

Appendix A

Statistical Tables Relating to the Nation's Economic Budget

CONTENTS

	Page
A-1. The Nation's Economic Budget, calendar years 1950-51	215
A-2. Consumer account, calendar years 1950-51	216
A-3. Business account, calendar years 1950-51	216
A-4. International account, calendar years 1950-51	217
A-5. Government account (Federal, State, and local), calendar years 1950-51	218
A-6. Federal cash receipts from the public other than borrowing, calendar years 1950-51	219
A-7. Federal cash payments to the public by function, calendar years 1950-51	219
A-8. Federal cash payments to the public by type of recipient and transaction, calendar years 1950-51	220

The Nation's Economic Budget

The Nation's Economic Budget provides a comprehensive view of national economic activity by major economic groups: consumers, business, government, and "international." The receipts and expenditures of these groups and the net addition to or absorption of saving for the first and second halves of calendar year 1950 and the first half of 1951 are shown in table A-1.

Column 1 indicates the major flow of receipts or income. Receipts are divided into two categories: income from current production and receipts of transfers and interest. The total of incomes from current production (shown in roman type and adjusted for the statistical discrepancy between total receipts and expenditures) equals current output, or the gross national product.

Expenditures for current output and government transfer payments are shown in column 2. The gross national product comprises only the expenditures for current output. Government expenditures for goods and services (i. e., expenditures for current output) plus government transfer payments equal government cash payments.

Government cash transfers, on the expenditures side in column 2, are shown as receipts by consumers and by foreign countries and international institutions in column 1. The sum of these transfer receipts is approximately equal to government transfer payments in the accompanying table. Some discrepancy is due to the use of somewhat different bases for measurement of various components of receipts and payments. For example, government interest payments are recorded on a cash basis; interest receipts of consumers are recorded on a net accrual basis and include interest paid by government corporations. The difference resulting from the two methods of estimating is included in the adjustment item (line 20).

Column 3 shows the excess of receipts (+) or expenditures (—) for the various accounts: personal net saving, the government cash surplus or deficit, the excess of international receipts or investment, and the excess of gross investment over business receipts. The total excess of receipts in some accounts must equal the total excess of expenditures in others, since national income and product are conceptually equal. Personal net saving, for example, which represents an excess of receipts, must be matched by an excess of investment by business or by a government deficit, or both. (Also, the adjustments made in column 1 must be carried over into column 3 in order to complete the balance between the positive and negative items.)

While the summary table on the Nation's Economic Budget gives a comprehensive view of recent economic changes, additional detail on receipts

and expenditures is needed for analytical purposes, as is shown in the tables that follow. More complete statistics for recent years on national income and product and their components will be published in a National Income Supplement to the "Survey of Current Business," July 1951. Data relating to the cash budget of the Federal Government is from the Budget of the United States. The Council's Economic Review of January 1950, appendix A, contains a more extended discussion of the Nation's Economic Budget and the following tables.

TABLE A-1.—The Nation's Economic Budget, calendar years 1950-51

(Billions of dollars, seasonally adjusted annual rates)

Economic group	1950, first half			1950, second half			1951, first half ¹		
	Re- ceipts	Ex- pendi- tures	Excess of re- ceipts (+) or ex- pendi- tures (-)	Re- ceipts	Ex- pendi- tures	Excess of re- ceipts (+) or ex- pendi- tures (-)	Re- ceipts	Ex- pendi- tures	Excess of re- ceipts (+) or ex- pendi- tures (-)
CONSUMERS									
Disposable income arising from current production.....	175.1			199.5			203.8		
<i>Government transfers and net interest payments.....</i>	<i>22.3</i>			<i>15.8</i>			<i>16.4</i>		
Disposable personal income.....	197.4			211.2			220.2		
Consumption expenditures.....		186.7			200.4			205.6	
<i>Personal net saving (+)</i>			<i>+10.7</i>			<i>+10.7</i>			<i>+14.6</i>
BUSINESS									
Retained receipts.....	29.4			30.0			30.6		
Gross private domestic in- vestment.....		44.0			53.8			61.8	
<i>Excess of receipts (+) or investment (-)</i>			<i>-14.6</i>			<i>-23.8</i>			<i>-31.2</i>
INTERNATIONAL									
<i>Cash loans abroad.....</i>	<i>-2</i>			<i>.1</i>			<i>.3</i>		
Net foreign investment.....		-1.6			-3.0			-9	
<i>Excess of receipts (+) or investment (-)</i>			<i>+1.4</i>			<i>+3.1</i>			<i>+1.2</i>
GOVERNMENT									
Tax payments or liabilities.....	64.4			75.1			88.4		
<i>Adjustment to cash basis.....</i>	<i>-5.1</i>			<i>-12.8</i>			<i>-8.9</i>		
<i>Cash receipts from the public.....</i>	<i>59.3</i>			<i>62.3</i>			<i>79.5</i>		
Purchases of goods and services.....		40.7			44.3			57.2	
<i>Government transfers.....</i>		<i>21.9</i>			<i>16.9</i>			<i>14.6</i>	
<i>Cash payments to the public.....</i>		<i>62.6</i>			<i>60.2</i>			<i>71.8</i>	
<i>Excess of receipts (+) or payments (-)</i>			<i>-3.4</i>			<i>+2.1</i>			<i>+7.7</i>
ADJUSTMENTS									
For receipts relating to gross national product ²	+1.0		+1.0	-5.0		-5.0	+1.0		+1.0
<i>Other adjustments³.....</i>	<i>+4.9</i>		<i>+4.9</i>	<i>+12.9</i>		<i>+12.9</i>	<i>+6.7</i>		<i>+6.7</i>
Gross national product.....	289.7	269.7		295.6	295.6		323.8	323.8	

¹ Estimates based on incomplete data; second quarter by Council of Economic Advisers.² These adjustments bring the estimates on the receipts side into agreement with those on the expenditures side of the accounts. They include the statistical discrepancy less "subsidies less current surplus of government enterprises." The statistical discrepancy represents the difference between the two independent estimates of gross national product; income received from current output and expenditures for this output. "Subsidies less current surplus of government enterprises" are included in national income, but not in the gross national product.³ "Other adjustments" are net and are the amount necessary for balancing the excess of receipts (+) with the excess of expenditures (-). They are required because some items of government cash payments are either not recorded in private receipts at all (such as purchases of existing assets), or they are recorded in a different time period from that in which payment is made. Government cash receipts also include some items not deducted from private incomes, or deducted in a different period.

NOTE.—Items relating to current production of goods and services are shown in roman type. Transfer payments and receipts and subtotals including them are in italics; they are not included in the gross national product.

Detail will not necessarily add to totals because of rounding.

Sources: Based on the national income and product statistics of the Department of Commerce and on Federal cash receipts from and payments to the public estimated by the Bureau of the Budget and the Treasury Department. See also footnote 1.

TABLE A-2.—Consumer account, calendar years 1950-51

[Billions of dollars, seasonally adjusted annual rates]

Receipts or expenditures	1950			1951, first half ¹
	Total	First half	Second half	
Personal income arising from current production of goods and services:				
Wage and salary receipts and other labor income.....	146.4	138.7	154.2	166.2
Farm proprietors' income.....	13.7	12.4	15.0	16.8
Business and professional income ²	22.3	21.5	23.1	23.9
Dividends.....	9.2	8.1	10.2	9.2
Private interest and rental income.....	13.4	13.0	13.8	13.8
Business transfer payments.....	.8	.7	.8	.8
Total.....	205.8	194.4	217.1	230.7
Plus:				
Net interest paid by government.....	4.7	4.7	4.7	4.8
Dividend on National Service Life Insurance.....	2.7	5.3	.2	.3
Other government transfers to individuals.....	11.6	12.3	10.9	11.3
Equals: Total personal income.....	224.7	216.7	232.8	247.0
Less: Personal tax and nontax payments.....	20.5	19.3	21.6	26.9
Equals: Disposable personal income.....	204.3	197.4	211.2	220.2
Less: Personal consumption expenditures ³	193.6	186.7	200.4	205.6
Equals: Personal net saving (+).....	+10.7	+10.7	+10.7	+14.6
ADDENDUM				
Personal income arising from current production.....	205.8	194.4	217.1	230.7
Less: Personal tax and nontax payments.....	20.5	19.3	21.6	26.9
Equals: Disposable income arising from current production.....	185.3	175.1	195.5	203.8

¹ Estimates based on incomplete data; second quarter by Council of Economic Advisers.² Includes adjustment for inventory valuation.³ For detail, see appendix table B-4.

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

TABLE A-3.—Business account, calendar years 1950-51

[Billions of dollars, seasonally adjusted annual rates]

Receipts or investment	1950			1951, first half ¹
	Total	First half	Second half	
Corporate profits before tax.....	41.4	34.7	48.0	50.2
Less: Corporate tax liability ²	18.6	15.6	21.5	27.5
Dividend payments.....	9.2	8.1	10.2	9.2
Equals: Corporate undistributed profits.....	13.6	11.0	16.2	13.5
Plus: Capital consumption allowances ³	21.2	20.4	22.0	22.8
Corporate inventory valuation adjustment ⁴	-5.1	-2.0	-8.2	-5.7
Equals: Retained business receipts from current production.....	29.7	29.4	30.0	30.6
Less: Gross private domestic investment ⁴	48.9	44.0	53.8	61.8
Construction.....	22.1	20.8	23.4	23.0
Residential (nonfarm).....	12.6	11.8	13.4	11.8
Other private construction.....	9.5	9.0	10.0	11.2
Producers' durable equipment.....	22.5	20.2	24.8	27.0
Change in inventories.....	4.3	3.1	5.6	11.8
Equals: Excess of receipts (+) or investment (-).....	-19.2	-14.6	-23.8	-31.2

¹ Estimates based on incomplete data; second quarter by Council of Economic Advisers.² Federal and State corporate income and excess profits taxes.³ Includes capital consumption allowances on noncorporate capital, including residences.⁴ The adjustment measures the excess of the value of the change in the volume of nonfarm business inventories, valued at average prices during the period, over the change in the book value.⁵ For additional detail, see appendix table B-5.

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

TABLE A-4.—*International account, calendar years 1950-51*

[Billions of dollars, annual rates]

Receipts or investment	1950			1951, first half ¹
	Total	First half	Second half	
U. S. Government cash long-term loans (net) ²	0.2	0.3	0.1	0.3
Plus: Cash payments to International Monetary Fund and International Bank ³	- .3	- .5	.....	(⁴)
Equals: U. S. Government cash loan transfers (foreign receipts).....	- .1	- .2	.1	.3
Surplus of exports of goods and services.....	2.3	3.1	1.5	4.1
Less: Net unilateral transfers: ⁵				
Government ⁶	4.1	4.3	4.0	4.5
Private.....	.5	.5	.5	.4
Equals: Net foreign investment.....	-2.3	-1.6	-3.0	- .9
Excess of receipts (+) or investment (-).....	+2.2	+1.4	+3.1	+1.2

¹ Estimates based on incomplete data; second quarter by Council of Economic Advisers.

² Includes only cash withdrawals under loan agreements. Does not include noncash transactions such as lend-lease and surplus property credits.

³ In 1950, the International Monetary Fund returned 262 million dollars in cash to the U. S. Treasury in exchange for United States notes.

⁴ Less than 50 million dollars.

⁵ Net unilateral transfers are included with Government or private expenditures for goods and services. For example, remittances (gifts) made by American citizens to relatives or charitable groups abroad are included with consumer expenditures. Government aid in the form of grants is included in Government purchases of goods and services. Thus, net unilateral transfers must be deducted from the export surplus to avoid double counting.

⁶ Unilateral aid included in appendix table A-8 is on a Daily Treasury Statement basis and is gross.

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

TABLE A-5.—Government account (Federal, State, and local), calendar years 1950-51¹

[Billions of dollars, seasonally adjusted annual rates]

Receipts or expenditures	1950			1951, first half ²
	Total	First half	Second half	
Receipts:				
Tax and nontax payments or liabilities: ³				
Federal.....	50.5	45.7	55.2	67.4
State and local.....	19.4	18.7	19.9	21.0
Total.....	69.9	64.4	75.1	88.4
Adjustment to cash basis:				
Noncash receipts ⁴	-1.3	-1.4	-1.3	-1.5
Excess of cash receipts over tax liabilities or payments ⁵	-7.8	-3.8	-11.6	-7.4
Cash receipts from the public.....	60.8	59.3	62.3	79.5
Expenditures:				
Purchases of goods and services:				
Federal.....	22.8	21.4	24.2	36.0
State and local.....	19.7	19.2	20.0	21.2
Total.....	42.5	40.7	44.3	57.2
Other government payments:				
Transfers to individuals.....	14.3	17.6	11.1	11.6
Cash interest payments to public ⁶	4.2	4.2	4.2	4.2
Loans to foreign governments and subscriptions to International Bank and International Monetary Fund (net) ⁷	-.1	-.2	.1	.3
All other ⁸.....	.5	.4	.5	-1.5
Total.....	18.9	21.9	15.9	14.6
Cash payments to the public.....	61.4	62.6	60.2	71.8
Cash surplus (+) or deficit (-).....	-6	-3.4	+2.1	+7.7
ADDENDUM				
Federal:				
Cash receipts.....	42.4	41.7	43.2	59.3
Cash payments.....	42.0	43.7	40.5	51.5
Surplus (+) or deficit (-).....	+3	-2.1	+2.6	+7.8
State and local:				
Cash receipts.....	18.3	17.6	19.1	20.2
Cash payments.....	19.3	19.0	19.7	20.3
Surplus (+) or deficit (-).....	-1.0	-1.4	-.6	-.1

¹ This table reconciles cash receipts and payments to the public with estimates of government receipts and expenditures included in the national income and product accounts. Cash receipts or payments represent the consolidated cash accounts of the Federal Government, including the trust funds, and State-local governments. All intragovernmental transactions are excluded. The receipts of government corporations and the Post Office are offset against expenditures and the net expenditure included as a cash payment. Grants-in-aid to State and local governments are included as a cash payment of the Federal Government and not included as either a receipt or payment of the States or localities.

² Estimates based on incomplete data.

³ Personal and indirect business tax payments, corporation tax liabilities (including excess profits tax liabilities), and contributions for social insurance.

⁴ Consists of deductions from government employees' salaries for retirement funds, and government contributions to retirement funds, National Service Life Insurance and U. S. Government Life Insurance funds.

⁵ Includes excess of corporation tax receipts over liabilities and excess of personal tax receipts over payments. Negative figure indicates excess of tax liabilities over cash receipts. Cash receipts also include some items of miscellaneous receipts not included in tax and nontax payments, such as receipts from sales of surplus property.

⁶ Does not agree with net interest paid by government (appendix table A-2) which is on a net accrual basis and includes interest paid by government corporations.

⁷ See appendix table A-4, International account.

⁸ Includes all other cash payments less noncash payments for goods and services. Other cash payments include net payments by government corporations (except capital formation), net prepayments (deliveries in advance of payments being subtracted), and the excess of checks paid over checks issued. Noncash purchases of goods and services include deductions from government employees' salaries for retirement funds and the government contribution to such funds.

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

TABLE A-6.—Federal cash receipts from the public other than borrowing, calendar years 1950-51
[Billions of dollars, seasonally adjusted annual rates]

Cash receipts	1950			1951, first half ¹
	Total	First half	Second half	
Direct taxes on individuals.....	19.2	18.7	19.7	26.9
Direct taxes on corporations.....	9.9	9.9	9.9	17.2
Employment taxes.....	3.4	3.4	3.5	4.1
Excises and customs.....	8.6	8.6	8.8	9.2
Surplus property receipts.....	.2	.3	.1	.3
Deposits by States, unemployment insurance.....	1.2	1.1	1.3	1.4
Veterans' life insurance premiums.....	.5	.5	.4	.6
Other.....	1.5	1.3	1.6	1.9
Less: Refunds of receipts.....	-2.2	-2.2	-2.2	-2.3
Total Federal cash receipts from the public.....	42.4	41.7	43.2	59.3

¹ Estimates are based on incomplete data and exclude the effects of proposed tax legislation.
NOTE.—Detail will not necessarily add to totals because of rounding.

TABLE A-7.—Federal cash payments to the public by function, calendar years 1950-51
[Billions of dollars, seasonally adjusted annual rates]

Function	1950			1951, first half ¹
	Total	First half	Second half	
Military services.....	13.6	12.0	15.3	24.6
International security and foreign relations.....	3.9	4.1	3.7	5.0
Veterans' services and benefits.....	8.9	11.7	6.3	6.1
Social security, welfare, and health.....	3.3	3.1	3.6	4.5
Agriculture and agricultural resources.....	1.3	2.4	.2	.7
Interest.....	4.2	4.2	4.2	4.2
Other.....	7.2	7.2	7.2	6.9
Deduction from Federal employees' salaries for retirement.....	-.4	-.4	-.4	-.4
Clearing account for outstanding checks and telegraphic reports.....	-.1	-.7	.5	-.1
Total Federal cash payments to the public.....	42.0	43.7	40.5	51.5

¹ Estimates based on incomplete data.
NOTE.—Detail will not necessarily add to totals because of rounding.

TABLE A-8.—Federal cash payments to the public by type of recipient and transaction, calendar years 1950-51

[Billions of dollars, seasonally adjusted annual rates]

Cash payments	1950			1951, first half ¹
	Total	First half	Second half	
Direct cash payments for goods and services, excluding military services: ²				
Payments to individuals for services rendered:				
Civilian wages and salaries (excluding Post Office):				
Federal ³	2.6	2.7	2.6	2.8
Grants- and loans-in-aid for performance of specified services, net ⁴.....	.9	.9	.9	1.0
Total.....	3.5	3.6	3.5	3.7
Payments to business for goods and services:				
Public works:				
Federal.....	1.7	1.7	1.7	1.9
Grants-in-aid and loans for public works.....	.6	.5	.7	.6
Other goods and services ⁵.....	.8	.5	1.0	1.1
Payments to foreign countries and international institutions for goods and services.....	.1	.1	.2	.1
Total.....	3.2	2.7	3.7	3.7
Loans and transfer payments to individuals:				
Social insurance and public assistance:				
Federal employees' retirement benefit payments.....	.3	.3	.3	.3
Old-age and disability benefit payments.....	1.3	1.1	1.5	2.2
Unemployment insurance benefit payments.....	1.5	2.0	.9	.9
Grants-in-aid for public assistance.....	1.1	1.1	1.2	1.2
Readjustment benefits, pensions, and other payments to veterans ⁶	7.7	10.5	4.9	5.2
Loans to home owners, net.....	-.2	-.2	-.3	(⁷)
Interest ⁸	1.3	1.2	1.3	1.3
Other ⁹.....	.7	.3	1.1	-.2
Total.....	13.5	16.3	10.8	10.9
Loans, investments, subsidies and other transfers to business and agriculture:				
Farmers:				
Price support, net (including supply program).....	(⁷)	1.0	-1.0	-.6
International Wheat Agreement.....	.1	.1	.1	.1
Other loans and direct subsidies to farmers.....	.7	.8	.6	.8
Business:				
Home mortgage purchases from financial institutions.....	.4	.4	.4	.4
Loans, net.....	(⁷)	.1	-.1	(⁷)
Direct subsidy payments.....	(⁷)	(⁷)	(⁷)	(⁷)
Subsidy arising from the postal deficit.....	.6	.6	.6	.6
Interest ⁸	2.9	3.0	2.9	2.9
Total.....	4.8	6.0	3.5	4.3
Loans and transfer payments to foreign countries and international institutions:				
European Recovery Program loans and grants.....	2.9	3.4	2.4	2.6
Other loans (net withdrawals).....	(⁷)	.1	-.1	.2
Other grants ¹⁰	1.1	1.0	1.2	2.1
Subscriptions to the International Bank and Monetary Fund (net cash withdrawals).....	-.3	-.5	.....	(⁷)
Total.....	3.8	4.0	3.6	4.9
Military services—cash payments for goods and services ¹¹	13.3	11.7	15.0	24.0
Clearing account for outstanding checks and telegraphic reports.....	-.1	-.7	.5	-.1
Total Federal cash payments to the public.....	42.0	43.7	40.5	51.5

See footnotes on following page.

- ¹ Estimates based on incomplete data; second quarter by Council of Economic Advisers.
- ² Differs from the national-income concept of "government purchases of goods and services" by excluding, in addition to military services, farm price-support expenditures, and unilateral aid to foreign countries. Grants to States and localities for public works, here included as a Federal expenditure, would be included in the national income accounts as a State and local expenditure. There are other less significant differences between the two concepts.
- ³ Excludes payroll deductions for Federal employees' retirement.
- ⁴ Includes all grants-in-aid and loans to public bodies for purposes other than public works and public assistance. Includes, in addition, one-third of Federal expenditures for veterans' tuition, books, and supplies.
- ⁵ This figure is obtained as a residual by deducting all other expenditures from total cash payments to the public. Owing to the fact that data are incomplete for fiscal year 1951, the residual is subject to a high margin of error.
- ⁶ Includes cashing of terminal leave bonds, retired pay of military personnel, and National Service and Government life insurance refunds and benefits in addition to veterans' pensions and readjustment benefits. Includes only one-third of payments for veterans' tuition, books, and supplies.
- ⁷ Less than 50 million dollars.
- ⁸ Includes a small amount of interest on tax refunds in addition to interest on the public debt. Interest paid to business includes over 100 million dollars of interest paid each year by the Federal Government to State and local governments. Interest in appendix table A-2 is net, and is on an accrual rather than a cash basis; it includes interest paid by State and local governments and by Government corporations.
- ⁹ During the period shown, represents in large part some of the transactions of the Federal Home Loan Banks.
- ¹⁰ Includes expenditures for the Mutual Defense Assistance Program.
- ¹¹ Excludes retired pay and redemption of Armed Forces leave bonds which are included above as payments to veterans.

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

