

Table 6.—Liquid Saving Estimates of the Securities and Exchange Commission and Their Reconciliation With Personal Saving Estimates of the Department of Commerce, 1933-46—Continued

	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
Equals: Liquid saving plus adjustments to personal saving concept.....	-2.20	1.35	.91	5.44	3.46	-.41	3.86	4.20	10.47	20.61	33.55	33.49	29.22	12.17
Personal saving.....	-1.18	-.25	1.76	5.80	3.93	-.95	2.70	3.69	9.76	25.30	29.99	36.69	29.01	14.74
Difference due to errors and omissions.....	-1.02	1.60	-.85	-.36	-.47	-1.36	1.16	.51	.71	4.25	3.56	-2.10	.21	-2.59

¹ In addition to the estimates of liquid saving, the Securities and Exchange Commission also prepares estimates of gross savings. The following comments apply to liquid saving only. The S. E. C. concept of liquid saving differs in three major respects from the personal saving concept as published in this report. First, liquid saving includes the increase in the reserves of government-administered insurance and pension funds. This item is not part of personal saving and is shown (on a somewhat different basis) separately under surplus of social insurance funds. Second, liquid saving includes the net liquidation of mortgage debt on residential dwellings, but it does not include net acquisitions (after allowances for depreciation), of such dwellings. Hence it does not measure net saving in the form of residential dwellings, the item which is included in the concept of personal saving. (A similar difference exists with respect to construction by non-profit institutions). Third, liquid saving includes the net change in the liquid assets of unincorporated enterprises, whereas personal saving includes the net income less the personal consumption expenditures of the owners of unincorporated enterprises. On this score, therefore, liquid saving differs from personal saving by the exclusion of net investment by unincorporated enterprises less the increase in their net payables to corporations and financial intermediaries.

Table 6 summarizes the best statistical data that are available to adjust liquid saving to personal saving. The difference between liquid saving adjusted to the personal saving concept and personal saving is due to statistical errors and omissions which may be in liquid saving, in personal saving, or in the adjustments. The data available for the adjustment items are generally not as satisfactory as those used in the preparation of the S. E. C. liquid saving estimates. This is particularly true of the estimated increase in net payables to corporations and financial intermediaries by unincorporated enterprises other than farms which is subject to a substantial margin of error. The S. E. C. data are not available for the period prior to 1933.

² For explanatory notes, see current releases of Securities and Exchange Commission.

³ Includes net purchases of nonfarm residences by proprietorships and partnerships.

⁴ Includes farm dwellings.

⁵ Includes purchases of used plant and equipment from the U. S. Government amounting to 200 million dollars.

Source: Securities and Exchange Commission.

Table 7.—Consolidated Business Income and Product, 1929-46

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
Business gross product.....	84,144	81,877	67,586	50,869	48,341	56,456	63,250	74,245	79,837	73,628	79,318	88,908	111,924	140,345	162,483	172,998	172,362	177,099
Consolidated net sales.....	82,582	82,160	68,947	53,432	49,960	57,600	62,345	71,019	77,528	74,001	78,877	88,633	108,050	138,929	163,663	174,956	173,584	173,435
To consumers.....	73,281	66,216	57,316	46,041	43,617	48,988	53,141	59,106	63,850	60,967	63,816	68,275	78,271	86,713	97,102	105,084	115,759	137,050
To government.....	4,046	4,633	4,459	3,651	3,191	4,109	3,862	4,390	4,671	5,030	5,375	6,032	14,960	43,244	61,280	62,708	47,089	10,582
To business on capital account.....	14,262	10,492	6,723	3,449	2,925	3,951	5,241	7,314	9,131	7,254	8,563	10,706	13,347	7,914	5,771	7,615	10,280	20,918
To abroad.....	998	919	449	891	327	602	101	210	476	1,314	1,123	1,618	1,482	1,058	-490	-422	416	4,285
Change in inventories.....	1,562	-283	-1,361	-2,563	-1,619	-1,144	905	3,226	2,309	-973	441	2,275	3,874	1,416	-1,180	-1,967	-1,222	3,604
Charges against business gross product.....	94,144	81,877	67,586	50,869	48,341	56,456	63,250	74,245	79,837	73,628	79,318	88,908	111,924	140,345	162,483	172,998	172,362	177,099
Income originating in business.....	77,850	65,261	50,705	34,393	32,340	40,376	48,022	56,683	63,431	56,504	61,611	69,908	90,656	117,368	138,369	144,907	142,251	151,524
Compensation of employees.....	43,710	39,423	32,614	24,566	23,001	26,738	29,334	33,429	38,567	35,029	38,011	41,648	52,442	66,716	80,138	84,784	83,264	91,512
Wages and salaries.....	43,241	38,961	32,195	24,204	22,676	26,382	28,951	32,741	37,120	33,385	36,260	39,773	50,108	64,048	76,973	81,278	78,808	87,984
Disbursements.....	43,241	38,961	32,195	24,204	22,676	26,382	28,951	32,741	37,120	33,385	36,260	39,773	50,108	64,048	76,973	81,278	78,794	88,014
Excess of wage accruals over disbursements.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200	-192	-30
Supplements to wages and salaries.....	460	462	419	361	325	356	383	688	1,477	1,044	1,761	1,870	2,274	2,698	3,160	3,506	3,456	3,528
Employer contributions for social insurance.....	12	13	13	13	13	16	24	261	1,049	1,223	1,330	1,404	1,747	2,014	2,335	2,315	2,129	2,086
Other labor income.....	457	449	406	348	312	340	359	427	428	421	431	460	527	654	825	1,191	1,327	1,440
Income of unincorporated enterprises and inventory valuation adjustment.....	13,927	10,963	8,214	4,921	5,207	6,603	9,856	12,164	12,249	10,769	11,282	12,660	16,504	22,724	25,951	27,690	30,165	34,951
Business and professional.....	8,262	7,032	5,310	3,206	2,925	4,276	4,987	6,074	6,630	6,347	6,776	7,720	9,560	12,112	14,128	15,310	16,700	19,738
Income of unincorporated enterprises.....	8,120	6,277	4,705	2,911	3,450	4,330	5,037	6,194	6,650	6,120	6,942	7,772	10,210	12,644	14,266	15,360	16,754	21,046
Inventory valuation adjustment.....	143	755	511	266	-525	-54	-50	-120	-29	221	-166	-52	-64	-352	-138	-59	-54	-1,308
Farm.....	5,665	3,931	2,898	1,715	2,282	2,327	2,871	6,000	5,149	4,421	4,506	4,940	6,938	10,612	11,823	12,380	13,465	15,213
Rental income of persons.....	5,811	4,786	3,620	2,508	2,018	2,095	2,828	3,140	3,278	3,405	3,453	3,620	4,322	5,168	6,150	6,963	6,962	8,665
Corporate profits and inventory valuation adjustment.....	10,058	6,426	1,635	-1,961	-1,970	1,038	2,838	4,842	6,044	4,045	5,569	8,943	14,384	19,599	23,454	23,103	19,425	16,135
Corporate profits before tax.....	9,586	3,166	-779	-3,008	164	1,603	3,065	5,560	6,075	3,082	6,283	9,091	17,001	20,873	24,278	23,448	19,958	20,824
Corporate profits tax liability.....	1,308	848	500	382	524	746	965	1,411	1,512	1,040	1,402	2,878	7,848	11,665	14,153	13,913	11,253	8,601
Corporate profits after tax.....	8,188	2,318	-1,279	-3,390	-360	917	2,100	4,169	4,563	2,042	4,881	6,213	9,158	10,208	10,125	9,635	8,675	12,223
Dividends.....	5,784	5,474	4,135	2,618	2,088	2,888	2,812	4,565	4,682	2,978	3,680	3,900	4,356	4,100	4,340	4,580	4,677	5,523
Undistributed profits.....	2,454	-3,156	-5,414	-6,009	-2,448	-1,671	-212	-398	-119	-936	1,162	2,312	4,799	5,018	5,785	5,049	3,998	6,700
Inventory valuation adjustment.....	472	3,260	2,414	1,047	-1,143	-625	-727	-798	-31	963	-714	-148	-222	-1,274	-824	-355	-633	-4,689
Net interest.....	4,344	4,603	4,622	4,369	4,093	3,902	3,734	3,541	3,401	3,384	3,284	3,102	3,304	3,028	2,982	2,781	2,547	2,361
Adjustments to business net product.....	7,657	7,107	8,745	8,987	9,931	9,037	8,050	10,080	8,614	9,316	9,793	10,650	12,166	13,267	13,626	12,418	13,225	14,435
Indirect business tax and nontax liability.....	7,008	7,155	6,859	6,768	7,055	7,815	8,190	8,663	9,157	9,154	9,365	10,021	11,298	11,813	12,685	14,029	15,339	16,851
Business transfer payments.....	587	534	649	737	659	641	694	594	587	429	451	431	502	494	504	549	564	528
Statistical discrepancy.....	-30	-705	1,188	1,437	1,235	804	-346	-1,050	-491	-402	-428	-658	470	1,050	720	2,599	3,069	-2,101
Less: Subsidies minus current surplus of government enterprises.....	-147	-123	-49	-45	18	283	403	39	60	176	485	420	102	150	183	659	775	843
Capital consumption allowances.....	8,637	8,569	8,136	7,489	7,070	7,043	7,193	7,507	7,792	7,808	7,914	8,250	9,102	9,740	10,386	11,573	11,884	10,840

Table 8.—Government Receipts, 1929-46¹

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
Total receipts ²	11,287	10,763	9,479	8,883	9,328	10,460	11,376	12,930	15,390	15,033	15,403	17,785	25,219	32,908	40,169	52,018	53,640	50,231
Federal.....	3,833	3,053	2,049	1,705	2,673	3,543	3,978	5,026	7,049	6,491	6,742	8,685	15,656	23,199	39,344	41,977	43,170	38,839
Personal tax and nontax receipts before refunds.....	1,323	1,183	643	366	496	609	842	1,143	1,742	1,654	1,260	1,393	2,044	4,096	16,540	17,890	20,710	18,881
Income taxes ³	1,238	1,093	567	320	375	452	580	740	1,319	1,244	874	1,036	1,622	4,062	15,923	17,133	19,848	17,987
Estate and gift taxes.....	61	61	66	30	60	129	248	386	402	390	371	341	401	471	461	565	663	734
Other taxes ⁴	24	29	20	16	16	13	14	17	21	20	15	16	21	42	79	108	118	159
Nontaxes ⁵	60	40	38	35	21	14	16	13	19	19	25	20	28	28	23	344	1,331	1,670
Less: Tax refunds.....	1,263	1,134	607	331	474	596	827	1,130	1,723	1,635	1,255	1,364	2,016	4,068	16,517	17,536	19,370	17,211
Equals: Personal tax and nontax receipts.....	1,263	760	426	325	465	646	834	1,254	1,347	906	1,306	2,679	7,569	11,321	13,702	18,454	10,842	8,151
Corporate profits tax accruals ⁶	1,219	1,067	912	937	1,658	2,270	2,235	2,273	2,425	2,238	2,347	2,662	3,593	4,073	4,979	6,226	7,180	7,947
Indirect business tax and nontax accruals before refunds.....	564	637	490	636	1,246	1,833	1,730	1,693	1,776	1,709	1,826	2,122	2,817	3,364	4,076	5,257	6,214	7,266
Excise taxes.....	13	11	10	7	138	375	459	569	587	565	602	723	928	1,215	1,454	2,083	2,370	2,691
Liquor.....	449	446	425	387	409	452	478	536	503	567	503	615	748	849	990	1,025	1,034	1,218
Tobacco.....	102	80	56	241	699	1,006	798	588	626	577	631	750	1,141	1,290	1,632	2,240	2,810	3,357

See footnotes at end of table.

Table 8.—Government Receipts, 1929-46¹—Continued

(Millions of dollars)

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
Federal—Continued																		
Indirect business tax and nontax accruals before re-																		
funds—Continued																		
Customs duties	599	474	373	259	296	308	371	403	469	357	344	327	439	313	410	378	397	503
Capital stock tax					80	92	95	138	139	127	133	167	282	329	381	372	353	—
Nontaxes ⁷	56	50	49	43	26	37	39	89	42	45	44	46	55	67	112	219	216	178
Less: Tax refunds	26	22	18	13	39	39	54	22	19	22	25	35	26	24	35	55	52	60
Equals: Indirect business tax and nontax accruals	1,193	1,045	894	924	1,619	2,181	2,181	2,251	2,406	2,216	2,322	2,627	3,567	4,049	4,944	6,171	7,128	7,887
Contributions for social insurance ⁸	124	124	123	125	115	121	136	391	1,573	1,734	1,879	2,015	2,804	3,161	4,181	4,816	5,761	5,590
State and local	7,571	7,835	7,743	7,312	7,157	8,550	9,104	8,628	9,105	9,320	9,649	9,957	10,370	10,587	10,767	10,988	11,400	12,397
Personal tax and nontax receipts ⁹	1,350	1,373	1,251	1,124	990	1,000	1,061	1,128	1,198	1,227	1,205	1,240	1,277	1,294	1,298	1,368	1,499	1,578
Income taxes	139	110	74	64	67	67	121	167	204	208	201	214	235	265	298	329	378	407
Death and gift taxes	265	182	168	137	110	97	109	116	129	137	122	115	115	116	111	123	139	144
Motor vehicle licenses ¹⁰	187	183	171	158	152	153	163	176	183	181	190	210	219	202	189	183	193	218
Property taxes ¹¹	148	154	149	144	129	126	129	130	134	137	137	140	142	143	144	144	144	143
Other taxes ¹²	47	49	47	48	47	52	60	64	69	75	78	83	88	92	85	84	93	99
Nontaxes ¹³	994	695	642	573	485	485	479	475	479	489	477	478	478	482	471	505	552	587
Corporate profits tax accruals	145	98	75	57	59	100	131	157	165	134	156	199	277	344	451	459	441	450
Indirect business tax and nontax accruals ⁹	5,810	6,110	5,965	5,844	5,436	5,634	6,009	6,412	6,751	6,938	7,043	7,394	7,720	7,704	7,741	7,858	8,211	8,964
Sales taxes ¹⁴	414	500	545	552	641	904	1,090	1,306	1,417	1,463	1,542	1,705	1,942	1,894	1,840	1,864	2,107	2,659
General	(18)	(18)	7	10	61	228	300	398	440	449	405	533	621	632	700	745	816	1,022
Gasoline	414	500	524	522	526	563	620	690	748	782	815	865	958	862	711	673	777	1,025
Liquor	(18)	(18)	1	4	34	89	141	169	174	175	184	205	241	270	267	289	344	402
Tobacco	(18)	(18)	13	10	20	24	35	49	55	87	78	102	122	130	156	157	170	210
Motor vehicle licenses	153	154	148	137	133	140	153	166	170	178	182	200	213	211	214	226	242	277
Property taxes ¹¹	4,543	4,727	4,539	4,424	3,902	3,907	4,028	4,058	4,162	4,277	4,285	4,407	4,449	4,470	4,467	4,453	4,454	4,473
Other taxes ¹⁵	492	513	501	478	452	436	477	619	722	732	749	786	822	835	917	996	1,065	1,260
Nontaxes ¹⁶	208	216	232	253	248	247	260	263	280	288	285	266	303	304	308	329	343	355
Contributions for social insurance ⁸	119	129	139	153	170	183	197	207	227	243	257	267	280	307	335	356	379	400
Federal grants-in-aid ¹⁷	117	125	313	134	502	1,633	1,706	724	764	778	988	857	807	898	942	947	870	1,005

¹ Includes transactions of social insurance funds, which can be separated by use of the data furnished in table 10. For an explanation of the treatment of government enterprises of pp. 4-5. State and local enterprises include State workmen's compensation funds, in addition to undertakings classified as enterprises by the Bureau of the Census, such as alcoholic beverage monopolies; water, electric, gas, and transit systems; housing authorities; and other large commercial activities involving significant amounts and operated and accounted for as enterprises. The following list enumerates Federal enterprises by their current names: Agricultural Marketing Act Revolving Fund, Alaska Railroad Company, Army Post Exchanges, Banks for Cooperatives, Bonneville Power Administration, Boulder Canyon Project, Commodity Credit Corporation, Defense Homes Corporation, Disaster Loan Corporation, Electric Home and Farm Authority, Emergency Crop and Feed Loans, Export-Import Bank, Federal Crop Insurance Corporation, Federal Deposit Insurance Corporation, Federal Farm Mortgage Corporation, Federal Home Loan Bank System, Federal Housing Administration, Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Federal Prison Industries, Inc., Federal Public Housing Authority, Federal Savings and Loan Insurance Corporation, Home Owners Loan Corporation, Inland Waterways Corporation, Navy Ship Stores and Ship's Service Stores, Panama Canal Zone, Panama Railroad Company, Petroleum Reserves Corporation, Post Office, Production Credit Corporations, Reconstruction Finance Corporation (including Office of Defense Plants, Defense Supplies, Metals Reserve, and Rubber Reserve), Regional Agricultural Credit Corporations, RFC Mortgage Company, Rubber Development Corporation, Rural Electrification Administration, Smaller War Plants Corporation, Tennessee Valley Authority, U. S. Commercial Company, U. S. Maritime Commission (operating activities), War Damage Corporation, War Shipping Administration (commercial operating and war risk insurance activities).

Government receipts and expenditures presented in these tables, and the implied surpluses and deficits, differ from Government receipts and expenditures presented in statements of Federal Government finances, such as the Daily Treasury Statement, the U. S. Budget, and the Combined Statement of Receipts and Expenditures, and in statements of State and local government finances, either as published by the various governmental units or as summarized by the Bureau of the Census. These differences may be grouped under four headings: (a) coverage; (b) classification; (c) timing; (d) transactions accounted for.

(a) In the national income and product tables, a consolidated Government account is presented. The transactions of social insurance funds are merged with other Government transactions; a consistent treatment of Government enterprises (described on pp. 4-5) is provided, the net effect of which is to count the capital expenditures less the current surplus of those enterprises as part of the total Government deficit; and certain other entities are covered which in Government financial statements are accounted for separately from ordinary Government receipts and expenditures, e. g., the receipts and expenditures of minor trust accounts, the Exchange Stabilization fund, and Federal purchases and sales of silver and minor coin metals. The purchase and sale of gold, however, are not reflected in the government accounts here shown. Gold is regarded as an international asset and all gold transactions are accounted for under transactions with the rest of the world (table 11).

(b) Government receipts and expenditures in the present table are classified in a manner significant for economic analysis and consistent with the accounts of the other sectors of the economy. It is not, of course, suggested that this is the only possible significant analytical classification.

(c) Government transactions, in these tables, are recorded at the time they appear in the accounts for the other sectors of the economy, whereas government financial statements generally record revenues upon receipts by the Government, and expenditures at the time of payment. In the national income and product tables, receipts from individuals are recorded when individuals make payment (the lag between time of payment and time of receipt by the Government may be substantial, e. g., in the case of the Federal withholding tax or employee contributions for social insurance). Receipts from business are on an accrual basis; this tends to date corporate profits taxes, among others, a year earlier than when they are recorded in Government financial statements. Receipts from abroad are recorded at the time at which they are entered in the balance of international payments (which again may differ substantially from the time at which they are covered into the Treasury, e. g., in the case of cash and credit lend-lease, sales of surplus property, etc.). Domestic sales of surplus consumption goods and materials, whether for cash or on credit, are recorded at the time of sale. Tax refunds are netted against tax payments (on a current basis for individuals and on an accrual basis for business). Receipts from renegotiation of war contracts are deducted from government expenditures in the year of the original overpayment (corresponding adjustments are made in profits and in taxes). Government purchases from business are adjusted to an accrual basis by adding to Government expenditures as calculated from the Daily Treasury Statement an estimate of the change in net business receivables from Government. Two other timing adjustments required to harmonize the Federal Government accounts completely with the accounts of other sectors of the economy could not be made. First, an adjustment should have been made for Government checks recorded as paid by the Government in a given period but not received by the payee in that period. (The Daily Treasury Statement, the basic source from which the estimates of Federal expenditures are derived, was on a checks paid basis for most of the period under consideration.) Second, an adjustment should have been made for changes in the various departments' holdings of foreign and special currencies, since the Daily Treasury Statement reflects the acquisition of these special and foreign currencies by these departments rather than their disbursement.

(d) Not all transactions recorded in Government financial statements appear in the national income and product tables. Receipts from the sales of, and expenditures for the acquisition of, land and fixed second-hand assets are not counted. Similarly Government loans are not counted as expenditures and their repayment does not appear as Government receipts. Conversely, certain transactions are recorded which do not ordinarily appear in Government financial statements, or appear in a very different form, such as Government contributions to the retirement funds of its own employees and to military life insurance funds. These contributions appear in the national income and product tables both under "Compensation of employees" in Government expenditures and under "Contributions for Social Insurance" in receipts.

² Federal grants-in-aid to State and local governments are reflected in Federal expenditures and in State and local receipts and expenditures. Total Government receipts and expenditures have been adjusted to eliminate this duplication.

³ Consists of individual income tax and victory tax.

⁴ Consists of dividends tax and automobile use tax.

⁵ Consists mainly of charges for Government products and services not accounted for under Government enterprises; of fines and penalties; and of donations. Includes also the excess of receipts over expenditures derived from the services of enemy prisoners of war to private contractors. Receipts from the sale of surplus property are not included.

⁶ Cf. table 18.

⁷ Consists mainly of charges for Government products and services not accounted for under Government enterprises, including rents and royalties; and of fines and penalties. Receipts from the sale of surplus property are not included.

⁸ Cf. table 10.

⁹ All local taxes, other than property tax and District of Columbia corporate profits tax, are included in "other taxes."

¹⁰ Includes also drivers' licenses.

¹¹ Property taxes levied on houses of owner-occupants are classified as indirect business taxes.

¹² Consists of poll taxes and miscellaneous licenses, and all local personal taxes with the exception of the property tax.

¹³ Consists of charges for Government products and services not accounted for under Government enterprises (such as tuition fees and public hospital fees); fines and penalties; donations; and special assessments for outlay paid by unincorporated business, including home-owners.

¹⁴ Minor sales taxes not specified below are included in "other taxes."

¹⁵ Consists of gross receipts taxes, franchise taxes, licenses, severance taxes, documentary and stock transfer taxes, minor sales taxes, and all local indirect business taxes other than the property tax.

¹⁶ Consists mainly of charges for Government products and services not accounted for under Government enterprises, including rents and royalties; of fines and penalties; special assessments for operation; and donations.

¹⁷ Includes shared receipts as well as grants-in-aid. The latter consist of highway grants, education grants (agricultural research and education, vocational education, and rehabilitation, war training and research programs, and veterans' postwar training programs), public assistance grants (mainly categorical assistance under the Social Security program), grants for the administration of the Unemployment Compensation program and of the U. S. Employment Services, Public Health grants, grants made by the Bureau of Community Facilities of the Federal Works Agency to war-congested communities, the Federal contribution to the District of Columbia, grants made by the Federal Emergency Relief Administration and the Public Works Administration, and miscellaneous other grants.

¹⁸ Small amounts included in "other taxes."