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PLANNED 1980 ANTIPOLLUTION CAPITAL SPENDING UP  
8 PERCENT--INDICATING DECLINE IN REAL SPENDING

Business plans to spend \$7.7 billion in 1980 for new plant and equipment to abate air and water pollution and to dispose of solid waste, 8 percent more than in 1979, according to a survey conducted in November and December 1979 by the Bureau of Economic Analysis, U.S. Department of Commerce. Spending increased 3 percent in 1979, to \$7.1 billion.

After adjustment for price change, business capital spending for pollution abatement declined 6 percent in 1979 and business plans indicate a further decline in 1980. Prices of antipollution capital goods, as measured by the implicit price deflator for business antipollution investment, increased 10 percent in 1979. Assuming survey respondents expect prices to increase this year at the same rate, a decline in real spending of 2 percent is indicated for 1980.

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Planned increases in real spending for air pollution abatement capital in 1980 offset decreases for water and solid waste. This pattern is consistent with upcoming regulatory deadlines. The deadline for reducing concentrations of particulate matter, sulfur dioxide, and nitrogen dioxide in air to levels which do not endanger public health is 1982. It is likely that 1980 plans reflect this deadline.

The next major deadline for water pollution abatement does not occur until 1984. Solid waste disposal regulations that will be most costly for business, those for hazardous wastes, are still under development.

The following table is a summary of current and constant dollar estimates of antipollution capital spending.

	<u>1978</u>	<u>1979</u>	<u>Planned 1980</u>	<u>Percent Change</u>	
				<u>1978 to 1979</u>	<u>1979 to 1980</u>
(Millions of dollars)					
Current dollars					
Total	6,924	7,143	7,699	3.2	7.8
Air	3,642	3,915	4,530	7.5	15.7
Water	2,781	2,664	2,604	-4.2	-2.3
Solid waste	502	564	566	12.4	0.4
Constant (1972) dollars					
Total	4,264	3,994	3,915*	-6.3	-2.0
Air	2,226	2,194	2,327*	-1.4	6.1
Water	1,736	1,491	1,306*	-14.1	-12.4
Solid waste	302	309	283*	2.3	-8.4

\*Price changes for 1980 are assumed to be the same as in 1979.

#### Industry detail

Of the major industries (those planning to spend \$100 million or more in current dollars for antipollution capital in 1980), the largest planned increases are: motor vehicles, 39 percent; nonferrous metals, 34 percent; "communication, commercial, and other," 27 percent; iron

and steel, 25 percent; stone-clay-glass, 21 percent; and "other durables," 20 percent. Only two of the major industries plan decreases: mining, 9 percent; and electric utilities, 2 percent. Price measures by industry are not yet available and therefore survey findings for industries are reported in current dollars only.

In 1980, business plans to allocate 3.9 percent of total capital spending to pollution abatement. The largest allocations are planned by: iron and steel, 19 percent; nonferrous metals, 10 percent; electric utilities, 9 percent; petroleum, 8 percent; and motor vehicles, stone-clay-glass, chemicals, and paper, 5 percent each.

Additional data and discussion will appear in the June 1980 Survey of Current Business, the monthly journal of the Bureau of Economic Analysis.

The Survey of Current Business is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. First class mail: annual subscription \$35.00 domestic. Second class mail: annual subscription \$22.00 domestic, \$27.50 foreign; single issue \$1.90 domestic, \$2.40 foreign.

#### NOTE

This summary of plant and equipment expenditures for pollution abatement is based on estimates for nonagricultural industry groups presented in the attached table. The basic data are derived from reports submitted by a large sample of companies, unincorporated as well as corporate, to the Bureau of Economic Analysis. The estimates presented are universe totals of expenditures for new plant and equipment for pollution abatement in the United States based on the sample data. They are compiled from reports on a company basis and not from separate reports for plants or establishments. A company's capital expenditures are assigned to a single industry in accordance with the industry classification of the company's principal products.

Table 1.--New Plant and Equipment Expenditures by U.S. Business: Total and for Pollution Abatement<sup>1</sup>

(Millions of dollars)

	1978					1979					Planned 1980				
	Total <sup>2</sup>	Pollution abatement				Total <sup>2</sup>	Pollution abatement				Total <sup>2</sup>	Pollution abatement			
		Total	Air	Water	Solid waste		Total	Air	Water	Solid waste		Total	Air	Water	Solid waste
All industries.....	153,090	6,924	3,642	2,781	502	176,371	7,143	3,915	2,664	564	195,673	7,699	4,530	2,604	566
Manufacturing.....	67,646	3,951	1,992	1,652	306	78,301	3,976	2,103	1,493	381	89,510	4,540	2,515	1,642	383
Durable goods.....	31,749	1,561	901	566	94	37,890	1,585	936	540	109	43,759	1,956	1,192	628	137
Primary metals <sup>3</sup> .....	5,971	752	530	205	17	6,541	811	558	227	26	7,521	1,010	688	289	32
Blast furnaces, steel works.....	2,622	441	290	140	10	2,895	510	351	154	5	3,360	638	435	197	6
Nonferrous metals.....	2,387	247	189	53	5	2,633	213	142	59	13	2,986	285	187	75	23
Electrical machinery.....	3,937	130	26	88	16	5,055	114	27	82	6	6,054	126	46	73	7
Machinery, except electrical.....	6,416	111	57	46	9	8,147	88	36	39	13	9,617	97	45	44	8
Transportation equipment <sup>3</sup> .....	6,271	224	93	98	33	7,796	261	122	97	42	8,788	350	181	119	50
Motor vehicles.....	4,655	198	82	87	28	5,377	223	106	83	34	5,762	311	168	100	43
Aircraft <sup>4</sup> .....	1,396	23	9	10	5	2,138	33	13	12	8	2,756	34	11	16	7
Stone, clay, and glass.....	2,484	164	109	47	7	2,876	145	116	22	7	3,294	176	130	33	13
Other durables <sup>5</sup> .....	6,670	181	87	82	12	7,475	166	78	72	16	8,485	199	101	70	28
Nondurable goods.....	35,897	2,389	1,092	1,086	211	40,411	2,391	1,167	953	272	45,751	2,583	1,323	1,014	246
Food including beverage.....	4,820	172	75	75	22	5,085	148	51	84	13	5,410	150	51	83	15
Textiles.....	1,022	29	13	8	8	1,031	31	21	10	1	1,182	36	23	12	1
Paper.....	3,371	239	105	103	31	4,835	297	133	124	40	5,958	300	135	125	40
Chemicals.....	7,205	565	236	286	42	8,407	440	203	184	53	9,081	476	218	205	53
Petroleum.....	15,560	1,294	611	586	98	16,473	1,385	708	530	147	19,068	1,536	844	565	127
Rubber.....	1,751	58	40	12	7	1,858	62	38	12	12	2,029	58	39	14	6
Other nondurables <sup>6</sup> .....	2,168	32	11	17	4	2,722	29	13	9	6	3,023	27	13	10	5
Nonmanufacturing.....	85,444	2,974	1,649	1,128	197	98,070	3,166	1,812	1,171	183	106,163	3,160	2,015	962	183
Mining.....	4,844	206	107	88	11	5,525	187	59	105	23	6,451	171	63	71	37
Railroad.....	3,224	36	6	28	3	3,885	20	2	17	1	4,395	32	9	22	1
Air transportation.....	2,362	15	13	2	*	3,335	12	7	5	1	3,442	13	11	2	1
Other transportation.....	2,388	25	7	14	4	2,974	24	11	11	2	3,408	40	20	15	5
Public utilities.....	29,165	2,506	1,443	908	156	33,184	2,763	1,653	975	135	34,394	2,702	1,817	781	104
Electric.....	24,590	2,472	1,431	887	154	28,191	2,715	1,636	950	129	29,226	2,658	1,795	761	102
Gas and other.....	4,575	35	12	21	2	4,993	49	18	25	6	5,168	44	22	20	2
Communication, commercial, and other.....	43,461	185	73	89	22	49,167	160	79	59	22	54,073	203	96	70	36

\*Less than \$500,000.

1. Excludes agricultural business; real estate; medical, legal, educational, and cultural services; and nonprofit organizations. Pollution abatement operating costs are excluded.
2. Estimates of total new plant and equipment expenditures are based on the same surveys as the estimates of pollution abatement expenditures: for 1978, on the survey conducted in November and December 1978, for 1979 and planned 1980, on the survey conducted in November and December 1979.
3. Includes industries not shown separately.
4. Includes guided missiles and space vehicles.
5. Consists of fabricated metal, lumber, furniture, instruments, and miscellaneous.
6. Consists of apparel, tobacco, leather, and printing-publishing.
7. Consists of communication, trade, service, construction, finance, and insurance.

NOTE: Estimates for 1973-77 can be found in "Capital Expenditures by Business for Pollution Abatement, 1973-77 and Planned 1978," Survey of Current Business, June 1978, pp. 33-38.