ECONOMIC REPORT OF THE PRESIDENT

TRANSMITTED
TO THE CONGRESS
JANUARY 1972

Economic Report of the President

Transmitted to the Congress
January 1972

TOGETHER WITH
THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS

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CONTENTS

*For a detailed table of contents of the Council's Report, see page 13.

ECONOMIC REPORT
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To the Congress of the United States:

The American economy is beginning to feel the effects of the new policies launched last August.

I undertook the New Economic Policy because it was becoming clear that not enough was being done to meet our ambitious goals for the American economy. The new measures are designed to bring the Nation to higher employment, greater price stability, and a stronger international position.

The essence of the New Economic Policy is not the specific list of measures we announced on August 15; it is the determination to do all that is necessary to achieve the Nation's goals.

Nineteen hundred and seventy-one was in many ways a good economic year. Total employment, total output, output per person, real hourly earnings, and real income after tax per person all reached new highs. The inflation which had plagued the country since 1965 began to subside. In the first 8 months of the year the rate of inflation was 30 percent less than in the same months of 1970.

But I did not believe this was enough to meet the Nation's needs. Although the rate of inflation had declined before August, it was still too high. Although unemployment stopped rising, it remained near 6 percent. In the first part of the year, our international balance-of-payments deficit—the excess of our payments to the rest of the world over their payments to us—had risen far too high.

The conditions called for decisive actions. On August 15, I announced these actions.

First, I imposed a 90-day freeze on prices, wages, and rents.

Second, I suspended conversion of dollars into gold and other reserve assets.

Third, I imposed a temporary surcharge on imports generally at the rate of 10 percent.

Fourth, I proposed a number of tax changes intended to stimulate the economy, including repeal of the excise tax on automobiles, a tax credit for investment, and reduction of income taxes on individuals. At the same time I took steps to keep the budget under control.

The package of measures was unprecedented in scope and degree. My Administration had struggled for 2½ years in an effort to check the inflation we inherited by means more consistent with economic freedom than price-wage controls. But the inflationary momentum generated by the policy actions and inactions of 1965–68 was too stubborn to be eradicated by these means alone. Or at least it seemed that it could only be eradicated at the price of persistent high unemployment—and this was a price we would not ask the American people to pay.

Similarly, more than a decade of balance-of-payments deficits had built up an overhang of obligations and distrust which no longer left time for the gradual methods of correction which had been tried earlier.

The measures begun on August 15 will have effects continuing long into the future. They cannot be fully evaluated by what has happened in the little over 5 months since that date. Still the results up to this point have been extremely encouraging.

The freeze slowed down the rate of inflation dramatically. In the 3 months of its duration the index of consumer prices rose only 0.4 percent, compared to 1.0 percent in the previous 3 months. The freeze was a great testimonial to the public spirit of the American people, because that result could have been achieved with the small enforcement staff we had only if the people had been cooperating voluntarily.

The freeze was followed by a comprehensive, mandatory system of controls, with more flexible and equitable standards than were possible during the first 90 days. General principles and specific regulations have been formulated, staffs have been assembled and cases are being decided. This effort is under the direction of citizens on the Price Commission and Pay Board, with advice from other citizens on special panels concerned with health services, State and local government, and rent. These citizens are doing a difficult job, doing it well, and the Nation is in their debt.

While this inflation-control system was being put in place, vigorous action was going forward on the international front. The suspension of the convertibility of the dollar was a shock felt around the world. The surcharge emphasized the need to act swiftly and decisively to improve our position. Happily, the process of adjustment began promptly, without disrupting the flow of international business. Other currencies rose in cost relative to the U.S. dollar. As a result, the cost of foreign goods increased relative to the cost of U.S. goods, improving the competitive position of American workers and industries. International negotiations were begun to stabilize exchange rates at levels that would help in correcting the worldwide disequilibrium, of which the U.S. balance-of-payments deficit was the most obvious symptom. These negotiations led to significant agreements on a number of points:

1. Realignment of exchange rates, with other currencies rising in cost relative to the dollar, as part of which we agreed to recommend to Congress that the price of gold in dollars be raised when progress had been made in trade liberalization.
2. Commitment to discussion of more general reform of the international monetary system.
3. Widening of the permitted range of variation of exchange rates, pending other measures of reform.
4. Commitment to begin discussions to reduce trade barriers, including some most harmful to the United States.
5. Assumption of a larger share of the costs of common defense by some of our allies.
6. Elimination of the temporary U.S. surcharge on imports.

The third part of the August 15 action was the stimulative tax program. Enactment of this package by Congress, although not entirely in the form I had proposed, put in place the final part of my New Economic Policy.

In part as a result of this program, economic activity rose more rapidly in the latter part of the year. In the fourth quarter real output increased at the annual rate of 6 percent, compared with about 3 percent in the 2 previous quarters. Employment rose by about 1.1 million from July to December, and only an extraordinarily large rise of the civilian labor force—1.3 million—kept unemployment from falling.

Nineteen hundred and seventy-two begins on a note of much greater confidence than prevailed 6 or 12 months ago. Output is rising at a rate which will boost employment rapidly and eat into unemployment. There is every reason to expect this rate of increase to continue. The Federal Government has contributed impetus to this advance by tax reductions and expenditure increases. The Federal Reserve has taken steps to create the monetary conditions necessary for rapid economic expansion.

The operation of the new control system in an economy without inflationary pressure of demand holds out great promise of sharply reducing the inflation rate. We are converting the fear of perpetual inflation into a growing hope for price stability. We are lifting from the people the frustrating anxiety about what their savings and their income will be worth a year from now or 5 years from now.

For the first time in over a decade the United States is moving decisively to restore strength to its international economic position.

The outlook is bright, but much remains to be done. The great problem is to get the unemployment rate down from the 6-percent level where it was in 1971. It was reduced from that level in the sixties by a war buildup; it must be reduced from that level in the seventies by the creation of peacetime jobs.

It is obvious that the unemployment problem has been intensified by the reduction of over 2 million defense-related jobs and by the need to squeeze down inflation. But 6 percent unemployment is too much, and I am determined to reduce that number significantly in 1972.

To that end I proposed the tax reduction package of 1971. Federal expenditures will rise by $25.2 billion between last fiscal year and fiscal 1972. Together these tax reductions and expenditure increases will leave a budget deficit of $38.8 billion this year. If we were at full employment in the present fiscal year, expenditures would exceed receipts by $8.1 billion. This is strong medicine, and I do not propose to continue its use, but we have taken it in order to give a powerful stimulus to employment.

We have imposed price and wage controls to assure that the expansion of demand does not run to waste in more inflation but generates real output and real employment.

We have suspended dollar convertibility and reduced the international cost of the dollar which will help restore the competitive position of U.S. workers and thereby generate jobs for them.

We have instituted a public service employment program to provide jobs directly for people who find it especially hard to get work.

We have expanded the number of people on federally assisted manpower programs to record levels.

We have established computerized Job Banks to help match up jobseekers and job vacancies.

We have proposed welfare reform to increase incentives to employment.

We have proposed special revenue sharing for manpower programs, to make them more effective.

We have proposed revision of the minimum wage system to remove obstacles to the employment of young and inexperienced workers.

We expect that these measures, and others, will contribute to a substantial reduction of unemployment.

In addition to getting unemployment down, a second major economic task before us is to develop and apply the price-wage control system, which is still in its formative stage, to the point where its objective is achieved. The objective of the controls is a state of affairs in which reasonable price stability can be maintained without controls. That state of affairs can and will be reached. How long it will take, no one can say.

We will persevere until the goal is reached, but we will not keep the controls one day longer than necessary.

The success of the stabilization program depends fundamentally upon the cooperation of the American people. This means not only compliance with the regulations. It means also mutual understanding of the difficulties that all of us—working people, businessmen, consumers, farmers, Government officials—encounter in this new and complicated program. Our experience in the past few months convinces me that we shall have this necessary ingredient for success.

We embarked last year on another great task—to create an international economic system in which we and others can reap the benefits of the exchange of goods and services without danger to our domestic economies. Despite all the troubles in this field in recent years both the American people and our trading partners are enjoying on a larger scale than ever before what is the object of the whole international economic exercise—consumption of foreign goods that are better or cheaper or more interesting than domestic goods, as well as foreign travel and profitable investment abroad.

We don't want to reduce these benefits. We want to expand them. To do that, we in the United States must be able to pay in the way that is best—chiefly by selling abroad those things that we produce best or more cheaply, including the products of our agriculture and our other high-technology industries. This is our objective in the international discussions launched by our acts of last year and continuing this year.

These tasks, in which Government takes the lead, are superimposed on the fundamental task of the American economy, upon which the welfare of the people most depends and which is basically performed by the people and not by the Government. That fundamental task is the efficient and innovative production of the goods and services that the American people want. That is why I have emphasized the need for greater productivity and a resurgence of the competitive spirit.

The outstanding performance of the American economy in this respect provides a background of strength which permits the Government to face its economic problems with confidence and to bring about a new prosperity without inflation and without war.

Richard Nixon

January 27, 1972.

THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., January 24, 1972.

THE PRESIDENT:

SIR: The Council of Economic Advisers herewith submits its Annual Report, January 1972, in accordance with Section 4(c)(2) of the Employment Act of 1946.

Respectfully,

Herbert Stein

HERBERT STEIN,
Chairman.

Ezra Solomon

EZRA SOLOMON.

CONTENTS

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List of Tables and Charts

Tables

List of Tables and Charts—Continued

List of Tables and Charts—Continued

Economic Review and Prospect

A Summary

Rarely has economic policy made so much news as in 1971. The freeze and Phase II, closing the gold window and prospective devaluation, domestic and international meetings at Camp David, the Azores, the Smithsonian Institution, and Bermuda, Key Biscayne, and San Clemente—all were continuing headline stories. These dramatic events were part of the process of dealing with problems in the forefront of public attention—inflation, unemployment, the international position of the U.S. economy.

These policies and their sequels and consequences will be the economic news of 1972. Most of this report is devoted to them. But this inevitable concentration on the news, whether in the press or in this report, can give a misleading impression of what is happening. The most important part of what is happening, at least in the field of economics, is not what was new last year or what will be new this year, but what is continuing.

THE LONGER VIEW

Before turning to the news it is worthwhile to point out some of the facts that are not news. The simplest and most far reaching is that total output per capita in 1971 was higher in the United States than anywhere else in the world. Output per worker, per hour of work and—as far as can be estimated—per unit of all resources were also the highest in the world. In all of these dimensions the economy continued to progress in 1971. In all of them the figures showed record highs last year. Labor productivity—output per hour of work—rose more rapidly than it had for several years.

In 1971, as in 1970 and 1969, there was a major shift in the allocation of total output from military to civilian uses. Measured in yearend 1971 dollars the annual rate of national defense spending declined by $25 billion from the fourth quarter of 1968 to the fourth quarter of 1971, or from 9.4 percent of GNP to 6.7 percent. In 1971, as in most other years, the largest part of the increase in total output was devoted to private consumption. Real private consumption increased 3.4 percent from 1970 to 1971, or 2.2 percent per capita. It amounted to $3,200 per capita in 1971 prices.

Most of the national income, and most of the increase of the national income, is the compensation of employees. In recent years an extraordinarily large share of the increase of the national income, 91 percent from 1968 to 1971, has gone into labor compensation. Real compensation per hour of work increased 2.5 percent from 1970 to 1971, compared to 1.2 percent average from 1968 to 1970. On the average during 1971 there were 79 million people at work, the highest number on record. In November the count passed 80 million for the first time.

The efficient use of resources reflected in these figures is so commonplace in America that it is rarely news. However, in the context of world history, the American achievement is exceptional. It has not occurred automatically, but is the result of private and public efforts. In 1971, as in the past, measures to improve efficiency were important components of government policy.

In Chapter 4 of this *Report* we discuss issues relating to the continuing effectiveness of the economic system that are now of special concern. They are issues of national policy with respect to improvement of the environment, the supply of energy, research and development, surface freight transportation, and the provision of health care. Each of these issues has its unique features, but one aspect common to all of them should be emphasized at this time when we are engaged in comprehensive regulation of prices: They all reveal the difficulties that arise in the absence of an adaptive price system, whether that absence results from the natural condition of the private economy or from government regulation.

The basic environmental problem, for example, is that some resources, like air, are common property and consequently the private economic system does not put a price on their use. The result is overuse or misuse—such as the dumping of excess pollutants into the air. Similarly, much of the knowledge that can be created by research and development becomes a free good, so that private people do not have an adequate incentive to produce it. A part of the health problem is the difficulty of finding a pricing system for medical care which gives an incentive to economy in its use but at the same time assures adequate service for all. In the field of energy we see that a shortage and high prices of fuels may be caused by regulation intended to hold down the price of fuel. And in surface freight transportation too stringent regulation of rates keeps goods from being moved in the most efficient and cheapest way.

The lesson of all this is not *laissez-faire*. There are conditions where a functioning price system does not naturally exist and has to be created or simulated. But the lesson is of the great and cumulative losses likely to result from continued suppression of the price system where it is functioning in anything like the normal manner.

URGENT PROBLEMS OF 1971

However important such matters are for the long run, they were overshadowed in 1971 by the urgent questions of unemployment, inflation, and the balance of payments. At the beginning of 1971 each of these problems had already been around for a long time. The balance-of-payments problem was the oldest. There had been uninterrupted concern with the excess of U.S. payments abroad over receipts from abroad since 1959. Attempts had been made from time to time to limit the outflow of dollars by controls on capital flows and in other ways—but without lasting success.

The inflation problem had its origin in the middle of 1965, with the increase of spending for the Vietnam war, the steeply rising budgetary deficit at high employment, and the monetary expansion that accompanied it. Unemployment had been high although declining throughout the early 1960's until the Vietnam inflationary boom forced it down to low levels.

As 1971 opened there was common expectation that progress would be made on all these fronts. The rise of output which began in the spring of 1970 had been interrupted in October by the General Motors Corp. strike. But after the strike settlement the general expectation was that recovery would be resumed at a faster pace and unemployment would decline moderately in 1971. That was expected to be followed by a more certain and larger decline in 1972. Moreover, a widespread belief prevailed in and out of the Administration that 1971 would see a clear reduction in the rate of inflation.

Certainly the acceleration of the inflation rate had come to a halt. Persistent operation of the economy below potential in 1971, even though the economy was rising, seemed to offer reasons for expecting a reduction of the inflation rate. The inflation would still be proceeding too fast when the year ended; but the rate would have declined, and further decline would be in sight. Steady expansion in the U.S. economy, with rising productivity and a declining rate of inflation, would also help to strengthen our net export position and set us on the way to regaining balance-of-payments equilibrium.

The Administration's goals went beyond this common appraisal of the year 1971. It believed that a more rapid expansion of the economy than was generally forecast was desirable and feasible. The desirable and feasible path was believed to be one that would bring the unemployment rate down to the zone of 4½ percent by the middle of 1972.

The Administration believed that existing policy would move the economy along that path. That policy consisted of a budget that would keep expenditures from exceeding the revenues that would be collected at full employment, but that would show large deficits in fiscal years 1971 and 1972, and a complementary monetary policy. More important, the Administration emphasized its preparedness to adjust policy if evidence indicated the need to do so. The Administration's forecast that the economy would move along the feasible path was a forecast that policy would be adapted to achieve the desired result.

The Administration also indicated, in the *Economic Report* of 1971, its readiness to move directly to restrain price and wage increases that were not justified by competitive market conditions and were helping to prolong the inflation and unemployment. It did not, however, forecast conditions that would make comprehensive, mandatory price and wage controls appropriate.

EARLY PERFORMANCE IN 1971

In the first quarter of 1971 real output rose at an annual rate of 8 percent, the highest quarterly rise since early 1966. The unemployment rate declined from 6.1 percent in December 1970 to 5.9 percent in February. The annual rate of increase of consumer prices in the first 4 months of 1971 was 2.9 percent, compared to 6.3 percent in the corresponding period of 1970. The surplus in foreign trade rose in the first quarter (seasonally adjusted).

Total output continued to rise throughout the year, and in the end it was close to the common expectations with which the year had opened. However, as the months of spring and early summer passed it became increasingly clear that the economy was not meeting the more ambitious goals of the Administration. First quarter GNP had been bolstered by the makeup from the General Motors strike to a greater degree than had been expected, and to a lesser degree by products other than automobiles. The rate of increase of real GNP fell to 3.4 percent in the second quarter—not enough to reduce the unemployment rate. The decline of the unemployment rate from December to February had not turned out to be the beginning of a steady improvement; by May the rate had returned to its December level. The decline in the rate of increase of the consumer price index had not continued, nor had the slowdown of inflation been confirmed by other measures. Although almost all measures showed that the rate of inflation was lower than it had been at its earlier peak, they gave little assurance that the rate was still declining.

The second quarter also brought a rapid deterioration in the U.S. balance-of-payments position. The trade balance, which had improved briefly in the first quarter, fell sharply in the spring. In addition the decline in U.S. interest rates relative to interest rates abroad in the early part of the year sharply increased the outflow of funds from the United States. These events gave rise to speculation which worsened the position further.

The combination of problems created a dilemma for economic policy. A rate of expansion and a level of unemployment less favorable than policy had projected could have been remedied by more expansive fiscal and monetary measures. But this remedy would have made the other problems worse. It would have stimulated the still lively expectations of continuing or even accelerating inflation and it would have speeded up the flight from the dollar. The problems had to be dealt with simultaneously.

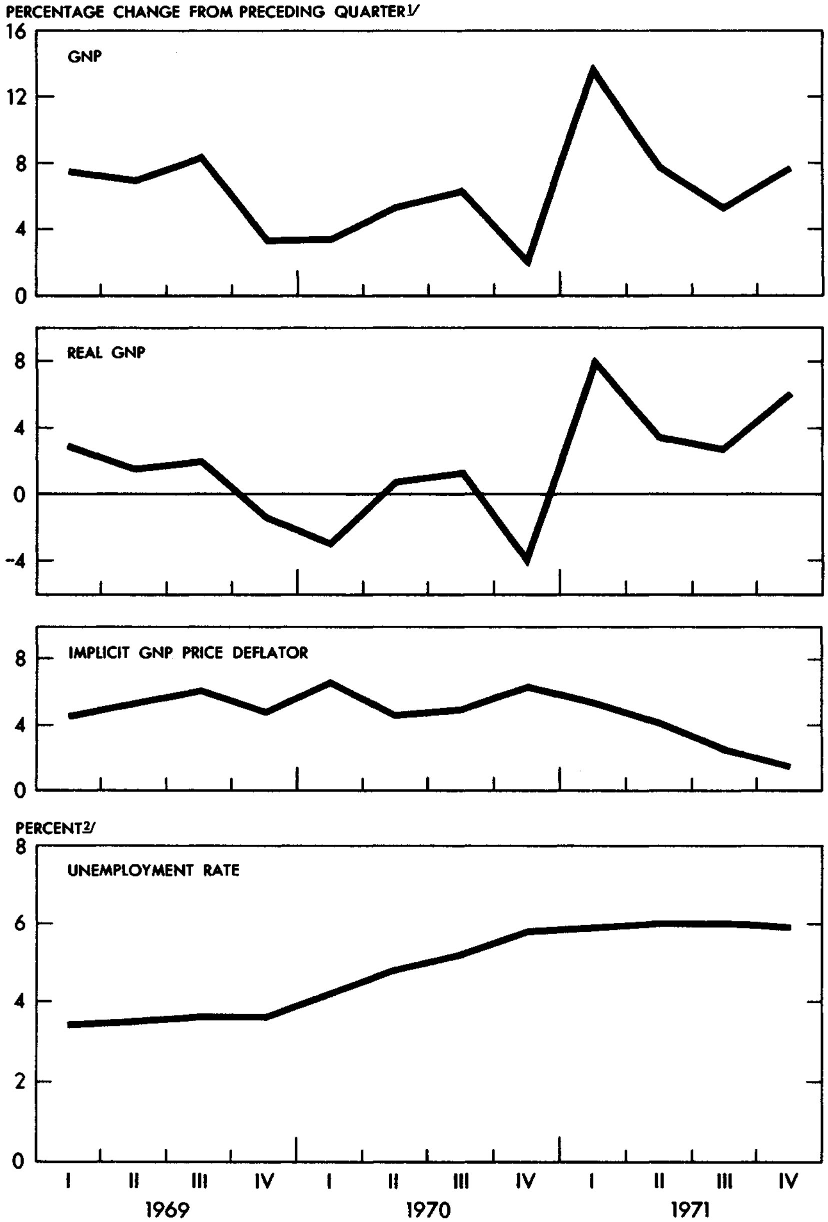
THE NEW ECONOMIC POLICY

This combination of facts and possibilities led to the decisive change of policy that was announced on August 15. The United States suspended the convertibility of the dollar into gold or other reserve assets, for the first time since 1934. It imposed a temporary surcharge, generally at the rate of 10 percent, on dutiable imports. Prices, wages, and rents were frozen for 90 days, to be followed by a more flexible and durable—but still temporary—system of mandatory controls. A package of tax reductions was proposed to stimulate economic expansion.

The suspension of dollar convertibility and the freeze were the dramatic elements in the announcement, and this might have led to an impression

Chart 1

Changes in GNP and Prices, and the Unemployment Rate



1/SEASONALLY ADJUSTED ANNUAL RATES.
2/UNEMPLOYMENT AS PERCENT OF CIVILIAN LABOR FORCE, SEASONALLY ADJUSTED.
SOURCES: DEPARTMENT OF COMMERCE AND DEPARTMENT OF LABOR.

that the program was aimed primarily at solving the problems of the balance of payments and inflation rather than the problem of unemployment. In fact, the program was directed at all three problems. The international measures and the price-wage controls were both designed to create conditions in which a more expansive budget policy would be safer and more effective. The measures to deal with inflation and the balance-of-payments deficit were also expected to contribute to a reduction of unemployment. The import surcharge and the expected realignment of currencies would raise U.S. net exports, and as a byproduct contribute to employment in that way. Similarly, the price-wage control system was intended to stimulate spending and employment by reducing the inflation-anxiety of consumers and businessmen.

The two dramatic steps—the price-wage controls and the suspension of convertibility—had quite different roles in the future of the American economy. The price-wage controls were meant to be emergency expedients, required in a particular historical context but expected to fade away, leaving no permanent change in the system except the eradication of inflationary expectations. The suspension of convertibility, on the other hand, signalled the determination of the United States to achieve a permanent reform of the international monetary system.

By the end of 1971 substantial progress had been made in putting in place the policies announced on August 15. The Revenue Act of 1971, signed on December 10, incorporated the President's tax recommendations, with some revisions.

On December 18 the United States and 10 other major industrial countries agreed to a new set of international currency relationships and to intensive negotiations looking toward short-term measures of trade liberalization. At the same time they agreed to push on with longer-term discussions on new trade policies and on the international monetary system.

The price-wage freeze had given way to Phase II on November 14. The basic machinery had been established: The Pay Board, the Price Commission, and other bodies had been set up under general coordination by the Cost of Living Council. Overall principles had been set forth and specific regulations issued on a great many subjects. Individual cases were being decided. The system would be evolving as long as it lasted, but it was operational by the end of 1971.

FIRST RESULTS

Some of the first results of the New Economic Policy were already visible before 1971 ended. The most obvious were in the behavior of prices. The consumer price index rose 0.4 percent, seasonally adjusted, from August to November, compared to 1.0 percent in the previous 3 months. The index of industrial wholesale prices declined 0.3 percent, seasonally adjusted, compared to an increase of 1.6 percent in the previous 3 months. In December both indexes rose more rapidly, as was to be expected for a while immediately after the freeze. Nevertheless, it was clear that the inflation rate had been slowed.

Expansive effects of the new policy were less clear and prompt, except in the case of automobile sales. The annual rate of sales of domestic autos rose to 10.1 million in the 3 months after August 15, compared with 8.2 million in the previous 3 months. This increase was due in part to the elimination of the 7-percent excise tax on automobiles; this change was not enacted into law until December, but it was known that it would be retroactively effective on August 15. The increase of sales was also influenced by the expectation of a price rise after the freeze. Total output of goods and services increased in the fourth quarter at the annual rate of 6.1 percent, compared to 2.7 percent in the third quarter. How much of this acceleration was due to the New Economic Policy was not measurable.

OUTLOOK FOR 1972

At the end of the year the prospect was that 1972 would see rising output, diminishing unemployment, a reduced rate of inflation, and a stronger U.S. position in the world economy.

A general indication of the prospective rise of the economy from 1971 to 1972 is that the gross national product (GNP) will probably increase by about $100 billion, compared with an increase of about $75 billion from 1970 to 1971. The increase in real output will be about 6 percent, compared to 2.7 percent in 1971, and the increase in prices from year to year will be around 3¼ percent, compared to 4.6 percent in 1971.

There are several reasons for expecting a significantly faster rate of increase of GNP from 1971 to 1972 than was experienced from 1970 to 1971. It seems likely that in 1972 every major category of expenditures for goods and services will rise more or decline less than in 1971, except for investment in new houses. After a period in which total sales have been rising and inventories have hardly changed, a sizable increase in business investment in inventories is probable. As a result of the adjustment in exchange rates, U.S. net exports should, during this year, stop falling and begin rising. After 3 years in which Federal purchases of goods and services have hardly risen in money terms, and have actually declined in real terms, purchases by the Federal Government will begin rising again. The general growth in output, plus the incentives of the recently enacted Job Development Credit and depreciation liberalization, will speed up business investment in plant and equipment. Consumer expenditures will increase more rapidly, spurred by rising earned incomes, tax reductions, larger social security benefits, and greater confidence in the future.

Federal budget policies will contribute to the increase in GNP in 1972 through tax reductions that stimulate both consumption and investment, as well as through increases in transfer payments to individuals, increased grants to State and local governments, and increases in its own purchases. The actual path of the economy in 1971 and the forecast for 1972 would result in a budget deficit around $38.8 billion in fiscal 1972 (ending June 30, 1972) and $25.5 billion in 1973. The outlays that would be made at full employment would exceed revenues that would be collected at full employment by about $8.1 billion in fiscal 1972. In the next fiscal year, however, the budget would return to its target position of balance at full employment.

The role of monetary policy in the expansion ahead will be to provide for the increase of liquidity required to support increases in activity and income. This outcome will involve a resumption of the growth of the stock of currency and demand deposits, after 5 months in which there has been relatively little growth. The expectation of an increase of GNP around $100 billion is based on the assumption that the required monetary growth will be forthcoming.

The prospect is that we will have in 1972 not only a more rapid increase of GNP than in 1971 but also a slower rate of inflation. There are two reasons for expecting a slower rate of inflation. One is the accumulating effect of the continued operation of the economy below normal rates of employment and plant utilization, even though those operating rates will be rising in 1972. The other is the effect of the price-wage-rent control system.

The standards put forth by the Price Commission and the Pay Board, and the early experience with their application, give grounds for confidence that the system, operating within the general economic conditions in prospect for 1972, will contribute to a lower rate of inflation. These controls are operating in an environment in which other forces are contributing to a return to stability. If our fiscal and monetary policies are prudently managed there is little likelihood that the controls will be exposed to the pressure of excess demand.

With output rising at a rate of something like 6 percent a year, employment will rise strongly. This implies a fall in the unemployment rate to the neighborhood of 5 percent by yearend. The number of people experiencing some unemployment, and the average duration of their unemployment, would both be reduced.

These estimates, like all economic forecasts, are subject to a considerable margin of possible error. Circumstances are conceivable in which the rise of the economy would be less than these estimates suggest. The rise in the rate of inventory accumulation which is assumed to occur early in 1972 might be delayed. The demand for new housing may be less than is implied here, with a resulting decline of construction activity later in the year. The timing of the effects of the exchange rate realignment on trade flows is not certain. On the other hand, it is conceivable that the rise of the economy would be more rapid than projected here. The picture drawn here is not one of takeoff into a cyclical boom. At some stage the rise of final sales may trigger the above-average rise of inventories characteristic of strong recoveries. Increased utilization, rising profits, and reduced anxiety about inflation of cost, could stimulate larger business investment expenditure. The estimates we have made presuppose continuation of personal saving at a higher rate than normal; a decline of that rate could significantly raise the economy.

Even given the course of the GNP in money terms, uncertainties would remain about the prospect for employment, unemployment, and prices. Variations in the rate of growth of the labor force and productivity, within the limits of historical experience, could significantly affect the outcome. And although the character and operation of the price-wage control system give grounds for confidence, it must be recognized that there is little relevant precedent for predicting its effects.

Uncertainties of this kind must be taken into account in policy decisions. The possibility that the rise of the economy and the decline of unemployment might lag behind the estimates made today calls for readiness to take additional steps if this should turn out to be the case. But the possibility that, with the policy now in place, the economy will rise even more rapidly than we foresee today is a strong reason for not seeking to stimulate the economy more now. One of the most common causes of the breakdown of price-wage control systems has been excess demand for goods and labor, which places upon the control system the burden of resisting market forces. The control system which has just been established is meant to assist market forces that would be working to hold down inflation; it is not meant to resist market forces working to accelerate inflation.

If excess demand is avoided, the control system can help to break the habitual or contractual repetition of large price and wage increases that keeps inflation going. It can generate the *expectation* of reasonable price stability that is essential to the *achievement* of reasonable price stability. And as that happens it will be possible to eliminate the controls. How soon that can be done will have to be determined in the light of experience.

The policy of restrained expansion of demand, coupled since August 15 with controls of prices and wages, will finally eradicate the continuing inflationary consequences of the boom that started in mid-1965. However, they will still leave questions that have troubled students of the American economy for many years. Are there persistent structural characteristics in the modern American economy that make inflation inevitable, or inevitable in the absence of high unemployment? If so, can these characteristics of the economy be changed? Upon the answers to these questions will depend the possibility of holding down the rate of inflation after Phase II ends, not only below the heights reached after the Vietnam war expansion, but to an even lower level. These questions will be the subject of study by the Council of Economic Advisers.

PROGRESS IN THE WORLD ECONOMY

The expected rise of the economy in 1972 results in limited part from an expected increase in U.S. exports relative to imports. This in turn results in part from the realignment of the dollar relative to other currencies. While this contribution to the recovery is a welcome consequence of the steps that have been taken in the international economy, it is not their motivation or primary significance. By mid-1971 it was obvious that something had to be done to correct the U.S. balance-of-payments deficit, and that almost certainly required measures which would raise exports relative to imports. The question was how to bring that about. The August 15 decisions expressed the U.S. determination not to do it either by depressing the American economy or by imposing controls on foreign trade. The reasons for avoiding such controls need constant repetition. Americans have much to gain from being able to buy what they like where they like and being able to sell what they like where they like. The moves in the international monetary field were taken in an effort to solve the balance-of-payments problem by means that would preserve this freedom.

Moreover, the object of the steps taken was not just to solve the U.S. 1971 problem but to move toward better solutions for the future problems of the United States and the world. Since the United States suspended convertibility, agreed to propose to the Congress an increase in the dollar price of gold, and achieved a realignment of currencies, everyone is much more aware that the problem of one major currency is the problem of all and that the international financial system must be made more compatible with prosperity and freedom for all. The events of 1971 have created a favorable atmosphere for progress in reforming the system.

The events of 1971 also helped to revive the possibility of resuming movement toward reduction of international trade barriers. The international economic community was suddenly confronted with the prospect that if it could not agree to move forward together toward liberalization it could easily fall backward. Fortunately, the decision was to move forward together, and negotiations are underway which promise improvement in trading conditions for the United States and others.

* * *

The agenda of economic policy for 1972 is a heavy one. The expansion of the economy must be guided along a steady path. The new price-wage control system must be developed and refined further. Negotiations now begun for trade liberalization must be pursued. Serious work must be carried forward on the international monetary system. And, as always, we must be prepared with new initiatives to meet needs that are not now foreseen. But while much remains to be done we can be confident that we are now on our way to goals that have eluded the American people for many years.

CHAPTER 1

Performance and Policy to Mid-August

ON AUGUST 15, 1971, the President announced a far-reaching New Economic Policy designed to check the rise in prices and wages, strengthen the Nation's external economic position and stimulate economic activity at home. To curb the rate of inflation, prices, wages, and rents were subjected to a 90-day freeze, which was followed by a comprehensive but more flexible system of mandatory controls. To improve the Nation's balance of payments, the President suspended the convertibility of the dollar into gold and other reserve assets and imposed a temporary 10-percent surcharge on imports. And to strengthen the domestic economy, the President proposed, in addition to these measures, a fiscal package whose stimulus came from a set of tax cuts, which were passed by the Congress in December in somewhat altered form.

Results of the new program were visible in varying degrees by the end of the year. They were most apparent in the slowdown of price and wage increases during the freeze. On the international front the major industrial countries agreed to a realignment of currencies more favorable to the U.S. competitive position and to prompt discussions concerning trade barriers and long-term monetary reform. The strong upsurge in purchases of automobiles from mid-August through November was partly a result of the proposed removal of the Federal excise tax, but much of it was apparently an attempt by consumers to buy automobiles before prices were increased in the post-freeze period. Perhaps the most significant effect of the combined package was the impact on public confidence. From mid-August to the end of the year, there was slow but steady improvement in confidence that the rate of inflation was subsiding and the pace of the economic recovery was gathering strength.

The decision to embark on the New Economic Policy (NEP) came from an increasing awareness in the Administration that the ambitious goals it had set at the beginning of the year were not being met. Progress in the fight against inflation was proceeding too slowly, and its future success was uncertain. At the same time, the recovery was also progressing, but not fast enough to cut the rate of unemployment. More crucial than either of these for the timing of the decisions was the serious weakening of the dollar in international markets. As the summer wore on, there were no signs of a resolution of the financial crisis that in May caused the Swiss franc and the

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Austrian schilling to be revalued and the German mark and the Netherlands guilder to be set free to float in value. In the second quarter, the U.S. balance of payments on the official reserve transactions basis had recorded a deficit of $23 billion at a seasonally adjusted annual rate, and in July and August pressure against the dollar reached enormous proportions. Funds totaling about $3.7 billion moved into foreign official reserve accounts in the week ended August 15. The time had come to deal decisively with the international financial problem that had persisted for at least a dozen years despite the efforts of four successive Administrations.

The domestic aspects of the New Economic Policy are discussed at the end of this chapter and in Chapter 2 and the international aspects in Chapter 5. The rest of this chapter deals with events and policies in 1971, generally up to the midsummer shift in policy.

DEMAND, OUTPUT, AND THE LABOR MARKET

The year 1971 was one of limited recovery in demand and production. During 1969 the Administration had actively sought to slow down the economy in order to control inflation. Those efforts had their major impact at the end of 1969 and early 1970, when the rise in demand slowed considerably and output dipped, after which policy shifted in the direction of expansion. A fragile recovery was reversed toward the end of 1970 by the lengthy and severe strike at General Motors. The underlying course of the economy was upward throughout 1971 and its pace was moderate for most of the year, but the actual course of events was irregular because of strikes and their aftermaths (Chart 1, p. 23).

Changes in demand and output as measured by GNP through the third quarter of 1971 are reviewed in the following pages. Although the NEP was announced in mid-August, it would be difficult to measure changes through the middle of the third quarter. In any case, the measured demand conditions of the third quarter are probably generally representative of the demand conditions at the time the August 15 decisions were made, although the increase of GNP in the quarter has turned out to have been lower than was expected at that time.

DEMAND PATTERNS

From the third quarter of 1970 to the third quarter of 1971, total GNP rose 7.1 percent or by $70 billion (Table 1). This was considerably more than the $43 billion rise over the preceding 4 quarters. The rise was dominated by increases in residential construction and State and local government purchases, both of which were especially responsive to the improvement in credit conditions. Consumption expenditures showed an above-average gain, while Federal purchases and business fixed investment were weak. The overall increase was held down by a reduction in business investment in inventories and by unexpectedly severe weakness in net exports. Indeed, if our economic performance were measured by domestic

TABLE 1.—*Changes in gross national product in current and constant dollars, 1968 III to 1971 III*

[Billions of dollars]

Component	Change in seasonally adjusted annual rates				
	1968 III to 1969 III	1969 III to 1970 III	1970 III to 1971 III	1970 III to 1971 I	1971 I to 1971 III
Current dollars:					
Total GNP	65.0	43.3	69.9	37 3.	32.6
Personal consumption expenditures	40.1	36.8	47.9	24.0	23.9
Business fixed investment	11.9	4.1	4.5	−.1	4.6
Residential structures	1.0	−2.0	14.0	6.7	7.3
Change in business inventories	2.7	−5.3	−6.3	−2.0	−4.3
Net exports of goods and services	−.6	1.2	−4.0	.7	−4.7
Federal Government purchases	.5	−4.2	1.5	.3	1.2
State and local government purchases	9.4	12.8	12.2	7.6	4.6
Gross auto product	1.7	−4.0	8.0	8.0	.0
All other product	63.3	47.3	61.9	29.3	32.6
Constant (1958) dollars:					
Total GNP	15.5	−4.5	17.4	6.4	11.0
Personal consumption expenditures	12.2	8.0	16.4	6.9	9.5
Business fixed investment	5.8	−1.0	−1.2	−2.4	1.2
Residential structures	−.5	−2.1	8.3	4.1	4.2
Change in business inventories	2.2	−5.3	−4.4	−1.4	−3.0
Net exports of goods and services	−1.0	2.6	−3.1	−.2	−2.9
Federal Government purchases	−5.2	−9.4	−1.1	−2.5	1.4
State and local government purchases	1.9	2.7	2.5	2.0	.5
Gross auto product	.9	−4.7	5.9	5.2	.7
All other product	14.6	.2	11.5	1.2	10.3

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

Source: Department of Commerce.

final sales, that is, by GNP excluding inventory investment and net exports, the rise over the period would have been about a full percentage point greater.

[Percentage change]

	1968 III to 1969 III	1969 III to 1970 III	1970 III to 1971 III
GNP	7.4	4.6	7.1
Domestic final sales	7.3	5.1	8.2

The 7.1-percent increase in GNP reflected a 4.6-percent rise in prices and a 2.4-percent increase in physical volume. Although this increase in volume was an improvement over the decrease of 1970 and the 2.2-percent gain of 1969, it fell short of the rate required to keep unemployment from rising. Unemployment reached a peak around the beginning of 1971 and thereafter remained essentially on a plateau.

Consumer Income and Spending

Fiscal policy helped to buttress consumer income last year, as it had in 1970. Because the demand for labor was weak, the expansion in payrolls was

TABLE 2.—*Changes in personal income, taxes, and disposable income, 1967 III to 1971 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	1970 III to 1971 III
Wage and salary disbursements	44.7	45.8	28.7	31.7
Other earned income	12.4	13.4	8.6	10.4
Transfer payments	8.4	5.8	14.9	15.7
Less: Personal contributions for social insurance	2.4	3.5	1.7	3.0
Equals: Personal income	63.1	61.5	50.5	54.8
Less: Personal tax and nontax payments	18.7	13.4	−2.6	2.5
Equals: Disposable personal income	44.5	48.0	53.0	52.3

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

Source: Department of Commerce.

limited. Indeed, personal income excluding transfer payments rose only 5.4 percent from the third quarter of 1970 to the third quarter of 1971 (Table 2). However, transfer payments rose almost 20 percent, mainly because in the second quarter of 1971 Social Security benefits were increased, the change being retroactive to the beginning of 1971. Altogether the rise in total personal income during this period came to 6.8 percent. Because of the tax reductions under the Tax Reform Act of 1969 that became effective at the start of 1971, personal taxes declined relative to income. The 7.5-percent increase in disposable (after-tax) income was somewhat more than the average annual gain for the past decade in current dollars but not in real terms.

Personal consumption expenditures rose 7.7 percent from the third quarter of 1970 to the third quarter of 1971, or 3.4 percent in real terms. Spending on durable goods, which had changed little over the preceding year, rose much more than average even when allowance is made for the sharp increase in automobile purchases after August 15. What was noteworthy about consumer behavior during this period was the persistence of a very high rate of personal saving. The 8.3-percent rate from the third quarter of 1970 through the second quarter of 1971 was higher than any 4-quarter average since 1946. The rate peaked in the second quarter, coincident with the large payment of Social Security benefits, and edged down thereafter.

Business Investment

Despite the improvement in profits and cash flow and the greater availability of credit in 1971, business fixed investment in real terms changed little during 1971; the 4-percent rise in outlays from the third quarter of 1970 to the third quarter of 1971 was slightly less than the rise in prices. Excess plant capacity was the main factor discouraging investment.

Investment was not uniformly weak last year. The sluggishness centered in manufacturing and railroads, both of which showed typical cyclical responses, and in airlines. With their output decreasing from 1970 to 1971 to a level far below capacity, manufacturers cut back their investment by 5½ percent from 1970 to 1971 after holding it even from 1969 to 1970. Increases were large for electric utilities, whose investment rose 20 percent over the year.

Although real investment declined during 1970, gauged by recessions in the postwar years the decrease was very mild—if allowance is made for the GM strike. As a share of real GNP, business fixed investment has remained high. The 10.6-percent share for 1971, although below the high average of 10.9 percent from 1965 through 1970, was above the average of 10.1 percent for the 20 years from 1951 through 1970.

At the start of 1971 the Administration announced that depreciation rules would be liberalized to stimulate fixed investment. The main features of this liberalization were a shortening of permissible useful lives of equipment and a change in the regulations affecting the calculation of depreciation in the year of acquisition. The Treasury Department estimated that in the first full year following these changes depreciation would be raised by $6½ billion and taxes on business income reduced by $2.8 billion. The liberalization, with first-year benefits considerably reduced, later became part of the Revenue Act of 1971. The new regulations were not expected to exert a large influence in 1971—the main benefits were expected to be achieved subsequently—but they may have played a role in the step up of appropriations and new orders for capital goods after the middle of the year.

The mildness of the recovery and uncertainty about the outlook caused businessmen to pursue cautious inventory policies during most of 1971. The $2 billion added to stocks during the year was even less than the small addition in 1970. Last year, special factors associated with strikes had the effect of stimulating inventory investment at first and depressing it subsequently. Automobile stocks were built up in the first half following the pronounced liquidation of stocks caused by the General Motors strike in late 1970. Prospects of a possible steel strike after July 31, the expiration date of the labor contract, caused steel consumers to build up stocks in the first 7 months of 1971, after which these inventories were liquidated.

The pattern of GNP change is altered if the change in investment in auto and steel stocks is excluded from the total, as is done below. On this basis the rise in GNP strengthened rather than weakened from the first to the third quarter as compared to the rise over the preceding 2 quarters.

[Billions of dollars; seasonally adjusted annual rates]

	1970 III to 1971 I	1971 I to 1971 III
Change in GNP	37.3	32.6
Less: Change in investment in auto and steel stocks	3.9	−6.6
Equals: Adjusted change in GNP	33.4	39.2

Residential Construction

Housing was the strongest sector of the economy in 1971. Private housing starts totaled more than 2 million units, the largest number recorded for any year. Residential construction outlays rose almost 50 percent, or $14 billion, from the third quarter of 1970 to the third quarter of 1971. This was one-fifth of the rise in total GNP.

The rise in housing was an extension of the recovery in starts that began in the spring of 1970 and reflected exceptionally strong demand in a setting of easing credit. Government subsidy programs and Government assistance in mortgage markets also contributed to the housing expansion. Demand for new homes had been partially frustrated during the second half of the 1960's, largely because of competing demands for credit by business and government in an environment of restrictive monetary policy in 1966 and in 1969. Traditional mortgage lending institutions, which were inhibited in their ability to attract savings deposits, reduced mortgage credit sharply. Mortgage interest rates rose to unusually high levels in 1969 and early 1970. From a peak in the first quarter of 1969 to a trough in the first quarter of 1970 private starts declined 24 percent. The decreases in private starts of 2.7 percent in 1969 and 2.3 percent in 1970 occurred at a time when increases in family formation and replacement demand suggested the production of more rather than fewer homes. Consequently, a backlog of housing demand, evidenced by extremely low vacancy rates, was carried into 1971.

The shift to an easier monetary policy in 1970 was the decisive factor in the turnaround in housing. This change, along with growing support from a number of Government-related housing institutions and a flood of savings deposits into mortgage lending institutions, greatly increased the availability of mortgage credit and brought the secondary market yield on FHA mortgages down slowly from the 9.29-percent peak that had been reached in March 1970.

The strength of demand showed up in several different ways. Sales of new one-family homes from January through October were 40 percent greater than the corresponding 1970 total. The ratio between the inventory of unsold homes and homes sold was lower than in any earlier year, at least since 1963, when numbers of this sort were first collected. Vacancy rates were low for both rental and homeowner units. Homeowner vacancy rates through the third quarter remained at their lowest levels in over a decade; and although the rental vacancy rate rose from 4.9 percent in the second quarter to 5.3 percent in the third, it remained low by the standards of the 1960's.

Other Demand

Purchases by State and local governments rose about as much during 1971 as during the preceding year. Improving credit conditions facilitated financing by State and local governments. There was no evidence of any slowdown in the growth of payrolls, which make up close to three-fifths of State and local purchases; however, the rise in employment continued to slow down, while wage increases accelerated.

The deterioration in the Nation's trade balance is discussed in Chapter 5. Here it need only be noted that the deterioration had a significant effect on the change in GNP. In the third quarter of 1970, for example, net exports were at the comparatively high rate of $4.0 billion. In the third quarter of 1971, the balance had fallen to zero, with imports rising much more rapidly than exports. As a result, U.S. output of goods and services rose less than the domestic U.S. demand, because more of that demand was met from imports.

LABOR MARKET

Although growth of the labor force slowed down and civilian employment expanded somewhat before the start of the NEP, the unemployment rate remained near 6 percent through August and indeed through all of 1971 (Chart 1, p. 23). The stickiness of the jobless rate reflected primarily the slowness of the cyclical recovery of private demand, the continuing downward adjustments occurring in the defense sector, and the strong cost-cutting efforts in all sectors of the economy that resulted in greater output per hour of work.

Labor Force

The total labor force increased by about 1.1 million from the third quarter of 1970 to the third quarter of 1971, or by nearly one-third less than would normally be expected from population growth and long-run trends in labor force participation. Because of reductions in the Armed Forces, the civilian labor force expanded more than the total labor force, rising by about 1.5 million. For men aged 20 to 24, increases in the civilian labor force were particularly large again in 1971, reflecting the return of ex-servicemen to civilian activity (Table 3 and Chart 2).

TABLE 3.—*Changes in the working-age population, Armed Forces, and labor force, 1962 to 1971 III*

Group	Change (millions of persons, 16 years and over)				
	1962 to 1965 average	1965 to 1968 average	1968 to 1969	1969 to 1970	1970 III to 1971 III
Noninstitutional population	2.1	2.1	2.3	2.3	2.4
Total labor force	1.2	1.7	2.0	1.7	1.1
Armed Forces	(1)	.3	(1)	-.3	-.4
Civilian labor force	1.3	1.4	2.0	2.0	1.5
Men 20 to 24 years	.2	.1	.2	.4	.5
Men 25 years and over	.1	.3	.3	.4	.3
Women 20 years and over	.6	.9	1.1	.9	.5
Both sexes 16 to 19 years	.3	.2	.4	.3	.3

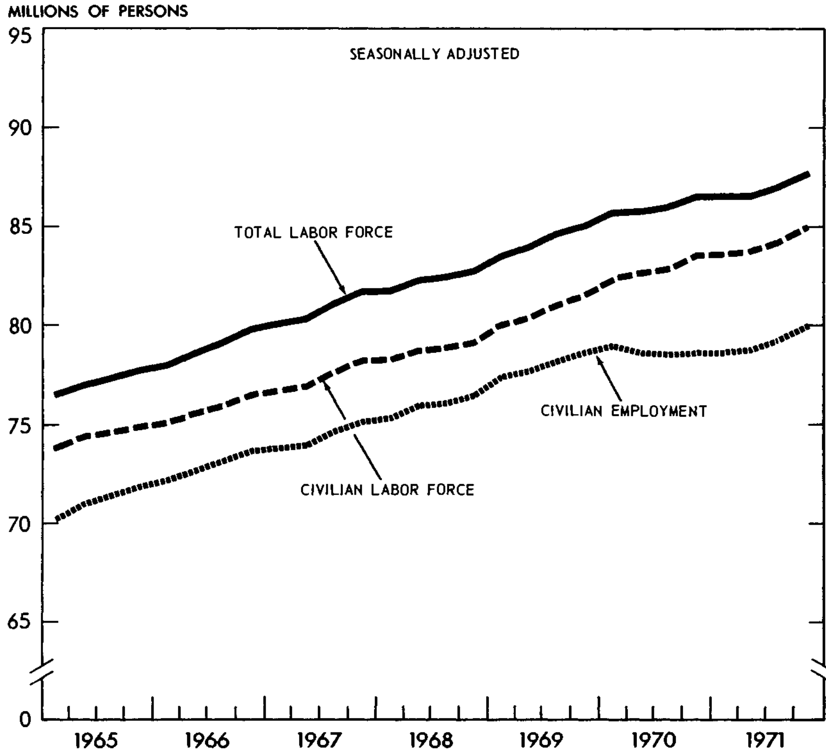
1 Decrease of less than 50,000.

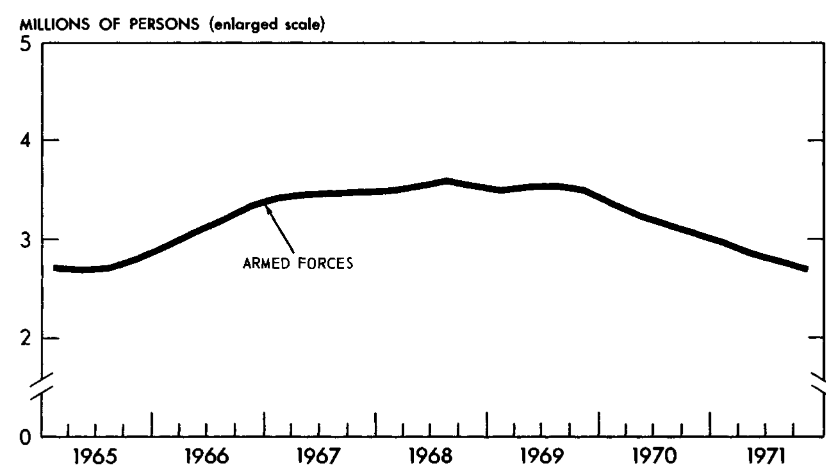
Note.—Detail will not necessarily add to totals because of rounding.

Source: Department of Labor.

Chart 2

Labor Force, Employment, and Armed Forces





SOURCE: DEPARTMENT OF LABOR.

Long-run increases in the size of the Nation's labor force are governed primarily by the growth of the working-age population (persons 16 years of age and older). Over shorter periods, labor force changes are affected by cyclical changes in economic activity. On balance, when labor demand is strong, additional workers enter the labor force, attracted by plentiful job opportunities, and when labor demand is not strong there is often a net decline in participation. This responsiveness to changing demand conditions cannot be measured with great precision; but during the period of very tight labor markets in the late 1960's, when unemployment was low, overall labor force participation rose sharply. From early 1970 to about mid-1971, participation rates declined.

Employment

Reflecting the relatively mild expansion of aggregate demand and employers' efforts to raise productivity, total civilian employment rose only 700,000 over the year ending in the third quarter. A large share of the employment increase occurred in State and local governments. In the private nonfarm sector, continued growth of employment in service-producing industries was largely offset by further small declines in the goods-producing industries.

This pattern of employment changes was similar to patterns after earlier recessions with one major exception: There was no rebound in manufacturing employment. Within manufacturing, reductions by producers of defense goods and their suppliers continued to be large; from December to August, employment in three industries primarily engaged in the production of military hardware—ordnance, aircraft and parts, and communications equipment—declined at an annual rate of 212,000 jobs. By August, after the sharp layoffs in the steel industry, manufacturing employment had fallen below 18.5 million, its lowest point since December 1965. Total man-hours worked in factories in the third quarter of 1971 were down nearly 10 percent from the peak reached in late 1969.

Defense Adjustment

The progressive winding down of the U.S. military involvement in Vietnam and a general realignment of defense spending have sharply reduced manpower utilization in defense activities. Although the largest cuts caused by this realignment are now behind us, imbalances and distortions arising from the transition are still an important factor in the labor market.

In all, there has been a net reduction of about 2.0 million persons in defense during the past 3 years (Table 4). The steady flow of young veterans out of the Armed Forces, which was more than twice as large as the net reduction in the Armed Forces in 1970 and 1971, created a special unemployment problem, because most young men leaving the service require somewhat longer than the average period to find work in local job markets. Unemployment among former defense industry workers also tends to last longer than the average because of their relatively specialized skills and

TABLE 4.—*Employment attributable to defense expenditures and personnel requirements, 1965 and 1968–71* [1]

[Millions of persons]

Type of employment	1965	1968	1969	1970	1971 [2]
Defense-generated employment	6.2	8.0	7.5	6.7	6.0
Public employment	3.7	4.6	4.6	4.2	3.8
Federal military	2.7	3.5	3.5	3.2	2.8
Federal civilian	1.0	1.1	1.1	1.0	1.0
Private employment	2.5	3.4	2.9	2.5	2.2

[1] Estimates primarily based on national income and product accounts, which include atomic energy programs.
[2] Preliminary estimates.

Note.—Data are calendar year averages.
Detail will not necessarily add to totals because of rounding.

Source: Department of Labor.

their residence in communities where large defense contractors are the major employers. Persons and communities affected by defense cuts have been beneficiaries of a variety of Government programs which are tailored to their particular problems (see Chapter 3, pp. 109–10).

Unemployment

After rising steeply to approximately 6 percent of the work force at the end of 1970, unemployment leveled off in 1971. Jobless rates for most groups were unusually steady from late 1970 to late 1971 (Table 5).

TABLE 5.—*Selected unemployment rates, 1969 IV–1971 IV*

[Percent, seasonally adjusted [1]]

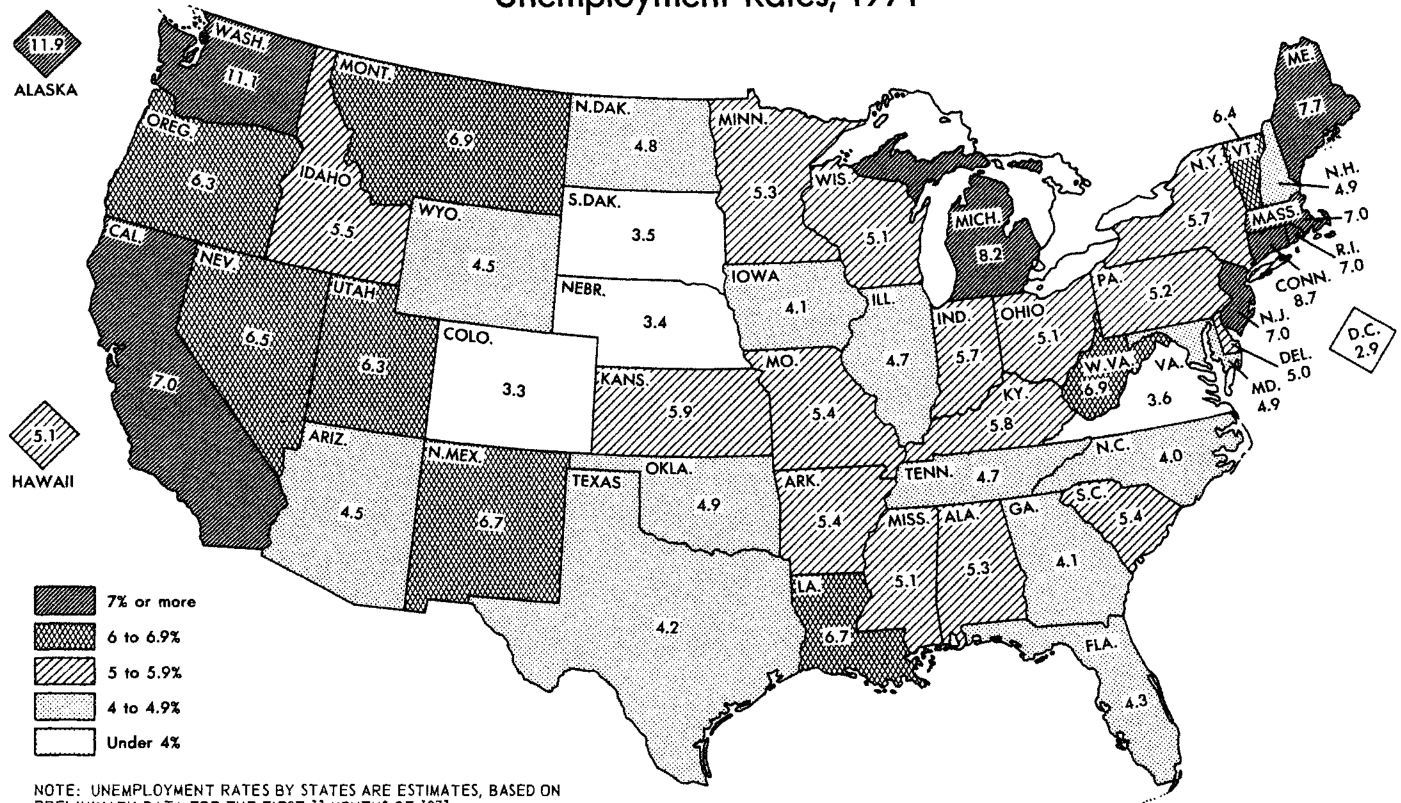
Selected groups of workers	1969 IV	1970 IV	1971 I	1971 II	1971 III	1971 IV
All workers [2]	3.6	5.8	5.9	6.0	6.0	5.9
Sex and age:						
Men 20–24 years	5.7	10.7	10.0	10.3	10.4	10.5
Men 25 years and over	1.8	3.4	3.5	3.5	3.5	3.5
Women 20 years and over [2]	3.7	5.5	5.7	5.8	5.7	5.7
Both sexes 16–19 years [2]	12.2	17.2	17.2	16.9	16.8	16.9
Race:						
White	3.3	5.4	5.5	5.5	5.5	5.5
Negro and other races	6.3	9.2	9.5	9.9	10.1	10.1
Occupation:						
White-collar workers	2.2	3.5	3.6	3.5	3.5	3.5
Blue-collar workers	4.3	7.5	7.5	7.3	7.6	7.4
Service workers	4.0	6.0	6.1	6.3	6.6	6.4
Other categories:						
State insured workers	2.4	4.4	3.8	4.2	4.2	4.3
Married men	1.6	3.2	3.2	3.2	3.2	3.2
Full-time workers	3.2	5.5	5.5	5.5	5.5	5.7
Part-time workers	6.4	8.4	8.9	8.7	8.7	8.5

[1] Unemployment as a percent of civilian labor force in group specified.
[2] Reflects revisions for 1970–71. See note, Appendix Tables B-22–24.

Source: Department of Labor.

Chart 3

Unemployment Rates, 1971



NOTE: UNEMPLOYMENT RATES BY STATES ARE ESTIMATES, BASED ON PRELIMINARY DATA FOR THE FIRST 11 MONTHS OF 1971.
SOURCE: DEPARTMENT OF LABOR.

The average duration of unemployment continued to rise in 1971, moving up from about 9 weeks in 1970 to nearly 12 weeks in 1971. Toward the year's end, about 560,000 persons had been jobless for at least 6 months—the maximum period for unemployment insurance payments under regular programs. Many of the long-term unemployed were former aerospace and defense workers living in Washington, California, Massachusetts, and a number of other States that were heavily affected by reduced defense purchasing (Chart 3). Some additional income protection was provided to many of these workers under the provisions to extend unemployment benefits contained in the Employment Security Amendments of 1970. This Act, signed into law by the President on August 10, 1970, established a Federal-State program to provide up to 13 additional weeks of unemployment compensation when local or national unemployment became high. In all, 22 States established eligibility under the individual State program at some time during 1971. About 340,000 workers were drawing extended benefits at the peak. The extended benefits program became effective throughout the Nation in January 1972 because the national insured unemployment rate had been above 4.5 percent for 3 successive months.

Regular unemployment insurance programs continued to provide shorter-term income protection to experienced unemployed workers who had been jobless for shorter periods. An average of 2.1 million workers, the largest share of whom are men in the prime working age groups, drew weekly unemployment benefits averaging $54.50 under regular State unemployment insurance programs during 1971.

PRICES AND COSTS

At the start of 1971 there were signs that the fight against inflation was yielding tangible results, and there were expectations that it would continue to do so in the coming year. During 1970 both the wholesale price index and the consumer price index rose less than they had in 1969. Less pronounced than the moderation in the rise of all wholesale prices, but really more significant, was the slowdown in the rise of wholesale industrial prices. There was considerable slack in the economy. With activity recovering, prospects were good that there would be an improvement in productivity, the growth of which had lagged seriously in the 2 preceding years. Indeed, the rise in unit labor costs had already slowed significantly during 1970.

To be sure, the then current evidence and the prospects were by no means uniformly reassuring. The rise in the comprehensive GNP deflator increased sharply in the fourth quarter of 1970, after declining from a peak in mid-1969. And a slower rise in wage rates was yet to be seen. The automobile industry had just concluded a costly wage settlement that was followed by a sizable increase in prices, and the 3-year contracts in the can, aluminum, and steel industries were due to expire at varying times by the end of July.

Still the evidence at the beginning of 1971, viewed in the light of past experience, gave support to the conclusion that the disinflationary policies were bearing fruit.

PRICES

The behavior of prices from the end of 1970 to mid-August and especially after April heightened concern about inflation. Although the rise in consumer prices continued to decelerate for several months early in the year, it quickened in the spring, as did the rise in wholesale industrial prices (Charts 4 and 5). The evidence provided by the more comprehensive measures of price change, the GNP deflators, also suggested at least a partial setback to earlier progress.

No single price index can tell the whole story of price behavior. For this reason special indexes are reviewed below and after this a summary statement is given.

Consumer Prices

The consumer price index (CPI), which had increased at rates of 6.1 percent during 1969 and 5.5 percent during 1970, rose at a seasonally adjusted annual rate of 2.8 percent in the first quarter of 1971 (Chart 4). The 1970 improvement had been due mainly to a slower rise in food prices. The further slowdown in early 1971, however, reflected a much reduced rate of increase for nonfood commodity prices, which in the past had displayed a cyclical behavior but during 1970 had failed to decelerate. Lower interest rates on mortgages were also important in the first-quarter slowdown.

The improvement proved to be short-lived as the second quarter brought a rise of 5.3 percent (annual rate) in the CPI. Not only was there some stepup in the rise of food prices, but nonfood commodities also rose more rapidly, at about their 1970 rate, while mortgage interest rates leveled out. Prices in July and August rose less rapidly than in the second quarter; the slowdown was especially pronounced for food, but it was also evident for nonfood commodities.

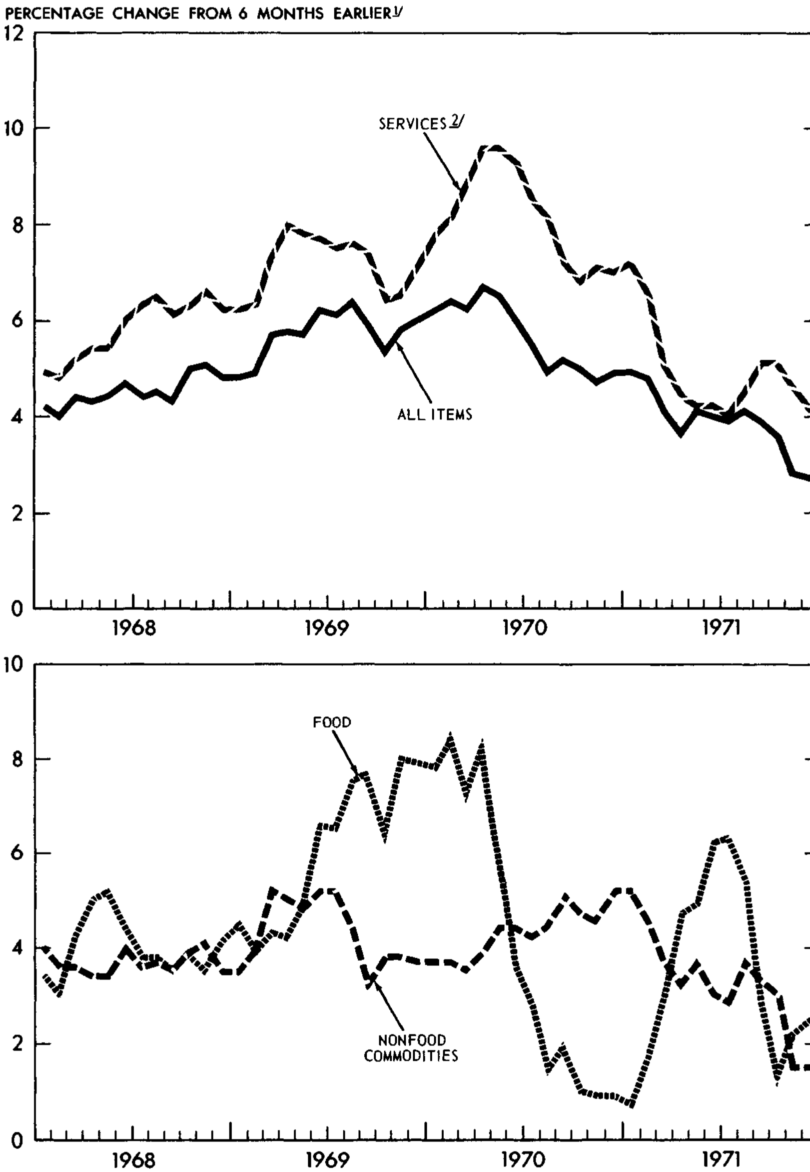
The behavior of the CPI, excluding mortgage interest and food, has a special interest because the short-term movements of food prices are exceptionally sensitive to changes in supply as well as demand and because mortgage interest costs are governed by factors rather different from those influencing most other prices. This calculation also shows a slower rise in the first quarter of 1971 as compared to 1970, a setback in the second quarter and a slowdown from June to August (Table 6).

Wholesale Prices

Mainly because of pronounced declines in farm prices, the rise in the wholesale price index (WPI) slowed considerably from 1969 to 1970—from 4.8 percent during 1969 to 2.2 percent during 1970. Conversely, in the first half of 1971, a strong recovery in farm prices was mainly responsible for the acceleration to a 5.0-percent rate of increase.

Chart 4

Changes in Consumer Prices



1/SEASONALLY ADJUSTED ANNUAL RATES.
2/CHANGES BASED ON UNADJUSTED INDEXES SINCE THESE PRICES HAVE LITTLE SEASONAL MOVEMENT.
SOURCE: DEPARTMENT OF LABOR.

The industrial component of wholesale prices, representing nearly three-fourths of the weight of the WPI, is more significant as an index of the

TABLE 6.—*Changes in consumer prices for all items and all items less food and mortgage interest, December 1968 to August 1971*

Period	Percentage change	
	All items	All items less food and mortgage interest costs
December 1968 to December 1969	6.1	5.2
December 1969 to December 1970	5.5	5.9
	Seasonally adjusted annual rates	
December 1970 to March 1971	2.8	3.8
March 1971 to June 1971	5.3	6.2
June 1971 to August 1971	3.3	2.5

Source: Department of Labor.

underlying inflationary trend because it is little influenced by short-run supply fluctuations. There had been some progress in restraining industrial prices. After rising 3.9 percent during 1969, they rose 3.6 percent during 1970, and in the first quarter of 1971 a further deceleration was apparent. However, this improvement was reversed in the second quarter. Industrial prices rose at a seasonally adjusted annual rate of 5.3 percent and then at a much faster rate in July and August. In general, the quarterly pattern of price change by major industry groups was very diverse and one cannot easily categorize the industries showing the largest increases (Chart 5).

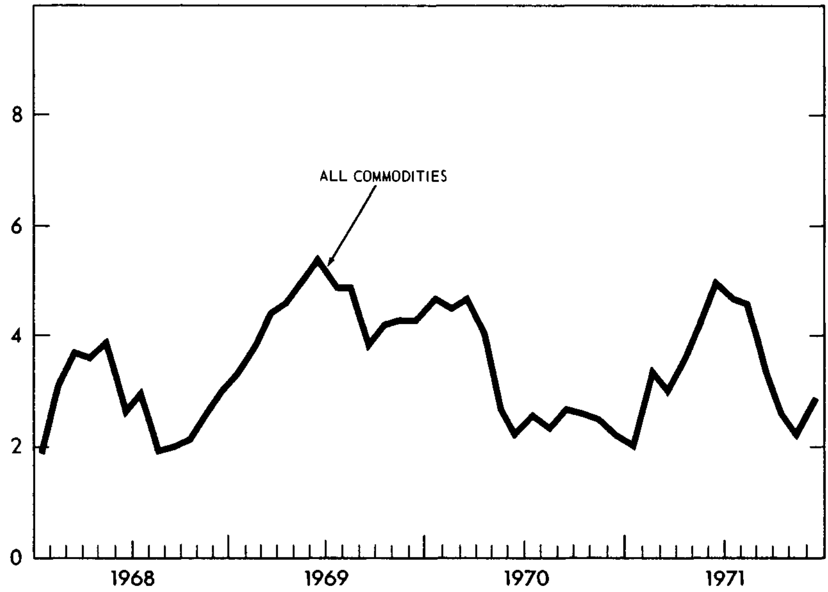
GNP Deflators

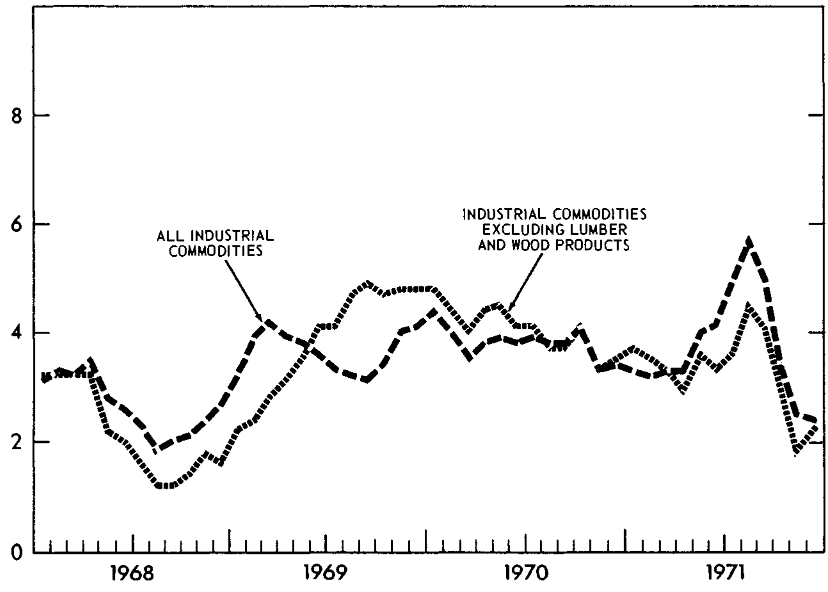
The broadest measure of price change is the implicit GNP deflator, which is obtained as a by-product of the calculation of real output. A related measure is the deflator for gross private product; this excludes the pay of government workers and thus their pay raises, which have often distorted the interpretation of the behavior of overall prices because the raises have come at irregular intervals, and because no allowance is made in the accounting for increased productivity of government workers. Unlike commonly used indexes such as the CPI and the WPI, whose movements reflect price changes of fixed bundles of goods and services, movements in the implicit deflators reflect not only price changes but also shifts in the composition of output, which are sometimes very pronounced. To abstract from the effect of changes in the composition of output the Commerce Department has calculated alternative deflators; some use fixed 1967 weights, and others are chain indexes utilizing weights of the preceding quarter. Some of these measures appear in Table 7. All show some progress toward lower rates of inflation around the second or third quarters of 1970, some setback

Chart 5

Changes in Wholesale Prices

PERCENTAGE CHANGE FROM 6 MONTHS EARLIER 1/





1/SEASONALLY ADJUSTED ANNUAL RATES.
SOURCE: DEPARTMENT OF LABOR.

TABLE 7.—*Alternative measures of price changes for gross national product and gross private product, 1968 I to 1971 IV*

[Percentage change from preceding quarter; seasonally adjusted annual rates]

Quarter	Gross national product			Gross private product		
	Implicit deflator	1967 weights	Chain [1]	Implicit deflator	1967 weights	Chain [1]
1968: I	3.6	3.9	3.9	3.3	3.6	3.6
II	3.9	4.5	4.5	3.7	4.3	4.3
III	4.3	4.7	4.7	3.6	4.0	4.0
IV	4.6	4.6	4.6	4.4	4.4	4.3
1969: I	4.5	4.7	4.7	4.6	4.7	4.7
II	5.3	5.1	5.0	5.4	5.1	5.1
III	6.1	6.6	6.5	4.8	5.4	5.4
IV	4.8	4.8	4.7	4.5	4.6	4.5
1970: I	6.6	5.9	5.7	5.4	4.6	4.5
II	4.6	5.1	5.0	4.1	4.7	4.6
III	5.0	4.8	4.7	4.9	4.7	4.5
IV	6.3	5.3	5.5	6.2	5.2	5.4
1971: I	5.4	6.8	6.4	4.5	5.8	5.5
II	4.2	4.9	4.8	4.3	5.0	4.8
III	2.5	3.4	3.3	2.5	3.6	3.4
IV [2]	1.5	2.2	2.0	1.1	1.5	1.5

[1] Weighted by quarter preceding quarter shown.
[2] Preliminary.

Source: Department of Commerce.

in late 1970 and early 1971, and varying degrees of improvement from the setbacks in the second quarter of 1971.

Summary of Price Behavior

Chart 6 summarizes the behavior of several price measures in order to describe the progress against inflation prior to the freeze. Six measures have been selected, all but one of which—the GNP price deflator for personal consumption expenditures—have already been discussed. These indexes have all been computed quarterly, and in all cases the measure used is a base-weighted index. The charts illustrate calendar quarter-to-quarter changes, calculated at seasonally adjusted annual rates.

An examination of Chart 6 indicates the following: (1) Most of the indexes show a peak rate of increase at some time in 1969; (2) most of the indexes show a trough at some time in 1970; (3) in the second quarter of 1971, the last full quarter before the freeze, we find that the rate of increase is above the trough in all instances but below the peak in all but one instance—wholesale industrial prices. That, of course, is a serious exception. Although it does not negate the improvement shown in the other indexes, the exception was important enough and the other improvements small enough to leave uncertainty about the future decline of inflation.

COMPENSATION AND WAGES

Increases in average hourly compensation in the private nonfarm sector accelerated sharply from late 1965 until 1968, then leveled off at an average annual rate of increase of about 7 percent until the freeze was instituted in August 1971. A careful examination of these data on a quar-

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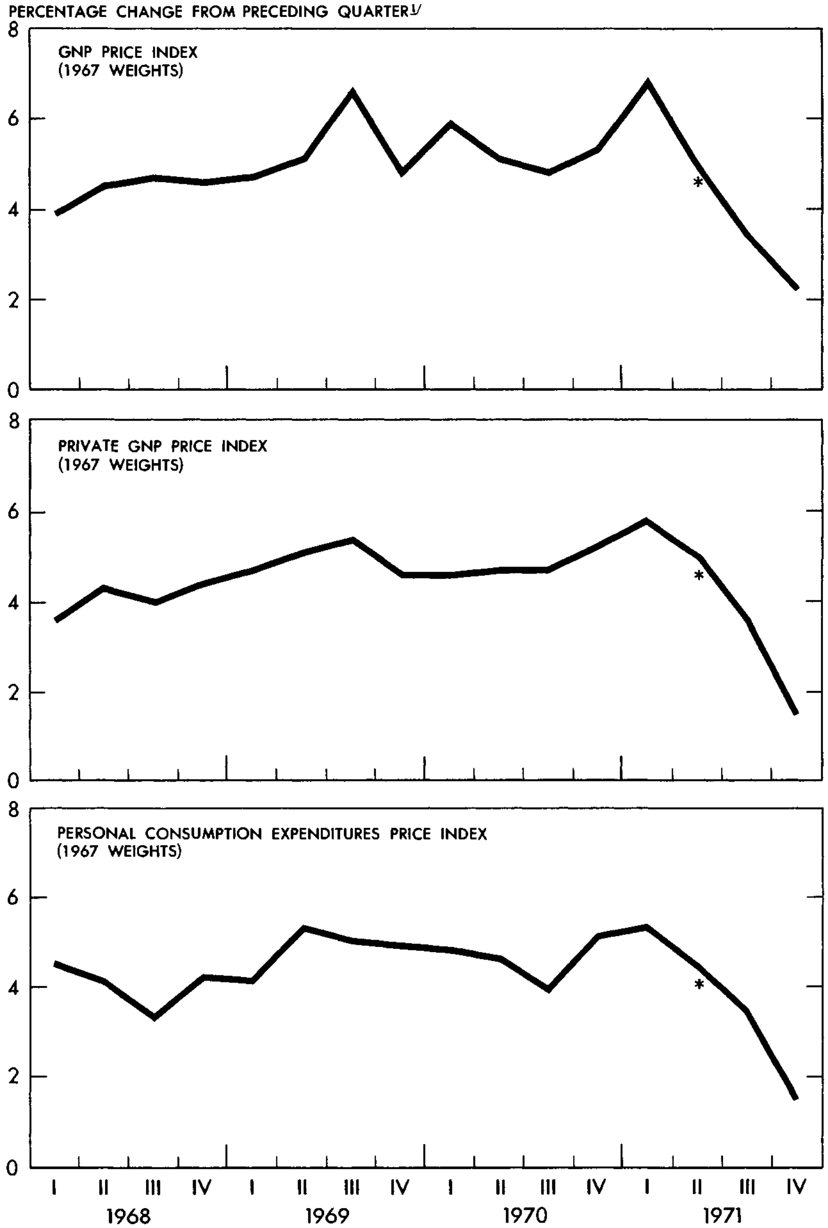
Chart 6

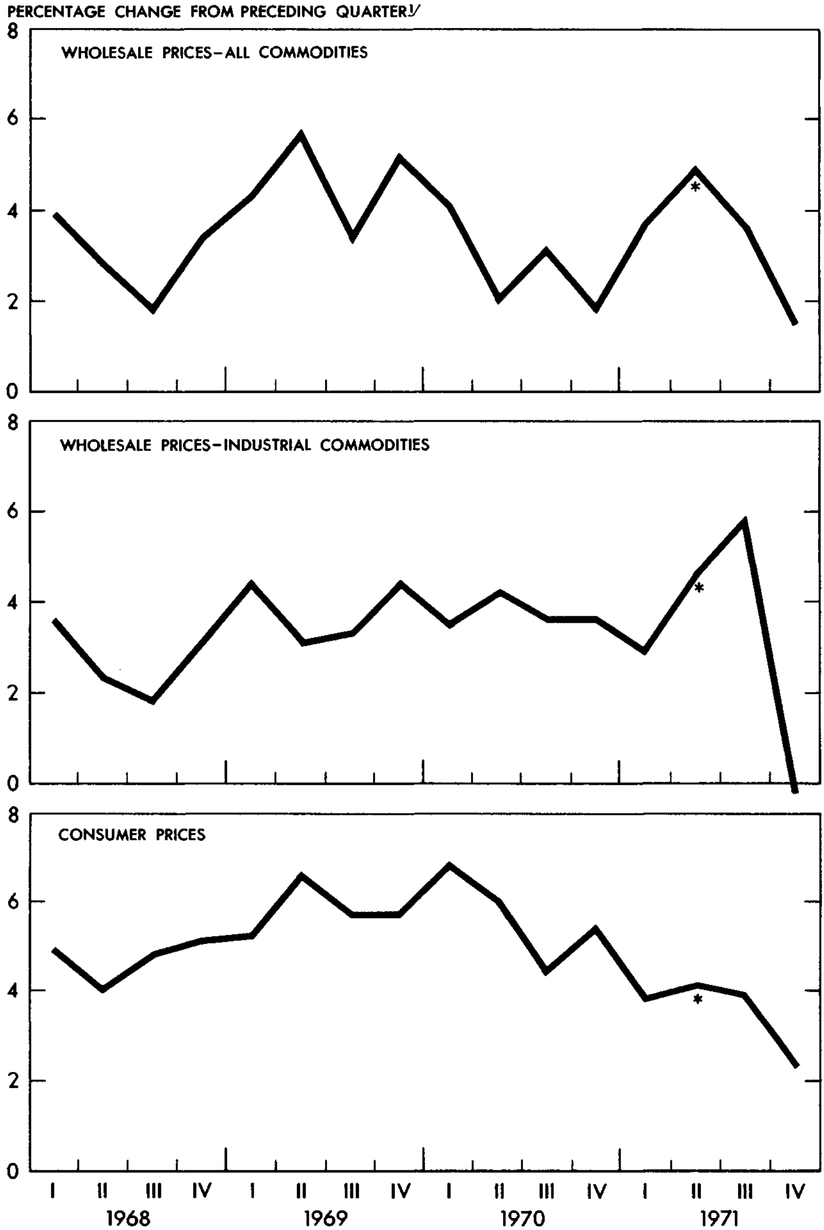
Changes in Selected Price Measures



[1] SEASONALLY ADJUSTED ANNUAL RATES.
*LAST QUARTER BEFORE NEW ECONOMIC POLICY.
SOURCE: DEPARTMENT OF COMMERCE.

Chart 6

Changes in Selected Price Measures



1/SEASONALLY ADJUSTED ANNUAL RATES.
*LAST QUARTER BEFORE NEW ECONOMIC POLICY.
SOURCE: DEPARTMENT OF LABOR.

terly basis does not reveal any clear sign of a slowdown in compensation growth. To have halted the acceleration in the rise of hourly compensation was an accomplishment, but as long as increases of 7 percent persisted, there would be a continuation of considerable price inflation.

Historically, increases in hourly compensation have slowed significantly during periods of slack economic activity (Table 8), mainly but not exclusively as a result of cyclical reductions of overtime and a shift in the mix of employment away from high-wage industries. Such a respite was anticipated for 1970 but did not materialize either then or in 1971. As is indicated further on, the underlying causes of this continued rapid rate of increase are not clear. A technical factor that has hindered an understanding of wage developments has been the lack of comprehensive time series data on wage and salary rates. However, the information that is available suggests that average increases in wage and salary rates remained high for most occupation groups in most industries until mid-August.

TABLE 8.—*Rates of increase of hourly compensation during expansions and recessions, 1947 IV to 1970 IV* [1]

[Percentage change; seasonally adjusted annual rates]

Cyclical turning points [2]		Private nonfarm economy		Manufacturing	
Peak	Trough	Year before peak to peak	Peak to trough	Year before peak to peak	Peak to trough
1948: IV	1949: IV	8.0	0.4	11.4	0.9
1953: II	1954: III	6.0	3.3	5.7	4.2
1957: III	1958: II	5.4	3.3	5.6	3.6
1960: II	1961: I	4.3	1.7	4.5	1.9
1969: IV	1970: IV	6.5	7.0	6.1	6.9

[1] Hourly compensation estimates include salaries, wages, and supplemental benefits, for all workers, including the self-employed.
[2] Quarter designated as cyclical turning point by National Bureau of Economic Research.

Source: Department of Labor (except as noted).

Figures on average hourly earnings are available for production and nonsupervisory workers in private nonfarm industries, a group that accounts for over four-fifths of all employees in the private sector. These data can be adjusted so that they more nearly approximate average wage rates by eliminating both the effects of employment shifts between high- and low-wage industries and the effects of overtime changes (the latter adjustment is carried out only for manufacturing). The adjusted earnings increased nearly 7 percent during the year ending in the third quarter, about the same rate as in the 2 preceding years (Table 9). Although different patterns were evident among the individual industries, rates of increase in adjusted hourly earnings for all these broad industry groups were above 6 percent, an indication of the pervasiveness of the wage spiral. In the trade, finance, and services industries, where wage rates have ordinarily been more

TABLE 9.—*Changes in adjusted average hourly earnings of private nonfarm production or nonsupervisory workers, 1968 III to 1971 III*[1]

Industry	Percentage change		
	1968 III to 1969 III	1969 III to 1970 III	1970 III to 1971 III
Private nonfarm industries	6.6	6.9	6.8
Mining	7.9	5.8	6.4
Construction	9.2	9.9	8.4
Manufacturing	6.2	6.6	6.4
Transportation and public utilities	6.2	6.2	9.1
Wholesale and retail trade	6.4	6.1	6.1
Finance, insurance, and real estate	5.4	6.3	6.9
Services	6.6	7.6	6.3

[1] Adjusted for interindustry shifts, and for manufacturing for overtime also.

Source: Department of Labor.

sensitive to the business cycle, hourly earnings continued to advance rapidly, despite ample supplies of labor and the relatively mild expansion of demand.

Statistics on negotiated wage rate changes are available for workers covered by large collective bargaining agreements. Wage increases negotiated in major collective bargaining agreements in the first 3 quarters of 1971 averaged a bit less than in 1970 (Table 10). However, these average changes are significantly affected by the mix of industries and by the unions involved in bargaining. Moreover, they exclude the potential effects of wage increase

TABLE 10.—*Wage rate increases in major collective bargaining agreements, 1969–71*

Item	Mean percentage increase		
	1969	1970	1971 first 3 quarters
Negotiated annual wage rate increases averaged over life of contract:			
All industries	7.6	8.9	8.0
Manufacturing	6.0	6.0	7.1
Nonmanufacturing	9.3	11.5	9.0
Construction	13.1	14.9	11.7
Other	7.4	10.2	8.5
Negotiated first-year wage-rate increases:			
All industries	9.2	11.9	11.8
Manufacturing	7.9	8.1	10.7
Nonmanufacturing	10.8	15.2	13.0
Construction	13.1	17.6	13.5
Other	9.6	14.2	12.9
General wage increases in manufacturing:[1]			
Union establishments	7.4	7.7	9.6
Nonunion establishments	6.1	6.0	5.4

[1] Data relate only to establishments in which a decision was made to increase wages.

Note.—Data relate to contracts covering 1,000 workers or more and exclude possible increases in wages from cost-of-living escalator clauses except where guaranteed.

Source: Department of Labor.

agreements with open-ended cost-of-living escalator clauses. In 1971, there was a large increase in the number of workers covered by such cost-of-living escalator clauses, although the total number so covered remains a small proportion of the work force. Much of the slowing in the rate of increase for negotiated wage rates in 1971 occurred in the construction industry, apparently as a consequence of actions of the Construction Industry Stabilization Committee (see Chapter 2).

Collective bargaining agreements in manufacturing provided larger wage increases in 1971 than in 1970, with average first-year wage increases accelerating from 8.1 percent in 1970 to 10.7 percent in the first 9 months of 1971. Since 1965, average wage increases have been larger in nonmanufacturing industries than in manufacturing. Efforts of manufacturing workers to reverse this pattern, to regain old wage differentials, and to obtain gains more nearly like those in the transportation and construction industries were partly responsible for the acceleration in manufacturing.

Data for manufacturing point to differences in wage behavior between nonunion and union firms. Among nonunion establishments that made decisions to raise wages in the first 3 quarters of 1971, the increases were a little less than in 1970. Union establishments, however, granted much larger increases than those of the year before. Nonunion wage rates appeared to be responding more promptly to the weakness in labor demand, just as they had responded more promptly to the inflation that gained headway after 1965. At that time nonunion wage rates rose more sharply than union wages.

Some statistics are also available on changes in salary rates in quite narrowly classified white-collar occupation groups. To judge from these data, the rise in salary rates accelerated further in 1971, even though unemployment in most of these occupations had risen in 1970 and remained high in 1971 (Table 11).

Thus, although our statistics on wage and salary rates and changes are imperfect, it appeared in the summer of 1971 that the expected slowdown in wage and salary increases had not materialized. On the contrary, increases were persisting at an inflationary pace.

TABLE 11.—*Rise of white-collar salaries, selected occupations in private industry, 1961 to 1971*

Occupation	Percentage increase					
	1961 to 1966 average	1966 to 1967	1967 to 1968	1968 to 1969	1969 to 1970	1970 to 1971
White-collar workers	3.1	4.5	5.4	5.7	6.2	6.6
Professional, administrative, and technical	3.4	4.2	5.5	5.8	6.2	6.7
Clerical	2.7	4.8	5.3	5.5	6.2	6.5

Note.—Changes are based on data for June of each year and relate to weighted averages of a cross section of representative occupations (subdivided into levels of responsibility) designed to compare Federal pay with private pay.

Source: Department of Labor.

PRODUCTIVITY AND LABOR COSTS

The rise in output from the third quarter of 1970 to the third quarter of 1971 was accompanied by a slight decline in man-hours of work. The resulting rise in productivity—output per man-hour—was an extension of an upturn that began after the first quarter of 1970, and followed 2 years in which output per man-hour was essentially unchanged (Chart 7). From then until the third quarter of 1971, output per man-hour in the private nonfarm economy increased at an annual rate of 2.5 percent. This did not make up the earlier shortfall from trend.

The pattern of productivity change described above was broadly consistent with patterns during previous business cycles, although there were some significant differences. First, the period of no appreciable increase in average output per man-hour was unusually long—nearly 2 years. In the first part of this period, from roughly mid-1968 to the summer of 1969, employers increased their employment rolls rapidly even though the rise in output was slowing down. That period was one of low unemployment and high labor turnover, one also in which employers seemed to be engaged in labor hoarding because of their expectations of rising demand and difficulties in hiring experienced help. An extended interval of insignificant productivity growth while output is still rising is not a characteristic of cyclical experience. In the second part of the period, output declined while work forces continued to expand until early 1970, and then were maintained or cut very little. Developments of this kind have been observed in other mild recessions.

Second, after 3 quarters of output growth total man-hours remained about unchanged instead of rising, as in previous recoveries. The failure of man-hours to rise probably reflected a heightened emphasis on cost control resulting from the continuing profit squeeze and the mild recovery of output.

With the rise in hourly rates of compensation holding steady, the upturn in productivity growth moderated the rise in unit labor costs. After having risen at an annual rate of 6.5 percent during the 2 previous years, unit labor costs rose at a rate of 3.9 percent from the third quarter of 1970 to the third quarter of 1971 (Table 12).

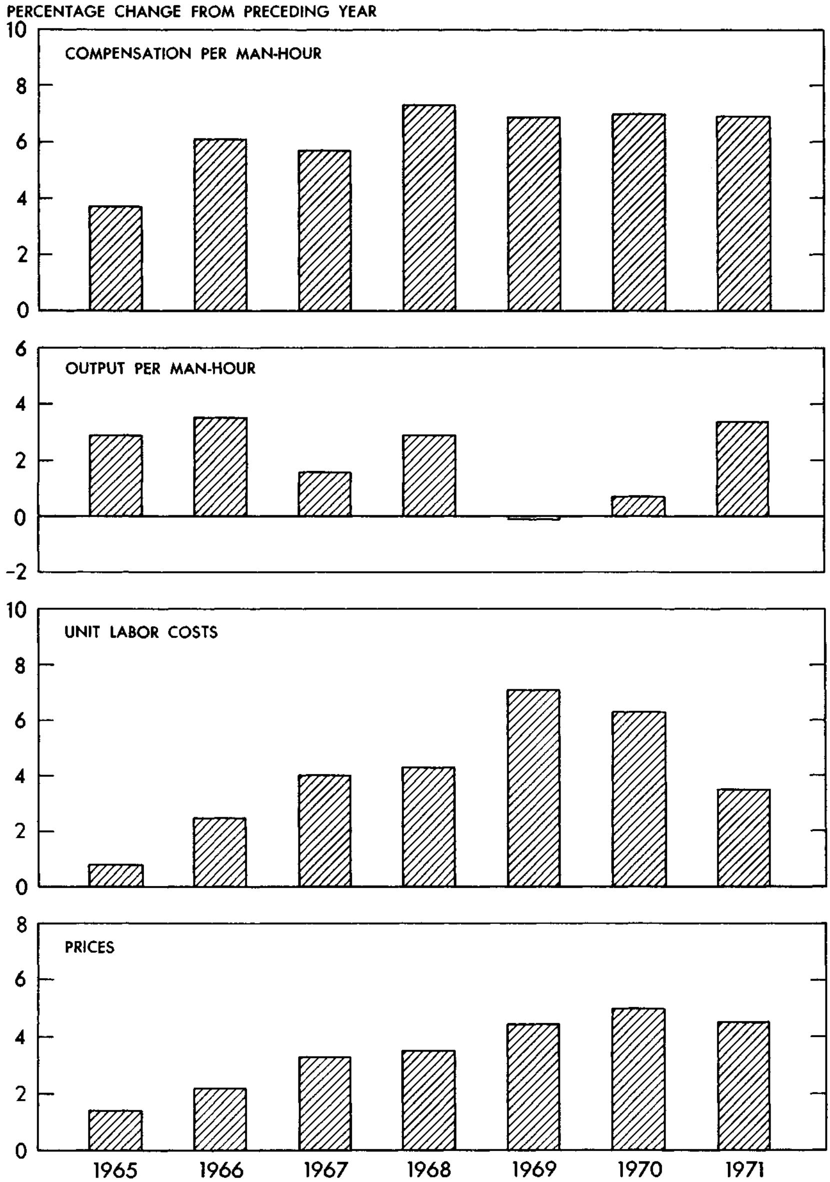
CORPORATE COSTS AND PRICES

The labor costs discussed above are not the full story of cost inflation. Data pertaining to nonfinancial corporations provide a useful framework for breaking down the price of output into labor costs, nonlabor costs (depreciation, indirect business taxes, and net interest), and profits. This particular sector of the economy accounts for a large proportion of the Nation's output, constituting 60 percent of private GNP in 1971. A special advantage of analyzing corporate data is that the line between wages and salaries on the one hand and profits on the other is fairly distinct, whereas in the noncorporate sector the income earned by a partner or sole proprietor is a mixture of labor and property income.

Chart 7

Changes in Compensation, Productivity, Labor Costs, and Prices

Private Nonfarm Sector



NOTE: DATA RELATE TO ALL PERSONS.
SOURCE: DEPARTMENT OF LABOR.

TABLE 12.—*Changes in compensation, productivity, and labor costs in the private nonfarm economy, 1962 to 1971 III*

[Seasonally adjusted annual rates]

Item	Percentage change				
	1962 to 1964	1964 to 1966	1966 to 1968	1968 III to 1970 III	1970 III to 1971 III
Compensation per man-hour	4.2	4.9	6.5	7.2	6.5
Output per man-hour	3.4	3.2	2.2	.7	2.5
Unit labor costs	.8	1.6	4.1	6.5	3.9
Implicit price deflator	1.2	1.8	3.4	4.8	4.6
Real compensation per man-hour [1]	2.9	2.5	2.8	1.4	2.1

[1] Compensation per man-hour adjusted for changes in the consumer price index.

Note.—Data relate to all persons.

Source: Department of Labor.

In the short run prices are viewed as being responsive to total costs as well as to demand, but a rise in a particular component of cost does not necessarily mean a rise in price. For example, a rise in depreciation costs may reflect a substitution of capital for labor which has the net result of leaving total costs unchanged.

From the third quarter of 1970 to the third quarter of 1971, the price of corporate output rose 4.2 percent, a little more than in 1970 and considerably more than in any one of the 3 years preceding 1970. The rise in total costs slowed, and profits before taxes per unit of output rose 8.6 percent, or 10.2 percent if allowance is made for the liberalization in depreciation. Despite the increase, unit profits were extremely low by post-war standards.

Unit costs of all types rose less rapidly during 1971 than the year before, but the slowdown in nonlabor costs was less than that of labor costs (Table 13). The rise in capital consumption allowances per unit during the past year was partly influenced by the more liberal depreciation permitted by the Treasury in 1971. Because of changing regulations affecting depreciation, and the use of historical costs in calculating depreciation, changes in this component of costs are difficult to interpret. One cannot infer that a rise in measured depreciation costs means a more rapid using up of the stock of physical capital held by nonfinancial corporations.

When corporate output fell in 1970, indirect business taxes accounted for a rising share of total price. To some extent this was a cyclical response, since some of these taxes are relatively fixed and their share increases as volume declines. The increase in output in 1971 was too small to keep these costs from rising still more, despite the decline in taxes due to the elimination of the excise tax on motor vehicles.

Interest costs per unit rose less rapidly last year, partly because the decline in interest rates slowed the rise in the effective interest charge paid on all nonfinancial corporate indebtedness.

TABLE 13.—*Changes in prices, costs, and profits per unit of output for nonfinancial corporations, 1966 III to 1971 III*

Item	1966 III to 1967 III	1967 III to 1968 III	1968 III to 1969 III	1969 III to 1970 III	1970 III to 1971 III
Dollar change per unit of output:					
Price	0.031	0.029	0.036	0.048	0.051
Total costs	.044	.028	.061	.062	.041
Employee compensation	.028	.020	.044	.038	.021
Other costs	.016	.008	.017	.024	.020
Capital consumption allowances	.008	.001	.007	.012	.010
Indirect business taxes [1]	.005	.005	.004	.008	.007
Interest	.003	.002	.006	.004	.003
Profits [2]	−.014	.002	−.026	−.013	.011
Percentage change per unit of output:					
Price	2.9	2.6	3.2	4.1	4.2
Total costs	4.9	3.0	6.3	6.0	3.8
Employee compensation	4.1	2.8	6.0	4.9	2.6
Other costs	7.4	3.4	7.1	9.3	7.1
Capital consumption allowances	8.0	.9	6.4	10.3	7.8
Indirect business taxes [1]	5.2	5.0	3.8	7.3	5.9
Interest	15.0	8.7	24.0	12.9	8.6
Profits [2]	−7.8	1.2	−15.6	−9.2	8.6
Output	1.0	7.0	3.3	−1.2	2.1

[1] Also includes business transfer payments less subsidies.
[2] Before taxes and including inventory valuation adjustment.

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

Source: Department of Commerce.

Cost and Profit Shares

Table 14 shows the distribution of gross product originating in nonfinancial corporations. The profit share in 1971 (before taxes and including the inventory valuation adjustment) was 11.0 percent, up from the very low 10.3 percent for 1970, but well below the 15.1-percent average from 1960 to 1969. Without the new 1971 depreciation regulations, the profit share would have been only slightly higher at 11.2 percent.

The profit share is sensitive to the stage of the business cycle, and one reason for the present low share is that the economy is operating considerably below capacity. As noted above, changing depreciation regulations also affect the profit share, but this can be remedied if depreciation is calculated on a uniform basis. The Commerce Department has done this in special calculations, shown below on line 2 for selected high-employment years and the more recent period. On this basis the decline in the profit share from 1948 is less than the decline in the reported share, but the decline since 1956 is the same on the two bases.

A comprehensive analysis of property income requires consideration of interest charges, which have become substantially more important in postwar years. When the interest share is combined with the adjusted profit

TABLE 14.—*Distribution of gross product originating in nonfinancial corporations, 1947–71*

[Percent]

Year	Total	Compensation of employees	All other costs: Total	All other costs: Capital consumption allowances	All other costs: Indirect business taxes [1]	All other costs: Net interest	Profits [2]
1947	100.0	65.9	14.8	4.8	9.3	0.7	19.4
1948	100.0	63.9	14.5	5.0	8.8	.7	21.6
1949	100.0	63.8	16.1	5.9	9.5	.8	20.1
1950	100.0	62.4	15.5	5.7	9.2	.6	22.1
1951	100.0	63.1	15.1	5.8	8.7	.6	21.7
1952	100.0	64.8	16.1	6.2	9.2	.7	19.1
1953	100.0	65.9	16.6	6.6	9.3	.7	17.4
1954	100.0	65.9	17.6	7.7	9.1	.8	16.6
1955	100.0	63.9	17.5	7.9	8.9	.7	18.6
1956	100.0	65.3	17.7	8.0	9.0	.7	16.9
1957	100.0	65.6	18.6	8.4	9.3	.9	15.8
1958	100.0	65.9	19.9	9.1	9.7	1.1	14.2
1959	100.0	64.7	19.1	8.7	9.3	1.0	16.2
1960	100.0	65.5	19.7	8.9	9.7	1.1	14.8
1961	100.0	65.1	20.4	9.2	9.9	1.3	14.5
1962	100.0	64.3	20.8	9.7	9.8	1.4	14.9
1963	100 0	63.9	20.9	9.7	9.8	1.4	15 2
1964	100.0	63.3	20.8	9.5	9.8	1.5	16.0
1965	100.0	62.6	20.4	9.4	9.5	1.6	17.0
1966	100.0	63.2	20.0	9.3	8.9	1.8	16.8
1967	100.0	64.0	20.9	9.7	9.1	2.1	15.1
1968	100.0	64.2	21.2	9.7	9.3	2.2	14.7
1969	100.0	65.8	21.8	9.9	9.4	2.6	12.4
1970	100.0	66.7	23.0	10.5	9.7	2.9	10.3
1971 [3]	100.0	65.5	23.5	10.7	9.8	2.9	11.0

[1] Also includes business transfer payments less subsidies.
[2] Before taxes and including inventory valuation adjustment.
[3] Preliminary.

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

Source: Department of Commerce.

share, the total property share appears to have declined from earlier years, but less than the share of reported profits alone.

[Percent of gross product of nonfinancial corporations]

	1948	1956	1965	1968	1969	1970
(1) Reported profits	21.6	16.9	17.0	14.7	12.4	10.3
(2) Adjusted profits	21.7	18.2	18.4	16.0	13.7	11.7
(3) Net interest	.7	.7	1.6	2.2	2.6	2.9
Total (2+3)	22.4	18.9	20.0	18.2	16.3	14.6

INCOMES IN AGRICULTURE

Agricultural incomes often fluctuate widely from year to year for reasons only partially related to output and price developments in the general economy. The demand for farm products is relatively insensitive to changes in overall output and prices. Farm prices, therefore, fluctuate primarily in response to supply conditions for agricultural products. On the other hand, since many farm inputs are purchased from the nonfarm sector, price increases in the nonfarm economy have a direct impact on farm production costs.

In the past 3 years, farm production expenses have been increasing at a slightly faster pace than the general rate of inflation, reflecting primarily higher input prices but also some increases in quantities of inputs purchased. During this period, the value of farm sales increased 9.1 percent in 1969, only 2.3 percent in 1970 and 4.9 percent in 1971. Net income of farm operators increased sharply in 1969—to the highest levels in over 20 years—and then declined in 1970. According to preliminary estimates net income (including increases in the value of yearend inventories) recovered slightly in 1971. The pattern of the 1970 decline and 1971 recovery has also been significant. Income of farm operators declined in each consecutive quarter through 1970 and improved in each quarter of 1971. The improvement was particularly strong in the second half of last year.

Aggregate measures do not give a complete picture of recent changes in the income situation of farm families. Because of the continuing secular decline in farm numbers, average net income per farm declined only slightly in 1970 and the 1971 recovery returned it to the record level of 1969. This indicator is also imperfect because the current census definition of a farm includes many places only nominally engaged in farming. Many people who are counted as living on farms are primarily dependent on nonfarm earnings; others supplement their farm income with nonfarm work. Earnings from nonfarm sources by the farm population have been increasing regularly for many years and in 1971 they constituted over 48 percent of the farm population's total personal income. Because the growth in nonfarm jobs has been limited, income from this source has expanded at a slower rate the last 2 years than in earlier years.

FINANCIAL POLICY AND FINANCIAL MARKETS

The economic goals of 1971 required considerable aid from monetary policy. In the first half of the year monetary growth proceeded at very high rates, but expansive effects upon the economy normally associated with such rapid growth in money were not forthcoming. This shortfall from expectations came about because a large part of the increase in the money stock went to satisfy an increased desire by the public for money balances. The year 1971 saw generally lower interest rates than 1970, and sectors sensitive to the costs of credit, particularly housing, enjoyed a considerable expansion.

MONETARY POLICY

The Federal Reserve's stated goals of monetary policy in 1971 were "the resumption of sustainable economic growth, while encouraging an orderly reduction in the rate of inflation, moderation of short-term capital outflows, and attainment of reasonable equilibrium in the country's balance of payments." After August 15 the success of the New Economic Policy became one more goal of monetary policy. Throughout the year the Federal Reserve sought monetary growth rates that would best bring about attainment of these goals.

At the beginning of 1971 there was concern that monetary growth in the last quarter of 1970 had been less than desirable. The growth rate for the money supply (currency and demand deposits) or M_1 during that quarter appeared at that time to have been about 3½ percent at a seasonally adjusted annual rate (measured from the final month of the third quarter to the final month of the fourth quarter), and it was decided that a rate of growth of about 7½ percent in the first quarter of 1971 would compensate for this shortfall. Policy in January was thus directed at attaining "some moderate easing of money market conditions." Accordingly, open market operations were aimed at lowering market interest rates. As the quarter progressed, preliminary reports showed that the money stock was not growing as rapidly as the Federal Reserve's analysis had predicted it would under the attained money market conditions, and greater ease was sought.

In the second quarter revised data showed that the money stock had in fact grown faster than had been anticipated. Because this was faster than desired, policy was then directed at slowing the monetary growth rate. To this end temporary "minor firming of money market conditions" was sought, and market interest rates increased. Nevertheless the rate of monetary growth in the second quarter exceeded the rate in the first quarter, despite an increase in interest rates. For the 2 quarters combined, monetary growth was very high, even after allowance for the shortfall in the fourth quarter of 1970. From December 1970 to June 1971, the money stock rose at a seasonally adjusted annual rate of 10.2 percent, and the broadly defined money stock that includes all time deposits at commercial banks except large certificates of deposit (M_2) climbed at a seasonally adjusted annual rate of 16.1 percent. These were high, not only compared to 1970 but compared to the preceding decade. During 1970, M_1 had risen at a 5.4-percent rate, M_2 at an 8.1-percent rate. In the 7 years ending December 1970, the average annual rates of growth were 4.9 and 7.2 percent, respectively.

In June, the Federal Reserve showed less explicit concern with money market conditions and continued its effort to moderate monetary growth rates. Although in July the money stock continued to grow rapidly despite a considerable rise in interest rates, in August the rates of expansion for both M_1 and M_2 fell sharply and the rate for M_1 turned negative in September. The rise in M_1 came to 3.8 percent for the third quarter as a whole. In contrast to the first half of the year, the Federal Reserve at this time overestimated the monetary expansion resulting from the money market conditions that had been produced.

Despite the stated policy to place emphasis on the monetary growth rate in 1971, actual operations were designed to influence interest rates and conditions in short-term money markets, with the intention of thereby achieving the desired monetary growth rate. In practice the Federal Reserve operated most directly on the interest rate on loans among banks, called the Federal funds rate, relying on its appraisal of how monetary growth rates would respond to various levels of the interest rate. If the money stock responded to the Federal funds rate in a way that differed from the expected response, the monetary growth rate would differ from that desired.

In the first half of 1971, the public apparently wanted to hold more money balances at the prevailing level of interest rates and income than past relations among income, interest rates, and money balances suggested. The bulk of the increases in money holdings appeared in individuals' accounts, and the pattern was part of a larger shift in the public's desire for additional financial liquidity in the first half of 1971. Table 15 shows that in

TABLE 15.—*Amount and composition of individuals' saving, 1968–1971 III*

[Billions of dollars]

Type of saving	1968	1969	1970	1971 I	1971 II	1971 III
				Seasonally adjusted annual rates		
Total saving by individuals	63.5	56.1	71.4	87.7	99.6	82.8
Increase in financial assets	69.6	60.9	74.6	90.4	114.4	97.3
Currency and demand deposits	11.3	6.0	4.8	10.9	15.7	4.6
Savings accounts	28.6	13.3	32.2	97.9	67.8	57.6
Securities	4.0	16.2	8.4	−53.1	−1.3	1.1
U.S. savings bonds	.4	−.4	.3	1.9	2.7	2.4
Other U.S. Treasury and agency securities	4.9	13.6	.0	−51.8	−7.2	−10.9
State and local obligations	.9	1.5	−1.5	.0	−1.4	8.4
Corporate and foreign bonds	5.4	5.4	12.2	9.5	7.8	6.1
Investment company and other corporate shares	−7.5	−3.8	−2.6	−12.8	−3.2	−5.1
Insurance and pension reserves	25.7	25.3	29.2	34.7	32.2	34.1
Net investment in tangible assets	37.2	36.4	25.8	39.7	42.8	49.7
Less: Increase in debt	43.3	41.1	29.0	42.5	57.6	64.2
Mortgage debt on nonfarm houses	14.9	16.2	12.5	13.1	22.7	27.1
Noncorporate business mortgage debt	6.6	6.9	8.0	9.9	10.0	13.3
Consumer credit	11.1	9.3	4.3	4.0	9.0	12.6
Other debt	10.8	8.6	4.1	15.3	15.8	11.2

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

Source: Board of Governors of the Federal Reserve System.

the first half of 1971 unusually large increases occurred in individuals' holdings of money, savings accounts, and U.S. savings bonds, while decreases or smaller than usual increases were recorded in their holdings of other U.S. Treasury and U.S. Government agency securities, corporate bonds, and corporate stock. This shift in the composition of assets was also influenced by the substantial decline in interest rates after mid-1970, especially in the rates on short-term securities.

The shift in assets by individuals in favor of more liquidity was accompanied by particularly large increases in debt incurred by the public, notably in the form of mortgage and other personal debt. There were also important changes in the structure of business borrowing. As Table 16 shows, in the past year and a half corporations have shifted their financing toward equities and long-term bonds and away from bank loans and

TABLE 16.—*Sources and uses of funds, nonfarm nonfinancial corporate business, 1968–1971 III*

[Billions of dollars]

Source or use of funds	1968	1969	1970	1971 I	1971 II	1971 III
				Seasonally adjusted annual rates		
Sources, total	108.0	118.1	105.5	118.0	123.7	124.3
Internal sources	61.7	59.5	61.5	68.3	71.8	71.6
External sources	46.3	58.6	44.0	49.7	51.9	52.7
Stocks	−.8	4.3	6.8	9.0	16.4	12.1
Bonds	12.9	12.1	20.3	23.8	22.1	16.2
Mortgages	5.8	4.8	5.3	8.8	12.3	11.8
Bank loans	8.8	11.0	1.2	−.1	2.5	16.2
Trade debt	10.1	19.7	5.5	.3	−6.3	−8.5
Other loans and liabilites	9.5	6.8	5.0	7.9	4.9	4.8
Uses, total	101.7	112.7	103.7	109.6	111.5	111.8
Purchases of physical assets	76.1	84.9	84.2	83.8	91.7	87.4
Increase in financial assets	25.6	27.8	19.5	25.8	19.8	24.4
Liquid assets	8.6	1.3	8.9	3.0	7.2	8.0
Currency and demand deposits	1.6	−.9	−1.0	.3	4.7	.8
Time deposits	1.9	−9.8	12.8	3.0	−1.5	1.0
U.S. Government securities	1.7	−1.7	−3.2	.8	6.0	3.5
Open-market paper	4.4	8.6	−1.1	−7.3	−5.5	2.1
State and local obligations	−1.1	5.1	1.4	6.1	3.4	.6
Consumer credit	1.7	1.3	1.4	1.7	1.8	2.0
Trade credit	13.9	17.3	6.2	11.6	.0	3.5
Other financial assets	1.4	8.0	3.0	9.6	10.8	11.0
Discrepancy (uses less sources)	−6.3	−5.4	−1.8	−8.3	−12.1	−12.5

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

Source: Board of Governors of the Federal Reserve System.

short-term open market instruments. The shift of both individuals and corporations toward longer-term debt and shorter-term assets reflects in part a reaction to the period of restrictive credit conditions in 1969. In that year, business and individual borrowers had considerable difficulty obtaining funds at rates they deemed reasonable. As a result, they began insulating themselves from the pressures of credit markets when conditions eased in 1970 and 1971 by refunding short-term debt with long-term and rebuilding their holdings of liquid assets.

INTEREST RATES

With monetary policy more expansive and with growing sentiment that progress was being made against inflation, market interest rates early in 1971 continued their downward trends of the second half of 1970, reaching levels that turned out to be the lowest of the year (Table 17 and Chart 8). Fluctuations in long-term rates are typically smaller than in short-term, but the differential movement last spring also reflected in part the continued shift from short- to long-term financing by business borrowers, who were attempting to insulate their liquidity position.

TABLE 17.—*Interest rates, 1970–71*

[Percent per annum]

Type	1970		1971		
	High	End of year	Low	High	Aug. 13[1]
3-month Treasury bill rate (new issues)	7.96 Jan. 5	4.83	3.31 Mar. 15	5.55 July 26	5.37
4–6 month prime commercial paper rate	9.13 Jan. 8	5.75	4.00 Mar. 24	5.88 Aug. 18	5.88
Long-term taxable Treasury bond yield	7.15 June 12	6.16	5.40 Nov. 3	6.13 Jan. 6	5.82
Corporate Aaa bond yield	8.60 July 2	7.48	7.05 Feb. 16	7.69 June 2	7.71
New Aaa corporate offering rate (weekly average)	9.30 June 19	7.68	6.76 Jan. 29	8.07 July 30	7.97
High-grade municipal bond yield (weekly)	7.14 May 29	5.81	5.14 Nov. 5	6.39 July 2	6.17
FHA new home mortgage yield	9.29 Mar.	8.90	7.32 Apr.	8.40 Jan.	7.97

[1] Rates for Aug. 13 or nearest date for which data are reported.

Sources: Board of Governors of the Federal Reserve System, Moody's Investors Service, Standard & Poor's Corporation, and Department of Housing and Urban Development.

After March, interest rates began rising as a result of the reversal of inflationary expectations and attempts by the Federal Reserve to curtail the monetary growth rate in the face of a shift in the demand for liquidity. By July many market rates had risen to roughly the levels prevailing in November and December 1970, but all remained below the 1970 peak levels.

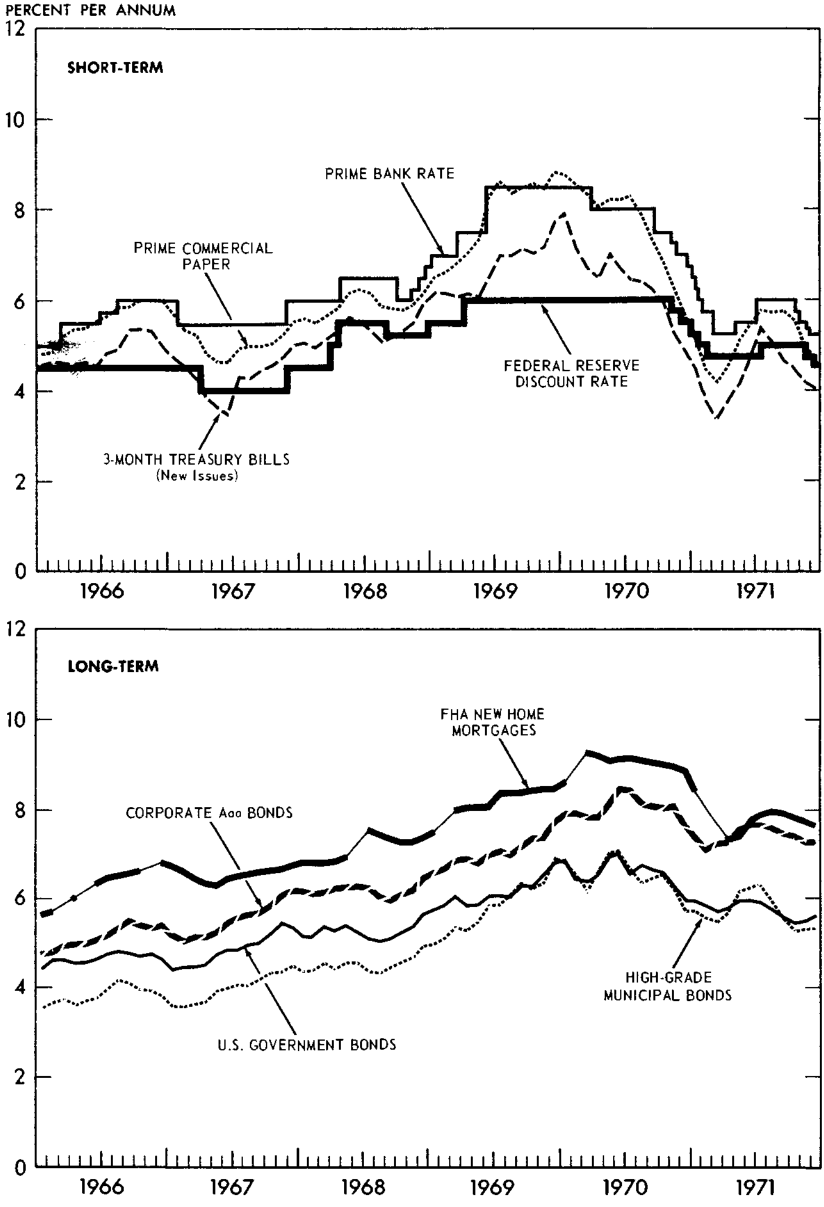
Reintermediation

The year 1971 saw a continuation of the process of "reintermediation," which had started in 1970 as a correction of the preceding year's "disintermediation."

Most thrift institutions are constrained in their ability to retain deposits during periods of rising interest rates. Because the yields on their assets, which are generally long term, change very slowly, it is difficult for them to change rates paid on their liabilities, which are generally short term. Partly in recognition of this problem, most of these institutions have regulatory ceilings on the rates they can pay on deposits. Under conditions of rising market interest rates, earnings on long-term assets would generally not rise quickly enough to enable institutions to pay rates on their deposits that would be competitive with unconstrained money market instruments. The rate ceilings also curtail the ability of institutions to retain funds. As a result, when interest rates rise very sharply, as they did in 1966 and 1969, financial intermediates both lose funds and acquire fewer new funds, more of which are invested directly in primary assets, such as Treasury bills and bonds or municipal and corporate bonds. This process has been termed "disintermediation" and, as Table 18 shows, it occurred in 1969. In that year banks

Chart 8

Interest Rates



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

and other savings institutions experienced a $1.6 billion net decrease in total time and savings deposits, compared to a $33.4 billion rise in 1968.

Since short-term rates in the second half of 1970 and all of 1971 were generally below the high levels of 1969, this process of disintermediation was reversed. Table 18 shows that the net increase in the flow of total time

TABLE 18.—*Flows of savings deposits through savings institutions, 1968–71 III*

[Billions of dollars]

Institution	1968	1969	1970	1971 I	1971 II	1971 III[1]
				Seasonally adjusted annual rates		
Total net increase	33.4	−1.6	53.9	112.9	73.3	68.5
Savings deposits at commercial banks	20.6	−9.7	36.7	60.6	30.0	33.7
Large certificates of deposit	3.1	−12.6	15.2	5.8	4.0	18.0
Other time deposits	17.4	2.9	21.6	54.8	26.0	15.7
Savings at savings and loan associations	7.5	4.1	11.1	36.8	28.6	25.2
Savings at mutual savings banks	4.2	2.6	4.4	12.4	11.6	6.6
Savings at credit unions	1.1	1.4	1.7	3.1	3.1	3.0

[1] Preliminary.

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

Source: Board of Governors of the Federal Reserve System.

and savings deposits through commercial banks and thrift institutions in 1970 exceeded the 1968 levels by 61 percent. The increase for the first 3 quarters of 1971 expressed at an annual rate was 58 percent above 1970.

Mortgage Interest Rates

Mortgage interest rates responded sharply to the general movements in market rates and to the reintermediation process. In March 1970, reduced deposit inflows and restrictive monetary policy had helped push secondary market yields on mortgages to a postwar peak of 9.29 percent from a 7.13-percent average in 1968. As market rates rose, the maximum rates permitted on FHA-insured and VA-guaranteed mortgages were raised from 6.75 percent in 1968 to 8.5 percent in January 1970. Subsequently, as open market rates declined and reintermediation occurred, the ceiling rate was reduced to 8 percent in December 1970, and down to 7 percent in February 1971.

In the early months of 1971 mortgage rates fell much more sharply than other long-term rates. The secondary market yield on FHA new-home mortgages fell 1.58 percentage points from December to April, reaching the year's low of 7.32 percent. Mortgage yields last spring were about equal to those paid on new long-term debt issues of the highest rated corporate borrowers. This drop in mortgage rates made an important contribution to the record demand for housing in 1971.

In early summer, mortgage rates began rising somewhat faster than other long-term rates as the housing expansion gained momentum. As the summer wore on, discounts on insured mortgages rose to as much as 9 or 10 points to equate the 7-percent maximum permissible rate with the higher yields (7.97 percent as of early August) demanded by permanent mortgage investors. At the time, the ceiling rates on FHA and VA mortgages were not raised, in order to avoid adversely affecting inflationary sentiment. As an alternative to raising this mortgage rate ceiling, several Government agencies and Government-sponsored private institutions supported the market by mortgage purchases, thus reducing the number of discount points (lowering the yield) on these mortgages. Partly as a result of these actions, yields on insured mortgages began a downward trend in early August.

Assistance to Mortgage Markets

Because reintermediation in the first half of 1971 produced a large volume of private funds for investment in mortgages, the housing boom proceeded with little assistance from Federal programs. However, when the general rise in interest rates in the spring threatened the expansion in housing, Federal mortgage market assistance programs assumed much greater prominence. In June the Federal National Mortgage Association (FNMA), a privately owned Government-sponsored institution, sharply increased its purchases of insured mortgages. FNMA's net acquisitions of mortgages totaled $2.4 billion in 1971 as compared to $4.5 billion in 1970 and $3.8 billion in 1969. But the bulk of the 1971 purchases came after May, with approximately $1.4 billion of the year's purchases in Government-subsidized loans. The Federal Home Loan Mortgage Corporation also made purchases of $217 million of participations in conventional (uninsured) mortgages and $562 million of FHA-insured mortgages during 1971.

In the third quarter, the Federal Home Loan Bank System took several steps to aid the mortgage market. It liberalized terms on mortgage loans by allowing 95 percent conventional loans. In August, shortly after the NEP was announced, the FHLB Board reduced the liquidity requirements of member savings and loan associations from 7.5 percent to 7.0 percent to free more liquid assets for lending. Simultaneously, the Federal Home Loan Mortgage Corporation raised the price at which it purchased FHA-insured mortgages from 91 to 94 percent of par and reduced from 7⅞ percent to 7⅝ percent the yields it required on participations in conventional mortgages. These moves closely followed a new program, in which the Government National Mortgage Association (GNMA) used a $2 billion authorization to purchase unsubsidized FHA-insured and VA-guaranteed mortgages in cooperation with FNMA and other purchasers.

This plan subsidizes FHA and VA mortgage rates when rate ceilings produce high discounts. GNMA purchases these mortgages at 95 or 96 percent of par and sells them to any authorized purchaser at lower prices that reflect market interest rates. GNMA absorbs the difference between the support price and the market price, enabling home buyers to obtain mortgage financing at lower rates.

FISCAL POLICY TO AUGUST 15

The Administration's fiscal policy as reflected in the budget submitted in January 1971 was in general to keep expenditures from exceeding the revenues that would be yielded by the existing tax system under conditions of full employment. There were two reasons for the Administration's adoption of this principle. First, the conventional notion of balancing the actual budget more or less all the time had proved to be unworkable because either tax increases or expenditure cuts would be required whenever revenue was depressed by an economic slowdown, and this would be precisely the wrong time for a restrictive fiscal policy. In fact, this standard of fiscal policy had not been followed by an Administration for almost 40 years. Second, some rule of policy that would confine expenditures within the limits of what the Government was willing to raise in taxes was necessary to enforce economy in Government. The principle that expenditures should not exceed full-employment revenues has the advantage that fiscal action likely to intensify the slowdown would be avoided while the discipline of the basic relationship between revenues and expenditures would be retained.

In conformity with this principle, the Administration's January 1971 budget called for the following relationship between expenditures and the revenues that would be collected at full employment:

[Billions of dollars]

	Outlays	Revenues at full employment	Excess of revenues
Fiscal 1971	212.8	214.2	1.4
Fiscal 1972	229.2	229.3	.1

The outcome for fiscal 1971 was close to these plans. Estimated full-employment revenues after the end of the fiscal year were only $0.1 billion below the January 1 estimates. Outlays were $1.4 billion, or about one-half of 1 percent, under the estimate. Instead of an excess of full-employment revenues of $1.4 billion there was an excess of $2.7 billion as then defined (see footnote, p. 65).

Developments in the first 6 months of 1971 more significantly changed the estimates of the full-employment budget for fiscal 1972. On the revenue side the postponement, from 1971 to 1972, of the increase in the base for Social Security contributions reduced estimated fiscal 1972 receipts by $2.6 billion. This was expected to be offset in part by an increase in the Social Security contribution rate to take effect January 1, 1972. The net effect of these and other smaller changes was to reduce the estimated full-employment receipts by $1.9 billion. Estimated expenditures were raised by $4.7 billion. The largest item in this total was an increase of $1.4 billion of Social Security benefits above the budget. Other major items were an increase of $1 billion in the estimated payments for unemployment compensation because of the continued high rate of unemployment, and a possible increase of $0.8 billion in military pay as a result of congressional action.

Thus there was in prospect an excess of expenditures over full-employment revenues of $6.5 billion in fiscal 1972, compared to an excess of revenues of $2.7 billion in fiscal 1971.* On the national income accounts basis the surplus would show a decline of about $3.5 billion between the 2 fiscal years.

This estimate for fiscal 1972 as it appeared in July depended heavily on action still to be taken by Congress. Although the estimate made some allowance for probable delays in the enactment of expenditure programs that had been proposed by the Administration, even longer delays were possible. And although the estimate also made some allowance for pending congressional proposals above the budget, not all of those possibilities were expected to materialize. Despite these uncertainties, it seemed highly probable in the summer of 1971 that there would be a significant shift from a full-employment surplus in fiscal 1971 to a full-employment deficit in fiscal 1972. The Administration considered this development appropriate in view of the sluggishness of the economy. At the same time the Administration was averse to making decisions that would add substantially to expenditure commitments for the future. Even within the limits of fiscal 1972, while more fiscal stimulus was desired, there was danger of excessive expansion in the prevailing inflationary atmosphere.

THE NEW ECONOMIC POLICY

WHERE WE STOOD ON AUGUST 15

As the summer of 1971 progressed, these facts became increasingly clear:

1. The economy was rising, and a continued rise could be expected; but the rise was not as fast as was desirable, especially from the standpoint of reducing unemployment.

2. Although the rate of inflation had stopped rising and might have declined, the decline was not clear cut, and there was some danger that the rate might rise again.

3. The U.S. international balance-of-payments position was deteriorating sharply, and willingness abroad to hold dollars was ebbing.

While these facts were clear, their reasons and their implications were unclear. The rate of economic expansion in the first half of the year was not less than many forecasters had predicted, but two aspects of the limited expansion were puzzling. As noted earlier, the rate of expansion of the money supply had been extraordinarily large, much larger than had been commonly

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*In this calculation, expenditures for unemployment compensation payments are not standardized for the unemployment rate that would prevail at full employment. It should be noted, however, that the estimates for fiscal 1972 made in July 1971 assumed about the same average rate of unemployment for the fiscal year as was actually experienced in fiscal 1971. This procedure has been changed for the fiscal 1973 budget, which standardizes for the unemployment rate.

expected at the beginning of the year. Even when allowance was made for some lag between the increase in the stock of money and any consequent increase in economic activity, the response of the economy to the monetary expansion was less than many studies had found in previous experience.

One possible explanation was that recollection of the liquidity squeeze of 1970 left individuals and businesses with an extraordinary desire to rebuild their money balances when interest rates declined, as happened in early 1971. This attitude might have been reinforced by the belief that rapid monetary expansion presaged a future rise in interest rates. In any case the rapid growth of money in the first half of 1971 seemed to have resulted from a rapid growth in the demand for money and did not imply a growth of money relative to desired cash balances, which in time would have stimulated more economic expansion.

The other unusual feature of the limited expansion was the exceptionally high saving rate of 1971. Personal saving for the first 3 quarters of the year represented 8.3 percent of disposable personal income, as compared to an average of 6.3 percent in the preceding 10 years. The high rates of unemployment and inflation in 1970 and 1971 may have contributed to the high saving rate, as households tried to protect themselves against those hazards. Whether there was another independent factor, "lack of confidence," as commonly claimed is difficult to say. The measurements we have of this factor are weak and their historical connection with savings is loose. Even in retrospect, the reasons for the exceptionally high saving rate of 1971 are not entirely known.

Why the slowdown in the inflation was so halting and uncertain is another question which has not been clearly answered. Although this phenomenon is often ascribed to "structural" changes in the economy, these structural changes are not unmistakably evident. And although the delay in the disinflationary process was undoubtedly connected with the strength and duration of the inflation in the preceding years, one could not be sure that this explanation alone was sufficient.

The third part of the picture, the great enlargement in 1971 of the balance-of-payments deficit, also had its share of unanswered questions. On the basis of past experience, the sharp swing in the trade deficit was somewhat more than one might have expected from the rise in domestic demand and the slower expansion of foreign economies. Nor was it clear why the trade balance turned to deficit at a time when the rate of inflation in the United States was less than in most other industrial countries.

Policy in the summer of 1971 had to address the uncertainties as well as the obvious facts of these three interlocking problems. The relations among the problems greatly complicated the choice that had to be made.

The Administration's economic targets and projections at the beginning of the year were predicated on the idea that if the economy failed to rise at the desired rate, steps could be taken to make it rise more rapidly. This option was open in the middle of 1971. In fact, the planned fiscal policy for fiscal 1972 had already been made more expansive than had been contemplated in the January budget, and further moves in this direction were possible. Also, the rate of increase of the money supply had been larger than had been expected at the beginning of the year, and actions already taken by the Federal Reserve to slow this expansion could have been modified or reversed.

However, consideration of these expansive moves in the summer of 1971 ran first into the fact that the rate of inflation was still high, and then into the danger that it might rise again. It could have been argued that a more rapid rate of economic expansion would help to slow down the inflation because it would speed up the growth of productivity and cut the rise in unit labor costs. Although this argument was quite plausible early in 1971, a half year later it seemed less convincing in the existing psychological atmosphere, where any action that looked inflationary tended to increase the expectations of inflation, even though the indication was superficial. In fact, some were concerned at the time that action intended to be expansive might really be restrictive because the expansive measures might intensify fears of inflation, raise interest rates, weaken confidence, and thereby depress consumer and business spending. Moreover, there was a related danger that fiscal and monetary expansion might make America's international financial problem more difficult by increasing the supply of funds available for investment abroad and by arousing fears that American inflation would speed up again.

At the same time, the continued high rate of unemployment ruled out the restrictive approach to the problems of the rate of inflation and the balance of payments. Moreover, the Administration was determined not to try to solve the balance-of-payments problems solely by tightening up controls on international transactions. This had been tried repeatedly in the preceding decade without yielding a satisfactory long-term solution.

THE AUGUST 15 DECISIONS

The key to unraveling this knot of difficulties was the necessity for dealing with the international financial problem promptly and the Administration's determination to deal with it in a bold and lasting way. The decision initiated two policy actions in the international economy. First, the United States suspended the convertibility of dollars into gold or other international reserve assets, in order to protect the U.S. reserve position from further drain and to signal to other countries our determination to achieve meaningful improvement in our own position as well as needed reform of the international trade and payments system. Second, the United States imposed a temporary surcharge on imports, generally at the rate of 10 percent, to help protect the U.S. payments position until other more satisfactory actions could be taken that would assure a stronger balance-of-payments position for this country.

These international decisions tipped the scales on an issue that had been the subject of intense consideration in the Administration for many months, and indeed since January 1969. This was the question whether the Administration should intervene directly in holding down wages and prices—adopting what had come to be called an "incomes policy"—and, if so, on what scale and in what way.

There were two fundamental objections to adopting such a policy:

1. Experience with such policy as it had been practiced abroad suggested that it would not work—or at least not with much effect or very long—for the natural reason that success would require that powerful groups suspend the effort to reap the full advantage of their power.

2. Such a policy, at least if continued for very long, would interfere with the efficiency of the economic system and might create an undesirable increase in the power of the government over its citizens.

On the other hand, a number of considerations argued for some direct intervention:

1. Progress against inflation was disappointingly slow, and despite the unspectacular record of incomes policies elsewhere the possibility of some assistance from that source, even if temporary, could not be ruled out or discounted.

2. There seemed to be a large and growing sentiment in the country for some kind of incomes policy, and steps in that direction might relieve anxiety, strengthen confidence, and improve the economy. This sentiment also increased the chance of getting the kind of voluntary self-restraint required for success.

3. The Administration's acute consciousness of the pitfalls encountered in previous attempts might enable it to avoid, on the one hand, premature collapse of the control system and, on the other hand, its unnecessary prolongation.

The Administration took limited steps to influence wage and price behavior directly in 1969 and 1970. These included actions with respect to lumber, and the construction industry generally, as well as the institution of the National Commission on Productivity, the Regulation and Purchasing Review Board, and the *Inflation Alerts,* as described in the 1971 *Economic Report of the President.* Early in 1971 the Administration took a much stronger step, establishing a system of wage controls in the construction industry, with parallel actions intended to affect other cost elements in the industry (see Chapter 2, where the construction program is described). This action was the first use of the mandatory control power given to the President by the Congress through the Economic Stabilization Act of 1970.

The steps decided upon for dealing with the international situation introduced a potent new argument into the Administration's consideration of the merits of a comprehensive system of controls. Improvement of our international position would require effective and convincing action on domestic inflation, in addition to the action the United States was seeking in the international sphere. Such action on the domestic front would assure our trading partners of our intentions and provide the framework for a cooperative approach to the solution of international payments problems.

These considerations, combined with others already present, led to the decision to institute a powerful, but temporary, price-wage control system. Once this decision had been made it altered the balance of considerations with respect to a more expansive fiscal policy. Action to make fiscal policy more expansive had been limited by the need to avoid intensifying any inflationary expectations and stepping-up the inflation. The establishment of the direct wage-price controls created room for some more expansive measures, because it provided a certain degree of protection against both the fact and the expectation of inflation. This situation had to be approached with caution, because excessive expansion could make the price-wage control system unworkable. Still there could be no doubt that the tolerable rate of expansion had been increased.

Thus, the decisions of August 15 consisted of a three-part, integrated package: (a) International measures aimed at the balance of payments; (b) controls aimed at checking inflation; and (c) fiscal measures aimed, in combination with the international measures and controls, at speeding up economic expansion and reducing unemployment.

The international measures taken on August 15 and their sequels are described in Chapter 5. The controls are discussed in Chapter 2. Here we take up the fiscal measures and the expected effect of the total program.

FISCAL ELEMENTS IN THE NEW ECONOMIC POLICY

The fiscal package proposed by the Administration on August 15 (as described in detail by the Secretary of the Treasury to the House Ways and Means Committee on September 8, 1971) was primarily motivated by the desire to stimulate at once a more rapid expansion of the economy. The composition of the package reflected a number of other objectives: To improve the balance of trade, to accelerate productivity growth by raising investment, to minimize the loss of long-term revenue-raising capacity, and to hold down the deficit in the budget for fiscal 1972, while recognizing realistically the likely outcome for the budget.

The package included the following items whose effects on the 1972 budget are shown in the table:

1. *A job development credit.* This would provide businesses with a tax credit of 10 percent for new investment in the first year of the program and 5 percent for investment thereafter. The two-tier form of credit would create a strong incentive to push investment forward into the first year of the program and would also hold down the revenue loss in subsequent years.

2. *Repeal of the 7-percent excise tax on automobiles.* This change was expected to have a stronger immediate effect on spending, production, and employment than a reduction in, say, the corporate or individual income

tax with an equivalent revenue loss. Repeal of the tax would also reduce the price level a little.

3. *Two steps changing the timing of tax cuts that had been previously legislated.* One change would raise the individual exemption to $750 on January 1, 1972, instead of to $700 on that date and $750 on January 1, 1973. The other would increase the standard deduction on January 1, 1972, to 15 percent with a $2,000 maximum. Both of these moves would increase the after-tax incomes of individuals, and both were expected to increase consumer spending in 1972 without reducing the revenues after 1973.

4. *A temporary surcharge on dutiable imports, generally at the rate of 10 percent.* (When all exceptions to the 10-percent rule were taken into account, the effective rate of surcharge came down to 4.8 percent.) The surcharge was not imposed to raise revenue but to provide the U.S. external position with some temporary protection. The surcharge would raise revenues; but unlike the conventional revenue-increasing measure it would stimulate rather than restrain the economy.

5. *Provision for the Domestic International Sales Corporation (DISC).* Through this new type of organization, U.S. exporters would be able to obtain a deferral of income tax on their earnings from qualified export sales. The purpose was to eliminate the previous bias that had worked against exporting and in favor of manufacturing abroad, and thus to stimulate exports.

6. *Recognition that certain proposed expenditure programs had been delayed in the legislative process and thus required a reduction of estimated fiscal 1972 outlays.* The main items involved were general and special revenue sharing and welfare reform.

7. *Deferral for 6 months of the Federal pay increase scheduled to take effect on January 1, 1972.* This was the Federal counterpart of the wage freeze being put into effect on August 15.

8. *A 5-percent reduction in Federal employment.* Such a reduction would be the most effective way to reduce Federal outlays with minimum short-range loss of service to the citizens.

9. *Miscellaneous small reductions in expenditures.* These included a 10-percent cut in foreign aid.

As Table 19 shows, the effect of this package was to reduce estimated expenditures for fiscal 1972 by about $1.1 billion more than the reduction in estimated receipts. At the same time, the program was intended and expected to be expansionary. The primary reason, as already noted, was that the surcharge, while revenue-yielding, was foreseen as having an expansive effect on domestic production, and the two-tier investment credit as exerting an unusually powerful effect on investment in the next year relative to the revenue loss in that year.

In addition, a common view was that both business spending and consumer spending had been held down in the early part of the year by anxiety over the inflation. One motive for the freeze on prices, wages, and rents, was the

TABLE 19.—*Effect on fiscal year 1972 Budget of tax and expenditure changes in New Economic Policy*

Type of change	Billions of dollars
Revenue reductions	5.8
Job development credit	2.7
Accelerated increase of personal exemptions	.9
Elimination of auto excises	2.2
Revenue increase	2.0
Import surcharge [1]	2.0
Revenue reductions, net	3.8
Expenditure reductions	4.9
Freeze of Federal pay increase	1.3
Deferral of general revenue sharing	1.1
Reduction of Federal employment	.8
Deferrals of some special revenue sharing	.5
Deferral of welfare reform	.6
Other	.6
Excess of expenditure reductions over net revenue reductions	1.1

[1] It was arbitrarily assumed that the surcharge would continue until June 30, 1972.

Source: Treasury Department.

hope of relieving this anxiety and encouraging more spending. If these ends were accomplished there could be a major expansive effect without any prior change in the budget.

Many aspects of the full package—that is, the freeze, the international measures, and the fiscal steps—were unprecedented, and therefore any reliable calculation of the size of their effects was exceedingly difficult. The Council of Economic Advisers estimated at the end of August that the Administration's package would make real 1972 GNP in 1972 prices about $15 billion greater than it would have been without the new program, but this figure was recognized as subject to a wide range of uncertainty.

The legislative outcome followed the general outline of the Administration's proposal but differed in several respects. Congress did not enact the 10-percent–5-percent job development credit, but instead passed a permanent 7-percent credit. Congress disapproved the revision in the treatment of first-year depreciation which the Treasury had made administratively. Congress also cut back the Administration's proposal, which had already been passed by the House in 1970, to defer taxes on profits from exports. On the other hand, Congress not only raised the personal exemption to $750 for calendar year 1972 but also raised the 1971 exemption to $675. Congress went beyond the Administration's proposals in several other respects: It raised the "low income allowance," or minimum standard deduction, to $1,300 from $1,000 for 1972 and repealed the 10-percent excise tax on light trucks. Other legislation made the Federal pay increase effective on January 1, 1972, contrary to the Administration's proposal. A new deduction for child care and household help was also introduced.

The effect of the congressional action was to reduce the net revenue loss for calendar 1972 about $1.2 billion below the cost of the Administration's proposal. Possibly more significant was the failure to adopt the job development credit in its original form, which provided a strong incentive for investment in 1972. Nevertheless, the enactment of the tax bill contributed to the expectation that a strong economic advance lay ahead, an expectation which was becoming general as 1971 ended.

CHAPTER 2

Inflation Control Under the Economic Stabilization Act

Public Law 92–210, the Economic Stabilization Act Amendments of 1971, requires that the *Economic Report of the President* include a section "describing the actions taken under this title during the preceding year and giving an assessment of the progress attained in achieving the purposes of this title." This chapter is intended to fulfill that requirement. There is, however, no intent to represent the description of the control regulations contained herein as legally binding interpretations.

AT THE BEGINNING of 1971, the Administration and the President were hopeful that reliance on appropriate monetary and fiscal policies, along with the competitive forces of the free market, would be sufficient to curb inflation. At the same time, there was recognition that the course of events during 1971 would critically affect the choice of instruments to achieve the desired goals.

The Government's instruments for inflation control include a range of policies which are appropriate to various phases and types of inflation. One of these instruments is the authority to impose direct controls as provided under the Economic Stabilization Act of 1970, as amended. It became necessary to employ this authority in 1971, at first to restrain excessive wage and price increases in the construction industry, and subsequently to initiate overall restraints on wages, prices, and rents in the face of an exceptionally stubborn inflation.

In his *Economic Report* of February 1, 1971, the President noted situations where the Government had taken action to reinforce market resistance to inflationary pressures. Included were these actions:

—Measures to augment the supply of lumber and thus counteract excessive price increases.

—Steps to increase oil production on Federal offshore leases and to expand oil imports in order to restrain crude oil price increases.

—A review of the steel industry's economic problems with special reference to inflationary price increases in early 1971 on some steel products. (After the Administration had publicly expressed its disapproval, these increases were reduced by about one-third.)

The President's *Report* also emphasized his particular concern about excessive increases in wages, costs, and prices in the construction industry, especially in view of the high unemployment that existed among construction workers. He reiterated his December 1970 request that labor and management in the industry develop a plan to bring wages, costs, and prices into line with the requirements of national economic policy, saying that a workable plan would avert the need for Government action.

THE CONSTRUCTION PROGRAM

Concern with wage-price trends in construction was founded on the experience of the previous years. Construction workers had received abnormally large wage increases in the late 1960's. During 1970 the upward trend accelerated as nearly 700,000 union construction workers negotiated collective bargaining agreements which provided wage and benefit increases averaging 19.6 percent in the first contract year and 15.6 percent annually during the life of the contract. These increases were a major factor in the sharp rise in construction costs and prices, and they may have served as a spur to inflationary wage demands by both union and nonunion workers in other sectors of the economy.

The appeal for a voluntary program of cost restraint was not successful. Late in February 1971 the President suspended the Davis-Bacon Act, which sets wage standards for federally funded, assisted, or insured construction. By late March, the Administration, working with labor and industry leaders, had developed a cooperative program designed to restrain cost increases. On March 29 the President reinstated the Davis-Bacon Act and by Executive Order 11588 formalized the cost restraint program. Under the authority provided by the Economic Stabilization Act of 1970, this Executive Order established the administrative rules, organizations, and procedures to be used in the stabilization of wages and prices in the construction industry. The administrative mechanism for restraining wage increases took the form of a 12-member tripartite Construction Industry Stabilization Committee (CISC). With the aid of Craft Dispute Boards made up of labor and management representatives for individual construction trades, the CISC was to review and pass upon the acceptability of all economic adjustments in all collective bargaining agreements negotiated in the construction industry.

Executive Order 11588 spelled out two basic criteria for evaluating proposed increases in compensation. They were: (a) "Acceptable economic adjustments in labor contracts negotiated on or after the date of this Order will be those normally considered supportable by productivity improvement and cost-of-living trends, but not in excess of the average of median increases in wages and benefits over the life of the contract negotiated in major construction settlements in the period 1961–1968"; and (b) "Equity adjustments in labor contracts . . . may, where carefully identified, be considered over the life of the contract to restore traditional relationships among crafts in a single locality and within the same craft in surrounding localities."

Because of the large number of contracts to be reviewed by the CISC, the time needed to install administrative procedures, and the return of some proposed contracts to Craft Dispute Boards for renegotiation, a backlog of unapproved cases quickly developed. Its existence caused problems when the wage-price freeze was instituted on August 15. The freeze applied to construction, as to all other industries, but it was not retroactive. Because the construction contracts in the backlog had been decided prior to August 15, the Cost of Living Council had no jurisdiction; the contracts could, with CISC approval, go into effect as agreed. Thus the CISC continued to operate during the freeze and, subsequently, in Phase II under the jurisdiction of the Pay Board, to clear up the backlog of old cases; this process continued until late December.

In all, the CISC reviewed over 1,500 new collective bargaining agreements that had been settled by the parties. Over one-fifth of these were not approved in their initial form by CISC. Construction industry collective bargaining agreements settled and approved in the second and third quarters of 1971 provided first-year wage and benefit increases of about 11 percent, a significant reduction from 1970, when such increases averaged 19 percent. CISC thus retarded the rate of growth in the compensation of unionized construction workers and its existence appears to have been an important factor in a reduction of strike activity in the industry. How much greater the effect of the construction industry program would have been if the general wage-price control system had not been established will never be known, but real progress was undoubtedly made during the period of its independent existence.

Executive Order 11588 also established an Inter-Agency Committee in the Federal Government to develop criteria for establishing acceptable pricing policies for construction contracts and acceptable compensation changes for management and staff employees in the industry. The Inter-Agency Committee had developed and published draft regulations and was in the process of drafting final regulations when its activities were superseded by the broader price and compensation controls of the New Economic Policy.

AUGUST 15: THE WAGE-PRICE FREEZE

Acting under authority of the Economic Stabilization Act of 1970, the President announced on August 15 an immediate 90-day freeze on prices, rents, wages, and salaries and creation of a Cabinet-level Cost of Living Council (CLC) to administer the freeze and to advise on further stabilization policies and actions.

The combination of conditions that led to direct Government action to restrain prices and wages was discussed earlier. These conditions did not automatically determine the type, duration, or rigor of the policy initially undertaken, which could, of course, have ranged from a noncompulsory type of policy operating mainly through moral suasion to the comprehensive mandatory freeze that was actually applied.

During the first half of 1971 the Administration was under increasing pressure to adopt some form of incomes policy, preferably a noncompulsory one. However, such a policy was not considered appropriate for two reasons.

First, there was reason to believe that public opinion would regard such a "soft" control policy as merely the first in a series of moves toward compulsory controls. The result would be widespread efforts to increase prices and wages in anticipation of a more stringent program; the Government's likely reaction—successive escalations of controls—would result in more inequities, distortions and, ultimately, administrative difficulties than would a comprehensive freeze. Although the situations were considerably different, experience with controls in the initial stages of the Korean conflict suggested that this would be the likely pattern of response to voluntary guidelines.

Second, the nearest American approach to a policy of persuasion, the guidelines of the previous Administrations, had been abandoned in 1966. The Administration believed in 1971 that exhortation had lost most of its force.

Beyond an incomes policy supported only by exhortation, there were, of course, many possible variations of compulsory controls. The Phase II controls that followed the freeze represent one of those variations. Common to all such systems, including the Phase II apparatus, is a need for time to formulate the program, to set up the administrative organization, and to write and disseminate regulations. Such preliminary processes instantly become public knowledge, with the predictable result that during the startup phase of a complex restraint program all elements of the economy attempt to improve their relative position before the controls become effective; the net effect is to make the inflationary spiral even steeper.

The chief virtues of the freeze were its decisiveness, comprehensiveness, and administrative simplicity. The President's announcement that practically all wage and price increases were prohibited left no doubt of a drastic change in the upward trend of prices and wages. Equally important, a freeze could be—and was—imposed immediately, precluding anticipatory price and wage increases and providing time to prepare and set in motion more lasting and flexible measures.

The Administrative System

The Cost of Living Council (CLC) consisted of the Secretaries of the Treasury (Chairman of the CLC), Agriculture, Commerce, Labor, Housing and Urban Development, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers (Vice-

Chairman of the CLC), the Director of the Office of Emergency Preparedness and the Special Assistant to the President for Consumer Affairs. The Chairman of the Board of Governors of the Federal Reserve System was named adviser to the CLC. A small staff headed by a full-time executive director supplied services including policy review, planning and analysis, public information, legal counsel, and administrative services.

The CLC, under the authority delegated by the President in Executive Order 11615, issued a series of orders putting the general freeze into operation and made the principal policy decisions during the freeze. Policy was implemented through an organizational system headed by the Director of the Office of Emergency Preparedness (OEP) which was delegated the authority to administer, monitor, and enforce the freeze. The OEP, through its nationwide organization (which is designed to meet national emergencies or natural disasters and plan for economic contingencies arising from possible emergencies) successfully carried out this assignment during the freeze period. The OEP was assisted in interpreting and enforcing the freeze regulations by the Treasury Department's Internal Revenue Service, a specially designated unit of Department of Justice attorneys, and Agricultural Stabilization and Conservation Service field offices.

Freeze Policies

Reflecting the basic objectives of the freeze, the CLC's policy decisions tended in the direction of the most emphatic possible stop to the inflation. Only a minimum of exceptions to the freeze on prices, wages, and rents was permitted. Because of the complexities of the markets for many goods and services, however, it proved difficult to develop precise definitions that applied with equal effect in all situations. The basic principle of the freeze, as applied to wages, prices, and rents, was that the rate of payment during the freeze period—August 16 to November 13—could not exceed the rate in effect during the base period—July 16 through August 14.

Wages and Salaries. The crucial question in applying the basic principle of the freeze was what "in effect" meant in cases where a prefreeze contract or other arrangement called for a larger wage payment during the freeze period than had actually been paid during the base period. It was argued at the time that contracts have a sanctity which must be respected and that a logical line could be drawn to distinguish contracts from other arrangements incorporating the expectation of a wage increase. However, the opposing argument was that there was neither a logical nor an equitable distinction in this type of situation, and to give preferential treatment to contracts as the bases for granting wage increases would discriminate against workers not covered by contracts.

This issue was resolved by deciding that wages would be limited during the freeze to the rates actually paid workers during the base period, even though they might have entered into an agreement calling for higher rates to take effect sometime during the freeze. Such resolution of the issue

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was deemed to be the most explicit and straightforward application of the freeze. Moreover, approval of these higher rates would have seriously undermined effectiveness of the freeze and probably would have eroded public support, which was based on equal treatment of all groups. Another important concern in this decision was the desire to avoid negative effects on production or investment. To allow wage increases to go into effect during the freeze, while keeping an immovable lid on prices, would have squeezed profits severely in some cases and might have resulted in some firms' temporarily curtailing production and employment, especially since relief might have been expected after the freeze. To identify such cases and permit selective price increases only where they were necessary to prevent this result was not administratively feasible in the time limits of the freeze period.

Prices and Rents. The decision not to permit wage increases to take effect during the freeze even if they had been contracted for earlier was paralleled in the CLC regulations for both prices and rents. Rent increases were not allowed, even though tenants before August 15 had signed leases, secured by deposits, calling for increases.

In the case of prices, the ceiling for the freeze period was the highest price at or above which a "substantial volume" (interpreted to mean at least 10 percent of the total) of transactions had taken place in the 30 days preceding the freeze. If no transactions had taken place during that period, the nearest preceding 30-day period in which transactions occurred was to be used as the base. A price transaction was deemed to have occurred when the seller shipped a product to the buyer, not when the order for the product was received. Thus, sales contracts entered into before August 15 providing for deliveries during the freeze at higher than base period prices were set aside.

In keeping with the principle of the freeze, price increases were not sanctioned on the basis of cost increases; inequities and hardships arising from this rule were assumed to be endurable for the 90-day duration of the freeze. Raw agricultural products were exempted in the Executive Order, however, and certain limited exceptions—for example, import price increases and seasonal price adjustments—were allowed.

Raw Products. The exemption of raw agricultural products, including seafood products, from price control created problems for some processors who found their operating margins squeezed between uncontrolled costs and frozen selling prices of the processed foods. Nevertheless, increases in the uncontrolled prices were not allowed to be passed through, although there were some minor extensions of the definition of "raw" products.

Imports. Imported products were subject to price increases during the freeze at the level of the importer from three sources:

1. The surcharge on dutiable imports (generally 10 percent of the customs valuation). No surcharge was applied to duty-free imports or those under quota.

2. An increase in dollar price resulting from fluctuations in international exchange rates.

3. Price increases in world markets which were reflected in the delivered price in the United States.

On the principle that U.S. Government actions were directly responsible for the surcharge, the CLC permitted the dollars-and-cents amount of the surcharge on a particular imported product to be passed through successive transactions, including processing, to the final purchaser. Increases due to dollar depreciation or price changes on world markets were allowed to be passed on as long as the imported good retained its original form. If an import was physically transformed, the price increase had to be absorbed.

Seasonal Price Adjustments. Sellers of goods and services which were characterized by a marked seasonal fluctuation in price were likely to be unfairly penalized by ceiling prices based on the immediate prefreeze period. Therefore, the CLC ruled that prices showing a "large distinct fluctuation at a specific, identifiable point" in each of the past 3 years would be allowed to increase to the level reached during the same seasonal period of the preceding year.

New Products. As in past periods of price control, the definition of a product became controversial. The CLC decided that to be considered new a product or service must be "substantially different" and not merely changed in fashion, style, form, or packaging. In the event of introduction of a genuinely new product or service during the freeze, two alternative methods of pricing were permitted; the price could be based on the price of comparable products or services or on the unit cost plus the normal markup of similar products or services.

Other Rulings. The CLC determined that price ceilings did not apply to exports and that increases in various welfare payments, workmen's compensation, and employers' contributions to previously effective fringe benefits were not covered by the freeze. Pay increases resulting from bona fide promotions to jobs of greater responsibility and progression of apprentices or learners to more skilled levels according to preestablished programs were permitted on the grounds that they were not increases in the wage for a given job. Actual wage increases were also permitted to meet requirements of minimum wage laws or to eliminate illegal discriminatory employment practices.

Exemptions. In all, nearly 6,000 requests for exemptions and exceptions to the freeze regulations were considered by the CLC; five individual exemptions were made. Many requests were from persons in financial difficulties not due to the freeze. Many others were from persons whose proposed changes were permissible under existing regulations.

The freeze generated numerous problems for its administrators, but most of their concern was occasioned by a small proportion of the economy's millions of different wages, prices, and rents. The public was kept informed by a series of questions and answers that amplified and interpreted the definitions of the original Executive Order released by the CLC; the substance of these interpretations and definitions was incorporated in the more extensive regulations and circulars published in the *Federal Register* by the Office of Emergency Preparedness.

Dividends and Interest. The Economic Stabilization Act of 1970 did not include provisions for regulating interest or dividends. Control of dividend payments during the freeze period was carried on through a program of voluntary compliance. The Secretary of Commerce sent telegrams to about 1,300 large corporations, asking them voluntarily to forego increases in dividends during the freeze, and he received practically unanimous support. Although interest rates were not controlled during the freeze, most rates dropped significantly, in part because of the abatement of inflationary expectations.

Administrative Record of the Freeze

Little administrative planning and no organizational preparation could be carried out before August 15. Such activity might have given public notice to the impending control program and jeopardized its prospects for success. As a result, the freeze was as much a surprise to almost all of the people who were to help administer it as it was to the Nation at large. Given these circumstances at its initiation, the administration of the freeze program must be accounted outstandingly effective.

In exercising its authority to administer, monitor, and enforce the freeze regulations, OEP had the benefit of its established facilities, including a system of 10 regional offices (two of which were specially opened during the freeze) connected to Washington headquarters by private teletype. In addition to OEP's 300 employees, personnel from many other Government departments and agencies, including 2,500 IRS employees, were engaged at least part time in the program.

Inquiries and Complaints. During the freeze period approximately 1 million inquiries regarding the stabilization program were received (mostly by telephone); of these two-fifths concerned prices and the rest were equally divided between wages and rents. Most of these were requests for interpretations, but nearly 50,000 were complaints of alleged violations, 75 percent of which concerned prices. Rents accounted for 19 percent of the complaints and wages 6 percent. Over 60 percent of these complaints were found not to involve actual violations; almost all of the remaining cases were brought into compliance informally or through routine investigation.

In addition, over 85,000 spot checks carried out by IRS indicated over 90 percent in compliance. Of those in violation, over half promptly and voluntarily complied when the violation was pointed out.

Litigation. About 200 cases of violators who refused to comply voluntarily after initial contact were forwarded to OEP regional offices during the freeze; all but a few of these cases were resolved without court action. Eight cases had reached court and 23 more were in various stages of preparation in the Justice Department as the freeze ended. This relatively small volume of litigation reflects the widespread compliance with the freeze.

Effectiveness of the Freeze

Viewed as a whole and against the circumstances of its initiation, the freeze was a major success. Its primary purpose was, of course, to reduce the rate of inflation and its success in that respect may, in some degree, be inferred from the behavior of the major price indexes.

Consumer Price Index. During the freeze the rate of increase of consumer prices as measured in the consumer price index slowed by more than half from the prefreeze rate (Table 20). The index did not show a complete halt because prices of some items in the index (about 10 percent of the total weight) were unaffected, as a result of exemptions, exceptions, and inapplicability of the controls. In addition, the rate of price increase was somewhat overstated by the index during this period because time lags in the collection of price data caused some prefreeze price changes to be reported during the freeze. The exemptions and the measurement problem led to a continued rise in the index during the freeze. Partly because of this, special analyses of price changes item by item were undertaken. These showed that except for raw agricultural products the prices were unchanged between October and November for 86 percent of 120,000 consumer items for which comparisons could be made; for about 6½ percent prices declined, and for about 7 percent prices increased (Table 21). A similar pattern was found

TABLE 20.—*Changes in consumer prices, selected months, 1971*

[Seasonally adjusted except as noted]

Item	Percentage change from 3 months earlier (annual rate)			
	February	May	August	November
All items	4.0	4.2	4.0	1.7
Food	1.7	8.2	2.7	1.7
Nonfood commodities	3.2	4.2	3.1	.0
Services [1]	5.6	2.9	6.1	3.1

[1] Not seasonally adjusted.

Source: Department of Labor.

TABLE 21.—*Changes in consumer prices, selected items, October to November 1971*

Group	Percentage distribution of October to November changes [1]			
	Total	No change	Decrease	Increase
Total [2]	100.0	86.4	6.6	7.0
Food at home [2]	100.0	84.8	7.5	7.7
Nonfood commodities	100.0	87.2	6.1	6.7
Services	100.0	97.2	1.0	1.8

[1] Based on special analysis of 120,000 individual price comparisons.
[2] Excludes raw agricultural products.

Source: Department of Labor.

for the September–October period. Some increases were, of course, permitted by the CLC regulations, but it was not possible to determine from these data whether the small proportion of increases that did occur were entirely the result of allowable increases.

Industrial Wholesale Prices. The effect of the freeze on wholesale prices, which is easier to observe because there are fewer lags in the collection of data, was even more impressive than in the case of the consumer price index. The index of industrial commodity prices, which had risen at an accelerating rate after the first 3 months of 1971, declined at an annual rate of 1.3 percent from August through November (Table 22). The decline affected

TABLE 22.—*Changes in wholesale industrial commodity prices, selected months, 1971*

[Seasonally adjusted except as noted]

Commodity group	Percentage change from 3 months earlier (annual rate)			
	February	May	August	November
Industrial commodities	2.9	5.0	6.5	−1.3
Textile products and apparel	−1.1	5.7	6.1	−.4
Hides, skins, leather, and related products	6.7	4.3	3.6	.7
Fuels and related products and power	13.0	3.6	2.8	−.7
Chemicals and allied products	3.9	−.8	.8	−1.9
Rubber and plastic products	1.5	.7	.0	−.7
Lumber and wood products	9.0	24.2	44.9	−3.2
Pulp, paper, and allied products	.0	2.2	4.5	.4
Metals and metal products	−4.7	9.3	10.9	−.7
Machinery and equipment	4.3	3.2	3.9	−1.4
Furniture and household durables	3.7	1.1	2.2	−.4
Nonmetallic mineral products	11.6	10.2	9.9	1.3
Transportation equipment [1]	4.5	.4	2.6	1.1
Miscellaneous products	4.4	−1.1	.7	.7

[1] Not seasonally adjusted.

Source: Department of Labor.

most of the industrial commodity categories; the few increases that did occur were attributable to import price increases or factors such as the seasonal fluctuations associated with introductions of new automobile models.

Average Hourly Earnings. The freeze on the wage and salary side also was effective. Hourly earnings (adjusted to more nearly approximate wage rates) had shown an annual rate of increase of about 7 percent prior to August; this dropped to an annual rate of about 1¾ percent between August and November.

PHASE II: ISSUES AND ORGANIZATION

The broad support of and compliance with the freeze reflected a national willingness to support a rigorous anti-inflationary program, even at the cost of some hardship. But it was clear from the outset that the freeze had certain important limitations if extended indefinitely. An indefinite freeze is unworkable in a dynamic economy, where technology, new products and changing demand patterns exert a continuing strong influence on prices. Movements of prices and wages serve the essential purposes of organizing and guiding the allocation of resources, and to suppress them for long would seriously distort resource allocation. The proper goal of the stabilization program is to reestablish an acceptably low rate of price increase by reducing expectations of continued strong inflation and eliminating, to the extent possible, practices and behavior which sustain or promote inflation. But underlying expectations of a continuing inflationary trend could not be arrested by a short freeze. A sequel would therefore be required; this plan was reported to the Nation in the President's October 7 announcement.

It was vital to the success of the effort to disinflate through a system of controls that the transition from the freeze to Phase II should be orderly, well understood, and widely supported. Many possible paths could have been followed in the Phase II price-wage control system. In a free nation with a market economy, however, these paths are somewhat circumscribed by social, political, institutional, and economic constraints. In this instance, these constraints required that the control system employed in Phase II be as effective and equitable as possible in reducing the inflation, while still permitting the maximum operation of normal market mechanisms and ensuring an early return to a free market economy. Administratively, the system also had to be streamlined and efficient, and, to work, it had to earn a high degree of public support. These considerations raised certain decisive issues. Paramount among them were these questions:

Should the program be mandatory?
How comprehensive should the program be?
How should the program be administered and enforced?
Who should set standards of price-wage behavior?
What standards should be set?

In addressing these problems of Phase II, the President and his Cost of Living Council consulted with numerous representatives of each major interest in the control program: labor and business, farmers and consumers, State and local governments, and the Congress. The discussions revealed an almost unanimous belief that the anti-inflationary effort should be continued to a successful conclusion, but a great diversity of strongly held opinion about the best strategy and procedures for achieving price stability. A consensus was ultimately fashioned upon the belief that Phase II required: (a) A clear-cut, publicly supportable goal for the disinflationary effort; (b) machinery allowing the public and major elements of the economy to participate in setting policy and administering the program; (c) an essentially self-administered system embodying strong incentives to encourage anti-inflationary behavior; (d) provision in the system for maximum continued operation of competitive pricing and free collective bargaining.

In the interests of equity and effectiveness (and for the reasons noted earlier in this chapter with respect to the freeze) it was decided that Phase II controls would be mandatory and initially as comprehensve in their direct coverage as was administratively feasible. In large measure, this decision was based on the intensity and pervasiveness of the prefreeze inflation. The intention was to preserve the psychological benefits already realized by the freeze, to prevent an outbreak of renewed inflationary increases in prices or wages in any uncontrolled sectors, and to establish a broad pattern of restraint and thus reassure the public that the process of stemming inflation would be as widely and evenly distributed as possible. This decision for almost universal coverage at the outset did not preclude the possibility of a subsequent relaxation of the controls by stages, as the effectiveness of the system was demonstrated, confidence in the control of inflation was strengthened, and sectors of the economy no longer requiring control were identified.

A major issue of post-freeze control strategy was which of two courses to pursue. One alternative was to follow up the freeze period with what might be called a semifreeze, holding close to the rigid standards of the freeze as long as possible. The danger here was that inequities and hardships caused by the freeze had built up so much pressure that there would be an explosion that might wreck Phase II before it got underway; also there would be increasing problems of resource allocation. The other alternative was to move quickly to the more flexible and durable standards that would eventually be needed, recognizing that this would cause a transitional bulge of wage and price increases. Because of concern that a rigid stance would both undermine the operation of normal market functions and force major confrontations that might endanger the continuation of the whole program, the second of the two courses was followed. The cost of this choice was a temporary period of wage and price increases in excess of the goal.

Maintenance of maximum cooperation and support was also a vital consideration in structuring the policy-setting bodies. On the wage side it was evident that participation of labor and management would be required to give both groups a voice in the direction of the program and to ensure equal treatment. It also was abundantly clear that administration and policymaking in this unique situation would require great expertise in the area of price-wage determination and that such ability was best found among persons with long experience and training in the field. Also, large segments of the Nation—including business, unions, and the general public—had increasingly supported a control program in 1970–71, and their insights and participation were believed to be an important factor in the successful operation of the controls program.

Structuring of the policy-setting bodies could have taken several directions but the considerations summarized above pointed toward a tripartite combination (equal representation of labor, management and the public) for policy determination in the wage area, and toward public membership only on the price-policy body. In matters of pay, the different types of expertise and, above all, the need and desire for cooperation dictated a tripartite board.

Announcement of Phase II

On October 7 the President announced the outlines of the Phase II program. The goal of the program, as proposed by the CLC, was to reduce the rate of inflation to the 2 to 3 percent range by the end of 1972, a reduction to about half the prefreeze rate. The development of guidelines and standards to attain this goal was to be in the hands of policy-setting units comprised primarily of personnel drawn from various sectors of the economy, outside of Government but acting in the public interest. The controls were to cover the economy broadly, were to be mandatory, and were to be removed when, in the President's judgment, conditions had been achieved which promised the maintenance of reasonable price stability without them.

In its specific provisions, the administrative machinery (established in Executive Order 11627) was to operate along participatory lines to the greatest extent practicable. The CLC, consisting of high Government officials and representing the President's direct interest, was assigned the responsibility of establishing broad goals, determining the coverage of the control program, overseeing enforcement, and coordinating the anti-inflationary effort in line with the overall goals (Chart 9).

The primary bodies created to develop standards and make decisions on changes in all prices (including rents) as well as compensation (wages, salaries, and fringe benefits) were, respectively, the Price Commission, composed of seven public members, and the tripartite Pay Board of 15 members, who were divided equally among business, labor, and public representatives.

Advisory committees were also established to promote a voluntary program to restrain interest rates and dividends, elicit State and local government cooperation, and to suggest means to curtail price increases in the health services industry. A rent advisory board including landlord, tenant and public representatives was created to counsel the Price Commission, while the preexisting tripartite Construction Industry Stabilization Committee was placed under the authority of the Pay Board. The National Commission on Productivity was expanded and assigned the advisory role of ensuring that the entire stabilization program encouraged productivity growth.

For purposes of administrative efficiency, the CLC decided that smaller economic units should not be required to give advance notice or to report price and wage increases which were consistent with the basic guidelines established by the Price Commission and Pay Board. The largest firms and employee groups were required to obtain advance approval from the Commission and the Board for any change, and an intermediate group was required to report after wages or prices were increased in accordance with the stabilization rules. These tiers are shown in Table 23. The CLC also recognized that prices of some products and services were either insignificant in the overall inflation problem, relative to the administrative difficulty of controlling them, or were subject to direct controls outside the Economic

Chart 9

Post-Freeze Organization

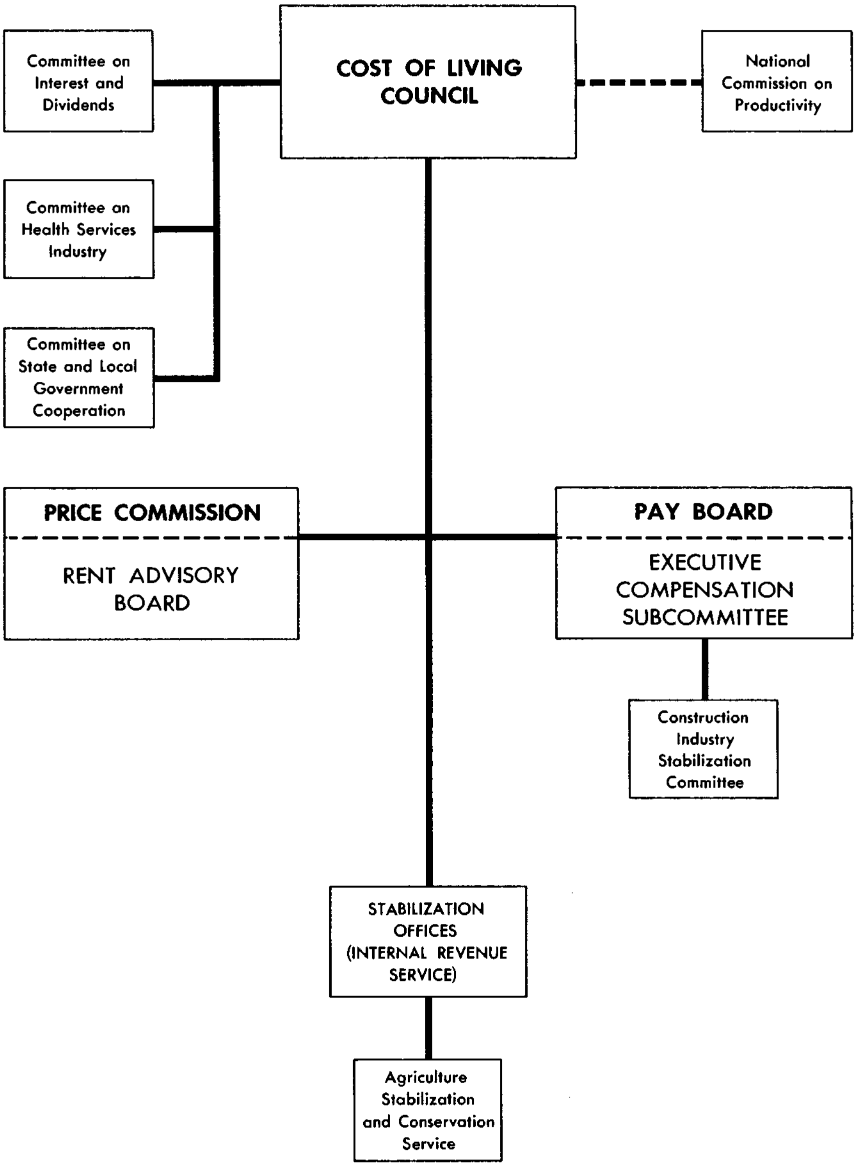

TABLE 23.—*Required reporting of price and wage increases*

Tier	Action required	Price increases (size of firm)	Wage increases (number of workers)
I	(a) Prenotification of Price Commission or Pay Board (increase to be effective with approval of Commission or Board).	Sales of $100 million and over (1500 firms with 45 percent of all sales).	Affecting 5,000 or more workers (10 percent of all employees).
	(b) Tier I firms to submit quarterly price, cost, and profits reports to Price Commission.		
II	(a) Report to Price Commission or Pay Board.	Sales of $50 million to $100 million (1,000 firms with 5 percent of all sales).	Affecting 1,000 to 5,000 workers (7 percent of all employees).
	(b) Tier II firms to submit quarterly price, cost, and profits report to Price Commission.		
III	No reports (but increases to be made only in accordance with Price Commission and Pay Board regulations and to be subject to monitoring and spot checks).	Sales of less than $50 million (10 million enterprises with 50 percent of all sales).	Affecting less than 1,000 workers (83 percent of all employees).

Source: Cost of Living Council.

Stabilization Act. These were exempted from direct control. By year end this group included:

- Raw agricultural products
- Raw seafood products
- Life insurance
- United States Postal Service
- Certain custom products and services
- Exports
- Imports (first sale into U.S. commerce)
- International ocean shipping rates
- Damaged and used products
- Sales of U.S. Government property
- Real estate, both improved and unimproved (except for improvements completed after August 15, 1971, for a predetermined price)
- Rentals of residential units constructed (or substantially rehabilitated) after August 15, 1971
- Securities and financial instruments (including commodity futures on organized exchanges)
- State and local government fees and charges for services
- Tuition fees and charges of private nonprofit educational organizations
- Pay of Americans working and living abroad
- Federal pay, fees, and charges
- Wages below the Federal minimum
- Prices, rents, and wages in the Commonwealth of Puerto Rico
- Rents of farm, industrial, and nonresidential property.

Members of the Price Commission and Pay Board assumed their duties in late October. From then to mid-November, when the freeze ended, they had to organize staff, publish specific guideline regulations, and establish prenotification and reporting procedures. Both groups were also under immediate pressure at the opening of Phase II to deal with special problems created by the 90-day freeze.

Price Standards

In assuming its responsibilities, the Price Commission announced a goal of holding the rate of average price increases across the economy "to no more than 2½ percent per year." This conformed to the CLC's goal of getting the inflation down to no more than 2 to 3 percent by the end of 1972. The Price Commission also set forth the general rule that no price might be increased beyond the ceiling price established for the freeze period, except in accordance with its regulations. The terms of these regulations were as follows:

1. *Manufacturers and Service Organizations.* These firms were permitted to increase their prices to reflect allowable cost increases which had occurred since their last price increase but not before January 1, 1971. The cost increases were to be reduced to reflect productivity gains. Such price increases could not have the effect of increasing the firm's profit margin (profits before taxes as a percentage of sales) over its margin prevailing in a base period (defined as the highest average of two of a firm's 3 fiscal years ending prior to August 15, 1971);
2. *Retailers and Wholesalers.* These firms were permitted to increase their prices consistent with maintaining: (a) Their customary initial percentage markup on products equal to or less than that prevailing during the freeze period or (at the firm's option) during the firm's last fiscal year ending before August 15, 1971, and (b) the before-tax profit margin of the firm equal to or less than that prevailing in the base period (defined as for manufacturers, above).

These regulations had the effect of placing a ceiling on the firm's overall *ratio* of profit to sales, the ceiling being determined by the experience in the past 3 years. The formula for permissible price increases normally precluded an increase in the profit margin on individual products; in the event that product mix factors had the effect of increasing the firm's overall profit margin, the ceiling became operative. However, *absolute* profits could continue to advance in step with expanded production and sales. Since the regulations applied to individual producers and sellers, competitive influences could continue to operate as an additional downward pressure on prices. This factor was immediately apparent in cases where some manufacturers' effective price increases were below those justified by their cost increases because major competitors had been permitted a smaller increase. This procedure also avoided the costly and time-consuming process of setting individual price ceilings for individual products, with attendant problems of product definition and of assembling and analyzing data.

Immediately after the freeze the Price Commission gave priority to decisions on requests from Tier I firms for price increases based on long-term contracts written before the freeze, on adjusted base prices, or on price adjustments posted or announced prior to August 15, 1971, as well as for price increases based on contractual wage and other cost increases where price adjustments had been deferred by the freeze. Other price increases calling for advance notification were to be dealt with on the basis of approval or disapproval by the Price Commission within 30 days.

Labor Cost Pass-Through. The Price Commission made clear soon after assuming its duties that it would not necessarily grant price increases reflecting the full amount of increases in labor costs, i.e., increases in wages and benefits minus gains in productivity. It promised "to look very carefully at any labor cost increase, even if allowed by the Pay Board, to determine its impact on price inflation," and said that "in general" it would not recognize wage increases that exceeded the Pay Board's basic standard.

Rents. Price Commission rules for increases in residential rents provided that the landlord could:

1. Increase his rent charge by 2½ percent annually above the base rental upon 30-days notice to the tenant.
2. In addition, increase his rent charge by the dollars-and-cents amount of the increase of State and local government taxes, fees, and charges for services allocable to the individual unit.
3. Increase monthly rents by 1½ percent of the total cost of major capital improvements made after August 15, 1971.
4. In the case of leases which had not been renewed within 90 days prior to August 15, establish a new base rent, defined as that in effect on May 25, 1970, plus 5 percent.

Fire and Casualty Insurance. Price Commission policies covering all nonexempt insurance coverage restricted projection of increases in company-controlled costs (as opposed to actuarial factors) to 2½ percent, limited the projection of inflationary trend factors to 62.5 percent of what they would have been in the absence of an economic stabilization program, stipulated that no changes could be made in ratemaking formulas which would increase rates and, in lieu of the general profit margin test, imposed a 2½-percent limit on increases in the profit portion of the premium. Insurance departments of the various State governments are responsible for administering these guidelines, although final authority to review rate increases remains with the Commission.

Public Utilities. Under the Price Commission's rules all public utilities with $100 million or more in annual revenues in their most recent fiscal year were required to notify the Commission when they request a rate increase from their respective regulatory agency as well as when the increase is permitted to be effective; public utilities with revenues of between $50 million and $100 million were required to notify the Commission when they were granted an increase. The Commission relies initially upon certification by the regulatory agency that the increase conforms to criteria specified by the Commission; however, the Commission retains the right to disapprove an increase within 10 days after it has been granted.

Firms Showing Losses or Low Profits. Notwithstanding its other regulations, the Price Commission authorized all firms currently sustaining a loss to increase their prices to the break-even level. In addition, firms with annual sales of $1 million or less were permitted to increase prices to bring their profit margins on sales up to 3 percent regardless of their experience in the previous 3 years.

Health Care Services. The Price Commission approved policies for this sector recommended by the Health Services Industry Advisory Committee which operated under the jurisdiction of the CLC. The guidelines divided the industry into two categories: *Institutional providers,* such as hospitals and nursing homes, were to be permitted only such price increases as were justified by allowable costs adjusted for productivity gains. Increases from 2½ to 6 percent had to be reported to the Internal Revenue Service with supporting justification and to the appropriate medicare intermediary; and increases above 6 percent required an exception granted by the Price Commission. *Noninstitutional providers,* including physicians, were permitted average aggregate increases in their prices, based on allowable cost increases, of no more than 2½ percent per year. Such increases might not have the effect of increasing profit margins of the providers above the average of the highest two of the past 3 years. Nonprofit providers were not permitted to increase the ratio of their net revenues to their gross revenues as compared to the base-year average.

Term Limit Pricing. The Price Commission late in 1971 established a simplified approach to approvals for price increases by Tier I companies: Under the term limit principle (TLP) a company might apply for a weighted average price increase covering all product lines for a 12-month period without specific Commission approval of changes in individual product prices. This modification was particularly useful to firms with complex product lines which included thousands of individual items. The Commission required such a firm to keep records and file quarterly reports; and the firm had also to establish a monitoring procedure which would assure that the weighted average of increases did not exceed the approved limit.

Prices, Fees, and Charges of Federal, State, and Local Governments. The distinction between prices, fees, and charges on the one hand and the taxes levied by State and local governments on the other is often very arbitrary. Since taxes cannot be controlled under the economic stabilization authority, an inducement to raise taxes rather than increase fees might be present if the latter were controlled. Therefore, these fees (except those of hospitals and public utilities) were exempted from control. However, all State and local governments were requested to take steps to make sure that such fees did not increase more than 2½ percent per year; their chief executive officers were also asked to report semiannually on fee increases. Similarly, the Federal Government was scheduled to report the fee increases at the end of each fiscal year.

Interest and Dividends.

Interest rates were lower during 1971 than 1970, and net borrowing by households and nonfinancial business units increased substantially. The decline of interest rates may have reflected some abatement of inflationary expectations. Despite the decline of interest rates there was considerable public concern about the future course of interest rates and the Committee on Interest and Dividends was directed by the CLC to maintain close surveillance of interest rates with a view to formulating and preparing to implement a program of voluntary restraints on such rates, particularly for home mortgages and consumer loans.

The Committee proposed voluntary compliance with dividend guidelines that requested that companies limit dividend increases to 4 percent per share in 1972 (adjusted for splits and stock dividends) over the largest per-share dividend paid in fiscal 1969, 1970, and 1971, or in calendar 1971. Various special guidelines carefully defined acceptable procedures where new companies, mergers, and special situations were involved.

Pay Board Policies

General policies governing pay adjustments were adopted by the Pay Board early in November. These became effective at the end of the freeze and were applicable to all employees other than Federal employees and persons earning less than the Federal minimum wage. These guidelines included three provisions. First, permissible annual pay increases would be those normally considered supportable by productivity improvement and cost-of-living trends. The initial general standard for new contracts and adjustments was set at 5½ percent and was subject to periodic review by the Board. Second, existing contracts and pay practices established before November 14 would be allowed to operate, subject to challenge by five members of the Board or a party at interest. Third, retroactive payments for wage increases temporarily foregone during the freeze would be permitted only upon approval of the Board.

The Pay Board delegated to the CISC the responsibility of carrying out Board policy with respect to the construction industry. The Board also agreed upon and issued a series of definitions. Among the most important of these were a base date (November 13) from which future wage increases were measured against the standard and definitions of employee units. The Board also waived reporting requirements for existing contracts until year's end, a deadline later extended to January 31, 1972.

In mid-November the Pay Board issued standards regulating certain permitted exceptions to the general $5\frac{1}{2}$ percent pay standard. These exceptions provided that: (a) Pay increases of up to 7 percent would be permitted where tandem relationships (situations where pay rates for certain employees or firms are based on rates for other groups of workers or firms) could be proven to exist under certain stringent definitions. (b) Pay increases of up to 7 percent would be permitted where they were deemed necessary, within certain narrow criteria established by the Board, to attract or retain essential labor. (c) Pay increases of up to 7 percent would be permitted until March 31, 1972, where pay increases had aggregated less than the sum of 7 percent per year for each of the past 3 years (under this exception only the difference between the sum of 7 percent per year for 3 years and the sum of the actual increases might be added to the $5\frac{1}{2}$ percent increase normally permissible). (d) The portion of a pay adjustment tied to changes in the cost of living might be calculated as a weighted annual average increase, provided that the sum of this portion and the remainder of the adjustment did not exceed the general pay standards. The first and second exceptions required prior approval by the Pay Board, and the maximum permissible adjustment, under any or all of these criteria, was not to exceed 7 percent.

Policies on executive and incentive compensation not covered by collective bargaining agreements were announced late in December. Essentially these provided that executive compensation increases (including salaries, fringe benefits, and perquisites of all types) were not to exceed the $5\frac{1}{2}$ percent general standard. Existing incentive compensation and bonus plans were permitted to continue as long as their costs did not rise by more than $5\frac{1}{2}$ percent from the appropriate base period. Existing stock option programs were permitted to continue if they met certain detailed legal and historical tests, including the stipulation that the number of shares made available should not exceed the average number made available during a 3-year base period. Also late in December, the five business members of the Pay Board reported their intention to challenge all deferred pay increases in excess of 7 percent called for by existing labor contracts.

Government Pay. Federal Government employees' pay, subject to existing legislation and executive decision, was to be monitored by the Federal Pay Agent to ensure consistency with the stabilization program. The CLC was to advise the President on the consistency of future Federal pay decisions with the economic stabilization program. The pay of State and local employees was subject to the Pay Board's rules but advance notice of such increases within the Board's general standards was waived. If a governmental unit certified to the Pay Board that it would abide by the Board's standards, it was required to report pay increases only semiannually.

PHASE II OPERATIONS

At yearend the economic stabilization machinery of Phase II had been operating about 7 weeks. Progress had been made by the Price Commission and Pay Board in adopting and publicizing standards for price and wage behavior, in establishing criteria for evaluating individual cases, in recruiting and organizing necessary staff, and in setting up reporting procedures and internal systems for handling applications.

To expedite the evaluation of applications and to consider regulatory issues, the Price Commission had recruited a supporting staff of approximately 500 people, while the Pay Board, whose needs for staff were much smaller, had recruited 75. A stabilization office was established under the Internal Revenue Service; it utilized 360 local IRS offices with about 3,000 persons to administer, interpret, monitor, and enforce the wage, price, and rent regulations of Phase II. A special unit of the Justice Department provided legal support, with 170 people assigned to this task.

Price Commission

By early January there had been 3,460 advance notifications of price increases filed with the Price Commission by an estimated 1,075 companies (among the estimated 1,500 companies in Tier I). The Commission had approved requests of 335 industrial companies for price increases, covering products having a sales volume of $322 billion. (The total sales of all Tier I firms was estimated at over $800 billion.) A total of 27 companies were denied requested price increases. The approved increases averaged 2.9 percent on a weighted basis measured against sales of affected products by applicant companies and 1.4 percent of total sales of the companies covered. Companies receiving approval for increases were among the Nation's largest producers in the automotive, steel, aluminum, and coal industries.

The average approval rate should not be construed as a general indicator of the price behavior of all Tier I firms. In fact, at the end of the year, the trend shifted to lower approvals. In addition, many large companies had indicated to the Price Commission their intention to hold the line on prices.

The Price Commission was giving close attention to a more detailed articulation of the standards for price behavior, which would provide clear rules both for the large companies required to report to the Commission and for the millions of smaller businesses and individuals in the economy. Particular priority was accorded to interpretation of the requirement that "productivity gains" be taken into account.

Pay Board

Up to mid-January 1972, the Pay Board had received 114 applications for pay increases from prenotifying Tier I organizations. The Board had acted upon 16 applications, approving 11 and disapproving five. Two of the contracts that were approved—the coal contract and the railroad signalmen's contract—provided initial wage and benefit increases in excess of 10 percent. Both contracts represented special situations: The coal pact was actually signed before the November 13 deadline after which Phase II rules became effective and part of the signalmen's increase had been legis-

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lated by the Congress. Deferred increases in both contracts are subject to review in 1972 and 1973. The Board had also approved a 4-percent increase for municipal workers in Chicago.

Early in January the Pay Board rejected five proposed contracts covering over 100,000 aerospace workers. The proposed contracts had provided first-year wage and benefit increases of about 12 percent. Also in early January the Board approved wage and benefit increases of less than 5½ percent for workers in eight major organizations in the prenotifying category.

Inquiries, Complaints, and Litigation

Inquiries about various aspects of the stabilization program averaged over 24,000 per day from Phase II's initiation to mid-January. Inquiries about rent regulations accounted for more than half the total; the remaining inquiries were divided equally between wages and prices.

Complaints about alleged violations of Phase II rules averaged nearly 800 per day during Phase II, a somewhat lower volume than during the latter days of the freeze. Complaints about prices averaged 56 percent of the total; rent complaints were 40 percent and wage complaints 4 percent. The cumulative total of complaints during Phase II was over 30,000, of which about two-thirds had been resolved by IRS action. Of some 8,700 requests received for exemptions or exceptions from stabilization rules, over 2,500 had been resolved. The bulk of the remainder involved rent questions.

There were only a few court cases involving Phase II regulations by year-end. Two injunctions had been issued against threatened evictions and proposed rent increases. In a case covering Phase I and Phase II the Government had brought action against a municipal transit company to remedy violations involving fare increases and reduction of service.

Program Administration

Because of the newness of the controls and systems, as well as the new staffs and procedures, there was some early confusion in the control system and some misunderstanding. Probably the most notable example of confusion involved specific price ceilings and the lists of base prices (applicable during the freeze period) which the Price Commission required each retailer to post. Under the regulations, prices of the same product could vary from store to store, and products essentially similar sold by different firms could also vary in price. Moreover, the legal ceiling prices in retail stores could vary with fluctuations in the stores' wholesale purchase prices. During earlier periods of price controls, ceiling prices were set by product and were therefore more uniform. Under the present system it was difficult for the public to assess accurately whether actual prices, when they were above the posted base price, had been increased in accordance with Price Commission regulations or not. Therefore, in cases where prices increased substantially beyond the posted base price the public was encouraged to ask the store to explain the increase. If not satisfied, the consumer could file a complaint with the IRS stating the basis for his complaint.

In the final analysis, however, effective enforcement depended on the advance notification, reporting, and spot-check system, which permitted the authorities to analyze cost and profit data.

EXTENSION OF THE STABILIZATION AUTHORITY

The Economic Stabilization Act of 1970—the legal basis for the freeze and Phase II control programs—was scheduled to expire at the end of April 1972. In response to a Presidential request, the Congress extended the Act to April 1973. Extension of this authority provides sufficient continuity and duration of the stabilization program to permit it to succeed. In extending the Act, however, the Congress substantially amended it, and some provisions of these amendments may significantly modify certain policies developed under the initial economic stabilization program. Under the revised Act:

1. Wage and salary increases which were scheduled to take effect after the freeze according to contracts entered into before August 15, 1971, were to be paid unless "unreasonably inconsistent" with Pay Board standards.
2. The President was directed to take action to permit wage and salary increases which were scheduled to take effect during the freeze according to contracts negotiated prior to the freeze, but not paid because of the freeze, to be paid retroactively unless "unreasonably inconsistent" with Pay Board standards.
3. The President was directed to take action to require the retroactive payment of wage and salary increases provided for by law or contract prior to August 15, 1971, where prices had been advanced, productivity increased, taxes had been raised, appropriations had been made, or funds had otherwise been raised or provided for in order to cover such increases, regardless of Pay Board standards.
4. Employer contributions to pensions, profit-sharing, annuities, and savings plans qualified under the Internal Revenue Code, as well as contributions to group insurance and disability and health plans were not to be included in the definition of "wages and salaries" for control purposes unless they were "unreasonably inconsistent" with standards for wages, salaries, and prices.
5. Wage increases to any individual whose earnings were substandard or who was a member of the working poor were not to be limited in any manner, until such time as his earnings were no longer substandard or until he was no longer a member of the working poor.

ASSESSMENT

The Economic Stabilization Act requires this *Report* to give "an assessment of the progress attained in achieving the purposes of this title." As stated in the Act, the aims are "to stabilize the economy, reduce inflation, minimize unemployment, improve the Nation's competitive position in world trade, and protect the purchasing power of the dollar."

These purposes cannot be achieved by operations under the Economic Stabilization Act alone. The freeze and Phase II contribute to their attainment as part of a combined program which also includes fiscal and monetary measures, exchange rate readjustment, and trade measures. The relation of the wage-price controls to the rest of the package is important. If monetary and fiscal policy keep the growth of demand moderate, the price and wage controls can bring about more quickly and surely the lower rate of inflation that competitive forces would cause in such circumstances. But if demand is allowed to grow excessively, the price and wage control system will lose its value. Correspondingly, if the presence of the price and wage control system becomes an excuse for laxity in monetary-fiscal policy, the system's effect on controlling inflation will be negative.

As discussed in Chapter 3, we believe that the combination of policies in effect in 1972, including the price-wage control system, will produce substantial progress toward the goals of the Stabilization Act. The goals may be summarized as less unemployment, less inflation, and a U.S. economy which is more competitive in international markets. In this section of the *Report* we concentrate on the contribution of the steps taken under the Economic Stabilization Act.

Evolution of Prices and Wages

In the accomplishment of its own objectives, the freeze was an unqualified success. It had the desired shock effect on the public's inflationary psychology, and it held the line on prices and wages, allowing time for a more flexible and durable system to be devised and put in place. The statistical evidence on price behavior during the freeze is presented in Tables 20, 21, and 22.

Assessment of Phase II is obviously more difficult. It has been in operation too short a time to generate any substantial body of evidence, statistical or other, about its effects. The data on prices and wages for December, the latest available, are not a measure of the effectiveness of Phase II and should not be so interpreted. A temporary period of faster than desired wage and price increases was an inevitable byproduct of decisions made with respect to the transition from the freeze to Phase II. Several months of experience are required before Phase II regulations and rulings will be fully reflected in price and wage trends. At this time, therefore, the future outcome of policies which have only just been inaugurated is chiefly a matter of speculation. The principal questions are: Will the standards of the Pay Board and the Price Commission lead to the desired results? Will the standards be observed?

The standards announced by the Pay Board and the Price Commission imply the following arithmetic: If compensation per hour of work rises by 5½ percent per annum, and if output per hour of work rises by 3 percent per annum, labor costs per unit of output will rise by approximately 2½ percent per annum. If prices rise in the same proportion as labor costs, which are the largest element in total costs for the economy as a whole, then prices will also rise by 2½ percent, a rate within the range of the goal set by the CLC.

Pay Board Decisions

A number of important factors must be taken into account in assessing the prospects of achieving the goal. The basic standard of the Pay Board is a 5½ percent permissible pay increase. Under certain circumstances, however, existing Pay Board regulations permit increases in excess of this average standard. One of the most important of these exceptions is the rule that permits wage increases scheduled under existing contracts to be granted, even if they exceed 5½ percent, unless they are challenged by five members of the Board or a party to the contract; in that case they will be reviewed by the Board. If all the known deferred increases in excess of 5½ percent that are scheduled for 1972 under major collective bargaining situations were granted and increases arising from cost-of-living escalator clauses were restrained by a small rise in the CPI (2 to 3 percent), they would add about 0.25 percent to the average rate of pay increase for the year (i.e., if the average outside of situations providing deferred increases were 5.5 percent and scheduled deferred increases were all granted, the average rise in hourly wages for all private sector workers would be about 5.75 percent). The business members of the Pay Board have indicated their intention to challenge all deferred increases in excess of 7 percent. If all known deferred increases that are in excess of 7 percent were limited to 7 percent, then deferred increases would add a little more than 0.1 percent to the average rate of wage increase in 1972.

The Pay Board rules also permit increases in excess of 5½ percent if they are necessary to bring the cumulative increase during the last 3 years to 7 percent a year, or to preserve certain limited traditional relationships with other wages, or to attract labor in shortage situations. Pay increases allowed under any or all of these exceptions may not exceed 7 percent (that is, 1½ percent above the general standard) and the 3-year catchup provision expires on March 31, 1972. While the direct impact on increases in compensation for the entire economy of these exceptions probably will be small, their impact through tandem wage relations and relative wage pressures could be significant.

As this *Report* is written, the Cost of Living Council has not yet issued an interpretation of the terms of the Economic Stabilization Act which excludes from control substandard wages and wages of the "working poor." Neither has the Pay Board interpreted the exclusion of increases in certain fringe benefits unless they are "unreasonably inconsistent with the standards for wage, salary, and price increases."

The foregoing are all provisions of the regulations which would permit wage increases to exceed 5½ percent in certain circumstances. Moreover, even if no particular wage rate rose by more than 5½ percent, the average compensation per hour of work could rise by more than that percentage because of increased overtime or a more than average increase in employment in sectors where wage rates are above the average. Both of these causes tend to operate in a period of economic expansion such as is envisaged for

1972. In addition, labor costs per hour of work will rise slightly in 1972 from an increase in employers' Social Security contributions arising from an increase in the taxable earnings base.

On the other hand, and this point is most important, the standards of the Pay Board are only the standards of *permitted* wage increases, not the standards of *required* wage increases. Certainly in the conditions of 1972, when labor shortages will be highly infrequent, we should expect many wage increases to be below the normally permissible amount. In 1970, when the average wage increase in large union contracts was 8.8 percent, 22 percent of all the workers covered by such contracts received increases below 5 percent. If in 1972 it develops that 5½ percent is the standard, or most common, wage increase, there will be many increases below that, including many instances of no wage increase at all. Some support of this expectation may be found in the fact that several of the pay increases approved thus far by the Pay Board have been significantly below the standard.

Our expectation is that the combination of the Pay Board rules and the natural forces at work will, after the initial post-freeze bubble, hold the rate of increase of compensation per hour close to 5½ percent. Certainly the rules themselves contain nothing which makes this rate clearly unobtainable. However, the course of events and decisions will have to be closely observed to see what wage outcome is in fact being generated by the system.

Unit Costs

The simple arithmetic outlined above assumed that output per hour of work in the private economy would rise by 3 percent per annum, which is about the average rate of the post-World War II period. The rise of productivity was below average in 1969 and 1970 but faster in 1971; it could reasonably be expected to be even higher in 1972, since the rate of increase in productivity commonly exceeds the historical average in years of strong expansion. One reason is the same as that which makes the rate of increase of average compensation relatively high—a shift of employment and output to industries with above-average productivity and wages.

Thus it seems not inconsistent with the existing rules that the rate of increase of labor cost per unit of output should be in the range of 2 to 3 percent. Other costs will also be taken into account in the price ceiling formula—notably depreciation costs, indirect business taxes and interest. The anticipated rate of increase of these nonlabor costs combined in 1972 would probably not be so large as to force the rate of increase of total costs per unit of output outside of the 2- to 3-percent range.

Price Commission Decisions

Whether the average behavior of prices will, in fact, approximately follow the behavior of unit costs is an important question. Under the general rules of the Price Commission, price increases are permitted in proportion to cost increases. However, there are several circumstances in which permitted price increases may be either larger or smaller than actual cost increases.

1. Prices may not be raised as much as costs if the effect would be to raise the net profit margin above that of the best two of the past 3 years.

2. The Price Commission will not automatically recognize all cost increases in calculating "allowable cost" for determining permitted price increases.

3. The price regulations for wholesale and retail trade do not permit such firms to pass on cost increases except increases in the costs of purchased goods.

4. The operation of the term limit principle may result in a firm's acceptance of a smaller average permitted price increase than its costs would justify in order to qualify for use of simpler and more flexible procedures.

5. If it is necessary to use industrywide trend estimates of productivity, in the absence of other information, in projecting costs, permitted price increases will turn out to be larger or smaller than actual cost increases where the actual productivity increase is larger or smaller than the estimate used. In a period when actual productivity rises may be exceeding the trend, this would mean price rises exceeding cost rises, on the average, but this effect would be limited by the profit margin ceiling.

6. As a result of specific exemptions by the CLC or the statute, items in the CPI comprising 21 percent of its total weight are not controlled by the Price Commission.

7. Public utilities may be granted above-standard rate increases where necessary to meet essential service demands.

8. Exceptions from the general cost-justification rule have been provided for firms with losses or very low earnings.

9. If costs decline, the system does not require price reduction unless the "windfall profit" situation is encountered.

In the foregoing circumstances, and possibly others, legally permitted price increases may be greater or less than cost increases. The net of all this is impossible to estimate. Without more experience no more can be said than that the rules and procedures do not seem inconsistent with permitted price increases coming out on the average fairly close to permitted cost increases.

The actual behavior of prices will be determined not only by what the Price Commission permits but also by what the market permits. The limitation of the market, including competition by firms with relatively small cost increases, will work in the direction of holding price increases below those legally permitted.

Although much remains to be seen, a reasonable judgment at this time is that the standards so far promulgated, applied in the context of strongly-rising productivity without excess demand, are probably consistent with achievement of the anti-inflation goal for the end of 1972. This is not, of course, inconsistent with the expected bulge of prices in the early part of the year as the transition from the freeze is completed. The longer-run effect of the present standards will depend on specific policy decisions and interpretations by the control authorities, as well as on the cooperation of business and labor. And the outcome of the system as a whole will depend on the ability to amend the rules if it should appear that the existing rules are not leading to the desired end.

Compliance

A further question which must be asked is whether the rules of the system are likely to be observed by businesses, landlords, and unions. In fact, the question is twofold: Whether the rules will be overtly defied, and whether they will be covertly evaded. This issue also allows only a judgment on the basis of limited experience. Overt defiance seems unlikely, given the extensive support for the system which seems to prevail among the public and the legal sanctions provided by the Economic Stabilization Act. Evasion may be a greater problem. A control system is imposed upon millions of economic units by an administrative staff of 3,000 or 4,000. Whether control measures can succeed will depend upon three things:

(a) The continued belief of the American people that compliance with the program is essential to the national interest;

(b) The ability of the managers of the system to devise self-executing rules;

(c) The judgment of the Cost of Living Council in excluding from the system, at the appropriate time, sectors of the economy which do not add greatly to inflation but make important inroads on the resources of the control system. In mid-January, the CLC moved along this path by exempting from coverage all retailers with annual volume of less than $100,000 and, under certain circumstances, rental units owned by individuals with fewer than four such units. Exclusion of these numerous small units from coverage will permit the administrators of the controls system to focus their efforts and resources on large economic units which have a far greater impact on markets and whose competition will in turn limit price increases by the uncovered units.

On the basis of the experience so far, we believe that the program will help achieve the economy's transition to a situation in which reasonable price stability can be expected without controls. The outcome will depend in large part upon decisions made, and still to be made, by the Cost of Living Council, the Pay Board, and the Price Commission. However, it will depend even more upon the support and self-restraint of the American people. This is the inescapable character of the system.

CHAPTER 3

Outlook and Policy

IN THE SUMMER OF 1971 the American economy was beset by a conflict among four objectives—faster growth, higher employment, greater price stability, and a more balanced external position. The danger was that steps to speed up growth and boost employment by expanding demand would worsen both the inflation and the balance-of-payments deficit.

The steps initiated on August 15 greatly increased the possibility of simultaneous progress on all four fronts. The price and wage control system has provided more room for expanding growth and employment even while inflation and inflationary expectations are being reduced. The realignment of exchange rates promises an improvement of the U.S. external position even while the domestic economy is expanding. The measures taken last year did not *eliminate* potential conflicts among these goals. Expansive measures must still be moderated by concern with both inflation and the balance of payments. But the area of consistency among the objectives has been greatly widened.

At the end of 1971 we were already seeing more rapid growth of output and employment and a lower rate of inflation. During 1972 we expect continued economic expansion which will reduce the unemployment rate significantly. The lower rate of inflation should be more durable by the end of 1972, after a longer period of greater price stability. Progress should have been made toward a stronger external position.

The U.S. economy will expand substantially in 1972. All major components of domestic demand will increase and the aggregate demand for goods and services will rise by about $100 billion to around $1,145 billion. This is an increase of 9½ percent over the level of GNP in 1971. The real increase will be around 6 percent while the implied increase in the GNP price deflator is around 3¼ percent. This is compatible with the interim objective of an inflation rate of 2 to 3 percent by the end of 1972.

There are several reasons for expecting that the forecast pace of expansion will be realized. In the fourth quarter of 1971 real output had already begun to rise much more rapidly than in the 2 preceding quarters. Except for a decline in net exports all sectors of demand rose in the fourth quarter.

A second reason is that fiscal and monetary policy has become more expansionary. Third, the existence of price and wage controls will reduce the pressure both of inflation and of inflationary expectations. This permits fiscal and monetary policy to exert a more expansive thrust than was prudent earlier when the inflation objective was more vulnerable. It has also strengthened consumer confidence and should strengthen consumer spending.

DEVELOPMENTS IN THE FOURTH QUARTER OF 1971

Preliminary data show that GNP rose by about $20 billion in the fourth quarter of 1971, or at an annual rate of 7.7 percent. Most prices were subject to the freeze during the first half of the quarter and to Phase II controls thereafter, and the GNP price deflator rose at the very low rate of 1.5 percent per annum. Real GNP expanded at an annual rate of 6.1 percent. Manufacturing production, which had declined from May to August, rose from the third quarter to the fourth at a seasonally adjusted annual rate of 5.5 percent.

Rises in real economic activity were accompanied by strong increases in employment and productivity. Civilian nonagricultural employment rose more than 700,000 from the third to the fourth quarter, the average workweek lengthened by 0.3 hours and, in the private nonfarm sector, output per man-hour rose at an annual rate of nearly 5 percent. As a result of the strong productivity gain, unit labor costs showed their smallest increase since late 1965. Because the rise in the labor force was very large, the unemployment rate was virtually unchanged.

Government purchases of goods and services accounted for $7 billion of the total $20 billion rise in demand in the fourth quarter. Of this, $3 billion represented a rise in Federal purchases. This was the largest increase in Federal purchases since the first quarter of 1967; it was attributable to larger defense outlays, partly to cover the volunteer army program, and to increased outlays for agricultural price supports.

Investment expenditures also rose in the fourth quarter. Fleet sales of cars were very strong, as were purchases of trucks. New orders for producers' capital equipment averaged 4½ percent higher during September to November than in the 3 preceding months. Housing production in the fourth quarter continued to show great strength; starts in December reached a seasonally adjusted annual rate of 2.5 million units, bringing the average rate for the quarter to 2.3 million units. Investment in business inventories, which had declined by $1 billion in the preceding quarter, rose by $2 billion.

The New Economic Policy induced a sharp rise in automobile sales. Prior to the August 15 announcement, sales of domestic-type new cars were running at a seasonally adjusted annual rate of about 8 million units. In September, sales rose to a rate of 10.8 million and in October to 10.0 million; the rate fell noticeably after mid-November when the price freeze ended. For the fourth quarter as a whole, sales were not greatly different from the third quarter rate, but the rate from September through December was 17 percent higher than the average for the 3 months immediately preceding the NEP. Some of the early rise was at the expense of foreign car sales and subsequent domestic sales.

THE OUTLOOK FOR 1972

The outlook for each of the major components of expenditures on GNP in 1972 is discussed below.

Business Fixed Investment

Business fixed investment in 1972 will rise significantly for the first time since 1969. The Department of Commerce-SEC survey taken in November and December indicates plans for a 9-percent increase over 1971 in outlays for new plant and equipment. The survey shows stronger than average spending intentions for nonmanufacturing firms, especially airlines, electric and gas utilities, and communications companies. For the nonmanufacturing segment as a whole the anticipations data show that capital outlays will rise by 12 percent in 1972. However, the manufacturing sector, which was utilizing capacity at a relatively low level in the fourth quarter, expects capital outlays in 1972 to be only 4 percent above the 1971 level.

Business should have little difficulty in financing this year's planned investment. With rising output, aggregate profits are expected to show a sizable advance and retained earnings should rise significantly. The revised regulations on depreciation and the 7-percent job development credit will increase after-tax corporate cash flow by an additional $2.5 billion.

Those components of business fixed investment not included in the plant and equipment survey are likely to rise as well, but at a lower rate than capital outlays included in the Commerce-SEC survey. The overall increase in total business fixed investment is estimated to be around 8 percent on a year-to-year basis.

Inventory Investment

The level of business inventories has changed relatively little over the past 2 years and the ratio of stocks to sales has fallen. Although inventories held by wholesalers were on the high side in late 1971, inventories held by manufacturers and retailers were lower relative to sales than at any time since the fall of 1968. With favorable sales prospects following the sizable increase in real output in the fourth quarter, business investment in inventories should show a strong increase in 1972. The expected expansion of defense-related ordering should also add to the demand for inventories. Inventory accumulation for the year as a whole is expected to be around $8 billion.

Residential Construction

The total number of private housing starts in 1972 is expected to be 2.2 million units. Within this total, single-family units are expected to be much stronger than starts of multifamily units. This shift from multifamily to single-family units will strengthen total residential outlays in 1972, which are expected to exceed 1971 by 15 percent or more.

In early 1972 market interest rates continued the declines which began in 1971 and financial intermediaries continued to enjoy heavy inflows of new deposits. These developments provided increased funds for home mortgages and induced a decline in mortgage interest rates. The outlook for the remainder of 1972 is that the availability and cost of mortgage funds will remain at levels that would be unlikely to limit the expansion forecast for the housing sector.

The Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation will continue their mortgage purchase programs and secondary market activities, and the Government National Mortgage Association (GNMA) will continue guaranteeing mortgage-backed pass-through securities and standard mortgage-backed bonds. At present, GNMA's insured-mortgage market support operation in conjunction with FNMA is not operating because mortgage market rates have declined relative to the FHA ceiling rate. If these conditions change, the coordinated FNMA–GNMA purchase plan will be automatically resumed, with likely support from other Federal agencies as well.

Net Exports

In 1971 U.S. net exports of goods and services declined from a level of $4.7 billion in the first quarter to minus $2.0 billion in the final quarter of the year. The outlook for net exports in 1972 is subject to a wider margin of uncertainty than usual. Underlying factors point to a rise in net exports within the year. The substantial realignment of the dollar's exchange rate relative to other major currencies will improve the relative competitive position of U.S. goods and services. The abatement of inflation in the United States and the increase in productivity that is expected will reinforce the effects of realignment. While the influence of these positive factors is clear, both the magnitude and timing of the improvement they will bring are difficult to specify. In addition there are two short-run factors in 1972 which can be expected to affect net exports adversely. The U.S. economy will be expanding faster than it has in several years. At the same time the rate of expansion in several major markets abroad will be relatively low. Also, the initial effects of currency realignment may actually be perverse because import contracts predating the change will entail higher dollar outlays. Because of these factors, it will be some months before U.S. net exports of goods and services are positive once again. The average for the year as a whole will probably be close to zero.

Government Purchases of Goods and Services

Government purchases at all levels will constitute a highly expansive force for economic activity in 1972. Total purchases are expected to rise 11 percent, with Federal purchases increasing by 9 percent and State and local purchases by 12 percent. The increase in State and local purchases reflects the proposed revenue-sharing program of the Federal Government and the continuing favorable conditions in credit markets.

Federal expenditures are discussed in more detail in the subsequent section on fiscal policy.

Personal Consumption Expenditures

The expectations just outlined show that the demand for GNP, other than consumption, in the aggregate will rise by around 12 percent between 1971 and 1972. Such a rise by itself should produce significant increases in employment. In spite of the slower rate of increase in wage rates expected as a result of wage and price controls, total payrolls will also increase significantly. The growth in earned income will be augmented by increases in Social Security benefits. In addition, as a result of the high rate of personal saving during the past 2 years, the financial position of consumers as measured by their liquid asset holdings is extremely strong. The impact of these financial factors on consumer expenditures will, of course, depend on changes in the level of consumer confidence.

In 1971 consumers increased their spending by 7.5 percent over 1970. They also maintained their rate of saving out of disposable income in the neighborhood of 8 percent. The ratio of saving to disposable income observed in these 2 years is significantly higher than the 6 percent rate for the period 1960 to 1969. While this might represent a shift in consumer preferences for, say, liquid assets, it has also been interpreted by some as being due, at least in part, to the confidence factor, which tends to decline when the rate of unemployment and the pace of inflation are high.

There is already evidence that consumer confidence has improved since last summer. The expectation is that it will improve further as employment increases and the rates of unemployment and inflation decline. If the reasoning which relates the saving rate to the confidence factor is correct, consumer spending will rise at a faster rate than the rise in disposable income. However, the forecast for consumer spending projected in this *Report* does not assume that consumers in 1972 will reduce the high rate of saving that prevailed in 1970 and 1971. In the first place, clear evidence of a sustained drop in the saving rate is not yet available. Second, the tax cuts which consumers will enjoy in the first half of 1972 and the increase in transfer payments scheduled for midyear will tend to keep the saving rate high because the response of spending to such increases in income is typically delayed.

Consumer spending is expected to rise by around 8 percent in 1972. Together with the forecast for nonconsumption expenditures the total expected rise in GNP adds to about $100 billion.

Fiscal and Monetary Policy

Fiscal policy will make a major contribution to the achievement of an expansive economy in 1972. Federal expenditures on the national income accounts (NIA) basis are expected to total $251 billion in calendar 1972, a rise of $29 billion, or 13 percent over calendar 1971. A substantial part of the rise will occur during the first half of calendar 1972.

Federal purchases of goods and services, which had been declining gradually since 1968, have already begun to rise. The larger purchase figures reflect previously announced increases in military pay, the Federal pay increase in January 1972, and additional increases in purchases. The rise in defense purchases would reverse a fairly steady trend from the fourth quarter of 1968 to the third quarter of 1971, during which the rate of defense spending measured in current dollars declined by about 12 percent and in constant dollars, 27 percent. These expenditures are scheduled to rise in 1972. In addition, there is a sharp increase in Federal grants to State and local governments, which reflects the new revenue-sharing proposals of the Administration as well as proposed increases in welfare grants to States.

Tax cuts will also provide considerable stimulus in 1972. From calendar 1971 to 1972 the net reduction in tax receipts due to changes in tax laws and regulations is estimated at $3.7 billion on an NIA basis. The tax reductions are estimated at $8.9 billion, but these are partly offset by increases in the social security base starting in January 1972. Most of the economic impact of these social security tax increases will not be realized until the second half of 1972; consequently, these tax increases should not depress consumer spending significantly in 1972.

In both 1971 and 1972 receipts are considerably less than expenditures, primarily because the economy in these years is below its full potential. For calendar 1972 NIA receipts are estimated to be $215 billion and NIA expenditures $251 billion. Thus, the projected deficit for calendar year 1972 is $36 billion on an NIA basis compared to $23 billion in 1971. This expansion of the deficit as computed on the forecast path for the economy indicates that the 1972 fiscal policy is stimulative. The faster rise of expenditures than receipts will increase demand either by direct government purchases or by bolstering private incomes and private demand. The unified budget, measured on a full-employment basis, moves from a surplus of $4.9 billion in fiscal year 1971 to a deficit of $8.1 billion in fiscal 1972. The budget on the same basis returns to balance in fiscal year 1973.

The steady, strong expansion we seek and expect will require support from monetary policy. An abundant supply of money and other liquid assets, and favorable conditions in money markets, should encourage an expansion of outlays by consumers, businesses, and State and local governments. This process would involve a more rapid rise of currency and demand deposits than occurred in the second half of 1971. Steps have already been taken by the Federal Reserve System to start this acceleration.

Major Uncertainties

The Council's projection for aggregate demand for 1972 falls within the fairly narrow range of projections made by private organizations and individuals. Nonetheless, there are important uncertainties which could produce a level of economic activity either higher or lower than the level forecast.

The plans for fiscal expansion require action by Congress, which might be slower in coming than has been assumed. Expansive policies can be thwarted if consumers decide to increase their already high saving rate. The expected adjustment of U.S. net exports might involve a longer lag than we have posited. The change in business inventory policy may not turn out to be as substantial or as rapid as the path assumed in the forecast.

On the other side there is a good possibility that consumers will increase their rate of spending faster than the projected rise in disposable income. This would have important secondary benefits in other sectors—notably in business investment outlays and business demands for inventory.

GNP forecasts made by the Council have been qualified in the past by the caveat that they should be viewed as the midpoint of a range of plus or minus $5 billion around the forecast. When GNP was $500 billion, this was the equivalent of a band of uncertainty of ±1 percent. The equivalent band of uncertainty for today's larger numbers would be ±$10 billion.

PRICES AND PRICE-WAGE POLICY

The rate of inflation in 1972 (as measured by the GNP price deflator) is expected to fall to about 3¼ percent, the lowest year-to-year change since 1967. Toward the end of the year the rate of price change is expected to be 2–3 percent per annum.

The estimate made here of the rate of inflation during 1972 assumes two things. First, it assumes a growth of money demand that is strong and steady but not so exuberant that significant shortages of products or labor would be created if price and wage increases were held to the forecast path. Second, it assumes that the price-wage control system, given such demand conditions, will be of the character, force, and duration needed to maintain that path.

The Administration's policy is to create and maintain both of these conditions. Earlier in this chapter we have described the demand conditions we foresee for 1972 and the fiscal and monetary policies expected to help bring them about. In Chapter 2 we described the existing state of the price-wage control system. We expressed the view there that the existing system of standards and procedures is consistent with the achievement of the anti-inflationary goals the Administration has laid out, barring difficulties not now foreseen. The important point, however, is that the system will be adapted as necessary to achieve the goal.

The control system will be retained as long as is necessary to reach its goal—which is a condition of the economy in which we can have a significantly lower rate of inflation without controls than we were experiencing in the first part of 1971. Speculation that the Administration will abandon the controls prematurely—out of fatigue, ideological aversion, or other causes—is groundless. Having embarked upon this course the Administration has no intention of departing from it in circumstances where it would risk either resumption of inflation or the need to reimpose the controls.

The basic premise of the price-wage control system is that the inflation of 1970 and 1971 was the result of expectations, contracts, and patterns of behavior built up during the earlier period, beginning in 1965, when there was an inflationary excess of demand. Since there is no longer an excess of demand, the rate of inflation will subside permanently when this residue of the previous excess is removed. The purpose of the control system is to give the country a period of enforced stability in which expectations, contracts, and behavior will become adapted to the fact that rapid inflation is no longer the prospective condition of American life. When that happens controls can be eliminated.

How long that will take no one can say. The conditions now existing and the policies in operation are unprecedented. The only sensible course is to observe the behavior of the economy closely and to avoid commitment to either a minimum or a maximum duration of controls.

During the control period there will be decisions to exclude from coverage one or another sector of the economy, as has recently been done for retail stores with less than $100,000 annual sales and single-family houses and apartments with two to four units under certain conditions. Such exclusions should not be interpreted as signs of the weakening of the system or portents of its early termination. They may, in fact, make the system stronger and more durable by permitting the administrative effort to be concentrated on the sectors most significant for inflation. This is especially true when, as is often the case, price increases in the excluded sector would be effectively limited by competition from the parts of the economy that remain under legal control.

EMPLOYMENT AND UNEMPLOYMENT

Our estimate implies an increase of 6 percent in real GNP between 1971 and 1972. This is about the rate of increase achieved in the fourth quarter of 1971.

There is no easy way to separate the forecast rate of real growth into employment and productivity gains. Clearly, it should yield substantial increases in both. The extent to which the employment gains will reduce the unemployment rate depends on the size of the increase in the labor force. It is estimated that the unemployment rate should decline from the 6 percent level of December 1971 to the neighborhood of 5 percent by the end of 1972.

Reduction of the unemployment rate in 1972 is a primary objective of this year's economic policy. It is to this end that the Government is pursuing a highly expansive fiscal policy. And it is in large part to this end that prices and wages are controlled, so that the expansion of demand will generate more jobs, not more inflation.

Concern with unemployment is also the primary motivation behind a large variety of other Government efforts, more specialized in their impact but nevertheless critical for achieving full employment. Many of these are now focused on the problems arising in the transition from high levels of military and civilian employment in national defense.

The number of male Vietnam era veterans in the civilian population has increased by over 1.3 million over the last 2 years (Table 24). In June 1971, the President launched a new program designed to aid veterans in the job market. As part of this coordinated program, Project Transition, a pre-discharge counseling, training, and placement program, was expanded and extended overseas. Training opportunities for veterans under existing manpower programs were increased, additional veterans' employment counselors (many of them veterans) were added to the Employment Service and, perhaps most importantly, a new regulation which requires all Federal contractors to list job openings with the Employment Service should provide veterans with opportunities to apply for a much wider selection of jobs. A coordinated effort was also launched in the private sector. During the year over 100 Job Fairs, which bring veterans and potential employers together, were sponsored by the Jobs for Veterans Committee in cooperation with the National Alliance of Businessmen, which also plans to place 100,000 veterans in jobs by June 1972. These efforts resulted in an estimated 320,000 direct job placements between June and October. Civilian employment of Vietnam era veterans rose by 500,000 over the year (Table 24).

When unemployment is high, the development of additional jobs in areas of unmet public needs is possible and desirable. Initiation of the Public Employment program, which was authorized by the Emergency Employment Act of 1971, was a major step forward in this area. This Federal program, which temporarily subsidizes most of the cost of adding new employees

TABLE 24.—*Employment status of male Vietnam era veterans and nonveterans 20–29 years of age, fourth quarter, 1969–71*

[Thousands of persons except as noted]

Group	1969 IV	1970 IV	1971 IV
Veterans:			
Civilian population	2,990	3,696	4,293
Labor force	2,752	3,383	3,931
Employment	2,621	3,115	3,626
Unemployment	130	269	305
Unemployment rate (percent)	4.7	8.0	7.8
Nonveterans:			
Civilian population	8,589	9,068	9,567
Labor force	7,334	7,810	8,200
Employment	7,089	7,281	7,633
Unemployment	245	529	567
Unemployment rate (percent)	3.3	6.8	6.9

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

Source: Department of Labor.

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to State and local government payrolls, is designed both to meet the need for improved public services and to provide transitional career employment opportunities for jobless workers, especially veterans and the disadvantaged. At year's end, funds had been provided for about 128,000 positions, and about three-fifths of the jobs had been filled.

Retraining and job-finding services for engineers, scientists, and technicians, previously employed in defense or space efforts were greatly increased in 1970–71 under the new Technology Mobilization and Reemployment program and related programs. These will be expanded further in 1972.

The realignment of defense expenditures after 1968 has had substantial adverse impact on some communities whose economies depend on defense-related activities. The Federal Government operates a continuing community aid program, which is under the jurisdiction of the Inter-Agency Economic Adjustment Committee (chaired by the Secretary of Defense and comprised of policy-level personnel drawn from all major domestic agencies). The Committee's mission is to provide organized aid in the transition from a defense-based local economy to a balanced local economy. To carry out its responsibilities, the Committee ensures that all Federal Government services and facilities are focused on viable economic adjustment plans designed in the local communities. On various occasions, the Committee working through a local community task force has aided in the adjustment process by the transfer of surplus Federal property, initiation or expansion of manpower training programs and related social services, small business loans, feasibility studies, and public facilities grants. Thus far 44 communities in 22 States and Puerto Rico have been aided by this ongoing program.

One of the traditional areas of Government action in labor markets is assistance to the rapid and inexpensive exchange of information between those seeking work and those seeking workers. For many years, the Government has provided job information and direct placement services through the U.S. Employment Service, a cooperative Federal-State program. This information-placement effort has been and will continue to be improved by increasing the amount and reliability of data (especially increased information on job vacancies) by the use of modern data processing techniques (computerized listings of job openings, called "Job Banks") to cover ever-larger market areas, and by instituting flexible special placement programs focused on particular groups or areas most affected by special unemployment problems.

Direct governmental investments in training programs of various types are being reoriented to put special emphasis on training that will hasten the transition to career employment. These programs are intended to assist the unemployed and underemployed by developing their job skills so that they may qualify for primary jobs that provide adequate incomes and increased output. Manpower training programs enhance the flexibility and mobility of the workforce, and provide disadvantaged workers with opportunities to improve their well-being. Although already constructive, these manpower programs can be greatly improved by making them more flexible, innovative, and most importantly, responsive to local conditions and needs. This could be accomplished by passage and implementation of the President's proposed Manpower Revenue Sharing Act, which is now under consideration by the Congress. This Act would (1) consolidate most manpower-type programs under a single large-scale program, (2) eliminate most narrowly-targeted categorical grants, (3) shift detailed program decisionmaking from Washington, D.C., to State and local governmental units, and (4) increase training investments.

INFLATION AND UNEMPLOYMENT IN THE LONG RUN

We believe that the combination of the steady growth of demand, the temporary price-wage control system, and the manpower programs now in effect will make possible an unemployment rate much lower than the 6 percent we were experiencing in 1971 and an inflation rate without controls much lower than the 4 to 5 percent we were experiencing before the freeze. This will not, of course, be the end of either the inflation problem or the unemployment problem. The remaining problems can be summarized in two questions:

1. How can we avoid in the future the kind of inflationary surge of demand that occurred after 1965 and which determined the unique features of the economic problem with which the Nation has been wrestling for the past 3 years?
2. Even if such surges of demand are avoided, will the economy be left persistently with unsatisfactorily high unemployment, or unsatisfactorily high inflation, or both—even though both may be lower than at their 1970 or 1971 peaks? If so, what can be done about it?

THE CONTROL OF DEMAND

With respect to the first of these questions probably the greatest contribution would be to keep alive the memory of our recent experience. We have now come to see more vividly than ever before how long and painful is the effort to halt the inflationary process once it has been let loose. The avoidance of inflation is always, of course, an objective of national policy, and was an objective in 1965–66 when the present episode began. But this objective may not get its proper weight because of failure to foresee the losses of output and employment that will later be entailed in ending the inflation. Remembering the experience of 1969–71 should help to correct this error.

Adherence to the principle of keeping expenditures that would be made at full employment within the level of the receipts that would be yielded by the existing tax system under conditions of full employment would contribute to the avoidance of inflationary surges of demand. Certainly the shift of the budget position from approximate balance at full employment in fiscal 1965 to a large full-employment deficit in fiscal 1968 was a major cause of the current inflation. There are rare circumstances in which a deficit or surplus at full employment may be unavoidable or even appropriate economic policy. But in general more reliable results will be achieved from minimizing such departures than from following any of the alternative courses—trying to balance the actual budget continuously, disregarding budget balance, or making annual ad hoc decisions about the proper size of the deficit or surplus. Continuous balancing of the actual budget would require the perverse action of increasing expenditures or cutting tax rates when the private economy was booming and generating a large amount of tax revenue. Disregarding the budget balance rule would leave the enormous impact of the budget a random and destabilizing force on the economy. And a policy of ad hoc decisions about deficits or surplus is exposed to the political bias in favor of spending and deficits.

A similar precept of steadiness with respect to monetary policy would also help to avoid inflationary excesses of demand. The problem is that there is no single measure or objective combination of measures of monetary policy that is a completely satisfactory or completely superior measure of monetary policy by which a principle of steadiness could be calibrated. Judgment must be exercised. However, there is probably a presumption against extreme values or variations of the rate of change of narrowly-defined money, i.e., currency plus demand deposits.

The problems of managing fiscal policy or monetary policy or both have apparently been underestimated. It may well be that more has been promised than can be delivered with existing knowledge and instruments. Certainly there is need for much additional research. But if the question is not one of keeping the economy on a narrowly-defined path but one of avoiding violent aberrations like the one that began in 1965, our tools are probably adequate, and the problem is more the national will than the techniques of economics and economic policy.

Two years ago in this *Report* we recommended the establishment of a Commission to study the structure of financial institutions in the United States. One reason for this study, although not the primary one, was to see if ways could be found to make the financial structure a better vehicle for transmitting monetary policy into the economy. A distinguished group of citizens has now completed and published this study, which will be reviewed by this Administration and others to determine what action should be taken on its recommendations.

VIEWS OF THE INFLATION AND UNEMPLOYMENT PROBLEM

The persistence of a combination of high unemployment and rapid inflation for a longer period in 1970 and 1971 than seemed consistent with earlier experience appeared to support the view that inflation or unemployment or both had become structural features of the American economy. This is not the only possible explanation of the developments of 1970–71. The preceding inflation had been exceptionally long and strong. Estimates of the likely duration of the disinflationary process based on extrapolations from milder inflations might simply have been wrong, without implying that there was a permanent problem. Nevertheless, even if a great deal of weight is properly placed, as we think it should be, on the specific inflationary residue of the 1965–68 history, the hypothesis of a more durable problem still requires examination.

The problem might take one or more of three forms:

(a) A tendency to an unsatisfactorily high rate of inflation which persists over a long period of time and is impervious to variations in the rate of unemployment, so that the tendency cannot be eradicated by any feasible acceptance of unemployment.

(b) A tendency to an unsatisfactorily high rate of unemployment which persists over a long period and which is only temporarily influenced by increasing aggregate demand at an inflationary rate.

(c) A persistently unsatisfactory "trade-off" between inflation and unemployment such that it is permanently possible to have less inflation by accepting more unemployment, and vice versa, but with no combination possible that would be regarded as satisfactory.

Listing these possible problems does not imply that they exist. Nor would their existence imply any particular solution. Nevertheless the questions raised are obviously highly relevant to future economic policy. The Council of Economic Advisers will be making an intensive study of them during 1972, with the assistance of experts from other agencies of Government.

CHARACTERISTICS OF THE LABOR FORCE

One subject of major significance in identifying a satisfactory combination of employment and inflation conditions and a policy to achieve it is the character of the labor force and the labor market.

When what later became "The Employment Act of 1946" was first being discussed, under the title of "The Full Employment Act," there was a common notion that full employment meant zero unemployment. However, upon consideration it became clear that a situation of zero unemployment was not feasible, at least in a free society, nor, indeed, desirable in view of the costs that might be involved in achieving it. Some young people just entering the labor force, or women reentering it, or people dissatisfied with their previous place of residence or jobs, or having lost their previous jobs in the normal rise and fall of firms that goes on endlessly, would be in the process of looking for work. Unless there could be instantaneous adjustments—which there could not be—there would be a number of people between jobs even in what might be ideal conditions of the labor market.

This type of unemployment is frequently termed "transitional" and includes all or part of unemployment arising from the mobility of the American population, normal market frictions, seasonal variations, and some structural problems. In other words, it is that component of total unemployment which would respond to an expansion of demand only at high social cost, if at all.

Efforts were made when the 1946 Act was passed and shortly thereafter to estimate the normal size of the transitional group. This was difficult because the country had not been at anything like peacetime full employment since 1929 and relevant data were spotty. However, estimates converged on 4 percent as the proportion of the labor force that would be unemployed at "full" employment. This highly uncertain estimate became solidified over the ensuing years as a result of repetition, even though the 4 percent rate was seldom achieved.

This "minimum" unemployment rate, whatever it is, would not be expected to be stable over time. For one thing, persons of different age, sex, school attendance, and other characteristics would presumably have different rates of transitional unemployment.

Normal differences in transitional unemployment appear to explain much of the relatively high unemployment rates of young people and of women. In 1971 the unemployment rate for 16–19 year-olds was 16.9 percent, compared to a rate of 3.2 percent for married males; in 1969, a year of very tight labor markets, the rate for teenagers was 12.2 percent, compared to 1.5 percent for married males. The persistence of this large differential in both good times and bad suggests that factors other than the lack of aggregate demand cause the differential.

The primary activity of most teenagers is school. In October 1970, 70 percent of all 16–19 year-olds and about 55 percent of the teenage labor force were enrolled in school. For these youngsters, summer vacations, reentering school, going in and out of training programs or college or military service are all reasons for entering or leaving the labor force or for changing jobs. With many of these changes some unemployment is normal and it is not surprising that more than two-thirds of all teenage unemployment is associated with entering or reentering the work force.

The amount of labor force turnover of adult women appears lower than that of teenagers but greater than that of men. Because of child care and family responsibilities, women are likely to enter and leave the work force more frequently than men, both over the course of a year or a lifetime. By contrast adult males have a very stable attachment to the labor force. About 83 percent of males 20 years and over are in the labor force (96 percent of those 25–54 years) and only a trivial proportion are voluntary part-time or part-year workers.

Differences in turnover are reflected in differences in the reasons for unemployment of the different groups. In 1971, 82 percent of all unemployed 16–19 year-olds were unemployed as a result of voluntarily leaving their last job or of entering or reentering the labor force. The proportion of adult females in this category was 58 percent, but for adult males the proportion was only 34 percent. Job loss is the primary reason that adult males are unemployed.

During 1971, 16–19 year-olds accounted for 25 percent of all unemployment, compared to 17 percent in 1956. The relative increase in teenage unemployment reflects both an increase in the teenage population and an increase in their unemployment rate. Given that work in the market is less and less a primary activity for teenagers, their labor force turnover, and hence their transitional level of unemployment, may have increased.

Job opportunities for teenagers may be limited by a variety of factors. The pool of jobs available at any given time may require more experience or education than that typically found among younger workers. Available jobs may also require certain continuity of work (hours per week or weeks per year) which many teenagers are unable to meet because of the conflict with normal school hours. All these factors tend to direct teenage job seekers into occupations which are marginally productive and where demand may be particularly vulnerable to adverse employment effects of the minimum wage. The rising levels and expanded coverage of the minimum wage since the middle fifties may have been a factor in the upward drift of the teenage unemployment rate. For this reason the Administration has urged the provision of a lower minimum wage for teenagers to prevent any further narrowing of job opportunities.

TABLE 25.—*Hypothetical unemployment rates based on 1956 unemployment rates and distribution of civilian labor force, by age and sex: selected years, 1956–71, and projections, 1985*

[Percent]

Group	1956	1961	1966	1971	1985
Hypothetical unemployment rates:					
Using 1956 age-sex rates [1]	[2] 4.1	4.2	4.4	4.5	4.4
Percentage distribution of civilian labor force: [2]					
Civilian labor force	100.0	100.0	100.0	100.0	100.0
Females	32.2	33.8	36.0	38.2	37.7
16–19 years	2.8	3.0	3.8	3.9	2.9
20–24 years	3.7	3.8	4.7	6.0	5.7
25–54 years	20.6	21.2	21.3	21.9	23.0
55 years and over	5.2	5.7	6.2	6.3	6.1
Males	67.8	66.2	64.0	61.8	62.3
16–19 years	3.7	4.0	4.9	4.9	3.7
20–24 years	5.2	6.0	6.4	7.4	7.5
25–54 years	45.6	43.8	41.0	38.6	41.5
55 years and over	13.3	12.4	11.8	11.0	9.6

[1] Assumes 1956 unemployment rates by detailed age-sex groups (generally by 10-year age groups).
[2] Actual.

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

Source: Council of Economic Advisers; based on Department of Labor data.

To the extent that these transitional unemployment problems are unique to different ages and stages of life, the total amount of such unemployment will depend on the proportions of the labor force represented by persons in the various groups. Table 25 shows the change in the composition of the labor force by age and sex that occurred in the past 15 years and that projected for 1985. It also shows what the average unemployment rate would have been or will be if the unemployment rate in each age-sex category were at its 1956 level (1956 was selected as a base because it was a peacetime year of high employment and low inflation). This calculation does not reflect changes that may have occurred in the exposure of a particular age-sex category to transitional unemployment, such as may have been caused by lengthened school attendance, or any offsetting factors arising from increased education or more efficient labor market mechanisms. It is presented here as an example of one of the more obvious problems of attaining full employment in a dynamic and changing economy. The projection that women will continue to constitute a high proportion of the labor force suggests a continuing relatively high level of transitional unemployment.

The fact that the amount of "transitional" unemployment may be rising implies something about what can be achieved by general expansive measures alone, although the full implication will not be known until we can observe the behavior of unemployment in the current expansion. However, these developments also imply the need to do more directly about transitional unemployment. In fact, over the past 10 years Federal efforts to deal with this problem have increased substantially, and this Administration has supported intensification and improvement of these efforts.

CHAPTER 4

Effective Use of Resources

WHILE PROGRAMS to deal with the problems of inflation, expansion, and the balance of payments captured the spotlight during 1971, measures to assure the efficient use of our resources and productive capability continued to be an important feature of economic policy. Two conditions must be met if the performance of the U.S. economy is to match the rising demands placed upon it: Our productive resources must be employed efficiently in producing each good or service, and the economy should produce the combination of goods and services most preferred by society.

In many sectors of the economy the discipline of the competitive market is enough by itself to ensure efficiency. In certain areas, however, resources may not be allocated efficiently without at least some Government intervention. The proper nature and degree of Government intervention in such sectors is always a central issue in economic policy. Changing circumstances mean that Government must continually reexamine its role.

All the segments of the economy covered in this chapter are under critical review to determine the Government's proper role. In some instances, such as energy and transportation, certain aspects of Government regulation prevent the best use of resources. In other cases, such as environment and pollution, the Government's role is being expanded to prevent overuse of environmental resources by other sectors of the economy. Finally, there are sectors such as health and research and development where the evidence suggests that Government's role should be redirected.

NATIONAL COMMISSION ON PRODUCTIVITY

Large demands will continue to be placed on the Nation's total resources in the future. In order to respond to these demands, today's private decisions and public policies must be formulated to foster tomorrow's productivity of the Nation's resources.

Productivity can be defined in a variety of ways, the most common one being real output per hour of work. This definition gives a rough measure of how well we use our most important productive resource. A more comprehensive definition of productivity is output per unit of all resources. This definition is more suitable for topics in this chapter because they deal with selected adjustments that would improve the total output of goods and services produced from our capital, labor, and natural resources.

Historically, there has been a steady improvement in productivity. Much of this progress has been achieved through incentives within private markets. Yet private markets do not ensure that all potential productivity gains are achieved in the private sector, nor can they be expected to bring about improved productivity of resources employed in the public sector.

Recognizing the importance of achieving improvements in productivity, the President established the National Commission on Productivity in June 1970. The Commission is composed of representatives from industry, labor, agriculture, the public, and Federal, State, and local governments. The Commission makes recommendations to the President for actions to improve productivity in the public and private sectors.

The responsibilities and duties of the Commission were substantially expanded by the Economic Stabilization Act Amendments of 1971.

During 1971 the Commission gave primary attention to four specific aspects of productivity:

1. *"Productivity Bargaining" Between Labor and Management.* Such bargaining focuses on mutually beneficial agreements that enhance labor's productivity. The Commission believes that bargaining practices should give greater attention to work rules, group incentives, work scheduling, job enrichment, and other practices that can improve productivity.

2. *Manpower Adjustment Policies.* Improvements in productivity lead to higher average incomes, but they can also result in dislocations for individual workers. The Commission believes that public and private adjustment policies should be strengthened and refined to make the human costs of change, where they exist, less burdensome.

3. *Education and Research and Development.* Since productivity is closely linked with education and with research and development, the Commission has studied current institutional arrangements that may inhibit desirable performance in these fields and believes that added incentives for experimentation and innovation in such arrangements would be advantageous.

4. *Government Productivity.* Government employment is expected to continue to grow rapidly in the future, particularly at State and local levels. The Commission believes that greater attention should be given to improving the productivity of government employees in order to increase efficiency and reduce costs for this expanding service sector of the economy.

ENERGY

The growth in consumption of fuels by automobiles, electric generating plants, homes, and factories is closely associated with increases in our material levels of living. Historically, however, energy use has not grown as rapidly as GNP. While real GNP (in 1958 dollars) rose from $183.5 billion in 1930 to $617.8 billion in 1965, for a compound annual growth of 3.5 percent, energy consumption rose from 22.3 quadrillion btu's to 54.0 quadrillion btu's during the same period, an annual growth rate of only 2.6 percent. The use of energy per dollar of GNP (again in 1958 dollars) therefore fell from 121,500 btu's in 1930 to 87,400 in 1965.

During this same period energy was becoming cheaper relative to other goods and services. While the price index of all goods and services (the GNP deflator) rose 125 percent during this period, the wholesale price index of fuels and electric power rose only 70 percent. Thus, although energy consumption was growing it was not growing as rapidly as GNP, and although energy prices were rising they were not rising as fast as the prices of other goods and services.

Since 1965, however, a sharp upturn in the energy-GNP ratio has occurred. From 87,400 btu's used per dollar of real GNP in 1965, the number rose to 95,600 in 1970. While output for the economy as a whole was growing at 3.1 percent per year, energy consumption grew at 5.0 percent. This sharp upturn in energy use was associated with a more rapid increase in prices. Prices of fuel oil and bituminous coal, in particular, rose sharply in 1970.

These developments gave evidence of at least a short-run shift in energy demand and prices. At the same time more fundamental changes were occurring in the domestic supply picture that were less noticeable to the typical consumer. Between 1960 and 1969 crude oil production was steadily rising, but the size of proved reserves actually fell in absolute terms. At current rates of production, proved reserves declined from 12.8 years of production in 1960 to only 9.3 years in 1969. The addition of the enormous Prudhoe Bay field in Alaska to the 1970 statistics increased our proved reserves by almost one-third, but this oil will not be available unless it can be transported to market in an environmentally acceptable way.

Natural gas reserves have also been falling in recent years. Proved reserves in 1970, including the natural gas associated with oil in the Prudhoe Bay field, were lower than in 1967. With production of natural gas rising at 5.4 percent per year since 1960, reserves have fallen from 20.1 years of annual production in 1960 to 13.2 years in 1970. The importance of these developments is underlined by the fact that domestic oil and gas contributed almost two-thirds of our energy supply in 1970.

The accelerated growth in energy demand relative to GNP in recent years is not expected to continue. Most observers forecast an annual average growth in energy consumption of just over 4 percent, paralleling the expected growth in GNP. A comparison of earlier forecasts and current realities, however, suggests that any assumptions about future demand and supply must be regarded as tentative, to be modified as new evidence becomes available.

Future energy problems involve even more than a growing demand in relation to supply. The Nation will not only consume more energy in the future but will also insist that this energy be cleaner. The full social cost of producing, transporting, and consuming energy should be counted in decisions about how much of each kind of fuel to use. If this were done it would result in a new pattern of fuel consumption. Natural gas, a sulfur-free fuel, would face soaring demands, while coal consumption processes would have to be improved to reduce harmful emissions.

Recognizing the Nation's growing energy problem, the President on June 4, 1971, sent an energy message to Congress, the first Presidential message devoted exclusively to this subject. Some initiatives in the message emphasize direct measures to increase the supply of clean energy: Development of the nuclear breeder reactor, acceleration of oil and gas leasing on the Outer Continental Shelf, a leasing program for our oil shale and geothermal resources, expansion of our uranium enrichment capacity, and support for other efforts in energy research and development.

Other actions included in the message will indirectly help to expand potential supply. For example, support for developing sulfur oxide control devices will lead to clean uses of our abundant coal resources, and a system of planning the sites for our power plants and transmission lines will help to reconcile the need for energy with environmental demands. The President has also announced steps to conserve energy by requiring better insulation on federally insured homes. To balance energy and environmental needs, he also proposed a tax on sulfur oxide emissions to help ensure that the full social cost of energy consumption is built into the price of energy.

Despite much discussion about an energy problem, even an "energy crisis," the problem is not always precisely stated. The problem is that domestic supplies of environmentally acceptable energy are becoming ever more scarce in the face of a growing demand. This scarcity can manifest itself in three ways. In markets where prices are permitted to equate supply and demand, upward pressures on prices may develop. In markets where prices are not permitted to rise to equate supply and demand, shortages may emerge in the form of gaps between desired consumption and actual supply. If imports are not restricted, there will be increased dependence on foreign sources. Because some of these sources may be insecure, the Nation will be exposed to supply disruptions or costs incurred from domestic stockpiling to guard against potential interruptions in imports. Depending on the market, therefore, the problem may take the form of rising prices, shortages, or reliance on uncertain foreign supplies.

Insofar as price increases are needed to call forth supply they are a proper response to an underlying condition of scarcity. An example would be the worldwide increases during 1970 in the prices of heavy fuel oil, particularly the low-sulfur type. A temporary scarcity of tankers and limited facilities for refining and desulfurization, coupled with rapidly accelerating demand, caused the price of fuel oil to rise sharply. As tanker rates returned to more normal levels, price declines began to occur. During the entire episode of high prices, however, there were no cases of domestic shortages that some had feared.

Currently a shortage does exist in the natural gas market. Wellhead prices of gas for interstate delivery, which are regulated by the Federal Power Commission (FPC), have not been high enough to induce a supply equal to the growing demand. As a result not only has the demand itself been unmet, but there have also been geographical distortions in the consumption of gas, higher prices for competing fuels, and greater difficulty in meeting our environmental goals.

Because gas marketed in the State in which it is produced has not been subject to FPC price controls, producers have found it more attractive to commit new reserves to intrastate markets. From 1963 to 1970, reserves earmarked for interstate markets fell by 18.4 trillion cubic feet. Comparable statistics for intrastate commitments do not exist, but the fact that the estimated total for proved reserves, excluding Alaska, fell by only 12.9 trillion cubic feet suggests that intrastate commitments may actually have risen. Although residential consumers in the East and Midwest might have been willing to outbid intrastate buyers, they have not had the opportunity to do so. Electric generating plants in the major gas-producing States of Louisiana, Oklahoma, and Texas, which could have been designed to use other fuels, are fueled almost entirely by natural gas. Thus, some markets lack gas because of artificially low ceiling prices, whereas in other markets this fuel is used excessively and its price is depressed to the level of interstate ceiling prices.

It is sometimes argued that low ceiling prices for gas result in low prices for competing fuels. Actually, the opposite is more likely to be true. Large supplies of gas would tend to depress prices of both gas and competing fuels, so that in those circumstances low gas prices would be associated with low prices of competing fuels. But artificially low gas prices lessen supply and create shortages. Since unmet demands for gas are transferred in part to other fuels, the result is greater demand and higher prices for these other fuels. The gas shortage itself therefore contributes to price increases in other energy markets. Indeed, the sharp increases in the price of low-sulfur fuel oil in 1970 came about partly because natural gas supplies were unable to respond to the increased demand for clean fuels.

The Nation's gas shortage is particularly serious at this time; large metropolitan areas badly need more gas if they are to meet air quality standards. Not only is the total supply of gas reduced by low ceiling prices, but the available supply tends to be used disproportionately in intrastate markets where acceptable air quality is ordinarily less difficult to achieve.

In the past 2 years the FPC has taken steps that could increase gas supplies. New ceiling prices, substantially above the prices previously authorized by the Commission, have been set for each of the major production areas. Weighted by area production, new wellhead ceiling prices average about 24 cents per thousand cubic feet, compared to 18 cents for previously authorized prices. The Commission has also issued a ruling that small producers, who together accounted for about 13 percent of 1969 production, shall be exempt from ceiling prices.

Despite these steps toward prices that more nearly reflect the market situation, important policy issues remain. The large interstate pipeline companies, being unable to meet their customers' demands with domestic natural gas and pipeline imports from Canada, are turning toward imports of natural gas in liquefied form from overseas and to synthetic gas produced from imported crude oil and naphtha. Although these imports would tend to increase the supply, they cost far more than supplies from conventional domestic sources. Prices at the refinery or vaporization plant would frequently be $1 or more per thousand cubic feet. Delivered to the same markets, domestic natural gas at new ceiling prices would cost about half that amount. Thus, we could afford to pay significantly more for domestic gas, thereby appreciably increasing its supply, and still have lower prices than would have to be paid for gas from the alternative sources now being considered.

ENVIRONMENTAL QUALITY

Environmental resources are common property: They are free for those who use them, and thus are not rationed as they would be if they were private property and users were required to pay a price for their use. As a consequence such environmental resources as clean air and water have been overconsumed in certain uses, particularly the disposal of growing amounts of industrial, municipal, and agricultural wastes. The same excesses have been evident in thermal and noise pollution. The right to dump noise into the air, for example, carries no discipline of a price that must be paid to encourage restraint or to compensate others adversely affected by such pollution.

The question is, How can Federal, State, and local governments limit the uses of environmental resources so as to balance their value for such different purposes as breathing, drinking, recreation, natural beauty, and absorption of wastes? In assuming this task, governments face two major problems. First, the value of environmental resources in alternative uses must be assessed to provide a basis for determining a balanced use pattern. Second, governments must design rules that will achieve a balanced use at the least cost to the economy. The economic efficiency of different approaches to this rationing problem was examined in the 1971 *Economic Report of the President.*

The pending decision about issuing a right-of-way permit to the Trans Alaska Pipeline illustrates the considerations involved in government allocation of environmental resources. On the one hand, there are urgent energy needs that would be served by the large supplies of low-cost crude oil from the North Slope. The Prudhoe Bay field is one of the largest and one of the lowest-cost oil fields discovered by man. Its development would supply additional domestic energy to the West Coast of the United States at costs to the Nation well below those of less secure imports. On the other hand, the pipeline would pass through some of the most remarkable wilderness areas in the United States, and there is no certainty that environmental contamination could be avoided altogether.

The Secretary of the Interior, as custodian of the public lands, must decide whether to issue the right-of-way permit. To help him assess the costs and benefits of alternative decisions, the Council of Economic Advisers examined the economic costs to the Nation of not building the pipeline. Other agencies reported on such matters as the effects of the pipeline construction on the Alaskan economy, the impact on our national security, and the possibility of pipeline failures. According to the National Environmental Protection Act, the Secretary of the Interior himself must file a statement with the Chairman of the Council on Environmental Quality describing the probable environmental impact of the action. Having completed these tasks, he will then be in a position to make a decision based on full consideration of the costs and benefits.

In calculating the labor and capital costs to the Nation of not building the pipeline, the Council of Economic Advisers compared the pipeline project with one of the other principal ways of meeting the Nation's demands for low-cost energy—importing the same amount of oil from overseas as would be produced at Prudhoe Bay. According to the Council's study, the real resource cost of imported oil would be more than twice that of the Prudhoe Bay crude delivered to the West Coast. Development of the 10-billion-barrel field and transportation of the oil to the West Coast would save the Nation $15 billion to $17 billion during the expected 20-year life of the field. These costs must of course be weighed with other considerations mentioned above in arriving at an ultimate decision.

Most environmental decisions are not of an all-or-nothing character. Instead, they involve setting quantitative limits on the use of our environmental resources, assessment of charges for use, or the distribution of subsidies to parties investing in facilities to control pollution.

These cases offer a wide range for judgments about where incremental costs and benefits will come into balance. In the control of water pollution, for example, costs of improvements rise more rapidly as we approach the total elimination of pollutants. According to estimates made by the Environmental Protection Agency, 85 to 90 percent of water pollutants from municipal and industrial sources can be removed by 1982 with aggregate new expenditures of just over $60 billion during the next decade. To remove another 10 percent would cost almost another $60 billion; to achieve zero discharge of pollutants would cost roughly $200 billion more, or over $60 billion for each percentage point of additional removal. At this level, the incremental cost is so enormous as to raise serious questions about the appropriateness of carrying removal this far. The substantial resources that would be needed to improve effluent quality only slightly beyond levels of purity that would already be high could be used to benefit the economy in dozens of more significant ways. Public policy must decide where these resources would produce the greatest benefits.

Problems of controlling water pollution are complicated by other factors. First, the level of benefits provided by removal of pollutants from a particular water basin depends on the potential uses of that basin. Where potential recreational uses are important, for instance, the benefits of removing pollutants are likely to be higher than in a major shipping channel. Final water quality standards should reflect the benefits attainable; controls on pollutant emissions can then be aimed at the achievement of those standards. Second, our knowledge about the effect on water quality of removal of different amounts of given pollutants is still incomplete. Even if final water quality goals can be appropriately established, the extent to which emissions of a given pollutant need to be reduced in order to reach that quality level is not clearly known. A third problem is presented by the fact that pollutants result from both "point sources" (municipal and industrial waste facilities) and "general sources" (fields, farms, or mines) while controls generally have been enforceable only at point sources. There are instances in which, even with the removal of all pollutants from point sources, desired water quality could not be achieved; there are other instances in which current levels of pollutant emissions produce no deleterious effects.

Since in practice both benefits and costs of pollution control vary from basin to basin, participation from the local, State and regional levels is appropriate in setting the goals for water quality.

A similar problem of estimating costs and benefits is posed by a system of charges to discourage the emission of pollutants. Here the choice explicitly requires assessing the value to the public of removing pollutants and setting a charge that reflects the dollars and cents value of these benefits. The Administration is considering a legislative proposal for a charge to be levied on sulfur oxide emissions. To fix a charge per pound of sulfur emitted means calculating the costs of abatement and the benefits accruing to natural beauty, vegetation, property, and health from reducing these emissions. The Environmental Protection Agency has made rudimentary estimates of the more readily measurable benefits and costs of reducing sulfur oxide that will provide a basis for setting the charge.

As a method of limiting pollution, emission charges—or effluent fees, as they are sometimes called—possess distinct advantages. For one thing they result in an efficient allocation of the resources devoted to pollution abatement. Because each source of pollution will reduce emissions to the point where the costs of doing so just equal the charge, those sources that can clean up a given proportion of their emissions at low costs will press their abatement activities farther than sources incurring higher costs. In contrast to what would happen if equal standards were applied to each source, a larger share of abatement activity will be undertaken by sources with low costs. Insofar as abatement costs differ from source to source, a charge would achieve a greater reduction in emissions for a given amount of labor and capital resources committed to pollution abatement than would be achieved by a uniform standard. Conversely, a given reduction in emissions can be achieved more economically by setting a charge rather than a standard.

Another advantage of emission charges lies in the information they generate. Disagreements frequently occur about the technological feasibility or the costs of meeting specific standards. Polluters argue that the standards either cannot be met or can be met only at heavy cost, while environmental advocates minimize the difficulties. An emission charge always makes it in the interest of polluters to reduce emissions as long as the cost of doing so is less than the charge. The charge will therefore reveal the reduction in emissions that is economical at a cost equal to the emission charge itself.

Since environmental regulation should always be carried out with as much knowledge as possible of costs and benefits, an emission charge can be a valuable tool in supplying information about actual costs. As more information becomes available, the charge can be adjusted to equate benefits and costs.

RESEARCH AND DEVELOPMENT

Investments in scientific knowledge and in its application to productive uses have become an important characteristic of the American economy. Benefits from the development and utilization of knowledge are many and varied. They are evident in improved health for millions of Americans as well as in our greater understanding of outer space. They include entirely new products that enhance the quality of life and new techniques that expand the productivity of the Nation's human and physical resources. While an accurate evaluation of those benefits that directly improve economic performance is difficult—to say nothing of the less tangible benefits—it is widely agreed that the group of activities called research and development (R&D) plays a central role in our economy. It has led to new products and industries; and it can contribute in important ways to solving today's complex economic and social problems.

Research and development has become a major economic activity. In recent years over $25 billion—nearly 3 percent of the Nation's total expenditures—has gone into R&D. Two-fifths of the expenditures for this purpose reported in 1971 were made by private profitmaking firms. The Federal Government paid for most of the remainder (Table 26).

TABLE 26.—*Distribution of funds for research and development, by funding source and performer, calendar year 1971*

Source or performer	Percentage distribution of overall total [1]			
	Total	Research		Development
		Basic	Applied	
By funding source:				
Total	100.0	15.1	22.6	62.3
Federal Government	55.0	9.5	12.3	33.1
Universities and nonprofit institutions	5.3	3.7	1.3	.3
Industry	39.7	1.9	9.0	28.9
By performer:				
Total	100.0	15.1	22.6	62.3
Federal Government	14.6	2.5	5.3	6.8
Universities and nonprofit institutions	17.4	10.4	4.5	2.5
Industry	68.0	2.2	12.8	53.0

[1] Based on $26.9 billion reported by performers of R&D. Funding and performing estimates for universities include $0.3 billion financed by State and local governments.

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

Source: National Science Foundation.

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The Federal Government is itself an important performer (as well as funder) of research and development; in 1971 nearly 15 percent of all R&D was performed directly by Federal agencies. But the Federal Government's influence on the R&D industry is even larger than its actual share of these activities might imply. Government policy influences the supply of scientific manpower; it also affects incentives for private investment through cost-sharing arrangements, tax policies, patent laws, and other legal mechanisms.

RATIONALE FOR GOVERNMENT INVOLVEMENT

Government is a large purchaser of goods and services, and many of the things it buys have a large R&D component. Defense equipment and the exploration of space are obvious examples. Government as the purchaser of such goods and services must also support whatever research and development is required for their production, either through direct Federal funding of the R&D or indirectly through the price it pays for the production of the final goods themselves. The bulk of Federal expenditures for R&D fall in this category; national defense and space alone accounted for 79 percent of R&D funding in fiscal 1971 (Table 27). Research and development done for these purposes have had applications in other fields. Therefore the amount of R&D supported for defense and space is relevant to the scale of appropriate Federal support for R&D in the private sector.

But Government has an appropriate role in R&D even when its results will not be incorporated in Government purchases, because private firms would underinvest in R&D for goods normally purchased by the *private* sector. Although an investment in R&D may produce benefits exceeding its costs from the viewpoint of society as a whole, a firm considering the investment may not be able to translate enough of these benefits into profits on its own products to justify the investment. This is because the knowledge which is the main product of R&D can usually be readily acquired by others who will compete away at least part of the benefits from the original developer. This is particularly true of basic research, where the output frequently occurs in the first instance not as a marketable product, but rather as an advance in basic knowledge that can subsequently be used in applied research and development by a wide and often unforeseeable range of firms.

One way to encourage more spending on R&D for private goods is, of course, by direct funding. When this approach is followed, it is sensible for Government's share of total expenditures to be greatest for basic research and to decline at subsequent stages. The difference between social and private benefits is largest for basic research and diminishes when investments begin to provide returns that can be obtained through private markets. Increasingly it is recognized, however, that even at the developmental, demonstration, and diffusion stages of innovation, social benefits may exceed private benefits.

There are also indirect ways the Government can promote R&D investment for private goods. Public policy has long encouraged and rewarded innovation and the progress of science through patent laws which permit inventors to capture a larger portion of benefits than would otherwise be possible. Other legal mechanisms including those that deal with "trade secrets" also permit the entrepreneur to internalize benefits that otherwise would accrue outside his firm.

The difficulty of a firm undertaking its own R&D efforts may be especially great when the firm is small in relation to the scale required for efficient R&D efforts. In some cases this difficulty is overcome by the R&D activities of larger firms which supply machinery or materials to smaller firms, for example, by producers of farm machinery or seeds for farmers. In other cases there are firms and institutions that specialize in research and development as such. Also, firms may be able to share risks or pool their support of R&D through formal or informal consortia under today's legal and institutional arrangements. For example, in fragmented industries in which several such consortia are probable, joint R&D would not normally be considered a violation of the antitrust laws. On the other hand, joint efforts among leading firms in highly concentrated industries would normally be considered undesirable. In general, actions taken by private groups which lead to improved allocation of resources would not be in conflict with the antitrust laws; actions which lead to excessive market power would be.

It must be recognized that in some industries the small firm is the most effective institution for accomplishing R&D. This is perhaps the case most frequently at the early stages of development of a new technology. Large firms sometimes prove to be insufficiently flexible to adapt to rapidly advancing technological innovation. In other instances large, regulated firms facing relatively assured markets sometimes achieve only a slow pace of innovation. The benefits of innovation may be capturable, but the spur of competition is absent.

When private action or patent protection is not sufficient to achieve scale economies or capture external benefits, direct Government support for R&D may be appropriate. This would be especially true in an established industry with many small firms. Under such conditions an individual firm may have little incentive to undertake its own research or to participate in an ongoing venture in R&D conducted jointly by a group of other firms; it would have difficulty capturing the benefits of its own efforts, and the benefits of their efforts would probably be available without the firm's financial support. Federal support for agricultural research, for instance, started because individual farms were too small to undertake their own research and lacked the incentives and institutions to support joint arrangements.

While it is clear that Federal involvement is essential to prevent underinvestment in R&D, the optimal amount of this activity is much less clear. The proper allocation of R&D among alternative activities presents a further problem. In theory, benefit-cost analysis can answer these questions, but in practice it is difficult to measure reliably either the aggregate benefits from R&D or the benefits from investing in particular projects. This is inherent in the conditions which lead to government intervention—benefits are often widely diffused in society and thus difficult to measure. Comprehensive analysis is further hindered because the transformation of research into new knowledge and of new knowledge into public and private innovations and workable technologies is not yet adequately understood. Until better analysis is available to show the benefits, costs, and processes associated with R&D, informed judgment will continue to be the major element in shaping public policy.

RECENT DEVELOPMENTS

Several recent developments have raised serious questions about the adequacy of this Nation's research and development program. Recognizing these developments, the President in 1971 directed the Domestic Affairs Council to undertake an intensive review of Federal policy in this field.

The most prominent development has been in total expenditures for research and development; they grew rapidly until about the mid-1960's but have recently been rising quite slowly. Indeed, if total outlays are adjusted for rising costs, "real" outlays for R&D have actually been declining since 1968. As a result, research and development amounted to a smaller percentage of GNP in 1971 than in any year since 1960.

Federal R&D spending, in real terms, declined at an annual rate of 4 percent between its 1967 peak and 1971 principally because of scheduled reductions in space exploration from $5 to $3 billion. Nonfederal spending continued to show a real increase through 1969 and then declined the past 2 years.

New Emphases

New national priorities have been reflected in substantial reallocations of Federal R&D expenditures (Table 27). All of the recent declines in total Federal outlays for R&D have been in national defense and space. National defense accounted for 86.5 percent of Federal R&D expenditures in 1960; during 1965 this proportion declined to 56.9 percent and remained near that level through 1971. The major growth in Federal support from 1961 to 1966 was in space research and technology, which by 1965 accounted for one-third of the total Federal R&D expenditures. Since 1966 space R&D has declined each year both in absolute terms and as a share of the total. Expenditures for R&D related to human resources (mainly in health and education) and economic affairs increased rapidly throughout the decade. Between 1965 and 1971 the share of the total devoted to these fields doubled; together they accounted for 18.6 percent of Federal R&D expenditures in 1971.

TABLE 27.—*Distribution of Federal expenditures for research and development by major function, fiscal years 1960, 1965, and 1971*

[Fiscal years]

Function	Percentage distribution		
	1960	1965	1971 [1]
Total	100.0	100.0	100.0
National defense	86.5	56.9	57.7
Space research and technology	4.7	33.0	21.6
Human resources [2]	5.0	6.3	13.0
Natural resources and environment	1.0	1.0	1.7
Economic affairs [3]	2.6	2.5	5.6
Other [4]	.1	.1	.3

[1] Estimate.
[2] Health; education, and manpower; income security; veterans benefits and services; and community development and housing.
[3] Commerce and transportation; and agriculture and rural development.
[4] International affairs and finance; and general government.

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

Source: National Science Foundation.

Unemployed Scientific Manpower

Declines in "real" research and development expenditures, especially the shift in Federal programs away from defense and space, and a slowing of general economic activity have increased unemployment among the Nation's scientific workers. Statistics available on the extent of this unemployment indicate that nationally it is lower than overall unemployment; but it is clear that for certain skills and in certain localities unemployment has become a severe problem, especially in contrast to the tight supply situation only a few years ago. The amount of actual unemployment, however, would probably not indicate the full extent to which scientific personnel are underutilized, since some people are employed at jobs which do not fully use their technical skills.

International Developments

During the last decade the United States has devoted a larger share of its GNP to research and development than any other country and a larger portion of these dollars to basic research, the type that provides the greatest external benefits. Experience of recent years has demonstrated that the benefits of R&D go beyond the borders of the performing nation. Basic research findings from all parts of the world are generally available for all nations to use, and the same increasingly appears true for applied and developmental research efforts as well. This has become evident in the shortened period between the time a new product is introduced and the time it is replaced by newly developed competitive products.

These developments are in part a natural result of expanding national economies throughout the world and of improved networks of international communications. They also result partly from specific policies of some nations to import the findings of basic and applied research conducted elsewhere and to concentrate domestic efforts on developing and refining applications.

These and other trends in national and international R&D policies have implications for the international competitive position of U.S. exports, which have been concentrated in high-technology goods, dependent on R&D investments. The conditions which underlay this Nation's comparative advantage in such goods in the past no longer appear so prominent. Both the level and the mix of U.S. research and development have changed considerably in recent years. The level of all R&D as a percentage of GNP in the 1970's may remain below that of the 1960's. In many other industrial nations the reverse would appear likely. The nature of R&D activities will help determine tomorrow's comparative cost conditions and the patterns of world trade.

EXPANDED SUPPORT FOR R&D

The President's budget for fiscal 1973 proposes an increase in R&D funding of $1.4 billion, or 8 percent, above fiscal 1972. This increase should help reverse the recent declines in "real" Federal funding for all R&D activities. Federal support is being expanded in several critical areas: basic research; national security; and civilian R&D. In addition, the Administration is moving to improve the overall management of R&D to ensure an appropriate level, priority, and efficiency of effort.

The Budget calls for a 15 percent ($700 million) increase for civilian R&D. Over one-half of the increase will be directed toward six priority domestic objectives. New emphasis will be given to potentially fruitful developments in the fields of energy, environment, transportation, health, natural disasters and drugs. In addition, two experimental programs will be initiated to stimulate R&D investments and applications by private firms and non-federal institutions. One program will be administered by the National Bureau of Standards; the other program, to be administered by the National Science Foundation, will include efforts to help improve our understanding of the process of innovation and research application. A variety of approaches will be followed by both agencies including more joint activities among universities, industry and Government, demonstration of new technologies and encouragement for small, innovative R&D firms.

SURFACE FREIGHT TRANSPORTATION

The Federal Government has long been involved in regulation of the transportation sector. Railroad transportation was first regulated under the Interstate Commerce Act of 1887. Other modes later came under regulation—motor carriers in 1935 and certain inland and coastal water carriers in 1940. Economic and competitive conditions have changed considerably since regulation was initiated, but the changed conditions have not been adequately reflected in the regulations under which the Nation's surface freight carriers are required to perform.

One of the most significant and negative outcomes of regulation has been the fixing of transportation rates in relation to the value of service to shippers, rather than in relation to the costs of providing service. In the early years such value-of-service pricing was a form of price discrimination intended to benefit railroads which operated under conditions approximating monopoly. As competition from other transport modes grew, rail rates substantially above transportation costs for high-valued goods presented attractive competitive targets for motor and water carriers even though the railroads might have been the low-cost carrier of such freight. The process continues today, and as a consequence, the railroads are increasingly the carrier of low-value bulk commodities despite their comparative advantage as a long-haul carrier for general cargo. Through regulation, value-of-service pricing has been imposed on shippers, requiring them to pay rates for services in excess of the costs of those services. This leads to the provision of less transportation services than is desirable for society. In addition, transport pricing unrelated to the costs of providing efficient service causes mislocation of facilities for commerce and industry, which must adjust to existing transportation rate patterns.

Regulation of carriers has also led to waste of resources within a given mode. For example, the Interstate Commerce Commission (ICC) certificates, which grant motor carriers the privilege to operate, require these carriers to traverse fixed routes and to pick up and deliver only at particular points on those routes. Regulation thus artificially imposes on motor carriers the disadvantages which accrue naturally to rail and barge lines. Some motor carriers and regulated barge operators are further limited in the commodities they are permitted to carry. This limitation compounds the empty backhaul problem: That is, largely as a result of restrictions in their operating certificates, trucks from A may haul one or more commodities to B and return empty, while others from B haul goods to A but also return empty. Removal of such restrictions on competition among carriers and of impediments to efficiency can mean significant savings to the economy as a whole without cost to any sector.

The railroads, especially, have faced another problem due to regulation. They are required to continue operating branch lines when such lines are unprofitable, and sometimes even when revenues do not cover their out-of-pocket costs.

To the extent that regulation has given one mode or sector artificial advantages in particular markets, relaxation of regulation would lead to some adjustments among sectors. Improved resource allocation would mean the loss of such artificial advantages, but in some cases it would also benefit more than one carrier. Abandonment of uneconomic branch lines, for example, would benefit rail carriers and simultaneously provide new markets for motor carriers in accord with their comparative advantage in short-haul carriage. Other shifts of traffic in accord with the comparative advantage of each mode could be expected.

There are no significant economies of scale for motor carriers and most major rail lines appear to be of sufficient size to achieve scale economies under current conditions. Thus there is little danger that competition, once established, could not remain viable.

Even though many regulations were designed for the benefit of railroads, the financial position of these carriers is particularly weak, a fact that became especially clear in 1970 and 1971. Though there is no single, fully satisfactory indicator which summarizes the financial position of railroads, especially in comparison with other modes and industries, their return on investment provides some information, particularly in year-to-year comparisons. The return on stockholders' equity for the Nation's Class I rail carriers dropped from 3.1 percent in 1968 to 0.4 percent in 1970 (Table 28). In comparison, the figure for all manufacturing firms in 1970 was 9.3 percent, down from 12.1 percent in 1968. Barge carriers approximately matched the performance of all manufacturing firms while motor carriers had somewhat lower returns.

TABLE 28.—*Return on stockholders' equity for Class I railroads, Class I motor carriers, Classes A and B inland and coastal water carriers and all manufacturing corporations,*[1] *1967–70*

[Percent]

Type of business	1967	1968	1969	1970
Class I railroads [2]	1.8	3.1	2.6	0.4
Class I motor carriers [3]	9.2	12.9	9.8	7.2
Classes A and B inland and coastal water carriers [4]	12.2	11.0	8 9	10.4
All manufacturing corporations	11.7	12.1	11.5	9.3

[1] Profits after taxes as percent of stockholders' equity.
[2] Carriers with more than $5 million revenues.
[3] Includes intercity motor carriers of property, with revenues of more than $200,000 in 1967–68 and more than $1 million in 1969–70.
[4] Class A and B inland and coastal water carriers with more than $100,000 in revenues.

Note.—The figures for various carriers have been the subject of some controversy. They are stated here as reported to Interstate Commerce Commission.

Sources: Interstate Commerce Commission and Securities and Exchange Commission.

The Nation's largest rail carrier, the Penn Central, filed for reorganization in 1970; several other railroads had done so earlier and some, including the Reading, followed in 1971. The physical plants of many railroads are in serious disrepair because their long-term low-earnings performance has led to deferral of maintenance and delay in the purchase of new equipment. Since railroads are the major long-haul freight carrier, their difficulties have adverse effects on the entire surface freight system.

Changes in the earnings performance of the railroads and other carriers cannot be attributed principally to the total volume of their traffic. While freight traffic during the last decade rose somewhat more slowly than total output in the economy, the volume nevertheless increased at an average rate of more than 3 percent annually from 1960 to 1970. Total surface freight traffic rose from 1,084 billion ton-miles in 1960 to 1,491 billion in 1970. The growth in traffic is shown for various modes in Table 29.

As suggested above, much of the problem in the surface freight transportation system can be traced to regulation itself. Selective deregulation offers opportunities to improve the efficiency of the industry and increase its ability to meet growing demand.

TABLE 29.—*Freight ton-miles shipped by type of carrier, selected years, 1960–70*

Year	Total [1]	Type of carrier		
		Rail	Truck	Barge
	Billions of ton-miles			
Number of ton-miles:				
1960	1,084	579	285	220
1963	1,199	629	336	234
1967	1,401	731	389	281
1970	1,491	773	412	306
	Percent			
Percentage distribution:				
1960	100.0	53.4	26.3	20.3
1963	100.0	52.5	28.0	19.5
1967	100.0	52.2	27.8	20.1
1970	100.0	51.8	27.6	20.5

[1] Excludes pipelines, which carried 20 percent of all ton-miles shipped, and air cargo, which carried a minor portion of all ton-miles shipped.

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

Sources: Interstate Commerce Commission and Transportation Association of America.

REGULATORY MODERNIZATION ACT OF 1971

In 1971 the Administration proposed a relaxation of regulation in surface freight transportation. The Transportation Regulatory Modernization Act of 1971 would institute a series of regulatory changes leading to a more competitive market and a stronger surface freight transportation industry.

One of the most significant features the Act proposes is the removal of conditions in the ICC operating certificates that serve to reduce efficiency or restrict competition. It would permit greater freedom for carriers to serve points intermediate to the terminals specified in the certificates, and permit removal of route-of-travel and commodity restrictions. Procedures for such removal are to be established by the ICC within 6 months following passage of the Act. Certificates for the entry of carriers into the industry (which would mainly affect motor carriers) could not be denied, as at present, on the basis of the impact of new entry on a particular carrier; instead decisions would have to be made in light of the impact on the total quantity and quality of service provided over the routes in question. These modified criteria would apply only to existing certificate holders during the first 2 years following passage of the Act. After that they would apply to all.

The proposed legislation also would specify a "zone of reasonableness" within which surface freight carriers would be able to price their services. Railroads, truck lines, and barge lines would not be permitted to charge prices below the variable cost of providing service. In the absence of "intermodal" competition, a maximum price limit would also be legislated, equal to 150 percent of fully allocated costs. For the first year, however, no rate change in excess of 20 percent woud be allowed. In the second year the band would be widened to 40 percent; but in any case rate changes would be required to fall within the zone determined by the legislated minimum and maximum. (The Department of Transportation has recently outlined to the Civil Aeronautics Board a zone-of-reasonableness approach for domestic airline rates. The move has received strong support from several air carriers and from the Department of Justice. Approval of such a zone, if wide enough to encourage meaningful price experimentation, would help materially to meet the goals for improved airline regulation set forth in the 1971 *Economic Report of the President.*)

Under specific criteria in the legislation, railroads would be permitted to abandon more of their unprofitable branch lines than is currently allowed. Approximately 20 percent of the country's railroad track miles are now deemed to be used too infrequently to be profitable. Also carriers whose management would be given greater freedom in setting their rates and in modifying their services would become subject to legal constraints similar to those imposed on competing firms in other industries.

FACTORS AFFECTING THE TRANSITION

The continuing expansion in freight traffic augurs well for an orderly transition to a more efficient system following passage of the Act in substantially the form proposed. Gradual shifts in traffic among modes can be expected in accord with the comparative advantage of each. Average freight rates in trucking would be expected to show some reduction, but this would not come at the expense of the typical operator's profits or the wages of labor. Instead, it could flow from the orderly removal of inefficiencies that regulation has imposed on the industry in the past. Moreover, the adjustments that would be brought about by the proposed legislation would occur over a 2- to 4-year period in the context of rising demand for carriers' services and under provisions of the legislation specifically designed to ease the problem of transition.

While relaxed regulations would lead to greater efficiencies in trucking without requiring major new investment (partly because the Nation's interstate highway system is nearing completion), the same is not true for the railroads. To compensate for the years of deferred investment in new plant and equipment, the railroads will have to make large capital outlays. Once these are in place, railroads should be able to fulfill their role as an efficient and profitable component of our freight transportation network with average freight rates lower than they are today.

A number of proposals and developments will improve the situation of the railroads. The Transportation Assistance Act, also proposed by the Administration, provides new incentives for increasing railroad rolling stock through Equipment Trust Certificates and the modern scheduling and control of rolling stock. An increasing earnings potential for the railroads is also possible from the resumption of a high level of general economic growth, the additional stimulus to rail traffic which will result from rates more closely in accord with costs, and, where it has been unprofitable, the removal of passenger traffic deficits from the private railroads. These steps will make it less difficult for the railroads to attract private capital.

Passage of the legislation proposed by the Administration would be a significant step toward a stronger and more efficient transportation system. The legislation to relax regulation is expected to yield annual savings to the economy of roughly $2 billion; this will be reflected in some rate reductions and should also result in improved earnings in financially distressed segments of the industry. On the other hand, failure to move forward or even excessive delay could mean continued unsatisfactory performance of this vital service in the economy and may lead to increasing direct involvement by the Federal Government accompanied by large subsidies.

RAIL PASSENGER SERVICE

In 1971 direct Federal action was taken on rail passenger traffic. Past regulation often required railroads to continue passenger transportation services over a long period even when it was uneconomic to do so. This resulted both in prolonged losses to railroads and in deterioration of the quality of equipment and service.

Passenger traffic from a number of railroads was transferred to an autonomous, quasi-governmental corporation known as "Amtrak." Several actions were carried out by this corporation during its early months of operation. Some unprofitable lines were discontinued; a significant segment of activity was concentrated in a number of high-density and potentially profitable travel corridors; and new investments were made. However, the funds initially appropriated for Amtrak have proved to be inadequate for continued operation. It is still too early to judge the success of this initiative.

HEALTH AND MEDICAL CARE

Improvement in the health of the population has always been a concern of Government. This concern has recently been intensified by sharp increases in the demand for medical services and by rapidly rising costs in this sector.

In fiscal 1971 the Nation's medical expenditures for all types of care were $75 billion. At $358 per person, this sum represents 7.4 percent of the gross national product. Five years ago medical expenditures amounted to just under 6 percent of GNP, or $212 per person. In part, of course, this dramatic increase during the past 5 years is due to price increases. The medical component of the consumer price index has risen much faster than the overall index. Even after adjusting for increases in the medical care price index, however, real resources spent on medical care increased faster than real GNP and grew at an annual rate of 4.3 percent per capita since 1966. In the past fiscal year the growth rate of expenditures slowed down to 2.5 percent per capita in real terms. This represented less of a slackening than occurred in the per capita GNP in real terms.

Although improvement in the health of the population was clearly the ultimate goal of these expenditures, it is also true that the relation between good health and medical expenditures is less than direct. First, our medical dollars may not always be used effectively. Ideally, the preferences of consumers and capabilities of suppliers freely interact in the market to determine the price and amount of the commodity consumed; and this interaction leads to the use of resources that best contributes to the material well-being of people. In the case of medical care, however, distortions in this process occur because, on the demand side, consumers are not always able to judge the service, and, on the supply side, competition is often limited by restrictions on entry into medical practice and hospital services. Although these restrictions may have been intended to protect consumers, as a side effect they may also impede the efficient utilization of resources. In addition, the dominant position of nonprofit organizations in the market providing hospital services raises other questions about whether incentives to minimize costs are as great in medicine as in other parts of the economy.

Yet even great improvements in the market for medical care would not solve all health problems. Another important problem arises because good health is related to many factors in addition to medical care. Some of these factors are subject to an individual's control: diet, exercise, smoking, and consumption of alcohol. Other conditions, such as the amount of pollution in the air and water, depend rather on the actions of society as a whole. In addition, there are more elusive influences, like the tension generated by attitudes toward work and other circumstances of modern life. The importance of life styles and environment to health has become much more apparent in recent years.

To start to answer the general question of how we can best "produce" health, we must find a way of measuring changes in the level of health. What must be measured is the actual output—health—not simply such inputs as amounts of medicine consumed, days spent in hospitals, or the hours in consultation with doctors. While no comprehensive measures of the national health have been developed, and each existing measure has its limitations, such indicators as mortality rates and disability days have been widely used to trace changes over time and to compare localities. The relationships observed between these measures of health and other variables have revealed a number of paradoxes.

It was once assumed that rising incomes would lead to improved health, but this assumption is now open to question. Once an area or country reaches the level of income typical of the most economically advanced nations, the correlation between income and health is less clear cut. It seems quite possible that beyond this level any further increases in income may call into play environmental factors unfavorable to health, and these may counterbalance the favorable effects of better medical care per se. For example, those States with the highest per capita income do not necessarily have the lowest mortality rates. Indeed, there appears to be a slight positive association between income and mortality rates, except for infant mortality, even though States with the highest per capita income also tend to have more abundant medical care whether measured by medical expenditures or by such indicators as the number of doctors per capita.

A comparison of the United States with other developed countries provides another illustration of the difficulty of understanding the complex relations between medical expenditures, income, and health (Table 30). Although the United States has the highest per capita income, as well as the highest per capita medical expenditures, we do not have the lowest mortality rates. Our record of life expectancy at age 10, particularly for males, is below the average of the 22 countries belonging to the Organization for Economic Cooperation and Development (OECD). However, our infant mortality rate and maternal mortality rate, while not the best, are better than the average. Similarly, the five OECD countries with the next highest per capita income (after the United States) do not consistently have the best mortality records, particularly with respect to male mortality.

These patterns are puzzling. Does the activity of earning higher wages itself produce tensions which have adverse effects on health? Or do hazards engendered by the style of life become more critical with higher incomes? These considerations suggest that much is still to be learned about the complex "technology" of producing health.

TABLE 30.—*Measures of life expectancy and mortality in the United States and other countries in the Organization for Economic Cooperation and Development, various years, 1960–69*

Country	Life expectancy at age 10, in years, 1960–69 [1]		Infant mortality rate, 1969 [2,3]	Maternal mortality rate, 1968 [2,4]
	Male	Female		
OECD countries [5]	[6] 60.9	[6] 66.0	[7] 23.2	[8] 34.5
United States	58.7	65.7	20.8	24.5
White	59.4	66.4	18.4	16.6
Negro and other races	53.0	60.2	31.6	63.6
Five countries with highest per capita income after United States:				
Sweden	63.2	67.5	13.0	8.8
Canada	61.0	67.1	20.8	27.2
Switzerland	61.0	66.0	15.4	27.6
Denmark	62.4	66.7	14.8	13.4
France	59.7	67.0	16.4	24.1

[1] Latest data for the countries vary from 1960 to 1969.
[2] For countries without data for the given year, data for the closest year were substituted.
[3] Deaths under 1 year of age per 1,000 live births; excludes stillbirths.
[4] Deaths per 100,000 live births.
[5] Unweighted mean.
[6] Excludes Luxembourg and Turkey.
[7] Excludes Turkey.
[8] Excludes Iceland, Luxembourg, Turkey, and Yugoslavia.

Sources: United Nations and Department of Health, Education, and Welfare.

Furthermore, the health indexes that have been mentioned here cannot by themselves be used to evaluate the effectiveness of medical care. When the probability of becoming ill varies among States and countries because environmental factors, life styles, and even genetic characteristics differ, it can be misleading to base conclusions about the quality of medical care on simple comparisons between medical expenditures and measures of general health.

Since medical care is likely to remain a major instrument for improving the Nation's health, and since it is a focal point for public policy, there is a clear need for developing tests for the effectiveness of medical care. At present, we do not have the data required to make such tests, and thus we can evaluate only imperfectly the efficacy of alternative medical care policies.

TRENDS IN HEALTH INDICATORS IN THE UNITED STATES

Within the United States, trends in many of the health indicators have shown continuing improvement during the past 20 years. Infant mortality rates, which had declined very slowly—15 percent from 1950 to 1965—dropped 20 percent from 1965 to 1970. The number of restricted activity days, which is one measure of morbidity, has declined from an annual 16.2 days per person in 1960 to 14.8 days in 1968. Mortality rates for females over 54 years of age have declined since 1960. On the other hand, mortality rates for both male and female adults in the 25- to 54-year-age range and for males over 54 years of age have changed little. The lack of improvement in the mortality record of this latter group, despite the large increase in medical expenditures, is particularly puzzling.

One problem that the health indicators point up sharply is the difference in the health of different segments of the population, particularly the differences observed between the white and Negro populations in the United States. Although Negro mortality rates have declined considerably over the past two decades, they still remain much above the rates for the white population. Life expectancy for Negro males and females was about 7.4 years less than for white males and females in 1968. Despite a decline of 22 percent in infant mortality from 1965 to 1970, the Negro rate at 31.4 per 1,000 live births in 1970 is still 80 percent higher than the white rate.

FINANCING MEDICAL CARE

The foregoing discussion suggests that public policy for improving health should focus on a complex approach, with provision of medical care as only one of many facets. We must therefore decide how to allocate our health dollars among the different routes to better health: medical care, medical research, and such programs as those to purify the air or improve nutrition. Even when the appropriate role of medical care has been delineated, however, one is left with other problems, such as how the care is delivered and financed.

One important influence on policy has been the growing consensus that access to medical care should not depend exclusively on an individual's level of income. As a result, public financing of medical services has become an increasingly large part of total outlays in these services, growing from 26 percent in fiscal 1966 to 37.9 percent in fiscal 1971. The Federal component has grown even faster, from 13 percent in 1966, before Medicare was really underway, to 25 percent in 1971. Shifts have also taken place within the private sector. Whereas direct payments by users once accounted for the bulk of all private spending for medical care (86 percent in 1950), by fiscal 1971 only 58 percent came from this source. Private health insurance or payments by a third party have now replaced much of these user payments.

The element of risk complicates the financing of health because an individual's need for medical care is much more variable than is his need for other goods and services. Insurance against high-cost illness has been the answer for most people. Hospital expenses for some 80 percent of the civilian population (almost 84 percent of the population under 65 years of age) are covered by private health insurance. The proportion with coverage for surgical expenses is 78 percent. A substantial part, more than 70 percent, of the hospital expenses borne by the private sector are covered by health insurance.

Easy access to lower-cost group health insurance often depends on employment. It is therefore not surprising that many of the poor, especially those not in the labor force, do not have adequate private coverage. Medicare gives protection to most of the elderly. Medicaid provides additional protection for roughly 18 million of the aged, the blind, the disabled, and low-income families with children, but this protection is very uneven among the States. Moreover, many of those who are not so poor and who have some protection nevertheless lack sufficiently comprehensive benefits.

This uneven coverage, combined with the soaring costs of the past few years, has led to considerable discussion about new methods of financing medical care. The criteria most frequently mentioned are not necessarily compatible. First, many people believe that access to medical care should not be limited by a person's financial resources. At the same time, financing schemes should provide a mechanism for controlling costs and encouraging efficient resource use. But the more medical care is divorced from current ability to pay, the greater the role of payments by a third party; and when third party payments increase, incentives for patients and doctors to economize tend to diminish. Medical services use scarce resources; if they are to be efficiently allocated, benefits must be compared with costs. Experience with Medicaid and Medicare and the growth of other third party insurance have shown that all too often the most expensive treatment is undertaken without giving sufficient consideration to what the treatment would cost and what it would contribute to the cure of the illness compared to the costs and benefits of other treatments.

The development of health maintenance organizations (HMO's) has recently received attention as a possible solution. These organizations provide all-inclusive medical services for a fixed payment set in advance. Since an organization which receives a fixed sum has some incentive to budget its resources wisely to meet the needs of its clients, this system offers the promise of encouraging a control of costs along with an efficient use of resources. For example, it would be in the interest of the organizations to pay stricter attention to the benefits and costs of increasing well-patient care and diagnostic services to prevent future illnesses or to guard against overuse of facilities. This leads, however, to another concern. Is it possible to ensure that HMO's give high quality service? If there were sufficient competition between them, and if enough choice were provided among various forms of health insurance plans, both the cost discipline and the quality of service could be safeguarded.

NATIONAL HEALTH INSURANCE PROPOSALS

In his health message of February 18, 1971, the President outlined a comprehensive program for improving the Nation's health and specifically taking steps to resolve many of the problems mentioned above. The problem of making adequate medical care more widely accessible is covered through two plans in the proposed National Health Insurance Act. First is the National Health Insurance Standards Act which would require that employers offer a basic health benefit package to employees and their families; under this plan over two-thirds of the cost would be contributed by the employer, with the remainder coming from the employee.

The second plan proposed, the Family Health Insurance Plan, is intended to meet the needs of low-income families headed by an adult who is not usually employed and who would therefore not be eligible for coverage under the National Health Insurance Standards Act. In contrast to the Standards Act, which would be privately financed, the Family Plan would be federally financed: The Government would pay 100 percent of the costs for families in the lowest income bracket (up to $3,000 annually for a family of four), and other families' premiums would be scaled to their incomes up to the eligibility limits for the program.

Both plans incorporate some features designed to improve efficiency in delivering health care and to encourage cost restraints. Requiring that insured persons pay part of the costs of the benefits they receive, by means of deductibles and payment-sharing provisions, would encourage more prudence in the use of services and discourage waste. With insurance expanded to cover visits to physicians' offices as well as hospital care, resources may be better allocated between the two kinds of service. As further protection for the public, the Administration has urged measures to regulate the private insurers. Consumers would be protected against insurer insolvency. In addition, annual audits would be required, and rates would be disapproved if they were found to be unreasonable. Another provision would require a State's approval of new capital investments. It is hoped that in this way unnecessary duplication of very advanced hospital equipment can be avoided. Other provisions are designed to assist the consumer by requiring that both insurers and medical care providers disclose certain kinds of information.

One important effect of the two plans would be the impetus they would offer to the formation of HMO's. Both the National Health Insurance Standards Act and the Family Health Insurance Plan require that the option to join an HMO be provided as an alternative to health insurance. At present many States have legal barriers that prohibit the formation of HMO's. Federal legislation would preempt these barriers and allow HMO's to compete with traditional fee-for-service medical care. The rapid formation of these groups would be further encouraged by proposed Federal grants and loans. As this relatively new form of health care organization grows, it is possible that the competition thereby introduced will encourage experimentation with as yet undiscovered modes of delivery of health care.

Other parts of the Administration's proposals for an overall health strategy include pollution control, safety programs to reduce highway accidents and product hazards, and programs to improve nutrition through financial aid to the poor and better information for all. In addition, inspection and research efforts to control harmful food and drugs will be intensified. Research against sickle cell anemia has been intensified, and the President has signed the National Cancer Act of 1971 which provides for strengthened efforts in cancer research.

The Administration has also made a major commitment to solving our health manpower problems. The Comprehensive Health Manpower Training Act of 1971 and the Nurse Training Act of 1971 authorize institutional grants on a per student basis—a sizable incentive to medical and other health profession schools to train additional health personnel. Problems will, however, remain. For example, even with more and more physicians the problems of assuring an effective distribution of qualified doctors by geographical areas and specialties must still be solved. The 1971 Act provides incentives for physicians to practice in localities having a shortage of doctors as well as incentives for them to devote their time to primary care (particularly family medicine), a specialty which has been neglected in recent years.

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CHAPTER 5

The United States and the World Economy

FOR THE INTERNATIONAL ECONOMY, 1971 was a year of transition between two eras.

The monetary arrangements under which the free world operated after World War II had become subject, especially from 1965 onward, to increasing strains and frequent crises. In 1971 the system reached a critical turning point when the pressures of disequilibrium converged on its key element—the United States dollar. The suspension of the dollar's convertibility into gold and other reserve assets on August 15, 1971, marked the end of the old order and initiated the reforms required to correct the basic disequilibrium from which it suffered.

Exchange Rate Realignment

One major change that has already taken place is a significant multilateral realignment of exchange rates. This was achieved through a combination of market forces (floating rates) and negotiation; the process culminated in the Smithsonian Agreement of December 18. The United States agreed that a suitable means for devaluing the dollar in terms of gold to $38.00 per ounce will be proposed to Congress as soon as a related set of short-term trade expansion measures is available for congressional scrutiny. Upon passage of the required legislative authority, the United States will propose the corresponding new par value of the dollar to the International Monetary Fund (IMF). Other countries, notably Japan, Switzerland, and West Germany, agreed to revalue their currencies in terms of gold, while France and the United Kingdom agreed to hold to their previous par values.

The set of exchange rates negotiated in the Smithsonian Agreement is designed to help correct the relative overvaluation of the U.S. dollar. At the same time the new structure embodies exchange rates among all major currencies which should reduce payments imbalances between each of the major countries and all the others.

The revaluation of each of the major exchange rates against the dollar relative to the parities which prevailed on January 1, 1971, is shown in Table 31.

Wider Bands

The Smithsonian Agreement also embodied a second important change. Under the IMF Articles of Agreement, each member was required to

TABLE 31.—*Changes in exchange rates of major currencies against the dollar, January 1, 1971 to December 31, 1971*

Currency	Percentage increase [1]
Japanese yen	16.88
Swiss franc	13.88
West German mark	13.58
Netherlands guilder	11.57
Belgian franc	11.57
French franc	8.57
United Kingdom pound	8.57
Swedish krona	7.49
Italian lira	7.48
Canadian dollar	(2)

[1] "Central value" of currency relative to January 1 dollar parity rate.
[2] Canada has announced that it will continue to allow the Canadian dollar to float. The value of the Canadian dollar on December 31, 1971 (99.79 U.S. cents) was 7.9 percent greater than the pre-May 1970 par value (92.5 U.S. cents).

Sources: Treasury Department and International Monetary Fund.

maintain the exchange value of its currency against gold or the U.S. dollar within a band or range no wider than 1.00 percent on each side of its parity value. It was agreed, pending longer-term monetary reforms, that this band could be widened to 2.25 percent on each side by countries choosing to do so.

Trade Barriers and Mutual Security Costs

Outside the monetary sphere, the United States received commitments from its principal trading partners and allies to negotiate on measures designed to improve the access of U.S. exports to foreign markets and to increase their mutual security expenditures.

A New Monetary System

Beyond the immediate changes discussed or settled in 1971 the world faces the more extended task of designing a new order for international monetary exchange and cooperation. Although the dimensions of this new order have not yet been defined, it is clear that they will embody fundamental changes from the order under which the free world operated in the quarter century between 1945 and 1970. In particular, both the role of the United States within the international system as a whole and the role of the U.S. dollar within the monetary sector of the international system will have to be redefined in ways consonant with future realities rather than with those prevailing in the past.

The sequence of events that led to the suspension of dollar convertibility on August 15 is rooted in arrangements developed 25 years ago. Similarly the events begun on August 15, 1971, will have consequences that reach far into the future.

THE RECOGNITION OF DISEQUILIBRIUM

The decision by the United States to close the gold window and to impose a temporary 10-percent surcharge on imports, on August 15, divides

1971 into two parts. Any analysis of the year must key itself to this division.

During the first half of 1971 the exchange markets became progressively unsettled, and there was a massive flow of dollars which finally precipitated the August decisions. What caused so many more individuals, firms, and governments to become convinced so quickly that the value of the U.S. dollar was going to fall relative to the other major currencies? Why did this conviction develop after the apparently tranquil year which international finance experienced in 1970?

The swing of opinion was not triggered by any single event: Rather, it was built up through the cumulation of successive and mutually reinforcing layers of evidence and analysis. At least three tributaries of opinion about the position of the dollar converged in 1971. Together they contributed to speculation against the dollar on a massive scale.

1. One view was that the external monetary position of the United States had been in fundamental disequilibrium throughout the 1960's. A fundamental, or long-run, disequilibrium exists when the supply of a national currency to foreigners through the net balance of a nation's payments and receipts consistently exceeds the potential foreign demand for it. With the exchange rates and trading conditions that prevailed in the 1960's the United States was unable to finance its entire set of external policy commitments—on mutual security, on trade, on development aid, on capital mobility—except through the steady issuance of liquid dollar obligations. Balance could have been restored by a shift in relative exchange rates. However there was considerable inertia in the system's mechanism for exchange rate adjustments, especially with respect to the dollar. The rules and practices of the system put almost no pressure on surplus nations to revalue. At the same time, given the dollar's role as the major reserve currency, there were strong inhibitions against a U.S. devaluation. Furthermore, until the establishment of Special Drawing Rights (SDR), which were first issued in 1970, there was no adequate source of growth in world reserves other than U.S. deficits. Such a situation permitted the U.S. liquidity deficits not only to continue but to grow.

Since this process was not regarded as sustainable, the conclusion of the argument was that the disequilibrium would have to be recognized explicitly and corrected sooner or later by a fall in the external exchange value of the dollar.

2. A second basis for concluding that the U.S. dollar was overvalued in 1971 was the belief that the poor wage-price-productivity performance of the U.S. economy between 1965 and 1969 relative to that of its trading partners had significantly lowered the competitiveness of U.S. goods both in home markets and abroad. According to this view, the persistent and sometimes large trade surpluses of the pre-1968 period could be expected to disappear, and the already large U.S. payments deficits would get larger. Such developments would lead inevitably to a correction via a relative

devaluation of the dollar. These beliefs were reinforced by the comparatively poor trade performance of the United States in 1970 and 1971.

In 1970 the United States was in a mild recession, whereas the economies of most of its major trading partners were operating close to capacity. Since the normal effect of a recession is to reduce imports and the normal effect of a boom is to increase imports, the situation in 1970 should have brought with it a large increase in net exports from the United States to the rest of the world. Net exports of goods did increase—from $0.7 billion in 1969 to $2.1 billion in 1970—but this increase was too small to be reassuring, especially when compared with the average trade surpluses of $2.8 billion from 1965 to 1969 and $5.4 billion during the 1960–64 period. On the contrary, the $2.1 billion trade surplus achieved in 1970 was regarded as an indication of relative weakness, a sign that the trade surplus of the United States would inevitably turn to a trade deficit as soon as the U.S. economy began to recover from its temporary 1970 recession. This is exactly what happened in 1971.

3. Finally, there was the belief that developments in the conduct of monetary policy here and abroad (and hence in relative short-term interest rates) would induce large outflows of short-term capital from the United States to Europe.

In the United States the recession of 1970 brought with it a fall in interest rates. As monetary policy was eased in order to help the recovery phase of the economic cycle, interest rates, especially money-market rates, fell even further. For example, the rate on 3-month Treasury bills, which had peaked at 7.9 percent in January 1970, and was 6.7 percent in June, declined to 3.3 percent in March 1971.

In Europe, where the economic cycle lagged that in the United States by about a year, there was a much smaller decline in money rates. In the United Kingdom, for example, the rate on 3-month Treasury bills, which was 6.9 percent in June 1970, was still 6.7 percent in March 1971. The 3-month interbank loan rate in Germany declined somewhat more, from 9.6 percent in June 1970 to 7.6 percent in March. The improvement in the liquidity of the U.S. banking system in 1970 had already induced a substantial return flow of short-term capital from the United States to Europe as U.S. banks repaid their borrowings from their branches abroad. The trend continued in the first quarter of 1971. The United States had been in heavy deficit in 1970 (on an official reserve transactions basis the deficit was nearly $10 billion); with the additional short-term flows the deficit in 1971 was expected to be intolerably high.

When adverse developments in trade and money flows actually did appear, all of the different reasons for believing that the external value of the U.S. dollar might change converged. Actions based on these exchange-rate anticipations led to two massive flows of dollars: One was a substantial net outflow of liquid funds from U.S. residents to residents of other countries; the other was a large conversion into other currencies of dollar funds held by banks and businesses abroad.

The size of the sales of dollars to foreign central banks was reflected in the size of the U.S. deficit measured on an official reserve transactions basis. The deficit for the first quarter of 1971 was $4.7 billion (quarterly rate, not seasonally adjusted). Excluding the receipt in that quarter of Special Drawing Rights in the amount of $717 million, the deficit for the first quarter alone was $5.4 billion—a larger amount than in any full year except 1970. The quarterly deficit increased to $6.5 billion in the second quarter and to $12.7 billion in the third. By the end of September, the total deficit for the preceding 9 months reached $24.6 billion, which is equivalent to $31.9 billion at a seasonally adjusted annual rate (excluding the SDR allocation).

REACTIONS TO THE U.S. DEFICIT

The effect of the massive outflow of dollars on the official reserve positions of the major industrial nations—known as the Group of Ten—is shown in Table 32.*

TABLE 32.—*Official reserves, by country, 1968–71* [1]

[Billions of dollars; end of period]

Country	1968	1969	1970	1971			
				March	June	September	November
United States	15.7	17.0	14.5	14.3	13.5	12.1	12.1
United Kingdom	2.4	2.5	2.8	3.3	3.6	5.0	5.6
Belgium	2.2	2.4	2.8	3.1	3.2	3.4	3.3
France	4.2	3.8	5.0	5.5	5.7	7.3	7.5
Italy	5.3	5.0	5.4	6.0	6.1	6.7	6.4
Netherlands	2.5	2.5	3.2	3.5	3.5	3.6	3.6
West Germany	9.9	7.1	13.6	15.8	16.7	17.0	17.4
Canada	3.0	3.1	4.7	4.8	4.9	5.0	5.3
Japan	2.9	3.7	4.8	5.9	7.8	13.4	14.8
Sweden	.8	.7	.8	.9	1.0	1.0	1.0
Switzerland	4.3	4.4	5.1	4.6	5.1	6.5	6.5

[1] Includes $3.4 billion SDR allocated on January 1, 1970 and $2.9 billion allocated on January 1, 1971. The U.S. share in these allocations was $867 million and $717 million respectively.

Source: International Monetary Fund.

The recent large increases in these reserve positions began in 1970 but were not viewed as a problem in that year. Many European central banks, and notably West Germany's, had lost reserves during the previous year when the flow of short-term funds was away from Europe and into the United States. They and the Bank of Japan (whose reserves had previously been low relative to its volume of trade) were not unhappy to see their reserve positions increase. The continuing inflow of dollars into Europe, however, became a serious problem when the U.S. deficit widened in early 1971.

* The Group of Ten—or G–10, as it is called—originated in 1962 when these 10 members of the IMF agreed, through the General Arrangements to Borrow, to lend the IMF specified amounts of their currencies if a need should arise. Switzerland, which is not a member of the IMF, participates in the Group of Ten as an observer.

The U.S. monetary authorities took various actions designed to reduce or intercept the flow of short-term capital. The Export-Import Bank and the Treasury issued $3 billion of securities to foreign branches of U.S. banks, and thus intercepted funds that might have otherwise landed in foreign central banks. Steps were also taken in Europe to discourage the dollar inflow.

During 1970 West Germany had been the major recipient of the dollar outflow. This came about not only because of the general strength of the German economy and its large trade surplus but also because of the severely restrictive credit policy that West Germany was following, which kept effective interest rates in that country well above international levels.

As early as February 1971, the West German authorities tried to discourage further short-term inflows by eliminating the main factor which was attracting these inflows—the higher effective dollar-equivalent short-term interest rate available in West Germany. Because West Germany's domestic situation required a policy of tight credit and high interest rates, the authorities were not prepared to lower domestic interest rates to prevailing international levels. They tried therefore to achieve their objective by driving down the forward value of the mark by selling marks, for forward delivery, against the dollar. The operation proved to be unsustainable and was abandoned. The basic dilemma remained: How, in the face of large potential dollar inflows, could authorities simultaneously (1) continue the policy of credit restraint, (2) avoid exchange controls, and (3) maintain the parity of the mark?

In early May reports by leading German institutes of economic research highlighted the dilemma and recommended that the best solution was either for the mark to be revalued to a new parity, or for the market value of the mark to be freed from its parity value and allowed to float upward.

This recommendation was greeted with sympathy by some senior members of the German government, and the market became more convinced than before that the mark was about to appreciate relative to the dollar. Speculative funds, poised as they were for action, flooded into the German Central Bank at unprecedented rates in the early days of May. On May 5 the rate of inflow rose to $1 billion in the first 40 minutes of trading. The Central Bank stopped buying and let the dollar value of the mark rise under market pressure.

Other nations had to face the prospect that, as pressures on Germany eased with the rise in the mark-dollar rate, some of these speculative pressures would converge on their currencies. The "strong currencies" that were particularly vulnerable were the Dutch guilder, the Swiss franc, the Austrian schilling, and the Belgian franc.

The Netherlands permitted the guilder to float. Belgium, which had two exchange rates—one official and one "financial"—permitted the latter to appreciate. Switzerland and Austria responded in more orthodox fashion. During the weekend after May 5 they raised their parities by 7.07 and 5.05 percent respectively.

The subsequent rise that took place in the dollar value of the floating mark and guilder reinforced convictions that the U.S. dollar was fundamentally weak, not just against one or two currencies, but against virtually all the major trading currencies.

During the second quarter of 1971 the U.S. performance on trade and payments deteriorated further. With increasing evidence of this deterioration appearing in current reports, confidence in the sustainability of the dollar's exchange value fell further.

Demand by foreign central banks on the U.S. Treasury to convert a portion of the dollars they were absorbing was restrained by the knowledge that such a move would be self-defeating if everybody tried it at the same time. The stock of reserve assets held by the United States (around $14.5 billion) was far smaller than the stock of dollars held abroad. Nonetheless, there were substantial reductions in U.S. reserve assets. From the beginning of 1971 to mid-August the U.S. Treasury paid out over $3 billion in reserve assets—about 40 percent of this in early August. This depletion took place in spite of heavy temporary drawings of foreign currencies by the Federal Reserve (under its swap lines of credit with other central banks), which it used to absorb some dollars that central banks might otherwise have presented at the U.S. Treasury for conversion into gold or other reserve assets.

By August the private and public pressures to convert the dollar into other assets—foreign currencies and ultimately reserve assets or their equivalent—became overwhelming. The United States suspended convertibility of the dollar on August 15. Its value in terms of several major currencies started to float.

AUGUST 15

The President's announcement suspending the convertibility of the dollar included other measures to protect the Nation's trade and payments position. In particular, it imposed "an additional tax of 10 percent on goods imported into the United States." As related measures, the President ordered a 10-percent cut in foreign aid and pointed out that the time had come for other nations "to bear their fair share of the burden of defending freedom around the world." The tax applied only to goods on which duties had been reduced under reciprocal trade agreements, and in no case did it raise a duty beyond the statutory rate. Where it was limited by the statutory ceiling the surcharge was less than 10 percent. On automobiles, in particular, the tax amounted only to 6.5 percent. Furthermore, all imports subject to mandatory quantitative restrictions were exempt from the new tax. Such goods included petroleum, sugar, meat and dairy products, certain other agricultural products, and cotton textiles covered by the Long-Term Textile Agreement. The surcharge affected about one-half of U.S. imports.

In addition, subsequent statements of policy confined the Job Development Tax Credit proposed in the announcement to domestically produced new machinery and equipment as long as the import surcharge remained in effect.

These actions, and the position taken by the United States in subsequent negotiations, linked the questions of improved access to foreign markets for U.S. exports and a better sharing of the financial burdens of mutual security to the basic issue of exchange-rate realignment.

The issue of exchange-rate realignment immediately raised some fundamental questions.

1. How should realignment be achieved? Should it be done through market forces (freely floating rates) or through negotiations?

2. If the realignment were to be arranged through negotiations, how large an improvement in the U.S. balance would be required? How should the counterpart of this improvement be shared among other nations? And, finally, what set of changes in exchange rates would this require?

Starting in September, the United States pursued both approaches to realignment. The second required an explicit analysis of the U.S. balance of payments.

BALANCE-OF-PAYMENTS ANALYSIS

Any analysis of the nature and size of U.S. external disequilibrium must begin with an examination of balance-of-payments accounts. These data, for the first 3 quarters of 1971 (at seasonally adjusted annual rates) and for earlier periods, are shown in Table 33.

The table is arranged to show several "balances" which summarize different aspects of our trading and financial relationships. Unfortunately, there is no single balance measure which adequately presents the total picture. In assessing the external accounts one must not only study the developments at the various levels shown on the table but also analyze these on the basis of evidence not contained in the table itself.

BALANCE ON GOODS, SERVICES, AND REMITTANCES

This balance reflects the flow of payments in these categories: Merchandise trade; services such as travel, transportation, and insurance; income on previous international investments; military expenditures involving foreign exchange; and Government pensions and private remittances. It excludes the flow of Government grants and of long-term and short-term capital.

The table indicates a steady deterioration in this measure of the U.S. position. During the first half of the 1960's the United States had a favorable balance averaging $5.2 billion a year. But from the high point of $7.7 billion reached in 1964 the balance declined in each succeeding year except 1970. In the first 3 quarters of 1971 the balance was down to an annual rate of $0.1 billion—an adverse change of $7.6 billion since 1964.

The deteriorating trend in this measure largely reflected a parallel decline in our balance on merchandise trade. Like the balance on goods, services and remittances, the trade balance reached a high point in 1964 (when there was

TABLE 33.—*U.S. balance of payments, 1960–71*

[Billions of dollars]

Type of transaction	1960–64 average	1965–69 average	1968	1969	1970	1971 first 3 quarters [1]
Merchandise trade balance	5.4	2.8	0.6	0.7	2.1	−1.7
Exports	21.7	31.3	33.6	36.5	42.0	44.3
Imports	−16.2	−28.5	−33.0	−35.8	−39.9	−46.1
Military transactions, net	−2.4	−2.9	−3.1	−3.3	−3.4	−2.7
Balance on investment income [2]	3.9	5.8	6.2	6.0	6.2	7.5
U.S. investment abroad	5.1	8.6	9.2	10.5	11.4	12.0
Foreign investments in the United States	−1.2	−2.8	−3.0	−4.6	−5.2	−4.6
Balance on other services	−1.0	−1.2	−1.2	−1.3	−1.4	−1.4
BALANCE ON GOODS AND SERVICES [3]	5.9	4.4	2.5	2.0	3.6	1.6
Private remittances and government pensions	−.7	−1.1	−1.2	−1.3	−1.4	−1.4
BALANCE ON GOODS, SERVICES, AND REMITTANCES	5.2	3.3	1.3	.7	2.2	.1
Government grants [4]	−1.8	−1.8	−1.7	−1.6	−1.7	−1.9
BALANCE ON CURRENT ACCOUNT	3.3	1.5	−.4	−.9	.4	−1.8
Balance on direct private investments	−1.8	−3.0	−2.9	−2.4	−3.5	−5.9
U.S. direct investments abroad	−1.8	−3.3	−3.2	−3.3	−4.4	−5.5
Foreign direct investments in the United States	.1	.3	.3	.8	1.0	−.3
Balance on other long-term capital flows [5]	−2.2	−.6	1.9	.4	([6])	−2.5
BALANCE ON CURRENT ACCOUNT AND LONG-TERM CAPITAL	−.7	−2.2	−1.3	−2.9	−3.0	−10.2
Balance on nonliquid short-term private capital flows	−1.1	−.2	.2	−.6	−.5	−2.6
Errors and unrecorded transactions	−1.0	−1.0	−.5	−2.6	−1.1	−11.4
Allocations of special drawing rights					.9	.7
NET LIQUIDITY BALANCE	−2.8	−3.4	−1.6	−6.1	−3.8	−23.4
Transactions in U.S. liquid short-term assets, net	−.1	.1	−.6	.1	.2	−1.0
Transactions in U.S. liquid liabilities to other than foreign official agencies, net	.8	3.3	3.8	8.7	−6.2	−6.7
OFFICIAL RESERVE TRANSACTIONS BALANCE	−2.2	([6])	1.6	2.7	−9.8	−31.2
Financed by change in:						
Nonliquid U.S. Government and U.S. bank liabilities to foreign official agencies [7]	.1	.7	2.3	−1.0	−.3	−.7
Liquid liabilities to foreign official agencies	1.1	−.6	−3.1	−.5	7.6	28.5
U.S. official reserve assets, net	1.0	([6])	−.9	−1.2	2.5	3.4

[1] Average of the first 3 quarters at seasonally adjusted annual rates.
[2] Includes direct investment fees and royalties.
[3] Excludes transfers under military grants.
[4] Excludes military grants of goods and services.
[5] Excludes official reserve transactions and includes transactions in some short-term U.S. Government assets.
[6] Less than $0.05 billion.
[7] Excludes U.S. Government nonliquid liabilities to foreign official agencies other than official reserve agencies.

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

Source: Department of Commerce.

a positive balance of $6.8 billion). After that it declined steadily until the rise in 1970. During the first 3 quarters of 1971 there was a deficit in the balance of trade at an annual rate of $1.7 billion. The adverse swing in the trade balance from 1964 to 1971 was $8.6 billion.

Underlying this trend was an extremely rapid increase in merchandise imports into the United States: From 1964 to 1971 imports rose by 147 percent, or at a compound rate of about 14 percent per annum. U.S. merchandise exports also rose dramatically—by 74 percent—but this increase did not match the growth of imports. The persistently faster rise since 1964 in U.S. imports compared to U.S. exports was not caused by a relatively more rapid increase in the level of U.S. income and product. Indeed, measuring growth in terms of their gross national products, either real or nominal, all but one of our major trading partners were expanding at a faster rate than the United States. The demand aspects of this situation should have induced a more rapid rather than a slower rise in U.S. exports relative to U.S. imports.

Price-Cost Developments

There is no simple explanation for the decline in the U.S. trade surplus. One factor is that the relatively poor price-cost performance of the U.S. economy associated with the inflationary developments after 1965 reduced the relative competitiveness of American goods.

Table 34 gives two measures of the price competitiveness of U.S. products in the world economy. Neither measure is fully satisfactory. The index of unit labor costs in manufacturing is deficient for international comparisons because exports may have a product mix that differs from total production, and because measures of labor compensation in different countries do not equally reflect changes in total labor costs. Likewise, the index of unit values for exports of manufactured goods is sensitive to changes in the composition of exports and is subject to other technical deficiencies. Nonetheless, changes in these two indicators do offer evidence that price and cost developments between 1965 and 1969 were significant enough to influence the U.S. trade balance.

During the first half of the 1960's, price stability in the United States seems to have made U.S. goods more competitive in world markets. Unit labor costs in manufacturing fell in this country through 1964 while those in other industrial countries remained unchanged. The unit value of U.S. manufactured exports held its own relative to our competitors' export prices, neither of the indexes changing significantly. These price developments, together with the cyclical pattern of output changes in the United States and its markets, contributed to rising U.S. trade surpluses through 1964.

During the latter part of the 1960's, however, in a period of increasing inflation both in the United States and elsewhere, the price and cost competitiveness of U.S. products was eroded. From 1964 to 1969 unit labor costs in manufacturing rose at 2.5 percent per annum in the United States—more than twice as fast as the 1.2 percent per annum recorded for our major trading partners. Unit values of U.S. manufactured exports also increased more than twice as fast as those of our competitors.

In 1970 the relative price and cost position of the United States began to recover. This was partly the result of the earlier application of disinflationary policies in the United States than elsewhere and partly due to appreciations in the exchange-values of the West German mark and the Canadian dollar.

TABLE 34.—*Changes in U.S. relative cost and price position, 1961–71*

Cost or price and period	United States	Competitors [1]	Ratio of U.S. to competitors [2]
	1964=100 [3]		
Unit labor cost in manufacturing:			
1961	103.4	98.9	104.6
1962	103.0	99.1	103.9
1963	101.4	100.4	101.0
1964	100.0	100.0	100.0
1965	100.5	103.7	96.9
1966	102.2	105.9	96.5
1967	105.2	105.8	99.4
1968	109.2	104.3	104.7
1969	113.2	106.4	106.4
1970	116.9	116.0	100.8
1971, 1st half [4]	120.3	122.7	98.0
Unit value of exports of manufactured goods:			
1961	99.5	99.6	99.9
1962	99.5	98.3	101.2
1963	99.3	98.5	100.8
1964	100.0	100.0	100.0
1965	103.3	101.0	102.3
1966	106.2	102.7	103.4
1967	109.4	104.0	105.2
1968	111.9	103.9	107.7
1969	116.8	107.7	108.4
1970	122.8	114.9	106.9
1971, 1st half [4]	126.7	117.7	107.6

[1] Weighted average for Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, and United Kingdom.
[2] Ratio multiplied by 100.
[3] Adjusted for changes in exchange rates.
[4] Preliminary.

Sources: Department of Labor, International Monetary Fund, and Council of Economic Advisers.

In the first half of 1971, export prices of foreign manufactured goods, as measured by the index of export unit value, increased less than the corresponding index for the United States. But unit labor costs in manufacturing abroad were rising much more rapidly than here. Data for the year as a whole are not yet available. Both the U.S. program of wage-price restraint after August 15 and the revaluations of foreign exchange rates relative to the dollar will increase the relative price-competitive position of the United States significantly.

CYCLICALLY ADJUSTED BALANCES

The steady deterioration since 1964 in the U.S. balance of trade and current balance appeared to have been reversed in 1970. This was not a genuine reversal of the otherwise strong underlying downward trend. Rather, the cause was the conjunction of a recession in the United States with booming conditions abroad. In 1970, real gross national product fell in the United States; abroad, output continued to expand vigorously, although at a somewhat lower rate than that experienced in 1969. In short, the improvement of the U.S. current account balance in 1970 was a temporary phenomenon caused by the fact that cyclical influences operating in the United States were not in phase with those operating abroad.

The influence of such induced effects on the observed trade and current account balances can be eliminated by appropriate adjustments to provide a "cyclically adjusted" figure that better reflects the underlying position. Several agencies, including the Organization for Economic Cooperation and Development (OECD), the U.S. Treasury, and the Federal Reserve Board have begun to develop data on "cyclically adjusted" balances.

For 1970, the OECD's cyclical adjustment estimates indicate that the observed U.S. surplus of $2.2 billion on current transactions (excluding Government grants) in that year was $2.4 billion higher than it would have been under "normal" conditions (defined as a condition of normal high employment in all OECD countries). U.S. calculations indicate a 1970 adjustment for cyclical and other special factors of $2.8 billion. According to the latter estimate, on an adjusted or normalized basis, the United States in 1970 had an unfavorable balance of $0.6 billion. Similarly, after adjustment, the underlying balance was much less favorable than is indicated by the observed figure of $0.1 billion for the first 3 quarters of 1971.

When allowance is made for cyclical factors, it becomes quite clear that during the past 7 years there was an uninterrupted deterioration of the U.S. position on current account (excluding Government grants): From a surplus (cyclically adjusted) of around $6.1 billion in 1965 to an estimated deficit (cyclically adjusted) of $2.5 or $3.0 billion for 1971. This is a significant swing in position even for an economy as large as that of the United States. The fact that the move was steadily in the same direction made the change all the more significant.

THE CAPITAL ACCOUNTS

The United States has been a net supplier of private and Government long-term capital and grants to the rest of the world in every year since World War II ended. A major component of the outflow of private capital is private direct investment abroad. This flow had grown from an average of $1.8 billion a year in the first half of the 1960's to $3.3 billion in the second half of the decade. It reached $4.4 billion in 1970, and the annual rate was $5.5 billion in 1971. This net outflow has been substantially exceeded in every year of the decade by the income from U.S. direct investments abroad, which is included in the balance on goods and services.

There is a counterflow of foreign direct investment into the United States. Until 1968 this counterflow was very small, but in 1969 and 1970 it reached a rate of almost $1.0 billion a year. In 1971, the inflow of direct foreign investment into the United States not only ceased, but there were net capital transfers from foreign subsidiaries in the United States to their parent companies.

The other component of long-term capital flows in Table 33 shows the net result of numerous long-term capital inflows and outflows. It includes: Long-term U.S. Government loans (net of repayments received); U.S. purchases of foreign security issues; foreign purchases of U.S. securities; and long-term loan transactions here and abroad. For the 1960's as a whole there was a net outflow for this component. But beginning in 1968 an expansion occurred in the inflow of foreign long-term investment to the United States, including borrowing abroad by U.S. firms. In 1968 itself there was a net inflow, particularly from Europe. In 1970 the inflows balanced the outflows. However, in 1971 the inflows fell off, and outflows rose; as a result, the net outflow rose to a rate of $2.5 billion.

Taking the long-term capital account as a whole, net capital outflows rose by $4.9 billion between 1970 and 1971. Much of this adverse swing was caused by capital movements influenced by the prospect of speculative gains.

BALANCE ON CURRENT ACCOUNT AND LONG-TERM CAPITAL

The current account balance combined with the balance on long-term capital account plus Government grants provides an important yardstick (sometimes called the "basic balance") for measuring and assessing the fundamental position of a nation relative to other countries. Starting in mid-1971 the official U.S. presentations of balance-of-payments data have begun to recognize the importance of this yardstick, and it is now published as a separate "balance."

In 1970 the United States was in deficit on basic balance by $3.0 billion. Between 1970 and the first 3 quarters of 1971 the balance worsened by $7.1 billion to reach an annual rate of $10.2 billion. Of this, $2.2 billion was due to a worsening of the balance on current account and $4.9 billion to a net increase in the long-term capital outflow. Although the basic balance generally reflects underlying forces, it is sometimes subject to short-run movements. This appeared to be the case in 1971.

THE SIZE OF THE REQUIRED CORRECTION

Negotiations on exchange-rate realignments which began soon after August 15 required an answer to the question: By how much should the United States improve its basic balance in order to achieve a stable equilibrium? The U.S. representatives presented an analysis which showed that the required turnaround was about $13 billion. The calculations were as follows:

1. Under conditions of reasonably full employment both in the United States and in other major trading countries, the U.S. deficit on current account (excluding U.S. Government grants) for 1972 was projected to be $4 billion on the basis of the exchange rates and other trading conditions in effect in April 1971.

2. The annual outflow for Government grants and credits plus private long-term capital flows from the United States to countries other than Western European nations, Canada, and Japan was estimated at $6 billion, or just over one-half of 1 percent of the U.S. gross national product. The average annual outflow for these purposes during the 5-year period from 1967 through 1971 was about $5½ billion.

3. A secure payments position would require that this estimated $6-billion capital outflow be covered by a surplus on current account. Since the projected "full-employment" current account for 1972 was in deficit by $4 bil-

lion, achieving a surplus of $6 billion required an improvement of $10 billion in the U.S. current account.

4. Two other factors caused additions to this basic estimate. The first was an allowance of $1 billion a year to cover a persistent outflow, which the data collection network does not capture. This outflow, which is shown as "errors and omissions" or unidentified transactions in the accounts, fluctuates from year to year, but it has been consistently negative since 1960, the average level being around $1 billion. The second factor was an allowance of $2 billion to provide the prospect of a small surplus on basic balance, to cover persistent short-term capital outflows or to serve as a margin of safety against errors in the underlying assumptions and calculations. With the addition of these two factors, the turnaround required for the United States to achieve a secure position was estimated to be $13 billion.

DEVELOPMENTS AFTER AUGUST 15

Reactions abroad to the August 15 announcement were varied. The major European exchange markets closed during the week following the announcement. When the exchange markets were reopened, no country except France attempted to hold the exchange value of its currency against the dollar within the 1-percent upper limit of its parity rate. The exchange value of the dollar in these markets declined, and on average continued to decline during the succeeding months.

In France the exchange market was segregated. For dollars received as a result of transactions related to international trade, the French government continued to intervene in order to support the parity rate. All other dollars received were diverted to a "financial franc" market; here, severe restrictions were imposed on inflows of funds, but the rate was allowed to find its own level.

In Japan the exchange markets were not closed after the August 15 announcement, and the Japanese government continued to intervene by purchasing dollars at the official ceiling rate. During August alone the Japanese Central Bank took in $4.4 billion—an amount considerably larger than their $2.9 billion of *total* dollar holdings at the end of 1970. Official intervention to hold the dollar rate at its ceiling was then suspended, and limited intervention allowed the value of the yen to rise about 5 percent relative to the dollar. In subsequent months the government continued to intervene in order to dampen the pace at which the yen would appreciate relative to the dollar. In the process, dollar holdings by the Japanese Central Bank increased an additional $1.4 billion to $11.6 billion by the end of October.

ALTERNATIVE ROUTES TO REALIGNMENT

Developments after August 15 made one fact clear: The immediate operational issue facing governments was a realignment of the pattern of exchange rates, especially a realignment of the U.S. dollar relative to the other major currencies.

Among the questions associated with this operation were these:

1. How should the industrial nations arrive at a new set of equilibrium exchange rates? One route was to let all currencies float freely for a transitional period until a new set of equilibrium rates emerged. The other was to negotiate a multilateral shift to a new set of fixed rates.

2. If the second route was to be used, should the United States "contribute" to the realignment by a formal devaluation of the dollar against gold? Or should negotiations concentrate on exchange rates among currencies, expressed in dollars, with the question of the gold price being left to subsequent negotiations on longer-range issues?

3. How large was the readjustment required to restore the U.S. balance of payments to an equilibrium position? How large an average change in the dollar's exchange rate did this require? How should the effect of the proposed readjustment in the U.S. position be shared among other nations?

Mutually acceptable answers to all of these questions depended in part on related issues. The inclusion of trade practices and the question of mutual security costs as part of the overall negotiations involved other members of foreign governments besides financial officials. This affected the tempo and procedure as well as the substance of the negotiations.

REALIGNMENT THROUGH FLOATING

One issue was whether market-determined exchange rates or negotiations provided the most efficient route to equilibrium.

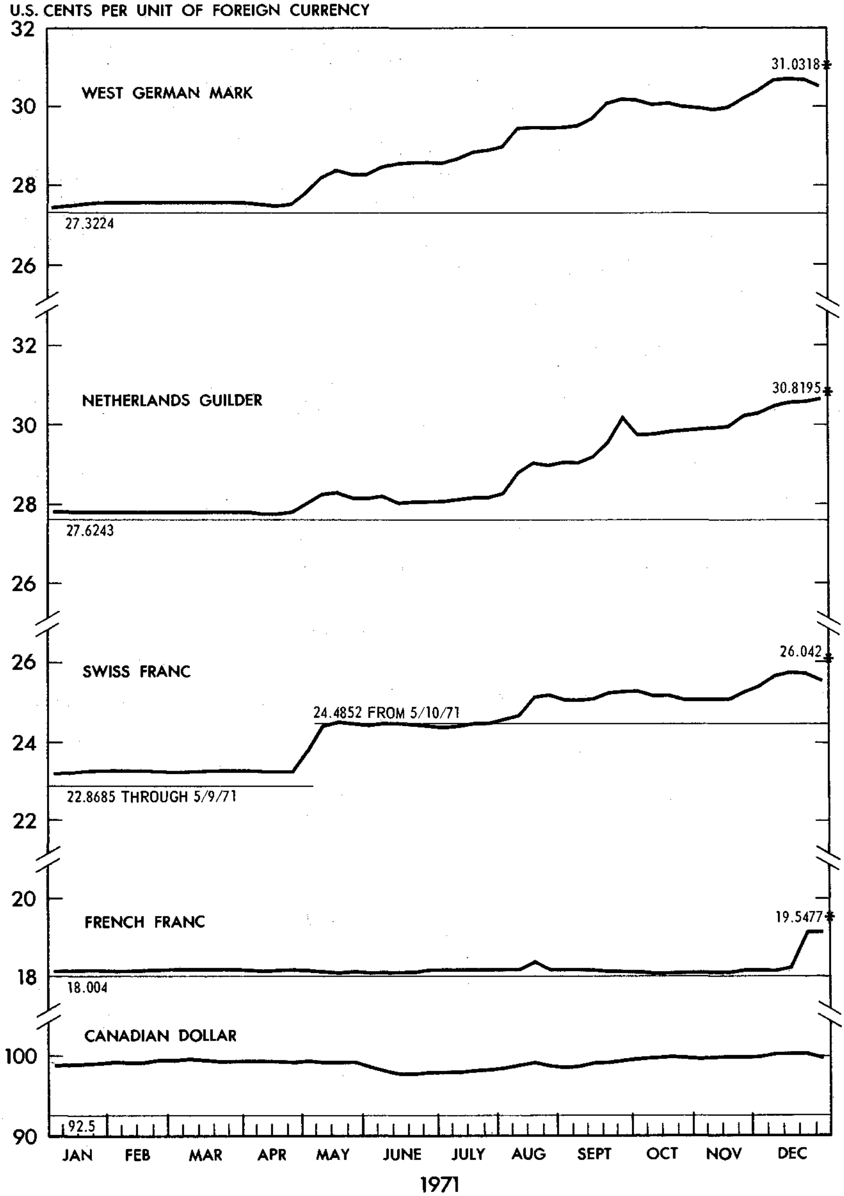
In spite of intervention by central banks, at first to hold rates within limits set by parity values, and later to suppress the pace of the relative appreciation of the currencies, a significant pattern of exchange-rate realignment did take place in 1971, particularly after dollar convertibility was suspended. The general path of these upward movements relative to previous parities against the U.S. dollar is shown in Chart 10.

The U.S. position on the issue was that a transitional period of free floating could lead the world swiftly and efficiently to a new pattern of equilibrium rates. This position was put forward by the Secretary of the Treasury on September 30, in his address to the Annual Meeting of the International Monetary Fund and World Bank, when he said:

> . . . I believe we should welcome the help that the market itself can provide in reaching crucial decisions.
>
> Many nations already are allowing their currencies temporarily to float, but they have done so with widely varying degrees of intervention and controls. As a result, some adjustments clearly needed are being delayed or thwarted, the process of multilateral decision-making impeded, and political questions multiplied. In this respect,

Chart 10

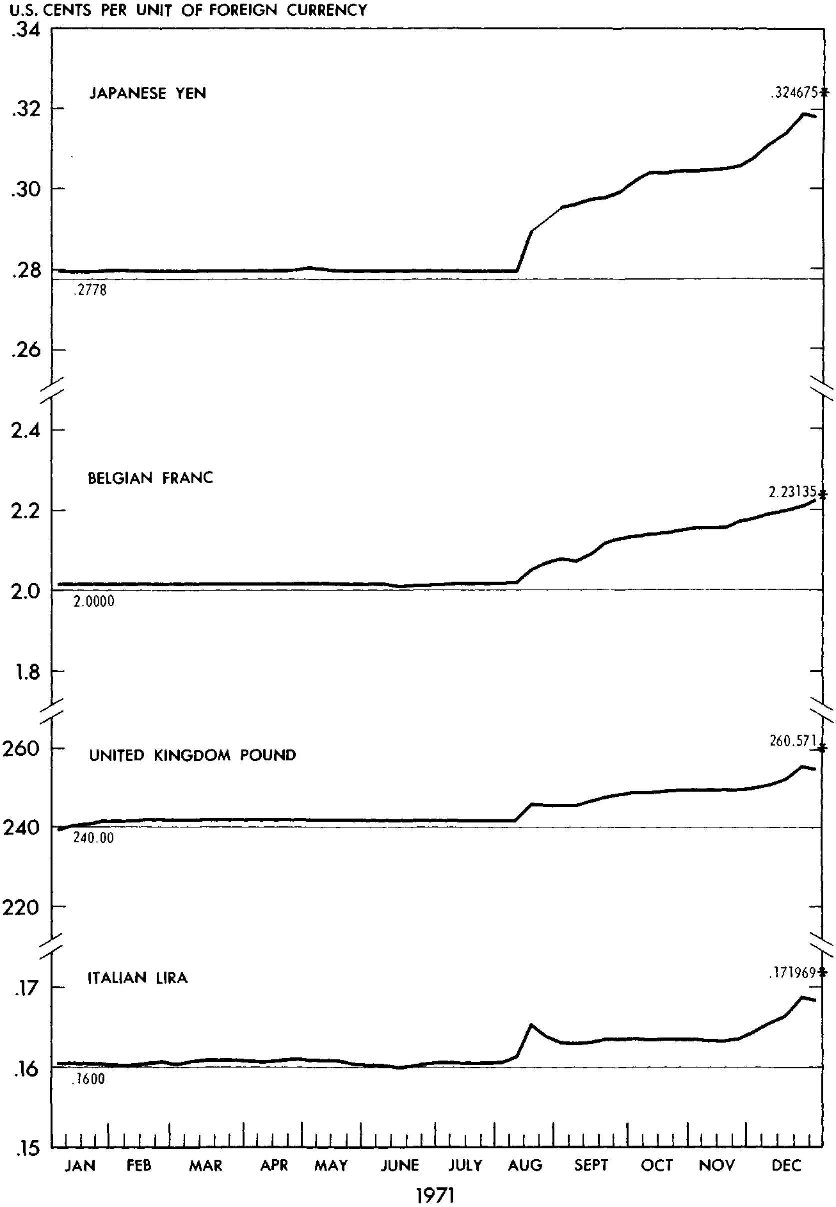
Foreign Exchange Rates



NOTE: HORIZONTAL RULE INDICATES PAR VALUE OF CURRENCY THROUGH DECEMBER 18, 1971.
ASTERISK INDICATES CENTRAL RATE ESTABLISHED DECEMBER 18, 1971.
SOURCE: FEDERAL RESERVE BANK OF NEW YORK.

Chart 10

Foreign Exchange Rates



NOTE: HORIZONTAL RULE INDICATES PAR VALUE OF CURRENCY THROUGH DECEMBER 18, 1971.
ASTERISK INDICATES CENTRAL RATE ESTABLISHED DECEMBER 18, 1971.
SOURCE: FEDERAL RESERVE BANK OF NEW YORK.

> our surcharge and restrictions on capital flows could, like those applied by other countries, themselves be a disturbing influence.
>
> If other governments will make tangible progress toward dismantling specific barriers to trade over coming weeks and will be prepared to allow market realities freely to determine exchange rates for their currencies for a transitional period, we, for our part, would be prepared to remove the surcharge.

With few exceptions the suggestion of the United States was not accepted. In most countries market forces were suppressed by a variety of new measures, including regulation of inflows, exchange controls, and central bank intervention in the market. Eventually the question of realignment had to be settled through bilateral and multilateral negotiations.

The opposition to a policy of arriving at a new set of exchange rates via market-determined forces was motivated by a complex mixture of reasons.

RELUCTANCE TO REVALUE AGAINST THE DOLLAR

Many nations were reluctant to let their currencies appreciate too far against the dollar. This attitude was not, of course, an argument against floating as such; it applied equally well to revaluation via negotiation.

Raising the value of one's own currency (or permitting it to rise) reduces the price competitiveness of export industries. For many countries, expanding exports provided an impetus for overall economic expansion which these governments were reluctant to surrender. Even when governmental policies did not emphasize export expansion, the export industries were highly visible politically; governmental actions that might erode their prospects had to be taken with care. While revaluation also provided countervailing advantages to other segments of a revaluing economy—especially to consumers, importers, and tourists going abroad—these benefits tended to be spread more broadly and were therefore less visible. The reluctance of other countries to see their currencies appreciate relative to the dollar, regardless of how this was accomplished, was intensified in the second half of 1971 by the slowing of the boom conditions which had prevailed in many countries in prior years.

RELUCTANCE TO REVALUE AGAINST OTHER CURRENCIES

Reluctance to revalue against the dollar was one reason why many nations did not permit market pressures to express themselves freely. A collateral reason was the unwillingness to have the national currency revalued against other currencies whose values were being held down by intervention or controls. When one nation revalues relative to the dollar—which it may be willing to do in the interest of restoring equilibrium—it is thereby revalued relative to all other nations that do not revalue, and this it may not be willing to permit. Given the multilateral nature of the problem, the idea of floating toward a new equilibrium requires the cooperation of all nations. The abstention of even one important nation from the joint action may be enough to hold up the entire process. This is what happened in the autumn of 1971.

The French commercial franc was held to its previous parity value against the dollar (established in 1969). When the West German mark moved up to a range of from 10 to 12 percent above its parity with the dollar (also established in 1969), it moved up to the same extent against the French franc. Since France is West Germany's largest trading partner, both for exports and imports, this 10 to 12 percent increase in the mark's cross-rate against the franc was regarded as unacceptable by West Germany, especially since this cross-rate had already been increased by nearly 23 percent in the 1969 realignments.

Similarly the unwillingness of the Japanese authorities to let the value of the yen rise freely relative to the dollar was affected not only by a desire to limit the change in the yen-dollar rate; it was also affected by the rates between the yen on the one hand and European currencies on the other.

RELUCTANCE TO CORRECT BY REVALUATION ALONE

There was a third set of motives for rejecting the floating route to realignment. This process of arriving at new rates would leave the dollar standing still in relation to gold while other currencies moved up by varying amounts. For one reason or another many nations were unwilling to accept such an outcome.

One of these reasons was that acceptance of the process would explicitly recognize the U.S. dollar as the benchmark against which all other national currencies set their values. There was a body of opinion in Europe that the benchmark should be an objective one, or at least a multinational one which did not bear the stamp of any single country. The existence of this body of opinion has important implications for the choice of a basic monetary unit of account in the international system of the future.

A second reason was that, if the United States devalued, other countries could reduce or avoid the political onus of revaluing. Thus it was easier for the United Kingdom, for example, to stand still for an 8-percent U.S. devaluation than to revalue by an equivalent amount with the United States standing still, even though the effect on exchange rates would be the same.

The third reason was that revaluation reduces the value, expressed in the domestic currency unit, of a nation's stock of foreign monetary assets. The value of its gold holdings measured in the national currency falls to the extent of revaluation, and so do its holdings of other reserve assets, notably the U.S. dollar. This balance-sheet loss for each revaluing nation, so far as the gold component is affected, could be reduced by requiring the United States itself to contribute to a realignment through an increase in the dollar price of gold.

The floating route was therefore rejected in favor of a negotiated pattern of change, in which the dollar itself made part of the adjustment by moving down relative to gold.

FINAL NEGOTIATIONS ON EXCHANGE RATE REALIGNMENT

By the end of November floating had moved exchange rates some distance from the old parities. The French commercial franc was the only major currency that was held to the upper limit of the narrow band around its parity value. Bilateral and multilateral negotiations between the United States and its principal trading partners on trade and mutual security costs had also commenced.

At the ministerial meetings of the Group of Ten nations held in Rome a hypothetical devaluation of the dollar against gold was discussed as one aspect of a possible overall package agreement (which included a pattern of currency revaluations by other nations and adjustments in existing impediments to trade). The United States offered to consider a new pattern of exchange rates involving an average adjustment that would not fully meet its objective of a turnaround of $13 billion.

The negotiations were completed on this basis at a later meeting of the ministers and governors of the Group of Ten nations held at the Smithsonian Institution in Washington on December 17–18. The key elements in the agreement were a new set of exchange rates and provisions for a wider band, within which market rates would be free to move up to 2.25 percent above or below the new "central rates." As part of the agreement the United States lifted the temporary surcharge on imports which it had imposed on August 15.

The agreement will not be formally complete until Congress acts on the dollar price of gold. In the meantime, intensive trade negotiations have been in process with Canada, Japan, and the European Community. The results of these talks are to be available for congressional scrutiny when the gold price legislation is considered by the Congress.

The $35 per ounce gold price reflects the exercise of authority given to the President (in the "Thomas Amendment" of May 12, 1933) to redefine the gold content of the dollar at not less than 50 percent of its previous gold content. President Franklin D. Roosevelt, by Executive Order, set the price at $35 an ounce in 1934. The President's power under the Thomas Amendment was extended periodically until it expired on June 30, 1943.

The par value of the U.S. dollar communicated to the International Monetary Fund in 1946 was 0.888671 grams of fine gold—equivalent to $35 an ounce. Under the terms of the Bretton Woods Agreements Act of 1945 (the Act which authorized U.S. membership in the International Monetary Fund), the President must obtain congressional authorization before proposing or agreeing to a change in the par value of the dollar.

INTERNATIONAL MONETARY REFORM

The Smithsonian Accord dealt with the most pressing issue which faced the international monetary system after August 15. It thereby set the stage for the more extended task of designing a new order for international monetary cooperation, on which more intensive work will begin in 1972.

Measured by overall results, the international economic arrangements in force since World War II were strikingly successful. The basic goals of the founders of the Bretton Woods system were achieved to a high degree. Trade and payments among nations were increasingly freed and grew rapidly. International consultation and cooperation developed to an extent previously unknown. The balance-of-payments problems which individual nations experienced at various times did not prevent the general pursuit of policies of relatively rapid and steady growth. In total, the record of the 25-year period was one of unprecedented progress for the world economy—and this is an impressive tribute to the functioning of the so-called Bretton Woods system.

At the same time, the way the monetary component of the system actually operated departed in many important respects from the mechanics envisaged by the participants at Bretton Woods. As reviewed in past *Reports* of this Council, a pronounced asymmetry developed between the role of the United States and the role of other countries. The stability of the system—its ability to reconcile trade, balance of payments, and reserve goals of various countries, to provide adequate liquidity, and to achieve elasticity in financing—came to be heavily dependent on the willingness and ability of the United States to lose reserves, to absorb more or less persistent deficits in its external accounts, and to maintain a passive role with respect to its own exchange rate. The dollar became the center of the system, and this placed particularly heavy responsibilities on the United States to maintain stability domestically along with open trading and financial markets.

The system which evolved had advantages and disadvantages from the standpoint of both the United States and other countries. Whatever its merits, the important underlying premises of a dollar-centered system are no longer valid. With the strong recovery of the European economies, with the striking growth of Japan, and with industrialization proceeding elsewhere in the world, the position of the United States in the world economy is no longer as predominant as it was in the 1950's. The development and extension of the European Community, with its plans for increasingly close economic and monetary integration of the region, adds an important new, if still uncertain, dimension to the picture. In monetary terms, the U.S. reserve position became inconsistent with a presumption of convertibility of the dollar into reserve assets. This was aggravated by the repercussions of domestic inflation since the mid-1960's, which weakened the U.S. trade and payments position.

Reform of the international monetary framework has been the subject of extensive discussion for many years. The creation in 1970 of a new international reserve asset, Special Drawing Rights, is a major innovation in the system. A thorough report by the Executive Directors of the International Monetary Fund on the role of exchange rates in the adjustment of international payments, also issued in 1970, both reflected and contributed to the growing consensus that there is a need for greater flexibility in official exchange rates.

In 1972 further and more far-reaching negotiations on restructuring the international monetary system will begin. Although the eventual shape of the new order will not be known until these negotiations are completed, the primary questions with which the negotiators must deal are clear.

1. One issue is the degree of "fixity" that should be provided for in the exchange rate mechanism. The Bretton Woods system contemplated that each IMF member government would establish a fixed par value for its currency and maintain this value in the exchange markets within a narrow margin of plus or minus 1 percent. The par value would be adjusted only when a fundamental disequilibrium became manifest over a period of time, and then presumably by a substantial amount. In practice, this rigidity, broken at intervals under heavy pressure, may have become self-defeating in terms of maintaining the broader stability and continuity of the system. Should the new system place an equal emphasis on exchange fixity by requiring all nations to establish official par values? If so, should the band of exchange rate variation permitted around par values be widened? Alternatively, under what conditions should countries be permited to let exchange values of their currencies be determined by market forces, as Canada and others have found it convenient and useful to do in the past?

2. A second, related issue concerns the mechanisms to be utilized for maintaining reasonably balanced international payments positions. As indicated, the Bretton Woods system tended to think of an exchange rate change as an adjustment of last resort. Nations whose currencies became overvalued relative to other currencies have tended to delay unduly before making a change in the exchange rate. Furthermore, because nations with undervalued currencies also resisted exchange rate changes, and were able to do so longer, most exchange rate changes have been downward. The operating question is how changes might be made in a less disturbing way in the future, with pressure more evenly distributed among surplus and deficit countries, and with the United States having the same degree of freedom of action as other nations.

As noted, there is a growing consensus in favor of greater flexibility: However the correct degree of flexibility, the rules for implementing the process, and the role of the IMF in this implementation process need to be examined and defined.

The need for wider margins than the ± 1 percent specified in the Fund's Articles of Agreement is also well recognized. The Smithsonian Accord provides temporarily for margins of $\pm 2\frac{1}{4}$ percent. The proper width of margins for the longer run must be determined.

Negotiations on the future adjustment process will also cover issues other than exchange rate flexibility. These will include ways and means of influencing short-term capital movements and the degree to which the mix of monetary and fiscal policy should be influenced by external considerations.

3. A third issue is the question of how much liquidity the system needs and how this liquidity should be provided. The amount of liquidity needed

will depend on how the other questions are answered, including particularly the flexibility and efficiency of the adjustment mechanism. The question of how liquidity is to be provided raises the issue of the role of alternative reserve assets. The United States and many other countries share the conviction that gold should and will play a diminishing role in the system. Already, considerable progress has been made in developing the SDR as an alternative international reserve asset, but many questions remain, including the appropriate role of the dollar and other reserve currencies.

The agenda for negotiations is a large one. Fortunately, there is wide agreement that the objectives of the Bretton Woods system remain as valid as before and negotiations will be based on the fundamental premises that nations want to promote international monetary cooperation, balanced growth and increased freedom for trade and payments, stability in the exchange markets, and the avoidance of competitive undervaluation of rates. The challenge will be to find the mechanisms that will assure those results, taking into account the realities of the 1970's and the new balance of economic power and responsibilities.

TRADE POLICY DEVELOPMENTS IN 1971

For over three decades the free world has been gradually liberalizing commercial policy to achieve the economic and political benefits of an open trading world. The United States has taken a position of consistent leadership in this movement. This course recently has faced and survived two major tests. There have been strong pressures in the United States itself to redirect policy toward quantitative restrictions on trade and investment. While the United States extended import restraints to a few additional commodities in 1971, legislation that would apply quantitative restrictions broadly to imports has not been enacted. The second major test, and one that became subject to spirited debate in 1971, came with the trade policy actions to combat the U.S. payments deficit taken in connection with the New Economic Policy. Although it provoked considerable controversy, the import surcharge did not set off the series of retaliatory actions abroad that had been feared in some quarters. And it was removed before the end of 1971 when the currency realignment made it no longer necessary.

During a period when commercial policy is under major pressure for change—as it has been during the past 2 years—it is particularly important that necessary preoccupation with month-to-month events not be allowed to blur appreciation for the long-term objective of U.S. international economic policy. That objective is an open world economy in which trade and investment flows among countries are not distorted by national barriers to free exchange. Moving toward that objective will enhance broad foreign policy objectives for this country, and it will provide important economic benefits. International exchange permits mutually beneficial specialization in production among countries; it provides healthy competition to ensure efficiency in domestic industries; it expands the variety of goods available to U.S.

consumers and producers; and in times of inflation it provides a wholesome brake on price increases.

To many Americans the benefits of liberal trade policies are not highly visible because they are broadly diffused. But the short-run costs that trade liberalization sometimes imposes on specific groups are usually highly visible indeed. Thus, the costs of liberalization are more keenly felt than the benefits, and that tends to make removal of trade and investment restrictions difficult to achieve.

Substantial progress has nevertheless been made toward free international exchange in industrial goods during the past 25 years, mainly by reducing tariffs. But much work remains. The President anticipated the controversial and difficult policy issues confronting the United States when he appointed the Commission on International Trade and Investment Policy to study U.S. positions and to recommend a policy for the 1970's. He also recognized that proper formulation and implementation within the executive branch required better coordination among the agencies engaged in international economic policy. In early 1971 he established the Council on International Economic Policy in the White House.

The President's Commission on International Trade and Investment Policy, whose membership was drawn from business, labor, and the universities, presented its report in July, *United States International Economic Policy in an Interdependent World.*

The Commission's recommendations included, on the one hand, measures designed to strengthen the capacity of U.S. industry and labor to compete effectively and, on the other, proposals for negotiations with our major trading partners. Specifically recommended were actions which might reduce the adverse effects on U.S. exports of the European Community's Common Agricultural Policy and the Community's widening preferential tariff arrangements and international action to deal with market disruptions due to imports.

For the longer term, the Commission recommended negotiations "looking toward the progressive reduction and eventual elimination of barriers to trade and investment," including reform of the international monetary system, with negotiations eventually leading to the "elimination of all barriers to international trade and capital movements within 25 years."

The purpose of the newly organized Council on International Economic Policy is to strengthen the policymaking process. The Council is chaired by the President, and its members are the Secretaries of State, Treasury, Defense, Agriculture, Commerce, and Labor, the Ambassador at Large, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the Special Representative for Trade Negotiations, the Assistant to the President for National Security Affairs, and the Assistant to the President for Domestic Affairs. The President stated in his Executive Order that the Council was to (a) "achieve consistency between domestic and foreign economic policy," (b) "provide a clear, top-level focus for the full range of economic policy issues," and (c) "maintain close coordination with basic foreign policy objectives." The work of the Council is directed by its Executive Director, who is also Assistant to the President for International Economic Affairs. As his first assignment, the Executive Director was instructed by the President to prepare a review of the position of the United States in a changing world economy. This briefing was presented to the Council in April 1971 and was subsequently reviewed with leaders in Congress and others outside the Administration. The Council is now pursuing work programs in a variety of areas—such as export promotion, more comprehensive adjustment assistance programs, and foreign investment policies—and is planning for a series of foreign economic negotiations.

In addition to strengthening its own apparatus for policy formulation in the trade sector, the Administration has extended contacts with our trading partners. The President's Special Trade Representative has participated in the High Level Trade Group assembled by the Organization for Economic Cooperation and Development to explore avenues for major negotiations which might lead in the next few years to a more effective climate for international trade and investment. This group began monthly meetings in November and aims to complete a report for the Council of the OECD in the spring of 1972.

The Commission's report and the coordinating work of the Council have helped to identify the major policy issues in the area of international trade and to initiate steps through which these issues will be resolved.

EXPORT POLICY

The disappearance of the traditional U.S. trade surplus in 1971 itself raised a fundamental question. Is a trade surplus desirable or essential for the United States?

On one side of this question is a view that exports should always exceed imports by a wide margin because net exports are both a stimulant to the domestic economy and a symbol of relative economic strength. This position views exports as inherently desirable and imports, unless unobtainable domestically, as undesirable or at least suspect. The policy prescription corresponding to this mercantilist position calls for adoption of the measures necessary to keep the volume of U.S. exports higher than the volume of imports in every single accounting period, regardless of cyclical circumstances or developments affecting other elements in the balance of payments.

In another corner are those who argue that after years of investment abroad the United States has achieved a special status in the world. It is a major creditor nation which receives a large and growing income from overseas investments. It is possible, indeed appropriate, for a nation in this position to use some of this income to finance a net inflow of imports. These net imports are the fruits of resources the Nation has foregone consuming or investing domestically in previous years.

In fact, however, the appropriate approach to exports depends upon the approach that is taken to all of the other elements in the balance of payments. While the United States is a major creditor nation—the inflow of net investment income was over $6 billion in 1970 and is expected to grow in the future—a large net investment income does not mean that the country can afford an equally large trade deficit. U.S. policies involve other major payments commitments—grants and loans to less developed countries, mutual security costs, pensions and remittances to citizens living abroad, and funds for additional overseas investments. To the extent that these commitments are desirable, as they clearly are, they also have to be financed. Given the probable size of these flows in the immediate years ahead, it is unlikely that net investment income will be large enough to cover them, to say nothing of a trade deficit as well. Thus a trade surplus will be required if our goal is external balance. Moreover, export growth will permit imports to expand.

For the long run the optimal policy toward exports, as well as toward imports, is one directed to achieving efficient resource allocation within a system of generally balanced international payments.

The preferred means of correcting any disequilibrium that might arise in a nation's balance of payments is through a change in its exchange rate. This method, unlike other ways of restoring equilibrium, does not distort the relationships among transactions: All sellers and all buyers of foreign exchange are affected alike. A change in the exchange rate of the dollar was the process used by the United States in 1971 to correct its balance-of-payments deficit.

However, in a world where trade and investment flows are subject to either special impediments or incentives, more direct measures to stimulate exports may sometimes be justified. Legislation to authorize Domestic International Sales Corporations and steps to expand export credit facilities are examples of such measures.

Domestic International Sales Corporations

The provisions of American and foreign tax laws in many cases have provided an incentive for U.S. firms selling abroad to establish production facilities overseas. U.S. tax liability is not incurred on income earned abroad until it is repatriated, and effective foreign tax rates are often less than those in the United States. Exporters from domestic sources, on the other hand, face immediate tax liability.

This imbalance has been removed in part by the Revenue Act of 1971. Under provisions of the new law U.S. exporters will be able to enjoy tax treatment comparable to that of U.S. producers located abroad. The law provides for formation of a new type of corporation to be known as a Domestic International Sales Corporation (DISC). Taxes on 50 percent of a DISC's income may be deferred indefinitely, provided that 95 percent of the DISC's receipts and assets relate to qualified exports. Loans to a parent company to finance research and development expenditures, inventory accumulation, or investment in plant and equipment can be counted as export-related assets, so long as the proportion which these loans bear to total expenditures for such purposes does not exceed the proportion of the borrower's total sales accounted for by exports. Dividends to DISC stockholders are to be fully taxed.

The Administration's 1971 proposal concerning DISC underwent two major changes in Congress. First, the 100-percent deferral originally requested by the Administration was reduced to 50 percent. Second, Congress added a proviso to discourage a DISC from investing tax deferred income in foreign production facilities. In the bill enacted, the tax deferral on any DISC profits which are lent to parent companies will be terminated if such profits are judged to have been invested in foreign plant and equipment.

The potential for tax deferral in a DISC is intended to provide U.S. exporters with tax advantages similar to various advantages provided exporters in other countries. The availability of DISC will also blunt one incentive that has existed for U.S. firms to locate production facilities abroad rather than at home.

Export Credit Facilities

The competitive position of sellers in different countries for third-country export markets is influenced by the export credit facilities they can offer, and many governments have taken measures to provide especially advantageous financing for exports. In the United States export credit facilities are influenced by general monetary policy, by various banking regulations, by the operations of the U.S. Export-Import Bank, and by policies of other governmental financing and procurement agencies. Apart from monetary and pricing policies which led to an easing of interest costs for all borrowers in 1971, two steps were taken which increased the special credit facilities for exporting.

On August 17 legislation was enacted to exempt export credits from the Voluntary Foreign Credit Restraint guidelines administered by the Board of Governors of the Federal Reserve System. The formula announced by the Board of Governors in November freed both bank and nonbank financial institutions to expand their lending for exports. It was also designed to remove some existing or potential inequities among the institutions participating in the program.

Legislation passed in August removed Export-Import Bank receipts and disbursements from Federal unified budget totals and provided new leeway for the Bank's export financing activities. New short- and intermediate-term discount programs, together with activity under its other programs, should increase the Bank's total authorizations for loans, guarantees, and insurance from $5.4 billion in fiscal 1971 to $11.5 billion in fiscal 1973.

EASING THE ADJUSTMENT TO IMPORTS

Changes in the volume and composition of a country's imports usually reflect underlying changes in incomes, tastes, or comparative costs. The release of resources from industries that lose their competitiveness is offset by expansion in industries that become more competitive. The value of total production is increased by the reallocation of resources to what have become more productive uses.

In some cases, however, imports increase so rapidly that they displace domestic resources faster than these can be transferred to other uses. Public policy cannot ignore such disruptions to individual markets or areas, particularly if there is general excess productive capacity and limited opportunities for resources to shift. Positive programs of adjustment assistance are then required to facilitate the necessary transfer of resources into other uses and to ease the financial stress on the workers and owners involved. The adjustments can also be moderated by controlling the pace at which imports are permitted to increase.

Moderation of imports through arrangements with the main suppliers is a technique that has been used for several years both here and abroad. U.S. steel imports are now subject to such agreements. Cotton textiles and certain meats have been for some time subject to intergovernmental agreements. Government agreements to limit the rate of growth of manmade and woolen fiber apparel and textiles were concluded in 1971.

Imports of textiles and apparel have long constituted a special problem for the United States. On the one hand, textiles have an important place in the budget of all Americans, and the benefits of low-cost imported products are widely shared. On the other hand, the 2.3 million persons employed in the textile and apparel industry in the United States tend to have characteristics that make adjustment to new employment especially difficult.

The rate of growth of cotton textile shipments to the United States came under regulation in the multilateral Long Term Arrangement on Cotton Textiles of 1962. Imports of yarns, fabrics, and apparel made of wool and manmade fibers, however, have continued to grow at a rapid rate. The volume of imports of manmade fiber textiles increased more than seven times between 1964 and 1970; and in the first 6 months of 1971 the flow increased almost 80 percent above the level of the corresponding period a year earlier.

After especially difficult negotiations, memoranda of understanding were signed in October with the governments of Japan, the Republic of China, Korea, and Hong Kong, the leading sources of supply. Under the terms of these memoranda, the parties agreed to limit their exports of manmade fiber and wool textiles to this country. The agreements limit the growth rates for various categories of these imports to levels in the range of 5 to 7.5 percent per annum. Such rates, while much lower than the growth rates recently experienced, still somewhat exceed the growth in the U.S. market. The agreements are intended, therefore, to provide time for the domestic industry to adjust, while still permitting American consumers increasingly to enjoy the benefits of low-cost imported supplies.

The use by the United States of voluntary agreements with foreign governments or private groups to restrain shipments to the U.S. market has some attractions over other forms of import restraint such as tariffs or import quotas. Tariffs and quotas are often subject to international treaties and agreements, and further resort to them may also require legislative action. Restraints that are built into law have often become permanent even when the original need for restraint was itself only a temporary one. In contrast, the technique of requesting foreign suppliers voluntarily to limit their sales in the United States is simpler and avoids the complications of law.

However, voluntary agreements also have serious disadvantages. While the limitation of foreign supplies in the U.S. market lifts domestic prices for the goods above what they would otherwise have been, thereby providing the intended relief to domestic sellers, the higher prices that American users pay in this instance are not offset through the higher government tax revenues that would have been collected had higher tariffs been used to achieve the same purpose. It is also not clear that voluntary agreements are always easy to remove. In order to make the restraints operative, suppliers need to coordinate their production and sales plans. In the past, export restraint mechanisms have frequently been used as instruments of monopoly power. Dissolving them has without exception been extraordinarily difficult. The fact that they originate now under duress from the buyers rather than from the volition of sellers may not in the end change their character.

There is a more fundamental danger in too widespread a use of the export restraint technique. This is the additional threat it poses to hopes for a world organized predominantly on free-enterprise principles. Market-oriented societies can be efficient and progressive when competitive forces are present to inhibit the exercise of arbitrary power. But competition requires nurture. Voluntary agreements which encourage foreign sellers to organize in order to restrain their American sales foster those cartels and exporters' organizations which we have for many years sought to eliminate. Clearly voluntary agreements need to be used with circumspection.

The need to protect U.S. industries from market disruptions in the near future will be reduced significantly by the recent realignment of currencies. Products imported from Japan and many Western European countries will be higher priced in U.S. markets as a result of the revaluations of these currencies. At the same time, the impetus to U.S. export industries from the currency realignments, together with the general thrust of economic expansion, will provide more varied and more productive alternative uses for resources now employed in the industries most vulnerable to imports.

AGRICULTURAL TRADE

International trade in agricultural commodities continues to be impeded by a variety of import restrictions. The economic and social conditions in nearly every major industrialized country present serious problems of adjustment for resources employed in agriculture, quite apart from international trade considerations. Most governments have responded to this problem by adopting domestic price-support measures that are supplemented by restrictive trade policies. Tensions over these policies have been growing and surfaced prominently in 1971.

Unlike trade in manufactured products, agricultural trade received little substantive attention in the successive rounds of negotiations which reduced international tariff barriers in the postwar years. Indeed, many developed countries, including the United States, pursued domestic agricultural policies that resulted in an increased level of protection against agricultural imports. This was particularly true in the European Community, where internal prices have been pegged substantially above import prices through a complex system of import levies and export subsidies.

During 1971 the United Kingdom, partly in preparation for EC membership, moved from a consumer-oriented, relatively liberal, import policy toward the EC system by raising minimum import prices on grains and other commodities. The support price to Japanese rice producers was nearly doubled during the 1960's and is one reason why Japan is no longer a significant importer but instead faces burdensome rice surpluses.

The United States has a significant comparative advantage in many agricultural products and therefore has a clear interest in reducing existing impediments to trade in these products. It is also clear that price-support techniques now used in most industrial countries, including the United States, are major impediments to the development of freer trade in agriculture.

Agricultural support policies in the United States have been substantially modified in recent years. Direct payments have been substituted for high price supports for major grains and cotton, commodities that are traditionally exported. This change has permitted market forces to have more influence over actual prices and has reduced the necessity for large export subsidies and import restrictions. The Agricultural Act of 1970 extends these reforms and improves upon them by giving farmers greater freedom in their planning decisions.

Despite these reforms a number of commodities continue to receive support through the price mechanism, and pose problems for a liberal trade policy. Price supports for milk, for example, have been increased over 50 percent in the past 6 years. Partly for this reason and partly because of distortions in world markets caused by similar programs abroad, most dairy imports are now subject to quotas. Four additional dairy products were brought under quotas beginning in 1971. Also, like most developed countries, the United States maintains a sugar program that encourages domestic production through high internal prices. Quotas limit imports and thereby support internal prices. The U.S. sugar program was extended for 3 years in 1971. Several traditional export commodities are supported by limitations on production and substantial export subsidies. About 60 percent of our rice production, for instance, is exported with the aid of export subsidies and concessional sales to developing countries.

There is now realization that agricultural trade is an important item on the negotiating agenda. There is also agreement that freer trade in agricultural products can occur only if the basic problem of agricultural adjustment and the techniques for providing assistance to farmers are dealt with in an international context. As the President's Commission on International Trade and Investment Policy stated, "the time is ripe for a concerted international effort to deal with all aspects of the problem including, in particular, the levels and techniques of agricultural support."

The Commission's analysis, and work done elsewhere, suggest the following important guidelines for future negotiations on agricultural trade:

—Discussions over agricultural trade policies will be unproductive until domestic techniques of support are modified.

—New policies will be needed to aid the adjustment of some resources, particularly low-income workers, to more productive and higher income pursuits.

—Importing countries must participate with exporting countries in facilitating adjustment if an improvement in the international use of resources is to be obtained.

—While each country must be free to provide income assistance to those employed in agriculture, the mechanisms for this assistance should minimize interference with production, consumption, and trade.

EAST-WEST TRADE

The widening of the political dialogue between the United States and Communist nations in 1971 was accompanied by trade expansion measures.

Commercial relations between state-controlled and free-enterprise economies present problems unlike those which are experienced in trade between predominantly market-oriented economies. Private firms, for example, can be at a disadvantage in dealing with large state-trading agencies, and legal recourse by individual firms against foreign states may be difficult. It is awkward to apply commercial policy codes that have been negotiated among governments of market-oriented countries—such as those embodied in the General Agreement on Tariffs and Trade—to rigorously socialized states. And the Communist countries can more readily employ economic relationships for political ends than is possible for the free-enterprise states. Furthermore, legislation in the United States and elsewhere places restrictions on private and public trade and credit in connection with Communist countries. And regulations in both the Communist countries and the West restrict the movement of trade representatives. Finally, the Communist states are not party to a number of important international economic organizations and conventions.

Several significant changes occurred in U.S. trading relationships with the Communist countries in 1971. The President's announcements that he would visit Peking and Moscow in 1972 were preceded by a proclamation in June lifting the embargo on imports from the People's Republic of China and freeing a long list of U.S. goods for export to that area. A requirement that 50 percent of U.S. exports of wheat, flour, and other grains to Eastern Europe and the Soviet Union be carried in U.S. vessels was also lifted. The termination of this requirement facilitated the sale in November of over $125 million in U.S. feed grains to the Soviet Union—the first such grain sales since 1964. An amendment to the Export-Import Bank Act in August authorized the President to extend Export-Import Bank credits to further exports to Communist countries when he finds this to be in the national interest. In his first use of this authority, the President directed the Bank to participate in financing exports to Rumania.

Two Soviet Deputy Ministers of Foreign Trade visited the United States in 1971, and at the end of the year the U.S. Secretary of Commerce led a trade delegation from this country to Moscow and Warsaw. U.S.-Soviet talks on trade and shipping are to be continued in 1972.

GENERALIZED PREFERENCES FOR EXPORTS OF DEVELOPING COUNTRIES

In October 1969 the President voiced his support for the adoption by all developed countries of a liberal system of generalized tariff preferences for the exports of lower-income countries. The step is seen as a means of facilitating the economic growth of less developed areas by encouraging their integration into an interdependent world economy. It is also a means of reversing the trend toward specialized preferences whereby a limited number of developing countries have secured access to the markets of particular developed countries, especially those in the European Community. All too often this has occurred in conjunction with "reverse preferences" which open the developing countries' markets in a discriminatory way. Proposals made by the members of the OECD were accepted in 1970 by the United Nations General Assembly as a "mutually acceptable" basis for the establishment of a generalized preference system. The European Community and Japan have initiated systems based on their proposals.

Action on Generalized Preferences by the United States was delayed in 1971 by the unsatisfactory state of the balance of payments. The agreement of December 18 on exchange-rate realignment, in moderating the potential balance-of-payments problem for the near future, enabled the President on December 21 to announce his intention to submit Generalized Preference legislation to Congress in 1972.

A POSITIVE PROGRAM FOR FREER TRADE

In international trade, as in domestic trade, increased specialization and exchange offer prospects for large gains in productivity. Imports enrich both consumption and investment by increasing the variety of products available to users and by lowering their costs. At the same time imports into a country provide the funds with which other countries can purchase its exports. Re-

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ductions in impediments to freer flows of trade, therefore, lead to higher standards of living which are widely shared.

To prevent the changes in patterns of production and consumption which accompany a growing interchange of goods and services from being disruptive, it is important that market adjustments of two kinds take place efficiently:

1. When imbalances develop between the growth of exports and imports, and if these lead to an overall payments imbalance, a mechanism is necessary to bring about corrections. Variations of international exchange rates, by realigning costs and prices among countries, constitute one very efficient process.
2. When changes in demand patterns call for changes in the patterns of production and employment, a mechanism of internal adjustment is needed to make sure that capital and labor in industries which lose market position can shift readily to growing opportunities in other fields.

In 1971 the United States initiated major steps to improve both of these forms of adjustment. Important measures were taken in the international monetary field, notably a significant realignment of exchange rates and a broadening of the band within which exchange rates can move freely. In the domestic economy, general policies were adopted to curb inflation and to expand economic activity and employment opportunities, and work was begun to develop broader arrangements for assisting adjustment by firms and workers affected by the liberalization of trade.

Measures were also taken which can enhance the contribution which two major sectors of the economy make to exports.

One of these sectors is high-technology industry. Such industries require large investments in research and development. This Nation's comparative advantage in the sector depends on its continued technological leadership. To maintain this leadership the Administration has developed proposals to stimulate research and development investment.

The other sector is agriculture. The potential for U.S. agricultural exports is not now realized because serious impediments bar the way to increased trade in agricultural products, mainly in the form of high price supports in important markets abroad. While U.S. agricultural policy has been substantially revised in recent years, away from high price support programs, corresponding action has not been taken in other countries. Negotiations are in progress which have as their goal the reduction of impediments to agricultural trade.

Most of the postwar growth in international trade has come from increased exchange of manufactured products, and it has taken place among the developed nations of the world. As less developed countries move away from heavy reliance on primary production into manufacturing activities, they too will need to participate more actively in the interchange of manufactures. Agreement has been reached among the developed countries of the world, and between them and less developed countries, on a program through which exports from less developed countries will be given preferential treatment in developed country markets. In the implementation of this program the United States is seeking to minimize the discrimination which developed countries apply to such imports by source and to eliminate the practice by which "reverse preferences" have been granted by some of the developing countries to some developed ones. Legislation to implement a U.S. program in this area is in preparation.

Over the past 20 years the major economies of the world, including the United States, have enjoyed very high rates of growth in output and income. These rates have been higher than anyone predicted at the end of World War II and clearly higher than could have been predicted on the basis of experience prior to that time. One reason that these gains have been possible has been the rapid expansion in the interchange of goods and services that has been brought about by a steady dismantling of impediments to international trade.

Continued progress toward further reductions in existing barriers will require positive policies by both the United States and its trading partners. The international monetary arrangements will have to be made more flexible to accommodate unpredictable changes in world production and consumption patterns. At the same time domestic and international policies will have to provide a milieu of expanding employment opportunities in order to facilitate the reabsorption of resources displaced by change.

If both sets of policies are successful, the shifts which result from change will cease to be feared as harmful dislocations and will be recognized as part of a desirable movement toward higher economic benefits in which most people share.

Appendix A

REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 1971

LETTER OF TRANSMITTAL

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

THE PRESIDENT:

SIR: The Council of Economic Advisers submits this report on its activities during the calendar year 1971 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.

EZRA SOLOMON.

HERBERT STEIN.

Report to the President on the Activities of the Council of Economic Advisers During 1971

During 1971 a far-reaching program in economic policy was put in place, the most far-reaching in the postwar period. The Council contributed to the formulation and implementation of this program and also continued to participate in many policy-oriented activities of Government.

Significant changes in the membership of the Council took place during the year. Hendrik S. Houthakker resigned in July to return to his position as Professor of Economics at Harvard University. He was succeeded by Ezra Solomon, whose appointment was confirmed by the Senate on June 17. Mr. Solomon is on leave from Stanford University, where he is the Dean Witter Professor of Finance.

Past Council Members and their dates of service are listed below

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.
Hendrik S. Houthakker	Member	February 4, 1969	July 15, 1971.

Paul W. McCracken, Chairman from February 1969, resigned to return to the chair of Edmund Ezra Day University Professor of Business Administration at the University of Michigan, his resignation taking effect on January 1, 1972. The President designated Herbert Stein, also a Member of the Council from February 1969, to succeed Mr. McCracken as Chairman.

ECONOMIC POLICYMAKING AND THE COUNCIL OF ECONOMIC ADVISERS

RESPONSIBILITIES OF THE COUNCIL

The central responsibilities of the Council continued to be to provide the President with information and analysis of economic conditions, to evaluate economic policy, and to make recommendations designed to foster the goals of the Employment Act of 1946. In this act the Congress has declared that "it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy . . . to promote maximum employment, production, and purchasing power." The challenge of economic policy in 1971 was to make progress toward the stipulated objectives of the Employment Act while at the same time recognizing such "other essential considerations of national policy" as strengthening the basis for a more stable price level and improving our external payments position.

The President is kept informed of economic developments and of the Council's views through personal discussions and memoranda from the Chairman. Presentations and written comments are also made to the Cabinet and Domestic Affairs Council, the Cabinet Committee on Economic Policy, the "Troika," the "Quadriad," other Administration officials, and the Congress. Such communications reflect a continued, careful monitoring of current economic developments and projections by the use of a variety of statistical and analytical tools.

The Council staff works with other agencies to appraise existing activities of the Federal Government and to develop new programs. It also reviews bills proposed for action by the Congress and submits recommendations. The Council's recommendations give particular attention to economic implications of prospective programs and actions. During 1971, the Council formally expressed opinions on about 200 bills in various stages of the legislative process.

As in previous years, the Council and its staff participated in the Administration's examination and formulation of programs and policies in many areas. These were directed toward such matters as energy, environmental quality, international trade and finance, research and development, transportation, trade adjustment assistance, and assistance to communities affected by defense cutbacks. The Council also provided leadership to interagency studies of the problems in particular industries and in relation to particular products, notably steel and timber.

In addition to this variety of ongoing activities, the Council helped to design the comprehensive new economic program that was instituted to deal simultaneously with domestic and international problems affecting the U.S. economy. Subsequent to its adoption, members and the staff helped to resolve questions which arose early in the operation of the new program, to explain the program to the public, and to develop the policies further.

POLICY COORDINATION

The Council and its staff maintained close contact with other Government officials in order to share viewpoints and coordinate policy activities. Communication between the Treasury Department, the Office of Management and Budget, and the Council of Economic Advisers continued to be closely coordinated. The Secretary of the Treasury, the Director of the Office of Management and Budget, and the Chairman of the Council, known collectively as the "Troika," met frequently to discuss economic developments and policy issues. There are also second- and third-tier Troika groups. The second tier consists of one of the other two Council Members, the Assistant Secretary of the Treasury for Economic Policy, and the Economist for the Office of Management and Budget. The third tier comprises senior staff economists from the three agencies. Memoranda on the outlook were prepared periodically in 1971 by the latter group and submitted to the second tier of the Troika for approval before transmission to the three agency heads. The President met regularly with the Troika, and from time to time the Chairman of the Board of Governors of the Federal Reserve System joined Troika meetings, thus forming the "Quadriad."

One of the vehicles for coordinating broad economic policies within the Executive Office is the Cabinet Committee on Economic Policy, established by Executive Order of the President on January 24, 1969. Members include the President, the Vice President, the Secretaries of the Treasury, Agriculture, Commerce, Labor, and Housing and Urban Development, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Deputy Under Secretary of State for Economic Affairs. The Chairman of the Council of Economic Advisers coordinates the work of the Committee.

In 1971 the Chairman of the Council continued to serve as a member of the Domestic Affairs Council and as Chairman of its Subcommittee on the National Energy Situation. The Chairman also served as a member of the Property Review Board, the National Commission on Productivity, the Defense Programs Review Committee, and the Regulations and Purchasing Review Board. Reflecting the Council's wide range of interests, the other two members and the Senior Staff Economists also participated in a number of interagency committees, task forces, and study groups.

The Council's active role in the development of the new economic program began with the meetings that preceded the President's address on August 15. The Chairman served as Vice Chairman of the Cost of Living Council and, during the period of the freeze, as Chairman of the Executive Policy Committee of the Cost of Living Council. Mr. Stein headed the Task Force of the Cost of Living Council which prepared recommendations to the Council for a program to follow the freeze.

The Council of Economic Advisers testified several times during the year before the Joint Economic Committee, a committee with which the Council has a particularly close association. In accordance with annual practice, testimony on the economic outlook was presented by the three Council Members on February 5 following submission of the *Economic Report* to Congress. On February 18 the Chairman joined the Secretary of the Treasury and the Director of the Office of Management and Budget in testimony before the Senate Appropriations Committee; similar testimony was given before the House Appropriations Committee on February 24. The Chairman appeared before the Subcommittee on Foreign Economic Policy of the Joint Economic Committee on June 29 to discuss issues related to the role of the United States in the world economy. Testimony was also given by the Chairman and by Mr. Stein before the Joint Economic Committee on July 8 concerning the state of the economy at midyear, and on August 30 the Chairman testified concerning the new program for domestic and international economic policy. In addition, the Chairman presented testimony on June 15 to the Senate Committee on Interior and Insular Affairs in regard to the national energy situation; and on December 7 he appeared before the House Public Works Committee to discuss issues involved in amending the Federal Water Pollution Control Act.

In the international sphere, Council Members and staff took part in meetings of the Economic Policy Committee of the Organization for Economic Cooperation and Development. The Chairman of the Council was again head of the U.S. delegation to meetings of the Economic Policy Committee, and in 1971 he served this Committee as Vice Chairman. Through this Committee, member nations seek better understanding and coordination of their domestic economic policies. The Council Members and Senior Staff Economists also participated in several subcommittees of the Economic Policy Committee, including Working Party III on the balance of payments and international financial problems, the Working Party Group on Short-Term Economic Prospects, Working Party IV on inflation, Working Party II on promotion of long-term economic growth, and the Manpower and Social Affairs Committee on problems and policies relating to manpower and the labor market.

The Chairman of the Council was also a member of the U.S. delegation which engaged in joint Cabinet discussions with Japan in September.

NATIONAL COMMISSION ON PRODUCTIVITY

The National Commission on Productivity was established by the President in June 1970 to recommend ways to improve productivity in the American economy. Members represent industry, labor, agriculture, the public, and State, local, and Federal governments. The Director of the Office of Management and Budget acts as Chairman. Other Federal Government representatives are the Secretaries of the Treasury, Commerce, and Labor, the Chairman of the Council of Economic Advisers, and the Special Assistant to the President for Consumer Affairs. The staff of the Commission at the end of 1971 included an Executive Director and three other professional members. The Commission received administrative services from the Council of Economic Advisers, and its budget was included in the budget of the

Council in fiscal year 1972. The Economic Stabilization Act of 1970, as amended and extended in December 1971, sets forth a number of objectives for the Commission and contains authorization for appropriations to carry out its activities during the period ending April 30, 1973.

PUBLICATIONS

The annual *Economic Report* is the principal means by which the Council provides the public with information and analysis of economic conditions and policies. About 50,000 copies of the February 1971 *Economic Report* have been distributed. The Statistical Office of the Council prepares *Economic Indicators*, which is issued monthly by the Joint Economic Committee. Approximately 10,000 copies of this publication are currently circulated.

NEEDED LEGISLATION

The Employment Act of 1946 requires that the *Economic Report* be transmitted to the Congress not later than January 20 of each year. It is also a statutory requirement that the *Budget* be sent to the Congress "during the first 15 days of each regular session"; customarily the *Economic Report* is presented a few days after the *Budget*. The fact that in recent years the Congress has not convened until after mid-January, however, has resulted in a later date for the transmission of the *Budget* and hence for the *Economic Report* as well. These later dates for the convening of the Congress and the transmission of the *Budget* have repeatedly necessitated a joint resolution of the Congress to permit the *Economic Report* to be presented after the statutory deadline of January 20. Accordingly, it would be advisable to amend the Employment Act of 1946 to provide that the *Economic Report* shall be transmitted to the Congress not later than 15 days after the *Budget*. This would retain the desirable features of a deadline, but would automatically ensure its consistency with whatever date the Congress might set to convene.

PUBLIC CONTACTS

From time to time during the year the Council met with groups of academic, business, and labor economists to discuss questions of mutual interest. Many individuals, including businessmen, labor leaders, foreign visitors, students, and educators, also visited Council Members for discussions. Another important channel of communication was the substantial number of speeches on economic developments and policy made throughout the year by Council Members and Senior Staff Economists. Finally, continuing contacts were maintained with representatives of the news media through personal interviews and telephone conversations.

ORGANIZATION AND STAFF OF THE COUNCIL

OFFICE OF THE CHAIRMAN

The Chairman is responsible for reporting the Council's views to the President, as officially provided by the Employment Act, as amended by Reorganization Plan No. 9 in 1953. This duty was discharged through direct consultations with the President and written comments on economic developments and policy considerations. The Chairman also represented the Council at Cabinet meetings and at many other formal meetings and other contacts with Government officials. He also exercised ultimate responsibility for directing the work of the professional staff.

COUNCIL MEMBERS

The other two Council Members directly supervised the work of the professional staff. Although the Council is not organized into departments, there has been an informal division of responsibilities by subject area. Mr. Stein's areas in 1971 included forecasting and analysis of economic conditions, medium-term economic projections, fiscal policy and taxation, Federal budget matters, Federal credit programs, monetary policy, financial institutions, welfare and social security, agriculture, defense, manpower, and wages and industrial relations.

Responsibility for directing the work in international finance and trade policy, foreign aid and economic development, transportation and regulated industries, individual price behavior, technology, environment, antitrust, health and education, housing, private finance, energy, and urban and regional problems was handled by Mr. Solomon in 1971 after Mr. Houthakker resigned.

PROFESSIONAL STAFF

At the end of 1971 the professional staff consisted of 14 Senior Staff Economists, two Statisticians, five Junior Economists, and two Research Assistants. Members of the professional staff were responsible for economic analyses and policy recommendations in major subject areas involving the Council's interests and responsibilities. In addition, Staff Economists carried 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 at the end of the year were:

Senior Staff Economists

John D. Darroch	Prices and Industry Studies.
Murray F. Foss	Economic Analysis and Forecasting.
William E. Gibson	Monetary Policy, Financial Markets, International Finance.
Eric A. Hanushek	Urban Economics and Health, Education, and Welfare.
A. Gilbert Heebner	Special Assistant to the Chairman.
Alan K. McAdams	Environment, Industry Regulation, Research and Development.
Edward J. Mitchell	Energy Policy, Natural Resources, Industry Problems.
J. Carter Murphy	International Finance and Trade.
June A. O'Neill	Manpower Programs and Health, Education, and Welfare.
Mark J. Riedy	Housing, Private Finance, Business Conditions.
Frank C. Ripley	Economic Analysis and Forecasting.
Bernard Saffran	Fiscal Policy and Public Finance.
Gary L. Seevers	Agriculture and International Trade.
James R. Wetzel	Labor Economics and Manpower.

Statisticians

Frances M. James	Senior Statistician.
Catherine H. Furlong	Statistician.

Junior Staff Economists

Rayton Gerald	Financial Markets.
William R. Keeton	International Finance and Trade.
David C. Munro	Economic Analysis and Forecasting.
Lydia Segal	Economic Analysis and Forecasting.
H. Kemble Stokes, Jr	Monetary and Fiscal Policies.

Research Assistants

Zell Berman.
Joanne M. Vinyard.

Frances M. James, Senior Staff Statistician, continued to be in charge of the Council's Statistical Office. Miss James had major responsibility for managing the Council's economic and statistical information system. She supervised the publication of *Economic Indicators* and the preparation of tables and charts for the *Economic Report* and for a wide variety of meetings throughout the year. She also handled the fact checking of memoranda, testimony, and speeches. Dorothy Bagovich, Catherine H. Furlong, V. Madge McMahon, and Natalie V. Rentfro assisted Miss James.

The Council also conducted a student intern program, employing a limited number of promising students of economics, both graduate and undergraduate, for various periods but particularly during the summer months. The 1971 interns were Daniel K. Benjamin (University of California, Los Angeles), Philip A. Cummins (Princeton University), Leslie Farber (University of Minnesota), Keith R. McLaren (Northwestern University), Alan A. Rabin (University of Virginia), David H. Schaefer (University of California, Santa Cruz), and Daniel L. Wisecarver (University of Chicago).

At the end of 1971 the list of economists serving as consultants to the Council included 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), Hendrik S. Houthakker (Harvard University), Stephen P. Magee (University of Chicago), John R. Meyer (National Bureau of Economic Research), Thomas G. Moore (Michigan State University), Saul Nelson (private consultant), David J. Ott (Clark University), George J. Stigler (University of Chicago), Stephen J. Tonsor (University of Michigan), Lloyd Ulman (University of California, Berkeley), Marina v.N. Whitman (University of Pittsburgh), Thomas D. Willett (Cornell University), and G. Paul Wonnacott (University of Maryland).

In preparing the *Economic Report,* the Council relied upon the editorial assistance of Rosannah C. Steinhoff (University of Michigan).

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. James H. Ayres served as Administrative Officer, assisted by Nancy F. Skidmore, Elizabeth A. Kaminski, Margaret L. Snyder, and Bettye T. Siegel. The duplicating, mail, and messenger department was operated by James W. Gatling, Frank C. Norman, and A. Keith Miles.

Secretarial staff members were Daisy S. Babione, Mayme Burnett, Evelyn D. DeZerne, Mary Catherine Fibich, Dorothy L. Green, Lillie M. Hayes, Laura B. Hoffman, Bessie M. Lafakis, Patricia A. Lee, Karen J. MacFarland, Eleanor A. McStay, Joyce A. Pilkerton, Earnestine Reid, Linda A. Reilly, and Alice H. Williams.

DEPARTURES

The Council's professional staff is drawn primarily from universities and research institutions, and these economists normally serve for 1 or 2 years. Senior Staff Economists who resigned during the year were Robert A. Kelly (Department of Housing and Urban Development), Marvin H. Kosters (Department of Labor), Irene Lurie (University of Wisconsin), Michael H. Moskow (Department of Labor), Sam Peltzman (University of California, Los Angeles), Rudolph G. Penner (University of Rochester), William L. Silber (New York University), T. Nicolaus Tideman (Harvard University), and Marina v.N. Whitman (University of Pittsburgh). Sidney L. Jones also resigned from the position of Special Assistant to the Chairman to return to the University of Michigan. Junior Economists who resigned in 1971 were Christine H. Branson and J. Michael Swint. Other resignations included Elizabeth F. Gray, Secretary, and Judson A. Byrd of the Administrative Office. Teresa D. Bradburn of the Statistical Office and Dorothy L. Reid, Secretary, retired from Federal service during 1971.

Appendix B

STATISTICAL TABLES RELATING TO INCOME, EMPLOYMENT, AND PRODUCTION

451-688 0—72——13

CONTENTS

National income or expenditure: Page

Population, employment, wages, and productivity:

General Notes

Detail in these tables will not necessarily add to totals because of rounding. Unless otherwise noted, all dollar figures are in current dollars.

Symbols used:

p Preliminary.

-- Not available (also, not applicable).

NATIONAL INCOME OR EXPENDITURE

TABLE B–1.—*Gross national product or expenditure, 1929–71*

[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 10.2	99.7	70.8	13.1	1.7	14.0	6.0	2.2	3.8	8.0
1941 24.9	124.5	80.6	17.9	1.3	24.8	16.9	13.8	3.1	7.9
1942 26.8	157.9	88.5	9.8	.0	59.6	51.9	49.4	2.5	7.7
1943 21.3	191.6	99.3	5.7	−2.0	88.6	81.1	79.7	1.4	7.4
1944 9.7	210.1	108.3	7.1	−1.8	96.5	89.0	87.4	1.6	7.5
1945 0.9	211.9	119.7	10.6	−.6	82.3	74.2	73.5	.7	8.1
1946 − 1.6	208.5	143.4	30.6	7.5	27.0	17.2	14.7	2.5	9.8
1947 10.9	231.3	160.7	34.0	11.5	25.1	12.5	9.1	3.5	12.6
1948 11.4	257.6	173.6	46.0	6.4	31.6	16.5	10.7	5.8	15.0
1949 − 0.4	256.5	176.8	35.7	6.1	37.8	20.1	13.3	6.8	17.7
1950 11.0	284.8	191.0	54.1	1.8	37.9	18.4	14.1	4.3	19.5
1951 15.3	328.4	206.3	59.3	3.7	59.1	37.7	33.6	4.1	21.5
1952 5.2	345.5	216.7	51.9	2.2	74.7	51.8	45.9	5.9	22.9
1953 5.5	364.6	230.0	52.6	.4	81.6	57.0	48.7	8.4	24.6
1954 0.1	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	864.2	536.2	126.0	2.5	199.6	98.8	78.3	20.5	100.8
1969	929.1	579.6	137.8	2.0	209.7	99.2	78.4	20.7	110.6
1970	974.1	615.8	135.3	3.6	219.4	97.2	75.4	21.9	122.2
1971 p	1,046.8	662.2	150.8	.7	233.1	97.6	71.4	26.2	135.4
	Seasonally adjusted annual rates								
1970: I	956.0	604.0	131.2	3.5	217.3	100.2	78.9	21.3	117.1
II	968.5	613.8	134.1	4.2	216.5	96.8	75.1	21.6	119.7
III	983.5	620.9	138.6	4.0	220.1	96.1	74.2	21.9	124.0
IV	988.4	624.7	137.3	2.7	223.7	95.9	73.2	22.7	127.9
1971: I	1,020.8	644.9	143.3	4.7	227.9	96.4	72.6	23.7	131.6
II	1,040.0	657.4	152.9	.1	229.6	96.0	71.4	24.6	133.6
III	1,053.4	668.8	150.8	.0	233.8	97.6	70.2	27.4	136.2
IV p	1,073.0	677.7	156.5	−2.0	240.9	100.6	71.5	29.2	140.3

[1] See Table B–10 for detailed components.
[2] See Table B–11 for detailed components.
[3] See Table B–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, 1973."

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–2.—*Gross national product or expenditure in 1958 dollars, 1929–71*

[Billions of 1958 dollars]

Year or quarter	Total gross national product	Personal consumption expenditures				Gross private domestic investment						
		Total	Durable goods	Nondurable goods	Services	Total	Fixed investment					Change in business inventories
							Total	Nonresidential			Residential structures	
								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	24.5	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	706.6	452.7	81.3	197.1	174.4	105.2	98.8	75.6	23.4	52.2	23.2	6.4
1969	724.7	469.3	84.8	202.7	181.8	109.6	103.2	80.1	24.5	55.7	23.1	6.4
1970	720.0	475.9	81.4	207.3	187.2	102.2	99.9	78.6	24.2	54.4	21.3	2.3
1971 p	739.5	491.9	89.3	211.6	191.0	107.9	105.9	78.8	22.4	56.5	27.0	2.0
	Seasonally adjusted annual rates											
1970: I	719.8	474.4	82.3	205.7	186.4	101.0	100.7	79.3	24.6	54.7	21.4	0.3
II	721.1	477.1	83.8	206.5	186.8	102.7	100.7	79.4	24.4	55.0	21.3	2.0
III	723.3	477.9	82.8	207.3	187.9	104.0	100.1	80.1	24.2	55.9	20.0	3.9
IV	715.9	474.2	76.6	209.7	187.9	101.2	98.1	75.5	23.5	52.0	22.6	3.1
1971: I	729.7	484.8	85.9	210.0	188.9	104.3	101.8	77.7	22.6	55.0	24.1	2.5
II	735.8	489.4	87.8	211.5	190.1	110.0	105.9	79.1	22.9	56.2	26.7	4.1
III	740.7	494.3	91.2	211.6	191.4	106.7	107.2	78.9	22.1	56.8	28.3	−.5
IV p	751.7	499.2	92.4	213.4	193.4	110.4	108.6	79.6	21.8	57.8	28.9	1.9

See footnotes at end of table.

TABLE B-2.—*Gross national product or expenditure in 1958 dollars, 1929–71*—Continued

[Billions of 1958 dollars]

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	1.0	45.7	44.7	147.7	78.1	69.6
1969	.1	48.5	48.3	145.6	73.8	71.9
1970	2.4	52.2	49.8	139.4	65.4	74.0
1971 p	.5	52.3	51.8	139.3	62.3	77.0
	Seasonally adjusted annual rates					
1970: I	1.7	51.6	49.9	142.6	69.4	73.2
II	2.6	52.8	50.1	138.7	65.3	73.4
III	3.2	52.4	49.2	138.2	63.8	74.3
IV	2.1	51.9	49.8	138.3	63.2	75.2
1971: I	3.0	52.9	49.8	137.6	61.3	76.3
II	−.5	53.1	53.7	137.0	60.7	76.3
III	.1	54.5	54.4	139.6	62.7	76.6
IV p	−.7	48.6	49.4	142.9	64.3	78.8

[1] Net of Government sales.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–3.—*Implicit price deflators for gross national product, 1929–71*

[Index numbers, 1958=100]

Year or quarter	Total gross national product [1]	Personal consumption expenditures				Gross private domestic investment [1]				
						Fixed investment				
							Nonresidential			
		Total	Durable goods	Nondurable goods	Services	Total	Total	Structures	Producers' durable equipment	Residential structures
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	113.94	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	122.30	118.4	103.4	117.1	126.9	120.4	117.5	129.8	112.0	129.7
1969	128.21	123.5	106.0	122.1	133.2	126.4	123.0	141.1	115.1	137.9
1970	135.29	129.4	108.9	127.7	140.2	132.6	130.0	152.0	120.1	142.4
1971 [p]	141.56	134.6	112.4	131.7	148.2	140.5	137.2	170.4	124.1	150.2
	Seasonally adjusted									
1970: I	132.82	127.3	107.6	126.1	137.4	129.8	127.0	146.9	118.1	140.1
II	134.32	128.7	108.2	127.4	139.3	131.2	128.6	149.6	119.3	140.9
III	135.97	129.9	109.2	128.1	141.0	133.3	130.7	154.1	120.6	143.8
IV	138.07	131.7	110.8	129.2	143.1	136.2	133.6	157.9	122.6	144.7
1971: I	139.88	133.0	112.5	130.1	145.6	137.7	134.9	162.1	123.7	146.9
II	141.34	134.3	112.9	131.4	147.5	140.0	136.8	168.1	124.1	149.5
III	142.21	135.3	112.7	132.4	149.3	141.7	138.4	174.9	124.3	150.9
IV [p]	142.74	135.8	111.7	133.0	150.3	142.4	138.6	176.9	124.2	152.9

See footnotes at end of table.

TABLE B-3.—*Implicit price deflators for gross national product, 1929–71*—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	104.2	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	147.6
1968	110.9	107.7	135.1	126.5	144.8	118.90	159.1
1969	114.7	110.8	144.0	134.4	153.9	124.29	171.1
1970	120.6	119.2	157.3	148.6	165.1	130.38	188.7
1971 p	125.4	125.2	167.4	156.8	175.9	136.03	202.8
	Seasonally adjusted						
1970: I	119.2	116.2	152.4	144.3	160.0	128.13	183.8
II	119.8	117.7	156.1	148.2	163.1	129.43	187.5
III	121.6	121.4	159.3	150.5	166.8	131.00	190.4
IV	121.7	121.5	161.7	151.8	170.2	132.98	193.2
1971: I	125.2	123.4	165.6	157.2	172.4	134.44	199.7
II	125.2	123.8	167.6	158.1	175.2	135.87	202.0
III	125.2	125.5	167.5	155.6	177.3	136.71	203.2
IV p	125.8	128.0	168.6	156.6	178.5	137.07	206.3

[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 B-7 and B-8.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-4.—*Gross national product by major type of product, 1929–71*

[Billions of dollars]

Year or quarter	Total gross national product	Final sales	Inventory change	Goods output: Total: Total	Goods output: Total: Final sales	Goods output: Total: Inventory change	Goods output: Durable goods: Total	Goods output: Durable goods: Final sales	Goods output: Durable goods: Inventory change	Goods output: Nondurable goods: Total	Goods output: Nondurable goods: Final sales	Goods output: Nondurable goods: Inventory change	Services	Structures	Gross auto product
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	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	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	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	3.0	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	864.2	857.1	7.1	429.5	422.4	7.1	174.5	169.6	4.9	255.0	252.9	2.1	346.6	88.1	36.3
1969	929.1	921.7	7.4	457.3	449.9	7.4	185.3	180.9	4.5	272.0	269.0	2.9	377.4	94.4	36.6
1970	974.1	971.3	2.8	468.3	465.5	2.8	180.2	180.8	−.6	288.1	284.7	3.4	410.3	95.5	30.6
1971[p]	1,046.8	1,044.7	2.1	494.2	492.1	2.1	193.7	193.3	.4	300.5	298.7	1.7	443.7	108.9	40.5
	Seasonally adjusted annual rates														
1970: I	956.0	955.6	0.4	461.9	461.5	0.4	179.8	181.5	−1.8	282.1	279.9	2.2	400.8	93.4	30.9
II	968.5	966.5	2.1	468.6	466.6	2.1	181.8	183.7	−2.0	286.9	282.9	4.0	406.2	93.7	35.2
III	983.5	978.4	5.1	474.9	469.8	5.1	189.6	184.9	4.7	285.3	284.9	.4	413.7	94.9	34.1
IV	988.4	984.7	3.7	467.7	464.0	3.7	169.7	173.1	−3.4	297.9	290.9	7.1	420.6	100.1	22.0
1971: I	1,020.8	1,017.7	3.1	485.5	482.4	3.1	192.8	189.4	3.5	292.7	293.1	−.4	432.3	102.9	42.1
II	1,040.0	1,035.4	4.6	490.8	486.2	4.6	193.0	190.6	2.3	297.8	295.5	2.3	441.0	108.2	39.8
III	1,053.4	1,054.6	−1.2	496.2	497.4	−1.2	193.9	196.4	−2.5	302.3	301.0	1.3	446.3	110.8	42.1
IV[p]	1,073.0	1,071.2	1.9	504.1	502.3	1.9	195.1	196.9	−1.9	309.0	305.3	3.7	455.2	113.8	38.1

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–5.—*Gross national product by major type of product in 1958 dollars, 1929–71*

[Billions of 1958 dollars]

Year or quarter	Total gross national product	Final sales	Inventory change	Goods output: Total: Total	Goods output: Total: Final sales	Goods output: Total: Inventory change	Goods output: Durable goods: Total	Goods output: Durable goods: Final sales	Goods output: Durable goods: Inventory change	Goods output: Nondurable goods: Total	Goods output: Nondurable goods: Final sales	Goods output: Nondurable goods: Inventory change	Services	Structures	Gross auto product
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	409.0	–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	257.3	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	65.2	31.8
1966	658.1	644.2	13.9	356.8	342.9	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	706.6	700.2	6.4	379.7	373.3	6.4	160.7	156.2	4.4	219.0	217.0	2.0	259.7	67.2	35.4
1969	724.7	718.2	6.4	389.9	383.4	6.4	165.9	162.1	3.8	224.0	221.4	2.6	267.8	67.0	35.0
1970	720.0	717.7	2.3	383.0	380.7	2.3	156.1	156.8	–.6	226.9	223.9	3.0	273.4	63.6	28.3
1971 p	739.5	737.5	2.0	393.5	391.5	2.0	163.5	163.0	.5	230.0	228.5	1.5	278.9	67.1	35.9
	Seasonally adjusted annual rates														
1970: I	719.8	719.5	0.3	382.7	382.4	0.3	157.7	159.4	–1.6	225.0	223.0	1.9	273.0	64.1	29.1
II	721.1	719.1	2.0	385.4	383.4	2.0	158.8	160.3	–1.5	226.7	223.1	3.6	272.3	63.4	33.0
III	723.3	719.4	3.9	387.2	383.3	3.9	163.7	160.0	3.7	223.5	223.3	.2	273.9	62.2	31.6
IV	715.9	712.8	3.1	376.7	373.6	3.1	144.4	147.5	–3.1	232.3	226.1	6.2	274.5	64.7	19.6
1971: I	729.7	727.2	2.5	388.1	385.6	2.5	162.4	159.6	2.8	225.7	226.0	–.3	276.2	65.4	36.8
II	735.8	731.7	4.1	390.2	386.1	4.1	162.3	160.2	2.2	227.8	225.9	2.0	278.4	67.2	34.7
III	740.7	741.2	–.5	394.4	394.9	–.5	163.7	165.3	–1.6	230.7	229.6	1.1	278.9	67.3	37.5
IV p	751.7	749.9	1.9	401.3	399.5	1.9	165.6	167.0	–1.4	235.7	232.4	3.3	282.1	68.3	34.7

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–6.—*Gross national product: Receipts and expenditures by major economic groups, 1929–71*

[Billions of dollars]

Year or quarter	Persons: Disposable personal income: Total [1]	Persons: Disposable personal income: Less: Interest paid and transfer payments to foreigners	Persons: Disposable personal income: Equals: Total excluding interest and transfers	Persons: Personal consumption expenditures	Persons: Personal saving or dissaving (−)	Government: Net receipts: Tax and nontax receipts or accruals	Government: Net receipts: Less: Transfers, interest, and subsidies [2]	Government: Net receipts: Equals: Net receipts	Government: Expenditures: Total expenditures	Government: Expenditures: Less: Transfers, interest, and subsidies [3]	Government: Expenditures: Equals: Purchases of goods and services	Government: Surplus or deficit (−), national income and product accounts
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	591.0	15.1	575.9	536.2	39.8	263.5	70.7	192.7	270.3	70.7	199.6	−6.8
1969	634.2	16.7	617.5	579.6	37.9	295.6	78.4	217.2	288.2	78.4	209.7	7.4
1970	687.8	17.9	669.9	615.8	54.1	300.5	94.2	206.3	313.6	94.2	219.4	−13.1
1971 p	741.2	18.6	722.6	662.2	60.4	320.8	108.0	212.8	341.1	108.0	233.1	−20.3
	Seasonally adjusted annual rates											
1970: I	667.6	17.5	650.1	604.0	46.2	296.6	82.7	213.9	300.0	82.7	217.3	−3.4
II	685.7	17.8	667.9	613.8	54.2	301.8	97.5	204.3	314.0	97.5	216.5	−12.2
III	696.2	18.0	678.2	620.9	57.4	301.7	96.8	204.9	316.9	96.8	220.1	−15.2
IV	701.5	18.3	683.2	624.7	58.5	301.9	99.8	202.1	323.7	99.8	223.7	−21.7
1971: I	722.0	18.4	703.6	644.9	58.6	312.3	101.4	210.9	329.3	101.4	227.9	−17.1
II	739.6	18.6	721.0	657.4	63.6	317.8	109.1	208.7	338.7	109.1	229.6	−20.9
III	748.5	18.8	729.7	668.8	61.0	322.0	110.3	211.7	344.1	110.3	233.8	−22.2
IV p	754.8	18.8	736.0	677.7	58.4	......	110.7	......	351.7	110.7	240.9	......

See footnotes at end of table.

TABLE B-6.—*Gross national product: Receipts and expenditures by major economic groups, 1929–71*—Continued

[Billions of dollars]

Year or quarter	Business: Gross retained earnings [3]	Business: Gross private domestic investment [4]	Business: Excess of investment (-)	International: Net transfers to foreigners by persons and Government	International: Net exports of goods and services: Exports	International: Net exports of goods and services: Less: Imports	International: Net exports of goods and services: Equals: Net exports	International: Excess of transfers or of net exports (-) [5]	Total income or receipts	Statistical discrepancy	Gross national product or expenditure
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	95.4	126.0	-30.6	2.9	50.6	48.1	2.5	.4	866.9	-2.7	864.2
1969	95.6	137.8	-42.1	2.9	55.6	53.6	2.0	.9	933.2	-4.1	929.1
1970	99.3	135.3	-36.0	3.1	62.9	59.3	3.6	-.4	978.6	-4.5	974.1
1971 p	112.7	150.8	-38.1	3.4	65.5	64.8	.7	2.7	1,051.5	-4.7	1,046.8
	Seasonally adjusted annual rates										
1970: I	96.2	131.2	-35.0	3.0	61.5	58.0	3.5	-0.5	963.2	-7.3	956.0
II	99.1	134.1	-35.0	3.0	63.2	59.0	4.2	-1.1	974.3	-5.8	968.5
III	100.4	138.6	-38.2	3.2	63.7	59.7	4.0	-.7	986.7	-3.2	983.5
IV	101.5	137.3	-35.8	3.3	63.2	60.5	2.7	.7	990.1	-1.6	988.4
1971: I	107.6	143.3	-35.7	3.1	66.2	61.5	4.7	-1.6	1,025.2	-4.3	1,020.8
II	111.9	152.9	-41.0	3.4	66.5	66.4	.1	3.3	1,044.9	-4.9	1,040.0
III	113.0	150.8	-37.8	3.7	68.2	68.2	.0	3.7	1,058.1	-4.7	1,053.4
IV p	....	156.5	....	3.5	61.2	63.2	-2.0	5.5	....	....	1,073.0

[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 B-11.

[5] Net foreign investment less capital grants received by the United States, with sign changed.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-7.—*Gross national product by sector, 1929–71*

[Billions of dollars]

Year or quarter	Total gross national product	Gross private product [1]						Gross government product [3]
		Total	Business			Households and institutions	Rest of the world	
			Total	Nonfarm [2]	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	864.2	769.3	739.0	713.9	25.2	25.5	4.7	94.9
1969	929.1	825.3	792.5	764.5	28.0	28.5	4.3	103.8
1970	974.1	859.8	823.4	795.2	28.2	31.7	4.6	114.4
1971 p	1,046.8	922.8	880.7	850.8	30.0	35.5	6.5	124.0
	Seasonally adjusted annual rates							
1970: I	956.0	844.5	809.1	779.3	29.8	30.9	4.5	111.6
II	968.5	854.8	819.7	790.9	28.8	31.0	4.1	113.8
III	983.5	868.3	831.3	804.1	27.1	32.1	4.8	115.2
IV	988.4	871.6	833.5	806.4	27.1	33.0	5.1	116.8
1971: I	1,020.8	899.2	859.2	831.1	28.1	34.2	5.8	121.5
II	1,040.0	916.9	874.6	845.7	28.9	35.0	7.3	123.1
III	1,053.4	928.9	886.9	856.1	30.8	35.9	6.0	124.5
IV p	1,073.0	946.1	902.2	870.1	32.0	37.0	6.9	127.0

[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.

[3] Compensation of general government employees.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-8.—*Gross national product by sector in 1958 dollars, 1929–71*

[Billions of 1958 dollars]

Year or quarter	Total gross national product	Gross private product [1]						Gross government product [3]
		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	466.7	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	706.6	647.0	626.5	603.1	23.4	16.0	4.5	59.7
1969	724.7	664.0	643.5	619.3	24.2	16.5	4.0	60.7
1970	720.0	659.4	638.5	614.6	23.9	17.0	4.0	60.6
1971 p	739.5	678.3	655.4	629.8	25.6	17.8	5.1	61.2
	Seasonally adjusted annual rates							
1970: I	719.8	659.1	637.9	614.4	23.5	17.1	4.1	60.7
II	721.1	660.4	640.1	616.1	23.9	16.8	3.6	60.7
III	723.3	662.8	641.8	618.6	23.2	17.0	4.0	60.5
IV	715.9	655.4	634.1	609.2	24.9	17.1	4.2	60.5
1971: I	729.7	668.9	646.6	621.7	24.9	17.6	4.7	60.8
II	735.8	674.9	651.4	626.4	25.0	17.7	5.8	60.9
III	740.7	679.4	656.9	630.1	26.8	17.8	4.7	61.3
IV p	751.7	690.2	666.7	641.1	25.6	18.2	5.3	61.5

[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.

[3] Compensation of general government employees.

Source: Department of Commerce, Bureau of Economic Analysis.

451-688 0—72——14

TABLE B–9.—*Gross national product by industry in 1958 dollars, 1947–70*

[Billions of 1958 dollars]

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	Nondurable 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	706.6	24.8	23.8	219.2	131.8	87.4	70.9	120.8	95.2	65.8	68.6	17.6
1969	724.7	25.6	24.1	225.8	135.8	89.9	75.1	125.1	96.5	68.0	70.2	14.3
1970	720.0	25.3	23.0	217.1	127.9	89.2	77.2	127.1	97.0	68.6	69.9	14.9

[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, Bureau of Economic Analysis.

TABLE B-10.—*Personal consumption expenditures, 1929–71*

[Billions of dollars]

Year or quarter	Total personal consumption expenditures	Durable goods: Total	Durable goods: Automobiles and parts	Durable goods: Furniture and household equipment	Durable goods: Other	Nondurable goods: Total	Nondurable goods: Food and beverages	Nondurable goods: Clothing and shoes [1]	Nondurable goods: Gasoline and oil	Nondurable goods: Other	Services: Total	Services: Housing [2]	Services: Household operation	Services: Transportation	Services: 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	6.4	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	59.2	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	536.2	84.0	37.5	34.3	12.3	230.8	115.3	46.3	19.0	50.2	221.3	77.3	31.2	15.5	97.3
1969	579.6	89.9	40.4	36.3	13.3	247.6	122.5	50.3	21.1	53.7	242.1	84.0	33.7	16.5	107.8
1970	615.8	88.6	37.1	37.4	14.2	264.7	131.8	52.6	22.9	57.5	262.5	91.2	36.1	17.9	117.3
1971 p	662.2	100.4	46.2	39.5	14.7	278.8	136.6	57.0	24.3	60.9	283.0	99.7	39.3	19.0	125.0
	Seasonally adjusted annual rates														
1970: I	604.0	88.6	37.8	37.3	13.5	259.4	128.9	51.6	22.5	56.4	256.1	88.7	35.1	17.5	114.8
II	613.8	90.7	39.1	37.6	14.0	262.9	131.4	52.1	22.6	56.9	260.2	90.3	35.7	17.6	116.6
III	620.9	90.4	38.8	37.0	14.6	265.5	132.4	52.4	22.9	57.8	265.0	91.8	36.7	18.1	118.3
IV	624.7	84.9	32.7	37.6	14.6	270.9	134.3	54.2	23.5	59.0	268.9	94.1	36.9	18.3	119.5
1971: I	644.9	96.6	43.8	38.8	14.0	273.2	134.4	55.4	23.8	59.6	275.0	96.5	37.7	18.6	122.3
II	657.4	99.1	45.3	39.4	14.5	277.8	136.3	57.0	23.8	60.8	280.5	98.7	38.9	19.0	124.0
III	668.8	102.8	48.2	39.6	15.1	280.2	137.3	57.4	24.5	61.0	285.8	100.7	39.9	19.2	125.9
IV p	677.7	103.2	47.5	40.5	15.3	283.9	138.6	58.0	25.0	62.2	290.6	102.9	40.6	19.4	127.8

[1] Includes standard clothing issued to military personnel.
[2] Includes imputed rental value of owner-occupied dwellings.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-11.—*Gross private domestic investment, 1929–71*

[Billions of dollars]

Year or quarter	Total gross private domestic investment	Fixed investment									Change in business inventories	
		Total	Nonresidential					Residential structures			Total	Nonfarm
			Total	Structures		Producers' durable equipment		Total	Nonfarm	Farm		
				Total	Nonfarm	Total	Nonfarm					
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	-3.1	-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	126.0	118.9	88.8	30.3	29.6	58.5	53.6	30.1	29.5	.5	7.1	6.9
1969	137.8	130.4	98.6	34.5	33.7	64.1	59.2	31.8	31.2	.6	7.4	7.3
1970	135.3	132.5	102.1	36.8	35.9	65.4	60.0	30.4	29.7	.6	2.8	2.5
1971 p	150.8	148.7	108.2	38.1	37.2	70.1	62.6	40.6	40.1	.5	2.1	1.5
	Seasonally adjusted annual rates											
1970: I	131.2	130.8	100.8	36.1	35.3	64.7	59.7	30.0	29.4	0.6	0.4	0.1
II	134.1	132.1	102.1	36.6	35.7	65.6	60.6	29.9	29.3	.6	2.1	1.8
III	138.6	133.5	104.8	37.3	36.5	67.5	61.6	28.7	28.1	.6	5.1	4.7
IV	137.3	133.6	100.8	37.1	36.3	63.7	58.1	32.8	32.2	.6	3.7	3.3
1971: I	143.3	140.2	104.7	36.7	35.8	68.1	61.0	35.4	35.0	.4	3.1	2.9
II	152.9	148.3	108.3	38.5	37.6	69.8	62.4	40.0	39.5	.5	4.6	4.1
III	150.8	152.0	109.3	38.7	37.7	70.6	62.7	42.7	42.1	.6	-1.2	-2.0
IV p	156.5	154.6	110.4	38.6	37.6	71.8	64.4	44.2	43.6	.6	1.9	1.0

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-12.—*National income by type of income, 1929–71*

[Billions of dollars]

Year or quarter	Total national income[1]	Compensation of employees: Total	Compensation of employees: Wages and salaries	Compensation of employees: Supplements to wages and salaries[2]	Business and professional income: Total	Business and professional income: Income of unincorporated enterprises	Business and professional income: Inventory valuation adjustment	Income of farm proprietors[3]	Rental income of persons	Corporate profits and inventory valuation adjustment: Total	Corporate profits and inventory valuation adjustment: Corporate profits before taxes[4]	Corporate profits and inventory valuation adjustment: Inventory valuation adjustment	Net interest
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	3.8	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	711.1	514.6	464.9	49.7	49.5	50.3	−.7	14.7	21.2	84.3	87.6	−3.3	26.9
1969	763.7	565.5	509.6	56.0	50.3	51.1	−.8	16.8	22.6	78.6	84.2	−5.5	29.9
1970	795.9	601.9	541.4	60.5	51.0	51.7	−.7	15.8	23.3	70.8	75.4	−4.5	33.0
1971 p	850.8	641.8	574.2	67.7	52.1	52.9	−.8	16.3	24.3	80.7	85.2	−4.4	35.6
	Seasonally adjusted annual rates												
1970: I	785.8	593.2	534.7	58.5	50.2	-------	-------	17.8	23.0	69.8	75.6	−5.8	31.8
II	793.4	598.5	538.5	60.0	51.0	-------	-------	16.6	23.2	71.5	75.8	−4.2	32.6
III	802.2	606.5	545.2	61.3	51.4	-------	-------	14.5	23.4	73.0	78.5	−5.5	33.4
IV	802.1	609.3	547.2	62.1	51.5	-------	-------	14.4	23.7	69.0	71.6	−2.6	34.2
1971: I	831.7	627.3	561.4	65.9	51.6	-------	-------	14.8	23.8	79.5	83.0	−3.5	34.8
II	847.3	638.0	571.0	67.0	51.9	-------	-------	15.2	24.2	82.5	86.9	−4.4	35.4
III	855.2	645.6	577.3	68.3	52.3	-------	-------	17.0	24.5	80.0	85.8	−5.8	35.9
IV p	-------	656.5	586.9	69.6	52.5	-------	-------	18.1	24.6	-------	-------	−4.0	36.4

[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 B-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 B-73 for corporate tax liability and profits after taxes.

Source: Department of Commerce, Bureau of Economic Analysis.

Table B-13.—*Relation of gross national product and national income, 1929–71*

[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: Indirect business tax and nontax liability			Less: Business transfer payments	Less: Statistical discrepancy	Equals: National income
					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	864.2	74.5	789.7	.7	78.6	18.0	60.6	3.4	−2.7	711.1
1969	929.1	81.1	848.0	1.1	85.7	19.0	66.7	3.7	−4.1	763.7
1970	974.1	87.6	886.5	1.7	92.9	19.3	73.6	3.9	−4.5	795.9
1971 p	1,046.8	95.2	951.6	.9	102.1	20.2	81.9	4.3	−4.7	850.8
	Seasonally adjusted annual rates									
1970: I	956.0	85.4	870.6	1.4	89.7	19.0	70.7	3.8	−7.3	785.8
II	968.5	86.9	881.6	1.8	91.9	19.1	72.8	3.9	−5.8	793.4
III	983.5	88.2	895.3	1.9	94.2	19.7	74.5	4.0	−3.2	802.2
IV	988.4	89.8	898.6	1.7	95.8	19.4	76.4	4.1	−1.6	802.1
1971: I	1 020.8	92.0	928.8	1.8	99.0	20.7	78.3	4.2	−4.3	831.7
II	1,040.0	93.9	946.1	.7	100.2	19.9	80.4	4.2	−4.9	847.3
III	1,053.4	96.2	957.2	.7	103.0	19.7	83.3	4.3	−4.7	855.2
IV p	1,073.0	98.7	974.4	.5	106.3	20.7	85.6	4.4	....	....

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–14.—*Relation of national income and personal income, 1929–71*

[Billions of dollars]

Year or quarter	National income	Less:			Plus:				Equals:
		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	Personal income
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	73.6	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	711.1	84.3	47.1	.0	56.1	26.1	23.6	3.4	688.9
1969	763.7	78.6	54.0	.0	62.2	29.0	24.4	3.7	750.3
1970	795.9	70.8	57.6	.0	75.6	31.7	25.0	3.9	803.6
1971 p	850.8	80.7	65.2	.0	90.5	31.9	25.5	4.3	857.0
	Seasonally adjusted annual rates								
1970: I	785.8	69.8	56.2	2.5	67.4	30.9	25.0	3.8	784.3
II	793.4	71.5	57.4	−2.1	77.3	31.1	24.9	3.9	803.8
III	802.2	73.0	58.4	−.4	77.2	32.2	25.2	4.0	809.8
IV	802.1	69.0	58.5	.0	80.7	32.4	25.0	4.1	816.7
1971: I	831.7	79.5	64.0	.0	83.7	31.8	25.6	4.2	833.5
II	847.3	82.5	64.6	.0	92.2	31.4	25.4	4.2	853.4
III	855.2	80.0	65.4	.0	92.5	32.2	25.7	4.3	864.6
IV p	----------	----------	66.6	.0	93.3	32.3	25.3	4.4	876.6

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-15.—*Disposition of personal income, 1929–71*

Year or quarter	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays: Total	Less: Personal outlays: Personal consumption expenditures	Less: Personal outlays: Interest paid by consumers	Less: Personal outlays: Personal transfer payments to foreigners	Equals: Personal saving	Percent of disposable personal income: Personal outlays: Total	Percent of disposable personal income: Personal outlays: Consumption expenditures	Percent of disposable personal income: Personal saving
	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	688.9	97.9	591.0	551.2	536.2	14.3	.8	39.8	93.3	90.7	6.7
1969	750.3	116.2	634.2	596.3	579.6	15.8	.9	37.9	94.0	91.4	6.0
1970	803.6	115.9	687.8	633.7	615.8	16.9	.9	54.1	92.1	89.5	7.9
1971 ᵖ	857.0	115.8	741.2	680.8	662.2	17.7	.9	60.4	91.9	89.3	8.1
	Seasonally adjusted annual rates								Seasonally adjusted		
1970: I	784.3	116.7	667.6	621.5	604.0	16.5	1.0	46.2	93.1	90.5	6.9
II	803.8	118.0	685.7	631.5	613.8	16.8	1.0	54.2	92.1	89.5	7.9
III	809.8	113.5	696.2	638.9	620.9	17.1	.9	57.4	91.8	89.2	8.2
IV	816.7	115.2	701.5	643.0	624.7	17.4	.9	58.5	91.7	89.1	8.3
1971: I	833.5	111.6	722.0	663.3	644.9	17.6	.9	58.6	91.9	89.3	8.1
II	853.4	113.8	739.6	676.0	657.4	17.7	.9	63.6	91.4	88.9	8.6
III	864.6	116.0	748.5	687.6	668.8	17.8	1.0	61.0	91.9	89.4	8.1
IV ᵖ	876.6	121.8	754.8	696.5	677.7	17.9	.9	58.4	92.3	89.8	7.7

Source: Department of Commerce, Bureau of Economic Analysis.

Table B–16.—*Total and per capita disposable personal income and personal consumption expenditures, in current and 1958 dollars, 1929–71*

Year or quarter	Disposable personal income: Total (billions of dollars): Current dollars	Disposable personal income: Total (billions of dollars): 1958 dollars	Disposable personal income: Per capita (dollars): Current dollars	Disposable personal income: Per capita (dollars): 1958 dollars	Personal consumption expenditures: Total (billions of dollars): Current dollars	Personal consumption expenditures: Total (billions of dollars): 1958 dollars	Personal consumption expenditures: Per capita (dollars): Current dollars	Personal consumption expenditures: Per capita (dollars): 1958 dollars	Population (thousands)[1]
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	180,667
1961	364.4	350.7	1,984	1,910	335.2	322.5	1,825	1,756	183,672
1962	385.3	367.3	2,066	1,969	355.1	338.4	1,904	1,815	186,504
1963	404.6	381.3	2,139	2,016	375.0	353.3	1,982	1,867	189,197
1964	438.1	407.9	2,284	2,126	401.2	373.7	2,092	1,948	191,833
1965	473.2	435.0	2,436	2,239	432.8	397.7	2,223	2,048	194,237
1966	511.9	458.9	2,605	2,336	466.3	418.1	2,373	2,128	196,485
1967	546.3	477.5	2,751	2,404	492.1	430.1	2,477	2,165	198,629
1968	591.0	499.0	2,946	2,487	536.2	452.7	2,673	2,257	200,619
1969	634.2	513.5	3,130	2,535	579.6	469.3	2,861	2,316	202,599
1970	687.8	531.5	3,358	2,595	615.8	475.9	3,007	2,324	204,800
1971 p	741.2	550.6	3,581	2,660	662.2	491.9	3,199	2,376	207,006
	Seasonally adjusted annual rates								
1970: I	667.6	524.4	3,272	2,570	604.0	474.4	2,961	2,325	204,012
II	685.7	533.0	3,353	2,606	613.8	477.1	3,001	2,333	204,526
III	696.2	536.0	3,395	2,613	620.9	477.9	3,027	2,330	205,107
IV	701.5	532.5	3,410	2,588	624.7	474.2	3,037	2,305	205,729
1971: I	722.0	542.7	3,500	2,631	644.9	484.8	3,127	2,350	206,259
II	739.6	550.5	3,577	2,663	657.4	489.4	3,180	2,367	206,760
III	748.5	553.2	3,611	2,669	668.8	494.3	3,227	2,385	207,276
IV p	754.8	556.0	3,622	2,668	677.7	499.2	3,252	2,395	~~208,423~~ 207824

[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.

Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

Table B–17.—*Sources of personal income, 1929–71*

[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	688.9	464.9	181.5	145.9	109.2	78.5	95.7	25.4	49.5	14.7
1969	750.3	509.6	197.4	157.6	120.0	88.1	104.1	28.2	50.3	16.8
1970	803.6	541.4	200.7	158.3	129.1	96.7	114.8	30.8	51.0	15.8
1971 [p]	857.0	574.2	205.7	160.8	138.8	105.9	123.8	33.7	52.1	16.3
	Seasonally adjusted annual rates									
1970: I	784.3	532.2	202.2	160.1	126.0	94.3	109.8	29.8	50.2	17.8
II	803.8	540.6	200.9	158.9	127.9	95.6	116.2	30.4	51.0	16.6
III	809.8	545.6	201.4	159.1	130.7	97.2	116.2	31.2	51.4	14.5
IV	816.7	547.2	198.4	155.1	131.8	99.7	117.3	32.0	51.5	14.4
1971: I	833.5	561.4	202.5	158.9	135.3	102.6	121.0	32.6	51.6	14.8
II	853.4	571.0	205.7	160.7	137.9	104.9	122.6	33.4	51.9	15.2
III	864.6	577.3	205.6	160.5	139.6	107.1	125.0	34.1	52.3	17.0
IV [p]	876.6	586.9	209.0	163.1	142.3	108.9	126.7	34.6	52.5	18.1

See footnotes at end of table.

TABLE B-17.—*Sources of personal income, 1929–71*—Continued

[Billions of dollars]

Year or quarter	Rental income of persons	Dividends	Personal interest income	Transfer payments: Total	Transfer payments: Old age, survivors, disability, and health insurance benefits	Transfer payments: State unemployment insurance benefits	Transfer payments: Veterans benefits	Transfer payments: Other	Less: Personal contributions for social insurance	Nonagricultural personal income [3]
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	21.2	23.6	52.9	59.6	30.3	2.1	7.3	20.0	22.8	668.8
1969	22.6	24.4	58.8	65.9	33.0	2.1	8.3	22.5	26.3	727.7
1970	23.3	25.0	64.7	79.6	38.5	3.9	9.7	27.4	28.0	781.4
1971 p	24.3	25.5	67.5	94.7	44.8	5.8	11.5	32.6	31.2	834.0
	Seasonally adjusted annual rates									
1970: I	23.0	25.0	62.7	71.1	34.2	2.6	9.1	25.2	27.4	760.0
II	23.2	24.9	63.7	81.1	41.4	3.6	9.5	26.7	27.8	780.8
III	23.4	25.2	65.6	81.2	39.0	4.2	9.9	28.1	28.3	788.9
IV	23.7	25.0	66.7	84.8	39.4	5.1	10.4	29.8	28.4	796.0
1971: I	23.8	25.6	66.6	87.9	40.7	5.0	11.0	31.1	30.7	812.0
II	24.2	25.4	66.7	96.4	47.0	6.1	11.4	31.9	31.0	831.4
III	24.5	25.7	68.1	96.9	45.6	6.3	11.5	33.4	31.3	840.8
IV p	24.6	25.3	68.6	97.7	45.9	6.0	11.9	34.0	31.7	851.9

[1] The total of wage and salary disbursements and other labor income differs from compensation of employees in Table B-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, Bureau of Economic Analysis.

TABLE B–18.—*Sources and uses of gross saving, 1929–71*

[Billions of dollars]

Year or quarter	Gross private saving and government surplus or deficit, national income and product accounts: Total	Private saving: Total	Private saving: Personal saving	Private saving: Gross business saving	Government surplus or deficit (−): Total	Government surplus or deficit (−): Federal	Government surplus or deficit (−): State and local	Capital grants received by the United States	Gross investment: Total	Gross investment: Gross private domestic investment	Gross investment: Net foreign investment [1]	Statistical discrepancy
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	5.1	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	(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	(3)	....	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	128.3	135.2	39.8	95.4	−6.8	−6.5	−.3	....	125.6	126.0	−.4	−2.7
1969	141.0	133.5	37.9	95.6	7.4	7.3	.1	....	136.9	137.8	−.9	−4.1
1970	140.2	153.4	54.1	99.3	−13.1	−13.6	.5	0.9	136.6	135.3	1.3	−4.5
1971 p	152.8	173.1	60.4	112.7	−20.3	−23.3	3.0	.7	148.9	150.8	−2.0	−4.7
	Seasonally adjusted annual rates											
1970: I	139.0	142.4	46.2	96.2	−3.4	−4.5	1.1	0.9	132.6	131.2	1.4	−7.3
II	141.1	153.3	54.2	99.1	−12.2	−14.1	1.9	.9	136.2	134.1	2.0	−5.8
III	142.6	157.8	57.4	100.4	−15.2	−15.4	.2	.9	140.2	138.6	1.6	−3.2
IV	138.3	160.0	58.5	101.5	−21.7	−20.5	−1.3	.9	137.5	137.3	.2	−1.6
1971: I	149.2	166.2	58.6	107.6	−17.1	−16.2	−.8	.7	145.6	143.3	2.3	−4.3
II	154.6	175.4	63.6	111.9	−20.9	−23.7	2.8	.7	150.3	152.9	−2.5	−4.9
III	151.9	174.0	61.0	113.0	−22.2	−26.7	4.6	.7	147.8	150.8	−3.0	−4.7
IV p	......	......	58.4	......	......	......	......	.7	151.7	156.5	−4.8	......

[1] Net exports of goods and services less net transfers to foreigners.
[2] Surplus of $32 million.
[3] Deficit of $41 million.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–19.—*Saving by individuals, 1946–71* [1]

[Billions of dollars]

Year or quarter	Total	Increase in financial assets: Total [2]	Currency and demand deposits	Savings accounts	Securities: Government bonds [3]	Securities: Corporate and foreign bonds	Securities: Corporate stock [4]	Insurance and pension reserves ([5])	Net investment in: Nonfarm homes	Net investment in: Consumer durables	Net investment in: Noncorporate business assets	Less: Increase in debt: Mortgage debt on nonfarm homes	Less: Increase in debt: Consumer credit	Less: Increase in debt: Other debt [6]
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	62.0	65.9	9.5	33.7	−.4	3.6	−4.1	18.9	9.2	12.4	8.2	10.5	4.6	18.6
1968	63.5	69.6	11.3	28.6	6.2	5.4	−7.5	19.8	12.8	16.7	7.7	14.9	11.1	17.4
1969	56.1	60.9	6.0	13.3	14.7	5.4	−3.8	20.2	12.8	15.5	8.0	16.2	9.3	15.5
1970	71.4	74.6	4.8	32.2	−1.2	12.2	−2.6	23.5	9.7	8.4	7.7	12.5	4.3	12.1
	Seasonally adjusted annual rates													
1970: I	61.3	57.4	5.5	5.0	16.0	12.3	−6.7	20.1	10.6	10.4	7.3	11.0	4.8	8.5
II	77.3	75.3	7.5	30.7	−3.7	10.2	−.1	26.2	10.2	10.7	7.9	12.2	6.1	8.5
III	73.5	84.9	5.1	44.2	−5.4	11.3	.7	21.6	8.0	9.2	8.5	13.7	6.2	17.2
IV	73.7	80.7	1.1	49.1	−11.8	14.9	−4.3	25.8	9.9	3.1	7.2	13.0	.2	13.9
1971: I	87.7	90.4	10.9	97.9	−49.9	9.5	−12.8	27.5	12.0	15.1	12.6	13.1	4.0	25.2
II	99.6	114.4	15.7	67.8	−5.9	7.8	−3.2	28.4	15.2	17.5	10.0	22.7	9.0	25.8
III	82.8	97.3	4.6	57.6	−.1	6.1	−5.1	26.6	16.7	20.8	12.2	27.1	12.6	24.5

[1] Individuals' saving sector includes households, private trust funds, nonprofit institutions, farms, and other noncorporate business.
[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 B–20.—*Number and money income (in 1970 dollars) of families and unrelated individuals, by race of head, 1947–70*

Year	Total: Total number (millions)	Total: Median income	Total: With incomes under $3,000: Number (millions)	Total: With incomes under $3,000: Percent	White: Total number (millions)	White: Median income	White: With incomes under $3,000: Number (millions)	White: With incomes under $3,000: Percent	Negro and other races: Total number (millions)	Negro and other races: Median income	Negro and other races: With incomes under $3,000: Number (millions)	Negro and other races: With incomes under $3,000: Percent
FAMILIES: [1]												
1947	37.2	$5,259	8.4	22.5	34.1	$5,478	6.7	19.5	3.1	$2,807	1.7	53.6
1948	38.6	5,153	8.9	23.1	35.3	5,366	7.1	20.2	3.3	2,853	1.7	52.3
1949	39.3	5,066	9.7	24.6	-----	5,282	-----	21.8	-----	2,691	-----	55.1
1950	39.9	5,385	9.1	22.8	-----	5,601	-----	20.3	-----	3,014	-----	49.7
1951	40.6	5,547	8.4	20.7	-----	5,770	-----	18.0	-----	3,038	-----	49.4
1952	40.8	5,703	8.2	20.0	-----	6,020	-----	17.4	-----	3,421	-----	42.6
1953	41.2	6,171	7.9	19.1	-----	6,415	-----	17.1	-----	3,593	-----	40.7
1954	42.0	6,023	8.7	20.8	38.2	6,291	7.0	18.3	3.8	3,493	1.7	44.4
1955	42.9	6,428	7.9	18.4	39.0	6,705	6.2	16.0	3.9	3,702	1.6	41.0
1956	43.5	6,842	7.2	16.5	39.5	7,148	5.6	14.2	4.0	3,767	1.6	39.5
1957	43.7	6,850	7.3	16.8	39.7	7,132	5.7	14.3	4.0	3,813	1.6	39.6
1958	44.2	6,826	7.4	16.7	40.2	7,118	5.7	14.2	4.0	3,645	1.6	41.2
1959	45.1	7,216	7.2	15.9	40.9	7,517	5.4	13.3	4.2	3,883	1.7	39.9
1960	45.5	7,376	7.1	15.6	41.1	7,664	5.5	13.4	4.3	4,236	1.6	36.4
1961	46.3	7,457	7.1	15.4	41.9	7,783	5.6	13.3	4.5	4,142	1.6	36.6
1962	47.0	7,659	6.8	14.4	42.4	8,009	5.3	12.4	4.6	4,273	1.5	33.9
1963	47.4	7,927	6.5	13.7	42.7	8,307	4.9	11.6	4.8	4,401	1.6	32.6
1964	47.8	8,227	6.0	12.6	43.1	8,590	4.7	10.9	4.8	4,806	1.4	28.5
1965	48.3	8,559	5.7	11.8	43.5	8,925	4.4	10.2	4.8	4,930	1.3	27.3
1966	48.9	8,902	5.4	11.1	44.0	9,255	4.3	9.7	4.9	5,536	1.2	24.5
1966 [2]	49.1	8,977	5.3	10.9	44.1	9,341	4.1	9.3	5.0	5,591	1.2	24.1
1967 [2]	49.8	9,285	5.0	10.1	44.8	9,628	3.9	8.7	5.0	5,978	1.1	22.5
1968 [2]	50.5	9,633	4.4	8.8	45.4	9,972	3.4	7.5	5.1	6,249	1.0	19.8
1969 [2]	51.2	9,990	4.4	8.6	46.0	10,362	3.4	7.3	5.2	6,568	1.0	18.9
1970 [2]	51.9	9,867	4.6	8.9	46.5	10,236	3.5	7.5	5.4	6,516	1.1	20.1
			With incomes under $1,500: Number (millions)	With incomes under $1,500: Percent			With incomes under $1,500: Number (millions)	With incomes under $1,500: Percent			With incomes under $1,500: Number (millions)	With incomes under $1,500: Percent
UNRELATED INDIVIDUALS: [3]												
1947	8.2	$1,744	3.7	45.6	7.2	$1,839	3.2	44.1	1.0	$1,297	0.5	55.5
1948	8.4	1,660	3.9	47.0	7.3	1,740	3.3	45.5	1.1	1,273	.6	57.3
1949	9.0	1,763	4.1	45.4	-----	1,875	-----	43.7	-----	1,335	-----	55.3
1950	9.4	1,746	4.3	46.1	-----	1,839	-----	44.7	-----	1,319	-----	54.9
1951	9.1	1,786	4.2	46.7	-----	1,880	-----	45.6	-----	1,393	-----	52.9
1952	9.7	2,072	4.0	40.8	-----	2,240	-----	39.4	-----	1,535	-----	49.1
1953	9.5	2,030	4.1	42.8	-----	2,156	-----	41.9	-----	1,683	-----	46.5
1954	9.7	1,766	4.5	46.0	8.2	1,902	3.6	43.9	1.5	1,283	.9	57.8
1955	9.9	1,910	4.3	43.0	8.5	2,039	3.5	41.0	1.4	1,373	.8	54.2
1956	9.8	2,043	4.0	41.4	8.5	2,108	3.4	40.1	1.3	1,557	.6	49.3
1957	10.4	2,085	4.1	39.7	8.9	2,223	3.3	37.6	1.5	1,453	.8	51.7
1958	10.9	1,996	4.4	40.2	9.2	2,146	3.5	38.3	1.6	1,466	.8	51.1
1959	10.9	2,074	4.3	39.0	9.3	2,216	3.5	37.2	1.6	1,460	.8	51.3
1960	11.1	2,256	4.1	37.3	9.6	2,439	3.4	35.1	1.5	1,445	.8	51.9
1961	11.2	2,276	4.1	36.4	9.6	2,447	3.3	34.2	1.6	1,504	.8	49.9
1962	11.0	2,251	3.8	34.3	9.5	2,408	3.1	32.3	1.5	1,615	.7	47.0
1963	11.2	2,283	3.8	34.0	9.7	2,393	3.1	32.2	1.5	1,654	.7	46.7
1964	12.1	2,483	3.9	32.4	10.4	2,616	3.2	30.8	1.6	1,838	.7	42.3
1965	12.1	2,650	3.6	29.6	10.5	2,764	3.0	28.2	1.7	2,017	.6	38.1
1966	12.4	2,719	3.5	28.6	10.8	2,826	2.9	27.1	1.6	2,052	.6	37.8
1966 [2]	12.3	-----	-----	-----	10.7	-----	-----	-----	1.6	-----	-----	-----
1967 [2]	13.1	2,795	3.7	28.3	11.3	2,905	3.1	27.0	1.8	2,148	.7	36.5
1968 [2]	13.8	3,099	3.4	24.5	12.0	3,267	2.8	23.0	1.8	2,272	.6	33.9
1969 [2]	14.5	3,113	3.5	24.3	12.5	3,270	2.8	22.6	2.0	2,313	.7	35.5
1970 [2]	15.4	3,137	3.6	23.2	13.4	3,283	2.9	21.4	1.9	2,243	.7	35.1

[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.

TABLE B-21.—*Population by age groups, 1929–71*

[Thousands of persons]

July 1	Total	Age (years)						
		Under 5	5–15	16–19	20–24	25–44	45–64	65 and over
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[1]	180,684	20,364	38,504	10,698	11,116	47,134	36,208	16,659
1961[1]	183,756	20,657	39,768	11,093	11,408	47,061	36,756	17,013
1962[1]	186,656	20,746	41,168	11,258	11,889	46,968	37,316	17,311
1963[1]	189,417	20,750	41,620	12,061	12,620	46,932	37,869	17,565
1964[1]	192,120	20,670	42,294	12,819	13,154	46,881	38,438	17,863
1965[1]	194,592	20,404	42,963	13,563	13,679	46,807	39,015	18,162
1966[1]	196,920	19,811	43,822	14,304	14,063	46,855	39,601	18,464
1967[1]	199,114	19,168	44,488	14,167	15,178	47,084	40,224	18,804
1968[1]	201,152	18,506	44,978	14,338	15,748	47,621	40,827	19,134
1969[1]	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
1970[2]	204,800	17,184	44,701	15,265	17,176	48,404	41,917	20,156
1971[2]	207,006	17,328	44,284	15,589	18,090	48,815	42,345	20,555

[1] Data for 1960–70 shown here are based on the 1960 Census. See Table B–16 for total population for these years based on the 1970 Census. Data by age on the 1970 Census basis are now available only for 1970. See below.
[2] Based on the 1970 Census.

Note.—Data for Armed Forces overseas included beginning 1940. Includes Alaska and Hawaii beginning 1950.

Source: Department of Commerce, Bureau of the Census.

TABLE B-22.—*Noninstitutional population and the labor force, 1929–71*

Year or month	Noninstitutional population	Total labor force (including Armed Forces)	Armed Forces	Civilian labor force: Total	Civilian labor force: Employment: Total	Civilian labor force: Employment: Agricultural	Civilian labor force: Employment: Nonagricultural	Civilian labor force: Unemployment	Total labor force as percent of noninstitutional population	Unemployment as percent of civilian labor force
	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
1971	142,596	86,929	2,817	84,113	79,120	3,387	75,732	4,993	61.0	5.9
1970: Jan	139,090	84,105	3,386	80,719	77,313	2,915	74,398	3,406	60.5	4.2
Feb	139,298	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	79,357	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	4,119	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	86,254	3,079	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	141,308	16,165	3,013	83,152	78,515	2,952	75,563	4,637	61.0	5.6

See footnotes at end of table.

TABLE B–22.—*Noninstitutional population and the labor force, 1929–71*—Continued

Year or month	Noninstitutional population	Total labor force (including Armed Forces)	Armed Forces	Civilian labor force: Total	Civilian labor force: Employment: Total	Civilian labor force: Employment: Agricultural	Civilian labor force: Employment: Nonagricultural	Civilian labor force: Unemployment	Total labor force as percent of noninstitutional population	Unemployment as percent of civilian labor force
	Thousands of persons 16 years of age and over								Percent	
1971: Jan	141,500	85,628	2,976	82,652	77,238	2,877	74,361	5,414	60.5	6.6
Feb	141,670	85,653	2,950	82,703	77,262	2,846	74,415	5,442	60.5	6.6
Mar	141,885	85,598	2,930	82,668	77,493	3,042	74,452	5,175	60.3	6.3
Apr	142,088	85,780	2,882	82,898	78,204	3,505	74,699	4,694	60.4	5.7
May	142,285	85,954	2,850	83,104	78,709	3,598	75,111	4,394	60.4	5.3
June	142,482	87,784	2,816	84,968	79,478	3,920	75,559	5,490	61.6	6.5
July	142,685	88,808	2,797	86,011	80,681	3,971	76,710	5,330	62.2	6.2
Aug	142,886	88,453	2,775	85,678	80,618	3,764	76,853	5,061	61.9	5.9
Sept	143,104	86,884	2,749	84,135	79,295	3,444	75,851	4,840	60.7	5.8
Oct	143,321	87,352	2,717	84,635	80,065	3,470	76,595	4,570	60.9	5.4
Nov	143,517	87,715	2,696	85,019	80,204	3,262	76,942	4,815	61.1	5.7
Dec	143,723	87,541	2,658	84,883	80,188	2,948	77,240	4,695	60.9	5.5
	Seasonally adjusted									
1970: Jan		85,445		82,059	78,853	3,425	75,428	3,206		3.9
Feb		85,529		82,187	78,752	3,458	75,294	3,435		4.2
Mar		85,973		82,655	79,018	3,524	75,494	3,637		4.4
Apr		86,040		82,769	78,908	3,555	75,353	3,861		4.7
May		85,731		82,504	78,514	3,545	74,969	3,990		4.8
June		85,568		82,388	78,412	3,547	74,865	3,976		4.8
July		85,958		82,804	78,631	3,506	75,125	4,173		5.0
Aug		85,902		82,769	78,514	3,422	75,092	4,255		5.1
Sept		86,054		82,945	78,448	3,438	75,010	4,497		5.4
Oct		86,345		83,266	78,678	3,340	75,338	4,588		5.5
Nov		86,456		83,417	78,548	3,379	75,169	4,869		5.8
Dec		86,498		83,485	78,427	3,395	75,032	5,058		6.1
1971: Jan		86,705		83,729	78,718	3,406	75,312	5,011		6.0
Feb		86,312		83,362	78,475	3,285	75,190	4,887		5.9
Mar		86,385		83,455	78,446	3,387	75,059	5,009		6.0
Apr		86,670		83,788	78,732	3,540	75,192	5,056		6.0
May		86,836		83,986	78,830	3,412	75,418	5,156		6.1
June		86,217		83,401	78,600	3,301	75,299	4,801		5.8
July		86,728		83,931	79,014	3,374	75,640	4,917		5.9
Aug		87,088		84,313	79,199	3,407	75,792	5,114		6.1
Sept		87,240		84,491	79,451	3,363	76,088	5,040		6.0
Oct		87,467		84,750	79,832	3,416	76,416	4,918		5.8
Nov		87,811		85,115	80,020	3,419	76,601	5,095		6.0
Dec		87,883		85,225	80,098	3,400	76,698	5,127		6.0

5.9

Note.—Labor force data in Tables B–22 through B–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."

Seasonally adjusted data in this table have been revised and do not agree with those published by the Bureau of Labor Statistics beginning in February 1971. They are subject to correction when the annual official revision of the series is published.

Source: Department of Labor, Bureau of Labor Statistics.

451–688 0—72——15

TABLE B-23.—*Civilian employment and unemployment, by sex and age, 1947–71*

[Thousands of persons 16 years of age and over]

Year or month	Employment							Unemployment						
	Total	Males			Females			Total	Males			Females		
		Total	16–19 years	20 years and over	Total	16–19 years	20 years and over		Total	16–19 years	20 years and over	Total	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	144	475
1948	58,344	41,726	2,345	39,382	16,618	1,683	14,937	2,278	1,561	255	1,305	717	152	564
1949	57,652	40,926	2,124	38,803	16,723	1,588	15,137	3,637	2,572	352	2,219	1,065	223	841
1950	58,920	41,580	2,186	39,394	17,340	1,517	15,824	3,288	2,239	318	1,922	1,049	195	854
1951	59,962	41,780	2,156	39,626	18,182	1,611	16,570	2,055	1,221	191	1,029	834	145	689
1952	60,254	41,684	2,106	39,578	18,570	1,612	16,958	1,883	1,185	205	980	698	140	559
1953	61,181	42,431	2,135	40,296	18,750	1,584	17,164	1,836	1,202	184	1,019	632	123	510
1954	60,110	41,620	1,985	39,634	18,490	1,490	17,000	3,532	2,344	310	2,035	1,188	191	997
1955	62,171	42,621	2,095	40,526	19,550	1,548	18,002	2,852	1,854	274	1,580	998	176	823
1956	63,802	43,380	2,164	41,216	20,422	1,654	18,767	2,750	1,711	269	1,442	1,041	209	832
1957	64,071	43,354	2,117	41,239	20,714	1,663	19,052	2,859	1,841	299	1,541	1,018	197	821
1958	63,036	42,423	2,012	40,411	20,613	1,570	19,043	4,602	3,098	416	2,681	1,504	262	1,242
1959	64,630	43,466	2,198	41,267	21,164	1,640	19,524	3,740	2,420	398	2,022	1,320	256	1,063
1960	65,778	43,904	2,360	41,543	21,874	1,769	20,105	3,852	2,486	425	2,060	1,366	286	1,080
1961	65,746	43,656	2,314	41,342	22,089	1,793	20,296	4,714	2,997	479	2,518	1,717	349	1,368
1962	66,702	44,177	2,362	41,815	22,525	1,833	20,693	3,911	2,423	407	2,016	1,488	313	1,175
1963	67,762	44,657	2,406	42,251	23,105	1,849	21,257	4,070	2,472	500	1,971	1,598	383	1,216
1964	69,305	45,474	2,587	42,886	23,831	1,929	21,903	3,786	2,205	487	1,718	1,581	386	1,195
1965	71,088	46,340	2,918	43,422	24,748	2,118	22,630	3,366	1,914	479	1,435	1,452	395	1,056
1966	72,895	46,919	3,252	43,668	25,976	2,469	23,510	2,875	1,551	432	1,120	1,326	404	921
1967	74,372	47,479	3,186	44,293	26,893	2,497	24,397	2,975	1,508	448	1,060	1,468	391	1,078
1968	75,920	48,114	3,255	44,859	27,807	2,525	25,281	2,817	1,419	427	993	1,397	412	985
1969	77,902	48,818	3,430	45,388	29,084	2,686	26,397	2,832	1,403	441	963	1,428	412	1,016
1970	78,627	48,960	3,407	45,553	29,667	2,734	26,933	4,088	2,235	599	1,636	1,853	506	1,347
1971	79,120	49,245	3,470	45,775	29,875	2,725	27,149	4,993	2,776	691	2,086	2,217	567	1,650
	Seasonally adjusted													
1970: Jan	78,853	49,146	3,496	45,650	29,707	2,768	26,939	3,206	1,667	491	1,176	1,539	495	1,044
Feb	78,752	49,068	3,482	45,580	29,684	2,797	26,887	3,435	1,833	518	1,315	1,602	458	1,144
Mar	79,018	49,279	3,565	45,714	29,739	2,761	26,978	3,637	1,896	517	1,379	1,741	481	1,260
Apr	78,908	49,069	3,420	45,649	29,839	2,768	27,071	3,861	2,095	585	1,510	1,766	524	1,242
May	78,514	49,031	3,420	45,611	29,483	2,860	26,623	3,990	2,175	593	1,582	1,815	452	1,363
June	78,412	48,845	3,296	45,549	29,567	2,689	26,878	3,976	2,228	602	1,626	1,748	465	1,283
July	78,631	48,851	3,351	45,500	29,780	2,723	27,057	4,173	2,319	572	1,747	1,854	450	1,404
Aug	78,514	48,761	3,301	45,460	29,753	2,709	27,044	4,255	2,372	609	1,763	1,883	516	1,367
Sept	78,448	48,912	3,380	45,532	29,536	2,763	26,773	4,497	2,518	667	1,851	1,979	543	1,436
Oct	78,678	48,909	3,359	45,550	29,769	2,728	27,041	4,588	2,582	666	1,916	2,006	554	1,452
Nov	78,548	48,932	3,436	45,496	29,616	2,646	26,970	4,869	2,683	669	2,014	2,186	596	1,590
Dec	78,427	48,845	3,477	45,368	29,582	2,630	26,952	5,058	2,831	717	2,114	2,227	589	1,638
1971: Jan	78,718	48,890	3,454	45,436	29,828	2,730	27,098	5,011	2,779	717	2,062	2,232	597	1,635
Feb	78,475	48,734	3,459	45,275	29,741	2,739	27,002	4,887	2,702	682	2,020	2,185	577	1,608
Mar	78,446	48,809	3,398	45,411	29,637	2,730	26,907	5,009	2,731	685	2,046	2,278	619	1,659
Apr	78,732	49,110	3,492	45,618	29,622	2,751	26,871	5,056	2,781	692	2,089	2,275	591	1,684
May	78,830	49,176	3,451	45,725	29,654	2,803	26,851	5,156	2,883	739	2,144	2,273	579	1,694
June	78,600	49,068	3,306	45,762	29,532	2,604	26,928	4,801	2,692	634	2,058	2,109	506	1,603
July	79,014	49,337	3,458	45,879	29,677	2,713	26,964	4,917	2,721	651	2,070	2,196	566	1,630
Aug	79,199	49,318	3,425	45,893	29,881	2,737	27,144	5,114	2,874	710	2,164	2,240	558	1,682
Sept	79,451	49,430	3,461	45,969	30,021	2,702	27,319	5,040	2,820	676	2,144	2,220	579	1,641
Oct	79,832	49,681	3,557	46,124	30,151	2,680	27,471	4,918	2,757	702	2,055	2,161	550	1,611
Nov	80,020	49,726	3,660	46,066	30,294	2,723	27,571	5,095	2,844	710	2,134	2,251	568	1,683
Dec	80,098	49,669	3,589	46,080	30,429	2,837	27,592	5,127	2,841	752	2,089	2,286	594	1,692

Note.—See Note, Table B-22.

Seasonally adjusted data in this table have been revised and do not agree with those published by the Bureau of Labor Statistics beginning in February 1971. They are subject to correction when the annual official revision of the series is published.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–24.—*Selected unemployment rates, 1948–71*

[Percent]

Year or month	All workers	By sex and age: Both sexes 16–19 years	By sex and age: Men 20 years and over	By sex and age: Women 20 years and over	By color: White	By color: Negro and other races	By selected groups: Experienced wage and salary workers	By selected groups: Married men [1]	By selected groups: Full-time workers [2]	By selected groups: Blue-collar workers [3]	Labor force time lost [4]
1948	3.8	9.2	3.2	3.6	3.5	5.9	4.3	......	......	4.2	......
1949	5.9	13.4	5.4	5.3	5.6	8.9	6.8	3.5	5.4	8.0	......
1950	5.3	12.2	4.7	5.1	4.9	9.0	6.0	4.6	5.0	7.2	......
1951	3.3	8.2	2.5	4.0	3.1	5.3	3.7	1.5	2.6	3.9	......
1952	3.0	8.5	2.4	3.2	2.8	5.4	3.3	1.4	2.5	3.6	......
1953	2.9	7.6	2.5	2.9	2.7	4.5	3.2	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	15.2	3.5	4.8	4.5	8.2	4.8	2.6	4.5	6.2	5.4
1971	5.9	16.9	4.4	5.7	5.4	9.9	5.7	3.2	5.5	7.4	6.4
	Seasonally adjusted										
1970: Jan	3.9	13.6	2.5	3.7	3.6	6.5	3.7	1.9	3.4	4.6	4.3
Feb	4.2	13.5	2.8	4.1	3.8	7.1	3.9	2.0	3.7	5.0	4.5
Mar	4.4	13.6	2.9	4.5	4.0	7.2	4.2	2.2	4.0	5.2	4.8
Apr	4.7	15.2	3.2	4.4	4.2	8.3	4.3	2.3	4.2	5.6	5.0
May	4.8	14.3	3.4	4.9	4.5	7.9	4.8	2.5	4.6	6.0	5.5
June	4.8	15.1	3.4	4.6	4.3	8.4	4.6	2.5	4.4	6.3	4.9
July	5.0	14.4	3.7	4.9	4.6	8.3	4.9	2.7	4.6	6.5	5.4
Aug	5.1	15.8	3.7	4.8	4.8	8.4	5.0	2.8	4.7	6.9	5.5
Sept	5.4	16.5	3.9	5.1	5.0	8.8	5.2	2.9	5.0	7.3	5.9
Oct	5.5	16.7	4.0	5.1	5.2	9.3	5.4	3.0	5.1	7.3	6.1
Nov	5.8	17.2	4.2	5.6	5.5	9.0	5.7	3.2	5.6	7.4	6.4
Dec	6.1	17.6	4.5	5.7	5.6	9.5	6.1	3.4	5.7	7.8	6.4
1971: Jan	6.0	17.5	4.3	5.7	5.6	9.5	5.8	3.3	5.5	7.6	6.4
Feb	5.9	16.9	4.3	5.6	5.3	9.6	5.6	3.2	5.4	7.4	6.3
Mar	6.0	17.6	4.3	5.8	5.6	9.4	5.8	3.2	5.5	7.4	6.5
Apr	6.0	17.0	4.4	5.9	5.6	10.0	5.7	3.1	5.5	7.4	6.4
May	6.1	17.4	4.5	5.9	5.7	10.5	5.8	3.3	5.8	7.5	6.8
June	5.8	16.2	4.3	5.6	5.2	9.4	5.4	3.1	5.3	7.0	5.6
July	5.9	16.5	4.3	5.7	5.3	10.1	5.6	3.1	5.3	7.1	6.3
Aug	6.1	17.1	4.5	5.8	5.6	9.8	5.7	3.2	5.5	7.6	6.5
Sept	6.0	16.9	4.5	5.7	5.4	10.5	5.5	3.3	5.7	8.0	6.3
Oct	5.8	16.7	4.3	5.5	5.3	10.7	5.4	3.0	5.4	7.2	6.5
Nov	6.0	16.7	4.4	5.8	5.7	9.3	5.8	3.4	5.8	7.5	6.5
Dec	6.0	17.3	4.3	5.8	5.4	10.3	5.9	3.3	5.8	7.5	6.4

[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 B–22.
Seasonally adjusted data in the first four columns of this table have been revised and do not agree with those published by the Bureau of Labor Statistics beginning in February 1971. They are subject to correction when the annual official revision of the series is published.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-25.—*Unemployment by duration, 1947–71*

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	2,278	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	1,836	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	2,832	1,629	827	242	133
1970	4,088	2,137	1,289	427	235
1971	4,993	2,234	1,578	665	517
	Seasonally adjusted [1]				
1970: Jan	3,222	1,807	929	286	139
Feb	3,417	1,928	1,018	308	163
Mar	3,631	1,964	1,141	357	183
Apr	3,874	2,220	1,095	369	195
May	4,020	2,145	1,205	346	260
June	3,914	2,001	1,276	427	234
July	4,137	2,080	1,322	458	236
Aug	4,262	2,217	1,340	475	252
Sept	4,496	2,271	1,470	507	281
Oct	4,609	2,373	1,490	496	258
Nov	4,923	2,333	1,758	555	325
Dec	5,146	2,456	1,612	750	334
1971: Jan	5,033	2,322	1,624	666	413
Feb	4,847	2,154	1,595	614	455
Mar	5,000	2,116	1,649	651	456
Apr	5,085	2,276	1,560	641	430
May	5,217	2,276	1,519	622	580
June	4,689	2,040	1,574	609	564
July	4,888	2,112	1,532	747	564
Aug	5,115	2,372	1,535	752	553
Sept	5,073	2,344	1,589	672	567
Oct	4,938	2,194	1,549	641	590
Nov	5,150	2,292	1,659	726	567
Dec	5,127	2,439	1,535	750	509

[1] Because of independent seasonal adjustment of the various series, detail will not add to totals.

Note.—See Note, Table B–22.
Seasonally adjusted data in this table are as published by the Bureau of Labor Statistics beginning February 1971 and therefore do not agree with data shown in Tables B–22 through B–24.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–26.—*Unemployment insurance programs, selected data, 1940–71*

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 [3]	Initial claims	Exhaustions [5]	Insured unemployment as percent of covered employment: Unadjusted	Insured unemployment as percent of covered employment: Seasonally adjusted	Benefits paid: Total (millions of dollars) [4]	Benefits paid: 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	....	2,279.0	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	[7] 1,973	3,025.9	[7] 1,806	[7] 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	59,999	1,177	2,298.6	1,101	200	16	2.1	....	2,127.9	46.17
1970	59,528	2,070	4,170.1	1,805	296	25	3.4	....	3,848.5	50.34
1971 [p]	....	2,313	4,963.3	2,176	301	37	4.0	....	4,021.7	55.49
1970: Jan	[p] 59,035	1,958	321.4	1,847	355	18	3.6	2.5	300.1	48.51
Feb	[p] 58,918	1,988	333.2	1,874	290	20	3.6	2.6	312.5	49.11
Mar	[p] 59,228	1,917	357.2	1,798	245	20	3.5	2.8	333.0	48.93
Apr	[p] 59,503	1,885	345.6	1,770	298	23	3.4	3.1	321.5	49.20
May	[p] 59,692	1,778	315.5	1,667	246	24	3.2	3.6	293.6	49.46
June	[p] 60,459	1,696	315.4	1,583	248	25	3.0	3.7	292.3	49.68
July	[p] 60,209	1,897	341.5	1,761	333	24	3.3	3.6	314.7	49.57
Aug	[p] 60,238	1,855	341.6	1,710	248	27	3.2	3.7	313.1	50.63
Sept	[p] 60,072	1,746	328.3	1,607	244	26	3.0	4.1	299.9	50.64
Oct	[p] 59,043	1,889	332.9	1,724	278	26	3.2	4.4	305.1	51.45
Nov	[p] 58,715	2,233	372.1	2,017	334	30	3.7	4.5	341.9	52.24
Dec	[8] 59,219	2,632	501.4	2,369	399	33	4.4	4.0	462.0	52.43
1971: Jan [p]	....	3,194	568.1	2,799	427	39	5.2	3.7	527.2	52.83
Feb [p]	....	3,216	599.3	2,751	321	39	5.2	3.8	557.9	53.12
Mar [p]	....	3,091	683.6	2,577	275	41	4.8	3.9	635.4	53.00
Apr [p]	....	2,756	586.0	2,283	257	44	4.3	4.0	541.9	52.71
May [p]	....	2,443	470.8	2,001	238	42	3.8	4.2	433.0	52.32
June [p]	....	2,332	494.8	1,893	250	43	3.6	4.4	452.7	52.09
July [p]	....	2,431	452.1	1,993	342	35	3.8	4.0	400.6	55.23
Aug [p]	....	2,349	468.9	1,912	282	35	3.6	4.2	408.9	56.08
Sept [p]	....	2,174	425.7	1,739	236	32	3.3	4.5	372.2	56.25
Oct [p]	....	2,129	412.4	1,716	252	40	3.2	4.5	390.7	56.42
Nov [p]	....	2,312	420.6	1,879	298	41	3.5	4.2	410.8	56.90
Dec [p]	....	2,664	469.4	2,222	358	39	4.2	3.8	437.8	57.10

[1] Includes persons under the State, UCFE (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, UCFE, 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 for June 1958 through June 1962 and for 1970–71.

[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; December 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 B-27.—*Wage and salary workers in nonagricultural establishments, 1929–71*

[All employees; thousands of persons]

Year or month	Total wage and salary workers	Manufacturing: Total	Manufacturing: Durable goods	Manufacturing: Nondurable goods	Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government: Federal	Government: 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	1,503	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	70,284	20,167	11,895	8,272	619	3,435	4,429	14,639	3,564	11,229	2,758	9,444
1970	70,616	19,369	11,198	8,171	622	3,345	4,504	14,922	3,690	11,630	2,705	9,830
1971 p	70,689	18,608	10,589	8,019	602	3,259	4,481	15,175	3,799	11,912	2,665	10,188

See footnotes at end of table.

TABLE B-27.—*Wage and salary workers in nonagricultural establishments, 1929–71*—Continued

[All employees; thousands of persons]

Year or month	Total wage and salary workers	Manufacturing: Total	Manufacturing: Durable goods	Manufacturing: Nondurable goods	Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government: Federal	Government: State and local
	Seasonally adjusted											
1969: Jan	69,287	20,008	11,820	8,188	617	3,410	4,358	14,380	3,480	10,975	2,754	9,305
Feb	69,529	20,086	11,841	8,245	619	3,406	4,364	14,433	3,496	11,035	2,753	9,337
Mar	69,766	20,153	11,880	8,273	615	3,426	4,384	14,473	3,510	11,101	2,751	9,353
Apr	69,941	20,171	11,899	8,272	615	3,416	4,413	14,533	3,529	11,140	2,750	9,374
May	70,171	20,196	11,921	8,275	615	3,444	4,424	14,594	3,544	11,180	2,745	9,429
June	70,368	20,254	11,963	8,291	614	3,451	4,442	14,657	3,563	11,203	2,745	9,439
July	70,406	20,255	11,962	8,293	619	3,426	4,452	14,680	3,579	11,229	2,734	9,432
Aug	70,512	20,250	11,958	8,292	621	3,409	4,448	14,717	3,593	11,278	2,733	9,463
Sept	70,616	20,236	11,960	8,276	624	3,442	4,457	14,733	3,599	11,329	2,739	9,457
Oct	70,827	20,244	11,977	8,267	623	3,447	4,460	14,780	3,608	11,390	2,729	9,546
Nov	70,797	20,087	11,794	8,293	623	3,462	4,465	14,826	3,623	11,415	2,719	9,577
Dec	70,912	20,068	11,777	8,291	626	3,474	4,474	14,844	3,637	11,456	2,716	9,617
1970: Jan	70,873	19,985	11,681	8,304	625	3,411	4,506	14,857	3,652	11,488	2,706	9,643
Feb	70,938	19,917	11,625	8,292	625	3,453	4,496	14,919	3,659	11,526	2,707	9,686
Mar	71,147	19,903	11,633	8,270	624	3,473	4,502	14,941	3,672	11,559	2,771	9,702
Apr	71,063	19,773	11,529	8,244	622	3,405	4,476	14,950	3,680	11,584	2,843	9,730
May	70,796	19,566	11,396	8,170	620	3,349	4,493	14,928	3,689	11,605	2,773	9,773
June	70,634	19,458	11,287	8,171	620	3,333	4,517	14,910	3,689	11,621	2,676	9,810
July	70,605	19,394	11,222	8,172	619	3,307	4,542	14,916	3,690	11,624	2,655	9,858
Aug	70,445	19,258	11,132	8,126	620	3,302	4,523	14,907	3,683	11,632	2,635	9,885
Sept	70,480	19,235	11,116	8,119	620	3,274	4,518	14,931	3,698	11,666	2,657	9,881
Oct	70,082	18,669	10,598	8,071	621	3,284	4,517	14,946	3,706	11,722	2,659	9,958
Nov	69,985	18,517	10,449	8,068	624	3,294	4,506	14,902	3,721	11,750	2,664	10,007
Dec	70,313	18,796	10,738	8,058	623	3,302	4,450	14,952	3,731	11,776	2,661	10,022
1971: Jan	70,454	18,747	10,697	8,050	625	3,271	4,507	15,039	3,746	11,800	2,661	10,058
Feb	70,391	18,684	10,642	8,042	622	3,198	4,526	15,059	3,749	11,809	2,662	10,082
Mar	70,480	18,609	10,571	8,038	622	3,264	4,520	15,074	3,758	11,841	2,662	10,130
Apr	70,599	18,639	10,598	8,041	623	3,282	4,505	15,107	3,769	11,843	2,667	10,164
May	70,769	18,702	10,651	8,051	622	3,275	4,518	15,148	3,788	11,858	2,667	10,191
June	70,657	18,608	10,598	8,010	619	3,255	4,500	15,135	3,807	11,895	2,640	10,198
July	70,531	18,533	10,552	7,981	597	3,228	4,476	15,158	3,806	11,921	2,643	10,169
Aug	70,529	18,457	10,485	7,972	609	3,219	4,428	15,223	3,804	11,946	2,650	10,193
Sept	70,853	18,616	10,597	8,019	616	3,250	4,460	15,273	3,821	11,962	2,674	10,181
Oct	70,848	18,560	10,561	7,999	521	3,290	4,442	15,270	3,834	11,996	2,675	10,260
Nov p	70,981	18,603	10,571	8,032	521	3,318	4,435	15,276	3,852	12,020	2,669	10,287
Dec p	71,104	18,549	10,542	8,007	622	3,258	4,459	15,330	3,847	12,046	2,666	10,327

Note.—Data in Tables B-27 through B-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 B-22 through B-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 B–28.—*Average weekly hours of work in private nonagricultural industries, 1929–71*

Year or month	Total nonagricultural private	Manufacturing: Total	Manufacturing: Durable goods	Manufacturing: Nondurable goods	Mining	Contract construction	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services
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	[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	37.1	39.8	40.3	39.1	42.7	37.4	40.5	40.0	33.8	36.8	34.4
1971 p	37.0	39.9	40.4	39.3	42.5	37.2	40.2	39.8	33.7	37.0	34.2
	Seasonally adjusted										
1970: Jan	37.4	40.2	40.8	39.5	42.8	37.3	40.6	40.3	33.8	36.9	34.5
Feb	37.4	40.2	40.7	39.5	43.2	38.1	40.7	40.2	33.8	37.0	34.5
Mar	37.3	40.1	40.6	39.4	43.0	38.0	40.7	40.1	33.8	37.0	34.4
Apr	37.2	39.9	40.4	39.3	43.0	38.1	40.3	40.1	33.6	36.9	34.4
May	37.1	39.8	40.3	39.2	42.6	37.9	40.4	40.1	33.8	36.8	34.4
June	37.2	39.9	40.5	39.1	42.5	37.5	40.7	40.0	33.8	36.7	34.3
July	37.2	40.1	40.6	39.2	42.4	37.4	40.7	40.0	33.8	36.8	34.5
Aug	37.1	39.8	40.2	39.1	42.3	37.3	40.4	39.9	33.9	36.9	34.6
Sept	36.7	39.3	39.8	38.6	42.1	35.0	40.5	39.7	33.7	36.7	34.4
Oct	36.9	39.4	39.9	38.9	42.7	37.0	40.2	39.9	33.8	36.7	34.3
Nov	36.9	39.6	40.0	39.0	42.7	37.2	40.3	39.8	33.7	36.7	34.3
Dec	37.0	39.5	40.0	39.0	42.8	37.7	40.3	39.8	33.7	36.7	34.3
1971: Jan	36.9	39.8	40.3	39.2	42.9	37.6	39.9	39.7	33.6	36.7	34.2
Feb	37.0	39.8	40.3	39.1	42.6	36.8	40.6	39.7	33.6	36.8	34.2
Mar	37.0	39.8	40.4	39.1	42.8	37.8	40.6	39.7	33.5	36.9	34.0
Apr	37.0	39.8	40.3	39.2	42.2	37.1	40.6	39.6	33.7	36.9	34.1
May	36.9	40.0	40.5	39.4	42.4	36.8	40.0	39.8	33.7	37.0	34.1
June	37.1	40.0	40.6	39.3	42.3	37.2	40.7	39.9	33.7	37.0	34.1
July	36.9	40.0	40.4	39.3	42.2	37.1	38.0	39.6	33.8	37.1	34.4
Aug	36.9	39.8	40.0	39.3	42.0	37.1	40.5	39.7	33.6	37.3	34.3
Sept	36.7	39.5	39.7	39.1	41.9	35.7	40.6	39.7	33.6	37.0	34.2
Oct	37.0	39.8	40.3	39.3	42.5	37.6	40.3	39.8	33.8	36.9	34.2
Nov p	37.2	40.1	40.6	39.5	42.5	39.1	40.4	40.0	33.8	36.9	34.1
Dec p	37.2	40.3	40.8	39.6	43.6	36.7	40.6	40.1	33.9	37.1	34.1

[1] Beginning 1947, data include eating and drinking places.

Note.—Hours and earnings data in Tables B–28 through B–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 B–31 for unadjusted weekly hours in manufacturing. See also Note, Table B–27.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–29.—*Average gross hourly earnings in private nonagricultural industries and in agriculture, 1929–71*

Year or month	Total nonagricultural private	Manufacturing: Total	Manufacturing: Durable goods	Manufacturing: Nondurable goods	Mining	Contract construction	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Agriculture [1]
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	[2] .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	1.53		.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	3.38	2.91	3.61	4.79	3.64	3.23	2.30	2.93	2.61	1.33
1970	3.22	3.36	3.56	3.08	3.84	5.25	3.85	3.44	2.44	3.08	2.81	1.42
1971 ᵖ	3.42	3.57	3.80	3.26	4.04	5.70	4.20	3.67	2.57	3.28	2.99	1.48
1970: Jan	3.13	3.29	3.49	3.01	3.76	5.09	3.73	3.35	2.38	3.02	2.71	1.50
Feb	3.15	3.29	3.48	3.01	3.77	5.08	3.75	3.38	2.40	3.05	2.74	
Mar	3.16	3.31	3.51	3.02	3.79	5.08	3.74	3.40	2.41	3.05	2.75	
Apr	3.17	3.32	3.51	3.04	3.79	5.11	3.75	3.39	2.42	3.04	2.76	1.29
May	3.19	3.34	3.54	3.05	3.80	5.12	3.80	3.41	2.43	3.05	2.77	
June	3.21	3.36	3.57	3.06	3.82	5.15	3.84	3.42	2.43	3.05	2.78	
July	3.23	3.37	3.57	3.09	3.82	5.22	3.87	3.42	2.44	3.07	2.80	1.38
Aug	3.25	3.37	3.58	3.08	3.84	5.32	3.90	3.45	2.45	3.08	2.82	
Sept	3.29	3.42	3.62	3.14	3.89	5.38	3.94	3.48	2.48	3.10	2.88	
Oct	3.28	3.37	3.56	3.13	3.92	5.44	3.94	3.49	2.48	3.13	2.88	1.46
Nov	3.29	3.39	3.57	3.15	3.97	5.46	3.96	3.52	2.49	3.15	2.90	
Dec	3.30	3.47	3.68	3.17	3.96	5.46	3.99	3.52	2.47	3.15	2.91	
1971: Jan	3.33	3.50	3.72	3.19	3.98	5.53	4.04	3.57	2.52	3.19	2.93	1.58
Feb	3.35	3.51	3.74	3.20	4.00	5.56	4.08	3.59	2.54	3.24	2.95	
Mar	3.36	3.52	3.75	3.21	4.01	5.54	4.07	3.59	2.55	3.24	2.95	
Apr	3.38	3.54	3.76	3.23	4.04	5.55	4.10	3.62	2.56	3.26	2.96	1.36
May	3.41	3.55	3.78	3.24	4.04	5.65	4.13	3.67	2.57	3.30	2.98	
June	3.42	3.57	3.80	3.26	4.04	5.63	4.15	3.66	2.58	3.28	2.97	
July	3.43	3.57	3.79	3.29	4.05	5.68	4.23	3.67	2.58	3.29	2.98	1.44
Aug	3.45	3.56	3.79	3.27	4.10	5.75	4.25	3.70	2.57	3.30	2.99	
Sept	3.49	3.60	3.83	3.31	4.15	5.86	4.33	3.72	2.60	3.30	3.04	
Oct	3.49	3.60	3.82	3.29	3.92	5.90	4.31	3.72	2.60	3.31	3.03	1.54
Nov ᵖ	3.48	3.60	3.83	3.29	3.91	5.89	4.32	3.73	2.60	3.31	3.04	
Dec ᵖ	3.50	3.69	3.94	3.35	4.29	5.91	4.37	3.77	2.60	3.33	3.04	

[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 B–27 and B–28.

Sources: Department of Labor (Bureau of Labor Statistics) and Department of Agriculture.

Table B–30.—*Average gross weekly earnings in private nonagricultural industries, 1929–71*

Year or month	Total nonagricultural private	Manufacturing: Total	Manufacturing: Durable goods	Manufacturing: Nondurable goods	Mining	Contract construction	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services
1929		$24.76	$26.84	$22.47							
1930		23.00	24.42	21.40							
1931		20.64	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		29.48	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	[1] 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	82.86		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	88.91		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	139.59	115.53	155.23	181.54	148.15	129.85	78.66	108.70	90.57
1970	119.46	133.73	143.47	120.43	163.97	196.35	155.93	137.60	82.47	113.34	96.66
1971 p	126.54	142.44	153.52	128.12	171.70	212.04	168.84	146.07	86.61	121.36	102.26
1970: Jan	116.12	131.60	141.69	117.99	159.05	181.71	150.69	134.67	79.49	111.44	92.95
Feb	116.55	130.94	140.24	117.69	160.23	186.94	151.88	135.20	79.92	112.85	93.98
Mar	117.24	132.40	142.51	118.38	160.32	189.48	150.72	136.00	80.49	112.85	94.60
Apr	116.97	131.47	140.75	118.56	163.35	193.67	149.63	135.26	80.34	112.18	94.67
May	118.03	132.93	142.66	118.95	161.88	195.07	152.76	136.06	81.16	111.94	94.73
June	120.05	134.74	145.30	119.95	163.50	197.25	156.67	137.14	82.86	111.94	95.63
July	121.45	134.46	143.87	121.44	163.50	200.45	159.06	137.83	84.91	112.98	97.72
Aug	122.20	134.13	143.92	121.04	163.58	204.82	158.34	138.35	85.75	113.65	98.70
Sept	121.73	135.43	145.16	122.15	164.55	194.76	160.36	138.16	83.82	113.46	98.78
Oct	121.03	133.45	142.76	122.07	168.56	204.54	159.18	139.25	83.08	115.18	98.50
Nov	121.07	134.58	143.16	123.17	169.52	197.65	160.38	139.74	83.17	115.92	99.18
Dec	122.43	138.45	149.04	124.58	170.28	204.20	161.20	141.15	83.73	115.61	99.81
1971: Jan	121.88	138.60	149.17	124.09	168.75	199.08	160.39	141.37	83.41	117.07	99.62
Feb	122.61	138.29	149.23	123.84	167.60	197.38	164.83	141.45	84.07	119.23	100.30
Mar	123.65	139.74	151.50	124.87	168.82	205.53	163.61	142.16	84.41	119.56	100.30
Apr	124.05	139.83	150.40	125.65	170.89	205.35	164.82	142.63	85.25	120.29	100.64
May	125.49	142.00	153.09	127.01	171.30	209.05	164.37	145.33	85.58	121.77	101.02
June	127.57	143.51	155.04	128.44	172.10	213.94	169.32	146.40	87.72	121.36	101.57
July	127.94	142.09	151.98	129.63	172.53	216.41	162.43	146.43	89.78	122.06	103.70
Aug	129.03	141.69	151.60	129.17	173.43	220.23	172.98	147.63	89.18	123.09	103.75
Sept	129.13	143.28	153.20	130.75	174.72	216.23	176.66	147.68	87.62	121.77	103.66
Oct	129.13	144.00	154.71	129.63	167.78	225.38	174.56	148.06	87.10	122.47	103.32
Nov p	129.11	144.72	155.88	130.28	166.18	223.82	175.39	148.83	87.10	122.47	103.36
Dec p	130.55	150.18	162.72	133.67	187.90	215.12	177.86	152.31	88.66	123.54	103.66

[1] Beginning 1947, data include eating and drinking places.

Note.—See Note, Tables B-27 and B-28.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–31.—*Average weekly hours and hourly earnings, gross and excluding overtime, in manufacturing industries, 1939–71*

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	-----	-----	39.2	-----	.716	-----	37.0	-----	.590	-----
1941	40.6	-----	.726	$0.691	[2] 25.4	42.0	-----	.799	$0.762	38.9	-----	.627	$0.613
1942	43.1	-----	.851	.793	[2] 28.5	45.0	-----	.937	.872	40.3	-----	.709	.684
1943	45.0	-----	.957	.881	[2] 31.0	46.5	-----	1.048	.966	42.5	-----	.787	.748
1944	45.2	-----	1.011	.933	[2] 33.2	46.5	-----	1.105	1.019	43.1	-----	.844	.798
1945	43.5	-----	1.016	[3] .949	[2] 34.6	44.0	-----	1.099	[3] 1.031	42.3	-----	.886	[3] .841
1946	40.3	-----	1.075	1.035	[2] 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	47.1	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	55.0	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	39.8	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	90.3	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	92.6	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	95.7	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	106.2	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	112.6	41.3	37.5	3.38	3.24	39.7	36.3	2.91	2.79
1970	39.8	36.8	3.36	3.24	119.7	40.3	37.4	3.56	3.43	39.1	36.1	3.08	2.97
1971 p	39.9	37.0	3.57	3.44	127.7	40.4	37.6	3.80	3.67	39.3	36.3	3.26	3.14
1970: Jan	40.0	36.8	3.29	3.17	116.5	40.6	37.3	3.49	3.35	39.2	36.1	3.01	2.90
Feb	39.8	36.8	3.29	3.17	116.9	40.3	37.3	3.48	3.35	39.1	36.1	3.01	2.90
Mar	40.0	37.0	3.31	3.19	117.6	40.6	37.5	3.51	3.38	39.2	36.2	3.02	2.91
Apr	39.6	36.8	3.32	3.20	118.1	40.1	37.3	3.51	3.39	39.0	36.2	3.04	2.93
May	39.8	36.9	3.34	3.22	118.8	40.3	37.4	3.54	3.42	39.0	36.1	3.05	2.94
June	40.1	37.0	3.36	3.23	119.2	40.7	37.5	3.57	3.43	39.2	36.2	3.06	2.95
July	39.9	37.0	3.37	3.25	119.9	40.3	37.4	3.57	3.44	39.3	36.4	3.09	2.98
Aug	39.8	36.8	3.37	3.24	120.4	40.2	37.3	3.58	3.45	39.3	36.2	3.08	2.97
Sept	39.6	36.5	3.42	3.29	121.6	40.1	37.1	3.62	3.49	38.9	35.8	3.14	3.02
Oct	39.6	36.7	3.37	3.25	121.1	40.1	37.3	3.56	3.44	39.0	36.0	3.13	3.01
Nov	39.7	36.9	3.39	3.27	121.9	40.1	37.5	3.57	3.46	39.1	36.2	3.15	3.04
Dec	39.9	37.1	3.47	3.35	123.8	40.5	37.8	3.68	3.56	39.3	36.5	3.17	3.06
1971: Jan	39.6	36.9	3.50	3.38	124.8	40.1	37.5	3.72	3.61	38.9	36.2	3.19	3.08
Feb	39.4	36.7	3.51	3.40	125.3	39.9	37.3	3.74	3.62	38.7	36.0	3.20	3.10
Mar	39.7	37.0	3.52	3.40	125.8	40.4	37.7	3.75	3.63	38.9	36.2	3.21	3.10
Apr	39.5	36.8	3.54	3.42	126.5	40.0	37.4	3.76	3.64	38.9	36.2	3.23	3.12
May	40.0	37.1	3.55	3.43	126.9	40.5	37.7	3.78	3.66	39.2	36.3	3.24	3.13
June	40.2	37.2	3.57	3.44	127.3	40.8	37.8	3.80	3.67	39.4	36.3	3.26	3.13
July	39.8	36.9	3.57	3.45	127.8	40.1	37.4	3.79	3.66	39.4	36.4	3.29	3.16
Aug	39.8	36.8	3.56	3.43	128.3	40.0	37.2	3.79	3.66	39.5	36.3	3.27	3.15
Sept	39.8	36.7	3.60	3.46	129.1	40.0	37.0	3.83	3.69	39.5	36.1	3.31	3.18
Oct	40.0	36.9	3.60	3.46	128.9	40.5	37.5	3.82	3.69	39.4	36.2	3.29	3.17
Nov p	40.2	37.1	3.60	3.46	129.0	40.7	37.7	3.83	3.69	39.6	36.5	3.29	3.16
Dec p	40.7	37.5	3.69	3.55	132.1	41.3	38.1	3.94	3.79	39.9	36.8	3.35	3.23

[1] Earnings in current dollars 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 B–27 and B–28.
See Table B–28 for seasonally adjusted average gross weekly hours.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-32.—*Average weekly earnings, gross and spendable, total private nonagricultural industries, in current and 1967 dollars, 1947–71*

Year or month	Average gross weekly earnings		Average spendable weekly earnings [2]			
			Worker with no dependents		Worker with three dependents	
	Current dollars	1967 dollars [1]	Current dollars	1967 dollars [1]	Current dollars	1967 dollars [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	119.46	102.72	95.94	82.49	104.61	89.95
1971 p	126.54	104.32	103.24	85.11	111.82	92.18
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	117.24	102.39	94.27	82.33	102.87	89.84
Apr	116.97	101.54	94.07	81.66	102.65	89.11
May	118.03	102.01	94.86	81.99	103.48	89.44
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	121.03	102.48	97.11	82.23	105.85	89.63
Nov	121.07	102.17	97.14	81.97	105.88	89.35
Dec	122.43	102.80	98.16	82.42	106.96	89.81
1971: Jan	121.88	102.25	99.80	83.72	108.15	90.73
Feb	122.61	102.69	100.34	84.04	108.73	91.06
Mar	123.65	103.21	101.10	84.39	109.55	91.44
Apr	124.05	103.20	101.40	84.36	109.86	91.40
May	125.49	103.88	102.46	84.82	111.00	91.89
June	127.57	105.00	104.00	85.60	112.64	92.71
July	127.94	105.04	104.27	85.61	112.93	92.72
Aug	129.03	105.68	105.07	86.05	113.79	93.19
Sept	129.13	105.67	105.15	86.05	113.86	93.18
Oct	129.13	105.50	105.15	85.91	113.86	93.02
Nov p	129.11	105.31	105.13	85.75	113.85	92.86
Dec p	130.55	106.05	106.20	86.27	114.99	93.41

[1] Earnings in current dollars divided by the consumer price index.
[2] Average gross weekly earnings less social security and income taxes.

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 B-27 and B-28.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-33.—*Average weekly earnings, gross and spendable, in manufacturing industries, in current and 1967 dollars, 1939–71*

Year or month	Average gross weekly earnings		Average spendable weekly earnings [2]			
			Worker with no dependents		Worker with three dependents	
	Current dollars	1967 dollars [1]	Current dollars	1967 dollars [1]	Current dollars	1967 dollars [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	133.73	114.99	106.62	91.68	115.90	99.66
1971 p	142.44	117.43	114.97	94.78	124.24	102.42
1970: Jan	131.60	116.15	105.03	92.70	114.17	100.77
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	131.47	114.12	104.93	91.09	114.06	99.01
May	132.93	114.89	106.02	91.63	115.27	99.63
June	134.74	115.86	107.38	92.33	116.71	100.35
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	134.58	113.57	107.26	90.51	116.58	98.38
Dec	138.45	116.25	110.16	92.49	119.66	100.47
1971: Jan	138.60	116.28	112.14	94.08	121.25	101.72
Feb	138.29	115.82	111.91	93.73	121.01	101.35
Mar	139.74	116.64	112.98	94.31	122.14	101.95
Apr	139.83	116.33	113.04	94.04	122.21	101.67
May	142.00	117.55	114.65	94.91	123.90	102.57
June	143.51	118.12	115.76	95.28	125.07	102.94
July	142.09	116.66	114.71	94.18	123.97	101.78
Aug	141.69	116.04	114.42	93.71	123.65	101.27
Sept	143.28	117.25	115.59	94.59	124.89	102.20
Oct	144.00	117.65	116.12	94.87	125.45	102.49
Nov p	144.72	118.04	116.65	95.15	126.01	102.78
Dec p	150.18	122.00	120.64	98.00	130.25	105.81

[1] Earnings in current dollars divided by the consumer price index.
[2] Average gross weekly earnings less social security and income taxes.

Note.—See Note, Tables B-27 and B-28.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–34.—*Indexes of output per man-hour and related data, private economy, 1947–71*

[1967=100]

Year	Output[1]: Total private	Output[1]: Farm	Output[1]: Nonfarm industries: Total	Output[1]: Nonfarm industries: Manufacturing	Output[1]: Nonfarm industries: Nonmanufacturing	Man-hours[2]: Total private	Man-hours[2]: Farm	Man-hours[2]: Nonfarm industries: Total	Man-hours[2]: Nonfarm industries: Manufacturing	Man-hours[2]: Nonfarm industries: Nonmanufacturing	Output per man-hour: Total private	Output per man-hour: Farm	Output per man-hour: Nonfarm industries: Total	Output per man-hour: Nonfarm industries: Manufacturing	Output per man-hour: Nonfarm industries: Nonmanufacturing
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	86.6	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	90.9	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	104.8	97.9	105.1	106.7	104.2	101.8	97.8	102.1	101.9	102.2	102.9	100.2	102.9	104.7	101.9
1969	107.5	101.3	107.8	109.9	106.7	104.0	91.5	104.9	103.6	105.6	103.4	110.7	102.7	106.1	101.1
1970	106.8	100.0	107.1	105.7	107.8	102.4	86.5	103.5	98.1	106.0	104.3	115.6	103.5	107.7	101.7
1971 p	109.9	107.0	110.0	105.4	112.4	101.7	85.3	102.8	94.4	106.7	108.1	125.6	107.0	111.6	105.3

Year	Compensation per man-hour[3]: Total private	Compensation per man-hour[3]: Farm	Compensation per man-hour[3]: Nonfarm industries: Total	Compensation per man-hour[3]: Nonfarm industries: Manufacturing	Compensation per man-hour[3]: Nonfarm industries: Nonmanufacturing	Unit labor cost: Total private	Unit labor cost: Farm	Unit labor cost: Nonfarm industries: Total	Unit labor cost: Nonfarm industries: Manufacturing	Unit labor cost: Nonfarm industries: Nonmanufacturing	Implicit price deflator[4]: Total private	Implicit price deflator[4]: Farm	Implicit price deflator[4]: Nonfarm industries: Total	Implicit price deflator[4]: Nonfarm industries: Manufacturing	Implicit price deflator[4]: Nonfarm industries: Nonmanufacturing
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	107.2	107.3	104.6	------	104.3	102.3	105.3	103.6	------	103.5	102.3	104.2
1969	115.6	------	114.7	114.1	115.2	111.9	------	111.6	107.5	114.0	108.3	------	108.1	104.0	110.3
1970	124.0	------	122.7	121.6	123.9	118.9	------	118.6	112.9	121.9	113.6	------	113.5	107.1	116.5
1971 p	132.6	------	131.2	129.1	133.3	122.7	------	122.6	115.7	126.5	118.5	------	118.7	------	------

[1] Output refers to gross national product in 1958 dollars.
[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. 1458, "Handbook of Methods for Surveys and Studies," October 1966.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–35.—*Industrial production indexes, major industry divisions, 1929–71*

[1967=100]

Year or month	Total industrial production	Manufacturing: Total	Manufacturing: Durable	Manufacturing: Nondurable	Mining	Utilities
1929	21.6	22.8	22.6	23.0	44.4	7.2
1930	18.0	18.7	16.8	20.9	38.5	7.4
1931	14.9	15.3	11.5	19.7	33.0	7.1
1932	11.6	11.8	7.0	17.3	27.6	6.6
1933	13.7	14.0	9.1	19.7	31.5	6.5
1934	15.0	15.3	11.2	20.2	33.0	6.9
1935	17.3	18.0	14.3	22.4	35.8	7.5
1936	20.4	21.5	18.5	25.0	41.2	8.5
1937	22.3	23.4	20.9	26.4	46.4	9.3
1938	17.6	18.0	13.4	23.5	40.2	9.4
1939	21.7	21.5	17.8	25.9	43.4	10.4
1940	25.4	25.4	23.7	27.2	48.2	11.5
1941	31.6	32.4	31.6	32.9	51.2	13.0
1942	36.3	37.8	40.1	34.3	52.8	14.6
1943	44.0	47.0	54.5	36.7	54.0	16.1
1944	47.4	50.9	60.2	38.2	57.9	17.1
1945	40.6	42.6	45.5	38.1	56.8	17.4
1946	35.0	35.3	31.8	39.3	55.8	18.1
1947	39.4	39.4	37.9	40.9	63.1	19.6
1948	41.0	40.9	39.5	42.2	66.3	21.9
1949	38.8	38.7	35.9	41.5	58.8	23.3
1950	44.9	45.0	43.7	46.2	65.7	26.5
1951	48.7	48.6	49.2	47.8	72.1	30.3
1952	50.6	50.6	52.2	48.7	71.5	32.8
1953	54.8	55.1	59.0	50.7	73.4	35.6
1954	51.9	51.5	52.0	51.0	71.9	38.3
1955	58.5	58.2	59.5	56.6	80.2	42.8
1956	61.1	60.5	61.5	59.5	84.4	47.0
1957	61.9	61.2	61.9	60.5	84.5	50.2
1958	57.9	56.9	54.2	61.0	77.5	52.5
1959	64.8	64.1	62.2	67.0	81.1	57.8
1960	66.2	65.4	63.3	68.6	82.7	61.8
1961	66.7	65.6	62.1	70.7	83.2	65.3
1962	72.2	71.4	69.0	75.1	85.6	70.2
1963	76.5	75.8	73.5	79.2	89.0	75.1
1964	81.7	81.2	79.0	84.4	91.1	81.9
1965	89.2	89.1	88.5	90.0	93.9	86.9
1966	97.9	98.3	99.0	97.3	98.4	93.6
1967	100.0	100.0	100.0	100.0	100.0	100.0
1968	105.7	105.7	105.5	106.0	103.9	109.4
1969	110.7	110.5	110.0	111.1	107.2	119.5
1970	106.7	105.2	101.5	110.6	109.7	128.5
1971 p	106.5	104.9	99.0	113.3	106.9	135.3
	Seasonally adjusted					
1970: Jan	107.4	106.4	103.7	110.4	109.5	124.1
Feb	108.0	107.0	103.5	111.8	109.2	125.0
Mar	107.6	106.7	104.3	110.2	109.1	123.9
Apr	107.5	106.5	103.6	110.5	108.7	125.9
May	107.5	106.5	103.6	110.9	108.6	126.9
June	107.6	106.6	103.7	111.0	107.1	127.9
July	107.5	106.9	103.7	111.6	106.5	130.2
Aug	107.5	105.5	103.5	108.6	108.8	130.5
Sept	106.5	104.8	100.7	110.7	110.9	133.9
Oct	103.7	101.4	95.7	109.7	112.4	134.0
Nov	102.6	100.2	93.8	109.6	113.7	129.6
Dec	104.6	102.4	97.3	110.0	112.1	130.2
1971: Jan	105.3	103.3	98.1	110.9	111.1	129.6
Feb	105.7	103.9	98.6	111.7	110.1	132.2
Mar	105.5	103.2	98.3	110.4	111.4	131.5
Apr	106.2	104.4	99.1	112.1	110.4	133.2
May	107.0	105.7	100.5	113.3	108.6	132.1
June	107.2	105.6	100.1	113.7	108.9	135.6
July	106.1	104.9	99.4	113.0	105.7	138.7
Aug	105.3	103.6	96.6	113.8	106.5	137.0
Sept	106.2	104.9	98.5	114.2	106.0	138.4
Oct	106.4	105.6	99.4	114.5	97.5	137.8
Nov p	107.0	105.7	98.9	115.6	101.4	137.4
Dec p	107.8	106.5	99.7	116.2	107.1	137.2

Source: Board of Governors of the Federal Reserve System.

TABLE B–36.—*Industrial production indexes, market groupings, 1947–71*

[1967=100]

Year or month	Total industrial production	Final products: Total	Final products: Consumer goods[1]: Total	Final products: Consumer goods[1]: Automotive products	Final products: Consumer goods[1]: Home goods	Final products: Equipment: Total	Final products: Equipment: Business	Intermediate products	Materials[2]: Total	Materials[2]: Durable goods	Materials[2]: Nondurable goods
1947	39.4	38.3	42.7	47.8	39.1	29.7	38.0	42.5	39.7	39.1	38.8
1948	41.0	39.7	44.0	50.0	40.8	31.2	39.5	44.9	41.4	40.2	40.9
1949	38.8	38.5	43.8	49.6	37.7	27.9	34.5	42.6	37.8	36.0	37.8
1950	44.9	43.4	50.0	62.4	52.0	30.2	37.0	49.6	45.2	45.3	43.6
1951	48.7	46.8	49.5	55.2	44.8	42.1	45.2	52.0	50.0	51.6	47.1
1952	50.6	50.3	50.6	49.7	44.8	50.5	51.2	51.7	50.7	52.7	47.3
1953	54.8	53.7	53.7	62.8	50.7	54.7	53.2	55.3	56.3	61.5	50.2
1954	51.9	50.8	53.3	58.4	46.8	47.9	46.8	55.1	52.0	53.1	50.3
1955	58.5	54.9	59.5	77.7	55.2	48.9	50.7	62.6	61.5	65.0	56.9
1956	61.1	58.2	61.7	63.9	58.1	53.7	58.7	65.3	63.1	65.2	59.5
1957	61.9	59.9	63.2	66.9	56.8	55.9	61.0	65.3	63.1	65.1	59.3
1958	57.9	57.1	62.6	53.2	53.6	50.0	51.5	63.9	56.8	54.8	58.1
1959	64.8	62.7	68.7	66.8	61.6	54.9	57.9	70.5	65.5	65.3	65.0
1960	66.2	64.8	71.3	76.4	62.0	56.4	59.4	71.0	66.4	66.1	65.9
1961	66.7	65.3	72.8	69.8	63.9	55.6	57.7	72.4	66.4	64.6	68.2
1962	72.2	70.8	77.7	84.5	69.4	61.9	62.7	76.9	72.4	71.8	72.9
1963	76.5	74.9	82.0	92.5	74.9	65.6	65.8	81.1	77.0	76.6	77.1
1964	81.7	79.6	86.8	96.8	81.7	70.1	74.7	87.3	82.6	82.7	82.1
1965	89.2	86.8	93.0	112.3	91.4	78.7	84.4	93.0	91.0	93.0	88.
1966	97.9	96.1	98.6	108.8	100.7	93.0	98.8	99.2	99.8	103.0	96.3
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	105.7	105.8	106.6	117.9	106.9	104.7	103.4	105.7	105.7	105.0	106.9
1969	110.7	109.0	111.1	117.4	111.6	106.1	107.9	112.0	112.4	112.2	112.8
1970	106.7	104.4	110.3	99.9	107.6	96.1	101.1	111.9	107.8	103.4	112.5
1971 p	106.5	104.6	115.7	119.5	111.6	89.2	96.2	112.8	106.8	101.0	113.4
	Seasonally adjusted										
1970: Jan	107.4	105.6	108.8	103.0	103.6	101.0	103.9	111.7	108.6	106.1	111.9
Feb	108.0	106.1	110.2	101.0	107.0	100.6	104.0	111.8	109.4	105.6	114.0
Mar	107.6	105.3	109.2	104.2	108.8	100.2	104.3	111.5	109.6	106.8	112.4
Apr	107.5	105.6	110.5	106.2	108.1	98.8	103.3	111.8	108.6	104.7	113.0
May	107.5	106.0	111.8	114.5	108.5	98.0	103.3	111.6	108.3	105.1	111.3
June	107.6	105.5	111.7	114.8	107.1	97.1	102.6	112.0	108.8	105.8	111.4
July	107.5	105.5	112.2	112.7	110.3	96.2	102.5	113.5	108.5	105.4	111.6
Aug	107.5	104.9	111.6	111.2	109.9	95.5	101.7	112.2	109.3	106.4	111.6
Sept	106.5	103.5	110.1	91.1	108.6	94.2	100.5	111.4	109.0	105.1	112.9
Oct	103.7	101.4	109.0	77.6	108.3	90.8	95.9	111.9	104.1	96.2	113.4
Nov	102.6	100.2	107.7	76.0	106.6	89.8	94.6	111.6	102.8	93.6	113.3
Dec	104.6	102.2	110.8	100.0	104.6	90.3	95.6	112.1	105.4	99.4	112.1
1971: Jan	105.3	102.9	112.8	110.9	106.5	88.9	94.2	110.9	106.5	101.5	111.7
Feb	105.7	103.0	112.9	117.8	106.5	89.3	96.0	112.5	106.8	101.6	112.1
Mar	105.5	102.5	112.7	117.8	108.2	88.4	95.0	112.0	107.1	101.9	112.0
Apr	106.2	103.6	114.6	113.7	111.4	88.1	95.1	112.4	107.5	102.2	112.7
May	107.0	103.9	115.7	123.1	113.9	87.8	94.4	113.5	108.9	104.8	112.8
June	107.2	104.5	116.1	121.2	113.3	88.2	95.0	112.4	109.0	103.0	115.5
July	106.1	104.9	116.0	120.1	113.5	89.3	96.3	113.8	105.3	98.7	112.3
Aug	105.3	105.0	116.0	121.1	112.9	89.6	96.8	110.7	104.0	94.9	114.8
Sept	106.2	104.6	115.0	118.0	111.1	90.2	97.8	112.5	106.2	98.7	114.7
Oct	106.4	105.0	116.0	120.6	112.9	89.7	97.3	113.3	105.8	101.1	114.2
Nov p	107.0	106.3	117.9	120.4	113.8	90.0	97.8	114.4	105.6	100.2	113.6
Dec p	107.8	106.4	117.8	120.4	115.3	90.4	98.5	114.6	107.5	101.1	114.8

[1] Also includes apparel and consumer staples, not shown separately.
[2] Also includes industrial fuel and power, not shown separately.

Source: Board of Governors of the Federal Reserve System.

TABLE B-37.—*Industrial production indexes, selected manufactures, 1947–71*

[1967=100]

Year or month	Durable manufactures: Primary metals	Durable manufactures: Fabricated metal products	Durable manufactures: Machinery	Durable manufactures: Transportation equipment	Durable manufactures: Instruments	Durable manufactures: Ordnance, private and government	Durable manufactures: Lumber, clay, and glass	Durable manufactures: Furniture and miscellaneous	Nondurable manufactures: Textiles, apparel, and leather	Nondurable manufactures: Paper and printing	Nondurable manufactures: Chemicals, petroleum, and rubber	Nondurable manufactures: Foods and tobacco
1947	64.8	50.2	......	31.0	24.5	7.8	......	......	......	......	......	......
1948	67.4	51.1	......	33.9	25.2	9.0	......	......	......	......	......	......
1949	56.7	46.1	......	34.0	22.5	9.2	......	......	......	......	......	......
1950	71.4	56.5	......	40.7	26.1	11.4	......	......	......	......	......	......
1951	77.7	60.4	......	45.4	30.0	42.2	......	......	......	......	......	......
1952	70.9	58.9	......	52.8	35.7	52.0	......	......	......	......	......	......
1953	80.4	66.5	......	66.2	39.2	63.2	......	......	......	......	......	......
1954	65.0	59.9	41.7	57.6	39.6	48.4	64.7	53.7	65.7	52.2	35.4	63.2
1955	84.5	68.3	46.7	66.3	44.2	36.1	73.8	65.8	73.4	57.8	41.2	66.6
1956	84.0	69.3	52.2	64.3	48.5	31.8	75.9	68.7	75.1	61.5	43.5	70.3
1957	80.4	71.1	52.0	68.9	50.7	35.9	73.3	67.1	73.4	62.2	45.8	71.5
1958	63.8	63.7	45.4	54.3	47.7	44.4	71.4	62.1	71.8	61.5	46.5	73.6
1959	74.5	71.5	53.9	61.5	55.2	46.1	82.2	68.7	79.6	67.0	53.8	77.2
1960	74.2	71.6	56.2	63.7	57.8	46.4	78.5	69.7	79.2	69.2	55.6	79.2
1961	72.9	69.8	57.1	59.9	57.3	39.2	79.7	70.6	80.2	71.0	58.3	81.5
1962	78.2	75.9	64.8	69.3	59.8	45.0	84.3	76.1	84.3	74.3	64.5	84.0
1963	84.3	78.4	67.9	75.9	66.4	51.6	88.9	79.5	86.9	78.4	70.0	87.0
1964	95.7	83.3	74.3	79.6	71.3	50.7	94.0	84.7	91.9	84.5	75.9	90.6
1965	104.0	92.6	84.1	91.3	82.9	60.5	98.7	93.8	97.8	90.5	83.8	92.6
1966	108.8	100.5	98.6	101.2	95.3	75.1	102.6	100.8	101.7	98.9	94.1	97.0
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	103.2	106.3	101.9	109.7	106.7	113.7	105.6	106.2	104.9	104.2	109.6	103.6
1969	114.1	113.6	106.8	107.6	116.1	111.6	111.1	111.6	105.9	109.1	118.4	107.5
1970	106.9	109.4	100.4	90.3	110.8	95.3	106.3	108.8	100.2	107.8	118.2	110.8
1971 p	101.2	107.4	95.6	91.3	108.9	88.1	111.3	110.3	100.6	107.5	124.5	113.4
	Seasonally adjusted											
1970: Jan	107.6	110.1	100.7	97.0	113.2	103.1	108.8	108.5	103.2	108.4	117.4	108.4
Feb	107.1	111.4	102.3	93.7	114.0	101.8	107.2	110.2	102.8	109.3	119.1	111.4
Mar	108.5	110.8	104.2	95.2	113.8	100.7	105.7	109.6	99.4	108.0	118.1	109.8
Apr	106.4	111.6	102.5	95.2	114.0	98.2	107.2	110.2	101.2	108.4	117.9	110.1
May	110.2	109.0	102.0	96.3	113.1	97.2	106.1	109.5	103.0	108.6	116.8	111.4
June	109.1	110.7	101.6	98.9	112.6	96.3	104.8	108.8	101.1	108.4	118.7	110.9
July	107.5	112.2	103.6	96.3	110.8	92.3	106.4	109.9	101.5	110.0	119.5	110.6
Aug	111.9	111.8	101.5	96.1	110.5	92.6	106.6	110.0	99.3	107.9	117.8	104.4
Sept	108.8	109.0	100.4	87.5	108.9	91.8	105.6	109.4	99.1	106.7	119.1	112.0
Oct	102.5	106.3	96.5	73.8	107.3	90.5	105.3	108.7	98.7	106.1	117.2	111.7
Nov	98.4	104.5	94.9	71.7	106.5	89.6	105.0	105.7	96.0	106.4	117.8	111.9
Dec	104.3	106.2	94.8	86.8	104.9	88.6	107.5	104.9	97.1	105.0	118.9	112.5
1971: Jan	108.1	105.4	93.4	91.1	106.5	87.9	106.9	105.2	98.6	107.1	118.2	113.9
Feb	105.5	106.6	94.2	92.6	105.3	86.0	109.8	107.1	98.0	108.1	120.9	113.1
Mar	106.6	104.9	94.0	91.3	105.5	85.5	110.8	105.6	97.3	104.6	120.5	112.2
Apr	108.7	108.5	94.2	89.5	106.7	85.2	113.0	109.5	99.8	106.9	122.4	112.9
May	114.3	108.5	95.3	90.9	108.0	86.0	112.3	109.9	101.5	106.9	124.2	113.6
June	108.1	108.5	95.2	91.7	108.5	88.8	111.0	111.3	102.4	106.0	125.3	113.7
July	98.2	110.8	97.4	88.5	110.9	88.8	111.2	113.5	100.2	106.8	124.0	113.8
Aug	81.0	108.0	95.6	91.1	109.1	90.0	110.4	111.3	100.1	108.2	126.2	112.8
Sept	93.9	105.7	96.3	91.7	110.5	90.2	111.1	112.0	102.5	108.3	127.3	111.1
Oct	95.6	106.9	97.0	92.5	111.7	90.3	112.7	112.1	103.9	109.1	126.1	112.4
Nov p	93.3	107.3	96.6	91.4	112.1	89.6	113.1	112.5	100.4	109.0	128.5	116.2
Dec p	96.5	108.5	97.9	90.8	111.7	89.6	113.2	113.8	102.0	108.7	130.0	115.4

Source: Board of Governors of the Federal Reserve System.

451-688 0—72——16

TABLE B-38.—*Manufacturing output, capacity, and utilization rate, 1948–71*

Period	Output [1]	Capacity	Utilization rate [2]: Total	Utilization rate [2]: Advanced products	Utilization rate [2]: Primary products
	1967 output=100		Percent		
1948	41.5	44.8	92.7	89.8	98.1
1949	39.1	47.3	82.7	82.1	83.8
1950	45.4	49.4	91.9	88.8	97.8
1951	49.3	51.8	95.1	92.5	100.1
1952	50.9	54.9	92.8	93.7	91.2
1953	55.4	58.1	95.5	96.1	94.3
1954	51.4	61.2	84.1	84.7	82.9
1955	58.1	64.4	90.0	87.7	93.7
1956	60.3	68.3	88.2	86.9	90.7
1957	61.1	74.8	84.5	84.1	85.2
1958	56.9	75.7	75.1	75.0	75.2
1959	64.0	78.6	81.4	80.7	82.7
1960	65.3	81.6	80.1	80.3	79.4
1961	65.6	84.5	77.6	77.3	78.2
1962	71.3	87.7	81.4	81.1	81.8
1963	75.7	91.2	83.0	82.5	84.0
1964	81.1	94.8	85.5	84.2	88.0
1965	89.0	100.0	89.0	87.8	91.1
1966	98.1	106.7	91.9	91.8	92.1
1967	99.9	113.7	87.9	89.1	85.7
1968	105.6	120.5	87.7	88.1	86.8
1969	110.4	127.7	86.5	85.4	88.5
1970	105.2	134.6	78.2	76.4	81.5
1971 p	104.8	140.7	74.5	72.2	78.8
	Seasonally adjusted				
1966: I	95.1	104.1	91.4	91.0	92.2
II	97.7	105.9	92.3	91.9	92.9
III	99.3	107.6	92.3	92.0	92.8
IV	100.2	109.4	91.6	92.2	90.6
1967: I	98.8	111.2	88.9	89.9	87.1
II	98.9	112.8	87.7	89.5	84.4
III	99.9	114.5	87.3	88.6	84.9
IV	101.9	116.2	87.7	88.4	86.5
1968: I	103.5	117.9	87.9	88.8	86.1
II	105.3	119.6	88.1	88.3	87.6
III	106.3	121.3	87.6	88.2	86.6
IV	107.3	123.0	87.2	87.3	87.0
1969: I	109.5	124.9	87.7	87.1	88.6
II	110.4	126.8	87.1	86.2	88.7
III	111.8	128.7	86.9	85.8	88.9
IV	110.1	130.5	84.3	82.5	87.7
1970: I	106.7	132.2	80.7	79.3	83.5
II	106.7	133.8	79.7	78.3	82.4
III	105.8	135.3	78.2	76.3	81.6
IV	101.5	136.9	74.1	71.8	78.4
1971: I p	103.5	138.4	74.7	72.4	79.1
II p	105.5	139.9	75.4	72.4	80.9
III p	104.5	141.4	73.9	72.0	77.4
IV p	105.8	142.9	74.0	72.0	77.8

[1] May differ slightly from data shown in Table B-35 because of rounding.
[2] Output as percent of capacity.

Note.—For description of series, see "Federal Reserve Bulletin," October 1971, pp. 779-781 and "Federal Reserve Bulletin," November 1966, pp. 1605-1615.

Source: Board of Governors of the Federal Reserve System, based on data of Federal Reserve, Department of Commerce, and McGraw-Hill Information Systems Company.

TABLE B-39.—*Business expenditures for new plant and equipment, 1947–72* [1]

[Billions of dollars]

Year or quarter	Total	Manufacturing			Mining	Transportation			Public utilities	Communication	Commercial and other [2]
		Total	Durable goods	Nondurable goods		Railroad	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	79.71	31.95	15.80	16.15	1.89	1.78	3.03	1.23	13.14	10.10	16.59
1971 [3]	81.47	30.21	14.29	15.92	2.13	1.67	1.87	1.37	15.20	10.89	18.11
1972 [3]	88.90	31.42	15.02	16.40	2.37	1.88	2.50	1.43	17.58	31.73	
	Seasonally adjusted annual rates										
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	78.63	30.98	14.92	16.05	1.94	1.56	3.08	1.22	13.68	10.20	15.97
1971: I	79.32	30.46	14.21	16.25	2.04	1.46	1.29	1.33	14.64	10.70	17.39
II	81.61	30.12	14.06	16.06	2.08	1.88	2.28	1.40	14.91	11.21	17.72
III	80.75	29.19	13.76	15.43	2.23	1.72	1.68	1.48	15.87	10.73	17.85
IV [3]	84.02	31.12	15.11	16.01	2.18	1.64	2.20	1.30	15.37	30.20	
1972: I [3]	87.14	31.26	15.94	15.31	2.09	2.12	2.18	1.60	16.32	31.57	
II [3]	88.47	31.18	15.12	16.06	57.28						

[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 1971. Includes adjustments when necessary for systematic tendencies 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 (Bureau of Economic Analysis) and Securities and Exchange Commission.

TABLE B–40.—*New construction activity, 1929–71*

[Value put in place, millions of dollars]

Year or month	Total new construction	Private construction							Public construction		
		Total	Residential buildings [1]		Nonresidential buildings and other construction [1]				Total	Federally owned	State and locally owned [5]
			Total [2]	New housing units	Total	Commercial [3]	Industrial	Other [4]			
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	1,990	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											
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	54,632	38,769	22,975	17,279	15,794	4,180	2,851	8,763	15,863	3,622	12,241
1961	56,292	39,144	23,107	17,074	16,037	4,674	2,780	8,583	17,148	3,879	13,269
1962	59,965	42,096	25,150	19,443	16,946	5,144	2,842	8,960	17,869	3,913	13,956
1963	64,563	45,206	27,874	21,735	17,332	4,995	2,906	9,431	19,357	4,001	15,356
1964	67,413	47,030	28,010	21,786	19,020	5,396	3,565	10,059	20,383	3,898	16,485
1965	73,412	51,350	27,934	21,712	23,416	------	------	------	22,062	4,014	18,048
1966	76,002	51,995	25,715	19,352	26,280	------	------	------	24,007	3,964	20,043
1967	77,503	51,967	25,568	18,985	26,399	------	------	------	25,536	3,475	22,061
1968	86,626	59,021	30,565	24,030	28,456	7,761	6,021	14,674	27,605	3,367	24,238
1969	93,347	65,384	33,200	25,941	32,184	9,401	6,783	16,000	27,963	3,312	24,651
1970	94,265	66,147	31,748	24,156	34,399	9,754	6,538	18,107	28,118	3,312	24,806
1971 [6]	108,440	78,620	41,970	34,090	36,650	11,590	5,430	19,630	29,820	3,990	25,830

See footnotes at end of table.

TABLE B-40.—*New construction activity, 1929–71*—Continued

[Value put in place, millions of dollars]

Year or month	Total new construction	Private construction: Total	Residential buildings [1]: Total [2]	Residential buildings [1]: New housing units	Nonresidential buildings and other construction [1]: Total	Nonresidential: Commercial [3]	Nonresidential: Industrial	Nonresidential: Other [4]	Public construction: Total	Federally owned	State and locally owned [5]
	Seasonally adjusted annual rates										
1970: Jan	91,475	64,387	32,235	24,203	32,152	9,919	6,282	15,951	27,088	3,119	23,969
Feb	92,322	64,615	32,245	23,543	32,370	10,080	6,467	15,823	27,707	3,132	24,575
Mar	91,948	65,392	31,775	23,296	33,617	10,352	6,594	16,671	26,556	3,021	23,535
Apr	91,058	64,991	31,024	22,974	33,967	9,732	6,901	17,334	26,067	3,436	22,631
May	91,402	64,866	30,559	22,749	34,307	9,737	6,736	17,834	26,536	3,075	23,461
June	93,796	65,580	30,216	22,798	35,364	10,073	6,911	18,380	28,216	3,247	24,969
July	93,250	64,816	29,972	23,356	34,844	9,486	6,581	18,777	28,434	3,001	25,433
Aug	94,973	65,444	30,035	23,901	35,409	9,734	6,767	18,908	29,529	3,455	26,074
Sept	94,241	66,406	31,222	24,468	35,184	9,542	6,449	19,193	27,835	3,474	24,361
Oct	96,401	67,846	32,891	24,966	34,955	9,313	6,406	19,236	28,555	3,441	25,114
Nov	98,285	69,248	34,096	25,559	35,152	9,348	6,282	19,522	29,037	3,488	25,549
Dec	102,628	70,729	35,104	26,681	35,625	10,001	6,088	19,536	31,899	3,604	28,295
1971: Jan	100,645	70,637	35,629	27,561	35,008	10,262	6,169	18,577	30,008	3,818	26,190
Feb	102,340	70,743	36,509	28,518	34,234	10,106	6,258	17,870	31,597	3,708	27,889
Mar	103,027	72,961	37,678	29,607	35,283	10,734	6,072	18,477	30,066	3,851	26,215
Apr	105,875	76,263	39,589	31,046	36,674	11,262	6,110	19,302	29,612	4,023	25,589
May	107,591	77,880	41,500	32,874	36,380	11,038	5,766	19,576	29,711	3,956	25,755
June	109,210	79,941	42,326	34,041	37,615	11,795	5,508	20,312	29,269	3,956	25,313
July	109,957	80,484	42,689	35,040	37,795	12,690	5,428	19,677	29,473	4,610	24,863
Aug	111,910	82,071	43,927	36,599	38,144	13,069	4,852	20,223	29,839	4,031	25,808
Sept	110,031	81,442	44,739	37,406	36,703	11,702	4,597	20,404	28,589	3,869	24,720
Oct	113,648	81,805	45,035	37,461	36,770	11,510	4,993	20,267	31,843	4,042	27,801
Nov [p]	113,353	82,940	45,030	37,340	37,910	12,124	4,924	20,862	30,413	4,303	26,110

[1] Beginning 1960, farm residential buildings included in residential buildings; prior to 1960, included in nonresidential buildings and other construction.
[2] Total includes additions and alterations and nonhousekeeping units, not shown separately.
[3] Office buildings, warehouses, stores, restaurants, garages, etc.
[4] Religious, educational, hospital and institutional, miscellaneous nonresidential, farm, public utilities, and all other private.
[5] Includes Federal grants-in-aid for State and locally owned projects.
[6] Preliminary estimates by Council of Economic Advisers.

Source: Department of Commerce, Bureau of the Census, except as noted.

TABLE B–41.—*New housing starts and applications for financing, 1929–71*

[Thousands of units]

Year or month	Housing starts: Private and public [1]: Total (farm and nonfarm)	Housing starts: Private and public [1]: Nonfarm	Housing starts: Private [1]: Total (farm and nonfarm): Total	Housing starts: Private [1]: Total (farm and nonfarm): Type of structure [2]: One family	Housing starts: Private [1]: Total (farm and nonfarm): Type of structure [2]: Two or more families	Housing starts: Private [1]: Nonfarm: Total	Housing starts: Private [1]: Nonfarm: Selected Government home programs [3]: FHA [4]	Housing starts: Private [1]: Nonfarm: Selected Government home programs [3]: VA	New private housing units authorized [5]	Proposed home construction [6]: Applications for FHA commitments [4]	Proposed home construction [6]: Requests for VA appraisals
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	-----	-----	[7] 20.6	-----
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	[8] 8.8	-----	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	1,208.3	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	142.9
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	177.8
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	171.2
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	139.3
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	113.6
1965	1,509.6	1,487.5	1,472.9	963.8	509.0	1,450.6	159.9	49.4	1,239.8	188.9	102.1
1966	1,195.9	1,172.8	1,165.0	778.5	386.4	1,141.5	129.1	36.8	971.9	153.0	99.2
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	124.3
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	131.7
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	138.2
1970	1,469.0	([9])	1,433.6	812.9	620.7	([9])	233.5	61.0	1,351.5	315.0	143.7
1971 [p]	2,080.5	([9])	2,048.2	1,148.5	899.6	([9])	301.2	93.8	1,880.9	366.8	217.9

See footnotes at end of table.

TABLE B-41.—*New housing starts and applications for financing, 1929–71*—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]								
			Total (farm and nonfarm)			Nonfarm					
				Type of structure[2]			Selected Government home programs[3]				
	Total (farm and nonfarm)	Nonfarm	Total	One family	Two or more families	Total	FHA[4]	VA		Applications for FHA commitments[4]	Requests for VA appraisals
	Seasonally adjusted annual rates										
1970: Jan	....	....	1,059	577	482	([9])	169	52	1,067	246	141
Feb	....	....	1,306	725	581	([9])	181	57	1,142	249	140
Mar	....	....	1,392	708	684	([9])	185	60	1,105	258	144
Apr	....	....	1,224	697	527	([9])	207	60	1,195	281	135
May	....	....	1,242	728	514	([9])	194	57	1,336	271	133
June	....	....	1,393	835	558	([9])	215	52	1,312	291	126
July	....	....	1,603	827	776	([9])	230	51	1,337	297	126
Aug	....	....	1,425	838	587	([9])	238	64	1,404	327	152
Sept	....	....	1,509	881	628	([9])	246	60	1,409	337	139
Oct	....	....	1,583	890	693	([9])	266	64	1,558	326	168
Nov	....	....	1,693	934	759	([9])	288	71	1,523	345	157
Dec	....	....	2,054	1,240	814	([9])	354	78	1,808	474	149
1971: Jan	....	....	1,725	946	779	([9])	410	76	1,635	371	190
Feb	....	....	1,754	985	769	([9])	290	73	1,563	350	174
Mar	....	....	1,959	1,048	911	([9])	265	83	1,627	336	183
Apr	....	....	1,912	1,098	814	([9])	278	93	1,638	347	210
May	....	....	1,975	1,124	851	([9])	265	96	1,927	374	218
June	....	....	2,000	1,177	823	([9])	284	91	1,849	370	257
July	....	....	2,229	1,187	1,042	([9])	283	98	2,052	383	228
Aug	....	....	2,258	1,212	1,046	([9])	321	102	2,006	359	220
Sept	....	....	2,002	1,187	815	([9])	291	97	1,900	344	252
Oct	....	....	2,031	1,159	872	([9])	299	98	2,173	353	233
Nov p	....	....	2,303	1,283	1,020	([9])	296	106	1,952	296	210
Dec p	....	....	2,517	1,411	1,106	([9])	399	101	2,231	472	226

[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, Department of Housing and Urban Development, and Veterans Administration, except as noted.

TABLE B–42.—*Sales and inventories in manufacturing and trade, 1947–71*

[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	23,355	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 [4]	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	68,969	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	87,172	136,714	1.47	44,863	77,950	1.62	16,979	20,691	1.14	25,330	38,073	1.44
1967	89,708	145,072	1.57	46,458	84,563	1.76	17,099	21,557	1.21	26,151	38,952	1.46
1968	97,105	155,238	1.54	50,287	90,737	1.74	18,329	22,528	1.20	28,490	41,973	1.43
1969	103,178	166,412	1.56	53,629	96,673	1.75	19,726	24,363	1.19	29,824	45,376	1.46
1970	106,276	173,635	1.60	54,429	100,476	1.82	20,554	26,604	1.23	31,294	46,555	1.47
1971 [5]	113,975	179,488	1.55	57,829	100,793	1.74	22,194	28,318	1.23	33,952	50,377	1.45
	Seasonally adjusted											
1970: Jan	104,904	166,686	1.59	54,278	97,123	1.79	20,292	24,484	1.21	30,334	45,079	1.49
Feb	105,870	167,688	1.58	54,630	97,624	1.79	20,571	24,853	1.21	30,669	45,211	1.47
Mar	105,657	168,019	1.59	54,499	97,914	1.80	20,463	24,842	1.21	30,695	45,263	1.47
Apr	104,807	169,164	1.61	53,790	98,667	1.83	20,012	24,942	1.25	31,005	45,555	1.47
May	106,758	169,010	1.58	54,876	98,555	1.80	20,684	24,990	1.21	31,198	45,465	1.46
June	107,389	169,929	1.58	55,440	98,744	1.78	20,656	25,142	1.22	31,293	46,043	1.47
July	107,626	171,121	1.59	55,386	99,164	1.79	20,639	25,410	1.23	31,601	46,547	1.47
Aug	108,052	171,682	1.59	55,644	99,329	1.79	20,698	25,423	1.23	31,710	46,930	1.48
Sept	107,738	172,238	1.60	55,073	99,576	1.81	20,714	25,689	1.24	31,951	46,973	1.47
Oct	105,610	172,588	1.63	53,235	100,282	1.88	20,754	26,003	1.25	31,621	46,303	1.46
Nov	104,485	173,374	1.66	52,562	100,927	1.92	20,641	26,334	1.28	31,282	46,113	1.47
Dec	106,943	173,635	1.62	54,464	100,476	1.84	20,718	26,604	1.28	31,761	46,555	1.47
1971: Jan	109,346	174,412	1.60	55,718	100,878	1.81	21,338	26,646	1.25	32,290	46,888	1.45
Feb	111,166	174,834	1.57	56,982	100,602	1.77	21,334	26,806	1.26	32,850	47,426	1.44
Mar	112,740	175,536	1.56	57,790	100,502	1.74	21,676	26,788	1.24	33,274	48,246	1.45
Apr	113,155	176,275	1.56	57,680	100,420	1.74	21,897	27,046	1.24	33,578	48,809	1.45
May	114,303	177,046	1.55	58,352	100,647	1.72	22,449	27,140	1.21	33,502	49,259	1.47
June	115,531	177,403	1.54	58,988	100,536	1.70	22,716	27,333	1.20	33,827	49,534	1.46
July	114,727	177,652	1.55	58,418	100,194	1.72	22,621	27,866	1.23	33,688	49,592	1.47
Aug	115,064	178,157	1.55	57,804	100,063	1.73	22,605	27,795	1.23	34,655	50,299	1.45
Sept	115,660	178,924	1.55	57,892	100,266	1.73	22,549	27,814	1.23	35,219	50,844	1.44
Oct	114,687	179,468	1.56	57,439	100,740	1.75	22,284	27,928	1.25	34,964	50,800	1.45
Nov [p]	117,341	179,488	1.53	59,061	100,793	1.71	22,660	28,318	1.25	35,620	50,377	1.41
Dec	------	------	------	------	------	------	------	------	------	[6] 34,876	------	------

[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 (Bureau of Economic Analysis and Bureau of the Census).

TABLE B-43.—*Manufacturers' shipments and inventories, 1947–71*

[Millions of dollars]

Year or month	Shipments [1]			Inventories [2]								
					Durable goods industries				Nondurable goods industries			
	Total	Durable goods industries	Nondurable goods industries	Total	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	44,863	24,629	20,233	77,950	49,793	15,430	21,995	12,368	28,157	11,210	4,245	12,702
1967	46,458	25,220	21,237	84,563	54,888	16,432	24,992	13,464	29,675	11,729	4,412	13,534
1968	50,287	27,695	22,592	90,737	58,969	17,393	27,503	14,073	31,768	12,103	4,829	14,836
1969	53,629	29,539	24,090	96,673	63,160	18,678	28,963	15,519	33,513	12,583	5,135	15,795
1970	54,429	29,349	25,080	100,476	65,152	19,056	29,233	16,863	35,324	13,026	5,055	17,243
1971 [4]	57,829	31,532	26,298	100,793	64,399	19,070	28,626	16,703	36,394	13,382	5,215	17,797
	Seasonally adjusted											
1970: Jan	54,278	29,445	24,833	97,123	63,561	18,727	29,162	15,672	33,562	12,431	5,180	15,951
Feb	54,630	29,561	25,069	97,624	63,671	18,796	29,130	15,745	33,953	12,545	5,155	16,253
Mar	54,499	29,243	25,256	97,914	63,928	18,771	29,263	15,894	33,986	12,648	5,116	16,222
Apr	53,790	29,048	24,742	98,667	64,323	18,678	29,505	16,140	34,344	12,668	5,145	16,531
May	54,876	29,933	24,943	98,555	64,152	18,585	29,502	16,065	34,403	12,589	5,174	16,640
June	55,440	30,112	25,328	98,744	64,206	18,597	29,511	16,098	34,538	12,588	5,174	16,776
July	55,386	30,176	25,210	99,164	64,720	18,658	29,699	16,363	34,444	12,539	5,165	16,740
Aug	55,644	30,483	25,161	99,329	64,913	18,771	29,659	16,483	34,416	12,510	5,063	16,843
Sept	55,073	29,900	25,173	99,576	64,965	18,825	29,622	16,518	34,611	12,524	5,074	17,013
Oct	53,235	28,152	25,083	100,282	65,218	18,869	29,636	16,713	35,064	12,718	5,119	17,227
Nov	52,562	27,680	24,882	100,927	65,517	19,006	29,665	16,846	35,410	12,874	5,141	17,395
Dec	54,464	29,185	25,279	100,476	65,152	19,056	29,233	16,863	35,324	13,026	5,055	17,243
1971: Jan	55,718	30,166	25,552	100,878	65,308	19,109	29,254	16,945	35,570	13,024	5,116	17,430
Feb	56,982	30,856	26,126	100,602	65,090	19,061	28,944	17,085	35,512	13,013	5,090	17,409
Mar	57,790	31,616	26,174	100,502	65,082	18,996	28,811	17,275	35,420	12,897	5,092	17,431
Apr	57,680	31,308	26,372	100,420	65,033	19,359	28,594	17,080	35,387	12,927	5,090	17,370
May	58,352	31,850	26,502	100,647	65,079	19,570	28,547	16,962	35,568	12,918	5,155	17,495
June	58,988	32,650	26,338	100,536	64,825	19,696	28,329	16,800	35,711	13,058	5,143	17,510
July	58,418	32,123	26,295	100,194	64,692	19,932	28,177	16,583	35,502	12,989	5,144	17,369
Aug	57,804	31,464	26,340	100,063	64,523	19,709	28,214	16,600	35,540	13,027	5,108	17,405
Sept	57,892	31,543	26,349	100,266	64,563	19,306	28,532	16,725	35,703	13,048	5,167	17,488
Oct	57,439	31,166	26,273	100,740	64,494	19,106	28,541	16,847	36,246	13,271	5,188	17,787
Nov	59,061	32,106	26,955	100,793	64,339	19,070	28,626	16,703	36,394	13,382	5,215	17,797

[1] Monthly average for year and total for month.
[2] Book value, seasonally adjusted, end of period, except as noted.
[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 B-44.—*Manufacturers' new and unfilled orders, 1947–71*

[Amounts in millions of dollars]

Year or month	New orders[1]				Unfilled orders[2]			Unfilled orders-shipments ratio[3]		
	Total	Durable goods industries: Total	Durable goods industries: Producers' capital goods industries	Nondurable goods industries	Total	Durable goods industries	Nondurable goods industries	Total	Durable goods industries	Nondurable 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	3.01	.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	45,912	25,690	5,265	20,222	80,615	77,545	3,070	2.91	3.49	.56
1967	46,707	25,468	4,958	21,239	83,505	80,416	3,089	2.81	3.36	.53
1968	50,505	27,919	5,307	22,585	85,800	82,805	2,995	2.76	3.34	.47
1969	53,768	29,681	6,074	24,087	87,320	84,379	2,941	2.65	3.20	.45
1970	53,866	28,778	5,794	25,088	80,527	77,485	3,042	2.46	2.97	.46
1971[5]	57,589	31,285	6,353	26,304	77,888	74,776	3,112	--------	--------	--------
	Seasonally adjusted									
1970: Jan	54,014	29,234	6,154	24,780	87,056	84,168	2,888	2.62	3.17	0.43
Feb	53,728	28,644	6,015	25,084	86,154	83,251	2,903	2.59	3.14	.43
Mar	53,698	28,453	5,545	25,245	85,353	82,461	2,892	2.59	3.14	.43
Apr	52,867	28,099	5,526	24,768	84,430	81,512	2,918	2.59	3.14	.44
May	54,222	29,330	5,660	24,892	83,776	80,909	2,867	2.51	3.03	.43
June	54,902	29,609	5,805	25,293	83,238	80,406	2,832	2.48	3.00	.42
July	55,272	30,073	5,898	25,199	83,124	80,303	2,821	2.46	2.97	.42
Aug	54,932	29,748	5,683	25,184	82,412	79,568	2,844	2.46	2.97	.43
Sept	53,567	28,355	5,614	25,212	80,906	78,023	2,883	2.41	2.89	.44
Oct	51,951	26,779	5,843	25,172	79,622	76,650	2,972	2.43	2.93	.45
Nov	52,463	27,560	5,871	24,903	79,523	76,530	2,993	2.46	2.97	.46
Dec	55,468	30,140	5,925	25,328	80,527	77,485	3,042	2.46	2.97	.46
1971: Jan	57,255	31,666	6,442	25,589	82,064	78,985	3,079	2.46	2.98	.45
Feb	57,165	31,071	6,617	26,094	82,247	79,200	3,047	2.45	2.97	.44
Mar	57,699	31,472	6,219	26,227	82,156	79,056	3,100	2.38	2.87	.44
Apr	56,597	30,228	5,677	26,369	81,073	77,976	3,097	2.35	2.83	.45
May	57,028	30,601	6,193	26,427	79,749	76,727	3,022	2.26	2.72	.43
June	57,009	30,666	6,237	26,343	77,775	74,748	3,027	2.16	2.58	.43
July	58,255	31,955	6,146	26,300	77,615	74,584	3,031	2.27	2.74	.43
Aug	58,085	31,758	6,551	26,327	77,898	74,879	3,019	2.26	2.74	.42
Sept	57,322	31,026	6,425	26,296	77,325	74,362	2,963	2.24	2.71	.42
Oct	57,490	31,126	6,806	26,364	77,375	74,323	3,052	2.24	2.70	.43
Nov	59,576	32,564	6,565	27,012	77,888	74,776	3,112	--------	--------	--------

[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, except as noted.
[4] Data prior to 1961 not completely comparable with later data. Comparable data for new orders (total, durable, and nondurable) 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.

Table B–45.—*Consumer price indexes, by major groups, 1929–71*

For urban wage earners and clerical workers

[1967=100]

Year or month	All items	Food	Housing: Total	Housing: Rent	Apparel and upkeep	Transportation	Medical care	Personal care	Reading and recreation	Other goods and services
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	116.3	114.9	118.9	110.1	116.1	112.7	120.6	113.2	113.4	116.0
1971	121.3	118.4	124.3	115.2	119.8	118.6	128.4	116.8	119.3	120.9
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
Dec	119.1	115.3	122.6	112.6	119.2	116.9	124.2	115.0	116.2	118.5
1971: Jan	119.2	115.5	122.7	112.9	117.6	117.5	124.9	115.3	117.3	118.9
Feb	119.4	115.9	122.6	113.6	118.1	117.5	125.8	115.4	117.5	119.1
Mar	119.8	117.0	122.4	113.9	118.6	117.8	126.8	115.8	117.7	119.4
Apr	120.2	117.8	122.5	114.4	119.1	118.1	127.5	116.3	118.4	119.7
May	120.8	118.2	123.2	114.7	120.2	118.8	128.1	116.5	118.9	119.9
June	121.5	119.2	124.0	115.2	120.1	119.6	128.6	116.8	119.3	120.3
July	121.8	119.8	124.5	115.4	119.3	119.5	129.3	117.1	119.6	121.2
Aug	122.1	120.0	125.1	115.8	119.0	119.3	130.0	117.5	119.7	121.8
Sept	122.2	119.1	125.5	116.1	120.6	118.6	130.4	117.6	120.5	122.4
Oct	122.4	118.9	125.9	116.4	121.6	119.3	129.6	117.9	120.5	122.6
Nov	122.6	119.0	126.4	116.6	121.9	118.8	129.7	117.9	120.8	122.8
Dec	123.1	120.3	126.8	116.9	121.8	118.6	130.1	117.9	121.1	123.0

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–46.—*Consumer price indexes, by special groups, 1935–71*

For urban wage earners and clerical workers

[1967=100]

Year or month	All items	All items less food	All items less shelter	Commodities: All commodities	Commodities: Food	Commodities less food: All	Commodities less food: Durable	Commodities less food: Nondurable	Total nondurable	Services: All services	Services: Rent	Services: All services less rent
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	116.3	116.7	114.4	113.5	114.9	112.5	111.8	113.1	114.0	121.6	110.1	123.7
1971	121.3	122.1	119.3	117.4	118.4	116.8	116.5	117.0	117.7	128.4	115.2	130.9
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
Dec	119.1	120.2	116.8	115.6	115.3	115.5	115.2	115.7	115.6	125.6	112.6	128.0
1971: Jan	119.2	120.3	117.0	115.4	115.5	115.2	115.2	115.3	115.4	126.3	112.9	128.7
Feb	119.4	120.4	117.4	115.5	115.9	115.2	115.0	115.4	115.7	126.6	113.6	129.0
Mar	119.8	120.6	118.0	116.1	117.0	115.5	115.2	115.7	116.4	126.6	113.9	128.9
Apr	120.2	120.9	118.6	116.6	117.8	115.8	115.7	116.0	116.9	126.8	114.4	129.1
May	120.8	121.6	119.2	117.2	118.2	116.6	116.6	116.6	117.4	127.5	114.7	129.8
June	121.5	122.2	119.8	117.9	119.2	117.1	117.4	116.9	118.1	128.2	115.2	130.6
July	121.8	122.4	120.0	118.1	119.8	117.0	117.5	116.7	118.3	128.8	115.4	131.2
Aug	122.1	122.7	120.2	118.2	120.0	117.1	116.9	117.2	118.6	129.4	115.8	131.9
Sept	122.2	123.1	120.2	118.1	119.1	117.4	116.4	118.2	118.7	129.8	116.1	132.3
Oct	122.4	123.5	120.3	118.4	118.9	118.0	117.1	118.7	118.8	130.0	116.4	132.5
Nov	122.6	123.7	120.4	118.5	119.0	118.1	117.4	118.7	118.9	130.4	116.6	132.9
Dec	123.1	123.9	120.9	118.9	120.3	118.1	117.2	118.8	119.5	130.8	116.9	133.3

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-47.—*Consumer price indexes, selected commodities and services, 1935–71*

For urban wage earners and clerical workers

[1967=100]

Year or month	Durable commodities: Total [1]	Durable commodities: New cars	Durable commodities: Used cars	Durable commodities: Household durables	Durable commodities: House furnishings	Nondurable commodities less food: Total	Nondurable commodities less food: Apparel commodities	Nondurable commodities less food: Nondurables less food and apparel	Services less rent: Total	Services less rent: Household services less rent	Services less rent: Transportation services	Services less rent: Medical care services	Services less rent: 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	(3)	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	111.8	107.6	104.3	110.2	111.4	113.1	116.5	111.2	123.7	126.8	123.1	124.2	116.7
1971	116.5	112.0	110.2	112.9	114.3	117.0	120.1	115.2	130.9	132.6	133.1	133.3	122.5
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	117.7	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	119.6	113.0	127.3	130.7	126.9	127.5	119.1
Dec	115.2	114.1	109.5	111.5	112.9	115.7	119.6	113.5	128.0	131.6	127.5	128.5	119.5
1971: Jan	115.2	115.4	107.0	111.5	112.7	115.3	117.8	113.8	128.7	131.6	129.5	129.3	120.7
Feb	115.0	115.2	105.5	111.8	113.2	115.4	118.3	113.8	129.0	131.0	131.3	130.2	120.9
Mar	115.2	114.3	106.8	112.1	113.5	115.7	118.8	114.0	128.9	130.1	132.0	131.4	121.2
Apr	115.7	113.8	109.8	112.4	114.0	116.0	119.3	114.0	129.1	129.7	133.0	132.2	121.5
May	116.6	113.9	112.8	112.7	114.1	116.6	120.5	114.3	129.8	130.7	133.1	132.9	122.0
June	117.4	113.9	114.1	113.1	114.7	116.9	120.4	114.9	130.6	131.6	134.1	133.5	122.5
July	117.5	113.8	113.5	113.2	114.7	116.7	119.5	115.1	131.2	132.5	134.3	134.4	122.6
Aug	116.9	109.3	112.5	113.4	114.8	117.2	119.1	116.2	131.9	133.6	134.1	135.1	122.8
Sept	116.4	105.6	111.6	113.5	114.9	118.2	120.9	116.6	132.3	134.2	133.8	135.6	123.7
Oct	117.1	109.1	111.7	113.6	115.1	118.7	122.0	116.8	132.5	134.7	133.9	134.6	123.8
Nov	117.4	109.6	110.2	113.6	115.1	118.7	122.4	116.5	132.9	135.4	134.0	134.8	124.0
Dec	117.2	110.4	107.2	113.7	115.3	118.8	122.2	116.8	133.3	136.1	134.2	135.3	124.1

[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.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–48.—*Wholesale price indexes, by major commodity groups, 1929–71*

[1967=100]

Year or month	All commodities	Farm products	Processed foods and feeds	Industrial commodities: Total	Industrial commodities: Textile products and apparel	Industrial commodities: Hides, skins, leather, and related products	Industrial commodities: Fuels and related products, and power	Industrial commodities: 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	109.1	107.3	106.0	106.0	108.9	100.9	99.9
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2
1971	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2
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
1971: Jan	111.8	108.9	111.8	112.2	106.9	111.7	113.5	103.8
Feb	112.8	113.9	113.3	112.5	106.7	112.4	113.0	104.2
Mar	113.0	113.0	113.7	112.8	106.9	112.5	112.8	104.5
Apr	113.3	113.0	113.5	113.3	107.5	114.0	113.0	104.5
May	113.8	114.0	114.5	113.7	107.8	114.4	114.2	104.3
June	114.3	116.0	114.9	113.9	108.5	114.2	114.4	104.4
July	114.6	113.4	116.0	114.5	109.2	114.2	114.4	104.4
Aug	114.9	113.2	115.4	115.1	109.7	114.4	114.8	104.3
Sept	114.5	110.5	114.6	115.0	109.7	114.7	115.3	104.3
Oct	114.4	111.3	114.1	115.0	109.6	114.7	114.8	104.2
Nov	114.5	112.2	114.4	114.9	109.8	115.1	114.7	103.8
Dec	115.4	115.8	115.9	115.3	110.6	116.2	115.0	103.4

See footnotes at end of table.

TABLE B–48.—*Wholesale price indexes, by major commodity groups, 1929–71*—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	105.3	125.3	104.0	108.5	106.5	104.9	107.7	104.8	105.2
1970	108.6	113.7	108.2	116.7	111.4	107.5	113.3	108.5	109.9
1971	109.2	127.0	110.1	119.0	115.5	109.9	122.4	114.7	112.8
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
1971: Jan	108.4	112.2	109.0	116.5	114.2	109.3	118.8	113.9	112.3
Feb	109.1	117.5	109.3	116.4	114.6	109.7	119.0	114.1	112.6
Mar	109.1	123.4	109.3	116.5	114.9	109.6	120.9	113.8	112.8
Apr	109.0	124.6	109.6	117.8	115.0	109.7	121.6	114.1	112.7
May	108.7	124.9	109.9	118.5	115.3	109.9	121.8	114.2	112.5
June	108.7	126.1	110.2	118.5	115.5	109.8	122.2	114.4	112.6
July	109.7	130.6	110.5	119.4	115.7	110.0	123.3	114.7	112.8
Aug	109.8	134.6	110.6	121.1	116.1	110.2	124.2	114.9	113.0
Sept	109.7	134.3	110.6	121.1	116.0	110.2	124.2	113.8	113.0
Oct	109.5	131.8	110.6	121.0	116.0	110.2	124.1	115.2	113.0
Nov	109.5	131.3	110.6	120.9	115.9	110.2	124.0	115.3	113.1
Dec	109.4	132.7	110.7	120.8	116.2	110.2	124.2	117.5	113.2

[1] Index for total transportation equipment is not shown but is available beginning December 1968.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-49.—*Wholesale price indexes, by stage of processing, 1947–71*

[1967=100]

Year or month	All commodities	Crude materials				Intermediate materials, supplies, and components [1]						
							Materials and components for manufacturing					Materials and components for construction
								Materials				
		Total	Foodstuffs and feedstuffs	Nonfood materials, except fuel	Fuel	Total	Total	For food manufacturing	For nondurable manufacturing	For durable manufacturing	Components	
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.[illegible]	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	107.1	102.4	109.1	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
1971	113.9	115.0	114.2	110.5	138.5	114.0	113.0	116.2	105.6	118.8	114.7	119.5
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
1971: Jan	111.8	110.7	108.9	108.9	134.4	111.5	110.6	113.2	104.0	114.7	113.6	114.1
Feb	112.8	115.9	116.4	109.8	133.4	111.8	110.9	114.9	104.4	114.8	113.6	115.4
Mar	113.0	114.3	114.0	109.4	134.5	112.6	111.4	115.5	104.8	115.9	113.6	117.3
Apr	113.3	115.2	114.4	110.6	138.5	113.1	112.1	115.2	105.4	117.2	113.8	118.0
May	113.8	115.8	115.4	110.3	139.0	113.6	112.6	116.2	105.5	118.0	114.1	118.5
June	114.3	116.9	117.1	110.1	139.4	114.0	112.8	116.3	105.9	118.1	114.5	119.2
July	114.6	116.6	116.6	110.4	139.7	114.8	113.6	117.5	106.1	119.6	114.9	120.8
Aug	114.9	115.2	114.5	110.2	139.3	115.6	114.6	118.3	106.3	121.7	115.5	122.5
Sept	114.5	113.9	112.1	111.1	140.3	115.4	114.4	117.1	106.2	121.6	115.6	122.5
Oct	114.4	114.3	112.6	111.1	140.6	115.0	114.2	116.6	105.9	121.4	115.4	121.9
Nov	114.5	114.3	112.7	111.1	140.6	115.0	114.2	116.8	105.9	121.2	115.6	121.8
Dec	115.4	117.0	115.8	112.8	142.7	115.4	114.4	117.3	106.3	121.0	115.8	122.3

See footnotes at end of table.

TABLE B-49.—*Wholesale price indexes, by stage of processing, 1947–71*—Continued

[1967=100]

Year or month	Finished goods						Special groups of industrial products		
	Total	Consumer finished goods				Producer finished goods	Crude materials [2]	Intermediate materials, supplies, and components [3]	Consumer finished goods excluding foods
		Total	Foods	Other nondurable goods	Durable 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	110.0	105.0	104.0	106.9	110.6	106.2	104.6
1970	110.4	109.9	113.4	108.2	107.1	111.9	118.8	110.0	107.7
1971	113.5	112.7	115.2	111.3	110.9	116.6	122.7	114.3	111.2
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
1971: Jan	112.2	111.3	112.3	110.9	110.5	115.6	121.4	111.5	110.7
Feb	112.8	112.0	113.9	110.8	110.8	115.9	121.8	112.0	110.8
Mar	112.9	112.1	114.6	110.7	110.4	116.0	121.4	112.7	110.6
Apr	112.9	112.0	114.5	110.5	110.5	116.1	124.1	113.3	110.5
May	113.5	112.7	115.6	111.0	110.7	116.3	123.5	113.8	110.9
June	113.8	113.1	116.4	111.2	110.7	116.5	122.8	114.1	111.0
July	113.8	113.0	115.6	111.6	111.0	116.8	122.7	114.9	111.4
Aug	114.1	113.3	116.1	111.8	111.1	117.1	122.3	115.9	111.5
Sept	113.6	112.7	114.9	111.9	110.4	116.9	123.0	115.9	111.3
Oct	113.8	112.9	115.0	111.7	111.3	117.1	122.9	115.7	111.6
Nov	114.0	113.1	115.7	111.7	111.3	117.0	122.6	115.6	111.6
Dec	115.0	114.2	117.7	111.8	112.6	117.8	123.4	115.8	112.1

[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.

451-688 0—72——17

TABLE B-50.—*Percentage changes from previous month in indexes for major groupings of the consumer price index, 1968–71*

[Percent]

Year and month	All items		Food		Commodities less food		Services [1]
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted
1968: Jan	0.4	0.6	0.7	0.6	0.1	0.5	0.5
Feb	.3	.3	.3	.3	.3	.3	.4
Mar	.5	.4	.4	.5	.4	.3	.6
Apr	.3	.2	.4	.4	.2	.1	.4
May	.3	.3	.4	.5	.3	.3	.4
June	.6	.5	.3	−.1	.5	.5	.7
July	.5	.4	.8	.3	.2	.3	.7
Aug	.3	.4	.4	.3	.2	.4	.5
Sept	.3	.3	−.1	.4	.4	.2	.4
Oct	.6	.5	.4	.6	.7	.3	.5
Nov	.4	.4	−.3	.3	.6	.4	.6
Dec	.3	.3	.6	.2	−.1	.2	.5
1969: Jan	.3	.5	.7	.5	−.2	.3	.6
Feb	.4	.4	−.1	.0	.7	.6	.6
Mar	.8	.7	.5	.6	.9	.8	.8
Apr	.6	.6	.6	.6	.3	.2	.8
May	.3	.3	.5	.6	.3	.3	.4
June	.6	.5	1.4	1.0	.5	.4	.4
July	.5	.4	1.0	.5	.1	.3	.5
Aug	.5	.5	.5	.5	.0	.2	.6
Sept	.5	.5	.1	.6	.5	.3	.7
Oct	.4	.3	−.3	−.1	.9	.5	.3
Nov	.5	.6	.7	1.4	.4	.3	.5
Dec	.6	.6	1.4	1.0	.1	.4	.7
1970: Jan	.4	.5	.6	.4	−.2	.3	.9
Feb	.5	.6	.5	.7	.3	.2	.8
Mar	.5	.4	.1	.1	.3	.2	1.1
Apr	.6	.5	.4	.4	.7	.6	.7
May	.4	.5	.3	.2	.5	.5	.5
June	.5	.4	.3	−.1	.4	.4	.6
July	.3	.3	.5	.1	.0	.2	.5
Aug	.2	.3	.1	.0	.1	.3	.6
Sept	.5	.5	−.2	.3	.7	.5	.7
Oct	.5	.5	−.2	.0	1.0	.4	.5
Nov	.3	.3	−.5	.1	.5	.4	.6
Dec	.5	.5	.3	−.1	.3	.7	.6
1971: Jan	.1	.3	.2	.0	−.3	.2	.6
Feb	.2	.2	.3	.5	.0	−.1	.2
Mar	.3	.2	.9	.9	.3	.2	.0
Apr	.3	.3	.7	.9	.3	.2	.2
May	.5	.6	.3	.2	.7	.7	.6
June	.6	.5	.8	.5	.4	.3	.5
July	.2	.2	.5	.1	−.1	.1	.5
Aug	.2	.3	.2	.1	.1	.3	.5
Sept	.1	.1	−.8	−.3	.3	.0	.3
Oct	.2	.1	−.2	.0	.5	.0	.2
Nov	.2	.2	.1	.7	.1	.0	.3
Dec	.4	.4	1.1	.7	.0	.3	.3

[1] Percentage changes for services are based on unadjusted indexes since these prices have little seasonal movement.

Note.—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 B–51.—*Percentage changes from previous month in indexes for major groupings of the wholesale price index, 1968–71*

[Percent]

Year and month	All commodities		Farm products and processed foods and feeds		Farm products		Processed foods and feeds		Industrial commodities	
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
1968: Jan	0.3	0.0	0.5	−0.3	0.1	−0.7	0.8	0.0	0.4	0.3
Feb	.8	.6	1.4	1.2	2.2	1.7	.8	1.0	.5	.4
Mar	.2	.3	.1	.5	.8	.7	−.2	.4	.2	.2
Apr	.0	.2	−.1	.4	.0	.7	−.2	.1	.2	.3
May	.3	.2	1.2	.5	1.6	.3	.8	.5	−.1	−.0
June	.1	−.0	.1	−.9	−1.2	−1.5	1.0	−.3	.1	.2
July	.3	.2	1.2	.8	1.4	1.0	1.0	.6	.0	.1
Aug	−.3	.1	−1.4	.0	−2.4	−.2	−.8	−.1	.1	.1
Sept	.4	.4	.6	.4	1.4	1.3	.2	.2	.3	.3
Oct	.0	.2	−1.0	.0	−1.6	−.1	−.8	.0	.5	.3
Nov	.4	.4	.9	1.1	2.0	1.6	.3	.6	.1	.1
Dec	.3	.2	.1	−.1	.2	−.5	.1	.0	.4	.4
1969: Jan	.7	.4	1.4	.5	1.5	.8	1.0	.3	.5	.3
Feb	.5	.3	.2	.0	.2	−.4	.3	.3	.6	.5
Mar	.6	.7	.6	.9	1.4	1.2	.2	.9	.5	.5
Apr	.1	.3	.2	.8	−.7	.4	.8	1.0	.1	.2
May	.8	.6	3.0	2.3	4.7	3.1	1.7	1.4	.0	.1
June	.5	.4	1.3	.5	.5	.4	1.9	.7	.1	.2
July	.2	.1	.2	−.3	−.4	−1.0	.5	.0	.1	.2
Aug	−.1	.3	−1.3	.2	−2.1	.5	−.5	.2	.4	.4
Sept	.2	.1	−.2	−.5	−.3	−.5	−.1	−.1	.4	.4
Oct	.3	.5	.0	1.2	−.6	.9	.3	1.0	.6	.3
Nov	.7	.7	1.2	1.3	3.0	2.4	.0	.5	.3	.4
Dec	.5	.4	.7	.6	.9	.4	.7	.7	.4	.3
1970: Jan	.6	.3	1.4	.4	.4	−.5	2.0	1.0	.5	.3
Feb	.4	.2	.4	.3	1.1	.5	.1	.3	.4	.2
Mar	.2	.2	.1	.3	.5	.1	−.3	.4	.2	.2
Apr	.0	.2	−1.0	−.4	−2.6	−1.2	.0	.2	.4	.4
May	.2	.0	−.5	−1.5	−.3	−2.1	−.6	−1.0	.4	.5
June	.2	.1	.4	−.2	.3	.2	.5	−.5	.1	.3
July	.5	.5	1.5	.8	1.6	.9	1.4	.8	.2	.3
Aug	−.4	.1	−1.9	−.2	−4.3	−1.4	−.4	.4	.2	.2
Sept	.5	.4	1.3	.9	3.3	2.8	.1	.1	.2	.2
Oct	.0	.2	−2.0	−.7	−3.8	−2.1	−1.1	−.2	.8	.5
Nov	−.1	−.1	−.4	−.4	−.7	−1.5	−.1	.3	.0	.1
Dec	.1	.0	−.5	−.5	.1	−.3	−.9	−.8	.4	.3
1971: Jan	.7	.4	1.3	.2	1.7	.7	1.0	−.1	.4	.3
Feb	.9	.8	2.6	2.5	4.6	4.0	1.3	1.5	.3	.1
Mar	.2	.2	−.2	.0	−.8	−1.2	.4	1.0	.3	.3
Apr	.3	.5	−.1	.5	.0	1.4	−.2	.0	.4	.5
May	.4	.3	.9	−.2	.9	−1.1	.9	.6	.4	.4
June	.4	.4	1.0	.4	1.8	1.7	.3	−.8	.2	.3
July	.3	.2	−.3	−1.0	−2.2	−2.9	1.0	.4	.5	.7
Aug	.3	.7	−.3	1.4	−.2	2.9	−.5	.3	.5	.5
Sept	−.3	−.4	−1.4	−1.7	−2.4	−2.9	−.7	−.7	−.1	−.1
Oct	−.1	.1	.0	1.4	.7	2.6	−.4	.5	.0	−.3
Nov	.1	.1	.5	.3	.8	.0	.3	.5	−.1	.0
Dec	.8	.7	2.0	2.1	3.2	2.8	1.3	1.4	.3	.3

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–52.—*Money stock measures, 1947–71*

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Overall measures			Components and related items						
	M_1 (Currency plus demand deposits)	M_2 (M_1 plus time deposits at commercial banks other than large CD's)	M_3 (M_2 plus deposits at nonbank thrift institutions)	Currency [1]	Deposits at commercial banks: Demand [2]	Time and savings [3]: Total	Time and savings [3]: Large CD's [4]	Time and savings [3]: Other	Deposits at nonbank thrift institutions [5]	U.S. Government demand deposits (unadjusted) [6]
1947: Dec	113.1			26.4	86.7	35.4				1.0
1948: Dec	111.5			25.8	85.8	36.0				1.8
1949: Dec	111.2			25.1	86.0	36.4				2.8
1950: Dec	116.2			25.0	91.2	36.7				2.4
1951: Dec	122.7			26.1	96.5	38.2				2.7
1952: Dec	127.4			27.3	100.1	41.1				4.9
1953: Dec	128.8			27.7	101.1	44.5				3.8
1954: Dec	132.3			27.4	104.9	48.3				5.0
1955: Dec	135.2			27.8	107.4	50.0				3.4
1956: Dec	136.9			28.2	108.7	51.9				3.4
1957: Dec	135.9			28.3	107.6	57.4				3.5
1958: Dec	141.1			28.6	112.6	65.4				3.9
1959: Dec	142.6			28.9	113.7	67.4				4.9
1960: Dec	141.7			28.9	112.8	72.9				4.7
1961: Dec	146.0			29.6	116.5	82.7				4.9
1962: Dec	148.1			30.6	117.6	97.8				5.6
1963: Dec	153.6			32.5	121.1	112.2				5.1
1964: Dec	160.5	273.8	422.9	34.2	126.3	126.6	13.3	113.3	149.2	5.5
1965: Dec	168.0	298.1	459.4	36.3	131.7	146.8	16.7	130.1	161.3	4.6
1966: Dec	171.7	314.0	481.3	38.3	133.4	158.1	15.9	142.2	167.4	3.4
1967: Dec	183.1	345.7	528.8	40.4	142.7	183.4	20.8	162.6	183.1	5.0
1968: Dec	197.4	378.0	572.6	43.4	154.0	204.2	23.6	180.6	194.6	5.0
1969: Dec	203.7	386.8	588.4	46.0	157.7	194.1	11.0	183.2	201.5	5.6
1970: Dec	214.8	418.2	634.1	49.0	165.8	228.9	25.5	203.4	215.9	7.3
1971: Dec p	228.2	464.7	718.1	52.5	175.7	269.9	33.4	236.5	253.4	6.6
1970: Jan	205.5	388.5	589.9	46.2	159.3	193.4	10.4	183.0	201.4	4.8
Feb	204.7	387.4	588.7	46.4	158.3	193.4	10.7	182.7	201.3	7.1
Mar	206.7	390.4	592.4	46.7	160.0	195.2	11.5	183.7	202.0	6.9
Apr	208.3	393.9	597.0	47.1	161.2	198.7	13.1	185.6	203.1	5.3
May	209.0	396.2	600.4	47.6	161.4	200.6	13.4	187.2	204.2	6.4
June	209.4	398.1	603.4	47.7	161.7	202.3	13.6	188.7	205.3	6.5
July	210.3	401.7	608.7	48.0	162.4	208.4	17.0	191.4	207.0	6.8
Aug	211.6	405.6	614.2	48.1	163.5	213.2	19.3	193.9	208.6	7.1
Sept	212.8	409.2	619.3	48.3	164.5	217.7	21.3	196.4	210.1	6.9
Oct	213.1	412.0	624.0	48.5	164.6	221.5	22.6	198.9	212.0	6.2
Nov	213.6	414.3	628.1	48.7	164.9	224.2	23.6	200.6	213.8	5.7
Dec	214.8	418.2	634.1	49.0	165.8	228.9	25.5	203.4	215.9	7.3
1971: Jan	215.3	423.1	642.5	49.3	166.0	234.4	26.6	207.8	219.4	6.8
Feb	217.7	430.4	653.7	49.7	168.0	240.2	27.5	212.7	223.3	8.4
Mar	219.7	437.1	664.2	50.0	169.7	245.4	28.1	217.4	227.1	5.5
Apr	221.2	441.5	672.9	50.5	170.7	248.1	27.8	220.3	231.4	5.5
May	223.8	446.6	681.5	50.8	173.0	251.3	28.5	222.8	234.9	7.8
June	225.5	450.6	688.6	51.1	174.5	254.4	29.4	225.0	238.0	5.3
July	227.4	453.4	694.5	51.6	175.8	256.4	30.4	225.9	241.1	6.8
Aug	228.0	454.5	698.0	51.7	176.3	257.3	30.8	226.5	243.6	6.8
Sept	227.6	455.6	701.4	51.9	175.7	259.6	31.6	228.0	245.8	7.5
Oct	227.7	458.3	706.7	52.2	175.5	263.3	32.7	230.6	248.4	5.3
Nov p	227.7	460.8	711.8	52.2	175.5	265.3	32.2	233.1	251.0	3.9
Dec p	228.2	464.7	718.1	52.5	175.7	269.9	33.4	236.5	253.4	6.6

[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 and savings deposits other than those due to domestic commercial banks and the U.S. Government.
[4] Negotiable time certificates of deposit issued in denominations of $100,000 or more by large weekly reporting commercial banks.
[5] Average of the beginning- and end-of-month deposits of mutual savings banks and savings and loan shares.
[6] 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 and savings deposits thereafter.

Source: Board of Governors of the Federal Reserve System.

TABLE B–53.—*Bank loans and investments, 1930–71*

[Billions of dollars]

End of year or month [1]	All commercial banks: Total loans and investments [2]	All commercial banks: Loans [2]	Investments: U.S Government securities	Investments: Other securities	Loans plus loans sold to bank affiliates [2]	Weekly reporting large commercial banks [3]: Business loans [4]
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	[5] 188.7	[5] 110.5	[5] 57.7	[5] 20.5	-----	30.7
1960	197.4	116.7	59.8	20.8	-----	32.2
1961	212.8	123.6	65.3	23.9	-----	32.9
1962	231.2	137.3	64.7	29.2	-----	35.2
1963	250.2	153.6	61.7	35.0	-----	38.8
1964	272.4	172.9	60.8	38.7	-----	42.1
1965	300.1	198.2	57.1	44.8	-----	[3] 53.1
1966	[6] 316.1	[6] 213.9	53.5	[6] 48.7	-----	60.7
1967	352.0	231.3	59.3	61.4	-----	65.8
1968	390.6	258.2	61.0	71.4	-----	73.1
1969	[7] 402.1	[7] 279.4	[7] 51.5	[7] 71.2	[7] 283.3	81.5
1970	435.9	292.0	58.0	85.9	294.9	81.7
1971 ^{p}	482.9	[8] 318.6	60.3	[8] 103.9	[8] 321.5	83.8
1971: Jan	440.7	293.7	58.9	88.1	296.6	80.1
Feb	446.1	295.7	60.8	89.6	298.6	80.8
Mar	449.5	296.5	61.1	91.9	299.3	81.2
Apr	452.5	298.2	60.7	93.5	300.9	81.1
May	456.1	300.7	60.4	95.1	303.5	81.4
June	461.1	[8] 301.7	62.8	[8] 96.6	[8] 304.8	82.3
July	463.7	304.1	61.6	98.0	307.0	81.6
Aug	468.4	309.7	60.9	97.8	312.4	82.4
Sept ^{p}	472.4	313.0	59.9	99.5	316.0	83.5
Oct ^{p}	476.5	316.4	59.1	101.0	319.3	83.1
Nov ^{p}	478.4	317.5	58.9	102.0	320.3	82.6
Dec ^{p}	482.9	318.6	60.3	103.9	321.5	83.8

[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 all interbank loans beginning 1948 and domestic bank loans only beginning January 1959.
[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] Beginning January 1959, loans and investments are reported gross, without valuation reserves deducted, rather than net of valuation reserves, as in earlier periods.
[6] 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.
[7] Beginning June 1969, data include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries; earlier data include commercial banks only.
[8] Beginning June 1971, Farmers Home Administration insured notes totaling about $0.7 billion are classified as other securities rather than as loans.

Source: Board of Governors of the Federal Reserve System.

TABLE B-54.—*Total funds raised in credit markets by nonfinancial sectors, 1963–71*

[Billions of dollars]

Nonfinancial sector	1963	1964	1965	1966	1967	1968	1969	1970
Total funds raised	57.7	66.9	70.4	68.5	83.5	96.9	90.4	97.5
U.S. Government	4.0	6.4	1.7	3.5	13.0	13.4	−3.6	12.8
Public debt securities	4.1	5.4	1.3	2.3	8.9	10.3	−1.3	12.9
Budget agency issues	−.1	1.0	.4	1.2	4.1	3.1	−2.4	−.1
All other sectors	53.7	60.5	68.7	64.9	70.5	83.5	94.1	84.7
Corporate equity shares	−.2	1.6	.3	.9	2.4	−.7	4.8	6.8
Debt instruments	53.9	58.9	68.4	64.0	68.1	84.2	89.3	77.9
Debt capital instruments	35.9	36.3	38.8	39.0	46.6	50.9	49.1	58.8
State and local government securities	5.9	5.7	7.3	5.7	8.7	9.6	8.1	11.8
Corporate and foreign bonds	4.9	4.5	5.9	11.0	15.9	14.0	13.1	21.1
Mortgages	25.1	26.1	25.6	22.3	22.0	27.3	27.9	25.8
Home	15.1	15.6	15.4	11.4	11.6	15.2	15.7	12.8
Other residential	3.2	4.5	3.6	3.1	3.6	3.5	4.8	5.9
Commercial	5.1	3.8	4.4	5.7	4.7	6.6	5.5	5.4
Farm	1.6	2.1	2.2	2.1	2.1	2.1	1.9	1.8
Other private credit	18.0	22.6	29.5	25.0	21.6	33.3	40.2	19.2
Bank loans n.e.c.	6.0	8.3	14.2	10.3	9.6	13.4	15.7	2.7
Consumer credit	7.9	8.5	10.0	7.2	4.6	11.1	9.3	4.3
Open-market paper	.0	.7	−.3	1.0	2.1	1.6	3.3	3.8
Other	4.1	5.1	5.7	6.4	5.2	7.3	11.8	8.4
Total funds supplied directly	57.7	66.9	70.4	68.5	83.5	96.9	90.4	97.5
U.S. Government	1.5	2.8	2.8	4.9	4.6	4.9	2.5	3.2
U.S. Government credit agencies, net	.1	.4	.0	.3	.5	−.2	.2	1.2
Funds advanced	1.6	.7	2.2	5.1	−.1	3.2	9.0	9.9
Less funds raised	1.4	.4	2.3	4.8	−.6	3.5	8.8	8.7
Federal Reserve System	2.9	3.4	3.8	3.5	4.8	3.7	4.2	5.0
Commercial banks, net	19.1	21.8	28.3	16.7	36.6	39.5	12.2	31.3
Private nonbank finance	29.9	31.0	30.1	25.9	34.4	34.2	30.1	38.9
Savings institutions, net	15.5	16.0	13.7	7.8	16.8	14.6	10.4	14.7
Insurance	14.3	15.6	17.9	19.3	18.7	22.0	21.8	24.9
Finance n.e.c., net	.1	−.5	−1.4	−1.3	−1.1	−2.5	−2.1	−.7
Funds advanced	5.8	5.5	6.9	5.8	4.4	9.8	9.8	4.9
Less funds raised	5.8	6.1	8.3	7.1	5.6	12.3	11.9	5.6
Foreign	.9	.6	−.3	−1.8	2.8	2.5	1.3	10.9
Private domestic nonfinancial	3.4	7.0	5.6	19.1	−.2	12.3	39.8	7.1
Business	2.9	2.0	1.0	3.6	−.2	7.4	13.8	−1.0
State and local government, general funds	1.1	.9	2.5	3.4	2.1	.4	6.1	−3.8
Households	1.3	4.0	2.5	11.9	.0	5.8	18.3	10.6
Less net security credit	2.0	−.2	.3	−.2	2.2	1.4	−1.6	−1.4

See footnote at end of table.

TABLE B–54.—*Total funds raised in credit markets by nonfinancial sectors, 1963–71*—Continued

[Billions of dollars]

Nonfinancial sector	1971 unadjusted quarterly flows			1971 seasonally adjusted annual rates		
	I	II	III	I	II	III
Total funds raised	21.0	40.8	41.7	112.5	175.7	162.9
U.S. Government	1.6	1.8	9.6	−1.6	47.7	20.6
Public debt securities	2.3	1.9	9.5	1.4	48.0	20.2
Budget agency issues	−.7	−.1	.1	−2.9	−.2	.4
All other sectors	19.4	39.0	32.1	114.0	128.0	142.3
Corporate equity shares	2.3	4.2	3.1	9.2	16.9	12.5
Debt instruments	17.1	34.8	29.0	104.8	111.1	129.8
Debt capital instruments	18.9	22.4	22.3	82.4	84.5	87.3
State and local government securities	5.9	4.8	4.3	25.6	16.3	17.8
Corporate and foreign bonds	6.0	5.9	4.5	25.0	23.2	17.3
Mortgages	6.9	11.7	13.4	31.8	45.0	52.2
Home	3.1	6.3	7.6	15.0	24.7	29.0
Other residential	1.7	2.5	2.8	7.3	10.2	11.2
Commercial	1.6	2.3	2.6	7.3	9.0	9.8
Farm	.6	.5	.5	2.2	1.2	2.2
Other private credit	−1.7	12.4	6.7	22.4	26.6	42.5
Bank loans n.e.c.	−3.0	7.3	2.6	4.5	12.9	24.1
Consumer credit	−3.2	3.8	3.3	4.0	9.0	12.6
Open-market paper	1.2	−1.2	1.1	2.9	−3.8	2.7
Other	3.3	2.5	−.3	10.9	8.4	3.1
Total funds supplied directly	21.0	40.8	41.7	112.5	175.7	162.9
U.S. Government	1.2	1.0	.8	4.3	4.4	3.2
U.S. Government credit agencies, net	.7	−1.4	−.4	2.1	−6.4	−.3
Funds advanced	.2	−1.1	1.8	.3	−5.7	8.3
Less funds raised	−.4	.3	2.2	−1.8	.7	8.6
Federal Reserve System	2.3	1.1	2.1	16.1	1.9	7.2
Commercial banks, net	1.1	17.5	7.1	39.3	59.6	41.1
Private nonbank finance	18.7	19.6	17.1	71.0	82.5	65.9
Savings institutions, net	11.9	12.2	9.2	45.4	50.0	35.6
Insurance	7.8	7.9	8.3	29.5	34.5	32.4
Finance n.e.c., net	−1.0	−.4	−.4	−3.9	−1.9	−2.1
Funds advanced	−1.5	.6	−.9	−.2	−1.8	2.5
Less funds raised	−.5	1.0	−.6	3.7	.1	4.6
Foreign	6.5	7.3	11.3	27.3	30.5	39.2
Private domestic nonfinancial	−9.4	−4.2	3.7	−47.7	3.1	6.7
Business	−.6	.0	.3	1.2	6.5	9.0
State and local government, general funds	1.1	.9	−.5	1.8	3.0	−2.2
Households	−10.1	−4.0	4.7	−51.1	−1.4	2.9
Less net security credit	−.2	1.2	.7	−.5	5.0	3.0

Source: Board of Governors of the Federal Reserve System.

TABLE B–55.—*Selected liquid assets held by the public, 1946–71* [1]

[Billions of dollars, seasonally adjusted]

End of year or month	Total	Demand deposits and currency [2]	Time deposits: Commercial banks [3]	Time deposits: Mutual savings banks	Postal savings system	Savings and loan shares	U.S. Government savings bonds [4]	U.S. Government securities maturing within 1 year [4]
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 [5]	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	[6] 199.2	203.8	64.7	....	131.0	52.5	58.5
1969	731.7	206.8	197.1	67.3	....	134.9	52.4	[7] 73.2
1970	786.1	207.6	234.8	71.5	....	145.7	52.7	73.8
1971 p	879.7	222.3	274.9	81.2	....	173.5	55.1	72.7
1970: Jan	720.5	195.4	196.0	67.0	....	133.6	52.2	76.3
Feb	721.9	194.8	196.7	67.4	....	134.2	52.1	76.6
Mar	733.5	199.3	198.8	67.5	....	135.7	52.0	80.1
Apr	731.2	196.7	201.5	68.0	....	136.3	52.0	76.8
May	733.9	197.9	201.7	68.4	....	136.8	52.0	77.2
June	738.4	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	750.9	199.3	215.4	69.4	....	140.1	52.0	74.6
Sept	765.3	203.6	221.5	69.9	....	142.2	52.1	76.0
Oct	764.6	199.8	224.6	70.4	....	143.3	52.1	74.5
Nov	773.8	201.5	230.4	70.9	....	144.5	52.2	74.3
Dec	786.1	207.6	234.8	71.5	....	145.7	52.7	73.8
1971: Jan	788.9	202.9	240.0	72.2	....	148.4	52.8	72.6
Feb	796.6	204.6	244.5	73.5	....	151.3	52.8	70.0
Mar	815.8	211.6	249.5	74.7	....	155.4	53.0	71.6
Apr	815.5	206.3	250.2	75.9	....	158.0	53.2	71.8
May	824.8	212.5	252.3	76.8	....	159.9	53.4	69.9
June	836.6	218.4	254.7	77.6	....	161.5	53.6	70.9
July	836.3	213.8	256.5	78.3	....	164.4	53.8	69.5
Aug	841.7	215.0	258.2	78.6	....	166.1	54.0	69.8
Sept	851.5	214.4	263.5	79.3	....	169.1	54.2	71.0
Oct	856.2	214.5	266.5	80.0	....	170.6	54.3	70.2
Nov p	863.0	215.3	272.4	80.8	....	172.4	54.5	67.6
Dec p	879.7	222.3	274.9	81.2	....	173.5	55.1	72.7

[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 B–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 B–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 B–56.—*Federal Reserve Bank credit and member bank reserves, 1929–71*

[Averages of daily figures, millions of dollars]

Year and month	Reserve Bank credit outstanding: Total	Reserve Bank credit outstanding: U.S. Government securities	Reserve Bank credit outstanding: Member bank borrowings	Reserve Bank credit outstanding: All other, mainly float	Member bank reserves: Total	Member bank reserves: Required	Member bank reserves: Excess	Member bank free reserves (excess reserves less borrowings)
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] 1,822	[1] 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	[2] 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	66,708	61,688	321	4,699	29,2[illegible]5	28,993	272	−49
1971: Dec p	74,246	69,158	108	4,980	31,316	31,160	156	48
1970: Jan	62,868	56,273	965	5,630	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	827	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	65,132	60,393	425	4,314	28,558	28,438	120	−305
Dec	66,708	61,688	321	4,699	29,265	28,993	272	−49
1971: Jan	67,363	62,068	370	4,925	30,488	30,209	279	−91
Feb	66,797	62,350	328	4,119	29,880	29,679	201	−127
Mar	66,691	62,719	319	3,653	29,686	29,487	199	−120
Apr	67,747	63,371	148	4,228	29,885	29,745	140	−8
May	68,926	64,714	330	3,882	30,419	30,107	312	−18
June	68,834	64,642	453	3,739	30,023	29,892	131	−322
July	71,052	66,001	821	4,230	30,547	30,385	162	−658
Aug	70,749	66,324	804	3,621	30,455	30,257	198	−606
Sept	71,568	67,106	501	3,961	30,802	30,596	206	−295
Oct	72,349	67,690	360	4,299	30,860	30,653	207	−153
Nov p	72,694	68,052	407	4,235	30,953	30,690	263	−144
Dec p	74,246	69,158	108	4,980	31,316	31,160	156	48

[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 B–57.—*Bond yields and interest rates, 1929–71*

[Percent per annum]

Year or month	U.S. Government securities: 3-month Treasury bills [1]	U.S. Government securities: 9–12 month issues [2]	U.S. Government securities: 3–5 year issues [3]	U.S. Government securities: Taxable bonds [4]	Corporate bonds (Moody's): Aaa	Corporate bonds (Moody's): Baa	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]
1929					4.73	5.90	4.27		5.85	5.17	
1930					4.55	5.90	4.07		3.59	3.04	
1931	1.402				4.58	7.62	4.01		2.64	2.12	
1932	.879				5.01	9.30	4.65		2.73	2.82	
1933	.515		2.66		4.49	7.76	4.71		1.73	2.56	
1934	.256		2.12		4.00	6.32	4.03		1.02	1.54	
1935	.137		1.29		3.60	5.75	3.40		.75	1.50	
1936	.143		1.11		3.24	4.77	3.07		.75	1.50	
1937	.447		1.40		3.26	5.03	3.10		.94	1.33	
1938	.053		.83		3.19	5.80	2.91		.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	[6] 1.00	
1943	.373	0.75	1.34	2.47	2.73	3.91	2.06	2.6	.69	[6] 1.00	
1944	.375	.79	1.33	2.48	2.72	3.61	1.86	2.4	.73	[6] 1.00	
1945	.375	.81	1.18	2.37	2.62	3.29	1.67	2.2	.75	[6] 1.00	
1946	.375	.82	1.16	2.19	2.53	3.05	1.64	2.1	.81	[6] 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	[7] 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	[7] 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
1971	4.348	4.75	5.77	5.74	7.39	8.56	5.70	6.32	5.11	4.88	7.78
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

See footnotes at end of table.

TABLE B-57.—*Bond yields and interest rates, 1929–71*—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 [5]
	3-month Treasury bills [1]	9–12 month issues [2]	3–5 year issues [3]	Taxable bonds [4]	Aaa	Baa					
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
1971: Jan	4.494	4.29	5.72	5.92	7.36	8.74	5.70	....	5.11	5.23	8.40
Feb	3.773	3.80	5.31	5.84	7.08	8.39	5.55	[7] 6.59	4.47	4.91	....
Mar	3.323	3.66	4.74	5.71	7.21	8.46	5.44	....	4.19	4.75	....
Apr	3.780	4.21	5.42	5.75	7.25	8.45	5.65	....	4.57	4.75	7.32
May	4.139	4.93	6.02	5.96	7.53	8.62	6.14	6.01	5.10	4.75	7.37
June	4.699	5.57	6.36	5.94	7.64	8.75	6.22	....	5.45	4.75	7.75
July	5.405	5.89	6.77	5.91	7.64	8.76	6.31	....	5.75	4.88	7.89
Aug	5.078	5.67	6.39	5.78	7.59	8.76	5.95	6.51	5.73	5.00	7.97
Sept	4.668	5.31	5.96	5.56	7.44	8.59	5.52	....	5.75	5.00	7.92
Oct	4.489	4.74	5.68	5.46	7.39	8.48	5.24	....	5.54	5.00	7.84
Nov	4.191	4.50	5.50	5.48	7.26	8.38	5.30	6.18	4.92	4.83	7.75
Dec	4.023	4.33	5.42	5.62	7.25	8.38	5.36	....	4.74	4.65	7.62

[1] Rate on new issues within period. First issued in December 1929 and issued irregularly in 1930. Bills were tax exempt prior to March 1, 1941, and fully taxable thereafter. For 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 (7 percent beginning February 18, 1971). Through July 1961, computed on 25-year mortgages paid in 12 years and thereafter, 30-year mortgages prepaid in 15 years.

[6] 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.

[7] Series revised. Not strictly comparable with earlier data.

Note.—Yields and rates computed for New York City except for short-term bank loans.

Sources: Department of Housing and Urban Development, Treasury Department, Board of Governors of the Federal Reserve System, Moody's Investors Service, and Standard & Poor's Corporation.

TABLE B–58.—*Short- and intermediate-term consumer credit outstanding, 1929–71*

[Millions of dollars]

End of year or month	Total	Instalment credit					Noninstalment credit			Addendum: Policy loans by life insurance companies[3]
		Total	Automobile 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	1,088	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	11,306
1969	122,469	98,169	36,602	27,609	4,040	29,918	24,300	8,234	16,066	13,825
1970	126,802	101,161	35,490	29,949	4,110	31,612	25,641	8,850	16,791	16,064
1971[4]	136,800	109,200	38,400	32,000	4,400	34,400	27,600	9,800	17,800	--------
1970: Jan	121,074	97,402	36,291	27,346	3,991	29,774	23,672	7,539	16,133	14,067
Feb	120,077	96,892	36,119	26,987	3,970	29,816	23,185	6,789	16,396	14,302
Mar	119,698	96,662	36,088	26,814	3,951	29,809	23,036	6,645	16,391	14,544
Apr	120,402	97,104	36,264	26,850	3,960	30,030	23,298	6,900	16,398	14,771
May	121,346	97,706	36,455	27,055	4,003	30,193	23,640	7,273	16,367	14,967
June	122,542	98,699	36,809	27,303	4,040	30,547	23,843	7,473	16,370	15,191
July	123,092	99,302	36,918	27,538	4,081	30,765	23,790	7,509	16,281	15,375
Aug	123,655	99,860	36,908	27,801	4,104	31,047	23,795	7,508	16,287	15,541
Sept	123,907	100,142	36,738	28,055	4,123	31,226	23,765	7,489	16,276	15,703
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	15,950
Dec	126,802	101,161	35,490	29,949	4,110	31,612	25,641	8,850	16,791	16,025
1971: Jan	125,077	100,101	35,004	29,575	4,067	31,455	24,976	8,094	16,882	16,109
Feb	123,815	99,244	34,869	28,928	4,051	31,396	24,571	7,353	17,218	16,220
Mar	123,604	99,168	35,028	28,591	4,045	31,504	24,436	7,207	17,229	16,293
Apr	125,047	100,028	35,496	28,682	4,077	31,773	25,019	7,689	17,330	16,370
May	126,025	100,692	35,819	28,706	4,126	32,041	25,333	8,004	17,329	16,433
June	127,388	101,862	36,349	28,976	4,186	32,351	25,526	8,214	17,312	16,516
July	128,354	102,848	36,763	29,165	4,240	32,680	25,506	8,271	17,235	16,590
Aug	129,704	104,060	37,154	29,477	4,295	33,134	25,644	8,305	17,339	16,679
Sept	130,644	104,973	37,383	29,840	4,330	33,420	25,671	8,305	17,366	16,782
Oct	131,606	105,763	37,759	30,072	4,357	33,575	25,843	8,435	17,408	16,850
Nov	133,263	107,097	38,164	30,586	4,370	33,977	26,166	8,634	17,532	16,948
Dec[4]	136,800	109,200	38,400	32,000	4,400	34,400	27,600	9,800	17,800	--------

[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; by Council of Economic Advisers.

Sources: Board of Governors of the Federal Reserve System and Institute of Life Insurance (except as noted).

TABLE B–59.—*Instalment credit extended and repaid, 1946–71*

[Millions of dollars]

Year or month	Total		Automobile paper		Other consumer goods paper		Home repair and modernization loans		Personal loans	
	Extended	Repaid	Extended	Repaid	Extended	Repaid	Extended	Repaid	Extended	Repaid
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	16,029	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	104,130	101,138	29,831	30,943	36,781	34,441	2,145	2,075	35,373	33,679
1971 [1]	118,000	109,950	34,900	32,000	40,900	38,850	2,600	2,300	39,600	36,800
	Seasonally adjusted									
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	8,536	8,515	2,170	2,618	3,281	2,945	177	175	2,908	2,777
1971: Jan	8,916	8,829	2,461	2,623	3,252	3,145	177	175	3,026	2,886
Feb	9,081	8,979	2,687	2,636	3,204	3,212	197	188	2,993	2,943
Mar	9,533	9,038	2,897	2,696	3,210	3,164	209	196	3,217	2,982
Apr	9,751	9,088	2,872	2,566	3,415	3,249	205	184	3,259	3,089
May	9,690	9,197	2,756	2,640	3,295	3,211	200	188	3,439	3,158
June	9,715	9,190	2,838	2,678	3,433	3,233	224	192	3,220	3,087
July	9,675	8,914	2,773	2,565	3,399	3,203	218	188	3,285	2,958
Aug	10,049	9,222	3,004	2,697	3,465	3,262	222	196	3,358	3,067
Sept	10,156	9,157	3,147	2,732	3,462	3,172	227	199	3,320	3,054
Oct	10,031	9,107	2,992	2,634	3,467	3,219	229	197	3,343	3,057
Nov	10,572	9,306	3,162	2,662	3,595	3,254	214	199	3,601	3,191
Dec [1]	10,700	9,900	3,150	2,850	3,900	3,550	250	200	3,400	3,300

[1] Preliminary; December by Council of Economic Advisers.

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

TABLE B-60.—*Mortgage debt outstanding, by type of property and of financing, 1939–71*

[Billions of dollars]

End of year or quarter	All properties	Farm properties	Nonfarm properties: Total	Nonfarm properties: 1- to 4-family houses	Nonfarm properties: Multifamily	Nonfarm properties: Commercial properties [1]	By type of mortgage: FHA-VA underwritten: Total	FHA-VA underwritten: 1- to 4-family houses: Total	FHA-VA underwritten: 1- to 4-family houses: FHA insured	FHA-VA underwritten: 1- to 4-family houses: VA guaranteed	Conventional [2]: Total	Conventional [2]: 1- to 4-family houses
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	94.6	60.4
1958	171.8	11.1	160.7	117.7	16.8	26.1	55.1	50.1	19.7	30.4	105.5	67.6
1959	190.8	12.1	178.7	130.9	18.7	29.2	59.3	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	65.6	59.1	29.5	29.6	146.7	93.8
1962	248.6	15.2	233.4	166.5	25.8	41.1	69.4	62.2	32.3	29.9	164.1	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	147.6
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	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	176.6
1970 p	451.7	31.2	420.5	280.2	58.0	82.3	109.2	97.3	59.9	37.3	311.3	182.9
1971 p	499.5	32.8	466.7	307.5	67.4	91.8	......	......	......	......	......	......
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	169.6
II p	411.7	28.8	382.9	259.5	49.4	74.0	96.6	87.1	52.2	34.9	286.2	172.3
III p	418.7	29.2	389.5	263.5	50.6	75.4	98.5	88.8	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	176.6
1970: I p	429.4	29.8	399.6	268.5	53.2	77.8	101.9	91.6	55.6	36.0	297.6	176.9
II p	435.6	30.3	405.2	271.7	54.5	79.0	103.2	92.2	56.1	36.0	302.0	179.6
III p	443.4	30.8	412.5	276.0	56.1	80.4	106.8	95.1	58.1	37.0	305.7	180.0
IV p	451.7	31.2	420.5	280.2	58.0	82.3	109.2	97.3	59.9	37.3	311.3	182.9
1971: I p	459.0	31.8	427.2	283.6	59.7	83.9	111.0	98.2	61.0	37.3	316.2	185.3
II p	471.1	31.9	439.3	290.9	62.1	86.2	112.4	98.4	62.8	35.6	326.9	192.5
III p	485.6	32.4	453.2	299.5	64.6	89.1	......	......	......	......	......	......
IV p	499.5	32.8	466.7	307.5	67.4	91.8	......	......	......	......	......	......

[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 B-61.—*Mortgage debt outstanding, by lender, 1939–71*

[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	16.8	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	397.5	319.9	130.8	53.5	65.7	70.0	21.7	55.8
1969 p	425.3	339.1	140.2	56.1	70.7	72.0	26.8	59.4
1970 p	451.7	355.9	150.3	57.9	73.3	74.4	33.0	62.8
1971 p	499.5	394.0	174.5	62.0	82.1	75.3	39.4	66.1
1969: I p	403.7	324.7	133.0	54.2	67.1	70.4	22.6	56.4
II p	411.7	331.0	136.3	54.8	69.1	70.9	23.4	57.2
III p	418.7	335.7	138.6	55.4	70.4	71.4	24.9	58.0
IV p	425.3	339.1	140.2	56.1	70.7	72.0	26.8	59.4
1970: I p	429.4	340.7	140.8	56.4	70.9	72.7	28.6	60.1
II p	435.6	344.5	143.1	56.9	71.3	73.2	30.0	61.1
III p	443.4	349.7	146.4	57.4	72.4	73.6	31.7	61.9
IV p	451.7	355.9	150.3	57.9	73.3	74.4	33.0	62.8
1971: I p	459.0	361.8	154.2	58.7	74.4	74.5	33.6	63.6
II p	471.1	372.0	161.2	59.6	76.6	74.5	35.2	63.9
III p	485.6	383.5	168.2	60.7	79.7	74.8	37.4	64.7
IV p	499.5	394.0	174.5	62.0	82.1	75.3	39.4	66.1

[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."

Source: Board of Governors of the Federal Reserve System, based on data from various Government and private organizations.

Table B–62.—*Net public and private debt, 1929–70* [1]

[Billions of dollars]

End of year	Total	Public			Private							
							Individual and noncorporate					
									Nonfarm			
		Federal Government [2]	Federal financial agencies [3]	State and local governments	Total	Corporate	Total	Farm [4]	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	1,442.7	286.5	9.0	112.9	1,034.3	553.7	480.6	48.3	432.3	266.9	63.3	102.1
1968	1,584.5	291.9	21.4	122.8	1,148.4	628.1	520.3	51.8	468.5	284.9	70.4	113.2
1969	1,722.7	289.3	30.5	131.4	1,271.6	715.5	556.0	55.5	500.6	304.8	73.3	122.5
1970	1,840.2	301.1	38.8	143.3	1,356.9	774.1	582.8	58.7	524.1	321.3	76.0	126.8

[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, 1973."

[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 (Bureau of Economic Analysis), 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.

TABLE B-63.—*Federal budget receipts and outlays, 1929–73*

[Millions of dollars]

Fiscal year	Receipts	Outlays	Surplus or deficit (−)
Administrative budget:			
1929	3,862	3,127	734
1930	4,058	3,320	738
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	196,588	−2,845
1971	188,392	211,425	−23,033
1972 [1]	197,827	236,610	−38,783
1973 [1]	220,785	246,257	−25,472

[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.

451-688 0—72——18

TABLE B-64.—*Federal budget receipts, outlays, financing, and debt, 1962–73*

[Millions of dollars; fiscal years]

Description	Actual					
	1962	1963	1964	1965	1966	1967
RECEIPTS, EXPENDITURES, AND NET LENDING:						
Expenditure account:						
Receipts	99,676	106,560	112,662	116,833	130,856	149,552
Expenditures (excludes net lending)	104,462	111,456	118,039	117,181	130,820	153,201
Expenditure account surplus or deficit (−)	−4,786	−4,896	−5,377	−347	36	−3,649
Loan account:						
Loan disbursements	9,621	9,646	10,237	10,911	14,628	17,676
Loan repayments	7,271	9,791	9,693	9,662	10,796	12,623
Net lending	2,351	−145	545	1,249	3,832	5,053
Total budget:						
Receipts	99,676	106,560	112,662	116,833	130,856	149,552
Outlays (expenditures and net lending)	106,813	111,311	118,584	118,430	134,652	158,254
Budget surplus or deficit (−)	−7,137	−4,751	−5,922	−1,596	−3,796	−8,702
BUDGET FINANCING:						
Net borrowing from the public or repayment of borrowing (−)	9,769	6,088	3,092	4,061	3,076	2,838
Other means of financing	−2,632	−1,337	2,830	−2,465	720	5,863
Total means of financing	7,137	4,751	5,922	1,596	3,796	8,702
OUTSTANDING DEBT, END OF YEAR:						
Gross Federal debt	303,291	310,807	316,763	323,154	329,474	341,348
Held by the public	248,373	254,461	257,553	261,614	264,690	267,529
BUDGET RECEIPTS	99,676	106,560	112,662	116,833	130,856	149,552
Individual income taxes	45,571	47,588	48,697	48,792	55,446	61,526
Corporation income taxes	20,523	21,579	23,493	25,461	30,073	33,971
Employment taxes and contributions	12,835	14,746	16,959	17,359	20,662	27,823
Unemployment insurance	3,337	4,112	4,045	3,819	3,777	3,659
Contributions for other insurance and retirement	875	946	1,008	1,081	1,129	1,867
Excise taxes	12,534	13,194	13,731	14,570	13,062	13,719
Estate and gift taxes	2,016	2,167	2,394	2,716	3,066	2,978
Customs duties	1,142	1,205	1,252	1,442	1,767	1,901
Miscellaneous receipts [1]	843	1,023	1,084	1,594	1,875	2,108
MEMORANDUM:						
Federal funds	79,703	83,550	87,205	90,943	101,427	111,835
Trust funds	22,652	25,799	28,518	29,230	32,997	42,935
Intragovernmental transactions	−2,680	−2,788	−3,061	−3,339	−3,568	−5,218
BUDGET OUTLAYS (EXPENDITURES AND NET LENDING)	106,813	111,311	118,584	118,430	134,652	158,254
National defense	51,097	52,257	53,591	49,578	56,785	70,081
International affairs and finance	4,492	4,115	4,117	4,340	4,490	4,547
Space research and technology	1,257	2,552	4,170	5,091	5,933	5,423
Agriculture and rural development	4,122	5,138	5,184	4,805	3,676	4,373
Natural resources and environment	1,675	1,498	1,966	2,056	2,036	1,878
Commerce and transportation	5,430	5,765	6,511	7,399	7,171	7,594
Community development and housing	589	−880	−185	288	2,644	2,616
Education and manpower	1,406	1,502	1,751	2,284	4,258	5,853
Health	1,130	1,379	1,716	1,704	2,509	6,667
Income security	22,530	24,084	25,110	25,702	29,016	31,164
Veterans benefits and services	5,625	5.520	5,681	5,722	5,920	6,897
Interest	8,321	9,215	9,810	10,357	11,285	12,588
General government	1,650	1,810	2,040	2,210	2,292	2,510
General revenue sharing						
Allowances						
Undistributed intragovernmental transactions	−2,513	−2,644	−2,877	−3,109	−3,364	−3,936
MEMORANDUM:						
Federal funds	86.594	90,141	95,761	94.807	106,512	126,779
Trust funds	22.893	23.953	25,884	26,962	31,708	36,693
Intragovernmental transactions	−2,680	−2,788	−3,061	−3,339	−3,568	−5,218

See footnotes at end of table.

TABLE B–64.—*Federal budget receipts, outlays, financing, and debt, 1962–73*—Continued

[Millions of dollars; fiscal years]

Description	Actual				Estimate	
	1968	1969	1970	1971	1972	1973
RECEIPTS, EXPENDITURES, AND NET LENDING:						
Expenditure account:						
Receipts	153,671	187,784	193,743	188,392	197,827	220,785
Expenditures (excludes net lending)	172,802	183,072	194,456	210,308	235,597	246,463
Expenditure account surplus or deficit (—)	−19,131	4,712	−714	−21,916	−37,770	−25,678
Loan account:						
Loan disbursements	20,327	13,117	8,313	8,131	8,258	8,354
Loan repayments	14,297	11,640	6,182	7,014	7,246	8,560
Net lending	6,030	1,476	2,131	1,117	1,013	−206
Total budget:						
Receipts	153,671	187,784	193,743	188,392	197,827	220,785
Outlays (expenditures and net lending)	178,833	184,548	196,588	211,425	236,610	246,257
Budget surplus or deficit (—)	−25,161	3,236	−2,845	−23,033	−38,783	−25,472
BUDGET FINANCING:						
Net borrowing from the public or repayment of borrowing (—)	23,100	−1,044	3,814	19,448	39,500	27,500
Other means of financing	2,061	−2,192	−969	3,585	−717	−2,028
Total means of financing	25,161	[2] −3,236	[2] 2,845	23,033	38,783	25,472
OUTSTANDING DEBT, END OF YEAR:						
Gross Federal debt	369,769	367,144	382,603	409,467	455,784	493,165
Held by the public	290,629	279,483	284,880	304,328	343,828	371,328
BUDGET RECEIPTS	153,671	187,784	193,743	188,392	197,827	220,785
Individual income taxes	68,726	87,249	90,412	86,230	86,500	93,900
Corporation income taxes	28,665	36,678	32,829	26,785	30,100	35,700
Employment taxes and contributions	29,224	34,236	39,133	41,699	46,367	55,113
Unemployment insurance	3,346	3,328	3,464	3,674	4,364	5,016
Contributions for other insurance and retirement	2,052	2,353	2,701	3,205	3,361	3,554
Excise taxes	14,079	15,222	15,705	16,614	15,200	16,300
Estate and gift taxes	3,051	3,491	3,644	3,735	5,200	4,300
Customs duties	2,038	2,319	2,430	2,591	3,210	2,850
Miscellaneous receipts [1]	2,491	2,908	3,424	3,858	3,525	4,052
MEMORANDUM:						
Federal funds	114,726	143,321	143,158	133,785	137,788	150,617
Trust funds	44,716	52,009	59,362	66,193	73,163	83,214
Intragovernmental transactions	−5,771	−7,547	−8,778	−11,586	−13,124	−13,046
BUDGET OUTLAYS (EXPENDITURES AND NET LENDING)	178,833	184,548	196,588	211,425	236,610	246,257
National defense	80,517	81,232	80,295	77,661	78,030	78,310
International affairs and finance	4,619	3,785	3,570	3,095	3,960	3,844
Space research and technology	4,721	4,247	3,749	3,381	3,180	3,191
Agriculture and rural development	5,940	6,218	6,201	5,096	7,345	6,891
Natural resources and environment	1,722	2,169	2,568	2,716	4,376	2,450
Commerce and transportation	8,094	7,921	9,310	11,310	11,872	11,550
Community development and housing	4,076	1,961	2,965	3,357	4,039	4,844
Education and manpower	6,739	6,525	7,289	8,654	10,140	11,281
Health	9,608	11,611	12,907	14,463	17,024	18,117
Income security	34,108	37,699	43,790	55,712	65,225	69,658
Veterans benefits and services	6,882	7,640	8,677	9,776	11,127	11,745
Interest	13,744	15,791	18,312	19,609	20,067	21,161
General government	2,561	2,866	3,336	3,970	5,302	5,531
General revenue sharing	......	......	......	......	2,250	5,000
Allowances	......	......	......	......	550	1,275
Undistributed intragovernmental transactions	−4,499	−5,117	−6,380	−7,376	−7,877	−8,590
MEMORANDUM:						
Federal funds	143,105	148,811	156,301	163,651	182,519	186,784
Trust funds	41,499	43,284	49,065	59,361	67,215	72,519
Intragovernmental transactions	−5,771	−7,547	−8,778	−11,586	−13,124	−13,046

[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 B-65.—*Relation of the Federal budget to the Federal sector of the national income and product accounts, 1970–73*

[Billions of dollars; fiscal years]

Receipts and expenditures	Actual		Estimate	
	1970	1971	1972	1973
RECEIPTS				
Total receipts, budget	193.7	188.4	197.8	220.8
Government contribution for employee retirement (grossing)	2.7	3.1	3.2	3.5
Other netting and grossing	1.4	1.5	1.5	1.7
Adjustment to accruals	−3.1	1.1	.4	2.5
Other	−.1	−.1	−.1	−.5
Federal sector, national income and product accounts, receipts	194.6	194.0	202.8	227.9
EXPENDITURES				
Total outlays, budget	196.6	211.4	236.6	246.3
Loan account	−2.1	−1.1	−1.0	.2
Financial transactions in the expenditure account	−1.8	−2.1	−1.9	−1.5
Government contribution for employee retirement (grossing)	2.7	3.1	3.2	3.5
Other netting and grossing	1.4	1.5	1.5	1.7
Defense timing adjustment	.7	−.7	−.7	3.0
Other	−.3	.4	.0	2.7
Federal sector, national income and product accounts, expenditures	197.2	212.4	237.8	255.9

Note.—See Special Analysis A, "Budget of the United States Government for the Fiscal Year Ending June 30, 1973," for description of these categories.

Sources: Treasury Department, Office of Management and Budget, and Department of Commerce (Bureau of Economic Analysis).

TABLE B–66.—*Receipts and expenditures of the Federal Government sector of the national income and product accounts, 1948–73*

[Billions of dollars]

Year or quarter	Receipts: Total	Receipts: Personal tax and nontax receipts	Receipts: Corporate profits tax accruals	Receipts: Indirect business tax and nontax accruals	Receipts: Contributions for social insurance	Expenditures: Total [1]	Expenditures: Purchases of goods and services	Expenditures: Transfer payments: To persons	Expenditures: Transfer payments: To foreigners (net)	Expenditures: Grants-in-aid to State and local governments	Expenditures: Net interest paid	Expenditures: Subsidies less current surplus of government enterprises	Surplus or deficit (—), national income and product accounts
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	0.5	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	.4
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	—.5
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	.9
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	—7.3
1968	160.6	71.4	33.7	17.1	38.3	172.5	94.9	42.7	2.1	17.8	10.9	4.1	—11.9
1969	190.3	90.0	37.3	18.6	44.3	185.9	99.3	48.5	2.2	19.4	12.3	4.1	4.4
1970	194.6	93.8	32.8	19.2	48.8	197.2	99.2	54.9	2.0	22.6	14.0	4.6	—2.7
1971 p	194.0	87.7	32.5	20.3	53.5	212.4	95.3	67.5	2.4	27.0	14.2	5.9	—18.4
1972 [2]	202.8	91.3	33.0	19.8	58.7	237.8	103.0	77.0	2.8	36.2	13.4	5.4	—35.0
1973 [2]	227.9	98.3	40.7	20.7	68.2	255.9	107.0	84.5	2.9	40.6	14.8	6.0	—28.0
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	175.0	79.7	36.7	18.0	40.7	181.5	98.8	46.1	2.1	18.7	11.7	4.1	—6.5
1969	196.9	94.9	36.3	19.0	46.8	189.5	99.2	50.4	2.1	20.3	13.1	4.6	7.3
1970	191.5	92.2	30.6	19.3	49.3	205.1	97.2	61.2	2.2	24.4	14.6	5.5	—13.6
1971 p	198.7	89.0	33.5	20.2	56.0	222.0	97.6	73.4	2.5	29.7	13.7	5.0	—23.3
	Seasonally adjusted annual rates												
1970: I	191.6	93.8	30.6	19.0	48.2	196.1	100.2	54.0	2.1	23.0	14.3	5.0	—4.5
II	193.8	94.5	30.9	19.1	49.2	207.9	96.8	63.3	2.0	23.9	14.3	5.5	—14.1
III	191.3	89.7	31.9	19.7	50.0	206.7	96.1	62.4	2.3	24.9	15.0	5.8	—15.4
IV	189.3	91.0	29.0	19.4	49.8	209.8	95.9	65.0	2.4	25.9	14.8	5.7	—20.5
1971: I	196.5	86.6	34.1	20.7	55.1	212.7	96.4	67.4	2.2	27.0	14.0	5.8	—16.2
II	197.7	87.6	34.8	19.9	55.5	221.4	96.0	75.3	2.5	29.5	13.3	4.8	—23.7
III	197.8	88.8	33.2	19.7	56.1	224.6	97.6	75.3	2.7	30.2	13.9	4.8	—26.7
IV p	------	93.0	------	20.7	57.2	229.4	100.6	75.6	2.6	32.0	13.8	4.7	------

[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, and .0 in each of the 4 quarters of 1971.

[2] Estimates.

Sources: Department of Commerce (Bureau of Economic Analysis) and Office of Management and Budget.

Table B–67.—*Public debt securities by kind of obligation, 1946–71*

[Billions of dollars]

End of year or month	Total public debt securities	Interest-bearing public debt: Marketable public issues by maturity class: Within 1 year	1 to 10 years	10 years and over	Nonmarketable public issues: Special issues [1]	U.S. savings bonds [2]	Foreign and international	Other	Matured public debt and debt bearing no interest
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
1971	424.1	119.1	123.0	19.9	85.7	54.9	17.4	2.4	1.8
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
1971: Jan	388.3	123.4	104.9	19.4	77.7	52.6	6.1	2.4	1.9
Feb	390.7	115.5	113.2	19.4	78.9	52.8	6.5	2.4	2.0
Mar	391.7	114.9	113.2	19.3	80.0	53.0	6.9	2.4	1.9
Apr	391.9	113.5	113.2	19.2	79.7	53.2	8.9	2.4	1.9
May	396.8	114.0	112.5	19.2	81.7	53.4	11.7	2.4	1.9
June	398.1	112.8	113.6	19.1	82.8	53.6	12.0	2.4	1.8
July	405.3	115.0	113.6	19.1	84.7	53.8	15.0	2.4	1.8
Aug	414.6	116.7	114.0	19.0	87.0	54.0	19.7	2.4	1.8
Sept	412.3	117.7	113.3	19.0	86.0	54.2	17.9	2.4	1.8
Oct	411.9	118.0	115.3	18.9	84.3	54.4	16.8	2.4	1.8
Nov	414.6	108.9	125.5	20.0	84.4	54.6	16.9	2.4	1.9
Dec	424.1	119.1	123.0	19.9	85.7	54.9	17.4	2.4	1.8

[1] Issued to U.S. Government accounts. These accounts also held $0.1 billion of public marketable and nonmarketable issues on December 31, 1971.

[2] Includes sales of U.S. savings notes from May 1967 through June 30, 1970.

Source: Treasury Department.

TABLE B–68.—*Estimated ownership of public debt securities, 1939–71*

[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]	Individuals [6]	Miscellaneous investors [7]
1939	41.9	6.1	2.5	33.4	12.7	8.4	2.0	0.4	9.4	0.5
1940	45.0	6.7	2.2	36.2	13.7	9.2	2.0	.5	10.0	.8
1941	57.9	8.5	2.3	47.1	17.1	11.0	4.0	.7	13.0	1.3
1942	108.2	10.5	6.2	91.5	38.2	15.4	10.1	1.0	23.3	3.5
1943	165.9	14.5	11.5	139.8	57.3	20.8	16.4	2.1	37.2	6.0
1944	230.6	19.0	18.8	192.8	76.7	28.0	21.4	4.3	53.1	9.3
1945	278.1	23.9	24.3	230.0	90.8	34.7	22.2	6.5	64.0	11.8
1946	259.1	27.4	23.3	208.3	74.5	36.7	15.3	6.3	64.1	11.4
1947	256.9	30.8	22.6	203.6	68.7	35.9	14.1	7.3	65.7	11.9
1948	252.8	33.7	23.3	195.8	62.4	32.7	14.8	7.9	65.5	12.5
1949	257.1	35.9	18.9	202.4	66.8	31.5	16.8	8.1	66.3	12.9
1950	256.7	36.0	20.8	199.9	61.8	29.6	19.7	8.8	66.3	13.6
1951	259.4	39.3	23.8	196.3	61.5	26.2	20.7	9.6	64.6	13.7
1952	267.4	42.9	24.7	199.8	63.4	25.5	19.9	11.1	65.2	14.7
1953	275.2	45.4	25.9	203.8	63.7	25.1	21.5	12.7	64.8	16.1
1954	278.7	46.7	24.9	207.1	69.1	24.1	19.1	14.4	63.5	16.9
1955	280.8	49.0	24.8	207.0	62.0	23.1	23.2	15.4	65.0	18.3
1956	276.6	51.2	24.9	200.5	59.5	21.2	18.7	16.3	65.9	18.9
1957	274.9	52.8	24.2	197.9	59.5	20.1	17.7	16.6	64.9	19.1
1958	282.9	52.1	26.3	204.5	67.5	19.8	18.1	16.5	63.7	18.9
1959	290.8	51.4	26.6	212.7	60.3	19.4	21.4	18.0	69.4	24.3
1960	290.2	52.8	27.4	210.0	62.1	18.1	18.7	18.7	66.1	26.5
1961	296.2	52.5	28.9	214.8	67.2	17.4	18.5	19.0	65.9	26.9
1962	303.5	53.2	30.8	219.5	67.1	17.4	18.6	20.1	66.0	30.2
1963	309.3	55.3	33.6	220.5	64.2	16.8	18.7	21.1	68.2	31.6
1964	317.9	58.4	37.0	222.5	63.9	16.5	18.2	21.2	69.8	33.0
1965	320.9	59.7	40.8	220.5	60.7	15.6	15.8	22.9	72.1	33.4
1966	329.3	65.8	44.3	219.2	57.4	14.1	14.9	24.3	74.6	33.9
1967	344.7	73.1	49.1	222.4	63.8	12.7	12.2	24.1	74.0	35.7
1968	358.0	76.6	52.9	228.5	66.0	11.6	14.2	24.4	75.8	36.6
1969	368.2	89.0	57.2	222.0	56.8	10.0	13.3	25.4	80.9	35.5
1970	389.2	97.1	62.1	229.9	62.7	9.8	10.5	23.1	81.9	42.0
1971	424.1	106.0	70.2	247.9	65.0	9.3	13.2	20.5	77.5	62.4
1970: Jan	367.6	88.6	55.5	223.5	54.6	10.2	13.9	26.1	82.1	36.6
Feb	368.8	89.4	55.8	223.6	53.0	10.0	13.2	26.2	82.8	38.4
Mar	372.0	90.4	55.8	225.9	55.5	9.9	12.7	25.5	83.2	39.1
Apr	367.2	90.2	56.5	220.5	54.5	9.9	11.9	24.7	82.7	36.8
May	371.1	92.3	57.3	221.4	53.9	9.8	12.5	25.2	83.0	37.0
June	370.9	95.2	57.7	218.0	52.6	9.7	11.1	24.6	82.5	37.6
July	376.6	94.8	58.6	223.2	54.3	9.9	12.1	24.3	82.9	39.7
Aug	380.9	96.4	59.9	224.6	57.3	10.1	12.0	24.5	82.3	38.4
Sept	378.7	95.5	60.0	223.2	56.3	9.9	10.4	24.2	82.7	39.7
Oct	380.2	94.4	60.0	225.8	58.4	9.7	11.2	24.4	82.3	39.8
Nov	383.6	94.6	61.2	227.9	59.3	9.6	10.9	23.4	82.4	42.2
Dec	389.2	97.1	62.1	229.9	62.7	9.8	10.5	23.1	81.9	42.0
1971: Jan	388.3	96.7	61.8	229.9	61.7	10.0	11.1	23.2	81.3	42.5
Feb	390.7	98.0	62.5	230.2	61.3	10.1	10.2	24.0	80.6	44.0
Mar	391.7	98.8	64.2	228.7	61.8	9.6	10.7	22.8	79.4	44.3
Apr	391.9	99.1	63.7	229.1	60.5	9.6	9.9	21.8	79.0	48.3
May	396.8	101.8	64.8	230.2	59.4	9.7	9.6	21.8	78.0	51.9
June	398.1	102.9	65.5	229.7	61.0	9.4	10.1	21.4	78.0	49.8
July	405.3	104.9	65.8	234.6	60.5	9.6	11.6	21.9	78.2	52.6
Aug	414.6	107.3	66.9	240.4	59.5	9.5	10.9	21.1	78.1	61.3
Sept	412.3	106.5	67.6	238.2	60.0	9.3	10.0	21.0	77.9	60.1
Oct	411.9	104.7	67.2	240.0	60.9	9.3	11.1	20.8	77.7	60.3
Nov	414.6	104.7	67.8	242.1	61.5	9.2	12.0	20.6	77.6	61.2
Dec	424.1	106.0	70.2	247.9	65.0	9.3	13.2	20.5	77.5	62.4

[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 B–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 B-69.—*Average length and maturity distribution of marketable interest-bearing public debt, 1946–71*

End of year or month	Amount outstanding	Maturity class: Within 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	Average length: Years	Months
	Millions of dollars						Years	Months
Fiscal year:								
1946	189,606	61,974	24,763	41,807	17,461	43,599	9	1
1947	168,702	51,211	21,851	35,562	18,597	41,481	9	5
1948	160,346	48,742	21,630	32,264	16,229	41,481	9	2
1949	155,147	48,130	32,562	16,746	22,821	34,888	8	9
1950	155,310	42,338	51,292	7,792	28,035	25,853	8	2
1951	137,917	43,903	46,526	8,707	29,979	8,797	6	7
1952	140,407	46,367	47,814	13,933	25,700	6,594	5	8
1953	147,335	65,270	36,161	15,651	28,662	1,592	5	4
1954	150,354	62,734	29,866	27,515	28,634	1,606	5	6
1955	155,206	49,703	39,107	34,253	28,613	3,530	5	10
1956	154,953	58,714	34,401	28,908	28,578	4,351	5	4
1957	155,705	71,952	40,669	12,328	26,407	4,349	4	9
1958	166,675	67,782	42,557	21,476	27,652	7,208	5	3
1959	178,027	72,958	58,304	17,052	21,625	8,088	4	7
1960	183,845	70,467	72,844	20,246	12,630	7,658	4	4
1961	187,148	81,120	58,400	26,435	10,960	10,233	4	6
1962	196,072	88,442	57,041	26,049	9,319	15,221	4	11
1963	203,508	85,294	58,026	37,385	8,360	14,444	5	1
1964	206,489	81,424	65,453	34,929	8,355	16,323	5	0
1965	208,695	87,637	56,198	39,169	8,449	17,241	5	4
1966	209,127	89,136	60,933	33,596	8,439	17,023	4	11
1967	210,672	89,648	71,424	24,378	8,425	16,797	4	7
1968	226,592	106,407	64,470	30,754	8,407	16,553	4	2
1969	226,107	103,910	62,770	34,837	8,374	16,217	4	0
1970	232,599	105,530	89,615	15,882	10,524	11,048	3	8
1971	245,473	112,772	89,074	24,503	8,455	10,670	3	6
1970: Jan	236,321	118,633	73,294	20,026	8,354	16,014	3	7
Feb	235,968	117,796	77,104	19,329	10,557	11,182	3	7
Mar	238,195	121,272	75,889	19,329	10,551	11,155	3	6
Apr	233,998	117,148	75,855	19,329	10,542	11,124	3	6
May	236,561	109,432	89,631	15,879	10,534	11,085	3	8
June	232,599	105,530	89,615	15,882	10,524	11,048	3	8
July	237,821	110,813	89,614	15,876	10,514	11,004	3	6
Aug	240,511	109,830	91,075	18,122	10,507	10,978	3	7
Sept	239,330	108,671	91,066	18,140	10,501	10,951	3	6
Oct	242,180	111,636	90,992	18,138	10,493	10,922	3	5
Nov	244,447	120,125	82,302	22,555	8,566	10,900	3	6
Dec	247,713	123,423	82,318	22,553	8,556	10,863	3	4
1971: Jan	247,667	123,418	82,316	22,553	8,542	10,839	3	4
Feb	248,092	115,534	86,011	27,197	8,529	10,821	3	7
Mar	247,457	114,940	86,025	27,199	8,513	10,780	3	6
Apr	245,888	113,466	85,990	27,199	8,491	10,742	3	6
May	245,635	113,959	88,004	24,502	8,472	10,699	3	6
June	245,473	112,772	89,074	24,503	8,455	10,670	3	6
July	247,649	115,014	89,077	24,503	8,435	10,622	3	4
Aug	249,654	116,664	92,865	21,115	8,420	10,590	3	5
Sept	249,931	117,662	90,915	22,397	8,404	10,553	3	4
Oct	252,240	118,007	92,940	22,397	8,385	10,511	3	3
Nov	254,456	108,911	96,204	29,321	9,566	10,454	3	6
Dec	262,038	119,141	93,648	29,321	9,530	10,397	3	4

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 B–70.—*Receipts and expenditures of the government sector of the national income and product accounts, 1929–71*

[Billions of dollars]

Calendar year or quarter	Total government			Federal Government			State and local government		
	Receipts	Expenditures	Surplus or deficit (−), national income and product accounts	Receipts	Expenditures	Surplus or deficit (−), national income and product accounts	Receipts	Expenditures	Surplus 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	43.2	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	263.5	270.3	−6.8	175.0	181.5	−6.5	107.1	107.5	−.3
1969	295.6	288.2	7.4	196.9	189.5	7.3	119.0	118.9	.1
1970	300.5	313.6	−13.1	191.5	205.1	−13.6	133.4	132.9	.5
1971 p	320.8	341.1	−20.3	198.7	222.0	−23.3	151.8	148.8	3.0
	Seasonally adjusted annual rates								
1970: I	296.6	300.0	−3.4	191.6	196.1	−4.5	128.0	126.9	1.1
II	301.8	314.0	−12.2	193.8	207.9	−14.1	131.9	130.0	1.9
III	301.7	316.9	−15.2	191.3	206.7	−15.4	135.3	135.1	.2
IV	301.9	323.6	−21.7	189.3	209.8	−20.5	138.5	139.8	−1.3
1971: I	312.8	329.9	−17.1	196.5	212.7	−16.2	143.4	144.2	−.8
II	317.8	338.7	−20.9	197.7	221.4	−23.7	149.6	146.8	2.8
III	322.0	344.1	−22.2	197.8	224.6	−26.7	154.4	149.8	4.6
IV p	....	351.7	....	....	229.4	....	....	154.4	....

[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, Bureau of Economic Analysis.

Table B-71.—*Receipts and expenditures of the State and local government sector of the national income and product accounts, 1946–71*

[Billions of dollars]

Calendar year or quarter	Receipts: Total	Receipts: Personal tax and nontax receipts	Receipts: Corporate profits tax accruals	Receipts: Indirect business tax and nontax accruals	Receipts: Contributions for social insurance	Receipts: Federal grants-in-aid	Expenditures: Total	Expenditures: Purchases of goods and services	Expenditures: Transfer payments to persons	Expenditures: Net interest paid	Expenditures: Less: Current surplus of government enterprises	Surplus or deficit (−), national income and product accounts
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	([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	107.1	18.3	3.2	60.6	6.4	18.7	107.5	100.8	10.0	.0	3.4	−.3
1969	119.0	21.3	3.4	66.7	7.3	20.3	118.9	110.6	11.8	.0	3.5	.1
1970	133.4	23.6	3.5	73.6	8.3	24.4	132.9	122.2	14.4	.1	3.8	.5
1971[p]	151.8	26.8	4.3	81.9	9.2	29.7	148.8	135.4	17.0	.5	4.1	3.0
	Seasonally adjusted annual rates											
1970: I	128.0	23.0	3.5	70.7	7.9	23.0	126.9	117.1	13.3	0.1	3.6	1.1
II	131.9	23.5	3.5	72.8	8.2	23.9	130.0	119.7	14.0	.1	3.8	1.9
III	135.3	23.8	3.7	74.5	8.4	24.9	135.1	124.0	14.8	.1	3.9	.2
IV	138.5	24.2	3.3	76.4	8.7	25.9	139.8	127.9	15.6	.2	4.0	−1.3
1971: I	143.4	25.0	4.2	78.3	8.9	27.0	144.2	131.6	16.4	.3	4.1	−.8
II	149.6	26.3	4.3	80.4	9.1	29.5	146.8	133.6	16.9	.4	4.1	2.8
III	154.4	27.2	4.3	83.3	9.3	30.2	149.8	136.2	17.2	.5	4.1	4.6
IV[p]	-------	28.8	-------	85.6	9.5	32.0	154.4	140.3	17.7	.6	4.2	-------

[1] Deficit of $41 million.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-72.—*State and local government revenues and expenditures, selected fiscal years, 1927–70*

[Millions of dollars]

Fiscal year [1]	General revenues by source [2]							General expenditures by function [2]				
	Total	Property taxes	Sales and gross receipts taxes	Individual income taxes	Corporation net income taxes	Revenue from Federal Government	All other revenues [3]	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	998	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	26,118	116,728	47,238	15,417	12,110	41,963
1969–70 [5]	130,756	34,054	30,322	10,812	3,738	21,857	29,973	131,332	52,718	16,427	14,679	47,508

[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 B-62 for net debt of State and local governments.

Source: Department of Commerce, Bureau of the Census.

Table B–73.—*Profits before and after taxes, all private corporations, 1929–71*

[Billions of dollars]

Year or quarter	Corporate profits (before taxes) and inventory valuation adjustment						Corporate profits before taxes	Corporate tax liability[1]	Corporate profits after taxes			Corporate capital consumption allowances[2]	Profits plus capital consumption allowances[3]
	All industries	Manufacturing: Total	Manufacturing: Durable goods industries	Manufacturing: Nondurable goods industries	Transportation, communication, and public utilities	All other industries			Total	Dividends	Undistributed profits		
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	84.3	41.7	22.4	19.3	10.6	32.0	87.6	39.9	47.8	23.6	24.2	46.8	94.6
1969	78.6	36.0	18.4	17.5	10.0	32.7	84.2	39.7	44.5	24.4	20.0	51.3	95.8
1970	70.8	29.5	13.0	16.6	8.0	33.3	75.4	34.1	41.2	25.0	16.2	56.2	97.4
1971 p	80.7	34.1	16.2	17.9	8.4	38.2	85.2	37.7	47.4	25.5	21.9	61.9	109.3
	Seasonally adjusted annual rates												
1970: I	69.8	31.1	14.3	16.7	8.2	30.5	75.6	34.1	41.5	25.0	16.6	54.4	95.9
II	71.5	31.5	14.9	16.5	7.8	32.2	75.8	34.5	41.3	24.9	16.4	55.7	96.9
III	73.0	30.6	13.8	16.8	7.9	34.5	78.5	35.6	42.9	25.2	17.7	56.7	99.6
IV	69.0	25.0	8.8	16.2	8.1	35.9	71.6	32.3	39.2	25.0	14.3	58.0	97.2
1971: I	79.5	34.4	17.2	17.2	8.4	36.7	83.0	38.3	44.8	25.6	19.2	59.4	104.2
II	82.5	35.0	17.0	18.1	8.5	39.0	86.9	39.1	47.8	25.4	22.4	61.0	108.7
III	80.0	33.0	14.8	18.1	8.5	38.6	85.8	37.5	48.2	25.7	22.5	62.7	110.9
IV p	------	------	------	------	------	------	------	------	------	25.3	------	64.4	------

[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, Bureau of Economic Analysis.

TABLE B–74.—*Sales, profits, and stockholders' equity, all manufacturing corporations (except newspapers*[1]*), 1947–71*

[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 [1]	694.6	58.1	33.2	289.9	366.5	31.5	16.9	147.6	328.1	26.6	16.4	142.3
1970	708.8	48.1	28.6	306.8	363.1	23.0	12.9	155.1	345.7	25.2	15.7	151.7
1969: I [1]	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
IV	180.4	10.7	6.7	310.8	90.8	4.5	2.8	156.6	89.6	6.2	4.0	154.2
1971: I	177.5	12.1	7.0	314.0	90.7	6.0	3.2	158.0	86.9	6.1	3.8	156.0
II	191.4	14.5	8.5	319.0	99.8	7.8	4.3	160.3	91.6	6.8	4.2	158.7
III	185.6	12.8	7.5	323.2	92.6	5.8	3.2	161.2	93.1	7.0	4.3	162.0

[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 B-75.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations (except newspapers*[1]*), by industry group, 1950–71*

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 nonferrous metal industries	Stone, clay, and glass products	Furniture and fixtures	Lumber and wood products (except furniture)	Instruments and related products	Miscellaneous manufacturing (including ordnance)
	Ratio of profits after Federal income taxes (annual rate) to stockholders' equity—percent[3]													
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	------	13.1	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[1]	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
1970	9.3	8.3	6.1	6.8	9.1	9.8	8.5	4.3	10.6	6.9	7.9	5.6	14.3	10.0
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
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
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
IV	8.7	7.1	1.7	5.7	10.1	9.0	5.9	2.8	7.6	6.9	7.8	4.3	15.5	11.7
1971: I	8.9	8.0	14.8	5.4	8.0	7.5	7.1	5.0	6.7	3.1	4.9	6.7	10.2	8.6
II	10.7	10.8	15.6	6.7	9.7	9.3	10.2	8.5	8.1	12.5	10.5	12.4	14.2	10.6
III	9.3	8.1	7.0	6.5	9.4	8.4	9.4	.5	2.1	12.1	11.5	14.0	15.0	10.3
	Profits after Federal income taxes per dollar of sales—cents													
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[1]	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
1970	4.0	3.5	2.6	2.0	3.3	4.6	3.0	2.5	6.2	3.6	2.5	2.5	7.3	3.4
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
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
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
IV	3.7	3.1	.8	1.6	3.6	4.3	2.1	1.7	4.7	3.5	2.4	1.8	7.6	3.8
1971: I	3.9	3.5	5.2	1.7	3.1	3.8	2.6	2.9	4.4	1.8	1.7	3.0	5.7	3.3
II	4.5	4.3	5.4	1.9	3.7	4.3	3.5	4.1	4.8	5.8	3.3	4.7	7.4	3.8
III	4.1	3.5	2.8	2.2	3.6	4.1	3.3	.3	1.4	5.4	3.6	5.2	8.0	3.7

See footnotes at end of table.

TABLE B–75.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations (except newspapers [1]), by industry group, 1950–71*—Continued

Year or quarter	Nondurable goods industries										
	Total nondurable [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]										
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
1970	10.3	10.8	15.7	5.1	9.3	7.0	11.2	11.4	11.0	7.1	9.4
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
IV	10.3	11.0	16.6	4.8	7.3	5.3	11.5	10.5	11.9	4.8	9.0
1971: I	9.8	10.2	14.8	4.6	5.5	4.9	7.9	11.7	11.0	7.6	8.3
II	10.6	11.5	15.7	7.2	10.9	5.9	10.8	12.8	9.9	10.9	8.1
III	10.6	11.7	17.1	6.5	12.5	5.3	10.4	11.8	10.6	9.3	7.9
	Profits after Federal income taxes per dollar of sales—cents										
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
1970	4.5	2.5	5.8	1.9	1.9	3.4	4.2	5.9	9.3	2.7	2.5
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
IV	4.4	2.5	6.0	1.7	1.5	2.5	4.1	5.5	9.6	1.9	2.3
1971: I	4.4	2.5	6.0	1.7	1.3	2.5	3.1	6.2	8.9	3.1	2.3
II	4.6	2.7	6.0	2.6	2.4	2.8	4.1	6.4	8.0	3.9	2.3
III	4.6	2.8	6.5	2.4	2.6	2.5	4.0	6.1	8.7	3.5	2.1

[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 B–74.

Sources: Federal Trade Commission and Securities and Exchange Commission.

Table B–76.—*Sources and uses of funds, nonfarm nonfinancial corporate business, 1960–70*

[Billions of dollars]

Source or use of funds	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Sources, total	48.1	56.6	64.9	67.1	71.8	93.1	100.6	96.6	108.0	118.1	105.5
Internal sources [1]	34.4	35.6	41.8	43.9	50.5	56.6	61.2	61.5	61.7	59.5	61.5
Undistributed profits [1]	10.0	10.2	12.4	13.6	18.3	23.1	24.7	21.1	19.9	15.8	12.3
Corporate inventory valuation adjustment	.2	-.1	.3	-.5	-.5	-1.7	-1.8	-1.1	-3.3	-5.5	-4.5
Capital consumption allowances [1]	24.2	25.4	29.2	30.8	32.8	35.2	38.2	41.5	45.1	49.2	53.8
External sources	13.7	21.0	23.1	23.2	21.3	36.5	39.4	35.2	46.3	58.6	44.0
Stocks	1.6	2.5	.6	-.3	1.4	.0	1.2	2.3	-.8	4.3	6.8
Bonds [2]	3.5	4.6	4.6	3.9	4.0	5.4	10.2	14.7	12.9	12.1	20.3
Mortgages	2.5	3.9	4.5	4.9	3.6	3.9	4.2	4.5	5.8	4.8	5.3
Bank loans n.e.c.	1.9	.7	3.0	3.7	3.8	10.6	7.9	6.4	8.8	11.0	1.2
Other loans	1.9	.6	.0	.2	.9	.6	1.4	1.4	3.6	7.0	5.2
Trade debt	.6	5.4	4.6	5.3	3.6	9.1	7.8	4.9	10.1	19.7	5.5
Profits tax liability	-2.2	1.4	.6	1.9	.5	2.2	.2	-4.7	2.1	-1.9	-3.3
Other liabilities	4.0	1.7	5.2	3.7	3.5	4.6	6.5	5.6	3.8	1.7	3.1
Uses, total	43.7	52.2	60.0	63.2	64.9	85.8	92.5	86.5	101.7	112.7	103.7
Purchases of physical assets	39.0	36.7	44.0	45.6	52.1	62.8	77.1	72.0	76.1	84.9	84.2
Nonresidential fixed investment	34.9	33.2	37.0	38.6	44.1	52.8	61.6	62.5	67.4	75.6	78.3
Residential structures	1.1	1.9	2.3	2.6	2.1	2.0	1.1	2.3	2.3	2.8	3.3
Change in business inventories	3.0	1.5	4.7	4.3	5.9	7.9	14.4	7.3	6.4	6.5	2.6
Increase in financial assets	4.7	15.6	16.0	17.7	12.8	23.1	15.5	14.6	25.6	27.8	19.5
Liquid assets	-3.2	3.7	3.5	4.7	1.2	1.7	1.9	2.1	8.6	1.3	8.9
Demand deposits and currency	-.5	1.7	-.9	-.8	-2.3	-1.5	.7	.7	1.6	-.9	-1.0
Time deposits	1.3	1.9	3.7	3.9	3.2	3.9	-.7	2.9	1.9	-9.8	12.8
U.S. Government securities	-5.4	-.2	.5	.5	-1.5	-1.6	-1.2	-2.8	1.7	-1.7	-3.2
Open-market paper	1.7	.4	.6	.9	1.6	.5	2.0	1.5	4.4	8.6	-1.1
State and local obligations	-.2	.0	-.3	.2	.2	.5	1.0	-.2	-1.1	5.1	1.4
Consumer credit	.4	.2	.7	1.0	1.3	1.2	1.2	.9	1.7	1.3	1.4
Trade credit	5.3	9.5	8.5	8.1	8.1	15.1	11.3	7.7	13.9	17.3	6.2
Other financial assets [2]	2.2	2.1	3.2	3.9	2.2	5.1	1.0	3.8	1.4	8.0	3.0
Discrepancy (uses less sources)	-4.3	-4.3	-5.0	-3.8	-6.9	-7.2	-8.0	-10.1	-6.3	-5.4	-1.8

[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.

[2] Foreign investment excludes amounts financed by bond issues abroad, and bond issues outside the U.S. are excluded from financial sources of funds above.

Source: Board of Governors of the Federal Reserve System.

TABLE B–77.—*Current assets and liabilities of U.S. corporations, 1939–71*

[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. Government securities[2]	Receivables from U.S. Government[3]	Notes and accounts receivable	Inventories	Other current assets[4]	Total	Advances and prepayments, U.S. Government[3]	Notes and accounts payable	Federal income tax liabilities	Other current liabilities	
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		48.9	1.6	64.4	39.3		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[5]													
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
1970	572.1	56.9	9.7	4.2	268.1	194.4	38.8	355.2	6.6	244.5	15.9	88.1	217.0
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
IV	572.1	56.9	9.7	4.2	268.1	194.4	38.8	355.2	6.6	244.5	15.9	88.1	217.0
1971: I	576.9	55.8	10.1	4.2	269.8	196.8	40.1	356.5	6.1	240.3	18.6	91.4	220.4
II	582.6	58.6	10.3	3.9	273.2	197.4	39.3	356.3	5.3	241.2	16.8	93.0	226.3
III	591.9	59.8	10.6	3.9	276.9	199.5	41.2	360.6	5.2	242.2	18.7	94.7	231.3

[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 B-78.—*State and municipal and corporate securities offered, 1934–71*

[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: Common stock	Type of corporate security: Preferred stock	Type of corporate security: Bonds and notes	Industry of corporate user: Manufacturing [1]	Industry of corporate user: Electric, gas, and water [2]	Industry of corporate user: Transportation [3]	Industry of corporate user: Communication	Industry of corporate user: 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	9,319
1970	17,762	38,944	7,292	1,388	30,264	10,513	11,017	2,280	5,142	9,991
1971 p	24,332	45,227	9,445	3,663	32,119	11,600	11,778	2,360	5,991	13,498
1969: I	2,738	6,219	1,786	236	4,197	1,407	1,345	808	474	2,187
II	3,426	7,354	2,141	128	5,085	1,774	1,879	612	432	2,657
III	2,376	6,332	1,616	182	4,534	1,862	1,544	371	684	1,871
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
II	3,656	10,469	1,832	359	8,278	2,445	2,813	336	2,163	2,711
III	4,278	8,559	1,303	356	6,900	2,315	2,714	492	868	2,171
IV	5,790	11,939	2,219	473	9,247	3,169	3,405	680	1,346	3,339
1971: I	6,540	12,191	1,818	487	9,885	3,794	3,198	417	1,606	3,176
II	5,961	11,688	2,689	695	8,304	3,130	2,910	971	896	3,781
III	5,845	10,447	2,116	1,963	6,368	2,202	2,651	457	2,263	2,874
IV p	5,985	10,902	2,822	518	7,563	2,474	3,019	516	1,225	3,668

[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 B-79.—*Common stock prices, earnings, and yields, and stock market credit, 1939–71*

Year or month	Standard & Poor's common stock data: Price indexes[1]: Total (500 stocks)	Industrials (425 stocks)	Public utilities (55 stocks)	Railroads (20 stocks)	Dividend yield[2] (percent)	Price/earnings ratio[3]	Stock market credit: Customer credit (excluding U.S. Government securities): Total	Net debit balances[4]	Bank loans to "others"[5]	Bank loans to brokers and dealers[6]
	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	[5] 2,249	[6] 4,277
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	[7] 2,565	[7] 5,141
1970	83.22	91.29	54.48	32.13	3.83	15.91	----	(8)	2,350	6,088
1971 p	98.29	108.35	59.33	41.94	3.14	----	----	(8)	2,438	6,264
1970: Jan	90.31	99.40	55.72	37.62	3.56	----	9,096	6,683	2,413	3,453
Feb	87.16	95.73	55.24	36.58	3.68	----	8,932	6,562	2,370	3,781
Mar	88.65	96.95	59.04	37.33	3.60	17.31	8,714	6,353	2,361	4,136
Apr	85.95	94.01	57.19	36.05	3.70	----	8,312	5,985	2,327	4,067
May	76.06	83.16	51.15	31.10	4.20	----	7,723	5,433	2,290	3,790
June	75.59	82.96	49.22	28.94	4.17	13.33	7,560	5,281	2,279	3,356
July	75.72	83.00	50.91	26.59	4.20	----	----	(8)	2,305	3,525
Aug	77.92	85.40	52.62	26.74	4.07	----	----	(8)	2,301	3,847
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)	2,325	4,118
Dec	90.05	98.72	59.96	32.95	3.46	17.22	----	(8)	2,350	6,088
1971: Jan	93.49	102.22	63.43	36.64	3.32	----	----	(8)	2,307	4,843
Feb	97.11	106.62	62.49	38.78	3.18	----	----	(8)	2,330	4,441
Mar	99.60	109.59	62.42	39.70	3.10	18.11	----	(8)	2,322	4,828
Apr	103.04	113.68	62.06	42.29	2.99	----	----	(8)	2,330	4,298
May	101.64	112.41	59.20	42.05	3.04	----	----	(8)	2,344	4,286
June	99.72	110.26	57.90	42.12	3.10	17.43	----	(8)	2,388	5,070
July	99.00	109.09	60.08	42.05	3.13	----	----	(8)	2,421	4,156
Aug	97.24	107.26	57.51	43.55	3.18	----	----	(8)	2,434	4,731
Sept	99.40	109.85	56.48	47.18	3.09	17.69	----	(8)	2,432	5,183
Oct	97.29	107.28	57.41	44.58	3.16	----	----	(8)	2,414	5,245
Nov	92.78	102.21	55.86	41.19	3.31	----	----	(8)	2,398	5,439
Dec p	99.70	109.67	57.07	43.17	3.10	----	----	(8)	2,438	6,264

[1] Monthly data are averages of daily figures and annual data are averages of monthly figures.

[2] Aggregate cash dividends (based on latest known annual rate) divided by the aggregate market value of the stocks in the group based on Wednesday closing prices. Monthly data are averages of the four or five weekly figures and annual data are averages of monthly figures.

[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. 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.

[6] Loans by weekly reporting member banks (weekly reporting large commercial banks beginning 1965) for purchasing of carrying securities, including U.S. Government obligations. Data are for last Wednesday.

[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 B–80.—*Business formation and business failures, 1929–71*

Year or month	Index of net business formation (1967=100)	New business incorporations (number)	Business failures[1]						
			Business failure rate[2]	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[3]	...	...	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	112.5	96,346	20.4	5,250	4,853	397	234.6	93.9	140.7
1949	87.9	85,640	34.4	9,246	8,708	538	308.1	161.4	146.7
1950	93.1	93,092	34.3	9,162	8,746	416	248.3	151.2	97.1
1951	93.2	83,778	30.7	8,058	7,626	432	259.5	131.6	128.0
1952	98.1	92,946	28.7	7,611	7,081	530	283.3	131.9	151.4
1953	94.4	102,706	33.2	8,862	8,075	787	394.2	167.5	226.6
1954	91.3	117,411	42.0	11,086	10,226	860	462.6	211.4	251.2
1955	98.9	139,915	41.6	10,969	10,113	856	449.4	206.4	243.0
1956	95.0	141,163	48.0	12,686	11,615	1,071	562.7	239.8	322.9
1957	90.3	137,112	51.7	13,739	12,547	1,192	615.3	267.1	348.2
1958	89.4	150,781	55.9	14,964	13,499	1,465	728.3	297.6	430.7
1959	96.7	193,067	51.8	14,053	12,707	1,346	692.8	278.9	413.9
1960	92.4	182,713	57.0	15,445	13,650	1,795	938.6	327.2	611.4
1961	88.4	181,535	64.4	17,075	15,006	2,069	1,090.1	370.1	720.0
1962	90.7	182,057	60.8	15,782	13,772	2,010	1,213.6	346.5	867.1
1963	93.3	186,404	56.3	14,374	12,192	2,182	1,352.6	321.0	1,031.6
1964	97.2	197,724	53.2	13,501	11,346	2,155	1,329.2	313.6	1,015.6
1965	98.5	203,897	53.3	13,514	11,340	2,174	1,321.7	321.7	1,000.0
1966	98.2	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	109.8	233,635	38.6	9,636	7,829	1,807	941.0	241.1	699.9
1969	116.2	274,267	37.3	9,154	7,192	1,962	1,142.1	231.3	910.8
1970	108.1	266,086	43.8	10,748	8,019	2,729	1,887.8	269.3	1,618.4
1971	[4] 110.2	[4] 236,539	41.7	10,326	7,611	2,715	1,916.9	271.3	1,645.6
	Seasonally adjusted								
1970: Jan	114.5	22,397	33.7	734	555	179	137.3	17.6	119.6
Feb	114.2	23,152	39.4	817	622	195	139.4	21.6	117.8
Mar	110.7	21,383	40.1	921	704	217	120.0	24.6	95.4
Apr	109.7	21,939	43.7	992	737	255	131.9	25.0	106.9
May	107.8	22,267	42.1	891	662	229	147.9	22.6	125.3
June	107.0	22,192	43.4	912	703	209	170.5	24.0	146.5
July	106.1	22,106	46.8	916	650	266	251.9	21.9	230.0
Aug	105.2	22,055	47.4	910	692	218	169.6	22.5	147.1
Sept	105.5	22,372	50.0	906	614	292	232.9	20.4	212.6
Oct	105.9	21,625	45.9	941	728	213	144.8	23.8	121.0
Nov	105.6	22,383	50.8	939	729	210	119.8	24.4	95.5
Dec	104.5	22,085	44.5	869	623	246	121.7	21.0	100.7
1971: Jan	105.8	22,338	43.3	905	663	242	168.8	23.6	145.2
Feb	105.6	20,923	41.8	860	620	240	150.9	22.4	128.6
Mar	109.2	23,220	43.9	1,042	743	299	224.6	26.8	197.8
Apr	109.2	22,770	42.9	989	746	243	153.8	26.2	127.6
May	109.8	24,168	42.8	912	676	236	249.5	24.5	224.9
June	111.8	24,691	44.3	935	680	255	165.8	22.5	143.3
July	112.0	25,073	39.6	786	606	180	147.0	21.8	125.2
Aug	112.9	25,142	43.6	848	621	227	155.6	22.1	133.4
Sept	111.7	23,278	40.1	741	523	218	115.8	20.0	95.9
Oct	114.0	24,936	38.1	759	566	193	144.7	20.6	124.1
Nov	...	...	41.6	819	629	190	129.0	21.2	107.7
Dec	...	...	37.5	730	538	192	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] Preliminary; based on seasonally adjusted data through October.

Sources: Department of Commerce (Bureau of Economic Analysis) and Dun & Bradstreet, Inc.

TABLE B–81.—*Income of farm people and farmers, 1929–71*

Year or quarter	Personal income received by total farm population: From all sources	Personal income received by total farm population: From farm sources[1]	Personal income received by total farm population: From nonfarm sources[2]	Income received from farming: Realized gross: Total[3]	Income received from farming: Realized gross: Cash receipts from marketings	Income received from farming: Production expenses	Income received from farming: Net to farm operators: Excluding net inventory change	Income received from farming: Net to farm operators: Including net inventory change[4]	Net income per farm, including net inventory change: Current dollars	Net income per farm, including net inventory change: 1967 dollars[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	25.1	13.2	11.9	50.9	44.1	36.2	14.7	14.8	4,854	4,667
1969	27.7	14.9	12.8	55.5	48.1	38.7	16.8	16.9	5,685	5,216
1970	27.5	14.2	13.3	56.6	49.2	40.9	15.7	15.9	5,451	4,782
1971 p	28.0	14.5	13.5	58.6	51.6	42.9	15.7	16.3	5,676	4,770
	Seasonally adjusted annual rates									
1970: I				57.9	50.5	40.2	17.7	17.9	6,120	5,460
II				57.1	49.7	40.7	16.4	16.6	5,680	5,030
III				55.7	48.4	41.2	14.5	14.6	4,990	4,380
IV				55.6	48.3	41.4	14.2	14.5	4,960	4,310
1971: I				56.8	49.7	42.2	14.6	14.9	5,180	4,430
II				57.6	50.6	42.8	14.8	15.3	5,320	4,510
III				59.3	52.3	43.0	16.3	17.1	5,950	4,960
IV p				60.9	53.8	43.6	17.3	18.2	6,330	5,280

[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 average prices for the year.

[5] Income in current dollars divided by the index of prices paid by farmers for family living items on a 1967 base.

Source: Department of Agriculture.

Table B–82.—*Farm production indexes, 1929–71*

[1967=100]

Year	Farm output[1]	Crops: Total[2]	Crops: Feed grains	Crops: Hay and forage	Crops: Food grains	Crops: Vegetables	Crops: Fruits and nuts	Crops: Cotton	Crops: Tobacco	Crops: Oil crops	Livestock and products: Total[3]	Livestock and products: Meat animals	Livestock and products: Dairy products	Livestock and products: Poultry 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	85	160	97	17	59	59	83	35
1940	60	66	53	75	52	74	83	170	74	20	60	60	85	36
1941	62	68	70	74	59	75	88	145	64	22	64	63	89	39
1942	69	76	66	81	62	80	87	173	71	33	71	73	92	45
1943	68	71	60	79	53	86	75	155	71	35	77	81	91	52
1944	70	75	63	78	66	82	87	166	99	29	73	73	93	51
1945	69	73	61	81	68	84	79	122	100	31	73	70	95	54
1946	71	76	66	76	71	93	94	118	117	30	71	68	94	50
1947	69	73	50	73	83	82	90	160	107	32	70	67	93	49
1948	75	83	73	73	80	87	82	202	100	39	68	66	90	48
1949	74	79	64	72	69	84	87	217	100	36	72	69	93	54
1950	73	76	65	77	64	85	87	135	103	41	75	74	93	56
1951	75	77	60	80	63	80	89	205	118	38	78	79	92	59
1952	78	81	64	78	81	81	86	205	114	37	78	79	92	59
1953	79	81	62	80	74	84	87	222	105	37	79	78	97	61
1954	79	79	66	80	66	83	88	185	114	41	82	81	98	63
1955	82	82	69	85	62	86	88	199	111	46	84	86	99	62
1956	82	82	69	81	65	91	92	180	110	54	84	83	101	68
1957	80	80	75	88	61	88	84	148	84	53	83	80	102	69
1958	86	89	82	88	90	90	91	154	88	65	85	82	101	73
1959	88	89	85	84	72	89	93	196	91	58	88	88	100	76
1960	90	92	88	89	86	91	87	192	99	61	87	85	101	75
1961	90	91	79	89	78	96	91	193	104	71	91	89	104	81
1962	91	92	80	92	73	94	92	200	117	72	92	90	105	81
1963	95	95	87	92	76	94	89	207	119	75	95	95	104	83
1964	94	93	76	93	84	90	90	206	113	75	97	98	105	87
1965	97	98	89	97	87	96	95	202	94	90	95	92	104	90
1966	96	95	89	96	87	97	97	129	95	96	97	96	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	112	100	102	99	98
1969	103	104	99	100	97	103	113	135	91	115	101	102	99	101
1970	102	100	90	100	91	102	108	135	97	116	106	108	100	106
1971 p	111	112	117	106	107	101	115	141	89	119	108	112	101	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 B–83.—*Farm population, employment, and productivity, 1929–71*

Year	Farm population (April 1)[1]		Farm employment (thousands)[3]			Farm output				Crop production per acre[4]
	Number (thousands)	As percent of total population[2]	Total	Family workers	Hired workers	Per unit of total input	Per man-hour			
							Total	Crops	Livestock and products	
						Index, 1967=100				
1929	30,580	25.1	12,763	9,360	3,403	56	17	17	26	57
1930	30,529	24.8	12,497	9,307	3,190	55	17	17	26	52
1931	30,845	24.8	12,745	9,642	3,103	60	17	18	26	59
1932	31,388	25.1	12,816	9,922	2,894	61	17	18	25	56
1933	32,393	25.8	12,739	9,874	2,865	57	16	17	25	50
1934	32,305	25.5	12,627	9,765	2,862	52	15	16	23	42
1935	32,161	25.3	12,733	9,855	2,878	61	18	19	24	54
1936	31,737	24.8	12,331	9,350	2,981	54	17	17	25	46
1937	31,266	24.2	11,978	9,054	2,924	65	19	20	25	62
1938	30,980	23.8	11,622	8,815	2,807	64	20	21	26	60
1939	30,840	23.5	11,338	8,611	2,727	63	20	21	27	61
1940	30,547	23.1	10,979	8,300	2,679	64	21	23	27	62
1941	30,118	22.6	10,669	8,017	2,652	67	22	24	28	63
1942	28,914	21.4	10,504	7,949	2,555	73	24	26	30	70
1943	26,186	19.2	10,446	8,010	2,436	71	24	26	32	64
1944	24,815	17.9	10,219	7,988	2,231	72	25	27	31	68
1945	24,420	17.5	10,000	7,881	2,119	73	27	29	32	67
1946	25,403	18.0	10,295	8,106	2,189	76	29	31	32	70
1947	25,829	17.9	10,382	8,115	2,267	74	29	31	33	67
1948	24,383	16.6	10,363	8,026	2,337	80	32	35	34	75
1949	24,194	16.2	9,964	7,712	2,252	76	33	36	36	70
1950	23,048	15.2	9,926	7,597	2,329	76	35	39	37	69
1951	21,890	14.2	9,546	7,310	2,236	76	36	38	39	69
1952	21,748	13.9	9,149	7,005	2,144	79	39	42	40	73
1953	19,874	12.5	8,864	6,775	2,089	80	41	43	41	73
1954	19,019	11.7	8,651	6,570	2,081	81	43	45	43	71
1955	19,078	11.5	8,381	6,345	2,036	83	47	48	46	74
1956	18,712	11.1	7,853	5,900	1,953	85	50	52	48	77
1957	17,656	10.3	7,600	5,660	1,940	86	53	56	50	77
1958	17,128	9.8	7,503	5,521	1,982	92	59	65	55	86
1959	16,592	9.4	7,342	5,390	1,952	92	62	66	59	86
1960	15,635	8.7	7,057	5,172	1,885	96	67	71	62	88
1961	14,803	8.1	6,919	5,029	1,890	97	70	73	67	92
1962	14,313	7.7	6,700	4,873	1,827	97	73	77	71	95
1963	13,367	7.1	6,518	4,738	1,780	100	80	82	77	97
1964	12,954	6.8	6,110	4,506	1,604	98	83	85	83	95
1965	12,363	6.4	5,610	4,128	1,482	101	91	92	87	100
1966	11,595	5.9	5,214	3,854	1,360	98	94	95	93	99
1967	10,875	5.5	4,903	3,650	1,253	100	100	100	100	100
1968	10,454	5.2	4,748	3,535	1,213	100	106	106	105	104
1969	10,307	5.1	4,596	3,419	1,176	101	112	112	112	107
1970	9,712	4.7	4,523	3,348	1,175	99	113	110	120	102
1971 p	9,400	4.5	4,454	3,286	1,168	107	122	121	120	112

[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 B–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 B–84.—*Indexes of prices received and prices paid by farmers, and parity ratio, 1929–71*

[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		Cotton	Tobacco	Oil-bearing crops	All livestock and products [1]	Meat animals	Dairy products	Poultry 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	83
1939	37	42	41	41	41	39	27	35	39	33	36	73
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	116	119	107	123
1970	110	100	92	101	101	96	109	97	118	121	113	115
1971	112	108	94	106	106	109	113	108	116	119	116	100
1970: Jan 15	113	96	89	97	94	84	108	90	126	126	115	150
Feb 15	114	98	90	97	95	92	109	91	126	130	113	137
Mar 15	114	98	89	96	94	94	109	91	125	132	110	127
Apr 15	111	97	91	96	94	96	109	93	121	128	109	111
May 15	110	100	90	98	97	98	109	93	117	125	107	100
June 15	110	101	86	99	99	98	109	96	117	126	106	100
July 15	112	103	85	100	101	99	109	99	119	126	108	111
Aug 15	109	100	91	101	102	100	110	97	115	120	110	104
Sept 15	110	104	96	109	110	97	110	99	116	116	115	115
Oct 15	108	102	98	107	108	101	106	103	113	112	119	101
Nov 15	106	102	99	106	106	98	109	104	109	104	120	108
Dec 15	104	99	96	110	110	93	110	103	108	102	119	111
1971: Jan 15	106	102	97	114	114	93	110	106	110	106	118	108
Feb 15	112	105	97	116	116	95	111	107	117	120	117	103
Mar 15	111	107	96	116	116	93	111	106	114	117	115	102
Apr 15	111	108	97	114	114	98	111	104	114	117	113	102
May 15	113	111	98	114	115	101	111	105	114	119	111	98
June 15	113	114	99	118	120	103	111	108	113	119	109	97
July 15	113	111	93	112	113	106	111	113	114	120	111	98
Aug 15	113	108	89	100	99	119	112	112	117	122	113	102
Sept 15	111	104	88	96	94	119	115	108	117	120	117	100
Oct 15	113	106	91	90	87	122	115	108	118	123	121	94
Nov 15	114	108	91	90	86	127	118	105	119	123	121	96
Dec 15	116	109	93	97	94	129	120	108	121	125	121	105

See footnotes at end of table.

TABLE B-84.—*Indexes of prices received and prices paid by farmers, and parity ratio, 1929–71*—Con.

[1967=100]

Year or month	Prices paid by farmers: All items, interest, taxes, and wage rates (parity index)	Commodities and services: All items	Commodities and services: Family living items	Production items: All production items[1]	Production items: Feed	Production items: Motor vehicles	Production items: Farm machinery	Production items: Fertilizer	Interest[2]	Taxes[3]	Wage rates[4]	Parity ratio[5]
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	83
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	49	46	52	62	37	35	71	20	21	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	124	119	74 (79)
1970	114	111	114	110	102	114	116	97	128	134	128	72 (77)
1971	120	117	119	115	106	122	124	101	134	146	134	70 (74)
1970: Jan 15	112	110	112	108	100	------	------	93	128	134	124	75 (80)
Feb 15	113	110	112	109	101	------	------	93	128	134	124	75 (81)
Mar 15	113	110	112	109	100	113	114	93	128	134	124	75 (81)
Apr 15	114	111	113	109	99	------	------	96	128	134	129	72 (78)
May 15	114	111	113	109	100	113	------	96	128	134	129	72 (77)
June 15	114	111	114	109	100	114	117	96	128	134	129	72 (77)
July 15	114	111	114	109	100	------	------	96	128	134	127	73 (79)
Aug 15	114	111	114	109	101	------	------	96	128	134	127	71 (76)
Sept 15	115	112	115	111	105	114	119	98	128	134	127	71 (77)
Oct 15	115	113	115	111	105	------	------	98	128	134	131	70 (75)
Nov 15	115	113	115	111	105	118	------	98	128	134	131	68 (74)
Dec 15	116	113	116	112	107	118	120	98	128	134	131	66 (72)
1971: Jan 15	117	114	116	112	108	------	------	98	134	146	130	68 (72)
Feb 15	118	115	117	113	108	------	------	98	134	146	130	70 (75)
Mar 15	118	115	117	114	108	119	121	98	134	146	130	70 (74)
Apr 15	119	116	117	115	108	------	------	101	134	146	137	69 (74)
May 15	120	116	118	115	108	123	------	101	134	146	137	70 (74)
June 15	120	117	119	116	109	124	125	101	134	146	137	70 (75)
July 15	120	117	119	116	108	------	------	101	134	146	133	70 (74)
Aug 15	120	118	120	116	105	------	------	101	134	146	133	70 (74)
Sept 15	120	118	120	116	103	123	128	101	134	146	133	68 (73)
Oct 15	121	118	120	116	100	------	------	------	134	146	138	69 (74)
Nov 15	121	118	120	117	100	123	------	------	134	146	138	70 (74)
Dec 15	122	119	121	117	102	------	------	------	134	146	138	71 (75)

[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 B-85.—*Selected measures of farm resources and inputs, 1929–71*

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	95	302	91	39	11	31	53
1930	369	22.9	94	299	90	40	11	30	52
1931	365	23.4	94	306	88	38	8	26	54
1932	371	22.6	90	295	86	35	6	28	52
1933	340	22.6	89	294	86	32	6	28	52
1934	304	20.2	83	264	86	31	8	27	48
1935	345	21.1	85	275	88	33	9	26	49
1936	323	20.4	87	267	88	35	10	35	48
1937	347	22.1	91	288	89	38	12	33	52
1938	349	20.6	89	269	89	40	12	34	48
1939	331	20.7	92	270	90	40	12	41	50
1940	341	20.5	93	269	92	42	14	43	52
1941	344	20.0	93	265	90	44	15	46	52
1942	348	20.6	95	271	88	50	17	49	49
1943	357	20.3	96	267	87	53	19	53	52
1944	362	20.2	97	265	87	55	23	53	54
1945	354	18.8	95	249	88	56	23	55	53
1946	352	18.1	93	239	92	55	24	54	54
1947	355	17.2	93	226	92	61	28	56	54
1948	356	16.8	94	220	93	68	29	57	59
1949	360	16.2	97	212	94	75	31	62	62
1950	345	15.1	96	199	95	79	32	64	63
1951	344	15.2	99	200	96	84	36	68	67
1952	349	14.5	99	191	95	89	39	70	67
1953	348	14.0	98	184	96	90	42	70	65
1954	346	13.3	98	176	97	90	43	72	64
1955	340	12.8	98	170	97	91	45	73	69
1956	324	12.0	96	160	95	91	44	76	70
1957	324	11.1	94	149	95	90	46	75	69
1958	324	10.5	94	143	94	91	48	80	74
1959	324	10.3	95	139	94	92	54	84	79
1960	324	9.8	94	134	93	91	54	84	80
1961	303	9.4	94	129	93	90	58	87	82
1962	295	9.0	94	123	94	91	62	89	86
1963	300	8.7	95	120	96	92	70	89	89
1964	301	8.2	96	115	98	93	76	90	93
1965	298	7.8	97	109	99	96	80	91	94
1966	295	7.4	98	101	99	100	90	97	97
1967	308	7.3	100	100	100	100	100	100	100
1968	303	7.0	102	96	100	102	107	101	109
1969	294	6.7	102	94	101	103	110	104	101
1970	297	6.5	103	92	102	103	113	109	100
1971 p	310	6.6	104	93	102	103	118	111	100

[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 B–86.—*Comparative balance sheet of the farming sector, 1929–72*

[Billions of dollars]

Beginning of year	Assets									Claims			
	Total	Real estate	Other physical assets				Financial assets			Total	Real estate debt	Other debt	Proprietors' equities
			Livestock [1]	Machinery and motor vehicles	Crops [2]	Household equipment and furnishings	Deposits and currency	U.S. savings bonds	Investment in cooperatives				
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	255.8	172.5	17.5	27.1	9.7	8.6	10.0	4.1	6.3	255.8	21.2	20.4	214.2
1967	269.5	182.5	18.9	28.9	10.0	8.4	10.3	3.9	6.6	269.5	23.3	22.4	223.8
1968	283.6	193.1	18.8	31.4	9.6	9.0	10.9	3.8	7.0	283.6	25.5	24.9	233.2
1969	298.5	202.6	20.2	33.0	10.6	9.6	11.5	3.7	7.3	298.5	27.1	27.5	243.9
1970	309.6	208.2	23.4	34.1	10.9	9.7	11.9	3.7	7.7	309.6	28.4	29.7	251.5
1971	319.0	214.0	23.7	36.6	10.7	9.8	12.4	3.7	8.1	319.0	29.5	31.6	257.9
1972 p	335.1	223.0	86.8				25.3			335.1	30.7	34.8	269.6

[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, 1972, totaled approximately $0.9 billion.

Source: Department of Agriculture.

TABLE B-87.—*U.S. balance of payments, 1946–71*

[Millions of dollars]

Year or quarter	Merchandise [1] [2]			Military transactions			Net investment income		Net travel and transportation expenditures	Other services, net	Balance on goods and services [1]	Remittances, pensions and other unilateral transfers [1]	Current account balance
	Exports	Imports	Net balance	Direct expenditures	Sales	Net balance	Private [3]	U.S. Government					
1946	11,764	−5,067	6,697	−493	(8)	−493	750	6	733	114	7,807	−2,922	4,885
1947	16,097	−5,973	10,124	−455	(8)	−455	997	50	946	−45	11,617	−2,625	8,992
1948	13,265	−7,557	5,708	−799	(8)	−799	1,177	85	374	−27	6,518	−4,525	1,993
1949	12,213	−6,874	5,339	−621	(8)	−621	1,200	73	230	−3	6,218	−5,638	580
1950	10,203	−9,081	1,122	−576	(8)	−576	1,382	78	−120	6	1,892	−4,017	−2,125
1951	14,243	−11,176	3,067	−1,270	(8)	−1,270	1,569	151	298	2	3,817	−3,515	302
1952	13,449	−10,838	2,611	−2,054	(8)	−2,054	1,535	140	83	41	2,356	−2,531	−175
1953	12,412	−10,975	1,437	−2,615	192	−2,423	1,566	166	−238	24	532	−2,481	−1,949
1954	12,929	−10,353	2,576	−2,642	182	−2,460	1,899	213	−269	0	1,959	−2,280	−321
1955	14,424	−11,527	2,897	−2,901	200	−2,701	2,117	180	−297	−43	2,153	−2,498	−345
1956	17,556	−12,803	4,753	−2,949	161	−2,788	2,454	40	−361	47	4,145	−2,423	1,722
1957	19,562	−13,291	6,271	−3,216	375	−2,841	2,584	4	−189	72	5,901	−2,345	3,556
1958	16,414	−12,952	3,462	−3,435	300	−3,135	2,416	168	−633	78	2,356	−2,361	−5
1959	16,458	−15,310	1,148	−3,107	302	−2,805	2,658	68	−821	62	310	−2,448	−2,138
1960	19,650	−14,744	4,906	−3,087	335	−2,752	2,825	16	−964	96	4,126	−2,292	1,834
1961	20,107	−14,519	5,588	−2,998	402	−2,596	3,451	103	−978	46	5,615	−2,513	3,102
1962	20,779	−16,218	4,561	−3,105	656	−2,449	3,920	132	−1,155	140	5,150	−2,631	2,519
1963	22,252	−17,011	5,241	−2,961	657	−2,304	4,056	97	−1,312	208	5,987	−2,742	3,245
1964	25,478	−18,647	6,831	−2,880	747	−2,133	4,872	3	−1,149	174	8,600	−2,754	5,846
1965	26,438	−21,496	4,942	−2,952	830	−2,122	5,274	20	−1,319	333	7,130	−2,835	4,295
1966	29,390	−25,463	3,927	−3,764	829	−2,935	5,331	44	−1,382	315	5,300	−2,890	2,410
1967	30,680	−26,821	3,859	−4,378	1,240	−3,138	5,848	40	−1,752	365	5,220	−3,081	2,139
1968	33,588	−32,964	624	−4,535	1,395	−3,140	6,157	63	−1,558	344	2,489	−2,875	−386
1969	36,490	−35,830	660	−4,856	1,515	−3,341	5,820	155	−1,780	497	2,011	−2,910	−899
1970	41,980	−39,870	2,110	−4,851	1,480	−3,370	6,360	−118	−1,979	587	3,591	−3,148	443
1971 [11]	44,308	−46,052	−1,744	−4,759	2,024	−2,735	8,248	−752	−2,184	753	1,586	−3,364	−1,778
	Seasonally adjusted annual rates												
1969: I	30,040	−30,356	−316	−4,792	1,628	−3,164	6,016	152	−1,836	500	1,352	−2,520	−1,168
II	37,960	−38,264	−304	−4,748	1,316	−3,432	5,872	156	−1,640	532	1,184	−3,356	−2,172
III	38,408	−37,112	1,296	−4,884	1,768	−3,116	5,716	180	−1,748	504	2,832	−2,772	60
IV	39,552	−37,588	1,964	−5,004	1,344	−3,660	5,672	136	−1,892	456	2,676	−2,996	−320
1970: I	40,964	−38,912	2,052	−4,728	1,096	−3,632	6,184	124	−1,792	588	3,524	−3,024	500
II	42,328	−39,324	3,004	−5,020	1,788	−3,232	5,888	−12	−2,000	532	4,180	−3,012	1,168
III	42,784	−39,968	2,816	−4,844	1,308	−3,536	6,540	−256	−2,212	628	3,980	−3,212	768
IV	41,844	−41,276	568	−4,812	1,732	−3,080	6,828	−324	−1,912	600	2,680	−3,344	−664
1971: I	44,120	−43,044	1,076	−4,696	2,028	−2,668	7,580	−448	−1,708	848	4,680	−3,080	1,600
II	42,880	−47,040	−4,160	−4,856	2,180	−2,676	9,308	−632	−2,440	704	104	−3,352	−3,248
III [p]	45,924	−48,072	−2,148	−4,724	1,864	−2,860	7,856	−1,176	−2,404	708	−24	−3,660	−3,684

See footnotes at end of table.

TABLE B-87.—*U. S. balance of payments, 1946-71*—Continued

[Millions of dollars]

Year or quarter	Long-term capital flows, net: U.S. Government[4]	Long-term capital flows, net: Private[5]	Balance on current account and long-term capital	Nonliquid short-term private capital flows, net[5]	Allocations of special drawing rights	Errors and omissions, net	Balance, net liquidity basis	Liquid private capital flows, net[5]	Balance, official reserve transactions basis	Changes in liabilities to foreign official agencies, net[6]	Changes in U.S. official reserve assets, net[7]	U.S. official reserve assets, net (end of period)
1946				−98		155					−623	20,706
1947				625		861					−3,315	24,021
1948				984		1,115					−1,736	25,758
1949				875		717					−266	26,024
1950				−49		−124					1,758	24,265
1951				127		354					−33	24,299
1952				456		497					−415	24,714
1953				403		220					1,256	23,458
1954				−496		60					480	22,978
1955				43		371					182	22,797
1956				−89		390					−869	23,666
1957				838		1,012					−1,165	24,832
1958				216		361					2,292	22,540
1959				171		260					1,035	21,504
1960	−889	−2,100	−1,155	[9] −1,405		−1,116	[9] −3,676	[9] 273	−3,403	1,258	2,145	19,359
1961	−901	−2,181	20	[9] −1,200		−1,070	[9] −2,251	[9] 903	−1,348	742	606	18,753
1962	−891	−2,607	−979	[9] −657		−1,230	[9] −2,864	[9] 214	−2,650	1,117	1,533	17,220
1963	−1,150	−3,357	−1,262	[9] −764		−485	[9] −2,509	[9] 575	−1,934	1,557	377	16,843
1964	−1,348	−4,470	28	−1,691		−1,080	−2,745	1,211	−1,534	1,363	171	16,672
1965	−1,532	−4,577	−1,814	−171		−507	−2,493	1,204	−1,289	67	1,222	15,450
1966	−1,469	−2,555	−1,614	−102		−431	−2,148	2,367	219	−787	568	14,882
1967	−2,423	−2,912	−3,196	−505		−985	−4,685	1,267	−3,418	3,366	52	14,830
1968	−2,161	1,198	−1,349	231		−493	−1,610	3,251	1,641	−761	−880	15,710
1969	−1,930	−50	−2,879	−602		−2,603	−6,084	8,786	2,702	−1,515	−1,187	[10] 16,964
1970	−2,029	−1,454	−3,039	−545	867	−1,104	−3,821	−6,000	−9,821	7,344	2,477	14,487
1971 [11]	−2,456	−5,928	−10,162	−2,593	717	−11,401	−23,439	−7,741	−31,180	27,800	3,380	12,131
	Seasonally adjusted annual rates											Unadjusted
1969: I	−1,916	2,496	−588	24		−4,368	−4,936	10,284	5,348	−5,156	−192	15,758
II	−2,164	−3,740	−8,076	−1,488		−2,512	−12,076	18,712	6,636	−5,440	−1,196	16,057
III	−2,816	−1,524	−4,280	−840		−2,868	−7,984	5,268	−2,716	5,460	−2,744	16,743
IV	−820	2,564	1,424	−108		−664	652	884	1,536	−920	−616	16,964
1970: I	−1,812	−3,876	−5,188	−460	868	−236	−5,016	−6,440	−11,456	10,400	1,056	17,350
II	−2,360	−1,088	−2,280	−560	868	−1,500	−3,472	−2,144	−5,616	2,396	3,220	16,328
III	−1,248	−880	−1,360	−460	868	−1,748	−2,700	−5,600	−8,300	5,964	2,336	15,527
IV	−2,692	28	−3,328	−700	864	−932	−4,096	−9,816	−13,912	10,616	3,296	14,487
1971: I	−2,720	−4,012	−5,132	−1,536	720	−4,068	−10,016	−12,116	−22,132	19,404	2,728	14,342
II	−2,520	−7,180	−12,948	−1,576	716	−9,320	−23,128	204	−22,924	20,288	2,636	13,504
III p	−2,128	−6,592	−12,404	−4,668	716	−20,816	−37,172	−11,312	−48,484	43,708	4,776	12,131

1 Excludes military grants.
2 Adjusted from Census data for differences in timing and coverage.
3 Includes fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States.
4 Excludes liabilities to foreign official reserve agencies.
5 Private foreigners exclude the IMF, but include other international and regional organizations.
6 Includes liabilities to foreign official agencies reported by U.S. Government and U.S. banks and U.S. liabilities to the IMF arising from reversible gold sales to, and gold deposits with, the United States.
7 Official reserve assets include gold, special drawing rights, convertible currencies, and the U.S. gold tranche position in the IMF.
8 Not available separately.
9 Coverage of liquid banking claims for 1960-63 and of nonliquid nonbanking claims for 1960-62 is limited to foreign currency deposits only; other liquid items are not available separately and are included with nonliquid claims.
10 Includes gain of $67 million resulting from revaluation of the German mark in October 1969.
11 Average of the first 3 quarters on a seasonally adjusted annual rates basis.

Sources: Department of Commerce (Bureau of Economic Analysis) and Treasury Department.

TABLE B–88.—*U.S. merchandise exports and imports, by commodity groups, 1958–71*

[Millions of dollars]

Year or quarter	Merchandise exports [1]						Merchandise imports					Gross merchandise trade balance, seasonally adjusted [7]
	Total, including reexports [2]		Domestic exports				General imports [6]					
							Total [3]					
	Seasonally adjusted	Unadjusted	Total [2,3]	Food, beverages, and tobacco	Crude materials and fuels [4]	Manufactured goods [5]	Seasonally adjusted	Unadjusted	Food, beverages, and tobacco	Crude materials and fuels [4]	Manufactured goods [5]	
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	3,863	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	....	26,742	26,399	4,519	4,273	17,433	....	21,427	4,013	5,440	11,244	5,315
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	....	42,659	42,025	5,058	6,692	29,343	....	39,952	6,230	6,542	25,906	2,708
1971	....	43,555	42,916	5,075	6,438	30,449	....	45,602	6,406	7,272	30,448	−2,047
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	10,327	10,194	10,060	1,117	1,489	7,246	9,721	9,455	1,512	1,667	5,998	606
II	10,798	11,219	11,055	1,145	1,725	7,932	9,864	10,069	1,580	1,600	6,574	933
III	10,848	10,153	9,989	1,264	1,608	6,872	10,023	9,873	1,496	1,617	6,422	825
IV	10,757	11,094	10,922	1,532	1,870	7,294	10,328	10,555	1,640	1,657	6,913	429
1971: I	11,239	11,116	10,961	1,296	1,689	7,738	10,798	10,517	1,492	1,626	7,050	440
II	10,965	11,405	11,221	1,219	1,673	8,047	11,755	12,012	1,707	1,836	8,093	−791
III	11,681	10,930	10,782	1,336	1,568	7,649	11,969	11,788	1,896	1,929	7,597	−288
IV	9,728	10,105	9,952	1,224	1,509	7,012	11,050	11,285	1,311	1,880	7,709	−1,322

[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 B-89.—*U.S. merchandise exports and imports, by area, 1965–71*

[Millions of dollars]

Area	1965	1966	1967	1968	1969	1970	1971
Exports (including reexports and special category shipments): Total	27,521	30,430	31,622	34,636	38,006	43,224	44,137
Developed countries	18,366	20,120	21,467	23,600	26,479	29,877	30,347
Developing countries	9,015	10,112	9,960	10,821	11,277	12,993	13,405
Canada	5,657	6,679	7,172	8,072	9,137	9,079	10,366
Other Western Hemisphere	4,266	4,769	4,718	5,339	5,576	6,532	6,484
Western Europe [1]	9,258	9,891	10,187	11,132	12,392	14,463	14,190
Eastern Europe	140	198	195	215	249	354	384
Asia	6,015	6,740	7,150	7,582	8,261	10,028	9,850
Australia and Oceania	956	805	1,018	1,026	998	1,189	1,169
Africa	1,229	1,348	1,182	1,269	1,392	1,579	1,694
General imports: Total	21,427	25,618	26,889	33,226	36,043	39,952	45,602
Developed countries	14,101	17,632	18,993	24,130	26,460	29,259	33,781
Developing countries	7,173	7,795	7,709	8,886	9,373	10,442	11,552
Canada	4,858	6,152	7,140	9,005	10,384	11,092	12,762
Other Western Hemisphere	4,398	4,737	4,662	5,143	5,163	5,836	6,039
Western Europe [1]	6,154	7,679	8,052	10,139	10,138	11,169	12,623
Eastern Europe	137	179	177	198	195	226	223
Asia	4,529	5,277	5,349	6,911	8,275	9,621	11,783
Australia and Oceania	455	596	583	697	828	871	895
Africa	883	992	920	1,122	1,046	1,113	1,237
Unidentified countries [2]	12	6	6	11	12	24	41

[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 B-90.—*U.S. overseas loans and grants, by type and area, fiscal years, 1962–71*

[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]								
1962-70 average	4,601	1,364	1,143	366	564	367	270	526
Loans	2,427	1,032	708	0	257	157	236	38
Grants	2,175	334	435	366	308	210	34	489
1971	4,731	909	677	556	883	374	517	816
Loans	2,566	678	417	0	634	206	504	128
Grants	2,165	231	259	556	249	169	14	687
Economic loans and grants to less developed countries, by program: [2]								
Net obligations and loan authorizations:								
1962-70 average	4,363	1,365	1,143	366	495	366	128	500
1971	4,023	909	677	556	763	374	45	699
Repayments and interest:								
1962-70 average	811	297	322	9	61	38	79	5
1971	1,230	425	469	2	147	78	104	5
Agency for International Development:								
Net obligations and loan authorizations:								
1962-70 average	2,088	626	501	281	218	179	1	281
1971	1,700	263	260	368	280	162	0	367
Repayments and interest:								
1962-70 average	227	126	30	9	23	20	17	2
1971	322	178	59	2	34	31	18	1
Export-Import Bank long-term loans:								
Loan authorizations:								
1962-70 average	427	93	198		46	29	59	3
1971	669	126	203		225	65	45	5
Repayments and interest:								
1962-70 average	426	84	264		27	13	38	0
1971	600	105	351		80	30	34	0
Food for Peace:								
Obligations:								
1962-70 average	1,319	633	150	85	198	136	68	49
1971	1,228	512	110	188	246	127	0	45
Repayments and interest:								
1962-70 average	133	83	13	0	8	4	24	0
1971	268	138	29	0	30	17	53	0
Contributions and Subscriptions to International Lending Organizations: [3]								
Obligations:								
1962-70 average	314		208					106
1971	255		75					180
Peace Corps and other: [4]								
Obligations:								
1962-70 average	215	12	87		33	22		61
1971	172	8	28		13	21		102
Repayments and interest:								
1962-70 average	25	5	14		2	1		3
1971	40	4	30		2	0		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, Bureau of Economic Analysis.

Source: Agency for International Development (except as noted).

TABLE B–91.—*International reserves, 1949, 1953, and 1966–71*

[Millions of dollars; end of period]

Area and country	1949	1953	1966	1967	1968	1969	1970	1971	
								September	November
All countries	45,635	51,780	72,640	74,270	77,330	78,190	92,495	117,330	....
Developed areas	37,245	41,375	60,523	61,281	63,246	62,641	74,320	96,360	99,551
United States	26,024	23,458	14,882	14,830	15,710	16,964	14,487	12,130	12,130
United Kingdom	1,752	2,670	3,099	2,695	2,422	2,527	2,827	5,013	5,572
Other Western Europe	6,455	10,500	35,308	36,733	36,172	33,618	44,652	56,949	57,722
Austria	92	325	1,333	1,484	1,510	1,537	1,758	2,231	2,178
Belgium	978	1,144	2,350	2,590	2,187	2,388	2,847	3,424	3,331
France	580	829	6,733	6,994	4,201	3,833	4,960	7,310	7,494
Germany	196	1,773	8,029	8,153	9,948	7,129	13,610	16,956	17,370
Italy	(1)	768	4,911	5,463	5,341	5,045	5,352	6,666	6,431
Netherlands	434	1,232	2,448	2,619	2,463	2,529	3,234	3,609	3,553
Scandinavian countries (Denmark, Finland, Norway, and Sweden)	537	1,026	2,341	2,236	2,315	2,213	2,536	3,121	3,329
Spain	(1)	150	1,253	1,100	1,149	1,281	1,817	2,948	3,104
Switzerland	1,692	1,768	3,545	3,696	4,293	4,425	5,132	6,549	6,531
Other [2]	1,222	1,484	2,365	2,398	2,765	3,238	3,398	4,135	[4] 4,401
Canada	1,197	1,902	2,702	2,717	3,046	3,106	4,679	4,992	5,274
Japan	(1)	892	2,119	2,030	2,906	3,654	4,840	13,384	14,836
Australia, New Zealand, and South Africa	1,587	1,953	2,413	2,277	2,990	2,772	2,831	3,892	4,017
Less developed areas [3]	8,390	10,405	12,115	12,990	14,085	15,550	18,175	20,970	....
Latin America	2,775	3,400	3,175	3,450	3,935	4,495	5,670	6,080	[4] 6,420
Middle East	1,475	1,200	2,915	3,295	3,310	3,035	3,120	4,315	....
Other Asia	3,395	3,840	3,880	4,075	4,205	4,820	5,145	5,320	[4] 5,300
Other Africa	[4] 290	1,800	2,090	2,100	2,465	3,055	4,125	5,130	....

[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 B–92.—*U.S. reserve assets, 1946–71*

[Millions of dollars]

End of year or month	Total reserve assets	Gold stock [1]: Total [2]	Gold stock [1]: Treasury	Special drawing rights [3]	Convertible foreign currencies [4]	Reserve position in International Monetary Fund [5]
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
1971	[8] 12,167	10,206	10,132	1,100	[8] 276	585
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
1971: Jan	14,699	11,040	10,732	1,468	491	1,700
Feb	14,534	11,039	10,732	1,468	327	1,700
Mar	14,342	10,963	10,732	1,443	256	1,680
Apr	14,307	10,925	10,732	1,443	257	1,682
May	13,811	10,568	10,332	1,247	318	1,678
June	13,504	10,507	10,332	1,247	322	1,428
July	13,283	10,453	10,332	1,147	250	1,433
Aug	12,128	10,209	10,132	1,097	248	574
Sept	12,131	10,207	10,132	1,097	250	577
Oct	12,146	10,207	10,132	1,100	259	580
Nov	12,131	10,206	10,132	1,100	243	582
Dec	[8] 12,167	10,206	10,132	1,100	[8] 276	585

[1] Includes gold sold to the United States by the International Monetary Fund (IMF) with the right of repurchase, which amounted to $400 million on December 31, 1971. 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 $144 million on December 31, 1971. The United States has a corresponding gold liability to the IMF.

[2] Includes gold in Exchange Stabilization Fund.

[3] Includes initial allocation on January 1, 1970 of $867 million and second allocation on January 1, 1971 of $717 million of special drawing rights (SDR) in the Special Drawing Account in the IMF, plus or minus transactions in SDR.

[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.

[8] Includes $28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of December 31, 1971.

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 B–93.—*Price changes in international trade, 1963–71*

[1963=100]

Area or commodity class	1963	1964	1965	1966	1967	1968	1969	1970	1971 Third quarter
	Unit value indexes by area								
Developed areas									
Total:									
Exports	100	102	103	105	105	104	108	114	120
Terms of trade [1]	100	100	100	100	101	101	101	102	102
United States:									
Exports	100	101	104	107	110	111	115	121	124
Terms of trade [1]	100	99	101	101	102	103	103	101	98
Developing areas									
Total:									
Exports	100	103	102	104	103	103	106	109	[2] 113
Terms of trade [1]	100	101	100	101	100	101	102	100	[2] 101
Latin America:									
Exports	100	107	106	108	105	106	109	115	[2] 108
Terms of trade [1]	100	106	103	103	100	99	100	101	[2] 91
Southern and Eastern Asia [3]:									
Exports	100	100	101	101	99	97	103	106	[2] 108
Terms of trade [1]	100	98	99	100	99	100	103	104	[2] 103
	World export price indexes								
Primary commodities: Total	100	103	103	104	101	100	104	107	113
Foodstuffs	100	105	103	105	104	102	106	111	113
Coffee, tea, and cocoa	100	121	111	113	111	111	120	138	122
Cereals	100	103	99	104	106	102	102	99	104
Other agricultural commodities [4]	100	102	103	104	96	96	101	100	100
Fats, oils, and oilseeds	100	104	114	111	102	100	101	109	109
Textile fibers	100	102	92	92	88	88	85	84	82
Wool	100	103	86	90	77	74	73	64	57
Rubber	100	95	97	91	75	73	99	82	69
Minerals	100	102	104	104	103	102	104	109	123
Metal ores	100	108	114	105	109	108	114	122	125
Manufactured goods: Total [5]	100	101	103	106	107	107	110	117	124
Nonferrous base metals [5]	100	119	135	156	142	150	168	175	161

[1] Terms of trade indexes are unit value indexes of exports divided by unit value indexes of imports.
[2] Data are for second quarter 1971.
[3] Excludes Japan.
[4] Includes nonfood fish and forest products.
[5] Data for manufactured goods are unit value indexes.

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 B-94.—*Consumer price indexes in the United States and other major industrial countries, 1957–71*

[1963=100]

Period	United States	Canada	Japan	France	Germany	Italy	Nether-lands	United Kingdom
1957	91.9	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	95.2	95.1	79.8	85.0	90.9	85.1	91	90.0
1960	96.7	96.2	82.6	88.1	92.1	87.1	93	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	103.1	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 1	112.0	121.0	111.8	111.1	116.9	121.4	115.2
1968	113.6	116.6	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	126.8	126.0	144.4	131.2	120.6	127.6	141.3	135.3
1971 [1]	132.3	129.2	152.7	137.6	126.2	133.1	151.1	147.3
1969: I	117.0	119.3	130.5	121.6	115.3	119.7	133.6	125.2
II	119.0	121.6	132.8	123.2	116.0	120.9	135.7	127.2
III	120.7	123.1	135.8	124.7	116.0	122.3	135.2	127.4
IV	122.4	123.8	137.5	126.5	117.0	123.5	136.5	129.0
1970: I	124.2	125.0	141.1	129.0	119.4	125.4	138.2	131.5
II	126.2	126.1	142.9	130.6	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	129.3	126.5	149.2	133.4	121.7	130.1	144.1	139.0
1971: I	130.3	127.1	150.5	135.3	124.4	131.7	147.3	142.8
II	131.7	128.9	152.4	137.4	126.3	133.2	151.1	147.9
III	133.0	130.8	155.3	139.3	127.3	134.3	153.3	149.9
IV [2]	133.8	131.1	159.4	140.7	128.3	135.0	156.0	150.9

[1] For United States, 12-month average; for all other countries, January–October average, except Italy and Japan January–September average.

[2] October–December average for United States; October data for all other countries, except September data for Italy and Japan.

Sources: Department of Labor and Organization for Economic Cooperation and Development.

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