available to each consumer increased by 62 percent in real terms, and our stock of productive capital has increased by close to \$800 billion (in 1970 prices). In the quarter of a century ending with 1929 the per capita output of goods and services produced grew about 50 percent, somewhat below our postwar performance.

A recurring question throughout these years has been whether the Employment Act of 1946 has caused an imbalance in our management of economic policy by lessening the attention paid to price stability. While Section 2 recognizes that "other essential considerations of national policy" must be weighed, there is no explicit recognition of a stable price level as an objective of economic policy. It is clear both from policies and statements about policies that all Administrations have considered a reasonably stable price level to be an important objective of policy, and such stability is one of the concerns implicitly expressed in the Employment Act of 1946. Indeed, it is clear from early comments that the Congress interpreted "maximum purchasing power" to involve concern about inflation.

During most of the first 20 years of the Act this question about the role of the price level in the objectives of national economic policy had a certain leisurely and academic quality. The basic trend of the price level was moderately upward. Between 1948, the time that prices established a new plateau, and 1965 the consumer price index rose 31 percent. Over one-half of this rise, however, is accounted for by two 2-year surges in the price level—one from 1950 to 1952, and a second from 1956 to 1958. And one of these surges could be attributed to the large rise in defense outlays incident to the Korean conflict. Apart from these, the price level was performing in a reasonably quiescent manner.

Concern about the price level as a consideration in the objectives and management of economic policy has come into sharper focus and taken on a new sense of urgency with the rise in prices since 1965. While the inflation was clearly set off by excessively expansive fiscal and monetary policies, its persistence as the overheating of the economy subsided has raised urgent questions. Can a free economy have a reasonably stable price level with its productive resources fully utilized? Has the concentration on "maximum employment, production, and purchasing power," as specified in the Employment Act, caused a bias in our policies that leaves us exposed to a sustained deterioration in the purchasing power of the dollar? Have new institutional structures and forces come into play that keep driving the price-cost level upward regardless of the state of the economy?

This much seems clear: The Employment Act of 1946, and the concerns that gave rise to its passage, moved the quality of our economic performance to a higher place on the Nation's agenda. The Act provided a flexible and general statement of what our economic activity ought to do for us. The structures that it called for have evolved and adjusted to changing circumstances and problems. Our most urgent task, as we move into the second quarter century of the Employment Act of 1946, is twofold: to find ways of keeping the Nation consistently concerned about the problems raised by experience with inflation since 1965, and, with full regard for the requirements of a free economy and a free society, to develop new policies and programs needed to meet this national concern. We can be confident that this twofold task will be performed.

CHAPTER 1

The Record of 1970

1970 WAS THE YEAR when policies of restraint initiated earlier to curb the long inflation had their first major effects on the economy. It was also the year when a large part of the transition from a wartime level of defense spending to a peacetime level was accomplished. Alongside these major forces were others that visibly affected the shape of the year. A long upsurge of business investment in plant and equipment came to an end and a strong rise in residential construction began. The stock market experienced one of its most severe declines in 40 years, one of the largest corporations in the country went into reorganization, and there was a 10-week strike of an even larger industrial corporation, whose products account directly and indirectly for about 1½ percent of the total national output.

The primary goal of anti-inflation policy in 1970 was to limit the decline of output that had been initiated by earlier restrictive measures and then to get output rising again in the second half. The increase of output that was desired was an amount sufficient to keep the rise of unemployment moderate but not so large as to prevent progress toward a lower inflation rate. The primary instruments for achieving this goal were monetary and fiscal policies aimed at influencing the rate of increase of the total demand for goods and services. Three requirements of the policy were important. First, policy should turn in an expansive direction early in the year. The turn in policy from its earlier restrictiveness would not affect the behavior of the economy immediately. To make sure the economy was rising again in the second half of 1970, the policy change would have to come well before that. Second, the combined fiscal and monetary stimulus should be sufficient to assure the desired rate of expansion in the economy. Third, both policies—fiscal and monetary—should become moderately expansive. A combination of a highly expansive fiscal policy and a restrictive monetary policy (or in principle a highly expansive monetary policy and a restrictive fiscal policy, although this combination was not in prospect in early 1970) was not wanted, partly because it was not certain that primary reliance on either alone could be counted on to yield the desired overall results.

These requirements of policy were all met. The change in monetary policy was reflected in two decisions of the Federal Reserve Open Market Committee, first on January 15, 1970, and then more decisively on February 10.

The stock of money (currency plus demand deposits), which had increased at an annual rate of 1.2 percent in the second half of 1969, rose at the rate of about 5½ percent during 1970 (Chart 1). In the Federal Reserve policy of 1970 more attention than formerly was paid to achieving a specified rate of growth of money and credit and less was paid to achieving predetermined conditions in money markets. By and large the Federal Reserve was able to achieve its overall targets despite the necessity to act quickly from time to time to prevent disorderly conditions in credit markets.

The sequence from monetary tightness in 1969, which slowed down the economy and reduced the demand for credit, to the easier monetary policy of 1970, which increased the supply of credit, produced a dramatic decline of interest rates. Short-term rates declined by about 3 percentage points from their peaks reached at the end of 1969. Long-term rates surged upward in May and June during the period when the demand for liquidity was at a maximum because of uncertainties in both foreign and domestic affairs, but thereafter they declined substantially, particularly in November and December.

Fiscal policy also changed sharply in 1970. The net budget position in the national income accounts shifted from a surplus of \$9 billion in calendar 1969 to a deficit of \$11 billion in 1970. Most of this \$20 billion swing was the result of the lower level of the economy in 1970 than in 1969, measured against a full employment path. If the economy had been at full employment in both years there would have been a surplus, but it would have declined by \$5 billion. (See the appendix to this chapter, "Measures of Changes in Fiscal Policy.") Most of the shift in the budget position occurred after the first quarter of the year (Table 1).

Expenditures increased about \$15 billion, a decline of \$2 billion in defense purchases being much more than offset by an increase in other categories.

TABLE 1.—*Federal Government receipts and expenditures, national income accounts basis, 1969–70*

[Billions of dollars, seasonally adjusted annual rates]

Period	Actual			Full employment estimates		
	Receipts	Expenditures	Surplus or deficit (—)	Receipts	Expenditures	Surplus
1969	200.6	191.3	9.3	203.3	191.7	11.7
1970	¹ 195.4	¹ 206.2	¹ -10.8	212.0	205.3	6.7
1969: I	197.2	187.7	9.5	197.2	188.1	9.1
II	202.5	189.1	13.4	203.4	189.5	13.9
III	200.8	192.5	8.3	204.3	192.8	11.5
IV	202.0	195.9	6.1	208.3	196.2	12.1
1970: I	195.9	197.7	-1.7	208.0	197.6	10.4
II	196.7	210.9	-14.2	211.9	209.9	2.0
III	194.9	206.7	-11.8	211.9	205.5	6.4
IV	¹ 194.1	¹ 209.5	¹ -15.4	216.2	208.3	7.9

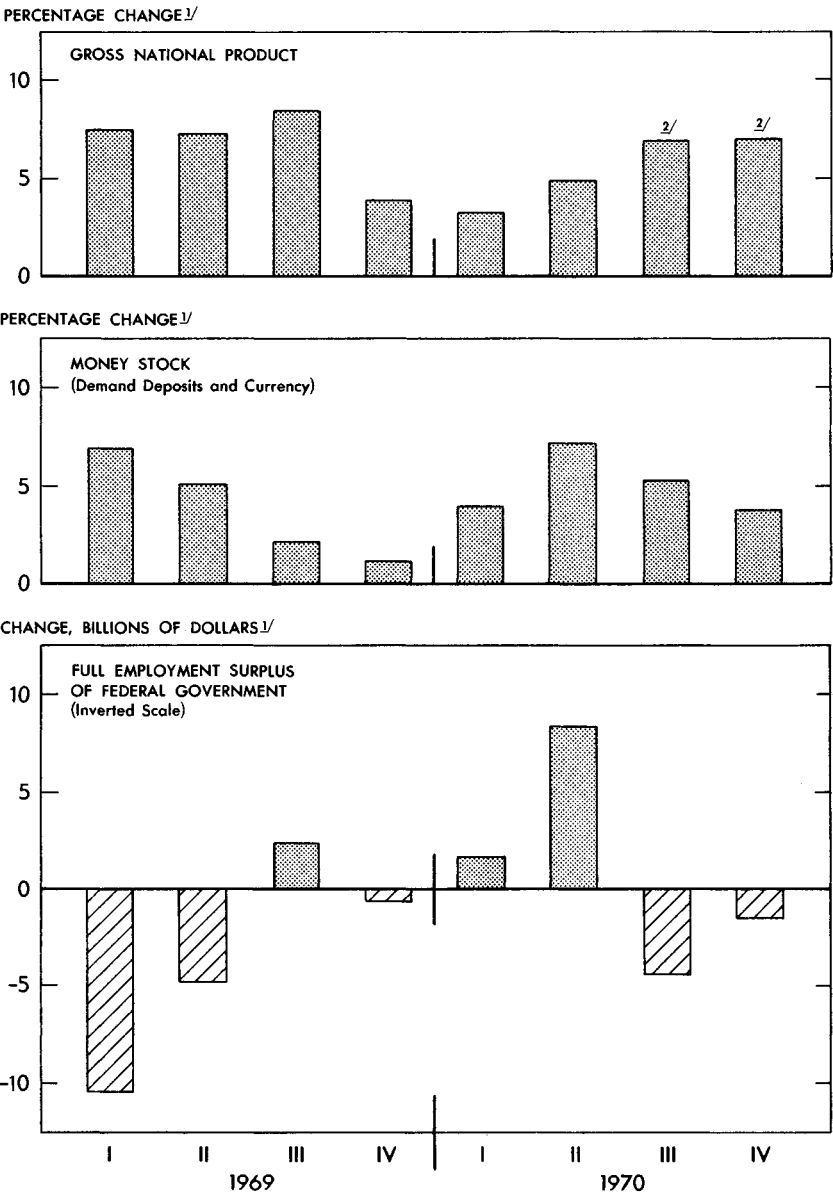
¹ Preliminary.

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

Sources: Department of Commerce and Council of Economic Advisers.

Chart 1

Changes in GNP, Money Stock, and Full Employment Surplus



^{1/}SEASONALLY ADJUSTED ANNUAL RATES.

^{2/}ADJUSTED FOR THE EFFECTS OF THE AUTO STRIKE.

SOURCES: DEPARTMENT OF COMMERCE, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, AND COUNCIL OF ECONOMIC ADVISERS.

The increase in expenditures included \$1 billion more for unemployment compensation because of higher unemployment rates. Receipts declined by about \$5 billion. Expiration of the surcharge in two steps reduced revenues by \$8.3 billion, and other tax changes during 1970 cut them by \$0.6 billion. Because of the slowdown of the economy only a small part of this reduction was offset by expansion of the tax base.

A shift in the budget position in 1970 that would have eliminated the large surplus of 1969 was implicit in the Administration's plans at the beginning of the year.* This was due partly to the projected path of the economy below full employment and partly to the combined effect of changes in expenditures and taxes. The actual shift, which ended in a substantial deficit, exceeded the plan, however, one reason being lower economic activity than projected and the other being unplanned expenditure increases. The Administration's position was to accept the deficit resulting from the economic slowdown as an aid to limiting the slowdown. It also accepted some moderate expenditure increases beyond its budget. However, it strongly resisted program expansions which would substantially raise commitments for expenditures beyond 1970.

The policies of 1969 and 1970 were intended to achieve at first a slowdown in the rate of increase of money demand and then a moderate revival of that rate. This general pattern was accomplished. The increase of money GNP, which had been running at an annual rate of about 7½ percent in the first three quarters of 1969, subsided to about half of that in the fourth quarter of 1969 and in the first quarter of 1970. The rate then increased to about 5 percent in the second quarter and to a little over 6 percent in the third. The fourth-quarter picture is obscured by the great effect of the auto strike, but with a minimum allowance made for that factor it would seem likely that underlying demand increased at an annual rate of about 7 percent in the fourth quarter.

This early revival of the growth of demand limited the decline of real output. From its peak in the third quarter of 1969 to the first quarter of 1970, real GNP fell by 1 percent (at an annual rate of 2 percent). After stabilizing in the second quarter it rose in the third, almost regaining its previous peak. The Council estimates that real output in the fourth quarter, instead of decreasing, would have increased at least as rapidly as in the third if it had not been for the strike. From 1969 to 1970, total output declined by about one-half of 1 percent.

In the early part of the slowdown employment was well maintained, as employers held on to labor against the possibility that a tight labor market might soon return. By early 1970, however, with sales sluggish and profits weak, businesses were making intensive efforts to reduce payrolls in order to cut costs. Together with an extraordinary rise in the labor force, this development boosted the unemployment rate from 3.5 percent in December

*The above statement refers to the national income accounts for calendar 1970. On a unified budget basis small surpluses were planned for both fiscal 1970 and fiscal 1971.

to 5.0 percent in May. Thereafter the rate leveled off for some months but began to rise again in the latter part of the year, partly under the influence of the auto strike, until it reached around 6.0 percent in December.

In some degree, though it cannot be measured precisely, the rise of unemployment was aggravated by the 1.1 million reduction in defense employment during the year, of which about 0.6 million occurred in the private sector. Unemployment between jobs may be longer than average for persons released from defense production, because of their geographic location, the specialized nature of their skills, and their above-average incomes, when employed. Moreover, given the slowdown in the rise of money demand, there would probably have been more restraining effect on prices and less reduction of output and employment, if the reduction of demand had been less heavily concentrated in defense industries.

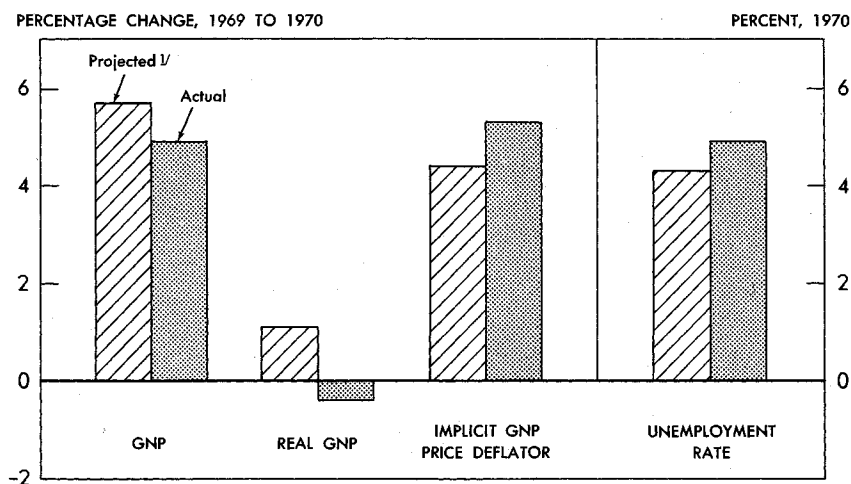
The purpose of the policy of restraint, which had as one consequence the reduction of output and employment, was to stop the rate of inflation from accelerating and to slow it down. Many signs now show that this is being accomplished. The seasonally adjusted annual rate of increase of the consumer price index, which had been 5.9 percent in the second half of 1969 and 6.0 percent in the first half of 1970, was 4.6 percent from June to November. Wholesale prices, after a 4.2 percent rise in the second half of 1969, rose at the rate of 2.6 percent in the first half of 1970 and 2.1 percent in the second half of 1970. Although 1970 brought only a faint sign of abatement in the rate of increase of wages, the reduction in overtime reduced costs per hour of work, and productivity rose more rapidly in 1970 than in 1969. Labor costs per unit of output therefore rose more slowly.

The policies of 1969 and 1970 set a ceiling to the mounting inflation and turned the inflation down; they set a floor to declining output and turned it upward. The strongest American inflation in over a century, aside from periods of major war, was countered by deliberate acts of policy; another change of policy checked the accompanying decline in the real economy before it had gone far.

Although total output declined slightly from 1969 to 1970, this decline was less than the decrease in production for defense; the output devoted to nondefense purposes increased. The real per capita disposable income of persons (that is, after allowing for changes in both taxes and prices) reached a record high in 1970. Real compensation per hour of work increased by 1.1 percent over 1969, a little more than the increase in real output per hour. Real personal consumption expenditures for the year were 2 percent above those for 1969. The increase in the real per capita disposable incomes of persons was made possible in part by the cuts in defense. These cuts also contributed to the rise in unemployment. But at its 1970 peak around the end of the year, while the influence of the General Motors strike was still being felt, the rise of the unemployment rate had not been as large as in earlier transitions from inflation and war. At the end of the year, about half the unemployed had been out of work for less than 6 weeks.

Chart 2

Comparison of Projected and Actual GNP, Prices, and Unemployment Rate



¹/PROJECTED BY COUNCIL OF ECONOMIC ADVISERS, FEBRUARY 1970.

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

The performance of the economy disappointed many expectations and intentions, including those of this Council. Aggregate demand in money terms and real output were lower than expected, while the rate of inflation and the unemployment rate were higher (Chart 2). The momentum of rising costs and prices, a legacy of the long inflation, proved to be extremely powerful. The continuing rise of prices and wages creates the main uncertainties for economic policy in 1971. It is the inflation that has prevented an all-out attack on unemployment and that contains the possibility of frustrating the recovery policies which are being adopted.

Some people have been hurt in the transition to a lower level of defense expenditure. Some have suffered the hardship of unemployment. Others have experienced shorter hours, or loss of profits. The entire economy has been hit by inflation. These hardships are the price that is now being paid for the earlier inflationary boom. The memory of this price should stay with us as economic policy is made in the future.

DEMAND PATTERNS

The part played by the principal components of demand in the slowdown and initial phase of revival is best seen in the period from the third quarter of 1969 to the third quarter of 1970. The results for the fourth quarter of 1970 are so influenced by the temporary supply constraint caused by the auto strike that they yield little reliable evidence on the trend of demand either in

TABLE 2.—*Changes in gross national product, by component, 1967 III to 1970 III*

[Billions of dollars]

Component	Change in seasonally adjusted annual rates				
	1967 III to 1968 III	1968 III to 1969 III	1969 III to 1970 III	1969 III to 1970 I	1970 I to 1970 III
Total GNP.....	74.9	66.8	42.9	16.9	26.0
Federal Government purchases.....	9.3	1.8	-3.9	-2	-3.7
All other GNP.....	65.6	65.0	46.8	17.1	29.7
Change in business inventories.....	-5	3.1	-5.8	-9.7	3.9
Final sales.....	66.1	61.9	52.6	26.8	25.8
Personal consumption expenditures.....	48.3	38.3	40.0	21.0	19.0
Nonresidential fixed investment.....	5.0	13.2	2.1	1.1	1.0
Residential structures.....	3.3	1.1	-1.8	-1.9	.1
Net exports.....	-2.2	-.8	1.6	.9	.7
State and local government purchases.....	11.5	10.2	10.8	5.8	5.0

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

Source: Department of Commerce.

the aggregate or by sectors. We shall return later, however, to the interpretation of the fourth quarter, because it is important as the starting point for 1971. Here we shall concentrate on the less uncertain picture presented by the period through the third quarter of 1970 (Table 2).

Total demand, as measured by total expenditures for gross national product, increased much less in the year ending in the third quarter of 1970 than in the same period a year earlier—\$42.9 billion as compared to \$66.8 billion. The slower increase, or decline, of four categories of demand—Federal purchases, change in business inventories, residential structures, and business fixed investment—amounted to more than the total slowdown. The total of the other categories—personal consumption, net exports, and State and local purchases—rose a little more in the later period than in the earlier one.

Expenditures rose more from the first to the third quarter of 1970 than they did over the preceding two quarters. Changing rates of inventory accumulation were mainly responsible for this shift. In part, the changing pattern of demand—from 1969 to 1970 and in 1970—reflected the fiscal and monetary policies of the time. The decline of Federal defense purchases continued, but tax reductions and increases in transfer payments helped to sustain consumer spending when earned income was weak. Monetary ease helped promote the flow of funds into savings institutions and thus supported the turnaround in housing. An increase of Federal grants-in-aid to the States helped to keep State and local purchases growing fairly steadily despite the economic slowdown.

CONSUMER INCOME AND SPENDING

Consumer spending rose about as much from the third quarter of 1969 to the third quarter of 1970 as in the preceding four-quarter period despite

the sluggish economy (Table 2). It constituted an important force sustaining aggregate demand early in the year when the economy was contracting, and it contributed to the recovery. This pattern of consumption resulted from fiscal measures that buttressed consumer disposable income in 1970 against forces of contraction as well as from the automatic stabilizing influence of the tax system.

With little change in real output and employment during 1970, private wages and salaries, the largest component of income, rose much less rapidly from the third quarter of 1969 to the third quarter of 1970 than in the year before—4.6 percent as compared to 9.8 percent (Table 3). Government payrolls, however, continued to rise rapidly notwithstanding cutbacks in the size of the Armed Forces. Part of the slowdown in private payrolls was offset by the rise in State unemployment insurance benefits, but there was also a large expansion in Social Security benefits in the spring. Corporations maintained dividend payments in the face of a pronounced decline in profits, a practice evident in earlier periods of slowdown. All told, the increase in personal income came to 6.5 percent as compared to the 8.7 percent rise during the preceding year.

The decline in personal taxes affected after-tax disposable income even more than did the rise in transfers. After increasing over \$15 billion from the third quarter of 1968 to the third quarter of 1969, personal taxes declined more than \$3 billion in the same period a year later. Reductions in taxes, amounting to \$10 billion, more than offset the moderate rise that would have occurred at 1969 rates. Disposable income during the later period rose substantially, 8.2 percent compared to 7.6 percent over the preceding period.

Only part of the fiscal stimulus created in 1970 was translated into an

TABLE 3.—*Changes in personal income, taxes, disposable income, and consumption, 1967 III to 1970 III*

[Billions of dollars]

Item	Change in seasonally adjusted annual rates				
	1967 III to 1968 III	1968 III to 1969 III	1969 III to 1970 III	1969 III to 1970 I	1970 I to 1970 III
Personal income.....	62.9	60.5	49.1	24.2	24.9
Wage and salary disbursements.....	44.6	45.4	27.4	15.5	11.9
Government.....	11.3	8.9	8.4	2.8	5.6
Private.....	33.3	36.5	19.0	12.7	6.3
Transfer payments.....	7.9	5.5	13.2	4.3	8.9
Other personal income.....	12.8	12.9	10.1	5.4	4.7
Less: Personal contributions for social insurance.....	2.4	3.3	1.6	1.0	.6
Less: Personal tax and nontax payments.....	18.1	15.4	-3.3	-.5	-2.8
Equals: Disposable personal income.....	44.9	45.0	52.4	24.7	27.7
Personal consumption expenditures.....	48.3	38.3	40.0	21.0	19.0

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

Source: Department of Commerce.

increase in consumer spending during the year, the shortfall from expectations being most pronounced after the midyear. This is best seen in the saving rate, which rose in the second quarter to a level that has occurred in the past but that must be judged high by historical standards. The rate was maintained in the third quarter. The rise in the second quarter came mainly from the lagged response of consumers to the large increase in income caused by the statutory rise in Social Security benefits and the Federal pay raise, both of which included payments retroactive to the first of the year. The severe decline in the stock market in May might have been a contributing factor, although it is of interest that, despite the decline in consumer net worth that this implied, purchases of automobiles were higher in the second quarter than in the first. But by the third quarter consumers had clearly become cautious, since with incomes no longer rising rapidly, some decline in the saving rate might reasonably have been expected.

Sometimes shifts in the saving rate are a reflection of shifts in consumption patterns. Table 4 provides alternative measures of the saving rate, obtained by adding to the saving rate either all consumer purchases of durable goods or consumer purchases of autos and parts (as a percentage of income). Although sluggish demand for automobiles affected the saving rate in the first quarter, it does not explain the continued high rate through the third. The method of adding all consumer durables to the saving rate makes it clear that saving was indeed high in the second and third quarters. The data, which are still preliminary, suggest that consumers may have shifted purchases to nondurables in the strike-affected fourth quarter.

TABLE 4.—*Personal saving and alternative measures of saving, 1965-70*

Period	Percent of disposable personal income ¹				
	Personal saving	Personal consumption expenditures		Saving plus—	
		Total durables	Auto-mobiles and parts	Total durables	Auto-mobiles and parts
1965.....	6.0	14.0	6.4	20.0	12.4
1966.....	6.4	13.8	5.9	20.2	12.3
1967.....	7.4	13.4	5.6	20.8	13.0
1968.....	6.8	14.2	6.3	21.0	13.1
1969: I.....	5.6	14.6	6.5	20.2	12.1
II.....	5.3	14.5	6.4	19.9	11.8
III.....	6.5	14.0	6.3	20.5	12.8
IV.....	6.3	14.0	6.3	20.3	12.6
1970: I.....	6.7	13.4	5.7	20.1	12.4
II.....	7.5	13.4	5.8	21.0	13.3
III.....	7.6	13.2	5.7	20.8	13.3
IV ²	7.3	12.3	4.7	19.6	12.0

¹ Quarterly percents based on seasonally adjusted data.

² Preliminary.

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

Source: Department of Commerce.

BUSINESS FIXED INVESTMENT

The policies of restraint pursued in 1969 and their effects on the cost and availability of financing played an important role in bringing the long boom in capital investment almost to a halt during 1970. After rising 12 percent from calendar 1968 to 1969, nonresidential fixed investment increased only 3 percent, less than the rise in the index of plant and equipment costs. Businessmen scaled back by a few percentage points the plans that had been reported early in the year in surveys of investment intentions; this was a somewhat larger shortfall from plans than occurred in 1968 and 1969.

The effects of the general slowdown on investment were quite varied. In some industries like electric utilities and communications, which increased their outlays by substantial amounts, the response was slight, the need for additional facilities having been accentuated by service breakdowns in some areas. To a considerable extent these industries, which enjoy strong growth trends, tend to budget their capital outlays over long periods. Since they are regulated noncompetitive industries facing inelastic demands, they also have the ability to pass on high interest costs in the form of higher rates, once authority has been granted by regulatory commissions. The strength of investment in these industries and increased spending by the airlines were important in offsetting the more common response—either a decline in investment outlays or a much smaller rise than that of the preceding year. Sharp drops in profits, relatively low operating rates, high interest costs, and other financing difficulties brought decreases in the amounts spent by manufacturing companies and railroads, whose spending patterns tend to be more sensitive to business conditions. The decline in corporate profits after taxes was pronounced—8½ percent from 1969—and was especially severe in the first and fourth quarters, when automobile output was depressed. In addition, the termination of the investment tax credit probably had a general dampening effect on investment outlays.

Demand for new plant and equipment was not strong but appeared to be holding up at a high level as the year progressed. Appropriations by manufacturers, which had fallen in the fourth quarter of 1969 and the first quarter of 1970, leveled out in the second quarter and rose in the third. The results of the surveys of businessmen's spending intentions for 1971 pointed to small increases in current dollar outlays and small decreases in real terms. In view of such adverse developments as the stock market decline and the Penn Central problems in May and June and the automobile strike after mid-September, these indicators of business investment decisions made in the second half of 1970 suggest that business confidence held up reasonably well.

INVENTORY INVESTMENT

Businessmen pursued cautious inventory policies in 1970; for the year as a whole they added \$5 billion less to their stocks than they had in 1969. The most significant fact about inventory behavior was the quarterly pattern and its effect on movements in GNP. The more rapid rise in GNP from the first to the third quarter of 1970 as compared to the preceding half-year reflected a shift in inventory investment. In the earlier period the rate of inventory accumulation declined, subtracting from the change in GNP, while in the latter period an increase in the rate of accumulation added to the rise in GNP.

The year started with stocks somewhat high in relation to sales or output mainly because of the slowdown in sales late in 1969. However, it was expected that businessmen would make a gradual reduction in their inventory investment, rather than an abrupt change, because for much of 1969 they had been expecting a slowdown in business to follow the Administration's announced intention of cooling off the economy.

Early in the year, however, investment in stocks was slashed, from an annual rate of \$11 billion in the third quarter of 1969 to \$1½ billion in the first quarter of 1970. Indeed, this sharp decrease explains much of the weakness in the economy early in the year. A good part of the decline came from the automobile industry, where a softening in auto demand led to a severe reduction in output. In addition, work-in-process inventories in the aerospace industry were reduced as companies increased their deliveries and were forced to cut back on new work. Automobiles and aircraft together accounted for about \$6 billion of the \$10-billion decline in inventory accumulation. The recovery of the auto industry in the spring and summer was one reason for the somewhat higher rates of accumulation in the second and third quarters.

HOUSING

Nowhere have the effects of policies been more visible in the past 2 years than in homebuilding, where 1970 brought substantial recovery after the sharp decline of 1969. The year began with private housing starts at the low seasonally adjusted annual rate of 1.25 million units in the first quarter, down from a high of 1.64 million in the first quarter of 1969. By the fourth quarter, however, starts had exceeded that earlier peak. The increased availability of funds for mortgages, which will be described later in this report, was the driving force for this turnaround.

The total of 1.43 million units started in calendar 1970 represented a 3-percent decrease from the number of starts in 1969. Expenditures, however, fell 8 percent in the face of a 5-percent increase in the index of housing costs. The decrease reflected a decline in the average value of single-family starts, the first in many years. New homes were apparently smaller in floor area and had fewer of the amenities associated with housing quality.

This decline in the average quality of single-family houses, which started

before 1970, has been influenced heavily by changes in costs. From 1969 to 1970 wage rates in construction rose 9.2 percent. With productivity gains small, most of these exceptionally large adjustments were reflected in higher building costs. Land prices and property taxes have also been increasing persistently. And yields on new FHA home mortgages reached 9.29 percent in March 1970, 130 basis points higher than the yield a year earlier, although by December the figure had fallen to 8.90 percent.

The rising costs of home ownership have been dramatic in recent years. The average home built in 1965 with FHA financing obligated the buyer to \$118 per month in mortgage payments. In 1970, for a house of the same size, the corresponding figure was \$212, an increase of 80 percent at a time when median family incomes rose about 45 percent. Because of higher costs, however, the average size of the home sold in 1970 was smaller than its counterpart in 1967, 1968, and 1969. An increase in the proportion of houses financed with Federal subsidies also contributed to a reduction in the average value of houses built in 1970, because the subsidies go to smaller and cheaper houses.

STATE AND LOCAL GOVERNMENT PURCHASES

State and local government purchases, which have been rising steadily for many years, continued to increase at a rapid rate and were an important sustaining force in 1970. The 9-percent rise in such purchases was a little less than that of the year before despite a faster rise in prices. Most of the slowdown reflected the difficulties that States and localities experienced in financing their construction projects, except for federally aided highways, in 1969 and early 1970.

With expenditures continuing to rise very rapidly, employment by State and local governments rose almost 5 percent over the average level in 1969, a somewhat faster rate than the year before but about 1 percent less than the average annual percentage increase in the period from 1964 to 1968. The rise in wage and salary rates was especially large last year. At the same time strikes by State and local government employees, as in the last few years, were a much more common occurrence.

THE FOURTH QUARTER OF 1970

According to preliminary estimates, GNP in the fourth quarter of 1970 rose at an annual rate of about 2 percent, compared to the 6 percent rate of increase in the third quarter. During 2 months of the fourth quarter the motor vehicle plants of General Motors Corporation were closed down as the result of a work stoppage. The basic demand for output was clearly rising but was kept from expressing itself in purchases by the strike. Although the question cannot be answered precisely, it is useful to estimate the rate at which the underlying demand was actually rising. We could then judge better how well the expansive policies initiated earlier

were working and also have a better base for appraising the prospects for the economy as 1971 begins.

Those components of demand where the strike impact was either non-existent or not large on balance—private construction, purchases by Federal, State, and local governments, and net exports—as a group rose about as much in the fourth quarter as in the third. Consumer purchases of non-durable goods, which were indirectly affected by the loss of income resulting from the strike, nonetheless rose more in the fourth quarter than in either the second or third. Declines were pronounced, however, in those sectors affected by the strike—consumer durable goods expenditures and producers' durable equipment. In aggregate, inventory investment declined by about \$1½ billion, as a severe reduction in auto stocks offset increased accumulation in other industries.

A partial notion of the strike's impact on GNP may be obtained from gross auto product (the value of automobile production and distribution), which declined \$12 billion from the third to the fourth quarter. GNP, excluding automobiles, rose \$17½ billion over the same period (Table 5).

The decline in auto GNP in the fourth quarter does not tell everything of the strike's impact. It ignores the effect on truck production. Furthermore with so large a loss in output there must have been substantial multiplier effects (which may well have started even before the strike) as workers cut back on their consumption, particularly their purchases of durable goods, in the face of drastic cuts in income. Then too, because of the uncertain length of the strike, some businessmen may have adopted conservative buying policies while the strike was still on. On the other hand, strike benefits helped to hold up income, and dissaving helped to support the consumption of workers affected. Two other developments may have mitigated the negative impact of the strike. One is the possibility that suppliers accumulated more stocks of parts and supplies than would have occurred in the absence of the strike. And it is possible that some consumers, unable to buy their new cars, purchased other things.

A minimum estimate of the strike's impact may be put at approximately \$14 billion. This is based on an estimate that domestic automobile output would have been at a seasonally adjusted annual rate of 8 million units (as

TABLE 5.—*Changes in auto and other gross national product during 1970*

(Billions of dollars, seasonally adjusted annual rates)

Period	Change from preceding quarter		
	GNP	Auto GNP	All other GNP
1970: I.....	7.8	-4.7	12.5
II.....	11.6	4.3	7.3
III.....	14.4	-.7	15.1
IV ¹	5.4	-12.0	17.4

¹ Preliminary.

Source: Department of Commerce.

compared to 8½ million in the period from June through August), plus an allowance for lost truck production minus some offset for suppliers' inventories. The total impact on GNP was greater than these effects but because of difficulties in estimation a specific figure is not presented. On this basis GNP in the fourth quarter would have been \$1,005 billion. This would represent a rise over the third quarter amounting to 7 percent at an annual rate.

OUTPUT, EMPLOYMENT, AND UNEMPLOYMENT

Between 1969 and 1970, when the value of output rose by 4.9 percent, prices rose 5.3 percent and real output fell by 0.4 percent. Without the automobile strike, which began in mid-September, real output for the full year would probably have been slightly higher in 1970 than in 1969. Real output declined from the third quarter of 1969 to the first quarter of 1970 by about 2 percent (annual rate), leveled out in the second quarter, and then rose slightly in the third and decreased in the fourth. If the strike had not occurred, the annual rate of increase in output in the third quarter would have been about 1 percent greater, while in the fourth quarter the rate of rise would have been in the neighborhood of 2-3 percent.

From the third quarter of 1969 to the third quarter of 1970 real output declined by one-half of 1 percent (without strike adjustment). Since Federal purchases, mainly for defense, declined significantly, total real output available for non-Federal use rose by 0.8 percent. The latter reflected a rise in real expenditures of consumers, net exports, and State and local government purchases that more than offset a decline in real private investment (Table 6). Looked at another way, the decline in output was concentrated

TABLE 6.—*Changes in real gross national product, 1967 III to 1970 III*

[Billions of dollars, 1958 prices]

Component	Change in seasonally adjusted annual rates				
	1967 III to 1968 III	1968 III to 1969 III	1969 III to 1970 III	1969 III to 1970 I	1970 I to 1970 III
Total GNP.....	33.7	18.3	-3.5	-7.1	3.6
Federal Government purchases.....	3.5	-3.7	-9.0	-4.1	-4.9
All other GNP.....	30.2	22.0	5.5	-3.0	8.5
Change in business inventories.....	-.9	2.5	-5.3	-8.6	3.3
Final sales.....	31.1	19.5	10.8	5.6	5.2
Personal consumption expenditures.....	26.1	11.0	10.9	5.3	5.6
Nonresidential fixed investment.....	2.0	7.0	-2.3	-1.0	-1.3
Residential structures.....	1.5	-.5	-2.3	-1.6	-.7
Net exports.....	-2.7	-.7	2.3	1.1	1.2
State and local government purchases.....	4.1	2.7	2.3	1.7	.6

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

Source: Department of Commerce.

in construction and in durable commodities, mainly motor vehicles. Output of nondurable goods and services was up slightly.

EMPLOYMENT AND UNEMPLOYMENT

The decline of output that began toward the end of 1969 did not immediately affect total employment. Indeed, the rise in employment (as estimated from the household survey) from the fourth quarter of 1969 to the first quarter of 1970 was at a rate only moderately less than it was during 1969, a year of considerable employment expansion. Although manufacturers had begun to cut their employment in the fourth quarter, nonmanufacturing firms continued to increase theirs. Experience with labor shortages for several years, when the economy was operating above its potential, probably led many employers to take on workers as they were available and to postpone laying off workers until the slackening in demand was clearly not temporary. Hours of work were reduced, however, a trend that had been in progress during most of 1969.

The first-quarter rise in employment proved to be short lived. The output decline, coming at a time when payrolls were increasing because of rapidly rising wage rates, led to a pronounced increase in unit labor costs and a sharp decrease in profits. Employers began examining their costs much more carefully and took measures to reduce them or at least to hold down their rise. After declining in the spring quarter, employment (household basis) leveled out after midyear. Manufacturing employment declined through the year, nonmanufacturing employment was about unchanged, and government employment rose. The average level of employment in 1970 increased by only 0.7 million workers over 1969, the smallest rise since 1961 and roughly half of the normal growth in the labor force.

With real output declining or rising very little, unemployment rose in each quarter of 1970. The unemployment rate increased sharply in the first half of the year, rising from 3.6 percent in the fourth quarter of 1969 to 4.1 percent in the first quarter and 4.8 percent in the second. The rate of increase diminished somewhat in the summer months but speeded up again in the final quarter to a rate of 5.8 percent (Chart 3). The 4.9-percent rate for the full year was the highest since 1964, and represented an average of 4.1 million persons out of work.

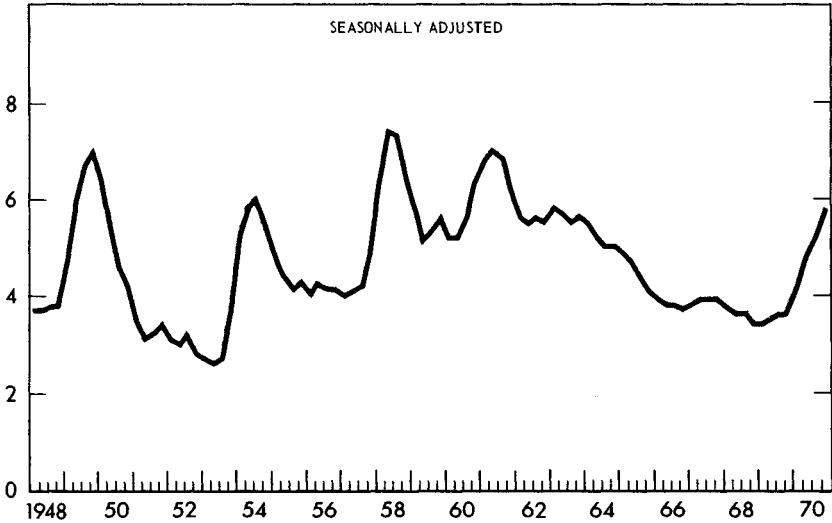
Last year's rise in unemployment was greater than had been anticipated in most projections, including that of the Council. Explanations for the large rise in unemployment are found in the behavior of the labor supply and production costs. The civilian labor force increased by 1.9 million workers from the final quarter of 1969 to the corresponding 1970 quarter. This was less than the 2.4-million increase over the preceding 4 quarters, but it was larger than the average of the 1960's.

One special circumstance that contributed to the large increase in the civilian labor force was the reduction in the Armed Forces. During 1970, 400,000 persons left the armed services, and most of them entered the labor

Chart 3

Unemployment Rate

PERCENT OF CIVILIAN LABOR FORCE*



* DATA RELATE TO PERSONS 16 YEARS OF AGE AND OVER.
SOURCE: DEPARTMENT OF LABOR.

force. The change in selection procedures for drafting young men may also have contributed to the very large increase in the number of adult men entering the labor force during the year. Although adult women and teenagers entered the labor force in smaller numbers during 1970 than during 1969, the increases were not markedly lower than in other recent years. There is little evidence, therefore, that the increased difficulty which workers experienced in finding jobs in 1970 led to a significant withdrawal from the labor force; it has apparently shown up almost entirely in increased unemployment.

The first-quarter rise in the labor force was especially large—3.7 million persons at an annual rate. The reduction in the Armed Forces may have contributed to the rise, as noted above, but in addition women and teenagers continued to enter the labor force in large numbers at a time when labor demand, although still strong, had begun to slacken. The slower rise in the civilian labor force after the first quarter was more nearly in line with the experience of the 1960's.

The other explanation for the large unemployment increase would appear to be related to the rapid increase in wage rates and the very poor performance of productivity in 1969, and to attempts by businessmen to compensate for this cost increase in 1970. From mid-1968 to mid-1969, for example, output per man-hour in the private nonfarm sector showed no growth whatever. This was a period when demand was still very high and the

economy was operating well above its potential. Demand for labor was intense. The unemployment rate for all persons averaged less than 3.5 percent, and the rate for married men 1.5 percent, the lowest since the Korean war. This was a period of rapid employment growth for women and teenagers who lacked experience and whose productivity tended to be below average. Labor turnover was also very high and absenteeism common.

The situation started to change in the fall of 1969 when policies of restraint began to make themselves felt. Crosscurrents began to appear. In manufacturing, hiring slowed down and layoffs started to increase. Output declined in the fourth quarter of 1969 and fell more in the first quarter of 1970. The sharp decrease in productivity in the first quarter of 1970 reflected the usual practice among employers of retaining workers in the face of falling output; the decline in output per hour was not markedly different from the decreases that accompanied other downturns. Employment increased in nonmanufacturing industries.

The situation changed much more after the first quarter as businessmen stepped up their efforts to cut their costs. It was natural that operations had become inefficient after the long period of expansion, and a correction of the excesses of the past was clearly going to take more than a month or two. Moreover, the increase in wage rates showed little evidence of receding. The attempt to cut labor costs by letting workers go was a reversal of the practice followed for several years, when employers had difficulty in attracting and keeping productive, experienced workers. In the second quarter, productivity rose at an annual rate of 3.9 percent, and in the third quarter the gain was 4.5 percent. In the fourth quarter, however, productivity declined as a result of the strike.

Characteristics of the Unemployed

The increased unemployment in 1970 was not accompanied by a marked lengthening in the duration of unemployment, although there was a strong trend in that direction during the year. The median duration of unemployment increased from 4.3 weeks in 1969 to 4.8 weeks in 1970; over half those unemployed were unemployed for less than 5 weeks. In fact, fewer than half those unemployed in an average month in 1970 were unemployed in the following month. The reason for this is that persons who have been unemployed for a relatively long period have a higher probability of remaining unemployed in succeeding weeks than persons who have only recently become unemployed. The median duration of completed spells of unemployment is much shorter than the median duration pertaining to persons unemployed at any given time. Although net additions to employment totalled only 0.7 million, there was a great deal of flux in the labor market; in an average month at least 2 million workers were taken off the unemployment rolls, and a slightly larger number of persons newly searching for jobs were added.

The relative increase in unemployment among adult men was more than twice that for adult women and teenagers. As a result, the unemployment

rate for adult men, which had decreased year by year starting in 1962, increased substantially, from 2.1 to 3.5 percent. The rate for married men rose from 1.5 to 2.6 percent. The rate for persons of Negro and other races increased from 6.4 to 8.2 percent but remained significantly below its historical relationship of twice the rate for whites (Table 7). Long-term unemployment (15 weeks and over) increased from 0.5 percent to 0.8 percent of the labor force.

TABLE 7.—*Selected unemployment rates, 1961-70*

[Percent] ¹						
Group of workers	1961-65 average	1966	1967	1968	1969	1970
All workers.....	5.5	3.8	3.8	3.6	3.5	4.9
Sex and age:						
Both sexes 16-19 years.....	15.9	12.8	12.8	12.7	12.2	15.3
Men 20 years and over.....	4.4	2.5	2.3	2.2	2.1	3.5
Women 20 years and over.....	5.4	3.8	4.2	3.8	3.7	4.8
Race:						
White.....	4.9	3.4	3.4	3.2	3.1	4.5
Negro and other races.....	10.4	7.3	7.4	6.7	6.4	8.2
Selected groups:						
White-collar workers.....	2.8	2.0	2.2	2.0	2.1	2.8
Blue-collar workers.....	7.1	4.2	4.4	4.1	3.9	6.2
Craftsmen and foremen.....	4.8	2.8	2.5	2.4	2.2	3.8
Operatives.....	7.3	4.3	5.0	4.5	4.4	7.1
Nonfarm laborers.....	11.8	7.4	7.6	7.2	6.7	9.5
Private wage and salary workers in nonagri-						
cultural industries.....	5.9	3.8	3.9	3.6	3.5	5.2
Construction.....	12.8	8.1	7.4	6.9	6.0	9.7
Manufacturing.....	5.6	3.2	3.7	3.3	3.3	5.6

¹ Number of unemployed in each group as percent of civilian labor force in that group.

Source: Department of Labor.

The unemployment rate for young persons 16 to 21 years old increased in 1970, for those both in school and out of school (Table 8). Unemployment rates for young persons are typically high because many of them are new entrants into the labor force and are looking for short-term and part-time jobs. For example, about 85 percent of those unemployed and in school were looking for only part-time work. Although the fraction of the young people in the labor force who were unemployed was high (13.3 percent), particularly for those in school, the fraction of all young people who were unemployed and not in school during the year was relatively low.

Recent changes in unemployment are better seen in a comparison of the third quarter of 1970 with the third quarter of 1969, since this approach minimizes distortions associated with the auto strike in the fourth quarter. Unemployment was 1.4 million higher in the third quarter of 1970 than for the same quarter of 1969, and the rate increased from 3.6 to 5.2 percent.

Among the 4.3 million persons unemployed in the third quarter of 1970, a total of 1.9 million had lost their previous jobs, whereas only 575,000 had quit the job they had last held. State-insured unemployment totaled 2.0 million in the third quarter of 1970. Thus, most unemployed workers

TABLE 8.—*Employment status of persons 16-21 years of age in the civilian noninstitutional population, 1969-70*

Employment status	Percentage distribution	
	1969	1970
Total civilian noninstitutional population 16-21 years of age.....	100.0	100.0
Major activity—going to school:		
Civilian labor force.....	14.7	13.8
Employed.....	13.0	11.6
Unemployed.....	1.7	2.2
Not in labor force.....	30.8	30.0
Major activity—other:		
Civilian labor force.....	39.4	40.7
Employed.....	35.5	35.7
Unemployed.....	3.9	5.1
Not in labor force.....	15.1	15.5
Unemployment rate of persons 16-21 years of age:		
Total.....	10.4	13.3
In school.....	11.7	15.9
Not in school.....	9.9	12.5

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

Source: Department of Labor.

who had lost their most recent job apparently were covered by unemployment insurance programs.

Both the average number unemployed and the rates of unemployment increased more for blue-collar than for white-collar workers (Table 9). Within both these occupational categories there was a tendency for the relative increases in unemployment and unemployment rates to be larger among the more highly skilled. Among white-collar occupations, professional, technical, and managerial workers were more sharply affected than sales and clerical workers; and among blue-collar workers, relatively more craftsmen and operatives became unemployed than laborers. In part, the explanation lies in the declines in employment related to defense and aerospace, since a larger proportion of highly skilled workers were employed in defense and aerospace jobs than in the rest of the economy. Service occupations are less cyclically sensitive and their unemployment consequently increased less than for other occupations.

Among industries, experienced workers in manufacturing had the largest increases in unemployment, although the relative increase in construction was also substantial. About 40 percent of the increase in unemployment during the year was in manufacturing and two-thirds of this was in durable goods. The concentration of increased unemployment in durable goods manufacturing reflects the combined effect of reduced defense and space procurement and the slowdown in demand generally.

TABLE 9.—*Unemployment and unemployment rates in selected occupational and industry groups, 1969 III and 1970 III*

[Seasonally adjusted]

Group of workers	Unemployment (thousands of persons)		Unemployment rate (percent)	
	1969 III	1970 III	1969 III	1970 III
Total unemployment ¹	2,945	4,338	3.6	5.2
Occupation:				
White-collar workers.....	817	1,131	2.2	2.9
Professional and technical.....	151	229	1.4	2.0
Managers, officials, and proprietors.....	78	127	1.0	1.5
Clerical workers.....	444	574	3.2	4.1
Sales workers.....	144	200	3.0	3.9
Blue-collar workers.....	1,182	2,087	4.0	7.0
Craftsmen and foremen.....	232	515	2.2	4.9
Operatives.....	668	1,129	4.4	7.6
Nonfarm laborers.....	282	443	7.2	10.6
Service workers.....	452	577	4.5	5.6
Farmworkers.....	74	103	2.2	3.2
Industry:				
Private wage and salary workers ²	2,147	3,434	3.7	5.7
Construction.....	253	485	6.8	12.3
Manufacturing.....	707	1,268	3.3	5.9
Durable.....	373	742	2.9	5.9
Nondurable.....	334	526	3.8	6.0
Transportation and public utilities.....	90	144	2.0	3.1
Wholesale and retail trade.....	556	753	4.3	5.6
Finance and service industries.....	531	772	3.5	4.8
Government wage and salary workers.....	230	255	1.9	2.0
Agricultural wage and salary workers.....	90	115	7.3	9.0

¹ Includes workers with no previous work experience—444,000 in 1969 III and 502,000 in 1970 III.

² Includes mining, not shown separately.

Note.—Detail will not necessarily add to totals because of independent seasonal adjustment of the various series. Occupational and industry groups relate to experienced workers.

Source: Department of Labor.

DEFENSE SPENDING AND EMPLOYMENT

De-escalation of the Vietnam war and changes in our general purpose force planning have led to a significant reduction in the resources used for national defense. By the third quarter of 1970 defense purchases had declined by \$11.4 billion (measured in 1958 prices using the Federal Government purchases deflator), or 18 percent, from its recent peak in the second quarter of 1968. Over the same period total GNP in 1958 prices increased by \$22.0 billion. An additional \$33.4 billion of real output, therefore, became available for nondefense uses as the combined result of economic growth and the redirection of resources away from defense.

Consumers, whose real expenditures rose by \$31.2 billion, were the major beneficiaries of this change. Also, State and local government purchases increased by \$5.0 billion, and net exports by \$1.6 billion. The main off-

setting decline occurred in gross private investment (\$3.0 billion), where a \$2.0 billion increase in fixed investment was accompanied by a drop of \$4.9 billion in investment in business inventories. A decline of \$1.5 billion also occurred in Federal nondefense purchases.

The reduction in defense spending was itself related to the general program of restraint to reduce inflation. The overall program of restraint, however, permitted continued growth in some sectors of the economy, primarily the sectors producing goods and services for personal consumption, and at the same time reduced resources used to produce defense goods and services. National economic policies were aimed at two objectives simultaneously, namely, a reduction in inflation and a redirection of resources from defense to nondefense uses.

Each of these transitions could have been more easily accomplished if it had not been necessary at the same time to effect the other. If the past and current inflation had not been in the picture it would have been possible safely to maintain more expansionist pressures in the economy and the labor market; resources released from defense uses could have been more quickly redeployed to new uses; and workers affected by defense cutbacks would have found it easier to obtain new jobs. On the other hand, the program of fiscal restraint would have had more effect on prices and less on unemployment if the restraint had been more generally spread over the economy, because the required job shift would have been smaller and the downward pressure on prices of nondefense output greater. A large fraction of the reduction in demand occurred in sectors of the economy producing defense products, with little direct effect on the prices of most interest to consumers. A significant cutback in any large sector of the economy, particularly one that is geographically concentrated, is likely to result in a disproportionate amount of transitional unemployment relative to its effect on the general price level.

Employment Attributable to Defense Expenditures

Employment attributable to Department of Defense expenditures will have decreased nearly 1.8 million workers from its highest recent level in fiscal year 1968 to fiscal 1971 (Table 10). Most of the drop is in private employment attributable to defense expenditures, which is estimated to decline by 1.3 million workers over the period. A reduction in the Armed Forces accounts for much of the rest of the decrease.

The estimates of average employment for fiscal years indicate that the largest reductions in defense employment took place during calendar years 1969 and 1970, and the decline was most pronounced during 1970. The number of persons in the Armed Forces was reduced about 400,000 during 1970, and civilian employment for the Department of Defense declined by nearly an additional 100,000 during the year. Private employment may have been reduced by approximately 600,000 during the year. All told, there

TABLE 10.—*Employment attributable to Department of Defense expenditures and personnel requirements, 1965 and 1968–71*

[Thousands; fiscal years]

Type of employment	1965	1968	1969	1970	1971 ¹
Total Department of Defense-generated employment.....	5,759	8,129	7,944	7,374	6,354
Public employment.....	3,657	4,555	4,644	4,474	4,054
Federal military.....	2,716	3,460	3,534	3,398	3,034
Federal civilian.....	928	1,075	1,090	1,056	1,000
State and local.....	13	20	20	20	20
Private employment.....	2,102	3,574	3,300	2,900	2,300

¹ Estimate.

Source: Department of Labor.

was an estimated decline of 1.1 million jobs attributable to Department of Defense expenditures during 1970.

Defense-Related Private Employment

Private employment generated by defense spending is diffused over a broad range of industries and occupations. About two-thirds of the private employment generated by defense spending, however, has been in the manufacturing sector, although this sector accounts for about one-third of the private nonagricultural employment of wage and salary workers. Within manufacturing, employment attributable to defense spending has been most heavily concentrated in ordnance and aircraft. It was also concentrated among relatively skilled workers. A remarkably high proportion of workers in certain jobs calling for extremely specialized skills have been dependent on defense spending.

Estimates of private employment attributable to defense spending have been constructed for fiscal year 1965, just prior to the increase in Vietnam spending, and for fiscal year 1968, when private employment generated by defense spending reached its peak. Estimates of increases in private employment attributable to increased defense spending occurring during the Vietnam buildup are shown for selected industries in Table 11 along with the changes in employment in these industries that have occurred since 1968.

The two industries where defense generated the highest share of total employment were ordnance and accessories and aircraft and parts. Both industries, but particularly the aircraft and parts industry, employed large numbers of workers in supplying defense products. Defense employment was also relatively high in the manufacture of machine shop products, radios, television and communication products, electronic components and accessories, and other transportation equipment. Although a large number of workers were employed in transportation and warehousing services, the industry was not heavily dependent on defense even in 1968.

Employment attributable to the increase in defense expenditures during the Vietnam buildup was generally concentrated in those industries already

TABLE 11.—*Private nonagricultural employment attributable to Vietnam in fiscal year 1968, and employment changes from 1968 III to 1970 III*

Industry	Vietnam-attributed employment in fiscal year 1968			Change in total employment, 1968 III to 1970 III	
	Number (thousands)	Percent distribution	Percent of total industry employment	Change in number (thousands)	Percentage change
Total ¹	1,392.5	100.0	2.4	1,684	3.0
Manufacturing.....	948.1	68.1	4.9	-493	-2.5
Ordnance and accessories.....	140.3	10.1	42.3	-103	-30.2
Aircraft and parts.....	232.6	16.7	27.3	-187	-21.9
Machine shop products.....	32.8	2.4	14.4	-7	-3.2
Radio, television, and communications equipment.....	73.9	5.3	11.1	-52	-7.7
Electronic components and accessories.....	41.4	3.0	11.1	-38	-10.0
Other transportation equipment.....	20.1	1.4	6.7	4	1.3
Metals manufacturing.....	57.0	4.1	4.4	-7	-5
Other manufacturing.....	350.0	25.1	2.3	-103	-7
Services.....	412.6	29.6	1.3	2,164	6.6
Transportation and warehousing.....	164.8	11.8	6.2	21	.8
Business services.....	49.8	3.6	2.3	232	10.2
Medical and educational services and nonprofit organizations.....	34.6	2.5	.7	724	14.2
Other services.....	163.4	11.7	.8	1,187	5.2
Construction.....	14.7	1.1	.5	9	.3
Mining.....	17.1	1.2	2.8	4	.6

¹ Includes wage and salary employment; excludes self-employed.

Source: Department of Labor.

employing large numbers of defense workers. Aircraft, ordnance, and transportation together accounted for about 40 percent of the additional defense-related employment generated by the Vietnam buildup. These industries have consequently been most strongly affected by the cutbacks in defense spending occasioned by the withdrawal.

As shown in Table 11, manufacturing employment declined by 2.5 percent from the third quarter of 1968 to the third quarter of 1970, while total private wage and salary employment in nonagricultural industries increased by 3.0 percent. Most of the decline occurred in those manufacturing industries where a significant part of the employment was attributable to increased defense spending during the Vietnam buildup. Over half the decline in manufacturing employment occurred in the ordnance and aircraft industries, precisely those where employment attributable to Vietnam spending was particularly high.

Workers producing goods and services for defense are generally more skilled than the civilian labor force as a whole. Among white-collar workers a higher percentage of professional and managerial workers were employed in defense-generated jobs than in the entire economy. Among blue-collar workers, craftsmen and operatives were also more strongly represented in defense-generated employment (Table 12). The larger relative increases in unemployment from the third quarter of 1969 to the third quarter of 1970 for more highly skilled white-collar and blue-collar workers were in

TABLE 12.—*Civilian employment attributable to defense expenditures, by occupational group, fiscal year 1968*

Occupational group	Defense-generated employment ¹		Percentage distribution of total wage and salary employment
	Number (thousands)	Percentage distribution	
Total.....	4,700	100.0	100.0
Professional and technical workers.....	680	14.4	14.1
Managers, officials, and proprietors.....	414	8.8	8.3
Sales workers.....	112	2.4	6.3
Clerical and kindred workers.....	830	17.6	18.8
Craftsmen, foremen, and kindred workers.....	949	20.1	14.1
Operatives (semiskilled).....	1,233	26.4	20.8
Service workers.....	219	4.6	10.6
Laborers and farm workers.....	260	5.5	6.9

¹ Employment estimates cover wage and salary employees in the United States where pay is attributable to military functions of the Department of Defense. They do not include self-employed or domestic workers or U.S. citizens employed abroad other than military personnel. Farm employment, however, does include self-employed and unpaid family workers.

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

Source: Department of Labor.

part a consequence of the sharp reduction in defense employment, in which these workers were more heavily concentrated.

Skilled workers in certain categories, such as engineers, were heavily dependent on defense spending for their employment (Table 13). The estimated unemployment rate for engineers increased from 0.5 percent in the third quarter of 1968 to 2.4 percent in the third quarter of 1970. Nearly 60 percent of all the jobs for aeronautical engineers were generated by defense spending in 1968. Nearly 40 percent of all physicists were dependent on defense spending. A large number of airplane mechanics were employed in defense-related work, and over 50 percent of the skilled workers in this category relied on defense spending.

The geographic concentration of defense-related employment (Table 14) has also been an important factor in the uneven impact on the economy of

TABLE 13.—*Civilian employment attributable to defense expenditures for selected narrow occupational categories, fiscal year 1968*

Occupational category	Defense-generated employment	
	Number (thousands)	Percent of total employment in group
Technical engineers ¹	244	20
Aeronautical engineers.....	45	59
Electrical engineers.....	69	22
Mechanical engineers.....	49	20
Physicists.....	9	38
Machinists.....	113	19
Pattern and modelmakers.....	10	25
Sheetmetal workers.....	39	25
Airplane mechanics.....	73	54

¹ Includes some groups not shown separately.

Source: Department of Labor.

reduced defense spending. Major declines in demand for defense production have, of course, directly reduced the jobs available in affected areas and often prompted specialized workers to look for new employment in other locations. The multiplier effects applicable to areas with significant reductions in defense employment have further reduced demand in those areas for a wide range of economic activities.

TABLE 14.—*Geographical distribution of employment reductions in defense-related manufacturing industries, December 1967 to June 1970*

State	Percentage distribution of reductions
Total.....	100.0
California.....	34.8
Pennsylvania.....	8.1
Missouri.....	7.2
New York.....	4.5
Maryland.....	3.9
Texas.....	3.9
Illinois, Indiana, Massachusetts, Michigan, Minnesota, New Jersey, Ohio, Virginia, and Washington ¹	19.8
All other States.....	17.6

¹ Range from 1.3 to 3.0 percent of total.

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

Source: Department of Defense.

Employment attributable to defense spending is most heavily concentrated in the Pacific Coast States and New England. Military procurement, the major category of defense spending that grew most rapidly from fiscal year 1965 to 1968 during the Vietnam buildup and also accounted for two-thirds of the decline in budget outlays from fiscal 1969 to 1971, appears to be even more highly concentrated geographically. In recent years prime contracts for military procurement awarded to firms based in California accounted for nearly 20 percent of the total value of all contracts. In fiscal year 1970, firms based in California, Connecticut, Massachusetts, New York, and Texas received almost 50 percent of the total value of prime contract awards for procurement. Actual production work may of course take place in other States; these data indicate only where most of the final processing and assembly occurs.

State-insured unemployment in California, Connecticut, and Massachusetts showed larger than average increases from the third quarter of 1969 to the third quarter of 1970—about 2 percentage points compared to 1.4 for the Nation as a whole. In contrast, State-insured unemployment rose by only 1.3 percentage points in New York, and 0.7 percentage points in Texas. The increases in New York and Texas may have been smaller than average because the relative impact of defense cutbacks was small in both States, but of course other factors are also at work. In the State of Washington, for example, insured unemployment increased by 5.7 percentage points as a result of declines not only in military procurement but also in the demand for civilian aircraft and lumber. Michigan also experienced a relatively large increase of 2.6 percentage points in insured unemployment

during the year, because production of consumer durables and autos is heavily concentrated there.

Nearly 35 percent of reported reductions in defense-related employment occurred in California (Table 14), disproportionately affecting the jobs of scientists and engineers in the aerospace industry in Southern California. Several other States experienced significant shares of the reduction in defense-related manufacturing employment, but the other reductions in employment were in general smaller and less concentrated geographically than in California. Local labor market adjustment problems were experienced by many communities throughout the Nation, of course, where firms producing defense products were a major source of employment in the locality.

To assist in the adjustment of communities seriously affected by defense cutbacks, the President on March 4, 1970, set up an Interagency Economic Adjustment Committee under the chairmanship of the Secretary of Defense. The Committee brings together two kinds of agencies. One group has economic adjustment itself as a primary function; this includes the Manpower Administration of the Department of Labor, the Economic Development Administration, the Small Business Administration, the Department of Agriculture, and the Council of Economic Advisers. The other group carries on functions that significantly affect the location of economic activity although this effect may not be the main purpose; this includes the Departments of Interior, Health, Education, and Welfare, Housing and Urban Development, and Transportation, as well as the General Services Administration. The Department of Defense, drawing upon its long experience with base-closings and similar problems, provides leadership as well as other resources.

The fundamental purpose in the Committee's approach is to assure that all the services and facilities of the Federal Government are available to the affected communities. Although the Committee provides general guidance and support, its work is carried on by task forces organized for each community being served. The task force visits the community and assists the local leaders, whose initiative is indispensable, to prepare a plan for action. Heavy emphasis is placed on the involvement of the private sector in the community leadership structure and the execution of the economic adjustment plan. The plan would be tailored to the local situation; there is no common blueprint. Each plan would attempt to mobilize private, municipal, State, and Federal resources to create an economic base which will utilize the local labor and capital. The Federal contribution to the combined effort, in addition to advice, may include economic and engineering surveys, public facilities grants, small business loans, surplus real property, and funds for manpower training programs, as well as Federal expenditures to carry out a variety of programs. Not all of this help is available or would be useful in each case. Moreover, some hardships and dislocations are unavoidable as cutbacks are made in areas where defense employment has been a large part of the total. However, the Committee's operations have served in a number of cases to ease the transition from defense-related industry.

PRICES AND WAGES

The purpose of slowing down the rise in demand from 1969 to 1970 was to moderate the rise of prices. On this subject two things can be said. First, the evidence for the year suggests that the purpose is being achieved: the rate of inflation is subsiding and the impact upon different prices and costs is approximately in line with what might have been expected. Prices, first of raw materials and then of finished goods, began rising less rapidly; and wages of unorganized workers also began to rise more slowly, although the rate of increase for organized workers has not yet shown this change. Second, the process of disinflation during the year, given the degree of economic slack that has existed, has been disappointingly slow.

PRICES, COSTS, WAGES, AND PRODUCTIVITY

The rate of inflation for the most comprehensive price measure, the GNP deflator, reached a peak in the first quarter of 1970; in the next three quarters it recorded smaller rates of increase than in the first (Table 15). The difference is accentuated by the fact that the first-quarter index includes a Federal Government pay raise, which had the effect of adding 1.2 percentage points to the annual rate of increase in that quarter. The movement of the deflator within the year was slightly upward in the third quarter and sharply upward in the fourth, but these changes are mainly a reflection of the auto strike, given the nature of the deflator.

The deflator employs current period weights and is sensitive to shifts in output toward or away from goods and services whose prices have risen much more or much less than the average since the index base period (1958). The price of new automobiles has risen much less than average since 1958, and the overall deflator is greatly influenced by shifts in auto production. This is brought out clearly in Table 15, which shows the de-

TABLE 15.—*Changes in GNP deflators (total and excluding autos) and in real gross auto product, 1969 I–1970 IV*

[Seasonally adjusted]

Quarter	Percentage change from preceding quarter		
	Implicit price deflators (annual rates)		Real gross auto product
	Total GNP	GNP excluding autos	
1969: I.....	4.7	5.2	2.8
II.....	5.0	4.5	-9.8
III.....	5.6	6.1	7.5
IV.....	4.9	4.7	-5.3
1970: I.....	6.4	6.2	-13.9
II.....	4.3	4.9	13.7
III.....	4.6	4.2	-3.3
IV ¹	5.7	4.2	-36.8

¹ Preliminary.

Source: Department of Commerce.

flator, the deflator calculated by excluding auto GNP (column 2), and the associated movement in real auto GNP (column 3).

A partial solution to this problem is provided by the use of base period weighted indexes, which is the method used to construct conventional indexes like the consumer price index and wholesale price index. It is not an ideal solution mainly because weights may become outdated as relative prices and buying habits change. For such a purpose the Commerce Department has calculated three alternative measures of total price change that use base period weights; for two of these alternatives the weights are fixed (columns 2 and 3 of Table 16). All three of the alternatives show a retardation of the price rise as compared to the first quarter, but in varying degrees. Two of the three show an acceleration from the third to the fourth quarter.

Although it is helpful to look at prices for the whole economy a better picture is obtained by looking at the private nonfarm sector, where some of the relationships among prices, costs, and wages may be seen. When this is done for the past 2 years or so it is apparent that both the rate of price increases and the rate of wage increases have been fairly stable (Table 17). However, the rate of increase of productivity improved markedly after the first quarter of 1970 and correspondingly reduced the rate of increase of unit labor costs. During the earlier quarters, the rapid rise of unit labor costs was absorbed in a reduction of other components of price, essentially in profits per unit. As unit labor costs slowed down, profits per unit recovered somewhat later but they remained exceptionally low.

More cost detail is available for the nonfinancial corporate sector. Here too it may be seen that a slower rise in unit labor costs from the first to the third quarter was not matched by a slower rise in prices. All nonlabor costs taken together continued to rise very rapidly, even though the pace was somewhat less than it had been over the preceding half year. Profits per unit

TABLE 16.—*Alternative measures of price changes for gross national product, 1969 I–1970 IV*

[Seasonally adjusted annual rates]

Quarter	Percentage change from preceding quarter			
	Implicit GNP deflator	Alternative deflators for GNP		
		1958 weights	1965 IV weights	Chain
1969: I.....	4.7	4.5	4.5	4.5
II.....	5.0	5.2	5.0	4.9
III.....	5.6	6.5	6.1	6.0
IV.....	4.9	5.3	5.0	4.9
1970: I.....	6.4	6.4	5.9	5.9
II.....	4.3	5.1	5.0	5.0
III.....	4.6	4.9	4.7	4.4
IV ¹	5.7	4.9	5.0	5.0

¹ Preliminary.

Source: Department of Commerce.

TABLE 17.—*Changes in costs and prices in the total private nonfarm economy and in nonfinancial corporations, 1967 III to 1970 III*

Item	Percentage change (seasonally adjusted annual rates)				
	1967 III to 1968 III	1968 III to 1969 III	1969 III to 1970 III	1969 III to 1970 I	1970 I to 1970 III
Total private nonfarm economy:					
Labor compensation per man-hour.....	7.2	6.8	7.0	7.2	6.8
Output per man-hour.....	2.5	.0	1.4	-1.3	4.2
Unit labor costs.....	4.5	6.8	5.5	8.6	2.5
Real compensation per man-hour.....	2.7	1.2	1.2	1.1	1.3
Prices (deflator).....	3.5	4.5	4.7	4.5	4.9
Nonfinancial corporations:					
Total price per unit of output ¹	2.5	3.7	4.2	4.1	4.2
Labor compensation.....	2.4	5.6	5.7	8.5	3.0
Corporate profits and inventory valuation adjustment.....	3.6	-5.8	-12.4	-25.5	2.9
Other costs.....	2.2	5.5	9.2	10.7	7.7
Capital consumption allowances.....	.0	3.7	8.9	11.0	6.9
Indirect business taxes plus transfer payments less subsidies.....	2.0	4.9	9.3	9.5	9.0
Net interest.....	13.0	15.4	10.0	13.8	6.3

¹ Current dollar cost per unit of 1958 dollar gross product originating in nonfinancial corporations.

Sources: Department of Labor and Department of Commerce.

rose moderately as businessmen attempted to bolster margins that had been squeezed badly in the preceding half year and had declined the year before. Even with the rise in the second and third quarters of 1970, unit profits were lower than at any time since 1961, except for early 1970.

CONSUMER PRICES

The consumer price index increased at a seasonally adjusted annual rate of 5.6 percent from the end of 1969 to November 1970 after a 6.1-percent rise during 1969; the latter was the largest increase since 1947. There was little evidence of a slowdown in the first half of 1970, when the total index rose at an annual rate of 6.0 percent; but from June to November the rate of advance eased to 4.6 percent (Table 18 and Chart 4). Sharply reduced rates of increase for food and more moderate reductions in the rise of service prices accounted for the general deceleration from June to November. Because services carry a larger weight than food in the CPI, the slowdown in the total CPI from the first to the second half of 1970 was influenced more by services, with its lesser slowdown, than by food, with its sharp deceleration. Prices of nonfood commodities showed about the same rate of increase in both periods.

Prices of services continued to rise much more rapidly than average in 1970 but slowed down from a 9.2 percent annual rate of increase in the first half to 7.1 percent in the second. Most of the broad categories of services showed a similar pattern. The most pronounced slowdown, although rates were very high to begin with, occurred in household services excluding rent, where as a result of easing in credit markets interest rates leveled out after very sharp increases in the first half (mortgage interest rates are in-

TABLE 18.—*Changes in consumer prices, 1969–70*

[Seasonally adjusted except as noted]

Group	Percentage change (annual rate) ¹				Contribution to total percentage change in 1970 ²	
	1969		1970		First half	Second half ³
	First half	Second half	First half	Second half ³		
All items.....	6.4	5.9	6.0	4.6	6.0	4.6
Food.....	6.2	8.2	3.3	.9	.7	.2
Commodities less food.....	5.3	3.5	4.6	4.5	1.9	1.8
Durable commodities ⁴	5.6	3.4	5.5	5.3	.9	.9
New cars.....	2.4	2.0	1.9	8.7	.0	.2
Household durable commodities.....	5.1	1.7	2.8	3.2	.1	.2
Nondurable commodities.....	5.0	4.0	3.6	4.1	.9	1.0
Apparel commodities.....	5.7	5.0	2.9	5.0	.3	.5
Other nondurable commodities ⁴	4.6	3.3	4.1	4.2	.6	.6
Fuel oil and coal.....	6.0	— .5	7.0	8.9	.0	.1
Services ⁵	7.7	7.1	9.2	7.1	3.3	2.6
Rent ⁵	3.1	4.3	4.0	4.5	.2	.2
Household services less rent.....	9.6	9.4	11.1	8.3	1.6	1.2
Transportation services.....	8.0	9.0	11.8	10.4	.6	.5
Medical care services.....	9.3	4.8	8.8	7.4	.5	.4
Other services.....	4.3	5.2	6.1	5.3	.4	.3
Special groups:						
Housing ⁵	6.6	6.8	3.0	6.7	-----	-----
Apparel and upkeep.....	5.4	5.0	3.2	4.7	-----	-----
Transportation.....	7.0	3.5	6.1	6.9	-----	-----
Health and recreation ⁵	5.3	4.9	6.0	5.4	-----	-----

¹ Percentage change over the period indicated, i.e., from December 1968 to June 1969 for the first half of 1969.² Based on the relative importance of groups in the December 1969 index, not seasonally adjusted. Calculations by Council of Economic Advisers.³ June to November; December not available.⁴ Includes some groups not listed.⁵ Not seasonally adjusted.

Source: Department of Labor (except as noted).

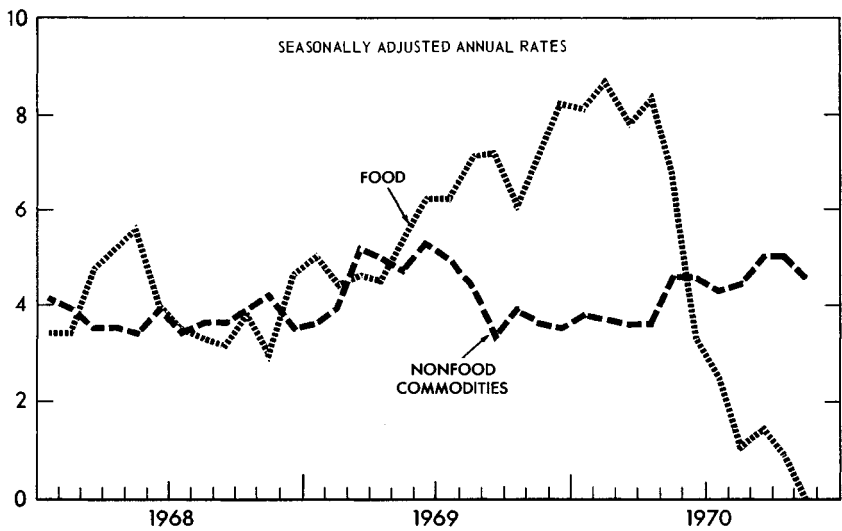
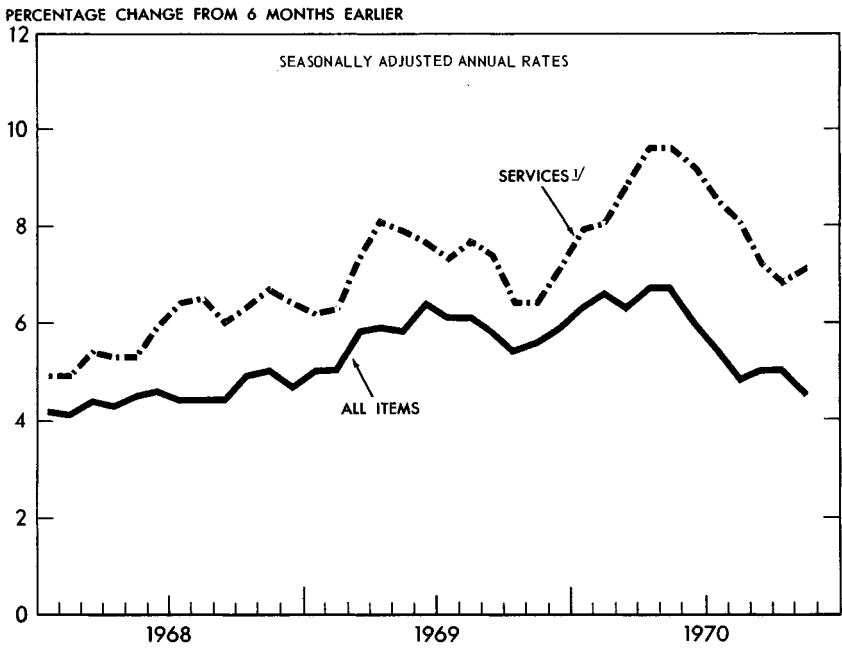
cluded in the service section of the CPI). Cuts in conventional mortgage rates in late 1970 are already being reflected in the CPI, but the reduction, announced in early December, in the maximum permissible rates on VA and FHA mortgages will not be apparent until January and February, respectively.

Perhaps the greatest disappointment on the price front has been the behavior of nonfood commodities, which in the past have typically responded with a lag to a weakening in demand. In the second half of 1969, for example, there was some suggestion that this pattern would be repeated, since prices rose at a distinctly slower pace than was evident in the first half of that year. However, the rate of inflation in this category accelerated in the first half of 1970 to 4.6 percent and failed to slow down in the second, at least through November.

The most pronounced acceleration was evident for new cars. Car prices failed to show the usual discounts this past summer, apparently because dealers expected a strike. In October and November, substantially higher suggested retail prices on the 1971 models were announced by car manufacturers. The BLS index for new cars in November showed a 5-percent rise over a year earlier, the largest such gain in over 10 years.

Chart 4

Changes in Consumer Prices



^{1/}CHANGES BASED ON UNADJUSTED INDEXES SINCE THESE PRICES HAVE LITTLE SEASONAL MOVEMENT.
SOURCE: DEPARTMENT OF LABOR.

An acceleration of price increases was also evident in apparel, where demand has not been strong and where competitive markets are the rule. The failure of these prices to slow down would support the cost-push explanation of price behavior unless what we now see is only the prelude to a very slow response to the weakening in demand. Prices of fuel oil and coal and gasoline also rose more rapidly in the second half.

Retail food prices continued to increase in the first quarter of 1970 after having risen sharply in the final quarter of 1969. Although the rise from March to November was only 1 percent at an annual rate some decline might have been expected in view of falling farm prices. Two conditions explain the fact that food prices did not fall. First, about 60 percent of the final costs of food are accounted for by the spread between farm prices and the retail prices of food purchased for home consumption. In 1969 this spread rose 1.9 percent, somewhat more than in previous years. But in the third quarter of 1970 the spread broadened substantially to 7.1 percent above the spread in the same period a year earlier. The spread normally widens when farm prices are falling and narrows, at least temporarily, when farm prices are rising. In part, the sharp gains in 1970 reflect the acceleration of the increases in wages and other processing and marketing costs that have resulted from the inflation of the late 1960's. The second factor was the continuing rapid rise in the prices of food eaten away from home, a reflection of substantial increases in restaurant operating costs.

WHOLESALE PRICES—INDUSTRIAL

Wholesale prices rose 2.3 percent from December 1969 to December 1970 after a 4.7-percent rise during 1969. The pronounced slowdown was mainly a reflection of the easing of upward pressures on prices of farm products and foods, which had led the inflationary surge in 1969. The slowdown in the rise of industrial products was much smaller—from 3.9 to 3.6 percent. The deceleration of the WPI within 1970 was mainly a reflection of industrial prices, which advanced at a 3.8 percent annual rate from December to June and at a 3.4 percent rate from June to December (Table 19 and Chart 5).

Prices of several industrial categories either declined or rose more slowly in the second half than in the first—textiles, paper, metals, furniture, and nonmetallic mineral products—and for some of those that accelerated, such as hides and rubber, the rate of inflation from June to December was not high. Prices of metals and metal products declined in the second half after rising at a 10-percent rate from the beginning of 1969 to mid-1970. The falling world market for copper and other nonferrous metals was a major factor in this development. Prices of ferrous and nonferrous scrap dropped late in the year. Prices of iron and steel mill products rose little after midyear following exceptionally large increases in the first half.

Prices of three important groups showed accelerated increases during 1970—fuel, transportation equipment, and machinery and equipment. A

TABLE 19.—*Changes in wholesale prices, 1969–70*

[Seasonally adjusted except as noted]

Commodity group	Percentage change (annual rate) ¹			
	1969		1970	
	First half	Second half	First half	Second half
All commodities.....	5.3	4.2	2.6	2.1
Farm products.....	10.5	5.8	-5.3	-3.4
Processed foods and feeds.....	9.0	4.7	1.0	.7
Industrial commodities.....	3.6	4.2	3.8	3.4
Textile products and apparel.....	.6	2.9	1.0	-1.7
Hides, skins, leather, and related products.....	3.7	2.3	.3	1.9
Fuels and related products and power.....	4.5	3.3	3.5	17.3
Chemicals and allied products.....	1.0	1.4	3.1	2.6
Rubber and plastic products.....	1.0	3.3	.4	2.4
Lumber and wood products.....	-7.3	-9.5	-5.2	-3.6
Pulp, paper, and allied products.....	5.3	3.1	4.2	1.5
Metals and metal products.....	9.5	10.0	9.0	-2.8
Machinery and equipment.....	3.3	5.2	4.1	4.6
Furniture and household durables.....	2.5	2.0	3.0	2.0
Nonmetallic mineral products.....	5.6	4.1	5.0	4.6
Transportation equipment ²	.6	4.8	1.2	11.1
Miscellaneous products.....	3.9	3.7	6.5	2.6
By stage of processing:				
Crude materials for further processing.....	16.2	1.3	2.0	-5.0
Intermediate materials, supplies, and components.....	4.1	3.8	4.3	2.3
Finished goods (including raw food and fuel).....	4.6	5.0	1.3	3.1
Consumer finished foods.....	8.1	7.9	-2.8	-2.0
Other consumer nondurable goods.....	2.5	4.0	2.6	4.8
Consumer durable goods.....	2.0	2.2	2.7	5.9
Producer finished goods.....	3.4	5.5	3.7	6.2

¹ Changes are shown over the period indicated; i.e., December 1968 to June 1969 for first half of 1969.² Not seasonally adjusted.

Source: Department of Labor.

variety of supply problems, discussed in Chapter 4, was mainly responsible for substantial rises of spot prices of coal, coke, petroleum, and gas. Electric power rates quickly responded to these increased costs of primary energy with the largest increases in many years. Rising costs, chiefly of labor, in the face of sluggish demand were the key factors in the accelerated rise in equipment prices.

FARM PRICES

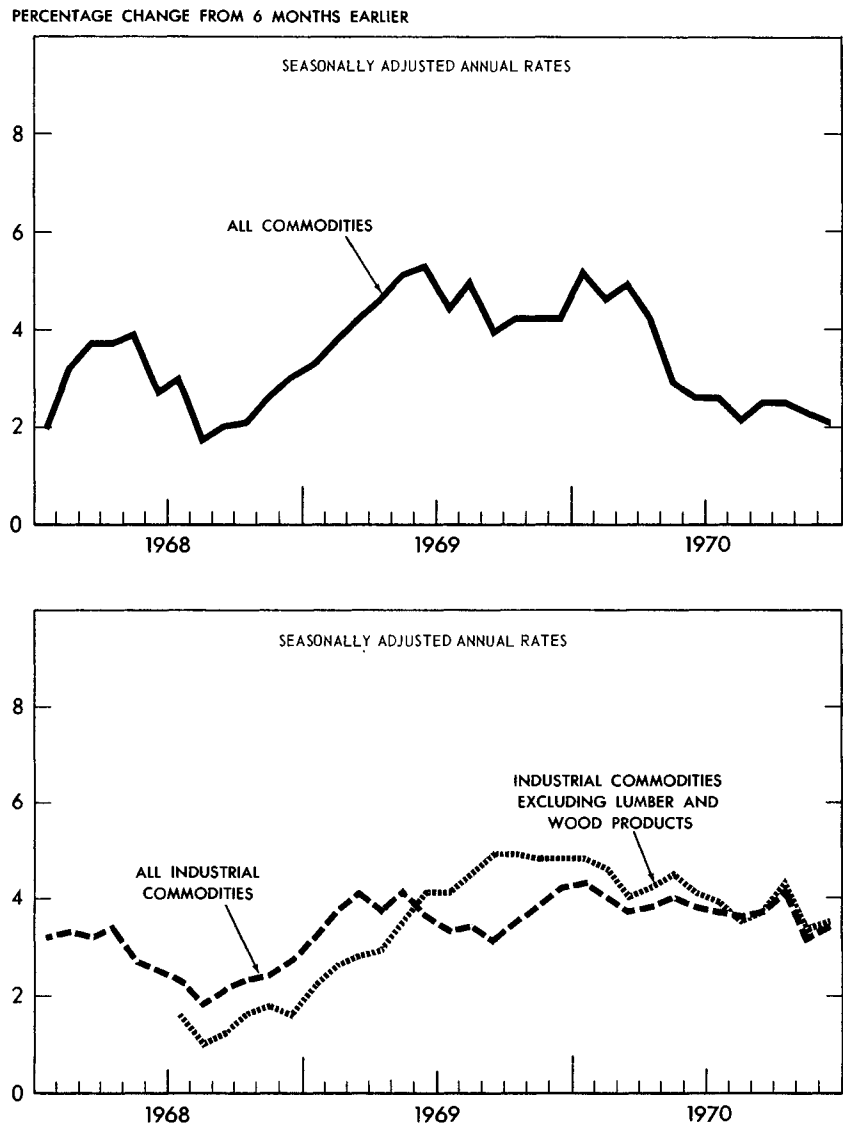
Prices received by farmers reached high levels in early 1970, after a rise that began late in 1968. Reduced supplies of livestock commodities, particularly of eggs and hogs, accounted for much of the increase. Fruit and vegetable prices also rose substantially, but field crop prices were relatively stable in the early part of 1970. As a whole, farm prices were 8½ percent higher in the first quarter of 1970 than in the first quarter of 1969.

Beginning in April, farm prices started a downward path, and by October they were lower than a year earlier. Prices of livestock led the declines. A sharp increase in supplies of hogs in the third and fourth quarters continued the downward pressure on livestock prices.

Crop prices followed a pattern just the reverse of livestock. After sta-

Chart 5

Changes in Wholesale Prices



SOURCE: DEPARTMENT OF LABOR.

bilizing in the first quarter, crop prices were stronger through the remainder of the year. To some extent the rise in these prices was a consequence of Federal cropland adjustment programs, which had diverted substantial acreage from production in the past 2 years, and the large stocks of commodities built up earlier were thus somewhat diminished. In addition, export demand, particularly for wheat and soybeans, was strong during the year. But the most important influence was an unexpected loss of 15 percent of the anticipated corn crop because of poor weather in the western corn belt and a new strain of corn leaf blight, which spread from the South into several major States in the corn belt.

Higher crop prices in the second half of 1970 were more than offset by declining livestock prices, so that farm prices as a group declined through the year. Because prices were relatively high early in 1970, however, the 1970 average exceeded that of 1969 and indeed was the highest since the peaks of 1951-52.

WAGES AND COMPENSATION

The large wage increases that have become common in recent years continued with few exceptions in 1970. Compensation per hour in the private economy increased by 7.1 percent in 1970, showing little change from the 7.2-percent rate of increase in 1969. Although increases in average gross hourly earnings (Table 20) were smaller in 1970 than in 1969 in all industries except contract construction and wholesale trade, most of this slowdown appears to have been due to reductions in overtime and to relative and absolute declines in employment in high-wage industries. Large num-

TABLE 20.—*Increases in average gross hourly earnings of private nonagricultural production or nonsupervisory workers, 1960-70*

Industry	Percentage change per year					
	1960 to 1965	1965 to 1966	1966 to 1967	1967 to 1968	1968 to 1969	1969 to 1970 ¹
Total private.....	3.2	4.5	4.7	6.3	6.7	5.9
Mining.....	2.3	4.5	4.6	5.0	7.5	6.7
Contract construction.....	3.7	5.1	5.7	7.3	8.4	9.2
Manufacturing.....	2.9	4.2	4.0	6.4	6.0	5.3
Durable goods.....	2.8	3.9	3.4	6.3	6.3	5.0
Nondurable goods.....	2.9	3.8	4.9	6.6	6.2	5.8
Wholesale and retail trade.....	3.5	4.9	5.2	7.1	6.7	5.9
Wholesale trade.....	3.1	4.6	5.5	5.9	5.9	6.5
Retail trade.....	3.7	4.9	5.2	7.5	6.5	6.1
Finance, insurance, and real estate.....	3.4	3.3	4.5	6.6	6.2	5.1
Services.....	² 5.7	5.9	5.5	6.1	8.2	8.0
Transportation and public utilities.....	² 5.2	2.6	4.2	5.6	6.1	6.1

¹ Preliminary.

² Data not available for years 1960 through 1963; percentage change from 1964 to 1965.

Note.—Data relate to production workers in mining and manufacturing, to construction workers in contract construction, and, generally, to nonsupervisory workers in all other industries.

Source: Department of Labor.

bers of relatively high-wage automobile workers were, of course, off the payroll during the General Motors strike and their omission accentuated the apparent slowdown in average earnings. Moreover, quarterly data show that in most industries hourly earnings were rising more rapidly in the second half of the year than in the first.

Wage increases negotiated under major collective bargaining agreements continued to accelerate in 1970. Median first-year increases in wages and benefits were 12.4 percent compared to 10.9 percent in 1969 and 8.1 percent in 1968 (Table 21). Median increases averaged over the life of the contract were 8.8 percent in 1970, indicating the continuation of "front-end loading" of collective bargaining agreements.

Reports of large wage increases in individual collective bargaining agreements can give a misleading view of wage and compensation changes in the entire economy. Although the collective bargaining calendar was heavy in 1970, only about 6 percent of the civilian labor force was involved in major collective bargaining settlements during 1970, that is, settlements involving 1,000 or more employees. Furthermore, the size of settlements and the pattern of increases during the past few years have varied widely among industries.

First-year wage settlements in manufacturing industries, which include about 50 percent of all the workers covered by agreements negotiated in

TABLE 21.—*Wage and benefit decisions, 1965–70*

Measure	Median annual percentage rate of increase in decisions reached in—					
	1965	1966	1967	1968	1969	1970 ¹
Major collective bargaining situations: ²						
Wage and benefit change (packages):						
Over life of contract.....	3.3	4.0	5.2	6.0	7.4	8.9
First year.....	(³)	5.8	7.3	8.1	10.9	12.4
Negotiated wage-rate increases averaged over life of contract:						
All industries.....	3.3	3.9	5.0	5.2	6.8	8.8
Manufacturing.....	(³)	3.8	5.1	4.9	5.8	6.6
Nonmanufacturing.....	(³)	3.9	5.0	5.9	8.5	12.3
Negotiated first-year wage-rate increases:						
All industries.....	3.9	4.8	5.7	7.2	8.0	10.2
Manufacturing.....	4.1	4.2	6.4	6.9	7.0	8.0
Nonmanufacturing.....	3.7	5.0	5.0	7.5	10.0	15.7
Wage increases in manufacturing:						
All establishments.....	3.7	4.2	5.3	6.0	6.2	7.0
Union establishments.....	3.6	4.1	5.5	6.5	6.9	7.7
Nonunion establishments.....	4.0	4.4	5.0	5.0	6.0	5.5

¹ Preliminary. Based on final data for first 9 months.

² Except for packages, data are for contracts affecting 1,000 workers or more. Package cost estimates are limited to settlements affecting 5,000 workers or more (10,000 in 1965). The package cost of a few settlements affecting relatively few workers has not been determined.

³ Not available.

⁴ Based on settlements affecting 10,000 workers or more.

Note.—Possible increases in wages resulting from cost-of-living escalator adjustments (except those guaranteed in the contracts) were omitted.

Source: Department of Labor.

1970, averaged 8.5 percent (mean). Quarterly increases in negotiated first-year wage adjustments in manufacturing have shown no acceleration since the second quarter of 1969. During the same period, mean first-year wage adjustments in nonmanufacturing rose substantially, from 10.7 to 15.1 percent.

Wage rate increases in nonmanufacturing industries accelerated much more rapidly than those in manufacturing (Table 21), mainly because of the large settlements in contract construction and trucking. First-year wage increases in construction were 15.7 percent in the first 9 months of 1970; increases over the life of the contract were 13.4 percent. As shown in Table 22, over 50 percent of the construction workers affected by these settlements received first-year wage increases of 15 percent or more, compared to only 5 percent of similarly affected manufacturing workers.

The contrast between the rate of increase in wages in manufacturing and the rate in nonmanufacturing is also evident in the deferred wage adjustments that go into effect in 1971. Deferred increases averaged 4.9 percent in manufacturing, as compared to 10.8 percent in nonmanufacturing and 13.3 percent in construction.

Changes in overall wage rates reflect both the proportion of workers receiving increases and the size of the increases they receive. Although new wage increases for nonunion workers in manufacturing have been lower than those for unionized workers since 1963, median increases in overall (effective) wages for nonunion workers have exceeded those for unionized workers in 4 out of 5 years ending with 1969. The prevalence of long-term collective bargaining agreements in recent years has resulted in a

TABLE 22.—*First-year changes in wage rates in collective bargaining agreements covering 1,000 workers or more negotiated in the first 9 months of 1970*

Type and amount of wage-rate action ¹	Percent of workers affected			
	All industries	Manufacturing	Nonmanufacturing	
			Total	Construction
Total increases.....	100	100	100	100
Under 5 percent.....	1	1	1	(²)
5 and under 7 percent.....	6	11	2	(²)
7 and under 9 percent.....	25	46	12	5
9 and under 11 percent.....	20	31	12	11
11 and under 13 percent.....	10	3	15	14
13 and under 15 percent.....	5	2	6	16
15 percent and over.....	33	5	52	53
Number of workers (thousands).....	2,601	1,009	1,592	504
Mean adjustment (percent).....	13.2	8.5	16.0	17.5
Median adjustment (percent).....	10.2	8.0	15.7	15.7

¹ Percent of estimated average hourly earnings, excluding overtime.

² Less than 0.5 percent.

Note.—Data are preliminary.

Detail will not necessarily add to totals because of rounding.

Source: Department of Labor.

more sluggish response of overall wage changes of unionized workers to economic conditions, but the new increases they received were correspondingly larger.

Agreements negotiated in the first 9 months of 1970 called for wage increases for unionized workers in manufacturing that were higher than those specified in agreements in the same period of 1969, and almost all workers received some increase. For the nonunion sector, however, both the relative number of workers receiving increases and the size of the increases they received in 1970 were lower than in the first three quarters of 1969. Hence, overall wage increases in the nonunion sector of manufacturing can be expected to show a significant slowdown for the year as a whole.

WHY IS THE INFLATION SO STUBBORN?

Even though there are now signs that the rate of inflation is subsiding, it is certainly also true that the inflation has been and remains exceptionally persistent. Observation of previous inflationary experience, such as that of 1955–57, suggests that, while the absolute level of prices is unlikely to fall, the rate of increase of prices is likely to decline after a moderate lag as slack in the economy emerges. More sophisticated econometric analysis of the relation between the behavior of prices and a large number of variables that might help to explain it—such as the level and rates of change of unemployment, the gap between actual and potential output, past prices, and the like—did not generally predict the rate of inflation experienced in 1970, given the actual conditions in 1970.

Though the reasons for the stubbornness of the inflation in 1970 are not fully clear, two main explanations are usually offered. One relates the persistence of the inflation, after corrective measures have been taken, to the duration and magnitude of the preceding inflationary boom and to the historical context in which it occurred. The other would trace the cause to structural changes in the economic system, especially but not exclusively connected with the concentration of economic power.

The first explanation relies heavily on the momentum built up by the inflationary pressure which began in mid-1965 and continued well into 1969, although by then steps had been taken to curb it. This was already a long inflation that had reached a rate not equaled since the first quarter of 1951, and it generated a momentum exponentially greater than, although not qualitatively different from, that experienced earlier. The meaning of “momentum” can be illustrated by the behavior of wages. There were in 1970 a large number of built-in wage increases—the second- and third-year increases provided for by contracts negotiated in 1968 and 1969. Since these contracts had been negotiated in highly inflationary circumstances, the second- and third-year increases they provided were large, larger than the corresponding increases of earlier years. Many new contracts negotiated in 1970 were successors to those that had been arranged in 1967, a year when demand was weak and some thought that the inflation

might be ending. There was naturally great pressure in the new 1970 contract negotiations to catch up not only with the wage increases others had already gained but with the increases that had already occurred in the cost of living. After so many years of rising prices there was also a strong desire to incorporate in wage increases some protection against cost-of-living increases expected for the future.

These demands and expectations were not confined to union members. They were also present in the relations between unorganized workers and their employers. Such demands might not always have been fully met, but if they were to be resisted a marked or long period of economic slack and consequently poor profits would be required. This was especially true because the expectation of continued inflation had pervaded the whole system. Such an expectation, whose origins and strength may not be found entirely in price statistics, may have a powerful effect. For example, the outbreak of the Korean war revived the memories of World War II shortages and inflation and probably caused more inflation in 1950 than the objective situation justified. Similarly, in the late 1960's the fact that prices kept rising, despite the jawboning of 1966, despite the slowdown of 1967, and despite the tax increase of 1968 fortified the expectation of more inflation.

The momentum of inflation was not confined to wages. It can also be seen in the lagged rise of interest costs, taxes, regulated rates, and other costs or prices that joined the inflationary stream late and have kept it running.

The other explanation of the persistent inflation is that the structure of economic power and the motivation behind its use have changed in ways that push prices and wages up more violently. Various observers with different viewpoints are impressed with the apparently irresistible agglomerations of power represented by large corporations or unions. It is difficult to find objective evidence that this power on either side has increased in recent times, but it may have. There may also be in the economic sphere, as apparently in other aspects of our social life, a new impatience and restiveness about the use of power. The militancy of many union members may be a manifestation of the more general disinclination to have regard for authority.

These hypotheses are intended to explain the same phenomenon, and for the time being they may lead to the same results. But in a longer view they have different implications. The implication of the first is that persistence in general restraint of demand will finally check the momentum of the cost-price spiral and lead to a reasonably stable price-cost level. It is not a theory of a permanent dilemma between rapid inflation and high unemployment; it is only a theory of slow response. The second does imply that a permanent change in the response system has occurred, which could not be controlled by ordinary anti-inflationary policy but might require revision of economic and even social structures.

The two theories are not necessarily exclusive. It may be that the economic power structure, though it is not radically different from that of two decades ago and would not on its own cause persistent inflation,

does tend to prolong a high rate of inflation, once such a movement is generated by excessive demand. Reduction in the rate of inflation would still be achievable in the face of that type of structure, but it would come faster if the economic system were more competitive.

All of the foregoing discussion is based on the assumption that what we observe about the behavior of prices and wages in the published statistics is an accurate representation of events in the real world. We do not wish to suggest that in broad terms what is actually occurring is different from what the statistics indicate. But the statistics are far from perfect; and improved statistics, particularly at a time of transition like the present, would be of genuine help both to the policymaker and to the public at large. For the past several months, for example, there have been scattered reports of discounting from list prices in a number of industries. List prices tend to be reported in the industrial component of the wholesale price index. It may well be that discounting is not uncommon at present, just as premiums above list price may have been common when excess demand was the rule. Similarly, our data on wage rate changes in the non-unionized sector of construction and other industries leave much to be desired.

The problem goes beyond prices and wages and indeed can be extended to virtually all aspects of our economic statistics. Although this country has better statistics than any other country, the appropriate criterion is not whether we rank first but whether our data are doing the job that has to be done. There is some evidence of a lag. For example, if we take account of the Federal resources that have been devoted to the development of economic statistics since 1963 we find that the level of support has remained the same while the real economy has increased by almost one-third. Furthermore, we find we are asking much more of our data than formerly. If policy is aimed at achieving specific responses in economic activity, we must have more accurate statistical tools for measuring such changes. Better statistics are the surest way we now have of improving our economic knowledge.

WAGE-PRICE POLICY

The persistence of inflation during 1970 in the face of mounting unemployment heightened interest in the possibility of doing something more direct about rising prices and wages, in addition to restraining demand. This subject had been under almost continuous consideration in the Administration since February 1969. During 1969 certain steps had been taken, mainly with respect to the construction industry. In 1970, as the period of general excess demand was left behind, opportunities for direct action increased. In the absence of excess demand it was less likely that restraint exerted upon particular prices and wages would only cause some others to rise more, and it was more likely that the restraint would exert a cumulative anti-inflationary effect. Moreover, it was more probable that large price increases would result rather from inertia and erroneous expectations than from equilibrium adjustments to market conditions.

The Administration took action designed to supplement the effects of fiscal and monetary policy on inflation in two ways. First, it sought to improve the functioning of markets so that they would be less likely to generate unnecessary price and wage increases. Second, it sought to help business, labor, and the public at large to recognize the kinds of behavior that would favor progress towards a lower rate of inflation.

Actions to make the market a less likely source of inflationary pressure continued to focus heavily on the construction industry, where costs had kept on rising sharply. Steps were taken to increase the supply of skilled labor, encourage technological advances, reduce the cost of seasonal variation in construction activity, and improve the structure of collective bargaining in the industry.

The Administration also conducted a study of pricing procedures in the copper industry which may have contributed to subsequent price reductions. Restrictions on importation and production of crude oil were relaxed in order to restrain price increases for that commodity. Two, more general, measures were the establishment of an interagency Regulations and Purchasing Review Board, to determine where Federal actions were driving up prices and costs, and a National Commission on Productivity, to recommend public and private measures that would increase productivity and thus, among other things, hold down the rise of costs and prices. (The activities of both of these bodies are described in later chapters of this report.)

The Administration's attempts to inform the public about the nature and consequences of inflationary wage and price behavior were embodied in two major addresses by the President, in June and in December. In his June address the President announced that he was asking the Council of Economic Advisers to prepare a periodic *Inflation Alert* to "spotlight the significant areas of wage and price increases and objectively analyze their impact on the price level." The Council has published two issues of the *Inflation Alert* and intends to continue its publication at approximately quarterly intervals. The more general findings in the 1970 issues of the *Inflation Alert* are described in Chapter 2.

FINANCIAL DEVELOPMENTS IN 1970

The effects of the easier monetary policy of 1970 were evident throughout the money and capital markets, though other forces had a counter effect. Long-term interest rates had reached historical highs at the end of 1969 as a result of heavy demands for credit and the tight monetary policy then being pursued. After some decline early in 1970, these rates were surpassed in June 1970, when greater uncertainties in foreign and domestic affairs, due particularly to increased tensions over developments in Southeast Asia and the reorganization of the Penn Central Railroad, produced an increased demand for liquidity. But since the middle of 1970 long-term bond rates have declined, as signs of a weakening in inflationary pressures became plainer and as other tensions subsided.

Rates on high-grade (Aaa) corporate bonds and municipals showed the most decline (Chart 6). The rate on Baa corporate bonds has remained almost unchanged. The spread between the Aaa and Baa bonds reflects the premium that investors demand for holding riskier securities. This spread typically increases during slack periods, when the economic outlook is uncertain. The demand for liquidity precipitated by the Penn Central reorganization, however, placed an added premium on quality investments. Short-term rates reached their peaks at the end of 1969. Rates turned upward in May and June of 1970 but did not surpass their previous highs. Since mid-1970, short-term rates have declined substantially, showing more improvement than long-term rates.

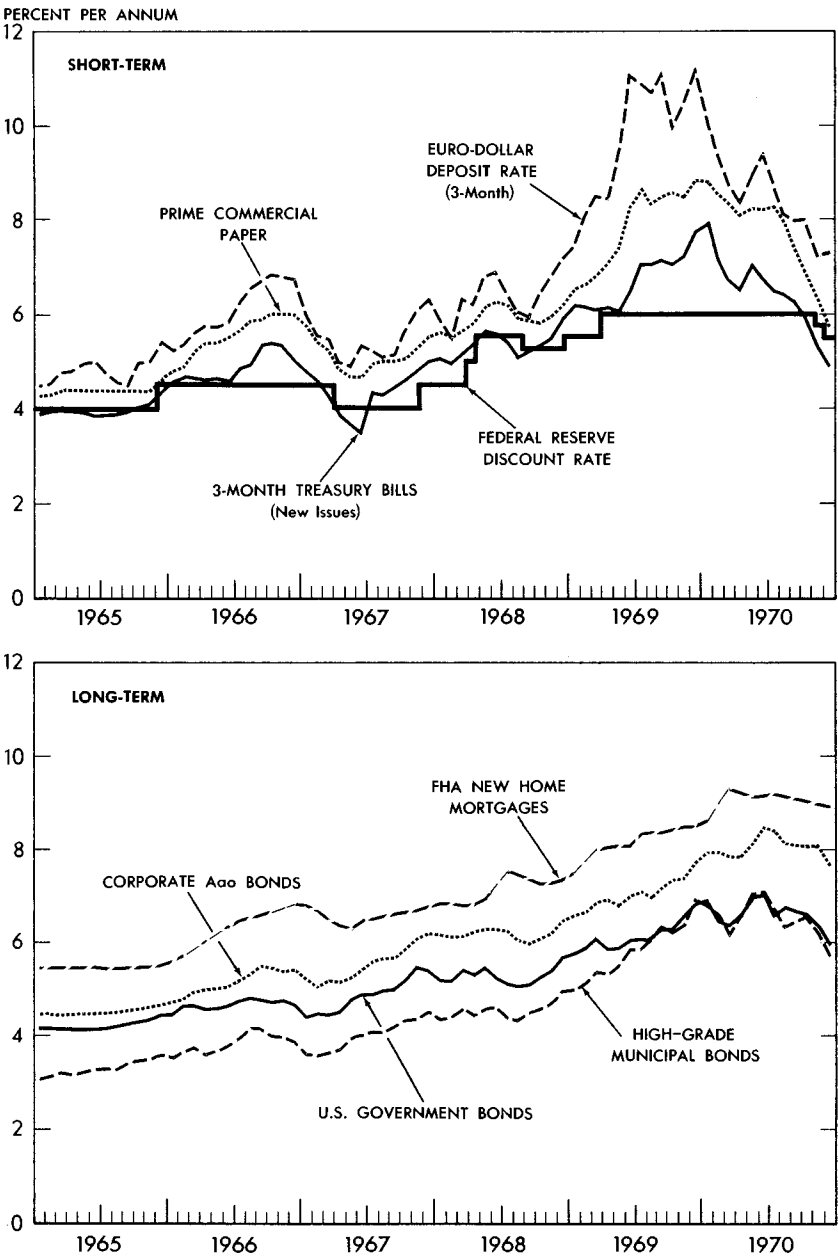
From the last part of November 1970 through the middle of December there was a sharp decline in both short- and long-term interest rates. The Aaa corporate bond rate dropped 46 basis points to 7.59 percent, and the Treasury bill rate fell 50 basis points to 4.78 percent between November 20 and December 18. Explanations for this abrupt decline in rates commonly point to four causes: the reduction in the demand for short-term credit because of the General Motors strike, expectations of an easier money policy, the present and expected sluggishness of business, and a reduction of inflationary expectations. It is still not certain, however, how important each of these causes has been and why, aside from the strike, they became so powerful in November and December.

Greater fluctuations in short-term rates compared with long-term rates are consistent with the past cyclical behavior of interest rates. The traditional behavior of these rates was accentuated during 1970 by the character of the demand for funds during the year. Table 23 lists the funds raised in the credit markets during 1969 and 1970 by type of credit market instrument. During 1970, corporations made special efforts to improve their liquidity positions by turning much of the short-term debt accumulated in 1969 into long-term obligations. This is why the supply of new corporate bonds in the second and third quarters of 1970 was substantially above the flow during 1969, and why the equity market was tapped despite depressed stock prices. The pronounced slowdown in bank loans not elsewhere classified (which include commercial and industrial loans) during the second and third quarters of 1970 compared with the same period in 1969 confirms this pattern of financing. The large volume of corporate bond flotations last spring and summer explains why long-term bond rates did not decline more during that period, just as the weak demand for bank loans was a major factor causing a series of cuts in the prime rate charged by commercial banks, from 8.50 percent to 6.75 percent by the end of the year and to 6.00 percent early in 1971.

Many State and local governments were forced to postpone security issues during the last half of 1969 because of rising interest rates and statutory limitations on the interest rates that could be paid. A liberalization of these statutory ceilings, combined with lower interest rates later in the year, ac-

Chart 6

Interest Rates



SOURCES: TREASURY DEPARTMENT, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FEDERAL HOUSING ADMINISTRATION, MOODY'S INVESTORS SERVICE, AND STANDARD & POOR'S CORPORATION.

TABLE 23.—*Funds raised in credit markets by nonfinancial sectors, 1969–70*

[Billions of dollars, seasonally adjusted annual rates]

Financial sector	1969				1970		
	I	II	III	IV	I	II	III ¹
Total funds raised by nonfinancial sectors.....	88.9	88.8	93.4	82.2	80.0	101.3	103.0
U.S. Government ²	—5.3	—13.3	3.7	.4	3.3	17.2	18.8
All other nonfinancial sectors.....	94.2	102.0	89.7	81.8	76.7	84.1	84.2
Corporate equity shares.....	.2	3.2	5.3	9.2	6.3	6.2	5.6
State and local government securities.....	10.2	9.8	6.7	7.1	9.2	11.0	11.7
Corporate and foreign bonds.....	15.8	13.3	12.8	11.1	14.7	22.3	19.7
Mortgages.....	28.6	28.6	26.8	25.4	22.5	23.6	27.2
Bank loans not elsewhere classified.....	16.4	19.5	11.5	9.7	7.8	4.5	4.5
Consumer credit.....	9.9	10.4	8.8	8.4	4.8	6.2	6.4
Open-market paper.....	5.1	3.9	3.2	1.2	5.0	2.2	.5
Other.....	7.9	13.3	14.6	9.6	6.4	8.1	8.8

¹ Preliminary.² Includes public debt securities and budget agency issues.

Source: Board of Governors of the Federal Reserve System.

counts for the increase in security issues by State and local governments from the last half of 1969 to the second and third quarters of 1970.

FINANCIAL INTERMEDIATION AND THE MORTGAGE MARKET

Mortgage rates tend to be sticky and have declined relatively little in response to monetary ease. For example, the rate on FHA-insured mortgages declined from a high of 9.29 percent in March to 8.90 percent at the beginning of December. However, according to preliminary estimates, mortgage rates declined sharply during December. As can be seen in Table 24, savings flows to the mortgage institutions, such as savings and loan associations and mutual savings banks, which were severely depressed in the second half of 1969, rose substantially in the second and third quarters of 1970.

Much of the total net outflow of deposits in the second half of 1969 and the inflow during the second and third quarters of 1970 can be attrib-

TABLE 24.—*Flows of savings deposits through savings institutions, 1969–70*

[Billions of dollars, seasonally adjusted annual rates]

Institution	1969				1970		
	I	II	III	IV	I	II	III ¹
Total net increase.....	6.5	.6	—15.7	—3.6	17.9	42.3	87.9
Savings deposits at commercial banks.....	—6.8	—7.9	—21.5	—7.8	12.8	26.6	65.7
Large certificates of deposit.....	—16.7	—15.4	—12.3	—3.5	5.3	7.6	32.4
Other time deposits.....	9.9	7.5	—9.2	—4.3	7.5	19.1	33.2
Savings at savings and loan associations.....	8.0	4.6	3.0	.5	1.8	9.8	15.5
Savings at mutual savings banks.....	3.8	2.7	1.5	2.4	1.6	4.3	5.2
Savings at credit unions.....	1.6	1.2	1.3	1.4	1.6	1.5	1.5

¹ Preliminary.

Source: Board of Governors of the Federal Reserve System.

uted to the movement of large certificates of deposit (CD's) at commercial banks. For example, the suspension of deposit ceilings on large CD's in June 1970 stimulated a huge inflow of these deposits between the second and third quarters. In addition to generally easier monetary conditions (and lower rates on competing open market securities), the inflow of funds to savings and loan associations and mutual savings banks during the second and third quarters of 1970 was encouraged by the increase in January 1970 in the legal deposit rates that the Federal Home Loan Bank Board and the Federal Deposit Insurance Corporation permitted such institutions to pay. At the same time, similar action by the Federal Reserve Board in increasing the maximum rate that commercial banks may pay on most categories of time and savings deposits also contributed to large inflows of time deposits into commercial banks (Table 24).

To some extent savings and loan associations and savings banks used these inflows of deposits during the second and third quarters of 1970 to restore their liquidity positions rather than to make mortgage loans. Each of these institutions, for example, increased its holdings of Government securities significantly during the second and third quarters. For this reason the mortgage-supporting activities of the Federal Home Loan Banks and the Federal National Mortgage Association (FNMA) during 1970 were quite essential and entailed amounts that almost matched the substantial operations in the last half of 1969. For example, FNMA made net purchases of home mortgages at a seasonally adjusted annual rate of \$5.0 billion during the first three quarters of 1970, as compared to a rate of \$5.6 billion in the last half of 1969.

The enactment in July of the Emergency Home Finance Act of 1970 created the Federal Home Loan Mortgage Corporation to supplement the mortgage-market activity of FNMA. During the year, this new corporation purchased \$326 million of loans that had been made with the guarantee of the Federal Housing Administration and the Veterans Administration. In December, the Federal Home Loan Mortgage Corporation began to purchase participations in conventional mortgage loans, introducing a national market for these mortgages for the first time. The Federal National Mortgage Association is also preparing to create a secondary market for conventional mortgages.

In December 1970, the Federal Housing Administration and Veterans Administration lowered the maximum rates permitted on FHA- and VA-insured mortgages from 8.5 percent to 8.0 percent. (In January 1971 rates were further reduced to 7.5 percent.) Such action does not by itself reduce mortgage rates, but lowers the maximum rate that can be paid on mortgages that are insured by the FHA and VA. Lowering these ceiling rates when market conditions require a higher rate would reduce the availability of funds for such mortgages. However, since conditions in the money and capital markets seemed to warrant a lower mortgage rate, the only problem being the sluggish behavior of this rate, it was hoped that the lowering of

the FHA and VA ceilings would stimulate a downward movement in actual rates. Present indications are that market rates have begun to decline.

THE STOCK MARKET

Stocks traded on the securities exchange suffered substantial declines in the first half of 1970. For example, the New York Stock Exchange index of all stocks (December 31, 1965=50) declined 19 percent from a level of 50.86 in December 1969 to 41.15 in July 1970. By the end of December 1970 the index had recouped nearly all of its loss and stood at 50.23. The sharp decline in stock prices in May 1970 and their depressed state through July were due in part to the increased tensions over developments in Southeast Asia and the Penn Central reorganization. Throughout the first half of 1970 investors were concerned with inflation, the stabilization policies needed to control it, and the extent of the business downturn that would result from control measures.

Although it is often assumed that stock prices move with prices of real goods, and hence mirror any inflation, this is not always the case, as events in 1970 again demonstrated. Profit expectations were uncertain, and the threat of a return to relatively tight monetary policy to ensure success on the inflation front created further uncertainty among investors. These factors combined to produce a large erosion in the value of equities. Progress on the inflation front, evidence before the auto strike that the upturn in business activity was getting underway, an end to the decline in corporate profits by midyear, and the maintenance of a moderately expansionary monetary policy all helped to stimulate the stock market recovery.

An important side effect of the excessive exuberance in the stock market that accompanied the inflation, and the subsequent steep decline in stock prices as anti-inflationary policies were instituted, has been unusual strains on the institutions of the market. At least 30 broker-dealer firms have ceased to operate since mid-1968. Although most of these companies were relatively small, a few larger firms had to merge with stronger ones.

The stock exchanges have voluntarily maintained a fund to reimburse customers of firms that have failed. The experience after 1968, however, indicated that a more formal arrangement for greater consumer protection was needed. The Securities Investor Protection Corporation, which was established by Congress in December 1970 with support from the Administration, insures investors against financial loss (within specified limits) caused by the bankruptcy of their brokerage firm.

LIQUIDITY SQUEEZE

The concern over a possible "liquidity crisis" mounted in mid-1970 when the Penn Central Railroad filed for reorganization. The immediate stress on the financial markets in June was lessened by the Federal Reserve Board's suspension of interest rate ceilings on 30- to 89-day certificates of deposit issued by large commercial banks. The Federal Reserve Banks also made it

clear that the borrowing facilities at the discount window would be fully available to banks needing to accommodate their customers. Commercial banks were thus able to bid more freely for funds in the open market, to borrow from the Federal Reserve, and to channel the funds thus obtained into business loans. As summarized in Table 24, there were huge inflows of time deposits to commercial banks in the third quarter. Borrowings at the Federal Reserve did, in fact, increase to \$1.36 billion in July after having averaged \$940 million during the first half of 1970.

Corporate liquidity is a general term that refers to the ability of a firm to make payments as obligations fall due. A firm faces a liquidity crisis if its near-term obligations threaten to exceed its ability to raise the cash needed to cover payments. Bankruptcies can result, of course, simply from an uneconomic operation, when costs, for example, persistently exceed revenues. In a liquidity crisis funds to cover immediate obligations may be temporarily lacking even though a firm's prospects for long-term profits are satisfactory.

The question whether a genuine liquidity crisis existed in mid-1970, in the sense that firms otherwise sound were going bankrupt because of a liquidity squeeze, can be answered in the negative. It is quite true that certain statistical measures of business liquidity showed substantial declines from 1968 through mid-1970. But these declines can be explained in part by the longer trend toward more efficiency in managing corporate reserves of cash and marketable securities.

Much of the reduction in overall liquidity can be attributed to the reaction of the more liquid corporations to tighter monetary conditions and high interest rates, although some firms had overextended themselves financially. A comprehensive analysis of this point and of overall corporate liquidity in 1970 is presented in Appendix A. Confronted by high interest rates during 1969, business firms in general relied on short-term credit, with the intention of converting this short-term debt into long-term liabilities during 1970 at lower interest rates. Since many firms experienced low earnings in the first half of 1970, this need to refinance short-term debt made the demand for long-term funds in the capital market particularly heavy in 1970 (Table 23). A sharp increase in interest rates thus occurred and some borrowers were inevitably squeezed out of the capital markets. Nonetheless, there was no liquidity crisis if this term is taken to connote skyrocketing interest rates, a complete absence of bids for established securities, and numerous bankruptcies of sound corporations. The actions of the Federal Reserve and the resiliency of the money and capital markets led to significantly improved financial conditions during the second half of 1970.

Measures of Changes in Fiscal Policy

When the effects of budget policy on the overall economy first came to general attention 35 years ago, the expansiveness of the budget was commonly measured by changes in the actual deficit or surplus. This measure can be grossly misleading, however. Even if existing tax and spending legislation remains unchanged, the actual budget balance will rise and fall, as changes in incomes influence tax receipts and call for different unemployment and welfare payments. In fact, the actual deficit can rise in the face of restrictive policy actions of Government. For example, a fall in tax revenues can coincide with an increase in tax rates if incomes decline sufficiently. A given change in the actual deficit (or surplus) between two years has a very different significance if economic activity is rising between those two years than if it is falling.

Clearly, a need has existed for a better measure of Government budget policy and its effects—one that would show what effects were the result of tax and expenditure decisions and what effects the economy itself had exerted on the budget. There are a number of possible solutions to the problem. Econometric models, for example, can be used to estimate the impact of various combinations of tax rate and expenditure changes on the level of economic activity. Different models utilize different assumptions regarding the nature and relative importance of various determinants of economic behavior, and therefore they provide different estimates of the economic impact of various fiscal policy changes. Consequently, fiscal policy analysts cannot place too much reliance on the results of a particular model, although the distribution of estimates provided by a variety of available models is a useful guide.

For the purposes of public discussion, it is convenient to use simple measures of the stance of fiscal policy which summarize the more complicated policy changes used in the complex models. As noted below, however, considerable care must be exercised in using simple measures of changes in fiscal policy to estimate the effects of these policies on economic activity.

One simple measure of changes in policy can be obtained by calculating the effect of changes in revenue and expenditure legislation at a particular level of economic activity. This technique abstracts from the effect of changes in economic activity on the budget and provides a clearer view of purely discretionary policy changes. For example, at the level of economic activity prevailing in 1970, changes in tax rates occurring during 1970 reduced revenues by roughly \$9 billion while expenditures increased by about \$15 billion. In other words, exogenous policy actions during 1970 provided a fiscal stimulus of \$24 billion.

While changes in the surplus or deficit at a given level of money GNP provide a convenient measure of discretionary policy changes, fiscal policy

planning requires a measure containing somewhat more information. Because the labor force and productivity normally rise and prices rarely fall, money GNP normally grows. Consequently revenues also rise and over time the budget surplus would tend to grow rapidly if spending and tax rates remained unchanged. Spending and tax programs that would yield an unchanged surplus in an economy with a constant GNP would thus tend to hold down growth at the normal rate by generating larger and larger surpluses.

It has been found of interest to ask how the surplus or deficit would change if the economy moved along a specific path. Conceptually, any number of growth paths could be selected for this purpose; it is the change in the budget position along the assumed path that will indicate whether the budget policy has been or will be restrictive relative to that path—that is, whether the budget is tending to push the economy above or below the assumed path.

In order to give the measure more relevance it is common to select a growth path that has some normative significance. The full employment growth path has been used most frequently since the concept of a full employment budget was developed and publicized by the Committee for Economic Development in 1947. Changes in the full employment surplus measure changes in spending and tax legislation as well as the effect of full employment growth on revenues. The difference between the full employment budget balance and the actual balance reveals the effects of short-run variations in economic activity around the full employment growth path.

A particular target growth path could serve as an alternative to the full employment path. Sometimes this path is identical to the full employment path, but in 1970 it was necessary to be below full employment temporarily in order to moderate the inflationary pressures which had become excessive in 1969 and early 1970. In other circumstances the desired path may be steeper than the full employment growth path, if it is necessary to regain full employment from a less than full employment position. The target path budget would reveal the effect of discretionary tax and spending changes and the effect of target growth on tax revenues, but would abstract from the effect on the budget of deviations of economic activity away from the target.

Method of Computation

The figures for the full employment budget provided in Tables 1 and 25 are computed in the following manner: First, the full employment growth path is estimated in terms of the real value of production. Second, the real growth path is converted into current dollar terms using the actual rate of price inflation. This step suffers from the difficulty that a revenue change resulting from price changes would alter the estimate of the full employment surplus even though there were no changes in discretionary tax and expenditure policies. One way out of this difficulty might be to convert real output to money income using the inflation rate that would have occurred if the economy had actually been at full employment. But this figure is so difficult to estimate, if indeed there is any unique rate, that the

actual inflation rate despite its shortcomings is used as a convenient approximation.

Next, full employment income must be distributed into various tax bases, such as corporate profits, personal income, and other categories. The calculations used in this chapter are based on an estimate of the distribution which would emerge if the economy were actually operating continuously at full employment. For the purposes of comparing full employment budgets at different points of time it is important that a constant distribution pattern be used. Otherwise the estimates would shift with distributional changes that are unrelated to fiscal policies.

Average tax rates are then estimated for different types of income under current legislation. On the basis of these estimates full employment revenues can then be calculated. Full employment expenditures are estimated by adjusting actual expenditures to allow for the difference between actual outlays on unemployment compensation and those that would occur at full employment.

It is clear that the full employment estimate depends on numerous assumptions and that these create the possibility of error. This problem should not, however, be exaggerated. For most purposes interest focuses on changes between years, and if the assumptions are consistent between years the errors in the estimated changes in the budget position are likely to be small. Moreover, estimates of the full employment budget for the future are probably subject to less error than estimates of the actual budget, because the actual future path of the economy is more variable and uncertain than the full employment path.

The Full Employment Budget as a Measure of Fiscal Impact

The absolute level of the full employment surplus or deficit is of limited significance for indicating how much restraint or stimulus the budget would exert on the economy if it followed the full employment path, or indeed for indicating which of these directions its influence would take. Changes in the full employment surplus from period to period are much more important indicators of how much fiscal policy is moving toward contraction or expansion. The fact that the full employment budget has a surplus does not imply that the budget is not having an expansionary impact on the economy; the effects may be expansionary if the surplus is declining. Similarly a budget with a deficit may be restrictive if the deficit is declining.

Although changes in the full employment budget balance provide a convenient summary measure of changes in fiscal policy, they do not tell the whole story. A given change in the balance may exert a different force, depending on whether the change stems from a change in transfer payments, purchases of goods and services, corporate taxes, personal taxes, or other instruments of fiscal policy. Results vary because different policy changes affect economic behavior differently, even though the same amounts of money are involved. Some of the most important differences can be con-

sidered in complex models of the economy, but no model can capture all of the subtle effects of fiscal policy. For example, virtually identical policy changes may have different results depending on circumstances. A long-anticipated increase in Social Security benefits may have a different consequence from that of an unexpected increase. Similarly, a permanent cut in income taxes probably has a more powerful impact than an equivalent reduction that is known to be temporary. Conceptually models could be constructed to take account of such differences, but they would be extremely difficult to manage.

Recent Changes in the Full Employment Budget

The table below illustrates changes in the full employment budget during the last decade. If fiscal policy changes are measured by the annual change in the surplus relative to full employment GNP, the largest stimulus of the decade came with the tax cut of 1964. The largest shift toward restraint came in 1969, or, on a 2-year basis, in 1968 and 1969.

The full employment budget can be computed by using either national income accounting concepts or the concepts applied in deriving the unified budget, which appears in the President's annual budget statement. Economists generally favor the national income accounting approach in the belief that on balance it provides a more accurate measure of fiscal effects; but both concepts have advantages and disadvantages.

On both the expenditure and revenue sides these concepts embody important differences of timing. In the national accounts budget, purchases of goods and services are recorded when delivery is made. The unified budget records them when checks are issued for payment; this might occur before or after delivery. It is sometimes argued that neither method of timing truly captures the fiscal impact and that for such a purpose the timing of orders should be used.

TABLE 25.—*The full employment receipts and expenditure estimates, national income accounts basis, 1960–70*

Calendar year	Billions of dollars				Change as a percent of full employment GNP
	Receipts	Expenditures	Surplus or deficit (—)	Change in surplus from preceding year	
1960.....	105.0	92.0	13.0	8.3	1.5
1961.....	109.2	100.4	8.8	-4.2	-7
1962.....	113.8	109.4	4.4	-4.4	-7
1963.....	121.8	112.8	9.0	4.6	.7
1964.....	119.2	117.5	1.8	-17.2	-1.1
1965.....	124.2	123.2	1.0	-.8	-.1
1966.....	139.3	142.9	-3.6	-4.6	-.6
1967.....	153.1	163.6	-10.5	-6.9	-.9
1968.....	175.7	181.7	-6.0	4.5	.5
1969.....	203.3	191.7	11.7	17.7	1.9
1970.....	212.0	205.3	6.7	-5.0	-.5

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

Source: Council of Economic Advisers.

On the revenue side the unified budget again uses cash receipts. In the national income accounts budget most receipts, such as corporate income and excise taxes, are recorded on an accrual basis, but personal income taxes are recorded when paid by individuals. Steps are now being taken to put the unified budget more on an accrual basis.

The national accounts budget omits the direct lending activities of Government except for Commodity Credit Corporation (CCC) "nonrecourse" commodity loans, which are treated as expenditures rather than loans. The unified budget also treats as expenditures CCC loans as well as foreign loans made on noncommercial terms and domestic loans where repayment may be waived. A unified budget deficit can be computed for the expenditure account alone, or it can be defined to include the net lending not already considered in the expenditure account. In fiscal 1970 such lending amounted to \$2.1 billion.

Neither budget considers the loan guarantee and insurance programs of Government, and besides these there are a number of Government-sponsored lending institutions which operate outside of the budget. During fiscal 1971 it is expected that Government net guaranteed and insured loans will increase by about \$13 billion, while the increase in the net lending of Government-sponsored institutions will be about \$8 billion.

CHAPTER 2

Outlook and Policy

THE GOALS FOR THE PERFORMANCE OF THE ECONOMY IN 1971 ARE CLEAR. Our objectives should be to move along a path through 1971 that will bring the unemployment rate in 1972 down to the zone of reasonably full employment, and at the same time to get the rate of inflation down to the 3-percent range. The general nature of the policies that would help to achieve each of these goals is also clear. We can reduce unemployment, at least in the short run, by expansive economic policies which would make the demand for output rise rapidly and so raise employment. We can reduce the rate of inflation by restrictive economic policies which would repress the demand for output, increase unemployment and unutilized capacity, and thereby encourage business and labor to settle for smaller advances in prices and wages. While these "solutions" are clear, the problem is also clear. We cannot do as much as would be possible in one direction without injurious results in the other. This is not to say that it is impossible to make progress in both directions at the same time. It is possible, but only if we do not move too fast in either direction.

THE UNEMPLOYMENT-INFLATION DILEMMA

The dilemma of having to balance our efforts between reducing unemployment faster and reducing inflation faster is not new. This itself is worth recognizing, because if the problem were truly new, the thinking and experience of the past would be of little value. In fact the dilemma has been one of the central concerns of economics and of economic policy throughout this generation. The problem came to the fore as early as 1936 and 1937 when the economy, although still at a very low level, was recovering from the Depression and prices began to rise. President Roosevelt called public attention to what he believed to be the dangers of the price increases. There were many who thought that the ending of the recovery in the sharp recession of 1937-38 was due to the earlier price rise, which they attributed to concentrations of economic power. This belief was one of the motives for the establishment of the Temporary National Economic Committee (TNEC) to investigate the concentration of economic power.

The work of the TNEC led to no conclusions on this point, because its report did not come until the war had superseded earlier concerns. Never-

theless, the problem of reconciling full employment and price stability was prominent in wartime thinking about the postwar economy. This was one of the reasons why some were reluctant to accept what they interpreted as the overly ambitious commitment to full employment implicit in the original "Full Employment Bill," an attitude that led to a less ambitious commitment in the Employment Act as enacted in 1946.

Discussion of the possibility of full employment without inflation continued in the first 10 years after the war. This was a period in which contemporary experience was dominated by the effects of wars, controls, and their aftermath, and it was not generally considered that it could provide much light on the characteristics of a normal peacetime economy. The events of 1955–57 intensified the concern with the problem. We then had the first full employment achieved in normal conditions since 1929, and it was accompanied by a disturbing increase in the inflation rate. From the third quarter of 1954 to the third quarter of 1957, prices (as measured by the GNP deflator) rose at an annual rate of 3.1 percent, reaching a peak annual rate of 5.4 percent in one quarter. Six quarters after the recession began the inflation rate was still 2 percent, and this contributed to the idea of inflation as a permanent problem. This experience lay behind the statements contained in the *Economic Report of the President* during that period about the need for responsible restraint in raising prices and wages.

In the upswing that followed, however, most measures of the general price level stabilized, and this stability continued through 1965. From mid-1958 to the end of 1965 the rate of inflation averaged 1.5 percent per year, as measured by the GNP price deflator, and 1.3 percent by the consumer price index. At the time this moderate rate of inflation was considered as being, for all practical purposes, "reasonable price stability." The experience, however, did not resolve questions about the compatibility of full employment and price stability. Unemployment was high during all of this period, although declining from 7.1 percent in early 1961 to 5.0 percent by the end of 1964 and to 4.5 percent in mid-1965. Some thought that the prolonged period of little inflation would create an environment stable enough so that a gradual reduction of the unemployment rate to 4 percent could be achieved without speeding up the inflation. Evidence that the inflation rate was holding steady at a low level as unemployment fell towards 4.5 percent encouraged this hope. But in fact the GNP price deflator began to rise soon after unemployment fell below 4 percent at the end of 1965, and there had been evidence of the beginnings of a rise in wholesale prices before that. This rise in the inflation rate and its sequel left several important questions unanswered. Would the inflation rate have increased if the drop in the unemployment rate from 5 percent to 4 percent had occurred more gradually? Would the inflation rate have stabilized at the still moderate figures registered late in 1965 if demand had remained just sufficient to keep unemployment at 4 percent? Or was some higher rate of inflation the inevitable accompaniment of the 4-percent unemployment rate?

Demand kept rising rapidly, although not without some interruptions, after the end of 1965, reducing the unemployment rate below 4 percent and pushing the inflation rate still higher. While this was happening, that is, until about the middle of 1969, the dilemma of policy disappeared. Unemployment had been driven down to a level where symptoms of labor shortages and tight labor markets were widespread. In those circumstances the proper course of policy was clear. Restrictive policy which would restrain inflation would carry with it little, if any, cost in the form of undesirable effects on employment. For the time the appropriate direction of policy was unambiguous.

The dilemma reasserted itself in early 1970 when we again experienced high and, for a time, rising inflation rates along with rising unemployment rates. This was a natural transitional combination, in view of the rapid inflation we had been experiencing. Once the rise of total demand was restrained, the effects were first felt on the real side of the economy—on output, employment, and unemployment—with prices continuing to rise as a result of forces set in motion earlier.

THE GOALS OF POLICY

There are several reasons for believing that from this point forward a further reduction of the inflation rate will be consistent with reduction of the unemployment rate:

1. A reduction of the inflation rate has already begun. This is reflected in most broad measures of the price level.
2. There is a lag between the emergence of slack in the economy and its effect on the inflation rate so that the full effects on prices of the sluggish economy in 1970 have yet to be felt.
3. If, as expected, employment rises at a moderate rate during 1971, sufficient slack will still remain in the economy to exert downward pressure on the rate of inflation.
4. With output rising fast enough to cut into the unemployment rate, a high rate of productivity growth should continue through 1971. Stern cost-cutting measures in 1970 have put businesses in a position to achieve more favorable trends in costs per unit of output as operating rates improve. This will help to limit the pressures of these costs on prices.

To go beyond these general statements of direction and try to estimate how much unemployment and inflation could be reduced, we must move cautiously. However, some approximate judgments seem consistent with recent as well as earlier experience. Confining the economic expansion to a pace which would keep unemployment about where it now is, in the neighborhood of 5.5 to 6.0 percent, would permit a significant decline in the rate of inflation during 1971 and 1972. To allow so high an unemployment rate to persist for so long a time, however, would be inconsistent with the Employment Act—and undesirable even if there were no Act. On the other hand, trying to restore what has been commonly regarded as “full

employment”—a 4-percent unemployment rate—within the present planning period that extends to the end of fiscal year 1972 would entail risks on the inflation side. Although this latter path might be consistent with some further reduction of the inflation rate, there is a serious risk that the inflation rate would start rising again if the 4-percent unemployment rate were approached as rapidly as such timing would imply.

There is a feasible path between these extremes that would better meet the Nation's present requirements by allowing significant progress to be made against both inflation and unemployment. This is a path that would see the unemployment rate reduced to the 4½-percent zone by the second quarter of 1972 and the inflation rate, as measured by the GNP deflator, declining to approach the 3-percent range at the same time. Total output would have to rise significantly faster than the growth of potential output, or employment would rise only in proportion to the growth of the labor force and would not cut into unemployment. The necessary rate of increase of total output, however, would not have to exceed the rates that have been achieved during past periods of economic recovery.

The general goal, which is more important than the precise numbers, is that the rate of unemployment should decline as fast as is consistent with a reasonably steady and durable decline in the rate of inflation. We believe that the numbers we have proposed—an unemployment rate in the 4½-percent zone and an inflation rate declining to approach the 3-percent range by mid-1972—are feasible representations of that goal. But the numbers are themselves not the fundamental goal.

It has to be recognized that achievement of this goal would still leave the economy short of the ideal with respect to both unemployment and inflation. As things turn out, the economy may yield better results on both sides than are projected here. But it would be unrealistic to count on such an outcome, and irresponsible to hold out to the American people the idea that there are readily available policies which would achieve it. The long and accelerating inflationary boom that was set off beginning in late 1965 left the country with this unemployment-inflation dilemma, whose severity was only subsequently appreciated. But to move firmly along the path laid out would relieve the anxiety about the economy from which the country has been suffering for many years and generate confidence in further progress.

IMPROVING THE UNEMPLOYMENT-INFLATION CHOICE

How rapidly we can move in expansion of the demand for output, with associated increases in production and employment, will depend heavily on the capability of the economy to resist the inflation of prices and costs. In many directions we see accumulating evidence of public weariness with a continuing deterioration in the purchasing power of its money. Surveys of public sentiment reveal it sharply. Widespread public support for direct price and wage controls clearly reveals public frustration with inflation

even if the full consequences that these controls would have in distortions and black markets are not perceived. Developments which persistently force costs and prices upward will simply prolong unemployment and the sluggish spending inclination of consumers. And growing confidence in prospects for a reasonably stable price level would make a major contribution to invigorated consumer spending and improved economic conditions generally.

Broad fiscal and monetary policies must continue to play the basic role. How expansive these policies can be, however, will depend on what more can be done to enable the economy to translate rising demand into rising output, employment, and real incomes rather than into a more rapidly rising cost-price level. This list of other possible actions, beyond the prudent management of fiscal and monetary policies, is long and varied. The problem is to select those which would be, on balance, helpful. It is not solved by saying that reliance on fiscal and monetary restraint alone will make the process of disinflation slower and more painful than we would like. That is a restatement of the problem, not a solution to it.

As a basis for thinking about the problem, several points must be borne in mind:

1. The free market system of determining prices and wages, even with its imperfections, serves exceedingly well in shaping what gets produced and by whom, and how the resulting income gets distributed. These are key questions in any economy, and no effective substitute for this market economy has been found that answers them better. We take the free market system for granted, like the air we breathe, and become conscious of the benefits of either only after they have been lost.

2. There is now a great deal of experience to indicate that the superficially attractive route of voluntary controls is unlikely to lead to a solution. By "voluntary controls" is meant a system in which the Government, or a quasi-independent board selected by the Government, specifies comprehensive standards of wage-price policy to be observed voluntarily by labor and business, without any similarly comprehensive means of enforcement by Government. The basic deficiency in this approach is that it counts on a large number of people to acquiesce in conduct that they find contrary not only to their own interests but also to their view of fairness, propriety, and efficiency. The great initial attraction of the idea, that it makes the public think something effective is being done, is also one of its adverse consequences because it distracts attention from the real nature of the problem.

3. At the same time, it is evident that some price and wage increases that are going on are not adaptations to current basic market conditions and are not consistent with efficient operation of the economy. To some extent this simply reflects a lag in adjustment to the change in market conditions that has taken place in the past year. But in some cases the behavior

of prices or wages can be explained only by a combination of this factor with an unusual degree of insulation from competitive market forces.

4. In some cases the insulation from market forces is due to acts of commission or omission by the Federal Government. This may be true, for instance, in industries that are protected from foreign competition by import quotas or voluntary arrangements with similar effect. In these cases the Government has the instruments at hand for correcting the problem. This does not, in itself, make the correction easy. Those who have been the beneficiaries of a shelter from competitive forces would certainly feel aggrieved by changes in conditions on which they have come to rely.

Government policy must find its way among all these considerations. Short of an emergency of a kind which does not exist, mandatory comprehensive price and wage controls are undesirable, unnecessary, and probably unworkable. The Government should not rely upon pseudo-solutions for real problems and should not delude the public about doing so. But there are cases where price or wage increases not justified by competitive market forces are contributing to the prolongation of the inflation and to unemployment as well. In some of these cases the Government has means of correction available that do not interfere with market performance but tend rather to improve it.

What is called for is a policy of doing what can effectively be done, wherever it can be done, and not pretending to do more. The Administration set out on this course with the President's speech of June 17, 1970, and has since then been following it with increasing force.

In June the President directed the Council of Economic Advisers to issue a periodic *Inflation Alert* to call attention to specific cases or general features of exceptionally inflationary wage or price behavior. The purpose of these reports was to bring to bear on important wage and price decisions a more informed and sharply focused public attention. The Council will continue to issue the *Inflation Alert* approximately every 3 months. Certain points made in the December 1970 issue, prompted by developments in the immediately preceding period, are worth reiterating.

1. Apart from temporary aberrations the general price level tends to rise by the excess of wage increases over productivity increases. Productivity cannot be counted on for long to rise more than about 3 percent per year, although this rate will probably be exceeded during the next year. This means that a continuing 7-percent annual rate of increase of employee compensation per hour would commit the economy to a continuing inflation rate of about 4 percent.

2. We shall not make progress in reducing the inflation rates if the gains we hope to make on the labor cost front are offset by too rapid increases of profit margins.

3. If the inflation is to be slowed down, all wages that have not kept up with the inflation of prices cannot catch up in any short period. On the average, labor compensation has kept pace with the inflation and productivity

increases, but some wages have led and some have lagged. If those that have lagged were to catch up quickly, while the leaders did not fall back—as they surely would not in a short period—then the cost-price spiral is given another turn, prices rise further, and new laggards are created who feel they have to catch up.

4. To embody in wage agreements covering two or three future years provisions for wage increases based on the assumption that prices will continue to rise at recent peak rates is not a reasonable response to our present situation. If this were done generally it would be a recipe not only for permanent rapid inflation but also for persistent unemployment, because the Government would be bound to try to check the inflation by generally restrictive policies. On the other hand, in some cases escalator clauses, which relate future wage changes to actual variations in the cost of living rather than to the expectation of continued inflation at its peak rate, may have a role to play during the adjustment to a more stable price level.

The President's June 1970 speech also announced the establishment of the Regulations and Purchasing Review Board to correct Government policies which unnecessarily contribute to inflation. It has under consideration a number of problem areas on which recommendations will be forthcoming. Examples of these are the management of import restrictions, regulations which unduly increase the cost of bidding on small Government projects, design and procurement methods for Government buildings, and the administration of the Davis-Bacon Act, which requires that contractors on Federal construction projects pay "prevailing" wages (a provision which in practice may have exerted an inflationary effect on construction wage rates and costs).

It is the general policy of this Administration that where it has a legitimate role the Government should act to correct market conditions that prolong inflation, or whose correction can have a favorable effect on the price level. In line with this policy the Administration last fall took two steps to restrain increases of crude oil prices. It relaxed limitations on the importation of oil from Canada and permitted production of oil on Federal offshore leases without restriction by State regulatory commissions.

Following the announcement of a large increase in prices of some steel products in January 1971 the President directed the Cabinet Committee on Economic Policy to investigate economic conditions in the steel industry which were giving rise to such increases. To be taken into account in this review is the voluntary agreement by producers of steel in Japan and the European Economic Community to limit their sales of steel in the United States, an agreement negotiated by the U.S. Government. One subject to be investigated is how the interests of U.S. users of steel, including many industries which themselves face foreign competition, can best be correlated with the interests of U.S. producers in these international steel arrangements.

Rapidly rising construction costs have been a serious concern for the past 2 years. In 1969 the Administration took steps to reverse price increases

in lumber; the impact on construction is one reason for concern about steel price increases. The Administration has also moved to check the extraordinary wage and price increases in the construction industry. The wage increases have been occurring despite high unemployment in the industry. On January 18, 1971, the President met with leaders representing construction workers and employers and asked them to submit a plan for stopping the exceptionally large wage and price increases that are raising the cost of new homes and other buildings and causing unemployment in the industry itself. An effective resolution of these problems by parties in the industry would avert the need for changes in the legal provisions affecting the construction labor market. The public interest cannot condone continuing massive increases in these costs at a time when American families need more homes and many in the industry are unemployed and need jobs. The rising demand for houses, highways, and buildings must produce more construction and not be dissipated in higher costs and prices.

To regularize the increasingly active Federal role in particular labor or product markets, the Council's function of alerting against inflation has been broadened. By a decision taken in January the Council of Economic Advisers will report immediately to the Cabinet Committee on Economic Policy on any exceptionally inflationary wage or price developments so that the Cabinet Committee can consider appropriate Federal action.

The measures the Administration is taking will contribute to the capability of the economy to resist inflation as it moves along a rising path in 1971-72. They will not relieve the country of the consequences of past errors which have caused us to live for a longer time with both more unemployment and more inflation than anyone would like. They will still leave us dependent upon a course of steady but not excessive economic expansion as the way out of this dilemma. But they give the Nation additional assurances that 1971 can be a year not only of diminishing rates of inflation but also of rising employment and output.

THE PATH OF THE ECONOMY IN 1971

Some of the factors that will determine the course of the economy in 1971 are present and visible, others may be present but not now clearly seen, and still others are, from the standpoint of the Federal Government, matters of policy still to be decided or at least subject to revision.

The most obvious of the present conditions is that the year 1970 ended with unemployment in the neighborhood of 6 percent and output in the fourth quarter about 6½ percent below its potential. As explained in Chapter I, the fourth quarter was significantly depressed by the automobile strike. This carries with it the probability of a large rise in output in early 1971 to rebuild inventories and meet customers' demands for motor vehicles. Also, apprehension that there may be a steel strike after midyear is likely to cause some larger than usual additions to steel inventories in advance. These two factors will provide a special boost to total output in the first

half of the year but they also involve the danger of a subsequent letdown. The assurance of a reasonably smooth and even expansion throughout the year must be a special concern of economic policy in 1971.

Aside from these transitory influences, there are several conditions that promise a strong rise of output during the year. The sharp rise in housing starts which occurred in the second half of 1970, the large inflows of savings into thrift institutions in the same period, and the beginning of a decline in mortgage interest rates all point to a much increased rate of residential construction in 1971 as compared with 1970. How fully these promising developments translate into more housing and more jobs will depend heavily on progress in stabilizing labor and other costs in the industry.

The increased availability of funds and lower interest rates, especially during the second half of 1970, permitted State and local governments to increase their borrowing substantially, and this will support an acceleration of State and local expenditure.

On the other hand, the most recent survey of anticipated plant and equipment expenditure of business, made by the Department of Commerce and the Securities and Exchange Commission in late November and December, suggests a year-to-year rise of 1½ percent. This does not allow for 1971 business purchases of automobiles and trucks not bought in 1970 because of the strike. It also does not allow for the effects of the liberalization of depreciation allowances for tax purposes that was announced in early January 1971 and went into effect retroactively to January 1. This liberalization will initially add about \$2.6 billion in calendar 1971 to the after-tax cash flow of business. It will stimulate investment by increasing the after-tax rate of return on machinery and equipment.

The catch-up after the auto strike and the stocking up in anticipation of a steel strike are likely to lead to a high temporary rate of inventory accumulation in the first half of 1971. Apart from this, however, there is nothing in the relationship between inventories and sales as the year opens to suggest that a change in the rate of inventory accumulation will be an active element in the economy for the year as a whole.

The Federal Budget proposed by the President implies an increase of \$17.0 billion in expenditures on the national income accounts basis between calendar 1970 and calendar 1971. Federal purchases of goods and services would decline \$1.9 billion, the reduction in defense spending more than offsetting a rise in nondefense purchases.

The first instalment of revenue sharing together with other programs would result in \$6.6 billion of increased grants to the States, and these will support increased State and local expenditures. Also, there would be an increase of \$12.0 billion in transfer payments to individuals, resulting in part from a proposed 6-percent increase in Social Security benefits effective January 1, 1971. On the other side of the Budget there will be the reduction of revenues resulting from the depreciation revision.

There is, of course, no counterpart of the Federal Budget to represent the probable course of monetary policy during 1971. In practice one of the important features of monetary policy as an instrument of economic stabilization is its capability for being adapted quickly and flexibly to emerging developments. As a basis for considering what the outcome for the year would be with a specified combination of policies, it is convenient to assume that the money stock will continue to grow at about the rate that has prevailed since the turn early last year.

There is little doubt that this combination of conditions and policies will bring forth a substantial rise of total output during the year. But the *rate* of expansion is critical for attainment of the Nation's economic goals, and this rate is uncertain. The outcome will depend upon the level of personal savings, the response of business investment to an actual upturn of sales and profits, the effects of rising construction costs on the housing market, the influence of the depreciation reform on business planning, the degree to which individuals and businesses want to rebuild their liquidity, and many other factors. The combination of such variables will determine whether, under present policies, there is a vigorous cumulative cyclical recovery such as has occurred after some economic declines or only a gradual rise.

There is a considerable body of opinion that expects the gross national product for 1971 to be in the range between \$1,045 billion and \$1,050 billion, which would be an increase of 7 to 7½ percent above that for 1970. This is a possible outcome. However, it seems more likely that with present policies the outcome would be higher than that and could be as high as \$1,065 billion.

A \$1,065 billion GNP for 1971 would be consistent with satisfactory progress towards the feasible targets suggested above—that is, towards an unemployment rate in the 4½-percent zone and an inflation rate approaching the 3-percent range by mid-1972. This calculation involves estimates of the rates of increase of productivity and the labor force, which may in fact turn out differently, so that the connection between the unemployment-inflation targets and the 1971 GNP is not a rigid one. Nevertheless, although emerging information may later suggest a different view, the figure of \$1,065 billion for the GNP in 1971 is an appropriate intermediate target of a policy whose ultimate goal is not a dollar total but a desired behavior of prices, unemployment, and real output. It is reasonable to expect that with an increase of the GNP to \$1,065 billion in 1971, the rate of price increase would be declining through the year, the unemployment rate would also end the year significantly lower than at the end of 1970, and real output would show a strong gain.

For the GNP to reach \$1,065 billion in 1971 would require an increase comparable to the increases after the low points of the economy in 1954, 1958, and 1961. If the rise in the money stock were to continue at the 1970 rate, the ratio of money to the GNP would then decline at about the average rate of the period 1952–70. Although this is a possible development, it is not a certainty. In the earlier recoveries cited, a major stimulus to the sharp rise

of demand and output was a change from running down inventories to building them up. This is less likely in 1971 than after the earlier adjustments, which were much more severe.

A GNP in the neighborhood of \$1,065 billion in 1971 is a good present estimate of the figure consistent with the targets for unemployment and inflation. It is feasible, and its realization with the proposed budget and complementary monetary policy is a reasonable expectation.

It will be necessary to maintain an appropriate balance between our international responsibilities and domestic objectives of economic policy in decisions about how to combine or "mix" the different instruments of policy. And the economy remains a highly complex system which, even with its patterns of regularity, does not respond to policy changes in simplistic and invariant ways. For these reasons we must be prepared, as new evidence appears, to make promptly the necessary policy adjustments.

The President's Budget for 1972 is based on the principle that expenditures should not exceed the revenues that the tax system would yield under conditions of full employment. This is an important principle. It permits the Federal budget to support the economy when the economy is weak, by allowing the Federal budget to move into a deficit under those conditions. But it retains the fiscal discipline of budget balancing by drawing a line beyond which expenditures may not go without tax increases. Moreover, keeping the full employment budget balanced, even when the economy is below full employment, prevents the Government from incurring commitments to higher expenditures and lower taxes that would unduly encumber the future. The Budget for fiscal 1972 provides for the most urgent needs that should be met through Federal expenditures. Moreover, the yield of the present tax system will be required later to meet foreseeable expenditures to which the Government is already largely committed. Therefore, still further increases of expenditures beyond this Budget or cuts in taxes would not have been consistent with fiscal discipline.

In the past year monetary policy has moved towards a greater degree of stability in the rate of increase of the monetary aggregates, notably the stock of currency plus demand deposits. This is, as was stated in last year's *Economic Report of the President*, a desirable direction. The financial and economic system is thus given a more stable monetary framework within which to operate.

The reasons for a new stability in fiscal and monetary policy are weighty. But the need to press forward to reduce unemployment and inflation is also great. After the economic instability we have experienced in the past 5 years the parameters of the system cannot be located with precision and may well be in flux. It would be unwise to try to freeze a course of policy which is expected to carry us through the difficult months ahead without change. A course of flexibility and determination, with cooperation and division of labor among the several instruments of economic policy, will be needed, and if followed will lead to the goals we all seek.

CHAPTER 3

National Priorities and the National Output

INTRODUCTION

THE COUNTRY'S ATTENTION THIS YEAR is focused on the problem of raising total production and employment to the point where we are fully using the Nation's capacity to produce. But we cannot afford to neglect measures that will promote continued rapid growth of that capacity and bring about its utilization for the most important purposes. Our success in achieving these goals will significantly affect the quality of American life for years to come.

In recent years the desirability of increasing production has been more strongly challenged than previously, and at the extreme there are some who look upon economic growth as the mere enlargement of a quantity without human meaning or value. But economic growth means increasing capacity to produce what is wanted—as is indicated by the term “goods and services,” meaning a good for or service to someone. The product is not measured in tons or miles or calories. It is measured by the value that someone puts on it. The key question is whose value counts.

In the measures of total output commonly used in the United States, the value of products is what purchasers pay for them. That is determined not only by the purchasers' preferences but also by conditions of supply. The conditions of supply in turn reflect the natural and technological circumstances at a given time as well as the preferences of suppliers of labor and capital. Thus the value by which a product is measured synthesizes the preferences of consumers and suppliers of resources as expressed in markets and in the political process. For example, a pound of butter counts for more economic output than a pound of coal because it combines a higher consumer valuation and a higher cost to produce. The most comprehensive measure of economic output, gross national product, is in fact defined as the market value of the Nation's output of goods and services. The same decentralized process that determines the values used in measuring the output also determines what gets produced.

For anyone whose values differ greatly from those of the general synthesis, the measurement of economic growth will be different from that commonly made. For anyone to whom clean water is the only valuable product there has been no economic growth since the time of Hiawatha. The argument is

ultimately a matter of taste, and the only comment one can make on it is that most people do not feel that way. The capacity of the economic system to produce what is valued by today's population—as represented in the market and in the political process—has increased rapidly and continues to do so. One can say no more about economic growth than that those whose decisions are reflected in the composition of output are better able to satisfy their desires in a growing economy. But if the markets are competitive and the decisionmaking process is democratic, that is saying a good deal.

The case for production is not necessarily the case for a particular statistic of production such as the gross national product, and the case for economic growth is not necessarily a case for increasing the gross national product. The GNP is not a perfect measure of all the activities comprehended in the idea of economic output. This has long been recognized, and it has most recently taken on new meanings and a new sense of urgency through growing concern for the environment. Many deteriorations or improvements of the environment are not accounted for in the gross national product, even when they are incidents of the production process. This is only a newly conspicuous example of those limitations of the GNP statistic which have been well known for a long time.

On the other hand, the gross national product measured in real terms does not count as "product" many benefits which are provided as a part of the production process, such as training, education, health care, and even cars and subsidized meals for employees. Only the cost of developing a public park goes into GNP, though the new park may add economic value to other properties in the neighborhood. Nor does the GNP include the value of the large amount of productive but unpaid work done in and out of the home, such as the housewife's services. It can take no account of changes in the burdensomeness of work, or the length of the workweek, or the wider choice of products available; and it only inadequately accounts for the consequences of the introduction of new products.

Despite these limitations the GNP statistic has made a great contribution to understanding how the economy is working. And, although GNP is not a complete measure of economic production, still less of "welfare," its level and rate of increase are positively associated with what most people and most societies consider an improvement in the quality of life. All over the world, in countries whose cultures and values differ widely, we see a drive for increasing the measured gross national product. Moreover, insofar as we are able to measure conditions of life not incorporated in the GNP, such as mortality and morbidity rates, educational attainment, and cultural facilities, these tend to improve in countries with higher per capita GNP. Evidence of a relation between GNP and the popular preference is seen in migration within the United States. There is a large net movement to those parts of the country, especially the metropolitan areas, where all the attributes, desirable and undesirable, of a high-income industrial society are most intensely present.

While the Nation has been engaged in a new and earnest soul searching about the role of growing material affluence in the good life, it is probably true that in general the American people prefer a rapid growth of GNP and its consequences. There is, in fact, a good deal of evidence that in the years ahead the demands on our capability to produce will be growing in intensity rather than diminishing. One of the great merits of the American system, however, is that those who do not share this common preference have the opportunity to make alternative choices. An important virtue of the market system for organizing economic activity is, therefore, precisely that we can more closely tailor our productive activities to the wide-ranging diversity of individual wants and preferences.

This is not to say that growth of measured GNP is an absolute to be furthered at all costs. As individuals and as citizens we clearly do many things that reduce the growth of GNP, and we fail to do many things that would accelerate it. This is perfectly reasonable; growth of GNP has its costs, and beyond some point they are not worth paying. Man wants more than is counted in GNP. People's values change. Conditions of life change. These may lower the point beyond which more growth of GNP is not worth its costs. Even so, growth of GNP would still be an objective about which we are not indifferent.

In any case, whatever may be true or become true about the relative values of the product included in the GNP and the product excluded from it—the automobile on the one hand and the clean air on the other—there is little evidence that we are witnessing a decline in the value assigned to economic output as a whole. This means that great importance must be assigned to the basic factors which influence our total capacity to produce. These are in the long run essentially the same for producing GNP as for producing other benefits. They are the size and competence of the population, the state of knowledge, the stock of capital, and the effectiveness with which these are combined. We can foresee no diminution in the need for these factors if we as a people are to come closer to meeting our objectives. In fact, as we shall show below, the existing propensities of the population and the policies of the Government constitute claims upon the GNP itself that can only be satisfied by rapid economic growth.

In the long view of history, the average rate of economic growth in the United States has been exceptionally high. In the latter part of the 19th century per capita real incomes in the United States and industrial Europe were roughly equal. But by the middle of this century U.S. real per capita income and output were roughly double those in advanced European economies. We expect that the rate of growth of real per capita income in the 1970's will be even higher in this country than our historical average. This will happen solely because we will have unusually rapid growth of the labor force relative to the growth of the population. Without special policies to encourage productivity gains, a faster rate of growth of output per worker or per worker-hour than the country has experienced since the end of World

War II does not seem to be a reasonable expectation. There is some evidence that the higher rate of growth of the labor force might also affect productivity favorably, but there are also reasons for fearing that productivity may rise less than in the past. One reason commonly cited is the increased proportion of the population that will be employed in industries whose gains in productivity are slow. Although there is no assurance that productivity in the U.S. economy will rise as fast as in the recent past, extraordinary increases in the rate of productivity have been achieved by some other countries, notably Japan. This fact at least raises, though it does not answer, the question whether there are applicable policies that would also accelerate productivity here.

The rates of growth of total capacity to produce and of output per hour of work will depend principally on the decisions of individuals and businesses—decisions about saving and investing, about the education of children and the training of adults, about the pursuit of opportunities to earn higher incomes. Still, the actions of Government also affect the rate of growth and must be evaluated from that standpoint. The policy of this Administration has been aimed at sustaining the rate of growth of productivity to which we have been accustomed and if possible raising that rate moderately. A drop in the rate of growth of productivity below the expected increases in real wages and in real taxes would generate difficult tensions, especially when the illusions of inflation were fully recognized. A higher rate of productivity growth would be desirable to satisfy escalating demands, but in the American free market economy the Government's ability to stimulate growth in productivity is limited.

Some of the major policies of the Administration to promote growth may be briefly noted:

The struggle against inflation is itself critical for economic growth. The institutions for mobilizing savings in the United States and channeling them into investment depend basically upon reasonable confidence in the value of the dollar. Many kinds of investment which make a valuable contribution to growth would suffer if the future stability of the general level of prices became highly uncertain.

The Administration has kept Federal spending on a path that would not exceed the revenues the tax system would yield under conditions of full employment. With this policy the Federal Government does not absorb private funds to finance a deficit when the amount of private investment is crowding against the supply of savings.

Despite the stringency of the budget position, the Administration has supported a continued strong Federal effort to promote research and development. Total obligations for the conduct of research and development in fiscal 1972 will be \$16.7 billion, according to the Budget just submitted, up 8 percent over 1971. For research alone the increase will be 9 percent, and most of that is outside the defense program. Obligations of the National

Science Foundation for research will be 44 percent higher than in 1971 and 71 percent higher than in 1970.

The Administration has supported an increase in manpower training programs as a means of speeding up the improvement of the capabilities of the labor force. Training is also a way of helping workers to adapt to changing requirements in labor markets and thus of reducing the amount of unemployment. The Budget submitted by the President in January provided for an increase of 40 percent in outlays for manpower programs, between fiscal year 1970 and fiscal year 1972. In addition the Administration has proposed a reorganization of the training programs to improve their effectiveness and adaptation to local needs.

A new expanded program of student loans, grants, and work-study payments with subsidies based on need has been proposed to ensure that the post-secondary education of those persons whose higher education would be most valuable to themselves and to the Nation is not limited for financial reasons. It is estimated that 2.5 million students will receive benefits from this program in fiscal 1972.

The Federal Government is the largest employer in the country, having over 2.5 million civilians on its payroll at the end of 1970. An increase in the productivity of these workers would have a marked effect on average productivity in the economy as a whole. The Administration is making a determined effort to improve management and personnel utilization throughout the Federal service. Probably the most fundamental step in this direction was the reorganization of the postal service to permit the application of businesslike standards of investment and management.

TAXES AND GROWTH

In 1969 the Administration supported repeal of the investment tax credit. At that time it was an excessive stimulus to business investment in view of competing demands on the economy. In the Tax Reform Act of 1969 the Congress went considerably beyond this. By changing a number of provisions of the tax law, it raised the tax burden on investment, through higher levies on corporate profits, and thereby reduced both the supply of internal funds available for business investment and the incentive to invest. At the time the Administration suggested that if Congress considered the particular changes essential for reasons of equity or other considerations it should offset their overall effect by reducing the corporate profits tax rate. Congress did not, however, accept that suggestion.

The repeal of the investment tax credit, combined with the other features of the Tax Reform Act of 1969, yielded a tax revision that was excessively burdensome on business investment, and the Administration recognized that this imbalance would need to be redressed at an early date. Surveys of business investment for the period immediately ahead now indicate a flattening in money terms and probably some decline in real terms in this key ingredient for future economic growth. This is an appropriate time to reduce the bur-

den on business investment. Accordingly, the President has announced a revision of the depreciation rules that will provide greater incentive for business to invest in capital equipment. This will be accomplished by permitting tax lives which are shorter by 20 percent for most types of equipment. Although the effects may build slowly, the stimulus to business investment will help to support the recovery of the economy as well as to stimulate economic growth and productivity.

THE NATIONAL COMMISSION ON PRODUCTIVITY

Recognizing the importance of economic growth in the future of America and the contribution that all sectors of the society could make to it, the President in June 1970 established the National Commission on Productivity. The Commission included representatives of business, labor, the general public, and the Federal Government. Its basic function is to recommend policies, not only for the Federal Government but for others as well, to speed up the rise in productivity.

The Commission was established against the background of concern with the inflation problem. The importance of productivity as an offset to increases in labor costs per hour is well recognized. However, the purposes of productivity improvement and the interests of the Commission extend beyond the control of inflation. Improvement in our levels of living, including improvement of our physical environment, depends on productivity gains. The stakes here are high. If we could, for example, increase the rate of productivity growth by only one-tenth of 1 percent a year, we could produce \$15 billion of additional output per year by the end of this decade.

In pursuit of its objectives the Commission has organized itself into four working groups, designated by the general topic which each will examine. They are:

1. Education and research.
2. Management organization and capital.
3. Labor and management policies and practices.
4. Government activities.

Each of the working groups has within its scope a large number of potential policy questions and programs for review. Each group will consider the broad, aggregative issues coming under its jurisdiction—such as the impact of education and of research and development on productivity; capital investment needs and their implications for savings; practices in collective bargaining that lead to higher productivity and higher rewards to workers; and the influence of Government actions such as procurement, regulation, and construction contracting. The Commission also plans to make studies or recommendations about specific industries, especially where productivity is relatively low; the utilization of scientific and technical manpower; and methods of improving productivity in Federal, State, and local government.

ECONOMIC GROWTH AND NATIONAL PRIORITIES

If it is agreed that economic output is a good thing, it follows by definition that there is not enough of it. This fact means in turn that choices must be made among uses of it. Each of us is constantly encountering this necessity in the management of his private affairs. By and large the way the national output is used is decided by millions of decisions of private households. But the question of how it ought to be used—commonly labeled the question of national priorities—has been a matter of increasing national concern. There are several reasons for this. First, the degree to which the Federal Government influences the uses of the national output has increased, and the degree and pattern of Federal influences that are desirable is itself an open question. Second, the validity of private decisions about the use of resources is increasingly being challenged.

The effects that Federal policy may have on the uses of the national output are usually considered in the context of the annual budgetmaking and appropriations process. The underlying notion is that a certain amount of money, presumably representing claims on the national output, is to be allocated to Federal use and then divided up among alternative Federal uses, such as defense, health, or highways. The annual budgetary process is essential because it forces periodic evaluation of many Federal programs, and it will undoubtedly continue to be a basic framework for making decisions. However, if we are to understand and control what we are doing, it is necessary to go beyond the annual allocation of the Federal budget total and consider over a longer span of time and within a wider framework the Federal influence on the allocation of the total national output.

There are several reasons for viewing national priorities in a larger context. One is that many Federal budget decisions strongly influence State and local decisions as well as private decisions. It is often difficult to quantify exactly how and to what degree these other decisions will be affected, but in some cases the influence is clearly substantial. There are many ways in which Federal budget decisions influence private and State and local decisions. The volume of Federal transfer payments affects the level and composition of private consumption. The volume and character of Federal grants-in-aid affect the level and character of expenditures by State and local governments. The volume and character of Federal loans, interest subsidies, and tax provisions affect the volume and character of private investment. Federal provision of services and facilities, such as highways, influences the level and character of private and State and local spending, since these services and facilities in some cases compete with and discourage non-Federal expenditures and in other cases complement and encourage them.

Although it is often difficult to define precisely how these Federal decisions influence non-Federal decisions, the pervasiveness of the phenomenon means that the influence of Federal on non-Federal decisions cannot be ignored. One major purpose behind the projections of GNP and its com-

ponents that were presented in the 1970 *Economic Report of the President* and are continued this year is to account for some of the indirect effects of Federal budget decisions.

A second major reason for analyzing Federal budget decisions in a broader context is that the consequences of decisions almost always extend well beyond the annual reach of the budget. For example, the Housing and Urban Development Act of 1968 stipulated a goal of 26 million housing units for the 10-year period 1968–78. This Federal decision about national priorities actually concerned the share of GNP devoted to housing, not the share of the Federal budget related to housing. But it was also a declaration which had an important bearing on the targets for national investment and savings and on use of resources for the entire 1968–78 period. Such decisions are, of course, not irrevocable and need to be reconsidered in the light of changing conditions and goals. This is not, however, a substitute for initially exercising as much foresight as possible. There are many other examples of Federal laws or budget decisions that have important and long-lasting implications for the determination of national priorities. The recent act to increase Federal pay commensurately with private wages and salaries links the Federal budget to wage increases in the private sector. The proposed automatic increases in Social Security payments in response to increases in the consumer price index is another example of budget decisions for the future that are built into current law and are therefore beyond control except by further legislation. Another extreme example that illustrates the degree to which future decisions about priorities are made today is Federal loan subsidies. Such subsidies may be very small for any one year, including the initial year, but they do commit the budget to large and growing outlays in future years. Sections 235 and 236 of the National Housing Act, for example, provide for mortgage payments and interest subsidies entailing new commitments for 1971 amounting to an estimated \$400 million. If the programs remain on the books and new commitments continue at the 1971 rate, the annual outlay would ultimately stabilize at \$14 billion per year, since the subsidized mortgages have an average term of 35 years. While these programs are playing an important role in the achievement of social objectives, they do limit flexibility in changing the budget in the future and in changing the composition of future national output.

A third reason for making projections for the entire economy rather than for the budget only is that many Federal decisions which affect the allocation of the national output do not pass through the Federal budget. This is true of many regulatory decisions and decisions about monetary policy, for example. A Federal decision to require antipollution devices will require additional investment that can only be made at the expense of other uses of our national output. This investment will then not be available for projects that improve efficiency in the more orthodox sense, and therefore gains in measured productivity may be smaller, product prices higher, and increases in the array of goods and services available to consumers smaller. While this

decision to require antipollution devices does not enter the budget, it does require or imply an important decision about national priorities and the uses of national output.

The pervasive effects of Federal decisions throughout the rest of the economy and through time require close scrutiny of Federal decisions to ascertain their total impact. Unfortunately, many of the linkages are not well known and can only be approximated at this time. Even such a rough outline, however, may be more helpful than ignoring the problem entirely.

FUTURE NATIONAL OUTPUT AND CLAIMS UPON IT

This section presents estimates of the total output that would be available in 1975–76 if the capacity of the economy were fully utilized. It also offers some very tentative estimates of the uses that would be made of that output as a result of existing Federal programs and of the claims and propensities observed among private businesses, households and State and local governments. The estimates are summarized in Table 26.

The procedures for deriving the potential supply of GNP and the visible private and government demands when the economy is operating at potential are similar to those used in the 1970 *Economic Report of the President*. The projections of Federal expenditures incorporated in the estimates are shown in Table 27.

The *gross national product available* is estimated on the basis of assumed characteristics of supply in the economy in the next 5 years. The principal element in this computation is an assumed 3-percent trend rate of increase of productivity (output per labor-hour) in the private economy. No method exists for estimating precisely the productivity growth of the economy over a long period, since it is subject to the rate of technical progress, the industrial composition of output, the mobility of the labor force, and many other complex influences. Behind the assumption of 3-percent productivity growth is an industrial composition of output that shifts fairly rapidly toward the service sector and the government sector. This shift toward sectors with historically low rates of productivity gain and low levels of productivity tends to generate a lower rate of productivity increase for the entire economy. The assumed rate of technical progress varies, of course, from industry to industry. The specific detail behind this productivity assumption is available in Table A-15: *The U.S. Economy in 1980*, Bureau of Labor Statistics Bulletin No. 1673. The total labor force and the civilian labor force are assumed to rise about 1.8 percent per year in line with projections of the population and of labor force participation rates. It is also assumed that average hours worked will decline by 0.2 percent per year in the private sector.

These assumptions, and others about how output will rise as the total labor force increases and about the private and government composition of final output, yield a potential growth rate of GNP of about 4.3 percent. The actual real GNP could in any year be above or below the potential,

TABLE 26.—*Real gross national product, 1955, 1966, and 1969, and projections for 1975–76*

Claim	Actuals			Projections	
	1955	1966	1969	1975	1976
Billions of dollars, 1969 prices					
Gross national product available.....	569.0	845.5	931.4	1,199	1,251
Claims on available GNP.....	569.0	845.5	931.4	1,188	1,232
Federal Government purchases.....	69.8	88.3	101.3	83	83
State and local government purchases.....	53.8	94.4	110.8	140	144
Personal consumption expenditures.....	344.3	519.2	577.5	768	802
Gross private domestic investment.....	96.9	137.5	139.8	192	198
Business fixed investment.....	55.1	92.0	99.3	128	134
Residential structures.....	34.5	29.4	32.0	52	52
Change in business inventories.....	7.3	16.1	8.5	12	13
Net exports of goods and services.....	4.2	6.1	1.9	5	5
Unallocated resources.....	.0	.0	.0	11	19
Addendum: Federal surplus or deficit (—), national income accounts basis.....	5.6	— .2	9.3	25	32
Per capita personal consumption expenditures.....	2,083	2,637	2,842	3,529	3,641
Percent of total GNP available					
Gross national product available.....	100.0	100.0	100.0	100	100
Claims on available GNP.....	100.0	100.0	100.0	99	99
Federal Government purchases.....	12.3	10.4	10.9	7	7
State and local government purchases.....	9.5	11.2	11.9	12	12
Personal consumption expenditures.....	60.5	61.4	62.0	64	64
Gross private domestic investment.....	17.0	16.3	15.0	16	16
Business fixed investment.....	9.7	10.9	10.7	11	11
Residential structures.....	6.1	3.5	3.4	4	4
Change in business inventories.....	1.3	1.9	.9	1	1
Net exports of goods and services.....	.8	.7	.2	(¹)	(¹)
Unallocated resources.....	.0	.0	.0	1	2
Addendum: Federal surplus or deficit (—), national income accounts basis.....	1.0	.0	1.0	2	3

¹ Less than 0.5 percent.

Note.—Projections are based on projected Federal expenditures (see Table 27) and their influence on various components of GNP.

Detail will not necessarily add to totals because of rounding.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 27.—*Projections of Federal Government expenditures, national income accounts basis, 1975–76*

[Billions of dollars, 1969 prices; calendar years]

Type of expenditure	Projections	
	1975	1976
Federal Government expenditures.....	216	217
Purchases of goods and services.....	83	83
Transfer payments to persons ¹	84	86
Grants-in-aid.....	30	30
Other.....	18	18

¹ Excludes transfer payments to foreigners, which are included under "other".

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

Sources: Office of Management and Budget and Council of Economic Advisers.

though it is the object of policy to keep a reasonable balance between actual and potential output. This chapter is concerned with the allocation of the total output when it is equal to potential.

Briefly stated the other major components are determined as follows:

1. *Claims on Available GNP*. These are the sum of the demands for output (items 2 through 7).

2. *Federal Purchases*. These involve a projection of the costs of existing Federal programs and new initiatives proposed by the Administration. The dollar costs of existing programs have been increased where this is proper to allow for the growing population, the rising workload, Federal pay increases, and relative price increases of the goods the Federal Government buys. These dollar costs are then deflated to 1969 prices.

3. *State and Local Purchases*. The growth of these purchases in real terms is assumed to be a function of the rise in real GNP, Federal grants-in-aid, and the population.

4. *Personal Consumption*. Purchases by consumers are assumed to be a function of real GNP, Federal personal taxes, State and local taxes, Federal transfers, State and local transfers, and a level of personal saving that averages 6.5 percent of personal disposable income.

5. *Business Fixed Investment*. In real terms this component is estimated to be about 12 percent of real private GNP in 1976. This proportion has been adjusted upwards from the assumption used in the 1970 *Economic Report of the President* because of the shortfall of actual below expected investment in 1970 and 1971 and because of the effects of the recently adopted accelerated depreciation allowances.

6. *Residential Construction*. In real terms this component is estimated to follow a path that achieves the 26 million housing units explicitly called for in the Housing and Urban Development Act of 1968.

7. *Inventory Investment and Net Exports*. Both are expected to rise slowly at about the same rate as total real GNP.

According to these estimates, present programs and tendencies would leave unallocated to any specified use 1 to 2 percent of the potential output in 1975–76. This does not mean that this proportion will find no demand and will therefore remain unproduced. Whether that happens or not will depend on factors such as fiscal and monetary policy discussed elsewhere in this report. What it does mean is that the simple relationships used here do not tell how that 1 to 2 percent of the potential output will be used. There are various possibilities for its use. If the economy is kept at its potential by monetary policy, for example, then an excess supply of savings implicit in the projected excess supply of output would depress interest rates; it would probably also reduce planned saving and raise investment, including residential construction. Another possibility is that taxes would be reduced, presumably with the effect of increasing private consumption and perhaps investment. A third possibility would be an increase

of Federal expenditures; in that case the effects on the pattern of output would depend on the nature of the expenditure.

The estimates also reveal a Federal budget surplus in the national income accounts of about 2 to 3 percent of potential output in 1975–76. This surplus does not by itself explain the existence of unallocated resources. In fact, as Table 26 shows, there were substantial surpluses in 1955 and 1969, when obviously there was no unallocated output, and actual output was approximately at the potential. So in 1975–76 the unallocated resources could be used without reducing the surplus. Still, two of the three methods listed above for allocating the unallocated resources—increasing expenditures and reducing taxes—would also reduce the budget surplus. In the simplest case, if all the unallocated resources were devoted to Federal purchases, the annual surpluses would be reduced to about 1 percent of potential output—which would be about the same as in 1955 or 1969. These surpluses would be an addition to private saving to finance private investment and State and local deficits.

However, the lesson in the estimates is not that there are unallocated resources for the mid-1970's, but that they are already so small. There is a natural tendency in the political process to add commitments for continuing expenditures while clipping away—slowly and gradually, or occasionally with bigger strokes—at the revenues. The margin for these actions is already small. Adding \$3 billion each year to the cost of existing programs, in 1969 dollars, would exhaust the unallocated economic resources that now appear for 1975–76. To insist on doing more, taking the expenditure and revenue sides of the budget together, would draw resources from other uses. If the lid were kept on the economy by tight money to prevent inflation, high interest rates would tend to draw these resources out of housing, State and local government outlays, and business fixed investment. If inflation were permitted, the share of the national income going to taxes would rise and cut real consumption. With higher prices there would be higher money incomes, but taxes would rise still more rapidly, since the Federal tax system is progressive. This is the simplest way in which excessive Government spending or a reduction of nominal tax rates restores the effective tax rate needed to equate aggregate supply with aggregate demand.

The estimates presented here reveal an increase in real consumption between 1969 and 1976 that is much faster than occurred from 1955 to 1969. In the earlier period real per capita consumption increased only 2.2 percent a year, while in the period ahead it is estimated to rise by 3.6 percent a year. Most of this difference is due to an expected faster rise in per capita output in the later period—3.1 percent against 2.1 percent. This estimated rise is in turn the result of the projected faster growth of the labor force relative to population in the years ahead. The remainder of the difference results from a faster increase in the share of consumption in the GNP, due mainly to reductions of tax rates and an increase of transfer payments. The reduction of taxes, the increase in transfer payments, and the consequent increase in the

consumption share are made possible by a reduction in Federal purchases, a reduction that shows up absolutely and even more as a share of the potential output. It is mainly a consequence of the projected absolute and relative decline of defense spending in real terms.

The sum of the growth in available resources and the decline in Federal purchases between 1969 and 1976 may be viewed as a "peace and growth dividend." It amounts to \$338 billion in 1969 dollars. About 66 percent of this would be absorbed by personal consumption according to the estimates presented here, almost 10 percent by State and local purchases, and the remainder, including 6 percent which still is unallocated, by the other categories.

The share of State and local purchases in the total remains almost unchanged despite the effect of revenue sharing, which is estimated to add about \$5 billion in 1969 dollars to State and local purchases by 1975. This means that per capita State and local purchases would be rising at a slightly lower rate than per capita output, about 2.6 percent a year in real terms compared with 3.8 percent from 1955 to 1969. During the years ahead the school-age population will be increasing much less rapidly than in the earlier period; since education counts for a very large proportion of the cost of State and local governments, we should therefore expect a slower increase in per capita State and local services.

The present estimate of unallocated resources in 1975 is slightly smaller than was estimated in last year's *Economic Report of the President*. Many of the components have changed but tended to have offsetting effects on the level of unallocated resources. On the one hand, the Federal budget, especially in transfers, grew much more rapidly than was projected a year ago, a fact which has tended to increase private consumption and State and local spending and to reduce the unallocated portion. On the other hand, the higher inflation than was expected in the last year has increased "real" Federal personal tax receipts at full employment (because of the progressiveness of the tax system); as a consequence projected private consumption has been reduced because the relatively higher Federal personal taxes reduce disposable income. More succinctly, higher inflation rates act like a tax on real income, but the rapid growth of transfer payments has sustained real disposable income.

ALLOCATION OF THE NATIONAL OUTPUT AMONG FUNCTIONS

For many purposes the discussion above covering the past and prospective uses of the national output classified by the purchaser (Federal, State and local governments, consumers, businesses) is significant. We are interested in the buyers who will claim the output and the size of the different markets that will absorb it. But "priorities" are also reflected in the distribution of the national output by functions or uses, such as health and educa-

tion, regardless of who is the purchaser. There is, for example, interest in how much of the national output is devoted to education, and whether it is paid for privately, by State and local governments, or by the Federal Government.

This section presents estimates of the allocation of the national output by certain broad functions and also the share that Government expenditures represent in the total for each function. It should be noted that the estimates are crude in many respects, the existing national accounts statistics not having been developed for the uses made of them here. The following discussion is offered as much to illustrate a fruitful approach that deserves more work as to suggest substantive conclusions.

The share of Government expenditures in a functional category is not an adequate measure of the amount of the total that is "due to" Government, with the implication that the total would be correspondingly lower if the Government's share were lower. Obviously, Government cannot be adding to the share of all functions. The output would be divided among all the functions somehow even if there were no Government. It cannot even be assumed that Government always enlarges those functions when it spends more than the average. Government expenditures on occasion may displace private or State and local expenditures—or it may attract them. Nevertheless, the figures provide an initial basis for thinking about how the national output is used and how the Federal Government may be influencing the process.

The allocation of the national output over the past 15 years is shown in Table 28. The appendix to this chapter gives a more exact definition of the different functions. The years that were chosen for Table 28 are years when the economy was at or near full employment; the comparisons between these years are therefore not affected by substantial differences in the economy's operating rate.

TABLE 28.—*Percentage distribution of GNP in current prices, by function, 1955, 1966, and 1969*

Function	Percent of total GNP, current prices		
	1955	1966	1969
Total GNP.....	100.0	100.0	100.0
Basic necessities.....	45.7	42.3	41.6
Education and manpower.....	3.7	5.7	6.3
Health.....	4.1	5.6	6.4
Transportation.....	10.6	9.9	10.0
General government.....	2.0	2.7	3.1
Defense.....	9.3	7.8	8.3
New housing.....	5.9	3.5	3.7
Business fixed investment.....	9.6	10.9	10.7
Net exports and inventory change.....	2.0	2.7	1.1
All other.....	7.1	9.0	8.8

Note.—Detail will not necessarily add to totals because of rounding.
 Sources: Department of Commerce and Council of Economic Advisers.

Changes over the past 15 years have been substantial but are not unexpected. With the advance in per capita incomes, it is not surprising that

spending for basic necessities, such as food, clothing, and rents (actual and imputed), has declined in relation to GNP. There has also been a general trend away from defense and housing investment.

The sectors where strong growth in demand has occurred are education, health, and general government. The general government category includes expenditures for fire and police departments and natural resource programs, including pollution abatement. Those sectors where expenditures are increasing are also the sectors where prices have risen very rapidly. If the GNP and its functional components were adjusted for these relative price increases, the distribution of the functional components would be different, and shifts in the distribution probably would not be as marked.

The role of the Federal Government in this shift in the character of output has been important. It is simple to measure the direct Federal and State and local purchases in each of the functional categories. But the direct share of national output that the Federal Government purchases does not fully represent its influence in determining the composition of national output. For example, the Federal Government influences the functional composition of GNP through its grants programs. Large grants have been made to State and local governments, and these grants, which are tied to particular uses, have accounted for an increasing portion of the Federal budget. Also, transfer programs, such as Medicare, have been increasing rapidly in recent years. These transfers are often tied to particular end uses of GNP, and so they are also important determinants of the final composition of GNP. Table 29 lists the functional composition of the Federal budget.

TABLE 29.—*Percentage distribution of total Federal Government expenditures, by function, 1955, 1966, and 1969*

[Percent]			
Function	1955	1966	1969
Total Federal Government expenditures ¹	100.0	100.0	100.0
Basic necessities.....	23.2	27.2	29.5
Education and manpower.....	2.3	3.7	3.8
Health.....	1.7	4.3	8.0
Transportation.....	1.8	4.3	3.5
General government.....	3.4	3.8	3.6
Defense.....	60.0	45.9	44.2
New housing.....	— .3	.7	1.2
All other.....	7.8	10.0	6.2

¹ Include purchases of goods and services, grants-in-aid, and transfer payments; exclude net interest and subsidies less current surplus of Government enterprises.

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

Sources: Department of Commerce and Council of Economic Advisers.

The direct and indirect share of the national output for each function that can be traced back to total Federal expenditures is shown in Table 30. The general trends toward education and health care are evident in this table because the Federal contribution in these areas is made primarily through grants and transfers. It is assumed here that a transfer or a grant for a specific function is equivalent to a direct purchase by the Federal Government. This

is a reasonable assumption because many of the grants and transfers for these purposes are directly tied to purchases by the private sector or by State and local government sectors.

TABLE 30.—*Total direct and indirect Federal Government expenditures as percent of output used, by function, 1955, 1966, and 1969*

Function	Percent of output used ¹		
	1955	1966	1969
Total Federal Government expenditures ²	15.5	17.0	18.6
Basic necessities.....	7.9	11.0	13.2
Education and manpower.....	9.8	11.0	11.2
Health.....	6.4	13.2	23.4
Transportation.....	2.7	7.5	6.5
General government.....	25.5	24.3	21.2
Defense.....	99.9	99.9	99.8
New housing.....	— .7	3.6	6.1
All other.....	17.1	18.9	13.2

¹ Federal expenditures for each function as percent of GNP for that function. See footnote 2.

² Total Federal expenditures as percent of total GNP. Expenditures include purchases of goods and services, grants-in-aid, and transfer payments; exclude net interest and subsidies less current surplus of government enterprises.

Sources: Department of Commerce and Council of Economic Advisers.

Transfers and grants that are not tied to specific purchases in a sector are assigned to “basic necessities.” For example, Federal welfare payments and Social Security payments are rarely tied to specific purchases, but it may be assumed that they are used by and large for food, clothing, and rents. On this assumption, it is evident that the Federal share in this sector has grown very rapidly in the past 15 years.

Finally, the total public share of these functions—both direct and indirect—is shown in Table 31. This table is similar to Table 30 except that it emphasizes the important traditional role of State and local governments in such functions as general government and education.

TABLE 31.—*Total direct and indirect Federal and State and local government expenditures as percent of output used, by function, 1955, 1966, and 1969*

Function	Percent of output used ¹		
	1955	1966	1969
Total Federal and State and local government expenditures ²	23.2	26.7	29.6
Basic necessities.....	9.9	13.2	15.8
Education and manpower.....	89.3	86.7	87.0
Health.....	23.4	28.8	39.9
Transportation.....	16.3	20.4	20.2
General government.....	100.0	100.0	100.0
Defense.....	100.0	100.0	100.0
New housing.....	.1	4.7	6.3
All other.....	18.8	20.8	15.0

¹ Government expenditures for each function as percent of GNP for that function. See footnote 2.

² Total Federal and State and local government expenditures as percent of total GNP. Expenditures include purchases of goods and services and transfer payments; exclude grants-in-aid, net interest, and subsidies less current surplus of government enterprises.

Sources: Department of Commerce and Council of Economic Advisers.

What do these data suggest about the uses of the Nation's output? While the estimates are tentative and involve more than the usual quota of statistical uncertainties, several conclusions are at least suggested.

First, it is clear that since the mid-1950's the Nation has been increasing steadily the share of its economic resources devoted to education and manpower training, health, general government, and business investment. In effect we made room for their rising shares by reducing the proportion of our economic resources devoted to national defense, residential construction, and basic necessities. Since prices rose most rapidly in those markets where productivity growth was low and demand was strong, changes in the pattern of output would be more moderate if output were expressed in constant prices throughout, but the same pattern would be evident. This is a judgment that cannot be verified for the economy as a whole with existing price deflators; it can be verified, however, and is true for the private sector of the economy. Since the decline in resources absorbed by the provision of basic necessities was small, and would be expected in an economy with rising incomes, the significant shift was from national defense and residential construction to education, health, business capital formation, and general government.

Second, the data provide some indication of the extent to which public budgets have led the way in changing national priorities. The question itself is, however, a difficult one. Growing government outlays for a function which is itself growing in importance would suggest that this government activity was resulting in the allocation of more total economic resources to that function. Indeed, an increment of public outlays may attract private resources to the same use. Government's influence on the allocation of resources might, however, work the other way. If the Government assumes more direct responsibility for certain functions, private claims on resources may be increasingly devoted to other functions. Therefore we cannot be certain that more resources are being used in those areas where Government contributions have increased. Government inevitably provides all services for some functions such as general government or national defense through public budgets, and it therefore has direct control over the share of the national output devoted to these functions.

Nevertheless, in spite of the ambiguities in the interaction of public and private decisions, some things can be said about the impact of government fiscal activities on changes in the use of our economic resources. For one thing, public outlays, as indicated in Table 31, have been growing in importance relative to the size of the economy. They have risen from an amount equal to 23.2 percent of GNP in 1955 to 29.6 percent in 1969, the growth being about evenly divided between Federal outlays and outlays of State and local government units. The most dramatic and clear-cut effect of public budgets on uses of output seems to have occurred in health-related outlays. The share of our total economic output used for health care rose from 4.1 percent of GNP in 1955 to 6.4 percent in 1969. And the share of these out-

lays that was financed by public expenditures rose dramatically from 23.4 percent in 1955 to 39.9 percent 14 years later. Public outlays also increased as a share of the total economic resources devoted to basic necessities, housing, and transportation.

Within the public sector the Federal Government increased its share in financing most of the categories of uses of output, health expenditures being the most striking example, with housing expenditures next. State and local governments, however, are providing a larger share of total general government services than in 1955.

These data suggest that there are many different forces influencing the final composition of the national output. Most of these express themselves in the private sector of the economy, primarily because it is still the largest sector. There has been a marked shift in the composition of the Federal budget, but that shift is only weakly translated into a similar shift in the composition of national output. However, it is important to recognize that some Government programs are designed to change not the composition of final output but the distribution of income. For example, the growth in Federal expenditures associated with basic necessities is related to the large increases in income maintenance payments between 1955 and 1969. This type of program is designed primarily to redistribute income and not to change the functional allocation of the GNP. Consequently, expansion of programs to redistribute income could very well have substantial, little, or no effect on the functional allocation of GNP. This means that neither the breakdown of GNP by purchasers given in Table 26 nor the functional breakdown of GNP given in Table 28 is a completely appropriate framework for the analysis of government policies designed to change income distribution.

CONCLUSION

The illustrative projections of GNP and the claims on GNP establish a broad framework for the analysis of priority decisions.

Federal budget decisions influence many of the demand components of GNP, and this influence will be quite pervasive in the next 5 years. The magnitude of demands on resources according to this long-range outlook is very great when consideration is given to projections of existing tax and expenditure programs. The potential output left over after visible claims are met is small. If new claims are to be satisfied beyond that, some existing claims will have to be cut. This can be done by tax or expenditure changes. Such changes require explicit decisions which are difficult to make, but they are necessary if a significant shift in the composition of output is desired. One alternative to making hard choices is inflation, since inflation is a process by which competitive claims on output are finally arbitrated. But this is a capricious way to resolve these conflicting demands.

When the allocation of GNP among certain functional components is examined, it is clear that there have been substantial changes in the past 15 years. Most of these changes are attributable directly to private decisions,

since many of the Federal budget changes were not closely related to changes in the allocation of GNP. This reflects the fact that the private sector is by far the largest sector in the economy, and there are probably some important substitutions between private decisions and Federal budget decisions.

APPENDIX

Definitions of Functional Components

The composition of each of the eight functional components of GNP (basic necessities, education and manpower, health, transportation, general government, defense, new housing, and all other) is described below. Each function is defined as the sum of private purchases and government purchases. The sum of the eight functions, together with business fixed investment, the change in inventories, and net exports, comprises GNP. Private expenditures were obtained from the *Survey of Current Business*, Table 2.5: Personal Consumption Expenditures by Type of Product. The source of the government expenditures was Table 3.10: Government Expenditures by Type of Function. Federal purchases and State and local purchases were added to obtain total government purchases.

The government sector contributes directly to the functions through purchases and indirectly through transfer payments. Within the government sector, the Federal Government contributes to the State and local expenditures through grants-in-aid. A more detailed description of the functional categories and the data used are available from the Council of Economic Advisers.

The descriptions below broadly identify the functional components that are used in the national income accounts and were arranged to form eight principal functional categories. The descriptions do not attempt to justify the inclusion or exclusion of different kinds of spending in different functional categories. It is often difficult to determine in any precise way how the categories should be defined, and in the classification process there are many serious problems that cannot be resolved without some judgment. But it is hoped that the composition of the final output and the trends in the relative shares of the categories are not seriously affected by the ambiguities of classification.

It is worth noting again that these GNP components do not measure intermediate products that often serve a useful purpose aside from their contribution to the real value of the final product. On-the-job training is a good example of an educational function that is not counted as real output. Furthermore, the functional categories are not wholly consistent since the functional categories for government spending are only partly consistent with those for private spending. There are other shortcomings of these data,

but they are probably sufficiently accurate to present a broad view of the composition of output.

Education

Under education are included private expenditures on education and research, together with government expenditures on education, on the education and training of veterans, and on labor.

Health

In the private sector the health expenditures consist of medical care expenses, and in the government sector expenditures cover health and hospitals, veterans' hospitals and medical care, Medicare, and Medicaid.

Transportation

In the private sector the transportation category consists of expenditures on transportation, excluding the purchases of mobile homes, which come under basic necessities. The public sector includes outlays on highways, water and air transportation, and transit.

Basic Necessities

The function labeled basic necessities contains several different parts. The private sector includes expenditures on food and tobacco, clothing, accessories and jewelry, personal care, housing (rents and the purchase of mobile homes), household operation, and religious and welfare activities. The government sector purchases include purchases for public utilities (electricity, water and gas), for agriculture and agricultural resources, and for social security and special welfare. Most transfer payments not given for specific purposes are included as indirect government contributions to basic necessities, since they are assumed to support private purchases of food, clothing, and rents. These transfers are principally in the form of veterans' pensions, welfare payments, unemployment compensation, and Social Security payments.

New Housing

Expenditures on new housing included in this function are private investment in residential structures (National Income Accounts, Table 1.1) and government expenditures on public housing, urban renewal, and community development. The government sector has a negative value for housing in 1955 because some housing built in World War II was sold by the Federal Government to the private sector.

Defense

The defense function is defined as government defense purchases, excluding atomic energy expenditures. There are no private sector purchases associated with defense. The State and local functions in this sector pertain to the National Guard.

General Government

The general government function consists of government purchases in general government administration, sanitation, civilian safety (fire, police, correction), and natural resources (conservation and recreation). There are, of course, no private expenditures for general government.

All Other

The function labeled all other contains expenditures on those activities not included in the other seven categories. In the private sector are thus included personal business, recreation, and foreign travel. In the public sector are included atomic energy development, space research and technology, international affairs and finance, regulation of commerce and finance, and postal services.

CHAPTER 4

Economic Growth and the Efficient Use of Resources

WE ARE, AS THE ANALYSIS IN CHAPTER 3 MAKES CLEAR, at the beginning of a decade during which claims on our productive resources will be unusually intense. In addition to continuously rising demands for goods and services for private and public use, urgent new claims on our economic resources have also emerged, such as the call for an improved environment. While the growth in our productive capability will also be rapid, 50 percent during this decade being a reasonable expectation, we must think in new terms about the deployment and organization of our economic resources if this growth is to be reasonably balanced. The purpose of this chapter is to explore selected program and policy issues that will require some new thinking if our economic system is to make its maximum contribution to national well-being.

The success of our economic system in achieving this goal requires that the full social cost be paid for the use of resources. Most of our productive resources are, of course, privately owned and can only be used if they are compensated according to their cost. The worker must be paid for his labor; the property owner expects a return for the use of his investment in land or productive facilities. Competition in the free market will normally lead to the optimal use of these resources. Under certain circumstances, however, the cost to society as a whole will not be the same as the private cost of the resources. For example, when a person drives his car during the rush hour he pays the cost of the gasoline he uses; but he pays none of the cost of the additional congestion he helps create, except to the relatively small extent that he himself is adversely affected. This means that resources may not always be allocated in a way which best serves the national welfare.

Social costs may exceed or fall short of private costs for many different reasons. For example, when there is no clear private ownership of a resource, the market cannot operate in such a way that the consumer pays the full social cost. When a monopoly controls a good or service, the price will tend to be above both the private and the social cost of production. Government regulation of prices or output can also force prices above or

below true social costs; examples in the fields of transportation and energy will be discussed in this chapter.

In cases where goods are overpriced or underpriced compared with their true social cost, their consumption patterns tend to be distorted and the value of national output is diminished. A striking example of this problem, recently and forcibly brought to public attention, is the underpricing of clean air and water in many communities. Because there are no property rights for the air and for most bodies of water, air and water have traditionally been treated as free goods to be used at no cost for disposal of wastes. This arrangement does not necessarily cause problems. As long as the wastes do not exceed its assimilative capacity, the environment itself performs valuable services free. But when the assimilative capability of the environment is exceeded, pollution imposes real physical and psychic costs on the community. Clean air and water are then no longer free for society as a whole. The growing number of such cases has led to numerous demands for Government action.

In other areas where Government has intervened to set prices for certain goods and services and otherwise to control their availability, the results have often prevented the efficient use of resources. Many Government regulatory policies, for example, were formulated under conditions which no longer exist, and these policies may have to be reconsidered if we are to have the growth and efficiency in our economic system to meet rapidly mounting claims on output.

POPULATION GROWTH AND ECONOMIC GROWTH

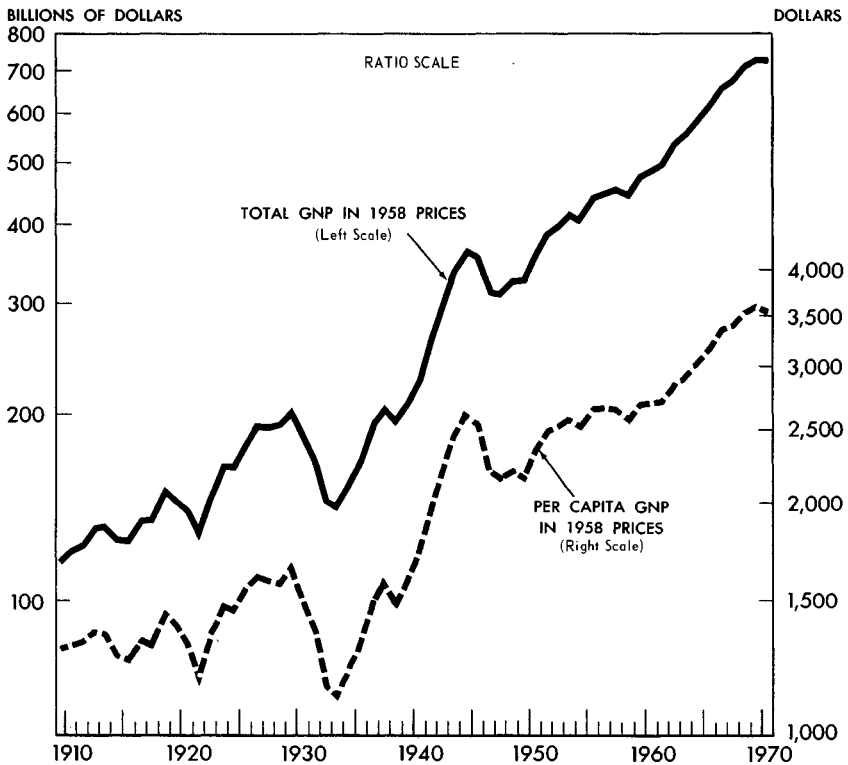
The growth of population and its concentration in metropolitan areas have raised increasingly urgent questions bearing on public policy and the efficiency and growth patterns of our economy. Historically, a growing and mobile population has been a major source of economic development in the United States. The waves of migration and the push westward encouraged by our early land settlement policies accelerated the process of converting an undeveloped land into the world's most productive economy. As the population grew and spread over the country, agriculture, transportation, manufacturing, and commerce expanded dramatically. Large markets stimulated production and permitted economies of scale to be realized. Although the population is now growing at a lower rate than in the past, the absolute increase continues to be high. The population has also remained unusually mobile, and this mobility has helped people find the jobs for which they are best suited. Along with industrialization, there has been steady migration to urban centers, where economic, social, and cultural opportunities are more abundant, but where new problems are being created. Conversely, the problems in many rural areas are those associated with a declining population.

GROWTH AND SIZE: IMPLICATIONS

The magnitude of these changes is striking. Since the first census in 1790, the U.S. population has increased from 3.9 million to 205 million. Economic growth, as measured by real GNP, has proceeded even more rapidly than population growth. In the past 60 years, population has increased by 122 percent while real GNP increased sixfold, so that per capita real GNP increased by 171 percent (Chart 7). Historically, then, population growth has clearly not prevented a rapid rise in levels of living as reflected in GNP (see Chapter 3 for conceptual limitations).

Chart 7

Growth in Real GNP, Total and Per Capita



SOURCE: DEPARTMENT OF COMMERCE.

The role of population growth in the country's future economic development is less clear cut. While population growth can be expected to lead to growth in total output, the key question is whether it will continue to bring about or be associated with growth in output per capita. With as large a population as ours and with our opportunities for trading with other coun-

tries, we may have exhausted many economies of scale. The past conjunction of rapid population growth and rapid economic growth does not imply that population growth is necessary for economic growth in the future.

Indeed many people are asking whether population growth may even be detrimental to further growth of output per capita or of some more comprehensive measure of individual well-being. While there appears to be no immediate threat, it is less clear that we can be equally sanguine about the next century. Population projections point toward a substantial further growth in the number of people. According to the "high" census projection, 321 million persons will be living in the United States in the year 2000, and the numbers will rise to 440 million in 2020. The "low" census projection estimates 266 million persons in 2000, and 299 million in 2020. Even if the fertility rate were to drop now to the level required for an eventually stable population, and no further immigration occurred, the population would not actually stabilize until the year 2037 because of the high proportion of young people in the present population. At that time, there would be about 276 million people in the United States.

Why are questions now being raised about the impact of population growth when such a rise in the numbers of people did not prevent, and indeed may have encouraged, the Nation's economic growth during most of its history? The present concern centers on the limited supply of certain types of resources. While it is impossible to specify the future adaptations in technology and consumption patterns that will conserve resources, past experience indicates that many unforeseen ways of meeting demands will be found. But some natural resources could become much more costly than they are now. Costs have risen, for example, as poorer deposits of minerals have been extracted and as water and other resources are recycled. The costs in terms of environmental damage, or in terms of the resources used to prevent such damage, will also increase. Certain natural scenic areas are almost fixed in supply; and, as they become more crowded, they may provide less enjoyment for those who use them.

Some of these problems will arise because of our increasing affluence, not because there are more people. Even by the year 2020 the high census projection would give us a population density of only 124 persons per square mile, about one-fourth that in Western Europe today. Each person will, however, demand more manufactured products, more housing, more transportation, more recreation, and more services, and this will affect environmental conditions. Rising affluence is at least as important as a growing population in creating additional demands on the supply of natural resources. At the same time, increased affluence makes it easier to bear the costs that thereby arise. The same factory that could well be denied a place in a rich country because it creates pollution would be welcomed in a low income country because it creates jobs. And more costly production processes which cause less pollution can be used in factories that do locate in a rich country.

POPULATION DISTRIBUTION

Many of the problems that are commonly attributed to excessive population in the United States are actually caused by uneven distribution (Chart 8). We now have only 58 persons per square mile, about one-eighth of the density in Western Europe and less than one-tenth of Japan's. The density of the population, however, varies greatly within the United States. It ranges from 5,327 persons per square mile in the New York City area to 3.4 for Wyoming, and Alaska has only one person for each 2 square miles. Although areas with the lowest density at present have always been sparsely populated, the population of many rural areas has declined. The proportion of the population living in urban areas has been increasing steadily and now comprises more than 70 percent of the total.

An important factor in the changing distribution of population is the shifting composition of national output. When the country was largely agricultural, settlement was heavily influenced by the distribution of arable land. A substantial share of the population not employed directly in agriculture was employed in serving the agricultural population. Because of high transportation costs these persons located close to the farming areas. A multitude of small centers served the everyday needs of farmers, while larger, more widely spaced centers undertook activities which were needed less frequently or in which there were substantial economies of scale. As with agriculture, clusters of people also developed around such natural resource industries as forestry, mining, and fishing.

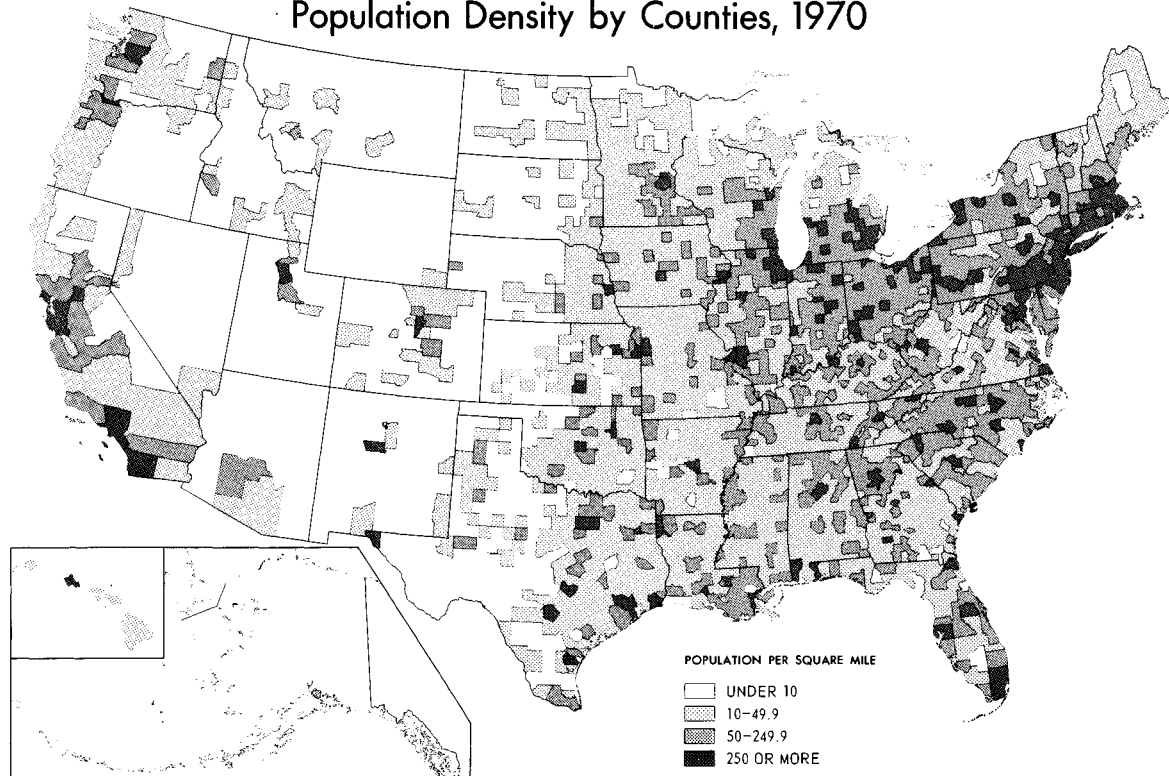
These primary industries no longer have a major influence on the distribution of population. The farm population, for instance, is now less than 5 percent of the U.S. total, compared to 15 percent in 1950 and 35 percent in 1910. The relatively slow growth of industries dependent on natural resources, the efficiency with which people and goods can be moved, and the more rapid expansion of manufacturing and service industries have encouraged further expansion of the already large population centers. These centers provide opportunities for specialization and economies of scale that would otherwise be impossible.

The distribution of populations within cities is also affected by changing cost factors. The lower the cost of transportation and the higher the value of spacious living, the more people will spread out around centers. As people spread out to the suburbs, industries follow. The factors that affect the distribution of people and jobs tend to reinforce each other. Jobs move in search of people and people move searching for jobs. As a result an initially small change in activity at a center can eventually have a large impact on its size.

The consequences of the tendencies discussed above can be seen in the population statistics. The population of the 24 metropolitan areas of more than a million people in 1960 grew 14 percent between 1960 and 1970, as compared to 10 percent for the remainder of the country. Metropolitan areas with more than a million persons now contain 39 percent of the total

Chart 8

Population Density by Counties, 1970



SOURCE: DEPARTMENT OF COMMERCE

population. At the same time, the population within metropolitan areas is shifting from the central city to the suburban fringe. Fifty-seven percent of the people in metropolitan areas of more than a million lived outside the central city in 1970, compared to 51 percent in 1960. In 1969, families living in metropolitan areas of a million or more had average incomes 13 percent higher than those of families in smaller metropolitan areas and 37 percent higher than those of families outside metropolitan areas. (These figures do not take account of differentials in living costs.)

Concentration of people and economic activity, however, involves costs as well as benefits. Unless actions are taken to offset the effects of concentration, traffic congestion and air pollution increase with city size. Commuting time rises and recreation areas become less accessible. Expenditures for police protection, welfare, and waste disposal are higher per person in very large cities than in smaller ones.

These costs of larger cities do not necessarily mean that cities should be smaller. The fact that people continue to move to large cities implies that they believe they can gain more there than the costs they incur, though costs imposed on others, such as higher welfare payments or increased congestion and pollution, may make large concentrations inefficient. If cities are too large to be efficient or are poorly organized, the problem can be traced in large part to a failure to charge people for all the costs they impose or to reward them fully for the benefits of their action.

Traffic congestion provides a clear example of problems that arise when costs to users fall short of total social costs. When congestion occurs, every additional car on the streets increases travel costs for all other vehicles. Yet no driver is required to pay for these costs that he imposes on others. Nor is there any compensation for a person who leaves the streets, permitting others to travel faster. A more efficient use of streets would occur if people were to pay in some way for the consequences of their actions. It has been suggested, for example, that people should have to buy special permits to operate cars in congested areas during rush hours, or that a charge for congestion might be collected through parking lots.

The movement of population to metropolitan areas also creates problems for declining rural areas. As population density falls, the range of goods and services offered in an area shrinks. The outmigration of working-age people lowers per capita incomes and makes it more difficult to finance social services. Because of declining travel costs, more and more people who work in outlying areas live in nearby small cities, though the opposite also occurs. As the labor markets in these cities attain a sufficient size, they may also attract industrial employers. Some small cities are already experiencing rapid growth as many business operations and government facilities have been located in such areas.

Last year the President appointed the Commission on Population Growth and the American Future. The Commission is now examining how population growth will affect the quality of life and how all levels of government

can best respond to the demands posed by population growth and its distribution. Its work should help the Nation to make better choices among alternative ways of using some scarce resources.

SAFEGUARDING THE ENVIRONMENT

As the economy grows, more waste of various types is produced. This does not cause major problems as long as the population is widely dispersed and the environment is not overloaded. As the population is increasingly concentrated in urban areas, however, the assimilative capacity of the environment in these areas tends to be exceeded. It then becomes more and more important that these limited environmental resources be used to the best advantage.

While it might be tempting to say that no one should be allowed to do any polluting, such a ban would require the cessation of virtually all economic activity. Since society places a value both on material goods and on clean air and water, arrangements must be devised that permit the value we place on each to determine our choices. Additional industrial development, increased use of pesticides on farms, and a growing volume of municipal sewage mean dirtier water downstream and fewer opportunities for recreation. On the other hand, stricter rules for pollution control generally mean either higher taxes or higher prices for goods. What we seek, therefore, is a set of rules for use of the environment which balances the advantages of each activity against its costs in other activities forgone. We want to eliminate pollution only when the physical and aesthetic discomfort it creates and its damage to people and things are more costly than the value of the good things—the abundance of industrial or farm products and efficient transportation—whose production has caused the pollution.

One of the ways that the competing claims on environmental resources could be balanced is through the development of “new towns” and resort communities. In these cases, a developer essentially buys title to a whole community’s environment. He then has an economic incentive to avoid excessive damage to that environment. If, for example, he lets a factory buy the right to locate in the community even though it would substantially damage the community’s environment, the value of potential residential property will thereby be lowered. Only when the advantages of industrial activity, such as increased income, outweigh the environmental disadvantages would the developer permit the factory to locate there. The same incentives would operate to limit pollution from such activities as municipal waste disposal.

The concept of unified development does not provide much guidance for solving pollution problems in areas that are already developed. With substantial capital invested in existing industrial facilities, a company that must pay large additional costs for pollution control may find continuing operations economically infeasible. A major change in liability for pollution costs may, in effect, expropriate the capital of some even while it

enhances that of others. Nearby homeowners, on the other hand, may feel that pollution has always been harmful, and that its existence in the past does not justify its continuation.

This kind of dispute is central to the pollution problem and has become increasingly widespread as the various users of air and water seek to assert their claims to the limited environmental resources. A solution requires procedures and rules for the use of clean air and water that permit an orderly settlement of the competing claims on these limited resources, and that take account of the fact that these resources are not inexhaustible. The homeowner, the factory owner, and the farmer cannot simultaneously enjoy unlimited use of air and water. Industry and agriculture must recognize the new sense of urgency and concern about environmental problems. At the same time we must not overlook the fact that people also want more and more of the jobs and products of farms and factories.

SOCIAL ROLE OF PROPERTY RIGHTS

Problems similar to those arising from pollution have frequently been handled by granting private title to limited resources. Agricultural and forest land were once common property with poorly defined usage rights. As demands on these resources grew, their use by one party inflicted damage on others. The adjudication of conflicting claims to these resources by granting private title to them served the important social purpose of providing an incentive for these resources to be used more efficiently.

Air and water resources are harder to divide into meaningful private parcels than land. If each landowner had title to clean air around his property, a factory in New York that would emit air pollutants might have to deal with 8 million "property owners," making it difficult to operate any factories at all.

Because private property arrangements cannot be applied generally to our air and water resources, environmental problems connected with their use have to be solved within a framework of common property. The procedures and rules that we develop for resources regarded as common property must encourage their efficient use, just as would be true if they were private property.

A set of rules for the efficient use of air and water should not only permit no more fouling of air and water than we wish to tolerate, but it should also ensure that the tolerated degree of pollution occurs for the most productive reasons. The rules should also encourage the use of resources to limit the damage done by the pollution that is allowed. Finally, the rules and procedures should not themselves entail a higher cost of administration and enforcement than the cost of having no rules.

Specific Rules

As our society has become increasingly aware of the conflicting claims on air and water, specific rules have been developed for the use of these

resources that recognize their limited nature. As early as 1899 a Federal law was passed regulating the disposal of waste in rivers and harbors. However, only with recent legal opinions and legislation has it become clear that the law could be used to reduce pollution, and the President has recently issued an Executive Order to use the law in this way.

Two problems must be faced in setting up rules for use of the environment. First, it must be decided how much pollution, if any, will be tolerated and under what circumstances changes in this amount will be permitted. Toward this end, the Federal Government has established the Environmental Protection Agency. This Agency, together with State and local authorities, develops standards for ambient air and water quality. These standards are statements of environmental quality goals considered desirable for particular areas or for the Nation as a whole. Since past arrangements, which imposed no cost on those who polluted the environment, led to excessive pollution, these air and water quality goals have uniformly sought reduction of pollution. Once such goals are developed, the next problem is to devise a system of rules for attaining them. Particular polluters must be led to change their actions so that, in fact, less pollution is produced. The Federal Government and other authorities have also been active in devising rules to implement attainment of environmental goals.

Foremost among the new rules has been the setting of Government standards applicable to particular pollution sources. Under this system, the Government requires that each source reduce its emissions of pollutants by an amount sufficient to keep the total of all emissions within the environmental quality standard. All sources are ordinarily required to reduce emissions by the same percentage. For example, under recently enacted amendments to the Clean Air Act of 1967, cars of the 1975 model year will have to reduce emissions of carbon monoxide and hydrocarbons by 90 percent from 1970 levels. While such Government standards have been applied most extensively to automobiles, similar standards are now being developed and implemented for other pollution sources.

This system of Government standards provides one mechanism for attaining environmental goals that recognizes the increasing scarcity of environmental resources. If this system is to generate efficient results, the goal must, of course, be appropriate. That is, the control of emissions that is required at each source must produce a high enough quality of air and water so that further improvements is not worth the costs of further control. If Government standards are to achieve the best use of environmental resources, there must also be substantial uniformity of the cost of control among pollution sources. Where these costs differ, the same environmental quality could be attained more cheaply by having the source with low control costs undertake more control than the source with high costs; but this would not occur if uniform standards were applied to all sources. The standards might, of course, be made nonuniform to account for differences in control cost, but only at considerable administrative cost because the

Government agency setting the standards would need detailed knowledge about many different pollution-causing activities. It is also difficult politically to set variable standards. Many, including of course the owner, would think it unfair to penalize a plant with low control costs for its efficiency in pollution control by imposing an especially tough standard on such a plant.

Differences in control cost were perhaps an unimportant problem when attention focused on automobile exhausts. While there are some differences among types of cars in the cost of controlling exhaust emissions, the common technology of the internal combustion engine limited these differences and seemed to justify the application of common standards to all cars. In other cases a pollutant may prove so damaging that a common standard, namely, an outright ban on all discharges, would also be called for even if there are differences in control costs. However, as attention focuses on industrial and agricultural pollutants that are not to be eliminated completely, differences in control cost will prove to be more of a problem. Particular pollutants are emitted from sources with diverse processes, sizes, and ages; and large differences in the cost of control can be expected. For example, sulphur oxides, which are one of the most damaging pollutants of the air, are emitted by electric powerplants, steel mills, nonferrous metal smelters, and home-heating systems. The differences in the size of these sources and the diversity of their processes make it almost certain that a given reduction of sulphur oxides cannot be accomplished at the same cost at each source. It is already known that there are economies of scale in sulphur oxide abatement, so that, for example, a given degree of control could be attained less expensively at one large powerplant than in many home-heating systems.

One way that differences in control costs could be taken into account would be to set "prices" for the use of the air and water. If each potential polluter were faced with a price for each unit of pollutant he discharged, he would have to compare this with the costs of pollution control in his particular circumstance. If control costs were relatively low, he would engage in extensive control to avoid paying the price being charged for polluting. If control costs were high, less control would be undertaken. Since sources with low control costs would carry out more than average control and those with high control costs less than average, a given level of environmental quality could be attained with expenditure of less productive resources than if all sources had to meet a common standard. At the same time, discovery of new techniques to control pollution would be encouraged, because every reduction in pollution would lower the payments for the right to emit pollutants. Of course, a price system, like a system of standards must be employed in a way that is consistent with environmental goals. The right to use air and water must be priced high enough so that the abatement encouraged improves the quality of the environment enough to justify the abatement expenses, while further improvement would not be worth additional expenditures.

There are three methods by which prices may be established for use of air and water: subsidies for control of pollution, charges for emissions of pollution (also called effluent fees), and sales of transferable environmental usage rights.

In the case of pollution abatement subsidies, the "price" paid by the polluter is the subsidy he forgoes. The more he fouls the air and water, the less he receives in subsidies. This approach can attain the efficiency inherent in a price system, but it entails substantial administrative as well as fiscal costs. In order to keep its subsidy payments down, the Government agency will have to incur the expense of ascertaining the level of pollution that would have occurred without any pollution control. As new products and processes are developed, this administrative task would grow more expensive, because in their case no record of past pollution would be available.

Alternatively charges could be levied on pollution. A charge on emissions of harmful substances would limit the amount of emissions indirectly. The higher the charge, the more a polluter would be willing to spend to avoid contaminating the environment (and thereby avoiding the charge). Another alternative would be an environmental usage certificate system. It would limit the amount of pollutants directly, but allow the price for pollution to be set indirectly. Under this system, as under a system of pollution standards, a Government agency would set a specific limit on the total amount of pollutants that could be emitted. It would then issue certificates which would each give the holder the right to emit some part of the total amount. Such certificates could be sold by the Government agency at auction and could be resold by owners. The Government auction and private resale market would thus establish a price on use of the environment. The more pollution a user engaged in, the more certificates he would have to buy. Groups especially concerned about the environment, such as conservation groups, would have a direct method of affecting the environment. They could themselves buy and hold some of the certificates, thus directly reducing the amount of emissions permitted and increasing the cost of pollution.

In general, any choice between emission charges and usage certificates should depend on which is easier to determine: the right price for pollution or the right quantity. If the amount of damage done by a pollutant can be measured easily and it appears that each unit of pollutant does roughly the same damage, an emission charge would be called for. If the damage per unit of pollutant may rise substantially with higher total emissions, a usage certificate system would be in order. Both the charge and the certificate approach would, like a system of standards, reduce the total amount of air and water pollution. However, by introducing a price mechanism, charges or certificates would allow the limited amount of tolerable pollution to be allocated efficiently when differences in the cost of control are present. Such efficiency would reduce the resource cost of pollution control and would

therefore enable us to afford cleaner air and water than we could if common standards were imposed in the face of differences in control costs.

Pollution charges and certificates have not yet been widely used in this country, though some municipalities have levied charges on industrial sewage discharge. A system of water pollution charges has been used in the Ruhr basin for some time, and new proposals for pollution charges have been advanced in this country. This Administration has already proposed a tax on lead additives in gasoline which reduce the effectiveness of certain devices used to control auto exhaust emissions. This tax should encourage drivers to switch to unleaded or low-lead gasoline, refiners to produce such gasoline, and carmakers to equip their cars with the low-cost catalytic filters which work only with unleaded gasoline.

There is currently under study a charge on atmospheric emissions of sulphur oxides from combustion of fossil fuels. This charge would be sufficiently high to encourage substantial control of sulphur oxide emissions, and the consequent reduction of damage to health and property should substantially exceed the control costs.

A charge on sulphur oxide emissions provides a good illustration of one of the important benefits of a price system—namely, the information produced by prices about the most efficient way of handling pollution problems. Sulphur oxide emissions are now regulated by Government standards. The State of Washington, for instance, has proposed a standard whereby copper smelters there would be required to control 90 percent of the sulphur content of copper ore entering smelters. This, according to a study done for the State, could be accomplished at a cost equal to about 2 cents per pound of copper (about 4 percent of the price). The copper smelters there, however, claim that such a level of control is technologically impossible to attain, and that imposition of the standard would force the smelters to close. Such disputes over Government standards are not surprising where there is uncertainty over control costs. Advocates of the standard will tend to minimize its costs so that the chances of having the standard adopted are increased, while those facing the burden of complying with the standard have an incentive to overstate the costs so that chances are improved of having the standard, and hence their costs, lowered. In the absence of accurate independent information on the costs of control, such disputes are difficult to resolve.

Much of the gap in information could be eliminated quickly if an emission charge were instituted. If, for example, a charge were applied to smelters equivalent to 3 cents per pound of copper when emissions were not controlled, then with 90-percent control the smelter would save about 2.7 cents in charges per pound of copper produced. If this 90-percent control could indeed be achieved at a cost of 2 cents per pound, the smelter would not hesitate to incur such costs and thus avoid the larger charge. If, on the other hand, 90-percent control were “technologically impossible” or cost much more than 2.7 cents per pound, the smelter would engage in less complete control. Perhaps 80-percent control could be achieved more

cheaply than the 2.4 cents in payments which this control would save. However, the company would still have an incentive to find new control methods that might be less costly than its remaining tax burden. Not only would the factual dispute be settled by this charge but incentives would be created for an efficient response to an environmental problem.

While transferable environmental usage certificates have the same kind of efficiency advantages as emission charges, they have not yet been applied to the solution of environmental problems. One area where their use may merit attention is the control of offshore dumping of waste, which constitutes a growing hazard to the environment. It is feared that damage, especially to food sources, may escalate sharply unless steps are taken to limit the waste dumped into the ocean. At the same time, the cost of alternative means of waste disposal differs among the many current users of the ocean. Ocean dumping could be limited and individual differences in the cost of control of dumping taken into account under a certificate system. This would require that anyone who wished to dump wastes in the ocean have a Government license to do so. The license would specify the amount and type of material that could be dumped at a particular ocean site, and the number of such licenses would be limited to permit no more dumping activity than is considered safe. These licenses could be auctioned off by the Government, and sold later by a purchaser who no longer required them.

The Administration has proposed legislation under which licenses will be required for ocean dumping. A possibility worth considering is to make such licenses transferable. If this were done, prospective ocean dumpers would either have to pay the going price for licenses or find a cheaper way of disposing of their waste products. Those who were able to find such alternatives would not buy the licenses; those for whom alternatives were very costly would purchase them. The Government's prime concern should, of course, be limited to the total amount and kind of dumping, not who is doing it.

As choices are made between applying Government standards and instituting prices, the grounds on which the choice is made must be kept clear. Prices for pollution have, for example, been regarded by some as a form of evasion of standards, as a "license to pollute." Actually every system of rules for use of the environment, other than outright and total prohibition of certain uses, involves granting someone the right or "license" for some polluting. The amount of pollution that results does not depend on which system of rules is adopted, but on how each is administered.

It is sometimes said that administration of emission charges is unduly complicated, since they must be varied continually as pollution damages change, and they require close measurement of the pollution against which the charge is to be made. When damage estimates can change frequently, administration of a system of charges can become costly, and a certificate or standard system would save this cost. However, the cost of measuring pollution is not unique to a charge or certificate system. It would be just as

great if standards are to be enforced. If measurement of pollution is too expensive to permit an effective system of standards, charges, or licenses, we face a choice between outright prohibition of the pollution, tolerating the present level, or requiring adoption of some conventional control procedure.

Problems in the Application of Rules

As rules for the use of common property are developed, whether these are embodied in Government standards, emission charges, or usage certificates, several problems will have to be resolved. We shall, for example, have to decide at what level of Government the rules will be made. Since these rules require that the gains and losses entailed by different levels of environmental quality be weighed, the Government agency making the rules must be responsive to those who bear the gains and losses. This is especially important because part of the damage from pollution cannot be measured directly but depends on such things as the aesthetic preferences of those affected. As a practical matter, much of the damage from pollution will be "measured" by political pressures from those damaged. Many, though not all, pollution problems are local in character, and therefore determination of the appropriate level of environmental quality in these cases is likely to be more accurate if it is done locally rather than by the Federal Government.

Where the environmental effects of a particular activity are in fact nationwide, as is true when poisons enter the food chain in a river and eventually damage fish caught in a distant waterway, the Federal Government must ensure that certain minimum standards are set. Some degree of uniformity may also be desirable where the cost of altering a given production process or product to meet differing local standards is great. It is not clear, however, that the Federal role should extend beyond the setting of such minimum standards where most benefits and costs of pollution are borne locally. In such cases, a pollution source generates income as well as pollution damage in the community where it is located. The seriousness of the damage will depend in part on such local factors as topography, wind patterns, and population density; and the right amount of control will depend on how much income would be lost to achieve abatement. It would not be sensible to impose the same abatement costs on a factory or farm located in a lightly populated area or where the environment has substantial assimilative capacity as on one in an area without these favorable characteristics.

Where environmental damage crosses local political boundaries but is not national in scope, the appropriate Federal role might be to foster the creation of interstate agencies, such as regional air quality boards and river basin authorities, which would be responsible to residents of areas affected by common environmental problems. The recent amendments to the Clean Air Act of 1967 will permit interstate air quality agencies to set regional

air quality standards, which will have to meet minimum Federal standards. It is important, however, that these minimum standards permit these agencies to adopt standards appropriate to local circumstances.

New rules for use of the environment are bound to affect competitive relationships within and among industries, localities, and nations. As industries are forced to bear the costs of using the environment, those who have high costs will lose part of their market to those with lower costs of using the environment. Inevitably, there will be pressures for Government action to prevent this reallocation of production. It should be realized, however, that such reallocation is necessary if environmental resources are to be used efficiently. Government interference with this process should therefore be limited to mitigating the transitional effects.

The same considerations apply internationally as well as domestically. Our high level of material wealth has caused us to place a higher value on clean air and water than they are assigned in countries which have lower incomes or where clean air and water may still be abundant. As this value becomes reflected in the costs imposed on our producers, those for whom the costs of pollution control are high will find it harder to compete with producers in countries where clean air and water are less valuable or where pollution is lower. The resulting reallocation of production among nations should benefit all nations. We will tend to concentrate on the production of goods which make small added demands on our valuable environmental resources, while other countries will produce goods which increase the use of their relatively abundant environmental resources or whose lower incomes make growing industrialization more urgent than extensive control of damage to their environment. International agreements to restrict this reallocation would, however, be desirable when pollutants emitted in one country damage residents of another.

TRANSPORTATION

Even as Government creates new rules and institutions to promote an efficient use of resources, it must constantly examine the utility of its existing institutions. The transportation industry is a case where special care must be taken to assure that Government policies do not promote inefficiency by permitting private costs to diverge unnecessarily from social costs.

The transportation industry is important both to the Nation's rate of overall growth and to the way that this economic activity is distributed geographically. Much of this industry is subject to Federal and State regulation instituted under conditions that no longer exist. Such regulation today may be one factor that interferes with an efficient use of resources in transportation, and it appears that regulatory patterns may have to be reexamined if the industry is to contribute its full potential to the Nation's welfare. While the focus here will be on regulation, this is not the only Government policy that creates a divergence between private and social costs. Inland waterways, for example, are developed and maintained out

of general tax funds. There is no direct charge levied on the barge operators who use them. Many barge rates consequently fall short of the social cost of such traffic and lead to uneconomic diversion of traffic to barges. In addition some States have laws that inhibit the efficient utilization of labor on railroads.

SURFACE FREIGHT TRANSPORTATION

When the Interstate Commerce Commission (ICC) was established in 1887, the railroads had a near monopoly of freight transportation. Public demand for control of this monopoly was one of the factors leading to the creation of the Commission. Another source of pressure for railroad regulation, however, may also have played a role in the development of ICC regulation. While railroads as a group had a near monopoly of freight traffic, there were often several railroads along the same traffic routes. The absence of antitrust laws made it attractive for rival railroads to collude among themselves in setting rates. As is frequently the case, such private cartels tended to break down when some members secretly reduced rates to lure business away from others. The railroads themselves supported the establishment of a Government agency that would end the instability of these private rate cartels. The powers given to the ICC in 1887 and subsequently may therefore not have been designed primarily to promote competition among railroads.

The ICC now regulates all rail traffic, 39 percent of truck traffic, and 10 percent of inland water traffic. The regulation is comprehensive, covering rates, types of service offered, and the ability of firms to enter and leave the industry or particular markets. While groups outside the transportation industry do influence the exercise of the Commission's powers, the main thrust of regulation has been to ameliorate the effects of competition among the carriers and to mediate competitive disputes among them.

Early attempts by railroads to eliminate rate competition under regulation were not completely successful. Early in the 20th century, therefore, and with the support of the railroads, the ICC was given power to approve minimum rates—rates below which a particular railroad could not go. The railroads used this power to institutionalize the value-of-service rate structure whereby goods of higher value were charged the highest freight rates even if it cost no more to carry them. Private costs to shippers were thus allowed to diverge from the social costs of transportation. This rate structure was most profitable to the railroads at the time, but its institutionalization under minimum rate regulation eventually became a source of their present problems.

The value-of-service rate structure helped expose the rails to competition from trucks. Because rates did not correspond to costs there were substantial differences in the profitability of carrying different goods. New trucking companies saw the prospect of capturing some of the profitable high-rate traffic from the railroads. With the spread of the highway network, the then

unregulated truckers undercut rates on the high-rate traffic and diverted some of it from the rails.

This reduced the profitability of the railroads and they argued for suppression of the truck competition. In 1935, ICC regulation was extended to cover much of intercity trucking (and barge traffic in 1940). In order to resolve the competitive dispute between rails and trucks, the existing rate competition was suppressed. The value-of-service rate structure was carried over from rails to trucks. At the same time, minimum rate regulation was applied to all common carrier motor carriers, so that existing rate competition between trucking firms was reduced. All carriers were left to compete on nonprice grounds, such as speed and the quality and frequency of service.

As the highway network grew, however, trucks continued to attract high-valued freight from the rails. Much of this was manufactured goods, where superior service offered by trucks frequently gave them an advantage. Thus the railroads' share of the freight market continued to fall. From 1939 to 1969, their share of intercity freight traffic fell from 62 to 41 percent, while the truckers' share rose from 10 to 21 percent. At the same time, the railroads became more heavily dependent on low-valued, low-rate traffic.

Inefficiencies Due to Regulation

This shift of traffic from railroads to trucks did not always come about because trucking costs were below those of the rails. Part of it occurred because the value-of-service rate structure was unrelated to the costs of transportation. Even on long-haul traffic, where rail costs are much below truck costs, a shipper would frequently choose to ship by truck if trucks offered better service. By preventing carriers from fully reflecting cost advantages in their rates, regulation maintained high-cost transportation. In some rate cases where a low-cost carrier sought to exercise its advantage by offering a lower rate, the ICC prevented this so that the high-cost carrier would not be damaged financially, even though the public interest would have been better served by lower rates. More recently there has been some increase in competition between modes of transportation, but the ability of carriers to set minimum rates in concert continues to suppress competition among railroads and among motor carriers.

The application of the value-of-service rate structure to all modes also contributed to the problems of rural depopulation and metropolitan congestion which were mentioned earlier. Under the value-of-service rate structure, rates on finished goods tend to be higher than those on raw materials. These higher rates on finished goods give manufacturers an incentive to locate close to or in the metropolitan areas where their major consumer markets are found, rather than in the areas where raw materials are produced.

The preservation of value-of-service rates also induces excessive reliance on unregulated private or contract carriage. Wherever regulated rates are held above costs, some shippers have an incentive to buy or rent their own vehicles, usually trucks. This may save money for the shipper even if the cost

of operating these vehicles is above the cost to the regulated carriers, as it might be because under present regulations these trucks must often return empty to the shipper's location. These added costs represent wasted economic resources.

Transport regulation extends beyond rates. Under existing legislation, a firm that seeks to enter the industry or a particular market must first obtain a certificate from the ICC. This has protected existing carriers from competition because new carriers have not been permitted to enter freely even if they could meet safety and reliability standards. This restriction of entry has inhibited the formation of new trucking firms, though trucking is the most rapidly growing form of regulated surface freight transportation. Further, a certificate to enter a market often contains numerous service restrictions designed to protect established carriers. There are, for example, restrictions on the commodities which may be carried and the number of towns between two points which may be served. In the absence of these restrictions, the same service could be performed equally well by fewer trucks.

This restriction of competition has had in the long run an increasingly adverse effect on many of the intended beneficiaries, especially the railroads. With rate competition among carriers minimized, carriers sometimes strive to gain customers by having the most equipment available and offering the most frequent service. This is one reason why the transportation industry as a whole has had more capacity than the total traffic requires; another reason is to be found in the obstacles to abandonment of unprofitable service. The costs of carrying this excess capacity have in turn tended to dissipate some of the financial gains to carriers that resulted from suppression of rate competition.

An Alternative to Regulation

The development of the transportation industry under regulation suggests that the public as well as large sections of the industry would be well served by relying more on the forces of competition. The rationale for regulation found in the railroads' monopoly position in the 19th century has become increasingly obsolete. Transportation could be a viably competitive industry today since most shippers already have a choice among modes, and with fewer entry restrictions they would have more choice among carriers. By frustrating this potential for competition, regulation appears to have promoted high freight rates and numerous inefficiencies, and in the long run to have weakened firms financially. This raises the question of whether the introduction of competition in transportation may require fundamental institutional reform. Legislative attempts to promote competition under the present regulatory system have had only limited success. This is illustrated by experience with the Transportation Act of 1958, which sought to increase competition among trucks, rails, and barges within the present regulatory framework. While such intermodal competition has in-

creased somewhat, it has often not been permitted when the financial viability of some carrier was threatened.

If it appears that the full benefits of competition can not be attained within the framework of the existing regulatory process, substantial deregulation of surface freight transportation may have to be considered. This approach would involve the removal of regulatory obstacles to competition so that free market forces would ultimately be allowed to establish prices and allocate resources in the same way that they do in other industries. In view of the magnitude of the changes that would be brought about by such deregulation, it would probably be advisable to introduce competition gradually. Carriers, for example, might initially be given freedom to set rates within a narrow band above and below the present regulated levels, and this band could widen over time. Freedom to enter markets could be initiated by removal of the service restrictions on existing ICC truck certificates and of the restrictions on intermodal ownership by existing carriers. At some future point, restrictions on entry by new firms could be lifted. Restrictions against carriers' leaving unprofitable markets could also be lessened gradually by, for example, permitting them to abandon without ICC approval a fixed percentage of service each year for several years. As regulatory restraints on competition in transportation are removed, it would appear appropriate that transportation firms become subject to the antitrust laws, from which they are now substantially exempt. In particular, it would be necessary to guard against predatory pricing, intended to establish a monopoly, and against monopolistic pricing, of which there are instances even under present arrangements.

Deregulation would, of course, produce profound changes extending beyond the transportation industry itself. With restrictions on competition removed, transport rates would be likely to fall; and since high-cost carriers would no longer be protected from competition the rate structure would change. Rates based on the costs of efficient carriers would tend to replace the current value-of-service rate structure. Under a cost-based rate structure, commodity distinctions would tend to disappear, and rates would be based primarily on such factors as the size and weight of shipment.

Deregulation and a shift to cost-based rates would also lead to a better use of transport resources. For many long-haul shipments, rail costs are below truck costs, while the reverse is true for short-haul shipments. Once carriers are permitted to compete and take advantage of these cost differences, some long-haul shipments would shift from trucks to the rails and some short-haul shipments would shift the other way. More generally, since traffic would flow to carriers with the lowest costs, the total resource cost of transportation would be reduced.

Many shipments that now move by rail over branch lines to main lines would instead originate by truck, transferring to the rails at the main line. To reduce the costs of such transfer, many of these multimodal freight shipments would be sealed in containers which could be interchanged among

modes. In this way, both those shippers located close to the main line and those farther away could take advantage of the flexibility and short-haul cost advantage of trucks as well as the long-haul cost advantage of rails. At the same time, much of the cost to the rails of maintaining excess track and underutilized equipment on these lines would be removed.

Many shippers in small towns oppose railroad abandonments of branch lines today, because they fear that under present regulation lower-cost truck service would not be substituted. However, if carriers were free to compete on rates as well as to enter and leave markets as they saw fit, the abandonment of high-cost rail branch lines would create a new market for trucks. Competition among trucks would frequently result in lower freight rates for branch-line shippers than they now face. Such shippers would also greatly benefit by the savings from the multimodal long-haul shipments that increased competition in transportation would stimulate. Regulation is sometimes justified as protecting shippers in nonmetropolitan areas from loss of service. It is argued that without the service requirements imposed by regulation not only railroads but trucks as well would abandon nonmetropolitan areas for the more populous markets. It appears, on the contrary, that regulation prevents many nonmetropolitan shippers from realizing the benefits of competition.

Evidence that nonmetropolitan shippers can and do benefit from a competitively organized transportation industry is provided by experience in agriculture. In response to farm pressures, truckers of agricultural products were exempted from the 1935 extension of ICC regulation to trucking. In the 1950's fresh-dressed and frozen poultry and frozen fruits and vegetables were added to the list of exempt agricultural commodities. The Department of Agriculture found that this resulted in rate decreases averaging about 30 percent for poultry and 20 percent for frozen fruits and vegetables. At the same time shippers reported that the quality of service offered by the nonregulated truckers was generally superior to that previously offered by the regulated truckers. This experience indicates that residents in nonmetropolitan areas may receive substantial benefits from a fully competitive transportation industry. In addition, with cost-based competitive rates, some of the manufacturing activity now carried on in the large population centers, because of the high finished-goods rates in the current value-of-service rate structure, would then shift to smaller towns and generate increased incomes there.

In evaluating the distribution of the gains from competition in transportation the broad national gains should not be overlooked. Residents of all areas are affected by transport rates both as producers and consumers, so that the lower transportation rates brought about by increased competition would benefit residents in all parts of the Nation. This, in the final analysis, is why a deregulated transportation industry would better serve the public interest.

Indeed, recent developments in the railroad industry suggest that deregulation of transportation may have to be considered as a matter of urgent

national priority. Several railroads, including the Nation's largest, are in reorganization; and the Congress has approved Federal Government guarantees for \$125 million in loans to these railroads. These significant developments, however, are only symptoms of more far-reaching problems that appear to be incapable of permanent solution without regulatory reform. The over-investment and misallocation of capital in railroad facilities, and the regulatory restriction on the ability of railroads to set rates that would capture profitable long-haul traffic where they are most efficient, have led to a steady decline in the railroads' own rate of return on investment from an average of 3.7 percent in 1950-59 to 2.8 percent in 1960-69. As the financial condition of the railroads has deteriorated, investment of funds in the railroad business has also become more risky. Today the average rate of return on the railroads' investment, with its increased risk, is less than half that on risk-free Government bonds.

In the absence of regulatory reform it may not be possible for the railroad industry to attract sufficient private capital to prevent further deterioration of service in the years ahead. The Federal Government would then become increasingly involved in the preservation of freight service, as has already happened in passenger service.

RAIL PASSENGER SERVICE

Rail passenger traffic has declined steadily in recent years, and now accounts for only 8 percent of intercity passenger movements by public carriers. Railroads have long been seeking to abandon unprofitable trains, but this was difficult under existing rules. The Railroad Passenger Act of 1970 permits a railroad to discontinue all its intercity passenger service on May 1, 1971, provided that it invests in the newly-created National Rail Passenger Corporation. Most of the capital for the Corporation will come initially from a Federal Government subsidy and guaranteed loans, and a majority of its Board of Directors is to be appointed by the President. The Corporation must raise any additional capital without Federal assistance. It will at the outset eliminate many of the passenger trains which are now unprofitable, and operate an integrated system of passenger trains serving all regions of the country that, it is hoped, will ultimately be profitable.

AIR TRANSPORTATION

Like surface transportation, the air transportation industry is subject to Government regulation which has restricted price competition and appears to have created some inefficiency. This regulation was instituted at the request of the carriers in 1938. Entry into the industry or into a particular market almost always requires a certificate from the Civil Aeronautics Board (CAB), and carriers may not charge rates below those approved by that agency.

This regulation has probably resulted in rates that in many cases are higher than they would otherwise be. In the segments of the industry where

entry has sometimes been permitted—namely, nonscheduled, commuter, and air taxi service—new firms have entered quickly. Some indication of the degree to which regulation has raised rates is provided by the air transportation experience in California. Airlines operating wholly within a State are exempt from CAB regulation. Until recently, California permitted free entry into intrastate markets and did not regulate rates. Competition from intrastate airlines has resulted in fare levels per-mile within California that are approximately 40 percent below those for comparable services in the rest of the Nation. As a result, air traffic between Los Angeles and San Francisco far exceeds that between any other two cities in the world.

Nonscheduled carriers provide further evidence of the benefits of competition. In the late 1940's, a few carriers were permitted to enter the market in order to provide unscheduled service as a supplement to scheduled service. The nonscheduled entrants took an increasing share of the market by undercutting the rates of established carriers in longer-distance markets where rates most exceeded costs. The scheduled carriers responded by promoting low-cost coach service. The regulatory authorities also took action to curb nonscheduled lines. While the public is thus denied the benefits of extensive domestic nonscheduled competition today, the rapid growth of coach service is, in part, an important legacy of the earlier competition.

In 1970, many airlines experienced excess capacity and low profits. This partly reflected the absence of normal traffic growth. From 1960 to 1969, domestic air passenger miles increased at the rate of 12 percent per year. In 1970 there was virtually no growth, while many airlines were taking on another generation of aircraft. In that sense the problems of the airlines are similar to those a decade earlier when they were shifting to jets, while traffic growth decreased and for a time reported earnings were also down sharply.

There is also, however, a more fundamental problem. As is true in surface transportation, the substitution of service competition for rate competition tends to result in excess capacity. Fares higher than a more openly competitive market would establish have not, therefore, led to correspondingly high rates of return. Through the inducement to excess capacity, overinvestment in facilities and planes occurred. Costs were thereby increased, and the financial performance of the companies, even with sheltered fares, has recently been unsatisfactory. Faced with some excess capacity, airlines have asked the CAB to approve intercarrier agreements to reduce flight frequencies in selected markets. Such a remedy tends to treat the symptoms of the problem without removing the cause. The original cause of the excess capacity was regulatory restriction of price competition. If price competition had not been inhibited, the incentive for airlines to provide excess capacity would have been reduced.

The resumption of a more vigorously expanding economy will ameliorate part of this problem by increasing air traffic. It must be remembered, however, that these problems will be recurrent if prices are held substantially above what they would be in a more openly competitive market. Para-

doxically, the earnings performance of the airlines themselves is apt to be adversely affected if this basic principle is persistently ignored.

NATURAL RESOURCES

The utilization of natural resources normally proceeds from lower-cost to higher-cost sources. As the best sources are depleted, new supplies can be obtained only by exploiting those that involve lower grades and higher costs. Copper is an example. The average ton of copper ore mined in the United States in 1911 contained 1.82 percent copper. By the late 1960's the copper content of ore had dropped to six-tenths of 1 percent, and some new mines now produce ore with less than five-tenths of 1 percent of copper. Technological improvements have counteracted this tendency toward higher costs of production. The number of man-hours of direct labor required to produce a ton of copper ore has declined from 4 hours in the 1920's to one-quarter of an hour in the 1960's. The net effect of these tendencies is that the price of copper in peacetime has moved from a range of 10 to 20 cents in the earlier part of this century to between 30 and 60 cents per pound in recent years, or roughly in line with the general price level.

Not all natural resources have increased in price over the years. Aluminum prices, after bottoming out in the 1940's, are now at about the same level as in the 1920's. As a result of these relative price changes aluminum has replaced copper in many applications. In spite of technological advance and substitution there nevertheless remains a concern about the ability of this Nation to continue producing a high proportion of the industrial raw materials it consumes. Accordingly, Congress has established a National Commission on Materials Policy to estimate the supply-demand situation that will be confronting us toward the end of this century and to recommend appropriate policies.

ENERGY

Sharp price increases in two major energy products, combined with concern about the extent of their supply, have focused particular attention on the Nation's energy resources. In late 1970 the price of heavy fuel oil, which is used by electric utilities, industrial plants, and other large institutions, was almost twice as high as a year before in some markets. Bituminous coal, used primarily by electric utilities, was also priced substantially higher in the spot market than a year before. Natural gas supplies were not available to meet desired consumption at prevailing prices, and therefore the demand for substitute fuels increased. Nevertheless these recent price increases and shortages are not symptoms of a growing scarcity of energy resources. They are the result of unanticipated developments that the energy industry has been unable to offset completely in a short time-span, in particular a stronger demand for energy than was expected from past experience. Programs to reduce air pollution by prohibiting high-sulphur fuels contributed to the problem.

Coinciding with the acceleration of demand, there have been several disappointments on the supply side. The generation of electric power, particularly in atomic plants, has not met the expectations of electric utilities because of construction delays, licensing problems, and environmental concerns. In part, these difficulties reflect the assumption a few years ago that atomic power would become profitable, an assumption that slowed coal mine development. Heavy fuel oil supplies have been limited by a world tanker capacity that has not yet adjusted to the longer delivery runs required from the Mideast after the Trans-Arabia Pipeline was severed. This limitation on supply has resulted in higher prices for heavy fuel oil. Since heavy fuel oil can be imported to the east coast without quotas, that area has come to rely on these normally lower-priced foreign sources for a large share of its supply, and domestic refiners have had no incentive to construct refineries with much capacity for these heavy products.

These short-run problems are being resolved by Federal action and by adjustments in the market. Higher domestic prices of heavy fuel oil have attracted more supplies from abroad; these higher prices have also induced domestic refiners to increase their yields of heavy fuel oil. Actions by the Interstate Commerce Commission to increase the efficiency of utilization of hopper cars, including a doubling of the demurrage charge, have helped to correct another bottleneck by adding about 3 percent to the hopper car fleet's delivery capability. As a result, the previously low level of coal stocks at electric utilities has been raised to the normal range, and spot coal prices have turned downward.

In anticipation of local supply problems in the winter of 1971 a Joint Board on Fuel Supply and Fuel Transport, chaired by the Director of the Office of Emergency Preparedness, was created last September. Actions by this Board and its New England field board have resulted in increased supplies in that area. The field board, in cooperation with local and State authorities and industry, has resolved more than 50 complaints in the area. Barring extraordinary events—such as a rail strike, or extremely severe weather in the remaining winter months, or disturbances of international oil supplies—fuel consumption in the United States should not be significantly curtailed in the winter of 1971.

With tankers being built as rapidly as world shipyard capacity permits and with improvement in the efficiency of our rail system, the transportation problem should begin to abate. Although transportation bottlenecks can arise from time to time, the principal long-run energy problem in the future is to increase the amount of energy produced while avoiding a substantial increase in its price.

Domestic energy consumption between now and the year 2000 is likely to exceed all of the energy consumed by this Nation in its history. This enormous future demand raises questions about the supply of energy fuels, their price, and the role that different sources of energy will play.

Once current technical and environmental problems are resolved, nuclear energy promises to contribute significantly to the electric power supply. While oil and natural gas supplies from conventional sources in the United States appear to be small relative to current consumption, this is not true of coal. However, technology that will inexpensively reduce the air pollution now produced by coal burning may have to be developed if the cost of using coal is not to increase. Coal can also be liquefied and refined to substitute directly for gasoline or fuel oil. It can also be gasified to substitute for natural gas. Liquefaction and gasification of coal are both approaching the margin of economic feasibility. The production of oil from oil shale is another marginal economic proposition, and it is expected that with production experience costs will be reduced further. In the States of Colorado, Utah, and Wyoming there are enormous reserves of oil shale. These sources of energy are not now being exploited because there are less costly ways to supply energy, another illustration of the principle that least-cost resources will be used before those that are more costly.

Even the potential supply of some traditional sources of energy has increased since World War II. An enormous production potential in the Middle East has been hanging over the world petroleum market, production costs there being less than one-tenth the selling price for typical Middle Eastern crudes. Close cooperation among foreign producing countries has thus far enabled them to prevent world prices from falling sharply. Attempts at price increases will, of course, be made, but discoveries of new sources throughout the world will tend to exert countervailing pressure. The increasing number of supertankers should reduce transportation costs, and thereby help to keep delivered prices down.

Within the United States there has been persistent overcapacity in crude oil production. Excess capacity in Texas and Louisiana has typically been over 30 percent in the last decade and has at times exceeded 40 percent of total production capacity. The State prorationing agencies have held back domestic production, and this, together with strict national security limitations on imports, has maintained relatively high U.S. oil prices.

It is important to distinguish between two main functions of State agencies that regulate crude oil production. The first function arises because crude oil is mobile underground and will flow to where it is being drained. If a pool of oil is not produced as one unit, owners of individual portions of the pool have an incentive to lift oil to the surface in their segment rapidly; whatever oil they do not remove themselves will be left for others or may become irrecoverable. Since excessively high rates of production tend to result in lower ultimate recovery, competitive production from a single pool will often be wasteful. By prorating production to individual producers in a pool, State prorationing agencies can enforce the same rate of production that would occur if the pool were being operated economically by a single operator. This is the conservation function of State prorationing agencies.

In some cases, however, these efforts go beyond conservation and limit total production to the market demand for crude oil in the State at prevailing prices. Since the quantity of oil demanded is related to its price, limiting production to the quantity demanded at a particular price tends to support that price. This market demand prorationing, as opposed to conservation prorationing, has often kept production in the United States below efficient capacity. On the other hand, the idle capacity has given us a standby supply of oil that has sometimes been useful in times of international stress.

In the second half of 1970 domestic production was close to capacity. One reason is that imports changed little, and another is that production capacity itself has not grown as rapidly as domestic demand. In part, capacity may have shown little growth because of the negative incentive effects of market demand prorationing. The value of an oil discovery depends not only on the price of oil but also on the rate at which production is permitted. If production is restricted to low levels, the potential value of a new oilfield is reduced. The effect of market demand prorationing on the development of new capacity is therefore similar to that of a lower price.

The action announced by the President in December 1970 to remove market demand restrictions on Federal offshore leases not only promises increased production from existing offshore wells but will also encourage exploration for and development of new productive capacity on Federal offshore land. Supporting this view is the fact that bonus bids received by the Federal Government on the December 15, 1970, Gulf of Mexico sale of leases exceeded earlier expectations and resulted in more revenue than any previous Federal sale.

There appears to be a shortage of one major energy fuel, natural gas; that is, its production is clearly falling short of desired consumption at current prices. Current prices for interstate sales have been kept low by the Federal Power Commission, which sets these prices under law. Not only have prices been too low for desired consumption to be met, but they appear also to have retarded development of new gas supplies. The only satisfactory solution of this problem is to allow the price, at least of new gas not previously committed, to approach the market-clearing level.

It is important to recognize that increased gas supplies, even at higher prices, would offer direct benefits to the consumer. Some users would switch to natural gas if it were available because the price of gas in terms of heating value, though higher than before, would still be lower than the price of the fuel they had been using. Industrial users would switch because gas contains little sulphur and would be the cheapest way for them to meet air quality standards. The added competition of these new supplies would also tend to reduce prices for consumers of other fuels. If the price of natural gas on old commitments remained under control, consumers would be protected from unnecessary price increases on current supplies.

TIMBER RESOURCES

Timber is another natural resource whose supply is affected by Government policies. In fact, there are few areas where Government has as much direct control over the supply of natural resources as it has in timber. About 65 percent of the more than 2 trillion board feet of our Nation's inventory of softwood sawtimber is on public lands. More than half of the total is on land owned by the Federal Government. These softwoods, principally evergreens, provide the major wood materials used by the building industry, and as the economy has grown so also has the demand for softwood.

With only 16 percent of the inventory, the private forest industry has accounted for almost a third of the softwood sawtimber harvests. Public lands have provided some 40 percent, the remainder coming from the private holdings of farmers and other small private landowners. In times of increased demand it is to these private holdings that the forest industry has commonly turned to augment supply. As a result of past cuttings, however, this source of supply has been reduced, and time will be required to regrow much of the timber on private lands.

This decline in supply occurs at the same time that the Nation's demand for softwood lumber products is expected to grow substantially. If the Nation's housing demand for this decade is to be met, the annual consumption of softwood lumber and plywood by the housing industry may have to increase by as much as 75 percent over current levels. And as the economy resumes a course of vigorous expansion, nonhousing demand for softwood will increase as well. It has been estimated that for the economy as a whole the annual demand for softwood sawtimber, assuming that prices remain at their 1962-67 levels, could reach 70 billion board feet by 1978, some 40 percent above the level of consumption in 1969. Accordingly, the President has directed the Secretary of Agriculture to formulate plans for increasing timber yields on Federal lands.

An increase in the timber harvest through intensified management promises broad public benefits. Not only will consumers of wood products, particularly purchasers of housing, benefit through lower prices, but this can be achieved while keeping our timber resources intact. Unlike other natural resources, forests are renewable, so increased cuttings need not imply a permanent reduction in the annual lumber supply. Indeed, it appears that, with proper planning and management, the permanent yield of forest lands can be increased.

Growing concern for our environment necessitates that increases in timber supply be achieved in a manner which is consistent with the preservation of natural surroundings. In the past, cutting has frequently been synonymous with denuding the land, but this is by no means inevitable. By partial cutting and careful selection the negative aesthetic and environmental impact of harvesting can often be kept to a minimum. Indeed, increased harvests can offer benefits beyond the increased supply of timber, for intensified forest management can also result in a natural increase in wildlife and improved opportunities for recreation.

HEALTH CARE

Expenditures for health care have grown rapidly as families' incomes have increased and as Government has assumed greater responsibility for the medical bills of the aged and many of the poor. Total private and public health expenditures grew from \$42.3 billion in fiscal year 1966, the year before the introduction of Medicare and Medicaid, to \$67.2 billion in 1970, or at a rate of 12 percent per year. (Health expenditures are defined more broadly here than in Chapter 3.) Hospital and nursing home expenditures have grown most rapidly, with expenditures for physicians' services and other types of expenditures rising somewhat more slowly.

Price increases account for a considerable portion of the change in expenditures. The medical care component of the consumer price index increased at an annual rate of 6.4 percent between fiscal years 1966 and 1970. The price of daily service charges in hospitals rose at the rate of 14.4 percent per year, while physicians' fees rose at a 6.7-percent rate. Yet in 1966 prices, expenditures for health still grew by 24 percent during these years, rising to 6.4 percent of real GNP in 1970 from 5.9 percent in 1966.

THE SUPPLY OF MEDICAL SERVICES

Between 1966 and 1970 the number of active physicians grew at more than twice the rate of the total population; from 151 active physicians per 100,000 people the figure rose to 159. This growth has been accompanied by a decline in the proportion of physicians who provide primary patient care (general practitioners, pediatricians, and internists) and an increase in the proportion who enter the other specialties. Despite some debate over whether the total increase in services has been sufficient to meet the recent increase in demand, there is agreement that the uneven geographic distribution of physicians presents problems for sparsely populated and inner city areas. There is also growing interest in the possibility of improving the organization and delivery of health services to provide more services for people throughout the country. If more doctors were to practice in groups, where they could take advantages of timesaving equipment and allied health personnel, their productivity could be increased. Group practice might be more suitable than solo practice in some of those areas where health services are difficult to obtain.

Between 1966 and 1969, beds in short-term non-Federal hospitals, where most of the acute hospital care is provided, increased by 7.6 percent. Patients' days in the hospital rose somewhat more, by 10.7 percent between 1966 and 1969, and annual patient-days per person in the country rose from 1.095 to 1.178. This rise in patient-days was due primarily to the increased rate of hospital admission of the aged following Medicare and to their longer average stay after entering a hospital. Hospital use among people under age 65 increased only slightly.

INCREASES OF MEDICAL CARE PRICES

The rapid increase in medical care prices cannot be completely explained by the lack of rapid growth in the supply of the services of physicians and hospitals. The recent increase in fees may be partly a result of the fact that many patients no longer have to pay their own medical bills. The itemized billing required by public and private insurance has also encouraged charging for services which were previously including in a package.

The increased price of hospitalization reflects an increase in the cost of their operation more than a shortage of hospitals. As the financial position of the hospitals has improved following Medicare, they have been more willing to consent to doctors' requests for better equipment and expanded facilities and to pay their employees higher wages. Because Government and most private insurers pay the hospitals according to their costs, these increases are rapidly passed on to the consumer directly or through Government.

WHO PAYS THE BILLS

While the organization and delivery of health care services has been changing relatively slowly, the method of paying for personal health care has altered dramatically. Private health insurance has grown rapidly in the past two decades and now pays 24 percent of all medical bills as compared to 8 percent in fiscal 1950. Government has expanded its financing of medical care from a responsibility for the Armed Forces, veterans, municipal hospitals, and various public health services to the assumption of a large share of medical bills of the aged and poor. The fraction of medical care expenditures paid by Government has increased from 20 percent in 1950 to 35 percent in fiscal 1970. The consumers of medical services are as a consequence directly paying a decreasing portion of medical care costs. Of the \$280 of personal health care services provided per person in fiscal year 1970, individuals paid out of pocket an average of \$110, or less than 40 percent.

The out-of-pocket share of medical expenses which a family must pay depends greatly on the age of the family members. In fiscal year 1969, Medicare, Medicaid, and other Government programs paid about 72 percent of the medical care expenditures of the aged and, after some smaller contributions from private sources, left them with out-of-pocket expenses averaging \$163 per person. In contrast, the Government paid only about 23 percent of the expenses of persons under age 65. Private insurance paid about 29 percent, and the individual paid 46 percent of the total or an average of \$98. These out-of-pocket expenses are less than those made by the aged, even though the aged pay a lower fraction of their medical bills.

Among persons under age 65, out-of-pocket expenses vary considerably depending upon the type and level of expenditures and upon the income of the family. In 1969 about 81 percent of individuals under age 65 had some form of hospitalization insurance and 79 percent had surgical insurance. Physicians' office visits and many services which prevent serious illness were much less likely to be covered, thereby encouraging resort to hospitalization

even though it tends to involve higher costs. Insurance paid about 70 percent of consumer expenditures for hospital care, about 45 percent of consumer expenditures for physicians' fees, and considerably less of other types of services. Private insurance covers an increasing fraction of a person's expenses as these rise up to some level, but a declining fraction as expenses become very large.

Middle and upper income families are much more likely to be covered by private insurance than are low income families. In 1968, for example, over 90 percent of the persons under age 65 in families with incomes of \$7,000 or more had some type of hospital insurance, while only 36 percent of people in families with incomes below \$3,000 had coverage. Of these low income people, those aged 56-64 were twice as likely to be covered as were children under age 17. The Medicaid program, which pays the medical bills of welfare recipients and certain low income people with high medical expenses, is putting an increasing burden on many States but is often inadequate to meet the needs of the people it is designed to serve. The program also reduces the incentive of poor persons to earn more income by making them ineligible for benefits if their income rises above a certain level.

There have been three broad problems in the Nation's health programs. The distribution of health services is uneven by income groups and geographic areas. There has been an imbalance between programs which increase the demand for these services and programs which augment the supply of trained personnel and improve the organization and delivery of health care services. Finally, there has been the problem of assuring an efficient utilization of the resources devoted to health care. While the increase in real expenditures on health has benefited large groups of the population, further efforts are needed to resolve these remaining problems.

CHAPTER 5

The United States in the International Economy

THE VAST EXPANSION OF INTERNATIONAL TRADE AND CAPITAL MOVEMENTS has produced an increasingly complex network of relationships linking domestic economic conditions and domestic economic policies across national boundaries. New and urgent questions have therefore emerged concerning the management of domestic economic policies and the international machinery developed to make it easier for national economies, with their differing policies and objectives, to adjust to each other. The first part of this chapter is devoted to examining the ways in which the various subdivisions of our balance of payments have been affected by changes in economic policies and conditions during 1970.

The relative calm imparted to the international monetary system by the recent correction of persistent disequilibria in several major currencies provides an opportunity to evaluate the system without the pressure of emergency conditions. Such an analysis, placing special emphasis on the unique role of the U.S. dollar in the international monetary system, comprises the second part of this chapter.

A third section reviews international trade policy, which became an urgent issue again in 1970 because protectionist pressures were building up in a number of industrialized countries and threatened to reverse the broad trade-liberalization movement of the postwar years. Two policy problems were particularly important. One was the future of U.S. trade policy, and the other stemmed from the proposed enlargement of the European Economic Community and its implications for the future of an open world trading system.

The final section of this chapter focuses on the continuing search for more effective ways to aid the economic development of the lower income countries and the role played by transfers of both official and private capital in this process. The President's Foreign Aid Message of September 1970 suggested a number of wide-ranging measures to increase the effectiveness of the total U.S. aid effort.

DOMESTIC ECONOMIC CONDITIONS AND THE BALANCE OF PAYMENTS

CURRENT ACCOUNT

There is an important relationship between the domestic economy and the balance of trade. Policies that stimulate the domestic economy tend to raise imports and restrain exports. With domestic economic expansion, increases in personal incomes and prices as well as greater pressures on productive capacity at home cause a growing proportion of rising domestic demand to be taken care of through purchases from abroad. And such factors as higher domestic prices, buoyant demand in the convenient and more familiar domestic market, and lengthening delivery schedules limit the rise in exports. Economic policies in other countries also have an important impact on the U.S. balance of trade. For example, the deterioration in the trade balance resulting from a rapid domestic expansion is greater when other countries are not using their own productive resources fully or expanding as rapidly. Moreover, such developments as the long-term decline in the relative importance of transportation costs, the reduction of barriers to international trade, and the increasing similarity of cost structures among industrial nations have tended to increase the responsiveness of trade flows to price and income fluctuations. The composition of U.S. exports and imports has shifted toward finished manufactured goods, the demand for which is more responsive to movements in incomes and relative prices prevailing among the different economies. Finished manufactured goods accounted for only 41 percent of U.S. imports in 1965, a figure which rose to 56 percent in the first 11 months of 1970 (Table 32). And the share of finished manufactured goods in total U.S. exports increased from 58 percent to 62 percent in the same period of time.

TABLE 32.—*Composition of U.S. exports and imports, by major categories, 1965–70*

[Percent of total value]						
Category	1965	1966	1967	1968	1969	1970 ¹
Total domestic exports (excluding military grant-aid).....	100.0	100.0	100.0	100.0	100.0	100.0
Crude foods.....	9.8	11.0	8.5	6.9	5.7	6.4
Manufactured foods.....	6.0	5.4	5.2	5.0	4.8	4.6
Crude materials.....	10.9	10.8	10.7	10.3	9.5	10.5
Semimanufactures.....	15.6	15.0	14.6	15.2	15.7	16.4
Finished manufactures.....	57.7	57.7	60.9	62.6	64.3	62.1
Total imports.....	100.0	100.0	100.0	100.0	100.0	100.0
Crude foods.....	9.4	8.3	7.4	6.9	5.9	6.5
Manufactured foods.....	8.8	9.0	9.4	8.7	8.4	8.8
Crude materials.....	17.3	15.2	13.8	12.1	11.4	10.3
Semimanufactures.....	23.2	21.9	20.8	21.5	18.8	18.1
Finished manufactures.....	41.4	45.6	48.7	50.9	55.4	56.4

¹ Based on first 11 months.

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

Source: Department of Commerce.

Inflation and relatively full employment in the U.S. economy from 1965 through 1969 and underutilization of resources in several other major industrial countries at various times during that period contributed to a striking deterioration in the U.S. trade balance in the latter half of the 1960's. Beginning with the second quarter of 1969, the U.S. merchandise trade surplus rose sharply. The surplus was \$2.7 billion (on the Census basis) in 1970 compared to \$1.3 billion in 1969. Since mid-1970, however, the trade surplus has declined irregularly. To a considerable degree, the levels of exports and imports in 1969 were affected by temporary distortions arising from the dockworkers' strike. When adjusted to eliminate the effect of these distortions, the figures indicate a somewhat smaller improvement in the trade balance in 1970 over 1969.

Superficially, it would appear that the slowdown in the domestic economy which began in the second half of 1969 failed to exercise a restraining influence on the growth of imports. The value of recorded merchandise imports was 11 percent more in 1970 than in 1969, compared with annual increases of 8.5 percent in 1969 and 23.6 percent in 1968. However, when adjustments are made for strike-related distortions in the flow of imports during both 1968 and 1969, the growth of imports in 1970 shows a slowdown from that of the previous year. Moreover, an unusually large part of the increase in the recorded value of imports in 1970 compared to the previous year—about two-thirds—was accounted for by price increases as measured by the unit value index. The rise in the price index of imports was much sharper than the increase in the U.S. wholesale price index in 1970, suggesting a possible decline in the price competitiveness of foreign goods on the domestic market.

A marked acceleration in the growth of exports (excluding shipments under military grants) occurred in 1970, from an average annual rate of increase of 8.7 percent in the period 1965–69 to an increase of about 14 percent in 1970 over 1969. While continued high levels of economic activity abroad and the slowdown in the U.S. economy undoubtedly helped sustain the growth of exports, the acceleration in this growth in 1970 can be attributed largely to the gain in agricultural exports, initial deliveries of jumbo jets, and recovery from the 1969 dockworkers' strike.

Recent price and cost developments here and abroad appear to favor U.S. exports. From 1960 to 1965, labor costs per unit of output in manufacturing declined in the United States, while they rose in each of the ten other major industrial countries except Canada. This trend was reversed in the latter half of the 1960's. As capacity utilization rose to high levels in the United States, unit labor costs increased at an average annual rate of 3.6 percent in the period 1965–69, substantially higher than in the economies of other major industrial nations, with the exception once again of Canada. Since 1969, labor costs per unit of output have risen faster in several major U.S. trading partners—notably Germany, Italy, and the United Kingdom—than in the United States. There is also some evidence that since the end of

1969 U.S. manufacturing export prices have risen at a slower rate than the comparable export prices and wholesale prices of competitor nations, in marked contrast to the earlier performance. If these developments continue, they should help improve the international competitiveness of U.S. export industries.

The net effect that divergent cyclical movements at home and abroad during 1970 have had on other items in the current account (as defined in Table 33) is unclear. Improvement in the transportation account during the first three quarters reflected in part a large rise in U.S. port expenditures by foreign shippers and in freight receipts by U.S. shippers, both accompanying the surge in trade. The easing of monetary conditions in the United States and the general tightening of credit conditions abroad tended to decrease the rate of interest on foreign-held claims on the United States and raise the rate of interest paid on U.S. claims on foreigners. However, the balance on investment income showed only a slightly larger surplus in the first three quarters of 1970 than during the corresponding period of 1969. Military spending abroad showed little increase as higher living costs and wages in other countries were largely offset by troop reductions, the shutdown of a number of military bases, and smaller outlays for military construction projects. Overall, the current account in the first three quarters of 1970 showed a surplus of \$0.7 billion (seasonally adjusted), an improvement of \$1.6 billion over the corresponding period of 1969.

On the whole, the improved U.S. performance on the current account in 1970 can be attributed to progress in restabilizing the economy and the price-cost level, and to the probability that we were more advanced in this process than much of the rest of the industrial world. Undoubtedly the excess of exports over imports in 1970 would have been smaller under conditions of full employment in the United States and less intense demand pressures abroad. In fact, the irregular decline in exports from the peak reached in mid-1970 may be attributable to a general flattening out of the economic cycle in Canada, Europe, and Japan during the latter part of the year.

CAPITAL FLOWS AND MONETARY CONDITIONS

The lessening of demand pressures in the market for goods and services in the United States during 1970, together with an easing of monetary policy, were gradually reflected in the financial markets. In a number of other important countries, however, demand pressures continued to increase, at least in the first part of 1970, with the result that financial conditions abroad continued to tighten after they had begun to ease in the United States. This shift in relative monetary conditions contributed to substantial net outflows of private liquid capital from the United States during 1970.

Tight monetary conditions in France, Italy, the United Kingdom, and, most particularly, Germany, encouraged large capital inflows into those nations. Much of these came from the United States via the Eurodollar mar-

ket, despite German efforts to discourage such inflows by imposing additional reserve requirements on increases in the foreign liabilities of German banks. The largest such flow occurred in November, when the Bundesbank's reserves rose by \$1.6 billion. In an apparently successful effort to halt these inflows, the German authorities reduced the discount rate by 1 percentage point in two successive cuts within a 3-week period.

U.S. banks reduced their borrowing from their foreign branches substantially during 1970. The liabilities of U.S. banks to their foreign branches were lowered by about \$1 billion during the first quarter of the year, as the easing of credit conditions in the United States made less expensive funds available in this country while interest rates in the Eurodollar market remained higher than comparable U.S. rates throughout most of 1970. In late June, the Federal Reserve suspended the interest-rate ceiling on 30- to 89-day large-denomination certificates of deposit. American banks increasingly tapped this source of funds, and their borrowings of Eurodollar deposits from their foreign branches fell sharply, from \$11½ billion to \$7 billion, during the second half of 1970.

There were also substantial changes in long-term capital movements between 1969 and 1970. U.S. direct investment outflows increased from \$2.8 billion during the first three quarters of 1969 to \$3.6 billion during the corresponding period of 1970, reflecting the projected 16-percent increase in plant and equipment expenditures for 1970 by foreign affiliates of U.S. corporations. At the same time foreign direct investment inflows to the United States increased to \$0.8 billion. Net foreign purchases of U.S. stocks and bonds (exclusive of U.S. agency bonds) declined substantially, from \$1.9 billion during the first three quarters of 1969 to \$1.1 billion during the comparable period in 1970. This decrease was largely a response not only to a sharp decline in U.S. security prices during the spring but to the difficulties experienced by several of the large offshore investment funds and the consequent regulations imposed by several European nations. Net U.S. purchases of foreign securities also declined dramatically, from \$1.4 billion during the first three quarters of 1969 to \$0.6 billion during the corresponding period in 1970.

OVERALL DEFICIT

The net effect of changes in the current and capital accounts during 1970 was a considerable reduction in the recorded U.S. liquidity deficit but a marked deterioration in the official reserve transactions balance. In response to the latter, the Federal Reserve Board took steps in December to discourage further repayment of Eurodollar borrowings by U.S. banks. This action was undertaken partly because of concern that the capital inflows which were causing some countries to gain dollar reserves might undermine the efforts of their monetary authorities to maintain restrictive monetary policies for domestic purposes.

Preliminary estimates indicate that the U.S. liquidity deficit in 1970 was somewhat less than \$4 billion, or more than \$4½ billion excluding the allocation of Special Drawing Rights (SDR's), a sharp reduction from the 1969 liquidity deficit of \$7.0 billion. Preliminary estimates of the 1970 balance on the official reserve transactions basis indicate a deficit of about \$9½ billion, including the allocation of SDR's, as compared with a surplus of \$2.7 billion in 1969. (These figures differ from those in Table 33, which are figures for the first three quarters of 1970, seasonally adjusted, stated at annual rates.)

While the recorded liquidity deficit showed a sharp improvement in 1970, this balance was distorted by special financial transactions and flows of U.S. funds to the Eurodollar market which, particularly in 1969, enlarged the "errors and omissions" item. In addition, the 1970 figure included the initial allocation of SDR's to the United States. If adjustments are made for these factors, the underlying deficit in the first three quarters of 1969 was about \$4½–\$5 billion and about \$3½–\$4 billion in the corresponding period of 1970. This moderate improvement largely reflected the increase in the trade surplus, partly offset by larger net outflows of private capital.

The sharp deterioration in the official reserve transactions balance in 1970, despite the improvement in the liquidity balance, reflected the very sharp shift in the flow of foreign private liquid funds—from a net inflow of \$8.7 billion in 1969 to an outflow of \$3.3 billion in the first three quarters of 1970. (This is shown in Table 33, but the 1970 figures there are reported at annual rates.) These flows were largely associated with the shift, referred to earlier, in U.S. banks' Eurodollar borrowings through their foreign branches.

The U.S. official reserve transactions deficit in 1970 was financed partly by decreases in our total stock of reserve assets. Such assets registered a decline of \$2.5 billion during 1970, even with a nearly \$1 billion increase in holdings of SDR's that largely reflected the \$867 million initial allocation in January. The remainder of the deficit was financed by increases in liquid liabilities to foreign official agencies.

Despite the substantial buildup of dollar balances in the hands of foreign official holders, 1970 was a year of general calm in the foreign exchange markets. It was free of any crises like those that had occurred intermittently in preceding years.

MANAGING CAPITAL MOVEMENTS

The large capital movements occurring, as described above, in response to changes in relative interest rates and monetary conditions are the outgrowth of the increasing internationalization of capital markets, especially the development of the Eurodollar market. The increasing mobility of capital is a reflection of the growing flexibility and responsiveness of capital markets, which contribute to the efficient international allocation of investment and production. This mobility nevertheless involves some problems. The responsiveness of short-term capital flows to variations in timing and degree in the

use of monetary policy can both undermine the effectiveness of monetary policy as a domestic stabilization tool and produce significant balance-of-payments disturbances. It is possible to argue that such short-term capital flows are largely temporary and usually self-reversing, and therefore that one need not be concerned about their balance-of-payments consequences. Traditionally, however, several courses of action have been suggested to alleviate problems arising from international movements of interest-sensitive funds. One is to offset these capital flows through flexible official financing; another is to reduce reliance on monetary policy as an internal stabilization tool; and a third is to insulate domestic money markets by direct control of capital movements.

Important steps to facilitate the offsetting of large international flows of liquid capital through international cooperation have been taken by developing flexible arrangements for short- and medium-term official financing, and by other forms of cooperation among national monetary authorities and such international institutions as the International Monetary Fund (IMF), the Bank for International Settlements, and the Organization for Economic Cooperation and Development. But the experience so far with such arrangements indicates that, while they are helpful in preventing balance-of-payments difficulties arising from such flows, in general they cannot completely offset the problems that such flows pose for domestic monetary management.

The second alternative would imply achieving a domestic fiscal-monetary mix that would place heavier reliance on fiscal measures for the achievement of domestic goals; monetary measures would then be directed more toward international goals. Whether such a shift in the policy mix is desirable is a question which must be decided with reference to its domestic effects rather than on the grounds of balance of payments alone. There are, moreover, rather obvious practical limitations to this option. Changes in tax rates and in the level of Government expenditures are difficult and time-consuming. Even more important, any major effort to rely more heavily on changing the "mix" of domestic monetary and fiscal policies presupposes a more precise knowledge than now exists of the different effects of monetary and fiscal policies on internal stability and external balance.

The third alternative is to take policy actions which directly affect capital movements. The United States, for balance-of-payments purposes, instituted three programs to control capital outflows during the 1960's. One was the Interest Equalization Tax in 1963, which applies to securities sold in U.S. capital markets by developed countries (except new Canadian issues) and long-term bank loans (with similar exemptions). The second was the Federal Reserve's Voluntary Credit Restraint Program, initiated in 1965, which provides guidelines for capital flows from banks and other financial institutions. Also in 1965, voluntary restraints on direct investment were established under the direction of the Department of Commerce; this program was converted into the mandatory Foreign Direct Investment Program at the beginning of 1968.

Controls on capital movements are widely used; they are permitted by the International Monetary Fund Articles of Agreement and are generally regarded as less undesirable than controls on current account transactions. But they involve some economic costs of their own, and their duration poses problems. With respect to the Foreign Direct Investment Program, for example, the passage of time is likely to bring more and more ways of bypassing the controls. Insofar as the controls are effective, the longer they remain the greater will be the potential capital outflow when they are lifted and corporations attempt to repay foreign lenders. Finally, there is some concern about what effect the heavy foreign borrowing, induced by the direct investment controls, might have on the debt structure of foreign affiliates of U.S. corporations.

This Administration has affirmed its view that such controls are temporary measures and must not become part of the permanent tool kit of policy instruments because they distort the efficient allocation of capital. The relaxation of the Foreign Direct Investment Program which began in 1969 has been continued with due regard to the balance-of-payments situation. In 1970, the "minimum allowable investment" (i.e., the amount not subject to restraint) was increased from \$1 million to \$5 million per year, provided that the additional \$4 million was used in the designated group of lower income countries. Changes in the regulations concerning foreign borrowings which may be offset against direct investment expenditures permitted greater flexibility in financing foreign investment projects, as did new provisions regarding the amount of earnings which may be reinvested and the conditions under which earnings may be transferred among designated groups of countries. In January 1971 the annual investment amount not subject to the controls was raised from \$1 million to \$2 million without geographical restriction and the proportion of the previous year's earnings which may be reinvested was increased.

Offsetting official financing, changes in the mix of monetary and fiscal policies, and the use of direct controls on capital movements do not, however, provide a fully satisfactory answer to the policy problems posed by the increasing integration of capital markets, and this fact has led to a growing interest in finding alternative solutions. One answer might lie in no longer trying to insulate national capital markets but substituting instead a greater conscious international coordination of monetary policies. A solution relying on international coordination is often limited, however, by the fact that it implies restrictions on the freedom to direct monetary policy toward domestic economic problems. Where full coordination is not practicable, one mechanism for providing greater insulation of domestic capital markets, and therefore a somewhat more independent monetary policy, would be greater flexibility of exchange rates within the framework of the present system established at Bretton Woods. If there were more scope for changing exchange rates in response to market forces, the sensitivity of short-term

capital movements to differences in national monetary conditions might be somewhat reduced.

While the concern about how the balance of payments is affected by interest-sensitive flows of short-term capital may be exaggerated, it must be recognized that major countries will continue to rely heavily on monetary policy to influence the domestic economy. The management of the resulting flows of short-term capital will therefore continue to occupy monetary and financial authorities.

THE UNITED STATES IN THE INTERNATIONAL MONETARY SYSTEM

The U.S. dollar plays a number of key roles in the international monetary system. It is widely used to finance private international transactions, even if no American is involved. It is also the currency used by national authorities in their operations in foreign exchange markets, and dollar holdings are an important component of world reserves. Because of its international roles, the dollar further serves as the yardstick by which the values of many free world currencies are measured. As a result, developments in the United States economy and balance of payments, and the attitudes other countries take toward these developments, are of key importance in the smooth functioning of the international monetary system.

MEASURES OF THE U.S. BALANCE-OF-PAYMENTS POSITION

The measures of our payments balance officially published by the U.S. Government tend to be widely interpreted as indicators of how close to—or far from—the most desirable situation we stand at a given time, even though there is no clear consensus on how the optimum situation is to be defined. A great deal of attention has been devoted to assessing the adequacy of the two overall measures of the payments balance now used. One is the liquidity balance, which is equal to the change in our holdings of international reserve assets less the change in our liquid liabilities to all foreigners, official and private. The second is the official reserve transactions balance, which is equal to the change in our stock of international reserve assets less the change in liquid and certain nonliquid claims on the United States by foreign official monetary institutions. From the search for improved measures has emerged increasing agreement that no one measure can adequately summarize the changes in this country's international financial position.

The most commonly used measure of the U.S. payments position, the liquidity balance, was originally intended as a measure of changes in this country's ability to maintain conversions of dollars into gold at a fixed price ratio. There has been considerable discussion as to whether the statistical presentation of the liquidity balance is the best possible reflection of its underlying concept. This problem was discussed in detail in the 1970 *Economic Report of the President*.

More fundamentally, however, some liquidity deficit will normally arise when a reserve country acts as an international banking center. Foreigners tend to accumulate short-term claims on such a country, and in turn the country may build up a growing net investment in foreign countries at longer term. At the same time, a continuing liquidity deficit means that the ratio of reserves to liquid foreign claims is being lowered. The present situation results partly from the growth of world liquidity which was necessary to accommodate the expansion of world trade and investment over the past two decades—that is, in part it reflects the successes of the international economy. Variations in the volume of our liquid liabilities relative to their reserve backing are therefore not the primary determinant of how desirable the dollar is as a reserve asset.

The U.S. responsibility for converting foreign liquid claims into other reserve assets is limited to the holdings of foreign official institutions. Since the adoption in March 1968 of the two-tier gold system, the possibility of flows of gold from the U.S. reserve stock through foreign official institutions into private hands has been eliminated. As a result, the liquidity balance has lost much of its significance.

In recent years, increasing attention has been focused on the official reserve transactions balance. This balance, with appropriate adjustments, measures the quantity of claims on the United States which foreign authorities have acquired or given up in the process of maintaining the exchange value of their currencies within the prescribed margins. There are considerable difficulties in reading the signals given by the official reserve transactions balance, however. For one thing, it is volatile, exhibiting wide year-to-year swings as shown in Table 33. Moreover, a movement of dollars from foreign private accounts to foreign official accounts will increase the official reserve transactions deficit; movement in the other direction will decrease it. Such movements may in some cases signal shifts in the degree of foreign confidence in the dollar relative to other currencies. In other cases they may simply be due to changes in monetary conditions and interest rates which alter the attractiveness of dollar assets to foreign private holders, quite apart from speculative considerations. Because of the obligation to keep their countries' exchange rates within 1 percent or less of the par value, central banks are essentially passive in such transactions. In still other cases, shifts of dollar holdings between the central bank and commercial banks may represent the deliberate exercise of selective measures designed to reduce or to enlarge published reserves.

For all these reasons, no single concept of the balance will suffice for all purposes. Beyond the liquidity and official reserve transactions balances, at least two other "balance" concepts can be useful. One is the balance on current account or balance on goods, services, and unilateral transfers (both government and private). Such a balance indicates the extent to which our country is currently earning the foreign exchange it needs to carry out its international lending and investment expenditures. Properly adjusted for

TABLE 33.—*U.S. balance of payments, 1961-70*

(Billions of dollars)

Type of transaction	1961-65 average	1966	1967	1968	1969	1970 first 3 quarters ¹
Merchandise trade balance.....	5.4	3.9	3.9	0.6	0.6	2.7
Exports.....	23.0	29.4	30.7	33.6	36.5	42.1
Imports.....	-17.6	-25.5	-26.8	-33.0	-35.8	-39.4
Balance on investment income.....	3.5	4.1	4.5	4.8	4.4	4.3
U.S. investments abroad.....	4.9	6.3	6.9	7.7	8.8	9.6
Foreign investments in the United States.....	-1.3	-2.1	-2.4	-2.9	-4.5	-5.3
Balance on other services.....	-2.5	-2.7	-3.2	-2.9	-3.1	-3.1
BALANCE ON GOODS AND SERVICES ²	6.5	5.3	5.2	2.5	1.9	3.9
Unilateral transfers, net; transfers (-) ³	-2.7	-2.8	-3.0	-2.8	-2.8	-2.9
BALANCE ON CURRENT ACCOUNT.....	3.8	2.5	2.2	-.3	-.9	1.0
Balance on direct private investments.....	-2.2	-3.6	-2.9	-2.9	-2.2	-3.8
U.S. direct investments abroad.....	-2.2	-3.7	-3.1	-3.2	-3.1	-4.8
Foreign direct investments in the United States.....	.1	.1	.3	.3	.8	1.0
Transactions in securities.....	-.8	.4	.3	3.1	1.6	1.0
Transactions in U.S. long-term assets.....	-.6	.2	(⁴)	.1	-.1	-.6
Transactions in U.S. long-term bank liabilities to other than official foreign agencies, and all long-term nonbank liabilities.....	.1	.4	.2	.8	.8	.9
Certain transactions in U.S. Government assets ⁵	-1.8	-2.0	-2.4	-2.5	-2.1	-1.8
BALANCE ON CURRENT AND LONG-TERM CAPITAL ACCOUNTS ⁶	-1.4	-2.0	-3.1	-1.7	-2.8	-3.3
Transactions in U.S. short-term assets.....	-.9	-.4	-1.2	-1.1	-.6	-.3
Nonscheduled repayments on U.S. Government credits.....	.4	.4	(⁴)	.2	-.1	.3
Long-term bank liabilities to foreign official agencies.....	(⁴)	.8	.9	.5	-.8	-.8
Transactions in U.S. short-term nonbank private liabilities, and nonmarketable liabilities of U.S. Government.....	.5	.4	.9	2.7	.2	.9
Errors and unrecorded transactions.....	-.9	-.5	-1.1	-.5	-2.8	-2.0
Allocations of special drawing rights.....						.9
BALANCE ON LIQUIDITY BASIS.....	-2.3	-1.4	-3.5	.2	-7.0	-4.4
Less: Certain nonliquid liabilities to foreign official agencies.....	.1	.8	1.3	2.3	-1.0	-.2
Plus: Foreign private liquid capital, net.....	.7	2.4	1.5	3.8	8.7	-4.5
BALANCE ON OFFICIAL RESERVE TRANSACTIONS BASIS.....	-1.8	.3	-3.4	1.6	2.7	-8.7
Addendum: Special financial transactions.....	.6	1.6	1.3	2.7	-.6	.5
BALANCE ON LIQUIDITY BASIS EXCLUDING SPECIAL FINANCIAL TRANSACTIONS AND SDR ALLOCATIONS.....	-2.9	-2.9	-4.8	-2.6	-6.4	-5.8

¹ Average of the first 3 quarters at seasonally adjusted annual rates.² Excludes transfers under military grants.³ Excludes military grants of goods and services.⁴ Less than \$0.05 billion.⁵ Transactions in U.S. Government assets, excluding official reserve assets, net, less nonscheduled repayments on credits (including sales of foreign obligations to foreigners).⁶ One version of the "basic balance" under consideration. Another variant is the "nonmonetary balance" used by the International Monetary Fund.

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

Source: Department of Commerce.

earnings reinvested abroad, for errors and omissions, and for changes in the valuation of domestic and foreign assets, the current account also indicates

changes in our net international investment position or "net worth," which may well be considered more meaningful than any other measure of changes in the basic strength or weakness of our international financial position. At the end of 1969, for example, our net foreign assets amounted to \$67 billion, an increase of \$1.5 billion over the total a year earlier.

Another concept, currently being considered for inclusion in the Government's table of balances, is the basic balance. Such a balance would measure our net position on current account plus "nonliquid" or "nonvolatile" capital transactions, treating changes in private liquid assets and liabilities as financing items. The aim underlying the basic balance is to group together those balance-of-payments items which best reflect broad, persistent forces or underlying trends, treating more volatile classes of transactions among the financing items. Because of the difficulties of approximating such a distinction with available statistical data, several variants of the basic balance have been suggested as best reflecting the fundamental concept.

The four balances just discussed—the liquidity balance, the official reserve transactions balance, the current account balance, and the balance on current and long-term capital accounts, which is one of several versions of the basic balance currently under consideration—are shown for the past decade in Table 33. Despite their conceptual and statistical differences, all these measures of our payments balance suffer from a common difficulty, namely, that none of them can give more than one side of the picture. The other side, which because of measurement problems does not appear in any presentation of the U.S. balance of payments, is the demand side: the number of dollars foreigners want to add to their reserve stocks in any given year. Rather than the quantity of dollars flowing into foreign hands, it is the difference between this amount and the amount they want to hold, given existing conditions, that would be a true indicator of disequilibrium in the international economic and financial position of the United States.

The Composition of Reserves

It is generally thought that, aside from political considerations and questions of confidence, the quantity of dollars foreign authorities want to add to their reserves depends partly on the desired rate of growth of aggregate international reserves and partly on the availability and desirability of alternative sources for increasing reserves. The expansion in the supply of monetary gold has for some time been erratic and insufficient to meet the increasing reserve needs which have accompanied the rapid growth of world trade and capital transactions. Under these circumstances, a steady accretion of foreign exchange, primarily dollars, to world reserves has filled this gap and prevented a general inadequacy of international reserves.

With the IMF's decision to allocate \$9.5 billion of Special Drawing Rights to member countries over the 3-year period 1970–72, an important alternative source of new reserves was created. A first allocation of \$3.4 billion was made on January 1, 1970, a second allocation of \$2.9 billion

was distributed at the beginning of 1971, and a third allocation of \$3.0 billion is planned for the beginning of 1972. It is envisaged that SDR's will eventually supplant dollars as the major source of reserve growth, although the SDR allocations for the 1970-72 period were determined with the expectation that dollars and other traditional sources of increases in official reserves would supplement this new reserve "money."

The question of the size of foreign official demand for dollars, however, involves another complication. In addition to wanting growth of reserves, foreign official institutions generally have preferences concerning the composition of their reserve stocks: what proportion will be represented by gold, SDR's, and dollars (as well as, in some cases, smaller amounts of other convertible currencies). In part these preferences may arise from the differing characteristics of the three major reserve assets. The yield, for example, is zero on gold holdings, 1.5 percent on SDR's, and substantially higher on dollar holdings. Also, unlike dollars, SDR's and monetary gold (since the institution of the two-tier gold system) can be transferred only among central banks or other official institutions; they cannot be used for commercial transactions. Much more important, however, is that most industrial countries would apparently like to run some sort of basic balance surplus or a current account surplus with the rest of the world. The demand for reserve dollars, therefore, seems to be affected not only by countries' reserve goals but also by their balance-of-payments goals, measured "net" of new SDR allocations. SDR's help to satisfy the first of these goals but not the second, unless the goals themselves are modified.

The combined growth of official and private foreign demand for dollars determines the equilibrium size of the liquidity deficit of the United States. How much the private component of this demand grows will also depend both on the rate at which nonofficial holders want to increase their aggregate working balances of international currencies and on the desired composition of these balances.

A number of characteristics have made the U.S. dollar particularly suited to its role as the most widely used currency for international transactions. Among them are the scale and efficiency of the American banking system, the size and depth of our capital markets, and the freedom of the dollar both from changes in its foreign-exchange value and from exchange controls affecting foreigners. So far, the development of European capital markets seems to have enhanced rather than reduced the role of the dollar as a vehicle currency, although it is too early to tell what ultimate effect the European Economic Community's proposed movement toward a currency union will have through the decade of the 1970's.

The economic well-being of the United States does not require that foreign demand for dollar balances continue growing at any particular rate. What is important is to distinguish clearly between measured U.S. deficits and the strength or weakness of our international financial position. Throughout most of the 1950's, while the United States had a measured

deficit in its balance of payments nearly every year, there was widespread concern about a worldwide "dollar shortage." This concern suggested that the measured U.S. deficit during those years was below its equilibrium size as determined by the growth of world demand for dollar reserves. The point is that it is essential that consideration of the foreign demand for dollars should temper any use of measured balance-of-payments deficits as the basis for policy decisions affecting our domestic economy or our international economic relationships.

Balance-of-Payments Goals

In the present international monetary system, in which the dollar serves as a yardstick, other countries, by selection of their exchange rates, in effect determine the exchange value of the dollar. The balance-of-payments position of the United States, however it is measured, depends therefore not only on the state of our domestic economy and on the economic behavior of our citizens and Government but on the economic performance and policies of other countries, including their decisions about exchange rates. Individual countries take actions that they consider appropriate to their particular circumstances. Collectively, those actions are not always easily reconciled with other countries' statements about the most desirable payments position for the United States. During the 1960's, for example, there were frequent expressions of foreign concern about the size and persistence of the U.S. deficit. Yet the net result of exchange-rate changes by leading industrial countries was a very slight actual appreciation of the dollar—a development which would inevitably have some tendency to weaken our current account balance.

The United States has full responsibility for maintaining a noninflationary expansion of its domestic economy. This responsibility was not met in the latter half of the 1960's, and U.S. performance during this period clearly contributed to the deterioration of our balance of payments. Nevertheless, regardless of our domestic performance, there are no measures which the United States can take to satisfy balance-of-payments demands of various countries if these demands are fundamentally inconsistent. No matter what constraints the Government imposes on the domestic economy, and no matter how many measures it adopts to alter or control individual categories of international transactions, the United States will not be able to abolish its balance-of-payments deficits if most of its major trading partners establish exchange rates and follow other balance-of-payments policies that enable them to run surpluses over and above their SDR allocations.

This problem of the possible inconsistency of balance-of-payments goals cannot, in short, be solved through unilateral policy action by the United States. Instead it requires multilateral action by the members of the International Monetary Fund—the present framework for international monetary relationships among the countries of the free world. One step toward the solution of this problem has already been taken with the establishment

of Special Drawing Rights, international reserves which do not depend on a persistent deficit in the balance of payments of the United States or any other country. The purpose in instituting SDR's and related arrangements with respect to reserve creation is, of course, to provide a situation in which all countries can satisfy their demands for reserve increases simultaneously, so that the reserve center need not be forced into persistent deficit through policies adopted by other countries to run net surpluses in their balance-of-payments transactions.

Ideally, the rate of reserve creation should be neither too small nor too great. If it is too small, at least some countries will find their reserve goals frustrated, and their efforts to prevent the inadequacy of their reserves from imparting deflationary pressures to their domestic economies are likely to lead to increasing restrictions on international transactions and a competitive upward pressure on interest rates. If the rate of reserve creation is too great, the excess liquidity will be a vehicle for transmitting inflationary pressures internationally and will make it more difficult for national authorities to control domestic inflation.

In practice, however, it is not possible to find a rate of creating world reserves that is just right for every country. The objective must be a rate which best reflects an international consensus as to the most desirable trend of reserve growth. Moreover, even with such a consensus, problems would still arise if, as suggested earlier, other countries were to formulate balance-of-payments goals that were inconsistent with their aims regarding the composition of international reserves.

Exchange Rates

Because of the possibility that reserve creation and reserve management alone cannot solve the dilemmas just described, interest has recently focused on increased, though limited, flexibility of exchange rates. Changes in official parities have occurred in the past, of course, and have played a role in stabilizing the international monetary system. But the political consequences inherent in exchange-rate decisions have made countries hesitant to undertake such adjustments. As noted earlier, exchange-rate changes by industrial countries in the 1960's resulted in a small net depreciation of these currencies against the dollar, in part perhaps because political inhibitions against exchange-rate changes tend to be stronger in the case of appreciation than in the case of depreciation. To the extent that such an asymmetry exists, its effect is to favor a devaluation against the international standard—the dollar. Opinions about the quantitative significance of this tendency differ, but there is a widespread feeling that modifications which would make exchange-rate changes less politically charged and less likely to lead to speculative disturbances would contribute to the smoother and more effective operation of the existing system.

More frequent and smaller changes in the dollar parities of currencies would reduce the tendency for sizable payments imbalances to build up. This

in itself would be an advantage, but an added advantage would arise insofar as the calculation of the appropriate new par became less critical. With smaller and more frequent changes in par value it would be easier to modify those which turned out to be either inadequate or excessive.

Smaller and more frequent changes in parity would not necessarily involve a change in the present IMF rules, but only a change in the practices which member nations have generally followed. A recent report by the Executive Directors of the IMF notes that the Fund is empowered "to concur in members' proposals for prompter and smaller changes in parities, whenever these are necessary to correct a fundamental disequilibrium."

On two recent occasions the difficulty of identifying an appropriate new par value has led countries to move away from the existing exchange-rate parity without immediately choosing a new one. At the end of September 1969 the German Government closed its foreign exchange markets under the pressure of a large capital inflow. When the markets were reopened several days later, no attempt was made to defend the old parity, thus introducing a period of "transitional float." The mark moved upward on the exchanges, and when a new par value was declared toward the end of October it exceeded the previous one by more than 9 percent. A somewhat different case arose at the end of May 1970 when, in the face of a very strong payments position and domestic inflation, the Canadian Government withdrew its defense of the existing par value; it has not yet declared a new one.

There is also the possibility of introducing greater flexibility by some widening of the margin permitted under the present IMF rules for exchange-rate variation around each country's par value. This margin or "band" is now 1 percent each way. Such an increase in the scope for market-induced movements of exchange rates might have several advantages. By increasing the risk of exchange-rate loss and thereby reducing the sensitivity of some types of short-term capital movements to differing degrees of tightness or ease in national money markets, it would make possible greater independence in national monetary policies. It could also be expected to reduce pressure on official reserves by encouraging stabilizing movements of private funds in cases where payments disturbances are regarded as temporary and self-reversing, and by decreasing the potential profitability of speculative flows based on anticipations of a change in parity. Such potential profitability would be reduced not only because the speculators would lose more if they guessed wrong but because the broader scope for exchange movements within the margins might in some cases reduce the need for actual parity changes.

All of the possible modifications just described are at present under study by the IMF in its consideration of whether amendments to its Articles of Agreement are necessary or desirable to encourage the most effective utilization of exchange-rate policies as a tool of international adjustment. The need is to find modifications of law or practice that will alleviate in the best pos-

sible way the recurring financial strains in the existing system while still maintaining the essential characteristics of a monetary system under which steady and dramatic advances in world trade and prosperity have been achieved.

ADJUSTMENTS IN INTERNATIONAL TRADE

Improvement in the monetary system has been one of the two major developments in the international economy since World War II. The other is the cooperative effort to dismantle the network of barriers that had obstructed the international exchange of goods and services prior to and during the war. Although many obstacles to trade still exist, gradual tariff reductions have been an important stimulus to the rapid postwar expansion of world trade. A number of international institutions, in particular the General Agreement on Tariffs and Trade (GATT), have been instrumental in reducing the hindrances to freer trade on a multilateral basis. Some problems of adjustment have emerged, however, as international trade has become more important in each country's affairs.

During the 1960's the volume of world trade (excluding that of Communist countries) grew considerably faster than real income in this group of countries, and the relative importance of trade to the American economy has increased as well. For example, the trend rate of growth of real imports of goods and services in the United States during the period 1955-68 was 1.6 times as great as that of real domestic production. In the same period the trend rate of growth of exports in real terms was 1.4 times that of output. Among broad categories of manufacturing industries, sharp increases in penetration by imports were registered in the latter half of the 1960's in apparel, leather goods, electrical machinery, transportation equipment, and other durable goods. The ratio of exports to total output rose significantly in the lumber, electrical machinery, transportation equipment, and primary and fabricated metals industries. Clearly, the growth of U.S. trade has signified not only greater availability of foreign manufactures, but also wider markets for many domestic products.

U.S. TRADE POLICY

The liberal trade policies followed since World War II have not only expanded our exports and imports but have also contributed to a higher standard of living with a richer choice of products both here and abroad. At the same time, these gains require domestic adjustments in certain industries that grow more slowly, or even contract, as a result of trade liberalization. Despite the overall gains, the problems of adjustment and the natural tendency for an industry to resist foreign competition have brought renewed pressures in recent years to reverse trade liberalization. Pressures have also grown because of protectionist actions by some of our trading partners and because the reduction in our merchandise trade surplus has led to a belief that the United States is now benefiting less from trade.

All these pressures converged during 1970 when Congress considered new trade legislation. The trade bill recommended by the President in 1969, and described more fully in the 1970 *Economic Report of the President*, included several measures that represented continued progress in our trade policy. In addition to authority for limited tariff reductions and elimination of the controversial use of the American selling price as a basis for setting certain import duties, the bill proposed new authority to act against countries that employ export subsidies in competition with U.S. exports in third markets. Most important, perhaps, was the bill's proposal to liberalize criteria for providing adjustment assistance to workers and businesses adversely affected by imports.

Certain additional features were subsequently added to the President's proposal. Some of these, including an amendment to allow Domestic International Sales Corporations that would provide tax deferrals to U.S. exporting firms, and the addition of textile quota provisions designed to assist in the conclusion of international agreements on textiles, were supported by the Administration. Other amendments, many of them unacceptable to the Administration, were eventually included in a bill passed by the House of Representatives. The most questionable was a provision to impose increased restrictions on imports of products which met certain quantitative criteria in cases where the Tariff Commission found injury. This and several other amendments threatened to reverse the steady progress that had been achieved in liberalizing our trade policy. The bill opened the prospect of retaliation by other countries against U.S. exports, and it would have weakened the fight against domestic inflation.

U.S. trade policy clearly reached a critical juncture in 1970. Although Congress did not adopt protectionist trade legislation, the pressures for greater import restrictions remain strong at the beginning of 1971. If the broad gains to the economy that have resulted from increasingly open access to markets here and abroad are to be sustained, it is important that the wider public interest be voiced as strongly as the complaints of adversely affected parties. At the same time, better means must be found to meet legitimate problems of adjustment in some industries affected by rapidly increasing imports.

Domestic Adjustments to Changes in Trade Patterns

The burdens of adjustment to foreign competition are too often ignored by those who advocate free trade. Much fixed capital, such as specialized machinery, is not transferable to other industries. Workers will have the difficulty of changing jobs, of moving and starting a new home; some who have acquired skills not needed in other industries may face unemployment or lower incomes.

Import restrictions, however, are neither the only solution to these problems nor in principle the best one. A better approach, taking into consideration the interests of both consumers and producers, is to do more to facilitate

the adjustments that injured firms and workers must make. As the President recognized in his original trade bill proposal, adjustment assistance should become available at an earlier point in an industry's struggle to compete with imports. Moreover, it should become available more quickly after the application for aid.

Use of the adjustment assistance provisions of the Trade Expansion Act of 1962, although still limited, expanded notably during 1970. For the first time since the program's inception, the President authorized firms and workers in three industries to apply directly to the Secretaries of Commerce and Labor for assistance. The number of workers and firms actually certified for assistance, including some in other industries that had requested assistance individually from the Tariff Commission, increased greatly during 1970.

There are, of course, costs in administering and financing adjustment assistance programs. These costs, which would be substantial in the case of a large industry such as textiles, are ultimately paid by taxpayers. The aim of such programs, however, is not to provide compensation payments indefinitely to injured firms and employees, but to ease the transfer of labor and other resources to more productive sectors of the economy. For workers, this means retraining and assistance in job hunting. The costs to taxpayers should thus decrease eventually as workers in the injured firms obtain new jobs or reach retirement age. On the other hand, the costs that import quotas create for consumers in the form of higher prices and a narrower choice of goods continue as long as the quota remains in effect.

There may occasionally be sound reasons for reducing the burden of adjustment on import-competing industries by obtaining agreement from foreign exporters to restrict their shipments. This has been done for a number of commodities, including cotton textiles, meat, and steel. The Administration has attempted to negotiate similar restraints for manmade textiles and woolen goods. Such voluntary agreements affect prices in the importing country in the same way that quotas permitting a like volume of imports would do, but their provisions tend to be more flexible than those of legislated quotas.

The main drawback of a quota as compared to a tariff is that unless a tariff is prohibitive it does not inhibit competition as much as a quota, unless the quota is ineffective. This is so because a tariff allows imported goods to enter if, even with the tariff, they are competitively priced. A tariff therefore puts a limit on the amount by which the domestic price can exceed the world price. An effective quota, on the other hand, does not put any limit on the rise in domestic prices. Those who are permitted to import under a quota system are under no obligation to pass on the lower world price to their customers; their right to import gives them a windfall profit. Under a tariff the difference between the world price and the domestic price accrues to the Treasury. In those schemes for quotas or voluntary restraints which do not call for import licenses, the quotas are in effect controlled by the foreign exporter, who is therefore in a position to capture the windfall. In the case of imported beef, for instance, export prices to the United States from the

principal supplier are between 10 and 20 percent higher than the export prices to other countries. It is clear therefore that quotas should only be used where no satisfactory alternatives are available.

All these reasons make it important for countries participating in the world trading system not only to reduce tariff barriers but also to work toward eliminating various nontariff barriers to trade. Preliminary efforts to develop a common framework for negotiating reductions in such barriers have begun within GATT, and it is hoped that they will be intensified during 1971.

While much attention has been focused on adjustment problems where labor and capital have been hurt by foreign competition, it is often overlooked that erecting barriers to trade would cause similar problems for firms and workers in exporting industries if other countries reduced their imports from the United States either in retaliation or as a result of the normal response mechanisms in international transactions. It has been estimated that in 1969, 3.8 percent of the private labor force was directly or indirectly dependent upon exports for employment, the same percentage as in 1965 (Table 34). This figure includes not only labor employed directly in producing exports but also labor involved in producing items used in the final export goods. The proportion of agricultural workers whose output found a market abroad has been relatively high for many years. Between 1965 and 1969, however, the proportion of employment accounted for by exports in manufacturing rose and that in agriculture, forestry, and fisheries declined.

Wages in export industries are usually higher than in import-competing industries. For example, a weighted index of wage rates for production workers in manufacturing whose jobs depended on exports in 1966, the latest year for which information is available, was 8 percent higher than the average earnings in jobs which might have been created by import replacement.

TABLE 34.—*Percent of private employment related to U.S. merchandise exports, 1960, 1965, and 1969*

Industry or sector	Export employment as percent of total private employment ¹		
	1960	1965	1969
Total employment.....	3.9	3.8	3.8
Agriculture, forestry, and fisheries.....	9.8	10.9	9.4
Mining.....	9.1	8.4	9.2
Construction.....	.6	.6	.6
Manufacturing.....	6.1	6.2	6.9
Services.....	1.8	1.8	1.9
Government enterprises.....	2.9	2.8	3.3

¹ Employment covers wage and salary employees, self-employed, and unpaid family workers; Federal, State, and local general government employment and private household employment are excluded.

Source: Department of Labor.

Import Restrictions and the Domestic Price Level

For a country to benefit from trade liberalization, it is not necessary that its trading partners also have liberal policies, although worldwide trade liberalization would, of course, yield still greater benefits both here and abroad. But the opportunity to obtain some goods at lower cost through exchange for exports rather than through domestic production provides net gains to our consumers and to U.S. industries which use imports as raw materials, whether that opportunity arises from lower-cost production or from subsidized production in other countries.

Import restrictions tend to aggravate inflation by limiting the total supply of goods to the domestic market. When imports are free to expand, some of the excess demand can be diverted from the domestic economy and thus moderate the pressures on the domestic price level. In addition, competitive pressure from imports gives U.S. industries a strong incentive to increase their productivity and cut costs. Such pressure also encourages more competitive pricing, particularly in industries which are highly concentrated.

Nevertheless, experience suggests that progress toward freer trade is more likely to be achieved through reciprocal action than through unilateral moves. The domestic advantages of freer access to imports have usually had to be reinforced by the attraction of better markets for a country's exports. Moreover, a country that imposes fewer restrictions on imports than do its major trading partners makes its industries bear a disproportionate share of the burden of adjustment to changes in the pattern of international trade. The United States has maintained an open market in manmade textiles, for example, while many European countries subject them to quantitative import restrictions.

The benefits of freer trade can therefore be defended most effectively if we not only avoid actions that would unnecessarily deny our consumers access to the lower-cost products of other countries but also keep a careful watch over developments abroad that threaten the achievement of liberal trade policies. The President made this clear in a message to the Congress in December 1970, in which he said:

The Administration remains committed to the objective of expanding mutually advantageous world trade. The record of the United States demonstrates clearly its willingness to assume its obligations in this field. We must continue to do our part, while at the same time defending vigorously the rights of our traders under international agreements.

REGIONAL TRADING ARRANGEMENTS

One argument cited by proponents of protection against imports has been the rapid expansion of special trading arrangements among groups of countries. Numerous groups of countries in all parts of the world have

initiated special trading arrangements. Although its objectives are much broader, the European Economic Community is the largest and most important such trading unit. The principal grounds for concern about such arrangements are that they may unduly discriminate in favor of trade among member countries, and therefore against trade with the United States and other nonmember countries. The General Agreement on Tariffs and Trade has rules governing these matters, but constant review is needed to ensure that the rules are observed and to prevent adverse consequences for third countries.

ENLARGEMENT OF THE EUROPEAN ECONOMIC COMMUNITY (EEC)

The prospective enlargement of the EEC will affect world trading relations substantially. The EEC entered into enlargement negotiations with four other countries in June 1970. If negotiations culminate in the admission of the four applicant countries (Denmark, Ireland, Norway, and the United Kingdom), the combined GNP of the enlarged EEC would be about 60 percent as large as that of the United States, and the total imports of these countries from nonmember countries would be nearly 50 percent larger than U.S. imports. It is anticipated that several other Western European countries would also become associated with the EEC in subsequent negotiations.

The United States has long supported the integration of Western Europe because the broad political gains expected from a strong, united, and outward-looking Europe should exceed whatever economic costs might be incurred. In supporting the enlargement of the EEC for the same reasons, however, the United States has the right to expect that the interests of nonmember countries will be taken fully into account in the process of enlargement and that the policies of the enlarged Community will be responsive to the needs of the world community. With this goal in view, the United States has intensified its consultative arrangements with the EEC.

Enlargement could create significant changes for all U.S. economic relations with Western Europe. Although on balance the effects of the formation of the EEC on industrial trade have so far been favorable, several studies have shown that the EEC's agricultural policies have damaged some major U.S. agricultural exports. The United States is concerned that British entry into the Community at its current high levels of agricultural price supports might lead to further deterioration of U.S. agricultural exports. The solution lies in making the Common Agricultural Policy of an enlarged Community respond better to the needs of both consumers and farmers. Such a change would be to the benefit not only of the member countries but also of efficient outside suppliers. The United States has found over the years that it is better to maintain farm income through direct payments rather than through high price supports.

GENERALIZED TARIFF PREFERENCES FOR LOWER INCOME COUNTRIES

Another set of basically discriminatory trading arrangements are "special preferences" which the EEC countries grant to imports from selected lower income countries and which the United Kingdom and other members of the Commonwealth grant to each other. Frequently, these arrangements also entail "reverse preferences," whereby the less developed nation opens its market to exports from those developed countries which grant it special preferences. Reverse preferences are maintained in most of the EEC's special preference arrangements and in some of the special arrangements between developed and less developed members of the British Commonwealth. There has been a tendency in recent years for such arrangements to spread, thus undermining still further the principle of nondiscrimination on which the international trading system is based and damaging the commercial interests of countries that are not parties to the arrangement.

Recognizing the need to assist the lower income countries in accelerating their economic growth and to avoid the adverse consequences of selective trading arrangements, the President announced in his speech on Latin American policy in October 1969 that he had decided to press for the adoption by all developed countries of a liberal system of generalized tariff preferences for the exports of all lower income countries.

The decision to pursue this course was based on the belief that the best way to assist the lower income countries is for the developed countries to join in a common effort without seeking special trading benefits for themselves. Establishing a nonreciprocal preference system open equally to all lower income countries will have several advantages. It will enable them to increase their exports and their foreign exchange earnings and thus hasten their economic development; it will reduce the present discrimination among lower income countries that arises from special preferences favoring some countries at the expense of others—notably the Latin American countries—with no preferential access to any developed country's market; and, by eliminating reverse preferences, it will allow the lower income countries to buy from the cheapest source of supply.

In the months following the President's announcement the United States engaged in a series of intensive consultations—both bilateral and multilateral—with the prospective preference-granting countries and with the lower income countries in an effort to work out the details of a preference system.

Eighteen developed countries (including the six members of the European Economic Community acting as a unit) have agreed, subject to necessary legislative authorization, to grant generalized tariff preferences for a temporary period, now set at 10 years, and have made specific proposals. Under the U.S. proposal, most manufactures and semimanufactures (excepting only textiles, shoes, and petroleum products) imported from lower income countries, and a selected list of processed and primary agricultural products

and raw materials, would be admitted duty free. In order to qualify for generalized preferences, lower income countries must provide adequate assurance that reverse preference arrangements will be eliminated within a reasonable period of time. Proposals by the other major developed countries also call for the elimination of duties on a broad range of products. While the proposals of individual countries differ somewhat in their form, they are designed to achieve similar results. In October 1970 these proposals were accepted by the United Nations Conference on Trade and Development as providing a "mutually acceptable" basis for the establishment of a generalized preference system.

AIDING DEVELOPMENT IN LOWER INCOME COUNTRIES

Stimulation of exports from the lower income countries by means of generalized preferences promises to aid these countries materially; but capital flows, both official and private, must play a major role in the economic development of these nations. While increased trade allows lower income countries to use their existing supply of resources more efficiently, capital flows provide them with additional working resources.

FOREIGN ASSISTANCE

Although the United States still provides more aid than any other developed nation, net official assistance for development has fallen from \$3.6 billion, or 0.6 percent of GNP in 1963, to less than \$3.2 billion, or 0.3 percent of GNP in 1969. In 1970, there probably was a further slight reduction in the net official flow. However, there are indications that, in line with the President's declared policy, the downward trend in the absolute level of U.S. aid will be reversed. After falling for 3 years, budget authorizations for the portion of gross official flows covered by the Foreign Assistance Act and for other multilateral flows increased slightly in fiscal 1970, and a significant increase has been voted for fiscal 1971.

The fall in the share of our national product devoted to aid has reflected a disillusionment both with the effect of such aid on the growth rates of less developed countries and with the efficiency of our aid institutions. The complexities of the development process were underestimated when the United States first began to assist the less developed world. Aid institutions which were highly successful in implementing the Marshall Plan have lagged in meeting the quite different challenges which lower income countries have recently confronted. On the other hand, there have been some outstanding successes. The economic progress of Israel, South Korea, Taiwan, and several other nations demonstrates that aid can be used efficiently.

The Administration believes that the number of successes can be greatly increased and has assigned high priority to the task of improving the probability of scoring positive gains. In 1969 the President appointed a Task Force on International Development, whose report played an important role in the formulation of his 1970 message on "Foreign Assistance for

the Seventies" with its proposal for a fundamental reform of the U.S. effort. According to this proposal, aid would be divided into three components: development assistance, humanitarian assistance, and security assistance. Because each would be administered through a different organizational structure, responsibilities could be more clearly fixed and the success of each program in meeting its specific objectives could be more easily assessed. The President's message recommends that a much higher portion of American aid be channeled through multilateral institutions than at present. This change would allow greater coordination of international assistance and reduce some of the political frictions associated with bilateral aid.

The President also proposed a major reform in our bilateral aid program. He recommended the creation of two new organizations: a U.S. International Development Corporation to manage bilateral lending activities on a businesslike basis, and a U.S. International Development Institute to manage a portion of our technical assistance and to mobilize private scientific expertise and technology to help solve specific problems of lower income countries. The present Agency for International Development would be phased out; the number of U.S. employees working overseas on development projects would be reduced; and greater reliance would be placed on the information gathered by multilateral agencies.

It is important to ensure that each dollar flowing to recipients is used with maximum efficiency. Currently, the usefulness of international aid is limited by the requirement that a large portion of the funds be used to purchase goods from the donor country, even though the necessary items might be cheaper elsewhere. It is estimated that in many countries these "tying" provisions directly reduce the value of aid by at least 20 percent. In addition, tying may force recipients to engage in projects calling for a high import content, although they would otherwise have low priority and although they draw scarce local resources, both administrative and physical, away from more essential activities. In order to eliminate these serious problems, the President's message recommends that donor countries move together to abolish tying restrictions. A joint effort will mitigate any negative effects on the balance of payments of individual donor countries. Most donor countries have agreed to this principle. The United States has already decided to allow the use of development lending for procurement in any of the lower income countries themselves.

Improvements in the form of our aid and in our institutions represent only one approach to the problem. The impact of aid also depends crucially on the policies of the recipient countries. Thus far, some countries' efforts to use aid effectively have been hampered by a lack of administrative talent and technical skills. To meet this problem it is essential to supplement aid for capital formation with technical assistance. The United States has recognized this need, and in recent years technical assistance has been growing more rapidly than capital assistance, even though it still constitutes a smaller portion of our total aid compared to most other donors. One of the most

important tasks for the U.S. International Development Institute proposed by the President in his Foreign Aid Message will be to emphasize technical assistance and to provide the research necessary for its most effective use. Even efficient technical assistance will do little to help development, however, if the recipient does not have the will to use it effectively. The effectiveness of the recipient's development efforts must therefore be an important determinant of how aid is distributed.

PRIVATE CAPITAL FLOWS

In the period from 1962 through 1969, net flows of private American capital to the lower income countries were about 40 percent as large as the official flows. Direct investment constituted more than two-thirds of the total private flow, while the rest consisted of private export credits and portfolio investment.

By the end of 1969 the book value of U.S. direct investment in less developed countries totaled \$20 billion, of which \$7.8 billion was in petroleum and \$5.2 billion in manufacturing. Almost \$12 billion of the total was invested in Latin America, the rest being almost evenly spread among less developed economies in other parts of the Western Hemisphere, as well as in Africa, the Middle East, and Asia.

Because private capital can confer important benefits, the U.S. Government has adopted a number of policies to encourage direct foreign investment in lower income countries in which it is welcomed. The Overseas Private Investment Corporation was created late in 1969. It will take over and expand the Agency for International Development programs to encourage private investment and will provide financial assistance to private enterprises operating in lower income countries. Its lending policies will follow regular business practices, and in 5 years its formal constitution will be reviewed with the possibility of transferring this agency to the private sector.

To the extent that the programs of the Overseas Private Investment Corporation can reduce the risks associated with investing in the underdeveloped world, those with capital will be more ready to consider a wide range of investment opportunities in the lower income countries. These lower income countries, however, will reap the benefits of this and other policies to stimulate private capital flows only if they create an environment that will attract private foreign investment.

In its program to control capital outflows for direct investment, the U.S. Government has discriminated in favor of investment in the lower income countries. Under the 1968 regulations, the formula setting an upper limit to the flow of direct foreign investment to the lower income countries was much more generous than the formula applying to direct investment in developed countries. In addition, not only can the limits be exceeded in special cases, but a company with unused allocations for direct investment in developed countries or Middle East oil-producing countries could reallocate the funds for use in developing nations. As a result of these policies, restraints on direct foreign investment have had little if any adverse effect on flows to the lower income countries.

While most private capital is moved to lower income countries in search of profits, there has also been a significant flow of aid financed by private foundations and other charitable groups. In 1969, this flow amounted to over \$400 million. Private foundations also played a significant role in one of the most dramatic successes among aid programs by contributing to the technological developments culminating in the new varieties of wheat, rice, and other grains which have created the "green revolution." The resulting increase in agricultural productivity greatly heightens the chances of a continual rise in the level of living despite rapidly growing populations. The technological improvement has been so overwhelming, however, that serious adjustment problems are emerging. The benefits do not accrue evenly to the agricultural population, and new job opportunities will have to be created to absorb the labor force released from agriculture. In short, even success can create problems, and this example well illustrates the complexity of the growth process.

RELATIONSHIPS AMONG INTERNATIONAL ECONOMIC POLICIES

The various issues reviewed in this chapter are best considered, not independently, but in terms of the important interrelationships which tie them all together. U.S. trade policy, for example, must be considered in the light of domestic economic conditions as well as of the responsibilities implied by the key role of the dollar in the international monetary system. The relationship between the United States and the European Economic Community is a major consideration in the formulation of both our trade and our balance-of-payments policies. And generalized preferences for the exports of lower income countries, official aid flows, and private investment in these countries all play an important part in the effort to find the most effective contribution which this country, along with other industrialized countries, can make to the economic development of lower income nations.

In the light of these interrelationships, the President has recently moved to assure coordination at the highest level of all aspects of our foreign economic policy and to provide consistency with domestic economic policy and basic foreign policy objectives. Such coordination and overall direction is to be provided by the new Council on International Economic Policy, of which the President will be Chairman, and whose membership will include the Secretaries of State, Treasury, Agriculture, Commerce, and Labor, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the Special Representative for Trade Negotiations, the Executive Director of the Domestic Affairs Council, the Assistant to the President for National Security Affairs, and the Ambassador-at-Large. The newly-appointed Assistant to the President for International Economic Affairs will serve as Executive Director. In announcing the formation of this Council, the President pointed out that its purpose is to deal with the international economic policies of the United States as a coherent whole.

Appendix A
CORPORATE LIQUIDITY IN 1969 AND 1970

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Corporate Liquidity in 1969 and 1970

Measures of liquidity refer to the capability of a corporation to make payments as obligations fall due. In reality, liquidity is a dynamic concept involving the total inflows and outflows of cash, and it extends beyond the static financial values expressed in a company's balance sheet. Cash inflows result not only from the current selling of inventory and subsequent collection of accounts, but also from the conversion of existing financial assets and real properties into cash, as well as from short- and long-term borrowings, and the raising of additional ownership funds. Cash outflows result from current payments for goods and services, but they are also influenced by the pace of capital investments, payment of dividends to owners, and the repayment of borrowed funds. Liquidity, therefore, is determined not only by the interrelationship between current assets and liabilities, but also by the general economic status and prospects of the firm, its access to alternative sources of funds from the money and capital markets, and of course the impact of national monetary and fiscal policies. Unfortunately, a general analysis of liquidity is difficult because there are extreme variations in the liquidity requirements of different industries. Even within the same industry, individual firms have divergent policies reflecting unique management goals and techniques. Nevertheless, it is important to analyze the general status of corporate liquidity in appraising the entire economy.

During 1969 and the first half of 1970 there was particular concern about the liquidity of corporate businesses. With the sustained period of credit restraint in 1969 and early 1970, some financial imbalances that had accumulated during the long inflation became more apparent. Capital expenditures of businesses were high and large increases were projected for 1970, but it was also clear that the financing of these expansion plans had relied heavily on short-term borrowing. Some companies were therefore in an exposed position if a deterioration of earnings or some development in credit markets should incline holders of these short-term liabilities to demand payment. As the economy responded to measures of restraint, corporate profits did decline, and confidence was even more generally disturbed by the financial problems of the Penn Central Railroad.

DESCRIPTION OF THE STUDY

This appendix summarizes liquidity developments in a sample of large U.S. manufacturing corporations during 1969 and the first three quarters of

1970. Nonmanufacturing corporations are not included because liquidity information is not available for this category prior to the third quarter of 1969. Particular attention is given to the question of whether the financial difficulties of 1969 and the first three quarters of 1970 produced a situation in which a large number of sound and profitable corporations were threatened with bankruptcy as a result of their inability to meet short-term obligations.

The financial information summarized in this appendix was collected by the Securities and Exchange Commission as part of its regular quarterly survey of manufacturing corporations. To preserve the absolute confidentiality of the information submitted to the SEC, the material is presented only on an aggregate basis. Only large manufacturing corporations (those with total assets of \$100 million or more in 1970 I) were included in the aggregate analysis. Nevertheless, the sample group has control of about 75 percent of the assets of all manufacturers. A total of 553 large manufacturing corporations submitting quarterly income statements and balance sheets met the size criterion used; of these, 18 were omitted because they did not report in each quarter throughout the 1969 I to 1970 III period.

The liquidity ratios reported in this appendix differ from the statistics published by the Securities and Exchange Commission in its *Quarterly Financial Report*. The Commission's figures refer to ratios of aggregates; for example, the current ratio for a specific industry is determined by totaling the current assets of all corporations in that industry and dividing this sum by the total of current liabilities of the same corporations. Figures reported in this appendix are the arithmetic means of all the individual corporation ratios; that is, the individual corporate ratios are totaled and then divided by the number of corporations. By averaging the ratios, an equal weight is given to each individual ratio regardless of the size of the corporation. This approach avoids the distortion that occurs if an aggregate statistic is dominated by a few large corporations whose characteristics may not be typical of the majority.

MEASURES OF CORPORATE LIQUIDITY

A corporation's difficulty in meeting its short-term obligations could arise from a number of causes: (1) a deficiency of cash and other assets which can be quickly converted into cash; (2) excessive reliance on short-term sources of funds to finance long-term asset requirements; (3) the absence of an active market for financial securities often held by corporations as liquid assets, with the result that these assets lose their marketability or can only be sold at a large loss; and (4) an inability to arrange for additional financing to meet maturing liabilities.

This analysis concentrates on whether the first two conditions associated with a liquidity crisis existed in the first three quarters of 1970. The financial markets never became so disorganized that active trading of liquid short-term securities disappeared. While interest rates remained at high levels, measured in historical terms, and the spread of interest rates on securities with differing

default risks widened to reflect a greater sensitivity of lenders to the varying quality of corporate borrowers, a record volume of corporate financing was accomplished; and the financial markets remained orderly throughout the year. The issue of whether or not there was a shortage of the additional financing needed by corporations, particularly a shortage of short-term credit, cannot be examined because the aggregate data collected by the Securities and Exchange Commission from corporate balance sheets and income statements do not record items such as "lines of credit" at financial institutions. Furthermore, the ability of a corporation to arrange for additional credit to meet short-term obligations depends on such nonquantifiable factors as credit ratings and subjective evaluation of the corporation's future prospects.

A simple assessment of the adequacy of a corporation's liquidity position can be made from a detailed examination of its balance sheet and income statement. The degree of liquidity varies, however, between different types of assets. Similarly, the need to pay maturing obligations, whenever they cannot be replaced with new credits, varies between categories of liabilities. A number of financial ratios must therefore be used to measure the adequacy of corporate liquidity, particularly when many different corporations are being compared on an aggregate basis. Although each individual ratio may present an incomplete picture, a comprehensive set of ratios does summarize most of the information about corporate liquidity that can be obtained from balance sheets and income statements.

The liquidity ratios used in the analysis are as follows (the term "current" conventionally refers to an asset or liability maturing within 1 year) :

$$(1) \text{ The Current Ratio} = \frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$$

This ratio gives a general description of the liquidity position of a corporation, showing the extent to which current liabilities are covered by current assets. Its major weakness is its use of such broad financial categories. Current asset accounts differ considerably in their convertibility into cash. Similarly, there is great variation in the characteristics of current liabilities.

$$(2) \text{ The Acid-Test Ratio} = \frac{\text{Total Current Assets} - \text{Inventories}}{\text{Total Current Liabilities}}$$

While in certain cases inventories could be readily converted to cash, such liquidation would normally impair a corporation's ability to carry on its business.

$$(3) \text{ The Quick Ratio} = \frac{\text{Cash} + \text{Government Securities}}{\text{Total Current Liabilities}}$$

This ratio relates only the most liquid assets to current liabilities. While the quick ratio is very selective about liquid assets, it does not distinguish between

liability accounts. Nor does it take into account other prime sources of liquidity, such as holdings of commercial paper, prepayments, State and local government bonds, and short-term holdings of other corporate securities.

(4) The Solvency Ratio=

$$\frac{\text{Cash} + \text{Government Securities} + \text{Other Current Assets}}{\text{Total Current Liabilities} - \text{Accounts Payable}}$$

The solvency ratio compares highly liquid assets to near-term obligations that do not arise from normal day-to-day business—hence the removal of accounts payable from the denominator. The category “other current assets” is composed of commercial paper holdings, State and local government securities, and prepayments, which are all quite liquid. The denominator focuses on short-term loans, the current portion of long-term debt (payments due within 1 year), and commercial paper obligations.

(5) The Short-Term Debt Ratio=

$$\frac{\text{Short-Term Bank Loans} + \text{Other Current Liabilities}}{\text{Total Current Assets}}$$

This debt ratio indicates the extent to which a firm finances its assets with short-term credit. “Other current liabilities” include commercial paper borrowing. One source of difficulty which may have been encountered in the first half of 1970 is that expectations of a drop in long-term interest rates led to the use of short-term credit when longer-term instruments should have been used. A rise in the short-term debt ratio would reflect this development.

HISTORICAL BACKGROUND

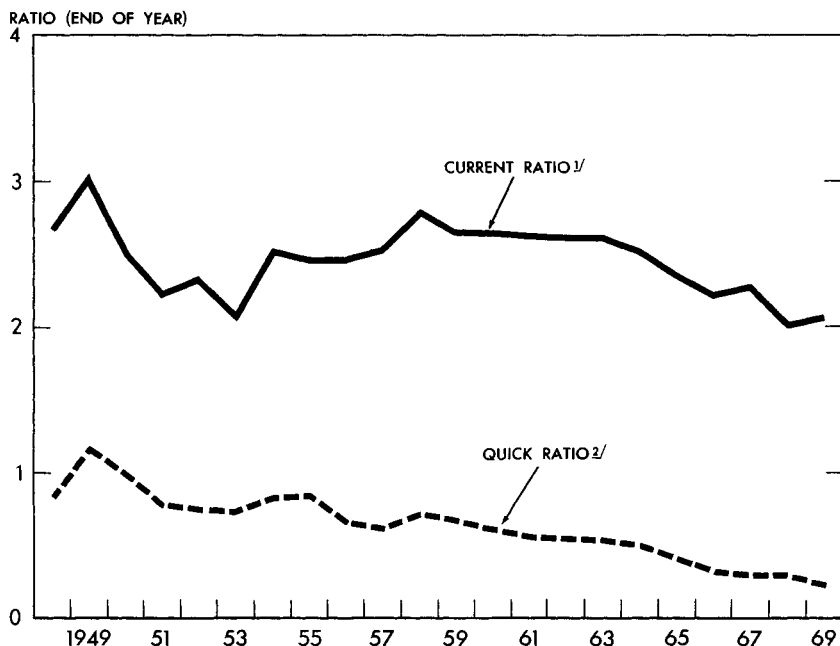
Chart A-1 summarizes the current and quick ratios for large manufacturing corporations over the period of 1948-69. The liquidity position of these corporations has shown a downward trend during the last two decades. The other liquidity ratios analyzed in this appendix have followed the same pattern. The downward trend reflects three significant developments:

1. Liquidity was high following World War II for a variety of reasons, and much of the early decline was an adjustment of the enlarged volume of liquid assets created during the war to the new levels of business activity.

2. The absence of severe depressions since World War II has caused corporations to reduce cash and liquid assets to a lower proportion of total assets. With greater confidence in the stability of the economy, corporate financial managers have been attracted by the profit opportunities of investing such funds in inventories and other forms of working assets. Modern techniques of short-term portfolio management have also encouraged the shift from cash balances into short-term marketable securities in response to rising interest rates.

Chart A-1

Liquidity Ratios of Large Manufacturing Corporations



1/ RATIO OF CURRENT ASSETS TO CURRENT LIABILITIES, NET OF GOVERNMENT ADVANCES.

2 RATIO OF CASH ON HAND AND IN BANKS PLUS U.S. GOVERNMENT SECURITIES, INCLUDING TREASURY SAVINGS NOTES, TO CURRENT LIABILITIES, NET OF GOVERNMENT ADVANCES.

NOTE: DATA RELATE TO MANUFACTURING CORPORATIONS WITH ASSETS OF \$100 MILLION AND OVER.

SOURCES: FEDERAL TRADE COMMISSION AND SECURITIES AND EXCHANGE COMMISSION.

3. The rising rate of inflation after 1965 probably influenced corporations to shift from cash and other financial assets into inventories and physical capital assets. This was a preventive measure, aimed at protecting profits and the real value of assets because during periods of inflation the purchasing power of most financial assets is eroded, but the value of inventories and physical assets tends to appreciate.

In addition to the basic trend, individual corporations may experience deterioration in their liquidity positions for reasons beyond their control, particularly during periods of economic change. The remainder of this appendix reviews liquidity developments during the 1969-70 period, as measured by the five liquidity ratios.

BEHAVIOR OF CORPORATE LIQUIDITY: 1969 I THROUGH 1970 III

Measures of corporate liquidity declined steadily from the beginning of 1969 through the first quarter of 1970 and then leveled off (Table A-1). Part of the reduction in the current and acid-test ratios is a continuation of

the postwar trend. However, the restrictive monetary policy in the second half of 1969, the reduced level of corporate profits in the first half of 1970, the rapid pace of business investment in plant and equipment throughout 1969 and early 1970, and efforts by corporate management to minimize the effects of inflation all contributed to the decline. For example, the 6.5-percent decrease in the current ratio was caused by the more rapid 19.5-percent growth of current liabilities, compared with only an 11.3-percent expansion of current assets between the first quarter of 1969 and the third quarter of 1970. An absolute decline in holdings of cash and U.S. Government securities accounts for much of the change. Corporations were evidently willing to hold inventories in expectation of future sales at higher prices, or they were trapped into carrying large stocks when sales volume became sluggish. Inventories of large manufacturing corporations increased 16.6 percent during the period, while all other current assets increased by only 6.7 percent.

TABLE A-1.—Average liquidity ratios of large manufacturing corporations, 1969 I-1970 III

Type of ratio	Liquidity ratio ¹							Percentage change, 1969 I to 1970 III
	1969				1970			
	I	II	III	IV	I	II	III	
Current.....	2.63	2.60	2.55	2.48	2.45	2.46	2.46	-6.5
Acid-test.....	1.38	1.37	1.35	1.29	1.27	1.27	1.27	-8.0
Quick.....	.31	.28	.26	.26	.23	.23	.23	-25.8
Solvency.....	.85	.82	.76	.79	.68	.68	.67	-21.2
Short-term debt.....	.22	.23	.23	.23	.24	.25	.24	9.1

¹ Averages of individual corporations' ratios for all manufacturing corporations with assets of \$100 million and over in 1970 I, when this study began.

Source: Securities and Exchange Commission.

The behavior of the quick ratio and the solvency ratio was very different, and it is the sharp drop in these two ratios that has caused most of the concern. Both ratios fell because of long-term management policies designed to minimize holdings of cash and marketable securities, combined with the decline in cash flows as corporate profits dipped in 1970. Corporate policies to replenish cash and marketable securities through short- and long-term financing efforts during the second half of 1970 should stabilize both ratios, and a stronger corporate profit performance would result in improvement of both measures. Continuation of an easy monetary policy in 1971 should enable the banks to meet the credit needs of financially sound borrowers. The leveling off of business spending for plant and equipment in 1971 and the traditional lagged response of dividend increases as corporate profits rise should help curtail cash outflows.

In general, the various liquidity measures for large manufacturing corporations declined during the period, some in line with historical trends, and others more sharply. However, a more detailed analysis indicates that a significant part of the decline can be attributed to the reaction of the most

liquid firms to monetary restraint. For each liquidity ratio the entire sample of firms was divided into two groups, those whose average ratio during the entire period was below the mean and those whose average ratio was above the mean (Table A-2). Four of the five ratios show that the firms with above-average liquidity experienced larger declines in liquidity during the period than the firms in the below-average category. Because the current ratio is the least discriminating of these measures of liquidity, its failure to corroborate the trend does not invalidate the general conclusion. Increases in the short-term-debt ratio imply a deteriorating liquidity position; hence firms in the "below-average liquidity" category had short-term debt ratios above the mean, but they showed a smaller rise in that ratio. While part of this pattern might be attributed to purely statistical phenomena, the fact that the below-average liquidity group experienced a less pronounced deterioration in liquidity reduces the severity of the problem.

TABLE A-2.—*Percentage change in average liquidity ratios for high and low groups of large manufacturing corporations, 1969 I to 1970 III*

Liquidity ratio	Percentage change in liquidity ratios, 1969 I to 1970 III		
	All firms ¹	Firms with above-average liquidity during 1969 I-1970 III	Firms with below-average liquidity during 1969 I-1970 III
Current.....	-6.5	-5.2	-7.6
Acid-test.....	-8.0	-8.6	-6.2
Quick.....	-25.8	-29.7	-16.1
Solvency.....	-21.2	-22.8	-17.1
Short-term debt.....	9.1	17.5	7.9

¹ Change in averages of individual corporations' ratios for all manufacturing corporations with assets of \$100 million and over in 1970 I, when this study began.

Source: Securities and Exchange Commission.

Manufacturing Corporations With Low Liquidity Ratios in 1970 I

Although the aggregate data for large manufacturing corporations do not reveal a major crisis in the liquidity position of the entire sample analyzed, many individual corporations with relatively low liquid assets and large current obligations undoubtedly experienced serious problems. A closer examination of these corporations was undertaken.

Corporations with a quick ratio of 0.06 or less and corporations with a solvency ratio of 0.15 or less in the first quarter of 1970 were analyzed. As a result of these cutoff points approximately 10 percent of the sample group of large manufacturing corporations was included in the followup study. The quick ratio was chosen as a standard because of its wide use as an indicator of liquidity and because it focuses only on holdings of quite liquid assets. Fifty-nine out of the 535 corporations in the sample were found to have a quick ratio of 0.06 or less. The solvency ratio was useful in identifying corporations with liquidity problems, because it measures the availability of highly liquid assets to cover current liabilities other than accounts

payable. Since 28 of the 50 corporations with this characteristic were also included in the group with a low quick ratio, the net total was 81 corporations.

Table A-3 summarizes the average liquidity and operating ratios for the special sample of low-liquidity manufacturing corporations. Their average liquidity position, of course, is lower than the average for the entire sample of 535 large manufacturing corporations. However, even these specially selected corporations do not appear to have liquidity problems serious enough to threaten a crisis. In fact, among the original 535 corporations analyzed in the study, not one bankruptcy was reported. This record is not too surprising in view of the very large size of these corporations.

TABLE A-3.—Average ratios and operating measures of large manufacturing corporations with a low quick and/or a low solvency ratio in 1970 I, 1969 I–1970 III

Type of ratio or measure	1969				1970		
	I	II	III	IV	I	II	III
Liquidity ratios:¹							
Current	2.19	2.11	2.07	1.91	1.85	1.87	1.96
Acid-test	1.00	.99	.98	.85	.81	.84	.90
Quick	.11	.10	.10	.08	.05	.07	.10
Solvency	.39	.39	.38	.28	.21	.24	.34
Short-term debt	.30	.31	.31	.33	.36	.36	.33
Operating measures:¹							
Receivables collection period (days)	55.36	52.83	55.33	53.98	60.99	58.40	61.21
Inventory turnover (times per year)	1.11	1.20	1.21	1.17	1.04	1.10	1.12
Return on equity (percent)	2.60	2.80	2.78	2.56	2.16	2.16	1.79
Profit margin (percent)	3.98	4.08	3.97	3.51	3.23	3.25	2.89

¹ Average ratio or average operating measure of 81 manufacturing corporations with assets of \$100 million and over in 1970 I and with a low quick ratio (0.06 or less) and/or a low solvency ratio (0.15 or less) in 1970 I.

Source: Securities and Exchange Commission.

Detailed analysis of the balance sheets and income statements of the corporations with either a low quick or a low solvency ratio, or both of these, identified three general types of financial experience. The first group of corporations (approximately one-quarter of the total) had relatively high liquidity as measured by the current and acid-test ratios. Many of these corporations had very low cash balances, however, and virtually no holdings of U.S. Government securities, a fact which accounts for their very low quick and solvency ratios. Nevertheless, corporations in this first group had strong general liquidity positions and high cash flows relative to assets. Furthermore, the operating ratios of these corporations were generally better than the average figures for the sample group of 535 manufacturing corporations. The data suggest that this group of corporations reacted to monetary restraint and rising interest rates by reducing their holdings of very liquid assets and increasing their use of short-term debt financing, without impairing either their earnings potential or their access to money and capital markets.

A second group, approximately one-half of the sample of 81 corporations, can be described as having generally low liquidity positions, but high operating ratios, indicating efficient operations and good profit returns. The average collection period for receivables is generally lower for these corporations than the average for the entire sample of 535 large manufacturing firms, and their inventory turnover is generally higher. These corporations, as a whole, had no difficulty in arranging necessary financing during the period examined. Financing difficulties could arise, however, as a result of severe strains in the money and capital markets. The continued financial health of these corporations depends in large measure upon stable conditions in the financial markets and a moderate increase in their overall liquidity.

A third group, which includes approximately one-fourth of the special sample of low liquidity firms, apparently did experience serious liquidity problems. Their operating ratios remain low, an indication that the problems facing those corporations are quite distinct from those brought about by a shortage of liquid assets. Most of the corporations in this group have low profit margins and low returns, or none at all, on their equity investment. Their average collection period for receivables is generally higher than the average in their industry, in some cases even three or four times higher. They also appear to turn over their inventories less frequently than the average turnover for their industry. These corporations would undoubtedly have difficulty in arranging new financing in the money and capital markets. The source of their problems, and their low liquidity position, can more accurately be attributed to their general economic weakness and their competitive position in their markets than to the impact of monetary restraint on the money and capital markets.

Manufacturing Corporations With Negative Profits in 1970 I

Thirty-nine out of the total of 535 large manufacturing corporations reported losses in the first quarter of 1970. Table A-4 summarizes the liquidity ratios and operating ratios of this group. Surprisingly, the average liquidity position of these corporations appears to be adequate. The current and acid-test ratios are only slightly lower than those for the entire sample of large manufacturing corporations, and the amount of decline in these ratios has been moderate. The fact that the short-term debt ratio is higher than that for the entire sample of 535 corporations indicates that these corporations, along with the group of low-liquidity corporations referred to in Table A-3, rely heavily on short-term financing. The maintenance of stability in the money markets, particularly in the commercial paper market, is important for the continued viability of these corporations.

TABLE A-4.—Average ratios and operating measures of large manufacturing corporations with a negative return on equity in 1970 I, 1969 I–1970 III

Type of ratio or measure	1969				1970		
	I	II	III	IV	I	II	III
Liquidity ratios: ¹							
Current.....	2.47	2.29	2.28	2.33	2.28	2.25	2.18
Acid-test.....	1.22	1.16	1.19	1.18	1.12	1.14	1.13
Quick.....	.23	.21	.22	.22	.20	.19	.20
Solvency.....	.72	.63	.71	.67	.62	.65	.77
Short-term debt.....	.24	.25	.25	.27	.30	.28	.28
Operating measures: ¹							
Receivables collection period (days).....	54.62	49.61	51.38	50.90	61.77	54.70	52.54
Inventory turnover (times per year).....	1.30	1.49	1.54	1.48	1.14	1.37	1.46
Return on equity (percent).....	.94	1.54	.85	.31	-1.19	-.51	.31
Profit margin (percent).....	1.42	2.70	1.63	.98	-2.24	-.15	.33

¹ Average ratio or average operating measure of 39 manufacturing corporations with assets of \$100 million and over in 1970 I that reported a negative return on equity in 1970 I.

Source: Securities and Exchange Commission.

CONCLUSION

This study suggests that the deterioration of corporate liquidity during 1969 and 1970 has been generally moderate for the group of large manufacturing corporations analyzed. There was some decline in the aggregate liquidity ratios but not enough to approach the crisis zone. To the extent that the sample of large manufacturing firms is not completely representative of all business firms this general conclusion might have to be qualified. Small businesses as well as firms in certain nonmanufacturing industries may have had more liquidity problems than is indicated in this analysis. Furthermore, the severe difficulties experienced by some of the large manufacturing corporations in the analysis are concealed within the general averages. Nevertheless, during the period under review, when there was growing public concern about business liquidity, the responsibility for evaluating the situation and taking necessary policy actions needed to avert a genuine liquidity crisis was assumed by the appropriate agencies of the Government. Continued study of the money and financial markets, and the role of Government agencies in improving the operation of these markets will be a vital part of the future development of the economy.

Appendix B

REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE
COUNCIL OF ECONOMIC ADVISERS DURING 1970

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., December 31, 1970.

THE PRESIDENT:

SIR: The Council of Economic Advisers submits this report on its activities during the calendar year 1970 in accordance with the requirements of the Congress, as set forth in Section 4(d) of the Employment Act of 1946.

Respectfully,

PAUL W. McCracken,
Chairman.

HENDRIK S. HOUTHAKKER.
HERBERT STEIN.

Report to the President on the Activities of the Council of Economic Advisers During 1970

The Council of Economic Advisers was established by the Employment Act of 1946 as part of the Executive Office of the President. The Council is responsible for analyzing economic conditions and formulating policies that will achieve long-term goals of "maximum employment, production, and purchasing power." As advisers to the President on economic matters, the Council in 1970 devoted its professional capabilities to a wide range of issues.

The Council formed February 4, 1969, following a change of Administration, remains intact with Paul W. McCracken as Chairman and Hendrik S. Houthakker and Herbert Stein as Members. Mr. McCracken is on leave of absence from the University of Michigan, where he is Edmund Ezra Day University Professor of Business Administration. Mr. Houthakker is on leave of absence from Harvard University, where he is Professor of Economics. Mr. Stein came to the Council from his post as Senior Research Fellow at the Brookings Institution.

Below is a list of all past Council Members and their dates of service:

Name	Position	Oath of office date	Separation date
Edwin G. Nourse.....	Chairman.....	August 9, 1946.....	November 1, 1949.
Leon H. Keyserling.....	Vice Chairman.....	August 9, 1946.....	
	Acting Chairman.....	November 2, 1949.....	
	Chairman.....	May 10, 1950.....	January 20, 1953.
John D. Clark.....	Member.....	August 9, 1946.....	
	Vice Chairman.....	May 10, 1950.....	February 11, 1953.
Roy Blough.....	Member.....	June 29, 1950.....	August 20, 1952.
Robert C. Turner.....	Member.....	September 8, 1952.....	January 20, 1953.
Arthur F. Burns.....	Chairman.....	March 19, 1953.....	December 1, 1956.
Neil H. Jacoby.....	Member.....	September 15, 1953.....	February 9, 1955.
Walter W. Stewart.....	Member.....	December 2, 1953.....	April 29, 1955.
Raymond J. Saulnier.....	Member.....	April 4, 1955.....	
	Chairman.....	December 3, 1956.....	January 20, 1961.
Joseph S. Davis.....	Member.....	May 2, 1955.....	October 31, 1958.
Paul W. McCracken.....	Member.....	December 3, 1956.....	January 31, 1959.
Karl Brandt.....	Member.....	November 1, 1958.....	January 20, 1961.
Henry C. Wallich.....	Member.....	May 7, 1959.....	January 20, 1961.
James Tobin.....	Member.....	January 29, 1961.....	July 31, 1962.
Kermit Gordon.....	Member.....	January 29, 1961.....	December 27, 1962.
Walter W. Heller.....	Chairman.....	January 29, 1961.....	November 15, 1964.
Gardner Ackley.....	Member.....	August 3, 1962.....	
	Chairman.....	November 16, 1964.....	February 15, 1968.
John P. Lewis.....	Member.....	May 17, 1963.....	August 31, 1964.
Otto Eckstein.....	Member.....	September 2, 1964.....	February 1, 1966.
Arthur M. Okun.....	Member.....	November 16, 1964.....	
	Chairman.....	February 15, 1968.....	January 20, 1969.
James S. Duesenberry.....	Member.....	February 2, 1966.....	June 30, 1968.
Merton J. Peck.....	Member.....	February 15, 1968.....	January 20, 1969.
Warren L. Smith.....	Member.....	July 1, 1968.....	January 20, 1969.

ECONOMIC POLICY MAKING AND THE COUNCIL OF ECONOMIC ADVISERS

RESPONSIBILITIES OF THE COUNCIL

The Employment Act of 1946 describes the objectives of national economic policy as "creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities." The basic responsibility of the Council is to advise the President concerning Federal activities to achieve that goal. Statistical analyses of economic conditions and of the results of stabilization policies are an important part of the assignment, along with the preparation of economic forecasts, using a variety of analytical tools. Final output of all Council activities is presented in personal consultations with the President, in communications from the Chairman to the President, in presentations to the Cabinet and Domestic Affairs Council, and in reports to other Executive Offices and the Congress.

While the Employment Act specifically directs the Council "to appraise the various programs and activities of the Federal Government," this function is largely an internal operation. The Council staff constantly works with other agencies to assist the Administration in developing new legislative programs and in appraising existing activities. It also makes recommendations to the Administration concerning pending legislation. In 1970, the Council prepared responses to legislative referrals involving 180 bills. In preparing these recommendations the Council considers the broader viewpoint of the general public and the effects on the entire economy. Specifically, the Council helped formulate new Administration programs relating to manpower training and development, unemployment compensation, national emergency strikes, housing and community development, regional economic development, welfare and social security, health, education, consumer interests, agriculture, trade policies, transportation systems, protection of the physical environment, Federal credit programs, financial institutions, and assistance to small business. In addition, the Council and its staff contributed to numerous interagency efforts to improve Federal Government programs, policies, and procedures in such diverse areas as the regulation of financial institutions; meat and dairy import restrictions; international finance; expansion of exports; foreign investment; development of natural resources; transportation systems and their regulation; Federal procurement policies; use of national land; Federal sponsorship of research; programs in health and education; national problems concerning energy; anti-trust; telecommunications; resource stockpiling; studies of basic industries, such as copper; environmental programs; and many others.

POLICY COORDINATION

The broad range of economic policy issues confronting the Council requires it to work very closely with other Government officials. There is especially close coordination between the Treasury Department, the Office of Management and Budget, and the Council of Economic Advisers. Approximately once each week the Secretary of the Treasury, Director of the Office of Management and Budget, and Chairman of the Council meet to discuss the economic situation, Federal budget matters, and broad economic policy issues. This is the group known as the "Troika." A second tier consists of one of the other Council Members, the Economist for the Office of Management and Budget, and the Assistant Secretary of the Treasury for Economic Policy. A third tier, consisting of senior staff economists from the three agencies, meets frequently to appraise the economic situation and its policy implications. The outlook is summarized in memoranda which they prepare and clear through the second tier of the "Troika" for use by the principals. The "Troika" meets with the President frequently. From time to time the Chairman of the Board of Governors of the Federal Reserve System participates in these meetings, forming the "Quadriad."

The Cabinet Committee on Economic Policy, established by Executive Order of the President on January 24, 1969, provides for coordination of economic policies within the Executive Office. Members include the President; the Vice President; the Secretaries of the Treasury, Agriculture, Commerce, Labor, and Housing and Urban Development; Mr. Moynihan, Counselor to the President in 1970; the Director of the Office of Management and Budget; the Deputy Under Secretary of State for Economic Affairs; and the Chairman of the Council of Economic Advisers (who coordinates the work of the Committee).

This Committee considers a broad spectrum of economic issues, such as interest rate ceilings for financial institutions, national housing requirements, establishment of a commission to review Federal statistics, lumber and plywood resources, post-Vietnam economic planning, the copper industry, agricultural trade, antitrust, operation of capital markets, transportation, and Federal budgeting procedures.

Council Members participate in a number of other Cabinet and inter-agency committees. In 1970, the Chairman served as Chairman of the Cabinet Committee on Construction and of the Domestic Affairs Council Subcommittee on the National Energy Situation. The Chairman is a member of the Domestic Affairs Council and several of its various subcommittees, the Property Review Board, the National Commission on Productivity, the Regulations and Purchasing Review Board, and the Defense Programs Review Committee. He also attends meetings of the National Security Council when agenda items require his attention.

The other two Council Members and the Senior Staff Economists also participate in the task forces and study groups designated by these committees. The Chairman of the Council regularly attends Cabinet meetings.

The Council has a particularly close association with the Joint Economic Committee of the Congress, which was created by the Employment Act of 1946 "to make a continuing study of matters relating to the *Economic Report*" and to contribute to the achievement of the economic objectives of that Act. During 1970, the Council testified three times before the Joint Economic Committee. On February 16, the Council presented testimony following submission of the *Economic Report* to Congress. The Joint Economic Committee is required by the Act to file a report to Congress by March 1, evaluating the recommendations and content of the *Economic Report*. On June 15, Mr. Stein testified before the Joint Economic Committee Subcommittee on Economy in Government Hearings on Changing National Priorities. On July 20, the Chairman reviewed economic conditions and the outlook before the Joint Economic Committee. Council Members also presented testimony to Congress four other times during 1970. On February 9, the Council presented testimony to the House Committee on Banking and Currency concerning national housing objectives. The same day the Chairman appeared before the House Committee on Appropriations. On March 3, Mr. Houthakker presented testimony to the National Commission on Product Safety. And on October 6, Mr. Stein appeared before the House Select Committee on Small Business, Subcommittee on Special Small Business Problems, to discuss the national energy situation.

At the international level, Council Members and staff are active in meetings of the Economic Policy Committee of the Organization for Economic Cooperation and Development. The Chairman leads the U.S. delegation to the Economic Policy Committee and serves as its Vice Chairman. This Committee attempts to improve the mutual understanding and coordination of domestic economic policies among member nations. Council Members and Senior Staff Economists also participated in several Economic Policy Committee subcommittees, including Working Party III on the balance of payments and international financial problems, the Working Group on Short-Term Economic Prospects, Working Party II on policies for the promotion of long-term economic growth, the Manpower and Social Affairs Committee considering manpower policies in member countries, and a new committee created by the Organization for Economic Cooperation and Development to study environmental problems. In 1970, Council personnel attended 14 international meetings.

PUBLICATIONS

The annual *Economic Report* is the major publication through which the Council explains economic policies to the general public. About 52,000 copies of the February 1970 *Economic Report* have been distributed. The

Statistical Office of the Council also prepares *Economic Indicators*, a monthly publication issued by the Joint Economic Committee. The current circulation of *Economic Indicators* is approximately 10,000 copies. On August 7, the Council published its first *Inflation Alert*, which summarized the historical relationship of wages, prices, and productivity, reviewed changes in the major wage and price indexes during the first half of 1970, and evaluated several major wage and price decisions made during that time period. The second *Inflation Alert* was released on December 1.

PUBLIC CONTACTS

During 1970, the Council continued to hold periodic meetings with groups of academic, business, and labor union economists to exchange views on economic policies. Many individual businessmen and labor leaders, students, educators, foreign visitors, news media representatives, and interested citizens have also visited with Council Members to discuss a wide range of economic issues. Finally, to communicate Council viewpoints concerning current economic conditions and necessary policy decisions, Council Members and the Special Assistant to the Chairman made a substantial number of speeches throughout the year and participated in frequent interviews with representatives of all types of news media.

ORGANIZATION AND STAFF OF THE COUNCIL

OFFICE OF THE CHAIRMAN

As stipulated in the Employment Act, as amended by Reorganization Plan No. 9 in 1953, the Chairman is responsible for reporting the Council's views to the President. The Chairman fulfills this charge through direct conferences with the President and reports describing current developments and economic policy requirements. The Chairman also represents the Council at Cabinet meetings; at congressional briefings; in U.S. delegations to international activities; in meetings with the Chairman of the Federal Reserve System and Chairman of the Federal Home Loan Bank Board; in sessions of the "Troika" and "Quadriad" and as the chairman of numerous Cabinet and interagency committees; in the coordination of professional staff activities; and in contacts with other Government offices.

COUNCIL MEMBERS

Specific professional activities are directed by the other two Council Members. While the Council is not departmentalized, and all three Members frequently work together on major projects, there is an informal division

of responsibilities by subject area. Mr. Houthakker's responsibilities include direction of staff assignments covering such matters as international finance and trade policy, foreign aid and economic development, agriculture, transportation, telecommunications, industrial organization and antitrust, labor relations, long-term economic growth, consumer affairs, natural resources, technology, and environmental problems. He also supervises the preparation of *Inflation Alert*.

Mr. Stein's responsibilities include forecasting and analyses of economic conditions, medium-term economic projections, fiscal policy and taxation, Federal budget concepts and reform, Federal credit programs, monetary policy, financial institutions, housing and urban affairs, welfare and social security problems, problems relating to education, health, manpower, and human resources, as well as national defense programs and the problems of transition from a wartime to a peacetime economy.

In addition, Mr. Houthakker and Mr. Stein represent the Council at a wide variety of official gatherings, including meetings of the Cabinet Committee on Economic Policy, the Cabinet Committee on Construction, and the Economic Policy Committee of the Organization for Economic Cooperation and Development. The entire Council meets frequently with the Board of Governors of the Federal Reserve System. One of the Members is always designated as Acting Chairman when the Chairman is absent.

PROFESSIONAL STAFF

At the end of 1970, the professional staff included 14 Senior Staff Economists, two Statisticians, six Junior Economists, and one Research Assistant. Each member of the professional staff is responsible for economic analysis and policy recommendations in a major subject area involving Council interests. In addition, the staff economists carry out many different Council and interagency assignments requiring a broad application of their general knowledge and analytical skills. The professional staff and their special fields are:

Senior Staff Economists

John D. Darroch.....	Industry Problems and Prices.
Murray F. Foss.....	Economic Analysis and Forecasting.
Sidney L. Jones.....	Special Assistant to the Chairman.
Marvin H. Kusters.....	Labor Economics and Manpower Programs.
Irene Lurie.....	Welfare and Social Programs.
Edward J. Mitchell.....	Industry Problems and Natural Resources.
Michael H. Moskow.....	Labor Economics and Manpower Programs.
Sam Peltzman.....	Industry Problems, Regulation, and Environment.
Rudolph G. Penner.....	Fiscal Policies and Foreign Aid.
Frank C. Ripley.....	Economic Analysis and Forecasting.
Gary L. Seevers.....	Agricultural Programs and Policies.
William L. Silber.....	Money and Capital Markets.
T. Nicolaus Tideman.....	Urban Economics and Construction.
Marina v. N. Whitman.....	International Finance and Trade.

Statisticians

Frances M. James.....	Senior Statistician.
Catherine H. Furlong.....	Statistician.

Junior Staff Economists

Christine H. Branson.....	Money and Capital Markets.
William R. Keeton.....	International Finance and Trade.
Robert A. Kelly.....	Transportation, Natural Resources, and Housing.
David C. Munro.....	Economic Analysis and Forecasting.
Lydia Segal.....	Economic Analysis and Forecasting.
J. Michael Swint.....	Fiscal Policies.

Research Assistant

Joanne M. Nusrala.....	Labor Economics and Manpower Programs.

Frances M. James, Senior Staff Statistician, is in charge of the Council's Statistical Office. Miss James has major responsibility for managing the Council's economic and statistical information system. She also supervises the preparation of *Economic Indicators* for publication, the preparation of tables and charts for a wide variety of meetings throughout the year and for the *Economic Report*, and the fact checking of memoranda, speeches, and testimony. Assisting Miss James are Teresa D. Bradburn, Catherine H. Furlong, V. Madge McMahon, and Natalie V. Rentfro.

The Council also conducts a student intern program, employing a limited number of outstanding students of economics, both graduate and undergraduate for various periods, particularly during the summer months. The 1970 interns were Victoria A. Dailey (University of Virginia), Michael C. Deppler (Georgetown University), Ronald G. Ehrenberg (Northwestern University), Richard J. Herring (Princeton University), and Charles F. Revier (Massachusetts Institute of Technology). Professor Raymond G. Lloyd (Tennessee A. and I. State University) also joined the staff during the summer.

At the end of 1970 the list of economists serving as active consultants to the Council included William H. Branson (Princeton University), John T. Dunlop (Harvard University), Ray C. Fair (Princeton University), Milton Friedman (University of Chicago), Alan Greenspan (Townsend-Greenspan & Co.), Gottfried Haberler (Harvard University), Arnold C. Harberger (University of Chicago), George W. Hilton (University of California, Los Angeles), George Katona (University of Michigan), Stephen P. Magee (University of California, Berkeley), Thomas G. Moore (Michigan State University), Saul Nelson (private consultant), David J. Ott (Clark University), Ezra Solomon (Stanford University), George J. Stigler (University of Chicago), Stephen J. Tonsor (University of Michigan), Lloyd Ulman (University of California, Berkeley), Thomas D. Willett (Harvard University), and G. Paul Wonnacott (University of Maryland).

SUPPORTING STAFF

The Administrative Office coordinates the activities of all supporting personnel responsible for preparation and analysis of the Council's budget, procurement of equipment and supplies, processing of legislative referrals, distribution of Council speeches, reports, and congressional testimony, and responding to correspondence and inquiries from the general public. Mr. James H. Ayres serves as Administrative Officer, assisted by Nancy F. Skidmore, Elizabeth A. Kaminski, Margaret L. Snyder, and Bettye T. Siegel. The duplicating, messenger, and mail department is operated by James W. Gatling, Judson A. Byrd, and A. Keith Miles.

Secretarial staff members are Daisy S. Babione, Mayme Burnett, Mary Catherine Fibich, Elizabeth F. Gray, Dorothy L. Green, Lillie M. Hayes, Laura B. Hoffman, Bessie M. Lafakis, Patricia A. Lee, Karen J. MacFarland, Eleanor A. McStay, Joyce A. Pilkerton, Dorothy L. Reid, Earnestine Reid, Linda A. Reilly, and Alice H. Williams.

In preparing this *Economic Report*, the Council relied upon the editorial skills of Rosannah C. Steinhoff.

DEPARTURES

The Council's professional staff is drawn primarily from universities and research institutions. Economists are normally selected to serve for 1 or 2 years. Senior Staff Economists who resigned during the year were William H. Branson (Princeton University), Phillip D. Cagan (Columbia University), Harold O. Carter (University of California, Davis), Charles E. McLure, Jr. (Rice University), Thomas G. Moore (Michigan State University), Saul Nelson, Robert J. René de Cotret (Ministry of Finance, Canada), Thomas D. Willett (Harvard University), and G. Paul Wonnacott (University of Maryland). Mr. Albert H. Cox, Jr. also resigned from the position of Special Assistant to the Chairman. Junior Economists who resigned in 1970 were Leslie J. Barr, Paul N. Courant, and Rosemary D. Marcuss. Research Assistants Karen J. Horowitz, Barry M. Levenson, and Timothy B. Sivia also resigned. Other resignations included Patricia C. Byfield and Betty Lu Lowry, Secretaries, and Christine L. Johnson from the Statistical Office.

Appendix C

**STATISTICAL TABLES RELATING TO INCOME,
EMPLOYMENT, AND PRODUCTION**

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General Notes

Detail in these tables will not necessarily add to totals because of rounding. Unless otherwise noted, all dollar figures are in current prices.

Symbols used:

▮ Preliminary.

-- Not available (also, not applicable).

NATIONAL INCOME OR EXPENDITURE

TABLE C-1.—Gross national product or expenditure, 1929-70

[Billions of dollars]

Year or quarter	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 ⁴				
					Total	Federal			State and local
						Total	National defense ⁵	Other	
1929.....	103.1	77.2	16.2	1.1	8.5	1.3	1.3		7.2
1930.....	90.4	69.9	10.3	1.0	9.2	1.4	1.4		7.8
1931.....	75.8	60.5	5.6	.5	9.2	1.5	1.5		7.7
1932.....	58.0	48.6	1.0	.4	8.1	1.5	1.5		6.6
1933.....	55.6	45.8	1.4	.4	8.0	2.0	2.0		6.0
1934.....	65.1	51.3	3.3	.6	9.8	3.0	3.0		6.8
1935.....	72.2	55.7	6.4	.1	10.0	2.9	2.9		7.1
1936.....	82.5	61.9	8.5	.1	12.0	4.9	4.9		7.0
1937.....	90.4	66.5	11.8	.3	11.9	4.7	4.7		7.2
1938.....	84.7	63.9	6.5	1.3	13.0	5.4	5.4		7.6
1939.....	90.5	66.8	9.3	1.1	13.3	5.1	1.2	3.9	8.2
1940.....	99.7	70.8	13.1	1.7	14.0	6.0	2.2	3.8	8.0
1941.....	124.5	80.6	17.9	1.3	24.8	16.9	13.8	3.1	7.9
1942.....	157.9	88.5	9.8	.0	59.6	51.9	49.4	2.5	7.7
1943.....	191.6	99.3	5.7	-2.0	88.6	81.1	79.7	1.4	7.4
1944.....	210.1	108.3	7.1	-1.8	96.5	89.0	87.4	1.6	7.5
1945.....	211.9	119.7	10.6	-	82.3	74.2	73.5	.7	8.1
1946.....	208.5	143.4	30.6	7.5	27.0	17.2	14.7	2.5	9.8
1947.....	231.3	160.7	34.0	11.5	25.1	12.5	9.1	3.5	12.6
1948.....	257.6	173.6	46.0	6.4	31.6	16.5	10.7	5.8	15.0
1949.....	256.5	176.8	35.7	6.1	37.8	20.1	13.3	6.8	17.7
1950.....	284.8	191.0	54.1	1.8	37.9	18.4	14.1	4.3	19.5
1951.....	328.4	206.3	59.3	3.7	59.1	37.7	33.6	4.1	21.5
1952.....	345.5	216.7	51.9	2.2	74.7	51.8	45.9	5.9	22.9
1953.....	364.6	230.0	52.6	.4	81.6	57.0	48.7	8.4	24.6
1954.....	364.8	236.5	51.7	1.8	74.8	47.4	41.2	6.2	27.4
1955.....	398.0	254.4	67.4	2.0	74.2	44.1	38.6	5.5	30.1
1956.....	419.2	266.7	70.0	4.0	78.6	45.6	40.3	5.3	33.0
1957.....	441.1	281.4	67.9	5.7	86.1	49.5	44.2	5.3	36.6
1958.....	447.3	290.1	60.9	2.2	94.2	53.6	45.9	7.7	40.6
1959.....	483.7	311.2	75.3	.1	97.0	53.7	46.0	7.6	43.3
1960.....	503.7	325.2	74.8	4.0	99.6	53.5	44.9	8.6	46.1
1961.....	520.1	335.2	71.7	5.6	107.6	57.4	47.8	9.6	50.2
1962.....	560.3	355.1	83.0	5.1	117.1	63.4	51.6	11.8	53.7
1963.....	590.5	375.0	87.1	5.9	122.5	64.2	50.8	13.5	58.2
1964.....	632.4	401.2	94.0	8.5	128.7	65.2	50.0	15.2	63.5
1965.....	684.9	432.8	108.1	6.9	137.0	66.9	50.1	16.8	70.1
1966.....	749.9	466.3	121.4	5.3	156.8	77.8	60.7	17.1	79.0
1967.....	793.9	492.1	116.6	5.2	180.1	90.7	72.4	18.4	89.4
1968.....	865.0	535.8	126.5	2.5	200.2	99.5	78.0	21.5	100.7
1969.....	931.4	577.5	139.8	1.9	212.2	101.3	78.8	22.6	110.8
1970.....	976.8	616.8	135.8	3.6	220.5	99.7	76.6	23.1	120.8
Seasonally adjusted annual rates									
1968: I.....	834.9	519.7	119.8	1.8	193.6	96.4	76.3	20.1	97.2
II.....	858.1	529.1	127.3	3.4	198.3	98.9	77.8	21.1	99.4
III.....	875.8	543.8	126.5	3.4	202.1	100.7	78.6	22.1	101.4
IV.....	891.4	550.8	132.6	1.4	206.7	101.9	79.2	22.7	104.7
1969: I.....	907.6	561.8	136.0	1.3	208.5	100.9	78.6	22.4	107.5
II.....	923.7	573.3	139.3	1.3	209.9	99.8	77.9	21.9	110.1
III.....	942.6	582.1	143.8	2.6	214.1	102.5	79.8	22.7	111.6
IV.....	951.7	592.6	140.2	2.6	216.3	102.1	78.8	23.3	114.2
1970: I.....	959.5	603.1	133.2	3.5	219.6	102.3	79.3	23.0	117.4
II.....	971.1	614.4	134.3	4.1	218.4	99.7	76.8	22.9	118.7
III.....	985.5	622.1	138.3	4.2	221.0	98.6	75.8	22.9	122.4
IV.....	990.9	627.6	137.5	2.7	223.2	98.4	74.6	23.8	124.8

¹ See Table C-10 for detailed components.

² See Table C-11 for detailed components.

³ See Table C-6 for exports and imports separately.

⁴ Net of Government sales.

⁵ This category corresponds closely to the national defense classification in the "Budget of the United States Government for the Fiscal Year ending June 30, 1972."

Source: Department of Commerce, Office of Business Economics.

TABLE C-2.—Gross national product or expenditure, in 1958 prices, 1929-70

(Billions of dollars, 1958 prices)

Year or quarter	Total gross national product	Personal consumption expenditures				Gross private domestic investment							Change in business-inventories
		Total	Durable goods	Non-durable goods	Services	Total	Fixed investment				Residential structures		
							Total	Nonresidential					
								Total	Structures	Producers' durable equipment			
1929.....	203.6	139.6	16.3	69.3	54.0	40.4	36.9	26.5	13.9	12.6	10.4	3.5	
1930.....	183.5	130.4	12.9	65.9	51.5	27.4	28.0	21.7	11.8	9.9	6.3	-6	
1931.....	169.3	126.1	11.2	65.6	49.4	16.8	19.2	14.1	7.5	6.6	5.1	-2.4	
1932.....	144.2	114.8	8.4	60.4	45.9	4.7	10.9	8.2	4.4	3.8	2.7	-6.2	
1933.....	141.5	112.8	8.3	58.6	46.0	5.3	9.7	7.6	3.3	4.3	2.1	-4.3	
1934.....	154.3	118.1	9.4	62.5	46.1	9.4	12.1	9.2	3.6	5.6	2.9	-2.7	
1935.....	169.5	125.5	11.7	65.9	47.9	18.0	15.6	11.5	4.0	7.5	4.0	2.4	
1936.....	193.0	138.4	14.5	73.4	50.5	24.0	20.9	15.8	5.4	10.3	5.1	3.1	
1937.....	203.2	143.1	15.1	76.0	52.0	29.9	24.5	18.8	7.1	11.8	5.6	5.5	
1938.....	192.9	140.2	12.2	77.1	50.9	17.0	19.4	13.7	5.6	8.1	5.7	-2.4	
1939.....	209.4	148.2	14.5	81.2	52.5	24.7	23.5	15.3	5.9	9.4	8.2	1.2	
1940.....	227.2	155.7	16.7	84.6	54.4	33.0	28.1	18.9	6.8	12.1	9.2	4.9	
1941.....	263.7	165.4	19.1	89.9	56.3	41.6	32.0	22.2	8.1	14.2	9.8	9.6	
1942.....	297.8	161.4	11.7	91.3	58.5	21.4	17.3	12.5	4.6	7.9	4.9	4.0	
1943.....	337.1	165.8	10.2	93.7	61.8	12.7	12.9	10.0	2.9	7.2	2.9	-2	
1944.....	361.3	171.4	9.4	97.3	64.7	14.0	15.9	13.4	3.8	9.6	2.5	-1.9	
1945.....	355.2	183.0	10.6	104.7	67.7	19.6	22.6	19.8	5.7	14.1	2.8	-2.9	
1946.....	312.6	203.5	20.5	110.8	72.1	52.3	42.3	30.2	12.5	17.7	12.1	10.0	
1947.....	309.9	206.3	24.7	108.3	73.4	51.5	51.7	36.2	11.6	24.6	15.4	-2	
1948.....	323.7	210.8	26.3	108.7	75.8	60.4	55.9	38.0	12.3	25.7	17.9	4.6	
1949.....	324.1	216.5	28.4	110.5	77.6	48.0	51.9	34.5	11.9	22.6	17.4	-3.9	
1950.....	355.3	230.5	34.7	114.0	81.8	69.3	61.0	37.5	12.7	24.8	23.5	8.3	
1951.....	383.4	232.8	31.5	116.5	84.8	70.0	59.0	39.6	14.1	25.5	19.5	10.9	
1952.....	395.1	239.4	30.8	120.8	87.8	60.5	57.2	38.3	13.7	24.6	18.9	3.3	
1953.....	412.8	250.8	35.3	124.4	91.1	61.2	60.2	40.7	14.9	25.8	19.6	-9	
1954.....	407.0	255.7	35.4	125.5	94.8	59.4	61.4	39.6	15.2	24.2	21.7	-2.0	
1955.....	438.0	274.2	43.2	131.7	99.3	75.4	69.0	43.9	16.2	27.7	25.1	6.4	
1956.....	446.1	281.4	41.0	136.2	104.1	74.3	69.5	47.3	18.5	28.8	22.2	4.8	
1957.....	452.5	288.2	41.5	138.7	108.0	68.8	67.6	47.4	18.2	29.1	20.2	1.2	
1958.....	447.3	290.1	37.9	140.2	112.0	60.9	62.4	41.6	16.6	25.0	20.8	-1.5	
1959.....	475.9	307.3	43.7	146.8	116.8	73.6	68.8	44.1	16.2	27.9	24.7	4.8	
1960.....	487.7	316.1	44.9	149.6	121.6	72.4	68.9	47.1	17.4	29.6	21.9	3.5	
1961.....	497.2	322.5	43.9	153.0	125.6	69.0	67.0	45.5	17.4	28.1	21.6	2.0	
1962.....	529.8	338.4	49.2	158.2	131.1	79.4	73.4	49.7	17.9	31.7	23.8	6.0	
1963.....	551.0	353.3	53.7	162.2	137.4	82.5	76.7	51.9	17.9	34.0	24.8	5.8	
1964.....	581.1	373.7	59.0	170.3	144.4	87.8	81.9	57.8	19.1	38.7	24.2	5.8	
1965.....	617.8	397.7	66.6	178.6	152.5	99.2	90.1	66.3	22.3	44.0	23.8	9.0	
1966.....	658.1	418.1	71.7	187.0	159.4	109.3	95.4	74.1	24.0	50.1	21.3	13.9	
1967.....	675.2	430.1	72.9	190.2	167.0	101.2	93.5	73.2	22.6	50.6	20.4	7.7	
1968.....	707.2	452.3	81.4	196.5	174.4	105.7	98.8	75.5	22.7	52.7	23.3	6.9	
1969.....	727.1	467.7	84.9	201.2	181.6	111.3	104.1	80.8	24.0	56.9	23.3	7.2	
1970 p.....	724.3	477.2	82.1	207.9	187.3	103.0	99.9	79.3	23.1	56.2	20.6	3.1	
Seasonally adjusted annual rates													
1968: I.....	693.5	445.0	78.1	195.5	171.3	101.3	98.9	76.1	23.4	52.7	22.9	2.4	
II.....	705.4	448.4	80.2	194.9	173.2	107.1	97.6	73.8	22.3	51.5	23.8	9.5	
III.....	712.6	457.7	83.9	197.9	175.9	105.1	97.7	74.9	22.3	52.6	22.8	7.4	
IV.....	717.5	458.1	83.2	197.6	177.4	109.5	101.0	77.1	22.9	54.3	23.9	8.5	
1969: I.....	722.1	463.3	84.9	199.7	178.7	109.7	103.6	79.3	23.8	55.4	24.3	6.1	
II.....	726.1	467.1	85.7	200.9	180.5	111.5	104.8	80.2	23.1	57.0	24.7	6.6	
III.....	730.9	468.7	84.1	201.9	182.7	114.1	104.2	81.9	24.6	57.3	22.3	9.9	
IV.....	729.2	471.7	84.9	202.4	184.4	110.0	103.9	82.1	24.3	57.8	21.8	6.1	
1970: I.....	723.8	474.0	82.7	205.6	185.8	102.9	101.5	80.9	24.4	56.5	20.7	1.3	
II.....	724.9	478.1	84.9	206.6	186.6	103.1	100.1	80.2	23.5	56.7	20.0	2.9	
III.....	727.4	479.6	83.6	208.2	187.8	104.1	99.6	79.6	22.6	56.9	20.0	4.6	
IV p.....	721.3	477.1	77.1	211.2	188.8	101.8	98.3	76.6	21.8	54.8	21.7	3.5	

See footnotes at end of table.

TABLE C-2.—Gross national product or expenditure, in 1958 prices, 1929-70—Continued

[Billions of dollars, 1958 prices]

Year or quarter	Net exports of goods and services			Government purchases of goods and services ¹		
	Net exports	Exports	Imports	Total	Federal	State and local
1929	1.5	11.8	10.3	22.0	3.5	18.5
1930	1.4	10.4	9.0	24.3	4.0	20.2
1931	.9	8.9	7.9	25.4	4.3	21.1
1932	.6	7.1	6.6	24.2	4.6	19.6
1933	.0	7.1	7.1	23.3	6.0	17.3
1934	.3	7.3	7.1	26.6	8.0	18.6
1935	-1.0	7.7	8.7	27.0	7.9	19.2
1936	-1.2	8.2	9.3	31.8	12.2	19.6
1937	-.7	9.8	10.5	30.8	11.5	19.4
1938	1.9	9.9	8.0	33.9	13.3	20.6
1939	1.3	10.0	8.7	35.2	12.5	22.7
1940	2.1	11.0	8.9	36.4	15.0	21.4
1941	.4	11.2	10.8	56.3	36.2	20.1
1942	-2.1	7.8	9.9	117.1	98.9	18.3
1943	-5.9	6.8	12.6	164.4	147.8	16.6
1944	-5.8	7.6	13.4	181.7	165.4	16.3
1945	-3.8	10.2	13.9	156.4	139.7	16.7
1946	8.4	19.6	11.2	48.4	30.1	18.4
1947	12.3	22.6	10.3	39.9	19.1	20.8
1948	6.1	18.1	12.0	46.3	23.7	22.7
1949	6.4	18.1	11.7	53.3	27.6	25.7
1950	2.7	16.3	13.6	52.8	25.3	27.5
1951	5.3	19.3	14.1	75.4	47.4	27.9
1952	3.0	18.2	15.2	92.1	63.8	28.4
1953	1.1	17.8	16.7	99.8	70.0	29.7
1954	3.0	18.8	15.8	88.9	56.8	32.1
1955	3.2	20.9	17.7	85.2	50.7	34.4
1956	5.0	24.2	19.1	85.3	49.7	35.6
1957	6.2	26.2	19.9	89.3	51.7	37.6
1958	2.2	23.1	20.9	94.2	53.6	40.6
1959	.3	23.8	23.5	94.7	52.5	42.2
1960	4.3	27.3	23.0	94.9	51.4	43.5
1961	5.1	28.0	22.9	100.5	54.6	45.9
1962	4.5	30.0	25.5	107.5	60.0	47.5
1963	5.6	32.1	26.6	109.6	59.5	50.1
1964	8.3	36.5	28.2	111.2	58.1	53.2
1965	6.2	37.4	31.2	114.7	57.9	56.8
1966	4.2	40.2	36.1	126.5	65.4	61.1
1967	3.6	42.1	38.5	140.2	74.7	65.5
1968	.9	45.7	44.8	148.3	78.7	69.6
1969	.2	48.5	48.2	147.8	75.7	72.1
1970 ^p	2.3	52.2	49.9	141.8	67.7	74.1
Seasonally adjusted annual rates						
1968: I	0.8	43.8	43.1	146.4	77.5	68.9
II	1.5	45.4	43.9	148.5	79.1	69.4
III	1.5	47.8	46.3	148.3	78.9	69.4
IV	-.2	45.6	45.8	150.0	79.4	70.6
1969: I	-.4	42.3	42.6	149.5	78.0	71.5
II	-.3	50.7	51.1	147.9	75.8	72.1
III	.8	50.8	50.0	147.3	75.2	72.1
IV	.9	50.0	49.1	146.6	73.8	72.9
1970: I	1.9	52.0	50.1	145.0	71.1	73.8
II	2.4	52.9	50.5	141.3	67.8	73.5
III	3.1	52.0	48.9	140.6	66.2	74.4
IV ^p	1.9	51.8	50.0	140.5	65.8	74.7

¹ Net of Government sales.

Source: Department of Commerce, Office of Business Economics.

TABLE C-3.—Implicit price deflators for gross national product, 1929-70

[Index numbers, 1958=100]

Year or quarter	Total gross national product ¹	Personal consumption expenditures				Gross private domestic investment ¹				
		Total	Durable goods	Non-durable goods	Services	Fixed investment				
						Total	Nonresidential			Residential structures
							Total	Structures	Producers' durable equipment	
1929	50.64	55.3	56.4	54.5	56.1	39.4	39.9	35.7	44.6	38.1
1930	49.26	53.6	55.3	51.6	55.7	37.9	38.1	34.0	43.0	37.1
1931	44.78	47.9	49.1	44.1	52.7	35.2	35.8	31.1	41.1	33.6
1932	40.25	42.3	43.2	37.7	48.3	31.6	32.9	27.6	39.1	27.3
1933	39.29	40.6	41.9	38.0	43.6	30.6	31.6	27.9	34.5	27.1
1934	42.16	43.5	44.7	42.7	44.3	33.7	34.9	28.9	38.8	30.1
1935	42.62	44.4	43.7	44.5	44.4	34.3	35.9	30.6	38.7	29.8
1936	42.73	44.7	43.6	44.8	45.0	34.6	35.6	30.2	38.5	31.3
1937	44.50	46.5	45.8	46.4	46.8	37.8	38.8	34.4	41.4	34.3
1938	43.88	45.6	46.7	44.0	47.7	38.2	39.3	33.9	43.0	35.5
1939	43.23	45.1	46.0	43.2	47.7	37.7	38.7	33.1	42.2	35.7
1940	43.87	45.5	46.5	43.8	47.9	39.0	40.0	33.9	43.4	36.9
1941	47.22	48.7	50.4	47.7	49.8	42.0	42.7	36.4	46.3	40.3
1942	53.03	54.8	59.3	55.6	52.7	46.5	47.8	41.3	51.5	43.3
1943	56.83	59.9	64.2	62.5	55.3	49.3	49.9	46.8	51.1	47.0
1944	58.16	63.2	71.5	66.2	57.5	51.1	51.0	48.6	51.9	51.6
1945	59.66	65.4	75.9	68.7	58.7	51.5	51.0	49.2	51.7	54.9
1946	66.70	70.5	76.8	74.3	62.7	58.5	56.3	54.4	57.5	59.7
1947	74.64	77.9	82.7	83.6	67.9	66.7	64.5	64.4	64.6	71.7
1948	79.57	82.3	86.3	88.5	72.1	73.9	70.7	71.5	70.3	80.8
1949	79.12	81.7	86.8	85.6	74.3	74.7	72.8	71.2	73.6	78.5
1950	80.16	82.9	87.8	86.0	76.3	77.5	74.4	72.9	75.2	82.5
1951	85.64	88.6	94.2	93.3	80.0	83.1	80.4	79.3	80.9	88.6
1952	87.45	90.5	95.4	94.3	83.6	85.3	82.6	83.2	82.2	90.8
1953	88.33	91.7	94.3	93.9	87.7	86.6	84.0	84.9	83.5	91.9
1954	89.63	92.5	92.9	94.2	90.0	86.8	84.8	86.0	84.0	90.4
1955	90.86	92.8	91.9	93.6	92.0	89.0	86.7	88.1	85.9	92.9
1956	93.99	94.8	94.9	94.9	94.6	94.0	92.4	93.4	91.8	97.4
1957	97.49	97.7	98.4	97.7	97.3	98.5	97.9	98.6	97.5	99.8
1958	99.97	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1959	101.66	101.3	101.4	99.9	103.0	102.6	102.2	102.7	102.0	103.1
1960	103.29	102.9	100.9	101.2	105.8	103.4	102.9	104.0	102.2	104.5
1961	104.62	103.9	100.6	101.9	107.6	103.9	103.4	105.6	102.1	105.0
1962	105.78	104.9	100.8	102.8	109.0	104.9	104.1	107.1	102.3	106.7
1963	107.17	106.1	100.4	104.0	110.9	106.0	104.5	108.9	102.3	108.9
1964	108.85	107.4	100.4	104.9	113.1	107.6	105.7	111.1	103.0	112.3
1965	110.86	108.8	99.6	106.9	115.1	109.3	107.5	114.7	103.9	114.2
1966	113.95	111.5	98.7	110.7	118.3	111.8	110.2	118.9	106.0	117.4
1967	117.59	114.4	100.3	113.0	122.2	115.9	113.8	124.0	109.3	123.1
1968	122.31	118.5	103.3	117.1	127.1	120.4	117.5	130.3	111.9	129.7
1969	128.11	123.5	106.0	122.2	133.1	126.2	122.8	141.1	115.1	137.7
1970 P	134.86	129.2	109.0	127.3	140.3	132.4	129.4	152.2	120.0	144.0
Seasonally adjusted										
1968: I	120.39	116.8	102.3	115.4	125.0	118.4	116.1	127.5	111.1	126.0
II	121.65	118.0	102.9	116.8	126.4	119.9	117.0	129.6	111.6	128.6
III	122.90	118.8	103.4	117.5	127.6	121.1	117.9	131.7	112.1	131.5
IV	124.25	120.2	104.6	118.8	129.1	122.1	118.8	132.6	113.0	132.5
1969: I	125.68	121.3	105.0	119.8	130.6	124.2	120.7	136.8	113.7	135.5
II	127.22	122.8	105.7	121.5	132.3	125.4	121.6	139.5	114.4	137.4
III	128.97	124.2	106.4	122.9	133.8	127.1	123.9	143.3	115.6	138.9
IV	130.52	125.6	107.0	124.5	135.5	128.0	125.1	144.7	116.8	139.3
1970: I	132.57	127.2	107.8	125.9	137.3	129.6	126.8	146.4	118.4	140.6
II	133.98	128.5	108.2	127.1	139.3	131.0	128.2	150.0	119.2	142.4
III	135.50	129.7	109.2	127.7	141.1	133.3	130.2	154.8	120.4	145.7
IV P	137.39	131.5	110.8	128.6	143.3	135.6	132.4	158.5	122.0	147.1

See footnotes at end of table.

TABLE C-3.—Implicit price deflators for gross national product, 1929-70—Continued

[Index numbers, 1958=100]

Year or quarter	Exports and imports of goods and services ¹		Government purchases of goods and services			Gross national product by sector	
	Exports	Imports	Total	Federal	State and local	Private ²	General government
1929.....	59.5	57.3	38.6	36.0	39.1	51.73	34.1
1930.....	52.3	49.0	37.9	34.1	38.7	50.45	34.1
1931.....	41.0	39.3	36.3	34.5	36.6	45.67	34.5
1932.....	34.7	31.5	33.4	31.9	33.8	40.91	33.7
1933.....	33.7	28.8	34.5	33.1	35.0	39.92	33.5
1934.....	40.6	33.6	36.8	37.4	36.6	43.01	34.8
1935.....	42.3	36.0	37.0	37.0	37.0	43.51	34.7
1936.....	43.4	36.7	37.6	40.5	35.9	43.45	36.5
1937.....	46.5	40.7	38.4	40.7	37.1	45.33	36.5
1938.....	43.8	37.9	38.3	40.5	36.8	44.65	37.4
1939.....	44.1	38.6	37.9	40.8	36.3	43.93	36.8
1940.....	48.6	40.8	38.5	40.2	37.3	44.69	36.0
1941.....	53.0	43.0	44.0	46.6	39.2	48.66	34.7
1942.....	61.5	48.3	50.9	52.5	42.3	55.51	37.3
1943.....	65.2	51.2	53.9	54.9	44.6	60.85	39.7
1944.....	69.9	53.2	53.1	53.8	46.1	62.02	43.3
1945.....	71.3	56.4	52.6	53.1	48.6	62.59	48.3
1946.....	75.4	64.9	55.8	57.3	53.2	68.25	55.4
1947.....	87.3	79.4	62.9	65.6	60.4	76.27	58.5
1948.....	92.7	86.4	68.1	69.8	66.4	81.40	60.8
1949.....	87.0	82.2	71.0	73.0	68.9	80.60	64.7
1950.....	84.9	88.7	71.8	72.9	70.8	81.41	67.1
1951.....	97.0	107.2	78.5	79.4	76.9	87.35	70.5
1952.....	98.8	103.6	81.0	81.2	80.6	88.99	74.4
1953.....	95.2	99.1	81.8	81.4	82.8	89.65	76.6
1954.....	94.3	100.8	84.1	83.5	85.3	90.77	79.5
1955.....	94.9	100.6	87.1	86.9	87.5	91.57	84.0
1956.....	97.5	102.5	92.1	91.7	92.7	94.53	88.7
1957.....	101.3	104.0	96.4	95.8	97.3	97.92	93.3
1958.....	100.0	100.0	100.0	100.0	100.0	99.97	100.0
1959.....	98.8	99.3	102.4	102.2	102.6	101.41	104.2
1960.....	99.9	101.0	105.0	104.7	105.9	102.76	108.6
1961.....	101.9	100.1	107.1	105.2	109.4	103.73	113.6
1962.....	100.8	98.5	109.0	105.6	113.2	104.73	116.6
1963.....	100.6	99.5	111.8	108.0	116.3	105.80	121.5
1964.....	101.5	101.5	115.7	112.2	119.5	107.05	128.4
1965.....	104.7	103.4	119.4	115.5	123.5	108.83	133.5
1966.....	107.7	105.6	124.0	118.8	129.4	111.56	140.3
1967.....	109.7	106.5	128.5	121.5	136.4	114.79	147.7
1968.....	110.9	107.5	135.0	126.4	144.7	118.92	159.1
1969.....	114.6	111.1	143.5	133.9	153.7	124.22	170.8
1970 p.....	119.5	117.7	155.5	147.3	163.1	130.12	186.6
Seasonally adjusted							
1968: I.....	108.9	106.6	132.2	124.4	141.1	117.22	154.5
II.....	111.8	107.8	133.5	125.0	143.3	118.38	157.1
III.....	111.2	107.5	136.3	127.6	146.1	119.37	161.1
IV.....	111.5	108.1	137.8	128.4	148.3	120.66	163.6
1969: I.....	113.0	109.0	139.5	129.5	150.4	122.08	165.4
II.....	112.7	109.5	141.9	131.7	152.6	123.55	167.6
III.....	114.6	111.2	145.4	136.3	154.9	124.90	173.6
IV.....	117.7	114.5	147.5	138.4	156.7	126.32	176.5
1970: I.....	117.5	114.9	151.5	143.8	158.9	127.96	182.9
II.....	118.8	116.2	154.6	147.0	161.5	129.24	185.9
III.....	120.8	119.9	157.2	149.1	164.5	130.73	187.9
IV p.....	120.8	119.9	158.9	149.5	167.2	132.55	189.9

¹ Separate deflators are not available for total gross private domestic investment, change in business inventories, and net exports of goods and services.² Gross national product less compensation of general government employees. See also Tables C-7 and C-8.

Source: Department of Commerce, Office of Business Economics.

TABLE C-4.—Gross national product by major type of product, 1929-70

[Billions of dollars]

Year or quarter	Total gross national product	Final sales	Inventory change	Goods output									Services	Structures	Gross auto product
				Total			Durable goods			Nondurable goods					
				Total	Final sales	Inventory change	Total	Final sales	Inventory change	Total	Final sales	Inventory change			
1929.....	103.1	101.4	1.7	56.1	54.3	1.7	17.5	16.1	1.4	38.5	38.2	0.3	35.6	11.4	
1930.....	90.4	90.7	-.4	46.9	47.3	-.4	11.4	12.5	-1.0	35.5	34.8	.7	34.2	9.2	
1931.....	75.8	77.0	-1.1	37.4	38.6	-1.1	7.7	9.0	-1.2	29.7	29.6	.1	31.7	6.7	
1932.....	58.0	60.5	-2.5	26.7	29.2	-2.5	3.6	5.7	-2.0	23.1	23.6	-.4	27.5	3.8	
1933.....	55.6	57.2	-1.6	27.0	28.6	-1.6	4.9	5.4	-.5	22.1	23.2	-1.1	25.7	2.9	
1934.....	65.1	65.8	-.7	34.4	35.1	-.7	7.4	7.3	.1	27.0	27.8	-.9	27.1	3.5	
1935.....	72.2	71.2	1.1	39.9	38.8	1.1	9.3	8.9	.3	30.6	29.9	.7	28.3	4.0	
1936.....	82.5	81.2	1.3	45.8	44.5	1.3	12.2	11.2	.9	33.6	33.3	.3	31.0	5.6	
1937.....	90.4	87.9	2.5	51.5	48.9	2.5	13.9	13.1	.8	37.6	35.8	1.8	32.3	6.7	
1938.....	84.7	85.6	-.9	45.3	46.2	-.9	9.9	10.8	-.9	35.4	35.4	0.0	33.2	6.2	
1939.....	90.5	90.1	.4	49.0	48.6	.4	12.7	12.4	.3	36.3	36.2	.1	34.0	7.5	
1940.....	99.7	97.5	2.2	56.0	53.8	2.2	16.6	15.4	1.2	39.3	38.4	1.0	35.4	8.3	
1941.....	124.5	120.1	4.5	72.5	68.0	4.5	26.8	23.8	3.0	45.6	44.2	1.4	40.3	11.8	
1942.....	157.9	156.2	1.8	93.6	91.9	1.8	35.5	34.5	1.0	58.1	57.4	.7	50.3	14.0	
1943.....	191.6	192.2	-.6	120.4	121.0	-.6	54.2	54.2	0.0	66.2	66.8	-.6	62.5	8.7	
1944.....	210.1	211.1	-1.0	132.3	133.3	-1.0	57.9	58.5	-.6	74.4	74.8	-.3	71.8	6.1	
1945.....	211.9	213.0	-1.0	128.9	129.9	-1.0	48.9	50.2	-1.3	80.0	79.7	.2	76.5	6.5	
1946.....	208.5	202.1	6.4	124.9	118.5	6.4	36.9	31.6	5.3	88.0	86.9	1.1	68.0	15.6	
1947.....	231.3	231.8	-.5	139.7	140.1	-.5	46.0	44.3	1.7	93.7	95.9	-2.2	70.2	21.4	7.2
1948.....	257.6	252.9	4.7	154.2	149.4	4.7	48.7	48.0	.7	105.5	101.5	4.0	75.7	27.7	8.8
1949.....	256.5	259.6	-3.1	147.5	150.5	-3.1	47.8	49.9	-2.1	99.7	100.6	-1.0	80.8	28.3	11.9
1950.....	284.8	278.0	6.8	162.4	155.6	6.8	60.4	56.3	4.1	102.0	99.3	2.7	87.0	35.4	15.4
1951.....	328.4	318.1	10.3	189.7	179.4	10.3	73.7	66.8	6.9	116.0	112.6	3.4	101.2	37.5	13.5
1952.....	345.5	342.4	3.1	195.6	192.5	3.1	74.6	73.5	1.1	121.0	119.1	2.0	110.8	39.1	12.0
1953.....	364.6	364.1	.4	204.1	203.7	.4	79.4	78.5	.9	124.8	125.2	-.5	118.8	41.7	16.3
1954.....	364.8	366.4	-1.5	197.1	198.6	-1.5	72.1	74.6	-2.5	125.0	124.1	1.0	123.5	44.2	14.6
1955.....	398.0	392.0	6.0	216.4	210.4	6.0	85.7	82.7	3.0	130.7	127.7	2.9	132.6	49.0	21.2
1956.....	419.2	414.5	4.7	225.4	220.7	4.7	90.3	87.5	2.8	135.1	133.2	1.9	142.3	51.5	16.9
1957.....	441.1	439.8	1.3	234.6	233.3	1.3	94.4	93.1	1.3	140.2	140.2	0.0	154.2	52.3	19.5
1958.....	447.3	448.8	-1.5	230.8	232.3	-1.5	83.6	86.4	-2.8	147.2	145.9	1.3	163.4	53.1	14.5
1959.....	483.7	478.9	4.8	249.1	244.4	4.8	95.6	93.2	2.3	153.6	151.1	2.4	176.2	58.3	19.1
1960.....	503.7	500.2	3.6	259.6	256.0	3.6	99.5	97.4	2.1	160.1	158.6	1.5	187.3	56.8	21.4
1961.....	520.1	518.1	2.0	262.3	260.2	2.0	96.5	96.6	-.1	165.8	163.7	2.1	199.5	58.3	17.9
1962.....	560.3	554.3	6.0	284.5	278.5	6.0	109.0	106.2	2.8	175.5	172.2	3.2	213.3	62.6	22.5
1963.....	590.5	584.6	5.9	298.6	292.7	5.9	116.1	113.3	2.8	182.5	179.4	3.1	226.2	65.7	25.1
1964.....	632.4	626.6	5.8	319.4	313.6	5.8	127.0	122.8	4.2	192.4	190.7	1.6	244.2	68.8	25.8
1965.....	684.9	675.3	9.6	347.2	337.6	9.6	139.6	133.0	6.7	207.6	204.7	2.9	262.9	74.8	31.8
1966.....	749.9	735.1	14.8	383.3	368.5	14.8	156.7	146.2	10.5	226.6	222.3	4.3	289.1	77.5	30.0
1967.....	793.9	785.7	8.2	398.9	390.7	8.2	161.1	156.5	4.7	237.7	234.2	3.5	316.5	78.6	28.9
1968.....	865.0	857.4	7.6	430.6	422.9	7.6	176.1	170.4	5.7	254.5	252.5	2.0	347.1	87.4	36.1
1969.....	931.4	922.9	8.5	460.0	451.6	8.5	190.2	183.9	6.4	269.8	267.7	2.1	377.6	93.8	36.6
1970 p.....	976.8	973.2	3.6	474.1	470.5	3.6	185.0	185.3	-.4	289.1	285.2	4.0	410.3	92.4	31.0
Seasonally adjusted annual rates															
1968: I.....	834.9	832.3	2.6	414.2	411.6	2.6	167.7	165.2	2.5	246.5	246.4	0.1	334.7	86.0	34.2
II.....	858.1	847.8	10.4	428.2	417.8	10.4	175.1	168.0	7.1	253.0	249.8	3.2	343.1	86.8	36.6
III.....	875.8	867.6	8.2	437.2	429.0	8.2	178.9	173.1	5.8	258.3	255.9	2.4	352.2	86.3	36.5
IV.....	891.4	882.1	9.3	442.6	433.3	9.3	182.6	175.3	7.2	260.0	258.0	2.1	358.4	90.5	37.2
1969: I.....	907.6	900.2	7.4	448.3	440.9	7.4	186.1	180.5	5.6	262.1	260.4	1.8	364.8	94.5	38.2
II.....	923.7	915.9	7.9	456.7	448.8	7.9	189.4	182.7	6.7	267.3	266.1	1.2	372.3	94.8	34.8
III.....	942.6	931.2	11.3	466.2	454.9	11.3	192.7	184.8	7.9	273.5	270.1	3.5	383.0	93.3	37.6
IV.....	951.7	944.5	7.2	468.9	461.7	7.2	192.7	187.4	5.3	276.2	274.3	1.9	390.3	92.5	35.8
1970: I.....	959.5	957.9	1.6	467.1	465.5	1.6	185.3	185.5	-.3	281.8	280.0	1.9	400.1	92.3	31.1
II.....	971.1	968.1	3.1	474.9	471.8	3.1	186.6	188.5	-1.9	288.3	283.3	5.0	405.8	90.4	35.4
III.....	985.5	980.0	5.5	479.8	474.2	5.5	193.5	188.3	5.2	286.3	286.0	.3	413.2	92.6	34.7
IV p.....	990.9	986.8	4.1	474.5	470.4	4.1	174.5	179.0	-4.5	300.0	291.4	8.6	422.2	94.2	22.7

Source: Department of Commerce, Office of Business Economics.

TABLE C-5.—Gross national product by major type of product, in 1958 prices, 1929-70

(Billions of dollars, 1958 prices)

Year or quarter	Total gross national product	Final sales	Inventory change	Goods output									Services	Structures	Gross auto product
				Total			Durable goods			Nondurable goods					
				Total	Final sales	Inventory change	Total	Final sales	Inventory change	Total	Final sales	Inventory change			
1929	203.6	200.1	3.5	103.9	100.4	3.5	33.6	30.9	2.7	70.4	69.5	0.8	69.3	30.3	
1930	183.5	184.1	-.6	90.5	91.1	-.6	22.4	24.5	-2.1	68.0	66.5	1.5	67.7	25.3	
1931	169.3	171.7	-2.4	83.2	85.7	-2.4	16.3	19.2	-3.0	67.0	66.5	-.5	65.8	20.2	
1932	144.2	150.5	-6.2	68.7	74.9	-6.2	8.3	13.4	-5.1	60.4	61.5	-1.1	61.9	13.7	
1933	141.5	145.9	-4.3	68.8	73.2	-4.3	11.7	13.4	-1.7	57.1	59.8	-2.7	63.0	9.8	
1934	154.3	157.0	-2.7	77.9	80.5	-2.7	16.9	16.7	.2	61.0	63.8	-2.8	65.3	11.1	
1935	169.5	167.1	2.4	88.6	86.2	2.4	21.5	20.6	.9	67.1	65.6	1.5	68.1	12.8	
1936	193.0	189.9	3.1	102.2	99.1	3.1	28.7	26.3	2.4	73.5	72.8	.7	73.3	17.5	
1937	203.2	197.8	5.5	110.2	104.8	5.5	31.0	29.1	1.9	79.2	75.7	3.6	73.9	19.1	
1938	192.9	195.3	-2.4	100.5	102.9	-2.4	21.1	23.4	-2.3	79.4	79.5	-.1	74.8	17.7	
1939	209.4	208.2	1.2	110.7	109.5	1.2	27.6	27.0	.6	83.0	82.5	.6	76.9	21.8	
1940	227.2	222.3	4.9	124.0	119.0	4.9	35.6	32.8	2.7	88.4	86.2	2.2	80.0	23.2	
1941	263.7	254.1	9.6	143.4	133.8	9.6	50.0	43.5	6.6	93.4	90.3	3.1	89.8	30.5	
1942	297.8	293.8	4.0	158.1	154.1	4.0	57.2	54.4	2.9	100.9	99.7	1.2	107.7	31.9	
1943	337.1	337.3	-.2	187.4	187.6	-.2	85.6	85.2	.4	101.7	102.4	-.6	131.8	17.9	
1944	361.3	363.2	-1.9	204.8	206.7	-1.9	95.9	97.4	-1.5	108.8	109.3	-.4	144.0	12.4	
1945	355.2	358.2	-2.9	198.0	201.0	-2.9	84.3	87.4	-3.1	113.7	113.6	.2	144.3	12.9	
1946	312.6	302.6	10.0	172.1	162.1	10.0	54.7	46.1	8.6	117.4	116.0	1.4	113.3	27.2	
1947	309.9	310.1	-.2	172.2	172.4	-.2	60.1	58.6	1.5	112.2	113.8	-1.7	106.5	31.2	10.3
1948	323.7	319.1	4.6	178.4	173.8	4.6	61.3	60.0	1.2	117.1	113.8	3.3	109.3	36.1	11.4
1949	324.1	328.1	-3.9	174.2	178.1	-3.9	58.0	61.0	-3.0	116.2	117.1	-.9	112.4	37.5	14.8
1950	355.3	347.0	8.3	192.6	184.3	8.3	73.4	68.3	5.2	119.1	116.0	3.1	117.5	45.2	19.1
1951	383.4	372.5	10.9	208.4	197.5	10.9	84.1	76.1	8.0	124.3	121.4	2.9	130.5	44.4	15.9
1952	395.1	391.8	3.3	214.0	210.7	3.3	84.6	83.2	1.5	129.4	127.6	1.8	136.3	44.7	13.5
1953	412.8	411.8	.9	225.4	224.5	.9	91.0	89.9	1.2	134.4	134.6	-.2	140.3	47.0	18.7
1954	407.0	409.6	-2.0	215.1	217.1	-2.0	81.9	84.8	-3.0	133.2	132.3	.9	141.8	50.2	17.1
1955	438.0	431.6	6.4	236.1	229.7	6.4	96.5	93.0	3.4	139.7	136.7	3.0	147.5	54.3	24.6
1956	446.1	441.2	4.8	239.0	234.2	4.8	96.5	93.5	3.0	142.5	140.7	1.8	153.0	54.0	18.6
1957	452.5	451.2	1.2	239.8	238.5	1.2	96.2	95.0	1.2	143.6	143.6	.0	160.1	52.6	20.2
1958	447.3	448.8	-1.5	230.8	232.3	-1.5	83.6	86.4	-2.8	147.2	145.9	1.3	163.4	53.1	14.5
1959	475.9	471.1	4.8	247.7	242.9	4.8	94.0	91.6	2.4	153.7	151.2	2.5	171.2	57.0	18.5
1960	487.7	484.2	3.5	256.0	252.6	3.5	97.8	95.9	2.0	158.2	156.7	1.5	176.6	55.0	21.0
1961	497.2	495.2	2.0	273.3	255.3	2.0	94.9	94.9	.0	162.3	160.3	2.0	184.0	55.8	17.5
1962	529.8	523.8	6.0	277.3	271.3	6.0	107.0	104.1	2.8	170.3	167.2	3.1	193.7	58.8	22.0
1963	551.0	545.2	5.8	289.7	283.9	5.8	114.2	111.4	2.8	175.6	172.5	3.1	200.9	60.4	24.7
1964	581.1	575.2	5.8	308.6	302.8	5.8	124.6	120.4	4.1	184.1	182.3	1.7	210.8	61.6	25.5
1965	617.8	608.8	9.0	330.7	321.7	9.0	136.5	130.1	6.5	194.2	191.6	2.6	221.9	65.0	31.8
1966	658.1	644.2	13.9	356.8	347.9	13.9	151.8	141.9	9.8	205.1	201.0	4.1	236.3	65.0	30.6
1967	675.2	667.5	7.7	363.1	355.4	7.7	152.2	148.0	4.3	210.9	207.4	3.5	249.1	63.0	29.0
1968	707.2	700.3	6.9	380.7	373.8	6.9	162.1	157.1	5.1	218.6	216.7	1.8	260.0	66.6	35.3
1969	727.1	719.9	7.2	392.2	385.0	7.2	170.1	164.7	5.3	222.1	220.3	1.8	268.2	66.6	35.0
1970 p	724.3	721.2	3.1	388.5	385.4	3.1	160.2	160.5	-.4	228.4	224.9	3.5	274.5	61.3	28.7
Seasonally adjusted annual rates															
1968: I	693.5	691.1	2.4	370.5	368.2	2.4	156.0	153.7	2.3	214.5	214.5	0.0	255.8	67.1	33.6
II	705.4	695.9	9.5	379.8	370.3	9.5	161.8	155.4	6.5	217.9	214.9	3.0	258.9	66.7	35.9
III	712.6	705.2	7.4	385.6	378.2	7.4	164.1	159.4	4.7	221.5	218.8	2.7	262.1	64.9	35.7
IV	717.5	709.0	8.5	387.0	378.5	8.5	166.7	159.8	6.9	220.4	218.7	1.6	263.1	67.4	35.9
1969: I	722.1	716.1	6.1	388.5	382.4	6.1	168.4	163.6	4.8	220.1	218.8	1.3	264.7	68.9	36.9
II	726.1	719.4	6.6	391.1	384.5	6.6	170.0	164.5	5.5	221.1	220.0	1.1	267.2	67.8	33.3
III	730.9	720.9	9.9	395.7	385.8	9.9	171.6	164.9	6.7	224.1	220.9	3.2	269.8	65.4	35.8
IV	729.2	723.0	6.1	393.5	387.4	6.1	170.3	165.9	4.4	223.3	221.5	1.8	271.3	64.4	33.9
1970: I	723.8	722.4	1.3	387.3	386.0	1.3	162.3	162.6	-.3	225.1	223.4	1.6	273.1	63.4	29.2
II	724.9	721.9	2.9	391.1	388.2	2.9	162.9	164.4	-1.5	228.3	223.8	4.5	272.8	60.9	33.2
III	727.4	722.8	4.6	392.1	387.5	4.6	167.1	162.7	4.3	225.0	224.7	.2	274.8	60.5	32.1
IV p	721.3	717.8	3.5	383.6	380.1	3.5	148.5	152.5	-4.0	235.2	227.6	7.5	277.2	60.5	20.3

Source: Department of Commerce, Office of Business Economics.

TABLE C-6.—Gross national product: Receipts and expenditures by major economic groups, 1929-70

(Billions of dollars)

Year or quarter	Persons					Government						
	Disposable personal income			Personal consumption expenditures	Personal saving or dis-saving (-)	Net receipts			Expenditures			Surplus or deficit (-), national income and product accounts
	Total ¹	Less: Interest paid and transfer payments to foreigners	Equals: Total excluding interest and transfers			Tax and non-tax receipts or accruals	Less: Transfers, interest, and subsidies ²	Equals: Net receipts	Total expenditures	Less: Transfers, interest, and subsidies ²	Equals: Purchases of goods and services	
1929.....	83.3	1.9	81.4	77.2	4.2	11.3	1.8	9.5	10.3	1.8	8.5	1.0
1930.....	74.5	1.2	73.3	69.9	3.4	10.8	1.9	8.9	11.1	1.9	9.2	-.3
1931.....	64.0	.9	63.1	60.5	2.6	9.5	3.1	6.3	12.4	3.1	9.2	-2.9
1932.....	48.7	.7	48.0	48.6	-.6	8.9	2.6	6.3	10.6	2.6	8.1	-1.8
1933.....	45.5	.7	44.9	45.8	-.9	9.3	2.7	6.7	10.7	2.7	8.0	-1.4
1934.....	52.4	.6	51.7	51.3	.4	10.5	3.1	7.4	12.9	3.1	9.8	-2.4
1935.....	58.5	.7	57.8	55.7	2.1	11.4	3.4	8.0	13.4	3.4	10.0	-2.0
1936.....	66.3	.8	65.5	61.9	3.6	12.9	4.1	8.8	16.1	4.1	12.0	-3.1
1937.....	71.2	.9	70.3	66.5	3.8	15.4	3.2	12.2	15.0	3.2	11.9	.3
1938.....	65.5	.8	64.6	63.9	.7	15.0	3.8	11.2	16.8	3.8	13.0	-1.8
1939.....	70.3	.9	69.4	66.8	2.6	15.4	4.2	11.2	17.6	4.2	13.3	-2.2
1940.....	75.7	1.0	74.7	70.8	3.8	17.7	4.4	13.3	18.4	4.4	14.0	-.7
1941.....	92.7	1.1	91.6	80.6	11.0	25.0	4.0	21.0	28.8	4.0	24.8	-3.8
1942.....	116.9	.8	116.1	88.5	27.6	32.6	4.4	28.2	64.0	4.4	59.6	-31.4
1943.....	133.5	.8	132.7	99.3	33.4	49.2	4.7	44.4	93.3	4.7	88.6	-44.1
1944.....	146.3	.8	145.5	108.3	37.3	51.2	6.5	44.7	103.0	6.5	96.5	-51.8
1945.....	150.2	1.0	149.3	119.7	29.6	53.2	10.4	42.8	92.7	10.4	82.3	-39.5
1946.....	160.0	1.4	158.6	143.4	15.2	50.9	18.5	32.4	45.5	18.5	27.0	5.4
1947.....	169.8	1.8	168.0	160.7	7.3	56.8	17.3	39.5	42.4	17.3	25.1	14.4
1948.....	189.1	2.2	186.9	173.6	13.4	58.9	18.8	40.1	50.3	18.8	31.6	8.5
1949.....	188.6	2.4	186.2	176.8	9.4	56.0	21.3	34.7	59.1	21.3	37.8	-3.2
1950.....	206.9	2.9	204.1	191.0	13.1	68.7	22.9	45.8	60.8	22.9	37.9	7.8
1951.....	226.6	3.1	223.5	206.3	17.3	84.8	19.9	64.9	79.0	19.9	59.1	5.8
1952.....	238.3	3.5	234.8	216.7	18.1	89.8	19.0	70.8	93.7	19.0	74.7	-3.8
1953.....	252.6	4.3	248.3	230.0	18.3	94.3	19.5	74.8	101.2	19.5	81.6	-6.9
1954.....	257.4	4.6	252.9	236.5	16.4	89.7	21.9	67.8	96.7	21.9	74.8	-7.0
1955.....	275.3	5.1	270.2	254.4	15.8	100.4	23.4	76.9	97.6	23.4	74.2	2.7
1956.....	293.2	5.9	287.2	266.7	20.6	109.0	25.5	83.5	104.1	25.5	78.6	4.9
1957.....	308.5	6.4	302.2	281.4	20.7	115.6	28.7	86.8	114.9	28.7	86.1	.7
1958.....	318.8	6.5	312.3	290.1	22.3	114.7	33.0	81.6	127.2	33.0	94.2	-12.5
1959.....	337.3	7.1	330.3	311.2	19.1	128.9	34.0	95.0	131.0	34.0	97.0	-2.1
1960.....	350.0	7.8	342.3	325.2	17.0	139.8	36.5	103.3	136.1	36.5	99.6	3.7
1961.....	364.4	8.1	356.3	335.2	21.2	144.6	41.3	103.3	149.0	41.3	107.6	-4.3
1962.....	385.3	8.6	376.6	355.1	21.6	157.0	42.8	114.2	159.9	42.8	117.1	-2.9
1963.....	404.6	9.7	394.9	375.0	19.9	168.8	44.4	124.3	166.9	44.4	122.5	1.8
1964.....	438.1	10.7	427.4	401.2	26.2	174.1	46.7	127.3	175.4	46.7	128.7	-1.4
1965.....	473.2	12.0	461.3	432.8	28.4	189.1	49.9	139.2	186.9	49.9	137.0	2.2
1966.....	511.9	13.0	498.9	466.3	32.5	213.3	55.5	157.9	212.3	55.5	156.8	1.1
1967.....	546.3	13.9	532.4	492.1	40.4	228.9	62.8	166.2	242.9	62.8	180.1	-13.9
1968.....	591.2	15.0	576.2	535.8	40.4	263.3	70.5	192.8	270.7	70.5	200.2	-7.3
1969.....	631.6	16.5	615.1	577.5	37.6	298.7	77.9	220.8	290.1	77.9	212.2	8.7
1970 ^a	684.7	17.9	666.8	616.8	50.0	303.4	92.4	211.0	313.0	92.4	220.5	-9.6
Seasonally adjusted annual rates												
1968: I.....	574.9	14.4	560.5	519.7	40.8	249.7	66.9	182.8	260.5	66.9	193.6	-10.7
II.....	588.4	14.8	573.6	529.1	44.6	257.0	70.0	187.0	268.2	70.0	198.3	-11.2
III.....	595.6	15.3	580.3	543.8	36.5	269.4	71.8	197.6	273.9	71.8	202.1	-4.5
IV.....	606.0	15.6	590.4	550.8	39.6	277.2	73.5	203.7	280.1	73.5	206.7	-2.9
1969: I.....	612.0	16.0	596.0	561.8	34.3	291.2	75.1	216.1	283.5	75.1	208.5	7.7
II.....	623.0	16.4	606.6	573.3	33.3	299.2	77.4	221.8	287.4	77.4	209.9	11.8
III.....	640.6	16.7	623.9	582.1	42.0	300.4	78.3	222.1	292.3	78.3	214.1	8.0
IV.....	650.6	16.9	633.7	592.6	41.1	304.1	80.8	223.3	297.0	80.8	216.3	7.1
1970: I.....	665.3	17.3	648.0	603.1	44.8	300.2	81.8	218.4	301.5	81.8	219.6	-1.2
II.....	683.6	17.8	665.8	614.4	51.5	303.6	96.1	207.4	314.5	96.1	218.4	-10.9
III.....	693.0	18.2	674.8	622.1	52.7	304.2	94.3	209.9	315.3	94.3	221.0	-11.2
IV ^a	696.9	18.5	678.4	627.6	50.9	-----	97.4	-----	320.6	97.4	223.2	-----

See footnotes at end of table.

TABLE C-6.—Gross national product: Receipts and expenditures by major economic groups, 1929-70—Continued

[Billions of dollars]

Year or quarter	Business			International				Total income or receipts	Statistical discrepancy	Gross national product or expenditure	
	Gross retained earnings ³	Gross private domestic investment ⁴	Excess of investment (-)	Transfers to foreigners by persons and Government	Net exports of goods and services						
					Exports	Less: Imports	Equals: Net exports				
1929.....	11.2	16.2	-5.1	0.4	7.0	5.9	1.1	-0.8	102.4	0.7	103.1
1930.....	8.6	10.3	-1.6	.3	5.4	4.4	1.0	-.7	91.2	-.8	90.4
1931.....	5.3	5.6	-.3	.3	3.6	3.1	.5	-.2	75.1	.7	75.8
1932.....	3.2	1.0	2.2	.2	2.5	2.1	.4	-.2	57.7	.3	58.0
1933.....	3.2	1.4	1.8	.2	2.4	2.0	.4	-.2	55.0	.6	55.6
1934.....	5.2	3.3	1.9	.2	3.0	2.4	.6	-.4	64.5	.5	65.1
1935.....	6.4	6.4	.0	.2	3.3	3.1	.1	.1	72.5	-.2	72.2
1936.....	6.7	8.5	-1.8	.2	3.5	3.4	.1	.1	81.3	1.2	82.5
1937.....	7.7	11.8	-4.0	.2	4.6	4.3	.3	-.1	90.5	.0	90.4
1938.....	8.0	6.5	1.6	.2	4.3	3.0	1.3	-1.1	84.1	.6	84.7
1939.....	8.4	9.3	-.9	.2	4.4	3.4	1.1	-.9	89.2	1.3	90.5
1940.....	10.5	13.1	-2.7	.2	5.4	3.6	1.7	-1.5	98.7	1.0	99.7
1941.....	11.4	17.9	-6.5	.2	5.9	4.6	1.3	-1.1	124.1	.4	124.5
1942.....	14.5	9.8	4.6	.2	4.8	4.8	.0	.2	159.0	-1.1	157.9
1943.....	16.3	5.7	10.6	.2	4.4	6.5	-2.0	2.2	193.6	-2.0	191.6
1944.....	17.1	7.1	10.0	.3	5.3	7.1	-1.8	2.1	207.6	2.5	210.1
1945.....	15.1	10.6	4.6	.8	7.2	7.9	-.6	1.4	208.0	3.9	211.9
1946.....	14.5	30.6	-16.1	2.9	14.7	7.2	7.5	-4.6	208.4	.1	208.5
1947.....	20.2	34.0	-13.8	2.6	19.7	8.2	11.5	-8.9	230.4	.9	231.3
1948.....	28.0	46.0	-18.0	4.5	16.8	10.3	6.4	-1.9	259.5	-2.0	257.6
1949.....	29.7	35.7	-6.0	5.6	15.8	9.6	6.1	-.5	256.2	.3	256.5
1950.....	29.4	54.1	-24.7	4.0	13.8	12.0	1.8	2.2	283.3	1.5	284.8
1951.....	33.1	59.3	-26.2	3.5	18.7	15.1	3.7	-.2	325.1	3.3	328.4
1952.....	35.1	51.9	-16.8	2.5	18.0	15.8	2.2	.3	343.3	2.2	345.5
1953.....	36.1	52.6	-16.5	2.5	16.9	16.6	.4	2.1	361.6	3.0	364.6
1954.....	39.2	51.7	-12.5	2.3	17.8	15.9	1.8	.5	362.1	2.7	364.8
1955.....	46.3	67.4	-21.1	2.5	19.8	17.8	2.0	.5	395.9	2.1	398.0
1956.....	47.3	70.0	-22.8	2.4	23.6	19.6	4.0	-1.5	420.4	-1.1	419.2
1957.....	49.8	67.9	-18.1	2.3	26.5	20.8	5.7	-3.4	441.1	.0	441.1
1958.....	49.4	60.9	-11.5	2.4	23.1	20.9	2.2	.2	445.8	1.6	447.3
1959.....	56.8	75.3	-18.5	2.4	23.5	23.3	.1	2.3	484.5	-.8	483.7
1960.....	56.8	74.8	-18.0	2.4	27.2	23.2	4.0	-1.7	504.8	-1.0	503.7
1961.....	58.7	71.7	-13.0	2.6	28.6	23.0	5.6	-3.0	520.8	-.8	520.1
1962.....	66.3	83.0	-16.8	2.7	30.3	25.1	5.1	-2.5	559.8	.5	560.3
1963.....	68.8	87.1	-18.4	2.8	32.3	26.4	5.9	-3.1	590.8	-.3	590.5
1964.....	76.2	94.0	-17.8	2.8	37.1	28.6	8.5	-5.7	633.7	-1.3	632.4
1965.....	84.7	108.1	-23.4	2.8	39.2	32.3	6.9	-4.1	688.0	-3.1	684.9
1966.....	91.3	121.4	-30.1	2.8	43.4	38.1	5.3	-2.4	750.9	-1.0	749.9
1967.....	93.0	116.6	-23.5	3.0	46.2	41.0	5.2	-2.2	794.6	-.7	793.9
1968.....	95.6	126.5	-31.0	2.8	50.6	48.1	2.5	.3	867.4	-2.4	865.0
1969.....	97.3	139.8	-42.5	2.8	55.5	53.6	1.9	.9	936.1	-4.7	931.4
1970 p.....	98.6	135.8	-37.2	2.9	62.3	58.7	3.6	-.7	979.3	-2.5	976.8
Seasonally adjusted annual rates											
1968: I.....	91.5	119.8	-28.3	2.5	47.7	45.9	1.8	0.7	837.3	-2.5	834.9
II.....	96.3	127.3	-31.0	2.7	50.7	47.3	3.4	-.7	859.6	-1.6	858.1
III.....	97.8	126.5	-28.7	3.0	53.2	49.8	3.4	-.4	878.7	-2.9	875.8
IV.....	96.8	132.6	-35.8	3.1	50.9	49.5	1.4	1.7	894.0	-2.6	891.4
1969: I.....	96.5	136.0	-39.4	2.4	47.8	46.5	1.3	1.1	911.0	-3.6	907.6
II.....	97.4	139.3	-41.9	3.2	57.2	55.9	1.3	2.0	929.0	-5.3	923.7
III.....	99.1	143.8	-44.7	2.8	58.3	55.6	2.6	.1	947.9	-5.5	942.6
IV.....	96.0	140.2	-44.2	2.9	58.8	56.2	2.6	.3	955.9	-4.3	951.7
1970: I.....	95.7	133.2	-37.5	2.8	61.1	57.6	3.5	-.7	964.9	-5.4	959.5
II.....	97.9	134.3	-36.4	3.0	62.8	58.7	4.1	-1.1	974.1	-3.1	971.1
III.....	99.1	138.3	-39.2	2.8	62.8	58.6	4.2	-1.2	986.7	-1.1	985.5
IV p.....	137.5			2.9	62.6	59.9	2.7	.2			990.9

¹ Personal income less personal tax and nontax payments (fines, penalties, etc.).

² Government transfer payments to persons, foreign net transfers by Government, net interest paid by government, subsidies less current surplus of government enterprises, and disbursements less wage accruals.

³ Undistributed corporate profits, corporate inventory valuation adjustment, capital consumption allowances, and private wage accruals less disbursements.

⁴ Private business investment, purchases of capital goods by private nonprofit institutions, and residential housing. See Table C-11.

⁵ Net foreign investment less capital grants received by the United States, with sign changed.

Source: Department of Commerce, Office of Business Economics.

TABLE C-7.—Gross national product by sector, 1929-70

[Billions of dollars]

Year or quarter	Total gross national product	Gross private product ¹						Gross government product ²
		Total	Business			Households and institutions	Rest of the world	
			Total	Nonfarm ³	Farm			
1929.....	103.1	98.8	95.1	85.4	9.7	2.9	0.8	4.3
1930.....	90.4	85.8	82.4	74.8	7.7	2.7	.7	4.5
1931.....	75.8	71.2	68.3	62.0	6.3	2.3	.5	4.7
1932.....	58.0	53.6	51.3	46.8	4.5	1.9	.4	4.4
1933.....	55.6	50.9	48.9	44.3	4.6	1.7	.3	4.7
1934.....	65.1	59.5	57.4	52.7	4.7	1.8	.3	5.6
1935.....	72.2	66.3	64.1	57.1	7.0	1.9	.4	5.9
1936.....	82.5	75.2	72.9	66.5	6.4	2.0	.3	7.3
1937.....	90.4	83.5	81.0	72.7	8.3	2.3	.3	6.9
1938.....	84.7	77.0	74.5	67.9	6.6	2.2	.4	7.6
1939.....	90.5	82.9	80.3	74.0	6.3	2.3	.3	7.6
1940.....	99.7	91.9	89.1	82.6	6.5	2.4	.4	7.8
1941.....	124.5	115.1	112.2	103.3	8.9	2.5	.4	9.4
1942.....	157.9	142.8	139.5	126.5	13.0	2.9	.4	15.1
1943.....	191.6	166.0	162.4	147.2	15.3	3.2	.4	25.6
1944.....	210.1	177.9	173.8	158.5	15.3	3.7	.4	32.2
1945.....	211.9	176.8	172.3	156.4	15.9	4.1	.4	35.2
1946.....	208.5	187.7	182.7	163.9	18.8	4.5	.6	20.8
1947.....	231.3	214.6	208.6	188.5	20.2	5.1	.8	16.7
1948.....	257.6	240.1	233.5	210.2	23.3	5.6	1.0	17.4
1949.....	256.5	237.0	230.1	211.4	18.8	5.9	1.0	19.4
1950.....	284.8	263.9	256.3	236.3	20.0	6.4	1.2	20.9
1951.....	328.4	301.0	292.8	269.9	22.9	6.9	1.3	27.4
1952.....	345.5	314.3	305.8	283.7	22.2	7.2	1.3	31.2
1953.....	364.6	332.7	323.6	303.3	20.3	7.8	1.3	31.9
1954.....	364.8	332.4	322.7	303.1	19.6	8.1	1.6	32.5
1955.....	398.0	363.8	352.9	334.1	18.8	9.1	1.8	34.2
1956.....	419.2	382.6	370.8	352.2	18.6	9.8	2.1	36.6
1957.....	441.1	402.0	389.3	370.9	18.4	10.5	2.2	39.1
1958.....	447.3	405.2	391.7	370.9	20.8	11.4	2.0	42.1
1959.....	483.7	439.4	425.0	405.3	19.6	12.2	2.2	44.3
1960.....	503.7	456.3	440.7	420.2	20.5	13.2	2.4	47.5
1961.....	520.1	469.2	452.3	431.4	20.9	14.0	2.9	50.9
1962.....	560.3	505.7	487.4	466.2	21.2	15.0	3.3	54.7
1963.....	590.5	532.4	513.0	491.5	21.5	16.0	3.4	58.1
1964.....	632.4	569.4	548.2	527.6	20.6	17.3	4.0	63.0
1965.....	684.9	617.1	594.4	570.8	23.7	18.5	4.2	67.8
1966.....	749.9	673.3	648.9	624.0	24.9	20.2	4.1	76.6
1967.....	793.9	708.8	681.6	657.0	24.6	22.8	4.5	85.1
1968.....	865.0	770.1	740.1	714.6	25.5	25.3	4.7	94.9
1969.....	931.4	827.8	795.4	767.9	27.5	28.1	4.3	103.6
1970 p.....	976.8	863.5	828.6	800.5	28.1	30.3	4.6	113.3
Seasonally adjusted annual rates								
1968: I.....	834.9	743.8	714.7	689.7	24.9	24.9	4.3	91.1
II.....	858.1	764.4	734.0	709.0	25.0	25.5	5.0	93.7
III.....	875.8	778.9	749.0	723.4	25.6	25.1	4.8	96.9
IV.....	891.4	793.4	762.9	736.5	26.4	25.6	4.9	98.0
1969: I.....	907.6	808.2	776.2	749.1	27.1	27.4	4.6	99.4
II.....	923.7	822.3	790.3	762.7	27.6	27.8	4.2	101.4
III.....	942.6	836.6	804.2	776.6	27.6	28.3	4.1	106.0
IV.....	951.7	844.0	810.8	783.0	27.8	29.0	4.2	107.7
1970: I.....	959.5	848.5	814.3	785.5	28.8	29.6	4.5	111.0
II.....	971.1	858.4	824.5	796.0	28.5	30.0	3.9	112.8
III.....	985.5	871.7	836.5	808.5	28.0	30.5	4.7	113.9
IV p.....	990.9	875.4	839.0	811.9	27.1	31.1	5.2	115.6

¹ Gross national product less compensation of general government employees.² Includes compensation of employees in government enterprises. Government enterprises are those agencies of government whose operating costs are 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. The Post Office and public power systems are examples of government enterprises; on the other hand, State universities and public parks are part of general government activities.³ Compensation of general government employees.

Source: Department of Commerce, Office of Business Economics.

TABLE C-8.—Gross national product by sector, in 1958 prices, 1929-70

(Billions of dollars, 1958 prices)

Year or quarter	Total gross national product	Gross private product ¹						Gross government product ²
		Total	Business			Households and institutions	Rest of the world	
			Total	Nonfarm ²	Farm			
1929.....	203.6	190.9	182.1	165.1	17.0	7.4	1.4	12.7
1930.....	183.5	170.1	161.4	145.4	16.1	7.1	1.6	13.3
1931.....	169.3	155.8	147.7	129.2	18.5	6.6	1.4	13.5
1932.....	144.2	131.0	123.8	105.8	18.0	6.0	1.3	13.2
1933.....	141.5	127.5	120.6	103.0	17.5	5.7	1.2	14.0
1934.....	154.3	138.3	131.1	116.6	14.6	6.2	1.0	16.0
1935.....	169.5	152.4	144.9	128.4	16.5	6.4	1.1	17.1
1936.....	193.0	173.1	165.4	150.5	14.9	6.8	1.0	19.9
1937.....	203.2	184.3	176.4	158.5	17.9	7.1	.8	18.9
1938.....	192.9	172.6	164.6	146.8	17.8	6.8	1.1	20.4
1939.....	209.4	188.7	180.7	162.5	18.2	7.1	.9	20.6
1940.....	227.2	205.6	197.1	179.6	17.5	7.6	1.0	21.6
1941.....	263.7	236.6	228.1	209.3	18.8	7.5	.9	27.2
1942.....	297.8	257.3	248.7	228.0	20.6	7.8	.8	40.5
1943.....	337.1	272.8	264.9	245.3	19.6	7.2	.8	64.3
1944.....	361.3	286.9	278.9	259.5	19.4	7.1	.9	74.4
1945.....	355.2	282.5	274.6	256.5	18.1	7.1	.8	72.8
1946.....	312.6	275.1	267.0	248.6	18.5	7.1	.9	37.5
1947.....	309.9	281.4	272.8	255.8	17.0	7.5	1.1	28.6
1948.....	323.7	295.0	286.0	267.0	19.0	7.9	1.2	28.7
1949.....	324.1	294.1	284.7	266.2	18.4	8.2	1.2	30.1
1950.....	355.3	324.2	314.2	294.9	19.4	8.7	1.3	31.1
1951.....	383.4	344.6	334.5	316.2	18.4	8.8	1.2	38.8
1952.....	395.1	353.2	343.2	324.2	19.0	8.8	1.2	41.8
1953.....	412.8	371.1	360.7	340.7	20.0	9.1	1.3	41.7
1954.....	407.0	366.2	355.4	335.0	20.4	9.2	1.6	40.9
1955.....	438.0	397.2	385.4	364.4	20.9	10.1	1.8	40.7
1956.....	446.1	404.8	392.2	371.4	20.8	10.6	2.0	41.3
1957.....	452.5	410.5	397.5	377.2	20.3	10.9	2.1	41.9
1958.....	447.3	405.2	391.7	370.9	20.8	11.4	2.0	42.1
1959.....	475.9	433.4	419.4	398.3	21.1	11.7	2.2	42.5
1960.....	487.7	444.0	429.5	407.6	21.9	12.2	2.3	43.7
1961.....	497.2	452.3	436.9	414.8	22.2	12.4	2.9	44.8
1962.....	529.8	482.9	465.7	444.6	22.1	12.9	3.4	46.9
1963.....	551.0	503.2	486.6	463.8	22.8	13.2	3.4	47.8
1964.....	581.1	532.0	514.4	492.1	22.3	13.7	3.9	49.1
1965.....	617.8	567.0	548.9	525.2	23.7	14.0	4.1	50.8
1966.....	658.1	603.5	584.9	562.5	22.4	14.6	3.9	54.6
1967.....	675.2	617.5	597.8	573.9	23.9	15.4	4.3	57.6
1968.....	707.2	647.6	627.2	603.4	23.8	15.9	4.5	59.7
1969.....	727.1	666.4	646.0	622.5	23.6	16.4	4.0	60.7
1970 p.....	724.3	663.6	642.8	619.6	23.1	16.6	4.3	60.7
Seasonally adjusted annual rates								
1968: I.....	693.5	634.5	614.6	590.4	24.2	15.9	4.1	58.9
II.....	705.4	645.7	624.9	601.7	23.2	16.1	4.7	59.7
III.....	712.6	652.5	632.2	608.6	23.5	15.7	4.6	60.1
IV.....	717.5	657.5	637.1	612.9	24.2	15.8	4.7	59.9
1969: I.....	722.1	662.1	641.5	616.7	24.7	16.3	4.3	60.1
II.....	726.1	665.6	645.3	622.0	23.3	16.3	3.9	60.5
III.....	730.9	669.8	649.7	626.2	23.5	16.3	3.8	61.0
IV.....	729.2	668.1	647.6	624.7	22.8	16.6	4.0	61.1
1970: I.....	723.8	663.1	642.1	619.5	22.6	16.7	4.3	60.7
II.....	724.9	664.2	644.0	621.0	23.0	16.5	3.6	60.7
III.....	727.4	666.8	645.9	622.9	22.9	16.5	4.4	60.6
IV p.....	721.3	660.4	639.1	615.1	24.0	16.5	4.9	60.9

¹ Gross national product less compensation of general government employees.² Includes compensation of employees in government enterprises. Government enterprises are those agencies of government whose operating costs are 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. The Post Office and public power systems are examples of government enterprises; on the other hand, State universities and public parks are part of general government activities.³ Compensation of general government employees.

Source: Department of Commerce, Office of Business Economics.

TABLE C-9.—Gross national product by industry, in 1958 prices, 1947-69

(Billions of dollars, 1958 prices)

Year	Total gross national product	Agriculture, forestry, and fisheries	Contract construction	Manufacturing			Transportation, communication, and utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government and government enterprises	All other ¹
				Total	Durable goods industries	Non-durable goods industries						
1947-----	309.9	17.9	12.9	91.8	52.3	39.4	29.6	52.7	35.6	30.6	32.4	6.7
1948-----	323.7	20.0	14.1	96.3	55.0	41.3	30.4	54.2	36.5	31.9	33.2	7.1
1949-----	324.1	19.4	14.7	90.9	50.5	40.4	28.7	55.2	37.8	32.1	34.7	10.6
1950-----	355.3	20.4	16.2	105.5	60.8	44.7	30.8	60.4	41.0	33.1	35.9	12.1
1951-----	383.4	19.5	18.2	116.2	69.0	47.2	34.3	61.4	42.9	34.0	43.9	13.0
1952-----	395.1	20.2	18.3	118.7	71.5	47.3	34.6	62.9	44.7	34.5	47.2	14.0
1953-----	412.8	21.2	18.9	128.6	79.1	49.5	35.7	64.9	46.8	35.3	47.1	14.3
1954-----	407.0	21.6	19.3	119.5	71.2	48.3	36.4	65.5	49.8	35.4	46.1	13.5
1955-----	438.0	22.1	20.8	133.6	80.7	52.9	38.6	71.6	52.7	38.2	46.0	14.4
1956-----	446.1	22.0	21.8	134.1	79.4	54.6	40.5	73.8	54.8	40.2	46.2	12.7
1957-----	452.5	21.5	21.1	134.6	79.6	54.9	41.3	75.1	57.0	41.8	46.9	13.1
1958-----	447.3	22.0	20.7	123.7	69.6	54.0	40.6	75.1	59.2	42.9	47.3	16.0
1959-----	475.9	22.3	22.0	138.9	79.9	59.0	43.3	80.8	61.4	45.1	47.9	14.1
1960-----	487.7	23.1	21.7	140.9	81.0	59.9	44.9	82.3	64.1	46.7	49.2	14.7
1961-----	497.2	23.4	21.4	140.4	79.7	60.7	46.0	83.5	67.1	48.3	50.6	16.3
1962-----	529.8	23.3	21.7	154.6	90.0	64.7	48.9	88.9	71.2	50.8	52.6	17.9
1963-----	551.0	24.0	21.9	162.4	95.6	66.8	51.9	92.8	74.4	52.2	53.9	17.4
1964-----	581.1	23.6	23.3	173.7	102.4	71.3	54.7	98.9	78.3	54.7	56.1	17.8
1965-----	617.8	25.0	23.5	190.5	114.8	75.7	59.2	104.8	83.1	57.7	58.0	15.8
1966-----	658.1	23.7	24.7	205.7	125.1	80.7	64.0	111.6	86.8	60.6	61.8	19.4
1967-----	675.2	25.2	23.1	205.4	123.9	81.4	66.5	113.9	91.6	63.4	65.5	20.6
1968-----	707.2	25.1	23.6	219.0	132.0	87.1	70.9	120.7	95.2	65.7	68.6	18.5
1969-----	727.1	24.9	23.8	227.5	137.5	89.9	75.2	124.8	96.7	68.5	70.2	15.4

¹ Mining, rest of the world, and residual (the difference between gross national product measured as sum of final products and gross national product measured as sum of gross product by industries).

Source: Department of Commerce, Office of Business Economics.

TABLE C-10.—*Personal consumption expenditures, 1929-70*

(Billions of dollars)

Year or quarter	Total personal consumption expenditures	Durable goods				Nondurable goods					Services				
		Total	Automobiles and parts	Furniture and household equipment	Other	Total	Food and beverages	Clothing and shoes ¹	Gasoline and oil	Other	Total	Housing ²	Household operation	Transportation	Other
1929.....	77.2	9.2	3.2	4.8	1.2	37.7	19.5	9.4	1.8	7.0	30.3	11.5	4.0	2.6	12.2
1930.....	69.9	7.2	2.2	3.9	1.1	34.0	18.0	8.0	1.7	6.3	28.7	11.0	3.9	2.2	11.5
1931.....	60.5	5.5	1.6	3.1	.9	29.0	14.7	6.9	1.5	5.7	26.0	10.3	3.5	1.9	10.3
1932.....	48.6	3.6	.9	2.1	.6	22.7	11.4	5.1	1.5	4.8	22.2	9.0	3.0	1.6	8.6
1933.....	45.8	3.5	1.1	1.9	.5	22.3	11.5	4.6	1.5	4.6	20.1	7.9	2.8	1.5	7.9
1934.....	51.3	4.2	1.4	2.2	.6	26.7	14.2	5.7	1.6	5.2	20.4	7.6	3.0	1.6	8.2
1935.....	55.7	5.1	1.9	2.6	.7	29.3	16.2	6.0	1.7	5.4	21.3	7.7	3.2	1.7	8.7
1936.....	61.9	6.3	2.3	3.2	.8	32.9	18.4	6.6	1.9	5.9	22.8	8.0	3.4	1.9	9.5
1937.....	66.5	6.9	2.4	3.6	1.0	35.2	19.9	6.8	2.1	6.3	24.4	8.5	3.7	2.0	10.2
1938.....	63.9	5.7	1.6	3.1	.9	34.0	18.9	6.8	2.1	6.2	24.3	8.9	3.6	1.9	9.9
1939.....	66.8	6.7	2.2	3.5	1.0	35.1	19.1	7.1	2.2	6.7	25.0	9.1	3.8	2.0	10.1
1940.....	70.8	7.8	2.7	3.9	1.1	37.0	20.2	7.4	2.3	7.1	26.0	9.4	4.0	2.1	10.4
1941.....	80.6	9.6	3.4	4.9	1.4	42.9	23.4	8.8	2.6	8.0	28.1	10.2	4.3	2.4	11.2
1942.....	88.5	6.9	.7	4.7	1.6	50.8	28.4	11.0	2.1	9.3	30.8	11.0	4.8	2.7	12.3
1943.....	99.3	6.6	.8	3.9	1.9	58.6	33.2	13.4	1.3	10.6	34.2	11.5	5.2	3.4	14.0
1944.....	108.3	6.7	.8	3.8	2.2	64.3	36.7	14.4	1.6	11.7	37.2	12.0	5.9	3.7	15.6
1945.....	119.7	8.0	1.0	4.6	2.5	71.9	40.6	16.5	1.8	13.0	39.8	12.5	6.8	4.0	16.8
1946.....	143.4	15.8	4.0	8.6	3.2	82.4	47.4	18.2	3.0	13.8	45.3	13.9	6.8	5.0	19.7
1947.....	160.7	20.4	6.2	10.9	3.3	90.5	52.3	18.8	3.6	15.7	49.8	15.7	7.5	5.3	21.4
1948.....	173.6	22.7	7.5	11.9	3.4	96.2	54.2	20.1	4.4	17.5	54.7	17.5	8.1	5.8	23.3
1949.....	176.8	24.6	9.9	11.6	3.2	94.5	52.5	19.3	5.0	17.7	57.6	19.3	8.5	5.9	23.9
1950.....	191.0	30.5	13.1	14.1	3.3	98.1	53.9	19.6	5.4	19.2	62.4	21.3	9.5	6.2	25.4
1951.....	206.3	29.6	11.6	14.4	3.6	108.8	60.4	21.2	6.1	21.1	67.9	23.9	10.4	6.7	26.9
1952.....	216.7	29.3	11.1	14.3	3.9	114.0	63.4	21.9	6.8	21.7	73.4	26.5	11.1	7.1	28.7
1953.....	230.0	33.2	14.2	14.9	4.1	116.8	64.4	22.1	7.7	22.7	79.9	29.3	12.0	7.8	30.8
1954.....	236.5	32.8	13.6	15.0	4.2	118.3	65.4	22.1	8.2	22.6	85.4	31.7	12.6	7.9	33.2
1955.....	254.4	39.6	18.4	16.6	4.6	123.3	67.2	23.1	9.0	24.0	91.4	33.7	14.0	8.2	35.5
1956.....	266.7	38.9	16.4	17.5	5.0	129.3	69.9	24.1	9.8	25.4	98.5	36.0	15.2	8.6	38.6
1957.....	281.4	40.8	18.3	17.3	5.2	135.6	73.6	24.3	10.6	27.1	105.0	38.5	16.2	9.0	41.3
1958.....	290.1	37.9	15.4	17.1	5.4	140.2	76.4	24.7	11.0	28.2	112.0	41.1	17.3	9.3	44.3
1959.....	311.2	44.3	19.5	18.9	5.9	146.6	78.6	26.4	11.6	30.1	120.3	43.7	18.5	10.1	48.0
1960.....	325.2	45.3	20.1	18.9	6.3	151.3	80.5	27.3	12.3	31.2	128.7	46.3	20.0	10.8	51.6
1961.....	335.2	44.2	18.4	19.3	6.5	155.9	82.9	27.9	12.4	32.7	135.1	48.7	20.8	10.6	54.9
1962.....	355.1	49.5	22.0	20.5	6.9	162.6	85.7	29.6	12.9	34.4	143.0	52.0	22.0	11.0	58.0
1963.....	375.0	53.9	24.3	22.2	7.5	168.6	88.2	30.6	13.5	36.3	152.4	55.4	23.1	11.4	62.5
1964.....	401.2	58.2	25.8	25.0	8.5	178.7	92.9	33.5	14.0	38.2	163.3	59.3	24.3	11.6	68.1
1965.....	432.8	66.3	30.3	26.9	9.1	191.1	98.8	35.9	15.3	41.1	175.5	63.5	25.6	12.6	73.8
1966.....	466.3	70.8	30.3	29.9	10.5	206.9	105.8	40.3	16.6	44.4	188.6	67.5	27.1	13.6	80.4
1967.....	492.1	73.1	30.5	31.4	11.2	215.0	108.5	42.3	17.6	46.6	204.0	71.8	29.1	14.5	88.5
1968.....	535.8	84.0	37.2	34.6	12.3	230.2	115.1	46.1	19.0	50.0	221.6	77.4	31.2	15.6	97.5
1969.....	577.5	90.0	40.3	36.7	13.1	245.8	121.7	49.9	21.1	53.2	241.6	84.0	33.9	16.7	107.1
1970 P.....	616.8	89.4	37.3	38.5	13.7	264.7	131.7	52.3	22.9	57.9	262.7	91.8	36.3	18.1	116.4
Seasonally adjusted annual rates															
1968: I.....	519.7	79.9	34.9	33.7	11.4	225.6	112.7	44.8	18.8	49.3	214.2	75.2	30.4	15.2	93.4
II.....	529.1	82.6	36.0	34.1	12.5	227.6	114.7	45.2	18.6	49.1	218.9	76.6	30.8	15.3	96.2
III.....	543.8	86.7	39.1	35.4	12.3	232.6	116.1	47.1	19.2	50.2	224.5	77.9	31.5	15.6	99.4
IV.....	550.8	86.9	38.8	35.2	13.0	234.8	117.0	47.2	19.3	51.3	229.0	79.8	32.1	16.1	101.1
1969: I.....	561.8	89.1	39.8	35.8	13.5	239.2	119.1	47.9	20.3	52.0	233.5	81.4	32.7	16.2	103.2
II.....	573.3	90.6	40.0	37.2	13.4	244.0	120.8	50.0	20.8	52.4	238.7	83.0	33.3	16.5	105.9
III.....	582.1	89.5	40.2	36.7	12.6	248.1	122.4	50.7	21.5	53.5	244.5	84.7	34.5	16.8	108.5
IV.....	592.6	90.8	41.1	36.9	12.7	252.0	124.6	50.9	21.7	54.9	249.8	87.0	34.8	17.1	110.9
1970: I.....	603.1	89.1	37.7	38.3	13.1	258.8	128.8	51.3	22.4	56.3	255.2	89.0	35.2	17.7	113.3
II.....	614.4	91.9	39.4	38.9	13.6	262.6	131.2	51.8	22.7	56.9	259.9	90.8	35.9	17.9	115.4
III.....	622.1	91.2	39.2	38.1	13.9	265.8	132.3	52.3	23.0	58.3	265.1	92.6	36.9	18.2	117.4
IV.....	627.6	85.4	32.8	38.5	14.1	271.7	134.5	53.7	23.4	60.0	270.5	95.0	37.4	18.5	119.6

¹ Includes standard clothing issued to military personnel.² Includes imputed rental value of owner-occupied dwellings.

Source: Department of Commerce, Office of Business Economics.

TABLE C-11.—Gross private domestic investment, 1929-70

[Billions of dollars]

Year or quarter	Total gross private domestic investment	Fixed investment									Change in business inventories		
		Total	Nonresidential						Residential structures			Total	Non-farm
			Total	Structures		Producers' durable equipment		Total	Non-farm	Farm			
				Total	Non-farm	Total	Non-farm						
1929.....	16.2	14.5	10.6	5.0	4.8	5.6	4.9	4.0	3.8	0.2	1.7	1.8	
1930.....	10.3	10.6	8.3	4.0	3.9	4.3	3.7	2.3	2.2	.1	-.4	-.1	
1931.....	5.6	6.8	5.0	2.3	2.3	2.7	2.4	1.7	1.6	.1	-1.1	-1.6	
1932.....	1.0	3.4	2.7	1.2	1.2	1.5	1.3	.7	.7	.0	-2.5	-2.6	
1933.....	1.4	3.0	2.4	.9	.9	1.5	1.3	.6	.5	.0	-1.6	-1.4	
1934.....	3.3	4.1	3.2	1.0	1.0	2.2	1.8	.9	.8	.1	-.7	.2	
1935.....	6.4	5.3	4.1	1.2	1.2	2.9	2.4	1.2	1.1	.1	1.1	.4	
1936.....	8.5	7.2	5.6	1.6	1.6	4.0	3.3	1.6	1.5	.1	1.3	2.1	
1937.....	11.8	9.2	7.3	2.4	2.4	4.9	4.1	1.9	1.8	.1	2.5	1.7	
1938.....	6.5	7.4	5.4	1.9	1.8	3.5	2.9	2.0	1.9	.1	-.9	-1.0	
1939.....	9.3	8.9	5.9	2.0	1.9	4.0	3.4	2.9	2.8	.1	.4	.3	
1940.....	13.1	11.0	7.5	2.3	2.2	5.3	4.6	3.4	3.2	.2	2.2	1.9	
1941.....	17.9	13.4	9.5	2.9	2.8	6.6	5.6	3.9	3.7	.2	4.5	4.0	
1942.....	9.8	8.1	6.0	1.9	1.8	4.1	3.5	2.1	1.9	.2	1.8	.7	
1943.....	5.7	6.4	5.0	1.3	1.2	3.7	3.2	1.4	1.2	.2	-.6	-.6	
1944.....	7.1	8.1	6.8	1.8	1.7	5.0	4.2	1.3	1.1	.1	-1.0	-.6	
1945.....	10.6	11.6	10.1	2.8	2.7	7.3	6.3	1.5	1.4	.1	-1.0	-.6	
1946.....	30.6	24.2	17.0	6.8	6.1	10.2	9.2	7.2	6.7	.5	6.4	6.4	
1947.....	34.0	34.4	23.4	7.5	6.7	15.9	14.0	11.1	10.4	.7	-.5	1.3	
1948.....	46.0	41.3	26.9	8.8	8.0	18.1	15.5	14.4	13.6	.9	4.7	3.0	
1949.....	35.7	38.8	25.1	8.5	7.7	16.6	13.7	13.7	12.8	.8	-3.7	-2.2	
1950.....	54.1	47.3	27.9	9.2	8.5	18.7	15.7	19.4	18.6	.8	6.8	6.0	
1951.....	59.3	49.0	31.8	11.2	10.4	20.7	17.7	17.2	16.4	.8	10.3	9.1	
1952.....	51.9	48.8	31.6	11.4	10.5	20.2	17.6	17.2	16.4	.8	3.1	2.1	
1953.....	52.6	52.1	34.2	12.7	11.9	21.5	18.6	18.0	17.2	.8	.4	1.1	
1954.....	51.7	53.3	33.6	13.1	12.3	20.6	18.0	19.7	19.0	.7	-1.5	-2.1	
1955.....	67.4	61.4	38.1	14.3	13.6	23.8	21.2	23.3	22.7	.6	6.0	5.5	
1956.....	70.0	65.3	43.7	17.2	16.5	26.5	24.2	21.6	20.9	.7	4.7	5.1	
1957.....	67.9	66.5	46.4	18.0	17.2	28.4	25.9	20.2	19.5	.7	1.3	.8	
1958.....	60.9	62.4	41.6	16.6	15.8	25.0	22.0	20.8	20.1	.6	-1.5	-2.3	
1959.....	75.3	70.5	45.1	16.7	15.9	28.4	25.4	25.5	24.8	.6	4.8	4.8	
1960.....	74.8	71.3	48.4	18.1	17.4	30.3	27.7	22.8	22.2	.6	3.6	3.3	
1961.....	71.7	69.7	47.0	18.4	17.7	28.6	25.8	22.6	22.0	.6	2.0	1.7	
1962.....	83.0	77.0	51.7	19.2	18.5	32.5	29.4	25.3	24.8	.6	6.0	5.3	
1963.....	87.1	81.3	54.3	19.5	18.8	34.8	31.2	27.0	26.4	.6	5.9	5.1	
1964.....	94.0	88.2	61.1	21.2	20.5	39.9	36.3	27.1	26.6	.5	5.8	6.4	
1965.....	108.1	98.5	71.3	25.5	24.9	45.8	41.6	27.2	26.7	.5	9.6	8.6	
1966.....	121.4	106.6	81.6	28.5	27.8	53.1	48.4	25.0	24.5	.5	14.8	15.0	
1967.....	116.6	108.4	83.3	28.0	27.3	55.3	50.0	25.1	24.5	.6	8.2	7.5	
1968.....	126.5	118.9	88.7	29.6	28.9	59.1	54.3	30.3	29.7	.5	7.6	7.5	
1969.....	139.8	131.4	99.3	33.8	33.0	65.5	60.8	32.0	31.5	.6	8.5	8.0	
1970.....	135.8	132.2	102.6	35.1	34.3	67.4	63.0	29.7	29.0	.6	3.6	3.0	
Seasonally adjusted annual rates													
1968: I.....	119.8	117.2	88.3	29.8	29.1	58.5	53.4	28.8	28.3	0.6	2.6	2.5	
II.....	127.3	117.0	86.4	28.9	28.2	57.5	52.8	30.6	30.1	.6	10.4	10.3	
III.....	126.5	118.3	88.3	29.4	28.6	59.0	54.3	29.9	29.4	.5	8.2	8.1	
IV.....	132.6	123.3	91.6	30.3	29.6	61.3	56.7	31.7	31.1	.5	9.3	9.3	
1969: I.....	136.0	128.7	95.7	32.6	31.9	63.1	58.5	33.0	32.4	.5	7.4	7.3	
II.....	139.3	131.4	97.5	32.3	31.5	65.2	60.6	33.9	33.3	.6	7.9	7.6	
III.....	143.8	132.4	101.5	35.2	34.4	66.3	61.8	31.0	30.4	.6	11.3	10.8	
IV.....	140.2	133.0	102.6	35.1	34.3	67.5	62.3	30.4	29.8	.6	7.2	6.5	
1970: I.....	133.2	131.6	102.6	35.7	34.8	66.9	62.4	29.1	28.4	.6	1.6	.9	
II.....	134.3	131.2	102.8	35.3	34.5	67.5	63.2	28.4	27.8	.6	3.1	2.6	
III.....	138.3	132.7	103.6	35.0	34.2	68.6	64.1	29.2	28.6	.6	5.5	5.0	
IV.....	137.5	133.4	101.4	34.6	33.8	66.8	62.6	32.0	31.4	.6	4.1	3.6	

Source: Department of Commerce, Office of Business Economics.

TABLE C-12.—National income by type of income, 1929–70
[Billions of dollars]

Year or quarter	Total national income ¹	Compensation of employees			Business and professional income			Income of farm proprietors ³	Rental income of persons	Corporate profits and inventory valuation adjustment			Net interest
		Total	Wages and salaries	Supplements to wages and salaries ²	Total	Income of unincorporated enterprises	Inventory valuation adjustment			Total	Corporate profits before taxes ⁴	Inventory valuation adjustment	
1929.....	86.8	51.1	50.4	0.7	9.0	8.8	0.1	6.2	5.4	10.5	10.0	0.5	4.7
1930.....	75.4	46.8	46.2	.7	7.6	6.8	.8	4.3	4.8	7.0	3.7	3.3	4.9
1931.....	59.7	39.8	39.1	.6	5.8	5.1	.6	3.4	3.8	2.0	— .4	2.4	5.0
1932.....	42.8	31.1	30.5	.6	3.6	3.3	.3	2.1	2.7	—1.3	—2.3	1.0	4.6
1933.....	40.3	29.5	29.0	.5	3.3	3.9	— .5	2.6	2.0	—1.2	1.0	—2.1	4.1
1934.....	49.5	34.3	33.7	.6	4.7	4.8	— .1	3.0	1.7	1.7	2.3	— .6	4.1
1935.....	57.2	37.3	36.7	.6	5.5	5.5	.0	5.3	1.7	3.4	3.6	— .2	4.1
1936.....	65.0	42.9	41.9	1.0	6.7	6.8	— .1	4.3	1.8	5.6	6.3	— .7	3.8
1937.....	73.6	47.9	46.1	1.8	7.2	7.2	.0	6.0	2.1	6.8	6.8	.0	3.7
1938.....	67.4	45.0	43.0	2.0	6.9	6.7	.2	4.4	2.6	4.9	4.0	1.0	3.6
1939.....	72.6	48.1	45.9	2.2	7.4	7.6	— .2	4.4	2.7	6.3	7.0	— .7	3.5
1940.....	81.1	52.1	49.8	2.3	8.6	8.6	.0	4.5	2.9	9.8	10.0	— .2	3.3
1941.....	104.2	64.8	62.1	2.7	11.1	11.7	— .6	6.4	3.5	15.2	17.7	—2.5	3.2
1942.....	137.1	85.3	82.1	3.2	14.0	14.4	— .4	9.8	4.5	20.3	21.5	—1.2	3.1
1943.....	170.3	109.5	105.8	3.7	17.0	17.1	— .2	11.7	5.1	24.4	25.1	— .8	2.7
1944.....	182.6	121.2	116.7	4.5	18.2	18.3	— .1	11.6	5.4	23.8	24.1	— .3	2.3
1945.....	181.5	123.1	117.5	5.6	19.2	19.3	— .1	12.2	5.6	19.2	19.7	— .6	2.2
1946.....	181.9	117.9	112.0	5.9	21.6	23.3	—1.7	14.9	6.6	19.3	24.6	—5.3	1.5
1947.....	199.0	128.9	123.0	5.9	20.3	21.8	—1.5	15.2	7.1	25.6	31.5	—5.9	1.9
1948.....	224.2	141.1	135.4	5.8	22.7	23.1	— .4	17.5	8.0	33.0	35.2	—2.2	1.8
1949.....	217.5	141.0	134.5	6.5	22.6	22.2	.5	12.7	8.4	30.8	28.9	1.9	1.9
1950.....	241.1	154.6	146.8	7.8	24.0	25.1	—1.1	13.5	9.4	37.7	42.6	—5.0	2.0
1951.....	278.0	180.7	171.1	9.6	26.1	26.5	— .3	15.8	10.3	42.7	43.9	—1.2	2.3
1952.....	291.4	195.3	185.1	10.2	27.1	26.9	.2	15.0	11.5	39.9	38.9	1.0	2.6
1953.....	304.7	209.1	198.3	10.9	27.5	27.6	— .2	13.0	12.7	39.6	40.6	—1.0	2.8
1954.....	303.1	208.0	196.5	11.5	27.6	27.6	.0	12.4	13.6	38.0	38.3	— .3	3.6
1955.....	331.0	224.5	211.3	13.2	30.3	30.5	— .2	11.4	13.9	46.9	48.6	—1.7	4.1
1956.....	350.8	243.1	227.8	15.2	31.3	31.8	— .5	11.4	14.3	46.1	48.8	—2.7	4.6
1957.....	366.1	256.0	238.7	17.3	32.8	33.1	— .3	11.3	14.8	45.6	47.2	—1.5	5.6
1958.....	367.8	257.8	239.9	17.9	33.2	33.2	— .1	13.4	15.4	41.1	41.4	— .3	6.8
1959.....	400.0	279.1	258.2	20.9	35.1	35.3	— .1	11.4	15.6	51.7	52.1	— .5	7.1
1960.....	414.5	294.2	270.8	23.4	34.2	34.3	.0	12.0	15.8	49.9	49.7	.2	8.4
1961.....	427.3	302.6	278.1	24.6	35.6	35.6	.0	12.8	16.0	50.3	50.3	— .1	10.0
1962.....	457.7	323.6	296.1	27.5	37.1	37.1	.0	13.0	16.7	55.7	55.4	.3	11.6
1963.....	481.9	341.0	311.1	29.9	37.9	37.9	.0	13.1	17.1	58.9	59.4	— .5	13.8
1964.....	518.1	365.7	333.7	32.0	40.2	40.3	— .1	12.1	18.0	66.3	66.8	— .5	15.8
1965.....	564.3	393.8	358.9	35.0	42.4	42.8	— .4	14.8	19.0	76.1	77.8	—1.7	18.2
1966.....	620.6	435.5	394.5	41.0	45.2	45.6	— .4	16.1	20.0	82.4	84.2	—1.8	21.4
1967.....	653.6	467.2	423.1	44.2	47.3	47.6	— .3	14.8	21.1	78.7	79.8	—1.1	24.4
1968.....	712.7	514.1	464.8	49.3	49.1	49.8	— .7	15.0	21.3	85.4	88.7	—3.3	27.8
1969.....	769.5	564.2	509.0	55.1	50.5	51.3	— .8	16.4	22.0	85.8	91.2	—5.4	30.7
1970 p.....	801.0	599.8	540.1	59.7	51.4	52.1	— .7	16.2	22.7	77.4	82.3	—4.9	33.5
Seasonally adjusted annual rates													
1968: I.....	697.2	495.3	447.9	47.4	48.5	-----	-----	14.4	21.3	81.3	86.7	—5.4	26.4
II.....	706.1	507.6	458.9	48.7	49.2	-----	-----	14.6	21.3	86.0	88.6	—2.6	27.3
III.....	722.2	520.9	471.0	49.9	49.2	-----	-----	15.3	21.3	87.4	88.4	— .9	28.2
IV.....	735.2	532.5	481.4	51.1	49.4	-----	-----	15.8	21.3	87.1	91.3	—4.2	29.1
1969: I.....	749.3	544.9	491.6	53.3	49.9	-----	-----	16.2	21.6	87.1	93.0	—5.9	29.7
II.....	764.0	557.5	502.9	54.6	50.5	-----	-----	16.2	22.0	87.4	93.4	—6.0	30.4
III.....	779.5	572.2	516.4	55.8	50.9	-----	-----	16.6	22.1	86.8	89.9	—3.2	31.0
IV.....	785.2	582.1	525.3	56.8	50.6	-----	-----	16.6	22.3	82.0	88.5	—6.5	31.7
1970: I.....	791.5	592.2	534.4	57.9	50.6	-----	-----	17.0	22.5	76.7	82.6	—5.8	32.4
II.....	797.4	596.4	537.4	59.0	51.2	-----	-----	16.5	22.6	77.5	82.0	—4.5	33.1
III.....	806.6	603.8	543.4	60.4	51.7	-----	-----	16.1	22.7	78.4	84.4	—5.9	33.8
IV p.....	-----	606.8	545.4	61.4	52.0	-----	-----	15.3	23.0	-----	-----	—3.3	34.5

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 C-13.

² Employer contributions for social insurance and to private pension, health, and welfare funds; compensation for injuries; directors' fees; pay of the military reserve; and a few other minor items.

³ Includes change in inventories.

⁴ See Table C-73 for corporate tax liability and profits after taxes.

Source: Department of Commerce, Office of Business Economics.

TABLE C-13.—*Relation of gross national product and national income, 1929–70*

(Billions of dollars)

Year or quarter	Gross national product	Less: Capital consumption allowances	Equals: Net national product	Plus: Subsidies less current surplus of government enterprises	Less:					Equals: National income
					Indirect business tax and nontax liability			Business transfer payments	Statistical discrepancy	
					Total	Federal	State and local			
1929	103.1	7.9	95.2	—0.1	7.0	1.2	5.8	0.6	0.7	86.8
1930	90.4	8.0	82.4	— .1	7.2	1.0	6.1	.5	— .8	75.4
1931	75.8	7.9	68.0	.0	6.9	.9	6.0	.6	.7	59.7
1932	58.0	7.4	50.7	.0	6.8	.9	5.8	.7	.3	42.8
1933	55.6	7.0	48.6	.0	7.1	1.6	5.4	.7	.6	40.3
1934	65.1	6.8	58.2	.3	7.8	2.2	5.6	.6	.5	49.5
1935	72.2	6.9	65.4	.4	8.2	2.2	6.0	.6	— .2	57.2
1936	82.5	7.0	75.4	.0	8.7	2.3	6.4	.6	1.2	65.0
1937	90.4	7.2	83.3	.1	9.2	2.4	6.8	.6	.0	73.6
1938	84.7	7.3	77.4	.2	9.2	2.2	6.9	.4	.6	67.4
1939	90.5	7.3	83.2	.5	9.4	2.3	7.0	.5	1.3	72.6
1940	99.7	7.5	92.2	.4	10.0	2.6	7.4	.4	1.0	81.1
1941	124.5	8.2	116.3	.1	11.3	3.6	7.7	.5	.4	104.2
1942	157.9	9.8	148.1	.2	11.8	4.0	7.7	.5	—1.1	137.1
1943	191.6	10.2	181.3	.2	12.7	4.9	7.8	.5	—2.0	170.3
1944	210.1	11.0	199.1	.7	14.1	6.2	8.0	.5	2.5	182.6
1945	211.9	11.3	200.7	.8	15.5	7.1	8.4	.5	3.9	181.5
1946	208.5	9.9	198.6	.9	17.1	7.8	9.3	.5	.1	181.9
1947	231.3	12.2	219.1	— .2	18.4	7.8	10.6	.6	.9	199.0
1948	257.6	14.5	243.1	— .1	20.1	8.0	12.1	.7	—2.0	224.2
1949	256.5	16.6	239.9	— .1	21.3	8.0	13.3	.8	.3	217.5
1950	284.8	18.3	266.4	.2	23.3	8.9	14.5	.8	1.5	241.1
1951	328.4	21.2	307.2	.2	25.2	9.4	15.8	.9	3.3	278.0
1952	345.5	23.2	322.3	— .1	27.6	10.3	17.3	1.0	2.2	291.4
1953	364.6	25.7	338.9	— .4	29.6	10.9	18.7	1.2	3.0	304.7
1954	364.8	28.2	336.6	— .2	29.4	9.7	19.7	1.1	2.7	303.1
1955	398.0	31.5	366.5	— .1	32.1	10.7	21.4	1.2	2.1	331.0
1956	419.2	34.1	385.2	.8	34.9	11.2	23.6	1.4	—1.1	350.8
1957	441.1	37.1	404.0	.9	37.3	11.8	25.5	1.5	.0	366.1
1958	447.3	38.9	408.4	.9	38.5	11.5	27.0	1.6	1.6	367.8
1959	483.7	41.4	442.3	.1	41.5	12.5	28.9	1.7	— .8	400.0
1960	503.7	43.4	460.3	.2	45.2	13.5	31.7	1.9	—1.0	414.5
1961	520.1	45.2	474.9	1.4	47.7	13.6	34.1	2.0	— .8	427.3
1962	560.3	50.0	510.4	1.4	51.5	14.6	36.9	2.1	.5	457.7
1963	590.5	52.6	537.9	.8	54.7	15.3	39.4	2.3	— .3	481.9
1964	632.4	56.1	576.3	1.3	58.4	16.1	42.3	2.5	—1.3	518.1
1965	684.9	59.8	625.1	1.3	62.5	16.5	45.9	2.7	—3.1	564.3
1966	749.9	63.9	685.9	2.3	65.7	15.7	49.9	3.0	—1.0	620.6
1967	793.9	68.9	725.0	1.4	70.4	16.3	54.1	3.1	— .7	653.6
1968	865.0	74.0	791.1	.7	78.1	18.0	60.1	3.3	—2.4	712.7
1969	931.4	78.9	852.5	1.0	85.2	19.1	66.1	3.5	—4.7	769.5
1970 p	976.8	84.3	892.4	1.7	92.0	19.6	72.4	3.6	—2.5	801.0
Seasonally adjusted annual rates										
1968: I	834.9	72.3	762.6	0.8	75.5	17.4	58.0	3.2	—2.5	687.2
II	858.1	73.7	784.4	.7	77.4	17.8	59.5	3.3	—1.6	706.1
III	875.8	74.6	801.2	.7	79.2	18.2	61.0	3.4	—2.9	722.2
IV	891.4	75.5	816.0	.5	80.4	18.4	61.9	3.5	—2.6	735.2
1969: I	907.6	77.0	830.6	.8	82.1	18.5	63.6	3.5	—3.6	749.3
II	923.7	78.2	845.5	1.1	84.3	19.0	65.3	3.5	—5.3	764.0
III	942.6	79.4	863.1	1.0	86.6	19.5	67.1	3.5	—5.5	779.5
IV	951.7	80.7	871.0	1.2	87.7	19.3	68.4	3.5	—4.3	785.2
1970: I	959.5	82.1	877.4	1.6	89.3	19.3	70.0	3.6	—5.4	791.5
II	971.1	83.6	887.5	1.5	91.1	19.4	71.7	3.6	—3.1	797.4
III	985.5	85.0	900.5	1.8	93.3	20.1	73.2	3.6	—1.1	806.6
IV p	990.9	86.5	904.4	2.0	94.3	19.6	74.6	3.7	—	—

Source: Department of Commerce, Office of Business Economics.

TABLE C-14.—*Relation of national income and personal income, 1929-70*

[Billions of dollars]

Year or quarter	National income	Less:			Plus:				Equals: Personal income
		Corporate profits and inventory valuation adjustment	Contributions for social insurance	Wage accruals less disbursements	Government transfer payments to persons	Interest paid by government (net) and by consumers	Dividends	Business transfer payments	
1929	86.8	10.5	0.2	0.0	0.9	2.5	5.8	0.6	85.9
1930	75.4	7.0	.3	.0	1.0	1.8	5.5	.5	77.0
1931	59.7	2.0	.3	.0	2.1	1.8	4.1	.6	65.9
1932	42.8	-1.3	.3	.0	1.4	1.7	2.5	.7	50.2
1933	40.3	-1.2	.3	.0	1.5	1.6	2.0	.7	47.0
1934	49.5	1.7	.3	.0	1.6	1.7	2.6	.6	54.0
1935	57.2	3.4	.3	.0	1.8	1.7	2.8	.6	60.4
1936	65.0	5.6	.6	.0	2.9	1.7	4.5	.6	68.6
1937	73.5	6.8	1.8	.0	1.9	1.9	4.7	.6	74.1
1938	67.4	4.9	2.0	.0	2.4	1.9	3.2	.4	68.3
1939	72.6	6.3	2.1	.0	2.5	1.9	3.8	.5	72.8
1940	81.1	9.8	2.3	.0	2.7	2.1	4.0	.4	78.3
1941	104.2	15.2	2.8	.0	2.6	2.2	4.4	.5	96.0
1942	137.1	20.3	3.5	.0	2.6	2.2	4.3	.5	122.9
1943	170.3	24.4	4.5	.2	2.5	2.6	4.4	.5	151.3
1944	182.6	23.8	5.2	-.2	3.1	3.3	4.6	.5	165.3
1945	181.5	19.2	6.1	.0	5.6	4.2	4.6	.5	171.1
1946	181.9	19.3	6.0	.0	10.8	5.2	5.6	.5	178.7
1947	199.0	25.6	5.7	.0	11.1	5.5	6.3	.6	191.3
1948	224.2	33.0	5.2	.0	10.5	6.1	7.0	.7	210.2
1949	217.5	30.8	5.7	.0	11.6	6.5	7.2	.8	207.2
1950	241.1	37.7	6.9	.0	14.3	7.2	8.8	.8	227.6
1951	278.0	42.7	8.2	.1	11.5	7.6	8.6	.9	255.6
1952	291.4	39.9	8.7	.0	12.0	8.1	8.6	1.0	272.5
1953	304.7	39.6	8.8	-.1	12.8	9.0	8.9	1.2	288.2
1954	303.1	38.0	9.8	.0	14.9	9.5	9.3	1.1	290.1
1955	331.0	46.9	11.1	.0	16.1	10.1	10.5	1.2	310.9
1956	350.8	46.1	12.6	.0	17.1	11.2	11.3	1.4	333.0
1957	366.1	45.6	14.5	.0	19.9	12.0	11.7	1.5	351.1
1958	367.8	41.1	14.8	.0	24.1	12.1	11.6	1.6	361.2
1959	400.0	51.7	17.6	.0	24.9	13.6	12.6	1.7	383.5
1960	414.5	49.9	20.7	.0	26.6	15.1	13.4	1.9	401.0
1961	427.3	50.3	21.4	.0	30.4	15.0	13.8	2.0	416.8
1962	457.7	55.7	24.0	.0	31.2	16.1	15.2	2.1	442.6
1963	481.9	58.9	26.9	.0	33.0	17.6	16.5	2.3	465.5
1964	518.1	66.3	27.9	.0	34.2	19.1	17.8	2.5	497.5
1965	564.3	76.1	29.6	.0	37.2	20.5	19.8	2.7	538.9
1966	620.6	82.4	38.0	.0	41.1	22.2	20.8	3.0	587.2
1967	653.6	78.7	42.4	.0	48.7	23.6	21.4	3.1	629.3
1968	712.7	85.4	47.1	.0	55.7	26.3	23.3	3.3	688.7
1969	769.5	85.8	53.6	.0	61.6	29.0	24.7	3.5	748.9
1970 p	801.0	77.4	57.1	.0	73.9	31.8	25.2	3.6	801.0
Seasonally adjusted annual rates									
1968: I	687.2	81.3	45.5	0.0	52.9	25.1	22.3	3.2	664.0
II	706.1	86.0	46.7	.0	55.3	25.9	23.1	3.3	680.9
III	722.2	87.4	47.7	.0	56.6	26.7	23.8	3.4	697.6
IV	735.2	87.1	48.7	.0	58.0	27.5	24.1	3.5	712.5
1969: I	749.3	87.1	51.9	.0	59.8	28.0	24.1	3.5	725.8
II	764.0	87.4	53.1	.0	61.0	28.6	24.4	3.5	741.1
III	779.5	86.8	54.2	.0	62.0	29.1	25.0	3.5	758.1
IV	785.2	82.0	55.1	.0	63.4	30.2	25.2	3.5	770.5
1970: I	791.5	76.7	56.0	2.5	66.3	31.0	25.2	3.6	782.3
II	797.4	77.5	56.7	-2.1	75.8	31.4	25.1	3.6	801.3
III	806.6	78.4	57.6	-4	75.1	32.2	25.4	3.6	807.2
IV p			58.0	.0	78.4	32.6	25.1	3.7	813.4

Source: Department of Commerce, Office of Business Economics.

TABLE C-15.—Disposition of personal income, 1929-70

Year or quarter	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays				Equals: Personal saving	Percent of disposable personal income		
				Total	Personal consumption expenditures	Interest paid by consumers	Personal transfer payments to foreigners		Personal outlays		Personal saving
									Total	Consumption expenditures	
Billions of dollars									Percent		
1929	85.9	2.6	83.3	79.1	77.2	1.5	0.3	4.2	95.0	92.7	5.0
1930	77.0	2.5	74.5	71.1	69.9	.9	.3	3.4	95.4	93.8	4.6
1931	65.9	1.9	64.0	61.4	60.5	.7	.3	2.6	95.9	94.4	4.1
1932	50.2	1.5	48.7	49.3	48.6	.5	.2	-.6	101.3	99.8	-1.3
1933	47.0	1.5	45.5	46.5	45.8	.5	.2	-.9	102.0	100.6	-2.0
1934	54.0	1.6	52.4	52.0	51.3	.5	.2	.4	99.3	98.0	.7
1935	60.4	1.9	58.5	56.4	55.7	.5	.2	2.1	96.3	95.2	3.7
1936	68.6	2.3	66.3	62.7	61.9	.6	.2	3.6	94.6	93.3	5.4
1937	74.1	2.9	71.2	67.4	66.5	.7	.2	3.8	94.7	93.4	5.3
1938	68.3	2.9	65.5	64.8	63.9	.7	.2	.7	98.9	97.6	1.1
1939	72.8	2.4	70.3	67.7	66.8	.7	.2	2.6	96.3	95.0	3.7
1940	78.3	2.6	75.7	71.8	70.8	.8	.2	3.8	94.9	93.6	5.1
1941	96.0	3.3	92.7	81.7	80.6	.9	.2	11.0	88.2	86.9	11.8
1942	122.9	6.0	116.9	89.3	88.5	.7	.1	27.6	76.4	75.7	23.6
1943	151.3	17.8	133.5	100.1	99.3	.5	.2	33.4	75.0	74.4	25.0
1944	165.3	18.9	146.3	109.1	108.3	.5	.4	37.3	74.5	74.0	25.5
1945	171.1	20.9	150.2	120.7	119.7	.5	.5	29.6	80.3	79.7	19.7
1946	178.7	18.7	160.0	144.8	143.4	.8	.7	15.2	90.5	89.6	9.5
1947	191.3	21.4	169.8	162.5	160.7	1.1	.7	7.3	95.7	94.6	4.3
1948	210.2	21.1	189.1	175.8	173.6	1.5	.7	13.4	92.9	91.8	7.1
1949	207.2	18.6	188.6	179.2	176.8	1.9	.5	9.4	95.0	93.8	5.0
1950	227.6	20.7	206.9	193.9	191.0	2.4	.5	13.1	93.7	92.3	6.3
1951	255.6	29.0	226.6	209.3	206.3	2.7	.4	17.3	92.4	91.0	7.6
1952	272.5	34.1	238.3	220.2	216.7	3.0	.4	18.1	92.4	90.9	7.6
1953	288.2	35.6	252.6	234.3	230.0	3.8	.5	18.3	92.8	91.1	7.2
1954	290.1	32.7	257.4	241.0	236.5	4.0	.5	16.4	93.6	91.9	6.4
1955	310.9	35.5	275.3	259.5	254.4	4.7	.5	15.8	94.3	92.4	5.7
1956	333.0	39.8	293.2	272.6	266.7	5.4	.6	20.6	93.0	91.0	7.0
1957	351.1	42.6	308.5	287.8	281.4	5.8	.6	20.7	93.3	91.2	6.7
1958	361.2	42.3	318.8	296.6	290.1	5.9	.6	22.3	93.0	91.0	7.0
1959	383.5	46.2	337.3	318.3	311.2	6.5	.6	19.1	94.4	92.3	5.6
1960	401.0	50.9	350.0	333.0	325.2	7.3	.5	17.0	95.1	92.9	4.9
1961	416.8	52.4	364.4	343.3	335.2	7.6	.5	21.2	94.2	92.0	5.8
1962	442.6	57.4	385.3	363.7	355.1	8.1	.5	21.6	94.4	92.2	5.6
1963	465.5	60.9	404.6	384.7	375.0	9.1	.6	19.9	95.1	92.7	4.9
1964	497.5	59.4	438.1	411.9	401.2	10.1	.6	26.2	94.0	91.6	6.0
1965	538.9	65.7	473.2	444.8	432.8	11.3	.7	28.4	94.0	91.5	6.0
1966	587.2	75.4	511.9	479.3	466.3	12.4	.6	32.5	93.6	91.1	6.4
1967	629.3	83.0	546.3	506.0	492.1	13.2	.7	40.4	92.6	90.1	7.4
1968	688.7	97.5	591.2	550.8	535.8	14.3	.7	40.4	93.2	90.6	6.8
1969	748.9	117.3	631.6	593.9	577.5	15.7	.8	37.6	94.0	91.4	6.0
1970 P	801.0	116.4	684.7	634.7	616.8	17.0	.9	50.0	92.7	90.1	7.3
Seasonally adjusted annual rates											
1968: I	664.0	89.1	574.9	534.1	519.7	13.8	0.7	40.8	92.9	90.4	7.1
II	680.9	92.6	588.4	543.8	529.1	14.1	.7	44.6	92.4	89.9	7.6
III	697.6	102.1	595.6	559.1	543.8	14.5	.8	36.5	93.9	91.3	6.1
IV	712.5	106.5	606.0	566.4	550.8	14.9	.7	39.6	93.5	90.9	6.5
1969: I	725.8	113.8	612.0	577.7	561.8	15.3	.7	34.3	94.4	91.8	5.6
II	741.1	118.1	623.0	589.7	573.3	15.6	.8	33.3	94.7	92.0	5.3
III	758.1	117.5	640.6	598.7	582.1	15.8	.9	42.0	93.5	90.9	6.5
IV	770.5	119.9	650.6	609.6	592.6	16.1	.8	41.1	93.7	91.1	6.3
1970: I	782.3	117.0	665.3	620.5	603.1	16.4	.9	44.8	93.3	90.7	6.7
II	801.3	117.7	683.6	632.1	614.4	16.8	1.0	51.5	92.5	89.9	7.5
III	807.2	114.2	693.0	640.2	622.1	17.2	1.0	52.7	92.4	89.8	7.6
IV P	813.4	116.5	696.9	646.0	627.6	17.5	1.0	50.9	92.7	90.0	7.3

Source: Department of Commerce, Office of Business Economics.

TABLE C-16.—*Total and per capita disposable personal income and personal consumption expenditures, in current and 1958 prices, 1929-70*

Year or quarter	Disposable personal income				Personal consumption expenditures				Population (thousands) ¹
	Total (billions of dollars)		Per capita (dollars)		Total (billions of dollars)		Per capita (dollars)		
	Current prices	1958 prices	Current prices	1958 prices	Current prices	1958 prices	Current prices	1958 prices	
1929.....	83.3	150.6	683	1,236	77.2	139.6	634	1,145	121,875
1930.....	74.5	139.0	605	1,128	69.9	130.4	567	1,059	123,188
1931.....	64.0	133.7	516	1,077	60.5	126.1	487	1,016	124,149
1932.....	48.7	115.1	390	921	48.6	114.8	389	919	124,949
1933.....	45.5	112.2	362	893	45.8	112.8	364	897	125,690
1934.....	52.4	120.4	414	952	51.3	118.1	406	934	126,485
1935.....	58.5	131.8	459	1,035	55.7	125.5	437	985	127,362
1936.....	66.3	148.4	518	1,158	61.9	138.4	483	1,080	128,181
1937.....	71.2	153.1	552	1,187	66.5	143.1	516	1,110	128,961
1938.....	65.5	143.6	504	1,105	63.9	140.2	492	1,079	129,969
1939.....	70.3	155.9	537	1,190	66.8	148.2	510	1,131	131,028
1940.....	75.7	166.3	573	1,259	70.8	155.7	536	1,178	132,122
1941.....	92.7	190.3	695	1,427	80.6	165.4	604	1,240	133,402
1942.....	116.9	213.4	867	1,582	88.5	161.4	656	1,197	134,860
1943.....	133.5	222.8	976	1,629	99.3	165.8	726	1,213	136,739
1944.....	146.3	231.6	1,057	1,673	108.3	171.4	782	1,238	138,397
1945.....	150.2	229.7	1,074	1,642	119.7	183.0	855	1,308	139,928
1946.....	160.0	227.0	1,132	1,606	143.4	203.5	1,014	1,439	141,389
1947.....	169.8	218.0	1,178	1,513	160.7	206.3	1,115	1,431	144,126
1948.....	189.1	229.8	1,290	1,567	173.6	210.8	1,184	1,438	146,631
1949.....	188.6	230.8	1,264	1,547	176.8	216.5	1,185	1,451	149,188
1950.....	206.9	249.6	1,364	1,646	191.0	230.5	1,259	1,520	151,684
1951.....	226.6	255.7	1,469	1,657	206.3	232.8	1,337	1,509	154,287
1952.....	238.3	263.3	1,518	1,678	216.7	239.4	1,381	1,525	156,954
1953.....	252.6	275.4	1,583	1,726	230.0	250.8	1,441	1,572	159,565
1954.....	257.4	278.3	1,585	1,714	236.5	255.7	1,456	1,575	162,391
1955.....	275.3	296.7	1,666	1,795	254.4	274.2	1,539	1,659	165,275
1956.....	293.2	309.3	1,743	1,839	266.7	281.4	1,585	1,673	168,221
1957.....	308.5	315.8	1,801	1,844	281.4	288.2	1,643	1,683	171,274
1958.....	318.8	318.8	1,831	1,831	290.1	290.1	1,666	1,666	174,141
1959.....	337.3	333.0	1,905	1,881	311.2	307.3	1,758	1,735	177,073
1960.....	350.0	340.2	1,937	1,883	325.2	316.1	1,800	1,749	180,684
1961.....	364.4	350.7	1,983	1,909	335.2	322.5	1,824	1,755	183,756
1962.....	385.3	367.3	2,064	1,968	355.1	338.4	1,902	1,813	186,656
1963.....	404.6	381.3	2,136	2,013	375.0	353.3	1,980	1,865	189,417
1964.....	438.1	407.9	2,280	2,123	401.2	373.7	2,088	1,945	192,120
1965.....	473.2	435.0	2,432	2,235	432.8	397.7	2,224	2,044	194,592
1966.....	511.9	458.9	2,599	2,331	466.3	418.1	2,368	2,123	196,907
1967.....	546.3	477.5	2,744	2,398	492.1	430.1	2,471	2,160	199,119
1968.....	591.2	499.0	2,939	2,450	535.8	452.3	2,663	2,248	201,177
1969.....	631.6	511.5	3,108	2,517	577.5	467.7	2,842	2,301	203,213
1970.....	684.7	529.7	3,333	2,579	616.8	477.2	3,003	2,323	205,395
Seasonally adjusted annual rates									
1968: I.....	574.9	492.3	2,868	2,456	519.7	445.0	2,593	2,220	200,435
II.....	588.4	498.6	2,928	2,482	529.1	448.4	2,634	2,232	200,908
III.....	595.6	501.2	2,956	2,488	543.8	457.7	2,699	2,272	201,465
IV.....	606.0	504.0	2,999	2,495	550.8	458.1	2,726	2,268	202,028
1969: I.....	612.0	504.7	3,023	2,493	561.8	463.3	2,775	2,288	202,475
II.....	623.0	507.5	3,070	2,501	573.3	467.1	2,825	2,302	202,953
III.....	640.6	515.9	3,148	2,535	582.1	468.7	2,860	2,303	203,505
IV.....	650.6	517.8	3,188	2,537	592.6	471.7	2,904	2,311	204,091
1970: I.....	665.3	522.9	3,252	2,556	603.1	474.0	2,948	2,317	204,586
II.....	683.6	532.0	3,333	2,594	614.4	478.1	2,995	2,331	205,113
III.....	693.0	534.2	3,369	2,597	622.1	479.6	3,024	2,331	205,706
IV.....	696.9	529.8	3,378	2,568	627.6	477.1	3,042	2,312	206,336

¹ Population of the United States including Armed Forces overseas; includes Alaska and Hawaii beginning 1960. Annual data are for July 1; quarterly data are for middle of period, interpolated from monthly data.

Sources: Department of Commerce (Office of Business Economics and Bureau of the Census) and Council of Economic Advisers.

TABLE C-17.—Sources of personal income, 1929-70

(Billions of dollars)

Year or quarter	Total personal income	Wage and salary disbursements ¹						Other labor income ¹	Proprietors' income	
		Total	Commodity-producing industries		Distributive industries	Service industries	Government		Business and professional	Farm ²
			Total	Manufacturing						
1929	85.9	50.4	21.5	16.1	15.6	8.4	4.9	0.6	9.0	6.2
1930	77.0	46.2	18.5	13.8	14.5	8.0	5.2	.6	7.6	4.3
1931	65.9	39.1	14.3	10.8	12.5	7.1	5.3	.5	5.8	3.4
1932	50.2	30.5	9.9	7.7	9.8	5.8	5.0	.5	3.6	2.1
1933	47.0	29.0	9.8	7.8	8.8	5.2	5.1	.4	3.3	2.6
1934	54.0	33.7	12.1	9.6	9.9	5.7	6.1	.4	4.7	3.0
1935	60.4	36.7	13.5	10.8	10.7	5.9	6.5	.5	5.5	5.3
1936	68.6	41.9	15.8	12.4	11.8	6.5	7.9	.6	6.7	4.3
1937	74.1	46.1	18.4	14.6	13.2	7.1	7.5	.6	7.2	6.0
1938	68.3	43.0	15.3	11.8	12.6	6.8	8.2	.6	6.9	4.4
1939	72.8	45.9	17.4	13.6	13.3	7.1	8.2	.6	7.4	4.4
1940	78.3	49.8	19.7	15.6	14.2	7.5	8.4	.7	8.6	4.5
1941	96.0	62.1	27.5	21.7	16.3	8.1	10.2	.7	11.1	6.4
1942	122.9	82.1	39.1	30.9	18.0	9.0	16.0	.9	14.0	9.8
1943	151.3	105.6	48.9	40.9	20.1	9.9	26.6	1.1	17.0	11.7
1944	165.3	116.9	50.3	42.9	22.7	10.9	33.0	1.5	18.2	11.6
1945	171.1	117.5	45.8	38.2	24.8	12.0	34.9	1.8	19.2	12.2
1946	178.7	112.0	46.0	36.5	31.0	14.4	20.7	1.9	21.6	14.9
1947	191.3	123.0	54.3	42.5	35.2	16.1	17.4	2.3	20.3	15.2
1948	210.2	135.3	61.0	47.2	37.6	17.9	18.9	2.7	22.7	17.5
1949	207.2	134.6	57.7	44.7	37.7	18.6	20.6	3.0	22.6	12.7
1950	227.6	146.7	64.6	50.3	39.9	19.9	22.4	3.8	24.0	13.5
1951	255.6	171.0	76.1	59.4	44.3	21.7	28.9	4.8	26.1	15.8
1952	272.5	185.1	81.8	64.2	46.9	23.3	33.1	5.3	27.1	15.0
1953	288.2	198.3	89.4	71.2	49.8	25.1	34.1	6.0	27.5	13.0
1954	290.1	196.5	85.4	67.6	50.2	26.4	34.6	6.3	27.6	12.4
1955	310.9	211.3	92.8	73.9	53.4	28.9	36.2	7.3	30.3	11.4
1956	333.0	227.8	100.2	79.5	57.7	31.6	38.3	8.4	31.3	11.4
1957	351.1	238.7	103.8	82.5	60.5	33.9	40.4	9.5	32.8	11.3
1958	361.2	239.9	99.7	78.7	60.8	35.9	43.5	9.9	33.2	13.4
1959	383.5	258.2	109.1	86.9	64.8	38.7	45.6	11.3	35.1	11.4
1960	401.0	270.8	112.5	89.7	68.1	41.5	48.7	12.0	34.2	12.0
1961	416.8	278.1	112.8	89.8	69.1	44.0	52.2	12.7	35.6	12.8
1962	442.6	296.1	120.8	96.7	72.5	46.8	56.0	13.9	37.1	13.0
1963	465.5	311.1	125.7	100.6	76.0	49.9	59.5	14.9	37.9	13.1
1964	497.5	333.7	134.1	107.2	81.2	54.1	64.3	16.6	40.2	12.1
1965	538.9	358.9	144.5	115.6	86.9	58.3	69.3	18.7	42.4	14.8
1966	587.2	394.5	159.3	128.1	93.8	63.7	77.7	20.7	45.2	16.1
1967	629.3	423.1	166.5	134.2	100.3	70.5	85.8	22.3	47.3	14.8
1968	688.7	464.8	181.5	145.9	109.2	78.4	95.7	24.9	49.1	15.0
1969	748.9	509.0	197.5	157.5	119.8	87.7	104.1	27.6	50.5	16.4
1970 p	801.0	540.1	201.2	158.9	128.4	96.6	114.0	30.4	51.4	16.2
Seasonally adjusted annual rates										
1968: I	664.0	447.9	175.2	141.0	105.2	75.6	92.0	23.8	48.5	14.4
II	680.9	458.9	179.3	144.1	107.7	77.6	94.3	24.6	49.2	14.6
III	697.6	471.0	183.2	147.4	110.9	79.2	97.6	25.3	49.2	15.3
IV	712.5	481.4	188.1	150.9	113.1	81.3	98.9	26.0	49.4	15.8
1969: I	725.8	491.6	191.5	153.2	115.5	84.5	100.0	26.7	49.9	16.2
II	741.1	502.9	196.0	156.4	118.5	86.7	101.7	27.3	50.5	16.2
III	758.1	516.4	199.9	159.7	121.3	88.7	106.5	27.9	50.9	16.6
IV	770.5	525.3	202.5	160.8	123.8	90.9	108.1	28.5	50.6	16.6
1970: I	782.3	531.9	202.7	160.7	125.9	93.9	109.3	29.3	50.6	17.0
II	801.3	539.5	201.5	159.6	127.0	95.5	115.5	30.0	51.2	16.5
III	807.2	543.8	201.9	159.7	129.7	97.3	114.9	30.8	51.7	16.1
IV p	813.4	545.4	198.7	155.8	131.0	99.5	116.1	31.5	52.0	15.3

See footnotes at end of table.

TABLE C-17.—Sources of personal income, 1929-70—Continued

[Billions of dollars]

Year or quarter	Rental income of persons	Dividends	Personal interest income	Transfer payments					Less: Personal contributions for social insurance	Non-agricultural personal income ²
				Total	Old age, survivors, disability, and health insurance benefits	State unemployment insurance benefits	Veterans benefits	Other		
1929.....	5.4	5.8	7.2	1.5			0.6	0.9	0.1	77.6
1930.....	4.8	5.5	6.8	1.5			.6	.9	.1	70.8
1931.....	3.8	4.1	6.7	2.7			1.6	1.1	.2	60.8
1932.....	2.7	2.5	6.3	2.2			.8	1.4	.2	46.7
1933.....	2.0	2.0	5.7	2.1			.5	1.6	.2	43.2
1934.....	1.7	2.6	5.8	2.2			.4	1.8	.2	49.8
1935.....	1.7	2.8	5.7	2.4			.5	1.9	.2	53.9
1936.....	1.8	4.5	5.5	3.5			1.9	1.6	.2	63.0
1937.....	2.1	4.7	5.6	2.4	0.0	0.0	.6	1.8	.6	66.7
1938.....	2.6	3.2	5.5	2.8	.0	.4	.5	1.9	.6	62.6
1939.....	2.7	3.8	5.5	3.0	.0	.4	.5	2.0	.6	66.9
1940.....	2.9	4.0	5.4	3.1	.0	.5	.5	2.0	.7	72.3
1941.....	3.5	4.4	5.5	3.1	.1	.3	.5	2.2	.8	87.8
1942.....	4.5	4.3	5.3	3.1	.1	.3	.5	2.2	1.2	111.0
1943.....	5.1	4.4	5.3	3.0	.2	.1	.5	2.2	1.8	137.3
1944.....	5.4	4.6	5.6	3.6	.2	.1	.9	2.4	2.2	151.2
1945.....	5.6	4.6	6.3	6.2	.3	.4	2.8	2.7	2.3	156.4
1946.....	6.6	5.6	6.8	11.3	.4	1.1	6.7	3.1	2.0	161.0
1947.....	7.1	6.3	7.5	11.7	.5	.8	6.7	3.7	2.1	173.0
1948.....	8.0	7.0	7.9	11.2	.6	.8	5.8	4.1	2.2	189.4
1949.....	8.4	7.2	8.5	12.4	.7	1.7	5.1	4.9	2.2	191.3
1950.....	9.4	8.8	9.2	15.1	1.0	1.4	4.9	7.9	2.9	210.9
1951.....	10.3	8.6	9.9	12.5	1.9	.8	3.9	5.9	3.4	236.4
1952.....	11.5	8.6	10.6	13.0	2.2	1.0	3.9	6.0	3.8	254.1
1953.....	12.7	8.9	11.8	14.0	3.0	1.0	3.7	6.3	4.0	271.9
1954.....	13.6	9.3	13.1	16.0	3.6	2.0	3.9	6.5	4.6	274.7
1955.....	13.9	10.5	14.2	17.3	4.9	1.4	4.3	6.8	5.2	296.4
1956.....	14.3	11.3	15.7	18.5	5.7	1.4	4.3	7.2	5.8	318.5
1957.....	14.8	11.7	17.6	21.4	7.3	1.8	4.4	7.9	6.7	336.6
1958.....	15.4	11.6	18.9	25.7	8.5	3.9	4.6	8.7	6.9	344.3
1959.....	15.6	12.6	20.7	26.6	10.2	2.5	4.6	9.4	7.9	368.5
1960.....	15.8	13.4	23.4	28.5	11.1	2.8	4.6	10.0	9.3	385.2
1961.....	16.0	13.8	25.0	32.4	12.6	4.0	4.8	10.9	9.6	400.0
1962.....	16.7	15.2	27.7	33.3	14.3	2.9	4.8	11.2	10.3	425.5
1963.....	17.1	16.5	31.4	35.3	15.2	2.8	5.0	12.2	11.8	448.1
1964.....	18.0	17.8	34.9	36.7	16.0	2.6	5.3	12.9	12.5	480.9
1965.....	19.0	19.8	38.7	39.9	18.1	2.2	5.6	14.0	13.4	519.5
1966.....	20.0	20.8	43.6	44.1	20.8	1.8	5.7	15.7	17.7	566.3
1967.....	21.1	21.4	48.0	51.8	25.7	2.1	6.6	17.5	20.5	609.4
1968.....	21.3	23.3	54.0	59.0	30.3	2.1	7.2	19.5	22.8	668.2
1969.....	22.0	24.7	59.7	65.1	33.0	2.1	8.3	21.6	26.0	726.7
1970 p.....	22.7	25.2	65.3	77.5	38.5	3.9	9.5	25.6	27.8	778.6
Seasonally adjusted annual rates										
1968: I.....	21.3	22.3	51.5	56.1	28.2	2.2	7.1	18.7	21.9	644.2
II.....	21.3	23.1	53.2	58.6	30.3	1.9	7.2	19.2	22.6	661.0
III.....	21.3	23.8	54.8	60.0	30.9	2.1	7.2	19.8	23.1	676.8
IV.....	21.3	24.1	56.6	61.4	31.8	2.0	7.4	20.2	23.5	690.9
1969: I.....	21.6	24.1	57.7	63.3	32.3	2.1	7.9	21.0	25.2	703.9
II.....	22.0	24.4	59.0	64.5	32.9	1.9	8.4	21.4	25.8	719.1
III.....	22.1	25.0	60.1	65.5	33.1	2.2	8.3	21.8	26.4	735.7
IV.....	22.3	25.2	61.9	67.0	33.5	2.3	8.7	22.4	26.8	747.9
1970: I.....	22.5	25.2	63.4	69.8	34.2	2.9	9.0	23.8	27.4	759.2
II.....	22.6	25.1	64.5	79.4	41.5	3.6	9.5	24.9	27.7	778.6
III.....	22.7	25.4	66.0	78.7	39.0	4.3	9.7	25.8	28.0	784.9
IV p.....	23.0	25.1	67.1	82.1	39.5	4.8	10.1	27.7	28.1	791.8

¹ The total of wage and salary disbursements and other labor income differs from compensation of employees in Table C-12 in that it excludes employer contributions for social insurance and the excess of wage accruals over wage disbursements.

² Includes change in inventories.

³ 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.

Source: Department of Commerce, Office of Business Economics.

TABLE C-18.—Sources and uses of gross saving, 1929-70

[Billions of dollars]

Year or quarter	Gross private saving and government surplus or deficit, national income and product accounts							Capital grants received by the United States	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.....	16.3	15.3	4.2	11.2	1.0	1.2	-0.2	-----	17.0	16.2	0.8	0.7
1930.....	11.8	12.1	3.4	8.6	-.3	.3	-.6	-----	11.0	10.3	.7	-.8
1931.....	5.0	8.0	2.6	5.3	-2.9	-2.1	-.8	-----	5.8	5.6	.2	.7
1932.....	.8	2.5	-.6	3.2	-1.8	-1.5	-.3	-----	1.1	1.0	.2	.3
1933.....	.9	2.3	-.9	3.2	-1.4	-1.3	-.1	-----	1.6	1.4	.2	.6
1934.....	3.2	5.6	.4	5.2	-2.4	-2.9	.5	-----	3.8	3.3	.4	.5
1935.....	6.6	8.6	2.1	6.4	-2.0	-2.6	.6	-----	6.4	6.4	-.1	-.2
1936.....	7.2	10.3	3.6	6.7	-3.1	-3.6	.5	-----	8.4	8.5	-.1	1.2
1937.....	11.9	11.5	3.8	7.7	.3	-.4	.7	-----	11.8	11.8	.1	.0
1938.....	7.0	8.7	.7	8.0	-1.8	-2.1	.4	-----	7.6	6.5	1.1	.6
1939.....	8.8	11.0	2.6	8.4	-2.2	-2.2	(?)	-----	10.2	9.3	.9	1.3
1940.....	13.6	14.3	3.8	10.5	-.7	-1.3	.6	-----	14.6	13.1	1.5	1.0
1941.....	18.6	22.4	11.0	11.4	-3.8	-5.1	1.3	-----	19.0	17.9	1.1	.4
1942.....	10.7	42.0	27.6	14.5	-31.4	-33.1	1.8	-----	9.6	9.8	-.2	-1.1
1943.....	5.5	49.7	33.4	16.3	-44.1	-46.6	2.5	-----	3.5	5.7	-2.2	-2.0
1944.....	2.5	54.3	37.3	17.1	-51.8	-54.5	2.7	-----	5.0	7.1	-2.1	2.5
1945.....	5.2	44.7	29.6	15.1	-39.5	-42.1	2.6	-----	9.1	10.6	-1.4	3.9
1946.....	35.1	29.7	15.2	14.5	5.4	3.5	1.9	-----	35.2	30.6	4.6	.1
1947.....	42.0	27.5	7.3	20.2	14.4	13.4	1.0	-----	42.9	34.0	8.9	.9
1948.....	49.9	41.4	13.4	28.0	8.5	8.4	.1	-----	47.9	46.0	1.9	-2.0
1949.....	35.9	39.0	9.4	29.7	-3.2	-2.4	-.7	-----	36.2	35.7	.5	.3
1950.....	50.4	42.5	13.1	29.4	7.8	9.1	-1.2	-----	51.8	54.1	-2.2	1.5
1951.....	56.1	50.3	17.3	33.1	5.8	6.2	-.4	-----	59.5	59.3	.2	3.3
1952.....	49.5	53.3	18.1	35.1	-3.8	-3.8	(?)	-----	51.6	51.9	-.3	2.2
1953.....	47.5	54.4	18.3	36.1	-6.9	-7.0	.1	-----	50.5	52.6	-2.1	3.0
1954.....	48.5	55.6	16.4	39.2	-7.0	-5.9	-1.1	-----	51.3	51.7	-.5	2.7
1955.....	64.8	62.1	15.8	46.3	2.7	4.0	-1.3	-----	66.9	67.4	-.5	2.1
1956.....	72.7	67.8	20.6	47.3	4.9	5.7	-.9	-----	71.6	70.0	1.5	-1.1
1957.....	71.2	70.5	20.7	49.8	.7	2.1	-1.4	-----	71.2	67.9	3.4	.0
1958.....	59.2	71.7	22.3	49.4	-12.5	-10.2	-2.3	-----	60.7	60.9	-.2	1.6
1959.....	73.8	75.9	19.1	56.8	-2.1	-1.2	-.8	-----	73.0	75.3	-2.3	-.8
1960.....	77.5	73.9	17.0	56.8	3.7	3.5	-.2	-----	76.5	74.8	1.7	-1.0
1961.....	75.5	79.8	21.2	58.7	-4.3	-3.8	-.5	-----	74.7	71.7	3.0	-.8
1962.....	85.0	87.9	21.6	66.3	-2.9	-3.8	.9	-----	85.5	83.0	2.5	.5
1963.....	90.5	88.7	19.9	68.8	1.8	.7	1.2	-----	90.3	87.1	3.1	-.3
1964.....	101.0	102.4	26.2	76.2	-1.4	-3.0	1.7	-----	99.7	94.0	5.7	-1.3
1965.....	115.3	113.1	28.4	84.7	2.2	1.2	1.0	-----	112.2	108.1	4.1	-3.1
1966.....	124.9	123.8	32.5	91.3	1.1	-.2	1.3	-----	123.9	121.4	2.4	-1.0
1967.....	119.5	133.4	40.4	93.0	-13.9	-12.4	-1.6	-----	118.8	116.6	2.2	-.7
1968.....	128.6	135.9	40.4	95.6	-7.3	-6.2	-1.1	-----	126.2	126.5	-.3	-2.4
1969.....	143.7	135.0	37.6	97.3	8.7	9.3	-.6	-----	138.9	139.8	-.9	-4.7
1970 p.....	139.0	148.6	50.0	98.6	-9.6	-10.8	1.2	0.9	137.4	135.8	1.6	-2.5
Seasonally adjusted annual rates												
1968: I.....	121.6	132.3	40.8	91.5	-10.7	-9.2	-1.6	-----	119.1	119.8	-0.7	-2.5
II.....	129.6	140.8	44.6	96.2	-11.2	-10.5	-.7	-----	128.1	127.3	.7	-1.6
III.....	129.8	134.3	36.5	97.8	-4.5	-4.1	-.4	-----	126.9	126.5	.4	-2.9
IV.....	133.5	136.4	39.6	96.8	-2.9	-1.1	-1.9	-----	130.9	132.6	-1.7	-2.6
1969: I.....	138.5	130.8	34.3	96.5	7.7	9.5	-1.8	-----	134.9	136.0	-1.1	-3.6
II.....	142.5	130.7	33.3	97.4	11.8	13.4	-1.5	-----	137.3	139.3	-2.0	-5.3
III.....	149.1	141.1	42.0	99.1	8.0	8.3	-.3	-----	143.6	143.8	-.1	-5.5
IV.....	144.2	137.1	41.1	96.0	7.1	6.1	1.0	-----	139.9	140.2	-.3	-4.3
1970: I.....	139.3	140.5	44.8	95.7	-1.2	-1.7	.5	0.9	134.8	133.2	1.6	-5.4
II.....	138.5	149.4	51.5	97.9	-10.9	-14.2	3.4	.9	136.3	134.3	2.0	-3.1
III.....	140.6	151.8	52.7	99.1	-11.2	-11.8	.7	.9	140.4	138.3	2.1	-1.1
IV p.....			50.9					.9	138.1	137.5	.6	

¹ Net exports of goods and services less net transfers to foreigners.

* Surplus of \$32 million.

* Deficit of \$41 million.

Source: Department of Commerce, Office of Business Economics.

TABLE C-19.—*Saving by individuals, 1946-70*¹

[Billions of dollars]

Year or quarter	Total	Increase in financial assets							Net investment in			Less: Increase in debt		
		Total ²	Cur- rency and demand de- posits	Sav- ings ac- counts	Securities			Insur- ance and pen- sion re- serves ⁵	Non- farm homes	Con- sumer du- rables	Non- cor- porate busi- ness assets	Mort- gage debt on non- farm homes	Con- sumer credit	Other debt ⁶
					Gov- ern- ment bonds ³	Corpo- rate and for- eign bonds	Corpo- rate stock ⁴							
1946	25.4	18.4	4.8	6.3	-1.2	-0.9	1.1	5.3	4.2	5.8	3.3	3.8	2.7	-0.2
1947	20.7	13.3	— .5	3.4	2.3	— .8	1.1	5.4	6.9	7.5	3.2	4.3	3.2	2.6
1948	23.6	9.2	-2.5	2.3	1.2	-2	1.0	5.3	10.5	7.1	7.4	5.0	2.8	2.6
1949	19.2	10.0	-1.9	2.6	1.8	-4	.7	5.5	9.0	7.0	2.4	4.1	2.9	2.4
1950	27.3	13.7	2.2	2.5	.4	— .8	.7	6.9	13.7	10.2	6.4	7.4	4.1	5.2
1951	30.3	18.0	4.6	4.5	— .5	— .2	1.6	6.2	13.5	5.5	4.5	7.1	1.2	2.8
1952	26.3	21.4	1.7	7.7	.8	.0	1.6	7.6	12.8	3.6	2.5	6.4	4.8	2.9
1953	29.9	22.1	.5	8.3	2.4	.0	.9	7.9	13.5	6.4	1.6	7.7	3.9	2.1
1954	27.9	22.3	1.9	9.2	.9	-4	.7	7.9	13.7	4.9	2.7	8.6	1.1	6.0
1955	33.6	27.9	.8	8.8	5.9	1.1	1.1	8.4	17.7	9.9	3.5	12.2	6.4	6.8
1956	34.9	28.9	1.2	9.5	3.4	.9	2.0	9.6	16.4	5.9	1.9	11.2	3.5	3.5
1957	33.5	28.0	.5	12.1	1.9	1.0	1.5	9.5	13.8	4.9	2.4	8.8	2.6	4.2
1958	32.5	31.1	3.3	14.0	-1.9	1.1	1.5	10.1	12.7	.6	3.3	8.8	.2	6.2
1959	33.2	34.9	.4	11.4	8.1	.3	.6	11.5	16.5	5.5	3.2	12.6	6.4	7.9
1960	28.7	27.7	-1.9	12.4	2.9	.2	— .4	11.7	14.5	5.1	2.1	10.8	4.6	5.4
1961	31.3	34.9	1.3	17.4	.7	.3	.4	12.2	12.0	2.9	3.2	10.9	1.8	8.8
1962	37.3	39.3	2.9	23.4	.8	— .6	-2.1	12.8	12.8	6.7	5.6	12.7	5.8	8.5
1963	38.9	44.9	5.5	23.0	4.3	— .6	-2.8	13.9	12.6	8.9	6.9	14.8	7.9	11.9
1964	45.2	51.3	6.5	23.9	4.2	— .5	.0	15.3	12.5	11.2	6.2	16.0	8.5	11.4
1965	52.5	56.0	7.3	26.4	4.4	.7	-1.9	17.2	12.0	14.8	9.0	15.2	10.0	13.9
1966	56.1	54.4	3.1	19.1	9.5	2.0	-1.0	18.0	11.5	15.2	7.2	12.3	7.2	12.7
1967	62.7	66.6	11.5	32.5	-1.4	4.0	-4.8	20.0	9.2	12.4	8.2	10.5	4.6	18.6
1968	57.3	63.6	6.9	27.7	6.9	4.6	-7.7	19.5	13.0	17.0	7.6	4.9	11.1	17.9
1969	55.3	56.4	3.4	11.3	16.8	4.9	-4.3	20.3	13.2	17.3	8.8	116.3	9.3	14.7
Seasonally adjusted annual rates														
1969: I	56.0	53.8	-7.9	19.6	21.0	4.8	-5.4	18.5	13.6	17.8	8.6	17.0	9.9	10.9
II	44.2	47.2	5.5	14.5	3.8	5.3	-5.3	19.9	15.4	17.7	8.1	16.9	10.4	16.8
III	61.3	62.8	-1.5	5.1	27.5	4.7	-2.3	24.5	13.2	14.8	9.6	16.0	8.8	14.2
IV	54.7	62.0	17.3	5.9	15.1	4.7	-3.8	18.5	10.5	14.5	8.9	15.2	8.4	17.6
1970: I	54.1	53.3	-3.2	13.2	16.5	8.2	-7.0	20.0	10.2	11.1	6.8	12.3	4.8	10.1
II	63.3	61.1	— .7	24.8	.6	10.4	1.4	20.2	9.5	12.2	8.8	12.6	6.2	9.2
III	67.9	79.4	1.4	40.2	4.7	7.1	-1.5	21.9	8.2	10.0	8.4	14.0	6.4	17.7

¹ Individuals' saving sector includes households, private trust funds, nonprofit institutions, farms, and other noncorporate businesses.² Includes miscellaneous financial assets, not shown separately.³ U.S. Government and agency securities and State and local obligations.⁴ Includes investment company shares.⁵ Private life insurance reserves, private insured and noninsured pension reserves, and government insurance and pension reserves.⁶ Security credit, policy loans, noncorporate business debt, and other debt.

Source: Board of Governors of the Federal Reserve System.

TABLE C-20.—*Number and money income (in 1969 prices) of families and unrelated individuals, by race of head, 1947-69*

Year	Total				White				Negro and other races			
	Total number (mil- lions)	Median income	With incomes under \$3,000		Total number (mil- lions)	Median income	With incomes under \$3,000		Total number (mil- lions)	Median income	With incomes under \$3,000	
			Number (mil- lions)	Percent			Number (mil- lions)	Percent			Number (mil- lions)	Percent
FAMILIES: ¹												
1947.....	37.2	\$4,972	9.1	24.4	34.1	\$5,194	7.3	21.1	3.1	\$2,660	1.8	56.7
1948.....	38.6	4,855	9.5	24.7	35.3	5,051	7.7	21.7	3.3	2,694	1.8	55.1
1949.....	39.3	4,779	10.3	26.1	-----	4,973	-----	23.4	-----	2,538	-----	58.1
1950.....	39.9	5,069	9.7	24.4	-----	5,290	-----	21.6	-----	2,848	-----	52.4
1951.....	40.6	5,239	9.1	22.4	-----	5,455	-----	19.5	-----	2,871	-----	52.3
1952.....	40.8	5,386	8.9	21.7	-----	5,688	-----	18.7	-----	3,230	-----	45.7
1953.....	41.2	5,807	8.5	20.6	-----	6,029	-----	18.3	-----	3,390	-----	43.6
1954.....	42.0	5,675	9.3	22.1	38.2	5,913	7.5	19.6	3.8	3,292	1.8	46.3
1955.....	42.9	6,055	8.4	19.7	39.0	6,332	6.7	17.2	3.9	3,485	1.7	43.4
1956.....	43.5	6,449	7.7	17.8	39.5	6,744	6.0	15.4	4.0	3,548	1.7	42.0
1957.....	43.7	6,456	7.8	17.9	39.7	6,723	6.1	15.5	4.0	3,598	1.7	42.3
1958.....	44.2	6,441	8.0	18.1	40.2	6,714	6.2	15.5	4.0	3,451	1.8	44.1
1959.....	45.1	6,808	7.6	16.8	40.9	7,106	5.8	14.3	4.2	3,661	1.8	41.9
1960.....	45.5	6,962	7.6	16.8	41.1	7,252	5.9	14.3	4.3	4,001	1.7	38.4
1961.....	46.3	7,034	7.8	16.9	41.9	7,361	6.0	14.4	4.5	3,913	1.8	39.2
1962.....	47.0	7,228	7.4	15.7	42.4	7,564	5.7	13.4	4.6	4,037	1.7	36.2
1963.....	47.4	7,487	7.0	14.8	42.7	7,841	5.4	12.6	4.8	4,165	1.6	35.3
1964.....	47.8	7,758	6.6	13.8	43.1	8,101	5.1	11.9	4.8	4,533	1.5	30.8
1965.....	48.3	8,082	6.3	13.0	43.5	8,424	4.9	11.2	4.8	4,666	1.4	29.5
1966.....	48.9	8,396	5.9	12.2	44.0	8,718	4.6	10.4	4.9	5,224	1.3	26.2
1966 ²	49.1	8,467	5.8	11.9	44.1	8,797	4.5	10.2	5.0	5,275	1.3	25.9
1967 ²	49.8	8,764	5.5	10.9	44.8	9,086	4.3	9.6	5.0	5,641	1.2	24.2
1968 ²	50.5	9,102	4.9	9.6	45.4	9,433	3.8	8.3	5.1	5,895	1.1	21.4
1969 ²	51.2	9,433	4.8	9.3	46.0	9,794	3.7	8.1	5.2	6,191	1.1	20.4
UNRELATED INDIVIDUALS: ³												
1947.....	8.2	1,640	3.9	47.6	7.2	1,736	3.3	45.9	1.0	1,224	0.6	57.7
1948.....	8.4	1,531	4.2	49.4	7.3	1,618	3.5	47.9	1.1	1,202	.7	60.2
1949.....	9.0	1,641	4.3	47.7	-----	1,760	-----	46.0	-----	1,261	-----	58.2
1950.....	9.4	1,612	4.5	48.4	-----	1,714	-----	47.0	-----	1,245	-----	57.3
1951.....	9.1	1,685	4.3	47.7	-----	1,775	-----	46.7	-----	1,347	-----	54.1
1952.....	9.7	1,947	4.1	42.3	-----	2,108	-----	40.6	-----	1,457	-----	51.3
1953.....	9.5	1,912	4.2	44.1	-----	2,022	-----	43.2	-----	1,587	-----	48.3
1954.....	9.7	1,667	4.6	47.4	8.2	1,794	3.7	45.2	1.5	1,237	.9	58.8
1955.....	9.9	1,804	4.4	44.4	8.5	1,917	3.6	42.5	1.4	1,320	.8	55.7
1956.....	9.8	1,922	4.2	42.8	8.5	1,973	3.5	41.7	1.3	1,485	.7	50.5
1957.....	10.4	1,960	4.3	41.2	8.9	2,082	3.5	39.4	1.5	1,405	.8	53.2
1958.....	10.9	1,918	4.5	41.9	9.2	2,019	3.7	40.2	1.6	1,408	.8	52.9
1959.....	10.9	1,970	4.4	40.9	9.3	2,093	3.6	38.9	1.6	1,406	.8	52.7
1960.....	11.1	2,131	4.3	39.1	9.6	2,305	3.5	36.9	1.5	1,392	.8	53.5
1961.....	11.2	2,152	4.3	38.3	9.6	2,316	3.5	36.0	1.6	1,436	.8	52.1
1962.....	11.0	2,130	4.0	36.6	9.5	2,285	3.3	34.4	1.5	1,522	.7	49.4
1963.....	11.2	2,165	4.0	36.2	9.7	2,276	3.3	34.3	1.5	1,561	.7	48.7
1964.....	12.1	2,351	4.1	34.7	10.4	2,471	3.4	33.1	1.6	1,756	.7	44.7
1965.....	12.1	2,502	3.9	31.8	10.5	2,618	3.2	30.4	1.7	1,931	.7	40.6
1966.....	12.4	2,570	3.8	31.0	10.8	2,683	3.2	29.7	1.6	1,954	.6	40.5
1966 ²	12.3	-----	-----	-----	10.7	-----	-----	-----	1.6	-----	-----	-----
1967 ²	13.1	2,644	4.0	30.5	11.3	2,760	3.3	29.2	1.8	2,016	.7	39.1
1968 ²	13.8	2,945	3.7	26.7	12.0	3,090	3.0	25.1	1.8	2,138	.7	36.7
1969 ²	14.5	2,931	3.8	26.5	12.5	3,078	3.1	24.6	2.0	2,170	.7	38.1

¹ The term "family" refers to a group of two or more persons related by blood, marriage, or adoption and residing together; all such persons are considered members of the same family.

² Based on revised methodology.

³ The term "unrelated individuals" refers to persons 14 years old and over (other than inmates of institutions) who are not living with any relatives.

Source: Department of Commerce, Bureau of the Census.

POPULATION, EMPLOYMENT, WAGES, AND PRODUCTIVITY

TABLE C-21.—*Population by age groups: Estimates, 1929-70, and projections, 1975-85*
(Thousands of persons)

July 1	Total	Age (years)						
		Under 5	5-15	16-19	20-24	25-44	45-64	65 and over
Estimates:								
1929.....	121,767	11,734	26,800	9,127	10,694	35,862	21,076	6,474
1930.....	123,077	11,372	26,983	9,220	10,915	36,309	21,573	6,705
1931.....	124,040	11,179	26,984	9,259	11,003	36,654	22,031	6,928
1932.....	124,840	10,903	26,969	9,284	11,077	36,988	22,473	7,147
1933.....	125,579	10,612	26,897	9,302	11,152	37,319	22,933	7,363
1934.....	126,374	10,331	26,796	9,331	11,238	37,662	23,435	7,582
1935.....	127,250	10,170	26,645	9,381	11,317	37,987	23,947	7,804
1936.....	128,053	10,044	26,415	9,461	11,375	38,288	24,444	8,027
1937.....	128,825	10,009	26,062	9,578	11,411	38,589	24,917	8,258
1938.....	129,825	10,176	25,631	9,717	11,453	38,954	25,387	8,508
1939.....	130,880	10,418	25,179	9,822	11,519	39,354	25,823	8,764
1940.....	132,122	10,579	24,811	9,895	11,690	39,868	26,249	9,031
1941.....	133,402	10,850	24,516	9,840	11,807	40,383	26,718	9,288
1942.....	134,860	11,301	24,231	9,730	11,955	40,861	27,196	9,584
1943.....	136,739	12,016	24,093	9,607	12,064	41,420	27,671	9,867
1944.....	138,397	12,524	23,949	9,561	12,062	42,016	28,138	10,147
1945.....	139,928	12,979	23,907	9,361	12,036	42,521	28,630	10,494
1946.....	141,389	13,244	24,103	9,119	12,004	43,027	29,064	10,828
1947.....	144,126	14,406	24,468	9,097	11,814	43,657	29,498	11,185
1948.....	146,631	14,919	25,209	8,952	11,794	44,288	29,931	11,538
1949.....	149,188	15,607	25,852	8,788	11,700	44,916	30,405	11,921
1950.....	152,271	16,410	26,721	8,542	11,680	45,672	30,849	12,397
1951.....	154,878	17,333	27,279	8,446	11,552	46,103	31,362	12,803
1952.....	157,553	17,312	28,894	8,414	11,350	46,495	31,884	13,203
1953.....	160,184	17,638	30,227	8,460	11,062	46,786	32,394	13,617
1954.....	163,026	18,057	31,480	8,637	10,832	47,001	32,942	14,076
1955.....	165,931	18,566	32,682	8,744	10,714	47,194	33,506	14,525
1956.....	168,903	19,003	33,994	8,916	10,616	47,379	34,057	14,938
1957.....	171,984	19,494	35,272	9,195	10,603	47,440	34,591	15,388
1958.....	174,882	19,887	36,445	9,543	10,756	47,337	35,109	15,806
1959.....	177,830	20,175	37,368	10,215	10,969	47,192	35,663	16,248
1960.....	180,684	20,364	38,504	10,698	11,116	47,134	36,208	16,659
1961.....	183,756	20,657	39,768	11,093	11,408	47,061	36,756	17,013
1962.....	186,656	20,746	41,168	11,258	11,889	46,968	37,316	17,311
1963.....	189,417	20,750	41,620	12,061	12,620	46,932	37,869	17,565
1964.....	192,120	20,670	42,294	12,819	13,154	46,881	38,438	17,863
1965.....	194,592	20,404	42,963	13,563	13,679	46,807	39,015	18,162
1966.....	196,920	19,811	43,822	14,304	14,063	46,855	39,601	18,464
1967.....	199,114	19,168	44,488	14,167	15,178	47,084	40,224	18,804
1968.....	201,152	18,506	44,978	14,338	15,748	47,621	40,827	19,134
1969.....	203,216	17,960	45,260	14,655	16,484	47,994	41,393	19,470
1970 ¹	205,395	17,741	45,289	15,082	17,176	48,388	41,893	19,825
Projections: ²								
1975: Series C.....	217,557	19,968	42,761	16,610	19,205	53,927	43,583	21,503
Series D.....	215,588	18,187	42,572					
1980: Series C.....	232,412	23,245	42,037	16,892	20,911	62,302	43,533	23,492
Series D.....	227,510	20,305	40,074					
1985: Series C.....	249,248	25,791	47,301	14,442	20,933	71,867	43,439	25,474
Series D.....	240,925	22,356	42,412					

¹ Data for 1970 are based on the 1960 Census. The total tabulation for July 1, 1970 based on the 1970 Census is 204,835,000. Data by age on this basis are not yet available.

² Two of four series projected by the cohort method and based on different assumptions with regard to completed fertility, which moves gradually toward a level of 2,775 children per 1,000 women for Series C and 2,450 children per 1,000 women for Series D. For further explanation of method of projection and for additional data, see "Population Estimates and Projections, Current Population Reports, Series P-25, No. 448," August 6, 1970.

Note.—Data for Armed Forces overseas included beginning 1940. Includes Alaska and Hawaii beginning 1950.

Source: Department of Commerce, Bureau of the Census.

TABLE C-22.—Noninstitutional population and the labor force, 1929-70

Year or month	Non-institutional population	Total labor force (including Armed Forces)	Armed Forces	Civilian labor force					Total labor force as percent of non-institutional population	Unemployment as percent of civilian labor force
				Total	Employment			Unemployment		
					Total	Agricultural	Non-agricultural			
Thousands of persons 14 years of age and over									Percent	
1929		49,440	260	49,180	47,630	10,450	37,180	1,550		3.2
1930		50,080	260	49,820	45,480	10,340	35,140	4,340		8.7
1931		50,680	260	50,420	42,400	10,290	32,110	8,020		15.9
1932		51,250	250	51,000	38,940	10,170	28,770	12,060		23.6
1933		51,840	250	51,590	38,760	10,090	28,670	12,830		24.9
1934		52,490	260	52,230	40,890	9,900	30,990	11,340		21.7
1935		53,140	270	52,870	42,260	10,110	32,150	10,610		20.1
1936		53,740	300	53,440	44,410	10,000	34,410	9,030		16.9
1937		54,320	320	54,000	46,300	9,820	36,480	7,700		14.3
1938		54,950	340	54,610	44,220	9,690	34,530	10,390		19.0
1939		55,600	370	55,230	45,750	9,610	36,140	9,480		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	105,530	65,300	11,440	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	57,812	8,256	49,557	2,356	57.4	3.9
Thousands of persons 16 years of age and over									Percent	
1947	103,418	60,941	1,591	59,350	57,039	7,891	49,148	2,311	58.9	3.9
1948	104,527	62,080	1,459	60,621	58,344	7,629	50,713	2,276	59.4	3.8
1949	105,611	62,903	1,617	61,286	57,649	7,656	49,990	3,637	59.6	5.9
1950	106,645	63,858	1,650	62,208	58,920	7,160	51,760	3,288	59.9	5.3
1951	107,721	65,117	3,100	62,017	59,962	6,726	53,239	2,055	60.4	3.3
1952	108,823	65,730	3,592	62,138	60,254	6,501	53,753	1,883	60.4	3.0
1953	110,601	66,560	3,545	63,015	61,181	6,261	54,922	1,834	60.2	2.9
1954	111,671	66,993	3,350	63,643	60,110	6,206	53,903	3,532	60.0	5.5
1955	112,732	68,072	3,049	65,023	62,171	6,449	55,724	2,852	60.4	4.4
1956	113,811	69,409	2,857	66,552	63,802	6,283	57,517	2,750	61.0	4.1
1957	115,065	69,729	2,800	66,929	64,071	5,947	58,123	2,859	60.6	4.3
1958	116,363	70,275	2,636	67,639	63,036	5,586	57,450	4,602	60.4	6.8
1959	117,881	70,921	2,552	68,369	64,630	5,565	59,065	3,740	60.2	5.5
1960	119,759	72,142	2,514	69,628	65,778	5,458	60,318	3,852	60.2	5.5
1961	121,343	73,031	2,572	70,459	65,746	5,200	60,546	4,714	60.2	6.7
1962	122,981	73,442	2,828	70,614	66,702	4,944	61,759	3,911	59.7	5.5
1963	125,154	74,571	2,738	71,833	67,762	4,687	63,076	4,070	59.6	5.7
1964	127,224	75,830	2,739	73,091	69,305	4,523	64,782	3,786	59.6	5.2
1965	129,236	77,178	2,723	74,455	71,088	4,361	66,726	3,366	59.7	4.5
1966	131,180	78,893	3,123	75,770	72,895	3,979	68,915	2,875	60.1	3.8
1967	133,319	80,793	3,446	77,347	74,372	3,844	70,527	2,975	60.6	3.8
1968	135,562	82,272	3,535	78,737	75,920	3,817	72,103	2,817	60.7	3.6
1969	137,841	84,239	3,506	80,733	77,902	3,606	74,296	2,831	61.1	3.5
1970	140,182	85,903	3,188	82,715	78,627	3,462	75,165	4,088	61.3	4.9
1969: Jan.	136,802	81,711	3,477	78,234	75,358	3,165	72,192	2,876	59.7	3.7
Feb.	136,940	82,579	3,475	79,104	76,181	3,285	72,896	2,923	60.3	3.7
Mar.	137,143	82,770	3,504	79,266	76,520	3,327	73,193	2,746	60.4	3.5
Apr.	137,337	83,137	3,516	79,621	77,079	3,607	73,471	2,542	60.5	3.2
May	137,549	83,085	3,522	79,563	77,264	3,894	73,370	2,299	60.4	2.9
June	137,737	85,880	3,524	82,356	78,956	4,367	74,589	3,400	62.4	4.1
July	137,935	86,318	3,521	82,797	79,616	4,155	75,460	3,182	62.6	3.8
Aug.	138,127	86,046	3,530	82,516	79,646	3,977	75,669	2,869	62.3	3.5
Sept.	138,317	84,527	3,543	80,984	78,026	3,629	74,397	2,958	61.1	3.7
Oct.	138,539	85,038	3,528	81,510	78,671	3,561	75,110	2,839	61.4	3.5
Nov.	138,732	84,920	3,493	81,427	78,716	3,322	75,395	2,710	61.2	3.3
Dec.	138,928	84,856	3,440	81,416	78,788	2,984	75,805	2,628	61.1	3.2

See footnotes at end of table.

TABLE C-22.—Noninstitutional population and the labor force, 1929-70—Continued

Year or month	Non-institutional population	Total labor force (including Armed Forces)	Armed Forces	Civilian labor force					Total labor force as percent of non-institutional population	Unemployment as percent of civilian labor force	
				Total	Employment			Unemployment			
					Total	Agricultural	Non-agricultural				
Thousands of persons 16 years of age and over										Percent	
1970:	Jan.	139,099	84,105	3,386	80,719	77,313	2,915	74,398	3,406	60.5	4.2
	Feb.	139,398	84,625	3,342	81,283	77,489	2,994	74,495	3,794	60.8	4.7
	Mar.	139,497	85,008	3,318	81,690	77,957	3,171	74,786	3,733	60.9	4.6
	Apr.	139,687	85,231	3,271	81,960	78,408	3,531	74,877	3,552	61.0	4.3
	May	139,884	84,968	3,227	81,741	78,357	3,725	74,632	3,384	60.7	4.1
	June	140,046	87,230	3,180	84,050	79,382	4,208	75,174	4,669	62.3	5.6
	July	140,259	87,955	3,154	84,801	80,291	4,118	76,173	4,510	62.7	5.3
	Aug.	140,468	87,248	3,133	84,115	79,894	3,782	76,112	4,220	62.1	5.0
	Sept.	140,675	85,656	3,109	82,547	78,256	3,525	74,730	4,292	60.9	5.2
	Oct.	140,886	86,225	3,050	83,175	78,916	3,394	75,522	4,259	61.2	5.1
	Nov.	141,091	86,386	3,039	83,347	78,741	3,226	75,515	4,607	61.2	5.5
	Dec.	141,301	86,165	3,013	83,152	78,516	2,952	75,564	4,636	61.0	5.6
Seasonally adjusted											
1969:	Jan.	83,233	79,756	77,081	3,717	73,364	2,675	3.4			
	Feb.	83,674	80,199	77,524	3,836	73,688	2,675	3.3			
	Mar.	83,833	80,379	77,650	3,710	73,940	2,729	3.4			
	Apr.	83,950	80,434	77,589	3,661	73,928	2,845	3.5			
	May	83,652	80,130	77,321	3,777	73,544	2,809	3.5			
	June	84,028	80,504	77,741	3,683	74,058	2,763	3.4			
	July	84,310	80,789	77,931	3,561	74,370	2,858	3.5			
	Aug.	84,517	80,987	78,142	3,614	74,528	2,845	3.5			
	Sept.	84,868	81,325	78,194	3,498	74,696	3,131	3.8			
	Oct.	85,051	81,523	78,445	3,446	74,999	3,078	3.8			
	Nov.	84,872	81,379	78,528	3,434	75,094	2,851	3.5			
	Dec.	85,023	81,583	78,737	3,435	75,302	2,846	3.5			
1970:	Jan.	85,599	82,213	79,041	3,426	75,615	3,172	3.9			
	Feb.	85,590	82,249	78,822	3,499	75,323	3,427	4.2			
	Mar.	86,087	82,769	79,112	3,550	75,562	3,657	4.4			
	Apr.	86,143	82,872	78,924	3,586	75,338	3,948	4.8			
	May	85,783	82,555	78,449	3,613	74,836	4,106	5.0			
	June	85,304	82,125	78,225	3,554	74,671	3,900	4.7			
	July	85,967	82,813	78,638	3,519	75,119	4,175	5.0			
	Aug.	85,810	82,676	78,445	3,420	75,025	4,231	5.1			
	Sept.	86,140	83,031	78,424	3,399	75,025	4,607	5.5			
	Oct.	86,432	83,353	78,686	3,288	75,398	4,667	5.6			
	Nov.	86,432	83,393	78,535	3,333	75,202	4,858	5.8			
	Dec.	86,459	83,446	78,472	3,411	75,061	4,974	6.0			

Note.—Labor force data in Tables C-22 through C-25 are based on household interviews and relate to the calendar week including the 12th of the month. For definitions of terms, area samples used, historical comparability of the data, comparability with other series, etc., see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-23.—Civilian employment and unemployment, by sex and age, 1947-70

[Thousands of persons 16 years of age and over]

Year or month	Employment						Unemployment					
	Males			Females			Males			Females		
	Total	Total		Total	Total		Total	Total		Total	Total	
		16-19 years	20 years and over		16-19 years	20 years and over		16-19 years	20 years and over		16-19 years	20 years and over
1947.....	57,039	40,994	2,218	38,776	16,045	1,691	14,354	2,311	1,692	270	1,422	619
1948.....	58,344	41,726	2,345	39,382	16,618	1,683	14,937	2,276	1,559	255	1,305	717
1949.....	57,649	40,926	2,124	38,803	16,723	1,588	15,137	3,637	2,572	352	2,219	1,065
1950.....	58,920	41,580	2,186	39,394	17,340	1,517	15,824	3,288	2,239	318	1,922	1,049
1951.....	59,962	41,780	2,156	39,626	18,182	1,611	16,570	2,055	1,221	191	1,029	834
1952.....	60,254	41,684	2,106	39,578	18,570	1,612	16,958	1,883	1,185	205	980	698
1953.....	61,181	42,431	2,135	40,296	18,750	1,584	17,164	1,834	1,202	184	1,019	632
1954.....	60,110	41,620	1,985	39,634	18,490	1,490	17,000	3,532	2,344	310	2,035	1,188
1955.....	62,171	42,621	2,095	40,526	19,550	1,548	18,002	2,852	1,854	274	1,580	998
1956.....	63,802	43,380	2,164	41,216	20,422	1,654	18,767	2,750	1,711	269	1,442	1,039
1957.....	64,071	43,357	2,117	41,239	20,714	1,663	19,052	2,859	1,841	299	1,541	1,018
1958.....	63,036	42,423	2,012	40,411	20,613	1,570	19,043	4,602	3,098	416	2,681	1,504
1959.....	64,630	43,466	2,198	41,267	21,164	1,640	19,524	3,740	2,420	398	2,022	1,320
1960.....	65,778	43,904	2,360	41,543	21,874	1,769	20,105	3,852	2,486	425	2,060	1,366
1961.....	65,746	43,656	2,314	41,342	22,090	1,793	20,296	4,714	2,997	479	2,518	1,717
1962.....	66,702	44,177	2,362	41,815	22,525	1,833	20,693	3,911	2,423	407	2,016	1,488
1963.....	67,762	44,657	2,406	42,251	23,105	1,849	21,257	4,070	2,472	500	1,971	1,598
1964.....	69,305	45,474	2,587	42,886	23,831	1,929	21,903	3,786	2,205	487	1,718	1,386
1965.....	71,088	46,340	2,918	43,422	24,748	2,118	22,630	3,366	1,914	479	1,435	1,452
1966.....	72,895	46,919	3,252	43,668	25,976	2,469	23,510	2,875	1,551	432	1,120	1,324
1967.....	74,372	47,479	3,186	44,293	26,893	2,497	24,397	2,975	1,508	448	1,060	1,468
1968.....	75,920	48,114	3,255	44,859	27,807	2,525	25,281	2,817	1,419	427	993	1,397
1969.....	77,902	48,818	3,430	45,388	29,084	2,686	26,397	2,831	1,403	441	963	1,428
1970.....	78,627	48,960	3,407	45,553	29,667	2,734	26,932	4,088	2,235	599	1,636	1,853
Seasonally adjusted												
1969: Jan.....	77,081	48,612	3,418	45,194	28,469	2,527	25,942	2,675	1,357	454	903	1,318
Feb.....	77,524	48,754	3,431	45,323	28,770	2,570	26,200	2,675	1,305	425	880	1,370
Mar.....	77,650	48,822	3,448	45,374	28,828	2,612	26,216	2,729	1,327	446	881	1,402
Apr.....	77,589	48,745	3,463	45,282	28,844	2,651	26,193	2,845	1,369	448	921	1,476
May.....	77,321	48,654	3,403	45,251	28,667	2,626	26,041	2,809	1,369	426	943	1,440
June.....	77,741	48,697	3,394	45,303	29,044	2,722	26,322	2,763	1,338	405	933	1,425
July.....	77,931	48,702	3,367	45,335	29,229	2,717	26,512	2,858	1,452	449	1,003	1,406
Aug.....	78,142	48,819	3,334	45,485	29,323	2,697	26,626	2,845	1,381	423	958	1,464
Sept.....	78,194	48,956	3,491	45,465	29,238	2,695	26,543	3,131	1,595	474	1,121	1,536
Oct.....	78,445	48,949	3,438	45,511	29,496	2,797	26,699	3,078	1,546	458	1,088	1,532
Nov.....	78,528	49,067	3,534	45,533	29,461	2,798	26,663	2,851	1,464	466	998	1,387
Dec.....	78,737	49,055	3,502	45,553	29,682	2,785	26,897	2,846	1,459	434	1,025	1,387
1970: Jan.....	79,041	49,204	3,530	45,674	29,837	2,777	27,060	3,172	1,662	510	1,152	1,510
Feb.....	78,822	49,058	3,524	45,534	29,764	2,839	26,925	3,427	1,827	525	1,302	1,600
Mar.....	79,112	49,313	3,604	45,709	29,799	2,783	27,016	3,657	1,865	514	1,351	1,792
Apr.....	78,924	49,099	3,432	45,667	29,825	2,803	27,022	3,948	2,147	615	1,532	1,801
May.....	78,449	49,081	3,488	45,593	29,368	2,892	26,476	4,106	2,250	617	1,633	1,856
June.....	78,225	48,778	3,257	45,521	29,447	2,675	26,772	3,900	2,201	568	1,633	1,699
July.....	78,638	48,855	3,331	45,524	29,783	2,710	27,073	4,175	2,316	546	1,770	1,859
Aug.....	78,445	48,662	3,238	45,424	29,783	2,691	27,092	4,231	2,362	608	1,754	1,869
Sept.....	78,424	48,899	3,377	45,522	29,525	2,775	26,750	4,607	2,592	675	1,917	2,015
Oct.....	78,686	48,864	3,326	45,538	29,822	2,740	27,082	4,667	2,648	684	1,964	2,019
Nov.....	78,535	48,950	3,439	45,511	29,585	2,623	26,962	4,858	2,678	686	1,992	2,180
Dec.....	78,472	48,869	3,504	45,365	29,603	2,578	27,025	4,974	2,763	708	2,055	2,211

Note.—See Note, Table C-22.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-24.—Selected unemployment rates, 1948-70

[Percent]

Year or month	All work- ers	By sex and age			By color		By selected groups				Labor force time lost ⁴
		Both sexes 16-19 years	Men 20 years and over	Wom- en 20 years and over	White	Negro and other races	Expe- rienced wage and salary workers	Mar- ried men ¹	Full- time work- ers ²	Blue- collar work- ers ³	
1948.....	3.8	9.2	3.2	3.6	3.5	5.9	3.7	-----	-----	4.2	-----
1949.....	5.9	13.4	5.4	5.3	5.6	8.9	6.2	3.5	5.4	8.0	-----
1950.....	5.3	12.2	4.7	5.1	4.9	9.0	5.6	4.6	5.0	7.2	-----
1951.....	3.3	8.2	2.5	4.0	3.1	5.3	3.2	1.5	2.6	3.9	-----
1952.....	3.0	8.5	2.4	3.2	2.8	5.4	2.9	1.4	2.5	3.6	-----
1953.....	2.9	7.6	2.5	2.9	2.7	4.5	2.6	1.7	-----	3.4	-----
1954.....	5.5	12.6	4.9	5.5	5.0	9.9	6.2	4.0	5.2	7.2	-----
1955.....	4.4	11.0	3.8	4.4	3.9	8.7	4.8	2.8	3.8	5.8	-----
1956.....	4.1	11.1	3.4	4.2	3.6	8.3	4.4	2.6	3.7	5.1	5.1
1957.....	4.3	11.6	3.6	4.1	3.8	7.9	4.6	2.8	4.0	6.2	5.3
1958.....	6.8	15.9	6.2	6.1	6.1	12.6	7.2	5.1	7.2	10.2	8.1
1959.....	5.5	14.6	4.7	5.2	4.8	10.7	5.7	3.6	-----	7.6	6.6
1960.....	5.5	14.7	4.7	5.1	4.9	10.2	5.7	3.7	-----	7.8	6.7
1961.....	6.7	16.8	5.7	6.3	6.0	12.4	6.8	4.6	6.7	9.2	8.0
1962.....	5.5	14.7	4.6	5.4	4.9	10.9	5.6	3.6	-----	7.4	6.7
1963.....	5.7	17.2	4.5	5.4	5.0	10.8	5.5	3.4	5.4	7.3	6.4
1964.....	5.2	16.2	3.9	5.2	4.6	9.6	5.0	2.8	4.8	6.3	5.8
1965.....	4.5	14.8	3.2	4.5	4.1	8.1	4.3	2.4	4.2	5.3	5.0
1966.....	3.8	12.8	2.5	3.8	3.4	7.3	3.5	1.9	3.4	4.2	4.2
1967.....	3.8	12.8	2.3	4.2	3.4	7.4	3.6	1.8	3.5	4.4	4.2
1968.....	3.6	12.7	2.2	3.8	3.2	6.7	3.4	1.6	3.1	4.1	4.0
1969.....	3.5	12.2	2.1	3.7	3.1	6.4	3.3	1.5	3.1	3.9	3.9
1970.....	4.9	15.3	3.5	4.8	4.5	8.2	4.8	2.6	4.5	6.2	5.4
Seasonally adjusted											
1969: Jan.....	3.4	12.0	2.0	3.6	3.0	6.2	3.2	1.4	3.0	3.8	3.7
Feb.....	3.3	12.0	1.9	3.6	3.0	5.9	3.1	1.4	2.9	3.6	3.7
Mar.....	3.4	12.6	1.9	3.6	3.1	6.1	3.1	1.4	3.0	3.7	3.7
Apr.....	3.5	12.7	2.0	3.8	3.1	7.0	3.3	1.5	3.2	4.0	3.8
May.....	3.5	12.4	2.0	3.7	3.1	6.4	3.2	1.5	3.1	3.8	3.8
June.....	3.4	11.7	2.0	3.7	3.0	6.8	3.2	1.5	3.1	3.7	3.8
July.....	3.5	12.2	2.2	3.7	3.2	6.5	3.3	1.6	3.1	3.8	4.0
Aug.....	3.5	12.3	2.1	3.8	3.2	6.4	3.3	1.5	3.1	3.8	4.0
Sept.....	3.8	12.9	2.4	3.9	3.5	6.7	3.6	1.7	3.3	4.4	4.3
Oct.....	3.8	12.9	2.3	3.8	3.5	6.6	3.6	1.6	3.1	4.2	4.3
Nov.....	3.5	11.8	2.1	3.6	3.2	6.2	3.4	1.5	3.1	4.2	4.0
Dec.....	3.5	11.8	2.2	3.5	3.2	5.7	3.4	1.7	3.2	4.3	3.9
1970: Jan.....	3.9	13.8	2.5	3.6	3.6	6.3	3.6	1.8	3.4	4.6	4.2
Feb.....	4.2	13.4	2.8	4.1	3.8	7.0	3.9	2.0	3.7	5.0	4.5
Mar.....	4.4	13.9	2.9	4.5	4.1	7.1	4.2	2.2	4.0	5.2	4.8
Apr.....	4.8	15.7	3.2	4.4	4.3	8.7	4.2	2.4	4.4	5.7	5.1
May.....	5.0	14.3	3.5	5.1	4.6	8.0	4.7	2.6	4.7	6.2	5.4
June.....	4.7	14.6	3.5	4.5	4.2	8.7	4.6	2.5	4.3	6.3	4.9
July.....	5.0	13.9	3.7	5.0	4.7	8.3	5.1	2.7	4.6	6.6	5.4
Aug.....	5.1	15.9	3.7	4.8	4.8	8.4	5.0	2.8	4.7	7.0	5.5
Sept.....	5.5	16.8	4.0	5.1	5.1	9.0	5.4	2.9	5.0	7.5	6.0
Oct.....	5.6	17.1	4.1	5.1	5.2	9.3	5.7	3.1	5.0	7.2	6.2
Nov.....	5.8	17.5	4.2	5.5	5.5	8.8	5.6	3.2	5.5	7.3	6.2
Dec.....	6.0	17.5	4.3	5.7	5.5	9.3	5.9	3.3	5.8	7.7	6.3

¹ Married men living with their wives. Data for 1949 and 1951-54 are for April; 1950, for March.² Data for 1949-61 are for May.³ Includes craftsmen, operatives, and nonfarm laborers. Data for 1948-57 are based on data for January, April, July, and October.⁴ Man-hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force man-hours.

Note.—See Note, Table C-22.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-25.—*Unemployment by duration, 1947-70*

Year or month	Total unemployment	Duration of unemployment			
		Less than 5 weeks	5-14 weeks	15-26 weeks	27 weeks and over
Thousands of persons 16 years of age and over					
1947.....	2,311	1,210	704	234	164
1948.....	2,276	1,300	669	193	116
1949.....	3,637	1,756	1,194	428	256
1950.....	3,288	1,450	1,055	425	357
1951.....	2,055	1,177	574	166	137
1952.....	1,883	1,135	516	148	84
1953.....	1,834	1,142	482	132	78
1954.....	3,532	1,605	1,116	495	317
1955.....	2,852	1,335	815	366	336
1956.....	2,750	1,412	805	301	232
1957.....	2,859	1,408	891	321	239
1958.....	4,602	1,753	1,396	785	667
1959.....	3,740	1,585	1,114	469	571
1960.....	3,852	1,719	1,176	503	454
1961.....	4,714	1,806	1,376	728	804
1962.....	3,911	1,663	1,134	534	585
1963.....	4,070	1,751	1,231	535	553
1964.....	3,786	1,697	1,117	491	482
1965.....	3,366	1,628	983	404	351
1966.....	2,875	1,573	779	287	239
1967.....	2,975	1,634	893	271	177
1968.....	2,817	1,594	810	256	156
1969.....	2,831	1,629	827	242	133
1970.....	4,088	2,137	1,289	427	235
Seasonally adjusted ¹					
1969: Jan.....	2,675	1,507	767	203	121
Feb.....	2,675	1,461	833	238	113
Mar.....	2,729	1,625	777	240	119
Apr.....	2,345	1,711	748	246	135
May.....	2,809	1,720	639	263	137
June.....	2,763	1,578	812	255	130
July.....	2,858	1,656	824	233	167
Aug.....	2,845	1,646	854	250	135
Sept.....	3,131	1,756	995	240	152
Oct.....	3,078	1,882	882	233	130
Nov.....	2,851	1,558	912	249	140
Dec.....	2,846	1,515	893	272	120
1970: Jan.....	3,172	1,756	914	276	133
Feb.....	3,427	1,973	1,016	306	159
Mar.....	3,657	1,995	1,154	363	182
Apr.....	3,948	2,295	1,075	372	197
May.....	4,106	2,219	1,214	352	260
June.....	3,900	1,961	1,303	450	235
July.....	4,175	2,061	1,334	470	241
Aug.....	4,231	2,206	1,320	479	257
Sept.....	4,607	2,331	1,501	501	291
Oct.....	4,667	2,447	1,507	496	249
Nov.....	4,858	2,289	1,756	550	320
Dec.....	4,974	2,299	1,591	697	348

¹ Because of independent seasonal adjustment of the various series, detail will not add to totals.

Note.—See Note, Table C-22.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-26.—Unemployment insurance programs, selected data, 1940–70

Year or month	All programs			State programs							
	Covered employment ¹	Insured unemployment (weekly average) ^{2,3}	Total benefits paid (millions of dollars) ^{2,4}	Insured unemployment ⁵	Initial claims	Exhaustions ⁵	Insured unemployment as percent of covered employment		Benefits paid		
							Unadjusted	Seasonally adjusted	Total (millions of dollars) ⁴	Average weekly check (dollars) ⁶	
Thousands			Weekly average, thousands			Percent					
1940.....	24,291	1,331	534.7	1,282	214	50	5.6	-----	518.7	10.56	
1941.....	28,136	842	358.8	814	164	30	3.0	-----	344.3	11.06	
1942.....	30,819	661	350.4	649	122	21	2.2	-----	344.1	12.66	
1943.....	32,419	149	80.5	147	36	4	.5	-----	79.6	13.84	
1944.....	31,714	111	67.2	105	29	2	.4	-----	62.4	15.90	
1945.....	30,087	720	574.9	589	116	5	2.1	-----	445.9	18.77	
1946.....	31,856	2,804	2,878.5	1,295	189	38	4.3	-----	1,094.9	18.50	
1947.....	33,876	1,793	1,785.5	997	187	24	3.1	-----	775.1	17.83	
1948.....	34,646	1,446	1,328.7	980	200	20	3.0	-----	789.9	19.03	
1949.....	33,098	2,474	2,269.8	1,973	340	37	6.2	-----	1,736.0	20.48	
1950.....	34,308	1,605	1,467.6	1,513	236	36	4.6	-----	1,373.1	20.76	
1951.....	36,334	1,000	862.9	969	208	16	2.8	-----	840.4	21.09	
1952.....	37,006	1,069	1,043.5	1,044	215	18	2.9	-----	998.2	22.79	
1953.....	38,072	1,067	1,050.6	990	218	15	2.8	-----	962.2	23.58	
1954.....	36,622	2,051	2,291.8	1,870	304	34	5.2	-----	2,026.9	24.93	
1955.....	40,018	1,399	1,560.2	1,265	226	25	3.5	-----	1,350.3	25.04	
1956.....	42,751	1,323	1,540.6	1,215	227	20	3.2	-----	1,380.7	27.02	
1957.....	43,436	1,571	1,913.0	1,446	270	23	3.6	-----	1,733.9	28.17	
1958.....	44,411	3,269	4,290.6	2,526	369	50	6.4	-----	3,512.7	30.58	
1959.....	45,728	2,099	2,854.3	1,684	277	33	4.4	-----	2,779.0	30.41	
1960.....	46,334	2,071	3,022.8	1,908	331	31	4.8	-----	2,726.7	32.87	
1961.....	46,266	2,994	4,358.1	2,290	350	46	5.6	-----	3,422.7	33.80	
1962.....	47,776	1,946	3,145.1	1,783	302	32	4.4	-----	2,675.4	34.56	
1963.....	48,434	1,973	3,025.9	1,806	298	30	4.3	-----	2,774.7	35.27	
1964.....	49,637	1,753	2,749.2	1,605	268	26	3.8	-----	2,522.1	35.92	
1965.....	51,580	1,450	2,360.4	1,328	232	21	3.0	-----	2,166.0	37.19	
1966.....	54,739	1,129	1,890.9	1,061	203	15	2.3	-----	1,771.3	39.75	
1967.....	56,342	1,270	2,220.0	1,205	226	17	2.5	-----	2,092.3	41.25	
1968.....	57,976	1,187	2,191.0	1,111	201	16	2.2	-----	2,031.6	43.43	
1969.....	60,003	1,177	2,298.6	1,101	200	16	2.1	-----	2,127.9	46.17	
1970 ^p	60,941	1,950	3,960.0	1,810	295	24	3.4	-----	3,700.0	50.10	
1969: Jan.....	57,880	1,585	264.6	1,491	275	16	3.0	2.1	246.1	46.16	
Feb.....	57,898	1,551	250.8	1,459	219	17	2.9	2.1	234.2	46.80	
Mar.....	58,476	1,385	242.6	1,300	173	17	2.6	2.1	226.5	46.70	
Apr.....	59,274	1,163	214.9	1,090	167	19	2.2	2.1	200.1	46.03	
May.....	59,838	971	164.9	906	144	17	1.8	2.0	153.0	45.14	
June.....	60,941	912	145.7	852	162	17	1.7	2.1	135.0	44.83	
July.....	60,938	1,089	171.8	1,021	246	15	2.0	2.2	159.2	45.30	
Aug.....	61,276	1,016	169.7	948	172	14	1.8	2.2	156.7	46.16	
Sept.....	61,087	903	148.3	840	146	13	1.6	2.2	136.2	45.70	
Oct.....	60,755	930	152.2	864	167	13	1.6	2.2	139.5	46.25	
Nov.....	60,603	1,106	149.1	1,030	213	14	2.0	2.3	136.9	46.47	
Dec.....	61,070	1,465	231.2	1,375	289	15	2.7	2.4	213.6	47.42	
1970: Jan.....	58,960	1,958	320.8	1,847	355	18	3.6	2.5	299.5	48.51	
Feb.....	58,848	1,988	331.4	1,874	290	20	3.6	2.6	310.8	49.11	
Mar.....	59,167	1,917	355.1	1,798	245	20	3.5	2.8	331.1	48.93	
Apr.....	-----	1,885	345.6	1,770	298	23	3.4	3.2	321.5	49.20	
May.....	-----	1,778	315.5	1,667	246	24	3.2	3.6	293.6	49.46	
June.....	-----	1,696	315.4	1,583	248	25	3.0	3.7	292.3	49.68	
July.....	-----	1,897	340.8	1,761	333	24	3.3	3.6	314.2	49.57	
Aug.....	-----	1,855	340.5	1,710	248	26	3.2	3.7	312.3	50.63	
Sept.....	-----	1,746	328.2	1,607	244	26	3.0	4.1	300.2	50.64	
Oct.....	-----	1,886	332.0	1,724	278	26	3.2	4.4	304.2	51.45	
Nov.....	-----	2,233	321.8	2,017	335	26	3.7	4.4	298.7	53.01	
Dec ^p	-----	2,615	392.5	2,367	398	28	4.4	4.0	369.8	53.64	

¹ Includes persons under the State, UCFF (Federal employee, effective January 1955), and RRB (Railroad Retirement Board) programs. Beginning October 1958, also includes the UCX program (unemployment compensation for ex-servicemen).

² Includes State, UCFF, RR, UCX, UCV (unemployment compensation for veterans, October 1952–January 1960), and SRA (Servicemen's Readjustment Act, September 1944–September 1951) programs. Also includes Federal and State programs for temporary extension of benefits from June 1958 through June 1962, expiration date of program.

³ Covered workers who have completed at least 1 week of unemployment.

⁴ Includes benefits paid under extended duration provisions of State laws, beginning June 1958. Annual data are net amounts and monthly data are gross amounts.

⁵ Individuals receiving final payments in benefit year.

⁶ For total unemployment only.

⁷ Programs include Puerto Rican sugarcane workers for initial claims and insured unemployment beginning July 1963.

⁸ Preliminary; March 1970 is latest month for which data are available for all programs combined. Workers covered by State programs account for about 88 percent of the total.

Source: Department of Labor, Manpower Administration.

TABLE C-27.—*Wage and salary workers in nonagricultural establishments, 1929-70*

[All employees; thousands of persons]

Year or month	Total wage and salary workers	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government	
		Total	Durable goods	Non-durable goods							Federal	State and local
1929.....	31,339	10,702	-----	-----	1,087	1,497	3,916	6,123	1,509	3,440	533	2,532
1930.....	29,424	9,562	-----	-----	1,009	1,372	3,685	5,797	1,475	3,376	526	2,622
1931.....	26,649	8,170	-----	-----	873	1,214	3,254	5,284	1,407	3,183	560	2,704
1932.....	23,628	6,931	-----	-----	731	970	2,816	4,683	1,341	2,931	559	2,666
1933.....	23,711	7,397	-----	-----	744	809	2,672	4,755	1,295	2,873	565	2,601
1934.....	25,953	8,501	-----	-----	883	862	2,750	5,281	1,319	3,058	652	2,647
1935.....	27,053	9,069	-----	-----	897	912	2,786	5,431	1,335	3,142	753	2,728
1936.....	29,082	9,827	-----	-----	946	1,145	2,973	5,809	1,388	3,326	826	2,842
1937.....	31,026	10,794	-----	-----	1,015	1,112	3,134	6,265	1,432	3,518	833	2,923
1938.....	29,209	9,440	-----	-----	891	1,055	2,863	6,179	1,425	3,473	829	3,054
1939.....	30,618	10,278	4,715	5,564	854	1,150	2,936	6,426	1,462	3,517	905	3,090
1940.....	32,376	10,985	5,363	5,622	925	1,294	3,038	6,750	1,502	3,681	996	3,206
1941.....	36,554	13,192	6,968	6,225	957	1,790	3,274	7,210	1,549	3,921	1,340	3,320
1942.....	40,125	15,280	8,823	6,458	992	2,170	3,460	7,118	1,538	4,084	2,213	3,270
1943.....	42,452	17,602	11,084	6,518	925	1,567	3,647	6,982	1,502	4,148	2,905	3,174
1944.....	41,883	17,328	10,856	6,472	892	1,094	3,829	7,058	1,476	4,163	2,928	3,116
1945.....	40,394	15,524	9,074	6,450	836	1,132	3,906	7,314	1,497	4,241	2,808	3,137
1946.....	41,674	14,703	7,742	6,962	862	1,661	4,061	8,376	1,697	4,719	2,254	3,341
1947.....	43,881	15,545	8,385	7,159	955	1,982	4,166	8,955	1,754	5,050	1,892	3,582
1948.....	44,891	15,582	8,326	7,256	994	2,169	4,189	9,272	1,829	5,206	1,863	3,787
1949.....	43,778	14,441	7,489	6,953	930	2,165	4,001	9,264	1,857	5,264	1,908	3,948
1950.....	45,222	15,241	8,094	7,147	901	2,333	4,034	9,386	1,919	5,382	1,928	4,098
1951.....	47,849	16,393	9,089	7,304	929	2,603	4,226	9,742	1,991	5,576	2,302	4,087
1952.....	48,825	16,632	9,349	7,284	898	2,634	4,248	10,004	2,069	5,730	2,420	4,188
1953.....	50,232	17,549	10,110	7,438	866	2,623	4,290	10,247	2,146	5,867	2,305	4,340
1954.....	49,022	16,314	9,129	7,185	791	2,612	4,084	10,235	2,234	6,002	2,188	4,563
1955.....	50,675	16,882	9,541	7,340	792	2,802	4,141	10,535	2,335	6,274	2,187	4,727
1956.....	52,408	17,243	9,834	7,409	822	2,999	4,244	10,858	2,429	6,536	2,209	5,069
1957.....	52,894	17,174	9,856	7,319	828	2,923	4,241	10,886	2,477	6,749	2,217	5,399
1958.....	51,363	15,945	8,830	7,116	751	2,778	3,976	10,750	2,519	6,806	2,191	5,648
1959.....	53,313	16,675	9,373	7,303	732	2,960	4,011	11,127	2,594	7,130	2,233	5,850
1960.....	54,234	16,796	9,459	7,336	712	2,885	4,004	11,391	2,669	7,423	2,270	6,083
1961.....	54,042	16,326	9,070	7,256	672	2,816	3,903	11,337	2,731	7,664	2,279	6,315
1962.....	55,596	16,853	9,480	7,373	650	2,902	3,906	11,566	2,800	8,028	2,340	6,550
1963.....	56,702	16,995	9,616	7,380	635	2,963	3,903	11,778	2,877	8,325	2,358	6,868
1964.....	58,331	17,274	9,816	7,458	634	3,050	3,951	12,160	2,957	8,709	2,348	7,248
1965.....	60,815	18,062	10,406	7,656	632	3,186	4,036	12,716	3,023	9,087	2,378	7,696
1966.....	63,955	19,214	11,284	7,930	627	3,275	4,151	13,245	3,100	9,551	2,564	8,227
1967.....	65,857	19,447	11,439	8,008	613	3,208	4,261	13,606	3,225	10,099	2,719	8,679
1968.....	67,915	19,781	11,626	8,155	606	3,285	4,310	14,084	3,382	10,623	2,737	9,109
1969.....	70,274	20,169	11,893	8,277	619	3,437	4,431	14,645	3,557	11,211	2,758	9,446
1970.....	70,669	19,401	11,210	8,190	622	3,346	4,499	14,947	3,679	11,577	2,707	9,893

See footnotes at end of table.

TABLE C-27.—*Wage and salary workers in nonagricultural establishments, 1929-70—Continued*

[All employees; thousands of persons]

Year or month	Total wage and salary workers	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government	
		Total	Durable goods	Non-durable goods							Federal	State and local
Seasonally adjusted												
1968: Jan...	66,751	19,612	11,556	8,056	596	3,109	4,285	13,786	3,314	10,398	2,721	8,933
Feb...	67,166	19,627	11,543	8,084	599	3,278	4,301	13,887	3,327	10,455	2,721	8,971
Mar...	67,306	19,637	11,539	8,098	599	3,290	4,303	13,938	3,336	10,480	2,721	9,002
Apr...	67,500	19,704	11,592	8,112	614	3,296	4,298	13,987	3,347	10,494	2,726	9,034
May...	67,567	19,746	11,610	8,136	611	3,269	4,248	14,016	3,358	10,529	2,726	9,064
June...	67,809	19,793	11,621	8,172	612	3,250	4,293	14,048	3,363	10,583	2,771	9,096
July...	67,962	19,788	11,633	8,155	615	3,275	4,307	14,097	3,375	10,614	2,772	9,119
Aug...	68,152	19,810	11,629	8,181	615	3,280	4,318	14,159	3,398	10,675	2,740	9,157
Sept...	68,288	19,838	11,639	8,199	616	3,300	4,329	14,215	3,412	10,693	2,719	9,166
Oct...	68,547	19,864	11,652	8,212	566	3,336	4,333	14,280	3,436	10,778	2,713	9,241
Nov...	68,805	19,939	11,718	8,221	615	3,335	4,348	14,308	3,451	10,859	2,712	9,238
Dec...	69,039	20,010	11,769	8,241	616	3,386	4,355	14,255	3,463	10,925	2,726	9,303
1969: Jan...	69,352	20,023	11,818	8,205	617	3,391	4,359	14,412	3,487	10,986	2,763	9,314
Feb...	69,605	20,092	11,843	8,249	619	3,410	4,370	14,466	3,500	11,047	2,764	9,337
Mar...	69,827	20,171	11,893	8,278	616	3,422	4,385	14,495	3,514	11,112	2,759	9,353
Apr...	69,992	20,182	11,903	8,279	615	3,425	4,414	14,546	3,529	11,146	2,761	9,374
May...	70,172	20,195	11,915	8,280	614	3,441	4,420	14,606	3,540	11,170	2,757	9,429
June...	70,347	20,248	11,957	8,291	614	3,442	4,445	14,647	3,556	11,174	2,782	9,439
July...	70,400	20,247	11,955	8,292	618	3,439	4,454	14,673	3,567	11,205	2,765	9,432
Aug...	70,497	20,246	11,950	8,296	621	3,420	4,457	14,713	3,580	11,248	2,749	9,463
Sept...	70,567	20,252	11,968	8,284	623	3,436	4,459	14,719	3,584	11,289	2,747	9,438
Oct...	70,836	20,233	11,965	8,268	622	3,445	4,463	14,824	3,596	11,361	2,739	9,553
Nov...	70,808	20,082	11,782	8,300	624	3,473	4,464	14,848	3,611	11,383	2,730	9,593
Dec...	70,842	20,082	11,773	8,309	627	3,496	4,469	14,750	3,626	11,431	2,721	9,640
1970: Jan...	70,992	20,018	11,679	8,339	625	3,394	4,507	14,938	3,648	11,472	2,717	9,673
Feb...	71,135	19,937	11,625	8,312	626	3,466	4,496	14,987	3,652	11,530	2,718	9,723
Mar...	71,242	19,944	11,648	8,296	626	3,481	4,502	14,984	3,665	11,537	2,766	9,737
Apr...	71,149	19,795	11,529	8,266	622	3,426	4,468	14,991	3,673	11,564	2,838	9,772
May...	70,839	19,572	11,386	8,186	620	3,351	4,478	14,968	3,677	11,572	2,768	9,833
June...	70,629	19,477	11,286	8,191	620	3,324	4,511	14,927	3,679	11,532	2,689	9,870
July...	70,587	19,402	11,217	8,185	618	3,314	4,539	14,933	3,676	11,514	2,668	9,923
Aug...	70,414	19,271	11,134	8,137	619	3,305	4,520	14,912	3,670	11,521	2,659	9,937
Sept...	70,531	19,285	11,145	8,140	621	3,262	4,511	14,961	3,684	11,622	2,649	9,936
Oct...	70,182	18,684	10,602	8,082	621	3,278	4,509	15,011	3,696	11,665	2,654	10,064
Nov...	70,076	18,547	10,460	8,087	626	3,300	4,494	14,931	3,711	11,695	2,661	10,111
Dec...	70,364	18,920	10,836	8,084	625	3,308	4,443	14,827	3,720	11,718	2,652	10,151

Note.—Data in Tables C-27 through C-33 are based on reports from employing establishments and relate to full- and part-time wage and salary workers in nonagricultural establishments who worked during, or received pay for, any part of the pay period which includes the 12th of the month.

Not comparable with labor force data (Tables C-22 through C-25), which include proprietors, self-employed persons, domestic servants, and unpaid family workers, and which count persons as employed when they are not at work because of industrial disputes, bad weather, etc.

For description and details of the various establishment data, see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-28.—Average weekly hours of work in private nonagricultural industries, 1929-70

Year or month	Total non-agricultural private	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services
		Total	Durable goods	Non-durable goods							
1929		44.2									
1930		42.1									
1931		40.5									
1932		38.3	32.5	41.9							
1933		38.1	34.7	40.0							
1934		34.6	33.8	35.1							
1935		36.6	37.2	36.1				41.6			
1936		39.2	40.9	37.7				42.9			
1937		38.6	39.9	37.4				43.1			
1938		35.6	34.9	36.1				42.3			
1939		37.7	37.9	37.4				41.8	43.4		
1940		38.1	39.2	37.0				41.3	43.2		
1941		40.6	42.0	38.9				41.1	42.8		
1942		43.1	45.0	40.3				41.4	41.8		
1943		45.0	46.5	42.5				42.3	40.9		
1944		45.2	46.5	43.1				43.0	41.0		
1945		43.5	44.0	42.3				42.8	40.9		
1946		40.3	40.4	40.5				41.6	41.3		
1947	40.3	40.4	40.5	40.2	40.8	38.2		41.1	40.3	37.9	
1948	40.0	40.0	40.4	39.6	39.4	38.1		41.0	40.2	37.9	
1949	39.4	39.1	39.4	38.9	36.3	37.7		40.8	40.4	37.8	
1950	39.8	40.5	41.1	39.7	37.9	37.4		40.7	40.4	37.7	
1951	39.9	40.6	41.5	39.5	38.4	38.1		40.8	40.4	37.7	
1952	39.9	40.7	41.5	39.7	38.6	38.9		40.7	39.8	37.8	
1953	39.6	40.5	41.2	39.6	38.8	37.9		40.6	39.1	37.7	
1954	39.1	39.6	40.1	39.0	38.6	37.2		40.5	39.2	37.6	
1955	39.6	40.7	41.3	39.9	40.7	37.1		40.7	39.0	37.6	
1956	39.3	40.4	41.0	39.6	40.8	37.5		40.5	38.6	36.9	
1957	38.8	39.8	40.3	39.2	40.1	37.0		40.3	38.1	36.7	
1958	38.5	39.2	39.5	38.8	38.9	36.8		40.2	38.1	37.1	
1959	39.0	40.3	40.7	39.7	40.5	37.0		40.6	38.2	37.3	
1960	38.6	39.7	40.1	39.2	40.4	36.7		40.5	38.0	37.2	
1961	38.6	39.8	40.3	39.3	40.5	36.9		40.5	37.6	36.9	
1962	38.7	40.4	40.9	39.6	40.9	37.0		40.6	37.4	37.3	
1963	38.8	40.5	41.1	39.6	41.6	37.3		40.6	37.3	37.5	
1964	38.7	40.7	41.4	39.7	41.9	37.2	41.1	40.6	37.0	37.3	36.0
1965	38.8	41.2	42.0	40.1	42.3	37.4	41.3	40.8	36.6	37.2	35.9
1966	38.6	41.3	42.1	40.2	42.7	37.6	41.2	40.7	35.9	37.3	35.5
1967	38.0	40.6	41.2	39.7	42.6	37.7	40.5	40.3	35.3	37.0	35.1
1968	37.8	40.7	41.4	39.8	42.6	37.4	40.6	40.1	34.7	37.0	34.7
1969	37.7	40.6	41.3	39.7	43.0	37.9	40.7	40.2	34.2	37.1	34.7
1970 p	37.2	39.8	40.3	39.1	42.6	37.4	40.5	40.0	33.8	36.8	34.5
Seasonally adjusted											
1969: Jan	37.9	40.6	41.4	39.8	43.2	37.7	40.9	40.1	34.4	37.2	34.5
Feb	37.5	40.1	41.0	39.1	43.2	37.9	40.8	40.1	34.2	37.2	34.4
Mar	37.7	40.9	41.5	39.9	42.9	37.9	40.8	40.2	34.4	37.1	34.6
Apr	37.8	40.8	41.4	39.8	43.5	37.9	40.8	40.2	34.2	37.1	34.6
May	37.8	40.7	41.4	39.8	43.3	38.2	40.7	40.2	34.3	37.1	34.7
June	37.7	40.7	41.3	39.7	41.8	37.6	40.6	40.0	34.3	37.1	34.7
July	37.7	40.6	41.3	39.8	42.6	37.6	40.7	40.0	34.2	37.1	35.0
Aug	37.7	40.6	41.2	39.7	43.1	37.9	40.5	40.3	34.2	37.0	35.0
Sept	37.7	40.7	41.4	39.7	43.1	38.1	40.8	40.3	34.1	37.1	34.7
Oct	37.5	40.5	41.2	39.6	43.0	37.6	40.9	40.3	34.0	37.0	34.6
Nov	37.6	40.5	41.1	39.6	43.5	38.1	40.7	40.3	34.0	37.2	34.7
Dec	37.6	40.7	41.3	39.8	43.2	38.2	40.8	40.5	33.8	36.9	34.6
1970: Jan	37.5	40.3	41.0	39.6	42.7	36.7	40.7	40.3	33.8	36.9	34.4
Feb	37.3	39.9	40.5	39.3	43.4	38.2	40.7	40.2	33.7	37.0	34.4
Mar	37.4	40.2	40.7	39.4	43.2	38.0	40.6	40.1	33.8	37.0	34.7
Apr	37.2	40.0	40.4	39.4	43.1	38.3	40.2	40.1	33.7	36.9	34.4
May	37.1	39.8	40.3	39.1	42.6	38.1	40.6	40.1	33.9	36.8	34.5
June	37.2	39.8	40.4	39.0	42.4	37.6	40.6	39.9	33.8	36.7	34.4
July	37.3	40.1	40.7	39.3	42.5	37.4	40.7	40.0	33.9	36.8	34.6
Aug	37.2	39.8	40.3	39.1	42.2	37.3	40.6	39.9	33.9	36.9	34.7
Sept	36.8	39.3	39.8	38.6	42.0	35.1	40.5	39.7	33.8	36.7	34.5
Oct	36.9	39.4	39.9	38.9	42.7	36.9	40.5	39.9	33.8	36.7	34.4
Nov	37.0	39.6	40.0	38.9	42.9	37.1	40.4	39.8	33.9	36.8	34.4
Dec p	37.0	39.7	40.1	39.0	41.8	38.2	40.2	39.9	33.6	36.4	34.3

¹ Beginning 1947, data include eating and drinking places.

Note.—Hours and earnings data in Tables C-28 through C-33 relate to production workers in manufacturing and mining, to construction workers in contract construction, and generally, to nonsupervisory employees in other industries. See Table C-31 for unadjusted weekly hours in manufacturing. See also Note, Table C-27.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-29.—Average gross hourly earnings in private nonagricultural industries and in agriculture, 1929-70

Year or month	Total non-agricultural private	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Agriculture ¹
		Total	Durable goods	Non-durable goods								
1929		\$0.560										\$0.241
1930		.546										.226
1931		.509										.172
1932		.441	\$0.492	\$0.412								.129
1933		.437	.467	.419								.115
1934		.526	.550	.505								.129
1935		.544	.571	.520				\$0.610				.142
1936		.550	.580	.519				.628				.152
1937		.617	.667	.566				.658				.172
1938		.620	.679	.572				.674				.166
1939		.627	.691	.571				.688	\$0.484			.166
1940		.655	.716	.590				.711	.494			.169
1941		.726	.799	.627				.763	.518			.206
1942		.851	.937	.709				.828	.559			.268
1943		.957	1.048	.787				.898	.606			.353
1944		1.011	1.105	.844				.948	.653			.423
1945		1.016	1.099	.886				.990	.699			.472
1946		1.075	1.144	.995				1.107	.797			.515
1947	\$1.131	1.217	1.278	1.145	\$1.469	\$1.541		1.220	.838	\$1.140		.547
1948	1.225	1.328	1.395	1.250	1.664	1.713		1.308	.901	1.200		.580
1949	1.275	1.378	1.453	1.295	1.717	1.792		1.360	.951	1.260		.559
1950	1.335	1.440	1.519	1.347	1.772	1.863		1.427	.983	1.340		.561
1951	1.45	1.56	1.65	1.44	1.93	2.02		1.52	1.06	1.45		.625
1952	1.52	1.65	1.75	1.51	2.01	2.13		1.61	1.09	1.51		.661
1953	1.61	1.74	1.86	1.58	2.14	2.28		1.70	1.16	1.58		.672
1954	1.65	1.78	1.90	1.62	2.14	2.39		1.76	1.20	1.65		.661
1955	1.71	1.86	1.99	1.67	2.20	2.45		1.83	1.25	1.70		.675
1956	1.80	1.95	2.08	1.77	2.33	2.57		1.94	1.30	1.78		.705
1957	1.89	2.05	2.19	1.85	2.46	2.71		2.02	1.37	1.84		.728
1958	1.95	2.11	2.26	1.91	2.47	2.82		2.09	1.42	1.89		.757
1959	2.02	2.19	2.36	1.98	2.56	2.93		2.18	1.47	1.95		.798
1960	2.09	2.26	2.43	2.05	2.61	3.08		2.24	1.52	2.02		.818
1961	2.14	2.32	2.49	2.11	2.64	3.20		2.31	1.56	2.09		.834
1962	2.22	2.39	2.56	2.17	2.70	3.31		2.37	1.63	2.17		.856
1963	2.28	2.46	2.63	2.22	2.75	3.41		2.45	1.68	2.25		.880
1964	2.36	2.53	2.71	2.29	2.81	3.55	\$2.88	2.52	1.75	2.30	\$1.94	.904
1965	2.45	2.61	2.79	2.36	2.92	3.70	3.03	2.61	1.82	2.39	2.05	.951
1966	2.56	2.72	2.90	2.45	3.05	3.89	3.11	2.73	1.91	2.47	2.17	1.03
1967	2.68	2.83	3.00	2.57	3.19	4.11	3.24	2.88	2.01	2.58	2.29	1.12
1968	2.85	3.01	3.19	2.74	3.35	4.41	3.42	3.05	2.16	2.75	2.43	1.21
1969	3.04	3.19	3.39	2.91	3.60	4.78	3.63	3.23	2.30	2.92	2.63	1.33
1970 p	3.22	3.36	3.56	3.08	3.84	5.22	3.85	3.44	2.44	3.07	2.84	1.42
1969: Jan	2.95	3.12	3.31	2.83	3.51	4.59	3.52	3.12	2.25	2.87	2.53	1.38
Feb	2.96	3.12	3.31	2.84	3.53	4.57	3.55	3.16	2.26	2.90	2.57	
Mar	2.97	3.13	3.32	2.85	3.54	4.64	3.54	3.16	2.27	2.90	2.57	
Apr	2.99	3.15	3.34	2.87	3.56	4.65	3.58	3.18	2.28	2.88	2.58	1.21
May	3.02	3.16	3.35	2.88	3.58	4.72	3.61	3.20	2.29	2.90	2.60	
June	3.04	3.18	3.37	2.89	3.56	4.73	3.62	3.24	2.30	2.93	2.61	
July	3.05	3.19	3.38	2.92	3.59	4.76	3.65	3.23	2.30	2.91	2.63	1.29
Aug	3.06	3.20	3.39	2.92	3.60	4.80	3.67	3.24	2.30	2.92	2.62	
Sept	3.11	3.24	3.44	2.95	3.65	4.92	3.71	3.28	2.33	2.93	2.67	
Oct	3.12	3.25	3.45	2.96	3.69	4.96	3.70	3.29	2.35	2.95	2.69	1.37
Nov	3.13	3.26	3.46	2.97	3.72	4.97	3.72	3.33	2.36	2.99	2.72	
Dec	3.12	3.29	3.49	2.99	3.71	5.03	3.72	3.34	2.35	2.98	2.72	
1970: Jan	3.13	3.29	3.49	3.01	3.76	5.07	3.73	3.35	2.38	3.02	2.74	1.50
Feb	3.15	3.29	3.48	3.01	3.77	5.06	3.75	3.38	2.40	3.04	2.77	
Mar	3.17	3.31	3.51	3.03	3.78	5.06	3.75	3.40	2.41	3.05	2.79	
Apr	3.18	3.32	3.52	3.04	3.79	5.09	3.75	3.40	2.41	3.03	2.79	1.29
May	3.20	3.34	3.55	3.05	3.80	5.10	3.79	3.41	2.43	3.04	2.80	
June	3.21	3.36	3.57	3.06	3.82	5.13	3.84	3.42	2.43	3.04	2.81	
July	3.23	3.37	3.57	3.09	3.82	5.20	3.87	3.42	2.44	3.06	2.83	1.38
Aug	3.25	3.37	3.58	3.08	3.84	5.30	3.90	3.45	2.44	3.08	2.85	
Sept	3.29	3.42	3.63	3.14	3.89	5.36	3.93	3.47	2.48	3.09	2.90	
Oct	3.28	3.37	3.56	3.13	3.92	5.42	3.94	3.49	2.48	3.12	2.91	1.46
Nov p	3.29	3.39	3.58	3.15	3.95	5.43	3.95	3.52	2.49	3.14	2.94	
Dec p	3.30	3.46	3.68	3.17	3.94	5.42	3.98	3.53	2.47	3.14	2.96	

¹ Weighted average of all farm wage rates on a per hour basis.

² Beginning 1947, data include eating and drinking places.

Note.—See Note, Tables C-27 and C-28.

Sources: Department of Labor (Bureau of Labor Statistics) and Department of Agriculture.

TABLE C-30.—Average gross weekly earnings in private nonagricultural industries, 1929-70

Year or month	Total non-agricultural private	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services
		Total	Durable goods	Non-durable goods							
1929		\$24.76	\$26.84	\$22.47							
1930		23.00	24.42	21.40							
1931		20.61	20.98	20.09							
1932		16.89	15.99	17.26				\$26.75			
1933		16.65	16.20	16.76				25.19			
1934		18.20	18.59	17.73				25.44			
1935		19.91	21.24	18.77				25.38			
1936		21.56	23.72	19.57				26.96			
1937		23.82	26.61	21.17				28.36			
1938		22.07	23.70	20.65				28.51			
1939		23.64	26.19	21.36				28.76	\$21.01		
1940		24.96	28.07	21.83				29.36	21.34		
1941		29.8	33.56	24.39				31.36	22.17		
1942		36.68	42.17	28.57				34.28	23.37		
1943		43.07	48.73	33.45				37.99	24.79		
1944		45.70	51.38	36.38				40.76	26.77		
1945		44.20	48.36	37.48				42.37	28.59		
1946		43.32	46.22	40.30				46.05	32.92		
1947	\$45.58	49.17	51.76	46.03	\$59.94	\$58.87		50.14	33.77	\$43.21	
1948	49.00	53.12	56.36	49.50	65.56	65.27		53.63	36.22	45.48	
1949	50.24	53.88	57.25	50.38	62.33	67.56		55.49	38.42	47.63	
1950	53.13	58.32	62.43	53.48	67.16	69.68		58.08	39.71	50.52	
1951	57.86	63.34	68.48	56.88	74.11	76.96		62.02	42.82	54.67	
1952	60.65	67.16	72.63	59.95	77.59	82.76		65.53	43.38	57.08	
1953	63.76	70.47	76.63	62.57	83.03	86.41		69.02	45.36	59.57	
1954	64.52	70.49	76.19	63.18	82.60	83.91		71.28	47.04	62.04	
1955	67.72	75.70	82.19	66.63	89.54	90.90		74.48	48.75	63.92	
1956	70.74	78.78	85.28	70.09	95.06	96.38		78.57	50.18	65.68	
1957	73.33	81.59	88.26	72.52	98.65	100.27		81.41	52.20	67.53	
1958	75.08	82.71	89.27	74.11	96.08	103.78		84.02	54.10	70.12	
1959	78.78	88.26	96.05	78.61	103.68	108.41		88.51	56.15	72.74	
1960	80.67	89.72	97.44	80.36	105.44	113.04		90.72	57.76	75.14	
1961	82.60	92.34	100.35	82.92	106.92	118.08		93.56	58.66	77.12	
1962	85.91	96.56	104.70	85.93	110.43	122.47		96.22	60.96	80.94	
1963	88.46	99.63	108.09	87.91	114.40	127.19		99.47	62.66	84.38	
1964	91.33	102.97	112.19	90.91	117.74	132.06	\$118.37	102.31	64.75	85.79	\$69.84
1965	95.06	107.53	117.18	94.64	123.52	138.38	125.14	106.49	66.61	88.91	73.60
1966	98.82	112.34	122.09	98.49	130.24	146.26	128.13	111.11	68.57	92.13	77.04
1967	101.84	114.90	123.60	102.03	135.89	154.95	131.22	116.06	70.95	95.46	80.38
1968	107.73	122.51	132.07	109.05	142.71	164.93	138.85	122.31	74.95	101.75	84.32
1969	114.61	129.51	140.01	115.53	154.80	181.16	147.74	129.85	78.66	108.33	91.26
1970	119.78	133.73	143.47	120.43	163.58	195.23	155.93	137.60	82.47	112.98	97.98
1969: Jan	110.33	126.05	136.04	111.50	150.23	167.99	143.26	124.80	76.50	106.76	87.03
Feb	110.11	124.80	135.05	110.48	149.67	166.81	144.13	126.08	76.39	107.88	88.15
Mar	111.38	127.39	137.45	113.15	149.03	172.14	143.02	126.72	77.18	107.59	88.92
Apr	112.13	127.58	137.61	113.08	154.86	174.38	144.63	127.20	77.06	106.85	89.01
May	113.55	128.61	138.69	114.34	155.37	180.30	146.21	128.00	77.63	107.30	89.70
June	115.22	130.06	139.86	115.31	150.59	181.63	147.33	129.92	79.58	108.70	90.83
July	115.90	128.88	138.24	116.22	154.37	184.21	150.02	130.17	80.96	107.96	92.84
Aug	116.59	129.92	139.33	116.51	156.96	187.68	149.74	131.22	81.19	108.04	92.49
Sept	117.87	132.84	143.45	118.00	158.41	193.36	152.11	132.18	79.69	108.41	92.38
Oct	117.31	132.28	142.83	117.51	159.78	189.97	151.70	132.59	79.20	109.45	92.81
Nov	117.38	132.36	142.55	118.21	161.08	184.39	152.15	133.87	79.30	111.23	94.11
Dec	117.62	134.89	145.53	119.60	160.64	189.13	151.78	135.94	80.14	110.26	94.11
1970: Jan	116.12	131.93	142.04	117.99	159.05	181.00	151.07	134.67	79.49	111.44	93.98
Feb	116.55	130.94	140.24	117.69	160.60	186.21	151.88	135.20	79.92	112.48	95.01
Mar	117.92	132.40	142.51	118.78	160.27	188.23	150.75	136.00	80.49	112.85	96.81
Apr	117.34	131.80	141.50	118.56	163.35	192.91	149.25	135.66	80.25	111.81	95.70
May	118.40	132.93	143.07	118.95	162.26	194.31	153.12	135.66	81.41	111.57	96.04
June	120.05	134.40	144.94	119.95	163.88	196.99	156.29	136.80	82.86	111.57	96.95
July	121.45	134.46	143.87	121.44	163.88	200.20	159.06	137.83	85.16	112.61	98.77
Aug	122.20	134.13	143.92	121.04	163.97	204.05	159.51	138.35	85.40	113.65	99.75
Sept	121.73	135.43	145.56	122.15	164.55	194.03	159.95	137.76	84.07	113.09	99.76
Oct	121.36	133.45	142.76	122.07	168.56	203.79	159.96	139.25	83.08	114.82	99.81
Nov	121.40	134.58	143.56	123.17	168.67	196.57	160.37	139.74	83.42	115.55	100.84
Dec	122.43	138.40	149.04	124.26	165.09	203.79	160.00	141.55	83.73	114.61	101.53

¹ Beginning 1947, data include eating and drinking places.

Note.—See Note, Tables C-27 and C-28.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-31.—Average weekly hours and hourly earnings, gross and excluding overtime, in manufacturing industries, 1939-70

Year or month	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	Adjusted hourly earnings, (1967=100) ¹	Gross	Excluding overtime	Gross	Excluding overtime	Gross	Excluding overtime	Gross	Excluding overtime
1939.....	37.7	-----	\$0.627	-----	24.5	37.9	-----	\$0.691	-----	37.4	-----	\$0.571	-----
1940.....	38.1	-----	.655	-----	25.4	39.2	-----	.716	-----	37.0	-----	.590	-----
1941.....	40.6	-----	.726	\$0.691	25.4	42.0	-----	.799	\$0.762	38.9	-----	.627	\$0.613
1942.....	43.1	-----	.851	.793	28.5	45.0	-----	.937	.872	40.3	-----	.709	.684
1943.....	45.0	-----	.957	.881	31.0	46.5	-----	1.048	.966	42.5	-----	.787	.748
1944.....	45.2	-----	1.011	.933	33.2	46.5	-----	1.105	1.019	43.1	-----	.844	.798
1945.....	43.5	-----	1.016	.949	34.6	44.0	-----	1.099	1.031	42.3	-----	.886	.841
1946.....	40.3	-----	1.075	1.035	38.3	40.4	-----	1.144	1.111	40.5	-----	.995	.962
1947.....	40.4	-----	1.217	1.18	44.0	40.5	-----	1.278	1.24	40.2	-----	1.145	1.11
1948.....	40.0	-----	1.328	1.29	45.1	40.4	-----	1.395	1.35	39.6	-----	1.250	1.21
1949.....	39.1	-----	1.378	1.34	50.3	39.4	-----	1.453	1.42	38.9	-----	1.295	1.26
1950.....	40.5	-----	1.440	1.39	51.9	41.1	-----	1.519	1.46	39.7	-----	1.347	1.31
1951.....	40.6	-----	1.56	1.51	56.0	41.5	-----	1.65	1.59	39.5	-----	1.44	1.40
1952.....	40.7	-----	1.65	1.59	58.9	41.5	-----	1.75	1.68	39.7	-----	1.51	1.46
1953.....	40.5	-----	1.74	1.68	62.1	41.2	-----	1.86	1.79	39.6	-----	1.58	1.53
1954.....	39.6	-----	1.78	1.73	64.1	40.1	-----	1.90	1.84	39.0	-----	1.62	1.58
1955.....	40.7	-----	1.86	1.79	66.1	41.3	-----	1.99	1.91	39.9	-----	1.67	1.62
1956.....	40.4	37.6	1.95	1.89	69.6	41.0	38.0	2.08	2.01	39.6	37.2	1.77	1.72
1957.....	39.8	37.5	2.05	1.99	73.2	40.3	37.9	2.19	2.12	39.2	37.0	1.85	1.80
1958.....	39.2	37.2	2.11	2.05	76.2	39.5	37.6	2.26	2.21	38.8	36.6	1.91	1.86
1959.....	40.3	37.6	2.19	2.12	78.6	40.7	38.0	2.36	2.28	39.7	37.0	1.98	1.92
1960.....	39.7	37.3	2.26	2.20	81.2	40.1	37.7	2.43	2.36	39.2	36.7	2.05	1.99
1961.....	38.8	37.4	2.32	2.25	83.6	40.3	38.0	2.49	2.42	39.3	36.8	2.11	2.05
1962.....	40.4	37.6	2.39	2.31	85.7	40.9	38.1	2.56	2.48	39.6	36.9	2.17	2.09
1963.....	40.5	37.7	2.46	2.37	87.8	41.1	38.2	2.63	2.54	39.6	36.9	2.22	2.15
1964.....	40.7	37.6	2.53	2.44	90.0	41.4	38.1	2.71	2.60	39.7	36.8	2.29	2.21
1965.....	41.2	37.6	2.61	2.51	92.4	42.0	38.1	2.79	2.67	40.1	36.9	2.36	2.27
1966.....	41.3	37.4	2.72	2.59	95.5	42.1	37.8	2.90	2.76	40.2	36.8	2.45	2.35
1967.....	40.6	37.2	2.83	2.72	100.0	41.2	37.7	3.00	2.88	39.7	36.6	2.57	2.47
1968.....	40.7	37.1	3.01	2.88	106.1	41.4	37.6	3.19	3.05	39.8	36.5	2.74	2.63
1969.....	40.6	37.0	3.19	3.06	112.3	41.3	37.5	3.39	3.24	39.7	36.3	2.91	2.79
1970 ²	39.8	36.8	3.36	3.24	119.6	40.3	37.4	3.56	3.44	39.1	36.1	3.08	2.97
1969: Jan.....	40.4	36.8	3.12	2.99	109.8	41.1	37.4	3.31	3.17	39.4	36.1	2.83	2.72
Feb.....	40.0	36.7	3.12	3.00	110.2	40.8	37.2	3.31	3.18	38.9	35.9	2.84	2.73
Mar.....	40.7	37.2	3.13	3.00	110.4	41.4	37.7	3.32	3.18	39.7	36.5	2.85	2.74
Apr.....	40.5	37.0	3.15	3.02	111.0	41.2	37.6	3.34	3.20	39.4	36.2	2.87	2.76
May.....	40.7	37.1	3.16	3.03	111.5	41.4	37.7	3.35	3.20	39.7	36.4	2.88	2.77
June.....	40.9	37.2	3.18	3.04	111.7	41.5	37.6	3.37	3.22	39.9	36.5	2.89	2.77
July.....	40.4	36.9	3.19	3.06	112.4	40.9	37.3	3.38	3.24	39.8	36.4	2.92	2.80
Aug.....	40.6	36.9	3.20	3.06	112.9	41.1	37.3	3.39	3.24	39.9	36.4	2.92	2.80
Sept.....	41.0	37.0	3.24	3.09	113.7	41.7	37.5	3.44	3.28	40.0	36.3	2.95	2.82
Oct.....	40.7	37.0	3.25	3.11	114.2	41.4	37.5	3.45	3.29	39.7	36.2	2.96	2.84
Nov.....	40.6	37.0	3.26	3.12	114.8	41.2	37.5	3.46	3.31	39.8	36.4	2.97	2.85
Dec.....	41.0	37.4	3.29	3.15	115.6	41.7	37.9	3.49	3.34	40.0	36.6	2.99	2.87
1970: Jan.....	40.1	36.9	3.29	3.17	116.3	40.7	37.4	3.49	3.36	39.2	36.1	3.01	2.90
Feb.....	39.8	36.8	3.29	3.17	116.7	40.3	37.3	3.48	3.36	39.1	36.1	3.01	2.90
Mar.....	40.0	37.0	3.31	3.19	117.4	40.6	37.5	3.51	3.38	39.2	36.2	3.03	2.92
Apr.....	39.7	36.9	3.32	3.21	118.0	40.2	37.4	3.52	3.40	39.0	36.2	3.04	2.93
May.....	39.8	36.9	3.34	3.22	118.8	40.3	37.4	3.55	3.42	39.0	36.1	3.05	2.94
June.....	40.0	36.9	3.36	3.23	119.1	40.6	37.4	3.57	3.44	39.2	36.2	3.06	2.95
July.....	39.9	37.0	3.37	3.25	119.7	40.3	37.4	3.57	3.45	39.3	36.4	3.09	2.98
Aug.....	39.8	36.8	3.37	3.25	120.3	40.2	37.3	3.58	3.46	39.3	36.2	3.08	2.97
Sept.....	39.6	36.5	3.42	3.29	121.5	40.1	37.1	3.63	3.49	38.9	35.8	3.14	3.02
Oct.....	39.6	36.7	3.37	3.26	121.0	40.1	37.3	3.56	3.44	39.0	36.0	3.13	3.01
Nov ³	39.7	36.9	3.39	3.28	121.7	40.1	37.5	3.58	3.46	39.1	36.2	3.15	3.04
Dec ³	40.0	37.3	3.46	3.35	124.4	40.5	37.8	3.68	3.56	39.2	36.4	3.17	3.06

¹ Earnings in current prices adjusted to exclude the effects of overtime and interindustry shifts.

² Annual average not available; April used.

³ Eleven-month average; August 1945 excluded because of VJ Day holiday period.

Note.—See Note, Tables C-27 and C-28.

See Table C-28 for seasonally adjusted average gross weekly hours.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-32.—Average weekly earnings, gross and spendable, total private nonagricultural industries, in current and 1967 prices, 1947-70

Year or month	Average gross weekly earnings		Average spendable weekly earnings ²			
			Worker with no dependents		Worker with three dependents	
	Current prices	1967 prices ¹	Current prices	1967 prices ¹	Current prices	1967 prices ¹
1947.....	\$45.58	\$68.13	\$39.16	\$58.54	\$44.64	\$66.73
1948.....	49.00	67.96	43.11	59.79	48.51	67.28
1949.....	50.24	70.36	44.15	61.83	49.74	69.66
1950.....	53.13	73.69	46.02	63.83	52.04	72.18
1951.....	57.86	74.37	48.68	62.57	55.79	71.71
1952.....	60.65	76.29	50.07	62.98	57.87	72.79
1953.....	63.76	79.60	52.45	65.48	60.31	75.29
1954.....	64.52	80.15	53.76	66.78	60.85	75.59
1955.....	67.72	84.44	56.27	70.16	63.41	79.06
1956.....	70.74	86.90	58.63	72.03	65.82	80.86
1957.....	73.33	86.99	60.47	71.73	67.71	80.32
1958.....	75.08	86.70	61.83	71.40	69.11	79.80
1959.....	78.78	90.24	64.52	73.91	71.86	82.31
1960.....	80.67	90.95	65.59	73.95	72.96	82.25
1961.....	82.60	92.19	67.08	74.87	74.48	83.13
1962.....	85.91	94.82	69.56	76.78	76.99	84.98
1963.....	88.46	96.47	71.05	77.48	78.56	85.67
1964.....	91.33	98.31	75.04	80.78	82.57	88.88
1965.....	95.06	100.59	78.99	83.59	86.30	91.32
1966.....	98.82	101.67	81.29	83.63	88.66	91.21
1967.....	101.84	101.84	83.38	83.38	90.86	90.86
1968.....	107.73	103.39	86.71	83.21	95.28	91.44
1969.....	114.61	104.38	90.96	82.84	99.99	91.07
1970 ^a	119.78	³ 103.17	96.18	³ 82.84	104.86	³ 90.32
1969: Jan.....	110.33	103.40	87.76	82.25	96.68	90.61
Feb.....	110.11	102.81	87.65	81.84	96.57	90.17
Mar.....	111.38	103.13	88.80	82.22	97.76	90.52
Apr.....	112.13	103.16	89.14	82.01	98.11	90.26
May.....	113.55	104.17	90.18	82.73	99.19	91.00
June.....	115.22	105.03	91.40	83.32	100.46	91.58
July.....	115.90	105.17	91.90	83.39	100.98	91.63
Aug.....	116.59	105.32	92.41	83.48	101.51	91.70
Sept.....	117.87	106.00	93.35	83.95	102.49	92.17
Oct.....	117.31	105.12	92.94	83.28	102.06	91.45
Nov.....	117.38	104.62	92.99	82.88	102.11	91.01
Dec.....	117.62	104.18	93.17	82.52	102.30	90.61
1970: Jan.....	116.12	102.49	93.43	82.46	101.97	90.00
Feb.....	116.55	102.33	93.76	82.32	102.32	89.83
Mar.....	117.92	102.99	94.78	82.78	103.39	90.30
Apr.....	117.34	101.86	94.35	81.90	102.95	89.37
May.....	118.40	102.33	95.14	82.23	103.77	89.69
June.....	120.05	103.22	96.38	82.87	105.08	90.35
July.....	121.45	104.07	97.43	83.49	106.18	90.99
Aug.....	122.20	104.53	97.99	83.82	106.78	91.34
Sept.....	121.73	103.60	97.64	83.10	106.40	90.55
Oct.....	121.36	102.76	97.36	82.44	106.11	89.85
Nov.....	121.40	102.45	97.39	82.19	106.14	89.57
Dec.....	122.43	-----	98.16	-----	106.96	-----

¹ Earnings in current prices divided by the consumer price index on a 1967 base.

² Average gross weekly earnings less social security and income taxes.

³ Based on 11-month average for the consumer price index.

Note.—“Total private” consists of manufacturing; mining; contract construction; transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services.

See also Note, Tables C-27 and C-28.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-33.—Average weekly earnings, gross and spendable, in manufacturing industries, in current and 1967 prices, 1939-70

Year or month	Average gross weekly earnings		Average spendable weekly earnings ²			
			Worker with no dependents		Worker with three dependents	
	Current prices	1967 prices ¹	Current prices	1967 prices ¹	Current prices	1967 prices ¹
1939	\$23.64	\$56.83	\$23.37	\$56.18	\$23.40	\$56.25
1940	24.96	59.43	24.46	58.24	24.71	58.83
1941	29.48	66.85	27.96	63.40	29.19	66.19
1942	36.68	75.16	31.80	65.16	36.31	74.41
1943	43.07	83.15	35.95	69.40	41.33	79.79
1944	45.70	86.72	37.99	72.09	43.76	83.04
1945	44.20	82.00	36.82	68.31	42.59	79.02
1946	43.32	74.05	37.31	63.78	42.79	73.15
1947	49.17	73.50	42.10	62.93	47.58	71.12
1948	53.12	73.68	46.57	64.59	52.31	72.55
1949	53.88	75.46	47.21	66.12	52.95	74.16
1950	58.32	80.89	50.26	69.71	56.36	78.17
1951	63.34	81.41	52.97	68.08	60.18	77.35
1952	67.16	84.48	55.04	69.23	62.98	79.22
1953	70.47	87.98	57.59	71.90	65.60	81.90
1954	70.49	87.57	58.45	72.61	65.65	81.55
1955	75.70	94.39	62.51	77.94	69.79	87.02
1956	78.78	96.78	64.92	79.75	72.25	88.76
1957	81.59	96.79	66.93	79.40	74.31	88.15
1958	82.71	95.51	67.82	78.31	75.23	86.87
1959	88.26	101.10	71.89	82.35	79.40	90.95
1960	89.72	101.15	72.57	81.82	80.11	90.32
1961	92.34	103.06	74.60	83.26	82.18	91.72
1962	96.56	106.58	77.86	85.94	85.53	94.40
1963	99.63	108.65	79.82	87.04	87.58	95.51
1964	102.97	110.84	84.40	90.85	92.18	99.22
1965	107.53	113.79	89.08	94.26	96.78	102.41
1966	112.34	115.58	91.57	94.21	99.45	102.31
1967	114.90	114.90	93.28	93.28	101.26	101.26
1968	122.51	117.57	97.70	93.76	106.75	102.45
1969	129.51	117.95	101.90	92.81	111.44	101.49
1970 ^a	133.73	³ 115.19	106.62	³ 91.83	115.90	³ 99.83
1969: Jan.	126.05	118.13	99.36	93.12	108.78	101.95
Feb.	124.80	116.53	98.44	91.91	107.82	100.67
Mar.	127.39	117.95	100.34	92.91	109.81	101.68
Apr.	127.58	117.37	100.48	92.44	109.95	101.15
May	128.61	117.99	101.24	92.88	110.74	101.60
June	130.06	118.56	102.30	93.25	111.86	101.97
July	128.88	116.95	101.43	92.04	110.95	100.68
Aug.	129.92	117.36	102.20	92.32	111.75	100.95
Sept.	132.84	119.46	104.34	93.83	114.01	102.53
Oct.	132.28	118.53	103.93	93.13	113.57	101.77
Nov.	132.36	117.97	103.99	92.68	113.63	101.27
Dec.	134.89	119.48	105.85	93.76	115.61	102.40
1970: Jan.	131.93	116.44	105.28	92.92	114.48	101.04
Feb.	130.94	114.96	104.53	91.77	113.69	99.82
Mar.	132.40	115.63	105.63	92.25	114.85	100.31
Apr.	131.80	114.41	105.18	91.30	114.37	99.28
May	132.93	114.89	106.02	91.63	115.27	99.63
June	134.40	115.56	107.13	92.12	116.43	100.11
July	134.46	115.22	107.17	91.83	116.48	99.81
Aug.	134.13	114.74	106.92	91.46	116.22	99.42
Sept.	135.43	115.26	107.90	91.83	117.25	99.79
Oct.	133.45	113.00	106.41	90.10	115.68	97.95
Nov. ^a	134.58	113.57	107.26	90.51	116.58	98.38
Dec. ^a	138.40	.....	110.12	.....	119.62	.....

¹ Earnings in current prices divided by the consumer price index on a 1967 base.

² Average gross weekly earnings less social security and income taxes.

³ Based on 11-month average for the consumer price index.

Note.—See Note, Tables C-27 and C-28.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-34.—Indexes of output per man-hour and related data, private economy, 1947-70

[1967=100]

Year	Total private	Farm	Nonfarm industries			Total private	Farm	Nonfarm industries			Total private	Farm	Nonfarm industries		
			Total	Manufacturing	Nonmanufacturing			Total	Manufacturing	Nonmanufacturing			Total	Manufacturing	Nonmanufacturing
Output ¹						Man-hours ²					Output per man-hour				
1947	45.6	71.1	44.5	44.7	44.5	88.8	243.4	78.0	81.5	76.4	51.3	29.2	57.1	54.8	58.2
1948	47.8	79.5	46.5	46.9	46.3	89.2	233.9	79.1	80.9	78.2	53.6	34.0	58.8	57.9	59.2
1949	47.6	77.0	46.4	44.2	47.6	86.2	232.4	76.0	73.7	77.1	55.3	33.1	61.1	60.0	61.8
1950	52.5	81.2	51.3	51.3	51.4	87.9	215.1	79.0	79.8	78.6	59.7	37.7	65.0	64.4	65.3
1951	55.8	77.0	55.0	56.5	54.1	90.7	203.1	82.9	85.9	81.5	61.5	37.9	66.3	65.9	66.4
1952	57.2	79.5	56.3	57.8	55.5	91.2	192.8	84.1	87.3	82.6	62.7	41.2	66.9	66.2	67.2
1953	60.1	83.7	59.1	62.6	57.3	92.0	179.3	85.9	91.6	83.2	65.3	46.7	68.9	68.3	68.9
1954	59.3	85.4	58.3	58.2	58.3	88.6	173.9	82.6	83.7	82.2	66.9	49.1	70.5	69.5	71.0
1955	64.3	87.4	63.4	65.0	62.5	92.1	176.7	86.1	88.2	85.2	69.9	49.5	73.6	73.7	73.4
1956	65.6	87.0	64.7	65.3	64.4	93.7	168.6	88.4	89.5	87.9	70.0	51.6	73.2	72.9	73.3
1957	66.5	84.9	65.7	65.5	65.9	92.3	155.3	87.9	88.1	87.8	72.0	54.7	74.8	74.4	75.0
1958	65.6	87.0	64.8	60.2	67.2	88.4	144.2	84.5	80.9	86.1	74.3	60.4	76.7	74.4	78.0
1959	70.2	88.3	69.5	67.6	70.4	91.2	143.6	87.6	86.1	88.3	76.9	61.5	79.3	78.5	79.8
1960	71.9	91.6	71.1	68.6	72.5	92.0	141.2	88.6	85.8	89.9	78.2	64.9	80.3	79.9	80.6
1961	73.2	92.9	72.5	68.3	74.6	90.6	132.6	87.7	83.5	89.6	80.9	70.0	82.7	81.8	83.3
1962	78.2	92.5	77.6	75.2	78.9	92.4	129.0	89.8	86.9	91.2	84.7	71.7	86.4	86.6	86.5
1963	81.5	95.4	80.9	79.0	81.9	92.9	122.1	90.9	87.7	92.3	87.7	78.1	89.1	90.1	88.7
1964	86.2	93.3	85.9	84.5	85.6	94.5	117.4	92.9	89.4	94.6	91.1	79.5	92.4	94.5	91.5
1965	91.8	99.2	91.5	92.7	90.7	97.4	114.1	96.3	94.3	97.2	94.2	86.9	95.1	98.3	93.5
1966	97.7	93.7	97.9	100.1	96.7	99.7	103.6	99.5	100.2	99.1	98.0	90.5	98.4	99.9	97.6
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.9	99.6	105.1	106.7	104.3	101.9	98.2	102.1	101.9	102.3	102.9	101.4	102.9	104.7	101.9
1969	107.9	98.7	108.3	110.9	106.9	104.1	92.0	104.9	103.7	105.5	103.7	107.3	103.2	106.9	101.4
1970 p.	107.5	96.7	107.9	106.4	108.7	102.7	85.5	103.9	98.5	106.5	104.6	113.1	103.8	108.1	102.1
Compensation per man-hour ³						Unit labor cost					Implicit price deflator ⁴				
1947	36.2	-----	38.3	37.1	38.9	70.6	-----	67.1	67.7	66.9	66.4	-----	63.8	66.9	62.3
1948	39.5	-----	41.8	40.7	42.3	73.7	-----	71.0	70.3	71.4	70.9	-----	68.2	71.3	66.6
1949	40.1	-----	43.0	42.6	43.3	72.5	-----	70.3	71.0	70.0	70.2	-----	68.7	72.8	66.6
1950	42.8	-----	45.3	44.7	45.7	71.7	-----	69.7	69.5	69.9	70.9	-----	69.4	73.0	67.7
1951	46.9	-----	49.3	49.3	49.1	76.3	-----	74.3	74.8	73.9	76.1	-----	74.0	77.9	71.8
1952	49.8	-----	52.0	52.4	51.5	79.4	-----	77.6	79.1	76.6	77.5	-----	75.9	79.6	74.0
1953	52.9	-----	54.9	55.3	54.2	81.0	-----	79.7	80.9	78.7	78.1	-----	77.2	80.0	75.9
1954	54.5	-----	56.6	57.8	55.9	81.5	-----	80.3	83.2	78.8	79.1	-----	78.5	81.6	76.9
1955	55.9	-----	58.6	60.0	57.6	80.1	-----	79.6	81.4	78.4	79.8	-----	79.5	83.1	77.9
1956	59.5	-----	62.0	63.9	60.8	85.0	-----	84.7	87.6	82.9	82.3	-----	82.3	86.9	80.0
1957	63.3	-----	65.5	67.7	64.3	87.9	-----	87.6	91.1	85.7	85.3	-----	85.3	89.7	83.2
1958	66.0	-----	68.1	70.6	67.0	88.9	-----	88.7	94.9	85.9	87.1	-----	86.8	91.9	84.3
1959	69.0	-----	71.0	73.5	69.7	89.8	-----	89.5	93.7	87.3	88.3	-----	88.3	93.3	85.9
1960	71.7	-----	73.9	76.6	72.6	91.8	-----	92.0	95.9	90.0	89.5	-----	89.6	94.1	87.3
1961	74.4	-----	76.3	79.0	75.2	92.1	-----	92.3	96.5	90.2	90.4	-----	90.4	94.4	88.5
1962	77.7	-----	79.3	82.3	77.9	91.8	-----	91.8	95.0	90.1	91.2	-----	91.2	94.4	89.7
1963	80.8	-----	82.2	85.0	80.9	92.1	-----	92.3	94.4	91.2	92.2	-----	92.3	94.5	91.1
1964	84.9	-----	86.1	89.0	84.8	93.1	-----	93.2	94.1	92.7	93.2	-----	93.4	95.4	92.4
1965	88.4	-----	89.2	91.2	88.3	93.8	-----	93.9	92.8	94.4	94.8	-----	94.8	95.7	94.3
1966	94.5	-----	94.6	95.3	94.2	96.5	-----	96.2	95.5	96.5	97.2	-----	96.8	97.4	96.6
1967	100.0	-----	100.0	100.0	100.0	100.0	-----	100.0	100.0	100.0	100.0	-----	100.0	100.0	100.0
1968	107.6	-----	107.3	107.1	107.5	104.6	-----	104.3	102.3	105.4	103.6	-----	103.6	102.3	104.3
1969	115.4	-----	114.5	113.9	115.0	111.3	-----	111.0	106.6	113.5	108.2	-----	108.0	104.5	109.9
1970 p.	123.6	-----	122.3	121.6	123.3	118.1	-----	117.8	112.5	120.8	113.4	-----	113.2	-----	-----

¹ Output refers to gross national product in 1958 prices.² Hours of all persons in private industry engaged in production, including man-hours of proprietors and unpaid family workers. Man-hours estimates based primarily on establishment data.³ Wages and salaries of employees plus employers' contribution for social insurance and private benefits plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.⁴ Current dollar gross product divided by constant dollar product.

Note.—For information on sources, methodology, trends, and underlying factors influencing the measures, see Bureau of Labor Statistics, Department of Labor, Bulletin No. 1249, "Trends in Output per Man-Hour in the Private Economy, 1909-58," December 1959.

Source: Department of Labor, Bureau of Labor Statistics.

PRODUCTION AND BUSINESS ACTIVITY

TABLE C-35.—*Industrial production indexes, major industry divisions, 1929-70*

[1957=100]

Year or month	Total industrial production	Manufacturing			Mining	Utilities
		Total	Durable	Nondurable		
1929.....	24.3	24.2	23.3	24.8	43.8	6.9
1930.....	20.2	19.8	17.3	22.5	38.0	7.1
1931.....	16.8	16.2	11.9	21.2	32.6	6.1
1932.....	13.1	12.5	7.3	18.7	27.1	6.8
1933.....	15.4	14.8	9.5	21.2	31.1	6.3
1934.....	16.8	16.3	11.5	21.9	32.6	6.2
1935.....	19.4	19.2	14.7	24.2	35.3	7.6
1936.....	23.0	22.8	19.1	26.9	40.6	8.1
1937.....	25.1	24.9	21.5	28.5	45.8	8.9
1938.....	19.9	19.1	13.8	25.3	39.6	8.9
1939.....	24.2	23.7	19.2	29.0	43.5	9.9
1940.....	27.8	27.4	24.4	30.6	48.5	11.0
1941.....	35.7	36.5	35.2	37.3	52.3	12.3
1942.....	43.8	45.8	48.8	41.2	54.1	13.8
1943.....	52.4	55.5	62.9	45.7	55.7	15.3
1944.....	51.7	54.0	61.6	44.1	59.9	16.3
1945.....	44.6	45.7	47.8	42.4	59.0	16.5
1946.....	37.6	37.6	33.4	41.9	58.3	17.2
1947.....	41.6	41.6	39.3	43.5	64.5	19.7
1948.....	43.3	43.1	40.9	45.0	67.9	22.1
1949.....	40.9	40.8	37.2	44.2	60.2	23.5
1950.....	47.4	47.5	45.3	49.2	67.2	26.8
1951.....	51.4	51.3	51.0	50.8	73.7	30.5
1952.....	53.3	53.4	54.1	51.7	73.1	33.1
1953.....	57.7	58.0	61.0	54.1	75.0	36.1
1954.....	54.3	54.0	54.0	54.1	72.9	38.8
1955.....	61.1	60.9	62.2	59.2	80.1	43.4
1956.....	63.2	62.7	63.5	61.7	84.7	47.5
1957.....	63.7	63.1	63.5	62.5	84.5	50.8
1958.....	59.3	58.4	55.2	62.6	77.2	53.1
1959.....	66.8	66.4	64.5	68.9	80.5	58.4
1960.....	68.8	68.2	66.3	70.8	82.1	62.5
1961.....	69.4	68.6	65.4	73.0	82.9	66.1
1962.....	74.8	74.3	72.0	77.5	84.8	71.1
1963.....	78.6	78.2	76.1	81.0	87.2	75.7
1964.....	83.7	83.3	81.6	85.8	90.1	81.8
1965.....	90.7	90.8	90.7	91.1	92.7	87.0
1966.....	98.9	99.3	100.7	97.5	97.3	94.1
1967.....	100.0	100.0	100.0	100.0	100.0	100.0
1968.....	104.7	104.5	103.7	105.6	102.3	109.5
1969.....	109.3	108.9	107.8	110.3	105.2	119.6
1970 p.....	106	104	101	110	110	128
Seasonally adjusted						
1969: Jan.....	107.0	106.6	105.7	107.8	101.6	116.3
Feb.....	107.6	107.6	106.6	108.9	100.8	116.2
Mar.....	108.4	108.4	107.5	109.6	102.3	116.3
Apr.....	108.6	108.3	107.3	109.7	104.0	117.0
May.....	109.1	108.8	107.9	110.2	105.3	115.5
June.....	109.9	109.5	108.9	110.3	108.6	116.6
July.....	110.4	110.0	109.2	111.1	107.6	120.2
Aug.....	110.2	109.8	109.2	110.8	106.0	120.4
Sept.....	110.0	109.7	109.2	110.5	106.3	120.3
Oct.....	109.5	108.9	108.3	109.6	105.2	122.2
Nov.....	108.4	107.6	105.1	110.9	107.1	122.2
Dec.....	108.2	107.3	104.5	110.9	108.6	123.3
1970: Jan.....	107.8	106.6	103.7	110.6	106.4	124.4
Feb.....	107.8	106.6	103.6	110.8	108.4	125.9
Mar.....	108.2	107.0	104.5	110.3	109.1	124.6
Apr.....	107.7	106.4	102.9	111.2	108.2	126.4
May.....	106.9	105.3	102.4	109.1	108.9	127.0
June.....	106.8	105.2	102.2	109.2	109.5	127.3
July.....	107.0	105.5	102.3	110.0	108.1	127.8
Aug.....	106.8	105.0	101.8	109.3	110.7	127.5
Sept.....	104.9	102.5	98.0	108.5	112.2	131.3
Oct.....	102.7	99.8	93.8	107.8	113.0	132.4
Nov p.....	102.2	99.4	92.7	108.5	113.1	129.5
Dec p.....	103.7	101.2	95.4	109	112	129.8

Note.—The indexes in this table were converted to a 1967 base from the Federal Reserve indexes published on a 1957-59 base.

Source: Board of Governors of the Federal Reserve System.

TABLE C-36.—Industrial production indexes, market groupings, 1947-70

[1967=100]

Year or month	Total industrial production	Final products						Materials		
		Total	Consumer goods ¹			Equipment		Total	Durable goods	Non-durable goods
			Total	Auto-motive products	Home goods	Total, including defense	Business			
1947.....	41.6	40.6	45.2	46.5	41.4	30.9	38.2	42.5	44.9	39.6
1948.....	43.3	42.1	46.6	48.7	43.2	32.5	39.7	44.5	46.7	41.6
1949.....	40.9	40.7	46.3	48.3	39.9	29.0	34.7	41.1	42.3	39.2
1950.....	47.4	46.0	52.9	60.8	55.1	31.4	37.2	48.7	52.3	44.7
1951.....	51.4	49.7	52.4	53.7	47.4	43.7	45.5	53.1	57.8	48.1
1952.....	53.3	53.3	53.5	48.4	47.5	52.5	51.5	53.4	58.5	48.2
1953.....	57.7	56.8	57.2	61.2	54.3	56.0	52.8	58.7	66.3	51.3
1954.....	54.3	54.1	56.8	57.0	51.8	49.6	46.6	54.4	58.2	50.8
1955.....	61.1	59.3	62.8	79.3	58.6	53.0	50.3	62.7	68.9	56.7
1956.....	63.2	62.0	64.3	65.6	60.8	57.8	57.3	64.4	69.3	59.6
1957.....	63.7	62.8	65.3	70.6	58.2	58.3	57.6	64.6	69.0	60.3
1958.....	59.3	59.9	64.9	58.1	55.9	50.9	49.1	58.7	59.2	58.2
1959.....	66.8	66.8	71.8	72.5	66.7	58.0	57.4	66.8	69.2	64.5
1960.....	68.8	69.4	74.7	82.6	66.7	60.0	60.3	68.2	70.2	66.3
1961.....	69.4	70.2	75.8	75.0	67.6	60.4	60.2	68.7	69.0	68.5
1962.....	74.8	75.6	80.6	87.9	73.6	66.7	66.8	74.1	75.1	73.2
1963.....	78.6	78.9	84.3	94.7	78.1	69.2	70.2	78.4	79.8	77.1
1964.....	83.7	83.3	88.7	97.3	85.0	73.6	76.1	84.2	86.4	82.0
1965.....	90.7	90.0	94.5	112.1	93.3	81.9	85.7	91.4	95.0	87.9
1966.....	98.9	98.2	99.3	109.3	101.7	96.2	99.1	99.5	103.3	95.9
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968.....	104.7	104.3	105.7	116.9	105.7	101.8	101.0	105.1	103.9	106.2
1969.....	109.3	107.9	109.4	116.2	110.8	105.1	107.0	110.6	109.0	112.2
1970 p.....	106	105	109	101	108	98	103	108	102	113
Seasonally adjusted										
1969: Jan.....	107.0	106.3	108.4	118.2	111.0	102.3	104.7	107.5	106.1	108.8
Feb.....	107.6	106.9	108.9	117.2	110.2	103.4	105.0	108.2	107.0	109.3
Mar.....	108.4	107.9	109.6	117.6	112.2	104.7	105.5	109.1	108.0	110.0
Apr.....	108.6	107.5	109.0	111.4	112.1	105.0	106.2	109.6	109.2	110.0
May.....	109.1	107.4	108.2	111.2	112.0	105.9	107.1	110.6	109.0	112.1
June.....	109.9	107.8	108.8	119.9	112.1	106.1	107.8	111.7	109.9	113.4
July.....	110.4	109.2	110.7	123.8	111.1	106.4	107.7	111.9	109.9	113.7
Aug.....	110.2	109.1	110.6	120.4	111.1	106.1	107.8	111.5	110.1	112.7
Sept.....	110.0	108.8	109.6	118.4	109.2	107.2	109.6	111.5	109.7	113.2
Oct.....	109.5	108.0	108.6	115.9	108.1	107.0	109.9	111.2	109.2	113.1
Nov.....	108.4	106.4	108.1	112.7	100.4	103.5	106.3	110.6	107.6	113.5
Dec.....	108.2	106.4	108.2	107.9	100.5	103.2	106.0	110.2	106.5	113.8
1970: Jan.....	107.8	106.4	108.8	104.2	102.2	102.3	105.5	109.3	105.4	113.1
Feb.....	107.8	107.3	109.4	103.8	105.3	103.8	107.7	108.7	103.9	113.2
Mar.....	108.2	107.2	109.1	107.3	108.1	103.8	108.3	108.8	104.7	112.7
Apr.....	107.7	106.4	109.9	106.2	108.4	100.3	105.6	108.9	105.1	112.6
May.....	106.9	105.9	109.9	111.6	107.5	98.8	103.2	108.0	103.7	112.1
June.....	106.8	105.6	109.6	114.2	107.0	98.3	102.8	108.5	103.9	112.8
July.....	107.0	105.4	110.1	115.9	109.9	96.8	101.8	108.6	104.3	112.8
Aug.....	106.8	105.2	110.1	112.3	110.7	96.4	101.7	108.5	103.6	113.1
Sept.....	104.9	103.0	107.8	89.3	107.8	94.5	99.7	107.0	100.0	113.7
Oct.....	102.7	101.0	105.7	73.4	108.6	92.5	97.9	104.6	95.3	113.5
Nov p.....	102.2	100.6	105.6	74.3	108.6	91.8	97.4	103.9	93.7	113.7
Dec p.....	103.7	102.2	108.1	99	-----	91.9	98	105.0	96	114

¹ Also includes apparel and consumer staples, not shown separately.

Note.—The indexes in this table were converted to a 1967 base from the Federal Reserve indexes published on a 1957-59 base.

Source: Board of Governors of the Federal Reserve System.

TABLE C-37.—Industrial production indexes, selected manufactures, 1947-70

[1967=100]

Year or month	Durable manufactures							Nondurable manufactures			
	Primary metals	Fabricated metal products	Machinery	Transportation equipment	Instruments and related products	Clay, glass, and lumber	Furniture and miscellaneous	Textiles, apparel, and leather	Paper and printing	Chemicals, petroleum, and rubber	Food, beverages, and tobacco
1947	68.5	46.9	35.6	25.9	29.1	58.0	45.2	58.1	44.6	25.0	61.3
1948	71.2	47.7	36.3	28.3	29.9	61.0	47.6	60.6	46.4	26.7	60.7
1949	59.9	43.1	32.2	28.4	26.6	55.3	44.0	57.8	46.3	26.0	61.4
1950	75.4	52.7	39.6	34.0	31.0	67.1	51.5	63.9	51.3	31.9	63.5
1951	82.0	56.3	45.3	38.0	35.6	70.4	49.3	62.7	53.1	35.5	64.8
1952	74.9	55.0	50.2	44.1	42.3	68.3	50.7	64.2	51.9	36.8	66.3
1953	84.9	62.0	54.8	55.3	46.2	70.9	55.2	65.1	55.2	39.6	67.0
1954	68.9	55.7	47.8	50.6	44.9	68.6	53.4	62.3	56.8	39.3	68.2
1955	89.4	60.7	52.6	61.6	48.0	77.0	60.2	68.5	61.8	45.7	70.7
1956	87.8	61.0	58.4	58.8	51.6	78.0	62.1	70.3	64.9	48.1	73.3
1957	84.7	62.7	56.8	64.2	53.0	74.6	60.0	69.5	65.4	50.3	73.4
1958	66.0	57.4	48.4	54.0	49.8	72.0	57.4	68.1	64.8	50.3	75.5
1959	75.8	65.2	58.4	62.8	59.5	83.0	67.0	77.5	70.3	57.3	78.9
1960	76.5	66.5	60.4	65.3	63.0	80.9	69.7	77.1	72.9	59.9	80.9
1961	74.6	65.8	60.2	62.5	62.7	80.0	70.2	77.8	75.1	62.6	83.7
1962	78.9	72.3	67.3	71.4	66.6	83.6	76.6	82.6	78.0	69.1	86.0
1963	85.5	76.2	70.4	76.6	70.5	87.5	79.4	85.0	80.3	74.6	88.7
1964	97.4	82.0	77.1	78.9	73.8	92.7	85.1	89.8	85.2	80.3	91.7
1965	103.8	91.3	87.5	90.0	81.9	97.6	93.4	97.4	90.4	86.6	93.7
1966	107.7	100.7	100.2	100.7	95.5	101.7	101.5	101.6	97.9	95.7	97.3
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	103.4	103.7	100.5	108.3	99.7	105.1	104.5	103.9	103.9	109.3	102.7
1969	112.5	111.1	106.7	105.4	105.2	109.0	108.7	103.4	109.9	117.2	105.5
1970 p	106	106	103	90	102	105	104	98	108	118	107
Seasonally adjusted											
1969: Jan	105.3	109.0	104.6	103.3	103.7	110.0	108.6	103.0	107.1	112.7	104.8
Feb	108.4	109.7	105.1	104.5	103.0	111.4	108.1	102.3	107.8	114.7	105.9
Mar	110.3	110.3	106.2	105.1	104.3	111.0	108.5	103.8	108.4	115.6	106.2
Apr	111.6	110.1	106.1	104.0	105.7	109.6	109.7	103.1	108.6	116.7	104.9
May	112.7	110.7	107.4	103.7	105.7	109.9	110.1	104.9	109.5	117.2	103.9
June	115.5	111.6	107.5	106.6	105.9	107.6	110.1	104.7	109.9	117.5	104.0
July	115.0	110.6	108.0	109.3	105.4	105.8	108.4	104.3	110.9	118.5	105.1
Aug	114.2	111.6	108.7	108.1	105.5	107.3	108.4	102.8	111.2	117.1	107.1
Sept	112.7	110.6	109.7	107.9	105.7	107.6	107.9	101.2	110.8	117.5	106.6
Oct	113.5	110.8	108.5	106.0	104.9	107.7	107.4	101.9	110.5	117.2	103.4
Nov	113.4	110.7	102.2	101.6	106.1	107.6	107.7	102.5	111.0	118.6	105.7
Dec	111.5	110.2	102.9	98.9	106.8	107.0	107.8	101.5	111.5	118.3	106.4
1970: Jan	108.0	111.2	103.4	96.3	105.4	108.0	108.2	101.4	110.0	116.9	108.4
Feb	105.1	110.5	106.8	93.1	105.0	108.0	107.0	99.6	110.0	117.9	109.0
Mar	107.1	110.1	108.6	94.1	104.8	105.2	107.1	98.6	109.9	118.3	107.3
Apr	104.8	108.2	106.3	92.4	105.7	107.3	106.7	99.6	110.3	119.5	108.0
May	107.6	105.9	104.1	94.9	103.5	106.5	104.0	98.1	109.0	115.9	107.3
June	107.7	106.4	103.9	96.5	101.7	102.6	103.5	97.4	108.1	118.1	105.7
July	109.6	106.5	104.3	95.4	101.2	103.1	102.9	97.5	108.2	119.4	106.3
Aug	109.9	106.2	103.8	94.6	99.2	104.7	102.2	97.5	108.4	117.6	106.4
Sept	107.6	104.5	101.5	83.9	98.4	102.4	101.4	97.0	105.3	116.8	107.1
Oct	101.4	99.3	99.7	73.6	98.1	102.8	101.6	97.1	104.9	116.4	105.1
Nov	97.6	98.3	97.5	73.9	98.4	103.4	102.5	96.4	105.7	117.3	106.2
Dec	100	101	97	86	96	103	101	96	106	118	107

Note.—The indexes in this table were converted to a 1967 base from the Federal Reserve indexes published on a 1957-59 base.

Source: Board of Governors of the Federal Reserve System.

TABLE C-38.—*Manufacturing output, capacity, and utilization rate, 1948-70*

Period	Output	Capacity ¹	Utilization rate ²		
			Total	Advanced products	Primary products
	1967 output=100		Percent		
1948.....	43.1	48.1	89.7	87.9	92.2
1949.....	40.8	50.8	80.2	80.3	80.0
1950.....	47.5	52.8	90.4	87.3	94.8
1951.....	51.3	54.7	94.0	91.0	98.1
1952.....	53.4	58.0	91.3	91.9	90.4
1953.....	58.0	61.6	94.2	94.1	94.4
1954.....	54.0	64.7	83.5	83.8	83.0
1955.....	60.9	67.9	90.0	87.8	93.2
1956.....	62.7	71.6	87.7	86.0	90.1
1957.....	63.1	75.6	83.6	82.3	85.3
1958.....	58.4	78.8	74.0	73.6	74.6
1959.....	66.4	81.5	81.5	81.0	82.1
1960.....	68.2	84.5	80.6	81.1	80.0
1961.....	68.6	87.4	78.5	78.9	78.1
1962.....	74.3	90.4	82.1	82.5	81.6
1963.....	78.2	93.8	83.3	83.1	83.6
1964.....	83.3	97.4	85.7	84.4	87.4
1965.....	90.8	102.7	88.5	87.6	89.7
1966.....	99.3	109.6	90.5	90.5	90.5
1967.....	100.0	116.5	85.3	85.9	84.6
1968.....	104.5	123.2	84.6	83.8	85.8
1969.....	108.9	130.0	83.7	81.6	86.7
1970 ^p	104.0	136.8	76.6	73.9	80.2
	Seasonally adjusted				
1965: I.....	88.5	100.3	88.5	87.2	90.2
II.....	89.9	101.9	88.4	87.1	90.1
III.....	91.5	103.5	88.5	87.4	90.1
IV.....	93.2	105.1	88.6	88.7	88.5
1966: I.....	96.7	106.9	90.5	90.2	90.9
II.....	98.7	108.7	90.8	90.4	91.4
III.....	100.1	110.5	90.6	90.6	90.6
IV.....	101.3	112.3	90.0	90.6	89.1
1967: I.....	99.6	114.0	87.1	87.8	86.2
II.....	98.6	115.7	85.0	86.2	83.4
III.....	99.1	117.4	84.3	85.1	83.2
IV.....	101.0	119.0	84.8	84.3	85.6
1968: I.....	102.6	120.7	85.0	84.5	85.7
II.....	104.0	122.4	85.1	83.8	86.9
III.....	104.5	124.1	84.2	83.7	84.9
IV.....	105.9	125.8	84.2	83.2	85.6
1969: I.....	107.5	127.5	84.5	82.7	87.0
II.....	108.9	129.2	84.5	82.3	87.8
III.....	109.8	130.8	84.2	82.3	86.7
IV.....	107.9	132.5	81.7	79.1	85.3
1970: I ^p	106.8	134.2	79.8	77.5	83.1
II ^p	105.6	135.9	78.0	75.6	81.2
III ^p	104.4	137.6	76.2	73.4	80.1
IV ^p	110.1	139.3	72.3	69.2	76.5

¹ For description and source of data see "A Revised Index of Manufacturing Capacity," Frank de Leeuw, Frank E. Hopkins, and Michael D. Sherman, "Federal Reserve Bulletin," November 1966, pp. 1605-1615. See also McGraw-Hill surveys on "Business Plans for New Plants and Equipment" for data on capacity and operating rates.

² Output as percent of capacity; based on unrounded data.

Source: Board of Governors of the Federal Reserve System (output) and sources in footnote 1 (capacity and utilization rate).

TABLE C-39.—*Business expenditures for new plant and equipment, 1947-71*¹

[Billions of dollars]

Year or quarter	Total	Manufacturing			Mining	Transportation			Public utili- ties	Com- muni- cation	Com- mer- cial and other ²
		Total	Dura- ble goods	Non- durable goods		Rail- road	Air	Other			
1947.....	19.33	8.44	3.25	5.19	0.69	0.91	0.17	1.13	1.54	1.40	5.05
1948.....	21.30	9.01	3.30	5.71	.93	1.37	.10	1.17	2.54	1.74	4.42
1949.....	18.98	7.12	2.45	4.68	.88	1.42	.12	.76	3.10	1.34	4.24
1950.....	20.21	7.39	2.94	4.45	.84	1.18	.10	1.09	3.24	1.14	5.22
1951.....	25.46	10.71	4.82	5.89	1.11	1.58	.14	1.33	3.56	1.37	5.67
1952.....	26.43	11.45	5.21	6.24	1.21	1.50	.24	1.23	3.74	1.61	5.45
1953.....	28.20	11.86	5.31	6.56	1.25	1.42	.24	1.29	4.34	1.78	6.02
1954.....	27.19	11.24	4.91	6.33	1.28	.93	.24	1.22	3.99	1.82	6.45
1955.....	29.53	11.89	5.41	6.48	1.31	1.02	.26	1.30	4.03	2.11	7.63
1956.....	35.73	15.40	7.45	7.95	1.64	1.37	.35	1.31	4.52	2.82	8.32
1957.....	37.94	16.51	7.84	8.68	1.69	1.58	.41	1.30	5.67	3.19	7.60
1958.....	31.89	12.38	5.61	6.77	1.43	.86	.37	1.06	5.52	2.79	7.48
1959.....	33.55	12.77	5.81	6.95	1.36	1.02	.78	1.33	5.14	2.72	8.44
1960.....	36.75	15.09	7.23	7.85	1.30	1.16	.66	1.30	5.24	3.24	8.75
1961.....	35.91	14.33	6.31	8.02	1.29	.82	.73	1.23	5.00	3.39	9.13
1962.....	38.39	15.06	6.79	8.26	1.40	1.02	.52	1.65	4.90	3.85	9.99
1963.....	40.77	16.22	7.53	8.70	1.27	1.26	.40	1.58	4.98	4.06	10.99
1964.....	46.97	19.34	9.28	10.07	1.34	1.66	1.02	1.50	5.49	4.61	12.02
1965.....	54.42	23.44	11.50	11.94	1.46	1.99	1.22	1.68	6.13	5.30	13.19
1966.....	63.51	28.20	14.06	14.14	1.62	2.37	1.74	1.64	7.43	6.02	14.48
1967.....	65.47	28.51	14.06	14.45	1.65	1.86	2.29	1.48	8.74	6.34	14.59
1968.....	67.76	28.37	14.12	14.25	1.63	1.45	2.56	1.59	10.20	6.83	15.14
1969.....	75.56	31.68	15.96	15.72	1.86	1.86	2.51	1.68	11.61	8.30	16.05
1970 ³	80.58	32.26	15.91	16.36	1.86	1.83	2.94	1.24	13.33	10.24	16.86
1971 ³	81.67	31.39	15.42	15.97	1.84	1.56	2.16	1.28	15.24	28.20	
Seasonally adjusted annual rates											
1968: I.....	68.09	28.02	14.11	13.91	1.80	1.68	2.88	1.43	10.08	6.83	15.37
II.....	66.29	27.84	13.51	14.33	1.66	1.49	1.98	1.49	10.24	6.42	15.17
III.....	67.77	28.86	14.47	14.40	1.57	1.29	2.69	1.65	9.82	6.67	15.22
IV.....	69.05	28.70	14.39	14.31	1.52	1.34	2.87	1.75	10.63	7.34	14.91
1969: I.....	72.52	29.99	15.47	14.52	1.83	1.68	2.89	1.87	11.52	7.74	15.00
II.....	73.94	31.16	15.98	15.18	1.88	1.76	2.22	1.66	11.68	7.92	15.67
III.....	77.84	33.05	16.53	16.52	1.89	2.06	2.23	1.65	11.48	8.71	16.78
IV.....	77.84	32.39	15.88	16.50	1.85	1.94	2.80	1.63	11.80	8.76	16.67
1970: I.....	78.22	32.44	16.40	16.05	1.92	1.74	2.94	1.37	12.14	9.14	16.52
II.....	80.22	32.43	16.32	16.11	1.84	1.88	2.88	1.12	12.72	10.38	16.98
III.....	81.88	32.15	15.74	16.40	1.86	1.96	3.24	1.22	13.84	10.62	17.00
IV ³	81.72	32.13	15.30	16.82	1.81	1.76	2.72	1.27	14.36	27.68	
1971: I ³	81.40	31.49	15.70	15.79	1.86	1.56	2.03	1.15	15.92	27.38	
II ³	82.20	31.11	14.85	16.26							
51.09											

¹ Excludes agricultural business; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations. These figures do not agree precisely with the fixed investment data in the gross national product estimates, mainly because those data include investment by farmers, professionals, institutions, and real estate firms, and certain outlays charged to current account.

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

³ Estimates based on expected capital expenditures reported by business in October-December 1970. Includes adjustments for systematic biases in expectations data.

Note.—Annual total is the sum of unadjusted expenditures; it does not necessarily coincide with the average of seasonally adjusted figures.

Sources: Department of Commerce (Office of Business Economics) and Securities and Exchange Commission.

TABLE C-40.—*New construction activity, 1929-70*

[Value put in place, millions of dollars]

Year or month	Total new construction	Private construction							Public construction		
		Total	Residential building (nonfarm)		Nonresidential building and other construction				Total	Federally owned	State and locally owned ⁴
			Total ¹	New housing units	Total	Commercial ²	Industrial	Other ³			
1929.....	10,793	8,307	3,625	3,040	4,682	1,135	949	2,598	2,486	155	2,331
1930.....	8,741	5,883	2,075	1,570	3,808	893	532	2,383	2,858	209	2,649
1931.....	6,427	3,768	1,565	1,320	2,203	454	221	1,528	2,659	271	2,388
1932.....	3,538	1,676	630	485	1,046	223	74	749	1,862	333	1,529
1933.....	2,879	1,231	470	290	761	130	176	455	1,648	516	1,132
1934.....	3,720	1,509	625	380	884	173	191	520	2,211	626	1,585
1935.....	4,232	1,999	1,010	710	989	211	158	620	2,233	814	1,419
1936.....	6,497	2,981	1,565	1,210	1,416	290	266	860	3,516	797	2,719
1937.....	6,999	3,903	1,875	1,475	2,028	387	492	1,149	3,096	776	2,320
1938.....	6,980	3,560	1,900	1,620	1,570	285	232	1,053	3,420	717	2,703
1939.....	8,198	4,389	2,680	2,270	1,709	292	254	1,163	3,809	759	3,050
1940.....	8,682	5,054	2,985	2,560	2,069	348	442	1,279	3,628	1,182	2,446
1941.....	11,957	6,206	3,510	3,040	2,696	409	801	1,486	5,751	3,751	2,000
1942.....	14,075	3,415	1,715	1,440	1,700	155	346	1,199	10,660	9,313	1,347
1943.....	8,301	1,979	885	710	1,094	33	156	905	6,322	5,609	713
1944.....	5,259	2,186	815	570	1,371	56	208	1,107	3,073	2,505	568
1945.....	5,809	3,411	1,276	720	2,135	203	642	1,290	2,398	1,737	661
1946.....	12,627	10,396	4,752	3,300	5,644	1,153	1,689	2,802	2,231	865	1,366
New series ⁵											
1946.....	14,308	12,077	6,247	4,795	5,830	1,153	1,689	2,988	2,231	865	1,366
1947.....	20,041	16,722	9,850	7,765	6,872	957	1,702	4,213	3,319	840	2,479
1948.....	26,078	21,374	13,128	10,506	8,246	1,397	1,397	5,452	4,704	1,177	3,527
1949.....	26,722	20,453	12,428	10,043	8,025	1,182	972	5,871	6,269	1,488	4,781
1950.....	33,575	26,709	18,126	15,551	8,583	1,415	1,062	6,106	6,866	1,624	5,242
1951.....	35,435	26,180	15,881	13,207	10,299	1,498	2,117	6,684	9,255	2,981	6,274
1952.....	36,828	26,049	15,803	12,851	10,246	1,137	2,320	6,789	10,779	4,185	6,594
1953.....	39,136	27,894	16,594	13,411	11,300	1,791	2,229	7,280	11,242	4,139	7,103
1954.....	41,380	29,668	18,187	14,931	11,481	2,212	2,030	7,239	11,712	3,428	8,284
1955.....	46,519	34,804	21,877	18,242	12,927	3,218	2,399	7,310	11,715	2,769	8,946
1956.....	47,601	34,869	20,178	16,143	14,691	3,631	3,084	7,976	12,732	2,726	10,006
1957.....	49,139	35,080	19,006	14,736	16,074	3,564	3,557	8,953	14,059	2,974	11,085
1958.....	50,153	34,696	19,789	15,445	14,907	3,589	2,382	8,936	15,457	3,387	12,070
1959.....	55,305	39,235	24,251	19,233	14,984	3,930	2,106	8,948	16,070	3,724	12,346
1960.....	53,941	38,078	21,706	16,410	16,372	4,180	2,851	9,341	15,863	3,622	12,241
1961.....	55,447	38,299	21,680	16,189	16,619	4,674	2,780	9,165	17,148	3,879	13,269
1962.....	59,576	41,707	24,292	18,638	17,415	4,955	2,949	9,511	17,869	3,913	13,956
1963.....	62,755	43,859	25,843	20,064	18,016	5,200	2,962	9,854	18,896	3,970	14,926
New series ⁶											
1962.....	59,667	41,798	24,292	18,638	17,506	5,144	2,842	9,520	17,869	3,913	13,956
1963.....	63,423	44,057	26,187	20,385	17,870	4,995	2,906	9,969	19,366	4,010	15,356
1964.....	66,200	45,810	26,258	20,354	19,552	5,396	3,565	10,591	20,390	3,905	16,485
1965.....	72,319	50,253	26,268	20,351	23,985	6,739	5,118	12,128	22,066	4,018	18,048
1966.....	75,120	51,120	23,971	17,964	27,149	6,879	6,679	13,591	24,000	3,957	20,043
1967.....	76,160	50,587	23,736	17,885	26,851	6,982	6,131	13,738	25,573	3,512	22,061
1968.....	84,690	56,996	28,823	22,423	28,173	8,333	5,594	14,246	27,694	3,456	24,238
1969.....	90,866	62,806	30,603	23,689	32,203	10,136	6,373	15,694	28,060	3,409	24,651
1970 ⁷	90,690	62,850	29,040	21,880	33,810	-----	-----	-----	27,840	3,320	24,520

See footnotes at end of table.

TABLE C-40.—New construction activity, 1929-70—Continued

(Value put in place, millions of dollars)

Year or month	Total new construction	Private construction							Public construction		
		Total	Residential building (nonfarm)		Nonresidential building and other construction				Total	Federally owned	State and locally owned
			Total ¹	New housing units	Total	Commercial ²	Industrial	Other ³			
Seasonally adjusted annual rates											
1969: Jan.	91,972	62,875	31,084	24,972	31,791	9,971	6,800	15,020	29,097	3,551	25,546
Feb.	92,066	62,550	31,436	25,472	31,114	9,941	6,318	14,855	29,516	3,463	26,053
Mar.	91,722	62,762	32,423	25,458	30,339	9,751	6,019	14,569	28,960	3,530	25,430
Apr.	92,784	63,050	33,018	24,995	30,032	9,066	5,857	15,109	29,734	3,784	25,950
May	92,359	63,669	32,971	24,490	30,698	9,284	5,923	15,491	28,690	3,488	25,202
June	91,475	63,027	31,635	23,887	31,392	10,020	6,050	15,322	28,448	3,574	24,874
July	90,806	63,161	30,304	23,214	32,857	10,417	6,404	16,036	27,645	3,114	24,531
Aug.	89,889	62,412	29,284	22,577	33,128	10,343	6,414	16,371	27,477	3,413	24,064
Sept.	91,105	63,725	29,214	22,615	34,511	11,118	6,714	16,679	27,380	3,431	23,949
Oct.	90,657	63,561	29,280	23,027	34,281	10,856	6,946	16,479	27,096	3,437	23,659
Nov.	88,791	61,805	28,778	22,760	33,027	10,168	6,571	16,288	26,986	3,062	23,924
Dec.	89,759	61,878	28,926	22,468	32,952	10,337	6,419	16,196	27,881	3,234	24,647
1970: Jan.	90,790	62,737	28,711	21,667	34,026	11,029	6,433	16,564	28,053	3,240	24,813
Feb.	91,978	63,340	28,658	21,196	34,682	11,724	6,000	16,958	28,638	3,322	25,316
Mar.	90,718	64,159	29,381	21,404	34,778	11,831	5,916	17,031	26,559	3,069	23,490
Apr.	90,721	63,606	29,829	21,340	33,777	10,577	6,230	16,970	27,115	3,534	23,581
May	89,702	62,656	29,150	20,572	33,506	10,553	5,864	17,089	27,046	3,225	23,821
June	90,090	61,652	27,698	19,972	33,954	10,903	5,892	17,159	28,438	3,321	25,117
July	89,235	60,795	27,134	20,380	33,661	10,027	5,915	17,719	28,440	2,869	25,571
Aug.	90,031	61,596	27,639	21,430	33,957	10,188	6,241	17,528	28,435	3,479	24,955
Sept.	90,684	62,489	28,532	22,290	33,957	10,375	5,741	17,841	28,195	3,549	-----
Oct.	91,327	63,655	29,698	23,173	33,957	10,210	5,983	17,764	27,672	3,550	-----
Nov.	91,059	63,285	30,540	24,019	32,745	8,924	6,086	17,735	27,774	3,398	-----

¹ Total includes additions and alterations and nonhousekeeping units not shown separately.² Office buildings, warehouses, stores, restaurants, and garages.³ Farm, institutional, public utilities, and all other private.⁴ Includes Federal grants-in-aid for State and locally owned projects.⁵ New series in 1946 reflects differences due to the new higher level series of housing starts and farm construction expenditures and the reduced level value in place series for public utilities. See "Construction Report C30-61 (Supplement)" for a description of the differences.⁶ New series differs from old in that it reflects differences in 1962 due to the introduction of new series for private non-residential buildings and differences in 1963 due to the introduction of new series for State and locally owned public construction. See "Construction Report C30-65S" for a description of the differences.⁷ Preliminary estimates by Council of Economic Advisers.

Source: Department of Commerce, Bureau of the Census, except as noted.

TABLE C-41.—New housing starts and applications for financing, 1929–70

(Thousands of units)

Year or month	Housing starts							New private housing units authorized ⁵	Proposed home construction ⁶		
	Private and public ¹		Private ¹						Applications for FHA commitments ⁴	Requests for VA appraisals	
	Total (farm and non-farm)	Non-farm	Total (farm and nonfarm)			Nonfarm					
			Total	Type of structure ²		Total	Selected Government home programs ³				
				One family	Two or more families		FHA ⁴				VA
1929		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				215.7	13.2		720.6		
1936		319.0				304.2	48.8		47.8		
1937		336.0				332.4	57.0		49.8		
1938		406.0				399.3	106.8		131.1		
1939		515.0				458.4	144.7		179.8		
1940		602.6				529.6	176.6		231.2		
1941		706.1				619.5	217.1		288.5		
1942		356.0				301.2	160.2		238.5		
1943		191.0				183.7	126.1		144.4		
1944		141.8				138.7	83.6		62.9		
New series											
1945		326.1				324.9	38.9	88.8	56.6		
1946		1,023.2				1,015.2	67.1	91.8	121.7		
1947		1,268.5				1,265.1	178.3	160.3	286.4		
1948		1,362.1				1,344.0	216.4	71.1	293.2		
1949		1,466.1				1,429.8	252.6	90.8	327.0		
1950		1,951.9				1,908.1	328.2	191.2	397.7		
1951		1,491.0				1,419.8	186.9	148.6	192.8	164.4	
1952		1,503.9				1,446.0	229.1	141.3	267.9	226.3	
1953		1,437.6				1,402.1	216.5	156.5	253.7	251.4	
1954		1,550.5				1,531.8	250.9	307.0	338.6	535.4	
1955		1,646.0				1,626.6	268.7	392.9	306.2	620.8	
1956		1,349.1				1,324.9	183.4	270.7	197.7	401.5	
1957		1,223.9				1,174.8	150.1	128.3	198.8	159.4	
1958		1,382.0				1,314.2	270.3	102.1	341.7	234.2	
1959	1,553.5	1,531.3	1,516.8	1,234.3	282.5	1,494.6	307.0	109.3	369.7	234.0	
1960	1,296.0	1,274.0	1,252.1	994.7	257.4	1,230.1	225.7	74.6	998.0	242.4	
1961	1,365.0	1,336.8	1,313.0	974.4	338.6	1,284.8	198.8	83.3	1,064.2	243.8	
1962	1,492.4	1,468.7	1,462.7	991.3	471.4	1,439.0	197.3	77.8	1,186.6	221.1	
1963	1,642.0	1,614.8	1,610.3	1,020.7	589.6	1,582.9	166.2	71.0	1,334.7	190.2	
1964	1,561.0	1,534.0	1,528.8	970.5	558.3	1,501.9	154.0	59.2	1,285.8	182.1	
1965	1,509.6	1,487.5	1,472.9	963.8	509.1	1,450.6	159.9	49.4	1,239.8	188.9	
1966	1,195.9	1,172.8	1,165.0	778.5	386.5	1,141.5	129.1	36.8	971.9	153.0	
1967	1,321.9	1,298.8	1,291.6	843.9	447.7	1,268.4	141.9	52.5	1,141.0	167.2	
1968	1,545.5	1,521.4	1,507.7	899.5	608.2	1,483.6	147.7	56.1	1,353.4	168.9	
1969	1,499.6	1,482.3	1,466.8	810.6	656.2	1,449.1	153.6	51.2	1,322.3	187.6	
1970 P	1,462.7	(*)	1,429.3	810.7	618.6	(*)	233.5	61.0	1,324.9	315.0	

See footnotes at end of table.

TABLE C-41.—*New housing starts and applications for financing, 1929-70—Continued*

[Thousands of units]

Year or month	Housing starts								New private housing units authorized ⁵	Proposed home construction ⁶	
	Private and public ¹		Private ¹							Applications for FHA commitments ⁴	Requests for VA appraisals
	Total (farm and non-farm)	Non-farm	Total (farm and nonfarm)			Nonfarm					
			Total	Type of structure ²		Total	Selected Government home programs ³				
				One family	Two or more families		FHA ⁴	VA			
Seasonally adjusted annual rates											
1969: Jan.			1,705	926	779	1,674	138	58	1,474	180	148
Feb.			1,639	864	775	1,618	139	52	1,452	171	132
Mar.			1,588	824	764	1,571	156	53	1,416	162	135
Apr.			1,505	797	708	1,490	164	49	1,414	169	127
May.			1,533	877	656	1,519	137	47	1,332	169	124
June.			1,507	826	681	1,483	149	48	1,346	178	130
July.			1,429	803	626	1,406	138	47	1,290	176	142
Aug.			1,376	752	624	1,362	142	47	1,325	169	152
Sept.			1,481	828	653	1,462	151	54	1,248	193	128
Oct.			1,390	766	624	1,377	160	51	1,212	224	127
Nov.			1,280	762	518	1,261	178	52	1,213	230	177
Dec.			1,402	776	626	1,346	191	57	1,175	210	147
1970: Jan.			1,059	577	482	(⁹)	170	54	1,051	251	141
Feb.			1,306	725	581	(⁹)	182	58	1,118	250	142
Mar.			1,392	708	684	(⁹)	187	62	1,085	258	142
Apr.			1,224	697	527	(⁹)	205	60	1,178	282	134
May.			1,242	728	514	(⁹)	194	57	1,309	269	131
June.			1,393	835	558	(⁹)	215	51	1,284	290	125
July.			1,603	827	776	(⁹)	228	50	1,309	294	127
Aug.			1,425	838	587	(⁹)	236	64	1,378	319	153
Sept.			1,509	881	628	(⁹)	243	60	1,389	338	138
Oct. ^p			1,583	890	693	(⁹)	265	63	1,521	327	166
Nov. ^p			1,688	930	758	(⁹)	292	71	1,489	350	163
Dec. ^p			1,987	1,204	783	(⁹)	300	78	1,737	350	151

¹ Units in structures built by private developers for sale upon completion to local public housing authorities under the Department of Housing and Urban Development "Turnkey" program are classified as private housing. Military housing starts, including those financed with mortgages insured by FHA under Section 803 of the National Housing Act, are included in publicly financed starts but excluded from total private starts and from FHA starts.

² Not available prior to 1959 except for nonfarm for 1929-44.

³ Data are not available for new homes started under the Department of Agriculture, Farmers Home Administration program.

⁴ Units are for 1- to 4-family housing.

⁵ Data beginning 1967 cover approximately 13,000 permit-issuing places. Data for 1963-66 are based on 12,000 places and 1959-62, 10,000 places. The addition of approximately 1,000 permit-issuing places in 1967 contributed an increase of 3 percent in total permit authorizations.

⁶ Units in mortgage applications or appraisal requests for new home construction.

⁷ FHA program approved in June 1934; all 1934 activity included in 1935.

⁸ Monthly estimates for September 1945-May 1950 were prepared by Housing and Home Finance Agency.

⁹ Not available separately beginning January 1970.

Sources: Department of Commerce (Bureau of the Census), Department of Housing and Urban Development, (Federal Housing Administration (FHA)), and Veterans Administration (VA), except as noted.

TABLE C-42.—*Sales and inventories in manufacturing and trade, 1947-70*

[Amounts in millions of dollars]

Year or month	Total manufacturing and trade			Manufacturing			Merchant wholesalers			Retail trade		
	Sales ¹	Inventories ²	Ratio ³	Sales ¹	Inventories ²	Ratio ³	Sales ¹	Inventories ²	Ratio ³	Sales ¹	Inventories ²	Ratio ³
1947				15,513	25,897	1.58				10,200	14,241	1.26
1948	35,260	52,507	1.42	17,316	28,543	1.57	6,808	7,957	1.13	11,135	16,007	1.39
1949	33,788	49,497	1.53	16,126	26,321	1.75	6,514	7,706	1.19	11,149	15,470	1.41
1950	38,596	59,822	1.36	18,634	31,078	1.48	7,695	9,284	1.07	12,268	19,460	1.38
1951	43,356	70,242	1.55	21,714	39,306	1.66	8,597	9,886	1.16	13,046	21,050	1.64
1952	44,840	72,377	1.58	22,529	41,136	1.78	8,782	10,210	1.12	13,529	21,031	1.52
1953	47,987	76,122	1.58	24,843	43,948	1.76	9,052	10,686	1.17	14,091	21,488	1.53
1954	46,443	73,175	1.60	23,353	41,612	1.81	8,993	10,637	1.18	14,095	20,926	1.51
1955	51,694	79,516	1.47	26,480	45,069	1.62	9,893	11,678	1.13	15,321	22,769	1.43
1956	54,063	87,304	1.55	27,740	50,642	1.73	10,513	13,260	1.19	15,811	23,402	1.47
1957	55,879	89,052	1.59	28,736	51,871	1.80	10,475	12,730	1.23	16,667	24,451	1.44
1958	54,233	86,922	1.60	27,280	50,070	1.84	10,257	12,739	1.24	16,696	24,113	1.43
1959	59,661	91,891	1.50	30,219	52,707	1.70	11,491	13,879	1.15	17,951	25,305	1.40
1960	60,746	94,747	1.56	30,796	53,814	1.76	11,656	14,120	1.22	18,294	26,813	1.45
1961	61,133	95,648	1.54	30,896	54,939	1.74	11,988	14,488	1.20	18,249	26,221	1.43
1962	65,417	101,090	1.51	33,113	58,213	1.72	12,674	14,936	1.16	19,630	27,941	1.38
1963	68,989	105,477	1.49	35,032	60,043	1.69	13,382	16,048	1.15	20,556	29,386	1.39
1964	73,685	111,457	1.47	37,335	63,386	1.64	14,527	16,977	1.13	21,823	31,094	1.40
1965	80,276	120,900	1.45	41,003	68,221	1.60	15,595	18,274	1.14	23,677	34,405	1.39
1966	87,184	136,988	1.47	44,876	78,224	1.62	16,979	20,691	1.14	25,330	38,073	1.44
1967	88,962	143,334	1.57	45,712	82,825	1.77	17,099	21,557	1.21	26,151	38,952	1.46
1968	96,989	152,699	1.52	50,384	88,567	1.70	18,329	22,528	1.20	28,277	41,604	1.43
1969	103,755	164,917	1.53	54,726	95,931	1.69	19,726	24,363	1.19	29,303	44,623	1.47
1970 ⁴	106,529	170,857	1.57	55,613	100,032	1.76	20,551	26,318	1.23	30,364	44,507	1.47
Seasonally adjusted												
1969: Jan.	100,192	153,227	1.53	52,890	89,027	1.68	18,347	22,441	1.22	28,955	41,759	1.44
Feb.	101,418	154,536	1.52	53,362	89,636	1.68	18,799	22,769	1.21	29,257	42,131	1.44
Mar.	101,776	155,671	1.53	53,379	90,371	1.69	19,516	23,080	1.18	28,881	42,220	1.46
Apr.	102,704	156,698	1.53	53,683	91,039	1.70	19,612	23,341	1.19	29,409	42,318	1.44
May	103,349	157,584	1.52	53,858	91,885	1.71	20,105	23,438	1.17	29,386	42,261	1.44
June	104,140	158,553	1.52	54,799	92,193	1.68	19,970	23,611	1.18	29,371	42,749	1.46
July	103,668	159,634	1.54	54,859	93,044	1.70	19,719	23,591	1.20	29,090	42,999	1.48
Aug.	105,295	160,734	1.53	55,890	93,590	1.67	20,059	23,609	1.18	29,346	43,535	1.48
Sept.	106,078	161,841	1.53	56,609	94,228	1.66	20,210	23,716	1.17	29,259	43,897	1.50
Oct.	106,593	163,331	1.53	56,685	94,964	1.68	20,288	23,956	1.18	29,620	44,411	1.50
Nov.	105,566	163,763	1.55	55,888	95,474	1.71	20,207	24,021	1.19	29,471	44,268	1.50
Dec.	105,021	164,917	1.57	55,540	95,931	1.73	20,062	24,363	1.21	29,419	44,623	1.52
1970: Jan.	104,932	164,698	1.57	55,070	96,200	1.75	20,292	24,484	1.21	29,570	44,014	1.49
Feb.	106,164	165,638	1.56	55,613	96,652	1.74	20,571	24,853	1.21	29,980	44,133	1.47
Mar.	105,487	166,149	1.58	55,223	96,982	1.76	20,463	24,842	1.21	29,801	44,325	1.49
Apr.	105,087	167,059	1.59	54,539	97,791	1.79	20,012	24,942	1.25	30,536	44,326	1.45
May	106,847	166,734	1.56	55,661	97,635	1.75	20,684	24,990	1.21	30,502	44,109	1.45
June	107,612	167,375	1.56	56,438	97,706	1.73	20,656	25,142	1.22	30,518	44,527	1.46
July	108,393	168,635	1.56	57,025	98,260	1.72	20,639	25,410	1.23	30,729	44,965	1.46
Aug.	108,175	169,364	1.57	56,696	98,488	1.74	20,698	25,423	1.23	30,781	45,453	1.48
Sept.	108,074	170,038	1.57	56,475	98,658	1.75	20,714	25,689	1.24	30,885	45,691	1.48
Oct.	106,224	170,352	1.60	54,936	99,466	1.81	20,754	26,003	1.25	30,534	44,883	1.47
Nov.	104,824	170,857	1.63	54,058	100,032	1.85	20,583	26,318	1.28	30,173	44,507	1.48
Dec.										* 30,593		

¹ Monthly average for year and total for month.² Seasonally adjusted, end of period.³ Inventory/sales ratio. For annual periods, ratio of weighted average inventories to average monthly sales; for monthly data, ratio of inventories at end of month to sales for month.⁴ Manufacturing data prior to 1961 not completely comparable with later data. See Department of Commerce, Bureau of the Census, "Series M3-1.1," September 1968.⁵ Based on seasonally adjusted data through November.⁶ Unofficial estimate.

Note.—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 (Office of Business Economics and Bureau of the Census).

TABLE C-43.—Manufacturers' shipments and inventories, 1947-70

(Millions of dollars)

Year or month	Shipments ¹			Inventories ²								
	Total	Durable goods industries	Non-durable goods industries	Total	Durable goods industries				Nondurable goods industries			
					Total	Materials and supplies	Work in process	Finished goods	Total	Materials and supplies	Work in process	Finished goods
1947	15,513	6,694	8,819	25,897	13,061				12,836			
1948	17,316	7,579	9,738	28,543	14,662				13,881			
1949	16,126	7,191	8,935	26,321	13,060				13,261			
1950	18,634	8,845	9,789	31,078	15,539				15,539			
1951	21,714	10,493	11,221	39,306	20,991				18,315			
1952	22,529	11,313	11,216	41,136	23,731				17,405			
1953	24,843	13,349	11,494	43,948	25,878	8,966	10,720	6,206	18,070	8,317	2,472	7,409
1954	23,355	11,828	11,527	41,612	23,710	7,894	9,721	6,040	17,902	8,167	2,440	7,415
1955	26,480	14,071	12,409	45,069	26,405	9,194	10,756	6,348	18,664	8,556	2,571	7,666
1956	27,740	14,715	13,025	50,642	30,447	10,417	12,317	7,565	20,195	8,971	2,721	8,622
1957	28,736	15,237	13,499	51,871	31,728	10,608	12,837	8,125	20,143	8,775	2,864	8,624
1958	27,280	13,571	13,708	50,070	30,095	9,847	12,294	7,749	19,975	8,671	2,800	8,498
1959	30,219	15,545	14,674	52,707	31,839	10,585	12,952	8,143	20,868	9,089	2,928	8,857
1960	30,796	15,817	14,979	53,814	32,360	10,286	12,780	9,190	21,454	9,113	2,935	9,353
1961 ³	30,896	15,544	15,352	54,939	32,509	10,242	13,211	9,056	22,430	9,464	3,193	9,773
1962	33,113	17,103	16,010	58,213	34,605	10,798	14,205	9,602	23,608	9,841	3,304	10,463
1963	35,032	18,247	16,786	60,043	35,813	11,001	14,997	9,815	24,230	10,003	3,410	10,817
1964	37,335	19,634	17,701	63,386	38,436	11,927	16,253	10,256	24,950	10,185	3,519	11,246
1965	41,003	22,216	18,788	68,221	42,227	13,299	18,152	10,776	25,994	10,488	3,823	11,683
1966	44,876	24,635	20,240	78,224	49,849	15,507	22,004	12,338	28,375	11,289	4,257	12,829
1967	45,712	24,973	20,739	82,825	53,530	15,604	24,664	13,262	29,295	11,264	4,482	13,549
1968	50,384	27,653	22,731	88,567	57,399	16,634	26,327	14,438	31,168	11,617	4,834	14,717
1969	54,726	30,415	24,311	95,931	63,547	17,606	29,790	16,151	32,384	11,821	5,072	15,491
1970 ⁴	55,613	30,214	25,399	100,032	65,920	17,867	30,551	17,502	34,112	12,260	4,973	16,879
Seasonally adjusted												
1969: Jan	52,890	29,358	23,532	89,027	57,931	16,762	26,636	14,533	31,096	11,513	4,972	14,611
Feb	53,362	29,842	23,520	89,636	58,311	16,699	26,934	14,678	31,325	11,585	5,000	14,740
Mar	53,379	29,641	23,738	90,371	58,968	16,983	27,208	14,777	31,403	11,567	4,944	14,892
Apr	53,683	29,862	23,821	91,039	59,427	16,940	27,426	15,061	31,612	11,716	4,972	14,924
May	53,858	29,708	24,150	91,885	60,074	17,021	27,777	15,276	31,811	11,772	5,004	15,035
June	54,799	30,292	24,507	92,193	60,505	17,011	28,092	15,402	31,688	11,696	4,945	15,047
July	54,859	30,210	24,649	93,044	61,356	17,045	28,729	15,582	31,688	11,660	4,948	15,080
Aug	55,890	31,548	24,342	93,590	61,653	16,959	29,007	15,687	31,937	11,743	4,985	15,209
Sept	56,609	31,914	24,695	94,228	62,100	17,024	29,292	15,784	32,128	11,803	5,047	15,278
Oct	56,685	31,680	25,005	94,964	62,704	17,101	29,552	16,051	32,260	11,997	5,078	15,185
Nov	55,888	31,011	24,877	95,474	63,089	17,217	29,693	16,179	32,385	11,966	5,076	15,343
Dec	55,540	30,603	24,937	95,931	63,547	17,606	29,790	16,151	32,384	11,821	5,072	15,491
1970: Jan	55,070	29,930	25,140	96,200	63,909	17,663	29,998	16,248	32,291	11,647	5,076	15,568
Feb	55,613	30,273	25,340	96,652	63,977	17,702	29,965	16,310	32,675	11,818	5,013	15,844
Mar	55,223	29,757	25,466	96,982	64,263	17,698	30,060	16,505	32,719	11,936	4,958	15,825
Apr	54,539	29,633	24,906	97,791	64,689	17,570	30,309	16,810	33,102	11,950	4,993	16,159
May	55,661	30,488	25,173	97,635	64,447	17,447	30,308	16,692	33,188	11,921	5,013	16,254
June	56,438	30,638	25,800	97,706	64,395	17,438	30,263	16,694	33,311	11,910	5,002	16,399
July	57,025	31,315	25,710	98,260	65,079	17,470	30,605	17,004	33,181	11,849	4,977	16,355
Aug	56,696	31,270	25,426	98,488	65,290	17,621	30,555	17,114	33,198	11,856	4,896	16,446
Sept	56,475	30,863	25,612	98,658	65,323	17,652	30,539	17,132	33,335	11,877	4,887	16,571
Oct	54,936	29,369	25,567	99,466	65,628	17,708	30,522	17,398	33,838	12,117	4,940	16,781
Nov	54,068	28,815	25,253	100,032	65,920	17,867	30,551	17,502	34,112	12,260	4,973	16,879
Dec		29,925										

¹ Monthly average for year and total for month.² Book value, seasonally adjusted, end of period.³ Data prior to 1961 not completely comparable with later data. See Department of Commerce, Bureau of the Census, "Series M3-1.1," September 1968.⁴ Based on seasonally adjusted data through November.

Source: Department of Commerce, Bureau of the Census.

TABLE C-44.—Manufacturers' new and unfilled orders, 1947-70

[Amounts in millions of dollars]

Year or month	New orders ¹				Unfilled orders ²			Unfilled orders-shipments ratio ³		
	Total	Durable goods industries		Non-durable goods industries	Total	Durable goods industries	Non-durable goods industries	Total	Durable goods industries	Non-durable goods industries
		Total	Producers' capital goods industries							
1947	15,256	6,388	—	8,868	34,415	28,532	5,883	—	—	—
1948	17,692	8,126	—	9,566	30,717	26,601	4,116	—	—	—
1949	15,614	6,633	—	8,981	24,506	20,018	4,488	—	—	—
1950	20,110	10,165	—	9,945	43,055	36,838	6,217	—	—	—
1951	23,907	12,841	—	11,066	69,785	65,835	3,950	—	—	—
1952	23,203	12,061	—	11,142	75,649	72,480	3,169	—	—	—
1953	23,533	12,105	2,084	11,428	61,178	58,637	2,541	—	—	—
1954	22,313	10,743	1,770	11,570	48,266	45,250	3,016	3.42	4.12	0.96
1955	27,423	14,954	2,499	12,469	60,004	56,241	3,763	3.63	4.27	1.12
1956	28,383	15,381	2,870	13,002	67,375	63,880	3,495	3.87	4.55	1.04
1957	27,514	14,073	2,566	13,441	53,183	50,352	2,831	3.35	4.00	.85
1958	26,901	13,170	2,354	13,731	48,882	45,739	3,143	2.60	3.49	.55
1959	30,679	15,951	2,878	14,728	54,494	50,654	3,840	2.85	3.44	.88
1960	30,115	15,223	2,791	14,892	46,133	43,401	2,732	2.58	3.21	.63
1961 ⁴	31,086	15,699	2,854	15,387	48,395	45,241	3,154	2.52	3.61	.72
1962	33,005	17,025	3,090	15,980	47,307	44,485	2,822	2.46	2.95	.65
1963	35,322	18,521	3,412	16,801	50,940	47,958	2,982	2.40	2.89	.63
1964	37,952	20,258	3,935	17,694	58,506	55,623	2,883	2.49	2.99	.57
1965	41,803	22,986	4,435	18,817	68,146	64,920	3,226	2.62	3.12	.60
1966	45,938	25,709	5,268	20,229	80,944	77,864	3,080	2.90	3.48	.54
1967	45,928	25,189	5,250	20,739	83,410	80,321	3,089	2.80	3.36	.51
1968	50,670	27,942	5,804	22,728	86,718	83,665	3,053	2.74	3.32	.45
1969	54,933	30,624	6,553	24,309	89,221	86,206	3,015	2.59	3.11	.42
1970 ⁵	54,958	29,549	6,421	25,410	82,014	78,883	3,131	—	—	—
Seasonally adjusted										
1969: Jan	53,459	29,942	6,309	23,517	87,287	84,249	3,038	2.66	3.21	.44
Feb	53,740	30,198	6,527	23,542	87,665	84,605	3,060	2.64	3.17	.45
Mar	53,740	29,949	6,419	23,791	88,026	84,913	3,113	2.66	3.20	.45
Apr	54,715	30,859	7,052	23,856	89,058	85,910	3,148	2.66	3.20	.45
May	54,621	30,501	6,516	24,120	89,821	86,703	3,118	2.69	3.23	.45
June	54,101	29,556	6,460	24,545	89,123	85,967	3,156	2.63	3.16	.45
July	55,641	31,063	6,397	24,578	89,905	86,820	3,085	2.63	3.18	.42
Aug	55,779	31,463	6,294	24,316	89,794	86,735	3,059	2.62	3.15	.43
Sept	56,669	31,986	7,086	24,683	89,854	86,807	3,047	2.58	3.08	.43
Oct	56,430	31,436	6,349	24,994	89,599	86,563	3,036	2.54	3.05	.42
Nov	55,912	31,048	6,744	24,864	89,623	86,600	3,023	2.57	3.09	.42
Dec	55,138	30,209	6,536	24,929	89,221	86,206	3,015	2.59	3.11	.42
1970: Jan	54,119	29,046	6,542	25,073	88,270	85,322	2,948	2.58	3.13	.43
Feb	54,714	29,368	6,627	25,346	87,371	84,417	2,954	2.54	3.07	.43
Mar	54,339	28,861	5,998	25,478	86,487	83,521	2,966	2.55	3.08	.43
Apr	53,374	28,449	5,984	24,925	85,322	82,337	2,985	2.53	3.07	.44
May	55,139	29,977	6,302	25,162	84,797	81,824	2,973	2.47	2.97	.44
June	55,778	30,028	6,281	25,750	84,146	81,221	2,925	2.44	2.95	.42
July	57,111	31,399	6,411	25,712	84,229	81,301	2,928	2.39	2.90	.41
Aug	55,968	30,537	6,299	25,431	83,492	80,561	2,931	2.39	2.88	.43
Sept	55,523	29,856	6,759	25,667	82,544	79,559	2,985	2.34	2.81	.43
Oct	54,190	28,504	6,552	25,686	81,797	78,693	3,104	2.38	2.87	.45
Nov ⁶	54,291	29,009	6,873	25,282	82,014	78,883	3,131	2.42	2.92	.46
Dec ⁶	—	30,088	6,224	—	—	—	—	—	—	—

¹ Monthly average for year and total for month.² Seasonally adjusted, end of period.³ Ratio of unfilled orders at end of period to shipments for period; excludes industries with no unfilled orders. Annual figures relate to seasonally adjusted data for December.⁴ Data prior to 1961 not completely comparable with later data. Comparable data for new orders (total, durable, and non-durable) are available for 1958, 1959, and 1960 only. See Department of Commerce, Bureau of the Census, "Series M3-1.1," September 1968, for these data.⁵ Based on seasonally adjusted data through November.

Source: Department of Commerce, Bureau of the Census.

PRICES

TABLE C-45.—Consumer price indexes, by major groups, 1929-70
For city wage earners and clerical workers
[1967=100]

Year or month	All items	Food	Housing		Apparel and upkeep	Transportation	Medical care	Personal care	Reading and recreation	Other goods and services
			Total	Rent						
1929	51.3	48.3		76.0	48.5					
1930	50.0	45.9		73.9	47.5					
1931	45.6	37.8		70.0	43.2					
1932	40.9	31.5		62.8	38.2					
1933	38.8	30.6		54.1	36.9					
1934	40.1	34.1		50.7	40.4					
1935	41.1	36.5	49.3	50.6	40.8	42.6	36.1	36.9	41.8	44.6
1936	41.5	36.9	50.0	51.9	41.1	43.0	36.3	37.4	42.5	44.5
1937	43.0	38.4	51.7	54.2	43.2	43.7	36.6	39.6	43.7	45.7
1938	42.2	35.6	52.6	56.0	43.0	44.0	36.7	40.4	45.2	46.1
1939	41.6	34.6	52.2	56.0	42.4	43.0	36.7	40.3	45.3	46.9
1940	42.0	35.2	52.4	56.2	42.8	42.7	36.8	40.2	46.1	48.3
1941	44.1	38.4	53.7	57.2	44.8	44.2	37.0	41.2	47.7	49.2
1942	48.8	45.1	56.2	58.5	52.3	48.1	38.0	45.2	50.0	50.7
1943	51.8	50.3	56.8	58.5	54.6	47.9	39.9	49.9	54.1	53.3
1944	52.7	49.6	58.1	58.6	58.5	47.9	41.1	53.4	60.0	54.7
1945	53.9	50.7	59.1	58.8	61.5	47.8	42.1	55.1	62.4	56.9
1946	58.5	58.1	60.6	59.2	67.5	50.3	44.4	59.0	64.5	58.8
1947	66.9	70.6	65.2	61.1	78.2	55.5	48.1	66.0	68.7	63.8
1948	72.1	76.6	69.8	65.1	83.3	61.8	51.1	68.5	72.2	66.8
1949	71.4	73.5	70.9	68.0	80.1	66.4	52.7	68.3	74.9	68.7
1950	72.1	74.5	72.8	70.4	79.0	68.2	53.7	68.3	74.4	69.9
1951	77.8	82.8	77.2	73.2	86.1	72.5	56.3	74.7	76.6	72.8
1952	79.5	84.3	78.7	76.2	85.3	77.3	59.3	75.6	76.9	76.6
1953	80.1	83.0	80.8	80.3	84.6	79.5	61.4	76.3	77.7	78.5
1954	80.5	82.8	81.7	83.2	84.5	78.3	63.4	76.6	76.9	79.8
1955	80.2	81.6	82.3	84.3	84.1	77.4	64.8	77.9	76.7	79.8
1956	81.4	82.2	83.6	85.9	85.8	78.8	67.2	81.1	77.8	81.0
1957	84.3	84.9	86.2	87.5	87.3	83.3	69.9	84.1	80.7	83.3
1958	86.6	88.5	87.7	89.1	87.5	86.0	73.2	86.9	83.9	84.4
1959	87.3	87.1	88.6	90.4	88.2	89.6	76.4	88.7	85.3	86.1
1960	88.7	88.0	90.2	91.7	89.6	89.6	79.1	90.1	87.3	87.8
1961	89.6	89.1	90.9	92.9	90.4	90.6	81.4	90.6	89.3	88.5
1962	90.6	89.9	91.7	94.0	90.9	92.5	83.5	92.2	91.3	89.1
1963	91.7	91.2	92.7	95.0	91.9	93.0	85.6	93.4	92.8	90.6
1964	92.9	92.4	93.8	95.9	92.7	94.3	87.3	94.5	95.0	92.0
1965	94.5	94.4	94.9	96.9	93.7	95.9	89.5	95.2	95.9	94.2
1966	97.2	99.1	97.2	98.2	96.1	97.2	93.4	97.1	97.5	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.2	102.4	105.4	103.2	106.1	104.2	104.7	104.6
1969	109.8	108.9	110.8	105.7	111.5	107.2	113.4	109.3	108.7	109.1
1970 ¹	116.1	114.9	118.6	109.8	115.8	112.3	120.3	113.0	113.1	115.7
1969: Jan.	106.7	105.9	107.3	104.0	108.2	104.1	109.9	107.1	106.9	106.3
Feb.	107.1	105.8	107.9	104.3	108.7	105.3	110.7	107.4	106.9	106.4
Mar.	108.0	106.3	108.8	104.5	109.6	107.2	111.6	108.1	107.2	106.7
Apr.	108.7	106.9	109.6	104.8	110.2	107.5	112.4	108.7	107.9	107.1
May	109.0	107.4	110.1	105.1	111.1	107.0	113.0	108.9	108.4	107.4
June	109.7	108.9	110.5	105.4	111.4	107.5	113.5	109.3	108.6	108.2
July	110.2	110.0	111.1	105.7	111.2	107.2	114.0	109.6	108.8	109.2
Aug.	110.7	110.6	111.8	106.1	111.1	107.2	114.7	109.8	109.2	110.1
Sept.	111.2	110.7	112.5	106.5	112.9	106.6	115.3	110.2	109.6	111.1
Oct.	111.6	110.4	113.0	106.9	113.9	108.5	114.8	110.2	109.9	111.8
Nov.	112.2	111.2	113.6	107.2	114.6	108.4	115.1	110.6	110.2	112.6
Dec.	112.9	112.8	114.2	107.7	114.7	109.1	115.7	110.9	110.5	112.9
1970: Jan.	113.3	113.5	114.7	107.9	113.4	109.8	116.3	111.3	110.8	113.3
Feb.	113.9	114.1	115.7	108.4	114.0	109.8	117.1	111.7	110.9	113.6
Mar.	114.5	114.2	116.9	108.8	114.6	109.7	118.2	112.2	111.2	114.0
Apr.	115.2	114.6	117.6	109.1	115.0	111.2	119.1	112.4	111.9	114.7
May	115.7	114.9	118.2	109.4	115.7	112.1	119.7	112.8	112.6	115.1
June	116.3	115.2	118.6	109.8	116.0	112.7	120.5	112.7	113.3	115.7
July	116.7	115.8	119.2	110.1	115.3	113.4	121.3	113.1	113.7	116.2
Aug.	116.9	115.9	119.9	110.5	115.4	112.7	122.0	113.7	114.2	116.8
Sept.	117.5	115.7	120.6	110.9	117.2	113.0	122.6	114.0	114.7	117.4
Oct.	118.1	115.5	121.2	111.4	118.2	115.2	122.8	114.4	115.2	118.0
Nov.	118.5	114.9	121.9	111.8	119.0	116.0	123.4	114.5	116.0	118.3

¹ Eleven-month average.

Note.—The indexes in this table were converted to a 1967 base from the Bureau of Labor Statistics indexes published on a 1957-59 base.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-46.—Consumer price indexes, by special groups, 1935-70

For city wage earners and clerical workers

[1967=100]

Year or month	All items	All items less food	All items less shelter	Commodities						Services		
				All commodities	Food	Commodities less food			Total non-durable	All services	Rent	All services less rent
						All	Durable	Non-durable				
1935.....	41.1	44.9	39.8	40.5	36.5	46.0	45.2	43.1	39.0	40.9	50.6	37.6
1936.....	41.5	45.4	40.3	41.0	36.9	46.5	45.8	43.5	39.6	41.3	51.9	37.4
1937.....	43.0	47.0	41.6	42.6	38.4	48.5	48.7	45.3	41.1	42.6	54.2	37.8
1938.....	42.2	47.5	40.4	41.0	35.6	48.5	49.6	45.0	39.2	43.4	56.0	38.1
1939.....	41.6	47.2	39.7	40.2	34.6	47.7	48.5	44.3	38.4	43.5	56.0	38.1
1940.....	42.0	47.3	39.9	40.6	35.2	48.0	48.1	44.7	38.9	43.6	56.2	38.1
1941.....	44.1	48.7	42.4	43.3	38.4	50.4	51.4	46.7	41.6	44.2	57.2	38.6
1942.....	48.8	52.1	47.7	49.6	45.1	56.0	58.4	51.6	47.6	45.6	58.5	40.3
1943.....	51.8	53.6	51.3	54.0	50.3	58.4	60.3	53.8	51.8	46.4	58.5	42.1
1944.....	52.7	55.7	52.2	54.7	49.6	61.6	65.9	56.6	52.2	47.5	58.6	44.2
1945.....	53.9	56.9	53.6	56.3	50.7	64.1	70.9	58.6	53.7	48.2	58.8	45.1
1946.....	58.5	59.4	59.0	62.4	58.1	68.1	74.1	62.9	59.6	49.1	59.2	46.7
1947.....	66.9	64.9	68.5	75.0	70.6	76.8	80.3	72.2	71.9	51.1	61.1	49.0
1948.....	72.1	69.6	73.9	80.4	76.6	82.7	86.2	77.8	77.2	54.3	65.1	51.9
1949.....	71.4	70.3	72.6	78.3	73.5	81.5	87.4	76.3	74.9	56.9	68.0	54.5
1950.....	72.1	71.1	73.1	78.8	74.5	81.4	88.4	76.2	75.4	58.7	70.4	56.0
1951.....	77.8	75.7	79.2	85.9	82.8	87.5	95.1	82.0	82.5	61.8	73.2	59.3
1952.....	79.5	77.5	80.8	87.0	84.3	88.3	96.4	82.4	83.4	64.5	76.2	62.2
1953.....	80.1	79.0	81.0	86.7	83.0	88.5	95.7	83.1	83.2	67.3	80.3	64.8
1954.....	80.5	79.5	81.0	85.9	82.8	87.5	93.3	83.5	83.2	69.5	83.2	66.7
1955.....	80.2	79.7	80.6	85.1	81.6	86.9	91.5	83.5	82.5	70.9	84.3	68.2
1956.....	81.4	81.1	81.7	85.9	82.2	87.8	91.5	85.3	83.7	72.7	85.9	70.1
1957.....	84.3	83.8	84.4	88.6	84.9	90.5	94.4	87.6	86.3	75.6	87.5	73.3
1958.....	86.6	85.7	86.9	90.6	88.5	91.5	95.9	88.2	88.6	78.5	89.1	76.4
1959.....	87.3	87.3	87.6	90.7	87.1	92.7	97.3	89.3	88.2	80.8	90.4	79.0
1960.....	88.7	88.8	88.9	91.5	88.0	93.1	96.7	90.7	89.4	83.5	91.7	81.9
1961.....	89.6	89.7	89.9	92.0	89.1	93.4	96.6	91.2	90.2	85.2	92.9	83.9
1962.....	90.6	90.8	90.9	92.8	89.9	94.1	97.6	91.8	90.9	86.8	94.0	85.5
1963.....	91.7	92.0	92.1	93.6	91.2	94.8	97.9	92.7	92.0	88.5	95.0	87.3
1964.....	92.9	93.2	93.2	94.6	92.4	95.6	98.8	93.5	93.0	90.2	95.9	89.2
1965.....	94.5	94.5	94.6	95.7	94.4	96.2	98.4	94.8	94.6	92.2	96.9	91.5
1966.....	97.2	96.7	97.4	98.2	99.1	97.5	98.5	97.0	98.1	95.8	98.2	95.3
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968.....	104.2	104.4	104.1	103.7	103.6	103.7	103.1	104.1	103.9	105.2	102.4	105.7
1969.....	109.8	110.1	109.0	108.4	108.9	108.1	107.0	108.8	108.9	112.5	105.7	113.8
1970.....	116.1	116.4	114.2	113.3	114.9	112.3	111.4	112.9	113.9	121.3	109.8	123.4
1969: Jan.....	106.7	106.9	106.2	105.6	105.9	105.3	104.1	106.2	106.1	108.8	104.0	109.8
Feb.....	107.1	107.5	106.6	105.9	105.8	106.0	105.2	106.5	106.2	109.4	104.3	110.3
Mar.....	108.0	108.6	107.3	106.7	106.3	107.0	106.5	107.3	106.8	110.3	104.5	111.4
Apr.....	108.7	109.2	107.9	107.3	106.9	107.3	106.8	107.8	107.5	111.2	104.8	112.4
May.....	109.0	109.5	108.2	107.6	107.4	107.6	106.7	108.2	107.9	111.7	105.1	113.0
June.....	109.7	109.9	109.0	108.4	108.9	108.1	107.1	108.8	108.9	112.2	105.4	113.5
July.....	110.2	110.3	109.3	108.8	110.0	108.2	107.3	108.8	109.4	112.8	105.7	114.1
Aug.....	110.7	110.7	109.7	109.2	110.6	108.2	107.3	109.0	109.8	113.5	106.1	115.0
Sept.....	111.2	111.3	110.1	109.4	110.7	108.7	107.0	110.0	110.4	114.3	106.5	115.7
Oct.....	111.6	112.0	110.5	110.1	110.4	109.7	108.5	110.6	110.6	114.7	106.9	116.2
Nov.....	112.2	112.5	111.0	110.5	111.2	110.1	108.8	111.0	111.1	115.3	107.2	116.8
Dec.....	112.9	112.9	111.7	111.2	112.8	110.2	108.9	111.1	112.0	116.1	107.7	117.7
1970: Jan.....	113.3	113.3	112.0	111.2	113.5	110.0	109.0	110.7	112.1	117.1	107.9	118.8
Feb.....	113.9	113.9	112.4	111.7	114.1	110.3	109.0	111.2	112.6	118.0	108.4	119.8
Mar.....	114.5	114.6	112.8	112.0	114.2	110.6	109.4	111.5	112.9	119.3	108.8	121.2
Apr.....	115.2	115.4	113.5	112.6	114.6	111.4	110.1	112.3	113.4	120.1	109.1	122.1
May.....	115.7	116.0	114.0	113.1	114.9	112.0	111.1	112.7	113.9	120.7	109.4	122.8
June.....	116.3	116.5	114.4	113.5	115.2	112.5	111.9	112.9	114.0	121.4	109.8	123.5
July.....	116.7	117.0	114.8	113.8	115.8	112.5	112.1	113.0	114.4	122.0	110.1	124.2
Aug.....	116.9	117.2	114.9	113.8	115.9	112.6	112.2	113.0	114.5	122.7	110.5	124.9
Sept.....	117.5	118.0	115.4	114.2	115.7	113.4	112.5	114.1	114.9	123.5	110.9	125.8
Oct.....	118.1	118.9	116.0	114.8	115.5	114.5	113.9	114.9	115.2	124.1	111.4	126.5
Nov.....	118.5	119.6	116.3	115.1	114.9	115.1	114.7	115.4	115.3	124.9	111.8	127.3

¹ Eleven-month average.

Note.—The indexes in this table were converted to a 1967 base from the Bureau of Labor Statistics indexes published on a 1957-59 base.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-47.—Consumer price indexes, selected commodities and services, 1935-70

For city wage earners and clerical workers

[1967=100]

Year or month	Durable commodities					Nondurable commodities less food			Services less rent				
	Total ¹	New cars	Used cars	Household durables	House furnishings	Total	Apparel commodities	Nondurables less food and apparel	Total	Household services less rent	Transportation services	Medical care services	Other ²
1935.....	45.2	41.1	-----	52.1	47.6	43.1	41.3	45.4	37.6	-----	36.3	31.8	-----
1936.....	45.8	41.4	-----	53.1	48.4	43.5	41.8	45.9	37.4	-----	36.0	31.9	-----
1937.....	48.7	42.2	-----	57.7	52.4	45.3	44.1	47.0	37.8	-----	35.7	32.3	-----
1938.....	49.6	44.2	-----	57.7	52.0	45.0	43.7	46.9	38.1	-----	36.0	32.4	-----
1939.....	48.5	43.2	-----	56.6	50.9	44.3	43.0	46.3	38.1	-----	36.1	32.5	-----
1940.....	48.1	43.3	-----	55.9	50.5	44.7	43.5	46.8	38.1	-----	36.1	32.5	-----
1941.....	51.4	46.6	-----	59.8	54.0	46.7	45.8	48.4	38.6	-----	36.3	32.7	-----
1942.....	58.4	-----	-----	66.9	61.4	51.6	53.5	51.1	40.3	-----	38.2	33.7	-----
1943.....	60.3	-----	-----	69.5	63.1	53.8	55.9	53.2	42.1	-----	38.2	35.4	-----
1944.....	65.9	-----	-----	76.0	68.6	56.6	59.8	54.7	44.2	-----	38.2	36.9	-----
1945.....	70.9	-----	-----	81.8	73.3	58.6	63.0	55.8	45.1	-----	38.2	37.9	-----
1946.....	74.1	-----	-----	86.5	80.0	62.9	69.5	58.2	46.7	-----	39.0	40.1	-----
1947.....	80.3	69.2	-----	95.6	92.7	72.2	80.4	66.2	49.0	-----	40.3	43.5	-----
1948.....	86.2	75.6	-----	101.7	98.3	77.8	85.4	72.3	51.9	-----	44.9	46.4	-----
1949.....	87.4	82.8	-----	99.0	94.9	76.3	82.0	72.4	54.5	-----	50.0	48.1	-----
1950.....	88.4	83.4	-----	100.2	95.5	76.2	81.1	72.9	56.0	-----	53.3	49.2	-----
1951.....	95.1	87.4	-----	109.8	106.0	82.0	88.7	77.5	59.3	-----	58.3	51.7	-----
1952.....	96.4	94.9	-----	106.9	103.4	82.4	87.7	79.0	62.2	-----	62.4	55.0	-----
1953.....	95.7	95.8	89.2	105.7	102.9	83.1	86.7	81.0	64.8	-----	66.4	57.0	-----
1954.....	93.3	94.3	75.9	102.9	101.1	83.5	86.3	81.8	66.7	-----	69.2	58.7	-----
1955.....	91.5	90.9	71.8	100.1	99.2	83.5	85.8	82.1	68.2	-----	69.4	60.4	-----
1956.....	91.5	93.5	69.1	99.7	98.1	85.3	87.3	84.1	70.1	71.2	70.5	62.8	71.1
1957.....	94.4	98.4	77.4	101.4	99.7	87.6	88.2	87.4	73.3	75.4	73.8	65.5	73.9
1958.....	95.9	101.5	80.2	102.1	99.0	88.2	88.2	88.3	76.4	79.4	78.5	68.7	76.2
1959.....	97.3	105.9	89.5	102.0	99.0	89.3	89.0	89.6	79.0	81.6	81.2	72.0	78.0
1960.....	96.7	104.5	83.6	101.9	99.3	90.7	90.3	90.9	81.9	85.0	83.3	74.9	80.8
1961.....	96.6	104.5	86.9	100.7	98.7	91.2	90.8	91.3	83.9	86.0	85.3	77.7	83.4
1962.....	97.6	104.1	94.8	100.6	98.1	91.8	91.2	92.1	85.5	87.1	86.6	80.2	85.6
1963.....	97.9	103.5	96.0	100.3	97.7	92.7	92.0	93.1	87.3	89.0	87.5	82.6	87.7
1964.....	98.8	103.2	100.1	100.2	97.6	93.5	92.8	93.9	89.2	90.4	89.6	84.6	90.1
1965.....	98.4	100.9	99.4	98.7	97.1	94.8	93.6	95.5	91.5	92.1	92.9	87.3	92.6
1966.....	98.5	99.1	97.0	98.6	98.0	97.0	96.0	97.5	95.3	95.7	96.8	92.0	96.2
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968.....	103.1	102.8	(?)	103.3	103.9	104.1	105.6	103.3	105.7	105.9	104.0	107.3	105.6
1969.....	107.0	104.4	103.1	107.4	108.1	108.8	111.9	107.0	113.8	115.3	111.3	116.0	110.6
1970 ⁴	111.4	107.0	103.8	110.1	111.3	112.9	116.2	111.0	123.4	126.3	122.7	123.8	116.4
1969: Jan.....	104.1	104.3	95.1	105.2	105.8	106.2	108.5	104.9	109.8	110.1	108.4	111.8	108.2
Feb.....	105.2	104.3	100.9	105.6	106.3	106.5	108.9	105.1	110.3	110.7	108.9	112.8	108.5
Mar.....	106.5	104.4	107.4	106.3	106.9	107.3	110.0	105.8	111.4	112.2	109.7	113.9	108.9
Apr.....	106.8	103.9	108.0	106.9	107.4	107.8	110.5	106.3	112.4	113.5	110.1	114.8	109.7
May.....	106.7	103.8	104.4	107.5	107.9	108.2	111.5	106.4	113.0	114.2	110.4	115.5	110.0
June.....	107.1	103.8	105.5	107.7	108.1	108.8	111.9	107.0	113.5	114.7	110.8	116.1	110.4
July.....	107.3	103.6	104.5	107.9	108.4	108.8	111.7	107.3	114.1	115.7	111.0	116.8	110.8
Aug.....	107.3	103.0	103.2	107.9	108.5	109.0	111.4	107.6	115.0	116.7	111.4	117.5	111.4
Sept.....	107.0	101.4	99.9	108.1	109.0	110.0	113.4	108.0	115.7	117.7	112.1	118.3	111.9
Oct.....	108.5	106.2	103.5	108.4	109.3	110.6	114.4	108.4	116.2	118.4	113.0	117.6	112.2
Nov.....	108.8	107.1	102.8	108.5	109.5	111.0	115.4	108.4	116.8	119.2	113.6	118.0	112.7
Dec.....	108.9	106.9	102.0	108.5	109.7	111.1	115.3	108.8	117.7	120.0	115.6	118.7	113.2
1970: Jan.....	109.0	106.7	99.3	108.6	109.6	110.7	113.8	108.9	118.8	120.6	119.1	119.4	113.6
Feb.....	109.0	106.6	97.0	108.9	110.2	111.2	114.4	109.4	119.8	122.0	120.0	120.3	113.9
Mar.....	109.4	106.4	96.8	109.4	110.8	111.5	115.0	109.5	121.2	124.2	120.3	121.6	114.3
Apr.....	110.1	106.3	99.7	109.8	111.1	112.3	115.4	110.5	122.1	125.3	121.1	122.5	115.1
May.....	111.1	106.1	104.9	110.0	111.3	112.7	116.1	110.8	122.8	126.0	121.6	123.1	115.8
June.....	111.9	105.8	108.6	110.2	111.5	112.9	116.3	111.0	123.5	126.5	122.4	124.0	116.7
July.....	112.1	105.7	108.5	110.3	111.6	113.0	115.5	111.6	124.2	127.2	123.5	124.9	117.0
Aug.....	112.2	105.5	106.3	110.4	111.5	113.0	115.6	111.6	124.9	128.1	123.8	125.8	117.5
Sept.....	112.5	105.1	104.9	110.6	111.8	114.1	117.6	112.0	125.8	129.1	124.8	126.5	118.1
Oct.....	113.9	110.8	107.2	111.0	112.2	114.9	118.8	112.6	126.5	129.8	125.9	126.7	118.8
Nov.....	114.7	112.5	108.8	111.4	112.7	115.4	119.7	113.0	127.3	130.7	126.9	127.5	119.1

¹ Includes certain items not shown separately.² Includes the services components of apparel, personal care, reading and recreation, and other goods and services.³ Not available.⁴ Eleven-month average.

Note.—The indexes in this table were converted to a 1967 base from the Bureau of Labor Statistics indexes published on a 1957-59 base.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-48.—Wholesale price indexes, by major commodity groups, 1929-70

[1967 = 100]

Year or month	All commodities	Farm products	Processed foods and feeds	Industrial commodities				
				Total	Textile products and apparel	Hides, skins, leather, and related products	Fuels and related products, and power	Chemicals and allied products
1929	49.1	64.1		48.6		48.9	59.4	
1930	44.6	54.2		45.2		44.9	56.2	
1931	37.6	39.7		39.9		38.6	48.3	
1932	33.6	29.5		37.3		32.8	50.3	
1933	34.0	31.4		37.8		36.3	47.6	47.4
1934	38.6	40.0		41.6		38.8	52.4	49.6
1935	41.3	48.1		41.4		40.2	52.6	51.7
1936	41.7	49.5		42.2		42.7	54.5	52.0
1937	44.5	52.9		45.2		46.9	55.5	54.5
1938	40.5	42.0		43.4		41.6	54.6	51.8
1939	39.8	40.0		43.3		42.8	52.3	51.5
1940	40.5	41.4		44.0		45.2	51.4	52.4
1941	45.1	50.3		47.3		48.4	54.6	57.0
1942	50.9	64.8		50.7		52.8	56.2	63.3
1943	53.3	75.0		51.5		52.7	57.8	64.1
1944	53.6	75.5		52.3		52.2	59.5	64.8
1945	54.6	78.5		53.0		52.9	60.1	65.2
1946	62.3	90.9		58.0		61.1	64.4	70.5
1947	76.5	109.4	82.9	70.8	103.6	83.3	76.9	93.7
1948	82.8	117.5	88.7	76.9	108.1	84.2	90.5	95.9
1949	78.7	101.6	80.6	75.3	98.9	79.9	86.2	87.6
1950	81.8	106.7	83.4	78.0	102.7	86.3	87.1	88.9
1951	91.1	124.2	92.7	86.1	114.6	99.1	90.3	101.7
1952	88.6	117.2	91.6	84.1	103.4	80.1	90.1	96.5
1953	87.4	106.2	87.4	84.8	100.8	81.3	92.6	97.7
1954	87.6	104.7	88.9	85.0	98.6	77.6	91.3	98.9
1955	87.8	98.2	85.0	86.9	98.7	77.3	91.2	98.5
1956	90.7	96.9	84.9	90.8	98.7	81.9	94.0	99.1
1957	93.3	99.5	87.4	93.3	98.8	82.0	99.1	101.2
1958	94.6	103.9	91.8	93.6	97.0	82.9	95.3	102.0
1959	94.8	97.5	89.4	95.3	98.4	94.2	95.3	101.6
1960	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8
1961	94.5	96.3	91.0	94.8	97.7	91.7	97.2	100.7
1962	94.8	98.0	91.9	94.8	98.6	92.7	96.7	99.1
1963	94.5	96.0	92.5	94.7	98.5	90.0	96.3	97.9
1964	94.7	94.6	92.3	95.2	99.2	90.3	93.7	98.3
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8
1969	106.5	108.8	107.3	106.0	105.9	108.6	101.0	99.9
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2
1969: Jan.	104.3	105.2	103.8	104.3	105.3	106.6	98.8	99.2
Feb.	104.7	105.3	104.1	104.8	105.1	106.6	99.1	99.4
Mar.	105.3	106.8	104.2	105.4	105.0	106.6	100.6	99.6
Apr.	105.5	105.9	105.0	105.5	105.0	108.8	100.9	99.5
May	106.3	110.8	106.9	105.6	104.8	108.9	100.9	99.7
June	106.7	111.5	108.7	105.6	105.1	108.5	101.4	99.9
July	106.8	110.8	109.2	105.7	105.6	109.2	101.4	99.8
Aug.	106.9	109.2	108.8	106.1	106.6	109.2	101.1	100.3
Sept.	107.1	108.7	108.6	106.5	106.9	110.7	101.1	100.5
Oct.	107.4	108.2	108.9	107.1	107.0	110.0	101.7	100.2
Nov.	108.1	111.4	109.0	107.4	107.1	109.5	101.8	100.5
Dec.	108.5	112.0	109.8	107.8	107.1	109.2	102.4	100.4
1970: Jan.	109.3	112.8	112.0	108.3	107.4	109.3	101.9	100.7
Feb.	109.7	114.0	112.1	108.7	107.3	109.4	102.7	101.1
Mar.	109.9	114.6	111.8	108.9	107.4	109.5	102.6	101.6
Apr.	109.9	111.6	111.8	109.3	107.2	111.0	103.8	102.0
May	110.1	111.3	111.1	109.7	107.2	110.4	105.3	102.2
June	110.3	111.6	111.7	109.8	107.2	109.9	104.8	102.1
July	110.9	113.4	113.3	110.0	107.1	109.8	105.1	102.5
Aug.	110.5	108.5	112.9	110.2	107.4	109.8	105.8	102.7
Sept.	111.0	112.1	113.0	110.4	107.5	109.9	107.1	102.5
Oct.	111.0	107.8	111.8	111.3	107.3	110.4	108.7	103.0
Nov.	110.9	107.0	111.7	111.3	107.1	110.9	109.7	103.3
Dec.	111.0	107.1	110.7	111.7	106.7	110.4	112.8	103.3

See footnotes at end of table.

TABLE C-48.—*Wholesale price indexes, by major commodity groups, 1929-70—Continued*
[1967 = 100]

Year or month	Industrial commodities - Continued								
	Rubber and plastic products	Lumber and wood products	Pulp, paper, and allied products	Metals and metal products	Machinery and equipment	Furniture and household durables	Nonmetallic mineral products	Transportation equipment: Motor vehicles and equipment ¹	Miscellaneous products
1929	59.4	25.0		40.2		55.8	51.2	41.9	
1930	52.0	22.9		36.2		54.9	51.0	39.4	
1931	44.2	18.6		32.6		50.5	47.7	37.5	
1932	38.3	16.0		29.9		44.5	44.6	36.5	
1933	40.2	19.0		30.7		44.6	47.2	34.8	
1934	47.0	22.3		33.9		48.5	50.4	36.7	
1935	47.3	21.4		33.8		48.1	50.4	35.2	
1936	51.0	22.4		34.5		48.8	50.5	34.9	
1937	60.0	26.5		39.4		54.1	51.7	37.4	
1938	58.9	24.1		38.0		52.8	50.0	39.9	
1939	61.2	24.8		37.6	41.3	52.6	49.1	39.1	
1940	57.1	27.4		37.8	41.4	53.8	49.1	40.4	
1941	61.5	32.7		38.5	42.1	57.2	50.2	43.2	
1942	71.6	35.6		39.1	42.8	61.8	52.3	47.2	
1943	73.6	37.7		39.0	42.4	61.4	52.4	47.2	
1944	72.7	40.6		39.0	42.1	63.1	53.5	47.5	
1945	70.5	41.2		39.6	42.2	63.2	55.7	48.3	
1946	70.8	47.2		44.3	46.4	67.1	59.3	56.0	
1947	70.5	73.4	72.5	54.9	53.7	77.0	66.3	64.1	73.5
1948	72.8	84.0	75.7	62.5	58.2	81.6	71.6	70.8	76.5
1949	70.5	77.7	72.4	63.0	61.0	82.9	73.5	75.7	78.0
1950	85.9	89.3	74.3	66.3	63.1	84.7	75.4	75.3	79.2
1951	105.4	97.2	88.0	73.8	70.5	91.8	80.1	79.4	83.9
1952	95.5	94.4	85.7	73.9	70.6	90.1	80.1	84.0	83.4
1953	89.1	94.3	85.5	76.3	72.2	91.9	83.3	83.6	85.6
1954	90.4	92.6	85.5	76.9	73.4	92.9	85.1	83.8	86.4
1955	102.4	97.1	87.8	82.1	75.7	93.3	87.5	86.3	86.5
1956	103.8	98.5	93.6	89.2	81.8	95.8	91.3	91.2	87.6
1957	103.4	93.5	95.4	91.0	87.6	98.3	94.8	95.1	90.2
1958	103.3	92.4	96.4	90.4	89.4	99.1	95.8	98.1	92.0
1959	102.9	98.8	97.3	92.3	91.3	99.3	97.0	100.3	92.2
1960	103.1	95.3	98.1	92.4	92.0	99.0	97.2	98.8	93.0
1961	99.2	91.0	95.2	91.9	91.9	98.4	97.6	98.6	93.3
1962	96.3	91.6	96.3	91.2	92.0	97.7	97.6	98.6	93.7
1963	96.8	93.5	95.6	91.3	92.2	97.0	97.1	97.8	94.5
1964	95.5	95.4	95.4	93.8	92.8	97.4	97.3	98.3	95.2
1965	95.9	95.9	96.2	96.4	93.9	96.9	97.5	98.5	95.9
1966	97.8	100.2	98.8	98.8	96.8	98.0	98.4	98.6	97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	103.4	113.3	101.1	102.6	103.2	102.8	103.7	102.8	102.2
1969	105.4	125.2	104.2	108.5	106.4	104.9	108.1	104.7	104.9
1970	108.6	113.7	108.2	116.7	111.4	107.5	113.3	108.5	109.9
1969: Jan.	103.2	130.7	102.3	104.4	104.7	104.2	106.0	104.2	102.9
Feb.	103.7	137.1	102.9	105.1	104.9	104.3	106.6	104.1	102.9
Mar.	104.1	141.8	103.5	105.7	105.4	104.5	107.3	104.0	102.9
Apr.	104.4	136.0	104.0	106.3	105.5	104.6	107.7	104.1	103.1
May	104.3	130.9	104.1	107.2	105.8	104.7	108.0	104.2	103.2
June	104.4	123.1	104.3	107.6	106.1	104.7	108.1	104.3	105.3
July	105.8	118.9	104.4	108.3	106.4	104.9	108.3	104.3	105.7
Aug.	106.3	117.6	104.7	109.9	106.5	105.0	108.3	103.7	106.0
Sept.	106.0	116.9	104.8	111.0	107.2	105.2	108.8	103.8	106.5
Oct.	106.8	116.3	105.0	111.7	107.8	105.3	109.1	106.4	106.8
Nov.	107.7	117.6	105.3	112.1	108.2	105.7	109.2	106.7	107.0
Dec.	107.8	116.2	105.5	113.0	109.0	106.0	109.8	106.7	107.0
1970: Jan.	108.0	115.4	107.0	114.0	109.6	106.3	111.7	106.8	107.4
Feb.	107.9	114.0	107.7	115.1	109.8	106.7	112.1	106.8	107.5
Mar.	107.7	113.4	108.0	115.9	110.1	106.9	112.5	107.0	107.8
Apr.	107.5	113.9	108.4	116.6	110.4	107.1	112.9	106.9	107.8
May	107.5	114.8	108.2	117.4	110.6	107.1	113.0	107.0	108.1
June	107.4	114.0	108.1	117.8	111.0	107.4	113.0	107.1	110.7
July	109.0	113.5	108.4	117.7	111.5	107.6	113.2	107.0	111.1
Aug.	109.7	114.0	108.2	117.5	111.6	107.7	113.6	107.1	111.2
Sept.	109.4	114.2	108.3	117.4	112.1	107.8	113.8	107.3	111.5
Oct.	109.5	113.1	108.9	117.7	112.7	108.0	114.2	112.5	111.6
Nov.	109.1	111.9	108.7	116.8	113.1	108.4	114.6	112.8	111.8
Dec.	109.4	111.1	108.5	116.2	113.8	108.7	115.1	113.4	111.9

¹ Index for total transportation equipment is not shown but is available beginning December 1968.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-49.—Wholesale price indexes, by stage of processing, 1947-70

[1967=100]

Year or month	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				Components
								For food manufacturing	For non-durable manufacturing	For durable manufacturing		
1947	76.5	101.2	111.7	90.6	66.6	72.4	72.1	94.0	95.2	54.4	58.3	66.0
1948	82.8	110.9	120.8	100.7	78.7	78.3	77.8	96.9	100.8	61.4	63.0	73.1
1949	78.7	96.0	100.3	91.6	78.3	75.2	74.5	83.3	91.9	63.1	64.2	73.2
1950	81.8	104.6	107.6	104.7	77.9	78.6	78.1	86.7	96.5	66.7	66.6	77.0
1951	91.1	120.1	124.5	120.7	79.4	88.1	88.5	96.6	111.8	74.1	75.6	84.3
1952	88.6	110.3	117.2	104.6	79.9	85.5	84.8	92.9	100.6	74.3	75.7	83.7
1953	87.4	101.9	104.9	100.1	82.7	86.0	86.2	93.0	99.8	77.6	77.1	85.1
1954	87.6	101.0	104.9	98.2	79.0	86.5	86.3	92.2	98.2	79.3	77.5	85.5
1955	87.8	97.1	95.1	103.8	78.8	88.1	88.4	89.3	98.6	83.3	80.9	88.9
1956	90.7	97.6	93.1	107.6	84.4	92.0	92.6	89.7	100.1	88.5	88.3	93.5
1957	93.3	99.8	97.2	106.2	89.2	94.1	94.8	91.3	101.4	91.4	91.8	94.0
1958	94.6	102.0	103.0	102.2	90.3	94.3	95.2	93.4	100.4	92.0	92.5	94.0
1959	94.8	99.4	96.2	105.8	91.9	95.6	96.5	90.0	102.1	94.2	93.6	96.6
1960	94.9	97.0	95.1	101.4	92.8	95.6	96.5	91.1	102.1	94.3	93.1	95.9
1961	94.5	96.5	93.8	102.5	92.6	95.0	95.3	94.0	99.9	93.0	92.2	94.6
1962	94.8	97.5	95.7	102.0	92.1	94.9	94.7	92.0	99.3	92.9	91.5	94.2
1963	94.5	95.4	92.9	100.7	93.2	95.2	94.9	96.6	98.4	93.0	91.5	94.5
1964	94.7	94.5	90.8	102.4	92.8	95.5	95.9	95.2	99.1	94.8	92.3	95.4
1965	96.6	99.3	97.1	104.5	93.5	96.8	97.4	97.6	100.0	96.8	93.8	96.2
1966	99.8	105.7	105.9	106.7	96.3	99.2	99.3	101.9	100.8	98.6	97.1	98.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.5	101.6	101.3	102.1	102.3	102.3	102.2	101.5	101.3	103.3	102.3	104.9
1969	106.5	108.3	109.1	106.8	106.4	105.9	105.8	107.0	102.5	109.3	105.6	110.9
1970	110.4	112.2	112.1	109.8	122.3	109.8	110.0	112.9	104.0	115.1	111.1	112.6
1969: Jan	104.3	103.2	103.3	102.5	104.7	104.3	103.6	103.2	101.8	106.2	103.2	110.3
Feb	104.7	104.2	104.6	102.9	104.4	104.8	104.2	103.6	101.9	107.3	103.6	112.2
Mar	105.3	105.6	106.3	104.2	104.8	105.5	104.7	103.8	102.0	108.2	104.1	113.6
Apr	105.5	106.1	106.3	105.9	105.2	105.5	104.9	104.5	102.1	108.5	104.3	112.3
May	106.3	110.1	112.2	106.6	105.3	105.5	105.3	106.5	102.2	108.7	104.7	111.6
June	106.7	111.6	114.2	106.9	105.7	105.5	105.4	107.9	102.4	108.3	105.0	110.1
July	106.8	110.6	112.5	107.4	106.0	105.5	105.6	107.9	102.5	108.6	105.5	109.5
Aug	106.9	109.9	110.8	109.0	106.1	106.0	106.4	108.4	103.0	109.8	105.8	109.6
Sept	107.1	109.1	109.1	109.7	106.9	106.4	106.8	108.3	103.0	110.6	106.6	109.9
Oct	107.4	109.1	109.2	108.9	108.5	106.8	107.2	109.2	102.8	111.0	107.5	110.2
Nov	108.1	109.4	109.7	108.9	109.6	107.1	107.5	109.9	103.0	111.4	108.1	110.7
Dec	108.5	110.3	110.9	109.1	110.0	107.5	107.8	109.8	102.9	112.3	108.3	110.8
1970: Jan	109.3	111.1	111.6	110.3	110.6	108.3	108.5	110.9	103.6	113.0	109.0	111.3
Feb	109.7	113.5	114.1	111.9	112.9	108.6	108.8	111.3	103.6	113.5	109.3	111.3
Mar	109.9	114.7	115.9	111.6	113.3	108.7	109.3	112.5	103.7	114.2	109.5	111.7
Apr	109.9	113.9	113.9	112.0	119.0	109.2	109.8	113.0	104.1	115.2	109.9	112.1
May	110.1	113.3	113.0	111.9	119.3	109.6	110.1	112.2	104.2	116.0	110.2	112.5
June	110.3	113.5	113.4	110.9	121.6	109.8	110.2	112.6	103.7	116.2	110.8	112.8
July	110.9	114.3	115.2	109.3	123.0	110.2	110.5	113.8	104.0	116.1	111.4	113.0
Aug	110.5	111.3	111.1	108.5	123.9	110.4	110.6	113.7	104.2	115.9	111.9	113.5
Sept	111.0	113.0	113.0	108.8	126.4	110.6	110.5	113.6	103.9	115.4	112.6	113.6
Oct	111.0	111.3	110.1	108.5	132.3	110.9	110.8	114.0	104.1	115.6	113.0	113.6
Nov	110.9	108.7	106.9	106.7	132.0	110.9	110.6	114.5	103.9	115.0	113.0	113.1
Dec	111.0	108.6	106.3	107.7	132.9	111.0	110.3	112.5	104.0	114.3	113.3	113.1

See footnotes at end of table.

TABLE C-49.—Wholesale price indexes, by stage of processing, 1947-70—Continued

[1967=100]

Year or month	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.....	74.0	80.5	82.8	80.7	74.6	55.4	79.2	70.0	79.0
1948.....	79.9	86.5	90.4	85.8	79.7	60.4	92.5	76.1	84.0
1949.....	77.6	82.5	83.1	82.3	81.8	63.4	84.0	74.2	82.2
1950.....	79.0	83.9	84.7	83.6	82.7	64.9	93.6	77.7	83.5
1951.....	86.5	91.8	95.2	90.0	88.2	71.2	102.9	87.0	89.5
1952.....	86.0	90.7	94.3	87.8	88.9	72.4	93.1	84.3	88.3
1953.....	85.1	89.2	89.4	88.6	89.6	73.6	92.4	85.3	89.1
1954.....	85.3	89.1	88.7	88.9	90.3	74.5	88.0	85.7	89.4
1955.....	85.5	88.5	86.5	89.4	91.2	76.7	96.6	88.3	90.1
1956.....	87.9	89.8	86.3	91.1	94.3	82.4	102.3	92.6	92.3
1957.....	91.1	92.4	89.3	93.2	97.1	87.5	100.9	95.0	94.6
1958.....	93.2	94.4	94.5	92.6	98.4	89.8	96.9	94.8	94.7
1959.....	93.0	93.6	90.1	94.0	99.6	91.5	102.3	96.4	95.9
1960.....	93.7	94.5	92.1	94.7	99.2	91.7	98.3	96.8	96.3
1961.....	93.7	94.3	91.7	94.7	98.8	91.8	97.2	95.5	96.2
1962.....	94.0	94.6	92.5	94.8	98.3	92.2	95.6	95.3	96.0
1963.....	93.7	94.1	91.4	95.1	97.8	92.4	94.3	95.0	96.0
1964.....	94.1	94.3	91.9	94.8	98.2	93.3	97.1	95.6	95.9
1965.....	95.7	96.1	95.4	95.9	97.9	94.4	100.9	96.9	96.6
1966.....	98.8	99.4	101.6	97.8	98.5	96.8	104.5	98.9	98.1
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968.....	102.9	102.7	103.7	102.2	102.2	103.5	102.0	102.6	102.1
1969.....	106.6	106.5	109.9	104.8	104.0	106.9	110.5	106.2	104.5
1970.....	110.4	109.9	113.4	108.2	107.1	111.9	118.8	110.0	107.7
1969: Jan.....	104.6	104.5	106.7	103.0	103.3	105.4	105.0	104.7	103.0
Feb.....	104.7	104.4	106.3	103.3	103.3	105.6	105.5	105.3	103.3
Mar.....	105.1	104.9	106.9	103.7	103.5	105.7	107.2	106.0	103.6
Apr.....	105.2	105.0	106.8	104.0	103.6	105.8	109.0	105.9	103.8
May.....	106.0	106.1	109.7	103.9	103.6	106.2	109.7	106.0	103.8
June.....	106.7	106.7	110.8	104.7	103.7	106.4	110.2	105.7	104.3
July.....	107.1	107.3	111.7	105.0	103.8	106.9	110.7	105.8	104.6
Aug.....	106.9	106.9	110.7	105.4	103.4	106.9	112.5	106.2	104.7
Sept.....	107.2	107.2	111.1	105.7	103.5	107.4	113.9	106.7	104.8
Oct.....	107.7	107.6	110.7	106.0	105.1	108.2	113.7	107.1	105.6
Nov.....	108.7	108.6	113.2	106.2	105.3	108.9	114.1	107.4	105.8
Dec.....	109.1	108.9	113.7	106.4	105.4	109.6	114.5	107.7	106.0
1970: Jan.....	109.8	109.6	115.4	106.5	105.6	110.1	116.0	108.3	106.2
Feb.....	109.8	109.6	115.0	106.9	105.8	110.3	118.5	108.7	106.4
Mar.....	110.0	109.7	115.1	107.0	106.0	110.7	118.5	109.0	106.6
Apr.....	109.6	109.2	113.3	107.2	106.0	110.8	120.3	109.4	106.7
May.....	109.7	109.3	112.9	107.8	106.2	111.1	120.0	109.9	107.1
June.....	110.0	109.6	113.4	108.1	106.3	111.3	119.5	110.1	107.3
July.....	110.6	110.3	115.0	108.2	106.5	111.6	118.0	110.3	107.5
Aug.....	110.1	109.5	112.6	108.6	106.5	111.9	117.2	110.5	107.7
Sept.....	110.8	110.4	114.2	109.0	106.6	112.3	118.7	110.7	108.0
Oct.....	110.9	110.1	111.3	109.2	109.7	113.8	120.6	111.0	109.4
Nov.....	111.4	110.5	112.0	109.5	109.9	114.2	118.2	111.0	109.6
Dec.....	111.5	110.5	111.0	110.4	109.9	115.1	119.8	111.0	110.2

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.

Note.—For a listing of the commodities included in each sector, see monthly report, "Wholesale Prices and Price Indexes," January-February 1967.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-50.—*Percentage changes from previous month in indexes for major groupings of the consumer price index, 1968-70*

[Percent]

Year and month	All items		Food		Commodities less food		Services ¹
	Un-adjusted	Seasonally adjusted	Un-adjusted	Seasonally adjusted	Un-adjusted	Seasonally adjusted	Un-adjusted
1968: Jan.....	0.3	0.5	0.7	0.5	0.1	0.5	0.5
Feb.....	.3	.4	.3	.4	.3	.3	.4
Mar.....	.4	.3	.4	.6	.4	.3	.6
Apr.....	.3	.3	.3	.3	.3	.2	.3
May.....	.3	.4	.4	.5	.3	.3	.4
June.....	.5	.4	.3	-.3	.4	.4	.7
July.....	.5	.4	.8	.3	.2	.3	.7
Aug.....	.3	.4	.4	.3	.3	.4	.4
Sept.....	.2	.3	-.1	.4	.4	.3	.4
Oct.....	.6	.5	.4	.8	.7	.4	.4
Nov.....	.4	.4	-.3	.1	.5	.3	.6
Dec.....	.2	.3	.6	.5	-.1	.2	.5
1969: Jan.....	.3	.5	.7	.4	-.2	.3	.7
Feb.....	.4	.4	-.1	.0	.6	.5	.5
Mar.....	.8	.7	.4	.6	1.0	.9	.9
Apr.....	.6	.5	.7	.7	.3	.3	.8
May.....	.3	.4	.4	.5	.3	.3	.5
June.....	.6	.5	1.5	.8	.4	.4	.4
July.....	.5	.4	1.0	.5	.1	.2	.5
Aug.....	.4	.4	.6	.5	.1	.2	.7
Sept.....	.5	.6	.1	.6	.4	.3	.7
Oct.....	.4	.3	-.2	.1	.9	.5	.3
Nov.....	.5	.5	.7	1.1	.3	.2	.5
Dec.....	.6	.6	1.4	1.3	.1	.4	.7
1970: Jan.....	.4	.6	.6	.4	-.2	.3	.9
Feb.....	.5	.5	.6	.8	.2	.1	.7
Mar.....	.5	.4	.1	.2	.3	.2	1.1
Apr.....	.6	.5	.3	.3	.7	.6	.7
May.....	.4	.5	.3	.4	.6	.6	.5
June.....	.4	.3	.2	-.4	.4	.4	.6
July.....	.4	.3	.5	.1	.1	.2	.5
Aug.....	.2	.2	.1	-.1	.1	.2	.6
Sept.....	.4	.5	-.1	.4	.7	.6	.6
Oct.....	.6	.5	-.2	.1	1.0	.6	.5
Nov.....	.3	.3	-.5	-.1	.6	.4	.6

¹ Percentage changes for services are based on unadjusted indexes since these prices have little seasonal movement.

Note.—The percentage changes are calculated from indexes on a 1957-59 base; therefore, the unadjusted changes may differ slightly from those calculated from indexes on a 1967 base as shown in Table C-46. The seasonally adjusted changes for the all items index are based on seasonal adjustment factors and seasonally adjusted indexes carried to two decimal places.

Source Department of Labor, Bureau of Labor Statistics.

TABLE C-51.—Percentage changes from previous month in indexes for major groupings of the wholesale price index, 1968-70

[Percent]

Year and month	All commodities		Farm products and processed foods and feeds		Farm products		Processed foods and feeds		Industrial commodities	
	Unad-justed	Season-ally adjusted	Unad-justed	Season-ally adjusted	Unad-justed	Season-ally adjusted	Unad-justed	Season-ally adjusted	Unad-justed	Season-ally adjusted
1968: Jan.....	0.4	0.1	0.5	0.1	0.1	-0.5	0.8	0.4	0.4	0.3
Feb.....	.7	.6	1.4	1.2	2.2	1.8	.8	1.0	.5	.4
Mar.....	.2	.3	.1	.5	.8	.8	-.3	.4	.2	.2
Apr.....	.0	.2	-.1	.4	.0	.4	-.2	.2	.2	.3
May.....	.3	.1	1.1	.1	1.6	.0	.8	.4	-.1	.0
June.....	.1	.0	.1	-.9	-1.2	-1.4	1.0	-.4	.1	.2
July.....	.4	.3	1.2	1.1	1.4	1.3	1.0	.7	.1	.2
Aug.....	-.4	.0	-1.5	-.2	-2.4	-.6	-.9	-.1	.1	.1
Sept.....	.5	.5	.6	.7	1.4	1.9	.3	.2	.3	.3
Oct.....	.0	.2	-1.0	-.2	-1.6	-.4	-.8	-.1	.5	.4
Nov.....	.4	.4	.9	1.0	2.0	1.4	.3	.7	.1	.0
Dec.....	.3	.2	.1	-.4	.2	-.4	.1	-.1	.4	.4
1969: Jan.....	.7	.5	1.2	.8	1.5	1.0	1.0	.5	.5	.4
Feb.....	.4	.2	.2	.0	.1	-.4	.3	.3	.5	.3
Mar.....	.5	.6	.6	.9	1.4	1.4	.1	.7	.5	.5
Apr.....	.2	.4	.2	.8	-.8	-.1	.8	1.2	.1	.2
May.....	.8	.6	2.9	1.6	4.6	2.5	1.8	1.2	.1	.2
June.....	.4	.3	1.2	.4	.6	.6	1.7	.3	.0	.1
July.....	.1	.1	.0	-.2	-.6	-.8	.5	.2	.2	.3
Aug.....	.1	.5	-.8	.7	-1.4	.6	-.4	.3	.4	.4
Sept.....	.2	.1	-.3	-.3	.5	.1	-.2	-.3	.4	.4
Oct.....	.4	.6	.0	.8	-.5	.6	.2	1.0	.5	.4
Nov.....	.6	.6	1.2	1.2	3.0	2.1	.2	.6	.4	.3
Dec.....	.3	.3	.6	.4	.5	.3	.7	.5	.4	.3
1970: Jan.....	.8	.5	1.5	1.0	.7	.1	2.0	1.5	.4	.3
Feb.....	.3	.2	.4	.3	1.1	.6	.1	.2	.3	.2
Mar.....	.2	.3	.1	.3	.5	.5	-.2	.4	.3	.2
Apr.....	.0	.2	-1.0	-.4	-2.6	-1.8	.0	.4	.3	.5
May.....	.2	.0	-.5	-1.7	-.3	-2.3	-.6	-1.3	.3	.4
June.....	.2	.1	.4	-.4	.3	.2	.6	-.7	.1	.2
July.....	.6	.6	1.5	1.3	1.6	1.5	1.4	1.1	.2	.3
Aug.....	-.4	-.1	-1.9	-.4	-4.3	-2.3	-.4	.4	.2	.2
Sept.....	.5	.5	1.3	1.3	3.3	3.9	.1	-.2	.3	.3
Oct.....	.0	.2	-2.1	-1.4	-3.8	-2.8	-1.0	-.2	.8	.6
Nov.....	-.1	-.1	-.3	-.3	-.7	-1.6	-.1	.3	.0	.0
Dec.....	.1	.0	-.5	-.7	.1	-.2	-1.0	-1.2	.3	.3

Note.—The percentage changes are calculated from indexes on a 1957-59 base; therefore, the unadjusted changes may differ slightly from those calculated from indexes on a 1967 base as shown in Table C-48.

Source: Department of Labor, Bureau of Labor Statistics.

MONEY STOCK, CREDIT, AND FINANCE

TABLE C-52.—*Money stock, 1947-70*

[Averages of daily figures, billions of dollars]

Year and month	Total money stock and time deposits adjusted	Money stock			Time deposits adjusted ³	Total money stock and time deposits adjusted	Money stock			Time deposits adjusted ³	U.S. Government demand deposits ⁴
		Total	Currency component ¹	Demand deposit component ²			Total	Currency component ¹	Demand deposit component ²		
Seasonally adjusted						Unadjusted					
1947: Dec.....	148.5	113.1	26.4	86.7	35.4	151.1	115.9	26.8	89.1	35.1	1.0
1948: Dec.....	147.6	111.5	25.8	85.8	36.0	150.0	114.3	26.2	88.1	35.7	1.8
1949: Dec.....	147.6	111.2	25.1	86.0	36.4	150.0	113.9	25.5	88.4	36.1	2.8
1950: Dec.....	152.9	116.2	25.0	91.2	36.7	155.6	119.2	25.4	93.8	36.4	2.4
1951: Dec.....	160.8	122.7	26.1	96.5	38.2	163.8	125.8	26.6	99.2	38.0	2.7
1952: Dec.....	168.6	127.4	27.3	100.1	41.1	171.7	130.8	27.8	103.0	40.9	4.9
1953: Dec.....	173.3	128.8	27.7	101.1	44.5	176.4	132.1	28.2	103.9	44.2	3.8
1954: Dec.....	180.6	132.3	27.4	104.9	48.3	183.6	135.6	27.9	107.7	48.0	5.0
1955: Dec.....	185.2	135.2	27.8	107.4	50.0	188.2	138.6	28.4	110.2	49.6	3.4
1956: Dec.....	188.8	136.9	28.2	108.7	51.9	191.7	140.3	28.8	111.5	51.4	3.4
1957: Dec.....	193.3	135.9	28.3	107.6	57.4	196.0	139.3	28.9	110.4	56.7	3.5
1958: Dec.....	206.6	141.1	28.6	112.6	65.4	209.3	144.7	29.2	115.5	64.6	3.9
1959: Dec.....	210.0	142.6	28.9	113.7	67.4	212.9	146.3	29.5	116.8	66.6	4.9
1960: Dec.....	214.6	141.7	28.9	112.8	72.9	217.6	145.5	29.6	115.9	72.1	4.7
1961: Dec.....	228.7	146.0	29.6	116.5	82.7	231.9	150.1	30.2	120.0	81.8	4.9
1962: Dec.....	245.9	148.1	30.6	117.6	97.8	249.0	152.3	31.2	121.1	96.7	5.6
1963: Dec.....	265.8	153.6	32.5	121.1	112.2	268.9	157.9	33.1	124.8	111.0	5.1
1964: Dec.....	287.1	160.5	34.2	126.3	126.6	290.5	165.3	35.0	130.3	125.2	5.5
1965: Dec.....	314.8	168.0	36.3	131.7	146.8	318.3	173.1	37.1	136.0	145.2	4.6
1966: Dec.....	330.0	171.7	38.3	133.4	158.3	333.8	176.9	39.1	137.8	156.9	3.4
1967: Dec.....	366.6	183.1	40.4	142.7	183.5	370.7	188.6	41.2	147.4	182.1	5.0
1968: Dec.....	402.2	197.4	43.4	154.0	204.8	406.6	203.4	44.3	159.1	203.2	5.0
1969: Dec.....	398.2	203.6	46.0	157.7	194.6	403.0	209.8	46.9	162.9	193.2	5.6
1970: Dec.....	445.0	214.6	48.9	165.6	230.4	449.8	221.1	50.0	171.1	228.7	7.1
1969: Jan.....	401.8	198.1	43.6	154.5	203.7	407.1	204.2	43.5	160.7	202.9	4.9
Feb.....	402.5	199.3	43.8	155.5	203.2	400.4	197.8	43.4	154.4	202.6	6.9
Mar.....	402.6	200.1	44.1	156.0	202.5	401.5	198.3	43.7	154.6	203.2	4.8
Apr.....	403.1	201.0	44.2	156.8	202.1	405.0	202.0	43.8	158.2	203.0	5.4
May.....	403.3	201.6	44.5	157.1	201.7	400.2	197.7	44.2	153.5	202.5	9.2
June.....	403.6	202.4	44.8	157.6	201.2	401.8	200.5	44.7	155.8	201.3	6.0
July.....	401.2	203.1	45.0	158.1	198.1	399.6	201.5	45.2	156.4	198.1	5.6
Aug.....	398.0	202.6	45.2	157.4	195.4	395.6	199.6	45.4	154.3	196.0	4.3
Sept.....	397.6	202.8	45.3	157.6	194.8	396.3	201.4	45.3	156.1	194.9	5.3
Oct.....	397.4	203.2	45.6	157.6	194.2	397.6	203.2	45.6	157.6	194.4	4.2
Nov.....	397.5	203.5	45.9	157.6	194.0	398.7	205.3	46.4	158.9	193.4	5.2
Dec.....	398.2	203.6	46.0	157.7	194.6	403.0	209.8	46.9	162.9	193.2	5.6
1970: Jan.....	398.5	205.2	46.2	159.0	193.3	404.1	211.4	46.1	165.4	192.7	4.8
Feb.....	398.0	204.5	46.4	158.1	193.5	395.8	202.8	45.9	156.8	193.0	7.1
Mar.....	401.9	206.6	46.7	159.8	195.3	400.6	204.7	46.3	158.4	195.9	6.9
Apr.....	406.8	208.3	47.1	161.2	198.5	408.6	209.3	46.6	162.6	199.3	5.3
May.....	409.5	209.2	47.7	161.6	200.3	406.4	205.3	47.3	158.0	201.1	6.4
June.....	411.8	209.6	47.8	161.9	202.2	410.1	207.8	47.7	160.1	202.3	6.5
July.....	418.8	210.6	48.1	162.5	208.2	417.1	209.0	48.3	160.7	208.1	6.8
Aug.....	425.0	211.8	48.2	163.7	213.2	422.7	208.7	48.3	160.4	214.0	7.1
Sept.....	431.3	212.8	48.2	164.6	218.5	429.8	211.4	48.2	163.1	218.4	6.8
Oct.....	435.2	213.0	48.5	164.5	222.2	435.5	213.0	48.5	164.5	222.5	6.1
Nov.....	438.5	213.5	48.7	164.8	225.0	439.9	215.3	49.2	166.1	224.6	5.6
Dec.....	445.0	214.6	48.9	165.6	230.4	449.8	221.1	50.0	171.1	228.7	7.1

¹ Currency outside the Treasury, the Federal Reserve System, and the vaults of all commercial banks.

² Demand deposits at all commercial banks, other than those due to domestic commercial banks and the U.S. Government, less cash items in process of collection and Federal Reserve float, plus foreign demand balances at Federal Reserve Banks.

³ Time deposits adjusted are time deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Government.

⁴ Deposits at all commercial banks.

Note.—Effective June 1966, balances accumulated for payment of personal loans were reclassified for reserve purposes and are excluded from time deposits reported by member banks. The estimated amount of such deposits at all commercial banks (\$1.1 billion) is excluded from time deposits adjusted thereafter.

Source: Board of Governors of the Federal Reserve System.

TABLE C-53.—*Bank loans and investments, 1930-70*

[Billions of dollars]

End of year or month ¹	All commercial banks				Weekly re- porting large commercial banks ³	
	Total loans and invest- ments ²	Loans ²	Investments			Business loans ⁴
			U.S. Govern- ment securities	Other securities		
1930: June.....	48.9	34.5	5.0	9.4		
1931: June.....	44.9	29.2	6.0	9.7		
1932: June.....	36.1	21.8	6.2	8.1		
1933: June.....	30.4	16.3	7.5	6.5		
1934: June.....	32.7	15.7	10.3	6.7		
1935.....	36.1	15.2	13.8	7.1		
1936.....	39.6	16.4	15.3	7.9		
1937.....	38.4	17.2	14.2	7.0	5.1	
1938.....	38.7	16.4	15.1	7.2	4.2	
1939.....	40.7	17.2	16.3	7.1	4.7	
1940.....	43.9	18.8	17.8	7.4	5.3	
1941.....	50.7	21.7	21.8	7.2	7.1	
1942.....	67.4	19.2	41.4	6.8	6.3	
1943.....	85.1	19.1	59.8	6.1	6.4	
1944.....	105.5	21.6	77.6	6.3	6.5	
1945.....	124.0	26.1	90.6	7.3	7.3	
1946.....	114.0	31.1	74.8	8.1	11.3	
1947.....	116.3	38.1	69.2	9.0	14.7	
1948.....	114.2	42.4	62.6	9.2	15.6	
Seasonally adjusted						
1948.....	113.0	41.5	62.3	9.2	15.6	
1949.....	118.7	42.0	66.4	10.3	13.9	
1950.....	124.7	51.1	61.1	12.4	17.9	
1951.....	130.2	56.5	60.4	13.4	21.6	
1952.....	139.1	62.8	62.2	14.2	23.4	
1953.....	143.1	66.2	62.2	14.7	23.4	
1954.....	153.1	69.1	67.6	16.4	22.4	
1955.....	157.6	80.6	60.3	16.8	26.7	
1956.....	161.6	88.1	57.2	16.3	30.8	
1957.....	166.4	91.5	56.9	17.9	31.8	
1958.....	181.2	95.6	65.1	20.5	31.7	
1959.....	185.9	107.8	57.7	20.5	30.7	
1960.....	194.5	113.8	59.8	20.8	32.2	
1961.....	209.6	120.4	65.3	23.9	32.9	
1962.....	227.9	134.0	64.6	29.2	35.2	
1963.....	246.2	149.6	61.7	35.0	38.8	
1964.....	267.2	167.7	60.7	38.7	42.1	
1965.....	294.4	192.6	57.1	44.8	53.1	
1966.....	⁵ 310.5	⁵ 208.2	53.6	⁵ 48.7	60.7	
1967.....	346.5	225.4	59.7	61.4	65.8	
1968.....	384.6	251.6	61.5	71.5	73.1	
1969 ⁶	401.3	278.1	51.9	71.3	81.5	
1970 ^p	432.5	288.9	58.0	85.6	81.5	
1969: Jan.....	385.9	253.7	60.8	71.4	72.9	
Feb.....	387.9	258.4	58.1	71.5	73.7	
Mar.....	386.6	257.3	57.4	71.9	75.0	
Apr.....	390.7	261.0	57.7	72.1	76.7	
May.....	392.2	264.1	56.1	72.0	76.6	
June.....	392.5	264.3	56.2	72.0	78.4	
June ⁶	397.3	269.2	56.3	71.8	78.4	
July.....	397.7	269.9	56.8	71.0	77.6	
Aug.....	397.5	270.3	56.9	70.3	76.7	
Sept.....	396.5	271.3	54.7	70.5	78.1	
Oct.....	397.6	273.8	53.5	70.3	77.6	
Nov.....	401.2	276.4	53.4	71.4	78.0	
Dec.....	401.3	278.1	51.9	71.3	81.5	
1970: Jan.....	398.5	276.6	50.4	71.5	78.0	
Feb.....	399.7	278.5	49.8	71.4	78.0	
Mar.....	400.9	277.6	50.3	73.0	78.5	
Apr.....	403.5	277.0	52.4	74.0	78.5	
May.....	405.9	278.0	53.4	74.5	77.8	
June.....	406.4	277.4	54.1	75.0	79.6	
July.....	412.8	281.5	55.8	75.5	79.3	
Aug.....	418.3	284.1	57.5	76.7	79.2	
Sept.....	423.7	287.3	57.6	78.8	81.2	
Oct ^p	424.0	286.9	56.3	80.8	80.0	
Nov.....	427.3	287.7	56.5	83.2	79.9	
Dec ^p	432.5	288.9	58.0	85.6	81.5	

¹ Data are for last Wednesday of month (except June 30 and December 31 call dates used for all commercial banks).² Adjusted to exclude interbank loans beginning 1948.³ Weekly reporting large commercial banks beginning 1965 and weekly reporting member banks prior to 1965.⁴ Commercial and industrial loans and prior to 1956, agricultural loans. Beginning July 1959, loans to financial institutions excluded. Prior to 1943, published data adjusted to include open-market paper.⁵ Effective June 1966, balances accumulated for payment of personal loans (about \$1.1 billion) are excluded from loans at all commercial banks, and certain certificates of CCC and Export-Import Bank totaling about \$1 billion are included in other securities rather than in loans.⁶ New series beginning June 1969; for details see "Federal Reserve Bulletin," August 1969.

Source: Board of Governors of the Federal Reserve System.

TABLE C-54.—*Total funds raised in credit markets by nonfinancial sectors, 1962-70*

[Billions of dollars]

Nonfinancial sector	1962	1963	1964	1965	1966	1967	1968	1969
Total funds raised	54.1	57.7	66.9	70.4	68.5	82.6	97.4	88.2
U.S. Government.....	7.0	4.0	6.4	1.7	3.5	13.0	13.4	-3.6
Public debt securities.....	6.2	4.1	5.4	1.3	2.3	8.9	10.3	-1.3
Budget agency issues.....	.8	-.1	1.0	.4	1.2	4.1	3.0	-2.4
All other sectors.....	47.1	53.7	60.5	68.7	64.9	69.6	84.1	91.9
Capital market instruments.....	33.1	35.7	37.9	39.1	39.9	48.0	50.5	53.6
Corporate equity shares.....	.6	-.2	1.6	.3	.9	2.4	-.7	4.5
Debt capital instruments.....	32.6	35.9	36.3	38.8	39.0	45.7	51.2	49.1
State and local govern- ments.....	5.3	5.9	5.7	7.3	5.7	7.7	9.9	8.5
Corporate and foreign bonds.....	5.5	4.9	4.5	5.9	11.0	15.9	14.0	13.3
Mortgages.....	21.7	25.1	26.1	25.6	22.3	22.0	27.3	27.4
Home.....	12.8	15.1	15.6	15.4	11.4	11.6	15.2	15.7
Other residential.....	2.8	3.2	4.5	3.6	3.1	3.6	3.5	4.4
Commercial.....	4.8	5.1	3.8	4.4	5.7	4.7	6.6	5.2
Farm.....	1.3	1.6	2.1	2.2	2.1	2.1	2.1	2.0
Other private credit.....	14.0	18.0	22.6	29.5	25.0	21.6	33.6	38.3
Bank loans n.e.c.....	5.2	6.0	8.3	14.2	10.3	9.6	13.4	14.2
Consumer credit.....	5.8	7.9	8.5	10.0	7.2	4.6	11.1	9.3
Open-market paper.....	.1	.0	.7	-.3	1.0	2.1	1.6	3.3
Other.....	2.8	4.1	5.1	5.7	6.4	5.2	7.5	11.3
Total funds supplied directly.....	54.1	57.7	66.9	70.4	68.5	82.6	97.4	88.2
U.S. Government.....	2.0	1.5	2.8	2.8	4.9	4.6	5.2	2.6
U.S. Government credit agencies, net.....	.1	.1	.4	.0	.3	.5	-.2	.1
Funds advanced.....	1.6	1.6	.7	2.2	5.1	-.1	3.2	8.9
Less funds raised.....	1.5	1.4	.4	2.3	4.8	-.6	3.5	8.8
Federal Reserve System.....	2.0	2.9	3.4	3.8	3.5	4.8	3.7	4.2
Commercial banks, net.....	19.5	19.1	21.8	28.3	16.7	36.8	39.0	9.4
Private nonbank finance.....	26.6	29.9	31.0	30.1	25.9	36.1	33.5	30.9
Savings institutions, net.....	12.9	15.5	16.0	13.7	7.8	16.9	14.5	10.3
Insurance.....	14.4	14.3	15.6	17.9	19.3	20.4	21.5	22.3
Finance n.e.c., net.....	-.7	.1	-.5	-1.4	-1.3	-1.3	-2.4	-1.7
Funds advanced.....	4.6	5.8	5.5	6.9	5.8	4.3	9.8	10.0
Less funds raised.....	5.3	5.8	6.1	8.3	7.1	5.6	12.3	11.7
Foreign.....	1.5	.9	.6	-.3	-1.8	2.8	2.5	2.0
Private domestic nonfinancial.....	2.4	3.4	7.0	5.6	19.1	-2.9	13.7	39.0
Business.....	1.8	2.9	2.0	1.0	3.6	-.6	9.0	11.4
State and local government, general funds.....	1.2	1.1	.9	2.5	3.4	1.2	.7	7.2
Households.....	-.8	1.3	4.0	2.5	11.9	-1.3	5.4	18.8
Less net security credit.....	-2.2	2.0	-2.2	.3	-2.2	2.2	1.4	-1.6

See footnote at end of table.

TABLE C-54.—*Total funds raised in credit markets by nonfinancial sectors, 1962-70—Continued*

[Billions of dollars]

Nonfinancial sector	1970 unadjusted quarterly totals			1970 seasonally adjusted annual rates		
	I	II	III	I	II	III
Total funds raised.....	12.8	21.4	26.5	80.0	101.3	103.0
U.S. Government.....	2.0	-6.4	9.7	3.3	17.2	18.8
Public debt securities.....	2.5	-5.9	9.9	5.6	17.8	18.4
Budget agency issues.....	-1.5	-1.5	-2.2	-2.3	-6	.4
All other sectors.....	10.8	27.8	16.7	76.7	84.1	84.2
Capital market instruments.....	11.4	17.0	16.4	52.7	63.1	64.1
Corporate equity shares.....	1.6	1.5	1.4	6.3	6.2	5.6
Debt capital instruments.....	9.9	15.5	15.0	46.4	56.9	58.6
State and local governments.....	1.9	3.4	2.7	9.2	11.0	11.7
Corporate and foreign bonds.....	3.5	5.7	5.1	14.7	22.3	19.7
Mortgages.....	4.5	6.3	7.1	22.5	23.6	27.2
Home.....	2.1	3.1	4.1	11.4	11.8	15.2
Other residential.....	1.4	1.4	1.4	6.0	5.5	5.5
Commercial.....	1.0	1.3	1.3	5.0	4.8	4.9
Farm.....	.0	.5	.4	.1	1.5	1.6
Other private credit.....	-1.6	10.8	.3	24.0	21.0	20.1
Bank loans n.e.c.....	-1.7	5.2	-2.6	7.8	4.5	4.5
Consumer credit.....	-2.8	2.8	1.4	4.8	6.2	6.4
Open-market paper.....	1.6	.3	.5	5.0	2.2	.5
Other.....	2.2	2.4	1.0	6.4	8.1	8.8
Total funds supplied directly.....	12.8	21.4	26.5	80.0	101.3	103.0
U.S. Government.....	.9	.6	.6	2.7	2.8	2.7
U.S. Government credit agencies, net.....	-1.1	.5	-1.6	-1.6	1.9	-1.6
Funds advanced.....	3.5	2.0	1.6	14.2	6.6	8.6
Less funds raised.....	3.6	1.6	2.2	14.7	4.7	9.1
Federal Reserve System.....	-1.3	2.0	2.2	1.3	5.9	7.5
Commercial banks, net.....	-8.1	7.7	12.1	3.8	23.9	60.5
Private nonbank finance.....	7.2	8.4	11.6	25.9	36.7	44.5
Savings institutions, net.....	1.8	3.5	5.4	5.3	15.6	20.6
Insurance.....	6.0	4.6	6.5	22.7	21.0	25.2
Finance n.e.c., net.....	-1.6	.3	-1.3	-2.1	.2	-1.3
Funds advanced.....	-1.5	.4	2.6	-1.8	-1.7	17.3
Less funds raised.....	-1.9	.2	2.9	1.2	-1.9	18.6
Foreign.....	2.0	2.0	3.3	8.1	9.4	7.8
Private domestic nonfinancial.....	12.3	.3	-2.8	38.8	20.7	-19.5
Business.....	.8	-3	-7.8	10.7	.9	-23.2
State and local government, general funds.....	1.3	.5	-2.7	1.4	2.0	-7.8
Households.....	8.9	-7	7.6	21.5	15.2	11.3
Less net security credit.....	-1.4	-1.8	-1	-5.2	-2.7	-2

Source: Board of Governors of the Federal Reserve System.

TABLE C-55.—Selected liquid assets held by the public, 1946-70¹

[Billions of dollars, seasonally adjusted]

End of year or month	Total	Demand deposits and currency ²	Time deposits		Postal savings system	Savings and loan shares	U.S. Government savings bonds ⁴	U.S. Government securities maturing within 1 year ⁴
			Com- mercial banks ³	Mutual savings banks				
1946.....	239.1	108.5	33.9	16.9	3.3	8.5	48.6	19.4
1947.....	246.2	112.4	35.3	17.8	3.4	9.7	50.9	16.6
1948.....	254.1	110.5	35.9	18.4	3.3	11.0	53.4	21.6
1949.....	262.1	110.4	36.3	19.3	3.2	12.5	55.0	25.5
1950.....	271.4	115.5	36.6	20.1	2.9	14.0	55.8	26.4
1951.....	281.0	120.9	38.2	20.9	2.7	16.1	55.4	26.8
1952.....	296.0	125.5	41.2	22.6	2.5	19.2	55.7	29.3
1953.....	311.5	127.3	44.6	24.4	2.4	22.8	55.6	34.4
1954.....	320.3	130.2	48.2	26.3	2.1	27.2	55.6	30.6
1955.....	332.5	133.3	49.7	28.1	1.9	32.0	55.9	31.6
1956.....	343.2	134.6	52.0	30.0	1.6	37.0	54.8	33.2
1957.....	356.0	133.5	57.5	31.6	1.3	41.7	51.6	38.8
1958.....	373.1	138.8	65.4	33.9	1.1	47.7	50.5	35.6
1959.....	393.9	139.7	67.4	34.9	.9	54.3	47.9	48.8
1960.....	399.2	138.4	73.1	36.2	.8	61.8	47.0	41.9
1961.....	424.6	142.6	82.5	38.3	.6	70.5	47.4	42.6
1962.....	459.0	144.8	98.1	41.4	.5	79.8	47.6	46.8
1963.....	495.4	149.6	112.9	44.5	.5	90.9	49.0	48.1
1964.....	530.5	156.7	127.1	49.0	.4	101.4	49.9	46.1
1965.....	573.1	164.1	147.1	52.6	.3	109.8	50.5	48.6
1966 ⁴	601.5	168.6	159.3	55.2	.1	113.4	50.9	53.9
1967.....	650.4	180.7	183.1	60.3	.....	123.9	51.9	50.5
1968.....	709.6	⁵ 199.2	203.8	64.7	.....	131.0	52.5	58.5
1969.....	731.6	206.8	197.1	67.3	.....	134.8	52.4	⁷ 73.2
1970 ⁶	787.9	208.1	233.7	71.2	.....	145.7	52.7	76.4
1969: Jan.....	703.7	188.8	203.4	64.8	.....	131.0	52.5	⁷ 63.4
Feb.....	705.7	189.9	202.9	65.2	.....	132.0	52.3	63.4
Mar.....	713.2	192.4	201.9	65.5	.....	133.4	52.2	67.7
Apr.....	711.3	190.8	201.8	65.7	.....	133.3	52.2	67.5
May.....	714.3	191.5	202.7	66.1	.....	133.5	52.2	68.3
June.....	713.8	194.2	200.4	66.3	.....	133.6	52.2	67.3
July.....	709.5	² 191.9	197.5	66.3	.....	133.6	52.2	68.1
Aug.....	713.2	193.3	195.6	66.4	.....	134.1	52.1	71.6
Sept.....	718.1	194.1	195.5	66.6	.....	135.3	52.0	74.6
Oct.....	714.9	194.0	195.7	66.7	.....	134.9	52.0	71.7
Nov.....	722.1	195.8	197.9	67.0	.....	135.3	52.0	74.2
Dec.....	731.6	206.8	197.1	67.3	.....	134.8	52.4	73.2
1970: Jan.....	720.5	195.4	196.0	67.0	.....	133.5	52.2	76.3
Feb.....	721.8	194.8	196.7	67.4	.....	134.1	52.1	76.6
Mar.....	733.4	199.3	198.8	67.5	.....	135.7	52.0	80.1
Apr.....	731.2	196.7	201.5	68.0	.....	136.4	52.0	76.8
May.....	734.0	197.9	201.7	68.4	.....	136.8	52.0	77.2
June.....	738.5	199.8	202.9	68.7	.....	137.4	52.0	77.7
July.....	749.7	198.7	211.8	69.2	.....	139.0	52.4	78.5
Aug.....	750.8	199.3	215.4	69.4	.....	140.0	52.0	74.6
Sept.....	765.4	203.6	221.5	69.9	.....	142.3	52.1	76.0
Oct ⁷	764.5	199.6	224.5	70.4	.....	143.4	52.1	74.5
Nov ⁷	773.5	201.1	230.3	70.9	.....	144.6	52.2	74.3
Dec ⁷	787.9	208.1	233.7	71.2	.....	145.7	52.7	76.4

¹ Excludes holdings of the U.S. Government, Government agencies and trust funds, domestic commercial banks, and Federal Reserve Banks. Adjusted wherever possible to avoid double counting.

² Agrees in concept with the money stock, Table C-52, except for deduction of demand deposits held by mutual savings banks and savings and loan associations. Data are for last Wednesday of month. Data prior to July 1969 have not been revised to conform to the money stock revision.

³ Time deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Government (same concept as in Table C-52). Data are for last Wednesday of month, except that June 30 and December 31 call data are used where available.

⁴ Excludes holdings of Government agencies and trust funds, domestic commercial and mutual savings banks, Federal Reserve Banks, and beginning February 1960, savings and loan associations.

⁵ Effective June 1966, balances accumulated for the payment of personal loans (about \$1.1 billion) are excluded from time deposits at all commercial banks and from total liquid assets.

⁶ Estimates for Tuesday, December 31, rather than last Wednesday of December.

⁷ Beginning 1969, data have been adjusted to conform to the new budget concept.

Source: Board of Governors of the Federal Reserve System.

TABLE C-56.—Federal Reserve Bank credit and member bank reserves, 1929-70

[Averages of daily figures, millions of dollars]

Year and month	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: Dec.....	1,643	446	801	396	2,395	2,347	48	-753
1930: Dec.....	1,273	644	337	292	2,415	2,342	73	-264
1931: Dec.....	1,950	777	763	410	2,069	2,010	60	-703
1932: Dec.....	2,192	1,854	281	57	2,435	1,909	526	245
1933: Dec.....	2,669	2,432	95	142	2,588	1,822	766	671
1934: Dec.....	2,472	2,430	10	32	4,037	2,290	1,748	1,738
1935: Dec.....	2,494	2,430	6	58	5,716	2,733	2,983	2,977
1936: Dec.....	2,498	2,434	7	57	6,665	4,619	2,046	2,039
1937: Dec.....	2,628	2,565	16	47	6,879	5,808	1,071	1,055
1938: Dec.....	2,618	2,564	7	47	8,745	5,520	3,226	3,219
1939: Dec.....	2,612	2,510	3	99	11,473	6,462	5,011	5,008
1940: Dec.....	2,305	2,188	3	114	14,049	7,403	6,646	6,643
1941: Dec.....	2,404	2,219	5	180	12,812	9,422	3,390	3,385
1942: Dec.....	6,035	5,549	4	482	13,152	10,776	2,376	2,372
1943: Dec.....	11,914	11,166	90	658	12,749	11,701	1,048	958
1944: Dec.....	19,612	18,693	265	654	14,168	12,884	1,284	1,019
1945: Dec.....	24,744	23,708	334	702	16,027	14,536	1,491	1,157
1946: Dec.....	24,746	23,767	157	822	16,517	15,617	900	743
1947: Dec.....	22,858	21,905	224	729	17,261	16,275	986	762
1948: Dec.....	23,978	23,002	134	842	19,990	19,193	797	663
1949: Dec.....	19,012	18,287	118	607	16,291	15,488	803	685
1950: Dec.....	21,606	20,345	142	1,119	17,391	16,364	1,027	885
1951: Dec.....	25,446	23,409	657	1,380	20,310	19,484	826	169
1952: Dec.....	27,299	24,400	1,593	1,306	21,180	20,457	723	-870
1953: Dec.....	27,107	25,639	441	1,027	19,920	19,227	693	252
1954: Dec.....	26,317	24,917	246	1,154	19,279	18,576	703	457
1955: Dec.....	26,853	24,602	839	1,412	19,240	18,646	594	-245
1956: Dec.....	27,156	24,765	688	1,703	19,535	18,883	652	-36
1957: Dec.....	26,186	23,982	710	1,494	19,420	18,843	577	-133
1958: Dec.....	28,412	26,312	557	1,543	18,899	18,383	516	-41
1959: Dec.....	29,435	27,036	906	1,493	18,932	18,450	482	-424
1960: Dec.....	29,060	27,248	87	1,725	19,283	18,527	756	669
1961: Dec.....	31,217	29,098	149	1,970	20,118	19,550	568	419
1962: Dec.....	33,218	30,546	304	2,368	20,040	19,468	572	268
1963: Dec.....	36,610	33,729	327	2,554	20,746	20,210	536	209
1964: Dec.....	39,873	37,126	243	2,504	21,609	21,198	411	168
1965: Dec.....	43,853	40,885	454	2,514	22,719	22,267	452	-2
1966: Dec.....	46,864	43,760	557	2,547	23,830	23,438	392	-165
1967: Dec.....	51,268	48,891	238	2,139	25,260	24,915	345	107
1968: Dec.....	56,610	52,529	765	3,316	27,221	26,766	455	-310
1969: Dec.....	64,100	57,500	1,086	5,514	28,031	27,774	257	-829
1970: Dec p.....	66,676	61,688	321	4,667	29,233	28,989	244	-77
1969: Jan.....	56,476	52,665	697	3,114	28,063	27,846	217	-480
Feb.....	55,786	52,265	824	2,697	27,291	27,063	228	-596
Mar.....	55,477	52,122	918	2,437	26,754	26,537	217	-701
Apr.....	58,821	52,463	996	5,362	27,079	26,927	152	-844
May.....	59,999	53,390	1,402	5,207	27,903	27,603	300	-1,102
June.....	60,565	54,028	1,407	5,130	27,317	26,974	343	-1,064
July.....	60,887	54,298	1,190	5,399	26,980	26,864	116	-1,074
Aug.....	60,876	54,599	1,249	5,028	27,079	26,776	303	-946
Sept.....	60,459	53,840	1,067	5,552	26,971	26,735	236	-831
Oct.....	61,516	54,708	1,135	5,673	27,340	27,197	143	-992
Nov.....	62,788	56,499	1,241	5,048	27,764	27,511	253	-988
Dec.....	64,100	57,500	1,086	5,514	28,031	27,774	257	-829
1970: Jan.....	62,867	56,273	965	5,629	28,858	28,692	166	-799
Feb.....	61,468	55,949	1,092	4,427	27,976	27,703	273	-819
Mar.....	61,388	55,780	896	4,712	27,473	27,358	115	-781
Apr.....	62,424	55,982	822	5,620	28,096	27,978	118	-704
May.....	63,087	57,265	976	4,846	27,910	27,729	181	-795
June.....	62,843	57,630	888	4,325	27,567	27,380	187	-701
July.....	63,912	58,219	1,358	4,335	28,128	27,987	141	-1,217
Aug.....	64,134	59,544	849	3,763	28,349	28,204	145	-682
Sept.....	64,619	59,903	607	4,109	28,825	28,553	272	-335
Oct.....	64,708	59,533	462	4,713	28,701	28,447	254	-208
Nov p.....	65,132	60,393	425	4,314	28,558	28,438	120	-305
Dec p.....	66,676	61,688	321	4,667	29,233	28,989	244	-77

¹ Data from March 1933 through April 1934 are for licensed banks only.² Beginning December 1959, total reserves held include vault cash allowed.

Source: Board of Governors of the Federal Reserve System.

TABLE C-57.—Bond yields and interest rates, 1929-70

[Percent per annum]

Year or month	U.S. Government securities				Corporate bonds (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	FHA new home mortgage yields ⁵
	3-month Treasury bills ¹	9-12 month issues ²	3-5 year issues ³	Taxable bonds ⁴	Aaa	Baa					
1929	(⁶)				4.73	5.90	4.27	(⁷)	5.85	5.17	
1930	(⁶)				4.55	5.90	4.07	(⁷)	3.59	3.04	
1931	1.402				4.58	7.62	4.01	(⁷)	2.64	2.12	
1932	.879				5.01	9.30	4.65	(⁷)	2.73	2.82	
1933	.515		2.66		4.49	7.76	4.71	(⁷)	1.73	2.56	
1934	.256		2.12		4.00	6.32	4.03	(⁷)	1.02	1.54	
1935	.137		1.29		3.60	5.75	3.40	(⁷)	.75	1.50	
1936	.143		1.11		3.24	4.77	3.07	(⁷)	.75	1.50	
1937	.447		1.40		3.26	5.03	3.10	(⁷)	.94	1.33	
1938	.053		.83		3.19	5.80	2.91	(⁷)	.81	1.00	
1939	.023		.59		3.01	4.96	2.76	2.1	.59	1.00	
1940	.014		.50		2.84	4.75	2.50	2.1	.56	1.00	
1941	.103		.73		2.77	4.33	2.10	2.0	.53	1.00	
1942	.326		1.46	2.46	2.83	4.28	2.36	2.2	.66	#1.00	
1943	.373	0.75	1.34	2.47	2.73	3.91	2.06	2.6	.69	#1.00	
1944	.375	.79	1.33	2.48	2.72	3.61	1.86	2.4	.73	#1.00	
1945	.375	.81	1.18	2.37	2.62	3.29	1.67	2.2	.75	#1.00	
1946	.375	.82	1.16	2.19	2.53	3.05	1.64	2.1	.81	#1.00	
1947	.594	.88	1.32	2.25	2.61	3.24	2.01	2.1	1.03	1.00	
1948	1.040	1.14	1.62	2.44	2.82	3.47	2.40	2.5	1.44	1.34	
1949	1.102	1.14	1.43	2.31	2.66	3.42	2.21	2.68	1.49	1.50	4.34
1950	1.218	1.26	1.50	2.32	2.62	3.24	1.98	2.69	1.45	1.59	4.17
1951	1.552	1.73	1.93	2.57	2.86	3.41	2.00	3.11	2.16	1.75	4.21
1952	1.766	1.81	2.13	2.68	2.96	3.52	2.19	3.49	2.33	1.75	4.29
1953	1.931	2.07	2.56	2.94	3.20	3.74	2.72	3.69	2.52	1.99	4.61
1954	.953	.92	1.82	2.55	2.90	3.51	2.37	3.61	1.58	1.60	4.62
1955	1.753	1.89	2.50	2.84	3.06	3.53	2.53	3.70	2.18	1.89	4.64
1956	2.658	2.83	3.12	3.08	3.36	3.88	2.93	4.20	3.31	2.77	4.79
1957	3.267	3.53	3.62	3.47	3.89	4.71	3.60	4.62	3.81	3.12	5.42
1958	1.839	2.09	2.90	3.43	3.79	4.73	3.56	4.34	2.46	2.15	5.49
1959	3.405	4.11	4.33	4.08	4.38	5.05	3.95	# 5.00	3.97	3.36	5.71
1960	2.928	3.55	3.99	4.02	4.41	5.19	3.73	5.16	3.85	3.53	6.18
1961	2.378	2.91	3.60	3.90	4.35	5.08	3.46	4.97	2.97	3.00	5.80
1962	2.778	3.02	3.57	3.95	4.33	5.02	3.18	5.00	3.26	3.00	5.61
1963	3.157	3.28	3.72	4.00	4.26	4.86	3.23	5.01	3.55	3.23	5.47
1964	3.549	3.76	4.06	4.15	4.40	4.83	3.22	4.99	3.97	3.55	5.45
1965	3.954	4.09	4.22	4.21	4.49	4.87	3.27	5.06	4.38	4.04	5.46
1966	4.881	5.17	5.16	4.65	5.13	5.67	3.82	6.00	5.55	4.50	6.29
1967	4.321	4.84	5.07	4.85	5.51	6.23	3.98	10 6.00	5.10	4.19	6.55
1968	5.339	5.62	5.59	5.26	6.18	6.94	4.51	6.68	5.90	5.17	7.13
1969	6.677	7.06	6.85	6.12	7.03	7.81	5.81	8.21	7.83	5.87	8.19
1970	6.458	6.90	7.37	6.58	8.04	9.11	6.51	8.48	7.72	5.95	9.05
1968: Jan	5.081	5.39	5.53	5.18	6.17	6.84	4.34		5.60	4.50	6.81
Feb	4.969	5.37	5.59	5.16	6.10	6.80	4.39	6.36	5.50	4.50	6.81
Mar	5.144	5.55	5.77	5.39	6.11	6.85	4.56		5.64	4.66	6.78
Apr	5.365	5.63	5.69	5.28	6.21	6.97	4.41		5.81	5.20	6.83
May	5.621	6.06	5.95	5.40	6.27	7.03	4.56	6.84	6.18	5.50	6.94
June	5.544	6.01	5.71	5.23	6.28	7.07	4.56		6.25	5.50	
July	5.382	5.68	5.44	5.09	6.24	6.98	4.36		6.19	5.50	7.52
Aug	5.095	5.41	5.32	5.04	6.02	6.82	4.31	6.89	5.88	5.48	7.42
Sept	5.202	5.40	5.30	5.09	5.97	6.79	4.47		5.82	5.25	7.35
Oct	5.334	5.44	5.42	5.24	6.09	6.84	4.56		5.80	5.25	7.28
Nov	5.492	5.56	5.47	5.36	6.19	7.01	4.68	6.61	5.92	5.25	7.29
Dec	5.916	6.00	5.99	5.66	6.45	7.23	4.91		6.17	5.36	7.36

See footnotes at end of table.

TABLE C-57.—*Bond yields and interest rates, 1929-70—Continued*

[Percent per annum]

Year or month	U.S. Government securities				Corporate bonds (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	FHA new home mortgage yields ³
	3-month Treasury bills ¹	9-12 month issues ²	3-5 year issues ³	Taxable bonds ⁴	Aaa	Baa					
1969: Jan.....	6.177	6.26	6.04	5.74	6.59	7.32	4.95	-----	6.53	5.50	7.50
Feb.....	6.156	6.21	6.16	5.86	6.66	7.30	5.10	7.32	6.62	5.50	-----
Mar.....	6.080	6.22	6.33	6.05	6.85	7.51	5.34	-----	6.82	5.50	7.99
Apr.....	6.150	6.11	6.15	5.84	6.89	7.54	5.29	-----	7.04	5.95	8.05
May.....	6.077	6.26	6.33	5.85	6.79	7.52	5.47	7.86	7.35	6.00	8.06
June.....	6.493	7.07	6.64	6.05	6.98	7.70	5.83	-----	8.23	6.00	8.06
July.....	7.004	7.59	7.02	6.07	7.08	7.84	5.84	-----	8.65	6.00	8.35
Aug.....	7.007	7.51	7.08	6.02	6.97	7.86	6.07	8.82	8.33	6.00	8.36
Sept.....	7.129	7.76	7.58	6.32	7.14	8.05	6.35	-----	8.48	6.00	8.36
Oct.....	7.040	7.63	7.47	6.27	7.33	8.22	6.21	-----	8.56	6.00	8.40
Nov.....	7.193	7.94	7.57	6.52	7.35	8.25	6.37	8.83	8.46	6.00	8.48
Dec.....	7.720	8.34	7.98	6.81	7.72	8.65	6.91	-----	8.84	6.00	8.48
1970: Jan.....	7.914	8.22	8.14	6.86	7.91	8.86	6.80	-----	8.78	6.00	8.62
Feb.....	7.164	7.60	7.80	6.44	7.93	8.78	6.57	8.86	8.55	6.00	-----
Mar.....	6.710	6.88	7.20	6.39	7.84	8.63	6.14	-----	8.33	6.00	9.29
Apr.....	6.480	6.96	7.49	6.53	7.83	8.70	6.55	-----	8.06	6.00	9.20
May.....	7.035	7.69	7.97	6.94	8.11	8.98	7.02	8.49	8.23	6.00	9.10
June.....	6.742	7.50	7.86	6.99	8.48	9.25	7.06	-----	8.21	6.00	9.11
July.....	6.468	7.00	7.58	6.57	8.44	9.40	6.69	-----	8.29	6.00	9.16
Aug.....	6.412	6.92	7.56	6.75	8.13	9.44	6.33	8.50	7.90	6.00	9.11
Sept.....	6.244	6.68	7.24	6.63	8.09	9.39	6.45	-----	7.32	6.00	9.07
Oct.....	5.927	6.34	7.06	6.59	8.03	9.33	6.55	-----	6.85	6.00	9.01
Nov.....	5.288	5.52	6.37	6.24	8.05	9.38	6.20	8.07	6.30	5.85	8.97
Dec.....	4.860	4.94	5.86	5.97	7.64	9.12	5.71	-----	5.73	5.52	8.90

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 Certificates of indebtedness and selected note and bond issues (fully taxable).

³ Selected note and bond issues. Issues were partially tax exempt prior to 1941, and fully taxable thereafter.

⁴ First issued in 1941. Series includes bonds which are neither due nor callable before a given number of years as follows: April 1953 to date, 10 years; April 1952-March 1953, 12 years; October 1941-March 1952, 15 years.

⁵ Data for first of the month, based on the maximum permissible interest rate (8 percent beginning December 2, 1970).

Through July 1961, computed on 25-year mortgages paid in 12 years and thereafter, 30-year mortgages prepaid in 15 years.

⁶ Treasury bills were first issued in December 1929 and were issued irregularly in 1930.

⁷ Not available on same basis as for 1939 and subsequent years.

⁸ 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 in 1 year or less.

⁹ Beginning 1959, series revised to exclude loans to nonbank financial institutions.

¹⁰ Beginning February 1967, series revised to incorporate changes in coverage, in the sample of reporting banks, and in the reporting period (shifted to the middle month of the quarter).

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, Standard & Poor's Corporation, and Federal Housing Administration.

TABLE C-58.—Short- and intermediate-term consumer credit outstanding, 1929-70

[Millions of dollars]

End of year or month	Total	Instalment credit					Noninstalment credit			Addendum: Policy loans by life insurance companies ³
		Total	Auto-moblie paper	Other consumer goods paper	Home repair and modernization loans ¹	Personal loans	Total	Charge accounts	Other ²	
1929.....	7,116	3,524	1,384	1,544	27	569	3,592	1,996	1,596	2,379
1930.....	6,351	3,022	986	1,432	25	579	3,329	1,833	1,496	2,807
1931.....	5,315	2,463	684	1,214	22	543	2,852	1,635	1,217	3,369
1932.....	4,026	1,672	356	834	18	464	2,354	1,374	980	3,806
1933.....	3,885	1,723	493	799	15	416	2,162	1,286	876	3,769
1934.....	4,218	1,999	614	889	37	459	2,219	1,306	913	3,658
1935.....	5,190	2,817	992	1,000	253	572	2,373	1,354	1,019	3,540
1936.....	6,375	3,747	1,372	1,290	364	721	2,628	1,428	1,200	3,411
1937.....	6,948	4,118	1,494	1,505	219	900	2,830	1,504	1,326	3,399
1938.....	6,370	3,686	1,099	1,442	218	927	2,684	1,403	1,281	3,389
1939.....	7,222	4,503	1,497	1,620	298	1,087	2,719	1,414	1,305	3,248
1940.....	8,338	5,514	2,071	1,827	371	1,245	2,824	1,471	1,353	3,091
1941.....	9,172	6,085	2,458	1,929	376	1,322	3,087	1,645	1,442	2,919
1942.....	5,983	3,166	742	1,195	255	974	2,817	1,444	1,373	2,683
1943.....	4,901	2,136	355	819	130	832	2,765	1,440	1,325	2,373
1944.....	5,111	2,176	397	791	119	869	2,935	1,517	1,418	2,134
1945.....	5,665	2,462	455	816	182	1,009	3,203	1,612	1,591	1,962
1946.....	8,384	4,172	981	1,290	405	1,496	4,212	2,076	2,136	1,894
1947.....	11,598	6,695	1,924	2,143	718	1,910	4,903	2,381	2,522	1,937
1948.....	14,447	8,996	3,018	2,901	853	2,224	5,451	2,722	2,729	2,057
1949.....	17,364	11,590	4,555	3,706	898	2,431	5,774	2,854	2,920	2,240
1950.....	21,471	14,703	6,074	4,799	1,016	2,814	6,768	3,367	3,401	2,413
1951.....	22,712	15,294	5,972	4,880	1,085	3,357	7,418	3,700	3,718	2,590
1952.....	27,520	19,403	7,733	6,174	1,385	4,111	8,117	4,130	3,987	2,713
1953.....	31,393	23,005	9,835	6,779	1,610	4,781	8,388	4,274	4,114	2,914
1954.....	32,464	23,568	9,809	6,751	1,616	5,392	8,896	4,485	4,411	3,127
1955.....	38,830	28,906	13,460	7,641	1,693	6,112	9,924	4,795	5,129	3,290
1956.....	42,334	31,720	14,420	8,606	1,905	6,789	10,614	4,995	5,619	3,519
1957.....	44,971	33,868	15,340	8,844	2,101	7,582	11,103	5,146	5,957	3,869
1958.....	45,129	33,642	14,152	9,028	2,346	8,116	11,487	5,060	6,427	4,188
1959.....	51,544	39,247	16,420	10,631	2,809	9,386	12,297	5,104	7,193	4,618
1960.....	56,141	42,968	17,658	11,545	3,148	10,617	13,173	5,329	7,844	5,231
1961.....	57,982	43,891	17,135	11,862	3,221	11,673	14,091	5,324	8,767	5,733
1962.....	63,821	48,720	19,381	12,627	3,298	13,414	15,101	5,684	9,417	6,234
1963.....	71,739	55,486	22,254	14,177	3,437	15,618	16,253	5,903	10,350	6,655
1964.....	80,268	62,692	24,934	16,333	3,577	17,848	17,576	6,195	11,381	7,140
1965.....	90,314	71,324	28,619	18,565	3,728	20,412	18,990	6,430	12,560	7,678
1966.....	97,543	77,539	30,556	20,978	3,818	22,187	20,004	6,686	13,318	9,117
1967.....	102,132	80,926	30,724	22,395	3,789	24,018	21,206	6,968	14,238	10,059
1968.....	113,191	89,890	34,130	24,899	3,925	26,936	23,301	7,755	15,546	11,305
1969.....	122,469	98,169	36,602	27,609	4,040	29,918	24,300	8,234	16,066	13,825
1970 ⁴	126,200	100,900	35,700	29,400	4,100	31,700	25,300	8,600	16,700	-----
1969: Jan.....	112,117	89,492	34,013	24,682	3,886	26,911	22,625	7,097	15,528	11,416
Feb.....	111,569	89,380	34,053	24,404	3,875	27,048	22,189	6,403	15,786	11,522
Mar.....	111,950	89,672	34,262	24,306	3,874	27,230	22,278	6,340	15,938	11,734
Apr.....	113,231	90,663	34,733	24,399	3,903	27,628	22,568	6,557	16,011	11,939
May.....	114,750	91,813	35,230	24,636	3,964	27,983	22,937	6,971	15,966	12,126
June.....	115,995	93,087	35,804	24,956	4,022	28,305	22,908	7,002	15,906	12,366
July.....	116,597	93,833	36,081	25,172	4,039	28,541	22,764	7,039	15,725	12,663
Aug.....	117,380	94,732	36,245	25,467	4,063	28,957	22,648	6,988	15,660	12,933
Sept.....	118,008	95,356	36,321	25,732	4,096	29,207	22,652	7,005	15,647	13,184
Oct.....	118,515	95,850	36,599	25,855	4,084	29,312	22,665	7,085	15,580	13,418
Nov.....	119,378	96,478	36,650	26,223	4,076	29,529	22,900	7,238	15,662	13,580
Dec.....	122,469	98,169	36,602	27,609	4,040	29,918	24,300	8,234	16,066	13,805
1970: Jan.....	121,074	97,402	36,291	27,346	3,991	29,774	23,672	7,539	16,133	14,060
Feb.....	120,077	96,892	36,119	26,987	3,970	29,816	23,185	6,789	16,396	14,295
Mar.....	119,698	96,662	36,088	26,814	3,951	29,809	23,036	6,645	16,391	14,535
Apr.....	120,402	97,104	36,264	26,850	3,960	30,030	23,298	6,900	16,398	14,759
May.....	121,346	97,706	36,455	27,055	4,003	30,193	23,640	7,273	16,367	14,951
June.....	122,542	98,699	36,809	27,303	4,040	30,547	23,843	7,473	16,370	15,180
July.....	123,092	99,302	36,918	27,538	4,081	30,765	23,790	7,509	16,281	15,354
Aug.....	123,655	99,860	36,908	27,801	4,104	31,047	23,795	7,508	16,287	15,517
Sept.....	123,907	100,142	36,738	28,055	4,123	31,226	23,765	7,489	16,276	15,674
Oct.....	123,866	99,959	36,518	28,152	4,126	31,163	23,907	7,656	16,251	15,813
Nov.....	123,915	99,790	36,011	28,378	4,133	31,268	24,125	7,757	16,368	-----
Dec ⁴	126,200	100,900	35,700	29,400	4,100	31,700	25,300	8,600	16,700	-----

¹ Holdings of financial institutions only; holdings of retail outlets are included in "other consumer goods paper."² Single-payment loans and service credit.³ Year-end figures are annual statement asset values; month-end figures are book value of ledger assets. These loans are not included in consumer credit series.⁴ Preliminary; December by Council of Economic Advisers.

Sources: Board of Governors of the Federal Reserve System and Institute of Life Insurance (except as noted).

TABLE C-59.—*Instalment credit extended and repaid, 1946-70*

[Millions of dollars]

Year or month	Total		Automobile paper		Other consumer goods paper		Home 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	38,972	33,634	16,734	13,082	10,642	9,752	1,393	1,316	10,203	9,484
1956	39,866	37,056	15,515	14,555	11,721	10,758	1,582	1,370	11,051	10,373
1957	42,019	39,870	16,465	15,545	11,810	11,574	1,674	1,477	12,069	11,276
1958	40,110	40,339	14,226	15,415	11,738	11,557	1,871	1,626	12,275	11,741
1959	48,048	42,603	17,779	15,579	13,981	12,402	2,222	1,765	14,070	12,857
1960	49,793	46,073	17,657	16,419	14,525	13,613	2,215	1,876	15,396	14,165
1961	49,048	48,124	16,552	16,552	14,551	14,235	2,092	2,015	16,377	15,319
1962	56,191	51,360	19,694	17,447	15,701	14,935	2,084	2,010	18,710	16,969
1963	63,591	56,825	22,126	19,254	17,920	16,369	2,186	2,046	21,359	19,156
1964	70,670	63,470	24,046	21,369	20,821	18,666	2,225	2,086	23,578	21,349
1965	78,586	69,957	27,227	23,543	22,750	20,518	2,266	2,116	26,343	23,780
1966	82,335	76,120	27,341	25,404	25,591	23,178	2,200	2,110	27,203	25,428
1967	84,693	81,306	26,667	26,499	26,952	25,535	2,113	2,142	28,961	27,130
1968	97,053	88,089	31,424	28,018	30,593	28,089	2,268	2,132	32,768	29,850
1969	102,888	94,609	32,354	29,882	33,079	30,369	2,278	2,163	35,177	32,195
1970 ¹	103,850	101,150	30,000	30,900	36,200	34,450	2,200	2,100	35,450	33,700
Seasonally adjusted										
1969: Jan.	8,371	7,730	2,661	2,467	2,654	2,442	179	173	2,877	2,648
Feb.	8,414	7,616	2,716	2,468	2,598	2,352	201	172	2,899	2,624
Mar.	8,381	7,735	2,730	2,501	2,625	2,461	198	180	2,828	2,593
Apr.	8,720	7,960	2,772	2,519	2,763	2,569	219	185	2,966	2,687
May	8,680	7,834	2,757	2,488	2,767	2,507	209	183	2,947	2,656
June	8,705	7,910	2,725	2,460	2,869	2,602	218	183	2,893	2,665
July	8,521	7,899	2,582	2,471	2,777	2,511	185	191	2,977	2,726
Aug.	8,680	8,080	2,634	2,562	2,819	2,574	177	185	3,050	2,759
Sept.	8,669	7,971	2,794	2,498	2,740	2,600	180	156	2,955	2,717
Oct.	8,661	7,992	2,808	2,463	2,707	2,615	175	189	2,971	2,725
Nov.	8,632	8,012	2,683	2,503	2,841	2,623	164	179	2,944	2,707
Dec.	8,344	7,929	2,472	2,499	2,838	2,552	169	185	2,865	2,693
1970: Jan.	8,521	8,141	2,479	2,469	2,925	2,722	160	168	2,957	2,782
Feb.	8,625	8,207	2,536	2,550	3,018	2,761	179	171	2,892	2,725
Mar.	8,392	8,194	2,496	2,501	2,922	2,792	165	169	2,809	2,732
Apr.	8,491	8,195	2,571	2,527	2,843	2,729	183	173	2,894	2,766
May	9,004	8,589	2,595	2,600	3,183	2,888	180	174	3,046	2,927
June	8,683	8,242	2,587	2,573	2,925	2,750	189	174	2,982	2,745
July	9,065	8,622	2,685	2,752	3,124	2,874	192	170	3,064	2,826
Aug.	8,809	8,577	2,537	2,632	3,168	2,967	173	175	2,931	2,803
Sept.	8,849	8,490	2,621	2,599	3,071	2,913	186	174	2,971	2,804
Oct.	8,580	8,662	2,349	2,550	3,113	3,036	182	179	2,936	2,897
Nov.	8,414	8,716	2,127	2,577	3,113	3,082	180	176	2,994	2,881
Dec.	8,500	8,500	2,200	2,500	3,100	3,000	200	200	3,000	2,800

¹ Preliminary; December by Council of Economic Advisers.

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

TABLE C-60.—Mortgage debt outstanding, by type of property and of financing, 1939–70

[Billions of dollars]

End of year or quarter	All prop- erties	Farm prop- erties	Nonfarm properties				Nonfarm properties by type of mortgage					
			Total	1- to 4- family houses	Multi- family	Com- mer- cial prop- erties ¹	FHA-VA underwritten				Conventional ²	
							Total	1- to 4-family houses			Total	1- to 4- family houses
								Total	FHA in- sured	VA guar- anteed		
1939.....	35.5	6.6	28.9	16.3	5.6	7.0	1.8	1.8	1.8	-----	27.1	14.5
1940.....	36.5	6.5	30.0	17.4	5.7	6.9	2.3	2.3	2.3	-----	27.7	15.1
1941.....	37.6	6.4	31.2	18.4	5.9	7.0	3.0	3.0	3.0	-----	28.2	15.4
1942.....	36.7	6.0	30.8	18.2	5.8	6.7	3.7	3.7	3.7	-----	27.1	14.5
1943.....	35.3	5.4	29.9	17.8	5.8	6.3	4.1	4.1	4.1	-----	25.8	13.7
1944.....	34.7	4.9	29.7	17.9	5.6	6.2	4.2	4.2	4.2	-----	25.5	13.7
1945.....	35.5	4.8	30.8	18.6	5.7	6.4	4.3	4.3	4.1	0.2	26.5	14.3
1946.....	41.8	4.9	36.9	23.0	6.1	7.7	6.3	6.1	3.7	2.4	30.6	16.9
1947.....	48.9	5.1	43.9	28.2	6.6	9.1	9.8	9.3	3.8	5.5	34.1	18.9
1948.....	56.2	5.3	50.9	33.3	7.5	10.2	13.6	12.5	5.3	7.2	37.3	20.8
1949.....	62.7	5.6	57.1	37.6	8.6	10.8	18.1	15.0	6.9	8.1	39.0	22.6
1950.....	72.8	6.1	66.7	45.2	10.1	11.5	22.1	18.9	8.6	10.3	44.6	26.3
1951.....	82.3	6.7	75.6	51.7	11.5	12.5	26.6	22.9	9.7	13.2	49.0	28.8
1952.....	91.4	7.2	84.2	58.5	12.3	13.4	29.3	25.4	10.8	14.6	54.9	33.1
1953.....	101.3	7.7	93.6	66.1	12.9	14.5	32.1	28.1	12.0	16.1	61.5	38.0
1954.....	113.7	8.2	105.4	75.7	13.5	16.3	36.2	32.1	12.8	19.3	69.2	43.6
1955.....	129.9	9.0	120.9	88.2	14.3	18.3	42.9	38.9	14.3	24.6	78.0	49.3
1956.....	144.5	9.8	134.6	99.0	14.9	20.7	47.8	43.9	15.5	28.4	86.8	55.1
1957.....	156.5	10.4	146.1	107.6	15.3	23.2	51.6	47.2	16.5	30.7	94.5	60.4
1958.....	171.8	11.1	160.7	117.7	16.8	26.1	55.2	50.1	19.7	30.4	105.5	67.6
1959.....	190.8	12.1	178.7	130.9	18.7	29.2	59.2	53.8	23.8	30.0	119.4	77.0
1960.....	206.8	12.8	194.0	141.3	20.3	32.4	62.3	56.4	26.7	29.7	131.7	84.8
1961.....	226.2	13.9	212.3	153.0	22.9	36.4	65.5	59.1	29.5	29.6	146.9	93.9
1962.....	248.6	15.2	233.4	166.5	25.8	41.1	69.4	62.2	32.3	29.9	164.0	104.3
1963.....	274.3	16.8	257.4	182.2	29.0	46.2	73.4	65.9	35.0	30.9	184.0	116.3
1964.....	300.1	18.9	281.2	197.6	33.6	50.0	77.2	69.2	38.3	30.9	204.0	128.3
1965.....	325.8	21.2	304.6	212.9	37.2	54.5	81.2	73.1	42.0	31.1	223.4	139.8
1966.....	347.4	23.3	324.1	223.6	40.3	60.1	84.1	76.1	44.8	31.3	240.0	147.5
1967.....	370.2	25.5	344.8	236.1	43.9	64.8	88.2	79.9	47.4	32.5	256.6	156.1
1968 p.....	397.5	27.5	370.0	251.2	47.3	71.4	93.4	84.4	50.6	33.8	276.6	166.8
1969 p.....	425.3	29.5	395.9	266.8	52.2	76.9	100.2	90.2	54.5	35.7	295.7	176.9
1970 p.....	450.0	31.2	418.8	279.9	57.6	81.4	-----	-----	-----	-----	-----	-----
1967: I.....	350.5	23.7	326.8	224.9	41.0	60.9	84.5	76.4	45.2	31.2	242.3	148.4
II.....	356.2	24.3	331.9	227.8	41.9	62.2	85.3	77.2	45.7	31.5	246.6	150.6
III.....	363.3	24.9	338.3	232.0	42.8	63.5	86.4	78.3	46.6	31.7	251.9	153.7
IV.....	370.2	25.5	344.8	236.1	43.9	64.8	88.2	79.9	47.4	32.5	256.6	156.1
1968: I p.....	375.8	26.0	349.8	239.1	44.6	66.1	89.4	81.0	48.1	32.9	260.4	158.1
II p.....	382.9	26.7	356.1	243.2	45.3	67.6	90.7	82.1	48.7	33.4	265.4	161.1
III p.....	389.8	27.2	362.6	247.0	46.2	69.3	92.0	83.2	49.6	33.6	270.6	163.8
IV p.....	397.5	27.5	370.0	251.2	47.3	71.4	93.4	84.4	50.6	33.8	276.6	166.8
1969: I p.....	403.7	28.1	375.7	254.8	48.3	72.6	94.5	85.3	51.4	33.9	281.2	169.5
II p.....	411.7	28.8	382.9	259.5	49.4	74.0	96.6	87.1	52.2	34.9	286.3	172.6
III p.....	418.7	29.2	389.5	263.5	50.6	75.4	98.5	88.9	53.4	35.5	291.0	174.6
IV p.....	425.3	29.5	395.9	266.8	52.2	76.9	100.2	90.2	54.5	35.7	295.7	176.4
1970: I p.....	429.4	29.8	399.6	268.5	53.2	77.8	102.9	91.6	55.6	36.0	297.7	176.9
II p.....	435.6	30.3	405.2	271.7	54.5	79.0	103.2	92.1	56.1	36.0	302.0	179.6
III p.....	442.7	30.8	411.9	275.8	56.0	80.1	-----	-----	-----	36.9	-----	-----
IV p.....	450.0	31.2	418.8	279.8	57.7	81.4	-----	-----	-----	-----	-----	-----

¹ Includes negligible amount of farm loans held by savings and loan associations.² Derived figures.

Source: Board of Governors of the Federal Reserve System, estimated and compiled from data supplied by various Government and private organizations.

TABLE C-61.—*Mortgage debt outstanding, by lender, 1939-70*

[Billions of dollars]

End of year or quarter	Total	Selected financial institutions					Other lenders	
		Total	Savings and loan associations	Mutual savings banks	Commercial banks ¹	Life insurance companies	U.S. agencies ²	Individuals and others
1939	35.5	18.6	3.8	4.8	4.3	5.7	5.0	11.9
1940	36.5	19.5	4.1	4.9	4.6	6.0	4.9	12.0
1941	37.6	20.7	4.6	4.8	4.9	6.4	4.7	12.2
1942	36.7	20.7	4.6	4.6	4.7	6.7	4.3	11.7
1943	35.3	20.2	4.6	4.4	4.5	6.7	3.6	11.5
1944	34.7	20.2	4.8	4.3	4.4	6.7	3.0	11.5
1945	35.5	21.0	5.4	4.2	4.8	6.6	2.4	12.1
1946	41.8	26.0	7.1	4.4	7.2	7.2	2.0	13.8
1947	48.9	31.8	8.9	4.9	9.4	8.7	1.8	15.3
1948	56.2	37.8	10.3	5.8	10.9	10.8	1.9	16.5
1949	62.7	42.9	11.6	6.7	11.6	12.9	2.4	17.4
1950	72.8	51.7	13.7	8.3	13.7	16.1	2.7	18.4
1951	82.3	59.5	15.6	9.9	14.7	19.3	3.4	19.4
1952	91.4	66.9	18.4	11.4	15.9	21.3	4.0	20.5
1953	101.3	75.1	22.0	12.9	16.9	23.3	4.4	21.8
1954	113.7	85.7	26.1	15.0	18.6	26.0	4.6	23.4
1955	129.9	99.3	31.4	17.5	21.0	29.4	5.2	25.4
1956	144.5	111.2	35.7	19.7	22.7	33.0	6.0	27.3
1957	156.5	119.7	40.0	21.2	23.3	35.2	7.4	29.3
1958	171.8	131.5	45.6	23.3	25.5	37.1	7.8	32.5
1959	190.8	145.5	53.1	25.0	28.1	39.2	10.0	35.4
1960	206.8	157.6	60.1	26.9	28.8	41.8	11.2	38.0
1961	226.2	172.6	68.8	29.1	30.4	44.2	11.8	41.8
1962	248.6	192.5	78.8	32.3	34.5	46.9	12.2	44.0
1963	274.3	217.1	90.9	36.2	39.4	50.5	11.2	45.9
1964	300.1	241.0	101.3	40.6	44.0	55.2	11.4	47.7
1965	325.8	264.6	110.3	44.6	49.7	60.0	12.4	48.7
1966	347.4	280.8	114.4	47.3	54.4	64.6	15.8	50.9
1967	370.2	298.8	121.8	50.5	59.0	67.5	18.4	53.0
1968 <i>p</i>	397.5	319.9	130.8	53.5	65.7	70.0	21.7	55.8
1969 <i>p</i>	425.3	339.1	140.2	56.1	70.7	72.0	26.8	59.4
1970 <i>p</i>	450.0	355.2	149.9	58.0	72.9	74.3	32.1	62.7
1967: I	350.5	282.9	114.8	48.1	54.5	65.5	16.4	51.3
II	356.2	287.6	116.9	48.9	55.7	66.1	16.7	51.9
III	363.3	293.3	119.5	49.7	57.5	66.6	17.5	52.5
IV	370.2	298.8	121.8	50.5	59.0	67.5	18.4	53.0
1968: I <i>p</i>	375.8	302.6	123.3	51.2	60.1	68.0	19.6	53.5
II <i>p</i>	382.9	308.1	125.9	51.8	62.0	68.4	20.6	54.2
III <i>p</i>	389.8	313.5	128.3	52.5	63.8	68.9	21.1	55.1
IV <i>p</i>	397.5	319.9	130.8	53.5	65.7	70.0	21.7	55.8
1969: I <i>p</i>	403.7	324.7	133.0	54.2	67.1	70.4	22.6	56.4
II <i>p</i>	411.7	331.0	136.2	54.8	69.1	70.9	23.4	57.2
III <i>p</i>	418.7	335.7	138.6	55.4	70.4	71.3	24.9	58.1
IV <i>p</i>	425.3	339.1	140.2	56.1	70.7	72.0	26.8	59.4
1970: I <i>p</i>	429.4	340.6	140.8	56.4	70.9	72.6	28.6	60.2
II <i>p</i>	435.6	344.4	143.1	56.9	71.3	73.2	30.0	61.2
III <i>p</i>	442.7	349.5	146.4	57.4	72.1	73.5	31.3	61.9
IV <i>p</i>	450.0	355.2	149.9	58.0	72.9	74.3	32.1	62.7

¹ Includes loans held by nondeposit trust companies, but not bank trust departments.² Includes former FNMA and new GNMA, as well as FHA, VA, PHA, Farmers' Home Administration and in earlier years RFC, HOLC, and FFMC. Also includes U.S.-sponsored agencies such as new FNMA and Federal Land Banks. Other U.S. agencies (amounts small or current separate data not readily available) included with "individuals and others."

Sources: Board of Governors of the Federal Reserve System, based on data from various Government and private organizations.

TABLE C-62.—*Net public and private debt, 1929-69¹*

[Billions of dollars]

End of year	Total	Public			Private							
		Federal ²	Federal financial agencies ³	State and local	Total	Corporate	Individual and noncorporate					
							Total	Farm ⁴	Nonfarm			
									Total	Mortgage	Commercial and financial ⁵	Consumer
1929.....	191.9	16.5	-----	13.6	161.8	88.9	72.9	12.2	60.7	31.2	22.4	7.1
1930.....	192.3	16.5	-----	14.7	161.1	89.3	71.8	11.8	60.0	32.0	21.6	6.4
1931.....	182.9	18.5	-----	16.0	148.4	83.5	64.9	11.1	53.8	30.9	17.6	5.3
1932.....	175.0	21.3	-----	16.6	137.1	80.0	57.1	10.1	47.0	29.0	14.0	4.0
1933.....	168.5	24.3	-----	16.3	127.9	76.9	51.0	9.1	41.9	26.3	11.7	3.9
1934.....	171.6	30.4	-----	15.9	125.3	75.5	49.8	8.9	40.9	25.5	11.2	4.2
1935.....	175.0	34.4	-----	16.1	124.5	74.8	49.7	8.9	40.8	24.8	10.8	5.2
1936.....	180.6	37.7	-----	16.2	126.7	76.1	50.6	8.6	42.0	24.4	11.2	6.4
1937.....	182.2	39.2	-----	16.1	126.9	75.8	51.1	8.6	42.5	24.3	11.3	6.9
1938.....	179.9	40.5	-----	16.1	123.3	73.3	50.0	9.0	41.0	24.5	10.1	6.4
1939.....	183.3	42.6	-----	16.4	124.3	73.5	50.8	8.8	42.0	25.0	9.8	7.2
1940.....	189.8	44.8	-----	16.4	128.6	75.6	53.0	9.1	43.9	26.1	9.5	8.3
1941.....	211.4	56.3	-----	16.1	139.0	83.4	55.6	9.3	46.3	27.1	10.0	9.2
1942.....	258.6	101.7	-----	15.4	141.5	91.6	49.9	9.0	40.9	26.8	8.1	6.0
1943.....	313.2	154.4	-----	14.5	144.3	95.5	48.8	8.2	40.5	26.1	9.5	4.9
1944.....	370.6	211.9	-----	13.9	144.8	94.1	50.7	7.7	42.9	26.0	11.8	5.1
1945.....	405.9	252.5	-----	13.4	140.0	85.3	54.7	7.3	47.4	27.0	14.7	5.7
1946.....	396.6	229.5	-----	13.7	153.4	93.5	59.9	7.6	52.3	31.8	12.1	8.4
1947.....	415.7	221.7	0.7	15.0	178.3	108.9	69.4	8.6	60.7	37.2	11.9	11.6
1948.....	431.3	215.3	.6	17.0	198.4	117.8	80.6	10.8	69.7	42.4	12.9	14.4
1949.....	445.8	217.6	.7	19.1	208.4	118.0	90.4	12.0	78.4	47.1	13.9	17.4
1950.....	486.2	217.4	.7	21.7	246.4	142.1	104.3	12.3	92.0	54.8	15.8	21.5
1951.....	519.2	216.9	1.3	24.2	276.8	162.5	114.3	13.7	100.6	61.7	16.2	22.7
1952.....	550.2	221.5	1.3	27.0	300.4	171.0	129.4	15.2	114.2	68.9	17.8	27.5
1953.....	581.6	226.8	1.4	30.7	322.7	179.5	143.2	16.8	126.4	76.7	18.4	31.4
1954.....	605.9	229.1	1.3	35.5	340.0	182.8	157.2	17.5	139.7	86.4	20.8	32.5
1955.....	665.8	229.6	2.9	41.1	392.2	212.1	180.1	18.7	161.4	98.7	24.0	38.8
1956.....	698.4	224.3	2.4	44.5	427.2	231.7	195.5	19.4	176.1	109.4	24.4	42.3
1957.....	728.3	223.0	2.4	48.6	454.3	246.7	207.6	20.2	187.4	118.1	24.3	45.0
1958.....	769.6	231.0	2.5	53.7	482.4	259.5	222.9	23.2	199.7	128.1	26.5	45.1
1959.....	833.0	241.4	3.7	59.6	528.3	283.3	245.0	23.8	221.2	141.0	28.7	51.5
1960.....	874.2	239.8	3.5	64.9	566.1	302.8	263.3	25.1	238.2	151.3	30.8	56.1
1961.....	930.3	246.7	4.0	70.5	609.1	324.3	284.8	27.5	257.3	164.5	34.8	58.0
1962.....	996.0	253.6	5.3	77.0	660.1	348.2	311.9	30.2	281.7	180.3	37.6	63.8
1963.....	1,070.9	257.5	7.2	83.9	722.3	376.4	345.8	33.2	312.6	198.6	42.3	71.7
1964.....	1,151.6	264.0	7.5	90.4	789.7	409.6	380.1	36.0	344.1	218.9	45.0	80.3
1965.....	1,244.1	266.4	8.9	98.3	870.4	454.3	416.1	39.3	376.8	236.8	49.7	90.3
1966.....	1,341.4	271.8	11.2	104.8	953.5	506.6	446.9	42.4	404.5	251.6	55.4	97.5
1967.....	1,435.5	286.5	9.0	112.8	1,027.2	546.6	480.6	48.3	432.3	256.9	63.3	102.1
1968.....	1,567.8	291.9	21.4	123.2	1,131.4	610.9	520.5	52.3	468.2	285.3	69.7	113.2
1969.....	1,699.5	289.3	30.5	132.4	1,247.3	692.2	555.1	56.7	498.4	304.5	71.4	122.5

¹ Net public and private debt is a comprehensive aggregate of the indebtedness of borrowers after eliminating certain types of duplicating governmental and corporate debt.

² Net Federal Government and agency debt is the outstanding debt held by the public, as defined in the "Budget of the United States Government, for the Fiscal Year ending June 30, 1972."

³ This comprises the debt of federally sponsored agencies, in which there is no longer any Federal proprietary interest. The obligations of the Federal Land Banks are included beginning with 1947, the debt of the Federal Home Loan Banks is included beginning with 1951, and the debts of the Federal National Mortgage Association, Federal Intermediate Credit Banks, and Banks for Cooperatives are included beginning with 1968.

⁴ Farm mortgages and farm production loans. Farmers' financial and consumer debt is included in the nonfarm categories.

⁵ 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.

Sources: Department of Commerce (Office of Business Economics), Treasury Department, Department of Agriculture, Board of Governors of the Federal Reserve System, Federal Home Loan Bank Board, Federal Land Banks, and Federal National Mortgage Association.

GOVERNMENT FINANCE

TABLE C-63.—Federal budget receipts and outlays, 1920-72

[Millions of dollars]

Fiscal year	Receipts	Outlays	Surplus or deficit (—)
Administrative budget:			
1929	3,862	3,127	734
1930	4,058	3,320	387
1931	3,116	3,577	—462
1932	1,924	4,659	—2,735
1933	1,997	4,598	—2,602
1934	3,015	6,645	—3,630
1935	3,706	6,497	—2,791
1936	3,997	8,422	—4,425
1937	4,956	7,733	—2,777
1938	5,588	6,765	—1,177
1939	4,979	8,841	—3,862
Consolidated cash statement:			
1940	6,879	9,589	—2,710
1941	9,202	13,980	—4,778
1942	15,104	34,500	—19,396
1943	25,097	78,909	—53,812
1944	47,818	93,956	—46,138
1945	50,162	95,184	—45,022
1946	43,537	61,738	—18,201
1947	43,531	36,931	6,600
1948	45,357	36,493	8,864
1949	41,576	40,570	1,006
1950	40,940	43,147	—2,207
1951	53,390	45,797	7,593
1952	68,011	67,962	49
1953	71,495	76,769	—5,274
Unified budget:			
1954	69,719	70,890	—1,170
1955	65,469	68,509	—3,041
1956	74,547	70,460	4,087
1957	79,990	76,741	3,249
1958	79,636	82,575	—2,939
1959	79,249	92,104	—12,855
1960	92,492	92,223	269
1961	94,389	97,795	—3,406
1962	99,676	106,813	—7,137
1963	106,560	111,311	—4,751
1964	112,662	118,584	—5,922
1965	116,833	118,430	—1,596
1966	130,856	134,652	—3,796
1967	149,552	158,254	—8,702
1968	153,671	178,833	—25,161
1969	187,784	184,548	3,236
1970	193,743	196,585	—2,845
1971 ¹	194,193	212,755	—18,562
1972 ¹	217,593	229,232	—11,639

¹ Estimate.

Note.—Certain interfund transactions are excluded from receipts and outlays starting in 1932. For years prior to 1932 the amounts of such transactions are not significant.

Refunds of receipts are excluded from receipts and outlays starting in 1913.

Sources: Treasury Department and Office of Management and Budget.

TABLE C-64.—Federal budget receipts, outlays, financing, and debt, 1961-72

[Millions of dollars; fiscal years]

Description	Actual					
	1961	1962	1963	1964	1965	1966
RECEIPTS, EXPENDITURES, AND NET LENDING:						
Expenditure account:						
Receipts.....	94,389	99,676	106,560	112,662	116,833	130,856
Expenditures (excludes net lending).....	96,597	104,462	111,456	118,039	117,181	130,820
Expenditure account surplus or deficit (—).....	—2,208	—4,786	—4,896	—5,377	—347	36
Loan account:						
Loan disbursements.....	7,869	9,621	9,646	10,237	10,911	14,628
Loan repayments.....	6,671	7,271	9,791	9,693	9,662	10,796
Net lending.....	1,198	2,351	—145	545	1,249	3,832
Total budget:						
Receipts.....	94,389	99,676	106,560	112,662	116,833	130,856
Outlays (expenditures and net lending).....	97,795	106,813	111,311	118,584	118,430	134,652
Budget surplus or deficit (—).....	—3,406	—7,137	—4,751	—5,922	—1,596	—3,796
BUDGET FINANCING:						
Net borrowing from the public or repayment of borrowing (—).....	1,427	9,769	6,088	3,092	4,061	3,076
Other means of financing.....	1,979	—2,632	—1,337	2,830	—2,465	720
Total means of financing.....	3,406	7,137	4,751	5,922	1,596	3,796
OUTSTANDING DEBT, END OF YEAR:						
Gross Federal debt.....	292,895	303,291	310,807	316,763	323,154	329,474
Held by the public.....	238,604	248,373	254,461	257,553	261,614	264,690
BUDGET RECEIPTS:	94,389	99,676	106,560	112,662	116,833	130,856
Individual income taxes.....	41,338	45,571	47,588	48,697	48,792	55,446
Corporation income taxes.....	20,954	20,523	21,579	23,493	25,461	30,073
Employment taxes and contributions.....	12,679	12,835	14,746	16,959	17,359	20,662
Unemployment insurance.....	2,902	3,337	4,112	4,045	3,819	3,777
Contributions for other insurance and retirement.....	857	875	946	1,008	1,081	1,129
Excise taxes.....	11,860	12,534	13,194	13,731	14,570	13,062
Estate and gift taxes.....	1,896	2,016	2,167	2,394	2,716	3,066
Customs duties.....	982	1,142	1,205	1,252	1,442	1,767
Miscellaneous receipts ¹	919	843	1,023	1,084	1,594	1,875
MEMORANDUM:						
Federal funds.....	75,179	79,703	83,550	87,205	90,943	101,427
Trust funds.....	21,800	22,652	25,799	28,518	29,230	32,997
BUDGET OUTLAYS (EXPENDITURES AND NET LENDING)	97,795	106,813	111,311	118,584	118,430	134,652
National defense.....	47,381	51,097	52,257	53,591	49,578	56,785
International affairs and finance.....	3,357	4,492	4,115	4,117	4,340	4,490
Space research and technology.....	744	1,257	2,552	4,170	5,091	5,933
Agriculture and rural development.....	3,340	4,123	5,139	5,185	4,807	3,679
Natural resources.....	1,554	1,665	1,483	1,944	2,028	1,999
Commerce and transportation.....	5,032	5,430	5,765	6,511	7,399	7,171
Community development and housing.....	191	589	—880	—185	288	2,644
Education and manpower.....	1,227	1,406	1,502	1,751	2,284	4,258
Health.....	873	1,139	1,393	1,737	1,730	2,543
Income security.....	21,227	22,530	24,084	25,110	25,702	29,016
Veterans benefits and services.....	5,688	5,625	5,520	5,681	5,722	5,920
Interest.....	8,108	8,321	9,215	9,810	10,357	11,285
General government.....	1,491	1,650	1,810	2,040	2,210	2,292
Allowances.....						
Undistributed intragovernmental transactions.....	—2,443	—2,513	—2,644	—2,877	—3,109	—3,364
MEMORANDUM:						
Federal funds.....	79,336	86,594	90,141	95,761	94,807	106,512
Trust funds.....	21,048	22,898	23,958	25,884	26,962	31,708
Intragovernmental transactions.....	—2,589	—2,680	—2,788	—3,061	—3,339	—3,568

See footnotes at end of table.

TABLE C-64.—Federal budget receipts, outlays, financing, and debt, 1961-72—Continued

[Millions of dollars; fiscal years]

Description	Actual				Estimate	
	1967	1968	1969	1970	1971	1972
RECEIPTS, EXPENDITURES, AND NET LENDING:						
Expenditure account:						
Receipts	149,552	153,671	187,784	193,743	194,193	217,593
Expenditures (excludes net lending).....	153,201	172,802	183,072	194,456	211,143	228,286
Expenditure account surplus or deficit (—).....	—3,649	—19,131	4,712	—714	—16,951	—10,693
Loan account:						
Loan disbursements.....	17,676	20,327	13,117	8,313	8,807	9,440
Loan repayments.....	12,623	14,297	11,640	6,182	7,196	8,494
Net lending.....	5,053	6,030	1,476	2,131	1,611	946
Total budget:						
Receipts.....	149,552	153,671	187,784	193,743	194,193	217,593
Outlays (expenditures and net lending).....	158,254	178,833	184,548	196,588	212,755	229,232
Budget surplus or deficit (—).....	—8,702	—25,161	3,236	—2,845	—18,562	—11,639
BUDGET FINANCING:						
Net borrowing from the public or repayment of borrowing (—).....	2,838	23,100	—1,044	3,814	17,600	10,600
Other means of financing.....	5,863	2,061	—2,192	—969	962	1,039
Total means of financing.....	8,702	25,161	—3,236	2,845	18,562	11,639
OUTSTANDING DEBT, END OF YEAR:						
Gross Federal debt.....	341,348	369,769	367,144	382,603	407,033	429,400
Held by the public.....	267,529	290,629	279,483	284,880	302,480	313,080
BUDGET RECEIPTS.....	149,552	153,671	187,784	193,743	194,193	217,593
Individual income taxes.....	61,526	68,726	87,249	90,412	88,300	93,700
Corporation income taxes.....	33,971	28,665	36,678	32,829	30,100	36,700
Employment taxes and contributions.....	27,823	29,224	34,236	39,133	42,297	50,225
Unemployment insurance.....	3,659	3,346	3,328	3,464	3,604	4,183
Contributions for other insurance and retirement.....	1,867	2,052	2,353	2,701	3,072	3,151
Excise taxes.....	13,719	14,079	15,222	15,705	16,800	17,500
Estate and gift taxes.....	2,978	3,051	3,491	3,644	3,730	5,300
Customs duties.....	1,901	2,038	2,319	2,430	2,490	2,700
Miscellaneous receipts ¹	2,108	2,491	2,908	3,424	3,800	4,134
MEMORANDUM:						
Federal funds.....	111,835	114,726	143,321	143,158	139,137	153,720
Trust funds.....	42,935	44,716	52,009	59,362	66,165	75,490
BUDGET OUTLAYS (EXPENDITURES AND NET LENDING).....	158,254	178,833	184,548	196,588	212,755	229,232
National defense.....	70,081	80,517	81,232	80,295	76,443	77,512
International affairs and finance.....	4,547	4,619	3,785	3,570	3,586	4,032
Space research and technology.....	5,423	4,721	4,247	3,749	3,368	3,151
Agriculture and rural development.....	4,376	5,943	6,221	6,201	5,262	5,804
Natural resources.....	1,821	1,655	2,081	2,480	2,636	4,243
Commerce and transportation.....	7,594	8,094	7,921	9,310	11,442	10,937
Community development and housing.....	2,616	4,076	1,961	2,965	3,858	4,495
Education and manpower.....	5,853	6,739	6,525	7,289	8,300	8,808
Health.....	6,721	9,672	11,696	12,995	14,928	16,010
Income security.....	31,164	34,108	37,699	43,790	55,546	60,739
Veterans benefits and services.....	6,897	6,882	7,640	8,677	9,969	10,644
Interest.....	12,588	13,744	15,791	18,312	19,433	19,687
General government.....	2,510	2,561	2,866	3,336	4,381	4,970
Allowances.....					800	5,969
Undistributed intragovernmental transactions.....	—3,936	—4,499	—5,117	—6,380	—7,197	—7,771
MEMORANDUM:						
Federal funds.....	126,779	143,105	148,811	156,301	164,665	175,857
Trust funds.....	36,693	41,499	43,284	49,065	59,200	63,992
Intragovernmental transactions.....	—5,218	—5,771	—7,547	—8,778	—11,109	—11,617

¹ Includes both Federal funds and trust funds.

² Excludes changes due to reclassification and to conversion of mixed-ownership enterprises to private ownership. (See footnotes to Table 9, "Budget of the United States Government for the Fiscal Year Ending June 30, 1971," and footnotes to Table 10, "Budget of the United States Government for the Fiscal Year Ending June 30, 1972.")

Sources: Treasury Department and Office of Management and Budget.

TABLE C-65.—*Relation of the Federal budget to the Federal sector of the national income and product accounts, 1969-72*

[Billions of dollars; fiscal years]

Receipts and expenditures	Actual		Estimate	
	1969	1970	1971	1972
RECEIPTS				
Total receipts, budget.....	187.8	193.7	194.2	217.6
Government contribution for employee retirement (grossing).....	2.1	2.7	2.8	2.7
Other netting and grossing.....	1.3	1.5	1.5	1.6
Adjustment to accruals.....	.2	.9	1.5	4.4
Other.....	-.1	-.1	-.1	-.4
Federal sector, national income and product accounts, receipts.....	191.3	198.7	200.0	225.9
EXPENDITURES				
Total outlays, budget.....	184.5	196.6	212.8	229.2
Loan account.....	-1.5	-2.1	-1.6	-.9
Financial transactions in the expenditure account.....	-1.0	-1.8	-2.4	-2.2
Government contribution for employee retirement (grossing).....	2.1	2.7	2.8	2.7
Other netting and grossing.....	1.3	1.5	1.5	1.6
Defense timing adjustment.....	.4	1.5	1.6	.5
Other.....	.7	-.5	.3	-.7
Federal sector, national income and product accounts, expenditures.....	186.7	197.9	215.0	230.1

Note.—See Special Analysis A, "Budget of the United States Government for the Fiscal Year Ending June 30, 1972," for description of these categories.

Sources: Treasury Department, Office of Management and Budget, and Department of Commerce (Office of Business Economics).

TABLE C-66.—Receipts and expenditures of the Federal Government sector of the national income and product accounts, 1948-72
(Billions of dollars)

Year or quarter	Receipts					Expenditures							Subsidies less current surplus of government enterprises	Surplus or deficit (-), national income and product accounts
	Total	Personal tax and non-tax receipts	Corporate profits tax accruals	Indirect business tax and non-tax accruals	Contributions for social insurance	Total ¹	Purchases of goods and services	Transfer payments		Grants-in-aid to State and local governments	Net interest paid			
								To persons	To foreigners (net)					
Fiscal year:														
1948.....	43.6	20.0	11.2	7.9	4.6	30.9	13.2	8.7	2.6	1.8	4.2	.5	12.7	
1949.....	40.0	16.3	11.0	8.0	4.8	39.6	19.3	8.1	5.0	2.1	4.3	.8	-.5	
1950.....	42.0	16.5	11.9	8.2	5.5	42.4	19.0	11.3	4.3	2.4	4.4	1.0	4.4	
1951.....	60.8	23.2	21.5	9.5	6.6	44.6	25.1	8.1	3.1	2.4	4.6	1.3	16.2	
1952.....	65.1	28.8	19.3	9.7	7.3	66.0	46.6	8.5	2.6	2.5	4.8	1.1	-1.0	
1953.....	69.3	31.4	19.7	10.7	7.5	75.8	56.1	9.3	2.1	2.8	4.8	.9	-6.5	
1954.....	65.8	30.3	17.3	10.4	7.8	74.2	53.2	10.5	1.7	2.9	5.0	1.0	-8.5	
1955.....	67.2	29.7	18.7	10.0	8.7	67.3	43.9	12.1	2.1	3.0	4.9	1.3	-.1	
1956.....	75.8	33.6	21.1	10.8	10.2	69.8	45.2	12.8	1.8	3.2	5.1	1.7	6.0	
1957.....	80.7	36.7	20.6	11.7	11.7	76.0	47.7	14.4	1.9	3.7	5.5	2.8	4.7	
1958.....	77.9	36.3	17.8	11.6	12.2	83.1	50.7	17.8	1.7	4.7	5.7	2.5	-5.1	
1959.....	85.4	38.2	21.5	11.9	13.8	90.9	54.7	19.8	1.8	6.2	5.9	2.4	-5.5	
1960.....	94.8	42.5	22.3	13.2	16.7	91.3	52.7	20.6	1.8	6.8	7.0	2.3	3.5	
1961.....	95.3	43.6	20.3	13.3	18.1	98.0	55.5	23.6	2.1	6.9	6.8	3.2	-2.7	
1962.....	104.2	47.3	22.9	14.2	19.9	106.4	60.9	25.1	2.1	7.6	6.8	3.8	-2.1	
1963.....	110.2	49.6	23.5	15.0	22.1	111.4	63.4	26.4	2.1	8.4	7.5	3.6	-1.2	
1964.....	115.5	50.7	25.7	15.6	23.5	116.9	65.7	27.3	2.2	9.8	8.1	3.8	-1.4	
1965.....	120.5	51.3	27.7	16.9	24.6	118.5	64.4	28.3	2.2	10.9	8.5	4.1	2.0	
1966.....	132.8	57.6	31.0	15.7	28.5	131.9	71.7	31.8	2.3	12.7	9.0	4.5	-.7	
1967.....	147.2	64.5	31.2	15.8	35.7	154.5	85.3	37.2	2.2	14.8	9.9	5.1	-7.2	
1968.....	160.4	71.0	34.0	17.1	38.3	172.3	95.2	42.4	2.1	17.6	10.9	4.1	-11.9	
1969.....	191.3	89.5	38.9	18.6	44.2	186.7	100.6	48.3	2.2	19.1	12.3	4.1	4.6	
1970.....	198.7	93.7	36.8	19.4	48.9	197.9	100.8	54.5	2.0	22.1	14.0	4.6	8.8	
1971 ²	200.0	90.6	35.8	20.3	53.2	215.0	97.9	67.0	2.2	27.0	14.6	6.2	-15.0	
1972 ²	225.9	99.0	43.5	21.8	61.6	230.1	102.2	72.5	2.5	34.4	14.3	4.2	-4.2	
Calendar year:														
1948.....	43.3	19.0	11.8	8.0	4.5	34.9	16.5	7.6	3.8	2.0	4.3	.7	8.4	
1949.....	38.9	16.1	9.8	8.0	4.9	41.3	20.1	8.7	5.1	2.2	4.4	.8	-2.4	
1950.....	49.9	18.1	17.0	8.9	5.9	40.8	18.4	10.8	3.6	2.3	4.5	1.2	9.1	
1951.....	64.0	26.1	21.5	9.4	7.1	57.8	37.7	8.5	3.1	2.5	4.7	1.3	6.2	
1952.....	67.2	31.0	18.5	10.3	7.4	71.0	51.8	8.8	2.1	2.6	4.7	1.0	-3.8	
1953.....	70.0	32.2	19.5	10.9	7.4	77.0	57.0	9.5	2.0	2.8	4.9	.8	-7.0	
1954.....	63.8	29.0	17.0	9.7	8.1	69.7	47.4	11.5	1.8	2.9	5.0	1.1	-5.9	
1955.....	72.1	31.4	20.6	10.7	9.3	68.1	44.1	12.4	2.0	3.1	4.9	1.5	4.0	
1956.....	77.6	35.2	20.6	11.2	10.6	71.9	45.6	13.4	1.9	3.3	5.3	2.4	5.7	
1957.....	81.6	37.4	20.2	11.8	12.2	79.6	49.5	15.7	1.8	4.2	5.7	2.6	2.1	
1958.....	78.7	36.8	18.0	11.5	12.4	88.9	53.6	19.5	1.8	5.6	5.6	2.7	-10.2	
1959.....	89.7	39.9	22.5	12.5	14.8	91.0	53.7	20.1	1.8	6.8	6.4	2.1	-1.2	
1960.....	96.5	43.6	21.7	13.5	17.7	93.0	53.5	21.5	1.9	6.5	7.1	2.5	3.5	
1961.....	98.3	44.7	21.8	13.6	18.2	102.1	57.4	24.9	2.1	7.2	6.6	3.8	-3.8	
1962.....	106.4	48.6	22.7	14.6	20.5	110.3	63.4	25.5	2.2	8.0	7.2	4.0	-3.8	
1963.....	114.5	51.5	24.6	15.3	23.1	113.9	64.2	27.0	2.2	9.1	7.7	3.6	-.7	
1964.....	115.0	48.6	26.4	16.1	23.8	118.1	65.2	27.8	2.2	10.4	8.3	4.2	-3.0	
1965.....	124.7	53.8	29.3	16.5	25.1	123.5	66.9	30.3	2.2	11.1	8.7	4.3	1.2	
1966.....	142.5	61.7	32.1	15.7	33.0	142.8	77.8	33.4	2.3	14.4	9.5	5.4	-.2	
1967.....	151.2	67.5	30.7	16.3	36.7	163.6	90.7	40.0	2.2	15.8	10.2	4.6	-12.4	
1968.....	175.4	79.3	37.5	18.0	40.7	181.6	99.5	45.7	2.1	18.4	11.8	4.1	-6.2	
1969.....	200.6	95.9	39.2	19.1	46.5	191.3	101.3	50.0	2.1	20.2	13.1	4.6	9.3	
1970.....	195.4	91.8	34.8	19.6	49.3	206.2	99.7	60.0	2.0	24.4	14.5	5.5	-10.8	
Seasonally adjusted annual rates														
1969: I.....	197.2	93.7	39.9	18.5	45.1	187.7	100.9	48.9	1.8	19.3	12.6	4.3	9.5	
II.....	202.5	97.3	40.2	19.0	46.0	189.1	99.8	49.8	2.5	19.6	12.9	4.6	13.4	
III.....	200.8	95.6	38.6	19.5	47.0	192.5	102.5	50.3	1.9	20.0	13.2	4.6	8.3	
IV.....	202.0	96.9	38.1	19.3	47.7	195.9	102.1	51.2	2.1	21.8	13.9	4.9	6.1	
1970: I.....	195.9	93.4	34.8	19.3	48.4	197.7	102.3	53.4	1.9	23.0	14.3	5.3	-1.7	
II.....	196.7	93.5	34.9	19.4	48.9	210.9	99.7	62.4	2.0	25.1	14.3	5.3	-14.2	
III.....	194.9	89.4	35.7	20.1	49.7	206.7	98.6	61.0	1.9	24.4	14.8	5.6	-11.8	
IV.....	190.8	90.8	34.8	19.6	49.9	209.5	98.4	63.3	2.0	25.2	14.7	5.9	-----	

¹ Wage accruals less disbursements have been subtracted from total. These were (in billions of dollars, at seasonally adjusted annual rates) 2.5, -2.1, -0.4, and .0 in the 4 quarters of 1970, respectively.

² Estimates.

Sources: Department of Commerce (Office of Business Economics) and Office of Management and Budget.

TABLE C-67.—Public debt securities by kind of obligation, 1946-70

(Billions of dollars)

End of year or month	Total public debt securities	Interest-bearing public debt							Matured public debt and debt bearing no interest
		Marketable public issues by maturity class			Nonmarketable public issues				
		Within 1 year	1 to 10 years	10 years and over	Special issues ¹	U.S. savings bonds ²	Foreign and international	Other	
1946	259.1	54.8	61.7	60.1	24.6	49.8	-----	6.7	1.5
1947	256.9	49.6	56.1	60.0	29.0	52.1	-----	7.4	2.7
1948	252.8	44.6	55.1	57.7	31.7	55.1	-----	6.3	2.2
1949	257.1	49.4	51.8	53.9	33.9	56.7	-----	9.3	2.1
1950	256.7	49.4	50.5	52.5	33.7	58.0	-----	10.1	2.4
1951	259.4	47.1	56.7	38.8	35.9	57.6	-----	20.9	2.3
1952	267.4	57.7	62.2	28.7	39.1	57.9	-----	19.6	2.1
1953	275.2	73.9	50.4	30.3	41.2	57.7	-----	19.3	2.3
1954	278.7	62.8	64.7	30.2	42.6	57.7	-----	17.7	3.0
1955	280.8	61.7	68.6	32.9	43.9	57.9	-----	12.7	3.0
1956	276.6	68.6	58.9	32.9	45.6	56.3	-----	11.9	2.4
1957	274.9	75.3	56.9	32.0	45.8	52.5	-----	10.4	2.0
1958	282.9	72.6	71.0	32.0	44.8	51.2	-----	9.2	2.1
1959	290.8	79.9	83.7	24.6	43.5	48.2	-----	7.8	3.1
1960	290.2	75.3	89.5	24.2	44.3	47.2	-----	6.3	3.4
1961	296.2	85.9	84.7	25.4	43.5	47.5	0.5	5.3	3.5
1962	303.5	87.3	95.6	20.1	43.4	47.5	.7	4.6	4.3
1963	309.3	89.4	94.2	24.0	43.7	48.8	1.3	3.8	4.1
1964	317.9	88.5	100.4	23.6	46.1	49.7	1.8	3.5	4.4
1965	320.9	93.4	95.6	25.6	46.3	50.3	2.4	2.9	4.4
1966	329.3	105.2	87.5	25.4	52.0	50.8	1.5	2.7	4.3
1967	344.7	104.4	97.0	25.1	57.2	51.7	3.2	2.6	3.5
1968	358.0	108.6	103.4	24.8	59.1	52.3	4.4	2.6	2.9
1969	368.2	118.1	93.3	24.4	71.0	52.2	4.7	2.5	2.0
1970	389.2	123.4	104.9	19.4	78.1	52.5	6.5	2.4	1.9
1969: Jan.	359.4	110.4	103.4	24.8	59.8	52.3	4.4	2.6	1.8
Feb.	358.8	100.3	111.5	24.7	60.9	52.3	4.5	2.6	2.0
Mar.	359.5	103.3	109.2	24.7	61.1	52.3	4.5	2.6	1.9
Apr.	358.5	101.2	109.1	24.7	62.3	52.2	4.5	2.5	1.9
May	360.1	111.9	97.6	24.6	64.9	52.2	4.4	2.5	1.9
June	353.7	103.9	97.6	24.6	66.8	52.2	4.1	2.5	2.0
July	357.0	107.4	97.6	24.6	66.8	52.2	4.1	2.5	1.9
Aug.	360.2	112.6	94.1	24.5	68.4	52.1	4.0	2.5	1.9
Sept.	360.7	112.6	94.1	24.5	68.9	52.1	4.1	2.5	1.9
Oct.	364.4	109.6	101.0	24.5	68.1	52.1	4.7	2.5	2.0
Nov.	368.1	120.1	93.3	24.4	69.3	52.1	4.4	2.5	1.8
Dec.	368.2	118.1	93.3	24.4	71.0	52.2	4.7	2.5	2.0
1970: Jan.	367.6	118.6	93.3	24.4	70.1	52.1	4.6	2.5	2.0
Feb.	368.8	117.8	96.4	21.7	71.4	52.1	4.9	2.5	2.0
Mar.	372.0	121.3	95.2	21.7	72.1	52.0	5.2	2.5	2.0
Apr.	367.2	117.1	95.2	21.7	71.8	52.0	4.9	2.5	2.1
May	371.1	109.4	105.5	21.6	73.3	52.0	4.8	2.5	1.9
June	370.9	105.5	105.5	21.6	76.3	52.0	5.6	2.5	1.9
July	376.6	110.8	105.5	21.5	76.1	52.0	6.2	2.5	1.9
Aug.	380.9	109.8	109.2	21.5	77.5	52.1	6.3	2.5	2.0
Sept.	378.7	108.7	109.2	21.5	76.7	52.1	6.2	2.5	1.9
Oct.	380.2	111.6	109.1	21.4	75.4	52.2	6.0	2.5	1.9
Nov.	383.6	120.1	104.9	19.5	75.6	52.4	6.7	2.5	2.0
Dec.	389.2	123.4	104.9	19.4	78.1	52.5	6.5	2.4	1.9

¹ Issued to U.S. Government accounts. These accounts also held \$19.2 billion of public marketable and nonmarketable issues on December 31, 1970.

² Includes sales of U.S. savings notes from May 1967 through June 30, 1970.

Source: Treasury Department.

TABLE C-68.—Estimated ownership of public debt securities, 1939-70

[Par values,¹ billions of dollars]

End of year or month	Total public debt securities ²								
	Total	Held by Government accounts	Held by Federal Reserve Banks	Held by private investors					
				Total	Commercial banks ³	Mutual savings banks and insurance companies	Other corporations ⁴	State and local governments ⁵	Miscellaneous investors ⁷
1939.....	41.9	6.1	2.5	33.4	12.7	8.4	2.0	0.4	0.5
1940.....	45.0	6.7	2.2	36.2	13.7	9.2	2.0	.5	.8
1941.....	57.9	8.5	2.3	47.1	17.1	11.0	4.0	.7	1.3
1942.....	108.2	10.5	6.2	91.5	38.2	15.4	10.1	1.0	3.5
1943.....	165.9	14.5	11.5	139.8	57.3	20.8	16.4	2.1	6.0
1944.....	230.6	19.0	18.8	192.8	76.7	28.0	21.4	4.3	9.3
1945.....	278.1	23.9	24.3	230.0	90.8	34.7	22.2	6.5	11.8
1946.....	259.1	27.4	23.3	208.3	74.5	36.7	15.3	6.3	11.4
1947.....	256.9	30.8	22.6	203.6	68.7	35.9	14.1	7.3	11.9
1948.....	252.8	33.7	23.3	195.8	62.4	32.7	14.8	7.9	12.5
1949.....	257.1	35.9	18.9	202.4	66.8	31.5	16.8	8.1	12.9
1950.....	256.7	36.0	20.8	199.9	61.8	29.6	19.7	8.8	13.6
1951.....	259.4	39.3	23.8	196.3	61.5	26.2	20.7	9.6	13.7
1952.....	267.4	42.9	24.7	199.8	63.4	25.5	19.9	11.1	14.7
1953.....	275.2	45.4	25.9	203.8	63.7	25.1	21.5	12.7	16.1
1954.....	278.7	46.7	24.9	207.1	69.1	24.1	19.1	14.4	16.9
1955.....	280.8	49.0	24.8	207.0	62.0	23.1	23.2	15.4	18.3
1956.....	276.6	51.2	24.9	200.5	59.5	21.2	18.7	16.3	18.9
1957.....	274.9	52.8	24.2	197.9	59.5	20.1	17.7	16.6	19.1
1958.....	282.9	52.1	26.3	204.5	67.5	19.8	18.1	16.5	18.9
1959.....	290.8	51.4	26.6	212.7	60.3	19.4	21.4	18.0	24.3
1960.....	290.2	52.8	27.4	210.0	62.1	18.0	18.7	18.7	26.5
1961.....	296.2	52.5	28.9	214.8	67.2	17.4	18.5	19.0	26.9
1962.....	303.5	53.2	30.8	219.5	67.1	17.5	18.6	20.1	30.1
1963.....	309.3	55.3	33.6	220.5	64.2	16.8	18.7	21.1	31.5
1964.....	317.9	58.4	37.0	222.5	63.9	16.5	18.2	21.1	33.0
1965.....	320.9	59.7	40.8	220.5	60.7	15.6	15.8	22.9	33.4
1966.....	329.3	65.8	44.3	219.2	57.4	14.1	14.9	24.3	33.9
1967.....	344.7	73.1	49.1	222.4	63.8	12.7	12.2	24.1	35.7
1968.....	358.0	76.6	52.9	228.5	66.0	11.6	14.2	24.4	36.7
1969.....	368.2	89.0	57.2	222.0	56.8	10.0	13.3	25.4	35.5
1970.....	389.2	97.1	62.1	229.9	62.5	9.6	11.0	23.0	41.6
1969: Jan.....	359.4	77.3	52.1	230.0	64.4	11.5	15.4	25.2	36.6
Feb.....	358.8	78.7	52.3	227.8	61.2	11.4	16.2	25.9	35.9
Mar.....	359.5	79.0	52.4	228.1	61.0	11.3	15.6	25.6	36.6
Apr.....	358.5	79.8	53.1	225.6	58.9	11.1	15.0	26.2	36.3
May.....	360.1	82.7	53.8	223.6	56.7	11.6	15.4	26.0	35.6
June.....	353.7	84.8	54.1	214.8	55.3	11.0	12.6	25.2	32.9
July.....	357.0	85.0	54.1	217.9	56.3	10.6	13.3	25.3	33.9
Aug.....	360.2	86.6	54.9	218.6	55.0	10.4	14.3	25.7	34.7
Sept.....	360.7	86.9	54.1	219.6	54.7	10.2	12.7	25.8	36.8
Oct.....	364.4	86.1	55.5	222.7	56.0	10.1	13.9	25.4	37.2
Nov.....	368.1	87.0	57.3	223.8	56.7	10.2	14.3	25.9	36.4
Dec.....	368.2	89.0	57.2	222.0	56.8	10.0	13.3	25.4	35.5
1970: Jan.....	367.6	88.6	55.5	223.5	54.6	10.1	13.9	26.1	36.6
Feb.....	368.8	89.4	55.8	223.6	53.0	10.0	13.2	26.2	38.4
Mar.....	372.0	90.4	55.8	225.9	55.5	9.9	12.7	25.5	39.1
Apr.....	367.2	90.2	56.5	220.5	54.5	9.9	11.9	24.7	36.8
May.....	371.1	92.3	57.3	221.4	53.9	9.8	12.5	25.2	37.1
June.....	370.9	95.2	57.7	218.0	53.3	9.7	11.1	24.6	36.8
July.....	376.6	94.8	58.6	223.2	55.1	9.9	12.0	24.2	39.3
Aug.....	380.9	96.4	59.9	224.6	58.0	10.1	11.7	24.2	38.3
Sept.....	378.7	95.5	60.0	223.2	56.9	10.0	10.3	24.0	39.5
Oct.....	380.2	94.4	60.0	225.8	58.9	9.8	11.1	24.1	39.6
Nov.....	383.6	94.5	61.2	227.9	59.9	9.7	10.8	23.2	42.1
Dec.....	389.2	97.1	62.1	229.9	62.5	9.6	11.0	23.0	41.6

¹ U.S. savings bonds, series A-F and J, and U.S. savings notes are included at current redemption value.² 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 Territories and island 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 C-53, which are based on book values and relate only to banks within the 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. Federal oriented agencies not included in Government accounts, and investments of foreign balances and international accounts in this country. Beginning with December 1946, the international accounts include investments by the International Bank for Reconstruction and Development, the International Monetary Fund, the International Development Association, the Inter-American Development Bank, and various United Nations' funds, in special non-interest-bearing notes and bonds issued by the U.S. Government.

Source: Treasury Department.

TABLE C-69.—Average length and maturity distribution of marketable interest-bearing public debt, 1946-70

End of year or month	Amount out- standing	Maturity class					Average length	
		Within 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	Years	Months
Millions of dollars							Years	Months
Fiscal year:								
1946.....	189,606	61,974	24,763	41,807	17,461	43,599	9	
1947.....	168,702	51,211	21,851	35,562	18,597	41,481	9	
1948.....	160,346	48,742	21,630	32,264	16,229	41,481	9	
1949.....	155,147	48,130	32,562	16,746	22,821	34,888	8	
1950.....	155,310	42,338	51,292	7,792	28,035	25,853	8	
1951.....	137,917	43,908	46,526	8,707	29,979	8,797	6	
1952.....	140,407	46,367	47,814	13,933	25,700	6,594	5	
1953.....	147,335	65,270	36,161	15,651	28,662	1,592	5	
1954.....	150,354	62,734	29,866	27,515	28,634	1,606	5	
1955.....	155,206	49,703	39,107	34,253	28,613	3,530	5	
1956.....	154,953	58,714	34,401	28,908	28,578	4,351	5	
1957.....	155,705	71,952	40,669	12,328	26,407	4,349	4	
1958.....	166,675	67,782	42,557	21,476	27,652	7,208	5	
1959.....	178,027	72,958	58,304	17,052	21,625	8,088	4	
1960.....	183,845	70,467	72,844	20,246	12,630	7,658	4	
1961.....	187,148	81,120	58,400	26,435	10,233	10,960	4	
1962.....	196,072	88,442	57,041	26,049	9,319	15,221	4	
1963.....	203,508	85,294	58,026	37,385	8,360	14,444	5	
1964.....	206,489	81,424	65,453	34,929	8,355	16,328	5	
1965.....	208,695	87,637	56,198	39,169	8,449	17,241	5	
1966.....	209,127	89,136	60,933	33,596	8,439	17,023	4	
1967.....	210,672	89,648	71,424	24,378	8,425	16,797	4	
1968.....	226,592	106,407	64,470	30,754	8,407	16,553	4	
1969.....	226,107	103,910	62,770	34,837	8,374	16,217	4	
1970.....	232,599	105,530	89,615	15,882	10,524	11,048	3	
1969: Jan.....	238,543	110,377	68,260	35,129	8,395	16,382	3	
Feb.....	236,535	100,282	75,778	35,727	8,394	16,354	4	
Mar.....	237,272	103,342	73,494	35,726	8,390	16,320	3	
Apr.....	234,968	101,159	73,407	35,726	8,386	16,291	3	
May.....	234,097	111,855	62,769	34,837	8,379	16,257	3	
June.....	226,107	103,910	62,770	34,837	8,374	16,217	4	
July.....	229,581	107,416	62,763	34,837	8,372	16,194	3	
Aug.....	231,230	112,618	69,519	24,553	8,370	16,170	3	
Sept.....	231,203	112,616	69,522	24,553	8,367	16,145	3	
Oct.....	235,029	109,550	74,762	26,247	8,363	16,107	3	
Nov.....	237,919	120,144	73,305	20,026	8,360	16,083	3	
Dec.....	235,863	118,124	73,302	20,026	8,358	16,054	3	
1970: Jan.....	236,321	118,633	73,294	20,026	8,354	16,014	3	
Feb.....	235,968	117,796	77,104	19,329	10,557	11,182	3	
Mar.....	238,195	121,272	75,889	19,329	10,551	11,155	3	
Apr.....	233,998	117,148	75,855	19,329	10,542	11,124	3	
May.....	236,561	109,432	89,631	15,879	10,534	11,085	3	
June.....	232,599	105,530	89,615	15,882	10,524	11,048	3	
July.....	237,821	110,813	89,614	15,876	10,514	11,004	3	
Aug.....	240,511	109,830	91,075	18,122	10,507	10,978	3	
Sept.....	239,330	108,671	91,066	18,140	10,501	10,951	3	
Oct.....	242,180	111,636	90,992	18,138	10,493	10,922	3	
Nov.....	244,447	120,125	82,302	22,555	8,566	10,900	3	
Dec.....	247,713	123,423	82,318	22,553	8,556	10,863	3	

Note.—All issues classified to final maturity except partially tax-exempt bonds, which were classified to earliest call date (the last of these bonds were called on August 14, 1962, for redemption on December 15, 1962).

Source: Treasury Department.

TABLE C-70.—Receipts and expenditures of the government sector of the national income and product accounts, 1929-70

[Billions of dollars]

Calendar year or quarter	Total government			Federal Government			State and local government		
	Re-ceipts	Ex-pen-ditures	Sur-plus or deficit (-), national income and product accounts	Re-ceipts	Ex-pen-ditures	Sur-plus or deficit (-), national income and product accounts	Re-ceipts	Ex-pen-ditures	Sur-plus or deficit (-), national income and product accounts
1929.....	11.3	10.3	1.0	3.8	2.6	1.2	7.6	7.8	-0.2
1930.....	10.8	11.1	-.3	3.0	2.8	-.3	7.8	8.4	-.6
1931.....	9.5	12.4	-2.9	2.0	4.2	-2.1	7.7	8.5	-.8
1932.....	8.9	10.6	-1.8	1.7	3.2	-1.5	7.3	7.6	-.3
1933.....	9.3	10.7	-1.4	2.7	4.0	-1.3	7.2	7.2	-.1
1934.....	10.5	12.9	-2.4	3.5	6.4	-2.9	8.6	8.1	.5
1935.....	11.4	13.4	-2.0	4.0	6.5	-2.6	9.1	8.6	.6
1936.....	12.9	16.1	-3.1	5.0	8.7	-3.6	8.6	8.1	.5
1937.....	15.4	15.0	.3	7.0	7.4	-.4	9.1	8.4	.7
1938.....	15.0	16.8	-1.8	6.5	8.6	-2.1	9.3	9.0	.4
1939.....	15.4	17.6	-2.2	6.7	8.9	-2.2	9.6	9.6	(¹)
1940.....	17.7	18.4	-.7	8.6	10.0	-1.3	10.0	9.3	.6
1941.....	25.0	28.8	-3.8	15.4	20.5	-5.1	10.4	9.1	1.3
1942.....	32.6	64.0	-31.4	22.9	56.1	-33.1	10.6	8.8	1.8
1943.....	49.2	93.3	-44.1	39.3	85.8	-46.6	10.9	8.4	2.5
1944.....	51.2	103.0	-51.8	41.0	95.5	-54.5	11.1	8.5	2.7
1945.....	53.2	92.7	-39.5	42.5	84.6	-42.1	11.6	9.0	2.6
1946.....	50.9	45.5	5.4	39.1	35.6	3.5	12.9	11.0	1.9
1947.....	56.8	42.4	14.4	43.7	29.8	13.4	15.3	14.3	1.0
1948.....	58.9	50.3	8.5	43.3	34.9	8.4	17.6	17.4	.1
1949.....	56.0	59.1	-3.2	38.9	41.3	-2.4	19.3	20.0	-.7
1950.....	68.7	60.8	7.8	49.9	40.8	9.1	21.1	22.3	-1.2
1951.....	84.8	79.0	5.8	64.0	57.8	6.2	23.3	23.7	-.4
1952.....	89.8	93.7	-3.8	67.2	71.0	-3.8	25.2	25.3	(²)
1953.....	94.3	101.2	-6.9	70.0	77.0	-7.0	27.2	27.0	.1
1954.....	89.7	96.7	-7.0	63.8	69.7	-5.9	28.8	29.9	-1.1
1955.....	100.4	97.6	2.7	72.1	68.1	4.0	31.4	32.7	-1.3
1956.....	109.0	104.1	4.9	77.6	71.9	5.7	34.7	35.6	-.9
1957.....	115.6	114.9	.7	81.6	79.6	2.1	38.2	39.5	-1.4
1958.....	114.7	127.2	-12.5	78.7	88.9	-10.2	41.6	44.0	-2.3
1959.....	128.9	131.0	-2.1	89.7	91.0	-1.2	46.0	46.8	-.8
1960.....	139.8	136.1	3.7	96.5	93.0	3.5	49.9	49.6	.2
1961.....	144.6	149.0	-4.3	98.3	102.1	-3.8	53.6	54.1	-.5
1962.....	157.0	159.9	-2.9	106.4	110.3	-3.8	58.6	57.6	.9
1963.....	168.8	166.9	1.8	114.5	113.9	.7	63.4	62.2	1.2
1964.....	174.1	175.4	-1.4	115.0	118.1	-3.0	69.5	67.8	1.7
1965.....	189.1	186.9	2.2	124.7	123.5	1.2	75.5	74.5	1.0
1966.....	213.3	212.3	1.1	142.5	142.8	-.2	85.2	83.9	1.3
1967.....	228.9	242.9	-13.9	151.2	163.6	-12.4	93.5	95.1	-1.6
1968.....	263.3	270.7	-7.3	175.4	181.6	-6.2	106.3	107.4	-1.1
1969.....	298.7	290.1	8.7	200.6	191.3	9.3	118.3	118.9	-.6
1970 ^a	303.4	313.0	-9.6	195.4	206.2	-10.8	132.4	131.2	1.2
Seasonally adjusted annual rates									
1968: I.....	249.7	260.5	-10.8	165.3	174.5	-9.2	102.1	103.7	-1.6
II.....	257.0	268.2	-11.2	170.0	180.5	-10.5	105.3	106.0	-.7
III.....	269.4	273.9	-4.5	180.1	184.2	-4.1	107.9	108.3	-.4
IV.....	277.2	280.1	-2.9	186.2	187.2	-1.1	110.0	111.9	-1.9
1969: I.....	291.2	283.5	7.7	197.2	187.7	9.5	113.3	115.1	-1.8
II.....	299.2	287.4	11.8	202.5	189.1	13.4	116.3	117.9	-1.5
III.....	300.4	292.3	8.1	200.8	192.5	8.3	119.6	119.8	-.3
IV.....	304.1	297.0	7.1	202.0	195.9	6.1	123.9	122.9	1.0
1970: I.....	300.2	301.5	-1.3	195.9	197.7	-1.7	127.3	126.8	.5
II.....	303.6	314.5	-10.9	196.7	210.9	-14.2	132.0	128.7	3.4
III.....	304.2	315.3	-11.2	194.9	206.7	-11.8	133.7	133.0	.7
IV ^a		320.6			209.5			136.3	

¹ Surplus of \$32 million.

² Deficit of \$41 million.

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.

Source: Department of Commerce, Office of Business Economics.

TABLE C-71.—Receipts and expenditures of the State and local government sector of the national income and product accounts, 1946-70

[Billions of dollars]

Calendar year or quarter	Receipts						Expenditures					Surplus or deficit (-), national income and product accounts
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Federal grants-in-aid	Total	Purchases of goods and services	Transfer payments to persons	Net interest paid	Less: Current surplus of government enterprises	
1946.....	12.9	1.5	0.5	9.3	0.5	1.1	11.0	9.8	1.7	0.3	0.7	1.9
1947.....	15.3	1.8	.6	10.6	.6	1.7	14.3	12.6	2.3	.3	.8	1.0
1948.....	17.6	2.1	.7	12.1	.7	2.0	17.4	15.0	2.9	.3	.8	.1
1949.....	19.3	2.4	.6	13.3	.8	2.2	20.0	17.7	2.9	.3	.9	-.7
1950.....	21.1	2.6	.8	14.5	1.0	2.3	22.3	19.5	3.5	.3	.9	-1.2
1951.....	23.3	2.9	.9	15.8	1.2	2.5	23.7	21.5	3.0	.3	1.1	-.4
1952.....	25.2	3.1	.8	17.3	1.3	2.6	25.3	22.9	3.2	.3	1.1	(*)
1953.....	27.2	3.4	.8	18.7	1.5	2.8	27.0	24.6	3.3	.3	1.2	.1
1954.....	28.8	3.7	.8	19.7	1.7	2.9	29.9	27.4	3.4	.4	1.4	-1.1
1955.....	31.4	4.1	1.0	21.4	1.8	3.1	32.7	30.1	3.7	.5	1.6	-1.3
1956.....	34.7	4.7	1.0	23.6	2.0	3.3	35.6	33.0	3.8	.5	1.7	-.9
1957.....	38.2	5.2	1.0	25.5	2.3	4.2	39.5	36.6	4.2	.5	1.8	-1.4
1958.....	41.6	5.6	1.0	27.0	2.5	5.6	44.0	40.6	4.6	.6	1.8	-2.3
1959.....	46.0	6.3	1.2	28.9	2.7	6.8	46.8	43.3	4.8	.7	2.0	-.8
1960.....	49.9	7.3	1.3	31.7	3.0	6.5	49.6	46.1	5.1	.7	2.2	.2
1961.....	53.6	7.7	1.4	34.1	3.2	7.2	54.1	50.2	5.5	.8	2.3	-.5
1962.....	58.6	8.7	1.4	36.9	3.5	8.0	57.6	53.7	5.7	.8	2.6	.9
1963.....	63.4	9.4	1.7	39.4	3.8	9.1	62.2	58.2	6.0	.8	2.8	1.2
1964.....	69.5	10.8	1.9	42.3	4.1	10.4	67.8	63.5	6.5	.7	2.9	1.7
1965.....	75.5	11.8	2.1	45.9	4.5	11.1	74.5	70.1	6.9	.5	3.0	1.0
1966.....	85.2	13.7	2.2	49.9	5.0	14.4	83.9	79.0	7.7	.3	3.1	1.3
1967.....	93.5	15.5	2.4	54.1	5.7	15.8	95.1	89.4	8.7	.2	3.2	-1.6
1968.....	106.3	18.3	3.1	60.1	6.4	18.4	107.4	100.7	10.0	.2	3.4	-1.1
1969.....	118.3	21.4	3.5	66.1	7.1	20.2	118.9	110.8	11.5	.1	3.6	-.6
1970 ^a	132.4	24.6	3.2	72.4	7.8	24.4	131.2	120.8	13.9	.3	3.8	1.2
Seasonally adjusted annual rates												
1968: I.....	102.1	17.2	3.1	58.0	6.2	17.7	103.7	97.2	9.6	0.2	3.3	-1.6
II.....	105.3	18.0	3.1	59.5	6.3	18.3	106.0	99.4	9.8	.2	3.4	-.7
III.....	107.9	18.6	3.1	61.0	6.5	18.6	108.3	101.4	10.2	.1	3.4	-.4
IV.....	110.0	19.3	3.2	61.9	6.7	19.0	111.9	104.7	10.5	.1	3.5	-1.9
1969: I.....	113.3	20.0	3.6	63.6	6.8	19.3	115.1	107.5	11.0	.1	3.5	-1.8
II.....	116.3	20.8	3.6	65.3	7.0	19.6	117.9	110.1	11.2	.1	3.6	-1.5
III.....	119.6	21.9	3.4	67.1	7.2	20.0	119.8	111.6	11.7	.2	3.6	-.3
IV.....	123.9	23.0	3.3	68.4	7.4	21.8	122.9	114.2	12.2	.2	3.7	1.0
1970: I.....	127.3	23.6	3.2	70.0	7.5	23.0	126.8	117.4	12.9	.2	3.7	.5
II.....	132.0	24.2	3.2	71.7	7.7	25.1	128.7	118.7	13.5	.3	3.8	3.4
III.....	133.7	24.9	3.3	73.2	7.9	24.4	133.0	122.4	14.1	.3	3.8	.7
IV ^a	-----	25.7	-----	74.6	8.1	25.2	136.3	124.8	15.1	.3	3.9	-----

^a Deficit of \$41 million.

Source: Department of Commerce, Office of Business Economics.

TABLE C-72.—State and local government revenues and expenditures, selected fiscal years, 1927-69

(Millions of dollars)

Fiscal year ¹	General revenues by source ²							General 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 revenues ⁴	Total	Education	Highways	Public welfare	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.....	7,678	4,076	1,008	80	49	1,016	1,449	7,181	1,831	1,509	889	2,952
1936.....	8,395	4,093	1,484	153	113	948	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.....	10,418	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.....	12,356	4,986	2,986	422	447	855	2,661	11,028	3,356	1,672	1,409	4,591
1948.....	17,250	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	992	846	2,566	5,763	26,098	8,318	4,650	2,788	10,342
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.....	29,012	9,967	7,276	1,127	778	2,966	6,897	30,701	10,557	5,527	3,060	11,557
1955.....	31,073	10,735	7,643	1,237	744	3,131	7,584	33,724	11,907	6,452	3,168	12,197
1956.....	34,667	11,749	8,691	1,538	890	3,335	8,465	36,711	13,220	6,953	3,139	13,399
1957.....	38,164	12,864	9,467	1,754	984	3,843	9,250	40,375	14,134	7,816	3,485	14,940
1958.....	41,219	14,047	9,829	1,759	1,018	4,865	9,699	44,851	15,919	8,567	3,818	16,547
1959.....	45,306	14,983	10,437	1,994	1,001	6,377	10,516	48,887	17,283	9,592	4,136	17,876
1960.....	50,505	16,405	11,849	2,463	1,180	6,974	11,634	51,876	18,719	9,428	4,404	19,325
1961.....	54,037	18,002	12,463	2,613	1,266	7,131	12,563	56,201	20,574	9,844	4,720	21,063
1962.....	58,252	19,054	13,494	3,037	1,308	7,871	13,489	60,206	22,216	10,357	5,084	22,549
1963.....	62,890	20,089	14,456	3,269	1,505	8,722	14,850	64,816	23,776	11,136	5,481	24,423
1962-63 ⁵	62,269	19,833	14,446	3,267	1,505	8,663	14,556	63,977	23,729	11,150	5,420	23,678
1963-64 ⁵	68,443	21,241	15,762	3,791	1,695	10,002	15,951	69,302	26,286	11,664	5,766	25,586
1964-65 ⁵	74,000	22,583	17,118	4,090	1,929	11,029	17,250	74,546	28,563	12,221	6,315	27,447
1965-66 ⁵	83,036	24,670	19,085	4,760	2,038	13,214	19,269	82,843	33,287	12,770	6,757	30,029
1966-67 ⁵	91,197	26,047	20,530	5,826	2,227	15,370	21,197	93,350	37,919	13,932	8,218	33,281
1967-68 ⁵	101,264	27,747	22,911	7,308	2,518	17,181	23,598	102,411	41,158	14,481	9,857	36,915
1968-69 ⁵	114,550	30,673	26,519	8,908	3,180	19,153	26,117	116,727	47,238	15,417	12,110	41,962

¹ Fiscal years not the same for all governments. See footnote 5.² Excludes revenues or expenditures of publicly owned utilities and liquor stores, and of insurance-trust activities. Intergovernmental receipts and payments between State and local governments 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 urban renewal, local parks and recreation, general control, financial administration, interest on general debt, and unallocable expenditures.⁵ Data for fiscal year ending in the 12-month period through June 30. Data for 1963 and earlier years include local government amounts grouped in terms of fiscal years ended during the particular calendar year.

Note.—Data are not available for intervening years.

See Table C-62 for net debt of State and local governments.

Source: Department of Commerce, Bureau of the Census.

CORPORATE PROFITS AND FINANCE

TABLE C-73.—*Profits before and after taxes, all private corporations, 1929-70*

[Billions of dollars]

Year or quarter	Corporate profits (before taxes) and Inventory valuation adjustment						Corpo- rate profits before taxes	Corpo- rate tax lia- bility ¹	Corporate profits after taxes			Corpo- rate capital consump- tion allow- ances ²	Profits plus capital consump- tion allow- ances ³
	All in- dus- tries	Manufacturing			Trans- porta- tion, commu- nication, and public utilities	All other in- dus- tries			Total	Divi- dends	Un- dis- tributed profits		
		Total	Dur- able goods in- dus- tries	Non- dur- able goods in- dus- tries									
1929.....	10.5	5.2	2.6	2.6	1.8	3.4	10.0	1.4	8.6	5.8	2.8	4.2	12.8
1930.....	7.0	3.9	1.5	2.4	1.2	1.9	3.7	.8	2.9	5.5	-2.6	4.3	7.2
1931.....	2.0	1.3	.0	1.3	.5	.2	-4	.5	-9	4.1	-4.9	4.3	3.5
1932.....	-1.3	-5	-1.0	.5	.2	-9	-2.3	.4	-2.7	2.5	-5.2	4.0	1.3
1933.....	-1.2	-4	-4	.0	.0	-8	1.0	.5	.4	2.0	-1.6	3.8	4.2
1934.....	1.7	1.1	.3	.8	.4	.3	2.3	.7	1.6	2.6	-1.0	3.6	5.2
1935.....	3.4	2.1	.9	1.1	.4	.9	3.6	1.0	2.6	2.8	-.2	3.6	6.3
1936.....	5.6	3.2	1.7	1.5	.7	1.7	6.3	1.4	4.9	4.5	.4	3.6	8.5
1937.....	6.8	3.8	1.7	2.1	.8	2.2	6.8	1.5	5.3	4.7	.6	3.6	8.9
1938.....	4.9	2.3	.8	1.6	.5	2.1	4.0	1.0	2.9	3.2	-.2	3.7	6.6
1939.....	6.3	3.3	1.7	1.7	1.0	2.0	7.0	1.4	5.6	3.8	1.8	3.7	9.3
1940.....	9.8	5.5	3.1	2.4	1.3	3.0	10.0	2.8	7.2	4.0	3.2	3.8	11.0
1941.....	15.2	9.5	6.4	3.1	2.0	3.7	17.7	7.6	10.1	4.4	5.7	4.2	14.4
1942.....	20.3	11.8	7.2	4.6	3.4	5.1	21.5	11.4	10.1	4.3	5.9	5.0	15.2
1943.....	24.4	13.8	8.1	5.7	4.4	6.2	25.1	14.1	11.1	4.4	6.6	5.4	16.4
1944.....	23.8	13.2	7.4	5.9	3.9	6.7	24.1	12.9	11.2	4.6	6.5	6.1	17.2
1945.....	19.2	9.7	4.5	5.2	2.7	6.7	19.7	10.7	9.0	4.6	4.4	6.4	15.4
1946.....	19.3	9.0	2.4	6.6	1.8	8.5	24.6	9.1	15.5	5.6	9.9	4.7	20.2
1947.....	25.6	13.6	5.8	7.8	2.2	9.9	31.5	11.3	20.2	6.3	13.9	5.8	26.0
1948.....	33.0	17.6	7.5	10.0	3.0	12.5	35.2	12.5	22.7	7.0	15.6	7.0	29.7
1949.....	30.8	16.2	8.1	8.1	3.0	11.6	28.9	10.4	18.5	7.2	11.3	7.9	26.5
1950.....	37.7	20.9	12.0	8.9	4.0	12.7	42.6	17.8	24.9	8.8	16.0	8.8	33.7
1951.....	42.7	24.6	13.2	11.4	4.6	13.5	43.9	22.3	21.6	8.6	13.0	10.3	31.8
1952.....	39.9	21.6	11.7	9.9	4.9	13.3	38.9	19.4	19.6	8.6	11.0	11.5	31.0
1953.....	39.6	22.0	11.9	10.1	5.0	12.6	40.6	20.3	20.4	8.9	11.5	13.2	33.5
1954.....	38.0	19.9	10.5	9.4	4.7	13.4	38.3	17.7	20.6	9.3	11.3	15.0	35.5
1955.....	46.9	26.0	14.3	11.8	5.6	15.2	48.6	21.6	27.0	10.5	16.5	17.4	44.4
1956.....	46.1	24.7	12.8	11.9	5.9	15.6	48.8	21.7	27.2	11.3	15.9	18.9	46.1
1957.....	45.6	24.0	13.3	10.7	5.8	15.8	47.2	21.2	26.0	11.7	14.2	20.8	46.8
1958.....	41.1	19.3	9.3	10.0	5.9	15.9	41.4	19.0	22.3	11.6	10.8	22.0	44.3
1959.....	51.7	26.3	13.6	12.7	7.0	18.4	52.1	23.7	28.5	12.6	15.9	23.5	52.0
1960.....	49.9	24.4	12.0	12.4	7.5	17.9	49.7	23.0	26.7	13.4	13.2	24.9	51.6
1961.....	50.3	23.3	11.4	11.9	7.9	19.1	50.3	23.1	27.2	13.8	13.5	26.2	53.5
1962.....	55.7	26.6	14.1	12.5	8.5	20.5	55.4	24.2	31.2	15.2	16.0	30.1	61.3
1963.....	58.9	28.8	15.8	13.0	9.5	20.6	59.4	26.3	33.1	16.5	16.6	31.8	64.8
1964.....	66.3	32.7	17.8	14.9	10.1	23.5	66.8	28.3	38.4	17.8	20.6	33.9	72.3
1965.....	76.1	39.3	22.8	16.6	11.1	25.6	77.8	31.3	46.5	19.8	26.7	36.4	82.9
1966.....	82.4	42.6	24.0	18.6	11.9	27.9	84.2	34.3	49.9	20.8	29.1	39.5	89.5
1967.....	78.7	38.7	20.7	18.0	10.8	29.1	79.8	33.2	46.6	21.4	25.3	43.0	89.6
1968.....	85.4	42.4	23.3	19.1	11.0	32.1	88.7	40.6	48.2	23.3	24.9	46.5	94.7
1969.....	85.8	41.8	22.4	19.3	10.7	33.4	91.2	42.7	48.5	24.7	23.9	49.8	98.3
1970 p.....	77.4	34.1	15.6	18.5	9.1	34.2	82.3	37.9	44.4	25.2	19.2	53.5	97.9
Seasonally adjusted annual rates													
1968: I.....	81.3	40.1	21.5	18.6	11.1	30.1	86.7	39.8	46.9	22.3	24.7	45.3	92.3
II.....	86.0	42.8	23.9	18.9	11.0	32.2	88.6	40.4	48.3	23.1	25.2	46.4	94.6
III.....	87.4	42.9	23.6	19.4	11.2	33.3	88.4	40.4	48.0	23.8	24.2	46.9	94.8
IV.....	87.1	43.7	24.4	19.2	10.7	32.6	91.3	41.7	49.6	24.1	25.5	47.4	97.0
1969: I.....	87.1	43.4	24.0	19.4	11.0	32.7	93.0	43.5	49.5	24.1	25.5	48.5	98.1
II.....	87.4	42.9	23.0	19.9	10.8	33.7	93.4	43.8	49.7	24.4	25.2	49.3	99.0
III.....	86.8	41.8	22.7	19.1	10.6	34.4	89.9	42.1	47.9	25.0	22.9	50.1	98.0
IV.....	82.0	39.1	20.0	19.0	10.3	32.6	88.5	41.4	47.1	25.2	21.9	51.0	98.1
1970: I.....	76.7	35.2	16.9	18.3	9.1	32.4	82.6	38.0	44.6	25.2	19.4	52.0	96.6
II.....	77.5	35.5	17.2	18.2	8.6	33.4	82.0	38.1	43.9	25.1	18.8	53.0	96.9
III.....	78.4	34.7	16.3	18.3	9.1	34.6	84.4	38.9	45.4	25.4	20.0	54.0	99.4
IV p.....										25.1		55.0	

¹ Federal and State corporate income and excess profits taxes.

² Includes depreciation and accidental damages.

³ Corporate profits after taxes plus corporate capital consumption allowances.

Source: Department of Commerce, Office of Business Economics.

TABLE C-74.—Sales, profits, and stockholders' equity, all manufacturing corporations (except newspapers¹), 1947-70

[Billions of dollars]

Year or quarter	All manufacturing corporations				Durable goods industries				Nondurable goods industries			
	Sales (net)	Profits		Stockholders' equity ²	Sales (net)	Profits		Stockholders' equity ²	Sales (net)	Profits		Stockholders' equity ²
		Before Federal income taxes	After Federal income taxes			Before Federal income taxes	After Federal income taxes			Before Federal income taxes	After Federal income taxes	
1947	150.7	16.6	10.1	65.1	66.6	7.6	4.5	31.1	84.1	9.0	5.6	34.0
1948	165.6	18.4	11.5	72.2	75.3	8.9	5.4	34.1	90.4	9.5	6.2	38.1
1949	154.9	14.4	9.0	77.6	70.3	7.5	4.5	37.0	84.6	7.0	4.6	40.6
1950	181.9	23.2	12.9	83.3	86.8	12.9	6.7	39.9	95.1	10.3	6.1	43.5
1951	245.0	27.4	11.9	98.3	116.8	15.4	6.1	47.2	128.1	12.1	5.7	51.1
1952	250.2	22.9	10.7	103.7	122.0	12.9	5.5	49.8	128.0	10.0	5.2	53.9
1953	265.9	24.4	11.3	108.2	137.9	14.0	5.8	52.4	128.0	10.4	5.5	55.7
1954	248.5	20.9	11.2	113.1	122.8	11.4	5.6	54.9	125.7	9.6	5.6	58.2
1955	278.4	28.6	15.1	120.1	142.1	16.5	8.1	58.8	136.3	12.1	7.0	61.3
1956	307.3	29.8	16.2	131.6	159.5	16.5	8.3	65.2	147.8	13.2	7.8	66.4
1957	320.0	28.2	15.4	141.1	166.0	15.8	7.9	70.5	154.1	12.4	7.5	70.6
1958	305.3	22.7	12.7	147.4	148.6	11.4	5.8	72.8	156.7	11.3	6.9	74.6
1959	338.0	29.7	16.3	157.1	169.4	15.8	8.1	77.9	168.5	13.9	8.3	79.2
1960	345.7	27.5	15.2	165.4	173.9	14.0	7.0	82.3	171.8	13.5	8.2	83.1
1961	356.4	27.5	15.3	172.6	175.2	13.6	6.9	84.9	181.2	13.9	8.5	87.7
1962	389.9	31.9	17.7	181.4	195.5	16.7	8.6	89.1	194.4	15.1	9.2	92.3
1963	412.7	34.9	19.5	189.7	209.0	18.5	9.5	93.3	203.6	16.4	10.0	96.3
1964	443.1	39.6	23.2	199.8	226.3	21.2	11.6	98.5	216.8	18.3	11.6	101.3
1965	492.2	46.5	27.5	211.7	257.0	26.2	14.5	105.4	235.2	20.3	13.0	106.3
1966	554.2	51.8	30.9	230.3	291.7	29.2	16.4	115.2	262.4	22.6	14.6	115.1
1967	575.4	47.8	29.0	247.6	300.6	25.7	14.6	125.0	274.8	22.0	14.4	122.6
1968	631.9	55.4	32.1	265.9	335.5	30.6	16.5	135.6	296.4	24.8	15.5	130.3
1969 I	694.6	58.1	33.2	289.9	366.5	31.5	16.9	147.6	328.1	26.6	16.4	142.3
1968: I	148.9	12.5	7.4	258.6	78.8	6.7	3.7	130.9	70.1	5.8	3.7	127.7
II	158.9	14.8	8.3	263.4	86.0	8.6	4.5	134.1	72.9	6.2	3.8	129.4
III	155.7	13.2	7.6	268.4	81.0	6.8	3.7	137.2	74.8	6.4	4.0	131.2
IV	168.4	14.9	8.7	273.2	89.8	8.6	4.7	140.4	78.6	6.3	4.1	132.9
1969: I	162.8	14.1	7.9	281.5	86.0	7.8	4.1	143.4	76.8	6.3	3.8	138.0
II	176.1	15.8	8.9	288.0	94.2	8.9	4.7	146.8	81.9	6.9	4.2	141.2
III	172.4	13.9	8.0	293.0	89.8	7.1	3.8	148.9	82.7	6.8	4.2	144.1
IV	183.3	14.4	8.4	297.1	96.5	7.7	4.2	151.1	86.8	6.6	4.2	146.0
1970: I	170.4	12.1	6.9	300.9	87.2	5.9	3.2	152.2	83.2	6.2	3.7	148.7
II	181.3	13.7	8.0	306.0	95.4	7.3	4.0	155.1	86.0	6.4	4.0	151.0
III	176.7	11.7	7.0	309.5	89.7	5.3	2.9	156.6	87.0	6.4	4.0	152.9

¹ Includes newspapers beginning 1969.

² Annual data are average equity for the year (using four end-of-quarter figures).

Note.—For explanatory notes concerning compilation of the series, see "Quarterly Financial Report for Manufacturing Corporations," Federal Trade Commission and Securities and Exchange Commission.

Data are not necessarily comparable from one period to another due to changes in accounting procedures, industry classifications, sampling procedures, etc. Specific information about the effects of the more significant changes and revisions is contained in the following issues of the "Quarterly Financial Report": third quarter 1953, third quarter 1956, first quarter 1959, and first quarter 1965.

Sources: Federal Trade Commission and Securities and Exchange Commission.

TABLE C-75.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations (except newspapers¹), by industry group, 1949-70*

Year or quarter	All manufacturing corporations (except newspapers ¹)	Durable goods industries												
		Total durable ²	Motor vehicles and equipment	Aircraft and parts	Electrical machinery, equipment, and supplies	Machinery (except electrical)	Fabricated metal products	Primary iron and steel industries	Primary non-ferrous metal industries	Stone, clay, and glass products	Furniture and fixtures	Lumber and wood products (except furniture)	Instruments and related products	Miscellaneous manufacturing (including ordinance)
Ratio of profits after Federal income taxes (annual rate) to stockholders' equity—percent ³														
1949.....	11.6	12.1	22.1	-----	13.6	11.6	10.4	10.0	8.1	13.1	8.1	9.1	12.1	7.2
1950.....	15.4	16.9	25.3	-----	20.9	14.1	16.0	14.3	15.1	17.7	15.2	17.5	16.7	12.3
1951.....	12.1	13.0	14.3	-----	14.0	13.0	13.4	12.3	13.8	14.2	11.3	11.9	13.2	9.7
1952.....	10.3	11.1	13.9	-----	13.7	11.3	10.1	8.5	11.6	11.7	8.6	8.5	11.6	7.0
1953.....	10.5	11.1	13.9	-----	13.4	9.8	9.8	10.7	11.1	11.8	8.2	7.1	11.4	8.2
1954.....	9.9	10.3	14.1	-----	12.4	8.6	7.6	8.1	10.4	12.5	6.0	6.3	12.3	7.5
1955.....	12.6	13.8	21.7	-----	12.3	10.3	10.0	13.5	15.5	15.6	9.2	11.1	12.5	8.5
1956.....	12.3	12.8	13.1	-----	11.4	12.6	10.7	12.7	16.4	14.9	11.6	8.7	12.4	11.6
1957.....	10.9	11.3	14.2	17.7	12.5	10.7	9.3	11.4	9.3	12.4	8.5	4.7	12.0	7.7
1958.....	8.6	8.0	8.2	13.2	10.2	6.9	7.3	7.2	6.0	10.2	6.3	5.7	10.6	8.2
1959.....	10.4	10.4	14.5	8.1	12.5	9.7	8.0	8.0	7.9	12.7	8.9	9.4	13.1	9.3
1960.....	9.2	8.5	13.5	7.3	9.5	7.5	5.6	7.2	7.1	9.9	6.5	3.6	11.6	9.2
1961.....	8.9	8.1	11.4	9.8	8.9	7.8	5.9	6.1	7.1	8.9	4.9	4.1	10.6	9.9
1962.....	9.8	9.6	16.3	12.7	10.0	9.1	7.9	5.4	7.5	8.9	7.9	5.6	12.0	9.4
1963.....	10.3	10.1	16.7	11.3	10.1	9.6	8.3	7.0	7.6	8.7	8.3	8.2	12.1	8.8
1964.....	11.6	11.7	16.9	12.2	11.2	12.5	10.1	8.8	9.8	9.6	10.1	9.9	14.4	9.5
1965.....	13.0	13.8	19.5	15.2	13.5	14.1	13.2	9.8	11.9	10.3	13.4	10.1	17.5	10.7
1966.....	13.4	14.2	15.9	14.4	14.8	15.0	14.7	10.2	14.8	9.9	14.2	10.0	20.9	15.4
1967.....	11.7	11.7	11.7	12.9	12.8	12.9	12.7	7.7	10.9	8.2	12.1	8.6	18.0	13.1
1968.....	12.1	12.2	15.1	14.2	12.2	12.3	11.7	7.6	10.8	9.2	12.2	14.6	16.6	12.4
1969 I.....	11.5	11.4	12.6	10.6	11.1	12.2	11.3	7.6	12.2	9.2	12.6	13.0	15.6	11.6
1969: I.....	11.3	11.4	15.4	12.1	11.2	11.2	10.8	7.4	11.3	4.9	11.0	17.1	13.8	11.5
1969: II.....	12.4	12.9	14.5	11.0	11.3	14.6	12.5	8.7	12.9	11.9	13.4	18.9	16.0	10.5
1969: III.....	10.9	10.3	7.2	9.7	11.2	11.7	11.1	6.1	11.5	12.2	13.5	8.6	15.7	11.5
1969: IV.....	11.3	11.1	13.4	9.5	10.7	11.4	10.7	8.3	13.0	7.9	12.6	8.0	16.8	13.0
1970: I.....	9.2	8.3	9.1	7.8	7.7	9.7	8.8	5.3	12.7	1.5	7.0	5.1	12.7	7.2
1970: II.....	10.4	10.3	12.5	7.5	9.9	11.3	10.4	5.3	13.2	9.3	7.6	7.1	13.9	10.3
1970: III.....	9.0	7.5	1.0	6.1	8.5	9.5	9.1	3.8	9.1	9.8	9.2	7.1	14.8	10.7
Profits after Federal income taxes per dollar of sales—cents														
1949.....	5.8	6.4	7.9	-----	5.7	6.4	5.1	6.5	6.9	8.6	3.3	5.9	7.1	3.6
1950.....	7.1	7.7	8.3	-----	7.2	7.3	6.8	7.9	10.2	10.1	5.1	9.4	8.6	5.6
1951.....	4.8	5.3	4.7	-----	5.0	5.5	5.0	5.8	7.8	7.1	3.4	5.5	6.1	3.7
1952.....	4.3	4.5	4.7	-----	4.5	4.8	4.0	4.7	6.7	6.6	2.7	4.1	4.8	2.7
1953.....	4.3	4.2	3.9	-----	4.1	4.2	3.6	5.3	6.3	6.5	2.6	3.5	4.6	2.9
1954.....	4.5	4.6	5.1	-----	4.5	4.4	3.1	5.3	6.6	7.4	2.1	3.4	5.5	2.8
1955.....	5.4	5.7	6.9	-----	4.4	5.1	3.8	7.2	8.3	8.6	2.9	5.4	6.0	3.1
1956.....	5.3	5.2	5.2	-----	3.8	5.4	4.0	6.7	9.3	8.2	3.4	3.9	5.8	3.6
1957.....	4.8	4.8	5.4	2.9	4.2	4.8	3.6	6.6	6.6	7.5	2.6	2.3	5.7	2.5
1958.....	4.2	3.9	4.0	2.4	3.8	3.7	3.1	5.4	4.7	6.8	2.0	2.8	5.4	3.0
1959.....	4.8	4.8	6.3	1.6	4.4	4.8	3.2	5.4	5.8	7.9	2.7	4.2	6.5	3.5
1960.....	4.4	4.0	5.9	1.4	3.5	3.9	2.4	5.1	5.4	6.6	2.1	1.7	5.9	3.5
1961.....	4.3	3.9	5.5	1.8	3.5	4.1	2.5	4.6	5.3	5.8	1.6	1.9	5.4	3.6
1962.....	4.5	4.4	6.9	2.4	3.7	4.5	3.1	3.9	5.5	5.6	2.3	2.5	5.9	3.4
1963.....	4.7	4.5	6.9	2.3	3.8	4.7	3.2	4.8	5.3	5.3	2.4	3.3	6.0	3.3
1964.....	5.2	5.1	7.0	2.6	4.2	5.8	3.7	5.6	6.5	5.6	2.9	3.9	7.2	3.6
1965.....	5.6	5.7	7.2	3.3	4.8	6.2	4.5	5.7	7.3	5.9	3.7	4.0	8.6	3.8
1966.....	5.6	5.6	6.2	3.0	4.8	6.4	4.9	5.8	8.2	5.6	3.9	3.8	9.5	4.9
1967.....	5.0	4.8	4.9	2.7	4.4	5.7	4.5	4.8	6.8	4.8	3.5	3.4	8.5	4.2
1968.....	5.1	4.9	5.7	3.2	4.3	5.5	4.1	4.6	6.2	5.2	3.4	5.3	8.1	4.0
1969 I.....	4.8	4.6	4.7	3.0	3.9	5.4	3.8	4.4	6.6	4.7	3.5	4.8	7.8	3.8
1969: I.....	4.9	4.8	5.6	3.5	4.0	5.2	3.8	4.5	6.4	2.9	3.1	6.3	7.3	4.1
1969: II.....	5.1	5.0	5.2	3.3	3.9	6.1	4.1	4.8	6.8	5.7	3.6	6.6	7.8	3.5
1969: III.....	4.6	4.3	3.1	3.0	4.0	5.3	3.6	3.6	6.2	5.9	3.8	3.2	8.1	3.8
1969: IV.....	4.6	4.4	4.8	2.5	3.6	5.1	3.5	4.7	6.9	4.0	3.5	3.1	7.9	3.8
1970: I.....	4.0	3.6	3.8	2.3	2.9	4.6	3.3	3.0	7.1	.9	2.2	2.3	6.9	2.6
1970: II.....	4.4	4.2	4.6	2.1	3.6	5.0	3.6	3.0	7.3	4.7	2.4	2.9	7.2	3.5
1970: III.....	3.9	3.3	.5	1.9	3.2	4.5	3.2	2.2	5.4	4.6	2.9	2.8	7.6	3.6

See footnotes at end of table.

TABLE C-75.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations (except newspapers¹), by industry group, 1949-70—Continued*

Year or quarter	Nondurable goods industries										
	Total non-durable ²	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and related products	Paper and allied products	Printing and publishing (except newspapers ¹)	Chemicals and allied products	Petroleum refining	Rubber and miscellaneous plastic products	Leather and leather products
Ratio of profits after Federal income taxes (annual rate) to stockholders' equity—percent ³											
1949.....	11.2	11.8	12.6	7.6	7.5	10.7	11.4	13.2	-----	8.7	6.2
1950.....	14.1	12.3	11.5	12.7	10.1	16.2	11.5	17.8	-----	16.9	10.9
1951.....	11.2	8.1	9.5	8.2	2.9	13.9	10.3	12.2	15.2	14.8	2.1
1952.....	9.7	7.6	8.4	4.2	4.4	10.5	9.1	10.9	13.3	11.1	5.8
1953.....	9.9	8.1	9.4	4.6	5.1	10.1	9.4	10.7	13.4	11.3	6.0
1954.....	9.6	8.1	10.2	1.8	4.5	9.9	9.2	11.6	12.7	10.6	5.9
1955.....	11.4	8.9	11.4	5.7	6.1	11.5	10.2	14.7	13.4	13.2	8.5
1956.....	11.8	9.3	11.7	5.8	8.1	11.6	13.0	14.2	13.9	12.2	7.2
1957.....	10.6	8.7	12.5	4.2	6.3	8.9	11.7	13.3	12.5	11.1	7.0
1958.....	9.2	8.7	13.5	3.5	4.9	8.1	9.0	11.4	10.0	9.1	5.7
1959.....	10.4	9.3	13.4	7.5	8.6	9.5	11.4	13.7	9.8	11.0	8.5
1960.....	9.8	8.7	13.4	5.8	7.7	8.5	10.6	12.2	10.1	9.1	6.3
1961.....	9.6	8.9	13.6	5.0	7.2	7.9	8.5	11.8	10.3	9.3	4.4
1962.....	9.9	8.8	13.1	6.2	9.3	8.1	10.3	12.4	10.1	9.6	6.9
1963.....	10.4	9.0	13.4	6.1	7.7	8.1	9.2	12.9	11.3	9.2	6.9
1964.....	11.5	10.0	13.4	8.5	11.7	9.3	12.6	14.4	11.4	10.6	10.5
1965.....	12.2	10.7	13.5	10.9	12.7	9.4	14.2	15.2	11.8	11.7	11.6
1966.....	12.7	11.2	14.1	10.1	13.3	10.6	15.6	15.1	12.4	12.2	12.9
1967.....	11.8	10.8	14.4	7.6	12.0	9.1	13.0	13.1	12.5	10.3	11.9
1968.....	11.9	10.8	14.4	8.8	13.0	9.7	12.5	13.3	12.3	12.3	13.0
1969 ¹	11.5	10.9	14.5	7.9	11.9	10.1	12.6	12.8	11.7	10.3	9.3
1969: I.....	11.1	9.6	12.1	7.2	10.3	9.8	10.8	12.9	12.0	9.6	8.6
II.....	11.9	10.7	14.8	8.8	11.4	11.1	13.1	13.8	11.9	11.9	8.0
III.....	11.5	11.9	15.6	7.7	15.9	9.6	12.4	12.4	11.4	9.5	9.4
IV.....	11.4	11.2	15.1	7.8	10.1	9.9	14.1	12.0	11.6	10.4	11.0
1970: I.....	10.0	10.0	13.7	5.4	8.3	8.3	9.2	11.9	10.5	7.7	9.0
II.....	10.5	10.4	15.0	4.8	7.2	8.2	12.7	12.2	10.8	8.5	9.1
III.....	10.5	11.8	17.4	5.4	14.4	6.2	11.2	11.2	10.7	7.4	10.5
Profits after Federal income taxes per dollar of sales—cents											
1949.....	5.4	3.3	5.1	4.1	2.1	6.5	4.5	8.2	-----	3.8	2.2
1950.....	6.5	3.4	4.9	5.8	2.8	8.8	4.5	10.3	-----	5.8	3.7
1951.....	4.5	2.0	3.8	3.4	.6	6.6	3.7	6.5	11.1	4.5	.6
1952.....	4.1	1.9	3.2	1.9	1.0	5.7	3.3	6.1	10.1	3.6	1.8
1953.....	4.3	2.0	3.7	2.2	1.2	5.4	3.4	6.1	10.4	3.8	1.8
1954.....	4.4	2.1	4.2	1.0	1.1	5.6	3.4	6.8	10.6	4.0	1.9
1955.....	5.1	2.3	4.8	2.6	1.3	6.1	3.6	8.3	11.1	4.4	2.5
1956.....	5.3	2.4	5.0	2.6	1.6	6.1	4.2	8.0	11.6	4.4	2.1
1957.....	4.9	2.2	5.2	1.9	1.3	5.0	3.7	7.6	10.6	4.2	2.0
1958.....	4.4	2.2	5.4	1.6	1.0	4.7	3.1	7.0	9.5	3.5	1.7
1959.....	4.9	2.4	5.4	3.0	1.5	5.2	4.0	7.9	9.5	4.0	2.2
1960.....	4.8	2.3	5.5	2.5	1.4	5.0	3.6	7.5	9.9	3.6	1.6
1961.....	4.7	2.3	5.7	2.1	1.3	4.7	2.8	7.3	10.3	3.8	1.1
1962.....	4.7	2.3	5.7	2.4	1.6	4.6	3.4	7.4	9.7	3.7	1.8
1963.....	4.9	2.4	5.9	2.3	1.4	4.5	3.2	7.5	10.8	3.6	1.8
1964.....	5.4	2.7	5.9	3.1	2.1	5.1	4.3	7.9	10.9	4.1	2.6
1965.....	5.5	2.7	5.9	3.8	2.3	4.9	4.8	7.9	11.1	4.3	2.8
1966.....	5.6	2.7	5.9	3.6	2.4	5.4	5.1	7.8	11.2	4.4	3.0
1967.....	5.3	2.6	5.9	2.9	2.3	4.7	4.4	6.9	11.0	3.9	3.0
1968.....	5.2	2.6	5.5	3.1	2.4	4.7	4.1	6.8	10.7	4.5	3.3
1969 ¹	5.0	2.6	5.2	2.9	2.3	4.8	4.7	6.5	10.1	3.8	2.6
1969: I.....	5.0	2.4	4.6	2.7	2.2	4.7	4.1	6.7	10.6	3.7	2.4
II.....	5.1	2.6	5.2	3.2	2.2	5.2	4.9	6.8	10.2	4.1	2.3
III.....	5.0	2.8	5.6	2.8	3.0	4.7	4.7	6.3	10.0	3.5	2.6
IV.....	4.8	2.5	5.2	2.7	1.9	4.6	4.9	6.1	9.8	3.7	3.0
1970: I.....	4.5	2.4	5.4	2.1	1.7	4.2	3.6	6.2	9.1	3.0	2.5
II.....	4.6	2.4	5.4	1.8	1.5	3.9	4.9	6.1	9.3	3.1	2.6
III.....	4.6	2.7	6.2	2.0	2.9	3.1	4.2	5.9	9.2	2.9	2.7

¹ Includes newspapers beginning 1969.

² Includes certain industries not shown separately.

³ Annual ratios based on average equity for the year (using four end-of-quarter figures). Quarterly ratios based on equity at end of quarter only.

Note.—For explanatory notes concerning compilation of the series, see "Quarterly Financial Report for Manufacturing Corporations," Federal Trade Commission and Securities and Exchange Commission. See also Note, Table C-74.

Sources: Federal Trade Commission and Securities and Exchange Commission.

TABLE C-76.—*Sources and uses of funds, nonfarm nonfinancial corporate business, 1959-69*
[Billions of dollars]

Source or use of funds	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Sources, total	57.9	48.1	56.6	64.9	67.1	71.8	93.1	100.6	94.4	109.8	118.4
Internal sources ¹	35.0	34.4	35.6	41.8	43.9	50.5	56.6	61.2	61.5	62.5	62.5
Undistributed profits ¹	12.6	10.0	10.2	12.4	13.6	18.3	23.1	24.7	21.1	20.9	19.9
Corporate inventory valuation adjustment.....	- .5	.2	- .1	.3	- .5	- .5	-1.7	-1.8	-1.1	-3.3	-5.4
Capital consumption allowances ¹	22.9	24.2	25.4	29.2	30.8	32.8	35.2	38.2	41.5	44.9	48.0
External sources.....	22.9	13.7	21.0	23.1	23.2	21.3	36.5	39.4	33.0	47.3	56.0
Stocks.....	2.2	1.6	2.5	.6	- .3	1.4	.0	1.2	2.3	- .8	4.3
Bonds.....	3.0	3.5	4.6	4.6	3.9	4.0	5.4	10.2	14.7	12.9	12.1
Mortgages.....	3.0	2.5	3.9	4.5	4.9	3.6	8.9	4.2	4.5	5.8	4.3
Bank loans n.e.c.....	3.5	1.9	.7	3.0	3.7	3.8	10.6	8.4	6.4	9.6	10.9
Other loans.....	- .3	1.9	.6	.0	.2	.9	.6	1.4	1.4	3.6	6.2
Trade debt.....	5.5	.6	5.4	4.6	5.3	3.6	9.1	7.3	2.6	5.7	10.9
Profits tax liability.....	2.4	-2.2	1.4	.6	1.9	.5	2.2	.2	-4.1	3.7	.8
Other liabilities.....	3.6	4.0	1.7	5.2	3.7	3.5	4.6	6.5	5.2	6.9	6.5
Uses, total	53.1	43.7	52.2	60.0	63.2	64.9	85.8	92.5	85.5	103.5	111.2
Purchases of physical assets.....	36.9	39.0	36.7	44.0	45.6	52.1	62.8	77.1	72.0	76.9	87.0
Nonresidential fixed investment.....	31.1	34.9	33.2	37.0	38.6	44.1	52.8	61.6	62.5	67.5	76.9
Residential structures.....	1.7	1.1	1.9	2.3	2.6	2.1	2.0	1.1	2.3	2.4	2.9
Change in business inventories.....	4.1	3.0	1.5	4.7	4.3	5.9	7.9	14.4	7.3	7.0	7.2
Increase in financial assets.....	16.2	4.7	15.6	16.0	17.7	12.8	23.1	15.5	13.5	26.6	24.2
Liquid assets.....	5.6	-3.2	3.7	3.5	4.7	1.2	1.7	1.9	.0	10.1	2.3
Demand deposits and currency.....	-1.0	- .5	1.7	- .9	- .8	-2.3	-1.5	.7	-2.2	1.3	.5
Time deposits.....	- .4	1.3	1.9	3.7	3.9	3.2	3.9	- .7	4.1	2.2	-7.8
U.S. Government securities.....	6.6	-5.4	- .2	.5	.5	-1.5	-1.6	-1.2	-3.1	1.8	-1.4
Open-market paper.....	- .2	1.7	.4	.6	.9	1.6	.5	2.0	1.5	4.5	8.7
State and local obligations.....	.7	- .2	.0	- .3	.2	.2	.5	1.0	- .4	.4	2.3
Consumer credit.....	.8	.4	.2	.7	1.0	1.3	1.2	1.2	.9	1.7	1.3
Trade credit.....	7.7	5.3	9.5	8.5	8.1	8.1	15.1	11.3	8.8	14.8	17.3
Other financial assets.....	2.0	2.2	2.1	3.2	3.9	2.2	5.1	1.0	3.8	.1	3.4
Discrepancy (sources less uses)	4.8	4.3	4.3	5.0	3.8	6.9	7.2	8.0	9.0	6.3	7.2

¹ The figures shown here for "internal sources," "undistributed profits" and "capital consumption allowances" differ from those shown for "cash flow, net of dividends," "undistributed profits" and "capital consumption allowances" in the gross corporate product table in the national income and product accounts of the Department of Commerce for the following reasons: (1) these figures include, and the statistics in the gross corporate product table exclude, branch profits remitted from foreigners net of corresponding U.S. remittances to foreigners; and (2) these figures exclude, and the gross corporate product figures include, the internal funds of corporations whose major activity is farming.

Source: Board of Governors of the Federal Reserve System.

TABLE C-77.—Current assets and liabilities of U. S. corporations, 1939-70

(Billions of dollars)

End of year or quarter	Current assets							Current liabilities						Net working capital
	Total	Cash on hand and in banks ¹	U.S. Gov- ern- ment securi- ties ²	Re- ceiv- ables from U.S. Gov- ern- ment ³	Notes and ac- counts receiv- able	In- ven- tories	Other current as- sets ⁴	Total	Ad- vances and pre- pay- ments, U.S. Gov- ern- ment ⁵	Notes and ac- counts pay- able	Federal in- come tax liabili- ties	Other current liabili- ties		
1939.....	54.5	10.8	2.2	-----	22.1	18.0	1.4	30.0	-----	21.9	1.2	6.9	24.5	
1940.....	60.3	13.1	2.0	0.1	23.9	19.8	1.5	32.8	0.6	22.6	2.5	7.1	27.5	
1941.....	72.9	13.9	4.0	.6	27.4	25.6	1.4	40.7	.8	25.6	7.1	7.2	32.3	
1942.....	83.6	17.6	10.1	4.0	23.3	27.3	1.3	47.3	2.0	24.0	12.6	8.7	36.3	
1943.....	93.8	21.6	16.4	5.0	21.9	27.6	1.3	51.6	2.2	24.1	16.6	8.7	42.1	
1944.....	97.2	21.6	20.9	4.7	21.8	26.8	1.4	51.7	1.8	25.0	15.5	9.4	45.6	
1945.....	97.4	21.7	21.1	2.7	23.2	26.3	2.4	45.8	.9	24.8	10.4	9.7	51.6	
1946.....	108.1	22.8	15.3	.7	30.0	37.6	1.7	51.9	.1	31.5	8.5	11.8	56.2	
1947.....	123.6	25.0	14.1	-----	38.3	44.6	1.6	61.5	-----	37.6	10.7	13.2	62.1	
1948.....	133.0	25.3	14.8	42.4	43.0	48.9	1.6	64.4	39.3	37.5	11.5	13.5	68.6	
1949.....	133.1	26.5	16.8	-----	43.0	45.3	1.4	60.7	-----	37.5	9.3	14.0	72.4	
1950.....	161.5	28.1	19.7	1.1	55.7	55.1	1.7	79.8	.4	47.9	16.7	14.9	81.6	
1951.....	179.1	30.0	20.7	2.7	58.8	64.9	2.1	92.6	1.3	53.6	21.3	16.5	86.5	
1952.....	186.2	30.8	19.9	2.8	64.6	65.8	2.4	96.1	2.3	57.0	18.1	18.7	90.1	
1953.....	190.6	31.1	21.5	2.6	65.9	67.2	2.4	98.9	2.2	57.3	18.7	20.7	91.8	
1954.....	194.6	33.4	19.2	2.4	71.2	65.3	3.1	99.7	2.4	59.3	15.5	22.5	94.9	
1955.....	224.0	34.6	23.5	2.3	86.6	72.8	4.2	121.0	2.3	73.8	19.3	25.7	103.0	
1956.....	237.9	34.8	19.1	2.6	95.1	80.4	5.9	130.5	2.4	81.5	17.6	29.0	107.4	
1957.....	244.7	34.9	18.6	2.8	99.4	82.2	6.7	133.1	2.3	84.3	15.4	31.1	111.6	
1958.....	255.3	37.4	18.8	2.8	106.9	81.9	7.5	136.6	1.7	88.7	12.9	33.3	118.7	
1959.....	277.3	36.3	22.8	2.9	117.7	88.4	9.1	153.1	1.7	99.3	15.0	37.0	124.2	
1960.....	289.0	37.2	20.1	3.1	126.1	91.8	10.6	160.4	1.8	105.0	13.5	40.1	128.6	
1961.....	306.8	41.1	20.0	3.4	135.8	95.2	11.4	171.2	1.8	112.8	14.1	42.5	135.6	
New series ⁶														
1961.....	304.6	40.7	19.2	3.4	133.3	95.2	12.9	155.8	1.8	110.0	14.2	29.8	148.8	
1962.....	326.5	43.7	19.6	3.7	144.2	100.7	14.7	170.9	2.0	119.1	15.2	34.5	155.6	
1963.....	351.7	46.5	20.2	3.6	156.8	107.0	17.8	188.2	2.5	130.4	16.5	38.7	163.5	
1964.....	372.2	47.3	18.6	3.4	169.9	113.5	19.6	202.2	2.7	140.3	17.0	42.2	170.0	
1965.....	410.2	49.9	17.0	3.9	190.2	126.9	22.3	229.6	3.1	160.4	19.1	46.9	180.7	
1966.....	442.6	49.3	15.4	4.5	205.2	143.1	25.1	254.4	4.4	179.0	18.3	52.8	188.2	
1967.....	470.4	54.1	12.7	5.1	216.0	153.4	29.0	271.4	5.8	190.6	14.1	60.8	198.9	
1968.....	513.8	58.0	14.2	5.1	237.1	165.8	33.6	301.8	6.4	209.8	16.4	69.1	212.0	
1969.....	555.9	54.9	12.7	4.8	261.0	184.8	37.8	342.7	7.3	238.1	16.6	80.6	213.2	
1968: I.....	478.2	52.0	15.0	4.8	218.0	156.1	32.2	273.6	6.1	188.9	15.9	62.7	204.7	
II.....	488.7	53.2	13.6	4.7	225.0	159.4	32.8	280.9	6.2	195.3	14.3	65.0	207.8	
III.....	499.0	54.6	13.1	4.8	230.9	163.2	32.4	290.4	6.3	201.2	14.6	68.2	208.6	
IV.....	513.8	58.0	14.2	5.1	237.1	165.8	33.6	301.8	6.4	209.8	16.4	69.1	212.0	
1969: I.....	523.3	54.6	16.0	4.8	241.3	170.4	36.1	308.7	6.9	210.7	18.5	72.7	214.6	
II.....	534.5	55.4	13.5	4.8	248.6	175.2	36.9	318.9	7.2	220.1	15.0	76.5	215.6	
III.....	544.7	53.9	12.4	4.6	256.3	180.0	37.4	330.9	7.5	227.9	15.9	79.6	213.8	
IV.....	555.9	54.9	12.7	4.8	261.0	184.8	37.8	342.7	7.3	238.1	16.6	80.6	213.2	
1970: I.....	561.0	52.9	12.5	4.7	264.5	188.0	38.5	347.7	7.2	238.4	18.0	84.2	213.3	
II.....	566.3	52.5	10.7	4.4	268.7	190.2	39.9	352.7	7.0	244.1	14.6	87.1	213.6	
III.....	567.6	53.7	9.3	4.2	270.0	191.8	38.5	353.6	6.8	243.0	15.4	88.3	214.0	

¹ Includes time certificates of deposit.² Includes Federal agency issues.³ Receivables from and payables to U.S. Government do not include amounts offset against each other on corporations' 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 corporations' books.⁴ Includes marketable investments (other than Government securities and time certificates of deposit) as well as sundry current assets.⁵ Generally reflects definitions and classifications used in "Statistics of Income" for 1961.

Note.—Data relate to all U.S. corporations, excluding banks, savings and loan associations, insurance companies, and beginning with the new series for 1961, investment companies. Year-end data through 1967 are based on "Statistics of Income" (Treasury Department), 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. All other figures shown are estimates based on data compiled from many different sources, including data on corporations registered with the Securities and Exchange Commission.

Source: Securities and Exchange Commission.

TABLE C-78.—State and municipal and corporate securities offered, 1934-70

(Millions of dollars)

Year or quarter	State and municipal securities offered for cash (principal amounts)	Corporate securities offered for cash								
		Total corporate offerings	Type of corporate security			Industry of corporate user				
			Common stock	Preferred stock	Bonds and notes	Manufacturing ¹	Electric, gas, and water ²	Transportation ³	Communication	Other
1934.....	939	397	19	6	371	67	133	176		21
1935.....	1,232	2,332	22	86	2,225	797	1,284	126		125
1936.....	1,121	4,572	272	271	4,029	1,332	2,040	797		401
1937.....	908	2,310	285	406	1,618	1,120	771	344		74
1938.....	1,108	2,155	25	86	2,044	848	1,234	55		18
1939.....	1,128	2,164	87	98	1,980	604	1,271	186		103
1940.....	1,238	2,677	108	183	2,386	992	1,203	324		159
1941.....	956	2,667	110	167	2,390	848	1,357	366		96
1942.....	524	1,062	34	112	917	539	472	48		4
1943.....	435	1,170	56	124	990	510	477	161		21
1944.....	661	3,202	163	369	2,669	1,061	1,422	609		109
1945.....	795	6,011	397	758	4,855	2,026	2,319	1,454		211
1946.....	1,157	6,900	891	1,127	4,882	3,701	2,158	711		329
1947.....	2,324	6,577	779	762	5,036	2,742	3,257	286		293
1948.....	2,690	7,078	614	492	5,973	2,226	2,187	755	902	1,008
1949.....	2,907	6,052	736	425	4,890	1,414	2,320	800	571	946
1950.....	3,532	6,361	811	631	4,920	1,200	2,649	813	399	1,300
1951.....	3,189	7,741	1,212	838	5,691	3,122	2,455	494	612	1,058
1952.....	4,401	9,534	1,369	564	7,601	4,039	2,675	992	760	1,068
1953.....	5,558	8,898	1,326	489	7,083	2,254	3,029	595	882	2,138
1954.....	6,969	9,516	1,213	816	7,488	2,268	3,713	778	720	2,037
1955.....	5,977	10,240	2,185	635	7,420	2,994	2,464	893	1,132	2,757
1956.....	5,446	10,939	2,301	636	8,002	3,647	2,529	724	1,419	2,619
1957.....	6,958	12,884	2,516	411	9,957	4,234	3,938	824	1,462	2,426
1958.....	7,449	11,558	1,334	571	9,653	3,515	3,804	824	1,424	1,991
1959.....	7,681	9,748	2,027	531	7,190	2,073	3,258	967	717	2,733
1960.....	7,230	10,154	1,664	409	8,081	2,152	2,851	718	1,050	3,383
1961.....	8,360	13,165	3,294	450	9,420	4,077	3,032	694	1,834	3,527
1962.....	8,558	10,705	1,314	422	8,969	3,249	2,825	567	1,303	2,761
1963.....	10,107	12,211	1,011	343	10,856	3,514	2,677	957	1,105	3,957
1964.....	10,544	13,957	2,679	412	10,865	3,046	2,760	982	2,189	4,980
1965.....	11,148	15,992	1,547	725	13,720	5,417	2,936	1,013	947	5,680
1966.....	11,089	18,074	1,939	574	15,561	7,070	3,665	1,972	2,003	3,364
1967.....	14,288	24,798	1,959	885	21,954	11,058	4,935	2,067	1,979	4,759
1968.....	16,374	21,966	3,946	637	17,383	6,979	5,281	1,875	1,766	6,064
1969.....	11,460	26,744	7,714	682	18,348	6,356	6,736	2,146	2,188	9,318
1970 p.....	17,740	38,965	7,275	1,390	30,300	10,620	10,985	2,270	5,140	9,945
1968: I.....	3,658	5,178	740	249	4,189	1,907	1,442	404	422	1,003
1968: II.....	3,771	5,705	832	124	4,749	1,703	1,244	470	536	1,753
1968: III.....	4,511	5,133	986	179	3,967	1,657	1,160	427	490	1,398
1968: IV.....	4,435	5,950	1,389	85	4,477	1,712	1,435	574	319	1,910
1969: I.....	2,738	6,219	1,786	236	4,197	1,407	1,345	808	474	2,187
1969: II.....	3,426	7,354	2,141	128	5,085	1,774	1,879	612	432	2,657
1969: III.....	2,376	6,332	1,616	182	4,534	1,862	1,544	371	684	1,871
1969: IV.....	2,920	6,839	2,171	135	4,533	1,314	1,967	356	598	2,604
1970: I.....	4,017	7,977	1,938	200	5,839	2,584	2,085	772	766	1,771
1970: II.....	3,656	10,469	1,832	359	8,278	2,445	2,813	336	2,163	2,711
1970: III.....	4,278	8,559	1,303	356	6,900	2,315	2,714	492	868	2,171
1970: IV p.....	5,790	11,960	2,200	475	9,285	3,280	3,375	670	1,340	3,290

¹ Prior to 1948, also includes extractive, radio broadcasting, airline companies, commercial, and miscellaneous company issues.² Prior to 1948, also includes telephone, street railway, and bus company issues.³ Prior to 1948, includes railroad issues only.

Note.—Covers 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; excludes notes issued exclusively to commercial banks, intercorporate transactions, investment company issues, and issues to be sold over an extended period, such as employee-purchase plans.

Sources: Securities and Exchange Commission, "The Commercial and Financial Chronicle," and "The Bond Buyer"

TABLE C-79.—Common stock prices, earnings, and yields, and stock market credit, 1939-70

Year or month	Standard & Poor's common stock data					Stock market credit				
	Price index ¹				Dividend yield ² (per-cent)	Price/earnings ratio ³	Customer credit (excluding U.S. Government securities)		Bank loans to brokers and dealers ⁴	
	Total (500 stocks)	Indus-trials (425 stocks)	Public utilities (55 stocks)	Rail-roads (20 stocks)			Total	Net debit bal-ances ⁴		Bank loans to "others" ⁵
	1941-43=10						Millions of dollars			
1939	12.06	11.77	16.34	9.82	4.05	13.80				715
1940	11.02	10.69	15.05	9.41	5.59	10.25				584
1941	9.82	9.72	10.93	9.39	6.82	8.27				535
1942	8.67	8.78	7.74	8.81	7.24	8.80				850
1943	11.50	11.49	11.34	11.81	4.93	12.84				1,328
1944	12.47	12.34	12.81	13.47	4.86	13.66			353	2,137
1945	15.16	14.72	16.84	18.21	4.17	16.33	1,374	942	432	2,782
1946	17.08	16.48	20.76	19.09	3.85	17.69	976	473	503	1,471
1947	15.17	14.85	18.01	14.02	4.93	9.36	1,032	517	515	784
1948	15.53	15.34	16.77	15.27	5.54	6.91	968	499	469	1,331
1949	15.23	15.00	17.87	12.83	6.59	6.64	1,249	821	428	1,608
1950	18.40	18.33	19.96	15.53	6.57	6.63	1,798	1,237	561	1,742
1951	22.34	22.68	20.59	19.91	6.13	9.27	1,826	1,253	573	1,419
1952	24.50	24.78	22.86	22.49	5.80	10.47	1,980	1,332	648	2,002
1953	24.73	24.84	24.03	22.60	5.80	9.69	2,445	1,665	780	2,248
1954	29.69	30.25	27.57	23.96	4.95	11.25	3,436	2,388	1,048	2,688
1955	40.49	42.40	31.37	32.94	4.08	11.51	4,030	2,791	1,239	2,852
1956	46.62	49.80	32.25	33.65	4.09	14.05	3,984	2,823	1,161	2,214
1957	44.38	47.63	32.19	28.11	4.35	12.89	3,576	2,482	1,094	2,190
1958	46.24	49.36	37.22	27.05	3.97	16.64	4,537	3,285	1,252	2,569
1959	57.38	61.45	44.15	35.09	3.23	17.05	4,461	3,280	1,181	2,584
1960	55.85	59.43	46.86	30.31	3.47	17.09	4,415	3,222	1,193	2,614
1961	66.27	69.99	60.20	32.83	2.98	21.06	5,602	4,259	1,343	3,398
1962	62.38	65.54	59.16	30.56	3.37	16.68	5,494	4,125	1,369	4,352
1963	69.87	73.39	64.99	37.58	3.17	17.62	7,242	5,515	1,727	4,754
1964	81.37	86.19	69.91	45.46	3.01	18.08	7,053	5,079	1,974	4,631
1965	88.17	93.48	76.08	46.78	3.00	17.08	7,770	5,521	2,249	6,427
1966	85.26	91.08	68.21	46.34	3.40	14.92	7,444	5,329	2,115	4,501
1967	91.93	99.18	68.10	46.72	3.20	17.52	10,347	7,883	2,464	5,082
1968	98.70	107.49	66.42	48.84	3.07	17.20	12,488	9,790	2,698	5,796
1969	97.84	107.13	62.64	45.95	3.24	16.57	10,010	7,445	2,565	5,141
1970	83.22	91.29	54.48	31.13	3.83		(8)	2,329	6,091	
1969: Jan.	102.04	110.97	68.65	54.11	3.06		11,793	9,042	2,751	4,740
Feb.	101.46	110.15	69.24	54.78	3.10		11,949	9,148	2,801	4,334
Mar.	99.30	108.20	66.07	50.46	3.17	17.68	11,099	8,318	2,781	3,697
Apr.	101.26	110.68	65.63	49.53	3.11		10,807	8,044	2,763	4,364
May	104.62	114.53	66.91	49.97	3.02		11,240	8,474	2,766	4,051
June	99.14	108.59	63.29	46.43	3.18	16.59	10,960	8,214	2,746	4,379
July	94.71	103.68	61.32	43.00	3.34		10,224	7,515	2,709	4,462
Aug.	94.18	103.39	59.20	42.04	3.37		9,692	7,019	2,673	3,388
Sept.	94.51	103.97	57.84	42.03	3.33	15.42	9,656	7,039	2,617	3,577
Oct.	95.52	105.07	58.80	41.75	3.33		9,816	7,243	2,573	3,586
Nov.	96.21	105.86	59.46	40.63	3.31		9,632	7,111	2,521	4,197
Dec.	91.11	100.48	55.28	36.69	3.52	16.58	10,010	7,445	2,565	5,141
1970: Jan.	90.31	99.40	55.72	37.62	3.56		9,117	6,683	2,434	5,465
Feb.	87.16	95.73	55.24	36.58	3.68		8,936	6,562	2,374	3,782
Mar.	88.65	96.95	59.04	37.33	3.60	17.31	8,718	6,353	2,365	4,135
Apr.	85.95	94.01	57.19	36.05	3.70		8,316	5,985	2,331	4,067
May	76.06	83.16	51.15	31.10	4.20		7,727	5,433	2,294	3,790
June	75.59	82.96	49.22	28.94	4.17	13.33	7,567	5,281	2,286	3,368
July	75.72	83.00	50.91	26.59	4.20		(8)	2,287	3,528	
Aug.	77.92	85.40	52.62	26.74	4.07		(8)	2,296	3,856	
Sept.	82.58	90.66	54.44	29.14	3.82	15.77	(8)	2,329	3,658	
Oct.	84.37	92.85	53.37	31.73	3.74		(8)	2,270	4,063	
Nov.	84.28	92.58	54.86	30.80	3.72		(8)	2,317	4,086	
Dec.	90.05	98.72	59.96	32.95	3.46		(8)	2,329	6,091	

¹ Annual data are averages of monthly figures and monthly data are averages of daily figures.² Aggregate cash dividends (based on latest known annual rate) divided by the aggregate monthly market value of the stocks in the group. Annual yields are averages of monthly data.³ Ratio of quarterly earnings (seasonally adjusted annual rate) to price index for last day in quarter. Annual ratios are averages of quarterly data.⁴ 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 through 1967 and included thereafter. Data are for end of period.⁵ Loans by weekly reporting member banks (weekly reporting large commercial banks beginning 1965) to others than brokers and dealers for purchasing or carrying securities except U.S. Government obligations. Data are for last Wednesday of period.⁶ Loans by weekly reporting member banks (weekly reporting large commercial banks beginning 1965) for purchasing or carrying securities, including U.S. Government obligations. Data are for last Wednesday of period.⁷ Revised series beginning June 1969; not strictly comparable with earlier data.⁸ Series discontinued beginning July 1970.

Sources: Board of Governors of the Federal Reserve System, Standard & Poor's Corporation, and New York Stock Exchange.

TABLE C-80.—Business formation and business failures, 1929-70

Year or month	Index of net business formation (1967 = 100)	New business incorporations (num-ber)	Busi-ness failure rate ²	Business failures ¹					
				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.....			103.9	22,909	22,165	744	483.3	261.5	221.8
1930.....			121.6	26,355	25,408	947	668.3	303.5	364.8
1931.....			133.4	28,285	27,230	1,055	736.3	354.2	382.2
1932.....			154.1	31,822	30,197	1,625	928.3	432.6	495.7
1933 ³			100.3	19,859	18,880	979	457.5	215.5	242.0
1934.....			61.1	12,091	11,421	670	334.0	138.5	195.4
1935.....			61.7	12,244	11,691	553	310.6	135.5	175.1
1936.....			47.8	9,607	9,285	322	203.2	102.8	100.4
1937.....			45.9	9,490	9,203	287	183.3	101.9	81.4
1938.....			61.1	12,836	12,553	283	246.5	140.1	106.4
1939 ⁴			69.6	14,768	14,541	227	182.5	132.9	49.7
1940.....			63.0	13,619	13,400	219	166.7	119.9	46.8
1941.....			54.4	11,848	11,685	163	136.1	100.7	35.4
1942.....			44.6	9,405	9,282	123	100.8	80.3	20.5
1943.....			16.4	3,221	3,155	66	45.3	30.2	15.1
1944.....			6.5	1,222	1,176	46	31.7	14.5	17.1
1945.....			4.2	809	759	50	30.2	11.4	18.8
1946.....		132,916	5.2	1,129	1,003	126	67.3	15.7	51.6
1947.....		112,897	14.3	3,474	3,103	371	204.6	63.7	140.9
1948.....	114.3	96,346	20.4	5,250	4,853	397	234.6	93.9	140.7
1949.....	89.8	85,640	34.4	9,246	8,708	538	308.1	161.4	146.7
1950.....	95.0	93,092	34.3	9,162	8,746	416	248.3	151.2	97.1
1951.....	95.5	83,778	30.7	8,058	7,626	432	259.5	131.6	128.0
1952.....	100.3	92,946	28.7	7,611	7,081	530	283.3	131.9	151.4
1953.....	96.1	102,706	33.2	8,862	8,075	787	394.2	167.5	226.6
1954.....	92.7	117,411	42.0	11,086	10,226	860	462.6	211.4	251.2
1955.....	99.9	139,915	41.6	10,969	10,113	856	449.4	206.4	243.0
1956.....	95.8	141,163	48.0	12,686	11,615	1,071	562.7	239.8	322.9
1957.....	91.3	137,112	51.7	13,739	12,547	1,192	615.3	267.1	348.2
1958.....	90.2	150,781	55.9	14,964	13,499	1,465	728.3	297.6	430.7
1959.....	97.1	193,067	51.8	14,053	12,707	1,346	692.8	278.9	413.9
1960.....	92.7	182,713	57.0	15,445	13,650	1,795	938.6	327.2	611.4
1961.....	88.6	181,535	64.4	17,075	15,006	2,069	1,090.1	370.1	720.0
1962.....	91.0	182,057	60.8	15,782	13,772	2,010	1,213.6	346.5	867.1
1963.....	93.4	186,404	56.3	14,374	12,192	2,182	1,352.6	321.0	1,031.6
1964.....	97.0	197,724	53.2	13,501	11,346	2,155	1,329.2	313.6	1,015.6
1965.....	98.4	203,897	53.3	13,514	11,340	2,174	1,321.7	321.7	1,000.0
1966.....	98.0	200,010	51.6	13,061	10,833	2,228	1,385.7	321.5	1,064.1
1967.....	100.0	206,569	49.0	12,364	10,144	2,220	1,265.2	297.9	967.3
1968.....	109.4	233,635	38.6	9,636	7,829	1,807	941.0	241.1	699.9
1969.....	114.8	274,267	37.3	9,154	7,192	1,962	1,142.1	231.3	910.8
1970.....	106.7	245,234	43.8	10,748	8,019	2,729	1,887.8	269.3	1,618.4
Seasonally adjusted									
1969: Jan.....	116.2	20,578	32.0	689	545	144	75.0	18.2	56.9
Feb.....	116.8	22,199	35.6	731	566	165	90.0	17.7	72.3
Mar.....	114.4	21,353	38.0	868	722	146	84.1	23.4	60.7
Apr.....	114.9	23,220	36.4	823	643	180	118.8	19.7	99.1
May.....	114.3	23,185	36.9	812	661	151	92.6	21.6	71.0
June.....	114.8	23,528	39.8	792	630	162	91.9	19.0	72.9
July.....	115.7	23,554	34.9	689	537	152	112.7	17.8	95.0
Aug.....	115.3	22,967	36.0	702	563	139	62.8	18.6	44.2
Sept.....	114.3	23,138	39.9	726	573	153	73.7	17.9	55.8
Oct.....	114.4	24,046	39.5	815	600	215	116.4	19.2	97.2
Nov.....	113.0	23,308	40.9	759	570	189	127.1	18.7	108.4
Dec.....	113.6	22,137	38.2	748	582	166	96.8	19.4	77.4
1970: Jan.....	113.2	22,072	33.7	734	555	179	137.3	17.6	119.6
Feb.....	113.0	23,249	39.4	817	622	195	139.4	21.6	117.8
Mar.....	108.7	21,091	40.1	921	704	217	120.0	24.6	95.4
Apr.....	107.7	21,876	43.7	992	737	255	131.9	25.0	106.9
May.....	105.8	22,401	42.1	891	662	229	147.9	22.6	125.3
June.....	104.7	22,276	43.4	912	703	209	170.5	24.0	146.5
July.....	104.6	22,264	46.8	916	650	266	251.9	21.9	230.0
Aug.....	103.8	22,078	47.4	910	692	218	169.6	22.5	147.1
Sept.....	104.7	23,126	50.0	906	614	292	232.9	20.4	212.6
Oct.....	103.4	21,409	45.9	941	728	213	144.8	23.8	121.0
Nov.....	103.7	23,392	50.8	939	729	210	119.8	24.4	95.5
Dec.....			44.5	869	623	246	121.7	21.0	100.7

¹ 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.

² Failure rate per 10,000 listed enterprises.

³ Series revised; not strictly comparable with earlier data.

⁴ Eleven-month average of data shown.

Sources: Department of Commerce (Bureau of the Census) and Dun & Bradstreet, Inc.

AGRICULTURE

TABLE C-81.—Income of farm people and farmers, 1929-70

Year or quarter	Personal income received by total farm population			Income received from farming						Net income per farm, including net inventory change	
				Realized gross		Production expenses	Net to farm operators				
	From all sources	From farm sources ¹	From non-farm sources ²	Total ³	Cash receipts from marketings		Excluding net inventory change	Including net inventory change ⁴	Current prices	1967 prices ⁵	
Billions of dollars										Dollars	
1929				13.9	11.3	7.7	6.3	6.2		945	1,969
1930				11.5	9.1	6.9	4.5	4.3		651	1,447
1931				8.4	6.4	5.5	2.9	3.3		506	1,297
1932				6.4	4.7	4.5	1.9	2.0		304	921
1933				7.1	5.3	4.4	2.7	2.6		379	1,115
1934	5.4	3.2	2.2	8.6	6.4	4.7	3.9	2.9		431	1,134
1935	7.7	5.4	2.3	9.7	7.1	5.1	4.6	5.3		775	1,987
1936	7.2	4.6	2.6	10.8	8.4	5.6	5.1	4.3		639	1,638
1937	9.0	6.2	2.7	11.4	8.9	6.2	5.2	6.0		905	2,262
1938	7.2	4.7	2.5	10.1	7.7	5.9	4.2	4.4		668	1,758
1939	7.4	4.8	2.6	10.6	7.9	6.3	4.3	4.4		685	1,851
1940	7.6	4.8	2.8	11.1	8.4	6.9	4.2	4.5		706	1,858
1941	10.1	6.8	3.3	13.9	11.1	7.8	6.1	6.5	1,031	2,578	
1942	14.1	10.1	3.9	18.8	15.6	10.0	8.8	9.9	1,588	3,452	
1943	16.5	12.1	4.4	23.4	19.6	11.6	11.8	11.7	1,927	3,706	
1944	16.6	12.2	4.4	24.4	20.5	12.3	12.1	11.7	1,950	3,611	
1945	17.2	12.8	4.4	25.8	21.7	13.1	12.8	12.3	2,063	3,619	
1946	20.0	15.5	4.6	29.5	24.8	14.5	15.0	15.1	2,543	4,037	
1947	21.1	15.8	5.3	34.1	29.6	17.0	17.1	15.4	2,615	3,534	
1948	23.8	18.0	5.8	34.7	30.2	18.8	15.9	17.7	3,044	3,903	
1949	19.5	13.3	6.2	31.6	27.8	18.0	13.6	12.8	2,233	2,977	
1950	20.4	14.1	6.3	32.3	28.5	19.4	12.9	13.7	2,421	3,186	
1951	22.7	16.2	6.5	37.1	32.9	22.3	14.8	16.0	2,946	3,549	
1952	22.1	15.4	6.7	36.8	32.5	22.6	14.1	15.1	2,896	3,448	
1953	19.8	13.4	6.4	35.0	31.0	21.3	13.7	13.1	2,626	3,126	
1954	18.4	12.5	5.9	33.6	29.8	21.6	12.0	12.5	2,606	3,102	
1955	17.6	11.4	6.2	33.1	29.5	21.9	11.2	11.5	2,463	2,932	
1956	17.8	11.2	6.6	34.3	30.4	22.4	11.9	11.4	2,535	2,982	
1957	17.7	11.0	6.6	34.0	29.7	23.3	10.7	11.3	2,590	2,943	
1958	19.5	12.8	6.7	37.9	33.5	25.2	12.7	13.5	3,189	3,583	
1959	18.1	11.0	7.0	37.5	33.5	26.1	11.4	11.5	2,795	3,140	
1960	18.7	11.5	7.2	38.1	34.2	26.4	11.7	12.1	3,049	3,388	
1961	19.7	12.2	7.5	39.8	35.1	27.1	12.6	13.0	3,399	3,777	
1962	20.4	12.3	8.2	41.3	36.4	28.6	12.6	13.2	3,586	3,941	
1963	20.6	12.1	8.5	42.3	37.4	29.7	12.6	13.2	3,708	4,030	
1964	20.6	11.3	9.3	42.6	37.2	29.5	13.1	12.3	3,564	3,832	
1965	23.6	13.5	10.0	44.9	39.3	30.9	14.0	15.0	4,487	4,723	
1966	24.9	14.4	10.5	49.7	43.3	33.4	16.3	16.3	5,019	5,121	
1967	24.0	13.1	10.9	49.0	42.7	34.8	14.2	14.9	4,730	4,730	
1968	25.4	13.5	11.8	51.0	44.2	36.0	15.0	15.1	4,957	4,766	
1969	27.5	14.7	12.8	54.6	47.2	38.4	16.2	16.5	5,563	5,104	
1970 p	27.9	14.6	13.3	56.2	48.7	40.4	15.8	16.3	5,563	4,880	
Seasonally adjusted annual rates											
1969: I				53.7	46.5	37.5	16.2	16.3	5,490	5,130	
II				54.6	47.4	38.6	16.0	16.3	5,490	5,040	
III				54.8	47.4	38.6	16.2	16.7	5,620	5,160	
IV				55.2	47.6	39.0	16.2	16.8	5,650	5,090	
1970: I				56.3	49.0	39.8	16.5	17.1	5,850	5,220	
II				56.2	49.0	40.1	16.1	16.6	5,680	5,030	
III				56.5	48.8	40.8	15.7	16.2	5,540	4,860	
IV p				55.8	48.0	40.9	14.9	15.4	5,270	4,580	

¹ Net income to farm operators including net inventory change, less net income of nonresident operators, plus wages and salaries and other labor income of farm resident workers, less contributions of farm resident operators and workers to social insurance.

² Consists of income received by farm residents from nonfarm sources, such as wages and salaries from nonfarm employment, nonfarm business and professional income, rents from nonfarm real estate, dividends, interest, royalties, unemployment compensation, and social security payments.

³ Cash receipts from marketings, Government payments, and nonmoney income furnished by farms (excluding net inventory change).

⁴ Includes net value of physical change in inventory of crops and livestock valued at the average price of the year.

⁵ Income in current prices divided by the index of prices paid by farmers for family living items on a 1967 base.

Source: Department of Agriculture.

TABLE C-82.—Farm production indexes, 1929-70

[1967=100]

Year	Farm out- put ¹	Crops									Livestock and products			
		Total ²	Feed grains	Hay and forage	Food grains	Vege- tables	Fruits and nuts	Cot- ton	To- bacco	Oil crops	Total ³	Meat ani- mals	Dairy prod- ucts	Poul- try and eggs
1929...	53	62	50	69	50	65	67	200	77	8	54	52	76	32
1930...	52	59	45	57	55	66	65	188	83	8	55	52	77	33
1931...	56	66	51	63	59	67	82	230	78	8	56	55	79	32
1932...	54	62	59	64	47	68	67	175	51	8	56	56	80	32
1933...	50	56	45	60	35	65	68	175	70	6	57	58	80	32
1934...	43	46	27	56	33	71	63	130	55	8	52	49	79	30
1935...	52	60	48	71	41	72	80	143	67	12	50	44	79	30
1936...	47	50	31	57	40	67	62	168	60	9	54	50	80	32
1937...	58	69	54	65	55	73	83	257	80	11	53	48	80	32
1938...	57	65	52	70	57	72	75	162	70	13	56	52	82	33
1939...	58	64	52	65	47	72	86	160	96	17	60	59	83	35
1940...	59	67	53	75	51	74	83	170	74	20	61	60	85	36
1941...	62	68	57	75	59	75	88	147	64	22	64	63	90	39
1942...	69	76	65	81	61	79	87	175	71	33	72	72	93	45
1943...	68	71	60	79	53	87	75	155	71	35	78	81	92	51
1944...	70	75	63	78	65	82	87	167	99	29	74	73	93	51
1945...	69	73	60	81	68	84	79	123	100	32	74	70	96	54
1946...	71	76	66	76	70	94	95	118	118	31	71	68	95	50
1947...	69	73	51	73	82	81	90	162	107	32	70	67	94	49
1948...	75	83	73	73	79	87	82	203	101	39	68	66	91	49
1949...	74	79	65	72	68	84	87	218	100	36	73	69	94	54
1950...	73	76	65	77	64	86	88	137	103	42	75	74	94	57
1951...	75	78	60	80	63	79	89	207	118	38	79	79	93	59
1952...	78	81	64	78	81	80	87	207	114	37	79	79	93	59
1953...	79	80	62	80	74	85	88	223	104	37	79	78	98	61
1954...	79	79	65	80	65	83	88	185	114	42	82	82	99	63
1955...	81	82	69	85	61	86	88	200	111	46	85	86	100	62
1956...	82	81	69	82	64	91	92	180	111	54	85	83	102	68
1957...	81	79	75	88	61	88	84	148	84	54	83	80	102	69
1958...	86	89	81	89	90	91	91	155	88	65	85	82	101	73
1959...	87	88	85	84	72	89	93	197	91	58	89	88	100	75
1960...	90	92	88	90	85	91	88	193	98	61	87	86	102	75
1961...	91	91	80	89	79	96	91	193	104	71	91	89	104	81
1961...	92	91	81	92	73	95	92	202	118	72	92	91	105	81
1963...	95	95	87	92	76	95	89	208	118	75	95	95	104	83
1964...	94	92	77	93	84	90	90	207	113	75	97	97	106	86
1965...	97	98	90	97	87	96	95	202	94	90	95	92	104	90
1966...	96	95	89	96	87	97	96	130	96	96	97	97	101	96
1967...	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1968...	102	103	95	100	105	103	93	148	87	113	100	102	99	98
1969...	104	104	99	103	96	100	117	135	91	116	101	102	99	101
1970...	103	101	90	101	91	100	111	138	96	118	104	107	99	107

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 seeds and of feed for horses and mules.

² Includes production of seeds and of feed for horses and mules and certain items not shown separately.

³ Includes certain items not shown separately.

Source: Department of Agriculture.

TABLE C-83.—Farm population, employment, and productivity, 1929-70

Year	Farm population (April 1) ¹		Farm employment (thousands) ²			Farm output				Crop production per acre ⁴
	Num- ber (thou- sands)	As per- cent of total popu- lation ³	Total	Family workers	Hired workers	Per unit of total input	Per man-hour			
							Total	Crops	Live- stock and products	
Index, 1967=100										
1929.....	30,580	25.1	12,763	9,360	3,403	59	17	17	26	57
1930.....	30,529	24.8	12,497	9,307	3,190	58	17	17	26	52
1931.....	30,845	24.8	12,745	9,642	3,103	64	17	18	26	59
1932.....	31,388	25.1	12,816	9,922	2,894	64	17	18	25	56
1933.....	32,393	25.8	12,739	9,874	2,865	60	16	17	25	50
1934.....	32,305	25.5	12,627	9,765	2,862	54	15	16	23	42
1935.....	32,161	25.3	12,733	9,855	2,878	64	18	19	24	54
1936.....	31,737	24.8	12,331	9,350	2,981	57	17	17	25	46
1937.....	31,266	24.2	11,978	9,054	2,924	67	19	20	25	62
1938.....	30,980	23.8	11,622	8,815	2,807	69	20	21	26	60
1939.....	30,840	23.5	11,338	8,611	2,727	67	20	21	27	61
1940.....	30,547	23.1	10,979	8,300	2,679	66	21	23	27	62
1941.....	30,118	22.6	10,669	8,017	2,652	70	22	24	28	63
1942.....	28,914	21.4	10,504	7,949	2,555	75	24	26	30	70
1943.....	26,186	19.2	10,446	8,010	2,436	73	24	26	32	64
1944.....	24,815	17.9	10,219	7,988	2,231	75	25	27	31	68
1945.....	24,420	17.5	10,000	7,881	2,119	76	27	29	32	67
1946.....	25,403	18.0	10,295	8,106	2,189	78	29	31	32	70
1947.....	25,829	17.9	10,382	8,115	2,267	76	29	31	33	67
1948.....	24,383	16.6	10,363	8,026	2,337	82	32	35	34	75
1949.....	24,194	16.2	9,964	7,712	2,252	80	33	36	36	70
1950.....	23,048	15.2	9,926	7,597	2,329	78	35	39	37	69
1951.....	21,890	14.2	9,546	7,310	2,236	79	36	38	39	70
1952.....	21,748	13.9	9,149	7,005	2,144	83	39	42	40	74
1953.....	19,874	12.5	8,864	6,775	2,089	84	41	43	41	73
1954.....	19,019	11.7	8,651	6,570	2,081	84	43	45	43	72
1955.....	19,078	11.5	8,381	6,345	2,036	86	46	48	47	75
1956.....	18,712	11.1	7,853	5,900	1,953	88	50	51	49	75
1957.....	17,656	10.3	7,600	5,660	1,940	89	53	56	51	76
1958.....	17,128	9.8	7,503	5,521	1,982	95	59	65	55	86
1959.....	16,592	9.4	7,342	5,390	1,952	93	61	65	59	84
1960.....	15,635	8.7	7,057	5,172	1,885	97	67	71	62	89
1961.....	14,803	8.1	6,919	5,029	1,890	98	71	73	67	92
1962.....	14,313	7.7	6,700	4,873	1,827	99	74	76	71	94
1963.....	13,367	7.1	6,518	4,738	1,780	100	80	82	77	97
1964.....	12,954	6.7	6,110	4,506	1,604	99	83	84	83	94
1965.....	12,363	6.4	5,610	4,128	1,482	102	91	92	87	100
1966.....	11,595	5.9	5,214	3,854	1,360	98	94	95	93	98
1967.....	10,875	5.5	4,903	3,650	1,253	100	100	100	100	100
1968.....	10,454	5.2	4,749	3,536	1,213	100	106	106	105	103
1969.....	10,307	5.1	4,590	3,416	1,174	101	110	107	112	107
1970 p.....	9,700	4.7	4,486	3,319	1,167	99	112	107	118	103

¹ Farm population as defined by Department of Agriculture and Department of Commerce, i.e., civilian population living on farms, regardless of occupation.

² Total population of United States as of July 1 including Armed Forces overseas.

³ Includes persons doing farmwork on all farms. These data, published by the Department of Agriculture, Statistical Reporting Service, differ from those on agricultural employment by the Department of Labor (see Table C-22) because of differences in the method of approach, in concepts of employment, and in time of month for which the data are collected. See monthly report on "Farm Labor."

⁴ Computed from variable weights for individual crops produced each year.

Sources: Department of Agriculture and Department of Commerce (Bureau of the Census).

TABLE C-84.—*Indexes of prices received and prices paid by farmers, and parity ratio, 1929-70*
[1967=100]

Year or month	Prices received by farmers											
	All farm products ¹	Crops							Livestock and products			
		All crops ¹	Food grains	Feed grains and hay		Cot- ton	To- bacco	Oil- bear- ing crops	All live- stock and prod- ucts ¹	Meat ani- mals	Dairy prod- ucts	Poul- try and eggs
				Total	Feed grains							
1929.....	58	65	66	68	71	79	31	52	57	46	54	122
1930.....	49	55	53	61	63	54	25	40	48	40	46	97
1931.....	34	38	32	43	41	34	18	26	35	27	36	74
1932.....	26	29	25	28	25	26	15	16	26	19	28	61
1933.....	28	31	37	33	33	36	19	21	25	18	28	56
1934.....	35	40	51	55	56	53	28	37	29	20	33	67
1935.....	43	48	55	61	64	51	31	46	41	34	37	88
1936.....	45	50	61	59	63	52	29	43	43	35	41	87
1937.....	48	54	68	72	78	49	36	47	45	39	43	84
1938.....	38	43	42	41	42	37	31	34	40	34	38	73
1939.....	37	42	41	41	41	39	27	35	39	33	36	83
1940.....	39	44	47	49	49	43	24	37	39	32	39	74
1941.....	49	55	55	53	54	58	28	50	50	43	46	92
1942.....	63	70	68	66	67	82	45	66	62	55	53	115
1943.....	76	85	84	87	90	87	57	73	71	60	65	145
1944.....	78	87	94	99	101	90	63	80	71	57	73	134
1945.....	81	92	97	96	97	94	65	83	76	62	75	150
1946.....	93	104	114	116	122	125	68	94	87	74	88	152
1947.....	109	122	153	147	158	143	67	132	104	98	89	169
1948.....	113	127	141	148	157	142	68	127	114	107	98	183
1949.....	98	111	123	102	101	129	72	88	98	93	82	167
1950.....	102	103	126	111	114	148	73	100	101	101	81	141
1951.....	119	117	137	130	136	176	79	123	121	122	94	172
1952.....	113	118	138	134	139	162	78	107	110	105	99	156
1953.....	100	106	132	118	122	140	78	101	97	86	87	167
1954.....	97	107	131	117	120	144	80	110	90	84	80	135
1955.....	91	102	129	105	107	142	79	90	84	73	81	145
1956.....	91	104	126	105	107	140	81	93	82	70	83	133
1957.....	92	99	127	96	97	138	84	88	88	82	85	122
1958.....	98	99	117	88	90	132	87	82	99	100	83	129
1959.....	95	98	114	90	91	140	91	79	93	93	84	108
1960.....	94	99	115	87	87	133	90	77	91	88	85	121
1961.....	94	100	118	87	87	137	95	93	91	89	85	111
1962.....	96	103	128	89	89	142	96	90	92	92	83	110
1963.....	96	106	126	95	94	142	89	94	89	86	83	111
1964.....	93	106	107	96	95	137	88	93	85	80	84	108
1965.....	98	103	93	100	100	128	92	96	94	95	85	110
1966.....	105	105	104	104	104	113	99	106	105	106	96	122
1967.....	100	100	100	100	100	100	100	100	100	100	100	100
1968.....	103	101	91	91	90	100	102	96	104	103	104	108
1969.....	108	97	87	96	94	91	107	91	117	119	108	123
1970.....	110	100	92	101	101	96	109	96	118	120	112	115
1969: Jan 15.....	104	96	88	93	91	86	104	93	109	104	109	127
Feb 15.....	105	98	88	95	93	87	105	94	109	108	108	119
Mar 15.....	106	100	88	94	92	91	105	94	112	112	106	121
Apr 15.....	106	99	88	96	94	92	105	95	112	115	104	114
May 15.....	109	100	89	99	99	89	105	96	116	125	102	104
June 15.....	111	100	85	99	99	94	105	95	119	129	101	107
July 15.....	111	98	80	98	98	96	107	95	120	126	104	123
Aug 15.....	109	96	82	96	95	91	109	90	119	125	106	118
Sept 15.....	108	93	86	95	95	86	111	85	119	122	112	125
Oct 15.....	109	95	89	95	94	96	110	85	119	120	115	123
Nov 15.....	111	98	89	93	91	94	108	87	121	118	116	141
Dec 15.....	112	95	90	94	93	88	109	88	124	122	116	152
1970: Jan 15.....	113	96	89	97	94	84	108	90	125	125	115	149
Feb 15.....	114	98	90	97	95	90	109	91	126	130	112	137
Mar 15.....	114	98	89	96	94	92	109	91	125	132	110	129
Apr 15.....	111	97	91	96	94	94	109	93	121	128	109	111
May 15.....	111	103	90	98	97	98	109	93	117	124	108	101
June 15.....	111	103	86	99	99	99	109	96	117	125	106	100
July 15.....	113	104	85	100	101	100	109	99	119	126	108	112
Aug 15.....	109	100	91	101	102	100	110	97	115	120	111	104
Sept 15.....	111	104	96	109	110	97	110	99	116	116	114	116
Oct 15.....	108	101	98	107	108	101	106	103	113	113	117	103
Nov 15.....	106	102	99	106	106	98	109	104	110	105	120	110
Dec 15.....	104	100	96	110	110	93	110	103	108	102	119	112

See footnotes at end of table.

TABLE C-84.—*Indexes of prices received and prices paid by farmers, and parity ratio, 1929-70—Con.*
[1967=100]

Year or month	Prices paid by farmers											Parity ratio ⁴	
	All items, interest, taxes, and wage rates (parity index)	Commodities and services							Interest ²	Taxes ³	Wage rates ⁴		
		All items	Family living items	Production items				Fertilizer					
				All production items ¹	Feed	Motor vehicles	Farm machinery						
1929	47	50	48	51	64	30	33	85	45	31	22	92	
1930	44	46	45	47	58	29	33	82	43	32	21	87	
1931	38	39	39	39	41	29	32	75	41	31	16	67	
1932	33	34	33	34	30	28	31	65	39	29	12	58	
1933	32	34	34	34	34	28	30	61	34	25	10	64 (66)	
1934	35	39	38	40	49	30	31	69	31	21	12	75 (80)	
1935	36	41	39	43	50	30	32	68	28	20	13	88 (95)	
1936	36	41	39	43	51	32	32	64	26	20	13	92 (95)	
1937	38	43	40	46	58	33	33	67	24	20	15	93 (97)	
1938	36	40	38	43	44	35	34	67	23	21	15	78 (83)	
1939	36	40	37	42	44	33	34	66	22	21	15	77 (85)	
1940	36	40	38	43	47	33	33	64	21	21	15	81 (88)	
1941	39	43	40	45	51	35	34	64	21	21	18	93 (98)	
1942	44	44	49	46	52	62	37	35	71	20	23	105 (109)	
1943	50	55	52	57	74	39	37	76	18	21	31	113 (116)	
1944	53	58	54	60	82	42	38	77	17	21	38	108 (110)	
1945	56	59	57	61	81	44	38	78	16	22	42	109 (111)	
1946	61	65	63	67	94	45	39	79	15	24	46	113 (115)	
1947	70	76	74	78	111	52	45	88	16	27	49	115 (116)	
1948	76	83	78	87	118	58	52	95	16	31	52	110 (111)	
1949	73	79	75	83	97	64	58	98	17	34	51	100 (100)	
1950	75	81	76	86	99	64	60	94	19	36	50	101 (102)	
1951	82	90	83	95	111	69	65	99	21	38	55	107 (108)	
1952	84	90	84	95	118	72	67	102	23	39	59	100 (101)	
1953	81	86	84	89	107	71	67	103	24	41	61	92 (93)	
1954	81	87	84	89	107	71	68	103	26	43	60	89 (89)	
1955	81	86	84	87	100	72	68	101	28	45	61	84 (85)	
1956	81	86	85	87	97	74	71	99	32	49	63	83 (84)	
1957	84	88	88	90	95	79	74	100	35	52	66	82 (85)	
1958	86	90	89	92	93	83	77	100	38	56	68	85 (88)	
1959	87	91	89	93	94	85	81	99	42	60	72	81 (82)	
1960	88	91	90	92	92	84	82	100	46	65	74	80 (82)	
1961	88	92	90	93	93	84	84	100	51	70	76	79 (83)	
1962	90	92	91	94	94	87	86	100	56	74	78	80 (83)	
1963	91	94	92	95	98	90	88	99	63	77	80	78 (81)	
1964	92	93	93	94	97	91	90	99	71	80	82	76 (80)	
1965	94	96	95	96	98	93	92	100	80	85	86	77 (82)	
1966	98	98	98	99	102	96	96	99	90	92	93	80 (86)	
1967	100	100	100	100	100	100	100	100	100	100	100	74 (79)	
1968	104	103	104	102	95	105	105	97	110	111	108	73 (79)	
1969	109	107	109	106	97	109	110	93	119	122	119	74 (80)	
1970	114	111	114	109	102	114	117	96	129	131	128	72 (77)	
1969:	Jan 15.....	106	104	106	103	96	-----	96	119	122	114	72 (78)	
	Feb 15.....	107	105	107	104	96	-----	96	119	122	114	73 (78)	
	Mar 15.....	108	106	108	105	96	109	96	119	122	114	73 (79)	
	Apr 15.....	109	107	108	106	97	-----	93	119	122	121	72 (78)	
	May 15.....	110	108	109	107	98	109	-----	93	119	122	121	74 (80)
	June 15.....	110	108	109	107	97	110	111	93	119	122	121	75 (81)
	July 15.....	109	108	109	106	97	-----	-----	93	119	122	119	75 (81)
	Aug 15.....	109	107	109	106	97	-----	-----	93	119	122	119	74 (80)
	Sept 15.....	110	108	110	106	97	110	112	93	119	122	119	73 (79)
	Oct 15.....	110	108	110	106	96	-----	-----	93	119	122	123	73 (79)
	Nov 15.....	111	108	111	107	96	111	-----	93	119	122	123	75 (81)
	Dec 15.....	111	109	111	107	98	111	113	93	119	122	123	75 (81)
1970:	Jan 15.....	112	109	112	108	100	-----	93	129	131	124	75 (81)	
	Feb 15.....	113	110	112	109	101	-----	93	129	131	124	75 (81)	
	Mar 15.....	113	110	112	108	100	113	114	93	129	131	124	75 (81)
	Apr 15.....	113	111	113	109	99	-----	96	129	131	129	72 (78)	
	May 15.....	113	111	113	109	100	113	-----	96	129	131	129	73 (78)
	June 15.....	114	111	114	109	100	113	117	96	129	131	129	72 (77)
	July 15.....	114	111	114	109	100	-----	-----	96	129	131	127	74 (79)
	Aug 15.....	114	111	114	109	101	-----	-----	96	129	131	127	71 (76)
	Sept 15.....	115	112	115	110	105	114	119	98	129	131	127	72 (77)
	Oct 15.....	115	113	115	111	105	-----	-----	98	129	131	131	70 (75)
	Nov 15.....	115	113	115	111	105	118	-----	98	129	131	131	68 (73)
	Dec 15.....	116	113	116	111	107	118	119	98	129	131	131	67 (72)

¹ Includes items not shown separately.

² Interest payable per acre on farm real estate debt.

³ Farm real estate taxes payable per acre (levied in preceding year).

⁴ Monthly data are seasonally adjusted.

⁵ Percentage ratio of prices received for all farm products to parity index, on a 1910-14=100 base. The adjusted parity ratio (shown in parentheses in the table) reflects Government payments made directly to farmers.

Source: Department of Agriculture.

TABLE C-85.—Selected measures of farm resources and inputs, 1929-70

Year	Crops harvested (millions of acres) ¹	Man-hours of farm work (billions)	Index numbers of inputs (1967=100)						
			Total	Farm labor	Farm real estate ²	Mechanical power and machinery	Fertilizer and liming materials	Feed, seed, and livestock purchases ³	Miscellaneous
1929	365	23.2	90	319	85	34	10	19	60
1930	369	22.9	89	315	84	36	10	19	60
1931	365	23.4	88	322	82	34	8	17	61
1932	371	22.6	85	311	80	31	5	17	62
1933	340	22.6	83	310	81	29	6	17	60
1934	304	20.2	79	278	80	29	7	17	54
1935	345	21.1	81	290	81	29	8	16	52
1936	323	20.4	82	281	82	31	10	22	54
1937	347	22.1	86	304	83	34	12	21	54
1938	349	20.6	83	283	84	36	11	22	55
1939	331	20.7	86	284	85	36	12	27	57
1940	341	20.5	89	282	85	38	14	32	57
1941	344	20.0	89	276	85	39	15	33	58
1942	348	20.6	92	283	84	43	17	41	59
1943	357	20.3	93	279	82	45	19	45	60
1944	362	20.2	93	277	81	46	21	46	60
1945	354	18.8	91	259	81	48	22	52	60
1946	352	18.1	91	249	84	52	26	50	61
1947	355	17.2	91	237	85	57	28	53	61
1948	356	16.8	92	232	88	64	28	52	58
1949	360	16.2	93	223	88	71	30	50	65
1950	345	15.1	93	208	90	77	33	52	67
1951	344	15.2	95	209	91	82	36	58	69
1952	349	14.5	94	200	92	86	39	58	69
1953	348	14.0	94	192	92	87	41	58	72
1954	346	13.3	94	183	93	88	43	59	72
1955	340	12.8	94	176	93	88	44	62	74
1956	324	12.0	93	165	92	88	45	65	77
1957	324	11.1	91	152	93	89	46	67	75
1958	324	10.5	91	145	93	88	48	73	79
1959	324	10.3	94	142	93	90	54	76	83
1960	324	9.8	93	135	94	93	55	78	83
1961	303	9.4	93	129	94	90	58	80	86
1962	295	9.0	93	124	95	89	62	84	89
1963	300	8.7	95	119	96	93	69	88	92
1964	301	8.2	95	113	98	91	76	91	94
1965	298	7.8	95	107	98	94	80	91	94
1966	295	7.4	98	102	99	98	90	98	97
1967	308	7.3	100	100	100	100	100	100	100
1968	303	7.0	102	96	99	102	105	103	102
1969	294	6.9	103	94	99	103	107	106	106
1970 p.....	297	6.7	104	92	98	104	114	111	106

¹ Acreage harvested (excluding duplication) plus acreages in fruits, tree nuts, and farm gardens.² Includes service buildings and improvements on land.³ Nonfarm portion of feed, seed, and livestock purchases.

Source: Department of Agriculture.

TABLE C-86.—Comparative balance sheet of the farming sector, 1929-71

[Billions of dollars]

Beginning of year	Assets								Claims				
	Total	Real estate	Other physical assets				Financial assets			Total	Real estate debt	Other debt	Proprietors' equities
			Live-stock ¹	Machinery and motor vehicles	Crops ²	Household equipment and furnishings	Deposits and currency	U.S. savings bonds	Investment in co-operatives				
1929		48.0	6.6	3.2							9.8		
1930	68.5	47.9	6.5	3.4	2.5	4.0	3.6		0.6	68.5	9.6	5.0	53.9
1931		43.7	4.9	3.3							9.4		
1932		37.2	3.6	3.0							9.1		
1933		30.8	3.0	2.5							8.5		
1934		32.2	3.2	2.2							7.7		
1935		33.3	3.5	2.2							7.6		
1936		34.3	5.2	2.4							7.4		
1937		35.2	5.1	2.6							7.2		
1938		35.2	5.0	3.0							7.0		
1939		34.1	5.1	3.2							6.8		
1940	52.9	33.6	5.1	3.1	2.7	4.2	3.2	0.2	.8	52.9	6.6	3.4	42.9
1941	55.0	34.4	5.3	3.3	3.0	4.2	3.5	.4	.9	55.0	6.5	3.9	44.6
1942	62.9	37.5	7.1	4.0	3.8	4.9	4.2	.5	.9	62.9	6.4	4.1	52.4
1943	73.7	41.6	9.6	4.9	5.1	5.0	5.4	1.1	1.0	73.7	6.0	4.0	63.7
1944	84.6	48.2	9.7	5.4	6.1	5.3	6.6	2.2	1.1	84.6	5.4	3.5	75.7
1945	94.2	53.9	9.0	6.5	6.7	5.6	7.9	3.4	1.2	94.2	4.9	3.4	85.9
1946	103.5	61.0	9.7	5.4	6.3	6.1	9.4	4.2	1.4	103.5	4.8	3.2	95.5
1947	116.4	68.5	11.9	5.3	7.1	7.7	10.2	4.2	1.5	116.4	4.9	3.6	107.9
1948	127.9	73.7	13.3	7.4	9.0	8.5	9.9	4.4	1.7	127.9	5.1	4.2	118.6
1949	134.9	76.6	14.4	10.1	8.6	9.1	9.6	4.6	1.9	134.9	5.3	6.1	123.5
1950	132.5	75.3	12.9	12.2	7.6	8.6	9.1	4.7	2.1	132.5	5.6	6.8	120.1
1951	151.5	86.6	17.1	14.1	7.9	9.7	9.1	4.7	2.3	151.5	6.1	7.0	138.4
1952	167.0	95.1	19.5	16.7	8.8	10.3	9.4	4.7	2.5	167.0	6.7	8.0	152.3
1953	164.3	96.5	14.8	17.4	9.0	9.9	9.4	4.6	2.7	164.3	7.2	8.9	148.2
1954	161.2	95.0	11.7	18.4	9.2	9.9	9.4	4.7	2.9	161.2	7.7	9.2	144.3
1955	165.1	98.2	11.2	18.6	9.6	10.0	9.4	5.0	3.1	165.1	8.2	9.4	147.5
1956	169.6	102.9	10.6	19.3	8.3	10.5	9.5	5.2	3.3	169.6	9.0	9.8	150.8
1957	178.0	110.4	11.0	20.3	8.3	10.0	9.4	5.1	3.5	178.0	9.8	9.6	158.6
1958	185.8	115.9	13.9	20.2	7.6	9.9	9.5	5.1	3.7	185.8	10.4	10.0	165.4
1959	202.2	124.4	17.7	21.8	9.3	9.8	10.0	5.2	4.0	202.2	11.1	12.5	178.6
1960	203.1	130.2	15.2	22.2	7.7	9.6	9.2	4.7	4.3	203.1	12.1	12.7	178.3
1961	204.0	131.7	15.6	21.8	8.0	8.9	8.7	4.6	4.7	204.0	12.8	13.4	177.8
1962	212.9	138.0	16.4	22.3	8.8	9.1	8.8	4.5	5.0	212.9	13.9	14.8	184.2
1963	221.0	143.8	17.3	22.7	9.3	9.0	9.2	4.4	5.3	221.0	15.2	16.5	189.3
1964	229.8	152.1	15.8	24.1	9.8	8.9	9.2	4.2	5.7	229.8	16.8	18.1	194.9
1965	238.5	160.9	14.5	25.5	9.2	8.6	9.6	4.2	6.0	238.5	18.9	18.6	201.0
1966	256.0	172.5	17.5	27.1	9.7	8.6	10.0	4.1	6.5	256.0	21.2	20.4	214.4
1967	269.9	182.5	18.9	28.9	10.0	8.4	10.3	3.9	7.0	269.9	23.3	22.4	224.2
1968	284.0	193.1	18.8	31.4	9.6	9.0	10.9	3.8	7.4	284.0	25.5	24.9	233.6
1969	299.1	202.6	20.2	33.1	10.6	9.6	11.5	3.7	7.8	299.1	27.1	27.5	244.5
1970	311.4	208.9	23.5	34.3	10.8	10.1	11.9	3.7	8.2	311.4	28.4	29.7	253.3
1971 ^a	317.2	212.4	80.4				24.4			317.2	29.2	31.2	256.8

¹ Beginning with 1961, horses and mules are excluded.² Includes all crops held on farms and crops held off farms by farmers as security for Commodity Credit Corporation loans. The latter on January 1, 1971, totaled approximately \$676 million.

Source: Department of Agriculture.

INTERNATIONAL STATISTICS

TABLE C-87.—U.S. balance of payments, 1946-70

(Millions of dollars)

Year or quarter	Exports of goods and services						Imports of goods and services				Balance on goods and services	Remittances and pensions
	Total	Merchandise ¹	Military sales	Income on investments		Other services	Total	Merchandise ¹	Military expenditures	Other services		
				Private	Government							
1946.....	14,792	11,764	(?)	751	21	2,256	-6,985	-5,067	-493	-1,425	7,807	-648
1947.....	19,819	16,097	(?)	1,036	66	2,620	-8,202	-5,973	-455	-1,774	11,617	-728
1948.....	16,861	13,265	(?)	1,238	102	2,256	-10,343	-7,557	-799	-1,987	6,518	-631
1949.....	15,834	12,213	(?)	1,297	98	2,226	-9,616	-6,874	-621	-2,121	6,218	-641
1950.....	13,893	10,203	(?)	1,484	109	2,097	-12,001	-9,081	-576	-2,344	1,892	-533
1951.....	18,864	14,243	(?)	1,684	198	2,739	-15,047	-11,176	-1,270	-2,601	3,817	-480
1952.....	18,122	13,449	(?)	1,624	204	2,845	-15,766	-10,838	-2,054	-2,874	2,356	-571
1953.....	17,078	12,412	192	1,658	252	2,564	-16,546	-10,975	-2,615	-2,956	532	-644
1954.....	17,889	12,929	182	1,955	272	2,551	-15,930	-10,353	-2,642	-2,935	1,959	-633
1955.....	19,948	14,424	200	2,170	274	2,880	-17,795	-11,527	-2,901	-3,367	2,153	-597
1956.....	23,772	17,556	161	2,468	194	3,393	-19,627	-12,803	-2,949	-3,875	4,145	-690
1957.....	26,653	19,562	375	2,612	205	3,899	-20,752	-13,291	-3,216	-4,245	5,901	-729
1958.....	23,217	16,414	300	2,538	307	3,658	-20,861	-12,952	-3,435	-4,474	2,356	-745
1959.....	23,652	16,458	302	2,694	349	3,849	-23,342	-15,310	-3,107	-4,925	310	-815
1960.....	27,488	19,650	335	3,000	348	4,155	-23,355	-14,744	-3,087	-5,523	4,133	-596
1961.....	28,770	20,107	402	3,561	381	4,318	-23,148	-14,519	-2,998	-5,631	5,622	-632
1962.....	30,506	20,779	656	3,948	471	4,651	-25,357	-16,218	-3,105	-6,035	5,149	-695
1963.....	32,601	22,252	657	4,151	498	5,043	-26,617	-17,011	-2,961	-6,647	5,984	-798
1964.....	37,271	25,478	747	4,930	456	5,659	-28,691	-18,647	-2,880	-7,164	8,580	-809
1965.....	39,399	26,447	830	5,384	509	6,230	-32,278	-21,496	-2,952	-7,831	7,121	-950
1966.....	43,360	29,389	829	5,659	593	6,891	-38,060	-25,463	-3,764	-8,833	5,300	-898
1967.....	46,203	30,681	1,240	6,235	638	7,409	-40,990	-26,821	-4,378	-9,791	5,213	-1,167
1968.....	50,622	33,588	1,395	6,922	765	7,952	-48,129	-32,964	-4,535	-10,630	2,493	-1,121
1969.....	55,514	36,473	1,515	7,906	932	8,688	-53,564	-35,835	-4,850	-12,879	1,949	-1,190
1970 ^a	62,907	42,148	1,375	8,656	955	9,773	-58,964	-39,409	-4,863	-14,692	3,943	-1,397
Seasonally adjusted annual rates												
1968: I.....	47,728	31,784	1,208	6,236	824	7,676	-45,908	-31,280	-4,412	-10,216	1,820	-1,068
II.....	50,740	33,544	1,376	7,136	824	7,860	-47,328	-32,528	-4,448	-10,352	3,412	-1,028
III.....	53,180	35,512	1,572	7,160	840	8,096	-49,776	-34,276	-4,588	-10,912	3,404	-1,288
IV.....	50,856	33,512	1,428	7,164	576	8,176	-49,496	-33,772	-4,692	-11,032	1,360	-1,104
1969: I.....	47,792	29,888	1,564	7,444	912	7,984	-46,472	-30,304	-4,792	-11,376	1,320	-1,080
II.....	57,164	38,340	1,252	7,676	924	8,972	-55,912	-38,424	-4,748	-12,740	1,252	-1,176
III.....	58,260	38,324	1,832	8,172	972	8,960	-55,636	-37,052	-4,880	-13,704	2,624	-1,272
IV.....	58,848	39,340	1,408	8,332	924	8,844	-56,244	-37,560	-4,980	-13,704	2,604	-1,236
1970: I.....	61,368	40,912	1,032	9,020	976	9,428	-58,040	-38,892	-4,712	-14,436	3,328	-1,312
II.....	63,656	42,820	1,728	8,232	976	9,900	-59,240	-39,504	-5,020	-14,716	4,416	-1,440
III.....	63,696	42,712	1,364	8,716	912	9,992	-59,612	-39,832	-4,856	-14,924	4,084	-1,440

See footnotes at end of table.

TABLE C-87.—U. S. balance of payments, 1946-70—Continued

(Millions of dollars)

Year or quarter	U.S. Government grants and capital, net ¹	U.S. private capital, net			Foreign capital, net ⁴	Errors and unrecorded transactions	Balance		Changes in selected liabilities (decrease (-)) ⁷			Changes in U.S. official reserve assets (increase (-))
		Direct investment	Other long-term	Short-term			Li- quidity basis ⁵	Official reserve trans- actions basis ⁶	To foreign official holders ⁸		To other foreign hold- ers ⁹	
									Liquid	Non-liquid		
1946.....	-5,293	-230	127	-310	-615	155	993					-623
1947.....	-6,121	-749	-49	-189	-432	861	4,210					-3,315
1948.....	-4,918	-721	-69	-116	-361	1,115	817					-1,736
1949.....	-5,649	-660	-80	187	44	717	136					-266
1950.....	-3,640	-621	-495	-149	181	-124	-3,489					1,758
1951.....	-3,191	-508	-437	-103	540	354	-8					-33
1952.....	-2,380	-852	-214	-94	52	497	-1,206					-415
1953.....	-2,055	-735	185	167	146	220	-2,184					1,256
1954.....	-1,554	-667	-320	-635	249	60	-1,541					480
1955.....	-2,211	-823	-241	-191	297	371	-1,242					182
1956.....	-2,362	-1,951	-603	-517	615	390	-973					-869
1957.....	-2,574	-2,442	-859	-276	545	1,012	578					-1,165
1958.....	-2,587	-1,181	-1,444	-311	186	361	-3,365					2,292
1959.....	-1,986	-1,372	-926	-77	736	260	-3,870					1,035
1960.....	-2,768	-1,674	-855	-1,349	364	-1,156	-3,901	-3,403	¹⁰ 1,448		308	2,145
1961.....	-2,779	-1,598	-1,025	-1,556	702	-1,103	-2,371	-1,347	¹⁰ 681		1,084	606
1962.....	-3,013	-1,654	-1,227	-546	1,026	-1,246	-2,204	-2,702	¹⁰ 457	250	214	1,533
1963.....	-3,578	-1,976	-1,698	-785	690	-509	-2,670	-2,011	1,673	-39	620	377
1964.....	-3,564	-2,328	-2,103	-2,147	689	-1,118	-2,800	-1,564	1,075	318	1,554	171
1965.....	-3,406	-3,468	-1,079	753	270	-576	-1,335	-1,289	-18	85	131	1,222
1966.....	-3,444	-3,661	-256	-415	2,531	-514	-1,357	266	-1,595	761	2,384	568
1967.....	-4,223	-3,137	-1,292	-1,209	3,360	-1,088	-3,544	-3,418	2,020	1,346	1,472	52
1968.....	-3,975	-3,209	-1,116	-1,087	8,701	-514	171	1,641	-3,101	2,340	3,810	-880
1969.....	-3,828	-3,070	-1,588	-575	4,131	-2,841	-7,012	2,700	-517	-996	8,716	-1,187
1970 ³	-3,119	-4,805	-1,427	-297	3,859	-2,040	¹¹ -4,415	¹¹ -8,667				
Seasonally adjusted annual rates									Quarterly totals unadjusted			
1968: I.....	-4,340	-1,804	-520	-412	6,672	-1,316	-976	-244	-1,358	363	721	904
II.....	-4,240	-3,512	-616	-1,588	10,124	-2,112	424	6,608	-2,190	777	2,222	-137
III.....	-3,852	-4,192	-876	-1,272	7,308	1,340	580	1,632	-38	537	1,031	-571
IV.....	-3,468	-3,324	-2,456	-1,076	10,696	32	656	-1,432	485	663	-164	-1,076
1969: I.....	-3,108	-3,608	-1,072	-172	7,096	-4,784	-5,408	5,812	-1,708	45	3,024	-48
II.....	-4,636	-4,060	-2,352	-2,192	1,652	-3,688	-15,204	5,260	-538	-367	4,653	-299
III.....	-4,088	-3,508	-1,796	1,384	1,244	-3,708	-9,116	-2,328	2,235	-509	1,423	-686
IV.....	-3,480	-1,104	-1,132	-1,320	6,540	816	1,680	2,056	-506	-165	-384	-154
1970: I.....	-3,420	-5,644	-1,936	828	2,254	-728	¹¹ -5,756	¹¹ -11,572	2,762	-413	-1,695	-386
II.....	-2,900	-5,736	460	-2,204	5,280	-3,680	¹¹ -4,936	¹¹ -7,108	526	513	-122	1,022
III.....	-3,036	-3,036	-2,804	484	4,044	-1,712	¹¹ -2,552	¹¹ -7,320	2,046	-236	-1,186	801

¹ Adjusted from customs data for differences in timing and coverage.² Not reported separately.³ Average of the first 3 quarters on a seasonally adjusted annual rates basis.⁴ Includes certain special Government transactions.⁵ Equals changes in liquid liabilities to foreign official holders, changes in liabilities to other foreign holders, and changes in official reserve assets consisting of gold, Special Drawing Rights, convertible currencies, and the U.S. gold tranche position in the IMF.⁶ Equals changes in liquid and nonliquid liabilities to foreign official holders and changes in official reserve assets consisting of gold, Special Drawing Rights, convertible currencies, and the U.S. gold tranche position in the IMF.⁷ Includes short-term official and banking liabilities, foreign holdings of U.S. Government bonds and notes, and certain nonliquid liabilities to foreign official holders.⁸ Central banks, governments, and U.S. liabilities to the IMF arising from reversible gold sales to, and gold deposits with, the United States.⁹ Private holders; includes banks and international and regional organizations; excludes IMF.¹⁰ Includes change in Treasury liabilities to certain foreign military agencies; excluding these changes, data (\$ millions) are 1,258 (1960), 741 (1961), 918 (1962).¹¹ Includes allocation of Special Drawing Rights.

Note.—Data exclude military grant-aid and U.S. subscriptions to International Monetary Fund.

Source: Department of Commerce, Office of Business Economics.

TABLE C-88.—U.S. merchandise exports and imports, by commodity groups, 1958–70

[Millions of dollars]

Year or quarter	Merchandise exports ¹						Merchandise imports					Gross merchandise trade surplus, seasonally adjusted ⁷
	Total, including reexports ²		Domestic exports				General imports ³					
	Seasonally adjusted	Unadjusted	Total ⁴	Food, beverages, and tobacco	Crude materials and fuels ⁵	Manufactured goods ⁶	Total ³		Food, beverages, and tobacco	Crude materials and fuels ⁵	Manufactured goods ⁶	
							Seasonally adjusted	Unadjusted				
1958.....	-----	16, 375	16, 211	2, 688	3, 052	11, 547	-----	13, 392	3, 550	4, 164	5, 311	2, 983
1959.....	-----	16, 426	16, 243	2, 852	2, 996	11, 179	-----	15, 690	3, 580	4, 615	7, 117	736
1960.....	-----	19, 659	19, 459	3, 167	3, 942	12, 583	-----	15, 073	3, 392	4, 418	6, 863	4, 586
1961.....	-----	20, 226	19, 982	3, 466	3, 864	12, 784	-----	14, 761	3, 455	4, 334	6, 537	5, 465
1962.....	-----	20, 986	20, 717	3, 743	3, 356	13, 668	-----	16, 464	3, 674	4, 691	7, 649	4, 522
1963.....	-----	22, 467	22, 182	4, 188	3, 775	14, 297	-----	17, 207	3, 853	4, 755	8, 070	5, 260
1964.....	-----	25, 832	25, 479	4, 637	4, 337	16, 529	-----	18, 749	4, 022	5, 029	9, 106	7, 083
1965.....	-----	26, 751	26, 408	4, 520	4, 275	17, 439	-----	21, 429	4, 013	5, 440	11, 245	5, 322
1966.....	-----	29, 490	29, 054	5, 186	4, 404	19, 218	-----	25, 618	4, 590	5, 718	14, 446	3, 872
1967.....	-----	31, 030	30, 646	4, 710	4, 726	20, 844	-----	26, 889	4, 701	5, 367	15, 756	4, 141
1968.....	-----	34, 063	33, 626	4, 592	4, 865	23, 818	-----	33, 226	5, 365	6, 031	20, 624	837
1969.....	-----	37, 332	36, 788	4, 446	5, 006	26, 785	-----	36, 043	5, 308	6, 391	23, 011	1, 289
1970.....	-----	42, 662	42, 028	5, 051	5, 696	29, 340	-----	39, 963	6, 234	6, 553	25, 903	2, 699
1968: I.....	8, 028	8, 022	7, 922	1, 195	1, 190	5, 465	7, 867	7, 764	1, 257	1, 443	4, 804	161
II.....	8, 465	8, 704	8, 596	1, 090	1, 217	6, 182	8, 151	8, 256	1, 308	1, 463	5, 180	314
III.....	9, 019	8, 425	8, 317	1, 122	1, 174	5, 955	8, 548	8, 457	1, 430	1, 570	5, 142	471
IV.....	8, 581	8, 911	8, 792	1, 185	1, 293	6, 217	8, 527	8, 750	1, 369	1, 555	5, 499	54
1969: I.....	7, 604	7, 585	7, 468	699	877	5, 791	7, 643	7, 410	1, 013	1, 476	4, 647	-39
II.....	9, 860	10, 151	10, 010	1, 257	1, 388	7, 266	9, 635	9, 781	1, 478	1, 640	6, 324	225
III.....	9, 862	9, 257	9, 118	1, 148	1, 234	6, 598	9, 297	9, 191	1, 331	1, 583	5, 927	564
IV.....	9, 966	10, 338	10, 192	1, 342	1, 507	7, 129	9, 438	9, 662	1, 487	1, 692	6, 113	528
1970: I.....	10, 300	10, 195	10, 061	1, 117	1, 489	7, 247	9, 716	9, 453	1, 513	1, 669	5, 994	584
II.....	10, 915	11, 221	11, 057	1, 144	1, 728	7, 931	9, 918	10, 071	1, 580	1, 602	6, 574	997
III.....	10, 819	10, 150	9, 987	1, 257	1, 608	6, 872	10, 003	9, 879	1, 500	1, 619	6, 422	816
IV.....	10, 687	11, 096	10, 923	1, 532	1, 870	7, 289	10, 311	10, 560	1, 641	1, 663	6, 912	376

¹ Beginning 1960, data have been adjusted for comparability with the revised commodity classifications effective in 1965.² Totals exclude Department of Defense shipments of grant-aid military supplies and equipment under the Military Assistance Program.³ Total includes commodities and transactions not classified according to kind.⁴ Includes fats and oils.⁵ Includes machinery, transportation equipment, chemicals, metals, and other manufactures. Export data for these items include military grant-aid shipments.⁶ Total arrivals of imported goods other than intransit shipments.⁷ Exports, excluding military grant-aid, less general imports; quarterly data seasonally adjusted.

Note.—Data are as reported by the Bureau of the Census adjusted to include silver ore and bullion reported separately prior to 1969. Export statistics cover all merchandise shipped from the U.S. customs area, except supplies for U.S. Armed Forces. Export values are f.a.s. port of export and include shipments under Agency for International Development and Food for Peace programs as well as other private relief shipments. Import values are defined generally as the market value in the foreign country, excluding the U.S. import duty and transportation costs such as ocean freight and marine insurance.

Source: Department of Commerce, Bureau of International Commerce.

TABLE C-89.—*U.S. merchandise exports and imports, by area, 1964-70*

[Millions of dollars]

Area	1964	1965	1966	1967	1968	1969	1970
Exports (including reexports and special category shipments): Total	26,650	27,530	30,430	31,622	34,636	38,006	43,226
Developed countries.....	17,343	18,366	20,120	21,467	23,600	26,479	29,884
Developing countries.....	8,967	9,023	10,112	9,960	10,821	11,277	12,989
Canada.....	4,921	5,658	6,679	7,172	8,072	9,137	9,084
Other Western Hemisphere.....	4,293	4,275	4,769	4,718	5,339	5,576	6,534
Western Europe ¹	9,222	9,257	9,891	10,187	11,132	12,392	14,465
Eastern Europe.....	340	140	198	195	215	249	353
Asia.....	5,811	6,015	6,740	7,150	7,582	8,261	10,023
Australia and Oceania.....	804	956	805	1,018	1,026	998	1,188
Africa.....	1,259	1,229	1,348	1,182	1,269	1,392	1,579
General imports: Total	18,749	21,429	25,618	26,889	33,226	36,043	39,963
Developed countries.....	11,924	14,101	17,632	18,993	24,130	26,460	29,262
Developing countries.....	6,711	7,174	7,795	7,709	8,886	9,373	10,450
Canada.....	4,265	4,858	6,152	7,140	9,005	10,384	11,091
Other Western Hemisphere.....	4,185	4,399	4,737	4,662	5,143	5,163	5,840
Western Europe ¹	5,209	6,155	7,679	8,052	10,139	10,138	11,175
Eastern Europe.....	99	137	179	177	198	195	226
Asia.....	3,620	4,528	5,277	5,349	6,911	8,275	9,626
Australia and Oceania.....	442	455	596	583	697	828	871
Africa.....	917	883	992	920	1,122	1,046	1,111
Unidentified countries ²	12	14	6	6	11	12	24

¹ Includes Finland, Yugoslavia, Greece, and Turkey.² Consists of certain low-valued shipments not identified by country.

Note.—Developed countries include Canada, Western Europe, Japan, Australia, New Zealand, and the Republic of South Africa. Developing countries include rest of the world except Communist areas in Eastern Europe and Asia and unidentified countries.

Source: Department of Commerce, Bureau of International Commerce.

TABLE C-90.—U.S. overseas loans and grants, by type and area, fiscal years, 1962-70
[Millions of dollars]

Type of program and fiscal period	Total	Near East and South Asia	Latin America	Vietnam	East Asia	Africa	Europe	Other and non-regional
Total economic loans and grants (net obligations and loan authorizations):¹								
1962-69 average.....	4,604	1,425	1,164	359	539	376	238	503
Loans.....	2,435	1,071	740	0	222	166	200	35
Grants.....	2,169	354	424	359	316	210	38	468
1970.....	4,716	914	1,048	420	846	294	454	740
Loans.....	2,611	745	511	76	633	118	447	82
Grants.....	2,105	169	537	344	213	177	7	658
Economic loans and grants to less developed countries, by program:²								
Net obligations and loan authorizations:								
1962-69 average.....	4,413	1,425	1,164	359	473	376	138	478
1970.....	4,103	914	1,048	420	676	294	69	682
Repayments and interest:								
1962-69 average.....	764	279	306	10	57	34	73	6
1970.....	1,205	438	454	5	95	82	127	4
Agency for International Development:								
Net obligations and loan authorizations:								
1962-69 average.....	2,140	664	516	278	223	184	1	274
1970.....	1,665	330	378	304	180	139		334
Repayments and interest:								
1962-69 average.....	217	120	27	9	23	19	17	2
1970.....	305	173	54	5	26	28	18	0
Export-Import Bank long-term loans:								
Loan authorizations:								
1962-69 average.....	416	90	206		28	32	60	
1970.....	615	122	186		187	27	69	23
Repayments and interest:								
1962-69 average.....	403	78	254		26	12	33	
1970.....	628	126	345		41	41	76	
Food for Peace:								
Obligations:								
1962-69 average.....	1,343	660	152	81	189	137	76	49
1970.....	1,159	452	153	115	281	108		50
Repayments and interest:								
1962-69 average.....	120	76	12	0	6	3	23	
1970.....	235	137	25		26	13	34	
Contributions and Subscriptions to International Lending Organizations:³								
Obligations:								
1962-69 average.....	294		196					97
1970.....	480		300					180
Peace Corps and other:⁴								
Obligations:								
1962-69 average.....	220	13	94		33	22		57
1970.....	184	9	32		29	20	0	94
Repayments and interest:								
1962-69 average.....	24	5	12		2	1		3
1970.....	36	2	29		1			4

¹ Some data are preliminary.

² Countries have been classified "less developed" on the basis of the standard list of less developed countries used by the Development Assistance Committee of the Organization for Economic Cooperation and Development. On this basis, "less developed" countries include all countries receiving U.S. loans or grants except the following which are considered "developed": Japan, Australia, New Zealand, Republic of South Africa, Canada, and all of Europe except Malta, Spain, and Yugoslavia.

³ Includes capital subscriptions and contributions to the Inter-American Development Bank, the International Development Association, and the Asian Development Bank.

⁴ Data for certain programs from Department of Commerce (Office of Business Economics).

Source: Agency for International Development (except as noted).

TABLE C-91.—*International reserves, 1949, 1953, and 1965-70*

(Millions of dollars; end of period)

Area and country	1949	1953	1965	1966	1967	1968	1969	1970 ^a	
								Sep-tember	De-cember
All countries.....	45,635	51,780	70,830	72,420	74,140	77,005	77,735	86,885	-----
Developed areas.....	37,245	41,375	59,511	60,306	61,136	62,893	62,179	68,867	-----
United States.....	26,024	23,458	15,450	14,881	14,830	15,710	16,964	15,527	14,487
United Kingdom.....	1,752	2,670	3,004	3,100	2,695	2,422	2,527	2,666	2,827
Other Western Europe.....	6,455	10,500	33,694	35,091	36,588	35,819	33,157	39,206	-----
Austria.....	92	325	1,311	1,333	1,484	1,510	1,537	1,672	1,757
Belgium.....	978	1,144	2,334	2,350	2,590	2,187	2,388	2,790	2,847
France.....	580	829	6,343	6,733	6,994	4,201	3,833	4,743	4,960
Germany.....	196	1,773	7,431	8,029	8,153	9,948	7,129	11,301	13,610
Italy.....	(1)	768	4,800	4,910	5,463	5,342	5,013	4,519	5,299
Netherlands.....	434	1,232	2,416	2,448	2,619	2,463	2,529	2,987	3,234
Scandinavian countries (Denmark, Finland, Norway, and Sweden).....	537	1,026	2,324	2,341	2,236	2,320	2,213	2,197	2,533
Spain.....	(1)	150	1,422	1,253	1,100	1,150	1,281	1,591	1,817
Switzerland.....	1,692	1,768	3,244	3,324	3,555	3,932	3,995	4,080	4,701
Other ²	1,222	1,484	2,069	2,370	2,394	2,766	3,239	3,326	-----
Canada.....	1,197	1,902	3,037	2,702	2,717	3,046	3,106	4,553	4,679
Japan.....	(1)	892	2,152	2,119	2,030	2,906	3,654	3,996	4,839
Australia, New Zealand, and South Africa.....	1,587	1,953	2,174	2,413	2,276	2,990	2,771	3,027	2,826
Less developed areas ³	8,390	10,405	11,320	12,115	13,000	14,110	15,535	17,885	-----
Latin America.....	2,775	3,400	3,245	3,175	3,450	3,935	4,495	5,445	-----
Middle East.....	1,475	1,200	2,735	2,910	3,295	3,310	3,035	3,005	-----
Other Asia.....	3,395	3,840	3,425	3,875	4,080	4,215	4,815	5,155	-----
Other Africa.....	4290	1,800	1,860	2,100	2,115	2,480	3,065	4,145	-----

¹ Not available separately.² In addition to other Western European countries, includes unpublished gold reserves of Greece and an estimate of gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold.³ Includes unpublished gold holdings not allocable by area.⁴ Estimate.

Note.—Includes gold holdings, reserve positions in the International Monetary Fund, and foreign exchange of all countries except U.S.S.R., other Eastern European countries, Communist China, and Cuba (after 1960).

Beginning 1959, when most of the major currencies of the world became convertible, data exclude known holdings of inconvertible currencies, balances under payments agreements, and the bilateral claims arising from liquidation of the European Payments Union.

Source: International Monetary Fund, "International Financial Statistics."

TABLE C-92.—U.S. reserve assets, 1946-70

(Millions of dollars)

End of year or month	Total reserve assets	Gold stock ¹		Special drawing rights ³	Convertible foreign currencies ⁴	Reserve position in International Monetary Fund ⁵
		Total ²	Treasury			
1946.....	20,706	20,706	20,529	.....	.....	.....
1947.....	24,021	22,868	22,754	.....	.....	1,153
1948.....	25,758	24,399	24,244	.....	.....	1,359
1949.....	26,024	24,563	24,427	.....	.....	1,461
1950.....	24,265	22,820	22,706	.....	.....	1,445
1951.....	24,299	22,873	22,695	.....	.....	1,426
1952.....	24,714	23,252	23,187	.....	.....	1,462
1953.....	23,458	22,091	22,030	.....	.....	1,367
1954.....	22,978	21,793	21,713	.....	.....	1,185
1955.....	22,797	21,753	21,690	.....	.....	1,044
1956.....	23,666	22,058	21,949	.....	.....	1,608
1957.....	24,832	22,857	22,781	.....	.....	1,975
1958.....	22,540	20,582	20,534	.....	.....	1,958
1959.....	21,504	19,507	19,456	.....	.....	1,997
1960.....	19,359	17,804	17,767	.....	.....	1,555
1961.....	18,753	16,947	16,889	.....	116	1,690
1962.....	17,220	16,057	15,978	.....	99	1,064
1963.....	16,843	15,596	15,513	.....	212	1,035
1964.....	16,672	15,471	15,388	.....	432	769
1965.....	15,450	⁶ 13,806	⁶ 13,733	.....	781	⁶ 863
1966.....	14,882	13,235	13,159	.....	1,321	326
1967.....	14,830	12,065	11,982	.....	2,345	420
1968.....	15,710	10,892	10,367	.....	3,528	1,290
1969.....	⁷ 16,964	11,859	10,367	.....	⁷ 2,781	2,324
1970.....	14,487	11,072	10,732	851	629	1,935
1969: Jan.....	15,454	10,828	10,367	.....	3,338	1,288
Feb.....	15,499	10,801	10,367	.....	3,399	1,299
Mar.....	15,758	10,836	10,367	.....	3,601	1,321
Apr.....	15,948	10,936	10,367	.....	3,624	1,388
May.....	16,070	11,153	10,367	.....	3,474	1,443
June.....	16,057	11,153	10,367	.....	3,355	1,549
July.....	15,936	11,144	10,367	.....	3,166	1,626
Aug.....	16,195	11,154	10,367	.....	3,399	1,642
Sept.....	16,743	11,164	10,367	.....	3,797	1,782
Oct.....	⁷ 16,316	11,190	10,367	.....	⁷ 3,341	1,785
Nov.....	16,000	11,171	10,367	.....	2,865	1,964
Dec.....	16,964	11,859	10,367	.....	2,781	2,324
1970: Jan.....	17,396	11,882	11,367	899	2,294	2,321
Feb.....	17,670	11,906	11,367	919	2,338	2,507
Mar.....	17,350	11,903	11,367	920	1,950	2,577
Apr.....	16,919	11,902	11,367	926	1,581	2,510
May.....	16,165	11,900	11,367	925	980	2,360
June.....	16,328	11,889	11,367	957	1,132	2,350
July.....	16,065	11,934	11,367	961	716	2,454
Aug.....	15,796	11,817	11,367	961	695	2,323
Sept.....	15,527	11,494	11,117	991	1,098	1,944
Oct.....	15,120	11,495	11,117	991	811	1,823
Nov.....	14,891	11,478	11,117	961	640	1,812
Dec.....	14,487	11,072	10,732	851	629	1,935

¹ Includes gold sold to the United States by the International Monetary Fund with the right of repurchase which amounted to \$400 million on December 31, 1970. Beginning September 1965 also includes gold deposited by the IMF to mitigate the impact on the U.S. gold stock of purchases by foreign countries for gold subscriptions on increased IMF quotas. Amount outstanding was \$166 million on December 31, 1970. The United States has a corresponding gold liability to the IMF.

² Includes gold in Exchange Stabilization Fund.

³ Includes initial allocation by the IMF of \$867 million of Special Drawing Rights on January 1, 1970, plus net transactions of SDR's since that time.

⁴ Includes holdings of Treasury and Federal Reserve System.

⁵ In accordance with Fund policies the United States has the right to draw foreign currencies equivalent to its reserve position in the Fund virtually automatically if needed. Under appropriate conditions the United States could draw additional amounts equal to the United States quota.

⁶ Reserve position includes, and gold stock excludes, \$259 million gold subscription to the Fund in June 1965 for a U.S. quota increase which became effective on February 23, 1966. In figures published by the Fund from June 1965 through January 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

⁷ Includes gain of \$67 million resulting from revaluation of German mark in October 1969, of which \$13 million represents gain on mark holdings at time of revaluation.

Note.—Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States.

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

TABLE C-93.—Price changes in international trade, 1962-70

[1963=100]

Area or commodity class	1962	1963	1964	1965	1966	1967	1968	1969	1970
									Third quarter
Unit value indexes by area									
Developed areas									
Total:									
Exports.....	99	100	102	103	105	105	104	108	113
Terms of trade ¹	100	100	100	100	100	101	101	101	101
United States ² :									
Exports.....	100	100	101	104	107	110	111	115	122
Terms of trade ¹	101	100	99	101	101	102	103	103	99
Developing areas									
Total:									
Exports.....	97	100	103	103	104	103	103	106	109
Terms of trade ¹	98	100	101	99	101	100	101	102	101
Latin America:									
Exports.....	95	100	107	107	108	106	107	110	³ 116
Terms of trade ¹	92	100	105	102	105	102	102	101	³ 102
Southern and Eastern Asia ⁴ :									
Exports.....	100	100	100	101	101	99	97	103	³ 105
Terms of trade ¹	102	100	99	99	100	99	100	104	³ 104
World export price indexes ⁵									
Primary commodities: Total.....	96	100	103	103	104	101	100	104	107
Foodstuffs.....	94	100	105	103	105	104	102	106	112
Coffee, tea, and cocoa.....	96	100	121	111	113	111	111	120	142
Cereals.....	99	100	103	99	104	106	102	102	99
Other agricultural commodities ⁶	97	100	102	103	104	96	96	101	99
Fats, oils, and oilseeds.....	94	100	104	114	111	102	100	101	110
Textile fibers.....	91	100	102	92	92	88	88	85	83
Wool.....	84	100	103	86	90	77	74	73	65
Rubber.....	107	100	95	97	91	75	73	99	79
Minerals.....	99	100	102	104	104	103	102	104	107
Metal ores.....	100	100	108	114	105	109	108	114	120
Manufactured goods: Total ⁵	99	100	101	103	106	107	106	110	117
Nonferrous base metals ⁵	100	100	119	135	156	142	150	168	168

¹ Terms of trade indexes are unit value indexes of exports divided by unit value indexes of imports.² Includes foreign trade of Alaska, Hawaii, and Puerto Rico.³ Data are for second quarter 1970.⁴ Excludes Japan.⁵ Data for manufactured goods are unit value indexes.⁶ Includes nonfood fish and forest products.

Note.—Data exclude trade of Communist areas in Eastern Europe (except Yugoslavia) and Asia.

Sources: United Nations and Department of Commerce (Bureau of International Commerce).

TABLE C-94.—*Consumer price indexes in the United States and other major industrial countries, 1957-70*

[1963=100]

Period	United States	Canada	Japan	France	Germany	Italy	Netherlands	United Kingdom
1957.....	91.8	91.7	79.3	69.6	88.1	83.2	88	86.9
1958.....	94.4	94.1	78.9	80.1	90.0	85.5	90	89.5
1959.....	95.1	95.1	79.8	85.0	90.9	85.1	91	90.0
1960.....	96.6	96.2	82.6	88.1	92.1	87.1	94	90.9
1961.....	97.7	97.1	87.0	91.0	94.3	88.9	95	94.0
1962.....	98.8	98.3	93.0	95.4	97.1	93.1	97	98.0
1963.....	100.0	100.0	100.0	100.0	100.0	100.0	100	100.0
1964.....	101.3	101.8	103.9	103.4	102.3	105.9	106	103.3
1965.....	103.0	104.3	110.7	106.0	105.8	110.7	111.0	108.2
1966.....	106.0	108.2	116.4	108.9	109.5	113.3	117.4	112.4
1967.....	109.0	112.0	121.0	111.8	111.1	116.9	121.4	115.2
1968.....	113.6	116.7	127.5	116.9	113.1	118.5	125.9	120.6
1969.....	119.7	122.0	134.1	124.4	116.1	121.6	135.3	127.2
1970 ¹	126.5	126.0	143.5	130.5	120.2	126.9	140.7	134.5
1968: I.....	111.6	115.0	126.2	115.1	112.8	118.2	124.3	117.8
II.....	112.8	116.0	126.4	115.8	113.0	118.5	125.5	120.6
III.....	114.2	117.3	127.4	117.2	112.9	118.3	126.2	121.3
IV.....	115.6	118.5	129.8	119.6	113.8	118.8	127.7	122.7
1969: I.....	116.9	119.4	130.4	121.6	115.4	119.7	133.6	125.2
II.....	119.0	121.6	132.8	123.2	115.9	120.9	135.7	127.2
III.....	120.7	123.0	135.8	124.6	116.0	122.3	135.3	127.4
IV.....	122.3	123.8	137.5	126.5	117.0	123.5	136.5	129.0
1970: I.....	124.2	125.0	141.1	128.5	119.4	125.4	138.2	131.5
II.....	126.2	126.1	142.9	130.3	120.4	127.1	140.4	134.6
III.....	127.6	126.7	144.6	131.9	120.6	128.1	142.5	136.1
IV ²	129.0	126.6	149.4	132.8	121.2	128.7	144.2	138.0

¹ For United States, January-November average; for all other countries, January-October average, except Italy, January-September average.

² October-November average for United States; October data for all other countries, except September data for Italy.

Sources: Department of Labor and Organization for Economic Cooperation and Development.

