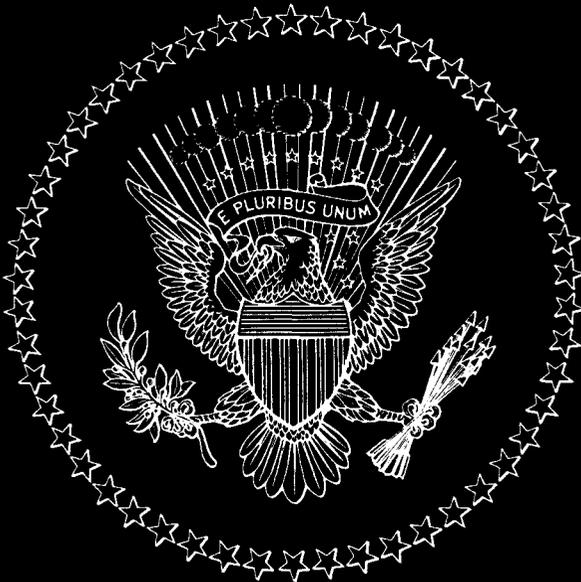


# **ECONOMIC REPORT OF THE PRESIDENT**

**TRANSMITTED  
TO THE CONGRESS  
JANUARY 1977**





# Economic Report of the President



Transmitted to the Congress  
January 1977

TOGETHER WITH  
THE ANNUAL REPORT  
OF THE  
COUNCIL OF ECONOMIC ADVISERS

UNITED STATES GOVERNMENT  
WASHINGTON : 1977

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**ECONOMIC REPORT  
OF THE PRESIDENT**



## ECONOMIC REPORT OF THE PRESIDENT

*To the Congress of the United States:*

The past year was a year of sound economic achievement. A year ago I said that my key economic goal was "to create an economic environment in which sustainable noninflationary growth can be achieved." While much remains to be done, we have built a very solid foundation for further economic gains in 1977 and beyond. The recovery has continued to produce substantial gains in output and employment. Unemployment remains much too high, but the marked reduction that we see in inflation as well as in inflationary expectations represents significant progress toward regaining the stable noninflationary prosperity that has been our goal.

The gross national product, adjusted for inflation, rose by slightly more than 6 percent last year. The rise in production was extremely rapid at the beginning of 1976. The advance moderated during the spring, but at the close of the year the recovery showed signs of reacceleration. In December more than 88 million Americans were employed, an increase of about 3 million from last December and more than 4 million above the 1975 recession low. Economic gains were widespread. Real incomes continued their rise, consumer expenditures also moved upward, business investment began to recover, and housing construction improved significantly. Unemployment dropped sharply in the early months of last year, although it rose again as the extraordinarily rapid expansion in the labor force outpaced the creation of new jobs.

Substantial headway was also made on the inflation front. Since late 1975 the consumer price index has risen only 5 percent, a full percentage point less than was anticipated and a noteworthy improvement over the 12 percent inflation rate of 1974. Wage settlements continued to moderate. Record crops and more ample supplies of farm products halted the sharp increases in food prices. As fears of inflation ebbed, interest rates declined, contrary to most expectations at the beginning of the year; and the stock market, reflecting this heightened confidence, was close to the highs of the year when trading ended in 1976. The lower rate of infla-

tion and the improved state of financial markets attest to the significant progress we have made during the past year toward reestablishing a stable, noninflationary, full-employment economy.

If this goal is to be fully realized, the present policy of moderation in fiscal and monetary affairs and of relying on a restored vitality in the private sector must continue. We need tax reductions to support a lasting economic recovery and to provide relief from the increases in real tax burdens induced by inflation. In the long run, inflation and real economic growth will constantly push taxpayers into higher and higher tax brackets unless tax laws are changed. Some believe that these additional tax receipts should be spent on new Government programs. I do not. Instead I believe that the Congress should counteract the growing burden imposed by the tax system—and the reduction of private incentives that it implies—by periodically providing offsetting tax cuts while continuing to restrain the rate of growth of Government spending.

The creation of permanent, meaningful, and productive jobs for our growing labor force requires a higher level of private investment. Tax reductions must be so designed that measures to stimulate consumption are balanced by those which will increase investment. Investment has for some time been falling short of the levels required if we are to provide enough productive jobs for our people at rising real wage rates, and if we hope to renew and improve our capital stock so that we can meet our requirements for energy and make headway toward environmental, job safety, and other goals. Investment has grown more slowly than would normally be true at this stage of a recovery. A stronger spur to investment in productive plant and equipment is necessary for the further improvement in production and employment in 1977 and beyond.

#### TAX REDUCTIONS

In October 1975, I presented to the Congress a program of tax cuts and spending restraints that would have reduced the burden of government for all taxpayers. It would have given the American people more freedom to spend their incomes as they choose rather than as Washington chooses for them, and it would have increased incentives to expand investment. However, the Congress decided otherwise—to increase spending far more than I wanted and to cut taxes far less than I wanted.

Earlier this month I again sent to the Congress my recommendations to cut taxes. I have once more urged a permanent increase in the personal exemption from \$750 to \$1,000 to replace the system of temporary tax credits that has so greatly complicated the individual income tax return. I am also recommending a higher income allowance and a series of per-

manent tax rate reductions. My proposals provide income tax relief for individuals that will total \$10 billion in 1977.

To encourage the investment that will mean good steady jobs for our expanding labor force, I am recommending once again a permanent reduction in the corporate income tax from 48 to 46 percent. I urge as well the enactment of legislation to make permanent the extension of the 10 percent investment tax credit and the increased corporate surtax exemption provided by the Tax Reform Act of 1976. In the longer run we must eliminate the double taxation of dividend payments. I am therefore renewing my proposal to integrate corporate and personal income taxes gradually over a period of years beginning in 1978.

I am also renewing my recommendation of accelerated depreciation for investment in new plants and equipment undertaken in areas where unemployment is 7 percent or higher. I am firmly convinced that this is a far better way to raise employment where the economy has not caught up with the recovery than adding layer upon layer of new spending programs.

Although such tax cuts for individuals and businesses are desirable at this time to support stronger consumer and capital goods markets, we must be mindful of the need to bring down our large Federal budget deficit as quickly as possible. As the economy improves and the demand for private credit becomes greater, Federal borrowing requirements to finance the deficit must be lowered to avoid preempting funds needed for private investment and to ensure steady progress in the battle against inflation. Accordingly, in my Budget Message I am again recommending responsible restraint in the growth of Federal budget outlays. These policies will also bring us closer to our goals of stable noninflationary prosperity.

#### INTERNATIONAL DEVELOPMENTS

Much progress was evident in the rest of the world last year, and international economic cooperation continued to improve. Restoration of a stable growth path, however, has proved difficult. Throughout the world, countries are still grappling with the complicated and painful aftermath of inflation, recession, and the sharp increases in the relative price of energy. Serious social and political problems have made these adjustments more difficult.

When I met with the leaders of the major industrial nations in the summer of 1976, the restoration of full employment in our several economies was the most important item on our agenda. Stable full employment and continued improvement in the well-being of our own peoples and the world population at large, we agreed, will take a number of

years. Although the course of faster expansion seems attractive, it is clearly risky. Impatience which leads to a reacceleration of inflation could jeopardize the significant progress we have achieved so far.

The costly lessons of the past decade are inescapable. High and variable inflation rates are incompatible with sustainable growth. Overly expansionary policies contributed to the very high inflation rate and, in turn, to the deepest worldwide recession since the 1930s. Policy changes and adjustments will doubtless be needed in 1977 and thereafter. But policies must hold to a reasonably steady and predictable course. In particular, the measures we select to further our economic expansion must not raise the risk of future inflation.

The growing recognition among nations of their interdependence has helped to create the cooperation that is now apparent among members of the industrial community. The mutuality of the policy goals of the developed and developing countries needs to be better understood on each side. For this reason the discussions between developed and developing countries during 1976 have attempted to foster a climate in which our joint interests and our diverse concerns can be freely expressed. Although the progress so far achieved has disappointed some, it has helped us avoid the sometimes easier but mutually destructive course of trade restrictions.

#### ENERGY POLICY

Energy matters retain their troublesome hold among the problems threatening the Nation's long-run prosperity. The sharp increases in oil prices in 1973-75 imposed major costs upon our economy. We have done much to accommodate the new higher prices for energy, but some aspects of energy policy have hampered the adjustment. The Congress has continued to hold prices for domestically produced oil and natural gas well below world market levels. These lower energy prices have encouraged the inefficient use of energy and discouraged efforts to expand domestic supplies and improve the energy efficiency of the overall capital stock.

The recovery has heightened the demand for energy and thus resulted in greater imports of oil. In consequence the United States now depends even more heavily upon imported petroleum and is even more vulnerable than a year ago to future price manipulation and interruptions in supply. Now that the problems of recession and inflation are receding, we can more vigorously address this difficulty. The energy program that I have presented before is designed to answer the longer need.

First steps are under way toward creating a strategic oil reserve which

will help shield us from disruptions in supply. The OPEC pricing decisions of December were a forceful reminder of the Nation's growing need for protection against foreign moves that affect the price and can alter the availability of imported oil. Strategic storage will provide a first line of defense against the threat of disrupted supplies. This vital program must be implemented, and we must also take positive steps to lessen our economic dependence upon foreign oil.

Measures that will make us less dependent on foreign energy supplies have been proposed by this Administration; but unfortunately many of the most important proposals have not yet been accepted by the Congress. Some of the measures involve present costs which will yield much greater future benefits. Others, which would lead to more efficient use of our energy resources, would benefit the Nation immediately as well as in the future.

It is critically important—for energy security, environmental quality, and long-term economic productivity—that prices of domestic petroleum and natural gas be allowed to match more closely the full cost of these fuels. In the immediate future oil prices should be allowed to rise as they were intended to do under the Energy Policy and Conservation Act. Steps should also be taken which would help close the gap more rapidly between domestic and world market prices for petroleum, allow a free-market price for North Slope Alaskan oil, and deregulate the wellhead price of new natural gas.

Although a number of inconsistencies remain, the relation between the Nation's goals for energy and for the environment has become clearer and the effects of existing policies more fully known. The time is ripe for reexamining environmental policy and determining whether the ends we all seek can be achieved at a lower cost to the economy and to the security of our energy supplies.

Taken together, all of the actions recommended here would help the economy to adjust to the new energy situation and do much to ensure more reliable supplies of energy for the future. They would also signal to the world that this Nation is serious about developing secure supplies of energy. Most important, these efforts would encourage conservation and give industry the confidence that will spur the production of both conventional fuels and substitutes.

## REGULATORY REFORM

As economic problems have arisen and been dealt with by new policy initiatives, the Government's role in the economy has grown ever larger.

The number of commissions, agencies, administrations, bureaus, and offices set up to conduct programs increases constantly. Each appears important when it is first established. The trouble is that they are seldom, if ever, terminated when they have accomplished their original mission. By one recent count there were 1,200 Federal Government organizations alone having significant powers to regulate a wide and growing range of economic activities.

The direct Federal outlay to control practices in the private sector is substantial. Even more important are the losses that these activities impose on the production and distribution of goods and services throughout the economy. No accurate measure of the total costs and benefits of actions by the regulatory agencies is possible at this time or perhaps ever. Although all Americans are aware of the substantial benefits which regulations produce in their everyday lives, we frequently lose sight of the efforts of such programs in restricting the growth of productivity.

The use of newly developed technology, the development of new companies and products, and the opening up of new occupations have all been impeded by the need for licenses, certification, review, and legal judgments introduced by one agency or another. When innovative activities are discouraged progress is curbed throughout the economy, even in those areas where some regulation is justified. Regulations must therefore be reexamined to ensure the removal of costly and counterproductive regulations and to identify those whose need has passed. Where benefits seem large we should make sure that the benefits are realized at the least possible cost.

To reduce the regulatory burden, I asked the Congress in the last year to eliminate unnecessary and anticompetitive regulation in the airline and trucking industries. This action was to follow the path of regulatory reform that the railroad industry achieved in the Railroad Revitalization and Regulatory Reform Act of 1976. I also urged the Congress to eliminate the Federal Power Commission's controls on new gas prices, which have held back exploration and sales to the interstate pipelines serving northern and western cities. Earlier this month I once again submitted to the Congress a plan to eliminate controls on gasoline refining and marketing.

Among agencies under my jurisdiction I have set out new regulatory procedures which will make controls more effective and less costly to all concerned, but such steps are only a beginning. The Congress and the

executive branch must undertake a comprehensive review to ascertain the effects of present controls, and then offer to the American people a corrective program that will cut across administrative boundaries. Only a sweeping reform will remove the regulatory burden where it is no longer justified and place the initiative for production and distribution back in the more efficient hands of private enterprise.

#### ROLE OF THE GOVERNMENT IN SOCIETY

I firmly believe that if we dedicate our efforts to the major problems I have outlined here we can successfully resolve them. As a people we have an extraordinary capacity to marshal our resources against even the gravest difficulties.

Unfortunately many of our problems are self-made. One which has concerned me particularly over the years is a tendency, born of goodwill and a desire to improve the state of American life, which makes us think we can create costless benefits for our people. We are unwilling to confront some of our hardest choices. We persist in the belief that we can always tolerate a little larger Federal deficit, or the creation of a little more money, especially for the sake of programs which seem to promise clear and readily definable benefits. This is a kind of self-deception that we must learn to resist.

Certainly we must adopt measures that promise to keep the economic expansion going and reduce the high unemployment. But overly expansive policies with their inevitable risk of renewed inflation are realities which are easily overlooked in the understandable desire for the immediately tangible benefits foreseen from specific programs. What we seek is a sustainable expansion and the restoration of full employment without inflation, and we must settle for no less.

The discipline implicit in a prudent fiscal policy is not easy but it offers very considerable and lasting rewards. I am hopeful that the recent creation of the budget committees to serve the Congress will help to provide this necessary discipline. Prudent budget policies are essential if we are to restore stable full-employment conditions and provide the productive jobs which our people need and want. Some part of our present deficit is the result of the recession and will accordingly disappear as full employment is restored. Beyond this, however, we must restrain the growth of Federal expenditures. If we do not, we shall have to resign ourselves to higher taxes or to high employment deficits with their inflationary consequences.

Nowhere are these tradeoffs so evident as in our social security program and our efforts to provide medical insurance for our people. I

have emphasized the need to maintain a fiscally sound social security system and repeatedly rejected proposals to fund increased benefits out of what are called general revenues. The purpose of linking social security benefits to specially designated taxes is to balance the benefits to one segment of society with the costs to another segment. Our democratic processes of government work better when the costs of programs are open and visible to those who pay them. Funding our social security benefits through specifically designated payroll taxes strengthens the discipline that should govern these decisions. Benefits are not costless, and we should not allow this fact to be submerged in any general revenue funding of the social security system.

Similar pressures are building up with respect to medical care. We have become concerned, and rightly so, over sharp increases in the cost of medical care which emphasize the need to improve the efficiency and effectiveness in the delivery of health care services. These have arisen in part because the large expansion in health insurance coverage under both private and public programs has reduced the sensitivity of consumers to costs and weakened the incentives to achieve efficiencies. Individuals, businesses, and unions, confronted with the higher costs of private health insurance have begun to exert curbs on the systems for delivering health and medical service, and their influence should be salutary. I hope we will not choose to fund these costs through a comprehensive national health insurance system, since this will only weaken the incentives for improvement and efficiency that are now emerging.

These are but two examples of the pressures which threaten to erode our fiscal processes. We must recognize that making governmental expenditure policy the principal arm of demand management has undesirable consequences. Expenditure programs once in place are extremely difficult to cut back. The result is a permanent rise in Federal outlays and the risk of ever-increasing growth in the government relative to the private sector. As the experience of other countries forcibly illustrates, this is a dangerous path. It weakens incentives, reduces efficiency, leads to lagging standards of living, and carries inevitable risks of inflation. It is much better to provide fiscal adjustments through tax reductions than through Federal spending programs.

The solid improvement of this year means continued progress toward a better life for all Americans. Problems will always remain, but the future is bright with opportunities to continue strengthening our economy. Improvement is part of the American way of life, but we must recognize that few problems, when viewed realistically, lend themselves to quick and easy solution. Our policies must take into account the full costs and

lasting implications of the changes we make today for whatever worthwhile reason. If they attack symptoms rather than causes, policies will be ineffective and may even preclude the very goals which we seek. Enduring improvement in the economic welfare of the American people requires that the courses we embark on to meet today's problems will also bring us closer to our more distant goals and aspirations.

*Herold R. Ford*

*January 18, 1977*



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



LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,  
*Washington, D.C., January 14, 1977.*

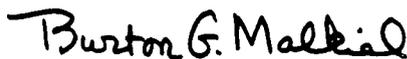
THE PRESIDENT:

SIR: The Council of Economic Advisers herewith submits its Annual Report, January 1977, in accordance with Section 4(c) (2) of the Employment Act of 1946.

Respectfully,

A handwritten signature in black ink, appearing to read 'Alan Greenspan', with a long horizontal flourish extending to the right.

ALAN GREENSPAN,  
*Chairman.*

A handwritten signature in black ink, appearing to read 'Burton G. Malkiel', with a long horizontal flourish extending to the right.

BURTON G. MALKIEL.



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## CHAPTER 1

# Economic Policy and Outlook

**T**HE U.S. ECONOMIC RECOVERY is now almost 2 years old. In 1976 real gross national product (GNP) rose by 6.2 percent, and employment increased by almost 3 million persons. Although the pattern of real GNP growth during 1976 was more erratic than had been anticipated, showing rapid growth in the first quarter followed by more moderate gains in subsequent quarters, the rise in real GNP for the year as a whole was about what had been projected a year ago. The growth of production and employment for 1976 was accompanied by a further significant moderation of the inflation rate. The average annual rate of change in the GNP deflator was 5 percent over the 4 quarters of 1976 compared with a 7 percent average in 1975.

The unemployment rate declined by almost 1 percentage point from 1975 to 1976, but it is still much too high and must be reduced further. The 3.2 percent increase in employment in 1976 indicates that progress is being made in alleviating the economic and social hardships remaining from the recession. Owing to the combination of secular and cyclical increases in labor force participation rates and in the growth of the working-age population, the labor force grew by 2.3 percent in 1976. This rapid growth of the labor force means that jobs must be created at a fast pace in order to reduce the rate of unemployment.

A continuation of rapid employment and real income gains will require a strong growth in private investment demand in the years ahead. Little extra impetus to the economic expansion will be forthcoming from inventory investment and personal consumption, because inventories already have risen and saving rates have dropped closer to normal levels. Although business fixed investment has begun to recover from the low levels of the recession, its growth has been slower than in past recoveries. Without a sharper upturn in investment the expansionary momentum, already slower in the second half of last year, cannot easily be maintained. Even if final sales growth could be bolstered without a strong recovery of business fixed investment, the implied lesser growth of productive capital would not be sufficient to provide new jobs at a faster rate in the future without a slower growth of productivity and real wages.

In our 1976 *Report* we indicated that business fixed investment would have to account for approximately 12 percent of GNP during the last half

of the 1970s if the Nation is to achieve full employment by 1980, meet specified productivity and environmental objectives, and attain greater independence in regard to energy. While it was not suggested that economic equilibrium cannot be attained under many other sets of conditions, the social and economic strains of adjusting to a slower and less widely shared improvement in living standards seem likely to become severe if we continue to fall very far short of this ratio. Business fixed investment in 1976 was less than 10 percent of GNP, and even with the improvement anticipated this year the share is likely to remain below 10 percent in 1977. The momentum of the recovery must be maintained in the near term through measures which foster growing business confidence and which support stable economic growth and decelerating inflation. If not, a slow growth of capital formation may create capacity limitations which could stall the expansion before acceptably low levels of unemployment are reached.

To provide support for an economic expansion strong enough to effect a substantial reduction in unemployment without at the same time jeopardizing the progress achieved so far in containing inflation, the President has recommended a permanent reduction in personal and business taxes beginning this year. The purpose of these measures is to further the growth of disposable income, which has been eroded in part by inflation-induced increases in taxes, and to provide more incentives to investment spending. The continuing diminution of inflation during the past year indicates that such tax reductions to promote the growth of demand are consistent with the goal of sustainable noninflationary growth—if they are accompanied by steps to restrain the growth of Federal expenditures in future years. To help consolidate our progress in curbing inflation, the President has proposed a budget which provides for a slowing of the growth in Federal outlays in 1978 and beyond. Unless surpluses can eventually be achieved in the Federal budget at high levels of employment, it may be difficult to increase the share of investment in GNP and maintain the growth of the Nation's productive capacity.

With the help of these policies the economic recovery is expected to continue in 1977. Real GNP is expected to be 5 to 5½ percent higher than in 1976, and its rate of growth should average between 5½ and 6 percent during the 4 quarters of 1977. Such growth will produce further gains in employment. But unless labor force growth decelerates significantly from the current high rates, the decline in the unemployment rate is likely to be modest. In any event, unemployment will still be unacceptably high during the year. If we are to eliminate the economic loss and hardship associated with idle resources, economic growth in 1978 and beyond must continue to proceed at a more rapid pace than the longer-run rate of growth of potential output. We do not anticipate that these policies will lead to an increase in the underlying rate of inflation. Indeed, if wage settlements continue to moderate, further progress in reducing inflation could be possible in this year and in future years.

## GENERAL POLICY PRINCIPLES

To assure a sustained expansion, four general principles should guide the formulation of economic policies over the next several years. Economic stimulus, where needed, should be provided by tax reduction rather than by increases in government spending. Tax reduction should be permanent rather than in the form of a temporary rebate. Policy initiatives should be balanced between measures directed toward consumption and those aimed at increasing business fixed investment. Economic policy should aim for a steady economic expansion in which the components of aggregate demand are in balance.

1. *Stimulus should be provided by tax reduction rather than by increases in government spending.* Rising government purchases of goods and services first increase income and employment in the areas that produce the increased output demanded by government. The visibility and strength of these first-round effects account for much of the political support for increased spending. A number of serious difficulties arise, however, when government expenditures are used as a tool of stabilization policy.

Our experience has been that under existing institutional arrangements the startup time for many spending programs can be quite long; this is particularly true of the large construction projects which are considered by many to be useful instruments of countercyclical fiscal policy. The danger is that the economic impact of new spending programs will not be felt when it is most needed and will then outlast the need for stimulus. In addition, when restraint rather than continued stimulus becomes desirable, it may be politically difficult to cut these programs. As a result, a fiscal policy which stimulates expansion primarily through increases in government purchases may risk overstimulating the expansion at a later stage. Another difficulty is that frictional inefficiencies arise from manipulating the level of government expenditures for stabilization purposes. Each time a government program is changed, costs are incurred as the private sector is forced to adjust and reallocate the necessary resources. And in some cases the rules and regulations associated with the enactment of these programs may necessitate widening government interference in the private sector.

Similar dangers exist with income maintenance and support programs. These programs are essential to relieve the economic hardships associated with unemployment. But we must be careful that changes in programs designed to deal with cyclical contingencies do not end by permanently increasing Federal payments, the number of beneficiaries, and the size of the individual benefits. Such a result would reduce the growth of resources available to the private sector; and the higher marginal tax rates eventually required to finance these expenditures may lower incentives to work and invest, thereby hindering the growth of our aggregate supply capabilities and heightening inflationary pressures. An analysis of some special job creation programs is provided in Chapter 4 of this *Report*.

2. *Tax reduction should be permanent rather than in the form of a temporary rebate.* The primary objectives of tax reduction in the current situation should be to provide relief from the inflation-induced increases in real tax burdens and to support a lasting economic expansion. Because consumers normally adjust expenditures to their "permanent" or long-run income, a lasting reduction in personal taxes which raises both current and future after-tax income should yield a sustained rise in consumer spending, as happened following the permanent tax reduction in 1964. Sustained growth in consumer spending is required to promote a durable economic expansion.

On the other hand, any stimulative effect that a temporary tax rebate may have on consumer spending will diminish quickly. For example, a substantial increase in expenditures for durables did occur after the payment of the 1975 rebate. Part of the effect of such a one-time windfall, however, may have been to shift some expenditures to the present that had been planned for a later time, with the result that spending would be correspondingly lower in subsequent periods. This phenomenon may be the reason for the very low rates of increase in purchases of consumer durables in the last 3 quarters of 1976. Such fluctuations in the movements of demand contribute to uncertainty about fiscal policy and damage the prospects for steady growth. Thus temporary tax rebates are not consistent with the objective of sustaining an economic expansion. While they may be useful in helping to bring about a reversal of generally declining demands during a recession, they are not consistent with the maintenance of an expansion of demand that is already under way.

Moreover transitory increases in consumer spending associated with temporary tax cuts are not likely to stimulate investment as much as more permanent increases in demand would do. Business firms may realize that an expansion in sales will not last if the increase is apparently due to a temporary reduction in taxes and will have less incentive to expand capacity than if they expect a more sustained rise in sales. A permanent reduction in income taxes has a more lasting impact on household consumption demand and consequently on business firms' willingness to invest in productive capital.

It is sometimes argued that tax cuts should be temporary in order to maintain a permanent revenue base for future spending programs. A strong and more certain growth in 1977 and beyond, however, is ultimately the key to whether resources will become available to support these expenditures. Moreover taxes automatically increase faster than income over time because of the combined effects exerted by inflation, real growth, and our graduated tax rate structure. Unless permanent reductions are made from time to time, taxes will account for an ever larger share of taxable income. Thus there is little danger that a permanent tax reduction will destroy the revenue base for the Federal Government. Indeed, another fear may be more realistic: if taxes are not reduced periodically we run the risk of allowing the tax burden to rise over time and thus inhibit the growth of demand in the private sector.

3. *Economic initiatives should be balanced between measures to stimulate consumption and those designed to increase business investment.* We noted above that investment must grow somewhat faster than GNP for some years to achieve long-run goals of employment and income growth. It is therefore essential that economic policy create an environment which will encourage business investment. Clearly, investment spending will be stimulated by substantial increases in final sales, which tend to reduce excess capacity and increase expected profitability. A cut in personal income taxes which sustains real consumption growth will thus encourage investment. However, in the current economic environment we believe this consumption-induced investment growth can usefully be augmented by direct stimulus to private investment. Consumption-oriented growth in demand will not necessarily bring aggregate investment to the levels needed to offset the inadequate investment of the past few years. On the contrary, direct stimulus may be necessary to counteract forces which have deterred investment.

Chart 1 shows that business fixed investment currently accounts for a relatively low proportion of GNP, approximating the percentage of the early 1960s. Even with substantial increases in business fixed investment next year this ratio will remain under 10 percent and far below the ratios we believe are desirable. Furthermore the slow growth of labor productivity, analyzed later in this chapter, does not suggest that productive capital has become relatively more abundant over the last decade. The policy response to comparable problems in the early 1960s was to stimulate investment directly with such measures as a reduction in corporate tax rates.

Chart 1

### Relation of Real Business Fixed Investment to Real GNP



SOURCE: DEPARTMENT OF COMMERCE.

A number of factors may have prevented the restoration of business confidence and hence restrained investment growth. Wage and price controls are still a recent memory, and fears of a reacceleration of inflation have not been completely dispelled. Recollections of the severe 1974–75 recession may also restrain business confidence. Because fears of a renewed inflation-recession cycle may encourage businesses to increase liquidity rather than invest in plant and equipment, confidence must be rebuilt before sales growth will be translated into higher capital outlays.

Laws and regulations to provide necessary protection for the environment also create costs and uncertainties. Not only does the spread of regulations raise production costs, but long-run cost and profit calculations are made less certain because of the possibility of future changes in regulations. For instance, if a change in environmental laws may affect the operations of a new plant, then the risk associated with building this plant is correspondingly increased. The impact is more severe on longer-lived investments which require longer commitments with less flexibility once they are made.

It is of course very difficult to prove that a decline in business confidence or an increase in risk premiums is responsible for the failure of investment to rise as much as might have been expected during the current recovery. This difficulty results partly from our inability to directly measure the uncertainty or accurately assess the expectational factors and the environment within which long-term investment decisions are made. Most evidence for the view that business confidence remains poor is qualitative and involves a degree of casual empiricism. One quantitative indicator of the expectations affecting business investment is the market value of a corporation's stocks and of net interest-bearing debt relative to the replacement cost of its assets. If, for example, assets are valued in the market significantly above their replacement cost, corporations will be encouraged to invest in new equipment and thereby create capital gains for the owners of their securities. On the other hand, if assets are valued below their replacement cost, corporations which sell new securities to buy new capital goods may be creating capital losses for their security holders. In the latter case we can infer that the cost of capital has risen relative to the average profitability of past investment projects and that new investment will be discouraged. Of course, at the margin the expected rate of return on a significant number of potential new investments will remain above the cost of capital, even though existing assets on average are valued below their replacement cost. Thus even if the market value of a firm fell below the replacement cost of its assets this would not mean the end of investment incentives. It would be especially inappropriate to draw such conclusions from estimated aggregates composed of heterogeneous corporations.

Nevertheless it is probably safe to infer that the almost continuous decline in the ratio of the market value of nonfinancial corporations to the replacement cost of their assets during the last few years (Table 1 and Chart 2) is an indication that investment incentives are much lower currently than in the

TABLE 1.—The market value and the replacement cost of net assets of nonfinancial corporations, 1960–76

Year	Market value			Replacement cost of net assets			Ratio of market value to replacement cost of net assets	Ratio of real business fixed investment to real GNP
	Total	Interest-bearing debt <sup>1</sup>	Equity <sup>2</sup>	Total	Net non-interest-bearing financial assets <sup>3</sup>	Net stock of depreciable fixed assets and inventories <sup>3</sup>		
Billions of dollars								
1960.....	435.6	103.8	331.8	427.0	61.4	365.6	1.020	0.090
1961.....	507.9	114.8	393.1	442.9	67.3	375.6	1.147	.087
1962.....	503.9	126.0	378.0	460.9	73.3	387.6	1.093	.089
1963.....	581.0	136.7	444.2	482.2	78.5	403.7	1.205	.088
1964.....	656.6	147.9	508.7	507.2	83.0	424.2	1.295	.093
1965.....	737.5	162.9	574.7	541.7	87.2	454.5	1.361	.103
1966.....	712.9	180.4	532.4	590.8	91.8	499.0	1.207	.108
1967.....	789.8	200.0	589.9	649.9	100.7	549.2	1.215	.103
1968.....	893.0	217.8	675.3	711.0	109.3	601.7	1.256	.103
1969.....	881.9	243.1	638.8	782.9	117.0	665.9	1.126	.106
1970.....	787.1	267.7	519.4	858.1	126.4	731.7	.917	.102
1971.....	934.2	296.8	637.4	925.3	135.9	789.4	1.010	.098
1972.....	1,093.1	330.3	762.8	1,002.5	149.6	852.9	1.090	.100
1973.....	1,166.1	386.1	780.0	1,126.4	166.3	960.1	1.034	.106
1974.....	1,106.5	428.2	678.3	1,319.8	181.8	1,138.0	.838	.106
1975.....	1,113.1	439.4	673.8	1,494.5	198.3	1,296.2	.745	.093
1976 <sup>4</sup> .....	1,326.2	470.0	856.2	1,601.4	212.3	1,389.1	.828	.091

<sup>1</sup> Market value of net interest-bearing debt of nonfinancial corporations (NFCs) adjusted from face value by assuming a maturity of 5 years and discounting a stream of coupon payments equal to the net interest paid by NFCs. The discount rate is assumed to equal Moody's Baa corporate bond yield.

<sup>2</sup> Dividends of NFCs divided by the dividend/price ratio of Standard & Poor's composite index of 500 common stocks.

<sup>3</sup> Average of year-end values.

<sup>4</sup> Preliminary.

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

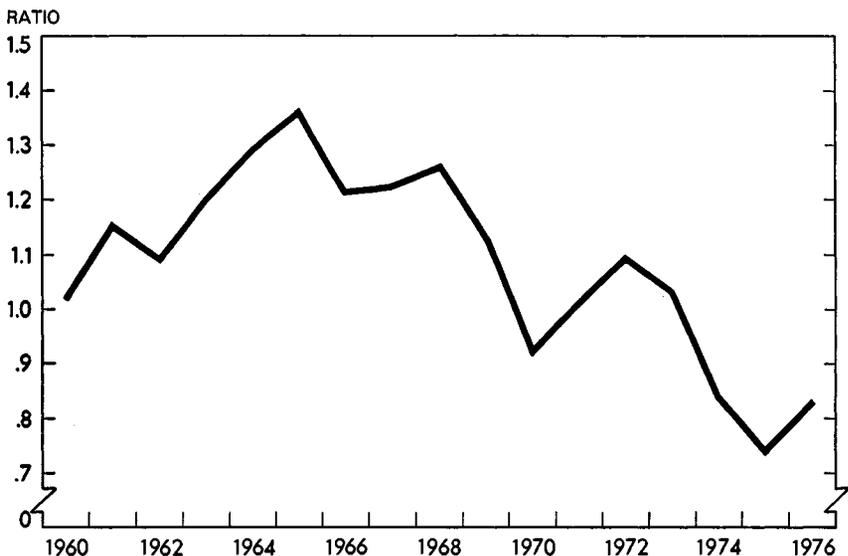
Source: Council of Economic Advisers (based on data from various sources).

second half of the 1960s. Even allowing for the possibility that the high values of the ratio in the 1960s reflected some temporary overconfidence in the evaluation of future returns, the significant downward trend is an indicator that a lack of confidence may be a factor holding back long-term investment commitments now. One inference from this evidence is that a direct stimulus to investment, such as a corporate tax reduction would provide, could hasten the restoration of business confidence and be useful to supplement the normal accelerator mechanism. Another is that measures which would help reduce the risks of substantial changes in the regulatory climate over the normal life of fixed assets would also raise investment. Such measures would help to offset the uncertainties which are still restraining investment and would make up for the slow growth of productive capital in the past few years.

4. *Policy should aim at a steady expansion with balance among the components of aggregate demand.* An important policy decision in the years ahead concerns the appropriate amount of fiscal and monetary stimulus to sustain the recovery. In the effort to achieve continued progress toward full employment we must not create inherently unstable and ultimately

Chart 2

## Ratio of Market Value of Nonfinancial Corporations to Replacement Cost of Net Assets



SOURCE: COUNCIL OF ECONOMIC ADVISERS (BASED ON DATA FROM VARIOUS SOURCES).

counterproductive conditions along the way. With a high inflation rate and many uncertainties still remaining to hamper the economy, stimulus which aims for a balanced composition of demand and a steady pace will provide the safest and surest path of advance. A steady recovery allows aggregate production to expand gradually toward full capacity, thereby avoiding such imbalances as overaccumulation of inventories, shortages of strategic commodities, or insufficient accumulation of fixed capital. Moreover, if unexpected shortages or demand deficiencies begin to arise, policy can react before either inflationary or deflationary pressures become too severe. In this way the possibility of renewed instabilities is minimized. In turn the improved outlook should help restore confidence, encourage investment, and assure that increases in demand raise employment rather than inflation rates.

Evidence showing the impact of inflation and expectations of inflation on business decisions is very limited. Nevertheless an overly rapid expansion could generate a rise in inflationary expectations which might restrain capital accumulation and threaten to cut off the expansion before full employment is reached. In the short run, increases in inflation may appear to stimulate investment because of delays in the upward adjustment of market interest rates and the estimates of the risk associated with inflation. However, high rates of inflation may be associated with high variability in individual prices. If this is so, the expected variance of future returns

on investment would increase with inflation, thereby adding a risk premium to the rate of return required to undertake new investment projects. Thus the cost-price uncertainties which could be associated with high inflation because of larger, more frequent, and less predictable changes in relative prices may eventually discourage business spending. In the long run the effect of inflation may be negative as market interest rates adjust to offset the inflation stimulus and only the negative effect of greater uncertainty remains.

Another factor which will call for moderation at a later stage if the expansion is to be sustainable is the current uncertainty about the level of potential output in the U.S. economy and the likelihood that the potential has been growing at a lower rate in the 1970s than during most of the 1960s. There is also some uncertainty about the unemployment rate that should be used to represent a constant degree of tightness in the labor market at full employment either now or in the future. These uncertainties suggest the wisdom of proceeding with a greater degree of caution in our return to full employment than was previously thought necessary. (These and other factors that bear on long-run economic growth are discussed more fully later in this chapter.

International considerations provide a further reason for maintaining a steady recovery. If a too rapid expansion at home is accompanied by rapid expansions followed by bottlenecks in other major industrial countries, inflationary forces can be intensified by worldwide excess demand for strategic commodities. On the other hand, in a situation where the world's economic development is lagging, it is important that U.S. growth should not be so slow as to contribute to sluggishness in world trade. This would reinforce rather than alleviate demand deficiencies and increase the risk of another recession.

## ECONOMIC POLICY FOR 1977

### FISCAL POLICY

With these general principles in mind, the President has proposed a permanent tax cut for individuals and corporations which will reduce tax liabilities by about \$12.5 billion in calendar 1977. The largest part of the tax cut, \$10 billion, would go to individuals in the form of higher personal exemptions, an increase in the low-income allowance, and lower tax rates. The rest would go to corporations in the form of a 2 percentage point reduction in the corporate income tax rate. Federal expenditures on a national income and product accounts (NIPA) basis are expected to be \$429 billion in 1977. This will yield an actual deficit of \$57 billion for the year and a decline in the full-employment surplus of \$13 billion in 1977. As private sector spending continues to expand, it is expected that the Federal deficit will gradually diminish to make room for the necessary private savings flows to finance new capital formation.

The proposed \$10-billion permanent reduction in personal income taxes would be implemented by an increase in the individual exemption from \$750 to \$1,000, an increase in the low-income allowance to \$1,800 for single persons and \$2,500 for joint returns, and a reduction in rates in the lower- and middle-income brackets. Furthermore, the temporary tax credits first enacted in 1975 would be repealed. These changes would offset the increase in the real tax burden of middle-income families resulting from the high inflation rates of recent years. The reduction in personal taxes would lead to a permanent increase in after-tax income and a more confident outlook in the household sector, both of which should significantly boost consumer spending in the year ahead. By creating stronger markets and raising the rate of capacity utilization, the personal tax cut would also indirectly stimulate additional investment.

The proposed reduction in the corporate income tax rate from 48 percent to 46 percent would reduce corporate tax liabilities by about \$2.5 billion in 1977. It would thus improve the net return on all capital assets and enlarge the flow of internal funds to finance new projects. The supply of savings has been adequate since the recovery began in 1975; but as the expansion proceeds and pressure on capacity builds, the increased cash flow would be an important source of finance for new investment. The tax cut would also have a beneficial effect on expectations in the business community, possibly yielding further gains in investment spending. The President is also renewing several previous recommendations to improve business profitability: a program of accelerated depreciation for newly installed plant and equipment in areas of high unemployment; the partial integration of corporate and personal income taxes over a period of years, beginning in 1978, to offset the double tax on corporate earnings; and permanent extensions of the 10 percent investment tax credit, the 20 percent tax on the first \$25,000 of corporate income, and the \$50,000 corporate surtax exemption.

As noted in the 1963 *Economic Report of the President*, at a time when there was a similar concern that stagnating investment could damage the prospects for long-term growth:

. . . it is essential to our employment and growth objectives . . . that we stimulate more rapid expansion and modernization of America's productive facilities. . . . Investment in private plant and equipment is a principal source of long-term gains in productivity. . . . A high rate of investment is needed to equip our growing labor force with better and more modern equipment. . . . The investment needed to gain our growth objectives will be achieved only if we eliminate economic slack—only if we strengthen demand and broaden incentives to take risks.

The tax program outlined in this *Report* is designed to achieve these same objectives in 1977 and beyond. If business confidence does not improve and if investment does not begin to grow rapidly, additional stimulative measures for investment should be considered in the future.

## MONETARY POLICY

The Federal Reserve Board has projected growth ranges for the three major money supply measures through the third quarter of 1977. Barring unforeseen changes in financial conditions, monetary growth within these ranges should be sufficient to finance continued economic expansion without risking a resurgence of inflation. However, the unusual uncertainties which have recently clouded the relationship between monetary growth—especially  $M_1$  growth—and nominal GNP will require special caution and adaptability in setting, and revising if necessary, the growth ranges in the near future.

The specific ranges which have been set for the year ending in the third quarter of 1977 are  $4\frac{1}{2}$  to  $6\frac{1}{2}$  percent for  $M_1$ ,  $7\frac{1}{2}$  to 10 percent for  $M_2$ , and 9 to  $11\frac{1}{2}$  percent for  $M_3$ . The projected ranges for  $M_1$  reflect a projected structural shift in the growth of demand for this aggregate. The Federal Reserve has estimated that a number of regulatory and technological changes encouraging the use of alternatives to demand deposits for transactions will reduce the demand for  $M_1$  in 1977. Quantitatively the most significant of these changes appear to be regulations permitting the use of savings deposits by businesses and State and local governments, the growing use of negotiable orders of withdrawal (NOW) savings accounts, which can provide the equivalent of checking services, and the use of telephonic transfers of funds from savings to checking accounts.

To the extent that these developments will continue to reduce the growth of demand for  $M_1$  in 1977 the announced ranges for  $M_1$  growth are consistent with a monetary policy that will encourage a stable economic recovery. If the effects of these changes are forecast correctly, then a sustained growth of  $M_1$  beyond the new upper boundary would be more than is needed to finance the recovery, and hence it might overstimulate the economy and carry a risk of renewed inflation. However, if these structural changes cease to have this expected negative effect on  $M_1$  demand, then a reconsideration of the ranges would be necessary to ensure that the growth in  $M_1$  is consistent with a continuation of the recovery. In interpreting the impact of these structural changes it is important to recognize that a further slowdown in the economic recovery could be a direct cause of slower  $M_1$  growth. If so, it would be inappropriate to adjust the growth range downward. A sustained rather than a reduced  $M_1$  growth would be an important stabilizing influence, offsetting the weakness in aggregate demand. Because the current forecast of the structural change in  $M_1$  demand is necessarily imprecise, financial developments must be closely monitored to determine the underlying causes of observed monetary growth trends.

This is not to say that the current uncertainties in the demand for  $M_1$  suggest an abandonment of monetary growth ranges in favor of market interest rates or other money market indicators. The ranges directly act to dampen inflationary expectations by indicating a commitment to a monetary policy consistent with long-run price stability. Moreover interest rates

alone cannot serve as a guide to monetary policy, especially during periods of high and variable inflation rates. A monetary policy which attempts to hold market interest rates steady for too long would be destabilizing. In the face of an unanticipated and excessive economic boom, such a policy would result in a rapid monetary expansion which would reinforce the boom and prevent the moderating effect of a rise in interest rates. On the other hand, if an unnoticed fall in inflationary expectations developed, a policy which stabilizes market interest rates would effectively raise real rates and be contractionary. Properly interpreted, however, interest rates as well as other economic variables, such as business investment, should be useful in projecting and revising the monetary growth ranges. Because a strong growth in the capital stock is crucial both for the near-term economic expansion and for the long-run sustainability of income growth, policy must be flexible enough to minimize the risk of not providing sufficient credit for long-term productive investment.

The upper boundary for  $M_2$  and  $M_3$  growth has been increased by one-half of 1 percentage point since the previous Federal Reserve growth projection (Table 2), and this may provide some additional flexibility. One of

TABLE 2.—*Projected growth rates of monetary aggregates, 1977*

Period	$M_1$	$M_2$	$M_3$
Range of percent change from a year earlier <sup>1</sup> :			
1977: I.....	4½-7	7½-10	9-12
II.....	4½-7	7½-9½	9-11
III.....	4½-6½	7½-10	9-11½

<sup>1</sup> Range of percent changes in  $M_1$ ,  $M_2$ , and  $M_3$  forecast by Federal Reserve for the period.

Note.— $M_1$  is currency plus demand deposits;  $M_2$  is  $M_1$  plus time deposits at commercial banks other than large negotiable certificates of deposit; and  $M_3$  is  $M_2$  plus deposits at nonbank thrift institutions.

Source: Board of Governors of the Federal Reserve System.

the serious problems facing the monetary authorities is the choice of an appropriate measure of the money supply. Theoretical or empirical evidence does not indicate the clear superiority of any one of the measures, and at times they give conflicting indications. Throughout much of 1976,  $M_1$  growth was near the lower boundary of its range and  $M_2$  growth near the upper boundary. Until there is a reversal of these diverse patterns, the increase in the upper boundary for  $M_2$  may permit a slightly faster growth of both aggregates if this is necessary to finance the recovery.

Our forecast for nominal GNP growth for the year ending in the third quarter of 1977 is about 11 percent. Along with these projected monetary growth ranges it implies that the velocity of  $M_1$ —the ratio of GNP to  $M_1$ —will increase by 4½ to 6½ percent. For the 4 quarters of 1976,  $M_1$  velocity growth was 4.5 percent. Thus even if  $M_1$  grows near the upper boundary of its range, velocity growth in 1977 will be about the same as in 1976. Some reduction in velocity growth normally occurs in the advanced stages of economic recoveries, especially during periods of slower economic growth

like the latter part of 1976. The 4½ percent velocity growth of  $M_1$  is unusually large and presupposes a continued structural shift in  $M_1$  demand. The projections also imply that the velocity of  $M_2$  will increase by 1 to 3½ percent over the year ending in the third quarter of 1977. This compares with a decline in  $M_2$  velocity over the 4 quarters of 1976. Given our GNP forecasts, velocity gains closer to the larger of the above estimates—6½ and 3½ percent for  $M_1$  and  $M_2$  velocity respectively—would be unusual under any circumstances, and could generate a substantial increase in interest rates, unless the shift in money demand is even larger than last year.

For the longer run, fiscal policy will have to absorb proportionately more of the burden of restraint than monetary policy, if we are to meet our capital growth needs. In 1975 the Federal deficit absorbed 40 percent of the net funds raised in U.S. credit markets, and although the proportion was reduced to 30 percent in the first 3 quarters of 1976 it is not expected to be reduced further in 1977. This has not yet constrained private finance because overall credit needs have been low. As the borrowing requirements for private investment grow in the years ahead, however, fiscal stimulus will have to be lessened in order to release funds to meet these needs. Smaller Federal deficits, and eventually surpluses, will permit a less restrictive monetary policy with easier conditions in the credit market. In the years ahead aggregate demand management must rely less on consumption-oriented fiscal policy for stimulus, in order that monetary policy, which generally has a disproportionate effect on investment, is not forced to take all the burden of restraining inflationary forces.

## ENERGY POLICY

Assurance of sufficient supplies of energy resources will be required to sustain a steady economic expansion. To promote this end the President has recommended an energy program which stresses expanded domestic energy production and increased utilization of our most abundant resources, particularly coal. The key feature of this program is the phased elimination of controls on prices of natural gas and oil. While such a change would entail higher prices for these products in the near term, it would help to ensure that the U.S. economy is less vulnerable to sudden changes in the availability and cost of imported resources in coming years. Moreover the most efficient production and allocation of the economy's resources, which would be encouraged by decontrol, would increase our aggregate supply capabilities and reduce inflationary pressures in the longer run.

Higher prices for oil and natural gas in the short run would reduce the relative share of imported oil and gas in total energy consumption. The higher prices would also tend to shift fuel use away from oil and natural gas in favor of coal, and this would further moderate the economic impact of price increases by the Organization of Petroleum Exporting Countries (OPEC). The phased elimination of price controls on natural gas would help remove the risk that a period of severe cold weather could disrupt the

economic recovery by forcing a random, unscheduled closing of factories owing to curtailment of supplies. Such forced closing did not cause significant disruptions in 1974 and 1975, when there was excess capacity; but as utilization rates increase during the next 2 years the risk of shortages in manufacturing capacity could become more serious with resulting inflationary pressures.

The President has also proposed measures to encourage the use of nuclear power. If they succeed, they will further reduce our dependence on imported oil and natural gas. Increased funds for general energy development have also been proposed. While these may contribute little in the near future, in the longer run the benefits to our energy supply capabilities could be substantial.

These actions would ease and hasten the adjustment of the economy to the new energy situation, and they would help to ensure more stable and reliable energy supplies for the future. The OPEC pricing decisions of December were a forceful reminder of the Nation's growing need for protection against foreign moves that affect the price and availability of imported oil. The proposed measures mean somewhat larger increases in domestic energy prices in the near term, and they would combine with the upward adjustments of U.S. petroleum prices under the Energy Policy and Conservation Act and the long overdue upward adjustments in natural gas prices under the Federal Power Commission (FPC) decisions of 1976. Taken together, however, these energy price increases would not be great enough to exert a significant restraining influence upon the expansion.

## THE OUTLOOK

The main elements of continued economic growth in the United States are well established, despite the slowdown which occurred in the second half of 1976. With the assistance of the monetary and fiscal policies discussed above, and with continued strength in the private sector, real GNP is expected to rise by 5 to 5½ percent from 1976 to 1977, and its annual growth rate is expected to average between 5½ and 6 percent over the 4 quarters of 1977. This will permit a further expansion of employment and bring the rate of unemployment down to nearly 7 percent by year's end. At the same time, because the recovery over the past 2 years has avoided the excesses in public and private demand which characterized the previous upturn, the rate of inflation is not expected to rise above the 5 to 6 percent range.

With a much smaller expected rise in inventory investment compared to earlier stages of this recovery, the expansion in 1977 will require a strong growth in final demand. The expected recovery of business fixed investment will be an essential component of this demand. The proposed reduction in personal income taxes, which will stimulate a higher rate of real consumption growth, as well as the reduced corporate tax rate will help to encourage such an investment recovery. A continued strengthening of residential investment is also expected to boost the rate of growth in final sales in 1977.

## PRIVATE CONSUMPTION

The growth of real disposable income slowed in the latter half of 1976 but is expected to reaccelerate in 1977 as a result of strong employment growth, the reduction in personal taxes, and moderate increases in consumer prices. Because of the slower growth in real disposable income in the latter half of 1976, the saving rate had fallen to 6 percent in the last quarter. This rate should rise in early 1977 with the start of the personal tax reductions, but for the year as a whole the saving rate is not expected to be appreciably different from the 1976 average of  $6\frac{2}{3}$  percent. Real consumption growth for 1977 should therefore approximate the 4 to 5 percent rate expected for real disposable income.

The growth in consumer spending in 1977 is expected to be most pronounced in the durable goods categories. The combination of a return to strong and steady real income gains and lower layoff rates should continue to restore the confidence which is essential for accelerated growth in real expenditures on durable goods. The year-over-year growth in real purchases of motor vehicles and parts is expected to be about 7–8 percent. This figure is down substantially from the 23 percent growth in 1976 but still represents an important contribution to a continued economic expansion. Another major factor bolstering spending will be the strong growth in housing completions in 1977, which should stimulate furniture and appliance sales.

## NONRESIDENTIAL FIXED INVESTMENT

The growth of nonresidential fixed investment in 1976, especially in the latter part of the year, was low for this stage of recovery, and by the end of the year the real level was still well below the 1973–74 peak. With the expected increase in sales growth, and with the reduction in the corporate tax rate which will begin to affect investment later this year, real business fixed investment is expected to increase by approximately 9 percent in 1977. The projected rate of investment will provide sufficient capacity for the year ahead, but the share of investment in GNP will almost certainly remain below the average of the late 1960s.

Recent surveys of investment anticipation have indicated that current dollar expenditures in business fixed investment should increase by 11 to 13 percent in 1977. Surveys often underestimate actual new investment in periods of expansion, however, and the recent surveys may not have taken full account of the effects of the proposed cut in taxes in 1977. An increase of about 15 percent therefore seems quite possible.

Investment growth in 1977 is likely to be strongest in durable manufacturing, particularly in the automobile sector. Plant and equipment modifications for producing lighter small and intermediate-sized cars as well as for general modernization appear to be the underlying factors here. Other sectors where new investment should grow rapidly are nonelectrical

machinery and ferrous and nonferrous metals. Investment growth in non-durable manufacturing, except for petroleum refining, and in the commercial sector is expected to be comparatively weak. The sluggishness in the construction of commercial and office buildings should persist through 1977 owing to overbuilding earlier in the decade.

#### HOUSING STARTS AND RESIDENTIAL INVESTMENT

The housing recovery, which accelerated in the third and fourth quarters of last year, should continue in 1977 and be an important factor in the growth of final demand. Total housing starts are expected to average between 1.7 and 1.8 million units this year with approximately 1.3 million single-unit starts. Since this represents a significant increase over last year, and because last year's increase was concentrated in the second half of the year, real investment in residential construction is expected to rise by 15 percent in 1977. The major sources of strength for housing in 1977 will be continued growth of real disposable income, continued strong flows of funds for mortgage credit, slightly lower mortgage rates, and some stimulus from programs of the U.S. Department of Housing and Urban Development (HUD).

An important influence on residential construction is the availability and cost of long-term funds for mortgages. Short-term interest rates have declined during the recovery and savings flows to thrift institutions are likely to remain strong, making funds for mortgages readily available. Moreover the decline in secondary-market mortgage rates in the latter half of 1976 has begun to bring primary-market mortgage rates down slightly.

Until the latter half of 1976 the recovery in multifamily housing had been relatively weak. Overbuilding in 1972 and 1973 and continued low profitability on rental housing had evidently been restraining the construction of multiple-dwelling units. Vacancy rates for rental housing have finally dropped, however, and are now below the 6 percent average of 1975. These factors, coupled with the HUD Section 8 lower income housing assistance program and the \$5 billion in Government National Mortgage Association (GNMA) loan commitments during 1976, should support the recent recovery in the multifamily sector.

#### INVENTORY INVESTMENT

The dramatic \$21-billion shift from real inventory liquidation in 1975 to positive accumulation in 1976 was a major reason for the high rate of GNP growth last year. This year we expect continued growth in inventory investment as demand advances, but the growth will be slower than last year. In real terms, inventory investment should increase only by about \$2 to \$4 billion from 1976 to 1977. In view of some apparently undesired inventory buildup last year, as well as uncertainty about the outlook for 1977, businesses can be expected to proceed cautiously in building new stocks.

## NET EXPORTS

In real terms net exports of goods and services are expected to be slightly lower in 1977 than in 1976. While the change in real net exports is likely to be small, the composition of the growth in merchandise exports is expected to be very different from that in 1976.

During 1977, growth in merchandise exports is expected to be concentrated in the industrial and capital goods categories, with agricultural exports slightly below their 1976 level. This change in the composition of exports contrasts with that of last year, when rising agricultural exports were an important factor. Because exports of industrial and capital goods have a larger effect on employment than agricultural exports do, the overall economic effects of this shift could be substantial.

Developments on the import side are likely to be dominated by oil imports. Because of a large oil inventory buildup late in 1976 in anticipation of a price rise, imports early in 1977 are expected to be relatively low. By mid-year they should return to normal levels but should begin to decline again in the fourth quarter when we project Alaskan oil to become available. The volume of nonfuel imports is expected to rise fairly smoothly and gradually throughout the year.

## GOVERNMENT PURCHASES

Government purchases are expected to increase rapidly in 1977 following a year of sluggish growth. Total government purchases of goods and services are projected to rise by about 3½ percent in real terms, with Federal spending growing somewhat faster and State and local purchases somewhat slower than the overall rate. In current dollar terms the President's budget projects that Federal purchases will rise approximately 12 percent in calendar 1977.

At the State and local level the overall fiscal outlook for 1977 is significantly better than it has been for the last 2 or 3 years. State and local tax receipts should increase in line with nominal income by some 11 percent. Federal grants-in-aid—which now account for nearly 25 percent of State and local receipts—are also expected to grow substantially from 1976 to 1977. A significant portion of the increase will be for public service jobs, accelerated public works, and other antirecession assistance. In addition, general revenue sharing has been extended for 4 years at about a \$7-billion annual rate. Thus total State and local government receipts should rise by about 11 percent. Allowing for a temporary increase in surpluses in their operating accounts (which exclude receipts and expenditures from social insurance funds) an 8 to 9 percent rate of growth in current dollar purchases in 1977 appears likely. If the inflation rate averages about 6 percent, the real growth would be between 2 and 3 percent. Indeed, in view of the unusually small increase in expenditures in 1976, one could reasonably

argue that some extra catching up may take place this year, with real growth reaching the 3 to 4 percent range. On the other hand, the conservative spending behavior from 1976 may carry over into 1977, in which case real growth could fall below 2 percent.

Looking beyond 1977, the impetus for continued rapid expansion of State and local purchases is diminishing for several reasons. The growth in the school-age population has slowed notably, thus reducing the need to build new schools and hire more teachers. Moreover salaries of State and local workers have now caught up with those in the private sector. Wages and salaries account for more than half of total State and local purchases, and a major reason for the rapid growth of this sector in recent years was the drive for salary comparability. Now that parity has been achieved, it is unlikely that the rise in State and local government wage rates will diverge significantly from the economy-wide trend in wages. Finally, there appears to be strong sentiment among voters to curb the expansion of State and local spending.

These considerations point to more modest growth in State and local real expenditures in the years ahead; and, if inflation rates do not increase, nominal expenditures should grow at a rate less than the 12 percent average between 1965 and 1975. With sustained revenue growth, States and localities, taken as a whole, are therefore expected to accumulate rising surpluses. It is quite possible that those governments with positive operating surpluses will want to maintain them during the expansion to avoid the possibility of further tax increases or expenditure cuts during periods of weaker economic growth. But in the long run there is little reason for these surpluses to rise strongly, and opportunities may exist in certain jurisdictions to lower taxes.

The one cautionary note to add to this optimistic longer-term outlook concerns the funding of State and local retirement plans. These plans have become an important part of the total compensation package of State and local employees, and benefits are now paid to over 1.7 million individuals. Benefits have also become exceptionally large in recent years because they are not subject to a current budget constraint or debt limitation. Most State and local pension funds are not fully funded, which means that the assets held by the funds are not sufficient to cover the present value of all promised benefits. Consequently there is growing concern that some of these funds—particularly in large cities with a deteriorating economic base—will eventually become insolvent as current contributions fail to keep up with benefits. This has already led to legal action by current and prospective beneficiaries asking that States and localities fund their retirement plans on a more current basis. At least one of these suits (in Philadelphia) has been upheld and an additional contribution has been ordered. To the extent that there is a general move toward current funding, State and local expenditures will have to rise, as will the taxes to finance them. These will be budgetary increases that do not result in a higher level of current services.

## LABOR FORCE AND UNEMPLOYMENT

It is expected that the civilian labor force will grow at about 2.5 percent in 1977 compared with the 2.3 percent average annual rate of growth for the last decade. The upward trend in the rate of labor force participation by women should continue and the proportion of young persons in the working-age population should increase. The trend toward earlier retirement, however, is also expected to continue. With real GNP expected to grow by 5 to 5½ percent in 1977, a decline in the average unemployment rate for the year of a little more than one-half a percentage point would be considered normal. If labor force growth is somewhat higher, however, a slightly smaller decline is possible. By the end of the year the unemployment rate is expected to be near 7 percent.

## INFLATION

The inflation outlook in 1977 should be heavily influenced by the behavior of production costs, since the economy is still some distance from the point where aggregate demand would begin exerting generalized pressure on capacity. Given the cost increases expected in 1977 and the projected growth in demand, the rate of inflation is expected to remain in the 5 to 6 percent range. To the extent that the nonrecurrent changes in food and energy prices during 1976 brought measured inflation rates below the underlying rates, the forecast for 1977 represents a moderate slowing of the rate of inflation. To some degree this slowing is a reflection of the excess supply which still exists in many sectors of the economy.

Compensation per hour is expected to increase by about 7½ percent, slightly below the 8 percent increase in 1976. However, productivity increases are expected to be smaller than in 1976. In the very short run, productivity shifts are reflected primarily in profit changes. In the longer run, however, income shares tend to remain relatively constant. With most of the cyclical gains in labor productivity probably already realized, the productivity growth rate is expected to be in the 2½ to 3 percent range this year. As a result, unit labor costs in the private sector should rise by about 5 percent. Additional improvement in the inflation rate will probably require a further slowdown in nominal compensation growth. The price of food—often an erratic component of the total inflation picture—is expected to increase only modestly in 1977 because of adequate supplies of most farm products. The rate of increase in energy prices will continue to converge toward the overall inflation rate in 1977.

1. *Wages.* The decline in the rate of inflation since late 1974 has had a moderating effect on the rate of increase in nominal wage demands. This source of moderation is fragile, however, since fears of a renewed inflationary spiral and of wage and price guidelines or controls could generate anticipatory wage increases. But assuming that inflationary expectations do not increase and that the overall rate of inflation is about 5½ percent, the rate of

increase in nominal wages in 1977 should be about 7 percent. The translation of wage rate increases into compensation per hour depends on inter-industry shifts in employment, changes in the relative proportion of wage to salary workers, increases in private fringe benefits, and increases in publicly mandated supplements to wages. As noted above, it is estimated that total compensation per hour of work in the private sector will rise about 7½ percent in 1977.

Although nearly one-fourth of all civilian workers are members of labor unions, only about 10 million, or 11 percent of total employees, are under major contracts covering 1,000 or more workers. Some believe, however, that wage settlements in these sectors have a disproportionate impact on overall wage developments because of a demonstration effect. Consequently, in forecasting wages it is useful to examine the collective bargaining schedule for the year ahead.

The major collective bargaining contracts that expire this year or are subject to wage renegotiation cover nearly 5 million workers (Table 3). This year will be the second consecutive year of heavy collective bargaining in the 3-year cycle. The average duration of contracts expiring in 1977 is 33 months. Thus most of these contracts were negotiated in 1974 or later, after the end of the Economic Stabilization Program and during a period of high inflation. The latter led to an expansion of coverage under cost-of-living adjustments (COLA) and high first-year wage increases. Hence some of the factors that

TABLE 3.—Calendar of major private nonfarm collective bargaining activity, 1977

Period	Principal industry	Contract expirations		Scheduled wage reopenings	
		Number	Workers covered (thousands)	Number	Workers covered (thousands)
All years.....		2,253	9,984	69	261
1977: Total.....		1,033	4,721	46	172
January.....	Petroleum refining.....	63	150	3	9
February.....	Food stores.....	37	116		
March.....	Construction, food stores.....	89	297	8	24
April.....	Construction.....	145	333	6	22
May.....	Apparel, construction, lumber.....	138	509	9	22
June.....	Construction, utilities.....	143	529	6	52
July.....	Construction, mining.....	61	159	3	12
August.....	Communications, steel.....	133	1,381	1	4
September.....	Maritime, food stores.....	70	204	4	20
October.....	Transportation equipment.....	71	260	1	2
November.....	do.....	24	68	2	2
December.....	Railroads, mining.....	59	716	3	4
1978 and beyond.....		884	3,560	23	89
Year unknown or in negotiation <sup>1</sup> .....		336	1,703		

<sup>1</sup> Bargaining units for which necessary information was not available include 212 agreements which expired prior to October 1976 (when these data were tabulated) covering 1,311,400 workers and 124 contracts which expired between October 1 and December 31, 1976, covering 391,300 workers.

Note.—Major agreements are those covering 1,000 or more workers. Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

led to large first-year catchup increases in 1976 (for example the absence of the COLA provision or a limit to it, as in the United Rubber Workers and Teamsters contracts) will be less significant in 1977. For example, two-thirds of the workers covered by contracts expiring in 1977 are already under cost-of-living adjustments and thus have been well protected from the effects of inflation in the past 3 years. The only major contract expiring in 1977 in which there has been a cap on the COLA is in the railroad industry.

The effective wage rate change that is likely to occur in 1977 for all persons covered by major collective bargaining agreements may be projected on the basis of current contract information. Wages change because of scheduled or deferred increases written into previous contracts, automatic cost-of-living adjustments, and first-year or currently negotiated wage increases. A tabulation of deferred wage increases, excluding COLA, scheduled for the 5 million workers in the second and third years of their contracts shows an average increase of  $5\frac{1}{2}$  percent for 1977, compared with 6 percent for such agreements in 1976. This implies a contribution of  $2\frac{1}{2}$  to 3 percentage points to the expected wage rate increase in 1977 for all workers covered by major collective bargaining agreements. Cost-of-living adjustments are expected to add another 1 percent, while first-year settlements are likely to be in the neighborhood of 8 percent. The effective wage rate increase in 1977 for workers covered by major collective bargaining agreements is thus expected to be about  $7\frac{1}{2}$  percent. Increases of this magnitude are consistent with our projected overall growth in compensation.

2. *Food prices.* Food prices are not expected to be a source of inflationary pressure in 1977. Though errors in forecasting food prices are large, one may expect the consumer price of food relative to nonfood items to fall as it did in 1976. Commodity futures prices on organized exchanges are consistent with a food component of the consumer price index (CPI) about 3 percent higher in 1977 than a year earlier, about the same increase as in 1976. This projection is roughly in line with forecasts by the U.S. Department of Agriculture. While futures prices are often inaccurate predictors, they do incorporate all the currently available information and therefore provide a useful point of reference for next year's outlook for wholesale food prices.

There are important uncertainties in the outlook for food prices. Meat prices were primarily responsible for the stability of consumer food prices in 1976. However, the supply conditions that led to lower meat prices last year are unlikely to persist throughout 1977, particularly for beef. Exactly when and how much prices for all meats will be affected is not yet clear for several reasons. First, it is uncertain how long farmers will go on reducing cattle inventories. Marketing of breeding stock could continue to sustain total beef production. Second, continued large supplies of pork and poultry will dampen upward pressure on the overall price of meat. Ample pork and poultry production seems assured through the first half of 1977, although low prices could cause this supply to taper off later in the year. Third, the

marketing margin—costs added to meat prices between the farm and retail markets—is difficult to forecast for 1977. It rose sharply in 1976, especially for pork, as larger supplies increased the demand for marketing services. If supplies begin to slacken, the reduced demand for marketing services could substantially lower the rate of increase in these margins. Thus, while cattle prices above the 1976 average are expected in 1977, the ultimate effect on retail meat prices should be tempered by lower prices for hogs and poultry than in 1976 and by slower growth in marketing margins.

Prices of fresh fruits and vegetables are even more difficult to forecast than those for meat, but they also carry less weight in the CPI. Generally, supplies of fruits and vegetables for processing should be sufficient to limit the risk of sharp price increases. Coffee prices should continue to be high. Cereal products are unlikely to be subject to significant upward price pressures in 1977 because of ample stocks of the principal food grains: wheat and rice. Milk production is expected to continue at high levels, creating the possibility of some weakness in prices. Because of low stocks of the major feed grains and oilseeds for feed, production of dairy and other livestock products late in the year will be sensitive to harvests of 1977 feed and forage crops. Current soil moisture reserve conditions in the upper Midwest are unfavorable; hence 1977 crop prospects will depend more than usual on adequate spring and summer precipitation.

3. *Energy prices.* During the period from 1974 to 1976, wholesale and retail prices of fuel and related products rose on average at rates in excess of the increase in overall consumer and wholesale prices. In 1976, however, these rates of growth began to converge and this movement should continue in 1977; prices of consumer energy products are expected to increase between 6 and 7 percent during the year. The recently announced increase in the price of petroleum exports imposed by members of OPEC does not alter this conclusion. The higher price of imported oil is expected to add about 1 cent per gallon to the price of domestic petroleum products, and to result in a 2 to 3 percent increase in the consumer price index for gasoline and distillate fuel oil.

Consumer and wholesale prices of natural gas contributed most to the increase in the wholesale and consumer price indexes of fuel and power during 1975 and 1976, largely owing to increases in the price of imported natural gas, primarily from Canada, and to regulatory actions by the Federal Power Commission. This trend will continue in 1977 as a result of recent decisions which permit higher prices to be charged for supplies of natural gas flowing from new domestic wells. In addition, in July 1976 the FPC raised the ceiling price for gas supplies introduced into interstate commerce during 1975 and 1976. These actions will undoubtedly lead to continued large increases in wholesale and consumer prices for natural gas in the near term. In the longer run, it is hoped that higher prices will bring forth additional supplies of natural gas which will tend to moderate future price increases.

Consumer prices of fuels during 1977 will probably not be affected by the removal of price controls on petroleum products. Controls were removed from distillate and residual fuel oils in mid-1976 without a noticeable impact on inflation. The supply of gasoline appears to be more than adequate to satisfy projected demand at prevailing prices, so that the removal of price controls from gasoline would not have adverse inflationary consequences.

## PRODUCTIVITY GROWTH AND RESOURCE UTILIZATION

In designing economic policy to cope with cyclical fluctuations in economic activity, it is important not to overlook the longer-term issue of growth. In the past 25 years more than two-thirds of the increase in real national output has been generated by increases in average labor productivity, or output per labor-hour. Over the past decade, however, productivity growth has shown a marked decline, even after adjusting for cyclical effects. Since 1966 the trend rate of growth in measured output per labor-hour has decreased by about one-third from the rate attained in the 1950s and early 1960s. If productivity gains continue to be small, real wages will continue to grow more slowly than in the 1950-65 period.

### THE PRODUCTIVITY SLOWDOWN, 1966-76

Productivity growth in the private sector averaged 3.3 percent per year between 1948 and 1966, almost 1 percentage point above the 1929-75 average. Between 1966 and 1973, however, the private productivity growth rate was only 2.1 percent per year, below the long-run trend. This slower advance may have contributed to increased inflationary pressures and may have led to lower growth in real wages.

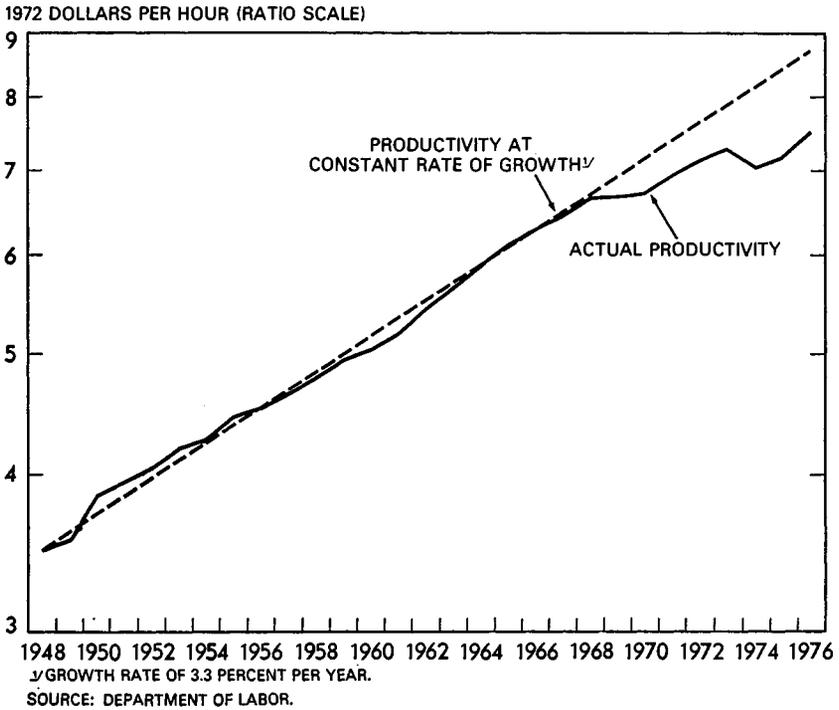
As shown in Chart 3 the reduction in private productivity growth is striking. While part of this poor performance can be attributed to the recent recession, the falloff in productivity was evident even before 1974. Slower growth in capital per worker, a larger proportion of less experienced workers in the labor force, and the changing industrial composition of labor input have all contributed to this slowdown. Higher relative energy prices and slower technical progress may also have played a part. However, the reasons for the slowdown are not fully understood at this time because the decline in productivity growth appears to be larger than the sum of the estimated effects of these factors.

#### *Growth of Capital and Labor*

One important source of productivity growth is the increase in the amount of capital per hour of labor input. Between 1948 and 1966 capital per labor-hour in the private sector grew by about 3.1 percent per year; during the 1966-73 period this growth rate fell to 2.8 percent per year. Since 1973 the growth of capital per labor-hour has apparently fallen to 1.7 percent,

Chart 3

## Productivity in the Private Business Economy



after adjustment for cyclical factors. The decrease can be attributed to a faster rate of growth of labor input not matched by corresponding increases in the capital stock. The larger growth in the labor force since the mid-sixties has been a result of the postwar baby boom and of an increased percentage of women in the work force. Although the average growth rate of fixed nonresidential capital in 1966-73 was higher than the average growth rate for 1948-66, the effective growth rate of capacity may well have increased less because of higher obsolescence rates and increased expenditures on pollution abatement and safety equipment. While both types of investment contribute to our well-being they do not in general increase our capacity to produce measured output. Estimates of the contribution of increases in the capital-labor ratio to productivity growth are very sensitive to the measure of capital stock used; our analysis suggests that perhaps one-tenth to one-third of the productivity slowdown since 1966 can be explained by slower growth in effective capital per labor-hour.

### *Composition of the Labor Force*

In the last decade the proportion of the labor force made up of teenagers and young adults has been rising. Workers in these groups tend to be less productive to the extent that they have less experience and training than

other workers. Productivity is measured by output per labor-hour, and these labor-hours do not reflect differences in training and experience. Early retirement has also reduced the proportion of experienced workers. Thus lower productivity growth is a natural consequence of a fall in the average work experience of those in the labor force. Changes in the age-sex composition of the labor force can explain more than 0.1 percentage point (or about 10 percent) of the productivity growth differential between 1948-66 and 1966-73.

Median educational attainment in the labor force has also increased more slowly in the past decade than it did in the previous 10 years. In many age and sex categories of workers there has been a slight slowdown in the rate of increase in years of schooling. It is, however, unlikely that this small change had a significant effect on average productivity.

#### *Employment Shifts Between Sectors in the Economy*

Changes in the industrial composition of employment have also been a factor in lowering average productivity growth. Before 1970 the shift of workers out of agriculture contributed to growth in productivity. Even though the rate of growth of productivity in agriculture was high, the average level of productivity was below the general average, and the movement of workers from agriculture to other sectors increased aggregate productivity. Since the late 1960s this shift out of agriculture has slowed, and productivity growth from this source has been much reduced. Almost one-third of the difference between the trend rate of private productivity growth in 1948-66 and 1966-73 can be attributed to the higher rate of reduction in agricultural employment in the earlier period.

A higher rate of increase in the number of workers in the low-productivity service sector has also been a factor in the slowdown in productivity growth. However, the effect of shifts in employment in the private nonfarm sector are much smaller than the effect of the movement of workers out of agriculture.

To some extent shifts in employment between sectors and changes in the amount of capital per labor-hour measure the same thing and thus represent double counting of changes in the capital-labor ratio. Low-productivity sectors may be less capital intensive, and therefore a shift in employment toward low-productivity sectors can be accompanied by a decrease in the growth of capital per worker. There are also independent effects, however, since capital per worker can change within each sector.

#### *Other Factors Affecting Productivity*

Productivity growth that is not caused by increases in capital per labor-hour or changes in the composition of the labor force is attributed to a catch-all residual category. Measurement errors of many kinds comprise part of the residual, but most of it is probably traceable to various forms of technical progress, such as improvements in the quality of capital and new techniques for combining inputs to increase production.

While allocation of resources to research and development should generate technical progress and increase residual productivity growth, the quantitative relation between productivity and research is not well documented. Even though a close causal relation between aggregate research and development expenditures and residual productivity growth cannot be proved, such expenditures and their share of total output give some indication of probable productivity growth in the future. Research and development expenditures, which grew rapidly from 1955 to 1969, have fallen in real terms since 1970. The share of research and development in GNP reached a peak of 3.0 percent in 1964 and fell to 2.3 percent in 1975.

Although changes in labor force composition and slower growth in fixed capital per worker have been a partial cause of the productivity slowdown in the last decade, much of it must be attributed to other factors. Significantly greater productivity may be generated by the technical improvements incorporated in new capital equipment, a consideration which would increase the impact of the slowdown in the growth of the capital-labor ratio. However, it seems unlikely that the effect of this "embodied" technical progress could explain most of the large difference in residual productivity growth before and after 1966.

Since the productivity slowdown coincides with the entrance into the labor market of those born during the post-World War II baby boom, the slowdown in productivity may be in part a consequence of the time required to adjust to changes in relative factor proportions. If so, productivity growth similar to that in 1966-76 may continue through 1980, since the labor force is projected to grow at relatively high rates until that time. After 1980 the growth rate of the working-age population will decline, and the labor force will expand more slowly unless the slower population growth is offset by increases in the proportion of the population in the labor force.

#### THE FULL-EMPLOYMENT UNEMPLOYMENT RATE

Assessing long-run trends in economic growth requires a standard to measure labor resource utilization. Although an explicit definition is difficult, the full-employment unemployment rate is generally understood to mean the lowest rate of unemployment attainable, under the existing institutional structure, that will not result in accelerated inflation. Given the inexact relation between changes in the rate of inflation and the rate of unemployment, estimates are necessarily imprecise, but in the early 1960s the Council of Economic Advisers selected 4 percent as an estimate of the full-employment unemployment rate in the economic circumstances existing at that time. This estimate referred to the overall measure of unemployment as a percentage of the civilian labor force and was based on an examination of economic conditions in the mid-1950s when the overall unemployment rate fluctuated around 4 percent. During the 20 years since then a number of relevant changes have occurred which give reason to believe that the full-employment unemployment rate equivalent to 4 percent in the mid-1950s has increased.

Since the mid-1950s a dramatic change in the composition of the labor force has apparently led to an increase in the movement of workers in and out of the labor force. High rates of labor force turnover generally increase measured unemployment, since first entry and reentry into the labor force generally involve a period of job search and are counted as unemployment in the labor force statistics. Hence for approximately the same tightness in the labor market, the measured unemployment rate will be higher if a larger proportion of job seekers are persons formerly outside the labor force.

Data on reasons for unemployment indicate that the high rates of labor force entry and reentry account for most of the higher unemployment rates among youths compared with adults, and that the unemployment rates for job losers and job leavers differ very little among demographic groups (Table 4). Youths are far more likely than adults to combine work in the labor market with some other activity such as schooling or work at home. Students move in and out of the labor force in search of part-time and full-time employment during the school recess, and during the school term many search for part-time employment. A rising proportion of youths in the labor force would therefore be associated with a rising proportion of new entrants and reentrants—and hence, other things being equal, with a rise in the unemployment rate. Since the mid-1950s teenagers and young adults have, in fact, constituted an increasing proportion of the labor force, from 15 percent in 1955 to 24 percent in 1976, because of the postwar baby boom that has increased the proportion of youths in the working-age population, and because of a rise in the labor force participation rate of students.

TABLE 4.—*Civilian unemployment rates by age, sex, and reason for unemployment, 1973*

[Percent]

Age and sex	All civilian workers <sup>1</sup>	Job losers and job leavers <sup>2</sup>
25 years and over:		
Men.....	2.5	2.0
Women.....	4.0	2.3
16-24 years:		
Men.....	9.9	4.9
Women.....	11.2	4.1

<sup>1</sup> Unemployment as percent of civilian labor force in group specified.

<sup>2</sup> Unemployment as percent of civilian labor force excluding new entrants and reentrants.

Sources: Department of Labor (Bureau of Labor Statistics) and Council of Economic Advisers.

The difference between the overall unemployment rate and that for subgroups of the population has widened markedly since the mid-1950s, partly because of these changing labor force proportions (Table 5). The unemployment rates for adults, experienced workers, and the long-term unemployed in 1965 and 1973, were all roughly equal to the rates in 1956, a year in which the overall rate of unemployment approximated the full-employment estimate of 4 percent. Yet for the later years the overall unemployment rate was much higher, rising to 4.5 percent in 1965 and to 4.9 percent in 1973.

TABLE 5.—*Civilian unemployment rates for selected groups, 1956, 1965, and 1973*

[Percent <sup>1</sup>]

Group	1956	1965	1973
All civilian workers.....	4.1	4.5	4.9
Experienced wage and salary workers.....	4.4	4.3	4.5
Long-term unemployed workers <sup>2</sup> .....	.8	1.0	.9
Age groups:			
25-54 years.....	3.3	3.2	3.2
55 years and over.....	3.4	3.2	2.7
16-24 years.....	8.5	10.1	10.5

<sup>1</sup> Unemployment as a percent of civilian labor force in group specified, except as noted.

<sup>2</sup> Unemployed 15 weeks or longer as percent of total civilian labor force.

Source: Department of Labor, Bureau of Labor Statistics.

The apparent secular rise in the unemployment rate for young persons relative to adults suggests that the change in the composition of the labor force does not explain all of the shift between the overall unemployment rate and the rate for adults. Direct data are not available, but some of this change in the structure of unemployment rates may be due to increased movement in and out of the labor force by youths. Among youths there has been an increase in school enrollment rates since the mid-1950s and students are more likely than other youths to alternate between working or job seeking and attending school.

There also appears to have been an increase in the measured unemployment rate for adult women relative to adult men, but because of a change in the survey the data reported after 1967 are not strictly comparable with earlier years. Moreover how greatly this survey change has affected the difference in unemployment rates between adult men and adult women is uncertain. If there has been a rise in the actual unemployment rate of adult women relative to adult men, it may be due to an increase in labor force participation for married women. Many married women leave the labor force when a child is born and return intermittently for several years. A disproportionate increase in the component of the adult female labor force in which the labor force turnover is highest would thus tend to raise the unemployment rate of adult females relative to that of adult men. Because the estimates of these developments are still uncertain, however, it is difficult to assess their influence on the overall unemployment rate.

Other developments in the past 20 years may have tended to increase the full-employment unemployment rates of all demographic groups. For example, broader coverage of unemployment compensation is likely to raise the rate of unemployment associated with a particular degree of tightness in the labor market. The most recent extension of coverage, in 1975, placed an estimated 12 million wage and salary workers under the temporary special unemployment assistance program. As a result of 1976 legislation, coverage under the regular State programs is to be extended to about 9 million of these 12 million workers. Other circumstances suggest that the financial burden of unemployment has been lessened for many families: the rise in the proportion of families with two adult earners because of the growth in

women's labor force participation; and an increase in other public transfer programs for the low-income unemployed. These factors have tended to weaken the tie between current consumption and current earnings, and they may have increased the extent of unemployment that is consistent with a full-employment economy.

Other changes may have had the opposite effect. These include the rising level of education, the relative increase in white-collar occupations, and more efficient job search because of improvements in transportation and communication. Because the reasons for differences in unemployment rates by education level are not well understood, it is not clear whether the rise in education by itself has been accompanied by a stable or a changing education-specific full-employment unemployment rate for given age and sex groups. The effects of improved labor market efficiency are also ambiguous since it is not clear whether greater efficiency in the search for jobs lessens the rate of unemployment at full employment.

There is no unique procedure for adjusting the full-employment unemployment rate for the changing demographic composition of the labor force and for the changing relationships in the unemployment rates of various demographic groups. Moreover any estimating procedure is subject to sampling variability. Using available data on labor force composition and unemployment rates, and adjusting for the increased proportion of young persons in the labor force and for the increase in their unemployment rate relative to adults, the Council of Economic Advisers has estimated that the full-employment unemployment rate equivalent to 4.0 percent in 1955 is now 4.9 percent. This estimate corresponds with the widening in the difference between the overall unemployment rate and the unemployment rate for adults observed in Table 5.

The effects of many of the other factors which are believed to influence the full-employment unemployment rate are much more difficult to quantify. Partly because of this difficulty there is considerable dispute about their relative importance, but it is likely that they have raised the full-employment unemployment rate even higher than the current estimate, perhaps closer to  $5\frac{1}{2}$  percent. The current benchmark estimates, however, incorporate only the effects for which the evidence is substantial. As further evidence becomes available—perhaps through more data on unemployed persons classified by reason for unemployment, or perhaps through observed changes in wages and prices as actual unemployment rates decline—the current estimate of the full-employment unemployment rate might be further refined.

It is important to bear in mind, however, that the full-employment unemployment rate will not remain constant. For example, as the population ages and youths represent a smaller percentage of the labor force, the full-employment unemployment rate will also tend to decline. The overall unemployment rate that represents full employment can be expected to change with time as demographic, social, and economic factors affect the rates at which workers move in and out of jobs, and in and out of the work force.

## GROWTH IN POTENTIAL OUTPUT

Potential GNP is a measure of the aggregate supply capability of the economy, or the amount of output that could be expected at full employment. More precisely, potential GNP is the output the economy could produce with the existing technology under assumed conditions of high but sustainable utilization of the factors of production—labor, capital, and natural resources. It does not represent the absolute maximum level of production that could be generated by wartime or other abnormal levels of aggregate demand, but rather that which could be expected from high utilization rates obtainable under more normal circumstances.

The significant slowdown in average productivity growth suggests that the rate of growth of potential output was lower in the past 10 years than has been previously estimated. The revision of the national income and product accounts also reduced the rate of growth of real GNP. Moreover the widespread shortages of physical capacity and the resulting inflationary pressures experienced in 1973 suggest that previous estimates of potential GNP are overstated. The Council has therefore reestimated potential GNP, taking into account the lowered rate of productivity growth, the factors contributing to this slowdown, and the increase in the full-employment unemployment rate. The new estimates of potential output are experimental in the sense that they are based on highly aggregated measures of labor, capital, and output; and they must therefore be considered interim revisions. A more definitive study would use disaggregated data on labor and capital inputs and more evidence on the education and experience of the work force.

### *Estimates of Potential GNP*

The benchmark level of resource utilization implicit in the Council of Economic Advisers' previous estimates of potential output was an overall unemployment rate of 4 percent; it was assumed that full utilization of other resources, such as capital and land, would accompany 4 percent unemployment. The new estimates of potential attempt to include explicitly the contribution to output of fixed capital; hence a benchmark for capital utilization as well as for labor utilization must be set. Full employment of fixed capital is assumed to be attained when the manufacturing capacity utilization index calculated by the Department of Commerce reaches 86 percent. This is the capacity utilization rate attained in the first and second quarters of 1973. In 1969, another year of high employment, manufacturing capacity utilization was 85 percent; 86 percent is thus a relatively optimistic estimate of sustainable capacity utilization. The capacity utilization index that represents the same degree of resource utilization may change over time, since capital input is at least as heterogeneous as labor input. A higher proportion of old equipment in the capital stock would probably lower the capacity utilization benchmark. Inadequate data make estimation of such a variable benchmark very difficult, however, and it has not been attempted here.

The full-employment benchmark has been changed from a constant 4 percent unemployment rate to a rate that varies over time. The new labor utilization benchmark adjusts for the increase in the proportion of younger workers in the labor force since 1955, and for the observed increase in unemployment rates for younger workers relative to those for adults. As discussed earlier, these adjustments imply a rate that rises from 4.0 percent in 1955 to 4.9 percent in 1976. The definition of the new estimate of potential GNP in 1976 is, then, the output in 1972 dollars that the economy would produce if the Department of Commerce manufacturing capacity utilization rate were 86 percent and the unemployment rate 4.9 percent.

The new potential GNP estimates are compared to the previous estimates in Table 6, and are shown graphically in Chart 4. The average annual growth rate of potential from 1962 to 1976 is now estimated to be 3.6 percent per year, a reduction from the former estimate of 3.9 percent per year; and the rate is projected to be about  $3\frac{1}{2}$  percent per year in the near future. The reduction in the growth of potential GNP results in an estimate that is \$58 billion in 1972 dollars (or about 4 percent) lower in 1976 than that previous estimate of potential. Most of the reduction in the estimate of the growth of potential output is due to slower growth in labor productivity since 1966. In 1976, \$30 to \$40 billion of the estimated reduction in potential output can be attributed to this factor.

Some of the reduction in the growth rate of potential output can also be attributed to the recent benchmark revisions of the national income and product accounts, which incorporate new source data and estimating procedures. The revised real GNP estimates are evaluated in terms of 1972 rather than 1958 prices. The result of these changes has been to lower growth rates of real GNP.

The change in the unemployment benchmark lowers slightly our estimates of how the expanding labor force has increased potential GNP. Using a full-employment benchmark of 4.0 percent rather than 4.9 percent in 1976 would raise potential GNP by 0.3 percent to 1.1 percent, depending on how the reduction in unemployment is distributed over the labor force. Thus between \$5 billion and \$15 billion of the \$58 billion reduction in potential for 1976 can be attributed to the change in the assumed unemployment rate at potential.

The downward revision in potential GNP results in a current growth rate for potential output that is about the same as the  $3\frac{1}{2}$  percent per year originally estimated by the Council of Economic Advisers for the period from 1952 to 1962. Increases in the labor force growth rate since that time have been offset by decreases in the rate of productivity growth, yielding a growth rate of potential output which is nearly constant. This downward revision does not appear to be sensitive to the particular method which we have used to estimate potential. Experiments with a number of alternative procedures give similar results and indicate that the new estimates are robust, given current information. For example, a calculation for the period from

TABLE 6.—Potential and actual gross national product, 1952–76

[Billions of 1972 dollars]

Year	Potential GNP		Actual GNP	GNP gap	
	New	Old		New (new potential less actual)	Old (old potential less actual)
1952	584.9	592.2	598.5	-13.6	-6.3
1953	608.2	613.0	621.8	-13.6	-8.8
1954	629.7	634.4	613.7	16.0	20.7
1955	651.4	656.6	654.8	-3.4	1.8
1956	673.9	679.6	668.8	5.1	10.8
1957	697.2	703.4	680.9	16.3	22.5
1958	721.3	728.0	679.5	41.8	48.5
1959	746.2	753.5	720.4	25.8	33.1
1960	771.9	779.9	736.8	35.1	43.1
1961	798.6	807.1	755.3	43.3	51.8
1962	826.4	835.4	799.1	27.3	36.3
1963	857.1	865.9	830.7	26.4	35.2
1964	890.3	898.4	874.4	15.9	24.0
1965	925.0	932.1	925.9	-.9	6.2
1966	960.8	967.0	981.0	-20.2	-14.0
1967	996.3	1,003.3	1,007.7	-11.4	-4.4
1968	1,031.7	1,040.9	1,051.8	-20.1	-10.9
1969	1,068.3	1,081.6	1,078.8	-10.5	2.8
1970	1,106.2	1,124.9	1,075.3	30.9	49.6
1971	1,145.5	1,169.9	1,107.5	38.0	62.4
1972	1,186.1	1,216.7	1,171.1	15.0	45.6
1973	1,228.2	1,265.4	1,235.0	-6.8	30.4
1974	1,271.7	1,315.9	1,214.0	57.7	101.9
1975	1,316.9	1,368.6	1,191.7	125.2	176.9
1976	1,363.6	1,421.2	1,265.0	198.6	156.2

<sup>1</sup> Preliminary.

Note.—See text in this chapter on "Productivity Growth and Resource Utilization" for differences between the old and new potential GNP.

Sources: Department of Commerce, Bureau of Economic Analysis (actual GNP) and Council of Economic Advisers (potential GNP).

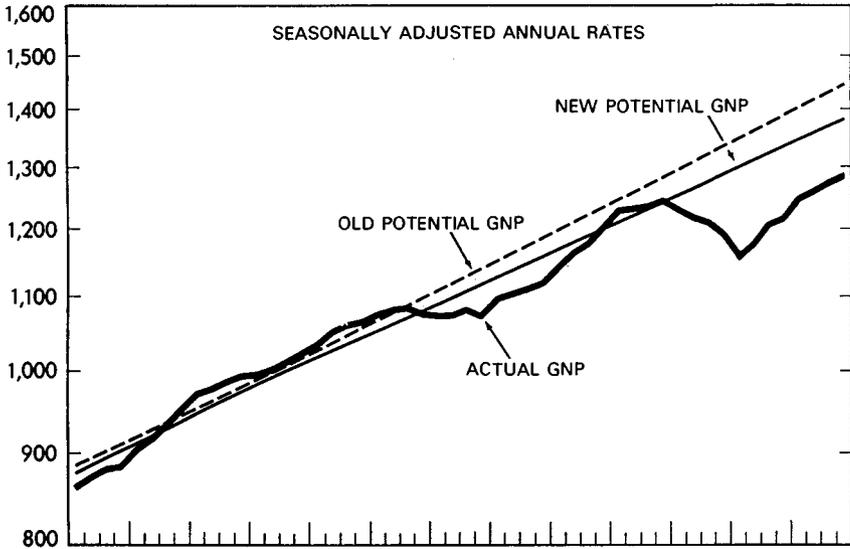
1968 to 1973 which adds labor force growth of 2.0 percent to productivity growth of 1.8 percent and subtracts 0.3 percent for the decline in average hours worked per week, all at annual rates, yields a growth rate of potential output amounting to 3.5 percent per year. More research would be useful, however, to further our understanding of the determinants of the economy's potential and the relation between the growth of potential and economic policy. The attempt made here to incorporate the effects of capital accumulation and labor force composition on economic growth is a step in this direction.

The decline in average hours worked is also a factor which contributes to a slower growth in potential output than might be expected from the high rate of growth in the labor force. Between 1966 and 1973 the tendency toward shorter workweeks accelerated somewhat. The slightly accelerated decline in the average workweek, added to the effect of the changing composition of the labor force, implies a growth rate of effective labor input (labor hours weighted by average hourly earnings) that is significantly lower than the growth rate of the labor force. For example, from 1966 to 1973 the civilian labor force grew by 2.3 percent per year, while effective

Chart 4

## Gross National Product, Actual and Potential

BILLIONS OF 1972 DOLLARS (RATIO SCALE)



NOTE.—SEE TEXT IN CHAPTER ON "PRODUCTIVITY GROWTH AND RESOURCE UTILIZATION" FOR DIFFERENCES BETWEEN THE OLD AND NEW POTENTIAL GNP.

SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS.

labor input grew by only 1.5 percent per year. Therefore, although the rapidly growing labor force implies a high rate of growth in potential output, reductions in the average workweek and changes in the age-sex composition of the labor force indicate that the increases are somewhat lower.

Productivity behavior since 1973 raises a further question about the current level of potential output. In the most recent downturn, the productivity decline started earlier and was much more severe than might have been expected from earlier recessions. The data indicate that part of this decrease may have been a permanent downward shift in the level of productivity. A conservative estimate of this shift lowers potential output to \$1,330 billion in 1976. Thus the GNP gap may be about \$30 billion lower than indicated.

There is reason to expect such a drop in productivity to accompany the OPEC oil embargo and the subsequent quadrupling of crude oil prices. The new high energy prices should have made some capital equipment and some energy-intensive production processes inefficient, with a consequent loss in economic capacity. This loss would not be included in capital stock estimates, because the method normally used for estimating the aggregate capital stock depreciates new investment over a fixed period and does not adjust for short-term changes in obsolescence.

The statistical methods used to adjust for cyclical variations in productivity are necessarily based on the presumption that the variations in productivity over the business cycle are related in a stable way to measures of the cycle, such as the unemployment rate and capital utilization rates. Since the data indicate that the current slowdown may have produced an atypical reaction in productivity, it is possible that productivity will continue to increase and reach its former trend in the next 2 years. This possibility would imply private productivity growth rates for 1977 and 1978 well in excess of the 2 percent trend.

On the other hand, it has been nearly 2 years since the recession reached its trough, and there has been little evidence of cyclical productivity gains this late in previous recoveries. Because of this uncertainty regarding the permanence of the recent decline in productivity, estimates of potential output will be similarly uncertain. The estimates of potential GNP presented in Table 6 and Chart 4 do not include a shift in the level of productivity in 1973-74, but instead assume that the downward movement will be offset by an equivalent upward movement as recovery continues. The performance of the economy over the next 2 years will indicate whether or not a further revision in the estimates of potential GNP is necessary.

#### POLICY IMPLICATIONS

Neither potential GNP nor the full-employment unemployment rate will be reached in 1977. However, both may set limits to growth in coming years which cannot be exceeded without risking accelerating inflation and renewed instability. For example, the uncertainty that surrounds the estimates of potential output implies that caution must be observed as potential GNP is approached. If the 1974-75 reduction in the level of productivity proves to be permanent, physical capacity constraints similar to those encountered in 1973 may appear well before an unemployment rate of 4.9 percent is reached. If so, they will seriously interfere with our full-employment goals.

As discussed previously, there are reasons to believe that the full-employment rate may be above the 4.9 percent benchmark we have used to estimate potential output. In any case, policy makers should realize that a 4 percent goal is not likely to be sustainable in the current economic environment; and because of the tentative nature of the full-employment rate estimates they should watch closely for signs of accelerating wage inflation when the overall rate of unemployment falls to about 5½ percent. The analysis suggests, for example, that the 4.9 percent unemployment rate in 1973 may have been partly responsible for the accelerating inflation in 1973-74, although this interpretation is clouded by other events such as the wage and price controls and the extraordinary increases in the prices of food and fuel. It also suggests that economic programs which aim to reduce unemployment in particularly depressed areas or among disadvantaged

groups can be a useful supplement to policies which focus on the economy as a whole. Moreover it must be remembered that even with our revised estimates, the current output is far below potential, and unemployment is much above full-employment levels. Thus aggregate demand policies, such as the tax program proposed by the President, are still necessary to reduce unemployment and close the existing gap between potential and actual output.

The uncertainty about the lowest rate of unemployment that will not result in accelerating inflation also has important policy implications. Not too long ago economic policy makers were able to illustrate the difficulties of achieving both a stable price level and a full-employment economy by referring to the fairly close negative association between the unemployment rate and the inflation rate during the 1950s and early 1960s. While it was never thought to be exact, the relationship indicated the inevitable upward pressure of high utilization of labor and capital on prices and wages, and it was used to calculate the tradeoff between inflation and unemployment. According to this relationship, the cost of an excessively low unemployment rate was a higher, though not necessarily increasing, rate of inflation.

During the last 10 years, however, this relationship has shifted dramatically and the concept of a stable tradeoff has become untenable. Nevertheless it is difficult to deny the essential fact that excessive expansion and extremely low unemployment rates ultimately produce higher and perhaps accelerating inflation. Nor can one deny that a slack economy with low utilization of capital and labor resources is usually a moderating influence on prices and wages. However, because of an economy-wide persistence in price and wage inflation, these excess demand and excess supply effects sometimes seem to work very slowly, with their influence spread over a long period.

In the long run the lower estimated growth rate of potential output, if projected into the future, implies a decrease in the "fiscal dividend" to be gained from full employment. Projection of the new potential GNP estimates through 1980 gives an output that is 4.8 percent lower than the previous estimate, a difference amounting to about \$130 billion in current dollars. The estimate of Federal tax receipts in 1980 is thus more than \$30 billion lower if output is assumed to be the new potential GNP rather than the old estimate. Lower total output implies lower tax revenues available for further tax cuts or for new or expanded Federal Government programs.

The challenge for the future will be to devise new policies to cope with the problems of economic growth and productivity. Increased productivity growth is necessary if the economy is to provide jobs without incurring declines in the growth of real income for the many new workers in the labor force. Chapter 4 in this *Report* discusses several areas in which micro-economic policies have been devised or are being considered to increase production and employment beyond levels attainable through the management of aggregate demand.

## CHAPTER 2

# Economic Review of 1976

**T**HE ECONOMIC EXPANSION continued last year. Real gross national product (GNP) rose 6.2 percent, as projected in the last *Report*. The growth of output was unexpectedly strong in the first quarter, but fell below expectations during the rest of the year (Table 7). The rise in real GNP has been slightly greater since the trough in the first quarter of 1975 than the average rise over similar periods in the last four expansions, partly because of the exceptional depth of the last recession. The depth of the recession also accounted for the substantial excess capacity that remained at year-end, when the gap between actual and potential output was 8 percent and the unemployment rate was just under 8 percent. For the year as a whole the unemployment rate averaged 7.7 percent, 0.8 percentage point lower than in 1975, and employment increased by 2.7 million persons.

Excess capacity helped moderate last year's rate of inflation. The GNP deflator slowed to 5 percent last year from 7 percent during 1975 in spite of the large year-to-year rise of output. The slackening of inflation is a reflection of slower rates of increase in both labor compensation per hour and profits per unit of output. Smaller rises in food prices and a legislated rollback of oil prices helped in the slowing of inflation.

At year-end there were signs of some reacceleration of the economy, though real GNP rose at a 3 percent annual rate for the last quarter as a whole. A rapid growth of retail sales took place within the quarter, starting from a depressed September level, and auto sales rose rapidly from low levels early in the quarter when supplies were limited. Housing starts and residential investment grew very rapidly from third-quarter averages. Business fixed investment, which had been recovering for a year, was little changed from the third quarter, largely because of a sharp drop in car and truck purchases that also reflected limited supplies.

## DEMAND AND OUTPUT

The rise of real GNP initially accelerated to a 9 percent annual rate, but then decelerated to a 3¾ percent annual rate over the last 3 quarters of last year. The unevenness of GNP growth was largely due to change in the rate of inventory accumulation. Early in 1976 GNP was increased by a large change

TABLE 7.—Changes in gross national product in constant (1972) dollars, 1975–76

[Percent change; quarterly changes at seasonally adjusted annual rates]

Component	1975	1976 <sup>1</sup>	1976			
			I	II	III	IV <sup>1</sup>
<b>Percent change in 1972 dollars:</b>						
Total GNP.....	-1.8	6.2	9.2	4.5	3.9	3.0
Personal consumption expenditures.....	1.5	5.5	8.8	4.0	3.6	5.4
Durable goods.....	-4	12.3	23.2	3.0	3.2	2.3
Nondurable goods.....	.9	4.3	6.8	3.8	1.7	8.5
Services.....	2.6	4.5	6.2	4.6	5.3	3.9
Business fixed investment.....	-13.3	3.8	7.8	8.3	9.6	.8
Residential investment.....	-14.7	22.7	22.3	15.1	16.1	37.0
Government purchases.....	1.8	1.3	-4.9	2.6	2.9	.4
Federal purchases.....	.4	1.0	-7.2	2.5	5.7	3.5
State and local purchases.....	2.6	1.4	-3.5	2.7	1.4	-1.3
<b>Addenda:</b>						
Final sales.....	-.1	4.3	3.7	4.2	4.3	4.8
Domestic final sales.....	-.7	5.0	6.0	4.5	4.5	5.0
<b>Change in billions of 1972 dollars:</b>						
Inventory accumulation.....	-20.5	21.1	15.9	.7	-.9	-5.5
Net exports of goods and services.....	6.1	-6.7	-6.5	-.6	-.3	-.4

<sup>1</sup> Preliminary.

Source: Department of Commerce, Bureau of Economic Analysis.

in inventory investment, while the pace of inventory accumulation slowed considerably at year-end, pushing GNP growth to its lowest rate of the year. The growth rate of final sales was much steadier, averaging  $4\frac{1}{4}$  percent during the year. Consumption expenditures slowed after a rapid growth in the first quarter, but then accelerated at year-end. Consumption at midyear was restrained by a slow growth of personal income. The buildup of inventories in the first quarter led to cautious production and employment policies by business. Wage rates and government transfers also rose less than was expected and farm income declined. There was unexpected slowness in growth of government purchases early in the year, when public spending in many categories was below expectations. Investment, however, was weak in the final quarter of the year.

## PERSONAL CONSUMPTION

Real personal consumption expenditures rose 5.5 percent in 1976. After increasing 6.1 percent in the year ending in the first quarter of 1976, real expenditures grew more slowly during the rest of the year.

Real disposable income is the most important determinant of long-run real consumption. Individuals tend to retain their consumption patterns for some time after a given change in income. In the short run the effects of income changes tend to be divided between savings and the purchases of durable items. During 1975 and 1976 the rate of growth in real consumption roughly followed the rate of growth in real disposable income (Table 8). After a period of relatively fast growth from the first quarter of 1975 through the

TABLE 8.—*Growth of real consumption expenditures and real disposable personal income, 1975–76*

[Seasonally adjusted annual rates]

Period	Real personal consumption expenditures	Real disposable personal income
<b>Percent change:</b>		
1975 I to 1975 III.....	5.6	7.2
<b>From preceding quarter:</b>		
1975: IV.....	4.5	4.9
1976: I.....	8.8	6.1
II.....	4.0	4.7
III.....	3.6	.7
IV <sup>1</sup> .....	5.4	3.7

<sup>1</sup> Preliminary.

Source: Department of Commerce, Bureau of Economic Analysis.

first quarter of 1976, the rise in real disposable income slowed, especially in the third quarter. Because the slowdown in income growth may have been viewed initially as temporary and because a cushion was provided by the high savings of 1975, the slowdown in consumption was less pronounced and more steady. The personal saving rate fell from 7.0 percent in the first half of 1976 to 6.2 percent in the last half.

Real expenditures for consumer durables have been the largest contributor to the recovery in final sales in the current expansion, growing by 23 percent from the very depressed last quarter of 1974 through the fourth quarter of 1976. After a 23 percent annual rate increase in the first quarter of 1976, however, the growth of real expenditures on durable goods slowed to a 3 percent annual rate on average over the last 3 quarters. These movements in durables were dominated by purchases of motor vehicles and parts, which grew 45 percent from the last quarter of 1974 through the first quarter of 1976. Growth slowed to 3.0 and 1.5 percent respectively in the second and third quarters, and then declined by 9.0 percent at an annual rate in the strike-affected fourth quarter.

The significant slowdown in growth of real consumer durables sales in the second quarter, particularly sales of new domestic automobiles, was influenced by factors other than real disposable income. Shortages existed in some intermediate and large car lines. Changes in the relative price of automobiles may also have had an effect. The deflator for new domestic autos grew at a 9.4 percent annual rate from the third quarter of 1975 through the first quarter of 1976 as rebates and other discounts offered in 1975 were phased out and list prices on the 1976 domestic models increased. Some effects of this inflation in new automobile prices apparently continued beyond the first quarter. As individuals attempted to substitute used for new cars, the implicit deflator for used cars rose by an extraordinary 12.2 percent from the first quarter to the second and continued to rise strongly in the third quarter. The increase in domestic auto prices would appear to have been a factor in the rise in foreign car sales after the first quarter.

Relative price movements were apparently important in the real consumption of some nondurable items too. In particular, food prices were virtually constant throughout 1976 and helped the real value of food consumption to rise 5.2 percent for the year even though real incomes grew only 4.1 percent. Energy consumption was also significantly affected by relative price movements, as noted elsewhere in this chapter.

## BUSINESS FIXED INVESTMENT

Real business fixed investment increased 4 percent last year, about the amount forecast in last year's *Report*. From lows reached in the second half of 1975 real business fixed investment grew at an 8½ percent average annual rate over the first 3 quarters. Largely because of the Ford Motor Company strike, growth slowed to a 1 percent annual rate in the fourth quarter. Real investment, apart from motor vehicles, rose at substantially better than a 10 percent annual rate in that quarter.

Probably most important in starting the recovery of investment were the optimistic sales expectations stimulated by the rapid increase in consumption expenditures through 1975 and early 1976. An additional thrust came from a much improved cash flow and somewhat lower interest rates, particularly for firms with lower credit ratings. Rapidly rising labor and energy costs relative to fixed investment costs have also provided an incentive to invest in plant and equipment. The increases in the investment tax credit in 1975 further enhanced the after-tax profitability of equipment investment.

Plant and equipment expenditures by nondurable goods manufacturers increased more rapidly in 1976 than the expenditures by durables manufacturers. Industries showing strong growth include motor vehicles, textiles, food, paper, and electric utilities (Table 9).

TABLE 9.—Changes in plant and equipment expenditures, 1974–76

[Percent change]			
Industry	1974 actual	1975 actual	1976 expected <sup>1</sup>
All industries.....	12.7	0.3	7.5
Manufacturing.....	21.0	4.2	10.5
Durable goods <sup>2</sup> .....	17.5	-3.4	8.0
Machinery, except electrical.....	29.2	2.0	11.6
Motor vehicles.....	18.0	-23.4	20.3
Nondurable goods <sup>2</sup> .....	24.7	11.6	12.5
Food including beverages.....	4.6	.2	19.8
Textiles.....	9.9	-21.0	26.5
Paper.....	38.8	14.3	17.8
Nonmanufacturing <sup>2</sup> .....	7.6	-2.4	5.3
Mining.....	16.2	19.4	4.7
Electric utilities.....	10.6	-3.6	11.4

<sup>1</sup> Based on actual expenditures in 1975 and expected expenditures in 1976 (actuals for first 3 quarters and expected for fourth quarter).

<sup>2</sup> Includes some industries not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

Last year's *Report* noted that investment held up quite well during the recession in those industries which faced capacity constraints in 1973. In the past year capacity growth in the paper, chemicals, and petroleum refining industries has been above 3 percent, reflecting substantial investment in these industries over the past 2 years. In paper, however, the operating rate is perhaps high enough that constraints on capacity for the most refined kinds of paper could occur in the next year. In iron and steel, another industry of shortages in 1973, capacity has recently been growing at about 2 percent annually, close to the long-term trend growth rate of steel usage. There was a slowing of investment last year by steelmakers, however, following the very sizable acceleration in 1975. Other industries are operating considerably below capacity levels and shortages in 1977 are unlikely.

### INVENTORY INVESTMENT

Real inventory investment in the national income and product accounts (NIPA) reflects the difference between aggregate production and deliveries. With real consumption expenditures growing strongly in the last half of 1975 and the first quarter of 1976, and with completion of the massive inventory adjustment of 1975, production increased very sharply in the first quarter of 1976 as firms moved to keep output in line with the anticipated growth of final sales. With an only modest rise in total final sales, inventory investment in the first quarter was \$10.4 billion, compared with a decline of \$5.5 billion in the fourth quarter of 1975. The \$15.9-billion swing in the first quarter of 1976 accounted for more than half of the 9.2 percent annual rate increase in gross national product in that quarter. Inventory investment did not accelerate later in the year, since slower growth of retail sales gave rise to conservative orders and production policies in many businesses.

The NIPA nonfarm business inventory-to-sales ratio stayed in the neighborhood of 0.272 throughout last year. This was below the peak levels of about 0.300 at the trough of the recession but was still significantly above the approximately 0.250 levels of the 1972-73 period, a fact suggesting that inventory accumulation will not accelerate sharply in the immediate future. The book value of manufacturers' work-in-process inventories, which was not rising at the beginning of the year, rose in the second half, reflecting the moderately strong growth in producers' durable equipment.

### HOUSING AND RESIDENTIAL INVESTMENT

The 1976 recovery in residential investment reflected the recovery in housing starts which began in 1975. Real residential investment grew at an 18 percent annual rate in the first 3 quarters of 1976 and accelerated to a 37 percent annual growth rate in the fourth quarter. Housing demand became one of the most favorable developments during a period of general weakness in the economy. A strong 11 percent increase in total housing starts in

August was followed by a 20 percent increase in September, bringing the seasonally adjusted annual rate to 1.84 million units. Total starts then remained strong in the last months of the year.

Starts of multifamily dwelling units were important in the acceleration of starts in 1976. Rental vacancy rates fell from above 6 percent late in 1975 and remained about 5½ percent during most of 1976. A strong rise in multifamily rental absorption rates was also indicative of stronger demand for rental housing.

Federal assistance programs also encouraged housing construction. In January, \$3 billion in Government National Mortgage Association 7½ percent commitment funds was released, with an additional \$2 billion in September, and by the second half of the year the subsidized leasing program authorized by section 8 of the Housing and Urban Development Act began to affect the building of new multifamily units. By the end of the year it was estimated that approximately 40,000 apartment units had been started under the section 8 program, though the incremental impact on housing construction is smaller in that some of these units would have been constructed without the program.

Financial developments were favorable to housing in 1976, especially in the second half of the year. Interest rates in the short-term money markets did not increase in the way that many had anticipated and in fact they declined in the latter part of the year. By the end of the year market interest rates were below rates on time deposits of similar maturities at financial intermediaries. This situation encouraged continued savings flows into thrift institutions and made funds for home mortgages readily available. In addition, the continued fall in all long-term interest rates in the second half of the year reduced mortgage interest rates. The Federal Housing Administration series on new-home mortgages in the secondary market fell from 9.41 percent in December 1975 to 8.45 percent last December but had a negligible impact on mortgage rates in the primary market in 1976.

## GOVERNMENT PURCHASES

Total government purchases in real terms rose by 1.3 percent in 1976, less than in 1975 and below the rate forecast at the beginning of last year. Real Federal purchases grew by 1.0 percent for the year. (A detailed discussion of Federal spending is presented elsewhere in this chapter.) Real purchases of goods and services by State and local governments rose by only 1.4 percent in 1976, the lowest real growth since 1951.

There has been a downward trend in rates of growth of real State and local government purchases since the late 1960s, partly because the steady slowing of population growth has reduced the demand for additional services. The deceleration of spending appears to have been sharpened in 1976 by a delayed reaction to the 1974–75 recession and ensuing financial difficulties experienced by some States and local units. The widely publicized

budgetary crisis of New York City emphasized the dangers of an excessive expansion of current services financed by borrowing. The unusually slow growth of State and local spending in 1976 was thus in part a cyclical correction to bring expenditures in line with receipts and eliminate operating deficits. By the fourth quarter of 1976, State and local operating balances in the aggregate moved back into surplus for the first time since late 1973.

The slowdown in State and local spending was most pronounced in new construction, which fell about 8 percent in nominal terms in 1976. The bulk of the decline occurred early in the year and was concentrated in new school building and highway construction. In addition, State and local employment grew by 2.7 percent in 1976, compared with 5.0 percent a year earlier and with an average rate of growth of 4.8 percent between 1955 and 1975. Moreover, most of the increase in employment came early in 1976. To some extent the slower growth in 1976 in employment can be attributed to the expansion of federally funded public service employment jobs in 1975.

## NET EXPORTS

On an NIPA basis, nominal net exports of goods and services declined by \$15.8 billion from the fourth quarter of 1975 to the fourth quarter of 1976. In real terms the decline amounted to \$7.8 billion. The decrease largely reflects a return to more normal trade balances from the cyclically high export surplus recorded in 1975. Real exports increased 2.0 percent during 1976 and real imports increased 13.7 percent. Export prices rose 5.6 percent over the same period, while the increase for import prices was 6.5 percent.

Most of the shift in real net exports was accounted for by changes in merchandise trade. Shipments from abroad in late 1976 were 18 percent above their level at the end of 1975. Most of this increase in volume was accounted for by a 26 percent rise in imports of fuels. The volume of merchandise exports changed negligibly as a rise in agricultural sales abroad offset a small decline in other sales. The real surplus on service transactions, including investment income, rose from \$6.4 billion in 1975 to about \$8 billion in 1976. This increase reflects in part a trend growth in the surplus on investment incomes.

## PRICES, WAGES, AND PROFITS

The rates of growth in both prices and wages were smaller last year than in any of the preceding 3 years. Real wages increased after 2 years of decline. Corporate profits also rose with the economic recovery.

## PRICES

The rate of inflation slowed significantly during 1976 to about 5 percent for both the GNP deflator and the consumer price index (CPI). Increases from the four quarter of 1975 to the fourth quarter of 1976 in many of the

main price indexes were significantly lower than during 1975 and at least 7 percentage points below the 1974 figures (Table 10).

The overall declines in the measured rates of inflation during 1976 probably exaggerate the decline in the underlying rate of inflation during the year. Declines in the prices of food and energy-related products in the first part of the year, which are not likely to recur in the near future, helped bring the overall inflation rate below a currently sustainable level. Although any decomposition of inflation changes into temporary and longer-run factors is subject to considerable error, more restrained wage increases in most sectors indicate that some of last year's decline in inflation may be more lasting. The absence of significant demand pressures on capacity and the damping of inflationary expectations have been important forces in this more permanent decline.

The rates of price increase for all major components of the CPI were well below the peak rates of 1974. Compared to 1975 rates, the rates of price increase declined for durables and nondurables and did not change for services. Consumer price increases for energy continued toward convergence with the overall inflation rate, rising at a much slower rate than during 1974 and 1975. In the first quarter the CPI for energy fell,

TABLE 10.—Changes in selected price measures, 1973–76

[Percent change; quarterly changes at seasonally adjusted annual rates]

Price measure	1973 IV to 1974 IV	1974 IV to 1975 IV	1975 IV to 1976 IV <sup>1</sup>	1976			
				I	II	III	IV <sup>1</sup>
<b>GNP implicit price deflators:</b>							
Total GNP.....	11.5	7.1	4.7	3.2	5.2	4.4	6.2
Business.....	11.7	7.2	4.2	2.3	5.2	4.0	5.5
Nonfarm.....	12.7	6.6	5.1	4.4	3.7	5.9	6.5
Farm.....	-12.4	10.3	-15.4	-38.4	52.2	-32.6	-18.9
Personal consumption expenditures.....	11.9	6.0	4.7	3.9	4.1	5.5	5.4
Durable goods.....	11.0	5.6	5.7	5.4	6.7	3.6	6.9
Nondurable goods <sup>2</sup> .....	14.7	5.1	2.7	1.5	1.6	4.8	4.1
Food.....	13.5	5.3	.6	-1.7	1.1	1.4	1.7
Gasoline and oil.....	26.3	11.3	2.6	-13.4	-5.1	19.1	13.2
Fuel oil and coal.....	44.7	8.5	5.1	-8.8	2.8	17.5	10.6
Services.....	9.6	7.2	6.3	7.1	5.6	6.8	5.8
<b>Consumer price index:</b>							
All items.....	12.1	7.3	5.0	4.6	4.6	6.0	4.7
Food.....	12.0	7.1	.9	-2.4	1.6	3.1	1.3
Directly purchased energy <sup>3</sup> .....	25.5	11.7	6.1	-6.1	2.2	17.0	13.1
All other items.....	10.9	6.9	6.4	8.3	6.1	6.5	4.4
<b>Wholesale price index:</b>							
All commodities.....	22.4	4.3	4.1	-7	4.9	3.9	7.9
Farm products.....	-1	4.3	-3.6	-17.0	13.3	-7.8	-4
Processed foods and feeds.....	21.8	-2.0	-3.9	-15.5	10.6	-7.5	-1.3
Industrial commodities.....	27.1	5.9	6.6	4.9	3.2	7.5	10.5
Energy <sup>4</sup> .....	57.4	12.7	8.6	-8.0	-3.1	19.9	30.0

<sup>1</sup> Changes in GNP deflators are preliminary, changes in consumer price index are preliminary estimates by the Council of Economic Advisers.

<sup>2</sup> Includes some groups not shown separately.

<sup>3</sup> Gas and electricity, fuel oil and coal, and gasoline and motor oil.

<sup>4</sup> Fuels and related products and power.

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of Labor (Bureau of Labor Statistics), except as noted.

primarily because of the removal of the tariff on oil and the initial price roll-back features of the Energy Policy and Conservation Act. Despite moderate second-quarter increases and large increases during the summer months, the overall 6.1 percent rate from the fourth quarter of 1975 to the fourth quarter of 1976 was substantially less than the 11.7 percent rate during 1975. The rise in food prices decelerated to 1 percent, the smallest increase occurring within a year since 1967, the principal reason being abundant supplies of meats and cereals.

Wholesale prices for all commodities rose about 4 percent from the last quarter of 1975 to that of 1976 (see Table 10). Following the second quarter, prices rose more rapidly for most of the major industrial categories, although some transaction prices may have gone up less than the reported list prices because of more discounting by sellers. Increases in list prices accompanied by larger discounts may reflect hedging against the possible return of price controls.

## WAGES

The rate of increase in wages, although high by historical standards, was lower in 1976 than in 1975 (Table 11). Real wages, when measured by the adjusted average hourly earnings index deflated by the CPI, increased by 2 percent in 1976 after declines of 2.5 percent and 0.3 percent in 1974 and 1975 respectively. The continued high rate of increase in nominal wages last year was in part due to the lagged adjustment of wages to the very high rate of inflation in 1974 and 1975. It may have also reflected continued expectations of relatively high inflation.

TABLE 11.—Changes in labor costs and productivity in the private nonfarm business sector, 1974–76

[Percent change; quarterly changes at seasonally adjusted annual rates]

Period	Adjusted average hourly earnings <sup>1</sup>	Compensation per hour	Output per hour	Unit labor costs
1974 .....	8.2	9.3	-3.5	13.2
1975 .....	8.9	9.7	2.2	7.4
1976 <sup>2</sup> .....	6.9	8.0	4.0	3.8
1975: I .....	9.0	12.1	1.9	10.0
II .....	7.3	7.6	13.1	-4.9
III .....	8.4	6.6	8.4	-1.7
IV .....	8.0	7.2	-7	8.0
1976: I .....	6.9	9.3	4.9	4.2
II .....	6.5	8.4	4.0	4.3
III .....	7.1	6.7	2.5	4.1
IV <sup>2</sup> .....	6.2	9.2	.3	8.9

<sup>1</sup> Adjusted for overtime (in manufacturing only) and interindustry shifts.

<sup>2</sup> Preliminary.

Note.—Data for adjusted hourly earnings relate to production or nonsupervisory workers; all other data relate to all employees.

Source: Department of Labor, Bureau of Labor Statistics.

A broader measure of labor costs, compensation per hour of work in the private nonfarm business economy, covers all employees and includes supplements to wages and salaries. It represents the sum of labor costs to employers. Compensation per hour increased faster than average hourly earnings in the first quarter of 1976, partly because of the January increase in the base earnings subject to social security taxes. The rate of increase in compensation per hour was lower in the following quarters, and it was lower in 1976 than in 1975.

While only 11 percent of the employed are covered by major collective bargaining settlements (those which cover 1,000 or more workers), these settlements may have a disproportionate impact on wage settlements throughout the economy as the result of a demonstration effect. The rate of wage increases negotiated in such contracts declined in 1976 (Table 12). The first-year annual wage increases averaged 10.2 percent for contracts negotiated in 1975, covering 3 million workers, and 8.9 percent during the first 3 quarters of 1976, covering 2.7 million workers. (Approximately 4½ million workers were under major contracts scheduled to expire during the full year). The effective wage rate change under collective bargaining agreements is the actual wage change going into effect in a quarter because of settlements negotiated in that year, deferred increases agreed to in the past, and escalator or cost-of-living adjustments (COLA). The effective

TABLE 12.—Changes in major collective bargaining settlements, 1974–76

Type of change and industry group	[Percent]		1975				1976 <sup>1</sup>		
	1974	1975	I	II	III	IV	I	II	III
<b>Wage settlements:</b>									
First-year wage change (annual rate).....	9.8	10.2	12.1	9.0	9.7	11.0	8.8	8.2	10.1
Percent of workers covered in current quarter settlements <sup>2</sup> .....	50	29	7	10	9	3	3	13	7
<b>Effective wage rate change:<sup>3</sup></b>									
Total effective changes.....	9.4	8.7	1.7	2.1	3.3	1.5	1.2	2.6	2.0
Adjustment resulting from:									
Current settlement.....	4.8	2.8	.6	.7	.8	.6	.3	1.2	.6
Prior settlement.....	2.6	3.7	.6	1.1	1.5	.5	.6	1.2	1.0
Escalator provision.....	1.9	2.2	.4	.3	1.0	.4	.4	.2	.3
Manufacturing.....	10.3	8.5	1.8	2.1	2.8	1.6	1.4	2.1	2.2
Nonmanufacturing, excluding contract construction.....	8.3	9.3	1.9	1.2	4.3	1.8	1.3	2.6	1.9
Construction.....	9.1	8.1	.8	4.5	2.2	.6	.7	4.0	1.5
Transportation and public utilities.....	7.6	9.7	1.7	.8	5.3	1.8	.9	2.7	1.9
Wholesale and retail trade.....	10.3	9.2	2.5	2.1	3.0	1.5	1.8	2.8	2.5
Services.....	7.0	6.4	2.0	.8	2.2	1.4	2.2	1.6	.5

<sup>1</sup> Preliminary.

<sup>2</sup> Percent of estimated number of workers under major collective bargaining settlements. Individual quarterly data for 1976 are based on preliminary estimates that do not add to the current total for the year.

<sup>3</sup> Effective wage rate changes are wage rate changes actually going into effect per worker under major contracts in the respective quarters resulting from major collective bargaining settlements made that calendar year, plus deferred increases in accordance with prior-year contracts plus escalator adjustments.

Note.—Data relate to settlements covering 1,000 or more workers in private nonfarm industries. Effective wage rate adjustment for the year is the total of the four quarterly changes, except as noted.

Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

wage rate change during the first 3 quarters of 1976 was 7.9 percent at an annual rate, and was smaller than the increase in 1975 both because of lower first-year settlements and because the lower rate of inflation resulted in smaller cost-of-living adjustments.

## PRODUCTIVITY AND UNIT LABOR COSTS

Labor productivity, or output per hour of work, increased by 4 percent in 1976 reflecting the cyclical improvement in the economy (See Table 11). Labor productivity rises sharply in the trough quarter of most recessions or in the following quarter and remains substantially above the trend growth rate for the first 2 or 3 quarters of recovery. Perhaps because of the severity of the 1974-75 recession, labor productivity growth was above the trend rate for 1976 as a whole.

Both the slowdown in compensation per hour and the rise in productivity contributed to a sharp deceleration in the rate of increase in unit labor costs last year (see Table 11). The rate of increase in unit labor costs in 1976 is consistent with further declines in the rate of inflation. However, as the economic recovery continues and the rate of growth in productivity settles to its long-run trend, unit labor costs will rise more rapidly unless the growth rate of nominal compensation per hour continues to fall.

## CORPORATE PROFITABILITY

Pretax corporate profits were up 30 percent last year to about \$149 billion. Inflation-based adjustments for inventory appreciation and for depreciation based on replacement cost increased moderately from 1975, and hence the rise in NIPA profits was also 30 percent. Inventory appreciation rose about \$3 billion. The excess of the depreciation based on replacement costs used in the NIPA over the book depreciation that is still based on historical costs grew by \$4 billion, about half of the 1975 increase. The slower rise of the excess of NIPA depreciation over book depreciation was due to the substantial deceleration of the rise in prices of investment goods last year.

Last year's sharp growth in profits was a typical cyclical increase reflecting the marked rise in output and productivity characteristic of the early part of a business cycle recovery. Although productivity in the corporate sector, as in the economy as a whole, rose about 4 percent in 1976, the rate of increase had tapered off to under a 3 percent annual rate in the second half. This moderation, in combination with current rates of increase in compensation per hour of labor of 7½ to 8 percent, means that the normal cyclical increase of the share of profits in gross product has now tapered off.

The share of after-tax operating profits in the net domestic product of nonfinancial corporate business exceeded 5 percent in the second half of 1976 after reaching a cyclical low of 1 percent in the third quarter of 1974 (Table 13). Because of the large increase in debt financing in the past 15 years, it is more revealing to examine the share of corporate income accruing to holders of both equity and liabilities. This share is measured by net interest

TABLE 13.—Output, profits, net interest, and profit measures of nonfinancial corporate business, 1960–76

Year	Net domestic product	Corporate profits after tax with IVA and CCA <sup>1</sup>	Net interest	Percent of net domestic product	
				Corporate profits after tax with IVA and CCA <sup>1</sup>	Corporate profits after tax with IVA and CCA <sup>1</sup> plus net interest
Billions of dollars					
1960	250.3	18.3	3.5	7.3	8.7
1961	256.7	18.0	3.9	7.0	8.5
1962	282.3	24.2	4.5	8.6	10.2
1963	301.1	27.2	4.8	9.0	10.6
1964	326.6	32.8	5.3	10.0	11.7
1965	359.3	38.9	6.1	10.8	12.5
1966	394.9	41.7	7.4	10.6	12.4
1967	413.6	39.6	8.7	9.6	11.7
1968	455.4	38.5	10.1	8.5	10.7
1969	494.0	33.1	13.1	6.7	9.4
1970	507.5	24.3	17.0	4.8	8.1
1971	544.2	28.8	17.9	5.3	8.6
1972	608.4	38.5	19.1	6.3	9.5
1973	683.3	36.3	23.1	5.3	8.7
1974	729.3	17.0	29.0	2.3	6.3
1975	773.8	32.8	30.8	4.2	8.2
1976 <sup>2</sup>	874.8	44.9	35.8	5.1	9.2
Seasonally adjusted annual rates					
1975: I	731.5	19.4	30.0	2.7	6.8
II	756.1	32.5	30.2	4.3	8.3
III	793.3	40.8	30.8	5.1	9.0
IV	814.2	38.5	32.0	4.7	8.7
1976: I	844.8	42.1	33.9	5.0	9.0
II	866.1	42.3	35.2	4.9	8.9
III	885.0	46.0	36.5	5.2	9.3

<sup>1</sup> Corporate profits after tax with inventory valuation and capital consumption adjustments.

<sup>2</sup> Preliminary.

Note.—All data relate to nonfinancial corporate business.

Source: Department of Commerce, Bureau of Economic Analysis.

plus after-tax operating profits as a percentage of net domestic product of nonfinancial corporations. It rose to 9 percent in the third quarter of 1976. While this figure is well above the cyclical low of 5 percent reached in the third quarter of 1974, it is well below the peak of 12½ percent in 1965. Low profitability may therefore still be exerting a damping effect on investment expenditures.

## GOVERNMENT BUDGETS AND FISCAL POLICY

The objective of fiscal policy in 1976 was to maintain the degree of stimulus provided during 1975 in order to keep the economy on a course of moderate, sustained expansion. The full-employment surplus, which had declined sharply in 1975, was expected to remain relatively unchanged in 1976. However, fiscal policy unintentionally became less expansionary in

the first half of 1976, when expenditures were lower than anticipated while receipts remained close to target. Had Federal expenditures followed the projected pattern, the level of GNP would have been higher and the economic slowdown following the spring of 1976 would have been less severe.

The overestimate or shortfall in Federal spending in 1976 was small relative to the size of the budget and was typical of recent years (Table 14). These errors in estimating spending suggest that the ability to forecast Government expenditures precisely is limited, and that the textbook notion of a truly deterministic level of Government spending is too simple. To the extent that a regular pattern exists in the difference between actual and predicted levels of Federal spending, appropriate adjustments can be made when predicted expenditures are incorporated into economic forecasts. The shortfall last year is an important reminder of the difficulties in attempting to fine tune the economy with fiscal policy. This experience suggests that it is hard to measure the precise magnitude of the policy instruments as well as to assess their economic effects.

TABLE 14.—*Comparison of projected and actual Federal expenditures, national income and product accounts, fiscal years 1970-76*

[Billions of dollars, except as noted]

Fiscal year	Projection <sup>1</sup>	Actual	Actual less projection	
			Amount	Percent of actual
1970.....	196.0	195.6	-0.4	-0.2
1971.....	212.4	212.7	.3	.1
1972.....	238.2	232.9	-5.3	-2.3
1973.....	259.7	256.2	-3.5	-1.4
1974.....	286.4	278.9	-7.5	-2.7
1975.....	324.4	329.5	5.1	1.5
1976.....	378.7	373.0	-5.7	-1.5

<sup>1</sup> Projections made in the Budget of the United States Government published in January of the current fiscal year and, except for fiscal year 1976, adjusted for revisions by applying projected percent changes to revised data.

Sources: Department of Commerce (Bureau of Economic Analysis), Office of Management and Budget, and Council of Economic Advisers.

## FEDERAL EXPENDITURES AND THE SHORTFALL

The 8.7 percent increase in total Federal expenditures in 1976\* was a return to a more typical rate of growth after the exceptionally large increases in 1974 and 1975 caused by the high rates of unemployment and inflation in those years (Table 15). The deceleration in 1976 was due mainly to much smaller increases in transfer payments to individuals and grants-in-aid to State and local governments.

\*Unless otherwise noted, reference is to calendar years and to the Federal sector in the national income and product accounts (NIPA). The Congressional Budget and Impoundment Control Act of 1974 changed the fiscal year from July 1-June 30 to October 1-September 30, beginning with fiscal 1977. The change necessitated a 3-month "transition-quarter" from July 1, 1976 to September 30, 1976.

TABLE 15.—Federal Government receipts and expenditures, national income and product accounts, calendar years 1975–76

[Billions of dollars]

Receipt or expenditure category	1975	1976	
		January 1976 budget projection <sup>1</sup>	Actual <sup>2</sup>
Federal Government receipts.....	286.5	330.0	330.6
Personal tax and nontax receipts.....	125.7	143.6	145.3
Corporate tax accruals.....	42.6	55.2	55.9
Indirect business tax and nontax accruals.....	23.9	22.8	23.5
Contributions for social insurance.....	94.3	108.4	105.8
Federal Government expenditures.....	357.8	391.6	388.9
Purchases of goods and services.....	124.4	135.4	133.4
National defense.....	84.3	88.7	88.2
Nondefense.....	40.1	46.7	45.2
Transfer payments.....	148.9	163.0	162.2
To persons.....	145.8	159.2	159.0
To foreigners.....	3.1	3.8	3.2
Grants-in-aid to State and local governments.....	54.4	59.5	60.2
Net interest paid.....	23.5	28.6	27.5
Subsidies less current surplus of government enterprises.....	6.5	5.1	5.6
Surplus or deficit (—).....	–71.2	–61.6	–58.3

<sup>1</sup> January 1976 projected percent changes applied to revised 1975 data.

<sup>2</sup> 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.

The composition of Federal expenditures in 1976 continued the shift away from defense and toward domestic programs that has been under way since 1967. Defense purchases as a share of total spending were 23 percent in 1976, down from 48 percent in 1960. Conversely, transfer payments—now the largest single component of Federal spending—and grants-in-aid to State and local governments have grown markedly in recent years as a result of wider coverage, higher benefit payments, and new programs. These two categories accounted for 57 percent of Federal expenditures in 1976, compared with 32 percent in 1960.

There was much discussion about the unexpected shortfall in Federal expenditures in 1976, its relation to the slowing of real growth during the year, and its implications for spending in 1977. Actual spending should be compared with the January projections presented in the 1977 Federal Budget because the latter incorporated the Administration's plans and expectations early last year. Moreover a complete translation from the unified budget to NIPA concepts is readily available only for this set of estimates. On an NIPA basis the shortfall from the January projection for fiscal 1976 was 1.5 percent of actual expenditures, a difference within the range of recent experience (see Table 14). Despite the fact that the underspending for the year as a whole was neither exceptionally large nor unprecedented, it was concentrated in a short period and produced a rather sharp rise in the full-employment surplus in the second quarter (see Table 18).

A shortfall in Federal spending of about \$3 billion, distributed over a year as shown in Table 16, could be expected to produce a decline in the annual growth rate of real GNP of roughly 0.2 to 0.3 percentage point. Because the shortfall was not sustained throughout the year and because a major portion was in transfers, which have a low GNP multiplier relative to purchases, the expected impact of such a change would be smaller. But it does help explain the weakness in the economy after the spring of 1976.

The Federal expenditure shortfall was concentrated in the second quarter (Table 16). By the third quarter the underspending was much reduced, and in the fourth quarter total spending was substantially above projected levels.

TABLE 16.—*Federal expenditure shortfall, national income and product accounts, calendar year 1976*

[Billions of dollars; quarterly data at seasonally adjusted annual rates<sup>1</sup>]

Category	1976				
	Year <sup>2</sup>	I	II	III	IV <sup>3</sup>
Total expenditures.....	-2.8	-5.5	-13.8	-1.8	10.0
Purchases of goods and services.....	-2.0	-3.5	-4.6	-.4	.5
National defense.....	-.5	-1.4	-.7	.0	.1
Nondefense.....	-1.5	-2.2	-4.0	-.3	.4
Transfer payments.....	-.9	-2.8	-4.7	.0	3.7
To persons.....	-.2	-2.2	-3.8	.6	4.4
To foreigners.....	-.7	-.6	-1.0	-.5	-.7
Grants-in-aid to State and local governments.....	.7	.4	-3.0	-.9	6.3
Net interest paid.....	-1.1	-.3	-.9	-1.3	-1.6
Subsidies less current surplus of government enterprises.....	.5	.8	-.5	.6	1.1

<sup>1</sup> Actual expenditures less adjusted January 1976 projections. See note below.

<sup>2</sup> Preliminary.

Note.—January 1976 quarterly projections have been adjusted to revised 1976 data by multiplying the adjusted annual projection (see Table 15) by the ratio of the original quarterly projections to the original annual projections. Detail may not add to totals because of rounding.

Sources: Department of Commerce (Bureau of Economic Analysis), Office of Management and Budget, and Council of Economic Advisers.

The shortfall can be attributed to a combination of lower-than-expected rates of inflation, unemployment, and interest, as well as to delays in making new obligations and outlays and to an apparent bias toward overestimation of expenditures in the budget. The obligation and payment lags primarily affected purchases, particularly for defense, where unused obligational authority unexpectedly rose about \$10 to \$12 billion in the 15-month period between July 1, 1975 and September 30, 1976. Obligation delays were also responsible for the slowdown in the Federal highway aid program, which affects the grant component of total expenditures. The spending overrun in the last quarter of 1976 was almost entirely in transfers and grants and was due to legislation which differed from that assumed in January. This increase does not appear to have been the result of spending delayed from earlier in the year.

In the unified budget the total shortfall from the January estimate for fiscal 1976 and the transition quarter was \$11.4 billion. This figure was significantly larger than in the NIPA Federal sector (Table 17) and was the

TABLE 17.—*Reconciliation of estimates of Federal expenditure shortfall, unified budget and national income and product accounts, fiscal year 1976 and transition quarter*

[Billions of dollars]

Category	Expenditure shortfall <sup>1</sup>		
	Total	Fiscal year 1976	Transition quarter <sup>2</sup>
Federal budget outlays <sup>3</sup> .....	-11.4	-7.9	-3.5
Less: Financial transactions and other asset transfers.....	-3.9	-1.5	-2.4
Plus: Defense timing adjustment.....	4.4	2.1	2.3
Foreign military sales.....	3.6	3.0	.6
Other purchases.....	.8	-.9	1.7
Coverage, netting and other timing differences.....	-3.1	-1.4	-1.7
Equals: Federal expenditures in national income and product accounts..	-6.2	-5.7	-.5

<sup>1</sup> Actual expenditures less January 1976 projections.

<sup>2</sup> July-September 1976.

<sup>3</sup> Excludes outlays of the Export-Import Bank.

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

basis for most of the public discussion about the shortfall. Differences between expenditures on the two bases result from financial transactions and other asset transfers included in the unified budget but not in the NIPA, certain differences in coverage and netting, and timing discrepancies between foreign military deliveries and payments, and between cash payments recorded in the unified budget and actual deliveries recorded in the NIPA. Most of the difference between the unified and NIPA spending shortfalls in 1976 represents unforeseen changes in financial transactions and other asset transfers and advance payments for military sales abroad. In addition, the shortfall in defense outlays in the unified budget was not completely reflected in NIPA defense purchases. The slowdown in these outlays was a consequence of delays in making new obligations, largely because of the delay in passage of the 1976 defense appropriations bill and a lag in adjusting to substantial increases in budget authority.

While the unified budget presents a fairly comprehensive record of all receipts and outlays of the Federal Government, the Federal sector of the NIPA is generally considered a better measure of the Government's impact on current economic activity. If unified spending deviates from targeted levels because of unexpected asset transfers or advance payments, the Federal sector in the NIPA is unaffected, since such transactions are likely to have little direct impact on economic activity. On the other hand, because the economic effects resulting from defense spending for major procurement items may occur well before there is a change in NIPA defense purchases,

the latter may not immediately reflect the impact of a significant change in defense activity. Such a phenomenon happened in 1965-66 and may have occurred in 1976. The shortfall in new obligations and defense spending on a unified basis could explain the softness in defense orders in mid-1976.

In 1977 the residual economic impact resulting from the shortfall will stem from a combination of delayed multiplier effects and possible revisions of spending levels where a catchup or continuing shortfall is expected. In the 1978 budget the fiscal 1977 outlay projections have been revised to incorporate the delayed effects of the shortfall. Outlays for some programs are expected to be higher than estimated in last year's budget. In other cases outlays will continue to lag somewhat in 1977. But on balance no significant net increase or decrease in Federal spending is anticipated in 1977 as a result of last year's shortfall.

#### TAX LEGISLATION AND FEDERAL RECEIPTS

The antirecession tax cuts enacted in 1975 were continued throughout 1976. The Revenue Adjustment Act of 1975 extended the personal and corporate tax cuts in the Tax Reduction Act of 1975 for the first 6 months of calendar 1976. For corporations this legislation included a doubling of the surtax exemption from \$25,000 to \$50,000 and a lowering of the regular corporate income tax rate on the first \$25,000 of taxable profits from 22 percent to 20 percent. In addition, the maximum investment tax credit on qualified equipment was increased from 4 to 10 percent for utilities and from 7 to 10 percent for all other businesses. Altogether these provisions yielded a net reduction of about \$2.5 billion in corporate tax accruals in 1976 from what they would have been under 1974 law.

For individuals the Revenue Adjustment Act provided somewhat larger tax reductions than the earlier legislation in order to maintain the lower withholding rates in effect during the last 8 months of 1975. The major provisions were:

1. A \$35 tax credit per dependent, or a credit equal to 2 percent of taxable income up to \$9,000, whichever is larger.
2. An increase in the low-income allowance (minimum standard deduction) from \$1,300 per return to \$2,100 for a joint return and \$1,700 for a single person.
3. An increase in the percentage standard deduction, from 15 percent of adjusted gross income (with a maximum of \$2,000) to 16 percent of adjusted gross income (with a maximum of \$2,800 for a joint return, or \$2,400 for a single return).
4. An extension of the refundable 10 percent earned income credit for families with dependent children and incomes below \$8,000.

The tax credit on purchases of new homes was not extended beyond 1975.

The permanent changes in the Tax Reduction Act together with extension of the temporary provisions in the Revenue Adjustment Act yielded a reduction of about \$13.5 billion in personal taxes in 1976 from what they would have been under 1974 law.

Although the Administration had proposed that the personal and corporate tax reductions due to expire in mid-1976 be enlarged and made permanent, the Tax Reform Act of 1976 merely extended the provisions of the Revenue Adjustment Act. In particular, the higher low-income allowance and percentage standard deductions were made permanent; the personal tax credits, the reduction in the tax rate on the first \$25,000 of corporate income, and the increase in the corporate surtax exemption were extended through calendar 1977; and the 10 percent investment tax credit was extended through 1980. Thus the Tax Reform Act of 1976 did not produce any general tax cuts beyond those enacted at the end of 1975. Nor did it contain any of the special tax incentives proposed by the Administration to encourage specific types of economic activity. The total of the tax reductions was about \$16 billion in 1976, compared with \$18½ billion in 1975.

The Tax Reform Act of 1976 also made the first extensive changes in the tax code since 1969. These changes increased receipts by \$0.6 billion in 1976 and are expected to yield a \$1.6-billion gain in 1977. Among the more important measures enacted in the new law were unification of estate and gift taxes, a narrowing of allowable deductions for tax sheltered losses, tighter rules on personal deductions and exclusions, an increase in the minimum tax, and an expansion of loss-carryover provisions. Numerous other revisions were made in the tax law which modified existing tax preferences and added new ones. Despite these changes the Tax Reform Act of 1976 did not achieve fundamental reform or simplification of the tax code.

The other tax legislation passed in 1976 was a temporary increase in the Federal unemployment insurance tax rate from 0.5 percent to 0.7 percent to become effective January 1, 1977. The amount of wages subject to this tax was also raised permanently from \$4,200 per worker to \$6,000 per worker, effective January 1, 1978. These measures are designed to replenish State unemployment insurance trust funds. The legislation also extended coverage under the regular State unemployment compensation tax and benefit system to about 9 million additional employees in State and local government and farm and domestic workers, effective January 1, 1978. The Congress did not enact the Administration's proposed increase in the social security tax rate to 12.3 percent. Under current law, however, the rate will rise from 11.7 percent to 12.1 percent on January 1, 1978, and the taxable wage base will rise \$1,200 in both 1977 and 1978.

Federal receipts increased by \$44 billion to \$331 billion in 1976, yielding a Federal tax share of nominal GNP of 19.5 percent. The strong economy, continued inflation, and the absence of the 1975 tax rebate were responsible for the large growth in receipts.

## THE FISCAL BALANCES

The Federal deficit fell to \$58.3 billion in 1976, \$3.3 billion less than the deficit projected in January. The full-employment surplus rose by \$2.2 billion for the year (Table 18). The full-employment surplus measures the difference between total receipts and expenditures under the assumption that the economy is operating along its potential GNP path. Because the full-employment surplus is calculated at a constant operating rate for the economy, changes in receipts and expenditures that occur automatically in response to the cyclical behavior of output and employment are eliminated. Since full-employment expenditures are intended to measure discretionary shifts in fiscal policy, they include temporary expansions of unemployment compensation programs designed to counteract cyclical variations in the economy. For example, full-employment expenditures for 1975 and 1976 include benefits under the Federal supplemental benefits (FSB) program and the supplemental unemployment assistance (SUA) program created in December 1974. The full-employment budget numbers presented in Table 18 are based on the Council of Economic Advisers' new estimates of poten-

TABLE 18.—*Actual and full-employment Federal and State and local government receipts and expenditures, national income and product accounts basis, calendar years 1970–76*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Calendar year	Federal Government				State and local government			
	Receipts	Expenditures	Surplus or deficit (—)		Receipts	Expenditures	Surplus or deficit (—)	Operating surplus or deficit (—) <sup>1</sup>
			Amount	Change				
<b>Actual:</b>								
1970 .....	192.1	204.2	-12.1	-20.6	134.9	132.2	2.8	-4.0
1971 .....	198.6	220.6	-22.0	-9.9	152.6	148.9	3.7	-3.8
1972 .....	227.5	244.7	-17.3	4.7	177.4	163.7	13.7	5.6
1973 .....	258.3	285.0	-6.7	10.6	193.5	180.5	13.0	4.1
1974 .....	288.2	299.7	-11.5	-4.8	210.2	203.0	7.3	-2.8
1975 .....	286.5	357.8	-71.2	-59.7	234.3	227.5	6.9	-5.1
1976 <sup>2</sup> .....	330.6	388.9	-58.3	12.9	260.5	246.6	13.9	.8
1976: I .....	316.5	380.3	-63.8	5.6	251.6	239.5	12.2	-.6
II .....	324.6	378.7	-54.1	9.7	254.3	245.0	9.2	-3.8
III .....	333.8	391.1	-57.4	-3.3	262.0	249.3	12.7	-.6
<b>Full-employment:</b>								
1970 .....	201.0	203.6	-2.6	-6.3	138.1	132.2	6.0	-----
1971 .....	210.0	219.1	-9.2	-6.6	157.3	148.9	8.3	-----
1972 .....	222.1	243.6	-21.5	-12.3	179.4	163.7	15.7	-----
1973 .....	257.5	265.4	-7.9	13.6	192.9	180.5	12.4	-----
1974 .....	311.8	297.7	14.1	22.0	219.3	203.0	16.4	-----
1975 .....	337.6	350.1	-12.5	-26.5	255.6	227.5	28.1	-----
1976 <sup>2</sup> .....	371.6	381.9	-10.3	2.2	277.7	246.6	31.2	-----
1976: I .....	358.5	372.6	-14.1	.6	269.2	239.5	29.7	-----
II .....	365.3	371.9	-6.7	7.4	271.7	245.0	26.7	-----
III .....	376.1	384.3	-8.2	-1.5	279.7	249.3	30.4	-----

<sup>1</sup> Surplus or deficit excluding social insurance funds.

<sup>2</sup> Preliminary.

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

Sources: Department of Commerce (Bureau of Economic Analysis), Office of Management and Budget, and Council of Economic Advisers.

tial output and the full-employment unemployment rate, which are discussed in Chapter 1. Thus the levels of the surplus are different from those reported in previous years. The new benchmarks, however, have little effect on the period-to-period change in the full-employment surplus, which is the appropriate measure of the thrust of fiscal policy.

The difference between movements in the actual deficit and full-employment surplus is an indicator of the normal cyclical changes in receipts and expenditures. Over four-fifths of the drop in the actual Federal deficit in 1976 was due to an improving economy which automatically raised tax collections and reduced unemployment insurance payments. The remainder was largely the result of the unintended shortfall in spending.

The State and local surplus rose to \$13.9 billion in 1976. Of the total increase, slightly more than one-half was the result of higher tax receipts produced by the cyclical economic upturn and a significant increase in Federal grants. The rest—as shown by the \$3.1-billion increase in the State and local full-employment surplus—was due to trend economic growth and discretionary reductions in the growth of expenditures relative to receipts. The most significant aspect of State and local finances in 1976 was the restoration of a surplus in their operating accounts (exclusive of social insurance trust funds) in the last quarter of the year. This was made possible by the unusually small increase in State and local expenditures in 1976, together with the rapid growth in revenues. This fiscal conservatism at the State and local level reinforced the unexpected restraint coming from the Federal sector.

## THE NEW CONGRESSIONAL BUDGET PROCESS

In 1976 Congress fully implemented its new budget procedures for the first time. The Congressional Budget and Impoundment Control Act of 1974 established a process whereby the Congress is forced to consider overall receipts and outlays and commit itself under a binding resolution to these totals. The First Concurrent Resolution on the budget, which must be passed before May 15 of each year, sets targets for total receipts and outlays and for the division of outlays among the major functional categories to guide congressional committees in considering new legislation. These targets are revised in the light of the normal authorization and appropriations process, and the changes are incorporated in the Second Concurrent Resolution, which sets a binding floor on receipts and a ceiling on outlays for the coming fiscal year. The second resolution must be passed before the new fiscal year begins on October 1. After the Second Concurrent Resolution has been approved, legislation that raises outlays above the ceiling or reduces receipts below the established floor cannot be considered unless both Houses of Congress first pass a revised concurrent resolution.

The most obvious benefit of the new procedures is that Congress now considers the budget as a whole and its impact on the desired course of fiscal policy and resource allocation. In earlier years, legislation was enacted in a piecemeal fashion, with little attention to the overall macroeconomic and al-

locative implications of the resulting tax and spending totals. By setting an overall ceiling on outlays and a floor on receipts, the Congress is now forced to consider the tradeoffs among alternative programs. It must also weigh higher spending against lower taxes for stabilization purposes in making the long-term choice between a larger or smaller Federal sector. The new budget process also requires current and future cost estimates for all new programs, thereby making more explicit the effects of current legislation on future budgets. The new budget process has thus institutionalized a more rational procedure for legislative deliberations on the budget and should make the Congress more aware of the costs and consequences of the programs it enacts.

## MONETARY POLICY AND FINANCIAL MARKETS

Monetary policy in 1976 must be interpreted in the light of financial and economic developments affecting monetary growth and interest rates during the year. Less extensive use of demand deposits for transactions purposes has apparently continued to shift the demand for money downward, reducing the growth of  $M_1$  which would otherwise be needed to sustain the economic expansion. An unusually low rate of growth of  $M_1$  relative to GNP growth is hence not necessarily evidence of a restrictive monetary policy. But neither is the decline in interest rates during 1976 evidence of an expansive monetary policy. Both a slowing of economic growth in mid-1976 and falling inflationary expectations as inflation rates declined during the year have contributed to lower interest rates than had been expected. Appraisal of monetary developments in 1976 therefore requires a careful examination of monetary growth and the behavior of interest rates during the year.

### GROWTH OF THE MONETARY AGGREGATES

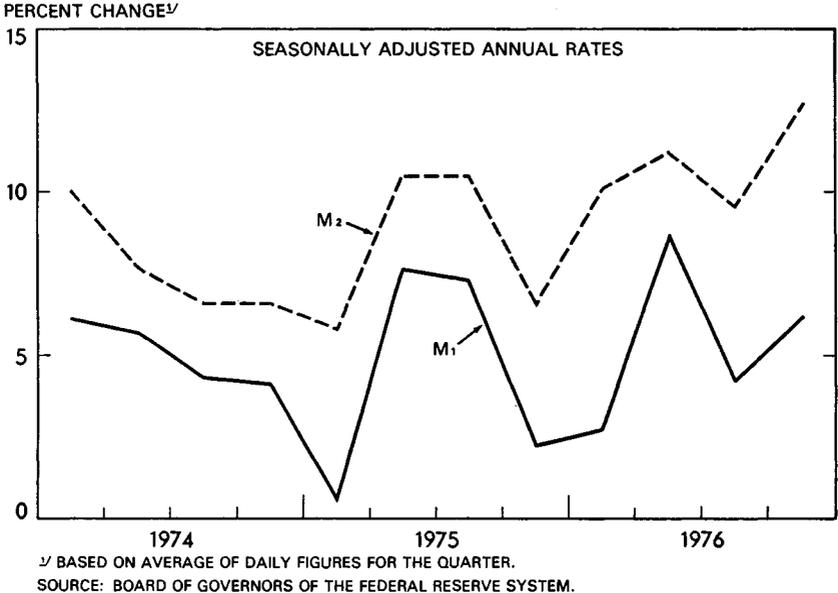
Over the 4 quarters of 1976 the monetary aggregates  $M_1$  and  $M_2$  grew by 5.0 and 9.8 percent respectively. The very slow growth in  $M_1$  which began in the latter half of 1975 continued in the first quarter of 1976, when  $M_1$  increased by only 2.7 percent at an annual rate. In the second quarter  $M_1$  expanded rapidly, spurred on by a significant drawdown of U.S. Treasury deposits, which transferred funds to private demand deposit accounts in April. After another slowdown in the third quarter, the growth rate of  $M_1$  reaccelerated in the fourth quarter (Chart 5).

The growth of  $M_2$  did not vary as much as the growth of  $M_1$  during 1976. In the first quarter the growth rate of time and savings deposits at commercial banks increased sharply because some market interest rates fell below the rates paid at banks. Thus  $M_2$  increased at a 10.1 percent rate in the first quarter while  $M_1$  increased at only a 2.7 percent rate. By the last 2 months of the second quarter, however, the increase in market interest rates had caused some slowdown in the inflow to time and savings deposits.

For this reason, although the rate of growth of  $M_1$  increased by 5.9 percentage points in the second quarter, the rate of growth of  $M_2$  increased by only 1.1 percentage points. As interest rates on marketable securities began to decline in the second half of the year, the growth of time and savings deposits picked up again and resulted in a substantial increase in  $M_2$ .

Chart 5

## Growth in Money Stock



The velocity of  $M_1$ —the ratio of nominal GNP to  $M_1$ —grew by about a 3 percent annual rate during the last 3 quarters of 1976, much more slowly than in the previous 3 quarters. Both a faster rate of  $M_1$  growth and a slower rate of nominal GNP growth contributed to this slowdown. The important question thus raised is whether velocity will again accelerate in 1977 when nominal GNP growth is expected to increase. Some of the slower velocity growth in the last 3 quarters can be explained by the usual lag in the adjustment of money balances to changes in nominal GNP growth. This same lag could provide some stimulus to velocity growth in 1977 if GNP growth accelerates.

Over the recovery as a whole  $M_1$  velocity growth has been somewhat higher than in previous recovery periods—averaging more than 6 percent at an annual rate over the last 6 quarters—despite the moderate decline in interest rates. Regulatory changes and financial innovations, partly induced by the high interest rates which peaked in 1974, have apparently been a factor in this higher velocity growth, as was noted in Chapter 1. Estimates of how these changes affect  $M_1$  demand are necessarily imprecise, however,

and should be used with caution in interpreting monetary developments and projecting actual monetary growth rates.

Another possible reason for the slow growth in demand for  $M_1$  is the unusually weak behavior of business loans at commercial banks during this recovery. Many banks require compensating balances for their loans in the form of demand deposits, and businesses sometimes build up deposits at commercial banks to establish lines of credit in anticipation of loan needs. If loan demand is unusually weak, as has been the case in this recovery,  $M_1$  growth thus tends to be unusually small. It is therefore possible that a recovery of loan demand in 1977 could cause an acceleration of the growth in the demand for  $M_1$ .

Econometric estimates of the demand for  $M_1$  as a function of GNP, a money market interest rate, and the average rate on savings deposits provide evidence that some factors, perhaps the ones mentioned above, have shifted the demand for money downward. Such an estimated money demand function incorporating lagged adjustments, which has explained the data well during most of the postwar period, began to shift in early 1974. This shift has continued during 1976, though at a moderately diminished rate.

#### FEDERAL RESERVE TOLERANCE RANGES FOR MONETARY GROWTH

In May 1975 the Federal Reserve began to report prospective ranges for annual growth rates in the monetary aggregates. This practice has continued with quarterly reports of projected growth rate ranges for the three main aggregates  $M_1$ ,  $M_2$ , and  $M_3$ . These ranges represent Federal Reserve projections of monetary growth rates using the available information about economic conditions and policy intentions at the time projections are made. The ranges have been at least 2 percentage points wide in each case, the width of the ranges giving some flexibility to the projection procedure while preserving the information about the longer-run intentions of the Federal Reserve. The quarterly updating of the base period adds flexibility, but when actual growth deviates significantly from the projected range some adjustment in the range may be necessary to prevent further deviations. Moreover the ranges themselves are not inflexible and are modified when emerging economic developments require a change.

Experience with this practice of announcing monetary growth rates indicates that it can become a constructive addition to the economic policy-making process, helping to stabilize inflationary expectations. The ranges have also provided information which permits a more enlightened discussion of monetary policy. Their forward-looking perspective has helped to promote general understanding of the tradeoffs between short-run and long-run economic goals and to clarify policy makers' intentions.

With the exception of the first projection for the period from March 1975 to March 1976, each range has referred to growth from an average taken for the most recently completed quarter to an average for the same

quarter a year later. The actual growth rates for the 1-year intervals ending in 1976 have not significantly deviated from the projected ranges (Table 19), though this alone is not an indication that monetary policy has been successful in achieving ultimate stabilization goals. The growth rate of  $M_2$  has been inside the projected range for all but one of the four periods, with more frequent deviations of  $M_3$  above the upper boundary and of  $M_1$  below the lower. The largest deviation for  $M_1$  was from the third quarter of 1975 to the third quarter of 1976, when  $M_1$  grew by only 4.4 percent. Some of this shortfall, however, may have been due to the unusually high base for this period, a result of the 1975 tax rebates' effect on the money stock. Thus a moderate smoothing of the path of  $M_1$  from May through September 1975, to adjust for the impact of these special payments, would bring the growth of  $M_1$  above the lower boundary of 5 percent.

TABLE 19.—*Projected and actual growth rates of monetary aggregates, 1975–76*

Period	$M_1$	$M_2$	$M_3$
Percent change from a year earlier:			
March 1976:			
Projected range <sup>1</sup> .....	5-7½	8½-10½	10-12
Actual.....	4.9	9.6	12.2
1976 II:			
Projected range <sup>1</sup> .....	5-7½	8½-10½	10-12
Actual.....	5.2	9.6	12.0
1976 III:			
Projected range <sup>1</sup> .....	5-7½	7½-10½	9-12
Actual.....	4.4	9.3	11.5
1976 IV:			
Projected range <sup>1</sup> .....	4½-7½	7½-10½	9-12
Actual.....	5.4	10.9	12.8

<sup>1</sup> Range of percent changes in  $M_1$ ,  $M_2$ , and  $M_3$  forecast by Federal Reserve for the period and actual percent changes between periods indicated. Actual quarterly changes are based on quarterly averages.

Source: Board of Governors of the Federal Reserve System.

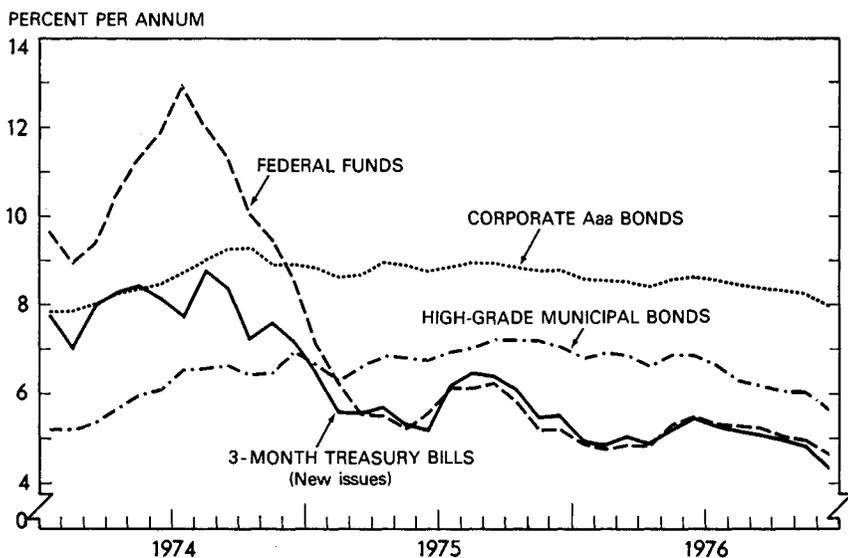
## INTEREST RATES

Short-term interest rates generally fell during 1976 and by December were at their lowest levels since 1972 (Chart 6). Only one marked fluctuation occurred during the year. In the last 2 weeks of April the Federal Reserve took actions to slow the accelerating growth in the aggregates; and the Federal funds rate began to rise, reaching 5½ percent in late May. Accompanying the rise in the key money market interest rate, the Treasury bill rate and the commercial paper rate also increased; but by June the short-term interest rates again began to decline.

Long-term interest rates also fell during 1976. Moody's Aaa corporate bond yield fell to 8.0 percent by early December from an average of 8.8 percent in December 1975. Interest rates on less highly rated corporate bonds fell more sharply, as indicated by the 144 basis point decline in Moody's Baa corporate bond yield. Mortgage interest rates in the secondary market also fell during 1976 but by the end of the year had only a negligible impact on home mortgage rates in the primary market.

Chart 6

## Interest Rates



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

At the end of 1976 both short-term and long-term interest rates were well below the levels reached at the start of the recovery in early 1975. Declines in interest rates are not typical of an economic expansion. The 1976 experience results in part from a decline in the expected rate of inflation, which has apparently accompanied the decline in actual inflation rates. The decline in longer-term interest rates, however, may have been smaller than the decline in the expected long-term rate of inflation. If so, the real rate of interest—one measure of the impact of monetary policy on the economy—has not decreased.

### OTHER FINANCIAL DEVELOPMENTS

Nonfinancial corporations have lengthened the average maturity of their debt during the recovery. With severe liquidity problems at the start of 1975, brought on by unusually large short-term borrowing in previous years, most businesses aimed at restructuring their balance sheets by increasing their long-term borrowing relative to short-term borrowing and by holding more liquid assets such as Treasury bills. The U.S. Treasury's borrowing strategy has shifted in a similar direction in 1976, with 89 percent of the increase in marketable interest-bearing public debt in the form of longer-maturity coupon issues, compared to 53 percent in 1975.

Partly as a result of the desire of business firms for increased liquidity, commercial and industrial loans at commercial banks declined throughout the first half of the year, as they have generally done during the recovery, but a marked upturn in business loans began in October 1976. As was true of the temporary turnaround in late 1975, a large proportion of this increase was in the form of bankers' acceptances—short-term money market instruments counted as bank loans—an indication that the turnaround again might be temporary.

In 1976 internal financing covered about 90 percent of total capital outlays for nonfinancial corporate business compared with more than 100 percent in 1975 when inventories were being liquidated. The fraction, however, remains well above any seen since the mid-1960s, and business use of external funds remains relatively weak. As the growth of investment continues in 1977, the internal financing fraction should continue to decline and the dependence on external finance should increase.

Proportionately more of the increase in long-term funds raised from external sources by business corporations in early 1976 was in the form of equities (Table 20), but this trend was interrupted in the third quarter. Stock market prices were higher in 1976 than in 1975, although they remained relatively steady during the year.

Increased borrowing in the household sector absorbed most of the declining share of U.S. Government borrowing in 1976. Home mortgage borrowing increased sharply in the third quarter and accounted for most of the net change in total mortgages during this period. Flows into thrift institutions, especially into savings and loan associations, were stimulated by declining market interest rates relative to deposit rates, and they provided the major share of funds to support this demand for mortgages.

TABLE 20.—*Funds raised in credit markets by nonfinancial sectors, 1971–76*

(Billions of dollars; quarterly data at seasonally adjusted annual rates)

Sector and credit market instrument	1971–74 average	1975				1976		
		I	II	III	IV	I	II	III
Total funds raised.....	178.6	156.9	211.6	222.0	250.9	233.6	250.3	258.8
U.S. Government.....	15.1	59.6	102.0	94.0	85.2	73.4	74.2	78.9
State and local government.....	16.6	11.7	16.0	16.3	15.4	12.0	21.4	18.9
Nonfinancial business <sup>1</sup> .....	82.9	43.3	40.9	43.8	62.6	60.5	65.5	56.0
Corporate debt instruments.....	56.7	27.3	19.2	24.3	37.9	32.8	34.1	31.9
Corporate equities.....	8.6	7.7	12.9	6.9	12.2	12.6	14.0	6.1
Households <sup>2</sup> .....	56.4	33.9	44.0	54.2	66.6	71.1	74.6	87.0
Home mortgages.....	37.7	28.5	38.5	42.2	48.2	51.5	53.2	60.6
Consumer credit.....	15.4	.9	1.3	14.3	17.7	18.1	20.6	19.2
Foreign.....	7.7	8.3	8.8	13.8	21.1	16.6	14.7	18.0

<sup>1</sup> Also includes farm and nonfarm noncorporate not shown separately.

<sup>2</sup> Also includes mortgages other than home, bank loans n.e.c., and other loans.

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

Source: Board of Governors of the Federal Reserve System.

## EMPLOYMENT, UNEMPLOYMENT, AND INCOME TRANSFER PROGRAMS

The improvement in the economy last year was reflected in the labor market: employment increased, unemployment declined, and benefits from income transfer programs were lower in comparison with 1975. The improvement in employment was stronger in the first half of 1976. While the unemployment rate fell during the first half, it increased during the second half.

### EMPLOYMENT

Total civilian employment estimated from household survey data increased 3.2 percent last year over the 1975 average (Table 21). The increase was

TABLE 21.—*Labor market indicators, 1974-76*

[Quarterly data seasonally adjusted]

Indicator	1974	1975	1976	1975 IV	1976			
					I	II	III	IV
Millions of persons								
<b>EMPLOYMENT STATUS</b>								
Civilian labor force.....	91.0	92.6	94.8	93.1	93.6	94.5	95.3	95.7
Employment.....	85.9	84.8	87.5	85.2	86.5	87.5	87.8	88.1
Unemployment.....	5.1	7.8	7.3	7.9	7.1	7.0	7.5	7.6
Percent <sup>1</sup>								
Civilian labor force participation rate <sup>2</sup> ...	61.2	61.2	61.6	61.1	61.2	61.6	61.8	61.8
UNEMPLOYMENT RATES								
All civilian workers.....	5.6	8.5	7.7	8.4	7.6	7.4	7.8	7.9
Unemployed 15 weeks or longer <sup>3</sup> .....	1.0	2.7	2.5	3.1	2.7	2.2	2.4	2.6
Demographic groups								
Men 20 years and over.....	3.8	6.7	5.9	6.9	5.8	5.7	6.0	6.2
Women 20 years and over.....	5.5	8.0	7.4	7.9	7.4	7.1	7.7	7.6
Both sexes 16-19 years.....	16.0	19.9	19.0	19.6	19.2	18.8	18.8	19.1
Married men, spouse present.....	2.7	5.1	4.2	5.1	4.1	4.1	4.4	4.4
Occupation								
White-collar workers.....	3.3	4.7	4.6	4.8	4.6	4.6	4.7	4.6
Blue-collar workers.....	6.7	11.7	9.4	11.2	9.3	9.0	9.8	9.7
Industry								
Nonagricultural private wage and salary workers <sup>4</sup> .....	5.7	9.2	7.9	9.0	7.9	7.6	8.1	8.1
Construction.....	10.6	18.1	15.6	17.5	15.8	15.3	16.4	14.9
Manufacturing.....	5.7	10.9	7.9	10.1	7.8	7.5	8.0	8.2
Durable goods.....	5.4	11.3	7.7	10.5	7.9	7.4	7.6	7.9
Nondurable goods.....	6.2	10.4	8.1	9.6	7.7	7.7	8.7	8.7
Transportation and public utilities.....	3.2	5.6	5.0	5.2	4.7	4.7	5.1	5.5
Wholesale and retail trade.....	6.4	8.7	8.6	9.1	8.6	8.3	8.8	8.7
Finance and service industries.....	4.6	6.6	6.5	6.9	6.5	6.3	6.5	6.8
Government workers.....	3.0	4.0	4.4	4.2	4.4	4.5	4.3	4.4
Agricultural wage and salary workers.....	7.3	10.3	11.7	11.0	11.0	11.6	11.1	12.9

<sup>1</sup> Unemployment as percent of civilian labor force in group specified, except as noted.

<sup>2</sup> Civilian labor force as percent of civilian noninstitutional population.

<sup>3</sup> Unemployment as percent of total civilian labor force.

<sup>4</sup> Includes mining, not shown separately.

Source: Department of Labor, Bureau of Labor Statistics.

widespread among demographic groups. Since the first quarter of 1975, when the trough in employment was reached, civilian employment has increased by 4.4 percent, compared to 3.9 percent in the 7 quarters following the trough of the 1957–58 recession.

Payroll employment increased 2.8 percent in 1976 over the 1975 level and 2.7 percent from the fourth quarter of 1975 to the fourth quarter of 1976. The rate of increase in jobs from the last quarter of 1975 to the last quarter of 1976 varied substantially among the sectors of the economy. Employment rose by 4.2 percent in durable goods manufacturing and in the private service-producing sectors by 2.8 percent. In other sectors, however, there was little or no change. Perhaps most notable is that State and local government payroll employment, after growing by 4.8 percent from the fourth quarter of 1974 to the fourth quarter of 1975, increased by only 1.8 percent from the fourth quarter of 1975 to the fourth quarter of 1976. The 3.7 percent increase in payroll employment since the first quarter of 1975 was little more than half the increase recorded during the 7 quarters following the 1957–58 recession trough.

## UNEMPLOYMENT

Although the unemployment rate declined in 1976 it remained substantially above the 1974 level (Table 21). The official seasonally adjusted unemployment rate decreased from the fourth quarter of 1975 to the second quarter of 1976 and increased in the last 2 quarters. The unemployment rate in the last quarter exceeded that of the first quarter.

The quarterly movements in the seasonally adjusted unemployment rate are sensitive to the seasonal adjustment procedure that is adopted, particularly when there are large swings in unemployment because of a severe recession or sudden changes in seasonality. The Bureau of Labor Statistics (BLS) recognizes that analytically there is no unique or unambiguously superior seasonal adjustment procedure and provides data adjusted under several alternative procedures. The procedure used to compute the official unemployment rate gives a heavier weight to the more recent experience than the procedure applied to other statistics. Because large changes in unemployment occurred during the course of 1974 and 1975, the official seasonal adjustment procedure may have exaggerated the movements in the unemployment rate last year.

One of the alternative seasonal adjustment procedures used by BLS is to assume that there has been no change over time in the seasonality in employment and in unemployment within age-sex groups for the years 1967 to 1973 and to exclude the experience of the recent recession. Unemployment rates adjusted according to the stable seasonality procedure suggest more gradual changes throughout the year than the official statistics and about the same unemployment rate during the last quarter as during the first quarter of 1976. Under this procedure the unemployment rate was 8.3 percent in the fourth quarter of 1975, 7.8 percent in the first quarter of 1976, 7.5 percent in

the second quarter, 7.7 percent in the third quarter, and 7.8 percent in the fourth quarter. This approach, however, does not allow for possible changes over time in the seasonality of age-sex specific unemployment rates that may have accompanied the dramatic changes in the composition of the labor force. Of course differences in seasonal adjustment procedures have no effect on the unemployment rate for the year as a whole.

Last year's decline in unemployment rates was widespread among demographic groups, though the rate fell more sharply for men than for women. One reason is the greater concentration of male workers in cyclically sensitive blue-collar jobs. Another was the rapid increase in the participation of females in the labor force, an increase which retarded the decline in their unemployment rate in spite of the rise in female employment.

The decrease in unemployment rates by occupation and industry in 1976 mirrored the cyclical increase in 1974-75. By occupation, the unemployment rate of white-collar workers was essentially the same in 1975 and 1976, but blue-collar workers' unemployment rate fell by over 2 percentage points. In 1976 the unemployment rates in construction, manufacturing, and transportation and public utilities were lower than in 1975, but in the other private service-producing industries the unemployment rates in 1976 about equaled the 1975 levels. Unemployment rates in 1976 were substantially higher than in 1975 and 1974 for government workers and agricultural wage and salary workers.

The persistence of relatively high unemployment rates in 1976 for government and agricultural wage and salary workers may in part reflect the slow growth in government employment and a continued adjustment to SUA, which came into effect in the first quarter of 1975. SUA provided unemployment compensation coverage for the first time for the 12 million wage and salary workers not covered by a regular Federal or State program, most of these being State and local government or agricultural wage and salary workers. The availability of these benefits may have encouraged some persons who became unemployed for seasonal or other reasons to extend their period of unemployment and job search rather than take a less desirable job, or drop out of the labor force. (The effects of the unemployment compensation system on the unemployment rate are discussed in greater detail in Chapter 4.)

#### LABOR FORCE PARTICIPATION

The civilian labor force participation rate increased sharply last year compared to 1974 and 1975 (Table 21). The increase was largely concentrated among women. For women aged 20 and over the participation rate rose from 46.0 percent in 1975 to 47.0 in 1976, more than offsetting a 0.4 percentage point decline in the participation rate among adult men which continued a long-term trend. The teenage labor force participation rate increased somewhat, by 0.5 percentage point to 54.6 percent in 1976.

The increase in female labor force participation is in part a continuation

of longer-term trends. Over the past 2 decades, for example, the labor force participation rate of women aged 20 and over has risen 11 percentage points from 36 percent in 1956. This change reflects a combination of related factors: increased potential earnings in the labor market; later marriages; a decline in birth rates; more efficient production in the home because of such time-saving consumer durables as freezers and dishwashers, and such non-durables as frozen foods and wash-and-wear clothing; and a change in attitudes concerning the roles of men and women. The expanded employment opportunities in 1976 compared to the previous year may also have encouraged greater labor force participation by women.

The increase in labor force participation by adult females last summer appears to be larger than one would have predicted on the basis of the secular and cyclical factors. The rise in the participation rate from 46.6 percent in the first 5 months to 47.3 percent in July and August, and the decline to 47.2 percent in the following 3 months may be traceable in part to the effect of SUA, which provided a new incentive for women in the educational services industry, and perhaps in other sectors, to remain in the labor force rather than withdrawing during the summer.

In summary, the substantial increase in employment (2.7 million persons) last year was accompanied by a very strong growth in the civilian labor force (2.2 million persons). The labor force growth resulted mainly from the increase in the population aged 16 and over, the secular increase in overall labor force participation rates, and the economic recovery to the extent that it encouraged persons to enter or remain in the labor force. The result of these factors was that only a moderate decline occurred in the number of unemployed persons (0.5 million).

## INCOME TRANSFER PROGRAMS

A major concern of public policy in a recession is to mitigate the loss of family income among those who become unemployed. Cushioning this loss helps to maintain consumer purchases and thereby facilitates economic recovery. It also provides for a broader sharing of the economic burden created by a recession. With the improvement in the economy in 1976, benefits under income transfer programs declined (Table 22).

Unemployment compensation is the most important countercyclical income transfer program. As unemployment increases because of layoffs, the number of recipients increases; with the recall of workers the number of recipients declines. This pattern appeared in the last 2 years during the decline in economic activity and in the subsequent recovery (Table 22).

The ability of the unemployment compensation system to respond to the economic downturn was strengthened by two temporary programs. Under FSB the duration of entitlement for persons covered by a regular program was extended in two 13-week installments to a maximum of 65 weeks. Benefit durations under FSB were reduced in 1976 in States with lower insured unemployment rates, and FSB is scheduled to terminate this March.

TABLE 22.—Income transfer programs, 1974–76

Program	Unit	1974 IV	1975				1976			
			I	II	III	IV	I	II	III	IV
<b>Unemployment:</b>										
Total number of persons.....	Millions.....	5.6	8.3	8.0	7.8	7.2	7.9	7.0	7.3	7.0
<b>Unemployment Compensation:</b>										
Beneficiaries: Total.....	Millions <sup>1</sup> .....	2.3	5.1	5.5	5.3	4.8	5.2	4.3	4.2	-----
Permanent programs.....	do.....	2.3	4.7	4.8	4.0	3.5	4.1	3.2	3.1	-----
FSB and SUA <sup>2</sup> .....	do.....	-----	.4	.7	1.3	1.3	1.1	1.1	1.1	-----
Benefit payments: Total <sup>3</sup> .....	Billions of dollars <sup>4</sup> .....	7.8	17.3	19.0	18.6	17.6	20.5	16.0	13.1	-----
Permanent programs.....	do.....	7.8	16.2	16.7	14.7	13.2	15.5	12.2	10.9	-----
FSB and SUA.....	do.....	-----	1.1	2.3	3.9	4.4	5.0	3.8	2.2	-----
<b>Food Stamp Program:</b>										
Beneficiaries.....	Millions <sup>5</sup> .....	15.9	18.6	19.2	18.6	18.5	18.8	18.2	17.3	-----
Benefit payments.....	Billions of dollars <sup>4</sup> .....	4.0	4.9	5.0	5.2	5.1	5.6	5.4	5.1	-----
<b>Aid to Families with Dependent Children:</b>										
Beneficiaries: Total.....	Millions <sup>5</sup> .....	10.9	11.3	11.3	11.3	11.4	11.5	11.3	11.2	-----
Unemp.employed fathers.....	do.....	.4	.5	.5	.5	.6	.7	.7	.6	-----
Benefit payments <sup>3</sup> .....	Billions of dollars <sup>4</sup> .....	8.4	8.9	8.9	9.3	9.8	10.1	9.9	10.0	-----
<b>Old-age, Survivors, and Disability Insurance:</b>										
Beneficiaries: Total <sup>6</sup> .....	Millions <sup>5</sup> .....	30.7	31.1	31.1	31.5	31.9	32.3	32.4	32.6	32.9
Retired workers and dependents.....	do.....	19.6	19.8	19.9	20.1	20.3	20.5	20.5	20.6	20.9
Disabled persons and dependents.....	do.....	3.9	4.0	4.1	4.2	4.3	4.4	4.5	4.5	4.6
Benefit payments <sup>7</sup> .....	Billions of dollars <sup>4</sup> .....	56.8	60.6	63.0	67.1	68.3	69.4	71.4	75.3	76.8
<b>Medicaid:</b>										
Beneficiaries.....	Millions <sup>5</sup> .....	8.2	8.8	9.0	8.7	9.0	9.4	9.3	9.1	-----
Benefit payments.....	Billions of dollars <sup>4</sup> .....	11.9	13.4	14.3	13.7	14.6	15.3	15.3	15.8	-----
<b>Medicare:</b>										
Benefit payments.....	Billions of dollars <sup>4</sup> .....	13.7	14.9	15.4	15.5	16.5	17.3	18.3	18.6	-----
<b>Supplemental Security Income:</b>										
Beneficiaries.....	Millions <sup>5</sup> .....	4.0	4.1	4.2	4.3	4.3	4.3	4.3	4.3	4.3
Benefit payments <sup>3</sup> .....	Billions of dollars <sup>4</sup> .....	5.5	5.6	5.6	5.9	6.0	6.0	6.0	6.2	6.2

<sup>1</sup> Weekly average.

<sup>2</sup> Federal supplemental benefits (FSB) and special unemployment assistance (SUA).

<sup>3</sup> Includes State as well as Federal payments.

<sup>4</sup> Annual rate.

<sup>5</sup> Monthly average.

<sup>6</sup> Total also includes survivors.

<sup>7</sup> In current payment status.

Sources: Department of Agriculture, Department of Labor, and Department of Health, Education, and Welfare.

SUA provided temporary coverage and a maximum duration of benefits of 39 weeks for the 12 million wage and salary workers not previously covered by a regular Federal or State program. Under the Unemployment Compensation Amendments Act of 1976 about 9 million of the 12 million persons covered by SUA are to be brought under the regular State programs by January 1978, and SUA will not take any new claims from that date.

The other cash transfer programs are less cyclically sensitive. Aid to Families with Dependent Children (AFDC), social security, and the supplemental security income program (SSI) provide benefits largely to low-income fatherless families, the aged, and the disabled—groups whose employ-

ment and earnings show little cyclical sensitivity (Table 22). These programs are nevertheless major sources of income redistribution. In 1976 total benefits were \$10 billion under AFDC, \$73 billion under social security, and \$6 billion under SSI.

The AFDC program for unemployed fathers (AFDC-UF), now available in 28 States, grew significantly in 1976, though it is still a small program. AFDC-UF benefits had been available only to families with low income and few assets and with an unemployed father not eligible for unemployment compensation. In June 1975, however, the Supreme Court ruled that a State with the program could not deny AFDC-UF benefits simply because the father was eligible for unemployment compensation, thus permitting such fathers to choose between the programs. For low-income families with several dependents, benefits under AFDC-UF may exceed those available under unemployment compensation. The average monthly cash benefit among AFDC-UF families was \$325 in the first half of 1976, about the same as the average monthly unemployment compensation benefit. Because they tend to have low earnings when they work, the average AFDC-UF claimant would have a lower than average unemployment compensation benefit. In addition, participation in AFDC-UF includes categorical eligibility for food stamps and medicaid. As more low-income families became aware of these greater benefits and as more workers exhausted their FSB entitlement, AFDC-UF participation increased. From June 1974 to June 1975, when the unemployment rate increased from 5.3 percent to 8.7 percent, AFDC-UF participation rose from 86,000 families to 112,000 families. By June 1976 the unemployment rate had fallen to 7.6 percent, but participation had increased to 146,000 families.

There are three major in-kind income transfer programs: medicaid, medicare, and food stamps. Medicaid subsidized medical care for persons on AFDC, and for other low-income persons who are medically indigent, at a cost of \$15 billion in 1976. Medicare provided medical insurance at a cost of \$18 billion for the aged and disabled receiving social security benefits and for persons with end-stage renal (kidney) disease. These programs exhibit some cyclical sensitivity. The food stamp program, which provides subsidized food vouchers for low-income families, is the most cyclically sensitive in-kind income transfer program. With the improvement in the economy the average monthly participation in the food stamp program decreased, although at an annual rate the program costs were about the same as in 1975 (Table 22).

One measure of the adverse impact of a recession is its effect on the poverty rate, the proportion of the population represented by families or unrelated individuals with money incomes below the poverty level. The poverty threshold in 1975 for a nonfarm family of four was officially defined as \$5,500 in money income as measured in the March 1976 supplement to the *Current Population Survey*. Because of the growth over time in real family money income, the poverty rate declined from 22.4 percent in 1959

(the earliest data available) to 11.1 percent in 1973. In the recessions occurring during this period poverty either declined more slowly or actually increased, while during periods of rapid economic expansion the poverty rate fell sharply.

The most recent period is no exception. The poverty rate increased by 0.5 percentage point (1.3 million persons) from 1973 to 1974 and by 1.1 percentage points (2.5 million persons) from 1974 to 1975. Given the severity of the downturn, as measured by the unemployment rate and real disposable personal income, the increase in poverty is somewhat smaller than would have been expected. Past experience suggests that the increase would have been 0.7 percentage point from 1973 to 1974 and 1.3 percentage points from 1974 to 1975. Moreover the extent of the increase in poverty would have been smaller if the value of in-kind income transfer benefits, such as the food stamp subsidy and the insurance premium value of medicaid were counted as income.

## ENERGY DEVELOPMENTS

Since late 1973 world petroleum prices have risen by over 350 percent as the posted price of crude oil produced in the Persian Gulf increased from \$2.59 per barrel to about \$12 per barrel. The economic recovery in 1976 promoted an increase in energy consumption, though higher prices held consumption below the previous peak. Adjusting the quantity and mix of sources of energy consumed in the United States has been slowed because such adjustment requires extensive changes in the capital stock of the country and because the prices of domestic petroleum and natural gas are held below world price levels by controls. The United States has apparently adjusted less rapidly than other developed countries. This has contributed to increased U.S. dependence upon imports, exposing the economy to greater risk of externally imposed damage.

## CONSUMPTION

Energy consumption increased in 1976 after 2 consecutive years of decline. The economic recovery was sufficiently strong to increase energy consumption by about 3½ percent in spite of higher prices, an abnormally warm winter, and a cooler than usual summer. Energy consumption has been lowered compared with the level that would have existed if it had not been for the price increases of 1973–75. In the household-commercial sector, changes in energy usage followed movements in real disposable income for the first 2 years after the late 1973 price increase (Table 23). In the most recent 4 quarters, however, changes in energy consumption have been far smaller than the growth in real disposable income, suggesting a gradually growing response to price increases. In the manufacturing and transportation sectors as well, energy consumption has increased less rapidly than would have been predicted on the basis of the growth in manufacturing

production or real GNP, and this also implies a continuing response to the price rise.

The amount of substitution of alternative energy inputs for petroleum to date has not been great. While coal is being substituted for petroleum, increased amounts of petroleum are being used to make up for shortages of natural gas. Petroleum as a percentage of total energy inputs in manufacturing increased from 27 percent in 1973 to 30 percent in 1976. Usage of petroleum by utilities dropped 1 percent. The share of coal in total energy used in manufacturing remained constant between 1973 and 1976, while utilities increased their consumption of coal from 56 to 62 percent of all fossil fuel inputs.

TABLE 23.—Changes in energy consumption and relevant economic indicators by final consumption sector, 1950–76

[Percent]						
Period	Energy consumption in household and commercial sector	Real disposable personal income	Energy consumption in industrial sector	Manufacturing production	Energy consumption for transportation	Real GNP
<b>Annual average change:</b>						
1950 to 1955 .....	2.9	3.3	3.5	5.3	2.6	4.2
1955 to 1960 .....	4.1	2.7	1.3	2.4	1.9	2.4
1960 to 1965 .....	4.6	4.7	3.4	6.5	3.3	4.7
1965 to 1970 .....	5.5	3.9	4.2	3.5	5.1	3.0
1970 to 1973 .....	3.5	4.8	1.8	6.9	4.7	4.7
<b>Change from preceding year:</b>						
1974 .....	-1.8	-1.6	-2.9	-.3	-3.4	-1.7
1975 .....	1.9	1.7	-8.3	-10.1	.6	-1.8
<b>Change from a year earlier to:</b>						
1974: I .....	-4.8	.2	-1.1	2.3	-7.3	.0
II .....	-.6	-1.4	-5.0	1.6	-2.6	-1.8
III .....	-1.4	-1.9	-.7	1.1	-2.6	-1.9
IV .....	.6	-3.3	-4.8	-5.8	-1.0	-4.1
1975: I .....	3.7	-2.2	-5.1	-14.5	3.9	-5.6
II .....	3.2	3.5	-13.1	-14.4	1.3	-3.6
III .....	1.5	1.8	-11.0	-9.6	-.6	-.3
IV .....	-1.0	4.0	-4.7	-1.3	-1.9	2.3
1976: I .....	2.7	6.3	.4	13.9	3.7	7.3
II .....	-1.6	2.4	11.4	15.1	3.5	7.0
III .....	1.6	4.1	5.9	9.8	4.6	5.2

Note.—Energy consumption includes distribution generation losses.

Sources: Department of Commerce (Bureau of Economic Analysis), Department of the Interior (Bureau of Mines) Federal Energy Administration, and Board of Governors of the Federal Reserve System.

## PRODUCTION

Imports of oil increased while domestic production of crude oil and natural gas declined again in 1976; however, production of bituminous coal continued to grow.

The decline in the production of crude oil which began in 1970 continued in 1976, although the rate of decline slowed to 2.6 percent from a 4.7 percent decline in 1975. The decrease in petroleum production has to some extent been caused by price controls on all or part of the output of

domestic wells since 1971. From May 1973 to February 1976 roughly two-thirds of U.S. oil production was under price controls. From February 1976 to September 1976 all U.S. output was controlled. In September 1976 controls were lifted from stripper wells, which produce less than 10 barrels a day and account for 14 percent of total U.S. output. The number of oil and gas wells drilled and the total footage of such wells increased in 1976 to the level last recorded in the early 1960s, although many drilling rigs were idle through part of the year. Production from the Elk Hills Naval Petroleum Reserve was begun, and a number of problems which had prevented production of crude oil from offshore leases in California were surmounted. After numerous delays progress on the Alaskan pipeline set the stage for delivery of the first production from the North Slope in late 1977.

Production of bituminous coal increased by 2½ percent in 1976 and reached a postwar record level. From 1973 to 1976 the production of coal increased 12 percent, as coal production capacity has expanded in response to higher coal prices.

Total marketed production of natural gas, which had been declining since 1973, appears to have stabilized in 1976. The stabilization of production masks a continuing trend to withhold new production from interstate markets in favor of intrastate markets, where a higher price is offered. The interstate market for natural gas has apparently been bearing the full brunt of the declines in total marketed production since 1973. Thus Federal price controls are not only causing reductions in U.S. production but also distorting the distribution of available supplies.

There were only small increases in production from other energy sources, primarily nuclear power and hydropower. Hydropower production is limited by the physical capacity of hydropower plants as well as by the amount of rainfall. Production from nuclear power plants was constrained by licensing and operating problems. Although the maximum dependable capacity of nuclear power plants increased by 10.3 percent from the end of 1975 to July 1976, production increased by only 6.0 percent; operating rates declined to 52.0 percent of capacity from the average 55.0 percent recorded in 1975.

## IMPORTS

The increase in demand for petroleum and the decline in domestic production implied increased imports of petroleum during 1976. In some measure the increase in petroleum imports represents the natural response to the greater demand created by the economic recovery. Much of the increase, however, is the result of a policy which sets consumer prices by averaging higher-priced imports and lower-priced domestic output. Imports, the marginal supply of petroleum in the United States, are being subsidized by the price controls, which discourage conservation and expansion of domestic production. Petroleum imports averaged 7.2 million barrels a day, up 14

percent from 1973. The cost of petroleum imports has risen from \$7.5 billion in 1973 to \$32 billion in 1976. Imports currently represent 41 percent of U.S. oil consumption, compared with 29 percent in 1972. Although countries of the Western Hemisphere, primarily Venezuela and Canada, supplied about two-thirds of U.S. imports of petroleum in 1973, less than half came from the Western Hemisphere in 1976.

The 1976 increase in imports was concentrated in crude oil rather than refined products. Since 1973 total petroleum imports have increased from 6.3 million barrels a day to approximately 7.2 million; but imports of petroleum products have declined from 3 million barrels a day to less than 2 million. This substitution is a result of expansion in refining capacity and implementation of the Federal Energy Administration's (FEA) entitlement programs, which provide substantial price protection to U.S. refineries.

## PRICES

The increase in energy prices, which had exceeded 10 percent per year during 1974 and 1975, slowed significantly during 1976. Contributing to this moderation was the Energy Policy and Conservation Act, which was passed by the Congress in December 1975 and became effective in February 1976. This act caused an initial reduction of 8.8 percent in the price of crude oil produced within the United States and prescribed that the rate of increase of crude oil prices would equal the rate of inflation as measured by the GNP deflator plus up to 3 percent, as a production incentive until the act expired in 1979. In its attempts to comply with the provisions of the act, FEA froze the price of crude oil at the June 1976 level as of July. Consequently, U.S. crude oil prices have fallen even farther below the price of imports.

Prices charged to consumers did not reflect the decline in domestic crude oil prices last year (Table 24). The average price of crude oil entering refineries, including imported crude oil, increased during the last year, although the price of domestic crude production fell 7 percent. The prices of fuel oil and gasoline had surpassed the December 1975 levels by mid-1976.

During 1976 price controls were removed from distillate fuel oils, residual fuel oils, and miscellaneous products. Gasoline, commercial jet fuels, propane, and certain other products remained under controls. Consumer prices of products that were no longer under price controls rose no faster than prices of those products still under control.

The average price of natural gas continued to increase during 1976; but at about 54 cents per thousand cubic feet (mcf) it remained well below the price of the nearest substitute, oil, owing to the effects of the continued regulation by the Federal Power Commission (FPC) of gas sold for resale in interstate markets. Prices of domestic gas entering the regulated interstate pipelines rose from 30 cents per mcf for the 12 months ending June 1975 to 39 cents for the 12 months ending June 1976. In mid-1976, prices for im-

TABLE 24.—Changes in consumer prices of energy items, 1966–76

[Percent]

Period	Total energy items <sup>1</sup>	Electricity	Fuel oil <sup>2</sup>	Gasoline <sup>3</sup>	Gas
Average annual change:					
1966 to 1969.....	2.1	1.2	2.8	2.6	0.9
1969 to 1972.....	3.1	5.0	3.4	.9	6.0
Change from a year earlier:					
1973.....	8.0	5.0	15.4	9.8	4.6
1974.....	29.3	18.1	58.8	35.4	12.5
1975.....	10.6	13.2	8.3	6.8	19.9
1976.....	7.1	-----	-----	-----	-----

<sup>1</sup> Also includes coal and motor oil, not shown separately.

<sup>2</sup> Fuel oil No. 2.

<sup>3</sup> Regular and premium gasoline.

Source: Department of Labor, Bureau of Labor Statistics.

ported and some newly contracted intrastate gas ranged between \$1.67 and \$1.71 per mcf.

During 1976 the FPC lifted the ceiling price to 93 cents per mcf for gas first dedicated for sale in interstate commerce in 1973 and 1974. The price allowed for gas first sold in interstate commerce in 1975 and 1976 was set at \$1.42 per mcf. The FPC also raised the minimum price for what is termed old gas.

The extent to which these price changes will affect demand is limited by the practice of basing consumer charges on the average cost of gas, including the gas purchased under the previously lower regulated price. Consequently these price actions will not eliminate the shortage of natural gas for interstate trade though they will help to reduce it.

The average price of coal sold under long-term contracts continued to increase during 1976 at a rate approximately parallel to the rate of inflation in the economy at large. The price of bituminous coal in spot markets, however, continued to decline during 1976 from peaks reached during the coal strike of 1974.

Electricity prices rose at a 7.2 percent annual rate through the first 9 months of 1976 with rate increases awarded by regulatory authorities to offset the past decline in revenues from electricity consumption. As growth in the demand for electricity resumed in mid-1976, requests for these revenue-sustaining increases began to diminish.

## AGRICULTURAL DEVELOPMENTS

Increased crop and livestock production last year resulted in the smallest food price increases since 1971, the food CPI averaging 3 percent above 1975. At the same time, farm income remained close to the 1975 level. Last year's relatively stable situation provides a vantage point from which to assess the adjustments of the agricultural sector to the relative price changes of the preceding 3½ years.

## COMMODITY MARKETS AND FOOD PRICES

World grain (including rice) production in the 1976-77 marketing year is estimated to be 8 percent greater than the preceding year, a record harvest and sufficient to add over 40 million metric tons to world stocks. This would be the first substantial addition to world stocks in 5 years.

While much attention has been given to weather uncertainties in recent years, world production of all grains has been relatively stable. Because short-falls in individual countries have to some extent been offsetting, world production has not fallen as much as 3 percent below trend levels in any year since 1960. However, relatively small variations in production can cause large price fluctuations because of the inelasticity of world supply and demand, especially with the much-reduced level of world carryover stocks of grain in recent years. Price fluctuations in the United States during 1972-75 were further increased in size by policies in other countries, which attempted to insulate their prices from world supply and demand conditions. The result was to leave a disproportionate amount of consumption and production adjustment to countries which follow relatively free-trade, market-oriented policies. Chief among these is the United States.

In response to the high crop prices of 1972-75, and accommodating farm policies, U.S. farmers in 1976 harvested record crops of wheat and corn for the second consecutive year. The large crops allowed substantial rebuilding of stocks, especially of wheat. U.S. carryover stocks from 1976 food grain supplies are expected to be around 28 million metric tons for wheat and 2 million tons for rice, roughly half a year's total utilization for each. At the end of 1976 farm prices were substantially lower than a year earlier for wheat and rice, and slightly lower for corn. For soybeans, however, prices were much higher as strong domestic and foreign demand, coupled with a reduced U.S. crop, indicated that carryover stocks might be drawn down near minimum levels in 1977.

The lower food grain prices were reflected in an estimated 1 percent decline between the fourth quarter of 1975 and the fourth quarter of 1976 in the cereal and bakery product component of the CPI. But grain prices influence the food sector primarily through livestock markets. Favorable ratios of livestock to feed prices in 1975 resulted in large increases in meat production in 1976. Compared to production figures a year earlier, pork production was up 8 percent, beef up 8½ percent, and broilers up 12 percent. Milk production increased 4 percent, the largest annual rise since 1953. Beef production was high not only because of increased marketing of grain-fed cattle, but also because cattlemen continued to cut back their breeding herds, which had been overbuilt in the early 1970s. The resulting addition to last year's meat supplies helped depress prices, but the reduction in cattle numbers set the stage for higher beef prices in the future.

Consumption of red meats and poultry last year rose an estimated 7 percent from 1975. The relative price of meats as measured by the red meats

and poultry CPI deflated by the overall CPI fell an estimated 6½ percent below the 1975 average. Taking into account changes in income and population, the increased quantities consumed implied a larger response of consumption to the price decline or the income increase than is found in most econometric studies of demand for meats.

Consumer prices for other food categories, including fruits and vegetables and dairy products, increased faster than the overall CPI during 1976. There were especially sharp increases for coffee, eggs, and fish. But cereals and meats declined sufficiently during the year to make the increase in the food CPI only an estimated 1 percent from the fourth quarter of 1975 to the fourth quarter of 1976 and 3 percent from year-average 1975 to 1976.

## FARM INCOME

Preliminary estimates indicate that last year's real income from farm and other sources per farm household was high by historical standards for the fifth straight year, even though it was substantially below the 1973 peak. U.S. Department of Agriculture data on disposable income per capita for the farm and nonfarm populations give some basis for comparing farm and nonfarm economic well-being (Table 25). Comparison is difficult, however, because of differences in the cost of living and in the number of persons per household, as well as nonpecuniary differences between farm and nonfarm work and greater capital gains arising from farm real estate. Commercial farmers with annual gross sales of \$20,000 or more per year earned higher average incomes than the nonfarm population throughout the 1970s. This group accounted for 89 percent of the farm products sold in 1975. In 1975 they earned a mean income per household of \$24,980, after tax but including income in kind, but the aggregate conceals wide variations in returns. In particular, many cattle feeders and sugar beet and cane producers experienced losses last year, although in some recent years they earned large profits.

The changes in product and factor prices that lay behind the farm income changes of the 1970s show the influence of sharply rising export demand for grains and oilseeds. In fiscal 1976 farm exports attained a seventh consecutive yearly record of \$22.1 billion, of which \$13.7 billion was accounted for by wheat, feed grains, and soybeans. In addition, domestic demand for food has continued to increase. Total domestic utilization of farm food commodities increased 6 percent between 1970 and 1976, while the CPI for food consumed at home increased 8 percent relative to the overall CPI. Between 1970 and 1976 the prices farmers received for crops rose 35 percent relative to the GNP deflator and the relative prices received for livestock rose 2 percent.

The associated increases in factor prices reflect not only a greater derived demand but also the effects of energy price increases on production costs. The prices of all important groups of farm inputs increased in compari-

TABLE 25.—*Real income per farm and per capita disposable personal farm income as percent of nonfarm income, 1961–75*

Period	Total income per farm (1967 dollars) <sup>1</sup>	Percent of farm operators' income from farming	Per capita disposable personal income, farm as percent of nonfarm
1961–65 average.....	\$6,797	51.2	61.7
1966–70 average.....	8,893	45.9	72.0
1971.....	9,327	41.3	74.7
1972.....	10,865	46.4	83.4
1973.....	14,183	55.8	109.3
1974.....	12,685	51.3	92.7
1975.....	10,969	44.4	89.6

<sup>1</sup> Net farm income excluding inventory change plus off-farm income of farm households divided by the index of prices paid by farmers for family living items, 1967=100.

Source: Department of Agriculture.

son with the general price level. The indexes for farm prices paid, deflated by the GNP deflator, were up 44 percent for fertilizers, 28 percent for tractors and self-propelled machinery, 23 percent for fuels and energy, and 21 percent for agricultural chemicals between 1970 and 1976. The index of farm real estate prices relative to the GNP deflator rose 42 percent, and the hourly real wage rate of hired farm workers rose 12 percent during this same period.

#### FARM AND FOOD POLICY

Through the Rice Production Act of 1975 a rice program that restricted output was replaced last year by the market-oriented approach already existing for wheat, feed grains, and upland cotton. That approach, introduced in the Agriculture and Consumer Protection Act of 1973, provides income support by means of deficiency payments based on the difference between a legislated target price and the market price or support price received. The market price is supported at a lower level by way of the "loan rate," the price per bushel which is provided as a loan to qualifying farmers who put grain in storage and may then pay off the loan by turning grain over to the Commodity Credit Corporation. The higher target price has little effect on acreage because deficiency payments are made only on an allotment base which a farmer cannot increase by expanding acreage. Unlike that for wheat and feed grains the target for rice established for the 1976 crop is above market prices. Consequently deficiency payments on the 1976 crop of an estimated \$140 million will be made to rice growers.

The loan rate on wheat was increased by 75 cents to \$2.25 per bushel in October 1976, with smaller increases for feed grains. This increase put the wheat support price near enough to market prices so that any further significant increase in the support price would threaten to reduce export and feed use of wheat.

Following a recent emphasis on international approaches to commodity policy, the United States proposed in the International Wheat Council a system of nationally held food grain reserves. The reserves, to consist of 30 million metric tons of wheat and rice, would be used to add to supplies during years of exceptionally low production rather than to defend any particular price band. They would be acquired and released with reference to quantitative triggers, when world supplies exceeded or fell short of trend by a fixed percentage. No progress was made toward implementation of this plan. By year-end, however, prospective private carryover stocks of wheat and rice above working stocks in the United States amounted to perhaps 20 million tons of the proposed 30-million world total.

There were significant policy developments in several other areas in 1976. The Administration attempted unsuccessfully to move toward a market-oriented program for peanuts to replace the current reliance on acreage controls and high support prices. Dairy price supports were reviewed at quarterly intervals and were raised in April and October to keep the price of milk used in manufacturing at 80 percent of parity. By the end of the year substantial Government purchases of butter, cheese, and powdered milk were being made at the support prices. The President vetoed a bill which would have raised dairy supports to 85 percent of parity and under which the accumulation of dairy products would have been still larger and the year-end prices still higher.

Other international policy developments concerned imported coffee, sugar, and meat, which in fiscal 1976 accounted for \$5.0 billion of the \$10.1 billion U.S. agricultural imports. The Senate ratified U.S. participation in a new International Coffee Agreement, which contains provisions intended to stabilize prices within a band agreed upon by producers and consumers. As with most such arrangements, there is a danger that the agreement will be more effective in holding prices above the price floor than in holding prices below the price ceiling when a short crop occurs. The devastating Brazilian frost of July 1975 is likely to keep prices well above the highest possible support price for at least 2 more years. In regard to sugar and meat, measures were taken to protect domestic producers from imports. The tariff on sugar was increased 1.25 cents per pound, and quantitative restrictions were imposed on imports of beef.

Government regulation of agriculture continued to grow last year. The Environmental Protection Agency suspended most uses of the pesticides heptachlor and chlordane. The Grain Standards Act of 1976 will greatly increase Federal supervision of the weighing and grading of grain for export. The Farmer-to-Consumer Direct Marketing Bill was enacted to encourage the purchase of food in places other than grocery stores. Other regulatory developments included increasing health and safety regulation, the ban by the Food and Drug Administration of several food additives, and the decisions, first to permit and then to deny the use of mechanically deboned red meat for human consumption.

While circumstances have enabled a movement away from restrictive programs for grains and upland cotton, most of last year's policy developments were not in the direction of less regulated markets. With farmers pressing for intervention to forestall lower grain prices, and with increased interest in achieving grain price stability through grain reserves, the potential exists for a further turn from the market orientation that has been brought about in the last decade. The costs of such a turn are discussed in Chapter 4.

## CHAPTER 3

# The World Economy in 1976

**A**S 1976 DREW TO A CLOSE, there appeared to be some doubt regarding the strength, if not the sustainability, of the economic recovery. After moving very fast early in 1976, the recovery began during the summer to slow in many countries. This slowdown, combined with pressures in foreign exchange markets associated with external payments strains in a number of countries, brought about a renewed sense of uncertainty. Whereas policy concerns early in the year had centered on the risk that simultaneous recoveries in the industrial economies might reinforce each other and bring about an unsustainable pace, in the second half of 1976 the concern shifted to the possibility that the flattening of the recovery might lead to an insufficient rate of growth.

Nevertheless the record for 1976 is quite positive in many respects. Output in the industrial countries is estimated to have risen about 5 percent above its 1975 level in real terms, the volume of world trade expanded by about 10 percent, and inflation rates, though not diminished as much as would be desirable, are significantly below earlier levels. Despite the pessimism of the summer months, it should be clear that a cessation of growth is not expected this year. The consensus of government and private forecasters is that expansion in output will continue, at a pace only slightly below the average rate of growth achieved in 1976, but nevertheless a pace that may not be sufficient to allow a significant reduction in unemployment. In fact, although employment has been growing in many countries, unemployment has remained high and has begun to rise again in some.

The experience of the past several years has shown that high and rising inflation rates are incompatible with the achievement of sustainable growth. In recognition of this fact it was agreed at the Ministerial Meeting of member states of the Organization for Economic Cooperation and Development (OECD) and at the meeting of Heads of State and Government of the major industrial countries in the summer of 1976, that the restoration of full employment and normal levels of capacity utilization in the OECD area would take a number of years. It was also agreed that sustained recovery could be achieved only in a climate of price stability. For this reason excessively expansionary policies, which would be interpreted as carrying the seeds of renewed inflation, might at best bring only temporary relief from unemployment.

The policy actions taken in 1975 and early 1976 were aimed at establishing a sustainable recovery. Although several autonomous events in 1972–73 helped create severe inflationary pressures, it is clear that overly expansionary policy measures bore part of the responsibility and eventually contributed to the worldwide recession of 1974–75, and it is this costly experience that authorities are determined not to repeat. Nevertheless, the strategy set out in mid-1976 envisaged a considerable period of growth well above longer-run average rates to ensure a steady move toward full employment. But it also implied caution lest inflationary expectations revive. Therefore, it should not be interpreted as a failure of policy if a mid-course correction now may prove to be necessary to keep the recovery on track in a number of countries. The fiscal program recommended in the United States (see Chapter 1) and the possible adoption of fiscal measures supporting the recoveries in Japan and Germany reflect the conviction that demand management policies must aim at sustaining the recovery but should recognize the need to remain prudent, even in the face of an apparent pause. This is particularly true since the latest indicators in some countries point to a strengthening of activity.

Attainment of sustained growth after a prolonged period of rapid inflation and recession as well as adjustment to the higher cost of energy require a rising share of investment in national output, at least for some time. Now more than ever this necessity implies an avoidance of policies that in the end lead to abrupt shifts. Above all, it involves a commitment by government as well as the public at large to realistic goals for the growth in incomes and the distribution of these incomes within and among nations.

## THE DEMAND SITUATION

At the beginning of 1977 the recovery from the deepest and most widespread recession of the post-World War II period was entering its second year. As one frequently finds at this stage, some 18 months after a turning point, cyclical indicators in many countries are sufficiently mixed as to raise the question whether the recovery might lapse into insufficient growth or whether a broadening out into a sustainable expansion is imminent.

In late 1975 and the beginning of 1976 substantial increases in output were registered in most industrial countries. These increases in activity were transmitted to the developing countries, in particular the primary commodity producers, through a strong expansion in international trade and a sharp upturn in commodity prices that came unusually early in the cycle. The early phase of the recovery was associated in part with the substantial amounts of fiscal and monetary stimulus that had been put in place during 1975 and early 1976, and in part with the cyclical recovery of inventory and consumption demand.

Because inventory decumulation in 1974–75 had been unusually sharp and private consumption demand had been weaker than in previous recessions,

there was considerable room for expansion in both these demand components once confidence in a stable recovery began to be established. Accordingly, the main impetus to the expansion in output in late 1975 and early 1976 came from a shift in inventory behavior, which turned from significant decumulation to moderate accumulation. As confidence about the economic outlook improved, consumer spending began to contribute strength to the recovery. The historically high saving rates of the preceding period of inflation and recession began to decline to more normal levels, especially in those countries where inflationary tendencies were subsiding, as consumers began to feel more secure about their jobs as well as about a restoration of the value of their inflation-eroded savings (Table 26). As a consequence pent-up consumer demand, reflecting earlier postponement of both replacement needs and new purchases of durable goods, was released. And industrial production in OECD countries expanded at an annual rate of nearly

TABLE 26.—*Personal or household saving rates in selected industrial countries, 1965–76*

[Percent; seasonally adjusted]

Period	United States	Canada	Japan	France	Germany	United Kingdom
1965–72 average.....	6.7	6.2	19.1	13.3	13.0	8.8
1973.....	7.8	9.3	22.5	17.3	14.2	11.6
1974.....	7.3	9.4	24.3	17.4	15.2	14.0
1975.....	7.8	10.2	23.0	17.7	15.8	14.0
1975: First half.....	8.1	10.9	23.2	-----	16.9	14.5
Second half.....	7.5	9.6	22.9	-----	14.8	13.6
1976: I.....	6.9	9.8	23.6	} 16.3	14.5	12.9
II.....	7.1	11.6	21.8		14.5	13.3
III.....	6.4	-----	22.2		15.0	-----

† Estimate.

Note.—For the United States, Canada, and the United Kingdom, the rate is personal saving as percent of personal disposable income. For other countries, the rate is household saving as percent of disposable income.

Sources: Organization for Economic Cooperation and Development (OECD) and national sources.

20 percent in the first quarter of the year (Table 27). Most of this increase was concentrated in the growth of output of industrial materials and consumer goods. Clearly industrial activity could not be sustained at such a pace, and growth of output moderated in the second quarter of the year. But as the summer passed and the temporary impetus to activity stemming from the reversal of the inventory cycle and the partial release of pent-up consumer demand spent itself, the rate of increase of economic activity continued to be slow, largely because investment demand did not revive significantly.

## DEMAND AND OUTPUT IN MAJOR INDUSTRIAL COUNTRIES

The continued slow pace of the world recovery after the vigorous upswing earlier in 1976 raised questions about whether or not the recovery might be faltering, especially in the United States, Germany, and Japan, where considerable progress had been made in reducing inflationary expect-

TABLE 27.—Changes in industrial production in selected industrial countries, 1975–76

[Seasonally adjusted monthly rates]

Period	Percent change from preceding period							
	OECD total	United States	Canada	Japan	France	Germany	Italy	United Kingdom
Latest month from pre-recession peak.....	-0.8	0.1	-2.9	-3.3	-2.3	-0.9	0.4	-7.7
1975: I.....	-1.8	-3.1	-.9	-2.6	-1.1	-.7	-.3	-.2
II.....	-.3	.3	-.2	1.0	-1.0	-.5	-1.0	-1.4
III.....	.3	1.8	-.2	.7	-.1	.1	-.6	-.2
IV.....	.9	.8	.4	.3	1.3	1.2	1.9	.3
1976: I.....	1.5	1.0	1.0	1.9	1.7	.9	.8	.5
April.....	.8	.2	.3	3.0	.0	2.7	.5	.1
May.....	.0	.9	1.0	-1.8	.0	-1.9	4.5	2.2
June.....	.8	.4	-1.2	1.3	.8	.8	-2.5	-4.1
July.....		.5	-.7	2.2	.8	-2.6	1.8	1.7
Aug.....		.5	1.3	-1.7	.0	.9	-9.1	-9.9
Sept.....		-.3	-.4	-.4	4.0	.9	13.4	1.6
Oct.....		-.4	-1.3	.2	-4.7	-.9		.1
Nov.....		1.2		2.2	-2.4	-.9		

Sources: Organization for Economic Cooperation and Development (OECD) and national sources.

tations, and where, therefore, policy could be more flexible than elsewhere. Current economic indicators in all three countries do not yet provide clear evidence whether and to what extent stimulative measures in addition to those already instituted or currently contemplated might be needed.

In Germany the economic recovery had started earlier than in most other countries, partly because inflationary pressures there had been contained earlier than elsewhere. Because of the early reining in of demand pressures, inventory accumulation in Germany was not as extensive in 1973–74 as elsewhere. Therefore, with demand reviving, the shift in inventory behavior did not contribute as much to the early stages of the recovery as in other countries. Initially, the recovery was carried by the effects of a large income tax cut and a temporary subsidy on investment instituted in late 1974. By the end of 1975 it seemed that the impetus to final demand provided by the fiscal stimulus and by strongly rising export orders might broaden the recovery. Private consumption and investment demand were growing at annual rates of 8 percent in the first quarter of 1976. Surveys of business intention and consumer sentiment pointed toward a continued firming of domestic demand.

After the first quarter, however, the pace of recovery slowed markedly. Not only was there no further improvement in unemployment, but employment remained below year-earlier levels. Domestic order inflows to industry began to weaken. Part of the slowdown in the pace of economic activity reflected a weakening of consumption demand. The saving rate stopped falling and stabilized well above its 1965–72 average, though considerably below its recent peak, and the volume of retail sales was flat through most of

1976. Only exports seemed to remain an expansionary force. Thus, considerable concern arose about the ability of the German economy to move into a sustained expansion.

However, industrial production began to pick up again toward the end of the summer. Later in the year, order inflows, especially from domestic sources, appeared to strengthen and unemployment fell slightly. But business intentions remained weak through the third quarter of 1976, according to surveys, and some part of the rise in domestic orders reflects subcontracting of export orders rather than a broad upturn of domestic investment.

Monetary policy has been accommodating, and it appears that the target for monetary expansion set by the Bundesbank for 1976 will be exceeded. For 1977, the monetary authorities have announced that their target for monetary expansion in terms of Central Bank money will be 8 percent, implying a growth rate of  $6\frac{1}{2}$  percent from the last quarter of 1976 to the last quarter of 1977. In order to help ensure that the projected growth of gross national product (GNP) of 5 percent for 1977 over 1976 will materialize, the authorities have instituted a number of selective measures to increase labor mobility and curtail unemployment, and a scheduled increase in value added tax has been postponed. In addition, further measures to stimulate private investment are being contemplated.

Developments in Japan in certain respects appear to be similar to those in Germany. The early phase of the recovery was sparked by fiscal stimulus, and activity picked up sharply toward the end of 1975 with a revival of export demand. In early 1976 the recovery appeared to broaden as private consumption demand rose rapidly and investment demand, though not buoyant, registered its first significant increase in 2 years. Underlying inflationary tendencies seemed to have moderated substantially, although price indicators were rising at a somewhat faster pace than in 1975. The faster rise of consumer prices largely reflected reductions in the subsidy elements of certain government services as well as other government price decisions. A regeneration of cost pressures did not appear to be a factor. In fact wage settlements, last year at an average  $8\frac{3}{4}$  percent, were well below past trends and indicate that the moderation in price increases that occurred in the third quarter of 1976 may well continue. Furthermore the rate of saving in Japan, as in Germany, appears to have stabilized at levels above its long-run average, and consumption demand is consequently a lesser expansionary factor than had been expected.

The Japanese recovery seemed to come to a virtual halt during the summer months. Industrial production fell toward the end of the summer, and the growth in real GNP decelerated sharply from an annual rate of  $8\frac{1}{4}$  percent during the first half of the year to somewhat less than 2 percent in the third quarter of 1976. This slowdown reflected a decline in the volume of exports from the very high levels of the first half of the year and a flattening out in private investment demand. Finally, in Japan as in the United

States some underspending by public authorities may have contributed to the slowdown in the growth in output. In the case of Japan this underspending was associated with parliamentary delays in approving public financing bills.

Because of the sluggish growth in the third quarter of 1976, the Japanese authorities announced a number of stimulative measures in November. The economic package consisted primarily of fiscal measures on the expenditure side of the budget, and the direct effect of this fiscal stimulus is estimated to amount to about 1 percent of GNP. However, because last year the Government failed to effect the usual annual cut in income taxes designed to reduce fiscal drag, overall fiscal policy may not prove quite so stimulative on balance. The formulation of budgetary policy in Japan in 1976 was complicated by the tenuous political situation. Now that the December elections are over and a Government has been formed, the course of fiscal policy may well be clearer in 1977.

The slower growth in activity in the three large industrial economies, the United States, Japan, and Germany, was accompanied by similar developments in the other major industrial countries. In these countries, however, the fact that internal demand grew more slowly or stopped growing during the summer months of 1976 largely reflected domestic policy measures aimed at containing accelerating price pressures.

In Italy, partly because the Government was under strong political pressures, fiscal and monetary policies had turned decisively expansionary in the second half of 1975. As a result output expanded rapidly from the end of 1975 through May 1976. This expansion in output was accompanied, however, by accelerating price pressures, largely reflecting rising wage costs, a budget deficit that rose to 13 percent of gross domestic product (GDP), and an apparent loss of control of monetary expansion. These developments were in turn reflected in growing trade deficits and pressures on the exchange rate. The authorities attempted for some time to contain exchange rate pressures by foreign borrowing and heavy intervention in the exchange markets. But growing reluctance by foreign lenders to extend further credit and mounting pressures in the exchange markets, partly caused by capital flight, brought about a significant change in economic policy. Systematic support of the exchange rate was discontinued early in 1976, and monetary policy was tightened, as was fiscal policy. Partly to reduce domestic liquidity, but mainly to arrest the drop in the exchange rate, the authorities instituted a prior deposit scheme on most foreign currency transactions. Later in the year a temporary surcharge on all purchases of foreign exchange was imposed.

Stabilization measures which could strike at the root of Italy's economic problems—wage push which was largely self-perpetuating in a climate of accelerating inflation because of tight indexation schemes and excessive government deficits financed in large part by the central bank—proved difficult to effect because of political uncertainties. Following the June elec-

tions the authorities began to formulate a more comprehensive economic program partly in preparation for reopening negotiations with the International Monetary Fund (IMF) for financial assistance. The Government's program took more definite shape in October with the announcement and subsequent parliamentary ratification of a series of increases in taxes, administered prices, and public traiffs. Monetary policy was tightened further, and discussions with business and labor were begun to seek ways of reducing labor costs and in particular of modifying the linkage between wages and prices. These discussions are continuing, and completion of the IMF negotiations awaits presentation of a satisfactory program of wage restraint. Italy's Communist Party, which made considerable gains in the June elections, as well as the country's other major political parties have supported the Government's stabilization efforts and have agreed, along with key members of the union leadership, that wage restraint must form an essential part of any stabilization package. However, the form such restraint is to take still remains to be worked out.

In the meantime, the recovery slowed, though not quite as much as had been expected. Real GDP in the third quarter of 1976 increased at an annual rate of less than 2 percent, after strong increases in the preceding 2 quarters of 10.2 percent and 6.3 percent respectively. Growth in the second and third quarters was largely sustained by exports and stockbuilding. Investment spending, except for energy-related projects, leveled off after some improvement early in the year. If the Government's stabilization efforts are effective, income growth may remain weak in 1977. In addition, high nominal interest rates, a weak demand outlook, and poor profit opportunities may continue to inhibit private investment demand. A successful stabilization program and strong export orders, however, might do much to release long-deferred replacement demand for capital equipment.

In the United Kingdom it was hoped that an export-led recovery would bring about the structural shift of resources into exports and private investment that was needed for a sustainable expansion, but these hopes flagged in the spring of 1976. The growth of exports began to slow, and in volume terms they fell by 3 percent in the third quarter of 1976. At the same time, the recovery of private investment expenditures, except on North Sea oil installations, appeared to have come to a halt in the second half of 1976. Real GDP fell in the second quarter; and although industrial production stopped falling in September, by November it was only fractionally above its early 1976 level. As a consequence unemployment rose through most of the year.

The disappointing performance of the British economy was largely associated with continued high rates of inflation, despite the wage restraint instituted in August 1975 and the agreement for further restraint reached in May 1976 in return for some tax relief. The high rates of inflation—over 15 percent at an annual rate as measured by the CPI in the first half of 1976—to some extent reflected higher import prices, as commodity prices rose and the exchange rate weakened. But to a larger extent they reflected

continued strong domestically generated price pressures, partly emanating from the public sector.

The British Government therefore reassessed its policies toward the end of 1976. In a policy statement, formulated partly in conjunction with the need to obtain conditional credit from the IMF, the authorities set out their prospective policy guidelines and the reasons for them. An essential requirement, aside from the necessity of further reducing inflation rates and of ensuring continuing support from the unions for the Government's wage policy, is the need to improve the nonprice elements of British competitiveness at home and abroad. Furthermore resources must be shifted from public and private consumption into exports and productive investment. The Government stated that "for this purpose an essential element of the Government's strategy will be a continuing and substantial reduction . . . in the share of resources required for the public sector. It is also essential to reduce the public sector borrowing requirement in order to create monetary conditions which will encourage investment and support sustained growth and the control of inflation." Accordingly the Government is effecting public expenditure cuts, phased over several years, and raising some indirect taxes. These measures, combined with earlier expenditure cuts, an increase in employers' social security contributions, and some other revenue-raising provisions, are expected to bring the public borrowing requirement down from its current level of 9 percent of GDP to about 6 percent in fiscal 1977-78. The fiscal measures are coupled with limits on the expansion of domestic credit designed to bring the growth of bank lending and of the monetary aggregates into line with the Government's overall objectives of reducing the rate of price inflation and bringing down interest rates.

The economic program adopted by the British authorities was hammered out under intense political difficulties, since the longer-term strategy clearly was difficult to accept in the face of high and rising unemployment. However, the authorities decided that the past record of consumption-led growth policies had only weakened the industrial structure in the longer run. Equally, strong pressures to impose direct controls on imports, which were to reduce both external payments pressures as well as pressures on the internal price level stemming from rising import prices, were resisted successfully, mainly on the grounds that such controls would help to perpetuate the structural weaknesses in the economy, but also in recognition of international obligations agreed to within the framework of the General Agreement on Tariffs and Trade (GATT) and the IMF. If the recent measures remove some of the uncertainties that have clouded the economic outlook for Britain, and if the forthcoming budget, as expected, removes some of the tax disincentives to business expansion, the outlook for the growth of economic activity in 1977 and beyond may have improved substantially compared with the trends apparent around mid-1976.

In France, as in the other major industrial countries, the recovery initially sparked by fiscal measures and a turnaround in inventory investment slowed

after the first quarter of 1976. The domestic economic situation is dominated by concerns about continued high inflationary pressures. Wholesale prices, which had been falling in 1975, rose at annual rates of almost 20 percent in the second and third quarters of 1976, and consumer prices increased at about a 10 percent annual rate from early 1975 through late 1976. The revival of domestic activity and the relatively high inflation rates were reflected in a growing current account deficit and downward pressure on the exchange rate.

Although a severe drought and the effects of the depreciation of the French exchange rate contributed to the rise in the domestic price level, the main pressures came from internal sources. Wages rose at an annual rate of 16 percent through the third quarter of 1976, in part led by settlements in the government sector well in excess of the inflation rate. The budget deficit in 1975 had been financed largely by bank borrowing, and monetary policy at that time was decidedly expansionary. As a result the growth of the broader money supply ( $M_2$ ) accelerated sharply.

Faced with internal price pressures and external financial constraints, the authorities tightened monetary conditions progressively during 1976. The budget for 1976 was designed to halve the public deficit compared with that of 1975. However, aid to farmers to alleviate the effects of the drought and subsidies to the social security fund exceeding planned amounts may keep the deficit above anticipated levels. The proposed budget for 1977 is in balance. The growth rate of public expenditures is to be less than that of nominal GNP, and increases in personal and corporate income taxes, partially offset by a cut in indirect taxes and some investment incentives, are to close the remaining gap between expenditures and revenues. In addition, monetary policy is to continue to support the anti-inflationary measures.  $M_2$  is to grow by 12½ percent in 1977 over 1976, compared with a 20 percent annual rate during the first half of 1976. The growth of regulated bank credit (about 80 percent of all bank credit extensions) is to be held to 5 percent for the large banks.

The authorities also instituted a general price freeze from mid-September to the end of 1976 and will keep public utility charges unchanged until April 1, 1977. The price pressures built up during the 3½-month freeze on private sector prices were to be offset by a reduction in value added tax in January 1977, and tighter control of profit margins is to limit price rises further. Finally, the Government proposed a voluntary wage restraint under which real wages would remain constant.

The inflationary environment, coupled with political uncertainties reflected in an early focusing on the 1978 parliamentary elections, has brought about a pessimistic turn in business and consumer confidence according to latest surveys. Nevertheless capacity utilization has continued to rise moderately; and private consumption, reflecting somewhat larger rises in real incomes than elsewhere, has continued to support economic activity.

## GENERAL DEMAND TRENDS

Economic developments in the individual countries clearly show a considerable divergence among underlying conditions and therefore among policy concerns. In those countries where marked progress had been made in turning around inflationary expectations—Germany, Japan, and the United States, for example—concerns centered on the sufficiency of the policy stimuli effected earlier. In a number of other countries inflation rates had diminished only little or were accelerating once more, partly because authorities in these countries had generally not moved to contain inflationary pressures during 1974–75 to the extent that other countries had done. The authorities in these countries, notably Britain, Italy, France, and Canada, were thus forced, partly by external pressures, to institute measures aimed at cooling the inflationary climate during 1976. Despite the growing divergence of policy aims among major countries, however, the shape of the recovery revealed a number of striking similarities.

The slowdown in the growth of output over the summer months of 1976, aside from the expected diminution of the stimulus derived from earlier expansionary policy measures and inventory changes, generally reflected one major shift in the demand outlook: private investment demand failed to revive to the extent that might have been anticipated on the basis of surveys of investment intentions and general economic developments. This sluggishness occurred in many countries, despite the fact that replacement needs have been cumulating for some years and a general recognition that a return to sustained full-employment levels in most countries presupposes a shift of resources toward investment.

In Germany and Japan, for example, past recoveries have usually shown a considerable rise in investment demand following an export-led upturn. In the current cycle this pattern has not been repeated, despite the fact that the early stages of the recovery were clearly export led. Further, in a number of other countries as well, investment is turning out to be less strong than past historical relationships would indicate. Econometric evidence based on models for a number of countries participating in Project LINK supports this view.

The financial position of the business sector in many countries does not appear to be a factor restraining investment decisions at this time. The considerable improvement in the liquidity positions, and in the structure of balance sheets of nonfinancial corporations, that had been evident in 1975 apparently continued at least into the first half of 1976. The cyclical rise in corporate profits and the improved climate in bond and equity markets allowed corporations to bring their internal financing and debt-to-equity ratios into better balance. Flow of funds data for the United States, Japan, Germany, France, and the United Kingdom collected by the OECD show

that this phenomenon was general among industrial countries. Of course, it reflects to some extent the weakness of investment demand, but the structure of the financial flows themselves was a significant contributing factor.

If neither the low level of capacity utilization nor financial constraints can fully explain current investment behavior, the explanation for the failure of investment demand to turn up decisively in the second year of recovery may be linked to a number of the longer-run factors discussed in Chapter 1. Data for most countries show that there has been an erosion of profits apparent since at least the late 1960s and earlier in some countries. At that time, however, concerns regarding the downward trend of profitability were alleviated by a growth-oriented business climate. Hence private investment demand responded strongly in the 1972-73 upswing. The current pause in investment spending appears to reflect a stronger awareness of the earlier underlying uncertainties and the addition of new ones. The risks associated with committing capital for long periods therefore appear to be weighing more heavily on the appropriation process and the risk premiums required have increased. The costing out of rates of return into the future, never easy, is compounded by the fact that recent experiences have led to greater uncertainties regarding future changes in demand, inflation rates, and financial conditions. The lack of clear guidelines regarding government policies in various areas, but more generally also a fear that governments may have lost control over economic conditions and that the economy in a number of countries may fall into stop-go cycles have added to the difficulties involved in the forward projection of profitability.

A major new element affecting investment decisions is the large increase in the relative price of energy that was effected in 1973-74 by the OPEC cartel. By raising inflation rates and making many processes in industrial and agricultural production uneconomic, the sextupling of the export price of OPEC oil since 1970 has had much more far-reaching effects than the directly obvious ones of deepening the world recession and creating serious international financial problems. The success of the OPEC cartel has also raised uncertainties regarding future price decisions and the security of supply. Investment decisions have become vastly more complicated under these circumstances; and adjustment, while creating new needs for physical capital, may take a long time. In the meantime, capital shortages may appear in various sectors and intensify inflationary tendencies, which in turn will inhibit the adjustment.

In countries where for one reason or another nominal interest rates have risen to recent cyclical highs, the problem surrounding investment decisions is further complicated by the fact that interest payments on debt create cash flow problems. Under such circumstances the longer-run problem of building and sustaining confidence is therefore compounded by the more immediate financial situation.

## PUBLIC SECTOR DEFICITS

The economic programs adopted or proposed by the British, Italian, and French authorities, as well as some others, during 1976 all stressed the need to stabilize the growth of the public sector and to reduce budget deficits. In most of these countries it was felt that both inflationary tendencies and disincentives to private sector initiatives were closely linked to the fact that the longer-run trends and the past years of inflation and recession had led to an excessive growth of government expenditures. The expenditure levels that have resulted are not expected to be sufficiently reduced as recession effects wear off. During 1976 government efforts in a number of countries were therefore largely concentrated on achieving immediate cuts in public expenditures as well as better longer-run control of the government sector. The focus on expenditure policy was owing in part to the fact that in a number of countries it was felt that marginal tax rates were approaching effective limits. In Britain and Italy efforts were also directed specifically toward reducing the very large public borrowing requirement, since financing of the deficit during the year involved a high rate of monetization, thus giving impetus to inflationary expectations and, toward the end of the year, to rising nominal interest rate levels. The latter lessened the effectiveness of the governments' policies directed toward increasing private investment demand.

By itself the growth of the public sector does not necessarily imply a loss of vitality in the economy. In fact at times there is a perceived need for the expansion of certain public sector activities, such as infrastructure investment, which while leading to a growing absorption of resources by the public sector sustain or increase the vitality of the private sector. Germany is a good example of this proposition. If the public sector provides the type of services the public desires and is willing to pay for, there is no loss in either productivity or private incentives. However, if public sector services are such as to cast doubt on the willingness of the public at large to pay for them, they imply an increase in the tax burden that the public would be reluctant to bear. In such a case the struggle between business and labor about the distribution of net income could be exacerbated. Such struggles inevitably lead to inflationary pressure and to a loss in efficiency for the economy at large. In this sense the growth of the public sector may be seen as inhibiting growth in the economy.

The closest link between transactions by the public sector and their effects on the overall economy is the direct claim on output and labor that derives from government spending on goods and services. A large part of such spending is concentrated on consumption or on investment in areas that may not necessarily reflect an optimal use of resources. One example is extensive government aid to ailing sectors of industry or individual firms, when aid directed at phasing out such activities might represent a better

use of resources. In such instances the overall ability of the economy to grow may be affected negatively.

One element in the rise in government spending has been the increasing claim of the public sector on labor over time (Table 28). In some cases

TABLE 28.—*Private and public employment in selected industrial countries, 1960–75*

Sector and country	Percent of total civilian employment					
	1960	1965	1970	1972	1974	1975
<b>Private sector:</b>						
United States.....	88.2	86.9	85.8	85.5	85.3	82.6
Canada.....	<sup>1</sup> 92.5	93.1	93.1	93.0	93.0	93.0
Japan.....	97.1	96.9	96.8	96.6	96.4	96.2
France.....	91.3	89.8	88.4	87.8	87.3	86.9
Germany.....	89.8	89.0	88.2	87.4	86.7	85.4
Italy.....	.....	.....	89.8	88.7	88.4	.....
Netherlands.....	91.0	90.9	90.1	89.3	88.9	.....
Sweden.....	.....	.....	91.0	90.3	<sup>2</sup> 90.2	.....
United Kingdom.....	78.1	77.6	74.9	71.8	73.6	71.8
<b>Public sector:</b>						
United States.....	11.8	13.1	14.2	14.5	14.7	17.4
Canada.....	<sup>1</sup> 7.5	6.9	6.9	7.0	7.0	.....
Japan.....	2.9	3.1	3.2	3.4	3.6	3.8
France.....	8.7	10.2	11.6	12.2	12.7	13.1
Germany.....	10.2	11.0	11.8	12.6	13.3	14.6
Italy.....	.....	.....	10.2	11.3	11.6	.....
Netherlands.....	9.0	9.1	9.9	10.7	11.1	.....
Sweden.....	.....	.....	9.0	9.7	<sup>2</sup> 9.8	.....
United Kingdom <sup>3</sup> .....	21.9	22.4	25.1	28.2	26.4	28.2

<sup>1</sup> Data for 1961.

<sup>2</sup> Data for 1973.

<sup>3</sup> Includes public corporations.

Sources: Organization for Economic Cooperation and Development and national sources.

a shift of labor to the public sector has been part of a general change in resource allocation that, as noted above, has been conducive to—or at least has not hampered—overall growth. But sometimes it has led to increased inflationary tendencies, particularly in countries where the government tends to be a wage leader. This appears to have been a problem, especially in the United Kingdom in the early 1970s and in France during 1976.

In a more indirect way government policies may have influenced wage formation and price pressures through the timing and extent of increases in social insurance contributions. When such contributions represent a large, and in some cases rising, share of total employment compensation they may create problems. These problems, however, do not lie in the programs that are financed but in the fact that in wage negotiations workers do not normally regard employers' contributions to social security funds as a part of compensation. To the extent that unions in a number of countries have begun to negotiate on the basis of after-tax compensation, rising contributions by employees have also added to wage demands and thus to price pressures. The need to increase contributions to social insurance programs has become apparent in a growing number of countries as recession and inflation have reduced surpluses or have increased deficits of social

insurance funds. The requirement that such programs be put on a solvent basis has necessitated increases in contributions, and to the extent that such increases put pressure on wages and prices, they provide a good example of the problem, mentioned earlier, that can arise with regard to income distribution.

The unpredictability of changes in social policies as well as their increased cost may also be inhibiting investment decisions. There is some evidence that this may have been a significant factor in the United Kingdom and Italy. In this connection the recent decision to raise employers' social security contributions in the United Kingdom may well hinder the industrial revitalization which other British policy actions were designed to foster.

The size of the public sector and the way it is related to inflation and overall growth of the economy must be viewed in terms of a balance between public services and private output representing a social consensus. In particular, expansion of public sector expenditures for purposes of short-term demand management without an appropriate linkage to longer-term public objectives can disturb this balance. Because programs once phased in to fill a temporary need tend not to be phased out with matching speed, there may be an unintentional residue of additional public expenditure after each cycle that is possibly wasteful from a longer perspective. However, some countries, Sweden for example, have institutional arrangements that minimize such effects.

Because it has proved difficult in most instances to restrain the growth of public expenditures, or in any event to increase tax revenues at an equal pace, public sector deficits, aside from cyclical effects, have been growing in most countries. A number of countries have been able to keep domestic consumption high by drawing on foreign savings to finance their public debt. But it has become increasingly clear that there are limits to the willingness of foreign lenders to extend such credit. Although in some countries external debt levels might have reached excessive proportions in any event, the time was telescoped by the need to finance external deficits resulting from the increase in the export price of OPEC oil. Consequently in some cases the level of external debt has begun to force authorities to adopt domestic retrenchment programs. The situation has become increasingly acute in those countries where inflationary expectations have remained high and where inflation is eroding trade positions.

## THE EXTERNAL SECTOR

The recovery was accompanied by a sharp upturn in the volume of world trade. In contrast to 1975, when world trade in volume terms fell by 5 percent, trade is estimated to have expanded by 10 or 11 percent in 1976. Clearly, this substantial growth of world trade has helped to sustain the recovery, but it has also brought to light the serious underlying imbalances which exist among countries but which had been masked by the recession.

Among the industrial countries, those with the most stable domestic conditions have apparently had a larger share in the expansion of world exports than those with continued high inflationary pressures. This development has occurred despite the large exchange rate adjustments during 1975 and 1976 which helped to offset differential developments in inflation rates (Chart 7). The full effects of changes in relative exchange rates are felt only after a considerable lag. Given the existing slack in capacity utilization and the vigorous upturn in world trade, however, one might expect that countries with depreciating currencies would have shared at above-average rates in the trade expansion. In the event, throughout 1976 the United Kingdom, for example, has been unable to maintain its export market shares, at least in trade in manufacturers, compared with other industrial countries. Italy's share was reduced through the first half of the year, and France may have begun to lose shares as well (Table 29).

The failure of trade flows to respond quickly to changes in exchange rates is often attributed to the failure of such changes to show up immediately and fully in transaction prices. But the price side tells only part of the story. If export prices, expressed in foreign currency, are not adjusted quickly to reflect exchange rate changes, profits on export sales will rise and selling abroad will become significantly more lucrative compared with domestic sales. It is therefore reasonable to presume that, particularly at times of low general profitability, the leverage exerted by exchange rate changes on the supply side may be greater—at least in the short run—than the leverage on demand arising from increased price competitiveness. Because there is considerable evidence that some countries which have recently experienced relatively large depreciations of their currencies have not adjusted their export prices in foreign currency to the extent that might be expected, the profit argument would have provided further grounds for expecting these countries to maintain, if not to improve, their export market shares.

In view of the above discussion, it may be surprising that some "strong currency" countries, especially Germany and Japan, have not only maintained but increased their shares in export markets. Several explanations suggest themselves. Countries with relatively low inflation rates tend to have lower interest rates and may therefore be able at a time of high domestic liquidity to offer more competitive financing terms. Unfortunately data on such nonprice components of export transactions are not available. But because a number of countries exempt export credit transactions from the effects of tight domestic monetary policies, and because the cost of forward cover may partly offset differences in uncovered rates, this explanation takes one only part of the way. Stronger circumstantial evidence exists for a structural explanation relating largely to so-called big ticket items. It is thought that countries with a relatively stable price performance and relatively little social strife and labor disruption, such as Germany and Japan, have a structural advantage in cap-

TABLE 29.—*Export shares in trade in manufactures of 11 industrial countries, 1966–76*

[Seasonally adjusted]

Period	United States <sup>1</sup>	United Kingdom <sup>2</sup>	Germany	France	Italy	Japan	Others <sup>3</sup>
Percent of total value <sup>4</sup>							
1966.....	20.1	13.4	19.3	8.6	6.9	9.7	22.0
1970.....	18.5	10.8	19.8	8.7	7.2	11.7	23.3
1972.....	16.1	10.0	20.2	9.3	7.6	13.2	23.5
1973.....	16.1	9.4	22.1	9.5	6.8	12.8	23.3
1974.....	17.2	8.8	21.7	9.3	6.7	14.5	21.8
1975.....	17.7	9.3	20.3	10.2	7.5	13.6	21.4
1975: III.....	18.7	9.2	20.1	10.1	7.9	13.6	20.4
IV.....	18.3	9.4	19.6	9.9	7.9	13.5	21.5
1976: I.....	17.2	9.2	20.5	9.7	6.6	14.8	22.0
II <sup>5</sup> .....	17.5	8.8	20.4	10.3	6.3	14.7	22.0
III <sup>5</sup> .....	17.5	8.7	21.1	9.7	7.5	14.7	20.7
Percent of total volume <sup>4</sup>							
1966.....	20.8	12.6	19.1	8.0	6.8	10.0	22.7
1970.....	18.5	10.8	19.8	8.7	7.2	11.7	23.3
1972.....	17.5	9.7	19.5	9.2	7.5	12.9	23.7
1973.....	18.9	9.8	20.0	8.8	7.2	12.1	23.2
1974.....	20.3	9.3	20.4	9.3	7.1	13.0	20.6
1975.....	20.2	9.6	18.9	9.4	7.6	13.6	20.7
1975: III.....	20.9	9.4	18.9	9.3	7.9	13.5	20.1
IV.....	19.9	9.5	18.7	9.0	7.8	14.1	21.0
1976: I.....	18.6	9.2	19.5	8.8	6.9	15.8	21.2
II <sup>5</sup> .....	18.9	9.2	19.3	9.6	6.6	15.4	21.0
III <sup>5</sup> .....	18.8	8.9	19.6	9.1	7.6	15.3	20.7

<sup>1</sup> Excluding special category exports.<sup>2</sup> Including reexports, and adjusted for underrecording.<sup>3</sup> Belgium-Luxembourg, Netherlands, Sweden, and Switzerland.<sup>4</sup> Total value and total volume refer to total exports of manufactures of the 11 countries in this table.<sup>5</sup> Partly estimated.

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

Source: National Institute Economic Review, London.

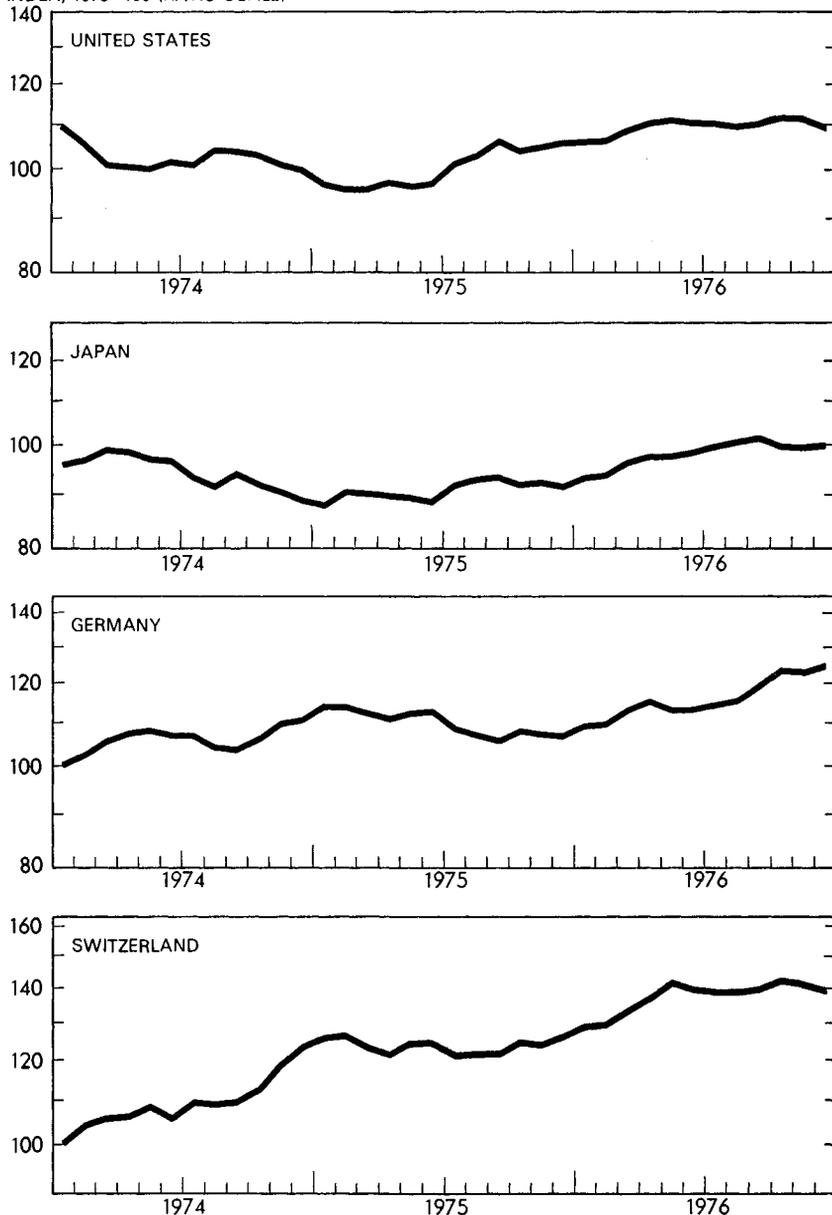
turing large contracts. The certainty of timely delivery and the relative assurance that contracts will not be reopened because of cost overruns apparently make it worthwhile for the purchaser not to speculate on the possible exchange rate advantage that might derive from placing contracts in a “weak currency” country. If this interpretation is correct, improvement in underlying deficits may take a long time to become evident, even after the adoption of adequate measures to correct the underlying conditions.

The large swing in world trade from an actual decline in 1975 to above-normal growth rates in 1976—equaling about twice the rate of growth in GNP—has eased external payments strains for a number of countries, especially the primary producers. The worldwide trade expansion was reflected in a shift in the U.S. trade balance of about \$20 billion (at an annual rate) from a surplus of almost \$9 billion in the fourth quarter of 1975 to a deficit of about \$12 billion in the fourth quarter of 1976. This change in the U.S. trade position, which was in large part cyclical, was not, however, accompanied by similar changes in the trade positions of Germany and Japan.

Chart 7

## Exchange Rates for Selected Industrial Countries

INDEX, 1973=100 (RATIO SCALE)



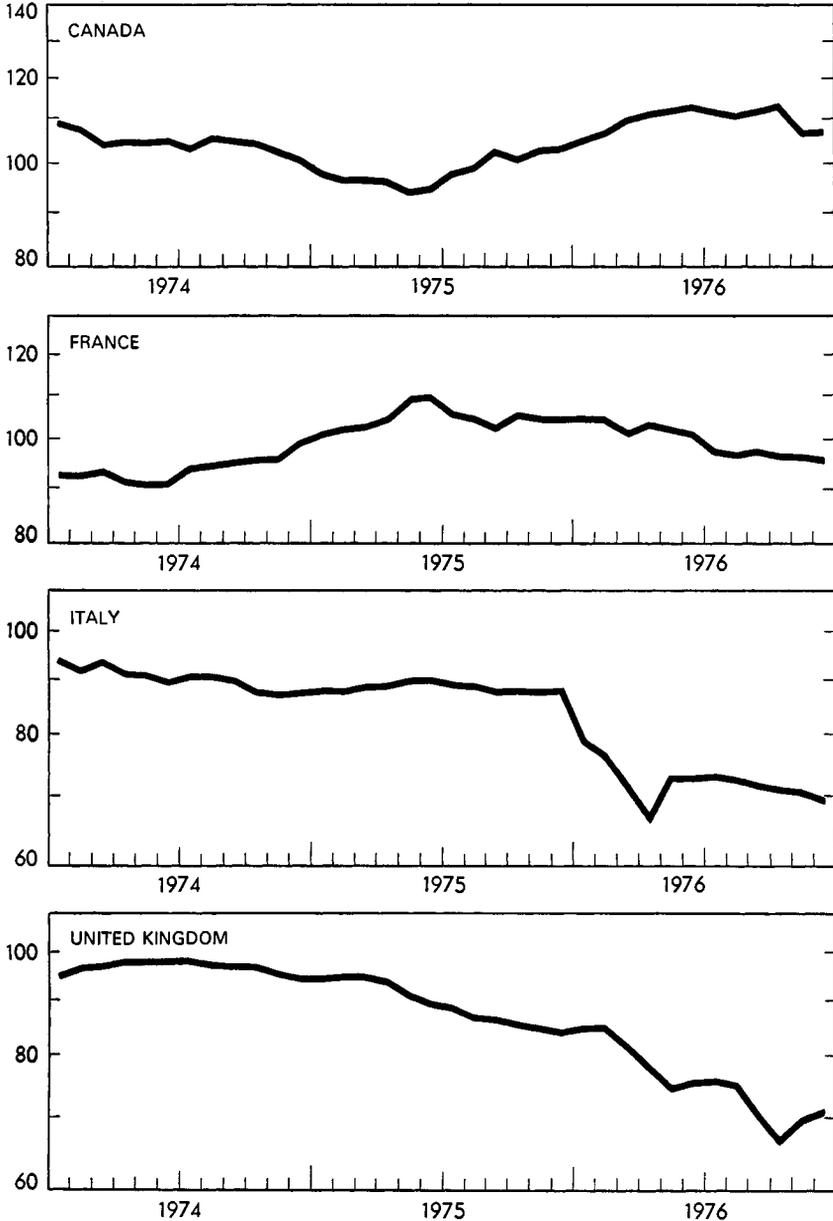
NOTE: INDEXES ARE BASED ON TRADE-WEIGHTED AVERAGE EXCHANGE RATES AND ARE FOR THE LAST WEEK IN THE MONTH.

SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

Chart 7—Continued

## Exchange Rates for Selected Industrial Countries

INDEX, 1973=100 (RATIO SCALE)



NOTE: INDEXES ARE BASED ON TRADE-WEIGHTED AVERAGE EXCHANGE RATES AND ARE FOR THE LAST WEEK IN THE MONTH.

SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

In fact trade surpluses of both these countries toward the end of 1976 were larger than they were the year before, a reflection not only of their strong export performance but also of a relatively slower growth rate of imports, particularly in Japan.

As the recoveries in Germany and Japan—as well as in the United States—proceed, demand for imports is likely to rise concurrently. But the total effect on world trade in 1977 exerted by about 1 or 2 percent faster growth in each of the big countries—which would imply rates of growth that are at the upper limit of what authorities currently judge to be compatible with noninflationary growth—might raise the currently projected 8 percent rate of growth of the volume of world trade to 9½ percent. This increase would help smooth the adjustment problems of the rest of the world, but it could not be enough to make a crucial difference to those countries which still find themselves in payments difficulties despite the large growth in aggregate foreign demand registered in the past year.

### ECONOMIC OUTLOOK AND GOVERNMENT POLICIES

The slowing of the world recovery after the vigorous upswing earlier in 1976 raised questions about whether or not the recovery may be faltering. Nevertheless, with the policy measures now in place or contemplated, estimated growth of real GNP in 1977 for the OECD area as a whole based on national projections may amount to 4½ to 5 percent. This rate of growth approximates the 5 percent or so achieved for 1976.

In the three big industrial economies, recovery paths actually may not diverge substantially from earlier recoveries. Further, it must also be remembered that the breadth and sustainability of every upswing in the recent past has been put into question at some time or other before it moved into the broader expansion phase. The difference in the current recovery lies in the greater role that inflationary expectations and other uncertainties may be playing in business decisions. Thus the judgment must be that demand management policies in the three large economies need to remain prudent if the gains achieved so far are not to be jeopardized—especially because the risk inherent in stimulating considerably faster growth than the 5 to 6 percent rates now aimed for may be too high. Nor would faster growth lead to an appreciable easing of the policy problems that are being faced by other countries.

A growing number of OECD countries are facing large and in some cases rising external deficits as recoveries proceed. In many of these countries the progress on the inflation side has been less than satisfactory, particularly compared with achievements in the three major industrial economies. Consequently, after underlying deficits which were masked by the recession surfaced once more, private capital inflows proved insufficient to cover such deficits. In fact inflation fears have in a number of cases caused such capital inflows to shrink at the same time that current account deficits

widened and the possibility of borrowing abroad began to reach its limits. As a result adjustment policies are being forced on a number of countries.

Besides Italy and the United Kingdom, a growing number of smaller countries are now experiencing problems in attracting a sufficiency of foreign capital. Consequently in late 1976 the monetary authorities in several countries moved to raise interest rates and tighten monetary conditions. This was particularly evident in countries adhering to the European snake arrangement, where exchange rate policy forced an adjustment in monetary policy. Nominal interest rate levels in the second half of 1976 were approaching recent cyclical highs in Italy, the United Kingdom, the Low Countries, and the Scandinavian countries (Chart 8). These policy actions clearly bring out the dilemma faced by many authorities: how to deal with continued inflationary pressure without diminishing private investment incentives, since the latter are requisite to a resumption of a stable growth path and a lasting reduction in unemployment. In this respect the strong reliance on monetary policy exhibited in a number of countries raises questions regarding the appropriateness of the policy mix given longer-term policy goals.

The reliance on monetary policy reflects what are perceived to be political constraints in a number of cases. Where social friction is growing and union support of demand management policies has been gained on the basis of understandings regarding transfer payments and public sector employment opportunities, it is proving difficult to change the policy mix. Partly because of such dilemmas a number of these countries have looked increasingly to rising demand in the United States, Germany, and Japan to resolve their external payments difficulties as well as to encourage domestic investment. As noted above, however, stronger demand emanating from the three large industrial countries can help to smooth the adjustment process, but it cannot take the place of well-conceived domestic stabilization programs.

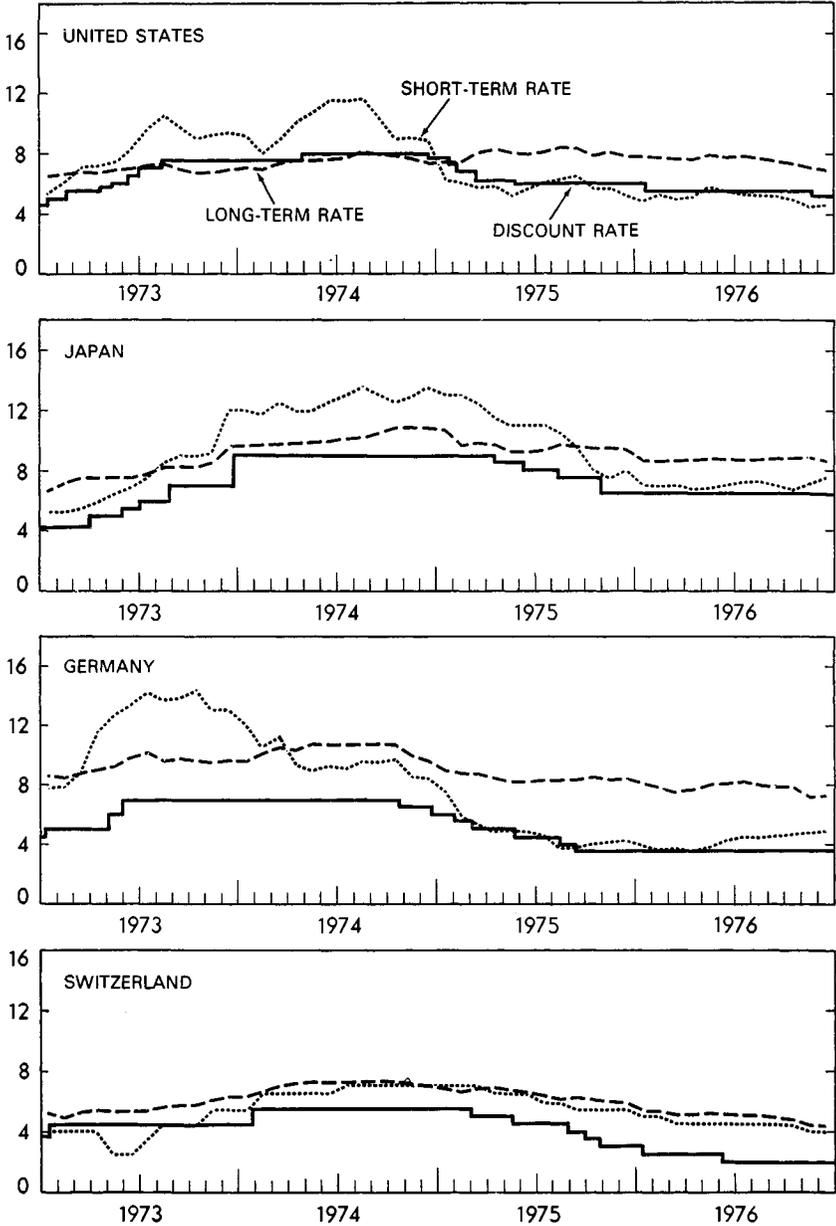
## STABILIZATION POLICY AND EXCHANGE RATE POLICY

Countries have recently had to make difficult adjustments as a result of the severe shocks the world economy has undergone in the past several years. The large exchange rate changes that occurred during 1975 and 1976 partly reflect this process. The task of formulating domestic stabilization policies, never an easy one, has been made even more difficult by these circumstances. Serious social and political problems had to be faced by authorities as they attempted to bring their economies back to a path of balanced growth. Because of these difficulties, it is not surprising that there has been a search for external sources of stability which might ease the hard choices faced by governments and the social partners in the private sector, business and labor. In particular, some have looked to exchange rate stability as a means of reducing inflationary pressures.

Chart 8

## Interest Rates in Selected Industrial Countries

PERCENT PER ANNUM



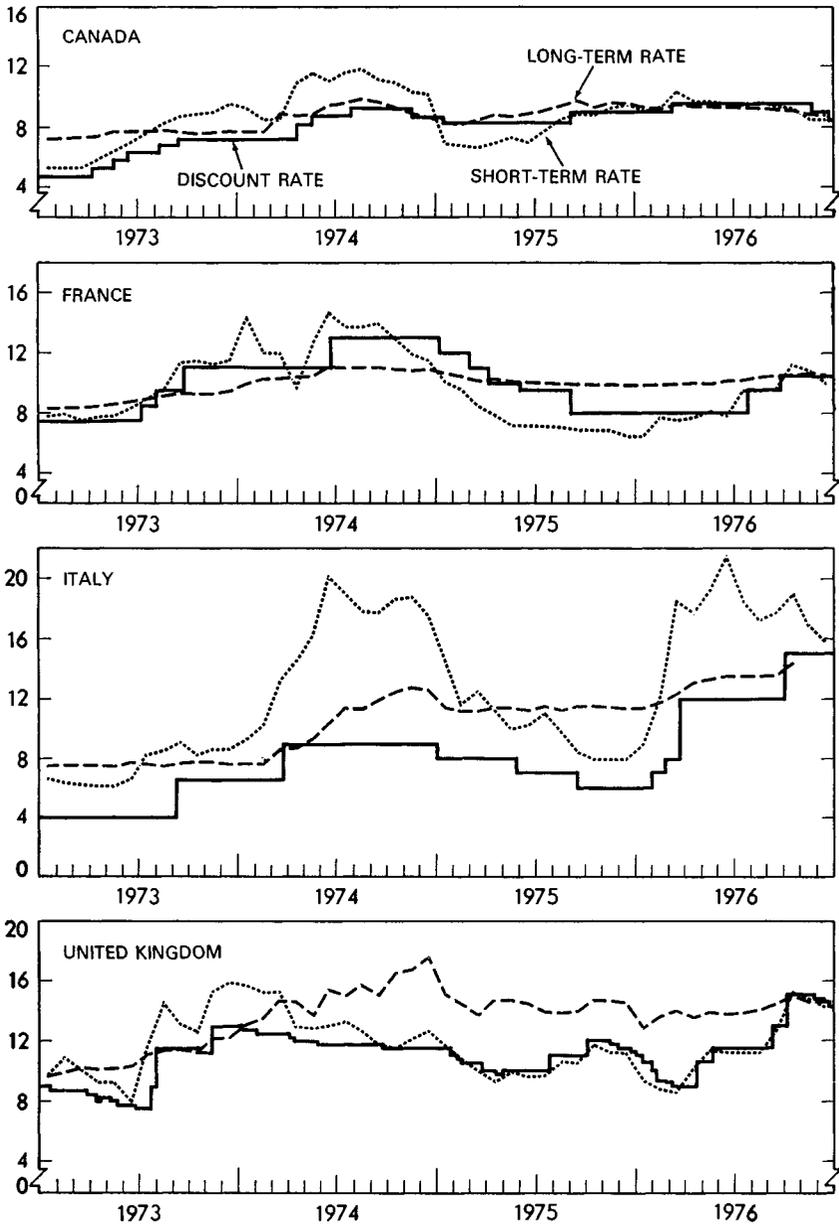
NOTE: SHORT-TERM RATES ARE GENERALLY 3-MONTH MARKET RATES AND LONG-TERM RATES ARE GENERALLY GOVERNMENT BOND YIELDS; THESE RATES ARE FOR THE LAST WEEK IN MONTH.

SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

Chart 8—Continued

## Interest Rates in Selected Industrial Countries

PERCENT PER ANNUM



NOTE: SHORT-TERM RATES ARE GENERALLY 3-MONTH MARKET RATES AND LONG-TERM RATES ARE GENERALLY GOVERNMENT BOND YIELDS; THESE RATES ARE FOR THE LAST WEEK IN MONTH.

SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

One of the theories put forward in support of substantial intervention in exchange markets is that currency fluctuations as they occur under the floating rate system provide an independent source of inflationary pressure. In its flattest terms this view is that wherever inflation has led to currency depreciation the decline in the exchange rate will create further inflationary impetus, because of its effect on the domestic price level, and will therefore make stabilization policies increasingly ineffective. In other words, exchange rate changes under these circumstances have a destabilizing effect by creating more inflation, leading in turn to further depreciation, and so on. Some proponents of this theory conclude that this so-called vicious circle can be broken by official intervention in the foreign exchange markets because this action will prevent further depreciation of the exchange rate.

That theory, however, ignores the usual basic cause of the initial depreciation of a currency: domestic policies that have allowed inflationary tendencies in a particular country to diverge substantially from those in surrounding countries. Stabilization of the exchange rate through intervention or borrowing abroad subsidizes imports and thereby suppresses already present domestic inflation and prevents needed adjustment. This effect is possible only for a limited period and when differentials in inflationary expectations are moderate. In the longer run an exchange rate change must be seen not as an independent cause of inflation but as a release of inflationary tendencies that had been suppressed earlier.

A more sophisticated variant of the vicious circle theory states that even when adequate adjustment measures are in place import prices may be forced to adjust to anticipated inflation. Because adjustment takes a considerable period of time, depending on the size of the disequilibrium needing to be corrected, the exchange markets may in some cases bring about an initial rate of depreciation that anticipates the length of the adjustment process. In such instances, the longer the expected adjustment period, the greater the initial overshooting of the exchange rate. Such overshooting at the beginning of the adjustment period may indeed cause inflationary pressure. In the short run, therefore, downward pressure on the exchange rate, resulting either from overshooting or from autonomous movements in exchange rates independent of inflation trends, may complicate the effectiveness of stabilization policies. This possibility is all the stronger in relatively open economies in which indexing arrangements establish a close link between price and wage movements. But, clearly, such a process will be sustainable only if policies are followed that validate the resulting inflation. Thus, even this more sophisticated variant of the theory of a vicious circle is incomplete. To the extent that adjustment measures cause a reversal of inflationary expectations and reestablish a stable economic environment, the likelihood that a reflow of capital will occur is increased, with a consequent tendency for the exchange rate to move upward. The changes occurring through the current and the capital accounts are hence likely to be offsetting. Thus the notion of a generalized vicious circle phenomenon is unwarranted.

Where stabilization policies are perceived to be adequate and are firmly in place, bridging finance to cover the period until external deficits can be reduced adequately and intervention in the market to counter disorderly conditions that can arise without being related to inflation trends may be helpful. In most cases where sound programs are in place and government intentions to hold to them are felt to be firm, the need for such intervention will usually be small. One should also note that the inflationary impact of exchange rate depreciation often conceals the important role of these adjustments in restoring competitiveness and accommodating a reallocation of resources toward the external sector.

It is not useful to ascribe the possible overshooting of exchange rate changes and their consequences on the domestic price level to one exchange rate system or another. If domestic policy goals diverge, and in consequence inflation rates also diverge among countries linked together by trade and capital movements, participants in the foreign exchange market will act upon their expectations regardless of the international monetary system under which they are then operating. If a fixed exchange rate system prevails, considerable speculation will occur and capital flows will after a while push the rate off the peg. If the system is flexible, the response will be similar. The underlying economic conditions and how market participants perceive a government's determination to deal with underlying problems are what determine actions in the market. And market participants will use whatever system is available to them to obtain the adjustment they consider necessary. Because they have perceived the reluctance on the part of various governments to institute politically difficult measures, their actions in the exchange market have leaned toward the pessimistic side. But under these circumstances most observers would judge such reactions to be realistic rather than pessimistic. Hence it is not clear that market actions have ordinarily led to an overdepreciation of exchange rates, or indeed that they have been destabilizing.

Government intervention in the exchange markets aimed at holding a rate when there is increasing evidence that this rate is not in line with underlying economic conditions is likely to prove costly and wasteful of scarce official financial resources. If anything is to be learned from the experience of the 1960s and early 1970s it is surely that intervention policy by itself does not bring about needed adjustment and that the markets are fully aware of this fact. In recognition of this reasoning the Heads of State and Government of the six major industrial nations agreed in November 1975 that the aim of intervention policies should be "to counter disorderly market conditions or erratic fluctuations in exchange rates," and further that stable underlying economic conditions are requisite to stable exchange rates. This agreement was affirmed in a wider context by the meeting of the Interim Committee of the IMF in early 1976.

## CURRENT ACCOUNT POSITIONS AND FINANCING

The changes in the world payments pattern from 1975 to 1976 largely reflected the upswing in economic activity. Thus the current account deficit of the industrialized countries as a group increased substantially, while the deficit of the non-oil developing countries (non-oil LDCs) shrank and the surplus of OPEC rose (Table 30). But current account positions of individual countries reflected both the recovery itself and underlying disequilibria that became apparent once more during the recovery. For a number of countries the appearance of a current account deficit, or a diminution of a surplus, is a healthy sign from the point of view of both domestic activity and international equilibrium. As long as the oil-producing countries are unable to spend all their current earnings on imported goods and services, a corresponding current account deficit must be shared among the oil-importing countries. However, the distribution and the size of such deficits are compatible with international equilibrium only if the countries sustaining them exhibit a sufficient degree of economic vitality to attract offsetting capital inflows.

TABLE 30.—*Current account balances for OECD, OPEC, and other countries, 1973–77*

[Billions of U.S. dollars]

Group of countries	1973	1974	1975	1976 <sup>1</sup>	1977 <sup>2</sup>
OECD.....	2½	-33	-6½	-23	-25
OPEC.....	3½	70½	39½	41	45
Non-oil developing countries.....	-2½	-21	-29½	-20	-22
Other countries <sup>3</sup> .....	-4	-9½	-15½	-12	-14
Unexplained discrepancy.....	½	-7	12	14	16

<sup>1</sup> Partly estimated.

<sup>2</sup> Projection.

<sup>3</sup> Sino-Soviet area, South Africa, Israel, Cyprus, Malta, and Yugoslavia.

Sources: Department of the Treasury and Organization for Economic Cooperation and Development (OECD).

### OECD CURRENT ACCOUNT POSITIONS

The shift in the current account balance of the United States from a surplus of \$6.3 billion in the second half of 1975 to an estimated deficit of \$1¼ billion in the second half of 1976 contributed to smoothing the international adjustment process (Table 31). No such support to better international equilibrium was apparent in the shifts in the current account positions of the other two major industrial countries. The Japanese current account swung from a deficit of about \$ 1½ billion in the second half of 1975 to a \$¼-billion surplus in the second half of 1976. This shift, however, masked the diminution during the second half of the year from the very large surplus accumulated in the first half of 1976. The recent downward trend in Japan's current account balance indicates that some further cyclical adjustment may still be expected. Nevertheless the persistent Japanese surplus has complicated adjustment for other countries and has led to voluntary agreements to restrict certain trade flows. In Germany the current account surplus in 1976 was about unchanged from its 1975 level. But because import demand in

Germany grew more in line with output than it had in Japan, there is less reason to believe that Germany's current account surplus is likely to diminish significantly in the coming year.

TABLE 31.—*Current account balances for OECD countries, 1974–76*

(Billions of U.S. dollars; seasonally adjusted)

Country	1974	1975		1976	
		First half	Second half	First half	Second half <sup>1</sup>
OECD: Total.....	-33.0	-1.0	-5.5	-7½	-15¾
United States.....	- 6	5.4	6.3	.8	-11¼
Canada.....	-1.7	-2.5	-2.3	-2.6	-2¾
Japan.....	-4.7	.9	-1.6	3.5	1¼
France.....	-6.0	.6	-.7	-1.9	-.4
Germany.....	9.7	3.3	-.6	2.3	1¾
Italy.....	-8.0	1	-.6	-1.9	-¾
United Kingdom.....	-8.7	-1.9	-1.8	-1.1	-2
Other OECD.....	-13.0	-6.8	-5.3	-6.5	-7

<sup>1</sup> Estimate.

Sources: Organization for Economic Cooperation and Development (OECD) and national sources.

Because of the strong current account positions of Japan, Germany, and a number of other countries, including Switzerland and the Netherlands, the shift in the combined position of the OECD countries, from a deficit of \$5½ billion in the second half of 1975 to a deficit of more than \$15 billion in the second half of 1976, included substantial increases in the deficits of OECD countries other than the United States. Particularly large shifts were recorded for France and some smaller OECD countries. The improvement in the Italian position reflects in part the adjustment measures taken throughout the year, but it also results from the direct actions taken to curtail increases in imports and to limit purchases of foreign exchange. The position of the United Kingdom was little changed on a year-to-year basis, but a deterioration occurred during the year, partly reflecting an export performance that was somewhat disappointing, even after initially perverse effects of the exchange rate depreciation were taken into account.

Thus, for the OECD countries, 1976 was a year of adjustment difficulties and of wide disparities. However, measures taken toward the end of 1976 to help sustain the recovery, as well as further actions contemplated for early 1977 in some "strong currency" countries, should help smooth the adjustment process this year. Nevertheless, remaining difficulties must not be underestimated, nor must the danger that they could lead to growing pressures for restrictive trade measures be taken lightly. Because such pressures may be increasingly difficult to resist, it is important that progress in the Multilateral Trade Negotiations (MTNs) be substantial. In particular, aside from the increase in general welfare that would result from trade expansion associated with tariff cuts and the removal of nontariff trade barriers, the strengthening of the general framework of the GATT is important in this context.

## OPEC SURPLUSES

Adjustment problems of many countries continue to be complicated by the large surpluses accruing to OPEC. In line with the upswing in economic activity, the OPEC current account surplus began to rise again in 1976. Import absorption possibilities have turned out to be very high for most OPEC member states, even for Saudi Arabia and the United Arab Emirates. Nevertheless the rise in the current account surplus for OPEC in 1976 is a reflection of increases in the surpluses of the latter countries and Kuwait as import expansion possibilities for these countries lag well behind the inflow of oil revenues. The increase in the export price of OPEC oil agreed upon at the end of 1976 will serve to raise the OPEC surplus further in 1977. Because of port congestion, disarray in development programs that were accelerated too quickly, and surfacing financial constraints, a number of OPEC members have begun to reconsider their domestic requirements. For this reason and because much of the prospective increase in production will probably be in Saudi Arabia, it is not likely that much of the addition to oil incomes from price increases will quickly be translated into foreign orders. Thus the investible surplus of OPEC is likely to increase in 1977, assuming that economic growth in oil-importing countries will continue, albeit at a moderate pace.

The way in which OPEC members have invested their financial surpluses has changed markedly over time (Table 32). Whereas OPEC funds in 1974 were largely invested in short-term assets, the flow into bank deposits and Treasury bills has declined sharply since then, while equity investments and purchases of bonds and notes have continued to grow. With the termination of the Oil Facility in the IMF and some diminution of OPEC grant aid in 1976, a larger share of OPEC's investible surplus flowed to the market. However, considering the decline in the current account surplus, investible funds in 1976 are likely to have totaled about \$40 billion compared with almost \$60 billion in 1974.

The geographical distribution of OPEC's investment flows has also changed considerably over the past 3 years. Investments in the United States have risen from 20 percent of the total in 1974 to an estimated 30 percent or so in the third quarter of 1976. On the other hand, OPEC's placements in the United Kingdom fell from 12¾ percent of the total investible surplus in 1974 to nearly zero in 1975; and for the first 3 quarters of last year there was a net liquidation of \$1¼ billion of sterling assets.

## NON-OIL LDCs

The increase in the OECD's current account deficit last year was reflected largely in a narrowing of the deficits of the non-oil developing countries. Because official financing flows to the non-oil LDCs from both OECD countries and OPEC were little changed from 1975, the diminution of the non-oil LDCs' deficit reflected primarily market transactions. Adjustment

TABLE 32.—Estimated disposition of OPEC investible surplus, 1974–76

[Billions of dollars]

Disposition	1974	1975	1976 <sup>1</sup>	
			First half	Third quarter
United States.....	12.0	10.0	7.1	2.6
Banking and portfolio placements.....	10.8	6.3	<sup>2</sup> 5.7	1.6
Short-term bank deposits and Treasury bills.....	9.3	.3	.9	.3
Long-term bank deposits.....	( <sup>3</sup> ) .8	.8	.6	-.1
U.S. Treasury bonds and notes.....	.2	2.0	2.4	.8
Other domestic bonds and notes.....	.9	1.6	.7	.2
Equities.....	.4	1.6	1.1	.4
Other (includes real estate and other direct investment, prepayments on U.S. exports, debt amortization, etc.)...	1.2	3.7	<sup>2</sup> 1.4	1.0
United Kingdom.....	7½	¾	-¾	-½
Other developed countries.....	6	7¾	4¾	1¾
Less developed countries.....	4	6	2½	¾
Non-market countries.....	½	2	¾	¾
Euro-banking market <sup>4</sup> .....	22½	8	3½	4
International financial institutions (including IMF Oil Facility).....	3¾	4¾	1¾	( <sup>5</sup> )
Total investible surplus (identified above).....	56¾	38¾	19	8¾
ESTIMATED INVESTIBLE SURPLUS.....	59	40	( <sup>5</sup> )	( <sup>5</sup> )
Error of estimates of surplus and unidentified investments.....	2¾	1¾	( <sup>5</sup> )	( <sup>5</sup> )

<sup>1</sup> Preliminary.

<sup>2</sup> Includes shift of over \$1 million from prior year "direct investment" in a U.S.-incorporated petroleum company to banking and portfolio assets.

<sup>3</sup> Less than \$0.5 million.

<sup>4</sup> Claims on banks in currencies other than that of the country in which bank resides; excludes banks in the United States.

<sup>5</sup> Not available.

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

Source: Department of the Treasury.

measures taken by a number of non-oil LDCs in late 1975 and in 1976 were reflected in lower import flows. But a more important factor in the smaller deficit was the resumption of growth in the volume, and even more in the value, of exports. Commodity prices began to rise early in the recovery. The London *Economist's* "Index of Commodity Prices" in dollar terms showed a rise of 40 percent between July 1975 and July 1976. With the pause in the recovery at midyear, price increases appeared to come to a halt for some commodities and to moderate for others. The overall result, however, was that by the end of 1976 commodity prices on average, at least as measured by the *Economist's* index, had reached the inflation peaks reported in 1974. This upward shift in the price level for commodities will continue to be reflected in the export earnings of commodity producers.

## EXCHANGE RATE CHANGES

The financing of external deficits in 1976 was accompanied by a very high rate of activity in foreign exchange markets. The trade-weighted exchange rates for certain major currencies showed considerable movement despite relatively large balance of payments financing and heavy intervention by for-

eign central banks in exchange markets (Chart 7). The strains experienced within the European snake arrangement were a major factor in the heavy intervention activity. Early in the year heavy pressure on the French franc led the authorities to break the link with the currencies adhering to the snake. Upward pressures on the German mark, reflecting both the large German current account surplus and the continued significantly better inflation performance of the German economy compared with its trading partners, caused considerable strain among the currencies remaining in the snake. In the fall of 1976, therefore, the central values of the currencies within the snake were realigned, with the mark appreciating by 2 percent, the Swedish krona and Norwegian krone depreciating by 1 percent, and the Danish krone depreciating by 4 percent. The largest changes in the foreign currency markets, however, involved the pound sterling, the Italian lira, and the Mexican peso, which depreciated by 16 percent, 21¾ percent and 37½ percent respectively against the U.S. dollar between the end of 1975 and the end of 1976.

#### INTERNATIONAL FINANCIAL MARKETS

The unrest in the exchange markets and the financing difficulties that surfaced during the year for a number of industrial and developing countries obscured the relative ease with which deficits of many other countries continued to be financed. Activity in the international capital market was brisk during 1976. On the demand side, expectations that borrowing costs would rise in 1977 buoyed activity; in addition, there was an exceptionally strong surge in Canadian demand for long-term funds. Concurrently the supply of funds to the bond markets was encouraged by low demand for domestic credit in the United States and Europe resulting in declines in short-term interest rates during the year. As funds became more abundant, bond yields began to fall. Medium-term credits arranged in the Eurocurrency market also showed a substantial increase last year, as rising demands for finance from almost all the main categories of borrowers were met by increases in supply sufficiently large to allow borrowing costs to decline. Total borrowing in the markets for medium-term Eurocredits, Eurobonds, and foreign bonds amounted to \$48 billion in the first 10 months of the year, representing an annual rate of \$58 billion, an increase of more than one-third from the 1975 total.

New issues of Eurobonds during the first 10 months of the year at \$12½ billion were well above the volume issued in the corresponding period of 1975, a previous peak for the Eurobond markets. Industrial countries issued 69 percent of all bonds during the first 9 months of 1976, taking a considerably lower share of loanable funds than in 1975. Japan was very active in the market, but some borrowers from countries in deficit—for example, the French, the British, and especially the Canadians—also increased their use of the Eurobond markets. Canadian issues of \$2¾ billion in the first 10 months of last year were more than twice as large as in all of 1975 because of exceptional needs for long-term finance, relatively high domestic interest

rates, and tax changes that facilitated foreign issues by private companies. Developing countries floated loans whose volume in the first 3 quarters of 1976 was more than twice that of the preceding year; their share of the market consequently rose to 20¼ percent, 5 percentage points of which were accounted for by oil-producing countries (Table 33).

TABLE 33.—*Borrowing in international capital markets, 1974-76*  
[Billions of dollars]

Capital market	1974	1975			1976		
		Total	First half	Second half	First half	Third quarter <sup>1</sup>	October <sup>1</sup>
Total borrowing.....	40.8	42.7	19.2	23.5	30.3	11.2	6.9
Medium-term Eurocredits <sup>2</sup> .....	28.5	20.6	8.5	12.0	12.3	4.7	5.0
Industrial countries.....	19.0	6.4	2.8	3.6	3.6	2.5	1.5
Denmark.....	.4	.3	0	.3	.4	0	0
France.....	3.3	.5	.4	.1	.7	.1	0
Spain.....	1.1	1.0	.5	.6	.3	1.1	.1
United Kingdom.....	5.7	.6	.3	.4	1.0	.3	.6
Other.....	8.5	4.0	1.6	2.2	1.2	1.0	.8
Oil-exporting countries.....	.8	3.2	1.4	1.8	1.7	.4	1.1
Algeria.....	0	.5	.1	.4	.4	.1	0
Indonesia.....	.4	1.6	1.1	.6	.3	( <sup>3</sup> )	0
Iran.....	.1	.3	0	.2	.7	.2	.1
Venezuela.....	.1	.2	.2	0	0	0	1.0
Other.....	.2	.6	0	.6	.3	.1	0
Other developing countries.....	7.2	7.9	2.6	5.3	4.7	1.6	2.0
Argentina.....	.5	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	.1	.1	.5
Brazil.....	1.6	2.1	.7	1.4	1.2	.7	( <sup>3</sup> )
Mexico.....	1.5	2.2	.7	1.5	.7	.4	.9
Philippines.....	.9	.3	.1	.1	.7	.1	.1
Other.....	2.7	3.3	1.1	2.3	2.0	.3	.5
Nonmarket countries and organizations.....	1.1	2.7	1.1	1.6	1.4	.2	.3
International organizations and other.....	.4	.4	.3	.1	.9	( <sup>3</sup> )	.1
Eurobonds.....	4.5	10.2	5.6	4.6	8.4	3.1	1.0
Canada.....	.4	1.2	.3	.9	1.9	.6	.2
France.....	.3	1.3	.8	.5	.8	.3	.1
Japan.....	.2	1.2	.6	.6	.7	.3	.1
Other.....	3.6	6.5	3.9	2.6	5.0	1.9	.6
Foreign bonds.....	7.8	11.9	5.1	6.9	9.6	3.4	.9
Canada.....	2.0	3.4	1.3	2.0	3.4	1.1	.3
IBRD.....	3.1	2.4	.6	1.7	1.6	.5	0
Other.....	2.7	6.1	3.2	3.2	4.6	1.8	.6

<sup>1</sup> Preliminary.

<sup>2</sup> Publicized credits of over 1-year maturity; represents commitments.

<sup>3</sup> Less than \$50 million.

Source: International Bank for Reconstruction and Development (IBRD).

The brisk activity in the Eurobond market was in part related to a shift in interest rate differentials that may have contributed to the willingness of investors to reduce their liquidity positions and extend the maturity of their holdings. Short-term rates exhibited a sharp cyclical decline, while long-term rates fell relatively little, partly because inflationary expectations appeared to change slowly. Thus yield differentials changed greatly. Whereas at the time of historically high short-term interest rates the differential between Eurodollar deposit rates and Eurobond yields had been as high as 3 percentage points, Eurodeposit rates in 1976 were generally below Eurobond yields.

Bank lending also rose substantially in 1976. Like the rising activity in the Eurobond market, the expansion of Eurocurrency loans and the increase in claims on foreigners by head offices reflect the high level of liquidity in the private sector in the main financial centers and the low loan demand from domestic borrowers. Although there has been considerable discussion in private and government circles regarding the structure of the balance sheets of the banking system, particularly regarding the exposure vis-a-vis certain countries, bank lending to foreigners has risen briskly, at least through the third quarter of 1976 (the latest date for which overall data are available). Publicly announced Eurocurrency bank credits for 1976, at over \$28½ billion, exceeded credit extensions in 1975 by 36 percent. Morgan Guaranty estimated that the size of the market, net of interbank deposits, expanded from about \$250 billion at the end of 1975 to nearly \$285 billion in September 1976.

In the first 10 months of last year U.S. banks increased their short-term claims on foreigners by \$10½ billion, \$8½ billion of which was accounted for by loans to Latin America. The continued extension of bank credits to developing countries was not confined to U.S. banks: European banks have also increased their assets vis-a-vis this group of countries. The risks associated with some of these loans are reflected in the rates that are being charged. For example, in the medium-term Eurocurrency markets the premium charged some developing countries has risen to at least ⅝ percentage point at a minimum in recent months. There seems to have been a marked shift in the way banks view the creditworthiness of certain countries. Whereas in earlier periods the fact that a government had not touched its reserve position in the IMF was taken to indicate a relatively low risk in extending loans, banks now seem to favor lending to countries operating under IMF-suggested surveillance. Because banks cannot attach macroeconomic conditions to their loans, or in any event monitor them, they apparently feel more comfortable with debtors operating under IMF conditionality.

#### OFFICIAL FINANCING

Official financing flows in 1976 constituted a somewhat larger proportion of the financing of external deficits than they did in 1975. Total borrowing from the IMF in 1976 amounted to SDR 6.0 billion as compared with SDR 3.9 billion in 1975. Although this change appears relatively small, funds drawn from the IMF in 1976 reflected a higher amount of drawing on regular IMF facilities subject to stricter conditionality as the Special Oil Facility came to an end in March 1976. Access to IMF resources was eased because credit availability in the IMF had been increased temporarily by 45 percent of quotas pending the ratification of the Amendments to the Articles of Agreement, which among other things will put into effect the particular quota increases agreed upon in Jamaica at the beginning of 1976.

Access to official financial resources was also considerably increased by liberalization of the Compensatory Financing Facility in the IMF. This

facility is designed to help countries overcome shortfalls in export earnings which are largely beyond their own control. During 1976 drawings approved under this facility amounted to SDR 2.3 billion compared with a total usage for the preceding 13-year period, 1963–75, of SDR 1.2 billion. The more liberal access to the Compensatory Financing Facility has clearly done much to ease external financial constraints and cyclical payments problems that non-oil primary producing countries, both developed and developing, were experiencing during the year. In fact, the non-oil LDCs as a group were able to increase their reserve positions by SDR 7½ billion during the first 10 months of 1976. However, this aggregate increase combines a number of countries that experienced increasing external financing problems with others that experienced an easing of financial constraints.

Finally, official financing resources available to developing countries are being augmented by the disposal of part of the IMF's gold holdings. One-sixth (25 million ounces) of the IMF's 150 million ounces of gold is being sold at public auction over a 4-year period for the benefit of developing countries. A portion of the profits are being transferred directly to developing countries in proportion to their quotas in the IMF. The remainder of the profits is being used to finance a Trust Fund, separate from the IMF but managed by the IMF as trustee. This Trust Fund will provide balance of payments support on concessional terms to the IMF's poorest members. An additional 25 million ounces of the IMF's gold holdings are being sold to all members in proportion to their quotas, or "restituted," at the present official price of gold in exchange for currency usable by the IMF. Restitution is being carried out in four annual installments of approximately 6¼ million ounces each.

In May of last year the IMF announced a program of 16 auctions at roughly 6-week intervals over a 2-year period covering sales of 12½ million ounces of gold, with 780,000 ounces to be offered for sale at each auction. Five auctions were conducted under this program during 1976, in which a total of 3.9 million ounces of gold was sold at an average price of \$122 per ounce and at a profit for the Trust Fund of \$320 million. The first loans under the Trust Fund program were being approved by the Executive Board of the IMF at the turn of the year.

In late 1976 the Executive Board of the IMF reviewed the results of the auction program and decided that it would be desirable—without disturbing any of the basic tenets of the general agreement on gold—to shift to a definite schedule involving somewhat more frequent auctions at which slightly smaller amounts of gold would be sold. The first installment of restitution was to take place in the first weeks of January 1977, to be followed on January 26 by the last auction to be held at the 6-week intervals established in May of last year. Beginning March 2, 1977, auctions will be conducted on the first Wednesday of each month, each involving the sale of 525,000 ounces.

The general assessment of the experience gained so far, following some initial uncertainty about the potential effects of the IMF's sales and about market interest and participation, is that the IMF's sales program has been quite successful. All of the auctions were oversubscribed, and the IMF was able to obtain prices on each occasion that were very close to prices prevailing in the market. The absence of a definite timetable for sales, however, gave rise to questions about the timing and amounts of auctions, and has raised needless questions and speculation in the market about the IMF's intentions. The IMF's announcement in late 1976 of a definite schedule of dates and amounts for auctions over the next few months should remove any remaining uncertainties about the periodicity of IMF sales or the amounts to be offered.

### ADEQUACY OF OFFICIAL FINANCIAL RESOURCES

Despite the fact that official financial resources were augmented considerably during 1976, there is some question about the adequacy of such resources for the period ahead. As noted earlier, the financing of external deficits, except in a few instances, was managed relatively smoothly during 1976. Extension of bank credit remained large, although during the year there was a growing perception of the need for banks to become increasingly selective vis-a-vis their debtors, and this was reflected in a growing desire on the part of private lenders to see commitments backed by some kind of conditionality in terms of adequate economic policies. As a result a number of authorities may have become less reluctant to draw on their credit with the IMF.

Since the large increases in OPEC's export price of oil, external debt levels in nominal terms have cumulated well beyond historical highs for many countries. The OECD has estimated that current account deficits for the OECD area since 1974, the first year of the high oil prices, have cumulated to \$56 billion. The comparable figure for non-oil LDCs is \$72 billion. In a number of instances debt levels are such as to make private lenders reluctant to extend further credit.

It is important that countries which have adopted satisfactory adjustment measures to deal with underlying external disequilibria and high external debt positions have access to international financial resources to carry them through the adjustment period. The need for such bridging financing is obvious because adjustments cannot take place quickly. Furthermore in the absence of such financing there is a growing risk that political pressures to institute trade restrictions cannot be resisted.

But, in addition, because of the continuing need to adjust to higher import prices for energy, further financing may need to be available. As long as OPEC surpluses persist, there can be no reversal in total debt positions. On the contrary, external debts will continue to grow. In the interest of international equilibrium and the continuation of economic growth worldwide, it

is necessary that the strongest economies be willing not to resist either a widening of their current account deficits (or lessening of surpluses) or an increase in purchases of their assets by foreign investors.

For a large number of countries balance of payments financing continues to be available from private sources. But a very high proportion of such financing flows through commercial banks, which perform a large share of the intermediation between OPEC surpluses and the deficits of other countries. There are internal risks in this situation: banks may at times make financing too easy for certain countries and thus delay needed adjustment; in other instances banks may be reluctant to promote adequate financial flows to a particular country although the country in question could reasonably be expected to be able to service such flows. In terms of the world financial structure there are therefore advantages to conditional multilateral financing of some proportion of the oil-importing countries' current account deficits. The IMF is the indicated institution to provide intermediation between the strong creditor countries on the one hand (certain members of OPEC as well as certain industrial countries with strong payments positions) and the deficit countries on the other. It is important, from this point of view as well as to strengthen the IMF's liquidity position, that the enlarged quotas agreed to under the Sixth Review of Quotas should go into effect as early as possible in 1977. This will require that the second Amendment to the Articles of Agreement be ratified by many members who have not yet done so. Further, in recognition of the possible greater financing needs, the OECD countries have negotiated a Financial Support Fund, submitted to the Congress last year. In addition, the IMF has advanced the date of the normal quinquennial review of its resources by 2 years. However, needs may materialize sooner than the advanced completion date of that review would allow; and, in any case, additional means may be required to augment the IMF's resources either generally or in terms of certain currencies.

## NORTH-SOUTH ECONOMIC RELATIONS

The growing external financial problems that have followed the inflation, the large increases in the price of energy, and the recession of the past several years make it more important than ever that the economic interdependence between the developed and the developing countries be fully recognized. During 1976 discussions between developed and developing countries were carried on mainly at the United Nations Conference on Trade and Development (UNCTAD) in Nairobi and the Conference on International Economic Cooperation (CIEC).

The central issues raised by the developing countries were: (1) Generalized debt relief; (2) preservation of the purchasing power of export earnings; and (3) official development assistance.

With regard to generalized debt relief, the view of most developed countries was that adequate channels already exist to handle acute cases of financial crisis efficiently. During 1976, for example, there was a need to re-

schedule the external debt of Zaire. This was dealt with promptly through the so-called creditor club channel. Apart from the specific instances of acute cases of financial crisis where countries are forced to seek debt rescheduling, it is not in the interest of debtor countries to seek debt relief. Indeed, an abrogation of debt contracts would put into question their creditworthiness and would inevitably hamper their future access to capital markets. In fact, the easing of such access is an agenda item of considerable importance to a number of developing countries.

In addition, the question of generalized debt relief really involves the broad external financial situation of developing countries. Debt constitutes only one aspect of the overall financial situation in a particular country; therefore general debt problems address the basic question of the adequacy of transfer of resources to developing countries. The availability of and need for such resources are reviewed periodically. Such reviews may lead to the conclusion that increases in aid flows are required either on a multilateral or on a bilateral basis. It is important, however, that questions regarding debt problems and possible defaults not be confused with those relating to the adequacy of development assistance.

The level of export earnings of developing countries constitutes a crucial element in their economic development. The purchasing power of export earnings is therefore of considerable importance to policy planning. It is directly related not only to economic conditions in the country in question but also to those prevailing abroad. Stable noninflationary growth worldwide is thus the basic prerequisite for continuing growth in the purchasing power of domestic incomes and export earnings.

It must be recognized that developed and developing countries, each in their own way, need to seek improvements in the conduct of their economic policies with a view to achieving the most effective use of available resources and assuring steady growth in years to come. Artificial ways of achieving such stable conditions in lieu of appropriate policy measures will, of their nature, be self-defeating in the longer run. Such artificial means, exemplified by attempts to relate the price of a particular good to that of some other good or bundle of goods, or to freeze the so-called terms of trade of a particular country, will inevitably introduce distortions into the economy in question as well as into the world economy. If prices thus determined tend to be higher than normal supply and demand relationships would produce, they will add to the inflationary impetus in both consuming and producing countries. This will occur directly through the price mechanism and indirectly through overinvestment in production facilities either for the goods in question or for substitutes whose production was uneconomic at competitive prices. If the price were to be lower than market forces would indicate, underinvestment would occur. In each case the eventual outcome would be detrimental to producers as well as consumers. Further, competition, the major catalyst for economic growth, would be adversely affected domestically and internationally.

A freezing of relative prices, either partially or fully, would thus inhibit the attainment of the stated goals of both developed and developing nations.

It has long been recognized that large fluctuations in export earnings that can arise outside the control of the exporting countries can have important detrimental effects on the well-being and growth of developing countries. But it is not realistic, or useful, to attempt to introduce new mechanisms when existing ones are being improved and are likely to deal adequately with the basic problems. The recent liberalization of the Compensatory Financing Facility in the IMF is an example of a major improvement effected in an already existing mechanism. The scheduled review of this facility will determine the extent to which participants consider current access to be adequate. In order to help minimize economic fluctuations, which are detrimental both to the countries in which they occur and to their trading partners, systematic consideration in producer and consumer forums of ways to improve the stability and efficiency of specific commodity markets can be useful. More generally, in the interest of both commodity producers and other trading nations the consultative machinery on general economic developments and on their interaction among countries could be improved. The possibilities for recognizing and solving mutual problems and mutual needs could thereby be strengthened.

## CHAPTER 4

# Policies to Increase Supply

**M**ACROECONOMIC POLICIES are designed to encourage growth in aggregate demand and to ensure full utilization of our resources without accelerating inflation. However, there are limits to what demand management policies by themselves can do in achieving these objectives. It is therefore necessary to supplement such policies with programs that will promote the efficient use of human and material resources and thereby increase productive capacity. This microeconomic approach has received less emphasis than monetary and fiscal policies in the past. Nevertheless more efficient markets and greater effective supply can complement increases in aggregate demand to bring about larger gains in employment and real growth with less inflationary pressure.

In Chapter 1 we discussed the sources of the recent productivity slowdown in the private sector. To some extent the lower rate of productivity increase and the accompanying decline in the growth of potential output are related to the impact of the Federal Government on various sectors of the economy. This chapter discusses some major issues and possible approaches to policy in several areas where Government is involved in economic activity: labor markets, the regulation of business, agricultural markets, and tax policy.

### STRUCTURAL AND INDUCED UNEMPLOYMENT

Output and employment can be increased by improving the efficiency with which labor resources are utilized. Improvements can be accomplished by a redesign of public programs to reduce involuntary unemployment and by lessening the incentives that induce unemployment. Unemployment problems and proposed policies have been discussed in some detail in recent *Economic Reports*. This section summarizes some of the major issues regarding structural and induced unemployment, focusing on policy measures intended to generate a more efficient use of the Nation's labor resources.

An examination of policies to reduce unemployment requires an understanding of the kinds of unemployment and their causes. *Frictional unemployment* arises from the normal operation of the labor market; *cyclical unemployment* is the result of a less than full utilization of productive capacity due to a recession; *induced unemployment* is a consequence of

implicit and explicit subsidies built into public programs; and long-term or *structural unemployment* is caused by rigidities that create an imbalance between the skills and other characteristics possessed by workers and those demanded in the labor market.

## FRictionAL AND CYCLICAL UNEMPLOYMENT

Frictional unemployment exists even in periods of very low overall unemployment. In a dynamic free-market economy layoffs occur as employers adjust their level of employment to such factors as changes in the relative demand for goods and services, changes in the relative efficiency of firms, and seasonality in production or consumption. In addition, workers leave jobs to search for better employment opportunities, and they enter and leave the labor force at will. These layoffs and quits facilitate the process of reallocating workers to more productive activities. Furthermore, when workers enter the labor force for the first time or reenter after having been outside the labor force for a time, they engage in a period of job search. There is usually a time lag in finding an acceptable job offer, in part because workers, regardless of the cause of their unemployment, may not accept the first offer they receive. These lags result in periods of unemployment that are generally short and are required if labor resources are to be used efficiently.

Other types of unemployment are likely to be socially wasteful. Much attention has been given to the hardships and waste associated with cyclical unemployment. Cyclical unemployment, the primary target of macroeconomic stabilization policy, will be eliminated when unemployment is reduced to a level where further increases in aggregate demand will affect primarily the rate of inflation, with little impact on employment and output. Policies to reduce cyclical unemployment are discussed in Chapter 1.

Yet even at what economists regard as full employment, some unemployment may exist in addition to that which is purely frictional. A part of this unemployment is a consequence of, or is induced by, public policy; and some is structural, the result of rigidities in the labor market that make it difficult for some persons to find a job and remain employed for a long period.

## INDUCED UNEMPLOYMENT AND UNEMPLOYMENT COMPENSATION

Induced unemployment arises from incentives built into some public programs. One source of induced unemployment is the unemployment compensation system. Unemployment compensation has proved to be an extremely useful instrument for macroeconomic and income distribution policies. It serves as an important automatic stabilizer. Without the necessity for new legislation, additional benefits are paid as unemployment from job layoffs increases, thereby helping to maintain the purchasing power of the unemployed. The system also serves as a means of distributing the costs of a recession more equitably: it replaces part of the earnings lost as the result

of a downturn in economic activity. For some, an important function of the system is to enable an unemployed worker to decline an offer during the early stages of job search if the wages are low and the working conditions poor compared with the worker's previous job.

Despite its highly beneficial effects, the unemployment compensation system has some undesirable consequences. The system tends to increase unemployment above the socially efficient level largely because workers and their employers do not pay the full cost of their increased unemployment. The implicit subsidies in the system are the result of the weak "experience-rating" in the payroll tax paid by employers and the favorable income tax treatment of benefits relative to earnings from employment. In principle, the employer-paid payroll tax that finances the unemployment compensation system is experience-rated. That is, the tax levied on an employer should vary in direct proportion to the benefits received by the employer's workers; and this in turn varies with the unemployment experience of the firm's workers. In practice, however, the difference between the maximum and the minimum tax rates is small, and for many employers a reduction in layoffs does not lower their tax liability. There is therefore an economic incentive during periods of slack work arising from cyclical, seasonal, or other factors for the employer to place workers on a job layoff, or keep them on the layoff for a longer period, rather than retaining them on the payroll. For this reason firms in seasonal and cyclical industries tend to be subsidized at the expense of those in more stable industries, and the extent of seasonal and cyclical variations in employment and output is increased.

The unemployment compensation benefits that workers receive are not subject to Federal payroll or income taxation. Employers and employees may view the system as a means of providing tax-free income to workers. The implicit subsidy tends to promote more and longer layoffs.

The failure to tax benefits also creates inequities among workers. The extent to which the benefits replace earnings net of taxes depends in part on the other income of the family. Because of the progressive tax schedule, for workers with the same earnings and work history the benefits will replace a larger proportion of after-tax earnings, the higher the income of other family members. This situation is clearly contrary to conventional notions of equity.

If unemployment compensation benefits were taxed as earnings and pretax benefits were raised so that average after-tax benefits for low-income workers were unchanged, the average unemployed low-income worker would be unaffected. Raising pretax benefits would also require an increase in the employer-financed payroll tax, and if the tax were fully experience-rated the tax increase would reduce the incentive for layoffs.

In recent years there has been extensive research by economists on various aspects of the unemployment compensation system. Although the estimated magnitudes of the impacts vary, the studies tend to arrive at the same

qualitative conclusions. For example, they find that increased coverage of the work force and a longer duration of benefits tend to increase the unemployment rate and lengthen the duration of unemployment. In addition, the larger the unemployment compensation benefits relative to earnings net of taxes, the longer the duration of unemployment is likely to be. The requirement that recipients actively search for, be available for, and accept suitable employment appears to be unevenly administered. Some research suggests that more stringent enforcement of these requirements results in a lower State unemployment rate.

Reduction of the implicit subsidies currently built into the unemployment compensation system would lead to a more efficient utilization of labor resources. This may be accomplished by greater use of experience-rating of all employers in the payroll tax and by taxing benefits as if they were earnings. These changes would not reduce the effectiveness of unemployment compensation as an automatic stabilizer. These and other issues concerning the unemployment compensation system are to be studied by the National Commission on Unemployment Compensation, due to be established in accordance with legislation enacted in 1976.

#### STRUCTURAL UNEMPLOYMENT

Even after the economy has returned to full employment some groups in the population may still have considerable difficulty finding and retaining employment. Unemployment among such groups may arise from the lack or obsolescence of skills, from regional mismatching of workers' skills and job requirements, and from wage rigidities. The mobility of workers and enterprises makes it likely that the decline in unemployment in the coming years will be fairly widespread across the country. Although regional growth rates of employment will differ, it is not likely that large depressed areas, like Appalachia in the 1950s, will emerge as a serious problem. The long-duration unemployment rate—the number unemployed 15 weeks or longer as a percentage of the labor force—was 2.5 percent in 1976. However with the approach to full employment, it can be expected to decline toward the pre-recession level of about 0.9 percent.

A number of groups, however, including youths with little schooling, and in particular black youths, and older workers laid off during the recession who have had a long period of unemployment, may continue to encounter substantial problems in finding work. Policies that reduce the barriers that are chiefly responsible for structural unemployment would do much to promote equality of employment opportunities. It is therefore useful to review current and proposed policies designed to expand job opportunities for persons with difficulties in finding and retaining employment. These policies include public service employment, job training programs, and an employment tax credit.

## Youth Employment

Youths have much higher unemployment rates than adults (Table 34). Most of this higher unemployment, however, is frictional and arises from the frequency with which youths enter and leave the labor force. Labor force entry generally entails a period of job search during which the person is unemployed. Many unemployed youths are entering the labor force for the first time. Others are entering it again after leaving it for a time, frequently because of the dovetailing of schooling and work—or, for young women, the dovetailing of household responsibilities (including child care) and work in the labor market. In addition, in an attempt to gain experience in different types of employment youths are more likely than adults to quit a job and search for another. Thus, although the unemployment rate of youths in 1973, the most recent year of low unemployment, was substantially higher than that of adults, there was little difference in unemployment rates arising from the loss of a job.

The average duration of unemployment among youths is about half that for adult males: in 1973, 7.1 weeks for teenagers compared with 14.0 weeks for men aged 25–59. However, the long-duration unemployment rate—those unemployed 15 weeks or longer as a percentage of the labor force—was greater for teenagers: 1.6 percent compared with 0.7 percent for adult men aged 25–59.

Although teenagers are less likely to be employed than adults are, the number of youths who are neither enrolled in school nor working is not likely to be large when the economy is near full employment. Of the 15.8 million teenagers (aged 16–19) in the civilian noninstitutional population in October 1973, only 1.9 million (of whom 1.4 million were females) were not enrolled in school and not employed. Most of the female teenagers not in school and not employed were providing home care for their own children.

TABLE 34.—*Civilian unemployment rates under alternative definitions by age and sex, 1973*

[Percent]

Age and sex	All civilian workers <sup>1</sup>	Job losers and job leavers <sup>2</sup>	Job losers <sup>3</sup>
16–19 years, both sexes.....	14.5	4.7	2.8
20–24 years:			
Men.....	7.3	4.8	3.4
Women.....	8.4	4.0	2.1
25 years and over:			
Men.....	2.5	2.0	1.7
Women.....	4.0	2.3	1.7

<sup>1</sup> Percent of civilian labor force.

<sup>2</sup> Percent of civilian labor force excluding new entrants and reentrants.

<sup>3</sup> Percent of civilian labor force excluding new entrants, reentrants, and job leavers.

Note.—All unemployment rates are based on civilian labor force (as indicated in footnotes) for age and sex group specified.

Sources: Department of Labor (Bureau of Labor Statistics) and Council of Economic Advisers.

For some youths unemployment is involuntary, and they have considerable difficulty in finding and retaining jobs. This may be especially true for those who come from disadvantaged families and those with little schooling. An appropriate role of public policy has been to expand job opportunities, particularly for the youths who, on their own, would not easily find and keep jobs in the private sector.

Youths need to develop the skills, habits, and job-related experience in productive activities that lead to successful employment in the private sector. About 85 percent of all civilian employment is in the private sector; and as youths mature, this is where most will find jobs. The sheltered environment of prolonged public service employment appears to be an inappropriate mechanism for generating employment for youths. On a short-term basis, however, disadvantaged youths in particular may derive important training or educational benefits from the experience provided by public programs.

Substantial investments have been made in public programs to employ and train disadvantaged youths. In 1976, the Government financed at a cost of \$563 million nearly 1 million job slots in local prime sponsor programs for the employment of disadvantaged youths in the summer. The Job Corps program provided training for 64,700 economically disadvantaged youths (the equivalent of 20,200 full-year positions) at a cost of \$186 million in fiscal 1976. Under Title I of the Comprehensive Employment and Training Act, 2.1 million persons, the majority of whom were youths, received job training or work experience at a cost of \$1.7 billion in fiscal 1976. These programs are preparatory to regular jobs in the private economy.

For youths, job opportunities in the private sector should be expanded to permit these young people to take full advantage of the training they have acquired in school or in special public training programs. Although aggregate job creation is largely the function of macroeconomic policy, there are significant impediments to attaining high rates of employment for youths even when the labor market for adults approaches full employment. The Federal minimum wage has been identified as one such impediment.

A substantial body of research suggests that minimum wage legislation tends to diminish employment opportunities for teenagers, but does not have a significant net effect on adult employment. Though estimated impacts vary, some recent studies suggest that a 10 percent rise in the ratio of the minimum wage to the average wage would decrease teenage employment by about 100,000 to 150,000. The reason is that many employers find it too costly to employ teenagers, particularly those with few skills, given the Federal minimum wage (currently \$2.30 per hour in most jobs) and mandated payroll taxes and fringe benefits. Coverage under Federal minimum wage legislation has been extended substantially in recent years from 65 percent of the private nonsupervisory workers in 1965 to 87 percent in 1976. This extension of coverage, especially at a time when youths make

up an increased proportion of the population aged 16 and over, has limited the increase in youth employment and labor force participation.

In recognition of the adverse effects of the minimum wage on employment, there has been an expansion in the number of exemption certificates which permit employers in certain circumstances to pay youths and the disabled a wage below the applicable minimum wage. In fiscal 1976 exemption certificates covering 800,000 persons were issued, of which three-fourths were for full-time students working part-time in their educational institutions.

The exemption program entails a number of problems, and the effectiveness of allowing more exemptions needs to be considered. The special applications that are required raise the administrative costs to the Government and employers. In addition, the program discriminates among employers of youths doing essentially the same job: a subminimum wage can be paid to a student working in a private university, but because of limitations on the number of exemptions it need not apply if a student is working in a comparable job in any other nongovernmental enterprise. The program also discriminates between youths in school and those out of school.

For these reasons, many believe the exemption program should be extended to all employers and to all youths regardless of school enrollment. This could be accomplished by incorporating a teenage differential into the minimum wage law. Alternatively some believe it would be more appropriate to let the Federal minimum wage lag behind the growth in average wages with the aim of promoting job opportunities not only for youths but also for partially disabled or low-skilled adults.

### *Long-Term Unemployment*

For some adult workers who have experienced long periods of unemployment, reemployment opportunities may be limited even after macroeconomic policies have reduced the unemployment rate to nearly the full-employment level. The situation would be particularly distressing for those who had exhausted their unemployment compensation entitlement. Public service employment (PSE) and job training programs are often viewed as mechanisms for expanding job opportunities for persons with long-term unemployment. Thus far, however, these spending programs have had little net impact on employment compared to tax reductions that increase the deficit by the same magnitude. With appropriate modification of programs, however, the favorable effects could be larger.

In terms of overall macroeconomic effect, the long-run job-creating impact of federally financed PSE programs appears to be quite limited. Initially most of the State and local government jobs funded by the program may represent a net increase in the number of jobs in comparison with what would otherwise exist. With normal attrition and the expansion in regular State and local government jobs, an increasing proportion of the funds are soon used to pay for job slots that would exist in any case. Preliminary estimates suggest, for example, that after 3 quarters about 65 percent of federally funded PSE jobs are net additions to employment; but after 2 years the net addition

may be as low as 10 percent. Thus the funding for the other 90 percent of the jobs becomes essentially a form of Federal revenue sharing with State and local governments. Then the job-creating impact of a PSE program is little different from an expansion in revenue sharing.

Persons with prospects of finding a regular job in the private sector during the expansion in economic activity might be less inclined to search for a regular job if they are in a PSE job. On the other hand, adults with long-term unemployment problems are the ones who would appear to be the most suitable candidates for the more than 300,000 public service employment job slots currently funded by the Government.

Several factors make it difficult to target PSE programs toward persons with long-term employment problems. For example, State and local governments tend to hire the more able among the unemployed for federally funded PSE jobs. As a result, PSE participants are more likely to be persons in the prime age groups and to have more schooling than the average unemployed worker. This has the advantage of maintaining the current employment practices of State and local governments. Yet persons with these characteristics are also those who have the least difficulty in finding a job in the private sector. There is therefore a tradeoff between attempting to maintain State and local government employment practices and inducing these governments to hire persons with difficulty in finding a job.

The relatively high wages in PSE jobs also attract persons who are employable in the private sector. In 1976, for example, the average annual Federal contribution to wages and benefits in a PSE job was about \$7,700 (some localities supplement the Federal contribution), over 50 percent more than a worker could receive in wages and benefits for full-time full-year employment at the minimum wage. It has therefore been suggested that these jobs be limited to persons with long-term unemployment, such as those who have exhausted their unemployment compensation entitlement, and that they be paid only the minimum wage or the subminimum permitted under Department of Labor exemptions (generally 85 percent of the applicable minimum wage). While the 1976 amendment to the temporary employment assistance program addresses in part the long-term unemployment aspect of these suggestions, it retains the requirement that the PSE jobs pay the prevailing wage. The need to keep wages low has been subject to some criticism. The payment of such low wages may adversely affect the efficiency of workers holding these jobs. Some are also concerned that a family could not be adequately supported on such low wages. However, the regular income maintenance system (AFDC, food stamps, medicaid) would provide supplementary support to low-income families which include a participant in a PSE program. In addition, a low PSE salary would permit a program with a larger number of participants for the same budget cost; as a result, more workers would gain job experience and fewer workers would be discouraged from taking a private sector job when employment opportunities improve. Indeed this approach would make it more explicit that creating

jobs and reducing poverty are separate issues, since many persons with long-term unemployment may not be in families with very low incomes.

Job training programs are designed as a means of upgrading the skills of the structurally unemployed. These programs seem to promise a satisfactory solution to the structural unemployment problem. The evidence currently available, however, suggests that the experience has been disappointing. If adjustment is made for the probability that a trainee would eventually become employed without the program, the effects of the training programs on real wages and employment appear to be small. This outcome is not surprising since persons with good training characteristics and prospects would acquire the training on their own or on a job. Persons with few skills and a record of long-term unemployment are largely those for whom successful retraining is most difficult. Part of the problem may be in identifying the programs that are most likely to be successful for particular trainees.

The difficulties with past public service employment and job training programs should be considered before expanding the present programs. Much may be learned, however, from careful evaluation of the present programs and from small-scale experimental programs.

#### EMPLOYMENT TAX CREDIT

Employment tax credits have been suggested as a means of increasing employment during a recession or increasing employment opportunities for persons who experience structural unemployment. The purpose of an employment tax credit is to encourage the direct use of labor relative to capital and other inputs. Under different variants of such a program, in addition to counting wages as a regular cost of business, firms could claim a credit against their corporate income tax for some portion of the wages or payroll taxes paid for all workers on their payrolls, workers added to their payrolls compared to some base period, or workers drawn from designated groups in which high rates of unemployment exist. These approaches pose a number of problems.

One problem in using an employment tax credit as a countercyclical tool is that the largest effects on employment may not appear until the economy is well on the road to recovery. This delay could occur because the substitution of labor for capital and other inputs which the tax credit encourages becomes greater the longer the period of adjustment. To be countercyclical an employment tax credit would need some mechanism through which the subsidy gradually decreases as overall unemployment declines.

If employment in a recession trough is used as the benchmark, during a business cycle recovery an employment tax credit would tend to subsidize firms for increases in employment that would occur in any case. This effect might be ameliorated if employment prior to the downturn were used as the base. If firms anticipate a renewal of a countercyclical employment tax credit in the future, cyclical swings in employment—and hence in unemployment—would be intensified. An inequity would arise among firms—some receiving

large subsidies through the tax credit and others, particularly those with stable employment, deriving no benefit from these subsidies. As a result of an employment tax credit, there would be additional disincentives to firms to maintain stable employment.

There are also difficulties in attempting to use an employment tax credit to expand job opportunities for particular groups. It is difficult, for example, to identify individuals with long-term unemployment problems, unless the program is limited to those having exhausted the unemployment compensation benefits available to them. Employers would have an incentive to hire the most employable persons in any group (such as aged or disabled persons and teenagers) which is eligible for the subsidy. Jobs may therefore go to persons who would not have difficulty finding employment in any case, even though they are members of a demographic group broadly defined as hard to employ. Moreover the narrower the group eligible for the subsidy, the greater the administrative costs to certify eligibility for the tax credit. Experience with the present tax credits for persons on welfare—for example, the WIN tax credit—suggests that an employment tax credit is not likely to expand substantially the job opportunities for persons with difficulty finding and retaining employment. The result could be to subsidize many jobs without achieving much increase in the employment of those individuals whom the program was intended to assist.

While superficially there is much appeal to an employment tax credit, the problems of implementation are great and the result is likely to be a less efficient utilization of labor resources.

## SUMMARY

Macroeconomic policy is necessarily the primary mechanism for reducing the current excessively high unemployment. As the economy continues to recover, cyclical unemployment will decline. Much of the long-term unemployment, which currently appears to be structural, will also lessen as job opportunities expand. As a result of increasing employment the amount of job training will increase, since much training occurs through work experience.

Declines in unemployment beyond those attainable by macroeconomic policy may be brought about by reducing the incentives for unemployment currently built into the unemployment compensation system because of weak experience-rating of employers and the tax-exempt status of the benefits. These issues will be studied by the National Commission on Unemployment Compensation. Job opportunities for teenagers may be improved by allowing the applicable minimum wage to be lower in relation to average wages.

Public service employment programs are most likely to increase job opportunities for persons having difficulty in finding employment if eligibility is restricted to the long-term unemployed (for example, unemployment compensation exhaustees) and if the wage is low relative to wages in the private sector. Income maintenance objectives are more successfully addressed by

the means-tested income transfer programs which focus on family income. The summer employment program may be helpful for disadvantaged youths by providing experience with a work environment and routine.

Thus far, training programs for adults with employment difficulties have not been shown to have more than very limited benefits and they have incurred substantial costs. The problems of structural unemployment and training mismatches that remain despite private initiatives appear to be very difficult to solve. Until we learn how to ameliorate these problems effectively, small-scale experimental programs and careful evaluation of present programs should be useful. The current large-scale public employment and training programs should not be expanded at this time.

Although it has much superficial appeal, an employment tax credit may create far more difficulties than it can resolve. The impact on employment is likely to be small, particularly in the near term, and new distortions in the use of resources as well as new inequities may emerge.

## GOVERNMENT REGULATION

The Government regulates a substantial part of the economy in an effort to improve economic performance and promote individual welfare. Such regulation has created costs as well as benefits, and some anticipated benefits of regulation have never been realized. Regulation has also been difficult to reform or abandon, even when recognized as counterproductive, because elements of regulation frequently tend to satisfy certain special interests. Historically, some business enterprises have sought to avoid competition, and have sometimes been aided in doing so by regulation; other rules and procedures create vested interests and capital values which reform would endanger.

The motives behind efforts to regulate economic activity have generally been commendable, and the net effect of some Government regulatory activity has been positive. Unfortunately it often turns out that regulatory processes are not capable of achieving their intended goals or have generated greater costs than would result from the original problem. In some instances the problem prompting the adoption of regulation has passed but the regulations remain. In other cases the regulatory process has proved too inflexible to accommodate changes in the economy, and a previously beneficial regulatory activity may become ineffectual or harmful. In each of these instances reform of the regulations would lower the nonproductive use of Government resources and would free private resources for productive tasks. More important, some regulation is harmful as well as wasteful since it distorts the allocation of resources and thus lowers the potential output of the economy. The reform of such regulations would increase efficiency, thus making the economy better able to provide current consumers with goods and services and to ensure growth in output for the future.

A major purpose of regulation is to control prices charged and services rendered in industries considered to be natural monopolies, especially those

in the transportation and public utility sectors, in order to prevent firms in these industries from exercising market power. The economic characteristics of these industries are such that it is more efficient for a single firm to supply the entire market. Price regulation is therefore usually accompanied by entry restrictions. Price and entry regulations have been extended, however, beyond the select cases where control of monopoly power justifies their implementation. They have been applied to many industries which seem capable of vigorous and healthy competition under less restrictive regulations: for example, trucking and airlines. In these cases it is appropriate to compare the results of price and entry regulation with the level of price and output that would be realized in a freely operating market.

If a regulated price exceeds the market-determined price, consumers will purchase less and output will be reduced. If a regulated price is below the competitive level, firms will provide less output than they would if they were not regulated. In both cases price and entry controls reduce the production of goods and services in the regulated markets. Resources are then reallocated to alternative uses which are less valuable to consumers. The result, coupled with the administrative costs of imposing and enforcing regulations, is to reduce efficiency and production.

Most regulatory legislation since the mid-1960s affects business activity in much more direct ways and in much greater detail than is true of simple price controls. The Federal Government has intervened in such matters as product quality, producer liability, conditions affecting the health and safety of employees, waste disposal, and equal employment opportunity. Much of this legislation is an attempt to deal with the problem of externalities—real costs or benefits that affect individuals other than those directly involved in a transaction. Economic efficiency requires that prices appropriately reflect the full cost to society of producing each good or service. External costs or benefits must be incorporated into each transaction, or internalized, for efficiency to be achieved. The internalization should be accomplished in the least costly manner. Unfortunately some of the regulations concerning health, safety, and the environment appear to be ineffective, and we bear their costs without enjoying much, if any, corresponding benefit. In other cases the benefits might have been achieved at a smaller sacrifice of other goods and services.

There are costs of extending regulation in a free-market economy that go beyond the direct impact on supply. First, the regulatory process itself uses public and private resources which could be used to produce other, more valuable, goods or services. Second, some regulatory procedures reduce the ability of industry to respond to changing supply and demand conditions and so create bottlenecks in regulated sectors of the economy. For example, the lag in implementing price adjustments to reflect the changing supply or demand conditions confronting public utilities can influence the timing of their investment decisions, causing shortages or excess capacity. Third, regulations which protect existing firms from potential competitors may reduce

incentives for technological improvement and innovation. Fourth, the uncertainty introduced by the regulatory process itself will cause resources to be used in unproductive ways. Finally, if price controls lower the expected returns to new capital investment, capital formation will be retarded and the economy will grow more slowly.

The effects of regulation on supply can be organized into three categories: cases where the regulated price exceeds the long-run free-market price; cases where the regulated price is less than the long-run competitive market price; and cases where regulation increases the costs of production. Regulation reduces the flow of output from the regulated industry in all three categories.

#### REGULATED PRICE ABOVE MARKET PRICE

In a number of instances a government-dictated price has been established at a level exceeding the free-market price. This situation might arise from a public effort to ensure profitability and encourage investment in a new industry. Or it might develop from a private industry's securing legislative protection against "unfair" price competition from another industry producing a substitute product. Or it could occur when regulation prevents relative prices from responding to changes in supply or demand conditions. Regardless of the circumstances which bring about the excessive price, government price control can develop into a legal and enforceable means of attaining the goals of a private cartel.

The establishment of a higher price is usually accompanied by restrictions on entry or output as well. When a regulated price is higher than the free-market level, existing producers seek to expand output and new firms are attracted to the industry by the prospect of high profits. Alternatively, an excessive price may deter the withdrawal of firms and production capacity from an industry with declining demand. At the same time, consumers confronted by increased prices restrict their purchases. Because firms offer a larger supply than consumers wish to purchase at the regulated price, pressures are generated for the regulatory authority to limit entry and restrict expansion of output in order to protect the profits of the existing producers.

Restricting entry, however, will not necessarily result in higher profit rates. The higher expected profits per unit of sales encourage each firm to try to increase its total sales by using nonprice methods of competition, such as advertising and quality competition. Because these activities are costly, profits are dissipated. Under such circumstances competition leads to higher costs because price competition is precluded. Consumers may derive some benefits from such nonprice competition, but they are denied the opportunity to choose among alternative price-quality options, as they can in the free market, and thus are made worse off.

#### *Motor Carriers*

Trucking provides a good example of the economic costs of regulations that hold prices above the free-market level. In interstate trucking an anti-

trust exemption permits motor carriers to agree upon rates through rate bureaus, which are groups of truckers that function like private cartels. Rates tend to be set high enough to cover the costs of less efficient carriers. The result is higher prices to consumers. The Interstate Commerce Commission (ICC) regulates both the entry of new carriers and the expansion of route authority by existing carriers. These restrictions frequently require some trucks to drive extra miles on circuitous routes, prohibit access to intermediate points on routes, limit the commodities that can be handled by some carriers, and prohibit certain kinds of freight on the return trip. The result is excessive truck miles and unproductive consumption of motor fuel, labor time, and other resources.

Where more than one carrier gains a certificate to provide service, competition tends to occur on the basis of service quality—frequency of departure, faster delivery, and so on—rather than through prices. As a consequence trucks are often dispatched with smaller loads than they might otherwise haul. Equipment and labor costs are thus spread over fewer ton-miles and costs and prices are higher than necessary. The regulation of rates precludes price competition, and consequently the range of price-service options available to shippers is restricted. Those shippers who would have chosen less frequent service if it were offered at a lower price pay more for services they do not want. In markets where only one trucker has route authority, this process of rate setting may permit lower costs since the trucker, exercising his monopoly control, may reduce the frequency of scheduling, with the result that a higher proportion of trucks is dispatched fully loaded. However, because such a trucker has no competitors, he is unlikely to lower prices to fully reflect the lower-quality service.

A comparison of the transportation of small parcels with large or bulky shipments illustrates the advantages of multiple price-service options. Shippers of small parcels have several options. The scheduled airlines carry small packages as baggage at substantial prices but with a guarantee of delivery the same day. Some air freight firms collect packages at various cities, fly them first to a central sorting location, then on to their final destination each evening, and provide overnight service at slightly lower prices than those charged by the scheduled airlines. Intercity bus lines and special firms that deliver small packages use surface transportation to furnish delivery service at even cheaper rates. Finally, the U.S. Postal Service offers slower but widely available parcel delivery. The advantage of having multiple options is that shippers of small parcels may choose between various degrees of service at different prices. Although shippers of large or bulky freight have some flexibility, many are chiefly limited to motor carriers, where the range of price-service options is much more limited because of regulation.

The problems of excess capacity, higher prices, and too few price-service options would be reduced if entry into the trucking industry were not restricted. Unlike public utilities, trucking does not exhibit scale economies.

Thus price competition is not likely to result in a single survivor—a monopolist. In trucking, fixed costs are low and except for Government restrictions entry is relatively easy. Competition, not monopoly, would be the natural condition in the trucking industry if it were not for Government regulation.

Recent research has demonstrated that common carrier truck regulations cause large losses in production and efficiency. Freight rates in countries that do not regulate motor carriers are significantly lower than rates in countries like West Germany and the United States where regulation is strict. Excessively high motor carrier rates cause some shippers to substitute alternative modes of transportation, or to provide their own transportation services. These responses to regulation reduce economic efficiency.

The motor carrier reform legislation submitted by the President to the last Congress would have increased both price competition and entry into the trucking industry. The legislation proposed pricing flexibility, subject only to later ICC review, which would allow individual carriers to raise or lower their rates as much as 15 percent annually, and it would eventually remove the lower limit on price changes entirely (as long as the price was not set below direct costs). The legislation also proposed eliminating the antitrust immunity that currently protects the collusive rate setting through rate bureaus. Barriers to entry would have been reduced by lifting the hauling restrictions on certain existing carriers and by liberalizing the criteria for route certification. Entrants could no longer be barred simply because the proposed service was already provided by existing carriers. This legislation would constitute a major step in the reform of regulation inhibiting the efficiency of the motor carrier industry.

### *Airlines*

In the airline industry, restrictions on price competition have likewise led to higher fares and emphasis on nonprice methods of competition. In intrastate markets in Texas and California carriers are subject to Federal safety regulations but are free of Federal restrictions on fares and routes. In these markets prices have been consistently lower than prices in federally regulated markets which have similar characteristics.

The regulated air carriers have not earned unusually high profits as a result of regulation restricting price competition. Potential profits have been dissipated through advertising and service competition—most visibly in the form of in-flight stereo, free meals, and other amenities. Less visible but more expensive forms of nonprice competition are capacity increases and scheduling additional flights. More frequent departures and a higher probability of obtaining a seat on a preferred flight do yield benefits to consumers, but recent studies have shown that the cost of operating the additional flights is considerably greater than these benefits. The popularity of air charter flights illustrates the willingness of many consumers to accept the inconvenience of less frequent service, less flexible scheduling, and fewer amenities in order to

purchase less expensive air travel. Increased flexibility permitting adjustments in prices to meet market demands, liberalized entry into specific air routes, and the removal of antitrust immunity would help assure a wider range of consumer choices for air transportation and lead to lower air fares than would otherwise occur.

The need for reform in air transportation is compelling and is now generally acknowledged. The 94th Congress considered reform bills submitted by the President, various members of the Congress, and the Civil Aeronautics Board. None of the proposals recommend any change in the safety standards enforced by the Federal Aviation Administration; they all focused on economic regulation. Each of the proposed bills would place greater reliance upon competitive market forces. Each recognizes that increased pricing freedom must be accompanied by a significant lowering of regulatory barriers to entry if truly competitive performance is to be assured. The current issue appears to be not whether a change needs to be made, but rather how far and how quickly it should proceed.

### **REGULATED PRICE BELOW MARKET PRICE**

At a regulated price below the competitively determined market price, consumers want to purchase more output than producers are willing to supply. The result is a shortage: more is demanded than will be supplied at the regulated price. A shortage means that some potential customers who place a value on the product higher than its cost of production are unable to purchase it because the low price has discouraged its manufacture.

Price ceilings also require that nonprice methods be used to decide who is to get the limited supply that is available. Although the monetary price to those fortunate enough to meet the nonprice criteria for purchasing a regulated commodity or service may be lower, all those who want to purchase it, but cannot, must pay a higher price, corresponding to the price of the best substitute product. They are forced to seek more costly substitutes to satisfy their demand, or else to do without. In addition, because the costs of nonprice rationing—waiting in line at a gas station, for example—are sometimes substantial, the realized price paid by those who do meet the criteria may be greater than the free-market price would be, even though the monetary price is lower. As a rule, nonprice rationing methods are less efficient and more costly than price rationing.

#### *Natural Gas*

Price controls on natural gas provide an illustration of the losses resulting from a price fixed below the competitive market-clearing level. The Federal Power Commission (FPC) regulates the price of gas sold to pipeline companies for resale across State boundaries. Since the regulated price is below the price in unregulated intrastate markets, most new gas has gone to the intrastate markets. As a consequence there has been a shortage in certain areas where gas must cross a State line to get from producer to consumer. Many

businesses and institutions have had to substitute more expensive energy for natural gas in the past few years; and where natural gas is critical for some industrial uses, work stoppages and unemployment have also resulted. Few residential customers already subscribing to gas service have encountered problems, but some new applications for gas service have been denied. Since 1972, as an example, no new customers have been accepted by the Columbia Gas System, which serves consumers from Virginia to Ohio and New York. Recent forecasts indicate a growing shortage of natural gas to meet the contract requirements of pipelines for gas deliveries to local distributors and portend future problems even for residential customers.

The economic costs of the natural gas shortage emerge in various forms. First, under the nonprice allocation system that has been devised by the FPC, distribution companies are allocated gas on the basis of a set of FPC-approved priorities. This allocation system does not directly consider the relative cost of switching to an alternative energy source or the relative productivity of natural gas in alternative uses. The gas that is available may therefore not be going to its most productive uses. Second, natural gas is underutilized as an energy source in favor of more costly alternatives because gas producers, responding to the artificially low prices, undertake less exploration and development than would occur in an unconstrained market. During the last decade total annual additions to natural gas reserves declined slightly, while demand was increasing steadily. Third, because intrastate sales of gas are not controlled by the FPC, producers prefer to sell as much gas as possible at the higher prices prevailing within the producing States. As the controlled price of natural gas has lagged behind the rising price of alternative fuels, this problem has become more serious. About two-thirds of the natural gas reserves committed to markets went to interstate markets in the late 1960s, but this fraction had declined to less than 20 percent by 1975. The unregulated price of natural gas in gas-producing States is sometimes lower than the price of equivalent energy in nonproducing areas, where businesses occasionally cannot obtain gas at any price. Moreover, for some industrial processes, natural gas is less costly to use than alternative fuel sources which could supply the equivalent energy. As a result firms may find it advantageous to move from regions served by regulated natural gas to regions where supplies are available. Instead of being based on true relative locational advantages, this migration to gas-producing States is induced because the regulated price of gas is held below the competitive level.

Last year the FPC announced a threefold increase in the regulated price of "new gas" (gas coming from wells on which drilling commenced after January 1, 1976). FPC efforts to raise the price ceilings can contribute to economic growth, but any long-term solution to the natural gas shortage necessitates legislative action to eliminate price controls. Although increased prices will undoubtedly affect residential consumers, one should not ignore the current costs to consumers caused by regulation-induced misallocation: those which are now hidden in the prices of goods and services

produced with higher-cost energy sources, and those which primarily burden residential consumers who are unable to obtain gas supplies at any price.

## REGULATIONS THAT DIRECTLY AFFECT COST

A free-market economy cannot allocate resources efficiently unless prices reflect all of the costs of producing and consuming each good and service, and unless buyers and sellers have adequate information on which to base their market decisions. If the external costs that spill over to outsiders are ignored, the price of a good or service will be too low and consumers will buy too much. The output that is purchased will entail a greater social cost of production than the benefits that its consumers will derive. The effect would be similar to a direct subsidy of certain economic activities: economic decisions would be distorted toward the production and consumption of the subsidized product. In addition, if producers or consumers have inadequate information, market decisions will not necessarily reflect relative costs. The more prominent cases of Government efforts to correct for spillover costs and inadequate market information in recent years concern health, safety, and the environment.

Unfortunately, in many instances it is extraordinarily difficult to estimate the external cost of private decisions or the public benefits which would stem from policies to alter those decisions. Errors in estimating either the benefits or the costs can result in programs which are socially more costly than the externalities they are attempting to correct. The inadequacy of information frequently means that these decisions must be made in the presence of considerable uncertainty.

Several problems hinder the development of efficient regulations that will correct for external costs and inadequate information. The appropriate degree of pollution removal or reduction of risks to health and safety must be determined. Eliminating absolutely all pollution or risk to health and safety would be so expensive that it would preclude other national goals. By analogy, in their private lives individuals rarely try to lessen the risk of incurring injury or contracting disease to the technologically feasible minimum. People recognize that the incremental benefits of health and safety are limited and must be balanced against having more resources available to satisfy other needs. In those instances where the private sector is unable to generate a socially efficient amount of information, there is scope for Government research and dissemination of data. Finally, whatever is chosen as the target of environmental cleanup or health and safety improvement should be achieved at the minimum sacrifice of other goods and services.

### *Electric Power*

Regulations have been imposed on the generation of electric power in an effort to internalize the spillover costs associated with air and water pollution. Although it is difficult to measure the benefits, these goals have clearly been expensive to achieve. Investments to meet air and water standards are estimated to add about 10 percent to the total capital expenditures in electric-

ity generation. If the regulations are set properly, they should improve the efficient operation of our economy. The methods adopted for this task, however, have not always been consistent with another objective of cost internalization—achieving it with maximum efficiency.

For example, because certain types of power plants are required to prepare environmental impact statements and have been hampered by frequent legal disputes, considerable delay has occurred in the construction of some electric generation plants. The spasmodic and still evolving development of environmental regulatory policy can create an atmosphere of uncertainty and increase the risk attached to new construction projects for generating power. The uncertainty of regulatory policy can have particularly severe effects on the building of power plants because they involve long commitments and have little flexibility once they are constructed. Hence the caution that utility companies have shown in planning the expansion of future capacity is not surprising. However, the delay in getting power plants under way may cause a switch to alternative types of generating plants which, though less efficient, can be constructed more quickly as demand pressures intensify. The absence of confidence in the stability of environmental regulations may thus lead to a less efficient and more costly mix of generation capacity in the future.

#### *Occupational Health and Safety*

Government efforts to improve health and safety conditions in and around the workplace provide another example of the difficulty of using direct regulatory efforts to achieve social goals. The Federal Occupational Safety and Health Act of 1970 mandates the Federal Occupational Safety and Health Administration (OSHA) to assure “so far as possible every working man and woman in the Nation safe and healthful working conditions.” Under the act each employer is required to comply with the standards promulgated by OSHA. These standards are intended to furnish for each employee a job which is “free from recognized hazards that are causing or likely to cause death or serious physical harm.”

Without OSHA's standards employers would remove work-related hazards whenever the benefits to them of doing so would exceed the incremental costs. If employers confronted the full costs of illness and injury from poor working conditions by having to pay higher wages, or incurred other costs that varied directly with the dangers to health and safety in workplaces, they would tend to operate at an efficient level of occupationally related health and safety. For a number of reasons, however, employers do not actually face the full costs of injuries and illnesses, and some of these costs are borne by others than the injured or ill employees.

The workers' compensation system does not fully reimburse workers and the rest of society for the loss in earnings and the additional medical and rehabilitation expenses that arise from job-related injuries and diseases. Two reasons for this failure are the extraordinary difficulty of estimating the private and the social cost of work-related injuries and diseases and the problem

of establishing efficient methods of internalizing these costs. The society at large pays part of the costs of occupational illness and injury through other transfer programs—for example, social security disability, medicaid, and vocational rehabilitation. In addition, the workers' compensation insurance premium paid by the individual employer does not vary in direct proportion to the benefits paid out to its injured workers. Employers are not given the incentive to respond optimally even to those losses for which the system provides direct compensation. Finally, wage differences may not fully adjust to otherwise uncompensated hazards present in the workplace if workers are not well informed of the actual risks that they face, or do not have enough mobility to avoid risks for which they do not feel fully compensated.

A system of health and safety standards is one mechanism for further internalizing accident and illness costs borne by parties other than employers. To implement an efficient system of health and safety standards, the Government needs detailed knowledge about the many different causes of accidents and disease and the relative costs in different firms of alternative methods that may reduce them. There are important differences in the risk of injury and damage to health among occupations and employers—and perhaps also among employees. For administrative and legal reasons, however, it is difficult to impose different standards on different employers. Because of these problems any system of health and safety standards will inevitably be arbitrary and inefficient to some extent. OSHA has usually mandated “engineering controls” for reducing workers' exposure to hazards, rather than allowing firms and employees to determine for themselves the least-cost means of achieving health and safety goals. Given the diversity among firms, the application of engineering standards requires more information, is less likely to result in uniform treatment, and thereby entails higher costs than performance standards or “injury fees” for the same reduction in injuries.

In situations where sufficient information exists to permit a reasonably precise estimate of the social loss from work-related injuries and diseases, health and safety objectives can more efficiently be achieved through the use of performance standards or injury fees, rather than by mandating particular means of reducing injuries. Performance standards levy charges against firms according to the incidence and severity of all job-related injuries, or to increases in injuries above some predetermined level. If information permits, the fees could be tailored to the frequency and seriousness of accident or illness and might be incorporated in a workers' compensation system. These charges should be large enough to fully compensate those directly harmed and to cover the external costs as well. Individual firms would be left to seek least-cost methods of reducing accidents and disease, and they would adopt them to the point where the costs of reducing accidents and illness exceeded the charges levied on the occurrence of accident and illness.

The present state of knowledge is not sufficient to extend this approach to all problems in relation to health and safety. It is frequently difficult to

identify the causes of a disease, and the link between health and working conditions is difficult to establish. Many occupationally related diseases appear long after exposure to their causes. The charges might follow so long after the hazardous conditions had caused harm that they would not play much part in decisions affecting the health of employees. The assignment of liability is further complicated because firms may disappear as time passes or avoid responsibility in other ways.

Information problems and the long latency of many occupational diseases make it very difficult to estimate costs and therefore the level of exposure that society is willing to tolerate. In addition, even if these problems were resolved it would be hard to embody the results in an operational system of levying the appropriate charges and internalizing the costs. These same difficulties confront the engineering standards approach. But for occupational health objectives there is often a correct preference for standards that prohibit or severely limit exposure, rather than for an injury fee approach that might allow substantial exposure. In the presence of considerable uncertainty, the desire to err in the direction of too much health and safety may require a standards approach. Where the relevant information is available and the risks involved are not excessive, the use of performance standards may be a more effective means of achieving desired levels of safety and health. Because of the substantial externalities that may be involved, and the difficulty of generating private sector financing of basic research, an important role for Government lies in financing research relating to occupational disease.

#### IMPLEMENTING REGULATORY REFORM

In spite of the widespread recognition that reform of certain Government regulatory policies could yield substantial economic benefits, there remain major obstacles to achieving reform. Compared to those who would benefit by reform, those who would be hurt are fewer; but they are also likely to be more aware of the losses that they would incur. Many potential losers are well organized and have an effective system for communicating their views to policy makers and the public. On the other hand, the beneficiaries of regulatory reform (especially the ultimate consumers of products of the regulated industries) are numerous, and the benefit per individual is usually small. Beneficiaries of reform are less likely to understand their stake in regulatory reform, are not usually organized, and generally have little success in effectively communicating their views to decision makers and the public.

Those in a position to lose from regulatory reform are not always the ones who have gained from prior restrictive economic regulations. In a well-functioning market, the sales price of capital assets reflects the future earnings stream they are expected to generate, appropriately discounted to account for delay in the receipt of those earnings. The value of regulated industries' assets are likely to be elevated sufficiently to reflect the expectation that regulation, and its associated benefits to existing firms, will continue

in the future. Consequently current stockholders of such industries who purchased shares after regulation was introduced are unlikely to earn more than a normal return on their investment. When regulatory reform threatens to alter the economic environment on which they based their future profit expectations, they will naturally resist.

In many instances income distribution considerations are cited in support of holding regulated prices below free-market levels. Allowing prices to rise, however, may not affect low-income consumers more adversely than higher-income consumers. There are substantial differences in consumption patterns among households at the same income levels, and the effects of deregulation on family well-being are likely to differ greatly. For these reasons it is preferable to use the regular tax and income transfer systems, rather than price regulations, to achieve society's income distribution objectives.

Another problem facing regulatory reform is the difficulty often encountered in bringing regulatory reform initiatives before the full Congress. Individual congressional committees, responding to the pressures described above, are sometimes reluctant to consider significant reform bills. Thus, although there is a growing consensus that regulatory reform is needed, the process of achieving it may be hampered by fragmentation of individual proposals. It may therefore be desirable for policy makers to address a number of regulatory reform issues simultaneously. Such an approach was contained in the proposed *Agenda for Regulatory Reform* submitted by the President to the 94th Congress. This proposal would have required the Administration to introduce legislation to effect major regulatory reforms over a 4-year period. Another provision would have ensured congressional action by placing the Administration's proposals before the full Congress after a specified time if similar proposals were not reported out of committee.

## SUMMARY

Major policy initiatives are required to address the kinds of regulatory problems described above. Two types of efforts are needed. First, the statutes under which some agencies operate need to be modified. This approach is particularly applicable to the independent regulatory agencies which have jurisdiction over specific industries. The principal goal should be to eliminate regulations that inhibit competition, prevent innovation, and otherwise distort the allocation of resources. Second, the quality of agency decisions under the existing regulatory statutes needs to be improved. This approach appears particularly suited to those regulatory agencies which deal with matters of health, safety, and the environment.

Several specific reforms deserve consideration in 1977. First, reform that increases rate flexibility and eases entry restrictions in the airline and trucking industries would reduce the costs imposed by prices set in excess of competitively determined free-market levels. The reduction in the quantity of resources absorbed unproductively would increase the ability of the economy to produce more goods and services of all types, including those of the regulated sector.

Second, the economic costs generated by price ceilings could be reduced by the elimination of many price restrictions. Decontrol of natural gas prices is the most urgent need. This would increase economic efficiency and, by increasing supply, move us toward greater energy self-sufficiency.

Third, regulations related to health, safety, and the environment need to be carefully evaluated. These regulations are aimed at some important though elusive social goals. But some generate hidden economic costs that are being ignored, and some may not be effective in achieving the goals of their enabling legislation. A sound comparison of the realized benefits against the total costs generated by each of these regulations is necessary to ensure that the regulatory goals chosen by society are desirable and are achieved at the least possible cost.

## AGRICULTURAL POLICY

Farm programs over the years have reduced real GNP by imposing a variety of restrictions on pricing, production, land use, and trade in farm commodities. Some of the most important of these restrictions have been eliminated in recent years, but others remain. In 1977 major pieces of farm legislation will expire, and there will be pressures to return to past approaches which have caused an inefficient allocation of the Nation's agricultural resources. This section reviews the progress made in farm policy, the threat to that progress, and the direction we believe that future farm policy should take.

### THE MOVEMENT TO MARKET-ORIENTED FARM PROGRAMS

Beginning in the 1930s the pursuit of income protection for farmers led to programs which have raised average farm prices above competitive market-clearing levels. These programs have produced the general consequences of price-increasing regulation discussed in the preceding section: the regulated price induces more output and less consumption than would otherwise have occurred, and the excess production and capacity generate pressures to restrict output.

For grains and some other commodities the regulated price has been supported by Government acquisition of commodities. The existence of excess capacity is then revealed in the accumulation of stocks of commodities held by the Government. To prevent stock accumulation, schemes have been tried under which a relatively high price was paid for commodities used domestically, while exports were made at a lower world price. If sufficient quantities could not be exported at world market prices, export subsidies have been paid—notoriously in the case of wheat, when subsidies were paid during the period of the Soviet purchases of 1972. In addition, subsidized exports have been made through the Food for Peace program and through subsidized credit to foreign purchasers. Domestic food consumption has been subsidized through the school lunch, food stamp, and other special programs. Because no demand-increasing approach has been able for long to equate

demand and supply at support prices, there was continued resort to production control schemes. Measures taken to restrict production have included: acreage allotments and marketing quotas for the major crops; Government purchase and slaughter of sows and baby pigs in the 1930s; payments to farmers to turn cropland to less productive use under cropland adjustment, conservation reserve and cropland conversion programs; and, more recently, requirements to "set aside" cropland acres as a prerequisite to participation in price support programs, supplemented by diversion payments to induce further reduction in crop acreage.

The typical result of these programs was a reduction in food output, or at least in domestic consumption, and inefficiency in the allocation of resources. Establishment of domestic prices above world market levels required measures inconsistent with our overall trade liberalization objectives. Food prices were more stable, but at the cost of higher average prices than if prices had been unregulated. Apart from efficiency losses, costs to the nonfarm public included many billions of dollars in direct payments to farmers. In 1968-70, annual budget outlays for farm programs averaged \$5 billion, and Government payments amounted to over one-fourth of total net farm income. Over the years the program benefits were largely capitalized into land values, so that they accrued primarily to owners of farm real estate.

Reductions in some crop support prices in the mid-1960s began a reorientation of farm policy toward unregulated market prices, and since 1972 increases in world market demand have permitted an almost complete abandonment of restrictive features in U.S. farm programs for major crops. Reforms which only a few years ago were considered a practical impossibility have now been put into effect. At the same time, extreme price increases following the sharp reduction in U.S. and world carryover stocks of grains in 1972-73 have renewed interest in measures to stabilize prices. This concern for stability, together with a desire for farm income protection, could open the door to a return to past restrictive approaches.

#### THE THREAT TO MARKET-ORIENTED POLICIES

Farm programs differ from other regulatory activities in that regulated prices and means of controlling production are more often specified in legislation. Consequently the features of farm programs tend to be a more direct political issue, and more subject to sudden change in approach, than is the case in the regulation of most other industries. Farm policy will be considered by the Congress in 1977 because much of the legislation authorizing current programs will expire, including the Agriculture and Consumer Protection Act of 1973, which covers the major crops. The machinery set up under the 1973 act allows the separation of farm income support from price stabilization measures to a greater degree than was possible under preceding programs. Farm income support can be provided by means of deficiency payments, which are based on the difference between

a legislated target price and the market price or support price received. Farmers in the aggregate cannot increase their payments by expanding output, since payments are limited to a given base production. Thus although this approach could be very costly to taxpayers if the target prices were high enough, it can provide farm income support without Government stock buildup and without restricting food supplies. To date, the strength of world markets has kept market prices above target prices, and therefore no deficiency payments have been made, although payments for rice are a certainty in fiscal 1977.

Recent weakness in the price of grains, especially wheat and rice, has rekindled farmers' interest in price support programs. The threat of declining farm incomes, coupled with appeals for policies to promote food price stability by means of grain reserves, could lead to higher support prices and hence a turn away from full-production, market-oriented policies.

The United States has proposed an international system of food grain reserves of limited size which would not be used to defend any particular price band. An alternative, but one which would also involve important issues in international policy coordination, could be a unilateral domestic buffer stock of grain, which would be built up when prices are low and sold when prices are high. This idea fits in naturally with Government storage of grain acquired to support prices. The main new elements would have to do with whether the stocks would be open-ended in size or would specify maximum quantities to be acquired, and the rules for placing stocks on the market to moderate price increases.

While a publicly owned buffer stock can reduce price fluctuations, it involves substantial costs and risks. The principal risk is that support prices and resale prices as well as quantities to be acquired and released will tend to be determined by political criteria. The result, if past history is a guide, will be to stabilize prices in a range which on the average is above competitive market-clearing levels. Such regulated prices would probably return us finally to the acreage restrictions, production controls, and export subsidies which have characterized past farm programs.

#### THE FUTURE OF MARKET-ORIENTED POLICIES

Farm policy should not only resist bringing back the restrictive grain and cotton programs of the past, but should also move toward market orientation for the commodities where price-increasing measures remain effective. Commodities covered by effective price supports include milk, tobacco, and peanuts. Price supports for milk used to manufacture other dairy products are currently resulting in substantial Government purchases of powdered milk, cheese, and butter, and they require import controls to keep out foreign dairy products attracted by the high prices. The existing programs for tobacco and peanuts rely on economically objectionable production controls. Rights to grow and market these crops have become valuable assets. Even

with stringent controls on peanut acreage and tobacco production, the support prices are high enough to result in Government stock accumulation.

Milk and some fruits, vegetables, and nuts are marketed by large cooperatives under the auspices of Federal marketing agreements and orders. Apart from those for milk, there were 47 orders and agreements in fiscal 1976 covering farm products valued at \$3.7 billion. Regulation in these cases does not establish prices by legislative or executive action but grants powers to producer groups sufficient to influence prices paid to them. To attain "orderly marketing," flows of products to market during peak production periods are cut back or diverted from fresh to processing uses or to export markets. The result is a higher price for fresh products for domestic uses. The quantitatively most important case is the higher price established for milk sold in fluid form compared to milk for other dairy products. Size and grade standards have in some instances been used to reduce flows of imports, notably of winter tomatoes from Mexico. While most producers' associations have found it difficult to control total supplies, they have in some cases—notably for hops and celery—been able to do so and thereby to raise prices.

Farm policy, besides avoiding production controls under commodity programs, should actively promote efficient food production in other ways. Perhaps the most important means is basic agricultural research, the benefits of which are difficult for private business to capture. Another is to make sure that efficient food production gets appropriately weighted against other social goals, for example by insisting that more stringent environmental or safety regulations do not impose greater additional costs than their expected additional benefits.

The goal of eliminating excessive price instability can be served by more promising means than direct market intervention. Provision of timely and accurate production and market information is a valuable service which may be inadequately supplied by the private sector because of the difficulty of capturing the benefits. By fostering efficient futures markets, which assist commodity producers and users in risk management and which translate the market information that exists into price signals easily interpreted by and readily available to market participants, Government may play a useful role. Domestic price stability would be furthered by reducing protectionism and increasing market orientation abroad. Adjustment to world supply and demand fluctuations would then not occur as disproportionately as it does now in the United States. Freer trade in agricultural products is a chief U.S. goal in the Multilateral Trade Negotiations currently under way, which suggests that the United States should resist undermining its position by protectionist measures to favor our own domestic producers. Bilateral negotiations may also prove useful. The 5-year grain sales agreement with the Soviet Union, which covers shipments of wheat and corn after October 1, 1976, may reduce the year-to-year fluctuations in Soviet grain imports and is a step toward making the grain export policy of the United States steadier and more predictable. In all of these respects agricultural policy can promote

price stability without the risks inherent in direct intervention in commodity markets.

Farm programs also influence the efficiency of resource utilization in agriculture by helping farmers bear the risks of crop failure caused by bad weather, pests, or disease. For most commodities, production risk is paid for by consumers in the higher prices needed to induce people to undertake risky activities. For grains and cotton, current legislation provides free insurance through disaster payments when bad weather prevents planting or when a harvest of two-thirds or less of normal production on allotment acreage is realized. These payments totaled about \$840 million in 1974 and 1975 together. The economic arguments favor replacement of the disaster payment scheme by an expanded system of nonsubsidized general crop insurance. Subsidized crop failure encourages farmers to use marginal land too intensively, contrary to the conservation goals of agricultural policy, and could reduce the output of our agricultural resources in the future.

Farm programs offer both opportunities and pitfalls in the effort to make the most of our agricultural resources and thus increase real GNP. Opportunities offered by the commodity price boom of recent years were used to establish a potentially valuable legacy of a full-production policy for agriculture. The challenge is to use whatever new opportunities present themselves to eliminate remaining restrictive measures. Most important for the immediate future is not to let the pursuit of farm income support or price stabilization lead us back into past restrictive approaches.

## TAX POLICIES FOR CAPITAL FORMATION

In Chapter 1 it was noted that a higher rate of investment is desirable for two reasons: to help sustain the expansion in the short run and to provide the new capacity required in the longer run to ensure rising real incomes, productive employment opportunities for a growing labor force, greater self-sufficiency in energy, and a cleaner environment. Chapter 1 also noted that one of the important causes of the recent productivity slowdown has been the slower growth in the stock of capital per worker over the last decade. The conclusion was therefore reached that an important objective of economic policy in the years ahead should be to ensure adequate levels of new investment. In the near term, stable economic growth is essential for a higher rate of capital formation. But policies may also have to be devised to counteract the forces, identified in Chapter 1, which may have lowered the effective rates of return to saving and investment and interfered with an efficient allocation of capital resources. For example, the President's proposed reductions in personal and corporate income taxes can be justified in part as an offset to the bias against private investment created by our tax structure, under which the real tax burdens for business as well as individuals rise in periods of high inflation. There are a number of other

aspects of the tax system which impinge on investment and saving. This section discusses some of these features and suggests some possible changes that may be useful to stimulate additional capital formation and promote a more efficient use of available capital resources.

### INVESTMENT TAX CREDIT

The investment tax credit (ITC) was first enacted in 1962 as part of the Kennedy Administration's program to stimulate investment by increasing the profitability of new equipment. Since then, the ITC has been revised by a series of legislative actions and successively suspended, repealed, and reenacted. The ITC was permanently reinstated at a maximum 7 percent rate (4 percent for utilities) by the Revenue Act of 1971. The Tax Reduction Act of 1975 temporarily increased the maximum rate to 10 percent for all businesses, including utilities, during 1975 and 1976. The Tax Reform Act of 1976 subsequently extended the 10 percent rate through 1980, and the President has proposed that it be made permanent.

At present the law provides for a credit against current tax liabilities of corporate and noncorporate businesses, equal to 10 percent of the value of qualified investments. Qualified investments are generally new depreciable assets used in production, excluding structures, with service lives of 3 years or more. The credit is applied on a sliding scale in such a way that one-third of the full credit is allowed for assets with service lives of 3 or 4 years, two-thirds for assets with service lives of 5 or 6 years, and the full credit for those assets with service lives of 7 years or more. The ITC rates thus range from  $3\frac{1}{3}$  to 10 percent, depending on the life of the asset. The credit claimed in any year cannot exceed a company's total tax liability for the year, and the maximum credit that generally may be taken is \$25,000, plus 50 percent of the tax liability in excess of \$25,000. Credits not usable in the current year because of this limitation may be deducted against tax liabilities 3 years back and 7 years forward on a first-in, first-out basis, that is, the oldest credits are used first. Under current law, the basis for calculating depreciation allowances on new equipment is not reduced by the amount of the credit. A provision requiring a basis adjustment was contained in the original 1962 legislation, but it was subsequently repealed by the Revenue Act of 1964.

The credit was restricted to equipment purchases because of the favorable tax treatment already accorded to structures under the rules for accelerated depreciation and for expensing of interest and taxes incurred during the construction period. It was also felt that the most rapid gains in productivity could be achieved by encouraging investment in new equipment. In addition, there was a fear that a credit on structures might become a tax loophole for real estate speculation and the purchase of private residences.

There is no general consensus about the precise impact of the ITC on investment spending. Nevertheless it does appear that past increases in

the credit have led to significantly higher expenditures for new equipment. Moreover, compared with the other major investment incentives—changes in accelerated depreciation and reductions in the corporate income tax rate—the ITC apparently yields larger and more rapid increases in investment per dollar of reduced tax liability. Consequently the issue with respect to the ITC concerns not so much its overall effectiveness as the distortions it may create in choices among different types of capital assets. These distortions derive from three specific aspects of the ITC as it now operates.

First, because the amount of credit that may be taken is generally limited by the investor's total tax liability, firms with highly variable profit rates may have difficulty making full use of the ITC in any given year. It is estimated that about \$1½ billion in additional tax credits would have been claimed in 1975 if this limitation had not existed, and this represents nearly 20 percent of the total amount of investment tax credit claimed in that year. The present carry-back and carry-forward provisions do permit eventual recovery of most credits. However, since profits and business tax liabilities generally fall during recessions, the credits may not be available to firms in cyclically sensitive industries at the very time when the need for additional cash flow is greatest. The same problem may affect rapidly growing firms, which have large investment needs relative to their profits and tax liabilities. Making the ITC fully refundable in the year in which assets are purchased would eliminate that constraint. This change would tend to minimize the adverse effects of the business cycle on investment and provide an additional incentive to the most dynamic sectors of the economy.

Second, the ITC discriminates against very short-lived assets as well as assets with service lives of more than 7 years. There may be some justification for denying the ITC to inventory assets because they are not used in production. Moreover, administration of the ITC for inventories tends to be complicated by the fact that they are often sold before the end of their service lives, thus necessitating recapture of credits received. There are nevertheless many other types of productive short-lived capital assets which on the grounds of efficiency should benefit from the credit. In addition, the flat 10 percent rate applied to all assets with useful lives of 7 years or more results in a progressively smaller increase in the rate of return on longer-lived capital assets (Table 35). If the credit is not to impart such a bias against long-term investments, the implied rate of return must be increased proportionately for all assets. To achieve this result, a variable rate ITC is required, with a larger credit applied to longer-lived assets. A restructuring and extension of the present sliding scale would therefore neutralize the effect of the ITC on the choice among assets with different service lives. Such a change would particularly benefit many primary processing industries which are critical to the economy's long-term growth potential and whose capital structure is heavily weighted toward long-lived assets.

TABLE 35—*Change in after-tax internal rate of return under present 10 percent investment tax credit, all businesses*

Life of asset (years)	Investment tax credit (percent)	Change in after-tax internal rate of return (percentage points) <sup>1</sup>
1	0.0	0.00
2	0	.00
3	3.3	1.92
4	3.3	1.57
5	6.7	2.77
6	6.7	2.42
7	10.0	3.30
8	10.0	2.99
9	10.0	2.73
10	10.0	2.52
15	10.0	1.91
20	10.0	1.60
25	10.0	1.42
30	10.0	1.31

<sup>1</sup> Assumes that the net income stream from the investment is constant, that the after-tax internal rate of return before the investment tax credit equals 10 percent, and that the credit does not affect future costs or revenues.

Source: Council of Economic Advisers.

Finally, the current failure to exclude the amount of the tax credit from the depreciable base of an asset means that a write-off is allowed for an expense not incurred. This raises the effective rate of the ITC above the statutory level, the increase being larger for shorter-lived assets, thus accentuating the bias against longer-term investments. It would be preferable to make the appropriate adjustment to the depreciable tax base and change the size of the credit itself to achieve the desired rate of profitability on assets with different useful lives.

A redesign of the ITC to eliminate the distortions noted above would make it a more neutral and effective incentive for new investment and should be considered if the need arises in the future for additional fiscal stimulus for investment. Making the ITC permanent would also be desirable to remove the uncertainty about its future level and create a more stable basis for business investment planning. Frequent changes in the ITC should be avoided because they may actually have a destabilizing effect on aggregate demand. The primary effect of temporary revisions in the credit may simply be to change the timing of investment spending. For example, a 1-year increase in the credit may boost the level of investment in the short run, but then lead to a correspondingly lower level in the following year. Furthermore the ITC may have perverse effects on investment if firms begin to anticipate changes in the rate. If increases in the credit are regularly expected as the economy is headed out of recessions, the downturn may be prolonged if firms hold back on new investment until the credit is raised. For these reasons, then, the use of the ITC to stabilize aggregate demand in the short run should be kept to a minimum.

## TAX INTEGRATION

Integration of the corporate and personal income taxes to eliminate the double tax on corporate income is another proposal that has been recommended as a means of improving the allocation of capital resources and raising the aggregate rate of investment. Under current law the first \$25,000 of corporate income is taxed at a rate of 20 percent, the second \$25,000 at 22 percent, and all income above \$50,000 at 48 percent (22 percent plus a surtax of 26 percent).<sup>\*</sup> In addition shareholders must pay individual income taxes on distributed profits (dividends); and retained earnings are taxed again, though at lower effective rates, when capital gains are realized from the sale of stock. Thus, while income from noncorporate businesses and wages and salaries is taxed only once, corporate income is subject to a double tax. This extra tax creates a number of distortions affecting the financial structure of corporations and the overall allocation of capital resources, which impair economic stability and reduce total output.

First, because after-tax rates of return on capital tend to be equalized by market forces, the higher rate of tax on corporate income implies that an extra dollar invested in the corporate sector must yield a higher before-tax rate of return than an extra dollar invested in the noncorporate sector. The double tax therefore discourages capital resources from flowing into higher-yielding projects in the corporate sector, the result being a net loss in output. Second, since retained earnings are generally translated into capital gains in the form of higher stock prices, and these gains are taxed at preferential rates, the tax burden on distributed profits is relatively larger than that on undistributed profits. Corporations thus have an incentive to reduce dividends and increase retained earnings. This phenomenon may produce a misallocation of capital within the corporate sector as investment is encouraged in older established firms with a high level of retained earnings and discouraged in newer firms, which usually rely more heavily on capital markets to raise funds. Moreover certain investment projects may be undertaken with internally generated funds, despite the fact that they might not be worthwhile if financed with capital from external sources. Third, the combination of high inflation and the tax-deductibility of interest payments has encouraged many corporations to raise debt-equity ratios to levels where the risk of bankruptcy may have risen substantially. Such firms are thereby made more vulnerable to business cycle developments and may experience increasing difficulty in raising funds in capital markets. Finally, the increase in the tax burden resulting from the double tax is relatively greater for lower-income stockholders.

It is also sometimes claimed that the double taxation of corporate income reduces the national rate of saving and that integration would be desirable to increase capital formation. Taken by itself, integration would lower taxes

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<sup>\*</sup>The Tax Reform Act of 1976 extended these brackets and rates only through the end of 1977. The President has proposed that the first two brackets and rates be made permanent, and that the surtax be permanently lowered to 24 percent. The latter change would yield a combined rate of 46 percent on corporate income over \$50,000.

and raise the return to capital income, which could be expected to result in higher saving as well as consumption. However, if integration were accompanied by an increase in other taxes, leaving total revenue unchanged, the effect on saving would be ambiguous. Saving would rise only to the extent that a net increase in the rate of return remained after the offsetting tax changes (and saving responded positively to such an increase) or income was redistributed to individuals with above-average propensities to save. Since the response of saving to changes in the rate of return is uncertain in any case, and it is unlikely that the offsetting tax increases would produce a significant change in the after-tax distribution of income, it is probable that the effect of revenue-neutral integration on aggregate saving would be minimal. The major benefits of integration thus stem from the improved allocation of capital resources and the more equitable distribution of tax burdens that it would bring about—not from its presumed effects on total saving.

Full integration in its purest form would eliminate the corporate income tax entirely and allocate income to stockholders as if they were general partners in a small business. There may be certain administrative problems, however, which would make this partnership approach difficult to implement in the case of widely held corporations. Moreover, severe cash flow problems could be created for shareholders with high marginal tax rates if their tax liabilities significantly exceeded the dividends paid out.

A more modest scheme of partially integrating the personal and corporate income taxes would remove only the double tax on dividends, either by allowing corporations to deduct their dividend payments in calculating income for tax purposes, or by treating the corporate tax on dividends as withholding for the shareholders. Under either of these methods of partial integration, the bias toward reliance on retained earnings in corporate financing decisions would be reduced. The Administration's integration proposal combines both approaches. A portion of dividends paid would be treated as a cost of doing business and therefore would be deductible from a corporation's gross income. The remaining amount of dividends would be subject to the ordinary corporate income tax, but the tax paid would be imputed to shareholders and treated as withholding in the calculation of their individual income taxes. The shareholders would then be required to raise their dividend income by the amount of tax imputed to them and withheld by the corporation, calculate their individual income tax on this adjusted basis, and credit the amount withheld against their tax liability. If there were no offsetting increase in taxes, this integration procedure could be expected to raise the after-tax incomes of both corporations and their shareholders, assuming no change in dividend payout rates.

Full integration of corporate and personal income taxes would completely eliminate the distortions in resource allocation mentioned earlier. Partial integration, affecting dividends only, would not be completely neutral because it would not change the present tax treatment of retained corporate income.

Nevertheless, if the difficulties in implementing full integration should prove insurmountable, partial integration may be a possible second-best solution. Neither plan by itself, however, should be expected to result in a noticeable change in the saving rate.

#### POLICIES TO STIMULATE SAVING

To help meet the economy's need for more capital, the most pressing goal of policy should be to strengthen the long-term incentives for investment. However, if the share of GNP devoted to investment is to rise over the next several years, a comparable flow of savings must also be forthcoming. Otherwise there may be a significant rise in the rate of interest, which could limit the amount of new capital formation. Although the present supply of savings is sufficient in view of the current level of economic activity, it may be necessary to stimulate more saving as we approach full employment toward the end of the decade. If this need does arise, the additional saving could come either from the public sector in the form of larger budget surpluses (or lower deficits), or from higher personal and business saving. In Chapter 1 it was noted that in order to release the resources necessary for investment it would be desirable in the longer run to move toward a macroeconomic policy mix which generates a higher level of public saving. In the private sector, consideration should be given to changing those features of our present tax system that may discourage saving. Recent discussions have suggested that the personal saving rate might be raised by restructuring the social security system or by substituting a consumption tax for the personal income tax. There may of course be other reasons for reforming both taxes, but the discussion here will focus only on the impact they may have on personal saving.

Most individuals finance their retirement with the returns from savings accumulated during their working years, intrafamily transfers, and social security benefits. Social security has become increasingly important in people's retirement planning because of liberal increases in benefits and wider coverage. The question therefore arises whether this development may have led to a decline in private saving. If it has, the national rate of saving would be correspondingly lower, since the social security system is financed on a pay-as-you-go basis; that is, benefit payments are financed by contributions from the current work force rather than through a trust fund reserve accumulated over time.

The social security system may affect personal saving in several ways, some of which tend to raise the level, while others tend to lower it. The prospect of retirement benefits financed by younger generations in effect raises the current working population's future endowment of wealth and encourages a reduction in their saving. To the extent that social security benefits are expected to yield significantly higher returns to individuals than are available in private capital markets, the incentive to save is further reduced during the working years. On the other hand, by providing retirement in-

come, social security encourages people to shorten their working lives. Since social security retirement benefits generally become available only at the age of 62, individuals will therefore tend to save more over a shorter working life in order to lengthen the period of retirement. Furthermore, because income from assets, unlike labor income, does not reduce social security benefits, the desire to maintain a high rate of consumption after retirement may encourage more saving. Finally, to some extent social security may simply replace intergenerational transfers within families, and hence have no net impact on national saving.

Whether the net effect of these factors influencing personal saving is positive or negative is an empirical question. Some recent econometric studies have suggested that the social security system on balance may have reduced personal saving. The evidence is inconclusive, however, about the exact magnitude of this effect, and further research is clearly necessary before a definitive answer can be reached. Nevertheless it would be useful to begin considering possible ways of altering the social security system to mitigate any adverse effects it may have on saving. Insofar as such a reform would involve more complete funding of current and future social security benefits, a large Federal budget surplus might result. Of course it would be necessary to ensure that the implicitly more restrictive fiscal policy would be consistent with the overall objectives of demand management.

An alternative proposal designed in part to encourage saving would be to replace the personal income tax with a tax on consumption. It is well known that both taxes cause a loss in efficiency by distorting individual choices between market and nonmarket activities. An income tax, however, generates an additional distortion between consumption and saving by first reducing after-tax income available for all purposes, and then lowering the interest earned on savings. An income tax therefore interferes with the choice between present and future consumption by causing a divergence between the before- and after-tax rates of return on capital investments. This distortion could be removed either by making capital income deductible under the income tax, or by replacing the latter with a tax on consumption.

A consumption tax, by deferring the tax payment until consumption occurs, is neutral with respect to the choice regarding consumption in different periods. Such a tax would therefore raise the yield from postponing consumption and remove the existing disincentive to saving. As in the case of tax integration, whether a consumption tax would in fact lead to a net increase in aggregate saving depends on the relative magnitudes of its income, substitution, and asset value effects. The available empirical evidence suggests that there is considerable uncertainty regarding both the magnitude and the direction of the effect of interest rate changes on saving. Therefore, if one purpose of a consumption tax is to stimulate saving, further examination of how changes in the rate of return affect saving-consumption decisions is clearly necessary. Nevertheless a consumption tax merits study not only as a possible mechanism to raise personal saving, but also in connection with basic tax reform as an alternative to a broader-based and simplified income tax.



**Appendix A**  
**REPORT TO THE PRESIDENT ON THE ACTIVITIES**  
**OF THE**  
**COUNCIL OF ECONOMIC ADVISERS DURING 1976**



LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,  
*Washington, D.C., December 30, 1976.*

The PRESIDENT:

SIR: The Council of Economic Advisers submits this report on its activities during the calendar year 1976 in accordance with the requirements of the Congress, as set forth in section 4(d) of the Employment Act of 1946.

Respectfully,

ALAN GREENSPAN, *Chairman.*  
BURTON G. MALKIEL.



# Report to the President on the Activities of the Council of Economic Advisers During 1976

The Council of Economic Advisers was created by the Employment Act of 1946 to provide economic analysis and advice to the President and thus assist him in establishing and maintaining conditions under which the objectives of the act can be secured.

Alan Greenspan served as Council Chairman during 1976, his second year in that capacity. Burton G. Malkiel was a Council Member throughout 1976, on leave of absence from Princeton University, where he is Gordon S. Rentschler Memorial Professor of Economics. On November 15, 1976, Paul W. MacAvoy, Council Member, resigned to become Professor of Economics with the School of Organization and Management at Yale University.

*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.
Walter W. Heller	Chairman	January 29, 1961	November 15, 1964.
James Tobin	Member	January 29, 1961	July 31, 1962.
Kermit Gordon	Member	January 29, 1961	December 27, 1962.
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.
Paul W. McCracken	Chairman	February 4, 1969	December 31, 1971.
Hendrik S. Houthakker	Member	February 4, 1969	July 15, 1971.
Herbert Stein	Member	February 4, 1969	
	Chairman	January 1, 1972	August 31, 1974.
Ezra Solomon	Member	September 9, 1971	March 26, 1973.
Marina v.N. Whitman	Member	March 13, 1972	August 15, 1973.
Gary L. Seevers	Member	July 23, 1973	April 15, 1975.
William J. Fellner	Member	October 31, 1973	February 25, 1975.
Paul W. MacAvoy	Member	June 13, 1975	November 15, 1976.

## RESPONSIBILITIES OF THE COUNCIL

The principal directive of the Employment Act is that the Federal Government "use all practicable means consistent with its needs and obligations . . . for the purpose of creating and maintaining . . . conditions . . . to promote maximum employment, production, and purchasing power."

To this end, the basic responsibility of the Council of Economic Advisers is to analyze economic problems and interpret trends and changes in the economy so as to assist the President in the development and evaluation of national economic policies. The Council prepares regular reports on current economic conditions and forecasts of future economic developments as well as submitting recommendations which are considered in the formulation of economic policy. The Council also performs a direct advisory role both within the Executive Office of the President and through participation in inter-agency groups in which representatives of various departments, agencies, and offices in the executive branch evaluate economic problems and develop alternative solutions.

During 1976 the Council and its staff contributed to the study of many different economic issues. Analyzing current developments in business activity, evaluating alternative macroeconomic policies, as well as investigating productivity and the growth of potential output in the United States were an important part of the Council's work last year. The Council also participated in studies of other topics of current importance in policy decisions: foreign economic conditions and international financial developments; issues and proposals regarding agriculture and food, agricultural exports, and commodity trade; ways of improving the functioning of the labor markets; measures and programs to support housing construction and stimulate investment; proposals for dealing with a wide range of energy issues and problems; transportation problems; various proposals related to regulatory reform and product liability insurance; proposals for improving the effectiveness of unemployment compensation, health insurance, social security and income maintenance; and procedures that might improve the Government's economic statistics.

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 the preparation of the *Report*, which together with the accompanying Annual Report of the Council of Economic Advisers reviews the progress of the economy during the preceding year and outlines the Administration's policies and programs.

The Chairman is a member of the Economic Policy Board and of its Executive Committee. This board was formed in October 1974 to direct the formulation, coordination, and implementation of economic policy. The Executive Committee, which serves as the focal point for economic policy making, meets daily to address current issues of economic policy. It is chaired by the Secretary of the Treasury and consists of the Chairman of

the Council of Economic Advisers, the Director of the Office of Management and Budget, the Secretary of State, the Secretary of Commerce, the Secretary of Labor, the Executive Director of the Council on International Economic Policy, and the Assistant to the President for Economic Affairs, who is the Executive Director of both the Economic Policy Board and its Executive Committee. The Executive Committee, often augmented by the Chairman of the Board of Governors of the Federal Reserve System, meets regularly with the President to review economic conditions and to discuss and recommend possible changes in economic policy.

The Chairman of the Council is also a member of the Executive Committee of the President's Energy Resources Council, which was instituted in October 1974 to formulate and coordinate energy policy. The Chairman heads the U.S. delegation to the Economic Policy Committee of the Organization for Economic Cooperation and Development (OECD) and serves as vice chairman of that committee. Council Members and staff economists meet with various working parties of the committee and attend other meetings of the OECD during the year.

The review and analysis of the overall performance of the economy is conducted and coordinated through a series of "Troika" working groups, comprising representatives of the Council, the Treasury, and the Office of Management and Budget. At regular intervals economists from these agencies evaluate recent economic performance and formulate economic forecasts which are then reviewed by a second group, chaired by a Council Member and including a representative of the Treasury and the Office of Management and Budget. The analysis and projections thus developed are finally reviewed and cleared through the Chairman of the Council for presentation and consideration by the Executive Committee of the Economic Policy Board.

The Council has initiated a series of periodic meetings at which leading economists are invited to present their views on the economy and economic policy to the Executive Committee of the Economic Policy Board.

The Joint Economic Committee (JEC), like the Council, was created by the Employment Act of 1946 to make a continuing study of matters relating to the economy and to submit its own report and recommendations to the Congress. During 1976 the Chairman and Members of the Council appeared three times before the JEC. The Chairman and Council Members also presented testimony before the following: the Senate Committee on Banking, Housing, and Urban Affairs; the Subcommittee on Manpower, Compensation, and Health and Safety of the Committee on Education and Labor; and the Subcommittee on Financial Markets of the Senate Finance Committee.

The Annual Report of the Council of Economic Advisers, contained in the *Economic Report of the President*, is the main vehicle through which the Council informs the public of its work and its views. This publication presents a comprehensive review and analysis of economic conditions, with forecasts and projections for the coming year, as well as an explanation of

the Administration's economic policy. In recent years about 50,000 copies of the *Economic Report* have been distributed. The Council also conveys its views on current economic problems and developments through occasional press briefings, testimony before various congressional committees, and speeches and papers by the Chairman and the Members of the Council. The Council assumes primary responsibility for the monthly publication *Economic Indicators*. This compilation of current data, prepared by the Council's Statistical Office under the direction of Frances M. James and Catherine H. Furlong, and issued by the Joint Economic Committee, has a distribution of about 10,000 copies.

## ORGANIZATION AND STAFF OF THE COUNCIL

### OFFICE OF THE CHAIRMAN

The Chairman is responsible for communicating the Council's views to the President. This duty is performed through discussions with the President and through regular reports on economic developments. The Chairman also represents the Council at Cabinet meetings and at many other formal and informal meetings of Government officials. He exercises ultimate responsibility for directing the work of the professional staff.

### COUNCIL MEMBERS

The Council Members directly supervise the work of the staff and are responsible for all subject matter covered by the Council. They generally meet with the Economic Policy Board and prepare analyses for its use, and they represent the Council at numerous other meetings, where they assume major responsibility for the Council's involvement. Whenever the Chairman is absent from Washington, one of the Council Members becomes Acting Chairman.

In practice the Chairman and the Council Members work as a team. For operational reasons, however, subject matter is divided informally between the Council Members. In 1976 Mr. Malkiel's responsibility covered these areas: analysis of business conditions; short-term forecasting, and matters that relate to monetary and fiscal policy; international trade and finance; manpower employment and developments in the labor market; financial markets; housing; taxation; and social security. Mr. Malkiel was Chairman of the second-level Troika group and also of the Economic Policy Board's subcommittee on improving economic statistics. Mr. MacAvoy's responsibility encompassed these fields: energy; natural resources and commodity trade issues; food and agriculture; health, education, and welfare; environmental problems; transportation; regulated industries; and antitrust questions. He was Chairman of the Economic Policy Board's Food Deputies Group and co-Chairman of the Domestic Council Group on Regulatory Reform. The Council Members were involved in a large number of the committees and subcommittees of the Economic Policy Board.

## PROFESSIONAL STAFF

At the end of 1976 the professional staff was made up of the following persons with their special fields of economic analysis:

### *Senior Staff Economists*

Barry R. Chiswick.....	Labor, Human Resources, and Income Distribution
Peter K. Clark.....	Productivity, Aggregate Supply, and Economic Analysis
John M. Davis.....	Special Assistant to the Chairman
Bruce L. Gardner.....	Agriculture and Food
Helen B. Junz.....	International Finance and Trade
Michael D. McCarthy.....	Business Conditions, Econometrics, and Forecasting
David C. Munro.....	Business Conditions, Econometrics, and Forecasting
John J. Siegfried.....	Regulated Industries, Transportation, and Environment
William L. Springer.....	Fiscal Policy and Public Finance
John B. Taylor.....	Monetary Policy, Capital Markets, Interest Rates, and Housing
Philip K. Verleger, Jr.....	Energy Analysis and Policy, Microeconomic Analysis

### *Staff Economist*

Doral S. Cooper.....	International Finance and Trade
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### *Statisticians*

Frances M. James.....	Senior Staff Statistician
Catherine H. Furlong.....	Statistician

### *Junior Staff Economists*

Arthur E. Blakemore.....	Labor, Human Resources, and Fiscal Policy
Richard E. Browning.....	Business Conditions, Labor, and International Finance
Richard A. Koss.....	Econometrics and Forecasting
Timothy H. Quinn.....	Regulated Industries
Barbara A. Smith.....	Business Conditions and International Finance
Paul C. Westcott.....	Agriculture and Prices
Benjamin Zycher.....	Regulated Industries, Monetary Policy, and Energy

Frances M. James, Senior Staff Statistician, is in charge of the Statistical Office and manages the Council's economic and statistical information system. In addition to supervising the publication of *Economic Indicators* she directs the fact checking of memoranda, testimony, and speeches presented by Council Members and staff. Catherine H. Furlong, Dorothy Bagovich, and Natalie Rentfro assist Miss James in carrying out these tasks and in the preparation of the tables and charts accompanying the *Economic Report*.

During the summer James R. Golden (U.S. Military Academy) was a

member of the senior staff, and Robert S. Stillman (University of California, Los Angeles) served on the junior staff. Rudiger Dornbusch (Massachusetts Institute of Technology), George M. von Furstenberg (Indiana University), Stephen M. Goldfeld (Princeton University), R. Jeffery Green (Indiana University), Allan G. Pulsipher (Southern Illinois University), and Milton Russell (Resources for the Future, Washington), served as consultants to the Council. Students providing assistance were Susan Benedict (Allegheny College) and Teri F. Liebowitz (Boston University).

In preparing the *Economic Report* the Council relied upon the editorial assistance of Rosannah C. Steinhoff. Also called on for special assistance in connection with the *Report* were Dorothy L. Reid, a former member of the Council staff, Elizabeth A. Kaminski of the Administrative Office, and Earnestine Reid of the Statistical Office.

#### SUPPORTING STAFF

The Administrative Office provides administrative support for the entire Council staff. Its work includes preparing and analyzing the Council's budget, procuring equipment and supplies, responding to letters and inquiries from the general public, and distributing the Council's speeches, reports, and congressional testimony. In 1976 the Administrative Office consisted of Nancy F. Skidmore, Administrative Officer, and Elizabeth A. Kaminski. The duplicating, mail, and messenger department was operated by James W. Gatling and Frank C. Norman.

Serving on the secretarial staff for the Chairman and Council Members during 1976 were Margaret A. Bocek, Patricia A. Lee, and Alice H. Williams. Secretaries for the professional staff were M. Catherine Fibich, Dorothy L. Green, Bessie M. Lafakis, Joyce A. Pilkerton, Earnestine Reid, Linda A. Reilly, Margaret L. Snyder, and Lillie M. Sturniolo.

#### DEPARTURES

The Council's professional staff members are drawn primarily from universities and research institutions. Senior staff economists who resigned during the year, and their new institutions and affiliations, were John D. Darroch (Department of Commerce), George M. von Furstenberg (Indiana University), R. Jeffery Green (Indiana University), David L. McNicol (California Institute of Technology), June A. O'Neill (Congressional Budget Office), Frederick M. Peterson (Rinfret Associates, New York), Milton Russell (Resources for the Future, Washington), and John L. Scadding (University of Toronto). Rosemary Quintano, staff economist, resigned to accept a position with the Brookings Institution, Washington.

Junior economists who resigned in 1976 were David W. Brazell (University of Wisconsin), David B. Crary (National Bureau of Economic Research, Washington), James W. Moser (University of California, Los Angeles), Joan M. Porter (Rice University), Valerie Sarris (Yale University), and J. W. Henry Watson (University of California, Los Angeles). Others who resigned during the year were Jerry W. Gatling, messenger, and Anne V. Jackson, secretary.

**Appendix B**

**STATISTICAL TABLES RELATING TO INCOME,  
EMPLOYMENT, AND PRODUCTION**



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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.

Symbols used:

  P Preliminary.

  -- Not available (also, not applicable).



# NATIONAL INCOME OR EXPENDITURE

TABLE B-1.—Gross national product, 1929-76

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Personal consumption expenditures	Gross private domestic investment	Net exports of goods and services			Government purchases of goods and services				Percent change from preceding period, gross national product <sup>2</sup>	
				Net exports	Exports	Imports	Total	Federal				State and local
								Total	National defense <sup>1</sup>	Non-defense		
1929.....	103.4	77.3	16.2	1.1	7.0	5.9	8.8	1.4		7.4		
1933.....	55.8	45.8	1.4	.4	2.4	2.0	8.2	2.1		6.1	-4.2	
1939.....	90.8	67.0	9.3	1.1	4.4	3.4	13.5	5.2	1.2	3.9	6.9	
1940.....	100.0	71.0	13.1	1.7	5.4	3.6	14.2	6.1	2.2	3.9	10.1	
1941.....	124.9	80.8	17.9	1.3	5.9	4.6	24.9	16.9	13.7	3.2	24.9	
1942.....	158.3	88.6	9.9	.0	4.8	4.8	59.8	52.0	49.4	2.6	26.8	
1943.....	192.0	99.4	5.8	-2.0	4.4	6.5	88.9	81.3	79.7	1.6	21.3	
1944.....	210.5	108.2	7.2	-1.8	5.3	7.1	97.0	89.4	87.4	2.0	9.6	
1945.....	212.3	119.5	10.6	-.6	7.2	7.8	82.8	74.6	73.5	1.1	.9	
1946.....	209.6	143.8	30.7	7.6	14.8	7.2	27.5	17.6	14.8	2.8	-1.3	
1947.....	232.8	161.7	34.0	11.6	19.8	8.2	25.5	12.7	9.0	3.7	12.8	
1948.....	259.1	174.7	45.9	6.5	16.9	10.4	32.0	16.7	10.7	6.0	15.3	
1949.....	258.0	178.1	35.3	6.2	15.9	9.6	38.4	20.4	13.2	7.2	-4	
1950.....	286.2	192.0	53.8	1.9	13.9	12.0	38.5	18.7	14.0	4.7	19.8	
1951.....	330.2	207.1	59.2	3.8	18.9	15.1	60.1	38.3	33.5	4.8	21.8	
1952.....	347.2	217.1	52.1	2.4	18.2	15.8	75.6	52.4	45.8	6.5	23.2	
1953.....	366.1	229.7	53.3	.6	17.1	16.6	82.5	57.5	48.6	8.9	25.0	
1954.....	366.3	235.8	52.7	2.0	18.0	16.0	75.8	47.9	41.1	6.8	27.8	
1955.....	399.3	253.7	68.4	2.2	20.0	17.8	75.0	44.5	38.4	6.0	30.6	
1956.....	420.7	266.0	71.0	4.3	23.9	19.6	79.4	45.9	40.2	5.7	33.5	
1957.....	442.8	280.4	69.2	6.1	26.7	20.7	87.1	50.0	44.0	5.9	37.1	
1958.....	448.9	289.5	61.9	2.5	23.3	20.8	95.0	53.9	45.6	8.3	41.1	
1959.....	486.5	310.8	77.6	.6	23.7	23.2	97.6	53.9	45.6	8.3	43.7	
1960.....	506.0	324.9	76.4	4.4	27.6	23.2	100.3	53.7	44.5	9.3	46.5	
1961.....	523.3	335.0	74.3	5.8	28.9	23.1	108.2	57.4	47.0	10.4	50.8	
1962.....	563.8	355.2	85.2	5.4	30.6	25.2	118.0	63.7	51.1	12.7	54.3	
1963.....	594.7	374.6	90.2	6.3	32.7	26.4	123.7	64.6	50.3	14.3	59.0	
1964.....	635.7	400.4	96.6	8.9	37.4	28.4	129.8	65.2	49.0	16.2	64.6	
1965.....	688.1	430.2	112.0	7.6	39.5	32.0	138.4	67.3	49.4	17.8	71.1	
1966.....	753.0	464.8	124.5	5.1	42.8	37.7	158.7	78.8	60.3	18.5	79.8	
1967.....	796.3	490.4	120.8	4.9	45.6	40.6	180.2	90.9	71.5	19.5	89.3	
1968.....	868.5	535.9	131.5	2.3	49.9	47.7	198.7	98.0	76.9	21.2	100.7	
1969.....	935.5	579.7	146.2	1.8	54.7	52.9	207.9	97.5	76.3	21.2	110.4	
1970.....	982.4	618.8	140.8	3.9	62.5	58.5	218.9	95.6	73.5	22.1	123.2	
1971.....	1,063.4	668.2	160.0	1.6	65.6	64.0	233.7	96.2	70.2	26.0	137.5	
1972.....	1,171.1	733.0	188.3	-3.3	72.7	75.9	253.1	102.1	73.5	28.6	151.0	
1973.....	1,306.6	809.9	220.0	7.1	101.6	94.4	269.5	102.2	73.5	28.7	167.3	
1974.....	1,413.2	887.5	215.0	7.5	144.4	136.9	303.3	111.6	77.3	34.3	191.6	
1975.....	1,516.3	973.2	183.7	20.5	148.1	127.6	339.0	124.4	84.3	40.1	214.5	
1976 P.....	1,692.4	1,078.6	241.2	6.9	161.9	155.1	365.8	133.4	88.2	45.2	232.3	
1974: I.....	1,372.7	853.3	216.4	15.0	133.2	118.2	288.0	106.1	74.9	31.2	181.9	
II.....	1,399.4	878.7	218.8	3.9	142.2	138.3	298.0	108.9	75.9	33.0	189.1	
III.....	1,431.6	906.8	213.3	2.9	148.4	145.5	308.6	113.5	78.2	35.3	195.1	
IV.....	1,449.2	911.1	211.5	8.1	153.8	145.7	318.5	118.1	80.2	37.9	200.4	
1975: I.....	1,446.2	933.2	172.4	15.0	147.5	132.5	325.6	120.3	82.0	38.3	205.3	
II.....	1,482.3	960.3	164.4	24.4	142.9	118.5	333.2	122.4	83.4	39.0	210.9	
III.....	1,548.7	987.3	196.7	21.4	148.2	126.8	343.2	124.6	84.6	40.0	218.6	
IV.....	1,588.2	1,012.0	201.4	21.0	153.7	132.7	353.8	130.4	87.1	43.2	223.4	
1976: I.....	1,636.2	1,043.6	229.6	8.4	154.1	145.7	354.7	129.2	86.2	42.9	225.5	
II.....	1,675.2	1,064.7	239.2	9.3	160.3	151.0	362.0	131.2	86.9	44.2	230.9	
III.....	1,709.8	1,088.5	247.0	4.7	167.7	163.0	369.6	134.5	88.5	46.0	235.0	
IV P.....	1,748.5	1,117.5	249.0	5.2	165.6	160.4	376.8	138.9	91.3	47.6	238.0	

<sup>1</sup> This category corresponds closely to the national defense classification in "The Budget of the United States Government, Fiscal Year 1978."

<sup>2</sup> Changes are based on unrounded data and therefore may differ slightly from those obtained from data shown here.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-2.—Gross national product in 1972 dollars, 1929–76

[Billions of 1972 dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Personal consumption expenditures				Gross private domestic investment				
		Total	Durable goods	Non-durable goods	Services	Total	Fixed investment			
							Total	Nonresidential		
								Total	Structures	Producers' durable equipment
1929.....	314.7	215.6	21.5	98.1	96.1	55.9	51.3	37.0	20.6	16.4
1933.....	222.1	170.7	10.9	82.9	76.8	8.4	13.3	10.4	4.9	5.5
1939.....	319.7	220.3	19.1	115.1	86.1	33.6	32.0	20.7	8.6	12.1
1940.....	343.6	230.4	21.8	119.9	88.7	44.6	38.4	25.7	9.9	15.8
1941.....	396.6	244.1	24.7	127.6	91.8	55.8	43.8	30.3	11.9	18.5
1942.....	454.6	241.7	16.3	129.9	95.5	29.6	24.4	17.6	6.7	10.9
1943.....	527.3	248.7	14.5	134.0	100.1	18.1	18.0	14.0	4.2	9.8
1944.....	567.0	255.7	13.5	139.4	102.7	19.8	22.1	18.7	5.5	13.2
1945.....	559.0	271.4	14.8	150.3	106.3	27.8	31.4	27.6	8.3	19.2
1946.....	477.0	301.4	25.8	158.9	116.7	71.0	58.8	42.0	18.8	23.2
1947.....	468.3	306.2	30.6	154.8	120.8	70.1	70.4	48.9	17.3	31.6
1948.....	487.7	312.8	33.1	155.0	124.6	82.3	76.8	51.0	18.4	32.7
1949.....	490.7	320.0	36.3	157.4	126.4	65.6	70.0	46.0	17.8	28.2
1950.....	533.5	338.1	43.4	161.8	132.8	93.7	83.2	50.0	19.1	30.9
1951.....	576.5	342.3	39.9	165.3	137.1	94.1	80.4	52.9	20.6	32.3
1952.....	598.5	350.9	38.9	171.2	140.8	83.2	78.9	52.1	20.6	31.5
1953.....	621.8	364.2	43.1	175.7	145.5	85.6	84.1	56.3	22.5	33.8
1954.....	613.7	370.9	43.5	177.0	150.4	83.4	85.6	55.4	23.5	31.8
1955.....	654.8	395.1	52.2	185.4	157.5	104.1	96.3	61.2	25.3	35.9
1956.....	668.8	406.3	49.8	191.6	164.9	102.9	97.1	65.2	28.1	37.1
1957.....	680.9	414.7	49.7	194.9	170.2	97.2	95.7	66.0	28.1	37.9
1958.....	679.5	419.0	46.4	196.8	175.8	87.7	89.6	58.9	26.4	32.5
1959.....	720.4	441.5	51.8	205.0	184.7	107.4	101.0	62.9	26.8	36.1
1960.....	736.8	453.0	52.5	208.2	192.3	105.4	101.0	66.0	28.8	37.2
1961.....	755.3	462.2	50.3	211.9	200.0	103.6	100.7	65.6	29.3	36.3
1962.....	799.1	482.9	55.7	218.5	208.7	117.4	109.3	70.9	30.8	40.1
1963.....	830.7	501.4	60.7	223.0	217.6	124.5	116.8	73.5	30.8	42.7
1964.....	874.4	528.7	65.7	233.3	229.7	132.1	124.8	81.0	33.3	47.7
1965.....	925.9	558.1	73.4	244.0	240.7	150.1	138.8	95.6	39.6	56.0
1966.....	981.0	586.1	79.0	255.5	251.6	161.3	144.6	106.1	42.5	63.6
1967.....	1,007.7	603.2	79.7	259.5	264.0	152.7	140.7	103.5	41.1	62.4
1968.....	1,051.8	633.4	88.2	270.2	275.0	159.5	150.8	108.0	42.0	66.1
1969.....	1,078.8	655.4	91.9	276.4	287.2	168.0	157.5	114.3	44.0	70.3
1970.....	1,075.3	668.9	88.9	282.7	297.3	154.7	150.4	110.0	42.8	67.2
1971.....	1,107.5	691.9	98.1	287.5	306.3	166.8	160.2	108.0	41.7	66.3
1972.....	1,171.1	733.0	111.2	299.3	322.4	188.3	178.8	116.8	42.5	74.3
1973.....	1,235.0	767.7	121.8	309.3	336.5	207.2	190.7	131.0	45.5	85.5
1974.....	1,214.0	759.1	112.3	303.5	343.4	182.0	173.5	128.5	42.1	86.5
1975.....	1,191.7	770.3	111.9	306.1	352.4	137.8	149.8	111.4	36.7	74.7
1975 P.....	1,265.0	812.9	125.7	319.1	368.1	171.9	162.8	115.7	38.1	77.6
1974: I.....	1,230.4	761.8	114.9	305.1	341.8	194.8	183.4	133.5	44.6	88.9
II.....	1,220.8	761.9	115.0	304.0	342.9	187.9	178.5	131.6	43.5	88.1
III.....	1,212.9	764.7	116.1	304.9	343.7	176.2	171.1	127.3	40.3	86.9
IV.....	1,191.7	748.1	103.1	299.8	345.1	169.1	161.1	121.8	39.8	82.0
1975: I.....	1,161.1	754.6	106.0	300.6	348.0	129.3	149.8	114.4	37.5	76.9
II.....	1,177.1	767.5	108.4	307.2	351.8	126.2	147.4	110.6	36.1	74.5
III.....	1,209.3	775.3	115.1	306.8	353.4	148.7	149.7	110.1	36.6	73.5
IV.....	1,219.2	783.9	118.0	309.5	356.4	147.0	152.5	110.5	36.7	73.8
1976: I.....	1,246.3	800.7	124.3	314.6	361.8	167.1	156.7	112.6	37.1	75.5
II.....	1,260.0	808.6	125.2	317.6	365.8	171.7	160.6	114.9	37.9	77.0
III.....	1,272.2	815.7	126.2	318.9	370.6	175.2	165.0	117.5	38.4	79.2
IV P.....	1,281.5	826.6	127.0	325.5	374.2	173.7	169.1	117.8	39.0	78.8

See footnotes at end of table.

TABLE B-2.—Gross national product in 1972 dollars, 1929-76—Continued

[Billions of 1972 dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross private domestic investment—continued				Change in business inventories	Net exports of goods and services			Government purchases of goods and services			Percent change from preceding period, gross national product <sup>1</sup>
	Fixed investment—continued					Net exports	Exports	Imports	Total	Federal	State and local	
	Residential											
	Total	Non-farm structures	Farm structures	Producers' durable equipment								
1929	14.3	13.6	0.6	0.1	4.6	2.2	15.6	13.4	40.9	6.9	33.9	-----
1933	2.9	2.6	.2	.1	-4.9	.2	9.4	9.3	42.8	10.8	32.0	-2.1
1939	11.3	10.6	.6	.1	1.6	2.0	13.3	11.4	63.8	22.6	41.2	7.6
1940	12.8	11.8	.8	.1	6.2	3.0	14.6	11.5	65.5	26.3	39.2	7.5
1941	13.5	12.5	.9	.2	12.0	.8	14.7	14.0	95.9	58.6	37.3	15.4
1942	6.8	6.1	.6	.1	5.2	-2.5	10.3	12.8	185.8	151.5	34.3	14.6
1943	4.0	3.5	.4	.0	.1	-7.3	9.0	16.3	267.9	236.3	31.6	16.0
1944	3.4	3.0	.4	.0	-2.3	-7.2	10.0	17.3	298.8	268.2	30.6	7.5
1945	3.8	3.5	.3	.0	-3.6	-4.5	13.5	18.0	264.3	232.7	31.6	-1.4
1946	16.8	15.5	1.1	.2	12.2	11.6	26.1	14.6	93.1	58.4	34.8	-14.7
1947	21.5	19.8	1.3	.3	-2.2	16.6	30.2	13.6	75.4	36.1	39.3	-1.8
1948	25.8	23.9	1.5	.3	5.5	8.5	24.2	15.7	84.1	42.4	41.8	4.1
1949	24.0	22.3	1.4	.3	-4.4	8.8	24.2	15.4	96.2	48.9	47.4	.6
1950	33.2	31.5	1.3	.3	10.6	4.0	21.7	17.7	97.7	47.0	50.7	8.7
1951	27.5	25.9	1.3	.3	13.7	7.4	25.9	18.5	132.7	81.3	51.3	8.1
1952	26.8	25.3	1.2	.3	4.3	4.9	24.9	20.0	159.5	107.0	52.5	3.8
1953	27.8	26.3	1.2	.3	1.5	2.0	23.8	21.8	170.0	114.6	55.4	3.9
1954	30.2	28.8	1.1	.3	-2.2	4.5	25.3	20.8	154.9	95.2	59.7	-1.3
1955	35.1	33.8	.9	.4	7.7	4.7	27.9	23.2	150.9	86.9	64.0	6.7
1956	31.9	30.4	1.0	.4	5.8	7.3	32.3	25.0	152.4	85.9	66.5	2.1
1957	29.7	28.3	1.0	.4	1.5	8.9	34.8	26.0	160.1	89.8	70.3	1.8
1958	30.6	29.2	.9	.5	-1.8	3.5	30.7	27.2	169.3	92.8	76.4	-2.2
1959	38.1	36.5	1.0	.6	6.5	.9	31.5	30.6	170.7	91.8	78.9	6.0
1960	35.0	33.7	.8	.5	4.4	5.5	35.8	30.3	172.9	90.8	82.0	2.3
1961	35.1	33.6	1.0	.5	2.9	6.7	37.0	30.3	182.8	95.6	87.1	2.5
1962	38.4	36.9	.9	.6	8.1	5.8	39.6	33.9	193.1	103.1	90.0	5.8
1963	43.2	41.7	.9	.6	7.8	7.3	42.2	35.0	197.6	102.2	95.4	4.0
1964	43.8	42.2	.9	.7	7.3	10.9	47.8	36.9	202.7	100.6	102.1	5.3
1965	43.2	41.6	.8	.7	11.3	8.2	49.1	41.0	209.6	100.5	109.1	5.9
1966	38.5	36.9	.9	.8	16.7	4.3	51.6	47.3	229.3	112.5	116.8	5.9
1967	37.2	35.5	.9	.8	12.0	3.5	54.2	50.7	248.3	125.3	123.1	2.7
1968	42.8	41.1	.8	.9	8.7	-4	58.5	58.9	259.2	128.3	130.9	4.4
1969	43.2	41.5	.9	.9	10.6	-1.3	62.2	63.5	256.7	121.8	134.9	2.6
1970	40.4	38.9	.6	.9	4.3	1.4	67.1	65.7	250.2	110.7	139.5	-3
1971	52.2	50.5	.7	1.0	6.6	-6	67.9	68.5	249.4	103.9	145.5	3.0
1972	62.0	60.3	.7	1.1	9.4	-3.3	72.7	75.9	253.1	102.1	151.0	5.7
1973	59.7	57.9	.5	1.2	16.5	7.6	87.4	79.9	252.5	96.6	155.9	5.5
1974	45.0	42.9	.8	1.3	8.5	16.5	97.2	80.7	256.4	95.3	161.1	-1.7
1975	38.4	36.6	.6	1.2	-12.0	22.6	90.6	68.1	261.0	95.7	165.2	-1.8
1976 p	47.1	45.1	.7	1.3	9.1	15.9	95.7	79.8	264.2	96.7	167.5	6.2
1974: I	49.9	47.8	.9	1.3	11.4	18.4	97.8	79.4	255.4	95.3	160.1	-3.9
II	47.0	44.9	.7	1.3	9.4	14.9	98.7	83.8	256.1	94.7	161.4	-3.1
III	43.9	41.9	.7	1.3	5.1	14.9	96.4	81.5	257.1	95.8	161.3	-2.6
IV	39.3	37.1	1.0	1.2	8.0	17.7	95.9	78.2	256.9	95.4	161.5	-6.8
1975: I	35.4	34.0	.4	1.0	-20.5	20.1	90.3	70.2	257.1	94.8	162.2	-9.9
II	36.8	35.3	.4	1.1	-21.2	24.3	87.7	63.4	259.1	95.3	163.8	5.6
III	39.6	37.6	.7	1.2	-1.0	22.8	90.7	67.9	262.4	95.6	166.9	11.4
IV	41.9	39.7	1.0	1.2	-5.5	23.1	93.9	70.8	265.2	97.2	168.0	3.3
1976: I	44.1	42.0	.9	1.3	10.4	16.6	93.6	77.0	261.9	95.4	166.6	9.2
II	45.7	43.9	.6	1.2	11.1	16.0	95.4	79.4	263.6	96.0	167.7	4.5
III	47.4	45.5	.7	1.3	10.2	15.7	98.0	82.3	265.5	97.3	168.2	3.9
IV p	51.3	49.2	.8	1.4	4.7	15.3	95.8	80.5	265.8	98.1	167.7	3.0

<sup>1</sup> Changes are based on unrounded data and therefore may differ slightly from those obtained from data shown here.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-3.—Implicit price deflators for gross national product, 1929–76

[Index numbers, 1972=100, except as noted; quarterly data seasonally adjusted]

Year or quarter	Gross national product <sup>1</sup>	Personal consumption expenditures				Gross private domestic investment <sup>1</sup>			
		Total	Durable goods	Non-durable goods	Services	Total	Fixed investment		
							Total	Structures	Producers' durable equipment
1929.....	32.87	35.8	43.1	38.4	31.6	28.2	28.2	24.1	33.4
1933.....	25.13	26.8	31.7	26.8	26.1	22.4	22.8	19.1	26.2
1939.....	28.40	30.4	34.9	30.5	29.2	27.6	28.2	22.8	32.0
1940.....	29.10	30.8	35.7	30.9	29.5	28.5	29.1	23.1	32.8
1941.....	31.49	33.1	39.1	33.6	30.8	30.6	30.9	24.7	34.9
1942.....	34.82	36.7	42.1	39.1	32.4	33.4	33.8	28.1	37.3
1943.....	36.41	40.0	45.0	43.7	34.2	35.6	35.7	32.0	37.3
1944.....	37.13	42.3	49.5	46.2	36.1	36.9	36.6	33.4	38.0
1945.....	37.99	44.0	53.7	47.8	37.3	37.1	36.6	33.6	37.9
1946.....	43.88	47.7	61.1	52.1	38.9	41.3	39.9	36.3	42.8
1947.....	49.70	52.8	66.8	58.7	41.7	48.9	46.8	43.7	48.5
1948.....	53.13	55.9	69.1	62.3	44.4	53.6	51.3	48.4	52.9
1949.....	52.59	55.7	69.1	60.3	46.1	54.8	52.8	48.0	55.9
1950.....	53.64	56.8	70.8	60.7	47.4	56.5	54.3	48.8	57.6
1951.....	57.27	60.5	74.7	65.8	49.9	60.8	58.9	54.7	61.6
1952.....	58.00	61.9	74.8	66.6	52.6	62.1	59.9	55.8	62.5
1953.....	58.88	63.1	75.5	66.3	55.4	62.9	61.0	56.8	63.7
1954.....	59.69	63.6	73.2	66.6	57.2	63.4	61.4	55.9	65.4
1955.....	60.98	64.2	74.0	66.3	58.5	64.8	62.6	57.0	66.5
1956.....	62.90	65.5	76.0	67.3	60.2	68.3	67.0	61.8	71.0
1957.....	65.02	67.6	79.2	69.4	62.2	70.9	70.7	64.4	75.4
1958.....	66.06	69.1	79.4	71.0	64.2	70.8	70.6	63.3	76.5
1959.....	67.52	70.4	81.9	71.4	66.0	71.6	72.0	63.6	78.2
1960.....	68.67	71.7	82.1	72.6	68.0	71.9	72.2	63.1	79.3
1961.....	69.28	72.5	82.7	73.3	69.1	71.6	71.8	62.7	79.2
1962.....	70.55	73.6	83.9	73.9	70.4	72.0	72.3	63.0	79.4
1963.....	71.59	74.7	84.8	74.9	71.7	72.1	72.9	63.5	79.6
1964.....	72.71	75.7	85.7	75.8	72.8	72.8	73.6	64.4	80.1
1965.....	74.32	77.1	85.6	77.3	74.3	73.8	74.5	65.9	80.6
1966.....	76.76	79.3	85.7	80.1	76.5	76.2	76.8	68.8	82.1
1967.....	79.02	81.3	87.4	81.9	78.8	78.7	79.3	71.8	84.3
1968.....	82.57	84.6	90.7	85.3	82.0	82.1	82.6	75.3	87.3
1969.....	86.72	88.5	93.1	89.4	86.1	86.9	86.6	81.1	90.0
1970.....	91.36	92.5	95.5	93.6	90.5	91.1	91.3	88.0	93.4
1971.....	96.02	96.6	99.0	96.6	95.8	95.9	96.4	94.4	97.6
1972.....	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1973.....	105.80	105.5	101.6	107.9	104.7	106.0	103.8	107.8	101.7
1974.....	116.41	116.9	108.3	124.0	113.5	117.7	116.1	128.7	110.0
1975.....	127.25	126.3	117.7	133.7	122.7	132.4	132.1	141.6	127.4
1976 p.....	133.79	132.7	124.4	138.0	130.9	140.3	138.3	145.5	134.7
1974: I.....	111.56	112.0	103.2	118.2	109.5	111.1	108.7	117.5	104.3
II.....	114.64	115.3	106.5	122.3	112.1	115.3	113.2	126.0	106.9
III.....	118.03	118.6	110.2	125.9	114.9	120.3	118.6	134.1	111.4
IV.....	121.60	121.8	113.8	129.6	117.4	125.2	124.7	138.6	118.0
1975: I.....	124.55	123.7	115.1	131.2	119.7	129.9	129.4	141.6	123.5
II.....	125.93	125.1	117.1	132.1	121.5	131.9	131.8	141.5	127.1
III.....	128.07	127.3	118.2	135.1	123.6	132.7	132.7	141.4	128.3
IV.....	130.27	129.1	120.2	136.2	125.9	134.9	134.5	142.0	130.8
1976: I.....	131.29	130.3	121.8	136.4	128.0	137.0	136.2	143.3	132.8
II.....	132.96	131.7	123.8	136.9	129.8	139.0	137.5	145.0	133.8
III.....	134.40	133.4	124.9	138.5	132.0	140.6	138.7	146.1	135.1
IV p.....	136.44	135.2	127.0	139.9	133.8	142.6	140.5	147.4	137.1

See footnotes at end of table.

TABLE B-3.—Implicit price deflators for gross national product, 1929-76—Continued

(Index numbers, 1972=100, except as noted; quarterly data seasonally adjusted)

Year or quarter	Gross private domestic investment <sup>1</sup> —continued				Exports and imports of goods and services <sup>1</sup>		Government purchases of goods and services			Gross domestic product	Percent change from preceding period <sup>2</sup>	
	Fixed investment—continued				Ex-ports	Im-ports	Total	Fedral	State and local		Gross national product deflator	Gross domestic product deflator
	Total	Non-farm structures	Farm structures	Producers' durable equipment								
1929					28.2	27.8	28.6	77.2	45.0	43.8	21.6	20.7
1933	20.7	19.8	19.5	58.8	25.5	22.1	19.3	19.6	19.1	25.2	-2.2	-2.1
1939	26.6	26.3	23.4	61.1	33.3	29.6	21.2	22.9	20.2	28.4	-.7	-.7
1940	27.4	27.2	23.6	59.6	36.8	31.5	21.6	23.1	20.6	29.1	2.5	2.5
1941	29.9	29.7	26.6	63.8	40.2	33.2	26.0	28.9	21.4	31.5	8.2	8.2
1942	32.4	31.8	30.7	71.3	46.5	37.4	32.2	34.3	22.8	34.8	10.6	10.6
1943	34.9	34.3	35.7	71.4	49.2	39.6	33.2	34.4	23.8	36.4	4.6	4.5
1944	38.1	37.3	40.8	75.0	52.6	41.1	32.5	33.3	24.9	37.1	2.0	2.0
1945	40.8	40.0	42.9	84.6	53.6	43.6	31.3	32.1	25.9	38.0	2.3	2.3
1946	44.6	43.9	46.6	95.2	56.7	49.7	29.4	29.9	28.6	43.9	15.7	15.6
1947	53.7	53.0	52.8	105.6	65.8	60.7	33.8	35.1	32.5	49.7	13.1	13.1
1948	58.1	57.4	57.3	111.5	69.8	66.1	38.0	39.4	36.6	53.1	6.9	6.9
1949	58.7	58.1	58.0	107.9	65.5	62.7	39.9	41.8	38.0	52.6	-1.0	-1.0
1950	60.0	59.5	59.4	107.4	64.0	67.8	39.4	39.9	39.0	53.6	2.0	2.0
1951	64.4	63.8	63.8	114.9	73.1	81.8	45.3	47.1	42.4	57.2	6.8	6.7
1952	66.4	65.8	65.7	114.6	73.0	79.1	47.4	48.9	44.2	57.9	1.3	1.3
1953	66.9	66.3	66.2	114.2	71.9	75.8	48.5	50.2	45.1	58.8	1.5	1.5
1954	67.1	66.6	66.5	112.4	71.2	76.9	48.9	50.4	46.6	59.6	1.4	1.4
1955	68.7	68.2	68.3	109.1	71.8	76.8	49.7	51.1	47.8	60.9	2.2	2.2
1956	70.9	70.5	70.6	104.3	73.9	78.3	52.1	53.4	50.4	62.8	3.2	3.2
1957	71.3	70.8	70.9	103.4	76.4	79.5	54.4	55.7	52.8	65.0	3.4	3.4
1958	71.2	70.7	70.8	101.9	75.7	76.5	56.1	58.1	53.8	66.0	1.6	1.6
1959	71.0	70.6	70.8	101.8	75.4	75.7	57.2	58.7	55.4	67.5	2.2	2.2
1960	71.4	70.9	71.2	100.8	77.1	76.7	58.0	59.1	56.8	68.6	1.7	1.7
1961	71.3	70.9	70.7	99.1	78.0	76.1	59.2	60.0	58.3	69.2	.9	.9
1962	71.5	71.1	71.3	96.8	77.3	74.5	61.1	61.8	60.3	70.5	1.8	1.9
1963	70.9	70.5	70.7	95.3	77.5	75.6	62.6	63.3	61.9	71.6	1.5	1.5
1964	71.2	70.8	71.0	94.3	78.3	77.1	64.0	64.8	63.3	72.7	1.6	1.6
1965	72.3	72.0	72.3	92.1	80.5	78.0	66.0	67.0	65.1	74.3	2.2	2.2
1966	74.6	74.2	74.3	90.8	82.8	79.7	69.2	70.1	68.4	76.8	3.3	3.3
1967	77.0	76.7	76.7	91.0	84.0	80.1	72.6	72.6	72.5	79.0	2.9	3.0
1968	80.7	80.4	80.5	93.2	85.3	80.9	76.7	76.4	76.9	82.6	4.5	4.5
1969	87.7	87.5	87.5	95.2	87.9	83.3	81.0	80.0	81.9	86.8	5.0	5.1
1970	90.6	90.4	90.5	97.5	93.1	89.1	87.5	86.4	88.3	91.4	5.4	5.3
1971	94.9	94.8	95.0	99.3	96.6	93.5	93.7	92.6	94.5	96.0	5.1	5.1
1972	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	4.1	4.1
1973	110.8	111.0	110.7	100.1	116.2	118.2	106.7	105.8	107.3	105.7	5.8	5.7
1974	122.3	122.8	122.8	105.3	148.6	169.6	118.3	117.1	119.0	115.9	10.0	9.6
1975	133.2	133.7	133.6	116.3	163.4	187.4	129.9	130.0	129.8	126.9	9.3	9.5
1976 <sup>a</sup>	143.8	144.4	143.9	122.4	169.2	194.3	138.4	138.0	138.7	133.4	5.1	5.1
1974: I	117.5	118.0	117.8	101.3	136.2	148.9	112.7	111.3	113.6	111.1	9.5	8.5
II	121.0	121.6	121.2	103.3	144.1	164.9	116.4	114.9	117.2	114.1	11.5	11.3
III	125.3	125.9	125.0	106.8	154.0	178.6	120.0	118.4	121.0	117.4	12.4	12.1
IV	126.7	127.2	126.6	110.6	160.4	186.3	124.0	123.8	124.1	121.0	12.7	12.8
1975: I	131.5	132.1	130.9	113.6	163.4	188.9	126.7	126.8	126.5	124.2	10.1	10.9
II	132.1	132.7	131.6	115.6	163.0	186.9	128.6	128.4	128.7	125.6	4.5	4.5
III	132.8	133.3	132.6	117.0	163.4	186.6	130.8	130.4	131.0	127.7	7.0	7.0
IV	135.9	136.4	136.2	118.8	163.7	187.3	133.4	134.2	132.9	129.9	7.1	7.1
1976: I	139.0	139.6	138.8	120.1	164.6	189.2	135.4	135.4	135.4	130.9	3.2	3.0
II	142.9	143.4	143.8	122.4	168.1	190.4	137.3	136.7	137.7	132.6	5.2	5.3
III	145.3	145.9	145.5	123.2	171.1	198.1	139.2	138.3	139.7	133.9	4.4	4.2
IV <sup>a</sup>	147.3	148.0	147.8	124.0	172.9	199.4	141.8	141.5	141.9	136.0	6.2	6.3

<sup>1</sup> Separate deflators are not available for gross private domestic investment, change in business inventories, and net exports of goods and services.

<sup>2</sup> Changes are based on unrounded data and therefore may differ slightly from those obtained from data shown here. Quarterly data are at annual rates.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-4.—Implicit price deflators and alternative price measures of gross national product and gross domestic product, 1929-76

Year or quarter	Gross national product price measures, 1972=100				Percent change from preceding period <sup>1</sup>					
	Total		Gross domestic product		Total			Gross domestic product		
	Implicit price deflator	Fixed-weighted price index (1972 weights)	Implicit price deflator	Fixed-weighted price index (1972 weights)	Implicit price deflator	Fixed-weighted price index (1972 weights)	Chain price index	Implicit price deflator	Fixed-weighted price index (1972 weights)	Chain price index
1929	32.87		32.8							
1933	25.13		25.2		-2.2			-2.1		
1939	28.40		28.4		-7			-7		
1940	29.10		29.1		2.5			2.5		
1941	31.49		31.5		8.2			8.2		
1942	34.82		34.8		10.6			10.6		
1943	36.41		36.4		4.6			4.5		
1944	37.13		37.1		2.0			2.0		
1945	37.99		38.0		2.3			2.3		
1946	43.88		43.9		15.7			15.6		
1947	49.70		49.7		13.1			13.1		
1948	53.13		53.1		6.9			6.9		
1949	52.59		52.6		-1.0			-1.0		
1950	53.64		53.6		2.0			2.0		
1951	57.27		57.2		6.8			6.7		
1952	58.00		57.9		1.3			1.3		
1953	58.88		58.8		1.5			1.5		
1954	59.69		59.6		1.4			1.4		
1955	60.98		60.9		2.2			2.2		
1956	62.90		62.8		3.2			3.2		
1957	65.02		65.0		3.4			3.4		
1958	66.06	68.1	66.0	68.0	1.6			1.6		
1959	67.52	69.1	67.5	69.1	2.2	1.6	1.6	2.2	1.6	1.6
1960	68.67	70.3	68.6	70.2	1.7	1.7	1.7	1.7	1.7	1.7
1961	69.28	71.1	69.2	71.1	.9	1.1	1.2	.9	1.2	1.2
1962	70.55	72.0	70.5	72.0	1.8	1.3	1.4	1.9	1.3	1.5
1963	71.59	72.8	71.6	72.8	1.5	1.1	1.3	1.5	1.1	1.3
1964	72.71	73.7	72.7	73.7	1.6	1.2	1.4	1.6	1.2	1.4
1965	74.32	75.0	74.3	75.0	2.2	1.8	1.9	2.2	1.8	1.9
1966	76.76	77.2	76.8	77.2	3.3	2.9	3.1	3.3	3.0	3.1
1967	79.02	79.5	79.0	79.6	2.9	3.0	3.0	3.0	3.0	3.1
1968	82.57	83.0	82.6	83.0	4.5	4.3	4.4	4.5	4.4	4.4
1969	86.72	87.1	86.8	87.1	5.0	5.0	5.0	5.1	5.0	5.0
1970	91.36	91.6	91.4	91.7	5.4	5.2	5.3	5.3	5.2	5.3
1971	96.02	96.1	96.0	96.2	5.1	4.9	5.0	5.1	4.9	5.0
1972	100.00	100.0	100.0	100.0	4.1	4.0	4.1	4.1	4.0	4.1
1973	105.80	106.0	105.7	105.9	5.8	6.0	6.0	5.7	5.9	5.9
1974	116.41	116.6	116.6	116.2	10.0	10.0	10.0	9.6	9.7	9.7
1975	127.25	127.3	126.9	126.8	9.3	9.2	9.2	9.5	9.2	9.3
1976	133.79	134.2	133.4	133.8	5.1	5.4	5.3	5.1	5.5	5.5
1974: I	111.56	111.8	111.1	111.5	9.5	10.5	10.7	8.5	10.0	10.2
II	114.64	114.8	114.1	114.4	11.5	11.0	11.2	11.3	10.5	10.5
III	118.03	118.2	117.4	117.7	12.4	12.5	12.8	12.1	12.3	12.5
IV	121.60	121.8	121.0	121.3	12.7	12.6	12.7	12.8	12.6	12.7
1975: I	124.55	124.4	124.2	123.9	10.1	8.9	9.2	10.9	9.0	9.4
II	125.93	126.0	125.6	125.6	4.5	5.4	5.4	4.5	5.5	5.5
III	128.07	128.3	127.7	127.8	7.0	7.3	7.3	7.0	7.4	7.4
IV	130.27	130.4	129.9	129.9	7.1	6.6	6.4	7.1	6.7	6.4
1976: I	131.29	131.7	130.9	131.3	3.2	4.2	4.3	3.0	4.2	4.3
II	132.96	133.4	132.6	133.0	5.2	5.2	5.4	5.3	5.3	5.4
III	134.40	134.9	133.9	134.4	4.4	4.6	4.6	4.2	4.4	4.4
IV	136.44	136.8	136.0	136.3	6.2	5.8	5.8	6.3	5.9	5.8

<sup>1</sup> Changes are based on unrounded data and therefore may differ slightly from those obtained from published indexes shown here.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-5.—Gross national product by industry in 1972 dollars, 1947-75

(Billions of 1972 dollars)

Year	Gross national product	Agriculture, forestry, and fisheries	Contract construction	Manufacturing			Transportation, communication, and utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government and government enterprises	All other <sup>1</sup>
				Total	Durable goods industries	Non-durable goods industries						
1947	468.3	26.1	22.7	114.9	68.5	46.4	38.3	76.1	55.6	55.1	68.5	11.1
1948	487.7	28.0	26.2	121.5	72.0	49.6	38.7	78.0	57.3	56.7	69.0	12.0
1949	490.7	27.8	26.2	115.0	66.3	48.8	36.4	79.9	60.9	57.2	73.1	14.1
1950	533.5	29.1	28.9	131.3	78.1	53.2	39.6	87.6	64.7	59.4	75.4	17.5
1951	576.5	28.2	32.2	146.0	89.9	56.1	44.2	88.3	67.0	60.6	89.8	20.2
1952	598.5	29.0	33.5	150.7	94.3	56.4	44.3	91.1	71.5	61.6	96.6	20.2
1953	621.8	30.3	34.5	161.2	102.6	58.6	45.9	94.0	74.4	63.0	96.4	22.3
1954	613.7	31.1	35.6	149.6	91.7	57.9	45.6	94.6	78.1	63.1	94.9	21.1
1955	654.8	31.9	37.8	165.8	103.4	62.4	49.4	103.2	82.4	67.5	95.4	21.4
1956	668.8	31.4	40.4	166.9	102.5	64.4	52.3	106.2	86.2	71.1	97.6	16.6
1957	680.9	30.8	40.5	167.8	102.9	64.9	53.4	108.0	90.2	73.3	100.1	16.8
1958	679.5	32.0	41.7	153.3	88.8	64.5	52.2	107.9	94.0	75.8	101.7	21.0
1959	720.4	30.9	44.9	170.7	100.7	70.0	55.7	115.8	98.7	80.3	103.6	20.0
1960	736.8	32.2	45.6	172.0	101.5	70.5	58.0	117.9	102.3	82.2	107.2	19.4
1961	755.3	32.3	46.1	171.2	99.3	72.0	59.1	119.2	107.4	85.4	111.1	23.6
1962	799.1	32.3	47.7	186.2	110.1	76.2	62.1	126.7	115.9	88.6	115.1	24.5
1963	830.7	32.8	49.2	201.0	119.0	82.1	65.6	131.7	115.9	92.2	118.3	24.1
1964	874.4	32.1	53.1	215.7	129.3	86.4	68.9	139.7	119.8	96.9	122.6	25.6
1965	925.9	33.0	56.3	235.1	144.1	91.0	74.3	148.6	127.8	101.2	127.4	22.1
1966	981.0	31.3	58.4	254.0	157.0	97.0	80.0	156.9	132.0	106.5	136.4	25.4
1967	1,007.7	32.6	58.9	254.1	157.2	96.9	82.3	160.7	137.1	112.7	143.5	25.7
1968	1,051.8	32.4	61.8	268.4	165.5	102.9	88.2	170.6	143.7	116.3	148.1	22.4
1969	1,078.8	33.0	60.4	276.2	169.1	107.2	92.9	174.5	150.2	121.4	151.8	18.4
1970	1,075.3	34.3	56.2	260.6	154.4	106.2	95.1	178.4	153.7	124.7	152.0	20.4
1971	1,107.5	36.1	56.1	264.1	155.3	108.7	97.3	186.8	161.7	126.6	153.1	25.7
1972	1,171.1	35.4	56.6	288.8	171.9	116.8	103.6	201.2	168.6	134.5	154.9	27.7
1973	1,235.0	35.9	57.2	313.0	188.9	124.1	112.6	212.0	172.3	143.1	157.3	31.6
1974	1,214.0	35.6	51.6	296.8	176.2	120.6	112.4	207.2	173.9	143.1	159.8	33.6
1975	1,191.7	37.7	49.0	270.0	159.2	110.9	111.5	211.1	180.2	144.4	162.3	25.4

<sup>1</sup> Mining, rest of world, and residual (GNP in 1972 dollars measured as the sum of final products less GNP in 1972 dollars measured as the sum of gross product by industry).

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-6.—Gross national product by major type of product, 1929-76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year of quarter	Gross national product	Final sales	Inventory change	Goods									Services	Structures	Auto output
				Total			Durable goods			Nondurable goods					
				Total	Final sales	Inventory change	Total	Final sales	Inventory change	Total	Final sales	Inventory change			
				Total	Final sales	Inventory change	Total	Final sales	Inventory change	Total	Final sales	Inventory change			
1929.	103.4	101.7	1.7	56.1	54.4	1.7	17.5	16.1	1.4	38.6	38.3	0.3	35.9	11.4	-----
1933.	55.8	57.4	-1.6	27.0	28.6	-1.6	4.9	5.4	-.5	22.1	23.2	-1.1	25.9	2.9	-----
1939.	90.8	90.4	.4	49.0	48.6	.4	12.7	12.4	.3	36.3	36.2	.1	34.3	7.5	-----
1940.	100.0	97.8	2.2	56.0	53.8	2.2	16.6	15.4	1.2	39.4	38.4	1.0	35.7	8.3	-----
1941.	124.9	120.4	4.5	72.5	68.0	4.5	26.8	23.8	3.1	45.6	44.2	1.4	40.6	11.8	-----
1942.	158.3	156.5	1.8	93.7	91.9	1.8	35.5	34.5	1.0	58.1	57.4	-.7	50.6	14.0	-----
1943.	192.0	192.5	-.6	120.4	121.0	-.6	54.2	54.2	.0	66.2	66.8	-.6	62.9	8.7	-----
1944.	210.5	211.5	-1.0	132.3	133.3	-1.0	57.9	58.5	-.6	74.4	74.8	-.3	72.2	6.1	-----
1945.	212.3	213.4	-1.0	128.9	129.9	-1.0	48.9	50.1	-1.3	80.0	79.8	.2	76.9	6.5	-----
1946.	209.6	203.2	6.4	125.3	118.9	6.4	37.2	31.8	5.3	88.1	87.1	1.1	68.6	15.7	-----
1947.	232.8	233.2	-.5	139.8	140.3	-.5	45.8	44.1	1.7	94.0	96.2	-2.2	71.3	21.7	7.3
1948.	259.1	254.4	4.7	154.4	149.7	4.7	47.6	46.9	.7	106.7	102.8	4.0	76.7	28.0	8.9
1949.	258.0	261.1	-3.1	147.7	150.6	-3.1	46.2	48.3	-2.1	101.5	102.5	-1.0	81.9	28.4	12.0
1950.	286.2	279.4	6.8	162.4	155.6	6.8	58.8	54.7	4.1	103.6	100.9	2.7	88.2	35.6	15.5
1951.	330.2	319.9	10.3	189.5	179.2	10.3	69.5	62.5	6.9	120.0	116.7	3.4	102.9	37.1	13.4
1952.	347.2	344.0	3.1	194.6	191.5	3.1	68.7	67.6	1.1	125.9	123.9	2.0	113.1	39.4	12.2
1953.	366.1	365.7	.4	203.1	202.7	.4	72.4	71.5	.9	130.8	131.2	-.5	121.0	42.0	16.3
1954.	366.3	367.8	-1.5	196.1	197.4	-1.5	66.4	69.0	-2.5	129.6	128.7	1.0	125.7	44.5	14.9
1955.	399.3	393.3	6.0	214.5	208.5	6.0	81.3	78.2	3.0	133.2	130.3	2.9	135.3	49.5	21.5
1956.	420.7	416.0	4.7	223.3	218.6	4.7	85.1	82.3	2.8	138.1	136.3	1.9	145.2	53.2	17.2
1957.	442.8	441.4	1.3	232.3	231.0	1.3	88.5	87.3	1.3	143.7	143.7	0.0	157.5	52.0	19.6
1958.	448.9	450.4	-1.5	228.2	229.7	-1.5	77.7	80.5	-2.8	150.5	149.2	1.3	166.9	53.8	14.6
1959.	486.5	481.2	5.2	247.4	242.2	5.2	90.1	87.4	2.7	157.4	154.8	2.5	179.5	59.5	19.6
1960.	506.0	502.2	3.8	254.3	250.6	3.8	91.5	89.1	2.4	162.8	161.4	1.4	193.2	58.4	21.6
1961.	523.3	521.1	2.2	256.5	254.3	2.2	90.0	90.2	-.1	166.5	164.1	2.3	206.7	60.1	18.1
1962.	563.8	557.3	6.5	278.0	271.5	6.5	102.0	98.4	3.6	176.1	173.2	2.9	221.5	64.3	22.9
1963.	594.7	588.8	6.0	297.9	283.7	6.0	108.0	105.4	2.7	181.6	178.3	3.3	236.2	68.9	25.6
1964.	635.7	629.9	5.8	309.0	303.2	5.8	118.9	111.0	7.9	190.1	188.2	1.9	254.4	72.4	26.5
1965.	688.1	678.6	9.5	336.6	327.1	9.5	133.6	127.0	6.6	203.1	200.1	2.9	272.7	78.8	31.8
1966.	753.0	738.7	14.3	373.9	359.6	14.3	149.1	139.0	10.0	224.9	220.6	4.3	297.7	81.4	31.1
1967.	796.3	786.2	10.1	387.3	377.2	10.1	148.7	143.5	5.3	238.5	233.7	4.8	326.1	82.9	28.8
1968.	868.5	860.8	7.7	418.9	411.2	7.7	162.4	157.4	5.0	256.5	253.8	2.8	356.6	93.0	36.6
1969.	935.5	926.2	9.4	446.2	436.8	9.4	175.3	169.2	6.1	270.9	267.6	3.3	388.7	100.7	36.8
1970.	982.4	978.6	3.8	456.2	452.4	3.8	170.8	170.7	0.0	285.4	281.7	3.7	424.6	101.6	30.6
1971.	1,063.4	1,057.1	6.4	479.8	473.5	6.4	181.6	179.8	1.8	298.3	293.7	4.6	465.5	118.1	42.2
1972.	1,171.1	1,161.7	9.4	526.0	516.6	9.4	208.4	202.1	6.3	317.7	314.5	3.2	510.8	134.3	45.1
1973.	1,306.6	1,288.6	17.9	598.8	580.9	17.9	240.5	229.6	10.9	358.3	351.3	7.0	560.5	147.2	50.7
1974.	1,413.2	1,402.5	10.7	639.7	629.0	10.7	247.2	240.2	7.1	392.4	388.9	3.6	626.6	146.9	42.7
1975.	1,516.3	1,531.0	-14.6	681.7	696.3	-14.6	254.4	266.5	-12.1	427.3	429.8	-2.6	692.5	142.1	45.8
1976 <sup>p</sup>	1,692.4	1,679.0	13.4	761.5	748.0	13.5	301.0	297.4	3.5	460.5	450.6	9.9	771.3	159.7	62.8
1974:															
I	1,372.7	1,360.0	12.6	621.0	608.4	12.6	238.9	232.3	6.6	382.1	376.1	6.0	605.1	146.5	39.1
II	1,399.4	1,386.4	13.0	634.8	621.9	13.0	242.8	240.6	2.2	392.1	381.3	10.8	614.6	150.0	42.1
III	1,431.6	1,424.2	7.3	650.4	643.0	7.3	252.6	247.6	5.1	397.7	395.4	2.3	633.8	147.4	48.2
IV	1,449.2	1,439.4	9.7	652.5	642.8	9.7	254.7	240.2	14.5	397.8	402.6	-4.7	652.8	143.8	41.4
1975:															
I	1,446.2	1,468.4	-22.2	642.6	664.8	-22.2	234.1	249.5	-15.4	408.5	415.3	-6.8	666.3	137.2	36.3
II	1,482.3	1,512.3	-30.0	661.0	691.0	-30.0	248.5	263.8	-15.3	412.5	427.2	-14.7	684.2	137.1	44.1
III	1,548.7	1,550.6	-2.0	703.5	705.4	-2.0	265.0	272.0	-7.0	438.4	433.4	5.0	700.2	145.0	52.0
IV	1,588.2	1,592.5	-4.3	719.7	724.0	-4.3	270.0	280.6	-10.6	449.7	443.3	6.3	719.5	149.1	51.0
1976:															
I	1,636.2	1,621.4	14.8	742.3	727.5	14.8	282.7	286.3	-3.6	459.6	441.1	18.5	742.6	151.3	61.2
II	1,675.2	1,659.2	16.0	758.4	742.4	16.0	301.2	295.8	5.4	457.1	446.6	10.6	759.6	157.3	64.3
III	1,703.8	1,694.7	15.1	766.1	751.0	15.1	308.2	301.4	6.8	457.9	449.6	8.3	781.5	162.2	61.0
IV <sup>p</sup>	1,748.5	1,740.6	7.9	779.2	771.2	7.9	311.8	306.3	5.5	467.4	464.9	2.5	801.4	168.0	64.4

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-7.—Gross national product by major type of product in 1972 dollars, 1929-76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Final sales	Inventory change	Goods									Services	Structures	Auto output
				Total			Durable goods			Nondurable goods					
				Total	Final sales	Inventory change	Total	Final sales	Inventory change	Total	Final sales	Inventory change			
1929.	314.7	310.0	4.6	143.9	139.3	4.6	44.2	40.7	3.5	99.7	98.6	1.1	126.8	44.0	-----
1933.	222.1	227.0	-4.9	97.2	102.1	-4.9	15.5	17.6	-2.1	81.7	84.5	-2.8	110.9	14.0	-----
1939.	319.7	318.1	1.6	153.9	152.3	1.6	36.4	35.6	.7	117.5	116.7	.9	134.6	31.2	-----
1940.	343.6	337.4	6.2	171.2	165.0	6.2	46.5	43.1	3.4	124.7	121.8	2.9	139.5	32.9	-----
1941.	396.6	384.6	12.0	197.4	185.4	12.0	65.7	57.5	8.2	131.7	127.9	3.8	157.6	40.7	-----
1942.	454.6	449.4	5.2	221.1	215.9	5.2	79.5	76.0	3.5	141.7	140.0	1.7	192.7	47.0	-----
1943.	527.3	527.3	.1	263.5	263.4	.1	119.9	119.3	.7	143.5	144.1	-.6	240.9	23.0	-----
1944.	567.0	569.3	-2.3	286.8	289.1	-2.3	134.1	135.9	-1.8	152.7	153.2	-.5	263.6	16.6	-----
1945.	559.0	562.6	-3.6	279.2	282.8	-3.6	118.2	121.9	-3.7	161.0	161.0	.1	261.9	17.9	-----
1946.	477.0	464.9	12.2	238.0	225.8	12.2	71.3	60.5	10.8	166.7	165.3	1.3	199.7	39.4	-----
1947.	468.3	468.5	-.2	236.8	237.0	-.2	76.7	74.9	1.8	160.1	162.1	-2.0	186.9	44.7	12.9
1948.	487.7	482.2	5.5	244.2	238.7	5.5	77.1	75.6	1.5	167.1	163.1	4.0	190.9	52.5	14.7
1949.	490.7	495.1	-4.4	239.9	244.3	-4.4	72.4	76.1	-3.7	167.5	168.2	-.8	197.0	53.7	18.9
1950.	533.5	522.9	10.6	261.5	250.9	10.6	90.7	84.4	6.3	170.7	166.5	4.2	206.0	66.0	24.0
1951.	576.5	562.8	13.7	283.1	269.4	13.7	102.4	92.6	9.8	180.7	176.8	3.9	229.0	64.4	20.4
1952.	598.5	594.2	4.3	292.3	288.0	4.3	102.3	100.6	1.8	189.9	187.4	2.5	240.6	65.6	18.4
1953.	621.8	620.3	1.5	306.9	305.4	1.5	107.3	105.9	1.4	199.6	199.5	.1	245.5	69.4	23.9
1954.	613.7	615.8	-2.2	292.2	294.4	-2.2	98.1	101.7	-3.6	194.1	192.7	1.4	247.0	74.5	22.9
1955.	654.8	647.1	7.7	316.3	308.6	7.7	117.1	112.9	4.2	199.2	195.7	3.5	257.6	80.9	31.3
1956.	668.8	663.0	5.8	320.9	315.1	5.8	117.2	113.5	3.7	203.3	201.6	2.1	267.2	80.7	24.4
1957.	680.9	679.4	1.5	321.8	320.3	1.5	116.1	114.6	1.5	205.7	205.6	.1	279.3	79.9	25.8
1958.	679.5	681.3	-1.8	312.0	313.8	-1.8	101.4	104.8	-3.4	210.6	209.0	1.6	285.6	81.9	20.0
1959.	720.4	714.0	6.5	332.5	326.1	6.5	113.8	110.6	3.3	218.7	215.5	3.2	298.0	89.9	24.7
1960.	736.8	732.4	4.4	337.1	332.8	4.4	114.4	111.6	2.9	222.7	221.2	1.5	310.7	89.0	26.8
1961.	755.3	752.4	2.9	338.1	335.2	2.9	112.5	112.6	-.1	225.6	222.7	3.0	325.5	91.7	22.6
1962.	799.1	791.0	8.1	362.0	353.8	8.1	125.5	121.1	4.4	236.5	232.7	3.7	339.9	97.2	27.5
1963.	830.7	823.0	7.8	373.0	365.2	7.8	131.8	128.4	3.4	241.1	236.8	4.3	354.0	103.8	30.3
1964.	874.4	867.1	7.3	394.0	386.7	7.3	144.2	139.2	5.0	249.9	247.5	2.3	372.2	108.1	31.1
1965.	925.9	914.6	11.3	421.5	410.2	11.3	160.6	152.6	8.0	261.0	257.7	3.3	389.1	115.3	37.4
1966.	981.0	964.3	16.7	455.6	438.9	16.7	177.1	165.2	11.9	278.5	273.7	4.8	410.2	115.2	36.7
1967.	1,007.7	995.7	12.0	461.9	449.9	12.0	173.0	166.6	6.4	288.9	283.3	5.6	432.7	113.1	33.5
1968.	1,051.8	1,043.1	8.7	481.1	472.4	8.7	181.3	175.7	5.6	299.8	296.7	3.2	449.9	120.9	40.6
1969.	1,078.8	1,068.2	10.6	492.3	481.7	10.6	190.1	183.3	6.8	302.2	298.4	3.7	465.4	121.1	40.0
1970.	1,075.3	1,071.0	4.3	483.4	479.1	4.3	179.2	179.1	.1	304.2	300.0	4.2	477.2	114.6	32.5
1971.	1,107.5	1,100.9	6.6	491.6	484.9	6.6	183.4	181.5	1.8	308.2	303.4	4.8	491.1	124.9	42.1
1972.	1,171.1	1,161.7	9.4	526.0	516.6	9.4	208.4	202.1	6.2	317.7	314.5	3.2	510.8	134.3	45.1
1973.	1,235.0	1,218.5	16.5	569.0	552.5	16.5	236.5	225.9	10.6	332.5	326.6	5.9	531.1	134.8	50.6
1974.	1,214.0	1,205.5	8.5	552.9	544.4	8.5	224.1	218.6	5.5	328.8	325.8	3.0	545.0	116.1	40.0
1975.	1,191.7	1,203.7	-12.0	532.6	544.7	-12.0	204.7	214.1	-9.4	327.9	330.6	-2.7	556.6	102.4	39.7
1976.	1,265.0	1,255.9	9.1	576.3	567.2	9.1	230.2	227.9	2.3	346.1	339.4	6.8	578.6	110.0	50.2
1974:															
I	1,230.4	1,219.1	11.4	560.6	549.2	11.4	228.4	222.4	6.1	332.2	326.8	5.3	545.7	124.2	39.0
II	1,220.8	1,211.4	9.4	558.1	548.7	9.4	224.3	222.8	1.5	333.7	325.9	7.8	542.1	120.6	40.2
III	1,212.9	1,207.8	5.1	555.6	550.5	5.1	226.3	222.7	3.7	329.3	327.9	1.4	544.6	112.7	44.1
IV	1,191.7	1,183.7	8.0	537.4	529.3	8.0	217.4	206.8	10.7	319.9	322.6	-2.6	547.5	106.9	36.8
1975:															
I	1,161.1	1,181.6	-20.5	512.2	532.7	-20.5	193.3	206.8	-13.5	318.9	325.9	-7.0	549.6	99.3	32.7
II	1,177.1	1,198.2	-21.2	522.5	543.7	-21.2	200.1	211.9	-11.9	322.4	331.7	-9.3	555.4	99.2	38.6
III	1,209.3	1,210.2	-1.0	546.0	547.0	-1.0	212.1	216.8	-4.6	333.9	330.2	3.7	558.7	104.6	45.0
IV	1,219.2	1,224.7	-5.5	549.9	555.4	-5.5	213.4	220.7	-7.4	336.6	334.7	1.9	562.8	106.4	42.6
1976:															
I	1,246.3	1,235.9	10.4	569.5	559.1	10.4	221.9	224.3	-2.4	347.6	334.8	12.8	570.3	106.6	50.4
II	1,260.0	1,248.8	11.1	576.0	564.8	11.1	230.5	226.7	3.8	345.5	338.2	7.3	575.3	108.7	51.8
III	1,272.2	1,262.0	10.2	579.1	568.9	10.2	234.6	230.0	4.6	344.5	338.9	5.6	582.1	111.0	48.7
IV	1,281.5	1,276.8	4.7	580.8	576.2	4.7	233.8	230.5	3.3	347.0	345.7	1.3	586.9	113.8	50.1

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-8.—Gross national product: Receipts and expenditures by major economic groups, 1929–76

(Billions of dollars)

Year or quarter	Persons					Government							Surplus or deficit (—), national income and product accounts
	Disposable personal income			Personal consumption expenditures	Personal saving or dis-saving (—)	Net receipts			Expenditures				
	Total <sup>1</sup>	Less: Interest paid and transfers <sup>2</sup>	Equals: Total excluding interest paid and transfers			Tax and non-tax receipts or accruals	Less: Transfers, interest, and subsidies <sup>3</sup>	Equals: Net receipts	Total expenditures	Less: Transfers, interest, and subsidies <sup>3</sup>	Equals: Purchases of goods and services		
1929.....	82.3	1.9	80.4	77.3	3.1	11.3	1.5	9.8	10.3	1.5	8.8	1.0	
1933.....	45.5	.7	44.8	45.8	-1.0	9.3	2.5	6.9	10.7	2.5	8.2	-1.4	
1939.....	69.9	.9	69.1	67.0	2.1	15.4	4.1	11.3	17.6	4.1	13.5	-2.2	
1940.....	75.2	1.0	74.3	71.0	3.3	17.7	4.3	13.5	18.4	4.3	14.2	-.7	
1941.....	92.0	1.1	91.0	80.8	10.2	25.0	3.8	21.2	28.8	3.8	24.9	-3.8	
1942.....	116.5	.8	115.6	88.6	27.0	32.6	4.2	28.4	64.0	4.2	59.8	-31.4	
1943.....	132.9	.7	132.1	99.4	32.7	49.2	4.4	44.7	93.3	4.4	88.9	-44.1	
1944.....	145.5	.8	144.6	108.2	36.5	51.2	6.0	45.2	103.0	6.0	97.0	-51.8	
1945.....	149.0	.9	148.0	119.5	28.5	53.2	9.9	43.3	92.7	9.9	82.8	-39.5	
1946.....	158.6	1.4	157.3	143.8	13.4	51.0	18.0	33.0	45.6	18.0	27.5	5.4	
1947.....	168.4	1.7	166.7	161.7	4.9	56.9	17.1	39.9	42.5	17.1	25.5	14.4	
1948.....	187.4	2.1	185.3	174.7	10.6	58.9	18.5	40.4	50.5	18.5	32.0	8.4	
1949.....	187.1	2.3	184.9	178.1	6.7	55.9	20.9	35.0	59.3	20.9	38.4	-3.4	
1950.....	205.5	2.7	202.8	192.0	10.8	69.0	22.5	46.5	61.0	22.5	38.5	8.0	
1951.....	224.8	2.9	221.9	207.1	14.8	85.2	19.1	66.2	79.2	19.1	60.1	6.1	
1952.....	236.4	3.3	233.1	217.1	16.0	90.1	18.3	71.8	93.9	18.3	75.6	-3.8	
1953.....	250.7	4.0	246.6	229.7	17.0	94.6	19.0	75.6	101.6	19.0	82.5	-6.9	
1954.....	255.7	4.3	251.4	235.8	15.6	89.9	21.3	68.6	97.0	21.3	75.8	-7.1	
1955.....	273.4	4.8	268.6	253.7	14.9	101.1	23.0	78.1	98.0	23.0	75.0	3.1	
1956.....	291.3	5.6	285.7	266.0	19.7	109.7	25.1	84.6	104.5	25.1	79.4	5.2	
1957.....	306.9	5.9	301.0	280.4	20.6	116.2	28.2	88.0	115.3	28.2	87.1	.9	
1958.....	317.1	6.0	311.1	289.5	21.7	115.0	32.6	82.4	127.6	32.6	95.0	-12.6	
1959.....	336.1	6.5	329.6	310.8	18.8	129.4	33.4	96.0	131.0	33.4	97.6	-1.6	
1960.....	349.4	7.4	342.0	324.9	17.1	139.5	36.1	103.4	136.4	36.1	100.3	3.1	
1961.....	362.9	7.7	355.2	335.0	20.2	144.8	40.9	103.9	149.1	40.9	108.2	-4.3	
1962.....	383.9	8.3	375.6	355.2	20.4	156.7	42.4	114.3	160.5	42.4	118.0	-3.8	
1963.....	402.8	9.4	393.4	374.6	18.8	168.5	44.1	124.4	167.8	44.1	123.7	.7	
1964.....	437.0	10.5	426.5	400.4	26.1	174.0	46.5	127.5	176.3	46.5	129.8	-2.3	
1965.....	472.2	11.7	460.4	430.2	30.3	188.3	49.5	138.9	187.8	49.5	138.4	.5	
1966.....	510.4	12.6	497.8	464.8	33.0	212.3	54.9	157.4	213.6	54.9	158.7	-1.3	
1967.....	544.5	13.3	531.2	490.4	40.9	228.2	62.2	166.0	242.4	62.2	180.2	-14.2	
1968.....	588.1	14.1	574.0	535.9	38.1	263.4	70.2	193.2	268.9	70.2	198.7	-5.5	
1969.....	630.4	15.6	614.8	579.7	35.1	296.3	77.8	218.5	285.6	77.8	207.9	10.7	
1970.....	685.9	16.6	669.4	618.8	50.6	302.6	93.1	209.5	311.9	93.1	218.9	-9.4	
1971.....	742.8	17.3	725.5	668.2	57.3	322.2	106.8	215.5	340.5	106.8	233.7	-18.3	
1972.....	801.3	18.9	782.4	733.0	49.4	367.4	117.8	249.6	370.9	117.8	253.1	-3.5	
1973.....	901.7	21.5	880.2	809.9	70.3	411.2	135.4	275.8	404.9	135.4	269.5	6.3	
1974.....	982.9	23.2	959.7	887.5	72.2	454.6	155.6	299.0	458.8	155.6	303.3	-4.2	
1975.....	1,080.9	23.7	1,057.2	973.2	84.0	466.4	191.8	274.6	530.8	191.8	339.0	-64.4	
1976 P.....	1,181.8	25.4	1,156.3	1,078.6	77.8	530.8	209.5	321.3	575.3	209.5	365.8	-44.5	

See footnotes at end of table.

TABLE B-8.—Gross national product: Receipts and expenditures by major economic groups, 1929-76—Continued

(Billions of dollars)

Year or quarter	Business			International				Total income or receipts	Statistical discrepancy	Gross national product or expenditure	
	Gross retained earnings <sup>1</sup>	Gross private domestic investment <sup>2</sup>	Excess of earnings or of investment (-)	Net transfers and interest paid to foreigners <sup>3</sup>	Net exports of goods and services						Excess of net transfers and interest or of net exports (-) <sup>7</sup>
					Exports	Less: Imports	Equals: Net exports				
1929.....	11.7	16.2	-4.4	0.4	7.0	5.9	1.1	-0.7	102.3	1.1	103.4
1933.....	3.2	1.4	1.8	.2	2.4	2.0	.4	-.2	55.1	.7	55.8
1939.....	8.8	9.3	-.5	.2	4.4	3.4	1.1	-.9	89.4	1.4	90.8
1940.....	10.9	13.1	-2.2	.2	5.4	3.6	1.7	-1.5	98.9	1.1	100.0
1941.....	12.0	17.9	-5.8	.2	5.9	4.6	1.3	-1.1	124.3	.5	124.9
1942.....	14.8	9.9	4.9	.2	4.8	4.8	.0	.2	159.1	-.8	158.3
1943.....	16.7	5.8	10.9	.2	4.4	6.5	-2.0	2.2	193.8	-1.8	192.0
1944.....	17.7	7.2	10.5	.3	5.3	7.1	-1.8	2.1	207.8	2.7	210.5
1945.....	16.0	10.6	5.4	.8	7.2	7.8	.6	1.4	208.2	4.1	212.3
1946.....	15.8	30.7	-14.9	2.9	14.8	7.2	7.6	-4.6	208.9	.7	209.6
1947.....	21.8	34.0	-12.1	2.6	19.8	8.2	11.6	-9.0	231.0	1.8	232.8
1948.....	30.0	45.9	-15.8	4.5	16.9	10.4	6.5	-2.0	260.3	-1.2	259.1
1949.....	31.4	35.3	-3.8	5.6	15.9	9.6	6.2	-.6	257.0	1.0	258.0
1950.....	30.8	53.8	-23.0	4.0	13.9	12.0	1.9	2.1	284.1	2.0	286.2
1951.....	34.6	59.2	-24.6	3.5	18.9	15.1	3.8	-.3	326.2	4.0	330.2
1952.....	37.1	52.1	-15.1	2.6	18.2	15.8	2.4	-.1	344.5	2.7	347.2
1953.....	38.0	53.3	-15.3	2.5	17.1	16.6	.6	1.9	362.8	3.3	366.1
1954.....	41.0	52.7	-11.7	2.3	18.0	16.0	2.0	.3	363.3	3.0	366.3
1955.....	47.5	68.4	-20.8	2.5	20.0	17.8	2.2	.3	396.8	2.5	399.3
1956.....	48.7	71.0	-22.3	2.5	23.9	19.6	4.3	-1.8	421.5	-.8	420.7
1957.....	51.1	69.2	-18.1	2.5	26.7	20.7	6.1	-3.6	442.6	.2	442.8
1958.....	51.3	61.9	-10.6	2.4	23.3	20.8	2.5	-.1	447.2	1.7	448.9
1959.....	58.5	77.6	-19.0	2.6	23.7	23.2	.6	2.0	486.7	-.2	486.5
1960.....	58.7	76.4	-17.7	2.6	27.6	23.2	4.4	-1.7	506.7	-.7	506.0
1961.....	59.8	74.3	-14.5	2.8	28.9	23.1	5.8	-3.0	521.7	1.6	523.3
1962.....	67.0	85.2	-18.2	3.0	30.6	25.2	5.4	-2.4	559.8	4.0	563.8
1963.....	70.1	90.2	-20.1	3.1	32.7	26.4	6.3	-3.2	591.0	3.7	594.7
1964.....	76.2	96.6	-20.4	3.2	37.4	28.4	8.9	-5.7	633.5	2.2	635.7
1965.....	84.6	112.0	-27.4	3.3	39.5	32.0	7.6	-4.3	687.2	.9	688.1
1966.....	91.2	124.5	-33.3	3.5	42.8	37.7	5.1	-1.6	749.8	3.2	753.0
1967.....	93.7	120.8	-27.1	3.7	45.6	40.6	4.9	-1.2	794.6	1.7	796.3
1968.....	98.2	131.5	-33.3	3.6	49.9	47.7	2.3	1.4	869.1	-.6	868.5
1969.....	101.7	146.2	-44.5	3.8	54.7	52.9	1.8	2.0	938.8	-3.3	935.5
1970.....	101.4	140.8	-39.5	4.3	62.5	58.5	3.9	.3	984.5	-2.1	982.4
1971.....	115.7	160.0	-44.3	5.5	65.6	64.0	1.6	3.9	1,062.1	1.3	1,063.4
1972.....	131.0	188.3	-57.3	6.5	72.7	75.9	-3.3	9.8	1,169.4	1.7	1,171.1
1973.....	140.2	220.0	-79.8	7.7	101.6	94.4	7.1	.6	1,303.9	2.6	1,306.6
1974.....	139.4	215.0	-75.6	8.5	144.4	136.9	7.5	1.0	1,406.6	6.6	1,413.2
1975.....	171.6	183.7	-12.1	8.5	148.1	127.6	20.5	-11.9	1,511.9	4.4	1,516.3
1976.....	198.6	241.2	-42.6	8.6	161.9	155.1	6.9	1.7	1,684.8	7.6	1,692.4

<sup>1</sup> Personal income less personal tax and nontax payments (fines, penalties, etc.).

<sup>2</sup> Interest paid by consumers to business and net personal transfer payments to foreigners.

<sup>3</sup> Government transfer payments to persons and foreigners, net interest paid by government, subsidies less current surplus of government enterprises, and disbursements less wage accruals.

<sup>4</sup> Capital consumption allowances with capital consumption adjustment, corporate inventory valuation adjustment, undistributed corporate profits with capital consumption adjustment, and private wage accruals less disbursements.

<sup>5</sup> Private business investment, purchases of capital goods by private nonprofit institutions, and residential housing and equipment. See Table B-14.

<sup>6</sup> Net transfers to foreigners by persons and government and interest paid by government to foreigners.

<sup>7</sup> Capital grants received by the United States (net) less net foreign investment.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-9.—Gross national product by sector, 1929-76

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Gross domestic product										Rest of the world	Percent change from preceding period, gross domestic product <sup>3</sup>
		Total	Business				Households and institutions	Government <sup>2</sup>					
			Total	Non-farm <sup>1</sup>	Farm	Statistical discrepancy		Total	Federal	State and local			
1929	103.4	102.6	95.4	84.7	9.7	1.1	2.9	4.3	0.9	3.5	0.8	-----	
1933	55.8	55.5	49.1	43.8	4.6	.7	1.7	4.7	1.2	3.5	.3	-4.1	
1939	90.8	90.5	80.6	72.9	6.3	1.4	2.3	7.6	3.4	4.2	.3	7.0	
1940	100.0	99.6	89.4	81.8	6.5	1.1	2.4	7.8	3.5	4.3	.4	10.1	
1941	124.9	124.5	112.6	103.1	8.9	.5	2.5	9.4	5.0	4.4	.4	25.0	
1942	158.3	157.9	139.9	127.7	13.0	-.8	2.9	15.1	10.6	4.5	.4	26.8	
1943	192.0	191.6	162.8	149.3	15.3	-1.8	3.2	25.6	20.9	4.7	.3	21.4	
1944	210.5	210.1	174.2	156.2	15.3	2.7	3.7	32.2	27.2	4.9	.4	9.6	
1945	212.3	212.0	172.8	152.7	16.0	4.1	4.1	35.2	29.8	5.4	.3	.9	
1946	209.6	209.0	183.8	164.2	18.9	.7	4.5	20.8	14.6	6.2	.5	-1.4	
1947	232.8	231.8	210.0	188.0	20.2	1.8	5.1	16.7	9.4	7.3	.9	10.9	
1948	259.1	257.9	234.9	212.7	23.3	-1.2	5.6	17.4	8.9	8.5	1.2	11.3	
1949	258.0	256.9	231.5	211.7	18.8	1.0	5.9	19.4	10.0	9.4	1.1	-4	
1950	286.2	284.8	257.5	235.5	20.0	2.0	6.4	20.9	10.7	10.1	1.3	10.9	
1951	330.2	328.7	294.4	267.4	22.9	4.0	6.9	27.4	16.2	11.2	1.5	15.4	
1952	347.2	345.7	307.3	282.5	22.2	2.7	7.2	31.2	18.9	12.3	1.5	5.2	
1953	366.1	364.6	324.9	301.2	20.3	3.3	7.8	31.9	18.6	13.3	1.5	5.5	
1954	366.3	364.5	323.9	301.3	19.6	3.0	8.1	32.5	17.8	14.7	1.8	-.0	
1955	399.3	397.3	354.0	332.8	18.8	2.5	9.1	34.2	18.4	15.8	2.0	9.0	
1956	420.7	418.5	372.1	354.3	18.6	-.8	9.8	36.6	19.0	17.6	2.2	5.3	
1957	442.8	440.5	390.8	372.3	18.4	.2	10.5	39.1	19.6	19.6	2.3	5.2	
1958	448.9	446.6	393.1	370.7	20.7	1.7	11.4	42.1	20.5	21.6	2.2	1.4	
1959	486.5	484.0	427.7	408.9	19.1	-2	12.3	44.0	20.9	23.1	2.2	8.4	
1960	506.0	503.5	442.5	423.0	20.2	-.7	13.8	47.1	21.7	25.5	2.5	4.0	
1961	523.3	520.2	455.3	433.4	20.2	1.6	14.4	50.5	22.6	27.9	3.1	3.3	
1962	563.8	560.2	490.4	465.9	20.5	4.0	15.5	54.3	24.1	30.2	3.6	7.7	
1963	594.7	591.1	516.5	492.2	20.5	3.7	16.6	58.0	25.2	32.9	3.7	5.5	
1964	635.7	631.4	550.7	529.2	19.3	2.2	17.8	62.9	27.0	35.9	4.3	6.8	
1965	688.1	683.4	596.6	573.8	22.0	.9	19.2	67.6	28.3	39.3	4.7	8.2	
1966	753.0	748.8	651.1	625.0	22.9	3.2	21.1	76.5	32.4	44.1	4.2	9.6	
1967	796.3	791.8	682.7	658.8	22.2	1.7	23.9	85.1	35.6	49.5	4.6	5.7	
1968	868.5	863.7	742.2	720.2	22.6	-.6	26.4	95.2	39.3	55.9	4.8	9.1	
1969	935.5	931.1	798.1	776.2	25.2	-3.3	29.2	103.7	41.8	61.9	4.5	7.8	
1970	982.4	977.8	831.5	807.6	25.9	-2.1	31.6	114.7	44.7	70.0	4.6	5.0	
1971	1,063.4	1,056.8	896.9	867.9	27.7	1.3	34.7	125.2	46.8	78.5	6.6	8.1	
1972	1,171.1	1,164.1	989.5	955.8	32.0	1.7	37.2	137.4	50.1	87.3	7.0	10.1	
1973	1,306.6	1,297.5	1,108.0	1,055.3	50.1	2.6	40.5	149.1	51.9	97.1	9.1	11.5	
1974	1,413.2	1,398.7	1,192.4	1,137.3	48.5	6.6	44.7	161.6	54.9	106.7	14.5	7.8	
1975	1,516.3	1,505.7	1,277.5	1,222.8	50.3	4.4	49.7	178.5	59.3	119.2	10.6	7.7	
1976 <sup>p</sup>	1,692.4	1,679.1	1,428.4	1,370.0	50.8	7.6	55.9	194.8	63.4	131.4	13.3	11.5	
1974: I	1,372.7	1,355.5	1,156.1	1,100.6	53.1	2.4	42.7	156.7	53.7	102.9	17.2	3.1	
II	1,399.4	1,387.0	1,183.8	1,130.1	46.6	7.1	44.0	159.2	54.0	105.2	12.4	9.6	
III	1,431.6	1,417.8	1,209.6	1,155.1	46.9	7.7	45.7	162.5	54.6	107.9	13.8	9.2	
IV	1,449.2	1,434.4	1,219.9	1,163.4	47.2	9.3	46.4	168.1	57.4	110.7	14.8	4.8	
1975: I	1,446.2	1,436.7	1,216.3	1,167.4	42.5	6.4	48.1	172.4	58.2	114.2	9.4	.7	
II	1,482.3	1,471.7	1,246.4	1,197.4	49.0	.1	49.0	176.3	58.4	117.9	10.6	10.1	
III	1,548.7	1,537.4	1,306.8	1,246.7	55.0	5.1	50.4	180.1	59.1	121.1	11.3	19.1	
IV	1,588.2	1,577.1	1,340.4	1,279.6	54.8	6.1	51.5	185.2	61.5	123.7	11.1	10.8	
1976: I	1,636.2	1,623.2	1,380.7	1,324.8	48.7	7.2	53.3	189.2	62.2	127.0	13.0	12.2	
II	1,675.2	1,662.8	1,415.5	1,354.7	55.0	5.8	54.8	192.5	62.5	130.0	12.4	10.1	
III	1,709.8	1,696.1	1,443.1	1,384.4	50.0	8.7	57.0	196.0	63.2	132.8	13.7	8.2	
IV <sup>p</sup>	1,748.5	1,734.3	1,474.2	-----	49.4	-----	58.6	201.4	65.6	135.8	14.2	9.3	

<sup>1</sup> Includes compensation of employees in government enterprises.

<sup>2</sup> Compensation of government employees.

<sup>3</sup> Changes are based on unrounded data and therefore may differ slightly from those obtained from data shown here. See table B-1 for percent changes in gross national product.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-10.—Gross national product by sector in 1972 dollars, 1929-76

[Billions of 1972 dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Gross domestic product									Rest of the world	Percent change from preceding period, gross domestic product <sup>4</sup>
		Total	Business				Households and institutions	Government <sup>3</sup>				
			Total	Non-farm <sup>1</sup>	Farm	Residual <sup>2</sup>		Total	Federal	State and local		
1929	314.7	312.8	271.1	244.2	23.8	3.1	15.6	26.1	5.2	20.9	1.9	-----
1933	222.1	220.5	179.7	152.1	25.0	2.6	12.2	28.7	6.6	22.0	1.6	-2.1
1939	319.7	318.6	261.5	231.6	25.3	4.7	15.1	42.0	16.9	25.1	1.2	7.7
1940	343.6	342.3	282.4	254.1	24.7	3.6	16.1	43.9	18.6	25.3	1.3	7.5
1941	396.6	395.4	324.4	297.2	26.3	.9	15.9	55.1	29.6	25.5	1.2	15.5
1942	454.6	453.5	355.3	330.3	28.7	-3.8	16.4	81.8	56.7	25.0	1.1	14.7
1943	527.3	526.4	381.9	360.6	27.8	-6.6	15.2	129.3	105.0	24.4	1.0	16.1
1944	567.0	566.0	401.9	371.2	27.3	3.5	15.1	149.0	125.2	23.8	1.0	7.5
1945	559.0	558.1	396.9	365.3	25.8	5.8	15.0	146.2	121.8	24.5	.8	-1.4
1946	477.0	475.9	385.1	362.3	25.8	-3.0	15.1	75.8	49.7	26.1	1.1	-14.7
1947	468.3	466.7	392.8	370.8	23.9	-1.9	16.0	57.9	29.8	28.1	1.6	-1.9
1948	487.7	485.9	411.2	387.2	25.7	-1.7	16.7	58.0	29.2	28.8	1.8	4.1
1949	490.7	488.8	409.4	382.1	25.5	1.8	17.3	62.2	31.3	30.9	1.9	.6
1950	533.5	531.5	448.6	417.9	26.9	3.8	18.3	64.6	32.7	31.9	1.9	8.7
1951	576.5	574.7	477.2	445.9	25.8	5.5	18.7	78.8	36.2	32.6	1.8	8.1
1952	598.5	596.7	492.8	460.7	26.3	5.7	18.6	85.3	51.6	33.7	1.8	3.8
1953	621.8	619.9	515.6	480.6	27.6	6.3	19.3	85.0	49.6	35.5	2.0	3.9
1954	613.7	611.4	508.0	473.4	28.3	7.2	19.4	83.9	47.2	36.7	2.3	-1.4
1955	654.8	652.2	546.5	512.5	29.2	4.8	21.4	84.4	45.9	38.4	2.5	6.7
1956	668.8	666.1	557.2	529.3	28.8	-.9	22.5	86.5	45.6	40.8	2.7	2.1
1957	680.9	678.0	566.0	538.7	28.1	-.8	23.1	88.9	45.8	43.1	2.9	1.8
1958	679.5	676.5	561.9	528.2	29.3	4.4	24.2	90.4	44.5	45.8	3.0	-1.2
1959	720.4	717.3	600.5	569.6	28.2	2.7	24.9	91.8	44.5	47.3	3.2	6.0
1960	736.8	733.6	611.8	580.5	29.5	1.8	26.8	94.9	45.2	49.7	3.2	2.3
1961	755.3	751.2	625.6	590.9	29.6	5.1	27.2	98.5	46.2	52.3	4.1	2.4
1962	799.1	794.3	663.9	629.6	29.5	4.8	28.3	102.1	48.3	53.9	4.8	5.7
1963	830.7	825.8	692.0	658.4	30.0	3.6	29.0	104.8	48.2	56.6	4.9	4.0
1964	874.4	868.7	730.4	697.1	29.2	4.0	29.9	108.4	48.5	60.0	5.7	5.2
1965	925.9	919.9	776.4	746.7	30.1	-.4	31.1	112.4	48.7	63.6	6.1	5.9
1966	981.0	975.6	822.4	791.1	28.5	2.8	32.8	120.4	53.0	67.5	5.4	6.1
1967	1,007.7	1,001.9	839.8	807.8	29.6	2.4	34.8	127.2	57.2	70.0	5.8	2.7
1968	1,051.8	1,045.7	878.2	850.6	29.4	-1.8	35.9	131.7	58.1	73.6	6.1	4.4
1969	1,078.8	1,073.1	901.5	877.4	29.9	-5.9	36.6	135.0	58.2	76.8	5.7	2.6
1970	1,075.3	1,069.8	898.3	871.3	31.1	-4.2	36.3	135.2	55.2	80.1	5.5	-.3
1971	1,107.5	1,100.3	927.6	894.9	32.8	-.1	36.6	136.0	52.5	83.5	7.2	2.8
1972	1,171.1	1,164.1	989.5	955.8	32.0	1.7	37.2	137.4	50.1	87.3	7.0	5.8
1973	1,235.0	1,227.4	1,050.4	1,013.2	32.3	4.9	38.1	138.9	48.3	90.6	7.6	5.4
1974	1,214.0	1,206.9	1,027.3	987.7	32.0	7.5	38.2	141.5	48.4	93.1	7.0	-1.7
1975	1,191.7	1,186.8	1,004.1	968.1	34.1	1.8	38.5	144.2	48.2	96.0	4.8	-1.7
1976	1,265.0	1,259.1	1,072.0	1,033.9	35.2	3.0	40.7	146.3	48.2	98.2	5.9	6.1
1974: I	1,230.4	1,219.8	1,040.9	1,005.6	30.6	4.7	38.2	140.7	48.4	92.3	10.7	-4.9
II	1,220.8	1,215.3	1,036.0	994.6	32.8	8.6	38.1	141.1	48.3	92.8	5.5	-1.5
III	1,212.9	1,207.3	1,027.0	986.6	32.2	8.3	38.5	141.9	48.4	93.4	5.6	-2.6
IV	1,191.7	1,185.3	1,005.0	964.1	32.5	8.4	37.9	142.4	48.4	94.0	6.4	-7.1
1975: I	1,161.1	1,157.0	975.6	938.8	31.8	4.9	38.3	143.1	48.4	94.7	4.1	-9.2
II	1,177.1	1,172.2	989.9	956.6	34.6	-1.3	38.4	143.9	48.2	95.7	4.8	5.4
III	1,209.3	1,204.0	1,020.8	983.0	36.0	1.8	38.5	144.7	48.2	96.5	5.3	11.3
IV	1,219.2	1,214.1	1,030.2	994.1	34.2	1.9	38.8	145.1	48.1	97.0	5.1	3.4
1976: I	1,246.3	1,240.4	1,055.1	1,018.0	34.3	2.8	39.8	145.5	48.1	97.4	5.9	9.0
II	1,260.0	1,254.3	1,068.0	1,031.5	34.9	1.6	40.4	146.0	48.0	97.9	5.6	4.6
III	1,272.2	1,266.2	1,078.2	1,039.4	35.0	3.8	41.5	146.6	48.1	98.4	6.0	3.8
IV	1,281.5	1,275.3	1,086.9	1,046.7	36.4	3.8	41.4	147.0	48.1	98.9	6.2	2.9

<sup>1</sup> Includes compensation of employees in government enterprises.

<sup>2</sup> The difference between gross product in 1972 dollars measured as the sum of final products and that measured as the sum of gross product by industry.

<sup>3</sup> Compensation of government employees.

<sup>4</sup> Changes are based on unrounded data and therefore may differ from those obtained from data shown here. See Table B-2 for percent changes in gross national product in 1972 dollars.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-11.—*Gross domestic product of nonfinancial corporate business, 1929-76*

(Billions of dollars; quarterly data at seasonally adjusted annual rates)

Year or quarter	Gross domestic product of nonfinancial corporate business	Capital consumption allowances with capital consumption adjustment	Net domestic product												Net interest	
			Total	Indirect business taxes <sup>1</sup>	Domestic income								Inventory valuation adjustment	Capital consumption adjustment		
					Total	Compen-sation of employ-ees	Corporate profits with inventory valuation and capital consumption adjustments									
							Total	Profits before tax			Profits after tax					
								Total	Profits tax liability	Total	Dividends	Undis-tributed profits				
1929	50.1	5.4	44.7	3.4	41.3	32.3	7.6	8.4	1.2	7.3	5.2	2.0	0.5	-1.3	1.4	
1933	24.4	4.2	20.2	3.8	16.4	16.7	-2.0	.6	.5	.1	2.0	-1.9	-2.1	- .5	1.7	
1939	43.7	4.7	39.1	5.1	34.0	28.2	4.3	6.1	1.4	4.7	3.3	1.4	-.7	-1.0	1.5	
1940	50.4	4.8	45.6	5.5	40.1	31.2	7.5	8.8	2.7	6.1	3.6	2.5	-.2	-1.1	1.4	
1941	65.6	5.3	60.4	6.4	53.9	39.8	12.8	16.4	7.5	9.0	4.0	4.9	-2.5	-1.1	1.3	
1942	82.9	6.0	77.0	6.8	70.1	51.0	17.9	20.1	11.2	8.9	3.8	5.1	-1.2	-1.0	1.3	
1943	98.7	6.1	92.6	7.3	85.3	62.2	22.0	23.6	13.8	9.8	4.0	5.7	-.8	-.8	1.1	
1944	102.1	6.2	95.9	8.1	87.8	65.1	21.7	22.2	12.6	9.6	4.2	5.4	-.3	-.2	1.0	
1945	95.3	6.4	88.9	8.9	80.0	61.9	17.2	17.8	10.2	7.6	4.2	3.4	-.6	-.1	1.0	
1946	99.3	7.3	92.1	10.1	81.9	67.2	14.1	22.0	8.6	13.4	5.1	8.3	-5.3	-2.7	.7	
1947	120.0	9.1	110.9	11.2	99.8	79.1	19.9	29.1	10.8	18.3	5.9	12.4	-5.9	-3.3	.8	
1948	137.3	10.7	126.5	12.1	114.4	87.8	25.8	31.8	11.8	20.0	6.5	13.5	-2.2	-3.9	.9	
1949	133.5	11.6	121.9	12.6	109.3	85.3	23.0	24.9	9.3	15.6	6.5	9.1	1.9	-3.8	1.0	
1950	151.9	12.6	139.3	14.1	125.2	94.7	29.6	38.5	16.9	21.6	7.9	13.6	-5.0	-3.9	.9	
1951	174.5	14.6	159.9	15.2	144.7	110.2	33.4	39.1	21.2	17.9	7.8	10.1	-1.2	-4.5	1.1	
1952	182.3	15.7	166.7	16.8	149.8	118.3	30.3	33.8	17.8	16.0	7.8	8.1	1.0	-4.4	1.2	
1953	195.0	17.0	178.1	18.2	159.9	128.7	29.9	34.9	18.5	16.4	8.0	8.4	-1.0	-4.0	1.3	
1954	191.9	17.9	174.1	17.4	156.6	126.5	28.6	32.1	15.6	16.4	8.2	8.2	-.3	-3.2	1.6	
1955	216.7	19.2	197.5	19.2	178.3	138.5	38.2	42.0	20.2	21.8	9.4	12.4	-1.7	-2.1	1.6	
1956	231.6	21.5	210.1	20.8	189.2	151.4	36.1	41.8	20.1	21.8	10.1	11.6	-2.7	-3.0	1.7	
1957	242.3	23.7	218.5	22.4	196.2	159.1	35.0	39.8	19.1	20.7	10.4	10.3	-1.5	-3.3	2.2	
1958	236.3	24.9	211.4	22.8	188.6	155.9	30.1	33.7	16.2	17.5	10.2	7.3	-.3	-3.4	2.7	
1959	265.7	26.0	239.7	25.4	214.4	171.6	39.7	43.1	20.7	22.3	10.8	11.5	-.5	-2.9	3.1	
1960	277.3	27.0	250.3	28.3	222.0	181.1	37.4	39.5	19.2	20.3	11.5	8.7	.3	-2.3	3.5	
1961	284.5	27.8	256.7	30.1	226.5	185.1	37.4	39.2	19.5	19.7	11.7	8.0	.1	-1.8	3.9	
1962	311.0	28.7	282.3	33.0	249.2	199.8	44.9	43.7	20.6	23.1	12.7	10.3	.1	1.0	4.5	
1963	330.9	29.8	301.1	35.6	265.6	210.7	50.0	48.3	22.8	25.5	14.1	11.4	-.2	1.9	4.8	
1964	357.6	31.0	326.6	38.4	288.3	226.3	56.7	54.6	24.0	30.7	15.3	15.4	-.5	2.6	5.3	
1965	392.1	32.8	359.3	41.1	318.2	246.1	66.1	64.4	27.2	37.2	17.2	20.0	-1.9	3.6	6.1	
1966	430.7	35.7	394.9	42.9	352.0	273.5	71.2	69.5	29.5	40.0	18.1	21.9	-2.1	3.8	7.7	
1967	452.9	39.3	413.6	45.8	367.9	291.9	67.2	65.4	27.7	37.7	18.9	18.8	-1.7	3.6	8.4	
1968	498.4	43.0	455.4	51.6	403.8	321.6	72.1	71.9	33.6	38.3	20.7	17.6	-3.4	3.6	10.1	
1969	541.8	47.8	494.0	57.1	437.0	357.4	66.4	68.4	33.3	35.1	20.7	14.4	-5.5	3.5	13.1	
1970	560.6	53.1	507.5	61.8	445.7	377.1	51.6	55.1	27.3	27.9	19.9	8.0	-5.1	1.5	17.0	
1971	602.5	58.2	544.2	68.2	476.0	399.4	58.7	63.3	29.9	33.3	20.0	13.3	-5.0	.5	17.9	
1972	671.0	62.6	608.4	73.5	534.8	443.8	72.0	75.9	33.5	42.4	21.7	20.7	-6.6	2.7	19.1	
1973	752.0	68.7	683.3	80.5	602.8	503.8	76.0	92.7	39.6	53.1	23.9	29.2	-18.6	1.8	23.1	
1974	810.0	80.8	729.3	86.1	643.2	554.7	59.6	102.3	42.6	59.8	30.4	29.4	-39.8	-3.0	29.0	
1975	870.4	96.6	773.8	93.4	680.4	571.1	72.5	95.5	39.7	55.8	29.0	26.7	-11.4	-11.6	30.8	
1976 P	982.6	107.9	874.8	100.5	774.2	641.5	97.0	127.2	52.1	75.1	32.0	43.1	-14.6	-15.6	35.8	
1974:																
I	787.9	75.2	712.8	83.0	629.8	536.6	66.3	96.9	40.6	56.4	26.9	29.5	-30.4	- .3	26.8	
II	807.5	78.7	728.7	85.6	643.1	549.9	64.9	103.4	43.3	60.2	33.2	26.9	-36.6	-1.9	28.4	
III	821.5	82.6	738.9	87.9	651.0	564.3	57.0	113.9	47.5	66.4	33.2	33.2	-53.4	-3.5	29.7	
IV	823.3	86.6	736.6	87.7	649.0	560.0	50.1	95.1	39.0	56.1	28.1	28.0	-38.8	-6.3	30.9	
1975:																
I	822.3	90.9	731.5	88.4	643.1	563.4	49.6	74.8	30.2	44.5	29.5	15.0	-16.5	-8.6	30.0	
II	851.1	95.0	756.1	92.0	664.2	566.2	67.8	87.0	35.4	51.7	29.0	22.7	-7.8	-11.4	30.2	
III	892.0	98.7	793.3	95.6	697.7	580.3	86.6	108.3	45.8	62.5	29.1	33.4	-9.0	-12.7	30.8	
IV	916.1	101.9	814.2	97.5	716.7	598.5	86.1	112.0	47.6	64.4	28.6	35.9	-12.3	-13.6	32.0	
1976:																
I	949.0	104.2	844.8	97.4	747.4	620.3	93.2	119.4	51.1	68.3	28.2	40.1	-11.5	-14.7	33.9	
II	972.8	106.8	866.1	99.7	766.4	635.4	95.7	125.6	53.4	72.2	31.9	40.3	-14.4	-15.5	35.2	
III	993.8	108.9	885.0	101.2	783.7	646.9	100.3	128.6	54.7	73.9	32.9	41.0	-12.6	-15.7	36.5	

<sup>1</sup> Indirect business tax and nontax liability plus business transfer payments less subsidies.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-12.—Output, costs, and profits of nonfinancial corporate business, 1948-76

[Quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product of nonfinancial corporate business (billions of dollars)		Current-dollar cost and profit per unit of output (dollars) <sup>1</sup>							Output per hour of all employees (1972 dollars)	Compensation per hour of all employees (dollars)	
	Current dollars	1972 dollars	Total cost and profit <sup>2</sup>	Capital consumption allowances with capital consumption adjustment	Indirect business taxes <sup>3</sup>	Compensation of employees	Net interest	Corporate profits with inventory valuation and capital consumption adjustments				
								Total	Profits tax liability			Profits after tax <sup>4</sup>
1948	137.3	229.7	0.598	0.047	0.053	0.382	0.004	0.112	0.051	0.061		
1949	133.5	219.9	.607	.053	.057	.388	.004	.105	.042	.062		
1950	151.9	247.5	.614	.051	.057	.383	.004	.120	.068	.051		
1951	174.5	270.2	.646	.054	.056	.408	.004	.124	.079	.045		
1952	182.3	275.2	.663	.057	.061	.430	.004	.110	.065	.046		
1953	195.0	292.0	.668	.058	.062	.441	.004	.102	.063	.039		
1954	191.9	283.5	.677	.063	.061	.446	.006	.101	.063	.046		
1955	216.7	315.1	.688	.061	.061	.439	.005	.121	.064	.057		
1956	231.6	324.1	.715	.066	.064	.467	.005	.112	.062	.050		
1957	242.3	328.3	.738	.072	.068	.484	.007	.106	.058	.048		
1958	236.3	313.4	.754	.080	.073	.497	.009	.096	.052	.044	5.110	2.541
1959	265.7	347.3	.765	.075	.073	.494	.009	.114	.060	.055	5.333	2.635
1960	277.3	358.9	.773	.075	.079	.505	.010	.104	.053	.051	5.455	2.752
1961	284.5	366.7	.776	.076	.082	.505	.011	.102	.053	.049	5.634	2.844
1962	311.0	399.7	.778	.072	.083	.500	.011	.112	.052	.061	5.912	2.956
1963	330.9	425.4	.778	.070	.084	.495	.011	.118	.054	.064	6.167	3.054
1964	357.6	455.2	.786	.068	.084	.497	.012	.125	.053	.072	6.427	3.195
1965	392.1	494.6	.793	.066	.083	.497	.012	.134	.055	.079	6.625	3.296
1966	430.7	532.9	.808	.067	.080	.513	.014	.134	.055	.078	6.777	3.478
1967	452.9	545.8	.830	.072	.084	.535	.016	.123	.051	.072	6.873	3.676
1968	498.4	581.6	.857	.074	.089	.553	.017	.124	.058	.066	7.141	3.948
1969	541.8	607.3	.892	.079	.094	.589	.022	.109	.055	.055	7.211	4.240
1970	560.6	600.6	.933	.088	.103	.628	.028	.086	.045	.041	7.242	4.547
1971	602.5	619.3	.973	.094	.110	.645	.029	.095	.048	.046	7.531	4.858
1972	671.0	671.0	1.000	.093	.110	.661	.028	.107	.050	.057	7.798	5.158
1973	752.0	720.4	1.044	.095	.112	.699	.032	.105	.055	.050	7.985	5.583
1974	810.0	698.7	1.159	.116	.123	.794	.041	.085	.061	.024	7.743	6.147
1975	870.4	676.8	1.286	.143	.138	.853	.045	.107	.059	.048	7.969	6.795
1976	982.6	726.8	1.352	.148	.138	.883	.049	.133	.072	.062		
1974: I	787.9	717.1	1.099	.105	.116	.748	.037	.093	.057	.036	7.880	5.897
II	807.5	707.8	1.141	.111	.121	.777	.040	.092	.061	.031	7.807	6.065
III	821.5	696.9	1.179	.118	.126	.810	.043	.082	.068	.014	7.693	6.229
IV	823.3	675.2	1.219	.128	.130	.841	.046	.074	.058	.016	7.612	6.403
1975: I	822.3	653.1	1.259	.139	.135	.863	.046	.076	.046	.030	7.678	6.624
II	851.1	668.1	1.274	.142	.138	.847	.045	.101	.053	.049	7.958	6.745
III	892.0	688.9	1.295	.143	.139	.842	.045	.126	.066	.059	8.123	6.843
IV	916.1	696.1	1.316	.146	.140	.860	.046	.124	.068	.055	8.097	6.962
1976: I	949.0	713.9	1.329	.146	.136	.869	.047	.131	.072	.059	8.187	7.113
II	972.8	725.7	1.341	.147	.137	.876	.049	.132	.074	.058	8.289	7.258
III	993.8	731.5	1.359	.149	.138	.884	.050	.137	.075	.062	8.341	7.370

<sup>1</sup> Output is measured by gross domestic product of nonfinancial corporate business in 1972 dollars.

<sup>2</sup> This is equal to the deflator for gross domestic product of nonfinancial corporate business with the decimal point shifted two places to the left.

<sup>3</sup> Indirect business tax and nontax liability plus business transfer payments less subsidies.

<sup>4</sup> With inventory valuation and capital consumption adjustments.

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

TABLE B-13.—Personal consumption expenditures, 1929-76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal consumption expenditures	Durable goods <sup>1</sup>			Nondurable goods <sup>1</sup>					Services <sup>1</sup>				
		Total	Motor vehicles and parts	Furniture and household equipment	Total	Food	Clothing and shoes	Gasoline and oil	Fuel oil and coal	Total	Housing <sup>2</sup>	Household operation <sup>1</sup>		Transportation
												Total	Electricity and gas	
1929.....	77.3	9.2	3.3	4.7	37.7	19.5	9.4	1.8	1.6	30.3	11.7	4.0	1.2	2.6
1933.....	45.8	3.5	1.1	1.9	22.3	11.5	4.6	1.5	1.2	20.1	8.1	2.8	1.1	1.5
1939.....	67.0	6.7	2.3	3.4	35.1	19.1	7.1	2.2	1.4	25.2	9.4	3.8	1.4	2.0
1940.....	71.0	7.8	2.8	3.8	37.0	20.2	7.5	2.3	1.5	26.2	9.7	4.0	1.5	2.1
1941.....	80.8	9.7	3.5	4.8	42.9	23.4	8.8	2.6	1.7	28.2	10.4	4.3	1.5	2.4
1942.....	88.6	6.9	.7	4.6	50.8	28.4	11.0	2.1	1.9	31.0	11.2	4.8	1.6	2.7
1943.....	99.4	6.5	.8	3.9	58.6	33.2	13.4	1.3	2.0	34.3	11.8	5.2	1.7	3.4
1944.....	108.2	6.7	.8	3.8	64.3	36.7	14.6	1.4	2.0	37.1	12.3	5.9	1.8	3.7
1945.....	119.5	8.0	1.0	4.5	71.9	40.6	16.5	1.8	2.2	39.6	12.8	6.4	1.9	4.0
1946.....	143.8	15.8	4.1	8.4	82.7	47.4	18.2	3.4	2.5	45.3	14.2	6.8	2.1	5.0
1947.....	161.7	20.4	6.6	10.6	90.9	52.3	18.8	4.0	3.0	50.4	16.0	7.5	2.3	5.3
1948.....	174.7	22.9	8.0	11.5	96.6	54.2	20.1	4.8	3.4	55.3	17.9	8.1	2.6	5.8
1949.....	178.1	25.0	10.6	11.3	94.9	52.5	19.3	5.3	3.1	58.2	19.6	8.5	2.9	5.9
1950.....	192.0	30.8	13.7	13.7	98.2	53.9	19.6	5.5	3.4	63.0	21.7	9.5	3.3	6.2
1951.....	207.1	29.8	12.2	14.0	108.8	60.4	21.2	6.1	3.5	68.5	24.3	10.4	3.7	6.7
1952.....	217.1	29.1	11.3	14.0	113.9	63.4	21.9	6.8	3.4	74.0	27.0	11.1	4.1	7.1
1953.....	229.7	32.5	13.9	14.6	116.5	64.4	22.1	7.4	3.4	80.6	29.8	12.0	4.5	7.8
1954.....	235.8	31.8	13.0	14.6	118.0	65.4	22.1	7.8	3.5	86.1	32.2	12.6	5.0	7.9
1955.....	253.7	38.6	17.8	16.2	122.9	67.2	23.1	8.6	3.8	92.1	34.3	14.0	5.5	8.2
1956.....	266.0	37.9	15.8	17.1	128.9	69.9	24.1	9.4	3.9	99.2	36.7	15.2	6.1	8.6
1957.....	280.4	39.3	17.2	16.9	135.2	73.6	24.3	10.2	4.1	105.9	39.3	16.2	6.5	9.0
1958.....	289.5	36.8	14.8	16.6	139.8	76.4	24.7	10.6	4.2	112.8	42.0	17.3	7.1	9.3
1959.....	310.8	42.4	18.9	17.8	146.4	79.1	26.1	11.3	4.0	121.9	45.0	18.5	7.6	10.1
1960.....	324.9	43.1	19.7	17.7	151.1	81.1	26.7	12.0	3.8	130.7	48.1	20.1	8.3	10.7
1961.....	335.0	41.6	17.8	17.9	155.3	83.2	27.4	12.0	3.7	138.1	51.2	21.0	8.8	11.2
1962.....	355.2	46.7	21.5	18.9	161.6	85.5	28.7	12.6	3.7	147.0	54.7	22.2	9.4	11.7
1963.....	374.6	51.4	24.4	20.3	167.1	87.8	29.5	12.9	4.0	156.1	58.0	23.4	9.9	12.2
1964.....	400.4	56.3	26.0	22.8	176.9	92.7	31.9	13.5	4.1	167.1	61.4	24.8	10.4	12.8
1965.....	430.2	62.8	29.8	24.7	188.6	98.9	33.5	14.7	4.4	178.7	65.5	26.3	10.9	13.7
1966.....	464.8	67.7	30.1	27.7	204.7	106.6	36.6	16.0	4.7	192.4	69.5	28.0	11.5	15.0
1967.....	490.4	69.6	29.7	29.5	212.6	109.6	38.2	17.0	4.8	208.1	74.1	30.6	12.2	16.2
1968.....	535.9	80.0	35.8	32.6	230.4	118.3	41.8	18.4	5.0	225.6	79.9	32.7	13.1	17.4
1969.....	579.7	85.5	37.7	35.0	247.0	126.1	45.1	20.4	5.2	247.2	86.8	35.5	14.2	18.9
1970.....	618.8	84.9	34.9	36.7	264.7	136.3	46.6	22.0	5.4	269.1	94.0	38.3	15.5	21.1
1971.....	668.2	97.1	43.8	39.4	277.7	140.6	50.5	23.4	5.5	293.4	102.7	41.6	17.0	23.8
1972.....	733.0	111.2	50.6	44.8	299.3	150.4	55.1	24.9	6.3	322.4	112.3	45.9	18.9	26.0
1973.....	809.9	123.7	55.2	50.7	333.8	168.1	61.3	27.8	7.7	352.3	123.2	50.2	20.6	27.9
1974.....	887.5	121.6	47.9	54.7	376.2	189.9	65.1	36.3	9.5	389.6	136.4	56.1	24.0	31.1
1975.....	973.2	131.7	53.2	57.6	409.1	209.5	70.0	38.9	10.1	432.4	150.2	63.9	28.9	34.0
1976 p.....	1,078.6	156.3	70.6	62.9	440.3	224.5	75.3	41.4	11.8	482.0	165.8	71.6	32.1	37.4
1974: I.....	853.3	118.6	46.2	53.7	360.6	181.5	64.2	31.8	9.0	374.1	131.8	52.8	21.6	29.7
II.....	878.7	122.5	48.5	54.9	371.9	186.4	65.0	36.2	9.3	384.3	134.6	55.3	23.3	30.6
III.....	906.8	128.0	53.0	55.7	383.8	193.7	66.2	38.0	9.8	394.9	137.8	57.5	24.8	31.6
IV.....	911.1	117.4	43.7	54.4	388.5	198.0	65.0	39.3	9.9	405.2	141.3	59.1	26.3	32.5
1975: I.....	933.2	122.1	47.6	54.6	394.4	203.2	66.6	37.9	9.5	416.7	145.0	61.2	27.6	33.3
II.....	960.3	127.0	49.5	57.0	405.8	207.8	69.3	38.6	9.9	427.4	148.4	63.7	28.9	33.6
III.....	987.3	136.0	56.3	58.2	414.6	211.8	71.3	39.2	10.8	436.7	151.8	65.0	29.5	34.1
IV.....	1,012.0	141.8	59.2	60.6	424.6	215.2	73.0	39.9	10.2	448.6	155.8	65.9	29.6	35.0
1976: I.....	1,043.6	151.4	68.0	61.2	429.1	219.2	73.5	40.1	11.2	463.2	159.7	68.4	31.0	36.5
II.....	1,064.7	155.0	70.4	62.3	434.8	223.1	73.2	40.3	11.0	474.9	163.9	69.6	30.6	37.0
III.....	1,088.5	157.6	71.7	62.9	441.8	225.2	75.9	41.6	11.9	489.1	167.8	72.8	32.6	37.8
IV.....	1,117.5	161.2	72.4	65.1	455.5	230.4	78.5	43.6	13.2	500.8	171.7	75.4	34.1	38.6

<sup>1</sup> Total includes "other" category, not shown separately.

<sup>2</sup> Includes imputed rental value of owner-occupied dwellings.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-14.—Gross private domestic investment, 1929-76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross private domestic investment	Fixed investment											Change in business inventories	
		Total	Nonresidential						Residential				Total	Non-farm
			Total	Structures		Producers' durable equipment		Total	Non-farm structures	Farm structures	Producers' durable equipment			
				Total	Non-farm	Total	Non-farm							
1929.....	16.2	14.5	10.5	5.0	4.8	5.5	4.8	4.0	3.8	0.2	0.1	1.7	1.8	
1933.....	1.4	3.0	2.4	.9	.9	1.4	1.3	.6	.5	.0	.0	-1.6	-1.4	
1939.....	9.3	8.8	5.8	2.0	1.9	3.9	3.3	3.0	2.8	.1	.1	.4	.3	
1940.....	13.1	10.9	7.5	2.3	2.2	5.2	4.5	3.5	3.2	.2	.1	2.2	1.9	
1941.....	17.9	13.4	9.4	2.9	2.8	6.4	5.5	4.0	3.7	.2	.1	4.5	4.0	
1942.....	9.9	8.1	6.0	1.9	1.8	4.1	3.5	2.2	1.9	.2	.1	1.8	.7	
1943.....	5.8	6.4	5.0	1.3	1.2	3.7	3.2	1.4	1.2	.0	.0	-.6	-.6	
1944.....	7.2	8.1	6.8	1.8	1.7	5.0	4.2	1.3	1.1	.1	.0	-.0	-.6	
1945.....	10.6	11.7	10.1	2.8	2.6	7.3	6.3	1.6	1.4	.1	.0	-1.0	-.6	
1946.....	30.7	24.3	16.8	6.8	6.1	9.9	9.0	7.5	6.8	.5	.2	6.4	6.4	
1947.....	34.0	34.4	22.9	7.6	6.8	15.3	13.4	11.5	10.5	.7	.3	-.5	1.0	
1948.....	45.9	41.1	26.2	8.9	8.1	17.3	14.7	15.0	13.8	.9	.3	4.7	3.0	
1949.....	35.3	38.4	24.3	8.6	7.8	15.7	12.8	14.1	12.9	.8	.3	-3.1	-2.2	
1950.....	53.8	47.0	27.1	9.3	8.6	17.8	14.9	19.9	18.7	.8	.4	6.8	6.0	
1951.....	59.2	48.9	31.1	11.3	10.5	19.9	16.9	17.7	16.6	.8	.4	10.3	9.1	
1952.....	52.1	49.0	31.2	11.5	10.6	19.7	17.1	17.8	16.6	.8	.4	3.1	2.1	
1953.....	53.3	52.9	34.5	12.8	12.0	21.5	18.7	18.6	17.5	.8	.4	-.4	1.1	
1954.....	52.7	54.3	34.0	13.2	12.0	20.8	18.4	20.3	19.2	.7	.4	-1.5	-2.1	
1955.....	68.4	62.3	38.3	14.4	13.7	23.9	21.3	24.1	23.0	.6	.4	6.0	5.5	
1956.....	71.0	66.3	43.7	17.4	16.6	26.3	24.1	22.6	21.4	.7	.5	4.7	5.1	
1957.....	69.2	67.9	46.7	18.1	17.4	28.6	26.2	21.2	20.0	.7	.5	1.3	.8	
1958.....	61.9	63.4	41.6	16.7	16.0	24.9	21.9	21.8	20.7	.7	.5	-1.5	-2.3	
1959.....	77.6	72.3	45.3	17.0	16.1	28.3	25.2	27.0	25.8	.7	.6	5.2	5.3	
1960.....	76.4	72.7	47.7	18.2	17.3	29.5	27.0	25.0	23.9	.6	.5	3.8	3.5	
1961.....	74.3	72.1	47.1	18.4	17.5	28.7	26.1	25.0	23.8	.7	.5	2.2	1.9	
1962.....	85.2	78.7	51.2	19.4	18.5	31.8	28.9	27.4	26.3	.6	.5	6.5	5.8	
1963.....	90.2	84.2	53.6	19.6	18.6	34.0	30.6	30.6	29.4	.7	.6	6.0	5.2	
1964.....	96.6	90.8	59.7	21.5	20.5	38.2	34.6	31.2	29.9	.9	.7	5.8	6.4	
1965.....	112.0	102.5	71.3	26.1	25.1	45.1	41.2	31.2	29.9	.6	.7	9.5	8.5	
1966.....	124.5	110.2	81.4	29.2	28.1	52.2	47.9	28.7	27.4	.7	.7	14.3	14.5	
1967.....	120.8	110.7	82.1	29.5	28.2	52.6	48.0	28.6	27.2	.7	.7	10.1	9.4	
1968.....	131.5	123.8	89.3	31.6	30.4	57.7	53.4	34.5	33.1	.6	.8	7.7	7.6	
1969.....	146.2	136.8	98.9	35.7	34.3	63.3	58.9	37.9	36.3	.7	.9	9.4	9.2	
1970.....	140.8	137.0	100.5	37.7	36.1	62.8	58.1	36.6	35.1	.6	.9	3.8	3.7	
1971.....	160.0	153.6	104.1	39.3	37.8	64.7	59.9	49.6	47.9	.7	1.0	6.4	5.1	
1972.....	188.3	178.8	116.8	42.5	41.3	74.3	69.1	62.0	60.3	.7	1.1	9.4	8.8	
1973.....	220.0	202.1	136.0	49.0	46.9	87.0	80.1	66.1	64.3	.6	1.2	17.9	14.7	
1974.....	215.0	204.3	149.2	54.1	51.8	95.1	87.2	55.1	52.7	1.0	1.3	10.7	12.2	
1975.....	183.7	198.3	147.1	52.0	49.8	95.1	86.9	51.2	49.0	.8	1.3	-14.6	-17.6	
1976.....	241.2	227.7	160.0	55.4	53.1	104.5	95.6	67.8	65.1	1.1	1.6	13.5	13.6	
1974: I.....	216.4	203.8	145.1	52.4	50.1	92.7	85.5	58.7	56.4	1.0	1.3	12.6	14.5	
1974: II.....	218.8	205.8	149.0	54.8	52.3	94.2	86.5	56.8	54.6	.9	1.4	13.0	13.9	
1974: III.....	213.3	206.0	150.9	54.1	51.9	96.8	89.0	55.0	52.7	.9	1.4	7.3	7.4	
1974: IV.....	211.5	201.7	151.9	55.2	52.9	96.7	88.0	49.8	47.2	1.3	1.3	9.7	12.9	
1975: I.....	172.4	194.6	148.0	53.1	50.9	94.9	86.5	46.6	44.9	.5	1.2	-22.2	-25.6	
1975: II.....	164.4	194.3	145.8	51.2	48.8	94.6	86.2	48.6	46.7	.6	1.3	-30.0	-31.2	
1975: III.....	196.7	198.6	146.1	51.8	49.6	94.3	86.7	52.6	50.2	1.0	1.4	-2.0	-4.2	
1975: IV.....	201.4	205.7	148.7	52.1	49.9	96.6	88.0	57.0	54.2	1.4	1.4	-4.3	-9.5	
1976: I.....	229.6	214.7	153.4	53.2	51.0	100.2	91.3	61.3	58.6	1.2	1.5	14.8	12.7	
1976: II.....	239.2	223.2	157.9	54.9	52.5	103.0	94.1	65.3	62.9	.9	1.5	16.0	17.3	
1976: III.....	247.0	231.9	163.0	56.0	53.7	107.0	98.0	68.9	66.3	1.0	1.6	15.1	15.6	
1976: IV.....	249.0	241.1	165.5	57.5	55.1	108.0	98.8	75.6	72.7	1.2	1.7	7.9	8.9	

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-15.—Inventories and final sales of business, 1946-76

(Billions of dollars, except as noted; seasonally adjusted)

Year and quarter	Inventories <sup>1</sup>							Final sales <sup>2</sup>	Inventory-final sales ratio	
	Total	Farm	Nonfarm				Other		Total	Non-farm <sup>3</sup>
			Total non-farm	Manufacturing	Wholesale trade	Retail trade				
Fourth quarter:										
1946.....	73.7	21.8	51.9	26.7	9.6	11.9	3.7	192.0	0.384	0.270
1947.....	86.9	25.8	61.1	31.8	10.6	14.1	4.6	219.6	.396	.278
1948.....	90.6	23.4	67.2	34.8	11.3	16.1	4.9	235.7	.384	.285
1949.....	81.0	19.5	61.4	31.0	10.9	15.0	4.4	234.6	.345	.262
1950.....	98.8	24.2	74.6	37.4	13.4	18.6	5.2	259.8	.380	.287
1951.....	112.1	26.5	85.6	46.2	14.0	19.2	6.2	295.6	.379	.290
1952.....	109.4	23.1	86.3	47.3	14.0	18.8	6.2	313.3	.349	.275
1953.....	110.1	21.6	88.5	49.3	14.2	19.5	5.5	325.8	.338	.272
1954.....	107.2	20.5	86.7	47.0	14.5	19.7	5.6	330.1	.325	.263
1955.....	112.1	17.6	94.6	51.4	15.6	21.9	5.6	356.5	.315	.265
1956.....	121.8	18.3	103.5	57.5	16.7	22.9	6.4	377.0	.323	.274
1957.....	126.7	20.9	105.8	57.9	16.9	24.0	6.9	392.7	.323	.269
1958.....	128.9	24.9	103.9	56.0	16.9	24.1	6.9	405.0	.318	.257
1959.....	132.3	23.6	108.7	57.5	18.0	25.3	8.0	426.7	.310	.255
1960.....	136.2	24.8	111.3	58.1	18.4	26.8	8.1	442.1	.308	.252
1961.....	138.4	25.0	113.4	59.5	19.0	26.3	8.7	465.3	.297	.244
1962.....	145.2	26.6	118.6	62.5	19.7	27.9	8.6	492.7	.295	.241
1963.....	151.5	26.9	124.6	64.8	21.2	29.4	9.2	524.2	.289	.238
1964.....	157.6	25.7	131.8	68.5	22.3	31.1	9.9	553.1	.285	.238
1965.....	172.7	29.7	143.0	73.7	24.0	34.4	10.9	610.7	.283	.234
1966.....	189.1	28.9	160.2	83.4	27.2	38.0	11.6	647.5	.292	.247
1967.....	202.2	29.2	173.0	91.1	29.2	39.2	13.5	688.0	.294	.251
1968.....	215.3	30.4	184.9	97.4	30.9	42.2	14.4	757.6	.284	.244
1969.....	236.2	33.4	202.8	107.1	33.8	45.9	16.1	804.5	.294	.252
1970.....	244.2	31.7	212.5	110.8	36.8	47.1	17.7	839.4	.291	.253
1971.....	261.9	36.8	225.1	113.6	39.4	52.9	19.2	915.2	.286	.246
1972.....	288.6	44.6	243.9	120.4	43.6	58.0	21.8	1,019.9	.283	.239
1973.....	355.8	66.2	289.6	143.6	52.8	66.8	26.4	1,120.5	.318	.258
1974.....	428.0	61.7	366.3	188.7	67.0	76.3	34.4	1,210.1	.354	.303
1975.....	426.8	63.3	363.5	188.5	64.7	74.7	35.6	1,344.7	.317	.270
1976 <sup>p</sup> .....	462.1	61.1	401.0	206.3	72.5	82.6	39.5	1,466.3	.315	.273
1974: I.....	374.6	64.7	309.9	155.7	57.2	68.4	28.6	1,143.5	.328	.271
II.....	392.0	59.2	332.7	170.0	61.2	70.7	30.9	1,170.8	.335	.284
III.....	419.9	65.9	354.0	182.3	64.9	74.0	32.8	1,202.3	.349	.294
IV.....	428.0	61.7	366.3	188.7	67.0	76.3	34.4	1,210.1	.354	.303
1975: I.....	419.0	58.5	360.5	187.7	66.0	73.2	33.6	1,238.5	.338	.291
II.....	417.7	63.2	354.5	184.8	64.1	72.3	33.3	1,276.4	.327	.278
III.....	426.8	66.3	360.5	186.4	65.0	75.0	34.1	1,308.8	.326	.275
IV.....	426.8	63.3	363.5	188.5	64.7	74.7	35.6	1,344.7	.317	.270
1976: I.....	434.9	64.2	370.7	190.6	66.6	77.2	36.3	1,365.9	.318	.271
II.....	445.4	65.4	380.0	194.7	69.0	79.4	36.9	1,399.5	.318	.272
III.....	452.9	62.3	390.6	199.7	70.4	82.2	38.3	1,428.0	.317	.274
IV <sup>p</sup> .....	462.1	61.1	401.0	206.3	72.5	82.6	39.5	1,466.3	.315	.273

<sup>1</sup> End of quarter.

<sup>2</sup> Annual rates.

<sup>3</sup> Ratio based on total final sales, which include a small amount of final sales by farms.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-16.—Inventories and final sales of business in 1972 dollars, 1947-76

(Billions of 1972 dollars, except as noted; seasonally adjusted)

Year and quarter	Inventories <sup>1</sup>							Final sales <sup>2</sup>	Inventory-final sales ratio	
	Total	Farm	Nonfarm				Total		Non-farm <sup>3</sup>	
			Total non-farm	Manufacturing	Wholesale trade	Retail trade				Other
<b>Fourth quarter:</b>										
1947.....	118.6	25.7	93.0	49.9	13.8	20.5	8.7	397.2	0.299	0.234
1948.....	124.1	26.7	97.3	51.3	15.0	22.5	8.6	412.0	.301	.236
1949.....	119.7	26.2	93.5	48.6	15.0	22.0	7.8	415.1	.288	.225
1950.....	130.2	27.5	102.7	51.8	17.0	25.2	8.7	442.6	.294	.232
1951.....	143.9	29.1	114.8	62.5	17.5	25.3	9.5	476.5	.302	.241
1952.....	148.2	30.4	117.9	65.2	17.9	25.3	9.6	499.1	.297	.236
1953.....	149.7	30.2	119.6	66.9	18.1	25.8	8.7	516.2	.290	.232
1954.....	147.5	31.1	116.5	63.3	18.4	26.0	8.8	517.0	.285	.225
1955.....	155.3	31.5	123.7	66.7	19.9	28.7	8.4	547.4	.284	.226
1956.....	161.1	30.7	130.3	71.6	20.5	29.0	9.2	557.6	.289	.234
1957.....	162.6	31.4	131.2	71.1	20.3	30.0	9.8	565.3	.288	.232
1958.....	160.8	32.4	128.4	68.6	20.3	29.7	9.8	577.2	.279	.222
1959.....	167.2	32.4	134.8	71.1	22.1	31.1	10.5	596.8	.280	.226
1960.....	171.6	32.8	138.8	72.4	22.7	33.0	10.7	609.0	.282	.228
1961.....	174.5	33.2	141.2	74.2	23.4	32.2	11.4	636.6	.274	.221
1962.....	182.6	34.5	148.1	78.4	24.3	34.0	11.4	664.2	.275	.223
1963.....	190.4	35.7	154.7	80.8	26.2	35.7	12.0	699.3	.272	.221
1964.....	197.7	35.1	162.6	84.7	27.5	37.6	12.8	730.7	.271	.223
1965.....	209.0	36.2	172.8	89.1	28.9	41.0	13.8	791.3	.264	.218
1966.....	225.7	36.0	189.7	99.0	32.0	44.4	14.3	809.2	.279	.234
1967.....	237.7	36.8	200.9	105.9	33.9	44.8	16.3	837.2	.284	.240
1968.....	246.4	37.0	209.4	110.7	34.9	47.0	16.8	882.8	.279	.237
1969.....	257.0	37.3	219.7	115.8	36.5	49.4	18.0	892.2	.288	.246
1970.....	261.3	37.7	223.6	117.1	38.7	49.0	18.8	891.7	.293	.251
1971.....	267.9	39.2	228.8	115.4	40.1	53.7	19.5	935.0	.287	.245
1972.....	277.4	39.8	237.6	117.5	42.4	56.5	21.3	1,007.6	.275	.236
1973.....	293.9	42.1	251.8	123.6	45.3	60.3	22.7	1,031.8	.285	.244
1974.....	302.3	41.7	260.7	129.7	48.5	59.2	23.4	997.0	.303	.261
1975.....	290.3	42.6	247.7	124.1	44.9	55.6	23.1	1,035.7	.280	.239
1976 p.....	299.4	42.5	256.9	127.5	47.8	57.9	23.7	1,082.2	.277	.237
1974: I.....	296.7	41.9	254.8	125.7	46.6	59.6	22.9	1,029.5	.288	.247
II.....	299.1	41.9	257.2	127.4	47.7	59.2	22.9	1,026.7	.291	.251
III.....	300.3	41.8	258.5	128.6	48.0	58.9	23.0	1,022.0	.294	.253
IV.....	302.3	41.7	260.7	129.7	48.5	59.2	23.4	997.0	.303	.261
1975: I.....	297.2	41.9	255.3	128.7	47.3	56.4	22.9	996.1	.298	.256
II.....	291.9	42.0	249.9	126.6	45.7	55.2	22.5	1,011.1	.289	.247
III.....	291.7	42.2	249.4	125.0	45.5	56.2	22.6	1,021.8	.285	.244
IV.....	290.3	42.6	247.7	124.1	44.9	55.6	23.1	1,035.7	.280	.239
1976: I.....	292.9	43.0	249.9	124.1	45.7	56.8	23.3	1,044.7	.280	.239
II.....	295.7	42.7	252.9	125.4	46.8	57.2	23.5	1,059.9	.279	.239
III.....	298.2	42.7	255.5	126.4	47.4	58.2	23.5	1,068.0	.279	.239
IV p.....	299.4	42.5	256.9	127.5	47.8	57.9	23.7	1,082.2	.277	.237

<sup>1</sup> End of quarter.

<sup>2</sup> Annual rates.

<sup>3</sup> Ratio based on total final sales, which include a small amount of final sales by farms.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-17.—Relation of gross national product and national income, 1929–76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Less: Capital consumption allowances with capital consumption adjustment	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	103.4	9.7	93.7	-0.2	7.1	0.6	1.1	84.8
1933	55.8	7.5	48.3	-0	7.1	.7	.7	39.9
1939	90.8	8.7	82.1	.4	9.4	.5	1.4	71.3
1940	100.0	9.0	91.0	.4	10.1	.4	1.1	79.7
1941	124.9	10.0	114.9	.1	11.3	.5	.5	102.6
1942	158.3	11.2	147.1	.1	11.8	.5	-.8	135.7
1943	192.0	11.5	180.5	.1	12.8	.5	-1.8	169.1
1944	210.5	11.8	198.7	.6	14.2	.5	2.7	181.9
1945	212.3	12.3	200.0	.7	15.5	.5	4.1	180.6
1946	209.6	13.8	195.7	.9	17.1	.5	.7	178.3
1947	232.8	17.2	215.6	-2	18.4	.6	1.8	194.6
1948	259.1	20.3	238.8	-1	20.1	.7	-1.2	219.0
1949	258.0	22.0	236.1	-3	21.3	.8	1.0	212.7
1950	286.2	23.9	262.3	.1	23.4	.8	2.0	236.2
1951	330.2	27.6	302.6	-1	25.3	.9	4.0	272.3
1952	347.2	29.6	317.6	-3	27.7	1.0	2.7	285.8
1953	366.1	31.6	334.5	-5	29.7	1.2	3.3	299.7
1954	366.3	33.1	333.2	-3	29.6	1.1	3.0	299.1
1955	399.3	35.3	364.0	-0	32.2	1.2	2.5	328.0
1956	420.7	38.9	381.8	.7	35.1	1.4	-.8	346.9
1957	442.8	42.0	400.8	.7	37.5	1.5	.2	362.3
1958	448.9	44.1	404.8	1.1	38.7	1.6	1.7	364.0
1959	486.5	46.1	440.4	.1	41.8	1.8	-.2	397.1
1960	506.0	47.7	458.3	.4	45.4	2.0	-.7	412.0
1961	523.3	49.1	474.2	1.7	48.0	2.0	1.6	424.2
1962	563.8	50.5	513.3	1.8	51.6	2.1	4.0	457.4
1963	594.7	52.2	542.5	1.1	54.6	2.4	3.7	482.8
1964	635.7	54.6	581.2	1.7	58.8	2.7	2.2	519.2
1965	688.1	57.5	630.6	1.6	62.6	2.8	.9	566.0
1966	753.0	61.7	691.3	2.5	65.3	3.0	3.2	622.2
1967	796.3	67.0	729.3	1.6	70.2	3.1	1.7	655.8
1968	868.5	73.8	794.7	1.3	78.8	3.4	-.6	714.4
1969	935.5	82.5	853.1	1.8	86.4	3.8	-3.3	767.9
1970	982.4	90.8	891.6	2.7	94.0	4.0	-2.1	798.4
1971	1,063.4	98.8	964.7	2.4	103.4	4.2	1.3	858.1
1972	1,171.1	105.4	1,065.8	3.6	111.0	4.7	1.7	951.9
1973	1,306.6	117.7	1,188.9	3.9	120.2	5.4	2.6	1,064.6
1974	1,413.2	137.7	1,275.5	.8	128.4	5.6	6.6	1,135.7
1975	1,516.3	161.4	1,355.0	2.0	138.7	6.3	4.4	1,207.6
1976 p	1,692.4	179.8	1,512.7	1.2	149.7	7.1	7.6	1,349.4
1974: I	1,372.7	128.5	1,244.2	1.3	124.0	5.6	2.4	1,113.5
II	1,399.4	134.5	1,265.0	.8	127.5	5.5	7.1	1,125.6
III	1,431.6	140.6	1,291.0	.9	131.0	5.6	7.7	1,147.6
IV	1,449.2	147.2	1,301.9	.3	131.0	5.7	9.3	1,156.3
1975: I	1,446.2	152.9	1,293.3	1.4	132.6	5.9	6.4	1,149.7
II	1,482.3	158.7	1,323.6	1.9	136.5	6.2	.1	1,182.7
III	1,548.7	164.4	1,384.3	2.1	141.5	6.4	5.1	1,233.4
IV	1,588.2	169.5	1,418.7	2.7	144.1	6.6	6.1	1,264.6
1976: I	1,635.2	173.6	1,462.6	.9	144.9	6.8	7.2	1,304.7
II	1,675.2	177.7	1,497.6	.7	148.2	7.0	5.8	1,337.4
III	1,709.8	181.6	1,528.2	1.2	151.0	7.2	8.7	1,362.5
IV p	1,748.5	186.2	1,562.3	1.9	154.8	7.4	-----	-----

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-18.—Relation of national income and personal income, 1929-76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	National income	Less:				Plus:				Equals: Personal income
		Corporate profits with inventory valuation and capital consumption adjustments	Net interest	Contributions for social insurance	Wage accruals less disbursements	Government transfer payments to persons	Personal interest income	Dividends	Business transfer payments	
1929-----	84.8	9.2	4.7	0.2	.0	0.9	6.9	5.8	0.6	84.9
1933-----	39.9	-1.7	4.1	.3	.0	1.5	5.5	2.0	.7	46.9
1939-----	71.3	5.3	3.6	2.1	.0	2.5	5.4	3.8	.5	72.4
1940-----	79.7	8.7	3.3	2.3	.0	2.7	5.3	4.0	.4	77.8
1941-----	102.6	14.1	3.3	2.8	.0	2.6	5.3	4.4	.5	95.3
1942-----	135.7	19.3	3.1	3.5	.0	2.7	5.2	4.3	.5	122.4
1943-----	169.1	23.5	2.7	4.5	.2	2.5	5.1	4.4	.5	150.7
1944-----	181.9	23.6	2.4	5.2	-.2	3.1	5.2	4.6	.5	164.4
1945-----	180.6	19.0	2.2	6.1	.0	5.6	5.9	4.6	.5	169.8
1946-----	178.3	16.6	1.6	6.1	-.0	10.8	6.4	5.6	.5	177.3
1947-----	194.6	22.2	2.1	5.8	.0	11.2	7.3	6.3	.6	189.8
1948-----	219.0	29.1	2.1	5.4	.0	10.6	7.7	7.0	.7	208.5
1949-----	212.7	26.9	2.2	5.9	-.0	11.7	8.2	7.2	.8	205.6
1950-----	236.2	33.7	2.3	7.1	.0	14.4	8.9	8.8	.8	226.1
1951-----	272.3	38.1	2.7	8.5	.1	11.6	9.6	8.5	.9	253.7
1952-----	285.8	35.4	3.0	9.0	-.0	12.1	10.3	8.5	1.0	270.4
1953-----	299.7	35.5	3.4	9.1	-.1	12.9	11.4	8.8	1.2	286.1
1954-----	299.1	34.6	4.3	10.1	.0	15.1	12.7	9.1	1.1	288.2
1955-----	328.0	44.6	4.8	11.5	.0	16.2	13.8	10.3	1.2	308.8
1956-----	346.9	42.9	5.2	12.9	.0	17.3	15.3	11.1	1.4	330.9
1957-----	362.3	42.1	6.5	14.9	.0	20.1	17.4	11.5	1.5	349.3
1958-----	364.0	37.5	8.0	15.2	.0	24.3	18.8	11.3	1.6	359.3
1959-----	397.1	48.2	8.8	18.0	.0	25.2	20.9	12.2	1.8	382.1
1960-----	412.0	46.6	9.8	21.1	.0	27.0	23.3	12.9	2.0	399.7
1961-----	424.2	46.9	11.2	21.9	.0	30.8	24.6	13.3	2.0	415.0
1962-----	457.4	54.9	12.8	24.3	.0	31.6	27.1	14.4	2.1	440.7
1963-----	482.8	59.6	14.3	27.3	.0	33.4	30.2	15.5	2.4	463.1
1964-----	519.2	67.0	15.9	28.7	.0	34.8	33.3	17.3	2.7	495.7
1965-----	566.0	77.1	18.5	30.0	.0	37.6	37.2	19.1	2.8	537.0
1966-----	622.2	82.5	21.9	38.8	.0	41.6	41.8	19.4	3.0	584.9
1967-----	655.8	79.3	24.3	43.4	.0	49.5	45.0	20.1	3.1	626.6
1968-----	714.4	85.8	26.8	48.1	.0	56.5	49.6	21.9	3.4	685.2
1969-----	767.9	81.4	30.8	54.9	.0	62.7	55.9	22.6	3.8	745.8
1970-----	798.4	67.9	37.5	58.7	.0	75.9	64.3	22.9	4.0	801.3
1971-----	858.1	77.2	42.8	64.8	.6	89.9	69.3	23.0	4.2	859.1
1972-----	951.9	92.1	47.0	73.6	.0	99.4	74.6	24.6	4.7	942.5
1973-----	1,064.6	99.1	52.3	91.5	-.1	113.5	84.1	27.8	5.4	1,052.4
1974-----	1,135.7	84.8	67.1	103.4	-.5	134.6	101.4	30.8	5.6	1,153.3
1975-----	1,207.6	91.6	74.6	109.7	.0	168.9	110.7	32.1	6.3	1,249.7
1976 p-----	1,349.4	118.7	82.1	122.8	.0	184.2	123.1	35.1	7.1	1,375.4
1974: I-----	1,113.5	95.7	59.4	100.4	.0	123.2	92.9	29.9	5.6	1,109.7
II-----	1,125.6	87.8	65.9	102.4	-.6	130.8	99.7	30.7	5.5	1,136.8
III-----	1,147.6	81.7	70.0	105.0	-1.5	138.5	104.8	31.3	5.6	1,172.5
IV-----	1,156.3	74.1	73.2	105.9	.0	146.0	108.2	31.1	5.7	1,194.1
1975: I-----	1,149.7	69.0	73.7	107.6	.0	157.8	108.2	31.7	5.9	1,203.1
II-----	1,182.7	86.6	74.0	108.1	.0	169.3	109.0	31.9	6.2	1,230.3
III-----	1,233.4	105.3	74.9	110.3	.0	172.7	111.0	32.6	6.4	1,265.5
IV-----	1,264.6	105.6	75.8	112.6	.0	176.0	114.4	32.2	6.6	1,299.7
1976: I-----	1,304.7	115.1	78.6	119.3	.0	181.8	118.0	33.1	6.8	1,331.3
II-----	1,337.4	116.4	80.3	121.4	.0	180.6	120.7	34.4	7.0	1,362.0
III-----	1,362.5	122.0	83.5	123.7	.0	185.2	125.0	35.4	7.2	1,386.0
IV p-----	-----	-----	86.0	126.8	.0	189.2	128.7	37.7	7.4	1,422.1

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-19.—National income by type of income, 1929–76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	National income <sup>1</sup>	Compensation of employees			Proprietors' income with inventory valuation and capital consumption adjustments							
		Total	Wages and salaries	Supplements to wages and salaries <sup>2</sup>	Total	Farm			Nonfarm			
						Total	Income <sup>3</sup>	Capital consumption adjustment	Total	Income <sup>4</sup>	Inventory valuation adjustment	Capital consumption adjustment
1929.....	84.8	51.1	50.5	0.6	14.9	6.2	6.3	-0.1	8.8	8.8	0.1	-0.2
1933.....	39.9	29.5	29.0	.5	5.8	2.6	2.5	.1	3.2	3.9	-.5	-.2
1939.....	71.3	48.1	46.0	2.1	11.7	4.4	4.4	-.0	7.3	7.6	-.2	-.1
1940.....	79.7	52.1	49.9	2.3	12.9	4.5	4.5	-.0	8.4	8.6	-.0	-.1
1941.....	102.6	64.8	62.1	2.7	17.4	6.4	6.5	-.0	10.9	11.7	-.6	-.1
1942.....	135.7	85.3	82.1	3.2	24.0	9.8	10.3	-.5	14.3	14.4	-.4	.2
1943.....	169.1	109.5	105.8	3.8	29.0	11.7	12.2	-.5	17.3	17.1	-.2	.3
1944.....	181.9	121.2	116.7	4.5	30.2	11.6	12.2	-.6	18.6	18.3	-.1	.4
1945.....	180.6	123.1	117.5	5.6	31.7	12.2	12.6	-.4	19.4	19.3	-.1	.2
1946.....	178.3	118.1	112.0	6.0	36.6	14.9	15.1	-.2	21.6	23.3	-1.7	.0
1947.....	194.6	129.2	123.1	6.1	35.8	15.2	15.6	-.4	20.6	21.8	-1.5	.4
1948.....	219.0	141.4	135.5	5.9	40.7	17.5	18.1	-.6	23.2	23.1	-.4	.5
1949.....	212.7	141.3	134.7	6.6	36.1	12.7	13.4	-.7	23.5	22.2	.5	.8
1950.....	236.2	154.8	147.0	7.8	38.4	13.5	14.1	-.7	24.9	25.1	-1.1	.9
1951.....	272.3	181.0	171.3	9.7	42.8	15.8	16.6	-.8	27.0	28.4	-.3	.9
1952.....	285.8	195.7	185.3	10.4	42.9	14.9	15.7	-.8	28.0	26.9	-.2	.9
1953.....	299.7	209.6	198.5	11.0	41.3	12.9	13.7	-.7	28.4	27.6	-.2	.9
1954.....	299.1	208.4	196.8	11.6	40.8	12.3	12.9	-.5	28.5	27.6	-.0	1.0
1955.....	328.0	224.9	211.7	13.2	42.5	11.3	11.9	-.6	31.2	30.5	-.2	1.0
1956.....	346.9	243.5	228.3	15.2	43.6	11.2	11.8	-.6	32.4	31.8	-.5	1.1
1957.....	362.3	256.5	239.5	17.2	45.0	11.0	11.8	-.8	33.9	33.1	-.3	1.2
1958.....	364.0	258.2	240.5	17.7	47.4	13.1	13.9	-.8	34.3	33.2	-.1	1.1
1959.....	397.1	279.6	258.9	20.6	47.2	10.7	11.6	-.9	36.6	35.3	-.1	1.3
1960.....	412.0	294.9	271.9	23.0	47.0	11.4	12.3	-.9	35.6	34.2	-.1	1.3
1961.....	424.2	303.6	279.5	24.1	48.3	11.8	12.7	-.9	36.4	35.3	-.1	1.2
1962.....	457.4	325.1	298.0	27.1	49.6	11.9	12.8	-1.0	37.7	36.4	-.0	1.4
1963.....	482.8	342.9	313.4	29.5	50.3	11.6	12.5	-.9	38.7	37.2	-.0	1.6
1964.....	519.2	368.0	336.1	31.8	52.2	10.3	11.2	-1.0	42.0	40.2	-.0	1.8
1965.....	566.0	396.5	362.0	34.5	56.7	12.6	13.5	-.9	44.1	42.7	-.0	1.6
1966.....	622.2	439.3	398.4	40.9	60.3	13.6	14.6	-1.0	46.7	45.3	-.3	1.6
1967.....	655.8	471.9	427.5	44.4	61.0	12.1	13.2	-1.2	48.9	47.5	-.3	1.7
1968.....	714.4	519.8	469.5	50.3	63.4	12.0	13.3	-1.3	51.4	50.4	-.4	1.5
1969.....	767.9	571.4	514.6	56.8	66.2	13.9	15.4	-1.4	52.3	51.3	-.5	1.4
1970.....	798.4	609.2	546.5	62.7	65.1	13.9	15.3	-1.4	51.2	50.7	-.5	1.0
1971.....	858.1	650.3	580.0	70.3	67.7	14.3	16.0	-1.7	53.4	52.8	-.4	1.1
1972.....	951.9	715.1	633.8	81.4	76.1	18.0	20.0	-2.0	58.1	56.4	-.7	2.5
1973.....	1,064.6	799.2	701.2	98.0	92.4	32.0	34.2	-2.2	60.4	60.3	-1.7	1.8
1974.....	1,135.7	875.8	764.5	111.3	86.9	25.8	28.4	-2.6	61.1	63.1	-3.6	1.6
1975.....	1,207.6	928.8	806.7	122.1	90.2	24.9	28.6	-3.8	65.3	65.2	-1.1	1.3
1976 P.....	1,349.4	1,028.4	890.4	138.0	96.7	22.8	27.0	-4.2	73.8	74.1	-1.2	.9
1974: I.....	1,113.5	846.3	739.7	106.6	91.2	31.6	33.9	-2.3	59.6	60.7	-2.8	1.7
II.....	1,125.6	866.3	756.7	109.6	85.0	24.6	26.9	-2.3	60.4	61.8	-3.0	1.6
III.....	1,147.6	888.8	775.6	113.3	86.0	23.8	26.4	-2.6	62.2	65.4	-4.8	1.6
IV.....	1,156.3	901.8	786.0	115.8	85.5	23.3	26.4	-3.1	62.2	64.6	-3.9	1.6
1975: I.....	1,149.7	904.0	785.8	118.2	81.1	17.9	21.4	-3.5	63.2	63.0	-1.3	1.5
II.....	1,182.7	912.9	792.8	120.1	86.8	24.1	27.8	-3.7	62.7	62.3	-.9	1.4
III.....	1,233.4	935.2	811.7	123.5	95.5	29.2	33.1	-3.9	66.3	66.1	-1.1	1.2
IV.....	1,264.6	963.1	836.4	126.7	97.2	28.3	32.3	-4.1	69.0	69.2	-1.2	1.0
1976: I.....	1,304.7	994.4	861.5	132.9	93.2	21.9	26.1	-4.2	71.4	71.1	-.7	.9
II.....	1,337.4	1,017.2	881.1	136.2	100.3	27.5	31.7	-4.2	72.8	73.2	-1.3	.9
III.....	1,362.5	1,037.5	897.8	139.6	96.1	21.7	25.9	-4.2	74.4	74.6	-1.2	.9
IV P.....	1,362.5	1,064.5	921.0	143.5	97.1	20.3	24.5	-4.2	76.8	77.5	-1.7	.9

See footnotes at end of table.

TABLE B-19.—National income by type of income, 1929-76—Continued

(Billions of dollars; quarterly data at seasonally adjusted annual rates)

Year or quarter	Rental income of persons with capital consumption adjustment			Corporate profits with inventory valuation and capital consumption adjustments									Net interest
	Total	Rental income of persons	Capital consumption adjustment	Total	Profits with inventory valuation adjustment and without capital consumption adjustment						Inventory valuation adjustment	Capital consumption adjustment	
					Total	Profits tax liability	Profits before tax			Inventory valuation adjustment			
							Total	Dividends	Undistributed profits				
1929	4.9	5.7	-0.8	9.2	10.5	10.0	1.4	8.6	5.8	2.8	0.5	-1.3	4.7
1933	2.2	2.3	-1	-1.7	-1.2	1.0	.5	.4	2.0	-1.6	-2.1	-.5	4.1
1939	2.6	3.1	-6	5.3	6.3	7.0	1.4	5.6	3.8	1.8	-.7	-1.0	3.6
1940	2.7	3.3	-6	8.7	9.8	10.0	2.8	7.2	4.0	3.2	-.2	-1.1	3.3
1941	3.1	3.9	-8	14.1	15.2	17.7	7.6	10.1	4.4	5.7	-2.5	-1.1	3.3
1942	4.0	5.0	-1.0	19.3	20.3	21.5	11.4	10.1	4.3	5.9	-1.2	-1.0	3.1
1943	4.4	5.6	-1.2	23.5	24.4	25.1	14.1	11.1	4.4	6.6	-.8	-.8	2.7
1944	4.5	5.9	-1.4	23.6	23.8	24.1	12.9	11.2	4.6	6.5	-.3	-.2	2.4
1945	4.6	6.2	-1.6	19.0	19.2	19.7	10.7	9.0	4.6	4.4	-.6	-1.1	2.2
1946	5.5	7.3	-1.8	16.6	19.3	24.6	9.1	15.5	5.6	9.9	-5.3	-2.7	1.6
1947	5.3	7.7	-2.5	22.2	25.6	31.5	11.3	20.2	6.3	13.9	-5.9	-3.4	2.1
1948	5.7	8.5	-2.8	29.1	33.0	35.2	12.4	22.7	7.0	15.7	-2.2	-3.9	2.1
1949	6.1	8.9	-2.8	26.9	30.8	28.9	10.2	18.7	7.2	11.5	1.9	-3.8	2.2
1950	7.1	10.0	-2.9	33.7	37.6	42.6	17.9	24.7	8.8	15.9	-5.0	-4.0	2.3
1951	7.7	11.0	-3.3	38.1	42.7	43.9	22.6	21.3	8.5	12.8	-1.2	-4.6	2.7
1952	8.8	12.2	-3.4	35.4	39.8	38.9	19.4	19.5	8.5	11.0	1.0	-4.5	3.0
1953	10.0	13.4	-3.4	35.5	39.5	40.5	20.3	20.2	8.8	11.5	-1.0	-4.1	3.4
1954	11.0	14.4	-3.3	34.6	37.8	38.1	17.6	20.5	9.1	11.4	-.3	-3.2	4.3
1955	11.3	14.8	-3.5	44.6	46.7	48.4	22.0	26.4	10.3	16.1	-1.7	-2.1	4.8
1956	11.6	15.2	-3.6	42.9	45.9	48.6	22.0	26.6	11.1	15.5	-2.7	-3.0	5.2
1957	12.2	15.9	-3.6	42.1	45.4	46.9	21.4	25.5	11.5	14.0	-1.5	-3.3	6.5
1958	12.9	16.7	-3.8	37.5	40.8	41.1	19.0	22.1	11.3	10.8	-.3	-3.4	8.0
1959	13.2	17.3	-4.0	48.2	51.2	51.6	23.6	28.0	12.2	15.8	-.5	-2.9	8.8
1960	13.8	17.8	-4.1	46.6	48.9	48.5	22.7	25.8	12.9	13.0	.3	-2.3	9.8
1961	14.3	18.3	-4.0	46.9	48.7	48.6	22.8	25.8	13.3	12.5	.1	-1.8	11.2
1962	15.0	19.0	-4.0	54.9	53.7	53.6	24.0	29.6	14.4	15.2	.1	1.2	12.8
1963	15.7	19.6	-3.9	59.6	57.6	57.7	26.2	31.5	15.5	16.0	-.2	2.1	14.3
1964	16.1	20.1	-4.0	67.0	64.2	64.7	28.0	36.7	17.3	19.4	-.5	2.8	15.9
1965	17.1	21.0	-3.9	77.1	73.3	75.2	30.9	44.3	19.1	25.2	-1.9	3.8	18.5
1966	18.2	22.1	-3.9	82.5	78.6	80.7	33.7	47.1	19.4	27.6	-2.1	3.9	21.9
1967	19.4	23.4	-4.0	79.3	75.6	77.3	32.5	44.9	20.1	24.7	-1.7	3.7	24.3
1968	18.6	23.8	-5.2	85.8	82.1	85.6	39.4	46.2	21.9	24.2	-3.4	3.7	26.8
1969	18.1	24.8	-6.7	81.4	77.9	83.4	39.7	43.8	22.6	21.2	-5.5	3.5	30.8
1970	18.6	25.8	-7.1	67.9	66.4	71.5	34.5	37.0	22.9	14.1	-5.1	1.5	37.5
1971	20.1	27.7	-7.6	77.2	76.9	82.0	37.7	44.3	23.0	21.3	-5.0	.3	42.8
1972	21.5	29.4	-7.9	92.1	89.6	96.2	41.5	54.6	24.6	30.0	-6.6	2.5	47.0
1973	21.6	31.3	-9.8	99.1	97.2	115.8	48.7	67.1	27.8	39.3	-18.6	1.9	52.3
1974	21.0	33.3	-12.3	84.8	87.8	127.6	52.4	75.2	30.8	44.4	-39.8	-3.0	67.1
1975	22.4	37.0	-14.6	91.6	103.1	114.5	49.2	65.3	32.1	33.2	-11.4	-11.5	74.6
1976 p	23.5	40.5	-17.0	118.7	-----	-----	64.7	-----	35.1	-----	-----	-----	82.1
1974: I	20.9	32.4	-11.5	95.7	95.9	126.3	50.5	75.8	29.9	45.9	-30.4	-.2	59.4
II	20.6	32.6	-12.0	87.8	89.7	126.4	53.0	73.3	30.7	42.6	-36.6	-1.9	65.9
III	21.0	33.5	-12.5	81.7	85.2	138.6	57.6	81.0	31.3	49.7	-53.4	-3.5	70.0
IV	21.5	34.6	-13.1	74.1	80.4	119.2	48.6	70.6	31.1	39.5	-38.8	-6.3	73.2
1975: I	21.9	35.6	-13.6	69.0	77.7	94.2	40.2	54.0	31.7	22.3	-16.5	-8.6	73.7
II	22.3	36.6	-14.2	86.6	97.9	105.8	44.8	61.0	31.9	29.1	-7.8	-11.4	74.0
III	22.4	37.3	-14.9	105.3	117.9	126.9	54.8	72.1	32.6	39.5	-9.0	-12.6	74.9
IV	22.9	38.4	-15.5	105.6	119.1	131.3	57.2	74.1	32.2	41.9	-12.3	-13.5	75.8
1976: I	23.3	39.6	-16.3	115.1	129.6	141.1	61.4	79.7	33.1	46.6	-11.5	-14.5	78.6
II	23.1	39.6	-16.5	116.4	131.8	146.2	63.5	82.7	34.4	48.3	-14.4	-15.4	80.3
III	23.4	40.6	-17.2	122.0	137.6	150.2	65.1	85.1	35.4	49.7	-12.6	-15.7	83.5
IV p	24.3	42.1	-17.8	-----	-----	-----	-----	-----	37.7	-----	-----	-----	86.0

<sup>1</sup> National income is the total net income earned in production. It differs from gross national product mainly in that it excludes depreciation charges and other allowances for business and institutional consumption of durable capital goods and indirect business taxes. See Table B-17.

<sup>2</sup> Employer contributions for social insurance and to private pension, health, and welfare funds; workmen's compensation; directors' fees; and a few other minor items.

<sup>3</sup> With inventory valuation adjustment and without capital consumption adjustment.

<sup>4</sup> Without inventory valuation and capital consumption adjustments.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-20.—Sources of personal income, 1929–76  
 (Billions of dollars; quarterly data at seasonally adjusted annual rates)

Year or quarter	Personal income	Wage and salary disbursements <sup>1</sup>						Other labor income <sup>1</sup>	Proprietors' income with inventory valuation and capital adjustments	
		Total	Commodity-producing industries		Distributive industries	Service industries	Government and government enterprises		Farm	Non-farm
			Total	Manufacturing						
1929	84.9	50.5	21.5	16.1	15.6	8.4	5.0	0.5	6.2	8.8
1933	46.9	29.0	9.8	7.8	8.8	5.2	5.2	.4	2.6	3.2
1939	72.4	46.0	17.4	13.6	13.3	7.1	8.2	.6	4.4	7.3
1940	77.8	49.9	19.7	15.6	14.2	7.5	8.5	.6	4.5	8.4
1941	95.3	62.1	27.5	21.7	16.3	8.1	10.2	.7	6.4	10.9
1942	122.4	82.1	39.1	30.9	18.0	9.0	16.0	.9	9.8	14.3
1943	150.7	105.6	49.0	40.9	20.1	9.9	26.6	1.1	11.7	17.3
1944	164.4	116.9	50.4	42.9	22.7	10.9	34.9	1.5	11.6	18.6
1945	169.8	117.5	45.9	38.2	24.8	11.9	34.9	1.8	12.2	19.4
1946	177.3	112.0	46.0	36.5	31.0	14.3	20.7	2.0	14.9	21.6
1947	189.8	123.1	54.2	42.5	35.2	16.1	17.5	2.4	15.2	20.6
1948	208.5	135.5	60.9	47.1	37.5	18.0	19.0	2.7	17.5	23.2
1949	205.6	134.8	57.7	44.6	37.7	18.6	20.8	2.9	12.7	23.5
1950	226.1	147.0	64.6	50.3	39.8	20.0	22.6	3.7	13.5	24.9
1951	253.7	171.3	76.1	59.3	44.3	21.7	29.2	4.6	15.8	27.0
1952	270.4	185.4	81.9	64.1	46.9	23.3	33.3	5.2	14.9	28.0
1953	286.1	198.6	89.4	71.2	49.7	25.0	34.4	5.9	12.9	28.4
1954	288.2	196.8	85.5	67.5	50.1	26.3	34.9	6.1	12.3	28.5
1955	308.8	211.7	92.9	73.8	53.4	28.8	36.6	7.0	11.3	31.2
1956	330.9	228.3	106.4	79.4	57.7	31.5	38.8	8.0	11.2	32.4
1957	349.3	239.3	104.0	82.4	60.5	33.8	41.0	9.0	11.0	33.9
1958	359.3	240.5	99.8	78.6	60.8	35.8	44.1	9.4	13.1	34.3
1959	382.1	258.9	109.3	86.8	64.8	38.8	46.0	10.6	10.7	36.6
1960	399.7	271.9	112.9	89.7	68.2	41.7	49.2	11.2	11.4	35.6
1961	415.0	279.5	113.4	89.8	69.3	44.4	52.4	11.8	11.8	36.4
1962	440.7	298.0	121.5	96.7	72.8	47.5	56.3	13.0	11.9	37.7
1963	463.1	313.4	126.6	100.6	76.3	50.6	60.0	14.0	11.6	38.7
1964	495.7	336.1	135.1	107.1	81.4	54.7	64.9	15.7	10.3	42.0
1965	537.0	362.0	145.7	115.5	87.2	59.2	69.9	17.8	12.6	44.1
1966	584.9	398.4	160.7	128.0	94.4	65.0	78.3	19.9	13.6	46.7
1967	626.6	427.5	168.0	134.1	100.9	72.2	86.4	21.7	12.1	48.9
1968	685.2	469.5	183.0	145.8	109.9	80.2	96.4	25.1	12.0	51.4
1969	745.8	514.6	199.1	157.5	120.7	89.9	104.9	28.2	13.9	52.3
1970	801.3	546.5	202.5	158.2	130.1	97.9	116.0	32.0	13.9	51.2
1971	859.1	579.4	207.8	160.3	139.3	106.8	125.6	36.2	14.3	53.4
1972	942.5	633.8	226.7	175.4	151.9	117.9	137.3	42.0	18.0	58.1
1973	1,052.4	701.3	253.5	196.2	168.1	131.0	148.6	48.7	32.0	60.4
1974	1,153.3	765.0	273.9	211.4	184.4	145.9	160.9	55.5	25.8	61.1
1975	1,249.7	806.7	275.3	211.7	195.6	159.9	175.8	62.5	24.9	65.3
1976 p	1,375.4	890.4	304.8	237.0	214.9	180.0	190.7	70.1	22.8	73.8
1974: I	1,109.7	739.7	266.6	205.2	178.0	139.6	155.5	52.6	31.6	59.6
1974: II	1,136.8	757.3	271.9	209.6	183.0	143.7	158.7	54.5	24.6	60.4
1974: III	1,172.5	777.1	278.8	215.6	187.3	148.3	162.7	56.4	23.8	62.2
1974: IV	1,194.1	786.0	278.1	215.2	189.3	151.8	166.7	58.5	23.3	62.2
1975: I	1,203.1	785.8	269.9	206.8	191.0	154.8	170.0	60.0	17.9	63.2
1975: II	1,230.3	792.8	269.1	206.9	192.5	157.4	173.8	61.4	24.1	62.7
1975: III	1,265.5	811.7	276.2	212.5	196.8	161.3	177.3	63.3	29.2	66.3
1975: IV	1,299.7	836.4	285.8	220.3	202.3	166.1	182.2	65.2	28.3	69.0
1976: I	1,331.3	861.5	295.3	229.6	208.3	172.4	185.4	67.1	21.9	71.4
1976: II	1,362.0	881.1	302.9	235.6	212.8	176.7	188.7	69.0	27.5	72.8
1976: III	1,386.0	897.8	307.0	238.9	216.5	182.7	191.7	71.1	21.7	74.4
1976: IV p	1,422.1	921.0	314.0	243.8	221.8	188.3	197.0	73.2	20.3	76.8

See footnotes at end of table.

TABLE B-20.—Sources of personal income, 1929-76—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Rental income of persons with capital consumption adjustment	Dividends	Personal interest income	Transfer payments						Less: Personal contributions for social insurance	Non-farm personal income <sup>2</sup>	
				Total	Old age, survivors, disability, and health insurance benefits	Government unemployment insurance benefits	Veterans benefits	Government employee retirement benefits	Aid to families with dependent children (AFDC)			Other
1929	4.9	5.8	6.9	1.5	-----	-----	0.6	0.1	0.8	0.1	-----	
1933	2.2	2.0	5.5	2.1	-----	-----	.6	.2	1.4	.2	-----	
1939	2.6	3.8	5.4	3.0	0.0	0.4	.5	.3	1.7	.6	-----	
1940	2.7	4.0	5.3	3.1	.0	.5	.5	.3	1.7	.7	-----	
1941	3.1	4.4	5.3	3.1	.1	.4	.5	.3	1.8	.8	-----	
1942	4.0	4.3	5.2	3.1	.1	.4	.5	.3	1.8	1.2	-----	
1943	4.4	4.4	5.1	3.0	.2	.1	.5	.4	1.8	1.8	-----	
1944	4.5	4.6	5.2	3.6	.2	.1	1.0	.4	2.0	2.2	-----	
1945	4.6	4.6	5.9	6.2	.3	.4	3.0	.5	2.0	2.3	-----	
1946	5.5	5.6	6.4	11.3	.4	1.1	7.0	.7	2.1	2.0	159.6	
1947	5.3	6.3	7.3	11.7	.5	.8	7.0	.7	.3	2.5	171.5	
1948	5.7	7.0	7.7	11.3	.6	.9	5.9	.7	.4	2.9	187.7	
1949	6.1	7.2	8.2	12.5	.7	1.9	5.3	.9	.5	3.3	189.9	
1950	7.1	8.8	8.9	15.2	1.0	1.5	7.7	1.0	.6	3.5	2.9	209.3
1951	7.7	8.5	9.6	12.6	1.9	.9	4.6	1.1	.6	3.6	3.4	234.3
1952	8.8	8.5	10.3	13.1	2.2	1.1	4.3	1.2	.5	3.8	3.8	252.4
1953	10.0	8.8	11.4	14.1	3.0	1.0	4.1	1.4	.5	4.1	4.0	269.0
1954	11.0	9.1	12.7	16.2	3.6	2.2	4.2	1.5	.6	4.1	4.6	272.6
1955	11.3	10.3	13.8	17.5	4.9	1.5	4.4	1.7	.6	4.3	5.2	294.7
1956	11.6	11.1	15.3	18.7	5.7	1.5	4.4	1.9	.6	4.5	5.8	316.4
1957	12.2	11.5	17.4	21.6	7.3	1.9	4.5	2.2	.7	4.9	6.7	335.0
1958	12.9	11.3	18.8	25.9	8.5	4.1	4.7	2.5	.8	5.3	6.9	342.9
1959	13.2	12.2	20.9	27.0	10.2	2.8	4.6	2.8	.9	5.8	7.9	367.7
1960	13.8	12.9	23.3	28.9	11.1	3.0	4.6	3.1	1.0	6.2	9.3	384.4
1961	14.3	13.3	24.6	32.8	12.6	4.3	5.0	3.4	1.1	6.4	9.7	399.0
1962	15.0	14.4	27.1	33.8	14.3	3.1	4.7	3.7	1.3	6.7	10.3	424.5
1963	15.7	15.5	30.2	35.8	15.2	3.0	4.8	4.2	1.4	7.1	11.8	447.0
1964	16.1	17.3	33.3	37.4	16.0	2.7	4.7	4.7	1.5	7.3	12.6	480.7
1965	17.1	19.1	37.2	40.4	18.1	2.3	4.9	5.2	1.7	7.8	13.3	519.5
1966	18.2	19.4	41.8	44.7	19.8	1.9	4.9	6.1	1.9	8.2	17.8	566.1
1967	19.4	20.1	45.0	52.6	25.5	2.2	5.6	6.9	2.3	10.2	20.6	609.1
1968	18.6	21.9	49.6	59.9	30.2	2.1	5.9	7.7	2.8	10.2	22.8	667.5
1969	18.1	22.6	55.9	66.5	32.9	2.2	6.7	8.6	3.5	12.5	26.3	725.8
1970	18.6	22.9	64.3	79.9	38.5	4.0	7.7	10.1	4.8	14.9	28.0	780.7
1971	20.1	23.0	69.3	94.1	44.5	5.8	8.8	11.7	6.2	17.2	30.8	838.0
1972	21.5	24.6	74.6	104.1	49.6	5.6	9.7	13.5	6.9	18.9	34.2	917.3
1973	21.6	27.8	84.1	118.9	60.4	4.3	10.4	15.6	7.2	21.0	42.2	1,011.9
1974	21.0	30.8	101.4	140.3	70.1	6.6	11.8	18.6	7.9	25.2	47.6	1,117.3
1975	22.4	32.1	110.7	175.2	81.4	17.3	14.5	22.1	9.2	30.8	50.0	1,213.4
1976 <sup>p</sup>	23.5	35.1	123.1	191.3	93.0	15.6	15.0	25.0	9.8	32.9	54.9	1,340.1
1974: I	20.9	29.9	92.9	128.8	63.7	5.4	10.8	17.5	7.5	23.9	46.4	1,068.4
II	20.6	30.7	99.7	136.3	69.1	6.1	11.0	18.0	7.7	24.5	47.3	1,102.2
III	21.0	31.3	104.8	144.2	72.6	6.6	12.1	19.1	8.1	25.7	48.2	1,138.5
IV	21.5	31.1	108.2	151.8	75.0	8.5	13.5	19.9	8.4	26.6	48.5	1,160.1
1975: I	21.9	31.7	108.2	163.7	76.7	15.0	14.6	21.0	8.7	27.7	49.4	1,174.0
II	22.3	31.9	109.0	175.5	77.8	18.1	13.9	21.6	9.0	35.1	49.5	1,195.2
III	22.4	32.6	111.0	179.1	84.7	18.4	14.2	22.4	9.4	30.0	50.1	1,224.9
IV	22.9	32.2	114.4	182.5	86.3	17.7	15.0	23.3	9.7	30.5	51.0	1,259.7
1976: I	23.3	33.1	118.0	188.6	88.1	17.7	16.0	23.8	9.8	33.2	53.4	1,297.7
II	23.1	34.4	120.7	187.6	89.5	15.3	14.7	24.9	9.7	33.4	54.3	1,322.4
III	23.4	35.4	125.0	192.4	95.8	14.7	14.4	25.5	9.9	32.2	55.2	1,351.7
IV <sup>p</sup>	24.3	37.7	128.7	196.6	98.4	14.7	14.9	25.9	10.0	32.6	56.6	1,388.6

<sup>1</sup> The total of wage and salary disbursements and other labor income differs from compensation of employees in Table B-19 in that it excludes employer contributions for social insurance and the excess of wage accruals over wage disbursements.

<sup>2</sup> Personal income exclusive of farm proprietors' income, farm wages, farm other labor income, and agricultural net interest.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-21.—Disposition of personal income, 1929-76

(Billions of dollars; quarterly data at seasonally adjusted annual rates, except as noted)

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 to business	Personal transfer payments to foreigners (net)		Personal outlays		Personal saving
									Total	Consumption expenditures	
1929.....	84.9	2.6	82.3	79.1	77.3	1.5	0.3	3.1	96.2	93.9	3.8
1933.....	46.9	1.4	45.5	46.5	45.8	.5	.2	-1.0	102.2	100.7	-2.2
1939.....	72.4	2.4	69.9	67.8	67.0	.7	.2	2.1	97.0	95.8	3.0
1940.....	77.8	2.6	75.2	72.0	71.0	.8	.2	3.3	95.6	94.3	4.4
1941.....	95.3	3.3	92.0	81.8	80.8	.9	.2	10.2	88.9	87.7	11.1
1942.....	122.4	5.9	116.5	89.4	88.6	.7	.1	27.0	76.8	76.1	23.2
1943.....	150.7	17.8	132.9	100.1	99.4	.5	.2	32.7	75.4	74.8	24.6
1944.....	164.4	18.9	145.5	109.0	108.2	.5	.4	36.5	74.9	74.4	25.1
1945.....	169.8	20.8	149.0	120.4	119.5	.5	.5	28.5	80.8	80.2	19.2
1946.....	177.3	18.7	158.6	145.2	143.8	.7	.7	13.4	91.5	90.6	8.5
1947.....	189.8	21.4	168.4	163.5	161.7	1.0	.7	4.9	87.1	86.1	2.9
1948.....	208.5	21.0	187.4	176.9	174.7	1.4	.7	10.6	94.3	93.2	5.7
1949.....	205.6	18.5	187.1	180.4	178.1	1.7	.5	6.7	96.4	95.2	3.6
1950.....	226.1	20.6	205.5	194.7	192.0	2.3	.4	10.8	94.7	93.4	5.3
1951.....	253.7	28.9	224.8	210.0	207.1	2.5	.4	14.8	93.4	92.1	6.6
1952.....	270.4	34.0	236.4	220.4	217.1	2.9	.4	16.0	93.2	91.8	6.8
1953.....	286.1	35.5	250.7	233.7	229.7	3.6	.5	17.0	93.2	91.6	6.8
1954.....	288.2	32.5	255.7	240.1	235.8	3.8	.5	15.6	93.9	92.2	6.4
1955.....	308.8	35.4	273.4	258.5	253.7	4.4	.4	14.9	94.6	92.8	5.4
1956.....	330.9	39.7	291.3	271.6	266.0	5.1	.5	19.7	93.2	91.3	6.8
1957.....	349.3	42.4	306.9	286.4	280.4	5.5	.5	20.6	93.3	91.4	6.7
1958.....	359.3	42.1	317.1	295.4	289.5	5.6	.4	21.7	93.2	91.3	6.8
1959.....	382.1	46.0	336.1	317.3	310.8	6.1	.4	18.8	94.4	92.5	5.6
1960.....	399.7	50.4	349.4	332.3	324.9	7.0	.4	17.1	95.1	93.0	4.9
1961.....	415.0	52.1	362.9	342.7	335.0	7.3	.4	20.2	94.4	92.3	5.6
1962.....	440.7	56.8	383.9	363.5	355.2	7.8	.5	20.4	94.7	92.5	5.3
1963.....	463.1	60.3	402.8	384.0	374.6	8.8	.6	18.8	95.3	93.0	4.7
1964.....	495.7	58.6	437.0	410.9	400.4	9.9	.6	26.1	94.0	91.6	6.0
1965.....	537.0	64.9	472.2	441.9	430.2	11.1	.7	30.3	93.6	91.1	6.4
1966.....	584.9	74.5	510.4	477.4	464.8	12.0	.6	33.0	93.5	91.1	6.5
1967.....	626.6	82.1	544.5	503.7	490.4	12.5	.9	40.9	92.5	90.0	7.5
1968.....	685.2	97.1	588.1	550.1	535.9	13.3	.8	38.1	93.5	91.1	6.5
1969.....	745.8	115.4	630.4	595.3	579.7	14.7	.9	35.1	94.4	92.0	5.6
1970.....	801.3	115.3	685.9	635.4	618.8	15.5	1.1	50.6	92.6	90.2	7.4
1971.....	859.1	116.3	742.8	685.5	668.2	16.2	1.1	57.3	92.3	90.0	7.7
1972.....	942.5	141.2	801.3	751.9	733.0	17.9	1.0	49.4	93.8	91.5	6.2
1973.....	1,052.4	150.8	901.7	831.3	809.9	20.2	1.3	70.3	92.2	89.8	7.8
1974.....	1,153.3	170.4	982.9	910.7	887.5	22.2	1.0	72.2	92.7	90.3	7.3
1975.....	1,249.7	168.8	1,080.9	996.9	973.2	22.8	.9	84.0	92.2	90.0	7.8
1976.....	1,375.4	193.6	1,181.8	1,104.0	1,078.6	24.4	1.1	77.8	93.4	91.3	6.6
1974: I.....	1,109.7	161.3	948.4	875.8	853.3	21.4	1.1	72.6	92.3	90.0	7.7
II.....	1,136.8	167.4	969.5	901.6	878.7	21.9	1.0	67.8	93.0	90.6	7.0
III.....	1,172.5	174.5	998.0	930.4	906.8	22.6	1.0	67.6	93.2	90.9	6.8
IV.....	1,194.1	178.3	1,015.8	935.0	911.1	22.9	1.0	80.8	92.0	89.7	8.0
1975: I.....	1,203.1	179.3	1,023.8	956.7	933.2	22.5	.9	67.2	93.4	91.2	6.6
II.....	1,230.3	142.2	1,088.2	983.6	960.3	22.4	.9	104.5	90.4	88.2	9.6
III.....	1,265.5	174.0	1,091.5	1,011.1	987.3	22.8	.9	80.5	92.6	90.5	7.4
IV.....	1,299.7	179.8	1,119.9	1,036.2	1,012.0	23.3	.9	83.7	92.5	90.4	7.5
1976: I.....	1,331.3	183.8	1,147.6	1,068.0	1,043.6	23.4	1.0	79.5	93.1	90.9	6.9
II.....	1,362.0	189.5	1,172.5	1,089.6	1,064.7	23.9	1.0	82.9	92.9	90.8	7.1
III.....	1,386.0	195.8	1,190.2	1,114.3	1,088.5	24.8	1.1	75.8	93.6	91.5	6.4
IV.....	1,422.1	205.3	1,216.9	1,144.0	1,117.5	25.5	1.1	72.9	94.0	91.8	6.0

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-22.—Total and per capita disposable personal income and personal consumption expenditures in current and 1972 dollars, 1929-76

[Quarterly data at seasonally adjusted annual rates, except as noted]

Year or quarter	Disposable personal income				Personal consumption expenditures				Population (thousands) <sup>1</sup>
	Total (billions of dollars)		Per capita (dollars)		Total (billions of dollars)		Per capita (dollars)		
	Current dollars	1972 dollars	Current dollars	1972 dollars	Current dollars	1972 dollars	Current dollars	1972 dollars	
1929.....	82.3	229.8	675	1,886	77.3	215.6	634	1,769	121,875
1933.....	45.5	169.7	362	1,350	45.8	170.7	364	1,358	125,690
1939.....	69.9	230.1	534	1,756	67.0	220.3	511	1,681	131,028
1940.....	75.2	244.3	570	1,849	71.0	230.4	537	1,744	132,122
1941.....	92.0	278.1	690	2,084	80.8	244.1	605	1,830	133,402
1942.....	116.5	317.3	863	2,353	88.6	241.7	657	1,792	134,860
1943.....	132.9	332.2	972	2,429	99.4	248.7	727	1,819	136,739
1944.....	145.5	343.9	1,051	2,485	108.2	255.7	781	1,847	138,397
1945.....	149.0	338.6	1,065	2,420	119.5	271.4	854	1,939	139,928
1946.....	158.6	332.4	1,122	2,351	143.8	301.4	1,017	2,131	141,389
1947.....	168.4	318.8	1,168	2,212	161.7	306.2	1,122	2,124	144,126
1948.....	187.4	335.5	1,278	2,288	174.7	312.8	1,192	2,133	146,631
1949.....	187.1	336.1	1,254	2,253	178.1	320.0	1,194	2,145	149,188
1950.....	205.5	361.9	1,355	2,386	192.0	338.1	1,266	2,229	151,684
1951.....	224.8	371.6	1,457	2,408	207.1	342.3	1,342	2,219	154,287
1952.....	236.4	382.1	1,506	2,434	217.1	350.9	1,383	2,236	156,954
1953.....	250.7	397.5	1,571	2,491	229.7	364.2	1,439	2,283	159,565
1954.....	255.7	402.1	1,574	2,476	235.8	370.9	1,452	2,284	162,391
1955.....	273.4	425.9	1,654	2,577	253.7	395.1	1,535	2,391	165,275
1956.....	291.3	444.9	1,731	2,643	266.0	406.3	1,581	2,415	168,221
1957.....	306.9	453.9	1,792	2,650	280.4	414.7	1,637	2,421	171,274
1958.....	317.1	459.0	1,821	2,636	289.5	419.0	1,662	2,406	174,141
1959.....	336.1	477.4	1,898	2,696	310.8	441.5	1,755	2,493	177,073
1960.....	349.4	487.3	1,934	2,697	324.9	453.0	1,798	2,507	180,671
1961.....	362.9	500.6	1,976	2,725	335.0	462.2	1,824	2,516	183,691
1962.....	383.9	521.6	2,058	2,796	355.2	482.9	1,904	2,589	186,538
1963.....	402.8	539.2	2,128	2,849	374.6	501.4	1,979	2,649	189,242
1964.....	437.0	577.3	2,278	3,009	400.4	528.7	2,087	2,755	191,889
1965.....	472.2	612.4	2,430	3,152	430.2	558.1	2,214	2,872	194,303
1966.....	510.4	643.6	2,597	3,274	464.8	586.1	2,365	2,982	196,560
1967.....	544.5	669.8	2,740	3,371	490.4	603.2	2,468	3,035	198,712
1968.....	588.1	695.2	2,930	3,464	535.9	633.4	2,670	3,156	200,706
1969.....	630.4	712.3	3,111	3,515	579.7	655.4	2,860	3,234	202,677
1970.....	685.9	741.6	3,348	3,619	618.8	668.9	3,020	3,265	204,878
1971.....	742.8	769.0	3,588	3,714	668.2	691.9	3,227	3,342	207,053
1972.....	801.3	801.3	3,837	3,837	733.0	733.0	3,510	3,510	208,846
1973.....	901.7	854.7	4,285	4,062	809.9	767.7	3,849	3,648	210,410
1974.....	982.9	840.8	4,639	3,968	887.5	759.1	4,188	3,582	211,901
1975.....	1,080.9	855.5	5,062	4,007	973.2	770.3	4,558	3,608	213,540
1976 p.....	1,181.8	890.7	5,494	4,141	1,078.6	812.9	5,014	3,779	215,118
1974: I.....	948.4	846.7	4,487	4,006	853.3	761.8	4,037	3,604	211,361
II.....	969.5	840.6	4,579	3,970	878.7	761.9	4,151	3,599	211,705
III.....	998.0	841.7	4,705	3,968	906.8	764.7	4,275	3,605	212,134
IV.....	1,015.8	834.0	4,779	3,923	911.1	748.1	4,286	3,519	212,578
1975: I.....	1,023.8	827.9	4,809	3,889	933.2	754.6	4,383	3,545	212,897
II.....	1,088.2	869.7	5,102	4,078	960.3	767.5	4,503	3,599	213,278
III.....	1,091.5	857.1	5,105	4,009	987.3	775.3	4,618	3,626	213,805
IV.....	1,119.9	867.5	5,227	4,049	1,012.0	783.9	4,724	3,659	214,245
1976: I.....	1,147.6	880.4	5,347	4,103	1,043.6	800.7	4,863	3,731	214,599
II.....	1,172.5	890.5	5,455	4,143	1,064.7	808.6	4,954	3,762	214,926
III.....	1,190.2	892.0	5,526	4,142	1,088.5	815.7	5,054	3,788	215,355
IV p.....	1,216.9	900.2	5,639	4,171	1,117.5	826.6	5,178	3,830	215,805

<sup>1</sup> Population of the United States including Armed Forces overseas; includes Alaska and Hawaii beginning 1960. Annual data are for July 1; quarterly data are for middle of period, interpolated from monthly data.

Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

TABLE B-23.—Gross saving and investment, 1929–76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross saving							Gross investment			Statistical discrepancy	
	Total	Gross private saving			Government surplus or deficit (—), national income and product accounts			Capital grants received by the United States, (net) <sup>2</sup>	Total	Gross private domestic investment		Net foreign investment <sup>3</sup>
		Total	Personal saving	Gross business saving <sup>1</sup>	Total	Federal	State and local					
1929.....	15.9	14.9	3.1	11.7	1.0	1.2	-0.2	-----	17.0	16.2	0.8	1.1
1933.....	.9	2.2	-1.0	3.2	-1.4	-1.3	-.1	-----	1.6	1.4	.2	.7
1939.....	8.7	10.9	2.1	8.8	-2.2	-2.2	.0	-----	10.1	9.3	.9	1.4
1940.....	13.5	14.2	3.3	10.9	-.7	-1.3	.6	-----	14.6	13.1	1.5	1.1
1941.....	18.5	22.2	10.2	12.0	-3.8	-5.1	1.3	-----	19.0	17.9	1.1	.5
1942.....	10.5	41.9	27.0	14.8	-31.4	-33.1	1.8	-----	9.7	9.9	-.2	-.8
1943.....	5.3	49.4	32.7	16.7	-44.1	-46.6	2.5	-----	3.5	5.8	-2.2	-1.8
1944.....	2.3	54.1	36.5	17.7	-51.8	-54.5	2.7	-----	5.1	7.2	-2.1	2.7
1945.....	5.1	44.6	28.5	16.0	-39.5	-42.1	2.6	-----	9.2	10.6	-1.4	4.1
1946.....	34.6	29.2	13.4	15.8	5.4	3.5	1.9	-----	35.3	30.7	4.6	.7
1947.....	41.2	26.8	4.9	21.8	14.4	13.4	1.0	-----	42.9	34.0	9.0	1.8
1948.....	49.0	40.6	10.6	30.0	8.4	8.3	-.1	-----	47.8	45.9	2.0	-1.2
1949.....	34.8	38.2	6.7	31.4	-3.4	-2.6	-.7	-----	35.9	35.3	.6	1.0
1950.....	49.7	41.6	10.8	30.8	8.0	9.2	-1.2	-----	51.7	53.8	-2.1	2.0
1951.....	55.5	49.4	14.8	34.6	6.1	6.5	-.4	-----	59.5	59.2	.3	4.0
1952.....	49.3	53.1	16.0	37.1	-3.8	-3.7	-.0	-----	51.9	52.1	-.2	2.7
1953.....	48.1	55.0	17.0	38.0	-6.9	-7.1	.1	-----	51.4	53.3	-1.9	3.3
1954.....	49.4	56.5	15.6	41.0	-7.1	-6.0	-1.1	-----	52.4	52.7	-.3	3.0
1955.....	65.6	62.4	14.9	47.5	3.1	4.4	-1.3	-----	68.0	68.4	-.3	2.5
1956.....	73.6	68.4	19.7	48.7	5.2	6.1	-.9	-----	72.8	71.0	1.8	-.8
1957.....	72.6	71.7	20.6	51.1	.9	2.3	-1.4	-----	72.8	69.2	3.6	.2
1958.....	60.4	73.0	21.7	51.3	-12.6	-10.3	-2.4	-----	62.0	61.9	.1	1.7
1959.....	75.8	77.3	18.8	58.5	-1.6	-1.1	-.4	-----	75.5	77.6	-2.0	-.2
1960.....	78.9	75.8	17.1	58.7	3.1	3.0	.1	-----	78.2	76.4	1.7	-.7
1961.....	75.8	80.0	20.2	59.8	-4.3	-3.9	-.4	-----	77.3	74.3	3.0	1.6
1962.....	83.6	87.4	20.4	67.0	-3.8	-4.2	.5	-----	87.6	85.2	2.4	4.0
1963.....	89.6	88.9	18.8	70.1	.7	.3	.5	-----	93.4	90.2	3.2	3.7
1964.....	100.1	102.4	26.1	76.2	-2.3	-3.3	1.0	-----	102.3	96.6	5.7	2.2
1965.....	115.4	114.9	30.3	84.6	-5.5	-.5	-.0	-----	116.3	112.0	4.3	.9
1966.....	122.9	124.2	33.0	91.2	-1.3	-1.8	.5	-----	126.1	124.5	1.6	3.2
1967.....	120.3	134.6	40.9	93.7	-14.2	-13.2	-1.1	-----	122.1	120.8	1.2	1.7
1968.....	130.8	136.3	38.1	98.2	-5.5	-5.8	.3	-----	130.2	131.5	-1.4	-.6
1969.....	147.5	136.8	35.1	101.7	10.7	8.5	2.1	-----	144.2	146.2	-2.0	-3.3
1970.....	143.4	151.9	50.6	101.4	-9.4	-12.1	2.8	0.9	141.4	140.8	.5	-2.1
1971.....	155.4	173.0	57.3	115.7	-18.3	-22.0	3.7	.7	156.8	160.0	-3.2	1.3
1972.....	177.5	180.4	49.4	131.0	-3.5	-17.3	13.7	.7	179.2	188.3	-9.0	1.7
1973.....	216.8	210.5	70.3	140.2	6.3	-6.7	13.0	.0	219.4	220.0	-.6	2.6
1974.....	205.3	211.6	72.2	139.4	-4.2	-11.5	7.3	-2.0	211.9	215.0	-3.0	6.6
1975.....	191.2	255.6	84.0	171.6	-64.4	-71.2	6.9	.0	195.6	183.7	11.9	4.4
1976 <sup>a</sup> .....	231.9	276.4	77.8	198.6	-44.5	-58.3	13.9	.0	239.5	241.2	-1.7	7.6
1974: I.....	213.0	216.4	72.6	143.8	4.7	-4.1	8.7	-8.0	215.4	216.4	-1.0	2.4
II.....	206.5	206.4	67.8	138.6	.2	-7.6	7.8	.0	213.6	218.8	-5.2	7.1
III.....	200.0	201.0	67.6	133.4	-1.0	-9.0	8.0	.0	207.7	213.3	-5.6	7.7
IV.....	201.7	222.4	80.8	141.6	-20.8	-25.3	4.5	.0	211.0	211.5	-.5	9.3
1975: I.....	172.1	217.0	67.2	149.8	-45.0	-49.8	4.7	.0	178.5	172.4	6.1	6.4
II.....	180.2	273.2	104.5	168.7	-92.9	-99.9	6.9	.0	180.3	164.4	15.9	.1
III.....	204.6	262.7	80.5	182.2	-58.1	-66.0	7.9	.0	209.8	196.7	13.1	5.1
IV.....	208.0	269.4	83.7	185.7	-61.5	-69.4	7.9	.0	214.0	201.4	12.6	6.1
1976: I.....	222.1	273.8	79.5	194.3	-51.6	-63.8	12.2	.0	229.4	229.6	-.2	7.2
II.....	234.2	279.1	82.9	196.2	-44.9	-54.1	9.2	.0	240.0	239.2	.8	5.8
III.....	234.2	278.9	75.8	203.1	-44.7	-57.4	12.7	.0	242.9	247.0	-4.1	8.7
IV <sup>b</sup> .....	-----	273.6	72.9	-----	-----	-----	-----	.0	245.8	249.0	-3.2	-----

<sup>1</sup> Undistributed corporate profits with inventory valuation and capital consumption adjustments, corporate and non-corporate capital consumption allowances with capital consumption adjustment, and private wage accruals less disbursements.

<sup>2</sup> Allocations of special drawing rights (SDR), except as noted in footnote 4.

<sup>3</sup> Net exports of goods and services less net transfers to foreigners and interest paid by government to foreigners plus capital grants received by the United States, net.

<sup>4</sup> In February 1974, the U.S. Government paid to India \$2,010 million (quarterly rate) in rupees under provisions of the Agricultural Trade Development and Assistance Act. This transaction is being treated as capital grants paid to foreigners, and is included in the first quarter of 1974 as—\$8.0 (annual rate) in capital grants received by the United States.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-24.—Saving by individuals, 1946-76<sup>1</sup>

(Billions of dollars; quarterly data at seasonally adjusted annual rates)

Year or quarter	Total	Increase in financial assets							Net investment in			Less: Increase in net debt		
		Total <sup>2</sup>	Cur- rency and de- mand de- posits	Sav- ings ac- counts	Securities			Insur- ance and pen- sion re- serves ( <sup>3</sup> )	Non- farm homes	Con- sum- er du- rables	Non- cor- po- rate busi- ness assets	Mort- gage debt on non- farm homes	Con- sum- er credit	Other debt <sup>4</sup>
					Gov- ern- ment securi- ties <sup>3</sup>	Corpo- rate and for- eign bonds	Corpo- rate equi- ties <sup>4</sup>							
1946	16.5	18.9	5.6	6.3	-1.4	-0.9	1.1	5.3	-3.0	5.8	1.2	3.6	2.7	0.1
1947	20.6	13.2	-.1	3.4	1.6	-.8	1.1	5.4	9.7	7.3	.7	4.7	3.2	2.5
1948	18.7	9.0	-2.9	2.2	1.3	-.1	1.0	5.3	6.3	6.9	7.1	4.6	2.9	3.2
1949	14.3	9.9	-2.0	2.6	1.8	-.4	1.7	5.6	6.8	6.7	.6	4.4	2.9	2.4
1950	19.1	13.7	2.6	2.5	-.1	-.8	.7	6.9	8.3	9.3	4.1	6.7	4.1	5.4
1951	26.3	19.1	4.6	4.8	-.6	-.2	1.8	6.3	11.0	4.9	3.1	6.6	1.2	3.9
1952	25.6	23.1	1.6	7.8	2.5	-.0	1.6	7.7	11.8	3.0	1.9	6.6	4.8	2.8
1953	26.7	22.6	1.0	8.2	2.5	-.1	1.0	7.9	12.1	4.7	.9	7.5	3.9	2.3
1954	24.3	22.1	2.2	9.2	1.0	-.9	.8	7.8	13.2	3.5	1.4	9.1	1.1	5.7
1955	29.7	27.9	1.2	8.6	5.8	.7	1.0	8.5	16.1	8.0	2.8	11.7	6.4	7.0
1956	32.6	30.0	1.8	9.5	3.9	1.0	2.0	9.5	15.5	4.6	.7	11.2	3.5	3.5
1957	31.8	28.6	-.4	12.0	2.3	.9	1.5	9.5	13.3	3.3	2.1	9.0	2.6	4.0
1958	30.5	31.6	3.8	13.9	-2.5	1.2	1.5	10.4	12.5	.4	2.1	9.8	.2	6.2
1959	33.3	37.1	.8	11.1	9.1	.4	.6	11.9	15.4	4.0	3.8	12.4	6.4	8.0
1960	30.7	31.9	1.0	12.1	3.3	.7	-.5	11.5	14.1	3.3	3.2	11.6	4.6	5.6
1961	30.9	35.8	-.9	18.3	1.9	-.1	.3	12.1	12.5	.9	3.1	12.6	1.8	6.9
1962	35.7	39.6	-1.2	26.2	1.3	-.4	-2.1	12.7	12.6	4.5	6.4	13.9	5.8	7.6
1963	40.0	46.5	-.5	26.3	6.4	.1	-2.5	13.9	13.6	6.9	8.4	16.4	7.9	11.1
1964	48.7	55.2	4.9	28.0	5.4	-.5	-.1	16.1	13.6	8.8	7.9	17.2	8.5	11.1
1965	55.0	58.4	7.5	28.0	4.0	.5	-2.1	16.9	13.5	12.0	11.2	17.1	9.6	13.5
1966	62.9	59.4	2.4	19.1	11.0	1.4	-.7	19.2	12.0	12.9	9.7	13.4	6.4	11.4
1967	64.2	67.9	9.9	35.3	-.6	4.0	-4.2	19.0	12.0	10.2	7.9	13.4	4.5	15.8
1968	67.6	73.2	11.1	31.1	5.6	4.2	-6.5	20.2	13.9	14.4	9.3	16.8	10.0	16.4
1969	57.9	61.5	2.5	9.1	19.9	5.4	-4.5	21.3	13.8	13.7	11.0	18.2	10.4	13.5
1970	74.7	78.7	8.9	43.6	-8.9	9.5	-.8	24.4	12.4	7.9	8.8	14.7	5.9	12.5
1971	91.5	104.4	9.1	67.8	-10.7	8.3	-3.7	27.3	18.9	13.9	13.0	27.1	11.6	19.9
1972	102.0	127.6	14.8	71.0	1.7	4.2	-4.5	29.2	25.9	21.5	17.2	41.5	18.6	30.2
1973	121.7	143.0	12.7	67.9	23.5	.9	-6.9	32.8	27.9	25.4	19.4	47.0	21.7	25.4
1974	115.3	137.7	5.1	57.9	18.3	5.3	-1.2	36.0	23.2	11.1	3.3	35.3	9.8	15.0
1975	131.2	167.8	6.9	84.9	14.4	10.4	-1.8	43.7	20.4	8.1	-2.4	39.4	8.5	14.8
1975: I	108.7	134.8	-14.8	80.6	-4.9	15.0	-4.2	40.0	18.2	3.5	-2.0	28.5	.9	16.4
II	149.1	187.2	40.8	83.1	9.4	12.1	1.4	41.8	18.5	5.0	-4.4	38.5	1.3	17.4
III	134.5	163.9	11.5	74.5	28.5	8.5	-3.7	43.5	21.0	10.4	-1.8	42.2	14.3	2.4
IV	132.9	185.9	-10.0	101.5	24.5	6.0	-6	50.2	24.0	13.4	-1.5	48.2	17.7	23.1
1976: I	135.2	176.4	8.9	87.2	13.9	2.3	-7.7	52.6	29.4	19.2	.5	51.5	18.1	20.7
II	131.2	180.1	-1.4	79.2	27.6	9.7	3.8	48.8	32.5	18.8	-4.5	53.2	20.6	21.8
III	123.9	182.7	3.8	112.5	10.8	2.3	-7.9	49.1	35.1	17.8	-6.2	60.6	19.2	25.6

<sup>1</sup> Saving by households, personal trust funds, nonprofit institutions, farms, and other noncorporate business.

<sup>2</sup> Includes commercial paper and miscellaneous financial assets, not shown separately.

<sup>3</sup> Consists of U.S. savings bonds, other U.S. Treasury securities, U.S. Government agency securities and sponsored agency securities, and State and local obligations.

<sup>4</sup> Includes investment company shares.

<sup>5</sup> Private life insurance reserves, private insured and noninsured pension reserves, and government insurance and pension reserves.

<sup>6</sup> Security credit, policy loans, noncorporate business mortgage debt, and other debt.

Source: Board of Governors of the Federal Reserve System.

TABLE B-25.—Number and money income (in 1975 dollars) of families and unrelated individuals by race of head, 1947-75

Year	Total				White				Black and other races			
	Total number (mil- lions)	Median income	Percent with incomes		Total number (mil- lions)	Median income	Percent with incomes		Total number (mil- lions)	Median income	Percent with incomes	
			Be- low \$5,000	Be- low pov- erty level			Be- low \$5,000	Be- low pov- erty level			Be- low \$5,000	Be- low pov- erty level
<b>FAMILIES</b>												
1947	37.2	\$7,303	29.3	.....	34.1	\$7,608	26.0	.....	3.1	\$3,888	64.3	.....
1948	38.6	7,126	30.5	.....	35.3	7,400	27.4	.....	3.3	3,953	63.4	.....
1949	39.3	7,016	31.8	.....	.....	7,296	28.8	.....	.....	3,726	65.9	.....
1950	39.9	7,422	29.4	.....	.....	7,702	26.5	.....	.....	4,178	60.4	.....
1951	40.6	7,684	27.0	.....	.....	7,996	23.9	.....	.....	4,210	59.3	.....
1952	40.8	7,888	25.5	.....	.....	8,343	22.2	.....	.....	4,741	53.4	.....
1953	41.2	8,536	23.9	.....	.....	8,851	21.4	.....	.....	4,962	50.5	.....
1954	42.0	8,345	25.3	.....	38.2	8,687	22.8	.....	3.8	4,839	51.4	.....
1955	42.9	8,881	22.9	.....	39.0	9,271	20.3	.....	3.9	5,113	49.1	.....
1956	43.5	9,466	20.9	.....	39.5	9,906	18.1	.....	4.0	5,211	48.2	.....
1957	43.7	9,496	21.2	.....	39.7	9,882	18.4	.....	4.0	5,284	48.1	.....
1958	44.2	9,469	21.3	.....	40.2	9,866	18.5	.....	4.0	5,054	49.8	.....
1959	45.1	10,003	20.1	18.5	40.9	10,420	17.2	15.2	4.2	5,382	47.1	50.4
1960	45.5	10,214	19.7	18.1	41.1	10,604	17.2	14.9	4.3	5,871	43.4	49.0
1961	46.4	10,318	19.7	18.1	41.9	10,760	17.1	14.8	4.5	5,741	44.5	49.0
1962	47.1	10,597	18.4	17.2	42.4	11,098	15.9	13.9	4.6	5,921	41.8	48.0
1963	47.5	10,984	17.5	15.9	42.7	11,511	14.9	12.8	4.8	6,090	40.9	43.7
1964	48.0	11,398	16.6	15.0	43.1	11,900	14.5	12.2	4.8	6,660	35.8	40.0
1965	48.5	11,867	15.6	13.9	43.5	12,370	13.5	11.1	4.8	6,812	34.5	39.7
1966	49.2	12,491	13.6	11.8	44.1	12,977	11.8	9.3	5.0	7,170	30.0	33.9
1967	50.1	12,788	13.3	11.4	44.8	13,273	11.6	9.0	5.0	8,212	28.9	32.1
1968	50.8	13,354	11.8	10.0	45.4	13,826	10.2	8.0	5.1	8,648	26.0	28.2
1969	51.6	13,849	11.4	9.7	46.0	14,379	9.9	7.7	5.2	9,089	25.0	26.9
1970	52.2	13,676	12.0	10.1	46.5	14,188	10.3	8.0	5.4	9,032	26.0	28.1
1971	53.3	13,668	11.9	10.0	47.6	14,182	10.3	7.9	5.7	8,923	26.1	27.4
1972	54.4	14,301	11.2	9.3	48.5	14,858	9.5	7.1	5.9	9,142	26.1	27.7
1973	55.1	14,595	10.8	8.8	48.9	15,254	9.1	6.6	6.1	9,200	25.1	26.2
1974	55.7	14,009	11.5	9.2	49.5	14,577	9.6	7.0	6.3	9,020	26.6	26.0
1974 <sup>2</sup>	55.7	14,082	11.1	8.8	49.4	14,633	9.2	6.8	6.3	9,361	25.7	25.1
1975	56.2	13,719	12.0	9.7	49.9	14,268	10.2	7.7	6.4	9,321	26.3	25.3
<b>UNRELATED INDIVIDUALS</b>												
1947	8.2	\$2,362	58.2	.....	7.2	\$2,495	56.1	.....	1.0	\$1,798	72.3	.....
1948	8.4	2,228	60.0	.....	7.3	2,354	58.3	.....	1.0	1,764	71.8	.....
1949	9.0	2,370	57.2	.....	.....	2,559	55.1	.....	.....	1,850	69.5	.....
1950	9.4	2,336	56.8	.....	.....	2,492	55.2	.....	.....	1,826	67.5	.....
1951	9.1	2,475	54.6	.....	.....	2,606	53.5	.....	.....	1,925	61.2	.....
1952	9.7	2,858	51.8	.....	.....	3,079	49.3	.....	.....	2,130	66.3	.....
1953	9.5	2,809	51.9	.....	.....	2,964	50.4	.....	.....	2,331	59.2	.....
1954	9.7	2,447	55.9	.....	8.3	2,634	54.0	.....	1.4	1,749	65.6	.....
1955	9.9	2,648	54.4	.....	8.5	2,815	52.3	.....	1.4	1,880	66.4	.....
1956	9.8	2,823	52.1	.....	8.5	2,898	51.2	.....	1.3	2,152	57.5	.....
1957	10.4	2,856	51.6	.....	8.9	3,055	49.8	.....	1.5	1,941	62.8	.....
1958	10.9	2,766	52.5	.....	9.2	2,964	50.6	.....	1.6	2,010	63.8	.....
1959	10.9	2,875	51.6	46.1	9.3	3,072	49.7	44.1	1.6	1,984	63.4	57.4
1960	11.1	3,126	49.3	45.2	9.6	3,380	47.2	43.0	1.5	1,940	62.8	59.3
1961	11.2	3,155	49.0	45.9	9.6	3,392	46.6	43.2	1.6	2,082	63.3	62.7
1962	11.0	3,119	49.3	45.4	9.5	3,337	46.9	42.7	1.5	2,228	63.5	62.1
1963	11.2	3,165	48.7	44.2	9.7	3,318	47.0	42.0	1.5	2,277	60.4	58.3
1964	12.1	3,441	46.3	42.7	10.4	3,624	44.7	40.0	1.6	2,483	56.0	55.0
1965	12.2	3,672	43.6	39.8	10.5	3,830	42.2	38.1	1.7	2,792	52.7	50.7
1966	12.5	3,798	42.5	38.3	10.7	3,994	40.6	36.1	1.6	2,511	55.2	53.1
1967	13.2	3,835	42.2	38.1	11.3	3,982	40.7	36.5	1.8	2,942	51.2	48.2
1968	13.9	4,310	38.2	34.0	12.0	4,567	36.6	32.2	1.8	3,093	49.0	45.7
1969	14.6	4,303	37.9	34.0	12.5	4,519	36.2	32.1	2.0	3,186	48.3	45.5
1970	15.5	4,348	37.4	32.9	13.4	4,551	35.7	30.8	1.9	3,109	49.1	46.7
1971	16.3	4,407	36.4	31.6	14.2	4,605	34.5	29.6	2.1	3,090	49.2	44.9
1972	16.8	4,530	34.3	29.0	14.5	4,731	32.6	27.1	2.3	3,514	44.5	40.9
1973	18.3	5,007	30.7	25.6	15.8	5,172	29.0	23.7	2.5	3,865	41.4	37.8
1974	18.9	4,845	31.2	25.5	16.3	5,060	29.0	23.2	2.6	3,437	44.9	40.0
1974 <sup>2</sup>	18.9	5,025	29.8	24.1	16.3	5,205	27.1	21.8	2.6	3,638	42.6	38.0
1975	20.2	4,882	29.7	25.1	17.5	5,099	27.4	22.7	2.7	3,528	44.4	40.9

<sup>1</sup> Revised using population controls based on the 1970 Census. Such controls not available by race.

<sup>2</sup> Based on revised methodology procedures.

Note.—The poverty level is based on the poverty index adopted by a Federal interagency committee in 1969. That index reflects different consumption requirements for families based on size and composition, sex and age of family head, and farm-nonfarm residence. The poverty threshold is updated every year to reflect changes in the consumer price index. For further details, see "Current Population Reports," Series P-60, No. 103, Bureau of the Census.

Source: Department of Commerce, Bureau of the Census.

# POPULATION, EMPLOYMENT, WAGES, AND PRODUCTIVITY

TABLE B-26.—*Population by age groups, 1929-76*

(Thousands of persons)

July 1	Total	Age (years)						65 and over
		Under 5	5-15	16-19	20-24	25-44	45-64	
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	20,341	38,494	10,683	11,134	47,140	36,203	16,675
1961	183,691	20,522	39,765	11,025	11,483	47,084	36,722	17,089
1962	186,538	20,469	41,205	11,180	11,959	47,013	37,255	17,457
1963	189,242	20,342	41,626	12,007	12,714	46,994	37,782	17,778
1964	191,889	20,165	42,297	12,736	13,269	46,958	38,338	18,127
1965	194,303	19,824	42,938	13,516	13,746	46,912	38,916	18,451
1966	196,560	19,208	43,702	14,311	14,050	47,001	39,534	18,755
1967	198,712	18,563	44,244	14,200	15,248	47,194	40,193	19,071
1968	200,706	17,913	44,622	14,452	15,786	47,721	40,846	19,365
1969	202,677	17,376	44,840	14,800	16,480	48,064	41,437	19,680
1970	204,878	17,148	44,774	15,275	17,184	48,435	41,975	20,087
1971	207,053	17,177	44,441	15,635	18,089	48,811	42,413	20,488
1972	208,846	16,990	43,948	15,946	18,032	50,254	42,785	20,892
1973	210,410	16,694	43,227	16,310	18,345	51,411	43,077	21,346
1974	211,901	16,288	42,538	16,590	18,741	52,593	43,319	21,833
1975	213,540	15,882	41,956	16,793	19,229	53,733	43,542	22,405
1976	215,118	15,339	41,454	16,934	19,630	55,120	43,707	22,934

Note.—Includes Armed Forces overseas beginning 1940. Includes Alaska and Hawaii beginning 1950.

Source: Department of Commerce, Bureau of the Census.

TABLE B-27.—Noninstitutional population and the labor force, 1929-76

[Monthly data seasonally adjusted, except as noted]

Year or month	Noninstitutional population <sup>1</sup>	Total labor force (including Armed Forces)	Armed Forces <sup>1</sup>	Civilian labor force					Unemployment rate (percent of civilian labor force)	Labor force participation rate (total labor force as percent of noninstitutional population)
				Total	Employment			Unemployment		
					Total	Agricultural	Non-agricultural			
Thousands of persons 14 years of age and over									Percent	
1929		49,440	260	49,180	47,630	10,450	37,180	1,550	3.2	
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	57,038	7,890	49,148	2,311	3.9	58.9
1948	104,527	62,080	1,459	60,621	58,343	7,629	50,714	2,276	3.8	59.4
1949	105,611	62,903	1,617	61,286	57,651	7,658	49,993	3,637	5.9	59.6
1950	106,645	63,858	1,650	62,208	58,918	7,160	51,758	3,288	5.3	59.9
1951	107,721	65,117	3,100	62,017	59,961	6,726	53,235	2,055	3.3	60.4
1952	108,823	65,730	3,592	62,138	60,250	6,500	53,749	1,883	3.0	60.4
1953 <sup>2</sup>	110,601	66,560	3,545	63,015	61,179	6,260	54,919	1,834	2.9	60.2
1954	111,671	66,993	3,350	63,643	60,109	6,205	53,904	3,532	5.5	60.0
1955	112,732	68,072	3,049	65,023	62,170	6,450	55,722	2,852	4.4	60.4
1956	113,811	69,409	2,857	66,552	63,799	6,283	57,514	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 <sup>2</sup>	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 <sup>2</sup>	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 <sup>2</sup>	145,775	88,991	2,449	86,542	81,702	3,472	78,230	4,840	5.6	61.0
1973 <sup>2</sup>	148,263	91,040	2,326	88,714	84,409	3,452	80,957	4,304	4.9	61.4
1974	150,827	93,240	2,229	91,011	85,935	3,492	82,443	5,076	5.6	61.8
1975	153,449	94,793	2,180	92,613	84,783	3,380	81,403	7,830	8.5	61.8
1976	156,048	96,917	2,144	94,773	87,485	3,297	84,188	7,288	7.7	62.1

See footnotes at end of table.

TABLE B-27.—Noninstitutional population and the labor force, 1929-76—Continued

[Monthly data seasonally adjusted, except as noted]

Year or month	Non-institutional population <sup>1</sup>	Total labor force (including Armed Forces)	Armed Forces <sup>1</sup>	Civilian labor force					Unemployment rate (percent of civilian labor force)	Labor force participation rate (total labor force as percent of non-institutional population)
				Total	Employment			Unemployment		
					Total	Agricultural	Non-agricultural			
Thousands of persons 16 years of age and over								Percent		
1975: Jan.....	152,230	94,146	2,193	91,953	84,673	3,337	81,336	7,280	7.9	61.8
Feb.....	152,445	93,819	2,198	91,621	84,259	3,286	80,973	7,362	8.0	61.5
Mar.....	152,646	94,218	2,198	92,020	84,243	3,301	80,942	7,777	8.5	61.7
Apr.....	152,840	94,405	2,195	92,210	84,246	3,283	80,963	7,964	8.6	61.8
May.....	153,051	94,970	2,181	92,789	84,475	3,535	80,940	8,314	9.0	62.1
June.....	153,278	94,773	2,178	92,595	84,496	3,361	81,135	8,099	8.7	61.8
July.....	153,585	95,103	2,186	92,917	84,856	3,435	81,421	8,061	8.7	61.9
Aug.....	153,824	95,220	2,185	93,035	85,114	3,417	81,697	7,921	8.5	61.9
Sept.....	154,052	95,296	2,170	93,126	85,115	3,506	81,609	8,011	8.6	61.9
Oct.....	154,256	95,299	2,164	93,135	85,087	3,389	81,698	8,048	8.6	61.8
Nov.....	154,476	95,180	2,155	93,025	85,212	3,315	81,897	7,813	8.4	61.6
Dec.....	154,700	95,305	2,157	93,148	85,443	3,255	82,188	7,705	8.3	61.6
1976: Jan.....	154,915	95,613	2,140	93,473	86,226	3,305	82,921	7,247	7.8	61.7
Feb.....	155,106	95,743	2,146	93,597	86,471	3,198	83,273	7,126	7.6	61.7
Mar.....	155,325	96,009	2,148	93,862	86,845	3,215	83,630	7,017	7.5	61.8
Apr.....	155,516	96,520	2,144	94,376	87,329	3,398	83,931	7,047	7.5	62.1
May.....	155,711	96,693	2,142	94,551	87,640	3,332	84,308	6,911	7.3	62.1
June.....	155,925	96,841	2,137	94,704	87,533	3,313	84,220	7,171	7.6	62.1
July.....	156,142	97,329	2,140	95,189	87,783	3,333	84,450	7,406	7.8	62.3
Aug.....	156,367	97,498	2,147	95,351	87,834	3,372	84,462	7,517	7.9	62.4
Sept.....	156,595	97,387	2,145	95,242	87,794	3,278	84,516	7,448	7.8	62.2
Oct.....	156,788	97,449	2,147	95,302	87,738	3,310	84,428	7,564	7.9	62.2
Nov.....	157,006	98,020	2,149	95,871	88,220	3,248	84,972	7,651	8.0	62.4
Dec.....	157,176	98,106	2,146	95,960	88,441	3,257	85,184	7,519	7.8	62.4

<sup>1</sup> Not seasonally adjusted.

<sup>2</sup> Not strictly comparable with earlier data due to population adjustments as follows: Beginning 1953, introduction of 1950 Census data added about 600,000 to population and about 350,000 to labor force, total employment, and agricultural employment. Beginning 1960, inclusion of Alaska and Hawaii added about 500,000 to population, about 300,000 to labor force, and about 240,000 to nonagricultural employment. Beginning 1962, introduction of 1960 Census data reduced population by about 50,000 and labor force and employment by about 200,000. Beginning 1972, introduction of 1970 Census data added about 800,000 to civilian noninstitutional population and about 333,000 to labor force and employment. A subsequent adjustment based on 1970 Census in March 1973 added 60,000 to labor force and to employment. Overall categories of the labor force other than those noted were not appreciably affected.

Note.—Labor force data in Tables B-27 through B-30 are based on household interviews and relate to the calendar week including the 12th of the month. For definitions of terms, area samples used, historical comparability of the data, comparability with other series, etc., see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-28.—Civilian employment and unemployment by sex and age 1947-76

[Thousands of persons 16 years of age and over; monthly data seasonally adjusted]

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...	57,038	40,994	2,218	38,776	16,045	1,691	14,354	2,311	1,692	270	1,422	619	144	475
1948...	58,343	41,726	2,345	39,382	16,618	1,683	14,937	2,276	1,559	255	1,305	717	152	564
1949...	57,651	40,926	2,124	38,803	16,723	1,588	15,137	3,637	2,572	352	2,219	1,065	223	841
1950...	58,918	41,580	2,186	39,394	17,340	1,517	15,824	3,288	2,239	318	1,922	1,049	195	854
1951...	59,961	41,780	2,156	39,626	18,182	1,611	16,570	2,055	1,221	191	1,029	834	145	689
1952...	60,250	41,684	2,106	39,578	18,570	1,612	16,958	1,883	1,185	205	980	698	140	559
1953 <sup>1</sup> ...	61,179	42,431	2,135	40,296	18,750	1,584	17,164	1,834	1,202	184	1,019	632	123	510
1954...	60,109	41,620	2,198	39,434	18,490	1,490	17,000	3,532	2,344	310	2,035	1,188	191	997
1955...	62,170	42,621	2,095	40,526	19,550	1,548	18,002	2,852	1,854	274	1,580	998	176	823
1956...	63,799	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 <sup>1</sup> ...	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 <sup>1</sup> ...	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	2,518	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	2,987	43,353	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	23,507	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 <sup>1</sup> ...	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
1973 <sup>1</sup> ...	84,409	51,963	4,017	47,946	32,446	3,219	29,228	4,304	2,240	647	1,594	2,064	579	1,485
1974...	85,936	52,519	4,074	48,445	33,417	3,329	30,088	5,076	2,668	749	1,918	2,408	660	1,748
1975...	84,783	51,230	3,803	47,427	33,553	3,243	30,310	7,830	4,385	957	3,428	3,445	795	2,649
1976...	87,485	52,391	3,904	48,486	35,095	3,365	31,730	7,288	3,968	928	3,041	3,320	773	2,546
1975: Jan...	84,673	51,399	3,850	47,549	33,274	3,298	29,976	7,280	3,919	924	2,995	3,361	802	2,559
1975: Feb...	84,259	51,192	3,806	47,386	33,067	3,232	29,835	7,362	4,070	943	3,127	3,292	755	2,537
1975: Mar...	84,243	51,067	3,805	47,262	33,176	3,201	29,975	7,777	4,289	951	3,338	3,488	805	2,683
1975: Apr...	84,246	50,960	3,753	47,207	33,286	3,223	30,063	7,964	4,445	972	3,473	3,519	751	2,768
1975: May...	84,475	51,138	3,851	47,287	33,337	3,244	30,093	8,314	4,665	955	3,710	3,649	855	2,794
1975: June...	84,496	51,024	3,758	47,266	33,472	3,245	30,227	8,099	4,602	1,066	3,536	3,497	769	2,728
1975: July...	84,856	51,267	3,799	47,468	33,589	3,209	30,380	8,061	4,613	1,009	3,604	3,448	800	2,648
1975: Aug...	85,114	51,365	3,775	47,590	33,749	3,245	30,504	7,921	4,458	988	3,470	3,463	825	2,638
1975: Sept...	85,115	51,296	3,820	47,476	33,819	3,272	30,547	8,011	4,615	932	3,683	3,396	799	2,597
1975: Oct...	85,087	51,244	3,785	47,459	33,843	3,221	30,622	8,048	4,598	935	3,663	3,450	802	2,648
1975: Nov...	85,212	51,324	3,812	47,512	33,888	3,228	30,660	7,813	4,430	892	3,538	3,383	765	2,618
1975: Dec...	85,443	51,401	3,794	47,607	34,042	3,275	30,767	7,705	4,256	922	3,334	3,449	821	2,628
1976: Jan...	86,226	51,789	3,848	47,941	34,437	3,296	31,141	7,247	3,949	946	3,003	3,298	779	2,519
1976: Feb...	86,471	51,942	3,863	48,079	34,529	3,301	31,228	7,126	3,858	920	2,938	3,268	775	2,493
1976: Mar...	86,845	52,078	3,877	48,201	34,767	3,353	31,414	7,017	3,798	924	2,874	3,219	775	2,444
1976: Apr...	87,329	52,397	3,942	48,455	34,932	3,386	31,546	7,047	3,812	930	2,822	3,235	768	2,467
1976: May...	87,640	52,490	3,948	48,542	35,150	3,479	31,671	6,911	3,830	937	2,893	3,081	753	2,328
1976: June...	87,533	52,332	3,889	48,443	35,201	3,400	31,801	7,171	3,931	882	3,049	3,240	763	2,477
1976: July...	87,783	52,507	3,963	48,544	35,276	3,423	31,853	7,406	4,020	889	3,131	3,386	752	2,634
1976: Aug...	87,834	52,596	3,958	48,638	35,238	3,355	31,883	7,517	3,968	908	3,060	3,549	870	2,679
1976: Sept...	87,794	52,546	3,845	48,701	35,248	3,342	31,906	7,448	4,060	910	3,150	3,388	754	2,634
1976: Oct...	87,738	52,576	3,892	48,684	35,162	3,351	31,811	7,564	4,178	950	3,228	3,386	753	2,633
1976: Nov...	88,220	52,643	3,870	48,773	35,577	3,369	32,208	7,651	4,244	951	3,293	3,407	767	2,640
1976: Dec...	88,441	52,799	3,940	48,859	35,642	3,302	32,340	7,519	4,152	933	3,219	3,367	769	2,598

<sup>1</sup> See footnote 2, Table B-27.

Note.—See Note, Table B-27.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-29.—Selected unemployment rates, 1948-76

(Percent <sup>1</sup>; monthly data seasonally adjusted)

Year or month	All workers	By sex and age			By color		By selected groups					Labor force <sup>5</sup> time lost <sup>5</sup>	
		Both sexes 16-19 years	Males 20 years and over	Females 20 years and over	White	Black and other	Experienced wage and salary workers	Household heads	Married men <sup>2</sup>	Full-time workers <sup>3</sup>	Blue-collar workers <sup>4</sup>		
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	4.8
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
1973.....	4.9	14.5	3.2	4.8	4.3	8.9	4.5	2.9	2.3	4.3		5.3	5.2
1974.....	5.6	16.0	3.8	5.5	5.0	9.9	5.3	3.3	2.7	5.1		6.7	6.1
1975.....	8.5	19.9	6.7	8.0	7.8	13.9	8.2	5.8	5.1	8.1		11.7	9.1
1976.....	7.7	19.0	5.9	7.4	7.0	13.1	7.3	5.1	4.2	7.3		9.4	8.3
1975: Jan.....	7.9	19.5	5.9	7.9	7.3	13.0	7.7	5.2	4.4	7.5		10.6	8.7
Feb.....	8.0	19.4	6.2	7.8	7.3	13.3	7.7	5.3	4.7	7.7		10.7	8.7
Mar.....	8.5	20.0	6.6	8.2	7.8	13.9	8.2	5.7	5.0	8.1		12.0	9.2
Apr.....	8.6	19.8	6.9	8.4	7.9	14.2	8.5	5.9	5.4	8.4		12.4	9.3
May.....	9.0	20.3	7.3	8.5	8.3	14.3	8.9	6.2	5.7	8.7		12.8	9.7
June.....	8.7	20.8	7.0	8.3	8.1	14.1	8.6	6.1	5.5	8.4		12.5	9.1
July.....	8.7	20.5	7.1	8.0	8.0	13.5	8.4	6.0	5.4	8.4		12.4	9.1
Aug.....	8.5	20.5	6.8	8.0	7.8	14.3	8.3	5.8	5.3	8.2		12.0	9.0
Sept.....	8.6	19.6	7.2	7.8	7.8	14.5	8.4	6.0	5.4	8.4		12.0	9.2
Oct.....	8.6	19.9	7.2	8.0	7.9	14.2	8.4	6.0	5.3	8.4		11.7	9.2
Nov.....	8.4	19.1	6.9	7.9	7.7	13.8	8.2	5.7	5.0	8.2		11.2	9.1
Dec.....	8.3	19.8	6.5	7.9	7.6	13.6	8.0	5.6	4.8	7.9		10.6	8.8
1976: Jan.....	7.8	19.4	5.9	7.5	7.1	13.2	7.5	5.2	4.1	7.3		9.4	8.4
Feb.....	7.6	19.1	5.8	7.4	6.8	13.6	7.3	5.0	4.2	7.1		9.3	8.1
Mar.....	7.5	19.0	5.6	7.2	6.8	12.6	7.1	5.0	4.1	7.0		9.1	8.1
Apr.....	7.5	19.3	5.5	7.3	6.8	13.0	7.1	4.8	4.0	7.0		8.9	8.1
May.....	7.3	18.5	5.6	6.8	6.7	12.3	7.1	4.9	4.1	6.9		9.0	8.1
June.....	7.6	18.4	5.9	7.2	6.8	13.4	7.2	5.1	4.3	7.2		9.3	7.9
July.....	7.8	18.2	6.1	7.6	7.1	12.9	7.4	5.3	4.4	7.3		9.7	8.1
Aug.....	7.9	19.6	5.9	7.8	7.1	13.6	7.5	5.2	4.3	7.5		9.8	8.4
Sept.....	7.8	18.8	6.1	7.6	7.2	12.8	7.4	5.5	4.5	7.5		9.8	8.4
Oct.....	7.9	19.0	6.2	7.6	7.2	13.4	7.5	5.4	4.4	7.6		9.8	8.6
Nov.....	8.0	19.2	6.3	7.6	7.3	13.5	7.6	5.3	4.5	7.6		9.7	8.6
Dec.....	7.8	19.0	6.2	7.4	7.1	13.4	7.4	5.1	4.3	7.5		9.6	8.4

<sup>1</sup> Unemployment as percent of civilian labor force in group specified, except as noted.

<sup>2</sup> Married men living with their wives. Data for 1949 and 1951-54 are for April; 1950, for March.

<sup>3</sup> Data for 1949-61 are for May.

<sup>4</sup> Includes craft and kindred workers, operatives, and nonfarm laborers. Data for 1948-57 are based on data for January, April, July, and October.

<sup>5</sup> Aggregate hours lost by the unemployed and persons on part-time for economic reasons as a percent of potentially available labor force hours.

Note.—See footnote 2 and Note, Table B-27.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-30.—Unemployment by duration, 1947-76

[Monthly data seasonally adjusted <sup>1</sup>]

Year or month	Total un-employment	Duration of unemployment				Average (mean) duration in weeks
		Less than 5 weeks	5-14 weeks	15-26 weeks	27 weeks and over	
Thousands of persons 16 years of age and over						
1947	2,311	1,210	704	234	164	
1948	2,276	1,300	669	193	116	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	8.4
1969	2,832	1,629	827	242	133	7.9
1970	4,088	2,137	1,289	427	235	8.7
1971	4,993	2,234	1,578	665	517	11.3
1972	4,840	2,223	1,459	597	562	12.0
1973	4,304	2,196	1,296	475	337	10.0
1974	5,076	2,567	1,572	563	373	9.7
1975	7,830	2,894	2,452	1,290	1,193	14.1
1976	7,288	2,790	2,159	1,003	1,336	15.8
1975: Jan.	7,280	3,196	2,578	939	627	10.8
Feb.	7,362	2,818	2,536	1,122	721	11.7
Mar.	7,777	3,198	2,558	1,234	767	11.5
Apr.	7,964	2,936	2,621	1,404	952	12.9
May	8,314	3,038	2,621	1,515	1,071	13.5
June	8,099	2,829	2,465	1,467	1,251	15.3
July	8,061	2,850	2,200	1,535	1,344	14.9
Aug.	7,921	2,783	2,445	1,405	1,418	15.4
Sept.	8,011	2,839	2,419	1,341	1,581	16.1
Oct.	8,048	2,960	2,448	1,261	1,473	15.5
Nov.	7,813	2,662	2,373	1,253	1,696	16.8
Dec.	7,705	2,651	2,200	1,349	1,632	16.9
1976: Jan.	7,247	2,635	2,065	1,165	1,616	16.9
Feb.	7,126	2,637	1,890	968	1,563	16.3
Mar.	7,017	2,630	1,915	870	1,455	16.0
Apr.	7,047	2,988	1,902	715	1,388	15.8
May	6,911	2,795	1,978	850	1,192	15.1
June	7,171	2,730	2,215	902	1,271	16.9
July	7,406	2,931	2,093	1,058	1,189	15.6
Aug.	7,517	2,867	2,433	1,127	1,214	15.4
Sept.	7,448	2,852	2,426	1,118	1,193	15.4
Oct.	7,564	2,952	2,367	1,094	1,266	15.3
Nov.	7,651	2,759	2,494	1,188	1,329	15.5
Dec.	7,519	2,765	2,319	1,130	1,384	15.6

<sup>1</sup> Because of independent seasonal adjustment of the various series, detail will not add to totals.

Note.—See footnote 2 and Note, Table B-27.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-31—Unemployment insurance programs, selected data, 1946-76

Year or month	All programs			State programs					
	Covered employment <sup>1</sup>	Insured unemployment (weekly average) <sup>2,3</sup>	Total benefits paid (millions of dollars) <sup>2,4</sup>	Insured unemployment	Initial claims	Exhaustions <sup>5</sup>	Insured unemployment as percent of covered employment	Benefits paid	
								Total (millions of dollars) <sup>4</sup>	Average weekly check (dollars) <sup>6</sup>
	Thousands			Weekly average; thousands					
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	17.88
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	20.43
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	1,973	3,025.9	1,806	298	30	4.3	2,774.7	35.27
1964	49,637	1,753	2,749.2	1,605	268	26	3.8	2,522.1	35.92
1965	51,580	1,450	2,360.4	1,328	232	21	3.0	2,166.0	37.19
1966	54,739	1,129	1,890.9	1,061	203	15	2.3	1,771.3	39.75
1967	56,342	1,270	2,221.5	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	4,209.3	1,805	296	25	3.4	3,848.5	50.34
1971	59,375	2,608	6,214.9	2,150	295	39	4.1	4,957.0	53.23
1972	66,458	2,192	5,491.1	1,848	261	35	3.5	4,471.0	56.76
1973	69,897	1,793	4,517.3	1,632	246	29	2.7	4,007.6	59.00
1974	72,451	2,558	6,933.9	2,262	363	37	3.5	5,974.9	64.25
1975 <sup>p</sup>	71,037	4,943	16,802.4	3,992	478	81	6.0	11,754.7	70.23
1976 <sup>p</sup>		3,822		2,968	382		4.5		
1975: Jan		5,213	1,256.6	3,603	543	50	5.5	1,128.2	67.83
Feb		5,751	1,312.3	3,832	530	58	5.8	1,164.2	68.73
Mar		5,886	1,490.4	4,125	534	66	6.3	1,290.6	69.07
Apr		5,647	1,539.7	4,271	508	84	6.4	1,301.2	69.08
May		5,202	1,395.2	4,480	504	92	6.7	1,145.1	69.33
June		4,892	1,256.7	4,331	494	104	6.5	984.0	69.58
July		4,979	1,365.5	4,210	456	106	6.3	1,037.1	71.56
Aug		4,576	1,218.4	4,130	473	98	6.2	891.4	71.06
Sept		4,238	1,126.5	4,070	463	84	6.1	779.4	71.32
Oct		4,037	1,115.8	3,940	445	76	5.9	759.5	72.37
Nov		4,120	972.5	3,576	392	73	5.4	677.8	73.11
Dec		4,461	1,231.9	3,242	362	73	4.9	893.2	73.64
1976: Jan		4,962	1,344.9	2,961	371	76	4.5	1,018.6	74.71
Feb		4,721	1,231.9	2,859	343	74	4.3	945.1	75.66
Mar		4,366	1,334.4	2,759	350	71	4.2	1,018.2	75.69
Apr		3,917	1,150.7	2,717	361	69	4.1	869.6	75.61
May		3,564	945.7	2,862	398	66	4.4	698.7	74.79
June		3,457	981.7	2,947	397	64	4.5	719.3	74.16
July		3,642	960.5	3,086	403	61	4.7	711.5	73.66
Aug		3,446	951.5	3,203	417	59	4.9	698.7	73.83
Sept <sup>p</sup>		3,236	892.8	3,261	427	56	5.0	640.8	74.19
Oct <sup>p</sup>		3,227	821.6	3,328	437	53	5.1	610.5	75.50
Nov <sup>p</sup>		3,453		3,165	385		4.8		
Dec <sup>p</sup>				2,933	356		4.5		

\* Monthly data are seasonally adjusted.  
<sup>1</sup> 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).  
<sup>2</sup> 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. Does not include FSB (Federal supplemental benefits) and SUA (special unemployment assistance) programs.  
<sup>3</sup> Covered workers who have completed at least 1 week of unemployment.  
<sup>4</sup> Annual data are net amounts and monthly data are gross amounts.  
<sup>5</sup> Individuals receiving final payments in benefit year.  
<sup>6</sup> For total unemployment only.  
<sup>p</sup> Programs include Puerto Rican sugarcane workers for initial claims and insured unemployment beginning July 1963.  
<sup>†</sup> Latest data available for all programs combined. Workers covered by State programs account for about 92 percent of the total.

Source: Department of Labor, Employment and Training Administration.

TABLE B-32.—*Wage and salary workers in nonagricultural establishments, 1929-76*

(Thousands of persons; monthly data seasonally adjusted)

Year or month	Total wage and salary workers	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government	
		Total	Durable goods	Non-durable goods							Federal	State and local
1929.....	31,339	10,702	-----	-----	1,087	1,497	3,916	6,123	1,509	3,440	533	2,532
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	3,276	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.....	67,951	19,781	11,626	8,155	606	3,306	4,311	14,099	3,381	10,622	2,737	9,109
1969.....	70,442	20,167	11,895	8,272	619	3,525	4,435	14,704	3,562	11,228	2,758	9,444
1970.....	70,920	19,349	11,195	8,154	623	3,536	4,504	15,040	3,687	11,621	2,731	9,830
1971.....	71,222	18,572	10,597	7,975	609	3,639	4,457	15,352	3,802	11,903	2,696	10,192
1972.....	73,714	19,090	11,006	8,084	625	3,831	4,517	15,975	3,943	12,392	2,684	10,656
1973.....	76,896	20,068	11,839	8,229	644	4,015	4,644	16,674	4,091	13,021	2,663	11,075
1974.....	78,413	20,046	11,895	8,151	694	3,957	4,696	17,017	4,208	13,617	2,724	11,453
1975.....	76,985	18,347	10,679	7,668	745	3,457	4,498	16,947	4,223	13,995	2,748	12,025
1976.....	79,115	18,954	11,028	7,926	783	3,370	4,507	17,490	4,316	14,607	2,736	12,352

See footnotes at end of table.

TABLE B-32.—*Wage and salary workers in nonagricultural establishments, 1929-76—Continued*

[All employees; thousands of persons; monthly data seasonally adjusted]

Year or month	Total wage and salary workers	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government	
		Total	Durable goods	Non-durable goods							Federal	State and local
1974: Jan...	78,033	20,305	12,037	8,268	673	4,050	4,705	16,864	4,172	13,313	2,683	11,268
Feb...	78,205	20,220	11,967	8,253	679	4,121	4,716	16,878	4,186	13,400	2,699	11,306
Mar...	78,275	20,196	11,957	8,239	680	4,098	4,711	16,911	4,196	13,453	2,702	11,328
Apr...	78,423	20,235	12,009	8,226	688	4,062	4,707	16,968	4,202	13,488	2,711	11,362
May...	78,559	20,220	11,989	8,231	692	4,037	4,708	17,029	4,209	13,573	2,717	11,374
Jun...	78,628	20,234	12,020	8,214	694	3,985	4,704	17,051	4,210	13,621	2,723	11,406
July...	78,660	20,209	12,026	8,183	700	3,921	4,699	17,111	4,210	13,656	2,729	11,425
Aug...	78,709	20,128	11,954	8,174	703	3,934	4,703	17,125	4,217	13,696	2,734	11,469
Sep...	78,774	20,074	11,927	8,147	707	3,891	4,683	17,139	4,220	13,753	2,742	11,565
Oct...	78,718	19,938	11,856	8,082	714	3,869	4,686	17,142	4,224	13,797	2,740	11,608
Nov...	78,339	19,635	11,658	7,977	718	3,818	4,674	17,049	4,226	13,822	2,740	11,657
Dec...	77,703	19,183	11,353	7,830	684	3,759	4,659	16,939	4,225	13,833	2,738	11,683
1975: Jan...	77,300	18,784	11,092	7,692	725	3,732	4,599	16,903	4,219	13,857	2,736	11,745
Feb...	76,804	18,375	10,816	7,559	728	3,596	4,556	16,878	4,210	13,865	2,735	11,861
Mar...	76,518	18,237	10,737	7,500	732	3,483	4,511	16,864	4,207	13,864	2,735	11,885
Apr...	76,491	18,183	10,650	7,533	734	3,455	4,508	16,856	4,205	13,878	2,735	11,937
May...	76,577	18,192	10,607	7,585	741	3,446	4,496	16,873	4,208	13,903	2,736	11,982
Jun...	76,444	18,131	10,539	7,592	743	3,405	4,474	16,882	4,206	13,885	2,741	11,977
July...	76,706	18,115	10,488	7,627	745	3,404	4,473	16,949	4,211	13,990	2,748	12,071
Aug...	76,988	18,272	10,578	7,694	750	3,412	4,466	16,968	4,218	14,050	2,753	12,099
Sep...	77,239	18,395	10,645	7,750	753	3,420	4,472	17,016	4,235	14,099	2,757	12,092
Oct...	77,470	18,452	10,644	7,808	759	3,399	4,472	17,043	4,242	14,157	2,761	12,185
Nov...	77,542	18,472	10,652	7,820	761	3,406	4,482	17,027	4,248	14,188	2,756	12,202
Dec...	77,764	18,555	10,709	7,846	766	3,392	4,477	17,084	4,260	14,229	2,753	12,248
1976: Jan...	78,142	18,704	10,810	7,894	767	3,409	4,489	17,207	4,266	14,307	2,749	12,244
Feb...	78,358	18,774	10,857	7,917	767	3,379	4,504	17,308	4,266	14,360	2,742	12,258
Mar...	78,692	18,897	10,956	7,941	773	3,380	4,507	14,399	4,276	14,422	2,735	12,303
Apr...	79,011	19,008	11,016	7,992	775	3,413	4,510	17,465	4,289	14,498	2,733	12,320
May...	79,006	19,000	11,062	7,938	776	3,393	4,503	17,461	4,282	14,529	2,730	12,332
Jun...	79,043	18,984	11,059	7,925	781	3,375	4,482	17,460	4,301	14,571	2,728	12,361
July...	79,183	18,945	11,034	7,911	791	3,382	4,508	17,531	4,312	14,623	2,723	12,368
Aug...	79,278	18,979	11,083	7,896	752	3,349	4,501	17,554	4,312	14,709	2,732	12,390
Sep...	79,572	19,100	11,146	7,954	798	3,330	4,528	17,625	4,338	14,758	2,728	12,367
Oct...	79,467	18,941	11,018	7,923	800	3,340	4,506	17,610	4,359	14,781	2,730	12,400
Nov P...	79,700	19,057	11,134	7,923	808	3,353	4,510	17,585	4,381	14,844	2,734	12,428
Dec P...	79,957	19,093	11,181	7,912	806	3,349	4,537	17,685	4,403	14,897	2,736	12,451

Note.—Data in Tables B-32 through B-34 are based on reports from employing establishments and relate to full- and part-time wage and salary workers in nonagricultural establishments who worked during, or received pay for, any part of the pay period which includes the 12th of the month.

Not comparable with labor force data (Tables B-27 through B-30), which include proprietors, self-employed persons, domestic servants, and unpaid family workers; which count persons as employed when they are not at work because of industrial disputes, bad weather, etc.; and which are based on a sample of the working-age population, whereas the estimates in this table are based on reports from employing establishments.

For description and details of the various establishment data, see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-33.—Average weekly hours and hourly earnings in selected private nonagricultural industries, 1947-76

[For production or nonsupervisory workers; monthly data seasonally adjusted]

Year or month	Average weekly hours				Average gross hourly earnings, current dollars				Adjusted hourly earnings, total private nonagricultural <sup>3</sup>			
	Total private non-agricultural <sup>1</sup>	Manu-facturing	Con-tract con-struction	Retail trade <sup>2</sup>	Total private non-agricultural <sup>1</sup>	Manu-facturing	Con-tract con-struction	Retail trade <sup>2</sup>	Index, 1967=100		Percent change from a year earlier <sup>4</sup>	
									Current dol-lars	1967 dol-lars <sup>4</sup>	Current dol-lars	1967 dol-lars
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	2.52	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	88.3	95.1	2.8	1.5
1965	38.8	41.2	37.4	36.6	2.45	2.61	3.70	1.82	91.6	97.0	3.7	2.0
1966	38.6	41.3	37.6	35.9	2.56	2.72	3.89	1.91	95.4	98.1	4.1	1.1
1967	38.0	40.6	37.7	35.3	2.68	2.83	4.11	2.01	100.0	100.0	4.8	1.9
1968	37.8	40.7	37.3	34.7	2.85	3.01	4.41	2.16	106.3	102.0	6.3	2.0
1969	37.7	40.6	37.9	34.2	3.04	3.19	4.79	2.30	113.3	103.2	6.6	1.2
1970	37.1	39.8	37.3	33.8	3.22	3.36	5.24	2.44	120.8	103.9	6.6	.7
1971	37.0	39.9	37.2	33.7	3.44	3.57	5.69	2.57	129.4	106.7	7.1	2.7
1972	37.1	40.6	36.9	33.7	3.67	3.81	6.03	2.70	137.8	110.0	6.5	3.1
1973	37.1	40.7	37.0	33.3	3.92	4.08	6.37	2.87	146.6	110.1	6.4	-1
1974	36.6	40.0	36.9	32.7	4.22	4.41	6.75	3.09	158.6	107.4	8.2	-2.5
1975	36.1	39.4	36.6	32.4	4.54	4.81	7.25	3.34	172.7	107.1	8.9	-3
1976 <sup>p</sup>	36.2	40.1	37.1	32.2	4.86	5.19	7.67	3.55	184.7	-----	6.9	-----
1975: Jan	36.2	39.1	37.1	32.3	4.41	4.65	7.04	3.23	166.0	106.1	9.5	-1.9
Feb	36.0	38.9	36.6	32.3	4.43	4.68	6.98	3.26	167.4	106.4	9.8	-1.1
Mar	35.9	38.9	34.9	32.5	4.45	4.72	7.18	3.27	168.9	107.0	10.0	-3
Apr	35.9	39.0	36.7	32.3	4.47	4.73	7.18	3.28	169.3	106.7	9.6	-6
May	36.0	39.1	36.8	32.4	4.49	4.75	7.16	3.30	170.3	106.8	9.0	-5
June	36.0	39.3	36.0	32.4	4.52	4.78	7.26	3.32	171.8	106.9	8.6	-8
July	36.0	39.4	36.4	32.3	4.55	4.82	7.32	3.34	172.7	106.5	8.7	-9
Aug	36.1	39.7	36.7	32.4	4.58	4.85	7.30	3.37	174.2	107.0	8.8	.1
Sept	36.1	39.8	36.7	32.3	4.60	4.88	7.32	3.38	174.8	106.9	8.1	.1
Oct	36.2	39.8	36.7	32.4	4.63	4.90	7.34	3.40	176.2	107.1	8.2	.5
Nov	36.3	39.9	36.9	32.4	4.67	4.93	7.40	3.42	177.6	107.3	8.4	1.0
Dec	36.4	40.3	37.2	32.4	4.68	4.96	7.45	3.43	178.0	107.0	7.9	.8
1976: Jan	36.4	40.4	37.6	32.5	4.72	5.00	7.48	3.46	179.4	107.3	8.0	1.2
Feb	36.4	40.3	37.7	32.3	4.74	5.04	7.47	3.47	180.3	107.8	7.7	1.3
Mar	36.2	40.3	36.0	32.2	4.77	5.08	7.57	3.48	181.1	108.0	7.2	1.0
Apr	36.1	39.4	37.4	32.5	4.79	5.08	7.57	3.49	182.1	108.2	7.6	1.4
May	36.3	40.3	37.1	32.2	4.83	5.13	7.66	3.51	183.3	108.3	7.7	1.4
June	36.2	40.2	37.3	32.0	4.85	5.16	7.68	3.52	184.0	108.1	7.1	1.1
July	36.2	40.1	36.9	32.1	4.88	5.21	7.77	3.55	185.2	108.4	7.3	1.8
Aug	36.1	40.0	36.8	32.0	4.90	5.25	7.74	3.57	186.4	108.5	7.0	1.4
Sept	36.0	39.7	35.9	32.1	4.92	5.29	7.71	3.60	187.2	108.5	7.1	1.5
Oct	36.1	39.9	37.3	32.0	4.95	5.29	7.76	3.63	188.2	108.7	6.8	1.5
Nov <sup>p</sup>	36.2	40.1	37.4	32.0	4.99	5.34	7.81	3.66	189.2	109.0	6.5	1.6
Dec <sup>p</sup>	36.3	40.1	37.3	32.2	5.01	5.37	7.85	3.67	190.0	-----	6.7	-----

<sup>1</sup> Also includes other private industry groups shown in Table B-32.

<sup>2</sup> Includes eating and drinking places.

<sup>3</sup> Adjusted for overtime (in manufacturing only) and for interindustry employment shifts.

<sup>4</sup> Current dollar earnings index divided by the consumer price index.

<sup>5</sup> Monthly data are computed from indexes to two decimal places.

Note.—See Note, Table B-32.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-34.—Average weekly earnings in selected private nonagricultural industries, 1947-76

[For production or nonsupervisory workers; monthly data seasonally adjusted]

Year or month	Average gross weekly earnings					Percent change from a year earlier, total private nonagricultural <sup>4</sup>	
	Total private nonagricultural <sup>1</sup>		Manu- facturing	Contract construc- tion	Retail trade <sup>3</sup>	Current dollars	1967 dollars
	Current dollars	1967 dollars <sup>2</sup>					
1947	\$45.58	\$68.13	\$49.17	\$58.87	\$33.77		
1948	49.00	67.96	53.12	65.27	36.22	7.5	-0.2
1949	50.24	70.36	53.88	67.56	38.42	2.5	3.5
1950	53.13	73.69	58.32	69.68	39.71	5.8	4.7
1951	57.86	74.37	63.34	76.96	42.82	8.9	.9
1952	60.65	76.29	67.16	82.86	43.38	4.8	2.6
1953	63.76	79.60	70.47	86.41	45.36	5.1	4.3
1954	64.52	80.15	70.49	88.91	47.04	1.2	.7
1955	67.72	84.44	75.70	90.90	48.75	5.0	5.4
1956	70.74	86.90	78.78	96.38	50.18	4.5	2.9
1957	73.33	86.99	81.59	100.27	52.20	3.7	.1
1958	75.08	86.70	82.71	103.78	54.10	2.4	-3
1959	78.78	90.24	88.26	108.41	56.15	4.9	4.1
1960	80.67	90.95	89.72	113.04	57.76	2.4	.8
1961	82.60	92.19	92.34	118.08	58.66	2.4	1.4
1962	85.91	94.82	96.56	122.47	60.96	4.0	2.9
1963	88.46	96.47	99.63	127.19	62.66	3.0	1.7
1964	91.33	98.31	102.97	132.06	64.75	3.2	1.9
1965	95.06	100.59	107.53	138.38	66.61	4.1	2.3
1966	98.82	101.67	112.34	146.26	68.57	4.0	1.1
1967	101.84	101.84	114.90	154.95	70.95	3.1	.2
1968	107.73	103.39	122.51	164.49	74.95	5.8	1.5
1969	114.61	104.38	129.51	181.54	78.66	6.4	1.0
1970	119.46	102.72	133.73	195.45	82.47	4.2	-1.6
1971	127.28	104.93	142.44	211.67	86.61	6.5	2.2
1972	136.16	108.67	154.69	222.51	90.99	7.0	3.6
1973	145.43	109.26	166.06	235.69	95.57	6.8	.5
1974	154.45	104.57	176.40	249.08	101.04	6.2	-4.3
1975	163.89	101.67	189.51	265.35	108.22	6.1	-2.8
1976 <sup>p</sup>	175.93		208.12	284.56	114.31	7.3	
1975: Jan	159.64	102.01	181.82	261.18	104.33	6.8	-4.4
Feb	159.48	101.39	182.05	255.47	105.30	6.2	-4.4
Mar	159.76	101.17	183.61	250.58	106.28	5.9	-4.0
Apr	160.47	101.12	184.47	263.51	105.94	7.0	-2.9
May	161.64	101.34	185.73	263.49	106.92	5.1	-4.0
June	162.72	101.32	187.85	261.36	107.57	5.4	-3.6
July	163.80	100.99	189.91	266.45	107.88	5.1	-4.2
Aug	165.34	101.56	192.55	267.91	109.19	5.9	-2.5
Sept	166.06	101.57	194.22	268.64	109.17	5.5	-2.2
Oct	167.61	101.89	195.02	269.38	110.16	5.8	-1.7
Nov	169.52	102.43	196.71	273.06	110.81	7.6	.3
Dec	170.35	102.37	199.89	277.14	111.13	7.1	.1
1976: Jan	171.81	102.82	202.00	281.25	112.45	8.2	1.3
Feb	172.54	103.13	203.11	281.62	112.08	8.1	1.7
Mar	172.67	103.03	204.72	272.52	112.06	7.9	1.6
Apr	172.92	102.74	200.15	283.12	113.43	7.5	1.4
May	175.33	103.56	206.74	284.19	113.02	8.5	2.1
June	175.57	103.22	207.43	286.46	112.54	7.6	1.6
July	176.66	103.37	208.92	286.71	113.96	7.9	2.3
Aug	176.89	102.95	210.00	284.83	114.24	7.0	1.3
Sept	177.12	102.68	210.01	276.79	115.56	6.6	1.0
Oct	178.70	103.24	211.07	289.45	116.16	6.9	1.5
Nov <sup>p</sup>	180.64	104.06	214.13	292.09	117.12	6.5	1.5
Dec <sup>p</sup>	181.86		215.34	292.81	118.17	6.8	

<sup>1</sup> Also includes other private industry groups shown in Table B-32.

<sup>2</sup> Earnings in current dollars divided by the consumer price index.

<sup>3</sup> Includes eating and drinking places.

<sup>4</sup> Based on unadjusted data.

Note.—See Note, Table B-32.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-35.—Productivity and related data, private business economy, 1947-76

[1967=100; quarterly data seasonally adjusted]

Year or quarter	Output <sup>1</sup>		Hours of all persons <sup>2</sup>		Output per hour of all persons		Compensation per hour <sup>3</sup>		Unit labor costs		Implicit price deflator <sup>4</sup>	
	Total private business	Private non-farm business	Total private business	Private non-farm business	Total private business	Private non-farm business	Total private business	Private non-farm business	Total private business	Private non-farm business	Total private business	Private non-farm business
1947	48.6	47.5	92.9	80.9	52.3	58.7	35.1	37.5	67.1	63.9	65.1	62.3
1948	50.8	49.5	93.5	82.1	54.4	60.3	38.1	40.7	70.1	67.5	70.6	67.5
1949	49.9	48.7	90.3	78.9	55.3	61.7	38.8	42.0	70.2	68.1	69.8	68.0
1950	54.5	53.2	91.2	81.3	59.7	65.5	41.6	44.5	69.6	67.9	70.8	69.1
1951	57.7	56.7	93.9	85.0	61.5	66.7	45.6	48.4	74.3	72.5	76.0	73.7
1952	59.1	58.4	93.9	85.8	63.0	68.1	48.6	51.0	77.1	75.0	77.4	75.2
1953	61.9	60.8	94.7	87.9	65.3	69.2	51.8	54.0	79.3	78.0	77.9	76.8
1954	60.8	59.6	91.5	84.7	66.5	70.3	53.5	55.8	80.5	79.3	78.6	77.8
1955	65.6	64.5	94.8	88.1	69.2	73.2	54.9	57.8	79.3	79.0	79.8	79.4
1956	67.5	66.5	96.2	90.3	70.2	73.6	58.6	61.4	83.5	83.3	82.2	81.9
1957	68.4	67.5	94.6	89.7	72.3	75.3	62.5	65.0	86.5	86.4	84.8	84.6
1958	66.9	65.8	90.2	85.8	74.2	76.8	65.5	67.7	88.2	88.1	86.4	85.9
1959	71.8	71.0	93.4	89.3	76.8	79.6	68.5	70.6	89.1	88.8	88.1	88.0
1960	73.1	72.2	93.6	89.9	78.1	80.3	71.4	73.7	91.4	91.7	89.3	89.2
1961	74.1	73.3	92.0	88.7	80.6	82.6	74.2	76.2	92.1	92.3	89.8	89.8
1962	78.8	78.1	93.4	90.5	84.4	86.2	77.7	79.4	92.1	92.0	90.6	90.5
1963	82.2	81.6	93.8	91.4	87.7	89.3	80.7	82.3	92.0	92.2	91.4	91.5
1964	86.8	86.4	95.1	93.3	91.3	92.6	85.1	86.2	93.2	93.1	92.7	92.9
1965	92.9	92.6	98.1	96.8	94.7	95.7	88.4	89.1	93.4	93.2	94.2	94.1
1966	98.0	98.1	100.3	100.0	97.8	98.1	94.7	94.5	96.8	96.4	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	105.1	105.4	101.7	102.1	103.3	103.2	107.6	107.3	104.1	103.9	103.9	104.0
1969	108.3	108.6	104.5	105.3	103.7	103.1	115.1	114.2	111.0	110.9	108.8	108.7
1970	107.4	107.4	102.8	104.0	104.5	103.2	123.3	121.9	118.1	118.1	113.9	114.0
1971	110.3	110.3	102.3	103.7	107.8	106.3	131.5	129.9	121.9	122.2	118.9	119.2
1972	117.6	117.9	106.0	107.6	110.9	109.5	138.9	137.4	125.2	125.5	123.2	122.9
1973	124.5	125.0	110.1	112.2	113.1	111.4	150.3	148.1	132.9	133.0	130.3	128.0
1974	120.8	121.1	110.6	112.7	109.2	107.5	164.3	162.0	150.4	150.8	143.8	142.0
1975	118.1	118.0	105.9	107.9	111.5	109.4	180.2	177.7	161.6	162.4	157.5	156.4
1974: I	123.0	123.7	111.3	113.2	110.5	109.3	157.1	155.3	142.1	142.1	137.4	134.7
II	121.8	122.1	111.3	113.5	109.4	107.6	161.8	159.6	147.9	148.3	141.5	140.1
III	120.6	121.0	110.9	113.3	108.7	106.7	166.7	164.0	153.3	153.6	146.0	144.6
IV	117.7	117.9	109.3	111.5	107.6	105.7	170.7	168.3	158.6	159.3	150.4	149.2
1975: I	114.2	114.4	105.7	107.9	108.1	106.0	176.0	173.1	162.9	163.3	154.5	154.0
II	116.7	116.6	104.8	106.7	111.4	109.2	179.0	176.4	160.7	161.6	155.9	155.0
III	120.1	119.9	105.7	107.4	113.6	111.6	181.3	179.3	159.5	160.6	158.4	157.0
IV	121.2	121.3	107.0	109.2	113.2	111.0	185.0	182.2	163.4	164.1	160.9	159.3
1976: I	124.2	124.3	107.7	110.4	115.3	112.6	189.8	186.4	164.7	165.5	161.7	161.0
II	125.8	126.0	108.2	110.4	116.3	114.1	193.3	190.4	166.1	166.9	163.8	162.5
III	126.9	127.1	108.2	110.6	117.2	114.9	196.7	193.6	167.8	168.5	165.4	164.8

<sup>1</sup> Output refers to gross domestic product originating in the sector in 1972 dollars.

<sup>2</sup> Hours of all persons in private industry engaged in production, including hours of proprietors and unpaid family workers. Estimates based primarily on establishment data.

<sup>3</sup> Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

<sup>4</sup> Current dollar gross domestic product divided by constant dollar gross domestic product.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-36.—Changes in productivity and related data, private business economy, 1948-76

[Percent change from preceding period; quarterly data at seasonally adjusted annual rates]

Year or quarter	Output <sup>1</sup>		Hours of all persons <sup>2</sup>		Output per hour of all persons		Compensation per hour <sup>3</sup>		Unit labor costs		Implicit price deflator <sup>4</sup>	
	Total private business	Private non-farm business	Total private business	Private non-farm business	Total private business	Private non-farm business	Total private business	Private non-farm business	Total private business	Private non-farm business	Total private business	Private non-farm business
1948	4.6	4.4	0.6	1.6	3.9	2.8	8.6	8.7	4.5	5.8	8.4	8.3
1949	-1.8	-1.7	-3.4	-4.0	1.7	2.3	1.8	3.2	.1	.8	-1.1	.7
1950	9.2	9.4	1.1	3.1	8.0	6.1	7.1	5.8	-8	-3	1.5	1.6
1951	5.9	6.5	2.9	4.6	2.9	1.8	9.8	8.7	6.7	6.7	7.3	6.5
1952	2.5	3.0	.0	1.0	2.5	2.0	6.4	5.6	3.8	3.5	1.9	2.1
1953	4.6	4.1	.9	2.4	3.7	1.6	6.6	5.7	2.9	4.0	.6	2.1
1954	-1.7	-1.9	-3.5	-3.6	1.8	1.7	3.4	3.3	1.5	1.6	.9	1.3
1955	8.0	8.2	3.7	4.0	4.1	4.1	2.6	3.7	-1.5	-4	1.5	2.1
1956	2.8	3.1	1.4	2.4	1.4	.6	6.7	6.2	5.2	5.5	3.0	3.2
1957	1.3	1.5	-1.6	-7	3.0	2.2	6.7	5.9	3.7	3.7	3.2	3.3
1958	-2.1	-2.4	-4.7	-4.3	2.7	2.0	4.0	4.0	1.9	2.0	1.9	1.5
1959	7.3	7.9	3.6	4.1	3.6	3.6	4.6	4.4	1.0	.7	2.0	2.4
1960	1.8	1.6	.2	.6	1.6	1.0	4.2	4.3	2.6	3.3	1.4	1.4
1961	1.5	1.5	-1.7	-1.3	3.3	2.8	4.0	3.5	.7	.6	.6	.6
1962	6.2	6.5	1.5	2.1	4.6	4.4	4.7	4.1	.1	-3	.9	.8
1963	4.4	4.5	.4	1.0	4.0	3.5	3.9	3.7	-1	.1	.9	1.0
1964	5.6	5.9	1.4	2.1	4.1	3.7	5.4	4.8	1.3	1.0	1.4	1.5
1965	7.0	7.1	3.1	3.7	3.7	3.3	3.9	3.4	.2	.1	1.6	1.3
1966	5.5	6.0	2.3	3.3	3.2	2.5	7.0	6.1	3.7	3.4	3.2	2.9
1967	2.0	1.9	-3	-0	2.3	1.9	5.6	5.8	3.3	3.8	2.9	3.3
1968	5.1	5.4	1.7	2.1	3.3	3.2	7.6	7.3	4.1	3.9	3.9	4.0
1969	3.0	3.0	2.7	3.2	.3	-2	7.0	6.5	6.6	6.6	4.7	4.5
1970	-9	-1.1	-1.6	-1.2	.7	.2	7.2	6.7	6.4	6.5	4.7	4.9
1971	2.8	2.7	-4	-3	3.2	2.9	6.6	6.6	3.2	3.5	4.4	4.5
1972	6.6	6.9	3.6	3.7	2.9	3.0	5.7	5.8	2.7	2.7	3.6	3.1
1973	5.9	6.0	3.9	4.3	1.9	1.7	8.2	7.8	6.2	6.0	5.8	4.1
1974	-3.0	-3.1	.4	.4	-3.4	-3.5	9.3	9.4	13.2	13.4	10.3	11.0
1975	-2.3	-2.6	-4.2	-4.3	2.1	1.8	9.7	9.7	7.5	7.7	9.5	10.1
1974: I	-6.4	-5.2	.3	-9	-6.6	-4.3	8.0	9.3	15.6	14.3	9.1	9.4
II	-3.8	-4.8	.0	1.2	-3.8	-5.9	12.7	11.5	17.1	18.5	12.5	17.0
III	-3.9	-3.8	-1.4	-6	-2.6	-3.2	12.6	11.5	15.5	15.2	13.2	13.4
IV	-9.4	-9.9	-5.7	-6.2	-4.0	-3.9	9.9	10.9	14.5	15.5	12.9	13.5
1975: I	-11.2	-11.3	-12.7	-12.4	1.6	1.3	13.1	11.8	11.3	10.4	11.3	13.5
II	8.9	7.9	-3.3	-4.1	12.7	12.6	6.9	7.9	-5.1	-4.2	3.5	2.6
III	12.3	12.1	3.5	2.5	8.5	9.3	5.2	6.8	-3.0	-2.2	6.6	5.3
IV	3.6	4.5	5.2	6.9	-1.5	-2.2	8.3	6.6	10.0	9.0	6.6	6.2
1976: I	10.2	10.5	2.6	4.4	7.4	5.8	10.9	9.5	3.2	3.5	2.1	4.3
II	5.5	5.4	1.6	.1	3.8	5.4	7.5	8.9	3.6	3.3	5.2	3.6
III	3.4	3.4	.2	.5	3.1	2.9	7.3	6.9	4.1	3.9	3.9	5.8

<sup>1</sup> Output refers to gross domestic product originating in the sector in 1972 dollars.

<sup>2</sup> Hours of all persons in private industry engaged in production, including hours of proprietors and unpaid family workers. Estimates based primarily on establishment data.

<sup>3</sup> Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

<sup>4</sup> Current dollar gross domestic product divided by constant dollar gross domestic product.

Note.—Percent changes are based on original data and therefore may differ slightly from percent changes based on indexes in Table B-35.

Source: Department of Labor, Bureau of Labor Statistics.

# PRODUCTION AND BUSINESS ACTIVITY

TABLE E-37.—*Industrial production indexes, major industry divisions, 1929-76*

[1967=100; monthly data seasonally adjusted]

Year or month	Total industrial production	Manufacturing			Mining	Utilities
		Total	Durable	Nondurable		
1967 proportion.....	100.00	87.95	51.98	35.97	6.36	5.69
1929.....	21.6	22.8	22.5	23.2	43.1	7.4
1933.....	13.7	14.0	9.1	19.9	30.6	6.7
1939.....	21.7	21.5	17.7	26.1	42.1	10.7
1940.....	25.0	25.4	23.5	27.5	46.8	11.8
1941.....	31.6	32.4	31.4	33.3	49.7	13.3
1942.....	36.3	37.8	39.9	34.6	51.3	14.9
1943.....	44.0	47.0	54.2	37.1	52.5	16.5
1944.....	47.4	50.9	59.9	38.6	56.2	17.5
1945.....	40.7	42.6	45.2	38.5	55.1	17.8
1946.....	35.0	35.3	31.6	39.7	54.2	18.6
1947.....	39.4	39.4	37.7	41.3	61.3	20.1
1948.....	41.1	40.9	39.3	42.7	64.4	22.4
1949.....	38.8	38.7	35.7	42.0	57.1	23.9
1950.....	44.9	45.0	43.5	46.7	63.8	27.2
1951.....	48.7	48.6	48.9	48.3	70.0	31.0
1952.....	50.6	50.6	51.9	49.2	69.4	33.7
1953.....	54.8	55.2	58.7	51.2	71.2	36.5
1954.....	51.9	51.5	51.8	51.6	69.9	39.3
1955.....	58.5	58.2	59.2	57.2	77.9	43.9
1956.....	61.1	60.5	61.1	60.1	82.0	48.2
1957.....	61.9	61.2	61.6	61.1	82.1	51.5
1958.....	57.9	57.0	53.9	61.6	75.3	53.9
1959.....	64.8	64.2	61.9	67.7	78.7	59.3
1960.....	66.2	65.4	62.9	69.3	80.3	63.4
1961.....	66.7	65.6	61.8	71.5	80.8	67.0
1962.....	72.2	71.5	68.6	75.8	83.1	72.0
1963.....	76.5	75.8	73.1	80.0	86.4	77.0
1964.....	81.7	81.0	78.3	85.2	89.9	83.6
1965.....	89.8	89.7	89.0	90.9	93.2	88.7
1966.....	97.8	97.9	98.9	96.7	98.2	95.5
1967.....	100.0	100.0	100.0	100.0	100.0	100.0
1968.....	106.3	106.4	106.5	106.2	104.2	108.4
1969.....	111.1	111.0	110.6	111.5	108.3	117.3
1970.....	107.8	106.4	102.3	112.3	112.2	120.5
1971.....	109.6	108.2	102.4	116.6	109.8	134.5
1972.....	119.7	118.9	113.7	126.5	113.1	139.4
1973.....	129.8	129.8	127.1	133.8	114.7	145.4
1974.....	129.3	129.4	125.7	134.6	115.3	143.7
1975.....	117.8	116.3	109.3	126.4	112.8	146.0
1976 <sup>p</sup> .....	129.8	129.7	121.5	141.4	114.6	151.7
1975: Jan.....	115.2	113.4	109.0	119.8	113.8	144.4
Feb.....	112.7	110.8	105.6	118.4	114.1	145.1
Mar.....	111.7	109.3	104.7	116.1	113.7	146.8
Apr.....	112.6	110.9	105.4	118.8	112.9	143.3
May.....	113.7	111.8	105.5	120.8	111.8	144.5
June.....	116.4	114.6	107.0	125.5	113.3	148.1
July.....	118.4	117.0	109.3	128.1	110.8	145.5
Aug.....	121.0	119.7	112.3	130.5	111.6	148.3
Sept.....	122.1	121.4	113.5	132.9	111.6	144.6
Oct.....	122.2	121.2	112.7	133.6	113.8	143.8
Nov.....	123.5	122.7	113.4	136.2	114.2	148.8
Dec.....	124.4	123.6	114.4	136.9	112.9	147.2
1976: Jan.....	125.7	125.2	115.8	138.4	113.6	152.0
Feb.....	127.3	127.0	117.9	140.2	112.7	152.5
Mar.....	128.1	127.9	119.0	140.7	113.9	151.4
Apr.....	128.4	128.5	120.1	140.7	113.5	150.8
May.....	129.6	129.6	121.7	140.9	113.0	153.0
June.....	130.1	130.2	122.3	141.3	114.4	151.2
July.....	130.7	131.0	124.2	141.1	112.5	150.8
Aug.....	131.3	131.6	125.1	140.9	114.4	151.3
Sept.....	130.8	130.7	122.4	142.6	115.7	150.1
Oct.....	130.4	130.0	121.4	142.3	117.4	150.8
Nov <sup>p</sup> .....	131.9	131.8	123.8	143.4	116.8	151.9
Dec <sup>p</sup> .....	132.8	132.7	124.8	144.2	116.8	154.4

Source: Board of Governors of the Federal Reserve System.

TABLE B-38.—Industrial production indexes, market groupings, 1947-76

[1967=100; monthly data seasonally adjusted]

Year or month	Total industrial production	Final products						Inter-mediate products	Materials <sup>2</sup>		
		Total	Consumer goods <sup>1</sup>			Equipment			Total	Durable goods	Non-durable goods
			Total	Auto-motive products	Home goods	Total	Business				
1967 proportion	100.00	47.82	27.68	2.83	5.06	20.14	12.63	12.89	39.29	20.35	10.47
1947	39.4	38.6	42.4	45.3	37.5	30.6	38.0	41.9	39.5	38.3	-----
1948	41.1	40.0	43.7	47.4	39.1	32.2	39.5	44.3	41.2	39.4	-----
1949	38.8	38.8	43.4	47.0	36.2	28.7	34.5	42.0	37.6	35.3	-----
1950	44.9	43.7	49.6	59.1	49.9	31.1	37.0	48.8	45.0	44.4	-----
1951	48.7	47.2	49.1	52.3	43.0	43.3	45.2	51.3	49.8	50.5	-----
1952	50.6	50.7	50.2	47.1	43.0	51.9	51.2	50.9	50.5	51.6	-----
1953	54.8	54.1	53.2	59.5	48.6	56.3	53.3	54.5	56.1	60.3	-----
1954	51.9	51.3	52.9	55.4	44.9	49.3	46.8	54.3	51.8	52.0	45.9
1955	58.5	55.4	59.0	73.6	53.0	50.4	50.8	61.7	61.3	63.7	52.5
1956	61.1	58.6	61.2	60.6	55.7	55.3	58.8	64.4	62.8	63.9	54.9
1957	61.9	60.3	62.6	63.5	54.5	57.5	61.1	64.4	62.8	63.8	54.7
1958	57.9	57.6	62.1	50.5	51.4	51.5	51.5	63.0	56.5	53.7	54.4
1959	64.8	63.2	68.1	63.3	59.0	56.5	57.9	69.5	65.2	64.0	62.1
1960	66.2	65.3	70.7	72.5	59.4	58.1	59.4	70.0	66.1	64.8	63.2
1961	66.7	65.8	72.2	66.1	61.3	57.3	57.7	71.4	66.2	63.3	65.8
1962	72.2	71.4	77.1	80.1	66.5	63.7	62.7	75.7	72.1	70.4	71.3
1963	76.5	75.5	81.3	87.7	71.8	67.5	65.8	79.9	76.7	75.1	75.6
1964	81.7	79.7	85.9	91.9	78.4	71.4	73.7	85.2	82.9	81.9	82.2
1965	89.8	87.6	92.6	113.3	88.9	80.7	84.4	90.6	92.4	93.8	90.3
1966	97.8	95.9	97.3	112.8	97.9	94.0	97.7	100.7	100.7	103.3	97.5
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	106.3	106.2	105.9	119.4	106.4	106.5	105.5	106.3	106.5	106.2	108.8
1969	111.1	109.6	109.8	118.1	113.2	109.3	112.5	112.9	112.5	112.1	115.7
1970	107.8	105.3	109.0	98.8	110.2	100.1	107.0	112.9	109.2	103.8	115.4
1971	109.6	106.3	114.7	124.4	115.6	94.7	104.1	116.7	111.3	104.9	120.2
1972	119.7	115.7	124.4	141.4	129.5	103.8	118.0	126.5	122.3	117.7	132.9
1973	129.8	124.4	131.5	153.0	142.5	114.5	134.2	137.2	133.9	134.6	142.2
1974	129.3	125.1	128.9	132.8	136.8	120.0	142.4	135.3	132.4	132.7	142.6
1975	117.8	118.2	124.0	125.8	118.8	110.2	128.2	123.1	115.5	109.1	126.6
1975: Jan	115.2	115.2	117.0	98.6	110.4	112.7	130.8	119.5	113.7	110.6	116.6
Feb	112.7	113.5	116.1	95.6	109.7	110.0	128.0	117.9	110.1	105.3	113.9
Mar	111.7	113.4	117.0	108.4	108.0	108.6	125.7	115.9	108.3	103.0	110.8
Apr	112.6	114.7	119.0	118.1	113.2	108.7	125.6	116.9	108.8	103.2	115.2
May	113.7	115.6	120.4	122.4	115.5	109.2	126.0	118.1	109.8	102.9	118.7
June	116.4	118.2	124.3	128.9	117.3	109.8	126.6	120.8	112.6	104.3	123.2
July	118.4	119.7	126.6	137.0	120.8	110.0	127.3	125.0	114.5	107.3	127.1
Aug	121.0	120.8	127.5	139.1	123.5	111.4	129.9	127.9	119.0	112.9	131.6
Sept	122.1	121.5	129.0	142.1	126.7	111.3	129.2	127.6	121.0	114.5	138.8
Oct	122.2	120.9	128.7	140.8	127.0	110.0	128.8	128.0	122.0	114.6	140.3
Nov	123.5	122.3	131.1	143.2	126.5	110.0	129.6	129.3	123.1	115.2	141.3
Dec	124.4	123.5	132.3	147.7	126.4	111.5	131.6	129.9	123.3	115.5	142.6
1976: Jan	125.7	123.9	133.1	142.8	130.3	111.2	131.0	133.6	125.3	118.3	142.9
Feb	127.3	125.3	134.9	148.9	131.7	112.1	132.6	135.3	127.3	121.6	145.5
Mar	128.1	126.4	136.1	155.1	132.0	112.9	134.0	134.9	128.2	122.4	146.7
Apr	128.4	126.3	136.1	155.2	133.1	112.9	134.1	134.7	129.2	124.5	146.9
May	129.6	127.3	137.4	154.0	137.2	113.5	134.6	135.0	130.6	126.8	146.2
June	130.1	127.6	137.8	156.6	137.4	113.8	135.0	135.9	131.1	127.0	147.5
July	130.7	127.6	136.8	155.9	133.8	114.9	136.9	137.6	132.2	130.6	146.0
Aug	131.3	128.3	137.5	158.4	135.6	115.7	137.7	137.8	133.0	131.4	146.1
Sept	130.8	127.4	136.2	147.4	133.3	115.2	137.5	138.7	132.5	130.0	147.8
Oct	130.4	127.3	136.9	147.7	133.5	114.4	136.0	138.4	131.6	128.5	147.0
Nov P.	131.3	129.5	138.7	161.9	133.5	116.7	139.5	139.3	132.3	129.1	148.1
Dec P.	132.8	131.3	141.4	181.0	134.3	117.7	140.9	140.4	132.3	128.1	148.6

<sup>1</sup> Also includes clothing and consumer staples, not shown separately.

<sup>2</sup> Also includes energy materials, not shown separately.

Source: Board of Governors of the Federal Reserve System.

TABLE B-39.—Industrial production indexes, selected manufactures, 1947-76

[1967 = 100; monthly data seasonally adjusted]

Period	Durable manufactures						Nondurable manufactures					
	Primary metals		Fabricated metal products	Non-electrical machinery	Electrical machinery	Transportation equipment		Lumber and products	Apparel products	Printing and publishing	Chemicals and products	Foods
	Total	Iron and steel				Total	Motor vehicles and parts					
1967 proportion.	6.57	4.21	5.93	9.15	8.05	9.27	4.50	1.64	3.31	4.72	7.74	8.75
1947	63.3	-----	49.9	39.0	22.2	31.8	-----	58.9	57.8	43.3	19.7	55.8
1948	65.8	-----	50.8	39.2	23.0	34.8	-----	61.3	60.3	45.4	21.3	55.2
1949	55.4	-----	45.8	33.4	21.6	34.9	-----	54.1	59.7	46.6	21.0	55.9
1950	69.7	-----	56.1	37.5	29.6	41.8	-----	65.7	64.3	48.9	26.2	57.9
1951	75.8	-----	59.9	47.7	29.8	46.6	-----	65.5	63.1	49.7	29.7	59.0
1952	69.2	-----	58.5	51.9	34.0	54.2	-----	64.7	66.3	49.7	31.1	60.2
1953	78.5	-----	66.0	54.0	39.0	68.0	-----	68.4	67.2	52.0	33.6	61.4
1954	63.5	70.1	59.4	46.1	34.7	59.2	60.5	68.0	66.4	54.1	34.1	62.7
1955	82.5	93.2	67.8	50.6	39.9	68.0	81.2	75.9	73.3	59.5	39.8	66.3
1956	82.0	91.5	68.8	58.0	43.1	66.0	65.8	75.0	75.0	63.2	42.7	70.1
1957	78.5	88.2	70.6	57.9	42.8	70.7	69.0	68.8	74.9	65.4	45.2	71.1
1958	62.3	66.5	63.3	48.6	39.2	55.8	51.0	69.9	72.8	63.9	46.6	72.9
1959	72.7	76.5	71.0	56.7	47.6	63.2	66.2	79.3	80.1	68.2	54.3	76.5
1960	72.4	77.7	71.1	56.9	51.6	65.4	74.7	74.7	81.7	71.0	56.4	78.6
1961	71.1	74.2	69.4	55.4	54.8	61.5	65.5	78.2	82.2	71.3	59.2	80.9
1962	76.3	77.3	75.4	62.1	62.9	71.1	79.8	82.5	85.5	73.9	65.7	83.4
1963	82.3	84.3	77.8	66.3	64.7	78.0	88.3	86.3	89.1	77.8	71.8	86.4
1964	92.8	95.9	82.6	75.6	68.4	80.0	90.7	92.7	92.2	82.6	78.8	90.4
1965	102.1	105.2	90.8	85.0	81.7	95.1	115.9	96.3	97.4	87.9	87.8	92.4
1966	108.4	108.4	97.2	98.8	97.9	102.0	113.9	100.0	99.9	94.6	95.7	96.0
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	104.3	103.2	105.6	101.8	105.5	111.1	120.3	105.5	102.9	103.2	109.5	102.6
1969	113.8	112.6	107.9	109.3	111.9	108.4	116.5	107.9	106.7	107.4	118.4	106.1
1970	106.6	104.7	102.4	104.4	108.1	89.5	92.3	105.6	101.4	107.0	120.4	108.9
1971	100.2	96.1	103.5	100.2	107.7	97.9	118.6	113.8	104.7	107.1	125.9	112.8
1972	112.1	107.1	112.1	116.0	122.2	108.2	135.8	120.8	109.4	112.7	143.6	116.8
1973	126.7	122.3	124.7	133.7	143.1	118.3	148.8	126.8	117.3	118.2	154.5	120.9
1974	123.1	119.8	124.2	140.1	143.8	108.7	128.2	116.2	114.3	118.2	159.4	124.0
1975	96.4	95.8	109.9	125.1	116.5	97.4	111.1	107.6	107.6	113.3	147.3	123.4
1975: Jan.	105.5	107.7	105.9	128.4	118.4	88.7	91.7	95.0	96.6	111.7	141.7	117.8
Feb.	103.4	108.7	104.1	125.7	113.5	83.3	84.7	96.7	102.4	111.5	136.9	117.9
Mar.	98.4	104.4	103.9	122.7	110.6	88.5	95.2	98.0	97.6	109.9	134.6	116.6
Apr.	95.0	97.9	106.4	122.1	112.7	90.8	101.7	100.8	100.4	108.5	136.4	120.2
May	90.8	89.4	106.2	122.0	112.4	94.6	104.9	105.4	104.5	111.4	139.5	121.1
June	90.6	89.4	106.7	122.6	112.4	97.9	110.2	108.6	105.1	113.3	144.7	124.3
July	92.3	87.0	108.9	123.9	116.5	101.1	116.3	110.6	106.3	115.5	147.1	125.4
Aug.	97.7	92.7	113.8	126.2	118.0	105.0	123.7	113.6	112.8	115.3	150.8	125.8
Sept.	97.9	93.4	115.3	125.5	120.2	105.9	126.8	115.8	111.5	114.7	154.4	126.2
Oct.	95.4	92.0	114.4	125.4	120.1	104.4	126.5	116.8	115.9	113.2	157.5	126.4
Nov.	98.1	96.5	116.3	126.6	120.1	104.7	127.1	114.1	118.3	115.4	161.9	128.8
Dec.	92.6	89.1	117.3	128.6	122.7	106.7	130.1	116.4	121.2	118.4	163.3	128.5
1976: Jan.	98.1	92.9	116.6	129.0	124.7	105.8	126.7	123.5	123.8	120.0	162.9	129.2
Feb.	103.9	100.9	120.9	131.5	126.5	109.0	135.2	123.9	128.0	121.0	167.6	130.8
Mar.	101.4	97.7	120.2	132.9	127.8	111.2	140.8	121.1	126.3	121.0	170.6	128.3
Apr.	105.4	103.5	121.5	133.5	130.0	110.6	141.3	122.8	126.1	122.0	168.7	129.2
May	113.2	110.7	121.4	134.0	131.8	112.9	144.3	123.0	130.3	120.5	166.6	131.2
June	111.5	110.0	124.0	133.5	132.0	112.6	146.5	120.3	126.8	119.7	170.0	130.5
July	116.9	115.3	124.6	135.0	131.0	113.3	148.5	124.6	125.6	122.0	167.6	131.8
Aug.	118.6	116.2	125.8	136.4	135.3	115.0	150.6	128.1	123.7	120.6	170.4	133.4
Sept.	114.1	110.3	126.6	136.8	133.7	104.4	130.2	128.7	122.5	120.6	170.5	135.7
Oct.	109.8	105.1	123.5	134.4	134.8	104.3	128.3	130.7	126.6	119.2	170.1	136.1
Nov.	106.7	102.7	126.2	137.2	135.6	113.0	145.6	131.7	-----	121.3	172.8	135.8
Dec.	100.4	94.6	126.6	138.0	137.0	120.9	161.1	-----	-----	-----	-----	-----

Source: Board of Governors of the Federal Reserve System.

TABLE B-40.—Capacity utilization rate in manufacturing, 1948-76

[Percent; quarterly data seasonally adjusted]

Year or quarter	FRB series <sup>1</sup>			Commerce series <sup>2</sup>					Wharton series <sup>3</sup>		
	Total manufacturing	Primary processing	Advanced processing	Total manufacturing	Durable goods	Non-durable goods	Primary-processed goods	Advanced-processed goods	Total manufacturing	Durable goods	Non-durable goods
1948.....	82.5	87.3	80.0	-----	-----	-----	-----	-----	-----	-----	-----
1949.....	74.2	76.2	73.2	-----	-----	-----	-----	-----	-----	-----	-----
1950.....	82.8	88.5	79.8	-----	-----	-----	-----	-----	88.9	83.7	96.1
1951.....	85.8	90.2	83.4	-----	-----	-----	-----	-----	90.3	87.2	94.8
1952.....	85.4	84.9	85.9	-----	-----	-----	-----	-----	88.4	86.0	91.8
1953.....	89.2	89.4	89.3	-----	-----	-----	-----	-----	92.4	93.3	91.2
1954.....	80.1	80.6	80.0	-----	-----	-----	-----	-----	82.9	79.5	87.7
1955.....	87.0	92.0	84.2	-----	-----	-----	-----	-----	91.4	90.2	93.1
1956.....	86.1	89.4	84.4	-----	-----	-----	-----	-----	90.8	89.1	93.4
1957.....	83.6	84.7	83.1	-----	-----	-----	-----	-----	88.0	86.1	90.8
1958.....	75.0	75.4	74.9	-----	-----	-----	-----	-----	77.5	70.8	87.4
1959.....	81.6	83.0	81.1	-----	-----	-----	-----	-----	84.0	78.6	92.0
1960.....	80.1	79.8	80.5	-----	-----	-----	-----	-----	82.1	77.0	89.8
1961.....	77.3	77.9	77.2	-----	-----	-----	-----	-----	79.1	72.9	88.5
1962.....	81.4	81.5	81.6	-----	-----	-----	-----	-----	82.5	77.7	89.8
1963.....	83.5	83.8	83.4	-----	-----	-----	-----	-----	84.0	79.6	90.8
1964.....	85.7	87.8	84.6	-----	-----	-----	-----	-----	86.8	82.9	92.8
1965.....	89.5	91.0	88.9	86	88	85	89	85	92.4	90.6	95.3
1966.....	91.1	91.4	91.1	86	87	86	88	85	96.6	96.0	97.5
1967.....	86.9	85.7	87.6	84	83	85	87	83	93.5	91.8	96.0
1968.....	87.0	87.6	86.8	85	84	86	86	84	95.0	93.7	97.0
1969.....	86.2	88.6	85.0	85	84	86	87	84	95.3	94.0	97.2
1970.....	79.2	82.8	77.3	81	78	83	83	79	87.9	84.2	93.5
1971.....	78.0	82.0	75.9	80	78	83	82	80	86.4	82.3	92.9
1972.....	83.1	88.0	80.5	83	82	85	85	82	91.8	88.9	96.3
1973.....	87.5	92.4	84.9	86	85	86	89	84	97.1	96.6	98.0
1974.....	84.2	87.5	82.3	83	82	84	85	82	93.0	91.9	94.7
1975.....	73.6	73.4	73.7	77	76	79	76	77	80.4	77.1	86.0
1971: I.....	77.5	81.7	75.3	80	78	83	82	79	86.2	82.5	92.0
1971: II.....	77.9	82.9	75.2	81	79	84	83	80	86.3	82.5	92.3
1971: III.....	77.8	81.1	75.9	80	77	84	80	80	86.0	81.4	93.1
1971: IV.....	79.0	82.4	77.1	80	78	82	81	79	87.2	82.8	94.1
1972: I.....	80.9	85.2	78.6	82	80	84	82	82	89.3	85.6	95.1
1972: II.....	82.4	87.2	79.8	82	81	84	83	81	90.9	87.7	96.0
1972: III.....	83.4	88.6	80.6	83	83	85	85	82	92.1	89.3	96.4
1972: IV.....	85.8	91.1	83.1	85	85	85	88	84	94.9	93.1	97.8
1973: I.....	87.1	91.8	84.5	86	86	86	88	85	96.4	95.4	98.1
1973: II.....	87.6	92.1	85.2	86	86	86	89	85	97.2	96.4	98.5
1973: III.....	87.8	92.7	85.0	85	85	86	89	83	97.4	97.1	97.9
1973: IV.....	87.7	93.0	85.0	85	84	86	89	82	97.5	97.4	97.6
1974: I.....	85.7	96.5	83.0	84	83	85	87	83	94.7	93.3	96.9
1974: II.....	85.8	90.0	83.4	84	84	85	87	83	94.8	93.5	96.8
1974: III.....	85.5	89.0	83.6	84	84	86	86	83	94.6	93.9	95.7
1974: IV.....	79.7	80.4	79.3	78	76	80	79	77	87.8	86.9	89.2
1975: I.....	70.9	69.5	71.5	75	74	76	75	75	77.4	74.8	81.5
1975: II.....	71.3	70.0	72.1	75	73	78	73	76	77.9	74.7	83.3
1975: III.....	75.3	75.8	75.0	79	78	80	78	79	82.4	78.8	88.3
1975: IV.....	76.8	78.1	76.1	79	77	81	78	79	84.0	80.0	90.7
1976: I.....	79.0	80.2	78.2	82	81	82	83	81	86.4	82.6	92.7
1976: II.....	80.2	81.5	79.2	82	83	81	83	82	87.8	84.9	92.6
1976: III.....	80.8	82.5	79.6	80	79	82	82	79	88.0	85.7	91.8

<sup>1</sup> For description of the series, see "Federal Reserve Bulletin," November 1976.

<sup>2</sup> Quarterly data are for last month in quarter. Annual data are averages of the four indexes, except for 1965 (December index) and 1966-67 (averages of June and December indexes). For description of the series, see "Survey of Current Business," July 1974.

<sup>3</sup> Annual data are averages of quarterly indexes. For description of the series, see F. Gerard Adams and Robert Summers, "The Wharton Index of Capacity Utilization: A Ten Year Perspective," 1973 Proceedings of the Business and Economic Statistics Section, American Statistical Association.

Sources: Board of Governors of the Federal Reserve System, Department of Commerce (Bureau of Economic Analysis), and Wharton School of Finance.

TABLE B-41.—New construction activity, 1929-76

[Value put in place, billions of dollars; monthly data at seasonally adjusted annual rates]

Year or month	Total new construction	Private construction							Public construction		
		Total	Residential buildings <sup>1</sup>		Nonresidential buildings and other construction <sup>1</sup>				Total	Federal	State and local <sup>2</sup>
			Total <sup>3</sup>	New housing units	Total	Commercial <sup>4</sup>	Industrial	Other <sup>4</sup>			
1929	10.8	8.3	3.6	3.0	4.7	1.1	0.9	2.6	2.5	0.2	2.3
1933	2.9	1.2	.5	.3	.8	.1	.2	.5	1.6	.5	1.1
1939	8.2	4.4	2.7	2.3	1.7	.3	.3	1.2	3.8	.8	3.1
1940	8.7	5.1	3.0	2.6	2.1	.3	.4	1.3	3.6	1.2	2.4
1941	12.0	6.2	3.5	3.0	2.7	.4	.8	1.5	5.8	3.8	2.0
1942	14.1	3.4	1.7	1.4	1.7	.2	.3	1.2	10.7	9.3	1.3
1943	8.3	2.0	.9	.7	1.1	.0	.2	.9	6.3	5.6	.7
1944	5.3	2.2	.8	.6	1.4	.1	.2	1.1	3.1	2.5	.6
1945	5.8	3.4	1.3	.7	2.1	.2	.6	1.3	2.4	1.7	.7
1946	14.3	12.1	6.2	4.8	5.8	1.2	1.7	3.0	2.2	.9	1.4
New series											
1947	20.0	16.7	9.9	7.8	6.9	1.0	1.7	4.2	3.3	.8	2.5
1948	26.1	21.4	13.1	10.5	8.2	1.4	1.4	5.5	4.7	1.2	3.5
1949	26.7	20.5	12.4	10.0	8.0	1.2	1.0	5.9	6.3	1.5	4.8
1950	33.6	26.7	18.1	15.6	8.6	1.4	1.1	6.1	6.9	1.6	5.2
1951	35.4	26.2	15.9	13.2	10.3	1.5	2.1	6.7	9.3	3.0	6.3
1952	36.8	26.0	15.8	12.9	10.2	1.1	2.3	6.8	10.8	4.2	6.6
1953	39.1	27.9	16.6	13.4	11.3	1.8	2.2	7.3	11.2	4.1	7.1
1954	41.4	29.7	18.2	14.9	11.5	2.2	2.0	7.2	11.7	3.4	8.3
1955	46.5	34.8	21.9	18.2	12.9	3.2	2.4	7.3	11.7	2.8	8.9
1956	47.6	34.9	20.2	16.1	14.7	3.6	3.1	8.0	12.7	2.7	10.0
1957	49.1	35.1	19.0	14.7	16.1	3.6	3.6	9.0	14.1	3.0	11.1
1958	50.0	34.6	19.8	15.4	14.8	3.6	2.4	8.8	15.5	3.4	12.1
1959	55.4	39.3	24.3	19.2	15.1	3.9	2.1	9.0	16.1	3.7	12.3
1960	54.7	38.9	23.0	17.3	15.9	4.2	2.9	8.9	15.9	3.6	12.2
1961	56.4	39.3	23.1	17.1	16.2	4.7	2.8	8.7	17.1	3.9	13.3
1962	60.2	42.3	25.2	19.4	17.2	5.1	2.8	9.2	17.9	3.9	14.0
1963	64.8	45.5	27.9	21.7	17.6	5.0	2.9	9.7	19.4	4.0	15.4
1964	67.7	47.3	28.0	21.8	19.3	5.4	3.6	10.3	20.4	3.9	16.5
1965	73.7	51.7	27.9	21.7	23.8	-----	-----	-----	22.1	4.0	18.0
1966	76.4	52.4	25.7	19.4	26.7	-----	-----	-----	24.0	4.0	20.0
1967	78.1	52.5	25.6	19.0	27.0	-----	-----	-----	25.5	3.5	22.1
1968	87.1	59.5	30.6	24.0	28.9	7.8	6.0	15.1	27.6	3.4	24.2
1969	93.9	66.0	33.2	25.9	32.8	9.4	6.8	16.6	28.0	3.3	24.7
1970	94.9	66.8	31.9	24.3	34.9	9.8	6.5	18.6	28.1	3.3	24.8
1971	110.0	80.1	43.3	35.1	36.8	11.6	5.4	19.8	29.9	4.0	25.9
1972	124.1	93.9	54.3	44.9	39.6	13.5	4.7	21.5	30.2	4.4	25.8
1973	137.9	105.4	59.7	50.1	45.7	15.5	6.2	24.0	32.5	4.9	27.7
1974	138.5	100.2	50.4	40.6	49.8	15.9	7.9	26.0	38.3	5.3	33.0
1975	132.0	93.0	46.5	34.4	46.6	12.8	8.0	25.7	39.0	6.1	32.9

See footnotes at end of table.

TABLE B-41.—New construction activity, 1929-76—Continued

(Value put in place, billions of dollars; monthly data at seasonally adjusted annual rates)

Year or month	Total new construction	Private construction							Public construction		
		Total	Residential buildings <sup>1</sup>		Nonresidential buildings and other construction <sup>1</sup>				Total	Federal	State and local <sup>5</sup>
			Total <sup>2</sup>	New housing units	Total	Commer- cial <sup>3</sup>	In- dus- trial	Other <sup>4</sup>			
1975: Jan.....	130.2	93.8	44.0	33.4	49.8	15.1	8.5	26.2	36.4	5.7	30.7
Feb.....	127.4	91.1	42.8	31.9	48.3	14.5	8.4	25.4	36.3	6.0	30.2
Mar.....	123.7	89.5	42.7	31.4	46.8	13.4	8.1	25.3	34.2	5.9	28.4
Apr.....	126.2	89.2	43.2	31.3	46.1	12.7	8.0	25.3	37.0	5.8	31.2
May.....	127.1	89.9	43.9	31.5	45.9	12.3	8.4	25.2	37.2	5.8	31.4
June.....	129.7	90.6	44.7	32.2	45.9	12.2	8.1	25.5	39.1	5.8	33.3
July.....	133.1	92.0	46.1	33.4	45.8	12.3	8.2	25.3	41.1	6.2	35.0
Aug.....	132.2	92.1	46.3	33.6	45.7	12.4	8.0	25.3	40.1	6.3	33.9
Sept.....	136.3	95.4	48.4	35.7	47.0	12.4	7.9	26.7	40.9	6.3	34.6
Oct.....	136.2	95.6	49.4	37.5	46.2	12.4	7.6	26.2	40.6	5.9	34.7
Nov.....	138.0	97.3	50.4	38.9	46.9	12.4	7.7	26.8	40.7	6.6	34.1
Dec.....	137.8	98.1	52.1	39.9	46.0	12.2	7.6	26.2	39.8	6.6	33.2
1976: Jan.....	136.7	99.3	52.8	39.3	46.6	11.5	7.5	27.6	37.4	6.2	31.2
Feb.....	139.0	102.6	55.2	41.1	47.4	12.8	7.8	26.8	36.4	6.7	29.7
Mar.....	145.1	107.1	58.1	43.8	48.9	13.3	7.6	28.0	38.0	6.1	32.0
Apr.....	144.5	106.6	58.9	44.2	47.7	12.6	7.2	27.9	37.9	6.6	31.3
May.....	143.4	107.2	58.8	43.9	48.4	12.3	7.0	29.1	36.2	6.0	30.2
June.....	145.4	106.5	58.7	45.4	47.8	12.0	6.7	29.1	38.9	6.4	32.6
July.....	141.1	104.3	57.2	46.9	47.1	12.6	6.1	28.4	36.8	6.4	30.4
Aug.....	142.0	104.7	55.4	46.5	49.3	13.0	6.9	29.4	37.3	6.4	30.9
Sept.....	146.3	108.7	58.7	48.8	49.9	12.8	6.9	30.3	37.6	7.6	30.0
Oct.....	146.7	112.8	63.5	51.1	49.3	12.6	6.4	30.4	34.0	5.7	28.2
Nov.....	150.2	116.3	66.6	52.9	49.7	12.4	6.5	30.7	33.9	7.0	26.9

<sup>1</sup> Beginning 1960, farm residential buildings included in residential buildings; prior to 1960, included in nonresidential buildings and other construction.

<sup>2</sup> Total includes additions and alterations and nonhousekeeping units, not shown separately.

<sup>3</sup> Office buildings, warehouses, stores, restaurants, garages, etc.

<sup>4</sup> Religious, educational, hospital and institutional, miscellaneous nonresidential, farm (see also footnote 1), public utilities, and all other private.

<sup>5</sup> Includes Federal grants-in-aid for State and local projects.

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

TABLE B-42.—New housing units started and authorized, 1959-76

(Thousands of units)

Year or month	New housing units started									New private housing units authorized <sup>2</sup>			
	Private and public <sup>1</sup>		Private <sup>1</sup>										
	Total (farm and non-farm)	Non-farm	Total (farm and nonfarm)										
			Total	Type of structure			Total	One unit	2 to 4 units	5 units or more			
One unit	2 to 4 units	5 units or more											
1959	1,553.7	1,531.3	1,517.0	1,234.0	283.0		1,208.3	938.3	77.1	192.9			
1960	1,296.1	1,274.0	1,252.2	994.7	257.4		998.0	746.1	64.6	187.4			
1961	1,365.0	1,336.8	1,313.0	974.3	338.7		1,064.2	722.8	67.6	273.8			
1962	1,492.5	1,468.7	1,462.9	991.4	471.5		1,186.6	716.2	87.1	383.3			
1963	1,634.9	1,614.8	1,603.2	1,012.4	590.8		1,334.7	750.2	118.9	465.6			
1964	1,561.0	1,534.0	1,528.8	970.5	108.4	450.0	1,285.8	720.1	100.8	464.9			
1965	1,509.7	1,487.5	1,472.8	963.7	86.6	422.5	1,239.8	709.9	84.8	445.1			
1966	1,195.8	1,172.8	1,164.9	778.6	61.1	325.1	971.9	563.2	61.0	347.7			
1967	1,321.9	1,298.8	1,291.6	843.9	71.6	376.1	1,141.0	650.6	73.0	417.5			
1968	1,545.4	1,521.4	1,507.6	899.4	80.9	527.3	1,353.4	694.7	84.3	574.4			
1969	1,499.5	1,482.3	1,466.8	810.6	85.0	571.2	1,323.7	625.9	85.2	612.7			
1970	1,469.0	( <sup>3</sup> )	1,433.6	812.9	84.8	535.9	1,351.5	646.8	88.1	616.7			
1971	2,084.5	( <sup>3</sup> )	2,052.2	1,151.0	120.3	780.9	1,924.6	906.1	132.9	885.7			
1972	2,378.5	( <sup>3</sup> )	2,356.6	1,309.2	141.3	906.2	2,218.9	1,033.1	148.6	1,037.2			
1973	2,057.5	( <sup>3</sup> )	2,045.3	1,132.0	118.3	795.0	1,819.5	882.1	117.0	820.5			
1974	1,352.5	( <sup>3</sup> )	1,337.7	888.1	68.1	381.6	1,074.4	643.8	64.3	366.2			
1975	1,171.4	( <sup>3</sup> )	1,160.4	892.2	64.0	204.3	939.2	675.5	63.9	199.8			
Seasonally adjusted annual rates													
1975: Jan	56.9	( <sup>3</sup> )	1,005	748	41	216	718	525	45	148			
Feb	56.2	( <sup>3</sup> )	953	722	48	183	729	529	57	143			
Mar	81.1	( <sup>3</sup> )	986	763	46	177	721	541	44	136			
Apr	98.4	( <sup>3</sup> )	982	774	45	163	843	605	61	177			
May	117.0	( <sup>3</sup> )	1,085	853	53	179	903	647	57	199			
June	110.9	( <sup>3</sup> )	1,080	874	56	150	938	667	62	209			
July	120.1	( <sup>3</sup> )	1,207	916	76	215	1,016	699	72	245			
Aug	118.7	( <sup>3</sup> )	1,264	979	67	218	998	725	61	212			
Sept	112.8	( <sup>3</sup> )	1,304	966	76	262	1,092	772	71	249			
Oct	125.0	( <sup>3</sup> )	1,431	1,093	103	235	1,111	794	84	233			
Nov	97.2	( <sup>3</sup> )	1,381	1,048	79	254	1,127	814	83	230			
Dec	77.1	( <sup>3</sup> )	1,283	962	77	244	1,091	812	72	207			
1976: Jan	72.9	( <sup>3</sup> )	1,236	957	70	209	1,147	851	71	225			
Feb	91.6	( <sup>3</sup> )	1,547	1,295	62	190	1,165	863	76	226			
Mar	118.8	( <sup>3</sup> )	1,417	1,110	80	227	1,188	882	77	229			
Apr	137.4	( <sup>3</sup> )	1,367	1,055	76	236	1,082	803	71	208			
May	148.3	( <sup>3</sup> )	1,422	1,065	94	263	1,158	807	75	276			
June	155.1	( <sup>3</sup> )	1,510	1,139	76	295	1,150	829	72	249			
July	137.5	( <sup>3</sup> )	1,382	1,123	69	190	1,215	870	73	272			
Aug	147.6	( <sup>3</sup> )	1,537	1,171	84	282	1,296	874	93	329			
Sept	153.1	( <sup>3</sup> )	1,840	1,280	114	446	1,504	926	106	472			
Oct	150.2	( <sup>3</sup> )	1,813	1,340	102	371	1,492	998	110	384			
Nov	128.2	( <sup>3</sup> )	1,705	1,237	94	374	1,585	1,085	109	391			

<sup>1</sup> 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 owned starts but excluded from total private starts.

<sup>2</sup> Authorized by issuance of local building permit: in 14,000 permit-issuing places beginning 1972; 13,000 for 1967-71; 12,000 for 1963-66; and 10,000 prior to 1963.

<sup>3</sup> Not available separately beginning January 1970.

Note.—Only the series on private and public nonfarm housing units started is available prior to 1959. See 1976 "Economic Report" for this earlier series.

Source: Department of Commerce, Bureau of the Census.

TABLE B-43.—Business expenditures for new plant and equipment, 1947-77<sup>1</sup>

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Manufacturing				Nonmanufacturing							
	Total	Durable goods	Non-durable goods	Total	Mining	Transportation			Public utilities	Communication	Commercial and other <sup>2</sup>	
						Rail-road	Air	Other				
1947.....	19.33	8.44	3.25	5.19	10.89	0.69	0.91	0.17	1.13	1.54	1.40	5.05
1948.....	21.30	9.01	3.30	5.71	12.29	.93	1.37	.10	1.17	2.54	1.74	4.42
1949.....	18.98	7.12	2.45	4.68	11.86	.88	1.42	.12	.76	3.10	1.34	4.24
1950.....	20.21	7.39	2.94	4.45	12.82	.84	1.18	.10	1.09	3.24	1.14	5.22
1951.....	25.46	10.71	4.82	5.89	14.75	1.11	1.58	.14	1.33	3.56	1.37	5.67
1952.....	26.43	11.45	5.21	6.24	14.98	1.21	1.50	.24	1.23	3.74	1.61	5.45
1953.....	28.20	11.86	5.31	6.56	16.34	1.25	1.42	.24	1.29	4.34	1.78	6.02
1954.....	27.19	11.24	4.91	6.33	15.95	1.28	.93	.24	1.22	3.99	1.82	6.45
1955.....	29.53	11.89	5.41	6.48	17.64	1.31	1.02	.26	1.30	4.03	2.11	7.63
1956.....	35.73	15.40	7.45	7.95	20.34	1.64	1.37	.35	1.31	4.52	2.82	8.32
1957.....	37.94	16.51	7.84	8.68	21.43	1.69	1.58	.41	1.30	5.67	3.19	7.60
1958.....	31.89	12.38	5.61	6.77	19.51	1.43	.86	.37	1.06	5.52	2.79	7.48
1959.....	33.55	12.77	5.81	6.95	20.78	1.36	1.02	.78	1.33	5.14	2.72	8.44
1960.....	36.75	15.09	7.23	7.85	21.66	1.30	1.16	.66	1.30	5.24	3.24	8.75
1961.....	35.91	14.33	6.31	8.02	21.58	1.29	.82	.73	1.31	5.00	3.39	9.13
1962.....	38.39	15.06	6.79	8.26	23.33	1.40	1.02	.52	1.65	4.90	3.85	9.99
1963.....	40.77	16.22	7.53	8.70	24.55	1.27	1.26	.40	1.58	4.48	4.06	10.99
1964.....	46.97	19.34	9.28	10.07	27.62	1.34	1.66	1.02	1.50	5.49	4.61	12.02
1965.....	54.42	23.44	11.50	11.94	30.98	1.46	1.99	1.22	1.68	6.13	5.30	13.19
1966.....	63.51	28.20	14.06	14.14	35.32	1.62	2.37	1.74	1.64	7.43	6.02	14.48
1967.....	65.47	28.51	14.06	14.45	36.96	1.65	1.86	2.29	1.48	8.74	6.34	14.59
1968.....	67.76	28.37	14.12	14.25	39.40	1.63	1.45	2.56	1.59	10.20	6.83	15.14
1969.....	75.56	31.68	15.96	15.72	43.88	1.86	1.86	2.51	1.68	11.61	8.30	16.05
1970.....	79.71	31.95	15.80	16.15	47.76	1.89	1.78	3.03	1.23	13.14	10.10	16.59
1971.....	81.21	29.99	14.15	15.84	51.22	2.16	1.67	1.88	1.38	15.30	10.77	18.05
1972.....	88.44	31.35	15.64	15.72	57.09	2.42	1.80	2.46	1.46	17.00	11.89	20.07
1973.....	99.74	38.01	19.25	18.76	61.73	2.74	1.96	2.74	1.66	18.71	12.85	21.40
1974.....	112.40	46.01	22.62	23.39	66.39	3.18	2.54	2.00	2.12	20.55	13.96	22.05
1975.....	112.78	47.95	21.84	26.11	64.82	3.79	2.55	1.84	3.18	20.14	12.74	20.60
1976 <sup>3</sup> .....	121.23	52.98	23.60	29.38	68.25	3.97	2.35	1.32	3.58	22.44	13.63	20.96
1977 <sup>3</sup> .....	134.95	59.58	26.47	33.11	75.37	4.41	2.59	1.67	2.56	25.60	38.54	20.96
1974: I.....	107.27	42.96	21.43	21.53	64.31	2.80	2.10	2.13	1.63	20.12	13.83	21.69
II.....	111.40	45.32	22.50	22.82	66.08	3.07	2.42	2.21	1.84	20.97	13.94	21.63
III.....	113.99	47.04	23.08	23.96	66.94	3.27	2.68	1.84	2.16	20.16	14.01	22.84
IV.....	116.22	48.08	23.28	24.80	68.14	3.56	3.05	1.81	2.71	20.93	14.04	22.04
1975: I.....	114.57	49.05	22.86	26.20	65.52	3.76	2.39	2.09	2.82	20.28	13.36	20.82
II.....	112.46	48.78	22.59	26.19	63.68	3.78	2.70	1.60	2.75	19.52	12.50	20.83
III.....	112.16	47.39	21.01	26.38	64.76	3.82	2.75	2.12	2.99	19.79	12.95	20.34
IV.....	111.80	46.82	21.07	25.75	64.98	3.82	2.39	1.65	3.56	20.91	12.22	20.44
1976: I.....	114.72	49.21	21.63	27.58	65.51	3.83	2.08	1.18	3.29	21.91	12.54	20.68
II.....	118.12	50.64	22.54	28.09	67.48	3.83	2.64	1.44	4.16	21.85	12.62	20.94
III.....	122.55	54.78	24.59	30.20	67.76	4.21	2.69	1.12	3.44	21.67	13.64	20.99
IV.....	127.87	56.23	25.23	31.00	71.64	4.03	1.98	1.51	3.34	24.05	36.73	20.99
1977: I.....	129.38	56.99	25.52	31.47	72.38	4.22	2.22	1.45	2.67	24.57	37.26	20.99
II.....	131.28	57.58	26.45	31.12	73.70	-----	-----	-----	-----	-----	-----	-----

<sup>1</sup> Excludes agricultural business; real estate operators; medical, legal, educational, and cultural services; 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, nonprofit institutions, and real estate firms, and certain outlays charged to current account.

<sup>2</sup> Commercial and other includes trade, service, construction, finance, and insurance.

<sup>3</sup> Estimates based on expected capital expenditures reported by business in October-December 1976. 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 B-44.—Sales and inventories in manufacturing and trade, 1947-76

[Amounts in millions of dollars; monthly data seasonally adjusted]

Year or month	Total manufacturing and trade			Manufacturing			Merchant wholesalers			Retail trade		
	Sales <sup>1</sup>	Inventories <sup>2</sup>	Ratio <sup>3</sup>	Sales <sup>1</sup>	Inventories <sup>2</sup>	Ratio <sup>3</sup>	Sales <sup>1</sup>	Inventories <sup>2</sup>	Ratio <sup>3</sup>	Sales <sup>1</sup>	Inventories <sup>2</sup>	Ratio <sup>3</sup>
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, 029	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, 200	87, 094	1. 60	27, 247	50, 242	1. 84	10, 257	12, 739	1. 24	16, 696	24, 113	1. 43
1959	59, 728	92, 132	1. 50	30, 286	52, 948	1. 70	11, 491	13, 879	1. 15	17, 951	25, 305	1. 40
1960	60, 828	94, 718	1. 56	30, 879	53, 785	1. 76	11, 656	14, 120	1. 22	18, 294	26, 813	1. 45
1961	61, 160	95, 596	1. 54	30, 923	54, 887	1. 74	11, 988	14, 488	1. 20	18, 249	26, 221	1. 43
1962	65, 660	101, 064	1. 50	33, 357	58, 187	1. 70	12, 674	14, 936	1. 16	19, 630	27, 941	1. 38
1963	68, 995	105, 482	1. 49	35, 058	60, 048	1. 69	13, 382	16, 048	1. 15	20, 586	29, 386	1. 39
1964	73, 682	111, 501	1. 47	37, 330	63, 407	1. 64	14, 529	17, 000	1. 14	21, 823	31, 094	1. 40
1965	80, 283	120, 912	1. 45	40, 995	68, 190	1. 60	15, 611	18, 317	1. 15	23, 677	34, 405	1. 39
1966	87, 186	136, 789	1. 48	44, 869	77, 951	1. 62	16, 987	20, 765	1. 15	25, 330	38, 073	1. 47
1967	89, 746	145, 364	1. 57	46, 487	84, 527	1. 76	17, 108	21, 885	1. 23	26, 151	38, 952	1. 46
1968	97, 124	155, 364	1. 55	50, 269	90, 394	1. 74	18, 366	22, 997	1. 22	28, 490	41, 973	1. 43
1969	103, 120	168, 297	1. 57	53, 540	98, 011	1. 76	19, 756	24, 910	1. 21	29, 824	45, 376	1. 46
1970	104, 708	175, 418	1. 64	52, 831	101, 502	1. 89	20, 583	27, 290	1. 26	31, 294	46, 626	1. 47
1971	112, 323	184, 756	1. 54	55, 925	102, 490	1. 83	22, 327	29, 695	1. 27	34, 071	52, 571	1. 47
1972	125, 269	198, 045	1. 52	63, 042	108, 072	1. 67	24, 862	32, 817	1. 24	37, 365	57, 156	1. 46
1973	145, 297	227, 926	1. 46	72, 954	124, 395	1. 58	30, 400	38, 302	1. 16	41, 943	65, 229	1. 46
1974	166, 771	278, 386	1. 51	84, 612	157, 971	1. 66	37, 344	46, 564	1. 13	44, 815	73, 851	1. 53
1975	172, 525	275, 484	1. 60	87, 240	155, 693	1. 80	36, 583	45, 115	1. 24	48, 702	74, 676	1. 51
1975: Jan.	166, 596	278, 710	1. 67	83, 937	159, 271	1. 90	36, 675	46, 197	1. 26	45, 984	73, 242	1. 59
Feb.	168, 070	277, 867	1. 65	83, 996	159, 677	1. 90	37, 120	45, 951	1. 24	46, 954	72, 239	1. 54
Mar.	164, 116	276, 634	1. 69	82, 564	159, 087	1. 93	35, 590	45, 527	1. 28	45, 962	72, 020	1. 57
Apr.	167, 687	275, 628	1. 64	85, 511	158, 392	1. 85	35, 228	45, 303	1. 29	46, 948	71, 933	1. 53
May	167, 995	274, 139	1. 63	84, 382	157, 659	1. 87	35, 442	44, 558	1. 26	48, 171	71, 922	1. 49
June	170, 625	273, 418	1. 60	85, 787	156, 582	1. 83	36, 186	44, 850	1. 24	48, 652	71, 986	1. 48
July	173, 802	273, 277	1. 57	87, 824	155, 926	1. 78	36, 567	44, 653	1. 22	49, 411	72, 698	1. 47
Aug.	176, 001	274, 906	1. 56	89, 061	155, 426	1. 75	37, 166	45, 511	1. 22	49, 774	73, 979	1. 49
Sept.	177, 475	275, 576	1. 55	90, 227	155, 534	1. 72	37, 604	45, 625	1. 21	49, 644	74, 417	1. 50
Oct.	178, 621	277, 680	1. 55	91, 177	155, 984	1. 71	37, 449	45, 715	1. 22	49, 995	75, 981	1. 52
Nov.	178, 119	276, 804	1. 55	90, 549	156, 121	1. 72	37, 118	45, 554	1. 23	50, 552	75, 129	1. 49
Dec.	181, 647	275, 484	1. 52	92, 553	155, 693	1. 68	37, 360	45, 115	1. 21	51, 734	74, 676	1. 44
1976: Jan.	183, 818	277, 057	1. 51	94, 067	156, 120	1. 66	38, 159	45, 645	1. 20	51, 592	75, 292	1. 46
Feb.	186, 968	279, 008	1. 49	95, 551	156, 458	1. 64	38, 816	46, 307	1. 19	52, 601	76, 243	1. 45
Mar.	190, 224	281, 256	1. 48	97, 786	157, 560	1. 61	39, 094	46, 398	1. 19	53, 344	77, 298	1. 45
Apr.	191, 745	283, 062	1. 48	98, 519	158, 134	1. 61	39, 530	46, 826	1. 18	53, 696	78, 102	1. 45
May	190, 800	285, 693	1. 50	98, 546	159, 488	1. 62	39, 386	47, 799	1. 21	52, 868	78, 406	1. 48
June	193, 700	289, 138	1. 49	98, 937	161, 118	1. 63	40, 780	48, 645	1. 19	53, 983	79, 375	1. 47
July	193, 704	290, 866	1. 50	99, 334	162, 144	1. 63	40, 616	48, 805	1. 20	53, 754	79, 917	1. 49
Aug.	194, 672	293, 308	1. 51	99, 448	163, 184	1. 64	40, 581	49, 006	1. 21	54, 643	81, 118	1. 48
Sept.	194, 261	296, 537	1. 53	98, 780	164, 966	1. 67	41, 381	49, 723	1. 20	54, 100	81, 848	1. 51
Oct.	192, 963	296, 179	1. 55	97, 653	166, 674	1. 71	40, 676	49, 847	1. 23	54, 634	81, 658	1. 49
Nov.	196, 942	298, 490	1. 52	100, 458	166, 915	1. 66	40, 827	50, 165	1. 23	55, 657	81, 410	1. 46
Dec.										57, 371		

<sup>1</sup> Monthly average for year and total for month.

<sup>2</sup> Seasonally adjusted, end of period.

<sup>3</sup> 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.

Note.—The inventory figures in this table do not agree with the estimates of change in business inventories included in the gross national product since these figures cover only manufacturing and trade rather than all business, and show inventories in terms of current book value without adjustment for revaluation.

Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

TABLE B-45.—Manufacturers' shipments and inventories, 1947-76

(Millions of dollars; monthly data seasonally adjusted)

Year or month	Shipments <sup>1</sup>			Inventories <sup>2</sup>										
	Total	Durable goods industries	Non-durable goods industries	Total	Durable goods industries				Non-durable 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	9,971	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	27,247	13,563	13,684	50,242	30,259	10,041	12,391	7,829	19,983	8,674	2,835	8,474		
1959	30,286	15,609	14,777	52,948	32,077	10,781	13,065	8,232	20,871	9,097	2,950	8,825		
1960	30,879	15,883	14,996	53,785	32,375	10,354	12,777	9,243	21,410	9,104	2,949	9,357		
1961	30,923	15,616	15,307	54,887	32,544	10,276	13,210	9,058	22,343	9,519	3,109	9,715		
1962	33,357	17,262	16,095	58,187	34,632	10,802	14,170	9,659	23,555	9,844	3,297	10,414		
1963	35,058	18,280	16,778	60,448	35,867	11,062	14,885	9,920	24,182	10,005	3,410	10,764		
1964	37,330	19,637	17,693	63,407	38,506	11,958	16,209	10,342	24,901	10,151	3,522	11,229		
1965	40,995	22,221	18,773	68,190	42,264	13,311	18,098	10,853	25,926	10,464	3,820	11,643		
1966	44,869	24,648	20,220	77,951	49,922	15,033	22,583	12,305	28,029	11,163	4,222	12,645		
1967	46,487	25,267	21,220	84,527	54,885	16,397	24,984	13,505	29,641	11,714	4,432	13,496		
1968	50,269	27,698	22,570	90,394	58,675	17,314	27,265	14,121	31,719	12,287	4,851	14,581		
1969	53,540	29,477	24,064	98,011	64,561	18,638	30,329	15,606	33,450	12,718	5,117	15,612		
1970	52,831	28,215	24,616	101,502	66,648	19,123	29,785	17,714	34,854	13,139	5,269	16,447		
1971	55,925	29,973	25,953	102,490	66,149	19,681	28,586	17,839	36,341	13,661	5,676	17,003		
1972	63,042	34,042	28,999	108,072	70,098	20,752	30,738	18,556	37,974	14,655	6,009	17,306		
1973	72,954	39,704	33,250	124,395	81,218	25,892	35,440	19,812	43,177	17,882	6,751	18,545		
1974	84,612	44,043	40,569	157,911	101,780	35,809	41,254	24,613	56,191	23,963	8,503	23,726		
1975	87,240	43,912	43,328	155,693	100,310	33,145	41,304	25,747	55,382	23,023	8,234	24,124		
1975: Jan	83,937	43,058	40,880	159,271	102,828	36,540	41,069	25,076	56,442	23,881	8,214	24,345		
Feb	83,996	42,864	41,132	159,677	103,808	36,938	41,358	25,389	55,869	23,559	8,161	24,149		
Mar	82,564	42,242	40,322	159,087	103,705	36,663	41,286	25,714	55,382	23,351	8,030	24,001		
Apr	85,511	43,406	42,104	158,392	103,880	36,166	41,766	25,962	54,512	22,838	8,001	23,672		
May	84,382	42,568	41,813	157,659	103,730	35,681	41,889	26,231	53,928	22,630	7,879	23,420		
June	85,787	42,963	42,824	156,582	103,216	35,470	41,866	26,026	53,366	22,077	7,929	23,359		
July	87,824	43,962	43,862	155,926	102,796	35,025	42,030	25,867	53,129	22,105	7,990	23,036		
Aug	89,061	44,552	44,509	155,426	101,976	34,650	41,622	25,794	53,450	21,948	8,059	23,444		
Sept	90,227	45,292	44,935	155,534	101,403	34,259	41,362	25,835	54,131	22,200	8,152	23,778		
Oct	91,177	45,243	45,934	155,984	101,221	33,899	41,384	25,939	54,763	22,663	8,150	23,950		
Nov	90,549	44,548	46,001	156,121	101,016	33,754	41,412	25,793	55,105	22,837	8,255	24,014		
Dec	92,553	46,772	45,781	155,693	100,310	33,145	41,304	25,747	55,382	23,023	8,234	24,124		
1976: Jan	94,067	47,289	46,778	156,120	99,980	33,551	40,910	25,371	56,140	23,288	8,391	24,461		
Feb	95,551	48,430	47,121	156,458	99,942	33,269	40,568	25,438	56,516	23,460	8,520	24,536		
Mar	97,786	50,382	47,404	157,560	100,740	33,541	40,745	25,558	56,820	23,666	8,640	24,512		
Apr	98,519	50,146	48,374	158,134	101,033	33,416	40,910	25,855	57,101	23,765	8,677	24,660		
May	98,546	50,558	47,988	159,488	101,502	33,669	40,978	26,045	57,986	24,366	8,705	24,913		
June	98,937	50,606	48,331	161,118	102,429	33,927	41,411	26,344	58,689	24,453	8,873	25,364		
July	99,334	51,090	48,244	162,144	102,856	34,064	41,499	26,495	59,288	24,900	8,929	25,460		
Aug	99,448	51,648	47,799	163,184	103,282	33,822	41,743	26,862	59,902	25,023	9,004	25,875		
Sept	98,780	50,060	48,720	164,966	104,117	34,113	41,987	27,114	60,850	25,502	9,096	26,250		
Oct	97,653	49,267	48,386	166,674	105,589	35,047	42,627	27,915	61,085	26,880	8,524	25,681		
Nov	100,458	51,365	49,093	166,915	106,011	35,329	42,889	27,793	60,904	27,354	8,507	25,043		

<sup>1</sup> Monthly average for year and total for month.

<sup>2</sup> Book value, seasonally adjusted, end of period, except as noted.

Note.—Data are as published by Bureau of the Census, but beginning 1968 detail for durable goods inventories does not add to totals. Correction will be published later by Census.

Source: Department of Commerce, Bureau of the Census.

TABLE B-46.—Manufacturers' new and unfilled orders, 1947-76

[Amounts in millions of dollars; monthly data seasonally adjusted]

Year or month	New orders <sup>1</sup>				Unfilled orders <sup>2</sup>			Unfilled orders— shipments ratio <sup>3</sup>		
	Total	Durable goods industries		Non-durable goods industries	Total	Durable goods industries	Non-durable goods industries	Total	Durable goods industries	Non-durable goods industries
		Total	Capital goods industries, non-defense							
1947	15,256	6,388	—	8,868	34,473	28,579	5,894	—	—	—
1948	17,693	8,126	—	9,566	30,736	26,619	4,117	—	—	—
1949	15,614	6,633	—	8,981	24,045	19,622	4,423	—	—	—
1950	20,110	10,165	—	9,945	41,456	35,435	6,021	—	—	—
1951	23,907	12,841	—	11,066	67,266	63,394	3,872	—	—	—
1952	23,204	12,061	—	11,143	75,857	72,680	3,177	—	—	—
1953	23,586	12,147	—	11,439	61,178	58,637	2,541	—	—	—
1954	22,335	10,768	—	11,566	48,266	45,250	3,016	3.42	4.12	0.96
1955	27,465	14,996	—	12,469	60,004	56,241	3,763	3.63	4.27	1.12
1956	28,368	15,365	—	13,003	67,375	63,880	3,495	3.87	4.55	1.04
1957	27,559	14,111	—	13,448	53,183	50,352	2,831	3.35	4.00	.85
1958	27,002	13,290	—	13,712	47,280	44,465	2,815	3.07	3.67	.86
1959	30,724	16,003	—	14,720	52,571	49,207	3,364	3.00	3.53	.94
1960	30,235	15,303	—	14,932	45,061	42,491	2,570	2.78	3.36	.72
1961	31,104	15,759	—	15,345	47,384	44,345	3,039	2.64	3.14	.79
1962	33,436	17,374	—	16,061	48,600	45,983	2,617	2.68	3.21	.68
1963	35,524	18,709	—	16,815	54,384	51,321	3,063	2.81	3.38	.73
1964	38,357	20,652	—	17,705	67,001	63,806	3,195	3.10	3.71	.72
1965	42,100	23,278	—	18,823	80,174	76,395	3,778	3.34	3.97	.80
1966	46,402	26,177	—	20,225	98,519	94,689	3,830	3.80	4.54	.76
1967	47,062	25,831	—	21,232	105,114	101,144	3,970	3.73	4.44	.73
1968	50,720	28,149	7,079	22,571	110,537	106,563	3,974	3.85	4.64	.69
1969	54,014	29,934	7,821	24,079	116,330	112,158	4,172	3.76	4.50	.69
1970	52,096	27,447	7,053	24,649	107,460	102,867	4,593	3.70	4.45	.77
1971	55,937	29,951	7,575	25,986	107,656	102,623	5,033	3.39	4.06	.78
1972	64,246	35,142	8,947	29,104	122,362	116,004	6,358	3.35	3.96	.88
1973	76,217	42,888	11,169	33,329	161,766	154,361	7,404	3.94	4.66	.93
1974	86,988	46,570	12,656	40,418	190,271	184,697	5,575	4.23	5.09	.64
1975	85,673	42,164	10,899	43,509	171,438	163,582	7,856	3.63	4.40	.78
1975: Jan	80,760	40,156	11,619	40,604	187,094	181,795	5,299	4.17	5.04	.60
Feb	81,156	40,165	10,593	40,991	184,255	179,097	5,158	4.11	4.99	.58
Mar	78,966	38,590	10,152	40,375	180,656	175,445	5,211	4.12	4.99	.60
Apr	82,968	40,723	10,750	42,245	178,114	172,762	5,351	3.99	4.84	.60
May	83,114	41,156	10,563	41,958	176,846	171,350	5,496	4.02	4.90	.61
June	83,486	40,373	10,305	43,113	174,545	168,760	5,784	3.96	4.81	.64
July	87,720	43,534	11,319	44,186	174,441	168,332	6,108	3.89	4.73	.66
Aug	88,205	43,368	10,915	44,837	173,584	167,148	6,436	3.81	4.62	.69
Sept	89,533	44,181	11,070	45,352	172,890	166,637	6,853	3.73	4.51	.72
Oct	90,392	43,840	11,152	46,552	172,104	164,634	7,470	3.70	4.47	.77
Nov	90,620	44,282	11,369	46,337	172,175	164,368	7,806	3.72	4.52	.79
Dec	91,816	45,985	11,054	45,830	171,438	163,582	7,856	3.63	4.40	.77
1976: Jan	92,822	45,904	11,663	46,918	170,193	162,197	7,996	3.53	4.26	.79
Feb	95,044	47,930	11,900	47,114	169,686	161,697	7,989	3.46	4.19	.77
Mar	98,550	51,111	12,173	47,439	170,450	162,426	8,024	3.37	4.06	.77
Apr	98,756	50,245	12,476	48,511	170,687	162,525	8,162	3.39	4.08	.77
May	99,379	51,354	12,666	48,025	171,520	163,322	8,198	3.35	4.02	.78
June	99,476	51,249	12,607	48,227	172,059	163,965	8,094	3.38	4.06	.77
July	99,214	51,180	13,778	48,033	171,938	164,055	7,883	3.38	4.04	.76
Aug	97,924	50,380	12,690	47,544	172,787	162,787	7,627	3.31	3.97	.73
Sept	98,869	50,068	13,468	48,801	170,503	162,795	7,708	3.33	4.02	.72
Oct	99,701	51,078	14,302	48,624	172,553	164,607	7,946	3.33	4.02	.77
Nov	100,888	51,986	12,799	48,902	172,992	165,234	7,758	3.37	4.05	.74

<sup>1</sup> Monthly average for year and total for month.

<sup>2</sup> Seasonally adjusted, end of period.

<sup>3</sup> 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.

Source: Department of Commerce, Bureau of the Census.

# PRICES

TABLE B-47.—Consumer price indexes by expenditure classes, 1929-76

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
1973.....	133.1	141.4	135.0	124.3	126.8	123.8	137.7	125.2	125.9	129.0
1974.....	147.7	161.7	150.6	130.6	136.2	137.7	150.5	137.3	133.8	137.2
1975.....	161.2	175.4	166.8	137.3	142.3	150.6	168.6	150.7	144.4	147.4
1975: Jan.....	156.1	170.9	161.3	134.5	139.4	143.2	161.0	146.5	141.0	144.8
Feb.....	157.2	171.6	162.8	135.1	140.2	143.5	163.0	147.8	141.8	145.9
Mar.....	157.8	171.3	163.6	135.5	140.9	144.8	164.6	148.9	142.0	146.5
Apr.....	158.6	171.2	164.7	135.9	141.3	146.2	165.8	149.5	143.5	146.8
May.....	159.3	171.8	165.3	136.4	141.8	147.4	166.8	149.9	143.8	147.1
June.....	160.6	174.4	166.4	136.9	141.4	149.8	168.1	150.3	144.1	147.3
July.....	162.3	178.6	167.1	137.3	141.1	152.6	169.8	151.2	144.4	147.6
Aug.....	162.8	178.1	167.7	138.0	142.3	153.6	170.9	151.4	144.7	148.1
Sept.....	163.6	177.8	168.9	138.4	143.5	155.4	172.2	152.1	146.0	148.0
Oct.....	164.6	179.0	169.8	139.3	144.6	156.1	173.5	152.9	146.6	148.5
Nov.....	165.6	179.8	171.3	139.9	145.5	157.4	173.3	153.6	147.0	148.9
Dec.....	166.3	180.7	172.2	140.6	145.2	157.6	174.7	154.6	147.5	149.8
1976: Jan.....	166.7	180.8	173.2	141.2	143.3	158.1	176.6	155.7	148.2	150.5
Feb.....	167.1	180.0	173.8	142.1	144.0	158.5	178.8	157.0	148.5	151.3
Mar.....	167.5	178.7	174.5	142.7	145.0	159.8	180.6	157.4	149.0	151.8
Apr.....	168.2	179.2	174.9	143.2	145.7	161.3	181.6	158.3	149.5	152.5
May.....	169.2	180.0	175.6	143.8	146.8	163.5	182.6	158.9	150.3	152.9
June.....	170.1	180.9	176.5	144.4	146.9	165.9	183.7	159.8	150.9	153.2
July.....	171.1	182.1	177.5	145.0	146.5	167.6	185.5	160.5	151.2	153.6
Aug.....	171.9	182.4	178.4	145.6	148.1	168.5	186.8	161.6	151.4	153.8
Sept.....	172.6	181.6	179.5	146.2	150.2	169.5	187.9	162.8	152.8	153.9
Oct.....	173.3	181.6	180.1	146.9	150.9	170.9	188.9	163.9	153.5	154.4
Nov.....	173.8	181.1	180.7	147.5	151.9	171.4	191.3	164.8	154.1	155.3

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-48.—Consumer price indexes by commodity and service groups, 1939-76  
For urban wage earners and clerical workers

[1967=100]

Year or month	Commodities						Services			Special indexes		
	All items	All commodities	Food	Commodities less food			All services	Rent	Services less rent	All items less food	All items less shelter	Non-durable commodities
				All	Durable	Non-durable						
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	88.5	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	93.2
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	95.0	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
1973.....	133.1	129.9	141.4	123.5	121.9	124.8	139.1	124.3	141.8	130.7	131.1	132.8
1974.....	147.7	145.5	161.7	136.6	130.6	140.9	152.1	130.6	156.0	143.7	146.1	151.0
1975.....	161.2	158.4	175.4	149.1	145.5	151.7	166.6	137.3	171.9	157.1	159.1	163.2
1975: Jan.....	156.1	153.4	170.9	143.9	139.3	147.2	161.3	134.5	166.2	151.9	154.1	158.7
Feb.....	157.2	154.4	171.6	144.9	140.3	148.2	162.6	135.1	167.5	153.0	155.0	159.6
Mar.....	157.8	155.0	171.3	146.0	142.1	148.8	163.2	135.5	168.3	153.9	155.6	159.7
Apr.....	158.6	155.7	171.2	147.2	143.6	149.8	164.1	135.9	169.2	154.9	156.3	160.1
May.....	159.3	156.5	171.8	148.1	144.8	150.5	164.5	136.4	169.6	155.6	157.0	160.8
June.....	160.6	157.9	174.4	148.9	145.8	151.2	165.7	136.9	170.9	156.6	158.4	162.4
July.....	162.3	160.1	178.6	149.9	146.9	152.2	166.6	137.3	171.9	157.6	160.3	165.0
Aug.....	162.8	160.4	178.1	150.7	147.5	153.0	167.4	138.0	172.7	158.3	160.8	165.2
Sept.....	163.6	160.8	177.8	151.4	148.2	153.8	169.1	138.4	174.6	159.5	161.6	165.4
Oct.....	164.6	161.7	179.0	152.2	148.9	154.6	170.1	139.3	175.7	160.4	162.6	166.4
Nov.....	165.6	162.2	179.8	152.6	149.2	155.1	172.0	139.9	177.7	161.5	163.4	167.1
Dec.....	166.3	162.7	180.7	152.8	149.3	155.4	173.1	140.6	179.0	162.1	164.1	167.6
1976: Jan.....	166.7	162.4	180.8	152.3	149.0	154.7	174.9	141.2	181.0	162.6	164.4	167.3
Feb.....	167.1	162.3	180.0	152.7	149.3	155.2	176.1	142.1	182.2	163.4	164.9	167.2
Mar.....	167.5	162.3	178.7	153.3	150.4	155.5	177.2	142.7	183.4	164.2	165.3	166.7
Apr.....	168.2	163.1	179.2	154.2	151.9	156.0	177.7	143.2	184.0	165.0	166.1	167.2
May.....	169.2	164.2	180.0	155.5	153.5	157.0	178.4	143.8	184.7	165.0	167.1	168.2
June.....	170.1	165.2	180.9	156.5	154.7	157.9	179.5	144.4	185.8	167.0	168.1	169.0
July.....	171.1	166.0	182.1	157.1	155.8	158.1	180.7	145.0	187.2	167.9	169.0	169.7
Aug.....	171.9	166.6	182.4	158.0	156.4	159.1	181.8	145.6	188.4	168.9	169.7	170.4
Sept.....	172.6	167.0	181.6	158.9	156.9	160.4	183.2	146.2	189.8	170.0	170.4	170.7
Oct.....	173.3	167.4	181.6	159.6	157.8	161.0	184.1	146.9	190.8	170.8	171.0	171.0
Nov.....	173.8	167.7	181.1	160.3	158.0	161.9	185.1	147.5	191.8	171.6	171.6	171.3

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-49.—Consumer price indexes, selected commodities and services, 1939–76  
For urban wage earners and clerical workers  
(1967=100)

Year or month	Durable commodities				Nondurable commodities less food			Services less rent				
	Total <sup>1</sup>	New cars	Used cars	Household durables	Total	Apparel commodities	Non-durables less food and apparel	Total	Household services less rent	Transportation services	Medical care services	Other <sup>2</sup>
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	.....
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	(*)	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
1973.....	121.9	111.1	117.6	118.8	124.8	127.1	123.4	141.8	146.8	136.9	144.3	131.6
1974.....	130.6	117.5	122.6	128.9	140.9	136.1	143.8	156.0	166.0	141.9	159.1	141.6
1975.....	145.5	127.6	146.4	140.3	151.7	141.2	157.9	171.9	184.7	152.7	179.1	152.1
1975: Jan.....	139.3	123.4	134.9	136.8	147.2	138.6	152.3	166.2	179.0	146.5	170.7	148.8
Feb.....	140.3	124.5	133.5	137.3	148.2	139.2	153.6	167.5	180.4	147.2	172.9	149.7
Mar.....	142.1	127.3	135.3	138.3	148.8	139.9	154.2	168.3	180.8	148.3	174.7	150.1
Apr.....	143.6	127.5	138.1	139.4	149.8	140.3	155.4	169.2	181.7	149.5	175.9	150.6
May.....	144.8	126.8	142.2	140.0	150.5	140.8	156.3	169.6	182.1	149.6	177.0	151.0
June.....	145.8	127.0	147.5	140.3	151.2	140.3	157.7	170.9	183.9	150.4	178.4	151.4
July.....	146.9	126.6	153.2	140.6	152.2	139.8	159.5	171.9	184.8	151.1	180.4	152.0
Aug.....	147.5	126.8	156.1	141.0	153.0	141.1	160.1	172.7	185.6	151.9	181.7	152.4
Sept.....	148.2	126.5	156.6	141.7	153.8	142.3	160.7	174.6	187.0	156.1	183.2	153.8
Oct.....	148.9	129.9	156.5	142.3	154.6	143.5	161.3	175.7	188.2	157.0	184.6	154.4
Nov.....	149.2	131.3	153.7	142.9	155.1	144.4	161.5	177.7	190.7	161.7	184.2	155.2
Dec.....	149.3	134.0	149.6	143.0	155.4	143.9	162.2	179.0	192.0	163.2	185.8	155.7
1976: Jan.....	149.0	134.2	144.6	143.3	154.7	141.5	162.6	181.0	193.7	167.0	188.0	156.6
Feb.....	149.3	134.3	144.9	144.0	155.2	142.2	162.9	182.2	194.4	168.9	190.4	157.4
Mar.....	150.4	134.5	150.9	144.8	155.5	143.1	162.8	183.4	195.1	171.1	192.5	158.4
Apr.....	151.9	134.4	159.4	145.5	156.0	143.9	163.2	184.0	195.4	171.7	193.5	159.1
May.....	153.5	134.5	167.8	145.8	157.0	145.1	164.2	184.7	196.1	172.3	194.6	159.7
June.....	154.7	134.5	173.4	146.1	157.9	145.0	165.6	185.8	197.3	173.2	195.8	160.5
July.....	155.8	134.4	177.5	146.5	158.1	144.4	166.3	187.2	198.7	174.7	197.9	161.2
Aug.....	156.4	134.4	179.6	146.3	159.1	146.2	166.8	188.4	200.1	175.5	199.4	162.0
Sept.....	156.9	134.2	180.1	146.7	160.4	148.5	167.4	189.8	201.5	177.3	200.6	163.6
Oct.....	157.8	139.1	179.9	147.2	161.0	149.2	168.1	190.8	202.3	178.9	201.7	164.3
Nov.....	158.0	139.7	179.0	147.8	161.9	150.1	169.0	191.8	202.6	180.2	204.5	165.2

<sup>1</sup> Also includes the "other durables" group.

<sup>2</sup> Includes the services components of apparel, personal care, reading and recreation, and other goods and services.

<sup>3</sup> Not available.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-50.—Consumer price indexes, for commodity groups, seasonally adjusted, 1973-76  
For urban wage earners and clerical workers

[1967=100, seasonally adjusted]

Year and month	All commodities	Food	Commodities less food								
			Total	Durable commodities				Nondurables less food			
				Total <sup>1</sup>	Household durables	New cars	Used cars	Total <sup>1</sup>	Apparel commodities	Gasoline and motor oil	Fuel oil and coal
1973: Jan...	123.8	129.0	121.0	120.2	116.4	109.8	116.4	121.5	124.5	112.2	118.8
Feb...	124.8	130.8	121.5	120.7	116.7	110.2	118.8	122.0	124.8	112.8	124.4
Mar...	126.1	134.0	121.9	121.0	117.1	110.4	119.6	122.5	125.5	112.9	125.4
Apr...	127.3	136.3	122.5	121.4	117.7	110.9	120.8	123.3	126.3	114.4	126.6
May...	128.3	138.3	122.9	121.7	118.4	111.1	120.3	123.7	126.7	115.2	128.4
June...	129.1	139.7	123.3	121.8	118.9	111.0	119.5	124.4	127.2	117.8	131.8
July...	129.3	140.0	123.5	121.8	119.2	111.2	118.8	124.7	127.2	118.2	133.1
Aug...	132.5	148.6	123.9	122.3	119.4	111.7	118.0	125.0	127.8	118.7	135.6
Sept...	132.6	148.2	124.1	122.4	119.8	111.6	116.7	125.3	128.1	118.2	137.1
Oct...	133.3	148.9	124.9	122.6	120.2	111.5	114.7	126.6	128.6	123.1	144.0
Nov...	134.6	150.8	125.9	122.8	120.6	111.5	113.5	128.1	128.9	128.5	156.5
Dec...	135.8	152.1	127.0	123.1	121.1	111.4	112.4	129.7	129.4	134.0	172.3
1974: Jan...	137.6	154.2	128.6	123.7	122.2	111.8	110.8	132.0	130.2	140.7	191.2
Feb...	139.5	157.2	129.9	124.3	123.1	112.1	109.3	134.0	131.5	147.7	197.0
Mar...	141.0	158.4	131.6	125.1	124.1	112.5	108.0	136.2	132.6	157.2	197.4
Apr...	141.7	158.4	132.7	126.1	125.2	113.2	110.7	137.5	133.7	159.2	203.6
May...	143.3	160.1	134.3	127.6	126.4	114.7	114.6	139.1	134.6	162.2	209.4
June...	144.4	160.3	135.9	129.3	127.9	116.4	119.5	140.6	135.6	162.9	214.6
July...	145.2	159.8	137.4	130.8	129.2	118.3	123.7	142.0	136.2	164.2	221.1
Aug...	147.4	162.2	139.3	132.7	131.3	119.0	128.0	144.1	139.2	164.1	226.3
Sept...	149.2	165.2	140.6	134.4	132.6	120.8	131.1	145.1	139.1	164.0	229.2
Oct...	150.5	166.8	141.7	136.0	133.8	123.3	134.4	145.8	139.4	161.8	230.6
Nov...	151.9	168.7	142.9	137.4	135.2	123.7	138.2	146.8	140.2	161.4	230.6
Dec...	153.1	170.4	143.8	138.7	136.1	124.2	138.2	147.4	140.3	161.7	227.8
1975: Jan...	154.0	171.3	144.7	140.0	137.3	122.4	139.9	148.1	140.5	161.0	224.5
Feb...	154.6	171.1	145.7	141.6	138.0	124.0	142.0	148.7	140.5	160.6	223.3
Mar...	155.0	170.6	146.6	143.2	138.7	127.0	143.3	148.9	140.5	160.2	223.4
Apr...	155.6	171.0	147.4	144.4	139.6	127.4	143.3	149.5	140.4	160.9	225.6
May...	156.5	172.5	147.9	144.8	139.9	127.0	142.7	150.0	140.4	162.8	228.4
June...	157.6	174.6	148.5	145.4	140.0	127.1	144.3	150.7	140.3	166.6	231.1
July...	159.6	177.8	149.8	146.2	140.3	126.9	148.0	152.4	141.2	173.9	237.0
Aug...	160.1	177.5	150.7	147.0	140.8	127.7	151.2	153.4	142.3	176.3	241.8
Sept...	160.6	178.0	151.2	147.6	141.3	129.0	150.8	153.7	141.6	177.9	246.2
Oct...	161.5	179.6	151.7	148.1	142.1	129.5	150.7	154.4	141.9	179.4	249.1
Nov...	162.2	180.6	152.2	148.5	142.7	130.5	150.1	154.8	142.4	179.4	248.1
Dec...	162.9	181.6	152.8	149.2	143.2	133.4	149.4	155.3	142.7	179.1	247.5
1976: Jan...	163.1	181.2	153.1	149.7	143.7	133.1	150.0	155.6	143.3	176.2	244.0
Feb...	162.7	179.4	153.5	150.6	144.7	133.8	154.1	155.7	143.6	173.6	242.6
Mar...	162.4	177.9	153.9	151.7	145.2	134.2	159.9	155.6	143.6	170.6	242.3
Apr...	163.1	178.9	154.4	152.7	145.6	134.3	165.4	155.7	143.9	169.0	243.0
May...	164.3	180.6	155.3	153.6	145.7	134.8	168.5	156.6	144.6	170.5	244.2
June...	164.9	181.0	156.0	154.1	145.8	134.6	169.7	157.4	145.0	174.0	247.8
July...	165.6	181.2	156.9	155.0	146.2	134.7	171.5	158.4	145.8	176.6	251.1
Aug...	166.4	181.8	157.9	155.7	146.0	135.3	173.9	159.6	147.4	179.2	255.7
Sept...	166.8	181.8	158.5	156.3	146.3	136.8	173.5	160.2	147.7	180.4	258.6
Oct...	167.3	182.3	159.1	156.8	146.9	138.7	173.3	160.8	147.5	182.7	259.1
Nov...	167.6	181.9	159.8	157.4	147.7	138.9	174.8	161.6	147.9	184.0	259.6

<sup>1</sup> Includes certain groups not shown separately.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-51.—Consumer price indexes for service groups and selected expenditure classes, seasonally adjusted, 1973-76

For urban wage earners and clerical workers

[1967=100, seasonally adjusted]

Year and month	Services						Selected expenditure classes			
	All services	Rent	Services less rent				Fuel and utilities	Household furnishings and operation	Apparel and upkeep	Transportation
			Total <sup>1</sup>	Household services less rent	Transportation services	Medical care services				
1973: Jan...	135.4	121.6	137.9	141.8	135.5	141.2	122.3	122.6	124.2	121.2
Feb...	136.0	122.1	138.4	142.5	135.8	141.5	123.1	123.0	124.3	121.9
Mar...	136.6	122.6	139.1	143.3	136.1	142.0	123.6	123.2	125.1	122.1
Apr...	137.1	123.1	139.6	144.0	136.2	142.6	124.2	123.6	125.8	122.9
May...	137.8	123.7	140.3	144.7	136.6	143.1	124.9	123.7	126.3	123.2
June...	138.3	124.0	140.9	145.5	136.9	143.5	125.6	124.5	126.7	123.7
July...	138.6	124.5	141.1	145.7	136.9	143.8	126.1	124.9	126.9	123.9
Aug...	139.4	125.0	141.9	147.0	137.2	144.0	127.1	125.2	127.5	123.9
Sept...	140.6	125.5	143.3	149.2	137.4	144.9	127.8	125.8	127.8	124.1
Oct...	142.1	125.9	145.0	151.4	137.6	147.8	129.8	126.4	128.4	124.8
Nov...	142.8	126.4	145.7	152.5	137.6	148.3	132.5	127.2	128.9	125.8
Dec...	143.6	126.9	146.5	153.6	138.1	148.9	136.0	128.0	129.4	127.1
1974: Jan...	144.7	127.6	147.7	155.3	138.5	150.0	140.2	129.6	130.3	128.5
Feb...	145.8	128.3	148.9	156.9	139.0	151.2	142.2	130.7	131.3	130.5
Mar...	147.1	128.6	150.4	159.0	139.5	152.6	143.8	132.9	132.6	132.8
Apr...	148.2	129.1	151.6	160.6	140.0	153.7	145.8	134.0	133.7	134.1
May...	149.8	129.6	153.3	162.8	140.6	155.6	148.0	136.8	134.6	136.1
June...	151.2	130.2	154.9	164.7	141.4	158.0	149.4	139.0	135.7	137.8
July...	152.8	130.7	156.7	167.0	142.3	160.1	151.5	141.3	136.4	139.4
Aug...	154.3	131.2	158.4	169.2	142.7	162.5	153.6	143.9	138.2	140.5
Sept...	155.8	131.9	160.1	171.3	143.5	164.2	155.4	146.2	139.3	142.3
Oct...	157.2	132.5	161.5	173.4	144.2	165.5	156.8	148.6	139.7	142.6
Nov...	158.4	133.2	162.8	174.8	145.1	167.1	157.6	150.6	140.5	143.4
Dec...	159.7	133.7	164.3	176.6	145.9	168.7	158.5	152.3	140.7	144.0
1975: Jan...	161.1	134.4	165.9	178.5	146.3	171.0	159.8	153.9	141.0	143.7
Feb...	162.4	135.0	167.3	180.1	147.2	173.0	160.7	155.5	141.2	144.9
Mar...	163.3	135.4	168.3	181.0	148.3	174.5	161.7	156.0	141.4	145.7
Apr...	164.3	135.8	169.4	182.3	149.4	176.0	163.3	156.9	141.4	146.6
May...	164.9	136.4	170.0	182.9	149.8	177.3	164.7	157.2	141.5	147.1
June...	166.0	136.9	171.2	184.7	150.3	178.4	166.9	157.9	141.4	148.6
July...	166.9	137.5	172.1	185.4	151.1	180.3	168.8	158.2	142.3	151.2
Aug...	167.6	138.1	172.9	186.0	151.9	181.4	170.1	158.8	143.4	152.7
Sept...	169.0	138.5	174.4	186.9	152.2	182.9	172.5	159.7	142.8	155.5
Oct...	170.0	139.4	175.4	187.8	152.7	184.6	173.8	160.5	143.2	155.9
Nov...	171.7	140.1	177.3	189.8	152.0	184.3	175.1	161.2	143.6	157.4
Dec...	172.8	140.7	178.5	191.1	153.1	186.1	176.3	162.0	144.1	158.3
1976: Jan...	174.7	141.1	180.7	193.1	156.7	188.4	175.6	164.4	145.0	158.7
Feb...	176.0	142.0	182.1	194.2	158.9	190.4	176.1	166.0	145.0	160.1
Mar...	177.2	142.6	183.5	195.3	171.1	192.3	177.5	167.1	145.4	160.8
Apr...	178.0	143.1	184.3	196.0	171.5	193.7	177.9	167.4	145.8	161.8
May...	178.8	143.8	185.1	196.9	172.5	194.8	179.3	167.7	146.5	163.2
June...	179.9	144.4	186.3	198.3	173.2	195.8	181.7	168.2	146.9	164.6
July...	181.0	145.1	187.5	199.3	174.7	197.9	183.4	168.9	147.8	166.1
Aug...	182.0	145.6	188.5	200.5	175.5	199.0	185.0	169.1	149.1	167.5
Sept...	183.0	146.3	189.6	201.3	177.5	200.2	186.8	169.7	149.5	169.7
Oct...	184.0	147.0	190.7	201.9	179.1	201.7	188.6	170.4	149.4	170.7
Nov...	184.7	147.6	191.4	201.6	180.6	204.7	189.0	171.2	150.0	171.4

<sup>1</sup> Also includes the "other services" group.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE E-52.—Percent changes in consumer price indexes, major groups, 1948-76

[Percent change]

Year or month	All items		Food		Commodities less food		Services	
	Dec. to Dec. <sup>1</sup>	Year to year	Dec. to Dec. <sup>1</sup>	Year to year	Dec. to Dec. <sup>1</sup>	Year to year	Dec. to Dec. <sup>1</sup>	Year to year
1948	2.7	7.8	-0.8	8.5	5.3	7.7	6.1	6.3
1949	-1.8	-1.0	-3.7	-4.0	-4.8	-1.5	3.6	4.8
1950	5.8	1.0	9.6	1.4	5.7	-1	3.6	3.2
1951	5.9	7.9	7.4	11.1	4.6	7.5	5.2	5.3
1952	.9	2.2	-1.1	1.8	-5	.9	4.6	4.4
1953	.6	.8	-1.3	-1.5	.2	.2	4.2	4.3
1954	-.5	.5	-1.6	-.2	-1.4	-1.1	1.9	3.3
1955	.4	-.4	-.9	-1.4	0	-.7	2.3	2.0
1956	2.9	1.5	3.1	.7	2.5	1.0	3.1	2.5
1957	3.0	3.6	2.8	3.3	2.2	3.1	4.5	4.0
1958	1.8	2.7	2.2	4.2	.8	1.1	2.7	3.8
1959	1.5	.8	-.8	-1.6	1.5	1.3	3.7	2.9
1960	1.5	1.6	3.1	1.0	-.3	.4	2.7	3.3
1961	.7	1.0	-.9	1.3	.6	.3	1.9	2.0
1962	1.2	1.1	1.5	.9	.7	.7	1.7	1.9
1963	1.6	1.2	1.9	1.4	1.2	.7	2.3	2.0
1964	1.2	1.3	1.4	1.3	.4	.8	1.8	1.9
1965	1.9	1.7	3.4	2.2	.7	.6	2.6	2.2
1966	3.4	2.9	3.9	5.0	1.9	1.4	4.9	3.9
1967	3.0	2.9	1.2	.9	3.1	2.6	4.0	4.4
1968	4.7	4.2	4.3	3.6	3.7	3.7	6.1	5.2
1969	6.1	5.4	7.2	5.1	4.5	4.2	7.4	6.9
1970	5.5	5.9	2.2	5.5	4.8	4.1	8.2	8.1
1971	3.4	4.3	4.3	3.0	2.3	3.8	4.1	5.6
1972	3.4	3.3	4.7	4.3	2.5	2.2	3.6	3.8
1973	8.8	6.2	20.1	14.5	5.0	3.4	6.2	4.4
1974	12.2	11.0	12.2	14.4	13.2	10.6	11.3	9.3
1975	7.0	9.1	6.5	8.5	6.2	9.2	8.1	9.5
Change from preceding month								
	Un-adjusted	Seasonally adjusted						
1975: Jan	0.5	0.7	0.7	0.5	0	0.6	0.7	0.9
Feb	.7	.5	.4	-.1	.7	.7	.8	.8
Mar	.4	.4	-.2	-.3	.8	.6	.4	.6
Apr	.5	.5	-.1	.2	.8	.5	.6	.6
May	.4	.5	.4	.9	.6	.3	.2	.4
June	.8	.7	1.5	1.2	.5	.4	.7	.7
July	1.1	1.0	2.4	1.8	.7	.9	.5	.5
Aug	.3	.4	-.3	-.2	.5	.6	.5	.4
Sept	.5	.4	-.2	.3	.5	.3	1.0	.8
Oct	.6	.6	.7	.9	.5	.3	.6	.6
Nov	.6	.6	.4	.6	.3	.3	1.1	1.0
Dec	.4	.5	.5	.6	.1	.4	.6	.6
1976: Jan	.2	.4	.1	-.2	-.3	.2	1.0	1.1
Feb	.2	.1	-.4	-1.0	.3	.3	.7	.7
Mar	.2	.2	-.7	-.8	.4	.3	.6	.6
Apr	.4	.4	-.3	.6	.6	.3	.3	.5
May	.6	.6	.4	1.0	.8	.6	.4	.6
June	.5	.5	.5	.2	.6	.5	.6	.6
July	.6	.5	.7	.1	.4	.6	.7	.6
Aug	.5	.5	.2	.3	.6	.6	.6	.6
Sept	.4	.4	-.4	0	.6	.4	.8	.5
Oct	.4	.3	0	.3	.4	.4	.5	.5
Nov	.3	.3	-.3	-.2	.4	.4	.5	.4

<sup>1</sup> Changes from December to December are based on unadjusted indexes.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-53.—Wholesale price indexes by major commodity groups, 1929-76

[1967=100]

Year or month	All commodities	Farm products and processed foods and feeds			Industrial commodities				
		Total	Farm products	Processed foods and feeds	Total	Textile products and apparel	Hides, skins, leather, and related products	Fuels and related products, and power <sup>1</sup>	Chemicals and allied products <sup>1</sup>
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	111.7	111.0	112.1	110.0	107.1	110.3	106.2	102.2
1971	114.0	113.9	112.9	114.5	114.1	109.0	114.1	115.2	104.1
1972	119.1	122.4	125.0	120.8	117.9	113.6	131.3	118.6	104.2
1973	134.7	159.1	176.3	148.1	125.9	123.8	143.1	134.3	110.0
1974	160.1	177.4	187.7	170.9	153.8	139.1	145.1	208.3	146.8
1975	174.9	184.2	186.7	182.6	171.5	137.9	148.5	245.1	181.3
1976	182.9	183.1	191.1	178.0	182.3	148.0	167.4	265.5	187.0
1975: Jan	171.8	183.8	179.7	186.4	167.5	137.5	142.1	232.2	176.0
Feb	171.3	179.5	174.6	182.6	168.4	136.5	141.7	232.3	178.1
Mar	170.4	174.9	171.1	177.3	168.9	134.3	143.2	233.0	181.8
Apr	172.1	178.8	177.7	179.4	169.7	134.4	147.5	236.5	182.4
May	173.2	181.2	184.5	179.0	170.3	135.2	147.7	238.8	182.1
June	173.7	182.3	186.2	179.7	170.7	135.9	148.7	243.0	181.2
July	175.7	188.2	193.7	184.6	171.2	136.8	149.3	246.6	181.4
Aug	176.7	189.0	193.2	186.3	172.2	137.6	149.3	252.4	182.1
Sept	177.7	190.4	197.1	186.1	173.1	138.4	151.3	254.9	182.2
Oct	178.9	190.5	197.3	186.2	174.7	141.3	152.4	256.5	182.3
Nov	178.2	186.1	191.7	182.6	175.4	143.2	154.4	257.0	182.9
Dec	178.7	186.0	193.8	181.0	176.1	144.0	154.6	258.0	183.4
1976: Jan	179.3	184.6	192.8	179.4	177.3	145.1	157.5	255.7	184.2
Feb	179.3	182.0	191.0	176.4	178.0	146.3	159.9	257.3	184.9
Mar	179.6	180.3	187.2	175.8	178.9	146.7	162.0	255.7	185.6
Apr	181.3	183.7	192.9	178.0	180.0	147.4	165.4	256.9	187.1
May	181.8	184.9	192.6	179.9	180.4	147.0	169.6	257.2	186.9
June	183.1	187.5	196.5	181.8	181.3	148.1	167.4	260.3	187.1
July	184.3	188.1	196.9	182.6	182.6	149.0	169.8	265.0	187.0
Aug	183.7	181.7	189.3	176.8	183.6	149.2	171.3	269.1	187.7
Sept	184.7	182.7	191.8	177.1	184.7	149.0	173.6	270.9	188.5
Oct	185.2	179.4	186.6	174.9	186.3	149.3	170.8	277.0	188.4
Nov	185.6	178.4	183.6	174.8	187.0	149.8	169.7	281.8	188.7
Dec	187.1	183.9	191.6	179.0	187.4	149.5	171.5	278.8	188.4

See next page for continuation of table and for footnotes.

TABLE B-53.—Wholesale price indexes by major commodity groups, 1929-76—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 <sup>2</sup>	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	96.3	93.5	95.6	91.3	92.2	97.0	97.1	97.8	94.5
1964	96.8	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	108.3	113.6	108.2	116.6	111.4	107.5	112.9	108.7	109.9
1971	109.1	127.3	110.1	118.7	115.5	110.0	122.4	114.9	112.9
1972	109.3	144.3	113.4	123.5	117.9	111.4	126.1	118.0	114.6
1973	112.4	177.2	122.1	132.8	121.7	115.2	130.2	119.2	119.7
1974	136.2	183.6	151.7	171.9	139.4	127.9	153.2	129.2	133.1
1975	150.2	176.9	170.4	185.6	161.4	139.7	174.0	144.6	147.7
1976	159.2	205.6	179.4	195.8	170.9	145.5	186.0	153.8	153.7
1975: Jan	149.6	164.7	169.8	185.5	156.6	138.8	168.5	140.2	145.5
Feb	150.0	169.3	169.8	186.3	157.7	139.1	170.3	141.5	146.4
Mar	149.7	169.6	170.0	186.1	158.8	138.5	170.8	143.0	146.8
Apr	149.4	174.9	169.7	185.7	159.7	138.5	173.0	143.0	147.3
May	148.9	183.0	169.8	185.1	160.4	138.6	173.1	142.9	147.5
June	148.6	181.0	169.8	184.5	161.0	139.0	173.3	143.1	147.5
July	150.1	179.6	170.0	183.4	161.7	139.2	174.7	143.1	147.7
Aug	150.0	179.7	170.0	184.3	162.2	139.8	175.8	143.5	147.8
Sept	150.8	179.9	170.3	185.5	163.1	140.1	176.1	143.9	148.2
Oct	151.5	179.1	170.9	187.2	164.1	141.1	177.1	150.0	147.6
Nov	151.8	178.3	171.3	187.0	165.3	141.5	177.7	150.6	148.6
Dec	151.9	183.1	173.1	187.1	165.8	142.0	178.0	150.9	151.1
1976: Jan	152.4	190.5	174.8	187.7	167.0	143.1	181.1	151.3	151.8
Feb	154.2	196.0	175.8	189.2	167.7	143.4	181.3	151.3	152.1
Mar	155.5	202.3	176.9	190.6	168.2	143.9	182.5	151.7	152.6
Apr	156.7	203.3	178.5	192.9	168.9	144.4	185.2	151.9	152.4
May	157.1	203.3	179.2	194.0	169.4	144.8	185.6	151.6	152.7
June	157.2	199.8	179.5	196.4	170.2	145.3	186.0	151.6	154.4
July	158.2	203.7	180.5	198.7	171.0	145.7	186.9	151.7	153.8
Aug	161.0	207.5	181.0	199.0	171.4	146.1	187.7	152.8	153.5
Sept	163.6	212.7	181.6	200.0	172.9	146.5	188.2	153.5	153.9
Oct	164.5	213.6	181.4	199.9	174.2	147.0	189.1	159.0	154.1
Nov	164.8	214.3	181.7	199.9	174.7	147.4	189.1	159.1	156.1
Dec	164.6	219.9	182.0	200.8	175.5	147.8	189.5	159.5	157.0

<sup>1</sup> Prices for most items in this grouping are lagged and refer to 1 or 2 months earlier than the index month.

<sup>2</sup> Index for total transportation equipment is not shown but is available beginning December 1968.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-54.—Wholesale price indexes by stage of processing and by special groupings, 1947-76

[1967=100]

Year or month	All commodities	Intermediate materials, supplies, and components <sup>1</sup>										
		Crude materials for further processing				Materials and components for manufacturing						Materials and components for construction
		Total	Food-stuffs and feed-stuffs	Non-food materials except fuel	Fuel	Total	Materials			Components		
							Total	For food manufacturing	For non-durable manufacturing		For durable manufacturing	
1947	76.5	101.2	111.7	90.6	66.6	72.4	72.1	94.0	95.2	54.4	58.3	66.0
1948	82.8	110.9	120.8	100.7	78.7	78.3	77.8	96.9	100.8	61.4	63.0	73.1
1949	78.7	96.0	100.3	91.6	78.3	75.2	74.5	83.3	91.9	63.1	64.2	73.2
1950	81.8	104.6	107.6	104.7	77.9	78.6	78.1	86.7	96.5	66.7	66.6	77.0
1951	91.1	120.1	124.5	120.7	79.4	88.1	88.5	96.6	111.7	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	91.0	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	101.0	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	105.8	105.8	107.1	102.4	109.1	105.5	110.8
1970	110.4	112.3	112.0	109.8	122.6	109.9	110.0	112.9	103.8	114.7	111.1	112.6
1971	114.0	115.1	114.2	110.7	139.0	114.1	112.8	116.5	105.3	118.2	114.8	119.7
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
1973	134.7	174.0	180.0	161.5	164.5	131.6	127.7	146.0	121.2	133.7	121.4	136.7
1974	160.1	196.1	189.4	205.4	219.4	162.9	162.2	209.2	155.2	171.7	139.9	161.6
1975	174.9	196.9	191.8	188.3	271.5	180.0	178.7	209.4	174.7	188.4	158.3	176.4
1976	182.9	205.1	190.2	210.3	314.7	189.2	185.4	180.6	183.5	202.2	165.4	187.9
1975: Jan	171.8	189.3	182.4	184.1	266.7	179.1	180.1	245.1	172.2	187.1	155.4	171.9
Feb	171.3	185.8	177.1	184.7	265.2	178.8	179.7	236.4	172.4	186.9	157.3	173.7
Mar	170.4	182.4	172.9	184.4	256.6	178.1	178.0	220.0	171.9	186.9	157.2	173.9
Apr	172.1	189.4	181.7	186.2	266.3	179.0	177.9	213.7	172.7	187.6	157.3	175.2
May	173.2	196.7	190.9	188.1	276.4	178.4	177.0	200.6	173.5	187.7	157.4	177.0
June	173.7	197.1	192.1	187.6	274.1	178.4	176.3	194.1	173.3	187.3	157.9	177.0
July	175.7	203.0	202.1	183.8	278.0	179.3	177.4	204.0	174.0	187.1	158.1	176.9
Aug	176.7	204.1	201.9	189.6	273.2	180.9	178.8	210.7	175.2	187.6	158.6	177.2
Sept	177.7	207.5	204.9	192.2	275.6	181.0	178.6	204.1	175.9	188.1	159.0	177.6
Oct	178.9	206.8	204.6	194.7	274.8	182.2	180.0	200.0	177.4	191.4	159.6	178.4
Nov	178.2	199.8	195.4	190.6	270.0	182.3	180.1	195.3	178.7	191.2	160.5	178.5
Dec	178.7	201.3	195.1	193.8	281.3	182.6	179.9	189.2	179.5	191.4	160.7	179.8
1976: Jan	179.3	201.2	193.2	199.8	279.3	183.7	180.6	186.3	180.3	192.5	161.5	181.7
Feb	179.3	199.5	191.6	196.3	278.5	184.5	181.4	183.0	181.0	194.6	162.0	182.9
Mar	179.6	199.1	188.3	200.5	286.2	185.6	182.2	183.7	181.7	195.9	162.4	184.6
Apr	181.3	205.3	194.5	207.0	291.6	186.8	183.6	182.9	183.2	198.0	163.0	185.5
May	181.8	205.7	194.1	208.7	293.3	187.5	184.2	183.6	183.4	199.4	163.4	186.0
June	183.1	210.2	197.8	214.3	301.8	188.9	185.1	182.1	183.5	202.0	164.0	186.5
July	184.3	211.8	196.3	222.8	306.0	190.4	186.6	186.8	184.4	204.2	164.6	188.2
Aug	183.7	205.9	188.6	216.4	315.8	190.8	186.9	178.0	184.6	205.4	166.4	189.6
Sept	184.7	206.4	189.0	217.2	316.0	192.4	188.0	176.5	185.1	207.3	168.0	191.5
Oct	185.2	204.0	182.2	213.1	356.7	192.6	188.3	174.4	184.8	208.3	169.2	192.1
Nov	185.6	204.5	178.8	213.3	390.4	193.0	188.6	174.7	185.1	208.5	169.5	192.4
Dec	187.1	207.9	187.4	213.7	361.2	193.9	189.1	175.5	184.7	209.9	170.2	193.6

See next page for continuation of table and for footnotes.

TABLE B-54.—Wholesale price indexes by stage of processing and by special groupings, 1947-76—Continued

[1967=100]

Year or month	Finished goods						Special groupings				
	Total	Consumer finished goods				Pro-ducer fin-ished goods	Crude mate-rials <sup>2</sup>	Inter-me-diate mate-rials, sup-plies, and com-ponents <sup>3</sup>	Con-sumer fin-ished goods exclud-ing foods	Manufactured goods	
		Total	Foods	Other non-dura-ble goods	Dura-ble goods					Total	Dura-ble
1947.....	74.0	80.5	82.8	80.7	74.6	55.4	79.2	70.0	79.0	72.3	59.4
1948.....	79.9	86.5	90.4	85.8	79.7	69.4	92.5	76.1	84.0	78.2	65.4
1949.....	77.6	82.5	83.1	82.3	81.8	63.4	84.0	74.2	82.2	75.5	67.3
1950.....	79.0	83.9	84.7	83.6	82.7	64.9	93.6	77.7	83.5	78.4	69.6
1951.....	86.5	91.8	95.2	90.0	88.2	71.2	102.9	87.0	89.5	87.0	76.3
1952.....	86.0	90.7	94.3	87.8	88.9	72.4	93.1	84.3	88.3	85.1	76.7
1953.....	85.1	89.2	89.4	88.6	89.6	73.6	92.4	85.3	89.1	85.0	78.4
1954.....	85.3	89.1	88.7	88.9	90.3	74.5	88.0	85.7	89.4	85.7	79.4
1955.....	85.5	88.5	86.5	89.4	91.2	76.7	96.6	88.3	90.1	86.6	82.2
1956.....	87.9	89.8	86.3	91.1	94.3	82.4	102.3	92.6	92.3	90.0	87.5
1957.....	91.1	92.4	89.3	93.2	97.1	87.5	100.9	95.0	94.6	92.8	90.9
1958.....	93.2	94.4	94.5	92.6	98.4	89.8	96.9	94.8	94.7	93.8	92.2
1959.....	93.0	93.6	90.1	94.0	99.6	91.5	102.3	96.4	95.9	94.6	94.0
1960.....	93.7	94.5	92.1	94.7	99.2	91.7	98.3	96.8	96.3	94.8	94.1
1961.....	93.7	94.3	91.7	94.7	98.8	91.8	97.2	95.5	96.2	94.4	93.6
1962.....	94.0	94.6	92.5	94.8	98.3	92.2	95.6	95.3	96.0	94.5	93.5
1963.....	93.7	94.1	91.4	95.1	97.8	92.4	94.3	95.0	96.0	94.3	93.5
1964.....	94.1	94.3	91.9	94.8	98.2	93.3	97.1	95.6	95.9	94.8	94.6
1965.....	95.7	96.1	95.4	95.9	97.9	94.4	100.9	96.9	96.6	96.3	95.8
1966.....	98.8	99.4	101.6	97.8	98.5	96.8	104.5	98.9	98.1	99.1	97.9
1967.....	100.0	100.0	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	102.2	102.6	102.1	102.6	103.5
1969.....	106.6	106.6	110.0	105.0	104.0	106.9	110.6	106.1	104.6	106.3	107.7
1970.....	110.3	109.9	113.5	108.3	106.9	112.0	118.9	109.9	107.7	110.2	112.0
1971.....	113.7	112.9	115.3	111.7	110.8	116.6	122.7	114.3	113.2	113.9	117.0
1972.....	117.2	116.6	121.7	113.6	113.2	119.5	131.1	118.9	113.5	117.9	121.1
1973.....	127.9	129.2	146.4	120.5	115.8	123.5	155.2	128.1	118.6	129.2	127.4
1974.....	147.5	149.3	166.9	146.8	126.3	141.0	219.1	159.5	138.6	154.1	148.6
1975.....	163.4	163.6	181.0	163.0	138.2	162.5	225.1	178.6	153.1	171.1	165.6
1976.....	170.2	168.9	180.2	173.2	144.3	173.2	250.0	189.4	161.7	178.9	175.5
1975: Jan.....	159.3	159.8	177.0	158.2	135.9	157.4	219.4	175.0	149.4	168.2	162.0
Feb.....	159.3	159.4	175.5	158.8	136.3	158.3	221.0	175.9	149.8	168.0	163.2
Mar.....	158.9	158.5	172.6	158.9	136.9	159.7	218.4	176.4	150.2	167.8	163.7
Apr.....	160.0	159.7	174.9	159.5	137.0	160.7	222.7	177.3	150.6	168.7	164.4
May.....	161.2	161.1	177.7	160.4	137.0	161.2	225.8	177.7	151.1	169.5	164.9
June.....	162.5	162.6	180.3	161.6	137.3	161.7	226.3	177.8	152.0	170.1	165.1
July.....	164.5	165.0	184.8	163.2	137.4	162.4	223.4	178.3	152.9	171.4	165.2
Aug.....	164.9	165.3	183.9	165.1	137.4	163.0	225.8	179.3	154.1	172.3	165.7
Sept.....	166.2	166.7	186.5	166.1	137.7	164.0	231.5	179.9	154.8	173.0	166.2
Oct.....	168.0	168.3	187.3	167.2	141.1	166.5	228.6	181.4	156.8	174.5	168.2
Nov.....	168.0	168.1	185.5	168.0	141.8	167.4	226.5	182.0	157.6	174.4	168.8
Dec.....	168.5	168.5	185.6	168.9	142.2	168.0	231.2	182.6	158.3	174.7	169.4
1976: Jan.....	168.7	168.3	183.7	169.5	142.9	169.5	233.9	183.7	158.9	175.3	170.7
Feb.....	168.2	167.4	180.2	170.2	142.9	169.9	231.8	184.8	159.4	175.6	171.4
Mar.....	167.9	166.8	178.6	169.9	143.1	170.5	237.9	185.9	159.3	176.0	172.3
Apr.....	169.0	168.0	182.1	170.2	142.9	171.1	246.0	187.3	159.3	177.0	173.1
May.....	169.3	168.4	183.2	170.1	142.9	171.3	246.2	187.8	159.3	177.6	173.6
June.....	169.8	168.8	182.1	171.7	143.5	172.0	248.6	188.7	160.5	178.7	174.6
July.....	170.5	169.5	182.2	173.5	143.5	172.6	254.2	190.0	161.5	179.7	175.6
Aug.....	170.0	168.6	177.9	174.9	143.5	173.1	254.9	191.2	162.3	179.7	176.4
Sept.....	170.7	169.2	178.1	176.0	144.1	174.2	253.0	192.6	163.0	180.8	177.7
Oct.....	172.2	169.9	176.8	176.7	147.1	177.4	261.5	193.1	164.9	181.5	179.7
Nov.....	172.4	170.1	176.0	177.5	147.4	177.8	269.6	193.5	165.5	181.9	180.0
Dec.....	174.1	172.0	180.9	178.0	147.8	178.9	262.3	194.1	165.9	183.2	181.0

<sup>1</sup> Includes, in addition to subgroups shown, processed fuels and lubricants, containers, and supplies.

<sup>2</sup> Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.

<sup>3</sup> 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 B-55.—Wholesale price indexes for selected groupings, seasonally adjusted, 1973-76

[1967=100, seasonally adjusted]

Year and month	Farm products and processed foods and feeds			Special groupings								
	Total	Farm products	Processed foods and feeds	Crude materials †	Intermediate materials, supplies, and components ‡	Producer finished goods	Consumer finished goods				Manufactured goods	
							Total	Foods	Other non-durable goods	Durable goods	Total	Durable goods
1973: Jan.....	136.4	144.1	131.5	139.8	121.9	120.3	120.8	130.6	115.7	113.3	121.6	122.8
Feb.....	141.1	148.6	136.3	141.2	123.0	121.1	122.1	132.2	117.4	113.7	123.6	123.8
Mar.....	148.5	159.3	141.5	141.4	124.9	121.7	125.0	138.7	118.0	114.4	125.4	125.4
Apr.....	148.6	161.0	140.7	144.6	125.9	122.4	126.4	141.3	118.6	115.2	126.5	126.4
May.....	155.8	170.6	146.4	147.7	127.1	123.2	127.3	142.9	119.1	115.7	128.0	127.3
June.....	163.2	180.6	152.1	151.6	128.0	123.5	128.7	145.8	119.6	116.0	129.8	127.3
July.....	154.5	169.8	144.7	154.3	127.7	123.6	128.3	144.3	120.0	116.1	128.5	127.1
Aug.....	183.1	212.0	164.7	156.5	128.7	124.0	133.9	158.0	120.5	116.5	132.7	127.6
Sept.....	172.9	199.9	155.7	162.0	129.7	124.4	133.5	156.3	121.2	116.7	131.5	128.2
Oct.....	168.3	191.2	153.7	166.5	131.1	124.9	133.5	154.8	123.0	116.4	132.3	129.1
Nov.....	167.0	188.3	153.4	174.9	133.2	125.6	134.7	155.5	125.0	117.0	133.6	130.6
Dec.....	169.2	189.6	156.2	182.5	136.2	126.6	136.0	156.6	127.2	117.5	135.8	132.4
1974: Jan.....	176.9	201.9	160.9	189.7	138.9	128.1	139.4	161.1	130.7	119.2	138.7	134.3
Feb.....	178.8	202.3	163.9	201.3	141.2	129.3	142.3	164.6	134.1	120.1	141.0	135.3
Mar.....	175.7	195.5	163.1	210.7	146.1	131.0	143.1	162.8	137.7	120.9	143.5	138.2
Apr.....	170.3	186.4	160.1	221.7	150.3	132.6	144.9	163.9	140.9	122.0	146.3	141.0
May.....	168.7	181.4	160.6	213.3	155.2	136.0	146.4	163.8	143.9	123.7	149.2	145.2
June.....	161.7	167.3	158.2	215.6	158.8	138.8	145.6	158.2	147.0	125.1	151.2	147.7
July.....	170.7	178.0	166.0	229.8	163.4	141.7	149.1	163.3	149.9	126.8	155.6	151.1
Aug.....	182.2	188.4	178.2	230.2	168.6	145.3	151.7	167.1	152.4	127.7	161.0	154.2
Sept.....	178.7	182.6	176.2	231.0	170.1	148.3	153.5	168.8	154.4	129.4	162.1	156.4
Oct.....	186.1	189.9	183.7	231.5	172.3	151.6	156.3	172.1	156.2	132.6	165.4	158.8
Nov.....	190.9	191.7	190.4	229.6	174.0	153.8	159.7	179.4	157.1	133.8	167.0	160.2
Dec.....	187.3	186.1	188.1	224.8	174.9	155.2	159.5	177.3	157.8	134.9	167.9	161.3
1975: Jan.....	182.7	178.8	185.1	221.4	176.4	157.1	159.2	175.1	158.8	135.5	168.4	162.7
Feb.....	177.8	171.7	181.6	219.2	176.8	158.4	158.5	173.2	159.0	136.2	168.3	163.5
Mar.....	174.5	169.7	177.5	217.1	176.8	159.9	157.7	170.6	158.7	136.9	167.6	164.0
Apr.....	179.7	178.1	180.7	219.6	176.8	160.9	160.0	175.9	159.2	137.0	169.0	164.2
May.....	183.0	186.0	181.0	222.5	176.5	161.3	161.6	179.6	159.9	137.0	169.3	164.2
June.....	182.0	184.5	180.4	224.1	176.9	161.8	162.9	181.7	160.8	137.3	169.8	164.3
July.....	185.4	189.9	182.5	224.5	177.1	162.6	164.2	183.6	162.4	137.4	170.5	164.5
Aug.....	187.8	192.7	184.8	226.5	178.2	163.1	164.9	183.2	164.4	137.8	171.4	165.0
Sept.....	189.8	196.9	185.3	232.9	179.4	164.3	167.1	186.6	166.3	138.8	172.7	166.0
Oct.....	191.7	199.9	186.6	231.4	181.6	166.3	168.7	187.9	167.9	140.7	174.7	168.4
Nov.....	188.9	196.1	184.3	227.4	183.3	167.1	169.2	187.6	169.0	141.8	175.3	169.5
Dec.....	187.8	197.2	181.8	235.4	184.6	167.9	169.4	187.0	170.1	141.9	175.8	170.6
1976: Jan.....	183.8	192.6	178.3	236.0	185.2	169.1	167.9	182.0	170.2	142.5	175.5	171.4
Feb.....	180.3	187.7	175.5	230.0	185.7	170.0	166.7	178.1	170.4	142.8	176.0	171.7
Mar.....	179.9	185.9	175.9	236.5	186.3	170.7	166.0	176.6	169.7	143.1	175.8	172.6
Apr.....	184.9	193.8	179.3	242.6	186.7	171.3	168.4	183.4	169.9	142.9	177.4	172.9
May.....	186.8	194.9	181.6	242.6	186.5	171.4	168.9	185.3	169.6	142.9	177.4	172.9
June.....	187.5	195.4	182.4	246.1	187.8	172.1	169.0	183.6	170.8	143.5	178.3	173.7
July.....	185.7	193.4	180.8	255.5	188.7	172.9	168.6	180.4	172.6	143.5	178.8	174.9
Aug.....	180.3	187.7	175.6	255.7	190.1	173.2	167.9	176.4	174.2	143.9	178.8	175.7
Sept.....	182.1	191.2	176.4	254.5	192.0	174.5	169.5	177.7	176.2	145.3	180.4	177.5
Oct.....	180.4	188.9	175.1	264.7	193.3	177.0	170.1	177.0	177.4	146.7	181.7	179.9
Nov.....	180.8	188.0	176.2	270.7	194.9	177.4	171.3	178.4	178.6	147.4	182.8	180.7
Dec.....	185.6	194.9	179.7	267.1	196.3	178.7	173.0	182.7	179.3	147.5	184.3	182.3

† Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.

‡ Excludes intermediate materials for food manufacturing and manufactured animal feeds.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-56.—Percent changes in wholesale price indexes, major groups, 1948-76

Year or month	[Percent change]											
	All commodities		Industrial commodities		Farm products and processed foods and feeds		Consumer finished goods					
	Dec. to Dec.¹	Year to year	Dec. to Dec.¹	Year to year	Dec. to Dec.¹	Year to year	Total		Foods		All except foods	
Dec. to Dec.¹	Year to year	Dec. to Dec.¹	Year to year	Dec. to Dec.¹	Year to year	Dec. to Dec.¹	Year to year	Dec. to Dec.¹	Year to year	Dec. to Dec.¹	Year to year	
1948	1.5	8.2	5.0	8.6	-6.8	7.6	1.2	7.5	-2.4	9.2	4.0	6.3
1949	-6.1	-5.0	-5.0	-2.1	-8.9	-11.7	-5.6	-4.6	-7.4	-8.1	-4.5	-2.1
1950	14.7	3.9	14.0	3.6	17.0	4.8	10.2	1.7	13.3	1.9	8.2	1.6
1951	1.2	11.4	4.4	10.4	3.5	13.8	2.7	9.4	5.3	12.4	9.9	7.2
1952	-3.4	-2.7	-1.4	-2.3	-8.2	-3.9	-3.1	-1.2	-5.9	-9	-1.1	-1.3
1953	5	-1.4	1.4	.8	-2.3	-6.5	-1	-1.7	-2.2	-5.2	1.6	9.9
1954	-6	.2	.2	.2	-2.6	-.3	-6	-1	-1.9	-8	.3	.3
1955	1.6	.2	4.3	2.2	-6.4	-4.7	-1	-7	-2.9	-2.5	1.7	.8
1956	4.5	3.3	4.2	4.5	6.0	-7	3.1	1.5	3.6	-2	2.5	2.4
1957	2.0	2.9	1.1	2.8	4.2	3.4	3.0	2.9	5.3	3.5	1.7	2.5
1958	5	1.4	.9	.3	-2	4.7	2	2.2	4.4	5.8	1.2	1.1
1959	-3	.2	1.2	1.8	-4.4	-4.7	-7	-8	-3.7	-4.7	.8	1.3
1960	5	1	-6	0	3.9	.2	2.1	1.0	5.2	2.2	.4	.4
1961	-2	-4	-1	-.5	-.6	0	-8	-2	-1.8	-4	-.3	-.1
1962	0	-3	-2	0	-.6	1.1	1	3	5	9	-1	-.2
1963	-1	-3	-.5	-.1	-2.1	-1.0	-4	-5	-1.3	-1.2	0	0
1964	4	.2	.6	.5	0	-.6	2	2	4	5	1	-.1
1965	3.4	2.0	1.4	1.3	9.5	4.2	4.0	1.9	9.1	3.8	.9	.7
1966	1.7	3.3	2.2	2.2	2	6.6	1.6	3.4	1.4	6.5	1.7	1.6
1967	1.0	2	1.9	1.5	-1.8	-3.4	1.2	6	-4	-1.6	2.1	1.9
1968	2.8	2.5	2.7	2.5	3.5	2.4	3.1	2.7	4.8	3.7	2.0	2.1
1969	4.8	3.9	3.9	3.4	7.5	5.5	4.9	3.8	8.2	6.1	2.9	2.4
1970	2.2	3.7	3.6	3.8	-1.4	3.4	1.4	3.1	-2.5	3.2	3.9	3.0
1971	4.1	3.3	3.4	3.7	6.0	2.0	3.5	2.7	5.9	1.6	1.8	3.2
1972	6.3	4.5	3.4	3.3	14.4	7.5	4.3	3.3	8.0	5.6	2.2	2.1
1973	15.4	13.1	10.7	6.8	26.7	30.0	13.6	16.8	22.5	20.3	7.4	4.5
1974	20.9	18.9	25.6	22.2	11.0	11.5	17.1	15.6	13.0	14.0	20.5	16.9
1975	4.2	9.2	6.0	11.5	-.3	3.8	6.2	9.6	5.5	8.4	6.7	10.5
1976	4.7	4.6	6.4	6.3	-1.1	-.6	2.1	3.2	-2.5	-.4	4.8	5.6
Change from preceding month												
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
1975: Jan	0.2	-0.2	0.8	0.8	-1.4	-2.5	0.7	-0.2	0.6	-1.2	0.7	0.5
Feb	-.3	-.7	.5	.1	-2.3	-2.7	-.3	-.4	-.8	-1.1	.3	.2
Mar	-.5	-.5	.3	.1	-2.6	-1.9	-.6	-.5	-1.7	-1.5	.3	.1
Apr	1.0	.9	.5	.2	2.2	3.0	.8	1.5	1.3	3.1	.3	-.2
May	-.6	-.6	-.4	.2	1.3	1.8	.9	1.0	1.6	2.1	.3	.3
June	.3	.0	.2	.2	.6	-.5	.9	.8	1.5	1.2	.6	.5
July	1.2	.8	.3	.4	3.2	1.9	1.5	.8	2.5	1.0	.6	.7
Aug	-.6	-.9	-.6	.7	.4	1.3	.2	.4	-.5	-.2	.8	.9
Sept	-.6	-.9	-.5	.9	.7	1.1	.8	1.3	1.4	1.9	.5	1.0
Oct	-.7	1.1	.9	1.2	.1	1.0	1.0	1.0	.4	.7	1.3	1.0
Nov	-.4	-.1	-.4	.7	-2.3	-1.5	-.1	.3	-1.0	-.2	.5	.8
Dec	-.3	-.3	-.4	.6	-.1	-.6	-.2	.1	.1	-.3	.4	.4
1976: Jan	.3	-.2	.7	.4	-.8	-2.1	-.1	-.9	-1.0	-2.7	.4	.1
Feb	0	-.4	.4	.1	-1.4	-1.9	-.5	-.7	-1.9	-2.1	.3	.2
Mar	.7	-.2	.5	.3	-.9	-.2	-.4	-.4	-.9	-.8	-.1	-.2
Apr	.9	.8	.6	.3	1.9	2.8	-.7	1.4	2.0	3.9	0	-.1
May	.3	.3	.2	.1	.7	1.0	.2	.3	.6	1.0	0	0
June	.7	.4	.5	.5	1.4	.4	.2	.1	-.6	-.9	.8	.6
July	-.7	.3	.7	.7	.3	-1.0	.4	-.2	.1	-1.7	.6	.7
Aug	-.3	-.1	.5	.7	-.3	-.4	-.5	-.4	-2.4	-2.2	.5	.6
Sept	-.5	-.9	.6	.9	.6	1.0	.4	1.0	.1	.7	.6	1.1
Oct	-.3	.6	.9	1.0	-1.8	-.9	.4	.4	-.7	-.4	1.0	.7
Nov	-.2	-.6	.4	.8	-.6	-.2	.1	.7	-.5	.8	.4	.7
Dec	.8	.9	.2	.3	3.1	2.7	1.1	1.0	2.8	2.4	.2	.2

¹ Changes from December to December are based on unadjusted indexes.

Source: Department of Labor, Bureau of Labor Statistics.

# MONEY STOCK, CREDIT, AND FINANCE

## TABLE B-57.—Money stock measures, 1947-76

(Averages of daily figures; billions of dollars, seasonally adjusted, except as noted)

Year and month	Overall measures			Components and related items						
	M <sub>1</sub> (Currency plus demand deposits)	M <sub>2</sub> plus time deposits at commercial banks other than large CDs	M <sub>2</sub> plus deposits at non-bank thrift institutions	Currency <sup>1</sup>	Demand <sup>2</sup>	Deposits at commercial banks			Deposits at non-bank thrift institutions <sup>5</sup>	U.S. Government demand deposits (unadjusted) <sup>6</sup>
						Total	Time and savings <sup>3</sup>			
							Large CDs <sup>4</sup>	Other		
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	143.4	210.9	303.8	28.9	114.5	67.4		67.4	92.9	4.9
1960: Dec	144.2	217.1	319.3	29.0	115.2	72.9		72.9	102.3	4.7
1961: Dec	148.7	228.6	342.1	29.6	119.1	82.7	2.8	79.9	113.4	4.9
1962: Dec	150.9	242.9	369.2	30.6	120.3	97.6	5.7	92.0	126.4	5.6
1963: Dec	156.5	258.9	400.3	32.5	124.1	112.0	9.6	102.3	141.4	5.1
1964: Dec	163.7	277.1	434.4	34.3	129.5	126.2	12.8	113.4	157.3	5.5
1965: Dec	171.3	301.3	471.7	36.3	134.9	146.4	16.4	130.0	170.4	4.6
1966: Dec	175.7	318.1	495.4	38.3	137.3	157.9	15.5	142.4	177.3	3.4
1967: Dec	187.3	349.9	543.9	40.4	146.9	183.3	20.6	162.6	194.0	5.0
1968: Dec	202.2	382.9	589.6	43.4	158.7	204.3	23.5	180.8	206.7	5.0
1969: Dec	208.8	392.3	607.3	46.1	162.8	194.4	10.9	183.5	214.9	5.6
1970: Dec	219.6	423.5	656.2	49.1	170.5	229.2	25.3	204.0	232.7	7.3
1971: Dec	233.8	471.7	745.1	52.6	181.3	271.2	33.3	237.8	275.4	6.9
1972: Dec	255.3	525.3	844.9	56.9	198.4	313.6	43.6	270.0	319.6	7.4
1973: Dec	270.5	571.4	919.5	61.5	209.0	364.4	63.5	300.9	348.0	6.3
1974: Dec	283.1	612.4	981.6	67.8	215.3	419.1	89.8	329.3	369.2	4.9
1975: Dec	294.8	664.3	1,092.9	73.7	221.0	452.4	82.9	369.6	428.6	4.1
1976: Dec	311.9	739.5	1,236.3	80.7	231.2	491.5	63.8	427.6	496.8	4.4
1975: Jan	281.9	614.5	986.7	68.2	213.7	425.4	92.7	332.6	372.2	4.0
Feb	281.9	618.2	994.0	68.7	213.2	428.3	92.1	336.2	375.9	3.3
Mar	284.1	623.0	1,003.7	69.4	214.7	428.7	89.8	339.0	380.7	3.8
Apr	284.9	626.7	1,012.7	69.5	215.4	430.1	88.4	341.8	386.0	4.0
May	287.6	633.7	1,025.3	70.2	217.4	431.2	85.1	346.1	391.6	4.1
June	291.0	642.4	1,040.2	71.0	220.6	435.5	84.1	351.4	397.8	4.2
July	291.9	647.5	1,051.6	71.3	220.6	437.6	82.1	355.5	404.1	3.4
Aug	293.2	650.6	1,060.6	71.9	221.3	436.2	78.8	357.4	410.0	2.7
Sept	293.6	652.9	1,068.1	72.0	221.6	438.3	79.1	359.2	415.2	3.9
Oct	293.4	655.8	1,075.8	72.6	220.8	443.3	80.9	362.4	420.0	3.4
Nov	295.6	662.1	1,086.5	73.4	222.1	448.3	81.8	366.5	424.4	3.5
Dec	294.8	664.3	1,092.9	73.7	221.0	452.4	82.9	369.6	428.6	4.1
1976: Jan	295.1	670.0	1,103.5	74.2	220.9	454.1	79.2	374.9	433.5	3.8
Feb	296.6	677.9	1,116.7	75.0	221.6	456.7	75.4	381.3	438.8	4.6
Mar	298.1	682.6	1,126.5	75.7	222.4	457.6	73.2	384.4	444.0	3.9
Apr	301.8	690.8	1,140.0	76.7	225.2	460.4	71.5	388.9	449.3	3.9
May	303.5	695.7	1,150.0	77.3	226.2	460.4	68.2	392.2	454.3	3.8
June	303.2	698.5	1,157.4	77.6	225.6	465.9	70.6	395.3	458.9	4.8
July	304.9	705.4	1,169.9	78.1	226.8	470.0	69.6	400.4	464.5	3.4
Aug	306.4	710.8	1,182.3	78.6	227.8	468.7	64.4	404.4	471.6	3.6
Sept	306.3	716.4	1,195.3	79.1	227.2	472.5	62.4	410.1	478.9	4.9
Oct	309.8	725.8	1,211.7	79.8	230.0	478.0	62.0	416.0	485.8	3.8
Nov	309.8	732.0	1,223.4	80.3	229.5	484.2	62.1	422.2	491.4	4.0
Dec	311.9	739.5	1,236.3	80.7	231.2	491.5	63.8	427.6	496.8	4.4

<sup>1</sup> Currency outside the Treasury, the Federal Reserve Banks, and the vaults of all commercial banks.

<sup>2</sup> 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 balances at Federal Reserve Banks.

<sup>3</sup> 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).

<sup>4</sup> Negotiable time certificates of deposit (CDs) issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

<sup>5</sup> Average of the beginning- and end-of-month deposits of mutual savings banks, savings capital at savings and loan associations, and credit union shares.

<sup>6</sup> Deposits at all commercial banks.

Source: Board of Governors of the Federal Reserve System.

TABLE B-58.—Commercial bank loans and investments, 1930-76

[Billions of dollars]

End of year or month <sup>1</sup>	Total loans and investments <sup>2</sup>	Loans		Investments		Loans plus loans sold to bank affiliates <sup>3</sup>
		Total <sup>4</sup>	Commercial and industrial	U.S. Government securities	Other securities	
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 <sup>5</sup>	188.7	110.5	39.4	57.7	20.5	
1960	197.4	116.7	42.1	59.9	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	153.7	52.1	61.5	35.0	
1964	272.3	172.9	58.4	60.7	38.7	
1965	300.1	198.2	69.5	57.1	44.8	
1966	316.1	213.9	78.6	53.5	48.7	
1967	352.0	231.3	86.2	59.4	61.3	
1968	390.2	258.2	95.9	60.7	71.3	
1969 <sup>6</sup>	401.7	279.4	105.7	51.2	71.1	283.3
1970	435.5	292.0	110.0	57.8	85.7	294.7
1971	485.7	320.9	116.1	60.6	104.2	323.7
1972	558.0	378.9	130.2	62.6	116.5	381.5
1973	633.4	449.0	156.4	54.5	129.9	453.3
1974	690.4	500.2	183.3	50.4	139.8	505.0
1975	721.1	496.9	176.0	79.4	144.8	501.3
1976 <sup>7</sup>	767.5	521.6	176.2	96.5	149.4	525.4
1976: Jan <sup>8</sup>	723.3	497.3	176.6	81.0	145.0	501.6
Feb <sup>9</sup>	726.7	497.8	175.1	84.4	144.5	502.3
Mar <sup>10</sup>	731.2	499.7	171.4	88.2	143.3	503.9
Apr	734.5	500.5	170.5	90.0	144.0	504.7
May	737.6	500.6	170.7	93.0	144.0	505.0
June	738.8	500.7	170.2	94.0	144.1	505.2
July	743.1	504.7	171.0	92.7	145.7	509.2
Aug	748.7	507.6	171.0	95.0	146.1	511.6
Sept	752.5	511.4	172.0	94.0	147.1	515.3
Oct	760.3	519.3	174.8	93.5	147.5	523.1
Nov	766.3	521.8	176.7	94.3	150.2	525.6
Dec	767.5	521.6	176.2	96.5	149.4	525.4

<sup>1</sup> Data are for last Wednesday of month or year (except June 30 and December 31 call dates).<sup>2</sup> Adjusted to exclude all interbank loans beginning 1948 and domestic bank loans only beginning January 1959.<sup>3</sup> Beginning January 1959, loans and investments are reported gross, without valuation reserves deducted, rather than net of valuation reserves, as in earlier periods.<sup>4</sup> 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.<sup>5</sup> Beginning June 1969, data include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries; earlier data include commercial banks only.<sup>6</sup> Beginning June 1971, Farmers Home Administration insured notes totaling about \$0.7 billion are classified as other securities rather than as loans.<sup>7</sup> Beginning June 1972, commercial and industrial loans were reduced by about \$0.4 billion due to loan reclassifications at one large bank.<sup>8</sup> Beginning June 1974, the merger of a large mutual savings bank and a nonmember commercial bank increased total loans and investments by \$0.6 billion, loans by \$0.5 billion, and other securities by \$0.1 billion.<sup>9</sup> Beginning November 1974, the liquidation of one large bank reduced total loans and investments by \$1.5 billion, total loans by \$1.0 billion, commercial and industrial loans by \$0.6 billion, and other securities by \$0.5 billion. In addition, commercial and industrial loans were increased by \$0.1 billion due to loan reclassifications at one large bank.<sup>10</sup> Beginning August 1974, reflects new definition of affiliates included and different group of reporting banks. Amount of total loans sold was reduced by \$0.1 billion.<sup>11</sup> Loan reclassifications reduced these loans by \$1.2 billion as of March 1976.

Source: Board of Governors of the Federal Reserve System.

TABLE B-59.—Private liquid asset holdings, nonfinancial investors, 1959-76

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Total liquid assets	Currency and deposits					U.S. Treasury securities		Negotiable certificates of deposit <sup>5</sup>	Other private money market instruments <sup>6</sup>
		Total	Cur- rency <sup>1</sup>	De- mand de- posits <sup>1</sup>	Time deposits		Sav- ings bonds <sup>3</sup>	Short- term market- able secu- rities <sup>4</sup>		
					Com- mer- cial banks <sup>1</sup>	Non- bank thrift insti- tutions <sup>2</sup>				
1959: Dec.....	372.9	290.6	28.9	104.2	64.7	92.9	46.1	35.3	-----	0.9
1960: Dec.....	386.2	305.7	29.0	104.6	69.9	102.2	45.7	32.1	-----	2.8
1961: Dec.....	410.3	326.3	29.6	106.3	77.0	113.5	46.5	31.9	2.7	3.1
1962: Dec.....	441.8	352.2	30.6	106.5	88.8	126.4	46.9	33.4	5.3	4.0
1963: Dec.....	479.1	382.3	32.5	109.7	98.6	141.5	48.1	35.0	9.0	4.8
1964: Dec.....	515.2	414.6	34.3	114.3	108.8	157.3	49.0	33.0	11.6	6.9
1965: Dec.....	559.2	451.1	36.3	119.3	125.1	170.4	49.6	35.8	15.1	7.5
1966: Dec.....	587.1	474.3	38.3	121.7	136.9	177.3	50.2	37.8	14.6	10.3
1967: Dec.....	638.6	521.0	40.4	130.3	156.2	194.0	51.2	34.8	19.3	12.4
1968: Dec.....	697.2	565.3	43.4	140.9	174.3	206.7	51.8	40.9	22.5	16.6
1969: Dec.....	723.2	582.8	46.1	145.0	176.8	214.9	51.7	53.2	9.1	26.4
1970: Dec.....	770.9	632.5	49.1	151.8	198.9	232.7	52.0	42.0	23.0	21.4
1971: Dec.....	857.4	721.0	52.6	161.5	233.6	273.4	54.3	31.7	30.2	20.2
1972: Dec.....	972.0	817.4	56.9	176.5	264.4	319.6	57.6	34.5	39.8	22.7
1973: Dec.....	1,083.6	887.4	61.5	183.3	294.4	348.0	60.4	43.2	58.1	34.6
1974: Dec.....	1,175.2	944.6	67.8	186.6	321.1	369.2	63.3	47.1	79.8	40.4
1975: Dec.....	1,301.8	1,053.3	73.7	190.6	360.3	428.6	67.3	65.7	72.9	42.7
1975: Jan.....	1,183.5	949.4	68.2	185.2	323.8	372.2	63.6	48.0	82.6	39.9
Feb.....	1,191.5	956.1	68.7	184.7	326.9	375.9	63.9	48.7	82.1	40.6
Mar.....	1,199.5	965.0	69.4	185.6	329.3	380.7	64.2	49.0	79.7	41.7
Apr.....	1,208.3	973.5	69.5	186.3	331.7	386.0	64.5	49.6	78.5	42.1
May.....	1,218.2	985.6	70.2	187.9	335.9	391.6	64.8	50.7	75.1	42.0
June.....	1,233.1	1,000.5	71.0	190.2	341.5	397.8	65.2	52.2	73.6	41.6
July.....	1,245.4	1,012.2	71.3	190.8	345.9	404.1	65.6	54.6	71.9	41.2
Aug.....	1,254.0	1,021.4	71.9	191.7	347.8	410.0	65.9	57.1	69.0	40.6
Sept.....	1,262.6	1,028.8	72.0	192.0	349.6	415.2	66.2	58.2	69.1	40.2
Oct.....	1,274.9	1,036.8	72.6	191.2	353.0	420.0	66.6	60.5	70.6	40.4
Nov.....	1,291.5	1,047.5	73.4	192.5	357.1	424.4	66.9	64.0	71.6	41.5
Dec.....	1,301.8	1,053.3	73.7	190.6	360.3	428.6	67.3	65.7	72.9	42.7
1976: Jan.....	1,311.3	1,064.5	74.2	191.0	365.8	433.5	67.6	66.5	69.5	43.1
Feb.....	1,322.3	1,078.1	75.0	191.8	372.5	438.8	68.0	66.8	66.1	43.3
Mar.....	1,331.3	1,087.6	75.7	192.0	375.9	444.0	68.3	67.8	64.1	43.6
Apr.....	1,345.3	1,101.6	76.7	194.5	381.1	449.3	68.6	68.5	62.3	44.4
May.....	1,355.0	1,112.2	77.3	196.0	384.6	454.3	69.0	69.1	58.9	45.8
June.....	1,366.5	1,118.9	77.6	195.0	387.4	458.9	69.4	70.0	61.1	47.2
July.....	1,380.9	1,131.2	78.1	195.9	392.7	464.5	69.7	72.0	60.0	48.0
Aug.....	1,388.7	1,144.0	78.6	196.7	397.1	471.6	70.3	71.4	54.9	48.2
Sept.....	1,398.3	1,156.4	79.1	195.7	402.7	478.9	70.8	69.6	53.4	48.3
Oct.....	1,414.2	1,171.8	79.8	198.2	408.0	485.8	71.1	69.0	53.7	48.7
Nov.....	1,427.1	1,183.3	80.3	197.5	414.0	491.5	71.5	68.8	54.0	49.5

<sup>1</sup> Money stock components (see Table B-57) after deducting foreign holdings and holdings by domestic financial institutions. The three columns add to M<sub>2</sub> held by domestic nonfinancial sectors.

<sup>2</sup> As published in money stock statistics.

<sup>3</sup> Series E and H savings bonds, other savings bonds, and savings notes held by individuals.

<sup>4</sup> Short-term marketable U.S. Treasury securities excluding official, foreign, and financial institution holdings.

<sup>5</sup> Certificates over \$100,000 at weekly reporting banks, except foreign holdings.

<sup>6</sup> Commercial paper, bankers' acceptances, Federal funds, security repurchase agreements, and money market mutual fund shares held outside banks and other financial institutions.

Source: Board of Governors of the Federal Reserve System.

TABLE B-60.—Total funds raised in credit markets by nonfinancial sectors, 1968-76

[Billions of dollars]

Item	1968	1969	1970	1971	1972	1973	1974	1975
<b>Total funds raised</b> .....	98.3	93.5	100.7	151.0	176.9	197.6	188.8	210.4
<b>U.S. Government</b> .....	13.6	-3.7	11.9	24.7	15.2	8.3	12.0	85.2
Public debt securities.....	10.5	-1.3	12.9	26.0	14.3	7.9	12.0	85.8
Agency issues and mortgages.....	3.1	-2.4	-1.0	-1.3	1.0	.4	-.0	-6
<b>Foreign</b> .....	2.8	3.7	2.7	5.2	4.0	6.2	15.3	13.0
Corporate equities.....	.2	.5	.1	.0	-.4	-.2	-.2	.1
Debt instruments.....	2.7	3.2	2.7	5.2	4.4	6.4	15.5	12.8
<b>Private domestic nonfinancial sectors</b> .....	81.9	93.5	86.1	121.1	157.7	183.1	161.6	112.2
Corporate equities.....	-.2	3.4	5.7	11.4	10.9	7.9	4.1	9.9
Debt instruments.....	82.1	90.1	80.4	109.7	146.8	175.3	157.5	102.3
<b>Debt capital instruments</b> .....	51.8	52.5	60.2	86.8	102.8	106.7	101.2	101.3
State and local government obligations.....	9.5	9.9	11.2	17.5	15.4	16.3	19.6	17.3
Corporate bonds.....	12.9	12.0	19.8	18.8	12.2	9.2	19.7	27.2
Mortgages.....	29.4	30.6	29.2	50.5	75.2	81.2	61.9	56.8
Home.....	17.3	18.1	14.4	28.6	42.6	46.4	34.6	40.8
Multi-family residential.....	3.4	4.9	6.9	9.7	12.7	10.4	7.0	-.1
Commercial.....	6.6	5.7	7.1	9.8	16.4	18.9	15.1	10.9
Farm.....	2.2	1.8	.8	2.4	3.6	5.5	5.1	5.2
Other debt instruments.....	30.2	37.6	20.1	22.8	44.0	68.6	56.3	1.0
Consumer credit.....	10.0	10.4	5.9	11.6	18.6	21.7	9.8	8.5
Bank loans n.e.c.....	13.8	15.5	6.7	6.5	18.1	34.8	26.2	-14.5
Open-market paper.....	1.5	1.8	2.6	-.4	.8	2.5	6.8	-2.2
Other.....	5.0	9.9	5.0	5.1	6.5	9.6	13.5	9.1
<b>By borrowing sector: Total</b> .....	81.9	93.5	86.1	121.1	157.7	183.1	161.6	112.2
State and local governments.....	9.8	10.7	11.3	17.8	15.2	14.8	18.6	14.9
Households.....	32.1	33.8	25.3	42.1	64.8	73.5	45.2	49.7
Nonfinancial business.....	40.0	48.9	49.4	61.2	77.7	94.8	97.8	47.6
Farm.....	2.8	3.1	2.3	4.5	5.8	9.7	7.9	9.4
Nonfarm noncorporate.....	5.3	7.5	5.7	10.3	13.1	12.3	6.7	1.2
Corporate.....	31.9	38.4	41.5	46.4	58.8	72.9	83.1	37.1
<b>Total funds advanced to nonfinancial sectors</b> .....	98.3	93.5	100.7	151.0	176.9	197.6	188.8	210.4
<b>Financed directly or indirectly by:</b>								
<b>Private domestic nonfinancial sectors</b> .....	61.6	46.9	64.0	87.0	120.1	134.8	123.3	146.5
<b>Deposits</b> .....	48.5	5.1	64.2	92.8	105.3	90.3	75.7	96.7
Demand deposits and currency.....	14.8	7.3	8.9	13.7	21.6	14.1	8.3	11.9
Time and savings accounts.....	33.7	-2.2	55.3	79.1	83.7	76.2	67.4	84.8
At commercial banks.....	20.7	-10.6	38.7	39.5	38.3	47.8	45.0	25.7
At savings institutions.....	13.0	8.4	16.6	39.6	45.4	28.4	22.4	59.2
<b>Credit market instruments, net</b> .....	13.2	41.8	-.2	-5.8	14.8	44.5	47.6	49.8
U.S. Government securities.....	8.6	17.5	-7.1	-10.8	4.2	19.4	17.9	23.0
Private credit market instruments.....	11.9	27.2	6.8	10.9	19.5	27.8	30.1	30.7
Corporate equities.....	-6.5	-4.5	-.8	-3.7	-4.5	-6.9	-1.2	-1.8
Less security debt.....	.8	-1.6	-.9	2.1	4.3	-4.2	-.8	2.2
<b>Other sources:</b>								
<b>Foreign funds</b> .....	5.1	11.0	2.8	23.3	16.1	10.5	26.3	10.3
At banks.....	2.6	9.6	-8.1	-3.9	5.3	6.9	14.5	-.4
Direct.....	2.5	1.3	10.9	27.2	10.8	3.6	11.7	10.7
<b>Change in U.S. Government cash balance</b> .....	-1.2	.5	2.8	3.2	-.3	-1.7	-4.6	2.9
U.S. Government loans.....	5.2	3.1	2.8	2.8	1.8	2.8	9.8	15.1
Private insurance and pension reserves.....	18.9	19.7	21.9	24.4	26.1	30.6	33.2	40.0
Other.....	8.6	12.4	6.4	10.3	13.0	20.5	.8	-4.4

See footnotes at end of table.

TABLE B-60.—Total funds raised in credit markets by nonfinancial sectors, 1968-76—Continued

(Billions of dollars)

Item	1976 unadjusted quarterly flows			1976 seasonally adjusted annual rates		
	I	II	III	I	II	III
Total funds raised.....	50.8	63.5	62.2	233.6	250.3	258.8
U.S. Government.....	24.1	9.4	18.0	73.4	74.2	78.9
Public debt securities.....	24.1	9.4	17.8	73.4	74.4	78.1
Agency issues and mortgages.....	-.0	-.0	.2	-.0	-.2	.8
Foreign.....	3.7	4.6	3.6	16.6	14.7	18.0
Corporate equities.....	.1	.1	.1	.4	.2	.2
Debt instruments.....	3.6	4.6	3.6	16.2	14.5	17.8
Private domestic nonfinancial sectors.....	23.0	49.6	40.6	143.6	161.4	161.8
Corporate equities.....	3.2	3.5	1.5	12.6	14.0	6.1
Debt instruments.....	19.9	46.1	39.1	131.0	147.4	155.7
Debt capital instruments.....	23.2	33.1	30.5	105.3	118.3	118.6
State and local government obligations.....	1.8	7.3	4.7	8.1	28.6	18.0
Corporate bonds.....	6.5	5.0	3.9	25.8	15.5	18.1
Mortgages.....	14.9	20.9	21.8	71.4	74.2	82.4
Home.....	11.3	15.4	16.6	53.6	55.2	61.9
Multi-family.....	.1	.2	.7	1.3	.5	2.5
Commercial.....	1.9	3.4	3.1	10.3	12.7	11.5
Farm.....	1.5	1.9	1.5	6.1	5.8	6.5
Other debt instruments.....	-3.3	12.9	8.7	25.7	29.1	37.2
Consumer credit.....	-1.1	6.8	6.5	18.1	20.6	19.2
Bank loans n.e.c.....	-8.5	2.2	-.2	-16.4	-9.0	7.3
Open-market paper.....	1.6	1.6	-.4	7.5	8.8	-3.9
Other.....	4.7	2.3	2.7	16.5	8.6	14.6
By borrowing sector: Total.....	23.0	49.6	40.6	143.6	161.4	161.8
State and local governments.....	2.8	5.5	5.0	12.0	21.4	18.9
Households.....	9.2	20.6	23.1	71.1	74.6	87.0
Nonfinancial business.....	11.0	23.5	12.6	60.5	65.5	56.0
Farm.....	2.6	4.6	3.2	10.7	11.3	11.8
Nonfarm noncorporate.....	-.4	2.2	1.7	4.4	6.0	6.2
Corporate.....	8.9	16.7	7.7	45.4	48.1	38.0
Total funds advanced to nonfinancial sectors.....	50.8	63.5	62.2	233.6	250.3	258.8
Financed directly or indirectly by:						
Private domestic nonfinancial sectors.....	30.6	39.5	28.5	153.7	156.0	152.2
Deposits.....	16.3	27.4	14.0	109.4	80.8	107.7
Demand deposits and currency.....	-12.7	7.6	-7.8	17.9	7.6	-3.2
Time and savings accounts.....	29.0	19.8	21.7	91.4	73.2	111.0
At commercial banks.....	7.4	4.4	7.3	17.4	15.3	40.3
At savings institutions.....	21.6	15.4	14.5	74.0	57.9	70.7
Credit market instruments, net.....	14.4	12.1	14.6	44.3	75.3	44.4
U.S. Government securities.....	9.0	3.1	9.8	22.2	36.9	26.9
Private credit market instruments.....	6.0	10.3	6.8	30.9	41.2	28.1
Corporate equities.....	-.4	.4	-.3	-7.7	3.8	-7.9
Less security debt.....	.3	1.7	.7	1.2	6.7	2.7
Other sources:						
Foreign funds.....	2.6	5.0	3.7	15.2	19.9	8.9
At banks.....	-2.4	2.0	-.8	-7.9	7.8	-2.0
Direct.....	5.0	3.0	4.5	23.2	12.1	10.9
Change in U.S. Government cash balance.....	-.7	6.9	1.4	.2	21.4	3.3
U.S. Government loans.....	2.8	.2	3.3	12.0	-.2	12.1
Private insurance and pension reserves.....	12.0	10.9	11.0	47.9	43.7	43.9
Other.....	3.6	1.2	14.3	4.7	9.5	38.5

Source: Board of Governors of the Federal Reserve System.

TABLE B-61.—Federal Reserve Bank credit and member bank reserves, 1929-76

(Averages of daily figures; millions of dollars)

Year and month	Reserve Bank credit outstanding				Member bank reserves			
	Total	U.S. Government securities	Member bank borrowings		All other, mainly float	Total	Required	Excess
			Total	Seasonal				
1929: Dec.....	1,643	446	801	.....	396	2,395	2,347	48
1933: Dec.....	2,669	2,432	95	.....	142	2,588	1,822	1,766
1939: Dec.....	2,612	2,510	3	.....	99	11,473	6,462	5,011
1940: Dec.....	2,305	2,188	3	.....	114	14,049	7,403	6,646
1941: Dec.....	2,404	2,219	5	.....	180	12,812	9,422	3,390
1942: Dec.....	6,035	5,549	4	.....	482	13,152	10,776	2,376
1943: Dec.....	11,914	11,166	90	.....	658	12,749	11,701	1,048
1944: Dec.....	19,612	18,693	265	.....	654	14,168	12,884	1,284
1945: Dec.....	24,744	23,708	334	.....	702	16,027	14,536	1,491
1946: Dec.....	24,746	23,767	157	.....	822	16,517	15,617	900
1947: Dec.....	22,858	21,905	224	.....	729	17,261	16,275	986
1948: Dec.....	23,978	23,002	134	.....	842	19,990	19,193	797
1949: Dec.....	19,012	18,287	118	.....	607	16,291	15,488	803
1950: Dec.....	21,606	20,345	142	.....	1,119	17,391	16,364	1,027
1951: Dec.....	25,446	23,409	657	.....	1,380	20,310	19,484	826
1952: Dec.....	27,299	24,400	1,593	.....	1,306	21,180	20,457	723
1953: Dec.....	27,107	25,639	441	.....	1,027	19,920	19,227	693
1954: Dec.....	26,317	24,917	246	.....	1,154	19,279	18,576	703
1955: Dec.....	26,853	24,602	839	.....	1,412	19,240	18,646	594
1956: Dec.....	27,156	24,765	688	.....	1,703	19,535	18,883	652
1957: Dec.....	26,186	23,982	710	.....	1,494	19,420	18,843	577
1958: Dec.....	28,412	26,312	557	.....	1,543	18,899	18,383	516
1959: Dec.....	29,435	27,036	906	.....	1,493	18,932	18,450	482
1960: Dec.....	29,060	27,248	87	.....	1,725	19,283	18,527	756
1961: Dec.....	31,217	29,098	149	.....	1,970	20,118	19,550	568
1962: Dec.....	33,218	30,546	304	.....	2,368	20,040	19,468	572
1963: Dec.....	36,610	33,729	327	.....	2,554	20,746	20,210	536
1964: Dec.....	39,873	37,126	243	.....	2,504	21,609	21,198	411
1965: Dec.....	43,853	40,885	454	.....	2,514	22,719	22,267	452
1966: Dec.....	46,864	43,760	557	.....	2,547	23,830	23,438	392
1967: Dec.....	51,268	48,891	238	.....	2,139	25,260	24,915	345
1968: Dec.....	56,610	52,529	765	.....	3,316	27,221	26,766	455
1969: Dec.....	64,100	57,500	1,086	.....	5,514	28,031	27,774	257
1970: Dec.....	66,708	61,688	321	.....	4,699	29,265	28,993	272
1971: Dec.....	74,255	69,158	107	.....	4,990	31,329	31,164	165
1972: Dec.....	76,851	71,094	1,049	.....	4,708	31,353	31,134	219
1973: Dec.....	85,642	79,701	1,298	41	4,643	35,068	34,806	262
1974: Dec.....	93,967	86,779	703	32	6,585	36,941	36,602	339
1975: Dec.....	99,651	92,108	127	13	7,416	34,989	34,727	262
1976: Dec <sup>p</sup> .....	107,757	100,328	62	13	7,367	35,258	34,967	291
1975: Jan.....	93,002	86,039	390	13	6,573	37,492	37,556	-64
Feb.....	91,168	84,744	147	10	6,277	35,565	35,333	232
Mar.....	90,819	84,847	106	7	5,866	34,779	34,513	266
Apr.....	93,214	87,080	110	7	6,024	35,134	35,014	120
May.....	97,845	91,918	60	9	5,867	34,492	34,493	-1
June.....	95,119	88,912	271	11	5,936	34,976	34,428	548
July.....	94,144	88,166	261	17	5,717	34,655	34,687	-32
Aug.....	92,395	86,829	211	38	5,355	34,482	34,265	217
Sept.....	95,277	89,191	396	61	5,690	34,646	34,447	199
Oct.....	96,931	90,476	191	65	6,264	34,567	34,411	156
Nov.....	97,817	90,934	61	28	6,822	34,571	34,281	290
Dec.....	99,651	92,108	127	13	7,416	34,989	34,727	262
1976: Jan.....	100,172	92,998	79	9	7,095	35,575	35,366	209
Feb.....	101,369	94,610	76	11	6,683	33,953	33,939	14
Mar.....	101,336	94,880	58	8	6,398	33,967	33,531	436
Apr.....	100,317	93,243	44	11	7,030	34,063	33,974	89
May.....	102,951	95,967	121	11	6,863	34,228	33,846	382
June.....	103,106	95,592	120	20	7,394	33,774	33,657	117
July.....	104,799	97,105	123	24	7,571	34,146	34,076	70
Aug.....	105,393	98,458	104	28	6,831	34,141	33,844	297
Sept.....	105,880	98,797	75	31	7,008	33,979	33,692	287
Oct.....	107,270	100,374	66	32	6,830	34,305	34,116	189
Nov.....	106,522	99,507	84	21	6,931	34,797	34,433	364
Dec <sup>p</sup> .....	107,757	100,328	62	13	7,367	35,258	34,967	291

<sup>1</sup> Data are for licensed banks only.

<sup>2</sup> Beginning December 1959, total reserves held include vault cash allowed.

<sup>3</sup> Beginning November 1972, includes \$450 million of reserve deficiencies on which Federal Reserve Banks were allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective November 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): first quarter, \$279 million; second quarter, \$172 million; third quarter, \$112 million; fourth quarter, \$84 million. Beginning 1974 allowable deficiencies included are: first quarter, \$67 million and second quarter, \$58 million. Transition period ended after second quarter 1974.

<sup>4</sup> Effective November 1975 includes reserve deficiencies on which penalties are waived over a 24-month period when a nonmember bank merges into an existing member bank, or when a nonmember bank joins the Federal Reserve System.

Source: Board of Governors of the Federal Reserve System.

TABLE B-62.—Aggregate reserves and member bank deposits, 1959-76

[Averages of daily figures; 1 billions of dollars, seasonally adjusted]

Year and month	Member bank reserves <sup>2</sup>			Deposits subject to reserve requirements <sup>3</sup>				Total member bank deposits plus non-deposit items <sup>4</sup>
	Total	Non-borrowed	Required	Total	Time and savings	Demand		
						Private	U.S. Government	
1959: Dec.....	18.63	17.68	18.12	158.2	54.3	99.0	4.8	158.2
1960: Dec.....	18.92	18.84	18.17	162.5	58.8	99.1	4.6	162.5
1961: Dec.....	19.75	19.61	19.16	175.5	67.7	102.9	4.9	175.5
1962: Dec.....	19.66	19.40	19.08	189.0	79.9	103.3	5.7	189.0
1963: Dec.....	20.31	19.98	19.82	203.2	92.1	105.9	5.2	203.4
1964: Dec.....	21.19	20.92	20.78	218.7	103.7	109.1	5.9	220.1
1965: Dec.....	22.18	21.74	21.76	238.3	120.7	112.8	4.9	239.9
1966: Dec.....	23.28	22.75	22.94	246.3	128.7	113.9	3.7	250.4
1967: Dec.....	24.76	24.53	24.38	275.6	148.9	121.2	5.5	280.0
1968: Dec.....	27.05	26.30	26.62	299.7	164.5	130.4	4.9	306.8
1969: Dec.....	27.93	26.81	27.65	287.5	150.5	131.9	5.2	306.8
1970: Dec.....	29.11	28.77	28.86	320.8	178.8	135.9	6.2	332.9
1971: Dec.....	31.24	31.12	31.06	360.1	210.5	143.7	5.8	365.0
1972: Dec.....	31.44	30.39	31.16	402.3	241.7	154.4	6.2	406.6
1973: Dec.....	34.98	33.69	34.68	442.8	279.7	158.1	5.0	449.4
1974: Dec.....	36.63	35.90	36.37	486.9	322.9	160.6	3.4	495.3
1975: Dec.....	34.75	34.62	34.49	506.0	338.7	164.4	3.0	514.4
1976: Dec <sup>p</sup> .....	35.02	34.97	34.72	530.1	355.5	171.3	3.2	539.2
1975: Jan.....	36.37	35.97	36.22	490.1	328.2	159.3	2.6	497.7
Feb.....	35.49	35.34	35.30	490.9	329.1	159.9	1.9	497.4
Mar.....	34.99	34.88	34.79	493.4	329.2	161.7	2.5	499.9
Apr.....	35.08	34.97	34.92	494.1	329.7	161.7	2.7	500.8
May.....	34.74	34.67	34.58	493.7	328.6	162.6	2.5	501.2
June.....	35.07	34.85	34.87	499.5	330.5	165.8	3.2	506.5
July.....	34.98	34.68	34.79	498.3	330.8	164.9	2.6	505.1
Aug.....	34.88	34.67	34.69	496.3	328.4	165.1	2.8	503.3
Sept.....	34.99	34.59	34.80	498.4	329.8	165.6	3.0	505.5
Oct.....	34.79	34.60	34.58	500.1	333.1	164.0	3.0	508.0
Nov.....	34.73	34.67	34.44	505.9	336.1	165.9	3.9	514.1
Dec.....	34.75	34.62	34.49	506.0	338.7	164.4	3.0	514.4
1976: Jan.....	34.32	34.24	34.08	506.2	338.9	164.7	2.6	514.1
Feb.....	34.05	33.97	33.83	507.6	339.5	165.5	2.6	515.6
Mar.....	34.00	33.95	33.78	507.8	339.4	165.8	2.5	516.0
Apr.....	34.02	33.98	33.87	509.8	340.2	167.2	2.5	517.3
May.....	34.14	34.02	33.93	507.8	338.3	167.2	2.3	515.3
June.....	34.34	34.21	34.12	513.9	342.3	167.9	3.7	522.3
July.....	34.39	34.25	34.15	514.9	344.2	168.0	2.7	523.6
Aug.....	34.52	34.42	34.32	513.6	341.1	168.7	3.9	522.5
Sept.....	34.36	34.30	34.16	515.3	342.6	168.9	3.8	523.5
Oct.....	34.49	34.39	34.27	519.6	345.9	170.3	3.4	528.6
Nov.....	34.88	34.81	34.62	525.3	350.0	170.8	4.5	534.4
Dec <sup>p</sup> .....	35.02	34.97	34.72	530.1	355.5	171.3	3.2	539.2

<sup>1</sup> Except as noted in footnote 4.

<sup>2</sup> Member bank reserves series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M.

<sup>3</sup> Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Government, less cash items in process of collection and demand balances due from domestic commercial banks.

<sup>4</sup> Total member bank deposits subject to reserve requirements, plus Eurodollar borrowings, loans sold to bank-related institutions (data relate to Wednesday figures), and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

Source: Board of Governors of the Federal Reserve System.

TABLE B-63.—Bond yields and interest rates, 1929-76

[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	Discount rate, Federal Reserve Bank of New York <sup>4</sup>	Federal funds rate <sup>5</sup>	New-home mortgage yields (FHLBB) <sup>(6)</sup>
	3-month Treasury bills <sup>1</sup>	3-5 year issues <sup>2</sup>	Taxable bonds <sup>3</sup>	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	1.00		
1943	.373	1.34	2.47	2.73	3.91	2.06	2.6	.69	1.00		
1944	.375	1.33	2.48	2.72	3.61	1.86	2.4	.73	1.00		
1945	.375	1.18	2.37	2.62	3.29	1.67	2.2	.75	1.00		
1946	.375	1.16	2.19	2.53	3.05	1.64	2.1	.81	1.00		
1947	.594	1.32	2.25	2.61	3.24	2.01	2.1	1.03	1.00		
1948	1.040	1.62	2.44	2.82	3.47	2.40	2.5	1.44	1.34		
1949	1.102	1.43	2.31	2.66	3.42	2.21	2.68	1.49	1.50		
1950	1.218	1.50	2.32	2.62	3.24	1.98	2.69	1.45	1.59		
1951	1.552	1.93	2.87	2.86	3.41	2.00	3.11	2.16	1.75		
1952	1.766	2.13	2.68	2.96	3.52	2.19	3.49	2.33	1.75		
1953	1.931	2.56	2.94	3.20	3.74	2.72	3.69	2.52	1.99		
1954	.953	1.82	2.55	2.90	3.51	2.37	3.61	1.58	1.60		
1955	1.753	2.50	2.84	3.06	3.53	2.53	3.70	2.18	1.89	1.78	
1956	2.658	3.12	3.08	3.36	3.88	2.93	4.20	3.31	2.77	2.73	
1957	3.267	3.62	3.47	3.89	4.71	3.60	4.62	3.81	3.12	3.11	
1958	1.839	2.90	3.43	3.79	4.73	3.56	4.34	2.46	2.15	1.57	
1959	3.405	4.33	4.07	4.38	5.05	3.95	5.00	3.97	3.36	3.30	
1960	2.928	3.99	4.01	4.41	5.19	3.73	5.16	3.85	3.53	3.22	
1961	2.378	3.60	3.90	4.35	5.08	3.46	4.97	2.97	3.00	1.96	
1962	2.778	3.57	3.95	4.33	5.02	3.18	5.00	3.26	3.00	2.68	
1963	3.157	3.72	4.00	4.26	4.86	3.23	5.01	3.55	3.23	3.18	5.93
1964	3.549	4.06	4.15	4.40	4.83	3.22	4.99	3.97	3.55	3.50	5.86
1965	3.954	4.22	4.21	4.49	4.87	3.27	5.06	4.38	4.04	4.07	5.81
1966	4.881	5.16	4.66	5.13	5.67	3.82	6.00	5.55	4.50	5.11	6.25
1967	4.321	5.07	4.85	5.51	6.23	3.98	6.00	5.10	4.19	4.22	6.46
1968	5.339	5.59	5.25	6.18	6.94	4.51	6.68	5.90	5.17	5.66	6.97
1969	6.677	6.85	6.10	7.03	7.81	5.81	8.21	7.83	5.87	8.21	7.81
1970	6.458	7.37	6.59	8.04	9.11	6.51	8.48	7.72	5.95	7.17	8.45
1971	4.348	5.77	5.74	7.39	8.56	5.70	6.32	5.11	4.88	4.67	7.74
1972	4.071	5.85	5.63	7.21	8.16	5.27	5.82	4.69	4.50	4.44	7.60
1973	7.041	6.92	6.30	7.44	8.24	5.18	8.30	8.15	6.45	8.74	7.95
1974	7.886	7.81	6.99	8.57	9.50	6.09	11.28	9.87	7.83	10.51	8.92
1975	5.838	7.55	6.98	8.83	10.61	6.89	8.65	6.33	6.25	5.82	9.01
1976	4.989	6.94	6.78	8.43	9.75	6.49	7.52	5.35	5.50	5.05	8.99

See next page for continuation of table and for footnotes.

TABLE B-63.—Bond yields and interest rates, 1929-76—Continued

[Percent per annum]

Year or month	U.S. Government securities			Corporate bonds (Moody's)		High-grade municipal bonds (Standard & Poor's)	Average rate on short-term bank loans to business—selected cities	Prime commercial paper, 4-6 months	Discount rate, Federal Reserve Bank of New York <sup>4</sup>	Federal funds rate <sup>5</sup>	New-home mortgage yields (FHLBB) <sup>6</sup>
	3-month Treasury bills <sup>1</sup>	3-5 year issues <sup>2</sup>	Taxable bonds <sup>3</sup>	Aaa	Baa						
1974: Jan.....	7.755	6.94	6.56	7.83	8.48	5.20	-----	8.66	7 1/4-7 1/2	9.65	8.52
Feb.....	7.060	6.77	6.54	7.85	8.53	5.19	9.91	7.83	7 1/2-7 3/4	8.97	8.62
Mar.....	7.986	7.33	6.81	8.01	8.62	5.36	-----	8.42	7 1/2-7 3/4	9.35	8.64
Apr.....	8.229	7.99	7.04	8.25	8.87	5.67	-----	9.79	7 1/2-8	10.51	8.67
May.....	8.430	8.24	7.07	8.37	9.05	5.96	11.15	10.62	8-8	11.31	8.74
June.....	8.145	8.14	7.03	8.47	9.27	6.08	-----	10.96	8-8	11.93	8.85
July.....	7.752	8.39	7.18	8.72	9.48	6.54	-----	11.72	8-8	12.92	8.96
Aug.....	8.744	8.64	7.33	9.00	9.77	6.58	12.40	11.65	8-8	12.01	9.09
Sept.....	8.363	8.38	7.30	9.24	10.18	6.65	-----	11.23	8-8	11.34	9.19
Oct.....	7.244	7.98	7.22	9.27	10.48	6.46	-----	9.36	8-8	10.06	9.17
Nov.....	7.585	7.65	6.93	8.90	10.60	6.47	11.64	8.81	8-8	9.45	9.27
Dec.....	7.179	7.22	6.78	8.89	10.63	6.93	-----	8.98	8-7 3/4	8.53	9.37
1975: Jan.....	6.493	7.29	6.68	8.83	10.81	6.66	-----	7.30	7 3/4-7 3/4	7.13	9.33
Feb.....	5.583	6.85	6.61	8.62	10.65	6.30	9.94	6.33	7 1/2-6 3/4	6.24	9.12
Mar.....	5.544	7.00	6.73	8.67	10.48	6.61	-----	6.06	6 3/4-6 1/4	5.54	9.06
Apr.....	5.694	7.76	7.03	8.95	10.58	6.83	-----	6.15	6 1/4-6 1/4	5.49	8.96
May.....	5.315	7.49	6.99	8.90	10.69	6.81	8.16	5.82	6 1/4-6	5.22	8.90
June.....	5.193	7.26	6.86	8.77	10.62	6.76	-----	5.79	6-6	5.55	8.96
July.....	6.164	7.72	6.89	8.84	10.55	6.94	-----	6.44	6-6	6.10	8.89
Aug.....	6.463	8.12	7.06	8.95	10.59	7.02	8.22	6.70	6-6	6.14	8.89
Sept.....	6.383	8.22	7.29	8.95	10.61	7.23	-----	6.86	6-6	6.24	8.94
Oct.....	6.081	7.80	7.29	8.86	10.62	7.22	-----	6.48	6-6	5.82	9.01
Nov.....	5.468	7.51	7.21	8.78	10.56	7.21	8.29	5.91	6-6	5.22	9.01
Dec.....	5.504	7.50	7.17	8.79	10.56	7.06	-----	5.97	6-6	5.20	9.01
1976: Jan.....	4.961	7.18	6.94	8.60	10.41	6.80	-----	5.27	6-5 1/2	4.87	8.99
Feb.....	4.852	7.18	6.92	8.55	10.24	6.91	7.54	5.23	5 1/2-5 1/2	4.77	8.93
Mar.....	5.047	7.25	6.87	8.52	10.12	6.86	-----	5.37	5 1/2-5 1/2	4.84	8.93
Apr.....	4.878	6.99	6.73	8.40	9.94	6.62	-----	5.23	5 1/2-5 1/2	4.82	8.92
May.....	5.185	7.35	6.99	8.58	9.86	6.87	7.44	5.54	5 1/2-5 1/2	5.29	8.97
June.....	5.443	7.40	6.92	8.62	9.89	6.85	-----	5.94	5 1/2-5 1/2	5.48	8.89
July.....	5.278	7.24	6.85	8.56	9.82	6.64	-----	5.67	5 1/2-5 1/2	5.31	8.97
Aug.....	5.153	7.04	6.79	8.45	9.64	6.28	7.80	5.47	5 1/2-5 1/2	5.29	9.02
Sept.....	5.075	6.84	6.70	8.38	9.40	6.20	-----	5.45	5 1/2-5 1/2	5.25	9.08
Oct.....	4.930	6.50	6.65	8.32	9.29	6.06	-----	5.22	5 1/2-5 1/2	5.03	9.07
Nov.....	4.810	6.35	6.62	8.25	9.23	6.05	7.28	5.05	5 1/2-5 1/4	4.95	9.05
Dec.....	4.354	5.96	6.39	7.98	9.12	5.69	-----	4.70	5 1/4-5 1/4	4.65	9.10

<sup>1</sup> Rate on new issues within period. First issued in December 1929.

<sup>2</sup> Selected note and bond issues.

<sup>3</sup> 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; November 1941-March 1952, 15 years.

<sup>4</sup> Average effective rate for the year; opening and closing rate for the month.

<sup>5</sup> Based on seven-day averages of daily effective rates for weeks ending Wednesday. Since July 19, 1975, the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates. Prior to that date, the daily effective rate was the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

<sup>6</sup> Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years. Rates beginning January 1973 not strictly comparable with prior rates.

<sup>7</sup> 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.

<sup>8</sup> Series revised. Not strictly comparable with earlier data.

Sources: Department of the Treasury, Board of Governors of the Federal Reserve System, Federal Home Loan Bank Board (FHLBB), Moody's Investors Service, and Standard & Poor's Corporation.

TABLE B-64.—*Instalment credit extensions and liquidations, 1971-76*<sup>1</sup>

(Millions of dollars; monthly data seasonally adjusted)

Year or month	Total	Auto- mobile	Mobile home	Home improve- ment	Revolving		All other
					Bank credit card	Bank check credit	
<b>Extensions:</b>							
1971.....	123,086	34,778	2,628	3,170	8,377	2,026	72,107
1972.....	140,072	40,266	5,036	3,915	10,390	2,489	77,976
1973.....	160,228	46,105	6,011	4,414	13,863	3,373	86,462
1974.....	160,008	43,209	4,899	4,571	17,098	4,227	86,004
1975.....	163,483	48,103	3,452	4,398	20,428	4,024	83,079
1976 <sup>2</sup> .....	185,900	55,439	3,101	5,038	25,493	4,823	92,006
1975: Jan.....	12,435	3,444	307	334	1,585	330	6,435
Feb.....	12,937	4,002	271	333	1,570	322	6,440
Mar.....	12,593	3,637	275	354	1,585	314	6,428
Apr.....	12,837	3,612	280	336	1,627	320	6,662
May.....	13,022	3,699	281	350	1,600	313	6,780
June.....	13,187	3,865	270	373	1,678	302	6,700
July.....	14,089	4,104	284	372	1,684	336	7,309
Aug.....	14,048	4,143	268	371	1,743	342	7,181
Sept.....	14,194	4,330	292	382	1,806	339	7,045
Oct.....	14,609	4,354	289	384	1,781	352	7,450
Nov.....	14,579	4,441	345	408	1,842	341	7,203
Dec.....	15,228	4,642	313	421	1,839	396	7,618
1976: Jan.....	15,132	4,505	272	440	1,921	361	7,633
Feb.....	15,045	4,523	266	405	2,012	392	7,447
Mar.....	15,521	4,689	296	414	2,118	380	7,624
Apr.....	15,003	4,583	247	413	1,985	394	7,382
May.....	15,041	4,471	231	385	2,103	422	7,429
June.....	15,592	4,600	272	410	2,088	435	7,786
July.....	15,240	4,477	282	381	2,152	401	7,546
Aug.....	15,685	4,712	240	400	2,183	413	7,737
Sept.....	15,775	4,769	253	434	2,165	375	7,779
Oct.....	16,055	4,587	236	463	2,198	413	8,158
Nov.....	15,763	4,632	261	464	2,181	410	7,815
Dec.....	16,275	4,820	255	470	2,245	435	8,050
<b>Liquidations:</b>							
1971.....	113,788	31,303	1,751	2,939	7,679	1,901	68,215
1972.....	124,513	34,705	2,905	3,238	9,472	2,175	72,017
1973.....	140,552	40,137	3,634	3,381	12,433	2,894	78,072
1974.....	151,056	42,883	4,099	3,767	15,655	3,684	80,969
1975.....	156,640	45,472	3,793	4,150	19,208	4,010	80,007
1976 <sup>2</sup> .....	169,463	48,311	3,792	4,249	23,754	4,636	84,719
1975: Jan.....	12,581	3,622	308	368	1,438	334	6,511
Feb.....	12,621	3,657	313	334	1,483	334	6,499
Mar.....	12,860	3,873	307	349	1,515	335	6,481
Apr.....	12,820	3,748	305	347	1,527	331	6,564
May.....	13,325	3,777	316	341	1,529	343	7,019
June.....	12,738	3,727	312	359	1,555	330	6,456
July.....	12,803	3,719	314	321	1,591	319	6,539
Aug.....	13,211	3,884	317	328	1,634	327	6,721
Sept.....	13,201	3,869	306	334	1,670	320	6,702
Oct.....	13,429	3,860	329	356	1,696	324	6,864
Nov.....	13,255	3,835	322	334	1,762	336	6,667
Dec.....	13,738	3,883	344	353	1,832	386	6,940
1976: Jan.....	14,029	3,966	364	331	1,815	372	7,181
Feb.....	13,923	3,909	353	348	1,881	374	7,058
Mar.....	14,048	4,026	314	344	1,926	364	7,074
Apr.....	13,576	3,851	309	374	1,846	359	6,836
May.....	13,566	3,819	286	314	1,911	378	6,859
June.....	14,261	4,074	315	330	1,990	421	7,132
July.....	13,937	3,922	319	362	1,981	374	6,979
Aug.....	14,282	4,090	292	361	2,097	419	7,023
Sept.....	14,294	4,165	322	369	2,000	358	7,081
Oct.....	14,491	4,059	307	390	2,074	386	7,274
Nov.....	14,520	4,155	320	360	2,110	404	7,170
Dec.....	14,670	4,190	315	370	2,105	425	7,265

<sup>1</sup> Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

<sup>2</sup> Preliminary; December by Council of Economic Advisers.

Note.—Consumer instalment credit consists of short- and intermediate-term credit extended through regular business channels to finance the purchase of goods and services for personal consumption, or to refinance debts incurred for such purposes, and scheduled to be repaid in two or more instalments. Mortgage credit is excluded.

Source: Board of Governors of the Federal Reserve System (except as noted).

TABLE B-65.—Mortgage debt outstanding by type of property and of financing, 1939-76

(Billions of dollars)

End of year or quarter	All properties	Farm properties	Nonfarm properties				Nonfarm properties by type of mortgage					
			Total	1- to 4-family houses	Multi-family properties <sup>1</sup>	Com-mercial properties <sup>1</sup>	Government underwritten			Total	1- to 4-family houses	
							Total	FHA insured	VA guaranteed			Total
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	17.1	15.0	6.9	8.1	40.0	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	207.5	12.8	194.7	141.9	20.3	32.4	62.3	56.4	26.7	29.7	132.3	85.5
1961	228.0	13.9	214.1	154.7	23.0	36.4	65.6	59.1	29.5	29.6	148.5	95.6
1962	251.4	15.2	236.2	169.3	25.8	41.1	69.4	62.2	32.3	29.9	166.9	107.1
1963	278.5	16.8	261.7	186.4	29.0	46.2	73.4	65.9	35.0	30.9	188.2	120.5
1964	305.9	18.9	287.0	203.4	33.6	50.0	77.2	69.2	38.3	30.9	209.8	134.1
1965	333.3	21.2	312.1	220.5	37.2	54.5	81.2	73.1	42.0	31.1	231.0	147.4
1966	356.5	23.1	333.4	232.9	40.3	60.1	84.1	76.1	44.8	31.3	249.3	156.9
1967	381.2	25.1	356.1	247.3	43.9	64.8	88.2	79.9	47.4	32.5	267.9	167.4
1968	410.9	27.4	383.5	264.8	47.3	71.4	93.4	84.4	50.6	33.8	290.1	180.4
1969	441.4	29.2	412.2	282.8	52.3	77.1	100.2	92.2	54.5	35.7	312.0	192.7
1970	474.2	30.3	443.8	298.1	60.1	85.6	109.2	97.3	59.9	37.3	334.6	200.9
1971	526.5	32.2	494.3	328.9	69.8	95.5	120.7	105.2	65.7	39.5	373.5	223.7
1972	603.4	35.8	567.7	372.8	82.6	112.3	131.1	113.0	68.2	44.7	436.5	259.8
1973	682.3	41.3	641.1	416.9	92.9	131.3	135.0	116.2	66.2	50.0	506.0	300.6
1974	742.5	46.3	696.2	449.9	99.9	146.4	140.2	121.3	65.1	56.2	556.0	328.6
1975	801.5	50.9	750.7	491.7	100.3	158.6	147.0	127.7	66.1	61.6	603.7	364.0
1974: I	696.8	42.1	654.7	424.7	95.1	135.0	136.6	117.7	66.0	51.7	518.1	307.0
1974: II	717.0	43.8	673.2	436.5	96.9	139.8	137.7	118.4	65.5	52.9	535.5	318.1
1974: III	731.9	45.2	686.7	444.7	98.6	143.4	138.7	119.7	65.1	54.5	548.1	325.1
1974: IV	742.5	46.3	696.2	449.9	99.9	146.4	140.2	121.3	65.1	56.2	556.0	328.6
1975: I	752.2	47.6	704.6	455.2	100.5	148.9	142.0	123.3	65.5	57.7	562.6	332.0
1975: II	768.6	49.2	719.4	467.4	100.4	151.6	142.9	123.7	65.8	58.0	576.4	343.6
1975: III	785.4	50.2	735.2	480.0	100.5	154.7	145.0	125.7	65.9	59.8	590.2	354.3
1975: IV	801.5	50.9	750.7	491.7	100.3	158.6	147.0	127.7	66.1	61.6	603.7	364.0
1976: I	817.4	52.4	765.1	503.4	100.7	161.0	148.3	129.1	66.2	62.9	616.8	374.3
1976: II	839.2	54.2	784.9	519.6	101.0	164.4	150.5	131.2	67.1	64.1	634.4	388.4
1976: III	861.7	55.7	806.0	536.6	101.8	167.5	-----	-----	-----	-----	-----	-----

<sup>1</sup> Includes negligible amount of farm loans held by savings and loan associations.

<sup>2</sup> Derived figures.

Source: Board of Governors of the Federal Reserve System, estimated and compiled from data supplied by various Government and private organizations.

TABLE B-66.—Mortgage debt outstanding by holder, 1939-76

(Billions of dollars)

End of year or quarter	Total	Major financial institutions					Other holders	
		Total	Savings and loan associations	Mutual savings banks	Commercial banks <sup>1</sup>	Life insurance companies	Federal and related agencies <sup>2</sup>	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	1.8	16.6
1949	62.7	42.9	11.6	6.7	11.6	12.9	2.3	17.5
1950	72.8	51.7	13.7	8.3	13.7	16.1	2.8	18.4
1951	82.3	59.5	15.6	9.9	14.7	19.3	3.5	19.3
1952	91.4	66.9	18.4	11.4	15.9	21.3	4.1	20.4
1953	101.3	75.1	22.0	12.9	16.9	23.3	4.6	21.7
1954	113.7	85.7	26.1	15.0	18.6	26.0	4.8	23.2
1955	129.9	99.3	31.4	17.5	21.0	29.4	5.3	25.3
1956	144.5	111.2	35.7	19.7	22.7	33.0	6.2	27.1
1957	156.5	119.7	40.0	21.2	23.3	35.2	7.7	29.1
1958	171.8	131.5	45.6	23.3	25.5	37.1	8.0	32.3
1959	190.8	145.5	53.1	25.0	28.1	39.2	10.2	35.1
1960	207.5	157.6	60.1	26.9	28.8	41.8	11.5	38.4
1961	228.0	172.6	68.8	29.1	30.4	44.2	12.2	43.1
1962	251.4	192.5	78.8	32.3	34.5	46.9	12.6	46.3
1963	278.5	217.1	90.9	36.2	39.4	50.5	11.8	49.5
1964	305.9	241.0	101.3	40.6	44.0	55.2	12.2	52.7
1965	333.3	264.6	110.3	44.6	49.7	60.0	13.5	55.2
1966	356.5	280.8	114.4	47.3	54.4	64.6	17.5	58.2
1967	381.2	298.8	121.8	50.5	59.0	67.5	20.9	61.4
1968	410.9	319.9	130.8	53.5	65.7	70.0	25.1	65.9
1969	441.4	339.1	140.2	56.1	70.7	72.0	31.1	71.2
1970	474.2	355.9	150.3	57.9	73.3	74.4	38.3	79.9
1971	526.5	394.2	174.3	62.0	82.5	75.5	46.4	85.9
1972	603.4	450.0	206.2	67.6	99.3	76.9	54.6	98.9
1973	682.3	505.4	231.7	73.2	119.1	81.4	64.8	112.2
1974	742.5	542.6	249.3	74.9	132.1	86.2	82.1	117.8
1975	801.5	581.3	278.7	77.2	136.2	89.2	101.0	119.2
1974: I	696.8	514.1	236.1	73.9	121.9	82.2	67.5	115.2
II	717.0	528.2	243.4	74.2	127.3	83.2	72.0	116.9
III	731.9	537.4	247.6	74.8	130.6	84.4	77.2	117.3
IV	742.5	542.6	249.3	74.9	132.1	86.2	82.1	117.8
1975: I	752.2	546.7	252.4	75.2	131.9	87.2	86.3	119.2
II	768.6	558.1	261.3	75.8	133.0	88.0	91.0	119.4
III	785.4	569.9	270.6	76.5	134.5	88.3	95.9	119.5
IV	801.5	581.3	278.7	77.2	136.2	89.2	101.0	119.2
1976: I	817.4	592.1	286.6	77.7	138.0	89.8	105.0	120.3
II	839.2	609.1	299.6	78.7	141.1	89.7	107.4	122.7
III	861.7	626.0	312.2	79.8	144.0	90.0	111.9	123.9

<sup>1</sup> Includes loans held by nondeposit trust companies, but not by bank trust departments.

<sup>2</sup> Includes former Federal National Mortgage Association and new Government National Mortgage Association, as well as Federal Housing Administration, Veterans Administration, Public Housing Administration, Farmers Home Administration, and in earlier years Reconstruction Finance Corporation, Homeowners Loan Corporation, and Federal Farm Mortgage Corporation. Also includes GNMA Pools and U.S.-sponsored agencies such as new FNMA, Federal Land Banks, and Federal Home Loan Mortgage Corporation. Other U.S. agencies (amounts small or current separate data not readily available) included with "individuals and others."

Source: Board of Governors of the Federal Reserve System, based on data from various Government and private organizations.

TABLE B-67.—Net public and private debt, 1929-75<sup>1</sup>

[Billions of dollars]

End of year	Total	Public			Private							
		Federal Government <sup>2</sup>	Federally sponsored credit agencies <sup>3</sup>	State and local governments	Total	Corporate	Individual and noncorporate					
							Total	Farm <sup>4</sup>	Nonfarm			
									Total	Mortgage	Commercial and financial <sup>5</sup>	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	1,245.0	266.4	8.9	98.3	871.4	454.3	417.1	39.3	377.8	236.8	51.1	89.9
1966	1,339.9	271.8	11.2	104.7	952.1	506.6	445.5	42.2	403.3	251.6	55.4	96.2
1967	1,439.6	286.4	9.0	112.8	1,031.5	553.6	477.9	47.9	429.9	267.0	62.2	100.8
1968	1,583.4	291.9	21.5	122.7	1,147.4	631.5	515.9	51.7	464.2	284.9	68.5	110.8
1969	1,737.6	289.3	30.6	133.3	1,284.4	734.2	550.2	55.2	495.0	303.9	70.0	121.1
1970	1,869.6	301.1	38.8	144.8	1,384.9	797.3	587.7	57.8	529.8	332.4	70.3	127.2
1971	2,050.7	325.9	39.9	162.8	1,522.1	871.3	650.8	62.5	588.3	372.6	76.5	139.1
1972	2,275.9	341.2	41.4	176.9	1,716.5	975.3	741.2	68.2	673.0	426.2	88.9	157.9
1973	2,532.1	349.1	59.8	189.5	1,933.7	1,106.7	827.0	79.0	748.1	482.8	84.5	180.8
1974	2,768.6	360.8	76.4	206.4	2,124.9	1,239.0	885.9	89.2	796.6	523.7	81.5	191.5
1975	2,997.1	446.3	78.8	216.1	2,255.9	1,306.2	949.7	98.0	851.7	566.1	88.8	196.7

<sup>1</sup> Net public and private debt is a comprehensive aggregate of the indebtedness of borrowers after eliminating certain types of duplicating government and corporate debt.

<sup>2</sup> Net Federal Government debt is the outstanding debt held by the public, as defined in "The Budget of the United States Government, Fiscal Year 1978."

<sup>3</sup> Debt of 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.

<sup>4</sup> Farm mortgages and farm production loans. Farmers' financial and consumer debt is included in the nonfarm categories.

<sup>5</sup> Debt to banks (other than consumer credit), security credit, policy loans, and some single-payments loans.

Source: Department of Commerce (Bureau of Economic Analysis), based on data from various Federal agencies and other sources.

# GOVERNMENT FINANCE

TABLE B-68.—Federal budget receipts, outlays, and debt, fiscal years 1968-78

[Millions of dollars; fiscal years]

Description	Actual					
	1968	1969	1970	1971	1972	1973
<b>BUDGET RECEIPTS AND OUTLAYS:</b>						
Total receipts.....	153,671	187,784	193,743	188,392	208,649	232,225
Federal funds.....	114,726	143,321	143,158	133,785	148,846	161,357
Trust funds.....	44,716	52,009	59,362	66,193	72,959	92,193
Interfund transactions.....	-5,771	-7,547	-8,778	-11,586	-13,156	-21,325
Total outlays.....	178,833	184,548	196,588	211,425	232,021	247,074
Federal funds.....	143,105	148,811	156,301	163,651	178,104	186,951
Trust funds.....	41,499	43,284	49,065	59,361	67,073	81,447
Interfund transactions.....	-5,771	-7,547	-8,778	-11,586	-13,156	-21,325
Total surplus or deficit (-).....	-25,161	3,236	-2,845	-23,033	-23,372	-14,849
Federal funds.....	-28,379	-5,490	-13,143	-29,866	-29,258	-25,594
Trust funds.....	3,217	8,725	10,297	6,832	5,886	10,746
<b>OUTSTANDING DEBT, END OF YEAR:</b>						
Gross Federal debt.....	369,769	367,144	382,603	409,467	437,329	468,426
Held by Government agencies.....	79,140	87,661	97,723	105,140	113,559	125,381
Held by the public.....	290,629	279,483	284,880	304,328	323,770	343,045
Federal Reserve System.....	52,230	54,095	57,714	65,518	71,426	75,182
Others.....	238,399	225,388	227,166	238,810	252,344	267,863
<b>BUDGET RECEIPTS.....</b>						
Individual income taxes.....	68,726	87,249	90,412	86,230	94,737	103,246
Corporation income taxes.....	28,665	36,678	32,829	26,785	32,166	36,153
Social insurance taxes and contributions.....	34,622	39,918	45,298	48,578	53,914	64,542
Excise taxes.....	14,079	15,222	15,705	16,614	15,477	16,260
Estate and gift taxes.....	3,051	3,491	3,644	3,735	5,436	4,917
Customs duties.....	2,038	2,319	2,430	2,591	3,287	3,188
Miscellaneous receipts:						
Deposit of earnings by Federal Reserve System.....	2,091	2,662	3,266	3,533	3,252	3,495
All other.....	400	247	158	325	381	426
<b>BUDGET OUTLAYS.....</b>						
National defense.....	79,409	80,207	79,284	76,807	77,356	75,072
International affairs.....	4,612	3,784	3,564	3,093	3,868	3,504
General science, space, and technology.....	5,522	5,016	4,508	4,180	4,174	4,030
Natural resources, environment, and energy.....	4,010	3,901	4,043	4,941	5,521	5,947
Agriculture.....	4,541	5,779	5,164	4,288	5,279	4,855
Commerce and transportation.....	10,637	7,065	9,090	10,396	10,601	9,930
Community and regional development.....	1,891	2,224	3,166	3,632	4,325	5,529
Education, training, employment, and social services.....	7,004	6,871	7,888	9,045	11,694	11,874
Health.....	9,708	11,758	13,051	14,716	17,471	18,832
Income security.....	33,680	37,281	43,066	55,423	63,911	72,958
Veterans benefits and services.....	6,882	7,640	8,677	9,776	10,730	12,013
Law enforcement and justice.....	650	761	952	1,299	1,650	2,131
General government.....	1,684	1,649	1,940	2,159	2,466	2,682
Revenue sharing and general purpose fiscal assistance.....	311	365	451	488	531	7,222
Interest.....	13,751	15,793	18,312	19,609	20,582	22,813
Allowances.....						
Undistributed offsetting receipts.....	-5,460	-5,545	-6,567	-8,427	-8,137	-12,318
Composition of undistributed offsetting receipts:						
Employer share, employee retirement.....	-1,825	-2,018	-2,444	-2,611	-2,768	-2,927
Interest received by trust funds.....	-2,674	-3,099	-3,936	-4,765	-5,089	-5,436
Rents and royalties on the Outer Continental Shelf.....	-961	-428	-187	-1,051	-279	-3,956

See next page for continuation of table and for footnotes.

TABLE B-68.—Federal budget receipts, outlays, and debt, fiscal years 1968-78—Continued

(Millions of dollars; fiscal years)

Description	Actual				Estimate	
	1974	1975	1976	Transition quarter	1977	1978
<b>BUDGET RECEIPTS AND OUTLAYS:</b>						
Total receipts.....	264,932	280,997	300,005	81,773	354,045	393,017
Federal funds.....	181,219	187,505	201,099	54,085	237,405	258,926
Trust funds.....	104,846	118,590	133,695	32,071	153,558	170,515
Interfund transactions.....	-21,133	-25,098	-34,789	-4,383	-36,918	-36,425
Total outlays.....	269,620	326,105	366,466	94,746	411,243	439,967
Federal funds.....	199,920	240,031	269,969	65,106	303,136	319,335
Trust funds.....	90,833	111,171	131,286	34,023	145,026	157,057
Interfund transactions.....	-21,133	-25,098	-34,789	-4,383	-36,918	-36,425
Total surplus or deficit (-).....	-4,688	-45,108	-66,461	-12,973	-57,198	-46,950
Federal funds.....	-18,701	-52,526	-68,870	-11,021	-65,730	-60,409
Trust funds.....	14,013	7,419	2,410	-1,952	8,532	13,459
<b>OUTSTANDING DEBT, END OF YEAR:</b>						
Gross Federal debt.....	486,247	544,131	631,866	646,379	716,725	784,973
Held by Government agencies.....	140,194	147,225	151,566	148,052	156,398	169,146
Held by the public.....	346,053	396,906	480,300	498,327	560,327	615,827
Federal Reserve System.....	80,649	84,993	94,714	96,702		
Others.....	265,404	311,913	385,586	401,625		
<b>BUDGET RECEIPTS.....</b>						
	264,932	280,997	300,005	81,773	354,045	393,017
Individual income taxes.....	118,952	122,386	131,603	38,801	153,097	171,217
Corporation income taxes.....	38,620	40,621	41,409	8,460	56,604	58,910
Social insurance taxes and contributions.....	76,780	86,441	92,714	25,760	108,883	126,068
Excise taxes.....	16,844	16,551	16,963	4,473	17,926	18,513
Estate and gift taxes.....	5,035	4,611	5,216	1,455	5,907	5,806
Customs duties.....	3,334	3,676	4,074	1,212	4,713	5,262
Miscellaneous receipts:						
Deposit of earnings by Federal Reserve System.....	4,845	5,777	5,451	1,500	6,000	6,400
All other.....	524	934	2,575	112	915	841
<b>BUDGET OUTLAYS.....</b>						
	269,620	326,105	366,466	94,746	411,243	439,967
National defense.....	78,569	86,585	89,996	22,518	100,075	112,262
International affairs.....	4,821	5,862	5,067	1,997	7,150	7,281
General science, space, and technology.....	3,977	3,989	4,370	1,161	4,434	4,725
Natural resources, environment, and energy.....	6,571	9,537	11,282	3,324	17,050	19,747
Agriculture.....	2,230	1,660	2,502	584	2,899	2,333
Commerce and transportation.....	13,056	16,010	17,248	4,700	16,166	19,252
Community and regional development.....	4,911	4,431	5,300	1,530	7,695	7,868
Education, training, employment, and social services.....	11,568	15,248	18,167	5,013	21,114	19,358
Health.....	22,074	27,647	33,448	8,720	39,251	43,205
Income security.....	84,431	108,605	127,406	32,796	138,118	143,892
Veterans benefits and services.....	13,386	16,597	18,432	3,962	18,388	18,279
Law enforcement and justice.....	2,462	2,942	3,320	859	3,712	3,789
General government.....	3,327	3,089	2,927	878	3,731	3,930
Revenue sharing and general purpose fiscal assistance.....	6,746	7,005	7,119	2,024	8,926	8,089
Interest.....	28,072	30,974	34,589	7,246	37,987	39,735
Allowances.....						2,651
Undistributed offsetting receipts.....	-16,651	-14,075	-14,704	-2,567	-15,393	-16,429
Composition of undistributed offsetting receipts:						
Employer share, employee retirement.....	-3,319	-3,980	-4,242	-985	-4,592	-4,670
Interest received by trust funds.....	-6,583	-7,667	-7,800	-270	-8,201	-8,659
Rents and royalties on the Outer Continental Shelf.....	-6,748	-2,428	-2,662	-1,311	-2,600	-3,100

Note.—Under provisions of the Congressional Budget Act of 1974, the fiscal year for the Federal Government shifted beginning with fiscal year 1977. Through fiscal year 1976, the fiscal year runs from July 1 through June 30; starting in October 1976 (fiscal year 1977), the fiscal year runs from October 1 through September 30. The 3-month period from July 1, 1976 through September 30, 1976 is a separate fiscal period known as the transition quarter.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B-69.—Federal budget receipts and outlays, fiscal years 1929-78

[Millions of dollars]

Fiscal year	Receipts	Outlays	Surplus or deficit (-)
1929	3,862	3,127	734
1933	1,997	4,598	-2,602
1939	4,979	8,841	-3,862
1940	6,361	9,456	-3,095
1941	8,621	13,634	-5,013
1942	14,350	35,114	-20,764
1943	23,649	78,533	-54,884
1944	44,276	91,280	-47,004
1945	45,216	92,690	-47,474
1946	39,327	55,183	-15,856
1947	38,394	34,532	3,862
1948	41,774	29,773	12,001
1949	39,437	38,834	603
1950	39,485	42,597	-3,112
1951	51,646	45,546	6,100
1952	66,204	67,721	-1,517
1953	69,574	76,107	-6,533
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	232,021	-23,372
1973	232,225	247,074	-14,849
1974	264,932	269,620	-4,688
1975	280,997	326,105	-45,108
1976	300,005	366,466	-66,461
Transition quarter	81,773	94,746	-12,973
1977 <sup>1</sup>	354,045	411,243	-57,198
1978 <sup>1</sup>	393,017	439,967	-46,950

<sup>1</sup> Estimate.

Note.—Under provisions of the Congressional Budget Act of 1974, the fiscal year for the Federal Government shifted beginning with fiscal year 1977. Through fiscal year 1976, the fiscal year runs from July 1 through June 30; starting in October 1976 (fiscal year 1977), the fiscal year runs from October 1 through September 30. The 3-month period from July 1, 1976 through September 30, 1976 is a separate fiscal period known as the transition quarter.

Data for 1929-39 are according to the administrative budget and those beginning 1940 according to the unified budget. Certain interfund transactions are excluded from receipts and outlays beginning 1932. For years prior to 1932 the amounts of such transactions are not significant.

Refunds of receipts are excluded from receipts and outlays.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B-70.—*Relation of the Federal budget to the Federal sector of the national income and product accounts, fiscal years, 1976-78*

[Billions of dollars; fiscal years]

Receipts and expenditures	1976	Transition quarter	Estimate	
			1977	1978
<b>RECEIPTS</b>				
Total budget receipts.....	300.0	81.8	354.0	393.0
Government contribution for employee retirement (grossing).....	6.0	1.6	6.8	7.5
Other netting and grossing.....	2.3	.6	2.7	3.0
Adjustment to accruals.....	6.0	2.3	-1.8	3.2
Other.....	- .8	- .2	-1.1	-1.0
Federal sector, national income and product accounts, receipts.....	313.6	86.2	360.7	405.7
<b>EXPENDITURES</b>				
Total budget outlays.....	366.5	94.7	411.2	440.0
Lending and financial transactions.....	-4.8	-1.3	-3.2	-3.8
Government contribution for employee retirement (grossing).....	6.0	1.6	6.8	7.5
Other netting and grossing.....	2.3	.6	2.7	3.0
Defense timing adjustment.....	2.6	.8	2.0	1.0
Bonuses on Outer Continental Shelf land leases.....	2.1	1.1	1.9	2.3
Other.....	-1.7	- .9	-1.5	-2.8
Federal sector, national income and product accounts, expenditures.....	373.0	96.7	419.9	447.1

Note.—See Note, Table B-69.  
See Special Analysis A, "Special Analyses, Budget of the United States Government, Fiscal Year 1978" for description of these categories.

Sources: Department of Commerce (Bureau of Economic Analysis), Department of the Treasury, and Office of Management and Budget.

TABLE B-71.—Receipts and expenditures of the government sector of the national income and product accounts, 1929-76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Calendar year or quarter	Total government			Federal Government			State and local government		
	Re-ceipts	Ex-pen-ditures	Sur-plus or deficit (-), national income and product accounts	Re-ceipts	Ex-pen-ditures	Sur-plus or deficit (-), national income and product accounts	Re-ceipts	Ex-pen-ditures	Sur-plus or deficit (-), national income and product accounts
1929.....	11.3	10.3	1.0	3.8	2.6	1.2	7.6	7.8	-0.2
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	.0
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.....	51.0	45.6	5.4	39.1	35.6	3.5	13.0	11.1	1.9
1947.....	56.9	42.5	14.4	43.2	29.8	13.4	15.4	14.4	1.0
1948.....	58.9	50.5	8.4	43.2	34.9	8.3	17.7	17.6	.1
1949.....	55.9	59.3	-3.4	38.7	41.3	-2.6	19.5	20.2	-.7
1950.....	69.0	61.0	8.0	50.0	40.8	9.2	21.3	22.5	-1.2
1951.....	85.2	79.2	6.1	64.3	57.8	6.5	23.4	23.9	-.4
1952.....	90.1	93.9	-3.8	67.3	71.1	-3.7	25.4	25.5	-.1
1953.....	94.6	101.6	-6.9	70.0	77.1	-7.1	27.4	27.3	.1
1954.....	89.9	97.0	-7.1	63.7	69.8	-6.0	29.0	30.2	-1.1
1955.....	101.1	98.0	3.1	72.6	68.1	4.4	31.7	32.9	-1.3
1956.....	109.7	104.5	5.2	78.0	71.9	6.1	35.0	35.9	-.9
1957.....	116.2	115.3	.9	81.9	79.6	2.3	38.5	39.8	-1.4
1958.....	115.0	127.6	-12.6	78.7	88.9	-10.3	42.0	44.3	-2.4
1959.....	129.4	131.0	-1.6	89.8	91.0	-1.1	46.4	46.9	-.4
1960.....	139.5	136.4	3.1	96.1	93.1	3.0	49.9	49.8	.1
1961.....	144.8	149.1	-4.3	98.1	101.9	-3.9	54.0	54.4	-.4
1962.....	156.7	160.5	-3.8	106.2	110.4	-4.2	58.5	58.0	.5
1963.....	168.5	167.8	.7	114.4	114.2	.3	63.2	62.8	.5
1964.....	174.0	176.3	-2.3	114.9	118.2	-3.3	69.5	68.5	1.0
1965.....	188.3	187.8	.5	124.3	123.8	.5	75.1	75.1	-.0
1966.....	212.3	213.6	-1.3	141.8	143.6	-1.8	84.8	84.3	.5
1967.....	228.2	242.4	-14.2	150.5	163.7	-13.2	93.6	94.7	-1.1
1968.....	263.4	268.9	-5.5	174.7	180.6	-5.8	107.2	106.9	.3
1969.....	296.3	285.6	10.7	197.0	188.4	8.5	119.7	117.6	2.1
1970.....	302.6	311.9	-9.4	192.1	204.2	-12.1	134.9	132.2	2.8
1971.....	322.2	340.5	-18.3	198.6	220.6	-22.0	152.6	148.9	3.7
1972.....	367.4	370.9	-3.5	227.5	244.7	-17.3	177.4	163.7	13.7
1973.....	411.2	404.9	6.3	258.3	265.0	-6.7	193.5	180.5	13.0
1974.....	454.6	458.8	-4.2	288.2	299.7	-11.5	210.2	203.0	7.3
1975.....	466.4	530.8	-64.4	286.5	357.8	-71.2	234.3	227.5	6.9
1976 P.....	530.8	575.3	-44.5	330.6	388.9	-58.3	260.5	246.6	13.9
1974: I.....	436.1	431.4	4.7	276.7	280.7	-4.1	201.9	193.2	8.7
II.....	450.3	450.2	.2	285.8	293.4	-7.6	208.0	200.2	7.8
III.....	468.1	469.1	-1.0	297.5	306.5	-9.0	214.5	206.5	8.0
IV.....	463.8	484.6	-20.8	292.9	318.2	-25.3	216.6	212.0	4.5
1975: I.....	459.6	504.7	-45.0	287.2	337.0	-49.8	222.2	217.5	4.7
II.....	431.6	524.5	-92.9	254.4	354.3	-99.9	230.4	223.4	6.9
III.....	480.7	538.7	-58.1	297.7	363.7	-66.0	239.7	231.8	7.9
IV.....	493.7	555.2	-61.5	306.7	376.0	-69.4	245.0	237.2	7.9
1976: I.....	509.3	560.9	-51.6	316.5	380.3	-63.8	251.6	239.5	12.2
II.....	522.6	567.4	-44.9	324.6	378.7	-54.1	254.3	245.0	9.2
III.....	535.6	580.3	-44.7	333.8	391.1	-57.4	262.0	249.3	12.7
IV P.....	592.5	592.5	0.0	405.6	405.6	0.0	262.0	252.4	10.6

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 E-72.—Receipts and expenditures of the Federal Government sector of the national income and product accounts, 1949-78

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Receipts					Expenditures							Surplus or deficit (-), national income and product accounts	
	Total	Personal tax and non-tax receipts	Corporate profits tax accruals	Indirect business tax and non-tax accruals	Contributions for social insurance	Total <sup>1</sup>	Purchases of goods and services	Transfer payments		Grants-in-Aid and local governments	Net interest paid	Subsidies current surplus of government enterprises		
								To persons	To foreigners					
<b>Fiscal year:</b>														
1951	61.1	23.2	21.7	9.5	6.7	44.7	25.7	8.1	3.1	2.4	4.4	1.0	16.4	
1952	65.2	28.8	19.4	9.7	7.3	66.0	47.2	8.5	2.6	2.5	4.5	.8	-6.8	
1953	69.4	31.4	19.7	10.7	7.6	75.9	56.4	9.2	2.1	2.8	4.5	.9	-6.5	
1954	65.8	30.3	17.3	10.4	7.8	74.3	53.9	10.5	1.7	2.9	4.6	.8	-8.5	
1955	67.4	29.7	18.9	10.0	8.7	67.2	44.3	12.1	2.1	3.0	4.6	1.2	.2	
1956	76.3	33.6	21.5	10.8	10.3	70.0	45.5	12.8	1.8	3.2	4.8	1.7	6.3	
1957	81.0	36.7	20.8	11.7	11.7	76.0	48.1	14.4	1.9	3.7	5.3	2.6	5.0	
1958	78.1	36.3	17.9	11.6	12.3	82.8	51.1	17.8	1.7	4.7	5.4	2.4	-4.7	
1959	85.4	38.2	21.4	12.0	13.9	91.2	54.8	19.9	1.8	6.2	5.6	2.5	-5.8	
1960	94.8	42.5	22.3	13.2	16.7	91.3	52.9	20.6	1.8	6.9	6.8	2.4	3.4	
1961	95.0	43.6	20.0	13.3	18.1	98.1	55.8	23.6	2.1	6.9	6.4	3.3	-3.1	
1962	104.0	47.3	22.7	14.2	19.9	106.2	61.0	25.1	2.1	7.6	6.4	4.1	-2.2	
1963	110.0	49.6	23.3	15.0	22.1	111.7	63.7	26.5	2.1	8.3	7.1	4.0	-1.7	
1964	115.6	50.7	25.7	15.6	23.6	117.2	65.9	27.4	2.2	9.8	7.7	4.1	-1.5	
1965	120.0	51.4	27.1	16.9	24.5	118.5	64.6	28.4	2.2	10.9	8.2	4.3	1.4	
1966	132.7	57.5	30.8	15.5	28.9	132.7	72.4	31.8	2.3	12.7	8.7	4.8	.0	
1967	146.0	64.4	30.3	15.8	35.5	154.9	86.0	37.2	2.2	14.8	9.6	5.2	-8.9	
1968	160.0	71.4	33.2	17.1	38.4	172.2	95.0	42.7	2.1	17.8	10.5	4.1	-12.2	
1969	190.1	90.0	37.0	18.6	44.5	184.7	98.0	48.7	2.2	19.2	12.1	4.6	5.4	
1970	194.9	93.6	33.0	19.2	49.2	195.6	97.0	55.0	2.0	22.6	13.6	5.4	-6	
1971	192.5	87.5	32.0	20.0	52.9	212.7	94.8	67.7	2.3	26.8	14.2	6.8	-20.2	
1972	213.5	100.3	34.2	19.9	59.1	232.9	100.9	76.1	2.8	32.6	14.1	6.4	-19.5	
1973	240.5	107.3	41.0	20.7	71.5	256.2	101.7	87.1	2.7	40.4	15.9	9.1	-15.7	
1974	271.9	122.6	43.8	21.4	84.1	278.9	104.8	101.7	3.0	41.6	19.8	7.9	-7.1	
1975	283.2	127.3	41.6	22.1	92.2	329.5	119.0	131.0	3.1	48.3	21.9	5.7	-46.3	
1976	313.6	137.2	51.0	24.5	100.9	373.0	127.2	153.6	3.1	57.5	25.8	5.8	-59.4	
1977 <sup>2</sup>	360.7	158.6	60.6	24.6	116.9	419.9	144.8	167.7	3.3	68.0	28.8	7.3	-59.2	
1978 <sup>2</sup>	405.7	177.5	65.5	26.1	136.6	447.1	160.0	175.9	3.5	69.6	30.0	8.1	-41.4	
<b>Calendar year:</b>														
1949	38.7	16.1	9.6	8.0	5.0	41.3	20.4	8.7	5.1	2.2	4.3	.6	-2.6	
1950	50.0	18.1	17.2	8.9	5.9	40.8	18.7	10.8	3.6	2.3	4.4	1.0	9.2	
1951	64.3	26.1	21.7	9.4	7.1	57.8	38.3	8.5	3.1	2.5	4.4	.9	6.5	
1952	67.3	31.0	18.6	10.3	7.4	71.1	52.4	8.8	2.1	2.6	4.5	.8	-3.7	
1953	70.0	32.2	19.5	10.9	7.4	77.1	57.5	9.4	2.0	2.8	4.6	.7	-7.1	
1954	63.7	29.0	16.9	9.7	8.2	69.8	47.9	11.5	1.8	2.9	4.6	1.0	-6.0	
1955	72.6	31.4	21.1	10.7	9.4	68.1	44.5	12.4	2.0	3.1	4.6	1.5	4.4	
1956	78.0	35.2	20.9	11.2	10.6	71.9	45.9	13.4	1.9	3.3	5.1	2.4	6.1	
1957	81.9	37.4	20.4	11.8	12.3	79.6	50.0	15.7	1.8	4.2	5.5	2.4	2.3	
1958	78.7	36.8	18.0	11.5	12.4	88.9	53.9	19.6	1.8	5.6	5.2	2.8	-10.3	
1959	89.8	39.9	22.5	12.5	14.9	91.0	53.9	20.1	1.8	6.8	6.2	2.1	-1.1	
1960	96.1	43.6	21.4	13.4	17.6	93.1	53.7	21.6	1.9	6.5	6.8	2.6	3.0	
1961	98.1	44.7	21.5	13.6	18.3	101.9	57.4	25.0	2.1	7.2	6.2	4.0	-3.9	
1962	106.2	48.6	22.5	14.6	20.5	110.4	63.7	25.6	2.2	8.0	6.8	4.2	-4.2	
1963	114.4	51.5	24.6	15.3	23.1	114.2	64.6	27.0	2.2	9.1	7.3	3.9	.3	
1964	114.9	48.6	26.1	16.2	24.0	118.2	65.2	27.9	2.2	10.4	8.0	4.5	-3.3	
1965	124.3	53.9	28.9	16.5	25.0	123.8	67.3	30.3	2.2	11.1	8.4	4.6	-1.8	
1966	141.8	61.7	31.4	15.6	33.1	143.6	78.8	33.5	2.3	14.4	9.2	5.5	-1.8	
1967	150.5	67.5	30.0	16.3	36.7	163.7	90.9	40.1	2.2	15.9	9.8	4.7	-13.2	
1968	174.7	79.6	36.3	18.0	40.8	180.6	98.0	46.0	2.1	18.6	11.4	4.5	-5.8	
1969	197.0	94.8	36.2	19.0	47.0	188.4	97.5	50.6	2.1	20.3	12.9	5.2	8.5	
1970	192.1	92.2	30.8	19.3	49.7	204.2	96.6	61.3	2.2	24.4	14.3	6.3	-12.1	
1971	198.6	89.9	33.5	20.4	49.9	220.6	96.2	72.7	2.6	29.0	14.0	6.2	-22.0	
1972	227.5	108.2	36.6	20.0	62.8	244.7	102.1	80.5	2.7	37.5	14.6	7.8	-17.3	
1973	258.3	114.6	43.0	21.2	79.4	265.0	102.2	93.2	2.6	40.6	18.2	8.2	-6.7	
1974	288.2	131.2	45.6	21.7	89.8	299.7	111.6	114.3	3.2	43.9	20.9	5.2	-11.5	
1975	286.5	125.7	42.6	23.9	94.3	357.8	124.4	145.8	3.1	54.4	23.5	6.5	-71.2	
1976 <sup>p</sup>	330.6	145.3	55.9	23.5	105.8	388.9	133.4	159.0	3.2	60.2	27.5	5.6	-58.3	
<b>1975:</b>														
I	287.2	137.6	34.8	21.9	92.8	337.0	120.3	135.7	3.0	49.8	22.2	6.0	-49.8	
II	254.4	99.7	38.7	23.2	92.9	354.3	122.4	146.6	3.1	53.2	22.6	6.4	-99.9	
III	297.7	130.5	47.4	25.2	94.7	363.7	124.6	149.2	2.9	56.8	23.6	6.7	-66.0	
IV	306.7	135.1	49.4	25.5	96.6	376.0	130.4	151.8	3.2	58.0	25.6	7.1	-69.4	
<b>1976:</b>														
I	316.5	137.7	53.1	22.8	102.9	380.3	129.2	157.2	3.1	58.8	26.6	5.4	-63.8	
II	324.6	141.9	54.8	23.3	104.6	378.7	131.2	155.6	3.1	56.3	27.4	5.2	-54.1	
III	333.8	147.2	56.2	23.8	106.6	391.1	134.5	159.8	3.4	60.1	27.7	5.6	-57.4	
IV <sup>p</sup>	154.5	56.2	24.1	109.3	405.6	389.9	138.9	163.3	3.2	65.5	28.4	6.3	-57.4	

<sup>1</sup> 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 quarters of 1975 and 1976.

<sup>2</sup> Estimates.

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

TABLE B-73.—Receipts and expenditures of the State and local government sector of the national income and product accounts, 1946-76

(Billions of dollars; quarterly data at seasonally adjusted annual rates)

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 <sup>1</sup>	Purchases of goods and services	Transfer payments to persons	Net interest paid		Subsidies less current surplus of government enterprises
1946	13.0	1.5	0.5	9.3	0.6	1.1	11.1	9.9	1.7	0.2	-0.7	1.9
1947	15.4	1.7	.6	10.7	.7	1.7	14.4	12.8	2.3	.1	-.8	1.0
1948	17.7	2.1	.7	12.2	.8	2.0	17.6	15.3	3.0	.1	-.8	.1
1949	19.5	2.4	.6	13.3	.9	2.2	20.2	18.0	3.0	.1	-.9	-.7
1950	21.3	2.5	.8	14.6	1.1	2.3	22.5	19.8	3.6	.1	-.9	-1.2
1951	23.4	2.8	.9	15.9	1.4	2.5	23.9	21.8	3.1	.0	-1.0	-.4
1952	25.4	3.0	.8	17.4	1.6	2.6	25.5	23.2	3.3	.0	-1.1	-.0
1953	27.4	3.2	.8	18.8	1.7	2.8	27.3	25.0	3.5	.0	-1.2	.1
1954	29.0	3.5	.8	19.9	2.0	2.9	30.2	27.8	3.6	.1	-1.3	-1.1
1955	31.7	3.9	1.0	21.6	2.1	3.1	32.9	30.6	3.8	.1	-1.5	-1.3
1956	35.0	4.5	1.0	23.8	2.3	3.3	35.9	33.5	3.9	.1	-1.6	-.9
1957	38.5	5.0	1.0	25.7	2.6	4.2	39.8	37.1	4.3	.1	-1.7	-1.4
1958	42.0	5.4	1.0	27.2	2.8	5.6	44.3	41.1	4.8	.1	-1.7	-2.4
1959	46.4	6.1	1.2	29.3	3.1	6.8	46.9	43.7	5.1	.1	-2.0	-.4
1960	49.9	6.7	1.2	32.0	3.4	6.5	49.8	46.5	5.4	.1	-2.2	.1
1961	54.0	7.4	1.3	34.4	3.7	7.2	54.4	50.8	5.8	.1	-2.3	-.4
1962	58.5	8.2	1.5	37.0	3.9	8.0	58.0	54.3	6.0	.1	-2.5	.5
1963	63.2	8.8	1.7	39.4	4.2	9.1	62.8	59.0	6.4	.1	-2.8	.5
1964	69.5	10.0	1.8	42.6	4.7	10.4	68.5	64.6	6.9	-.1	-2.8	1.0
1965	75.1	10.9	2.0	46.1	5.0	11.1	75.1	71.1	7.3	-.3	-3.0	-.0
1966	84.8	12.8	2.2	49.7	5.7	14.4	84.3	79.8	8.1	-.7	-3.0	.5
1967	93.6	14.6	2.5	54.0	6.7	15.9	94.7	89.3	9.4	-.9	-3.1	-1.1
1968	107.2	17.4	3.1	60.8	7.2	18.6	106.9	100.7	10.6	-.1	-3.2	.3
1969	119.7	20.6	3.4	67.4	7.9	20.3	117.6	110.4	12.1	-1.6	-3.3	2.1
1970	134.9	23.1	3.7	74.7	9.0	24.4	132.2	123.2	14.6	-2.0	-3.6	2.8
1971	152.6	26.4	4.2	83.1	9.9	29.0	148.9	137.5	17.2	-1.8	-3.8	3.7
1972	177.4	33.0	5.0	91.0	10.8	37.5	163.7	151.0	18.9	-2.1	-4.2	13.7
1973	193.5	36.1	5.7	99.0	12.1	40.6	180.5	167.3	20.3	-2.9	-4.4	13.0
1974	210.2	39.2	6.8	106.7	13.7	43.9	203.0	191.6	20.3	-4.6	-4.4	7.3
1975	234.3	43.1	6.7	114.7	15.4	54.4	227.5	214.5	23.1	-5.7	-4.5	6.9
1976 <sup>p</sup>	260.5	48.3	8.8	126.2	17.0	60.2	246.6	232.3	25.2	-6.6	-4.4	13.9
1974: I	201.9	37.3	6.6	102.5	13.0	42.5	193.2	181.9	19.3	-3.9	-4.2	8.7
II	208.0	38.3	6.9	105.9	13.4	43.4	200.2	189.1	20.0	-4.5	-4.4	7.8
III	214.5	40.2	7.5	109.1	13.9	43.8	206.5	195.1	20.7	-4.8	-4.5	8.0
IV	216.6	41.1	6.3	109.2	14.3	45.7	212.0	200.4	21.3	-5.2	-4.5	4.5
1975: I	222.2	41.7	5.4	110.7	14.7	49.8	217.5	205.3	22.1	-5.3	-4.6	4.7
II	230.4	42.5	6.1	113.3	15.2	53.2	223.4	210.9	22.7	-5.6	-4.5	6.9
III	239.7	43.5	7.5	116.3	15.7	56.8	231.8	218.6	23.5	-5.8	-4.5	7.9
IV	245.0	44.7	7.7	118.7	16.0	58.0	237.2	223.4	24.2	-6.0	-4.4	7.9
1976: I	251.6	46.1	8.3	122.0	16.4	58.8	239.5	225.5	24.6	-6.2	-4.4	12.2
II	254.3	47.6	8.7	124.9	16.8	56.3	245.0	230.9	25.0	-6.4	-4.4	9.2
III	262.0	48.6	8.9	127.2	17.2	60.1	249.3	235.0	25.4	-6.6	-4.4	12.7
IV <sup>p</sup>	-----	50.8	-----	130.7	17.5	65.5	252.4	238.0	25.9	-7.0	-4.4	-----

<sup>1</sup> 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 quarters of 1974, 1975, and 1976.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-74.—State and local government revenues and expenditures, selected fiscal years, 1927-75

(Millions of dollars)

Fiscal year <sup>1</sup>	General revenues by source <sup>2</sup>						General expenditures by function <sup>3</sup>					
	Total	Prop-erty taxes	Sales and gross receipts taxes	Individual income taxes	Corporation net income taxes	Revenue from Federal Government	All other <sup>4</sup>	Total	Education	Highways	Public welfare	All other <sup>4</sup>
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	33,774	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-----	38,154	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 <sup>5</sup>	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 <sup>5</sup>	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 <sup>5</sup>	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 <sup>5</sup>	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 <sup>5</sup>	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 <sup>5</sup>	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 <sup>5</sup>	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 <sup>5</sup>	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 <sup>5</sup>	144,927	37,852	33,233	11,900	3,424	26,146	32,374	150,674	59,413	18,095	18,226	54,940
1971-72 <sup>5</sup>	166,352	42,133	37,488	15,237	4,416	31,253	35,826	166,873	64,886	19,010	21,070	61,907
1972-73 <sup>5</sup>	190,214	45,283	42,047	17,994	5,425	39,256	40,210	181,227	69,714	18,615	23,582	69,316
1973-74 <sup>5</sup>	207,670	47,705	46,098	19,491	6,015	41,820	46,541	198,959	75,833	19,946	25,085	78,096
1974-75 <sup>5</sup>	228,195	51,491	49,815	21,454	6,642	47,054	51,739	230,448	87,858	22,528	28,155	91,907

<sup>1</sup> Fiscal years not the same for all governments. See footnote 5.

<sup>2</sup> 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.

<sup>3</sup> Includes licenses and other taxes and charges and miscellaneous revenues.

<sup>4</sup> 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 un-allocable expenditures.

<sup>5</sup> Data for fiscal year ending in the 12-month period through June 30. Data for 1963 and earlier years include local government amounts grouped in terms of fiscal years ended during the particular calendar year.

Note.—Data are not available for intervening years.

See Table B-67 for net debt of State and local governments.

Source: Department of Commerce, Bureau of the Census.

TABLE B-75.—Interest-bearing public debt by kind of obligation, 1967-76

(Millions of dollars)

End of year or month	Total interest-bearing public debt	Marketable				Nonmarketable				
		Total	Bills	Treasury notes	Treasury bonds <sup>1</sup>	Total	U.S. savings bonds	Foreign government series <sup>2</sup>	Government account series <sup>3</sup>	Other <sup>4</sup>
Fiscal year:										
1967	322,286	210,672	58,535	49,108	97,418	111,614	51,213	1,514	56,155	2,731
1968	344,401	226,592	64,440	71,073	91,079	117,808	51,712	3,741	59,526	2,828
1969	351,729	226,107	68,356	78,946	78,805	125,623	51,711	4,070	66,790	3,051
1970	369,026	232,599	76,154	93,489	62,956	136,426	51,281	4,755	76,323	4,068
1971	396,289	245,473	86,677	104,807	53,989	150,816	53,003	9,270	82,784	5,759
1972	425,360	257,202	94,648	113,419	49,135	168,158	55,921	18,985	89,598	3,654
1973	456,353	262,971	100,061	117,840	45,071	193,382	59,418	28,524	101,738	3,701
1974	473,238	266,575	105,019	128,419	33,137	206,663	61,921	25,011	115,442	4,289
1975	532,122	315,606	128,569	150,257	36,779	216,516	65,482	23,216	124,173	3,644
1976	619,254	392,581	161,198	191,758	39,626	226,673	69,733	21,500	130,557	4,883
1975:										
Jan	493,128	286,133	121,044	131,790	33,298	206,995	63,725	22,962	116,870	3,438
Feb	498,661	289,827	122,995	132,683	34,149	208,834	64,036	23,298	118,057	3,442
Mar	508,581	299,989	123,972	141,915	34,103	208,592	64,371	23,969	116,812	3,440
Apr	515,752	307,202	126,907	144,997	35,298	208,550	64,730	23,596	116,781	3,443
May	527,030	314,886	131,541	146,505	36,839	212,144	65,094	23,503	120,060	3,487
June	532,122	315,606	128,569	150,257	36,779	216,516	65,482	23,216	124,173	3,644
July	537,211	323,701	133,445	153,556	36,701	213,510	65,872	22,203	121,710	3,726
Aug	546,722	331,080	138,086	155,239	37,755	215,642	66,176	21,551	124,084	3,830
Sept	552,604	338,944	142,803	158,488	37,655	213,658	66,473	21,468	121,865	3,850
Oct	561,063	350,906	147,053	166,255	37,598	210,157	66,812	21,220	118,220	3,904
Nov	565,791	355,879	151,139	166,051	38,689	209,911	67,177	21,283	117,486	3,964
Dec	575,657	363,191	157,483	167,077	38,631	212,466	67,464	21,565	119,385	4,052
1976:										
Jan	581,861	369,316	159,645	171,110	38,562	212,544	67,826	21,601	119,041	4,076
Feb	592,874	378,773	162,088	177,576	39,110	214,100	68,170	21,689	120,105	4,138
Mar	599,224	385,296	163,140	183,143	39,014	213,928	68,567	21,669	119,438	4,254
Apr	600,927	386,444	161,764	185,757	38,922	214,484	68,968	21,612	119,453	4,449
May	608,077	388,021	161,840	186,473	39,708	220,056	69,394	21,515	124,570	4,577
June	619,254	392,581	161,198	191,758	39,626	226,673	69,733	21,500	130,557	4,883
July	623,580	397,719	161,399	197,204	39,115	225,861	70,428	21,357	128,912	5,164
Aug	632,291	404,314	161,433	202,979	39,902	227,977	71,079	20,967	130,591	5,340
Sept	633,560	407,663	161,505	206,319	39,839	225,897	70,752	20,814	128,640	5,690
Oct	635,062	408,590	161,545	207,275	39,769	226,472	71,113	22,290	127,162	5,906
Nov	643,643	415,399	161,711	212,986	40,702	228,243	71,506	22,487	127,405	6,845
Dec	652,457	421,276	163,992	216,669	40,615	231,181	71,853	22,299	129,744	7,285

<sup>1</sup> Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

<sup>2</sup> Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

<sup>3</sup> Includes Treasury deposit funds and some special issues formerly included in "Other".

<sup>4</sup> Includes depository bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local bonds, and special issues held only by U.S. Government agencies and trust funds and the Federal home loan banks.

<sup>5</sup> Includes \$5,610 million in certificates not shown separately.

Source: Department of the Treasury.

TABLE B-76.—Estimated ownership of public debt securities, 1967-76

[Par values;<sup>1</sup> billions of dollars]

End of year or month	Total public debt securities									
	Total <sup>2</sup>	Held by Government accounts	Held by Federal Reserve Banks	Held by private investors						
				Total <sup>3</sup>	Commercial banks <sup>4</sup>	Mutual savings banks and insurance companies	Corporations <sup>5</sup>	State and local governments <sup>6</sup>	Individuals <sup>7</sup>	Miscellaneous investors <sup>8</sup>
Fiscal year:										
1967	322.9	71.8	46.7	204.4	55.5	13.2	11.0	23.6	70.4	30.7
1968	345.4	76.1	52.2	217.0	59.7	12.5	12.0	25.1	74.2	33.4
1969	352.9	84.8	54.1	214.0	55.3	11.6	11.1	26.4	77.3	32.3
1970	370.1	95.2	57.7	217.2	52.6	10.4	8.5	29.0	81.8	35.0
1971	397.3	102.9	65.5	228.9	61.0	10.3	7.4	25.9	75.4	49.1
1972	426.4	111.5	71.4	243.6	60.9	10.2	9.3	26.9	73.2	63.2
1973	457.3	123.4	75.0	258.9	58.8	9.6	9.8	28.8	75.9	76.0
1974	474.2	138.2	80.5	255.6	53.2	8.5	10.8	28.3	80.7	74.2
1975	533.2	145.3	84.7	303.2	69.0	10.6	13.2	29.6	87.1	93.6
1976	620.4	149.6	94.4	376.4	91.8	15.6	25.0	39.5	96.4	108.0
1975: Jan.	494.1	139.0	81.3	273.8	54.6	8.9	11.3	30.0	85.3	83.8
Feb.	499.7	139.8	81.1	278.9	56.5	9.0	11.4	30.5	85.3	86.2
Mar.	509.7	138.5	81.4	289.8	61.8	9.5	12.0	29.7	85.7	91.1
Apr.	516.7	138.0	87.8	290.9	64.1	10.0	12.5	29.8	86.1	88.5
May	528.2	140.9	85.6	301.7	67.7	10.5	13.7	29.8	86.6	93.4
June	533.2	145.3	84.7	303.2	69.0	10.6	13.2	29.6	87.1	93.6
July	538.2	142.5	81.9	313.8	71.8	11.1	16.2	31.3	87.6	95.8
Aug.	547.7	144.8	82.5	320.4	74.8	11.4	16.0	31.2	88.7	98.4
Sept.	553.6	142.3	87.0	324.4	78.3	11.7	15.0	32.2	89.6	97.7
Oct.	562.0	138.9	87.2	336.0	79.3	12.1	17.5	33.8	90.6	102.7
Nov.	566.8	137.7	85.1	343.9	82.2	13.2	20.0	33.9	91.0	103.6
Dec.	576.6	139.3	87.9	349.4	85.1	13.8	20.2	33.8	91.4	105.1
1976: Jan.	584.4	139.3	89.8	355.3	86.0	14.7	21.2	34.6	91.7	107.2
Feb.	593.9	139.8	89.0	365.0	87.2	15.0	23.2	36.4	93.9	109.5
Mar.	600.5	139.1	89.8	371.7	91.9	15.5	23.0	37.8	94.5	108.9
Apr.	602.0	139.1	91.8	371.0	91.7	15.4	23.8	37.7	94.7	107.6
May	610.7	143.7	90.5	376.4	91.6	15.7	26.0	37.6	95.9	109.7
June	620.4	149.6	94.4	376.4	91.8	15.6	25.0	39.5	96.4	108.0
July	624.5	147.6	90.7	386.2	94.0	16.4	27.0	37.2	97.1	114.7
Aug.	633.3	148.0	94.0	391.3	92.5	17.0	27.8	38.7	99.7	115.5
Sept.	634.7	146.1	96.4	392.2	93.3	16.9	25.7	39.1	99.7	117.5
Oct.	637.6	144.6	95.7	397.3	94.8	17.4	24.7	41.5	100.0	118.9
Nov.	644.6	144.9	91.7	408.1	99.8	17.6	24.2	42.1	100.7	123.7
Dec.	653.5	145.0	97.0	411.5						

<sup>1</sup> U.S. savings bonds, series A-F and J, and U.S. savings notes are included at current redemption value.

<sup>2</sup> As of July 31, 1974, public debt outstanding has been adjusted to exclude the notes of the International Monetary Fund to conform with the Budget presentation. This adjustment applies to the 1967-76 data in this table.

<sup>3</sup> For comparability with 1975-76 published data, published data for 1967-74 have been adjusted to exclude notes of the International Monetary Fund. These adjustments amounted to \$3.3 billion in 1967, \$2.2 billion in 1968, and \$0.8 billion in each year 1969 through 1974. These adjustments were necessary in order to add to the total public debt figures as published by the Department of the Treasury.

<sup>4</sup> Includes commercial banks, trust companies, and stock savings banks in the United States and Territories and island possessions; figures exclude securities held in trust departments. Since the estimates in this table are on the basis of par values and include holdings of banks in United States Territories and possessions, they do not agree with the estimates in Table B-56, which are based on book values and relate only to banks within the United States.

<sup>5</sup> Exclusive of banks and insurance companies.

<sup>6</sup> Includes trust, sinking, and investment funds of State and local governments and their agencies, and of Territories and possessions.

<sup>7</sup> Includes partnerships and personal trust accounts.

<sup>8</sup> Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain government deposit accounts and government-sponsored agencies, and investments of foreign balances and international accounts in this country.

Source: Department of the Treasury.

TABLE B-77.—Average length and maturity distribution of marketable interest-bearing public debt held by private investors, 1967-76

End of year or month	Amount out-standing	Maturity class					Average length	
		Within 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	Years	Months
		Millions of dollars						
Fiscal year:								
1967.....	150,321	56,561	53,584	21,057	6,153	12,968	5	1
1968.....	159,671	66,746	52,295	21,850	6,110	12,670	4	5
1969.....	156,008	69,311	50,182	18,078	6,097	12,337	4	2
1970.....	157,910	76,443	57,035	8,286	7,876	8,272	3	8
1971.....	161,863	74,803	58,557	14,503	6,357	7,645	3	6
1972.....	165,978	79,509	57,157	16,033	6,358	6,922	3	3
1973.....	167,869	84,041	54,139	16,385	8,741	4,564	3	1
1974.....	164,862	87,150	50,103	14,197	9,930	3,481	2	11
1975.....	210,382	115,677	65,852	15,385	8,857	4,611	2	8
1976.....	279,782	150,296	90,578	24,169	8,087	6,652	2	6
1975: Jan.....	183,411	101,258	55,803	13,487	8,665	4,198	2	8
Feb.....	189,375	105,341	56,765	13,190	9,834	4,245	2	9
Mar.....	198,298	108,627	61,086	15,330	9,177	4,079	2	8
Apr.....	198,857	108,820	61,670	14,209	10,181	3,978	2	8
May.....	209,149	115,374	64,510	15,630	8,902	4,733	2	9
June.....	210,382	115,677	65,852	15,385	8,857	4,611	2	6
July.....	221,630	123,466	69,318	15,427	8,813	4,606	2	6
Aug.....	228,446	129,571	69,176	15,611	8,738	5,350	2	7
Sept.....	232,246	130,641	72,223	15,514	8,647	5,222	2	7
Oct.....	243,786	136,249	78,164	15,541	8,637	5,196	2	6
Nov.....	251,159	145,336	74,517	16,771	8,589	5,946	2	6
Dec.....	255,860	150,116	74,657	16,689	8,524	5,876	2	5
1976: Jan.....	259,831	152,077	75,179	18,310	8,466	5,800	2	5
Feb.....	270,625	151,875	82,484	21,707	8,417	6,142	2	6
Mar.....	276,434	154,258	86,214	21,538	8,350	6,074	2	5
Apr.....	275,520	153,441	86,198	21,597	8,242	6,042	2	5
May.....	278,929	153,464	86,242	24,336	8,172	6,716	2	7
June.....	279,782	150,294	90,578	24,169	8,087	6,654	2	7
July.....	289,044	156,595	91,042	26,694	8,059	6,654	2	6
Aug.....	293,627	153,304	93,396	31,523	7,986	7,418	2	10
Sept.....	294,595	153,302	94,845	31,247	7,939	7,262	2	9
Oct.....	296,211	155,179	91,795	33,922	7,897	7,419	2	9
Nov.....	307,309	158,422	101,684	31,349	7,511	8,345	2	10
Dec.....	307,843	157,469	103,747	31,019	7,399	8,209	2	9

Note.—All issues classified to final maturity.

Source: Department of the Treasury.

## CORPORATE PROFITS AND FINANCE

TABLE B-78.—*Corporate profits with inventory valuation and capital consumption adjustments, 1946-76*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation and capital consumption adjustments	Corporate profits tax liability	Profits after tax with inventory valuation and capital consumption adjustments		
			Total	Dividends	Undistributed profits with inventory valuation and capital consumption adjustments
1946.....	16.6	9.1	7.5	5.6	2.0
1947.....	22.2	11.3	10.9	6.3	4.6
1948.....	29.1	12.4	16.7	7.0	9.7
1949.....	26.9	10.2	16.7	7.2	9.5
1950.....	33.7	17.9	15.7	8.8	6.9
1951.....	38.1	22.6	15.5	8.5	7.0
1952.....	35.4	19.4	16.0	8.5	7.5
1953.....	35.5	20.3	15.2	8.8	6.4
1954.....	34.6	17.6	17.0	9.1	7.9
1955.....	44.6	22.0	22.6	10.3	12.2
1956.....	42.9	22.0	20.9	11.1	9.8
1957.....	42.1	21.4	20.6	11.5	9.1
1958.....	37.5	19.0	18.5	11.3	7.2
1959.....	48.2	23.6	24.6	12.2	12.4
1960.....	46.6	22.7	23.9	12.9	11.0
1961.....	46.9	22.8	24.1	13.3	10.8
1962.....	54.9	24.0	30.9	14.4	16.5
1963.....	59.6	26.2	33.4	15.5	17.9
1964.....	67.0	28.0	39.0	17.3	21.7
1965.....	77.1	30.9	46.2	19.1	27.1
1966.....	82.5	33.7	48.9	19.4	29.4
1967.....	79.3	32.5	46.8	20.1	26.7
1968.....	85.8	39.4	46.4	21.9	24.4
1969.....	81.4	39.7	41.8	22.6	19.2
1970.....	67.9	34.5	33.4	22.9	10.5
1971.....	77.2	37.7	39.5	23.0	16.5
1972.....	92.1	41.5	50.5	24.6	25.9
1973.....	99.1	48.7	50.4	27.8	22.6
1974.....	84.8	52.4	32.4	30.8	1.7
1975.....	91.6	49.2	42.4	32.1	10.3
1976.....	118.7	64.7	53.9	35.1	18.8
1974: I.....	95.7	50.5	45.2	29.9	15.3
II.....	87.8	53.0	34.8	30.7	4.1
III.....	81.7	57.6	24.1	31.3	-7.2
IV.....	74.1	48.6	25.5	31.1	-5.6
1975: I.....	69.0	40.2	28.8	31.7	-2.9
II.....	86.6	44.8	41.8	31.9	9.9
III.....	105.3	54.8	50.4	32.6	17.9
IV.....	105.6	57.2	48.4	32.2	16.2
1976: I.....	115.1	61.4	53.7	33.1	20.6
II.....	116.4	63.5	52.9	34.4	18.5
III.....	122.0	65.1	56.8	35.4	21.4

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-79.—Corporate profits by industry, 1929-76

(Billions of dollars; quarterly data at seasonally adjusted annual rates)

Year or quarter	Corporate profits with inventory valuation adjustment and without capital consumption adjustment										
	Total	Domestic industries									Rest of the world
		Total	Financial <sup>1</sup>			Nonfinancial					
			Total	Federal Reserve banks	Other	Total	Manufacturing <sup>2</sup>	Wholesale and retail trade	Transportation, communication, and services <sup>3</sup>	Other	
1929.....	10.5	10.2	1.3	0.0	1.3	8.9	5.2	1.0	1.8	0.9	0.2
1933.....	-1.2	-1.2	.3	.0	.3	-1.5	-.4	-.5	.0	-.7	.0
1939.....	6.3	6.1	.8	.0	.8	5.3	3.3	.7	1.0	.3	.2
1940.....	9.8	9.6	1.0	.0	.9	8.6	5.5	1.2	1.3	.6	.2
1941.....	15.2	15.0	1.1	.0	1.0	14.0	9.5	1.4	2.0	1.1	.2
1942.....	20.3	20.1	1.2	.0	1.2	18.9	11.8	2.2	3.4	1.5	.2
1943.....	24.4	24.1	1.3	.0	1.3	22.8	13.8	3.0	4.4	1.6	.2
1944.....	23.8	23.5	1.6	.1	1.6	21.9	13.2	3.2	3.9	1.6	.3
1945.....	19.2	18.9	1.7	.1	1.6	17.3	9.7	3.3	2.7	1.5	.2
1946.....	19.3	18.9	2.1	.1	2.0	16.8	9.0	3.8	1.8	2.1	.4
1947.....	25.6	24.9	1.7	.1	1.6	23.2	13.6	4.6	2.2	2.9	.7
1948.....	33.0	32.2	2.6	.2	2.3	29.6	17.6	5.5	3.0	3.6	.8
1949.....	30.8	29.9	3.1	.2	2.9	26.8	16.2	4.5	3.0	3.1	.8
1950.....	37.6	36.7	3.1	.2	3.0	33.5	20.9	5.0	4.0	3.6	1.0
1951.....	42.7	41.5	3.6	.3	3.3	37.9	24.6	5.0	4.6	3.7	1.2
1952.....	39.8	38.7	4.0	.4	3.7	34.7	21.7	4.8	4.9	3.3	1.1
1953.....	39.5	38.4	4.5	.4	4.1	33.9	22.0	3.8	5.0	3.1	1.1
1954.....	37.8	36.4	4.6	.3	4.3	31.8	19.9	3.8	4.7	3.4	1.4
1955.....	46.7	45.1	4.8	.3	4.5	40.3	26.0	5.0	5.6	3.6	1.6
1956.....	45.9	44.1	5.0	.5	4.5	39.1	24.7	4.5	5.9	4.1	1.8
1957.....	45.4	43.5	5.2	.6	4.6	38.3	24.0	4.4	5.8	4.0	1.9
1958.....	40.8	39.1	5.7	.6	5.1	33.5	19.4	4.6	5.9	3.6	1.7
1959.....	51.2	49.4	6.8	.7	6.0	42.6	26.2	5.9	7.0	3.5	1.8
1960.....	48.9	47.0	7.2	1.0	6.2	39.8	23.9	4.9	7.4	3.5	1.9
1961.....	48.7	46.3	7.0	.8	6.3	39.3	23.0	4.9	7.8	3.6	2.3
1962.....	53.7	51.1	7.3	.9	6.4	43.8	26.0	5.7	8.4	3.8	2.6
1963.....	57.6	54.9	6.8	1.0	5.8	48.1	28.7	5.9	9.3	4.2	2.6
1964.....	64.2	61.0	6.9	1.1	5.8	54.1	31.9	7.4	9.9	4.9	3.1
1965.....	73.3	70.1	7.5	1.4	6.2	62.5	38.3	7.9	11.0	5.3	3.3
1966.....	78.6	75.9	8.5	1.7	6.8	67.4	41.6	8.0	11.8	6.0	2.8
1967.....	75.6	72.6	9.0	2.0	7.0	63.6	37.9	8.9	10.7	6.1	3.0
1968.....	82.1	78.9	10.4	2.5	7.9	68.5	41.2	10.1	10.7	6.5	3.2
1969.....	77.9	74.2	11.3	3.1	8.2	62.9	36.8	10.1	10.2	5.8	3.7
1970.....	66.4	62.6	12.6	3.6	9.0	50.1	27.1	9.4	8.2	5.3	3.8
1971.....	76.9	72.4	14.1	3.3	10.8	58.2	32.4	11.7	8.3	5.8	4.6
1972.....	89.6	84.7	15.4	3.4	12.1	69.3	40.6	13.3	9.0	6.4	4.8
1973.....	97.2	90.4	16.2	4.5	11.7	74.1	44.1	14.7	8.3	7.0	6.8
1974.....	87.8	76.7	14.1	5.7	8.4	62.6	36.9	12.4	6.0	7.2	11.2
1975.....	103.1	97.0	12.9	5.7	7.2	84.1	46.4	20.9	7.9	9.0	6.2
1976 <sup>p</sup> .....	134.2	126.8	14.3	6.0	8.3	112.5	66.3				7.3
1974: I.....	95.9	81.4	14.8	5.4	9.4	66.6	39.4	15.1	5.7	6.3	14.6
II.....	89.7	80.8	14.0	5.7	8.3	66.8	39.0	14.4	6.4	7.0	9.0
III.....	85.2	75.1	14.6	5.9	8.7	60.5	37.7	9.4	6.3	7.2	10.1
IV.....	80.4	69.5	13.1	6.0	7.1	56.3	31.6	10.6	5.7	8.3	11.0
1975: I.....	77.7	72.1	13.9	5.8	8.1	58.2	29.7	14.5	5.0	9.0	5.5
II.....	97.9	91.7	12.5	5.7	6.8	79.2	43.5	19.6	7.3	8.9	6.3
III.....	117.9	111.4	12.1	5.4	6.7	99.3	57.0	24.4	9.5	8.4	6.5
IV.....	119.1	112.7	12.9	5.8	7.1	99.8	55.3	25.0	9.7	9.7	6.4
1976: I.....	129.6	121.9	14.0	6.1	7.9	107.9	61.2	29.0	8.6	9.1	7.7
II.....	131.8	125.0	13.8	5.9	7.9	111.2	66.4	26.6	9.5	8.8	6.8
III.....	137.6	130.5	14.4	5.9	8.5	116.0	67.2	28.8	10.7	9.3	7.2

See footnotes at end of table.

TABLE B-79.—Corporate profits by industry, 1929-76—Continued

(Billions of dollars; quarterly data at seasonally adjusted annual rates)

Year or quarter	Corporate profits before deduction of capital consumption allowances, with inventory valuation adjustment										
	Total	Domestic industries									Rest of the world
		Total	Financial <sup>1</sup>			Nonfinancial					
			Total	Federal Reserve banks	Other	Total	Manufacturing <sup>2</sup>	Wholesale and retail trade	Transportation, communication, and services <sup>3</sup>	Other	
1929.....	14.7	14.4	1.4	0.0	1.4	13.0	7.1	1.3	2.9	1.7	0.2
1933.....	2.6	2.6	.4	.0	.4	2.2	1.3	-.2	1.1	.0	.0
1939.....	10.1	9.9	.9	.0	.9	9.0	4.9	1.0	2.0	1.1	.2
1940.....	13.6	13.4	1.1	.0	1.1	12.3	7.2	1.5	2.3	1.4	.2
1941.....	19.5	19.3	1.2	.0	1.2	18.1	11.4	1.7	3.1	1.9	.2
1942.....	25.4	25.2	1.3	.0	1.3	23.9	14.2	2.6	4.8	2.2	.2
1943.....	29.7	29.5	1.4	.0	1.4	28.1	16.6	3.3	5.8	2.4	.2
1944.....	29.9	29.6	1.7	.1	1.6	27.9	16.5	3.5	5.5	2.4	.3
1945.....	25.5	25.3	1.7	.1	1.6	23.6	13.0	3.6	4.6	2.3	.2
1946.....	24.0	23.6	2.2	.1	2.1	21.4	11.2	4.2	3.0	2.9	.4
1947.....	31.4	30.7	1.8	.1	1.7	28.9	16.3	5.2	3.6	3.8	.7
1948.....	40.0	39.2	2.7	.2	2.5	36.5	20.8	6.2	4.7	4.8	.8
1949.....	38.7	37.9	3.3	.2	3.0	34.6	19.8	5.4	4.8	4.6	.8
1950.....	46.5	45.5	3.3	.2	3.1	42.2	24.9	6.0	6.1	5.2	1.0
1951.....	53.0	51.8	3.8	.3	3.5	48.0	29.1	6.2	7.1	5.6	1.2
1952.....	51.3	50.2	4.2	.4	3.9	46.0	26.9	6.1	7.6	5.4	1.1
1953.....	52.7	51.6	4.8	.4	4.4	46.8	28.3	5.1	8.1	5.3	1.1
1954.....	52.8	51.4	4.9	.3	4.6	46.5	27.1	5.2	8.2	5.9	1.4
1955.....	64.1	62.6	5.2	.3	4.8	57.4	34.3	6.7	9.8	6.6	1.6
1956.....	64.9	63.1	5.4	.5	4.9	57.7	33.6	6.3	10.3	7.4	1.8
1957.....	66.3	64.4	5.7	.6	5.0	58.7	33.9	6.5	10.5	7.8	1.9
1958.....	62.9	61.2	6.1	.6	5.5	55.0	29.8	6.6	10.9	7.6	1.7
1959.....	74.8	73.0	7.3	.7	6.5	65.7	37.1	8.0	12.5	8.0	1.8
1960.....	74.1	72.2	7.8	1.0	6.8	64.4	35.5	7.3	13.3	8.4	1.9
1961.....	75.3	72.9	7.7	.8	6.9	65.3	35.2	7.4	14.0	8.8	2.3
1962.....	84.2	81.5	8.0	.9	7.1	73.6	40.2	8.4	15.4	9.6	2.6
1963.....	90.0	87.4	7.6	1.0	6.6	79.8	43.9	8.7	16.8	10.4	2.6
1964.....	98.7	95.6	7.9	1.2	6.7	87.7	48.0	10.4	17.9	11.4	3.1
1965.....	110.8	107.5	8.5	1.4	7.2	99.0	55.9	11.1	19.6	12.3	3.3
1966.....	119.3	116.5	9.6	1.7	7.9	106.9	60.5	11.5	21.3	13.6	2.8
1967.....	119.7	116.7	10.2	2.0	8.2	106.5	58.7	12.7	21.0	14.1	3.0
1968.....	130.2	127.0	11.8	2.5	9.3	115.1	63.9	14.3	21.9	15.0	3.2
1969.....	130.9	127.2	13.0	3.1	9.9	114.2	61.5	14.9	22.4	15.4	3.7
1970.....	123.0	119.2	14.5	3.6	11.0	104.7	53.1	14.7	21.4	15.5	3.8
1971.....	137.8	133.3	16.3	3.4	13.0	116.9	59.8	17.5	23.2	16.4	4.6
1972.....	157.4	152.6	18.0	3.4	14.7	134.6	69.9	20.2	26.3	18.3	4.8
1973.....	170.9	164.1	19.5	4.5	14.9	144.6	75.0	22.1	27.4	20.2	6.8
1974.....	169.4	158.2	17.9	5.7	12.2	140.3	70.9	20.7	27.3	21.5	11.2
1975.....	192.6	186.4	17.3	5.7	11.6	169.1	83.1	30.0	31.3	24.7	6.2
1976 <sup>p</sup> .....	231.5	224.1	19.3	6.0	13.3	204.8	105.9	38.9	36.4	26.7	7.3
1974: I.....	174.4	159.8	18.3	5.4	13.0	141.5	72.3	23.0	26.0	20.2	14.6
II.....	170.2	161.3	17.7	5.7	12.0	143.6	72.6	22.6	27.3	21.1	9.0
III.....	168.2	158.1	18.5	5.9	12.5	139.6	72.4	17.8	27.8	21.6	10.1
IV.....	164.8	153.8	17.1	6.0	11.2	136.7	66.3	19.3	27.9	23.2	11.0
1975: I.....	164.1	158.5	18.1	5.8	12.3	140.5	65.4	23.3	27.6	24.1	5.5
II.....	185.8	179.5	16.8	5.7	11.1	162.8	79.6	28.6	30.2	24.4	6.3
III.....	208.4	201.9	16.6	5.4	11.2	185.3	94.2	33.7	33.1	24.3	6.5
IV.....	211.9	205.6	17.6	5.8	11.8	188.0	93.4	34.5	34.1	26.0	6.4
1976: I.....	223.9	216.2	18.8	6.1	12.7	197.4	99.7	38.6	33.3	25.8	7.7
II.....	228.0	221.2	18.7	6.0	12.8	202.5	105.5	36.4	34.8	25.7	6.8
III.....	235.9	228.7	19.5	5.9	13.6	209.2	107.2	38.9	36.4	26.7	7.2

<sup>1</sup> Consists of the following industries: Banking; credit agencies other than banks; security and commodity brokers' dealers, and services; insurance carriers; regulated investment companies; small business investment companies; and real estate investment trusts.

<sup>2</sup> See Table B-80 for industry detail.

<sup>3</sup> Services consists of electric, gas, and sanitary services.

Note.—The industry classification is on a company basis and is based on the 1967 Standard Industrial Classification beginning with 1948 and on the 1942 Standard Industrial Classification prior to 1948.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-80.—Corporate profits of manufacturing industries, 1929-76

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year of quarter	Corporate profits with inventory valuation adjustment and without capital consumption adjustment												
	Total manufacturing	Nondurable goods					Durable goods						
		Total	Food and kindred products	Chemicals and allied products	Petroleum and coal products	Other	Total	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical equipment and supplies	Motor vehicles and equipment	Other
1929	5.2	2.6	-----	-----	-----	-----	2.6	-----	-----	-----	-----	-----	-----
1933	-.4	.0	-----	-----	-----	-----	-.4	-----	-----	-----	-----	-----	-----
1939	3.3	1.7	-----	-----	-----	-----	1.7	-----	-----	-----	-----	-----	-----
1940	5.5	2.4	-----	-----	-----	-----	3.1	-----	-----	-----	-----	-----	-----
1941	9.5	3.1	-----	-----	-----	-----	6.4	-----	-----	-----	-----	-----	-----
1942	11.8	4.6	-----	-----	-----	-----	7.2	-----	-----	-----	-----	-----	-----
1943	13.8	5.7	-----	-----	-----	-----	8.1	-----	-----	-----	-----	-----	-----
1944	13.2	5.9	-----	-----	-----	-----	7.4	-----	-----	-----	-----	-----	-----
1945	9.7	5.2	-----	-----	-----	-----	4.5	-----	-----	-----	-----	-----	-----
1946	9.0	6.6	-----	-----	-----	-----	2.4	-----	-----	-----	-----	-----	-----
1947	13.6	7.8	-----	-----	-----	-----	5.8	-----	-----	-----	-----	-----	-----
1948	17.6	10.0	1.9	1.7	2.8	3.7	7.5	1.6	0.8	1.2	0.7	1.4	1.9
1949	16.2	8.1	1.6	1.8	1.9	2.8	8.1	1.5	.7	1.3	.8	2.1	1.7
1950	20.9	8.9	1.6	2.3	2.3	2.7	12.0	2.3	1.1	1.6	1.2	3.1	2.6
1951	24.6	11.4	1.4	2.8	2.7	4.4	13.2	3.1	1.3	2.3	1.3	2.4	2.8
1952	21.7	9.9	1.7	2.3	2.3	3.6	11.7	1.9	1.0	2.3	1.5	2.4	2.7
1953	22.0	10.1	1.8	2.2	2.8	3.3	11.9	2.5	.9	1.9	1.4	2.6	2.7
1954	19.9	9.4	1.6	2.2	2.7	2.9	10.5	1.7	.9	1.7	1.2	2.1	2.9
1955	26.0	11.8	2.2	3.0	3.0	3.6	14.3	2.9	1.0	1.7	1.1	4.1	3.5
1956	24.7	11.9	1.8	2.8	3.3	4.1	12.8	3.0	1.0	2.1	1.2	2.2	3.2
1957	24.0	10.7	1.8	2.8	2.6	3.6	13.3	3.0	1.1	2.0	1.5	2.6	3.1
1958	19.4	10.0	2.1	2.5	2.1	3.3	9.3	1.9	.9	1.4	1.3	.9	2.9
1959	26.2	12.7	2.6	3.4	2.5	4.2	13.5	2.3	1.0	2.1	1.7	2.9	3.4
1960	23.9	11.9	2.1	3.1	2.5	4.2	12.0	2.1	.9	1.8	1.3	3.0	2.9
1961	23.0	11.7	2.3	3.1	2.2	4.0	11.3	1.5	1.0	1.8	1.3	2.5	3.1
1962	26.0	11.9	2.3	3.2	2.1	4.3	14.1	1.6	1.1	2.3	1.5	4.0	3.6
1963	28.7	12.8	2.7	3.6	2.1	4.5	15.9	1.9	1.2	2.4	1.5	4.9	3.9
1964	31.9	14.4	2.8	3.9	2.4	5.3	17.5	2.4	1.4	3.1	1.6	4.7	4.3
1965	38.3	15.8	2.6	4.5	2.8	5.8	22.6	3.1	1.9	3.8	2.6	6.1	5.0
1966	41.6	18.0	3.3	4.8	3.2	6.7	23.5	3.6	2.3	4.4	3.0	5.1	5.2
1967	37.9	17.3	3.1	4.2	3.8	6.2	20.6	2.7	2.3	4.0	2.9	3.9	4.8
1968	41.2	18.8	3.2	5.0	3.6	7.0	22.4	2.0	2.2	4.1	2.8	5.5	5.8
1969	36.8	17.7	2.9	4.6	3.3	6.9	19.2	1.4	1.9	3.6	2.2	4.8	5.2
1970	27.1	16.8	3.5	3.9	3.6	5.8	10.3	.9	1.2	2.7	1.1	1.4	3.0
1971	32.4	17.3	3.3	4.2	3.6	6.2	15.1	.5	1.3	2.7	1.8	4.9	3.8
1972	40.6	18.1	2.8	5.0	3.5	6.8	22.5	1.6	2.1	3.9	3.0	5.9	6.0
1973	44.1	20.1	2.2	5.8	4.9	7.2	24.0	2.0	2.6	4.5	2.6	5.8	6.6
1974	36.9	25.1	2.6	4.9	10.1	7.5	11.9	4.9	1.5	1.7	.4	.2	3.2
1975	46.4	29.2	5.8	5.7	9.3	8.4	17.2	3.6	3.1	4.6	1.2	.9	3.8
1976	66.3	37.5	-----	-----	-----	-----	28.8	-----	-----	-----	-----	-----	-----
1974: I	39.4	23.8	2.8	5.6	7.4	8.0	15.6	2.7	1.8	3.6	1.6	-.1	5.9
1974: II	39.0	26.9	4.2	5.3	10.0	7.4	12.1	4.5	1.7	2.0	.7	-.7	4.0
1974: III	37.7	27.0	1.8	4.8	13.5	7.0	10.7	6.7	.5	.0	-.3	1.6	2.2
1974: IV	31.6	22.6	1.6	3.9	9.7	7.4	9.0	5.9	1.8	1.0	-.3	.0	.7
1975: I	29.7	21.3	5.0	3.5	7.5	5.3	8.4	5.9	1.8	3.0	.4	-.3	.7
1975: II	43.5	28.7	6.0	5.3	10.1	7.3	14.8	2.9	3.1	4.3	1.3	.2	3.2
1975: III	57.0	32.6	6.3	6.8	9.2	10.4	24.3	2.7	4.1	5.8	1.7	3.9	6.1
1975: IV	55.3	34.3	6.0	7.3	10.4	10.6	21.1	2.7	3.5	5.2	1.4	2.8	5.4
1976: I	61.2	37.5	7.3	8.3	11.2	10.8	23.7	3.3	3.6	5.9	1.8	4.6	4.5
1976: II	66.4	35.6	6.1	8.2	10.4	10.8	30.7	4.5	4.3	5.9	2.5	6.1	7.4
1976: III	67.2	37.6	8.0	8.5	10.1	10.9	29.6	3.5	4.1	6.5	2.6	5.5	7.3

See footnotes at end of table.

TABLE B-80.—Corporate profits of manufacturing industries, 1929-76—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Corporate profits before deduction of capital consumption allowances, with inventory valuation adjustment														
Year or quarter	Total manufacturing	Nondurable goods					Durable goods					Other		
		Total	Food and kindred products	Chemicals and allied products	Petroleum and coal products	Other	Total	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical equipment and supplies		Motor vehicles and equipment	
1929	7.1	3.6					3.4							
1933	1.3	1.1					.2							
1939	4.9	2.6					2.3							
1940	7.2	3.4					3.8							
1941	11.4	4.1					7.2							
1942	14.2	5.9					8.4							
1943	16.6	7.1					9.5							
1944	16.5	7.5					9.0							
1945	13.0	7.0					6.0							
1946	11.2	7.9					3.3							
1947	16.3	9.3					6.9							
1948	20.8	11.8	2.2	2.0	3.4	4.2	9.0	1.9	1.0	1.5	0.8	1.6	2.2	2.2
1949	19.8	10.1	2.0	2.1	2.6	3.4	9.7	1.9	.9	1.6	.9	2.3	2.3	2.2
1950	24.9	11.1	2.1	2.7	3.1	3.3	13.7	2.8	1.3	1.9	1.4	3.3	3.0	3.0
1951	29.1	13.9	2.0	3.2	3.6	5.1	15.3	3.6	1.5	2.6	1.5	2.7	3.3	3.3
1952	26.9	12.7	2.3	2.8	3.2	4.4	14.2	2.6	1.2	2.7	1.7	2.7	3.3	3.3
1953	28.3	13.2	2.3	2.8	3.9	4.1	15.0	3.5	1.2	2.3	1.6	3.0	3.4	3.4
1954	27.1	13.1	2.3	3.0	4.1	3.8	14.1	2.9	1.2	2.2	1.5	2.5	3.7	3.7
1955	34.3	16.0	2.9	3.9	4.6	4.6	18.3	4.2	1.3	2.3	1.5	4.6	4.4	4.4
1956	33.6	16.5	2.5	3.8	4.9	5.2	17.2	4.3	1.4	2.8	1.6	2.9	4.2	4.2
1957	33.9	15.7	2.6	3.8	4.4	4.9	18.2	4.5	1.5	2.7	2.0	3.3	4.3	4.3
1958	29.8	15.4	3.0	3.6	4.0	4.7	14.4	3.2	1.3	2.2	1.8	1.6	4.3	4.3
1959	37.1	18.4	3.6	4.6	4.5	5.7	18.7	3.6	1.5	2.9	2.2	3.7	4.8	4.8
1960	35.5	17.8	3.2	4.4	4.5	5.8	17.7	3.4	1.4	2.7	1.8	4.0	4.4	4.4
1961	35.2	18.0	3.4	4.5	4.3	5.7	17.2	2.9	1.5	2.8	1.9	3.5	4.6	4.6
1962	40.2	19.1	3.6	4.8	4.4	6.2	21.1	3.3	1.8	3.4	2.1	5.2	5.3	5.3
1963	43.9	20.5	4.0	5.3	4.7	6.5	23.3	3.7	1.8	3.5	2.3	6.3	5.8	5.8
1964	48.0	22.6	4.2	5.7	5.1	7.5	25.5	4.3	2.0	4.3	2.3	6.3	6.2	6.2
1965	55.9	24.4	4.0	6.5	5.8	8.1	31.4	5.1	2.7	5.2	3.4	8.0	7.2	7.2
1966	60.5	27.2	4.9	6.8	6.3	9.2	33.3	5.7	3.0	5.8	4.0	7.5	7.4	7.4
1967	58.7	27.1	4.7	6.3	7.2	8.9	31.6	5.0	3.2	5.7	4.0	6.4	7.4	7.4
1968	63.9	29.3	4.9	7.3	7.3	9.9	34.6	4.5	3.2	6.0	4.1	8.1	8.7	8.7
1969	61.5	29.2	4.8	7.1	7.1	10.2	32.3	4.0	3.0	5.7	3.7	7.5	8.5	8.5
1970	53.1	29.0	5.6	6.6	7.6	9.2	24.1	3.5	2.3	5.2	2.9	3.8	6.5	6.5
1971	59.8	30.4	5.5	7.1	7.9	9.9	29.4	3.1	2.4	5.4	3.8	7.3	7.5	7.5
1972	69.9	32.2	5.1	8.2	8.0	10.8	37.6	4.1	3.2	6.8	5.1	8.4	9.9	9.9
1973	75.0	35.1	4.8	9.0	9.7	11.6	39.9	4.6	3.8	7.6	4.9	8.3	10.6	10.6
1974	70.9	40.9	5.3	8.3	15.1	12.1	30.0	8.2	2.8	5.0	3.1	3.2	7.7	7.7
1975	83.1	46.3	8.8	9.4	14.7	13.4	36.8	6.9	4.6	8.3	4.0	4.3	8.8	8.8
1976														
1974: I	72.3	39.3	5.5	8.8	12.4	12.6	33.0	5.7	3.1	6.9	4.2	2.8	10.3	10.3
II	72.6	42.4	6.9	8.8	14.6	12.1	30.2	7.7	3.1	5.3	3.3	2.5	8.3	8.3
III	72.4	42.8	4.6	8.3	18.3	11.7	29.6	10.0	1.9	3.6	2.4	4.7	6.9	6.9
IV	66.3	39.1	4.4	7.5	15.1	12.1	27.2	9.2	3.2	4.3	2.4	2.6	5.4	5.4
1975: I	65.4	37.7	7.9	7.1	12.5	10.2	27.7	9.4	3.3	6.5	3.2	—	5.4	5.4
II	79.6	45.5	8.9	9.0	15.4	12.1	34.2	6.1	4.5	8.0	4.0	3.5	8.0	8.0
III	94.2	50.1	9.3	10.5	14.8	15.5	44.1	6.1	5.6	9.6	4.5	7.2	11.1	11.1
IV	93.4	52.1	9.0	11.1	16.1	15.9	41.3	6.0	5.0	9.0	4.2	6.6	10.5	10.5
1976: I	99.7	55.5	10.3	12.2	16.9	16.0	44.2	6.6	5.1	9.9	4.7	8.3	9.6	9.6
II	105.5	53.8	9.2	12.2	16.2	16.2	51.7	7.9	5.9	10.0	5.5	9.9	12.6	12.6
III	107.2	56.1	11.1	12.6	16.0	16.3	51.1	6.9	5.7	10.7	5.6	9.4	12.7	12.7

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-81.—Sales, profits, and stockholders' equity, all manufacturing corporations, 1947-76

(Billions of dollars)

Year or quarter	All manufacturing corporations				Durable goods industries				Nondurable goods industries			
	Sales (net)	Profits		Stockholders' equity <sup>2</sup>	Sales (net)	Profits		Stockholders' equity <sup>2</sup>	Sales (net)	Profits		Stockholders' equity <sup>2</sup>
		Before income taxes <sup>1</sup>	After income taxes			Before income taxes <sup>1</sup>	After income taxes			Before income taxes <sup>1</sup>	After income taxes	
1947	150.7	16.6	10.1	65.1	66.6	7.6	4.5	31.1	84.1	9.0	5.6	34.0
1948	165.6	18.4	11.5	72.2	75.3	8.9	5.4	34.1	90.4	9.5	6.2	38.1
1949	154.9	14.4	9.0	77.6	70.3	7.5	4.5	37.0	84.6	7.0	4.6	40.6
1950	181.9	23.2	12.9	83.3	86.8	12.9	6.7	39.9	95.1	10.3	6.1	43.5
1951	245.0	27.4	11.9	98.3	116.8	15.4	6.1	47.2	128.1	12.1	5.7	51.1
1952	250.2	22.9	10.7	103.7	122.0	12.9	5.5	49.8	128.0	10.0	5.2	53.9
1953	265.9	24.4	11.3	108.2	137.9	14.0	5.8	52.4	128.0	10.4	5.5	55.7
1954	248.5	20.9	11.2	113.1	122.8	11.4	5.6	54.9	125.7	9.6	5.6	58.2
1955	278.4	28.6	15.1	120.1	142.1	16.5	8.1	58.8	136.3	12.1	7.0	61.3
1956	307.3	29.8	16.2	131.6	159.5	16.5	8.3	65.2	147.8	13.2	7.8	66.4
1957	320.0	28.2	15.4	141.1	166.0	15.8	7.9	70.5	154.1	12.4	7.5	70.6
1958	305.3	22.7	12.7	147.4	148.6	11.4	5.8	72.8	156.7	11.3	6.9	74.6
1959	338.0	29.7	16.3	157.1	169.4	15.8	8.1	77.9	168.5	13.9	8.3	79.2
1960	345.7	27.5	15.2	165.4	173.9	14.0	7.0	82.3	171.8	13.5	8.2	83.1
1961	356.4	27.5	15.3	172.6	175.2	13.6	6.9	84.9	181.2	13.9	8.5	87.7
1962	389.9	31.9	17.7	181.4	195.5	16.7	8.6	89.1	194.4	15.1	9.2	92.3
1963	412.7	34.9	19.5	189.7	209.0	18.5	9.5	93.3	203.6	16.4	10.0	96.3
1964	443.1	39.6	23.2	199.8	226.3	21.2	11.6	98.5	216.8	18.3	11.6	101.3
1965	492.2	46.5	27.5	211.7	257.0	26.2	14.5	105.4	235.2	20.3	13.0	106.3
1966	554.2	51.8	30.9	230.3	291.7	29.2	16.4	115.2	262.4	22.6	14.6	115.1
1967	575.4	47.8	29.0	247.6	300.6	25.7	14.6	125.0	274.8	22.0	14.4	122.6
1968	631.9	55.4	32.1	265.9	335.5	30.6	16.5	135.6	296.4	24.8	15.5	130.3
1969	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	751.4	53.2	31.3	320.9	382.5	26.5	14.5	160.6	368.9	26.7	16.7	160.3
1972	849.5	63.2	36.5	343.4	435.8	33.6	18.4	171.4	413.7	29.6	18.0	172.0
1973	1,017.2	81.4	48.1	374.1	527.3	43.6	24.8	188.7	489.9	37.8	23.3	185.4
1973: IV	275.1	21.4	13.0	386.4	140.1	10.8	6.3	194.7	135.0	10.6	6.7	191.7
New series: <sup>3</sup>												
1974	1,060.6	92.1	58.7	395.0	529.0	41.1	24.7	196.0	531.6	51.0	34.1	199.0
1975	1,065.2	79.9	49.1	423.4	521.1	35.3	21.4	208.1	544.1	44.6	27.7	215.3
1973: IV	236.6	20.6	13.2	368.0	122.7	10.1	6.2	185.8	113.9	10.5	7.0	182.1
1974: I	242.0	21.2	13.5	379.0	120.3	9.5	5.7	189.4	121.7	11.7	7.8	189.6
II	269.4	25.9	16.3	389.9	136.8	12.6	7.6	194.1	132.6	13.3	8.7	195.8
III	272.1	25.0	15.5	402.7	134.8	10.5	6.2	199.9	137.3	14.5	9.4	202.8
IV	277.0	20.1	13.4	408.4	137.1	8.6	5.2	200.8	140.0	11.5	8.2	207.6
1975: I	247.1	15.4	9.3	410.7	121.3	7.0	4.1	201.7	125.8	8.4	5.2	209.0
II	265.8	20.2	12.4	420.2	132.4	9.3	5.7	207.3	133.3	10.9	6.8	212.9
III	271.0	21.7	13.2	427.4	131.0	9.1	5.5	209.7	140.0	12.7	7.7	217.6
IV	281.3	22.6	14.2	435.5	136.3	10.0	6.2	213.7	145.0	12.6	8.1	221.8
1976: I	284.1	24.4	14.8	445.3	138.4	11.2	6.7	217.6	145.7	13.2	8.1	227.7
II	307.5	29.3	18.0	458.9	154.4	14.8	9.0	224.3	153.1	14.5	9.1	234.6
III	301.6	26.1	16.0	467.7	146.9	12.2	7.4	228.0	154.7	13.9	8.6	239.7

<sup>1</sup> In the old series, "income taxes" refers to Federal income taxes only, as State and local income taxes had already been deducted. In the new series, no income taxes have been deducted.

<sup>2</sup> Annual data are average equity for the year (using four end-of-quarter figures).

<sup>3</sup> See "Quarterly Financial Report for Manufacturing Corporations, First Quarter 1974," Federal Trade Commission.

Note.—Data are not necessarily comparable from one period to another due to changes in accounting procedures, industry classifications, sampling procedures, etc. For explanatory notes concerning compilation of the series, see "Quarterly Financial Report for Manufacturing Corporations," Federal Trade Commission.

Source: Federal Trade Commission.

TABLE B-82.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations, 1947-76*

Year or quarter	Ratio of profits after income taxes (annual rate) to stockholders' equity—percent <sup>1</sup>			Profits after income taxes per dollar of sales—cents		
	All manufacturing corporations	Durable goods industries	Nondurable goods industries	All manufacturing corporations	Durable goods industries	Nondurable goods industries
1947.....	15.6	14.4	16.6	6.7	6.7	6.7
1948.....	16.0	15.7	16.2	7.0	7.1	6.8
1949.....	11.6	12.1	11.2	5.8	6.4	5.4
1950.....	15.4	16.9	14.1	7.1	7.7	6.5
1951.....	12.1	13.0	11.2	4.8	5.3	4.5
1952.....	10.3	11.1	9.7	4.3	4.5	4.1
1953.....	10.5	11.1	9.9	4.3	4.2	4.3
1954.....	9.9	10.3	9.6	4.5	4.6	4.4
1955.....	12.6	13.8	11.4	5.4	5.7	5.1
1956.....	12.3	12.8	11.8	5.3	5.2	5.3
1957.....	10.9	11.3	10.6	4.8	4.8	4.9
1958.....	8.6	8.0	9.2	4.2	3.9	4.4
1959.....	10.4	10.4	10.4	4.8	4.8	4.9
1960.....	9.2	8.5	9.8	4.4	4.0	4.8
1961.....	8.9	8.1	9.6	4.3	3.9	4.7
1962.....	9.8	9.6	9.9	4.5	4.4	4.7
1963.....	10.3	10.1	10.4	4.7	4.5	4.9
1964.....	11.6	11.7	11.5	5.2	5.1	5.4
1965.....	13.0	13.8	12.2	5.6	5.7	5.5
1966.....	13.4	14.2	12.7	5.6	5.6	5.6
1967.....	11.7	11.7	11.8	5.0	4.8	5.3
1968.....	12.1	12.2	11.9	5.1	4.9	5.2
1969.....	11.5	11.4	11.5	4.8	4.6	5.0
1970.....	9.3	8.3	10.3	4.0	3.5	4.5
1971.....	9.7	9.0	10.3	4.1	3.8	4.5
1972.....	10.6	10.8	10.5	4.3	4.2	4.4
1973.....	12.8	13.1	12.6	4.7	4.7	4.8
1973: IV.....	13.4	12.9	14.0	4.7	4.5	5.0
New series: <sup>2</sup>						
1974.....	14.9	12.6	17.1	5.5	4.7	6.4
1975.....	11.6	10.3	12.9	4.6	4.1	5.1
1973: IV.....	14.3	13.3	15.3	5.6	5.0	6.1
1974: I.....	14.3	12.1	16.4	5.6	4.8	6.4
II.....	16.7	15.6	17.8	6.0	5.5	6.6
III.....	15.4	12.3	18.5	5.7	4.6	6.8
IV.....	13.2	10.4	15.8	4.8	3.8	5.9
1975: I.....	9.0	8.1	10.0	3.7	3.4	4.1
II.....	11.8	10.9	12.8	4.7	4.3	5.1
III.....	12.4	10.5	14.1	4.9	4.2	5.5
IV.....	13.1	11.6	14.5	5.1	4.5	5.6
1976: I.....	13.3	12.3	14.3	5.2	4.8	5.6
II.....	15.7	16.0	15.5	5.9	5.8	5.9
III.....	13.7	12.9	14.4	5.3	5.0	5.6

<sup>1</sup> 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.

<sup>2</sup> See "Quarterly Financial Report for Manufacturing Corporations, First Quarter 1974," Federal Trade Commission.

Note.—Based on data in millions of dollars.  
See also Note, Table B-81.

Source: Federal Trade Commission.

**TABLE B-83.—Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations, by industry group, 1975-76**

Industry	Ratio of profits after income taxes (annual rate) to stockholders' equity—percent <sup>1</sup>					Profits after income taxes per dollar of sales—cents				
	1975		1976			1975		1976		
	III	IV	I	II	III	III	IV	I	II	III
All manufacturing corporations.....	12.4	13.1	13.3	15.7	13.7	4.9	5.1	5.2	5.9	5.3
Durable goods industries.....	10.5	11.6	12.3	16.0	12.9	4.2	4.5	4.8	5.8	5.0
Stone, clay, and glass products.....	14.8	10.8	4.8	15.5	16.1	6.0	4.6	2.3	6.2	6.2
Primary metal industries.....	6.5	7.5	7.1	10.7	8.1	3.4	4.0	3.5	4.8	3.9
Iron and steel.....	8.7	10.0	8.1	11.3	8.7	4.1	4.8	3.8	4.8	3.9
Nonferrous metals.....	3.1	3.6	5.3	9.5	7.0	2.0	2.2	3.1	4.7	3.7
Fabricated metal products.....	14.8	12.6	15.0	17.7	15.8	4.7	4.0	4.8	5.3	4.9
Machinery, except electrical.....	13.2	14.5	14.9	16.2	15.5	6.3	6.8	7.2	7.5	7.7
Electrical and electronic equipment.....	8.3	10.5	10.2	13.5	11.9	3.0	3.7	3.7	4.6	4.2
Transportation equipment.....	7.5	11.6	16.8	20.7	10.5	2.5	3.6	5.1	5.8	3.5
Motor vehicles and equipment.....	5.5	12.5	18.8	23.1	9.1	2.1	4.3	6.0	6.9	3.3
Aircraft, guided missiles, and parts.....	12.1	10.9	12.3	14.0	13.0	3.3	2.9	3.4	3.6	3.7
Instruments and related products.....	15.1	14.2	12.2	16.3	16.3	8.4	7.7	6.9	8.6	8.6
Other durable manufacturing products.....	10.9	10.4	10.1	17.5	15.2	3.4	3.3	3.2	5.0	4.4
Nondurable goods industries.....	14.1	14.5	14.3	15.5	14.4	5.5	5.6	5.6	5.9	5.6
Food and kindred products.....	17.2	14.6	13.3	16.3	16.8	3.7	3.2	3.1	3.7	3.8
Tobacco manufactures.....	18.4	15.3	15.2	16.0	16.9	11.1	8.0	8.2	9.0	9.2
Textile mill products.....	7.8	10.4	10.0	10.1	6.6	2.5	3.0	3.0	2.9	2.0
Paper and allied products.....	12.6	14.7	14.5	16.3	13.6	5.5	6.2	6.1	6.7	5.7
Printing and publishing.....	13.4	15.7	12.3	16.3	16.3	4.9	5.4	4.4	5.6	5.4
Chemicals and allied products.....	15.5	15.2	16.6	17.2	15.3	7.6	7.6	8.0	8.1	7.5
Industrial chemicals and synthetics.....	13.7	15.5	16.2	16.3	13.5	7.0	7.8	7.8	7.6	6.7
Drugs.....	18.1	15.6	18.8	18.2	18.7	12.4	10.7	12.3	12.7	12.6
Petroleum and coal products.....	13.3	14.6	14.7	14.8	14.0	8.0	8.6	8.7	9.0	8.3
Rubber and miscellaneous plastics products.....	9.4	11.0	10.6	13.4	7.6	3.5	4.0	3.9	4.5	2.8
Other nondurable manufacturing products.....	14.5	16.5	13.7	13.6	14.5	3.1	3.3	3.0	2.9	3.1

<sup>1</sup> Ratios based on equity at end of quarter.

Source: Federal Trade Commission.

TABLE B-84.—Sources and uses of funds, nonfarm nonfinancial corporate business, 1946-76

(Billions of dollars)

Period	Sources							Uses			Discrepancy (sources less uses)
	Total	Internal <sup>1</sup>	External				Total	Purchase of physical assets <sup>4</sup>	Increase in financial assets		
			Total	Credit market funds						Other	
				Total	Long-term <sup>2</sup>	Short-term <sup>3</sup>					
1946	18.4	7.8	10.6	6.8	3.5	3.3	3.7	24.6	26.0	-1.4	-6.2
1947	26.7	12.6	14.1	8.3	5.3	3.0	5.8	23.6	15.2	8.4	3.1
1948	28.4	18.8	9.7	6.4	6.6	-2	3.3	27.7	22.7	5.0	.8
1949	19.7	19.3	.4	3.0	4.8	-1.8	-2.7	20.8	17.3	3.5	-1.2
1950	41.8	17.8	24.0	8.0	4.1	3.9	15.9	46.3	29.9	16.4	-4.5
1951	35.9	19.7	16.2	10.6	6.4	4.2	5.6	39.3	31.9	7.4	-3.4
1952	28.9	21.2	7.8	9.2	7.8	1.4	-1.4	28.8	24.2	4.6	.2
1953	27.3	21.1	6.2	5.7	6.1	-3	.5	27.7	25.4	2.3	-4
1954	28.2	23.5	4.7	5.5	5.7	-3	-8	26.5	21.6	4.9	1.7
1955	51.4	28.8	22.6	9.5	5.7	3.8	13.0	48.3	31.8	16.5	3.1
1956	43.8	28.7	15.1	12.6	7.3	5.4	2.5	40.7	36.7	4.0	3.1
1957	41.8	30.4	11.4	11.8	9.9	1.9	-4	38.7	34.5	4.2	3.1
1958	41.1	29.6	11.5	10.3	10.3	-0	1.2	38.4	27.6	10.8	2.6
1959	55.4	35.0	20.4	12.7	8.3	4.4	7.7	51.9	37.7	14.2	3.6
1960	47.6	34.7	12.9	11.9	7.5	4.5	1.0	40.6	38.0	2.7	7.0
1961	54.1	35.3	18.8	12.1	10.5	1.6	6.7	50.1	36.9	13.2	4.0
1962	58.9	41.6	17.3	12.4	9.5	2.9	4.9	54.9	43.8	11.1	4.0
1963	65.9	44.5	21.4	12.4	8.3	4.1	9.0	58.9	44.8	14.2	6.9
1964	72.6	50.1	22.5	15.0	8.9	6.1	7.4	64.2	50.8	13.4	8.4
1965	90.8	56.1	34.7	20.4	9.2	11.2	14.4	82.1	61.9	20.2	8.7
1966	96.9	60.5	36.4	25.6	16.0	9.6	10.9	88.6	76.0	12.6	8.3
1967	93.3	61.3	32.0	28.9	21.0	7.9	3.1	89.4	72.6	16.8	3.9
1968	114.5	62.3	52.2	31.9	18.9	13.0	20.3	106.4	77.6	28.8	8.1
1969	118.6	61.7	56.9	38.4	20.8	17.7	18.5	113.4	85.0	28.4	5.2
1970	105.1	58.9	46.2	41.5	32.6	8.9	4.8	96.1	80.6	15.4	9.0
1971	129.0	68.6	60.4	46.4	41.6	4.7	14.0	115.1	86.2	28.8	13.9
1972	154.0	80.8	73.2	58.8	41.4	17.3	14.4	137.5	101.0	36.5	16.4
1973	181.7	83.8	97.8	72.9	37.4	35.5	25.0	165.5	124.4	41.1	16.1
1974	183.0	77.6	105.4	83.1	39.6	43.5	22.2	169.9	134.6	35.3	13.1
1975	145.5	103.4	42.1	37.1	49.8	-12.8	5.0	130.9	95.7	35.2	14.5
Seasonally adjusted annual rates											
1975: I	83.5	83.5	0.0	35.0	52.9	-18.0	-35.0	68.6	89.8	-21.2	14.9
II	130.7	101.5	29.2	32.1	54.4	-22.2	-2.9	115.3	80.9	34.4	15.4
III	171.0	113.6	57.4	31.1	37.9	-6.8	26.3	157.9	106.8	51.1	13.2
IV	196.7	114.9	81.8	50.0	54.0	-4.0	31.7	182.2	105.5	76.7	14.6
1976: I	200.9	120.6	80.3	45.4	48.6	-3.1	34.8	190.9	129.3	61.6	9.9
II	200.1	121.3	78.8	48.1	43.0	5.0	30.6	195.4	140.5	54.9	4.6
III	198.5	128.1	70.4	38.0	37.7	.2	32.4	189.2	143.7	45.5	9.3

<sup>1</sup> Undistributed profits (after inventory valuation and capital consumption adjustments), capital consumption allowances, and foreign branch profits.

<sup>2</sup> Stocks, bonds, and mortgages.

<sup>3</sup> Bank loans, commercial paper, finance company loans, bankers' acceptances, and Government loans.

<sup>4</sup> Plant and equipment, residential structures, inventory investment, and mineral rights.

Source: Board of Governors of the Federal Reserve System.

TABLE B-85.—Current assets and liabilities of U.S. corporations, 1939-76  
[Billions of dollars]

End of year or quarter	Current assets							Current liabilities					Net working capital
	Total	Cash on hand and in banks <sup>1</sup>	U.S. Government securities <sup>2</sup>	Receivables from U.S. Government <sup>3</sup>	Notes and accounts receivable	Inventories	Other current assets <sup>4</sup>	Total	Advances and prepayments, U.S. Government <sup>5</sup>	Notes and accounts payable	Federal income tax liabilities	Other current liabilities <sup>6</sup>	
All corporations <sup>6</sup>													
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	44.6	1.6	61.5	37.6	10.7	13.2	12.2	62.1
1948	133.0	25.3	14.8	42.4	48.9	48.9	1.6	64.4	39.3	11.5	13.5	13.5	68.6
1949	133.1	26.5	16.8	43.0	45.3	45.3	1.4	60.7	37.5	9.3	14.0	14.0	72.4
1950	161.5	30.1	20.7	1.1	55.7	55.1	1.7	79.8	.4	47.9	16.7	14.9	81.6
1951	179.1	28.0	19.7	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 <sup>7</sup>													
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	473.6	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	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6	187.4
1971	529.6	53.3	11.0	3.5	217.6	200.4	43.8	326.0	4.9	215.6	13.1	92.4	203.6
1972	573.5	57.5	9.3	3.4	240.0	215.2	48.1	352.2	4.0	230.4	15.1	102.6	221.3
1973	643.3	61.6	11.0	3.5	266.1	246.7	54.4	401.0	4.3	261.6	18.1	117.0	242.3
1974	712.2	62.7	11.7	3.5	289.7	288.0	56.6	450.6	5.2	287.5	23.2	134.8	261.5
1975	731.6	68.1	19.4	3.6	294.6	285.8	60.0	457.5	6.4	281.6	20.7	148.8	274.1
1975: I	698.4	60.6	12.1	3.2	281.9	285.2	55.4	438.0	5.3	271.2	21.8	139.8	260.4
II	703.2	63.7	12.7	3.3	284.8	281.4	57.3	434.2	5.8	270.1	17.7	140.6	269.0
III	716.5	65.6	14.3	3.3	294.7	279.6	59.0	444.7	6.2	273.4	19.4	145.6	271.8
IV	731.6	68.1	19.4	3.6	294.6	285.8	60.0	457.5	6.4	281.6	20.7	148.8	274.1
1976: I	753.5	68.4	21.7	3.6	307.3	288.8	63.6	465.9	6.4	280.5	23.9	155.0	287.6
II	775.4	70.8	23.7	3.7	318.1	295.6	63.9	475.9	6.8	287.0	22.0	160.1	299.4
III	791.8	71.1	23.9	4.3	324.2	302.1	66.3	484.1	7.0	284.7	24.9	167.5	307.7

<sup>1</sup> Includes time certificates of deposit.

<sup>2</sup> Includes Federal agency issues.

<sup>3</sup> Receivables from and payables to the 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.

<sup>4</sup> Includes marketable investments (other than Government securities and time certificates of deposit) as well as sundry current assets.

<sup>5</sup> Includes commercial paper outstanding, the portion of long-term debt due in less than 1 year, and miscellaneous current liabilities not elsewhere classified.

<sup>6</sup> Excludes banks, savings and loan associations, and insurance companies.

<sup>7</sup> 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 1971 are based on "Statistics of Income" (Department of the Treasury), covering virtually all corporations in the United States. "Statistics of Income" data may not be strictly comparable from year to year because of changes in the tax laws, basis for filing returns, and processing of data for compilation purposes. All other figures shown are estimates based on data compiled from many different sources, including data on corporations registered with the Securities and Exchange Commission.

Source: Securities and Exchange Commission.

TABLE B-86.—State and municipal and corporate securities offered, 1934-76

[Millions of dollars]

Year or quarter	State and municipal securities offered for cash (principal amounts)	Corporate securities offered for cash								
		Total corporate offerings	Type of corporate security			Industry of corporate issuer				
			Common stock	Preferred stock	Bonds and notes	Manu- facturing <sup>1</sup>	Elec- tric, gas, and water <sup>2</sup>	Trans- porta- tion <sup>3</sup>	Com- muni- ca- tion	Other
1934	939	397	19	6	372	67	133	176		21
1939	1,128	2,164	87	98	1,979	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	2,389	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	2,670	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	6,362	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	982	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	2,425
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	3,274	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	14,782	1,473	724	12,585	5,414	2,934	702	945	4,787
1966	11,089	17,385	1,901	580	14,304	7,056	3,666	1,494	2,003	3,167
1967	14,288	24,014	1,927	881	21,206	11,069	4,935	1,639	1,975	4,396
1968	16,374	21,261	3,885	636	16,740	6,958	5,293	1,564	1,775	5,671
1969	11,460	25,997	7,640	691	17,666	6,346	6,715	1,779	2,172	8,985
1970	17,762	37,451	7,037	1,390	29,023	10,647	11,009	1,253	5,291	9,252
1971	24,370	43,219	9,502	3,682	30,035	11,625	11,746	1,166	5,815	12,867
1972	23,070	39,704	10,707	3,370	25,627	6,400	11,314	859	4,835	16,297
1973	22,953	31,684	7,643	3,341	20,700	4,835	10,270	811	4,867	10,899
1974	22,824	37,737	3,986	2,254	31,497	10,410	12,835	1,004	3,928	9,559
1975	29,326	52,527	7,402	3,459	41,666	18,649	15,893	2,636	4,463	10,884
1975: I	6,526	15,118	1,431	662	13,025	6,051	4,736	85	1,381	2,865
1975: II	7,796	15,301	2,676	924	11,700	6,698	4,407	507	1,190	2,498
1975: III	8,236	9,232	1,419	635	7,179	2,420	3,326	291	678	2,516
1975: IV	6,768	12,876	1,876	1,238	9,762	3,480	3,424	1,753	1,214	3,004
1976: I	8,274	13,744	2,788	764	10,191	4,496	4,045	1,087	765	3,351
1976: II	8,614	13,852	2,403	720	10,729	3,701	3,139	605	1,876	4,529
1976: III	7,854	10,789	1,423	439	8,929	2,972	3,315	1,193	377	2,933

<sup>1</sup> Prior to 1948, also includes extractive, radio broadcasting, airline companies, commercial, and miscellaneous company issues.

<sup>2</sup> Prior to 1948, also includes telephone, street railway, and bus company issues.

<sup>3</sup> 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, and issues to be sold over an extended period, such as employee-purchase plans. Closed-end investment company issues are included beginning 1971.

Sources: Securities and Exchange Commission, "The Commercial and Financial Chronicle," and "The Bond Buyer."

TABLE B-87.—Common stock prices and yields, 1949-76

Period	Common stock prices <sup>1</sup>						Common stock yields (percent) <sup>5</sup>		
	New York Stock Exchange indexes (December 31, 1965=50) <sup>2</sup>					Dow-Jones industrial average <sup>3</sup>	Standard & Poor's composite index (1941-43=10) <sup>4</sup>	Dividend-price ratio <sup>6</sup>	Earnings-price ratio <sup>7</sup>
	Com-posite	Indus-trial	Trans-portion	Utility	Finance				
1949	9.02					179.48	15.23	6.59	15.48
1950	10.87					216.31	18.40	6.57	13.99
1951	13.08					257.64	22.34	6.13	11.82
1952	13.81					270.76	24.50	5.80	9.47
1953	13.67					275.97	24.73	5.80	10.26
1954	16.19					333.94	29.69	4.95	8.57
1955	21.54					442.72	40.49	4.08	7.95
1956	24.40					493.01	46.62	4.69	7.55
1957	23.67					475.71	44.38	4.35	7.89
1958	24.56					491.66	46.24	3.97	6.23
1959	30.73					632.12	57.38	3.23	5.78
1960	30.01					618.04	55.85	3.47	5.90
1961	35.37					691.55	66.27	2.98	4.62
1962	33.49					639.76	62.38	3.37	5.82
1963	37.51					714.81	69.87	3.17	5.50
1964	43.76					834.05	81.37	3.01	5.32
1965	47.39					910.88	88.17	3.00	5.59
1966	46.15	46.18	50.26	45.41	44.45	873.60	85.26	3.40	6.63
1967	50.77	51.97	53.51	45.43	49.82	879.12	91.93	3.20	5.73
1968	55.37	58.00	50.58	44.19	65.85	906.00	98.70	3.07	5.67
1969	54.67	57.44	46.96	42.80	70.49	876.72	97.84	3.24	6.08
1970	45.72	48.03	32.14	37.24	60.00	753.20	83.22	3.83	6.45
1971	54.22	57.92	44.35	39.53	70.38	884.76	98.29	3.14	5.41
1972	60.29	65.73	50.17	38.48	78.35	950.71	109.20	2.84	5.50
1973	57.42	63.08	37.74	37.69	70.12	923.88	107.43	3.06	7.12
1974	43.84	48.08	31.89	29.79	49.67	759.37	82.85	4.47	11.59
1975	45.73	50.52	31.10	31.50	47.14	802.49	86.16	4.31	9.04
1976	54.46	60.44	39.57	36.97	52.94	974.92	102.01	3.77	-----
1975: Jan	38.56	41.29	28.12	29.55	44.85	659.09	72.56	5.07	-----
Feb	42.48	46.00	30.21	31.31	47.59	724.89	80.10	4.61	-----
Mar	44.35	48.63	31.62	31.04	47.83	765.06	83.78	4.42	10.10
Apr	44.91	49.74	31.70	30.01	47.35	790.93	84.72	4.34	-----
May	47.76	53.22	32.28	31.02	50.06	836.56	90.10	4.08	-----
June	49.22	54.61	32.38	32.79	52.20	845.70	92.40	4.02	8.30
July	49.54	54.96	32.90	32.98	52.51	856.28	92.49	4.02	-----
Aug	45.71	50.71	30.08	31.02	46.55	815.51	85.71	4.36	-----
Sept	44.97	50.05	29.46	30.65	43.38	818.28	84.67	4.39	9.13
Oct	46.87	52.26	30.79	31.87	44.36	831.26	88.57	4.22	-----
Nov	47.64	52.91	32.09	32.99	45.10	845.51	90.07	4.07	-----
Dec	46.78	51.89	31.61	32.75	43.86	840.80	88.70	4.14	8.64
1976: Jan	51.31	57.00	35.78	35.23	48.83	929.34	96.86	3.80	-----
Feb	53.73	59.79	38.53	36.12	52.06	971.70	100.64	3.67	-----
Mar	54.01	60.30	39.17	35.43	52.61	988.55	101.08	3.65	8.29
Apr	54.28	60.62	38.66	35.69	52.71	992.51	101.93	3.66	-----
May	53.87	60.22	39.71	35.40	50.99	988.82	101.16	3.76	-----
June	54.23	60.70	40.41	35.16	51.82	985.59	101.77	3.75	8.76
July	55.68	62.11	42.12	36.49	54.06	993.20	104.20	3.64	-----
Aug	55.18	61.14	40.63	37.56	54.22	981.63	103.29	3.74	-----
Sept	56.29	62.35	40.36	38.77	54.52	994.37	105.45	3.71	9.02
Oct	54.43	60.07	38.37	38.33	52.74	951.95	101.89	3.85	-----
Nov	54.17	59.45	39.28	38.85	53.25	944.58	101.19	4.04	-----
Dec	56.34	61.54	41.77	40.61	57.45	976.86	104.66	3.93	-----

<sup>1</sup> Averages of daily closing prices, except New York Stock Exchange data through May 1964 are averages of weekly closing prices.

<sup>2</sup> Includes all the stocks (more than 1,500) listed on the New York Stock Exchange.

<sup>3</sup> Includes 30 stocks.

<sup>4</sup> Includes 500 stocks.

<sup>5</sup> Standard and Poor's series, based on 500 stocks in the composite index.

<sup>6</sup> 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.

<sup>7</sup> Ratio of quarterly earnings (seasonally adjusted annual rate) to price index for last day of quarter. Annual ratios are averages of quarterly ratios.

Note.—All data relate to stocks listed on the New York Stock Exchange.

Sources: New York Stock Exchange, Dow-Jones & Co., Inc., and Standard & Poor's Corporation.

TABLE B-88.—Business formation and business failures, 1929-76

Year or month	Index of net business formation (1967 = 100)	New business incorporations (number)	Business failures <sup>1</sup>						
			Business failure rate <sup>2</sup>	Number of failures			Amount of current liabilities (millions of dollars)		
				Total	Liability size class		Total	Liability size class	
					Under \$100,000	\$100,000 and over		Under \$100,000	\$100,000 and over
1929			103.9	22,909	22,165	744	483.3	261.5	221.8
1933 <sup>3</sup>			100.3	19,859	18,880	979	457.5	215.5	242.0
1939 <sup>4</sup>			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	112.6	96,346	20.4	5,250	4,853	397	234.6	93.9	140.7
1949	87.8	85,640	34.4	9,246	8,708	538	308.1	161.4	146.7
1950	93.1	93,092	34.3	9,162	8,746	416	248.3	151.2	97.1
1951	93.3	83,778	30.7	8,058	7,626	432	259.5	131.6	128.0
1952	98.2	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	99.1	139,915	41.6	10,969	10,113	856	449.4	206.4	243.0
1956	95.2	141,163	48.0	12,686	11,615	1,071	562.7	239.8	322.9
1957	90.4	137,112	51.7	13,739	12,547	1,192	615.3	267.1	348.2
1958	89.5	150,781	55.9	14,964	13,499	1,465	728.3	297.6	430.7
1959	96.8	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	88.3	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	98.6	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	108.0	264,209	43.8	10,748	8,019	2,729	1,887.8	269.3	1,618.4
1971	111.0	287,577	41.7	10,326	7,611	2,715	1,916.9	271.3	1,645.6
1972	117.9	316,601	38.3	9,566	7,040	2,526	2,000.2	258.8	1,741.5
1973	117.9	329,358	36.4	9,345	6,627	2,718	2,298.6	235.6	2,063.0
1974	112.4	319,149	38.4	9,915	6,733	3,182	3,053.1	256.9	2,796.3
1975	108.9	326,345	42.6	11,432	7,504	3,928	4,380.2	298.6	4,081.6
Seasonally adjusted									
1975: Jan	102.9	24,406	46.8	1,080	677	403	391.1	25.5	365.7
Feb	101.7	24,298	44.9	963	627	336	384.8	25.0	359.8
Mar	103.0	24,922	46.3	1,145	774	371	343.3	30.2	313.2
Apr	103.4	26,506	49.1	1,202	756	446	372.1	29.9	342.2
May	104.8	26,634	43.4	1,045	728	317	357.8	29.2	328.6
June	110.7	26,231	36.5	805	572	233	175.9	22.5	153.4
July	113.7	28,571	41.9	904	553	351	242.0	21.7	220.4
Aug	112.6	28,632	41.4	891	608	283	222.4	23.1	199.3
Sept	113.1	29,000	42.2	853	559	294	205.5	22.7	182.8
Oct	112.0	29,469	44.9	987	645	342	*1,295.4	25.4	1,270.0
Nov	112.5	28,795	37.0	801	521	280	252.9	22.4	230.4
Dec	116.0	29,704	35.4	756	484	272	136.9	20.9	115.9
1976: Jan	115.4	29,604	36.9	886	530	356	257.1	22.0	235.1
Feb	114.5	28,973	38.2	867	572	295	211.8	23.9	187.8
Mar	116.3	30,910	36.3	965	618	347	247.7	26.0	221.6
Apr	115.7	29,876	35.4	888	587	301	206.4	23.1	183.3
May	114.9	28,637	35.0	835	546	289	233.3	23.3	210.0
June	118.6	31,600	32.7	775	498	277	373.6	20.3	353.3
July	117.8	30,114	31.2	689	458	231	305.6	19.1	286.5
Aug	117.8	32,746	35.7	798	498	300	264.0	21.5	242.4
Sept	118.3	32,368	34.9	714	454	260	250.3	18.4	231.9
Oct	120.0	32,887	34.7	745	496	249	183.6	20.4	163.2
Nov		33,574							

<sup>1</sup> 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.

<sup>2</sup> Failure rate per 10,000 listed enterprises.

<sup>3</sup> Series revised; not strictly comparable with earlier data.

<sup>4</sup> Excluding W. T. Grant, current liabilities were \$264.9 billion.

Sources: Department of Commerce (Bureau of Economic Analysis) and Dun & Bradstreet, Inc.

# AGRICULTURE

## TABLE B-89.—Income of farm people and farmers, 1929-76

[Quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal income received by total farm population			Income received from farming					Net income per farm including net inventory change	
				Realized gross		Production expenses	Net to farm operators			
	From all sources	From farm sources <sup>1</sup>	From non-farm sources <sup>2</sup>	Total <sup>3</sup>	Cash receipts from marketings		Excluding net inventory change	Including net inventory change <sup>4</sup>	Current dollars	1967 dollars <sup>5</sup>
						Billions of 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	12.1	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	20.3	14.1	6.3	32.3	28.5	19.5	12.8	13.6	2,417	3,180
1951	22.7	16.1	6.5	37.1	32.9	22.3	14.8	15.9	2,936	3,537
1952	22.0	15.3	6.7	36.8	32.5	22.8	14.0	15.0	2,878	3,426
1953	19.7	13.3	6.4	35.1	31.0	21.5	13.6	13.0	2,604	3,100
1954	18.3	12.4	5.9	33.7	29.8	21.8	11.9	12.4	2,579	3,070
1955	17.5	11.3	6.2	33.3	29.5	22.2	11.1	11.3	2,429	2,892
1956	17.6	11.1	6.6	34.4	30.4	22.7	11.7	11.3	2,493	2,933
1957	17.5	10.8	6.6	34.2	29.7	23.7	10.5	11.1	2,536	2,882
1958	19.2	12.5	6.7	38.1	33.5	25.8	12.3	13.2	3,111	3,496
1959	17.5	10.4	7.1	37.9	33.6	27.2	10.7	10.7	2,615	2,938
1960	18.4	11.1	7.2	38.5	34.2	27.4	11.1	11.5	2,907	3,230
1961	19.0	11.4	7.6	40.2	35.2	28.6	11.6	12.0	3,126	3,473
1962	19.7	11.4	8.3	41.7	36.5	30.3	11.4	12.1	3,267	3,590
1963	20.0	11.0	9.0	42.7	37.5	31.6	11.1	11.8	3,295	3,582
1964	19.8	10.0	9.7	43.1	37.3	31.8	11.3	10.5	3,035	3,263
1965	22.6	12.0	10.6	45.5	39.4	33.7	11.9	12.9	3,843	4,405
1966	23.8	12.6	11.2	50.6	43.4	36.5	14.0	14.0	4,286	4,373
1967	22.9	11.1	11.7	49.9	42.8	38.2	11.7	12.3	3,903	3,303
1968	24.1	11.3	12.8	51.7	44.2	39.5	12.2	12.3	4,013	3,859
1969	26.9	12.9	13.9	56.3	48.2	42.1	14.2	14.3	4,766	4,372
1970	27.4	13.0	14.4	58.6	50.5	44.4	14.1	14.2	4,790	4,202
1971	28.7	13.4	15.3	60.6	52.9	47.4	13.2	14.6	5,030	4,263
1972	34.4	16.8	17.6	70.1	61.2	52.3	17.8	18.7	6,504	5,288
1973	48.6	29.0	19.5	95.5	87.1	65.6	29.9	33.3	11,727	8,817
1974	45.1	23.5	21.5	100.2	92.6	72.4	27.8	26.5	9,371	6,206
1975	45.5	22.8	22.7	98.2	89.6	75.5	22.7	25.6	9,100	5,482
1976 <sup>a</sup>	44.0	20.0	24.0							
1974: I				106.8	99.4	72.6	34.2	32.7	11,550	8,080
II				97.5	90.0	71.5	26.0	25.2	8,900	5,930
III				97.0	89.3	72.7	24.3	24.3	8,590	5,580
IV				99.5	91.7	72.8	26.7	23.8	8,410	5,320
1975: I				88.4	80.0	73.4	15.0	18.5	6,590	4,070
II				99.6	91.1	76.1	23.5	24.8	8,830	5,380
III				105.2	96.5	76.8	28.4	30.0	10,680	6,320
IV				99.6	90.8	75.7	23.9	29.1	10,360	6,060
1976: I				101.5	92.4	79.0	22.5	22.5	8,100	4,710
II				111.1	101.8	82.5	28.6	25.6	9,210	5,300
III				103.3	93.8	81.5	21.8	20.8	7,490	4,230

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Cash receipts from marketings, Government payments, and nonmoney and other farm income furnished by farms (excluding net inventory change).

<sup>4</sup> Includes net value of physical change in inventory of crops and livestock valued at average prices for the year.

<sup>5</sup> Income in current dollars divided by the index of prices paid by farmers for family living items on a 1967 base.

Source: Department of Agriculture.

TABLE B-90.—Farm production indexes, 1929-76

[1967=100]

Year	Farm output <sup>1</sup>	Crops <sup>2</sup>									Livestock and products <sup>2</sup>			
		Total <sup>3</sup>	Feed grains	Hay and forage	Food grains	Vegetables	Fruits and nuts	Cotton	To-bacco	Oil crops	Total <sup>3</sup>	Meat animals	Dairy products	Poultry and eggs
1929	54	62	48	71	52	73	70	204	78	11	54	52	76	32
1933	51	56	44	62	36	65	72	178	70	9	57	58	80	32
1939	58	64	51	68	48	72	91	162	97	25	59	59	82	35
1940	60	67	52	76	52	74	88	173	74	27	61	60	85	36
1941	63	68	56	75	60	75	93	148	64	29	64	63	89	39
1942	70	76	64	82	63	79	92	176	72	40	71	72	92	45
1943	69	72	58	80	54	86	80	157	71	41	77	81	91	52
1944	71	75	62	79	67	82	92	168	99	36	74	73	93	52
1945	70	73	60	81	70	84	84	124	101	35	73	70	95	54
1946	72	77	65	77	72	93	100	119	118	34	71	68	94	50
1947	69	73	50	74	85	81	95	163	107	39	70	67	93	50
1948	76	84	72	74	81	86	87	205	101	47	68	66	90	49
1949	74	79	63	73	70	83	92	220	100	45	72	69	93	54
1950	74	77	64	78	65	85	93	137	103	46	75	74	93	57
1951	76	78	59	81	64	80	94	208	119	47	78	79	92	59
1952	79	82	63	79	83	80	91	208	114	46	79	79	92	60
1953	80	81	61	81	76	84	93	208	105	47	80	78	97	61
1954	80	80	64	81	67	82	93	226	114	49	82	81	98	64
1955	83	83	68	86	63	85	93	188	112	53	84	86	99	63
1956	83	82	68	82	66	91	97	202	111	60	85	83	101	69
1957	81	81	74	89	62	88	89	183	85	58	83	80	101	70
1958	87	89	80	89	91	90	96	150	88	69	85	82	101	74
1959	89	89	84	85	73	89	99	157	91	64	89	88	100	76
1960	91	93	87	90	87	90	93	170	99	68	88	85	101	76
1961	92	92	78	90	80	96	97	195	105	77	91	89	104	82
1962	92	92	79	93	74	94	97	204	118	78	92	90	105	82
1963	96	96	86	93	77	94	95	211	119	81	95	95	104	84
1964	95	93	75	94	86	90	95	232	113	81	98	98	105	87
1965	98	99	88	98	88	96	100	205	94	95	95	92	104	90
1966	95	95	89	97	88	97	98	130	96	97	97	96	101	96
1967	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1968	102	103	95	99	106	104	98	148	87	114	100	101	99	98
1969	102	104	99	100	98	101	116	137	91	116	101	102	98	100
1970	101	101	89	99	91	101	109	139	97	117	105	108	100	106
1971	111	112	116	105	107	100	116	145	86	121	108	112	101	107
1972	110	113	112	104	102	101	104	187	88	131	108	110	102	109
1973	112	120	115	109	112	102	130	175	88	155	105	108	98	106
1974	108	110	93	104	120	103	124	158	101	127	106	110	98	106
1975	111	122	113	108	141	100	131	112	111	151	100	101	98	102
1976 P.	111	118	117	100	138	100	139	133	105	128	103	102	101	109

<sup>1</sup> Farm output measures the annual volume of net farm production available for eventual human use through sales from farms or consumption in farm households.

<sup>2</sup> Gross production.

<sup>3</sup> Includes certain items not shown separately.

Source: Department of Agriculture.

TABLE B-91.—Farm population, employment, and productivity, 1929-76

Year	Farm population (April 1) <sup>1</sup>		Farm employment (thousands) <sup>2</sup>			Farm output				Crop production per acre <sup>4</sup>
	Number (thousands)	As percent of total population <sup>3</sup>	Total	Family workers	Hired workers	Per unit of total input	Per hour of farm work			
							Total	Crops	Live-stock and products	
							Index, 1967=100			
1929.....	30,580	25.1	12,763	9,360	3,403	54	16	16	26	56
1933.....	32,393	25.8	12,739	9,874	2,865	55	16	16	25	50
1939.....	30,840	23.5	11,338	8,611	2,727	60	19	20	27	60
1940.....	30,547	23.1	10,979	8,300	2,679	62	20	21	27	62
1941.....	30,118	22.6	10,669	8,017	2,652	64	22	23	28	63
1942.....	28,914	21.4	10,504	7,949	2,555	69	24	25	30	70
1943.....	26,186	19.2	10,446	8,010	2,436	68	24	24	31	64
1944.....	24,815	17.9	10,219	7,988	2,231	69	24	25	31	68
1945.....	24,420	17.5	10,000	7,881	2,119	69	26	27	31	67
1946.....	25,403	18.0	10,295	8,106	2,189	72	28	29	32	71
1947.....	25,829	17.9	10,382	8,115	2,267	70	28	29	33	67
1948.....	24,383	16.6	10,363	8,026	2,337	75	31	33	34	75
1949.....	24,194	16.2	9,964	7,712	2,252	72	32	33	35	70
1950.....	23,048	15.2	9,926	7,597	2,329	73	34	36	37	69
1951.....	21,890	14.2	9,546	7,310	2,236	73	35	35	39	70
1952.....	21,748	13.9	9,149	7,005	2,144	75	38	39	40	73
1953.....	19,874	12.5	8,864	6,775	2,089	76	40	40	42	72
1954.....	19,019	11.7	8,651	6,570	2,081	77	42	42	43	71
1955.....	19,078	11.5	8,381	6,345	2,036	80	45	45	46	74
1956.....	18,712	11.1	7,852	5,900	1,952	81	48	48	49	76
1957.....	17,656	10.3	7,600	5,660	1,940	82	51	53	50	77
1958.....	17,128	9.8	7,503	5,521	1,982	89	57	61	54	86
1959.....	16,592	9.4	7,342	5,390	1,952	89	60	61	59	85
1960.....	15,635	8.7	7,057	5,172	1,885	92	65	66	62	89
1961.....	14,803	8.1	6,919	5,029	1,890	93	68	69	66	92
1962.....	14,313	7.7	6,700	4,873	1,827	94	71	72	71	95
1963.....	13,367	7.1	6,518	4,738	1,780	98	77	77	77	97
1964.....	12,954	6.8	6,110	4,506	1,604	97	81	79	83	95
1965.....	12,363	6.4	5,610	4,128	1,482	102	89	90	86	100
1966.....	11,595	5.9	5,214	3,854	1,360	97	92	94	93	97
1967.....	10,875	5.5	4,903	3,650	1,253	100	100	100	100	100
1968.....	10,454	5.2	4,749	3,535	1,213	101	106	106	105	105
1969.....	10,307	5.1	4,596	3,419	1,176	102	110	108	112	106
1970.....	9,712	4.7	4,523	3,348	1,175	101	112	110	121	104
1971.....	9,425	4.6	4,436	3,275	1,161	110	126	120	130	112
1972.....	9,610	4.6	4,373	3,228	1,146	109	129	124	138	115
1973.....	9,472	4.5	4,337	3,169	1,168	110	133	128	144	115
1974.....	9,264	4.4	4,389	3,075	1,314	107	132	118	156	103
1975.....	8,864	4.2	4,357	3,034	1,324	113	141	131	160	114
1976 <sup>p</sup> .....	8,300	3.9	4,376	2,997	1,379	110	140	130	161	109

<sup>1</sup> Farm population as defined by Department of Agriculture and Department of Commerce, i.e., civilian population living on farms, regardless of occupation.

<sup>2</sup> Total population of United States as of July 1 including Armed Forces overseas.

<sup>3</sup> Includes persons doing farmwork on all farms. These data, published by the Department of Agriculture, Statistical Reporting Service, differ from those on agricultural employment by the Department of Labor (see Table B-29) 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."

<sup>4</sup> Computed from variable weights for individual crops produced each year.

Sources: Department of Agriculture and Department of Commerce (Bureau of the Census).

TABLE B-92.—Indexes of prices received and prices paid by farmers and selected farm resource prices, 1929-76

[1967 = 100, except as noted]

Year or month	Prices received by farmers			Prices paid by farmers			Selected resource prices			
	All farm products	Crops	Livestock and products	All items, interest, taxes, and wage rates	Family living items	Production items	Tractors and self-propelled machinery	Fertilizer	Average hourly wage rate, all hired farm workers <sup>1</sup>	Average farm real estate value per acre <sup>2</sup>
1929.....	59	60	58	47	48	51				27
1933.....	28	31	25	32	34	34				16
1939.....	38	36	39	36	37	42				19
1940.....	40	40	40	36	38	43				19
1941.....	49	48	50	39	40	45				19
1942.....	64	64	62	44	46	52				21
1943.....	77	83	72	50	52	57				23
1944.....	89	88	71	53	54	60				26
1945.....	79	90	77	56	57	61				29
1946.....	94	102	88	61	63	67				32
1947.....	110	117	105	70	74	78				36
1948.....	115	113	115	76	78	87			\$0.73	39
1949.....	100	100	99	73	75	83			.68	41
1950.....	103	103	102	75	76	86			.69	40
1951.....	121	118	122	82	83	95			.77	46
1952.....	115	119	111	84	84	95			.81	51
1953.....	102	107	97	81	84	89			.82	52
1954.....	98	108	90	81	84	89			.81	51
1955.....	93	103	85	81	84	87			.82	53
1956.....	92	104	82	81	85	87			.86	55
1957.....	94	100	89	84	88	90			.88	58
1958.....	100	99	99	86	89	92			.92	61
1959.....	96	98	93	87	89	93			.95	66
1960.....	95	99	92	88	90	92			.97	68
1961.....	96	101	91	88	90	93			.99	69
1962.....	98	103	93	90	91	94			1.01	73
1963.....	97	107	89	91	92	95			1.05	77
1964.....	95	106	86	92	93	94			1.08	82
1965.....	98	103	94	94	95	96	92	103	1.14	86
1966.....	106	106	106	99	98	100	96	102	1.23	93
1967.....	100	100	100	100	100	100	100	100	1.33	100
1968.....	102	100	104	103	104	100	104	94	1.44	107
1969.....	107	97	117	108	109	104	111	87	1.55	113
1970.....	110	100	118	112	114	108	116	88	1.64	117
1971.....	113	108	118	120	118	113	122	91	1.73	122
1972.....	125	114	136	125	123	121	128	94	1.84	132
1973.....	179	175	183	144	133	146	137	102	2.00	150
1974.....	192	224	165	166	151	166	161	167	2.25	187
1975.....	186	201	172	181	166	182	195	217	2.43	214
1976.....	186	198	177	194	176	196		185		244
1975: Jan 15.....	182	216	153	175	161	176			2.47	
Feb 15.....	176	204	151	174	162	173				
Mar 15.....	172	195	152	174	163	173	185			214
Apr 15.....	178	201	158	179	163	181		231	2.42	
May 15.....	183	198	171	180	164	183				
June 15.....	186	198	176	183	166	186	199			
July 15.....	191	203	181	183	168	184			2.29	
Aug 15.....	194	212	180	184	169	186				
Sept 15.....	199	210	189	186	169	189	204			
Oct 15.....	195	203	189	184	170	186		200	2.63	
Nov 15.....	184	189	181	184	171	184				230
Dec 15.....	186	188	184	184	171	186	209			
1976: Jan 15.....	186	191	183	190	172	191			2.75	
Feb 15.....	187	193	183	191	172	193				244
Mar 15.....	186	195	178	192	173	194	211			
Apr 15.....	189	193	186	193	174	197		182	2.66	
May 15.....	191	198	185	193	174	196				
June 15.....	196	211	184	195	175	199	220			
July 15.....	195	215	179	196	177	199			2.53	
Aug 15.....	187	201	175	195	177	198				
Sept 15.....	187	204	172	195	178	197	224			
Oct 15.....	178	195	165	194	179	195		177	2.80	
Nov 15.....	173	187	162	193	180	194				269
Dec 15.....	179	191	169	195	181	196				

<sup>1</sup> Without room or board; on or about the first of January, April, July, and October.

<sup>2</sup> Average for 48 States. Annual data are for March 1 of each year through 1975 and for February 1 for 1976. Monthly data are for first of month.

Source: Department of Agriculture.

TABLE B-93.—Selected measures of farm resources and inputs, 1929-76

Year	Crops harvested (millions of acres) <sup>1</sup>	Total hours of farm work (billions)	Index numbers of inputs (1967=100)							
			Total	Farm labor	Farm real estate	Mechanical power and machinery	Agricultural chemicals <sup>2</sup>	Feed, seed, and livestock purchases <sup>3</sup>	Taxes and interest	Miscellaneous
1929.....	365	23.2	99	329	103	39	10	30	71	67
1933.....	340	22.6	93	320	97	32	6	27	73	64
1939.....	331	20.7	97	294	102	40	12	40	70	76
1940.....	341	20.5	98	292	104	42	13	41	70	77
1941.....	344	20.0	98	288	102	44	14	45	71	78
1942.....	348	20.6	101	295	100	52	15	47	71	75
1943.....	357	20.3	103	291	99	55	17	51	75	78
1944.....	362	20.2	104	289	98	58	20	51	77	81
1945.....	354	18.8	101	271	99	59	20	53	78	79
1946.....	352	18.1	100	260	103	58	21	52	79	80
1947.....	355	17.2	100	246	103	64	24	54	79	81
1948.....	356	16.8	101	239	104	73	26	55	77	86
1949.....	360	16.2	103	231	105	80	28	60	80	90
1950.....	345	15.1	102	217	105	85	30	62	80	86
1951.....	344	15.2	105	217	106	91	33	66	80	92
1952.....	349	14.5	105	207	105	95	36	68	82	91
1953.....	348	14.0	104	200	105	97	37	67	84	91
1954.....	346	13.3	103	192	105	97	38	70	83	88
1955.....	340	12.8	103	185	105	98	40	71	85	92
1956.....	324	12.0	102	174	103	99	41	74	85	88
1957.....	324	11.1	99	162	102	98	41	73	84	92
1958.....	324	10.5	99	155	101	98	44	78	85	97
1959.....	324	10.3	100	151	102	99	50	82	96	101
1960.....	324	9.8	99	145	100	98	50	82	91	103
1961.....	302	9.4	98	139	100	95	54	86	92	103
1962.....	295	9.0	98	133	101	95	59	88	93	106
1963.....	298	8.7	98	128	100	94	66	89	95	107
1964.....	298	8.2	98	122	101	94	72	91	97	111
1965.....	298	7.3	96	109	100	95	77	92	97	107
1966.....	294	6.9	98	103	100	97	86	97	99	103
1967.....	306	6.7	100	100	100	100	100	100	100	100
1968.....	300	6.4	101	97	99	101	106	101	102	106
1969.....	290	6.2	100	93	98	101	110	103	102	105
1970.....	293	6.0	100	90	97	100	110	108	102	108
1971.....	305	5.9	101	89	96	100	119	108	100	107
1972.....	293	5.7	101	85	94	99	125	109	102	114
1973.....	321	5.6	101	85	94	103	130	106	100	110
1974.....	330	5.5	101	83	94	102	136	105	97	101
1975.....	336	5.3	99	81	94	104	126	101	95	92
1976 <sup>p</sup> .....	336	5.3	101	81	94	103	136	104	95	96

<sup>1</sup> Acreage harvested (excluding duplication) plus acreages in fruits, tree nuts, and farm gardens.

<sup>2</sup> Fertilizer, lime, and pesticides.

<sup>3</sup> Feed, seed, and livestock purchases from nonfarm sources.

Source: Department of Agriculture.

TABLE B-94.—Comparative balance sheet of the farming sector, 1929-77

[Billions of dollars]

Beginning of year	Assets									Claims			
	Total	Real estate	Live-stock <sup>1</sup>	Other physical assets			Financial assets			Total	Real estate debt	Other debt	Proprietors' equities
				Machinery and motor vehicles	Crops <sup>2</sup>	Household equipment and furnishings	Deposits and currency	U.S. savings bonds	Investment in co-operatives				
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	6.4	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	204.0	130.6	15.3	22.7	7.7	9.6	9.2	4.7	4.2	204.0	12.0	12.8	179.2
1961	204.8	132.2	15.6	22.2	8.0	8.9	8.7	4.6	4.5	204.8	12.8	13.4	178.6
1962	213.3	138.4	16.4	22.5	8.8	9.1	8.8	4.5	4.8	213.3	13.8	14.7	184.8
1963	222.0	144.3	17.3	23.5	9.3	9.0	9.2	4.4	5.0	222.0	15.1	16.3	190.6
1964	229.8	152.6	15.9	23.9	9.8	8.8	9.2	4.2	5.4	229.8	16.8	17.6	195.4
1965	238.0	161.5	14.5	24.8	9.2	8.6	9.6	4.2	5.6	238.0	18.9	17.9	201.2
1966	254.7	172.8	17.6	26.0	9.7	8.6	10.0	4.1	5.9	254.7	21.2	19.5	214.0
1967	267.6	182.3	19.0	27.4	10.0	8.5	10.3	3.9	6.2	267.6	23.1	21.0	223.5
1968	281.0	192.5	18.8	29.8	9.6	9.1	10.9	3.8	6.5	281.0	25.1	22.3	233.6
1969	295.3	201.4	20.2	31.3	10.6	9.7	11.5	3.8	6.8	295.3	27.4	23.1	244.8
1970	306.2	206.9	23.5	32.3	10.9	9.8	11.9	3.7	7.2	306.2	29.2	23.8	253.2
1971	317.7	215.0	23.7	34.4	10.7	10.3	12.4	3.6	7.6	317.7	30.3	24.1	263.3
1972	343.3	231.5	27.3	36.6	11.8	11.2	13.2	3.7	8.0	343.3	32.2	26.9	284.2
1973	387.8	260.6	34.1	39.3	14.5	12.7	14.0	4.0	8.6	387.8	35.8	29.6	322.4
1974	476.3	325.3	42.4	44.3	22.1	13.6	14.9	4.2	9.5	476.3	41.3	32.8	402.2
1975	520.6	371.1	24.6	56.5	23.3	15.3	15.0	4.3	10.5	520.6	46.3	35.5	438.8
1976	585.4	422.3	29.5	65.9	19.8	16.2	15.6	4.4	11.7	585.4	50.9	39.7	494.8
1977*	634.0	460.3		140.3				33.4		634.0	56.7	44.9	532.4

<sup>1</sup> Beginning with 1961, horses and mules are excluded.

<sup>2</sup> 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, 1977 totaled approximately \$0.5 billion.

Note.—Beginning 1960, data include Alaska and Hawaii.

Source: Department of Agriculture.

# INTERNATIONAL STATISTICS

TABLE B-95.—U. S. international transactions, 1946-76

[Millions of dollars; quarterly data seasonally adjusted, except as noted]

Year or quarter	Merchandise <sup>1,2</sup>			Military transactions			Net investment income		Net travel and transportation receipts	Other services, net <sup>3</sup>	Balance on goods and services <sup>1,4</sup>	Remittances, pensions, and other unilateral transfers <sup>1</sup>	Balance on current account
	Exports	Imports	Net balance	Direct expenditures	Sales	Net balance	Private <sup>3</sup>	U.S. Government					
1946	11,764	-5,067	6,697	-493	(?)	-493	554	6	733	310	7,807	-2,922	4,885
1947	16,097	-5,973	10,124	-455	(?)	-455	807	50	946	145	11,617	-2,625	8,992
1948	13,265	-7,557	5,708	-799	(?)	-799	975	85	374	175	6,518	-4,525	1,993
1949	12,213	-6,874	5,339	-621	(?)	-621	989	73	230	208	6,218	-5,638	580
1950	10,203	-9,081	1,122	-576	(?)	-576	1,146	78	-120	242	1,892	-4,017	-2,125
1951	14,243	-11,176	3,067	-1,270	(?)	-1,270	1,317	151	298	254	3,817	-3,515	302
1952	13,449	-10,838	2,611	-2,054	(?)	-2,054	1,267	140	83	309	2,356	-2,531	-175
1953	12,412	-10,975	1,437	-2,615	192	-2,423	1,283	166	-238	307	532	-2,481	-1,949
1954	12,929	-10,353	2,576	-2,642	182	-2,460	1,594	213	-269	305	1,959	-2,280	-321
1955	14,424	-11,527	2,897	-2,901	200	-2,701	1,775	180	-297	299	2,153	-2,498	-345
1956	17,556	-12,803	4,753	-2,998	161	-2,788	2,054	40	-361	447	4,145	-2,423	1,722
1957	19,562	-13,291	6,271	-3,216	375	-2,841	2,174	4	-189	482	5,901	-2,345	3,556
1958	16,414	-12,952	3,462	-3,435	300	-3,135	2,008	168	-633	486	2,356	-2,361	-5
1959	16,458	-15,310	1,148	-3,107	302	-2,805	2,147	68	-821	573	310	-2,448	-2,138
1960	19,650	-14,758	4,892	-3,087	335	-2,753	2,270	17	-964	579	4,040	-2,308	1,732
1961	20,108	-14,537	5,571	-2,998	402	-2,596	2,832	105	-978	594	5,529	-2,524	3,005
1962	20,781	-16,260	4,521	-3,105	656	-2,448	3,177	134	-1,152	899	5,042	-2,638	2,404
1963	22,272	-17,048	5,224	-2,961	657	-2,304	3,227	98	-1,309	960	5,897	-2,754	3,143
1964	25,501	-18,700	6,801	-2,880	747	-2,133	3,926	9	-1,146	1,041	8,499	-2,781	5,718
1965	26,461	-21,510	4,951	-2,952	830	-2,122	4,143	26	-1,280	1,387	7,105	-2,854	4,251
1966	29,310	-25,493	3,817	-3,764	829	-2,935	3,543	55	-1,331	1,365	4,514	-2,932	1,582
1967	30,666	-26,866	3,800	-4,378	1,152	-3,226	3,865	41	-1,750	1,612	4,340	-3,125	1,215
1968	33,626	-32,991	635	-4,535	1,392	-3,143	3,941	63	-1,548	1,630	1,578	-2,951	-1,374
1969	36,414	-35,807	607	-4,856	1,528	-3,328	3,471	156	-1,763	1,833	977	-2,994	-2,017
1970	42,469	-39,866	2,603	-4,855	1,501	-3,355	3,631	-112	-2,023	2,190	2,938	-3,294	-356
1971	43,319	-45,579	-2,260	-4,819	1,926	-2,893	5,659	-956	-2,315	2,509	-256	-3,701	-3,957
1972	49,381	-55,797	-6,416	-4,784	1,163	-3,621	6,208	-1,888	-3,028	2,789	-5,954	-3,848	-9,802
1973	71,410	-70,499	911	-4,629	2,342	-2,287	8,188	-3,010	-3,086	3,188	3,905	-3,883	22
1974	98,310	-103,679	-5,369	-5,035	2,952	-2,083	13,461	-3,234	-3,107	3,919	3,586	-7,184	-3,598
1975	107,088	-98,058	9,030	-4,780	3,897	-883	9,430	-3,423	-2,503	4,666	16,316	-4,620	11,697
1974:													
I	22,460	-22,605	-145	-1,153	638	-515	4,056	-772	-680	875	2,819	-2,977	-158
II	24,212	-25,700	-1,488	-1,298	683	-615	2,796	-759	-793	913	54	-1,850	-1,796
III	25,036	-27,374	-2,338	-1,265	781	-484	3,173	-816	-771	1,021	-215	-1,261	-1,476
IV	26,602	-28,000	-1,398	-1,319	850	-469	3,436	-887	-863	1,110	929	-1,098	-169
1975:													
I	27,018	-25,570	1,448	-1,317	915	-402	2,109	-985	-687	1,125	2,608	-1,179	1,429
II	25,851	-22,568	3,283	-1,185	807	-378	2,349	-818	-498	1,146	5,084	-1,146	3,938
III	26,562	-24,483	2,079	-1,093	978	-115	2,487	-805	-568	1,187	4,265	-1,044	3,221
IV	27,657	-25,437	2,220	-1,185	1,197	12	2,485	-815	-750	1,205	4,357	-1,251	3,106
1976:													
I	26,836	-28,510	-1,674	-1,150	1,145	-5	3,066	-787	-754	1,212	1,058	-1,118	-60
II	28,428	-29,771	-1,343	-1,219	1,073	-146	3,195	-735	-396	1,161	1,736	-920	816
III	29,581	-32,614	-3,033	-1,221	1,587	366	3,480	-768	-485	1,309	869	-1,925	-1,056

<sup>1</sup> Excludes military grants.

<sup>2</sup> Adjusted from Census data for differences in valuation, coverage, and timing.

<sup>3</sup> Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from net investment income and included in other services, net.

<sup>4</sup> In concept, the sum of balance on current account and allocations of special drawing rights is equal to net foreign investment in the national income and product accounts, although the two may differ because of revisions, special handling of certain items, etc.

(Footnotes continued on following page.)

TABLE B-95.—U.S. international transactions, 1946-76—Continued

(Millions of dollars; quarterly data seasonally adjusted, except as noted)

Year or quarter	U.S. assets abroad, net [increase/capital outflow (-)]				Foreign assets in the U.S., net [increase/capital inflow (+)]				Statistical discrepancy		U.S. official reserve assets, net (unadjusted, end of period) <sup>a,b</sup>	
	Total	U.S. official reserve assets †	Other U.S. Government assets	U.S. private assets	Total	Foreign official assets		Other foreign assets	Allocations of special drawing rights (SDR)	Total (sum of the items with sign reversed)		Of which: Seasonal adjustment discrepancy
						Total	Assets of foreign official reserve agencies					
1946		-623										20,706
1947		-3,315										24,021
1948		-1,736										25,758
1949		-266										26,024
1950		1,758										24,265
1951		-33										24,299
1952		-415										24,714
1953		1,256										23,458
1954		480										22,978
1955		182										22,797
1956		-869										23,666
1957		-1,165										24,832
1958		2,292										22,540
1959		1,035										21,504
1960	-2,833	2,145	-1,100	-3,878	2,120	1,473	1,258	647		-1,019		19,359
1961	-4,484	606	-910	-4,180	2,467	765	741	1,701		-988		18,753
1962	-2,979	1,533	-1,085	-3,426	1,697	1,270	1,118	427		-1,122		17,220
1963	-5,764	377	-1,662	-4,479	2,981	1,986	1,558	995		-360		16,843
1964	-8,128	171	-1,680	-6,618	3,317	1,661	1,363	1,656		-907		16,672
1965	-4,176	1,222	-1,605	-3,793	382	132	67	249		-457		15,450
1966	-5,530	568	-1,543	-4,554	3,320	-674	-787	3,994		628		14,882
1967	-8,025	52	-2,423	-5,653	6,938	3,450	3,367	3,488		-128		14,830
1968	-8,572	-880	-2,274	-5,418	9,439	-776	-761	10,215		507		15,710
1969	-8,823	-1,187	-2,200	-5,436	12,270	-1,301	-1,552	13,571		-1,430		16,964
1970	-6,032	2,477	-1,589	-6,920	5,923	6,907	7,362	-984	867	-402		14,487
1971	-9,596	2,348	-1,884	-10,060	22,445	26,895	27,405	-4,450	717	-9,609		12,167
1972	-10,245	32	-1,568	-8,708	21,127	10,705	10,322	10,422	710	-1,790		13,151
1973	-16,434	209	-2,645	-13,998	18,519	6,299	5,145	12,220		-2,107		14,378
1974	-33,392	-1,434	365	-32,323	32,433	10,981	10,257	21,452		4,557		15,883
1975	-31,593	-607	-3,463	-27,523	15,326	6,899	5,166	8,427		4,570		16,226
1974: I	-7,915	-210	* 1,389	-9,094	5,906	-1,072	-1,138	6,977		2,167	1,191	14,588
II	-10,013	-358		-9,922	11,049	4,648	4,490	6,401		761	-235	14,946
III	-5,210	-1,003	-354	-3,854	7,612	3,149	2,731	4,462		-925	-2,498	15,893
IV	-10,252	137	-937	-9,453	7,867	4,256	4,174	3,611		2,554	1,542	15,883
1975: I	-8,001	-325	-899	-6,777	2,837	3,402	2,958	-565		3,735	1,328	16,256
II	-7,943	-29	-840	-7,074	3,907	2,331	1,913	1,576		98	-39	16,242
III	-4,411	-342	-772	-3,297	2,708	-1,606	-1,977	4,313		-1,517	-2,561	16,291
IV	-11,238	89	-952	-10,375	5,874	2,771	2,272	3,103		2,258	1,275	16,226
1976: I	-10,007	-773	-684	-8,550	5,396	3,942	2,460	1,454		4,671	1,349	16,941
II	-9,875	-1,578	-1,009	-7,288	7,336	4,105	3,308	3,225		1,729	-76	18,477
III	-8,901	-407	-1,454	-7,040	8,471	3,013	1,258	5,458		1,485	-2,829	18,945
IV												18,747

<sup>†</sup> Consists of gold, special drawing rights, convertible currencies, and the U.S. reserve position in the International Monetary Fund (IMF).

<sup>\*</sup> Includes increases (in millions) as follows: for 1969, \$67 resulting from revaluation of the German mark in October 1969; for 1971, \$28 in dollar value of foreign currencies revalued to reflect market exchange rates as of December 31, 1971; for 1972, \$1,016 resulting from change in par value of the dollar on May 8, 1972; and for 1973, \$1,436 resulting from change in par value of the dollar on October 18, 1973.

Beginning July 1974, valuation of SDR and reserve position in the IMF based on a weighted average of exchange rates for the currencies of 16 member countries. On a pre-July 1974 basis, reserve assets for December 31, 1974 are \$15,812 million; for December 31, 1975, \$16,366 million; and for December 31, 1976, \$18,895 million.

<sup>‡</sup> Not available separately.

<sup>§</sup> Data beginning 1970 not strictly comparable with earlier data.

<sup>¶</sup> Includes extraordinary U.S. Government transactions with India.

Note.—Quarterly data for changes in U.S. official reserve assets, U.S. private assets abroad, and foreign assets in the U.S. are not seasonally adjusted.

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of the Treasury.

TABLE B-96.—U.S. merchandise exports and imports by commodity groups, 1958-76

(Millions of dollars; monthly data seasonally adjusted)

Year or month	Merchandise exports <sup>1</sup>					Merchandise imports					Merchandise trade balance		
	Total domestic and foreign exports <sup>2</sup>	Domestic exports				General imports <sup>3</sup>					Exports less imports, customs value	Exports less imports, f.a.s.	Exports less imports, c.i.f.
		Total <sup>2a</sup>	Food, beverages, and tobacco	Crude materials and fuels <sup>4</sup>	Manufactured goods <sup>5</sup>	Total <sup>3</sup>	Food, beverages, and tobacco	Crude materials and fuels <sup>4</sup>	Manufactured goods <sup>5</sup>	Total, c.i.f. value <sup>7</sup>			
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		2,283	
1969	37,332	36,788	4,446	5,006	26,785	36,043	5,308	6,391	23,011	1,289		-1,257	
1970	42,659	42,025	5,058	6,692	29,344	39,951	6,230	6,542	25,907	2,708		230	
1971	43,549	42,911	5,076	6,441	30,443	45,563	6,404	7,268	30,414	2,014		-4,793	
1972	49,199	48,399	6,969	7,091	33,740	55,583	7,379	8,838	37,767	6,384		-9,663	
1973	70,823	69,730	12,938	10,735	44,731	69,476	9,235	13,446	45,001	1,348		-2,752	
1974	97,908	96,545	15,233	15,802	63,523	100,997	10,701	31,842	56,202	3,089		-10,088	
1974	97,908	96,545	15,233	15,802	63,523	100,251	10,709	32,064	55,223	107,996	-3,089	-2,343	-10,088
1975	107,130	105,641	16,793	15,197	70,951	96,116	9,923	32,596	51,080	103,389	10,228	11,014	3,741
1975: Jan.	9,374		1,723	1,577	5,750	9,633	784	3,625	4,743	10,375	-297	-259	-1,001
Feb.	8,756		1,530	1,310	5,680	7,927	795	2,495	4,351	8,501	791	829	255
Mar.	8,681		1,375	1,324	5,551	7,467	826	1,887	4,395	8,039	1,126	1,215	642
Apr.	8,649		1,364	1,187	5,727	7,959	785	2,952	4,161	8,547	615	690	102
May	8,222		1,145	1,193	5,586	7,263	740	2,489	3,894	7,814	876	958	408
June	8,716		1,182	1,147	6,038	7,103	856	1,978	3,990	7,651	1,529	1,613	1,064
July	8,871		1,295	1,258	6,075	7,832	819	2,706	4,129	8,413	983	1,039	458
Aug.	8,980		1,379	1,322	6,000	7,877	777	2,716	4,178	8,478	1,054	1,103	502
Sept.	9,104		1,358	1,199	6,049	8,196	1,020	3,005	4,052	8,820	843	908	284
Oct.	9,226		1,510	1,198	6,304	8,169	855	2,912	4,288	8,794	981	1,056	432
Nov.	9,409		1,493	1,330	6,189	8,201	867	2,896	4,362	8,828	1,134	1,208	581
Dec.	9,250		1,409	1,222	6,291	8,522	825	2,852	4,582	9,161	671	728	89
1976: Jan.	9,103		1,510	1,223	5,971	9,176	872	3,233	4,714	9,880	-132	-73	-776
Feb.	8,800		1,337	1,138	6,035	8,941	889	2,913	4,782	9,593	-213	-141	-793
Mar.	8,956		1,305	1,165	6,088	9,607	1,053	2,885	5,183	10,301	-734	-651	-1,345
Apr.	9,394		1,521	1,284	6,191	9,596	896	3,492	5,307	10,302	-302	-202	-908
May	9,578		1,427	1,377	6,443	9,182	932	2,759	5,196	9,873	282	396	-295
June	9,716		1,439	1,337	6,557	10,094	1,062	3,409	5,338	10,889	-516	-377	-1,173
July	10,022		1,563	1,374	6,669	10,849	1,068	3,881	5,722	11,650	-917	-827	-1,628
Aug.	9,688		1,615	1,250	6,567	10,446	982	3,758	5,513	11,219	-848	-758	-1,531
Sept.	9,872		1,437	1,501	6,507	10,651	994	3,724	5,625	11,448	-888	-779	-1,577
Oct.	9,728		1,588	1,503	6,266	10,424	943	3,760	5,544	11,166	-762	-696	-1,438
Nov.	9,625		1,257	1,501	6,578	10,531	1,012	3,909	5,687	11,282	-1,000	-906	-1,657

<sup>1</sup> Beginning 1960, data have been adjusted for comparability with the revised commodity classifications effective in 1965.  
<sup>2</sup> Total excludes Department of Defense shipments of grant-aid military supplies and equipment under the Military Assistance Program.

<sup>3</sup> Total includes commodities and transactions not classified according to kind.

<sup>4</sup> Includes fats and oils.

<sup>5</sup> Includes machinery, transportation equipment, chemicals, metals, and other manufactures. Export data for these items includes military grant-aid shipments.

<sup>6</sup> Total arrivals of imported goods other than intransit shipments.

<sup>7</sup> C.i.f. (cost, insurance, and freight) import value at first port of entry into United States. Data for 1967-73 are estimates.

<sup>8</sup> F.a.s. (free alongside ship) value basis at U.S. port of exportation for exports and at foreign port of exportation for imports.

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 the U.S. Armed Forces. Exports include shipments under Agency for International Development and Food for Peace programs as well as other private relief shipments.

Source: Department of Commerce (Bureau of the Census and Bureau of International Economic Policy and Research).

TABLE B-97.—U.S. merchandise exports and imports by area, 1970-76

(Millions of dollars)

Area	1970	1971	1972	1973	1974	1975	1976 Jan.-Nov.
<b>Exports (domestic and foreign and special category shipments)</b> .....	43,224	44,130	49,759	71,339	98,507	107,592	104,264
Developed countries.....	30,877	30,335	34,319	47,209	63,021	64,780	64,006
Canada <sup>1</sup> .....	9,079	10,365	12,415	15,104	19,936	21,744	22,060
Western Europe <sup>2</sup> .....	14,463	14,178	15,361	21,359	28,637	29,945	29,125
Japan.....	4,652	4,055	4,963	8,313	10,679	9,563	9,245
Australia, New Zealand, and Republic of South Africa.....	1,683	1,737	1,580	2,432	3,769	3,529	3,577
Developing countries <sup>3</sup> .....	12,993	13,410	14,556	20,963	32,695	39,215	36,516
Petroleum exporting countries.....	2,659	2,932	3,375	4,540	8,140	12,567	13,111
Other countries.....	10,334	10,478	11,181	16,423	24,555	26,648	23,405
Other Western Hemisphere.....	6,532	6,485	7,275	9,929	15,809	17,099	15,319
Near East.....	1,423	1,816	1,954	3,041	5,557	8,946	9,027
East and South Asia.....	4,029	4,047	4,373	6,600	9,196	10,093	9,370
Developing Africa.....	940	1,009	898	1,334	2,044	2,964	2,717
Socialist areas in Europe and Asia.....	354	384	883	2,491	2,239	3,092	3,369
Unidentified countries <sup>4</sup> .....				677	552	505	374
<b>General imports</b> .....	39,952	45,563	55,583	69,476	100,251	96,116	109,240
Developed countries.....	29,259	33,744	40,822	48,530	59,786	55,966	60,820
Canada.....	11,092	12,691	14,927	17,715	21,929	21,729	23,801
Western Europe <sup>2</sup> .....	11,169	12,658	15,423	19,286	23,521	20,737	20,685
Japan.....	5,875	7,259	9,064	9,676	12,338	11,268	14,092
Australia, New Zealand, and Republic of South Africa.....	1,123	1,136	1,408	1,853	2,000	2,232	2,242
Developing countries <sup>3</sup> .....	10,442	11,549	14,356	20,313	39,443	39,252	47,440
Petroleum exporting countries.....	2,516	3,060	3,729	6,309	20,488	21,417	26,255
Other countries.....	7,920	8,489	10,627	10,004	18,955	17,835	21,185
Other Western Hemisphere.....	5,836	6,038	7,003	9,607	18,403	16,044	15,337
Near East.....	371	593	773	1,396	4,740	5,431	8,254
East and South Asia.....	3,397	3,941	5,264	7,043	10,242	10,224	13,366
Developing Africa.....	860	930	1,253	2,180	5,941	7,436	10,365
Socialist areas in Europe and Asia.....	227	229	354	593	1,007	887	975
Unidentified countries <sup>4</sup> .....	24	41	51	40	15	11	5

<sup>1</sup> Beginning January 1973, transshipments of certain grains and oilseeds through Canada are shown as exports to unidentified countries.

<sup>2</sup> Includes Finland, Yugoslavia, Greece, and Turkey.

<sup>3</sup> Includes developing countries in Oceania.

<sup>4</sup> Consists of certain low-valued shipments not identified by country.

Note.—Exports are f.a.s. (free alongside ship); 1959-73 imports are Customs values, generally the market value in the foreign country; and 1974-76 imports are transaction values f.a.s. Petroleum exporting developing countries are as follows: OPEC (Organization of Petroleum Exporting Countries)—Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela; and other petroleum exporting developing countries—Angola, Bahamas, Bahrain, Brunei, Egypt, Leeward and Windward Islands, Netherlands Antilles, Oman, Trinidad and Tobago, and Tunisia.

Source: Department of Commerce (Bureau of the Census and Bureau of International Economic Policy and Research).

TABLE B-98.—U.S. overseas loans and grants, by type and area, fiscal years, 1962-75

(Millions of dollars)

Type of program and fiscal period	Total	Near East and South Asia	Latin America	East Asia	Africa	Europe	Other and inter-regional
<b>TOTAL ECONOMIC LOANS AND GRANTS (OBLIGATIONS AND LOAN AUTHORIZATIONS)<sup>1</sup></b>							
1962-74 average.....	5,496	1,324	1,163	1,244	413	621	726
Loans.....	3,179	961	740	548	213	595	119
Grants.....	2,318	363	423	696	202	27	607
1975.....	7,659	2,006	1,466	1,743	583	504	1,356
Loans.....	4,429	1,277	931	1,285	336	489	109
Grants.....	3,230	730	535	457	248	13	1,247
<b>OFFICIAL DEVELOPMENT ASSISTANCE TO LESS DEVELOPED COUNTRIES<sup>2</sup></b>							
<b>Obligations and loan authorizations:</b>							
1962-74 average.....	3,981	1,144	867	969	336	49	616
1975.....	4,892	1,785	776	737	334	13	1,247
<b>Loan repayments and interest receipts:</b>							
1962-74 average.....	675	421	75	93	34	48	4
1975.....	783	330	144	103	71	133	1
<b>Agency for International Development</b>							
<b>Obligations and loan authorizations:</b>							
1962-74 average.....	2,160	578	463	597	189	4	329
1975.....	2,505	1,012	239	507	171	13	563
<b>Loan repayments and interest receipts:</b>							
1962-74 average.....	290	170	42	35	23	19	1
1975.....	374	153	115	45	42	18	1
<b>Food for Peace</b>							
<b>Obligations:</b>							
1962-74 average.....	1,246	555	127	345	125	44	48
1975.....	1,328	767	128	217	135	-----	81
<b>Loan repayments and interest receipts:</b>							
1962-74 average.....	357	247	17	56	9	28	-----
1975.....	409	177	29	58	29	115	-----
<b>Contributions and subscriptions to international financial institutions<sup>3</sup></b>							
<b>Obligations:</b>							
1962-74 average.....	364	-----	204	-----	-----	-----	159
1975.....	784	-----	348	-----	-----	-----	436
<b>Other official development assistance, including Peace Corps<sup>4</sup></b>							
<b>Obligations:</b>							
1962-74 average.....	211	10	71	27	22	-----	80
1975.....	275	6	61	13	28	-----	167
<b>OTHER ECONOMIC LOANS AND GRANTS TO LESS DEVELOPED COUNTRIES</b>							
<b>Obligations:</b>							
1962-74 average.....	866	180	296	157	79	149	2
1975.....	2,026	221	690	783	249	83	-----
<b>Loan repayments and interest receipts:</b>							
1962-74 average.....	513	105	285	44	23	56	-----
1975.....	1,215	384	416	154	80	179	2
<b>TOTAL ECONOMIC LOANS AND GRANTS TO DEVELOPED COUNTRIES</b>							
<b>Obligations:</b>							
1962-74 average.....	649	-----	-----	118	-----	423	108
1975.....	740	-----	-----	223	-----	408	109

<sup>1</sup> Some data are preliminary.

<sup>2</sup> Official development assistance is defined as concessional aid for development purposes. 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.

<sup>3</sup> Includes paid-in capital subscriptions and contributions to the Inter-American Development Bank, the International Bank for Reconstruction and Development, the International Development Association, and the Asian Development Bank.

<sup>4</sup> Data for certain programs from Department of Commerce, Bureau of Economic Analysis.

Source: Agency for International Development (except as noted).

TABLE B-99.—International reserves, 1952, 1962, and 1972-76

[Millions of SDRs<sup>1</sup>; end of period]

Area and country	1952	1962	1972	1973	1974	1975	1976
							November
All countries.....	249,311	62,619	146,519	152,240	180,068	194,275	-----
Industrialized countries <sup>2</sup> .....	36,760	49,249	97,461	95,750	97,935	104,112	111,491
United States.....	24,714	17,220	12,112	11,919	13,116	13,568	16,415
Canada.....	1,944	2,561	5,572	4,782	4,758	4,549	4,418
Japan.....	1,101	2,022	16,915	10,151	11,042	10,947	14,547
Austria.....	106	1,077	2,503	2,382	2,801	3,792	3,550
Belgium.....	1,133	1,753	3,564	4,228	4,366	4,952	4,225
France.....	686	4,049	9,224	7,070	7,230	10,757	8,341
Germany.....	960	6,957	21,907	27,497	26,461	26,510	30,118
Italy.....	722	4,068	5,605	5,335	5,669	4,078	5,630
Netherlands.....	950	1,943	4,407	5,427	5,682	6,073	6,271
Scandinavian countries (Denmark, Norway, and Sweden).....	817	1,362	3,459	4,499	3,757	5,288	4,562
Switzerland.....	1,667	2,919	6,960	7,063	7,360	8,908	8,844
United Kingdom.....	1,956	3,308	5,201	5,368	5,667	4,663	4,540
Other Europe.....	1,559	2,966	11,748	13,421	12,273	11,168	-----
Australia, New Zealand, and South Africa.....	1,509	2,066	7,612	6,486	4,956	4,186	3,518
Oil exporting countries.....	1,699	2,030	10,043	12,041	38,407	48,285	-----
Iran.....	177	211	884	1,025	6,847	7,429	7,935
Nigeria.....	500	289	346	483	4,595	4,957	4,421
Saudi Arabia.....	-----	268	2,303	3,214	11,667	19,920	23,205
Venezuela.....	443	583	1,595	1,999	5,320	7,569	7,320
Other <sup>4</sup> .....	579	679	4,915	5,320	9,978	8,410	-----
Other less developed areas.....	7,324	6,308	19,655	24,542	26,498	26,525	-----
Other Western Hemisphere.....	2,224	1,665	7,492	9,950	9,709	8,519	-----
Other Middle East.....	826	992	2,695	3,604	3,884	4,424	-----
Other Asia.....	3,478	2,663	7,554	8,791	10,456	11,188	-----
Other Africa.....	796	988	1,915	2,197	2,449	2,394	-----

<sup>1</sup> Special drawing rights. For conversion to U.S. dollars, use the following U.S. dollars per SDR for end of period: 1952—1.00000; 1962—1.00000; 1972—1.08571; 1973—1.20635; 1974—1.22435; 1975—1.17066; 1976: Nov.—1.14982.

<sup>2</sup> Includes Cuba.

<sup>3</sup> Includes Luxembourg.

<sup>4</sup> Algeria, Indonesia, Iraq, Kuwait, Libya, Oman, Qatar, and United Arab Emirates.

Note.—International reserves is comprised of monetary authorities' holdings of gold, special drawing rights (SDR) reserve positions in the International Monetary Fund, and foreign exchange. Data exclude U.S.S.R., other Eastern European countries, Mainland China, and Cuba (after 1960).

Source: International Monetary Fund, "International Financial Statistics."

TABLE B-100.—U.S. reserve assets, 1946-76

(Millions of dollars)

End of year or month	Total reserve assets	Gold stock <sup>1</sup>		Special drawing rights (SDR) <sup>3</sup>	Convertible foreign currencies <sup>4</sup>	Reserve position in International Monetary Fund <sup>5</sup>
		Total	Treasury <sup>2</sup>			
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	<sup>6</sup> 13,806	<sup>6</sup> 13,733		781	<sup>6</sup> 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	<sup>7</sup> 16,964	11,859	10,367		<sup>7</sup> 2,781	2,324
1970	14,487	10,732	10,732	851		1,935
1971	<sup>7</sup> 12,167	10,206	10,132	1,100	<sup>7</sup> 276	585
1972	<sup>7</sup> 13,151	<sup>7</sup> 10,487	<sup>7</sup> 10,410	<sup>7</sup> 1,958	241	<sup>7</sup> 465
1973	<sup>7</sup> 14,378	<sup>7</sup> 11,652	<sup>7</sup> 11,567	<sup>7</sup> 2,166	8	<sup>7</sup> 552
1974	<sup>8</sup> 15,883	11,652	11,652	<sup>8</sup> 2,374	5	<sup>8</sup> 1,852
1975	<sup>8</sup> 16,226	11,599	11,599	<sup>8</sup> 2,335	30	<sup>8</sup> 2,212
1976	<sup>8</sup> 18,747	11,598	11,598	<sup>8</sup> 2,395	820	<sup>8</sup> 4,434
1976: Jan.	16,622	11,599	11,599	2,376	333	2,314
Feb.	16,661	11,599	11,599	2,376	296	2,390
Mar.	16,941	11,599	11,599	2,351	241	2,420
Apr.	17,438	11,599	11,599	2,325	936	2,578
May	17,958	11,598	11,598	2,309	938	3,113
June	18,477	11,598	11,598	2,316	1,365	3,198
July	18,246	11,598	11,598	2,318	864	3,466
Aug.	18,586	11,598	11,598	2,325	845	3,818
Sept.	18,945	11,598	11,598	2,357	1,038	3,952
Oct.	19,013	11,598	11,598	2,352	1,066	3,997
Nov.	19,416	11,598	11,598	2,365	1,146	4,307
Dec.	<sup>8</sup> 18,747	11,598	11,598	<sup>8</sup> 2,395	320	<sup>8</sup> 4,434

<sup>1</sup> Includes gold sold to the United States by the International Monetary Fund (IMF) with the right of repurchase and 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.

<sup>2</sup> Prior to December 1974, excludes gold held by the Exchange Stabilization Fund (ESF). In December 1974, the Treasury acquired all the gold held by the ESF.

<sup>3</sup> Includes initial allocation on January 1, 1970 of \$867 million, second allocation on January 1, 1971 of \$717 million, and third allocation 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.

<sup>4</sup> Includes holdings of Treasury and Federal Reserve System.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> Includes increase (in millions as follows: for 1969, \$67 resulting from revaluation of German mark in October 1969 (\$13 in mark holdings); for 1971, \$28 in dollar value of foreign currencies revalued to reflect market exchange rates as of December 31, 1971; for 1972, \$1,016 in total assets resulting from the change in par value of the U.S. dollar on May 8, 1972 (\$828 total gold stock, \$822 Treasury gold stock, \$155 SDR, and \$33 reserve position); for 1973, \$1,436 in total assets resulting from the change in par value of the dollar on October 18, 1973 (\$1,165 total gold stock, \$1,157 Treasury gold stock, \$217 SDR, and \$54 reserve position).

<sup>8</sup> Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 SDR1 = \$1.20635, end of month values are (in millions of dollars):

	Total reserve assets	SDR	Reserve position in IMF
1974: Dec.	15,812	2,338	1,817
1975: Dec.	16,366	2,404	2,283
1976: Dec.	18,895	2,482	4,495

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: Department of the Treasury and Board of Governors of the Federal Reserve System.

TABLE B-101.—International investment position of the United States at year-end, 1971-75

[Billions of dollars]

Type of investment	1971	1972	1973	1974	1975 <sup>1</sup>
Net international position of the United States.....	56.1	49.6	61.9	77.4	93.6
U.S. assets abroad.....	179.5	199.5	225.2	264.8	304.1
U.S. official reserve assets <sup>2</sup> .....	12.2	13.2	14.4	15.9	16.2
Gold.....	10.2	10.5	11.7	11.7	11.6
Special drawing rights (SDR).....	1.1	2.0	2.2	2.4	2.3
Reserve position in International Monetary Fund (IMF).....	.6	.5	.6	1.9	2.2
Foreign currencies.....	.3	.2	.0	.0	.1
Other U.S. Government assets.....	34.2	36.1	38.8	38.4	41.8
U.S. loans and other long-term assets <sup>3</sup> .....	31.8	34.1	36.2	36.3	39.8
U.S. foreign currency holdings and U.S. short-term assets.....	2.4	2.0	2.6	2.1	2.0
U.S. private assets.....	133.1	150.3	172.0	210.6	246.1
Direct investments abroad.....	83.0	90.5	103.7	118.8	133.2
Foreign securities.....	23.5	27.6	27.8	28.6	35.2
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns.....	9.6	11.4	13.8	17.0	18.3
U.S. claims reported by U.S. banks, n.e.c.....	16.9	20.7	26.7	46.2	59.5
Foreign assets in the United States.....	123.3	149.9	163.3	187.4	210.5
Foreign official assets.....	52.5	63.2	69.6	80.3	87.0
U.S. Government securities.....	44.4	52.9	53.8	57.7	63.2
Other U.S. Government liabilities.....	1.2	1.6	2.8	3.5	5.2
U.S. liabilities reported by U.S. banks, n.e.c.....	6.8	8.5	12.0	18.4	15.9
Other foreign official assets.....	.....	.2	.5	.6	2.7
Other foreign assets.....	70.9	86.7	93.7	107.1	123.6
Direct investments in the United States.....	13.9	14.9	18.3	22.4	26.7
U.S. securities other than U.S. Treasury securities.....	30.1	38.8	36.8	27.8	36.5
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns.....	9.2	10.7	11.7	13.4	13.5
U.S. liabilities reported by U.S. banks:					
Long-term liabilities.....	.8	.9	1.2	1.2	.8
U.S. Treasury securities and other short-term liabilities.....	16.9	21.5	25.7	42.3	46.0

<sup>1</sup> Preliminary.

<sup>2</sup> Reserve assets include increases from changes in the par value of the dollar, as officially implemented: on May 8, 1972, the increase totaled \$1,016 million, consisting of \$828 million gold stock, \$155 million SDR, and \$33 million reserve position in IMF; on October 18, 1973, the increase was \$1,436 million, consisting of \$1,165 million gold stock, \$217 million SDR, and \$54 million reserve position in IMF. Beginning July 1974 U.S. holdings of special drawing rights and the reserve position include changes in the SDR based on changes in a weighted average of exchange rates for currencies of 16 member countries of the IMF.

<sup>3</sup> Includes loans repayable in dollars, such as paid-in subscriptions to international financial institutions and other miscellaneous claims, and indebtedness that the borrower may repay with its currency, with a third-party currency, or by delivery of materials or transfer of services.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-102.—Price changes in international trade, 1968-76

[1970=100]

Area or commodity class	1968	1969	1970	1971	1972	1973	1974	1975	1976
									Third quarter
Unit value indexes by area									
<b>Developed areas</b>									
Total:									
Exports.....	91	94	100	105	114	138	172	192	193
Terms of trade <sup>1</sup> .....	99	99	100	99	100	99	87	89	89
United States:									
Exports.....	92	95	100	103	106	124	158	176	184
Terms of trade <sup>1</sup> .....	101	101	100	98	94	93	79	82	82
<b>Developing areas</b>									
Total:									
Exports.....	94	97	100	106	115	155	310	327	342
Terms of trade <sup>1</sup> .....	100	101	100	101	101	111	156	143	145
Latin America:									
Exports.....	90	92	100	101	110	154	251	255	270
Terms of trade <sup>1</sup> .....	96	97	100	98	100	116	135	128	131
Southern and Eastern Asia:									
Exports.....	92	97	100	100	106	143	209		
Terms of trade <sup>1</sup> .....	96	99	100	100					
World export price indexes									
Primary commodities: Total.....	92	97	100	110	127	182	308	303	313
Foodstuffs.....	91	95	100	106	122	175	232	219	206
Coffee, tea, and cocoa.....	82	87	100	89	98	130	155	159	217
Cereals.....	106	99	100	102	111	184	262	232	204
Other agricultural commodities <sup>2</sup> .....	94	101	100	104	122	196	224	196	225
Fats, oils, and oilseeds.....	84	87	100	103	102	187	262	190	201
Textile fibers.....	106	107	100	102	139	256	245	199	252
Wool.....	117	117	100	91	164	353	249	204	230
Rubber.....	94	128	100	80	81	168	176	136	220
Minerals.....	92	96	100	119	131	173	473	494	507
Metal ores.....	89	95	100	101	107	130	175	206	213
Fuels.....	95	96	100	125	140	189	577	588	610
Manufactured goods: Total <sup>4</sup> .....	91	94	100	105	113	133	162	182	181
Nonferrous base metals <sup>4</sup> .....	84	97	100	87	87	121	153	120	141

<sup>1</sup> Terms of trade indexes are unit value indexes of exports divided by unit value indexes of imports.

<sup>2</sup> Data are for second quarter 1976.

<sup>3</sup> Includes forest products.

<sup>4</sup> Data for manufactured goods are unit value indexes.

Note.—Data exclude trade of socialist areas in Eastern Europe (except Yugoslavia) and Asia.

Sources: United Nations and Department of Commerce (Bureau of International Economic Policy and Research).

TABLE B-103.—Consumer price indexes in the United States and other major industrial countries, 1955-76

[1970=100]

Period	United States	Canada	Japan	France	Germany	Italy	Netherlands	United Kingdom
1955	69.0	69.9	52.6	50.4	70.1	62.2	57.8	59.0
1956	70.0	70.9	52.8	51.4	71.9	64.3	58.9	61.9
1957	72.5	73.2	54.4	53.2	73.3	65.2	62.7	64.2
1958	74.5	75.0	54.2	61.2	75.0	67.0	63.8	66.2
1959	75.1	75.9	54.7	65.0	75.7	66.7	64.3	66.5
1960	76.3	76.7	56.7	67.3	76.7	68.2	66.4	67.2
1961	77.0	77.1	59.7	69.5	78.5	69.7	67.0	69.5
1962	77.9	78.0	63.8	72.9	80.9	72.9	68.3	72.5
1963	78.8	79.4	69.2	76.4	83.3	78.3	70.9	73.9
1964	79.9	80.8	71.9	79.0	85.2	83.0	74.8	76.3
1965	81.3	82.8	76.7	81.0	88.1	86.7	78.7	80.0
1966	83.6	85.9	80.6	83.2	91.2	88.8	83.3	83.1
1967	86.0	88.9	83.8	85.4	92.5	91.6	86.0	85.2
1968	89.6	92.6	88.3	89.3	93.9	92.8	89.1	89.2
1969	94.4	96.8	92.9	95.0	96.4	95.2	95.8	94.0
1970	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1971	104.3	102.9	106.3	105.5	105.3	105.0	107.5	109.5
1972	107.7	107.8	111.5	111.7	111.1	110.9	115.9	117.0
1973	114.4	116.0	124.5	119.9	118.8	122.4	125.2	126.7
1974	127.0	128.6	153.4	136.3	127.1	146.2	137.3	147.0
1975	138.6	142.5	171.4	152.2	134.7	171.3	151.3	182.5
1974: I	121.6	122.7	144.1	129.0	124.6	133.6	131.9	137.2
II	125.0	126.8	150.5	134.3	126.6	140.8	135.9	145.3
III	128.9	130.6	156.1	138.7	127.8	150.4	138.3	149.4
IV	132.6	134.2	162.7	143.1	129.5	160.0	142.8	156.1
1975: I	135.0	137.1	165.3	147.0	132.0	164.9	145.8	165.6
II	137.1	140.1	171.0	150.6	134.5	169.3	149.9	180.7
III	140.1	144.9	172.7	153.9	135.5	172.9	152.9	188.7
IV	142.3	147.9	176.7	157.3	136.7	178.1	156.3	195.2
1976: I	143.7	149.8	180.4	161.1	139.0	184.8	159.0	200.9
II	145.5	152.1	186.6	164.8	141.1	196.5	164.3	208.0
III	147.8	154.3	189.0	168.6	141.2	201.7	165.4	214.0
Oct.	149.0	156.1	192.8	171.8	141.5	211.6	169.5	219.9
Nov.	149.4							

Sources: Department of Labor and Organization for Economic Cooperation and Development.









