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GROSS NATIONAL PRODUCT: REVISED FOURTH QUARTER 1970

Gross national product -- the market value of the Nation's output of goods and services -- increased \$4-1/2 billion to a seasonally adjusted annual rate of \$990 billion, according to revised figures released today by the Commerce Department's Office of Business Economics. The revised estimates, which are based on more complete source statistics, are slightly down from the preliminary estimate.

The small GNP increase in the fourth quarter was caused by the severe reduction in motor vehicle production resulting from the General Motors strike. After adjustment for price changes, the Nation's real output of goods and services declined almost 4 percent at an annual rate, the sharpest drop since the third quarter of 1959 when a steel industry strike also resulted in a 4-percent fall in production.

Consumer spending rose by \$5 billion in the fourth quarter, as increases of \$5 billion in services and almost \$6 billion in nondurable goods were offset by a \$6 billion decline in durables, all of the drop in consumer auto buying. Business fixed investment and inventory investment

each fell by about \$2 billion due to curtailed production and sales of motor vehicles. The recovery in residential construction, which started in early summer, was reflected in a sizable \$3 billion advance. Net exports fell \$1-1/2 billion and Federal Government purchases were reduced \$1/2 billion, as a \$1 billion decline in defense spending was partly offset by higher nondefense purchases. State and local government purchases continued their upward trend with a \$2-1/2 billion rise.

The GNP implicit price deflator advanced 5.9 percent at an annual rate, but this measure was affected by the auto strike. The implicit deflator is a price measure based on shifting weights that reflect the change in the composition of the GNP. The composition of the fourth quarter GNP, with low production of motor vehicles, changed the weights so as to increase the implicit price deflator. An alternative measure of price change for the fourth quarter, with fixed weights based on the composition of the GNP in the third quarter, showed an annual rate increase of 5 percent.

GNP and personal income statistics for 1970 are shown in the accompanying table. Additional national income and product statistics will appear in the February issue of the Survey of Current Business, the monthly magazine of the Office of Business Economics. The Survey is available from Field Offices of the Department of Commerce or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of \$9, including weekly supplements; single copy, \$1.

GROSS NATIONAL PRODUCT AND DISPOSITION OF PERSONAL INCOME

GROSS NATIONAL PRODUCT	1968	1969	1970	1970					1968	1969	1970	1970									
				IV	I	II	III	IV				IV	I	II	III	IV					
				Seasonally adjusted at annual rates										Seasonally adjusted at annual rates							
				Billions of current dollars									Billions of 1958 dollars								
Gross national product (GNP).....	865.0	931.4	976.5	951.7	959.5	971.1	985.5	989.9	707.2	727.1	724.1	729.2	723.8	724.9	727.4	720.3					
Personal consumption expenditures.....	535.8	577.8	616.7	592.6	603.1	614.4	622.1	627.0	452.3	467.7	477.1	471.7	474.0	478.1	479.6	476.6					
Durable goods.....	84.0	90.0	89.4	90.8	89.1	91.9	91.2	85.3	81.4	84.9	82.0	84.9	82.7	84.9	83.6	76.9					
Nondurable goods.....	230.2	245.8	264.7	252.0	258.8	262.6	265.8	271.5	196.5	201.2	207.9	202.4	205.6	206.6	208.2	211.1					
Services.....	221.6	241.6	262.6	249.8	255.2	259.9	265.1	270.2	174.4	181.6	187.2	184.4	185.8	186.6	187.8	188.6					
Gross private domestic investment.....	126.5	139.8	135.7	140.2	133.2	134.3	138.3	137.1	105.7	111.3	102.8	110.0	102.9	103.1	104.1	101.3					
Fixed investment.....	118.9	131.4	132.3	133.0	131.6	131.2	132.7	133.5	98.8	104.1	99.8	103.9	101.5	100.1	99.6	98.1					
Nonresidential.....	88.7	99.3	102.6	102.6	102.6	102.8	103.6	101.3	75.5	80.8	79.2	82.1	80.9	80.2	79.6	76.3					
Structures.....	29.6	33.8	35.2	35.1	35.7	35.3	35.0	34.7	22.7	24.0	23.1	24.3	24.4	23.5	22.6	21.8					
Producers' durable equipment.....	59.1	65.5	67.4	67.5	66.9	67.5	68.6	66.6	52.7	56.9	56.1	57.8	56.5	56.7	56.9	54.5					
Residential structures.....	30.3	32.0	29.7	30.4	29.1	28.4	29.2	32.2	23.3	23.3	20.6	21.8	20.7	20.0	20.0	21.9					
Nonfarm.....	29.7	31.5	29.1	29.8	28.4	27.8	28.6	31.6	22.9	22.8	20.2	21.4	20.2	19.5	19.6	21.5					
Farm.....	.5	.6	.6	.6	.6	.6	.6	.6	.4	.4	.4	.4	.4	.4	.4	.4					
Change in business inventories.....	7.6	8.5	3.5	7.2	1.6	3.1	5.5	3.6	6.9	7.2	3.0	6.1	1.3	2.9	4.6	3.1					
Nonfarm.....	7.5	8.0	2.9	6.5	.9	2.6	5.0	3.0	6.8	6.8	2.5	5.4	.8	2.5	4.1	2.6					
Farm.....	.1	.4	.6	.7	.7	.5	.5	.6	.1	.4	.5	.8	.6	.4	.4	.5					
Net exports of goods and services.....	2.5	1.9	3.6	2.6	3.5	4.1	4.2	2.6	.9	.2	2.4	.9	1.9	2.4	3.1	2.0					
Exports.....	50.6	55.5	62.2	58.8	61.1	62.8	62.8	62.0	45.7	48.5	52.1	50.0	52.0	52.9	52.0	51.4					
Imports.....	48.1	53.6	58.6	56.2	57.6	58.7	58.6	59.3	44.8	48.2	49.7	49.1	50.1	50.5	48.9	49.3					
Government purchases of goods and services.....	200.2	212.2	220.5	216.3	219.6	218.4	221.0	223.2	148.3	147.8	141.8	146.6	145.0	141.3	140.6	140.3					
Federal.....	99.5	101.3	99.7	102.1	102.3	99.7	98.6	98.2	78.7	75.7	67.7	73.8	71.1	67.8	66.2	65.5					
National defense.....	78.0	78.8	76.6	78.8	79.3	76.8	75.8	74.6	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Other.....	21.5	22.6	23.1	23.3	23.0	22.9	22.9	23.5	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
State and local.....	100.7	110.8	120.9	114.2	117.4	118.7	122.4	125.0	69.6	72.1	74.1	72.9	73.8	73.5	74.4	74.8					
Addenda:																					
Final sales (GNP less change in business inventories).....	857.4	922.9	973.1	944.5	957.9	968.1	980.0	986.3	700.3	719.9	721.1	723.0	722.4	721.9	722.8	717.1					
Implicit price deflator, index numbers, 1958 = 100:																					
GNP.....	122.31	128.31	134.87	130.52	132.57	133.98	135.50	137.44	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Private GNP (GNP less general government employee comp.).....	118.92	124.22	130.13	126.32	127.96	129.24	130.73	132.60	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Change from preceding period, percent at annual rate:																					
GNP.....	9.0	7.7	4.8	3.9	3.3	4.9	6.1	1.8	4.8	2.8	-.4	-.9	-2.9	.6	1.4	-3.9					
GNP implicit price deflator.....	4.0	4.7	5.3	4.9	6.4	4.3	4.6	5.9	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
GNP chain price index.....	4.2	4.8	5.2	4.9	5.9	5.0	4.4	5.0	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Private GNP implicit price deflator.....	3.6	4.5	4.8	4.6	5.3	4.1	4.7	5.8	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Private GNP chain price index.....	3.8	4.5	4.7	4.7	4.7	4.8	4.4	5.1	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
DISPOSITION OF PERSONAL INCOME																					
Personal income.....	688.7	748.9	801.0	770.5	782.3	801.3	807.2	813.3	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Less: Personal tax and nontax payments.....	97.5	117.3	116.3	119.9	117.0	117.7	114.2	116.1	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Equals: Disposable personal income.....	591.2	631.6	684.8	650.6	665.3	683.6	693.0	697.2	499.0	511.5	529.8	517.8	522.9	532.0	534.2	530.0					
Less: Personal outlays.....	550.8	593.9	634.6	609.6	620.5	632.1	640.2	645.5	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Equals: Personal saving.....	40.4	37.6	50.2	41.1	44.8	51.5	52.7	51.8	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Personal saving as a percentage of disposable personal income.....	6.8	6.0	7.3	6.3	6.7	7.5	7.6	7.4	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX					
Per capita disposable personal income, dollars.....	2,939	3,108	3,334	3,188	3,252	3,333	3,369	3,379	2,480	2,517	2,579	2,537	2,556	2,594	2,597	2,568					

Source: U.S. Department of Commerce, Office of Business Economics.