ECONOMIC REPORT OF THE PRESIDENT

TRANSMITTED
TO THE CONGRESS
JANUARY 1973

Economic Report of the President

Transmitted to the Congress

January 1973

TOGETHER WITH

THE ANNUAL REPORT

OF THE

COUNCIL OF ECONOMIC ADVISERS

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ECONOMIC REPORT OF THE PRESIDENT

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To the Congress of the United States:

As predicted, 1972 was a very good year for the American economy.

From the end of 1971 to the end of 1972, total output rose by about 7½ percent. This is one of the largest 1-year increases in the past 25 years. This growth took place in a largely peacetime economy; it was not achieved by a war-fed, inflationary boom. In fact, real defense spending declined 5 percent during the year. More important is the fact that the big increase of production in the year just ended was accompanied by a reduced rate of inflation. Consumer prices increased a little more than 3 percent from 1971 to 1972—a far cry from the runaway inflation rate of 6 percent that confronted us in 1969.

A year ago, looking ahead to 1972, I said that the great problem was to get the unemployment rate down from the 6-percent level where it was in 1971. During 1972 the rate was reduced to a little over 5 percent. We should get this down further, and expect to do so, but what was accomplished was gratifying. It is especially significant that the total number of people at work rose by 2.3 million from 1971 to 1972, the largest 1-year increase in 25 years.

Everything was not ideal in 1972—in the economy any more than in other aspects of our national life. Rising food prices were a major concern. The U.S. balance of trade with other countries did not improve as we had hoped. But all-in-all it was a very good year.

The economic performance of 1972 owed much to sound and forceful Government policy. The history of this policy goes back before 1972, and back before the dramatic moves taken on August 15, 1971. It goes back to the decision made in 1969 to bring to an end the dangerous inflation that had started in the mid-sixties. The decision was carried out by slowing down the rise of Federal spending and continuing the temporary tax increase that had been enacted in 1968 and by tightening monetary conditions. As a result, much of the cause of the inflation was removed and the rise in the cost of living was moderated. Without these steps, the subsequent success of price and wage controls would have been impossible.

Curbing inflation and cutting back on defense production necessarily involved a downturn in the economy and a rise of unemployment. To keep this from going too far, fiscal and monetary policy shifted in an expansive direction in 1970. And to speed up both the decline of inflation and the recovery of the economy, I announced the New Economic Policy on August 15, 1971. Temporary controls were imposed on prices, rents, and wages. Taxes were reduced. A little later we moved to stimulate the economy further by boosting Government expenditures in the first half of 1972, mainly by bringing forward expenditures that would have been made later.

The policies that began in 1969 contributed to the economic progress so visible in 1972. But Government policies alone did not do the job. Credit goes largely to a strong private economy and to the private citizens who cooperated in raising productivity, maintaining industrial peace, and conforming to the standards of the control system. The Government helped to create conditions in which private people could adapt to a growing economy that was far less defense-oriented and much less inflationary. But it was the individual American who made the adaptations.

The immediate economic goals for the domestic economy in 1973 are clear. Output and incomes should expand. Both the unemployment rate and the rate of inflation should be reduced further, and realistic confidence must be created that neither need rise again.

The prospects for achieving these goals in 1973 are bright—if we behave with reasonable prudence and foresight. By all signs a vigorous economic expansion is underway and will continue during the year. This will raise output and employment and reduce unemployment. The problem, as far as can now be foreseen, will be to prevent this expansion from becoming an inflationary boom.

That is why I put restraining Federal expenditures at the top of the list of economic policies for 1973. Nothing is easier or more pleasant, at least for a bureaucracy, than to spend money. But beyond some point, which our budget plans already reach, everything that the Government gives out with one hand it must take back with the other, in higher taxes or more inflation or both. Spending proposals must be looked at in this way, by asking whether they are worth either of these costs. Much Government spending fails this test.

I am proposing a budget with expenditures of $250 billion in the current fiscal year—an increase of $18 billion from last year. I am proposing a $19 billion increase for next year, to $269 billion. Although those are large totals and large increases, they reflect a sense of responsibility and discipline. I urgently seek the cooperation of the country and the Congress in staying within my budget proposals.

Only by holding the line on Federal spending will we be able to reduce the inflation rate further in 1973. Productivity should still be rising strongly. Inflationary expectations have been subdued. Workers have been experiencing large gains in their real incomes and so the pressure to catch up will be less than it was earlier. Anti-inflationary forces are at work, but it will be necessary to keep our healthy expansion from becoming an overheated boom.

The system of wage and price controls in effect during 1972 helped bring about a combination of less inflation and more production. But it is not the best system for 1973. After intensive consultation with all parts of the American society we have concluded that controls should be substantially modified. There are several problem areas—food, construction, and medical care costs—where special efforts at restraint are needed, in some cases more intense than last year.

In the economy at large there is need to establish more firmly a pattern of behavior consistent with reasonable price stability. At the same time our own experience and the experience of other countries demonstrate that as controls continue, unless they are suitably modified, red tape multiplies, inequities increase, interferences with production and productivity become more severe, and the possibility is enhanced that prices will explode when controls are lifted. Therefore, we are modifying the control system in several ways.

We are setting forth standards of reasonable price and wage behavior to which we ask business and labor to conform. Private economic units will be able to determine by themselves whether price or wage increases are within the standards or not. They will not require advance approval from the Government. However, the Government will maintain the legal authority, the practical capacity, and the will to intervene where necessary to stop action that is unreasonably inconsistent with the standards. I am asking Congress to extend the Economic Stabilization Act for 1 year, to April 30, 1974, to continue the authority. There should be no doubt about the fact that the authority will be used where needed.

An essential part of our anti-inflation program must be an increase of food supplies to restrain increases of food prices and bring about reductions where possible. The combination of natural occurrences holding down food production in the United States and abroad with rising consumers' incomes at home caused a sharp increase in food prices last year. These same forces will be at work in the early part of this year. But we have taken steps to increase food supplies. Quotas which previously limited the import of meat have been suspended. Restrictions on the acreage planted to major field crops have been relaxed. An increased amount of dried milk is being allowed into the country. Subsidies on agricultural exports have been eliminated. Grazing of cattle is being permitted on acreage diverted from crop production. We have established new machinery in the Federal Government to assure that high priority is given to holding down food prices.

Restraint in budget policy, the new system of cooperative price and wage controls and special efforts to increase food supplies, coupled with the productivity and vigor of the private economy, should make 1973 another year in which inflation and unemployment decline and output rises. But what is at stake in the policies of 1973 is more than economic performance in 1973. What is at stake is whether we can make 1973 the prelude to a sustained period of growth and stability in a free economy. Since 1968 the Government and the economy have been largely absorbed in the negative task of correcting the destabilizing consequences of the financing of the Vietnam war. That period is almost over. Now we can stop putting out fires and turn to building a better economic order.

We must develop more reliable and responsible attitudes and methods for dealing with the Federal budget, so that it is not perpetually on the margin of an inflationary explosion. We must prepare for the end of wage and price controls, and be willing to show the same courage in taking them off as was shown in imposing them. We must weed out the restrictive effects of the large number of other economic controls exercised by the Federal Government, most of them having their origins decades ago, and many of them interfering with productivity and production. And we must strengthen the forces of competition in a vigorous free-enterprise economy.

Nowhere is the need to make 1973 a year of economic reform more apparent than in our international relations. Our actions of August 15, 1971, put the world on the path of negotiation for improvement of the international economy. Last year we made proposals for the reform of the international financial system, and these proposals are now the subject of discussion by high-level officials of the member countries of the International Monetary Fund. This year we expect to enter negotiations on the subject of trade.

We want the American people to be able to buy those foreign goods and services that are better, cheaper, or more interesting than our own. That raises the American standard of living. We want our people to be able to invest abroad when that is the most profitable thing to do. But we also want the American people to be able to pay for these purchases and investments in the way that is best for us. That means, first, that we must be able to pay by selling abroad the things that we produce best, and selling them on the best terms that we can freely obtain. Second, it means that we must be able to pay in a way that is sustainable so that we are not confronted with the need for sudden and possibly painful adjustments.

Existing arrangements are not favorable to us in either respect. We have been buying from abroad in rapidly increasing amounts, and that has helped the American people. But our exports, with which we seek to pay for these imports, have been subject to high barriers, particularly in the case of our agricultural products. We have not been able to sell enough to pay for our overseas expenditures, and so we have had to pay by incurring more and more short-term debts abroad. This is not a situation that can go on indefinitely; its sudden ending could be disruptive. Therefore we want to bring about those reforms that will permit us to earn our way.

Our proposals have been, and will be, put forth in the U.S. national interest. But this is not contrary to the interest of other countries. International competition is shifting from the military and political arenas to the economic. This is a great advantage, because in economic competition every participant can win—there need be no losers. The effort of each nation to produce and sell what it can do most efficiently will benefit others. This is the fundamental belief underlying our proposals for reform and the fundamental reason for thinking that a satisfactory agreement will be reached.

* * * * *

The general prediction is that 1973 will be another very good year for the American economy. I believe that it *can* be a great year. It can be a year in which we reduce unemployment and inflation further and enter into a sustained period of strong growth, full employment, and price stability. But 1973 will be a great year only if we manage our fiscal affairs prudently and do not exceed the increases in Federal expenditures that I have proposed. This is the practical lesson of the experience from 1965 to 1968, when loose fiscal policy turned a healthy expansion into a feverish boom followed by a recession. I am determined to live by this lesson. And I urgently appeal to the Congress to join me in doing so.

January 31, 1973.

THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., January 25, 1973.

THE PRESIDENT:

SIR: The Council of Economic Advisers herewith submits its Annual Report, January 1973, in accordance with Section 4(c)(2) of the Employment Act of 1946.

Respectfully,

HERBERT STEIN,
Chairman.

EZRA SOLOMON.

MARINA v.N. WHITMAN.

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CHAPTER 1

The 1972 Record

1972 WITNESSED the first full-year results of the innovative set of economic programs initiated in August 1971 to speed the recovery of the economy, to reduce the rate of inflation, and to reverse the deteriorating trend in the Nation's external position. There was a rapid acceleration in the rate of growth in real output and a slowdown in the rate of inflation (Chart 1). Civilian employment rose sharply and the number of persons unemployed declined. Both real wages and corporate profits increased. Some progress was made on the international front, but it was greatly overshadowed by developments in the domestic economy.

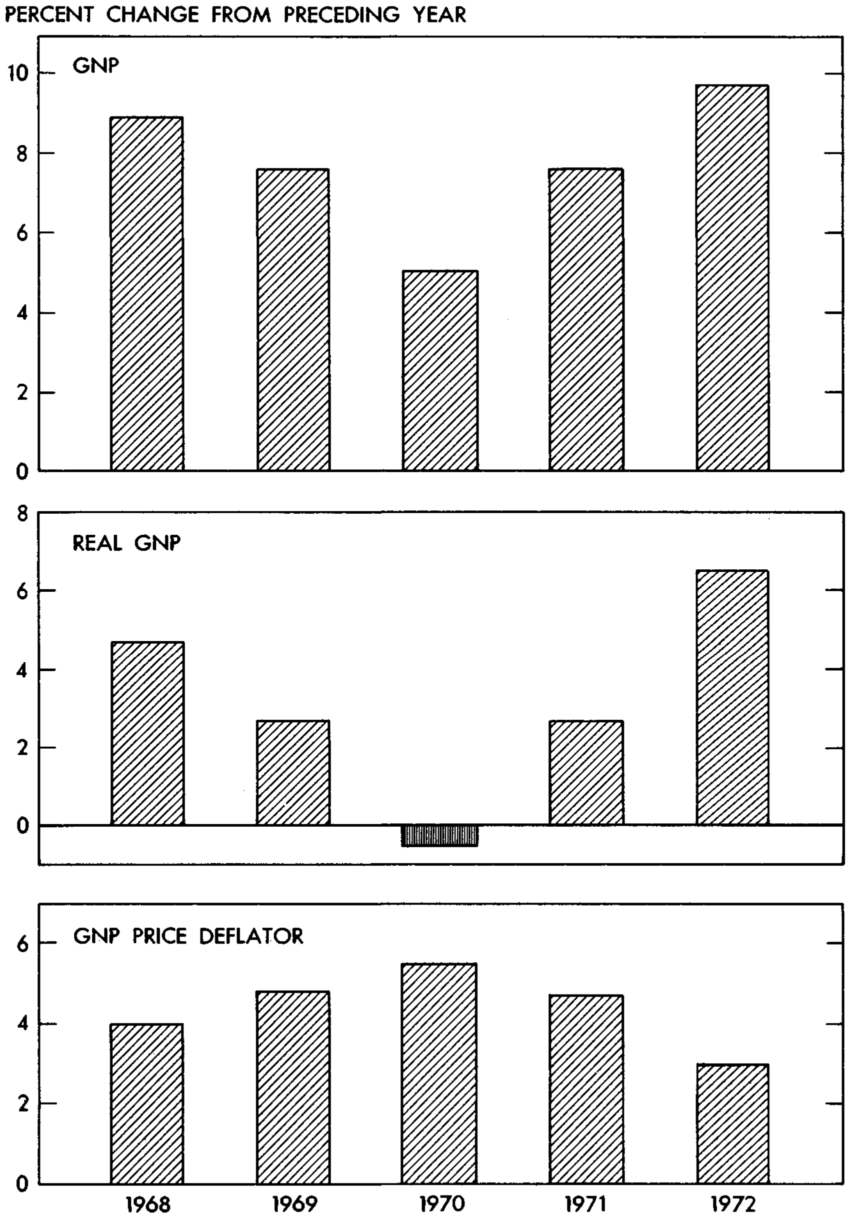
Last year's economic performance brought with it significant changes in public attitudes about inflation and in expectations about the course of the economy. Although hopes were high in early 1972 that the shift in policy would bring favorable results, uncertainties persisted regarding both the strength of the economic expansion and the effectiveness of price and wage controls. These doubts began to abate gradually as evidence grew that rates of wage and price inflation were indeed declining compared to the period prior to August 1971. Workers' cooperation in the wage control system was fostered by the realization that real wages were increasing. Strike activity fell and relative to total time worked was at its lowest point in almost 10 years. Although increases in food prices were troublesome during most of 1972, consumers could see a slower rise in the overall cost of living. Finally, although selling prices were constrained, so were costs, and business was able to enjoy some rise in profit margins in a setting of rapidly rising volume. These developments were all parts of a process that was one of the major objectives of the price-wage control system—the unwinding of inflationary expectations.

Nor was the change in attitudes confined to inflation alone. The rise in production and employment that became particularly evident by midyear created a growing mood of confidence among businessmen and consumers, and this in turn helped to bolster private investment and personal consumption expenditures.

The fact that considerable progress was made during 1972 did not mean that final goals had been reached. The unemployment rate in December 1972, although down by nearly 1 percentage point from a year earlier, was still higher than desirable. At the same time, the rate of inflation at the end

Chart 1

Changes in GNP, Real GNP, and Price Deflator



SOURCE: DEPARTMENT OF COMMERCE.

of 1972, although lower than it had been before the controls, was still higher than the ambitious target set by the Administration. The balance of payments still showed a considerable deficit, and although work on international monetary reform was underway it had only begun. Nonetheless by the end of 1972 there was a strong sense of optimism about the progress that had been achieved and the ability to find answers to some of the problems that remained.

DEMAND AND OUTPUT

Last year's expansion in demand and its division between real output and prices exceeded most expectations held at the start of 1972. The $102 billion increase in gross national product (GNP) from 1971 to 1972 was close to the figure projected by the Council, but the 6.5-percent rise in real GNP was higher than projected, while the 3.0-percent rise in prices was a little lower. Real growth was the largest and the price rise as measured by the GNP deflator the smallest since 1966.

All major sectors of demand, except for net exports, contributed to the rise in overall GNP (Table 1). The very large increase in gross private domestic investment, the step-up in Federal purchases in the first half of the year, and the large increase in consumer spending were the principal stimulating forces in the economy. The continued buoyancy of housing demand and the strength of consumption in the face of overwithholding of personal income taxes were noteworthy developments in 1972.

The policy measures initiated in August 1971 changed both the character and the pace of the recovery that began at the end of 1970. In its first full year it was weaker than in comparable periods of past cyclical upswings. Indeed, that was one of the main reasons for the shift in policy. After the pronounced acceleration that occurred during 1972 the current expansion compares very favorably with previous upswings, when changes are taken from the preceding peak to the eighth quarter after the trough (Chart 2).

BUSINESS FIXED INVESTMENT

Business fixed investment showed considerable strength in 1972—much more than the Council of Economic Advisers and most forecasters had anticipated at the start of the year. The comprehensive measure included in the national income accounts (NIA)—nonresidential fixed investment—rose 14 percent. The real increase of 10 percent was confined to equipment, since on this basis nonresidential construction was unchanged. Investment was bolstered by the general incentives provided by the liberalized depreciation regulations, the job development credit, and the excise tax cuts on motor vehicles. The strong upsurge in the economy in 1972, the rise in profits and cash flow, and the ready availability of funds at lower interest rates than in 1971 also benefited investment. However, last year's buoyant economy and favorable financial setting had their main impact on decisions and

TABLE 1.—*Changes in gross national product in current and constant dollars, 1968 to 1972*

Component	1968 to 1969	1969 to 1970	1970 to 1971	1971 to 1972 [1]
CURRENT DOLLARS				
Percent change:				
Total GNP	7.6	5.0	7.6	9.7
Personal consumption expenditures	8.1	6.4	7.8	8.5
Durable goods	8.0	-.3	14.4	12.4
Gross private domestic investment	10.3	-1.3	10.9	18.6
Fixed investment	10.3	.8	12.2	17.5
Business fixed investment	10.9	2.5	4.8	13.8
Residential structures	8.5	-4.3	36.4	26.5
Government purchases	5.2	4.3	6.3	9.5
Federal purchases	.0	-2.3	1.3	8.3
State and local purchases	10.3	10.2	10.2	10.3
Change in billions of dollars:				
Inventory accumulation	.7	-2.9	-1.3	2.2
Net exports of goods and services	-.6	1.7	-2.9	-4.8
CONSTANT (1958) DOLLARS				
Percent change:				
Total GNP	2.7	-.5	2.7	6.5
Personal consumption expenditures	3.6	1.7	3.9	5.9
Durable goods	5.3	-2.9	10.8	11.9
Gross private domestic investment	5.0	-5.9	4.4	14.0
Fixed investment	5.1	-3.8	6.0	12.7
Business fixed investment	6.0	-3.1	-1.0	9.8
Residential structures	2.2	-5.9	30.5	20.3
Government purchases	-1.2	-4.7	-1.0	3.9
Federal purchases	-5.9	-12.0	-6.0	1.3
State and local purchases	4.0	2.6	3.4	5.9
Change in billions of dollars:				
Inventory accumulation	.3	-2.6	-1.5	1.9
Net exports of goods and services	-.8	2.0	-2.1	-1.9

[1] Preliminary.

Source: Department of Commerce, Bureau of Economic Analysis.

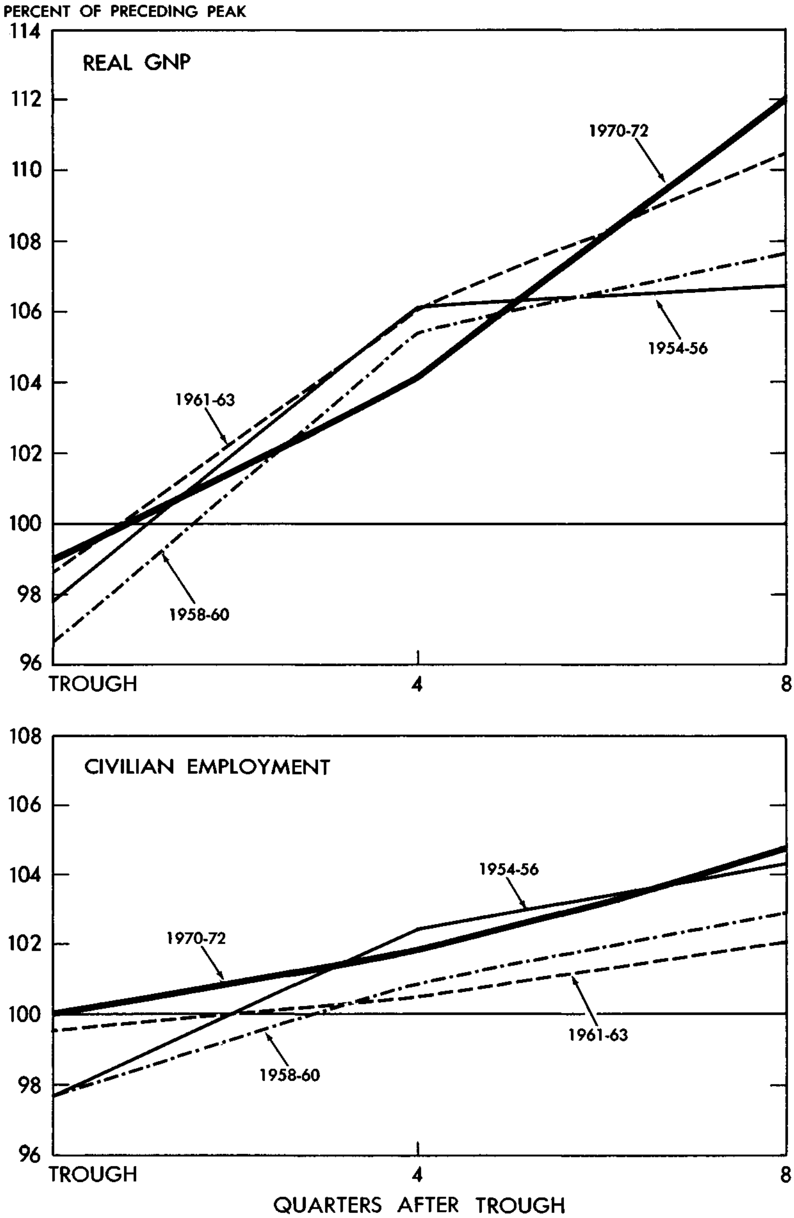
commitments to invest. Because of the lag between the investment decision and actual investment, a large portion of this impact will manifest itself in rising outlays in 1973.

At the start of the year the main reason for expecting that the rise in investment in 1972 would be moderate was the relatively low rate of capacity utilization, especially in manufacturing. In this sector, investment did not increase very much. After a 6-percent drop in the preceding year, dollar outlays were up only 4 percent in 1972, or about as much as the rise in capital goods prices. The recent behavior of manufacturing investment has been more or less typical of past business cycles. In the early 1960's, for example, manufacturing investment did not strengthen to any significant degree until 1964, the third year of the recovery.

Most of the increase in investment outlays in 1972 was concentrated in the nonmanufacturing sector, where increases by electric and gas utilities, communications firms, and the airlines were especially large. In many of the nonmanufacturing industries investment tends to be rather independent

Chart 2

Recovery Comparisons of Real GNP and Civilian Employment



NOTE: PEAK AND TROUGH QUARTERS, AS DESIGNATED BY THE NATIONAL BUREAU OF ECONOMIC RESEARCH, ARE: PEAKS, 1948 IV, 1953 II, 1957 III, 1960 II, AND 1969 IV; TROUGHS, 1949 IV, 1954 III, 1958 II, 1961 I, AND 1970 IV.

SOURCES: DEPARTMENT OF COMMERCE AND DEPARTMENT OF LABOR (EXCEPT AS NOTED).

of the short-run cyclical behavior of the economy. Also, investment by farmers was up very sharply as a result of rising farm income, and business purchases of items affected by the excise tax cut—such as trucks—rose substantially.

Investment plans and forward commitments were much stronger than actual investment spending during 1972. This showed up in many ways. In November, new orders received by producers of capital goods were 23 percent above the year-earlier figure, and construction contracts for commercial and industrial buildings were up by 20 percent. In manufacturing, the 19-percent rise in new appropriations for future spending and the 23-percent rise in the total value of new investment projects started in the first 3 quarters of 1972 were far greater than the small increase in actual outlays from 1971 to 1972.

HOUSING

Almost 2.4 million private housing units were started last year, a rise of approximately one-sixth over the 1971 total. Shipments of mobile homes also rose considerably. The 1972 housing performance exceeded the Council's projection of 2.2 million units, which itself was at the high end of the range of housing forecasts for 1972. Total outlays for residential construction rose by more than one-fourth to nearly $54 billion.

The rise in starts reflected exceptionally strong demand for housing and favorable conditions for an increase in mortgage credit. In the single-family housing market, sales were at a peak, vacancy rates were low, and pressures on home prices were strong. The demand for apartment units was also high, although vacancy rates in rental units edged up for the second year in a row.

Last year's rise in housing starts occurred in spite of a decrease in starts under federally assisted home programs. Some 318,000 private housing units were started in 1972 under federally subsidized programs, or 13½ percent of the total. This compares with 408,000 units, or 20 percent, of total starts in 1971 and 400,000 units, or 28 percent, of total starts in 1970.

Conditions in mortgage markets were extremely favorable for home construction and purchasing in 1972, but the primary driving force was a strong underlying demand for shelter. Part of this strength was a legacy of earlier years. The level of new housing construction was relatively low in the 1960's, particularly in the second half of the decade, when credit conditions were generally unfavorable for housing. Once credit conditions began to improve, as they did in 1970, much of the unsatisfied backlog of demand reasserted itself. At the same time the pace of new household formation has been rising rapidly. New household formation totaled about 1.9 million in 1971 and 1.5 million in 1970 as compared to an average of 1.1 million in the preceding 5 years. Despite the fact that starts rose to new records in the last 2 years, housing vacancies are still low in relation to those of the past 15 years (Table 2).

TABLE 2.—*Annual vacancy rates for rental and homeowner housing, 1956–72*

Year	Vacancy rate (percent)[1]		
	Total	Rental	Home-owner
1956	2.7	5.5	0.9
1957	2.4	5.1	.9
1958	2.9	5.9	1.1
1959	3.0	6.4	1.1
1960	3.4	7.4	1.2
1961	3.6	7.9	1.3
1962	3.5	7.4	1.3
1963	3.5	7.5	1.4
1964	3.5	7.5	1.4
1965	3.5	7.5	1.4
1966	3.3	7.0	1.3
1967	2.9	6.2	1.2
1968	2.5	5.4	1.0
1969	2.3	5.0	.9
1970	2.3	4.9	1.0
1971	2.4	5.1	.9
1972 [2]	2.4	5.2	.9

[1] Excludes dilapidated units.
[2] Estimates by Council of Economic Advisers.

Source: Department of Commerce, Bureau of the Census (except as noted).

CONSUMER SPENDING

Consumer spending increased by over $56 billion in 1972. The nominal increase of 8½ percent and the real increase of 6 percent were among the largest recorded in the past 20 years. The general improvement in the economy, rising employment and income, and the slowdown in both inflation and inflationary expectations all affected the consumer's ability and willingness to spend. Consumers made extensive use of credit to finance their purchases, particularly of durable goods.

The boom in residential housing brought with it the largest gains in spending on furniture and appliances since 1964. The lower level of automobile prices in 1972, as a result of the 1971 excise tax cut, was partly responsible for dealers' sales of 10.9 million new cars. Almost all of the 7-percent rise over 1971 was accounted for by domestic-type cars.

Underlying last year's buoyant consumer demand was a rise in personal income of 8.6 percent, well above average for the preceding decade. In 1970 and 1971, when the economy was sluggish, rising transfer payments accounted for a significant share of the income increase. In contrast, most of the 1972 rise in income reflected larger earned income. But the outstanding feature of consumer behavior in 1972 was the strength in consumer spending, despite the overwithholding of personal income taxes that began at the start of the year. Because of overwithholding, the 6.8 percent rise in disposable (after-tax) income was roughly 1 percentage point less than the rise otherwise associated with an 8½-percent rise in personal incomes. Apparently in 1972 consumers largely ignored the temporary effects of overwithholding. In any case, most of the rise in the proportion of personal income going to higher taxes was compensated for by a reduction in the proportion of income devoted to saving. As Table 3 shows, the ratio of personal outlays to income was little changed from 1971. The table also shows that the share of income devoted to personal outlays last year continued relatively low compared to the 1960's.

TABLE 3.—*Personal outlays, taxes, and saving as percent of personal income, 1960–72*

[Percent]

Year	Personal income	Personal outlays	Personal taxes	Personal saving
1960–72 average	100.0	80.7	13.6	5.7
1960	100.0	83.1	12.7	4.2
1961	100.0	82.4	12.6	5.1
1962	100.0	82.2	13.0	4.9
1963	100.0	82.6	13.1	4.3
1964	100.0	82.8	11.9	5.3
1965	100.0	82.5	12.2	5.3
1966	100.0	81.6	12.8	5.5
1967	100.0	80.4	13.2	6.4
1968	100.0	80.0	14.2	5.8
1969	100.0	79.4	15.5	5.1
1970	100.0	78.7	14.5	6.8
1971	100.0	79.3	13.6	7.1
1972 [1]	100.0	79.1	15.0	5.9

[1] Preliminary.

Note.—Detail may not add to totals because of rounding.

Source: Department of Commerce, Bureau of Economic Analysis.

THE LABOR MARKET

Two forces dominated the labor market in 1972. First, there was a large expansion in opportunities for civilian employment. According to the household survey, civilian employment increased by more than half a million jobs in each quarter of the year, and for 1972 as a whole there were 2.3 million more people at work than in 1971. This was the largest year-to-year percentage change since 1955. At the same time, the civilian labor force expanded sharply, and not until the middle of the year were the large employment gains accompanied by noticeable reductions in unemployment.

THE LABOR FORCE

The year 1972 witnessed a large influx into the civilian labor force, which expanded by 2.1 million relative to 1971 (Table 4). One factor contributing to this increase was a reduction in the size of the Armed Forces, which fell by about 400,000 and enlarged the pool of persons available for civilian work. Returning veterans have a very high propensity to join the civilian labor force—participation rates for recent veterans averaged more than 90 percent over the past few years—so that a shift in the size of the Armed Forces by itself will change the overall civilian participation rate. However, in 1971, when the size of the Armed Forces also fell by 400,000, the civilian participation rate dipped. The difference between the 2 years lies in the increased labor force participation of other groups, notably women and teenagers.

TABLE 4.—*Changes in the working-age population, Armed Forces, and labor force, 1962 to 1972*

Group	Change (millions of persons, 16 years and over)				
	1962 to 1965 average	1965 to 1968 average	1968 to 1970 average	1970 to 1971	1971 to 1972 [1]
Noninstitutional population	2.1	2.1	2.3	2.4	2.4
Total labor force	1.2	1.7	1.8	1.0	1.7
Armed Forces	(2)	.3	−.2	−.4	−.4
Civilian labor force	1.3	1.4	2.0	1.4	2.1
Both sexes 16–19 years	.3	.2	.3	.2	.5
Men 20–24 years	.2	.1	.3	.5	.4
Men 25–54 years	.1	.2	.3	.2	.6
Men 55 years and over	(2)	.1	.1	−.1	−.1
Women 20–24 years	.2	.3	.3	.2	.2
Women 25–54 years	.3	.4	.6	.3	.6
Women 55 years and over	.2	.1	.1	.1	(3)

[1] Data for 1972 have been adjusted for comparability with data for 1971.
[2] Decrease of less than 50,000.
[3] Increase of less than 50,000.

Note.—Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

Chart 3 shows trends in the participation rates of the major age and sex groups in the civilian labor force. For a number of groups, participation rates, which had leveled off or declined in 1971, rose in 1972 as the recovery strengthened. The tendency for women in the 20–24-year age bracket to enter the labor force had grown steadily throughout the 1960's and into 1970 as more young wives chose either to delay the start of a family in favor of working or to continue working even after starting a family; the participation rate for this group leveled off in 1971 but resumed its longer-run growth in 1972. A similar pattern was evident for women in the 25–54-year age bracket. Participation rates of teenagers, which had risen sharply in the last half of the 1960's and 1970, dipped in 1971 but rose again in 1972.

The participation rates for young men in the 20–24-year age group have been particularly affected by changes in the size of the Armed Forces. Civilian labor force participation for this group had been declining since the mid-1960's as more and more young men were absorbed into the Armed Forces and others continued their schooling through the college level. The participation rates declined through 1968 and, after remaining about level through 1971, rose in 1972.

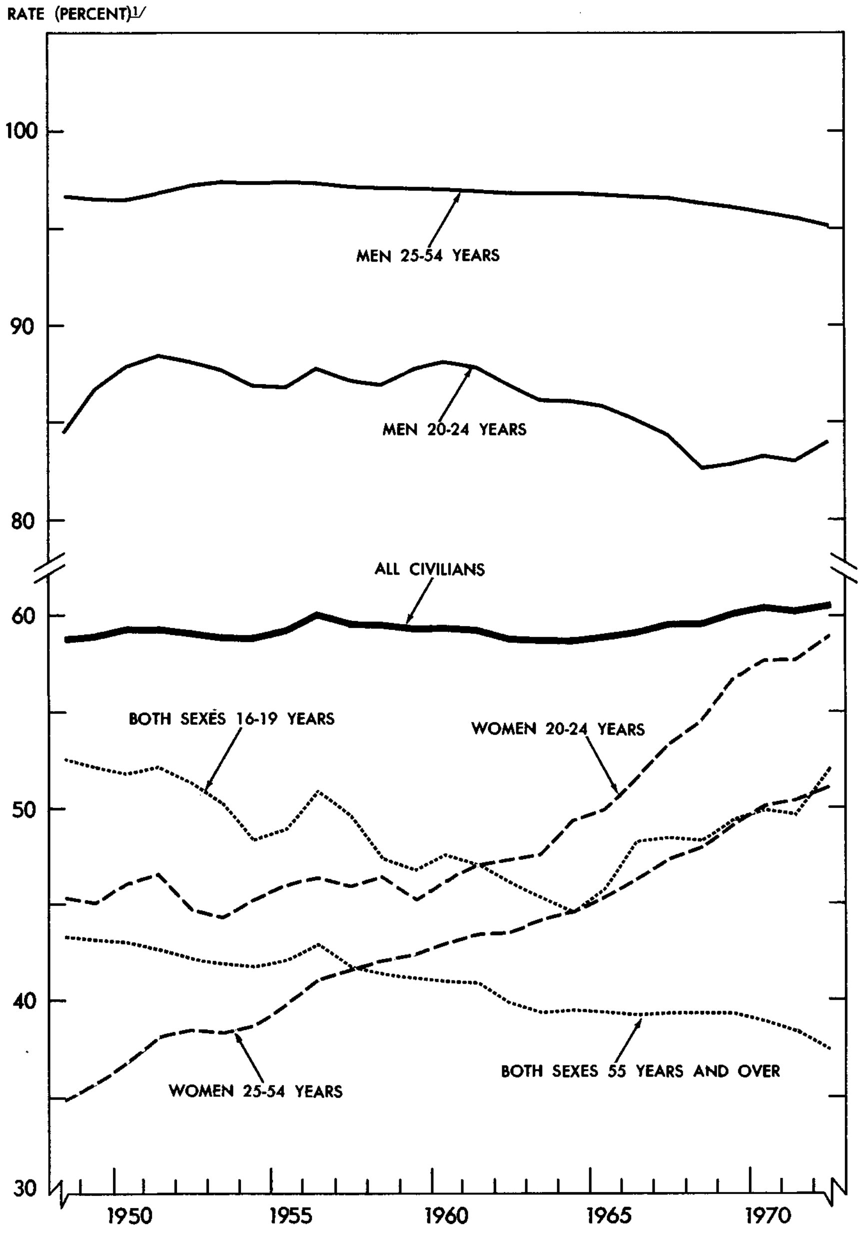
Finally, participation rates of men in the prime working-age group (25–54) and of all persons 55 or older fell again in 1972. The spread of private pension plans, the liberalization of both private and public pension plans, and the improvement in disability benefits are important reasons for the decreasing trend in participation rates of these groups.

EMPLOYMENT GAINS IN 1972

From the fourth quarter of 1971 to the fourth quarter of 1972, real output rose 7.7 percent, creating exceptionally strong demands for labor.

Chart 3

Civilian Labor Force Participation Rates



1/ CIVILIAN LABOR FORCE AS PERCENT OF CIVILIAN NONINSTITUTIONAL POPULATION IN GROUP SPECIFIED.

SOURCE: DEPARTMENT OF LABOR.

Employment expanded sharply according to both of the major employment measures, the household survey and the payroll survey. According to the latter survey, 2.7 million more persons were at work in nonagricultural establishments in the fourth quarter of 1972 than in the corresponding quarter a year earlier (Table 5).

The goods-producing sector, whose employment declined in the first year of the recovery, made a strong advance in 1972. The sharpest turnaround was in durable goods manufacturing, where employment expanded in each of the past 5 quarters, following 2 years of contraction. These strong gains notwithstanding, manufacturing employment in the fourth quarter of 1972 was still 4 percent below its level at the business cycle peak in the fourth quarter of 1969, largely because of the reduced level of defense-related manufacturing. In the private sector, manufacturing and mining were the only industry divisions for which employment was below levels prevailing in the fourth quarter of 1969.

Employment in the service-producing industries, which had continued to rise during the recession and in 1971 but at less than the trend rate of increase, moved up strongly in 1972. State and local governments added almost 500,000 employees to their payrolls. Although the major part of this gain is attributable to the increased demand for local government services, the 1972 rise was augmented by employment financed by the Federal Public Employment Program. The only service category for which employment fell over the 4-quarter period was the Federal Government; here, the decline that began in 1969 continued.

TABLE 5.—*Change in the number of employees on nonfarm payrolls, 1969 IV to 1972 IV*

[Seasonally adjusted]

Industry group	Change (thousands of persons)						
	1969 IV to 1970 IV	1970 IV to 1971 IV	1971 IV to 1972 IV	1971 IV to 1972 I	1972 I to 1972 II	1972 II to 1972 III	1972 III to 1972 IV [1]
Total	−771	983	2,698	684	743	428	843
Goods producing industries	−1,612	−53	865	185	260	70	350
Mining	0	−73	55	62	−11	−1	5
Construction	−98	123	27	23	16	2	−14
Manufacturing	−1,514	−103	783	100	255	69	359
Durable goods	−1,258	−37	633	70	193	87	283
Nondurable goods	−256	−66	150	30	62	−18	76
Service producing industries	841	1,036	1,833	499	483	358	493
Transportation and public utilities	−4	−54	133	46	27	−4	64
Wholesale and retail trade	103	362	601	154	177	123	147
Finance, insurance, and real estate	94	129	131	29	37	27	38
Services	297	280	502	110	142	131	119
Federal Government	−69	5	−28	5	−12	−37	16
State and local government	419	316	493	155	110	119	109

[1] Preliminary.

Note.—Changes are based on quarterly averages.
Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

The underlying strength in the labor market is confirmed by recent trends in the labor turnover data. In manufacturing, the rate of new hires (the number of new workers hired per 100 employees) had drifted down from 3.8 in the first quarter of 1969 to 2.4 in the first quarter of 1971. Since that low point the pace of new hires has increased steadily, reaching an average of 3.7 in October and November of 1972. The quit rate in manufacturing has also increased recently, indicating that many workers are finding better job prospects. Correspondingly, layoffs have decreased sharply—from an average of 1.8 per 100 workers in 1970 to half that rate in October and November, the lowest rates since the Korean war. A further indication of the expansion of employment opportunities is the recent upturn in job vacancies in manufacturing. The number of unfilled jobs in manufacturing, while still low in relation to 1969, has increased by nearly 70 percent since the end of 1971.

The increases in payroll employment were accompanied by gains in hours worked. Average weekly hours of production workers in manufacturing rose from 40.1 in the fourth quarter of 1971 to 40.9 in the fourth quarter of 1972, the highest level since late 1968. For the entire nonfarm sector, where the average workweek has followed a pronounced downward long-term trend, average weekly hours lengthened slightly in 1972.

UNEMPLOYMENT

Although unemployment responded relatively slowly to the large output and employment gains of 1972, there were unmistakable signs of progress. In the fourth quarter, the number of unemployed adjusted for seasonality averaged 4.6 million persons, down from the 5.0-million average of 1971 and the first half of 1972. The overall unemployment rate, which had hovered around 6 percent throughout 1971, began moving down in 1972 and by December had reached 5.1 percent.

Partly because of the upsurge in durable goods output, the improvement in the unemployment picture over the past 4 quarters was more marked for adult males than for adult females (Table 6). The unemployment rate for married men fell to 2.6 percent in the fourth quarter and to 2.4 percent by December. Although the latter was above the very low rates of the late 1960's, it was less than in any other period since early 1957. The unemployment rate for household heads also declined in 1972, but not so markedly as the rate for married men. Unemployment among teenagers reached an all-time high in the first quarter of 1972 but has since receded somewhat.

The unemployment rate for nonwhite workers declined over 1972, but not so rapidly as did the rate for whites. However, the changes in the overall rates by race obscure widely divergent changes in unemployment for the different age and sex groups. There were sizable employment gains for nonwhite adult males, whose unemployment rate declined from 7.9 percent in the fourth quarter of 1971 to 6.1 percent a year later. This decline was much larger, both absolutely and relatively, than the decrease from 3.9 percent to 3.3 percent experienced by white adult males. The widening in the gap between white and nonwhite unemployment rates on an overall basis was apparently attributable to differences in the behavior of unemployment among teenagers.

TABLE 6.—*Selected unemployment rates, 1970 IV–1972 IV*

[Percent; seasonally adjusted [1]]

Selected groups of workers	1970 IV	1971 IV	1972			
			I	II	III	IV
All workers [2]	5.8	5.9	5.8	5.7	5.6	5.3
Sex and age:						
Both sexes 16–19 years [2]	17.2	17.0	17.8	15.8	16.1	15.6
Men 20 years and over [2]	4.2	4.4	4.1	4.1	3.9	3.6
20–24 years	10.5	10.3	10.0	9.5	8.9	8.6
25 years and over	3.4	3.5	3.2	3.3	3.0	2.8
Women 20 years and over [2]	5.5	5.7	5.4	5.6	5.5	5.2
20–24 years	8.7	9.4	9.1	9.6	9.7	9.1
25 years and over	4.8	4.9	4.5	4.7	4.6	4.4
Race:						
White	5.4	5.4	5.3	5.3	5.0	4.7
Negro and other races	9.2	10.1	10.6	9.9	9.9	9.8
Occupation:						
White-collar workers	3.4	3.5	3.5	3.4	3.4	3.3
Blue-collar workers	7.5	7.4	7.0	6.6	6.3	5.8
Service workers	6.0	6.4	6.2	6.0	6.7	6.3
Other categories:						
Household heads	3.5	3.6	3.4	3.5	3.3	3.1
Married men	3.2	3.2	2.9	2.9	2.7	2.6
Full-time workers	5.4	5.6	5.4	5.3	5.1	4.8
Part-time workers	8.4	8.4	8.7	8.5	8.5	8.5
State insured workers [3]	4.3	4.2	3.5	3.6	3.5	3.2
Reason for unemployment [4]:						
Lost last job	2.8	2.7	2.5	2.5	2.5	2.2
Left last job	.7	.7	.7	.7	.7	.8
Reentered labor force	1.6	1.7	1.8	1.6	1.7	1.6
Never worked before	.7	.8	.9	.9	.7	.7

[1] Unemployment as percent of civilian labor force in group specified unless otherwise indicated.
[2] Reflects revisions for 1971-72. See Note, Appendix Tables C-24-26.
[3] Insured unemployment under State programs as percent of average covered employment.
[4] Unemployment as percent of total civilian labor force.

Source: Department of Labor, Bureau of Labor Statistics.

Last year witnessed a decisive improvement in the labor market status of recent veterans. The unemployment rate for Vietnam-era veterans in the 20–29-year-old age group, which had averaged 8.8 percent in 1971, declined to 6.1 percent in the final quarter of the year. Moreover, the unemployment rate decline for veterans was faster than for nonveterans in the 20–29 age group, so that by yearend the veteran unemployment rate was actually below the nonveteran rate, after remaining persistently above it for the past several years. A number of forces explain these developments. They reflect the general improvement in economic conditions as well as specific Government policies directed toward aiding the labor market adjustments of veterans. The stabilization of the size of the Armed Forces during the course of the year also helped, since it reduced the flow of discharged veterans from 100,000 per month at the start of the year to about 50,000 toward yearend. Moreover, the average age of the Vietnam-era veteran has been rising, and there is a strong inverse relationship between age and unemployment for veterans and nonveterans alike.

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There was also considerable improvement in the distribution of unemployment along geographic lines. This is most readily apparent in the Labor Department's monthly classification of the unemployment situation in 150 labor market areas. From the end of 1971 to the end of 1972, the number of areas with "low" unemployment (less than 3.0 percent) almost trebled—from 6 to 17 areas. Areas with "moderate" unemployment (from 3.0 to 5.9 percent) increased from 84 to 88. On the other hand, there was a sharp reduction—from 60 to 45—in the number of areas classified in the "substantial" unemployment categories, i.e., 6.0 percent or more.

PRICES AND COSTS

In the period since the August 1971 policies were instituted there has been a dramatic deceleration in the rate of inflation. This is discussed in detail in Chapter 2; here we focus mainly on price measures applicable to the GNP. For example, the implicit price deflator for GNP, which measures the change in prices of all goods and services included in the gross national product, rose at a rate of 5.2 percent per year in the 3 years ending in the second quarter of 1971, the last full quarter before the policy shift. Over the next 6 quarters, the annual rate of increase was down to 2.7 percent.

The GNP deflator is the only measure of price that is consistent with real GNP; the product of the two equals GNP in current dollars. However, changes in the deflator reflect shifts in the composition of real GNP as well as changes in individual prices. Changes in the composition of GNP in 1972 had a downward effect on the rate of inflation as measured by the general GNP deflator. This compositional effect is eliminated by the Commerce Department through the construction of an index of GNP prices with fixed base period weights—the general type of construction used for the consumer price index (CPI) and wholesale price index (WPI).

On the basis of a GNP price index that uses fixed 1967 weights, the rate of price increase experienced over the past 6 quarters is 3.6 percent rather than 2.7 percent. Even so, this represents a marked improvement relative to the period prior to August 1971 (Table 7). For some analytical purposes it is useful to focus on the private sector, which excludes Government workers and their pay raises. For the private sector of the economy, the fixed-weight deflator shows an inflation rate of just over 3 percent since the second quarter of 1971, as against an average increase of 4.7 percent over the 3 preceding years.

Although the rate of inflation slowed last year in most broad sectors of the economy, farm prices were one important exception. The sharp rise in farm prices had a significant effect on the overall rate of inflation. If attention is confined to private nonfarm business, as shown in the last column of Table 7, the deceleration of the price rise is clearly more pronounced than it is for the GNP deflator as a whole or even the private deflator. In the private nonfarm sector inflation declined from a rate of

4.6 percent in the 1968–71 period to 1.7 percent over the past year and a half.

TABLE 7.—*Changes in gross national product price deflators, 1968 II to 1972 IV*

[Percent change; seasonally adjusted annual rates]

Period	GNP		Private GNP		Private nonfarm business GNP
	Implicit deflator	1967 weights	Implicit deflator	1967 weights	Implicit deflator
1968 II to 1969 II	4.7	4.7	4.4	4.5	4.2
1969 II to 1970 II	5.6	5.8	4.8	5.1	4.9
1970 II to 1971 II	5.2	5.2	4.8	4.7	4.7
1971 II to 1972 IV [1]	2.7	3.6	2.4	3.1	1.7
1971 II to 1971 III	2.9	3.5	2.8	3.5	2.4
1971 III to 1971 IV	1.5	2.5	1.0	1.7	.0
1971 IV to 1972 I	5.1	6.1	4.2	4.5	3.6
1972 I to 1972 II	1.8	3.0	1.7	2.5	1.2
1972 II to 1972 III	2.4	3.1	2.2	2.9	1.2
1972 III to 1972 IV [1]	2.7	3.4	2.7	3.3	2.1

[1] Preliminary.

Source: Department of Commerce, Bureau of Economic Analysis.

COMPENSATION, PRODUCTIVITY, AND COSTS

The slowing of price inflation in the private nonfarm economy reflects a marked deceleration in the rise in unit costs. For labor costs, this was a result of two factors: a slower rise in hourly compensation and an acceleration of the rise in output per man-hour (Chart 4).

Compensation

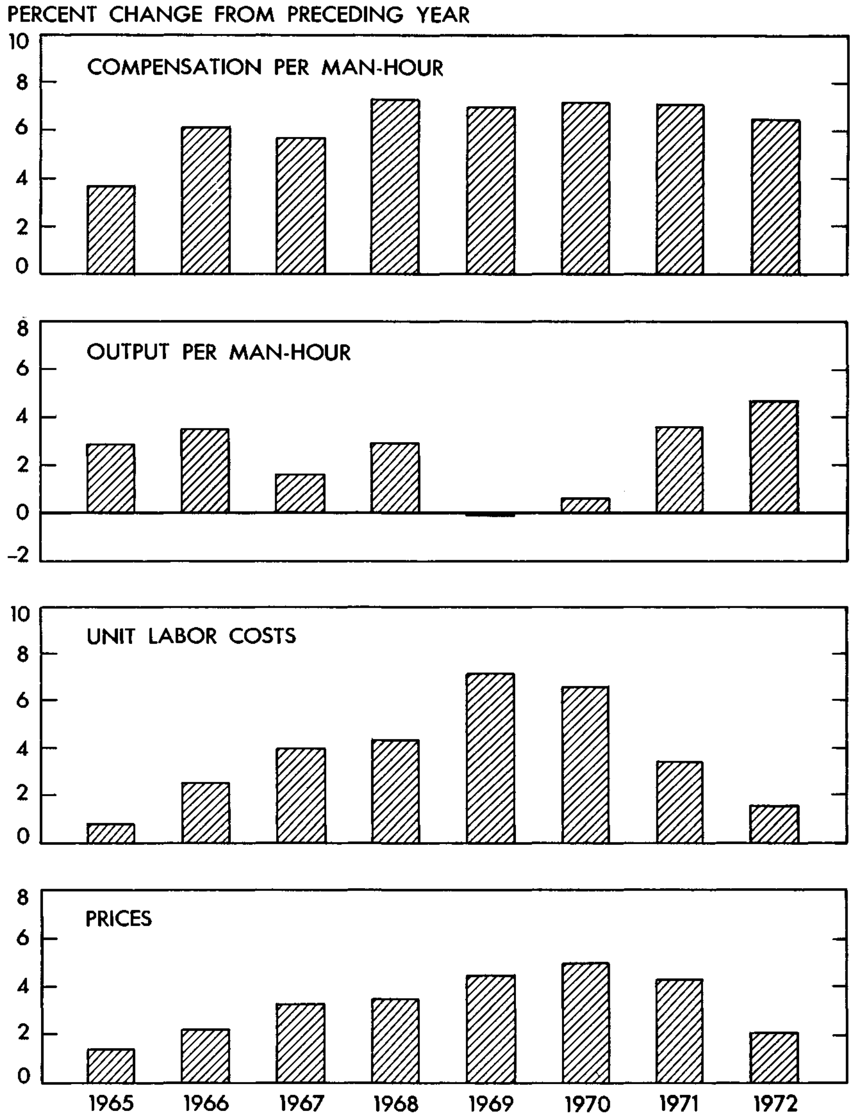
Although fiscal and monetary policies moved the economy away from the conditions of excess demand that persisted into 1969, hourly compensation continued to rise at rates of 7½ percent or more per annum in early 1971 (Table 8). These large increases occurred not only in the face of generally slack labor market conditions, but in spite of two associated factors that tend to reduce the rise in average hourly compensation during such periods. During an economic slowdown, increases in average hourly compensation (which includes premium payments for overtime hours) are normally dampened because the proportion of overtime hours usually falls. A second factor is the changed composition of employment. Some of the relatively highly paid industries, like durable goods manufacturing, are those most affected by an economic slowdown, and this restrains the average increase in hourly compensation for the economy as a whole.

Since the second quarter of 1971, just before the start of the stabilization program, the rise in hourly compensation for all persons in the private nonfarm sector has slowed to an annual rate of about 6 percent. In terms of quarter-to-quarter changes, the 90-day wage-price freeze restrained the increase in the fourth quarter of 1971. The sharp step-up in the first quarter

Chart 4

Changes in Compensation, Productivity, Labor Costs, and Prices

Private Nonfarm Sector



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

of 1972, when hourly compensation rose at about a 9-percent rate, reflected the bulge after the end of the freeze and the increase in social security taxes. This was followed by a very small increase of 4.6 percent during the second quarter. The apparent step-up during the final 2 quarters of 1972 may be more a reflection of the timing of wage increases—which has undoubtedly been affected by the controls program—than of an underlying acceleration of wage inflation. Over the last 3 quarters of 1972, hourly compensation rose at an average annual rate of 6 percent, which would seem to be a fair representation of post-bulge experience.

TABLE 8.—*Changes in hourly compensation, private nonfarm sector, 1967–72*

[Seasonally adjusted annual rates]

Period	Percent change from previous quarter	Period	Percent change from previous quarter
1967: I	4.3	1970: I	6.5
II	6.3	II	7.2
III	6.3	III	9.0
IV	5.4	IV	4.6
1968: I	9.9	1971: I	9.1
II	6.2	II	7.5
III	7.4	III	5.2
IV	8.8	IV	4.9
1969: I	5.7	1972: I	9.1
II	6.9	II	4.6
III	6.5	III	6.1
IV	8.8	IV [1]	7.4

[1] Preliminary.

Note.—Data relate to all persons.

Source: Department of Labor, Bureau of Labor Statistics.

Productivity

Changes in productivity (which is usually measured in terms of real output per hour of work) show cyclical movements around an upward trend. Longer-term growth in productivity reflects such basic developments as the rising educational attainment and skill levels of the work force as well as changes in the quantity and quality of the tools, equipment, and organization with which they work. The short-run variability in productivity is highly influenced by changes in the industry mix of output and in production rates. Some of the work force in each unit, such as skilled maintenance personnel, represent relatively fixed overhead inputs, in the sense that they must be kept on even when the level of production declines. Also, if the period of slack production is expected to be brief, employers may refrain from laying off workers. While these adjustments hold down increases in output per man-hour of paid labor during periods of slack, they also help to explain why increased output can be had with a substantially less than proportionate rise in labor inputs during the subsequent recovery phase.

The behavior of productivity during the recovery from the 1970 recession falls neatly into two separate phases, each of which is different from earlier experiences at comparable stages of expansion. The basis for this disparity appears to be related to the different pattern of ouput growth in this expansion as compared to earlier ones.

Reflecting the slow growth in real output, the rise in productivity during the first 3 quarters of 1971 was clearly below the experience in previous recoveries (Table 9). Indeed, the rise was even weaker than the measures in Table 9 show. This is so because productivity in the final quarter of 1970 was depressed by the lengthy strike at General Motors. If, as seems reasonable, a more representative value of output per man-hour during the trough quarter was the average of the final quarter of 1970 and the first quarter of 1971—when there was a very substantial amount of makeup production from the strike—then the growth of productivity over the first 3 quarters of 1971 was closer to 3 percent than to the 4.4 percent shown in the table. The lower figure is about half the average growth rate of productivity in the preceding four recoveries.

With the acceleration in the rise of real output since late 1971, productivity has grown very strongly. Starting in late 1971 and throughout 1972, productivity growth has been much more pronounced than that experienced during corresponding phases of previous recoveries.

Unit Labor Costs

Because compensation per man-hour and output per man-hour during the recent slowdown and current recovery have behaved differently from past cyclical experience, unit labor costs have also traced an unusual pattern of change (Table 9). In past recoveries, labor costs per unit of output began

TABLE 9.—*Changes in unit labor costs, productivity, and compensation per man-hour in recessions and expansions, private nonfarm economy*

[Seasonally adjusted annual rates]

Peak and trough quarters [1]	Peak to trough	Trough to third quarter after trough	Third to eighth quarter after trough
Compensation per man-hour:			
1948 IV, 1949 IV	0.4	8.3	8.6
1953 II, 1954 III	3.3	3.4	5.7
1957 III, 1958 II	3.3	5.1	4.2
1960 II, 1961 I	1.7	5.0	3.7
1969 IV, 1970 IV	6.8	7.2	[2] 6.4
Productivity [3]:			
1948 IV, 1949 IV	3.1	9.2	2.2
1953 II, 1954 III	2.4	5.1	−.6
1957 III, 1958 II	1.7	4.7	1.4
1960 II, 1961 I	.0	7.0	3.4
1969 IV, 1970 IV	1.6	4.4	[2] 5.2
Unit labor costs:			
1948 IV, 1949 IV	−2.6	−.8	6.3
1953 II, 1954 III	.8	1.6	6.4
1957 III, 1958 II	1.6	.3	2.8
1960 II, 1961 I	1.7	−1.9	.3
1969 IV, 1970 IV	5.2	2.7	[2] 1.2

[1] Peak and trough quarters are those designated as cyclical turning points by the National Bureau of Economic Research.
[2] Preliminary.
[3] Output per man-hour.

Note.—Data relate to all persons.

Source: Department of Labor, Bureau of Labor Statistics (except as noted).

to decline around the trough quarter. In contrast, during the early stages of the recovery from the 1970 recession, the rise in unit labor costs, although down from earlier rates, remained high. However, because of the acceleration in productivity growth since the third quarter of 1971, and the slowdown in compensation increases, unit labor costs have increased little. During the comparable phase of previous expansions, unit labor costs have usually risen substantially relative to their behavior during the early recovery phase.

NONFINANCIAL CORPORATIONS

A comprehensive set of figures on output, prices, and costs is available for the important nonfinancial corporate sector. These data provide a convenient accounting framework for a detailed discussion of prices, costs, and profits.

In general the behavior of costs and prices in the corporate sector is not very different from that of the broader private nonfarm sector just reviewed. From the third quarter of 1971 to the third quarter of 1972, the rate of inflation for nonfinancial corporations slowed to 1.3 percent from the rate of approximately 4 percent experienced in the 2 preceding years (Table 10). Over the same period, the rise in unit labor costs, which had already started to abate the year before, fell to an annual rate of less than 1 percent—a joint reflection of both a stepping up in the rise in productivity to 5.0 percent per

TABLE 10.—*Changes in prices, costs, and profits per unit of output for nonfinancial corporations, 1967 III to 1972 III*

Item	1967 III to 1968 III	1968 III to 1969 III	1969 III to 1970 III	1970 III to 1971 III	1971 III to 1972 III
Dollar change per unit of output:					
Price	0.029	0.030	0.044	0.048	0.016
Employee compensation	.020	.038	.045	.022	.008
Other costs	.008	.016	.022	.017	.001
Capital consumption allowances	.001	.007	.008	.010	.003
Indirect business taxes [1]	.005	.004	.008	.006	−.001
Net interest	.002	.005	.006	.001	−.001
Profits [2]	.002	−.024	−.022	.007	.008
Percent change per unit of output:					
Price	2.6	2.6	3.8	4.0	1.3
Employee compensation	2.8	5.2	5.9	2.7	1.0
Compensation per man-hour	7.3	7.2	7.9	6.8	5.8
Output per man-hour	4.4	1.8	2.0	4.0	5.0
Other costs	3.4	6.7	8.6	6.1	.3
Capital consumption allowances	.9	6.4	6.9	8.1	2.2
Indirect business taxes [1]	5.0	3.8	7.3	5.1	−.8
Net interest	8.7	20.0	20.0	2.8	−2.7
Profits [2]	1.2	−14.4	−15.4	5.8	6.3
Percent change in output	7.0	4.4	−1.4	1.8	9.2

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

Note.—Detail may not add to totals because of rounding.

Sources: Department of Commerce, Bureau of Economic Analysis, and Department of Labor, Bureau of Labor Statistics.

annum and a slowdown in the rise of hourly compensation to 5.8 percent per annum. The rise in hourly compensation in 1972 was the smallest year-to-year rise experienced since 1967 and the rise in productivity the highest since 1965.

All other unit costs combined, which include capital consumption charges, indirect taxes, and interest, were essentially unchanged from the third quarter of 1971 to the corresponding quarter of 1972. Lower interest costs and indirect business taxes per unit of output offset an increase in capital consumption costs per unit. Since the percentage increases in aggregate dollar costs of each of these categories over the past year were about the same as in the preceding year, the improved behavior in costs per unit was essentially a reflection of the acceleration of the rise in output. Had the liberalized depreciation regulations not been in effect, capital consumption costs per unit would have been virtually unchanged during the year instead of rising 2 percent. Profits before taxes would have been correspondingly higher. It is also interesting to note that the recent decline in interest costs per unit of output followed a modest increase in the preceding year and dramatic increases in 1969 and 1970, when interest rates were at their peaks.

Profits per unit of output rose 6.3 percent (before tax and including the inventory valuation adjustment) over the past year. The most recent rise followed a 5.8-percent increase the year before and a net decrease of nearly 30 percent over the preceding 2 years. The peak for profits per unit of output was reached in the fourth quarter of 1965; almost 7 years later they were still some 25 percent lower.

Rising profit margins and increased physical volume raised total before-tax profits of nonfinancial corporations by 14 percent from 1971 to 1972. Even so, the rise in corporate profits in the most recent expansion has not been large compared to experience in previous recoveries. As Table 11 shows, the rise in profits relative to the rise in corporate output (for the nonfinancial corporate sector) has been smaller over the first 7 quarters

TABLE 11.—*Changes in gross product and profits before taxes of nonfinancial corporations 7 quarters after trough and ratio of changes*

Trough [1]	Change 7 quarters after trough (billions of dollars)		Change in profits as percent of change in gross product
	Gross product	Profits [2]	
1949 IV	45.5	13.4	29.5
1954 III	38.7	7.0	18.1
1958 II	47.7	13.5	28.3
1961 I	42.3	11.4	27.0
1970 IV	94.7	19.1	20.2

[1] Quarters designated as trough by the National Bureau of Economic Research.
[2] Before taxes and including inventory valuation adjustment.

Source: Department of Commerce, Bureau of Economic Analysis (except as noted).

of the present recovery than during corresponding periods of earlier recoveries in all but one instance. Furthermore, the rise in profits in the present expansion is itself biased upward because profits in the fourth quarter of 1970 (the trough from which the expansion is measured) were depressed by the General Motors strike.

Profit Shares

Because profits rose more and employee compensation rose a bit less than the 10-percent overall rise in the gross product of nonfinancial corporations, the share of profits rose from 10.2 percent in 1971 to 10.6 percent in 1972, while the share of employee compensation fell from 66.4 to 66.2 percent (Table 12). A similar shift, which is typical during cyclical upturns, occurred between 1970 and 1971. However, in 1970 the profit share of

TABLE 12.—*Distribution of gross product originating in nonfinancial corporations, 1947–72*

[Percent[1]]

Period	Total	Compensation of employees	All other costs: Total	All other costs: Capital consumption allowances	All other costs: Indirect business taxes[2]	All other costs: Net interest	Profits[3]
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	65.7	21.8	9.9	9.3	2.5	12.5
1970	100.0	67.2	23.0	10.3	9.7	2.9	9.8
1971	100.0	66.4	23.4	10.6	9.9	2.9	10.2
1972[4]	100.0	66.2	23.2	10.7	9.6	2.9	10.6
1971: I	100.0	66.5	23.2	10.3	9.9	2.9	10.3
II	100.0	66.4	23.1	10.4	9.8	2.9	10.5
III	100.0	66.3	23.5	10.6	9.9	3.0	10.2
IV	100.0	66.4	23.7	10.8	10.0	3.0	9.9
1972: I	100.0	66.4	23.2	10.7	9.7	2.9	10.3
II	100.0	66.2	23.3	10.9	9.6	2.9	10.5
III	100.0	66.1	23.2	10.7	9.6	2.9	10.7

[1] Quarterly percents based on seasonally adjusted data.
[2] Also includes business transfer payments less subsidies.
[3] Before taxes and including inventory valuation adjustment.
[4] Preliminary.

Note.—Detail may not add to totals because of rounding.

Source: Department of Commerce, Bureau of Economic Analysis.

corporate output was at its postwar low and the compensation share at its postwar high. The relative shift that has occurred over the past 2 years in favor of profits still leaves the profit share lower and the employee compensation share higher than in any postwar year before 1970.

Long-range comparisons of the profits share, including those just cited, suffer from the fact that over the years depreciation laws and regulations have undergone many changes that affect the calculation of profits. This shortcoming can be overcome through the use of uniform methods of calculating depreciation over time, so that the resultant estimates of profits are not affected by changes in depreciation practices.

The Commerce Department has made such calculations, and the results are shown in the second column of Table 13. The adjustment raises the profits share for most of the periods (it is lowered for the 1950–54 period), but in terms of changes over long periods the picture shown by the unadjusted numbers (column 1 of Table 13) is not altered in any significant way. Comparisons should properly be made only between periods in comparable stages of the business cycle; but even if one focuses on a year like 1968, when economic activity was high and unemployment was very low, it is clear that the profits share has declined in comparison with earlier periods (Chart 5).

A final adjustment should take account of interest, which is part of the total return on capital and which has grown in importance over the post-World War II period, as corporations have placed greater reliance on debt as opposed to equity financing and as interest rates have risen more rapidly than the price of corporate output. The share of interest plus adjusted profits in gross corporate output has also declined over the long run, but that decline has been milder than for adjusted profits alone.

TABLE 13.—*Profits before adjustment, adjusted profits, and interest as shares of gross product of nonfinancial corporations, 1950–72*

[Percent]

Period	Profits before adjustment	Adjusted profits [1]	Interest	Adjusted profits plus interest
1950–54 average	19.4	18.4	0.7	19.1
1955–59 average	16.3	16.6	.9	17.5
1960–64 average	15.1	15.6	1.3	16.9
1965–69 average	15.2	15.5	2.0	17.5
1968	14.7	14.9	2.2	17.1
1969	12.5	12.8	2.5	15.3
1970	9.8	10.0	2.9	12.9
1971	10.2	10.5	2.9	13.4
1972 [2]	10.6	[3] 11.0	2.9	13.9

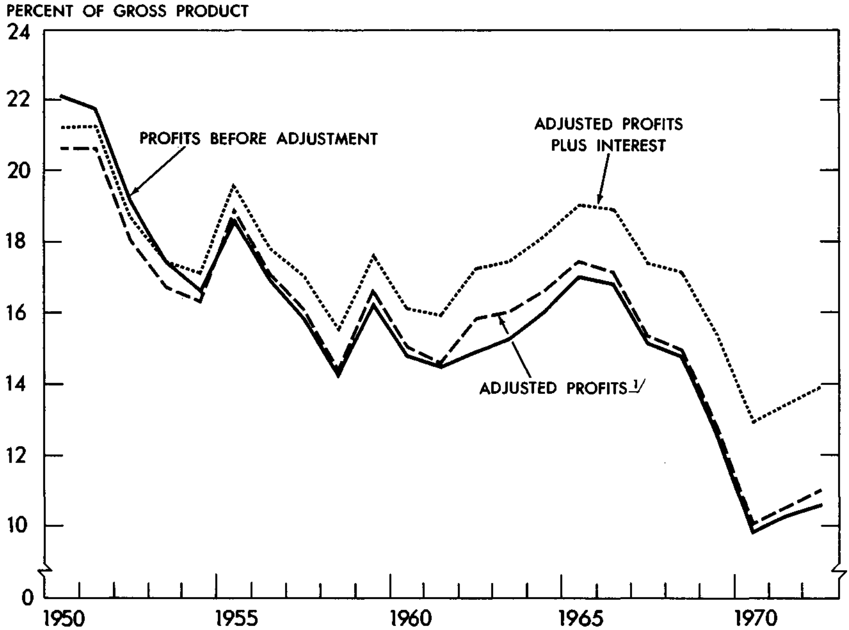
[1] Based on uniform method of calculating depreciation: historical cost valuation of assets, double declining balance' and service lives equal to 85 percent of those shown in Treasury Bulletin F.
[2] Preliminary.
[3] Estimate by Council of Economic Advisers.

Note.—All profits are before taxes and include inventory valuation adjustment.
Profits in this table exclude those on residential properties owned by nonfinancial corporations and therefore differ from those shown in Table 12.

Source: Department of Commerce, Bureau of Economic Analysis (except as noted).

Chart 5

Shares of Profits and Interest in Gross Product of Nonfinancial Corporations



1/ SEE TABLE 13 FOR DEFINITION.
NOTE: ALL PROFITS ARE BEFORE TAXES AND INCLUDE INVENTORY VALUATION ADJUSTMENT.
SOURCE: DEPARTMENT OF COMMERCE.

FARM PRICES AND RURAL INCOMES

Rising domestic and export demand and reduced supplies as a result of lower net farm production brought sharply higher prices and incomes to rural families in 1972. Prices received by farmers rose 18 percent from December 1971 to December 1972.

International events had a significant effect on prices. Reduced food production in three major countries—Russia, China, and India—expanded the demand for food grains from U.S. farms. The expansion in demand brought a quick response in prices of farm commodities, as is typical of products with a relatively inelastic demand and a very inelastic short-run production. Because the United States was the only major food-exporting nation with large carryover supplies of wheat and other grains, this country was in a very favorable position to expand its exports of farm commodities in 1972. The volume of farm exports increased nearly 14 percent, and exports of food commodities advanced 17.5 percent.

Changes in domestic economic conditions also improved farm incomes last year. As nonfarm employment and income rose, demand for income-elastic food items strengthened, causing a strain on the available supply of beef, pork, and certain dairy products. The result was rising farm and retail prices. Even the removal of restraints on meat imports and the resulting increase in imports of lean meat left domestic meat prices at all-time record levels. Only in the autumn did red meat prices show some moderation, mainly because of expanded marketings of beef animals and diversion of purchases to other meats for the holiday periods.

While demand was expanding in 1972, overall net farm output including food and nonfood commodities remained quite static. Indeed domestic production of food commodities actually dropped 2.2 percent below the previous year, according to preliminary estimates. Unseasonable weather and storms hit several parts of the country at critical times and cut back fruit and vegetable production sharply. Pork output reached a low phase in the production cycle, and beef production rose less than anticipated, partly because favorable prices caused more stock to be retained for expansion of herds.

While family income in the nonfarm sector was also rising substantially, the agricultural gains were so large that farm families improved their relative position. Net farm income reached $19 billion for the year, up $3 billion, or 18 percent, from 1971 and well above the previous all-time high of $17.1 billion earned in 1947. With only half as many families on farms today as there were 25 years ago, income per family is much higher.

Along with the sharp improvement in farm income in 1972, rural families also benefited from the expansion of the general economy. For a large proportion of farm families, the increase in employment and the rise in nonfarm wages were more important than the change in farm prices, since over half of all farm families earn the greater part of their income from nonfarm sources. Most of these farm operations are small, grossing less than $5,000 a year from farm sales. In fact, over 85 percent of the annual income among this group is earned off the farm, and income improvements from farm prices or Government farm programs thus directly affect only about 15 percent of their income. This situation is not limited, however, to only the smallest farms. Even the operators of the largest farms, those classified as having sales over $40,000, earn about one-fifth of their total income from off-farm sources.

FISCAL POLICY IN 1972

Fiscal policy was deliberately expansionary in 1972. The stimulus came from rising expenditures and from the effect of tax reductions instituted in 1971 and 1972. On a national income accounts basis, full-employment revenues in calendar 1971 exceeded full-employment expenditures by $1 billion. The corresponding figure for calendar 1972 was a full-employment deficit of $4 billion—a swing of some $5 billion. These estimates understate the size of the swing and of the stimulus provided by fiscal policy, because 1972 receipts include about $9 billion in overwithheld personal income taxes. As discussed below, consumer behavior is probably less sensitive to the temporary cash effects of overwithholding than it is to a more permanent change in income. If Federal receipts from overwithholding are entirely excluded, the estimated full-employment deficit in 1972 is $13 billion—a swing of $14 billion from the position in 1971. On net balance, the stimulus from budget policy in 1972 was somewhere between $5 billion and $14 billion and probably closer to the higher end of this range.

The policy shift set forth in August 1971 assigned little importance to increased Government spending as such. On the contrary, the program envisaged some cutbacks in Federal employment and a postponement of a Government pay raise. It sought instead to stimulate private spending through tax incentives for investment, repeal of the excise tax on motor vehicles, and an acceleration of the scheduled date for personal income tax reductions.

As originally proposed in its two-tier form, the job development tax credit was expected to have a large and immediate impact on capital goods demand and output. The excise tax cut was expected to stimulate demand for and production of motor vehicles. These tax measures, along with the anticipated change in public sentiment resulting from the policy shift, strengthened the sluggish recovery that was underway. Industrial production rose after August and the rate of growth in real GNP accelerated in the fourth quarter. However, the unemployment rate, which had risen to 6 percent around the beginning of 1971, stayed at that level with only minor variation until the end of the year. Consequently, in presenting its plans for fiscal 1973 the Administration indicated that it would take additional steps to stimulate the economy by raising the level of expenditures during the remaining half of fiscal 1972. At the same time, the Administration emphasized its intention to restrain the growth in expenditures starting in fiscal 1973. The Administration's position was that the total stimulus provided would be sufficient to accelerate the recovery, but that further stimulus might threaten the anti-inflation program.

FEDERAL EXPENDITURES

According to the budget data presented in January 1972, total expenditures (NIA basis) were projected to rise by $29 billion or 13 percent from calendar 1971 to calendar 1972, a sharp advance by historical standards. Actual expenditures rose by 12 percent (Table 14).

Included in this projected rise was an increase of $9 billion in Federal purchases, which embraced a scheduled $5.2 billion pay increase for military and civilian personnel and a step-up in real purchases. The latter was an extension of a turnaround that had begun in the second half of 1971, following the prolonged and steep decline in defense purchases associated with the process of disengagement in Vietnam. Actual 1972 purchases fell a bit short, basically in the second half.

In addition to the planned increase in purchases, the budget called for a rise of one-sixth in other types of outlays. This rise included $5.2 billion for revenue sharing, and provision for a 5-percent increase and some liberalization of social security benefits at an estimated annual cost of $3½ billion starting in the third quarter of 1972. Because revenue sharing legislation was delayed, the actual transfer of 1972 grant funds was later scheduled to take place in two instalments payable in December 1972 and in January 1973. In addition Congress altered the Administration's social security proposal by providing a 20-percent increase starting in the fourth quarter of 1972 at an estimated annual cost of $8 billion.

TABLE 14.—*Federal Government receipts and expenditures, national income accounts basis, calendar years, 1971–72*

[Billions of dollars]

Receipts and expenditures categories	1971	1972: January 1972 budget projection [1]	1972: Actual [2]
Federal Government receipts	199.1	215.6	228.3
Personal tax and nontax payments	89.6	94.1	108.8
Corporate profits tax accruals	33.1	36.1	36.0
Indirect business tax and nontax accruals	20.5	20.5	20.1
Contributions for social insurance	55.9	65.1	63.3
Federal Government expenditures	220.8	249.5	246.8
Purchases of goods and services	97.8	107.1	105.9
Defense	71.4	75.9	76.2
Other	26.3	31.1	29.7
Transfer payments	75.0	82.8	83.5
Grants-in-aid to State and local governments	29.3	39.8	37.7
Net interest paid	13.6	13.3	13.6
Subsidies less current surplus of government enterprises	5.2	7.0	6.1
Surplus or deficit (—) on income and product accounts	−21.7	−33.9	−18.5

[1] January 1972 projected percent changes applied to revised 1971 actual data.
[2] Preliminary.

Note.—Detail may not add to totals because of rounding.

Sources: Department of Commerce, Bureau of Economic Analysis, and Office of Management and Budget.

FEDERAL RECEIPTS

Budget changes on the revenue side in last January's budget presentation reflected the tax proposals of August 1971, as extended and modified by the Congress, as well as proposals made before August 1971. In addition, the Administration proposed that the social security taxable earnings base be raised from $9,000 to $10,200, to take effect at the start of 1972. This increase was subsequently amended and deferred to 1973 by congressional action taken in October.

Planned tax reductions affecting revenues in 1972 included some features already mentioned: the job development tax credit, the repeal of the excise tax on motor vehicles, and an advance in the effective date of the rise (to $750) in personal exemptions. Other revenue reductions included a retroactive rise in personal exemptions from $650 to $675, applicable to 1971 incomes, an increase in the minimum standard deduction to $1,300 per return, and a 1-year speedup in the effective date of a scheduled rise in the standard deduction from 14 to 15 percent. Revenue-increasing features included a rise from earlier legislation in the taxable social security wage base from $7,800 to $9,000, the proposed further rise to $10,200, and the elimination of certain features of the revised depreciation regulations.

The estimated net effect of the proposed tax changes, in themselves, was to reduce calendar year 1972 revenues by about $4 billion relative to 1971 in NIA terms. Although on this basis tax increases and tax reductions for individuals appeared to be approximately offsetting, on balance these proposed changes provided some net fiscal stimulus in calendar 1972. Under the NIA procedures that are used to seasonally adjust contributions for social insurance, increases in receipts from a rise in the taxable earnings base begin at the full annual rate in the first quarter, even though the required additional taxes are ordinarily not paid until the second half of the year.

With these proposed tax changes providing a partial offset to the rise in revenues expected from the rise in economic activity and incomes, Federal receipts were expected to show a fairly steady increase during calendar 1972 and to total $215½ billion. In fact, receipts turned out to be some $12½ billion higher than anticipated. Part of this difference reflected a faster rise in tax accruals than had been foreseen for 1972, but the greater portion derived from the fact that personal income tax receipts were considerably in excess of projections because of the overwithholding that began early in 1972.

The origin of overwithholding goes back to 1971, when families with more than one source of wage and salary income had withholdings that fell short of their liabilities. The withholding tax table for 1972 was particularly designed to correct the 1971 experience for such families and was generally meant to allow all taxpayers to bring their withheld taxes closer to their liabilities. However, under these schedules single individuals and families with only one source of wage or salary income had to claim additional exemptions if they were to avoid overwithholding. For the most part, single-income families did not take advantage of the option to adjust their withheld taxes downward. Withholdings have consequently been running considerably in excess of liabilities and will result in substantial refunds in 1973.

How the effect of overwithholding should be treated for purposes of analysis depends on a prior view of how it affects consumer spending. According to one view, known as the permanent-income hypothesis, consumer spending is governed largely by consumers' views of their permanent or longer-run incomes; temporary aberrations in income do not alter spending significantly. Consequently, overwithholding and the subsequent associated refunds should not have a large effect on the pattern of consumer spending. In this view, which has some support on the basis of consumer behavior in 1972, most of the effect of overwithholding and of the subsequent refunds should be excluded—from the calculation of the full-employment surplus or deficit, for example—for purposes of analysis. According to another view most consumers govern their spending according to the income immediately available to them, regardless of whether the income is permanent or temporary. Clearly, a definitive answer must await an examination of how consumers behave in 1973 after they receive refunds on last year's overwithholding.

THE REQUEST FOR A SPENDING CEILING

The increase in outlays in 1972, especially in the first half of the year, served the purpose of stimulating the economy: by midyear the expansion, as expected, had developed a strong momentum of its own. For the period after mid-1972, the emphasis of budget policy has been on restraining the growth in expenditures. In June, the Administration requested Congress to impose a statutory ceiling of $246 billion on unified budget outlays for fiscal 1973—an amount equal to the original spending total proposed last January.

The shift of 1972 revenue sharing payments to late calendar year 1972 and early 1973, and the large increase in social security benefits late in 1972, had a relatively small effect on the level of spending budgeted for calendar 1972. However, both changes raised the level of expenditures for fiscal 1973 significantly above the amount originally proposed.

Anticipation of these developments heightened concern about not only the level and growth of Federal spending but the potential danger to the anti-inflationary program and the orderliness of the economic expansion. In September, the Administration repeated its request for a statutory ceiling on fiscal 1973 outlays, this time at the $250 billion level. Although both the House and Senate voted favorably on the ceiling—in bills of different form—final congressional approval was not obtained.

STATE AND LOCAL GOVERNMENTS

State and local government purchases rose by 10 percent from 1971 to 1972, a rise somewhat below that projected by the Council at the start of the year. The shortfall was partly due to the delay in revenue sharing; but this factor should not be overstressed, because the relation between Federal grants and State and local spending is neither direct nor immediate. Initially, at least, increased Federal grants appear as increases in State and local surpluses.

The $5.2 billion revenue sharing bill, originally scheduled for the first quarter of 1972, was passed in October. The first payment for 1972 was made retroactively in December, when a half-year's instalment of $2.62 billion (recorded in the national income accounts at an annual rate of $10.5 billion in the fourth quarter) was mailed out to States and localities. The remaining half-year instalment was mailed in January 1973. In April 1973 the payments are scheduled to revert to an annual rate of $6.0 billion payable quarterly.

The beginning of revenue sharing in the fourth quarter has increased the level of Federal grants and the likelihood that State and local governments will continue to run large surpluses for a time in NIA terms. With the level of Federal grants now increased by the advent of revenue sharing and with the growing importance of State and local government spending, the behavior of the revenues and expenditures of State and local governments assumes much greater importance in the assessment of the effects of Federal fiscal policy.

FINANCIAL POLICY AND FINANCIAL MARKETS

Although the financial requirements of last year's expansion were considerable, they were generally accommodated in a satisfactory fashion. The large demand for funds was accompanied by remarkably mild increases in short-term interest rates. Long-term rates on balance actually declined. The money supply expanded by 8.2 percent over the year (December to December), clearly less than the expansion of 10.9 percent in nominal GNP. Housing and mortgage markets enjoyed a record year with a reduced need for Federal assistance.

MONETARY POLICY

Federal Reserve goals in 1972 were "sustainable real economic growth and increased employment, abatement of inflationary pressures, and attainment of reasonable equilibrium in the country's balance of payments." Throughout the year Federal Reserve efforts were directed toward establishing financial market conditions conducive to these goals.

Monetary expansion in the fourth quarter of 1971 had been unusually slow: the seasonally adjusted annual rate of growth (measured from the final month of the third quarter to the final month of the fourth quarter) was 1.1 percent. The rate was low historically and below the Federal Reserve's target rate. As a result of this shortfall and the requirements of the ongoing economic expansion, the Federal Reserve moved to increase the rate of monetary growth in the first quarter of 1972. To help achieve this objective the System acted to ease credit market conditions. At the same time, in the execution of policy it gave increased emphasis to the growth in bank reserves by means of a new reserve concept: reserves available to support private nonbank deposits (RPD's). The adoption of this additional target for daily operations was taken partly because of the difficulty the System had experienced in 1971 in controlling the monetary growth rate by influencing the Federal funds rate. While the monetary growth rate remained the intermediate target for policy, day-to-day operations were carried out in terms of an RPD guide range as well as money market conditions.

In the first quarter of 1972 the rate of growth in the narrowly defined money stock rose to 9.6 percent per annum. Since this was a somewhat faster rate than the Federal Reserve had expected, operating policy sought to restrain monetary growth and to allow market interest rates to rise. This posture was maintained through the summer and early autumn; the

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target for the rise in RPD's was gradually reduced from a range of 9 to 13 percent for March–April to a 3- to 7-percent range for July–August.

In the third quarter, the continuation of strong economic expansion increased the quantity of money demanded and pressed the cost of credit upward. Since excessive monetary accommodation would have had serious implications for future inflation, the Federal Reserve sought only "moderate" growth in the monetary aggregates. For the third quarter, RPD's rose at a 10.3-percent rate, while the monetary growth rate increased to 8.7 percent from 5.4 percent in the second. Short-term market interest rates rose gradually, as indicated by the increase in the Federal funds rate from an average of 4.46 percent in June to 4.87 percent in September.

Late in the third quarter and early in the fourth, a policy of somewhat more restraint was adopted, but the conduct of monetary policy was complicated in the fourth quarter by changes in Federal Reserve Regulations D and J. These changes restructured reserve requirements according to bank size and speeded the payment of checks. Both shifts radically altered the volume of reserves which banks desired and accumulated, and monetary policy necessarily proceeded cautiously to allow the banking system to adjust to the new regulations without influencing monetary aggregates or financial markets. Short rates rose further during the quarter, with the rate for Federal funds increasing to 5.33 percent in December. Nevertheless the rate of monetary growth accelerated.

One of the advantages of the shift in policy emphasis to an RPD target is that this procedure improves control over the monetary growth rate and protects the economy against fluctuations that might take place if only an interest rate target is used. Although other considerations also affected the formulation of policy in 1972, the adoption of the new procedures appears to have had a stabilizing effect on monetary growth. While the money stock grew by 8.2 percent from December 1971 to December 1972—up from 6.2 percent in 1971 and 5.4 percent in 1970—its behavior was smoother during 1972 than in the 2 preceding years. For example, the quarterly growth rate ranged from 5.4 to 9.6 percent in 1972 as compared to a range of 1.1 to 11.0 percent in 1971.

Although the monetary growth rate over the course of 1972 was lower than the corresponding rise in real GNP, it was still the second highest of the post-World War II period. As is usually the case, assets which are close substitutes for money grew even faster than the money stock during 1972. Regular time deposits at banks rose by 13 percent during the year, while accounts of nonbank thrift institutions increased by 17 percent. Large negotiable bank certificates of deposits rose by 31 percent for the year. As in 1971, the rates paid by thrift institutions on deposits were higher relative to open market rates than was the case in 1969 and 1970, and this was a factor contributing to heavy deposit inflows.

INTEREST RATES

A notable financial development in 1972 was the relatively stable behavior of interest rates. Long-term interest rates followed a generally downward course for the year and short-term rates rose moderately, even though many observers had anticipated that both rates would increase sharply in response to the credit requirements of a strong economic expansion (Chart 6). The unusually wide spread between short- and long-term rates that prevailed at the beginning of 1972 narrowed in the course of the year but remained historically large at yearend.

Short-term market interest rates declined in January and February and followed a generally upward path for the remainder of the year, the rise being interrupted by temporary declines in May and August. Commercial banks' prime rates, which are generally closely related to market rates, also rose over the year. The upward pressure on short-term rates reflected the underlying growth of the economy as a whole and the increasing demands made on credit markets to support the expansion. The increase in short-term rates was considerably milder, however, than increases experienced at the same stage of past economic upturns.

Long-term market rates declined on balance over 1972. They rose through April but thereafter fluctuated below April peaks on a generally downward trend. The declining trend of long-term rates at the same time that short-term rates rose was an interesting feature of 1972. While short and long rates can move in opposite directions (if, for example, there is a sharp change in expectations about levels of future interest rates) historically short and long rates have tended to move in the same direction. Several forces produced this divergence in 1972.

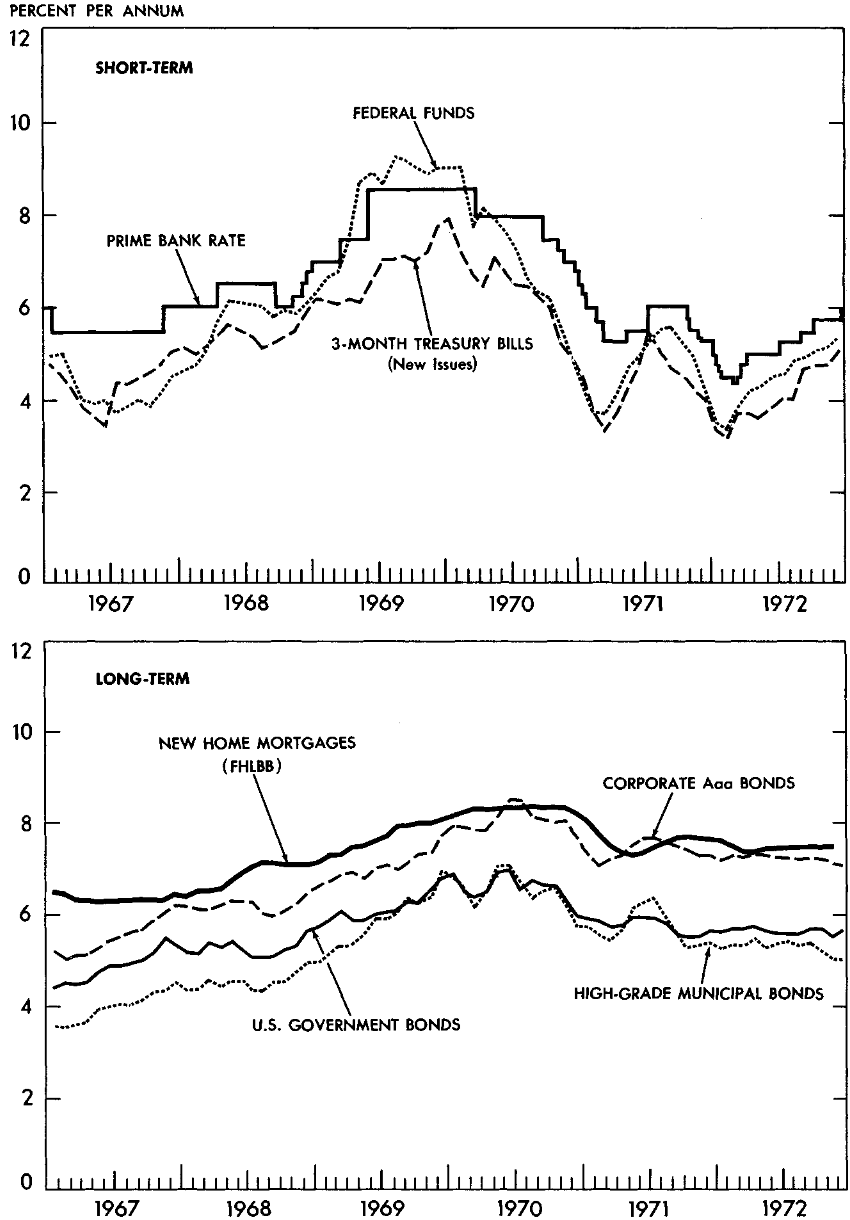
First, at least two factors probably led investors to be less desirous of holding funds in highly liquid forms: increasing certainty about the strength of the economic expansion in 1972, and less uncertainty about the effects of controls on wages and prices.

Second, foreign central banks slowed the pace at which they bought short-term Treasury securities with the dollars accumulated through their balance-of-payments surpluses. This reduction resulted from both a slowing of the dollar outflow from the United States and a shift in preferences of foreign official institutions toward obligations with longer maturities, especially after it became clear that the flow of dollars back into the United States following the Smithsonian Agreement in December 1971 was smaller than had been expected earlier.

Third, the downward revision of expectations of future inflation seems to have extended to longer horizons in 1972, causing estimates of long rates to be lowered. (See Chapter 2.) In addition, the levels of real interest rates expected in the future may have been reduced as it became evident that the rise in actual rates in 1972 was much milder than had been widely anticipated.

Chart 6

Interest Rates



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

Mortgage Interest Rates

Mortgage interest rates, which had followed a downward trend in late 1971, continued to decline in early 1972. They reached their lows for the year in April and moved up slightly thereafter, even though other long rates continued to edge down. The increases in mortgage rates have been small: from April to November, the contract rate on conventional mortgages for new homes rose from 7.38 to 7.50 percent, still below the 7.68-percent level of October 1971 and well below the rates that prevailed for all of 1970.

Assistance to Mortgage Markets

The mortgage and housing markets in 1972 enjoyed a prosperous year with considerably less support from Federal agencies than in previous years. There was less upward pressure on all interest rates than in past years. Partly as a consequence of this, there was a strong inflow of funds to financial intermediaries, particularly savings and loan associations and mutual savings banks. As in 1971, these institutions, which lend the bulk of their funds on residential mortgages, added to their mortgage holdings on a larger scale than in previous years.

The program of the Government National Mortgage Association (GNMA) for reducing discounts on federally insured mortgage loans—the "tandem plan"—was largely dormant during the year because the decline in market rates lowered those discounts to support levels. However, GNMA continued to develop and expand its 3-year-old mortgage-backed securities program, which is designed to attract new funds for housing finance by increasing the ability of residential borrowers to compete in the general capital market. The issuance of GNMA securities increased to $3.6 billion in 1972, as compared to $3.0 billion in 1971.

The Federal National Mortgage Association (FNMA) was also a steady purchaser of FHA- and VA-insured mortgages over the year, although on a smaller scale than in 1970 and 1971. For 1972, FNMA's net acquisition of mortgages was $2.0 billion, compared with $4.4 and $2.4 billion in 1970 and 1971, respectively. The Federal Home Loan Mortgage Corporation purchased $1.3 billion in conventional and insured mortgages as against $0.8 billion in 1971.

The Federal Home Loan Bank Board also took a number of steps toward strengthening the ability of savings and loan associations to compete for funds as a means of increasing the flow of funds into the mortgage market. These steps included: (1) An increase from $30,000 to $36,000 in the maximum loan limit on 95-percent conventional loans of Federal associations, (2) an increase from 5 to 10 percent in the fraction of total loans that Federal associations can hold in the form of mobile home loans, and (3) approval of the issuance of subordinated debt instruments of 7 years or longer maturity by savings and loan associations as a new source of funds. It also proposed regulations for variable rate mortgages for federally chartered associations.

FOURTH QUARTER DEVELOPMENTS

The year 1972 ended with considerable forward momentum in economic activity. According to preliminary fourth quarter data, GNP rose by $32 billion, or at a seasonally adjusted annual rate of 11½ percent. The rise in real terms was 8½ percent, and the price rise as measured by the GNP deflator 2¾ percent. Judging from monthly indicators such as industrial production, the course of output was strongly upward through the quarter.

All major components, except for Federal purchases of goods and services, contributed to the large fourth-quarter rise in demand. Consumer spending was exceptionally strong, rising by $17½ billion. Underlying the strength of consumer demand was a sharp rise in payrolls, which reflected rising employment and a longer workweek, notably in the manufacturing sector. In addition, the increase in earned income was supplemented by the enlarged payments of social security benefits that had begun in October. Total retail sales in December were 11½ percent above the level of December 1971. Fixed investment also rose substantially in the final quarter, and it appeared that businessmen were stepping up their rate of inventory accumulation in order to accommodate the increased volume of sales.

Civilian employment rose by 525,000 during the quarter to a total of 82.8 million in December, about 3 percent above the level of a year earlier. The unemployment rate declined to 5.1 percent in December, compared to a rate of 6.0 percent in December 1971. All major age and sex groups were affected by the decline in unemployment, but the reduction was especially marked for adult males in the prime working-age bracket.

Price performance was mixed. From September to December the CPI rose at a seasonally adjusted annual rate of 3.2 percent, or 2.5 percent excluding food. The WPI showed an extraordinary increase (9.6 percent annual rate) because of sharp rises in farm and food prices; in contrast, the rise in wholesale industrial prices was only 2 percent. The pronounced increases in farm and food prices, which posed a serious threat to the entire stabilization program, led to new policy initiatives at the start of 1973.

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 his assessment of the progress attained in achieving the purposes of this title." This chapter and the supplement included in Appendix A of this *Report* are intended to fulfill that requirement. There is, however, no intent to represent the description of the control regulations contained herein as legally binding interpretations.

THE UNITED STATES has had general price and wage controls before, during both World War II and the Korean war. But 1972 marked the first full year in American history that comprehensive wage and price controls were in effect when the economy was not dominated by war or its immediate aftermath. Judged by any expectations one could derive from history, either in the United States or abroad, the system was successful. Nevertheless, by the end of the year it was plain that although continuing controls could make a further contribution to economic stabilization, the system would have to be modified. As the year ended the Administration was developing a revision of the system that would make its operation more effective and at the same time lay the groundwork for its termination.

THE SITUATION IN AUGUST 1971

To understand what is meant by the "success" of the controls one must go back to the conditions which existed in the summer of 1971. By then the rate of inflation had declined from its 1969 peak, and output and employment were expanding. Neither the decline in the inflation rate nor the expansion of the economy had been as marked as people had hoped for or as the Administration had forecast. A more rapid expansion and a further slowdown of inflation in the months ahead were high on the list of the Nation's goals.

The true probabilities for the future behavior of the economy—as distinguished from what people thought might happen—were not known. However there were several reasons why the rate of inflation might still continue to decline after August 1971. First, prices and wages would be responding, with a lag, to the slowdown in the economy that had occurred earlier. Second, the prospective recovery of the economy, even according to an optimistic view of its pace, would still leave the economy in a situation of excess capacity rather than excess demand throughout 1972. Third, more rapid recovery would accelerate the rise of productivity and hold down the rise of unit costs.

On the other hand, there were reasons why the inflation rate, which had been declining since 1969, might not only stop falling but might accelerate. For one thing, the decline might already have ended. The *Economic Report* of 1972 summarized the evidence of the price indexes at mid-1971:

> (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.*

By August 1971 the recovery of the economy was in its ninth month. At that point in earlier recoveries the rate of inflation had begun to accelerate, rather than continue to decelerate. This might have happened again after August 1971: inflationary expectations and the effort of some workers to catch up with the cost of living and with the wage increases of other workers had not been eliminated during the period of economic slowdown. Such price-raising forces might have been suppressed only to break out again when the pressure of deficient demand was relaxed. Indeed, as workers and businessmen became more aware of the continued expansion, especially expansion produced by Government action, their belief that rapid inflation was inevitable would be reinforced and might even tend to generate the feared result.

Although the feared acceleration of inflation was associated with the prospect of economic expansion, it should be clear that the price rises then envisaged for the period ahead would not be the direct result of excess demand. The price and wage increases would not be equilibrating in the sense that they would be necessary to raise output into balance with demand and attract workers. Firms would have been willing to produce more at existing prices, and workers would have been willing to supply their labor at existing wages, if they could not raise them. But both groups preferred

*Revision of seasonal factors since the above was written has slightly altered the wholesale industrial price pattern so that it is now consistent with the other indexes.

raising wages and prices, because others had been doing so and because, with expansion underway, they anticipated that their production costs or living costs would be rising and that the market would absorb their products or labor at higher prices or wages. How probable this more pessimistic scenario was could not be known, but it was not a negligible possibility.

Moreover, even if the more pessimistic outcome was actually unlikely, there was widespread fear of it, and this fact was itself important. Anxiety about inflation among consumers was believed to be holding back a revival of consumer spending. Long-term interest rates had been rising in the spring and summer of 1971; this may have been a sign of renewed inflationary expectations. An opinion common in the financial community was that stimulative actions by the Government would intensify the fear of inflation, cause a more rapid increase of interest rates, and finally hurt rather than help the economic expansion. Also, the idea that the American inflation was endless and uncontrollable was undermining confidence in the U.S. dollar and aggravating the balance-of-payments problem. These fears inhibited the Government from taking steps to expand the economy.

In this situation then, the purposes of the controls were threefold:

1. To reduce the risk that the rate of inflation would rise again and to increase the probability of further decline;

2. To reduce the fear that the rate of inflation would rise or not decline further; and thus,

3. To strengthen forces for expansion in the private economy and free the Government to follow a more expansive policy.

The controls were to be used to help achieve these goals subject to the conditions that they:

1. Should not interfere with the expansion of the economy. For example, they should not discourage private investment.

2. Should not impair the rise of productivity by reducing incentives to hold down costs or by precipitating strikes.

3. Should be fair in the sense that they should not adversely affect some groups or individuals and favor others.

4. Should not impose heavy administrative costs either on the Government or on private citizens.

5. Should not create or perpetuate a situation in which termination of the controls would be highly disruptive.

The controls were part of a larger program, which had the twin objectives of economic expansion and inflation reduction. The broader program included a fiscal and monetary policy which would initially be strongly expansive but would become less so as the economy reached higher levels and as the danger of excess demand became greater. One of the major concerns of the Administration when it instituted controls was that the country would come to rely on the controls and feel relieved of the necessity to exercise restraint in Federal spending when restraint became appropriate. This concern was related to the belief that controls would not in fact be able to hold down prices and wages when there was a strong excess of demand, and that the effort to do so would result in shortages and distortion of production.

Another program element, which became more significant as the year progressed, was the attempt to use the policies of Government to hold prices down in situations of shortage by promoting expansion of supply. The food sector provided the leading instance of this approach.

The controls program was intended to be temporary. This was true not only of the freeze, but also of Phase II and its modifications as they developed during 1972. Some believe that the United States faces a permanent problem of serious inflation beyond the capacity of prudent fiscal and monetary policy to control. In contrast, the Administration expected that if the total package of policies were well managed it would be possible to enter a period of reasonable price stability without controls. In any case the control system of 1972 was not designed to last forever. If a means of dealing with a more prolonged problem were needed, it would have to be created especially for that purpose.

In the following pages of this chapter, after a very brief description of the program, we review how far its objectives were achieved by the end of 1972 and, what is much more difficult, to what extent they were in fact achieved by the program itself.

THE NATURE OF THE PROGRAM

The supplement to this chapter, included in Appendix A, contains a description of the controls program. Further details may be found in the *Quarterly Reports* of the Cost of Living Council and in the regulations issued by the Council, the Pay Board, and the Price Commission. Here we summarize only the most salient points.

1. *Goals.* The goal of policy was to get the rate of inflation, as measured by the consumer price index (CPI), down to 2–3 percent by the end of 1972. The upper end of the range was considered to be not far below what might have been optimistically expected without controls; but at the same time it would represent significant progress from the earlier rate of inflation. The goal was set in the expectation that food prices would not rise significantly more than other prices.

2. *Pay standard.* To achieve this goal the Pay Board (initially consisting of five members each from labor, management, and the general public) set a basic standard of 5½ percent for permissible pay increases. This figure was related to the inflation goal through a "normal" or trend productivity increase of 3 percent, which would yield a 2½-percent increase in unit labor costs. A number of exceptions, some formulated by the Board and some imposed by Congress in the Economic Stabilization Act Amendments of 1971, permitted increases beyond 5½ percent. But the standards only set maximum limits; they did not set a floor.

3. *Price standard.* The Price Commission specified that prices could increase above their August 1971 level no more than would be proportional to the increase of costs over the same period, subject to the further proviso that, if prices were raised, a firm's profit margin in relation to sales could not exceed the average rate of the best 2 of the 3 fiscal years preceding August 1971. Again a number of exceptions were made, generally further limiting permissible price increases.

4. *Term limit pricing* (*TLP*). Agreements were worked out individually by the Price Commission with many of the largest companies, specifying the maximum amount by which they could raise their average prices during the coming year. Thus the companies were relieved of the necessity to obtain advance approval for individual price increases and the Price Commission was relieved of a considerable administrative burden. The agreement usually specified a maximum amount by which any individual price could be raised. For example, the agreement might provide that a company's average price could not rise more than 1.8 percent and that no single price could rise more than 8 percent. The TLP did not relax the profit-margin limit for the firm.

5. *Firm-by-firm control.* Price and wage control was exercised on a firm-by-firm basis, and on the basis of collective bargaining units. The control agency did not set ceiling prices at which specified commodities could be sold by any seller. It did not set ceiling wage rates for particular individuals or occupations. Instead it laid down rules by which the individual company could determine its ceiling prices, and these might differ from the ceiling price at which a different company sold the same commodities. Similarly the rules limited the average wage increase for the workers covered by a single company or bargaining unit, and these increases might permit different pay for the same occupation in different firms. Such a system kept the administrative burden on the Government small and was probably the only feasible way to make a rapid transition from the freeze to the more flexible controls of Phase II. On the other hand, the firm-by-firm approach may have raised the costs of compliance for the private sector. The variations that the system allowed in different firms' prices for the same product might have been a source of inefficiency and inequity in a situation of excess demand, but, under the conditions prevailing in most industries during 1972, competition tended to bring about uniform prices despite differences in ceilings.

6. *Exemptions.* The most important exemption from the controls system applied to farm products, defined to include timber and unprocessed fishery products also. The reason for the exemption was that pricing of these products took place in extremely competitive markets and adjusted quickly to changing market conditions; repressing price increases by controls would therefore cause shortages and require rationing. Interest rates were not subject to mandatory controls for the same reason, although voluntary restraint was sought in raising administered interest rates (mortgage rates, con-

sumers' credit rates, and the banks' prime lending rate). Imports and exports were also exempt. The Economic Stabilization Act exempted wages of low-income workers from control, and the subsequent definition of this class excluded about 40 percent of all private nonfarm workers. After the Phase II system had been in operation for some months, firms, collective bargaining units, and landlords, below certain size limits, were exempted from control. This removed from control the largest proportion of all economic units in the country, permitting administrative resources to be concentrated on the remaining units, which still accounted for most of the economic activity and which, by their competition, restrained price increases in the uncontrolled sector.

7. *Administration and reporting.* For checking compliance with the price standards, firms were divided by size into three tiers. The largest, Tier I firms, were required to notify the Price Commission and obtain approval in advance of price increases, unless they had a prior term limit pricing agreement. Tier II firms submitted quarterly reports, as did the Tier I firms; but the Tier II firms were not required to submit advance notification of increases. Tier III firms were not required to submit reports but were expected to maintain records which would permit auditing of compliance. Somewhat comparable procedures were established for monitoring pay increases.

PRICES AND WAGES DURING THE CONTROLS PERIOD

According to the indexes which provide comprehensive measures of the movement of prices in the United States, the rate of inflation has declined significantly during the controls period (Table 15 and Chart 7). Price behavior has been dominated by two facts: The rate of increase of prices other than farm prices declined markedly compared with the precontrol period; and the rate of increase of farm prices increased markedly compared with the precontrol period. The decline in the rate of inflation obviously is therefore smaller in indexes which accord a heavy weight to farm and food prices than it is in more comprehensive indexes like the consumer price index, the gross national product (GNP) deflator, the private output deflator, and the personal consumption expenditure deflator. Only the wholesale price index (WPI) fails to show this slowdown in the rate of inflation. However, the WPI reflects the prices of only about half the output produced or purchased in the United States, and it gives considerably more weight to farm products than is present in family budgets or in the national economy.

The broad price indexes clearly show the sharp decline of the inflation rate during the freeze, the rise during the bulge after the freeze, and a decline thereafter to a rate below that of early 1971. The sole exception is farm products.

TABLE 15.—*Changes in price measures, 1968 to 1972*

[Percent; seasonally adjusted annual rates]

Price measure	Pre-freeze			Freeze	Bulge	Post-bulge
	Dec. 1968 to Dec. 1969	Dec. 1969 to Dec. 1970	Dec. 1970 to Aug. 1971	Aug. 1971 to Nov. 1971	Nov. 1971 to Feb. 1972	Feb. 1972 to Dec. 1972
Consumer price index:						
All items	6.1	5.5	3.8	1.9	4.8	3.0
Food	7.2	2.2	5.0	1.7	9.7	3.6
All items less food	5.7	6.5	3.4	2.3	2.9	3.0
Commodities less food	4.5	4.8	2.9	.0	2.4	2.5
Services [1]	7.4	8.2	4.5	3.1	4.7	3.3
Wholesale price index:						
All commodities	4.8	2.2	5.2	−.2	6.9	6.5
Farm products and processed foods and feeds	7.5	−1.4	6.5	1.1	14.7	14.7
Industrial commodities	3.9	3.6	4.7	−.5	4.0	3.4
	1968 IV to 1969 IV	1969 IV to 1970 IV	1970 IV to 1971 II	1971 II to 1971 IV	1971 IV to 1972 I	1972 I to 1972 IV [2]
Fixed weight GNP price deflators:						
Total GNP	5.4	5.1	5.9	3.0	6.1	3.2
Gross private product	5.1	4.5	5.0	2.6	4.5	2.9
Personal consumption expenditures	5.0	4.3	4.5	2.4	3.6	2.8
Implicit GNP price deflators:						
Total GNP	5.3	5 3	5.1	2.2	[3] 5.1	2.3
Total U.S. purchases [4]	5.3	5.5	5.0	2.3	[3] 5.3	2.6
Private business GNP:						
Nonfarm	4.7	5.1	4.3	1.2	3.6	1.5
Farm	10.4	−7.3	12.1	16.3	20.1	21.5

[1] Based on unadjusted indexes as these prices have little seasonal movement.
[2] Preliminary.
[3] Increase in pay of Federal Government employees accounted for about 1¼ percentage points of the total increase.
[4] Total GNP less net exports of goods and services.

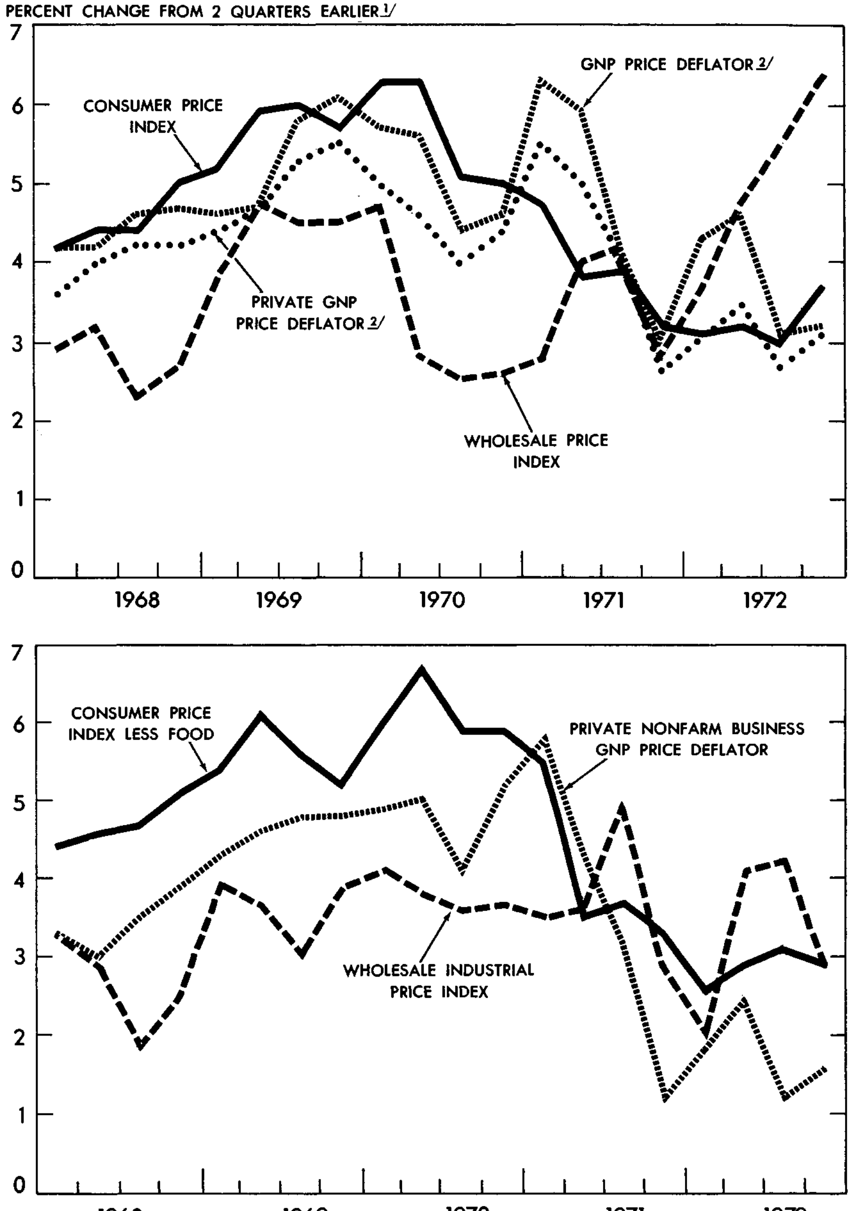
Sources: Department of Commerce, Bureau of Economic Analysis, and Department of Labor, Bureau of Labor Statistics.

Since most nonfarm prices were subject to controls and farm prices were not, it is theoretically possible that the controls generated pressures which increased farm prices. This possibility is significant because food prices are an important part of consumer budgets. However, there is no evidence to indicate that the increase of farm prices was stimulated by the control of prices in other sectors.

There is, on the contrary, considerable evidence which points to domestic supply conditions and an increase in foreign demand as the main contributors to the rise in farm prices, and these two factors would have had much the same effect even in the absence of a controls system. The supply of food for domestic consumption not only failed to rise but actually declined on a per capita basis, for two reasons. First, domestic food production declined because of unfavorable natural conditions, including the earlier corn blight and bad weather in 1972; hence, despite a rise in imports and a reduction in carryover stocks, the supply available for domestic use and exports fell. Second, food exports increased significantly because of bad growing weather

Chart 7

Changes in Prices



1/ SEASONALLY ADJUSTED ANNUAL RATES.

2/ CHANGES BASED ON FIXED WEIGHT INDEXES.

SOURCES: DEPARTMENT OF COMMERCE AND DEPARTMENT OF LABOR.

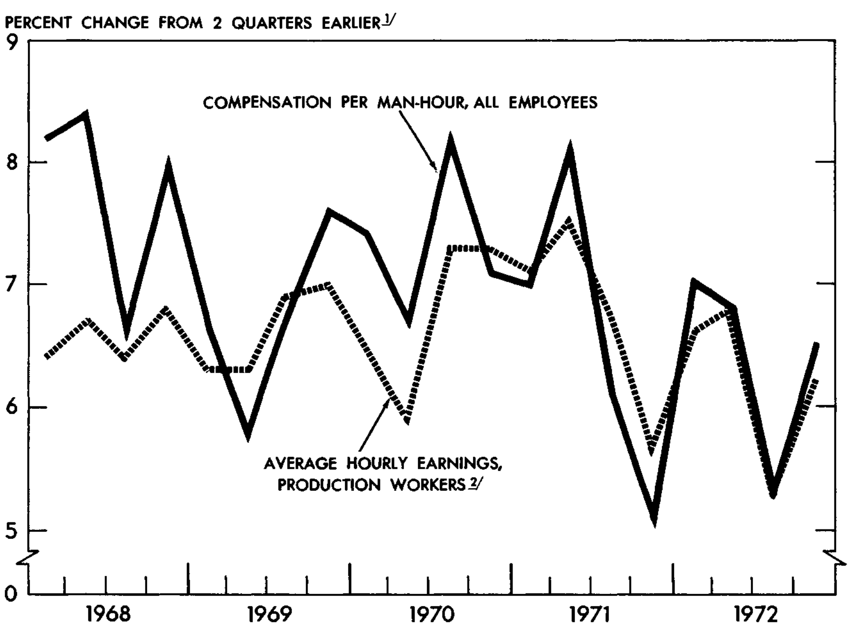
abroad. These exports were facilitated by U.S. arrangements to permit the financing of grain exports to the U.S.S.R.

An additional factor which retarded the decline of some of the indexes was the behavior of import prices. Because of the devaluation of the U.S. dollar and rapid inflation abroad, the dollar prices of imports rose more rapidly than U.S. prices. As a result, indexes which reflect prices of U.S. purchases, such as the CPI and the personal consumption expenditure deflator, rose more rapidly than indexes which reflect the prices of U.S. output, such as the GNP deflator and the private output deflator. This difference in behavior is reflected in the comparison, near the bottom of Table 15, of the price deflator for GNP and the price deflator for total U.S. purchases (GNP plus imports minus exports).

Statistics on wage increases also showed a marked deceleration during the controls period. Here too there is an initial sharp decline associated with the freeze, followed by a brief upsurge in the months after the freeze, and then a settling back to a rate below the level prior to the freeze. Several measures of wage change are shown in Table 16 and Chart 8.

Chart 8

Changes in Compensation in the Private Nonfarm Economy



1/ SEASONALLY ADJUSTED ANNUAL RATES.
2/ ADJUSTED FOR OVERTIME (IN MANUFACTURING ONLY) AND FOR INTERINDUSTRY EMPLOYMENT SHIFTS.
SOURCE: DEPARTMENT OF LABOR.

TABLE 16.—*Changes in wage measures, 1969 to 1972*

[Percent; seasonally adjusted annual rates]

Wage measure	Pre-freeze		Freeze	Bulge	Post-bulge
	Aug. 1969 to Aug. 1970	Aug. 1970 to Aug. 1971	Aug. 1971 to Nov. 1971	Nov. 1971 to Feb. 1972	Feb. 1972 to Dec. 1972[1]
Average hourly earnings, private nonfarm economy[2]	6.9	6.9	3.1	9.5	5.6
	1969 II to 1970 II	1970 II to 1971 II	1971 II to 1971 IV	1971 IV to 1972 I	1972 I to 1972 IV[1]
Average hourly compensation, all employees:					
Total private economy	7.2	7.6	5.2	8.9	5.7
Nonfarm	7.1	7.6	5.1	8.9	5.9
Average hourly earnings, private nonfarm economy[2]	6.5	7.4	5.7	8.0	6.0

[1] Preliminary.
[2] Adjusted for overtime (in manufacturing only) and interindustry employment shifts.

Source: Department of Labor, Bureau of Labor Statistics.

Additional evidence of the decline of the inflation rate is provided by the substantial reduction in the size of negotiated increases in collective bargaining agreements covering 1,000 or more workers; the typical wage increase negotiated for the first year of a contract had been 11.8 percent for the first 9 months of 1971 and 11.9 percent during all of 1970. In contrast, this first-year increase declined to 7.6 percent for all of Phase II and to an even more moderate 6.6 percent during the last 3 quarters of 1972. For manufacturing alone, the first-year increase was 8.1 percent in 1970, 11 percent during the first 9 months of 1971, and 6.9 percent during Phase II. Construction first-year wage increases, which had averaged 18.1 percent in the 4 quarters prior to the establishment of the Construction Industry Stabilization Committee in early 1971, slowed to 12.5 percent during the first year of the CISC's operation and to 5.8 percent during the last 3 quarters of 1972.

Did Controls Reduce the Inflation Rate?

The fact that the rate of increase of both prices and wages declined during the controls period does not prove that the controls themselves reduced the rate of inflation. There are, naturally, two views on this subject: one is that they were effective and the other is that they were not.

Those who say the controls were not effective rely primarily on the observation that the rate of inflation was declining before the controls began and that no sharp discontinuity in the decline of the rate of inflation can be dated from the beginning of the controls. Although a sharp cut in the inflation rate accompanied the freeze, and a bulge followed the relaxation of the freeze, these can be regarded as only briefly displacing in time the trend of prices that would otherwise have occurred.

The difficulty with this argument lies in the absence of any assurance that the decline in the inflation rate which had occurred before the freeze would have continued without it. The controls were imposed largely because there was no such assurance. Some of the reasons for the fear that the inflation rate would not continue to decline have been given earlier in this chapter.

The facts are that some price and wage increases were below the permitted amounts and that there have been few if any cases of shortages at ceiling prices. But the first of these points is not inconsistent with the controls having held down the average rate of inflation by holding down a significant number of price and wage increases. And the second point is consistent with the underlying rationale of the controls, which is that the price and wage increases to be restrained were not increases necessary to avert shortages.

The case for the effectiveness of controls rests in part on econometric study of the relation between the rate of inflation and other variables, such as unemployment, prior inflation rates, and growth of demand. The relations derived from past experience are used to project what the inflation rate would have been in the absence of controls. Since, as has turned out in several studies, the projected inflation rate was larger than the rate actually experienced in 1972, the conclusion is that the controls reduced the inflation rate, and by the amount of the difference. Although these studies ask the right question—What would the inflation rate have been without the controls?—the poor record of this technique in predicting the rate of inflation prior to controls does not inspire confidence in their answer, and evidence from this source must be regarded as inconclusive.

One interesting set of facts bearing on the effectiveness of the controls system is the distribution by size of wage adjustments in collective bargaining agreements. The data are shown in Table 17. The reduction from 1970 and 1971 to 1972 in the percentage of workers receiving increases of 10 percent or more is striking, and it may reflect the curtailment of big increases by the controls. In 1968, when there were no controls and the average increases were about the same as in 1972, the percentage of very large increases was also much less than in 1970 and 1971. Still, the 1972 distribution is more compressed than that of 1968, at least in manufacturing: the proportion of very large adjustments was below the 1968 level. The group of industries negotiating increases in 1972 was different from that in 1968, however, and this may help explain the difference in the distribution.

We believe it is probable that the controls did reduce the rate of inflation, but the magnitude of the reduction is uncertain. There are a number of individual cases in which the controls seem to have restrained price and wage increases, and it is hard to find cases in which the controls have stimulated increases. The slowdown of wage increases and of the private GNP deflator is more pronounced during the controls period than before it. But

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TABLE 17.—*First-year wage rate changes in collective bargaining agreements covering 1,000 workers or more, 1968 and 1970–72*

Type of wage-rate action[1]	Percent of workers affected							
	All industries				Manufacturing			
	1968	1970	1971	1972[2]	1968	1970	1971	1972[2]
All wage actions	100	100	100	100	100	100	100	100
No wage increase	(3)	(3)	1	2	(3)	(3)	1	1
Increase in wages	100	100	99	98	100	100	99	99
Under 1 percent	------	------	(3)	(3)	------	------	1	------
1 and under 2 percent	(3)	------	(3)	1	(3)	(3)	(3)	(3)
2 and under 3 percent	2	(3)	(3)	2	2	(3)	(3)	2
3 and under 4 percent	2	1	1	4	2	1	1	2
4 and under 5 percent	7	1	1	7	8	1	2	6
5 and under 6 percent	12	3	3	20	11	6	4	23
6 and under 7 percent	19	17	9	20	27	33	16	24
7 and under 8 percent	34	11	5	16	25	18	7	19
8 and under 9 percent	6	8	7	7	7	10	9	16
9 and under 10 percent	6	5	10	8	8	6	6	2
10 percent and over	12	54	61	12	9	24	53	4
Not specified	1	1	1	------	1	(3)	(3)	------
Number of workers (thousands)	4,589	4,675	3,978	2,092	2,277	2,184	1,913	792
Mean adjustment (percent)	7.4	11.9	11.6	7.0	7.0	8.1	10.9	6.6
Median adjustment (percent)	7.2	10.0	12.5	6.3	6.9	7.5	10.1	6.2

[1] Percent of estimated average hourly earnings excluding overtime.
[2] Preliminary.
[3] Less than 0.5 percent.

Note.—Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

one cannot be sure that the controls had an effect on the rate of inflation. Still less can the size of the effect be gauged.

However, this uncertainty does not imply an equal uncertainty about the value of the controls. As we said at the outset, the controls were intended to deal with the *risk* that inflation would again accelerate. To reduce that risk substantially, as we believe the controls did, was a very significant contribution, but one that would not necessarily show up in a reduction of the inflation rate below what would most probably have occurred without the controls.

Reducing Inflationary Expectations

The goal of policy in 1971 and 1972, as we have pointed out, was not only to reduce the probable rate of inflation but also to reduce the general fear of continued or rising inflation and thus to increase confidence in the achievement of price stability. A change in the perception of the U.S. inflation problem has taken place. The controls have made a substantial contribution to this.

There are no completely satisfactory measurements of people's expectations and fears about inflation. But everyone who has examined his own thinking and the thinking of other people in 1970, 1971, and 1972 can see that a change has occurred since the controls were imposed, and these changes are reflected in available public attitude surveys. For example, the proportion of people surveyed in a poll who said they thought there was a current danger of inflation declined from about 85 percent just before the freeze to about 60 percent in December 1972. The proportion who said they feared inflation at that time more than a year earlier fell from 70 percent to about 35 percent. Any other outcome would be strange. For a great many people the idea that inflation could be reduced by fiscal and monetary restraint is unreal and abstract. Disbelief on this score was reinforced by the disappointing contrast between the many forecasts that inflation would decline markedly in 1970 and 1971 and the actuality. On the other hand, nothing seems more obvious than that the imposition of controls should curb inflation. Moreover, the controls had a symbolic value as evidence of the Government's determination to take whatever steps might be necessary to check inflation.

Concern about inflation did not, of course, disappear. From time to time in 1972 it was even fairly acute. Nevertheless, one has only to recall the tone in which the problem was usually discussed in the summer of 1971 to see how far we have come.

One of the most striking changes has been in the attitude of the international economic community toward the American inflation; before August 1971 it was the major concern of foreign observers and investors. By the end of 1972 the American anti-inflation policy had become the marvel of the rest of the world (Table 18). Largely because of this change the rest of the world is willing to hold increasing amounts of dollars.

TABLE 18.—*Changes in consumer prices in the United States and OECD countries, selected periods, 1958 to 1972*

[Seasonally adjusted annual rates]

Country	Percent change						
	1958–59 average to 1968–69 average	From previous year		From previous half-year			1972, second to third quarter
		1970	1971	1971 first half	1971 second half	1972 first half	
United States	2.1	5.9	4.3	4.2	3.5	3.1	3.6
Other OECD countries:							
Canada	2.3	3.3	2.9	2.5	4.9	4.3	7.4
Japan	5.1	7.8	6.1	6.6	5.9	3.0	6.1
France	3.9	5.5	5.6	5.1	6.4	4.9	9.0
Germany	2.4	3.8	5.2	5.4	6.1	4.7	8.7
Italy	3.5	5.0	4.9	4.8	4.9	4.9	8.7
United Kingdom	3.3	6.4	9.4	10.3	9.1	5.1	10.5
All other OECD countries [1]	3.8	5.3	7.4	7.2	8.8	6.6	8.2

[1] 1970 private consumption weights and exchange rates used. Includes Austria, Belgium, Denmark, Finland, Greece, Iceland, Ireland, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, and Yugoslavia.

Sources: Department of Labor, Bureau of Labor Statistics, and Organization for Economic Cooperation and Development (OECD).

One objective indicator of inflationary expectations is the behavior of interest rates, particularly those on long-term obligations. When increased inflation is generally expected in the economy, lenders demand higher interest rates to compensate them for the depreciation of the real values of their loans. Borrowers are willing to pay higher rates because their resources are expected to appreciate in nominal terms. Interest rates, therefore, tend to rise and fall in direct relation to changes in inflationary expectations. The expected rate of inflation is, however, by no means the only factor determining the behavior of interest rates, nor is it easy to distinguish its effect from the effects of other factors operating at the same time.

The behavior of interest rates after August 15, 1971 strongly suggests that inflationary expectations receded abruptly as a result of the imposition of the Economic Stabilization Program. On August 16 the yield on seasoned 3–5 year Treasury securities fell 40 basis points from August 13 levels, and the Moody's Aaa long-term bond yield fell 20 basis points. By the end of August these yields had fallen 75 and 26 basis points, respectively, from the levels on August 13.

The declines in these yields were very sudden. Because they took place so quickly, they cannot be explained by any fundamental force except expectations. Hence a strong presumption exists that people believed the effects of the freeze would not be completely reversed and that they expected the inflation rate to follow a lower course after August 15 than before.

While long-term interest rates rose early in 1972, they generally followed a downward path after April, although scattered increases occurred, particularly in September. The declines took place in a period in which the economy was expanding rapidly, at a pace seldom equaled, and short-term rates were rising. Both of these forces are normally associated with increases in long-term rates as credit demands increase and expectations of future short-term rates are revised upward; only twice in the past 26 years had long-term rates declined over such a long period in such circumstances.

The fact that long-term interest rates declined on balance during 1972 even in the face of strong economic expansion suggests that long-term inflationary expectations which influence such rates were also revised. While short-term expectations appear to have been quickly revised in 1971 after the imposition of controls, investors in long-term securities took longer to become convinced that inflation would remain on a lower path for a considerable period to come.

The Fairness of Controls

In the development and management of the controls system, a great effort has been devoted to achieving fairness, both in justice to those directly affected and because belief that the system is fair is necessary to ensure the voluntary support without which the system could not function. According to the concept of fairness underlying the controls, the system itself should not substantially alter the distribution of income that would have occurred in an expanding, noninflationary economy without controls.

Fairness in the controls system can be understood in small or large terms: through the impact that controls exert on particular individuals and businesses or the effect on such large classes as wage earners and stockholders. In particular instances there was undoubtedly some arbitrariness. The regulations were inevitably broad and general; case-by-case handling of inequities was slow. As the year passed, feeling grew that individual treatment by the system had not always been equitable.

Public discussion and complaint about the fairness of the system have related chiefly to the larger aggregates, however, especially to the relation between wages and profits. In these terms it is hard to see that the controls system has changed the distribution of income. If there has been any change compared to what would have happened in a strong expansion without controls, it seems to have been favorable to wages. Employees' compensation rose from 75.1 percent of the national income in the second quarter of 1971 to 75.3 percent in the third quarter of 1972, despite the normal tendency of the labor share to decline when output expands rapidly. Related to gross national product, the employee compensation percentages are 61.3 and 61.0, respectively. As is shown in Table 12, Chapter 1, employees' share of the gross product of nonfinancial corporations declined insignificantly (from 66.4 percent to 66.1 percent) over the same period. Also shown in Chapter 1 (Table 11), the rise in profits relative to the rise in GNP has been much smaller in the current recovery than in earlier business recoveries; a related fact is the modest increase in corporate dividends, which have risen much less than employee compensation.

It seems quite clear that the share of labor in the national income has not suffered at the expense of profits during the controls period. Yet it is also true that real hourly labor compensation (compensation adjusted for the cost of living) in the private nonfarm sector has not risen as fast as output per hour in the private nonfarm sector. It is a well-known proposition of economics that if real compensation per hour does not rise as fast as productivity, labor's share declines. However, this proposition holds only if the prices used to deflate hourly money compensation and convert it into real compensation are the prices of the workers' products. In the present case, prices in the private nonfarm sector rose much less than the consumer price index because of the large influence of farm prices and import prices on the latter index. Therefore, real hourly compensation in terms of the things workers produced rose much more than real compensation in terms of the CPI market basket (and it is the former which is relevant for the proposition about shares). From the second quarter of 1971 to the fourth quarter of 1972 the purchasing power of the compensation for an hour of work in the private nonfarm sector rose at an annual rate of 2.8 percent in terms of the items included in the CPI, but at 4.2 percent in terms of the goods produced in the private nonfarm sector.

In a larger sense, workers gained much more from the controls program than can be shown by calculations of their proportionate share in the national income. The confidence engendered by the program was an important ingredient in the economic expansion which greatly increased employment, hours of work, and productivity, and thus the real incomes of workers. Real weekly earnings of private, nonfarm production workers (adjusted for the CPI) rose at an annual rate of 3.4 percent from August 1971 to December 1972 compared to 3.0 percent in 1971 prior to the freeze and to an average of 0.4 percent per year from 1965 to 1970. Total employment, including the Armed Forces (which declined), rose by 3.2 million from the second quarter of 1971 through the fourth quarter of 1972, and the total real compensation of employees rose at an annual rate of 5.7 percent.

THE COSTS OF CONTROLS

The actual or potential benefits of price and wage controls in reducing both the inflation rate and the fear of inflation must be balanced against their actual and potential costs. Several kinds of costs may be involved; almost all are difficult or impossible to measure. An impressionistic review suggests that these costs were probably not large in 1972, relative to the role that the system played in the national economy, but that they were growing as the year progressed.

1. *Administrative costs.* The controls program was designed to be carried out with a staff of less than 4,000 people. The annual rate of expenditure of the Cost of Living Council, the Pay Board, the Price Commission, and related agencies was about $80 million. The cost of administering the program, however, even within the Federal Government, amounted to more than this. The program was a demand on the time of the President and of the heads of many Government departments and agencies. This cost is to be measured in diversion from attention to other problems.

The administrative costs outside the Government were undoubtedly much larger than those borne by the Government. Many more man-hours were required to prepare applications and reports than to review them, and to maintain records than to check them. There is no calculation of what this cost amounted to in dollars, but it was probably substantial.

By the end of 1972 it appeared that the administrative costs would increase substantially if the program continued without modification. In a continuing program, companies and workers would insist on more equitable procedures that they did not demand when the system was considered to be short-lived, and they would have more recourse to the courts to get their full rights.

2. *Industrial disputes.* Previous experience, both in the United States and elsewhere, suggested the danger that wage and price controls might lead to exceptionally bitter industrial disputes and loss of time due to strikes. The disinflationary process would in any case require a slowdown in the rate of wage increases and thus carried with it the possibility of long strikes. This possibility might be aggravated if the Government entered the picture by setting standards for maximum pay increases. In such a situation, wage disputes could become tests of policy and power between Government and labor,

each party being unwilling to compromise and local cases threatening to explode into nationwide stoppages.

Despite the danger, 1972 turned out to be a year of unusual industrial peace. Time lost through strikes as a proportion of time worked was at its lowest level in nearly 10 years. This outcome was a consequence of the public's strong support for the program and the cooperative attitude among workers and the leaders of organized labor.

3. *Effects on productivity.* Price control systems tend in greater or less degree to be cost-plus systems which reduce the incentive to hold down costs and may even create an incentive in the other direction. The basic price standard in the 1971–72 controls program had this feature. Prices were generally permitted to be raised in proportion to costs, so that an increase of costs also permitted an increase of profits. This effect was at least limited by the requirement, adopted in May, that firms use an historical, industry-wide productivity factor in calculating costs, rather than their own actual or estimated productivity. However, firms would again be in the cost-plus situation if they reached their profit-margin limit, because an increase of costs would then permit an increase in profits.

Productivity rose sharply in 1972. The cyclical conditions for such a rise were highly favorable. Any adverse effect that the controls system may have had on productivity is not visible in the statistics, although this does not mean such effect was absent or negligible. Nevertheless, even anecdotal evidence of antiproductivity effects is rare. There were probably several reasons for this. Relatively few firms were up to their profit-margin standard in 1972. Even those which were at the profit-margin limit felt restraint on cost-raising tendencies because of competition from firms that were not. Moreover, the expected short life of the controls made businesses especially wary of falling into managerial practices that would be harmful when controls ended. All of these reasons suggested dangers as the controls continued, particularly in an economy operating closer to its potential.

4. *Effects on investment.* The price control system posed certain threats to the vigorous expansion of business investment. Profits were restrained by the cost pass-through rules as well as by the profit-margin standard. Furthermore, in the calculation of costs to justify price increases no allowance was made for the cost of nonborrowed capital. As a consequence, an increase in equity capital per unit of output would reduce the rate of return on equity, even though it permitted saving of other costs.

Despite these inhibiting factors, business investment rose substantially in 1972, and reports of business intentions suggest another substantial increase in 1973. Since investment is undertaken in expectation of a future stream of profits, the heavy investment of 1972–73 suggests that business viewed controls as likely to be of relatively brief duration. The restraint on dividend payments, which increased the internal funds of corporations, may also have helped to sustain investment growth.

5. *Distortions and interferences with production and distribution.* There are a number of classic ways in which long-maintained and rigid price controls in the face of excess demand distort the pattern of production and distribution. Low-margin goods disappear from the shelves, black markets and informal rationing appear, the quality of goods and services is degraded, and innovations are discouraged. Very little of this distorting effect showed up during 1972. There were stories, whose significance was difficult to measure, of a shift toward high-profit lines in the lumber industry, of favoritism in the allocation of lumber to dealers, and even of lumber production held back to await the end of controls. Relative prices under the controls induced production of more gasoline and less fuel oil than would have occurred in free markets. The ceilings on service fees charged by hospitals may have led to the provision of an unnecessarily large amount of services.

However, these cases were exceptional. They were kept from becoming more common by the flexibility of the controls system and by an even more important factor, the prevalence of unused production capacity during 1972.

WHERE WE STAND

By the end of 1972 the rate of inflation had been clearly reduced from its level when the freeze took effect. Moreover, what had happened was not merely a suppression of price increases that would burst out if controls were removed. Although some such increases might occur, a more durable change had taken place in the conditions underlying wage and price increases. Expectations of rapid inflation had diminished, and not only because of controls. Confidence in the Administration's determination to pursue a noninflationary fiscal and monetary policy had been strengthened.

An economic background for wage decisions had been established which was much more conducive to moderation than had prevailed earlier. Although workers had, on the average, been getting large wage increases in money terms in 1970 and 1971, they felt very little real improvement because of the rapid inflation. Consequently there was a strong push, recognized by employers as well as workers, for even larger wage increases. In contrast, at the end of 1972 workers had been receiving the same or smaller hourly wage increases, but the increase in their buying power during the year had been much larger. This contrast is shown in Table 19, which compares the conditions of 1972 with the conditions of 1969, that is, 1 year before many of the collective bargaining agreements to be negotiated in 1973 were last negotiated.

Developments during the controls period have thus improved the position of workers in the aggregate; they should also have particular relevance for employees in those sectors where bargaining activity in 1973 will be concentrated. In recent years, before the introduction of controls, wages in the major industries affected by collective bargaining agreements showed a persistent tendency to fall behind the rest of the economy during the term

TABLE 19.—*The economic preludes to two major collective bargaining rounds, 1970 and 1973*

[Percent change; seasonally adjusted annual rates]

Series	Backdrop to the 1970 negotiations: 1969 [1]	Backdrop to the 1973 negotiations: 1972 [2]
Consumer price index	6.1	3.2
Earnings in current dollars: [3]		
Hourly [4]	6.5	6.3
Gross weekly	6.2	6.7
Spendable weekly [5]	4.9	7.3
Earnings in constant dollars: [3]		
Hourly [4]	.4	3.1
Gross weekly	.1	3.4
Spendable weekly [5]	−1.1	4.1

[1] December 1968 to December 1969.
[2] August 1971 to December 1972.
[3] For production or nonsupervisory workers on private nonfarm payrolls.
[4] Adjusted for overtime (in manufacturing only) and interindustry employment shifts.
[5] Gross weekly earnings, after taxes, for a worker with three dependents. In annualizing the rates of change, the effect of the change in tax rates at the beginning of 1972 is taken into account separately.

Source: Department of Labor, Bureau of Labor Statistics.

of a multiyear agreement and then to catch up through larger increases when new agreements were negotiated. As the accelerating and high inflation rate has receded, however, a fundamental change has occurred in the manner in which inflation and long-term contracts have affected the relative position of unionized workers in the wage structure. Workers covered by many important contracts expiring in the near future appear either to have maintained or to have improved their relative position in the wage structure.

Thus the economic performance of 1971 and 1972 gave rise to several factors favorable to price stability in 1973. At the same time, this performance did not achieve a final liquidation of the extraordinary inflation problem left behind by the 1965–68 demand surge. The rise of prices, as measured by the consumer price index, was above the interim target rate set by the Administration and above the rate that would be considered permanently satisfactory. Apprehension about the future inflation rate, although much diminished, remained. Sensitivity to the vestiges of recent inflationary experience was heightened by the prospect and need for continued expansion and by the large number of workers who would be involved in new wage settlements in 1973.

A case could therefore be made for continuing the anti-inflationary influence of controls in 1973. But the experience of 1972 also suggested a number of dangers to be avoided. Although the costs of controls in retarding and distorting economic activity had apparently thus far not been great, these costs seemed to be rising. They could be much more significant in 1973 as the program aged and as the economy came closer to its potential. The number of instances of excess demand would multiply, and the relative price ceilings established by the system would become more potent sources of distortions. More and more companies would hit their profit-margin ceilings, with adverse consequences for cost control and for investment incentives. More insistence on formal and equitable procedures would arise, litigation would multiply, and administrative costs, public and private, would increase greatly. Less tolerance of the inevitable delays and red tape of the system would be forthcoming.

These dangers and difficulties did not mean that continuation of controls was impossible or undesirable. They did mean that even temporary continuation would require modification of the program. They reinforced the idea that controls should not be a permanent part of the American economic system. And they emphasized the need for maintaining general noninflationary economic conditions which would permit the controls to continue for a while and then to disappear. These considerations were all prominent in the development of the policy for 1973 which is discussed in Chapter 3.

CHAPTER 3

Outlook and Policy

THE PRINCIPAL QUESTION on the economic outlook for 1973 is not whether, but how fast, output and employment will expand. For policy, there are two issues. The first is to find and implement the set of policy actions which will maximize the likelihood that the economy will move to its full potential level of output and employment. The second is to do so in ways that will serve both to eliminate the vestiges of the post-1965 inflation and to place the economy squarely on a sustainable path of subsequent noninflationary growth.

This is an ambitious set of policy goals, but there is a good prospect of achieving them, or at least approaching them closely. The year ahead is the first in a long time in which there is reasonable hope of closing in on full prosperity without serious inflation and without war.

For this to become a reality rather than just a hope will require full cooperation from business and labor. It will also require coordinated policy actions by the Administration, the Congress, and the Federal Reserve System. The economy will be approaching the zone of its potential by the end of the year. Such an economy requires a disciplined balancing of conflicting short-run interests in order to ensure that the common prosperity, which benefits all interests, can be sustained without interruption.

The central need is to balance the speed of expansion against its durability, but in the context of 1973 this problem has many other dimensions: The allocation of output between uses dictated by the Government and those dictated by the private sector; the balancing of the need for allowing free operation of market mechanisms for determining individual prices and wages against the continuing need for restraint on the average level of prices; the division of emphasis between minimizing unemployment in the short run and minimizing it more permanently.

GUIDES TO OVERALL ECONOMIC POLICY

The basic mandate for policy set forth in the Employment Act is to achieve "maximum employment, production, and purchasing power." The question of the precise meaning of those goals was left unresolved when the Act was passed in 1946 and has remained open ever since.

In the early 1960's a judgment was put forward that maximum employment for that time would be achieved when 96 percent of the labor force was employed, which meant 4 percent unemployed. Paralleling this estimate was a calculation of "maximum output," usually called potential GNP, which was conceptually the output that would be realized if the economy were operating at full employment. Estimates of potential GNP, at constant prices, were actually derived by assuming that the potential level of output was equal to the level of actual output in mid-1955, and that it would increase at a trend rate based on underlying changes in population, the proportion of the population that would be in the labor force, hours of work, and productivity. The trend rate was adjusted from time to time to reflect changes in the underlying variables. The benchmark period, mid-1955, was selected because it appeared to reflect most of the characteristics associated with noninflationary full employment, including an unemployment rate close to 4 percent (the actual rate of unemployment for the second and third quarters of 1955 was 4¼ percent).

These estimates of maximum employment and potential output were not considered to be either immediate or permanent guides to policy. In fact, policy in the early 1960's recognized that too fast a push to maximum employment or potential output could be dangerous. At the same time the 96 percent employment rate, or 4 percent unemployment rate, was considered to be an "interim" goal, which might be changed later as a result of improvements in labor markets or other developments.

These judgments applied to conditions expected in the early 1960's. In retrospect, the standard they suggested seems to have been in the correct zone: Steady noninflationary expansion did raise the rate of employment to 95½ percent and the ratio of actual to potential output to 99 percent by mid-1965, and both rates might have risen somewhat further or could have at least been sustained without generating inflation, had the normal course of events not been disrupted by the subsequent rapid rise in defense spending and the associated budget deficits.

The standards are a less reliable guide to policy for the 1970's than they were for the 1960's. Large and unpredicted changes have taken place in the nature, composition and behavior of the labor force, employment and unemployment, as well as in the length of the workweek. Also the economy itself has been through the worst and most prolonged period of price and wage inflation since World War II. These changes have important implications for the guidance of policy.

Given that our knowledge of the interrelation between the levels of output, employment, and prices at "maximum employment" is incomplete, it would be preferable to think of each objective, not in terms of a single value but as a range of values. Furthermore, the behavior of the economy in the near future will be determined not only by whether it is operating below or above some numerical potential output or below or above some target rate of employment, but also by the speed and manner with which it approaches the range of its potential levels. Against the background of recent inflationary history it is necessary to give the economy reasonable assurance that policy will not repeat the fiscal errors which ignited the inflation in the first place. Too fast a dash for a numerical target of potential would rekindle inflationary expectations and behavior that might make the potential itself unattainable, and would make it unsustainable if attained, whereas a more gradual approach which allows for the sensitivity of wages and prices to expectations would make the potential not only attainable but sustainable.

The Government can neither precisely predict what maximum employment or maximum production will be nor can it precisely control the level of actual employment or production. What the outcomes should be and will be depends upon private behavior—upon the amount of work and production that people want to do on realistically achievable terms—as well as upon public policy. The contribution of public policy is to create conditions in which people can reach their desired employment and production goals through feasible behavior in the market. One aspect of this contribution is that the total demand for output in money terms should be sufficient so that people who want to work can find work without an unrealistically large departure from accustomed and expected patterns of wage behavior.

Specifically, in the current situation we believe these guides mean that the money value of output should rise at a rate which, with reasonably expectable price and wage behavior, would reduce the rate of unemployment to the neighborhood of 4½ percent by the end of 1973. The rise of money gross national product (GNP) would be about 9 percent from the end of 1972 to the end of 1973. This does not imply that in present circumstances 4½ percent is necessarily the floor to the unemployment rate. It does imply a belief that a more rapid expansion of the economy within 1973 would endanger the further reduction of the inflation rate that is desirable, and would do so despite the continuing price and wage controls program. However, if, as a result of cooperation with the controls system or for other reasons, prices and wages rise less rapidly than is assumed here, the increase in money GNP suggested for the year would permit output and employment to rise more and unemployment to fall further.

Policy beyond 1973 will have to be adaptable to developments during the year. However, in the absence of evidence to the contrary, a sustained period of uninterrupted expansion would provide the optimal background for maximizing both employment and price stability. To this end, the appropriate policy goal in the ensuing period would seem to be a steady increase of money demand (money GNP) at a rate consonant with the potential growth rate of the economy and reasonable price stability. Again, this would not imply that the unemployment rate of 4½ percent assumed to have been reached by the end of 1973 will not decline further. If, with 4½ percent unemployment, there is the pressure of an excess supply of labor the average rate of wage and price increase would be lower and the rise in employment relative to the labor force would be higher, leading to a further reduction of the unemployment rate.

A further reduction of the unemployment rate in 1974 and beyond to even lower levels would be assisted by labor market policies, including manpower programs, which effectively reduce the relatively high level of frictional and structural unemployment that has typically been experienced in the United States.

It is worth repeating that the policy goal is a condition in which persons who want work and seek it realistically on reasonable terms can find employment. The Government must make two kinds of contribution to the achievement of this goal. First, it must maintain reasonable stability in the overall rate of economic growth so that the efforts of individuals to find work are not frustrated by erratic changes in the conditions on which work is available. Second, it must seek to eliminate obstacles that prevent willing workers and willing employers from getting together, insofar as these obstacles can be overcome without excessive cost. When the condition that persons who want work can find it through serious search is met, the rate of unemployment as we measure it will not be zero. What it would be we do not know. Undoubtedly the number would change from time to time. But it is the condition which is important, not the statistic.

FISCAL AND MONETARY POLICY

The path of the economy suggested above calls for slowing down the rise of money GNP, which was about 11 percent during 1972, to about 9 percent during 1973 and to a steady rate less than that thereafter. This desired shift to a slower rate of increase of money GNP would be assisted by a shift of the budget—from a position in which the unified budget would be in deficit at full employment to a position in which it would be in balance at full employment. In fact, the strength of the private demand forces in the economy, described below, argues that this shift in the budget position is essential to avoid an inflationary pace of expansion. The desired subsequent steadiness of the rate of increase of money GNP would be assisted by keeping the budget in a position of balance at full employment, unless there later appears clear and strong evidence that developments in the private sector call for greater fiscal stimulus or restraint. Constancy in the relation between full-employment receipts and expenditures provides approximate constancy in the Federal contribution to economic expansion. The constancy of the contribution is only approximate because the impact of the budget on the economy depends on its composition and total size as well as on the size of the deficit or surplus. However, constancy of the balance at full employment is the best single guide to a budget policy that neither pushes the economy above its desired growth rate nor holds the economy below it. In any case, the rule that expenditures should not exceed the revenues that would be collected at full employment is essential to bring home the requirement that Government should not spend money for things it is unwilling to ask citizens to pay for. The circumstances of 1973 are appropriate for getting on to that track.

A gradual slowing down of the expansion of money GNP to a steady rate consistent with the long-run potential growth rate of the economy and reasonable price stability is also an appropriate goal for monetary policy. This is likely to require a slower increase of the supply of money and credit than was proper when the main objective was to encourage a quickened economic expansion in an environment of substantial unused resources.

There is, as far as we are aware, little explicit disagreement with the proposition that the budget should be brought into a position of full-employment balance for fiscal year 1974. The threat to the achievement of full-employment balance is not that the country or the Congress will decide against it but that congressional procedures will be incapable of carrying out a policy to do it. Congress, under present practice, makes hundreds of separate decisions affecting expenditures but does not decide at any point in the process what total expenditures should be. Lacking the discipline that would be imposed by recognition of a limit to total spending, Congress tends regularly to authorize and appropriate too much money, constantly straining the ability of the Executive to keep spending under control.

If the budget is not to be a perpetual menace to economic stability, better congressional procedures will have to be created for making a deliberate decision about total spending. That is why the President has urged the Congress to establish a rigid ceiling on fiscal year 1974 expenditures before it passes any other spending legislation this year. The President has also urged the Congress to act on its own initiative to reform its expenditure-deciding process. In fact the problem is now more recognized in Congress than it has been for many years and there have been encouraging moves there to deal with it.

We also need to consider whether the future conduct of fiscal policy could be improved if Congress were to develop expeditious procedures for temporary, limited changes in the level of particular taxes. Such changes could take the form of a temporary, 1-year, positive or negative surcharge rate on personal and corporate income taxes, or additionally a temporary, 1-year shift in the rate of the investment tax credit. Both suggestions have been advanced with some regularity over the past two decades, and while they raise many difficult questions it is also generally agreed that we cannot be complacent about our existing instruments for the conduct of fiscal policy.

Basic changes in the structure and level of tax rates do and should require extended discussion. At the same time, experience has shown that the proper conduct of macroeconomic policy may sometimes call for a prompt and effective shift in the overall balance between the flow of Federal receipts and expenditures. Temporary and prompt changes in tax rates, which do not alter the basic structure of taxes, may provide an efficient way of accomplishing such required shifts.

Government Expenditures

The shift to full-employment budget balance by 1974 can be accomplished either by raising tax rates or by restraining the rate at which expenditures rise. The Administration has a clear preference for the latter.

The conceptual basis for arriving at public expenditure decisions is fairly straightforward. In general, public expenditure is justified when both of two conditions are met: If a desired result can be achieved at less cost by public rather than private spending *and if* the expenditure yields benefits which (adjusted for their timing) are greater than their costs, measured by the value and timing of the alternatives that have to be foregone in order to finance the outlays required.

In practice, there are formidable difficulties in arriving at sound public spending decisions. For many expenditures, reliable estimates of benefits and costs are not available. Many decisions have spending consequences that stretch years beyond the point at which the decision itself is made; over this period, circumstances, priorities, costs, and benefits may and do change. The proper management of public spending therefore requires the continuous reevaluation of prior decisions from which current spending flows as well as the careful evaluation of new decisions. Furthermore it is instructive to gain perspective by referring to a rough guide such as the fraction of total output which flows through the government sector.

The United States has now been through a period of substantial growth of government expenditures, both absolutely and relative to the size of the economy. In making a comparison with the size of the economy it is useful to abstract from fluctuations in the level of actual output around its path of potential growth. To this end, the data shown in Table 20 relate the level of government spending and its major components to the level of potential GNP. Separate figures are shown for the Federal Government (including grants to the State and local level), the State and local sector (excluding Federal grants) and for all levels of government combined.

Excluding defense spending, the ratio of government expenditures—Federal and State and local—to potential GNP rose from 14 percent in 1955 to 23 percent in 1971. Defense spending fluctuated relative to GNP but was much lower at the end than at the beginning of the period. During these years, potential GNP, measured in nominal dollars, nearly tripled.

The share of the Federal portion in total government civilian spending also rose rapidly between 1955 and 1971. In 1955 Federal civilian spending was 6.6 percent of potential GNP compared to 7.4 percent for State and local spending. Over the 16-year period the Federal share rose twice as fast as the State and local share. By 1971 Federal civilian spending was 12.4 percent of potential GNP as against 10.5 percent for the State and local sector.

TABLE 20.—*Government expenditures as a percent of full-employment GNP, selected calendar years, 1955–71*

[Percent]

Type of expenditure	1955	1960	1965	1968	1971
Total government					
Total	24.5	25.3	27.1	31.6	30.2
Defense related[1]	10.4	9.0	8.7	10.3	7.3
Civilian	14.0	16.2	18.4	21.3	22.9
Education, health, and welfare[2]	8.5	10.1	11.7	14.1	15.9
Natural resources[3]	1.2	1.2	1.3	1.4	1.1
Commerce, transportation, and housing	1.8	2.1	2.3	2.5	2.4
General government and net interest	2.5	2.8	3.0	3.4	3.5
Federal Government[4]					
Total	17.1	17.3	17.9	21.2	19.7
Defense related	10.4	9.0	8.7	10.3	7.3
Civilian	6.6	8.2	9.2	10.9	12.4
Education, health, and welfare[2]	3.7	4.7	5.4	6.9	8.3
Old-age and disability	2.1	2.9	3.4	4.3	4.8
Other	1.6	1.8	1.9	2.6	3.5
Other civilian	2.9	3.5	3.8	4.0	4.1
State and local government[4]					
Total civilian[5]	7.4	8.0	9.2	10.4	10.5
Education, health, and welfare[2]	4.8	5.4	6.4	7.2	7.7
Other civilian	2.6	2.6	2.8	3.2	2.8

[1] Consists of national defense, space research and technology, and international affairs and finance. Negligible amounts of State and local expenditures for these functions are included in Federal expenditures.
[2] Consists of education, health, labor and welfare, and veterans benefits and services.
[3] Consists of agriculture and agricultural resources and natural resources.
[4] Federal expenditures include and State and local expenditures exclude Federal grants.
[5] See footnote 1.

Note.—Expenditures are on a national income accounts basis.
Detail may not add to totals because of rounding.

Source: Department of Commerce.

For all levels of government, the largest increases were recorded in spending for education, health, and welfare purposes. Total spending for such purposes rose from 8.5 percent of potential GNP to 15.9 percent, and Federal spending rose from 3.7 percent of potential GNP in 1955 (about $15 billion) to 8.3 percent in 1971 (about $93 billion). A large part of the rise was in spending connected with social security programs for the aged and disabled, although other forms of spending for education, health, and welfare functions also rose rapidly.

The rise in the share of Federal civilian spending in the United States has accelerated since the mid-1960's along with the large increase in the number and scope of social programs. Many of these were introduced without any firm estimate of how effective they would be in solving the problems to which they were addressed or how much they would cost in the long run. At the same time there has emerged the need for new social programs, especially in the field of pollution abatement.

The continued existence of large social problems alongside a greatly expanded volume of government expenditures designed to correct these problems is not a strong argument for devoting a still-larger share of the national output to similar government programs. On the contrary, it is an argument for close scrutiny of these programs to discover whether they can be justified by their results. Such a scrutiny, carried out by the Administration, has led to decisions to cut back many programs, even though total Federal spending, after the cuts, will still be rising by about $20 billion a year. Making these cutbacks in less effective programs will provide budget room for consideration of more effective programs later as the growth of the economy expands the Federal revenue.

PRICE AND WAGE RESTRAINTS IN PHASE III

The purpose of budget and monetary policy is to help the economy achieve sustainable expansion along the growth path of potential output. One necessary condition for achieving this objective is the avoidance of policy errors which risk the re-emergence of generalized demand-pull inflation. A second condition is that the risk of inflation related to cost-push and expectational factors should also be minimized. Inflationary expectations and behavior left over from the country's experience since 1966, even though reduced in 1972 from previous heights, have not been completely eliminated. The self-interest of both business and labor calls for restraint and hence can be expected to lead to an even more durable winding-down of inflationary patterns than the economy has already achieved. However, the reciprocal abatement of the rate of wage and price increases is a delicate and complex process that can be upset through unrestrained behavior by particular sectors of the price-wage spectrum. To avoid the risk of such disruption, it is necessary to maintain a system of direct wage and price restraints in 1973.

Although temporary continuation of controls in 1973 is necessary, the condition of the economy and of the controls system have pointed to the need for substantial changes in the program. Two things are critical. One is to restrain and, if possible, reverse the rapid rise of food prices. The second is to moderate the degree of detailed supervision and mandatory enforcement in the system in order to preserve the self-restraint which has been the essence of the progam.

In 1972 food prices rose much more rapidly than other prices. The reasons for this, and the steps taken to curb the food price increase, are described in Chapter 2 and its supplement. By the end of 1972 adverse weather conditions had further reduced the food supply in prospect for 1973. Moreover, it began to appear that these uncontrollable adversities were superimposed on an agricultural policy which, although less restrictive than it had been, still leaned too far in the direction of limiting output and stocks relative to the rising domestic and foreign demand. This was especially true for meat, where the programs adopted in the early 1960's had made a major change in the way farmers could use their cropland. Whereas previous programs had placed limits on actual acres of crops produced, and allowed other areas of land to be used for livestock grazing or production of minor crops, the new programs utilized a new concept. They restricted the production of major crops by paying farmers to idle a portion of the acres previously used in crop production. In return for the payment, the idle acres had to be planted to soil-conserving crops and could no longer be used for livestock grazing or other crop production during the most productive part of the year. This change had the effect of slowing the rate of growth of meat production after 1965. With strong growth in demand for meat in 1972, prices rose rapidly.

Arresting the rapid rise in food prices is a key element in the 1973 stabilization program, both because of the direct importance of food in family budgets and because of the possible link between food prices and moderation of wage increases. Accordingly, the revision of the Phase II program included major steps to restrain food price increases in addition to what had been done in 1972.

During January 1973 the Administration took a number of strong measures which will have an important impact on food supplies and food prices, although with some lag. These include:

1. Suspension for 1973 of mandatory acreage set-aside requirements under the wheat program.

2. Disposal of Government-owned stocks of grains, except for minimum reserves, to be completed promptly.

3. Termination of Government loans, effective May 31, 1973, on farmer-owned stocks of grains from crops of 1971 or earlier years.

4. Suspension of all remaining export subsidies for foods, applying to chickens, flour, and lard.

5. Permission for acreage diverted from crop production under Government programs to be used for grazing animals under arrangements to be agreed upon with the Department of Agriculture.

To help assure that the agricultural policies of Government are consistent with the anti-inflation objective, administrative actions of the Department of Agriculture affecting food supplies and prices will hereafter be subject to review by the Cost of Living Council (CLC). The CLC Committee on Food has been set up to discharge this function as well as to review or initiate other policies and proposals that may affect food prices. This can lead to a progressive reorientation of agricultural policy to the needs of the 1970's.

As in Phase II, mandatory controls will be continued on food processing and distribution. Large food processors will be required to comply with previous regulations, including prenotification and approval of cost-justified price increases. The limitations on retailers' margins established under the Phase II system will remain in force, except for minor administrative changes. Pay units in the food processing and retailing industries will remain under mandatory pay control.

Concern with the food price problem in 1972 led the Cost of Living Council to ask the National Commission on Productivity to undertake a study on ways to improve productivity and reduce costs in food production and distribution. The study, which has now been transmitted to the CLC for its consideration, contains numerous suggestions for both Government and private action. A Food Industry Advisory Committee, drawn from the private economy, has been established to advise the CLC on matters relating to food costs and prices. One of its main functions will be to assist in carrying out recommendations for raising productivity arising from the recently completed study.

Three other sectors of the economy, in addition to food, will receive special attention under Phase III.

(a) *Medical care.* Mandatory control of prices and wages remains in force in the health industry. The Cost of Living Council Committee on Health will review Government activities significantly influencing health-care expenses. A Health Industry Advisory Committee composed of private citizens will advise the CLC in this area.

(b) *Construction costs.* The Construction Industry Stabilization Committee will continue to operate as under Phase II to restrain wage increases in that industry. Construction prices are subject to reduction if scheduled wage increases are reduced.

(c) *Interest and dividends.* The Committee on Interest and Dividends will continue its efforts to obtain voluntary cooperation in holding down dividend payments and interest rates.

Outside of these particular areas, the main effort of Phase III is to bring about private action on wages and prices consistent with the goal of slowing down the inflation rate without imposing unnecessary burdens on the economy. These burdens, described in Chapter 2 as they related to Phase II, included administrative costs for the Government and the private sector, interferences with productivity and production, obstructions to the normal conduct of business and collective bargaining, weakening of incentives to investment, and a feeling of inequity on the part of some. Although surprisingly small during 1972, these burdens were becoming more serious and there was every reason to believe that they would become still more serious as the control system continued and as the economy moved closer to its potential.

These costs or burdens of the system were not essential for its basic objective. The objective was not to force prices and wages to conform in every particular case to precisely defined standards laid down by the Government, nor to obtain advance approval for every private action. The objective was a certain average degree of restraint. But prior to August 1971 private decisions had been made for a long time in a highly inflationary atmosphere. With that background, spontaneous wage and price decisions in 1972 could have come out a long way from the requirements of price stability, even given a general desire to cooperate in the fight against inflation. Thus the ability of the Government to monitor private behavior and enforce reasonable compliance with the requirement of price stability had to be developed and demonstrated. Therefore, the situation of Phase II required prenotification, precise standards, and omnipresent enforcement. The conditions at the opening of 1973 permitted and—if the system was to survive and succeed—required a relaxation of these forms of the system. This is the basic philosophy of Phase III.

The President has established a goal of getting the rate of inflation down to 2½ percent or less by the end of 1973. The Cost of Living Council has set forth standards of price and wage behavior which are consistent with the achievement of this goal. These standards are essentially the standards of Phase II, with some modifications on the price side which are noted below. The CLC has authority to change these standards. In considering modification of the pay standards the CLC will have the advice of a Labor-Management Advisory Committee composed of leading private citizens.

Compliance with these standards is expected to be initially and generally voluntary. The program will be self-administering, in the sense that private parties can calculate the application of the standards in their own cases. The experience under Phase II, and the regulations and definitions developed under it, were invaluable in making this possible. Businesses and collective bargaining units will not be required to notify the Government in advance of price or wage increases. The largest economic units will be required to submit quarterly reports to the Cost of Living Council, which will permit the CLC to assess their behavior relative to the requirements of the anti-inflation goal. Moderate-sized economic units will be required to maintain records for the same purpose. The parts of the economy not required to submit reports or maintain records will be surveyed from statistical and other information and are expected to follow the same standards.

When the Cost of Living Council believes that there have been, or are about to be, price or wage increases that are not reasonably consistent with the objectives of the program it can take action to stop them. Among other things, it can, if it considers it appropriate, issue an order under the authority of the Economic Stabilization Act setting a ceiling on specific prices or wages. This order might be temporary, pending a hearing. While the order is in effect, transgressing it will be a violation of the Act and subject to its penalties. In determining whether price or wage increases are not reasonably consistent with the objectives of the program the CLC will be guided by the standards it has issued.

The Price Commission and the Pay Board will no longer operate in Phase III, but many of their functions will be performed by Price and Pay Divisions of the Cost of Living Council. Rent control, which had already been cut down to cover about 30 percent of rental units, is terminated in Phase III, because it leads to costly evasions, enforcement is difficult, and housing market conditions have significantly improved. The total number of personnel assigned to the program will be reduced from about 4,000 to about 2,000. Relieved of the necessity to process a large flow of advance notifications, and to administer rent control, this staff will be adequate to maintain an effective option for the Government to intervene to assure achievement of the anti-inflation goal. The President has asked for a 1-year extension of the Economic Stabilization Act, which would otherwise expire on April 30, 1973.

One significant change has been made in the standard for prices. As in Phase II, prices may be increased only to reflect cost increases. These cost-based price increases are then subject to one of two further limits. First, the average increase in a firm's prices may not exceed 1.5 percent in a year; if this standard is observed the firm's profit margin will not be limited. Second, if a firm's average price increase exceeds 1.5 percent that firm may not exceed its base period profit margin. Thus, a firm is given the opportunity to exceed its base period profit margin if it does so by increasing productivity, without raising prices by more than 1.5 percent. The base period for calculation of the allowable profit margin is slightly altered by permitting the inclusion of fiscal years ending after August 15, 1971.

The essence of Phase III is that the Government retains the enforcement ability and authority necessary to the Nation's anti-inflation objective while leaving the private sector the maximum possible freedom to pursue productivity, efficiency, and collective bargaining.

THE OUTLOOK FOR 1973

The U.S. economy will expand substantially in 1973. All major components of demand will rise strongly except for residential construction and Federal purchases. Aggregate demand for goods and services will rise by about 10 percent, from an estimated 1972 level of $1,152 billion to about $1,267 billion in 1973.* The real increase is projected at 6¾ percent with an implied increase in the GNP price deflator of 3 percent. This projection of GNP prices is compatible with the objective that the rate of inflation, as measured by the consumer price index, be reduced to 2½ percent or less by the end of 1973. Civilian employment is expected to rise more rapidly than the civilian labor force, reducing the unemployment rate to the neighborhood of 4½ percent by the end of the year.

The course of the U.S. economy, at least through the first half of 1973, will be dominated by expansive forces already in place at yearend 1972. Business investment has developed a strong forward momentum, stimulated by both the fact and the expectation of expanding orders, sales, and profits. The ability and willingness of consumers to increase their purchases has been augmented by the large increase in social security benefits in the fourth

*Given the path of money GNP in 1972, an increase of 10 percent between the average level in 1972 and the average level in 1973 is consistent with an increase of 9 percent from the end of 1972 to the end of 1973.

quarter of 1972 and their incomes will be augmented again early in 1973 by Federal pay increases. The financial position of the State and local government sector, stronger than it has been in many years, will be strengthened further by both current revenue sharing payments and retroactive payments for 1972.

Given these expansive forces the probability is that the economy will maintain a very high rate of real growth over the first half of 1973. After midyear, the economy will be significantly closer to the zone of full potential output, and it is both probable and desirable that the rate of expansion will and should abate toward its sustainable long-run path.

The outlook for the major components of expenditure on GNP in 1973 is discussed in the following sections.

Business Fixed Investment

The Council expects the rise in business fixed investment to continue on its strong upward course and to increase by 14 percent from 1972 to 1973, about the same as the rise from 1971 to 1972. The last time two successive annual increases of this magnitude occurred was in the mid-1960's. A substantial part of the earlier increase took place before the rapid buildup of the war in Vietnam. The foundation for the large increase expected in 1973 has already been laid. The rapid expansion in 1972 has generated increased requirements for capacity expansion and has also provided business with a substantial part of the funds required for capital goods purchases: In addition to rising profits, the actual and potential availability of funds has been augmented by liberalized depreciation provisions, the investment tax credit, and the restraint on dividend increases, as well as by favorable financial conditions in the markets for debt and equity capital. This year's strong economy will sustain investment plans that have already been made and, indeed, will probably lead to their upward revision.

Several indications of forward investment commitments were noted in Chapter 1. Additional evidence can be found in the strong buildup in unfilled order backlogs held by producers of capital goods, which were 14 percent larger in November 1972 than a year earlier. Recent months have also seen a pronounced step-up in construction contract awards for factory building, which had been lagging for several years.

According to the most recent Commerce Department survey, taken in November and December and published in January, businessmen were projecting a rise of 13 percent in their plant and equipment expenditures from 1972 to 1973. The survey also projected a rise of 13½ percent for manufacturing companies. These results correspond fairly closely with a similar survey conducted by McGraw-Hill in late October. The manufacturing increases extended to almost all major industries and were especially large in the durable goods sector. Investment by nonmanufacturing business is expected to continue its steady upward trend for a projected rise of 12½ percent, with larger than average increases in spending by public utilities and mining.

The Council's forecast for an overall rise of 14 percent is basically consistent with the rise projected in the anticipations survey for 1973. One reason for a slightly higher forecast is that investment demand is expected to be strong in certain sectors not covered by the plant and equipment survey, notably investment in agriculture, and among professional businesses. A second reason is that over the postwar period anticipations have tended to underestimate actual results during periods of strong expansion.

It is interesting to note that experience in 1972 was an exception to the general rule: Business spent less on new plant and equipment in 1972 than was projected early in the year by both the Commerce and McGraw-Hill surveys. It is highly unlikely that the shortfall was due to disappointments in demand; indeed, capital appropriations, new orders, and contract awards all increased as 1972 progressed. A possible explanation for the shortfall which occurred is that construction and equipment costs did not rise as fast as originally expected, especially for older projects that had been planned several years previously and had been reactivated after postponement during the recession.

Inventory Investment

The change in business inventories is expected to total \$12½ billion in 1973, an increase of about \$7 billion over last year's level of inventory accumulation. Considering the strength of the rise in output and sales in 1972, inventory accumulation was relatively low. However, stocks relative to sales at the beginning of 1972 were still a little high by historical experience. In addition, most sectors experienced few problems with delivery delays, and under such conditions a major shift in inventory policy was not likely. The combination of last year's strong upsurge in sales and the moderate rise in stocks has reduced the ratio of stocks to sales for manufacturing and trade firms combined to its lowest level since 1966. One structural element that will help add to inventory investment this year is the increased demand—stemming from some of the capital-intensive manufacturing industries—for heavy equipment with long production lead times.

Residential Construction

Residential construction expenditures are expected to rise only slightly from 1972 to 1973 and to decline somewhat in real terms. Housing starts are expected to edge down gradually throughout 1973, averaging 2.2 million units as compared to 2.4 million in 1972. In general the decrease in new starts will reflect cutbacks in some areas where overbuilding has occurred, some reduction in the backlog of demand as this is satisfied by the very large volume of completions expected in 1973, and somewhat less favorable conditions in mortgage markets than prevailed last year. The number of new nonfarm housing units—public as well as private—to be started under HUDsubsidized programs is expected to exceed the 1972 level somewhat, even though new commitments under these programs are being discontinued.

The reduction in total starts is not expected to be severe because the underlying demand for housing—buttressed by strong formation of new households and replacement demand—continues to be very high. Furthermore, while some rise in interest rates may occur as a result of the strong upsurge in business activity, there is little possibility of the stringent financial conditions that led to shortages of mortgage funds in 1966 and 1969.

Government Purchases

Government purchases are expected to show mixed trends. State and local purchases are projected to rise by 12 percent, or by somewhat more than last year's 10 percent rise, due in part to the effects of revenue sharing. Many States and localities have indicated that spending increases related to revenue sharing receipts will take the form of capital projects, in which case the full impact of the new program on the economy will be deferred by the longer lags involved in planning and executing such expenditures. There will also be tax cuts from existing levels or the avoidance of tax increases that might otherwise have taken place in the absence of revenue sharing, and also some debt reduction. All of this may stimulate the economy but not in the form of higher government purchases.

Federal purchases of goods and services are scheduled to show little change from 1972 to 1973, which means a decrease in real terms. The year begins with a Federal pay raise for both military and civilian workers that is expected to add $2.2 billion a year to Federal payrolls, although part of this rise is expected to be offset by subsequent reductions in personnel.

Net Exports

Imports of goods and services are likely to exceed exports again in 1973 but the difference is expected to be narrower by about $2½ billion than was the case in 1972. The improving trend in the balance of trade that began in mid-1972 should continue through the coming year. Because the growth of U.S. output from yearend 1972 to yearend 1973 will be slower than it was in the preceding 4-quarter period, the demand for imports should rise less rapidly than during 1972. At the same time, economic growth in major industrial countries abroad is expected to be more rapid during 1973 than during 1972, and on this account the growth rate of demand for U.S. exports should show an improvement. Furthermore the slower rise in U.S. costs and prices relative to those experienced by our trading partners should increase the relative demand for U.S. products both at home and abroad. Finally, the positive long-run effect of the December 1971 currency realignment, which was offset by its perverse short-run effects on the nominal dollar value of our trade balance last year, can be expected to show up more clearly in 1973. However, the positive effects outlined above will be reduced by a continuing rise in net fuel imports.

Consumer Spending

Consumer spending is expected to rise approximately 9½ percent in 1973, exceeding last year's large rise of 8½ percent. However, the course of consumer demand within 1973 is not likely to be as rapid as it was within 1972. This difference between year-to-year and within-the-year movements reflects the fact that unlike 1972, the year 1973 starts off from a high base. For example, retail sales in December after seasonal adjustment were 4½ percent above the monthly average for all of 1972; the corresponding figure a year ago was 2½ percent above the 1971 average.

Personal income is expected to show another large gain from 1972 to 1973, with an expected rise close to that of last year. A large rise in employment and payrolls will be supplemented by the increase in social security benefits that became effective in the final quarter of 1972 as well as by new benefits that become effective in 1973.

Personal income is computed after subtracting personal contributions for social insurance. This year, increased social security tax rates and a higher taxable earnings base will reduce personal income by about $5 billion. Although the national income accounts record the entire amount of the tax rise beginning in the first quarter, it is important to note that the portion due to an increase in the wage base ($1.6 billion at an annual rate) does not, in actual practice, become effective until later in the calendar year.

Disposable income is expected to show an extremely large rise of 10 percent this year, exceeding the rise in personal income mainly because of the refunds of the overwithholding of 1972 personal income taxes. These refunds are expected to give a strong boost to cash income in the first half of the year, followed by a corresponding slowdown in the growth of spendable income after midyear. Some impact on consumption is expected from these refunds, but the greater part is assumed to affect personal saving, as seems to have been the case in 1972. Because of the heavy infusions of income in the first half of 1973, the saving rate in that period is likely to be very high but it should decrease as the year progresses.

Labor force and unemployment

The unemployment rate is expected to decline to the neighborhood of 4½ percent by the end of 1973. This projection is essentially based on the forecast that real GNP in 1973 will be about 6¾ percent higher than it averaged in 1972. The principal uncertainty involved in translating the projection of output into a projection of the unemployment rate is the growth of the total labor force (which includes the Armed Forces) over the course of the year.

In the mid-sixties it was widely assumed that the trend rate of growth of the labor force would rise to about 1¾ percent per annum and remain there through 1980. In fact the growth of the total labor force turned out to be much higher; over the last half of the 1960's it was close to 2¼ percent per annum. As a result, the total labor force is now far larger than the level projected in 1965. The extraordinary expansion in participation rates ended in 1970.

In 1972, in spite of a strong expansion in employment opportunities, the growth of the total labor force was close to its long-term rate of 1¾ percent. The uncertainty for 1973, and beyond, is whether labor force growth will remain at this level. There are reasons to believe that it will, and that the extraordinary increases between 1965 and 1970 represent a one-time phenomenon, caused principally by the following factors:

1. The strong demand for labor due to the Vietnam mobilization and buildup increased labor force participation rates. In particular it drew large numbers of women and teenagers into the labor force because so many men were either in the Armed Forces or remained in college.

2. The fertility rate fell rapidly, causing fewer women to be out of the labor force looking after young families.

3. Because women generally have a lower median age at marriage than men there was a temporary excess of women when the first cohorts of the postwar baby boom reached marriageable age in the mid-1960's. Like the fall in the fertility rate, the "marriage squeeze" induced an abnormal increase in the labor force.

4. The introduction of 7-day and late night openings by many sectors of retail trade led to large increases in the availability of part-time work.

These factors do not seem to be still operating on balance to accelerate participation rates further, and it is therefore likely that labor force growth will now remain at its long-run trend rate of 1¾ percent. If it does, and the size of the Armed Forces remains close to present levels, the 4½ percent unemployment level forecast should be achieved.

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As always there are uncertainties. The projection of a 10 percent rise in money GNP between 1972 and 1973 is within the high side of the fairly narrow range being forecast by the majority of economic models and economists. The probability that GNP in 1973 will differ from its forecast value by more than 1 percent is extremely small.

The apparent consensus on money GNP for 1973 is due in part to the fact that many of the common foreshadowing data used are themselves stated in terms of expected dollar flows. There is less agreement about how the nominal increase will be divided between real growth and changes in the price level—because we have fewer insights on either of these components than we have for the total itself. The Council's projection of a 3 percent change in GNP prices is at the low end of the range now expected by private forecasters. It is based on three assumptions about the future: That the limit on federal expenditures proposed by the President for fiscal 1973 and fiscal 1974 will be met; that the rate of rise in food prices will be less than in 1972; that there will be a high degree of compliance with

Phase III standards, enforced as necessary by the Economic Stabilization Program. None of these is certain but the probability is high that all will be realized.

Notwithstanding the uncertainties, the economy in 1973 appears to be moving along a general path which gives it a better chance of reaching sustainable full employment than it has had in all but one or two years of the postwar period.

CHAPTER 4

The Economic Role of Women

ONE OF THE MOST important changes in the American economy in this century has been the increase in the proportion of women who work outside the home. This increase is the most striking aspect of the expansion of the role of women in the economy.

The addition of millions of women to the labor force has contributed substantially to the increase of total output. This is most obvious if we focus attention on the output that is measured and included in the gross national product (GNP). But even if we subtract from the contribution of working women to the GNP the value of the work they would have done at home, there has been an addition to total output. Most of the benefits of this additional output accrue to the women who produce it, and to their families. There are, however, also direct benefits to the society at large, including the taxes paid on the women's earnings.

Concern is sometimes expressed that the increase in women in the labor force will reduce the employment opportunities for men and raise their unemployment. There is no reason to think that would happen and there is no sign that it has happened. The work to be done is not a fixed total. As more women enter employment and earn incomes they or their families buy more goods and services which men and women are employed to produce. A sudden surge of entrants into the labor force might cause difficulties of adjustment and, consequently, unemployment, but the entry of women into the labor force has not been of that character.

Women work outside the home for the same reasons as men. The basic reason is to get the income that can be earned by working. Whether—for either men or women—work is done out of necessity or by choice is a question of definition. If working out of necessity means working in order to sustain biologically necessary conditions of life, probably a small proportion of all the hours of work done in the United States, by men or women, is necessary. If working out of necessity means working in order to obtain a standard of living which is felt by the worker to be desirable, probably almost all of the work done by both men and women is necessary.

The Employment Act of 1946 sets forth a goal of "maximum employment." We understand that to mean employment of those who want to work, without regard to whether their employment is, by some definition, necessary. This goal applies equally to men and to women. The Act also sets forth a goal of "maximum production." We understand the meaning of that goal which is relevant to the present context to be that people should be able to work in the employments in which they will be most productive. That also applies equally to men and women.

Although the goals apply equally to men and women, some of the obstacles to their achievement apply especially to women. Women have gained much more access to market employment than they used to have, but they have not gained full equality within the market in the choice of jobs, opportunities for advancement, and other matters related to employment and compensation. To some extent the cause of this discrepancy is direct discrimination. But it is also the result of more subtle and complex factors originating in cultural patterns that have grown up in most societies through the centuries. In either case, because the possibilities open to women are restricted, they are not always free to contribute a full measure of earnings to their families, to develop their talents fully, or to help achieve the national goal of "maximum production."

ADVISORY COMMITTEE ON THE ECONOMIC ROLE OF WOMEN

Recognizing the urgency of these problems and the importance of leadership to change the attitudes which underlie them, the President announced in September the formation of the Advisory Committee on the Economic Role of Women. The committee will meet periodically with the Chairman of the Council of Economic Advisers, providing a forum for the interchange of information, ideas, and points of view. This interchange will increase the Council's own expertise on the economics of women. Because the function of the Council of Economic Advisers is to advise the President on a wide variety of economic issues, its association with the committee will ensure that the interests of women will be represented in economic policy decisions.

With these goals in mind, in January 1973 the Chairman of the Council of Economic Advisers asked 21 men and women representing diverse areas of expertise to serve on the committee. They include officials from the Federal Government agencies whose activities are important to the progress of women, representatives from business, finance, education, and other private institutions, and specialists on the economic problems of women from sociology, psychology, economics, and the law. Among the topics that the committee will explore are job training and counseling in the schools, special problems of minority women, problems related to child care, women's performance at work, the extent of job discrimination, women's access to credit, and legislative action on taxes and social security that may have a different effect on women than on men.

Another, more fundamental, issue affecting women in the economy underlies many of the others. The roles played by women and men have been sharply differentiated. It is obvious that only women are capable of childbearing. But along with this biologically determined role, women have by tradition come to assume primary responsibility for child care and home management, while men have primary responsibility for the family's financial support. Until very recently this division of labor within the family has had such general acceptance as to impose limitations on women's work outside the home. The way in which the economic role of women evolves thus hinges on the most fundamental societal patterns, and the extent to which social action can and should influence further change in these patterns will be one of the most difficult and important questions the committee must consider.

By way of an introduction to the problem, this chapter looks at job-related aspects of the economic role of women. The committee will, of course, deal with a much broader range of topics.

PARTICIPATION IN THE LABOR FORCE

In 1900 about 20 percent of all women were in the work force (Table 21). In the succeeding decades this percentage hardly increased, reaching about 25 percent by 1940. With World War II, however, the movement rapidly accelerated, and by 1972 the percentage of women 16 years and older in the work force had risen to 43.8. Single women and women widowed, divorced, or separated, have always had higher labor force participation rates than married women living with their husbands. By 1950, the participation of women in the two former groups had already reached levels close to those of today. Thus, the upward trend in labor force participation since World War II has been due almost entirely to the

TABLE 21.—*Women in the labor force, selected years, 1900-72*

Year	Women in labor force (thousands)	Women in labor force as percent of	
		Total labor force	All women of working age
1900	5,114	18.1	20.4
1910	7,889	20.9	25.2
1920	8,430	20.4	23.3
1930	10,679	22.0	24.3
1940	12,845	24.3	25.4
1945	19,270	29.6	35.7
1950	18,412	28.8	33.9
1955	20,584	30.2	35.7
1960	23,272	32.3	37.8
1965	26,232	34.0	39.3
1970	31,560	36.7	43.4
1972	33,320	37.4	43.8

Note.—Data for 1900 to 1940 are from decennial censuses and refer to a single date; beginning 1945 data are annual averages.
For 1900 to 1945 data include women 14 years of age and over; beginning 1950 data include women 16 years of age and over.
Labor force data for 1900 to 1930 refer to gainfully employed workers.
Data for 1972 reflect adjustments to 1970 Census benchmarks.

Sources: Department of Commerce, Bureau of the Census, and Department of Labor, Bureau of Labor Statistics.

changed behavior of married women (Table 22). The first to respond were the more mature married women beyond the usual childbearing years. More recently there has also been a sharp upturn in the labor force participation of younger married women.

The record for men has tended to run in the opposite direction. A secular reduction in time spent in paid work over most men's lifetimes has taken place: A man spends more years at school and enters the labor force later than formerly; he retires earlier, works fewer hours a week, and has longer vacations. Of course these changes have also affected women, but for them the increase in years worked has far outweighed the other work-reducing factors.

In one very important respect, however, the working life patterns of men and women have not merged. The typical man can expect to be in the labor force continuously, for an unbroken block of some 40 years between leaving school and retirement. Of men in the 25–54 year age group, 95.2 percent were in the labor force in 1972. For most women, this continuity in participation is the exception rather than the rule.

TABLE 22.—*Labor force participation rates of women by marital status and age, 1950, 1960 and 1972*

[Percent [1]]

Marital status and year	Total	Age					
		Under 20 years	20–24 years	25–34 years	35–44 years	45–64 years	65 years and over
Single:							
1950	50.5	26.3	74.9	84.6	83.6	70.6	23.8
1960	44.1	25.3	73.4	79.9	79.7	75.1	21.6
1972	54.9	41.9	69.9	84.7	71.5	71.0	19.0
Married, husband present:							
1950	23.8	24.0	28.5	23.8	28.5	21.8	6.4
1960	30.5	25.3	30.0	27.7	36.2	34.2	5.9
1972	41.5	39.0	48.5	41.3	48.6	44.2	7.3
Widowed, divorced, or separated:							
1950	37.8	(2)	45.5	62.3	65.4	50.2	8.8
1960	40.0	37.3	54.6	55.5	67.4	58.3	11.0
1972	40.1	44.6	57.6	62.1	71.7	61.1	9.8

[1] Labor force as percent of noninstitutional population in group specified.
[2] Not available.

Note.—Data relate to March of each year.
Data for 1950 and 1960 are for women 14 years of age and over; data for 1972 are for women 16 years of age and over.

Source: Department of Labor, Bureau of Labor Statistics.

THE HISTORICAL PATTERN

What are the causal factors that induced women to enter the labor force? One might have expected that the strong increases in husbands' real incomes which occurred during the period would have provided an incentive to women not to enter the labor force. This seeming puzzle is resolved, however, when one considers that by entering the labor force women did not leave a life of leisure for work, but rather changed from one kind of work, work at home, to another kind of work, work in the market. The incentive for women to make this dramatic occupational change came from several developments which made paid work outside the home the increasingly more profitable alternative.

Rapidly rising earnings and expanded job opportunities for women gave a strong impetus to the change. The expansion of job opportunities for women was undoubtedly influenced by the expansion of the service sector of the economy, where employment increased by 77 percent from 1950 to 1970, compared to the increase of 26 percent in the goods-producing industrial sector over the same period. Women have always been more heavily represented in services than in industry, since the service sector offers more white-collar employment and provides more opportunities for part-time work, an especially important feature for women with small children. On the other hand, the increasing supply of women workers perhaps itself contributed to the rapid expansion in the service sector.

The increase in women's educational attainments has also helped to raise the amount they can earn by working. Education may make women more productive in the home, that is, more efficient housekeepers, consumers, and mothers, but education appears to increase still more their productivity in work outside the home. Women with more education earn more, and they are more likely than less educated women to seek work in the market.

Because life expectancy has increased considerably over the century (and more for women than for men), and because most women complete their childbearing at a younger age, women can look forward with more certainty to a longer uninterrupted span of years in the labor force. This lengthening of a woman's expected working life is significant because it increases her return on her investment in training and education: the greater the number of years in which to collect the return the greater is the return.

These increases in the income a woman could potentially earn meant essentially that time spent producing goods and services at home was coming at a higher and higher cost in terms of the income foregone by not working in the market. It made sense then to buy available capital equipment (such as washing machines) which would substitute for some of the housewife's time and free her to go to work. And changes in technology which lowered the cost and increased the array of time-saving devices facilitated the substitution.

The most difficult home responsibility to find a good substitute for is child care; and, although the labor force participation of women with children under 6 years has increased from 12 percent in 1950 to 30 percent in 1971, child-rearing is probably the major factor causing some women to interrupt and others to curtail their careers.

The long-term decline in the average number of children in the family has undoubtedly had a strong influence on the proportion of women entering the labor force. Advances in birth control techniques permit parents not only to reduce the number of births but also to control their timing to

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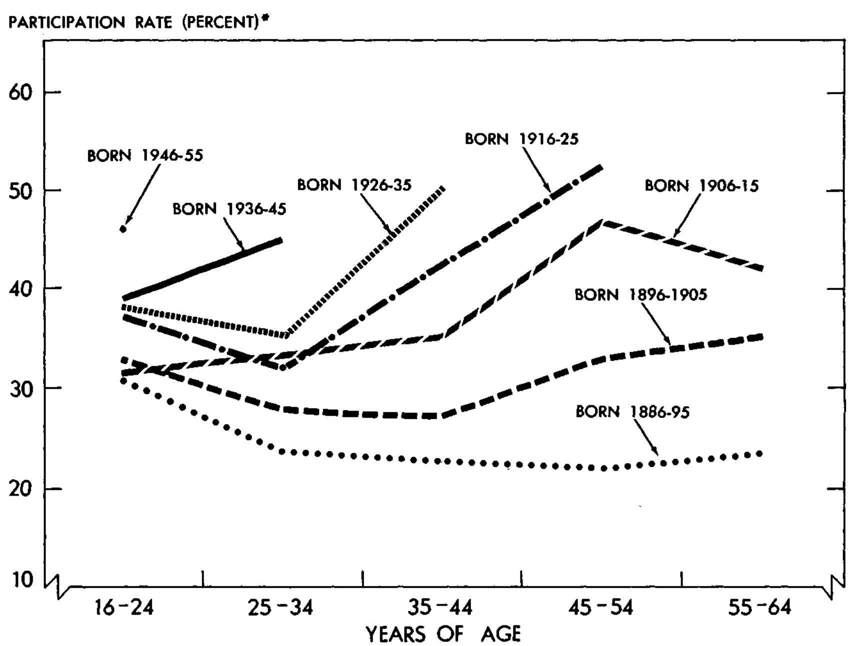
suit a mother's working career. Declines in infant and child mortality may also have encouraged a reduction in births by increasing the parents' expectation that all their children would survive to adulthood. On the other hand, reductions in family size may themselves be influenced by the desire of women to work.

Childbearing has a very noticeable effect on the patterns of women's labor force participation by age. Based on census data, Chart 9 traces the lifetime changes in labor force participation by groups of women born at different times, the earliest group consisting of women born between 1886 and 1895. The chart therefore simulates the actual work history of particular cohorts of women followed longitudinally. According to this chart, the various forces in the economy that have induced women to work have generally had a more powerful effect on women beyond the childbearing ages

Chart 9

Labor Force Participation Over a Working Life of Cohorts of Women Born in Selected Time Intervals, 1886-1955



*TOTAL LABOR FORCE AS PERCENT OF TOTAL NONINSTITUTIONAL POPULATION IN GROUP SPECIFIED.

NOTE: FOR WOMEN BORN BETWEEN 1886 AND 1915, THE FIRST AGE PLOTTED IS 14-24 YEARS. COHORTS REACH EACH AGE INTERVAL ACCORDING TO THE MIDPOINT OF THEIR BIRTH YEARS. THUS, THE COHORT BORN 1886-95 REACHED AGES 25-34 IN 1920 AND AGES 55-64 IN 1950; THE COHORT BORN 1916-25 REACHED AGES 25-34 IN 1950 AND AGES 45-54 IN 1970.

SOURCE: DEPARTMENT OF COMMERCE.

than on younger groups. Those increases in labor force participation that have occurred for groups of women reaching the childbearing ages of 20–34 years have been closely associated with declining fertility rates. Thus labor force participation for the group reaching 25–34 years increased substantially from 1930 to 1940, and again between 1960 and 1970, while there was a decline between 1940 and 1950 in the participation of those reaching this age group—the baby boom mothers. Whether the young women now in their twenties have simply postponed having children and will later drop out of the labor force or whether many will continue to work, choosing to have small families or remain childless is, of course, a question of great interest.

THE WORKING WOMAN TODAY

Although the decisions of individual women to work outside the home are undoubtedly based on many different factors, there are some economic factors which seem to be of overriding importance. The necessity to support oneself or others is one obvious reason and, not surprisingly, adult single women and women who have been separated from husbands or widowed are highly likely to work.

The increase in earnings opportunities, which proved to be such a powerful factor influencing the secular growth of women's participation in the labor force, is a similarly powerful factor influencing the pattern of women's participation at any given time. Thus, education and other training which affect the amount a woman can earn are strongly related to women's work patterns. The importance of education is such that, whether a woman is single, married or separated, the more education she has, the more likely she is to work. One striking exception to this pattern is that, among mothers of children under 6 years old, there is scarcely any relation between education and labor force participation. Thus, the rearing of children of preschool age causes all women, regardless of education, to curtail their work outside the home. However, the drop in participation during this child-rearing period is most pronounced for highly educated women who in other circumstances have much higher participation rates.

Although for most women the childbearing period has been reduced, childbearing still means an interruption of outside work. A longitudinal survey of the lifelong work experience of women indicates that among all women who were 30–44 years old in 1967, only 7 percent had worked at least 6 months out of every year since leaving school. Among married women with children the proportion was still lower, dropping to 3 percent. By contrast, 30 percent of childless married women in the same group had worked at least 6 months out of every year. Information on job tenure collected by the Bureau of Labor Statistics illustrates much the same phenomenon. As of January 1968, continuous employment in their current job came to 2.4 years (the median) for women and 4.8 years for men. Job tenure increases with age for both men and women. At ages 45 and over the median was 12.7 years for men and 6.6 years for women. Since women tend to change jobs less frequently than men, their shorter time spent on any given job is the result of a higher propensity to leave the labor force at least temporarily. In 1964 a survey of women who had dropped out of the labor force in 1962 or 1963 and had not yet reentered was undertaken by the Labor Department in an effort to find out why they had left. Pregnancy was most frequently cited as the primary reason—by 74 percent of the 18- to 24-year-olds and 56 percent of the 25- to 34-year-olds.

Among married women, husband's income does not have a very pronounced effect on work patterns. The median annual income of husbands with working wives was $8,070 in 1971 compared to $8,330 for husbands of wives not in the labor force. Only when husbands' incomes reach the $10,000 and over category does wives' participation decline to any noticeable extent. However, many other things vary with husbands' incomes, such as wives' education and age as well as family size. These other factors are sufficiently important to obscure the simple relation between husband's income and a wife's tendency to work. It should be noted, however, that during a time of hardship, such as when a husband experiences a prolonged spell of unemployment, wives who usually do not work may be compelled to work. Thus, the labor force participation of women with unemployed husbands is generally above that of women with employed husbands.

Although the probability that a black woman will work seems to vary with education and presence of children in much the same way as it does for all women, there is one very striking difference: the labor force participation of black women is higher. Particularly pronounced differences are observed when the comparison of labor force participation is confined to married women living with their husbands. In March 1971, about 53 percent of black wives were in the labor force compared to 40 percent of white wives. One important reason why this difference prevails may be that the earnings of black wives are closer to their husbands' than is the case among white married couples. In 1971 black married women who worked year-round, full-time earned 73 percent as much as black married men who worked year-round, full-time. Among whites the percentage was only 51 percent. Behind these relationships is the fact that black men earn considerably less than white men, while black women's earnings are much closer to white women's earnings.

UNEMPLOYMENT

Women have generally experienced more unemployment than men and this differential has been more pronounced in recent years (Table 23). However, the source of women's unemployment differs from that of men's, and this makes a comparison of unemployment differences more complex than might appear.

TABLE 23.—*Unemployment rates by sex and age, selected years, 1956–72*

[Percent [1]]

Sex and age	1956	1961	1965	1969	1972
All workers	4.1	6.7	4.5	3.5	5.6
Men	3.8	6.4	4.0	2.8	4.9
16–19 years	11.1	17.1	14.1	11.4	15.9
20–24 years	6.9	10.8	6.4	5.1	9.2
25–54 years	3.0	5.1	2.7	1.6	3.1
55 years and over	3.5	5.7	3.3	1.9	3.3
Women	4.9	7.2	5.5	4.7	6.6
16–19 years	11.2	16.3	15.7	13.3	16.7
20–24 years	6.3	9.8	7.3	6.3	9.3
25–54 years	4.1	6.2	4.3	3.5	4.9
55 years and over	3.3	4.4	2.8	2.2	3.4

[1] Unemployment as percent of civilian labor force in group specified.

Source: Department of Labor, Bureau of Labor Statistics.

Some of the difference arises from the way people are classified in our unemployment statistics. A person with a job is not classified as unemployed even though he or she may be searching for another job. However, work at home is not counted as a job. Thus, a woman who may in a real sense be clearly employed in the home while she searches for a job, will be counted as unemployed, unlike the man who searches while on his job.

Most adult men are continuously in the labor force and therefore become unemployed because they have either quit or lost their jobs (Table 24). For women, the picture is different: labor force participation is frequently interrupted, sometimes for several years, but sometimes just for several weeks during the year. Thus, although 59.8 percent of the women 24–54 years old were in the labor force at one time or another during 1971, only 38.2 percent were in the labor force for 50–52 weeks during the year. This high rate of labor force turnover generates unemployment, and it is not surprising to find that in both the tight labor market of 1969 and the looser labor market of 1972 a considerable portion of unemployed women were

TABLE 24.—*Distribution of unemployment of adult men and women by reason for unemployment, 1969 and 1972*

[Percent]

Reason for unemployment	Men 20 years and over		Women 20 years and over	
	1969	1972	1969	1972
Total unemployment	100.0	100.0	100.0	100.0
Separated from a job	74.8	75.3	49.9	55.7
Job losers	57.8	62.6	33.0	39.4
Job leavers	17.0	12.7	16.8	16.3
Labor force entrants	25.2	24.6	50.2	44.3
Reentrants	22.4	21.6	44.8	39.4
New entrants	2.8	3.1	5.5	4.9
Unemployment rate	2.1	4.0	3.7	5.4

Note.—Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

labor force entrants (Table 24). People entering or reentering the labor force tend, however, to be unemployed for relatively short periods, and this is one of the reasons why the duration of unemployment is in general shorter for women than for men (Table 25).

Table 25.—*Unemployment of adult men and women by duration and reason, 1972*

Sex, age, and reason	Total unemployment (thousands)	Percent of total unemployment	
		Unemployment of less than 5 weeks	Unemployment of 15 weeks and over
Men 20 years and over	1,928	37.0	31.6
Lost last job	1,207	33.6	35.3
Left last job	245	44.9	24.9
Reentered labor force	416	41.7	25.4
Never worked before	59	39.0	28.8
Women 20 years and over	1,610	48.4	22.8
Lost last job	635	35.6	33.4
Left last job	262	50.0	19.2
Reentered labor force	635	59.8	14.4
Never worked before	79	55.7	16.5

Note.—Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

In order to know what significance to attach to the observation that the greater unemployment of women appears to be related to their greater labor force turnover, it is of course necessary to know more about the causes of the turnover. Some have stressed that excessive labor force turnover indicates a poor job market. According to this view, women drop out of the labor market because lack of opportunities has discouraged them from continuing the search. Evidence for this point of view is cited from Labor Department surveys, which indicate that some of those women out of the labor force are there because they do not believe they could find work. In 1972, 525,000 women or 1.2 percent of those out of the labor force were reported in this category.

Another school of thought, however, stresses that the labor force turnover of women and the unemployment it generates is largely induced by factors external to the current labor market, such as the uneven pressures of home responsibilities. Several kinds of evidence support this point of view. Unemployment among women appears to be related to the nature of home responsibilities. For example, in 1971 the unemployment rate for married women with children under 3 years was 11.7 percent, compared to the rate of 4.5 percent for married women with no children under 18 years. Moreover, on numerous surveys women cite pregnancy, home responsibilities, or husband's relocation as primary reasons for leaving the job or the labor force.

It would of course be interesting to know more about the unemployment experience of women who do remain continuously in the labor force. Some evidence from the Labor Department's longitudinal survey indicates that women who were in the labor force in both 1967 and 1969 had considerably lower unemployment in 1969 than those who were in the labor force in 1969 but not in 1967. The unemployment rate in 1969 for the group who were also in the labor force 2 years previously was 2.9 percent, compared to the rate of 6.9 percent for the women who were in the labor force only in 1969. However, this was still above the rate of 2.1 percent for men 20 years old and over in 1969, as measured by the household survey.

Although movement in and out of the labor force is probably the most important factor leading to higher unemployment for women compared to men, two other factors seem to be important. Women with less time on a job and in whom the employer had made negligible training investments are more vulnerable to layoffs. Finally, one additional factor which doubtless contributes to unemployment of married women is the difficulty in maximizing employment opportunities for both the husband and the wife. A wife seldom is free to migrate to wherever her own prospects are best.

It is important to emphasize, because the point is often misunderstood, that to explain the unemployment of women is not to excuse it or belittle it or to place blame on the women who are unemployed. The unemployment of women who seek work is costly, to themselves, their families, and the Nation. Our goal should be to reduce this unemployment wherever that can be done by means which are not themselves more costly. Some unemployment entails more loss for the workers involved and to the economy as a whole than other; some is more amenable to correction by the persons directly affected than other unemployment. But these distinctions do not run along sex lines.

THE WIDENING IN THE REPORTED MALE-FEMALE UNEMPLOYMENT DIFFERENTIAL

During the 1960's the differential in reported unemployment between women and men widened. Two factors may help to explain the change. The first has to do with changes in the unemployment survey questionnaire introduced in 1967.

Persons are classified as unemployed if they have not worked during the survey week, were available to work during the survey week, and had made specific efforts to find a job such as looking in the "want-ads" section of the newspaper or going to an employment agency. Prior to 1967 the period of jobseeking efforts was not specified, and it is believed that many respondents interpreted the question narrowly to mean that one had to have looked for a job in the week just prior to the survey. In 1967 the unemployment question was changed by specifying 4 weeks preceding the survey as the point of reference. Data from samples taken on both the old and new basis are available for 1966. In that year the unemployment rate for women aged 20 years or older was 0.4 percentage points higher on the new basis than on the old. This increase in the rate for women as a result of the change in the questionnaire has been interpreted as reflecting the likelihood that the jobseeking activities of women are more intermittent. As a result of lengthening the reference period to 4 weeks, persons who had briefly looked for work but who were not actively seeking work by the time of the survey week would be added to the unemployed under the new definition.

Although the reported unemployment of some men may also have been increased as a result of the effective lengthening of the unemployment reference period, other changes in the questionnaire in 1967, which were evidently unimportant for women, seemed to reduce the reported unemployment of men. Indeed these changes were of sufficient importance that the net effect was to lower the unemployment rate for men 20 years old and over by 0.3 percentage points. The unemployment rate for men was evidently lowered for two reasons: By a reclassification from unemployed to employed of persons absent from work because of a vacation or a labor dispute but at the same time looking for work; and by the fact that persons stating that they had given up the search for work were no longer counted as unemployed.

The 1966 samples indicate that as a result of the changes in the unemployment questionnaire, which increased the rate for women and lowered the rate for men, the reported male-female unemployment differential, comparing men and women 20 years old and over, increased from 1.3 percentage points to 2.0 percentage points. We cannot, of course, be sure that effects of the same precise magnitude have persisted ever since the new definitions were substituted in 1967. However, the definitional change has undoubtedly contributed to a wider unemployment differential since the late 1960's.

Another factor contributing to the widening of the unemployment differential may be the rapid increase in the labor force participation of women during the 1960's, since its effect was to increase the proportion of women entering or reentering the labor force, with an accompanying increase in unemployment.

EDUCATION AND THE OCCUPATIONAL DISTRIBUTION

Some of the hesitancy of women to enter or to stay in the labor force is undoubtedly the result of societally determined factors that restrict the possibilities open to them. The low representation of women in positions of responsibility is striking. Despite gradual gains, progress has not been sufficient to alter the picture significantly (Table 26). Exactly how much of this situation has been imposed on women because of prejudice and how much of it derives from a voluntary adjustment to a life divided between home responsibilities and work remains obscure. The existence of discriminatory

TABLE 26.—*Women as a percent of persons in several professional and managerial occupations, 1910–70*

[Percent]

Occupational group	1910	1920	1930	1940	1950	1960	1970
Clergymen	0.6	1.4	2.2	2.4	4.0	2.3	2.9
College presidents, professors, and instructors [1]	18.9	30.2	31.9	26.5	23.2	24.2	28.2
Dentists	3.1	3.3	1.9	1.5	2.7	2.3	3.5
Editors and reporters	12.2	16.8	24.0	25.0	32.0	36.6	40.6
Engineers	(2)	(2)	(2)	.4	1.2	.8	1.6
Lawyers and judges	.5	1.4	2.1	2.5	3.5	3.5	4.9
Managers, manufacturing industries	1.7	3.1	3.2	4.3	6.4	7.1	6.3
Physicians	6.0	5.0	4.4	4.7	6.1	6.9	9.3

[1] Data for 1920 and 1930 probably include some teachers in schools below collegiate rank. The Office of Education estimates the 1930 figure closer to 28 percent.
[2] Less than one tenth of 1 percent.

Note.—Data are from the decennial censuses. Data for 1910 and 1920 include persons 10 years of age and over; data for 1930 to 1970 include persons 14 years of age and over.

Source: Department of Commerce, Bureau of the Census.

barriers may discourage women from seeking the training or adopting the life style it would take to achieve a responsible and highly demanding job. On the other hand, women who expect to marry and have children and who also put their role at home first are subject to considerable uncertainty about their future attachment to the labor force. In the latter case, incentives to train extensively for a career would be few; and, once such women started working, the restrictions imposed by home responsibilities could limit their ability to take a job requiring long hours or the intensive commitment that most high-status positions demand. At the same time, changes in the accepted social roles of men and women would alter current patterns if they changed women's expectations about their future in the labor force.

For whatever reasons, from school onward the career orientation of women differs strikingly from that of men. Most women do not have as strong a vocational emphasis in their schooling; and for those who do, the preparation is usually for a stereotyped "female" occupation.

Although the probability of graduating from high school has been somewhat greater for women than for men, it is less probable that a woman will complete college, and still less that she will enter graduate school. The representation of women consequently declines as they move upward through the stages of education beyond high school. In 1971, 50 percent of all high school graduates were women and 45 percent of first-year college students were women. During 1971 women earned 44 percent of the bachelor's degrees granted, 40 percent of the master's degrees, and 14 percent of the doctorates.

Even more striking are the differences in the courses taken. At both the undergraduate and advanced levels, women are heavily represented in English, languages, and fine arts—the more general cultural fields. They are poorly represented in disciplines having a strong vocational emphasis and promising a high pecuniary return. In 1970, 9.3 percent of the baccalaureates in business and 3.9 percent of the master's in business went to women.

In the biological sciences, women had a larger share, taking about 30 percent of the bachelor's and master's degrees and 16 percent of the doctorates. But only 8.5 percent of the M.D.'s and 5.6 percent of the law degrees went to women. Most of these percentages, low as they are, represent large gains from the preceding year.

The situation is quite different in the so-called women's occupations. In 1971 women received 74 percent of the B.A.'s and 56 percent of the M.A.'s given in education. In library science, which is even more firmly dominated by women, they received 82 percent of all degrees in 1971. And in nursing, 98 percent of all the degrees went to women.

It is not surprising, then, to find that women do not have anything like the same occupational distribution as men. Even within an educational level, significant differences remain in the distribution across broad occupational categories (Table 27). Although 77 percent of women college graduates in 1970 were in the professions, mostly as teachers, only 4.8 percent, compared to 20 percent for men, were classified as managers. At high school levels, the proportion of women working as skilled craftsmen is minuscule, although a substantial proportion of women are blue-collar workers in the lower paying operative categories.

The supplement to this chapter, appearing in Appendix A, summarizes in detail women's representation in occupations more narrowly defined. Although women are found in all occupations, the extent of occupational segregation by sex is large. In broad outline, this situation does not appear to have undergone any dramatic change between 1950 and 1970, although there are several examples of large increases in the proportion of women in less typically "female" occupations (for example busdrivers, bartenders, and compositors and typesetters).

TABLE 27.—*Occupational distribution of employed persons by education and sex, 1970*

[Percent]

Occupational groups	High school				College graduates	
	1-3 years		4 years		Men	Women
	Men	Women	Men	Women		
Total employed	100.0	100.0	100.0	100.0	100.0	100.0
Professional, technical, and kindred workers	2.8	3.6	7.6	7.1	58.9	77.4
Managers and proprietors	6.9	2.9	11.4	3.8	20.1	4.8
Salesworkers	5.6	10.2	7.5	8.1	8.6	2.3
Clerical and kindred workers	6.8	25.3	10.0	50.4	4.9	12.1
Craftsmen	25.6	2.4	26.4	1.8	3.3	.4
Operatives	27.3	22.5	20.6	11.4	1.4	.6
Nonfarm laborers	9.9	1.6	5.3	.8	.5	.1
Farm laborers and foremen	1.9	.6	.9	.3	.2	.1
Farmers and farm managers	2.2	.2	2.9	.2	.8	.1
Service workers excluding private household	10.8	25.4	7.5	14.5	1.4	1.9
Private household service workers	.2	5.2	(1)	1.7	(1)	.3

[1] Less than one tenth of 1 percent.

Note.—Detail may not add to totals because of rounding.

Source: Department of Commerce, Bureau of the Census.

Casual observation of individual occupations cannot, of course, provide a comprehensive indication of whether the occupational distributions of men and women, involving numerous occupations, have moved closer together or further apart. To help answer this question, an index was constructed and calculated for 1960 and 1970 which reflects the difference (for 197 occupations) between the occupational distributions of men and women. The index displays a small move toward occupational similarity between 1960 and 1970. (See the supplement to this chapter, included in Appendix A, for a more detailed description of the index.)

Another question of interest is whether the changes in the occupational distributions of men and women were in the direction of higher economic status and, if so, how far they went. Some insight into this question is obtained by calculating an index which reflects what earnings would have been in 1950, 1960, and 1970, if earnings were the same in all 3 years and only the occupational distributions changed. Median earnings for year-round, full-time workers in each of 11 broad occupational categories were used as the constant weights to calculate such an index. The results indicated that the occupational distributions of both men and women shifted in the direction of higher-earnings occupations from 1950 to 1960 and from 1960 to 1970. However, in the earlier period men moved ahead in this respect faster than women while in the second period the changes were similar for both.

EARNINGS

In 1971 annual median earnings for women 14 years old and over were $2,986, or 40 percent of the median earnings of men. But women work fewer hours per week and fewer weeks per year. If the comparison is restricted to year-round, full-time workers, women's earnings are 60 percent of men's, that is, $5,593 compared to $9,399. An additional adjustment for differences in the average full-time workweek—full-time hours for men were about 10 percent higher than for women—brings the female-male ratio to 66 percent in 1971.

Differentials of this order of magnitude appear to have persisted since 1956 (Table 28). Indeed, a slight increase in the differential seems to have occurred from 1956 to 1969. Part of the source of the increasing differential was the relatively low rate of growth in the earnings of female clerical workers and female operatives, who in 1970 accounted for 32 percent and 14 percent, respectively, of all women workers. On the other hand, the rate of growth of earnings of women in the professions was high (a 5.1-percent annual compound rate between 1955 and 1968) relative to all workers; more recently it was even high relative to male professionals.

TABLE 28.—*Ratio of total money earnings of civilian women workers to earnings of civilian men workers, selected years, 1956–71*

Occupational group	Actual ratios					Adjusted ratios [1]	
	1956	1960	1965	1969	1971	1969	1971
Total [2]	63.3	60.7	59.9	58.9	59.5	65.9	66.1
Professional and technical workers	62.4	61.3	65.2	62.2	66.4	67.9	72.4
Teachers, primary and secondary schools	(3)	75.6	79.9	72.4	82.0	(3)	(3)
Managers, officials, and proprietors	59.1	52.9	53.2	53.1	53.0	57.2	56.8
Clerical workers	71.7	67.6	67.2	65.0	62.4	70.0	66.9
Sales workers	41.8	40.9	40.5	40.2	42.1	45.7	47.4
Craftsmen and foreman	(4)	(4)	56.7	56.7	56.4	60.8	60.2
Operatives	62.1	59.4	56.6	58.7	60.5	65.4	66.6
Service workers excluding private household workers	55.4	57.2	55.4	57.4	58.5	62.5	63.2

[1] Adjusted for differences in average full-time hours worked since full-time hours for women are typically less than full-time hours for men.
[2] Total includes occupational groups not shown separately.
[3] Not available.
[4] Base too small to be statistically significant.

Note.—Data relate to civilian workers who are employed full-time, year-round. Data for 1956 include salaried workers only, while data for later years include both salaried and self-employed workers.

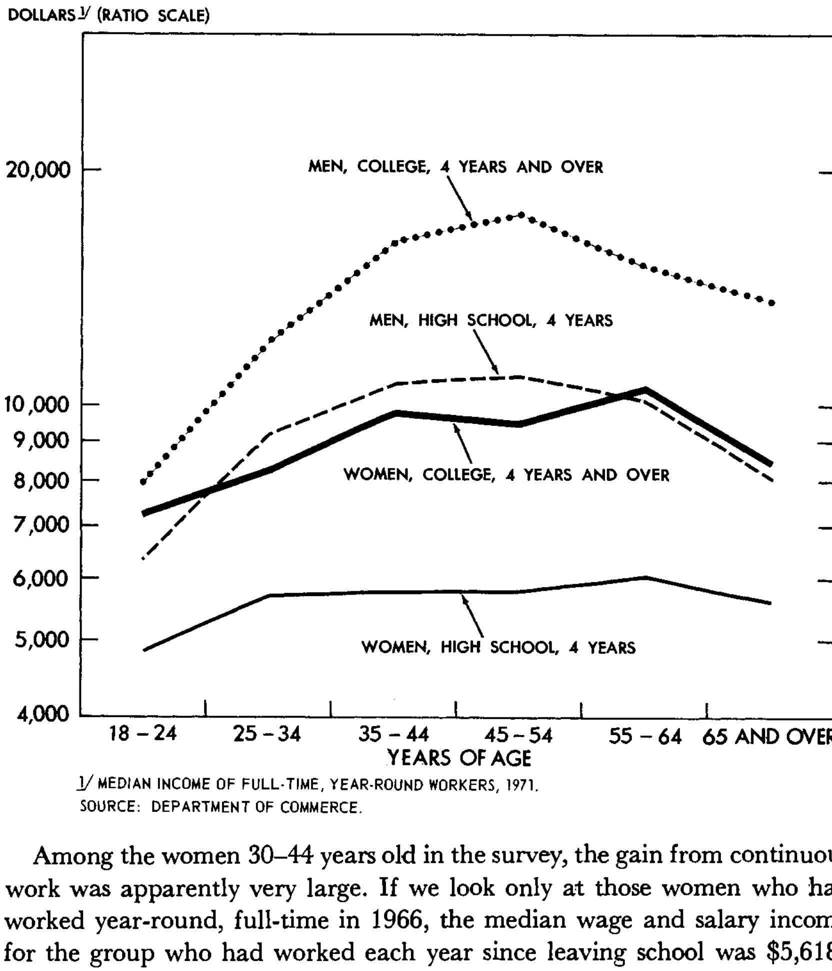
Sources: Department of Commerce, Bureau of the Census, Department of Labor, Bureau of Labor Statistics, and Council of Economic Advisers.

A large differential is also evident when the comparison is restricted to men and women of the same age and education. As Chart 10 indicates, the incomes of women do not increase with age in anything like the same way men's do. Thus the differential widens with age through much of the working life.

One important factor influencing the differential is experience. The lack of continuity in women's attachment to the labor force means that they will not have accumulated as much experience as men at a given age. The relatively steeper rise of men's income with age has been attributed to their greater accumulation of experience, of "human capital" acquired on the job. Since very few women have participated in the labor force to the same degree as men, it is difficult to set up direct comparisons between the earnings of men and women with the same lifetime pattern of work. Using data from the Labor Department's longitudinal study of women, referred to above, one study was able to compare the earnings of women working different amounts of time throughout their lives with the earnings of men, most of whom are presumed to work continuously after leaving school. The figures for men were taken from census data. The women's lifetime work experience was measured as the percentage of years each had worked since leaving school. However, a work year was crudely defined as one in which the women had worked at least 6 months. Thus no adjustment could be made for whether the years worked had been truly full-time commitments with respect to both hours worked per week and weeks worked per year.

Chart 10

Annual Income by Age, for Male and Female High School and College Graduates



1/ MEDIAN INCOME OF FULL-TIME, YEAR-ROUND WORKERS, 1971.
SOURCE: DEPARTMENT OF COMMERCE.

Among the women 30–44 years old in the survey, the gain from continuous work was apparently very large. If we look only at those women who had worked year-round, full-time in 1966, the median wage and salary income for the group who had worked each year since leaving school was $5,618; for those who had worked less than 50 percent of the years since leaving school (almost half the group) the median income was $3,655. The median wage and salary income of men in the same age group who had worked full-time, year-round in 1966 was $7,529. The men are presumed to have worked continuously since leaving school. Thus the women who had worked less than half of the years since leaving school earned only 49 percent as much as men, while the small group of women who had worked each year earned 75 percent as much as men. Interestingly, single women who had worked each year since leaving school earned slightly more than single men. More sophisticated comparisons, adjusting for additional differences in training, continuity at work, and education, can be made. One recent study found that the earnings differential was reduced to below 20 percent after taking account of such differences.

The importance of lifetime accumulated experience in influencing women's earnings suggests one possible explanation for the small decline in the ratio of women's to men's earnings between 1956 and 1969. Since the labor force participation of women has been rising rapidly, an increasing proportion of new entrants and of those with few accumulated years in the labor force could have resulted in a decline in the average experience level of all women. This drop would in turn temporarily push down the average level of earnings for all women. Unfortunately the data are not available to compare the ratio over a period of time between the earnings of women having a given number of years' experience and the earnings of men.

DIRECT DISCRIMINATION VERSUS ROLE DIFFERENTIATION

A differential, perhaps on the order of 20 percent, between the earnings of men and women remains after adjusting for factors such as education, work experience during the year, and even lifelong work experience. How much of this differential is due to differences in experience or in performance on the job which could not be measured adequately, and how much to discrimination? The question is difficult to answer, in part because there are differences of opinion about what should be classified as discrimination.

Some studies have succeeded in narrowing the male-female differential well below 20 percent. Indeed, Department of Labor surveys have found that the differential almost disappears when men's and women's earnings are compared within detailed job classifications and within the same establishment. In the very narrow sense of equal pay for the same job in the same plant there may be little difference between women and men. However, in this way the focus of the problem is shifted but not eliminated, for then we must explain why women have such a different job structure from men and why they are employed in different types of establishments.

There is clearly prejudice against women engaging in particular activities. Some patients reject women doctors, some clients reject women lawyers, some customers reject automobile saleswomen, and some workers reject women bosses. Employers also may have formulated discriminatory attitudes about women, exaggerating the risk of job instability or client acceptance and therefore excluding women from on-the-job training which would advance their careers.

In fact, even if employers do estimate correctly the average job turnover of women, women who are strongly committed to their jobs may suffer from "statistical discrimination" by being treated as though their own behavior resembled the average. The extent to which this type of discrimination occurs depends on how costly it is for employers to distinguish women who will have a strong job commitment from those who will not. Finally, because some occupations restrict the number of newcomers they take in and because women move in and out of the labor force more often, more women than men tend to fall into the newcomer category and to be thus excluded. For example, restrictive entry policies may have kept women out of the skilled crafts.

On the other hand, as discussed above, some component of the earnings differential and of the occupational differential stems from differences in role orientation which start with differences in education and continue through marriage, where women generally are expected to assume primary responsibility for the home and subordinate their own outside work to their household responsibilities.

It is not now possible to distinguish in a quantitative way between the discrimination which bars women from jobs solely because of their sex, and the role differentiation whereby women, either through choice or necessity, restrict their careers because of the demands of their homes. Some may label the latter as a pervasive societal discrimination which starts in the cradle; nonetheless, it is useful to draw the distinction.

One other missing link in our chain of understanding of these problems is the value of the work done at home by women. One study has found that women college graduates tend to reduce their outside work when their children are small more than less educated women, and that they also devote more time to the training of their children. Of course this pattern is undoubtedly facilitated by the higher income of their husbands. However, this pattern also results in a considerable sacrifice of earnings, and one may infer that these women have therefore placed a very high value on the personal attention they can give their children. Without more information, it is difficult to evaluate the full extent to which women's capabilities have actually been underutilized by society.

SPECIAL PROBLEMS

THE FEMALE-HEADED HOUSEHOLD

In 1971, some 6 million families, about 11.5 percent of all families, were headed by women. These women are widowed, divorced, separated, or single, and many have responsibilities for the support of children in fatherless families or of other relatives. Close to two-thirds of all female-headed families include children; the average number of children under 18 years of age in a female-headed family with children was about 2.3 in 1971, about the same as in male-headed families with children.

As a result of the division of labor within families, the average woman who has been married has not had the same labor market experience or vocationally oriented training as her husband. Unless she has a substantial alimony or pension, she is likely to face financial difficulties. The median income of female-headed families was $5,116 in 1971, less than half the income of male-headed families ($10,930). When women who head families were full-time, year-round workers, the family's median income was $7,916; but only 32 percent of women heading families were able to be full-time, year-round workers. And the woman who heads a family and works has additional expenses of child care and other home care expenses.

The problems faced by the woman who heads a household are particuarly acute if the woman is black, and 27 percent of women heading households are black. For this group, median family income was only $3,645 in 1971. Although, at higher education levels, black women now earn amounts comparable to white women, those black women who head families are at a disadvantage compared to white women. The median personal income of white women heading households and working year-round, full-time was $6,527 in 1971, compared to $5,227 for black women in the same position.

As a result of the combination of a large number of dependents and the difficulty of maintaining the dual responsibility of monetary support and home care, many female-headed families fall below the low-income level. In 1971, 34 percent of female-headed families were below the low-income level, compared to 7 percent for male-headed families. Among black households with a female head, 54 percent were below the low-income level. A large proportion receive public assistance. In 1971, 30 percent of the women heading households received public assistance payments.

It has been suggested, though not proved, that widespread availability of public assistance has encouraged husbands to desert their wives or wives to leave their husbands in families where the husband earns little more than the amount of welfare benefits his family would be entitled to in his absence. Remarriage may also be discouraged because the low-income mother would then lose her entire public stipend, including the child support portion, and without some outside child support a man might be reluctant to marry a woman with several children.

Among the women who are now welfare recipients many are handicapped by lack of education and training and are not in a position to earn an income that would lift them and their families above poverty levels. A program established in 1967, the Work Incentive Program, now gives many mothers currently on welfare, training and placement assistance so that they can improve their ability to support themselves and their dependents.

THE INCOME TAX

Devising a tax system which is equitable and efficient has always posed formidable problems, and often the best solution is one involving compromise with one or more of the objectives. The tax treatment of working wives is one of the more difficult problems. The income tax law as such treats men and women equally and, indeed, its effects on single men and single women are the same. However, some of the features of the tax structure, which have been considered desirable for other purposes, have, as a by-product, unequal effects on the second earner of a married couple, who is usually the wife.

Only income arising from market transactions is taxed. Indeed, there is no practical way to assign a market value to the unpaid work performed at home and then subject it to the tax. As a result, the tax system imposes a general bias in the economy favoring unpaid work at home compared to paid work in the market. However, the bias and the resulting disincentive toward market work are particularly relevant for the married woman who traditionally has done more work at home.

An equity problem also arises from this situation. To use a hypothetical example, a husband and wife each earning $8,000 would pay the same income tax as a couple where the husband alone works and earns $16,000, although the couple with two earners will have the additional expenses of buying the services which would be produced at home and untaxed if the wife did not work.

There is the further problem that a married couple may pay more or less income tax than two single persons whose combined income equals the couple's, depending upon how the income is divided between the two individuals. This problem reflects a basic ambivalence about whether the appropriate unit of taxation is the individual or the family.

Remedies for the situation are not easy to find. One suggestion has been to allow working wives to deduct a given percentage of their earnings from their income for tax purposes. However, this would be unfair to single persons, who also incur expenses of going to work. A general earned income credit has also been suggested, but this creates a bias against investments in capital and in favor of wage income.

As discussed below, the Revenue Act of 1971 has given expanded tax relief to working wives with children by allowing more liberalized child care deductions to couples within a given income range. This provision, however, does not affect couples without children or couples with combined incomes outside the allowable income range.

CHILD CARE

Provision for child care is a cost to working mothers and a major obstacle to the employment of many other mothers who would work outside the home if they could find satisfactory arrangements for taking care of their children. As more mothers have taken jobs outside the home, and more weigh the possibility of doing so, several major questions about child care have become intense national issues.

One question is whether the Government should pay for part or all of the cost of child care. This question is usually raised about the Federal Government, but it could be equally asked about State or local governments. According to one view of the matter parents have chosen to have children, which implies a certain allocation of their resources, therefore they have no reason to burden other taxpayers to look after the children. Another view of the matter is that Government subsidies can be justified and different groups have cited different reasons. The point has been made that the pressures of custom result in a bias against the wife going to work while the husband stays home with the children. A child-care subsidy for working mothers would help remove any harmful effects of this cultural bias. Another reason given is that there is a national interest in the proper care of children, who are, of course, the future nation, and that this case justifies Government subsidies. The analogy commonly given is to public education.

Government has given subsidies to families with children but there has been no consistent philosophy behind them. At the extreme, with respect to children in very poor families, we have long recognized the need for public assistance in the form of the program of Aid to Families with Dependent Children. This program is not specifically addressed to children with working mothers. In fact, until recently it was tilted *against* helping working mothers. The Federal Government also provides a form of assistance for child care through the income tax. With the Revenue Act of 1971, a much more liberal deduction than had ever been provided was instituted specifically for child-care expenses incurred by working wives. Below a combined husband-wife income of $18,000, a working wife can now deduct up to $400 a month for child care expenses. The deduction is scaled downwards to zero as combined income goes from $18,000 to $27,600. The two groups not covered are women whose family income is too low to benefit from a tax deduction and women at the other end of the income scale.

Public discussion of Government support for child care has not clearly distinguished among several possible objectives:

(a) To reward and assist the care of all small children;
(b) To assist the care of small children whose parents might not be otherwise able to care for them;
(c) To assist the care of the small children of working mothers;
(d) To assist in the care of small children in a particular way—through day-care institutions, or at home, etc.

Both the amount of Government support that is desirable, and the form it should take if it is to be provided, depend on the choice made among these objectives.

Recently, publicly supported institutional group care, or day care, has received considerable attention as one approach to helping the working mother. Some have also stressed day care as a developmental program. It may be noted that a very small proportion of working women have depended on group day care in an institutional center. A Government-sponsored survey of 1965 found that, among employed mothers of children under 6, only 6.4 percent depended on school or group care centers. About 47 percent of the women arranged to have their children cared for at home, often by a relative. The rest mainly arranged for care in someone else's home (31 percent) or looked after the child while working (15 percent).

Some have attributed the low use of day care to a failure of the market to provide a service that would be utilized if financing were available. Others have interpreted it as an indication that the true demand for institutional day care is low. Even among more affluent and knowledgeable working mothers who presumably could afford it, dependence on institutional group care is low. A survey of college graduates found that in 1964, among those who worked and who had children under 6 years, 9 percent used group care, which included nursery schools, kindergartens, and day-care centers. Most (73 percent) arranged for care in their own home.

Whether institutional day care provides the best use of dollars spent on child care has yet to be established. While this issue has not been resolved, it is clear that the problems of mothers who want and need to work require serious attention and a continuing search for new solutions.

GOVERNMENT ACTION

Government has been profoundly concerned with promoting full equality of opportunity for women within both the public and the private sectors. Two approaches have been followed. The first involves the use of law and regulations where they are both applicable and compatible with other goals of a democratic society.

A number of laws have been passed and Executive Orders issued which deal with discrimination by employers. Included are the Equal Pay Act of 1963, requiring employers to compensate men and women in the same establishment equally for work of equivalent skill and responsibility, and Title VII of the Civil Rights Act of 1964, which prohibits discrimination in hiring, discharging, compensation, and other aspects of employment. Title VII is administered by the Equal Employment Opportunity Commission (EEOC). The Equal Employment Opportunity Act, signed by the President in 1972, gave the EEOC enforcement power through the courts in sex-discrimination cases. In December 1971, Order No. 4, under Executive Order 11246, was extended to women. This Order requires Federal contractors employing more than 50 workers and holding contracts of $50,000 or more to formulate written affirmative action plans, with goals and timetables, to ensure equal opportunities. Title IX of the Education Amendments of 1972 prohibits discrimination in educational programs or activities on the basis of sex.

The Equal Rights Amendment to the Constitution, which was strongly supported by the President, passed the Senate on March 22, 1972, and has now been ratified by 22 States. The proposed amendment would provide that "equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex," and would authorize the Congress and the States to enforce the amendment by appropriate legislation. The purpose of the proposed amendment would be to provide constitutional protection against laws and official practices that treat men and women differently.

The other approach of Government to providing equality to women has been through leadership. The Women's Bureau in the Department of Labor has for 50 years been concerned with the problems of women at work. Recently, several new groups, each concerned with different areas affecting women, have been formed. The formation of the Advisory Committee on the Economic Role of Women is one such effort. The Citizen's Advisory Council on the Status of Women is another. The latter is a council of private citizens appointed by the President, which surveys the social and political issues of particular interest to women and makes recommendations for legislation or other suitable social action. In an effort to recruit women to top-level jobs in the Government, the President in 1971 appointed to the White House staff a special assistant for this purpose. As a result many women have been placed in key policy making positions, positions never before held by women.

It is only in the past few years that the problems women face as a group have been given the widespread recognition they deserve. There is much to be learned before we can even ask all the appropriate questions. Many of the problems involve profound issues of family and social organization. By listening to diverse groups and to the discussion of the public it is hoped that Government will be able to find its appropriate role. We believe that the newly formed Advisory Committee on the Economic Role of Women will contribute to that process.

CHAPTER 5

The International Economic System in Transition

THE INTERNATIONAL ECONOMIC POLICY of the United States had two major objectives in 1972. One was to improve the U.S. balance of payments, which had reached a record deficit of nearly $30 billion in 1971. The other was to make progress on reform of the international economic system, affecting monetary, trade, and investment relationships. The existing system has been unable to cope with shifting patterns of trade and imbalances in international payments which have resulted in repeated international economic and political tensions.

The groundwork for progress on both fronts had been laid in December of 1971 when the world's major industrialized countries met at the Smithsonian Institution. For the short term, the participants agreed on a realignment of exchange rates among the major currencies to relieve the existing disequilibrium in international payments. For the long term, they agreed to enter into multilateral negotiations on reform of the international economic system.

The overall balance-of-payments position of the United States, while still far from equilibrium, began to improve in 1972. The improvement, which was all in the capital account, was largely the result of a sharp reduction over 1971 in speculative outflows of capital. Domestic economic policies which curtailed the rate of inflation, the realignment of exchange rates, and renewed confidence in international monetary relationships all contributed to this improvement. The trade and current account deficits of the United States, however, were considerably larger in 1972 than in 1971, although they levelled off during the year. The year-over-year deterioration in these accounts stemmed primarily from the rapid growth of the U.S. economy and a lag in the economic recovery of some of the other major countries.

Progress was also made during 1972 on the longer-term reform objective. Agreement was reached on a format for international monetary negotiations. Discussions on the characteristics of a revised international monetary system are now underway, and the United States has set forth a number of proposals. The major industrialized countries have also agreed to initiate multilateral trade negotiations in the fall of 1973. Finally, these same countries have agreed to explore new forms of cooperation on internal policies which affect trade and investment among nations.

THE U.S. BALANCE OF PAYMENTS IN 1972

As this *Report* goes to press, official data for the U.S. balance of payments are available only for the first 3 quarters of 1972. These figures, shown in Table 29, indicate that, at annual rates, Americans imported $76.2 billion in goods and services during the first 9 months of 1972, while foreigners purchased $71.2 billion in U.S. goods and services. On balance, therefore, Americans obtained $4.9 billion more goods and services abroad than they provided to the rest of the world. In addition, U.S. Government grants and other types of unilateral transfers to foreigners exceeded similar transfers to the United States by $3.7 billion, and U.S. investments in long-term assets abroad exceeded foreign investments in U.S. long-term assets by $1.6 billion. Moreover, recorded short-term capital movements, nonrecorded transactions, and allocations of Special Drawing Rights (SDR's) together resulted in a net outflow of $1.4 billion. Overall, therefore, American balance-of-payments expenditures exceeded receipts by $11.6 billion. Virtually the whole deficit in the U.S. balance of payments on the official reserve transactions basis was financed by increased dollar holdings of foreign central banks.

TABLE 29.—*U.S. balance-of-payments transactions, 1971–72*

[Billions of dollars]

Type of transaction	1971			1972 first 3 quarters [1]		
	Receipts	Payments	Balance	Receipts	Payments	Balance
Goods [2]	42.8	45.5	−2.7	47.4	54.4	−7.0
Services	23.4	19.9	3.4	23.8	21.8	2.1
Military transactions	1.9	4.8	−2.9	1.2	4.7	−3.6
Investment income [3]	12.9	4.9	8.0	13.1	5.7	7.4
Other	8.5	10.2	−1.7	9.6	11.3	−1.8
GOODS AND SERVICES	66.1	65.4	.7	71.2	76.2	−4.9
Unilateral transfers, net [4]	....	3.6	−3.6	....	3.7	−3.7
CURRENT ACCOUNT	66.1	69.0	−2.8	71.2	79.9	−8.7
Long-term capital	1.8	8.2	−6.5	5.1	6.7	−1.6
U.S. Government [5]	−.5	1.9	−2.4	.3	1.3	−1.0
Direct investment	−.1	4.8	−4.8	.3	3.3	−3.0
Other private	2.3	1.6	.8	4.4	2.1	2.4
CURRENT ACCOUNT AND LONG-TERM CAPITAL	67.9	77.2	−9.3	76.3	86.6	−10.2
Short-term nonliquid capital	([6])	2.4	−2.4	.1	.7	−.6
Short-term liquid capital	−6.7	1.1	−7.8	2.9	1.4	1.5
Errors and unrecorded transactions, net	....	11.0	−11.0	....	3.0	−3.0
Allocations of SDR's	.7	....	.7	.7	....	.7
TOTAL	61.9	91.7	[7] −29.8	80.0	91.7	[7] −11.6

[1] Seasonally adjusted annual rates.
[2] Excludes transfers under military grants.
[3] Includes direct investment fees and royalties.
[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] Equals official reserve transactions balance.

Note.—Detail may not add to totals because of rounding.

Source: Department of Commerce.

THE GOODS-AND-SERVICES ACCOUNT IN 1972

For the goods-and-services account, preliminary estimates are available for the full year 1972. These figures differ slightly from those in Table 29, which are annual rates based on data for the first 3 quarters. These preliminary estimates indicate that the United States imported about $4½ billion more goods and services than it exported. U.S. imports of goods exceeded exports by about $7 billion in 1972, while exports of services exceeded imports by about $2½ billion. These figures represent a substantial deterioration in the goods-and-services account from the full year 1971.

On a quarterly basis, net imports increased from $1.2 billion in the first quarter of 1972 to $1.6 billion in the second quarter and then declined to $900 million in the third quarter and remained at about the same level in the fourth. When exports and imports are calculated in volume terms by adjusting for price changes, the quarterly decline in net imports begins somewhat sooner (in the first quarter rather than the second) and is more marked over the course of the year.

The figures just cited give early indications that the dollar devaluation, reinforced by a lower rate of inflation in the United States than in other major industrialized countries in 1972, is beginning to affect U.S. exports and imports. The fact remains, however, that the U.S. trade deficit was much larger in 1972 than had been expected after the realignment of exchange rates. Cyclical developments in the United States and abroad were a major reason for this disappointment. Nominal gross national product (GNP) in the United States grew by nearly 10 percent in 1972, compared to 7½ percent in 1971 and 5 percent in 1970. Thus while changes in relative prices reduced the attractiveness of foreign goods compared to domestic goods, the level of imports continued to increase with the rapid rise in the overall demand for goods in the U.S. economy. At the same time, a number of major industrial countries experienced lower than normal rates of growth in 1972, which tended to hold down the increase in their demand for U.S. goods.

Apart from the effects of these cyclical developments, the response to any devaluation is generally delayed. First, it takes some time before a devaluation is reflected in the relative prices obtained by exporters and paid by importers. In the short run, to protect their market shares, foreign exporters frequently do not increase their list price in the U.S. market by the full amount of devaluation. Conversely, foreign importers frequently do not reduce their list price of U.S. goods in the foreign market by the full amount of the devaluation.

Second, when the change in relative prices does occur, its initial impact is likely to be perverse because a devaluation raises the dollar prices of imported goods and services before the volume of exports and imports responds to the changes in relative prices. In time, the effect of devaluation on real trade flows is expected to outweigh the change in prices. It is because of this sequence of events that one expects the trade balance of a devaluing country to improve in real or volume terms before it improves in value terms, which is what happened in 1972.

In the case of the United States, the trade deficit in 1972 was also affected by long-run changes in the demand for basic materials. In particular, domestic production of fuels has not kept pace with the growth of the U.S. economy, and consequently net imports of fuels increased from $1.7 billion in the first 10 months of 1971 to $2.6 billion in the first 10 months of 1972. Although U.S. exports of agricultural products have also expanded rapidly, they have not fully offset this increased demand for fuels. On balance, long-term changes in trade patterns have tended to make the elimination of the U.S. balance-of-payments deficit more difficult.

THE CAPITAL ACCOUNT IN 1972

Returning to the balance-of-payments figures in Table 29, the net outflow of capital from the United States fell from $27.7 billion in 1971 to an annual rate of $3.7 billion in the first 3 quarters of 1972. This sharp reduction was due to several factors.

First, the realignment of exchange rates, and the preservation of international monetary cooperation among the major countries, reestablished confidence in international monetary relationships. Investors had less incentive to hedge against the risk of a change in exchange rates or the imposition of new restraints on capital transfers, and some investors were induced to bring back funds transferred abroad in 1971 for hedging purposes.

Second, a tightening of credit conditions in the United States relative to some major European countries led to a reversal in the flow of interest-sensitive funds. In line with this trend, foreign banks placed liquid funds in the U.S. money market.

Third, the rapid expansion of the U.S. economy created improved investment opportunities in the United States, and sluggish rates of growth in a number of major foreign countries reduced incentives for U.S. investment in these countries. In particular, the improved economic prospects in the United States made purchases of U.S. stocks more attractive to foreigners.

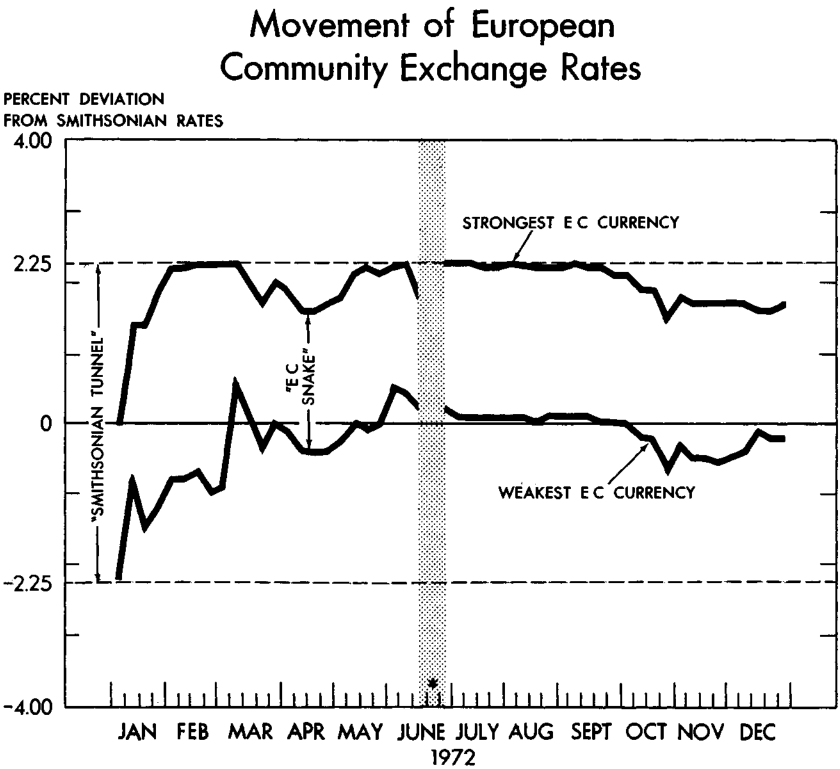
These factors affected both short-term capital movements, which recorded a net inflow of $0.9 billion at an annual rate in the first 3 quarters of 1972 compared to a net outflow of $10.2 billion in 1971, and long-term capital flows, which recorded net outflows of $1.6 billion at an annual rate in the first 3 quarters of 1972 compared to $6.5 billion in 1971.

FOREIGN EXCHANGE MARKET DEVELOPMENTS IN 1972

When the supply of a currency exceeds the demand its value tends to drop in foreign exchange markets, and when the demand exceeds the supply its value rises. In order to hold currency values in the foreign exchange market within certain limits, governments other than the United States have followed the practice of entering the market as buyers or sellers of their own currency whenever its value in terms of U.S. dollars falls or rises beyond a certain range. On the basis of the Smithsonian Agreement that range was established as a maximum deviation of plus or minus 2¼ percent from the announced parity or central rate of that currency vis-a-vis the dollar; a total of 4½ percent.

Movements in the exchange rate between the dollar and the major foreign currencies can be seen in Table 30. Chart 11 shows the movements of the currencies of the European Community (EC). The EC countries have agreed to keep their currencies within a maximum range of 2¼ percent of each other, which is half the maximum spread allowed between any two currencies other than the dollar by the Smithsonian Agreement. This narrowed intra-European band of fluctuation is generally known as the "EC snake in the Smithsonian tunnel."

Chart 11



*STERLING CRISIS.
NOTE: DATA RELATE TO FRIDAY RATES IN THE EXCHANGE MARKETS OF COUNTRIES BELONGING TO THE EUROPEAN ECONOMIC COMMUNITY (E C).
SOURCE: TREASURY DEPARTMENT.

Table 30.—*Percent deviations of major foreign currencies from central rates, December 1971–December 1972*

[Currency units per U.S. dollar [1]]

Currency	Central rate	Deviation of currency at end of period from central rate						
		December 1971	1972					
			February	April	June	August	October	December
British pound	2.60571	−2.1	0.0	0.2	−6.2	−6.0	−10.5	−10.0
Belgian franc	44.8159	.4	2.2	1.5	2.2	2.0	1.6	1.7
Swiss franc	3.84	−2.0	−.8	−.6	2.5	1.6	1.1	1.9
West German mark	3.2225	−1.5	1.1	1.3	2.0	1.0	.6	.7
French franc	5.1157	−2.1	.9	1.6	2.2	2.2	1.6	−.1
Italian lira	581.5	−2.1	−.9	−.4	.2	.1	−.6	−.2
Netherlands guilder	3.2447	−.3	2.1	.8	2.2	.5	.5	.6
Canadian dollar [2]	----------	(3)	−.2	.9	1.7	1.8	1.8	.5
Japanese yen	308.0	−2.2	1.2	1.0	2.2	2.2	2.2	2.2

[1] British pound and Canadian dollar are expressed in U.S. dollars per unit of currency. Percent deviations are based on mid-day selling rates in London.
[2] Measured by deviation from 1-to-1 relationship between U.S. dollar and Canadian dollar.
[3] Less than 0.05.

Source: Treasury Department.

Changes in reserves of the major countries, as well as changes in U.S. liabilities to all foreign central banks, are shown in Table 31. Changes in reserve holdings of foreign central banks reflect primarily their intervention in the foreign exchange market to keep the value of their currencies within the agreed margins. Changes in U.S. liabilities to foreign central banks show the extent to which foreign central banks have acquired claims against the United States as a result of intervention in the foreign exchange market.

Table 31.—*Changes in official reserves for selected countries and changes in U.S. liabilities to foreign official reserve holders, 1972*

Country	1972 change (billions of dollars) [1]			
	Total [2]	First quarter [3]	Second quarter [4]	Third quarter
Total official reserve for countries below	8.5	4.1	0.4	3.9
Belgium	.6	.2	.2	.2
Canada	.5	.2	.3	(5)
France	1.8	.2	.9	.6
Italy	−.4	−.1	−.2	(5)
Japan	1.1	1.3	−.8	.6
Netherlands	1.1	.6	(5)	.5
Sweden	.3	.2	.1	(5)
Switzerland	.4	−.2	.3	.4
United Kingdom	−2.7	.4	3.2	(5)
West Germany	5.8	1.4	2.9	1.5
U.S. liabilities to foreign official reserve holders	9.4	3.2	.8	5.4

[1] Quarterly changes are based on data for end of quarters.
[2] Total change for first 3 quarters.
[3] Total official reserves in the first quarter include 1972 SDR allocations of $1.2 billion.
[4] Second quarter data have been adjusted to reflect sterling outflows which were not recorded until the third quarter.
[5] Less than $0.05 billion.

Note.—Detail may not add to totals because of rounding.

Source: International Monetary Fund.

The dollar was under downward pressure and, conversely, most other currencies were under upward pressure, at the beginning of the year, before the Smithsonian rates had become fully established, and during the summer, when a loss of confidence in the established value of the pound sterling raised questions about the whole Smithsonian structure of exchange rates. During the spring and the latter part of the year, the dollar strengthened relative to most other currencies. These movements in the value of the dollar reflected primarily changes in the degree of confidence in existing exchange rates. Changes in credit market conditions in the United States relative to those abroad also played a role.

Two major currencies did not follow the general pattern described above, the British pound and the Japanese yen. The pound sterling came under considerable downward pressure toward the end of June, when a number of factors created considerable doubt regarding the long-term viability of the British exchange rate established at the Smithsonian. After losing a considerable amount of foreign exchange in preventing the pound from dropping below the Smithsonian floor, the British authorities allowed the pound to float downward in response to market pressures. Over the next 6 months the pound dropped 10 percent below the rate set at the Smithsonian.

The Japanese yen has been under upward pressure since the end of June, reflecting the sizable surplus in the Japanese balance of payments. Throughout the second half of the year, the Japanese authorities were required to purchase large amounts of dollars in the foreign exchange market to keep the value of the yen from rising above the Smithsonian ceiling. During this period, forward yen rates remained substantially above the Smithsonian ceiling, reflecting market uncertainty over the existing yen parity.

The renewed confidence in existing exchange rates in the latter part of 1972, with the two exceptions just described, had several causes. One was that the determination of governments to support the Smithsonian rates was reaffirmed in July by a number of major governments. U.S. intervention in the exchange markets on a limited basis, and the stated willingness of the United States to take such action when it was desirable as a means of dealing with speculative pressures, were important symbols of cooperative support for the Smithsonian Agreement. The fact that the U.S. price performance in 1972 was better than that of any of its major partner countries, despite our rapid expansion, also contributed to the improvement in confidence during the second half of the year.

REFORMING THE INTERNATIONAL ECONOMIC SYSTEM

Changes are required in monetary arrangements, in trading arrangements and in procedures for dealing with policies usually considered to be "domestic" but having a significant impact on international transactions. The United States has strongly emphasized not only that reform is needed in all three of these areas but also that the reforms in all three must be considered as part of a single package, since policies adopted in one field may complement or conflict with policies in the others. However, thinking is now farthest advanced with respect to monetary reform and we devote most of this chapter to it.

The President has also taken steps to improve the handling of international economic issues within the U.S. Government, to take better account of the close interconnections of all aspects of international economic policy with each other and with domestic policy. The recently created Council on Economic Policy will provide a framework for the unified consideration of domestic and international economic issues. The Council on International Economic Policy (CIEP) continues to have responsibilities for foreign economic policy within the framework of the Council on Economic Policy, and the director of CIEP is a member of the latter group. Other steps to improve the handling of the economic aspects of foreign relations include the appointment of a higher ranking official to be responsible for economic policy in the State Department and the development of more effective procedures for the National Advisory Council on International Monetary and Financial Policies, the body which coordinates the foreign lending policies and activities of the U.S. Government.

THE INTERNATIONAL MONETARY SYSTEM

The suspension of the convertibility of the dollar into gold on August 15, 1971, gave public recognition to the fact that the postwar international monetary arrangements, known as the Bretton Woods system, had become untenable. Interim arrangements, including the negotiation of a multilateral realignment of exchange rates at the Smithsonian Institution in December 1971, have been developed, but they do not provide a long-term solution to the problems which made changes in the rules of the Bretton Woods system inevitable. The arrangements have greatly facilitated the maintenance of normal international commercial and investment relationships, but they do not constitute an adequate system of rules for the international monetary system in the long run.

A stable international monetary system must meet several major requirements if it is to serve as the basis for the continued expansion of world trade and investment. First, it should be *market-oriented*. For the sake of both efficiency and equity, the mechanism for balancing each country's total foreign exchange receipts and payments over the long run should function in such a way as to minimize interference with individual market transactions. Second, the settlement of payments balances among countries should be *multilateral*, so that every country can offset its deficits with some countries by means of surpluses with others. To fulfill this condition, the system must provide for the ultimate settlement of claims in terms of commonly accepted reserve assets. Such a generalized payments system makes possible a far higher level of international trade and investment transactions than would be feasible if each country had to balance its payments bilaterally with every other country in a network of barter relationships. Third, the system should be *stable*. International commerce frequently entails long-run commitments and hence requires stable expectations about conditions affecting the future profitability of international transactions.

In order to meet these requirements the international monetary system must fulfill certain specific functions. It must provide an effective and equitable mechanism for *adjustment* of payments imbalances among countries, so that external payments imbalances are not allowed to persist and accumulate. It must also provide international monetary reserves in adequate amounts and in forms acceptable to the participants in the system, i.e., international *liquidity* has to be adequate. If the system permits the creation of too much international money, international inflationary pressures will be created; if too little international money is created, deflationary pressure or pressures for restrictions on international transactions will result. Finally, the system must operate in such a way as to create and maintain *confidence* in its continued viability and in the value of the international reserve assets associated with it.

Characteristics of the Bretton Woods System

The Articles of Agreement which established the International Monetary Fund (IMF) in the immediate postwar period reflected a heavy emphasis on the need for stability and confidence in the international monetary system. The rules embodied in the Articles dealt primarily with such questions as the conditions under which governments could change their exchange rates, or borrow from the Fund to cover deficits, or impose exchange restrictions. The primary objective was to prevent arbitrary actions by governments in these areas, and in meeting this objective the Articles were highly successful.

Under the Articles of Agreement, governments were obligated to support their exchange rates at agreed parity levels in either of two ways—by buying or selling their own currency in the foreign exchange market whenever the rate rose 1 percent above or fell 1 percent below parity, or by making their currency convertible into gold or other reserve assets at the request of a foreign official institution. In practice, all countries but the United States have supported their currencies by buying or selling them for dollars, while the United States has maintained the convertibility of dollars into gold or other reserve assets tied to gold.

The rules permitted changes in a country's parity when its balance of payments was in fundamental disequilibrium. In practice the parities were changed only infrequently, generally after a prolonged period of disequilibrium in external payments. There was also a widespread belief that, because of the importance of the United States in world trade and the central role of the dollar in the international monetary system, the United States could not change its exchange rate. In any case, since most other countries were pegging their rates to the dollar in the foreign exchange market, the United States could not be certain that a change in the price of gold would actually result in a change in the value of the dollar in terms of foreign currencies.

The Articles of Agreement did not address themselves explicitly to the question of liquidity. The expectation was that, as in the past, newly mined gold would provide the major source of new official reserves. It was also implicitly assumed that countries would hold certain currencies as additional reserves. There were no arrangements, however, for reviewing or influencing the growth of liquidity. The growth of reserves was thus dependent on the vagaries of gold markets and on deficits in the balance of payments of reserve currency countries. In practice, the U.S. deficits provided the bulk of new reserves for the rest of the world.

The inadequacies of the system with respect to the process of liquidity creation led to an important step forward with the recent creation of Special Drawing Rights (SDR's), an internationally created obligation of the International Monetary Fund. With the establishment of SDR's, the system no longer had to rely on a persistent deficit in the U.S. balance of payments for the creation of new reserves. The creation of SDR's could not in itself restore equilibrium to international payments, however, since provisions for the adjustment of payments imbalances remained inadequate.

The Articles of Agreement were not very explicit about the circumstances under which countries should take action to remove balance-of-payments deficits or surpluses. The assumption was that deficit countries would sooner or later run out of reserves or borrowing facilities and therefore would have to adjust. However, surplus countries could postpone adjustment as long as they were willing to accumulate reserves. Since the major deficit country, the United States, could not adjust its exchange rate without endangering the operation of the system, and since most of the surplus countries were persistently reluctant to change their own rates, the disequilibrium in world payments increased through the latter half of the 1960's until it reached a breaking point in mid-1971. At that time, the disequilibrium became so large that speculative pressures caused billions of dollars to be exchanged for foreign currencies within a few days. These currency movements greatly increased U.S. liabilities to foreign official institutions and further reduced the stock of U.S. reserve assets. This brought to a head a problem which had been developing for some time: how to maintain convertibility as the stock of dollars held by foreign official institutions grew and the United States' own stock of reserve assets, mainly gold, shrank.

On August 15, the President announced a suspension of the convertibility of the dollar into gold or SDR's. This action withdrew U.S. support from the old exchange rates between the dollar and other foreign currencies, and in effect put the dollar on a floating basis. Subsequently, a new set of exchange rates was agreed upon at the Smithsonian Institution, and as part of that realignment the United States agreed to increase the U.S. official price of gold from $35 to $38 an ounce. This 8.5-percent increase in the price of gold was signed into law on March 31, 1972. The United States has not resumed the convertibility of the dollar, but has said that it will undertake appropriate convertibility obligations in the context of a suitably reformed international monetary system, provided that the U.S. balance-of-payments and reserve positions improve sufficiently to make such an undertaking viable.

Preparations for International Monetary Reform

Some of the major problems to be dealt with in a reform of the international monetary system, as well as a number of approaches to their solution, were examined in a report submitted by the Executive Directors of the International Monetary Fund to the Board of Governors in August 1972. At about the same time, the member countries of the International Monetary Fund agreed to create a committee to conduct negotiations on reform. This committee, the Committee of Twenty, is patterned after the representational system used in the Executive Board of the International Monetary Fund, where the membership is broken down into twenty constituencies, each with a single spokesman to act on behalf of all the countries in the constituency. Although some of the constituencies are formed by single large countries, as is true with the United States, most comprise several smaller countries. The first meeting of this new group was held at the annual session of the International Monetary Fund in September 1972; this was followed by several meetings of deputies, who expect to prepare a draft outline of the main reform proposals in time for the 1973 annual meeting of the International Monetary Fund.

U.S. Ideas on International Monetary Reform

In order to help get the negotiation process underway, the United States has advanced some general proposals on reform. The U.S. approach is evolutionary, seeking to build on existing principles and practices where they have proved useful and have met with international approval. At the same time, it proposes certain important changes to ensure the viability of the new system. The primary emphasis is on the creation of an effective and evenhanded mechanism for the adjustment of payments imbalances that would place all countries, surplus and deficit alike, under agreed and broadly symmetrical rules and responsibilities for taking action to restore equilibrium. In the U.S. view, the most promising approach is a system in which disproportionate changes in a nation's reserves in either direction indicate the need for measures to eliminate the payments imbalance. Within such a system of symmetrical adjustment discipline, the U.S. approach would allow considerable diversity in the choice of instruments for bringing about adjustment. One way to widen the choice of adjustment tools would be to allow increased flexibility of exchange rates.

With respect to international liquidity, the U.S. proposal envisages an increase in the importance of the SDR and the elimination of various encumbrances which reduce its usefulness as a reserve asset. At the same time, the U.S. proposal contemplates a gradual diminution of the role played by gold in the international monetary system. Holdings of foreign currency reserves would be neither banned nor encouraged, but it is expected that they would become a smaller proportion of total international reserve assets than they are today.

The Adjustment Process

In developing its proposals the United States has taken into account a number of realities about the international adjustment process. First, every government seeks to retain a large degree of discretion in managing its economy, in order to meet the specific social and economic concerns of its citizens. Second, the policies of every government are necessarily affected and constrained by the interaction of its economy with the outside world, since international trade and investment are increasingly important factors in the economic prosperity of all countries. The U.S. proposal seeks to achieve a proper balance between these two conditions by retaining considerable national discretion with respect to the method and timing of adjustment, but by imposing a stronger international discipline to ensure the achievement of adjustment objectives.

Reserves as objective indicators for adjustment. The U.S. proposal, that disproportionate changes in reserves in either direction be used as the primary indicator of the need for balance-of-payments adjustment, is described in detail in Appendix A. In summary, the proposal is that certain points should be established above and below each country's "base," or "normal" level of reserves, and that movements in reserves beyond these points would signal the need for balance-of-payments adjustment.

The U.S. proposal is based on the recognition that countries experiencing a persistent deterioration in their reserve positions have always had to devalue their currencies or to take other adjustment measures. The U.S. proposal would make this discipline symmetrical for both deficit and surplus countries by providing that a disproportionate gain in reserves would indicate the need for adjustment actions by surplus countries to the same extent that disproportionate reserve losses now impose pressure on deficit countries to adjust.

Symmetry in the adjustment process, as provided for in the U.S. proposal, is desirable for several reasons. Active implementation of adjustment policies, as opposed to passive acceptance of the domestic consequences of adjustment by others, frequently entails political costs (as in the case of an exchange rate change, which governments have commonly considered to be a confession of weakness). And it may sometimes involve economic costs of adjustment as well (when, for example, a deficit country tolerates an increase in unemployment in order to improve the payments balance through demand restraint). Thus, a balanced distribution of the responsibility for initiating adjustment is in part a question of equity.

Such symmetry also makes the process of international adjustment more efficient. If countries on both the deficit and the surplus sides of a payments imbalance follow active policies for the restoration of equilibrium the process is likely to be easier than if the deficit countries try to bring about adjustment by themselves. Deficit countries would in any case be unable to restore equilibrium unless surplus countries at least followed policies consistent with a reduction of the net surplus in their payments positions. Such problems can best be avoided by clarifying the responsibilities of both groups of countries in bringing about payments adjustment.

The use of reserve criteria also focuses on the close relationship between the speed of adjustment and the need for liquidity. The less efficient and prompt the adjustment process, the larger is the global need for reserves; the smaller and less elastic the total stock of reserves, the more stringent the demands will be on the adjustment process. In a system where the adjustment process is tied to reserves, the total volume of reserves created can be related to the sum of countries' individual reserve targets as reflected in the internationally agreed indicators. If the two are not made consistent, sustained balance-of-payments equilibrium cannot be obtained. Failure to provide the system with adequate reserves puts deflationary pressure on deficit countries and induces a disruptive competition for scarce reserves. In contrast, the creation of too large a volume of reserves places the major share of adjustment pressures on surplus countries and exacerbates tendencies toward world inflation.

A link between adjustment measures and reserve changes is essential if a generalized system of convertibility of national currencies into international reserve assets is to be sustainable. In the long run, convertibility can be maintained only if the adjustment mechanism prevents the development of large and persistent imbalances which would inevitably prevent a deficit country from providing conversion of its own currency into primary reserve assets.

Reserve indicators have several other advantages as compared to other conceivable adjustment guides. They are comprehensive, quickly available, and relatively unambiguous. Furthermore, they do not discriminate between one set of transactions and another. They leave the relation between specific types of transactions to market forces, focusing only on the overall level of the balance of payments. In a system based on the market principle, it would be inappropriate to base judgments about the need for adjustment solely on trade, or the current account, or the capital account.

Adoption of reserve criteria as a primary indicator of the need for adjustment does not imply automaticity. The system would operate in the context of a multilateral review procedure. While excessive reserve changes may create an increasingly strong presumption that effective adjustment measures are called for, a country could still convince the international community that the signals were wrong and adjustment was not appropriate. In such a case the reserve indicator could be overriden. Moreover, the use of reserve indicators would not preclude such supplementary guides as might be available.

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Short-term capital movements may present a problem in managing any system of adjustment, including one based on reserve indicators. Large movements of such funds in response to differences in interest rates, or the expectation of future changes in exchange rates, could bring about large changes in reserves. This could signal the need for adjustment actions even though they might not otherwise be thought appropriate. It should be possible, however, to identify such cases in the multilateral review and to override the signal by international agreement. Moreover, the wider margins within which exchange rates can fluctuate have already provided a useful cushion against short-term capital movements initiated by interest rate differentials, and these margins should become more effective in a system where the maintenance of inappropriate parities is avoided.

Greater flexibility in the exchange rate. An important feature of the U.S. proposals is that they would make exchange rate changes a more useful internationally acceptable instrument of adjustment. The U.S. suggestions regarding the exchange rate mechanism assume that most countries will generally choose to continue their practice of maintaining established values for their currencies. At the same time, the United States recognizes that the difficulties caused by prolonged maintenance of inappropriate exchange rates can be avoided only if countries adjust their parities more promptly than was usual in the past.

The U.S. proposal recognizes the current evolution of more flexible techniques of exchange rate management. For example, despite the fact that floating a currency—suspending the maintenance of its value by exchange market intervention—is technically a violation of the Bretton Woods Agreement, a number of important countries have done so. Such floats may be either transitional, as a way of utilizing market signals in determining a new rate, or indefinite in their duration. The Canadians have floated during long intervals for more than two decades, the Germans have floated twice in recent years, and the British have been floating since mid-1972. The U.S. proposal would permit either transitional or indefinite periods of floating, but it would impose standards on countries adopting floating regimes to guard against their use as instruments for competitive devaluation.

The United States also proposes that countries which maintain parity exchange rates adopt wider margins within which the market exchange rate is allowed to fluctuate. The Smithsonian Agreement temporarily increased the permissible margins from 1 percent on either side of dollar parity to $2\frac{1}{4}$ percent above or below dollar parity, implying a maximum spread of $4\frac{1}{2}$ percent between any two nondollar currencies. A number of countries have adopted these wider margins. The United States favors the permanent adoption of margins for all currencies, including the dollar, that are in the same range as those permitted for nondollar currencies under the Smithsonian Agreement. Since the dollar currently serves as the chief intervention currency it can never deviate from its parity with any other currency by more than the width of the margin, or 2¼ percent. For any two nondollar currencies, however, the maximum spread is twice the margin, because one currency could be at the floor while the other currency was at the ceiling. To do away with this particular asymmetry will require innovations in the techniques of exchange market intervention, a question which will have to be addressed in the context of the general reform effort.

A larger zone within which fluctuation can take place without government intervention implies more opportunity for the operation of market forces and can facilitate small changes in parities. Wider margins can also lessen the incentives for short-term capital flows in response to interest rate differentials by increasing the scope for forward premiums or discounts in the exchange markets, thus neutralizing such differentials.

The desire for symmetry between the margins for the dollar and for other currencies reflects the view that, whereas the dollar had unique functions and responsibilities in the old system, its role in the new system should be closer to that of other important currencies. Under the Bretton Woods system, other countries maintained or changed the values of their currencies in relation to the dollar, and the United States was passive. The proposed change would give the United States more freedom to exercise control over its own exchange rate, not only in influencing the rate within the margins around parity, but also in changing the parity itself. Of course, under any system this freedom will be limited by the fact that the United States is so important in world trade that any change in the value of the dollar would strongly affect other countries. In addition, the dollar will undoubtedly continue to be an international medium of exchange, even when no Americans are involved, and substantial amounts of dollars will still be held abroad in private and official hands. Therefore, reasonable stability in the value of the dollar will be desirable. Nonetheless, in a reformed system the dollar should have considerably more flexibility than it did before.

Other techniques of adjustment. Under the U.S. proposal a variety of mechanisms for restoring payments balance would be available, among them changes in monetary and fiscal policy. Furthermore, in keeping with the goal of the international monetary system to encourage a freer flow of resources, surplus countries would be encouraged to remove barriers to imports and capital outflows, while deficit countries would be encouraged to remove barriers to exports and capital inflows.

Such a choice among adjustment measures is essential, not only to preserve national sovereignty, but also because the nature of the imbalance may itself suggest a particular form of policy response. Furthermore, the existence of uncertainty about whether or not adjustment will take the form of a change in the exchange rate can itself be a stabilizing influence by holding down speculation in response to reserve changes.

The U.S. proposal would in extreme circumstances permit the imposition of direct restraints for balance-of-payments purposes. Their use, however, would be appropriately circumscribed to ensure that controls remained temporary and caused the least possible distortion in the pattern of trade and investment. Controls or surcharges on some transactions and not on others distort economic relationships, and for that reason broad adjustment measures are generally preferable. And where selective measures are used, price-based barriers such as taxes or surcharges are generally preferable to quantitative barriers such as quotas. Taxes on some transactions and not on others change relative prices, but they do not insulate such transactions from market pressures, as quotas do. This view contrasts with the present rules of the General Agreement on Tariffs and Trade (GATT), which specifically authorize quantitative restrictions but not surcharges for balance-of-payments purposes.

The U.S. proposal furthermore reflects the view that controls on capital transactions for balance-of-payments purposes should not be encouraged and certainly should not be required in lieu of other measures of adjustment, nor should they become the means of maintaining an undervalued or overvalued exchange rate. This position is based on a belief that restrictions have a distorting influence whether they are focused on trade in commodities, in services, or in assets (the capital account), and that this parallelism should be recognized in the rules governing the reformed international monetary system. In contrast, the provisions of the earlier system made a sharp distinction between controls on trade and other current transactions and controls on capital transactions.

The U.S. proposal assumes that countries would take their responsibilities seriously and would usually take steps toward adjustment before such steps became necessary on the basis of the indicators. In the few cases where countries might persist in avoiding adjustment, however, certain international sanctions would become operative. On the deficit side, for example, failure to adjust might lead to refusal to provide credit, as under the old system, or to loss of scheduled SDR allocations. On the surplus side, the international inducements for adjustment might include the risk of losing scheduled SDR allocations or a tax on the country's excess reserve holdings. In some situations, other countries might be authorized to impose a surcharge on imports from the chronic surplus country until effetive measures were taken to correct the situation. The Bretton Woods Agreement incorporated a provision similar to this last one, the so-called scarce currency clause. However, because this provision was never invoked, there was no effective form of international pressure on surplus countries to adjust.

International Liquidity

The magnitude, composition, and distribution of world liquidity have undergone substantial changes in recent years. From the end of 1969 to the end of October 1972, gross international official reserves increased from \$78 billion to \$152 billion, or almost 100 percent in 3 years. Part of this increase was in newly created Special Drawing Rights, but most of it was in dollars. Gold and reserve positions in the International Monetary Fund remained at approximately the same level as in 1969. As a result, a significant change occurred in the proportional composition of international reserves. Gold dropped from 50 percent to 26 percent, reserve positions in the IMF dropped from 9 percent to 4 percent, foreign exchange rose from 41 percent to 64 percent, and SDR's, which did not exist in 1969, provided 6 percent of world reserves.

For the future, the United States supports movement toward increasing reliance on the SDR as the primary source of world reserve growth and toward progressive reduction in the role of gold as a reserve asset. The U.S. proposal also assumes that currencies will play a much smaller role in reserve holdings in the future than they do today. In that connection, proposals for exchanging a portion of reserve currency holdings into a special issue of SDR's deserve careful study as part of the transition to a new system.

SDR's as the primary international reserve asset. As part of its proposals for reform, the United States has supported increased importance for SDR's; they should become the formal unit of account of the system, to serve as the common reference point for currency rates and as a common measure of the value of reserve assets. Such an arrangement would offer important advantages, in that it would eliminate several potential sources of instability—private and official—which have been particularly troubling for the international monetary system in the past.

First, the system would not be subjected to strains arising from private demands for the primary reserve asset. The SDR has no commodity uses and there are no plans, at least at the present time, for allowing the SDR to be held as a financial asset in private hands. The value of the SDR in terms of currencies would be determined purely on the basis of considerations related to the monetary system itself, and not by occurrences in often volatile commodity markets.

Second, the system would not have to depend on increasing the value of the SDR for increases in official liquidity. Instead, the SDR was designed to expand (or contract) international liquidity through changes in the volume of SDR units outstanding, thus avoiding speculative problems caused by changes in the value of the basic reserve asset relative to other types of money.

Third, SDR's would not be subject to the problem of confidence created by primary reliance on reserve currencies. Under the Bretton Woods system, the demand for reserve assets was increasingly met by the reserve currencies. The larger the amount of a currency held by foreign official institutions, however, the greater the risk that confidence may be undermined by the accompanying deficit in the balance of payments of the issuing country. Furthermore, the commitment of the reserve currency country to maintain convertibility into reserve assets becomes less and less credible as the stock of its outstanding liquid liabilities increases. The SDR is not subject to these particular problems of confidence, since the liability is spread among all participating countries and it is not convertible into other reserve assets. Confidence in the SDR is primarily a function of the commitment and willingness of governments to accept it in settlement of debts.

Certain changes in the nature and the use of the SDR would make it a more attractive and useful asset. To the extent possible, for instance, SDR's should be freed from the encumbrances of reconstitution obligations, designation procedures, and holding limits. These special features of the SDR mechanism were probably necessary when that instrument was a new and untested asset. In the absence of an effective adjustment mechanism, it was considered desirable to place limitations on the magnitude of payments imbalances to be financed through SDR transfers. The need for such special features would be reduced or eliminated in a reformed system. Moreover, the elimination of these special provisions would enhance the SDR's practical utility. The rules of the International Monetary Fund should also be changed to permit SDR's to be used in all IMF transactions now permitting or requiring gold. SDR's would thus truly become the basic international money.

The role of reserve currencies. The United States has also proposed that in a reformed system official holdings of foreign exchange should be neither banned nor encouraged. Such holdings of national currencies may provide a useful margin in reserve management, and fluctuations in such holdings could add some elasticity to the system as a whole in meeting sudden flows of volatile capital. A system which prohibited nations from holding foreign exchange other than working balances would be a much more rigid system. It would provide no short-term flexibility to allow for reserve expansion over and above SDR allocations when the demand for reserves is abnormally high for brief periods and there are no other immediately available means for responding to sudden and reversible speculative pressures. In practice, there would be a much greater danger that such a rigid system would break down under the normal pressures which can develop in a liberal world trading and payments order where the level of international transactions is large in comparison with the level of world reserves. Inability of the international reserve mechanism to adapt flexibly in periods of strain could seriously undermine the effort to move toward a more liberal trade and payments system. At the same time, since countries would commit themselves to convert foreign official currency holdings into common reserve assets, a country should be able to place limits on the amount of its currency which other countries may hold as reserves.

Gold as reserves. The United States believes that the role of gold in the international monetary system should continue to diminish, and would support orderly procedures to facilitate that process. A declining role for gold is fully consistent with the long-term trend of monetary history. Governments long ago recognized the inadequacy of gold as a basis for national monetary systems, and in recent decades the dependence of the international economy on that metal has diminished sharply. With the physical supply of gold limited; with its commodity uses competing inevitably and increasingly with its monetary uses; and with residual noncommercial availability in no way related to the liquidity needs of a prosperous and expanding international economy, the world has naturally developed supplements and substitutes.

The current situation—where speculative pressures on a thin and volatile commodity market have led to a price much higher than the official gold price—is evidence of the instabilities and tensions inherent in a system based on gold or other commodities. In 1972 alone, the commodity price of gold varied between $44 and $70—a difference of 60 percent of the lower figure. Whatever the established monetary price of gold, it is certain to get out of line with the price tendencies prevailing on the private market. Care must be taken to avoid exposing the reformed monetary system to that source of instability.

THE INTERNATIONAL TRADING SYSTEM

A new round of multilateral trade negotiations within the framework of the GATT is scheduled to begin in the fall of 1973. The purpose of these negotiations will be both to expand the scope for international trade and to improve the institutional process for resolving international trade disputes. The world as a whole, including the United States, has benefited substantially from the expansion of trade made possible by previous multilateral reductions of trade barriers. At the same time, conflicts over trade issues have intensified in recent years. In the approaching trade negotiations, new ways will have to be found to resolve such conflicts in ways conducive to the growth of trade.

World trade expanded more than fivefold in the last 20 years, and this expansion has been accompanied by an equivalent expansion of world output. The average annual growth in the value of both world trade and economic output during this period was about 8 percent. While the expansion of trade was only one reason for these output gains, it was undoubtedly an important source of growth. Trade not only allows each country to produce what is best suited to its capabilities, it also provides competition which stimulates everyone to produce goods more cheaply and to improve their quality.

Although the United States is less dependent on trade than most other nations, the role of trade in the economy has grown. Over the last two decades, GNP in the United States has increased about three and one-half times, while trade has increased more than four times. Exports have become a more significant source of employment and income for those sectors in which the United States has a comparative advantage, particularly agriculture and high technology manufactures, while imports are becoming more important as the source both of the raw materials and fuels used by U.S. industry and of consumer goods whose production requires much use of relatively unskilled labor.

Over the last 5 years, imports of goods by Americans have increased much faster than foreign purchases of goods made in the United States. This imbalance has caused difficulties for the United States as well as for the world economy, and its correction is therefore in the interest of both. It can be accomplished in part through equilibrating changes in exchange rates and relatively more effective anti-inflationary measures in the United States, both of which change relative prices and thus improve the competitiveness of U.S. goods and services. Much progress has been made on this front in the past 18 months. Reductions in foreign trade barriers can also contribute to correction of the payments imbalance. A number of countries, particularly Japan, took some liberalizing actions in 1972 aimed at alleviating the disequilibrium situation. It is hoped that further actions during 1973 will contribute to this adjustment process.

Aims of Trade Negotiations

The trade negotiations scheduled to begin in the fall of 1973 look to the longer term. Their goal is to remove the sources of difficulties that have arisen under present trading arrangements and to provide for the expansion of trade on the basis of mutual advantage and mutual commitment with reciprocity. However, results from the negotiations in the form of concrete changes affecting the world trading system are likely to be gradual and will not begin to take effect for several years.

In approaching these negotiations the United States seeks, as it has since the end of World War II, a more open and equitable world trading system. A freer movement of goods, services, and capital throughout the world in response to market forces is in the U.S. interest for several reasons. To the extent that trade is undistorted by artificial barriers, our producers can sell what they make best and our consumers will reap the benefits of efficient production and competition on a worldwide basis. These benefits to the United States will not conflict with the interests of other countries. All countries can expect gains from expanded world trade on a nondiscriminatory basis.

A world trading system that minimizes trade distortions is also one of the important prerequisites for a smoothly functioning international monetary system. The more barriers that countries erect to the flow of goods, services, and capital, the more the adjustment of payments imbalances is focused on the narrower range of economic activity which remains free to respond to market forces. The result is to place heavy and uneven burdens of adjustment on particular sectors, often forcing countries to choose between accepting severe economic dislocations and postponing overall adjustment.

Comprehensive trade negotiations are made even more urgent by the accelerated liberalization of trade within the enlarged European Community and countries associated with it. This development will stimulate growth and increased trade among countries within Europe, and will make possible expansion of trade with the outside world as well. At the same time, when a group of countries eliminates trade barriers among themselves while maintaining them against the outside world, the immediate effect is to divert trade from outside suppliers to suppliers in member countries.

In the process of harmonizing their tariffs with the EC's common external tariff, the new members of the EC will be increasing some tariffs and reducing others. Under the rules of the GATT, compensatory tariff reductions must be offered for any increase in tariffs fixed in previous agreements. In the course of this year, the United States and others will negotiate with the EC over the amount of compensation considered adequate. But, such compensation will not be able to take full account of the new situation that has been created by the changes in European trading arrangements. Only a negotiated reduction in the general level of tariffs and nontariff barriers (NTB's) can effectively reduce the discrimination that results from the removal of trade barriers within Europe.

The expansion of the EC has also been accompanied by the negotiation of preferential trade agreements between the members of the European Community and a large number of other countries in Europe and Africa. Most of these agreements provide for preferential access for exports of both parties in each other's markets, thus inherently discriminating against exports of outsiders. This proliferation of preferential trade agreements threatens to erode the most-favored-nation (MFN) principle, which provides that all trade concessions agreed on between two or more countries be extended to all countries that adhere to the General Agreement on Tariffs and Trade. While the GATT permits formation of free trade areas or customs unions that involve the elimination of barriers on substantially all internal trade, it does not permit more limited selective preferential arrangements.

The MFN principle has been the cornerstone of the postwar liberalization of multilateral trade. By ensuring nondiscrimination in the application of trade barriers, it minimizes the inefficiency and distortions caused by such barriers. It also avoids trade diversion and thus injury to third parties from selective reduction of trade barriers. And finally, it makes possible a greater trade liberalization in the course of multilateral GATT negotiations by ensuring that any trade concession negotiated between two or more countries will be promptly extended to a large number of countries. For these reasons, it will be important to clarify the obligations assumed by GATT members with respect to the MFN principle.

In view of the increasing importance of nontariff barriers as tariff barriers are reduced, it is crucial that the movement toward a more open trading system be comprehensive, encompassing all forms of barriers to trade. Among the major types of NTB's that distort trade are quantitative import restrictions, export subsidies, restrictive government procurement policies, and discriminatory design and performance standards.

Negotiations covering such a wide range of issues will be difficult for a number of reasons: trade distortions may arise from otherwise legitimate domestic social policies; many of these practices are embedded in domestic laws; there is no simple basis for measuring reciprocity in tradeoffs between one type of NTB and another; and the feasible time schedule for concluding negotiations and implementing agreements is likely to vary widely from one NTB to another. Nonetheless, inclusion of these measures in future trade negotiations is essential; and considerable preparatory work, both technical and definitional, has already been done, in the United States as well as in a number of international groups and organizations.

Further steps toward trade liberalization should also be comprehensive in the sense that they encompass all economic sectors. From the point of view of the United States, it is particularly important that such negotiations include agricultural as well as industrial trade. Abundant natural resources and advanced farm management and technology give this country a comparative advantage which makes our farm products highly competitive in world markets. Our agricultural exports are estimated to have reached an all-time high of $9½ billion last year. With rationalization of the agricultural policies and liberalization of the related restrictive import policies maintained by most industrialized countries, the United States could realize its full potential for trade in this important sector.

Institutional Reforms

Certain institutional reforms would greatly help the movement toward a more open and more equitable trading system. The present GATT framework, which has served well for the liberalization of trade, particularly tariff barriers, now needs to be strengthened and modified. In particular, better procedures should be found to deal with difficulties and disputes arising out of changes in trade patterns and trading arrangements among particular countries.

The failure of institutional arrangements to deal effectively with this range of problems poses certain dangers. Countries that cannot find a satisfactory multilateral solution to their trade difficulties will increasingly be under pressure to adopt unilateral restrictive measures that make trade less free and are often discriminatory in their effect. Trade disputes that are not resolved promptly and in accordance with agreed rules also tend to create political problems at home that spill over into other areas and affect political and security relations among countries. Such trade disputes can also prevent the smooth functioning of the international monetary system, both by distorting economic flows and by undermining confidence in existing economic relationships.

Difficulties have arisen in the past with respect to measures which countries take to cushion the domestic impact of abrupt changes in trade patterns. Under the existing rules of the GATT, countries can take temporary measures to restrain imports when rapid increases threaten to disrupt domestic industry. A country imposing such restraints, however, is required to compensate other countries for any loss of trade that may result by making equivalent reductions in other trade barriers. These rules have proved unworkable in practice, and governments have tended to evade them.

In limited instances, the adjustment required by a change in trade patterns may be too large to be accomplished in a short time without excessive social, personal, and political costs. In such cases temporary restraints on the pace at which imports increase can provide time for the adjustment of domestic resources to take place in the most constructive and least painful way. These safeguards can also make it less likely that some countries will resist general trade liberalization, fearing that it would cause abrupt dislocations in particularly sensitive industries.

A number of proposals have been put forward for a new safeguard system which would assure that such measures are taken within the multilateral framework. If safeguard actions are negotiated on a multilateral basis, they are not nearly so likely to become a disguised form of protectionism as they are if they are imposed by individual countries without international standards. Under the proposed system, it would be possible for importing countries to restrain imports temporarily without compensatory reductions of other trade barriers. Such actions would, however, be subject to commonly accepted criteria, a procedure for international review, and provisions to prevent abuse of the system. The system should also include an understanding that temporary safeguards must be accompanied by effective domestic adjustments in the allocation of resources.

These various matters relating to reform of the international trading system were discussed over a 2-year period by the OECD High Level Group on Trade and Related Problems, a group of experts representing the major industrial countries. Its report, issued in the summer of 1972, addresses all the major issues concerning trade, including tariffs, nontariff barriers, unilateral safeguards, trade in agricultural products, involvement of the less developed countries, and East-West trade. Although there were divergences of opinion on some issues among the group, particularly on agriculture, a high degree of agreement was found on major substantive issues. The report emphasizes the desirability of further liberalization of world trade and points to the economic and political dangers inherent in a return to protectionism.

OTHER ASPECTS OF INTERNATIONAL ECONOMIC COOPERATION

The reform of the international monetary and trade systems will have a global focus, inasmuch as the scope and membership of both the International Monetary Fund and the GATT are worldwide. Not all problems that arise in international economic relationships can best be solved in a global framework, however, since many issues that arise are of special interest to certain groups of countries. In many cases institutional mechanisms have been created for the purpose of examining common problems or exploring common approaches, in other cases there exists only a focus for analysis.

The discussion below examines three sets of relationships that cut across trade and monetary lines. The first is concerned with problems that arise among the industrialized market economies as a result of the high degree of economic integration among them. The second focuses on the various dimensions of the monetary, trade, investment, and economic assistance relationships between developed and developing economies. The third looks at the problems that may arise as economic relationships expand between centrally planned economies and the rest of the world.

Domestic Policies Affecting Trade and Investment

International monetary and trade rules are focused on measures affecting the flow of goods and financial assets across national borders. They do not, on the whole, touch upon internal policy measures which are not directed to international transactions as such but which nevertheless affect the international location of economic activity. In an integrated world economy, however, measures taken in one country may have substantial effects on the allocation of resources in other countries, and conflict among policy objectives of various countries is therefore possible. These interrelations have reached a particularly advanced state among the industrialized market economies. For this reason, the Organization for Economic Cooperation and Development (OECD), whose membership comprises most of the industrialized market economies, provides a useful forum for discussions on questions of internal economic policies, their role in transmitting economic influences from one country to another, and their relation to international economic transactions.

A step toward intensified use of the OECD forum for such discussions was taken recently when the Executive Committee of the Organization met for the first time at higher political levels than before (Executive Committee New Style) to discuss new fields for possible cooperation. Just how the focus of this area of international cooperation will be delineated remains to be worked out, since it is not always possible to distinguish the matters that clearly belong in the international monetary or trade sphere from those relating primarily to internal policies. In particular, this latter area overlaps with nontariff barriers which affect international trade and also with capital controls related to the monetary adjustment process. Among the questions likely to fall within the purview of this area, however, are those concerned with national investment policies, including policies relating to multinational corporations.

At its recent meeting, the OECD Executive Committee New Style agreed to explore possible forms of cooperation on national policies affecting investment. Such policies are a particularly sensitive concern of all governments, representing an area where national interests can conflict. By subsidizing or otherwise encouraging some industries and not others, governments can affect the pattern of domestic production and international trade. Investment policies can thus be used to some extent as substitutes for trade policy measures. The use of either may distort relative prices and cause a less than optimal allocation of world resources. Although subsidies and trade restrictions can influence the location of production in similar ways, subsidies affect adversely the terms of trade of the country giving them, while trade barriers such as tariffs can shift the terms of trade in favor of the country which imposes them.

Subsidies are not the only internal policy measure affecting investment, production, and trade. Other frequently used policy tools are taxes, antitrust policies, regulatory policies, patent policies, and government procurement policies. There is a need to explore cooperatively the possibility of limiting the use of such policies where they severely affect other countries.

Another field of investment policy open to conflict among national interests is the matter of rules governing the ownership of capital, including land, productive facilities, and financial assets. No nation would readily surrender the right to implement such rules, but every nation has an interest in protecting its citizens from arbitrary treatment by other governments. Considerable cooperation in this area has already been achieved by the OECD, in particular in promulgating the Code of Liberalization of Capital Movements. Further progress would increase both efficiency and fairness in international economic relations.

Another item of common interest in the investment area is the multinational corporation. Multinational corporations transmit capital, technology, and management skills from one country to another. Their ability to manage resources in an international rather than a national market has tended to improve the overall efficiency of the world economy. Because their operations extend beyond the boundaries of any single nation, however, a number of jurisdictional questions arise, and with increasing frequency these corporations are believed—rightly or wrongly—to affect a country's ability to pursue and achieve its domestic economic objectives. Moreover, multinational corporations personalize what would otherwise seem to be impersonal market forces that transmit the impact of economic decisions from one country to another. For this reason, these corporations tend to become a focal point for problems faced by national governments as a consequence of the growing economic interdependence among nations.

The OECD may also seek to work out cooperative arrangements on such questions as regional policies, industrial policies, agricultural policies, general adjustment policies, regulations governing financial markets, and principles of taxation.

Industrialized and Developing Economies

One of the important objectives of reform is to create a more stable and mutually beneficial framework for economic relations between developed and developing countries. Both groups of countries can benefit from reducing the degree of arbitrariness in national decisions affecting international trade, investment, and aid. The approaching negotiations provide an opportunity for mutual commitments that will serve the common interest and can facilitate achievement of the commonly accepted goal of reducing the global gap in economic prosperity.

Developed and developing countries are dependent on each other in many ways. Developing economies are the source of a substantial proportion of the raw materials used by the industrialized economies, and increasingly the source of manufactures involving labor-intensive production methods as well. On the other hand, industrialized economies are the source of much of the capital equipment, technology, management skills, and financial capital needed by the developing countries to increase their production capabilities and provide the basis for long-term diversification of their economies.

Most developing countries are members of the International Monetary Fund. They are represented by nine members on the Committee of Twenty, which is mapping out a reform of the international monetary system. This participation should help assure that the new rules will work effectively on a global basis and will give due weight to the needs of the developing countries.

For developing countries, exports not only provide most of their foreign exchange, but are also an important means of achieving economies of large scale production in many industries. In order to increase their opportunities for trade, the United States supports the general reduction of tariff barriers in industrial countries to exports of developing countries. The United States is also actively encouraging the full participation of these countries in the approaching trade negotiations. The agenda for the negotiations, including such items as the reduction of nontariff barriers and the imposition of safeguards, covers matters of even greater concern to these countries than tariff questions. But their influence on the outcome of the negotiations will also be greater if countries which are not currently members of the GATT are willing to accept the obligations of GATT membership. The commitment to this framework of rules and obligations would help to ensure developing countries against arbitrary action by others. An obligation to avoid highly complex and discretionary nontariff barriers could also improve the efficiency of their own planning efforts and facilitate trade with each other, which has been declining in relative importance for many years.

The efficient transfer of capital from developed to developing countries is another important objective of a well-functioning international economic system. Such transfers of capital are desirable because they make available to developing countries more resources for investment, as well as giving them access to new production and management techniques. In recent years, there has been a reduction in the relative importance of bilateral economic assistance and increased reliance on the multilateral development banks as channels of public aid. Loans by these institutions have almost doubled in the 5-year period from 1968 through 1972, and U.S. contributions have also increased substantially. At the same time, U.S. bilateral economic assistance has declined slightly. Private capital flows from developed to developing countries have also continued to expand at a rapid rate, nearly doubling during the 5-year period from 1967 through 1971, the last year for which data are available. The size of these private flows makes it increasingly desirable to create arrangements which assure developing countries that such investments contribute to their economic advancement and assure developed countries that their investments will not be treated arbitrarily. Such arrangements should include internationally accepted standards and procedures for the settlement of disputes.

Market and Centrally Planned Economies

Trade and monetary relations between market economies and centrally planned economies have been carried on outside the framework of the multilateral trade and payments system, generally on the basis of bilateral trade agreements. These agreements may sometimes specify the quantities and prices of commodities to be exchanged. More often they are more open-ended, providing only a set of ground rules for trade contracts negotiated between individual state trading companies and private firms.

Trade between market and centrally planned economies can be advantageous for both sides, and with a relaxation of political tensions this trade can be expected to grow significantly. In the past the United States has engaged in less trade with the centrally planned economies than has western Europe. Recently, however, the United States has taken a number of steps to expand its trade with these countries; among such moves have been the signing of trade agreements with the Soviet Union and Poland and the elimination of the embargo on bilateral trade with the People's Republic of China.

Trade with the Soviet Union is likely to grow particularly fast. The Soviet Union has large quantities of raw materials and fuels, many of which are beginning to be in short supply in the United States. On the other hand, the Soviet Union has a large import requirement for food and for manufactured products that depend on advanced technology. The United States can supply both.

The particular characteristics of the centrally planned economies will require the development of special rules as trade between them and the market economies expands. In trade among market economies, bilateral settlement of claims has been abandoned in favor of a multilateral settlement system. Since few of the centrally planned economies are part of this multilateral payments system, special arrangements will have to be made to assure that settlements of net balances will be effected.

For trade among market economies, rules have also been developed to prevent excessive disruption of domestic production and trade with third countries by large and rapid shifts in trade patterns. As trade with the centrally planned economies grows, it may be necessary to develop similar rules to prevent sudden disruption not only of economic activity within individual market economies, but also of trade patterns among the market economies.

Finally, it is important to ensure that commercial disputes are settled amicably and are not allowed to spread into the political sphere. In trade among market economies, contracts are usually made between individual firms, and whatever disputes arise are settled through the respective courts in a manner that is usually acceptable to both parties. In trade with centrally planned economies, the fact that one of the parties to any trade contracts is the state can create special problems with respect to the settlement of disputes.

In anticipation of some of the possible problems that a rapid expansion of trade could give rise to, the recent trade agreement between the United States and the Soviet Union included these provisions:

1. The creation of a joint U.S.-U.S.S.R. Commercial Commission to resolve difficulties arising at the government level.

2. A procedure for guarding against market disruptions. Under it, after consultation, the U.S.S.R. will not ship products to the United States which the U.S. Government has advised will "cause, threaten, or contribute to disruption of its domestic market."

3. An arbitration agreement which encourages the settlement of commercial disputes by arbitration in a country other than the Soviet Union or the United States under the Arbitration Rules of the Economic Commission for Europe, a United Nations agency. The U.S.-Soviet trade agreement also provides for the reciprocal extension of credit facilities, nondiscriminatory tariff treatment of each other's imports, the establishment of commercial offices in the two countries, the availability of business facilities, and the settlement of the World War II lend-lease debt owed the United States by the U.S.S.R.

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In advancing proposals for reform, the United States has kept in mind the necessity of building on commonly accepted principles. Foremost among these principles is the belief that an open exchange of goods, services, and capital based on market relationships can benefit all countries. Moreover, if all countries are to remain committed to freer trade and investment, the international rules must give everyone a chance to share in the benefits. Recent experience has shown the need for certain reforms in current rules and practices. The rules should more explicitly define international standards of conduct and yet provide greater flexibility in the means of discharging these international responsibilities. Also, the various aspects of the international economic system dealing with monetary, trade and investment questions should be better related to each other. Lastly, any stable and well-functioning international economic system must rest upon sound domestic policies to promote domestic growth and price stability in the major countries.

Appendix A

SUPPLEMENTS TO CHAPTERS IN THE ANNUAL REPORT
of the
COUNCIL OF ECONOMIC ADVISERS

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SUPPLEMENT TO CHAPTER 2

Description of the 1972 Controls Program

The regulations that spelled out the Economic Stabilization Program (ESP) in 1972 covered hundreds of pages. *Quarterly Reports* of the Cost of Living Council describe the program fully. Here the discussion includes only the principal elements which explain the general character of the system.

The system began on August 15, 1971, with an initial freeze affecting nearly all wages, prices, and rents and lasting 90 days. One of the main purposes of the freeze was to permit the development of a more durable, although still temporary, program without giving prices and wages a chance to run away in anticipation of the new program.

The Phase II program was announced on October 7 to succeed the freeze on November 14, 1971. The initial design of the system and the modifications to it during 1972 were made in accordance with a few general themes:

1. The success of the system would depend primarily upon voluntary support. The standards of the program and their application had to be regarded as fair and reasonable so that the great voluntary support which came forth when the program began could be preserved. To achieve this result it was desirable that price and wage controls should not be imposed unilaterally on the economy by the Government but that representatives of the private sector should participate in the system's development.

2. The system would operate in circumstances where the expansion of output and employment would be a major national objective. Price and wage controls should not interfere with that expansion.

3. The controls were intended to be temporary. Some standards and procedures that, if permanent, could not be tolerated from an equity standpoint would be tolerable and accepted if temporary. Similarly, elements of the system that, if they were permanent, might have serious adverse economic effects would be much less harmful if retained for a limited period. The complexities and refinements of standards and the magnitude of administrative apparatus which might be necessary in a permanent system could be minimized in a temporary one. However, the temporary system had to be designed to avoid a price upsurge once the controls were removed or relaxed.

4. The controls were not expected to withstand a strong pressure of excess demand on inelastic supply of products or labor. The system, in its standards and administrative mechanism, did not contemplate the elaboration and force that would have been needed to resist excess demand pressure. Moreover, the system was not to be applied in some of the main areas where increases, if they did occur, would result from demand pressure—notably farm product prices and market interest rates.

ORGANIZATION OF THE PROGRAM

The program was based on a broad grant of authority originally given to the President (although not requested by him) when Congress passed the Economic Stabilization Act in August of 1970. This authority was extended, with a number of qualifications, some of which will be referred to below, by Public Law 92–210 of December 1971. The renewed authority would expire on April 30, 1973.

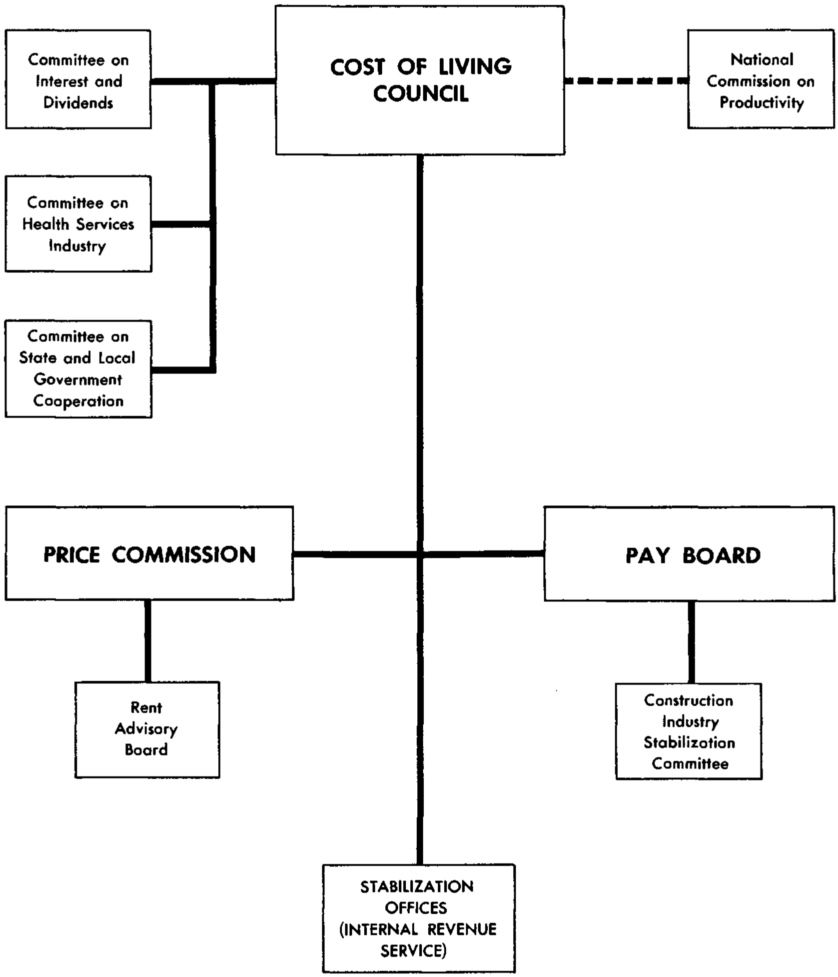
The President delegated his authority under the Act to the Cost of Living Council (CLC), an interagency committee at Cabinet level chaired by the Secretary of the Treasury. The CLC in turn delegated authority for major functions under the Act to a number of committees, composed mainly of private citizens. The involvement of private citizens was intended to bring to the program both special expertise and a representation of the interests of diverse segments of the community. (The structure is depicted in Chart 12.)

The CLC retained authority to set objectives of the program, to determine its coverage, and to assure general consistency in the operation of the various segments. It delegated to the Price Commission and to the Pay Board authority to prescribe standards of permissible prices and employee compensation and to decide on the application of these standards in particular cases. The Price Commission consisted of seven citizens including a full-time chairman and was assisted by a staff of about 600. The Pay Board initially consisted of 15 members, five each from labor, management, and the public. In March 1972 four of the five labor members withdrew, in disagreement with the decision made in the Pacific longshoremen's case. The Pay Board was then reconstituted to consist of seven members, all representing the general public although one was a labor leader and one was from management. By the time this revision of the Board occurred, the tripartite group had already established the basic pay standards and procedures, which continued to be applied by the new Board and were generally observed by employers and employees. The Chairman of the Pay Board served full time and the Board had a staff of about 200.

The Construction Industry Stabilization Committee (CISC), a tripartite body, was established in March 1971 to restrain construction costs, which had been rising rapidly because of unusually large wage increases. Although CISC was established prior to the freeze and followed procedures

Chart 12

Organization of the Economic Stabilization Program in 1972



of its own during the program, it operated under the general guidance and standards of the Pay Board.

The Price Commission was advised in particular areas of its jurisdiction by a Rent Advisory Board and a Retail Advisory Committee. Advisory committees on the health industry and on State and local governments assisted both the Price Commission and the Pay Board.

The Economic Stabilization Act required that mandatory ceilings be placed upon interest rates, when necessary, to prevent them from rising at a rate which would interfere with orderly economic growth. The Cost of Living Council found that the behavior of interest rates was not such as to call for mandatory ceilings under the Act. However, as a part of the Phase II structure, a Committee on Interest and Dividends was established, consisting of the heads of the chief financial agencies in Government and chaired by the Chairman of the Board of Governors of the Federal Reserve System. Its role was to enlist voluntary cooperation of lenders and corporations in holding down institutionally determined interest rates and dividends.

The field operation of the stabilization program consisted mainly of providing information on the regulations and checking compliance with them. These duties, which during the freeze had been assigned to the Office of Emergency Preparedness, were assigned to a staff from the Internal Revenue Service (IRS) operating under the policy supervision of the Director of the Cost of Living Council. For the public, the local offices of the IRS were usually the point of contact with the program.

About 3,000 IRS personnel were assigned to the Economic Stabilization Program in 1972. Including them, total employment in the program was about 4,000. In contrast, during World War II, 60,000 people had been employed in controlling prices. During the Korean war the number was about 15,000.

GOALS AND STANDARDS

When Phase II was announced in October 1971, the Cost of Living Council set an interim goal of getting the inflation rate down to 2 to 3 percent by the end of 1972. Attainment of the goal would be measured mainly by the consumer price index (CPI), the most familiar of all price indexes. For a certain class of American consumers, namely urban wage earners and clerical workers and their families, it is the best available measure of changes in the average prices they pay for the things they buy, although this is not true of every consumer.

The goal would be measured in terms of the consumer price index, but the calculations leading to the idea that the goal was feasible, and to the control standards by which it was to be achieved, related in the first instance to the gross national product (GNP) deflator for the priavte economy. The feasible behavior of the private GNP deflator was derived from estimates of private compensation per man-hour, output per man-hour, labor costs per unit of output, and the relation between prices and unit labor costs. Conversion of the estimate into a goal for the CPI rested on the observation that over extended periods the increases in the CPI and the private GNP price deflator were not very different. Short-term differences resulted mainly from the behavior of food prices. In the fall of 1971, when the goal was set, food prices were not expected to rise rapidly in 1972 and cause an exceptional rise in the CPI relative to the private deflator. As it turned out, the rise in the CPI relative to the rise in the private deflator was greater in 1972 than in all but 1 year since 1950.

Setting 3 percent as the upper end of the target range implied a determination to reduce the rate somewhat below what would have been commonly considered probable in the absence of the controls. A 3-percent inflation rate would be a reduction by half from the peak CPI rate reached in 1969 and would bring the rate to a level last seen in 1967.

The basic standards set by the Pay Board and the Price Commission were intended to achieve the goal set by the Cost of Living Council. In fact for a variety of reasons, including provisions of the Economic Stabilization Act, as amended, these basic standards were modified in many ways. Some of these qualifications will be discussed below. Here we confine ourselves to the logic of the system itself.

The Pay Board set a standard for permissible pay increases of 5½ percent per year. The "normal" rate of productivity growth—the trend in output per man-hour—was considered to be about 3 percent a year. If total labor compensation per hour rose by 5½ percent on the average, the normal rise of labor costs per unit of output would be (approximately) 2½ percent. The basic standard for prices was the pass-through of costs—that prices would be permitted to rise in the same proportion as costs. In the calculation of costs, however, allowance would be made for the normal rise of productivity.

Application of these two standards together would limit average price increases in the controlled sector to 2½ percent if the system was closed, that is, if all costs consisted of labor or purchased supplies whose prices were governed by the same standards. However, if some of the costs of the controlled sector originated outside that sector and rose by more than 2½ percent a year, the prices of the controlled sector would also rise by more than 2½ percent. As a practical matter, the controls affected purchases originating in the domestic, nonfarm, nonfinancial sector of the economy, a sector representing about 90 percent of the total.

It was recognized that productivity would probably rise by more than the 3-percent trend rate during the expansion of 1971–72. One consequence might be an increase in the share of the value of output going to profits and other nonlabor shares. However, since the labor share of income was at or close to a cyclical high point when the control system began, some movement in that direction seemed appropriate.

Pay standard. The 5½-percent pay standard was modified in a number of respects, all of which raised the permissible wage increase:

1. Increases in excess of 5½ percent, scheduled under agreements reached before November 14, 1971, could go into effect unless specifically disallowed by the Pay Board. With some exceptions, payments held up during the freeze were permitted to be made retroactively in the early part of Phase II.

2. Increases in excess of 5½ percent would be allowed in order to correct a gross inequity in the relation between the pay of one group of employees and another group with which the first group had a well-established parity.

3. During the first year of Phase II, increases beyond 5½ percent were allowed to workers whose pay had increased less than 7 percent a year in the preceding 3 years.

4. Wage increases would be permitted above the standard if they were granted as part of an incentive program designed to improve productivity.

5. Congress also specified that certain fringe benefits would not be subject to restraint unless they were "unreasonably inconsistent with the standards for wage, salary, and price increases." To implement this mandate, the Pay Board decided to permit increases in compensation above 5½ percent equal to 0.7 percent of compensation when in the form of pension, profit-sharing, or savings plans, thus raising the standard to 6.2 percent. Additional increments were allowed for units which had lagged in implementing fringe benefits in the past.

6. The Economic Stabilization Act specifically exempted wages paid to individuals whose earnings were "substandard" or who could be considered to be among the "working poor." The Cost of Living Council initially decided that this provision exempted all wages of less than $1.90 an hour. However, in July a Federal court agreed with the contention of a suing labor union that the $1.90 figure was inconsistent with the intent of Congress. The Cost of Living Council then raised the exemption level to $2.75 per hour. At this level more than 40 percent of the workers in the private nonfarm sector were estimated to be exempt from coverage.

Price standard. The basic price standard, as already noted, provided that prices could be increased in the same proportion as allowable costs. There were, however, a number of qualifications to this standard.

1. In the calculation of costs to justify price increases, the rise in wage rates was to be discounted by the rise in productivity to permit calculation of an estimated increase in labor costs per unit of output. The productivity rise used for this purpose was at first calculated by each firm on the basis of its own forecast of its own experience. Thus, if the actual productivity increase exceeded or fell short of the calculated rate, the actual cost increases might be less or more than the costs allowed for price determination. Moreover, beginning in April 1972 the Price Commission required that instead of using their own estimates, firms should compute their allowable costs by applying productivity factors calculated by the Price Commission, using data developed by the Bureau of Labor Statistics for different industries on the basis of 1958–69 experience. This created another source of possible discrepancy between a firm's actual costs and the costs used in determining its permissible prices; but the change gave the firm a greater incentive to improve its productivity.

2. Wholesale and retailing firms were permitted to pass through increased costs of merchandise, but there was no provision for passing through increases in operating costs. If operating costs rose by a larger percentage than merchandise costs, the permitted price rise would not be as large in percentage terms as the total cost increase.

3. When a material with a particularly volatile price constituted a large part of a firm's costs, the firm was permitted to raise its price to pass through an increase in that cost without notifying the Price Commission in advance, even though the firm's size would otherwise require prenotification. However, if the firm operated under the volatile pricing rule it might raise its price only by the absolute dollar-and-cents amount of the cost increase, not by the percentage of the cost increase. It also had to reduce its price correspondingly when the volatile cost declined.

4. Many large, multiproduct firms operated under term limit pricing (TLP) agreements with the Price Commission. These agreements specified a maximum percentage by which the firm might raise the *average* of all its prices during a period, usually a year. This percentage was arrived at after consideration of the firm's cost increases, and the arrangement permitted the firm to raise the price of a particular product without notifying the Price Commission. Such TLP agreements as negotiated were subject to a maximum limit, which was initially 2.0 percent and was subsequently reduced to 1.8 percent. They also commonly specified a maximum increase permitted for any single product or product line. Thus a common agreement might permit a firm to increase the average of all of its prices by 1.5 percent but not to increase any single price by more than 8 percent; many firms found this latter rule the most restrictive. The rationale of the TLP system was that, in exchange for flexibility and relief from red tape, firms would agree to smaller price increases than they might have been able to justify by costs on a case-by-case basis.

5. The Price Commission usually did not recognize, for purposes of price determination, labor cost increases in excess of 5½ percent, even though these might have been approved by the Pay Board.

6. Even if otherwise justified, price increases were not permitted where the firm's profit margin (profits as a percentage of sales) exceeded the average profit margin of the best 2 of the 3 fiscal years preceding August 15, 1971. The main purpose of this rule was to provide a safeguard against the unavoidable difficulties of estimating unit costs in advance, or even checking them after the fact, especially for multiproduct firms. In this situation there might be a tendency for firms to overestimate their costs, and effective monitoring would be impossible. The profit-margin test provided a simple means of limiting any slippage resulting from imperfect application of the other tests. It did not apply to a firm which had not raised its prices above the levels of the base period, usually defined as the 30 days preceding the freeze of August 15, 1971.

THE FIRM-BY-FIRM APPROACH

An important and unusual feature of the 1971–72 price-wage control system is that the unit of control was the firm, or in some cases the collective bargaining unit, rather than the product or occupation. That is, the

Price Commission did not set a price ceiling for each covered product—men's white button-down shirts of certain specifications, for example—which applied to all sellers of that product. Instead it laid down rules for determining the ceiling price of each product sold by a particular firm—or, where the TLP applied, the average price of all the products sold by that firm.

This system had the great advantage that each firm could compute its permissible prices for itself from information available in its own accounts, aside from the sector productivity factor published by the Price Commission and the overall TLP terms, which were applicable to a relatively small number of firms. Firms did not have to wait for price determinations by the control agency, although the larger firms had to have approval of their calculations. This do-it-yourself approach to price control was the only way to get the system into operation quickly and then keep it in operation without a large Government staff to determine the ceilings. Moreover, it gave recognition to differences among products and firms that the market recognized but that could hardly be taken into account in price-control regulations.

On the other hand, the firm-by-firm approach contained a number of actual or potential difficulties. Customers and enforcement officers were unable to tell what a firm's ceiling price was without study of the firm's books. In some cases it froze a price relation among firms which for some transitory reason existed in the base period but which would be unfair or inefficient if continued for long. Since, with some exceptions, a firm's ceiling prices would depend on its own costs, the pressure to hold down costs would be weakened. If the product in question were scarce, a situation might emerge in which it carried different prices simultaneously in the market, and which created problems of fairness and efficiency in allocation. These difficulties were not expected to become pervasive, however, as long as excess demand and shortages were not common and as long as the controls were considered to be temporary. Competition would tend to establish a one-price system, even if ceiling prices differed among firms; for that reason, and also out of regard for what would happen when controls ended, companies could not be complacent about increases in their costs.

The application of the pay standards on a firm-by-firm basis or on the basis of individual bargaining units could raise similar problems. However, the factors determining permissible pay increases were more uniform among firms than the factors determining permissible price increases, and they were less likely to produce distortions. Moreover, the standards of the Pay Board made more explicit provision for preserving customary relations among groups of employees.

COVERAGE AND ADMINISTRATION

The Phase II program was initially very comprehensive in its coverage, measured either by the number of economic units or by the proportions of the value of output and income to which it applied. During 1972 the number of economic units covered was substantially reduced, but the proportion of the value of output covered remained large.

The system applied directly to the prices of goods and services, including residential rents, and to employee compensation, including the compensation of executives. It applied indirectly to profit rates through the control of the relation between costs and prices and through the profit-margin rule, and it applied to rental income on residential property in the same way. Interest rates and dividends were the object of a voluntary restraint program.

The most important exempt sector was agriculture (defined to include fisheries and forests). Initially farm products were exempt at all stages of distribution as long as they were unprocessed. Thus lettuce in a retail store was exempt from price control. In June the exemption was narrowed to only the first sale at the farm. However, since the percent increase in farm prices for all types of products could be passed through at the subsequent stages, this modification amounted to control of the processing and distribution margins rather than control of the farm prices.

Farm product prices were exempted because they did not conform to the pattern upon which the controls system was based. The theory of the controls system was that the price increases to which it was directed, both occurring and in prospect, were not "equilibrating"; that is, they were not price increases necessary to elicit more production or to distribute a short supply. In fact, in many cases where supply could be quickly expanded, there would be more demanded and therefore produced if prices did not rise. These price increases could therefore be repressed without creating shortages. Farm prices, however, are determined in highly competitive markets, and they adjust continually to equate the quantities demanded and supplied. To repress the price increases in those markets would create shortages and rather than increase supply would probably reduce it. Similar reasoning justified exemption of market interest rates, prices of financial assets, and prices of imports. Prices of exports were exempted because they did not enter into the price level confronting American consumers.

Pay scales of the Federal Government and prices charged by it were exempted with the understanding that other means would be used to keep these wages and prices consistent with the goals of the stabilization program. A number of less important categories were exempted for administrative reasons.

Within the controlled area, firms and bargaining units were divided for purposes of administration into three categories or tiers on the basis of size (Table 32). Although the same standards of price and wage behavior applied on all tiers, the large economic units were subjected to closer surveillance than the smaller ones, but not because the large units were believed likely to be more "inflationary" than small ones. There were two main reasons for this decision. First, an administrative staff of a given size could observe a given volume of economic activity more effectively by watching a few large companies than by watching many small ones. Second, close scrutiny of a part of the market was believed likely to yield better control than loose scrutiny of all of it, the reasoning being that the behavior of the closely watched part would discipline the behavior of the others because of competitive pressures.

TABLE 32.—*Classification of firms and workers in Economic Stabilization Program* [1]

Tier	Firm	Employees
I Prenotification of wage or price increases; quarterly reporting of price, sales, profits	Sales of $100 million and over (1,700 firms, 45 percent of sales)	Wage units of 5,000 or more workers (15 percent of total)
II Reporting of increases; quarterly reporting of price, sales, profits	Sales of $50 million to $100 million (1,700 firms, 5 percent of sales)	Wage units of 1,000 to 5,000 workers (6 percent of total)
III No reporting; subject to ESP regulations and monitoring	Sales of less than $50 million (1.5 million enterprises, 25 percent of sales)	Other workers (29 percent of total)

[1] As of the end of 1972 exemptions had been granted to 6.5 million enterprises with 25 percent of total sales and to 50 percent of all employees (including exempted employees of State and local governments).

Source: Cost of Living Council.

The largest firms, those in Tier I, were required to notify the Price Commission in advance and to get approval of any price increase unless they had previously obtained a term limit pricing agreement or some other special provision, such as a volatile price rule. The firms in Tier II were not required to obtain advance approval unless they sought an exception from the rules; but they were required to file quarterly reports, which were prescribed by the Price Commission and from which compliance could be checked. Tier III firms were not required to file reports, but their compliance was open to spot check by the Internal Revenue Service.

The procedures relating to pay were similar to those governing prices.

Small business exemptions. Despite the tier arrangement described above, it became clear almost as soon as Phase II began that a disproportionate part of the administrative capacity of the system was being used to provide information and to process complaints in cases that had little effect on the inflation problem. The Cost of Living Council decided that it could use its resources better by concentrating them on the larger economic units, relying on competition from them to restrain price increases by the smaller ones. In January retail firms with annual sales of less than $100,000 were exempted. This action removed from control three-fourths of all retail firms but only 15 percent of all retail sales. At the same time the Cost of Living Council exempted from rent controls all apartments or houses whose landlord owned four or fewer units. Apartments renting for $500 or more a month were also exempted, but on a different ground—namely, that keeping down the rents of luxury apartments was not so urgent a national interest as to justify the administrative burdens it involved. The effect of these actions was to exempt from control about 45 percent of all rental units.

In May the Cost of Living Council exempted from both price and wage controls all firms and local government units with 60 or fewer employees—with certain exceptions. The exceptions were firms in the construction and health service industries and firms in which more than half of the employees were affected by a collective bargaining contract which covered more than 60 employees. The selection of 60 as the cutoff point was influenced by the desire to exempt as many firms as possible but at the same time to keep a significant fraction of the sales of each industry under control.

Administration and compliance. The relatively small staff of the economic stabilization agencies had the twofold task of informing the public of the rules and regulations and of developing procedures for ensuring compliance. The staff was also responsible for processing inquiries, requests for approval of price and wage increases, complaints alleging violations, applications for exceptions and exemptions, and appeals for review of decisions. At the end of 1972 there had been 3.3 million direct contacts with the public. Of these 95 percent were inquiries, 58 percent of which referred to rents, with questions on prices and wages making up the remainder in equal proportions. More than 10,000 prenotifications of price increases by larger Tier I firms were received, many necessitating detailed Price Commission analyses and lengthy meetings with company representatives. Notification of many wage increases negotiated by larger employee units numbering more than 1,000 workers also required review procedures by the Pay Board.

The major burden of responding to inquiries, complaints, and requests for exceptions fell on the seven regional offices and 360 district and subdistrict offices of the Internal Revenue Service. As the program matured and guidelines and decision precedents became established, more authority for decision making was delegated to these field offices, particularly in administering price and rent controls.

Reliance primarily on voluntary compliance, adopted at the beginning of the Economic Stabilization Program, was maintained through 1972. The Internal Revenue Service did, however, conduct numerous investigations based on citizens' complaints, in addition to the more than 800 investigations carried out at the direction of ESP officials. Most potential violations were handled through price rollbacks rather than legal action. Administrative sanctions ordinarily required firms to refund or reduce prices in amounts sufficient to offset the dollar amount of the apparent excess profit margin, or in the amount of revenue derived from the price increases, whichever was smaller. However, double or treble price reductions and refunds were sometimes required. In exceptional cases, legal action was initiated. About 300 such actions were undertaken in the first year of Phase II.

SUPPLEMENTARY ANTI-INFLATION MEASURES

As 1972 progressed, rapidly rising prices of food, especially meat, became a more and more critical problem for the controls program. Partly because food prices weigh heavily in the public's perception of what is happening to living costs, the higher food prices were threatening to weaken public confidence in the program.

The control system could not satisfactorily restrain the increase of food prices. Prices at the farm level were exempted; and although controls were repeatedly considered during 1972, they were always rejected on the ground that such controls would cause shortages immediately and discourage the expansion of supplies for the future.

A large part, about two-thirds, of the value of food is added in processing and distribution after the products leave the farm. The price or margin at these stages was controlled; but sometimes the controls left room for increasing margins, and from time to time the Cost of Living Council made special appeals to food processors and distributors to hold margins down. The Internal Revenue Service also concentrated on assuring compliance with the controls in food processing and marketing.

However, over the Phase II period, competition, controls, and voluntary cooperation successfully constrained the margin between food prices at the farm and food prices at retail. According to Department of Agriculture estimates, this margin increased by only 0.6 percent from the third quarter of 1971 to the third quarter of 1972. In the same period the farm price of domestically produced farm foods increased by 11.7 percent, while retail food prices increased by 4.9 percent.

Rising food prices, and the inability of price controls to curb them, focused attention on the range of other measures available to Government which could restrain the rise of food costs. In general, five measures were applied which operated to increase supplies, either immediately or in the longer run.

1. In June limitations on the import of meat were suspended for 1972. In December this suspension was continued into 1973.

2. Government-controlled stocks of meat and grains were reduced.

3. Export subsidies for wheat and rice were discontinued; this action eliminated an artificial incentive to export that was reducing domestic supplies.

4. Limits on the planting of wheat, rice, feed grains, and soybeans in 1973 were eased.

5. Import quotas on nonfat dry milk were increased temporarily at the beginning of 1973.

In addition to foods, two other commodity areas, lumber and hides, registered substantially higher prices despite the controls. In both cases the Administration tried to curb price increases by special measures. Steps were taken to increase timber cutting in the national forests and to enforce the control regulations more strictly on lumber sales. The Department of Commerce imposed a limit on the export of hides in order to increase the domestic supply, a move that was soon overturned, however, by congressional action.

SUPPLEMENT TO CHAPTER 4

In order to answer the question whether the occupational distribution of women has moved closer to that of men's, an index of occupational dissimilarity was constructed for 1960 and 1970. The particular measure of dissimilarity used here is calculated by taking the absolute difference (for each of 197 occupations) between the percentage of the female experienced civilian labor force in a given occupation and the percentage of the male experienced civilian labor force in the same occupation, summing these differences across the 197 occupations, and then dividing this sum by 2. Those persons in the experienced labor force who did not report their occupation were excluded from the denominator. If men and women were to have the identical occupational distributions then the value of the index would be 0. At the other extreme, if men and women were completely occupationally segregated, so that they were never in the same occupation, the index would have a value of 1.

The values of the occupational dissimilarity index, calculated as described, were as follows:

1960	.629
1970	.598

The index therefore indicates a very small change in the direction of increased occupational similarity between 1960 and 1970. The data for the calculations were taken from the decennial censuses of 1960 and 1970.

In Table 33, women's representation in a group of detailed occupations is given for 1950, 1960, and 1970.

TABLE 33.—*Women in experienced civilian labor force, 1950, 1960, and 1970*

(14 years of age and over)

Occupational group	Number of women (thousands)			Women as percent of all persons in occupation		
	1950	1960	1970	1950	1960	1970
TOTAL	16,481.9	22,303.7	30,601.0	28.1	32.8	38.0
Professional and technical workers	1,896.9	2,723.9	4,397.6	39.0	38.4	39.9
Accountants	57.0	81.9	187.0	14.9	16.5	26.2
Architects	.9	.8	2.0	3.8	2.1	3.6
Engineers	6.7	7.2	20.3	1.3	.8	1.6
Farm and home management advisers	5.0	6.4	6.5	46.1	47.2	49.7
Lawyers and judges	7.0	7.5	13.4	4.1	3.5	4.9
Librarians	50.7	64.6	101.5	88.8	85.4	82.0
Life and physical scientists	12.6	15.2	29.2	11.0	9.2	13.7
Personnel and labor relations workers	15.0	34.2	91.7	28.3	33.1	30.9
Pharmacists	7.4	7.2	13.3	8.7	7.5	12.0
Physicians, medical and osteopathic	12.3	16.2	26.1	6.7	6.9	9.3
Dietitians	21.7	24.8	37.8	96.5	92.7	92.0
Registered nurses	399.2	613.7	819.3	97.6	97.5	97.3
Therapists	(1)	16.4	48.5	(1)	63.4	63.5
Health technicians	46.3	88.0	184.1	57.4	68.2	69.7
Clergymen	7.3	4.7	6.3	4.4	2.3	2.9
Other religious workers	28.7	38.6	20.1	69.9	63.3	55.7

TABLE 33.—*Women in experienced civilian labor force, 1950, 1960, and 1970*—Continued

(14 years of age and over)

Occupational group	Number of women (thousands)			Women as percent of all persons in occupation		
	1950	1960	1970	1950	1960	1970
Professional and technical workers—Cont'd.						
Social scientists	11.3	15.1	32.0	32.9	25.4	23.2
Social workers	54.0	59.4	138.9	69.3	62.8	62.8
Recreation workers	7.7	14.9	22.5	45.4	51.2	42.0
Teachers, elementary	(1)	851.2	1,199.4	(1)	85.8	83.7
Teachers, secondary	(1)	280.5	498.7	(1)	49.3	49.3
Teachers, college and university	27.8	46.5	140.4	22.4	23.9	28.6
Engineering and science technicians	(1)	43.5	68.7	(1)	11.1	12.9
Draftsmen	7.2	12.3	23.6	6.0	5.6	8.0
Radio operators	1.7	3.1	7.6	10.2	16.7	25.9
Authors	5.8	7.3	7.7	36.5	25.5	29.1
Dancers	(1)	3.9	5.7	(1)	86.0	81.3
Designers	10.7	13.4	27.2	26.7	19.3	24.2
Editors and reporters	29.4	39.0	61.5	32.1	36.6	40.6
Musicians and composers	(1)	29.8	33.5	(1)	38.6	34.8
Photographers	8.6	6.5	9.5	16.2	12.2	14.2
Other professional, technical, and kindred workers	(1)	270.1	513.9	(1)	33.9	32.9
Managers and administrators, except farm	680.8	844.5	1,034.3	13.7	14.8	16.6
Buyers, wholesale and retail trade	35.5	34.2	52.8	24.6	35.6	29.8
Credit men	6.6	12.0	17.0	19.2	25.1	28.3
Public administrators and postal inspectors	2.5	3.1	6.2	4.4	3.9	6.1
Managers and superintendents, building	22.9	20.0	34.0	34.2	43.6	40.2
Administrators, n.e.c., Federal	5.2	12.1	20.4	10.6	15.3	16.9
Administrators, n.e.c., State	2.1	4.8	6.5	9.5	12.8	13.4
Administrators, n.e.c., local	18.8	17.2	20.6	22.9	21.8	26.2
Officials of societies and unions	3.2	5.1	8.2	10.9	11.8	16.2
Postmasters and mail superintendents	17.3	15.0	11.3	44.9	39.3	31.8
Purchasing agents and buyers, n.e.c	6.2	10.3	22.5	9.5	9.2	13.7
Restaurant, cafeteria and bar managers	93.9	95.5	112.6	26.9	32.5	34.2
Other specified managers and administrators, except farm	(1)	72.4	223.4	(1)	14.9	18.4
Managers and administrators, n.e.c., salaried:						
Construction	2.0	5.0	8.0	2.2	3.4	3.1
Manufacturing	27.8	45.0	43.0	6.8	7.1	6.3
Transportation	4.2	10.8	17.6	4.4	8.7	12.3
Communication and utilities	5.7	11.3	13.3	9.7	11.0	11.8
Wholesale trade	8.3	14.3	18.9	5.4	7.0	7.4
Retail, hardware, etc	1.4	2.3	2.7	3.3	4.3	5.1
Retail, general merchandise	13.6	23.6	25.4	23.2	26.2	24.6
Retail, foodstores	12.7	9.5	17.3	12.8	8.9	12.3
Retail, motor vehicles and accessories	2.4	3.9	5.7	4.3	4.4	5.4
Retail, apparel and accessories	14.1	17.0	19.9	33.5	33.5	34.2
Retail, furniture, etc	3.1	3.4	5.3	11.2	10.7	12.1
Other retail trade	13.7	14.7	24.2	12.4	11.9	13.1
Finance, insurance and real estate	25.4	47.9	32.8	13.9	14.7	17.5
Business and repair services	6.1	16.1	19.8	10.8	16.8	14.0
Personal services	21.2	28.7	36.0	33.7	35.8	26.8
All other industries	39.6	64.5	64.0	25.3	27.8	26.8
Managers and administrators, n.e.c., self-employed:						
Construction	2.6	2.9	2.8	1.3	1.3	1.9
Manufacturing	15.2	11.8	6.0	6.5	6.9	9.1
Transportation	2.4	4.6	2.1	4.6	10.6	9.8
Wholesale trade	7.1	6.9	4.5	4.0	5.0	8.1
Retail, hardware, etc	3.8	3.4	2.4	4.7	5.1	8.4
Retail, general merchandise	15.1	10.8	8.0	23.6	23.3	32.4
Retail, food	70.6	42.7	30.1	18.4	19.4	26.1
Retail, gas service stations	5.2	4.1	3.5	3.6	2.7	3.4
Retail, apparel and accessories stores	24.4	19.2	10.0	29.5	33.7	41.9
Retail, furniture, etc	4.9	4.5	3.7	7.3	9.2	13.6
Other retail trade	38.8	32.8	27.4	14.3	15.9	25.1
Finance, insurance and real estate	7.2	8.3	3.0	10.9	11.5	12.6
Business and repair services	7.4	8.1	6.2	6.0	8.4	11.9
Personal services	39.5	43.6	27.8	28.0	33.1	31.3
All other industries	14.7	21.3	7.4	14.2	20.3	22.1

TABLE 33.—*Women in experienced civilian labor force, 1950, 1960, and 1970*—Continued

(14 years of age and over)

Occupational group	Number of women (thousands)			Women as percent of all persons in occupation		
	1950	1960	1970	1950	1960	1970
Sales workers	1,374.7	1,736.0	2,096.7	34.2	36.2	38.6
Advertising agents and salesmen	5.3	4.9	13.0	15.1	13.9	20.1
Demonstrators	11.0	26.7	36.7	77.5	93.2	91.1
Hucksters and peddlers	3.5	37.7	96.4	14.9	60.5	78.7
Insurance agents, brokers, and underwriters	27.3	36.1	57.6	8.9	9.7	12.5
Newsboys	4.1	8.6	13.9	3.8	4.3	7.4
Real estate agents and brokers	22.1	46.8	85.2	15.6	23.9	32.0
Sales representatives, manufacturing	23.0	50.8	36.8	7.2	10.7	8.8
Sales representatives, wholesale	15.3	21.3	42.8	3.8	4.2	6.6
Salesmen and clerks, retail	1,228.9	1,451.4	1,619.4	48.9	54.4	56.5
Other salesworkers	34.3	51.8	94.8	23.0	20.2	27.0
Clerical and kindred workers	4,343.4	6,407.0	9,910.0	61.9	67.9	73.6
Bank tellers	27.7	94.6	218.6	44.6	70.2	86.2
Bookkeepers	566.3	793.6	1,291.7	77.4	83.4	82.0
Cashiers	193.7	393.1	734.8	81.4	77.1	83.7
Collectors, bill and account	3.9	6.7	19.2	16.0	20.0	36.2
Dispatchers and starters, vehicle	4.1	5.2	10.5	12.7	10.8	17.1
Library attendants and assistants	9.1	28.1	101.2	76.7	75.7	78.6
Mail carriers, post office	3.4	4.4	20.5	2.0	2.2	8.0
Messengers and office boys	10.9	9.3	12.1	18.6	14.7	19.7
Office machine operators	119.5	239.1	423.1	81.6	74.4	74.0
Shipping and receiving clerks	20.3	26.4	62.9	6.8	8.1	14.7
Stenographers, typists, and secretaries	1,524.9	2,233.5	3,786.9	94.6	96.5	96.6
Telegraph operators	7.6	4.7	3.7	21.6	22.8	29.4
Telephone operators	349.2	356.2	398.3	95.8	95.8	94.5
Ticket, station, and express agents	7.9	16.2	36.7	12.7	21.8	36.7
Other clerical workers	1,494.9	2,196.0	2,789.8	47.2	54.6	58.9
Craftsmen	247.3	295.3	524.1	3.1	3.1	5.0
Bakers	13.9	21.4	33.9	11.6	18.2	30.0
Bookbinders	19.5	17.6	20.9	58.1	58.9	58.1
Compositors and typesetters	12.2	16.2	24.9	6.9	8.4	15.3
Decorators and window dressers	14.0	24.4	41.9	31.9	46.3	57.7
Electricians	2.1	2.8	9.3	.6	.8	1.9
Linemen and servicemen, telegraph, telephone, and power	5.1	5.6	10.7	2.4	2.1	2.7
Engravers, except photoengravers	1.4	2.1	2.5	14.5	17.9	27.5
Foremen, nonmanufacturing	18.2	22.8	51.1	5.3	4.4	7.5
Foremen, manufacturing	51.2	58.2	80.9	10.0	8.8	8.7
Inspectors	7.3	6.6	9.7	7.7	6.5	8.0
Machinists	7.6	7.4	12.8	1.5	1.4	3.3
Mechanics and repairmen, except air, auto	16.6	15.4	35.0	1.6	1.1	2.5
Aircraft mechanics	1.0	1.9	4.5	1.3	1.6	3.1
Auto mechanics	4.3	2.4	12.9	.6	.4	1.4
Opticians, lensgrinders and polishers	2.4	3.2	6.5	12.1	15.3	23.1
Painters, construction and maintenance	9.1	7.1	14.8	2.1	1.8	4.1
Pressmen and plate printers, printing	2.5	5.1	14.1	4.8	6.1	8.8
Stationary engineers	1.8	1.6	2.6	.8	.6	1.5
Tailors	16.3	23.1	22.5	19.3	26.5	31.7
Upholsterers	5.5	6.2	10.7	8.7	9.9	16.5
Other craftsmen	35.3	44.2	101.8	1.1	1.3	2.8
Operatives	3,190.8	3,521.2	4,222.6	27.4	28.7	31.5
Dressmakers and seamstresses, except factory	140.3	121.7	96.9	97.3	96.7	95.0
Filers, polishers, sanders and buffers	7.3	21.0	26.9	4.8	13.8	21.8
Laundry and drycleaning operatives	302.7	282.9	261.0	67.6	65.3	69.8
Meatcutters and butchers, except manufacturing	3.8	5.8	11.2	2.2	3.1	5.4
Milliners	12.5	3.9	2.1	89.4	90.7	89.4
Painters, manufactured articles	14.8	16.5	18.6	12.1	13.5	15.3
Photographic process workers	13.5	21.5	31.4	43.7	45.8	46.9
Sawyers	2.6	2.4	9.6	2.6	2.3	8.9
Textile operatives	(1)	278.5	247.6	(1)	53.2	54.8
Bus drivers	4.5	18.6	67.1	2.9	10.1	28.0
Deliverymen and routemen	4.3	15.0	21.3	1.7	3.3	3.3
Taxicab drivers and chauffeurs	3.4	4.6	9.0	1.6	2.7	5.7
Truckdrivers	8.6	8.3	21.6	.6	.5	1.5
Other specified operatives	(1)	2,060.6	2,602.1	(1)	36.7	39.1

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TABLE 33.—*Women in experienced civilian labor force, 1950, 1960, and 1970*—Continued

(14 years of age and over)

Occupational group	Number of women (thousands)			Women as percent of all persons in occupation		
	1950	1960	1970	1950	1960	1970
Operatives—Cont'd.						
Miscelleneous and not specified operatives, n.e.c	(1)	660.0	796.2	(1)	25.7	29.6
Lumber and wood products	(1)	10.6	11.7	(1)	11.4	15.1
Furniture and fixtures	(1)	8.3	14.9	(1)	15.6	28.1
Stone, clay, and glass products	(1)	16.5	19.7	(1)	15.1	18.7
Primary metal industries	(1)	6.9	12.7	(1)	3.8	7.1
Fabricated metal industries	(1)	27.9	33.1	(1)	19.7	22.9
Machinery, except electrical	(1)	16.3	25.7	(1)	11.8	16.0
Electrical machinery, equipment, and supplies	(1)	79.3	113.8	(1)	50.3	55.2
Transportation equipment	(1)	15.4	27.1	(1)	10.7	16.1
Professional and photographic equipment, and watches	(1)	15.8	19.5	(1)	42.6	48.8
Miscellaneous manufacturing industries	(1)	57.2	66.5	(1)	34.2	39.0
Food and kindred products	(1)	91.8	76.6	(1)	31.5	34.8
Tobacco manufactures	(1)	17.7	10.3	(1)	54.9	51.6
Apparel and other fabricated textile products	(1)	87.4	74.5	(1)	74.0	75.5
Paper and allied products	(1)	46.4	43.0	(1)	25.5	23.7
Printing, publishing, etc	(1)	32.4	36.7	(1)	42.4	45.5
Chemicals, etc	(1)	18.5	25.5	(1)	12.4	17.0
Rubber and miscellaneous plastic	(1)	31.9	60.7	(1)	26.4	35.1
Leather products	(1)	18.2	26.3	(1)	43.9	57.6
Wholesale and retail	(1)	35.5	47.1	(1)	31.4	30.6
Business and repair services	(1)	5.4	8.1	(1)	10.9	14.7
Public administration	(1)	2.3	3.7	(1)	13.3	16.2
Other nonmanufacturing	(1)	18.2	38.9	(1)	12.0	21.0
Laborers, except farm	134.1	193.1	294.6	3.6	5.1	8.4
Miscellaneous and not specified laborers	(1)	61.2	75.0	(1)	5.3	10.9
Lumber and wood products, except furniture	(1)	.6	1.8	(1)	1.3	7.0
Stone, clay, and glass products	(1)	2.5	1.6	(1)	4.7	6.6
Metal industries	(1)	4.5	6.3	(1)	2.1	6.1
Electrical machinery, equipment, and supplies	(1)	4.2	4.3	(1)	18.3	32.7
Food and kindred products	(1)	10.1	6.5	(1)	11.2	14.9
Textile mill products	(1)	1.9	2.6	(1)	13.9	22.1
Apparel and other fabricated textile products	(1)	1.7	1.8	(1)	43.0	49.3
Leather and leather products	(1)	1.6	1.4	(1)	19.2	34.8
Other manufacturing	(1)	16.0	17.1	(1)	7.6	14.4
Transportation, communication, and public utilities	(1)	2.9	3.2	(1)	1.5	3.0
Wholesale and retail trade	(1)	3.9	11.5	(1)	3.0	11.8
Public administration	(1)	.4	1.5	(1)	1.1	7.3
Other nonmanufacturing industries	(1)	11.0	15.4	(1)	7.7	13.1
Other nonfarm laborers	(1)	132.1	220.0	(1)	5.1	7.8
Farm workers	602.2	394.8	222.3	8.8	9.6	9.5
Farmers, owners, and tenants	118.3	119.0	59.9	2.8	4.8	4.6
Farm managers	2.4	.7	2.7	6.5	2.9	4.4
Farm laborers, wage workers	148.9	147.6	117.7	9.5	11.5	13.9
Farm laborers, unpaid family workers	330.7	126.8	39.3	35.1	44.4	36.2
Other farm laborers	2.0	.7	2.7	7.2	2.2	7.1

TABLE 33.—*Women in experienced civilian labor force, 1950, 1960, and 1970*—Continued

(14 years of age and over)

Occupational group	Number of women (thousands)			Women as percent of all persons in occupation		
	1950	1960	1970	1950	1960	1970
Service workers	3,564.1	4,890.3	5,751.9	58.1	61.9	60.0
Cleaners and charwomen	75.3	167.7	266.1	60.5	41.7	56.6
Janitors and sextons	56.5	91.3	165.2	12.0	11.6	12.7
Bartenders	13.1	20.5	41.9	6.4	11.1	21.1
Cooks, except private household	257.1	385.4	550.5	55.2	63.9	62.1
Counter and fountain workers	47.4	119.4	126.3	50.9	70.9	75.0
Waiters and waitresses	579.8	780.0	1,002.4	81.8	86.8	89.0
Practical nurses	138.4	166.5	233.2	96.4	95.4	96.4
Other health services	232.0	445.0	847.4	72.6	73.4	86.2
Attendants, recreation and amusement	5.2	13.0	19.7	7.9	17.6	23.8
Attendants, personal service, n.e.c.	33.5	46.8	40.9	67.2	55.6	62.6
Boarding and lodging housekeepers	23.6	26.4	5.4	75.6	88.5	71.9
Elevator operators	27.0	24.9	10.2	29.1	32.5	27.6
Barbers, hairdressers, and cosmetologists	193.2	278.0	442.4	49.2	56.9	68.0
Housekeepers, except private household	85.8	51.0	76.6	77.2	73.6	71.8
Guards and watchmen	5.3	5.2	17.0	2.1	2.0	5.2
Policemen and detectives	3.9	7.0	13.5	2.0	2.7	3.6
Other protective service workers	2.1	14.2	28.7	1.5	7.1	11.0
Other service workers, except private household	345.2	496.8	761.5	45.4	68.8	66.0
Housekeepers, private household	147.4	149.0	101.5	97.6	95.5	96.2
Laundresses, private household	73.3	40.7	11.9	97.0	98.2	94.8
Other private household workers	1,219.1	1,561.9	989.7	94.5	96.5	96.6
Occupation not reported	447.6	1,297.7	2,147.1	35.2	37.6	41.5

[1] Data are not available because of changes in classification.
n.e.c.=not elsewhere classified.

Note: Occupational classifications in this table are not exactly comparable with Census classifications because of regrouping detailed occupations.
Detail for 1950 is not always strictly comparable with later years because of changes in classification.
The data are based on samples drawn from the decennial censuses. The sample sizes are: 1950, 3⅓ percent; 1960, 25 percent; 1970, 20 percent.
Detail may not add to totals because of rounding.

Sources: Department of Commerce, Bureau of the Census, and Council of Economic Advisers.

SUPPLEMENT TO CHAPTER 5

The following memorandum elaborates the United States proposal for establishing a system in which nations' reserve movements would serve as quantitative indicators to guide the balance-of-payments adjustment process. The basic U.S. proposal was contained in an address by Secretary of the Treasury Shultz at the Annual Meetings of the International Monetary Fund and the International Bank for Reconstruction and Development, September 26, 1972. The memorandum was made available to the Deputies of the Committee of Twenty in November 1972.

THE U.S. PROPOSALS FOR USING RESERVES AS AN INDICATOR OF THE NEED FOR BALANCE-OF-PAYMENTS ADJUSTMENT

I. INTRODUCTION

1. There appears to be general agreement that a reformed international monetary system should promote prompter and more effective adjustment of balance-of-payments disequilibria. The U.S. proposals are based on the premise that each country will be willing to work within the context of a system that provides strong, equitable and balanced incentives to achieve and maintain external balance.

2. In the U.S. view, the most promising approach is a system in which disproportionate changes in a nation's reserves in either direction serve as objective indicators that balance-of-payments adjustment measures are needed. We visualize a system in which disproportionately large gains in reserves for a particular country indicate the need for adjustment measures to eliminate a balance-of-payments surplus, just as, in any system of convertibility into reserve assets, disproportionately large losses of reserves indicate the need for adjustment to eliminate a balance-of-payments deficit. A variety of adjustment instruments would be acceptable. The purpose of this paper is to develop the logic of this approach.

3. The international monetary system in past years has failed to provide adequate inducements to achieve and maintain balance-of-payments equilibrium, defined as a situation in which external payments are in reasonable balance at normal levels of employment and economic activity, and without inappropriate utilization of controls. This failure was reflected in both large and persistent imbalances, and in recent years in some tendency toward increased use of controls. Deficit countries could often maintain disequilibria

for a considerable period through measures distorting trade, capital flows, or the internal economy; they were usually permitted or even encouraged to borrow extensively. (In the case of the United States, this "borrowing" in large part took the form of increased holdings by foreign monetary authorities of U.S. dollar obligations.) Surplus countries, able to accumulate reserves more or less indefinitely, felt under even less pressure to adjust, and an increasingly common response has been controls on the inward flow of capital.

4. Viewed from the perspective of a single country—particularly a country in a relatively advanced stage of development—balance-of-payments surpluses have been considered a more comfortable and more desirable state of affairs than deficit or balance. A surplus country could avoid the politically embarrassing adjustment actions which a deficit country might be forced to take. A strong trading position was frequently considered a vehicle for domestic economic expansion and maintenance of full employment. A persistently strong currency and large reserves might be felt to provide useful protection against unexpected external influences, and even to symbolize prudent economic management. Prior to the introduction of the SDR scheme, the system depended on balance-of-payments disequilibrium for growth in reserves—growth in global reserves over time could be accomplished only as other countries ran surpluses offset by U.S. deficits, financed through an expansion of U.S. liabilities.

5. Some of these incentives to run surpluses were recognized in the discussion leading up to Bretton Woods, and they were reflected in the strictures placed on competitive devaluation. Nevertheless, while overt competitive devaluations have not been important, many countries still more or less consciously have aimed for payments surpluses and adapted their economic policy instruments to that end. At the very least, surpluses were tolerated while deficits were a source of concern and action. There was nothing in the system to assure compatibility of nations' balance-of-payments objectives—nothing to assure that the surpluses which many countries sought would be offset by targeted deficits in equal amounts on the part of other countries.

6. Within this general context, there were systematic tendencies for surpluses and deficits to fall in a particular pattern. From the viewpoint of the United States, as the largest unit in the world economic system and in important ways in the least flexible position, these pressures toward surplus and currency undervaluation by others have had their counterpart in a persistent deficit in its own accounts. It was long felt inappropriate, in the light of the disturbing implications for stability in world financial markets, for the United States to initiate exchange rate action to correct this deficit. When the imbalance increased substantially and such action was undertaken, the resistance by its trading partners seemed to confirm their reluctance to lose a surplus position, as well as to demonstrate the difficulty of achieving the needed adjustment in the absence of agreed criteria for reconciling balance-of-payments objectives. From the viewpoint of some other

countries, the mechanism that permitted the chronic U.S. deficit and their surpluses to persist—namely, the tendency for that imbalance to be financed, in part, by increased dollar holdings of other countries—indicated that the United States was not subject to the usual constraints of a deficit country. In concept, the introduction of the SDR successfully freed the system of the need for continuous U.S. deficits to meet reserve needs. But by itself that reform was not sufficient to change the basic bias in the system.

7. While the system operated satisfactorily for a number of years—in fact it may have been preferable to any realistic alternative—it was a system of continuous imbalance, of protracted disequilibrium. From the viewpoint of both the U.S. and other nations, the results were increasingly unsatisfactory, creating major stresses that undermined stability. The system failed, in the end, because it depended on a measure of broad equilibrium for sustained, satisfactory operation, yet failed to induce the adjustments required to achieve equilibrium. The actions taken by the United States on August 15, 1971, signaled the untenability of the previously existing arrangements. The interim arrangements developed since that time, including the Smithsonian Agreement of December 1971, do not provide a long-term solution to these problems.

8. The U.S. proposals for a future system are designed to encourage equilibrium by promoting needed adjustments actively, rather than simply prohibiting unwarranted moves; and to apply equivalent incentives for adjustment evenhandedly to all nations. The proposals are evolutionary, in the sense that they would build on certain areas of widespread agreement incorporated in past arrangements: the SDR, convertibility, the prohibition on competitive devaluation, and emphasis on the need for international financial arrangements to support liberal trade and payments. They would differ from the past in building these and other elements of the system into arrangements for actively promoting adjustment, reconciling balance-of-payments objectives, and overcoming the systematic bias toward surpluses.

II. THE NEED FOR OBJECTIVE CRITERIA

9. The U.S. proposals take as a point of departure that the stability and durability of a new monetary system will be crucially dependent on finding an equitable and effective means of promoting the adjustment of external imbalances.

10. In approaching that objective, we believe success is dependent upon finding an appropriate blend among three possible approaches, each of which contains some advantages, but none of which is satisfactory by itself. The three approaches are:

a) national discretion—a degree of which is essential in a world of sovereign nations and desirable in allowing maximum practicable freedom of action among individual countries, but which, relied on alone, assures neither equilibrium nor an equitable sharing of adjustment responsibilities;

b) discretionary authority of a central institution—which can bring to bear the influence and collective wisdom of the entire world community on particular adjustment problems, but which can lead to endless debate, indecision, or unbalanced decisions in a potentially politically charged atmosphere, and which requires at least the appearance of ceding more authority to an international body than nations will yield at this stage of international development;

c) objective criteria—which can be helpful in establishing measurements for indicating adjustment needs for various nations and various situations on a standardized basis, but which do not unerringly point to appropriate adjustments or permit needed discretion by national authorites.

11. The U.S. proposal aims at a balance among these approaches—to utilize the advantages of each, while avoiding the disadvantages which might result from excessive or singleminded reliance on any of the three. We propose that objective criteria be established to note and locate the existence of an undesirable degree of balance-of-payments disequilibrium, and to create a strong presumption that effective adjustment policies should be implemented. But we would leave to the country concerned substantial discretion in determining the composition of those adjustment policies. And international consultations would be utilized to determine the applicability of the criteria to particular situations and to consider exceptional cases in which the rules might be overridden.

12. Use of objective indicators as an important element of the adjustment mechanism appears essential on grounds of efficacy and equity. Adjustment decisions are frequently difficult for any government, and there is a tendency to postpone and avoid such decisions until long after the time when adjustment policies should have been adopted. Equally, international groups are reluctant to deal promptly with difficult and politically sensitive adjustment questions. Without objective indicators there is a danger that needed actions will not be taken. It is much better to get advance agreement in principle that when certain internationally agreed indicators, recognized as being objective, signal adjustment is needed, there will be a strong presumption that appropriate measures will be adopted—but recognizing there might be valid reasons for overriding the indicators in exceptional cases. Such an approach is much more likely to result in equal treatment for all nations: it would call for comparable adjustment inducements for all countries—whether large or small, developed or developing, reserve currency country or not—to eliminate payments disequilibria, whether surplus or deficit.

III. ADJUSTMENT, RESERVES, AND CONVERTIBILITY

13. The U.S. proposals assume that most nations will want to maintain established values for their exchange rates—par values or central rates—

in conjunction with a generalized system of convertibility of national currencies into international reserve assets. In a system of established exchange values and convertibility, there is a close relationship between balance-of-payments disequilibria and reserve changes. Accordingly, in our view the single most valid indicator that a country is in actual or emerging disequilibrium—as well as the most readily available, the most comprehensive, and the least ambiguous—is a persistent movement of its reserves in one direction or another.

14. To be viable, a convertibility system must be capable of satisfying the sum of individual countries' normal needs for and secular growth in reserves. Nations individually, either explicitly through formulation of overt balance-of-payments objectives, or more implicitly through their behavior, express an effective demand for reserves. Unless the international monetary system is capable of meeting these national demands in the aggregate and changing the level of reserves to meet changes in such needs over time, a satisfactory reconciliation of national balance-of-payments aims, and therefore sustained balance-of-payments equilibrium, cannot be assured. For if reserves are not adequate to these demands in the aggregate, nations are incapable by definition of reaching their desired reserve positions simultaneously. A decision to provide the system with too few reserves induces—and sanctions—a destabilizing and ultimately fruitless competition for scarce reserves. Creation of too many reserves pushes too great a share of the adjustment pressures onto surplus countries and facilitates world inflation.

15. A critical defect of the system in the past was that while it tried to promise unlimited convertibility, and while fundamentally it required a broad measure of balance-of-payments equilibrium for sustained operation, it did not provide the supply of acceptable reserve assets or the discipline on adjustment policies necessary to achieve these objectives. A basic feature of the U.S. proposal is that nations must, through the process of negotiation, reach a collective decision on the appropriate normal stock and rate of increase of reserves, and be prepared to accept the consequences of that decision in terms of their own individual reserve positions and their own freedom of action to run surpluses or deficits.

16. It would be essential in the proposed system that countries regard their balance-of-payments disequilibria, whether surplus or deficit, as a source of concern before the agreed indicators came into play. In other words, countries would not be expected to ignore imbalances blithely until their disequilibria had become so extreme as to prompt strong *international* concern through the indicator mechanism. Reserve fluctuations would signal emerging disequilibria; movement to outer indicators signalling strong *international* concern would occur only when countries failed to make the appropriate responses as the disequilibria built up.

17. Convertibility itself cannot promote adequate or equitable adjustment. Convertibility is in that sense an asymmetrical tool, operating only on deficit countries. In the framework of the U.S. proposal, the inherent

link of convertibility to reserve fluctuations would result in broadly symmetrical pressures upon surplus and deficit nations.

18. In short, the logic of the U.S. proposals is that a) better balance-of-payments adjustment is required and is essential to the maintenance of a convertibility system; b) such an adjustment process, in turn, requires recognition by both surplus and deficit countries of their obligations and responsibilities to take action; c) in that context, objective indicators of the need for adjustment are essential; d) a broad equality between the availabiliy of, and demands for, reserves in the system must be satisfied; and e) all of these needs can be brought together, in the context of a system of established exchange rates supported by convertibility, by the use of reserve movements as the main indicator of the need for adjustment.

IV. DESCRIPTION OF THE PROPOSED ADJUSTMENT/RESERVE/CONVERTIBILITY SYSTEM

19. These principles could be incorporated into several alternative operational frameworks. Such alternative formulations could, for example, (a) emphasize the use of net or gross reserves as the basis for measuring fluctuations in reserves; (b) focus attention largely on changes in reserves from an existing starting level or on an appropriate distribution of individual countries' reserves in relation to some "objective" standard; and (c) provide for either relatively narrow or relatively wide ranges of fluctuation in reserves before international disciplines come into play. While the underlying principles and logic of the various approaches would be broadly similar, the particular formulation chosen would determine the speed, force and manner with which the adjustment pressures would operate. For its part, the United States wishes to continue to examine the advantages and disadvantages of the alternatives with care, and would welcome the contribution toward this effort that others can make.

20. The use of fluctuations in countries' reserves as the main indicator of adjustment need requires a judgment about a "base" level and trend of reserves for each country. Abstracting from transitional problems (noted later), these "base levels" could be established in several different ways. For instance, the distributional pattern of national quotas in the IMF (allowing for any agreed revisions in the future) might represent one approach toward determining a broadly acceptable distribution of reserves in normal circumstances. Another approach would be to give heavy weight to the actual level of reserves at the start of the system for the majority of countries, relying on separate negotiations for those countries whose reserves at the start of the system were judged to be seriously excessive or inadequate. Countries' "base levels," in any case, would be expected to rise over time, consistent with collective decisions about world SDR creation. The manner in which "base levels" should be calculated would clearly be a matter for careful ne-

gotiation. What is necessary is that *some* pattern be accepted that is generally satisfactory.

21. Use of reserve fluctuations to achieve an evenhanded stimulus to adjustment will require a broad consistency between the total of established "base levels" for individual countries and the actual supply of reserves in the system as a whole. Conceptually, in a system which did not provide for reserve currencies, this need could be met simply by assuring that the aggregate of gold, SDR's and IMF positions—that is, "primary reserves"—equaled the aggregate of countries' "base levels" of reserves. If in such a system aggregate "base levels" were above total primary reserves, a destabilizing and potentially deflationary competition for reserves could result; if "base levels" were below the total of primary assets, too large a share of adjustment pressures would be shifted toward surplus countries and world inflation might be facilitated.

22. In practice, we assume that some nations will wish to hold foreign exchange in their reserves and should be permitted to do so. Some nations will want flexibility of reserve management, and the system as a whole will benefit from an ability to respond flexibly to sudden and reversible increases in the need for liquidity during periods of strain related to speculative or other factors. Thus, in structuring the proposed system consideration will need to be given to the complication introduced by the existence of a possibly fluctuating margin of foreign exchange holdings. In a convertibility system, foreign exchange holdings are potential claims on primary reserves. Consequently, a stable system must provide enough primary reserves in relation to the whole to meet reasonable demands for conversion of these potential convertibility claims and/or must limit demands for conversion by individual countries that would otherwise claim an excessive proportion of the available supply of primary reserves.

23. There are a number of complementary approaches which could reconcile the existence of foreign exchange holdings in reserves with the stability and evenhanded working of a system of reserve indicators. One approach would be to equate the aggregate of "base levels" with the total of primary reserves and provide limits on the disproportionate accumulation of primary reserves by a country above its base level. Some assurance against excessive claims for primary reserves growing out of past accumulation of foreign exchange could also be provided by arrangements providing for bilateral or multilateral funding of existing foreign exchange reserves to the extent the holder wished to fund such balances, or by a facility for exchange of such balances—initially or over time—into SDR's. These aspects of the question should receive careful study, but are not further considered here.

24. Under a reserve-indicator system, certain points would be established above and below each country's base level to guide the adjustment process and to assure even-handed convertibility disciplines. Such points would be set according to uniform procedures for each country, and could be de-

scribed as follows, again abstracting from special arrangements that would be appropriate during a transitional period. (See Chart 13.)

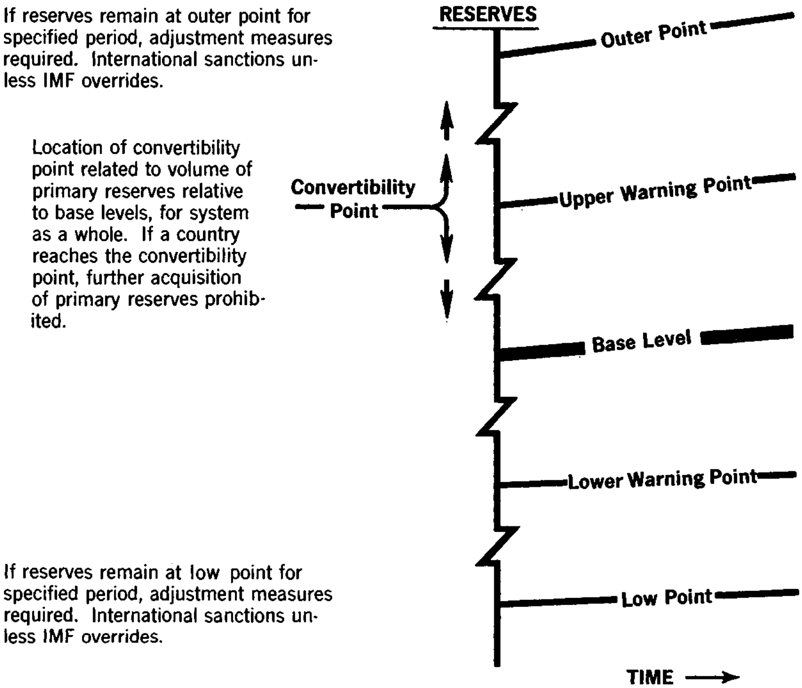
a) A "low point" would be set at some point below the "base level." In concept, this might approximate a level of reserves considered to be close to the minimum level ordinarily necessary to maintain confidence and to guard against extreme emergencies. If a country's reserves fell below its "low point" for a period of time, definite adjustment pressures would be anticipated and acceptable adjustment measures would be expected. In the absence of adequate policies over a specified period, international sanctions—for example, refusal to provide credit, or loss of scheduled SDR allocations—might become effective. Such sanctions would be avoided only if the IMF, through approval of a satisfactory program of adjustment, made a finding that sanctions were not warranted. Negotiated credits to deficit countries would ordinarily be permitted—but excessive or prolonged borrowing to circumvent the indicators would not be allowed.

b) A "lower warning point" would be set at a point between a country's "base level" and the "low point." Small devaluations would be freely permitted a country at any time its reserves were below its base level. Proposals for larger devaluations would always require IMF approval; such proposals would not ordinarily be looked upon with favor unless a country's reserves had fallen below its "lower warning point."

c) An "outer point" would be established above a country's "base level." As a country moved toward its "outer point," it would be expected to apply adjustment measures of progressive intensity. If reserves rose to the "outer point," remained at or above that level for a specified period, and an adequate program of adjustment were not in place, international action to induce adjustment would take effect. For example, the IMF might authorize other countries to impose general import taxes or surcharges against the country concerned, there might be a loss of scheduled SDR allocations, or there might be a tax on the country's excess reserve holdings with proceeds to go to development assistance. Such sanctions could be avoided, or postponed, only if the IMF made a positive finding they were not warranted, on the basis of an agreed program of adjustment—involving, for example, major moves toward liberalization of import restrictions, removal of any controls on the outward flow of capital, provision of concessional untied aid, or revaluation. Standards should be developed for judging the adequacy of such programs and their consistency with progress toward a liberal world economic order. If reserve gains persisted despite the agreed program, authorization for sanctions would, after a further period, take

Chart 13

Illustration for Individual Country of Reserve Indicator System



effect. In any event, the IMF would review the country's position periodically, and make such recommendations and authorizations as it deemed appropriate.

d) An "upper warning point" would be set between the "base level" and the "outer point," analogous to the lower warning point, representing an international judgment that adjustment is called for. The IMF would be expected to report on the country's balance-of-payments position and prospects, and revaluation or other adjustment measures would be anticipated.

e) Depending on the volume of total reserves relative to primary reserves in the system, this "upper warning point" might coincide with a "convertibility point" representing the maximum accumulation of *primary* reserves for each country that would be justified, consistent with the level of aggregate primary reserves in the entire system, for the convertibility mechanism to operate equitably with respect to both deficit and surplus countries. Both to provide an incentive for adjustment, and to prevent countries from placing further convertibility pressures on others, a country reaching such a "convertibility point" would be unable to acquire additional primary reserves, through either purchase or SDR allocation.

25. A reserve-indicator system such as the one sketched above should be supplemented and elaborated by consultative procedures within the IMF concerning adjustment programs and problems. For such procedures to be effective, national policy officials at a politically responsive level should be drawn into the process. Such IMF review could take into account supplementary criteria in considering the nature and magnitude of any need for adjustment.

26. Countries would not be expected to delay adjustment action until they had reached the indicator points. The purpose of a reserve-indicator system is to provide strong incentives for countries to act in limited steps, using a variety of tools suited to their circumstances before their situation becomes so urgent as to involve international concern and action. Moreover, while countries would at given points be brought under overt international pressure for adjustment, they would still have a range of policy options at their disposal. The range of "acceptable adjustment measures" for the system would, however, be limited to those consistent with market mechanisms and a liberal world trade and payments order. Exchange rate changes are not seen as the only, or necessarily the most desirable, means of adjustment in all cases.

27. Even though the aim of the system is to promote equilibrium, some scope for fluctuation in reserves is obviously necessary and desirable. No workable system can or should try to assure lock-step economic performance from 124 nations differing greatly in size, stage of development, and economic circumstance. Through the process of negotiation, an international consensus should be reached in defining the indicator points so as to get "enough" elbow room for some fluctuation in reserves to meet transitory payments imbalances, but not "so much" that adjustment is inappropriately delayed.

28. The reserve-indicator system should be designed to permit countries maximum flexibility to the extent compatible with maintaining the system's basic principles:

a) As noted, a *small* devaluation without requirement for approval might be permitted at any time a country's reserves were below base level. Small revaluations might be permitted at any time. While in practice, situations would seldom, if ever, arise for withholding international approval from larger revaluations, restraint will continue to be necessary to guard against competitive devaluation.

b) A country could opt for a transitional float, under agreed rules, in lieu of a discrete exchange rate change. If it intended to reestablish and maintain a central value for its currency within a given period, a reserve-deficient country could be permitted, under suitable guidelines, to increase its reserves toward its base level. If a country's reserves were above its base level at the time of initiation of the transitional float, it would not be permitted further reserve accumulation.

c) A country could depart from the regime of established parities to float for a period of indefinite duration but only if it adhered to internationally agreed standards that would assure the consistency of its actions with the basic requirements of a cooperative order. These standards would relate, for example, to movements in its reserves, its intervention policies, elimination of controls on the inward flow of capital, avoidance of restrictive trade controls imposed for balance-of-payments purposes and elimination of any existing extraordinary balance-of-payments measures. Exchange rate systems nominally establishing a central or par value but envisaging very frequent changes such as those now in force in some less developed countries, could be integrated with this rule.

d) Any group of countries in the process of forming a monetary union—with an implicit high degree of political and economic integration—could choose to operate as a unit. In this instance, the relevant criteria would be applied to the unit as a whole, which would be expected to speak with one voice in international forums. The reserve norms for the unit would have to be recalculated to reflect external trade and appropriate treatment of intra-unit assets.

e) On a selective basis, consideration should be given to special arrangements for exclusion from reserves, and thus from measurements of adjustment need, of an "investment fund" of foreign securities or other foreign assets held by official agencies. Such funds might be appropriate for selected countries that wanted to hold over a prolonged period of time within official accounts (or with official inducements), foreign assets for long-term investment purposes. Such countries could be asked to observe certain criteria with respect to term, size and nature of the holdings. Oil producing countries with relatively large external assets would be candidates for such arrangements.

f) Negotiated official credits (including IMF credits) should be permitted. Satisfactory procedures for the recording of such credits under the reserve-indicator system would need to be devised.

g) In general, the system should neither ban nor encourage official holdings of foreign exchange. However, in the context of the proposed system, such holdings would presumably not loom so large relatively as in recent years. Each country should have the right to place limits on the further accumulation of its own currency of issue by official institutions in any other individual country or group of countries. Each country that chose to permit foreign official holdings of its currency must provide reasonable and normal investment facilities for those holdings.

29. The United States proposal neither gives special rights to nor imposes special obligations on any country or group of countries. It assumes a monetary system in which all countries are treated equally. All would have the same freedom to use the full exchange rate margins permitted in the system. All would have the same rights to allow their currencies to float, transitionally or indefinitely, under the same internationally agreed rules of behavior and surveillance. All maintaining established values for their currencies would have the same obligation to assure convertibility of their currencies—meaning that officially held balances of foreign currencies could be freely presented to the issuing country for conversion into primary reserve assets, with the choice among SDR's, reserve positions in the IMF and gold to be made by the issuing country.

V. TRANSITIONAL ARRANGEMENTS

30. At the present time there is a highly unbalanced pattern of reserves and balance-of-payments positions among the major industrial nations. Unquestionably there would be a need for special transitional arrangements to put into being the system proposed by the United States. Various approaches for dealing with these problems can be developed. For example, proposals that have been put forward for funding, consolidating or otherwise dealing with foreign exchange balances which holding countries may regard as excess may be particularly relevant. The U.S. has an open mind on particular arrangements that might be proposed. We merely want to note that some generally acceptable transitional arrangements are necessary. This transitional problem is not unique to the proposed system. Any monetary system based upon concepts of equilibrium and convertibility will require special measures to deal with transitional problems.

VI. SOME QUESTIONS ABOUT THE PROPOSALS

31. Three questions which might be raised about the operational feasibility of the U.S. proposal are discussed below. These questions could arise under any system based on reserves as an indicator of adjustment need. Indeed, we should note comparable problems will arise, perhaps in a different form, in any par value-convertibility system, and often in more severe form.

32. The first question is: Is it possible to *define* reserves so as to assure they are useful and accurate criteria?

33. Based on reserves as the key indicator of disequilibrium and the need for adjustment, the system proposed by the U.S. depends on clear and reliable definitions of what constitutes both primary and total reserves, to assure that they give the appropriate signals in a given situation and to assure that the rules cannot be easily circumvented by artificial reserve transactions or concealment of reserves.

34. Primary reserves are more easily defined. They would consist of SDR's, reserve positions in the IMF, and monetary gold. There would be

a precise and known amount of primary reserves for each nation and for the system as a whole.

35. Primary reserves would, of course, be widely transferred among nations for settlement purposes. Primary reserves might also be borrowed and lent. In order to assure the consistency of the aggregate level of primary reserves in the system with the operation of the system, appropriate rules would need to be devised to assure against double counting of primary reserves. For example, it might be agreed that lending and borrowing should not increase the calculated primary reserves of the borrower, nor reduce those of the lender.

36. Definition and measurement of reserves other than primary reserves have in the past been more complicated and more ambiguous. Possibilities for evading the adjustment rules might arise unless there were agreement on a suitably broad definition of what constitutes reserves. An appropriate approach to this problem would be to start from a very broad definition of reserves—all official claims on foreigners, liquid or non-liquid, whether held by or on behalf of the monetary authorities or by other government agencies. Exceptions would be made as appropriate. Long-term aid loans, for example, and normal export credits would presumably be omitted; approved "investment funds," as described above, would be excluded—though care must be taken that such funds not be used as a subterfuge for reserve increases. At any rate, with experience in operating the system, technical discussions would probably help to refine the definitions, so as to reduce the risks of window-dressing and make the system function as effectively as possible.

37. The second question is: How do we deal with problems of *heavy speculative capital flows?*

38. Speculative problems will be a factor in *any* system—indeed, they proved to be a critically important factor in the Bretton Woods system. The system proposed by the U.S. actually contains a number of features which should reduce the problem of speculation, as compared both with the past and with other approaches to reform of which we are aware.

39. The proposal aims at a system which fosters balance, and prompt adjustments to restore equilibrium, through a variety of adjustment measures. Thus, the persistent payments imbalances which in the past were a major factor in generating massive speculative capital movements would be eliminated or sharply diminished.

40. With the system based broadly on the concept of equilibrium, it cannot be overemphasized that national behavior which is truly in the spirit of this concept must help to assure that crisis points are not reached. The existence of the various indicator points on reserve movements does provide limits on disequilibria, and it is possible that movement close to those limits could stimulate some speculative activity, just as very large reserve gains or losses trigger speculative activity in the present system. But for fully satisfactory operation of the system, countries should endeavor to

adjust their positions as the disequilibria emerge, and well before they reach the extremes, both because of the consequences involved in reaching the limits, and because they have accepted external balance as a practical, operative balance-of-payments objective. If a country persists in avoiding adjustment, it will eventually—and appropriately—be subject to the disciplines of the system, including speculative pressures. Much as in the past system, adjustment of some kind becomes unavoidable when disequilibria become extreme. What is missing in the past and present systems, and what the proposed system attempts to provide, is a real incentive for needed adjustment to occur before it is forced by crisis.

41. Also, the proposal has to be looked at in the context of a system of adequately wide exchange rate bands, which would be expected to reduce the prospect for large capital flows significantly.

42. Nonetheless, even with an improved adjustment system there could still be some question of whether false signals could result from speculative capital flows. The answer is that the proposed system contains several important "safety valves." First, there are areas, or zones, within which reserves can move in response to speculative or other pressures without bringing overt international requirements for adjustment measures. Second, there is a time factor envisaged at both the "low point" and the "outer point" which would provide scope for speculative or other flows to occur and reverse themselves, without bringing strong international action to induce adjustment. (This factor could also play an important role in inhibiting speculative movements themselves.) Third, if a nation were pushed across its "outer point" by, say, a heavy inflow of speculative capital, and remained above that point, it need not necessarily appreciate its exchange rate—the requirement is for any "acceptable" adjustment program. Fourth, if the reserve increment were due to capital inflows based on unfounded speculation on an exchange rate change—and the IMF agreed that basic adjustment was not needed—a program dealing exclusively with that problem in an internationally acceptable manner would presumably satisfy the international community. The international community could vote to override the reserve indicators in a case where the signals are judged to be obviously wrong.

43. In discussing these "safety valves," however, it should be remembered that signals are not necessarily "wrong" simply because speculative capital flows arise—such flows may indicate a genuine need for adjustment measures. The system cannot enable nations to avoid *needed* adjustments simply by blaming their problems on speculation.

44. The third question is: Aren't reserve indicators *retrospective* and insufficiently refined, pointing to past maladjustments rather than present or future needs and unable to take account of the composition of the balance of payments?

45. Reserves are more comprehensive, more reliable and more quickly available indicators than other criteria of external balance. While reserves may be distorted in the short run, no other single series provides a superior

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basis for analysis. In a convertibility system, reserve data are necessarily indicative of disequilibrium in the adjustment process; this has always been understood in terms of inducements to adjust for deficit countries—and the concept applies with equal logic to adjustment needs of surplus countries. While other data may provide useful information affecting international judgments of adjustment need, such data should be supplementary.

46. It would, of course, be helpful to have *reliable* indicators of future economic performance. But we don't. It would be useful to know each nation's balance-of-payments position for the next year or two or three—but the present state of the art does not provide data of such reliability that governments can place primary reliance on them in formulating policies for the future. Nor are governments likely to agree on any given assessment of prospects. Attempts to rely on such projections can lead to endless disputes. One has only to recall the discussions prior to the Smithsonian Agreement, of prospective cyclically adjusted current account balances, to realize the opportunities for disagreement.

47. The U.S. proposal does envisage that such "supplementary criteria" as are available should be used to assist the reserve indicators in pointing to adjustment needs. In particular, some countries may have objectives with respect to certain elements in their balance of payments, such as for the current account. And these elements in some cases may be considered more stable. Since inconsistent objectives in that respect could inhibit the process of balance-of-payments adjustment, attention to current account results and objectives could be useful. However, in the end we will require a consistency in the total balance-of-payments results (as reflected in reserve movements) and primary attention to one sector of the balance of payments, however important, would not be consistent with this requirement.

Appendix B

REPORT TO THE PRESIDENT ON THE ACTIVITIES of the COUNCIL OF ECONOMIC ADVISERS DURING 1972

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., December 29, 1972.

THE PRESIDENT:

SIR: The Council of Economic Advisers submits this report on its activities during the calendar year 1972 in accordance with the requirements of the Congress, as set forth in Section 4(d) of the Employment Act of 1946.

Respectfully,

HERBERT STEIN, *Chairman.*
EZRA SOLOMON.
MARINA v.N. WHITMAN.

Report to the President on the Activities of the Council of Economic Advisers During 1972

The Employment Act of 1946 established the Council of Economic Advisers to advise and assist the President in discharging his responsibilities under the act. In carrying out its duties in 1972, the Council devoted major attention to the programs and policies that were initiated by the President's New Economic Policy announced in August 1971.

Herbert Stein became Chairman of the Council on January 1, 1972, succeeding Paul W. McCracken, who returned to the University of Michigan. Mr. Stein is on leave of absence from the University of Virginia, where he is A. Willis Robertson Professor of Economics. Ezra Solomon served on the Council throughout 1972. He became a Member in June 1971 and is on leave of absence from Stanford University, where he is Dean Witter Professor of Finance.

On March 13, 1972, Marina v.N. Whitman became a Member of the Council, filling a vacancy created by the departure of Mr. McCracken at the end of 1971. Mrs. Whitman is on leave of absence from the University of Pittsburgh, where she is Professor of Economics.

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	February 4, 1969	December 31, 1971.

ECONOMIC POLICY MAKING AND THE COUNCIL OF ECONOMIC ADVISERS

RESPONSIBILITIES OF THE COUNCIL

The central responsibility of the Council is to contribute economic analysis to the solution of public policy problems that warrant the attention of the Executive Office of the President. In the Employment Act of 1946, which created the Council, the primary goal mandated by the Congress was "to promote maximum employment, production, and purchasing power." The Council's major responsibility continues to be to provide the President with analysis and recommendations directed toward reaching that goal. The Council furnishes the President with regular reports on current economic conditions and forecasts of the economic outlook. Economic studies contribute information for Presidential decisions on appropriate policies to achieve greater price stability, to expand employment and economic growth, and to reach balance in the Nation's external payments position. In 1972 particular emphasis was placed on the proper evolution of aggregate demand management, the operation and evaluation of the price-wage control system of the Economic Stabilization Program, and the formulation of proposals for international economic reform.

The Council's role has broadened far beyond the primary goal of macroeconomic policy set forth in the Employment Act. Under the act, the Council is also given responsibility "to appraise the various programs and activities of the Federal Government." Experience has demonstrated that economic analysis can be useful in dealing with many issues other than employment and price stability. As the Council has become increasingly involved in a broader range of subjects, its direct advisory role to the President has been expanded to include advisory work with many departments, agencies, and offices in the executive branch. Members of the Council's staff maintain close working relations with other agencies and assist in evaluating current programs and developing new ones.

The Council's activities in 1972 covered a wide range of economic issues. The Council participated in areas of emerging prominence, including the evaluation of science policies, the development of programs to improve environmental quality, studies of productivity in the food sector, and an intensive review of the Nation's energy problems. Contributions were made to the analysis of changes in tax regulations, social security benefits and financing, Federal credit programs and regulation of financial markets, as well as to the formulation of agricultural programs, review of the timber supply situation, and the evaluation of housing programs. The Council continued to analyze the problems of certain regulated industries, particularly transportation, and examined several aspects of national growth policy. Work in the area of human resources included a review of manpower programs and the study of a variety of issues in health and education. In many instances the Council provided leadership to interagency studies in these fields.

The problems and policies of international trade and investment continue to be a major concern of the Council. The Council helps formulate the Administration's position on overall international trade policy, and it also works on the resolution of specific trade problems. In 1972 the Council contributed to decisions on meat imports, preparations for upcoming trade legislation and negotiations, and studies of the impact of direct foreign investment and the transfer of technology abroad.

The Council also provided liaison with the President's Advisory Panel on Timber and the Environment. The Panel is expected to submit its report and recommendations to the President in early 1973.

In September the President announced that he had requested the Chairman to organize an Advisory Committee on the Economic Role of Women. The Committee's purpose is to expand knowledge of the role of women in the economy, to highlight problem areas, and to ensure that the economic interests of women are considered in the formation of economic policy. The first meeting of the Committee is planned for early 1973.

Early each year the President submits the *Economic Report of the President* to the Congress as required by the Employment Act. The Council assumes major responsibility for preparation of this *Report* which, together with the Annual Report of the Council of Economic Advisers, reviews the progress of the economy over the past year and outlines the Administration's policies and programs to achieve the goals of the act.

POLICY COORDINATION

Much of the Council's work is performed through joint activities with other agencies of the executive branch. The "Troika" system is the main working group that monitors the overall performance of the economy, examines the economic outlook, and analyzes stabilization policies. It ensures close working relationships between officials of the Treasury, the Office of Management and Budget (OMB), and the Council. A group of senior staff economists from all three agencies, known as T–3, conducts studies which are submitted to a second tier composed of a Council Member, the economist for OMB, and the Assistant Secretary of the Treasury for Economic Policy. This group, called T–2, reviews the analysis and clears it for consideration by the Troika, which includes the Chairman of the Council, the Director of OMB, and the Secretary of the Treasury. The Troika meets on a regular schedule every 2 weeks. When problems or concerns are such that the Chairman of the Board of Governors of the Federal Reserve System joins the Troika, the group is referred to as the "Quadriad." Both the Troika and the Quadriad meet from time to time with the President.

During 1972 the Council worked closely with the Cost of Living Council, which supervises the Economic Stabilization Program. Mr. Stein is Vice Chairman of this group, Mrs. Whitman serves on its planning committee, and senior staff economists are members of its senior review group and various informal working groups.

The Council is active in several areas of work coordinated by the Council on International Economic Policy and the Domestic Council. The Chairman also served as a member of the National Commission on Productivity, the Regulations and Purchasing Review Board, the Property Review Board, the Oil Policy Committee, the Joint Board on Fuel Supply and Transport, and the Defense Programs Review Committee.

In addition to these relatively formal groups that provide for coordination of economic analysis and policy, the Council and the professional staff served as members of approximately 30 other interagency working groups, including several on the quality of Federal economic statistics.

In November 1972 the President announced a new Council on Economic Policy, which will be chaired by George P. Shultz, the Secretary of the Treasury. The Council of Economic Advisers will be a member of the new Council and will participate actively in many of the working groups that will be the main vehicle through which the new Council will function.

The Chairman and Council Members appeared before the Joint Economic Committee (JEC) of the Congress four times during 1972. The JEC, like the Council, was created by the Employment Act of 1946. The act requires the JEC "to make a continuing study of matters relating to the *Economic Report*" and to submit its own report and recommendations to the House and Senate. The Council testified on the *Economic Report* before the JEC on February 7 and appeared again on July 24 in connection with the midyear review of the economy. In addition, the Chairman presented testimony with Mrs. Whitman to the JEC regarding the Economic Stabilization Program (April 14); and he presented testimony with Mr. Solomon during the hearings on unemployment problems (October 26). Mr. Stein also testified before two other congressional committees in 1972: before the House Ways and Means Committee on June 6 and September 19 in connection with raising the Federal debt ceiling and before the House Appropriations Committee on January 27 concerning the Federal budget. Mr. Solomon testified on the relation between the Federal budget and the economy before the Senate Appropriations Committee and the House Ways and Means Committee on February 1.

The Council maintained an active role in the growing international dialogue on economic policy. The Chairman heads the U.S. delegation to the Economic Policy Committee of the Organization for Economic Cooperation and Development. He also serves as Vice Chairman of the Committee. Council Members and senior staff economists attended meetings of several different working parties of the Committee during the year. Mr. Solomon and Mrs. Whitman head the U.S. delegations to Working Party II on economic growth and resource allocation and Working Party IV on inflation, respectively. A new activity was initiated in March when Mr. Solomon and two members of the staff met in Tokyo with officials of the Japanese Economic Planning Agency to discuss economic issues of common interest. In September a six-member delegation from Japan came to Washington to continue the informal discussions. This exchange proved to be productive, and plans are being made to continue it in 1973. The Council was also host to a delegation from the Economic Council of Romania in March 1972. The delegation was headed by Manea Manescu, Chairman of the Economic Council and one of Romania's Vice Presidents.

PUBLIC INFORMATION

The annual *Economic Report* is the principal medium through which the Council informs the public of its work and its views. It is also an important vehicle for presenting and explaining the Administration's overall economic policy, both domestic and international. Distribution of *Reports* in recent years has averaged about 50,000 copies. The Council also assumes primary responsibility for the monthly *Economic Indicators,* a publication prepared by the Council's Statistical Office, under the supervision of Frances James. The Joint Economic Committee issues *Indicators,* which has a distribution of approximately 10,000 copies.

Information is also provided to the public through the speeches and participation in seminars and panels by the Chairman, the Members, and the senior staff economists throughout the year. The Council held frequent press conferences during 1972 to comment on important economic statistics shortly after they were released. Each year the Council answers numerous requests from the press and provides economic information in response to inquiries from individual citizens. In addition, the Council and staff schedule visits from business, academic, and other groups and individuals as often as they can without interfering with other responsibilities.

ORGANIZATION AND STAFF OF THE COUNCIL

OFFICE OF THE CHAIRMAN

The Chairman is officially charged with reporting the Council's views to the President under authority of the Employment Act, as amended in 1953 by Reorganization Plan No. 9. He performs this duty through direct consultations with the President, regular memoranda on the economy, and written submissions on special issues that arise. The Chairman represents the Council at meetings of the Cabinet and in many other formal and informal contacts with Government officials.

COUNCIL MEMBERS

Together the two Council Members are responsible for all subject matter covered by the Council, including direct supervision of the work of the professional staff. Members represent the Council at a wide variety of meetings and assume major responsibility for the Council's involvement in many activities. One of the Council Members automatically becomes Acting Chairman whenever the Chairman is absent from Washington.

In practice, the small size of the Council's staff permits the Chairman and Council Members to work as a team in most circumstances. There is, however, an informal division of subject matter between them. Mr. Solomon's areas in 1972 included domestic economic and financial conditions and outlook; fiscal policy and monetary policy; manpower programs; taxation and social security; energy; defense; housing; and national growth policy.

Mrs. Whitman is responsible for the analysis of international economic developments and policy. Other areas under her supervision include price and wage developments, particularly the Economic Stabilization Program; human resource programs; industry studies, including agriculture and transportation; environmental programs; and issues related to regulated industries.

PROFESSIONAL STAFF

At the end of 1972 the professional staff consisted of 13 senior staff economists, two statisticians, and eight members of the junior research staff. 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
Geza M. Feketekuty	International Finance and Trade
Murray F. Foss	Economic Analysis and Forecasting
William E. Gibson	Monetary Policy, Financial and Mortgage Markets, and International Finance
Ronald F. Hoffman	Public Finance and Social Security
Mary W. Hook	Business Conditions and Forecasting
William A. Johnson	Energy, Defense, Urban Economics, and National Growth Policy
Leo V. Mayer	Food and Agriculture
June A. O'Neill	Manpower Programs, Health, Education, Welfare, and the Economic Role of Women
Nicholas S. Perna	Labor Economics and Manpower Programs
Gary L. Seevers	Special Assistant to the Chairman
Robert D. Tollison	Environment, Industry Regulation, Research and Development
Robert C. Vogel	Fiscal Policy, Public Finance, and Econometrics

Statisticians

Frances M. James	Senior Statistician
Catherine H. Furlong	Statistician

Junior Staff Economists

Paul W. Boltz	Public Finance
David C. Munro	Economic Analysis and Forecasting
Andrew J. Safir	International Finance and Trade
Lydia Segal	Econometrics and Forecasting
Mary E. Sullivan	Financial and Mortgage Markets

Research Assistants and Interns

Zell Berman
Irwin L. Collier, Jr.
Robert S. Dohner

Frances M. James, Senior Staff Statistician, continued to be in charge of the Council's Statistical Office. Miss James has major responsibility for managing the Council's economic and statistical information system. She supervises 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 handles the fact checking of memoranda, testimony, and speeches. Catherine H. Furlong, Dorothy Bagovich, V. Madge McMahon, and Natalie V. Rentfro assist Miss James.

The Council conducts a student intern program, employing a limited number of promising graduate and undergraduate students of economics for temporary periods, particularly during the summer months. Interns who served during 1972 were Irwin L. Collier, Jr. (Yale University), Robert S. Dohner (Harvard University), Eric B. Herr (Indiana University), Susan C. Nelson (Princeton University), William P. Starnes (Rice University), Mary E. Sullivan (University of Minnesota), and Michelle J. White (Princeton University).

Each year the Council obtains the consulting services of several economists. Consultants who provided services during 1972 included Alan Greenspan (Townsend-Greenspan & Co.), Hendrik S. Houthakker (Harvard University), Stephen P. Magee (University of Chicago), Thomas G. Moore (Michigan State University), and G. Paul Wonnacott (University of Maryland). James R. Golden (U.S. Military Academy) was a member of the professional staff during the summer.

In preparing the *Economic Report,* the Council relied upon the editorial assistance of Rosannah C. Steinhoff.

SUPPORTING STAFF

The Administrative Office provides administrative support for the entire Council staff including 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, Bettye T. Siegel, and D. Carolyn

Fletcher. The duplicating, mail, and messenger department was operated by James W. Gatling, Frank C. Norman, and Kharl A. Williams.

The secretarial staff for the Chairman and Council Members consisted of Joyce A. Pilkerton, Mary Catherine Fibich, Alice H. Williams, Mayme Burnett, and Patricia A. Lee. Secretaries for the professional staff included Cheryl L. Green, Dorothy L. Green, Bessie M. Lafakis, Jean P. Noll, Julie L. Ohner, Earnestine Reid, Linda A. Reilly, and Lillie M. Sturniolo.

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 Eric A. Hanushek (U.S. Air Force Academy), Alan K. McAdams (Cornell University), Edward J. Mitchell (Cornell University), J. Carter Murphy (Southern Methodist University), Mark J. Riedy (Federal Home Loan Bank Board), Frank C. Ripley (Data Resources, Inc.), Bernard Saffran (Swarthmore College), and James R. Wetzel (Board of Governors of the Federal Reserve System). A. Gilbert Heebner also resigned from the position of Special Assistant to the Chairman to return to the Philadelphia National Bank. Junior economists who resigned in 1972 were Rayton Gerald, William R. Keeton, and H. Kemble Stokes, Jr. Other resignations included Daisy S. Babione, secretary; Evelyn D. DeZerne, research assistant; Karen J. MacFarland, secretary; Joanne M. Vinyard, research assistant; and A. Keith Miles of the Administrative Office. Laura B. Hoffman, secretary, and Eleanor A. McStay, secretary, retired from Federal service during 1972.

Appendix C

STATISTICAL TABLES RELATING TO INCOME, EMPLOYMENT, AND PRODUCTION

CONTENTS

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General Notes

Detail in these tables may not add to totals because of rounding.
Unless otherwise noted, all dollar figures are in current dollars.
See Economic Report 1972 for data for intervening years not shown here.

Symbols used:
p Preliminary.
-- Not available (also, not applicable).

TABLE C–1.—*Gross national product or expenditure, 1929–72*

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]					Percent change from preceding period, total gross national product [6]
					Total	Federal			State and local	
						Total	National defense [5]	Other		
	Billions of dollars									
1929	103.1	77.2	16.2	1.1	8.5	1.3	1.3		7.2	....
1933	55.6	45.8	1.4	.4	8.0	2.0	2.0		6.0	−4.2
1939	90.5	66.8	9.3	1.1	13.3	5.1	1.2	3.9	8.2	6.9
1940	99.7	70.8	13.1	1.7	14.0	6.0	2.2	3.8	8.0	10.2
1941	124.5	80.6	17.9	1.3	24.8	16.9	13.8	3.1	7.9	24.9
1942	157.9	88.5	9.8	.0	59.6	51.9	49.4	2.5	7.7	26.8
1943	191.6	99.3	5.7	−2.0	88.6	81.1	79.7	1.4	7.4	21.3
1944	210.1	108.3	7.1	−1.8	96.5	89.0	87.4	1.6	7.5	9.7
1945	211.9	119.7	10.6	−.6	82.3	74.2	73.5	.7	8.1	.9
1946	208.5	143.4	30.6	7.5	27.0	17.2	14.7	2.5	9.8	−1.6
1947	231.3	160.7	34.0	11.5	25.1	12.5	9.1	3.5	12.6	10.9
1948	257.6	173.6	46.0	6.4	31.6	16.5	10.7	5.8	15.0	11.3
1949	256.5	176.8	35.7	6.1	37.8	20.1	13.3	6.8	17.7	−.4
1950	284.8	191.0	54.1	1.8	37.9	18.4	14.1	4.3	19.5	11.0
1951	328.4	206.3	59.3	3.7	59.1	37.7	33.6	4.1	21.5	15.3
1952	345.5	216.7	51.9	2.2	74.7	51.8	45.9	5.9	22.9	5.2
1953	364.6	230.0	52.6	.4	81.6	57.0	48.7	8.4	24.6	5.5
1954	364.8	236.5	51.7	1.8	74.8	47.4	41.2	6.2	27.4	.1
1955	398.0	254.4	67.4	2.0	74.2	44.1	38.6	5.5	30.1	9.1
1956	419.2	266.7	70.0	4.0	78.6	45.6	40.3	5.3	33.0	5.3
1957	441.1	281.4	67.9	5.7	86.1	49.5	44.2	5.3	36.6	5.2
1958	447.3	290.1	60.9	2.2	94.2	53.6	45.9	7.7	40.6	1.4
1959	483.7	311.2	75.3	.1	97.0	53.7	46.0	7.6	43.3	8.2
1960	503.7	325.2	74.8	4.0	99.6	53.5	44.9	8.6	46.1	4.1
1961	520.1	335.2	71.7	5.6	107.6	57.4	47.8	9.6	50.2	3.2
1962	560.3	355.1	83.0	5.1	117.1	63.4	51.6	11.8	53.7	7.7
1963	590.5	375.0	87.1	5.9	122.5	64.2	50.8	13.5	58.2	5.4
1964	632.4	401.2	94.0	8.5	128.7	65.2	50.0	15.2	63.5	7.1
1965	684.9	432.8	108.1	6.9	137.0	66.9	50.1	16.8	70.1	8.3
1966	749.9	466.3	121.4	5.3	156.8	77.8	60.7	17.1	79.0	9.5
1967	793.9	492.1	116.6	5.2	180.1	90.7	72.4	18.4	89.4	5.9
1968	864.2	536.2	126.0	2.5	199.6	98.8	78.3	20.5	100.8	8.9
1969	930.3	579.5	139.0	1.9	210.0	98.8	78.4	20.4	111.2	7.6
1970	976.4	616.8	137.1	3.6	219.0	96.5	75.1	21.5	122.5	5.0
1971	1,050.4	664.9	152.0	.7	232.8	97.8	71.4	26.3	135.0	7.6
1972 p	1,152.1	721.1	180.2	−4.1	254.9	105.9	76.2	29.7	148.9	9.7
	Seasonally adjusted annual rates									
1970: I	958.0	604.1	132.9	3.6	217.3	99.7	78.9	20.9	117.6	3.9
II	971.7	613.4	137.7	3.9	216.7	96.2	74.7	21.6	120.5	5.9
III	986.3	623.0	139.9	4.0	219.5	95.2	73.8	21.4	124.3	6.1
IV	989.7	626.5	137.8	2.8	222.6	95.0	72.9	22.1	127.6	1.4
1971: I	1,023.4	648.0	143.9	4.5	227.0	96.2	72.5	23.7	130.8	14.3
II	1,043.0	660.4	153.0	.1	229.5	96.3	71.2	25.0	133.3	7.9
III	1,056.9	670.7	152.2	.4	233.6	97.9	70.1	27.8	135.7	5.4
IV	1,078.1	680.5	158.8	−2.1	240.9	100.7	71.9	28.7	140.2	8.3
1972: I	1,109.1	696.1	168.1	−4.6	249.4	105.7	76.7	28.9	143.7	12.0
II	1,139.4	713.4	177.0	−5.2	254.1	108.1	78.6	29.6	146.0	11.4
III	1,164.0	728.6	183.2	−3.4	255.6	105.4	75.1	30.2	150.2	8.9
IV p	1,195.8	746.2	192.4	−3.0	260.3	104.5	74.4	30.1	155.8	11.4

[1] See Table C–12 for detailed components.
[2] See Table C–13 for detailed components.
[3] See Table C–8 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, 1974."
[6] Changes are based on unrounded data and therefore may differ slightly from those obtained from published data.

Source: Department of Commerce, Bureau of Economic Analysis.

Table C-2.—*Gross national product or expenditure in 1958 dollars, 1929–72*

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		
	Billions of 1958 dollars											
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
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
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	725.6	469.1	85.6	201.3	182.2	110.5	103.8	80.1	24.3	55.8	23.7	6.7
1970	722.1	477.0	83.1	207.0	186.8	104.0	99.9	77.6	23.6	54.0	22.3	4.1
1971	741.7	495.4	92.1	211.1	192.2	108.6	105.9	76.8	22.8	54.0	29.1	2.6
1972 p	789.7	524.8	103.1	220.5	201.2	123.8	119.3	84.3	22.9	61.3	35.0	4.5
	Seasonally adjusted annual rates											
1970: I	720.4	474.1	83.8	204.4	185.9	102.0	101.0	78.8	24.0	54.8	22.2	0.9
II	723.2	476.9	84.7	206.0	186.2	105.6	100.0	78.9	23.9	55.0	21.1	5.6
III	726.8	480.2	84.9	207.7	187.6	106.2	101.3	79.3	23.5	55.7	22.0	4.9
IV	718.0	476.5	78.9	209.9	187.8	102.2	97.4	73.6	22.9	50.7	23.9	4.8
1971: I	731.9	488.2	88.8	210.0	189.3	105.0	101.2	75.3	23.4	51.9	25.9	3.8
II	737.9	493.0	90.0	211.2	191.8	110.0	104.7	76.4	23.0	53.3	28.3	5.3
III	742.5	497.4	94.2	210.5	192.8	107.3	106.6	76.4	22.5	53.9	30.1	.7
IV	754.5	503.2	95.4	212.8	195.0	112.0	111.3	79.2	22.2	57.0	32.1	.7
1972: I	766.5	511.0	98.6	214.7	197.7	116.6	116.3	82.2	23.0	59.2	34.2	.3
II	783.9	520.9	100.7	220.1	200.0	122.0	118.0	83.6	23.0	60.6	34.4	3.9
III	796.1	528.7	104.5	221.9	202.3	125.5	119.3	84.2	22.6	61.6	35.1	6.2
IV p	812.4	538.6	108.4	225.3	204.9	131.1	123.4	87.2	23.1	64.0	36.3	7.7

See footnotes at end of table.

TABLE C–2.—*Gross national product or expenditure in 1958 dollars, 1929–72*—Continued

Year or quarter	Net exports of goods and services			Government purchases of goods and services[1]			Addendum: Gross private product	Percent change from preceding period[2]	
	Net exports	Exports	Imports	Total	Federal	State and local		Total gross national product	Gross private product
	Billions of 1958 dollars								
1929	1.5	11.8	10.3	22.0	3.5	18.5	190.9	....	....
1933	.0	7.1	7.1	23.3	6.0	17.3	127.5	−1.9	−2.7
1939	1.3	10.0	8.7	35.2	12.5	22.7	188.7	8.5	9.4
1940	2.1	11.0	8.9	36.4	15.0	21.4	205.6	8.5	9.0
1941	.4	11.2	10.8	56.3	36.2	20.1	236.6	16.1	15.0
1942	−2.1	7.8	9.9	117.1	98.9	18.3	257.3	12.9	8.8
1943	−5.9	6.8	12.6	164.4	147.8	16.6	272.8	13.2	6.1
1944	−5.8	7.6	13.4	181.7	165.4	16.3	286.9	7.2	5.2
1945	−3.8	10.2	13.9	156.4	139.7	16.7	282.5	−1.7	−1.5
1946	8.4	19.6	11.2	48.4	30.1	18.4	275.1	−12.0	−2.6
1947	12.3	22.6	10.3	39.9	19.1	20.8	281.4	−.9	2.3
1948	6.1	18.1	12.0	46.3	23.7	22.7	295.0	4.4	4.8
1949	6.4	18.1	11.7	53.3	27.6	25.7	294.1	.2	−.3
1950	2.7	16.3	13.6	52.8	25.3	27.5	324.2	9.6	10.2
1951	5.3	19.3	14.1	75.4	47.4	27.9	344.6	7.9	6.3
1952	3.0	18.2	15.2	92.1	63.8	28.4	353.2	3.0	2.5
1953	1.1	17.8	16.7	99.8	70.0	29.7	371.1	4.5	5.0
1954	3.0	18.8	15.8	88.9	56.8	32.1	366.2	−1.4	−1.3
1955	3.2	20.9	17.7	85.2	50.7	34.4	397.2	7.6	8.5
1956	5.0	24.2	19.1	85.3	49.7	35.6	404.8	1.8	1.9
1957	6.2	26.2	19.9	89.3	51.7	37.6	410.5	1.5	1.4
1958	2.2	23.1	20.9	94.2	53.6	40.6	405.2	−1.1	−1.3
1959	.3	23.8	23.5	94.7	52.5	42.2	433.4	6.4	7.0
1960	4.3	27.3	23.0	94.9	51.4	43.5	444.0	2.5	2.4
1961	5.1	28.0	22.9	100.5	54.6	45.9	452.3	1.9	1.9
1962	4.5	30.0	25.5	107.5	60.0	47.5	482.9	6.6	6.7
1963	5.6	32.1	26.6	109.6	59.5	50.1	503.2	4.0	4.2
1964	8.3	36.5	28.2	111.2	58.1	53.2	532.0	5.4	5.7
1965	6.2	37.4	31.2	114.7	57.9	56.8	567.0	6.3	6.6
1966	4.2	40.2	36.1	126.5	65.4	61.1	603.5	6.5	6.4
1967	3.6	42.1	38.5	140.2	74.7	65.5	617.5	2.6	2.3
1968	1.0	45.7	44.7	147.7	78.1	69.6	647.0	4.7	4.8
1969	.2	48.4	48.3	145.9	73.5	72.4	664.9	2.7	2.8
1970	2.2	52.2	50.0	139.0	64.7	74.3	661.3	−.5	−.5
1971	.1	52.6	52.5	137.6	60.8	76.8	681.0	2.7	3.0
1972 p	−1.8	56.9	58.7	142.9	61.6	81.3	728.4	6.5	6.9
	Seasonally adjusted annual rates								
1970: I	1.9	51.9	50.0	142.4	69.0	73.5	659.5	−2.5	−2.6
II	2.0	52.3	50.4	138.6	64.8	73.8	662.3	1.5	1.7
III	2.9	52.4	49.5	137.5	62.9	74.6	666.1	2.0	2.3
IV	1.9	52.1	50.1	137.3	62.1	75.1	657.4	−4.8	−5.1
1971: I	2.7	53.0	50.3	136.1	60.2	75.9	671.3	8.0	8.7
II	−.7	53.0	53.8	135.7	59.7	76.0	677.5	3.4	3.7
III	.1	54.4	54.3	137.6	61.0	76.7	681.7	2.5	2.5
IV	−1.8	49.9	51.7	141.1	62.3	78.8	693.7	6.7	7.2
1972: I	−3.3	55.5	58.9	142.2	62.8	79.4	705.6	6.5	7.1
II	−2.8	54.2	57.0	143.9	63.7	80.3	723.0	9.4	10.2
III	−.7	57.2	57.9	142.6	60.8	81.8	734.5	6.3	6.5
IV p	−.3	60.5	60.8	143.0	59.2	83.8	750.3	8.5	8.9

[1] Net of Government sales.
[2] Changes are based on unrounded data and therefore may differ slightly from those obtained from published data.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C–3.—*Implicit price deflators for gross national product, 1929–72*

[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
1933	39.29	40.6	41.9	38.0	43.6	30.6	31.6	27.9	34.5	27.1
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	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1959	101.66	101.3	101.4	99.9	103.0	102.6	102.2	102.7	102.0	103.1
1960	103.29	102.9	100.9	101.2	105.8	103.4	102.9	104.0	102.2	104.5
1961	104.62	103.9	100.6	101.9	107.6	103.9	103.4	105.6	102.1	105.0
1962	105.78	104.9	100.8	102.8	109.0	104.9	104.1	107.1	102.3	106.7
1963	107.17	106.1	100.4	104.0	110.9	106.0	104.5	108.9	102.3	108.9
1964	108.85	107.4	100.4	104.9	113.1	107.6	105.7	111.1	103.0	112.3
1965	110.86	108.8	99.6	106.9	115.1	109.3	107.5	114.7	103.9	114.2
1966	113.95	111.5	98.7	110.7	118.3	111.8	110.2	118.9	106.0	117.4
1967	117.59	114.4	100.3	113.0	122.2	115.9	113.8	124.0	109.3	123.1
1968	122.30	118.4	103.4	117.1	126.9	120.4	117.5	129.8	112.0	129.7
1969	128.20	123.5	106.1	122.2	133.2	126.4	123.0	141.0	115.2	137.7
1970	135.23	129.3	108.9	127.7	140.1	132.2	130.0	152.7	120.1	140.0
1971	141.61	134.2	112.4	131.7	147.4	140.0	137.7	168.4	124.7	146.3
1972 p	145.88	137.4	112.8	135.8	151.7	146.2	142.9	184.1	127.5	154.0
	Seasonally adjusted									
1970: I	132.97	127.4	107.6	126.1	137.8	130.1	127.2	147.6	118.2	140.3
II	134.38	128.6	108.1	127.4	139.4	131.4	128.9	151.1	119.3	140.8
III	135.71	129.7	109.0	128.2	140.8	132.0	130.4	153.7	120.6	137.7
IV	137.85	131.5	110.9	129.2	142.6	135.6	133.8	158.5	122.6	141.0
1971: I	139.84	132.8	112.4	130.2	145.2	137.4	135.4	160.9	123.9	143.1
II	141.34	134.0	113.2	131.3	146.7	139.8	137.5	166.3	125.0	146.0
III	142.35	134.8	112.7	132.3	148.4	141.6	139.1	171.9	125.4	147.8
IV	142.88	135.2	111.3	133.2	149.2	141.2	138.6	174.9	124.5	147.5
1972: I	144.68	136.2	112.6	134.2	150.1	144.2	141.3	179.3	126.5	151.0
II	145.34	137.0	113.0	135.0	151.2	145.8	142.6	182.7	127.4	153.3
III	146.21	137.8	113.5	136.1	152.2	146.9	143.5	185.0	128.3	155.0
IV p	147.20	138.6	112.1	137.8	153.4	147.8	144.1	189.6	127.7	156.6

See footnotes at end of table.

TABLE C-3.—*Implicit price deflators for gross national product, 1929–72*—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
1933	33.7	28.8	34.5	33.1	35.0	39.92	33.5
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	100.00	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	114.6	111.1	144.0	134.5	153.6	124.30	171.0
1970	120.5	118.6	157.6	149.2	165.0	130.31	188.8
1971	125.8	124.5	169.1	160.8	175.7	135.91	205.7
1972 *p*	129.6	132.6	178.3	171.9	183.1	139.49	221.7
	Seasonally adjusted						
1970: I	118.5	115.8	152.6	144.6	160.1	128.31	183.3
II	120.4	117.4	156.3	148.5	163.2	129.49	187.6
III	121.7	120.8	159.7	151.3	166.7	130.71	190.6
IV	121.4	120.4	162.2	152.9	169.8	132.73	193.6
1971: I	125.2	122.8	166.8	159.9	172.3	134.28	201.5
II	125.8	123.8	169.2	161.3	175.4	135.69	204.6
III	125.9	125.4	169.7	160.5	177.1	136.63	206.4
IV	126.3	126.0	170.7	161.5	178.0	136.98	210.1
1972: I	127.4	128.0	175.4	168.2	181.0	138.40	217.5
II	129.1	131.9	176.6	169.9	181.9	139.00	220.7
III	130.1	134.3	179.2	173.4	183.6	139.77	223.1
IV *p*	131.7	136.1	182.0	176.6	185.8	140.71	225.5

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

[2] Gross national product less compensation of general government employees. See also Tables C–9 and C–10.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C–4.—*Implicit price deflators and alternative price measures of gross national product and gross private product, 1939–72*

Year or quarter	Gross national product price measures, 1958=100				Percent change from preceding period [1]					
	Total		Private		Total			Private		
	Implicit price deflator	Price index, 1967 weights	Implicit price deflator	Price index, 1967 weights	Implicit price deflator	Price index, 1967 weights	Chain price index	Implicit price deflator	Price index, 1967 weights	Chain price index
1939	43.23		43.93		−1.5			−1.6		
1940	43.87		44.69		1.5			1.7		
1941	47.22		48.66		7.7			8.9		
1942	53.03		55.51		12.3			14.1		
1943	56.83		60.85		7.2			9.6		
1944	58.16		62.02		2.3			1.9		
1945	59.66		62.59		2.6			.9		
1946	66.70		68.25		11.8			9.0		
1947	74.64		76.27		11.9			11.8		
1948	79.57		81.40		6.6			6.7		
1949	79.12		80.60		−.6			−1.0		
1950	80.16		81.41		1.3			1.0		
1951	85.64		87.35		6.8			7.3		
1952	87.45		88.99		2.1			1.9		
1953	88.33		89.65		1.0			.7		
1954	89.63		90.77		1.5			1.2		
1955	90.86		91.57		1.4			.9		
1956	93.99		94.53		3.4			3.2		
1957	97.49		97.92		3.7			3.6		
1958	100.00		100.00		2.5			2.1		
1959	101.66		101.41		1.7			1.4		
1960	103.29		102.76		1.6			1.3		
1961	104.62		103.73		1.3			.9		
1962	105.78		104.73		1.1			1.0		
1963	107.17		105.80		1.3			1.0		
1964	108.85		107.05		1.6			1.2		
1965	110.86	110.75	108.83	108.65	1.8			1.7		
1966	113.94	114.06	111.56	111.62	2.8	3.0		2.5	2.7	
1967	117.59	117.58	114.79	114.78	3.2	3.1	3.1	2.9	2.8	2.9
1968	122.30	122.51	118.90	119.10	4.0	4.2	4.2	3.6	3.8	3.8
1969	128.20	128.61	124.30	124.67	4.8	5.0	4.9	4.5	4.7	4.6
1970	135.23	135.56	130.31	130.64	5.5	5.4	5.3	4.8	4.8	4.7
1971	141.61	142.40	135.91	136.53	4.7	5.1	5.0	4.3	4.5	4.5
1972 p	145.88	147.97	139.49	140.92	3.0	3.9	3.7	2.6	3.2	3.1
	Seasonally adjusted annual rates									
1970: I	132.97	133.25	128.31	128.59	6.5	6.0	5.8	5.3	4.7	4.6
II	134.38	134.92	129.49	130.05	4.3	5.1	5.1	3.7	4.6	4.6
III	135.71	136.15	130.71	131.11	4.0	3.7	3.5	3.8	3.3	3.2
IV	137.85	137.99	132.73	132.87	6.5	5.5	5.6	6.3	5.5	5.6
1971: I	139.84	140.35	134.28	134.67	5.9	7.0	6.8	4.8	5.5	5.5
II	141.34	141.98	135.69	136.18	4.4	4.7	4.6	4.3	4.6	4.4
III	142.35	143.22	136.63	137.36	2.9	3.5	3.4	2.8	3.5	3.4
IV	142.88	144.11	136.98	137.94	1.5	2.5	2.1	1.0	1.7	1.4
1972: I	144.68	146.26	138.40	139.47	5.1	6.1	5.6	4.2	4.5	4.4
II	145.34	147.35	139.00	140.32	1.8	3.0	2.7	1.7	2.5	2.3
III	146.21	148.49	139.77	141.34	2.4	3.1	3.1	2.2	2.9	2.9
IV p	147.20	149.72	140.71	142.48	2.7	3.4	3.0	2.7	3.3	2.8

[1] Changes are based on unrounded data and therefore may differ slightly from those obtained from published indexes.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C-5.—*Gross national product by industry in 1958 dollars, 1947–71*

[Billions of 1958 dollars]

Year	Total gross national product	Agriculture, forestry, and fisheries	Contract construction	Manufacturing: Total	Manufacturing: Durable goods industries	Manufacturing: Nondurable goods industries	Transportation, communication, and utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government and government enterprises	All other[1]
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	725.6	25.4	24.1	228.6	136.9	91.7	75.4	124.2	95.5	67.7	70.3	14.3
1970	722.1	26.1	23.6	217.8	125.8	92.0	77.4	126.8	95.6	68.7	70.0	16.0
1971	741.7	26.9	24.0	221.4	125.8	95.7	80.9	131.9	98.8	69.5	70.0	18.1

[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 C–6.—*Gross national product by major type of product, 1929–72*

[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	Durable goods: Total	Durable goods: Final sales	Durable goods: Inventory change	Nondurable goods: Total	Nondurable goods: Final sales	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	......
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	......
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	930.3	922.5	7.8	457.5	449.7	7.8	187.3	182.3	5.0	270.2	267.4	2.8	377.9	94.9	36.6
1970	976.4	971.5	4.9	471.9	467.0	4.9	184.9	183.0	1.9	287.0	284.0	3.0	409.2	95.4	30.7
1971	1,050.4	1,046.7	3.6	495.5	491.8	3.6	195.7	194.6	1.1	299.8	297.3	2.5	443.9	111.0	40.9
1972 p	1,152.1	1,146.2	5.8	542.8	536.9	5.8	222.7	217.6	5.2	320.1	319.4	.7	482.2	127.1	43.0
	Seasonally adjusted annual rates														
1970: I	958.0	956.4	1.5	463.8	462.3	1.5	185.4	184.4	1.0	278.4	277.8	0.5	400.6	93.5	30.9
II	971.7	965.5	6.3	473.6	467.3	6.3	186.8	185.2	1.6	286.7	282.1	4.7	405.1	93.1	35.1
III	986.3	980.2	6.2	478.8	472.7	6.2	193.4	187.4	6.0	285.4	285.2	.2	412.2	95.3	34.2
IV	989.7	984.1	5.7	471.2	465.6	5.7	173.9	174.8	−.9	297.3	290.7	6.6	418.7	99.8	22.5
1971: I	1,023.4	1,018.5	4.9	487.1	482.2	4.9	193.3	189.6	3.7	293.8	292.6	1.2	431.3	105.0	42.5
II	1,043.0	1,036.4	6.6	492.4	485.8	6.6	194.5	191.0	3.6	297.9	294.8	3.1	441.1	109.5	40.1
III	1,056.9	1,055.6	1.3	497.5	496.2	1.3	196.7	197.7	−1.0	300.8	298.5	2.3	446.7	112.7	42.4
IV	1,078.1	1,076.4	1.7	504.8	503.1	1.7	198.2	200.1	−1.9	306.6	303.0	3.5	456.3	117.0	38.8
1972: I	1,109.1	1,108.6	.4	517.6	517.2	.4	209.2	208.8	.4	308.4	308.4	.0	467.3	124.2	39.9
II	1,139.4	1,134.4	5.0	537.1	532.1	5.0	217.6	214.6	3.0	319.6	317.5	2.1	477.3	125.0	41.5
III	1,164.0	1,156.0	8.0	550.4	542.4	8.0	226.1	220.7	5.4	324.3	321.7	2.6	487.3	126.3	46.0
IV p	1,195.8	1,185.9	10.0	566.0	556.0	10.0	238.0	226.2	11.9	327.9	329.9	−1.9	496.8	133.1	44.5

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C–7.—*Gross national product by major type of product in 1958 dollars, 1929–72*

[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	------
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	------
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	725.6	718.9	6.7	390.0	383.3	6.7	167.5	163.2	4.3	222.5	220.1	2.5	268.2	67.3	35.0
1970	722.1	718.0	4.1	385.8	381.7	4.1	160.0	158.6	1.4	225.8	223.2	2.6	272.5	63.8	28.4
1971	741.7	739.1	2.6	393.8	391.2	2.6	164.5	163.8	.6	229.4	227.3	2.0	278.4	69.5	36.4
1972 p	789.7	785.2	4.5	423.9	419.4	4.5	185.9	181.9	4.0	238.1	237.5	.6	291.1	74.8	38.4
	Seasonally adjusted annual rates														
1970: I	720.4	719.5	0.9	384.0	383.1	0.9	162.4	161.8	0.7	221.6	221.3	0.3	272.5	64.0	29.2
II	723.2	717.5	5.6	389.5	383.8	5.6	162.9	161.5	1.4	226.6	222.3	4.2	271.1	62.6	32.8
III	726.8	721.9	4.9	390.3	385.5	4.9	166.9	162.2	4.7	223.5	223.3	.2	272.9	63.5	31.6
IV	718.0	713.2	4.8	379.4	374.6	4.8	147.6	148.7	−1.1	231.7	225.8	5.9	273.6	65.0	20.0
1971: I	731.9	728.1	3.8	389.4	385.6	3.8	162.7	159.8	2.9	226.6	225.8	.9	274.8	67.7	37.1
II	737.9	732.6	5.3	391.0	385.7	5.3	162.8	160.0	2.8	228.3	225.7	2.6	278.2	68.8	34.8
III	742.5	741.7	.7	394.5	393.7	.7	164.9	166.0	−1.1	229.5	227.7	1.9	278.4	69.6	37.8
IV	754.5	753.8	.7	400.4	399.7	.7	167.4	169.5	−2.1	233.0	230.2	2.8	282.3	71.8	35.8
1972: I	766.5	766.3	.3	407.0	406.8	.3	175.0	174.8	.3	232.0	232.0	.0	285.2	74.3	35.6
II	783.9	780.0	3.9	420.7	416.7	3.9	181.4	179.1	2.3	239.2	237.6	1.6	289.3	74.0	37.0
III	796.1	789.8	6.2	428.7	422.5	6.2	187.9	183.8	4.1	240.9	238.7	2.2	293.2	74.1	40.6
IV p	812.4	804.7	7.7	439.2	431.5	7.7	199.1	189.9	9.2	240.1	241.6	−1.5	296.6	76.6	40.4

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C–8.—*Gross national product: Receipts and expenditures by major economic groups, 1929–72*

[Billions of dollars]

Year or quarter	Persons					Government						
	Disposable personal income					Net receipts			Expenditures			
	Total [1]	Less: Interest paid and transfer payments to foreigners	Equals: Total excluding interest and transfers	Personal consumption expenditures	Personal saving or dissaving (−)	Tax and nontax receipts or accruals	Less: Transfers, interest, and subsidies [2]	Equals: Net receipts	Total expenditures	Less: Transfers, interest, and subsidies [2]	Equals: Purchases of goods and services	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
1933	45.5	.7	44.9	45.8	−.9	9.3	2.7	6.7	10.7	2.7	8.0	−1.4
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	7.9
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	634.4	16.7	617.7	579.5	38.2	296.7	77.9	218.8	287.9	77.9	210.0	8.8
1970	689.5	17.9	671.6	616.8	54.9	302.0	93.0	209.0	312.1	93.0	219.0	−10.1
1971	744.4	18.5	725.8	664.9	60.9	321.6	105.7	215.9	338.5	105.7	232.8	−16.9
1972 p	795.1	19.3	775.9	721.1	54.8	365.7	117.1	248.6	372.0	117.1	254.9	−6.2
	Seasonally adjusted annual rates											
1970: I	667.9	17.5	650.4	604.1	46.3	299.0	81.8	217.2	299.1	81.8	217.3	−0.2
II	687.2	17.8	669.4	613.4	55.9	303.7	96.5	207.2	313.2	96.5	216.7	−9.6
III	699.1	18.1	681.0	623.0	58.0	303.0	95.2	207.8	314.7	95.2	219.5	−11.8
IV	704.0	18.3	685.7	626.5	59.2	302.4	98.5	203.9	321.2	98.5	222.6	−18.8
1971: I	725.7	18.3	707.4	648.0	59.3	313.5	100.6	212.9	327.5	100.6	227.0	−14.0
II	742.9	18.4	724.5	660.4	64.1	318.8	107.4	211.4	336.9	107.4	229.5	−18.0
III	750.4	18.7	731.7	670.7	61.0	323.3	106.5	216.8	340.2	106.5	233.6	−16.9
IV	758.5	18.8	739.7	680.5	59.3	330.7	108.4	222.3	349.4	108.4	240.9	−18.7
1972: I	770.5	18.8	751.7	696.1	55.7	353.8	112.1	241.7	361.6	112.1	249.4	−7.7
II	782.6	19.1	763.5	713.4	50.1	361.4	114.1	247.3	368.3	114.1	254.1	−6.9
III	798.8	19.4	779.4	728.6	50.8	368.8	115.7	253.1	371.2	115.7	255.6	−2.4
IV p	828.4	19.8	808.6	746.2	62.4	....	126.6	....	386.9	126.6	260.3	....

See footnotes at end of table.

TABLE C-8.—*Gross national product: Receipts and expenditures by major economic groups, 1929–72*—Continued

[Billions of dollars]

Year or quarter	Business			International					Total income or receipts	Statistical discrepancy	Gross national product or expenditure
	Gross retained earnings[3]	Gross private domestic investment[4]	Excess of investment (−)	Net transfers to foreigners by persons and Government	Net exports of goods and services: Exports	Less: Imports	Equals: Net exports	Excess of transfers or of net exports (−)[5]			
1929	11.2	16.2	−5.1	0.4	7.0	5.9	1.1	−0.8	102.4	0.7	103.1
1933	3.2	1.4	1.8	.2	2.4	2.0	.4	−.2	55.0	.6	55.6
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	97.0	139.0	−42.0	2.9	55.5	53.6	1.9	1.0	936.3	−6.1	930.3
1970	97.3	137.1	−39.7	3.2	62.9	59.3	3.6	−.4	981.1	−4.7	976.4
1971	109.9	152.0	−42.1	3.6	66.1	65.4	.7	2.8	1,055.2	−4.8	1,050.4
1972 p	123.8	180.2	−56.3	3.8	73.7	77.8	−4.1	7.8	1,152.2	.1	1,152.1
	Seasonally adjusted annual rates										
1970: I	95.3	132.9	−37.6	3.1	61.5	57.9	3.6	−0.5	966.0	−7.9	958.0
II	97.9	137.7	−39.8	3.1	63.0	59.2	3.9	−.7	977.6	−5.9	971.7
III	98.3	139.9	−41.6	3.3	63.7	59.8	4.0	−.6	990.4	−4.0	986.3
IV	97.9	137.8	−39.9	3.4	63.2	60.4	2.8	.6	990.9	−1.0	989.7
1971: I	103.2	143.9	−40.7	3.2	66.3	61.8	4.5	−1.4	1,026.7	−3.3	1,023.4
II	108.6	153.0	−44.4	3.4	66.7	66.6	.1	3.2	1,047.9	−4.9	1,043.0
III	110.5	152.2	−41.7	3.8	68.5	68.2	.4	3.4	1,062.8	−5.9	1,056.9
IV	117.2	158.8	−41.6	4.0	63.0	65.1	−2.1	6.1	1,083.2	−5.2	1,078.1
1972: I	115.9	168.1	−52.2	3.8	70.7	75.3	−4.6	8.4	1,113.1	−4.1	1,109.1
II	124.8	177.0	−52.2	3.8	70.0	75.2	−5.2	9.0	1,139.4	−.1	1,139.4
III	125.1	183.2	−58.1	3.8	74.4	77.8	−3.4	7.2	1,161.6	2.3	1,164.0
IV p	------	192.4	------	3.8	79.7	82.7	−3.0	6.7	------	------	1,195.8

[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] Capital consumption allowances, corporate inventory valuation adjustment, and undistributed corporate profits, and private wage accruals less disbursements.

[4] Private business investment, purchases of capital goods by private nonprofit institutions, and residential housing. See Table C-13.

[5] Net foreign investment less capital grants received by the United States, with sign changed.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C–9.—*Gross national product by sector, 1929–72*

[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
1933	55.6	50.9	48.9	44.3	4.6	1.7	.3	4.7
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		147.2	15.3	3.2	.4	25.6
1944	210.1	177.9		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	930.3	826.5	794.1	766.2	27.9	28.1	4.3	103.8
1970	976.4	861.8	826.3	797.3	28.9	30.9	4.6	114.7
1971	1,050.4	925.6	884.7	853.9	30.9	33.9	6.9	124.8
1972 p	1,152.1	1,016.0	970.8	937.4	33.4	37.8	7.3	136.1
	Seasonally adjusted annual rates							
1970: I	958.0	846.2	811.7	782.0	29.7	30.0	4.5	111.7
II	971.7	857.7	823.4	794.3	29.2	30.1	4.1	114.1
III	986.3	870.7	834.6	806.0	28.7	31.3	4.8	115.6
IV	989.7	872.6	835.3	807.0	28.2	32.3	5.1	117.2
1971: I	1,023.4	901.4	862.7	832.8	29.9	33.0	5.7	122.1
II	1,043.0	919.3	878.7	848.5	30.2	33.2	7.4	123.7
III	1,056.9	931.4	890.9	859.6	31.2	34.3	6.2	125.5
IV	1,078.1	950.2	906.6	874.5	32.1	35.1	8.5	127.9
1972: I	1,109.1	976.6	933.7	901.8	31.9	36.0	6.8	132.5
II	1,139.4	1,005.0	960.8	928.2	32.6	37.3	6.9	134.4
III	1,164.0	1,026.6	980.4	947.4	33.0	38.6	7.6	137.4
IV p	1,195.8	1,055.7	1,008.5	972.2	36.3	39.4	7.8	140.1

[1] Gross national product less compensation of general government employees.
[2] Includes compensation of employees in government enterprises.
[3] Compensation of general government employees.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C-10.—*Gross national product by sector in 1958 dollars, 1929–72*

[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
1933	141.5	127.5	120.6	103.0	17.5	5.7	1.2	14.0
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	725.6	664.9	644.6	620.5	24.1	16.3	4.0	60.7
1970	722.1	661.3	640.7	616.0	24.7	16.7	4.0	60.7
1971	741.7	681.0	658.5	633.0	25.5	16.9	5.6	60.7
1972 p	789.7	728.4	705.0	681.7	23.3	17.9	5.4	61.4
	Seasonally adjusted annual rates							
1970: I	720.4	659.5	638.8	614.7	24.1	16.7	4.1	60.9
II	723.2	662.3	642.3	617.1	25.2	16.5	3.6	60.8
III	726.8	666.1	645.4	620.8	24.5	16.7	4.0	60.7
IV	718.0	657.4	636.4	611.2	25.1	16.8	4.2	60.5
1971: I	731.9	671.3	649.7	623.9	25.8	16.9	4.7	60.6
II	737.9	677.5	654.8	629.3	25.4	16.7	6.0	60.5
III	742.5	681.7	659.8	633.9	25.9	16.9	5.0	60.8
IV	754.5	693.7	669.8	644.8	25.0	17.1	6.8	60.8
1972: I	766.5	705.6	682.9	659.2	23.8	17.4	5.4	60.9
II	783.9	723.0	700.1	676.4	23.8	17.7	5.2	60.9
III	796.1	734.5	710.8	688.4	22.4	18.2	5.6	61.6
IV p	812.4	750.3	726.3	703.0	23.4	18.2	5.7	62.1

[1] Gross national product less compensation of general government employees.
[2] Includes compensation of employees in government enterprises.
[3] Compensation of general government employees.

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE C-11.—*Gross product originating in nonfinancial corporations and dollar costs per unit of output, 1948–72*

Year or quarter	Gross product originating in nonfinancial corporations (billions of dollars)		Current dollar costs per unit of 1958 dollar gross product (dollars)							
								Corporate profits and inventory valuation adjustment		
	Current dollars	1958 dollars	Total costs [1]	Capital consumption allowances	Indirect business taxes [2]	Compensation of employees	Net interest	Total	Profits tax liability	Profits after taxes plus inventory valuation adjustment
1948	137.0	172.9	0.793	0.040	0.070	0.507	0.005	0.171	0.069	0.103
1949	133.3	165.6	.805	.047	.076	.514	.006	.162	.057	.104
1950	151.7	186.4	.814	.046	.075	.507	.005	.180	.090	.090
1951	174.3	203.5	.857	.049	.075	.541	.005	.186	.103	.083
1952	182.0	207.1	.879	.054	.081	.570	.006	.168	.086	.082
1953	194.7	219.8	.886	.059	.083	.584	.006	.154	.084	.070
1954	191.6	213.4	.898	.069	.081	.591	.007	.149	.074	.075
1955	216.3	237.2	.912	.072	.081	.582	.007	.170	.084	.086
1956	231.2	244.0	.948	.076	.085	.619	.007	.160	.081	.079
1957	241.9	247.2	.979	.082	.090	.642	.009	.155	.076	.078
1958	236.0	236.0	1.000	.091	.097	.659	.011	.142	.069	.073
1959	263.7	260.8	1.011	.088	.094	.654	.010	.164	.080	.084
1960	273.1	267.1	1.022	.091	.099	.670	.011	.151	.073	.078
1961	278.4	270.6	1.029	.095	.103	.670	.013	.149	.073	.076
1962	302.8	292.9	1.034	.100	.101	.665	.014	.154	.071	.082
1963	320.0	308.0	1.039	.100	.102	.664	.015	.158	.074	.084
1964	346.0	329.7	1.050	.100	.103	.664	.015	.168	.074	.094
1965	377.6	357.8	1.055	.099	.100	.660	.017	.179	.077	.102
1966	413.0	385.0	1.073	.100	.096	.678	.019	.180	.078	.102
1967	430.8	390.2	1.104	.107	.100	.707	.023	.167	.073	.094
1968	469.9	415.0	1.132	.109	.105	.727	.025	.166	.082	.084
1969	504.3	433.9	1.162	.115	.109	.764	.029	.145	.078	.067
1970	516.1	427.4	1.208	.124	.118	.812	.035	.119	.063	.056
1971	549.4	438.8	1.252	.132	.124	.832	.037	.128	.067	.061
1972 p	604.9	475.3	1.273	.136	.122	.843	.036	.134	.069	.065
	Seasonally adjusted annual rates									
1970: I	510.9	429.6	1.189	0.122	0.114	0.800	0.033	0.120	0.065	0.055
II	516.4	429.6	1.202	.123	.116	.804	.035	.124	.064	.059
III	521.9	431.2	1.210	.124	.118	.812	.036	.121	.065	.056
IV	515.3	419.2	1.229	.129	.122	.831	.037	.110	.058	.052
1971: I	536.2	432.0	1.241	.128	.123	.826	.037	.128	.070	.058
II	546.9	436.8	1.252	.131	.122	.831	.037	.131	.071	.061
III	552.2	438.9	1.258	.134	.124	.834	.037	.128	.067	.061
IV	562.6	447.3	1.258	.135	.126	.836	.037	.124	.061	.063
1972: I	582.4	459.6	1.267	.135	.123	.842	.037	.130	.068	.063
II	599.3	471.7	1.271	.138	.122	.841	.036	.133	.068	.065
III	610.0	478.9	1.274	.137	.123	.842	.036	.136	.070	.066

[1] This is equal to the deflator for gross product of nonfinancial corporations, with the decimal point shifted two places to the left.
[2] Also includes business transfer payments less subsidies.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C-12.—*Personal consumption expenditures, 1929–72*

[Billions of dollars]

Year or quarter	Total personal consumption expenditures	Durable goods: Total	Durable goods: Automobiles and parts [1]	Durable goods: Furniture and household equipment	Durable goods: Other	Nondurable goods: Total	Nondurable goods: Food and beverages	Nondurable goods: Clothing and shoes	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
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
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	579.5	90.8	40.2	37.1	13.5	245.9	120.6	50.2	20.9	54.2	242.7	84.1	33.8	16.6	108.2
1970	616.8	90.5	37.3	39.0	14.2	264.4	132.1	52.0	22.2	58.1	261.8	90.9	36.3	18.2	116.3
1971	664.9	103.5	46.7	42.0	14.8	278.1	136.4	56.9	23.5	61.3	283.3	99.2	39.5	19.9	124.8
1972 p	721.1	116.3	52.9	47.7	15.7	299.5	144.8	61.9	25.2	67.6	305.4	107.2	43.3	21.7	133.2
	Seasonally adjusted annual rates														
1970:															
I	604.1	90.2	37.8	38.7	13.8	257.8	128.0	51.1	21.8	56.9	256.1	88.7	35.3	17.7	114.3
II	613.4	91.6	39.2	38.8	13.6	262.4	131.2	51.8	22.0	57.4	259.4	90.1	35.9	18.0	115.5
III	623.0	92.6	39.4	38.8	14.5	266.3	133.9	51.7	22.3	58.4	264.1	91.4	36.9	18.5	117.2
IV	626.5	87.5	33.0	39.6	14.9	271.3	135.2	53.6	22.8	59.7	267.7	93.4	37.2	18.8	118.3
1971:															
I	648.0	99.8	44.9	41.0	13.9	273.4	135.1	55.1	23.0	60.1	274.8	95.8	38.0	19.3	121.8
II	660.4	101.9	45.4	41.4	15.0	277.2	135.9	56.7	23.0	61.6	281.3	98.1	39.1	19.8	124.3
III	670.7	106.1	48.8	41.9	15.5	278.5	136.6	57.4	23.5	60.9	286.1	100.3	40.0	20.2	125.7
IV	680.5	106.1	47.9	43.5	14.7	283.4	137.9	58.5	24.3	62.8	290.9	102.5	40.7	20.4	127.3
1972:															
I	696.1	111.0	49.9	46.5	14.7	288.3	140.3	59.4	24.6	64.0	296.7	104.2	41.2	21.0	130.3
II	713.4	113.9	51.3	46.8	15.7	297.2	144.1	61.5	24.5	67.1	302.4	106.1	42.7	21.5	132.0
III	728.6	118.6	54.8	47.9	15.9	302.0	145.8	62.6	25.4	68.2	308.0	108.1	44.0	21.9	134.0
IV p	746.2	121.5	55.5	49.4	16.6	310.4	149.1	64.2	26.1	71.0	314.3	110.2	45.2	22.4	136.6

[1] Includes consumer purchases of mobile homes.
[2] Includes imputed rental value of owner-occupied dwellings.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C–13.—*Gross private domestic investment, 1929–72*

[Billions of dollars]

Year or quarter	Total gross private domestic investment	Fixed investment: Total	Nonresidential: Total	Structures: Total	Structures: Nonfarm	Producers' durable equipment: Total	Producers' durable equipment: Nonfarm	Residential structures: Total	Residential structures: Nonfarm	Residential structures: Farm	Change in business inventories: Total	Change in business inventories: 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
1933	1.4	3.0	2.4	.9	.9	1.5	1.3	.6	.5	.0	−1.6	−1.4
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	2.6	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	29.5	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	139.0	131.1	98.5	34.2	33.5	64.3	59.2	32.6	32.0	.6	7.8	7.7
1970	137.1	132.2	100.9	36.0	35.2	64.9	59.2	31.2	30.7	.5	4.9	4.8
1971	152.0	148.3	105.8	38.4	37.5	67.4	60.9	42.6	42.0	.6	3.6	2.4
1972 p	180.2	174.3	120.4	42.2	41.4	78.2	70.3	53.9	53.2	.7	5.8	5.5
	Seasonally adjusted annual rates											
1970: I	132.9	131.4	100.2	35.5	34.7	64.8	59.2	31.2	30.6	0.5	1.5	1.4
II	137.7	131.4	101.7	36.1	35.3	65.6	59.8	29.7	29.4	.3	6.3	6.2
III	139.9	133.7	103.4	36.2	35.4	67.2	61.2	30.3	29.9	.4	6.2	6.1
IV	137.8	132.1	98.5	36.3	35.5	62.1	56.6	33.6	33.0	.6	5.7	5.6
1971: I	143.9	139.0	101.9	37.6	36.8	64.3	58.3	37.0	36.6	.5	4.9	3.9
II	153.0	146.4	105.0	38.3	37.5	66.7	60.4	41.4	40.9	.5	6.6	5.1
III	152.2	150.9	106.3	38.7	37.9	67.6	60.8	44.5	43.9	.7	1.3	−.2
IV	158.8	157.2	109.8	38.8	38.0	71.0	64.2	47.3	46.7	.6	1.7	.8
1972: I	168.1	167.7	116.1	41.3	40.5	74.8	67.7	51.6	51.0	.6	.4	.1
II	177.0	172.0	119.2	42.0	41.2	77.2	69.6	52.8	52.1	.6	5.0	4.3
III	183.2	175.2	120.7	41.8	40.9	79.0	71.0	54.4	53.7	.8	8.0	7.9
IV p	192.4	182.4	125.6	43.8	43.0	81.8	72.8	56.8	55.9	.9	10.0	9.7

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C–14.—*Relation of gross national product and national income,* 1929–72

[Billions of dollars]

Year or quarter	Gross national product	Less: Capital consumption allowances	Equals: Net national product	Plus: Subsidies less current surplus of government enterprises	Less:			Equals: National income
					Indirect business tax and nontax liability	Business transfer payments	Statistical discrepancy	
1929	103.1	7.9	95.2	−0.1	7.0	0.6	0.7	86.8
1933	55.6	7.0	48.6	.0	7.1	.7	.6	40.3
1939	90.5	7.3	83.2	.5	9.4	.5	1.3	72.6
1940	99.7	7.5	92.2	.4	10.0	.4	1.0	81.1
1941	124.5	8.2	116.3	.1	11.3	.5	.4	104.2
1942	157.9	9.8	148.1	.2	11.8	.5	−1.1	137.1
1943	191.6	10.3	181.3	.2	12.7	.5	−2.0	170.3
1944	210.1	11.0	199.1	.7	14.1	.5	2.5	182.6
1945	211.9	11.3	200.7	.8	15.5	.5	3.9	181.5
1946	208.5	9.9	198.6	.9	17.1	.5	.1	181.9
1947	231.3	12.2	219.1	−.2	18.4	.6	.9	199.0
1948	257.6	14.5	243.1	−.1	20.1	.7	−2.0	224.2
1949	256.5	16.6	239.9	−.1	21.3	.8	.3	217.5
1950	284.8	18.3	266.4	.2	23.3	.8	1.5	241.1
1951	328.4	21.2	307.2	.2	25.2	.9	3.3	278.0
1952	345.5	23.2	322.3	−.1	27.6	1.0	2.2	291.4
1953	364.6	25.7	338.9	−.4	29.6	1.2	3.0	304.7
1954	364.8	28.2	336.6	−.2	29.4	1.1	2.7	303.1
1955	398.0	31.5	366.5	−.1	32.1	1.2	2.1	331.0
1956	419.2	34.1	385.2	.8	34.9	1.4	−1.1	350.8
1957	441.1	37.1	404.0	.9	37.3	1.5	.0	366.1
1958	447.3	38.9	408.4	.9	38.5	1.6	1.6	367.8
1959	483.7	41.4	442.3	.1	41.5	1.7	−.8	400.0
1960	503.7	43.4	460.3	.2	45.2	1.9	−1.0	414.5
1961	520.1	45.2	474.9	1.4	47.7	2.0	−.8	427.3
1962	560.3	50.0	510.4	1.4	51.5	2.1	.5	457.7
1963	590.5	52.6	537.9	.8	54.7	2.3	−.3	481.9
1964	632.4	56.1	576.3	1.3	58.4	2.5	−1.3	518.1
1965	684.9	59.8	625.1	1.3	62.5	2.7	−3.1	564.3
1966	749.9	63.9	685.9	2.3	65.7	3.0	−1.0	620.6
1967	793.9	68.9	725.0	1.4	70.4	3.1	−.7	653.6
1968	864.2	74.5	789.7	.7	78.6	3.4	−2.7	711.1
1969	930.3	81.6	848.7	1.0	85.9	3.8	−6.1	766.0
1970	976.4	86.3	890.1	1.5	93.4	4.2	−4.7	798.6
1971	1,050.4	93.8	956.6	.9	101.9	4.6	−4.8	855.7
1972 [p]	1,152.1	103.7	1,048.4	1.7	110.1	4.9	.1	934.9
	Seasonally adjusted annual rates							
1970: I	958.0	85.1	872.9	1.3	90.6	4.1	−7.9	787.5
II	971.7	85.8	885.9	1.7	92.6	4.2	−5.9	796.7
III	986.3	86.6	899.7	1.6	94.8	4.3	−4.0	806.3
IV	989.7	87.9	901.8	1.4	95.7	4.4	−1.0	804.1
1971: I	1,023.4	90.2	933.2	1.7	99.2	4.5	−3.3	834.5
II	1,043.0	92.4	950.6	.8	100.3	4.6	−4.9	851.4
III	1,056.9	95.0	961.9	.3	102.6	4.7	−5.9	860.8
IV	1,078.1	97.4	980.7	.7	105.6	4.7	−5.2	876.2
1972: I	1,109.1	99.7	1,009.3	1.2	106.7	4.8	−4.1	903.1
II	1,139.4	105.3	1,034.1	1.6	108.7	4.9	−.1	922.1
III	1,164.0	104.1	1,059.9	1.8	111.4	5.0	2.3	943.0
IV [p]	1,195.8	105.6	1,090.2	2.1	113.5	5.0	----------	----------

Source: Department of Commerce, Bureau of Economic Analysis.

Table C-15.—*National income by type of income, 1929–72*

[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
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
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	766.0	566.0	509.7	56.3	50.5	51.2	−.8	16.7	22.6	79.8	84.9	−5.1	30.5
1970	798.6	603.8	541.9	61.9	49.9	50.7	−.7	16.9	23.3	69.9	74.3	−4.4	34.8
1971	855.7	644.1	573.5	70.7	52.6	53.4	−.8	17.3	24.5	78.6	83.3	−4.7	38.5
1972 ᵖ	934.9	705.2	626.4	78.7	55.6	56.8	−1.2	19.6	25.6	87.7	93.7	−6.0	41.3
	Seasonally adjusted annual rates												
1970: I	787.5	594.3	534.9	59.5	49.7	......	......	18.0	23.0	69.3	75.8	−6.4	33.2
II	796.7	600.7	539.5	61.2	50.0	......	......	17.1	23.2	71.5	75.2	−3.7	34.2
III	806.3	609.0	546.1	62.8	50.1	......	......	16.5	23.4	72.0	76.6	−4.6	35.3
IV	804.1	611.2	547.2	63.9	49.9	......	......	15.9	23.8	66.9	69.6	−2.8	36.5
1971: I	834.5	628.6	560.4	68.2	51.3	......	......	16.8	23.9	76.6	81.3	−4.7	37.3
II	851.4	639.6	569.6	70.0	52.4	......	......	16.9	24.4	80.1	84.5	−4.4	38.1
III	860.8	648.0	576.5	71.5	53.1	......	......	17.6	24.8	78.3	84.1	−5.8	39.1
IV	876.2	660.4	587.3	73.0	53.8	......	......	18.1	25.0	79.4	83.2	−3.9	39.7
1972: I	903.1	682.7	606.6	76.1	54.3	......	......	19.1	25.2	81.8	88.2	−6.5	40.1
II	922.1	697.8	620.0	77.8	54.4	......	......	18.7	24.2	86.1	91.6	−5.5	40.9
III	943.0	710.2	630.6	79.6	56.2	......	......	19.1	26.2	89.6	95.7	−6.1	41.7
IV ᵖ	......	730.0	648.5	81.5	57.4	......	......	21.6	26.9	......	......	−5.9	42.5

[1] National income is the total net income earned in production. It differs from gross national product mainly in that it excludes depreciation charges and other allowances for business and institutional consumption of durable capital goods, and indirect business taxes. See Table C–14.

[2] Employer contributions for social insurance and to private pension, health, and welfare funds; compensation for injuries; directors' fees; pay of the military reserve; and a few other minor items.

[3] Includes change in inventories.

[4] See Table C–73 for corporate tax liability and profits after taxes.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C-16.—*Relation of national income and personal income, 1929–72*

[Billions of dollars]

Year or quarter	National income	Less: Corporate profits and inventory valuation adjustment	Less: Contributions for social insurance	Less: Wage accruals less disbursements	Plus: Government transfer payments to persons	Plus: Interest paid by government (net) and by consumers	Plus: Dividends	Plus: Business transfer payments	Equals: Personal income
1929	86.8	10.5	0.2	0.0	0.9	2.5	5.8	0.6	85.9
1933	40.3	−1.2	.3	.0	1.5	1.6	2.0	.7	47.0
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	766.0	79.8	54.2	.0	61.9	28.7	24.3	3.8	750.9
1970	798.6	69.9	57.7	.0	75.2	31.0	24.8	4.2	806.3
1971	855.7	78.6	65.3	.6	89.0	31.1	25.4	4.6	861.4
1972 ᵖ	934.9	87.7	73.9	−.5	99.1	31.6	26.4	4.9	935.8
	Seasonally adjusted annual rates								
1970: I	787.5	69.3	56.3	2.5	67.0	30.4	24.8	4.1	785.7
II	796.7	71.5	57.5	−2.1	76.7	30.7	24.7	4.2	806.1
III	806.3	72.0	58.5	−.4	76.6	31.4	24.9	4.3	813.4
IV	804.1	66.9	58.6	.0	80.6	31.5	24.7	4.4	819.8
1971: I	834.5	76.6	64.0	.0	82.8	31.3	25.5	4.5	838.0
II	851.4	80.1	64.8	.2	90.7	31.0	25.4	4.6	858.1
III	860.8	78.3	65.7	.6	90.3	31.1	25.5	4.7	867.9
IV	876.2	79.4	66.9	1.4	92.1	30.9	25.2	4.7	881.5
1972: I	903.1	81.8	71.9	−1.4	94.4	30.9	26.0	4.8	907.0
II	922.1	86.1	73.1	−.5	95.7	31.8	26.2	4.9	922.1
III	943.0	89.6	74.6	−.2	97.7	31.7	26.5	5.0	939.9
IV ᵖ			76.2	.0	108.4	32 0	26.7	5.0	974.3

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C–17.—*Disposition of personal income, 1929–72*

Year or quarter	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays				Equals: Personal saving	Percent of disposable personal income		
				Total	Personal consumption expenditures	Interest paid by consumers	Personal transfer payments to foreigners		Personal outlays		Personal saving
									Total	Consumption expenditures	
	Billions of dollars								Percent		
1929	85.9	2.6	83.3	79.1	77.2	1.5	0.3	4.2	95.0	92.7	5.0
1933	47.0	1.5	45.5	46.5	45.8	.5	.2	–.9	102.0	100.6	–2.0
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	750.9	116.5	634.4	596.2	579.5	15.8	.9	38.2	94.0	91.3	6.0
1970	806.3	116.7	689.5	634.7	616.8	16.9	1.0	54.9	92.0	89.4	8.0
1971	861.4	117.0	744.4	683.4	664.9	17.6	1.0	60.9	91.8	89.3	8.2
1972 p	935.8	140.7	795.1	740.4	721.1	18.2	1.1	54.8	93.1	90.7	6.9
	Seasonally adjusted annual rates								Seasonally adjusted		
1970: I	785.7	117.8	667.9	621.6	604.1	16.5	1.0	46.3	93.1	90.4	6.9
II	806.1	119.0	687.2	631.2	613.4	16.8	1.0	55.9	91.9	89.3	8.1
III	813.4	114.3	699.1	641.1	623.0	17.1	1.0	58.0	91.7	89.1	8.3
IV	819.8	115.8	704.0	644.8	626.5	17.3	1.0	59.2	91.6	89.0	8.4
1971: I	838.0	112.3	725.7	666.4	648.0	17.4	.9	59.3	91.8	89.3	8.2
II	858.1	115.2	742.9	678.8	660.4	17.5	.9	64.1	91.4	88.9	8.6
III	867.9	117.5	750.4	689.4	670.7	17.6	1.1	61.0	91.9	89.4	8.1
IV	881.5	123.0	758.5	699.2	680.5	17.7	1.1	59.3	92.2	89.7	7.8
1972: I	907.0	136.5	770.5	714.9	696.1	17.8	1.0	55.7	92.8	90.3	7.2
II	922.1	139.5	782.6	732.5	713.4	18.0	1.1	50.1	93.6	91.2	6.4
III	939.9	141.1	798.8	748.0	728.6	18.2	1.2	50.8	93.6	91.2	6.4
IV p	974.3	145.9	828.4	766.0	746.2	18.6	1.2	62.4	92.5	90.1	7.5

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C-18.—*Total and per capita disposable personal income and personal consumption expenditures in current and 1958 dollars, 1929–72*

Year or quarter	Disposable personal income				Personal consumption expenditures				Population (thousands)[1]
	Total (billions of dollars)		Per capita (dollars)		Total (billions of dollars)		Per capita (dollars)		
	Current dollars	1958 dollars	Current dollars	1958 dollars	Current dollars	1958 dollars	Current dollars	1958 dollars	
1929	83.3	150.6	683	1,236	77.2	139.6	634	1,145	121,875
1933	45.5	112.2	362	893	45.8	112.8	364	897	125,690
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	180,671
1961	364.4	350.7	1,984	1,909	335.2	322.5	1,825	1,756	183,691
1962	385.3	367.3	2,065	1,969	355.1	338.4	1,903	1,814	186,538
1963	404.6	381.3	2,138	2,015	375.0	353.3	1,981	1,867	189,242
1964	438.1	407.9	2,283	2,126	401.2	373.7	2,091	1,948	191,889
1965	473.2	435.0	2,436	2,239	432.8	397.7	2,228	2,047	194,303
1966	511.9	458.9	2,604	2,335	466.3	418.1	2,372	2,127	196,560
1967	546.3	477.5	2,749	2,403	492.1	430.1	2,476	2,164	198,712
1968	591.0	499.0	2,945	2,486	536.2	452.7	2,671	2,256	200,706
1969	634.4	513.6	3,130	2,534	579.5	469.1	2,859	2,315	202,677
1970	689.5	533.2	3,366	2,603	616.8	477.0	3,010	2,328	204,879
1971	744.4	554.7	3,595	2,679	664.9	495.4	3,211	2,393	207,049
1972 p	795.1	578.7	3,807	2,771	721.1	524.8	3,453	2,513	208,837
	Seasonally adjusted annual rates								
1970: I	667.9	524.2	3,273	2,569	604.1	474.1	2,960	2,323	204,082
II	687.2	534.2	3,359	2,611	613.4	476.9	2,998	2,331	204,600
III	699.1	538.9	3,407	2,626	623.0	480.2	3,036	2,341	205,186
IV	704.0	535.4	3,421	2,602	626.5	476.5	3,044	2,316	205,795
1971: I	725.7	546.6	3,517	2,650	648.0	488.2	3,141	2,366	206,310
II	742.9	554.6	3,592	2,682	660.4	493.0	3,193	2,384	206,806
III	750.4	556.5	3,620	2,684	670.7	497.4	3,235	2,399	207,312
IV	758.5	560.9	3,649	2,698	680.5	503.2	3,274	2,421	207,856
1972: I	770.5	565.7	3,700	2,716	696.1	511.0	3,342	2,454	208,255
II	782.6	571.4	3,751	2,739	713.4	520.9	3,420	2,497	208,628
III	798.8	579.6	3,821	2,773	728.6	528.7	3,485	2,529	209,053
IV p	828.4	597.9	3,954	2,854	746.2	538.6	3,562	2,571	209,509

[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 C-19.—*Sources of personal income, 1929–72*

[Billions of dollars]

Year or quarter	Total personal income	Wage and salary disbursements[1]: Total	Commodity-producing industries: Total	Commodity-producing industries: Manufacturing	Distributive industries	Service industries	Government	Other labor income[1]	Proprietors' income: Business and professional	Proprietors' income: Farm[2]
1929	85.9	50.4	21.5	16.1	15.6	8.4	4.9	0.6	9.0	6.2
1933	47.0	29.0	9.8	7.8	8.8	5.2	5.1	.4	3.3	2.6
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	750.9	509.7	197.5	157.6	120.0	88.1	104.1	28.4	50.5	16.7
1970	806.3	541.9	201.0	158.3	129.2	96.7	115.1	32.1	49.9	16.9
1971	861.4	572.9	206.1	160.3	138.2	105.0	123.5	36.5	52.6	17.3
1972 p	935.8	627.0	224.6	175.9	151.5	116.1	134.8	40.3	55.6	19.6
	Seasonally adjusted annual rates									
1970: I	785.7	532.4	201.8	159.6	126.3	94.4	109.9	30.7	49.7	18.0
II	806.1	541.6	201.3	159.2	127.9	95.9	116.5	31.5	50.0	17.1
III	813.4	546.5	202.2	159.6	130.6	97.2	116.5	32.6	50.1	16.5
IV	819.8	547.2	198.6	154.9	131.8	99.3	117.6	33.7	49.9	15.9
1971: I	838.0	560.4	202.9	158.5	134.8	101.6	121.1	34.8	51.3	16.8
II	858.1	569.5	205.7	160.2	137.2	103.9	122.7	36.1	52.4	16.9
III	867.9	575.9	206.0	160.0	139.1	106.3	124.6	37.2	53.1	17.6
IV	881.5	585.9	209.9	162.7	141.7	108.4	125.9	38.0	53.8	18.1
1972: I	907.0	608.0	217.5	168.8	147.2	111.9	131.4	38.8	54.3	19.1
II	922.1	620.5	222.6	174.1	150.1	114.7	133.1	39.8	54.4	18.7
III	939.9	630.8	225.1	176.6	152.4	117.5	135.8	40.8	56.2	19.1
IV p	974.3	648.5	233.3	183.9	156.3	120.1	138.8	41.8	57.4	21.6

See footnotes at end of table.

TABLE C-19.—*Sources of personal income, 1929–72*—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
1933	2.0	2.0	5.7	2.1	----------	----------	.5	1.6	.2	43.2
1939	2.7	3.8	5.5	3.0	0.0	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	24.3	59.3	65.8	33.0	2.1	8.3	22.4	26.3	728.3
1970	23.3	24.8	65.8	79.5	38.5	3.9	9.7	27.4	28.0	782.8
1971	24.5	25.4	69.6	93.6	44.5	5.7	11.3	32.2	31.2	837.2
1972 p	25.6	26.4	72.9	104.0	50.2	5.4	12.7	35.7	35.5	909.2
	Seasonally adjusted annual rates									
1970: I	23.0	24.8	63.5	71.1	34.2	2.7	9.1	25.2	27.4	761.4
II	23.2	24.7	64.9	80.9	41.4	3.6	9.4	26.5	27.8	782.4
III	23.4	24.9	66.8	80.9	39.0	4.2	9.8	28.0	28.3	790.3
IV	23.8	24.7	68.0	85.0	39.4	5.1	10.5	29.9	28.4	797.2
1971: I	23.9	25.5	68.6	87.3	40.4	5.0	11.0	30.9	30.5	814.4
II	24.4	25.4	69.1	95.2	46.7	5.7	11.2	31.6	31.0	834.4
III	24.8	25.5	70.2	95.0	45.0	5.9	11.3	32.8	31.3	843.6
IV	25.0	25.2	70.6	96.8	45.7	6.2	11.6	33.3	31.9	856.5
1972: I	25.2	26.0	71.0	99.2	46.8	5.4	11.9	35.1	34.6	881.0
II	24.2	26.2	72.7	100.6	48.1	5.6	12.3	34.6	35.1	896.4
III	26.2	26.5	73.4	102.7	48.8	5.8	12.5	35.6	35.8	913.9
IV p	26.9	26.7	74.5	113.5	57.2	5.0	14.0	37.3	36.5	945.8

[1] The total of wage and salary disbursements and other labor income differs from compensation of employees in Table C–15 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 C-20.—*Sources and uses of gross saving, 1929–72*

[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 [1]	Gross investment: Total	Gross investment: Gross private domestic investment	Gross investment: Net foreign investment [2]	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
1933	.9	2.3	−.9	3.2	−1.4	−1.3	−.1	-------	1.6	1.4	.2	.6
1939	8.8	11.0	2.6	8.4	−2.2	−2.2	(3)	-------	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	7.9	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	(4)	-------	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	144.0	135.2	38.2	97.0	8.8	8.1	.7	-------	137.9	139.0	−1.0	−6.1
1970	142.1	152.2	54.9	97.3	−10.1	−12.9	2.8	0.9	138.3	137.1	1.2	−4.7
1971	153.9	170.8	60.9	109.9	−16.9	−21.7	4.8	.7	149.8	152.0	−2.1	−4.8
1972 p	172.2	178.4	54.8	123.8	−6.2	−18.5	12.3	.7	173.0	180.2	−7.1	.1
	Seasonally adjusted annual rates											
1970: I	141.3	141.5	46.3	95.3	−0.2	−3.8	3.6	0.9	134.3	132.9	1.4	−7.9
II	144.3	153.9	55.9	97.9	−9.6	−13.4	3.8	.9	139.3	137.7	1.6	−5.9
III	144.5	156.3	58.0	98.3	−11.8	−14.7	2.9	.9	141.4	139.9	1.5	−4.0
IV	138.2	157.0	59.2	97.9	−18.8	−19.7	.9	.9	138.1	137.8	.3	−1.0
1971: I	148.5	162.5	59.3	103.2	−14.0	−16.0	2.0	.7	146.0	143.9	2.1	−3.3
II	154.8	172.8	64.1	108.6	−18.0	−23.0	5.0	.7	150.5	153.0	−2.5	−4.9
III	154.6	171.5	61.0	110.5	−16.9	−23.1	6.2	.7	149.5	152.2	−2.7	−5.9
IV	157.8	176.5	59.3	117.2	−18.7	−24.7	6.0	.7	153.4	158.8	−5.4	−5.2
1972: I	163.9	171.6	55.7	115.9	−7.7	−14.8	7.1	.7	160.5	168.1	−7.7	−4.1
II	168.0	174.9	50.1	124.8	−6.9	−21.6	14.8	.7	168.7	177.0	−8.3	−.1
III	173.6	176.0	50.8	125.1	−2.4	−11.8	9.4	.7	176.7	183.2	−6.5	2.3
IV p	-------	-------	62.4	-------	-------	-------	-------	.7	190.5	192.4	−6.1	-------

[1] Allocations of special drawing rights (SDR).
[2] Net exports of goods and services less net transfers to foreigners.
[3] Surplus of $32 million.
[4] Deficit of $41 million.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C–21.—*Saving by individuals, 1946–72*[1]

[Billions of dollars]

Year or quarter	Total	Increase in financial assets: Total[2]	Increase in financial assets: Currency and demand deposits	Increase in financial assets: Savings accounts	Securities: Government securities[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	26.0	19.2	5.6	6.3	−1.2	−0.9	1.1	5.3	4.2	5.8	3.3	3.8	2.7	0.0
1947	20.9	13.2	.1	3.4	1.6	−.8	1.1	5.4	6.9	7.5	3.3	4.3	3.2	2.5
1948	23.1	8.8	−2.9	2.3	1.3	−.2	1.0	5.3	10.5	7.1	7.4	5.0	2.8	2.9
1949	18.8	9.8	−2.1	2.7	1.7	−.4	.8	5.5	9.0	7.0	2.5	4.1	2.9	2.6
1950	26.9	13.7	2.6	2.5	.0	−.8	.7	6.9	13.7	10.2	6.4	7.4	4.1	5.6
1951	29.4	18.1	4.4	4.9	−.7	−.2	1.6	6.2	13.5	5.5	4.6	7.1	1.2	4.0
1952	26.7	21.9	1.6	7.8	1.4	−.1	1.6	7.7	12.8	3.6	2.5	6.4	4.8	2.8
1953	30.3	22.4	.9	8.3	2.2	.0	.9	7.9	13.5	6.4	1.6	7.7	3.9	2.1
1954	27.6	22.2	2.0	9.3	.5	−.4	.7	7.9	13.7	4.9	2.5	8.6	1.1	6.0
1955	33.9	28.2	1.1	8.8	5.9	1.1	1.1	8.4	17.7	9.9	3.5	12.2	6.4	6.8
1956	35.7	29.7	1.7	9.6	3.6	.9	1.9	9.6	16.4	5.9	1.9	11.2	3.5	3.4
1957	33.7	28.3	−.6	12.1	2.1	1.0	1.5	9.5	13.8	4.9	2.3	8.8	2.6	4.2
1958	33.0	31.7	4.0	14.1	−2.1	1.1	1.5	10.0	12.7	.6	3.3	8.8	.2	6.2
1959	33.6	35.4	.6	11.3	8.5	.3	.6	11.4	16.5	5.5	3.2	12.6	6.4	7.9
1960	29.6	28.9	−.3	11.4	3.6	.2	−.4	11.6	14.5	5.1	2.2	10.8	4.6	5.7
1961	33.1	36.5	2.7	16.5	.9	.3	.4	12.2	12.0	2.9	3.2	10.9	1.8	8.7
1962	36.0	38.0	1.0	25.7	−.7	−.6	−2.0	12.8	12.8	6.7	5.6	12.7	5.8	8.5
1963	39.9	45.9	3.4	24.6	5.5	−.3	−2.7	13.9	12.6	8.9	6.9	14.8	7.9	11.8
1964	47.0	53.1	4.7	27.4	4.0	−.1	−.1	15.2	12.5	11.2	6.2	16.0	8.5	11.4
1965	53.8	57.2	8.0	28.0	3.4	.7	−1.9	17.1	12.0	14.8	9.0	15.2	10.0	13.9
1966	62.4	60.7	2.6	20.5	12.1	1.9	−1.0	19.0	11.5	15.2	7.2	12.3	7.2	12.6
1967	61.9	65.8	11.2	34.8	−2.5	4.8	−4.2	19.4	9.2	12.4	8.2	10.5	4.6	18.6
1968	66.3	72.4	12.8	30.4	4.3	4.8	−7.6	19.9	12.8	16.7	7.8	14.9	11.1	17.4
1969	59.6	62.6	3.6	6.1	19.7	5.7	−4.1	20.7	13.3	16.2	9.0	16.2	9.3	16.1
1970	82.9	87.1	6.3	44.5	−2.4	12.4	−2.6	24.7	10.6	9.9	8.2	12.5	4.3	15.9
1971	83.1	96.3	8.6	73.5	−17.7	7.6	−5.2	26.9	16.5	16.2	13.8	24.5	10.4	24.8
	Seasonally adjusted annual rates													
1970: I	67.0	64.5	7.7	0.8	13.7	10.2	−8.0	22.2	11.2	11.9	8.1	11.6	4.8	12.3
II	91.7	89.9	3.3	47.0	2.1	7.3	2.2	26.5	10.3	11.9	8.8	12.0	6.2	11.0
III	94.1	106.7	8.9	70.3	−4.5	16.6	1.2	23.7	9.2	11.2	8.5	13.6	6.4	21.7
IV	79.2	88.5	5.3	60.2	−21.0	15.5	−5.7	26.4	11.6	4.4	7.5	12.9	.4	19.6
1971: I	88.5	87.9	15.1	100.9	−52.2	11.2	−14.9	27.9	12.9	15.0	13.3	13.9	4.0	22.7
II	85.1	99.0	8.6	65.1	−8.6	7.0	−.7	28.2	16.0	15.5	13.7	23.4	9.0	26.6
III	76.5	90.6	−1.4	57.3	−5.9	9.0	.0	23.7	17.3	18.0	14.9	29.1	12.6	22.6
IV	81.7	106.1	11.1	70.6	−4.6	3.1	−5.3	27.8	19.7	16.2	13.5	31.7	14.5	27.6
1972: I	81.9	103.0	12.5	92.1	−18.5	4.1	−8.8	18.2	20.1	19.3	16.1	27.5	13.9	35.1
II	96.9	126.1	−2.0	73.1	12.4	2.9	.8	33.5	21.5	20.4	15.2	37.0	17.5	31.6
III	94.2	124.8	7.8	83.8	6.4	.0	−7.3	26.6	23.6	23.1	15.8	41.8	18.6	32.8

[1] Saving by households, personal trust funds, nonprofit institutions, farms, and other noncorporate business.
[2] Includes commercial paper and miscellaneous financial assets, not shown separately.
[3] Consists of U.S. savings bonds, other U.S. Treasury securities, U.S. Government 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 mortgage debt, and other debt.

Source: Board of Governors of the Federal Reserve System.

TABLE C–22.—*Number and money income (in 1971 dollars) of families and unrelated individuals by race of head, 1947–71*

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	$5,483	7.9	21.2	34.1	$5,714	6.3	18.4	3.1	$2,930	1.6	51.2
1948	38.6	5,367	8.4	21.8	35.3	5,578	6.7	19.1	3.3	2,973	1.7	50.4
1949	39.3	5,278	9.2	23.3	......	5,491	......	20.7	......	2,808	......	53.2
1950	39.9	5,594	8.6	21.6	......	5,811	......	19.3	......	3,142	......	47.8
1951	40.6	5,783	8.0	19.7	......	6,017	......	17.0	......	3,171	......	47.3
1952	40.8	5,939	7.7	18.9	......	6,285	......	16.4	......	3,569	......	40.5
1953	41.2	6,433	7.5	18.3	......	6,677	......	16.2	......	3,753	......	38.9
1954	42.0	6,288	8.3	19.8	38.2	6,555	6.6	17.4	3.8	3,637	1.6	42.9
1955	42.9	6,693	7.6	17.6	39.0	6,976	6.0	15.3	3.9	3,860	1.5	39.4
1956	43.5	7,122	6.8	15.7	39.5	7,452	5.3	13.3	4.0	3,928	1.5	37.7
1957	43.7	7,138	6.9	15.8	39.7	7,428	5.3	13.4	4.0	3,978	1.5	37.7
1958	44.2	7,126	6.9	15.7	40.2	7,425	5.4	13.4	4.0	3,805	1.6	39.4
1959	45.1	7,524	6.7	14.9	40.9	7,838	5.1	12.5	4.2	4,045	1.6	38.5
1960	45.5	7,688	6.6	14.6	41.1	7,982	5.1	12.5	4.3	4,416	1.5	34.8
1961	46.3	7,765	6.8	14.7	41.9	8,109	5.2	12 5	4.5	4,321	1.6	34.8
1962	47.0	7,975	6.4	13.6	42.4	8,353	5.0	11.7	4.6	4,456	1.5	32.3
1963	47.4	8,267	6.1	12.9	42.7	8,664	4.6	10.8	4.8	4,596	1.5	30.7
1964	47.8	8,579	5.7	11.9	43.1	8,956	4.4	10.1	4.8	5,012	1.3	26.8
1965	48.3	8,932	5.5	11.3	43.5	9,311	4.2	9.6	4.8	5,160	1.2	25.8
1966	48.9	9,281	5.1	10.5	44.0	9,638	4.0	9.0	4.9	5,766	1.1	23.1
1966[2]	49.1	9,360	5.1	10.3	44.1	9,726	3.8	8.7	5.0	5,824	1.1	22.7
1967[2]	49.8	9,683	4.7	9.5	44.8	10,041	3.7	8.2	5.0	6,234	1.1	21.2
1968[2]	50.5	10,049	4.2	8.3	45.4	10,404	3.2	7.0	5.1	6,508	1.0	18.7
1969[2]	51.2	10,423	4.1	8.1	46.0	10,822	3.1	6.8	5.2	6,847	.9	18.0
1970[2]	51.9	10,289	4.3	8.3	46.5	10,674	3.3	7.0	5.4	6,806	1.0	19.0
1971[2]	53.3	10,285	4.4	8.3	47.6	10,672	3.3	6.9	5.7	6,714	1.1	19.4
			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	$1,815	3.6	44.2	7.2	$1,905	3.1	42.9	1.0	$1,357	0.5	53.7
1948	8.4	1,741	3.8	45.3	7.3	1,818	3.2	43.8	1.1	1,328	.6	55.2
1949	9.0	1,839	3.9	43.8	......	1,945	......	42.1	......	1 394	......	53.2
1950	9.4	1,825	4.2	44.5	......	1,911	......	43.1	......	1,374	......	53.3
1951	9.1	1,883	4.1	45.0	......	1,966	......	43.9	......	1,448	......	51.4
1952	9.7	2,166	3.8	39.5	......	2,335	......	38.1	......	1,605	......	47.4
1953	9.5	2,125	4.0	41.7	......	2,249	......	41.0	......	1,759	......	45.2
1954	9.7	1,844	4.4	45.0	8.2	1,983	3.5	42.9	1.4	1,317	.9	57.0
1955	9.9	1,992	4.1	41.8	8.5	2,139	3.4	39.9	1.4	1,415	.7	52.8
1956	9.8	2,137	3.9	40.3	8.5	2,204	3.3	39.1	1.3	1,620	.6	48.6
1957	10.4	2,193	4.0	38.6	8.9	2,326	3.2	36.5	1.5	1,482	.8	50.7
1958	10.9	2,123	4.2	38.8	9.2	2,263	3.4	37.1	1.6	1,513	.8	49.7
1959	10.9	2,188	4.1	37.9	9.3	2,327	3.3	35.8	1.6	1,497	.8	50.1
1960	11.1	2,365	4.0	36.1	9.6	2,545	3.2	33.8	1.5	1,479	.8	50.8
1961	11.2	2,378	3.9	35.1	9.6	2,557	3.2	33.0	1.6	1,567	.8	48.5
1962	11.0	2,349	3.6	32.8	9.5	2,514	2.9	30.7	1.5	1,677	.7	45.5
1963	11.2	2,382	3.6	32.5	9.7	2,497	3.0	30.5	1.5	1,718	.7	45.0
1964	12.1	2,597	3.7	30.9	10.4	2,738	3.0	29.2	1.6	1,886	.6	40.6
1965	12.1	2,771	3.4	28.1	10.5	2,887	2.8	26.7	1.7	2,101	.6	36.5
1966	12.4	2,833	3.3	26.9	10.8	2,945	2.8	25.5	1.6	2,139	.6	36.1
1966[2]	12.3	......	......	......	10.7	......	......	......	1.6	......	......	......
1967[2]	13.1	2,900	3.5	26.7	11.3	3,013	2.9	25.4	1.8	2,233	.6	34.7
1968[2]	13.8	3,241	3.2	22.9	12.0	3,432	2.6	21.6	1.8	2,362	.6	31.8
1969[2]	14.5	3,250	3.3	22.8	12.5	3,409	2.6	21.1	2.0	2,410	.7	33.7
1970[2]	15.4	3,277	3.3	21.7	13.4	3,425	2.7	20.1	1.9	2,354	.6	33.1
1971[2]	16.3	3,316	3.3	20.5	14.2	3,465	2.7	18.9	2.1	2,325	.7	31.8

[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 C-23.—*Population by age groups, 1929–72*

[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
1933	125, 579	10, 612	26, 897	9, 302	11, 152	37, 319	22, 933	7, 363
1939	130, 880	10, 418	25, 179	9, 822	11, 519	39, 354	25, 823	8, 764
1940	132, 122	10, 579	24, 811	9, 895	11, 690	39, 868	26, 249	9, 031
1941	133, 402	10, 850	24, 516	9, 840	11, 807	40, 383	26, 718	9, 288
1942	134, 860	11, 301	24, 231	9, 730	11, 955	40, 861	27, 196	9, 584
1943	136, 739	12, 016	24, 093	9, 607	12, 064	41, 420	27, 671	9, 867
1944	138, 397	12, 524	23, 949	9, 561	12, 062	42, 016	28, 138	10, 147
1945	139, 928	12, 979	23, 907	9, 361	12, 036	42, 521	28, 630	10, 494
1946	141, 389	13, 244	24, 103	9, 119	12, 004	43, 027	29, 064	10, 828
1947	144, 126	14, 406	24, 468	9, 097	11, 814	43, 657	29, 498	11, 185
1948	146, 631	14, 919	25, 209	8, 952	11, 794	44, 288	29, 931	11, 538
1949	149, 188	15, 607	25, 852	8, 788	11, 700	44, 916	30, 405	11, 921
1950	152, 271	16, 410	26, 721	8, 542	11, 680	45, 672	30, 849	12, 397
1951	154, 878	17, 333	27, 279	8, 446	11, 552	46, 103	31, 362	12, 803
1952	157, 553	17, 312	28, 894	8, 414	11, 350	46, 495	31, 884	13, 203
1953	160, 184	17, 638	30, 227	8, 460	11, 062	46, 786	32, 394	13, 617
1954	163, 026	18, 057	31, 480	8, 637	10, 832	47, 001	32, 942	14, 076
1955	165, 931	18, 566	32, 682	8, 744	10, 714	47, 194	33, 506	14. 525
1956	168, 903	19, 003	33, 994	8, 916	10, 616	47, 379	34, 057	14, 938
1957	171, 984	19, 494	35, 272	9, 195	10, 603	47, 440	34, 591	15, 388
1958	174, 882	19, 887	36, 445	9, 543	10, 756	47, 337	35, 109	15, 806
1959	177, 830	20, 175	37, 368	10, 215	10, 969	47, 192	35, 663	16, 248
1960	180, 671	20, 337	38, 496	10, 694	11, 124	47, 140	36, 200	16, 679
1961	183, 691	20. 504	39, 753	11, 072	11, 450	47, 089	36, 714	17, 108
1962	186, 538	20, 448	41, 184	11, 215	11, 954	47, 008	37, 251	17, 476
1963	189, 242	20, 316	41, 640	12, 004	12, 707	46, 996	37, 794	17, 785
1964	191, 889	20, 127	42, 313	12, 737	13, 256	46, 965	38, 382	18, 108
1965	194, 303	19, 786	42, 944	13, 504	13, 755	46, 912	38, 997	18, 405
1966	196, 560	19, 171	43, 695	14, 294	14, 090	46, 976	39, 610	18, 723
1967	198, 712	18, 528	44, 234	14, 212	15, 227	47, 188	40, 258	19, 066
1968	200, 706	17, 880	44, 609	14, 449	15, 766	47, 714	40, 890	19, 396
1969	202, 677	17, 339	44, 804	14, 804	16, 465	48, 055	41, 454	19, 754
1970	204, 879	17, 167	44, 730	15, 259	17, 192	48, 413	41, 938	20, 177
1971	207, 049	17, 289	44, 304	15, 604	18, 163	48, 781	42, 343	20, 567
1972	208, 837	17, 242	43, 684	15, 923	18, 219	50, 126	42, 695	20, 948

Note.—Includes Armed Forces overseas beginning 1940. Includes Alaska and Hawaii beginning 1950.

Source: Department of Commerce, Bureau of the Census.

TABLE C–24.—*Noninstitutional population and the labor force, 1929–72*

Year or month	Noninstitutional population[1]	Total labor force (including Armed Forces)	Armed Forces[1]	Civilian labor force: Total	Civilian labor force: Employment: Total	Civilian labor force: Employment: Agricultural	Civilian labor force: Employment: Nonagricultural	Civilian labor force: Unemployment	Unemployment rate (percent of civilian labor force)	Labor force participation rate (total labor force as percent of noninstitutional population)
	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	....
1933	....	51,840	250	51,590	38,760	10,090	28,670	12,830	24.9	....
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	14.6	56.0
1941	101,520	57,530	1,620	55,910	50,350	9,100	41,250	5,560	9.9	56.7
1942	102,610	60,380	3,970	56,410	53,750	9,250	44,500	2,660	4.7	58.8
1943	103,660	64,560	9,020	55,540	54,470	9,080	45,390	1,070	1.9	62.3
1944	104,630	66,040	11,410	54,630	53,960	8,950	45,010	670	1.2	63.1
1945	105,530	65,300	11,440	53,860	52,820	8,580	44,240	1,040	1.9	61.9
1946	106,520	60,970	3,450	57,520	55,250	8,320	46,930	2,270	3.9	57.2
1947	107,608	61,758	1,590	60,168	57,812	8,256	49,557	2,356	3.9	57.4
	Thousands of persons 16 years of age and over									
1947	103,418	60,941	1,591	59,350	57,039	7,891	49,148	2,311	3.9	58.9
1948	104,527	62,080	1,459	60,621	58,344	7,629	50,713	2,276	3.8	59.4
1949	105,611	62,903	1,617	61,286	57,649	7,656	49,990	3,637	5.9	59.6
1950	106,645	63,858	1,650	62,208	58,920	7,160	51,760	3,288	5.3	59.9
1951	107,721	65,117	3,100	62,017	59,962	6,726	53,239	2,055	3.3	60.4
1952	108,823	65,730	3,592	62,138	60,254	6,501	53,753	1,883	3.0	60.4
1953	110,601	66,560	3,545	63,015	61,181	6,261	54,922	1,834	2.9	60.2
1954	111,671	66,993	3,350	63,643	60,110	6,206	53,903	3,532	5.5	60.0
1955	112,732	68,072	3,049	65,023	62,171	6,449	55,724	2,852	4.4	60.4
1956	113,811	69,409	2,857	66,552	63,802	6,283	57,517	2,750	4.1	61.0
1957	115,065	69,729	2,800	66,929	64,071	5,947	58,123	2,859	4.3	60.6
1958	116,363	70,275	2,636	67,639	63,036	5,586	57,450	4,602	6.8	60.4
1959	117,881	70,921	2,552	68,369	64,630	5,565	59,065	3,740	5.5	60.2
1960	119,759	72,142	2,514	69,628	65,778	5,458	60,318	3,852	5.5	60.2
1961	121,343	73,031	2,572	70,459	65,746	5,200	60,546	4,714	6.7	60.2
1962	122,981	73,442	2,828	70,614	66,702	4,944	61,759	3,911	5.5	59.7
1963	125,154	74,571	2,738	71,833	67,762	4,687	63,076	4,070	5.7	59.6
1964	127,224	75,830	2,739	73,091	69,305	4,523	64,782	3,786	5.2	59.6
1965	129,236	77,178	2,723	74,455	71,088	4,361	66,726	3,366	4.5	59.7
1966	131,180	78,893	3,123	75,770	72,895	3,979	68,915	2,875	3.8	60.1
1967	133,319	80,793	3,446	77,347	74,372	3,844	70,527	2,975	3.8	60.6
1968	135,562	82,272	3,535	78,737	75,920	3,817	72,103	2,817	3.6	60.7
1969	137,841	84,240	3,506	80,734	77,902	3,606	74,296	2,832	3.5	61.1
1970	140,182	85,903	3,188	82,715	78,627	3,462	75,165	4,088	4.9	61.3
1971	142,596	86,929	2,817	84,113	79,120	3,387	75,732	4,993	5.9	61.0
1972*	145,775	88,991	2,449	86,542	81,702	3,472	78,230	4,840	5.6	61.0

See footnotes at end of table.

TABLE C-24.—*Noninstitutional population and the labor force, 1929–72*—Continued

Year or month	Noninstitutional population[1]	Total labor force (including Armed Forces)	Armed Forces[1]	Civilian labor force: Total	Civilian labor force: Employment: Total	Civilian labor force: Employment: Agricultural	Civilian labor force: Employment: Nonagricultural	Civilian labor force: Unemployment	Unemployment rate (percent of civilian labor force)	Labor force participation rate (total labor force as percent of noninstitutional population)
		Seasonally adjusted								
1971: Jan	141,500	86,669	2,976	83,693	78,679	3,411	75,268	5,014	6.0	61.3
Feb	141,670	86,291	2,950	83,341	78,441	3,294	75,147	4,900	5.9	60.9
Mar	141,885	86,343	2,930	83,413	78,417	3,370	75,047	4,996	6.0	60.9
Apr	142,088	86,594	2,882	83,712	78,736	3,533	75,203	4,976	5.9	60.9
May	142,285	86,814	2,850	83,964	78,906	3,402	75,504	5,058	6.0	61.0
June	142,482	86,314	2,816	83,498	78,653	3,293	75,360	4,845	5.8	60.6
July	142,685	86,836	2,797	84,039	79,095	3,371	75,724	4,944	5.9	60.9
Aug	142,886	87,146	2,775	84,371	79,264	3,396	75,868	5,107	6.1	61.0
Sept	143,104	87,252	2,749	84,503	79,476	3,368	76,108	5,027	5.9	61.0
Oct	143,321	87,413	2,717	84,696	79,738	3,413	76,325	4,958	5.9	61.0
Nov	143,517	87,774	2,696	85,078	79,987	3,447	76,540	5,091	6.0	61.2
Dec	143,723	87,803	2,658	85,145	80,040	3,409	76,631	5,105	6.0	61.1
1972: Jan*	144,697	88,238	2,594	85,644	80,579	3,397	77,182	5,065	5.9	61.0
Feb	144,895	88,058	2,540	85,518	80,594	3,369	77,225	4,924	5.8	60.8
Mar	145,077	88,768	2,504	86,264	81,216	3,460	77,756	5,048	5.9	61.2
Apr	145,227	88,647	2,463	86,184	81,209	3,313	77,896	4,975	5.8	61.0
May	145,427	88,850	2,419	86,431	81,458	3,338	78,120	4,973	5.8	61.1
June	145,639	88,947	2,393	86,554	81,752	3,331	78,421	4,802	5.5	61.1
July	145,854	88,985	2,388	86,597	81,782	3,443	78,339	4,815	5.6	61.0
Aug	146,069	89,337	2,396	86,941	82,061	3,610	78,451	4,880	5.6	61.2
Sept	146,289	89,471	2,405	87,066	82,256	3,579	78,677	4,810	5.5	61.2
Oct	146,498	89,651	2,415	87,236	82,397	3,658	78,739	4,839	5.5	61.2
Nov	146,709	89,454	2,431	87,023	82,525	3,556	78,969	4,498	5.2	61.0
Dec	146,923	89,707	2,440	87,267	82,780	3,650	79,130	4,487	5.1	61.1

[1] Not seasonally adjusted.

*Data beginning with 1972 not strictly comparable with prior data because of adjustment to 1970 Census data, which added 787,000 to the noninstitutional population, 333,000 to the civilian labor force, and 301,000 to civilian employment. For further details, see "Employment and Earnings," February 1972.

Note.—Labor force data in Tables C-24 through C-27 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 beginning February 1972. They are subject to correction when the annual official revision of the series is published.

Source: Department of Labor, Bureau of Labor Statistics.

Table C-25.—*Civilian employment and unemployment by sex and age, 1947–72*

[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	2,276	1,559	255	1,305	717	152	564
1949	57,649	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	1,834	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	1,039	209	832
1957	64,071	43,357	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	22,090	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	1,324	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	1,429	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
1972	81,702	50,630	3,750	46,880	31,072	2,972	28,100	4,840	2,635	707	1,928	2,205	595	1,610
	Seasonally adjusted													
1971: Jan	78,679	48,869	3,426	45,443	29,810	2,720	27,090	5,014	2,784	701	2,083	2,230	587	1,643
Feb	78,441	48,765	3,441	45,324	29,676	2,730	26,946	4,900	2,717	669	2,048	2,183	560	1,623
Mar	78,417	48,815	3,382	45,433	29,602	2,716	26,886	4,996	2,724	670	2,054	2,272	590	1,682
Apr	78,736	49,109	3,489	45,620	29,627	2,718	26,909	4,976	2,736	677	2,059	2,240	556	1,684
May	78,906	49,206	3,451	45,755	29,700	2,719	26,981	5,058	2,820	722	2,098	2,238	582	1,656
June	78,653	49,087	3,321	45,766	29,566	2,609	26,957	4,845	2,699	645	2,054	2,146	527	1,619
July	79,095	49,363	3,476	45,887	29,732	2,712	27,020	4,944	2,746	690	2,056	2,198	585	1,613
Aug	79,264	49,379	3,487	45,892	29,885	2,760	27,125	5,107	2,869	710	2,159	2,238	556	1,682
Sept	79,476	49,433	3,477	45,956	30,043	2,734	27,309	5,027	2,813	673	2,140	2,214	574	1,640
Oct	79,738	49,584	3,541	46,043	30,154	2,723	27,431	4,958	2,781	719	2,062	2,177	556	1,621
Nov	79,987	49,683	3,615	46,068	30,304	2,759	27,545	5,091	2,833	710	2,123	2,258	582	1,676
Dec	80,040	49,644	3,566	46,078	30,396	2,830	27,566	5,105	2,851	737	2,114	2,254	583	1,671
1972: Jan	80,579	49,880	3,619	46,261	30,699	2,926	27,773	5,065	2,782	745	2,037	2,283	644	1,639
Feb	80,594	49,868	3,546	46,322	30,726	2,911	27,815	4,924	2,808	850	1,958	2,116	620	1,496
Mar	81,216	50,282	3,686	46,596	30,934	2,982	27,952	5,048	2,809	784	2,025	2,239	618	1,621
Apr	81,209	50,250	3,710	46,540	30,959	2,997	27,962	4,975	2,760	725	2,035	2,215	623	1,592
May	81,458	50,375	3,718	46,657	31,083	3,061	28,022	4,973	2,736	716	2,020	2,237	546	1,691
June	81,752	50,710	3,786	46,924	31,042	2,970	28,072	4,802	2,579	614	1,965	2,223	568	1,655
July	81,782	50,708	3,666	47,042	31,074	2,927	28,147	4,815	2,526	611	1,915	2,289	595	1,694
Aug	82,061	50,852	3,782	47,070	31,209	2,896	28,313	4,880	2,616	729	1,887	2,264	605	1,659
Sept	82,256	51,034	3,838	47,196	31,222	2,935	28,287	4,810	2,591	716	1,875	2,219	598	1,621
Oct	82,397	51,132	3,905	47,227	31,265	2,984	28,281	4,839	2,597	662	1,935	2,242	592	1,650
Nov	82,525	51,165	3,857	47,308	31,360	3,067	28,293	4,498	2,454	718	1,736	2,044	558	1,486
Dec	82,780	51,336	3,861	47,475	31,444	3,087	28,357	4,487	2,380	703	1,677	2,107	595	1,512

Note.—See Note, Table C-24.

Seasonally adjusted data in this table have been revised and do not agree with those published beginning February 1972. They are subject to correction when the annual official revision of the series is published.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C–26.—*Selected unemployment rates, 1948–72*

[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: Household heads	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	3.7	3.4	5.5	7.3	6.4
1964	5.2	16.2	3.9	5.2	4.6	9.6	5.0	3.2	2.8	4.9	6.3	5.8
1965	4.5	14.8	3.2	4.5	4.1	8.1	4.3	2.7	2.4	4.2	5.3	5.0
1966	3.8	12.8	2.5	3.8	3.4	7.3	3.5	2.2	1.9	3.5	4.2	4.2
1967	3.8	12.8	2.3	4.2	3.4	7.4	3.6	2.1	1.8	3.4	4.4	4.2
1968	3.6	12.7	2.2	3.8	3.2	6.7	3.4	1.9	1.6	3.1	4.1	4.0
1969	3.5	12.2	2.1	3.7	3.1	6.4	3.3	1.8	1.5	3.1	3.9	3.9
1970	4.9	15.2	3.5	4.8	4.5	8.2	4.8	2.9	2.6	4.5	6.2	5.3
1971	5.9	16.9	4.4	5.7	5.4	9.9	5.7	3.6	3.2	5.5	7.4	6.4
1972	5.6	16.2	4.0	5.4	5.0	10.0	5.3	3.3	2.8	5.1	6.5	6.0
	Seasonally adjusted											
1971: Jan	6.0	17.3	4.4	5.7	5.5	9.5	5.8	3.7	3.3	5.5	7.6	6.5
Feb	5.9	16.6	4.3	5.7	5.4	9.6	5.6	3.6	3.2	5.4	7.4	6.4
Mar	6.0	17.1	4.3	5.9	5.5	9.5	5.8	3.6	3.2	5.5	7.4	6.5
Apr	5.9	16.6	4.3	5.9	5.6	9.8	5.7	3.6	3.2	5.5	7.5	6.5
May	6.0	17.4	4.4	5.8	5.6	10.5	5.9	3.8	3.2	5.7	7.5	6.6
June	5.8	16.5	4.3	5.7	5.3	9.4	5.5	3.7	3.1	5.3	7.1	5.6
July	5.9	17.1	4.3	5.6	5.4	10.0	5.6	3.6	3.1	5.4	7.2	6.3
Aug	6.1	16.9	4.5	5.8	5.6	9.9	5.7	3.8	3.2	5.6	7.5	6.5
Sept	5.9	16.7	4.4	5.7	5.4	10.4	5.7	3.8	3.3	5.6	7.7	6.3
Oct	5.9	16.9	4.3	5.6	5.3	10.4	5.5	3.5	3.0	5.4	7.1	6.5
Nov	6.0	16.9	4.4	5.7	5.6	9.4	5.7	3.6	3.3	5.7	7.5	6.4
Dec	6.0	17.1	4.4	5.7	5.4	10.4	5.8	3.8	3.2	5.7	7.5	6.4
1972: Jan	5.9	17.5	4.2	5.6	5.3	10.6	5.6	3.5	3.0	5.4	7.1	6.4
Feb	5.8	18.5	4.1	5.1	5.1	10.5	5.4	3.3	2.8	5.3	7.0	6.1
Mar	5.9	17.4	4.2	5.5	5.3	10.5	5.5	3.4	2.8	5.4	6.9	6.3
Apr	5.8	16.7	4.2	5.4	5.4	9.6	5.3	3.4	2.9	5.4	6.8	6.3
May	5.8	15.7	4.1	5.7	5.3	10.7	5.5	3.6	2.9	5.6	6.8	6.3
June	5.5	14.9	4.0	5.6	5.0	9.4	5.0	3.6	2.9	5.0	6.4	5.5
July	5.6	15.5	3.9	5.7	5.0	9.9	5.3	3.3	2.7	5.1	6.4	6.0
Aug	5.6	16.7	3.9	5.5	5.1	9.7	5.3	3.3	2.6	5.1	6.5	6.2
Sept	5.5	16.2	3.8	5.4	5.0	10.2	5.2	3.3	2.8	5.0	6.1	5.9
Oct	5.5	15.4	3.9	5.5	5.0	10.1	5.2	3.4	2.8	5.0	5.9	6.0
Nov	5.2	15.6	3.5	5.0	4.6	9.8	4.9	2.9	2.4	4.6	5.8	5.4
Dec	5.1	15.7	3.4	5.1	4.6	9.6	4.9	2.9	2.4	4.7	5.7	5.4

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 C–24.
Seasonally adjusted data in the first four columns of this table have been revised and do not agree with those published beginning February 1972. They are subject to correction when the annual official revision of the series is published.

Source: Department of Labor, Bureau of Labor Statistics.

Table C-27.—*Unemployment by duration, 1947–72*

Year or month	Total unemployment	Duration of unemployment: Less than 5 weeks	5–14 weeks	15–26 weeks	27 weeks and over	Average (mean) duration in weeks
	Thousands of persons 16 years of age and over					
1947	2,311	1,210	704	234	164	----------
1948	2,276	1,300	669	193	116	8.6
1949	3,637	1,756	1,194	428	256	10.0
1950	3,288	1,450	1,055	425	357	12.1
1951	2,055	1,177	574	166	137	9.7
1952	1,883	1,135	516	148	84	8.4
1953	1,834	1,142	482	132	78	8.0
1954	3,532	1,605	1,116	495	317	11.8
1955	2,852	1,335	815	366	336	13.0
1956	2,750	1,412	805	301	232	11.3
1957	2,859	1,408	891	321	239	10.5
1958	4,602	1,753	1,396	785	667	13.9
1959	3,740	1,585	1,114	469	571	14.4
1960	3,852	1,719	1,176	503	454	12.8
1961	4,714	1,806	1,376	728	804	15.6
1962	3,911	1,663	1,134	534	585	14.7
1963	4,070	1,751	1,231	535	553	14.0
1964	3,786	1,697	1,117	491	482	13.3
1965	3,366	1,628	983	404	351	11.8
1966	2,875	1,573	779	287	239	10.4
1967	2,975	1,634	893	271	177	8.8
1968	2,817	1,594	810	256	156	8.5
1969	2,832	1,629	827	242	133	8.0
1970	4,088	2,137	1,289	427	235	8.8
1971	4,993	2,234	1,578	665	517	11.4
1972	4,840	2,223	1,458	597	562	12.1
	Seasonally adjusted [1]					
1971: Jan	5,012	2,318	1,630	663	412	10.3
Feb	4,886	2,218	1,605	619	454	10.4
Mar	5,009	2,155	1,633	645	455	10.7
Apr	5,056	2,176	1,587	640	448	11.0
May	5,156	2,245	1,552	667	516	11.4
June	4,801	2,118	1,572	630	545	12.6
July	4,916	2,150	1,532	704	551	11.5
Aug	5,114	2,320	1,553	735	556	11.6
Sept	5,040	2,317	1,567	683	567	12.0
Oct	4,918	2,140	1,529	628	625	12.5
Nov	5,096	2,290	1,650	741	570	11.8
Dec	5,127	2,410	1,509	724	549	11.4
1972: Jan	*5,071	2,358	1,502	636	562	11.8
Feb	4,912	2,142	1,454	634	660	12.5
Mar	5,072	2,311	1,412	591	633	12.4
Apr	5,079	2,169	1,521	482	655	12.4
May	5,092	2,223	1,514	587	593	12.5
June	4,728	2,175	1,437	594	554	13.5
July	4,785	2,149	1,478	658	497	11.8
Aug	4,887	2,254	1,505	644	544	12.1
Sept	4,827	2,369	1,385	587	550	12.2
Oct	4,794	2,256	1,447	545	550	11.6
Nov	4,506	2,165	1,398	605	463	11.3
Dec	4,525	2,092	1,445	566	428	11.2

[1] Because of independent seasonal adjustment of the various series, detail will not add to totals.

* Data beginning with 1972 not strictly comparable with prior data because of adjustment to 1970 Census data, which added 32,000 to unemployment (detail by duration not available).

Note.—See Note, Table C–24.

Seasonally adjusted data in this table are as published beginning Feburary 1972 and therefore do not agree with data shown in Tables C–24 through C–26.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-28.—*Unemployment insurance programs, selected data, 1946–72*

Year or month	All programs: Covered employment [1]	All programs: Insured unemployment (weekly average) [2][3]	All programs: Total benefits paid (millions of dollars) [2][4]	State programs: Insured unemployment [3]	State programs: Initial claims	State programs: Exhaustions [5]	State programs: Insured unemployment as percent of covered employment: Unadjusted	State programs: Insured unemployment as percent of covered employment: Seasonally adjusted	State programs: Benefits paid: Total (millions of dollars) [4]	State programs: Benefits paid: Average weekly check (dollars) [6]
	Thousands	Thousands		Weekly average, thousands	Weekly average, thousands	Weekly average, thousands	Percent	Percent		
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	2,221.5	1,205	226	17	2.5	....	2,092.3	41.25
1968	57,977	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	59,526	2,070	4,179.1	1,805	296	25	3.4	....	3,848.5	50.34
1971 p	....	2,313	5,498.2	2,150	295	38	4.1	....	4,957.0	54.02
1972 p	....	2,185	5,000.0	1,850	265	37	3.5	....	4,550.0	57.00
1971: Jan	58,005	3,193	568.1	2,799	427	39	5.2	3.8	527.2	52.83
Feb	57,776	3,215	599.3	2,751	321	39	5.2	3.8	557.9	53.12
Mar	58,133	3,091	684.3	2,577	275	41	4.8	3.9	634.5	53.00
Apr	58,834	2,756	588.8	2,283	257	44	4.3	4.0	544.2	52.71
May	59,056	2,443	472.5	2,001	238	42	3.8	4.2	434.2	52.32
June	[8] 60,045	2,332	494.0	1,893	250	43	3.6	4.2	451.4	52.09
July	....	2,431	470.9	1,993	342	37	3.8	4.1	428.0	55.47
Aug	....	2,349	483.1	1,912	282	37	3.6	4.2	433.6	56.27
Sept	....	2,173	441.9	1,739	236	34	3.3	4.3	400.3	56.48
Oct p	....	2,129	408.0	1,716	252	32	3.2	4.4	367.2	53.46
Nov p	....	2,312	451.9	1,879	298	32	3.5	4.2	406.9	53.96
Dec p	....	2,666	537.4	2,221	358	33	4.2	3.8	489.6	54.58
1972: Jan p	....	3,097	597.7	2,524	385	40	4.8	3.4	550.9	55.35
Feb p	....	3,122	638.3	2,492	293	40	4.7	3.5	589.5	56.71
Mar p	....	2,922	683.2	2,279	242	40	4.3	3.5	628.9	57.21
Apr p	....	2,430	516.4	2,005	237	43	3.8	3.6	472.9	56.90
May p	....	2,105	472.7	1,740	216	39	3.3	3.7	429.2	56.32
June p	....	1,951	423.0	1,636	250	36	3.1	3.6	382.1	55.23
July p	....	2,087	402.0	1,823	321	35	3.4	3.7	364.3	55.75
Aug p	....	1,763	405.3	1,564	213	33	2.9	3.4	363.0	55.53
Sept p	....	1,554	313.5	1,388	190	29	2.6	3.4	280.1	60.16
Oct p	....	1,511	311.4	1,357	214	33	2.5	3.3	280.3	56.95
Nov p	....	1,691	413.7	1,507	253	31	2.7	3.3	386.4	56.94
Dec p	....	1,991	482.6	1,804	324	33	3.3	3.0	451.9	57.02

[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 extended benefit programs.

[3] Covered workers who have completed at least 1 week of unemployment.

[4] Includes benefits paid under extended benefit 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. Data for New Jersey not available for April–June 1971.

[6] For total unemployment only. Excludes data for New Jersey for April–December 1971.

[7] Programs include Puerto Rican sugarcane workers for initial claims and insured unemployment beginning July 1963.

[8] June 1971 is latest month for which data are available for all programs combined. Workers covered by State programs account for about 89 percent of the total.

Source: Department of Labor, Manpower Administration.

Table C-29.—*Wage and salary workers in nonagricultural establishments, 1929–72*

[All employees; thousands of persons]

Year or month	Total wage and salary workers	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government	
		Total	Durable goods	Nondurable goods							Federal	State and local
1929	31,339	10,702			1,087	1,497	3,916	6,123	1,509	3,440	533	2,532
1933	23,711	7,397			744	809	2,672	4,755	1,295	2,873	565	2,601
1939	30,618	10,278	4,715	5,564	854	1,150	2,936	6,426	1,462	3,517	905	3,090
1940	32,376	10,985	5,363	5,622	925	1,294	3,038	6,750	1,502	3,681	996	3,206
1941	36,554	13,192	6,968	6,225	957	1,790	3,274	7,210	1,549	3,921	1,340	3,320
1942	40,125	15,280	8,823	6,458	992	2,170	3,460	7,118	1,538	4,084	2,213	3,270
1943	42,452	17,602	11,084	6,518	925	1,567	3,647	6,982	1,502	4,148	2,905	3,174
1944	41,883	17,328	10,856	6,472	892	1,094	3,829	7,058	1,476	4,163	2,928	3,116
1945	40,394	15,524	9,074	6,450	836	1,132	3,906	7,314	1,497	4,241	2,808	3,137
1946	41,674	14,703	7,742	6,962	862	1,661	4,061	8,376	1,697	4,719	2,254	3,341
1947	43,881	15,545	8,385	7,159	955	1,982	4,166	8,955	1,754	5,050	1,892	3,582
1948	44,891	15,582	8,326	7,256	994	2,169	4,189	9,272	1,829	5,206	1,863	3,787
1949	43,778	14,441	7,489	6,953	930	2,165	4,001	9,264	1,857	5,264	1,908	3,948
1950	45,222	15,241	8,094	7,147	901	2,333	4,034	9,386	1,919	5,382	1,928	4,098
1951	47,849	16,393	9,089	7,304	929	2,603	4,226	9,742	1,991	5,576	2,302	4,087
1952	48,825	16,632	9,349	7,284	898	2,634	4,248	10,004	2,069	5,730	2,420	4,188
1953	50,232	17,549	10,110	7,438	866	2,623	4,290	10,247	2,146	5,867	2,305	4,340
1954	49,022	16,314	9,129	7,185	791	2,612	4,084	10,235	2,234	6,002	2,188	4,563
1955	50,675	16,882	9,541	7,340	792	2,802	4,141	10,535	2,335	6,274	2,187	4,727
1956	52,408	17,243	9,834	7,409	822	2,999	4,244	10,858	2,429	6,536	2,209	5,069
1957	52,894	17,174	9,856	7,319	828	2,923	4,241	10,886	2,477	6,749	2,217	5,399
1958	51,363	15,945	8,830	7,116	751	2,778	3,976	10,750	2,519	6,806	2,191	5,648
1959	53,313	16,675	9,373	7,303	732	2,960	4,011	11,127	2,594	7,130	2,233	5,850
1960	54,234	16,796	9,459	7,336	712	2,885	4,004	11,391	2,669	7,423	2,270	6,083
1961	54,042	16,326	9,070	7,256	672	2,816	3,903	11,337	2,731	7,664	2,279	6,315
1962	55,596	16,853	9,480	7,373	650	2,902	3,906	11,566	2,800	8,028	2,340	6,550
1963	56,702	16,995	9,616	7,380	635	2,963	3,903	11,778	2,877	8,325	2,358	6,868
1964	58,331	17,274	9,816	7,458	634	3,050	3,951	12,160	2,957	8,709	2,348	7,248
1965	60,815	18,062	10,406	7,656	632	3,186	4,036	12,716	3,023	9,087	2,378	7,696
1966	63,955	19,214	11,284	7,930	627	3,275	4,151	13,245	3,100	9,551	2,564	8,227
1967	65,857	19,447	11,439	8,008	613	3,208	4,261	13,606	3,225	10,099	2,719	8,679
1968	67,915	19,781	11,626	8,155	606	3,285	4,310	14,084	3,382	10,623	2,737	9,109
1969	70,284	20,167	11,895	8,272	619	3,435	4,429	14,639	3,564	11,229	2,758	9,444
1970	70,593	19,349	11,195	8,154	623	3,381	4,493	14,914	3,688	11,612	2,705	9,830
1971	70,645	18,529	10,565	7,964	602	3,411	4,442	15,142	3,796	11,869	2,664	10,191
1972[p]	72,750	18,928	10,881	8,048	607	3,520	4,495	15,679	3,926	12,309	2,649	10,639

See footnotes at end of table.

TABLE C–29.—*Wage and salary workers in nonagricultural establishments, 1929–72*—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											
1970: Jan	70,875	19,990	11,690	8,300	624	3,380	4,506	14,871	3,652	11,500	2,709	9,643
Feb	71,007	19,916	11,627	8,289	624	3,461	4,496	14,919	3,659	11,549	2,707	9,676
Mar	71,081	19,897	11,634	8,263	623	3,465	4,497	14,907	3,672	11,559	2,769	9,692
Apr	71,007	19,772	11,536	8,236	621	3,410	4,473	14,903	3,680	11,590	2,838	9,720
May	70,730	19,547	11,391	8,156	619	3,368	4,479	14,915	3,685	11,585	2,768	9,764
June	70,574	19,445	11,285	8,160	621	3,368	4,505	14,896	3,685	11,573	2,681	9,800
July	70,612	19,378	11,219	8,159	620	3,358	4,531	14,915	3,689	11,595	2,658	9,868
Aug	70,472	19,241	11,129	8,112	622	3,362	4,514	14,895	3,685	11,611	2,646	9,896
Sept	70,499	19,205	11,110	8,095	622	3,333	4,505	14,921	3,696	11,649	2,657	9,911
Oct	70,065	18,641	10,602	8,039	623	3,341	4,500	14,943	3,707	11,686	2,656	9,968
Nov	69,968	18,471	10,442	8,029	626	3,360	4,485	14,916	3,717	11,722	2,664	10,007
Dec	70,274	18,745	10,726	8,019	625	3,392	4,420	14,938	3,727	11,744	2,661	10,022
1971: Jan	70,331	18,690	10,683	8,007	625	3,330	4,468	14,993	3,741	11,766	2,659	10,059
Feb	70,266	18,608	10,620	7,988	623	3,303	4,487	15,008	3,744	11,762	2,659	10,072
Mar	70,299	18,519	10,549	7,970	622	3,353	4,470	15,019	3,752	11,794	2,660	10,110
Apr	70,461	18,538	10,566	7,972	623	3,392	4,467	15,053	3,764	11,808	2,662	10,154
May	70,643	18,602	10,612	7,990	622	3,405	4,470	15,098	3,780	11,823	2,662	10,181
June	70,574	18,520	10,568	7,952	621	3,407	4,451	15,096	3,799	11,833	2,661	10,186
July	70,532	18,453	10,519	7,934	599	3,405	4,433	15,137	3,803	11,865	2,664	10,173
Aug	70,548	18,393	10,466	7,927	612	3,408	4,397	15,186	3,804	11,889	2,663	10,196
Sept	70,843	18,517	10,552	7,965	618	3,436	4,420	15,232	3,821	11,918	2,663	10,218
Oct	70,861	18,495	10,547	7,948	521	3,475	4,406	15,250	3,835	11,951	2,662	10,266
Nov	71,103	18,534	10,560	7,974	524	3,518	4,403	15,299	3,847	11,997	2,666	10,315
Dec	71,291	18,519	10,552	7,967	611	3,468	4,432	15,333	3,855	12,042	2,666	10,365
1972: Jan	71,552	18,551	10,575	7,976	615	3,523	4,455	15,379	3,867	12,069	2,673	10,420
Feb	71,744	18,612	10,621	7,991	613	3,494	4,438	15,456	3,874	12,112	2,669	10,476
Mar	72,011	18,685	10,673	8,012	614	3,512	4,487	15,508	3,885	12,139	2,667	10,514
Apr	72,246	18,790	10,755	8,035	605	3,493	4,481	15,561	3,892	12,206	2,664	10,554
May	72,592	18,892	10,837	8,055	604	3,535	4,490	15,632	3,913	12,252	2,665	10,609
June	72,699	18,931	10,857	8,074	600	3,550	4,491	15,682	3,931	12,290	2,646	10,578
July	72,661	18,861	10,843	8,018	599	3,489	4,473	15,692	3,927	12,341	2,621	10,658
Aug	72,984	18,930	10,897	8,033	602	3,544	4,478	15,758	3,936	12,419	2,618	10,699
Sept	73,176	19,029	10,970	8,059	606	3,551	4,499	15,794	3,953	12,379	2,624	10,741
Oct	73,589	19,219	11,127	8,092	610	3,568	4,540	15,835	3,969	12,451	2,630	10,767
Nov p	73,868	19,321	11,191	8,130	609	3,529	4,550	15,935	3,981	12,501	2,642	10,800
Dec p	73,892	19,356	11,240	8,116	603	3,445	4,551	15,914	3,982	12,544	2,640	10,857

Note.—Data in Tables C–29 through C–31 are based on reports from employing establishments and relate to full- and part-time wage and salary workers in nonagricultural establishments who worked during, or received pay for, any part of the pay period which includes the 12th of the month.

Not comparable with labor force data (Tables C–24 through C–27), which include proprietors, self-employed persons, domestic servants, and unpaid family workers, and which count persons as employed when they are not at work because of industrial disputes, bad weather, etc.

For description and details of the various establishment data, see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C–30.—*Average weekly hours and hourly earnings in selected private nonagricultural industries, 1947–72*

[For production or nonsupervisory workers]

Year or month	Average weekly hours: Total private nonagricultural [1]	Average weekly hours: Manufacturing	Average weekly hours: Contract construction	Average weekly hours: Retail trade [2]	Average gross hourly earnings, current dollars: Total private nonagricultural	Average gross hourly earnings, current dollars: Manufacturing	Average gross hourly earnings, current dollars: Contract construction	Average gross hourly earnings, current dollars: Retail trade [2]	Adjusted hourly earnings, total private nonagricultural [3]: 1967=100: Current dollars	Adjusted hourly earnings, total private nonagricultural [3]: 1967=100: 1967 dollars [4]	Adjusted hourly earnings, total private nonagricultural [3]: Percent change from preceding period: Current dollars	Adjusted hourly earnings, total private nonagricultural [3]: Percent change from preceding period: 1967 dollars
1947	40.3	40.4	38.2	40.3	$1.131	$1.217	$1.541	$0.838	42.6	63.7	------	------
1948	40.0	40.0	38.1	40.2	1.225	1.328	1.713	.901	46.0	63.8	8.0	0.2
1949	39.4	39.1	37.7	40.4	1.275	1.378	1.792	.951	48.2	67.5	4.8	5.8
1950	39.8	40.5	37.4	40.4	1.335	1.440	1.863	.983	50.0	69.3	3.7	2.7
1951	39.9	40.6	38.1	40.4	1.45	1.56	2.02	1.06	53.7	69.0	7.4	−.4
1952	39.9	40.7	38.9	39.8	1.52	1.65	2.13	1.09	56.4	70.9	5.0	2.8
1953	39.6	40.5	37.9	39.1	1.61	1.74	2.28	1.16	59.6	74.4	5.7	4.9
1954	39.1	39.6	37.2	39.2	1.65	1.78	2.39	1.20	61.7	76.6	3.5	3.0
1955	39.6	40.7	37.1	39.0	1.71	1.86	2.45	1.25	63.7	79.4	3.2	3.7
1956	39.3	40.4	37.5	38.6	1.80	1.95	2.57	1.30	67.0	82.3	5.2	3.7
1957	38.8	39.8	37.0	38.1	1.89	2.05	2.71	1.37	70.3	83.4	4.9	1.3
1958	38.5	39.2	36.8	38.1	1.95	2.11	2.82	1.42	73.2	84.5	4.1	1.3
1959	39.0	40.3	37.0	38.2	2.02	2.19	2.93	1.47	75.8	86.8	3.6	2.7
1960	38.6	39.7	36.7	38.0	2.09	2.26	3.08	1.52	78.4	88.4	3.4	1.8
1961	38.6	39.8	36.9	37.6	2.14	2.32	3.20	1.56	80.8	90.2	3.1	2.0
1962	38.7	40.4	37.0	37.4	2.22	2.39	3.31	1.63	83.5	92.2	3.3	2.2
1963	38.8	40.5	37.3	37.3	2.28	2.46	3.41	1.68	85.9	93.7	2.9	1.6
1964	38.7	40.7	37.2	37.0	2.36	2.53	3.55	1.75	88.6	95.3	3.1	1.7
1965	38.8	41.2	37.4	36.6	2.45	2.61	3.70	1.82	91.9	97.2	3.7	2.0
1966	38.6	41.3	37.6	35.9	2.56	2.72	3.89	1.91	95.6	98.4	4.0	1.2
1967	38.0	40.6	37.7	35.3	2.68	2.83	4.11	2.01	100.0	100.0	4.6	1.6
1968	37.8	40.7	37.4	34.7	2.85	3.01	4.41	2.16	106.6	102.3	6.6	2.3
1969	37.7	40.6	37.9	34.2	3.04	3.19	4.79	2.30	113.6	103.5	6.6	1.2
1970	37.1	39.8	37.4	33.8	3.22	3.36	5.24	2.44	121.2	104.2	6.7	.7
1971	37.0	39.9	37.3	33.7	3.43	3.56	5.69	2.57	129.7	106.9	7.0	2.6
1972 p	37.2	40.6	36.9	33.6	3.65	3.80	6.05	2.70	137.8	110.0	6.2	2.9
	Seasonally adjusted										Seasonally adjusted annual rates [5]	
1971: Jan	36.9	39.9	37.4	33.6	$3.33	$3.48	$5.47	$2.51	126.0	105.5	10.5	6.8
Feb	36.9	39.7	36.7	33.6	3.35	3.51	5.52	2.53	126.7	105.9	7.2	4.1
Mar	37.0	39.8	37.6	33.5	3.37	3.52	5.53	2.54	127.1	106.0	4.1	1.5
Apr	37.0	39.8	37.1	33.7	3.39	3.53	5.58	2.55	128.1	106.6	9.6	6.3
May	36.9	40.0	36.9	33.7	3.42	3.55	5.63	2.56	128.9	106.7	8.2	1.7
June	37.0	40.0	37.3	33.7	3.43	3.56	5.67	2.57	129.4	106.7	4.1	−.6
July	36.9	40.0	37.2	33.8	3.44	3.58	5.70	2.59	130.1	106.9	6.7	3.2
Aug	36.9	39.8	37.2	33.6	3.46	3.59	5.76	2.59	130.8	107.2	7.1	3.0
Sept	36.9	39.6	35.8	33.6	3.48	3.60	5.78	2.60	131.4	107.5	5.6	3.9
Oct	37.0	39.9	37.6	33.7	3.49	3.59	5.81	2.60	131.8	107.7	3.6	1.7
Nov	37.1	40.1	39.0	33.7	3.49	3.59	5.83	2.59	131.8	107.5	.2	−2.1
Dec	37.1	40.2	36.8	33.9	3.53	3.68	5.88	2.63	133.6	108.6	17.8	13.5
1972: Jan	37.0	40.1	37.1	33.7	3.55	3.69	5.91	2.65	134.6	109.1	9.6	5.8
Feb	37.2	40.4	37.3	33.6	3.56	3.72	5.93	2.65	134.8	108.7	1.6	−5.0
Mar	37.1	40.4	37.2	33.6	3.59	3.74	5.97	2.66	135.5	109.2	6.0	5.7
Apr	37.3	40.8	36.7	33.7	3.62	3.76	6.01	2.67	136.7	110.0	11.5	9.3
May	37.0	40.5	36.7	33.7	3.62	3.78	6.02	2.68	136.7	109.6	.1	−3.9
June	37.1	40.7	36.9	33.8	3.63	3.79	6.01	2.69	137.1	109.8	3.1	2.4
July	37.2	40.6	37.0	33.7	3.64	3.79	6.01	2.71	137.8	110.0	6.9	1.7
Aug	37.1	40.6	37.1	33.6	3.67	3.83	6.06	2.72	138.3	110.1	4.4	1.4
Sept	37.3	40.8	37.1	33.5	3.69	3.86	6.10	2.73	139.3	110.4	9.1	3.2
Oct	37.3	40.7	37.6	33.5	3.73	3.86	6.15	2.74	140.5	111.0	10.6	6.6
Nov p	37.2	40.9	37.0	33.5	3.73	3.89	6.19	2.74	140.7	110.8	1.3	−1.9
Dec p	37.2	41.0	35.6	33.8	3.74	3.93	6.26	2.75	141.9	111.6	11.3	8.5

[1] Also includes other private industry groups shown in Table C–29.
[2] Includes eating and drinking places.
[3] Adjusted for overtime (in manufacturing only) and for interindustry employment shifts.
[4] Current dollar earnings index divided by the consumer price index.
[5] Computed from indexes to two decimal places.

Note.—See Note, Table C–29.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-31.—*Average weekly earnings in selected private nonagricultural industries, 1947–72*

[For production or nonsupervisory workers]

Year or month	Average gross weekly earnings					Average spendable weekly earnings, total private nonagricultural [4]			
	Total private nonagricultural [1]		Manufacturing	Contract construction	Retail trade [3]	Amount		Percent change from preceding period	
	Current dollars	1967 dollars [2]	Current dollars			Current dollars	1967 dollars [2]	Current dollars	1967 dollars
1947	$45.58	$68.13	$49.17	$58.87	$33.77	$44.64	$66.73		
1948	49.00	67.96	53.12	65.27	36.22	48.51	67.28	8.7	0.8
1949	50.24	70.36	53.88	67.56	38.42	49.74	69.66	2.5	3.5
1950	53.13	73.69	58.32	69.68	39.71	52.04	72.18	4.6	3.6
1951	57.86	74.37	63.34	76.96	42.82	55.79	71.71	7.2	−.7
1952	60.65	76.29	67.16	82.86	43.38	57.87	72.79	3.7	1.5
1953	63.76	79.60	70.47	86.41	45.36	60.31	75.29	4.2	3.4
1954	64.52	80.15	70.49	88.91	47.04	60.85	75.59	.9	.4
1955	67.72	84.44	75.70	90.90	48.75	63.41	79.06	4.2	4.6
1956	70.74	86.90	78.78	96.38	50.18	65.82	80.86	3.8	2.3
1957	73.33	86.99	81.59	100.27	52.20	67.71	80.32	2.9	−.7
1958	75.08	86.70	82.71	103.78	54.10	69.11	79.80	2.1	−.6
1959	78.78	90.24	88.26	108.41	56.15	71.86	82.31	4.0	3.1
1960	80.67	90.95	89.72	113.04	57.76	72.96	82.25	1.5	−.1
1961	82.60	92.19	92.34	118.08	58.66	74.48	83.13	2.1	1.1
1962	85.91	94.82	96.56	122.47	60.96	76.99	84.98	3.4	2.2
1963	88.46	96.47	99.63	127.19	62.66	78.56	85.67	2.0	.8
1964	91.33	98.31	102.97	132.06	64.75	82.57	88.88	5.1	3.7
1965	95.06	100.59	107.53	138.38	66.61	86.30	91.32	4.5	2.7
1966	98.82	101.67	112.34	146.26	68.57	88.66	91.21	2.7	−.1
1967	101.84	101.84	114.90	154.95	70.95	90.86	90.86	2.5	−.4
1968	107.73	103.39	122.51	164.93	74.95	95.28	91.44	4.9	.6
1969	114.61	104.38	129.51	181.54	78.66	99.99	91.07	4.9	−.4
1970	119.46	102.72	133.73	195.98	82.47	104.61	89.95	4.6	−1.2
1971	126.91	104.62	142.04	212.24	86.61	112.12	92.43	7.2	2.8
1972 p	135.78	108.36	154.28	223.25	90.72	120.79	96.40	7.7	4.3
	Seasonally adjusted							Seasonally adjusted annual rates	
1971: Jan	$122.88	$102.95	$138.85	$204.58	$84.34	$108.94	$91.27	[5]8.2	[5]4.6
Feb	123.62	103.32	139.35	202.58	85.01	109.52	91.53	6.6	3.5
Mar	124.69	103.99	140.10	207.93	85.09	110.37	92.05	9.7	7.0
Apr	125.43	104.34	140.49	207.02	85.94	110.95	92.30	6.5	3.3
May	126.20	104.45	142.00	207.75	86.27	111.56	92.34	6.8	.5
June	126.91	104.63	142.40	211.49	86.61	112.12	92.44	6.2	1.3
July	126.94	104.37	143.20	212.04	87.54	112.14	92.21	.2	−2.9
Aug	127.67	104.62	142.88	214.27	87.02	112.71	92.36	6.3	2.0
Sept	128.41	105.08	142.56	206.92	87.36	113.30	92.72	6.5	4.8
Oct	129.13	105.51	143.24	218.46	87.62	113.86	93.03	6.1	4.1
Nov	129.48	105.59	143.96	227.37	87.28	114.14	93.08	3.0	.6
Dec	130.96	106.47	147.94	216.38	89.16	115.31	93.75	13.0	9.0
1972: Jan	131.35	106.48	147.97	219.26	89.31	117.30	95.09	[5]4.6	[5]1.2
Feb	132.43	106.75	150.29	221.19	89.04	118.15	95.24	9.1	1.9
Mar	133.19	107.32	151.10	222.08	89.38	118.75	95.69	6.3	5.8
Apr	135.03	108.62	153.41	220.57	89.98	120.20	96.69	15.7	13.3
May	133.94	107.39	153.09	220.93	90.32	119.34	95.69	−8.3	−11.7
June	134.67	107.92	154.25	221.77	90.92	119.92	96.10	6.0	5.3
July	135.41	108.06	153.87	222.37	91.33	120.50	96.16	6.0	.8
Aug	136.16	108.39	155.50	224.83	91.39	121.09	96.39	6.0	2.9
Sept	137.64	109.06	157.49	226.31	91.46	122.26	96.88	12.2	6.3
Oct	139.13	109.91	157.10	231.24	91.79	123.43	97.50	12.1	8.0
Nov p	138.76	109.32	159.10	229.03	91.79	123.14	97.01	−2.8	−5.9
Dec p	139.13	109.38	161.13	222.86	92.95	123.43	97.04	2.9	.4

[1] Also includes other private industry groups shown in Table C-29.
[2] Earnings in current dollars divided by the consumer price index.
[3] Includes eating and drinking places.
[4] Average gross weekly earnings less social security and income taxes for a worker with three dependents.
[5] In annualizing the rates of change, the effect of the change in tax rates at the beginning of 1971 and 1972 is taken into account separately.

Note.—See Note, Table C-29.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-32.—*Output per man-hour and related data, private economy, 1947–72*

[1967=100]

Year or quarter	Output [1]		Man-hours [2]		Output per man-hour		Compensation per man-hour [3]		Unit labor costs		Implicit price deflator [4]	
	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm
1947	45.6	44.5	88.8	78.0	51.3	57.1	36.2	38.3	70.6	67.1	66.4	63.8
1948	47.8	46.5	89.2	79.1	53.6	58.8	39.5	41.8	73.7	71.0	70.9	68.2
1949	47.6	46.4	86.2	76.0	55.3	61.1	40.1	43.0	72.5	70.3	70.2	68.7
1950	52.5	51.3	87.9	79.0	59.7	65.0	42.8	45.3	71.7	69.7	70.9	69.4
1951	55.8	55.0	90.7	82.9	61.5	66.3	46.9	49.3	76.3	74.3	76.1	74.0
1952	57.2	56.3	91.2	84.1	62.7	66.9	49.8	52.0	79.4	77.6	77.5	75.9
1953	60.1	59.1	92.0	85.9	65.3	68.9	52.9	54.9	81.0	79.7	78.1	77.2
1954	59.3	58.3	88.6	82.6	66.9	70.5	54.5	56.6	81.5	80.3	79.1	78.5
1955	64.3	63.4	92.1	86.1	69.9	73.6	55.9	58.6	80.1	79.6	79.8	79.5
1956	65.6	64.7	93.7	88.4	70.0	73.2	59.5	62.0	85.0	84.7	82.3	82.3
1957	66.5	65.7	92.3	87.9	72.0	74.8	63.3	65.5	87.9	87.6	85.3	85.3
1958	65.6	64.8	88.4	84.5	74.3	76.7	66.0	68.1	88.9	88.7	87.1	86.8
1959	70.2	69.5	91.2	87.6	76.9	79.3	69.0	71.0	89.8	89.5	88.3	88.3
1960	71.9	71.1	92.0	88.6	78.2	80.3	71.7	73.9	91.8	92.0	89.5	89.6
1961	73.2	72.5	90.6	87.7	80.9	82.7	74.4	76.3	92.1	92.3	90.4	90.4
1962	78.2	77.6	92.4	89.8	84.7	86.4	77.7	79.3	91.8	91.8	91.2	91.2
1963	81.5	80.9	92.9	90.9	87.7	89.1	80.8	82.2	92.1	92.3	92.2	92.3
1964	86.2	85.9	94.5	92.9	91.1	92.4	84.9	86.1	93.1	93.2	93.2	93.4
1965	91.8	91.5	97.4	96.3	94.2	95.1	88.4	89.2	93.8	93.9	94.8	94.8
1966	97.7	97.9	99.7	99.5	98.0	98.4	94.5	94.6	96.5	96.2	97.2	96.8
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	104.8	105.1	101.8	102.1	102.9	102.9	107.6	107.3	104.6	104.3	103.6	103.5
1969	107.7	108.0	104.2	105.1	103.3	102.7	115.8	114.8	112.1	111.8	108.3	108.1
1970	107.1	107.2	102.6	103.8	104.3	103.4	124.6	123.1	119.4	119.1	113.5	113.5
1971	110.3	110.4	102.0	103.2	108.1	107.1	133.4	131.8	123.4	123.2	118.4	118.4
1972 p	118.0	118.8	104.7	105.9	112.7	112.1	141.7	140.3	125.7	125.1	121.5	120.9
	Seasonally adjusted											
1970: I	106.8	107.0	103.9	105.1	102.8	101.8	121.5	119.9	118.2	117.7	111.8	111.5
II	107.3	107.3	103.2	104.2	103.9	103.0	123.3	122.0	118.7	118.4	112.8	112.8
III	107.9	108.1	102.1	103.2	105.6	104.7	126.1	124.6	119.4	119.0	113.9	113.9
IV	106.5	106.5	101.3	102.5	105.1	103.9	127.7	126.1	121.5	121.3	115.6	115.9
1971: I	108.7	108.7	101.6	102.8	107.0	105.8	130.6	128.8	122.0	121.8	117.0	117.1
II	109.7	109.8	101.9	103.0	107.6	106.6	132.5	131.2	123.2	123.0	118.2	118.3
III	110.4	110.5	101.8	103.0	108.5	107.3	134.4	132.9	123.9	123.8	119.0	119.1
IV	112.3	112.7	102.6	103.8	109.4	108.5	136.0	134.5	124.2	123.9	119.3	119.1
1972: I	114.3	114.9	103.4	104.5	110.5	109.9	138.8	137.4	125.7	125.0	120.6	120.2
II	117.1	117.8	104.4	105.9	112.2	111.3	140.7	139.0	125.5	124.9	121.1	120.6
III	118.9	120.0	105.0	106.1	113.3	113.1	142.2	141.1	125.5	124.8	121.8	121.1
IV p	121.5	122.5	105.9	107.2	114.8	114.3	114.9	143.6	126.3	125.7	122.6	121.7

[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.—Data relate to all persons.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-33.—*Changes in output per man-hour and related data, private economy, 1948–72*

[Percent change from preceding period]

Year or quarter	Output [1]		Man-hours [2]		Output per man-hour		Compensation per man-hour [3]		Unit labor costs		Implicit price deflator [4]	
	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm
1948	4.8	4.4	0.4	1.3	4.5	3.0	9.0	9.0	4.3	5.8	6.7	6.8
1949	−.3	−.1	−3.4	−3.9	3.2	4.0	1.5	2.9	−1.6	−1.0	−1.0	.8
1950	10.2	10.6	2.0	4.0	8.1	6.3	6.8	5.5	−1.2	−.8	1.0	1.1
1951	6.3	7.0	3.2	4.9	3.0	2.0	9.6	8.7	6.4	6.6	7.3	6.5
1952	2.5	2.5	.5	1.5	1.9	.9	6.1	5.5	4.1	4.5	1.9	2.6
1953	5.1	5.1	.8	2.1	4.2	2.9	6.3	5.6	2.0	2.6	.7	1.8
1954	−1.3	−1.5	−3.7	−3.8	2.4	2.3	3.1	3.2	.6	.9	1.2	1.7
1955	8.5	8.8	3.9	4.2	4.4	4.4	2.6	3.5	−1.7	−.9	.9	1.3
1956	1.9	2.0	1.7	2.6	.2	−.6	6.4	5.8	6.2	6.4	3.2	3.4
1957	1.4	1.6	−1.5	−.6	2.9	2.2	6.5	5.7	3.5	3.4	3.6	3.7
1958	−1.3	−1.5	−4.2	−3.9	3.1	2.5	4.2	3.8	1.1	1.3	2.1	1.7
1959	7.0	7.3	3.3	3.7	3.6	3.4	4.6	4.3	1.0	.9	1.4	1.8
1960	2.4	2.4	.8	1.1	1.6	1.2	3.9	4.1	2.2	2.8	1.4	1.4
1961	1.9	1.9	−1.5	−1.0	3.5	3.0	3.8	3.2	.3	.2	.9	.9
1962	6.8	7.1	2.0	2.5	4.7	4.6	4.4	4.0	−.3	−.5	.9	.9
1963	4.2	4.3	.6	1.2	3.6	3.1	4.0	3.6	.4	.5	1.0	1.2
1964	5.7	6.1	1.8	2.3	3.9	3.7	5.0	4.7	1.1	1.0	1.2	1.3
1965	6.6	6.6	3.1	3.6	3.4	2.9	4.1	3.7	.7	.8	1.7	1.4
1966	6.4	7.0	2.4	3.3	4.0	3.5	6.9	6.1	2.8	2.5	2.5	2.2
1967	2.3	2.2	.3	.5	2.1	1.6	5.8	5.7	3.7	4.0	2.9	3.3
1968	4.8	5.1	1.8	2.1	2.9	2.9	7.6	7.3	4.6	4.3	3.6	3.5
1969	2.8	2.8	2.3	2.9	.4	−.1	7.6	7.0	7.1	7.2	4.5	4.5
1970	−.5	−.7	−1.5	−1.3	1.0	.6	7.6	7.2	6.5	6.6	4.8	5.0
1971	3.0	3.0	−.6	−.6	3.6	3.6	7.1	7.1	3.4	3.4	4.3	4.3
1972 p	7.0	7.6	2.6	2.7	4.2	4.7	6.2	6.4	1.9	1.6	2.6	2.1
	Seasonally adjusted annual rates											
1970: I	−2.6	−3.0	−1.3	−1.2	−1.3	−1.8	6.9	6.5	8.3	8.4	5.2	5.2
II	1.7	1.1	−2.5	−3.4	4.3	4.7	5.9	7.2	1.6	2.4	3.8	4.9
III	2.3	2.9	−4.3	−3.8	6.9	6.9	9.4	9.0	2.4	2.0	3.8	3.7
IV	−5.1	−5.7	−3.3	−2.7	−1.9	−3.1	5.4	4.6	7.4	8.0	6.3	7.2
1971: I	8.7	8.6	1.2	1.1	7.5	7.4	9.2	9.1	1.7	1.5	4.7	4.5
II	3.7	4.1	1.5	.9	2.2	3.2	6.2	7.5	3.9	4.2	4.3	4.0
III	2.5	2.4	−.6	−.2	3.2	2.5	5.8	5.2	2.6	2.5	2.8	2.7
IV	7.2	8.1	3.4	3.3	3.7	4.7	4.7	4.9	1.0	.3	1.0	.1
1972: I	7.0	8.1	3.1	2.8	3.9	5.2	8.7	9.1	4.6	3.8	4.2	3.7
II	10.2	10.6	3.8	5.2	6.2	5.1	5.6	4.6	−.6	−.5	1.7	1.5
III	6.5	7.5	2.3	.9	4.1	6.6	4.4	6.1	.3	−.4	2.2	1.4
IV p	8.9	8.6	3.4	4.1	5.3	4.3	7.8	7.4	2.3	3.0	2.7	2.1

[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.—Data relate to all persons.
Percent changes are based on original data and therefore may differ slightly from percent changes based on indexes in Table C-32.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C–34.—*Industrial production indexes, major industry divisions, 1929–72*

[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
1933	13.7	14.0	9.1	19.7	31.5	6.5
1939	21.7	21.5	17.8	25.9	43.4	10.4
1940	25.0	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	106.6	105.2	101.4	110.6	109.7	128.3
1971	106.8	105.2	99.4	113.5	107.0	133.9
1972 p	114.3	113.2	107.4	121.5	108.4	143.0
	Seasonally adjusted					
1971: Jan	105.5	103.6	98.3	111.2	111.6	131.3
Feb	106.0	104.2	98.9	111.8	110.4	132.7
Mar	106.0	103.5	98.5	110.8	111.7	133.0
Apr	106.5	104.8	99.6	112.3	110.8	132.7
May	107.4	105.9	101.1	112.8	108.7	132.8
June	107.4	106.0	100.7	113.7	108.6	133.8
July	106.7	105.8	100.3	113.8	105.6	136.2
Aug	105.6	104.2	97.4	114.0	106.3	134.1
Sept	107.1	105.7	99.3	115.1	105.9	134.0
Oct	106.8	106.1	100.1	114.7	97.7	135.2
Nov	107.4	106.0	99.1	115.9	102.5	136.0
Dec	108.1	106.2	99.5	116.0	107.8	135.8
1972: Jan	108.7	107.1	100.4	116.8	107.3	137.4
Feb	110.0	108.5	102.1	117.8	107.2	139.7
Mar	111.2	109.7	103.4	118.8	108.5	139.7
Apr	112.8	111.8	105.8	120.3	109.0	140.2
May	113.2	112.3	106.3	120.8	107.9	141.1
June	113.4	112.5	106.8	121.3	108.2	141.0
July	113.9	113.2	107.7	121.0	107.9	142.5
Aug	115.0	114.1	108.4	122.6	107.7	144.1
Sept	116.1	115.2	109.7	123.3	110.2	145.6
Oct	117.3	116.6	111.3	124.3	109.9	146.3
Nov p	118.4	117.5	112.6	124.6	110.9	147.1
Dec p	119.3	118.6	113.9	125.3	109.4	146.8

Source: Board of Governors of the Federal Reserve System.

TABLE C–35.—*Industrial production indexes, market groupings, 1947–72*

[1967=100]

Year or month	Total industrial production	Final products: Total	Consumer goods[1]: Total	Consumer goods[1]: Automotive products	Consumer goods[1]: Home goods	Equipment: Total	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	88.5
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	106.6	104.5	110.3	99.9	107.6	96.3	101.4	111.7	107.7	103.2	112.5
1971	106.8	104.7	115.7	119.5	112.6	89.4	96.8	112.5	107.4	101.7	114.1
1972 p	114.3	111.1	123.1	126.9	124.2	94.5	104.4	120.6	116.3	112.0	121.7
	Seasonally adjusted										
1971: Jan	105.5	103.2	113.0	111.2	106.1	89.4	95.1	110.3	106.9	101.9	112.1
Feb	106.0	103.5	113.3	117.6	107.1	89.8	96.7	111.8	107.1	102.0	112.5
Mar	106.0	103.3	113.7	117.8	109.1	88.8	95.6	111.4	107.7	102.3	112.9
Apr	106.5	104.0	114.7	115.7	112.4	88.9	95.6	111.7	107.9	102.6	113.1
May	107.4	104.4	115.4	120.7	115.0	88.7	95.1	112.9	109.4	105.4	113.3
June	107.4	104.6	116.1	121.2	114.6	88.5	95.6	112.2	109.3	103.7	115.2
July	106.7	105.0	116.3	121.7	115.0	89.3	97.1	114.6	106.4	99.7	113.6
Aug	105.6	104.8	115.9	122.3	114.4	89.5	97.5	110.9	104.8	96.5	114.7
Sept	107.1	105.5	116.7	122.9	113.8	89.8	98.2	112.3	107.3	100.6	114.7
Oct	106.8	105.4	116.6	121.9	113.9	89.8	98.2	113.2	106.6	102.2	115.0
Nov	107.4	106.1	118.0	119.7	113.8	89.6	97.9	114.3	106.5	100.5	115.9
Dec	108.1	106.2	118.0	119.9	116.0	89.6	98.0	114.9	108.4	101.6	116.7
1972: Jan	108.7	106.4	118.5	116.6	118.1	89.5	98.4	115.9	109.2	103.5	116.0
Feb	110.0	107.6	119.6	119.5	120.7	90.9	99.9	117.0	110.8	105.8	117.0
Mar	111.2	108.2	119.6	119.3	118.7	92.4	101.3	117.3	113.1	107.8	119.8
Apr	112.8	109.8	122.0	128.9	124.2	92.7	101.3	117.3	115.0	110.4	120.6
May	113.2	110.2	122.2	127.4	124.3	93.4	102.5	119.3	115.6	111.1	121.3
June	113.4	110.1	122.1	125.7	126.1	93.3	102.4	119.1	116.1	111.1	122.5
July	113.9	110.2	122.0	124.7	123.5	93.4	102.1	120.5	116.8	111.5	123.3
Aug	115.0	111.3	123.1	127.1	125.1	94.8	105.0	121.2	117.4	112.6	123.7
Sept	116.1	112.4	124.4	124.8	125.7	95.8	106.7	121.7	119.1	116.0	122.7
Oct	117.3	113.8	125.5	130.7	127.3	97.1	108.3	123.6	120.0	117.1	123.3
Nov p	118.4	114.6	126.7	136.6	127.3	97.9	109.0	126.0	120.6	117.2	124.9
Dec p	119.3	115.8	127.9	144.4	127.5	98.7	110.4	127.5	121.1	118.4	125.0

[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 C-36.—*Industrial production indexes, selected manufactures, 1947–72*

[1967=100]

Year or month	Durable manufactures								Nondurable manufactures			
	Primary metals	Fabricated metal products	Machinery	Transportation equipment	Instruments	Ordnance, private and government	Lumber, clay, and glass	Furniture and miscellaneous	Textiles, apparel, and leather	Paper and printing	Chemicals, petroleum, and rubber	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	100.3	90.4	110.8	95.3	106.3	108.8	100.2	107.8	118.2	110.8
1971	100.9	107.4	96.2	92.9	108.5	86.1	111.5	111.7	100.7	107.8	124.7	113.7
1972 p	112.4	113.4	105.3	98.8	118.9	86.4	119.9	122.7	106.3	115.4	137.7	117.4
	Seasonally adjusted											
1971: Jan	108.1	105.9	93.5	92.1	106.5	87.9	105.7	105.4	99.0	107.0	118.7	114.2
Feb	105.8	106.6	94.5	93.8	105.3	86.0	108.9	107.8	97.6	108.0	121.4	113.1
Mar	106.2	104.9	94.2	92.5	105.5	85.5	110.4	106.7	97.7	104.4	121.6	112.2
Apr	108.5	108.6	94.4	90.7	106.7	87.9	112.0	110.8	99.8	106.7	123.1	112.8
May	114.3	108.6	95.6	92.1	108.0	88.5	111.6	111.6	100.6	106.8	123.2	113.4
June	108.1	108.6	96.3	93.1	108.5	87.1	112.6	113.3	101.3	105.9	126.1	113.6
July	98.9	110.9	97.7	93.2	110.9	85.0	111.4	115.9	100.9	108.4	124.7	114.1
Aug	81.2	108.2	96.7	93.9	109.1	85.5	111.0	114.0	100.8	108.1	126.3	113.1
Sept	93.8	105.9	97.9	94.2	110.5	85.2	112.1	114.2	102.5	108.2	127.5	114.2
Oct	96.1	107.1	98.3	94.5	111.2	85.3	113.2	114.0	102.3	109.4	126.6	113.3
Nov	91.4	107.1	97.8	93.4	110.4	84.9	113.7	113.3	101.8	110.5	127.9	115.8
Dec	94.3	107.6	97.9	92.7	109.3	84.4	114.8	114.3	103.1	110.7	127.9	115.0
1972: Jan	102.4	106.0	98.5	92.0	111.3	83.2	115.5	115.0	102.0	111.3	129.8	115.7
Feb	102.6	108.6	99.5	94.7	114.5	83.7	118.0	117.3	101.1	112.6	132.6	115.9
Mar	105.1	110.1	100.3	95.9	114.2	86.4	118.1	118.4	103.7	112.6	133.4	116.3
Apr	110.2	110.8	102.6	100.4	116.1	87.3	118.1	119.9	106.1	112.3	136.1	117.6
May	113.5	111.9	103.0	98.9	117.3	87.6	118.2	120.6	104.9	114.1	137.5	117.1
June	111.9	112.3	104.8	97.4	119.3	87.8	119.0	122.1	105.9	115.1	137.1	117.6
July	114.9	114.1	104.8	98.2	119.9	88.0	119.1	123.7	104.8	115.2	137.4	116.8
Aug	113.6	114.4	107.1	98.4	120.9	86.2	119.6	126.7	106.8	116.4	139.9	117.6
Sept	117.4	115.2	108.3	99.8	122.4	84.8	120.5	126.6	108.0	115.3	141.1	118.8
Oct	118.2	117.5	109.5	102.4	122.9	86.3	123.5	126.2	109.0	118.3	142.0	117.8
Nov p	119.6	118.7	110.6	104.9	123.7	87.4	124.2	125.9	109.5	120.7	140.8	118.3
Dec p	121.5	119.7	112.0	107.1	123.5	87.5	125.4	128.3	110.7	120.2	142.4	119.0

Source: Board of Governors of the Federal Reserve System.

TABLE C–37.—*Manufacturing output, capacity, and utilization rate, 1948–72*

Period	Output [1]	Capacity	Utilization rate [2]		
			Total	Primary processing	Advanced processing
	1967 output=100		Percent		
1948	41.5	44.8	92.7	98.1	89.8
1949	39.1	47.3	82.7	83.8	82.1
1950	45.4	49.4	91.9	97.8	88.8
1951	49.3	51.8	95.1	100.1	92.5
1952	50.9	54.9	92.8	91.2	93.7
1953	55.4	58.1	95.5	94.3	96.1
1954	51.4	61.2	84.1	82.9	84.7
1955	58.1	64.4	90.0	93.7	87.7
1956	60.3	68.3	88.2	90.7	86.9
1957	61.1	74.8	84.5	85.2	84.1
1958	56.9	75.7	75.1	75.2	75.0
1959	64.0	78.6	81.4	82.7	80.7
1960	65.3	81.6	80.1	79.4	80.3
1961	65.6	84.5	77.6	78.2	77.3
1962	71.3	87.7	81.4	81.8	81.1
1963	75.7	91.2	83.0	84.0	82.5
1964	81.1	94.8	85.5	88.0	84.2
1965	89.0	100.0	89.0	91.1	87.8
1966	98.1	106.7	91.9	92.1	91.8
1967	99.9	113.7	87.9	85.7	89.1
1968	105.6	120.5	87.7	86.8	88.1
1969	110.4	127.7	86.5	88.5	85.4
1970	105.3	134.6	78.3	81.5	76.5
1971	105.2	140.3	75.0	79.3	72.7
1972 p	113.0	145.6	77.6	83.5	74.5
	Seasonally adjusted				
1967: I	98.8	111.2	88.9	87.1	89.9
II	98.9	112.8	87.7	84.4	89.5
III	99.9	114.5	87.3	84.9	88.6
IV	101.9	116.2	87.7	86.5	88.4
1968: I	103.5	117.9	87.9	86.1	88.8
II	105.3	119.6	88.1	87.6	88.3
III	106.3	121.3	87.6	86.6	88.2
IV	107.3	123.0	87.2	87.0	87.3
1969: I	109.5	124.9	87.7	88.6	87.1
II	110.4	126.7	87.1	88.7	86.2
III	111.8	128.6	86.9	88.9	85.8
IV	110.1	130.5	84.3	87.7	82.5
1970: I	106.8	132.2	80.8	83.5	79.3
II	106.8	133.8	79.8	82.4	78.4
III	105.9	135.3	78.3	81.7	76.5
IV	101.6	136.9	74.2	78.5	71.9
1971: I	103.8	138.3	75.0	79.4	72.7
II	105.6	139.6	75.6	81.1	72.7
III	105.3	141.0	74.7	78.0	72.9
IV	106.1	142.3	74.6	78.6	72.4
1972: I p	108.2	143.6	75.3	80.3	72.7
II p	112.2	144.9	77.4	83.3	74.3
III p	114.2	146.3	78.1	84.3	74.7
IV p	117.6	147.6	79.7	86.2	76.2

[1] May differ slightly from data shown in Table C-34 because of rounding.
[2] Output as percent of capacity.

Note.—For description of series, see "Federal Reserve Bulletin," October 1971 and November 1966.

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 C-38.—*New construction activity, 1929–72*

[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]
1929	10,793	8,307	3,625	3,040	4,682	1,135	949	2,598	2,486	155	2,331
1933	2,879	1,231	470	290	761	130	176	455	1,648	516	1,132
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	93,368	65,404	33,200	25,941	32,204	9,401	6,783	16,020	27,964	3,313	24,651
1970	94,030	65,932	31,864	24,272	34,068	9,754	6,538	17,776	28,098	3,292	24,806
1971	109,399	79,535	43,062	34,860	36,473	11,619	5,423	19,431	29,864	3,976	25,888
1972 [6]	123,570	93,390	53,910	44,540	39,480	13,520	4,660	21,300	30,180	4,430	25,750

See footnotes at end of table.

TABLE C-38.—*New construction activity, 1929–72*—Continued

[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]				
	Seasonally adjusted annual rates											
1971: Jan	102,337	72,131	36,493	28,688	35,638	10,204	6,246	19,188		30,206	3,804	26,402
Feb	103,494	73,208	37,673	29,995	35,535	10,190	6,244	19,101		30,286	3,707	26,579
Mar	104,943	74,714	38,785	31,070	35,929	10,651	6,072	19,206		30,229	3,807	26,422
Apr	107,181	77,223	40,444	32,343	36,779	11,238	6,030	19,511		29,958	3,895	26,063
May	108,014	77,921	41,896	33,776	36,025	11,150	5,737	19,138		30,093	3,929	26,164
June	108,465	79,688	42,867	34,795	36,821	11,657	5,459	19,705		28,777	3,937	24,840
July	110,194	80,522	43,566	35,666	36,956	12,472	5,370	19,114		29,672	4,523	25,149
Aug	111,021	82,062	44,595	36,712	37,467	12,936	4,903	19,628		28,959	3,970	24,989
Sept	110,660	81,555	45,575	37,458	35,980	11,724	4,648	19,608		29,105	3,847	25,258
Oct	114,047	82,441	46,387	37,671	36,054	11,779	4,988	19,287		31,606	4,052	27,554
Nov	114,627	84,153	47,094	37,954	37,059	12,349	4,908	19,802		30,474	4,271	26,203
Dec	115,553	85,241	47,919	38,710	37,322	12,354	4,937	20,031		30,312	3,932	26,380
1972: Jan	120,790	88,606	49,594	40,424	39,012	13,272	4,935	20,805		32,184	4,466	27,718
Feb	121,777	90,860	51,922	42,807	38,938	13,247	4,674	21,017		30,917	4,381	26,536
Mar	122,912	92,529	53,089	44,031	39,440	13,244	4,796	21,400		30,383	4,770	25,613
Apr	120,417	91,469	52,668	43,624	38,801	13,411	4,649	20,741		28,948	4,160	24,788
May	122,121	92,299	52,330	43,286	39,969	14,132	4,723	21,114		29,822	4,557	25,265
June	121,035	92,426	52,923	43,655	39,503	13,477	4,944	21,082		28,609	4,835	23,774
July	119,808	91,525	53,509	44,012	38,016	12,979	4,592	20,445		28,283	4,380	23,903
Aug	122,810	93,607	54,314	44,726	39,293	13,406	4,814	21,073		29,203	4,124	25,079
Sept	124,900	94,289	55,476	45,908	38,813	13,490	4,432	20,891		30,611	4,183	26,428
Oct [p]	129,039	96,215	56,298	46,686	39,917	13,770	4,301	21,846		32,824	4,391	28,433
Nov [p]	129,083	97,946	56,843	47,135	41,103	13,848	4,587	22,668		31,137	4,488	-------

[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.

[p] Preliminary estimates by Council of Economic Advisers.

Source: Department of Commerce, Bureau of the Census, except as noted.

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TABLE C–39.—*New housing starts and applications for financing, 1929–72*

[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]: Government home programs (nonfarm)[3]: FHA[4]	Housing starts: Private[1]: Government home programs (nonfarm)[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	-------	-------	-------	-------	-------	-------	-------	-------
1933	-------	93.0	-------	-------	-------	-------	-------	-------	-------	-------
1939	-------	515.0	-------	-------	-------	144.7	-------	-------	179.8	-------
1940	-------	602.6	-------	-------	-------	176.6	-------	-------	231.2	-------
1941	-------	706.1	-------	-------	-------	217.1	-------	-------	288.5	-------
1942	-------	356.0	-------	-------	-------	160.2	-------	-------	238.5	-------
1943	-------	191.0	-------	-------	-------	126.1	-------	-------	144.4	-------
1944	-------	141.8	-------	-------	-------	83.6	-------	-------	62.9	-------
New series										
1945	-------	326.0	-------	-------	-------	38.9	[7] 8.8	-------	56.6	-------
1946	-------	1,023.0	-------	-------	-------	67.1	91.8	-------	121.7	-------
1947	-------	1,268.0	-------	-------	-------	178.3	160.3	-------	286.4	-------
1948	-------	1,362.0	-------	-------	-------	216.4	71.1	-------	293.2	-------
1949	-------	1,466.0	-------	-------	-------	252.6	90.8	-------	327.0	-------
1950	-------	1,952.0	-------	-------	-------	328.2	191.2	-------	397.7	-------
1951	-------	1,491.0	-------	-------	-------	186.9	148.6	-------	192.8	164.4
1952	-------	1,504.0	-------	-------	-------	229.1	141.3	-------	267.9	226.3
1953	-------	1,438.0	-------	-------	-------	216.5	156.5	-------	253.7	251.4
1954	-------	1,551.0	-------	-------	-------	250.9	307.0	-------	338.6	535.4
1955	-------	1,646.0	-------	-------	-------	268.7	392.9	-------	306.2	620.8
1956	-------	1,349.0	-------	-------	-------	183.4	270.7	-------	197.7	401.5
1957	-------	1,224.0	-------	-------	-------	150.1	128.3	-------	198.8	159.4
1958	-------	1,382.0	-------	-------	-------	270.3	102.1	-------	341.7	234.2
1959	1,553.7	1,531.3	1,517.0	1,234.0	283.0	307.0	109.3	1,208.3	369.7	234.0
1960	1,296.1	1,274.0	1,252.2	994.7	257.4	225.7	74.6	998.0	242.4	142.9
1961	1,365.0	1,336.8	1,313.0	974.3	338.7	198.8	83.3	1,064.2	243.8	177.8
1962	1,492.5	1,468.7	1,462.9	991.4	471.5	197.3	77.8	1,186.6	221.1	171.2
1963	1,634.9	1,614.8	1,603.2	1,012.4	590.8	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	154.0	59.2	1,285.8	182.1	113.6
1965	1,509.7	1,487.5	1,472.8	963.7	509.1	159.9	49.4	1,239.8	188.9	102.1
1966	1,195.8	1,172.8	1,164.9	778.6	386.3	129.1	36.8	971.9	153.0	99.2
1967	1,321.9	1,298.8	1,291.6	843.9	447.7	141.9	52.5	1,141.0	167.2	124.3
1968	1,545.4	1,521.4	1,507.6	899.4	608.2	147.7	56.1	1,353.4	168.9	131.7
1969	1,499.5	1,482.3	1,466.8	810.6	656.2	153.6	51.2	1,323.7	187.6	138.2
1970	1,469.0	([8])	1,433.6	812.9	620.7	233.5	61.0	1,351.5	315.0	143.7
1971	2,084.5	([8])	2,052.2	1,151.0	901.2	301.2	94.0	1,924.6	366.8	217.9
1972 p	2,377.7	([8])	2,355.5	1,310.0	1,045.5	-------	104.0	2,129.0	-------	209.4

See footnotes at end of table.

TABLE C-39.—*New housing starts and applications for financing, 1929–72*—Continued

[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]: Government home programs (nonfarm)[3]: FHA[4]	Housing starts: Private[1]: Government home programs (nonfarm)[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
	Seasonally adjusted annual rates									
1971: Jan	114.8	(8)	1,810	1,007	803	384	75	1,668	366	189
Feb	104.6	(8)	1,794	1,005	789	286	73	1,572	349	175
Mar	169.3	(8)	1,938	1,080	858	266	82	1,722	344	186
Apr	203.6	(8)	1,951	1,122	829	280	93	1,721	348	206
May	203.5	(8)	2,046	1,152	894	271	96	1,971	375	221
June	196.8	(8)	2,008	1,150	858	290	91	1,913	378	250
July	197.0	(8)	2,091	1,162	929	288	99	2,079	392	234
Aug	205.9	(8)	2,219	1,198	1,021	325	103	2,046	359	218
Sept	175.6	(8)	2,029	1,172	857	294	98	1,987	343	253
Oct	181.7	(8)	2,038	1,155	882	299	98	2,027	351	231
Nov	176.4	(8)	2,228	1,242	985	293	105	2,092	291	207
Dec	155.3	(8)	2,457	1,347	1,110	383	104	2,191	450	228
1972: Jan	150.9	(8)	2,487	1,415	1,072	378	116	2,204	333	232
Feb	153.6	(8)	2,682	1,325	1,357	287	118	2,056	326	224
Mar	205.8	(8)	2,369	1,302	1,067	262	125	2,007	260	207
Apr	213.2	(8)	2,109	1,167	942	219	104	1,991	221	248
May	227.9	(8)	2,350	1,344	1,006	189	98	1,955	217	197
June	226.2	(8)	2,330	1,296	1,034	177	98	2,121	217	219
July	207.5	(8)	2,218	1,289	929	173	106	2,108	223	203
Aug	231.0	(8)	2,484	1,410	1,074	179	103	2,237	206	199
Sept	204.4	(8)	2,399	1,383	1,016	173	106	2,265	163	193
Oct	218.2	(8)	2,462	1,308	1,154	150	97	2,216	150	191
Nov p	186.3	(8)	2,388	1,307	1,081	126	93	2,139	162	207
Dec p	152.7	(8)	2,392	1,240	1,152		86	2,372		192

[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] Monthly estimates for September 1945–May 1950 were prepared by Housing and Home Finance Agency.
[8] Not available separately beginning January 1970.

Sources: Department of Commerce, Department of Housing and Urban Development, and Veterans Administration (except as noted).

TABLE C–40.—*Business expenditures for new plant and equipment, 1947–73* [1]

[Billions of dollars]

Year or quarter	Total	Manufacturing: Total	Manufacturing: Durable goods	Manufacturing: Nondurable goods	Mining	Transportation: Railroad	Transportation: Air	Transportation: Other	Public utilities	Communication	Commercial and other [2]
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	81.21	29.99	14.15	15.84	2.16	1.67	1.88	1.38	15.30	10.77	18.05
1972 [3]	88.54	31.16	15.52	15.65	2.45	1.80	2.52	1.41	17.11	11.90	20.18
1973 [3]	99.99	35.42	18.11	17.31	2.88	1.98	2.41	1.43	19.73	36.14	
	Seasonally adjusted annual rates										
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	83.18	30.35	14.61	15.74	2.30	1.64	2.26	1.33	15.74	10.44	19.10
1972: I	86.79	30.09	15.06	15.02	2.42	2.10	1.96	1.48	16.92	11.71	20.10
II	87.12	30.37	14.77	15.60	2.38	1.88	2.89	1.53	16.60	11.59	19.88
III	87.67	30.98	15.67	15.31	2.40	1.50	2.67	1.41	17.01	11.56	20.16
IV [3]	92.36	32.96	16.44	16.52	2.61	1.70	2.57	1.28	17.94	33.30	
1973: I [3]	96.66	35.11	17.98	17.14	2.66	1.96	2.14	1.50	19.48	33.80	
II [3]	97.93	35.57	18.00	17.57	62.36						

[1] Excludes agricultural business; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations. These figures do not agree precisely with the nonresidential 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 1972. 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.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C-41.—*Sales and inventories in manufacturing and trade, 1947–72*

[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	87,178	136,729	1.47	44,869	77,965	1.62	16,979	20,691	1.14	25,330	38,073	1.44
1967	89,698	145,108	1.57	46,449	84,599	1.76	17,099	21,557	1.21	26,151	38,952	1.46
1968	97,100	155,336	1.55	50,282	90,835	1.74	18,329	22,528	1.20	28,490	41,973	1.43
1969	103,104	166,694	1.56	53,555	96,955	1.76	19,726	24,363	1.19	29,824	45,376	1.46
1970	104,407	174,942	1.64	52,560	101,712	1.90	20,554	26,604	1.23	31,294	46,626	1.47
1971	111,931	182,842	1.60	55,580	101,665	1.83	22,280	28,916	1.23	34,071	52,261	1.47
1972 [5]	123,816	192,282	1.51	62,069	106,371	1.67	24,663	31,253	1.21	37,085	54,658	1.43
	Seasonally adjusted											
1971: Jan	106,767	175,740	1.65	53,139	101,901	1.92	21,338	26,646	1.25	32,290	47,193	1.46
Feb	108,201	176,472	1.63	54,017	101,757	1.88	21,334	26,806	1.26	32,850	47,909	1.46
Mar	109,752	177,390	1.62	54,802	101,782	1.86	21,676	26,788	1.24	33,274	48,820	1.47
Apr	110,453	178,037	1.61	54,978	101,643	1.85	21,897	27,046	1.24	33,578	49,348	1.47
May	111,458	178,827	1.60	55,507	101,866	1.84	22,449	27,140	1.21	33,502	49,821	1.49
June	112,647	179,155	1.59	56,104	101,614	1.81	22,716	27,333	1.20	33,827	50,208	1.48
July	111,791	179,612	1.61	55,482	101,317	1.83	22,621	27,866	1.23	33,688	50,429	1.50
Aug	113,910	180,298	1.58	56,650	101,280	1.79	22,605	27,795	1.23	34,655	51,223	1.48
Sept	113,450	181,331	1.60	55,682	101,413	1.82	22,549	27,814	1.23	35,219	52,104	1.48
Oct	113,191	181,747	1.61	55,943	101,736	1.82	22,284	27,928	1.25	34,964	52,083	1.49
Nov	115,757	181,852	1.57	57,444	101,699	1.77	22,739	28,237	1.24	35,574	51,916	1.46
Dec	115,630	182,842	1.58	57,740	101,665	1.76	22,994	28,916	1.26	34,896	52,261	1.50
1972: Jan	118,426	183,303	1.55	59,189	101,796	1.72	24,351	29,049	1.19	34,886	52,458	1.50
Feb	118,077	183,826	1.56	59,199	102,161	1.73	23,533	29,181	1.24	35,345	52,484	1.48
Mar	120,669	184,263	1.53	60,335	102,450	1.70	23,884	29,174	1.22	36,450	52,639	1.44
Apr	121,685	184,816	1.52	61,219	102,428	1.67	24,170	29,574	1.22	36,296	52,814	1.46
May	122,814	185,953	1.51	61,413	102,822	1.67	24,260	29,729	1.23	37,141	53,402	1.44
June	122,283	186,439	1.52	61,231	103,505	1.69	24,230	29,641	1.22	36,822	53,293	1.45
July	123,371	186,884	1.51	61,635	103,888	1.69	24,394	30,056	1.23	37,342	52,940	1.42
Aug	126,458	188,409	1.49	63,352	105,138	1.66	25,137	30,164	1.20	37,969	53,107	1.40
Sept	127,056	189,759	1.49	63,903	105,441	1.65	25,407	30,657	1.21	37,746	53,661	1.42
Oct	129,609	190,974	1.47	64,725	106,008	1.64	25,779	31,032	1.20	39,105	53,934	1.38
Nov p	131,529	192,282	1.46	66,553	106,371	1.60	26,148	31,253	1.20	38,828	54,658	1.41
Dec p	------	------	------	------	------	------	------	------	------	38,944	------	------

[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.

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 C-42.—*Manufacturers' shipments and inventories, 1947–72*

[Millions of dollars]

Year or month	Shipments [1]			Inventories [2]								
	Total	Durable goods industries	Nondurable goods industries	Total	Durable goods industries				Nondurable goods industries			
					Total	Materials and supplies	Work in process	Finished goods	Total	Materials and supplies	Work in process	Finished goods
1947	15,513	6,694	8,819	25,897	13,061	------	------	------	12,836	------	------	------
1948	17,316	7,579	9,738	28,543	14,662	------	------	------	13,881	------	------	------
1949	16,126	7,191	8,935	26,321	13,060	------	------	------	13,261	------	------	------
1950	18,634	8,845	9,789	31,078	15,539	------	------	------	15,539	------	------	------
1951	21,714	10,493	11,221	39,306	20,991	------	------	------	18,315	------	------	------
1952	22,529	11,313	11,216	41,136	23,731	------	------	------	17,405	------	------	------
1953	24,843	13,349	11,494	43,948	25,878	8,966	10,720	6,206	18,070	8,317	2,472	7,409
1954	23,355	11,828	11,527	41,612	23,710	7,894	9,721	6,040	17,902	8,167	2,440	7,415
1955	26,480	14,071	12,409	45,069	26,405	9,194	10,756	6,348	18,664	8,556	2,571	7,666
1956	27,740	14,715	13,025	50,642	30,447	10,417	12,317	7,565	20,195	8,971	2,721	8,622
1957	28,736	15,237	13,499	51,871	31,728	10,608	12,837	8,125	20,143	8,775	2,864	8,624
1958	27,280	13,571	13,708	50,070	30,095	9,847	12,294	7,749	19,975	8,671	2,800	8,498
1959	30,219	15,545	14,674	52,707	31,839	10,585	12,952	8,143	20,868	9,089	2,928	8,857
1960	30,796	15,817	14,979	53,814	32,360	10,286	12,780	9,190	21,454	9,113	2,935	9,353
1961 [3]	30,896	15,544	15,352	54,939	32,509	10,242	13,211	9,056	22,430	9,464	3,193	9,773
1962	33,113	17,103	16,010	58,213	34,605	10,798	14,205	9,602	23,608	9,841	3,304	10,463
1963	35,032	18,247	16,786	60,043	35,813	11,001	14,997	9,815	24,230	10,003	3,410	10,817
1964	37,335	19,634	17,701	63,386	38,436	11,927	16,253	10,256	24,950	10,185	3,519	11,246
1965	41,003	22,216	18,788	68,221	42,227	13,299	18,152	10,776	25,994	10,488	3,823	11,683
1966	44,869	24,633	20,236	77,965	49,818	15,501	21,978	12,339	28,147	11,220	4,237	12,690
1967	46,449	25,212	21,236	84,599	54,893	16,437	24,997	13,459	29,706	11,735	4,428	13,543
1968	50,282	27,694	22,588	90,835	59,053	17,411	27,557	14,085	31,782	12,304	4,849	14,629
1969	53,555	29,459	24,096	96,955	63,254	18,643	29,105	15,506	33,701	12,817	5,151	15,733
1970	52,560	28,061	24,499	101,712	66,829	19,063	30,332	17,434	34,883	13,172	5,239	16,472
1971	55,580	29,886	25,694	101,665	65,874	19,146	29,645	17,083	35,791	13,526	5,340	16,925
1972 [4]	62,069	33,956	28,113	106,371	69,641	19,812	32,321	17,508	36,730	13,736	5,600	17,394
	Seasonally adjusted											
1971: Jan	53,139	28,501	24,638	101,901	66,808	19,109	30,211	17,488	35,093	13,158	5,245	16,695
Feb	54,017	28,961	25,056	101,757	66,715	19,093	30,038	17,584	35,042	13,168	5,241	16,633
Mar	54,802	29,628	25,174	101,782	66,743	19,043	29,982	17,718	35,039	13,083	5,264	16,692
Apr	54,978	29,517	25,461	101,643	66,698	19,396	29,785	17,517	34,945	13,081	5,240	16,624
May	55,507	29,990	25,517	101,866	66,780	19,632	29,741	17,407	35,086	13,070	5,292	16,724
June	56,104	30,370	25,734	101,614	66,400	19,702	29,427	17,271	35,214	13,189	5,277	16,748
July	55,482	29,798	25,684	101,317	66,178	19,908	29,216	17,054	35,139	13,156	5,282	16,701
Aug	56,650	30,835	25,815	101,280	66,093	19,732	29,292	17,069	35,187	13,189	5,265	16,733
Sept	55,682	29,799	25,883	101,413	66,117	19,367	29,543	17,207	35,296	13,243	5,282	16,771
Oct	55,943	30,033	25,910	101,736	66,025	19,208	29,564	17,253	35,711	13,398	5,302	17,011
Nov	57,444	30,792	26,652	101,699	65,877	19,118	29,648	17,111	35,822	13,462	5,322	17,038
Dec	57,740	30,913	26,827	101,665	65,874	19,146	29,645	17,083	35,791	13,526	5,340	16,925
1972: Jan	59,189	31,965	27,224	101,796	66,187	19,138	29,863	17,186	35,609	13,526	5,354	16,729
Feb	59,199	32,041	27,158	102,161	66,422	19,098	30,058	17,266	35,739	13,659	5,363	16,717
Mar	60,335	32,683	27,652	102,450	66,604	18,979	30,231	17,394	35,846	13,468	5,555	16,823
Apr	61,219	33,581	27,638	102,428	66,575	18,939	30,240	17,396	35,853	13,499	5,462	16,892
May	61,413	33,705	27,708	102,822	67,035	18,995	30,562	17,478	35,787	13,464	5,381	16,942
June	61,231	33,129	28,102	103,505	67,427	18,804	30,982	17,641	36,078	13,635	5,412	17,031
July	61,635	33,825	27,810	103,888	67,645	19,256	30,786	17,603	36,243	13,596	5,433	17,214
Aug	63,352	34,710	28,642	105,138	68,542	19,519	31,153	17,870	36,596	13,671	5,492	17,433
Sept	63,903	35,037	28,866	105,441	68,834	19,468	31,529	17,837	36,607	13,711	5,552	17,344
Oct	64,725	36,086	28,639	106,008	69,330	19,701	32,070	17,559	36,678	13,678	5,605	17,395
Nov p	66,553	36,750	29,803	106,371	69,641	19,812	32,321	17,508	36,730	13,736	5,600	17,394
Dec p	------	36,200	------	------	------	------	------	------	------	------	------	------

[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 C–43.—*Manufacturers' new and unfilled orders, 1947–72*

[Amounts in millions of dollars]

Year or month	New orders[1]				Unfilled orders[2]			Unfilled orders-shipments ratio[3]		
	Total	Durable goods industries		Nondurable goods industries	Total	Durable goods industries	Nondurable goods industries	Total	Durable goods industries	Nondurable goods industries
		Total	Capital goods industries, nondefense							
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	....	11,428	61,178	58,637	2,541	....	....	....
1954	22,313	10,743	....	11,570	48,266	45,250	3,016	3.42	4.12	0.96
1955	27,423	14,954	....	12,469	60,004	56,241	3,763	3.63	4.27	1.12
1956	28,383	15,381	....	13,002	67,375	63,880	3,495	3.87	4.55	1.04
1957	27,514	14,073	....	13,441	53,183	50,352	2,831	3.35	4.00	.85
1958	26,901	13,170	....	13,731	48,882	45,739	3,143	2.60	3.49	.55
1959	30,679	15,951	....	14,728	54,494	50,654	3,840	2.85	3.44	.88
1960	30,115	15,223	....	14,892	46,133	43,401	2,732	2.58	3.21	.63
1961[4]	31,086	15,699	....	15,387	48,395	45,241	3,154	2.52	3.01	.72
1962	33,005	17,025	....	15,980	47,307	44,485	2,822	2.46	2.95	.65
1963	35,322	18,521	....	16,801	50,940	47,958	2,982	2.40	2.89	.63
1964	37,952	20,258	....	17,694	58,506	55,623	2,883	2.49	2.99	.57
1965	41,803	22,986	....	18,817	68,146	64,920	3,226	2.62	3.12	.60
1966	45,944	25,720	....	20,224	81,029	77,964	3,065	2.93	3.51	.56
1967	46,763	25,526	....	21,238	84,576	81,488	3,088	2.80	3.36	.52
1968	50,267	27,690	6,971	22,577	84,283	81,348	2,935	2.72	3.28	.47
1969	53,645	29,548	7,694	24,097	85,315	82,372	2,943	2.60	3.14	.45
1970	51,663	27,162	6,822	24,500	74,322	71,361	2,961	2.37	2.88	.45
1971	55,473	29,768	7,398	25,705	73,004	69,901	3,103	2.13	2.57	.44
1972[5]	63,062	34,878	9,020	28,185	83,947	80,047	3,900	2.11	2.51	.49
	Seasonally adjusted									
1971: Jan	53,742	29,079	6,882	24,663	74,925	71,939	2,986	2.39	2.90	0.46
Feb	54,281	29,246	6,810	25,035	75,189	72,224	2,965	2.38	2.88	.45
Mar	54,793	29,566	7,121	25,227	75,180	72,162	3,018	2.32	2.80	.45
Apr	54,206	28,751	7,009	25,455	74,408	71,396	3,012	2.29	2.76	.45
May	54,454	28,974	7,256	25,480	73,355	70,380	2,975	2.22	2.67	.44
June	54,728	28,971	7,516	25,757	71,979	68,981	2,998	2.15	2.58	.44
July	55,190	29,486	7,213	25,704	71,687	68,669	3,018	2.17	2.62	.45
Aug	57,122	31,335	7,492	25,787	72,159	69,169	2,990	2.22	2.71	.43
Sept	55,489	29,653	7,471	25,836	71,966	69,023	2,943	2.20	2.68	.43
Oct	56,290	30,321	7,859	25,969	72,313	69,311	3,002	2.18	2.65	.43
Nov	57,992	31,294	7,932	26,698	72,861	69,813	3,048	2.15	2.60	.44
Dec	57,883	31,001	8,131	26,882	73,004	69,901	3,103	2.13	2.57	.44
1972: Jan	59,871	32,554	8,166	27,317	73,686	70,490	3,196	2.09	2.52	.44
Feb	59,792	32,466	8,196	27,326	74,279	70,915	3,364	2.10	2.54	.46
Mar	61,097	33,328	8,528	27,769	75,039	71,558	3,481	2.08	2.51	.46
Apr	61,685	34,005	8,785	27,680	75,506	71,983	3,523	2.06	2.46	.47
May	62,012	34,302	9,036	27,710	76,103	72,579	3,524	2.06	2.47	.47
June	63,734	35,613	9,228	28,121	78,608	75,064	3,544	2.14	2.58	.46
July	62,270	34,430	9,100	27,840	79,241	75,667	3,574	2.14	2.58	.47
Aug	64,409	35,727	9,211	28,682	80,299	76,686	3,613	2.12	2.54	.47
Sept	65,776	36,851	9,519	28,925	82,180	78,506	3,674	2.14	2.57	.48
Oct	65,454	36,759	9,694	28,695	82,906	79,174	3,732	2.12	2.52	.49
Nov p	67,587	37,619	9,762	29,968	83,947	80,047	3,900	2.11	2.51	.49
Dec p	....	36,879	9,944	....	....	80,726	....	....	....	....

[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 C–44.—*Consumer price indexes by expenditure classes, 1929–72*

For urban wage earners and clerical workers

[1967=100]

Year or month	All items	Food	Housing		Apparel and upkeep	Transportation	Medical care	Personal care	Reading and recreation	Other goods and services
			Total	Rent						
1929	51.3	48.3	--------	76.0	48.5	--------	--------	--------	--------	--------
1933	38.8	30.6	--------	54.1	36.9	--------	--------	--------	--------	--------
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
1972	125.3	123.5	129.2	119.2	122.3	119.9	132.5	119.8	122.8	125.5
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	119.4	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	118.7	129.7	117.9	120.8	122.8
Dec	123.1	120.3	126.8	116.9	121.8	118.5	130.1	117.9	121.1	123.0
1972: Jan	123.2	120.3	127.3	117.5	120.2	118.9	130.5	118.1	121.4	123.5
Feb	123.8	122.2	127.6	117.8	120.7	118.3	131.0	118.4	121.5	124.3
Mar	124.0	122.4	127.9	118.0	121.3	118.4	131.4	118.7	121.7	124.6
Apr	124.3	122.4	128.2	118.4	121.8	118.6	131.7	119.1	122.3	125.1
May	124.7	122.3	128.5	118.6	122.5	119.5	132.0	119.7	122.5	125.4
June	125.0	123.0	129.0	119.0	122.1	119.8	132.4	120.0	122.9	125.6
July	125.5	124.2	129.5	119.2	121.1	120.2	132.7	120.0	123.0	125.8
Aug	125.7	124.6	129.9	119.6	120.8	120.5	132.9	120.2	123.0	126.0
Sept	126.2	124.8	130.2	119.9	123.1	121.0	133.1	120.5	123.7	126.2
Oct	126.6	124.9	130.4	120.3	124.3	121.2	133.9	120.8	124.0	126.4
Nov	126.9	125.4	130.8	120.5	125.0	121.4	134.1	121.0	124.1	126.4
Dec	127.3	126.0	131.2	121.0	125.0	121.3	134.4	121.5	124.0	126.5

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-45.—*Consumer price indexes by commodity and service groups, 1939–72*

For urban wage earners and clerical workers

[1967=100]

Year or month	All items	Commodities					Services			Special indexes		
		All commodities	Food	Commodities less food			All services	Rent	Services less rent	All items less food	All items less shelter	Nondurable commodities
				All	Durable	Nondurable						
1939	41.6	40.2	34.6	47.7	48.5	44.3	43.5	56.0	38.1	47.2	39.7	38.4
1940	42.0	40.6	35.2	48.0	48.1	44.7	43.6	56.2	38.1	47.3	39.9	38.9
1941	44.1	43.3	38.4	50.4	51.4	46.7	44.2	57.2	38.6	48.7	42.4	41.6
1942	48.8	49.6	45.1	56.0	58.4	51.6	45.6	58.5	40.3	52.1	47.7	47.6
1943	51.8	54.0	50.3	58.4	60.3	53.8	46.4	58.5	42.1	53.6	51.3	51.8
1944	52.7	54.7	49.6	61.6	65.9	56.6	47.5	58.6	44.2	55.7	52.2	52.2
1945	53.9	56.3	50.7	64.1	70.9	58.6	48.2	58.8	45.1	56.9	53.6	53.7
1946	58.5	62.4	58.1	68.1	74.1	62.9	49.1	59.2	46.7	59.4	59.0	59.6
1947	66.9	75.0	70.6	76.8	80.3	72.2	51.1	61.1	49.0	64.9	68.5	71.9
1948	72.1	80.4	76.6	82.7	86.2	77.8	54.3	65.1	51.9	69.6	73.9	77.2
1949	71.4	78.3	73.5	81.5	87.4	76.3	56.9	68.0	54.5	70.3	72.6	74.9
1950	72.1	78.8	74.5	81.4	88.4	76.2	58.7	70.4	56.0	71.1	73.1	75.4
1951	77.8	85.9	82.8	87.5	95.1	82.0	61.8	73.2	59.3	75.7	79.2	82.5
1952	79.5	87.0	84.3	88.3	96.4	82.4	64.5	76.2	62.2	77.5	80.8	83.4
1953	80.1	86.7	83.0	88.5	95.7	83.1	67.3	80.3	64.8	79.0	81.0	83.2
1954	80.5	85.9	82.8	87.5	93.3	83.5	69.5	83.2	66.7	79.5	81.0	83.2
1955	80.2	85.1	81.6	86.9	91.5	83.5	70.9	84.3	68.2	79.7	80.6	82.5
1956	81.4	85.9	82.2	87.8	91.5	85.3	72.7	85.9	70.1	81.1	81.7	83.7
1957	84.3	88.6	84.9	90.5	94.4	87.6	75.6	87.5	73.3	83.8	84.4	86.3
1958	86.6	90.6	88.5	91.5	95.9	88.2	78.5	89.1	76.4	85.7	86.9	88.6
1959	87.3	90.7	87.1	92.7	97.3	89.3	80.8	90.4	79.0	87.3	87.6	88.2
1960	88.7	91.5	88.0	93.1	96.7	90.7	83.5	91.7	81.9	88.8	88.9	89.4
1961	89.6	92.0	89.1	93.4	96.6	91.2	85.2	92.9	83.9	89.7	89.9	90.2
1962	90.6	92.8	89.9	94.1	97.6	91.8	86.8	94.0	85.5	90.8	90.9	90.9
1963	91.7	93.6	91.2	94.8	97.9	92.7	88.5	95.0	87.3	92.0	92.1	92.0
1964	92.9	94.6	92.4	95.6	98.8	93.5	90.2	95.9	89.2	93.2	93.2	93.0
1965	94.5	95.7	94.4	96.2	98.4	94.8	92.2	96.9	91.5	94.5	94.6	94.6
1966	97.2	98.2	99.1	97.5	98.5	97.0	95.8	98.2	95.3	96.7	97.4	98.1
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	103.7	103.6	103.7	103.1	104.1	105.2	102.4	105.7	104.4	104.1	103.9
1969	109.8	108.4	108.9	108.1	107.0	108.8	112.5	105.7	113.8	110.1	109.0	108.9
1970	116.3	113.5	114.9	112.5	111.8	113.1	121.6	110.1	123.7	116.7	114.4	114.0
1971	121.3	117.4	118.4	116.8	116.5	117.0	128.4	115.2	130.8	122.1	119.3	117.7
1972	125.3	120.9	123.5	119.4	118.9	119.8	133.3	119.2	135.9	125.8	122.9	121.7
1971: Jan	119.2	115.4	115.5	115.2	115.2	115.3	126.3	112.9	128.7	120.3	117.0	115.4
Feb	119.4	115.5	115.9	115.2	115.0	115.4	126.6	113.6	129.0	120.4	117.4	115.7
Mar	119.8	116.1	117.0	115.5	115.2	115.7	126.6	113.9	128.9	120.6	118.0	116.4
Apr	120.2	116.6	117.8	115.8	115.7	116.0	126.8	114.4	129.1	120.9	118.6	116.9
May	120.8	117.2	118.2	116.6	116.6	116.6	127.5	114.7	129.8	121.6	119.2	117.4
June	121.5	117.9	119.2	117.1	117.4	116.9	128.2	115.2	130.6	122.2	119.8	118.1
July	121.8	118.1	119.8	117.0	117.5	116.7	128.8	115.4	131.2	122.4	120.0	118.3
Aug	122.1	118.2	120.0	117.1	116.9	117.2	129.3	115.8	131.8	122.7	120.2	118.6
Sept	122.2	118.1	119.1	117.4	116.4	118.2	129.8	116.1	132.3	123.1	120.2	118.7
Oct	122.4	118.4	118.9	118.0	117.1	118.7	129.9	116.4	132.4	123.5	120.3	118.8
Nov	122.6	118.5	119.0	118.1	117.4	118.7	130.3	116.6	132.8	123.7	120.4	118.9
Dec	123.1	118.9	120.3	118.1	117.2	118.8	130.7	116.9	133.3	123.9	120.9	119.5
1972: Jan	123.2	118.7	120.3	117.7	117.3	118.1	131.5	117.5	134.1	124.0	120.9	119.2
Feb	123.8	119.4	122.2	117.8	117.1	118.4	131.8	117.8	134.4	124.2	121.5	120.3
Mar	124.0	119.7	122.4	118.2	117.3	118.9	132.1	118.0	134.6	124.5	121.8	120.6
Apr	124.3	119.9	122.4	118.5	117.7	119.1	132.4	118.4	135.0	124.9	122.0	120.7
May	124.7	120.3	122.3	119.2	118.4	119.7	132.7	118.6	135.3	125.4	122.4	121.0
June	125.0	120.7	123.0	119.4	119.2	119.5	133.1	119.0	135.7	125.7	122.7	121.2
July	125.5	121.2	124.2	119.4	119.6	119.3	133.5	119.2	136.1	125.9	123.1	121.7
Aug	125.7	121.4	124.6	119.5	119.7	119.4	133.8	119.6	136.4	126.1	123.2	122.0
Sept	126.2	122.0	124.8	120.3	119.8	120.8	134.1	119.9	136.7	126.7	123.8	122.8
Oct	126.6	122.3	124.9	120.8	120.1	121.3	134.6	120.3	137.2	127.1	124.2	123.1
Nov	126.9	122.7	125.4	121.0	120.3	121.7	134.9	120.5	137.6	127.4	124.6	123.5
Dec	127.3	122.9	126.0	121.1	120.3	121.7	135.4	121.0	138.0	127.6	124.8	123.8

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-46.—*Consumer price indexes, selected commodities and services, 1939–72*

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	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]
1939	48.5	43.2	......	56.6	44.3	43.0	46.3	38.1	......	36.1	32.5	......
1940	48.1	43.3	......	55.9	44.7	43.5	46.8	38.1	......	36.1	32.5	......
1941	51.4	46.6	......	59.8	46.7	45.8	48.4	38.6	......	36.3	32.7	......
1942	58.4	......	......	66.9	51.6	53.5	51.1	40.3	......	38.2	33.7	......
1943	60.3	......	......	69.5	53.8	55.9	53.2	42.1	......	38.2	35.4	......
1944	65.9	......	......	76.0	56.6	59.8	54.7	44.2	......	38.2	36.9	......
1945	70.9	......	......	81.8	58.6	63.0	55.8	45.1	......	38.2	37.9	......
1946	74.1	......	......	86.5	62.9	69.5	58.2	46.7	......	39.0	40.1	......
1947	80.3	69.2	......	95.6	72.2	80.4	66.2	49.0	......	40.3	43.5	......
1948	86.2	75.6	......	101.7	77.8	85.4	72.3	51.9	......	44.9	46.4	......
1949	87.4	82.8	......	99.0	76.3	82.0	72.4	54.5	......	50.0	48.1	......
1950	88.4	83.4	......	100.2	76.2	81.1	72.9	56.0	......	53.3	49.2	......
1951	95.1	87.4	......	109.8	82.0	88.7	77.5	59.3	......	58.3	51.7	......
1952	96.4	94.9	......	106.9	82.4	87.7	79.0	62.2	......	62.4	55.0	......
1953	95.7	95.8	89.2	105.7	83.1	86.7	81.0	64.8	......	66.4	57.0	......
1954	93.3	94.3	75.9	102.9	83.5	86.3	81.8	66.7	......	69.2	58.7	......
1955	91.5	90.9	71.8	100.1	83.5	85.8	82.1	68.2	......	69.4	60.4	......
1956	91.5	93.5	69.1	99.7	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	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	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	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	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	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	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	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	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	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	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
1968	103.1	102.8	(3)	103.3	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	108.8	111.9	107.0	113.8	115.3	111.3	116.0	110.6
1970	111.8	107.6	104.3	110.2	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	117.0	120.1	115.2	130.8	132.6	133.0	133.3	122.5
1972	118.9	111.0	110.5	115.0	119.8	122.7	118.2	135.9	139.2	136.0	138.2	125.8
1971: Jan	115.2	115.4	107.0	111.5	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	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	115.7	118.8	114.0	128.9	130.1	131.9	131.4	121.2
Apr	115.7	113.8	109.8	112.4	116.0	119.3	114.0	129.1	129.7	132.9	132.2	121.5
May	116.6	113.9	112.8	112.7	116.6	120.5	114.3	129.8	130.7	133.0	132.9	122.0
June	117.4	113.9	114.1	113.1	116.9	120.4	114.9	130.6	131.6	134.0	133.5	122.5
July	117.5	113.8	113.5	113.2	116.7	119.5	115.1	131.2	132.5	134.2	134.4	122.6
Aug	116.9	109.3	112.5	113.4	117.2	119.1	116.2	131.8	133.5	134.0	135.1	122.8
Sept	116.4	105.6	111.6	113.5	118.2	120.9	116.6	132.3	134.1	133.7	135.6	123.7
Oct	117.1	109.1	111.7	113.6	118.7	122.0	116.8	132.4	134.6	133.8	134.6	123.8
Nov	117.4	109.6	110.2	113.6	118.7	122.4	116.5	132.8	135.3	133.9	134.8	124.0
Dec	117.2	110.4	107.2	113.7	118.8	122.2	116.8	133.3	136.0	134.1	135.3	124.0
1972: Jan	117.3	112.2	105.3	113.7	118.1	120.3	116.8	134.1	136.9	135.6	135.8	124.3
Feb	117.1	111.9	103.0	113.6	118.4	120.9	117.0	134.4	137.3	135.6	136.4	124.5
Mar	117.3	111.7	103.9	114.1	118.9	121.6	117.3	134.6	137.6	135.4	136.9	124.7
Apr	117.7	111.7	106.4	114.4	119.1	122.1	117.4	135.0	138.0	135.6	137.3	125.1
May	118.4	111.4	110.0	114.8	119.7	122.9	117.9	135.3	138.4	135.8	137.6	125.3
June	119.2	111.3	112.0	115.1	119.5	122.4	117.9	135.7	138.8	136.0	138.0	125.6
July	119.6	111.0	112.7	115.3	119.3	121.3	118.2	136.1	139.5	136.3	138.4	125.8
Aug	119.7	110.6	112.4	115.4	119.4	120.9	118.6	136.4	140.0	136.3	138.6	125.9
Sept	119.8	109.6	113.6	115.6	120.8	123.5	119.3	136.7	140.3	136.3	138.9	126.7
Oct	120.1	110.1	115.2	115.8	121.3	124.9	119.3	137.2	140.7	136.2	139.9	127.0
Nov	120.3	110.2	116.0	116.0	121.7	125.6	119.4	137.6	141.3	136.3	140.1	127.4
Dec	120.3	110.6	115.0	116.2	121.7	125.5	119.5	138.0	141.9	136.4	140.5	127.7

[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 C–47.—*Consumer price indexes, seasonally adjusted, 1970–72*

[1967=100, seasonally adjusted]

Year and month	Special indexes			Commodity groups					Selected expenditure classes				
	All items less food	All items less shelter	All items less medical care	All commodities	Food	Commodities less food			Shelter	Fuel and utilities	Apparel and upkeep	Transportation	Medical care
						Total	Durable	Nondurable					
1970: Jan	113.4	112.2	113.2	111.4	113.6	110.2	109.0	111.0	118.5	105.0	114.2	109.5	116.5
Feb	114.1	112.6	113.9	112.0	114.4	110.6	109.3	111.5	119.7	105.3	114.6	110.0	117.2
Mar	114.7	112.9	114.4	112.2	114.4	110.8	109.8	111.7	121.1	105.9	114.8	109.9	118.0
Apr	115.4	113.5	115.1	112.7	114.7	111.5	110.2	112.4	122.0	106.5	115.1	111.2	118.9
May	116.0	113.9	115.6	113.1	115.0	112.0	111.0	112.7	122.8	106.8	115.4	111.9	119.5
June	116.5	114.2	115.9	113.3	114.9	112.4	111.6	112.9	123.6	106.8	115.9	112.4	120.4
July	117.0	114.6	116.3	113.6	115.0	112.6	111.9	113.3	124.0	107.6	116.0	113.2	121.2
Aug	117.3	114.8	116.7	113.7	115.1	112.9	112.3	113.3	124.8	108.0	116.4	112.9	121.8
Sept	118.0	115.4	117.2	114.2	115.6	113.5	113.1	113.9	125.8	108.6	117.0	113.8	122.4
Oct	118.7	116.0	117.8	114.7	115.6	114.0	113.7	114.4	126.4	109.5	117.4	115.0	123.2
Nov	119.4	116.4	118.3	115.0	115.7	114.5	114.2	114.8	127.0	110.6	117.9	115.9	123.8
Dec	120.1	116.8	118.7	115.5	115.5	115.3	115.1	115.4	127.8	111.2	118.4	116.9	124.6
1971: Jan	120.4	117.2	119.0	115.6	115.6	115.4	115.2	115.6	128.1	112.0	118.4	117.1	125.2
Feb	120.6	117.6	119.3	115.8	116.2	115.5	115.3	115.7	127.7	113.0	118.7	117.6	125.9
Mar	120.7	118.1	119.5	116.3	117.2	115.7	115.7	115.9	126.6	113.6	118.8	118.0	126.5
Apr	120.9	118.5	119.9	116.6	117.9	115.9	115.9	116.1	126.5	113.9	119.2	118.2	127.2
May	121.6	119.1	120.4	117.2	118.3	116.6	116.5	116.6	127.5	114.3	119.8	118.6	127.8
June	122.1	119.6	121.0	117.7	118.8	116.9	116.9	116.9	128.4	114.8	119.9	119.1	128.5
July	122.4	119.8	121.3	117.9	119.0	117.1	117.3	117.1	128.8	115.6	120.0	119.2	129.0
Aug	122.8	120.1	121.6	118.1	119.3	117.5	117.0	117.7	129.4	116.0	120.1	119.5	129.7
Sept	123.1	120.2	121.7	118.2	119.0	117.5	117.0	118.0	129.9	116.3	120.4	119.6	130.1
Oct	123.3	120.3	121.9	118.3	118.9	117.5	116.9	118.1	130.5	116.5	120.6	119.1	130.0
Nov	123.5	120.5	122.2	118.5	119.8	117.5	116.9	118.1	131.0	116.3	120.7	118.7	130.2
Dec	123.8	120.9	122.6	118.8	120.5	117.7	117.0	118.4	131.5	117.4	121.0	118.4	130.5
1972: Jan	124.1	121.1	122.9	118.9	120.4	117.9	117.3	118.5	132.5	118.3	121.0	118.5	130.8
Feb	124.4	121.7	123.6	119.8	122.6	118.2	117.5	118.8	133.0	118.9	121.3	118.4	131.1
Mar	124.6	121.9	123.7	119.9	122.6	118.4	117.8	119.1	132.7	119.1	121.5	118.6	131.1
Apr	124.9	121.9	124.0	119.9	122.5	118.6	117.9	119.2	133.1	119.4	121.9	118.7	131.4
May	125.4	122.3	124.3	120.3	122.4	119.2	118.3	119.7	133.8	119.7	122.1	119.3	131.7
June	125.6	122.5	124.5	120.5	122.6	119.2	118.7	119.5	134.2	120.0	121.9	119.3	132.3
July	125.9	122.9	125.0	121.0	123.3	119.5	119.4	119.7	135.0	120.1	121.8	120.0	132.4
Aug	126.2	123.1	125.3	121.3	123.9	119.9	119.8	119.9	135.4	120.1	121.9	120.7	132.6
Sept	126.7	123.8	125.9	122.1	124.7	120.4	120.4	120.6	135.6	120.8	122.9	122.0	132.8
Oct	126.8	124.2	126.1	122.2	124.9	120.3	119.9	120.7	135.9	121.1	123.3	121.0	134.3
Nov	127.1	124.7	126.6	122.7	126.3	120.4	119.8	121.1	135.9	121.5	123.8	121.4	134.6
Dec	127.5	124.8	126.8	122.8	126.3	120.7	120.1	121.3	136.7	121.7	124.1	121.2	134.8

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C–48.—*Wholesale price indexes by major commodity groups, 1929–72*

[1967=100]

Year or month	All commodities	Farm products and processed foods and feeds: Total	Farm products and processed foods and feeds: Farm products	Farm products and processed foods and feeds: 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	....
1933	34.0	....	31.4	....	37.8	....	36.3	47.6	47.4
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	94.3	109.4	82.9	70.8	103.6	83.3	76.9	93.7
1948	82.8	101.5	117.5	88.7	76.9	108.1	84.2	90.5	95.9
1949	78.7	89.6	101.6	80.6	75.3	98.9	79.9	86.2	87.6
1950	81.8	93.9	106.7	83.4	78.0	102.7	86.3	87.1	88.9
1951	91.1	106.9	124.2	92.7	86.1	114.6	99.1	90.3	101.7
1952	88.6	102.7	117.2	91.6	84.1	103.4	80.1	90.1	96.5
1953	87.4	96.0	106.2	87.4	84.8	100.8	81.3	92.6	97.7
1954	87.6	95.7	104.7	88.9	85.0	98.6	77.6	91.3	98.9
1955	87.8	91.2	98.2	85.0	86.9	98.7	77.3	91.2	98.5
1956	90.7	90.6	96.9	84.9	90.8	98.7	81.9	94.0	99.1
1957	93.3	93.7	99.5	87.4	93.3	98.8	82.0	99.1	101.2
1958	94.6	98.1	103.9	91.8	93.6	97.0	82.9	95.3	102.0
1959	94.8	93.5	97.5	89.4	95.3	98.4	94.2	95.3	101.6
1960	94.9	93.7	97.2	89.5	95.3	99.5	90.8	96.1	101.8
1961	94.5	93.7	96.3	91.0	94.8	97.7	91.7	97.2	100.7
1962	94.8	94.7	98.0	91.9	94.8	98.6	92.7	96.7	99.1
1963	94.5	93.8	96.0	92.5	94.7	98.5	90.0	96.3	97.9
1964	94.7	93.2	94.6	92.3	95.2	99.2	90.3	93.7	98.3
1965	96.6	97.1	98.7	95.5	96.4	99.8	94.3	95.5	99.0
1966	99.8	103.5	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	100.0
1968	102.5	102.4	102.5	102.2	102.5	103.7	103.2	98.9	99.8
1969	106.5	108.0	109.1	107.3	106.0	106.0	108.9	100.9	99.9
1970	110.4	111.6	111.0	112.0	110.0	107.2	110.1	105.9	102.2
1971	113.9	113.8	112.9	114.3	114.0	108.6	114.0	114.2	104.2
1972	119.1	122.4	125.0	120.8	117.9	113.6	131.3	118.6	104.2
1971: Jan	111.8	110.7	108.9	111.8	112.2	106.9	111.7	113.5	103.8
Feb	112.8	113.6	113.9	113.3	112.5	106.7	112.4	113.0	104.2
Mar	113.0	113.4	113.0	113.7	112.8	106.9	112.5	112.8	104.5
Apr	113.3	113.3	113.0	113.5	113.3	107.5	114.0	113.0	104.5
May	113.8	114.3	114.0	114.5	113.7	107.8	114.4	114.2	104.3
June	114.3	115.4	116.0	114.9	113.9	108.5	114.2	114.4	104.4
July	114.6	115.0	113.4	116.0	114.5	109.2	114.2	114.4	104.4
Aug	114.9	114.6	113.2	115.4	115.1	109.7	114.4	114.8	104.3
Sept	114.5	113.0	110.5	114.6	115.0	109.7	114.7	115.3	104.3
Oct	114.4	113.0	111.3	114.1	115.0	109.6	114.7	114.8	104.2
Nov	114.5	113.6	112.2	114.4	114.9	109.8	115.1	114.7	103.8
Dec	115.4	115.9	115.8	115.9	115.3	110.6	116.2	115.0	103.4
1972: Jan	116.3	117.4	117.8	117.2	115.9	111.3	117.8	116.0	103.4
Feb	117.3	119.6	120.7	118.8	116.5	112.0	119.1	116.1	103.5
Mar	117.4	119.1	119.7	118.6	116.8	112.1	123.0	116.5	103.4
Apr	117.5	118.3	119.1	117.7	117.3	112.6	127.2	116.9	104.1
May	118.2	120.0	122.2	118.6	117.6	113.3	129.5	117.5	104.4
June	118.8	121.3	124.0	119.6	117.9	113.6	130.9	118.2	104.3
July	119.7	124.0	128.0	121.5	118.1	114.0	131.6	118.6	104.2
Aug	119.9	123.8	128.2	121.0	118.5	114.1	134.6	119.7	104.4
Sept	120.2	124.5	128.6	121.8	118.7	114.3	135.7	120.3	104.4
Oct	120.0	123.3	125.5	121.8	118.8	114.8	139.8	120.6	104.4
Nov	120.7	125.3	128.8	123.1	119.1	115.1	144.0	121.3	104.7
Dec	122.9	132.6	137.5	129.4	119.4	115.6	142.2	121.9	104.8

See footnote at end of table.

TABLE C-48.—*Wholesale price indexes by major commodity groups, 1929–72*—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	....
1933	40.2	19.0	....	30.7	....	44.6	47.2	34.8	....
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
1972	109.3	144.3	113.4	123.5	117.9	111.4	126.1	118.0	114.6
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
1972: Jan	109.5	134.9	110.8	121.4	116.5	110.2	124.3	117.9	113.7
Feb	109.2	137.7	111.6	122.6	117.1	110.8	124.6	118.0	114.0
Mar	108.9	139.5	112.3	123.4	117.3	110.9	124.8	118.0	114.2
Apr	108.7	141.1	112.8	123.5	117.6	111.0	125.6	118.0	114.1
May	108.8	142.7	113.2	123.6	117.9	111.1	125.9	118.1	114.1
June	108.9	144.2	113.5	123.6	118.1	111.2	125.8	118.5	114.2
July	109.2	146.1	113.7	123.5	118.3	111.4	126.2	118.4	114.9
Aug	109.5	148.1	114.1	123.7	118.3	111.7	126.7	118.5	115.1
Sept	109.5	148.5	114.3	124.0	118.3	112.0	126.9	118.5	115.2
Oct	109.5	149.2	114.7	124.1	118.4	112.0	127.3	116.9	115.0
Nov	109.8	149.4	115.0	124.1	118.5	112.3	127.3	117.0	115.0
Dec	109.8	149.8	115.1	124.4	118.6	112.4	127.4	118.4	115.1

[1] Index for total transportation equipment is not shown but is available beginning December 1968.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-49.—*Wholesale price indexes by stage of processing, 1947–72*

[1967=100]

Year or month	All commodities	Crude materials: Total	Crude materials: Foodstuffs and feedstuffs	Crude materials: Nonfood materials except fuel	Crude materials: Fuel	Intermediate materials, supplies, and components [1]: Total	Materials and components for manufacturing: Total	Materials: For food manufacturing	Materials: For nondurable manufacturing	Materials: For durable manufacturing	Components	Materials and components for construction
1947	76.5	101.2	111.7	90.6	66.6	72.4	72.1	94.0	95.2	54.4	58.3	66.0
1948	82.8	110.9	120.8	100.7	78.7	78.3	77.8	96.9	100.8	61.4	63.0	73.1
1949	78.7	96.0	100.3	91.6	78.3	75.2	74.5	83.3	91.9	63.1	64.2	73.2
1950	81.8	104.6	107.6	104.7	77.9	78.6	78.1	86.7	96.5	66.7	66.6	77.0
1951	91.1	120.1	124.5	120.7	79.4	88.1	88.5	96.6	111.8	74.1	75.6	84.3
1952	88.6	110.3	117.2	104.6	79.9	85.5	84.8	92.9	100.6	74.3	75.7	83.7
1953	87.4	101.9	104.9	100.1	82.7	86.0	86.2	93.0	99.8	77.6	77.1	85.1
1954	87.6	101.0	104.9	98.2	79.0	86.5	86.3	92.2	98.2	79.3	77.5	85.5
1955	87.8	97.1	95.1	103.8	78.8	88.1	88.4	89.3	98.6	83.3	80.9	88.9
1956	90.7	97.6	93.1	107.6	84.4	92.0	92.6	89.7	100.1	88.5	88.3	93.5
1957	93.3	99.8	97.2	106.2	89.2	94.1	94.8	91.3	101.4	91.4	91.8	94.0
1958	94.6	102.0	103.0	102.2	90.3	94.3	95.2	93.4	100.4	92.0	92.5	94.0
1959	94.8	99.4	96.2	105.8	91.9	95.6	96.5	90.0	102.1	94.2	93.6	96.6
1960	94.9	97.0	95.1	101.4	92.8	95.6	96.5	91.1	102.1	94.3	93.1	95.9
1961	94.5	96.5	93.8	102.5	92.6	95.0	95.3	94.0	99.9	93.0	92.2	94.6
1962	94.8	97.5	95.7	102.0	92.1	94.9	94.7	92.0	99.3	92.9	91.5	94.2
1963	94.5	95.4	92.9	100.7	93.2	95.2	94.9	96.6	98.4	93.0	91.5	94.5
1964	94.7	94.5	90.8	102.4	92.8	95.5	95.9	95.2	99.1	94.8	92.3	95.4
1965	96.6	99.3	97.1	104.5	93.5	96.8	97.4	97.6	100.0	96.8	93.8	96.2
1966	99.8	105.7	105.9	106.7	96.3	99.2	99.3	101.9	100.8	98.6	97.1	98.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.5	101.6	101.3	102.1	102.3	102.3	102.2	101.5	101.3	103.3	102.3	104.9
1969	106.5	108.4	109.3	106.9	106.6	105.9	105.7	107.1	102.4	109.1	105.6	110.7
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
1972	119.1	127.6	127.5	121.9	148.7	118.7	117.0	119.9	109.4	123.8	117.6	126.2
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
1972: Jan	116.3	120.2	119.3	115.4	145.4	115.9	114.9	117.9	107.0	121.5	116.0	123.1
Feb	117.3	123.1	122.9	117.3	145.6	116.7	115.7	119.4	107.4	122.7	116.5	124.2
Mar	117.4	123.1	122.0	119.5	146.2	117.2	115.9	118.6	107.5	123.3	116.6	124.9
Apr	117.5	123.0	121.0	121.3	146.9	117.7	116.4	117.8	108.7	123.7	117.0	125.5
May	118.2	125.5	124.0	123.2	147.3	118.2	116.9	118.5	109.3	123.9	117.6	125.9
June	118.8	127.2	126.7	122.7	147.2	118.5	117.1	119.2	109.6	123.8	118.0	126.3
July	119.7	130.1	131.2	122.6	147.5	118.8	117.3	120.1	109.7	123.8	118.1	126.7
Aug	119.9	130.3	130.7	124.2	148.5	119.2	117.5	119.8	110.0	124.3	118.2	127.2
Sept	120.2	130.3	131.4	122.2	149.1	119.7	117.7	120.3	110.2	124.6	118.1	127.4
Oct	120.0	129.2	129.6	122.3	149.9	119.9	118.0	121.2	110.7	124.6	118.1	127.7
Nov	120.7	130.4	129.9	124.7	154.4	120.6	118.2	120.9	111.3	124.6	118.2	127.8
Dec	122.9	138.3	140.7	127.2	156.3	122.3	118.8	125.1	111.8	124.7	118.2	127.9

See footnotes at end of table.

TABLE C-49.—*Wholesale price indexes by stage of processing, 1947–72*—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	106.6	110.0	105.0	104.0	106.9	110.6	106.1	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
1972	117.2	116.6	121.7	113.6	113.2	119.5	131.1	118.9	113.5
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
1972: Jan	115.5	114.7	118.7	112.0	112.9	118.4	125.6	116.4	112.3
Feb	116.3	115.6	120.6	112.1	113.2	118.8	127.0	117.2	112.5
Mar	116.1	115.2	119.4	112.4	113.1	119.0	129.1	117.6	112.7
Apr	115.8	114.8	118.0	112.7	113.2	119.3	129.3	118.2	112.9
May	116.4	115.5	119.5	113.1	113.1	119.4	129.9	118.6	113.1
June	116.9	116.1	120.7	113.5	113.2	119.6	129.8	119.0	113.4
July	117.8	117.3	123.3	113.8	113.5	119.7	130.2	119.2	113.7
Aug	117.9	117.4	123.1	114.2	113.6	119.8	132.3	119.5	114.0
Sept	118.2	117.7	123.6	114.5	113.7	119.9	132.6	119.8	114.2
Oct	117.6	117.1	122.3	114.7	112.7	119.7	133.8	120.1	113.9
Nov	118.3	117.9	124.1	115.0	112.8	119.9	136.3	120.3	114.1
Dec	119.5	119.3	127.1	115.2	113.7	120.3	136.8	120.5	114.6

[1] Includes, in addition to subgroups shown, processed fuels and lubricants, containers, and supplies.
[2] Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.
[3] Excludes intermediate materials for food manufacturing and manufactured animal feeds.

Note.—For a listing of the commodities included in each sector, see monthly report, "Wholesale Prices and Price Indexes," January–February 1967.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C-50.—*Percent changes in consumer price indexes, major groups, 1948–72*

[Percent change from preceding period [1]]

Year or month	All items: Unadjusted	All items: Seasonally adjusted	Food: Unadjusted	Food: Seasonally adjusted	Commodities less food: Unadjusted	Commodities less food: Seasonally adjusted	Services [2]: Unadjusted
1948	2.7		−0.8				
1949	−1.8		−3.7				
1950	5.8		9.6				
1951	5.9		7.4				
1952	.9		−1.1				
1953	.6		−1.3				
1954	−.5		−1.6				
1955	.4		−.9				
1956	2.9		3.1				
1957	3.0		2.8		2.2		4.5
1958	1.8		2.2		.8		2.7
1959	1.5		−.8		1.5		3.7
1960	1.5		3.1		−.3		2.7
1961	.7		−.9		.6		1.9
1962	1.2		1.5		.7		1.7
1963	1.6		1.9		1.2		2.3
1964	1.2		1.4		.4		1.8
1965	1.9		3.4		.7		2.6
1966	3.4		3.9		1.9		4.9
1967	3.0		1.2		3.1		4.0
1968	4.7		4.3		3.7		6.1
1969	6.1		7.2		4.5		7.4
1970	5.5		2.2		4.8		8.2
1971	3.4		4.3		2.3		4.1
1972	3.4		4.7		2.5		3.6
1970: July	.3	0.3	.5	0.1	.0	0.2	.5
Aug	.2	.3	.1	.1	.1	.3	.6
Sept	.5	.6	−.2	.4	.7	.5	.7
Oct	.5	.5	−.2	.0	1.0	.4	.5
Nov	.3	.4	−.5	.1	.5	.4	.6
Dec	.5	.4	.3	−.2	.3	.7	.6
1971: Jan	.1	.3	.2	.1	−.3	.1	.6
Feb	.2	.2	.3	.5	.0	.1	.2
Mar	.3	.2	.9	.9	.3	.2	.0
Apr	.3	.3	.7	.6	.3	.2	.2
May	.5	.5	.3	.3	.7	.6	.6
June	.6	.4	.8	.4	.4	.3	.5
July	.2	.3	.5	.2	−.1	.2	.5
Aug	.2	.3	.2	.3	.1	.3	.4
Sept	.1	.1	−.8	−.3	.3	.0	.4
Oct	.2	.2	−.2	−.1	.5	.0	.1
Nov	.2	.2	.1	.8	.1	.0	.3
Dec	.4	.3	1.1	.6	.0	.2	.3
1972: Jan	.1	.3	.0	−.1	−.3	.2	.6
Feb	.5	.6	1.6	1.8	.1	.3	.2
Mar	.2	.0	.2	.0	.3	.2	.2
Apr	.2	.2	.0	−.1	.3	.2	.2
May	.3	.3	−.1	−.1	.6	.5	.2
June	.2	.1	.6	.2	.2	.0	.3
July	.4	.4	1.0	.6	.0	.3	.3
Aug	.2	.2	.3	.5	.1	.3	.2
Sept	.4	.5	.2	.6	.7	.4	.2
Oct	.3	.3	.1	.2	.4	−.1	.4
Nov	.2	.3	.4	1.1	.2	.1	.2
Dec	.3	.2	.5	.0	.1	.2	.4

[1] Annual changes are from December to December.
[2] Percent 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 C–51.—*Percent changes in wholesale price indexes, major groups, 1948–72*

[Percent change from preceding period [1]]

Year or month	All commodities: Unadjusted	All commodities: Seasonally adjusted	Industrial commodities: Unadjusted	Industrial commodities: Seasonally adjusted	Farm products and processed foods and feeds: Unadjusted	Farm products and processed foods and feeds: Seasonally adjusted	Consumer finished goods, total: Unadjusted	Consumer finished goods, total: Seasonally adjusted	Consumer finished foods: Unadjusted	Consumer finished foods: Seasonally adjusted	Consumer finished goods excluding foods: Unadjusted	Consumer finished goods excluding foods: Seasonally adjusted
1948	1.5		5.0		−6.8		1.2		−2.4		4.0	
1949	−6.1		−5.0		−8.9		−5.6		−7.4		−4.5	
1950	14.7		14.0		17.0		10.2		13.3		8.2	
1951	1.2		.4		3.5		2.7		5.3		.9	
1952	−3.4		−1.4		−8.2		−3.1		−5.9		−1.1	
1953	.5		1.4		−2.3		−.1		−2.2		1.6	
1954	−.6		.2		−2.6		−.6		−1.9		.3	
1955	1.6		4.3		−6.4		−.1		−2.9		1.7	
1956	4.5		4.2		6.0		3.1		3.6		2.5	
1957	2.0		1.1		4.2		3.0		5.3		1.7	
1958	.5		.9		−.2		.2		.4		.2	
1959	−.3		1.2		−4.4		−.7		−3.7		.8	
1960	.5		−.6		3.9		2.1		5.2		.4	
1961	−.2		−.1		−.6		−.8		−1.8		−.3	
1962	.0		−.2		.6		.1		.5		−.1	
1963	−.1		.5		−2.1		−.4		−1.3		.1	
1964	.4		.6		.0		.2		.4		.1	
1965	3.4		1.4		9.5		4.0		9.1		.9	
1966	1.7		2.2		.2		1.6		1.4		1.7	
1967	1.0		1.9		−1.8		1.2		−.4		2.1	
1968	2.8		2.7		3.5		3.1		4.8		2.0	
1969	4.8		3.9		7.5		4.9		8.2		2.9	
1970	2.2		3.6		−1.4		1.4		−2.5		4.0	
1971	4.0		3.2		6.0		3.3		6.0		1.7	
1972	6.5		3.6		14.4		4.5		8.0		2.2	
1970: July	.5	0.5	.2	0.3	1.5	1.2	.6	0.5	1.4	0.6	.2	0.2
Aug	−.4	.1	.2	.2	−1.9	−.4	−.7	.0	−2.1	−.4	.2	.3
Sept	.5	.5	.2	.2	1.3	1.3	.8	.5	1.4	.6	.3	.5
Oct	.0	.2	.8	.6	−2.0	−.9	−.3	.1	−2.5	−.6	1.3	.8
Nov	−.1	−.1	.0	.2	−.4	−.5	.4	.3	.6	.0	.2	.3
Dec	.1	−.1	.4	.3	−.5	−1.1	.0	−.1	−.9	−1.3	.5	.5
1971: Jan	.7	.5	.4	.3	1.3	.8	.7	.5	1.2	.8	.5	.5
Feb	.9	.6	.3	.1	2.6	1.9	.6	.5	1.4	1.3	.1	.1
Mar	.2	.2	.3	.3	−.2	−.1	.1	.2	.6	.6	−.2	−.1
Apr	.3	.5	.4	.4	−.1	.5	−.1	.3	−.1	.8	−.1	.0
May	.4	.3	.4	.5	.9	.2	.6	.4	1.0	.2	.4	.4
June	.4	.4	.2	.3	1.0	.4	.4	.1	.7	.2	.1	.0
July	.3	.2	.5	.6	−.3	−.7	−.1	−.4	−.7	−1.5	.4	.4
Aug	.3	.7	.5	.5	−.3	1.2	.3	1.1	.4	2.0	.1	.2
Sept	−.3	−.3	−.1	−.1	−1.4	−1.2	−.5	−.8	−1.0	−1.8	−.2	.0
Oct	−.1	.1	.0	−.2	.0	1.1	.2	.4	.1	2.1	.3	−.2
Nov	.1	.1	−.1	.1	.5	.3	.2	.1	.6	−.2	.0	.1
Dec	.8	.6	.3	.2	2.0	1.4	1.0	.9	1.7	1.5	.4	.4
1972: Jan	.8	.5	.5	.4	1.3	.9	.4	.3	.8	.4	.2	.3
Feb	.9	.5	.5	.4	1.9	1.2	.8	.7	1.6	1.5	.2	.2
Mar	.1	.1	.3	.3	−.4	−.3	−.3	−.3	−1.0	−1.0	.2	.3
Apr	.1	.3	.4	.4	−.7	−.1	−.3	.0	−1.2	−.3	.2	.3
May	.6	.5	.3	.4	1.4	.8	.6	.3	1.3	.5	.2	.2
June	.5	.5	.3	.4	1.1	.5	.5	.3	1.0	.5	.3	.2
July	.8	.7	.2	.2	2.2	1.8	1.0	.8	2.2	1.3	.3	.3
Aug	.2	.6	.3	.4	−.2	1.4	.1	.9	−.2	1.4	.3	.4
Sept	.3	.3	.2	.2	.6	.8	.3	−.1	.4	−.3	.2	.4
Oct	−.2	.1	.1	−.1	−1.0	.2	−.5	−.2	−1.1	.9	−.3	−.7
Nov	.6	.6	.3	.4	1.6	1.4	.7	.5	1.5	.6	.2	.3
Dec	1.8	1.6	.3	.1	5.8	5.2	1.2	1.1	2.4	2.2	.4	.4

[1] Annual changes are from December to December.

Note.—The seasonally adjusted changes for all commodities and industrial commodities are based on seasonal adjustment factors and seasonally adjusted indexes carried to two decimal places.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE C–52.—*Money stock measures, 1947–72*

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Overall measures: M1 (Currency plus demand deposits)	Overall measures: M2 (M1 plus time deposits at commercial banks other than large CD's)	Overall measures: M3 (M2 plus deposits at nonbank thrift institutions)	Components and related items: 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	588.3	46.0	157.7	194.1	11.0	183.2	201.5	5.6
1970: Dec	214.8	418.2	633.9	49.0	165.8	228.9	25.5	203.4	215.7	7.3
1971: Dec	228.2	464.7	718.1	52.5	175.7	269.9	33.4	236.4	253.4	6.7
1972: Dec p	246.9	514.5	810.2	56.9	190.0	311.2	43.7	267.6	295.8	7.2
1971: Jan	215.3	423.1	642.2	49.3	166.0	234.4	26.6	207.8	219.2	6.8
Feb	217.7	430.4	653.4	49.7	168.0	240.2	27.5	212.7	223.0	8.4
Mar	219.7	437.1	663.9	50.0	169.7	245.4	28.1	217.4	226.8	5.5
Apr	221.2	441.5	672.5	50.5	170.7	248.1	27.8	220.3	231.0	5.5
May	223.8	446.6	681.0	50.8	173.0	251.3	28.5	222.8	234.4	7.8
June	225.5	450.6	687.8	51.1	174.5	254.4	29.4	225.0	237.2	5.3
July	227.4	453.4	693.8	51.6	175.8	256.4	30.4	225.9	240.4	6.8
Aug	228.0	454.5	697.6	51.7	176.3	257.3	30.8	226.5	243.1	6.8
Sept	227.6	455.6	701.2	51.9	175.7	259.6	31.6	228.0	245.6	7.5
Oct	227.7	458.3	706.5	52.2	175.5	263.3	32.7	230.6	248.3	5.3
Nov	227.7	460.8	711.6	52.2	175.5	265.3	32.2	233.1	250.8	3.9
Dec	228.2	464.7	718.1	52.5	175.7	269.9	33.4	236.4	253.4	6.7
1972: Jan	228.8	469.9	727.3	52.8	176.0	274.4	33.2	241.2	257.4	7.2
Feb	231.2	475.5	737.4	53.2	178.0	278.1	33.8	244.3	261.8	7.2
Mar	233.5	480.1	745.9	53.7	179.9	279.9	33.4	246.5	265.8	7.7
Apr	235.0	483.0	752.7	54.0	180.9	282.8	34.7	248.1	269.7	7.6
May	235.5	486.1	758.8	54.4	181.1	287.0	36.3	250.7	272.6	10.4
June	236.6	490.4	766.1	54.7	181.9	290.9	37.1	253.8	275.7	6.8
July	239.4	495.0	774.7	54.9	184.5	293.7	38.1	255.6	279.7	7.2
Aug	240.5	498.3	781.6	55.0	185.5	297.1	39.3	257.7	283.3	5.3
Sept	241.6	501.8	788.4	55.5	186.1	300.5	40.3	260.2	286.6	5.8
Oct	242.3	505.0	795.2	55.9	186.5	303.4	40.7	262.7	290.1	6.6
Nov p	243.6	508.2	801.2	56.3	187.3	305.9	41.3	264.6	293.1	6.1
Dec p	246.9	514.5	810.2	56.9	190.0	311.2	43.7	267.6	295.8	7.2

[1] Currency outside the Treasury, the Federal Reserve System, and the vaults of all commercial banks.
[2] Demand deposits 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. Effective June 1966, excludes balances accumulated for payment of personal loans (about $1.1 billion).
[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.—The effects of the implementation on November 9, 1972 of revised Regulation J have been eliminated from data for November-December 1972 to avoid a discontinuity in the series. The upward adjustment of demand deposits resulting from that implementation will be incorporated into the various series at a later time.

Source: Board of Governors of the Federal Reserve System.

TABLE C–53.—*Commercial bank loans and investments, 1930–72*

[Billions of dollars]

End of year or month [1]	Total loans and investments [2]	Loans: Total [2]	Loans: Commercial and industrial	Investments: U.S. Government securities	Investments: Other securities	Loans plus loans sold to bank affiliates [3]
1930: June	48.9	34.5		5.0	9.4	
1933: June	30.4	16.3		7.5	6.5	
1939	40.7	17.2		16.3	7.1	
1940	43.9	18.8		17.8	7.4	
1941	50.7	21.7		21.8	7.2	
1942	67.4	19.2		41.4	6.8	
1943	85.1	19.1		59.8	6.1	
1944	105.5	21.6		77.6	6.3	
1945	124.0	26.1		90.6	7.3	
1946	114.0	31.1		74.8	8.1	
1947	116.3	38.1		69.2	9.0	
1948	114.2	42.4		62.6	9.2	
	Seasonally adjusted					
1948	113.0	41.5		62.3	9.2	
1949	118.7	42.0		66.4	10.3	
1950	124.7	51.1		61.1	12.4	
1951	130.2	56.5		60.4	13.4	
1952	139.1	62.8		62.2	14.2	
1953	143.1	66.2		62.2	14.7	
1954	153.1	69.1		67.6	16.4	
1955	157.6	80.6		60.3	16.8	
1956	161.6	88.1		57.2	16.3	
1957	166.4	91.5		56.9	17.9	
1958	181.2	95.6		65.1	20.5	
1959 [3]	188.7	110.5	39.4	57.7	20.5	
1960	197.4	116.7	42.1	59.8	20.8	
1961	212.8	123.6	43.9	65.3	23.9	
1962	231.2	137.3	47.6	64.7	29.2	
1963	250.2	153.6	52.1	61.7	35.0	
1964	272.4	172.9	58.4	60.8	38.7	
1965	300.1	198.2	69.5	57.1	44.8	
1966	[4] 316.1	[4] 213.9	78.6	53.5	[4] 48.7	
1967	352.0	231.3	86.2	59.3	61.4	
1968	390.6	258.2	95.9	61.0	71.4	
1969 [5]	402.1	279.4	105.7	51.5	71.2	283.3
1970	435.9	292.0	109.6	58.0	85.9	294.9
1971	485.7	[6] 320.6	115.5	60.7	[6] 104.5	[6] 323.4
1972 p	554.2	376.6	129.1	62.0	115.6	379.2
1972: Jan	491.4	325.7	116.4	59.7	106.0	328.7
Feb	496.6	328.5	117.3	61.0	107.1	331.5
Mar	505.0	333.8	118.4	62.3	108.9	336.6
Apr	507.4	335.9	119.9	62.6	108.9	338.5
May	516.1	341.9	121.2	63.1	111.1	344.4
June	517.5	343.7	[7] 120.7	63.2	110.6	346.0
July	521.9	348.4	121.4	62.3	111.2	350.7
Aug	529.8	356.2	123.9	61.4	112.3	358.6
Sept p	535.3	360.0	124.6	62.0	113.3	362.3
Oct p	540.4	367.2	126.7	59.9	113.3	369.4
Nov p	549.4	373.6	128.2	60.6	115.1	376.1
Dec p	554.2	376.6	129.1	62.0	115.6	379.2

[1] Data are for last Wednesday of month (except June 30 and December 31 call dates).
[2] Adjusted to exclude all interbank loans beginning 1948 and domestic bank loans only beginning January 1959.
[3] Beginning January 1959, loans and investments are reported gross, without valuation reserves deducted, rather than net of valuation reserves, as in earlier periods.
[4] 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.
[5] Beginning June 1969, data include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries; earlier data include commercial banks only.
[6] Beginning June 1971, Farmers Home Administration insured notes totaling about $0.7 billion are classified as other securities rather than as loans.
[7] Excludes $0.4 billion due to loan reclassification.

Source: Board of Governors of the Federal Reserve System.

TABLE C-54.—*Total funds raised in credit markets by nonfinancial sectors, 1964–72*

[Billions of dollars]

Item	1964	1965	1966	1967	1968	1969	1970	1971
Total funds raised	67.8	70.4	68.7	83.4	97.8	91.7	101.6	156.3
U.S. Government	6.3	1.8	3.6	13.0	13.4	−3.6	12.8	25.5
Public debt securities	5.4	1.3	2.3	8.9	10.3	−1.3	12.9	26.0
Budget agency issues	.9	.5	1.3	4.1	3.1	−2.4	−.1	−.5
All other sectors	61.5	68.6	65.0	70.4	84.4	95.3	88.8	130.8
Corporate equity shares	1.6	.3	.9	2.4	−.7	4.8	6.8	13.5
Debt instruments	59.9	68.3	64.1	68.0	85.1	90.6	81.9	117.4
Debt capital instruments	36.3	38.8	39.0	46.2	51.3	49.0	60.8	87.5
State and local government securities	5.7	7.3	5.7	8.3	10.1	7.9	13.8	20.2
Corporate and foreign bonds	4.5	5.9	11.0	15.9	14.0	13.1	21.1	20.3
Mortgages	26.1	25.6	22.3	22.0	27.3	27.9	25.8	47.0
Home	15.6	15.4	11.4	11.6	15.2	15.7	12.8	26.1
Other residential	4.5	3.6	3.1	3.6	3.5	4.8	5.9	8.8
Commercial	3.8	4.4	5.7	4.7	6.6	5.5	5.4	10.1
Farm	2.1	2.2	2.1	2.1	2.1	1.9	1.8	2.0
Other private credit	23.7	29.5	25.1	21.8	33.8	41.6	21.1	29.9
Bank loans n.e.c.	9.4	14.1	10.4	9.9	13.8	16.8	5.0	13.0
Consumer credit	8.5	10.0	7.2	4.6	11.1	9.3	4.3	10.4
Open-market paper	.7	−.3	1.0	2.1	1.6	3.3	3.8	−.4
Other	5.1	5.7	6.4	5.2	7.3	12.2	8.0	6.9
By borrowing sector:								
Total funds raised	61.5	68.6	65.0	70.4	84.4	95.3	88.8	130.8
Foreign	5.1	2.5	1.3	4.0	3.1	3.3	3.0	5.6
State and local governments	6.0	7.6	6.4	8.5	10.4	8.7	13.9	20.6
Households	27.9	28.8	23.2	19.7	31.9	32.6	22.3	41.6
Nonfinancial business	22.6	29.6	34.1	38.1	39.1	50.8	49.5	63.0
Farm	2.6	3.3	3.5	3.5	2.7	3.2	3.2	4.1
Nonfarm noncorporate	5.3	5.7	5.5	5.0	5.7	7.4	6.4	10.3
Corporate	14.6	20.6	25.2	29.7	30.7	40.2	39.8	48.6
Total funds advanced to nonfinancial sectors	67.8	70.4	68.7	83.4	97.8	91.7	101.6	156.3
Financed directly or indirectly by:								
Private domestic nonfinancial sectors	43.5	46.0	41.2	50.9	61.3	45.6	69.8	92.6
Deposits	36.5	40.7	23.1	51.5	48.6	5.3	63.9	95.7
Demand deposits and currency	7.4	7.9	2.8	12.2	14.6	7.6	7.7	14.4
Time and savings accounts	29.1	32.7	20.3	39.3	34.0	−2.2	56.2	81.3
At commercial banks	13.3	19.6	13.0	22.6	21.0	−10.2	39.3	40.5
At savings institutions	15.8	13.2	7.3	16.7	13.0	8.0	17.0	40.8
Credit market instruments, net	7.0	5.3	18.1	−.6	12.7	40.2	5.9	−3.1
U.S. Government securities	1.0	2.3	8.8	−1.3	7.7	16.0	−7.6	−13.1
Private credit market instruments	6.0	5.3	10.2	7.1	14.0	26.7	14.6	17.3
Corporate equities	−.1	−1.9	−1.0	−4.2	−7.6	−4.1	−2.6	−5.2
Less security debt	−.2	.3	−.2	2.2	1.4	−1.6	−1.4	2.1
Other sources:								
Foreign funds	3.1	.5	1.8	4.9	5.1	10.6	2.4	23.9
At banks	2.5	.8	3.7	2.3	2.6	9.3	−8.4	−3.3
Direct	.6	−.3	−1.9	2.7	2.5	1.3	10.9	27.2
Change in U.S. Government cash balance	.2	−1.0	−.4	1.2	−1.1	.4	2.7	3.3
U.S. Government loans	2.8	2.8	4.9	4.6	4.9	2.9	2.8	3.2
Private insurance and pension reserves	13.9	15.6	17.6	18.0	18.6	19.1	22.2	24.0
Other	4.4	6.6	3.5	3.8	9.1	13.1	1.6	9.5

See footnote at end of table.

TABLE C-54.—*Total funds raised in credit markets by nonfinancial sectors, 1964–72*—Continued

[Billions of dollars]

Item	1972 unadjusted quarterly flows			1972 seasonally adjusted annual rates		
	I	II	III	I	II	III
Total funds raised	29.5	39.9	39.5	146.5	166.8	163.0
U.S. Government	4.3	−5.6	5.3	6.6	16.3	10.6
Public debt securities	3.7	−6.0	4.6	4.3	14.8	7.7
Budget agency issues	.6	.4	.7	2.2	1.5	3.0
All other sectors	25.2	45.5	34.1	139.9	150.5	152.4
Corporate equity shares	2.6	4.0	2.8	10.3	15.9	11.3
Debt instruments	22.6	41.5	31.3	129.6	134.6	141.1
Debt capital instruments	19.7	25.0	25.4	84.1	94.7	101.7
State and local government securities	4.5	4.0	4.1	16.7	14.3	17.6
Corporate and foreign bonds	3.0	4.4	3.0	12.9	14.7	13.3
Mortgages	12.2	16.6	18.3	54.4	65.8	70.9
Home	6.7	9.6	11.0	30.2	38.1	42.1
Other residential	1.9	2.5	2.6	8.7	9.9	10.6
Commercial	2.9	3.6	3.9	12.9	14.9	15.3
Farm	.6	.9	.7	2.6	2.9	2.8
Other private credit	3.0	16.5	5.9	45.5	39.8	39.4
Bank loans n.e.c.	.1	9.1	2.5	20.1	17.7	22.2
Consumer credit	−1.1	6.1	4.3	13.9	17.5	18.6
Open-market paper	1.5	−.5	−.7	2.9	.3	−5.5
Other	2.4	1.8	−.2	8.6	4.2	4.1
By borrowing sector:						
Total funds raised	25.2	45.5	34.1	139.9	150.5	152.4
Foreign	.9	.4	.0	4.2	1.5	1.0
State and local governments	4.8	4.1	4.2	17.8	14.7	18.0
Households	6.1	18.2	15.5	50.7	60.9	69.1
Nonfinancial business	13.4	22.8	14.3	67.2	73.3	64.4
Farm	1.3	2.1	.6	3.9	4.9	4.1
Nonfarm noncorporate	1.9	3.2	2.8	11.8	10.9	10.2
Corporate	10.3	17.5	10.9	51.5	57.5	50.0
Total funds advanced to nonfinancial sectors	29.5	39.9	39.5	146.5	166.8	163.0
Financed directly or indirectly by:						
Private domestic nonfinancial sectors	17.6	25.5	27.8	97.2	114.4	120.0
Deposits	18.3	25.3	24.2	119.1	90.6	108.3
Demand deposits and currency	−6.3	4.5	2.2	24.9	4.0	17.3
Time and savings accounts	24.7	20.8	22.0	94.2	86.6	91.0
At commercial banks	10.5	9.7	11.7	37.3	45.0	45.9
At savings institutions	14.2	11.1	10.2	56.9	41.6	45.2
Credit market instruments, net	−.8	.1	3.6	−21.8	23.8	11.7
U.S. Government securities	−1.0	−2.2	3.8	−20.8	12.5	9.9
Private credit market instruments	2.4	5.6	2.1	14.6	18.6	12.4
Corporate equities	−.5	−1.3	−1.4	−8.8	.8	−7.3
Less security debt	1.7	2.0	.9	6.9	8.1	3.4
Other sources:						
Foreign funds	4.7	1.6	5.5	18.2	4.6	16.2
At banks	.3	1.8	1.3	1.3	7.3	5.0
Direct	4.3	−.3	4.2	16.9	−2.6	11.1
Change in U.S. Government cash balance	−3.3	1.5	−.3	−10.8	.7	−3.6
U.S. Government loans	.8	.3	.9	3.2	1.4	3.3
Private insurance and pension reserves	4.1	6.9	6.1	16.8	29.1	24.0
Other	5.5	4.0	−.5	21.8	16.5	3.2

Source: Board of Governors of the Federal Reserve System.

TABLE C-55.—*Private liquid asset holdings, nonfinancial investors, 1965–72*

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Total liquid assets	Currency and deposits					U.S. Government securities		Negotiable certificates of deposit	Commercial paper
		Total	Currency	Demand deposits	Time deposits		Savings bonds	Short-term marketable securities		
					Commercial banks	Nonbank thrift institutions				
1965: Dec	557.7	447.4	36.3	115.5	125.2	170.4	49.5	38.2	15.5	7.1
1966: Dec	588.2	469.6	38.3	117.3	136.8	177.3	50.1	43.3	15.0	10.2
1967: Dec	637.5	516.0	40.4	125.2	156.2	194.2	51.0	39.5	19.5	11.5
1968: Dec	692.1	559.7	43.4	135.2	174.2	206.8	51.4	44.2	22.6	14.2
1969: Dec	719.2	576.3	46.0	138.1	177.1	215.2	51.1	61.9	9.1	20.9
1970: Dec	766.8	623.4	49.0	144.8	198.5	231.1	51.3	49.4	23.2	19.5
1971: Dec	850.2	710.0	52.5	153.5	232.4	271.7	53.7	38.6	30.1	17.7
1972: Dec p	961.4	803.3	56.8	166.9	262.3	317.3	56.9	42.6	39.9	18.6
1970: Jan	720.9	577.3	46.2	139.3	176.7	215.1	51.0	63.0	8.3	21.2
Feb	721.6	576.6	46.4	138.3	176.7	215.2	51.0	63.6	8.1	22.4
Mar	725.3	580.4	46.7	139.8	178.0	215.9	50.9	62.7	8.3	23.0
Apr	729.9	584.9	47.1	141.1	179.6	217.1	50.9	60.4	9.9	23.9
May	733.5	588.7	47.7	141.4	181.3	218.2	50.9	58.9	10.4	24.6
June	736.7	591.6	47.8	141.6	182.9	219.3	50.9	58.8	10.7	24.7
July	743.9	596.8	48.0	142.0	185.7	221.2	50.9	58.0	14.1	24.1
Aug	749.8	602.6	48.1	143.2	188.2	223.1	50.9	56.5	16.5	23.3
Sept	754.7	608.1	48.3	144.1	191.0	224.8	51.0	54.8	18.7	22.0
Oct	759.6	613.1	48.5	144.0	193.8	226.8	51.1	54.4	20.2	20.8
Nov	761.9	617.2	48.7	144.1	195.6	228.8	51.2	52.2	21.2	20.1
Dec	766.8	623.4	49.0	144.8	198.5	231.1	51.3	49.4	23.2	19.5
1971: Jan	774.6	631.7	49.3	144.5	203.2	234.7	51.4	48.3	24.5	18.7
Feb	784.6	643.0	49.7	146.2	208.3	238.8	51.6	46.4	25.6	18.0
Mar	792.7	653.7	50.0	147.9	213.0	242.8	51.8	43.8	26.2	17.2
Apr	799.9	662.6	50.5	148.8	216.0	247.3	52.0	42.7	25.7	16.9
May	808.8	671.5	50.8	151.2	218.6	250.9	52.2	42.2	26.1	16.8
June	816.9	678.6	51.1	152.8	220.7	254.0	52.5	43.0	26.7	16.2
July	823.6	684.7	51.6	154.0	221.7	257.5	52.7	43.1	27.4	15.7
Aug	827.9	688.6	51.7	154.2	222.3	260.4	52.9	43.3	27.5	15.6
Sept	831.7	692.4	51.9	153.5	223.8	263.1	53.1	42.0	28.1	16.1
Oct	838.0	698.0	52.2	153.3	226.4	266.1	53.3	40.8	29.2	16.7
Nov	841.9	703.0	52.2	153.0	228.9	268.9	53.5	39.7	28.8	16.9
Dec	850.2	710.0	52.5	153.5	232.4	271.7	53.7	38.6	30.1	17.7
1972: Jan	858.2	719.7	52.8	153.8	237.2	275.8	53.9	36.6	29.9	18.1
Feb	867.8	729.6	53.2	155.6	240.2	280.5	54.2	35.9	30.5	17.7
Mar	876.6	738.3	53.7	157.4	242.3	284.9	54.5	36.0	30.2	17.7
Apr	886.0	745.2	54.0	158.4	243.7	289.1	54.8	36.5	31.6	17.9
May	894.2	751.0	54.4	158.2	246.2	292.2	55.1	37.1	33.2	17.9
June	904.0	758.0	54.7	158.5	249.2	295.6	55.3	38.5	34.0	18.1
July	913.9	766.6	54.9	160.8	251.0	299.8	55.6	38.2	35.0	18.5
Aug	921.5	773.4	55.0	161.7	253.0	303.6	55.9	37.7	36.3	18.4
Sept	929.7	780.4	55.5	162.2	255.4	307.3	56.1	37.5	37.1	18.5
Oct	938.1	787.4	55.9	162.6	257.8	311.1	56.4	38.4	37.3	18.6
Nov p	947.3	794.0	56.3	163.8	259.6	314.3	56.7	40.3	37.6	18.6
Dec p	961.4	803.3	56.8	166.9	262.3	317.3	56.9	42.6	39.9	18.6

Source: Board of Governors of the Federal Reserve System.

TABLE C–56.—*Federal Reserve Bank credit and member bank reserves, 1929–72*

[Averages of daily figures; millions of dollars]

Year and month	Reserve Bank credit outstanding				Member bank reserves			Member bank free reserves (excess reserves less borrowings)
	Total	U.S. Government securities	Member bank borrowings	All other, mainly float	Total	Required	Excess	
1929: Dec	1,643	446	801	396	2,395	2,347	48	−753
1933: Dec	2,669	2,432	95	142	2,588	[1] 1,822	[1] 766	671
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	29,265	28,993	272	−49
1971: Dec	74,255	69,158	107	4,990	31,329	31,164	165	58
1972: Dec p	76,845	71,094	1,050	4,701	[3] 31,351	31,151	[3] 200	[3] −850
1971: Jan	67,363	62,068	370	4,925	30,488	30,209	279	−19
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	820	4,231	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	72,694	68,052	407	4,235	30,953	30,690	263	−144
Dec	74,255	69,158	107	4,990	31,329	31,164	165	58
1972: Jan	75,415	70,687	20	4,708	32,865	32,692	173	153
Feb	73,994	69,966	33	3,995	31,922	31,798	124	91
Mar	73,181	69,273	99	3,809	31,921	31,688	233	134
Apr	75,171	70,939	109	4,123	32,565	32,429	136	27
May	75,705	71,428	119	4,158	32,812	32,708	104	−15
June	76,108	71,632	94	4,382	32,539	32,335	204	110
July	77,035	72,089	202	4,744	33,021	32,874	147	−55
Aug	76,676	71,858	438	4,380	33,148	32,893	255	−183
Sept	75,451	70,252	514	4,685	33,003	32,841	162	−352
Oct	77,331	71,359	574	5,398	33,803	33,556	247	−327
Nov p	75,959	71,112	606	4,241	[3] 31,774	31,460	[3] 314	[3] −292
Dec p	76,845	71,094	1,050	4,701	[3] 31,351	31,151	[3] 200	[3] −850

[1] Data are for licensed banks only.
[2] Beginning December 1959, total reserves held include vault cash allowed.
[3] Daily figures beginning November 9, 1972 adjusted to include $450 million of certain reserve deficiencies on which penalties can be waived for a transition period in connection with bank adaptation to Regulation J (as amended effective November 9, 1972). Daily figures beginning December 28, 1972 adjusted to include $279 million in lieu of $450 million.

Source: Board of Governors of the Federal Reserve System.

TABLE C-57.—*Bond yields and interest rates, 1929–72*

[Percent per annum]

Year or month	U.S. Government securities				Corporate bonds (Moody's)		High-grade municipal bonds (Standard & Poor's)	Average rate on short-term bank loans to business—selected cities	Prime commercial paper, 4–6 months	Federal Reserve Bank discount rate	FHA new home mortgage yields [5]
	3-month Treasury bills [1]	9–12 month issues [2]	3–5 year issues [3]	Taxable bonds [4]	Aaa	Baa					
1929					4.73	5.90	4.27		5.85	5.16	
1933	0.515		2.66		4.49	7.76	4.71		1.73	2.56	
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	[7] 6.32	5.11	4.88	7.78
1972	4.071	4.86	5.85	5.64	7.21	8.16	5.27	5.90	4.69	4.50	7.53

See footnotes at end of table.

TABLE C–57.—*Bond yields and interest rates, 1929–72*—Continued

[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]
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	4.90	7.75
Dec	4.023	4.38	5.42	5.62	7.25	8.38	5.36		4.74	4.69	7.62
1972: Jan	3.403	3.99	5.33	5.62	7.19	8.23	5.25		4.08	4.50	7.59
Feb	3.180	4.07	5.51	5.67	7.27	8.23	5.33	5.52	3.93	4.50	7.49
Mar	3.723	4.54	5.74	5.66	7.24	8.24	5.30		4.17	4.50	7.46
Apr	3.723	4.84	6.01	5.74	7.30	8.24	5.45		4.58	4.50	7.45
May	3.648	4.58	5.69	5.64	7.30	8.23	5.26	5.59	4.51	4.50	7.50
June	3.874	4.87	5.77	5.59	7.23	8.20	5.37		4.64	4.50	7.53
July	4.059	4.89	5.86	5.59	7.21	8.23	5.39		4.85	4.50	7.54
Aug	4.014	4.91	5.92	5.59	7.19	8.19	5.29	5.84	4.82	4.50	7.54
Sept	4.651	5.49	6.16	5.70	7.22	8.09	5.36		5.14	4.50	7.55
Oct	4.719	5.41	6.11	5.69	7.21	8.06	5.20		5.30	4.50	7.56
Nov	4.774	5.22	6.03	5.51	7.12	7.99	5.03	6.33	5.25	4.50	7.57
Dec	5.061	5.46	6.07	5.63	7.08	7.93	5.03		5.45	4.50	7.57

[1] Rate on new issues within period. First issued in December 1929.
[2] Certificates of indebtedness and selected note and bond issues.
[3] Selected note and bond issues.
[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 C-58.—*Short- and intermediate-term consumer credit outstanding, 1929–72*

[Millions of dollars]

End of year or month	Total	Instalment credit: Total	Instalment credit: Automobile paper	Instalment credit: Other consumer goods paper	Instalment credit: Home repair and modernization loans [1]	Instalment credit: Personal loans	Noninstalment credit: Total	Noninstalment credit: Charge accounts	Noninstalment credit: Other [2]	Addendum: Policy loans by life insurance companies [3]
1929	7,116	3,524	1,384	1,544	27	569	3,592	1,996	1,596	2,379
1933	3,885	1,723	493	799	15	416	2,162	1,286	876	3,769
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	89,883	70,893	28,437	18,483	3,736	20,237	18,990	6,430	12,560	7,678
1966	96,239	76,245	30,010	20,732	3,841	21,662	19,994	6,686	13,308	9,117
1967	100,783	79,428	29,796	22,389	4,008	23,235	21,355	7,070	14,285	10,059
1968	110,770	87,745	32,948	24,626	4,239	25,932	23,025	7,193	15,832	11,306
1969	121,146	97,105	35,527	28,313	4,613	28,652	24,041	7,373	16,668	13,825
1970	127,163	102,064	35,184	31,465	5,070	30,345	25,099	7,968	17,131	16,064
1971	138,394	111,295	38,664	34,353	5,413	32,865	27,099	8,350	18,749	17,065
1972 [4]	156,400	126,900	43,900	39,900	6,200	36,900	29,500	8,400	21,100	....
1971: Jan	125,811	100,929	34,878	30,889	5,028	30,134	24,882	7,524	17,358	16,144
Feb	125,447	100,467	34,859	30,530	5,016	30,062	24,980	7,303	17,677	16,220
Mar	125,643	100,602	35,089	30,389	5,012	30,112	25,041	7,239	17,802	16,296
Apr	127,009	101,581	35,603	30,590	5,035	30,353	25,428	7,485	17,943	16,376
May	128,066	102,409	35,979	30,813	5,097	30,520	25,657	7,675	17,982	16,444
June	129,336	103,694	36,593	31,163	5,173	30,765	25,642	7,650	17,992	16,531
July	130,062	104,572	37,066	31,250	5,234	31,022	25,490	7,554	17,936	16,609
Aug	131,593	105,924	37,497	31,569	5,314	31,544	25,669	7,595	18,074	16,704
Sept	132,968	107,073	37,812	32,045	5,364	31,852	25,895	7,744	18,151	16,812
Oct	133,755	107,775	38,193	32,189	5,400	31,993	25,980	7,778	18,202	16,887
Nov	135,415	109,088	38,576	32,740	5,417	32,355	26,327	7,948	18,379	16,948
Dec	138,394	111,295	38,664	34,353	5,413	32,865	27,099	8,350	18,749	17,027
1972: Jan	137,426	110,757	38,450	34,046	5,399	32,862	26,669	7,630	19,039	17,074
Feb	136,941	110,510	38,516	33,579	5,403	33,012	26,431	6,987	19,444	17,132
Mar	137,879	111,257	38,853	33,695	5,437	33,272	26,622	6,963	19,659	17,212
Apr	139,410	112,439	39,348	33,981	5,504	33,606	26,971	7,179	19,792	17,360
May	141,450	114,183	40,063	34,439	5,604	34,077	27,267	7,464	19,803	17,441
June	143,812	116,365	41,019	35,041	5,717	34,588	27,447	7,610	19,837	17,528
July	145,214	117,702	41,603	35,470	5,797	34,832	27,512	7,644	19,868	17,605
Aug	147,631	119,911	42,323	36,188	5,950	35,450	27,720	7,717	20,003	17,689
Sept	148,976	121,193	42,644	36,745	6,049	35,755	27,783	7,693	20,090	17,773
Oct	150,576	122,505	43,162	37,216	6,124	36,003	28,071	7,780	20,291	17,854
Nov	152,968	124,325	43,674	38,064	6,174	36,413	28,643	8,010	20,633	....
Dec [4]	156,400	126,900	43,900	39,900	6,200	36,900	29,500	8,400	21,100	....

[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 C–59.—*Instalment credit extended and repaid, 1946–72*

[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	78,661	70,463	27,208	23,706	22,857	20,707	2,270	2,112	26,326	23,938
1966	82,832	77,480	27,192	25,619	26,329	24,080	2,223	2,118	27,088	25,663
1967	87,171	83,988	26,320	26,534	29,504	27,847	2,369	2,202	28,978	27,405
1968	99,984	91,667	31,083	27,931	33,507	31,270	2,534	2,303	32,860	30,163
1969	109,146	99,786	32,553	29,974	38,332	34,645	2,831	2,457	35,430	32,710
1970	112,158	107,199	29,794	30,137	43,873	40,721	2,963	2,506	35,528	33,835
1971	124,281	115,050	34,873	31,393	47,821	44,933	3,244	2,901	38,343	35,823
1972 [1]	143,500	127,900	40,400	35,200	55,800	50,200	4,000	3,200	43,300	39,300
	Seasonally adjusted									
1971: Jan	9,312	9,085	2,585	2,482	3,559	3,555	229	219	2,939	2,829
Feb	9,737	9,217	2,724	2,532	3,812	3,589	250	230	2,951	2,866
Mar	9,984	9,354	2,855	2,621	3,818	3,610	272	251	3,039	2,872
Apr	10,266	9,455	2,874	2,531	3,947	3,673	259	241	3,186	3,010
May	10,173	9,606	2,778	2,593	3,949	3,736	258	236	3,188	3,041
June	10,249	9,670	2,845	2,657	3,972	3,786	281	244	3,151	2,983
July	10,108	9,416	2,813	2,527	3,879	3,749	272	239	3,144	2,901
Aug	10,610	9,709	3,006	2,669	4,048	3,822	283	245	3,273	2,973
Sept	10,827	9,725	3,123	2,689	4,188	3,804	282	251	3,234	2,981
Oct	10,718	9,843	3,016	2,673	4,135	3,871	283	248	3,284	3,051
Nov	11,157	9,965	3,121	2,676	4,254	3,875	274	252	3,508	3,162
Dec	10,866	9,976	3,051	2,715	4,153	3,891	294	244	3,368	3,126
1972: Jan	11,116	10,015	3,089	2,795	4,258	3,905	309	256	3,460	3,059
Feb	10,952	10,069	3,100	2,776	4,052	3,878	296	253	3,504	3,162
Mar	11,741	10,427	3,176	2,831	4,453	3,944	323	262	3,789	3,390
Apr	11,374	10,384	3,162	2,867	4,370	3,986	331	268	3,511	3,263
May	11,687	10,355	3,274	2,819	4,393	3,981	334	287	3,686	3,268
June	12,057	10,671	3,412	2,922	4,577	4,164	351	283	3,717	3,302
July	11,687	10,593	3,298	2,917	4,684	4,249	328	279	3,377	3,148
Aug	12,484	10,841	3,491	2,896	4,990	4,395	371	270	3,632	3,280
Sept	11,953	10,667	3,368	2,873	4,772	4,303	340	263	3,473	3,228
Oct	12,404	10,908	3,504	3,041	4,971	4,354	335	263	3,594	3,250
Nov	12,846	11,128	3,620	3,023	5,118	4,444	327	271	3,781	3,390
Dec [1]	13,200	11,600	3,700	3,200	5,350	4,700	350	300	3,800	3,400

[1] Preliminary; December by Council of Economic Advisers.

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

TABLE C–60.—*Mortgage debt outstanding by type of property and of financing, 1939–72*

[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 properties	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	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	451.7	31.2	420.5	280.2	58.0	82.3	109.2	97.2	59.9	37.3	311.3	182.9
1971 p	499.9	32.9	467.0	307.8	66.8	92.4	120.7	105.2	65.7	39.5	346.3	202.6
1972 p	564.5	35.6	528.9	345.4	76.5	107.0	-------	-------	-------	-------	-------	-------
1970: I	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	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	443.4	30.8	412.5	276.0	56.1	80.4	106.8	95.1	58.1	37.0	305.7	181.0
IV	451.7	31.2	420.5	280.2	58.0	82.3	109.2	97.2	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	98.3	61.0	37.3	316.2	185.3
II p	471.1	31.9	439.3	290.9	62.1	86.3	114.4	100.4	62.8	37.6	324.9	190.5
III p	485.6	32.4	453.2	299.7	64.3	89.2	117.5	102.9	64.4	38.5	335.7	196.8
IV p	499.9	32.9	467.0	307.8	66.8	92.4	120.7	105.2	65.7	39.5	346.3	202.6
1972: I p	511.7	33.5	478.2	314.1	68.8	95.3	123.7	107.5	66.8	40.7	354.5	206.6
II p	529.1	34.4	494.8	324.6	71.3	98.9	126.9	109.6	67.6	42.0	368.1	215.1
III p	546.9	35.1	511.9	335.1	73.8	102.8	-------	-------	-------	-------	-------	-------
IV p	564.5	35.6	528.9	345.4	76.5	107.0	-------	-------	-------	-------	-------	-------

[1] Includes negligible amount of farm loans held by savings and loan associations.
[2] Derived figures.

Source: Board of Governors of the Federal Reserve System, estimated and compiled from data supplied by various Government and private organizations.

TABLE C-61.—*Mortgage debt outstanding by lender, 1939–72*

[Billions of dollars]

End of year or quarter	Total	Selected financial institutions: Total	Savings and loan associations	Mutual savings banks	Commercial banks [1]	Life insurance companies	Other lenders: 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	425.3	339.2	140.3	56.1	70.7	72.0	26.8	59.4
1970	451.7	355.9	150.3	57.9	73.3	74.4	33.0	62.8
1971 p	499.9	394.4	174.4	62.0	82.5	75.5	39.4	66.1
1972 p	564.5	449.2	206.0	67.6	98.9	76.7	46.0	69.3
1970: I	429.4	340.7	140.8	56.4	70.9	72.7	28.6	60.1
II	435.6	344.5	143.1	56.9	71.3	73.2	30.0	61.1
III	443.4	349.7	146.4	57.4	72.4	73.6	31.7	61.9
IV	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	63.5
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	60.6	79.9	74.8	37.4	64.6
IV p	499.9	394.4	174.4	62.0	82.5	75.5	39.4	66.1
1972: I p	511.7	404.2	180.1	63.0	85.6	75.4	41.2	66.4
II p	529.1	418.9	188.9	64.4	90.1	75.5	42.7	67.5
III p	546.9	434.2	197.9	65.9	94.6	75.8	44.3	68.4
IV p	564.5	449.2	206.0	67.6	98.9	76.7	46.0	69.3

[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, Federal Land Banks, GNMA (Pools), and FHLMC. 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 C–62.—*Net public and private debt, 1929–71* [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
1933	168.5	24.3	....	16.3	127.9	76.9	51.0	9.1	41.9	26.3	11.7	3.9
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	1,443.1	286.5	9.0	113.4	1,034.3	553.7	480.6	48.3	432.3	266.9	63.3	102.1
1968	1,585.3	291.9	21.4	123.9	1,148.2	628.0	520.3	51.8	468.5	284.9	70.4	113.2
1969	1,723.2	289.3	30.6	132.6	1,270.8	714.8	556.0	55.5	500.5	303.9	74.2	122.5
1970	1,843.9	301.1	38.8	146.8	1,357.3	773.6	583.7	58.7	525.0	320.8	77.4	126.8
1971	1,996.4	325.9	39.8	167.7	1,463.0	827.3	635.7	63.1	572.6	352.3	83.0	137.2

[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, 1974."

[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 C–63.—*Federal budget receipts and outlays, fiscal years 1929–74*

[Millions of dollars]

Fiscal year	Receipts	Outlays	Surplus or deficit (−)
Administrative budget:			
1929	3,862	3,127	734
1933	1,997	4,598	−2,602
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	208,649	231,876	−23,227
1973 [1]	224,984	249,796	−24,812
1974 [1]	255,982	268,665	−12,683

[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.

Sources: Treasury Department and Office of Management and Budget.

TABLE C-64.—*Federal budget receipts, outlays, financing, and debt, fiscal years 1963–74*

[Millions of dollars; fiscal years]

Description	Actual					
	1963	1964	1965	1966	1967	1968
BUDGET RECEIPTS AND OUTLAYS:						
Total receipts	106,560	112,662	116,833	130,856	149,552	153,671
Federal funds	83,550	87,205	90,943	101,427	111,835	114,726
Trust funds	25,799	28,518	29,230	32,997	42,935	44,716
Intragovernmental transactions	−2,788	−3,061	−3,339	−3,568	−5,218	−5,771
Total outlays	111,311	118,584	118,430	134,652	158,254	178,833
Federal funds	90,141	95,761	94,807	106,512	126,779	143,105
Trust funds	23,958	25,884	26,962	31,708	36,693	41,499
Intragovernmental transactions	−2,788	−3,061	−3,339	−3,568	−5,218	−5,771
Total surplus or deficit (−)	−4,751	−5,922	−1,596	−3,796	−8,702	−25,161
Federal funds	−6,591	−8,556	−3,864	−5,085	−14,944	−28,379
Trust funds	1,841	2,634	2,268	1,289	6,242	3,217
BUDGET FINANCING:						
Total means of financing	4,751	5,922	1,596	3,796	8,702	25,161
Net borrowing from the public or repayment of borrowing (−)	6,088	3,092	4,061	3,076	2,838	23,100
Other means of financing	−1,337	2,830	−2,465	720	5,863	2,061
OUTSTANDING DEBT, END OF YEAR:						
Gross Federal debt	310,807	316,763	323,154	329,474	341,348	369,769
Held by Government agencies	56,345	59,210	61,540	64,784	73,819	79,140
Held by the public	254,461	257,553	261,614	264,690	267,529	290,629
Federal Reserve System	32,027	34,794	39,100	42,169	46,719	52,230
Others	222,434	222,759	222,514	222,521	220,810	238,399
BUDGET RECEIPTS	106,560	112,662	116,833	130,856	149,552	153,671
Individual income taxes	47,588	48,697	48,792	55,446	61,526	68,726
Corporation income taxes	21,579	23,493	25,461	30,073	33,971	28,665
Social insurance taxes and contributions	19,804	22,012	22,258	25,567	33,349	34,622
Excise taxes	13,194	13,731	14,570	13,062	13,719	14,079
Estate and gift taxes	2,167	2,394	2,716	3,066	2,978	3,051
Customs duties	1,205	1,252	1,442	1,767	1,901	2,038
Miscellaneous receipts:						
Deposit of earnings by Federal Reserve System	828	947	1,372	1,713	1,805	2,091
All other	194	138	222	162	303	400
BUDGET OUTLAYS	111,311	118,584	118,430	134,652	158,254	178,833
National defense	52,257	53,591	49,578	56,785	70,081	80,517
International affairs and finance	4,115	4,117	4,340	4,490	4,547	4,619
Space research and technology	2,552	4,170	5,091	5,933	5,423	4,721
Agriculture and rural development	5,138	5,184	4,805	3,676	4,373	5,940
Natural resources and environment	1,498	1,966	2,056	2,036	1,878	1,722
Commerce and transportation	5,765	6,511	7,399	7,171	7,594	8,094
Community development and housing	−880	−185	288	2,644	2,616	4,076
Education and manpower	1,502	1,751	2,284	4,258	5,853	6,739
Health	1,379	1,716	1,704	2,509	6,667	9,608
Income security	24,084	25,110	25,702	29,016	31,164	34,108
Veterans benefits and services	5,520	5,681	5,722	5,920	6,897	6,882
Interest	9,215	9,810	10,357	11,285	12,588	13,744
General government	1,810	2,040	2,210	2,292	2,510	2,561
General revenue sharing						
Allowances						
Undistributed intragovernmental transactions:						
Employer share, employee retirement	−1,159	−1,256	−1,329	−1,447	−1,661	−1,825
Interest received by trust funds	−1,485	−1,621	−1,780	−1,917	−2,275	−2,674

See footnotes at end of table.

TABLE C–64.—*Federal budget receipts, outlays, financing, and debt, fiscal years 1963–74*—Con.

[Millions of dollars; fiscal years]

Description	Actual				Estimate	
	1969	1970	1971	1972	1973	1974
BUDGET RECEIPTS AND OUTLAYS:						
Total receipts	187,784	193,743	188,392	208,649	224,984	255,982
Federal funds	143,321	143,158	133,785	148,846	154,250	171,308
Trust funds	52,009	59,362	66,193	72,959	91,952	105,471
Intragovernmental transactions	−7,547	−8,778	−11,586	−13,156	−21,218	−20,797
Total outlays	184,548	196,588	211,425	231,876	249,796	268,665
Federal funds	148,811	156,301	163,651	177,959	188,390	199,108
Trust funds	43,284	49,065	59,361	67,073	82,624	90,354
Intragovernmental transactions	−7,547	−8,778	−11,586	−13,156	−21,218	−20,797
Total surplus or deficit (−)	3,236	−2,845	−23,033	−23,227	−24,812	−12,683
Federal funds	−5,490	−13,143	−29,866	−29,114	−34,140	−27,800
Trust funds	8,725	10,297	6,832	5,886	9,328	15,117
BUDGET FINANCING:						
Total means of financing	[1] −3,236	[1] 2,845	23,033	23,227	24,812	12,683
Net borrowing from the public or repayment of borrowing (−)	−1,044	3,814	19,448	19,442	25,000	16,500
Other means of financing	−2,192	−969	3,585	3,785	−188	−3,817
OUTSTANDING DEBT, END OF YEAR:						
Gross Federal debt	367,144	382,603	409,467	437,328	473,325	505,453
Held by Government agencies	87,661	97,723	105,140	113,559	124,555	140,183
Held by the public	279,483	284,880	304,328	323,770	348,770	365,270
Federal Reserve System	54,095	57,714	65,518	71,427		
Others	225,388	227,166	238,810	252,343		
BUDGET RECEIPTS	187,784	193,743	188,392	208,649	224,984	255,982
Individual income taxes	87,249	90,412	86,230	94,737	99,400	111,600
Corporation income taxes	36,678	32,829	26,785	32,166	33,500	37,000
Social insurance taxes and contributions	39,918	45,298	48,578	53,914	64,540	78,162
Excise taxes	15,222	15,705	16,614	15,477	15,970	16,798
Estate and gift taxes	3,491	3,644	3,735	5,436	4,600	5,000
Customs duties	2,319	2,430	2,591	3,287	3,000	3,300
Miscellaneous receipts:						
Deposit of earnings by Federal Reserve System	2,662	3,266	3,533	3,252	3,350	3,700
All other	247	158	325	381	625	422
BUDGET OUTLAYS	184,548	196,588	211,425	231,876	249,796	268,665
National defense	81,232	80,295	77,661	78,336	76,435	81,074
International affairs and finance	3,785	3,570	3,095	3,726	3,341	3,811
Space research and technology	4,247	3,749	3,381	3,422	3,061	3,135
Agriculture and rural development	6,218	6,201	5,096	7,063	6,064	5,572
Natural resources and environment	2,169	2,568	2,716	3,761	876	3,663
Commerce and transportation	7,921	9,310	11,310	11,201	12,543	11,580
Community development and housing	1,961	2,965	3,357	4,282	3,957	4,931
Education and manpower	6,525	7,289	8,226	9,751	10,500	10,110
Health	11,611	12,907	14,463	17,112	17,991	21,730
Income security	37,699	43,790	56,140	64,876	75,889	81,976
Veterans benefits and services	7,640	8,677	9,776	10,731	11,795	11,732
Interest	15,791	18,312	19,609	20,582	22,808	24,672
General government	2,866	3,336	3,970	4,891	5,631	6,025
General revenue sharing					6,786	6,035
Allowances					500	1,750
Undistributed intragovernmental transactions:						
Employer share, employee retirement	−2,018	−2,444	−2,611	−2,768	−2,980	−3,157
Interest received by trust funds	−3,099	−3,936	−4,765	−5,089	−5,401	−5,974

[1] Excludes changes due to reclassification and to conversion of mixed-ownership enterprises to private ownership. (See footnotes to Table 9, "Budget of the United States Government for the Fiscal Year Ending June 30, 1971," and footnotes to Table 10, "Budget of the United States Government for the Fiscal Year Ending June 30, 1972.")

Sources: Treasury Department and Office of Management and Budget.

TABLE C–65.—*Relation of the Federal budget to the Federal sector of the national income and product accounts, fiscal years 1971–74*

[Billions of dollars; fiscal years]

Receipts and expenditures	Actual		Estimate	
	1971	1972	1973	1974
RECEIPTS				
Total receipts, budget	188.4	208.6	225.0	256.0
Government contribution for employee retirement (grossing)	3.1	3.3	3.6	4.0
Other netting and grossing	1.5	1.3	1.7	1.7
Adjustment to accruals	.1	−1.2	3.6	1.7
Other	−.1	−.2	−.6	−.5
Federal sector, national income and product accounts, receipts	193.0	211.9	233.3	263.0
EXPENDITURES				
Total outlays, budget	211.4	231.9	249.8	268.7
Lending and financial transactions	−3.2	−2.4	−.9	−1.5
Government contribution for employee retirement (grossing)	3.1	3.3	3.6	4.0
Other netting and grossing	1.5	1.3	1.7	1.7
Defense timing adjustment	−.4	.3	2.8	.3
Other	.3	−1.3	2.9	2.3
Federal sector, national income and product accounts, expenditures	212.8	233.1	259.9	275.5

Note.—See Special Analysis A, "Budget of the United States Government for the Fiscal Year Ending June 30, 1974," for description of these categories.

Sources: Treasury Department, Office of Management and Budget, and Department of Commerce (Bureau of Economic Analysis).

TABLE C–66.—*Receipts and expenditures of the Federal Government sector of the national income and product accounts, 1949–74*

[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:													
1949	40.0	16.3	11.0	8.0	4.8	39.6	19.3	8.1	5.0	2.1	4.3	0.8	0.4
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	190.4	90.0	37.4	18.6	44.4	185.7	99.4	48.5	2.2	19.2	12.3	4.1	4.7
1970	195.0	93.7	33.1	19.2	49.0	196.3	98.3	54.8	2.0	22.6	14.0	4.7	—1.3
1971	193.0	87.1	32.0	20.1	53.8	212.8	95.8	67.5	2.3	27.0	14.3	5.8	—19.7
1972 p	211.9	100.1	33.5	20.1	58.3	233.1	103.1	75.8	2.8	32.7	13.5	5.2	—21.1
1973 [2]	233.3	104.2	38.7	20.5	69.8	259.9	105.8	88.9	2.7	41.6	14.6	6.3	—26.6
1974 [2]	263.0	116.6	41.6	21.6	83.2	275.5	111.5	99.1	2.8	41.6	15.8	4.8	—12.5
Calendar year:													
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	197.3	94.8	36.6	19.0	46.9	189.2	98.8	50.3	2.1	20.3	13.1	4.6	8.1
1970	191.6	92.4	30.4	19.3	49.5	204.5	96.5	61.1	2.2	24.5	14.6	5.5	—12.9
1971	199.1	89.6	33.1	20.5	55.9	220.8	97.8	72.4	2.6	29.3	13.6	5.2	—21.7
1972 p	228.3	108.8	36.0	20.1	63.3	246.8	105.9	80.8	2.7	37.7	13.6	6.1	—18.5
	Seasonally adjusted annual rates												
1971: I	196.4	86.6	33.9	20.9	55.0	212.4	96.2	66.9	2.2	27.1	14.0	6.0	—16.0
II	198.2	88.1	34.4	20.2	55.6	221.2	96.3	74.3	2.5	29.5	13.6	5.1	—23.0
III	199.1	89.8	33.2	20.0	56.1	222.2	97.9	73.6	2.7	29.8	13.6	4.6	—23.1
IV	202.8	93.8	31.1	20.8	57.0	227.5	100.7	74.9	2.9	30.8	13.3	5.0	—24.7
1972: I	221.4	105.8	34.0	19.9	61.7	236.3	105.7	76.6	2.8	32.4	13.1	5.6	—14.8
II	224.9	107.3	35.2	19.7	62.6	246.5	108.1	77.6	2.8	38.1	13.8	6.0	—21.6
III	229.8	109.1	36.7	20.2	63.8	241.6	105.4	79.4	2.6	34.4	13.6	6.2	—11.8
IV p	......	113.1	......	20.5	65.2	262.9	104.5	89.6	2.6	45.9	13.7	6.6	......

[1] Wage accruals less disbursements have been subtracted from total. These were (in billions of dollars at seasonally adjusted annual rates) .0, .0, .0, and .1 in the 4 quarters of 1971 and .0, —.1, .0, and .0 in the 4 quarters of 1972, respectively.

[2] Estimates.

Sources: Department of Commerce (Bureau of Economic Analysis) and Office of Management and Budget.

Table C–67.—*Public debt securities by kind of obligation, 1946–72*

[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	Interest-bearing public debt: Marketable public issues by maturity class: 1 to 10 years	Interest-bearing public debt: Marketable public issues by maturity class: 10 years and over	Interest-bearing public debt: Nonmarketable public issues: U.S. savings bonds and notes	Interest-bearing public debt: Nonmarketable public issues: Foreign and international	Interest-bearing public debt: Nonmarketable public issues: Other	Interest-bearing public debt: Special issues	Matured public debt and debt bearing no interest
1946	259.1	54.8	61.7	60.1	49.8	....	6.7	24.6	1.5
1947	256.9	49.6	56.1	60.0	52.1	....	7.4	29.0	2.7
1948	252.8	44.6	55.1	57.7	55.1	....	6.3	31.7	2.2
1949	257.1	49.4	51.8	53.9	56.7	....	9.3	33.9	2.1
1950	256.7	49.4	50.5	52.5	58.0	....	10.1	33.7	2.4
1951	259.4	47.1	56.7	38.8	57.6	....	20.9	35.9	2.3
1952	267.4	57.7	62.2	28.7	57.9	....	19.6	39.1	2.1
1953	275.2	73.9	50.4	30.3	57.7	....	19.3	41.2	2.3
1954	278.7	62.8	64.7	30.2	57.7	....	17.7	42.6	3.0
1955	280.8	61.7	68.6	32.9	57.9	....	12.7	43.9	3.0
1956	276.6	68.6	58.9	32.9	56.3	....	11.9	45.6	2.4
1957	274.9	75.3	56.9	32.0	52.5	....	10.4	45.8	2.0
1958	282.9	72.6	71.0	32.0	51.2	....	9.2	44.8	2.1
1959	290.8	79.9	83.7	24.6	48.2	....	7.8	43.5	3.1
1960	290.2	75.3	89.5	24.2	47.2	....	6.3	44.3	3.4
1961	296.2	85.9	84.7	25.4	47.5	0.5	5.3	43.5	3.5
1962	303.5	87.3	95.6	20.1	47.5	.7	4.6	43.4	4.3
1963	309.3	89.4	94.2	24.0	48.8	1.3	3.8	43.7	4.1
1964	317.9	88.5	100.4	23.6	49.7	1.8	3.5	46.1	4.4
1965	320.9	93.4	95.6	25.6	50.3	2.4	2.9	46.3	4.4
1966	329.3	105.2	87.5	25.4	50.8	1.5	2.7	52.0	4.3
1967	344.7	104.4	97.0	25.1	51.7	3.2	2.6	57.2	3.5
1968	358.0	108.6	103.4	24.8	52.3	4.4	2.6	59.1	2.9
1969	368.2	118.1	93.3	24.4	52.2	4.7	2.5	71.0	2.0
1970	389.2	123.4	104.9	19.4	52.5	6.5	2.4	78.1	1.9
1971	424.1	119.1	123.0	19.9	54.9	17.4	2.4	85.7	1.8
1972	449.3	130.4	117.7	21.4	58.1	21.3	2.4	95.9	2.0
1971: Jan	388.3	123.4	104.9	19.4	52.6	6.1	2.4	77.7	1.9
Feb	390.7	115.5	113.2	19.4	52.8	6.5	2.4	78.9	2.0
Mar	391.7	114.9	113.2	19.3	53.0	6.9	2.4	80.0	1.9
Apr	391.9	113.5	113.2	19.2	53.2	8.9	2.4	79.7	1.9
May	396.8	114.0	112.5	19.2	53.4	11.7	2.4	81.7	1.9
June	398.1	112.8	113.6	19.1	53.6	12.0	2.4	82.8	1.8
July	405.3	115.0	113.6	19.1	53.8	15.0	2.4	84.7	1.8
Aug	414.6	116.7	114.0	19.0	54.0	19.7	2.4	87.0	1.8
Sept	412.3	117.7	113.3	19.0	54.2	17.9	2.4	86.0	1.8
Oct	411.9	118.0	115.3	18.9	54.4	16.8	2.4	84.3	1.8
Nov	414.6	108.9	125.5	20.0	54.7	16.9	2.4	84.4	1.9
Dec	424.1	119.1	123.0	19.9	54.9	17.4	2.4	85.7	1.8
1972: Jan	422.9	119.2	123.0	19.8	55.1	17.6	2.4	84.2	1.8
Feb	424.0	122.1	119.4	19.7	55.3	17.5	2.4	85.6	1.9
Mar	427.3	126.3	119.5	19.6	55.6	17.2	2.4	84.9	1.8
Apr	425.3	122.3	121.2	19.5	55.9	19.1	2.4	83.1	1.8
May	427.9	126.6	115.9	19.4	56.2	18.9	2.4	86.6	1.8
June	427.3	121.9	115.9	19.4	56.5	19.7	2.4	89.6	1.9
July	432.4	122.5	115.9	19.3	56.7	22.7	2.4	91.0	1.8
Aug	435.4	121.6	114.9	21.6	57.0	22.4	2.4	93.6	1.9
Sept	433.9	121.3	114.9	21.6	57.2	22.5	2.4	92.3	1.8
Oct	439.9	122.4	116.9	21.5	57.5	21.9	2.4	95.4	1.8
Nov	444.2	128.6	115.6	21.4	57.8	21.7	2.4	94.9	1.8
Dec	449.3	130.4	117.7	21.4	58.1	21.3	2.4	95.9	2.0

Source: Treasury Department.

Table C–68.—*Estimated ownership of public debt securities, 1946–72*

[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]
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	36.7
1969	368.2	89.0	57.2	222.0	56.8	10.0	11.7	25.9	81.4	36.2
1970	389.2	97.1	62.1	229.9	62.7	9.8	9.4	25.2	81.9	41.0
1971	424.1	106.0	70.2	247.9	65.3	9.3	12.4	25.0	74.0	61.9
1972	449.3	116.9	69.9	262.5	63.3	8.8	12.7	28.8	74.9	74.0
1971: Jan	388.3	96.7	61.8	229.9	61.7	10.0	9.8	25.4	81.2	41.7
Feb	390.7	98.0	62.5	230.2	61.3	10.1	9.0	26.3	80.1	43.4
Mar	391.7	98.8	64.2	228.7	61.8	9.6	9.6	26.0	79.1	42.6
Apr	391.9	99.1	63.7	229.1	60.5	9.6	9.2	25.6	78.5	45.7
May	396.8	101.8	64.8	230.2	59.4	9.7	9.5	25.7	77.2	48.8
June	398.1	102.9	65.5	229.7	61.0	9.4	10.1	25.5	76.2	47.6
July	405.3	104.9	65.8	234.6	60.5	9.6	11.1	26.1	75.9	51.3
Aug	414.6	107.3	66.9	240.4	59.5	9.5	10.8	25.4	75.6	59.5
Sept	412.3	106.5	67.6	238.2	60.0	9.3	10.2	25.3	75.3	58.2
Oct	411.9	104.7	67.2	240.0	60.9	9.3	11.0	25.2	75.0	58.7
Nov	414.6	104.7	67.8	242.1	61.5	9.2	11.9	24.7	74.2	60.5
Dec	424.1	106.0	70.2	247.9	65.3	9.3	12.4	25.0	74.0	61.9
1972: Jan	422.9	104.4	69.6	248.9	62.8	9.2	11.8	25.5	73.6	66.0
Feb	424.0	106.2	67.7	250.2	62.1	9.2	12.1	26.2	73.6	67.0
Mar	427.3	105.5	69.9	251.9	63.3	9.2	11.6	25.8	74.7	67.4
Apr	425.3	105.5	70.3	249.5	61.9	9.1	10.5	25.7	74.6	67.7
May	427.9	109.1	71.6	247.2	60.8	9.1	11.3	25.5	74.4	66.2
June	427.3	111.5	71.4	244.4	59.9	8.9	10.3	25.9	74.0	65.5
July	432.4	112.8	70.8	248.8	57.6	8.8	10.0	26.5	74.3	71.6
Aug	435.4	115.4	70.7	249.3	57.9	8.6	9.5	26.5	74.2	72.6
Sept	433.9	113.5	69.7	250.7	58.5	8.9	8.8	27.2	74.0	73.3
Oct	439.9	116.7	70.1	253.1	58.8	8.6	10.4	28.0	74.1	73.2
Nov	444.2	116.1	69.5	258.6	61.1	8.7	12.0	27.9	74.5	74.4
Dec	449.3	116.9	69.9	262.5	63.3	8.8	12.7	28.8	74.9	74.0

[1] U.S. savings bonds, series A–F and J, and U.S. savings notes are included at current redemption value.
[2] Not all of total shown is subject to statutory debt limitation.
[3] Includes commercial banks, trust companies, and stock savings banks in the United States and Territories and island possessions; figures exclude securities held in trust departments. Since the estimates in this table are on the basis of par values and include holdings of banks in United States Territories and possessions, they do not agree with the estimates in Table C–53, which are based on book values and relate only to banks within the United States.
[4] Exclusive of banks and insurance companies.
[5] Includes trust, sinking, and investment funds of State and local governments and their agencies, and of Territories and possessions.
[6] Includes partnerships and personal trust accounts.
[7] Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, Federal oriented agencies not included in Government accounts, and investments of foreign balances and international accounts in this country. Beginning with December 1946, the international accounts include investments by the International Bank for Reconstruction and Development, the International Monetary Fund, the International Development Association, the Inter-American Development Bank, and various United Nations' funds, in special non-interest-bearing notes and bonds issued by the U.S. Government.

Source: Treasury Department.

TABLE C–69.—*Average length and maturity distribution of marketable interest-bearing public debt, 1946–72*

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	43,908	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	10,233	10,960	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	16,328	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
1972	257,202	121,944	89,004	26,852	9,343	10,059	3	3
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
1972: Jan	261,918	119,152	93,646	29,318	9,484	10,317	3	4
Feb	261,215	122,067	93,089	26,347	9,459	10,253	3	4
Mar	265,380	126,315	93,106	26,349	9,419	10,191	3	3
Apr	262,989	122,263	94,849	26,348	9,392	10,137	3	3
May	261,924	126,617	89,005	26,853	9,363	10,086	3	3
June	257,202	121,944	89,004	26,852	9,343	10,059	3	3
July	257,717	122,528	89,004	26,852	9,318	10,015	3	2
Aug	258,095	121,589	85,730	29,149	15,419	6,208	3	4
Sept	257,720	121,260	85,730	29,148	15,394	6,188	3	4
Oct	260,863	122,442	87,762	29,147	15,363	6,151	3	3
Nov	265,621	128,569	86,464	29,146	15,330	6,112	3	2
Dec	269,509	130,422	88,564	29,143	15,301	6,079	3	1

Note.—All issues classified to final maturity except partially tax-exempt bonds, which ware classified to earliest call date (the last of these bonds were called on August 14, 1962, for redemption on December 15, 1962).

Source: Treasury Department.

TABLE C-70.—*Receipts and expenditures of the government sector of the national income and product accounts, 1929–72*

[Billions of dollars]

Calendar year or quarter	Total government: Receipts	Total government: Expenditures	Total government: Surplus or deficit (−), national income and product accounts	Federal Government: Receipts	Federal Government: Expenditures	Federal Government: Surplus or deficit (−), national income and product accounts	State and local government: Receipts	State and local government: Expenditures	State and local government: 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
1933	9.3	10.7	−1.4	2.7	4.0	−1.3	7.2	7.2	−.1
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	7.9	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	296.7	287.9	8.8	197.3	189.2	8.1	119.7	119.0	.7
1970	302.0	312.1	−10.1	191.6	204.5	−12.9	135.0	132.1	2.8
1971	321.6	338.5	−16.9	199.1	220.8	−21.7	151.8	147.0	4.8
1972 p	365.7	372.0	−6.2	228.3	246.8	−18.5	175.2	162.9	12.3
	Seasonally adjusted annual rates								
1970: I	299.0	299.1	−0.2	192.2	195.9	−3.8	130.1	126.5	3.6
II	303.7	313.2	−9.6	194.2	207.5	−13.4	133.6	129.8	3.8
III	303.0	314.7	−11.8	190.9	205.6	−14.7	137.1	134.1	2.9
IV	302.4	321.2	−18.8	189.1	208.8	−19.7	139.1	138.2	.9
1971: I	313.5	327.5	−14.0	196.4	212.4	−16.0	144.2	142.2	2.0
II	318.8	336.9	−18.0	198.2	221.2	−23.0	150.1	145.2	5.0
III	323.3	340.2	−16.9	199.1	222.2	−23.1	154.0	147.8	6.2
IV	330.7	349.4	−18.7	202.8	227.5	−24.7	158.7	152.7	6.0
1972: I	353.8	361.6	−7.7	221.4	236.3	−14.8	164.8	157.7	7.1
II	361.4	368.3	−6.9	224.9	246.5	−21.6	174.6	159.9	14.8
III	368.8	371.2	−2.4	229.8	241.6	−11.8	173.4	164.0	9.4
IV p	....	386.9	....	....	262.9	....	....	169.9	....

[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 C–71.—*Receipts and expenditures of the State and local government sector of the national income and product accounts, 1946–72*

[Billions of dollars]

Calendar year or quarter	Receipts						Expenditures					Surplus or deficit (−), national income and product accounts
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Federal grants-in-aid	Total [1]	Purchases of goods and services	Transfer payments to persons	Net interest paid	Less: Current surplus of government enterprises	
1946	12.9	1.5	0.5	9.3	0.5	1.1	11.0	9.8	1.7	0.3	0.7	1.9
1947	15.3	1.8	.6	10.6	.6	1.7	14.3	12.6	2.3	.3	.8	1.0
1948	17.6	2.1	.7	12.1	.7	2.0	17.4	15.0	2.9	.3	.8	.1
1949	19.3	2.4	.6	13.3	.8	2.2	20.0	17.7	2.9	.3	.9	−.7
1950	21.1	2.6	.8	14.5	1.0	2.3	22.3	19.5	3.5	.3	.9	−1.2
1951	23.3	2.9	.9	15.8	1.2	2.5	23.7	21.5	3.0	.3	1.1	−.4
1952	25.2	3.1	.8	17.3	1.3	2.6	25.3	22.9	3.2	.3	1.1	(2)
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	119.7	21.7	3.4	67.0	7.3	20.3	119.0	111.2	11.6	−.2	3.5	.7
1970	135.0	24.3	3.8	74.1	8.3	24.5	132.1	122.5	14.1	−.5	4.0	2.8
1971	151.8	27.4	4.2	81.4	9.4	29.3	147.0	135.0	16.6	−.1	4.3	4.8
1972 p	175.2	31.9	5.0	90.0	10.6	37.7	162.9	148.9	18.3	−.1	4.4	12.3
	Seasonally adjusted annual rates											
1970: I	130.1	23.7	3.8	71.4	7.9	23.3	126.5	117.6	13.1	−0.5	3.7	3.6
II	133.6	24.1	3.8	73.4	8.1	24.1	129.8	120.5	13.7	−.5	3.9	3.8
III	137.1	24.6	3.9	75.2	8.4	25.0	134.1	124.3	14.5	−.6	4.1	2.9
IV	139.1	24.9	3.5	76.2	8.6	25.8	138.2	127.6	15.2	−.4	4.3	.9
1971: I	144.2	25.8	4.2	78.3	9.0	27.1	142.2	130.8	16.0	−.2	4.3	2.0
II	150.1	27.1	4.3	80.1	9.2	29.5	145.2	133.3	16.3	−.1	4.3	5.0
III	154.0	27.7	4.3	82.6	9.5	29.8	147.8	135.7	16.7	−.1	4.3	6.2
IV	158.7	29.2	4.1	84.8	9.8	30.8	152.7	140.2	17.2	−.1	4.3	6.0
1972: I	164.8	30.6	4.7	86.8	10.2	32.4	157.7	143.7	17.8	.0	4.4	7.1
II	174.6	32.1	4.9	89.0	10.5	38.1	159.9	146.0	18.1	.0	4.4	14.8
III	173.4	32.0	5.1	91.2	10.7	34.4	164.0	150.2	18.4	−.1	4.4	9.4
IV p	......	32.8	......	92.9	11.0	45.9	169.9	155.8	18.8	−.3	4.5	......

[1] Wage accruals less disbursements have been subtracted from total. These were (in billions of dollars, at seasonally adjusted annual rates) .0 in each of the 4 quarters of 1970, and .0, .0, .3, and .4 in the 4 quarters of 1971 and −.6, −.1, .0, and .0 in the 4 quarters of 1972, respectively.

[2] Deficit of $41 million.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE C-72.—*State and local government revenues and expenditures, selected fiscal years, 1927–71*

[Millions of dollars]

Fiscal year [1]	General revenues by source [2]: Total	Property taxes	Sales and gross receipts taxes	Individual income taxes	Corporation net income taxes	Revenue from Federal Government	All other revenues [3]	General expenditures by function [2]: 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	29,971	131,332	52,718	16,427	14,679	47,508
1970–71 [5]	144,927	37,852	33,233	11,900	3,424	26,146	32,374	150,674	59,413	18,095	18,226	54,940

[1] Fiscal years not the same for all governments. See footnote 5.

[2] Excludes revenues or expenditures of publicly owned utilities and liquor stores, and of insurance-trust activities. Intergovernmental receipts and payments between State and local governments are also excluded.

[3] Includes licenses and other taxes and charges and miscellaneous revenues.

[4] Includes expenditures for health, hospitals, police, local fire protection, natural resources, sanitation, housing and urban renewal, local parks and recreation, general control, financial administration, interest on general debt, and unallocable expenditures.

[5] Data for fiscal year ending in the 12-month period through June 30. Data for 1963 and earlier years include local government amounts grouped in terms of fiscal years ended during the particular calendar year.

Note.—Data are not available for intervening years.
See Table C-62 for net debt of State and local governments.

Source: Department of Commerce, Bureau of the Census.

TABLE C–73.—*Profits before and after taxes, all private corporations, 1929–72*

[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			Transportation, communication, and public utilities	All other industries			Total	Dividends	Undistributed profits		
		Total	Durable goods industries	Nondurable goods industries									
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
1933	−1.2	−.4	−.4	.0	.0	−.8	1.0	.5	.4	2.0	−1.6	3.8	4.2
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	79.8	36.6	18.8	17.7	10.1	33.1	84.9	40.1	44.8	24.3	20.5	51.9	96.8
1970	69.9	27.7	11.0	16.7	7.6	34.6	74.3	34.1	40.2	24.8	15.4	55.2	95.3
1971	78.6	30.9	14.1	16.8	8.2	39.5	83.3	37.3	45.9	25.4	20.5	60.3	106.2
1972 p	87.7	37.6	18.7	18.9	8.8	41.3	93.7	41.0	52.6	26.4	26.3	67.7	120.3
	Seasonally adjusted annual rates												
1970: I	69.3	29.4	13.1	16.4	8.0	31.9	75.8	34.3	41.4	24.8	16.6	54.4	95.8
II	71.5	29.9	13.0	17.0	7.4	34.1	75.2	34.6	40.6	24.7	15.8	54.8	95.4
III	72.0	28.9	11.7	17.2	7.8	35.3	76.6	35.4	41.2	24.9	16.3	55.2	96.5
IV	66.9	22.6	6.2	16.4	7.2	37.0	69.6	32.2	37.4	24.7	12.7	56.1	93.5
1971: I	76.6	30.9	14.3	16.6	7.8	37.8	81.3	38.0	43.2	25.5	17.7	57.5	100.7
II	80.1	31.2	14.4	16.8	8.8	40.1	84.5	38.6	45.8	25.4	20.4	59.4	105.2
III	78.3	30.1	13.3	16.9	8.5	39.6	84.1	37.5	46.6	25.5	21.0	61.2	107.8
IV	79.4	31.2	14.3	16.9	7.6	40.6	83.2	35.3	48.0	25.2	22.7	63.0	110.9
1972: I	81.8	35.4	17.7	17.7	7.8	38.5	88.2	38.8	49.5	26.0	23.5	64.8	114.3
II	86.1	37.0	19.4	17.6	8.8	40.3	91.6	40.1	51.5	26.2	25.3	68.0	119.5
III	89.6	37.9	18.4	19.5	9.6	42.1	95.7	41.8	53.9	26.5	27.3	68.4	122.2
IV p	------	------	------	------	--------	------	------	------	------	26.7	------	69.5	--------

[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 C–74.—*Sales, profits, and stockholders' equity, all manufacturing corporations, 1947–72*

[Billions of dollars]

Year or quarter	All manufacturing corporations[1]: Sales (net)	All manufacturing corporations[1]: Profits: Before Federal income taxes	All manufacturing corporations[1]: Profits: After Federal income taxes	All manufacturing corporations[1]: Stockholders' equity[2]	Durable goods industries: Sales (net)	Durable goods industries: Profits: Before Federal income taxes	Durable goods industries: Profits: After Federal income taxes	Durable goods industries: Stockholders' equity[2]	Nondurable goods industries[1]: Sales (net)	Nondurable goods industries[1]: Profits: Before Federal income taxes	Nondurable goods industries[1]: Profits: After Federal income taxes	Nondurable goods industries[1]: Stockholders' equity[2]
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	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
1971[3]	751.4	53.2	31.3	320.9	382.5	26.5	14.5	160.6	368.9	26.7	16.7	160.3
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
IV[3]	196.9	13.7	8.2	327.3	99.4	6.9	3.8	162.8	97.4	6.8	4.4	164.6
1972: I	197.5	13.9	7.9	333.3	100.0	7.3	3.9	165.9	97.5	6.6	4.1	167.4
II	213.5	16.7	9.6	341.1	111.6	9.6	5.3	170.8	101.9	7.2	4.3	170.3
III	210.9	15.1	8.8	348.1	106.2	7.5	4.2	174.1	104.7	7.6	4.6	174.1

[1] Includes newspapers beginning 1969.
[2] Annual data are average equity for the year (using four end-of-quarter figures).
[3] Data for fourth quarter and year 1971 are for industry classifications prior to the reclassifications made during the fourth quarter.

Note.—For explanatory notes concerning compilation of the series, see "Quarterly Financial Report for Manufacturing Corporations," Federal Trade 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.

Source: Federal Trade Commission.

TABLE C-75.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations, by industry group, 1950–72*

Year or quarter	All manufacturing corporations [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	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
1971	9.7	9.0	13.1	5.8	9.5	8.7	8.3	4.5	5.1	9.2	9.5	11.4	13.6	9.0
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
IV	9.8	9.3	14.7	4.4	10.8	9.6	6.4	4.1	3.3	8.8	11.0	12.2	14.7	6.3
1972: I	9.5	9.3	16.2	6.4	8.5	9.5	9.4	4.0	5.7	5.0	9.8	12.3	12.8	8.1
II	11.3	12.4	18.7	9.1	11.1	12.0	12.3	7.5	7.5	12.7	14.3	18.6	14.2	11.0
III	10.1	9.6	5.5	6.8	10.2	11.3	12.0	5.0	4.9	13.4	13.2	18.7	15.1	9.9
	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	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
1971	4.1	3.8	4.6	1.8	3.5	4.2	2.9	2.6	3.3	4.5	3.0	4.4	7.2	3.2
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
IV	4.1	3.8	4.9	1.4	3.8	4.6	2.1	2.5	2.3	4.3	3.3	4.5	7.7	1.9
1972: I	4.0	3.9	5.4	2.1	3.2	4.7	3.1	2.3	3.7	2.7	3.0	4.4	7.3	2.8
II	4.5	4.7	5.8	2.9	4.0	5.4	3.8	3.7	4.5	5.8	3.9	5.8	7.6	3.5
III	4.2	4.0	2.1	2.3	3.8	5.3	3.9	2.6	3.2	5.9	3.6	5.7	8.0	3.2

See footnotes at end of table.

TABLE C–75.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations, by industry group, 1950–72*—Continued

Year or quarter	Nondurable goods industries: Total nondurable [1 2]	Food and kindred products	Tobacco manufactures	Textile mill products	Apparel and related products	Paper and allied products	Printing and publishing [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	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
1971	10.3	11.0	15.8	6.7	11.2	4.8	10.7	11.8	10.3	9.6	8.2
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
IV	10.2	10.6	15.3	8.2	15.1	2.9	13.6	11.0	9.8	10.5	8.3
1972: I	9.8	10.1	15.1	6.4	10.9	6.5	7.6	12.8	8.8	10.2	10.2
II	10.2	11.7	15.9	7.3	9.3	10.5	12.6	12.9	7.4	12.1	6.3
III	10.5	11.4	15.3	7.3	12.4	8.6	12.6	12.9	8.6	10.0	10.6
	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	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
1971	4.5	2.6	6.1	2.4	2.4	2.3	4.1	6.1	8.3	3.6	2.2
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
IV	4.3	2.5	6.0	2.9	3.0	1.4	5.0	5.7	7.5	3.9	2.2
1972: I	4.2	2.4	5.9	2.3	2.3	3.0	3.0	6.4	6.8	4.0	2.8
II	4.3	2.7	6.2	2.5	2.0	4.6	4.8	6.3	5.8	4.3	1.7
III	4.4	2.6	6.0	2.6	2.3	3.8	4.9	6.5	6.8	3.7	2.8

[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. See also Note, Table C–74.

Source: Federal Trade Commission.

TABLE C–76.—*Sources and uses of funds, nonfarm nonfinancial corporate business, 1946–72*

[Billions of dollars]

Period	Sources							Uses			Discrepancy (uses less sources)
	Total	Internal[1]	External					Total	Purchase of physical assets[4]	Increase in financial assets	
			Total	Credit market funds			Other				
				Total	Long-term[2]	Short-term[3]					
1946	18.3	7.8	10.5	6.8	3.5	3.3	3.7	16.5	17.9	−1.4	−1.8
1947	28.1	12.6	15.5	8.7	5.6	3.1	6.8	25.5	17.2	8.3	−2.5
1948	29.0	18.7	10.4	6.3	6.4	−.1	4.0	25.3	20.3	5.1	−3.7
1949	20.4	19.1	1.3	3.1	5.1	−1.9	−1.8	18.8	15.3	3.5	−1.6
1950	41.8	17.9	23.8	7.2	3.9	3.3	16.7	40.5	24.1	16.4	−1.3
1951	37.6	19.9	17.6	10.0	5.9	4.1	7.7	37.2	29.9	7.3	−.4
1952	29.4	21.2	8.2	8.7	7.9	.8	−.5	29.0	24.4	4.6	−.3
1953	29.3	21.1	8.2	5.7	6.0	−.3	2.5	26.9	24.6	2.2	−2.4
1954	29.6	23.3	6.3	6.1	6.7	−.6	.2	26.5	21.6	4.8	−3.2
1955	53.4	29.2	24.3	10.4	6.6	3.8	13.8	48.0	31.5	16.5	−5.4
1956	46.5	28.9	17.6	12.7	7.5	5.2	4.8	39.9	35.9	4.0	−6.6
1957	39.4	30.6	8.8	12.0	10.4	1.6	−3.1	38.9	34.7	4.2	−.5
1958	46.5	29.5	17.0	10.2	10.7	−.4	6.8	37.9	27.3	10.6	−8.6
1959	57.3	35.0	22.3	11.9	8.2	3.7	10.4	51.2	36.9	14.2	−6.1
1960	48.2	34.4	13.8	11.4	7.6	3.8	2.4	41.6	39.0	2.6	−6.6
1961	55.1	35.6	19.5	12.5	11.1	1.5	7.0	49.1	36.7	12.5	−5.9
1962	62.6	41.8	20.7	12.4	9.7	2.7	8.4	55.1	44.0	11.1	−7.5
1963	67.5	43.9	23.6	12.3	8.5	3.8	11.4	59.7	45.6	14.2	−7.8
1964	74.4	50.5	23.9	14.6	9.0	5.7	9.3	65.5	52.1	13.4	−9.0
1965	94.4	56.6	37.8	20.6	9.3	11.3	17.2	83.0	62.8	20.2	−11.4
1966	100.2	61.2	39.1	25.2	15.6	9.5	13.9	89.7	77.1	12.6	−10.6
1967	98.7	61.5	37.3	29.7	21.5	8.2	7.6	88.8	72.0	16.8	−9.9
1968	109.8	61.7	48.1	30.7	17.9	12.9	17.4	99.5	76.2	23.3	−10.3
1969	117.6	60.8	56.9	40.3	21.2	19.1	16.6	105.2	84.0	21.1	−12.5
1970	102.5	59.1	43.4	39.8	32.3	7.5	3.6	95.5	84.6	10.9	−6.9
1971	126.7	67.1	59.6	48.5	44.0	4.6	11.0	106.9	85.2	21.7	−19.8
	Seasonally adjusted annual rates										
1970: I	106.1	58.3	47.8	36.4	24.8	11.6	11.3	102.0	80.8	21.2	−4.1
II	112.6	60.2	52.4	45.8	31.2	14.6	6.7	107.3	85.2	22.2	−5.2
III	92.7	59.8	33.0	32.8	32.8	.0	.2	84.1	88.2	−4.1	−8.6
IV	98.2	58.2	40.0	44.2	40.6	3.6	−4.2	88.3	84.3	4.0	−10.0
1971: I	118.2	62.1	56.1	45.6	41.8	3.8	10.6	105.9	82.4	23.6	−12.3
II	122.2	66.6	55.6	48.5	46.9	1.6	7.1	110.8	87.6	23.2	−11.4
III	135.2	67.2	68.0	57.4	45.2	12.2	10.5	108.5	83.2	25.3	−26.7
IV	130.4	72.4	57.9	42.8	42.2	.6	15.2	101.7	87.7	14.0	−28.6
1972: I	137.2	72.5	64.7	51.5	36.0	15.5	13.1	128.1	94.8	33.3	−9.1
II	139.7	77.7	62.0	57.6	44.9	12.7	4.5	125.8	100.1	25.6	−13.9
III p	144.3	81.0	63.3	50.0	40.8	9.2	13.2	129.9	102.8	27.1	−14.4

[1] Undistributed profits (after inventory valuation adjustment) and capital consumption allowances.
[2] Stocks, bonds, and mortgages.
[3] Bank loans, commercial paper, finance company loans, bankers' acceptances, and Government loans.
[4] Plant and equipment, residential structures, and inventory investment.

Source: Board of Governors of the Federal Reserve System.

TABLE C-77.—*Current assets and liabilities of U.S. corporations, 1939–72*

[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	
All corporations[5]													
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
Nonfinancial corporations[6]													
1961	254.7	34.8	16.5	3.4	94.5	95.0	10.5	123.7	1.8	82.6	13.3	26.0	131.0
1962	269.7	37.1	16.8	3.7	99.5	100.5	12.1	132.4	2.0	86.7	14.3	29.4	137.3
1963	288.2	39.8	16.7	3.6	106.9	106.8	14.4	145.5	2.5	94.5	15.7	32.8	142.7
1964	305.6	40.5	15.8	3.4	116.5	113.1	16.3	156.6	2.7	102.2	16.2	35.5	149.0
1965	336.0	42.8	14.4	3.9	130.2	126.6	18.1	178.8	3.1	118.4	18.3	39.0	157.2
1966	364.0	41.9	13.0	4.5	142.1	142.8	19.7	199.4	4.4	133.1	17.4	44.5	164.6
1967	386.2	45.5	10.3	5.1	150.2	153.1	22.0	211.3	5.8	141.3	13.2	51.0	174.9
1968	426.5	48.2	11.5	5.1	168.8	166.0	26.9	244.1	6.4	162.4	14.3	61.0	182.4
1969	473.5	47.9	10.6	4.8	192.2	186.4	31.6	287.8	7.3	191.9	12.6	76.0	185.7
1970	490.5	49.7	7.6	4.2	200.6	196.0	32.4	302.6	6.6	200.5	11.8	83.7	187.9
1971	516.6	55.3	10.4	3.5	207.5	203.1	36.8	311.9	4.9	202.8	14.5	89.7	204.7
1971: I	494.1	48.5	7.8	4.2	201.3	198.5	33.8	302.1	6.1	195.7	13.7	86.6	192.0
II	498.3	51.1	7.7	3.9	203.3	199.2	33.1	301.8	5.3	195.8	12.4	88.3	196.5
III	507.1	52.4	7.8	3.9	206.5	201.6	34.9	306.3	5.0	197.4	13.8	90.1	200.8
IV	516.6	55.3	10.4	3.5	207.5	203.1	36.8	311.9	4.9	202.8	14.5	89.7	204.7
1972: I	526.1	55.3	9.9	3.4	211.4	207.2	38.9	316.4	4.9	202.5	15.7	93.3	209.7
II	534.3	55.7	8.7	2.8	216.3	210.7	40.1	319.1	4.9	204.0	13.4	96.8	215.2
III	545.3	57.3	7.6	2.9	222.5	215.2	39.8	326.2	4.7	207.6	15.0	98.9	219.1

[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] Excludes banks, savings and loan associations, and insurance companies.
[6] Excludes banks, savings and loan associations, insurance companies, investment companies, finance companies (personal and commercial), real estate companies, and security and commodity brokers, dealers, and exchanges.

Note.—Year-end data through 1969 are based on "Statistics of Income" (Treasury Department), covering virtually all corporations in the United States. "Statistics of Income" data may not be strictly comparable from year to year because of changes in the tax laws, basis for filing returns, and processing of data for compilation purposes. All other figures shown are estimates based on data compiled from many different sources, including data on corporations registered with the Securities and Exchange Commission.

Source: Securities and Exchange Commission.

TABLE C-78.—*State and municipal and corporate securities offered, 1934–72*

[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 issuer: Manufacturing[1]	Industry of corporate issuer: Electric, gas, and water[2]	Industry of corporate issuer: Transportation[3]	Industry of corporate issuer: Communication	Industry of corporate issuer: Other
1934	939	397	19	6	371	67	133	176	....	21
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	38,945	7,240	1,390	30,315	10,513	11,017	2,260	5,136	10,020
1971	24,370	44,921	9,193	3,679	32,049	11,672	11,787	2,450	5,820	13,192
1972 p	22,903	40,106	9,649	3,462	26,994	6,957	11,259	1,668	4,739	15,483
1971: I	6,540	12,133	1,779	489	9,865	3,749	3,215	437	1,606	3,126
II	5,961	11,687	2,628	702	8,357	3,265	2,894	959	897	3,672
III	5,845	10,336	2,119	1,963	6,254	2,205	2,637	480	2,263	2,751
IV	6,024	10,765	2,667	525	7,573	2,453	3,041	574	1,054	3,643
1972: I	5,865	9,804	2,070	780	6,953	1,525	2,261	534	1,476	4,008
II	6,109	11,214	2,792	1,006	7,416	2,108	3,495	530	1,369	3,712
III	5,383	9,345	2,420	839	6,086	1,749	2,701	334	856	3,705
IV p	5,546	9,743	2,367	837	6,539	1,575	2,802	270	1,038	4,058

[1] Prior to 1948, also includes extractive, radio broadcasting, airline companies, commercial, and miscellaneous company issues.
[2] Prior to 1948, also includes telephone, street railway, and bus company issues.
[3] Prior to 1948, includes railroad issues only.

Note.—Covers substantially all new issues of State, municipal, and corporate securities offered for cash sale in the United States in amounts over $100,000 and with terms to maturity of more than 1 year; excludes notes issued exclusively to commercial banks, intercorporate transactions, investment company issues, and issues to be sold over an extended period, such as employee-purchase plans.

Sources: Securities and Exchange Commission, "The Commercial and Financial Chronicle," and "The Bond Buyer."

TABLE C–79.—*Common stock prices, earnings, and yields, and stock market credit, 1949–72*

Year or month	Standard & Poor's common stock data: Price indexes[1] (1941–43=10): Total (500 stocks)	Industrials (425 stocks)	Public utilities (55 stocks)	Railroads (20 stocks)	Dividend yield (percent)[2]	Price/earnings ratio[3]	Margin credit at brokers and banks[4] (Millions of dollars): Regulated[5]: Total	Regulated: Brokers	Regulated: Banks	Unregulated; nonmargin stock credit at banks[6]	Other security credit at banks[7]
1949	15.23	15.00	17.87	12.83	6.59	6.49	------	------	------	------	------
1950	18.40	18.33	19.96	15.53	6.57	7.15	------	------	------	------	------
1951	22.34	22.68	20.59	19.91	6.13	8.57	------	------	------	------	------
1952	24.50	24.78	22.86	22.49	5.80	10.57	------	------	------	------	------
1953	24.73	24.84	24.03	22.60	5.80	9.77	------	------	------	------	------
1954	29.69	30.25	27.57	23.96	4.95	11.75	------	------	------	------	------
1955	40.49	42.40	31.37	32.94	4.08	12.59	------	------	------	------	------
1956	46.62	49.80	32.25	33.65	4.09	13.25	------	------	------	------	------
1957	44.38	47.63	32.19	28.11	4.35	12.73	------	------	------	------	------
1958	46.24	49.36	37.22	27.05	3.97	16.33	------	------	------	------	------
1959	57.38	61.45	44.15	35.09	3.23	17.32	------	------	------	------	------
1960	55.85	59.43	46.86	30.31	3.47	16.98	------	------	------	------	------
1961	66.27	69.99	60.20	32.83	2.98	21.68	------	------	------	------	------
1962	62.38	65.54	59.16	30.56	3.37	17.39	------	------	------	------	------
1963	69.87	73.39	64.99	37.58	3.17	18.20	------	------	------	------	------
1964	81.37	86.19	69.91	45.46	3.01	18.81	------	------	------	------	------
1965	88.17	93.48	76.08	46.78	3.00	17.92	------	------	------	------	------
1966	85.26	91.08	68.21	46.34	3.40	15.15	------	------	------	------	------
1967	91.93	99.18	68.10	46.72	3.20	17.48	------	------	------	------	------
1968	98.70	107.49	66.42	48.84	3.07	17.66	------	------	------	------	------
1969	97.84	107.13	62.64	45.95	3.24	16.48	------	------	------	------	------
1970	83.22	91.29	54.48	32.13	3.83	15.69	------	------	------	------	------
1971	98.29	108.35	59.33	41.94	3.14	18.50	------	------	------	------	------
1972	109.20	121.79	56.90	44.11	2.84	------	------	------	------	------	------
1971: Jan	93.49	102.22	63.43	36.64	3.32	------	5,044	4,224	820	1,104	1,220
Feb	97.11	106.62	62.49	38.78	3.18	------	5,174	4,311	863	1,121	1,205
Mar	99.60	109.59	62.42	39.70	3.10	19.22	5,392	4,531	861	1,137	1,183
Apr	103.04	113.68	62.06	42.29	2.99	------	5,598	4,776	822	1,122	1,206
May	101.64	112.41	59.20	42.05	3.04	------	5,701	4,874	827	1,122	1,235
June	99.72	110.26	57.90	42.12	3.10	18.74	5,783	4,976	807	1,228	1,263
July	99.00	109.09	60.08	42.05	3.13	------	5,860	5,050	810	1,091	1,183
Aug	97.24	107.26	57.51	43.55	3.18	------	5,917	5,121	796	1,208	1,206
Sept	99.40	109.85	56.48	47.18	3.09	18.11	5,990	5,208	782	1,182	1,237
Oct	97.29	107.28	57.41	44.58	3.16	------	6,016	5,238	778	1,194	1,204
Nov	92.78	102.21	55.86	41.19	3.31	------	5,995	5,198	797	1,193	1,209
Dec	99.17	109.67	57.07	43.17	3.10	17.91	6,535	5,700	835	1,197	1,298
1972: Jan	103.30	114.12	60.19	45.16	2.96	------	6,850	5,989	861	1,182	1,313
Feb	105.24	116.86	57.41	45.66	2.92	------	7,427	6,477	950	1,170	1,327
Mar	107.69	119.73	57.73	46.48	2.86	18.45	7,847	6,896	951	1,158	1,294
Apr	108.81	121.34	55.70	47.38	2.83	------	8,250	7,283	967	1,150	1,278
May	107.65	120.16	54.94	45.06	2.88	------	8,472	7,478	994	1,141	1,296
June	108.01	120.84	53.73	43.66	2.87	17.95	p8,860	7,792	p1,068	p1,253	p1,258
July	107.21	119.98	53.47	42.00	2.90	------	p9,042	7,945	p1,097	p1,334	p1,229
Aug	111.01	124.35	54.66	43.28	2.80	------	p9,217	8,060	p1,156	p1,348	p1,218
Sept	109.39	122.33	55.36	42.37	2.83	18.00	p9,213	8,083	p1,130	p1,403	p1,278
Oct	109.56	122.39	56.66	41.20	2.82	------	p9,138	8,081	p1,057	p1,406	p1,368
Nov	115.05	128.29	61.16	42.41	2.73	------	------	8,166	------	------	------
Dec	117.50	131.08	61.73	44.62	2.70	------	------	------	------	------	------

[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 aggregate market value based on Wednesday closing prices. Monthly data are averages of weekly figures; annual data are averages of monthly figures.
[3] Ratio of price index for last day of quarter to earnings for 12 months ending with that quarter. Annual ratios are averages of quarterly data.
[4] Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks, which accounted for 60 percent of security credit outstanding at banks on June 30, 1971.
[5] In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.
[6] Nonmargin stocks are those not listed on a national securities exchange and not included in the Board of Governors of the Federal Reserve System's list of over-the-counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.
[7] Includes loans to purchase or carry margin stock if these are unsecured or secured entirely by unrestricted collateral.

Sources: Board of Governors of the Federal Reserve System, New York Stock Exchange, and Standard & Poor's Corporation.

TABLE C–80.—*Business formation and business failures, 1929–72*

Year or month	Index of net business formation (1967=100)	New business incorporations (number)	Business failures [1]: Business failure rate [2]	Number of failures: Total	Number of failures: Liability size class: Under $100,000	Number of failures: Liability size class: $100,000 and over	Amount of current liabilities (millions of dollars): Total	Amount of current liabilities: Liability size class: Under $100,000	Amount of current liabilities: Liability size class: $100,000 and over
1929			103.9	22,909	22,165	744	483.3	261.5	221.8
1933 [3]			100.3	19,859	18,880	979	457.5	215.5	242.0
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	98.2	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	264,209	43.8	10,748	8,019	2,729	1,887.8	269.3	1,618.4
1971	111.2	287,567	41.7	10,326	7,611	2,715	1,916.9	271.3	1,645.6
1972	[4] 118.1	[4] 291,041	38.3	9,566	7,040	2,526	2,000.2	258.8	1,741.5
	Seasonally adjusted								
1971: Jan	105.8	22,338	43.3	905	663	242	168.8	23.6	145.2
Feb	105.4	20,923	41.8	860	620	240	150.9	22.4	128.6
Mar	108.7	23,220	43.9	1,042	743	299	224.6	26.8	197.8
Apr	108.8	22,770	42.9	989	746	243	153.8	26.2	127.9
May	109.9	24,168	42.8	912	676	236	249.5	24.5	224.6
June	111.9	24,691	44.3	935	680	255	165.8	22.5	143.3
July	112.3	25,073	39.6	786	606	180	147.0	21.8	125.2
Aug	112.8	25,142	43.6	848	621	227	155.6	22.1	133.4
Sept	111.8	23,278	40.1	741	523	218	115.8	20.0	95.9
Oct	114.7	25,050	38.1	759	566	193	144.7	20.6	124.1
Nov	116.7	25,828	41.6	819	629	190	129.0	21.2	107.7
Dec	115.6	25,529	37.5	730	538	192	111.3	19.6	91.8
1972: Jan	114.7	24,685	35.7	750	553	197	101.6	20.1	81.5
Feb	113.9	24,743	40.8	880	647	233	191.3	23.0	168.3
Mar	116.7	27,399	41.2	986	672	314	220.7	24.4	196.3
Apr	117.6	26,372	36.5	808	592	216	148.5	28.5	120.0
May	118.8	26,396	38.2	856	670	186	190.1	23.3	166.8
June	117.8	26,277	34.2	730	528	202	127.9	18.1	109.8
July	118.7	26,893	38.5	740	538	202	204.6	19.2	185.4
Aug	117.8	26,612	40.5	824	578	246	253.6	21.0	232.6
Sept	118.9	26,795	39.1	730	551	179	113.5	19.6	93.9
Oct	120.6	27,169	38.8	755	593	162	153.0	21.4	131.6
Nov	123.7	p 27,700	38.5	799	574	225	208.6	21.0	187.6
Dec			37.4	708	544	164	86.8	19.1	67.7

[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 November.

Sources: Department of Commerce (Bureau of Economic Analysis) and Dun & Bradstreet, Inc.

TABLE C–81.—*Income of farm people and farmers, 1929–72*

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
1933				7.1	5.3	4.4	2.7	2.6	379	1,115
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	27.6	14.9	12.7	55.6	48.1	38.8	16.8	16.9	5,674	5,206
1970	28.2	15.0	13.2	57.9	50.5	41.1	16.8	16.8	5,754	5,047
1971	29.5	15.6	13.9	60.1	53.1	44.0	16.1	17.4	6,049	5,083
1972 p	33.2	17.7	15.5	66.4	58.5	47.2	19.2	19.8	7,000	5,645
	Seasonally adjusted annual rates									
1970: I				58.4	51.0	40.4	18.0	18.0	6,160	5,500
II				58.0	50.6	40.9	17.1	17.1	5,850	5,180
III				57.7	50.3	41.3	16.4	16.4	5,610	4,920
IV				57.6	50.2	41.8	15.8	15.8	5,400	4,700
1971: I				59.0	51.9	43.2	15.8	16.8	5,840	4,990
II				59.1	52.1	43.7	15.4	16.9	5,880	4,980
III				60.4	53.4	44.3	16.1	17.7	6,150	5,130
IV				61.8	54.9	44.9	16.9	18.2	6,330	5,280
1972: I				64.1	56.5	45.6	18.5	19.3	6,820	5,590
II				64.8	56.9	46.5	18.3	18.9	6,680	5,390
III				66.1	58.1	47.3	18.8	19.2	6,780	5,420
IV p				70.6	62.5	49.4	21.2	21.7	7,660	6,080

[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 bv farmers for family living items on a 1967 base.

Source: Department of Agriculture.

TABLE C-82.—*Farm production indexes, 1929–72*

[1967=100]

Year	Farm output [1]	Crops: Total [2]	Feed grains	Hay and forage	Food grains	Vegetables	Fruits and nuts	Cotton	Tobacco	Oil crops	Livestock and products: Total [3]	Meat animals	Dairy products	Poultry and eggs
1929	53	62	50	69	50	65	67	200	77	8	54	52	76	32
1933	50	56	45	60	35	65	68	175	70	6	57	58	80	32
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	117	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	99	91	101	107	137	97	117	105	108	100	106
1971	111	112	118	105	106	101	116	140	87	120	108	112	101	107
1972 [p]	112	113	112	104	101	101	104	181	89	129	109	112	103	110

[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. The Department of Agriculture also estimates net farm output, which excludes all quantities used for feed.

[2] Includes production of seeds and of feed for horses and mules and certain items not shown separately.

[3] Includes certain items not shown separately.

Source: Department of Agriculture.

TABLE C-83.—*Farm population, employment, and productivity, 1929–72*

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	53	17	17	26	57
1933	32,393	25.8	12,739	9,874	2,865	54	16	17	25	50
1939	30,840	23.5	11,338	8,611	2,727	59	20	21	27	61
1940	30,547	23.1	10,979	8,300	2,679	61	21	23	27	62
1941	30,118	22.6	10,669	8,017	2,652	63	22	24	28	63
1942	28,914	21.4	10,504	7,949	2,555	69	24	26	30	70
1943	26,186	19.2	10,446	8,010	2,436	67	24	26	32	64
1944	24,815	17.9	10,219	7,988	2,231	68	25	27	31	68
1945	24,420	17.5	10,000	7,881	2,119	69	27	29	32	67
1946	25,403	18.0	10,295	8,106	2,189	72	29	31	32	70
1947	25,829	17.9	10,382	8,115	2,267	70	29	31	33	67
1948	24,383	16.6	10,363	8,026	2,337	75	32	35	34	75
1949	24,194	16.2	9,964	7,712	2,252	73	33	36	36	70
1950	23,048	15.2	9,926	7,597	2,329	73	35	39	37	69
1951	21,890	14.2	9,546	7,310	2,236	73	36	38	39	69
1952	21,748	13.9	9,149	7,005	2,144	76	39	42	40	73
1953	19,874	12.5	8,864	6,775	2,089	77	41	43	41	73
1954	19,019	11.7	8,651	6,570	2,081	78	43	45	43	71
1955	19,078	11.5	8,381	6,345	2,036	80	47	48	46	74
1956	18,712	11.1	7,852	5,900	1,952	82	50	52	48	77
1957	17,656	10.3	7,600	5,660	1,940	83	53	56	50	77
1958	17,128	9.8	7,503	5,521	1,982	89	59	65	55	86
1959	16,592	9.4	7,342	5,390	1,952	90	62	66	59	86
1960	15,635	8.7	7,057	5,172	1,885	93	67	71	62	88
1961	14,803	8.1	6,919	5,029	1,890	94	70	73	67	92
1962	14,313	7.7	6,700	4,873	1,827	95	73	77	71	95
1963	13,367	7.1	6,518	4,738	1,780	98	80	82	77	97
1964	12,954	6.8	6,110	4,506	1,604	96	83	85	83	95
1965	12,363	6.4	5,610	4,128	1,482	99	91	92	87	100
1966	11,595	5.9	5,214	3,854	1,360	97	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	4,749	3,536	1,213	101	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	100	113	110	119	102
1971	9,425	4.6	4,446	3,281	1,165	109	125	122	129	113
1972 p	9,500	4.5	4,392	3,240	1,152	109	122	122	128	116

[1] Farm population as defined by Department of Agriculture and Department of Commerce, i.e., civilian population living on farms, regardless of occupation.
[2] Total population of United States as of July 1 including Armed Forces overseas.
[3] Includes persons doing farmwork on all farms. These data, published by the Department of Agriculture, Statistical Reporting Service, differ from those on agricultural employment by the Department of Labor (see Table C-24) because of differences in the method of approach, in concepts of employment, and in time of month for which the data are collected. See monthly report on "Farm Labor."
[4] Computed from variable weights for individual crops produced each year.

Sources: Department of Agriculture and Department of Commerce (Bureau of the Census).

TABLE C–84.—*Indexes of prices received and prices paid by farmers, and parity ratio, 1929–72*

[Index, 1967=100]

Year or month	Prices received by farmers: All farm products	Prices received by farmers: Crops	Prices received by farmers: Livestock and products	Prices paid by farmers: All items, interest, taxes, and wage rates	Prices paid by farmers: Family living items	Prices paid by farmers: Production items	Parity ratio [1]: Actual	Parity ratio [1]: Adjusted [2]
1929	58	65	57	47	48	51	92	....
1933	28	31	25	32	34	34	64	66
1939	37	42	39	36	37	42	77	85
1940	39	44	39	36	38	43	81	88
1941	49	55	50	39	40	45	93	98
1942	63	70	62	44	46	52	105	109
1943	76	85	71	50	52	57	113	116
1944	78	87	71	53	54	60	108	110
1945	81	92	76	56	57	61	109	111
1946	93	104	87	61	63	67	113	115
1947	109	122	104	70	74	78	115	116
1948	113	127	114	76	78	87	110	111
1949	98	111	98	73	75	83	100	100
1950	102	103	101	75	76	86	101	102
1951	119	117	121	82	83	95	107	108
1952	113	118	110	84	84	95	100	101
1953	100	106	97	81	84	89	92	93
1954	97	107	90	81	84	89	89	89
1955	91	102	84	81	84	87	84	85
1956	91	104	82	81	85	87	83	84
1957	92	99	88	84	88	90	82	85
1958	98	99	99	86	89	92	85	88
1959	95	98	93	87	89	93	81	82
1960	94	99	91	88	90	92	80	82
1961	94	100	91	88	90	93	79	83
1962	96	103	92	90	91	94	80	83
1963	96	106	89	91	92	95	78	81
1964	93	106	85	92	93	94	76	80
1965	98	103	94	94	95	96	77	82
1966	105	105	105	98	98	99	80	86
1967	100	100	100	100	100	100	74	79
1968	103	101	104	104	104	102	73	79
1969	108	97	117	109	109	106	74	80
1970	110	100	118	114	114	110	72	77
1971	112	107	116	120	119	115	70	74
1972	126	116	133	127	124	122	74	79
1971: Jan 15	107	102	110	117	116	112	68	72
Feb 15	112	105	117	118	117	113	71	75
Mar 15	112	108	115	118	117	114	70	75
Apr 15	111	108	114	119	117	115	69	74
May 15	112	110	114	120	118	115	70	74
June 15	113	113	113	120	119	116	70	74
July 15	112	109	114	120	119	116	69	73
Aug 15	113	107	117	120	120	116	69	74
Sept 15	111	104	117	121	120	116	68	72
Oct 15	114	106	118	121	120	116	70	74
Nov 15	115	109	119	122	120	117	70	74
Dec 15	116	108	122	122	121	117	71	75
1972: Jan 15	119	111	126	123	121	118	72	78
Feb 15	122	110	131	124	123	118	73	79
Mar 15	120	108	129	124	123	119	72	77
Apr 15	119	112	125	125	123	120	71	76
May 15	123	115	129	125	124	120	73	79
June 15	125	116	131	126	124	121	73	79
July 15	127	116	136	127	125	122	75	80
Aug 15	128	119	135	127	125	122	75	81
Sept 15	128	117	137	128	126	124	74	80
Oct 15	129	116	138	129	125	125	75	80
Nov 15	130	120	138	130	127	126	75	80
Dec 15	137	127	145	131	127	129	78	84

[1] Percentage ratio of index of prices received by farmers to index of prices paid, interest, taxes, and wages rates on 1910–14=100 base.

[2] The adjusted parity ratio reflects Government payments made directly to farmers.

Source: Department of Agriculture.

TABLE C–85.—*Selected measures of farm resources and inputs, 1929–72*

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]	Taxes and interest	Miscellaneous
1929	365	23.2	100	302	103	39	11	31	69	53
1933	340	22.6	94	294	97	32	6	28	71	52
1939	331	20.7	97	270	101	40	12	41	67	50
1940	341	20.5	98	269	103	42	14	43	68	51
1941	344	20.0	98	265	102	44	15	46	68	52
1942	348	20.6	101	271	100	50	17	49	69	49
1943	357	20.3	102	267	98	53	19	53	72	52
1944	362	20.2	103	265	98	55	23	53	74	54
1945	354	18.8	100	249	99	56	23	55	75	53
1946	352	18.1	99	239	102	55	24	54	76	54
1947	355	17.2	99	226	103	61	28	56	76	54
1948	356	16.8	100	220	104	68	29	57	74	59
1949	360	16.2	102	212	104	75	31	62	77	62
1950	345	15.1	101	199	105	79	32	64	77	63
1951	344	15.2	104	200	106	84	36	68	77	67
1952	349	14.5	104	191	105	88	39	70	79	67
1953	348	14.0	103	184	105	90	42	70	80	65
1954	346	13.3	102	176	105	90	43	72	80	64
1955	340	12.8	102	170	106	91	45	73	82	68
1956	324	12.0	100	160	103	91	44	76	82	70
1957	324	11.1	97	149	102	90	46	75	81	69
1958	324	10.5	97	143	100	91	48	80	82	74
1959	324	10.3	98	139	100	92	54	84	86	79
1960	324	9.8	97	134	99	91	54	84	87	80
1961	303	9.4	96	129	99	90	58	87	89	84
1962	295	9.0	96	123	98	91	62	89	90	89
1963	300	8.7	97	120	99	92	70	89	92	94
1964	301	8.2	98	115	100	93	76	90	94	99
1965	298	7.8	98	109	100	96	80	91	95	101
1966	295	7.4	99	101	99	100	90	97	98	98
1967	308	7.3	100	100	100	100	100	100	100	100
1968	303	7.0	101	96	100	102	107	101	103	108
1969	294	6.7	102	94	100	103	110	105	105	110
1970	297	6.5	102	89	100	102	113	109	107	107
1971	310	6.5	102	89	99	102	119	109	104	109
1972 p	298	6.5	103	89	98	103	122	109	107	113

[1] Acreage harvested (excluding duplication) plus acreages in fruits, tree nuts, and farm gardens.
[2] Includes service buildings and improvements on land.
[3] Nonfarm portion of feed, seed, and livestock purchases.

Source: Department of Agriculture.

TABLE C–86.—*Comparative balance sheet of the farming sector, 1929–73*

[Billions of dollars]

Beginning of year	Assets									Claims			
				Other physical assets			Financial assets						
	Total	Real estate	Livestock [1]	Machinery and motor vehicles	Crops [2]	Household equipment and furnishings	Deposits and currency	U.S. savings bonds	Investment in cooperatives	Total	Real estate debt	Other debt	Proprietors' equities
1929	------	48.0	6.6	3.2	------	------	------	------	------	------	9.8	------	------
1933	------	30.8	3.0	2.5	------	------	------	------	------	------	8.5	------	------
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	0.8	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	8.4	10.5	9.5	5.2	3.2	169.6	9.0	9.8	150.8
1957	177.9	110.4	11.0	20.2	8.3	10.0	9.4	5.1	3.5	177.9	9.8	9.5	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	202.1	124.4	17.7	21.8	9.3	9.8	10.0	5.2	3.9	202.1	11.1	12.5	178.5
1960	203.5	130.2	15.2	22.7	7.7	9.6	9.2	4.7	4.2	203.5	12.1	12.7	178.7
1961	204.2	131.8	15.5	22.2	8.0	8.9	8.7	4.6	4.5	204.2	12.8	13.4	178.0
1962	212.8	138.0	16.4	22.5	8.8	9.1	8.8	4.4	4.8	212.8	13.9	14.8	184.1
1963	221.4	143.8	17.3	23.4	9.3	9.0	9.2	4.4	5.0	221.4	15.2	16.5	189.7
1964	229.2	152.1	15.8	23.9	9.8	8.8	9.2	4.2	5.4	229.2	16.8	18.1	194.3
1965	237.2	160.9	14.4	24.7	9.2	8.6	9.6	4.2	5.6	237.2	18.9	18.7	199.6
1966	253.8	172.2	17.6	25.8	9.7	8.6	10.0	4.0	5.9	253.8	21.2	20.4	212.2
1967	266.8	181.8	18.9	27.3	10.0	8.4	10.3	3.9	6.2	266.8	23.3	22.4	221.1
1968	280.1	192.0	18.8	29.5	9.6	9.0	10.9	3.8	6.5	280.1	25.5	24.9	229.7
1969	294.8	201.5	20.2	30.9	10.6	9.6	11.5	3.7	6.8	294.8	27.1	27.5	240.2
1970	305.8	207.1	23.5	31.8	10.9	9.7	11.9	3.7	7.2	305.8	28.4	29.7	247.7
1971	314.9	213.0	23.7	33.8	10.7	10.1	12.4	3.6	7.6	314.9	29.5	31.6	253.8
1972	339.2	228.6	27.3	36.4	11.8	10.3	13.1	3.7	8.8	339.2	31.3	35.6	272.3
1973 p	370.6	251.4	93.2				26.0			370.6	33.9	38.1	298.6

[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, 1973 totaled approximately $0.4 billion.

Source: Department of Agriculture.

TABLE C–87.—*U.S. balance of payments, 1946–72*

[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]	Balance on current account
	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	77	4,107	−2,292	1,815
1961	20,107	−14,519	5,588	−2,998	402	−2,596	3,451	103	−978	30	5,599	−2,513	3,086
1962	20,779	−16,218	4,561	−3,105	656	−2,449	3,920	132	−1,155	115	5,126	−2,631	2,495
1963	22,252	−17,011	5,241	−2,961	657	−2,304	4,056	97	−1,312	178	5,957	−2,742	3,215
1964	25,478	−18,647	6,831	−2,880	747	−2,133	4,872	3	−1,149	142	8,568	−2,754	5,814
1965	26,438	−21,496	4,942	−2,952	830	−2,122	5,274	21	−1,318	301	7,098	−2,835	4,263
1966	29,287	−25,463	3,824	−3,764	829	−2,935	5,331	44	−1,380	286	5,170	−2,890	2,280
1967	30,638	−26,821	3,817	−4,378	1,240	−3,138	5,847	40	−1,763	334	5,136	−3,081	2,055
1968	33,576	−32,964	612	−4,535	1,392	−3,143	6,157	63	−1,565	302	2,425	−2,909	−484
1969	36,417	−35,796	621	−4,856	1,512	−3,344	5,820	155	−1,784	442	1,911	−2,946	−1,035
1970	41,963	−39,799	2,164	−4,852	1,478	−3,374	6,376	−115	−2,061	574	3,563	−3,208	356
1971	42,770	−45,459	−2,689	−4,816	1,922	−2,894	8,952	−957	−2,432	748	727	−3,574	−2,847
1972 [1,2]	47,391	−54,355	−6,964	−4,716	1,153	−3,563	9,211	−1,803	−2,589	795	−4,913	−3,737	−8,651
	Seasonally adjusted												
1970: I	10,231	−9,731	500	−1,180	273	−907	1,559	33	−428	141	898	−765	133
II	10,565	−9,831	734	−1,259	441	−818	1,458	−1	−533	127	967	−773	194
III	10,705	−9,968	737	−1,210	329	−881	1,645	−66	−599	153	989	−821	168
IV	10,462	−10,269	193	−1,203	436	−767	1,714	−81	−501	154	712	−849	−137
1971: I	11,017	−10,728	289	−1,175	510	−665	1,899	−101	−498	212	1,136	−791	345
II	10,710	−11,722	−1,012	−1,214	516	−698	2,352	−161	−625	180	36	−846	−810
III	11,479	−11,951	−472	−1,198	474	−724	2,038	−327	−606	182	91	−946	−855
IV	9,564	−11,058	−1,494	−1,230	423	−807	2,663	−368	−703	172	−537	−992	−1,529
1972: I	11,791	−13,478	−1,687	−1,218	334	−884	2,232	−370	−679	200	−1,188	−990	−2,178
II	11,445	−13,393	−1,948	−1,239	281	−958	2,196	−426	−657	192	−1,601	−918	−2,519
III p	12,307	−13,895	−1,588	−1,080	250	−830	2,480	−556	−606	204	−896	−895	−1,791
IV p	13,185	−14,857	−1,672	-------	------	-------	------	------	-------	------	-------	-------	-------

See footnotes at end of table on next page.

TABLE C–87.—*U.S. balance of payments, 1946–72*—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	Net liquidity balance	Liquid private capital flows, net [5]	Official reserve transactions balance	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	-------	-------	-------	−253	-------	155	-------	-------	-------	-------	−623	20,706
1947	-------	-------	-------	−236	-------	861	-------	-------	-------	-------	−3,315	24,021
1948	-------	-------	-------	−131	-------	1,115	-------	-------	-------	-------	−1,736	25,758
1949	-------	-------	-------	158	-------	717	-------	-------	-------	-------	−266	26,024
1950	-------	-------	-------	75	-------	−124	-------	-------	-------	-------	1,758	24,265
1951	-------	-------	-------	−227	-------	354	-------	-------	-------	-------	−33	24,299
1952	-------	-------	-------	−41	-------	497	-------	-------	-------	-------	−415	24,714
1953	-------	-------	-------	183	-------	220	-------	-------	-------	-------	1,256	23,458
1954	-------	-------	-------	−556	-------	60	-------	-------	-------	-------	480	22,978
1955	-------	-------	-------	−328	-------	371	-------	-------	-------	-------	182	22,797
1956	-------	-------	-------	−479	-------	390	-------	-------	-------	-------	−869	23,666
1957	-------	-------	-------	−174	-------	1,012	-------	-------	-------	-------	−1,165	24,832
1958	-------	-------	-------	−145	-------	361	-------	-------	-------	-------	2,292	22,540
1959	-------	-------	-------	−89	-------	260	-------	-------	-------	-------	1,035	21,504
1960	−889	−2,100	−1,174	[9] −1,405	-------	−1,098	[9] −3,676	[9] 273	−3,403	1,258	2,145	19,359
1961	−901	−2,181	4	[9] −1,200	-------	−1,054	[9] −2,251	[9] 903	−1,348	742	606	18,753
1962	−892	−2,607	−1,003	[9] −657	-------	−1,206	[9] −2,864	[9] 214	−2,650	1,117	1,533	17,220
1963	−1,150	−3,357	−1,292	[9] −968	-------	−455	[9] −2,713	[9] 779	−1,934	1,557	377	16,843
1964	−1,349	−4,470	−4	−1,642	-------	−1,048	−2,696	1,162	−1,534	1,363	171	16,672
1965	−1,532	−4,577	−1,846	−154	-------	−476	−2,477	1,188	−1,289	67	1,222	15,450
1966	−1,469	−2,555	−1,744	−104	-------	−302	−2,151	2,370	219	−787	568	14,882
1967	−2,424	−2,912	−3,280	−522	-------	−881	−4,683	1,265	−3,418	3,366	52	14,830
1968	−2,159	1,198	−1,444	230	-------	−399	−1,610	3,251	1,641	−761	−880	15,710
1969	−1,926	−50	−3,011	−640	-------	−2,470	−6,122	8,824	2,702	−1,515	−1,187	[10] 16,964
1970	−2,018	−1,398	−3,059	−482	867	−1,174	−3,851	−5,988	−9,839	7,362	2,477	14,487
1971	−2,378	−4,079	−9,304	−2,386	717	−11,031	−22,002	−7,763	−29,765	27,417	2,348	[11] 12,167
1972 [12]	−959	−632	−10,243	−611	710	−2,951	−13,093	1,461	−11,632	11,441	191	13,150
	Seasonally adjusted											Unadjusted
1970: I	−462	−922	−1,251	−247	217	−51	−1,332	−1,461	−2,793	2,529	264	17,350
II	−563	−236	−605	−56	217	−410	−854	−1,211	−2,065	1,260	805	16,328
III	−324	−191	−347	42	217	−677	−765	−1,104	−1,869	1,285	584	15,527
IV	−670	−49	−856	−221	216	−37	−898	−2,212	−3,110	2,286	824	14,487
1971: I	−702	−922	−1,279	−534	180	−944	−2,577	−2,848	−5,425	4,743	682	14,342
II	−584	−1,605	−2,999	−315	179	−2,586	−5,721	−745	−6,466	5,807	659	13,504
III	−558	−1,883	−3,296	−883	179	−5,380	−9,380	−2,551	−11,931	10,737	1,194	12,131
IV	−533	330	−1,732	−654	179	−2,122	−4,329	−1,619	−5,948	6,135	−187	[11] 12,167
1972: I	−343	−1,081	−3,602	−508	178	800	−3,132	−119	−3,251	2,822	429	12,270
II	−95	750	−1,864	592	178	−1,141	−2,235	1,386	−849	1,080	−231	[13] 13,339
III [p]	−281	−144	−2,216	−542	177	−1,872	−4,453	−171	−4,624	4,679	−55	13,217

[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 International Monetary Fund (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] Includes $28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of December 31, 1971.
[12] First 3 quarters on a seasonally adjusted annual rates basis (except reserve assets are end of December).
[13] Includes increase of $1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972.

Sources: Department of Commerce (Bureau of Economic Analysis) and Treasury Department.

Table C–88.—*U.S. merchandise exports and imports by commodity groups, 1958–72*

[Millions of dollars]

Year or quarter	Merchandise exports [1]: Total, including reexports [2]: Seasonally adjusted	Merchandise exports [1]: Total, including reexports [2]: Unadjusted	Merchandise exports [1]: Domestic exports: Total [2 3]	Domestic exports: Food, beverages, and tobacco	Domestic exports: Crude materials and fuels [4]	Domestic exports: Manufactured goods [5]	Merchandise imports: General imports [6]: Total [3]: Seasonally adjusted	General imports [6]: Total [3]: Unadjusted	General imports [6]: Food, beverages, and tobacco	General imports [6]: Crude materials and fuels [4]	General imports [6]: Manufactured goods [5]	Gross merchandise trade balance, seasonally adjusted [7]
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	-------	43,549	42,911	5,076	6,441	30,443	-------	45,563	6,404	7,268	30,414	−2,014
1972	-------	49,116	48,316	6,573	7,090	33,650	-------	55,555	7,371	8,839	37,748	−6,439
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	10,962	1,295	1,689	7,738	10,799	10,518	1,492	1,626	7,051	440
II	10,966	11,406	11,222	1,219	1,674	8,046	11,747	12,003	1,706	1,836	8,084	−782
III	11,675	10,924	10,777	1,336	1,569	7,648	11,958	11,778	1,895	1,928	7,589	−283
IV	9,726	10,103	9,950	1,225	1,509	7,010	11,030	11,264	1,311	1,879	7,690	−1,304
1972: I	11,903	11,891	11,725	1,417	1,703	8,340	13,418	13,301	1,809	2,130	8,985	−1,515
II	11,575	12,040	11,826	1,432	1,688	8,431	13,420	13,736	1,762	2,105	9,478	−1,845
III	12,365	11,558	11,359	1,628	1,536	7,995	13,896	13,526	1,808	2,196	9,128	−1,531
IV	13,300	13,626	13,406	2,097	2,163	8,885	14,837	14,992	1,993	2,407	10,157	−1,537

[1] Beginning 1960, data have been adjusted for comparability with the revised commodity classifications effective in 1965.
[2] Totals exclude Department of Defense shipments of grant-aid military supplies and equipment under the Military Assistance Program.
[3] Total includes commodities and transactions not classified according to kind.
[4] Includes fats and oils.
[5] Includes machinery, transportation equipment, chemicals, metals, and other manufactures. Export data for these items include military grant-aid shipments.
[6] Total arrivals of imported goods other than intransit shipments.
[7] Exports, excluding military grant-aid, less general imports; quarterly data seasonally adjusted.

Note.—Data are as reported by the Bureau of the Census adjusted to include silver ore and bullion reported separately prior to 1969. Export statistics cover all merchandise shipped from the U.S. customs area, except supplies for U.S. Armed Forces. Export values are f.a.s. port of export and include shipments under Agency for International Development and Food for Peace programs as well as other private relief shipments. Import values are defined generally as the market value in the foreign country, excluding the U.S. import duty and transportation costs such as ocean freight and marine insurance.

Source: Department of Commerce, Bureau of International Commerce.

TABLE C-89.—*U.S. merchandise exports and imports by area, 1966–72*

[Millions of dollars]

Area	1966	1967	1968	1969	1970	1971	1972
Exports (including reexports and special category shipments): Total	30,430	31,622	34,636	38,006	43,224	44,130	49,676
Developed countries	20,120	21,467	23,600	26,479	30,877	30,335	34,211
Developing countries	10,112	9,960	10,821	11,277	12,993	13,410	14,585
Canada	6,679	7,172	80,72	9,137	9,079	10,365	12,415
Other Western Hemisphere	4,769	4,718	5,339	5,576	6,532	6,484	7,280
Western Europe [1]	9,891	10,187	11,132	12,392	14,463	14,178	15,280
Eastern Europe	198	195	215	249	354	384	819
Asia	6,740	7,150	7,582	8,261	10,028	9,855	11,276
Australia and Oceania	805	1,018	1,026	998	1,189	1,168	1,035
Africa	1,348	1,182	1,269	1,392	1,579	1,694	1,572
General imports: Total	25,618	26,889	33,226	36,043	39,952	45,563	55,555
Developed countries	17,632	18,993	24,130	26,460	29,259	33,744	40,801
Developing countries	7,795	7,709	8,886	9,373	10,442	11,549	14,350
Canada	6,152	7,140	9,005	10,384	11,092	12,691	14,909
Other Western Hemisphere	4,737	4,662	5,143	5,163	5,836	6,038	7,003
Western Europe [1]	7,679	8,052	10,139	10,138	11,169	12,658	15,420
Eastern Europe	179	177	198	195	226	223	321
Asia	5,277	5,349	6,911	8,275	9,621	11,779	15,111
Australia and Oceania	596	583	697	828	871	895	1,145
Africa	992	920	1,122	1,046	1,113	1,236	1,595
Unidentified countries [2]	6	6	11	12	24	41	51

[1] Includes Finland, Yugoslavia, Greece, and Turkey.
[2] Consists of certain low-valued shipments not identified by country.

Note.—Developed countries include Canada, Western Europe, Japan, Australia, New Zealand, and the Republic of South Africa. Developing countries include rest of the world except Communist areas in Eastern Europe and Asia and unidentified countries.

Source: Department of Commerce, Bureau of International Commerce.

TABLE C–90.—*U.S. overseas loans and grants, by type and area, fiscal years, 1962–72*

[Millions of dollars]

Type of program and fiscal period	Total	Near East and South Asia	Latin America	East Asia and Vietnam	Africa	Europe	Other and non-regional
Total economic loans and grants (obligations and loan authorizations)[1]							
1962–71 average	4,754	1,370	1,118	1,029	384	295	558
Loans	2,515	1,038	700	297	171	262	47
Grants	2,238	331	419	732	213	32	511
1972	5,698	1,018	1,121	1,694	398	773	694
Loans	3,391	333	819	1,119	265	764	91
Grants	2,307	685	302	575	133	9	603
Economic loans and grants to less developed countries, by program[2]							
Obligations and loan authorizations:							
1962–71 average	4,477	1,370	1,118	961	384	121	523
1972	5,088	1,018	1,121	1,422	398	512	617
Repayments and interest:							
1962–71 average	850	310	337	75	42	81	5
1972	1,379	476	463	136	85	212	7
Agency for International Development							
Obligations and loan authorizations:							
1962–71 average	2,222	644	513	571	198	2	293
1972	2,072	451	338	676	175	10	422
Repayments and interest:							
1962–71 average	237	131	33	33	21	17	2
1972	313	171	69	30	26	15	2
Export-Import Bank long-term loans							
Loan authorizations:							
1962–71 average	442	94	194	63	31	58	2
1972	1,468	90	536	242	99	502	----------
Repayments and interest:							
1962–71 average	440	86	273	29	15	37	0
1972	720	142	337	52	36	150	1
Food for Peace							
Obligations:							
1962–71 average	1,303	620	143	297	133	61	49
1972	1,186	457	102	481	104	----------	42
Repayments and interest:							
1962–71 average	146	88	15	11	5	27	----------
1972	306	160	27	51	21	47	----------
Contributions and Subscriptions to International Lending Organizations[3]							
Obligations:							
1962–71 average	301	----------	187	----------	----------	----------	114
1972	142	----------	104	----------	----------	----------	38
Peace Corps and Other[4]							
Obligations:							
1962–71 average	209	10	81	31	22	----------	65
1972	220	20	41	23	19	----------	115
Repayments and interest:							
1962–71 average	26	5	16	2	0	----------	----------
1972	40	4	30	2	----------	----------	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 and the International Development Association.

[4] Data for certain programs from Department of Commerce, Bureau of Economic Analysis.

Source: Agency for International Development (except as noted).

TABLE C–91.—*International reserves, 1949, 1953, and 1967–72*

[Millions of dollars; end of period]

Area and country	1949	1953	1967	1968	1969	1970	1971	1972 November
All countries	46,116	51,826	74,290	77,355	78,220	92,540	132,345	152,330
Developed areas	37,353	41,478	61,276	63,241	62,636	74,311	109,222	125,016
United States	26,024	23,458	14,830	15,710	16,964	14,487	13,190	13,306
United Kingdom	1,752	2,670	2,695	2,422	2,527	2,827	8,835	5,896
Other Western Europe	6,793	10,603	36,726	36,168	33,613	44,647	61,794	73,768
Austria	92	325	1,478	1,504	1,530	1,751	2,343	2,753
Belgium	978	1,144	2,590	2,187	2,388	2,847	3,473	3,930
France	580	829	6,994	4,201	3,833	4,960	8,253	10,019
Germany	196	1,773	8,153	9,948	7,129	13,610	18,392	23,570
Italy	(1)	768	5,463	5,341	5,045	5,352	6,787	6,087
Netherlands	434	1,232	2,619	2,463	2,529	3,234	3,796	4,810
Scandinavian countries (Denmark, Finland, Norway, and Sweden)	537	1,026	2,236	2,316	2,213	2,538	3,701	4,401
Spain	(1)	150	1,100	1,149	1,281	1,817	3,268	4,911
Switzerland	1,692	1,768	3,696	4,293	4,425	5,132	6,966	6,440
Other	2,284	1,588	2,397	2,766	3,240	3,406	4,815	6,847
Canada	1,197	1,902	2,717	3,046	3,106	4,679	5,701	6,046
Japan	(1)	892	2,030	2,906	3,654	4,840	15,360	18,412
Australia, New Zealand, and South Africa	1,587	1,953	2,278	2,989	2,772	2,831	4,342	7,587
Less developed areas	8,765	10,350	13,015	14,115	15,580	18,230	23,120	27,315
Latin America	2,800	3,400	3,430	3,910	4,470	5,645	6,590	8,276
Middle East	1,535	1,510	3,310	3,320	3,035	3,120	5,100	6,893
Other Asia	3,640	3,740	4,085	4,215	4,825	5,165	5,810	6,190
Other Africa	[2] 639	1,790	2,125	2,505	3,105	4,190	5,500	5,845

[1] Not available separately.
[2] Estimate.

Note.—International reserves is comprised of monetary authorities' holdings of gold, Special Drawing Rights and Reserve Positions in the International Monetary Fund, and convertible foreign exchange. Beginning December 1971 gold is valued at 38 U.S. dollars per ounce and foreign exchange balances are expressed in dollars at the cross rates reflecting parities and central rates agreed on December 17, 1971 and subsequently. Data cover all countries except U.S.S.R., other Eastern European countries, Mainland China, and Cuba (after 1960).

Beginning 1959, when most of the major currencies of the world became convertible, data exclude known holdings of inconvertible currencies, balances under payments agreements, and the bilateral claims arising from liquidation of the European Payments Union.

Source: International Monetary Fund, "International Financial Statistics."

Table C-92.—*U.S. reserve assets, 1946–72*

[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
1972	13,150	10,487	10,410	1,958	241	464
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
1972: Jan	12,879	10,206	10,132	1,810	276	587
Feb	12,330	9,662	9,588	1,810	276	582
Mar	12,270	9,662	9,588	1,810	212	586
Apr	12,285	9,662	9,588	1,803	429	391
May	[9] 13,345	[9] 10,490	[9] 10,410	[9] 1,958	469	[9] 428
June	13,339	10,490	10,410	1,958	457	434
July	13,090	10,490	10,410	1,958	203	439
Aug	13,124	10,488	10,410	1,958	234	444
Sept	13,217	10,487	10,410	1,958	323	449
Oct	13,313	10,487	10,410	1,958	414	454
Nov	13,307	10,487	10,410	1,958	403	459
Dec	13,150	10,487	10,410	1,958	241	464

[1] From 1956 through January 1972, includes gold sold to the United States by the International Monetary Fund (IMF) with the right of repurchase, and beginning 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.

[2] Includes gold in Exchange Stabilization Fund.

[3] Includes initial allocation on January 1, 1970 of $867 million, second allocation on January 1, 1971 of $717 million, and third alllocation on January 1, 1972 of $710 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] The United States has the right to purchase foreign currencies equivalent to its reserve position in the Fund automatically if needed. Under appropriate conditions the United States could purchase 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.

[9] Includes $1,016 million increase in total reserve assets resulting from the change in par value of the U.S. dollar on May 8, 1972, consisting of $828 million total gold stock, $822 million Treasury gold stock, $155 million special drawing rights, and $33 million reserve position in the IMF.

Note.—Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States.

Sources: Treasury Department and Board of Governors of the Federal Reserve System.

TABLE C–93.—*Price changes in international trade, 1964–72*

[1963=100]

Area or commodity class	1964	1965	1966	1967	1968	1969	1970	1971	1972 Third quarter
	Unit value indexes by area								
Developed areas									
Total:									
Exports	102	103	105	105	104	108	114	119	130
Terms of trade [1]	100	100	100	101	101	101	102	101	102
United States:									
Exports	101	104	107	110	111	115	121	125	129
Terms of trade [1]	99	101	101	102	103	103	101	99	94
Developing areas									
Total:									
Exports	103	102	104	103	103	106	109	114	[2] 117
Terms of trade [1]	101	99	101	100	101	101	100	101	[2] 102
Latin America:									
Exports	107	106	108	105	106	109	115	109	[2] 111
Terms of trade [1]	106	103	103	100	99	100	101	90	[2] 90
Southern and Eastern Asia: [3]									
Exports	100	101	101	99	97	103	106	108	[2] 109
Terms of trade [1]	99	99	100	99	100	103	104	104	[2] 103
	World export price indexes								
Primary commodities: Total	103	103	104	101	100	104	107	117	133
Foodstuffs	105	103	105	104	102	106	111	118	135
Coffee, tea, and cocoa	121	111	113	111	111	120	138	121	143
Cereals	103	99	104	106	102	102	99	105	114
Other agricultural commodities [4]	102	103	104	96	96	101	100	107	124
Fats, oils, and oilseeds	104	114	111	102	100	101	109	118	113
Textile fibers	102	92	92	88	88	85	84	85	105
Wool	103	86	90	77	74	73	64	56	85
Rubber	95	97	91	75	74	98	78	64	[5] 61
Minerals	102	104	104	103	102	104	109	127	141
Metal ores	108	114	105	109	108	114	122	126	137
Manufactured goods: Total [6]	101	103	106	107	107	110	117	124	135
Nonferrous base metals [6]	119	135	156	142	150	168	175	154	152

[1] Terms of trade indexes are unit value indexes of exports divided by unit value indexes of imports.
[2] Data are for second quarter 1972.
[3] Excludes Japan.
[4] Includes nonfood fish and forest products.
[5] Data are for first 3 quarters of 1972.
[6] 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 and Bureau of Resources and Trade Assistance).

TABLE C–94.—*Consumer price indexes in the United States and other major industrial countries, 1957–72*

[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	144.5	131.2	120.5	127.6	141.3	135.3
1971	132.3	129.6	153.3	138.6	126.7	133.9	152.0	148.0
1972 [1]	136.6	135.2	159.6	145.8	133.3	140.6	162.9	157.5
1970: I	124.2	125.0	142.1	129.0	119.4	125.4	138.2	131.5
II	126.2	126.1	143.9	130.6	120.4	127.1	140.4	134.6
III	127.6	126.7	143.9	131.9	120.6	128.1	142.5	136.1
IV	129.3	126.5	148.2	133.4	121.7	130.1	144.1	139.0
1971: I	130.3	127.1	150.2	135.3	124.4	131.7	147.3	142.8
II	131.7	128.9	152.7	137.4	126.3	133.2	151.1	147.9
III	133.0	130.8	154.2	139.3	127.3	134.3	153.3	149.9
IV	133.8	131.7	156.2	141.3	128.8	136.3	156.3	151.8
1972: I	134.9	133.3	156.6	143.0	131.3	138.0	159.3	154.1
II	136.0	134.4	159.8	145.0	132.8	139.8	163.3	157.0
III	137.2	137.1	161.1	147.8	134.8	142.4	164.4	159.6
IV [2]	138.4	138.0	163.3	150.0	136.4	145.1	168.0	162.8

[1] For United States, 12-month average; for all other countries, January–October average.
[2] October–December average for United States; October data for all other countries.

Sources: Department of Labor and Organization for Economic Cooperation and Development.

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