

# **THE ECONOMY AT MID-1972**

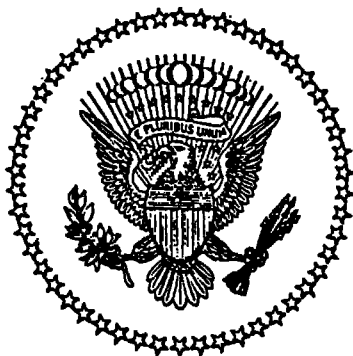


**COUNCIL OF ECONOMIC ADVISERS**

**AUGUST 1972**



# The Economy at Mid-1972



## Testimony of the Council of Economic Advisers

submitted to the

## Joint Economic Committee of the Congress

with an

## Introduction by the President

August 1972

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## Introduction by the President

It is now almost exactly a year since the New Economic Policy was launched on August 15, 1971. What has happened since then adds up to solid economic gains which are a tribute to the public spirit of the people, as well as tangible pocketbook progress for the people.

The actions of last August 15 were designed to intensify previous measures that had reduced the rate of inflation and had started economic resurgence. They included a freeze on wages and prices to help reduce the inflation further, tax reductions to speed up the expansion and get unemployment down, and steps in international finance and trade to lay the basis for increasing the competitiveness of the United States in the world economy.

The August 15 policy consisted of actions the Government would take. But, as I said in my speech that night, the key to success would be in the hands of the American people.

I asked for public cooperation on the ground of patriotism—for the sake of America's economic health. But I also asked for cooperation on the ground of intelligent self-interest. Only by acting together could we get off the inflationary treadmill which for years had been keeping all of us from enjoying the rising prosperity the American economy was capable of producing.

This report by the Council of Economic Advisers describes what has happened since the New Economic Policy was adopted. The performance has been impressive:

- The rate of increase in the cost of living, which had been cut by one-third before the freeze, has now been cut in half.
- There are 2.5 million more civilian jobs than there were one year ago.
- The unemployment rate has declined from about 6 percent to 5½ percent.
- Our economy is growing at a rate of almost 9 percent a year, the highest since 1965.
- Workers' real weekly spendable earnings have risen 4 percent in the last year, three times the average rate from 1960 to 1968.
- We have led the world on the path to international financial and trade reform which will substantially help us to improve our international competitive position as well as help other countries strengthen their economies.

I want to emphasize that the success of the New Economic Policy has been due to the cooperation of the American people.

This cooperation has taken many forms:

- Voluntary compliance by workers, businesses, landlords, consumers and tenants with the price-wage freeze and then with Phase II has been remarkable.
- During the period when the Phase II program was being developed, leaders of business, labor, agriculture, and State and local governments were most helpful in consulting with the Federal officials involved. In the following months, many outstanding citizens have participated in running the program.
- Productivity—output per man-hour—rose 4.3 percent in the past year, the biggest year-to-year gain since early 1966. Such an increase of productivity is impossible without the positive mutual contributions of labor and management.
- The fraction of working time lost from strikes has been at an exceptionally low level.

The American people can congratulate themselves on their performance in the past year and are increasingly enjoying the tangible benefits of what they and their Government have done together.

We still have economic problems to solve, however, and again the key to success lies in the hands of the people. We must firmly establish a lower rate of inflation—both in fact and in the public expectations which help shape the economic future. While we have cut the rate of inflation in half the price of food remains a major concern. We have to get the unemployment rate down much further. We have to continue to improve U.S. competitiveness to strengthen our international economic position.

To accomplish all these things will require continued efforts by everyone—including the Government—to comply with the letter and the spirit of the price-wage control system and to raise productivity even higher.

The critical point at which the help and understanding of the American people is now needed is the Federal budget. If we allow Federal expenditures to soar again, to a point far exceeding the revenues even under conditions of full employment—as they did between 1965 and 1968—we will risk destroying the hard-won gains we have already made. The result would be big increases in the cost of living, or big new taxes—or the first followed by the second.

This Administration is determined to do its best to resist this course by keeping the budget under control, and I have urgently called upon the Congress for help.

But the outcome will depend most of all on the wishes of the American people: If the people insist on spending beyond the \$250 billion ceiling I have urged, such spending will be done. But if the people join me in insisting that Federal spending be held down, to avoid reviving inflation now and paying higher taxes soon, the Government will act responsibly.



This critical situation poses a great test of our mature determination to manage our economic affairs soundly. I am confident that we will meet it, and that our national economy—which includes all of us—will continue to rise to new heights of prosperous greatness.

A handwritten signature in black ink, appearing to read "Richard Nixon". The signature is written in a cursive, flowing style with a long horizontal tail stroke.

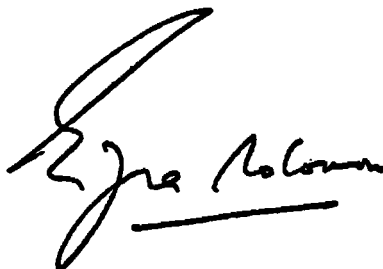


## The Economy at Mid-1972

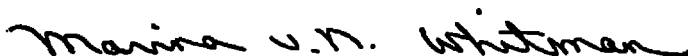
The following report consists of a slightly edited and up-dated version of testimony we presented to the Joint Economic Committee on July 24, 1972, and a supplementary statement submitted for the record at that time. A statistical appendix, bringing the key data up to mid-1972, is included for the convenience of the reader.



HERBERT STEIN.



EZRA SOLOMON.



MARINA v.N. WHITMAN.



## The Economy at Mid-1972

**T**HE REVIEW of the economy this summer is more than usually important. A year has passed since a decisive and innovative set of policies was launched last August and three quarters of a year of evidence are now available on which at least an interim appraisal of those policies can be based.

The performance of the economy under these policies can be summarized in a few figures.

From the second quarter of 1971 to the second quarter of 1972:

Total civilian employment has increased by 2.4 million, one of the largest four-quarter rises on record.

The rate of increase of consumer prices has declined from 4.7 percent to 2.2 percent.

The rate of unemployment has declined from 6.0 percent to 5.7 percent and was 5.5 percent in June and July 1972.

The rate of increase of real output has risen from 3.4 percent to 8.9 percent, the highest rate since the fourth quarter of 1965.

### THE POLICY AND ITS OBJECTIVES

The policy which contributed to these results need be only briefly reviewed here. Steps to deal with inflation were initiated in the third quarter of 1968. With the passage of the Revenue and Expenditure Control Act, fiscal policy turned from being sharply expansive to moderately restrictive. At the same time the long and sharp rise in defense expenditures and in the size of the Armed Forces ended, and was followed by cutbacks beginning in mid-1969. The shift of fiscal policy was accompanied, starting near the end of 1968, by a tightening of monetary policy. As a result of these measures the pressure of excess demand was reduced, and by late 1969 eliminated.

The end of excess demand was followed slowly by a reduction of the inflation rate. The rise of consumer prices had reached a 6.7-percent rate early in 1969 and averaged 6.1 percent during that whole year. In 1970 it still averaged 5.5 percent. By 1970 demand pull was clearly no longer a major factor in the behavior of prices. The long experience with rising prices and the long exposure of each of the major factors of production to static or declining real incomes per unit of input or at best disappointingly small increases, especially in the face of extremely large increases in nominal income flows, was leading quite understandably to vigorous attempts by

labor and business to catch up or keep up by raising wages or prices. In the case of labor, wage demands were being determined more by the push of living costs and by the drive to reestablish customary relationships than by the pull of demand for labor, and in the case of businesses, prices were reacting to wage and other production costs rather than to demand conditions.

The set of policies adopted on August 15 had three principal components. These were actions to shift the economy onto a path of much more rapid expansion of output and employment mainly by tax revisions; to restrain inflationary behavior and expectations by a 90-day freeze on prices and wages and then by more flexible controls; and to suspend convertibility of the dollar in order to bring about a realignment of its external value large enough to offset the rapid increase in prices and costs that had taken place after 1965. These policies were followed up by the Revenue Act of 1971 and the expansive budget submitted in January, by Phase II controls, and by the Smithsonian agreement.

The turn in policy had both short-run and long-run objectives. Our expectations for these objectives were stated in our 1972 Economic Report.

(1) The short-run objectives were to stimulate a much more rapid expansion of demand, and at the same time to make sure that expansion led to increases in real output and employment rather than to increases in prices.

The expectation for 1972, relative to 1971, was that aggregate demand would rise by \$100 billion, that real output would rise 6 percent and that the price increase, measured by the GNP price deflator, would abate to about 3¼ percent. For consumer prices the target was for an abatement by yearend to an inflationary rate below 3 percent per annum. A strong rise in civilian employment was expected to bring the unemployment rate down to the neighborhood of 5 percent by yearend.

(2) The longer-run objective was to restore a state of affairs in which reasonable price stability and high levels of employment can be maintained without controls. This was to be achieved by eliminating the pressure for higher money wages and prices left over from 6 years of inflationary experience and by providing in its place the conditions for large increases in real wages and real profits. The rapid rise in output was expected to promote a rapid increase in man-hour productivity, which is the only sure basis for a rapid increase in real wages and real profits.

(3) Suspension of convertibility was to provide the freedom to expand rapidly and the basis for a realignment of exchange rates and readjustment of trade policies. These results in turn would help to convert a growing imbalance between exports and imports into the favorable position required for balance in our international payments.

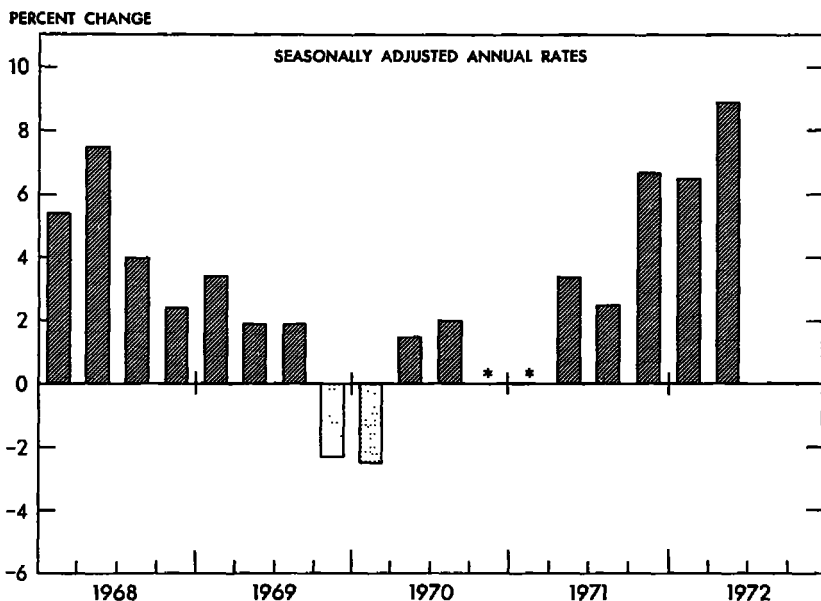
## APPRAISAL

How has the economy responded to the policies of last August? As far as aggregate demand and output are concerned, the rate of expansion has clearly accelerated.

Between the third quarter of 1970 and the third quarter of 1971—the year preceding the New Economic Policy (NEP)—real GNP rose 2.2 percent. From the third quarter of 1971 to the second quarter of 1972, real GNP has expanded at an annual rate of 7.4 percent (Chart 1).

Chart 1

## Changes in Real GNP



\*QUARTERS HEAVILY INFLUENCED BY AUTOMOBILE STRIKE

SOURCE: DEPARTMENT OF COMMERCE

The index of industrial production shows a similar pattern of improvement. From the third quarter of 1970 to the third quarter of 1971, industrial production decreased. Since the third quarter of last year, industrial production has expanded at 7.5 percent per annum.

Both measures of output have shown progressive improvement over the past 12 months: real GNP from 2.5 percent per annum in the third quarter of 1971 to 8.9 percent per annum in the second quarter of 1972, and industrial production from -1.9 percent per annum in the third quarter to 9.4 percent per annum in the quarter just past.

When the year-over-year gain of 6 percent in real GNP was projected in January, it was believed, given the pattern of GNP in 1971 and its estimated fourth-quarter level, that the pace of real growth between the end of 1971 and the end of 1972 would have to average about 7 percent per annum. The rate of increase in the first half of 1972 has exceeded that. Inventory

investment, which had been sluggish, is beginning to rise. The deficit in net exports, which had been growing, shows signs of turning around. As of midyear, the prospects are excellent that a strong pace of expansion will continue and that the projection made in January will be realized.

#### EMPLOYMENT

The rapid expansion of output has been accompanied by a rapid increase in civilian employment. Between the second quarter of 1971 and the second quarter of 1972, total civilian employment has risen by 2.4 million. This is one of the largest four-quarter rises on record. The rate of rise, 3.0 percent per annum, was reached only once in the 1960's, and is very much higher than the increase of 0.1 percent recorded in the four quarters preceding the adoption of the NEP.

Nonagricultural payroll employment has also risen over the past year but the expansion in this measure began one quarter later and has accelerated faster than the household survey series. From the third quarter of 1971 to the second quarter of 1972, payroll employment rose by 1.9 million, or at an annual rate of 3.5 percent.

#### UNEMPLOYMENT

Despite the large gains in employment during the year, the overall unemployment rate remained remarkably steady through all four quarters of 1971 at around the 6-percent level. The rate declined to an average of 5.7 percent in the second quarter of 1972 and the most recent measure, for June and July, was 5.5 percent (Chart 2).

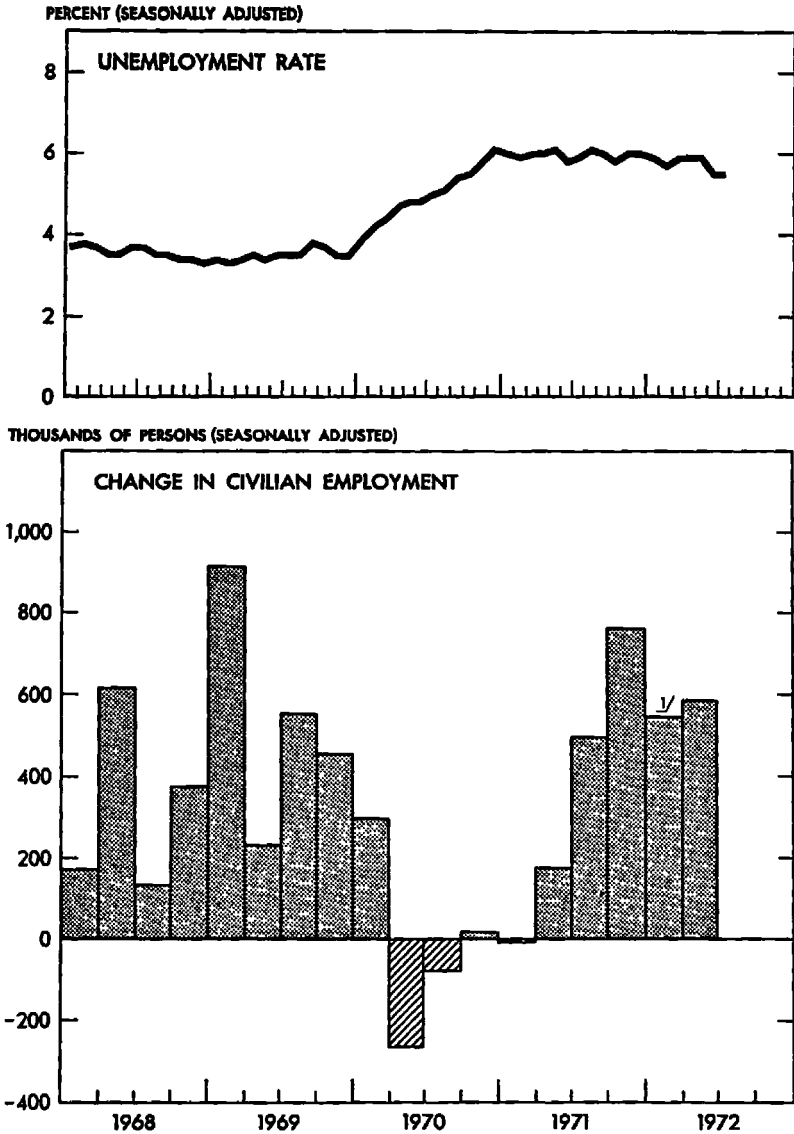
The decline of the unemployment rate has been retarded by the exceptional growth of the civilian labor force. Between the second quarter of 1971 and the second quarter of 1972, the civilian labor force expanded by 2.3 million. This extraordinary increase—twice as large as the average annual rise from 1960 to 1968—was a result of two factors. Because of an increase in the proportion of the population that was in the labor force, the total labor force grew faster than the working-age population. The increase was 1.9 million persons, or about 81 percent of the total expansion in the 16 years-and-over population. Such an increase is typical only during periods of rapid growth in the demand for labor. In addition, the size of the Armed Forces was reduced by about 425,000. The result was a very large increase in the civilian labor force. Consequently, the substantial increase of 2.4 million in civilian employment reduced the number of persons unemployed by less than 100,000 between the second quarter of 1971 and the second quarter of 1972.

In the period ahead both of the extraordinary factors in the growth of the civilian labor force are expected to abate. Future increases in the total labor force will presumably return to a more normal relationship with future increases in the working-age population. More important, the Armed Forces have now been reduced to about the level scheduled for fiscal year 1973. Continued growth of civilian employment at the pace we have had in the



Chart 2

## Unemployment Rate and Changes in Civilian Employment



1/ADJUSTED FOR COMPARABILITY.  
SOURCE: DEPARTMENT OF LABOR.

recent past should therefore reduce the number of persons unemployed at a much faster rate. Although expectable variation may yet temporarily raise the figure above the 5.5 percent experienced in June and July, we believe that the unemployment rate will fall to the neighborhood of 5 percent by yearend.

### PRODUCTIVITY

As we expected, the rate of productivity increase has risen with the rapid expansion of real output. Output per man-hour in the private nonfarm economy showed almost no improvement between the fourth quarter of 1968 and the fourth quarter of 1970. Productivity began to rise again in 1971 and has risen by about 4½ percent since the second quarter of last year.

The improvement in productivity is a key element in the present policy because it is a necessary condition for a rise in real wages and for a durable offset to price pressures.

### REAL SPENDABLE WEEKLY EARNINGS

In spite of very large nominal increases in wage rates, the real spendable weekly wages of the average production worker did not improve at all between 1965 and 1970—the longest stretch of no improvement since 1947 when this statistical series begins. Indeed, real spendable weekly wages declined somewhat over this 5-year period (Chart 3).

In 1971, real spendable weekly wages began a rise that has quickened over the past year, helped by a rise in weekly hours of work and a net cut in tax rates. For the average production worker in the private nonfarm economy, the increase over a year ago is 4.0 percent, as compared to an average annual increase of 1.3 percent from 1960 to 1968.

The decline in real spendable weekly wages prior to 1970 was accompanied by a decline in corporate profits per unit of output. The rise in spendable wages in 1971 and the first half of 1972 has been accompanied by a rise in corporate profits per unit of output.

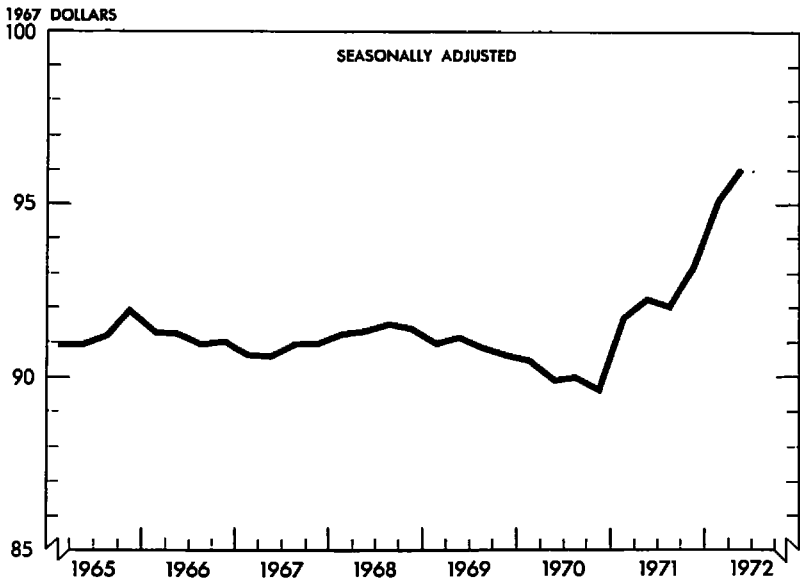
### THE PRICE AND WAGE CONTROL SYSTEM

Before August 15, 1971, we had no American experience with comprehensive wage and price controls in peacetime. We had no experience either with any very forceful and detailed incomes policy. The intense public discussion of such policies which preceded the President's announcement of the freeze was based on foreign or wartime history, the U.S. guidepost episode, *a priori* reasoning, hopes, fears, and intuition.

We have now had almost a year of living with price and wage controls. This is not a long enough period from which to draw certain and universal conclusions. Still, it is possible to form a judgment about what has happened so far and to appraise the future with more evidence than we had last August.

Chart 3

## Real Spendable Weekly Earnings



NOTE.—DATA RELATE TO WEEKLY EARNINGS AFTER TAXES FOR PRIVATE  
NONFARM PRODUCTION WORKER WITH THREE DEPENDENTS  
SOURCE: DEPARTMENT OF LABOR.

Four main observations can be made about the controls so far:

1. The rate of inflation has been much lower during the period of the controls than it was earlier (Chart 4). If we compare the annual rate of increase during the control period since August 1971 with the increase during 1971 before the freeze, we see a decline of about 30 percent in the rate of increase of consumer prices, a decline of about 25 percent in the rate of increase of wholesale prices, a decline of about 40 percent in the rate of increase of industrial wholesale prices and a decline of about 25 percent in the rate of increase of hourly earnings. While a number of causes combined to bring about that result, the price and wage control system undoubtedly contributed to it.

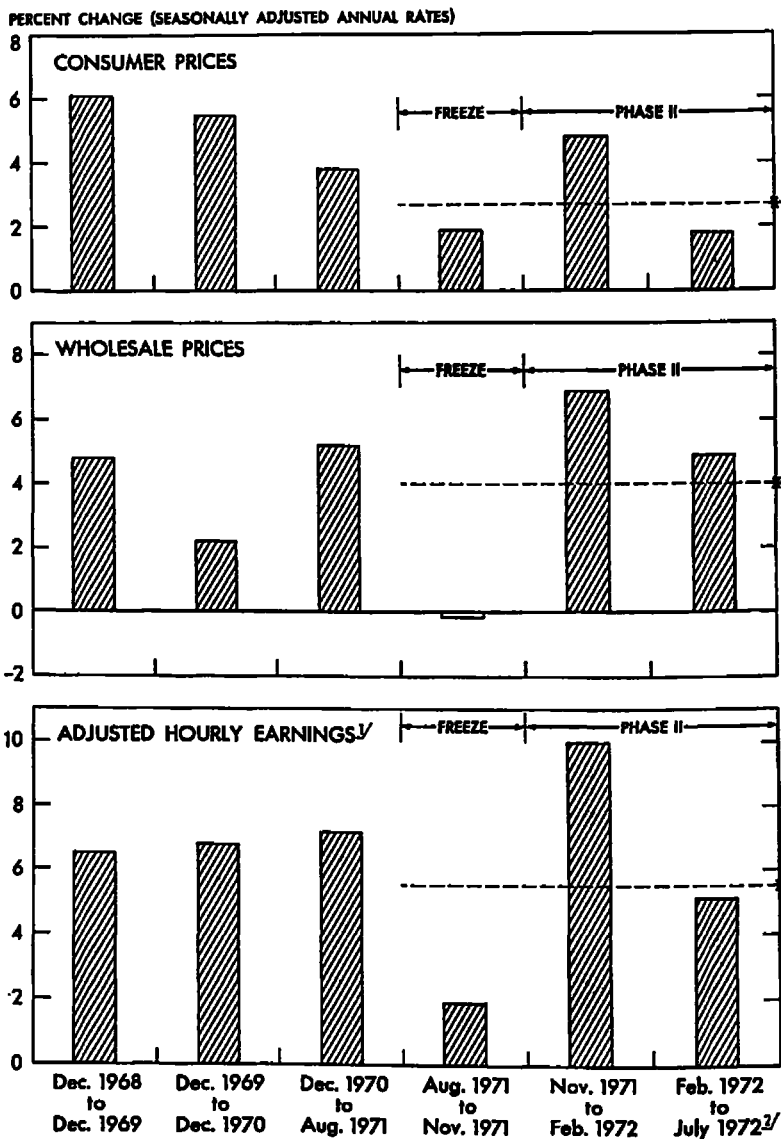
2. The price and wage control system has been consistent with the rapid rise of production, employment, and productivity already described and probably contributed to that rise.

3. During the period of the control system the gains from increasing productivity and production have been widely shared among workers and owners of capital. The controls seem to be reasonably fair.

4. The control system has not required a large bureaucracy or imposed burdensome costs of compliance on businesses and individuals subject to it.

Chart 4

## Changes in Prices and Earnings



\*CHANGE FROM AUG. 1971.

<sup>1/</sup>FOR PRIVATE NONFARM PRODUCTION WORKERS, ADJUSTED FOR OVERTIME (MANUFACTURING ONLY) AND FOR INTERINDUSTRY EMPLOYMENT SHIFTS.

<sup>2/</sup>CHANGE IN CONSUMER PRICES TO JUNE 1972.

SOURCE: DEPARTMENT OF LABOR.

These positive results of the control system have been achieved under favorable circumstances. Before the system was launched, the Administration had demonstrated its determination to follow anti-inflationary fiscal and monetary policies, and the rate of inflation had already declined from its peak. The economy has been operating below its potential and situations of excess demand at existing prices and wages have been uncommon. The rise of output and of productivity during the past year permitted widespread gains of real income and moderated the struggle over income shares. Frustration with long-continued inflation had stimulated support for the stabilization program among all sectors of the Nation. The decision to start the program with a comprehensive freeze highlighted the urgency of the problem and the need to suspend business as usual and politics as usual if the problem were to be met.

Of course, the program also had some special difficulties to contend with. It was initiated when profit margins were exceptionally low, so that there was little room for cost absorption. We were going through a low point in the meat production cycle, which would push up prices of that critical product. The rise in prices abroad and the reduction in the exchange value of the dollar tended to raise prices of imports. Nevertheless the conditions on balance were favorable, more favorable than can be expected in the long run.

We believe that the combination of the price-wage control system with other anti-inflationary policies will lead to the fact and expectation of reasonable price stability. To achieve this goal will require firmness in the application of the controls, responsibility in avoiding excessive fiscal and monetary expansion, willingness to devote other instruments of Government to the task, and cooperation of labor, business, and the public. We believe that these conditions will be present.

#### INTERNATIONAL TRADE AND PAYMENTS

The realignment of exchange rates established under the Smithsonian agreement of December 1971 provided the basis for a fundamental improvement in the U.S. payments position. But a turnaround involving major economic adjustments could not happen instantly. Moreover, in the short run, the dollar devaluation would actually have a perverse impact, causing a further deterioration in the U.S. trade balance. This is because a devaluation has the immediate effect of raising the prices and thus the nominal value of imports, while the response of real trade flows to relative price shifts occurs only with a lag. In addition, divergent cyclical trends in the United States and our major customer countries had a negative impact on our trade balance: Rapid expansion here stimulated the demand for imports, while varying degrees of economic slack in several of our major partner countries slowed the demand for our exports. As a result of these various pressures, the U.S. merchandise trade balance deteriorated from a quarterly deficit of \$1.5 billion in the last quarter of 1971 to \$1.7 billion in the first quarter of 1972 and \$2.0 billion in the second quarter.

There are a number of factors now operating, however, to reverse the deterioration in the U.S. trade balance. These include: The lagged effect of the Smithsonian realignment of exchange rates on real trade flows, stimulating exports and retarding imports; the competitive advantages stemming from the fact that prices, in general, are rising less rapidly here than in Europe and Japan; and a resurgence of demand in some of our major partner countries, notably Germany and Japan. Some evidence of these forces is suggested in the preliminary second-quarter figures for net exports of goods and services (on the GNP basis). In value terms the deficit on goods and services, which had increased from an annual rate of \$2.1 billion in the fourth quarter of 1971 to \$4.6 billion in the first quarter of 1972, widened slightly in the second quarter to \$4.9 billion. But in real terms (1958 dollars) this deficit, which had grown from \$1.8 billion in the fourth quarter to \$3.3 billion in the first, shrank to \$2.4 billion in the second quarter preliminary figures. The divergent behavior of the current dollar balance and the constant dollar balance is due to the fact that import prices rose more than export prices.

The substantial outflows of speculative funds which took place during the currency crisis of 1971 began to be reversed about mid-March. Between then and mid-June the balance on official reserve transactions, which had been in substantial deficit, improved markedly.

In the latter part of June the pound sterling came under heavy speculative pressure, and on June 23 the British Government allowed the pound to float. As a result of this action, heavy speculation erupted against the U.S. dollar and for a time European central banks purchased large amounts of dollars. Very recently the United States also intervened in the exchange markets, purchasing a limited amount of dollars with foreign currencies. As the Treasury said: "The action reflects the willingness of the United States to intervene in the exchange markets upon occasion when it feels it is desirable to help deal with speculative forces."

## PROBLEMS AND POLICY FOR THE FUTURE

We are now in the course of a vigorous economic expansion. Production and employment are rising strongly. Unemployment is declining. The rate of inflation has been reduced. We have laid the basis for an improvement in our international economic position.

These favorable trends will almost certainly continue throughout the year. There will surely be fluctuations in the pace of improvement. In some months there will be reversals. Just how far we will have progressed by year-end is not assured. But about the general improving trend there is probably widespread agreement.

It is necessary now to be looking at the problems beyond 1972—to 1973 and thereafter. Policy actions considered now will have their main effects in this later period, and it is to this later period that the main options and problems relate.

On the domestic scene the major general problem is to keep a steady expansion going, driving the unemployment rate down while achieving reasonable price stability with much less reliance on price and wage controls than we now have. We do not believe that the option of retaining tight controls while pumping up excess demand and thereby achieving price stability and very low unemployment is a viable one. Neither is it a new option. Instead it is the classical siren song which has lured many anti-inflation efforts to disaster.

We have no fixed scenario for the termination or alteration of the price and wage control system. We have indicated our determination to continue it and adapt it as is necessary and useful. But we believe that the main force operating to restrain inflation today is the state of demand relative to capacity. We also believe that we must prepare ourselves to rely even more in the future on prudent policies to control demand, rather than on wage and price controls.

We must maintain a steady growth of demand but prevent an explosion of demand. And one key to that, certainly essential and probably the most important thing, is to keep the budget from exploding.

We have an expansive fiscal policy now, as the situation requires. While we have kept expenditures close to the amount that would be balanced by the revenues at full employment, we have run deficits in the neighborhood of \$25 billion in each of the past 2 fiscal years. The President's proposed budget for fiscal 1973 would also have been balanced under full-employment conditions. This balance has been strained by a number of developments so far this year, but the President is determined to prevent significant departure from full-employment balance by seeking offsets to budget overruns. It is also his policy to achieve balance in the full-employment budget for fiscal year 1974. We recognize how difficult that will be, but we are convinced it is possible. Achieving that goal will of course be much easier if the goal is effectively shared by the Congress.

We would like to warn against too ready acceptance of the idea that our impending budget problems can be solved by increasing taxes. Probably the greatest delusion is to think that the problems can be solved by increasing taxes on other people—and particularly on a few other people—and most particularly on people who are not paying their fair share. The President has said that the Administration would propose a program of tax reform before the year is out. One of the objectives we seek in developing such a program is to increase the equity of the tax system. However, when we consider the differences of opinion that exist about what equity is, when we consider the possible inequities of suddenly changing long-established practices, and when we consider the past record of Congress in these matters, it is not prudent to count on a large or swift increase in revenue from closing "loopholes" affecting small fractions of the population.

A warning is also in order when we turn to the possibility of meeting our budget problem by raising taxes generally. The pressures for higher spend-

ing are great. But the public resistance to higher taxes is also great, and understandably so. Failure to control spending may make a tax increase necessary without making it probable. It would be better to face the expenditure problem now than to count on successfully facing the tax problem later.

On the international side, the Smithsonian agreement was a major achievement. It embodied a multilateral approach to the solution of international monetary problems, taking into account the interests of both surplus and deficit countries. Since then, a number of events have affected the development of the international monetary system within the Smithsonian framework. Among them are: The narrower exchange-rate band agreed upon among member and applicant countries of the European Communities (EC) in April as a first step toward monetary union; the alteration in the Smithsonian pattern of exchange rates caused by the float of the pound sterling; and the spread of exchange-control measures by countries attempting to insulate themselves against large inflows of foreign funds.

The pressure of these events reinforces the need to begin work on comprehensive negotiations for the long-term modernization of the international monetary system. The United States has taken the lead in laying the groundwork for these negotiations. As the forum for these negotiations, a committee of 20 ministerial-level representatives, based on the representation on the Board of Executive Directors of the International Monetary Fund (IMF), has been approved and is expected to hold its first meeting during the IMF annual meeting in September. The new body is expected to consider, in addition to international monetary reforms, the relationships between these proposed reforms and international arrangements involving trade, capital flows, international investment, and development assistance. The broad mandate of this new group reflects the view that the establishment of an international economic system in which each country is assured fair access to world markets and in which market-directed international transactions can make their contribution to economic growth and well-being requires complementary reforms on the trade and the monetary side. This is because there are strong links between the efficient functioning of the international trading system and the stability of the international monetary system.

The goal of a liberal and equitable world order implies, on the monetary side, a system which facilitates payments adjustment without resort to policies detrimental to the achievement of domestic economic goals or to the efficient allocation of resources. One feature of such a system would be that exchange rates adjust more smoothly and readily to changing economic circumstances than they did in the past. On the trade side, our goal implies that the multilateral negotiations expected to begin in 1973 should be comprehensive, encompassing agriculture as well as industrial trade and nontariff as well as tariff barriers. At the same time, a workable trade agreement will need to include a safeguard system that gives temporary protection to economically sensitive industries, as well as provision for domestic adjustment programs to assist the effective reallocation of resources which would otherwise require permanent protection.



A number of steps have been taken in the past year which will pave the way for expanded economic contacts between the United States and the Communist countries as well. A series of recent high-level discussions on commercial issues, highlighted by the President's visits to Peking and Moscow, have demonstrated a serious desire on both sides for such expanded trade. One immediate result of these discussions was the Soviet Union's agreement to purchase \$750 million of U.S. grains over the next 3 years, making her the second largest buyer of U.S. grains, after Japan. Agreements on the part of the President to establish commercial commissions with the Soviet Union and Poland to negotiate agreements on a variety of commercial issues and the relaxation of a number of restrictions on U.S. trade with the People's Republic of China should lay the groundwork for expanded mutually beneficial commercial relationships with these countries.

\* \* \*

The problems we face, both at home and in our international economic relations, are difficult. We express concern in order to invite cooperation, not to indicate despair. On the contrary, we have made encouraging progress. More important, the Government of the United States has shown a high order of responsibility, innovativeness and activism in dealing with its problems. This, and the great strength of the American economy, are the fundamental bases of confidence.



# I. The Economic Expansion

WHEN THE New Economic Policy (NEP) was instituted, the economy was recovering from a mild recession but the recovery was slow and was not yet strong enough to have an effect on the unemployment rate. There was a mood of uncertainty about the direction of the economy. The stock market, although up sharply from the low points of 1970, was drifting downward. Indexes of consumer sentiment, although improved since 1970, were still well below earlier highs.

There can be little doubt that public attitudes underwent a significant change with the onset of the NEP. Sentiment about economic prospects strengthened and expectations concerning inflation improved. Together with the stimulus from proposed tax reductions, these developments led not only to a rapid increase in demand but also to a much more favorable division between price and volume increases. From the third quarter of 1970 to the third quarter of 1971—the year preceding the NEP—current dollar GNP had risen 7.2 percent, real GNP had risen 2.2 percent and prices had risen 4.9 percent. From the third quarter of 1971 to the second quarter of 1972 the growth of GNP accelerated to an annual rate of 10.5 percent, the growth of physical output accelerated even more markedly to 7.4 percent per annum, and the rate of price increase abated to 3 percent. Also, the growth in real GNP has shown an improvement over the period of the NEP, rising from an annual rate of about 6½ percent in the fourth and the first quarters to almost 9 percent in the second quarter of 1972 (Table 1).

TABLE 1.—Changes in GNP, prices, and real GNP, 1967 III–1972 II

[Percent change; seasonally adjusted annual rates]

| Item          | 1967 III<br>to<br>1968 III | 1968 III<br>to<br>1969 III | 1969 III<br>to<br>1970 III | 1970 III<br>to<br>1971 III | 1971 III<br>to<br>1972 II <sup>1</sup> | 1971 III<br>to<br>1971 IV | 1971 IV<br>to<br>1972 I | 1972 I<br>to<br>1972 II <sup>1</sup> |
|---------------|----------------------------|----------------------------|----------------------------|----------------------------|--|---------------------------|-------------------------|--------------------------------------|
| GNP.....      | 9.3                        | 7.6                        | 4.7                        | 7.2                        | 10.5                                   | 8.3                       | 12.0                    | 11.2                                 |
| Prices.....   | 4.1                        | 5.1                        | 5.1                        | 4.9                        | 2.9                                    | 1.5                       | 5.1                     | 2.1                                  |
| Real GNP..... | 4.9                        | 2.4                        | -3                         | 2.2                        | 7.4                                    | 6.7                       | 6.5                     | 8.9                                  |

<sup>1</sup> Preliminary.

Source: Department of Commerce.

The linkage between the shift in policies and its subsequent impact on economic activity is difficult to specify with precision. The change in fiscal policy clearly provided an important part of the expansive thrust.

Federal purchases of goods and services, which had been virtually constant between the second quarter of 1970 and the second quarter of 1971, rose by 12 percent from the second quarter of 1971 to the second quarter

of 1972. In real terms, such purchases have risen by 7 percent over the past four quarters, after having declined by 8 percent in the preceding four quarters. The overall swing of 15 percent in the pattern of real Federal purchases was one reason for the rapid acceleration in the real growth rate of the economy.

The economy also responded to the tax cuts which were proposed, and later implemented, as part of the NEP. The job development tax credit was followed by a rapid increase in business fixed investment, and the removal of the excise tax on cars and small trucks by a rapid increase in demand in this important sector. Furthermore, other elements in the NEP may have contributed to a reversal of the previously rising trend in the share of automobile imports. The effective tax rate on individual incomes was also cut by the Revenue Act of 1971 enacted in December.

Conditions in the money and credit markets have been conducive to the expansion of demand. The freeze on wages and prices was accompanied by a noticeable decline in interest rates, and while this trend has been reversed, rates as a whole have remained well below their August levels. The overall liquidity position of households has improved significantly over the past year. The ratio of liquid assets held by private nonfinancial investors to the annual flow of personal income was almost 100 percent in 1965. After 1965 this ratio had fallen steadily to 92 percent by mid-1970. A mild turnaround took place in 1970. Since mid-1971 the ratio of assets to income has been rising rapidly, and this has been a positive factor for consumer spending behavior.

## DEMAND AND OUTPUT

With the exception of investment in business inventories and net exports, all major components of real demand have expanded strongly since the third quarter of last year. These changes, with data for earlier periods, are summarized in Table 2.

### BUSINESS FIXED INVESTMENT

The most striking impact of the NEP on real demand thus far has been on business expenditures for fixed investment. From the third quarter of 1970 to the third quarter of 1971 these expenditures rose only 3 percent and in real terms declined 4 percent. Since the third quarter of 1971, non-residential investment has increased at an annual rate of 18 percent, of which 14 percent represents a real increase.

Although some improvement in business investment had been expected because of the recovery in profits and the special incentives provided by the liberalized depreciation regulations instituted at the start of 1971, the presence of excess capacity, especially in manufacturing, had been expected to dampen the rise in investment outlays. In the first half of 1971 the Federal Reserve Board index of capacity utilization in manufacturing—at 75.3 percent—was low, and the proportion of manufacturers reporting excess capacity in the Commerce Department quarterly survey was higher than at any time since this particular survey was started in 1963. The ratio

of unfilled order backlogs to shipments in the capital goods industry was also low. Nonetheless, a rapid growth in investment spending has taken place in the past three quarters and much of this rise must be explained as a result of the job development tax credit, the removal of excise taxes on cars and trucks and the general impact of the NEP on business confidence.

TABLE 2.—Percent changes in constant dollar gross national product and its components, 1967 III–1972 II

| Component                              | 1967 III<br>to<br>1968 III | 1968 III<br>to<br>1969 III | 1969 III<br>to<br>1970 III | 1970 III<br>to<br>1971 III | 1971 III<br>to<br>1972 II <sup>1</sup> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|--|
| <b>Percent change:</b>                 |                            |                            |                            |                            |  |
| Gross national product.....            | 4.9                        | 2.4                        | -0.3                       | 2.2                        | 7.4                                    |
| Personal consumption expenditures..... | 6.0                        | 2.6                        | 2.3                        | 3.6                        | 6.0                                    |
| Durable goods.....                     | 13.8                       | 1.9                        | -1                         | 11.0                       | 8.7                                    |
| Nondurable goods.....                  | 4.5                        | 1.3                        | 3.2                        | 1.3                        | 5.5                                    |
| Services.....                          | 4.5                        | 4.3                        | 2.3                        | 2.8                        | 5.0                                    |
| Business fixed investment.....         | 3.3                        | 7.4                        | -2.0                       | -3.7                       | 14.2                                   |
| Residential structures.....            | 6.1                        | 4.9                        | -7.2                       | 36.8                       | 18.6                                   |
| Federal purchases.....                 | 4.0                        | -7.8                       | -13.0                      | -3.0                       | 6.6                                    |
| State and local purchases.....         | 6.7                        | 4.3                        | 2.6                        | 2.8                        | 6.0                                    |
| Final sales.....                       | 5.2                        | 2.1                        | .3                         | 2.7                        | 6.9                                    |
| <b>Change in billions of dollars:</b>  |                            |                            |                            |                            |  |
| Change in business inventories.....    | -1.3                       | 2.4                        | -4.5                       | -4.2                       | 3.5                                    |
| Net exports of goods and services..... | -2.6                       | -9                         | 2.2                        | -2.8                       | -3.3                                   |

<sup>1</sup> Seasonally adjusted annual rates; preliminary.

Source: Department of Commerce.

The response of investment spending to last summer's policy shift shows up more clearly if one examines the pattern of new investment projects started by manufacturers. According to Commerce Department data, the total value of new starts, which had fallen from a seasonally adjusted annual rate of \$34.6 billion in the first half of 1969 to a \$26.5-billion rate in the first half of 1971, rose sharply to a rate of \$30.6 billion in the second half of 1971.

## RESIDENTIAL CONSTRUCTION

Residential construction was also a major component in the expansion of demand and output, although in this case the expansion was largely a continuation of the recovery in housing starts which began in early 1970. The number of private units started during the year ended June 30, 1972, which totaled 2¼ million units, is the largest 12-month total on record and reflected a 28-percent increase over the preceding 12-month period. Housing starts reached their peak on a seasonally adjusted basis in the first quarter of 1972, when milder than normal weather helped to raise the annual rate temporarily to 2½ million units.

The rise in starts reflected both a strong underlying demand for housing and favorable credit conditions. The decade of the seventies started out not only with rising demand stemming from increased household formation

and replacement demand but also with a backlog of demand that had developed because of tight credit conditions in the second half of the 1960's. Exclusive of mobile homes, fewer housing units were started in the 1960's than in the 1950's.

In 1971 and 1972 demand has been strong for all types of units, especially single-family houses. Here the strength of demand was reflected not only in low vacancy rates but also in the ease with which new housing units were sold. Furthermore, homebuyers appeared to be demanding larger homes with more amenities, as compared to the year before.

#### INVENTORIES

Businessmen have pursued cautious inventory policies since last summer and have begun to increase the physical volume of their stocks to any significant degree only in the past quarter. Recent data revisions help explain why businessmen were not increasing their inventory investment. It now appears that stocks held by manufacturers and trade firms as a group were higher relative to sales than the earlier figures had indicated. According to the latest statistics, stock-sales ratios in 1971 were clearly high relative to ratios in the 1965-70 period. For example, the ratio in 1971 was 1.60 as against an average of 1.54 from 1965 through 1970; the corresponding figures before revision were 1.55 in 1971 and 1.53 for the 1965-70 average. However, the ratio has fallen since last year and at 1.51 in April and May appeared low. This helps to explain the moderate rise in inventory accumulation in the second quarter of 1972.

#### CONSUMER EXPENDITURES

The NEP has had a marked impact on consumer expenditures. From the third quarter of 1971 to the second quarter of 1972, the real volume of consumer purchases increased at an annual rate of 6 percent, which is well above the average annual postwar gain of 3.7 percent. The rise was particularly large in durable goods where the increase in real volume was 9 percent.

Dealer sales of domestic-type cars had been running at an annual rate of somewhat more than 8 million units in the 3 months prior to the August 15 freeze. With the imposition of the price freeze and the proposed removal of the 7-percent excise tax, sales rose to a rate of approximately 10 million units during the freeze period. Sales edged down after mid-November when prices were raised, but rose again to a 9 million unit rate in the first half of 1972. Through most of this period the annual rate of foreign car sales was stable at around 1½ million units, somewhat below the rate of 1¾ million units in the 3 months prior to the NEP. In the first half of 1972 the foreign share of total car sales averaged 14 percent, below the peak ratio of 17 percent reached in the second quarter of 1971 but above the ratio which prevailed before 1970 (Table 3).

The expanding economy and boom conditions in residential construction led consumers to step up their outlays for furniture and household equip-

TABLE 3.—New car sales by U.S. dealers, 1966–1972 II

| Period          | Sales (millions of cars)         |                            |         | Import share (percent) <sup>2</sup> |
|-----------------|----------------------------------|----------------------------|---------|-------------------------------------|
|                 | Total                            | Domestic type <sup>1</sup> | Imports |                                     |
| 1966.....       | 9.0                              | 8.4                        | 0.7     | 7                                   |
| 1967.....       | 8.3                              | 7.6                        | .8      | 9                                   |
| 1968.....       | 9.7                              | 8.6                        | 1.0     | 11                                  |
| 1969.....       | 9.6                              | 8.5                        | 1.1     | 12                                  |
| 1970.....       | 8.4                              | 7.1                        | 1.3     | 15                                  |
| 1971.....       | 10.3                             | 8.7                        | 1.6     | 15                                  |
|                 | Seasonally adjusted annual rates |                            |         |                                     |
| 1971: I.....    | 10.0                             | 8.5                        | 1.5     | 15                                  |
| II.....         | 9.9                              | 8.2                        | 1.7     | 17                                  |
| III.....        | 10.7                             | 9.1                        | 1.7     | 16                                  |
| IV.....         | 10.5                             | 9.1                        | 1.4     | 13                                  |
| 1972: I.....    | 10.3                             | 8.8                        | 1.5     | 15                                  |
| II.....         | 10.7                             | 9.2                        | 1.5     | 14                                  |
| First half..... | 10.5                             | 9.0                        | 1.5     | 14                                  |

<sup>1</sup> Includes U.S. cars made by U.S. manufacturers in Canada.

<sup>2</sup> Annual share based on unrounded data.

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

Source: Department of Commerce, based on data from Automobile Manufacturers Association and other industry sources

ment. Partly because housing activity had turned around in the summer of 1970, spending on furniture and appliances had shown some earlier improvement—a 5-percent rise in real terms from the third quarter of 1970 to the third quarter of 1971. However, over the next three quarters real spending increased at a seasonally adjusted annual rate of 14 percent. To finance these purchases consumers made much more extensive use of consumer credit than they had in the preceding year.

The step-up in total consumer spending reflected not only a larger rise in personal income than had occurred over the preceding year but also an increase of vastly different composition (Table 4). Since the third quarter of

TABLE 4.—Changes in personal income, taxes, and disposable income, 1970 III–1972 II

[Billions of dollars]

| Item                                   | 1970 III<br>to<br>1971 III | 1971 III<br>to<br>1972 II <sup>1</sup> |
|--|----------------------------|--|
| Personal income.....                   | 54.5                       | 72.8                                   |
| Wage and salary disbursements.....     | 29.4                       | 59.1                                   |
| Personal taxes.....                    | 3.2                        | 29.5                                   |
| Disposable income.....                 | 51.3                       | 43.3                                   |
| Personal consumption expenditures..... | 47.7                       | 55.7                                   |

<sup>1</sup> Seasonally adjusted annual rates; preliminary.

Source: Department of Commerce.

last year, increased wages and salaries have accounted for more than 80 percent of the rise in personal income as compared to 54 percent (on a smaller base) over the year preceding. Whereas the rise in payrolls from

the third quarter of 1970 to the third quarter of 1971 reflected only increases in hourly compensation, which offset a slight dip in man-hours, the more recent payroll rise reflected both an increase in hourly compensation and an increase in man-hours of about 2½ percent.

One remarkable aspect of consumer spending in the first half of 1972 was the large rise that occurred in the face of the unexpected increase in personal taxes withheld. It had been contemplated that consumer spending would be bolstered at the start of this year by the tax cuts enacted in 1971. However, because many individuals chose not to use the extra exemptions provided in the new tax withholding table, personal tax collections rose sharply in early 1972, instead of declining slightly as originally contemplated. As a result, the increase in disposable (after-tax) income from the second quarter of 1971 was considerably less than had occurred over the preceding year.

Consumers apparently compensated for the rise in taxes by reducing their saving rate. They seem to have viewed the tax rise as merely temporary until final settlement of 1972 tax liabilities in 1973. A good picture of this shift is provided by Table 5, which shows personal taxes, personal outlays and personal saving, each as a percent of personal income. From the fourth quarter of 1971 to the second quarter of 1972 the ratio of total

TABLE 5.—Personal taxes, personal outlays, and personal saving as percent of personal income, 1966 I–1972 II

| Period          | Percent of personal income <sup>1</sup> |                  |        |
|-----------------|---|------------------|--------|
|                 | Personal taxes                          | Personal outlays | Saving |
| 1966: I         | 12.3                                    | 82.5             | 5.2    |
| II              | 12.9                                    | 81.8             | 5.4    |
| III             | 13.0                                    | 81.7             | 5.3    |
| IV              | 13.1                                    | 80.6             | 6.2    |
| 1967: I         | 13.2                                    | 80.5             | 6.4    |
| II              | 13.0                                    | 81.0             | 6.0    |
| III             | 13.2                                    | 80.3             | 6.5    |
| IV              | 13.4                                    | 79.9             | 6.7    |
| 1968: I         | 13.4                                    | 80.4             | 6.2    |
| II              | 13.6                                    | 79.8             | 6.5    |
| III             | 14.7                                    | 80.2             | 5.1    |
| IV              | 15.0                                    | 79.7             | 5.2    |
| 1969: I         | 15.7                                    | 79.8             | 4.5    |
| II              | 15.8                                    | 79.7             | 4.5    |
| III             | 15.3                                    | 79.1             | 5.6    |
| IV              | 15.3                                    | 79.0             | 5.8    |
| 1970: I         | 15.0                                    | 79.1             | 5.9    |
| II              | 14.8                                    | 78.3             | 6.9    |
| III             | 14.1                                    | 78.8             | 7.1    |
| IV              | 14.1                                    | 78.7             | 7.2    |
| 1971: I         | 13.4                                    | 79.5             | 7.1    |
| II              | 13.4                                    | 79.1             | 7.5    |
| III             | 13.5                                    | 79.4             | 7.0    |
| IV              | 14.0                                    | 79.3             | 6.7    |
| 1972: I         | 15.0                                    | 78.8             | 6.1    |
| II <sup>2</sup> | 15.1                                    | 79.3             | 5.6    |

<sup>1</sup> Based on seasonally adjusted data.

<sup>2</sup> Preliminary.

Note.—Detail may not add to 100.0 because of rounding.

Source: Department of Commerce.



personal taxes to personal income rose by 1.2 percentage points. The ratio of consumer outlays remained unchanged while the saving ratio dropped by the full amount of the tax ratio increase.

#### GOVERNMENT PURCHASES

In addition to tax cuts, the switch last year to a more vigorously expansive fiscal policy included provision for an increase in Federal purchases of goods and services. Between the third quarter of 1970 and the third quarter of 1971 Federal purchases fell, as continued cuts in defense spending more than offset increases in nondefense purchases. Measured in constant dollars Federal purchases fell 3 percent, bringing the total decline from the peak in the second quarter of 1968 to 23 percent. From the third quarter of 1971 to the second quarter of 1972, Federal purchases in constant dollars rose at an annual rate of 6.6 percent.

State and local purchases also rose faster in the past three quarters, expanding in real terms by 6.0 percent as against 2.8 percent in the preceding four quarters.

#### EMPLOYMENT AND UNEMPLOYMENT

The demand for labor has increased significantly since mid-1971. Total civilian employment rose by 2.4 million between the second quarter of 1971 and the second quarter of 1972, an exceptionally large increase by past standards. In contrast, total civilian employment had shown almost no growth over the preceding four quarters.

The distribution of employment gains among the major demographic groups is shown in Table 6. Teenagers secured 600,000 or 25 percent of the increase in jobs. This is a far higher fraction than their overall representation in total employment (about 8 percent). The gain in employment for adult women was 900,000 and this increased the group's share of total jobs. Adult male employment rose by 900,000 or less than 40 percent of the increase. Since the share of adult men in total employment is about 57 percent, the decline in share that has been going on for two decades continued.

TABLE 6.—Demographic distribution of civilian employment and employment growth, 1970 II–1972 II

| Age group                      | Employment change (thousands) |                                 | Percent distribution                               |                                       |
|--------------------------------|-------------------------------|---------------------------------|--|---------------------------------------|
|                                | 1970 II to 1971 II            | 1971 II to 1972 II <sup>1</sup> | Employment change, 1971 II to 1972 II <sup>1</sup> | Total employment 1972 II <sup>2</sup> |
| Total civilian employment..... | 113                           | 2,398                           | 100.0  | 100.0                                 |
| Men 20 years and over.....     | 99                            | 894                             | 37.3   | 57.4                                  |
| Women 20 years and over.....   | 27                            | 900                             | 37.5   | 34.3                                  |
| Both sexes 16–19 years.....    | –13                           | 605                             | 25.2   | 8.3                                   |

<sup>1</sup> Employment data for 1972 II have been adjusted to remove the effect of the introduction of the 1970 Census data into the estimation procedure.

<sup>2</sup> Based on seasonally adjusted data.

Source: Department of Labor.

Employment as measured by nonagricultural payrolls has also risen over the past year, but the expansion in this measure began one quarter later and has accelerated faster than the household survey series (Table 7).

TABLE 7.—Changes in labor force, Armed Forces, and employment, 1970 II–1972 II

| [Percent change; seasonally adjusted annual rate] |                          |                                       |                           |                           |                                      |                         |
|---|--------------------------|---------------------------------------|---------------------------|---------------------------|--------------------------------------|-------------------------|
| Labor force status                                | 1970 II<br>to<br>1971 II | 1971 II<br>to<br>1972 II <sup>1</sup> | 1971 II<br>to<br>1971 III | 1971 III<br>to<br>1971 IV | 1971 IV<br>to<br>1972 I <sup>1</sup> | 1972 I<br>to<br>1972 II |
| Total labor force.....                            | 0.9                      | 2.2                                   | 2.1                       | 3.3                       | 1.6                                  | 1.9                     |
| Armed Forces.....                                 | -11.7                    | -14.9                                 | -10.1                     | -11.6                     | -19.8                                | -17.7                   |
| Civilian labor force.....                         | 1.4                      | 2.8                                   | 2.5                       | 3.8                       | 2.3                                  | 2.5                     |
| Civilian employment.....                          | .1                       | 3.0                                   | 2.6                       | 3.9                       | 2.8                                  | 2.9                     |
| Nonagricultural payroll employment.....           | -.2                      | 2.6                                   | -.2                       | 2.2                       | 4.3                                  | 4.0                     |
| Manufacturing.....                                | -4.8                     | 1.6                                   | -2.4                      | .9                        | 2.5                                  | 5.5                     |

<sup>1</sup> Labor force data for 1972 have been adjusted to remove the effect of the introduction of the 1970 Census data into the estimation procedure.

<sup>2</sup> Preliminary.

Note.—Data relate to persons 16 years of age and over.

Source: Department of Labor.

From the third quarter of 1971 to the second quarter of 1972, nonagricultural payroll employment rose by 1.9 million, or at an annual rate of 3.5 percent. The increased demand for labor has also led to an increase in the average workweek. For the private nonfarm economy as a whole the average workweek has increased from 36.8 hours in the third quarter of 1971 to 37.2 hours in the second quarter of 1972.

Payroll employment grew in most industry groups, including a notable upturn in factory employment. Prior to the introduction of the NEP, manufacturing payroll employment had been falling. By August 1971 the total was down to 18.5 million, a decline of about 1.8 million from the 1969 peak and its lowest level since November 1965. A large part of this decline was due to cutbacks in defense and space-related employment. Since August, manufacturing employment has increased by about 440,000.

Other labor market indicators also show rising strength in the manufacturing sector. The average workweek in manufacturing rose to 40.6 hours in the second quarter of 1972, eight-tenths of an hour above the third quarter of last year. Over the same period the accession rate in manufacturing has risen and the layoff rate in manufacturing has declined; the number of manufacturing job vacancies is up, as is the volume of help-wanted advertising.

#### LABOR FORCE DEVELOPMENTS

The total labor force has grown at an exceptionally rapid pace since mid-1971, increasing by 1.9 million persons between the second quarter of last year and the second quarter of 1972. The normal growth of the total labor force, based on the growth of the noninstitutional population 16 years

of age and over, is around 1½ million persons a year. However labor force participation rates, which had declined prior to mid-1971, have risen since then and this increase resulted in an additional increment of about 400,000 persons to the total labor force.

Because of the continued reduction in the size of the Armed Forces, the civilian labor force rose at an even swifter rate than the total labor force. Over the year ending in mid-1972 the size of the Armed Forces declined by about 425,000. Because of the very high participation rates of those released from military service there is almost a one-to-one correspondence between changes in the size of the Armed Forces and opposite movements in the size of the civilian labor force. At the present time it is estimated that 92 percent of all Vietnam era veterans in the 20-29 age group are participants in the labor force.

The combined effects of the very large increase in the total labor force and the large reduction in the Armed Forces led to a very large increase of 2.3 million in the civilian labor force. As a result of these developments, total unemployment declined by less than 100,000 in spite of the 2.4 million increase in jobs (Table 8).

TABLE 8.—Changes in labor force and employment, 1960-1972 II

[Annual averages; thousands of persons 16 years of age and over]

| Labor force status                                      | 1960<br>to<br>1965 | 1965<br>to<br>1968 | 1968 II<br>to<br>1970 II | 1970 II<br>to<br>1971 II | 1971 II<br>to<br>1972 II <sup>1</sup> |
|---|--------------------|--------------------|--------------------------|--------------------------|---------------------------------------|
| Noninstitutional population.....                        | 1,895              | 2,109              | 2,312                    | 2,413                    | 2,359                                 |
| Total labor force.....                                  | 1,007              | 1,698              | 1,754                    | 798                      | 1,904                                 |
| (Percent of change in noninstitutional population)..... | (53.1)             | (80.5)             | (75.9)                   | (33.1)                   | (80.7)                                |
| Armed Forces.....                                       | 42                 | 271                | -155                     | -377                     | -424                                  |
| Civilian labor force.....                               | 965                | 1,427              | 1,909                    | 1,175                    | 2,328                                 |
| Employment.....   | 1,062              | 1,611              | 1,345                    | 113                      | 2,398                                 |
| Unemployment.....                                       | -97                | -183               | 564                      | 1,062                    | -70                                   |

<sup>1</sup> Data for 1972 II have been adjusted to remove the effect of the introduction of the 1970 Census data into the estimation procedure.

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

Source: Department of Labor.

There are signs that the pace of labor force growth will abate after mid-1972. Of the 1.9 million growth in the total labor force since mid-1971, 1.1 million took place by the December quarter. Since then the total labor force has grown at an annual rate of 1.5 million, which is more in line with longer-run expectations. As Table 9 shows, participation rates of teenagers and of the important 20-64 age group are already at or above the very high levels of 1969 and 1970.

A second, and more important, short-run consideration for civilian labor force growth in the year ahead is that the sharp cutbacks that have occurred in the size of the Armed Forces will not continue. The level reached in June

TABLE 9.—Civilian labor force participation rates, by age group, 1960–1972 II

| Period              | [Percent] <sup>1</sup> |             |             |                   |
|---------------------|------------------------|-------------|-------------|-------------------|
|                     | Total                  | Age group   |             |                   |
|                     |                        | 16-19 years | 20-64 years | 65 years and over |
| 1960.....           | 59.4                   | 47.5        | 67.2        | 20.8              |
| 1961.....           | 59.3                   | 47.0        | 67.4        | 20.1              |
| 1962.....           | 58.8                   | 46.1        | 67.3        | 19.1              |
| 1963.....           | 58.7                   | 45.2        | 67.6        | 17.9              |
| 1964.....           | 58.7                   | 44.5        | 67.9        | 18.0              |
| 1965.....           | 58.9                   | 45.7        | 68.1        | 17.8              |
| 1966.....           | 59.2                   | 48.2        | 68.4        | 17.2              |
| 1967.....           | 59.6                   | 48.4        | 68.9        | 17.2              |
| 1968.....           | 59.6                   | 48.3        | 69.0        | 17.2              |
| 1969.....           | 60.1                   | 49.4        | 69.4        | 17.3              |
| 1970.....           | 60.4                   | 49.9        | 69.8        | 17.0              |
| 1971.....           | 60.2                   | 49.7        | 69.7        | 16.3              |
| Seasonally adjusted |                        |             |             |                   |
| 1971: II.....       | 60.0                   | 49.4        | 69.6        | 16.3              |
| III.....            | 60.1                   | 49.3        | 69.7        | 16.3              |
| IV.....             | 60.4                   | 50.5        | 69.9        | 16.1              |
| 1972: I.....        | 60.3                   | 52.5        | 69.6        | 15.9              |
| II.....             | 60.4                   | 52.3        | 69.9        | 15.4              |

<sup>1</sup> Civilian labor force as percent of civilian noninstitutional population in specified group.

Source: Department of Labor.

1972, just below 2.4 million, is the lowest since 1950 and very close to the planned level for fiscal year 1973.

### UNEMPLOYMENT

The extraordinary growth of the labor force has served to retard the reduction in the unemployment rate, and this in turn has obscured the fundamental improvement that has taken place in labor market conditions during the past year.

After rapid expansion of the economy began in the third quarter, the unemployment rate, which had remained at 6.0 percent through the first three quarters of 1971, has edged down by one-tenth of a point a quarter to 5.7 percent in the second quarter of 1972. With the expected abatement in civilian labor force growth, continued gains in employment will bite more rapidly into unemployment. The unemployment rate, which was 5.5 percent in June and July, is expected to decline to the neighborhood of 5 percent by yearend.

Almost all groups have shared in the reduction in jobless rates (Table 10). In recent quarters unemployment rates of persons who lost their last job have fallen to 2.5 percent of the civilian labor force from rates of 2.7–2.8 percent in 1971.

The dispersion of unemployment continues to be highly uneven geographically. In part this is due to large reductions of civilian employment in defense-related industries. It is estimated that the cutback in defense spending has

TABLE 10.—Selected unemployment rates, 1971 I–1972 II

[Percent, seasonally adjusted]<sup>1</sup>

| Selected groups of workers                  | 1971 |      |      |      | 1972 |      |
|---|------|------|------|------|------|------|
|   | I    | II   | III  | IV   | I    | II   |
| All workers.....                            | 6.0  | 6.0  | 6.0  | 5.9  | 5.8  | 5.7  |
| <b>Sex and age:</b>                         |      |      |      |      |      |      |
| Men 20-24 years.....                        | 10.2 | 10.4 | 10.3 | 10.3 | 10.0 | 9.5  |
| Men 25 years and over.....                  | 3.5  | 3.5  | 3.5  | 3.5  | 3.2  | 3.3  |
| Women 20 years and over.....                | 5.7  | 5.8  | 5.7  | 5.7  | 5.3  | 5.6  |
| Both sexes 16-19 years.....                 | 17.3 | 16.9 | 16.8 | 16.9 | 18.2 | 15.8 |
| <b>Race:</b>                                |      |      |      |      |      |      |
| White.....                                  | 5.5  | 5.5  | 5.5  | 5.4  | 5.3  | 5.3  |
| Negro and other races.....                  | 9.5  | 9.9  | 10.1 | 10.1 | 10.6 | 9.9  |
| <b>Occupation:</b>                          |      |      |      |      |      |      |
| White-collar workers.....                   | 3.6  | 3.5  | 3.5  | 3.5  | 3.5  | 3.4  |
| Blue-collar workers.....                    | 7.5  | 7.4  | 7.5  | 7.4  | 7.0  | 6.6  |
| Service workers.....                        | 6.1  | 6.3  | 6.5  | 6.4  | 6.2  | 6.0  |
| <b>Other categories:</b>                    |      |      |      |      |      |      |
| State insured workers.....                  | 3.8  | 4.1  | 4.2  | 4.2  | 3.5  | 3.6  |
| Married men.....                            | 3.2  | 3.2  | 3.2  | 3.2  | 2.9  | 2.9  |
| Full-time workers.....                      | 5.5  | 5.5  | 5.5  | 5.6  | 5.4  | 5.3  |
| Part-time workers.....                      | 8.9  | 8.7  | 8.7  | 8.4  | 8.7  | 8.5  |
| Household heads.....                        | 3.6  | 3.7  | 3.7  | 3.6  | 3.4  | 3.5  |
| <b>Reason for unemployment:<sup>2</sup></b> |      |      |      |      |      |      |
| Lost last job.....                          | 2.7  | 2.8  | 2.8  | 2.7  | 2.5  | 2.5  |
| Entered or re-entered labor force.....      | 2.5  | 2.5  | 2.5  | 2.5  | 2.7  | 2.5  |
| Left last job.....                          | .7   | .7   | .7   | .7   | .7   | .7   |

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

<sup>2</sup> Unemployment rate calculated as percent of total civilian labor force.

Source: Department of Labor.

reduced the number of defense-related private sector jobs from its peak level of 3.2 million in 1968 to 1.9 million in mid-1972. Of this total decline about 90,000 has occurred over the past 12 months.

### MANPOWER POLICIES

Over the past 4 years the United States has made a substantial transition from an economy in which employment was heavily based on defense to one that is far less defense oriented. In the second quarter of 1968 fully 8 million persons in and out of uniform were directly engaged in defense activity, equal to 10 percent of the total labor force. By the second quarter of 1972 the number of persons directly engaged in defense activity had been reduced to 5½ million or 6 percent of the total labor force. A transition of this size, desirable as it might be for the overall economy, imposes burdens on the individuals involved. The fact that it was necessary to make a parallel transition at the same time from a high and rising rate of inflation to a moderate and falling rate of inflation made it all the harder for policy to deal with the employment effects of the transition from defense employment. Overall fiscal and monetary policies have therefore been supplemented by a number of policies instituted or expanded to deal directly with the problems of employment and unemployment.

Expenditures for manpower programs have been increased from \$2.3 billion in fiscal year 1969 to \$4.3 billion in fiscal year 1972, and are planned at \$5.1 billion in fiscal year 1973. The number of new enrollees receiving training for employment under these programs has been increased from 1.7 million in fiscal year 1969 to an estimated 2.3 million in fiscal year 1972.

Computerized job banks have been established in 111 cities to bring jobs and job seekers together more quickly. For the summer of 1972, 1.1 million young people will receive jobs through Federal programs, up from the 700,000 served in the summer of 1969. For fiscal year 1973, an additional 652,000 youths are expected to receive training and work experience in other Federal manpower programs.

Veterans are receiving substantial aid for training and readjustment. Actual outlays for veterans' education were \$1.5 billion in fiscal 1971 and are estimated to be \$2 billion for 1972. By December 1971, 1.9 million Vietnam era veterans had received aid under the GI bill. Other special programs such as Project Transition have been initiated to hasten the readjustment of veterans. The President has also signed legislation which will increase the disability benefits for veterans by 10 percent.

Unemployed and underemployed engineers, scientists, and technicians have received assistance under the Technology Mobilization and Reemployment Program started in 14 cities in 1971 and extended nationwide in January of 1972.

To ease the burden of prolonged spells of unemployment, additional income protection was provided through the Employment Security Amendments of 1970. This act provided for up to 13 extra weeks of unemployment benefits when the national insured unemployment rate has been at or above 4.5 percent for 3 consecutive months. The extended program went into effect in January 1972 and was detripped in April 1972. The 1970 Amendments also provided for extended benefits in individual States with insured jobless rates averaging in excess of 4 percent for 13 successive weeks and unemployment at least 20 percent higher than in the same period of the 2 preceding years. Additional protection in States with particularly acute unemployment was provided under temporary unemployment compensation legislation enacted in 1971. This legislation, which was scheduled to expire on July 1, 1972, recently was extended for 6 months. During fiscal year 1972 about \$1.2 billion was paid to approximately 2.3 million beneficiaries under these extended benefit programs.

## PRODUCTIVITY, UNIT LABOR COSTS, AND PROFITS

One reason for the persistence of cost pressures during the early stages of the current expansion was the spotty performance of productivity, measured by output per man-hour. Typically, productivity has risen sharply once a trough in the business cycle has been reached. But in the summer of 1971, three quarters after the trough, the rise in output per man-hour in the private nonfarm sector at 3.1 percent was less than in any other upturn

since the end of World War II (Table 11). A comparative lag in productivity growth also shows up if the preceding peak of each business cycle is used as a base.

TABLE 11.—*Indexes of output per man-hour after business cycle troughs, private nonfarm economy*

| Year and quarter of trough | Trough | Number of quarters after trough |       |       |       |
|----------------------------|--------|---------------------------------|-------|-------|-------|
|                            |        | 3                               | 4     | 5     | 6     |
| 1949 IV.....               | 100.0  | 106.8                           | 107.3 | 106.0 | 106.7 |
| 1954 III.....              | 100.0  | 103.8                           | 104.3 | 103.5 | 102.3 |
| 1958 II.....               | 100.0  | 103.5                           | 104.6 | 103.7 | 104.8 |
| 1961 I.....                | 100.0  | 105.2                           | 106.0 | 106.5 | 108.2 |
| 1970 IV.....               | 100.0  | 103.1                           | 104.4 | 105.6 | 106.9 |

<sup>1</sup> Preliminary.

Note.—Data relate to all persons.

Source: Department of Labor.

From the third quarter of 1971 to the second quarter of 1972 productivity rose at an annual rate of about 5 percent, far better than in the preceding four-quarter period and also a better performance than had occurred in a similar stage of earlier expansions. This increase, combined with a decreased rate of rise in hourly compensation, led to a marked slowing of the rate of rise of labor costs per unit of output. From the third quarter of 1971 to the second quarter of 1972, unit labor costs in the private nonfarm sector rose at an annual rate of about 1½ percent. This compared with the increases of 6.7 percent per annum from 1968 to 1970 and 3.1 percent from 1970 to 1971 (Table 12).

TABLE 12.—*Changes in compensation, productivity, and labor costs in the private nonfarm economy, 1962-1972 II*

[Percent change; seasonally adjusted annual rates]

| Item  | 1962<br>to<br>1964 | 1964<br>to<br>1966 | 1966<br>to<br>1968 | 1968<br>to<br>1970 | 1970<br>to<br>1971 | 1971 III<br>to<br>1972 II <sup>1</sup> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--|
| Compensation per man-hour.....                    | 4.2                | 4.9                | 6.5                | 7.1                | 6.9                | 6.5                                    |
| Output per man-hour.....                          | 3.4                | 3.2                | 2.2                | .4                 | 3.7                | 5.0                                    |
| Unit labor costs.....                             | .8                 | 1.6                | 4.1                | 6.7                | 3.1                | 1.4                                    |
| Implicit price deflator.....                      | 1.2                | 1.8                | 3.4                | 4.7                | 4.3                | 1.9                                    |
| Real compensation per man-hour <sup>2</sup> ..... | 2.9                | 2.5                | 2.8                | 1.4                | 2.5                | 3.4                                    |

<sup>1</sup> Preliminary.

<sup>2</sup> Compensation per man-hour adjusted for changes in the consumer price index.

Note.—Data relate to all persons.

Source: Department of Labor.

## THE CORPORATE SECTOR

Table 13 puts into perspective the changes in unit production costs that have occurred for nonfinancial corporations. These companies accounted for 65 percent of real private output in 1971.

For the corporate sector the improvement in output per man-hour increased quite sharply to 5 percent per annum from the third quarter of 1971 to the first quarter of 1972, the latest period for which complete figures are available. The increase in compensation per man-hour, at an annual rate of 7 percent, was slightly higher than the 6.7 percent recorded over the period ending in the third quarter of 1971. The increase reflects the post-freeze bulge in wages and the increase in Social Security taxes. The combined effect of these changes in compensation and productivity was an increase in unit labor costs of 1.9 percent per annum over the past two quarters, a marked decline from the pace of unit labor cost increases prior to the third quarter of 1971.

TABLE 13.—Changes in prices, costs, and profits per unit of output for nonfinancial corporations: 1966 III–1972 I

| Item                                       | 1966 III<br>to<br>1967 III | 1967 III<br>to<br>1968 III | 1968 III<br>to<br>1969 III | 1969 III<br>to<br>1970 III | 1970 III<br>to<br>1971 III | 1971 III<br>to<br>1972 I <sup>1</sup> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------------------|
| <b>Dollar change per unit of output:</b>   |                            |                            |                            |                            |                            |                                       |
| Price.....                                 | 0.031                      | 0.029                      | 0.030                      | 0.044                      | 0.048                      | 0.018                                 |
| Employee compensation.....                 | .028                       | .020                       | .038                       | .045                       | .022                       | .016                                  |
| Other costs.....                           | .016                       | .008                       | .016                       | .022                       | .017                       | .000                                  |
| Capital consumption allowances.....        | .008                       | .001                       | .007                       | .008                       | .010                       | .002                                  |
| Indirect business taxes <sup>2</sup> ..... | .005                       | .005                       | .004                       | .008                       | .006                       | -.002                                 |
| Net interest.....                          | .003                       | .002                       | .005                       | .006                       | .001                       | .000                                  |
| Profits <sup>3</sup> .....                 | -.014                      | .002                       | -.024                      | -.022                      | .007                       | .004                                  |
| <b>Percent change per unit of output:</b>  |                            |                            |                            |                            |                            |                                       |
| Price.....                                 | 2.9                        | 2.6                        | 2.6                        | 3.8                        | 4.0                        | 1.4                                   |
| Employee compensation.....                 | 4.1                        | 2.8                        | 5.2                        | 5.9                        | 2.7                        | 1.9                                   |
| Compensation per man-hour.....             | 5.3                        | 7.3                        | 7.2                        | 7.8                        | 6.7                        | 7.0                                   |
| Output per man-hour.....                   | 1.2                        | 4.4                        | 1.8                        | 1.9                        | 3.9                        | 5.1                                   |
| Other costs.....                           | 7.4                        | 3.4                        | 6.7                        | 8.6                        | 6.1                        | .0                                    |
| Capital consumption allowances.....        | 8.0                        | .9                         | 6.4                        | 6.9                        | 8.1                        | 1.5                                   |
| Indirect business taxes <sup>2</sup> ..... | 5.2                        | 5.0                        | 3.8                        | 7.3                        | 5.1                        | -1.6                                  |
| Net interest.....                          | 15.0                       | 8.7                        | 20.0                       | 20.0                       | 2.8                        | .0                                    |
| Profits <sup>3</sup> .....                 | -7.8                       | 1.2                        | -14.4                      | -15.4                      | 5.8                        | 3.1                                   |
| Output.....                                | 1.0                        | 7.0                        | 4.4                        | -1.4                       | 1.8                        | 9.7                                   |

<sup>1</sup> Seasonally adjusted annual rates; preliminary.

<sup>2</sup> Also includes business transfer payments less subsidies.

<sup>3</sup> Before taxes and including inventory valuation adjustment.

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

Sources: Department of Commerce and Department of Labor.

Unit nonlabor costs for the corporate sector changed little between the third quarter of 1971 and the first quarter of 1972. In spite of increased depreciation charges due to the asset depreciation range guidelines (ADR), capital consumption costs per unit of output rose only moderately, and this rise was offset by some decline in indirect business taxes per unit of output. The chief reason for the latter was the rapid rise in output, but the removal of the excise tax on automobiles and small trucks, and the elimination of the import surcharge were also contributing factors. Interest costs per unit of output were unchanged.



With unit costs rising less than price per unit, unit profits continued the irregular upturn in progress since the low point in the strike-affected fourth quarter of 1970. In spite of this recovery, however, profits per unit of output in the first quarter of 1972 were still 29 percent below the peak reached in the last quarter of 1965.

Changes in the dollar volume of profits reflect not only changes in profits per unit but also changes in the volume of output. With unit costs up only slightly and volume up substantially, aggregate before-tax profits of all corporations in the first quarter of 1972 were 8½ percent greater than they had been a year earlier. The corresponding figures for the second quarter will show a greater rise but no estimates will be available for another month. After-tax profits rose by 18.8 percent—considerably more rapidly than before-tax profits—because corporations realized tax savings from the ADR and the job development credit.

Even with the large over-the-year increases, profits as a share of corporate GNP remain relatively low, as Table 14 indicates. In the first quarter,

TABLE 14.—*Distribution of gross product originating in nonfinancial corporations, 1947-72*  
[Percent] <sup>1</sup>

| Period       | Total | Compensation of employees | All other costs |                                |                                      |              | Profits <sup>2</sup> |
|--------------|-------|---------------------------|-----------------|--------------------------------|--------------------------------------|--------------|----------------------|
|              |       |                           | Total           | Capital consumption allowances | Indirect business taxes <sup>2</sup> | Net interest |                      |
| 1947.....    | 100.0 | 65.9                      | 14.8            | 4.8                            | 9.3                                  | 0.7          | 19.4                 |
| 1948.....    | 100.0 | 63.9                      | 14.5            | 5.0                            | 8.8                                  | .7           | 21.6                 |
| 1949.....    | 100.0 | 63.8                      | 16.1            | 5.9                            | 9.5                                  | .8           | 20.1                 |
| 1950.....    | 100.0 | 62.4                      | 15.5            | 5.7                            | 9.2                                  | .6           | 22.1                 |
| 1951.....    | 100.0 | 63.1                      | 15.1            | 5.8                            | 8.7                                  | .6           | 21.7                 |
| 1952.....    | 100.0 | 64.8                      | 16.1            | 6.2                            | 9.2                                  | .7           | 19.1                 |
| 1953.....    | 100.0 | 65.9                      | 16.6            | 6.6                            | 9.3                                  | .7           | 17.4                 |
| 1954.....    | 100.0 | 65.9                      | 17.6            | 7.7                            | 9.1                                  | .8           | 16.6                 |
| 1955.....    | 100.0 | 63.9                      | 17.5            | 7.9                            | 8.9                                  | .7           | 18.6                 |
| 1956.....    | 100.0 | 65.3                      | 17.7            | 8.0                            | 9.0                                  | .7           | 16.9                 |
| 1957.....    | 100.0 | 65.6                      | 18.6            | 8.4                            | 9.3                                  | .9           | 15.8                 |
| 1958.....    | 100.0 | 65.9                      | 19.9            | 9.1                            | 9.7                                  | 1.1          | 14.2                 |
| 1959.....    | 100.0 | 64.7                      | 19.1            | 8.7                            | 9.3                                  | 1.0          | 16.2                 |
| 1960.....    | 100.0 | 65.5                      | 19.7            | 8.9                            | 9.7                                  | 1.1          | 14.8                 |
| 1961.....    | 100.0 | 65.1                      | 20.4            | 9.2                            | 9.9                                  | 1.3          | 14.5                 |
| 1962.....    | 100.0 | 64.3                      | 20.8            | 9.7                            | 9.8                                  | 1.4          | 14.9                 |
| 1963.....    | 100.0 | 63.9                      | 20.9            | 9.7                            | 9.8                                  | 1.4          | 15.2                 |
| 1964.....    | 100.0 | 63.3                      | 20.8            | 9.5                            | 9.8                                  | 1.5          | 16.0                 |
| 1965.....    | 100.0 | 62.6                      | 20.4            | 9.4                            | 9.5                                  | 1.6          | 17.0                 |
| 1966.....    | 100.0 | 63.2                      | 20.0            | 9.3                            | 8.9                                  | 1.8          | 16.8                 |
| 1967.....    | 100.0 | 64.0                      | 20.9            | 9.7                            | 9.1                                  | 2.1          | 15.1                 |
| 1968.....    | 100.0 | 64.2                      | 21.2            | 9.7                            | 9.3                                  | 2.2          | 14.7                 |
| 1969.....    | 100.0 | 65.7                      | 21.8            | 9.9                            | 9.3                                  | 2.5          | 12.5                 |
| 1970.....    | 100.0 | 67.2                      | 23.0            | 10.3                           | 9.7                                  | 2.9          | 9.8                  |
| 1971.....    | 100.0 | 66.4                      | 23.4            | 10.6                           | 9.9                                  | 2.9          | 10.2                 |
| 1971: I..... | 100.0 | 66.5                      | 23.2            | 10.3                           | 9.9                                  | 2.9          | 10.3                 |
| II.....      | 100.0 | 66.4                      | 23.1            | 10.4                           | 9.8                                  | 2.9          | 10.5                 |
| III.....     | 100.0 | 66.3                      | 23.5            | 10.6                           | 9.9                                  | 3.0          | 10.2                 |
| IV.....      | 100.0 | 66.4                      | 23.7            | 10.8                           | 10.0                                 | 3.0          | -9.9                 |
| 1972: I..... | 100.0 | 66.4                      | 23.2            | 10.7                           | 9.7                                  | 2.9          | 10.3                 |

<sup>1</sup> Quarterly percents based on seasonally adjusted data.

<sup>2</sup> Also includes business transfer payments less subsidies.

<sup>3</sup> Before taxes and including inventory valuation adjustment.

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

Source: Department of Commerce.

the ratio of profits (before taxes and including the inventory valuation adjustment) to corporate gross product was 10.3 percent. While this ratio was higher than the 9.8-percent ratio recorded in the recession year 1970 it was well below the average ratio of 15 percent that prevailed during the 1960's. If capital consumption allowances are added to profits the combined current share is still below the average of the 1960's but the fall is less than for profits alone.

## MONETARY AND CREDIT DEVELOPMENTS

The stock of money, which had grown at a 10.2-percent seasonally adjusted annual rate from December 1970 to June 1971, rose at a 2.4-percent rate from June to December 1971. During the period of the price and wage freeze from August to November 1971 the stock of money actually declined. Toward the end of 1971 monetary growth resumed as the economy itself began its more rapid expansion, and by early 1972 monetary growth quickened substantially. Overall, from December to June, the seasonally adjusted annual rate of growth was 7.5 percent. Over the same period, the more broadly defined measure of the money supply,  $M_2$ , which includes time deposits at commercial banks, rose at an annual rate of 11.4 percent, while the even broader measure,  $M_3$ , which includes deposits at nonbank thrift institutions, rose at an annual rate of 13.8 percent as consumers built up liquid assets by adding to their time and savings accounts.

In February the Federal Open Market Committee (FOMC) adopted as an additional operating target a new aggregate measure, reserves available to support private nonbank deposits (RPD). This target is now used as an additional guide to the day-to-day open market operations of the Federal Reserve System in its effort to achieve intermediate monetary objectives and thereby to aid in reaching national economic goals. Reserves available to support private nonbank deposits consist of total member bank reserves less those reserves required for U.S. Government and interbank deposits.

When this aggregate was adopted as an operating guide in February, the FOMC agreed that it should rise at an annual rate in the 6-10-percent range in the February-March period. The target was changed to the 9-13-percent range in March and to the 7-11-percent range in April. In the period February-June, the actual seasonally adjusted annual rate of growth of this reserve measure was 9.8 percent.

## INTEREST RATES

In the first half of 1971, interest rates generally declined through February or March and then turned upward. In the second half of the year both the monetary growth rate and market interest rates declined sharply. While this shift had begun before August 15, it was intensified immediately after August 15, particularly for interest rates. The yield on 3-month Treasury bills experienced the most dramatic decline: from a peak of 5.41

percent for the month of July, it fell steadily to 3.18 percent during February 1972. This decline was influenced to a considerable extent by demand for these bills by foreign official institutions which could no longer use dollars to purchase gold from the United States after August 15, but other yields in all maturity ranges fell as well. The 4-6-month prime commercial paper rate dropped from 5.75 percent to 3.93 percent from July to February, while the yield on Aaa corporate bonds fell from 7.64 percent to 7.27 percent over the same period.

An important portion of the declines in interest rates occurred within 2 weeks of the August 15 announcements, reflecting the revision of investors' expectations about the pace of price inflation.

Interest rates began rising early in 1972 as the economic expansion gained momentum. At mid-1972, however, these rates were generally still well below mid-1971 levels. In June 1972, the 3-month Treasury bill rate was 3.87 percent, compared with 5.41 percent last July, the yield on high-grade municipal bonds was 5.37 percent, compared with 6.31 percent, and the yield on Aaa corporate bonds was 7.23 percent compared with 7.64 percent.

#### MORTGAGE INTEREST RATES

Mortgage interest rates participated in the general downward movement. Because there is normally a delay, often exceeding a month or two, between the setting of the interest rate and the actual closing of a mortgage loan, the decline in reported mortgage rates began somewhat after August 15.

Rates on new home mortgages generally followed other rates upward in early 1971 and peaked around August and September. Rates declined steadily from then into 1972, but showed some signs of upward pressure in the second quarter of 1972 as general demands on credit markets intensified. Yields on existing mortgages traded in secondary markets are not subject to closing delays in reporting and accordingly turned down after July 1971, along with most market rates. The decline in these yields also continued into the second quarter of 1972.

## II. Price-Wage Controls and Inflation

THE MEASURE of inflation which is of most immediate concern to the American people is the rate of increase of the consumer price index (CPI). The goal set by the Cost of Living Council is to get the rate of increase of the CPI down to 2 to 3 percent by the end of 1972.

The course of the unwinding of the inflation can be simply summarized in a few numbers. The inflation was at its peak in early 1969 with the CPI rising at an annual rate of 6½ percent or more. By the early part of 1971 the rate had been reduced to a little less than 4 percent. During the period of the New Economic Policy (NEP) the rate has been under 3 percent. The rate of inflation has been cut by more than half from its peak (Table 15).

TABLE 15.—Changes in consumer prices, December 1968–June 1972

(Percent change; seasonally adjusted annual rates)

| Item                            | Dec. 1968<br>to<br>Dec. 1969 | Dec. 1969<br>to<br>Dec. 1970 | Dec. 1970<br>to<br>Aug. 1971 | Aug. 1971<br>to<br>Nov. 1971 | Nov. 1971<br>to<br>Feb. 1972 | Feb. 1972<br>to<br>June 1972 | Aug. 1972<br>to<br>June 1972 |
|---------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| All items <sup>1</sup> .....    | 6.1                          | 5.5                          | 3.8                          | 1.9                          | 4.8                          | 1.8                          | 2.7                          |
| Food <sup>2</sup> .....         | 7.2                          | 2.2                          | 5.0                          | 1.7                          | 9.7                          | .0                           | 3.3                          |
| Meat, poultry, and fish.....    | 11.2                         | -.6                          | 2.6                          | 7.4                          | 30.1                         | -3.0                         | 9.2                          |
| Cereal and bakery products..... | 3.9                          | 5.9                          | 3.6                          | -.7                          | .4                           | .8                           | .2                           |
| Dairy products.....             | 4.0                          | 3.9                          | 3.2                          | -.3                          | 4.2                          | -.3                          | 1.0                          |
| Fruits and vegetables.....      | 4.5                          | -1.6                         | 12.2                         | .0                           | 12.4                         | -6.1                         | 1.0                          |
| Apparel and upkeep.....         | 5.2                          | 3.9                          | 2.2                          | 2.0                          | 2.0                          | 1.5                          | 1.8                          |
| Men's and boys' apparel.....    | 5.4                          | 3.5                          | 1.8                          | 1.0                          | .0                           | 2.0                          | 1.1                          |
| Women's and girls' apparel..... | 5.3                          | 4.1                          | 1.8                          | 3.4                          | 4.7                          | .0                           | 2.4                          |
| Footwear.....                   | 6.0                          | 4.1                          | 2.6                          | 3.7                          | 1.0                          | 3.7                          | 2.9                          |
| Transportation.....             | 5.2                          | 7.1                          | 3.4                          | -2.3                         | -1.3                         | 2.8                          | .0                           |
| Private.....                    | 4.9                          | 6.4                          | 3.0                          | -2.7                         | -3.0                         | 2.9                          | -.6                          |
| New cars.....                   | 2.1                          | 6.7                          | -1.1                         | -13.3                        | 12.4                         | 3.6                          | .6                           |
| Gasoline and motor oil.....     | 3.2                          | 2.9                          | .1                           | -.7                          | -3.3                         | -1.4                         | -1.8                         |
| Special groups:                 |                              |                              |                              |                              |                              |                              |                              |
| All items less food.....        | 5.7                          | 6.5                          | 3.4                          | 2.3                          | 2.9                          | 2.9                          | 2.7                          |
| Commodities less food.....      | 4.5                          | 4.8                          | 2.9                          | .0                           | 2.4                          | 2.6                          | 1.7                          |
| Services <sup>3</sup> .....     | 7.4                          | 8.2                          | 4.6                          | 3.1                          | 4.4                          | 3.0                          | 3.4                          |
| Rent <sup>4</sup> .....         | 3.8                          | 4.5                          | 4.3                          | 2.8                          | 3.1                          | 3.4                          | 3.1                          |
| Medical care.....               | 7.0                          | 8.3                          | 6.9                          | 1.5                          | 3.6                          | 3.1                          | 2.8                          |

<sup>1</sup> Also includes housing and health and recreation not shown separately.

<sup>2</sup> Also includes other foods at home and foods away from home not shown separately.

<sup>3</sup> Also includes some other services not shown separately.

<sup>4</sup> Changes based on unadjusted indexes since these prices have little seasonal movement.

Source: Department of Labor.

This development can be better understood if we divide consumer prices into their food and nonfood components. More than other prices, food prices rise and fall for reasons other than the underlying trend of inflation, although these variations in food prices may themselves affect the trend.

The total of consumer prices excluding food prices shows substantial improvement, although the timing is a little different than for the total including food. The total excluding food reached its maximum rate of increase in 1970, rather than in 1969. The rate of increase in 1970 was 6.5 percent. By the early part of 1971 the rate had been reduced by almost half, to 3.4 percent. During the period of the NEP the rate has been further reduced, to 2.7 percent.

One of the most striking aspects of the decline in the inflation rate has been the slowdown in the increase of service prices (Chart 5). In 1970 service prices rose by 8.2 percent. By early 1971 the rate had been reduced to 4.6 percent and during the period of the NEP to 3.4 percent. During the 3 months of the freeze service prices rose at a rate of 3.1 percent. In the first 3 months of Phase II there was a bulge when the rate of increase rose to 4.4 percent. However, since February the rate has been 3.0 percent.

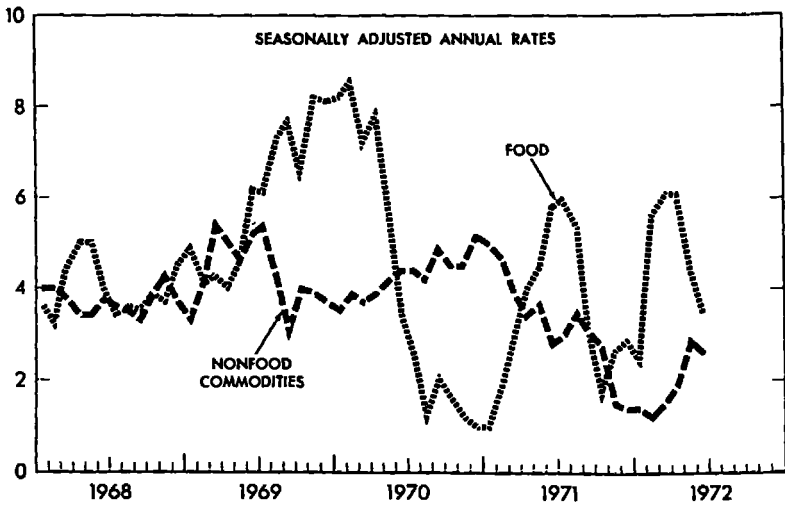
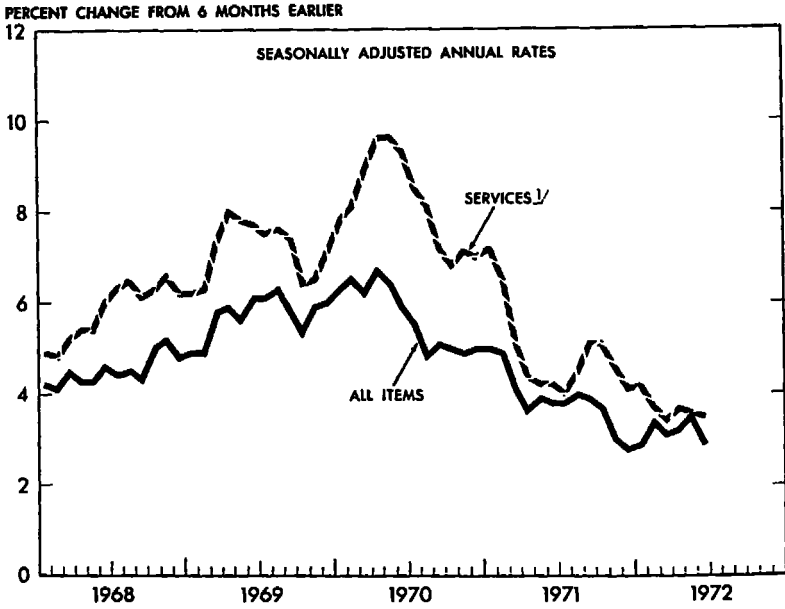
Two items in the consumer service category that are especially important to many Americans are rents and medical care. The rate of increase of rents reached a high of 4.5 percent in 1970, fell slightly to 4.3 percent in early 1971 and has been 3.1 percent during the control period. The rate of increase of costs of medical care reached 8.3 percent in 1970, fell to 6.9 percent in early 1971 and has been 2.8 percent during the Economic Stabilization Program (ESP). The past year was the first year in 10 when the costs of medical care did not rise faster than the CPI as a whole. This remarkable change is gratifying because the rapid rise in costs of medical care had been a source of great anxiety in the country.

The rates of increase of consumer prices of nonfood commodities over the past several years show a similar pattern of retardation. The annual rate of increase was 4.8 percent in 1970, 2.9 percent in 1971 before the freeze, and 1.7 percent during the controls program. However, the pattern during the controls period was somewhat different than in the case of services. The freeze held down price increases much more rigorously for nonfood commodities than for services and the post-freeze rebound was also larger for the nonfood commodities.

Food prices have played a major role in variations in the CPI since early 1969. They rose by 7.2 percent in 1969 but by only 2.2 percent in 1970, after which the rate increased to 5.0 percent in the first part of 1971. During the period of the New Economic Policy they have risen at a rate of 3.3 percent, compared to 2.7 percent for the nonfood sector of the price index. Within this period food prices have been highly variable, rising at the annual rate of 1.7 percent during the freeze and 9.7 percent in the next 3 months, but showing no change for the succeeding 4-month period as a whole. These short-term variations have been dominated by fluctuations in the prices of meat. The price of meat, in turn, reflects the pressure of a strong growth of demand derived from the large rise in employment and incomes imposed upon supply variations caused by earlier production decisions. In the particular period under review the earlier high prices of feed caused by the corn

Chart 5

# Changes in Consumer Prices



1/CHANGES BASED ON UNADJUSTED INDEXES SINCE THESE PRICES HAVE LITTLE SEASONAL MOVEMENT.  
SOURCE: DEPARTMENT OF LABOR.

blight in August 1970 contributed at certain points to a cut in meat supplies. Thus domestic production of red meat declined by about 5 percent between the September-November period and the December-February period and rose by about 4 percent in the succeeding 3 months.

The course of industrial prices at wholesale provides a clue, although admittedly only a very rough one, to the future course of consumer prices for nonfood commodities. Here again we see that progress has been made (Table 16). Wholesale industrial prices rose at a rate of 2.8 percent during the control period, compared to 4.7 percent in 1971 before the freeze and 3.9 percent and 3.6 percent in 1969 and 1970 respectively. Two commodities, lumber and hides, have had exceptionally large price fluctuations due to variations in demand or supply conditions and these fluctuations have had a disproportionate effect on wholesale industrial prices in recent years (Chart 6). For all other industrial commodities the annual rate of price increase has been 2.3 percent from August 1971 to July 1972.

TABLE 16.—Changes in labor earnings and wholesale prices, December 1968–July 1972  
(Percent change; seasonally adjusted annual rates)

| Item  | Dec. 1968<br>to<br>Dec. 1969 | Dec. 1969<br>to<br>Dec. 1970 | Dec. 1970<br>to<br>Aug. 1971 | Aug. 1971<br>to<br>Nov. 1971 | Nov. 1971<br>to<br>Feb. 1972 | Feb. 1972<br>to<br>July 1972 <sup>1</sup> | Aug. 1971<br>to<br>July 1972 <sup>1</sup> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|---|
| <b>Earnings of nonfarm production workers</b>                                 |                              |                              |                              |                              |                              |   |   |
| <b>Adjusted hourly earnings:<sup>2</sup></b>                                  |                              |                              |                              |                              |                              |   |   |
| Current dollars.....  | 6.5                          | 6.8                          | 7.2                          | 1.9                          | 10.0                         | 5.1                                       | 5.5                                       |
| 1967 dollars.....   | .4                           | 1.3                          | 3.3                          | .0                           | 4.9                          | ± 3.2                                     | ± 2.7                                     |
| <b>Average weekly earnings:</b>   |                              |                              |                              |                              |                              |   |   |
| <b>Gross weekly:</b>  |                              |                              |                              |                              |                              |   |   |
| Current dollars.....  | 6.2                          | 4.3                          | 6.4                          | 4.6                          | 9.5                          | 5.5                                       | 6.3                                       |
| 1967 dollars.....   | .1                           | -1.1                         | 2.5                          | 2.6                          | 4.5                          | ± 4.1                                     | ± 3.8                                     |
| <b>Spendable weekly:<sup>4</sup></b>  |                              |                              |                              |                              |                              |   |   |
| Current dollars.....  | 4.8                          | 4.8                          | 7.2                          | 4.1                          | 9.8                          | 4.8                                       | 7.0                                       |
| 1967 dollars.....   | -1.1                         | -1.7                         | 3.4                          | 2.1                          | 4.9                          | ± 3.4                                     | ± 4.5                                     |
| <b>Wholesale price Index</b>  |                              |                              |                              |                              |                              |   |   |
| All commodities.....  | 4.8                          | 2.2                          | 5.2                          | -2                           | 6.9                          | 4.9                                       | 4.0                                       |
| Farm products.....  | 8.4                          | -4.7                         | 9.2                          | -7                           | 21.6                         | 12.5                                      | 11.0                                      |
| Processed foods and feeds.....  | 6.8                          | .8                           | 4.5                          | 2.5                          | 11.9                         | 2.2                                       | 4.9                                       |
| <b>Industrial commodities:</b>  |                              |                              |                              |                              |                              |   |   |
| Total.....  | 3.9                          | 3.6                          | 4.7                          | -5                           | 4.0                          | 4.1                                       | 2.8                                       |
| Industrials excluding hides<br>and skins and lumber<br>and wood products..... | 4.5                          | 4.0                          | 3.6                          | -3                           | 3.9                          | 2.9                                       | 2.3                                       |
| Consumer finished goods<br>excluding food.....                                | 2.9                          | 4.0                          | 2.2                          | -4                           | 3.3                          | 2.8                                       | 2.1                                       |

<sup>1</sup> Changes in earnings are preliminary.

<sup>2</sup> Adjusted for overtime (in manufacturing only) and for interindustry shifts.

<sup>3</sup> Data through June.

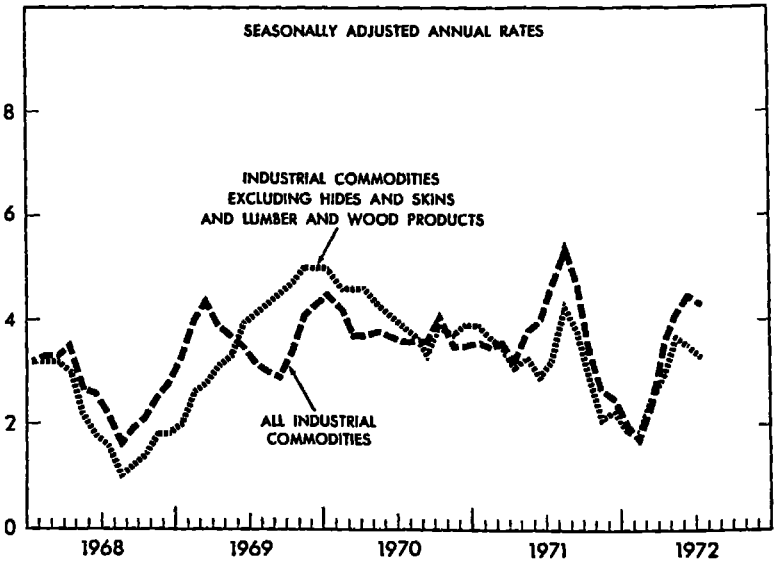
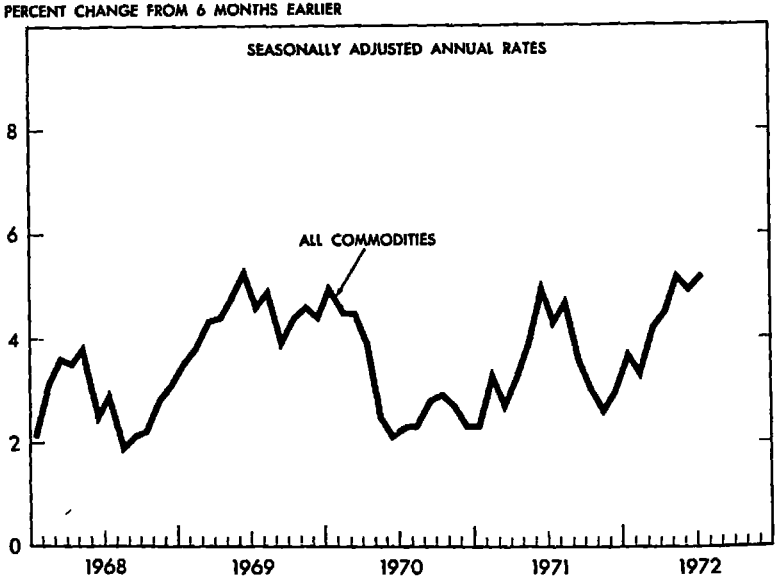
<sup>4</sup> Gross weekly earnings less social security and income taxes for worker with three dependents. In annualizing the rates of change the effect of changes in tax rates at the beginning of 1971 and 1972 are taken into account separately.

Sources: Department of Labor and Council of Economic Advisers.

The NEP has also brought a pronounced slowdown in the rate of inflation as measured by the GNP deflator (which reflects prices paid by

Chart 6

# Changes in Wholesale Prices



SOURCE: DEPARTMENT OF LABOR.



governments and businesses as well as by consumers). From the second quarter of 1970 to the second quarter of 1971—the year preceding the NEP—the GNP deflator rose 5.2 percent. The effects of the freeze are seen most clearly in the fourth quarter of 1971, when the inflation rate fell to 1.5 percent. The rate rose to 5.1 percent in the first quarter of this year, partly because of the expected post-freeze bulge, partly because farm and food prices rose faster than anticipated, and also because of a Federal pay raise, which added almost 1-percentage point to the inflation rate. Because these factors were either not present or were present to a lesser degree, the rate of inflation fell to 2.1 percent in the second quarter.

We see the same broad pattern with lower rates of inflation if we examine the deflator for the private nonfarm business sector. This index, which excludes the effect of Government pay raises, focuses on the sector that is most important in the wage-price control system. This measure of price change had risen at an annual rate of 4.7 percent from the second quarter of 1970 to the second quarter of 1971. It showed zero change in the fourth quarter of 1971, rose to 3.6 percent in the first quarter and fell back to a 1.5-percent annual rate in the second quarter of this year.

One object of the anti-inflation program is to help bring about an increase in *real* wage rates. However, success of the program clearly required that the increase of *money* wage rates be slowed down. This also is being accomplished. Average hourly earnings (in the private nonfarm economy adjusted for overtime in manufacturing and for interindustry employment shifts) rose at the annual rate of 6.5 percent in 1969, 6.8 percent in 1970, and 7.2 percent in 1971 before the freeze (Table 16 and Chart 7). This rising trend up to the middle of 1971, probably more than anything else, created the fear that price inflation would speed up again. Under the NEP this danger has been averted. From August 1971 to July 1972 the rate of increase has been 5.5 percent. After the freeze there was a period of catchup during which wages rose at an annual rate of 10.0 percent. The rate of increase then subsided to 5.1 percent from February to July.

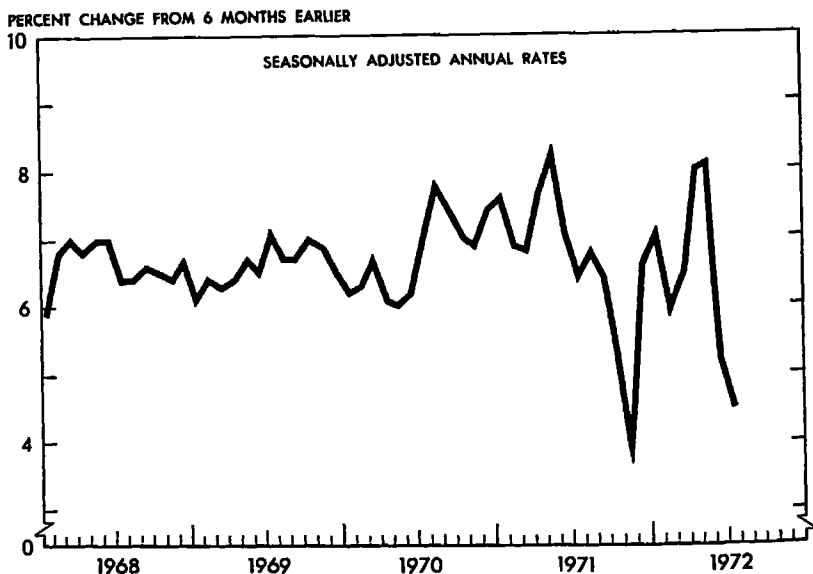
All of the foregoing constitutes a significant stepdown in the rate of inflation during the period of the NEP. We have not yet reached our goal of reasonable, reliable price stability. However, there are many reasons for confidence that further progress will be made.

1. Productivity—output per man-hour—is now rising much more rapidly than at any time in the past 6 years. This is making a powerful contribution to holding down the rise of unit labor costs, which is the largest component of total costs and a main determinant of prices in the conditions we now face.

2. The operation of the wage control system is helping to hold wage increases down to a rate which, together with rapidly rising productivity, will be consistent with a lower rate of inflation. Wage increases approved by the Pay Board, excluding cases in which only fringe benefits were raised, have averaged 5.6 percent through July 14.

Chart 7

## Changes in Adjusted Hourly Earnings of Private Nonfarm Production Workers



NOTE.—DATA RELATE TO EARNINGS ADJUSTED FOR OVERTIME  
(MANUFACTURING ONLY) AND FOR INTERINDUSTRY EMPLOYMENT SHIFTS  
SOURCE: DEPARTMENT OF LABOR.

3. The amount of price increase permitted by the Price Commission each month has declined drastically since the early days of Phase II. The rate of price increases permitted as a percent of the sales of the companies that are affected by the Commission's new actions each month has been fairly constant. However, the volume of sales on which applications for price increases are made and granted has declined sharply since Phase II began. Thus, what the Price Commission has been adding to the total of price increases permitted since the beginning of Phase II has dwindled to a small amount. Companies did not immediately take all of the price increases permitted by the Commission. However, it is probable that the available room for further price increases under the permissions that have been granted has declined substantially.

4. The Price Commission regulations have been tightened in a number of ways. The standard ceiling on average price increases under the term limit pricing plan has been reduced from 2.0 percent to 1.8 percent. Estimates of future cost increases, which are used as a basis for granting price increases, are now being calculated from industry average productivity experience, rather than from each company's estimate of its own productivity increase, as was done at first.

5. The Price Commission's examination of the quarterly returns of large firms is revealing cases where price increases have caused the profit margin limitations to be exceeded. In these cases correction is required in the form of price reductions. Experience with the process will induce more caution in future pricing. Moreover, the rise of profits associated with the economic recovery is bringing more companies to the point where the profit-margin rule limits price increases.

6. A larger flow of cattle to market by early fall is likely to arrest the rise of meat prices now underway. The President's action in suspending all quotas on the importation of meat for the remainder of 1972 provides a further safeguard against continually and rapidly rising meat prices, because such a rise would then attract a larger supply of meat from abroad. The decision to reduce stocks of meat held by the Department of Defense will also contribute to checking the rise of meat prices.

7. Special measures have been taken to resist price increases in two other problem areas. Limitations have been placed on the export of hides in order to hold down domestic prices of hides, leather, and, ultimately, shoes. The Forest Service is increasing the harvesting of timber in the national forests. The Cost of Living Council has restored price control over a number of small dealers in lumber who had previously been exempted under the provisions applying to small businesses generally.

8. The Cost of Living Council, the Price Commission, and the Pay Board are prepared to adapt their policies as necessary to apply the control system more effectively to changing conditions.

But when all these factors are taken into account, it remains true that continued progress in the fight against inflation depends critically on moderation in the growth of demand. When demand is growing moderately controls can help move the inflation rate down to the pace consistent with the moderate growth of demand. When demand is rising excessively the controls will not prevent rapid inflation for long. That is why restraint of rising budget expenditures has now become the key requirement for success of the anti-inflation effort. We must avoid a repetition of the 1965-68 slide into larger and larger deficits even under conditions of high employment which set off the inflation we are still fighting.

## CONTROLS AND OUTPUT

One of the great dangers of price and wage control systems is that they may achieve some progress in checking inflation but at the expense of considerable loss of real output. There are three main ways in which this loss of output can occur. Restraint on profits, or uncertainty about the restraint on profits, can discourage business investment. The tying of permitted price increases to cost increases, which seems to be an inevitable feature of price-control systems, creates a situation in which increasing costs may be free, or at least not very expensive, for a firm, and this operates against efforts to raise productivity. Finally, a price-wage control system may generate wide-

spread and long-lasting strikes, because controversies over pay come to involve principles of very general applicability on which neither the workers nor the Government is willing to retreat.

These dangers have been avoided so far in the control system. Business plans for investment and actual expenditures for investment have increased sharply since the system was inaugurated. The rise of productivity has been large and has accelerated during the period of the controls. In the first 6 months of 1972 the number of workers involved in strikes, the number of man-days lost, and the percent of working time lost, were at their lowest levels in many years.

This favorable outcome has been the result of the conditions under which the control system has operated. Because demand conditions have not always been sufficiently strong to permit businesses to realize in the market all the price increases the Price Commission would permit, and, because the program is expected to be temporary, businesses could not afford extravagant cost increases. Because increasing volume permitted an increase of profits, and also because of the temporary character of the system, business investment has not been discouraged. And because the operation of the system and the rise of productivity have permitted large gains in workers' real incomes, as well as because the national interest in fighting inflation has been recognized, we have enjoyed industrial peace.

In some degree all of these favorable factors have been unusual and probably temporary. This is a reason for caution in drawing longer-run conclusions about the effects of the controls from our experience so far.

## THE FAIRNESS OF CONTROLS

Controlling prices and wages involves the Government heavily in determining the relations between wages and profits in general and in particular industries and sectors and in many other aspects of the distribution of income. This Government involvement raises the question of the fairness of the outcome. The meaning of the question itself is difficult because, of course, people will differ about what a fair outcome would be.

A basic principle of the system of controls is that it should try to avoid changing the distribution of income that would occur in the course of a strong noninflationary expansion, while at the same time the rise of money incomes in general must be held down if the inflation is to be curbed. The general rules of the Price Commission and the Pay Board seem consistent with this principle. They establish a basic standard for pay increases equal to the normal increase in productivity plus the target rate of increase of consumer prices. They establish a basic standard for price increases in proportion to cost increases, subject to a further limit that profit margins should not exceed the company's experience in the best 2 of the 3 years preceding the freeze.

If these standards were precisely and universally followed, the outcome would be somewhere between preservation of the relative shares of wages

and profits as they existed at the beginning of the program and a moderate increase in the profits share such as ordinarily occurs in a business recovery although possibly of smaller size. However, these standards do not by themselves determine the outcome. There are many cases in which the market does not permit wages or prices to rise as much as the standards would permit. Also, there are a number of exceptions to the basic standard on both the price and wage side and there are significant areas of exemption from the controls.

However, the measurable behavior of the economy does not seem inconsistent with the general standard of fairness set forth above, except that the relative rise of profits has been rather low. Up to the first quarter of 1972 (second quarter figures are not yet available), the rise of profits had been much smaller relative to the rise of GNP than at the same stage of any of the previous postwar recoveries (Table 17). Whether this was due to the controls is uncertain. Also, in the first quarter of 1972 compensation of employees equaled 66.4 percent of the gross product of corporations, the same as in the prefreeze quarter and higher than in any year between 1947 and 1969 inclusive (Table 14). Real hourly earnings have risen at an annual rate of 2.7 percent during the Economic Stabilization Program and 4.0 percent during Phase II, compared to an average rate of 1.7 percent from 1960 to 1970.

TABLE 17.—*Profits and GNP in recoveries*

| Quarter of trough         | Increase after five quarters<br>(billions of dollars) |                                      | Increase in<br>profits as<br>percent of<br>increase in<br>GNP |
|---------------------------|---|--------------------------------------|---|
|                           | GNP   | Profits before<br>taxes <sup>1</sup> |   |
| 1949 IV.....              | 63.0  | 14.1                                 | 22.4  |
| 1954 III.....             | 44.1  | 9.9                                  | 22.4  |
| 1958 I <sup>2</sup> ..... | 52.2  | 18.8                                 | 36.0  |
| 1961 I.....               | 53.6  | 9.9                                  | 18.5  |
| 1970 IV.....              | 119.4   | 14.9                                 | 12.5  |

<sup>1</sup> Includes inventory valuation adjustment.

<sup>2</sup> Shifted back from second quarter 1958 in order to avoid steel strike quarter (1959 III).

Sources: Department of Commerce and Council of Economic Advisers.

## ADMINISTERING THE ECONOMIC STABILIZATION PROGRAM

The wage-price control system was designed for simplicity of administration as compared with those of World War II and the Korean war. As of mid-1972, direct employment in the Economic Stabilization Program totaled less than 1,000 persons with 600 on the Price Commission staff, 200 on the Pay Board, and 100 on the Cost of Living Council. There were a few additional workers detailed to these bodies from other agencies, and the Internal Revenue Service had assigned approximately 3,000 of its regular employees to ESP service and compliance work.

Continuing efforts are being made to reduce the administrative load on the control agencies as well as the burden of reporting on business. One

approach has been to exempt smaller businesses from controls to the extent such exemptions are consistent with the goal of reducing inflation. The Economic Stabilization Act, in fact, requires such exemptions. The Cost of Living Council first exempted retailers with annual revenues of \$100,000 or less; this group of 1.5 million firms represented 75 percent of the Nation's retail firms but accounted for only 15 percent of all retail sales. About half of these exempted retailers had no employees. In a further action, retailers with annual sales of \$200,000 or less were relieved from the requirement of posting their base prices.

Later, the Cost of Living Council exempted business firms with 60 or fewer employees except those in the health and construction industries. Employees of such firms are exempt from wage controls except when more than 50 percent of them are affected by an employment contract affecting more than 60 workers. This exemption freed 5 million firms and 19 million employees from the control system, leaving under the ESP 1.5 million firms with \$1,300 billion (72 percent of total) annual sales and 53 million (74 percent of total) employees. An exemption from wage controls was also given to 378,000 employees of 67,500 small local government units. Early in July the Cost of Living Council, in its first such reversal, reimposed controls on all firms in the lumber industry with sales of \$100,000 or more of lumber products. This action stemmed from the rapid runup of lumber and plywood prices, particularly those of small exempt firms.

The exemption of numerous small businesses was not intended as a loosening of the controls. Instead it was intended to increase the effectiveness of the controls, by permitting concentration of more attention on the larger economic units whose market behavior would discipline the others. Where this process of market competition did not seem to be working adequately, as in the case of lumber, controls were restored.

The administrative burden on the ESP has declined quite steadily through 1972, measured in terms of the public's complaints and requests for information. The total number of such inquiries declined from an average of more than 25,000 per day at the beginning of Phase II to approximately 7,500 per day in early July. Complaints of alleged violations declined from a peak of more than 1,100 per day in early January to the 300-400 range by midyear. The backlog of such complaints remaining to be resolved had also declined—from more than 12,000 in January to about 6,000 at midyear.

\* \* \*

To recapitulate, the price and wage control system has worked well as one ingredient in the New Economic Policy. It has contributed to a significant lowering of the rate of inflation and to a lessening of the anxiety about rising prices. It has done this without checking vigorous recovery of the economy. It has not prevented a wide and generally equitable sharing of the fruits of rising productivity. It has not fastened massive bureaucracy on the economic system. It has not demonstrated its permanent utility or feasibility as part of the American economic system, but it is playing constructively the temporary and limited role for which it was intended.

### III. The International Economy

ONE OF the objectives of the New Economic Policy announced by President Nixon a year ago on August 15 was to reestablish a strong balance-of-payments position for the United States. A fundamental improvement in the U.S. balance of payments was needed both to give Americans a renewed sense of confidence in their economy and to assure the rest of the world of the ability of the United States to discharge its international commitments and responsibilities.

The objective of a significant improvement in the U.S. balance of payments is a difficult one. Because of the size of the U.S. economy and its importance in international trade and investment, an improvement in the U.S. balance of payments cannot be achieved without fundamental adjustments by other countries. Moreover, the role of the dollar as the world's primary reserve currency makes it impossible to find a lasting solution to the dollar problem without institutional reforms of the international monetary system as a whole and, because of the close relationship between monetary and trade flows, of the international trading system as well. These various links, between short-term adjustment and long-term reform, between monetary and trade arrangements, between U.S. policies and objectives and those of a large number of foreign governments, make the strengthening of the dollar a difficult and time-consuming process.

The August 15 measures were designed to make an initial contribution to the short-term adjustment that would be required and to confront the world with the multilateral and comprehensive nature of the U.S. balance-of-payments crisis. The measures taken with this objective in mind were the suspension of dollar convertibility, a temporary surcharge of up to 10 percent on U.S. imports, and a 10-percent reduction in U.S. foreign assistance. In addition, it was expected that complementary measures primarily designed to achieve domestic stabilization objectives would also tend to improve the long-term competitive position of the United States.

During the period following the actions of August 15, the United States engaged in active consultation with other governments in order to reach a common understanding of the causes of the current crisis and the elements of a possible solution. On December 17-18, 1971, the finance ministers of the major industrial countries met at the Smithsonian Institution in Washington to work out an interim basis for conducting international economic relations.

The major elements of the agreement reached in the context of that meeting on December 18 were:

- Reestablishment of fixed exchange rates with an effective devaluation of the foreign exchange value of the dollar of about 12 percent.

The 12-percent devaluation is calculated on the basis of U.S. trade with member countries of the Organization for Economic Cooperation and Development (OECD) excluding Canada, whose currency continued to float. This devaluation was achieved partly through a 7.9-percent devaluation of the dollar in terms of gold and partly through an upward revaluation of certain other major currencies in terms of gold. The change in the gold value of the dollar from \$35 to \$38 per ounce was passed by the Congress and signed into law on March 31, 1972.

- A provisional increase in the width of the band within which exchange rates are free to move from 1 percent on either side of parity to 2.25 percent above or below the rates established by the currency realignment.
- Suppression of the U.S. surcharge on imported goods and of the provision which excluded foreign capital goods from the benefits of the job development tax credit.
- Agreement in principle to negotiate certain short-term trade issues of particular concern to the United States.
- Recognition of the relevance of trade arrangements in assuring equilibrium in the international economy.
- Agreement on the need for long-term reform of the international monetary and trading systems.

## THE U.S. BALANCE OF PAYMENTS IN 1972

The Smithsonian agreement provided the basis for a turnaround in the U.S.-payments position. It was generally recognized, however, that the turnaround would be difficult and take time because it involved major economic adjustments. Moreover, in the short run, the devaluation of the dollar was expected to cause a further deterioration in the U.S. trade balance. The reason is that a devaluation has the immediate effect of raising the dollar prices of imported goods and thus increasing the dollar cost of the same volume of imports. Only later do real trade flows begin to respond to the relative price shifts.

Divergent cyclical trends in the United States and in other countries during the first half of 1972 also contributed to the deterioration in our trade balance. In the United States, income has continued to expand as the Government pursued a policy geared to stimulating real growth and employment. Expansion of personal consumption expenditures at an annual rate of 8.4 percent from the third quarter of 1971 to the second quarter of 1972 created an increasing demand for imported consumer goods, while the accelerating recovery also stimulated the demand for imported raw materials and machinery used in domestic production. On the other hand, demand abroad for U.S. exports has been sluggish because efforts to dampen inflationary pressures have led to economic slack in a number of other indus-



trial countries. These cyclical influences on the U.S. trade balance have been superimposed on what appears to have been a secular increase in the desire of Americans to consume imported goods.

As a result of the various pressures, the merchandise trade balance continued to deteriorate from a quarterly deficit of \$1.5 billion in the last quarter of 1971 to a deficit of \$1.7 billion in the first quarter of 1972, on a seasonally adjusted basis (Table 18). In the second quarter the merchandise trade deficit widened further, to \$2.0 billion. However, while the nominal trade balance has thus continued to deteriorate, there have been a number of indications that this deterioration may have been due in part to the perverse terms-of-trade effect of the change in the foreign exchange value of the dollar. This effect can be seen in the accelerated rise in the dollar cost of buying imported goods. From December 1971 to May 1972, import prices increased by 5.7 percent, while export prices increased by 0.9 percent. These figures suggest the possibility that the trade balance in real, as distinct from money, terms may no longer be deteriorating.

TABLE 18.—U.S. balance of payments, 1971 I–1972 II

[Millions of dollars; seasonally adjusted quarterly totals]

| Quarter               | Merchandise trade balance <sup>1,2</sup> | Balance on goods and services <sup>1,3</sup> | Balance on current account <sup>4</sup> | Balance on current account and long-term capital | Net liquidity balance | Official reserve transactions balance |
|-----------------------|--|--|---|--|-----------------------|---------------------------------------|
| 1971: I.....          | 289                                      | 1,136  | 345                                     | -1,279   | -2,577                | -5,425                                |
| II.....               | -1,012                                   | 36   | -810                                    | -2,999   | -5,721                | -6,466                                |
| III.....              | -472                                     | 91   | -855                                    | -3,296   | -9,380                | -11,931                               |
| IV.....               | -1,494                                   | -537   | -1,529                                  | -1,802   | -4,329                | -5,948                                |
| 1972: I.....          | -1,673                                   | -1,147                                       | -2,094                                  | -3,241   | -3,112                | -3,277                                |
| II <sup>5</sup> ..... | -1,960                                   |  |   |  |                       |                                       |

<sup>1</sup> Excludes transfers of goods under military grants.

<sup>2</sup> Adjusted from Census data for differences in timing and coverage.

<sup>3</sup> Equal to net exports of goods and services in national income and product accounts of the United States when converted to an annual rate basis. See Table 19.

<sup>4</sup> Excludes military grants.

<sup>5</sup> Preliminary.

Note.—For more detail on balance of payments on a seasonally adjusted annual rate basis, see Table A-40.

Source: Department of Commerce.

The balance on goods and services has shown the same trend as the merchandise trade balance (Table 19). In terms of current dollars, the deficit on goods and services (national income and product accounts basis) increased from an annual rate of \$2.1 billion in the fourth quarter of 1971 to \$4.6 billion in the first quarter of 1972 and \$4.9 billion in the second quarter. When these money value figures are converted into constant dollars, however, the pattern is somewhat different. In terms of 1958 dollars, the deficit widened from an annual rate of \$1.8 billion in the fourth quarter of 1971 to \$3.3 billion in the first quarter of 1972 and then narrowed to \$2.4 billion in the second quarter of 1972.

TABLE 19.—Exports and imports of goods and services in current and 1958 dollars, 1971 I–1972 II

| Quarter   | Current dollars                   |         |         | 1958 dollars                      |         |         |
|---|-----------------------------------|---------|---------|-----------------------------------|---------|---------|
|   | Net exports of goods and services | Exports | Imports | Net exports of goods and services | Exports | Imports |
| Billions of dollars, seasonally adjusted annual rates |                                   |         |         |                                   |         |         |
| 1971: I   | 4.5                               | 66.3    | 61.8    | 2.7                               | 53.0    | 50.3    |
| II  | .1                                | 66.7    | 66.6    | -.7                               | 53.0    | 53.8    |
| III   | .4                                | 68.5    | 68.2    | .1                                | 54.4    | 54.3    |
| IV  | -2.1                              | 63.0    | 65.1    | -1.8                              | 49.9    | 51.7    |
| 1972: I   | -4.6                              | 70.7    | 75.3    | -3.3                              | 55.5    | 58.9    |
| II  | -4.9                              | 70.0    | 74.9    | -2.4                              | 54.4    | 56.8    |
| Percent change from preceding quarter                 |                                   |         |         |                                   |         |         |
| 1971: I   |                                   | 4.9     | 2.3     |                                   | 1.7     | 0.4     |
| II  |                                   | .6      | 7.8     |                                   | .0      | 7.0     |
| III   |                                   | 2.7     | 2.4     |                                   | 2.6     | .9      |
| IV  |                                   | -8.0    | -4.5    |                                   | -8.3    | -4.8    |
| 1972: I   |                                   | 12.2    | 15.7    |                                   | 11.2    | 13.9    |
| II  |                                   | -1.0    | -5      |                                   | -2.0    | -3.6    |

<sup>1</sup> Preliminary.

Note.—Data in this table are as shown in the national income and product accounts of the United States. Detail may not add to totals because of rounding.

Source: Department of Commerce.

There are a number of reasons to believe that the trade balance will begin to improve not only in real terms but in nominal terms as well. The changes in the relative prices of foreign and domestic goods brought about by the Smithsonian realignment are being reinforced by divergent price trends. Wholesale and/or consumer prices have recently tended to rise more rapidly in Europe and Japan than in the United States. As producers and consumers respond fully to these relative increases in the prices of foreign as compared to U.S. goods, the rapid growth of imports should slow down while the growth of exports should accelerate. Finally, there are indications of a resurgence of demand in a number of our partner countries, particularly in Germany and Japan, which should provide a further boost to U.S. exports.

The balance on private long-term capital flows was in deficit by \$0.8 billion in the first quarter of 1972, as compared to a surplus of \$0.3 billion in the last quarter of 1971, and a deficit of \$1.9 billion in the third quarter of 1971. Special yearend reflows make it difficult to draw firm conclusions about these shifts.

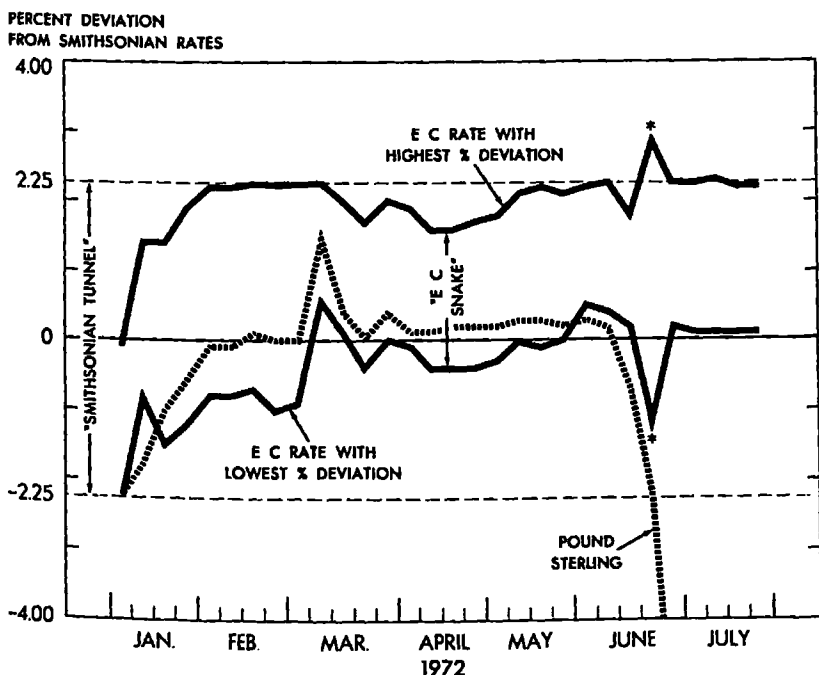
Net short-term capital outflows declined substantially during the first quarter of 1972. Including errors and omissions, net outflows of short-term capital were only \$0.2 billion, compared to outflows of \$4.3 billion in the previous quarter and an average quarterly outflow of \$5.3 billion for 1971 as a whole. Although the small net outflow of short-term funds was a significant improvement over the large outflows in previous quarters, it was a disappointment to those who had expected a substantial reflow of speculative funds immediately after the Smithsonian realignment of exchange rates.

Several factors operated against such an immediate reflow. There was continued uncertainty regarding future developments in the international monetary system and about the operation of the interim arrangements established under the Smithsonian agreement. In addition, the continued divergence of credit market conditions in the United States and Europe in the first part of the year provided an incentive to keep short-term funds in Europe.

Because the United States experienced a deficit on current as well as on capital account, the official reserve transactions balance remained in deficit by \$3.3 billion in the first quarter of 1972, as compared to a deficit of \$5.9 billion in the fourth quarter of 1971 (Table 18). After mid-March, however, the balance on official reserve transactions began to improve, probably moving into a surplus position between about mid-April and early June, as the result of net inflows of short-term capital.

In the latter part of June the relative calm which had prevailed in the foreign exchange markets since March was interrupted by a sharp outbreak of speculation against the British pound. The substantial outflows of short-term funds that resulted created a large drain on British reserves. Faced with

Chart 8  
**European Exchange Rate Movements  
 Within the Smithsonian Band**



\*EFFECT OF STERLING CRISIS  
 NOTE -E C REFERS TO THE EUROPEAN COMMUNITIES. DATA RELATE TO FRIDAY RATES  
 SOURCE: TREASURY DEPARTMENT.

the prospect of continued reserve losses, the British Government announced on June 23 that the pound would be allowed to float outside both the 2¼-percent band maintained by the European Communities (EC) and the wider 4½-percent band established in the Smithsonian agreement (Chart 8).

The floating of the British pound created uncertainty regarding the whole structure of exchange rates agreed upon at the Smithsonian, in particular regarding the exchange rates between the dollar and a number of other currencies. These uncertainties led to a large movement of short-term funds from the United States to Europe and Japan, and over the next several weeks European central banks purchased large amounts of dollars to prevent further appreciation of their currencies. As the determination of governments to defend the Smithsonian rates became apparent, however, speculation died down. Confidence in the Smithsonian agreement was further strengthened recently when the United States also intervened in the exchange markets, purchasing a limited amount of dollars with foreign currencies. This action reflects the willingness of the United States to intervene in exchange markets when such action seems desirable to help deal with speculative pressures.

## THE INTERNATIONAL MONETARY SYSTEM

When President Nixon announced the suspension of dollar convertibility into gold on August 15 of last year, this action ended the basis for the gold-dollar standard and brought to a head the need for a major reform of the international monetary system. During the period following the actions of August 15, the United States engaged in active multilateral consultations to reestablish an interim basis for conducting international monetary relations and prepare the groundwork for more long-term reforms of the international monetary system. These informal discussions led to the meeting of the Group of Ten finance ministers and central bank governors at the Smithsonian Institution in Washington on December 17-18, 1971.

The Smithsonian agreement was a milestone in international monetary relations. More than at any previous time in the postwar period, the major countries showed themselves willing to recognize that major disturbances in the international monetary system are a multilateral problem that can be solved only through joint action in a cooperative spirit. More specifically, it was recognized that the elimination of the U.S. deficit was a problem that had to be examined in the light of the exchange rates maintained between other currencies and the U.S. dollar. A precedent was thus created for cooperative action by both deficit and surplus countries to bring about adjustments to major imbalances in international payments. Moreover, the fact that the realignment of exchange rates was based not on unilateral changes in the value of individual currencies but on multilateral consultation and negotiation gave concrete recognition to the fact that changes in exchange

rates are not only the concern of the country initiating such a change. For these reasons, the Smithsonian agreement has important implications for the future institutional development of the international monetary system.

In the months since the Smithsonian agreement was signed, the international monetary system has continued to change and evolve in a number of important ways. In April of this year the member and applicant countries of the EC agreed to intervene with each other's currencies in the foreign exchange markets in order to maintain among themselves a band only one-half as wide as the new 4½-percent band around the dollar. This narrowed intra-European band of fluctuation, which has been called the "EC snake in the Smithsonian tunnel," is regarded by the EC countries as the first step toward ultimate fixity of exchange rates and monetary union among the member countries.

In June of this year, in response to accelerating market pressures, the British authorities allowed the pound sterling to float, and its value soon dropped below the floor of both the EC snake and the Smithsonian tunnel. This break in the pattern of exchange rates established at the Smithsonian was translated into pressure on the dollar as well as on a number of other European currencies, and resulted in a temporary breach of both the EC and the Smithsonian limits by several currencies.

Another development has been a widespread use of foreign exchange controls by a number of the major surplus countries in an effort to reduce inflows of short-term funds. One variant of such controls is the two-tier foreign exchange market, in which the exchange rate for trade transactions is supported at a fixed rate by government intervention, while the exchange rate for capital transactions is allowed to float. The proliferation of foreign exchange control measures poses a number of problems. First, it could potentially undermine the long-term trend toward liberalization of international trade and payments over the postwar period. Second, by artificially distorting movements in the capital account, it tends to hide the magnitude of the current-account adjustment required to reestablish underlying equilibrium in the U.S. balance of payments. At the same time, it must be recognized that large movements of short-term liquid capital from one country to another, particularly at times of unrest in the foreign exchange markets, pose difficult problems for the management of domestic monetary policy in a number of countries. It is to be hoped that, in developing a new international monetary system, ways will be found to deal with the problem of large fluctuations in short-term capital movements without the widespread use of capital controls.

The pressure of these events reinforces the need to proceed with the long-term reform of the international monetary system. The United States has played a leading role in international planning for a negotiating framework for such reforms.

An early concern was, of course, the question of appropriate and effective institutional arrangements. During the postwar period a number of organizational arrangements were developed to facilitate consultation and coopera-

tion among governments on international monetary questions. While these organizations continue to play an important role in preserving the basis for cooperation, none of them was regarded as the appropriate forum for negotiating the long-term reforms of the international monetary system. For this purpose, a new forum is being set up: A committee of 20 ministerial-level representatives based on the representation of countries and groups of countries on the Board of Executive Directors of the International Monetary Fund (IMF). This committee, which is expected to hold its first meeting at the IMF annual meeting in September, will not only consider reforms of the international monetary system but will also examine related issues involving trade, capital flows, international investment, and development assistance.

The breadth of the proposed mandate of the committee of 20 reflects recognition of the close interrelationship among various aspects of the international economy. There is a clear link between the efficient functioning of the international trading system and the stability of the international monetary system, in the sense that a malfunctioning of one system will cause difficulties in the other as well. If the monetary adjustment process fails to function efficiently, as we saw during the late 1960's, trade flows are distorted and countries may feel the need increasingly to resort to commercial policy measures to prevent excessive disruption of certain industries. Conversely, trade policies can either offset or reinforce the monetary adjustment process. Such relationships need to be carefully examined in order to assure the consistency and mutually supportive character of the new rules governing the international trading and monetary systems. To facilitate such examination, it was agreed at the ministerial meeting of the OECD in May that the OECD would provide one useful meeting ground for exploring related trade, monetary, and investment questions.

The upcoming monetary negotiations should provide a basis for a renewed momentum toward a liberal world order, in which each nation has a fair opportunity to partake in international trade and investment unimpeded by a growing network of artificial barriers. This goal implies an international monetary system which facilitates the prompt adjustment of payments imbalances, without disrupting either domestic economic policies or the open, market-directed flow of goods and capital among all countries on a nondiscriminatory basis. The adjustment process should promote the efficient allocation of resources and should aim at maximizing the volume of market-directed world trade and investment. Whatever the exact nature of the new exchange-rate mechanism, it will have to be more flexible in practice than before and not only permit but stimulate both surplus and deficit countries to adapt promptly and smoothly to changes in economic conditions.

This implies getting away from the idea that "balance-of-payments discipline" applies uniquely to deficit countries. It also means that the United States should have more scope to bring its external payments position into equilibrium without having to impose undesirable restrictions on inter-

national transactions. Such greater symmetry in the ability to initiate and implement corrective actions would give the United States effective means to prevent a deterioration of its balance-of-payments position which could otherwise result if there were a tendency for countries to devalue more readily than to revalue when faced with fundamental payments imbalances.

The new international monetary system must also have effective means of reconciling balance of payments and/or reserve objectives among countries. In particular, it should be noted that the net surplus on goods and services of the developed countries cannot be larger than the net amount of economic assistance and private capital transferred to the less developed countries. Also, if multilateral control of the total volume of global reserve creation should become desirable, this would have implications for the degree to which individual countries are free to set their own reserve targets.

### INITIATIVES FOR TRADE NEGOTIATIONS

The countries of the free world have prospered in the postwar period as a result of the gradual dismantling of barriers to the market-directed exchange of goods. Recently, however, there have been mounting indications that the dismantling of trade restrictions has reached a standstill. Governments of many countries are increasingly intervening in markets through measures that interfere with or distort trade flows. Without strong new commitments on a multilateral basis, there is a definite prospect that, through a cumulation of individual actions, a reversal of the gains that had been achieved since World War II will be set in motion. The August 15 measures and subsequent negotiations recognized the emerging stresses in the international trading system. One of the conclusions sought and achieved at the Smithsonian meeting was a declaration of commitment to initiate broad-based trade negotiations in 1973, to be supplemented by shorter-term actions during 1972.

On the basis of subsequent discussions, Japan and the European Communities agreed to several immediate liberalization measures, including the elimination or reduction of tariffs on a number of industrial and agricultural products, and the modification of certain nontariff barriers to U.S. trade. Agreement was also reached on the desirability of long-term reforms of the international trading system.

The challenge posed by comprehensive trade negotiations is considerable. In most cases, the trade barriers that remain after earlier rounds of trade liberalization are those which are most sensitive for domestic political, social, or national security reasons. Furthermore, unlike previous rounds of trade liberalization, any new round will no longer be exclusively focused on the reduction of tariffs, but will also cover a wide-ranging spectrum of nontariff barriers (NTB's). NTB's are measures which distort trade, such as: (a) Quotas which protect particular economic sectors considered sensitive for domestic reasons; (b) design or performance standards which are often

discriminatory against foreign goods; (c) restrictive government procurement regulations; and (d) subsidies to exports. Negotiations covering such a wide spectrum of issues will be difficult for a number of reasons: The distinction between a protective barrier and legitimate domestic social policy is not always clear; many of these practices are imbedded in domestic laws; there is no simple basis for measuring reciprocity in tradeoffs between one type of NTB against another; and the feasible time schedule for concluding negotiations and implementing agreements is likely to vary widely as between one NTB and another.

In preparation for comprehensive trade negotiations, the GATT has compiled a massive inventory of NTB's over the last several years and recently the member countries have begun intensive work to define possible solutions. This effort has been supplemented by specific studies in the OECD on such questions as government procurement policies. In the United States, many industrial organizations, labor unions, and congressional committees have engaged in extensive examination of future possibilities for trade policy and trade negotiations. The President also received the report of his Commission on International Trade and Investment Policy, which laid down far-reaching recommendations for trade negotiations in the 1970's. These recommendations are being given intensive consideration by the executive branch. Finally, a group of experts drawn from the major OECD countries has been exploring some of the possible dimensions of a new round of international trade negotiations. This group, the OECD High Level Trade Group, will shortly issue a report.

In order to facilitate next year's negotiations, and especially to insure the widest possible support, the United States is exploring with other governments the agenda and the philosophy which might fit such negotiations. These preliminary talks are covering such topics as organizational arrangements for the negotiations, methods of coordinating the separate negotiations covering different types of trade barriers, and a timetable for the negotiations.

The U.S. Government is in the process of formulating a comprehensive position on the best approach to the negotiations. Past experience has demonstrated the value of certain general interrelated principles.

First, a trade agreement should be comprehensive, in the sense that it should cover all economic sectors and all forms of trade barriers. Only a comprehensive agreement can provide an adequate political basis, both domestically and internationally, for substantial trade liberalization. From the point of view of the United States, it is particularly important that such negotiations include agricultural as well as industrial trade. Abundant natural resources and advanced farm technology and management give this country a comparative advantage which makes our farm products highly competitive in world markets. Despite interruptions from dock strikes, our agricultural exports are estimated to have reached an all-time high of \$8 billion in the past fiscal year. Rationalization and liberalization of the agricultural policies



and the related restrictive import policies followed by most industrialized countries would enable us to realize our full potential for trade in this important sector.

The trade negotiations should also result in a system which places maximum reliance on market-directed trade. Time and again, it has been shown that market-based arrangements are most successful because they generally lead to the maximum gains from trade and because they are most in accord with the pattern of economic activity in the market-directed economies. In this respect, trade policies which are designed to insulate major economic sectors permanently from market forces and the international adjustment process not only run counter to the principles of international efficiency but also undermine the process of orderly and timely adjustment of the international economic system as a whole.

Efforts to liberalize trade must also aim at the creation of a fairer system of rules, in which the conditions of doing business internationally are not subject to arbitrary discrimination and excessive administrative discretion in the handling of imports, government purchases, domestic standards, and related matters. Thus we seek both a freer and a fairer system of world trade, in which the rules are understood and the practices are open, visible, and nondiscriminatory.

The trade agreement should place the real costs of domestic social programs on the country deciding to implement them. Only such a principle can provide a basis for separating legitimate aspects of domestic social policies from practices disruptive of trade in such areas as environmental, safety, and health standards. It needs to be realized, however, that in some areas a greater harmonization of social policies may become desirable in order to avoid trade-distorting effects.

The trade agreement reached should also include a safeguard system that gives economically sensitive industries in participating countries sufficient time to adjust to rapid shifts in patterns of production or consumption, including trade. Safeguards are necessary in situations where the adjustment required is too large to be accomplished in a short period of time without excessive social, personal, and political costs. Such a multilaterally negotiated safeguard system should include agreed standards for imposing temporary protection, a procedure for international review, and provisions that prevent the system from being abused.

Finally, the trade agreement should include an understanding that domestic adjustment programs must complement the safeguard system. Effective adjustment programs are essential in order to stimulate the reallocation of resources which would otherwise require permanent protection from the pressures of the market. In this respect, we are now exploring new methods of providing adjustment assistance to those sectors, and especially to those groups of workers, which are subject to exceptionally rapid adjustment problems as a consequence of import competition. Such adjustment assistance provisions could also be discussed internationally, but in the final analysis

the implementation of changes must come in the form of new legislation by the Congress.

We also recognize that there is a close and growing mutual interest between the developed and the developing countries. The latter's dependence on trade is great, and their exports to developed countries account for four-fifths of their export earnings. We are dependent on them for raw materials, and we increasingly sell to them on a commercial basis. Thus, there are sound economic reasons of mutual importance to the developed and the developing countries for working towards a system of world trade which provides adequate opportunity for all countries. Towards this end, we aim to promote trade policies which give increased opportunity for developing countries to compete in world markets, and we will try in future negotiations to deal effectively with the problems most affecting their export prospects.

The United States has also taken a number of steps recently to reduce existing barriers to trade with the Communist bloc.

During the Moscow Summit in May, President Nixon and General Secretary Brezhnev agreed to establish a United States-Soviet Commercial Commission that will provide the mechanism for reaching agreement on several fundamental commercial policy issues.

The Secretary of Commerce represented the United States at the Commission's initial meeting on July 20. The issues that the Commission must resolve in order to expand United States-Soviet trade significantly include: Settlement of the Soviet lend-lease debt, most-favored-nation tariff treatment for Soviet products, credit arrangements, business facilities for businessmen in each country, and other technical trade matters, such as arbitration of trade disputes, taxes, patents, and licensing questions. Final agreements are expected to be announced on several issues this year. Recently, the President announced that the Soviet Union had agreed to purchase \$750 million of U.S. grains over the next 3 years. This grain purchase, the largest one ever made by the Soviet Union, illustrates the mutual gains that can be achieved from expanded United States-Soviet trade.

Before his recent trip to Peking, the President liberalized controls on U.S. exports to the People's Republic of China. This action continued a policy adopted earlier to open the door to economic relations with the People's Republic of China. These new trade initiatives with the U.S.S.R. and China and with the other Communist countries of Eastern Europe have been made possible by developments in broader political relations. The specific actions we have taken are important and necessary first steps in making the rules that guide East-West trade comparable to the international framework that has encouraged the impressive growth of trade among non-Communist countries.

\* \* \*

During the past year, the United States has taken major steps to adjust its economic relationships with other countries to a number of important changes in the world environment. Among the developments which

require changes in many of the concepts and institutions of the postwar international economic system are: The full recovery of economic strength by Europe and Japan, the increase of economic interdependence among the industrialized countries; the development of international financial markets and multinational corporate and financial institutions; and the opening up of relations between Western countries and the Communist bloc. President Nixon's actions of last August 15 and the subsequent Smithsonian agreement created the basis for a new approach adapted to these developments.

The development of a new international economic strategy in a period of creative change poses special challenges. Fundamental changes in international economic relationships strongly affect the domestic economy, necessitating active coordination of foreign with domestic economic policy measures. The relationships between international trade and monetary arrangements also require coordination of policies in these traditionally separate areas. Finally, the growing importance of economic factors in international relationships makes it necessary to coordinate international economic policies with broader foreign policy. The Council on International Economic Policy was created to meet these challenges. It is playing a key role in managing the foreign economic policies of the United States in this period of transition and in developing a coherent strategy for the future.

The United States is prepared to play a leading role in building an international economic system that can meet the challenges of the 1970's. The goal is a world in which all countries can benefit from international trade and investment to the maximum extent possible. For economic relations among the market-directed economies, this implies an open, nondiscriminatory system in which the pattern and volume of trade and investment is determined by market forces. For economic relations between the market economies and centrally-planned economies, this implies a system that allows for trade and investment on a mutually beneficial basis.



**Appendix A**  
**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:**

- Preliminary.
- Not available (also, not applicable).



# NATIONAL INCOME OR EXPENDITURE

TABLE A-1.—Gross national product or expenditure, 1950-72

[Billions of dollars]

| Year or quarter                  | Total gross national product | Personal consumption expenditures <sup>1</sup> | Gross private domestic investment <sup>2</sup> | Net exports of goods and services | Government purchases of goods and services <sup>3</sup> |         |                               |       |                 |
|----------------------------------|------------------------------|--|--|-----------------------------------|---|---------|-------------------------------|-------|-----------------|
|                                  |                              |  |  |                                   | Total   | Federal |                               |       | State and local |
|                                  |                              |  |  |                                   |   | Total   | National defense <sup>4</sup> | Other |                 |
| 1950.....                        | 284.8                        | 191.0  | 54.1   | 1.8                               | 37.9  | 18.4    | 14.1                          | 4.3   | 19.5            |
| 1951.....                        | 328.4                        | 206.3  | 59.3   | 3.7                               | 59.1  | 37.7    | 33.6                          | 4.1   | 21.5            |
| 1952.....                        | 345.5                        | 216.7  | 51.9   | 2.2                               | 74.7  | 51.8    | 45.9                          | 5.9   | 22.9            |
| 1953.....                        | 364.6                        | 230.0  | 52.6   | .4                                | 81.6  | 57.0    | 48.7                          | 8.4   | 24.6            |
| 1954.....                        | 364.8                        | 236.5  | 51.7   | 1.8                               | 74.8  | 47.4    | 41.2                          | 6.2   | 27.4            |
| 1955.....                        | 398.0                        | 254.4  | 67.4   | 2.0                               | 74.2  | 44.1    | 38.6                          | 5.5   | 30.1            |
| 1956.....                        | 419.2                        | 266.7  | 70.0   | 4.0                               | 78.6  | 45.6    | 43.3                          | 5.3   | 33.0            |
| 1957.....                        | 441.1                        | 281.4  | 67.9   | 5.7                               | 85.1  | 49.5    | 44.2                          | 5.3   | 35.8            |
| 1958.....                        | 447.3                        | 290.1  | 60.9   | 2.2                               | 94.2  | 53.6    | 45.9                          | 7.7   | 40.6            |
| 1959.....                        | 483.7                        | 311.2  | 75.3   | .1                                | 97.0  | 53.7    | 46.0                          | 7.6   | 43.3            |
| 1960.....                        | 503.7                        | 325.2  | 74.8   | 4.0                               | 93.6  | 53.5    | 44.9                          | 8.6   | 45.1            |
| 1961.....                        | 520.1                        | 335.2  | 71.7   | 5.6                               | 107.6   | 57.4    | 47.8                          | 9.6   | 50.2            |
| 1962.....                        | 560.3                        | 355.1  | 83.0   | 5.1                               | 117.1   | 63.4    | 51.6                          | 11.8  | 53.7            |
| 1963.....                        | 590.5                        | 375.0  | 87.1   | 5.9                               | 122.5   | 64.2    | 52.8                          | 13.5  | 58.2            |
| 1964.....                        | 632.4                        | 401.2  | 94.0   | 8.5                               | 128.7   | 65.2    | 53.0                          | 15.2  | 63.5            |
| 1965.....                        | 684.9                        | 432.8  | 108.1  | 6.9                               | 137.0   | 66.9    | 53.1                          | 16.8  | 70.1            |
| 1966.....                        | 749.9                        | 466.3  | 121.4  | 5.3                               | 155.8   | 77.8    | 60.7                          | 17.1  | 79.0            |
| 1967.....                        | 793.9                        | 492.1  | 116.6  | 5.2                               | 181.1   | 93.7    | 72.4                          | 18.4  | 83.4            |
| 1968.....                        | 864.2                        | 536.2  | 126.0  | 2.5                               | 193.6   | 98.8    | 78.3                          | 20.5  | 100.8           |
| 1969.....                        | 930.3                        | 579.5  | 139.0  | 1.9                               | 210.0   | 98.8    | 78.4                          | 20.4  | 111.2           |
| 1970.....                        | 976.4                        | 616.8  | 137.1  | 3.6                               | 219.0   | 95.5    | 75.1                          | 21.5  | 122.5           |
| 1971.....                        | 1,050.4                      | 664.9  | 152.0  | .7                                | 232.8   | 97.8    | 71.4                          | 26.3  | 135.0           |
| Seasonally adjusted annual rates |                              |  |  |                                   |   |         |                               |       |                 |
| 1970: I.....                     | 958.0                        | 604.1  | 132.9  | 3.6                               | 217.3   | 99.7    | 78.9                          | 20.9  | 117.6           |
| II.....                          | 971.7                        | 613.4  | 137.7  | 3.9                               | 216.7   | 96.2    | 74.7                          | 21.6  | 120.5           |
| III.....                         | 986.3                        | 623.0  | 139.9  | 4.0                               | 219.5   | 95.2    | 73.8                          | 21.4  | 124.3           |
| IV.....                          | 989.7                        | 626.5  | 137.8  | 2.8                               | 222.6   | 95.0    | 72.9                          | 22.1  | 127.6           |
| 1971: I.....                     | 1,023.4                      | 648.0  | 143.9  | 4.5                               | 227.0   | 96.2    | 72.5                          | 23.7  | 130.8           |
| II.....                          | 1,043.0                      | 660.4  | 153.0  | .1                                | 229.5   | 96.3    | 71.2                          | 25.0  | 133.3           |
| III.....                         | 1,056.9                      | 670.7  | 152.2  | .4                                | 233.6   | 97.9    | 70.1                          | 27.8  | 135.7           |
| IV.....                          | 1,078.1                      | 680.5  | 158.8  | -2.1                              | 240.9   | 100.7   | 71.9                          | 28.7  | 140.2           |
| 1972: I.....                     | 1,109.1                      | 696.1  | 168.1  | -4.6                              | 249.4   | 105.7   | 76.7                          | 28.9  | 143.7           |
| II.....                          | 1,139.0                      | 712.5  | 176.8  | -4.9                              | 254.6   | 108.2   | 78.6                          | 29.6  | 146.4           |

<sup>1</sup> See Table A-5 for detailed components.

<sup>2</sup> See Table A-6 for detailed components.

<sup>3</sup> Net of Government sales.

<sup>4</sup> This category corresponds closely to the national defense classification in the "Budget of the United States Government for the Fiscal Year ending June 30, 1973."

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-2.—Gross national product or expenditure in 1958 dollars, amount and percent change, 1950-72

(Amounts in billions of 1958 dollars)

| Year or quarter                  | Total gross national product | Personal consumption expenditures |               |                   |          | Gross private domestic investment |                  |                |            |                              |                        |      | Change in business inventories |
|----------------------------------|------------------------------|-----------------------------------|---------------|-------------------|----------|-----------------------------------|------------------|----------------|------------|------------------------------|------------------------|------|--------------------------------|
|                                  |                              | Total                             | Durable goods | Non-durable goods | Services | Total                             | Fixed investment |                |            |                              | Residential structures |      |                                |
|                                  |                              |                                   |               |                   |          |                                   | Total            | Nonresidential |            |                              |                        |      |                                |
|                                  |                              |                                   |               |                   |          |                                   |                  | Total          | Structures | Producers' durable equipment |                        |      |                                |
| 1950                             | 355.3                        | 230.5                             | 34.7          | 114.0             | 81.8     | 69.3                              | 61.0             | 37.5           | 12.7       | 24.8                         | 23.5                   | 8.3  |                                |
| 1951                             | 383.4                        | 232.8                             | 31.5          | 115.5             | 84.8     | 70.0                              | 59.0             | 39.6           | 14.1       | 25.5                         | 19.5                   | 10.9 |                                |
| 1952                             | 395.1                        | 239.4                             | 30.8          | 120.8             | 87.8     | 60.5                              | 57.2             | 38.3           | 13.7       | 24.6                         | 18.9                   | 3.3  |                                |
| 1953                             | 412.8                        | 250.8                             | 35.3          | 124.4             | 91.1     | 61.2                              | 60.2             | 40.7           | 14.9       | 25.8                         | 19.6                   | 1.9  |                                |
| 1954                             | 407.0                        | 255.7                             | 35.4          | 125.5             | 94.8     | 59.4                              | 61.4             | 39.6           | 15.2       | 24.5                         | 21.7                   | -2.0 |                                |
| 1955                             | 438.0                        | 274.2                             | 43.2          | 131.7             | 99.3     | 75.4                              | 69.0             | 43.9           | 16.2       | 27.7                         | 25.1                   | 6.4  |                                |
| 1956                             | 446.1                        | 281.4                             | 41.0          | 136.2             | 104.1    | 74.3                              | 69.5             | 47.3           | 18.5       | 28.8                         | 22.2                   | 4.8  |                                |
| 1957                             | 452.5                        | 288.2                             | 41.5          | 138.7             | 108.0    | 68.8                              | 67.6             | 47.4           | 18.2       | 29.1                         | 20.2                   | 1.2  |                                |
| 1958                             | 447.3                        | 290.1                             | 37.9          | 140.2             | 112.0    | 60.9                              | 62.4             | 41.6           | 16.6       | 25.0                         | 20.8                   | -1.5 |                                |
| 1959                             | 475.9                        | 307.3                             | 43.7          | 146.8             | 116.8    | 73.6                              | 68.8             | 44.1           | 16.2       | 27.9                         | 24.7                   | 4.8  |                                |
| 1960                             | 487.7                        | 316.1                             | 44.9          | 149.6             | 121.6    | 72.4                              | 68.9             | 47.1           | 17.4       | 29.6                         | 21.9                   | 3.5  |                                |
| 1961                             | 497.2                        | 322.5                             | 43.9          | 153.0             | 125.6    | 69.0                              | 67.0             | 45.5           | 17.4       | 28.1                         | 21.6                   | 2.0  |                                |
| 1962                             | 529.8                        | 338.4                             | 49.2          | 158.2             | 131.1    | 79.4                              | 73.4             | 49.7           | 17.9       | 31.7                         | 23.8                   | 6.0  |                                |
| 1963                             | 551.0                        | 353.3                             | 53.7          | 162.2             | 137.4    | 82.5                              | 76.7             | 51.9           | 17.9       | 34.0                         | 24.8                   | 5.8  |                                |
| 1964                             | 581.1                        | 373.7                             | 59.0          | 170.3             | 144.4    | 87.8                              | 81.9             | 57.8           | 19.1       | 38.7                         | 24.2                   | 5.8  |                                |
| 1965                             | 617.8                        | 397.7                             | 66.6          | 178.6             | 152.5    | 99.2                              | 90.1             | 66.3           | 22.3       | 44.0                         | 23.8                   | 9.0  |                                |
| 1966                             | 658.1                        | 418.1                             | 71.7          | 187.0             | 159.4    | 109.3                             | 95.4             | 74.1           | 24.0       | 50.1                         | 21.3                   | 13.9 |                                |
| 1967                             | 675.2                        | 430.1                             | 72.9          | 190.2             | 167.0    | 101.2                             | 93.5             | 73.2           | 22.6       | 50.6                         | 20.4                   | 7.7  |                                |
| 1968                             | 706.6                        | 452.7                             | 81.3          | 197.1             | 174.4    | 105.2                             | 98.8             | 75.6           | 23.4       | 52.2                         | 23.2                   | 6.4  |                                |
| 1969                             | 725.6                        | 469.1                             | 85.6          | 201.3             | 182.2    | 110.5                             | 103.8            | 80.1           | 24.3       | 55.8                         | 23.7                   | 6.7  |                                |
| 1970                             | 722.1                        | 477.0                             | 83.1          | 207.0             | 186.8    | 104.0                             | 99.9             | 77.6           | 23.6       | 54.0                         | 22.3                   | 4.1  |                                |
| 1971                             | 741.7                        | 495.4                             | 92.1          | 211.1             | 192.2    | 108.6                             | 105.9            | 76.8           | 22.8       | 54.0                         | 29.1                   | 2.6  |                                |
| Seasonally adjusted annual rates |                              |                                   |               |                   |          |                                   |                  |                |            |                              |                        |      |                                |
| 1970: I                          | 720.4                        | 474.1                             | 83.8          | 204.4             | 185.9    | 102.0                             | 101.0            | 78.8           | 24.0       | 54.8                         | 22.2                   | 0.9  |                                |
| II                               | 723.2                        | 476.9                             | 84.7          | 206.0             | 186.2    | 105.6                             | 100.0            | 78.9           | 23.9       | 55.0                         | 21.1                   | 5.6  |                                |
| III                              | 726.8                        | 480.2                             | 84.9          | 207.7             | 187.6    | 106.2                             | 101.3            | 79.3           | 23.5       | 55.7                         | 22.0                   | 4.9  |                                |
| IV                               | 718.0                        | 476.5                             | 78.9          | 209.9             | 187.8    | 102.2                             | 97.4             | 73.6           | 22.9       | 50.7                         | 23.9                   | 4.8  |                                |
| 1971: I                          | 731.9                        | 488.2                             | 88.8          | 210.0             | 189.3    | 105.0                             | 101.2            | 75.3           | 23.4       | 51.9                         | 25.9                   | 3.8  |                                |
| II                               | 737.9                        | 493.0                             | 90.0          | 211.2             | 191.8    | 110.0                             | 104.7            | 76.4           | 23.0       | 53.3                         | 28.3                   | 5.3  |                                |
| III                              | 742.5                        | 497.4                             | 94.2          | 210.5             | 192.8    | 107.3                             | 106.6            | 76.4           | 22.5       | 53.9                         | 30.1                   | .7   |                                |
| IV                               | 754.5                        | 503.2                             | 95.4          | 212.8             | 195.0    | 112.0                             | 111.3            | 79.2           | 22.2       | 57.0                         | 32.1                   | .7   |                                |
| 1972: I                          | 766.5                        | 511.0                             | 98.6          | 214.7             | 197.7    | 116.6                             | 116.3            | 82.2           | 23.0       | 59.2                         | 34.2                   | .3   |                                |
| II                               | 783.1                        | 519.5                             | 100.3         | 219.2             | 200.0    | 121.9                             | 118.6            | 84.4           | 22.7       | 61.6                         | 34.2                   | 3.3  |                                |

See footnotes at end of table.

TABLE A-2.—Gross national product or expenditure in 1958 dollars, amount and percent change, 1950-72—Continued

[Amounts in billions of 1958 dollars]

| Year or quarter                  | Net exports of goods and services |         |         | Government purchases of goods and services <sup>1</sup> |         |                 | Addendum: Gross private product | Percent change from preceding period |                       |
|----------------------------------|-----------------------------------|---------|---------|---|---------|-----------------|---------------------------------|--------------------------------------|-----------------------|
|                                  | Net exports                       | Exports | Imports | Total   | Federal | State and local |                                 | Total gross national product         | Gross private product |
| 1950.....                        | 2.7                               | 16.3    | 13.6    | 52.8  | 25.3    | 27.5            | 324.2                           | 9.6                                  | 10.2                  |
| 1951.....                        | 5.3                               | 19.3    | 14.1    | 75.4  | 47.4    | 27.9            | 344.6                           | 7.9                                  | 6.3                   |
| 1952.....                        | 3.0                               | 18.2    | 15.2    | 92.1  | 63.8    | 28.4            | 353.2                           | 3.0                                  | 2.5                   |
| 1953.....                        | 1.1                               | 17.8    | 16.7    | 99.8  | 70.0    | 29.7            | 371.1                           | 4.5                                  | 5.0                   |
| 1954.....                        | 3.0                               | 18.8    | 15.8    | 88.9  | 56.8    | 32.1            | 366.2                           | -1.4                                 | -1.3                  |
| 1955.....                        | 3.2                               | 20.9    | 17.7    | 85.2  | 50.7    | 34.4            | 397.2                           | 7.6                                  | 8.5                   |
| 1956.....                        | 5.0                               | 24.2    | 19.1    | 85.3  | 49.7    | 35.6            | 404.8                           | 1.8                                  | 1.9                   |
| 1957.....                        | 6.2                               | 26.2    | 19.9    | 89.3  | 51.7    | 37.6            | 410.5                           | 1.5                                  | 1.4                   |
| 1958.....                        | 2.2                               | 23.1    | 20.9    | 94.2  | 53.6    | 40.6            | 405.2                           | -1.1                                 | -1.3                  |
| 1959.....                        | .3                                | 23.8    | 23.5    | 94.7  | 52.5    | 42.2            | 433.4                           | 6.4                                  | 7.0                   |
| 1960.....                        | 4.3                               | 27.3    | 23.0    | 94.9  | 51.4    | 43.5            | 444.0                           | 2.5                                  | 2.4                   |
| 1961.....                        | 5.1                               | 28.0    | 22.9    | 100.5   | 54.6    | 45.9            | 452.3                           | 1.9                                  | 1.9                   |
| 1962.....                        | 4.5                               | 30.0    | 25.5    | 107.5   | 60.0    | 47.5            | 482.9                           | 6.6                                  | 6.7                   |
| 1963.....                        | 5.6                               | 32.1    | 26.6    | 109.6   | 59.5    | 50.1            | 503.2                           | 4.0                                  | 4.2                   |
| 1964.....                        | 8.3                               | 36.5    | 28.2    | 111.2   | 58.1    | 53.2            | 532.0                           | 5.4                                  | 5.7                   |
| 1965.....                        | 6.2                               | 37.4    | 31.2    | 114.7   | 57.9    | 56.8            | 567.0                           | 6.3                                  | 6.6                   |
| 1966.....                        | 4.2                               | 40.2    | 36.1    | 126.5   | 65.4    | 61.1            | 603.5                           | 6.5                                  | 6.4                   |
| 1967.....                        | 3.6                               | 42.1    | 38.5    | 140.2   | 74.7    | 65.5            | 617.5                           | 2.6                                  | 2.3                   |
| 1968.....                        | 1.0                               | 45.7    | 44.7    | 147.7   | 78.1    | 69.6            | 647.0                           | 4.7                                  | 4.8                   |
| 1969.....                        | .2                                | 48.4    | 48.3    | 145.9   | 73.5    | 72.4            | 664.9                           | 2.7                                  | 2.8                   |
| 1970.....                        | 2.2                               | 52.2    | 50.0    | 139.0   | 64.7    | 74.3            | 661.3                           | -.5                                  | -.5                   |
| 1971.....                        | .1                                | 52.6    | 52.5    | 137.6   | 60.8    | 76.8            | 681.0                           | 2.7                                  | 3.0                   |
| Seasonally adjusted annual rates |                                   |         |         |   |         |                 |                                 |                                      |                       |
| 1970: I.....                     | 1.9                               | 51.9    | 50.0    | 142.4   | 69.0    | 73.5            | 659.5                           | -2.5                                 | -2.6                  |
| II.....                          | 2.0                               | 52.3    | 50.4    | 138.6   | 64.8    | 73.8            | 662.3                           | 1.5                                  | 1.7                   |
| III.....                         | 2.9                               | 52.4    | 49.5    | 137.5   | 62.9    | 74.6            | 666.1                           | 2.0                                  | 2.3                   |
| IV.....                          | 1.9                               | 52.1    | 50.1    | 137.3   | 62.1    | 75.1            | 657.4                           | -4.8                                 | -5.1                  |
| 1971: I.....                     | 2.7                               | 53.0    | 50.3    | 136.1   | 60.2    | 75.9            | 671.3                           | 8.0                                  | 8.7                   |
| II.....                          | -.7                               | 53.0    | 53.8    | 135.7   | 59.7    | 76.0            | 677.5                           | 3.4                                  | 3.7                   |
| III.....                         | .1                                | 54.4    | 54.3    | 137.6   | 61.0    | 76.7            | 681.7                           | 2.5                                  | 2.5                   |
| IV.....                          | -1.8                              | 49.9    | 51.7    | 141.1   | 62.3    | 78.8            | 693.7                           | 6.7                                  | 7.2                   |
| 1972: I.....                     | -3.3                              | 55.5    | 58.9    | 142.2   | 62.8    | 79.4            | 705.6                           | 6.5                                  | 7.1                   |
| II.....                          | -2.4                              | 54.4    | 56.8    | 144.1   | 64.0    | 80.1            | 722.2                           | 8.9                                  | 9.7                   |

<sup>1</sup> Net of Government sales.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-3.—Implicit price deflators and alternative price measures of gross national product and gross private product, 1950-72

| Year or quarter                  | Gross national product price deflators, 1958=100 |                           |                         |                           | Percent change in gross national product deflators from preceding period |                           |                   |                         |                           |                   |
|----------------------------------|--|---------------------------|-------------------------|---------------------------|--|---------------------------|-------------------|-------------------------|---------------------------|-------------------|
|                                  | Total  |                           | Private                 |                           | Total  |                           |                   | Private                 |                           |                   |
|                                  | Implicit price deflator                          | Price index, 1967 weights | Implicit price deflator | Price index, 1967 weights | Implicit price deflator  | Price index, 1967 weights | Chain price index | Implicit price deflator | Price index, 1967 weights | Chain price index |
| 1950                             | 80.16  |                           | 81.41                   |                           | 1.3  |                           |                   | 1.0                     |                           |                   |
| 1951                             | 85.64  |                           | 87.35                   |                           | 6.8  |                           |                   | 7.3                     |                           |                   |
| 1952                             | 87.45  |                           | 88.99                   |                           | 2.1  |                           |                   | 1.9                     |                           |                   |
| 1953                             | 88.33  |                           | 89.65                   |                           | 1.0  |                           |                   | .7                      |                           |                   |
| 1954                             | 89.63  |                           | 90.77                   |                           | 1.5  |                           |                   | 1.2                     |                           |                   |
| 1955                             | 90.86  |                           | 91.57                   |                           | 1.4  |                           |                   | .9                      |                           |                   |
| 1956                             | 93.99  |                           | 94.53                   |                           | 3.4  |                           |                   | 3.2                     |                           |                   |
| 1957                             | 97.49  |                           | 97.92                   |                           | 3.7  |                           |                   | 3.6                     |                           |                   |
| 1958                             | 100.00   |                           | 100.00                  |                           | 2.5  |                           |                   | 2.1                     |                           |                   |
| 1959                             | 101.66   |                           | 101.41                  |                           | 1.7  |                           |                   | 1.4                     |                           |                   |
| 1960                             | 103.29   |                           | 102.76                  |                           | 1.6  |                           |                   | 1.3                     |                           |                   |
| 1961                             | 104.62   |                           | 103.73                  |                           | 1.3  |                           |                   | .9                      |                           |                   |
| 1962                             | 105.78   |                           | 104.73                  |                           | 1.1  |                           |                   | 1.0                     |                           |                   |
| 1963                             | 107.17   |                           | 105.80                  |                           | 1.3  |                           |                   | 1.0                     |                           |                   |
| 1964                             | 108.85   |                           | 107.05                  |                           | 1.6  |                           |                   | 1.2                     |                           |                   |
| 1965                             | 110.86   | 110.75                    | 108.83                  | 108.65                    | 1.8  |                           |                   | 1.7                     |                           |                   |
| 1966                             | 113.94   | 114.06                    | 111.56                  | 111.62                    | 2.8  | 3.0                       |                   | 2.5                     | 2.7                       |                   |
| 1967                             | 117.59   | 117.58                    | 114.79                  | 114.78                    | 3.2  | 3.1                       | 3.1               | 2.9                     | 2.8                       | 2.9               |
| 1968                             | 122.30   | 122.51                    | 118.90                  | 119.10                    | 4.0  | 4.2                       | 4.2               | 3.6                     | 3.8                       | 3.8               |
| 1969                             | 128.20   | 128.61                    | 124.30                  | 124.67                    | 4.8  | 5.0                       | 4.9               | 4.5                     | 4.7                       | 4.6               |
| 1970                             | 135.23   | 135.56                    | 130.31                  | 130.64                    | 5.5  | 5.4                       | 5.3               | 4.8                     | 4.8                       | 4.7               |
| 1971                             | 141.61   | 142.40                    | 135.91                  | 136.53                    | 4.7  | 5.1                       | 5.0               | 4.3                     | 4.5                       | 4.5               |
| Seasonally adjusted annual rates |  |                           |                         |                           |  |                           |                   |                         |                           |                   |
| 1970: I                          | 132.97   | 133.25                    | 128.31                  | 128.59                    | 6.5  | 6.0                       | 5.8               | 5.3                     | 4.7                       | 4.6               |
| II                               | 134.38   | 134.82                    | 129.49                  | 130.05                    | 4.3  | 5.1                       | 5.1               | 3.7                     | 4.6                       | 4.6               |
| III                              | 135.71   | 136.15                    | 130.71                  | 131.11                    | 4.0  | 3.7                       | 3.5               | 3.8                     | 3.3                       | 3.2               |
| IV                               | 137.85   | 137.99                    | 132.73                  | 132.87                    | 6.5  | 5.5                       | 5.6               | 6.3                     | 5.5                       | 5.6               |
| 1971: I                          | 139.84   | 140.35                    | 134.28                  | 134.67                    | 5.9  | 7.0                       | 6.8               | 4.8                     | 5.5                       | 5.5               |
| II                               | 141.34   | 141.98                    | 135.69                  | 136.18                    | 4.4  | 4.7                       | 4.6               | 4.3                     | 4.6                       | 4.4               |
| III                              | 142.35   | 143.22                    | 136.63                  | 137.36                    | 2.9  | 3.5                       | 3.4               | 2.8                     | 3.5                       | 3.4               |
| IV                               | 142.88   | 144.11                    | 136.98                  | 137.84                    | 1.5  | 2.5                       | 2.1               | 1.0                     | 1.7                       | 1.4               |
| 1972: I                          | 144.68   | 146.26                    | 138.40                  | 139.47                    | 5.1  | 6.1                       | 5.3               | 4.2                     | 4.5                       | 4.0               |
| II                               | 145.44   | 147.52                    | 139.10                  | 140.53                    | 2.1  | 3.5                       | 3.2               | 2.0                     | 3.1                       | 2.8               |

<sup>1</sup> Changes are based on unrounded data and therefore may differ slightly from those obtained from published indexes.  
Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-4.—Gross product originating in nonfinancial corporations and dollar costs per unit of output, 1950-72

| Year or quarter                  | Gross product originating in nonfinancial corporations (billions of dollars) |              | Current dollar costs per unit of 1958 dollar gross product (dollars) |                                |                                      |                           |              |  |                       |   |
|----------------------------------|--|--------------|--|--------------------------------|--------------------------------------|---------------------------|--------------|--|-----------------------|---|
|                                  | Current dollars  | 1958 dollars | Total costs <sup>1</sup>   | Capital consumption allowances | Indirect business taxes <sup>2</sup> | Compensation of employees | Net interest | Corporate profits and inventory valuation adjustment |                       |   |
|                                  |  |              |  |                                |                                      |                           |              | Total  | Profits tax liability | Profits after taxes plus inventory valuation adjustment |
| 1950                             | 151.7  | 186.4        | 0.814  | 0.046                          | 0.075                                | 0.507                     | 0.005        | 0.180  | 0.090                 | 0.090   |
| 1951                             | 174.3  | 203.5        | .857   | .049                           | .075                                 | .541                      | .005         | .186   | .103                  | .083  |
| 1952                             | 182.0  | 207.1        | .879   | .054                           | .081                                 | .570                      | .006         | .168   | .086                  | .082  |
| 1953                             | 194.7  | 219.8        | .886   | .059                           | .083                                 | .584                      | .006         | .154   | .084                  | .070  |
| 1954                             | 191.6  | 213.4        | .898   | .069                           | .081                                 | .591                      | .007         | .149   | .074                  | .075  |
| 1955                             | 216.3  | 237.2        | .912   | .072                           | .081                                 | .582                      | .007         | .170   | .084                  | .086  |
| 1956                             | 231.2  | 244.0        | .948   | .076                           | .085                                 | .619                      | .007         | .160   | .081                  | .079  |
| 1957                             | 241.9  | 247.2        | .979   | .082                           | .090                                 | .642                      | .009         | .155   | .076                  | .078  |
| 1958                             | 236.0  | 236.0        | 1.000  | .091                           | .097                                 | .659                      | .011         | .142   | .069                  | .073  |
| 1959                             | 263.7  | 260.8        | 1.011  | .088                           | .094                                 | .654                      | .010         | .164   | .080                  | .084  |
| 1960                             | 273.1  | 267.1        | 1.022  | .091                           | .099                                 | .670                      | .011         | .151   | .073                  | .078  |
| 1961                             | 278.4  | 270.6        | 1.029  | .095                           | .103                                 | .670                      | .013         | .149   | .073                  | .076  |
| 1962                             | 302.8  | 292.9        | 1.034  | .100                           | .101                                 | .665                      | .014         | .154   | .071                  | .082  |
| 1963                             | 320.0  | 308.0        | 1.039  | .100                           | .102                                 | .664                      | .015         | .158   | .074                  | .084  |
| 1964                             | 346.0  | 329.7        | 1.050  | .100                           | .103                                 | .664                      | .015         | .168   | .074                  | .094  |
| 1965                             | 377.6  | 357.8        | 1.055  | .099                           | .100                                 | .660                      | .017         | .179   | .077                  | .102  |
| 1966                             | 413.0  | 385.0        | 1.073  | .100                           | .096                                 | .678                      | .019         | .180   | .078                  | .102  |
| 1967                             | 430.8  | 390.2        | 1.104  | .107                           | .100                                 | .707                      | .023         | .167   | .073                  | .094  |
| 1968                             | 469.9  | 415.0        | 1.132  | .109                           | .105                                 | .727                      | .025         | .166   | .082                  | .084  |
| 1969                             | 504.3  | 433.9        | 1.162  | .115                           | .109                                 | .764                      | .029         | .145   | .078                  | .067  |
| 1970                             | 516.1  | 427.4        | 1.208  | .124                           | .118                                 | .812                      | .035         | .119   | .063                  | .056  |
| 1971                             | 549.4  | 438.8        | 1.252  | .132                           | .124                                 | .832                      | .037         | .128   | .067                  | .061  |
| Seasonally adjusted annual rates |  |              |  |                                |                                      |                           |              |  |                       |   |
| 1970: I                          | 510.9  | 429.6        | 1.189  | 0.122                          | 0.114                                | 0.800                     | 0.033        | 0.120  | 0.065                 | 0.055   |
| II                               | 516.4  | 429.6        | 1.202  | .123                           | .116                                 | .804                      | .035         | .124   | .064                  | .059  |
| III                              | 521.9  | 431.2        | 1.210  | .124                           | .118                                 | .812                      | .036         | .121   | .065                  | .056  |
| IV                               | 515.3  | 419.2        | 1.229  | .129                           | .122                                 | .831                      | .037         | .110   | .058                  | .052  |
| 1971: I                          | 536.2  | 432.0        | 1.241  | .128                           | .123                                 | .826                      | .037         | .128   | .070                  | .058  |
| II                               | 546.9  | 436.8        | 1.252  | .131                           | .122                                 | .831                      | .037         | .131   | .071                  | .061  |
| III                              | 552.2  | 438.9        | 1.258  | .134                           | .124                                 | .834                      | .037         | .128   | .067                  | .061  |
| IV                               | 562.6  | 447.3        | 1.258  | .135                           | .126                                 | .836                      | .037         | .124   | .061                  | .063  |
| 1972: I                          | 582.4  | 459.6        | 1.267  | .135                           | .123                                 | .842                      | .037         | .130   | .068                  | .063  |

<sup>1</sup> This is equal to the deflator for gross product of nonfinancial corporations, with the decimal point shifted two places to the left.

<sup>2</sup> Also includes business transfer payments less subsidies.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-5.—Personal consumption expenditures, 1950-72

(Billions of dollars)

| Year or quarter                  | Total personal consumption expenditures | Durable goods |                       |                                   |       | Nondurable goods |                    |                                 |                  | Services |       |                      |                     |                |       |
|----------------------------------|---|---------------|-----------------------|-----------------------------------|-------|------------------|--------------------|---------------------------------|------------------|----------|-------|----------------------|---------------------|----------------|-------|
|                                  |   | Total         | Automobiles and parts | Furniture and household equipment | Other | Total            | Food and beverages | Clothing and shoes <sup>1</sup> | Gasoline and oil | Other    | Total | Housing <sup>2</sup> | Household operation | Transportation | Other |
| 1950.....                        | 191.0                                   | 30.5          | 13.1                  | 14.1                              | 3.3   | 98.1             | 53.9               | 19.6                            | 5.4              | 19.2     | 62.4  | 21.3                 | 9.5                 | 6.2            | 25.4  |
| 1951.....                        | 206.3                                   | 29.6          | 11.6                  | 14.4                              | 3.6   | 108.8            | 60.4               | 21.2                            | 6.1              | 21.1     | 67.9  | 23.9                 | 10.4                | 6.7            | 26.9  |
| 1952.....                        | 216.7                                   | 29.3          | 11.1                  | 14.3                              | 3.9   | 114.0            | 63.4               | 21.9                            | 6.8              | 21.7     | 73.4  | 26.5                 | 11.1                | 7.1            | 28.7  |
| 1953.....                        | 230.0                                   | 33.2          | 14.2                  | 14.9                              | 4.1   | 116.8            | 64.4               | 22.1                            | 7.7              | 22.7     | 79.9  | 29.3                 | 12.0                | 7.8            | 30.8  |
| 1954.....                        | 236.5                                   | 32.8          | 13.6                  | 15.0                              | 4.2   | 118.3            | 65.4               | 22.1                            | 8.2              | 22.6     | 85.4  | 31.7                 | 12.6                | 7.9            | 33.2  |
| 1955.....                        | 254.4                                   | 39.6          | 18.4                  | 16.6                              | 4.6   | 123.3            | 67.2               | 23.1                            | 9.0              | 24.0     | 91.4  | 33.7                 | 14.0                | 8.2            | 35.5  |
| 1956.....                        | 266.7                                   | 38.9          | 16.4                  | 17.5                              | 5.0   | 129.3            | 69.9               | 24.1                            | 9.8              | 25.4     | 98.5  | 36.0                 | 15.2                | 8.6            | 38.6  |
| 1957.....                        | 281.4                                   | 40.8          | 18.3                  | 17.3                              | 5.2   | 135.6            | 73.6               | 24.3                            | 10.6             | 27.1     | 105.0 | 38.5                 | 16.2                | 9.0            | 41.3  |
| 1958.....                        | 290.1                                   | 37.9          | 15.4                  | 17.1                              | 5.4   | 140.2            | 76.4               | 24.7                            | 11.0             | 28.2     | 112.0 | 41.1                 | 17.3                | 9.3            | 44.3  |
| 1959.....                        | 311.2                                   | 44.3          | 19.5                  | 18.9                              | 5.9   | 146.6            | 78.6               | 26.4                            | 11.6             | 30.1     | 120.3 | 43.7                 | 18.5                | 10.1           | 48.0  |
| 1960.....                        | 325.2                                   | 45.3          | 20.1                  | 18.9                              | 6.3   | 151.3            | 80.5               | 27.3                            | 12.3             | 31.2     | 128.7 | 46.3                 | 20.0                | 10.8           | 51.6  |
| 1961.....                        | 335.2                                   | 44.2          | 18.4                  | 19.3                              | 6.5   | 155.9            | 82.9               | 27.9                            | 12.4             | 32.7     | 135.1 | 48.7                 | 20.8                | 10.6           | 54.9  |
| 1962.....                        | 355.1                                   | 49.5          | 22.0                  | 20.5                              | 6.9   | 162.6            | 85.7               | 29.6                            | 12.9             | 34.4     | 143.0 | 52.0                 | 22.0                | 11.0           | 58.0  |
| 1963.....                        | 375.0                                   | 53.9          | 24.3                  | 22.2                              | 7.5   | 168.6            | 88.2               | 30.6                            | 13.5             | 36.3     | 152.4 | 55.4                 | 23.1                | 11.4           | 62.5  |
| 1964.....                        | 401.2                                   | 59.2          | 25.8                  | 25.0                              | 8.5   | 178.7            | 92.9               | 33.5                            | 14.0             | 38.2     | 163.3 | 59.3                 | 24.3                | 11.6           | 68.1  |
| 1965.....                        | 432.8                                   | 66.3          | 30.3                  | 26.9                              | 9.1   | 191.1            | 98.8               | 35.9                            | 15.3             | 41.1     | 175.5 | 63.5                 | 25.6                | 12.6           | 73.8  |
| 1966.....                        | 466.3                                   | 70.8          | 30.3                  | 29.9                              | 10.5  | 206.9            | 105.8              | 40.3                            | 16.6             | 44.4     | 188.6 | 67.5                 | 27.1                | 13.6           | 80.4  |
| 1967.....                        | 492.1                                   | 73.1          | 30.5                  | 31.4                              | 11.2  | 215.0            | 108.5              | 42.3                            | 17.6             | 46.6     | 204.0 | 71.8                 | 29.1                | 14.5           | 88.5  |
| 1968.....                        | 536.2                                   | 84.0          | 37.5                  | 34.3                              | 12.3  | 230.8            | 115.3              | 46.3                            | 19.0             | 50.2     | 221.3 | 77.3                 | 31.2                | 15.5           | 97.3  |
| 1969.....                        | 579.5                                   | 90.8          | 40.2                  | 37.1                              | 13.5  | 245.9            | 120.6              | 50.2                            | 20.9             | 54.2     | 242.7 | 84.1                 | 33.8                | 16.6           | 108.2 |
| 1970.....                        | 616.8                                   | 90.5          | 37.3                  | 39.0                              | 14.2  | 264.4            | 132.1              | 52.0                            | 22.2             | 58.1     | 261.8 | 90.9                 | 36.3                | 18.2           | 116.3 |
| 1971.....                        | 664.9                                   | 103.5         | 46.7                  | 42.0                              | 14.8  | 278.1            | 136.4              | 56.9                            | 23.5             | 61.3     | 283.3 | 99.2                 | 39.5                | 19.9           | 124.8 |
| Seasonally adjusted annual rates |   |               |                       |                                   |       |                  |                    |                                 |                  |          |       |                      |                     |                |       |
| 1970: I.....                     | 604.1                                   | 90.2          | 37.8                  | 38.7                              | 13.8  | 257.8            | 128.0              | 51.1                            | 21.8             | 56.9     | 256.1 | 88.7                 | 35.3                | 17.7           | 114.3 |
| II.....                          | 613.4                                   | 91.6          | 39.2                  | 38.8                              | 13.6  | 262.4            | 131.2              | 51.8                            | 22.0             | 57.4     | 259.4 | 90.1                 | 35.9                | 18.0           | 115.5 |
| III.....                         | 623.0                                   | 92.6          | 39.4                  | 38.8                              | 14.5  | 266.3            | 133.9              | 51.7                            | 22.3             | 58.4     | 264.1 | 91.4                 | 36.9                | 18.5           | 117.2 |
| IV.....                          | 626.5                                   | 87.5          | 33.0                  | 39.6                              | 14.9  | 271.3            | 135.2              | 53.6                            | 22.8             | 59.7     | 267.7 | 93.4                 | 37.2                | 18.8           | 118.3 |
| 1971: I.....                     | 648.0                                   | 99.8          | 44.9                  | 41.0                              | 13.9  | 273.4            | 135.1              | 55.1                            | 23.0             | 60.1     | 274.8 | 95.8                 | 38.0                | 19.3           | 121.8 |
| II.....                          | 660.4                                   | 101.9         | 45.4                  | 41.4                              | 15.0  | 277.2            | 135.9              | 56.7                            | 23.0             | 61.6     | 281.3 | 98.1                 | 39.1                | 19.8           | 124.3 |
| III.....                         | 670.7                                   | 106.1         | 48.8                  | 41.9                              | 15.5  | 278.5            | 136.6              | 57.4                            | 23.5             | 60.9     | 286.1 | 100.3                | 40.0                | 20.2           | 125.7 |
| IV.....                          | 680.5                                   | 106.1         | 47.9                  | 43.5                              | 14.7  | 283.4            | 137.9              | 58.5                            | 24.3             | 62.8     | 290.9 | 102.5                | 40.7                | 20.4           | 127.3 |
| 1972: I.....                     | 696.1                                   | 111.0         | 49.9                  | 46.5                              | 14.7  | 288.3            | 140.3              | 59.4                            | 24.6             | 64.0     | 296.7 | 104.2                | 41.2                | 21.0           | 130.3 |
| II.....                          | 712.5                                   | 113.6         | 51.3                  | 46.6                              | 15.7  | 296.3            | 143.3              | 61.7                            | 24.9             | 66.5     | 302.6 | 106.0                | 42.6                | 21.5           | 132.5 |

<sup>1</sup> Includes standard clothing issued to military personnel.

<sup>2</sup> Includes imputed rental value of owner-occupied dwellings.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-6.—Gross private domestic investment, 1950-72

[Billions of dollars]

| Year or quarter                  | Total gross private domestic investment | Fixed investment |                |            |          |                              |          |                        |          |      | Change in business inventories |          |
|----------------------------------|---|------------------|----------------|------------|----------|------------------------------|----------|------------------------|----------|------|--------------------------------|----------|
|                                  |   | Total            | Nonresidential |            |          |                              |          | Residential structures |          |      | Total                          | Non-farm |
|                                  |   |                  | Total          | Structures |          | Producers' durable equipment |          | Total                  | Non-farm | Farm |                                |          |
|                                  |   |                  |                | Total      | Non-farm | Total                        | Non-farm |                        |          |      |                                |          |
| 1950.....                        | 54.1                                    | 47.3             | 27.9           | 9.2        | 8.5      | 18.7                         | 15.7     | 19.4                   | 18.6     | 0.8  | 6.8                            | 6.0      |
| 1951.....                        | 59.3                                    | 49.0             | 31.8           | 11.2       | 10.4     | 20.7                         | 17.7     | 17.2                   | 16.4     | -.8  | 10.3                           | 9.1      |
| 1952.....                        | 51.9                                    | 48.8             | 31.6           | 11.4       | 10.5     | 20.2                         | 17.6     | 17.2                   | 16.4     | -.8  | 3.1                            | 2.1      |
| 1953.....                        | 52.6                                    | 52.1             | 34.2           | 12.7       | 11.9     | 21.5                         | 18.6     | 18.0                   | 17.2     | -.8  | 4.4                            | 1.1      |
| 1954.....                        | 51.7                                    | 53.3             | 33.6           | 13.1       | 12.3     | 20.6                         | 18.0     | 19.7                   | 19.0     | .7   | -1.5                           | -2.1     |
| 1955.....                        | 67.4                                    | 61.4             | 38.1           | 14.3       | 13.6     | 23.8                         | 21.2     | 23.3                   | 22.7     | .6   | 6.0                            | 5.5      |
| 1956.....                        | 70.0                                    | 65.3             | 43.7           | 17.2       | 16.5     | 26.5                         | 24.2     | 21.6                   | 20.9     | .7   | 4.7                            | 5.1      |
| 1957.....                        | 67.9                                    | 66.5             | 46.4           | 18.0       | 17.2     | 28.4                         | 25.9     | 20.2                   | 19.5     | .7   | 1.3                            | -.8      |
| 1958.....                        | 60.9                                    | 62.4             | 41.6           | 16.6       | 15.8     | 25.0                         | 22.0     | 20.8                   | 20.1     | .6   | -1.5                           | -2.3     |
| 1959.....                        | 75.3                                    | 70.5             | 45.1           | 16.7       | 15.9     | 28.4                         | 25.4     | 25.5                   | 24.8     | .6   | 4.8                            | 4.8      |
| 1960.....                        | 74.8                                    | 71.3             | 48.4           | 18.1       | 17.4     | 30.3                         | 27.7     | 22.8                   | 22.2     | .6   | 3.6                            | 3.3      |
| 1961.....                        | 71.7                                    | 69.7             | 47.0           | 18.4       | 17.7     | 28.6                         | 25.8     | 22.6                   | 22.0     | .6   | 2.0                            | 1.7      |
| 1962.....                        | 83.0                                    | 77.0             | 51.7           | 19.2       | 18.5     | 32.5                         | 29.4     | 25.3                   | 24.8     | .6   | 6.0                            | 5.3      |
| 1963.....                        | 87.1                                    | 81.3             | 54.3           | 19.5       | 18.8     | 34.8                         | 31.2     | 27.0                   | 26.4     | .6   | 5.9                            | 5.1      |
| 1964.....                        | 94.0                                    | 88.2             | 61.1           | 21.2       | 20.5     | 39.9                         | 36.3     | 27.1                   | 26.6     | .5   | 5.8                            | 6.4      |
| 1965.....                        | 108.1                                   | 98.5             | 71.3           | 25.5       | 24.9     | 45.8                         | 41.6     | 27.2                   | 26.7     | .5   | 9.6                            | 8.6      |
| 1966.....                        | 121.4                                   | 106.6            | 81.6           | 28.5       | 27.8     | 53.1                         | 48.4     | 25.0                   | 24.5     | .5   | 14.8                           | 15.0     |
| 1967.....                        | 116.6                                   | 108.4            | 83.3           | 28.0       | 27.3     | 55.3                         | 50.0     | 25.1                   | 24.5     | .6   | 8.2                            | 7.5      |
| 1968.....                        | 126.0                                   | 118.9            | 88.8           | 30.3       | 29.6     | 58.5                         | 53.6     | 30.1                   | 29.5     | .5   | 7.1                            | 6.9      |
| 1969.....                        | 139.0                                   | 131.1            | 98.5           | 34.2       | 33.5     | 64.3                         | 59.2     | 32.6                   | 32.0     | .6   | 7.8                            | 7.7      |
| 1970.....                        | 137.1                                   | 132.2            | 100.9          | 36.0       | 35.2     | 64.9                         | 59.2     | 31.2                   | 30.7     | .5   | 4.9                            | 4.8      |
| 1971.....                        | 152.0                                   | 148.3            | 105.8          | 38.4       | 37.5     | 67.4                         | 60.9     | 42.6                   | 42.0     | .6   | 3.6                            | 2.4      |
| Seasonally adjusted annual rates |   |                  |                |            |          |                              |          |                        |          |      |                                |          |
| 1970: I.....                     | 132.9                                   | 131.4            | 100.2          | 35.5       | 34.7     | 64.8                         | 59.2     | 31.2                   | 30.6     | 0.5  | 1.5                            | 1.4      |
| II.....                          | 137.7                                   | 131.4            | 101.7          | 36.1       | 35.3     | 65.6                         | 59.8     | 29.7                   | 29.4     | -.3  | 6.3                            | 6.2      |
| III.....                         | 139.9                                   | 133.7            | 103.4          | 36.2       | 35.4     | 67.2                         | 61.2     | 30.3                   | 29.9     | -.4  | 6.2                            | 6.1      |
| IV.....                          | 137.8                                   | 132.1            | 98.5           | 36.3       | 35.5     | 62.1                         | 56.6     | 33.6                   | 33.0     | .6   | 5.7                            | 5.6      |
| 1971: I.....                     | 143.9                                   | 139.0            | 101.9          | 37.6       | 36.8     | 64.3                         | 58.3     | 37.0                   | 36.6     | .5   | 4.9                            | 3.9      |
| II.....                          | 153.0                                   | 146.4            | 105.0          | 38.3       | 37.5     | 66.7                         | 60.4     | 41.4                   | 40.9     | .5   | 6.6                            | 5.1      |
| III.....                         | 152.2                                   | 150.9            | 106.3          | 38.7       | 37.9     | 67.6                         | 60.8     | 44.5                   | 43.9     | .7   | 1.3                            | -.2      |
| IV.....                          | 158.8                                   | 157.2            | 109.8          | 38.8       | 38.0     | 71.0                         | 64.2     | 47.3                   | 46.7     | .6   | 1.7                            | -.8      |
| 1972: I.....                     | 168.1                                   | 167.7            | 116.1          | 41.3       | 40.5     | 74.8                         | 67.7     | 51.6                   | 51.0     | .6   | .4                             | .1       |
| II.....                          | 176.8                                   | 172.6            | 120.1          | 41.5       | 40.6     | 78.7                         | 70.9     | 52.4                   | 51.8     | .6   | 4.3                            | 3.6      |

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-7.—National income by type of income, 1950–72

[Billions of dollars]

| Year or quarter                  | Total national income <sup>1</sup> | Compensation of employees |                    |  | Business and professional income |                                      |                                | Income of farm proprietors <sup>2</sup> | Rental income of persons | Corporate profits and inventory valuation adjustment |   |                                | Net interest |
|----------------------------------|------------------------------------|---------------------------|--------------------|--|----------------------------------|--------------------------------------|--------------------------------|---|--------------------------|--|---|--------------------------------|--------------|
|                                  |                                    | Total                     | Wages and salaries | Supplements to wages and salaries <sup>3</sup> | Total                            | Income of unincorporated enterprises | Inventory valuation adjustment |   |                          | Total  | Corporate profits before taxes <sup>4</sup> | Inventory valuation adjustment |              |
| 1950                             | 241.1                              | 154.6                     | 146.8              | 7.8  | 24.0                             | 25.1                                 | -1.1                           | 13.5                                    | 9.4                      | 37.7   | 42.6  | -5.0                           | 2.0          |
| 1951                             | 278.0                              | 180.7                     | 171.1              | 9.6  | 26.1                             | 26.5                                 | -0.3                           | 15.8                                    | 10.3                     | 42.7   | 43.9  | -1.2                           | 2.3          |
| 1952                             | 291.4                              | 195.3                     | 185.1              | 10.2   | 27.1                             | 26.9                                 | -0.2                           | 15.0                                    | 11.5                     | 39.9   | 38.9  | 1.0                            | 2.6          |
| 1953                             | 304.7                              | 209.1                     | 198.3              | 10.9   | 27.5                             | 27.6                                 | -0.2                           | 13.0                                    | 12.7                     | 39.6   | 40.6  | -1.0                           | 2.8          |
| 1954                             | 303.1                              | 208.0                     | 196.5              | 11.5   | 27.6                             | 27.6                                 | 0.0                            | 12.4                                    | 13.6                     | 38.0   | 38.3  | -0.3                           | 3.6          |
| 1955                             | 331.0                              | 224.5                     | 211.3              | 13.2   | 30.3                             | 30.5                                 | -0.2                           | 11.4                                    | 13.9                     | 46.9   | 48.6  | -1.7                           | 4.1          |
| 1956                             | 350.8                              | 243.1                     | 227.8              | 15.2   | 31.3                             | 31.8                                 | -0.5                           | 11.4                                    | 14.3                     | 46.1   | 48.8  | -2.7                           | 4.6          |
| 1957                             | 366.1                              | 256.0                     | 238.7              | 17.3   | 32.8                             | 33.1                                 | -0.3                           | 11.3                                    | 14.8                     | 45.6   | 47.2  | -1.5                           | 5.6          |
| 1958                             | 367.8                              | 257.8                     | 239.9              | 17.9   | 33.2                             | 33.2                                 | -0.1                           | 13.4                                    | 15.4                     | 41.1   | 41.4  | -0.3                           | 6.8          |
| 1959                             | 400.0                              | 279.1                     | 258.2              | 20.9   | 35.1                             | 35.3                                 | -0.1                           | 11.4                                    | 15.6                     | 51.7   | 52.1  | -0.5                           | 7.1          |
| 1960                             | 414.5                              | 294.2                     | 270.8              | 23.4   | 34.2                             | 34.3                                 | 0.0                            | 12.0                                    | 15.8                     | 49.9   | 49.7  | 0.2                            | 8.4          |
| 1961                             | 427.3                              | 302.6                     | 278.1              | 24.6   | 35.6                             | 35.6                                 | 0.0                            | 12.8                                    | 16.0                     | 50.3   | 50.3  | -0.1                           | 10.0         |
| 1962                             | 457.7                              | 323.6                     | 296.1              | 27.5   | 37.1                             | 37.1                                 | 0.0                            | 13.0                                    | 16.7                     | 55.7   | 55.4  | 0.3                            | 11.6         |
| 1963                             | 481.9                              | 341.0                     | 311.1              | 29.9   | 37.9                             | 37.9                                 | 0.0                            | 13.1                                    | 17.1                     | 58.9   | 59.4  | -0.5                           | 13.8         |
| 1964                             | 518.1                              | 365.7                     | 333.7              | 32.0   | 40.2                             | 40.3                                 | -0.1                           | 12.1                                    | 18.0                     | 66.3   | 66.8  | -0.5                           | 15.8         |
| 1965                             | 564.3                              | 393.8                     | 358.9              | 35.0   | 42.4                             | 42.8                                 | -0.4                           | 14.8                                    | 19.0                     | 76.1   | 77.8  | -1.7                           | 18.2         |
| 1966                             | 620.6                              | 435.5                     | 394.5              | 41.0   | 45.2                             | 45.6                                 | -0.4                           | 16.1                                    | 20.0                     | 82.4   | 84.2  | -1.8                           | 21.4         |
| 1967                             | 653.6                              | 467.2                     | 423.1              | 44.2   | 47.3                             | 47.6                                 | -0.3                           | 14.8                                    | 21.1                     | 78.7   | 79.8  | -1.1                           | 24.4         |
| 1968                             | 711.1                              | 514.6                     | 464.9              | 49.7   | 49.5                             | 50.3                                 | -0.7                           | 14.7                                    | 21.2                     | 84.3   | 87.6  | -3.3                           | 26.9         |
| 1969                             | 766.0                              | 566.0                     | 509.7              | 56.3   | 50.5                             | 51.2                                 | -0.8                           | 16.7                                    | 22.6                     | 79.8   | 84.9  | -5.1                           | 30.5         |
| 1970                             | 798.6                              | 603.8                     | 541.9              | 61.9   | 49.9                             | 50.7                                 | -0.7                           | 16.9                                    | 23.3                     | 69.9   | 74.3  | -4.4                           | 34.8         |
| 1971                             | 855.7                              | 644.1                     | 573.5              | 70.7   | 52.6                             | 53.4                                 | -0.8                           | 17.3                                    | 24.5                     | 78.6   | 83.3  | -4.7                           | 38.5         |
| Seasonally adjusted annual rates |                                    |                           |                    |  |                                  |                                      |                                |   |                          |  |   |                                |              |
| 1970: I                          | 787.5                              | 594.3                     | 534.9              | 59.5   | 49.7                             | -----                                | -----                          | 18.0                                    | 23.0                     | 69.3   | 75.8  | -6.4                           | 33.2         |
| II                               | 796.7                              | 600.7                     | 539.5              | 61.2   | 50.0                             | -----                                | -----                          | 17.1                                    | 23.2                     | 71.5   | 75.2  | -3.7                           | 34.2         |
| III                              | 806.3                              | 609.0                     | 546.1              | 62.8   | 50.1                             | -----                                | -----                          | 16.5                                    | 23.4                     | 72.0   | 76.6  | -4.6                           | 35.3         |
| IV                               | 804.1                              | 611.2                     | 547.2              | 63.9   | 49.9                             | -----                                | -----                          | 15.9                                    | 23.8                     | 66.9   | 69.6  | -2.8                           | 36.5         |
| 1971: I                          | 834.5                              | 628.6                     | 560.4              | 68.2   | 51.3                             | -----                                | -----                          | 16.8                                    | 23.9                     | 76.6   | 81.3  | -4.7                           | 37.3         |
| II                               | 851.4                              | 639.6                     | 569.6              | 70.0   | 52.4                             | -----                                | -----                          | 16.9                                    | 24.4                     | 80.1   | 84.5  | -4.4                           | 38.1         |
| III                              | 860.8                              | 648.0                     | 576.5              | 71.5   | 53.1                             | -----                                | -----                          | 17.6                                    | 24.8                     | 78.3   | 84.1  | -5.8                           | 39.1         |
| IV                               | 876.2                              | 660.4                     | 587.3              | 73.0   | 53.8                             | -----                                | -----                          | 18.1                                    | 25.0                     | 79.4   | 83.2  | -3.9                           | 39.7         |
| 1972: I                          | 903.1                              | 682.7                     | 606.6              | 76.1   | 54.3                             | -----                                | -----                          | 19.1                                    | 25.2                     | 81.8   | 88.2  | -6.5                           | 40.1         |
| II                               | -----                              | 687.5                     | 619.7              | 77.8   | 54.7                             | -----                                | -----                          | 18.7                                    | 24.4                     | -----  | -----                                       | -5.5                           | 40.9         |

<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.

<sup>2</sup> Employer contributions for social insurance and to private pension, health, and welfare funds; compensation for injuries; directors' fees; pay of the military reserve; and a few other minor items.

<sup>3</sup> Includes change in inventories.

<sup>4</sup> See Table A-8 for corporate tax liability and profits after taxes.

Source: Department of Commerce, Bureau of Economic Analysis.



TABLE A-8.—Profits before and after taxes, all private corporations, 1950-72

[Billions of dollars]

| Year or quarter                  | Corporate profits (before taxes) and inventory valuation adjustment |               |                          |                              |   |                      | Corporate profits before taxes | Corporate tax liability <sup>1</sup> | Corporate profits after taxes |           |                       | Corporate capital consumption allowances <sup>2</sup> | Profits plus capital consumption allowances <sup>3</sup> |
|----------------------------------|---|---------------|--------------------------|------------------------------|---|----------------------|--------------------------------|--------------------------------------|-------------------------------|-----------|-----------------------|---|--|
|                                  | All industries  | Manufacturing |                          |                              | Transportation, communication, and public utilities | All other industries |                                |                                      | Total                         | Dividends | Undistributed profits |   |  |
|                                  |   | Total         | Durable goods industries | Non-durable goods industries |   |                      |                                |                                      |                               |           |                       |   |  |
| 1950                             | 37.7  | 20.9          | 12.0                     | 8.9                          | 4.0   | 12.7                 | 42.6                           | 17.8                                 | 24.9                          | 8.8       | 16.0                  | 8.8   | 33.7   |
| 1951                             | 42.7  | 24.6          | 13.2                     | 11.4                         | 4.6   | 13.5                 | 43.9                           | 22.3                                 | 21.6                          | 8.6       | 13.0                  | 10.3  | 31.8   |
| 1952                             | 39.9  | 21.6          | 11.7                     | 9.9                          | 4.9   | 13.3                 | 38.9                           | 19.4                                 | 19.6                          | 8.6       | 11.0                  | 11.5  | 31.0   |
| 1953                             | 39.6  | 22.0          | 11.9                     | 10.1                         | 5.0   | 12.6                 | 40.6                           | 20.3                                 | 20.4                          | 8.9       | 11.5                  | 13.2  | 33.5   |
| 1954                             | 38.0  | 19.9          | 10.5                     | 9.4                          | 4.7   | 13.4                 | 38.3                           | 17.7                                 | 20.6                          | 9.3       | 11.3                  | 15.0  | 35.5   |
| 1955                             | 46.9  | 26.0          | 14.3                     | 11.8                         | 5.6   | 15.2                 | 48.6                           | 21.6                                 | 27.0                          | 10.5      | 16.5                  | 17.4  | 44.4   |
| 1956                             | 46.1  | 24.7          | 12.8                     | 11.9                         | 5.9   | 15.6                 | 48.8                           | 21.7                                 | 27.2                          | 11.3      | 15.9                  | 18.9  | 46.1   |
| 1957                             | 45.6  | 24.0          | 13.3                     | 10.7                         | 5.8   | 15.8                 | 47.2                           | 21.2                                 | 26.0                          | 11.7      | 14.2                  | 20.8  | 46.8   |
| 1958                             | 41.1  | 19.3          | 9.3                      | 10.0                         | 5.9   | 15.9                 | 41.4                           | 19.0                                 | 22.3                          | 11.6      | 10.8                  | 22.0  | 44.3   |
| 1959                             | 51.7  | 26.3          | 13.6                     | 12.7                         | 7.0   | 18.4                 | 52.1                           | 23.7                                 | 28.5                          | 12.6      | 15.9                  | 23.5  | 52.0   |
| 1960                             | 49.9  | 24.4          | 12.0                     | 12.4                         | 7.5   | 17.9                 | 49.7                           | 23.0                                 | 26.7                          | 13.4      | 13.2                  | 24.9  | 51.6   |
| 1961                             | 50.3  | 23.3          | 11.4                     | 11.9                         | 7.9   | 19.1                 | 50.3                           | 23.1                                 | 27.2                          | 13.8      | 13.5                  | 26.2  | 53.5   |
| 1962                             | 55.7  | 26.6          | 14.1                     | 12.5                         | 8.5   | 20.5                 | 55.4                           | 24.2                                 | 31.2                          | 15.2      | 16.0                  | 30.1  | 61.3   |
| 1963                             | 58.9  | 28.8          | 15.8                     | 13.0                         | 9.5   | 20.6                 | 59.4                           | 26.3                                 | 33.1                          | 16.5      | 16.6                  | 31.8  | 64.8   |
| 1964                             | 66.3  | 32.7          | 17.7                     | 14.9                         | 10.1  | 23.5                 | 66.8                           | 28.3                                 | 38.4                          | 17.8      | 20.6                  | 33.9  | 72.3   |
| 1965                             | 76.1  | 39.3          | 22.8                     | 16.6                         | 11.1  | 25.6                 | 77.8                           | 31.3                                 | 46.5                          | 19.8      | 26.7                  | 36.4  | 82.9   |
| 1966                             | 82.4  | 42.6          | 24.0                     | 18.6                         | 11.9  | 27.9                 | 84.2                           | 34.3                                 | 49.9                          | 20.8      | 29.1                  | 39.5  | 89.5   |
| 1967                             | 78.7  | 38.7          | 20.7                     | 18.0                         | 10.8  | 29.1                 | 79.8                           | 33.2                                 | 46.6                          | 21.4      | 25.3                  | 43.0  | 89.6   |
| 1968                             | 84.3  | 41.7          | 22.4                     | 19.3                         | 10.6  | 32.0                 | 87.6                           | 39.9                                 | 47.8                          | 23.6      | 24.2                  | 46.8  | 94.6   |
| 1969                             | 79.8  | 36.6          | 18.8                     | 17.7                         | 10.1  | 33.1                 | 84.9                           | 40.1                                 | 44.8                          | 24.3      | 20.5                  | 51.9  | 96.7   |
| 1970                             | 69.9  | 27.7          | 11.0                     | 16.7                         | 7.6   | 34.6                 | 74.3                           | 34.1                                 | 40.2                          | 24.8      | 15.4                  | 55.2  | 95.4   |
| 1971                             | 78.6  | 30.9          | 14.1                     | 16.8                         | 8.2   | 39.6                 | 83.3                           | 37.3                                 | 45.9                          | 25.4      | 20.5                  | 60.3  | 106.2  |
| Seasonally adjusted annual rates |   |               |                          |                              |   |                      |                                |                                      |                               |           |                       |   |  |
| 1970: I                          | 69.3  | 29.4          | 13.1                     | 16.4                         | 8.0   | 31.9                 | 75.8                           | 34.3                                 | 41.4                          | 24.8      | 16.6                  | 54.4  | 95.8   |
| II                               | 71.5  | 29.9          | 13.0                     | 17.0                         | 7.4   | 34.1                 | 75.2                           | 34.6                                 | 40.6                          | 24.7      | 15.8                  | 54.8  | 95.4   |
| III                              | 72.0  | 28.9          | 11.7                     | 17.2                         | 7.8   | 35.3                 | 76.6                           | 35.4                                 | 41.2                          | 24.9      | 16.3                  | 55.2  | 96.4   |
| IV                               | 66.9  | 22.6          | 6.2                      | 16.4                         | 7.2   | 37.0                 | 69.6                           | 32.2                                 | 37.4                          | 24.7      | 12.7                  | 56.1  | 93.5   |
| 1971: I                          | 76.6  | 30.9          | 14.3                     | 16.6                         | 7.8   | 37.8                 | 81.3                           | 38.0                                 | 43.2                          | 25.5      | 17.7                  | 57.5  | 100.7  |
| II                               | 80.1  | 31.2          | 14.4                     | 16.8                         | 8.8   | 40.2                 | 84.5                           | 38.6                                 | 45.8                          | 25.4      | 20.4                  | 59.4  | 105.2  |
| III                              | 78.3  | 30.1          | 13.3                     | 16.9                         | 8.5   | 39.6                 | 84.1                           | 37.5                                 | 46.6                          | 25.5      | 21.0                  | 61.2  | 107.8  |
| IV                               | 79.4  | 31.2          | 14.3                     | 16.9                         | 7.6   | 40.5                 | 83.2                           | 35.3                                 | 48.0                          | 25.2      | 22.7                  | 63.0  | 111.0  |
| 1972: I                          | 81.8  | 35.4          | 17.7                     | 17.7                         | 7.8   | 38.5                 | 88.2                           | 38.8                                 | 49.5                          | 26.0      | 23.5                  | 64.8  | 114.3  |
| II                               |   |               |                          |                              |   |                      |                                |                                      |                               | 26.2      |                       | 68.4  |  |

<sup>1</sup> Federal and State corporate income and excess profits taxes.

<sup>2</sup> Includes depreciation and accidental damages.

<sup>3</sup> Corporate profits after taxes plus corporate capital consumption allowances.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-9.—Disposition of personal income, 1950-72

| 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 | Personal transfer payments to foreigners |                         | Personal outlays                      |                          | Personal saving |
|                                  |                 |  |                                    |                        |                                   |                            |  |                         | Total                                 | Consumption expenditures |                 |
| Billions of dollars              |                 |  |                                    |                        |                                   |                            |  | Percent                 |                                       |                          |                 |
| 1950.....                        | 227.6           | 20.7                                   | 206.9                              | 193.9                  | 191.0                             | 2.4                        | 0.5                                      | 13.1                    | 93.7                                  | 92.3                     | 6.3             |
| 1951.....                        | 255.6           | 29.0                                   | 226.6                              | 209.3                  | 206.3                             | 2.7                        | .4                                       | 17.3                    | 92.4                                  | 91.0                     | 7.6             |
| 1952.....                        | 272.5           | 34.1                                   | 238.3                              | 220.2                  | 216.7                             | 3.0                        | .4                                       | 18.1                    | 92.4                                  | 90.9                     | 7.6             |
| 1953.....                        | 288.2           | 35.6                                   | 252.6                              | 234.3                  | 230.0                             | 3.8                        | .5                                       | 18.3                    | 92.8                                  | 91.1                     | 7.2             |
| 1954.....                        | 290.1           | 32.7                                   | 257.4                              | 241.0                  | 235.5                             | 4.0                        | .5                                       | 16.4                    | 93.6                                  | 91.9                     | 6.4             |
| 1955.....                        | 310.9           | 35.5                                   | 275.3                              | 259.5                  | 254.4                             | 4.7                        | .5                                       | 15.8                    | 94.3                                  | 92.4                     | 5.7             |
| 1956.....                        | 333.0           | 39.8                                   | 293.2                              | 272.6                  | 266.7                             | 5.4                        | .6                                       | 20.6                    | 93.0                                  | 91.0                     | 7.0             |
| 1957.....                        | 351.1           | 42.6                                   | 308.5                              | 287.8                  | 281.4                             | 5.8                        | .6                                       | 20.7                    | 93.3                                  | 91.2                     | 6.7             |
| 1958.....                        | 361.2           | 42.3                                   | 318.8                              | 296.6                  | 290.1                             | 5.9                        | .6                                       | 22.3                    | 93.0                                  | 91.0                     | 7.0             |
| 1959.....                        | 383.5           | 46.2                                   | 337.3                              | 318.3                  | 311.2                             | 6.5                        | .6                                       | 19.1                    | 94.4                                  | 92.3                     | 5.6             |
| 1960.....                        | 401.0           | 50.9                                   | 350.0                              | 333.0                  | 325.2                             | 7.3                        | .5                                       | 17.0                    | 95.1                                  | 92.9                     | 4.9             |
| 1961.....                        | 416.8           | 52.4                                   | 364.4                              | 343.3                  | 335.2                             | 7.6                        | .5                                       | 21.2                    | 94.2                                  | 92.0                     | 5.8             |
| 1962.....                        | 442.6           | 57.4                                   | 385.3                              | 363.7                  | 355.1                             | 8.1                        | .5                                       | 21.6                    | 94.4                                  | 92.2                     | 5.6             |
| 1963.....                        | 465.5           | 60.9                                   | 404.6                              | 384.7                  | 375.0                             | 9.1                        | .6                                       | 19.9                    | 95.1                                  | 92.7                     | 4.9             |
| 1964.....                        | 497.5           | 59.4                                   | 438.1                              | 411.9                  | 401.2                             | 10.1                       | .6                                       | 26.2                    | 94.0                                  | 91.6                     | 6.0             |
| 1965.....                        | 538.9           | 65.7                                   | 473.2                              | 444.8                  | 432.8                             | 11.3                       | .7                                       | 28.4                    | 94.0                                  | 91.5                     | 6.0             |
| 1966.....                        | 587.2           | 75.4                                   | 511.9                              | 479.3                  | 466.3                             | 12.4                       | .6                                       | 32.5                    | 93.6                                  | 91.1                     | 6.4             |
| 1967.....                        | 629.3           | 83.0                                   | 546.3                              | 506.0                  | 492.1                             | 13.2                       | .7                                       | 40.4                    | 92.6                                  | 90.1                     | 7.4             |
| 1968.....                        | 688.9           | 97.9                                   | 591.0                              | 551.2                  | 536.2                             | 14.3                       | .8                                       | 39.8                    | 93.3                                  | 90.7                     | 6.7             |
| 1969.....                        | 750.9           | 116.5                                  | 634.4                              | 596.2                  | 579.5                             | 15.8                       | .9                                       | 38.2                    | 94.0                                  | 91.3                     | 6.0             |
| 1970.....                        | 806.3           | 116.7                                  | 689.5                              | 634.7                  | 616.8                             | 16.9                       | 1.0                                      | 54.9                    | 92.1                                  | 89.5                     | 8.0             |
| 1971.....                        | 861.4           | 117.0                                  | 744.4                              | 683.4                  | 664.9                             | 17.6                       | 1.0                                      | 60.9                    | 91.8                                  | 89.3                     | 8.2             |
| Seasonally adjusted annual rates |                 |  |                                    |                        |                                   |                            |  | Seasonally adjusted     |                                       |                          |                 |
| 1970: I.....                     | 785.7           | 117.8                                  | 667.9                              | 621.6                  | 604.1                             | 16.5                       | 1.0                                      | 46.3                    | 93.1                                  | 90.4                     | 6.9             |
| II.....                          | 806.1           | 119.0                                  | 687.2                              | 631.2                  | 613.4                             | 16.8                       | 1.0                                      | 55.9                    | 91.9                                  | 89.3                     | 8.1             |
| III.....                         | 813.4           | 114.3                                  | 699.1                              | 641.1                  | 623.0                             | 17.1                       | 1.0                                      | 58.0                    | 91.7                                  | 89.1                     | 8.3             |
| IV.....                          | 819.8           | 115.8                                  | 704.0                              | 644.8                  | 626.5                             | 17.3                       | 1.0                                      | 59.2                    | 91.6                                  | 89.0                     | 8.4             |
| 1971: I.....                     | 838.0           | 112.3                                  | 725.7                              | 666.4                  | 648.0                             | 17.4                       | .9                                       | 59.3                    | 91.8                                  | 89.3                     | 8.2             |
| II.....                          | 858.1           | 115.2                                  | 742.9                              | 678.8                  | 660.4                             | 17.5                       | .9                                       | 64.1                    | 91.4                                  | 88.9                     | 8.6             |
| III.....                         | 867.9           | 117.5                                  | 750.4                              | 689.4                  | 670.7                             | 17.6                       | 1.1                                      | 61.0                    | 91.9                                  | 89.4                     | 8.1             |
| IV.....                          | 881.5           | 123.0                                  | 758.5                              | 699.2                  | 680.5                             | 17.7                       | 1.1                                      | 59.3                    | 92.2                                  | 89.7                     | 7.8             |
| 1972: I.....                     | 907.0           | 136.5                                  | 770.5                              | 714.9                  | 696.1                             | 17.8                       | 1.0                                      | 55.7                    | 92.8                                  | 90.3                     | 7.2             |
| II.....                          | 922.5           | 139.6                                  | 782.9                              | 731.5                  | 712.5                             | 18.0                       | 1.0                                      | 51.5                    | 93.4                                  | 91.0                     | 6.6             |

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-10.—Total and per capita disposable personal income and personal consumption expenditures, in current and 1958 dollars, 1950-72

| 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             | 1958 dollars | Current dollars      | 1958 dollars | Current dollars                   | 1958 dollars | Current dollars      | 1958 dollars |                                     |
| 1950.....                        | 206.9                       | 249.6        | 1,364                | 1,646        | 191.0                             | 230.5        | 1,259                | 1,520        | 151,684                             |
| 1951.....                        | 226.6                       | 255.7        | 1,469                | 1,657        | 206.3                             | 232.8        | 1,337                | 1,509        | 154,287                             |
| 1952.....                        | 238.3                       | 263.3        | 1,518                | 1,678        | 216.7                             | 239.4        | 1,381                | 1,525        | 156,954                             |
| 1953.....                        | 252.6                       | 275.4        | 1,583                | 1,726        | 230.0                             | 250.8        | 1,441                | 1,572        | 159,565                             |
| 1954.....                        | 257.4                       | 278.3        | 1,585                | 1,714        | 236.5                             | 255.7        | 1,456                | 1,575        | 162,391                             |
| 1955.....                        | 275.3                       | 296.7        | 1,666                | 1,795        | 254.4                             | 274.2        | 1,539                | 1,659        | 165,275                             |
| 1956.....                        | 293.2                       | 309.3        | 1,743                | 1,839        | 266.7                             | 281.4        | 1,585                | 1,673        | 168,221                             |
| 1957.....                        | 308.5                       | 315.8        | 1,801                | 1,844        | 281.4                             | 288.2        | 1,643                | 1,683        | 171,274                             |
| 1958.....                        | 318.8                       | 318.8        | 1,831                | 1,831        | 290.1                             | 290.1        | 1,666                | 1,666        | 174,141                             |
| 1959.....                        | 337.3                       | 333.0        | 1,905                | 1,881        | 311.2                             | 307.3        | 1,758                | 1,735        | 177,073                             |
| 1960.....                        | 350.0                       | 340.2        | 1,937                | 1,883        | 325.2                             | 316.1        | 1,800                | 1,749        | 180,671                             |
| 1961.....                        | 364.4                       | 350.7        | 1,984                | 1,909        | 335.2                             | 322.5        | 1,825                | 1,756        | 183,691                             |
| 1962.....                        | 385.3                       | 367.3        | 2,065                | 1,969        | 355.1                             | 336.4        | 1,903                | 1,814        | 186,538                             |
| 1963.....                        | 404.6                       | 381.3        | 2,138                | 2,015        | 375.0                             | 353.3        | 1,981                | 1,867        | 189,242                             |
| 1964.....                        | 438.1                       | 407.9        | 2,283                | 2,126        | 401.2                             | 373.7        | 2,091                | 1,948        | 191,889                             |
| 1965.....                        | 473.2                       | 435.0        | 2,436                | 2,239        | 432.8                             | 397.7        | 2,228                | 2,047        | 194,303                             |
| 1966.....                        | 511.9                       | 458.9        | 2,604                | 2,335        | 466.3                             | 418.1        | 2,372                | 2,127        | 196,560                             |
| 1967.....                        | 546.3                       | 477.5        | 2,749                | 2,403        | 492.1                             | 430.1        | 2,476                | 2,164        | 198,712                             |
| 1968.....                        | 591.0                       | 499.0        | 2,945                | 2,486        | 536.2                             | 452.7        | 2,671                | 2,256        | 200,706                             |
| 1969.....                        | 634.4                       | 513.6        | 3,130                | 2,534        | 579.5                             | 469.1        | 2,859                | 2,315        | 202,677                             |
| 1970.....                        | 689.5                       | 533.2        | 3,366                | 2,603        | 616.8                             | 477.0        | 3,010                | 2,328        | 204,879                             |
| 1971.....                        | 744.4                       | 554.7        | 3,595                | 2,679        | 664.9                             | 495.4        | 3,211                | 2,393        | 207,049                             |
| Seasonally adjusted annual rates |                             |              |                      |              |                                   |              |                      |              |                                     |
| 1970: I.....                     | 667.9                       | 524.2        | 3,273                | 2,569        | 604.1                             | 474.1        | 2,960                | 2,323        | 204,082                             |
| II.....                          | 687.2                       | 534.2        | 3,359                | 2,611        | 613.4                             | 476.9        | 2,998                | 2,331        | 204,600                             |
| III.....                         | 699.1                       | 538.9        | 3,407                | 2,626        | 623.0                             | 480.2        | 3,036                | 2,340        | 205,186                             |
| IV.....                          | 704.0                       | 535.4        | 3,421                | 2,602        | 626.5                             | 476.5        | 3,044                | 2,315        | 205,795                             |
| 1971: I.....                     | 725.7                       | 546.6        | 3,517                | 2,650        | 648.0                             | 488.2        | 3,141                | 2,366        | 206,310                             |
| II.....                          | 742.9                       | 554.6        | 3,592                | 2,682        | 660.4                             | 493.0        | 3,193                | 2,384        | 206,806                             |
| III.....                         | 750.4                       | 556.5        | 3,620                | 2,684        | 670.7                             | 497.4        | 3,235                | 2,399        | 207,312                             |
| IV.....                          | 758.5                       | 560.9        | 3,649                | 2,698        | 680.5                             | 503.2        | 3,274                | 2,421        | 207,856                             |
| 1972: I.....                     | 770.5                       | 565.7        | 3,700                | 2,716        | 696.1                             | 511.0        | 3,343                | 2,454        | 208,255                             |
| II.....                          | 782.9                       | 570.9        | 3,753                | 2,736        | 712.5                             | 519.5        | 3,415                | 2,490        | 208,628                             |

<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 A-11.—Sources of personal income, 1950-72

[Billions of dollars]

| Year or quarter                  | Total personal income | Wage and salary disbursements <sup>1</sup> |                                |               |                         |                    |            | Other labor income <sup>1</sup> | Proprietors' income       |                   |
|----------------------------------|-----------------------|--|--------------------------------|---------------|-------------------------|--------------------|------------|---------------------------------|---------------------------|-------------------|
|                                  |                       | Total                                      | Commodity-producing industries |               | Distributive industries | Service industries | Government |                                 | Business and professional | Farm <sup>2</sup> |
|                                  |                       |  | Total                          | Manufacturing |                         |                    |            |                                 |                           |                   |
| 1950                             | 227.6                 | 146.7                                      | 64.6                           | 50.3          | 39.9                    | 19.9               | 22.4       | 3.8                             | 24.0                      | 13.5              |
| 1951                             | 255.6                 | 171.0                                      | 76.1                           | 59.4          | 44.3                    | 21.7               | 28.9       | 4.8                             | 26.1                      | 15.8              |
| 1952                             | 272.5                 | 185.1                                      | 81.8                           | 64.2          | 46.9                    | 23.3               | 33.1       | 5.3                             | 27.1                      | 15.0              |
| 1953                             | 288.2                 | 198.3                                      | 89.4                           | 71.2          | 49.8                    | 25.1               | 34.1       | 6.0                             | 27.5                      | 13.0              |
| 1954                             | 290.1                 | 196.5                                      | 85.4                           | 67.6          | 50.2                    | 26.4               | 34.6       | 6.3                             | 27.6                      | 12.4              |
| 1955                             | 310.9                 | 211.3                                      | 92.8                           | 73.9          | 53.4                    | 28.9               | 36.2       | 7.3                             | 30.3                      | 11.4              |
| 1956                             | 333.0                 | 227.8                                      | 100.2                          | 79.5          | 57.7                    | 31.6               | 38.3       | 8.4                             | 31.3                      | 11.4              |
| 1957                             | 351.1                 | 238.7                                      | 103.8                          | 82.5          | 60.5                    | 33.9               | 40.4       | 9.5                             | 32.8                      | 11.3              |
| 1958                             | 361.2                 | 239.9                                      | 99.7                           | 78.7          | 60.8                    | 35.9               | 43.5       | 9.9                             | 33.2                      | 13.4              |
| 1959                             | 383.5                 | 258.2                                      | 109.1                          | 86.9          | 64.8                    | 38.7               | 45.6       | 11.3                            | 35.1                      | 11.4              |
| 1960                             | 401.0                 | 270.8                                      | 112.5                          | 89.7          | 68.1                    | 41.5               | 48.7       | 12.0                            | 34.2                      | 12.0              |
| 1961                             | 416.8                 | 278.1                                      | 112.8                          | 89.8          | 69.1                    | 44.0               | 52.2       | 12.7                            | 35.6                      | 12.8              |
| 1962                             | 442.6                 | 296.1                                      | 120.8                          | 96.7          | 72.5                    | 46.8               | 56.0       | 13.9                            | 37.1                      | 13.0              |
| 1963                             | 465.5                 | 311.1                                      | 125.7                          | 100.6         | 76.0                    | 49.9               | 59.5       | 14.9                            | 37.9                      | 13.1              |
| 1964                             | 497.5                 | 333.7                                      | 134.1                          | 107.2         | 81.2                    | 54.1               | 64.3       | 16.6                            | 40.2                      | 12.1              |
| 1965                             | 538.9                 | 358.9                                      | 144.5                          | 115.6         | 86.9                    | 58.3               | 69.3       | 18.7                            | 42.4                      | 14.8              |
| 1966                             | 587.2                 | 394.5                                      | 159.3                          | 128.1         | 93.8                    | 63.7               | 77.7       | 20.7                            | 45.2                      | 16.1              |
| 1967                             | 629.3                 | 423.1                                      | 166.5                          | 134.2         | 100.3                   | 70.5               | 85.8       | 22.3                            | 47.3                      | 14.8              |
| 1968                             | 688.9                 | 464.9                                      | 181.5                          | 145.9         | 109.2                   | 78.5               | 95.7       | 25.4                            | 49.5                      | 14.7              |
| 1969                             | 750.9                 | 509.7                                      | 197.5                          | 157.6         | 120.0                   | 88.1               | 104.1      | 28.4                            | 50.5                      | 16.7              |
| 1970                             | 806.3                 | 541.9                                      | 201.0                          | 158.3         | 129.2                   | 96.7               | 115.1      | 32.1                            | 49.9                      | 16.9              |
| 1971                             | 861.4                 | 572.9                                      | 206.1                          | 160.3         | 138.2                   | 105.0              | 123.5      | 36.5                            | 52.6                      | 17.3              |
| Seasonally adjusted annual rates |                       |  |                                |               |                         |                    |            |                                 |                           |                   |
| 1970: I                          | 785.7                 | 532.4                                      | 201.8                          | 159.6         | 126.3                   | 94.4               | 109.9      | 30.7                            | 49.7                      | 18.0              |
| II                               | 806.1                 | 541.6                                      | 201.3                          | 159.2         | 127.9                   | 95.9               | 116.5      | 31.5                            | 50.0                      | 17.1              |
| III                              | 813.4                 | 546.5                                      | 202.2                          | 159.6         | 130.6                   | 97.2               | 116.5      | 32.6                            | 50.1                      | 16.5              |
| IV                               | 819.8                 | 547.2                                      | 198.6                          | 154.9         | 131.8                   | 99.3               | 117.6      | 33.7                            | 49.9                      | 15.9              |
| 1971: I                          | 838.0                 | 560.4                                      | 202.9                          | 158.5         | 134.8                   | 101.6              | 121.1      | 34.8                            | 51.3                      | 16.8              |
| II                               | 858.1                 | 569.5                                      | 205.7                          | 160.2         | 137.2                   | 103.9              | 122.7      | 36.1                            | 52.4                      | 16.9              |
| III                              | 867.9                 | 575.9                                      | 206.0                          | 160.0         | 139.1                   | 106.3              | 124.6      | 37.2                            | 53.1                      | 17.6              |
| IV                               | 881.5                 | 585.9                                      | 209.9                          | 162.7         | 141.7                   | 108.4              | 125.9      | 38.0                            | 53.8                      | 18.1              |
| 1972: I                          | 907.0                 | 608.0                                      | 217.5                          | 168.8         | 147.2                   | 111.9              | 131.4      | 38.8                            | 54.3                      | 19.1              |
| II                               | 922.5                 | 620.2                                      | 222.4                          | 173.8         | 150.0                   | 114.7              | 133.1      | 39.8                            | 54.7                      | 18.7              |

See footnotes at end of table.

TABLE A-11.—Sources of personal income, 1950-72—Continued

(Billions of dollars)

| Year or quarter                  | Rental income of persons | Dividends | Personal interest income | Transfer payments |   |                                       |                   | Less: Personal contributions for social insurance | Non-agricultural personal income <sup>2</sup> |       |
|----------------------------------|--------------------------|-----------|--------------------------|-------------------|---|---------------------------------------|-------------------|---|---|-------|
|                                  |                          |           |                          | Total             | Old age, survivors, disability, and health insurance benefits | State unemployment insurance benefits | Veterans benefits |   |   | Other |
| 1950                             | 9.4                      | 8.8       | 9.2                      | 15.1              | 1.0   | 1.4                                   | 4.9               | 7.9   | 2.9   | 210.9 |
| 1951                             | 10.3                     | 8.6       | 9.9                      | 12.5              | 1.9   | .8                                    | 3.9               | 5.9   | 3.4   | 236.4 |
| 1952                             | 11.5                     | 8.6       | 10.6                     | 13.0              | 2.2   | 1.0                                   | 3.9               | 6.0   | 3.8   | 254.1 |
| 1953                             | 12.7                     | 8.9       | 11.8                     | 14.0              | 3.0   | 1.0                                   | 3.7               | 6.3   | 4.0   | 271.9 |
| 1954                             | 13.6                     | 9.3       | 13.1                     | 16.0              | 3.6   | 2.0                                   | 3.9               | 6.5   | 4.6   | 274.7 |
| 1955                             | 13.9                     | 10.5      | 14.2                     | 17.3              | 4.9   | 1.4                                   | 4.3               | 6.8   | 5.2   | 296.4 |
| 1956                             | 14.3                     | 11.3      | 15.7                     | 18.5              | 5.7   | 1.4                                   | 4.3               | 7.2   | 5.8   | 318.5 |
| 1957                             | 14.8                     | 11.7      | 17.6                     | 21.4              | 7.3   | 1.8                                   | 4.4               | 7.9   | 6.7   | 336.6 |
| 1958                             | 15.4                     | 11.6      | 18.9                     | 25.7              | 8.5   | 3.9                                   | 4.6               | 8.7   | 6.9   | 344.3 |
| 1959                             | 15.6                     | 12.6      | 20.7                     | 26.6              | 10.2  | 2.5                                   | 4.6               | 9.4   | 7.9   | 368.5 |
| 1960                             | 15.8                     | 13.4      | 23.4                     | 28.5              | 11.1  | 2.8                                   | 4.6               | 10.0  | 9.3   | 385.2 |
| 1961                             | 16.0                     | 13.8      | 25.0                     | 32.4              | 12.6  | 4.0                                   | 4.8               | 10.9  | 9.6   | 400.0 |
| 1962                             | 16.7                     | 15.2      | 27.7                     | 33.3              | 14.3  | 2.9                                   | 4.8               | 11.2  | 10.3  | 425.5 |
| 1963                             | 17.1                     | 16.5      | 31.4                     | 35.3              | 15.2  | 2.8                                   | 5.0               | 12.2  | 11.8  | 448.1 |
| 1964                             | 18.0                     | 17.8      | 34.9                     | 36.7              | 16.0  | 2.6                                   | 5.3               | 12.9  | 12.5  | 480.9 |
| 1965                             | 19.0                     | 19.8      | 38.7                     | 39.9              | 18.1  | 2.2                                   | 5.6               | 14.0  | 13.4  | 519.5 |
| 1966                             | 20.0                     | 20.8      | 43.6                     | 44.1              | 20.8  | 1.8                                   | 5.7               | 15.7  | 17.7  | 566.3 |
| 1967                             | 21.1                     | 21.4      | 48.0                     | 51.8              | 25.7  | 2.1                                   | 6.6               | 17.5  | 20.5  | 609.4 |
| 1968                             | 21.2                     | 23.6      | 52.9                     | 59.6              | 30.3  | 2.1                                   | 7.3               | 20.0  | 22.8  | 668.8 |
| 1969                             | 22.6                     | 24.3      | 59.3                     | 65.8              | 33.0  | 2.1                                   | 8.3               | 22.4  | 26.3  | 728.3 |
| 1970                             | 23.3                     | 24.8      | 65.8                     | 79.5              | 38.5  | 3.9                                   | 9.7               | 27.4  | 28.0  | 782.8 |
| 1971                             | 24.5                     | 25.4      | 69.6                     | 93.6              | 44.5  | 5.7                                   | 11.3              | 32.2  | 31.2  | 837.2 |
| Seasonally adjusted annual rates |                          |           |                          |                   |   |                                       |                   |   |   |       |
| 1970: I                          | 23.0                     | 24.8      | 63.5                     | 71.1              | 34.2  | 2.7                                   | 9.1               | 25.2  | 27.4  | 761.4 |
| II                               | 23.2                     | 24.7      | 64.9                     | 80.9              | 41.4  | 3.6                                   | 9.4               | 26.5  | 27.8  | 782.4 |
| III                              | 23.4                     | 24.9      | 66.8                     | 80.9              | 39.0  | 4.2                                   | 9.8               | 28.0  | 28.3  | 790.3 |
| IV                               | 23.8                     | 24.7      | 68.0                     | 85.0              | 39.4  | 5.1                                   | 10.5              | 29.9  | 28.4  | 797.2 |
| 1971: I                          | 23.9                     | 25.5      | 68.6                     | 87.3              | 40.4  | 5.0                                   | 11.0              | 30.9  | 30.5  | 814.4 |
| II                               | 24.4                     | 25.4      | 69.1                     | 95.2              | 46.7  | 5.7                                   | 11.2              | 31.6  | 31.0  | 834.5 |
| III                              | 24.8                     | 25.5      | 70.2                     | 95.0              | 45.0  | 5.9                                   | 11.3              | 32.8  | 31.3  | 843.6 |
| IV                               | 25.0                     | 25.2      | 70.6                     | 96.8              | 45.7  | 6.2                                   | 11.6              | 33.3  | 31.9  | 856.5 |
| 1972: I                          | 25.2                     | 26.0      | 71.0                     | 99.2              | 46.8  | 5.4                                   | 11.9              | 35.1  | 34.6  | 881.0 |
| II                               | 24.4                     | 26.2      | 72.7                     | 100.8             | 48.2  | 5.6                                   | 12.3              | 34.7  | 35.1  | 896.7 |

<sup>1</sup> The total of wage and salary disbursements and other labor income differs from compensation of employees in Table A-7 in that it excludes employer contributions for social insurance and the excess of wage accruals over wage disbursements.

<sup>2</sup> Includes change in inventories.

<sup>3</sup> Nonagricultural income is personal income exclusive of net income of unincorporated farm enterprises, farm wages, agricultural net interest, and net dividends paid by agricultural corporations.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-12.—Number and money income (in 1971 dollars) of families and unrelated individuals, by race of head, 1950-71

| Year                            | Total                    |               |                            |          | White                    |               |                            |          | Negro and other races    |               |                            |          |
|---------------------------------|--------------------------|---------------|----------------------------|----------|--------------------------|---------------|----------------------------|----------|--------------------------|---------------|----------------------------|----------|
|                                 | Total number (mil-lions) | Median income | With incomes under \$3,000 |          | Total number (mil-lions) | Median income | With incomes under \$3,000 |          | Total number (mil-lions) | Median income | With incomes under \$3,000 |          |
|                                 |                          |               | Number (mil-lions)         | Per-cent |                          |               | Number (mil-lions)         | Per-cent |                          |               | Number (mil-lions)         | Per-cent |
| <b>FAMILIES: 1</b>              |                          |               |                            |          |                          |               |                            |          |                          |               |                            |          |
| 1950                            | 39.9                     | \$5,594       | 8.6                        | 21.6     | -----                    | \$5,811       | -----                      | 19.3     | -----                    | \$3,142       | -----                      | 47.8     |
| 1951                            | 40.6                     | 5,783         | 8.0                        | 19.7     | -----                    | 6,017         | -----                      | 17.0     | -----                    | 3,171         | -----                      | 47.3     |
| 1952                            | 40.8                     | 5,939         | 7.7                        | 18.9     | -----                    | 6,285         | -----                      | 16.4     | -----                    | 3,569         | -----                      | 40.5     |
| 1953                            | 41.2                     | 6,433         | 7.5                        | 18.3     | -----                    | 6,677         | -----                      | 16.2     | -----                    | 3,753         | -----                      | 38.9     |
| 1954                            | 42.0                     | 6,288         | 8.3                        | 19.8     | 38.2                     | 6,555         | 6.6                        | 17.4     | 3.8                      | 3,637         | 1.6                        | 42.9     |
| 1955                            | 42.9                     | 6,693         | 7.6                        | 17.6     | 39.0                     | 6,976         | 6.0                        | 15.3     | 3.9                      | 3,860         | 1.5                        | 39.4     |
| 1956                            | 43.5                     | 7,122         | 6.8                        | 15.7     | 39.5                     | 7,452         | 5.3                        | 13.3     | 4.0                      | 3,928         | 1.5                        | 37.7     |
| 1957                            | 43.7                     | 7,138         | 6.9                        | 15.8     | 39.7                     | 7,428         | 5.3                        | 13.4     | 4.0                      | 3,978         | 1.5                        | 37.7     |
| 1958                            | 44.2                     | 7,126         | 6.9                        | 15.7     | 40.2                     | 7,425         | 5.4                        | 13.4     | 4.0                      | 3,805         | 1.6                        | 39.4     |
| 1959                            | 45.1                     | 7,524         | 6.7                        | 14.9     | 40.9                     | 7,838         | 5.1                        | 12.5     | 4.2                      | 4,045         | 1.6                        | 38.5     |
| 1960                            | 45.5                     | 7,688         | 6.6                        | 14.6     | 41.1                     | 7,982         | 5.1                        | 12.5     | 4.3                      | 4,416         | 1.5                        | 34.8     |
| 1961                            | 46.3                     | 7,765         | 6.8                        | 14.7     | 41.9                     | 8,109         | 5.2                        | 12.5     | 4.5                      | 4,321         | 1.6                        | 34.8     |
| 1962                            | 47.0                     | 7,975         | 6.4                        | 13.6     | 42.4                     | 8,353         | 5.0                        | 11.7     | 4.6                      | 4,456         | 1.5                        | 32.3     |
| 1963                            | 47.4                     | 8,267         | 6.1                        | 12.9     | 42.7                     | 8,664         | 4.6                        | 10.8     | 4.8                      | 4,596         | 1.5                        | 30.7     |
| 1964                            | 47.8                     | 8,579         | 5.7                        | 11.9     | 43.1                     | 8,956         | 4.4                        | 10.1     | 4.8                      | 5,012         | 1.3                        | 26.8     |
| 1965                            | 48.3                     | 8,932         | 5.5                        | 11.3     | 43.5                     | 9,311         | 4.2                        | 9.6      | 4.8                      | 5,160         | 1.2                        | 25.8     |
| 1966                            | 48.9                     | 9,281         | 5.1                        | 10.5     | 44.0                     | 9,638         | 4.0                        | 9.0      | 4.9                      | 5,766         | 1.1                        | 23.1     |
| 1966 <sup>2</sup>               | 49.1                     | 9,360         | 5.1                        | 10.3     | 44.1                     | 9,726         | 3.8                        | 8.7      | 5.0                      | 5,824         | 1.1                        | 22.7     |
| 1967 <sup>2</sup>               | 49.8                     | 9,683         | 4.7                        | 9.5      | 44.8                     | 10,041        | 3.7                        | 8.2      | 5.0                      | 6,234         | 1.1                        | 21.2     |
| 1968 <sup>2</sup>               | 50.5                     | 10,049        | 4.2                        | 8.3      | 45.4                     | 10,404        | 3.2                        | 7.0      | 5.1                      | 6,508         | 1.0                        | 18.7     |
| 1969 <sup>2</sup>               | 51.2                     | 10,423        | 4.1                        | 8.1      | 46.0                     | 10,822        | 3.1                        | 6.8      | 5.2                      | 6,847         | .9                         | 18.0     |
| 1970 <sup>2</sup>               | 51.9                     | 10,289        | 4.3                        | 8.3      | 46.5                     | 10,674        | 3.3                        | 7.0      | 5.4                      | 6,806         | 1.0                        | 19.0     |
| 1971 <sup>2</sup>               | 53.3                     | 10,285        | 4.4                        | 8.3      | 47.6                     | 10,672        | 3.3                        | 6.9      | 5.7                      | 6,714         | 1.1                        | 19.4     |
|                                 |                          |               | With incomes under \$1,500 |          |                          |               | With incomes under \$1,500 |          |                          |               | With incomes under \$1,500 |          |
|                                 |                          |               | Number (mil-lions)         | Per-cent |                          |               | Number (mil-lions)         | Per-cent |                          |               | Number (mil-lions)         | Per-cent |
| <b>UNRELATED INDIVIDUALS: 3</b> |                          |               |                            |          |                          |               |                            |          |                          |               |                            |          |
| 1950                            | 9.4                      | \$1,825       | 4.2                        | 44.5     | -----                    | \$1,911       | -----                      | 43.1     | -----                    | \$1,374       | -----                      | 53.3     |
| 1951                            | 9.1                      | 1,883         | 4.1                        | 45.0     | -----                    | 1,966         | -----                      | 43.9     | -----                    | 1,448         | -----                      | 51.4     |
| 1952                            | 9.7                      | 2,166         | 3.8                        | 39.5     | -----                    | 2,335         | -----                      | 38.1     | -----                    | 1,605         | -----                      | 47.4     |
| 1953                            | 9.5                      | 2,125         | 4.0                        | 41.7     | -----                    | 2,249         | -----                      | 41.0     | -----                    | 1,759         | -----                      | 45.2     |
| 1954                            | 9.7                      | 1,844         | 4.4                        | 45.0     | 8.2                      | 1,983         | 3.5                        | 42.9     | 1.5                      | 1,317         | 0.9                        | 57.0     |
| 1955                            | 9.9                      | 1,992         | 4.1                        | 41.8     | 8.5                      | 2,139         | 3.4                        | 39.9     | 1.4                      | 1,415         | .7                         | 52.8     |
| 1956                            | 9.8                      | 2,137         | 3.9                        | 40.3     | 8.5                      | 2,204         | 3.3                        | 39.1     | 1.3                      | 1,620         | .6                         | 48.6     |
| 1957                            | 10.4                     | 2,193         | 4.0                        | 38.6     | 8.9                      | 2,326         | 3.2                        | 36.5     | 1.5                      | 1,482         | .8                         | 50.7     |
| 1958                            | 10.9                     | 2,123         | 4.2                        | 38.8     | 9.2                      | 2,263         | 3.4                        | 37.1     | 1.6                      | 1,513         | .8                         | 49.7     |
| 1959                            | 10.9                     | 2,188         | 4.1                        | 37.9     | 9.3                      | 2,327         | 3.3                        | 35.8     | 1.6                      | 1,497         | .8                         | 50.1     |
| 1960                            | 11.1                     | 2,365         | 4.0                        | 36.1     | 9.6                      | 2,545         | 3.2                        | 33.8     | 1.5                      | 1,479         | .8                         | 50.8     |
| 1961                            | 11.2                     | 2,378         | 3.9                        | 35.1     | 9.6                      | 2,557         | 3.2                        | 33.0     | 1.6                      | 1,567         | .8                         | 48.5     |
| 1962                            | 11.0                     | 2,349         | 3.6                        | 32.8     | 9.5                      | 2,514         | 2.9                        | 30.7     | 1.5                      | 1,677         | .7                         | 45.5     |
| 1963                            | 11.2                     | 2,382         | 3.6                        | 32.5     | 9.7                      | 2,497         | 3.0                        | 30.5     | 1.5                      | 1,718         | .7                         | 45.0     |
| 1964                            | 12.1                     | 2,597         | 3.7                        | 30.9     | 10.4                     | 2,738         | 3.0                        | 29.2     | 1.6                      | 1,886         | .6                         | 40.6     |
| 1965                            | 12.1                     | 2,771         | 3.4                        | 28.1     | 10.5                     | 2,887         | 2.8                        | 26.7     | 1.7                      | 2,101         | .6                         | 36.5     |
| 1966                            | 12.4                     | 2,833         | 3.3                        | 26.9     | 10.8                     | 2,945         | 2.8                        | 25.5     | 1.6                      | 2,139         | .6                         | 36.1     |
| 1966 <sup>2</sup>               | 12.3                     | -----         | -----                      | -----    | 10.7                     | -----         | -----                      | -----    | 1.8                      | -----         | -----                      | -----    |
| 1967 <sup>2</sup>               | 13.1                     | 2,900         | 3.5                        | 26.7     | 11.3                     | 3,013         | 2.9                        | 25.4     | 1.8                      | 2,233         | .6                         | 34.7     |
| 1968 <sup>2</sup>               | 13.8                     | 3,241         | 3.2                        | 22.9     | 12.0                     | 3,432         | 2.6                        | 21.6     | 2.0                      | 2,362         | .6                         | 31.8     |
| 1969 <sup>2</sup>               | 14.5                     | 3,250         | 3.3                        | 22.8     | 12.5                     | 3,409         | 2.6                        | 21.1     | 1.8                      | 2,410         | .7                         | 33.7     |
| 1970 <sup>2</sup>               | 15.4                     | 3,277         | 3.3                        | 21.7     | 13.4                     | 3,425         | 2.7                        | 20.1     | 1.9                      | 2,354         | .6                         | 33.1     |
| 1971 <sup>2</sup>               | 16.3                     | 3,316         | 3.3                        | 20.5     | 14.2                     | 3,465         | 2.7                        | 18.9     | 2.1                      | 2,325         | .7                         | 31.8     |

<sup>1</sup> The term "family" refers to a group of two or more persons related by blood, marriage, or adoption and residing together; all such persons are considered members of the same family.

<sup>2</sup> Based on revised methodology.

<sup>3</sup> The term "unrelated individuals" refers to persons 14 years old and over (other than inmates of institutions) who are not living with any relatives.

Source: Department of Commerce, Bureau of the Census.

# EMPLOYMENT, WAGES, AND PRODUCTIVITY

TABLE A-13.—*Noninstitutional population and the labor force, 1950-72*

| Year or month                                 | Non-institutional population | Total labor force (including Armed Forces) | Civilian labor force |            |              |                  |        |              | Unemployment rate (percent of civilian labor force) | Labor force participation rate (total labor force as percent of non-institutional population) |              |
|---|------------------------------|--|----------------------|------------|--------------|------------------|--------|--------------|---|---|--------------|
|   |                              |  | Armed Forces         | Employment |              |                  |        |              |   |   | Unemployment |
|   |                              |  |                      | Total      | Agricultural | Non-agricultural |        |              |   |   |              |
|   |                              |  |                      |            |              |                  | Total  | Agricultural |   |   |              |
| Thousands of persons 16 years of age and over |                              |  |                      |            |              |                  |        |              |   |   |              |
| Percent                                       |                              |  |                      |            |              |                  |        |              |   |   |              |
| 1950  | 106,645                      | 63,858                                     | 1,650                | 62,208     | 58,920       | 7,160            | 51,760 | 3,288        | 5.3   | 59.9  |              |
| 1951  | 107,721                      | 65,117                                     | 3,100                | 62,017     | 59,962       | 6,726            | 53,239 | 2,055        | 3.3   | 60.4  |              |
| 1952  | 108,823                      | 65,730                                     | 3,592                | 62,138     | 60,254       | 6,501            | 53,753 | 1,883        | 3.0   | 60.4  |              |
| 1953  | 110,601                      | 66,560                                     | 3,545                | 63,015     | 61,181       | 6,261            | 54,922 | 1,834        | 2.9   | 60.2  |              |
| 1954  | 111,671                      | 66,993                                     | 3,350                | 63,643     | 60,110       | 6,206            | 53,903 | 3,532        | 5.5   | 60.0  |              |
| 1955  | 112,732                      | 68,072                                     | 3,049                | 65,023     | 62,171       | 6,449            | 55,724 | 2,852        | 4.4   | 60.4  |              |
| 1956  | 113,811                      | 69,409                                     | 2,857                | 66,552     | 63,802       | 6,283            | 57,517 | 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  | 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  | 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 | 2,875        | 3.8   | 60.6  |              |
| 1968  | 135,562                      | 82,272                                     | 3,535                | 78,737     | 75,920       | 3,817            | 72,103 | 2,913        | 3.6   | 60.7  |              |
| 1969  | 137,841                      | 84,239                                     | 3,506                | 80,733     | 77,902       | 3,606            | 74,296 | 2,831        | 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                                     | 2,816                | 84,113     | 79,120       | 3,387            | 75,732 | 4,993        | 5.9   | 61.0  |              |
| Seasonally adjusted                           |                              |  |                      |            |              |                  |        |              |   |   |              |
| 1970: Jan.                                    | 139,099                      | 85,447                                     | 3,386                | 82,061     | 78,853       | 3,425            | 75,428 | 3,208        | 3.9   | 61.4  |              |
| Feb.  | 139,288                      | 85,528                                     | 3,341                | 82,187     | 78,752       | 3,458            | 75,294 | 3,435        | 4.2   | 61.4  |              |
| Mar.  | 139,487                      | 85,970                                     | 3,318                | 82,652     | 79,018       | 3,524            | 75,494 | 3,634        | 4.4   | 61.6  |              |
| Apr.  | 139,687                      | 86,040                                     | 3,271                | 82,769     | 78,908       | 3,555            | 75,353 | 3,861        | 4.7   | 61.6  |              |
| May   | 139,884                      | 85,732                                     | 3,228                | 82,504     | 78,514       | 3,545            | 74,969 | 3,990        | 4.8   | 61.3  |              |
| June  | 140,046                      | 85,567                                     | 3,179                | 82,388     | 78,412       | 3,547            | 74,865 | 3,976        | 4.8   | 61.1  |              |
| July  | 140,259                      | 85,958                                     | 3,154                | 82,804     | 78,631       | 3,506            | 75,125 | 4,173        | 5.0   | 61.3  |              |
| Aug.  | 140,468                      | 85,903                                     | 3,134                | 82,769     | 78,514       | 3,422            | 75,092 | 4,255        | 5.1   | 61.2  |              |
| Sept.   | 140,675                      | 86,054                                     | 3,109                | 82,945     | 78,448       | 3,438            | 75,010 | 4,497        | 5.4   | 61.2  |              |
| Oct.  | 140,886                      | 86,345                                     | 3,079                | 83,266     | 78,678       | 3,340            | 75,338 | 4,588        | 5.5   | 61.3  |              |
| Nov.  | 141,091                      | 86,457                                     | 3,039                | 83,418     | 78,548       | 3,379            | 75,169 | 4,870        | 5.8   | 61.3  |              |
| Dec.  | 141,301                      | 86,498                                     | 3,013                | 83,485     | 78,427       | 3,395            | 75,032 | 5,058        | 6.1   | 61.2  |              |
| 1971: Jan.                                    | 141,500                      | 86,706                                     | 2,976                | 83,730     | 78,718       | 3,406            | 75,312 | 5,012        | 6.0   | 61.3  |              |
| Feb.  | 141,670                      | 86,311                                     | 2,950                | 83,361     | 78,475       | 3,285            | 75,190 | 4,886        | 5.9   | 60.9  |              |
| Mar.  | 141,885                      | 86,385                                     | 2,930                | 83,455     | 78,446       | 3,387            | 75,059 | 5,009        | 6.0   | 60.9  |              |
| Apr.  | 142,088                      | 86,670                                     | 2,882                | 83,788     | 78,732       | 3,540            | 75,192 | 5,056        | 6.0   | 61.0  |              |
| May   | 142,285                      | 86,836                                     | 2,850                | 83,986     | 78,830       | 3,412            | 75,418 | 5,156        | 6.1   | 61.0  |              |
| June  | 142,482                      | 86,217                                     | 2,816                | 83,401     | 78,600       | 3,301            | 75,299 | 4,801        | 5.8   | 60.5  |              |
| July  | 142,685                      | 86,727                                     | 2,797                | 83,930     | 79,014       | 3,374            | 75,640 | 4,916        | 5.9   | 60.8  |              |
| Aug.  | 142,886                      | 87,088                                     | 2,775                | 84,313     | 79,199       | 3,407            | 75,792 | 5,114        | 6.1   | 60.9  |              |
| Sept.   | 143,104                      | 87,240                                     | 2,749                | 84,491     | 79,451       | 3,363            | 76,088 | 5,040        | 6.0   | 61.0  |              |
| Oct.  | 143,321                      | 87,467                                     | 2,717                | 84,750     | 79,832       | 3,416            | 76,416 | 4,918        | 5.8   | 61.0  |              |
| Nov.  | 143,517                      | 87,812                                     | 2,696                | 85,116     | 80,020       | 3,419            | 76,601 | 5,096        | 6.0   | 61.2  |              |
| Dec.  | 143,723                      | 87,883                                     | 2,658                | 85,225     | 80,098       | 3,400            | 76,698 | 5,127        | 6.0   | 61.1  |              |
| 1972: Jan.*                                   | 144,697                      | 88,301                                     | 2,594                | 85,707     | 80,636       | 3,393            | 77,243 | 5,071        | 5.9   | 61.0  |              |
| Feb.  | 144,895                      | 88,075                                     | 2,540                | 85,535     | 80,623       | 3,357            | 77,266 | 4,912        | 5.7   | 60.8  |              |
| Mar.  | 145,077                      | 88,817                                     | 2,504                | 86,313     | 81,241       | 3,482            | 77,759 | 5,072        | 5.9   | 61.2  |              |
| Apr.  | 145,227                      | 88,747                                     | 2,463                | 86,284     | 81,205       | 3,324            | 77,881 | 5,079        | 5.9   | 61.1  |              |
| May   | 145,427                      | 88,905                                     | 2,419                | 86,486     | 81,394       | 3,353            | 78,041 | 5,092        | 5.9   | 61.1  |              |
| June  | 145,639                      | 88,788                                     | 2,383                | 86,395     | 81,667       | 3,337            | 78,330 | 4,728        | 5.5   | 61.0  |              |
| July  | 145,854                      | 88,855                                     | 2,388                | 86,467     | 81,682       | 3,445            | 78,237 | 4,785        | 5.5   | 60.9  |              |

\*Data beginning with 1972 not strictly comparable with prior data because of adjustment to the 1970 Census data, which added 787,000 to the noninstitutional population, 333,000 to the civilian labor force, and 301,000 to civilian employment. For further details, see "Employment and Earnings", February 1972, pp. 6-9.

Note.—Labor force data in Tables A-13 through A-15 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 A-14.—Selected unemployment rates, 1950-72

[Percent]

| Year or month       | All workers | By sex and age         |                       |                         | By color |                       | By selected groups                  |                 |                          |                                |                                  | Labor force time lost <sup>4</sup> |
|---------------------|-------------|------------------------|-----------------------|-------------------------|----------|-----------------------|-------------------------------------|-----------------|--------------------------|--------------------------------|----------------------------------|------------------------------------|
|                     |             | Both sexes 16-19 years | Men 20 years and over | Women 20 years and over | White    | Negro and other races | Experienced wage and salary workers | Household heads | Married men <sup>1</sup> | Full-time workers <sup>2</sup> | Blue-collar workers <sup>3</sup> |                                    |
| 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.....           | 2.0         | 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                              | -----                              |
| 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                              | 4.0                                |
| 1968.....           | 3.6         | 12.7                   | 2.2                   | 3.8                     | 3.2      | 6.7                   | 3.4                                 | 1.9             | 1.6                      | 3.1                            | 4.1                              | 3.9                                |
| 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                                |
| Seasonally adjusted |             |                        |                       |                         |          |                       |                                     |                 |                          |                                |                                  |                                    |
| 1970: Jan.....      | 3.9         | 13.6                   | 2.5                   | 3.7                     | 3.6      | 6.5                   | 3.7                                 | 2.1             | 1.8                      | 3.4                            | 4.6                              | 4.3                                |
| Feb.....            | 4.2         | 13.5                   | 2.8                   | 4.1                     | 3.8      | 7.1                   | 3.9                                 | 2.4             | 2.0                      | 3.8                            | 5.1                              | 4.5                                |
| Mar.....            | 4.4         | 13.6                   | 2.9                   | 4.5                     | 4.0      | 7.2                   | 4.2                                 | 2.5             | 2.2                      | 4.0                            | 5.3                              | 4.8                                |
| Apr.....            | 4.7         | 15.2                   | 3.2                   | 4.4                     | 4.2      | 8.2                   | 4.4                                 | 2.7             | 2.3                      | 4.2                            | 5.6                              | 5.1                                |
| May.....            | 4.8         | 14.3                   | 3.4                   | 4.9                     | 4.5      | 8.0                   | 4.7                                 | 2.9             | 2.5                      | 4.6                            | 6.1                              | 5.4                                |
| June.....           | 4.8         | 15.1                   | 3.4                   | 4.6                     | 4.4      | 8.5                   | 4.7                                 | 2.9             | 2.6                      | 4.4                            | 6.3                              | 4.9                                |
| July.....           | 5.0         | 14.4                   | 3.7                   | 4.9                     | 4.7      | 8.2                   | 5.0                                 | 3.0             | 2.7                      | 4.6                            | 6.6                              | 5.5                                |
| Aug.....            | 5.1         | 15.8                   | 3.7                   | 4.8                     | 4.7      | 8.5                   | 5.0                                 | 3.2             | 2.8                      | 4.7                            | 6.9                              | 5.5                                |
| Sept.....           | 5.4         | 16.5                   | 3.9                   | 5.1                     | 5.0      | 8.7                   | 5.2                                 | 3.2             | 2.9                      | 4.9                            | 7.1                              | 5.9                                |
| Oct.....            | 5.5         | 16.7                   | 4.0                   | 5.1                     | 5.1      | 9.0                   | 5.3                                 | 3.4             | 3.0                      | 5.1                            | 7.1                              | 6.0                                |
| Nov.....            | 5.8         | 17.2                   | 4.2                   | 5.6                     | 5.4      | 9.0                   | 5.7                                 | 3.5             | 3.2                      | 5.5                            | 7.4                              | 6.3                                |
| Dec.....            | 6.1         | 17.6                   | 4.5                   | 5.7                     | 5.6      | 9.6                   | 6.0                                 | 3.8             | 3.3                      | 5.6                            | 7.8                              | 6.4                                |
| 1971: Jan.....      | 6.0         | 17.5                   | 4.3                   | 5.7                     | 5.5      | 9.5                   | 5.8                                 | 3.7             | 3.3                      | 5.5                            | 7.6                              | 6.5                                |
| Feb.....            | 5.9         | 16.9                   | 4.3                   | 5.6                     | 5.4      | 9.6                   | 5.6                                 | 3.6             | 3.2                      | 5.4                            | 7.4                              | 6.4                                |
| Mar.....            | 6.0         | 17.5                   | 4.3                   | 5.8                     | 5.5      | 9.5                   | 5.8                                 | 3.6             | 3.2                      | 5.5                            | 7.5                              | 6.5                                |
| Apr.....            | 6.0         | 17.0                   | 4.4                   | 5.9                     | 5.6      | 9.8                   | 5.7                                 | 3.6             | 3.2                      | 5.5                            | 7.4                              | 6.5                                |
| May.....            | 6.1         | 17.4                   | 4.5                   | 5.9                     | 5.6      | 10.5                  | 5.9                                 | 3.8             | 3.2                      | 5.7                            | 7.5                              | 6.6                                |
| June.....           | 5.8         | 16.2                   | 4.3                   | 5.6                     | 5.3      | 9.4                   | 5.5                                 | 3.7             | 3.1                      | 5.3                            | 7.1                              | 5.6                                |
| July.....           | 5.9         | 16.5                   | 4.3                   | 5.7                     | 5.4      | 10.0                  | 5.6                                 | 3.6             | 3.1                      | 5.4                            | 7.2                              | 6.3                                |
| Aug.....            | 6.1         | 17.1                   | 4.5                   | 5.8                     | 5.6      | 9.9                   | 5.7                                 | 3.8             | 3.2                      | 5.6                            | 7.5                              | 6.5                                |
| Sept.....           | 6.0         | 16.9                   | 4.5                   | 5.7                     | 5.4      | 10.4                  | 5.7                                 | 3.8             | 3.3                      | 5.6                            | 7.7                              | 6.3                                |
| Oct.....            | 5.8         | 16.7                   | 4.3                   | 5.5                     | 5.3      | 10.4                  | 5.5                                 | 3.5             | 3.0                      | 5.4                            | 7.1                              | 6.5                                |
| Nov.....            | 6.0         | 16.7                   | 4.4                   | 5.8                     | 5.6      | 9.4                   | 5.7                                 | 3.6             | 3.3                      | 5.7                            | 7.5                              | 6.4                                |
| Dec.....            | 6.0         | 17.3                   | 4.3                   | 5.8                     | 5.4      | 10.4                  | 5.8                                 | 3.8             | 3.2                      | 5.7                            | 7.5                              | 6.4                                |
| 1972: Jan.....      | 5.9         | 17.8                   | 4.2                   | 5.5                     | 5.3      | 10.6                  | 5.6                                 | 3.5             | 3.0                      | 5.4                            | 7.1                              | 6.4                                |
| Feb.....            | 5.7         | 18.4                   | 4.0                   | 5.0                     | 5.1      | 10.5                  | 5.4                                 | 3.3             | 2.8                      | 5.3                            | 7.0                              | 6.1                                |
| Mar.....            | 5.9         | 17.9                   | 4.1                   | 5.4                     | 5.3      | 10.5                  | 5.5                                 | 3.4             | 2.8                      | 5.4                            | 6.9                              | 6.3                                |
| Apr.....            | 5.9         | 17.3                   | 4.3                   | 5.4                     | 5.4      | 9.6                   | 5.3                                 | 3.4             | 2.9                      | 5.4                            | 6.8                              | 6.3                                |
| May.....            | 5.9         | 15.7                   | 4.3                   | 5.9                     | 5.3      | 10.7                  | 5.5                                 | 3.6             | 2.9                      | 5.6                            | 6.8                              | 6.3                                |
| June.....           | 5.5         | 14.5                   | 4.0                   | 5.5                     | 5.0      | 9.4                   | 5.0                                 | 3.6             | 2.9                      | 5.0                            | 6.4                              | 5.5                                |
| July.....           | 5.5         | 14.8                   | 3.9                   | 5.7                     | 5.0      | 9.9                   | 5.3                                 | 3.3             | 2.7                      | 5.1                            | 6.4                              | 6.0                                |

<sup>1</sup> Married men living with their wives. Data for 1950 are for March; for 1951-54, for April.

<sup>2</sup> Data for 1950-61 are for May.

<sup>3</sup> Includes craftsmen, operatives, and nonfarm laborers. Data for 1950-57 are based on data for January, April, July and October.

<sup>4</sup> Man-hours lost by the unemployed and persons on part-time for economic reasons as a percent of potentially available labor force man-hours.

Note.—See Note, A-13.

Source: Department of Labor, Bureau of Labor Statistics.



TABLE A-15.—Unemployment by duration, 1950-72

| Year or month                                 | Total unemployment | 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 |                    |                          |            |             |                   |                                   |
| 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               | 8.5                               |
| 1969.....                                     | 2,832              | 1,629                    | 827        | 242         | 133               | 8.0                               |
| 1970.....                                     | 4,088              | 2,137                    | 1,289      | 427         | 235               | 8.8                               |
| 1971.....                                     | 4,993              | 2,234                    | 1,578      | 665         | 517               | 11.4                              |
| Seasonally adjusted <sup>1</sup>              |                    |                          |            |             |                   |                                   |
| 1970: Jan.....                                | 3,208              | 1,800                    | 925        | 281         | 138               | 7.9                               |
| Feb.....                                      | 3,435              | 1,975                    | 1,026      | 310         | 161               | 8.1                               |
| Mar.....                                      | 3,634              | 1,993                    | 1,133      | 357         | 182               | 8.4                               |
| Apr.....                                      | 3,861              | 2,155                    | 1,103      | 374         | 200               | 8.2                               |
| May.....                                      | 3,950              | 2,137                    | 1,228      | 361         | 237               | 8.8                               |
| June.....                                     | 3,976              | 2,051                    | 1,281      | 434         | 228               | 9.4                               |
| July.....                                     | 4,173              | 2,107                    | 1,332      | 440         | 232               | 9.0                               |
| Aug.....                                      | 4,255              | 2,190                    | 1,347      | 467         | 252               | 8.9                               |
| Sept.....                                     | 4,497              | 2,254                    | 1,465      | 511         | 284               | 9.0                               |
| Oct.....                                      | 4,588              | 2,314                    | 1,470      | 494         | 273               | 8.7                               |
| Nov.....                                      | 4,870              | 2,331                    | 1,748      | 565         | 327               | 9.3                               |
| Dec.....                                      | 5,058              | 2,428                    | 1,585      | 736         | 361               | 9.7                               |
| 1971: Jan.....                                | 5,012              | 2,318                    | 1,630      | 663         | 412               | 10.3                              |
| Feb.....                                      | 4,886              | 2,218                    | 1,605      | 619         | 454               | 10.4                              |
| Mar.....                                      | 5,009              | 2,155                    | 1,633      | 645         | 455               | 10.7                              |
| Apr.....                                      | 5,056              | 2,176                    | 1,587      | 640         | 448               | 11.0                              |
| May.....                                      | 5,156              | 2,245                    | 1,552      | 667         | 516               | 11.4                              |
| June.....                                     | 4,801              | 2,118                    | 1,572      | 630         | 545               | 12.6                              |
| July.....                                     | 4,916              | 2,150                    | 1,532      | 704         | 551               | 11.5                              |
| Aug.....                                      | 5,114              | 2,320                    | 1,553      | 735         | 556               | 11.6                              |
| Sept.....                                     | 5,040              | 2,317                    | 1,567      | 683         | 567               | 12.0                              |
| Oct.....                                      | 4,918              | 2,140                    | 1,529      | 628         | 625               | 12.5                              |
| Nov.....                                      | 5,096              | 2,290                    | 1,650      | 741         | 570               | 11.8                              |
| Dec.....                                      | 5,127              | 2,410                    | 1,509      | 724         | 549               | 11.4                              |
| 1972: Jan.....                                | 5,071              | 2,358                    | 1,502      | 636         | 562               | 11.8                              |
| Feb.....                                      | 4,912              | 2,142                    | 1,454      | 594         | 660               | 12.5                              |
| Mar.....                                      | 5,072              | 2,311                    | 1,412      | 591         | 633               | 12.4                              |
| Apr.....                                      | 5,079              | 2,169                    | 1,521      | 482         | 655               | 12.4                              |
| May.....                                      | 5,092              | 2,223                    | 1,514      | 587         | 593               | 12.5                              |
| June.....                                     | 4,728              | 2,175                    | 1,437      | 594         | 554               | 13.5                              |
| July.....                                     | 4,785              | 2,149                    | 1,478      | 658         | 497               | 11.8                              |

<sup>1</sup> Because of independent seasonal adjustment of the various series, detail will not add to totals.

Note.—See Note, Table A-13.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE A-16.—*Wage and salary workers in nonagricultural establishments, 1950-72*

[All employees; thousands of persons]

| 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 |
| 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                               | 6,106    | 2,191      | 5,648           |
| 1959.....           | 53,313                        | 16,675        | 9,373         | 7,303             | 732    | 2,980                 | 4,011                               | 11,127                     | 2,594                               | 7,130    | 2,233      | 5,850           |
| 1960.....           | 54,234                        | 16,796        | 9,459         | 7,300             | 712    | 2,885                 | 4,004                               | 11,391                     | 2,669                               | 7,423    | 2,270      | 6,033           |
| 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.....           | 67,915                        | 19,781        | 11,626        | 8,155             | 606    | 3,285                 | 4,310                               | 14,084                     | 3,382                               | 10,623   | 2,737      | 9,109           |
| 1969.....           | 70,284                        | 20,167        | 11,895        | 8,272             | 619    | 3,435                 | 4,429                               | 14,639                     | 3,564                               | 11,229   | 2,758      | 9,444           |
| 1970.....           | 70,616                        | 19,369        | 11,198        | 8,171             | 622    | 3,345                 | 4,504                               | 14,922                     | 3,690                               | 11,630   | 2,705      | 9,830           |
| 1971.....           | 70,699                        | 18,610        | 10,590        | 8,020             | 601    | 3,259                 | 4,481                               | 15,174                     | 3,800                               | 11,917   | 2,664      | 10,194          |
| Seasonally adjusted |                               |               |               |                   |        |                       |                                     |                            |                                     |          |            |                 |
| 1970: Jan....       | 70,873                        | 19,985        | 11,681        | 8,304             | 625    | 3,411                 | 4,506                               | 14,857                     | 3,652                               | 11,488   | 2,706      | 9,643           |
| Feb.....            | 70,988                        | 19,917        | 11,625        | 8,292             | 625    | 3,453                 | 4,496                               | 14,919                     | 3,659                               | 11,526   | 2,707      | 9,686           |
| Mar....             | 71,147                        | 19,903        | 11,633        | 8,270             | 624    | 3,473                 | 4,502                               | 14,941                     | 3,672                               | 11,559   | 2,771      | 9,702           |
| Apr....             | 71,063                        | 19,773        | 11,529        | 8,244             | 622    | 3,405                 | 4,476                               | 14,950                     | 3,680                               | 11,584   | 2,843      | 9,730           |
| May....             | 70,796                        | 19,566        | 11,396        | 8,170             | 620    | 3,349                 | 4,493                               | 14,928                     | 3,689                               | 11,605   | 2,773      | 9,773           |
| June....            | 70,634                        | 19,458        | 11,287        | 8,171             | 620    | 3,333                 | 4,517                               | 14,910                     | 3,689                               | 11,621   | 2,676      | 9,810           |
| July....            | 70,605                        | 19,394        | 11,222        | 8,172             | 619    | 3,307                 | 4,542                               | 14,916                     | 3,690                               | 11,624   | 2,655      | 9,858           |
| Aug....             | 70,445                        | 19,258        | 11,132        | 8,126             | 620    | 3,302                 | 4,523                               | 14,907                     | 3,683                               | 11,632   | 2,635      | 9,885           |
| Sept....            | 70,480                        | 19,235        | 11,116        | 8,119             | 621    | 3,274                 | 4,518                               | 14,931                     | 3,698                               | 11,666   | 2,657      | 9,881           |
| Oct....             | 70,082                        | 18,669        | 10,598        | 8,071             | 620    | 3,284                 | 4,517                               | 14,946                     | 3,706                               | 11,722   | 2,659      | 9,958           |
| Nov....             | 69,985                        | 18,517        | 10,449        | 8,068             | 624    | 3,294                 | 4,506                               | 14,902                     | 3,721                               | 11,750   | 2,664      | 10,007          |
| Dec....             | 70,313                        | 18,796        | 10,738        | 8,058             | 623    | 3,324                 | 4,450                               | 14,952                     | 3,731                               | 11,776   | 2,661      | 10,022          |
| 1971: Jan....       | 70,454                        | 18,747        | 10,697        | 8,050             | 625    | 3,271                 | 4,507                               | 15,039                     | 3,746                               | 11,800   | 2,661      | 10,058          |
| Feb....             | 70,391                        | 18,684        | 10,642        | 8,042             | 622    | 3,198                 | 4,526                               | 15,059                     | 3,749                               | 11,809   | 2,662      | 10,082          |
| Mar....             | 70,480                        | 18,609        | 10,571        | 8,038             | 622    | 3,264                 | 4,520                               | 15,074                     | 3,758                               | 11,843   | 2,662      | 10,130          |
| Apr....             | 70,599                        | 18,639        | 10,598        | 8,041             | 623    | 3,282                 | 4,505                               | 15,107                     | 3,769                               | 11,843   | 2,667      | 10,164          |
| May....             | 70,769                        | 18,702        | 10,651        | 8,051             | 622    | 3,275                 | 4,518                               | 15,148                     | 3,788                               | 11,858   | 2,667      | 10,191          |
| June....            | 70,657                        | 18,608        | 10,598        | 8,010             | 619    | 3,255                 | 4,500                               | 15,135                     | 3,807                               | 11,895   | 2,640      | 10,198          |
| July....            | 70,531                        | 18,533        | 10,552        | 7,981             | 597    | 3,228                 | 4,476                               | 15,158                     | 3,806                               | 11,921   | 2,643      | 10,169          |
| Aug....             | 70,529                        | 18,457        | 10,485        | 7,972             | 609    | 3,219                 | 4,428                               | 15,223                     | 3,804                               | 11,946   | 2,650      | 10,193          |
| Sept....            | 70,853                        | 18,616        | 10,597        | 8,019             | 616    | 3,250                 | 4,460                               | 15,273                     | 3,821                               | 11,962   | 2,674      | 10,181          |
| Oct....             | 70,848                        | 18,560        | 10,561        | 7,999             | 521    | 3,290                 | 4,442                               | 15,270                     | 3,834                               | 11,996   | 2,675      | 10,260          |
| Nov....             | 71,042                        | 18,603        | 10,572        | 8,031             | 525    | 3,320                 | 4,434                               | 15,278                     | 3,851                               | 12,044   | 2,669      | 10,318          |
| Dec....             | 71,185                        | 18,566        | 10,548        | 8,018             | 607    | 3,245                 | 4,465                               | 15,315                     | 3,860                               | 12,089   | 2,669      | 10,369          |
| 1972: Jan....       | 71,584                        | 18,609        | 10,574        | 8,035             | 616    | 3,320                 | 4,502                               | 15,447                     | 3,872                               | 12,120   | 2,675      | 10,423          |
| Feb....             | 71,729                        | 18,690        | 10,637        | 8,053             | 612    | 3,236                 | 4,479                               | 15,495                     | 3,879                               | 12,177   | 2,672      | 10,489          |
| Mar....             | 72,030                        | 18,777        | 10,696        | 8,081             | 613    | 3,272                 | 4,536                               | 15,518                     | 3,890                               | 12,217   | 2,669      | 10,538          |
| Apr....             | 72,263                        | 18,870        | 10,770        | 8,100             | 603    | 3,233                 | 4,522                               | 15,647                     | 3,897                               | 12,254   | 2,669      | 10,568          |
| May....             | 72,558                        | 18,973        | 10,857        | 8,116             | 602    | 3,256                 | 4,539                               | 15,671                     | 3,921                               | 12,303   | 2,670      | 10,623          |
| June ..             | 72,647                        | 18,995        | 10,862        | 8,133             | 598    | 3,242                 | 4,532                               | 15,729                     | 3,934                               | 12,358   | 2,625      | 10,634          |
| July ..             | 72,565                        | 18,898        | 10,834        | 8,064             | 597    | 3,153                 | 4,520                               | 15,730                     | 3,923                               | 12,449   | 2,606      | 10,689          |

Note.—Data in Tables A-16 through A-18 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 A-13 through A-15), which include proprietors, self-employed persons, domestic servants, and unpaid family workers, and which count persons as employed when they are not at work because of industrial disputes, bad weather, etc.

For description and details of the various establishment data, see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE A-17.—Average weekly hours and hourly earnings in selected private nonagricultural industries, 1950-72

[For production or nonsupervisory workers]

| Year or month       | Average weekly hours <sup>1</sup>          |               |                       |                           | Average gross hourly earnings, current dollars |               |                       |                           | Adjusted hourly earnings, total private nonagricultural <sup>3</sup> |                           |                                      |                           |
|---------------------|--|---------------|-----------------------|---------------------------|--|---------------|-----------------------|---------------------------|--|---------------------------|--------------------------------------|---------------------------|
|                     | Total private nonagricultural <sup>1</sup> | Manufacturing | Contract construction | Retail trade <sup>2</sup> | Total private nonagricultural <sup>1</sup>     | Manufacturing | Contract construction | Retail trade <sup>2</sup> | 1967=100   |                           | Percent change from preceding period |                           |
|                     |  |               |                       |                           |  |               |                       |                           | Current dollars  | 1967 dollars <sup>4</sup> | Current dollars                      | 1967 dollars <sup>4</sup> |
|                     |  |               |                       |                           |  |               |                       |                           |  |                           |                                      |                           |
| 1950                | 39.8                                       | 40.5          | 37.4                  | 40.4                      | \$1.335  | \$1.440       | \$1.863               | \$0.983                   | 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                                  | -4.4                      |
| 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          | 2.57                  | 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   | 84.4                      | 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                      | 88.6   | 95.3                      | 3.1                                  | 1.7                       |
| 1965                | 38.8                                       | 41.2          | 37.4                  | 36.6                      | 2.45   | 2.61          | 3.70                  | 1.82                      | 91.9   | 97.2                      | 3.7                                  | 2.0                       |
| 1966                | 38.6                                       | 41.3          | 37.6                  | 35.9                      | 2.56   | 2.72          | 3.89                  | 1.91                      | 95.6   | 98.4                      | 4.0                                  | 1.2                       |
| 1967                | 38.0                                       | 40.6          | 37.7                  | 35.3                      | 2.68   | 2.83          | 4.11                  | 2.01                      | 100.0  | 100.0                     | 4.0                                  | 1.6                       |
| 1968                | 37.8                                       | 40.7          | 37.4                  | 34.7                      | 2.85   | 3.01          | 4.41                  | 2.16                      | 106.6  | 102.3                     | 6.6                                  | 2.3                       |
| 1969                | 37.7                                       | 40.6          | 37.9                  | 34.2                      | 3.04   | 3.19          | 4.79                  | 2.30                      | 113.6  | 103.5                     | 6.6                                  | 1.2                       |
| 1970                | 37.1                                       | 39.8          | 37.4                  | 33.8                      | 3.22   | 3.36          | 5.25                  | 2.44                      | 121.2  | 104.2                     | 6.7                                  | 7.6                       |
| 1971                | 37.0                                       | 39.9          | 37.3                  | 33.7                      | 3.43   | 3.57          | 5.72                  | 2.57                      | 129.6  | 106.9                     | 6.9                                  | 2.6                       |
| Seasonally adjusted |  |               |                       |                           |  |               |                       |                           |  |                           |                                      |                           |
| 1970: Jan.          | 37.4                                       | 40.2          | 37.3                  | 33.8                      | \$3.13   | \$3.28        | \$5.05                | \$2.37                    | 117.4  | 103.5                     | 4.2                                  | -2.3                      |
| Feb.                | 37.4                                       | 40.2          | 38.1                  | 33.8                      | 3.15   | 3.29          | 5.06                  | 2.39                      | 118.0  | 103.4                     | 6.2                                  | -1.0                      |
| Mar.                | 37.3                                       | 40.1          | 38.0                  | 33.8                      | 3.17   | 3.31          | 5.10                  | 2.40                      | 118.8  | 103.7                     | 9.0                                  | 3.8                       |
| Apr.                | 37.2                                       | 39.9          | 38.1                  | 33.6                      | 3.18   | 3.32          | 5.16                  | 2.41                      | 119.3  | 103.5                     | 4.6                                  | -2.1                      |
| May                 | 37.1                                       | 39.8          | 37.9                  | 33.8                      | 3.19   | 3.34          | 5.14                  | 2.42                      | 120.0  | 103.7                     | 7.5                                  | 2.1                       |
| June                | 37.2                                       | 39.9          | 37.5                  | 33.8                      | 3.21   | 3.36          | 5.21                  | 2.43                      | 120.6  | 103.8                     | 6.1                                  | 1.4                       |
| July                | 37.2                                       | 40.1          | 37.4                  | 33.8                      | 3.23   | 3.38          | 5.26                  | 2.45                      | 121.4  | 104.2                     | 8.8                                  | 4.8                       |
| Aug.                | 37.1                                       | 39.8          | 37.3                  | 33.9                      | 3.26   | 3.40          | 5.35                  | 2.47                      | 122.5  | 104.9                     | 11.2                                 | 7.7                       |
| Sept.               | 36.7                                       | 39.3          | 35.0                  | 33.7                      | 3.26   | 3.42          | 5.33                  | 2.48                      | 123.2  | 104.8                     | 6.3                                  | -7.7                      |
| Oct.                | 36.9                                       | 39.4          | 37.0                  | 33.8                      | 3.27   | 3.37          | 5.39                  | 2.48                      | 123.4  | 104.5                     | 2.5                                  | -3.5                      |
| Nov.                | 36.9                                       | 39.6          | 37.2                  | 33.7                      | 3.29   | 3.39          | 5.43                  | 2.49                      | 124.1  | 104.7                     | 6.9                                  | 2.3                       |
| Dec.                | 37.0                                       | 39.5          | 37.7                  | 33.7                      | 3.31   | 3.46          | 5.43                  | 2.49                      | 125.0  | 105.0                     | 8.7                                  | 3.1                       |
| 1971: Jan.          | 36.9                                       | 39.8          | 37.6                  | 33.6                      | 3.33   | 3.48          | 5.49                  | 2.51                      | 126.0  | 105.6                     | 10.4                                 | 6.7                       |
| Feb.                | 37.0                                       | 39.8          | 36.8                  | 33.6                      | 3.35   | 3.51          | 5.54                  | 2.53                      | 126.7  | 105.9                     | 7.0                                  | 3.9                       |
| Mar.                | 37.0                                       | 39.8          | 37.8                  | 33.5                      | 3.37   | 3.52          | 5.56                  | 2.54                      | 127.3  | 106.2                     | 5.5                                  | 3.0                       |
| Apr.                | 37.0                                       | 39.8          | 37.1                  | 33.7                      | 3.39   | 3.54          | 5.60                  | 2.55                      | 128.1  | 106.5                     | 7.8                                  | 4.5                       |
| May                 | 36.9                                       | 40.0          | 36.8                  | 33.7                      | 3.41   | 3.55          | 5.67                  | 2.56                      | 129.1  | 106.9                     | 10.3                                 | 3.8                       |
| June                | 37.1                                       | 40.0          | 37.2                  | 33.7                      | 3.42   | 3.57          | 5.70                  | 2.57                      | 129.3  | 106.6                     | 1.9                                  | -2.8                      |
| July                | 36.9                                       | 40.0          | 37.1                  | 33.8                      | 3.43   | 3.58          | 5.72                  | 2.59                      | 130.0  | 106.9                     | 6.3                                  | 2.9                       |
| Aug.                | 36.9                                       | 39.8          | 37.1                  | 33.6                      | 3.46   | 3.59          | 5.78                  | 2.59                      | 130.9  | 107.3                     | 9.0                                  | 4.8                       |
| Sept.               | 36.7                                       | 39.5          | 35.7                  | 33.6                      | 3.46   | 3.60          | 5.81                  | 2.60                      | 131.3  | 107.5                     | 3.6                                  | 1.8                       |
| Oct.                | 37.0                                       | 39.8          | 37.6                  | 33.8                      | 3.48   | 3.60          | 5.84                  | 2.60                      | 131.4  | 107.4                     | .9                                   | -9.9                      |
| Nov.                | 37.1                                       | 40.1          | 39.0                  | 33.7                      | 3.48   | 3.60          | 5.86                  | 2.60                      | 131.6  | 107.3                     | 1.3                                  | -1.0                      |
| Dec.                | 37.2                                       | 40.3          | 36.8                  | 33.9                      | 3.52   | 3.68          | 5.90                  | 2.64                      | 133.5  | 108.5                     | 19.3                                 | 15.0                      |
| 1972: Jan.          | 37.0                                       | 40.0          | 37.4                  | 33.7                      | 3.54   | 3.69          | 5.94                  | 2.65                      | 134.5  | 109.0                     | 9.3                                  | 5.4                       |
| Feb.                | 37.2                                       | 40.5          | 37.3                  | 33.5                      | 3.55   | 3.72          | 5.96                  | 2.65                      | 134.7  | 108.6                     | 2.0                                  | -4.7                      |
| Mar.                | 37.1                                       | 40.4          | 37.5                  | 33.6                      | 3.58   | 3.74          | 5.99                  | 2.66                      | 135.5  | 109.2                     | 7.5                                  | 7.1                       |
| Apr.                | 37.3                                       | 40.8          | 36.7                  | 33.7                      | 3.61   | 3.77          | 6.04                  | 2.67                      | 136.6  | 109.9                     | 9.9                                  | 7.7                       |
| May                 | 37.0                                       | 40.5          | 36.6                  | 33.7                      | 3.61   | 3.79          | 6.05                  | 2.67                      | 136.8  | 109.7                     | 1.4                                  | -2.5                      |
| June                | 37.3                                       | 40.7          | 36.9                  | 33.9                      | 3.61   | 3.79          | 6.05                  | 2.68                      | 136.9  | 109.9                     | 1.7                                  | 1.0                       |
| July                | 37.3                                       | 40.7          | 37.3                  | 33.9                      | 3.62   | 3.80          | 6.00                  | 2.71                      | 137.5  |                           | 5.1                                  |                           |

<sup>1</sup> Also includes other private industry groups shown in Table A-16.

<sup>2</sup> Includes eating and drinking places.

<sup>3</sup> Adjusted for interindustry shifts and for overtime (in manufacturing only).

<sup>4</sup> Current dollar earnings index divided by the consumer price index.

<sup>5</sup> Computed from indexes to two decimal places.

Note.—See Note, Table 16.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE A-18.—Average weekly earnings in selected private nonagricultural industries, 1950-72  
 [For production or nonsupervisory workers]

| Year or month       | Average gross weekly earnings              |                              |                    |                          |                              | Average spendable weekly earnings, total private nonagricultural <sup>4</sup> |                              |
|---------------------|--|------------------------------|--------------------|--------------------------|------------------------------|---|------------------------------|
|                     | Total private nonagricultural <sup>1</sup> |                              | Manu-<br>facturing | Contract<br>construction | Retail<br>trade <sup>2</sup> | Current<br>dollars  | 1967<br>dollars <sup>3</sup> |
|                     | Current<br>dollars                         | 1967<br>dollars <sup>2</sup> | Current dollars    |                          |                              |   |                              |
| 1950.....           | \$53.13                                    | \$73.69                      | \$58.32            | \$69.68                  | \$39.71                      | \$52.04   | \$72.18                      |
| 1951.....           | 57.86                                      | 74.37                        | 63.34              | 76.96                    | 42.82                        | 55.79   | 71.71                        |
| 1952.....           | 60.65                                      | 76.29                        | 67.16              | 82.86                    | 43.38                        | 57.87   | 72.79                        |
| 1953.....           | 63.76                                      | 79.60                        | 70.47              | 86.41                    | 45.36                        | 60.31   | 75.29                        |
| 1954.....           | 64.52                                      | 80.15                        | 70.49              | 88.91                    | 47.04                        | 60.85   | 75.59                        |
| 1955.....           | 67.72                                      | 84.44                        | 75.70              | 90.90                    | 48.75                        | 63.41   | 79.06                        |
| 1956.....           | 70.74                                      | 86.90                        | 78.78              | 96.38                    | 50.18                        | 65.82   | 80.86                        |
| 1957.....           | 73.33                                      | 86.99                        | 81.59              | 100.27                   | 52.20                        | 67.71   | 80.32                        |
| 1958.....           | 75.08                                      | 86.70                        | 82.71              | 103.78                   | 54.10                        | 69.11   | 79.80                        |
| 1959.....           | 78.78                                      | 90.24                        | 88.26              | 108.41                   | 56.15                        | 71.86   | 82.31                        |
| 1960.....           | 80.67                                      | 90.95                        | 89.72              | 113.04                   | 57.76                        | 72.96   | 82.25                        |
| 1961.....           | 82.60                                      | 92.19                        | 92.34              | 118.08                   | 58.66                        | 74.48   | 83.13                        |
| 1962.....           | 85.91                                      | 94.82                        | 96.56              | 122.47                   | 60.96                        | 76.99   | 84.98                        |
| 1963.....           | 88.46                                      | 96.47                        | 99.63              | 127.19                   | 62.66                        | 78.56   | 85.67                        |
| 1964.....           | 91.33                                      | 98.31                        | 102.97             | 132.06                   | 64.75                        | 82.57   | 88.88                        |
| 1965.....           | 95.06                                      | 100.59                       | 107.53             | 138.38                   | 66.61                        | 85.30   | 91.32                        |
| 1966.....           | 98.82                                      | 101.67                       | 112.34             | 146.26                   | 68.57                        | 88.66   | 91.21                        |
| 1967.....           | 101.84                                     | 101.84                       | 114.90             | 154.95                   | 70.95                        | 90.86   | 90.86                        |
| 1968.....           | 107.73                                     | 103.39                       | 122.51             | 164.93                   | 74.95                        | 95.28   | 91.44                        |
| 1969.....           | 114.61                                     | 104.38                       | 129.51             | 181.54                   | 78.66                        | 99.99   | 91.07                        |
| 1970.....           | 119.46                                     | 102.72                       | 133.73             | 196.35                   | 82.47                        | 104.61  | 89.95                        |
| 1971.....           | 126.91                                     | 104.62                       | 142.44             | 213.36                   | 86.61                        | 112.12  | 92.43                        |
| Seasonally adjusted |  |                              |                    |                          |                              |   |                              |
| 1970: Jan.....      | \$117.06                                   | \$103.18                     | \$131.86           | \$188.37                 | \$80.11                      | \$102.73  | \$90.55                      |
| Feb.....            | 117.81                                     | 103.23                       | 132.26             | 192.79                   | 80.78                        | 103.30  | 90.52                        |
| Mar.....            | 118.24                                     | 103.19                       | 132.73             | 193.80                   | 81.12                        | 103.64  | 90.44                        |
| Apr.....            | 118.30                                     | 102.67                       | 132.47             | 196.60                   | 80.98                        | 103.69  | 89.99                        |
| May.....            | 118.35                                     | 102.27                       | 132.93             | 194.81                   | 81.80                        | 103.73  | 89.64                        |
| June.....           | 119.41                                     | 102.81                       | 134.06             | 195.38                   | 82.13                        | 104.57  | 90.03                        |
| July.....           | 120.16                                     | 103.13                       | 135.54             | 196.72                   | 82.81                        | 105.16  | 90.26                        |
| Aug.....            | 120.95                                     | 103.54                       | 135.32             | 199.56                   | 83.73                        | 105.79  | 90.56                        |
| Sept.....           | 119.64                                     | 101.83                       | 134.41             | 186.55                   | 83.58                        | 104.75  | 89.16                        |
| Oct.....            | 120.66                                     | 102.18                       | 132.78             | 199.43                   | 83.82                        | 105.56  | 89.40                        |
| Nov.....            | 121.40                                     | 102.44                       | 134.24             | 202.00                   | 83.91                        | 106.14  | 89.56                        |
| Dec.....            | 122.47                                     | 102.89                       | 136.67             | 204.71                   | 83.91                        | 106.99  | 89.88                        |
| 1971: Jan.....      | 122.88                                     | 102.95                       | 138.50             | 206.42                   | 84.34                        | 108.94  | 91.27                        |
| Feb.....            | 123.95                                     | 103.59                       | 139.70             | 203.87                   | 85.01                        | 109.78  | 91.75                        |
| Mar.....            | 124.69                                     | 103.99                       | 140.10             | 210.17                   | 85.09                        | 110.37  | 92.05                        |
| Apr.....            | 125.43                                     | 104.34                       | 140.89             | 207.76                   | 85.94                        | 110.95  | 92.30                        |
| May.....            | 125.83                                     | 104.15                       | 142.00             | 208.66                   | 86.27                        | 111.26  | 92.09                        |
| June.....           | 126.88                                     | 104.61                       | 142.80             | 212.04                   | 86.61                        | 112.09  | 92.41                        |
| July.....           | 126.57                                     | 104.07                       | 143.20             | 212.21                   | 87.54                        | 111.85  | 91.97                        |
| Aug.....            | 127.67                                     | 104.62                       | 142.88             | 214.44                   | 87.02                        | 112.71  | 92.36                        |
| Sept.....           | 126.98                                     | 103.91                       | 142.20             | 207.42                   | 87.36                        | 112.17  | 91.79                        |
| Oct.....            | 128.76                                     | 105.20                       | 143.28             | 219.58                   | 87.88                        | 113.57  | 92.79                        |
| Nov.....            | 129.11                                     | 105.29                       | 144.36             | 228.54                   | 87.62                        | 113.85  | 92.85                        |
| Dec.....            | 130.94                                     | 106.46                       | 148.30             | 217.12                   | 89.50                        | 115.29  | 93.73                        |
| 1972: Jan.....      | 130.98                                     | 106.18                       | 147.60             | 222.16                   | 89.31                        | 117.01  | 94.85                        |
| Feb.....            | 132.06                                     | 106.45                       | 150.66             | 222.31                   | 88.78                        | 117.86  | 95.00                        |
| Mar.....            | 132.82                                     | 107.03                       | 151.10             | 224.63                   | 89.38                        | 118.46  | 95.46                        |
| Apr.....            | 134.65                                     | 108.32                       | 153.82             | 221.67                   | 89.98                        | 119.90  | 96.45                        |
| May.....            | 133.57                                     | 107.10                       | 153.50             | 221.43                   | 89.98                        | 119.05  | 95.45                        |
| June.....           | 134.65                                     | 107.90                       | 154.25             | 223.25                   | 90.85                        | 119.90  | 96.08                        |
| July.....           | 135.03                                     | -----                        | 154.66             | 223.80                   | 91.87                        | 120.20  | -----                        |

<sup>1</sup> Also includes other private industry groups shown in Table A-16.

<sup>2</sup> Earnings in current dollars divided by the consumer price index.

<sup>3</sup> Includes eating and drinking places.

<sup>4</sup> Average gross weekly earnings less social security and income taxes for a worker with three dependents.

Note.—See Note, Table A-16.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE A-19.—Output per man-hour and related data, private economy, 1950-72

[1967=100]

| Year or quarter     | Output <sup>1</sup> |                  | Man-hours <sup>2</sup> |                  | Output per man-hour |                  | Compensation per man-hour <sup>3</sup> |                  | Unit labor costs |                  | Implicit price deflator <sup>4</sup> |                  |
|---------------------|---------------------|------------------|------------------------|------------------|---------------------|------------------|--|------------------|------------------|------------------|--------------------------------------|------------------|
|                     | Total private       | Private non-farm | Total private          | Private non-farm | Total private       | Private non-farm | Total private                          | Private non-farm | Total private    | Private non-farm | Total private                        | Private non-farm |
| 1950                | 52.5                | 51.3             | 87.9                   | 79.0             | 59.7                | 65.0             | 42.8                                   | 45.3             | 71.7             | 69.7             | 70.9                                 | 69.4             |
| 1951                | 55.8                | 55.0             | 90.7                   | 82.9             | 61.5                | 66.3             | 46.9                                   | 49.3             | 76.3             | 74.3             | 76.1                                 | 74.0             |
| 1952                | 57.2                | 56.3             | 91.2                   | 84.1             | 62.7                | 66.9             | 49.8                                   | 52.0             | 79.4             | 77.6             | 77.5                                 | 75.9             |
| 1953                | 60.1                | 59.1             | 92.0                   | 85.9             | 65.3                | 68.9             | 52.9                                   | 54.9             | 81.0             | 79.7             | 78.1                                 | 77.2             |
| 1954                | 59.3                | 58.3             | 88.6                   | 82.6             | 66.9                | 70.5             | 54.5                                   | 56.6             | 81.5             | 80.3             | 79.1                                 | 78.5             |
| 1955                | 64.3                | 63.4             | 92.1                   | 86.1             | 69.9                | 73.6             | 55.9                                   | 58.6             | 80.1             | 79.6             | 79.8                                 | 79.5             |
| 1956                | 65.6                | 64.7             | 93.7                   | 88.4             | 70.0                | 73.2             | 59.5                                   | 62.0             | 85.0             | 84.7             | 82.3                                 | 82.3             |
| 1957                | 66.5                | 65.7             | 92.3                   | 87.9             | 72.0                | 74.8             | 63.3                                   | 65.5             | 87.9             | 87.6             | 85.3                                 | 85.3             |
| 1958                | 65.6                | 64.8             | 88.4                   | 84.5             | 74.3                | 76.7             | 66.0                                   | 68.1             | 88.9             | 88.7             | 87.1                                 | 86.8             |
| 1959                | 70.2                | 69.5             | 91.2                   | 87.6             | 76.9                | 79.3             | 69.0                                   | 71.0             | 89.8             | 89.5             | 88.3                                 | 88.3             |
| 1960                | 71.9                | 71.1             | 92.0                   | 88.6             | 78.2                | 80.3             | 71.7                                   | 73.9             | 91.8             | 92.0             | 89.5                                 | 89.6             |
| 1961                | 73.2                | 72.5             | 90.6                   | 87.7             | 80.9                | 82.7             | 74.4                                   | 76.3             | 92.1             | 92.3             | 90.4                                 | 90.4             |
| 1962                | 78.2                | 77.6             | 92.9                   | 89.8             | 84.7                | 86.4             | 77.7                                   | 79.3             | 91.8             | 91.8             | 91.2                                 | 91.2             |
| 1963                | 81.5                | 80.9             | 92.9                   | 90.9             | 87.7                | 89.1             | 80.8                                   | 82.2             | 92.1             | 92.3             | 92.2                                 | 92.3             |
| 1964                | 86.2                | 85.9             | 94.5                   | 92.9             | 91.1                | 92.4             | 84.9                                   | 86.1             | 93.1             | 93.2             | 93.2                                 | 93.4             |
| 1965                | 91.8                | 91.5             | 97.4                   | 96.3             | 94.2                | 95.1             | 88.4                                   | 89.2             | 93.8             | 93.9             | 94.8                                 | 94.8             |
| 1966                | 97.7                | 97.9             | 99.7                   | 99.5             | 98.0                | 98.4             | 94.5                                   | 94.6             | 96.5             | 96.2             | 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                | 104.8               | 105.1            | 101.8                  | 102.1            | 102.9               | 102.9            | 107.6                                  | 107.3            | 104.6            | 104.3            | 103.6                                | 103.5            |
| 1969                | 107.7               | 108.0            | 104.0                  | 104.9            | 103.5               | 102.9            | 115.8                                  | 114.8            | 111.9            | 111.6            | 108.3                                | 108.1            |
| 1970                | 107.1               | 107.2            | 102.4                  | 103.5            | 104.6               | 103.6            | 124.5                                  | 123.1            | 119.0            | 118.8            | 113.5                                | 113.5            |
| 1971                | 110.3               | 110.4            | 101.7                  | 102.8            | 108.5               | 107.4            | 133.0                                  | 131.5            | 122.6            | 122.4            | 118.4                                | 118.4            |
| Seasonally adjusted |                     |                  |                        |                  |                     |                  |  |                  |                  |                  |                                      |                  |
| 1970: I             | 106.8               | 107.0            | 103.7                  | 104.9            | 103.0               | 102.0            | 121.5                                  | 119.9            | 117.9            | 117.5            | 111.8                                | 111.5            |
| 1970: II            | 107.3               | 107.3            | 103.1                  | 104.0            | 104.0               | 103.2            | 123.1                                  | 121.9            | 118.3            | 118.1            | 112.8                                | 112.8            |
| 1970: III           | 107.9               | 108.1            | 102.0                  | 103.1            | 105.8               | 104.9            | 126.0                                  | 124.5            | 119.1            | 118.7            | 113.9                                | 113.9            |
| 1970: IV            | 106.5               | 106.5            | 100.8                  | 102.0            | 105.6               | 104.4            | 127.7                                  | 126.1            | 120.9            | 120.7            | 115.6                                | 115.9            |
| 1971: I             | 108.7               | 108.7            | 101.3                  | 102.5            | 107.3               | 106.1            | 130.1                                  | 128.4            | 121.2            | 121.1            | 117.0                                | 117.1            |
| 1971: II            | 109.7               | 109.8            | 101.7                  | 102.8            | 107.8               | 106.9            | 132.0                                  | 130.7            | 122.4            | 122.3            | 118.2                                | 118.3            |
| 1971: III           | 110.4               | 110.5            | 101.4                  | 102.6            | 108.8               | 107.6            | 134.1                                  | 132.5            | 123.2            | 123.1            | 119.0                                | 119.1            |
| 1971: IV            | 112.3               | 112.7            | 102.2                  | 103.3            | 109.9               | 109.1            | 135.9                                  | 134.4            | 123.6            | 123.3            | 119.3                                | 119.1            |
| 1972: I             | 114.3               | 114.9            | 103.1                  | 104.2            | 110.8               | 110.3            | 138.6                                  | 137.3            | 125.1            | 124.5            | 120.6                                | 120.2            |
| 1972: II            | 117.0               | 117.7            | 104.0                  | 105.4            | 112.5               | 111.6            | 140.5                                  | 138.9            | 124.9            | 124.4            | 121.2                                | 120.7            |

<sup>1</sup> Output refers to gross national product in 1958 dollars.

<sup>2</sup> Hours of all persons in private industry engaged in production, including man-hours of proprietors and unpaid family workers. Man-hours estimates based primarily on establishment data.

<sup>3</sup> Wages and salaries of employees plus employers' contribution for social insurance and private benefits plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

<sup>4</sup> Current dollar gross product divided by constant dollar product.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE A-20.—Changes in output per man-hour and related data, private economy, 1950-72

[Percent change from preceding period]

| Year or quarter                  | Output <sup>1</sup> |                 | Man-hours <sup>2</sup> |                 | Output per man-hour |                 | Compensation per man-hour <sup>3</sup> |                 | Unit labor costs |                 | Implicit price deflator <sup>4</sup> |                 |
|----------------------------------|---------------------|-----------------|------------------------|-----------------|---------------------|-----------------|--|-----------------|------------------|-----------------|--------------------------------------|-----------------|
|                                  | Total private       | Private nonfarm | Total private          | Private nonfarm | Total private       | Private nonfarm | Total private                          | Private nonfarm | Total private    | Private nonfarm | Total private                        | Private nonfarm |
| 1950                             | 10.2                | 10.6            | 2.0                    | 4.0             | 8.1                 | 6.3             | 6.8                                    | 5.5             | -1.2             | -0.8            | 1.0                                  | 1.1             |
| 1951                             | 6.3                 | 7.0             | 3.2                    | 4.9             | 3.0                 | 2.0             | 9.6                                    | 8.7             | 6.4              | 6.6             | 7.3                                  | 6.5             |
| 1952                             | 2.5                 | 2.5             | .5                     | 1.5             | 1.9                 | .9              | 6.1                                    | 5.5             | 4.1              | 4.5             | 1.9                                  | 2.6             |
| 1953                             | 5.1                 | 5.1             | -.8                    | 2.1             | 4.2                 | 2.9             | 6.3                                    | 5.6             | 2.0              | 2.6             | .7                                   | 1.8             |
| 1954                             | -1.3                | -1.5            | -3.7                   | -3.8            | 2.4                 | 2.3             | 3.1                                    | 3.2             | .6               | .9              | 1.2                                  | 1.7             |
| 1955                             | 8.5                 | 8.8             | 3.9                    | 4.2             | 4.4                 | 4.4             | 2.6                                    | 3.5             | -1.7             | -.9             | .9                                   | 1.3             |
| 1956                             | 1.9                 | 2.0             | 1.7                    | 2.6             | .2                  | -.6             | 6.4                                    | 5.8             | 6.2              | 6.4             | 3.2                                  | 3.4             |
| 1957                             | 1.4                 | 1.6             | -1.5                   | -.6             | 2.9                 | 2.2             | 6.5                                    | 5.7             | 3.5              | 3.4             | 3.6                                  | 3.7             |
| 1958                             | -1.3                | -1.5            | -4.2                   | -3.9            | 3.1                 | 2.5             | 4.2                                    | 3.8             | 1.1              | 1.3             | 2.1                                  | 1.7             |
| 1959                             | 7.0                 | 7.3             | 3.3                    | 3.7             | 3.6                 | 3.4             | 4.6                                    | 4.3             | 1.0              | .9              | 1.4                                  | 1.8             |
| 1960                             | 2.4                 | 2.4             | -.8                    | 1.1             | 1.6                 | 1.2             | 3.9                                    | 4.1             | 2.2              | 2.8             | 1.4                                  | 1.4             |
| 1961                             | 1.9                 | 1.9             | -1.5                   | -1.0            | 3.5                 | 3.0             | 3.8                                    | 3.2             | .3               | -.2             | .9                                   | .9              |
| 1962                             | 6.8                 | 7.1             | 2.0                    | 2.5             | 4.7                 | 4.6             | 4.4                                    | 4.0             | -.3              | -.5             | .8                                   | .9              |
| 1963                             | 4.2                 | 4.3             | .6                     | 1.2             | 3.6                 | 3.1             | 4.0                                    | 3.6             | .4               | .5              | 1.0                                  | 1.2             |
| 1964                             | 5.7                 | 6.1             | 1.8                    | 2.3             | 3.9                 | 3.7             | 5.0                                    | 4.7             | 1.1              | 1.0             | 1.2                                  | 1.3             |
| 1965                             | 6.6                 | 6.6             | 3.1                    | 3.6             | 3.4                 | 2.9             | 4.1                                    | 3.7             | .7               | .8              | 1.7                                  | 1.4             |
| 1966                             | 6.4                 | 7.0             | 2.4                    | 3.3             | 4.0                 | 3.5             | 6.9                                    | 6.1             | 2.8              | 2.5             | 2.5                                  | 2.2             |
| 1967                             | 2.3                 | 2.2             | .3                     | .5              | 2.1                 | 1.6             | 5.8                                    | 5.7             | 3.7              | 4.0             | 2.9                                  | 3.3             |
| 1968                             | 4.8                 | 5.1             | 1.8                    | 2.1             | 2.9                 | 2.9             | 7.6                                    | 7.3             | 4.6              | 4.3             | 3.6                                  | 3.5             |
| 1969                             | 2.8                 | 2.8             | 2.2                    | 2.7             | .6                  | .0              | 7.6                                    | 7.0             | 7.0              | 7.0             | 4.5                                  | 4.5             |
| 1970                             | -.5                 | -.7             | -1.6                   | -1.4            | 1.1                 | .7              | 7.5                                    | 7.2             | 6.4              | 6.5             | 4.8                                  | 5.0             |
| 1971                             | 3.0                 | 3.0             | -.7                    | -.7             | 3.7                 | 3.7             | 6.9                                    | 6.9             | 3.0              | 3.1             | 4.3                                  | 4.3             |
| Seasonally adjusted annual rates |                     |                 |                        |                 |                     |                 |  |                 |                  |                 |                                      |                 |
| 1970: I                          | -2.6                | -3.0            | -1.4                   | -1.2            | -1.2                | -1.8            | 6.9                                    | 6.5             | 8.2              | 8.4             | 5.2                                  | 5.2             |
| II                               | 1.7                 | 1.1             | -2.2                   | -3.6            | 4.0                 | 4.8             | 5.4                                    | 7.1             | 1.4              | 2.2             | 3.8                                  | 4.9             |
| III                              | 2.3                 | 2.9             | -4.3                   | -3.5            | 7.0                 | 6.6             | 9.6                                    | 8.9             | 2.5              | 2.1             | 3.8                                  | 3.7             |
| IV                               | -5.1                | -5.7            | -4.5                   | -4.0            | -6                  | -1.7            | 5.6                                    | 4.9             | 6.3              | 6.8             | 6.3                                  | 7.2             |
| 1971: I                          | 8.7                 | 8.6             | 2.1                    | 2.1             | 6.5                 | 6.4             | 7.7                                    | 7.8             | 1.1              | 1.3             | 4.7                                  | 4.5             |
| II                               | 3.7                 | 4.1             | 1.7                    | 1.0             | 2.0                 | 3.1             | 6.1                                    | 7.2             | 4.0              | 4.0             | 4.3                                  | 4.0             |
| III                              | 2.5                 | 2.4             | -1.2                   | -.5             | 3.8                 | 2.9             | 6.4                                    | 5.6             | 2.5              | 2.7             | 2.8                                  | 2.7             |
| IV                               | 7.2                 | 8.1             | 3.0                    | 2.6             | 4.1                 | 5.4             | 5.6                                    | 6.0             | 1.5              | .5              | 1.0                                  | .1              |
| 1972: I                          | 7.0                 | 8.1             | 3.6                    | 3.5             | 3.3                 | 4.5             | 8.1                                    | 8.7             | 4.7              | 4.0             | 4.2                                  | 3.7             |
| II                               | 9.7                 | 10.0            | 3.5                    | 4.8             | 6.0                 | 5.0             | 5.6                                    | 4.7             | -.4              | -.2             | 2.0                                  | 1.8             |

<sup>1</sup> Output refers to gross national product in 1958 dollars.

<sup>2</sup> Hours of all persons in private industry engaged in production, including man-hours of proprietors and unpaid family workers. Man-hours estimates based primarily on establishment data.

<sup>3</sup> Wages and salaries of employees plus employers' contribution for social insurance and private benefits plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

<sup>4</sup> Current dollar gross product divided by constant dollar product.

Note.—Percent changes are based on original data and therefore may differ slightly from percent changes based on indexes in Table A-19.

Source: Department of Labor, Bureau of Labor Statistics.

# PRODUCTION AND BUSINESS ACTIVITY

TABLE A-21.—Industrial production indexes, major industry divisions, 1950-72

[1967=100]

| Year or month       | Total industrial production | Manufacturing |         |            | Mining | Utilities |
|---------------------|-----------------------------|---------------|---------|------------|--------|-----------|
|                     |                             | Total         | Durable | Nondurable |        |           |
| 1950.....           | 44.9                        | 45.0          | 43.7    | 46.2       | 65.7   | 26.5      |
| 1951.....           | 48.7                        | 48.6          | 49.2    | 47.8       | 72.1   | 30.3      |
| 1952.....           | 50.6                        | 50.6          | 52.2    | 48.7       | 71.5   | 32.8      |
| 1953.....           | 54.8                        | 55.1          | 59.0    | 50.7       | 73.4   | 35.6      |
| 1954.....           | 51.9                        | 51.5          | 52.0    | 51.0       | 71.9   | 38.3      |
| 1955.....           | 58.5                        | 58.2          | 59.5    | 56.6       | 80.2   | 42.8      |
| 1956.....           | 61.1                        | 60.5          | 61.5    | 59.5       | 84.4   | 47.0      |
| 1957.....           | 61.9                        | 61.2          | 61.9    | 60.5       | 84.5   | 50.2      |
| 1958.....           | 57.9                        | 56.9          | 54.2    | 61.0       | 77.5   | 52.5      |
| 1959.....           | 64.8                        | 64.1          | 62.2    | 67.0       | 81.1   | 57.8      |
| 1960.....           | 66.2                        | 65.4          | 63.3    | 68.6       | 82.7   | 61.8      |
| 1961.....           | 65.7                        | 65.6          | 62.1    | 70.7       | 83.2   | 65.3      |
| 1962.....           | 72.2                        | 71.4          | 69.0    | 75.1       | 85.6   | 70.2      |
| 1963.....           | 76.5                        | 75.8          | 73.5    | 79.2       | 89.0   | 75.1      |
| 1964.....           | 81.7                        | 81.2          | 79.0    | 84.4       | 91.1   | 81.9      |
| 1965.....           | 89.2                        | 89.1          | 88.5    | 90.0       | 93.9   | 86.9      |
| 1966.....           | 97.9                        | 98.3          | 99.0    | 97.3       | 98.4   | 93.6      |
| 1967.....           | 100.0                       | 100.0         | 100.0   | 100.0      | 100.0  | 100.0     |
| 1968.....           | 105.7                       | 105.7         | 105.5   | 106.0      | 103.9  | 109.4     |
| 1969.....           | 110.7                       | 110.5         | 110.0   | 111.1      | 107.2  | 119.5     |
| 1970.....           | 106.7                       | 105.2         | 101.5   | 110.6      | 109.7  | 128.3     |
| 1971.....           | 106.8                       | 105.2         | 99.4    | 113.6      | 107.0  | 133.9     |
| Seasonally adjusted |                             |               |         |            |        |           |
| 1970: Jan.....      | 107.4                       | 106.4         | 103.7   | 110.4      | 109.5  | 124.1     |
| Feb.....            | 108.0                       | 107.0         | 103.5   | 111.8      | 109.2  | 125.0     |
| Mar.....            | 107.6                       | 106.7         | 104.3   | 110.2      | 109.1  | 123.9     |
| Apr.....            | 107.5                       | 106.5         | 103.6   | 110.5      | 108.7  | 125.9     |
| May.....            | 107.5                       | 106.5         | 103.6   | 110.9      | 108.6  | 126.9     |
| June.....           | 107.6                       | 106.6         | 103.7   | 111.0      | 107.1  | 127.9     |
| July.....           | 107.5                       | 106.9         | 103.7   | 111.6      | 106.5  | 130.2     |
| Aug.....            | 107.5                       | 106.4         | 103.8   | 110.3      | 108.9  | 129.5     |
| Sept.....           | 106.5                       | 104.8         | 100.7   | 110.7      | 110.9  | 133.9     |
| Oct.....            | 103.7                       | 101.4         | 95.7    | 109.7      | 112.4  | 134.0     |
| Nov.....            | 102.6                       | 100.2         | 93.8    | 109.6      | 113.7  | 129.6     |
| Dec.....            | 104.6                       | 102.4         | 97.3    | 110.0      | 112.1  | 130.2     |
| 1971: Jan.....      | 105.3                       | 103.3         | 98.1    | 110.9      | 111.1  | 129.6     |
| Feb.....            | 105.7                       | 103.9         | 98.6    | 111.7      | 110.1  | 132.2     |
| Mar.....            | 105.5                       | 103.2         | 98.3    | 110.4      | 111.4  | 131.5     |
| Apr.....            | 106.2                       | 104.4         | 99.1    | 112.1      | 110.4  | 133.2     |
| May.....            | 107.4                       | 105.9         | 101.1   | 112.8      | 108.7  | 132.8     |
| June.....           | 107.4                       | 106.0         | 100.7   | 113.7      | 108.6  | 133.8     |
| July.....           | 106.8                       | 105.8         | 100.3   | 113.8      | 105.6  | 136.2     |
| Aug.....            | 105.6                       | 104.2         | 97.4    | 114.0      | 106.3  | 134.1     |
| Sept.....           | 107.1                       | 105.7         | 99.3    | 115.1      | 105.9  | 134.0     |
| Oct.....            | 106.8                       | 106.1         | 100.1   | 114.7      | 97.7   | 135.2     |
| Nov.....            | 107.4                       | 106.0         | 99.1    | 115.9      | 102.5  | 136.0     |
| Dec.....            | 108.1                       | 106.2         | 99.5    | 116.0      | 107.8  | 135.8     |
| 1972: Jan.....      | 108.7                       | 107.1         | 100.4   | 116.8      | 107.3  | 137.4     |
| Feb.....            | 110.0                       | 108.5         | 102.1   | 117.8      | 107.2  | 139.7     |
| Mar.....            | 110.9                       | 109.2         | 102.8   | 118.3      | 108.5  | 139.7     |
| Apr.....            | 112.1                       | 111.0         | 105.1   | 119.6      | 108.9  | 141.6     |
| May.....            | 112.4                       | 111.3         | 105.4   | 119.9      | 106.5  | 143.0     |
| June.....           | 112.7                       | 111.4         | 105.4   | 119.9      | 108.2  | 140.5     |

Source: Board of Governors of the Federal Reserve System.

TABLE A-22.—Business expenditures for new plant and equipment, 1950-72<sup>1</sup>

[Billions of dollars]

| Year or quarter                  | Total | Manufacturing |               |                   | Mining | Transportation |      |       | Public utilities | Communication | Commercial and other <sup>2</sup> |
|----------------------------------|-------|---------------|---------------|-------------------|--------|----------------|------|-------|------------------|---------------|-----------------------------------|
|                                  |       | Total         | Durable goods | Non-durable goods |        | Rail-road      | Air  | Other |                  |               |                                   |
| 1950.....                        | 20.21 | 7.39          | 2.94          | 4.45              | 0.84   | 1.18           | 0.10 | 1.09  | 3.24             | 1.14          | 5.22                              |
| 1951.....                        | 25.46 | 10.71         | 4.82          | 5.89              | 1.11   | 1.58           | .14  | 1.33  | 3.56             | 1.37          | 5.67                              |
| 1952.....                        | 26.43 | 11.45         | 5.21          | 6.24              | 1.21   | 1.50           | .24  | 1.23  | 3.74             | 1.61          | 5.45                              |
| 1953.....                        | 28.20 | 11.86         | 5.31          | 6.56              | 1.25   | 1.42           | .24  | 1.29  | 4.34             | 1.78          | 6.02                              |
| 1954.....                        | 27.19 | 11.24         | 4.91          | 6.33              | 1.28   | .93            | .24  | 1.22  | 3.99             | 1.82          | 6.45                              |
| 1955.....                        | 29.53 | 11.89         | 5.41          | 6.48              | 1.31   | 1.02           | .26  | 1.30  | 4.03             | 2.11          | 7.63                              |
| 1956.....                        | 35.73 | 15.40         | 7.45          | 7.95              | 1.64   | 1.37           | .35  | 1.31  | 4.52             | 2.82          | 8.32                              |
| 1957.....                        | 37.94 | 16.51         | 7.84          | 8.68              | 1.69   | 1.58           | .41  | 1.30  | 5.67             | 3.19          | 7.60                              |
| 1958.....                        | 31.89 | 12.38         | 5.61          | 6.77              | 1.43   | .86            | .37  | 1.06  | 5.52             | 2.79          | 7.48                              |
| 1959.....                        | 33.55 | 12.77         | 5.81          | 6.95              | 1.36   | 1.02           | .78  | 1.33  | 5.14             | 2.72          | 8.44                              |
| 1960.....                        | 36.75 | 15.09         | 7.23          | 7.85              | 1.30   | 1.16           | .66  | 1.30  | 5.24             | 3.24          | 8.75                              |
| 1961.....                        | 35.91 | 14.33         | 6.31          | 8.02              | 1.29   | .82            | .73  | 1.23  | 5.00             | 3.39          | 9.13                              |
| 1962.....                        | 38.39 | 15.06         | 6.79          | 8.26              | 1.40   | 1.02           | .52  | 1.65  | 4.90             | 3.85          | 9.99                              |
| 1963.....                        | 40.77 | 16.22         | 7.53          | 8.70              | 1.27   | 1.25           | .40  | 1.58  | 4.98             | 4.06          | 10.89                             |
| 1964.....                        | 46.97 | 19.34         | 9.28          | 10.07             | 1.34   | 1.66           | 1.02 | 1.50  | 5.49             | 4.61          | 12.02                             |
| 1965.....                        | 54.42 | 23.44         | 11.50         | 11.94             | 1.46   | 1.99           | 1.22 | 1.68  | 6.13             | 5.30          | 13.19                             |
| 1966.....                        | 63.51 | 28.20         | 14.06         | 14.14             | 1.62   | 2.37           | 1.74 | 1.64  | 7.43             | 6.02          | 14.48                             |
| 1967.....                        | 65.47 | 28.51         | 14.06         | 14.45             | 1.65   | 1.86           | 2.29 | 1.48  | 8.74             | 6.34          | 14.59                             |
| 1968.....                        | 67.76 | 28.37         | 14.12         | 14.25             | 1.63   | 1.45           | 2.56 | 1.59  | 10.20            | 6.83          | 15.14                             |
| 1969.....                        | 75.56 | 31.68         | 15.96         | 15.72             | 1.86   | 1.86           | 2.51 | 1.68  | 11.61            | 8.30          | 16.05                             |
| 1970.....                        | 79.71 | 31.95         | 15.80         | 16.15             | 1.89   | 1.78           | 3.03 | 1.23  | 13.14            | 10.10         | 16.59                             |
| 1971.....                        | 81.21 | 29.99         | 14.15         | 15.84             | 2.16   | 1.67           | 1.88 | 1.38  | 15.30            | 10.77         | 18.05                             |
| 1972 <sup>3</sup> .....          | 89.61 | 31.68         | 15.75         | 15.93             | 2.40   | 1.90           | 2.37 | 1.37  | 17.39            | 12.30         | 20.20                             |
| Seasonally adjusted annual rates |       |               |               |                   |        |                |      |       |                  |               |                                   |
| 1970: I.....                     | 78.22 | 32.44         | 16.40         | 16.05             | 1.92   | 1.74           | 2.94 | 1.37  | 12.14            | 9.14          | 16.52                             |
| II.....                          | 80.22 | 32.43         | 16.32         | 16.11             | 1.84   | 1.88           | 2.88 | 1.12  | 12.72            | 10.38         | 16.98                             |
| III.....                         | 81.88 | 32.15         | 15.74         | 16.40             | 1.86   | 1.96           | 3.24 | 1.22  | 13.84            | 10.62         | 17.00                             |
| IV.....                          | 78.63 | 30.98         | 14.92         | 16.05             | 1.94   | 1.56           | 3.08 | 1.22  | 13.68            | 10.20         | 15.97                             |
| 1971: I.....                     | 79.32 | 30.46         | 14.21         | 16.25             | 2.04   | 1.46           | 1.29 | 1.33  | 14.64            | 10.70         | 17.39                             |
| II.....                          | 81.61 | 30.12         | 14.06         | 16.06             | 2.08   | 1.88           | 2.28 | 1.40  | 14.91            | 11.21         | 17.72                             |
| III.....                         | 80.75 | 29.19         | 13.76         | 15.43             | 2.23   | 1.72           | 1.68 | 1.48  | 15.87            | 10.73         | 17.85                             |
| IV.....                          | 83.18 | 30.35         | 14.61         | 15.74             | 2.30   | 1.64           | 2.26 | 1.33  | 15.74            | 10.44         | 19.10                             |
| 1972: I.....                     | 86.79 | 30.09         | 15.06         | 15.02             | 2.42   | 2.10           | 1.96 | 1.48  | 16.92            | 11.71         | 20.10                             |
| II.....                          | 90.69 | 32.55         | 16.26         | 16.29             | 2.36   | 1.87           | 3.01 | 1.46  | 16.71            | 32.72         |                                   |
| III.....                         | 89.72 | 31.86         | 16.02         | 15.84             | 2.36   | 1.92           | 2.20 | 1.36  | 17.69            | 32.33         |                                   |
| IV.....                          | 90.89 | 32.01         | 15.59         | 16.42             |        |                |      | 58.88 |                  |               |                                   |

<sup>1</sup> Excludes agricultural business; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations. These figures do not agree precisely with the fixed investment data in the gross national product estimates, mainly because those data include investment by farmers, professionals, 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 late April and May 1972. 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 A-23.—New construction activity, 1950-72

| Year or month                    | Total new construction expenditures | Private |                          |                   |                           |                    | Federal, State, and local | Construction contracts <sup>1</sup> |   |
|----------------------------------|-------------------------------------|---------|--------------------------|-------------------|---------------------------|--------------------|---------------------------|-------------------------------------|---|
|                                  |                                     | Total   | Residential <sup>1</sup> |                   | Commercial and industrial | Other <sup>1</sup> |                           | Total value index (1967=100)        | Commercial and industrial floor space (millions of square feet) |
|                                  |                                     |         | Total <sup>2</sup>       | New housing units |                           |                    |                           |                                     |   |
| Billions of dollars              |                                     |         |                          |                   |                           |                    |                           |                                     |   |
| 1950                             | 33.6                                | 26.7    | 18.1                     | 15.6              | 2.5                       | 6.1                | 6.9                       | 40                                  | 237   |
| 1951                             | 35.4                                | 26.2    | 15.9                     | 13.2              | 3.6                       | 6.7                | 9.3                       | 41                                  | 225   |
| 1952                             | 36.8                                | 26.0    | 15.8                     | 12.9              | 3.5                       | 6.8                | 10.8                      | 44                                  | 197   |
| 1953                             | 39.1                                | 27.9    | 16.6                     | 13.4              | 4.0                       | 7.3                | 11.2                      | 45                                  | 235   |
| 1954                             | 41.4                                | 29.7    | 18.2                     | 14.9              | 4.2                       | 7.2                | 11.7                      | 50                                  | 238   |
| 1955                             | 46.5                                | 34.8    | 21.9                     | 18.2              | 5.6                       | 7.3                | 11.7                      | 59                                  | 298   |
| 1956                             | 47.6                                | 34.9    | 20.2                     | 16.1              | 6.7                       | 8.0                | 12.7                      | 60                                  | 436   |
| 1957                             | 49.1                                | 35.1    | 19.0                     | 14.7              | 7.1                       | 9.0                | 14.1                      | 61                                  | 421   |
| 1958                             | 50.2                                | 34.7    | 19.8                     | 15.4              | 6.0                       | 8.9                | 15.5                      | 67                                  | 359   |
| 1959                             | 55.3                                | 39.2    | 24.3                     | 19.2              | 6.0                       | 8.9                | 16.1                      | 68                                  | 440   |
| 1960                             | 54.6                                | 38.8    | 23.0                     | 17.3              | 7.0                       | 8.8                | 15.9                      | 68                                  | 461   |
| 1961                             | 56.3                                | 39.1    | 23.1                     | 17.1              | 7.5                       | 8.6                | 17.1                      | 70                                  | 443   |
| 1962                             | 60.0                                | 42.1    | 25.2                     | 19.4              | 8.0                       | 9.0                | 17.9                      | 78                                  | 500   |
| 1963                             | 64.6                                | 45.2    | 27.9                     | 21.7              | 7.9                       | 9.4                | 19.4                      | 86                                  | 534   |
| 1964                             | 67.4                                | 47.0    | 28.0                     | 21.8              | 9.0                       | 10.1               | 20.4                      | 89                                  | 599   |
| 1965                             | 73.4                                | 51.4    | 27.9                     | 21.7              | 23.4                      | 14.7               | 22.1                      | 93                                  | 680   |
| 1966                             | 76.0                                | 52.0    | 25.7                     | 19.4              | 26.3                      | 16.0               | 24.0                      | 95                                  | 753   |
| 1967                             | 77.5                                | 52.0    | 25.6                     | 19.0              | 25.4                      | 16.0               | 25.5                      | 100                                 | 694   |
| 1968                             | 86.6                                | 59.0    | 30.6                     | 24.0              | 13.8                      | 14.7               | 27.6                      | 113                                 | 779   |
| 1969                             | 93.4                                | 65.4    | 33.2                     | 25.9              | 16.2                      | 16.0               | 28.0                      | 124                                 | 883   |
| 1970                             | 94.0                                | 65.9    | 31.9                     | 24.3              | 16.3                      | 17.8               | 28.1                      | 123                                 | 743   |
| 1971                             | 109.4                               | 79.5    | 43.1                     | 34.9              | 17.0                      | 19.4               | 29.9                      | 144                                 | 750   |
| Seasonally adjusted annual rates |                                     |         |                          |                   |                           |                    |                           |                                     |   |
|                                  |                                     |         |                          |                   |                           |                    |                           | Seasonally adjusted                 | Seasonally adjusted annual rates                                |
| 1970: Jan                        | 91.9                                | 64.6    | 31.9                     | 24.1              | 16.2                      | 16.5               | 27.3                      | 131                                 | 1,066   |
| Feb                              | 91.9                                | 65.3    | 31.9                     | 23.5              | 16.6                      | 16.8               | 26.6                      | 137                                 | 971   |
| Mar                              | 92.1                                | 65.3    | 31.5                     | 23.3              | 16.9                      | 16.9               | 26.8                      | 132                                 | 805   |
| Apr                              | 90.9                                | 64.4    | 30.7                     | 23.1              | 16.5                      | 17.2               | 26.5                      | 130                                 | 768   |
| May                              | 91.0                                | 64.0    | 30.2                     | 22.9              | 16.5                      | 17.3               | 26.9                      | 110                                 | 698   |
| June                             | 92.6                                | 64.8    | 30.2                     | 23.0              | 16.9                      | 17.8               | 27.8                      | 120                                 | 654   |
| July                             | 93.2                                | 64.4    | 30.5                     | 23.5              | 15.9                      | 18.1               | 28.7                      | 116                                 | 845   |
| Aug                              | 94.3                                | 65.6    | 30.9                     | 24.2              | 18.5                      | 18.2               | 28.8                      | 135                                 | 732   |
| Sept                             | 94.7                                | 66.3    | 31.9                     | 24.7              | 16.1                      | 18.3               | 28.3                      | 118                                 | 722   |
| Oct                              | 95.9                                | 67.6    | 33.4                     | 25.4              | 15.9                      | 18.3               | 28.3                      | 115                                 | 621   |
| Nov                              | 97.6                                | 68.5    | 34.5                     | 26.1              | 15.7                      | 18.3               | 29.1                      | 130                                 | 648   |
| Dec                              | 101.6                               | 70.4    | 35.4                     | 27.2              | 16.1                      | 18.9               | 31.1                      | 132                                 | 656   |
| 1971: Jan                        | 102.3                               | 72.1    | 36.5                     | 28.7              | 16.5                      | 19.2               | 30.2                      | 124                                 | 652   |
| Feb                              | 103.5                               | 73.2    | 37.7                     | 30.0              | 16.4                      | 19.1               | 30.3                      | 126                                 | 600   |
| Mar                              | 104.9                               | 74.7    | 38.8                     | 31.1              | 16.7                      | 19.2               | 30.2                      | 142                                 | 785   |
| Apr                              | 107.2                               | 77.2    | 40.4                     | 32.3              | 17.3                      | 19.5               | 30.0                      | 161                                 | 658   |
| May                              | 108.0                               | 77.9    | 41.9                     | 33.8              | 16.9                      | 19.1               | 30.1                      | 141                                 | 761   |
| June                             | 108.5                               | 79.7    | 42.9                     | 34.8              | 17.1                      | 19.7               | 28.8                      | 147                                 | 754   |
| July                             | 110.2                               | 80.5    | 43.6                     | 35.7              | 17.8                      | 19.1               | 29.7                      | 151                                 | 728   |
| Aug                              | 111.0                               | 82.1    | 44.6                     | 36.7              | 17.8                      | 19.6               | 29.0                      | 153                                 | 658   |
| Sept                             | 110.7                               | 81.6    | 45.6                     | 37.5              | 16.4                      | 19.6               | 29.1                      | 154                                 | 849   |
| Oct                              | 114.0                               | 82.4    | 46.4                     | 37.7              | 16.8                      | 19.3               | 31.6                      | 137                                 | 741   |
| Nov                              | 114.6                               | 84.2    | 47.1                     | 38.0              | 17.3                      | 19.8               | 30.5                      | 155                                 | 824   |
| Dec                              | 115.6                               | 85.2    | 47.9                     | 38.7              | 17.3                      | 20.0               | 30.3                      | 160                                 | 890   |
| 1972: Jan                        | 120.8                               | 88.6    | 48.6                     | 40.4              | 18.2                      | 20.8               | 32.2                      | 165                                 | 716   |
| Feb                              | 121.7                               | 90.8    | 51.9                     | 42.8              | 17.9                      | 21.0               | 30.9                      | 155                                 | 801   |
| Mar                              | 123.0                               | 92.6    | 53.1                     | 44.0              | 18.0                      | 21.4               | 30.4                      | 159                                 | 800   |
| Apr                              | 120.6                               | 91.7    | 52.8                     | 43.6              | 18.1                      | 20.9               | 28.9                      | 167                                 | 786   |
| May                              | 122.4                               | 92.6    | 52.4                     | 43.2              | 18.9                      | 21.3               | 29.8                      | 165                                 | 983   |
| June                             | 123.3                               | 93.3    | 53.0                     | 43.6              | 18.7                      | 21.6               | 30.0                      | 154                                 | 846   |

<sup>1</sup> Beginning 1960, farm residential buildings included in residential; prior to 1960, included in other private.  
<sup>2</sup> Includes nonhousekeeping residential construction and additions and alterations, not shown separately.  
<sup>3</sup> F. W. Dodge series. Data relate to 37 States and District of Columbia for 1950-55; 38 States and the District for 1956-68; 50 States and the District beginning 1969 for value index and 1971 for floor space.

Sources: Department of Commerce and McGraw-Hill Information Systems Company, F. W. Dodge Division.

TABLE A-24.—New privately owned housing starts and authorizations, 1959–72

[Thousands of units]

| Year or month                    | Private housing starts |          |                   | New private housing units authorized <sup>1</sup> |
|----------------------------------|------------------------|----------|-------------------|---|
|                                  | Total                  | One unit | Two or more units |   |
| 1959.....                        | 1,516.8                | 1,234.3  | 282.5             | 1,208.3   |
| 1960.....                        | 1,252.1                | 994.7    | 257.4             | 998.0   |
| 1961.....                        | 1,313.0                | 974.4    | 338.6             | 1,064.2   |
| 1962.....                        | 1,462.7                | 991.3    | 471.4             | 1,186.6   |
| 1963.....                        | 1,610.3                | 1,020.7  | 589.6             | 1,334.7   |
| 1964.....                        | 1,528.8                | 970.5    | 558.3             | 1,285.8   |
| 1965.....                        | 1,472.9                | 963.8    | 509.0             | 1,239.8   |
| 1966.....                        | 1,165.0                | 778.5    | 386.4             | 971.9   |
| 1967.....                        | 1,291.6                | 843.9    | 447.7             | 1,141.0   |
| 1968.....                        | 1,507.7                | 899.5    | 608.2             | 1,353.4   |
| 1969.....                        | 1,466.8                | 810.6    | 656.2             | 1,323.7   |
| 1970.....                        | 1,433.6                | 812.9    | 620.7             | 1,351.5   |
| 1971.....                        | 2,052.2                | 1,151.0  | 901.2             | 1,907.4   |
| Seasonally adjusted annual rates |                        |          |                   |   |
| 1970: Jan.....                   | 1,109                  | 612      | 497               | 1,067   |
| Feb.....                         | 1,322                  | 739      | 583               | 1,142   |
| Mar.....                         | 1,364                  | 726      | 638               | 1,105   |
| Apr.....                         | 1,230                  | 712      | 518               | 1,195   |
| May.....                         | 1,280                  | 742      | 538               | 1,336   |
| June.....                        | 1,396                  | 816      | 580               | 1,312   |
| July.....                        | 1,506                  | 813      | 693               | 1,337   |
| Aug.....                         | 1,401                  | 828      | 573               | 1,404   |
| Sept.....                        | 1,531                  | 872      | 659               | 1,409   |
| Oct.....                         | 1,589                  | 883      | 706               | 1,558   |
| Nov.....                         | 1,621                  | 904      | 717               | 1,523   |
| Dec.....                         | 1,943                  | 1,155    | 788               | 1,808   |
| 1971: Jan.....                   | 1,810                  | 1,007    | 803               | 1,635   |
| Feb.....                         | 1,794                  | 1,005    | 789               | 1,563   |
| Mar.....                         | 1,938                  | 1,080    | 858               | 1,627   |
| Apr.....                         | 1,951                  | 1,122    | 829               | 1,638   |
| May.....                         | 2,046                  | 1,152    | 894               | 1,927   |
| June.....                        | 2,008                  | 1,150    | 858               | 1,849   |
| July.....                        | 2,091                  | 1,162    | 929               | 2,052   |
| Aug.....                         | 2,219                  | 1,198    | 1,021             | 2,006   |
| Sept.....                        | 2,028                  | 1,172    | 857               | 1,900   |
| Oct.....                         | 2,038                  | 1,155    | 882               | 2,173   |
| Nov.....                         | 2,228                  | 1,242    | 985               | 1,952   |
| Dec.....                         | 2,457                  | 1,347    | 1,110             | 2,292   |
| 1972: Jan.....                   | 2,487                  | 1,415    | 1,071             | 2,105   |
| Feb.....                         | 2,682                  | 1,325    | 1,357             | 2,078   |
| Mar.....                         | 2,369                  | 1,302    | 1,067             | 1,928   |
| Apr.....                         | 2,109                  | 1,167    | 942               | 1,928   |
| May <sup>a</sup> .....           | 2,331                  | 1,332    | 999               | 1,958   |
| June <sup>a</sup> .....          | 2,298                  | 1,288    | 1,010             | 2,079   |

<sup>1</sup> Authorized by issuance of local building permit: in 13,000 permit-issuing places beginning 1967; 12,000 for 1963-66; and 10,000 prior to 1963.

Source: Department of Commerce, Bureau of the Census.

TABLE A-25.—Sales and inventories in manufacturing and trade, 1950-72

(Amounts in millions of dollars)

| 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> |
| 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               | 13,529             | 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                | 54,233                        | 86,922                   | 1.60               | 27,280             | 50,070                   | 1.84               | 10,257               | 12,739                   | 1.24               | 16,696             | 24,113                   | 1.43               |
| 1959                | 59,661                        | 91,891                   | 1.50               | 30,219             | 52,707                   | 1.70               | 11,491               | 13,879                   | 1.15               | 17,951             | 25,305                   | 1.40               |
| 1960                | 60,746                        | 94,747                   | 1.56               | 30,796             | 53,814                   | 1.76               | 11,656               | 14,120                   | 1.22               | 18,294             | 26,813                   | 1.45               |
| 1961                | 61,133                        | 95,648                   | 1.47               | 30,896             | 54,939                   | 1.74               | 11,988               | 14,488                   | 1.20               | 18,249             | 26,221                   | 1.43               |
| 1962                | 65,417                        | 101,090                  | 1.51               | 33,113             | 58,213                   | 1.72               | 12,674               | 14,938                   | 1.16               | 19,630             | 27,941                   | 1.38               |
| 1963                | 68,969                        | 105,477                  | 1.49               | 35,032             | 60,043                   | 1.69               | 13,882               | 16,048                   | 1.15               | 20,556             | 29,386                   | 1.39               |
| 1964                | 73,685                        | 111,457                  | 1.47               | 37,335             | 63,386                   | 1.64               | 14,527               | 16,977                   | 1.13               | 21,823             | 31,094                   | 1.40               |
| 1965                | 80,276                        | 120,900                  | 1.45               | 41,003             | 68,221                   | 1.60               | 15,595               | 18,274                   | 1.14               | 23,677             | 34,405                   | 1.39               |
| 1966                | 87,178                        | 136,729                  | 1.47               | 44,869             | 77,965                   | 1.62               | 16,979               | 20,691                   | 1.14               | 25,330             | 38,073                   | 1.44               |
| 1967                | 89,698                        | 145,115                  | 1.57               | 46,449             | 84,606                   | 1.76               | 17,029               | 21,557                   | 1.21               | 26,191             | 38,952                   | 1.46               |
| 1968                | 94,233                        | 155,336                  | 1.55               | 50,282             | 90,835                   | 1.74               | 18,329               | 22,528                   | 1.20               | 28,450             | 41,973                   | 1.43               |
| 1969                | 103,104                       | 166,695                  | 1.56               | 53,555             | 96,956                   | 1.76               | 19,726               | 24,363                   | 1.19               | 29,824             | 45,376                   | 1.46               |
| 1970                | 104,407                       | 174,868                  | 1.64               | 52,560             | 101,709                  | 1.90               | 20,554               | 26,604                   | 1.23               | 31,294             | 46,555                   | 1.47               |
| 1971                | 111,508                       | 181,055                  | 1.60               | 55,158             | 101,665                  | 1.84               | 22,280               | 28,916                   | 1.23               | 34,071             | 50,474                   | 1.44               |
| Seasonally adjusted |                               |                          |                    |                    |                          |                    |                      |                          |                    |                    |                          |                    |
| 1970: Jan           | 103,945                       | 166,807                  | 1.60               | 53,319             | 97,244                   | 1.82               | 20,292               | 24,494                   | 1.21               | 30,334             | 45,079                   | 1.49               |
| Feb                 | 104,469                       | 168,018                  | 1.61               | 53,229             | 97,954                   | 1.84               | 20,571               | 24,853                   | 1.21               | 30,669             | 45,211                   | 1.47               |
| Mar                 | 103,949                       | 168,616                  | 1.62               | 52,791             | 98,511                   | 1.87               | 20,463               | 24,842                   | 1.21               | 30,695             | 45,263                   | 1.47               |
| Apr                 | 103,104                       | 169,811                  | 1.65               | 52,087             | 99,314                   | 1.91               | 20,012               | 24,942                   | 1.25               | 31,005             | 45,555                   | 1.47               |
| May                 | 104,596                       | 169,785                  | 1.62               | 52,714             | 99,330                   | 1.88               | 20,684               | 24,990                   | 1.21               | 31,198             | 45,465                   | 1.46               |
| June                | 104,926                       | 170,796                  | 1.63               | 52,977             | 99,611                   | 1.88               | 20,656               | 25,142                   | 1.22               | 31,293             | 46,043                   | 1.47               |
| July                | 105,336                       | 172,092                  | 1.63               | 53,096             | 100,135                  | 1.89               | 20,639               | 25,410                   | 1.23               | 31,601             | 46,547                   | 1.47               |
| Aug                 | 105,538                       | 172,805                  | 1.64               | 53,130             | 100,452                  | 1.89               | 20,698               | 25,423                   | 1.23               | 31,710             | 46,930                   | 1.48               |
| Sept                | 105,449                       | 173,357                  | 1.64               | 52,784             | 100,695                  | 1.91               | 20,714               | 25,689                   | 1.24               | 31,951             | 46,973                   | 1.47               |
| Oct                 | 103,970                       | 173,593                  | 1.67               | 51,595             | 101,287                  | 1.96               | 20,754               | 26,003                   | 1.25               | 31,621             | 46,303                   | 1.46               |
| Nov                 | 102,743                       | 174,350                  | 1.70               | 50,820             | 101,903                  | 2.01               | 20,641               | 26,334                   | 1.28               | 31,282             | 46,113                   | 1.47               |
| Dec                 | 104,844                       | 174,868                  | 1.67               | 52,365             | 101,709                  | 1.94               | 20,718               | 26,604                   | 1.28               | 31,761             | 46,555                   | 1.47               |
| 1971: Jan           | 106,370                       | 175,435                  | 1.65               | 52,742             | 101,901                  | 1.93               | 21,338               | 26,646                   | 1.25               | 32,290             | 46,888                   | 1.45               |
| Feb                 | 107,727                       | 175,993                  | 1.63               | 53,543             | 101,761                  | 1.90               | 21,334               | 26,806                   | 1.26               | 32,650             | 47,426                   | 1.44               |
| Mar                 | 109,284                       | 176,816                  | 1.62               | 54,334             | 101,782                  | 1.87               | 21,676               | 26,788                   | 1.24               | 33,274             | 48,246                   | 1.45               |
| Apr                 | 110,063                       | 177,498                  | 1.61               | 54,588             | 101,643                  | 1.86               | 21,897               | 27,046                   | 1.24               | 33,578             | 48,809                   | 1.45               |
| May                 | 111,074                       | 178,268                  | 1.60               | 55,123             | 101,869                  | 1.85               | 22,449               | 27,140                   | 1.21               | 33,502             | 49,258                   | 1.47               |
| June                | 112,295                       | 178,481                  | 1.59               | 55,752             | 101,614                  | 1.82               | 22,716               | 27,333                   | 1.20               | 33,827             | 49,534                   | 1.46               |
| July                | 111,516                       | 178,773                  | 1.60               | 55,207             | 101,315                  | 1.84               | 22,621               | 27,866                   | 1.23               | 33,688             | 49,582                   | 1.47               |
| Aug                 | 113,005                       | 179,377                  | 1.59               | 55,745             | 101,283                  | 1.82               | 22,605               | 27,795                   | 1.23               | 34,655             | 50,299                   | 1.45               |
| Sept                | 112,979                       | 180,083                  | 1.59               | 55,211             | 101,425                  | 1.84               | 22,549               | 27,814                   | 1.23               | 35,219             | 50,844                   | 1.44               |
| Oct                 | 112,779                       | 180,464                  | 1.60               | 55,531             | 101,736                  | 1.83               | 22,284               | 27,928                   | 1.25               | 34,964             | 50,800                   | 1.45               |
| Nov                 | 115,313                       | 180,313                  | 1.56               | 57,000             | 101,699                  | 1.78               | 22,739               | 28,237                   | 1.24               | 35,574             | 50,377                   | 1.42               |
| Dec                 | 115,278                       | 181,055                  | 1.57               | 57,388             | 101,665                  | 1.77               | 22,994               | 28,916                   | 1.26               | 34,896             | 50,474                   | 1.45               |
| 1972: Jan           | 118,076                       | 181,387                  | 1.54               | 58,839             | 101,796                  | 1.73               | 24,351               | 29,049                   | 1.19               | 34,886             | 50,542                   | 1.45               |
| Feb                 | 117,652                       | 181,985                  | 1.55               | 58,774             | 102,158                  | 1.74               | 23,533               | 29,181                   | 1.24               | 35,345             | 50,646                   | 1.43               |
| Mar                 | 120,228                       | 182,514                  | 1.52               | 59,894             | 102,450                  | 1.71               | 23,884               | 29,174                   | 1.22               | 36,450             | 50,890                   | 1.40               |
| Apr                 | 121,198                       | 183,215                  | 1.51               | 60,741             | 102,428                  | 1.69               | 24,170               | 29,574                   | 1.22               | 36,287             | 51,213                   | 1.41               |
| May                 | 121,979                       | 184,366                  | 1.51               | 60,957             | 102,822                  | 1.69               | 24,096               | 29,657                   | 1.23               | 36,926             | 51,907                   | 1.41               |
| June                | .....                         | .....                    | .....              | 60,714             | 103,519                  | 1.71               | .....                | .....                    | .....              | 36,411             | .....                    | .....              |

<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.

<sup>4</sup> Manufacturing data prior to 1961 not completely comparable with later data. See Department of Commerce, Bureau of the Census, "Series M3-1.1," September 1968.

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 A-26.—Manufacturers' shipments and inventories, 1950-72

(Millions of dollars)

| Year or month       | Shipments <sup>1</sup> |                          |                              |         | Inventories <sup>2</sup> |                        |                 |                |                             |                        |                 |                |       |
|---------------------|------------------------|--------------------------|------------------------------|---------|--------------------------|------------------------|-----------------|----------------|-----------------------------|------------------------|-----------------|----------------|-------|
|                     | Total                  | Durable goods industries | Non-durable goods industries | Total   | Durable goods industries |                        |                 |                | Nondurable goods industries |                        |                 |                |       |
|                     |                        |                          |                              |         | Total                    | Materials and supplies | Work in process | Finished goods | Total                       | Materials and supplies | Work in process | Finished goods |       |
| 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                      | 8,971                  | 2,721           | 8,622          | ----- |
| 1957                | 28,736                 | 15,237                   | 13,498                       | 51,871  | 31,728                   | 10,608                 | 12,837          | 8,125          | 20,143                      | 8,775                  | 2,854           | 8,674          | ----- |
| 1958                | 27,280                 | 13,571                   | 13,708                       | 50,070  | 30,095                   | 9,847                  | 12,294          | 7,749          | 19,975                      | 8,671                  | 2,800           | 8,458          | ----- |
| 1959                | 30,219                 | 15,545                   | 14,674                       | 52,707  | 31,839                   | 10,585                 | 12,952          | 8,143          | 20,868                      | 9,089                  | 2,982           | 8,657          | ----- |
| 1960                | 30,796                 | 15,817                   | 14,979                       | 53,814  | 32,360                   | 10,286                 | 12,780          | 9,190          | 21,454                      | 9,113                  | 2,935           | 9,353          | ----- |
| 1961*               | 30,896                 | 15,544                   | 15,352                       | 54,939  | 32,509                   | 10,242                 | 13,211          | 9,056          | 22,430                      | 9,464                  | 3,193           | 9,773          | ----- |
| 1962                | 33,113                 | 17,103                   | 16,010                       | 58,213  | 34,605                   | 10,798                 | 14,205          | 9,602          | 23,608                      | 9,841                  | 3,304           | 10,463         | ----- |
| 1963                | 35,032                 | 18,247                   | 16,786                       | 60,043  | 35,813                   | 11,001                 | 14,997          | 9,815          | 24,230                      | 10,003                 | 3,410           | 10,817         | ----- |
| 1964                | 37,335                 | 19,634                   | 17,701                       | 63,386  | 38,436                   | 11,927                 | 16,253          | 10,256         | 24,950                      | 10,185                 | 3,519           | 11,246         | ----- |
| 1965                | 41,003                 | 22,216                   | 18,788                       | 68,221  | 42,227                   | 13,299                 | 18,152          | 10,776         | 25,994                      | 10,488                 | 3,823           | 11,683         | ----- |
| 1966                | 44,869                 | 24,633                   | 20,236                       | 77,965  | 49,818                   | 15,489                 | 21,982          | 12,347         | 28,147                      | 11,200                 | 4,226           | 12,721         | ----- |
| 1967                | 46,449                 | 25,212                   | 21,236                       | 84,606  | 54,900                   | 16,022                 | 25,261          | 13,617         | 29,706                      | 11,378                 | 4,525           | 13,803         | ----- |
| 1968                | 50,282                 | 27,694                   | 22,588                       | 90,835  | 59,053                   | 17,061                 | 27,274          | 14,618         | 31,782                      | 11,736                 | 4,921           | 15,185         | ----- |
| 1969                | 53,555                 | 29,459                   | 24,096                       | 96,956  | 63,255                   | 17,556                 | 29,541          | 16,158         | 33,701                      | 12,167                 | 5,257           | 16,277         | ----- |
| 1970                | 52,560                 | 28,061                   | 24,498                       | 101,709 | 66,826                   | 18,194                 | 30,926          | 17,706         | 34,883                      | 12,536                 | 5,042           | 17,305         | ----- |
| 1971                | 55,158                 | 29,464                   | 25,694                       | 101,665 | 65,874                   | 18,273                 | 30,267          | 17,334         | 35,791                      | 12,860                 | 5,161           | 17,770         | ----- |
| Seasonally adjusted |                        |                          |                              |         |                          |                        |                 |                |                             |                        |                 |                |       |
| 1970: Jan           | 53,319                 | 28,684                   | 24,635                       | 97,244  | 63,667                   | 17,649                 | 29,758          | 16,260         | 33,577                      | 12,007                 | 5,195           | 16,375         | ----- |
| Feb                 | 53,229                 | 28,560                   | 24,669                       | 97,954  | 64,014                   | 17,773                 | 29,922          | 16,319         | 33,940                      | 12,183                 | 5,153           | 16,604         | ----- |
| Mar                 | 52,791                 | 28,012                   | 24,779                       | 98,511  | 64,471                   | 17,770                 | 30,155          | 16,546         | 34,040                      | 12,307                 | 5,138           | 16,595         | ----- |
| Apr                 | 52,087                 | 27,844                   | 24,243                       | 99,314  | 64,984                   | 17,689                 | 30,481          | 16,814         | 34,330                      | 12,290                 | 5,140           | 16,900         | ----- |
| May                 | 52,714                 | 28,414                   | 24,300                       | 99,310  | 64,992                   | 17,615                 | 30,602          | 16,775         | 34,338                      | 12,249                 | 5,142           | 16,947         | ----- |
| June                | 52,977                 | 28,309                   | 24,668                       | 99,611  | 65,151                   | 17,618                 | 30,691          | 16,842         | 34,460                      | 12,237                 | 5,140           | 17,083         | ----- |
| July                | 53,096                 | 28,596                   | 24,500                       | 100,135 | 65,691                   | 17,659                 | 30,911          | 17,121         | 34,444                      | 12,218                 | 5,135           | 17,091         | ----- |
| Aug                 | 53,130                 | 28,628                   | 24,502                       | 100,452 | 66,065                   | 17,858                 | 30,974          | 17,233         | 34,387                      | 12,197                 | 5,051           | 17,139         | ----- |
| Sept                | 52,784                 | 28,318                   | 24,466                       | 100,695 | 66,235                   | 17,972                 | 30,963          | 17,300         | 34,460                      | 12,192                 | 5,022           | 17,246         | ----- |
| Oct                 | 51,595                 | 27,172                   | 24,423                       | 101,287 | 66,584                   | 18,065                 | 31,067          | 17,452         | 34,703                      | 12,304                 | 5,045           | 17,354         | ----- |
| Nov                 | 50,820                 | 26,623                   | 24,197                       | 101,903 | 66,950                   | 18,186                 | 31,162          | 17,602         | 34,953                      | 12,428                 | 5,053           | 17,472         | ----- |
| Dec                 | 52,365                 | 27,873                   | 24,492                       | 101,709 | 66,826                   | 18,194                 | 30,926          | 17,706         | 34,883                      | 12,536                 | 5,042           | 17,305         | ----- |
| 1971: Jan           | 52,742                 | 28,104                   | 24,638                       | 101,901 | 66,808                   | 18,249                 | 30,800          | 17,759         | 35,093                      | 12,502                 | 5,038           | 17,553         | ----- |
| Feb                 | 53,543                 | 28,487                   | 25,056                       | 101,761 | 66,719                   | 18,235                 | 30,624          | 17,860         | 35,042                      | 12,522                 | 5,037           | 17,483         | ----- |
| Mar                 | 54,334                 | 29,160                   | 25,174                       | 101,782 | 66,743                   | 18,171                 | 30,558          | 18,014         | 35,039                      | 12,433                 | 5,061           | 17,543         | ----- |
| Apr                 | 54,588                 | 29,127                   | 25,461                       | 101,643 | 66,698                   | 18,520                 | 30,370          | 17,808         | 34,945                      | 12,435                 | 5,042           | 17,470         | ----- |
| May                 | 55,123                 | 29,606                   | 25,517                       | 101,869 | 66,783                   | 18,735                 | 30,310          | 17,727         | 35,086                      | 12,433                 | 5,087           | 17,566         | ----- |
| June                | 55,752                 | 30,018                   | 25,734                       | 101,614 | 66,400                   | 18,806                 | 30,021          | 17,584         | 35,214                      | 12,566                 | 5,076           | 17,572         | ----- |
| July                | 55,207                 | 29,523                   | 25,684                       | 101,315 | 66,176                   | 18,999                 | 29,832          | 17,346         | 35,139                      | 12,519                 | 5,083           | 17,537         | ----- |
| Aug                 | 55,745                 | 29,930                   | 25,815                       | 101,283 | 66,096                   | 18,838                 | 29,899          | 17,359         | 35,187                      | 12,562                 | 5,071           | 17,554         | ----- |
| Sept                | 55,211                 | 29,328                   | 25,883                       | 101,425 | 66,129                   | 18,493                 | 30,156          | 17,480         | 35,296                      | 12,595                 | 5,105           | 17,596         | ----- |
| Oct                 | 55,531                 | 29,621                   | 25,910                       | 101,736 | 66,025                   | 18,339                 | 30,157          | 17,529         | 35,711                      | 12,718                 | 5,121           | 17,872         | ----- |
| Nov                 | 57,000                 | 30,348                   | 26,652                       | 101,639 | 65,877                   | 18,261                 | 30,247          | 17,369         | 35,822                      | 12,783                 | 5,145           | 17,894         | ----- |
| Dec                 | 57,388                 | 30,561                   | 26,827                       | 101,665 | 65,874                   | 18,273                 | 30,267          | 17,334         | 35,791                      | 12,860                 | 5,161           | 17,770         | ----- |
| 1972: Jan           | 58,839                 | 31,615                   | 27,224                       | 101,796 | 66,187                   | 18,278                 | 30,478          | 17,680         | 35,609                      | 12,836                 | 5,184           | 17,589         | ----- |
| Feb                 | 58,774                 | 31,616                   | 27,158                       | 102,158 | 66,419                   | 18,254                 | 30,645          | 17,520         | 35,739                      | 12,965                 | 5,187           | 17,587         | ----- |
| Mar                 | 59,894                 | 32,242                   | 27,652                       | 102,450 | 66,604                   | 18,144                 | 30,786          | 17,674         | 35,846                      | 12,791                 | 5,367           | 17,688         | ----- |
| Apr                 | 60,741                 | 33,103                   | 27,638                       | 102,428 | 66,575                   | 18,101                 | 30,794          | 17,680         | 35,853                      | 12,836                 | 5,274           | 17,743         | ----- |
| May                 | 60,957                 | 33,249                   | 27,708                       | 102,822 | 67,035                   | 18,152                 | 31,103          | 17,681         | 35,877                      | 12,781                 | 5,190           | 17,816         | ----- |
| June*               | 60,714                 | 32,720                   | 27,994                       | 103,519 | 67,355                   | 17,940                 | 31,496          | 17,919         | 36,164                      | 12,994                 | 5,266           | 17,904         | ----- |

<sup>1</sup> Monthly average for year and total for month.

<sup>2</sup> Book value, seasonally adjusted, end of period.

<sup>3</sup> Data prior to 1961 not completely comparable with later data. See Department of Commerce, Bureau of the Census, "Series M3-1.1," September 1968.

Source: Department of Commerce, Bureau of the Census.

TABLE A-27.—Manufacturers' new and unfilled orders, 1950-72

(Amounts in millions of dollars)

| 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, non-defense | Total                        | Durable goods industries | Non-durable goods industries | Total  | Durable goods industries | Non-durable goods industries |
|                     |                         | Total                    | Capital goods industries, non-defense |   |                              |                          |                              |  |                          |                              |
| 1950                | 20,110                  | 10,165                   | -----                                 | 9,945                                     | 43,055                       | 36,838                   | 6,217                        | -----  | -----                    | -----                        |
| 1951                | 23,907                  | 12,841                   | -----                                 | 11,066                                    | 69,785                       | 65,835                   | 3,950                        | -----  | -----                    | -----                        |
| 1952                | 23,203                  | 12,061                   | -----                                 | 11,142                                    | 75,649                       | 72,480                   | 3,169                        | -----  | -----                    | -----                        |
| 1953                | 23,533                  | 12,105                   | -----                                 | 11,428                                    | 61,178                       | 58,637                   | 2,541                        | -----  | -----                    | -----                        |
| 1954                | 22,313                  | 10,743                   | -----                                 | 11,570                                    | 48,266                       | 45,250                   | 3,016                        | 3.42   | 4.12                     | 0.96                         |
| 1955                | 27,423                  | 14,954                   | -----                                 | 12,469                                    | 60,094                       | 56,241                   | 3,763                        | 3.63   | 4.27                     | 1.12                         |
| 1956                | 28,383                  | 15,381                   | -----                                 | 13,002                                    | 67,375                       | 63,880                   | 3,495                        | 3.87   | 4.55                     | 1.04                         |
| 1957                | 27,514                  | 14,073                   | -----                                 | 13,441                                    | 53,183                       | 50,352                   | 2,831                        | 3.35   | 4.00                     | .85                          |
| 1958                | 26,901                  | 13,170                   | -----                                 | 13,731                                    | 48,882                       | 45,739                   | 3,143                        | 2.60   | 3.49                     | .85                          |
| 1959                | 30,679                  | 15,951                   | -----                                 | 14,728                                    | 54,494                       | 50,654                   | 3,840                        | 2.85   | 3.44                     | .88                          |
| 1960                | 30,115                  | 15,223                   | -----                                 | 14,892                                    | 46,133                       | 43,401                   | 2,732                        | 2.58   | 3.21                     | .63                          |
| 1961                | 31,085                  | 15,699                   | -----                                 | 15,387                                    | 48,395                       | 45,241                   | 3,154                        | 2.52   | 3.01                     | .72                          |
| 1962                | 33,005                  | 17,025                   | -----                                 | 15,980                                    | 47,307                       | 44,485                   | 2,822                        | 2.46   | 2.95                     | .65                          |
| 1963                | 35,322                  | 18,521                   | -----                                 | 16,801                                    | 50,940                       | 47,958                   | 2,982                        | 2.40   | 2.89                     | .63                          |
| 1964                | 37,952                  | 20,258                   | -----                                 | 17,694                                    | 58,506                       | 55,623                   | 2,885                        | 2.49   | 2.99                     | .57                          |
| 1965                | 41,803                  | 22,986                   | -----                                 | 18,817                                    | 68,146                       | 64,920                   | 3,226                        | 2.62   | 3.12                     | .60                          |
| 1966                | 45,936                  | 25,711                   | -----                                 | 20,224                                    | 81,469                       | 78,404                   | 3,065                        | 2.92   | 3.50                     | .56                          |
| 1967                | 46,988                  | 25,751                   | -----                                 | 21,238                                    | 87,656                       | 84,568                   | 3,088                        | 2.74   | 3.25                     | .52                          |
| 1968                | 50,271                  | 27,694                   | 6,971                                 | 22,577                                    | 87,381                       | 84,446                   | 2,935                        | 2.70   | 3.22                     | .47                          |
| 1969                | 53,648                  | 29,551                   | 7,694                                 | 24,097                                    | 88,422                       | 85,479                   | 2,943                        | 2.58   | 3.09                     | .45                          |
| 1970                | 51,529                  | 27,029                   | 6,822                                 | 24,500                                    | 75,873                       | 72,912                   | 2,961                        | 2.35   | 2.83                     | .45                          |
| 1971                | 55,074                  | 29,369                   | 7,398                                 | 25,705                                    | 74,826                       | 71,723                   | 3,103                        | 2.12   | 2.54                     | .44                          |
| Seasonally adjusted |                         |                          |                                       |   |                              |                          |                              |  |                          |                              |
| 1970: Jan           | 50,817                  | 26,266                   | 6,756                                 | 24,551                                    | 85,920                       | 83,061                   | 2,859                        | 2.56   | 3.08                     | 0.43                         |
| Feb                 | 51,857                  | 27,200                   | 7,130                                 | 24,657                                    | 84,548                       | 81,701                   | 2,847                        | 2.53   | 3.04                     | .43                          |
| Mar                 | 51,363                  | 26,590                   | 6,518                                 | 24,773                                    | 83,120                       | 80,279                   | 2,841                        | 2.53   | 3.05                     | .43                          |
| Apr                 | 51,009                  | 26,769                   | 6,684                                 | 24,240                                    | 82,042                       | 79,204                   | 2,838                        | 2.52   | 3.05                     | .44                          |
| May                 | 51,815                  | 27,526                   | 7,087                                 | 24,289                                    | 81,143                       | 78,316                   | 2,827                        | 2.46   | 2.96                     | .44                          |
| June                | 52,343                  | 27,716                   | 6,661                                 | 24,627                                    | 80,509                       | 77,723                   | 2,786                        | 2.45   | 2.95                     | .43                          |
| July                | 52,328                  | 27,815                   | 6,949                                 | 24,513                                    | 79,741                       | 76,942                   | 2,799                        | 2.40   | 2.89                     | .42                          |
| Aug                 | 51,976                  | 27,476                   | 6,670                                 | 24,500                                    | 78,587                       | 75,790                   | 2,797                        | 2.39   | 2.87                     | .43                          |
| Sept                | 51,674                  | 27,157                   | 6,661                                 | 24,517                                    | 77,477                       | 74,629                   | 2,848                        | 2.35   | 2.81                     | .44                          |
| Oct                 | 50,434                  | 25,952                   | 6,641                                 | 24,482                                    | 76,316                       | 73,409                   | 2,907                        | 2.37   | 2.85                     | .45                          |
| Nov                 | 50,163                  | 25,944                   | 6,480                                 | 24,219                                    | 75,659                       | 72,730                   | 2,929                        | 2.39   | 2.88                     | .46                          |
| Dec                 | 52,579                  | 28,055                   | 7,432                                 | 24,524                                    | 75,873                       | 72,912                   | 2,961                        | 2.35   | 2.83                     | .45                          |
| 1971: Jan           | 53,366                  | 28,703                   | 6,882                                 | 24,663                                    | 76,497                       | 73,511                   | 2,986                        | 2.37   | 2.85                     | .46                          |
| Feb                 | 53,858                  | 28,823                   | 6,810                                 | 25,035                                    | 76,812                       | 73,847                   | 2,965                        | 2.35   | 2.83                     | .45                          |
| Mar                 | 54,322                  | 29,095                   | 7,121                                 | 25,227                                    | 76,800                       | 73,782                   | 3,018                        | 2.30   | 2.75                     | .45                          |
| Apr                 | 53,812                  | 28,357                   | 7,009                                 | 25,455                                    | 76,024                       | 73,012                   | 3,012                        | 2.27   | 2.72                     | .45                          |
| May                 | 54,100                  | 28,620                   | 7,256                                 | 25,480                                    | 75,001                       | 72,026                   | 2,975                        | 2.20   | 2.63                     | .44                          |
| June                | 54,376                  | 28,619                   | 7,516                                 | 25,757                                    | 73,625                       | 70,627                   | 2,998                        | 2.13   | 2.55                     | .44                          |
| July                | 54,934                  | 29,230                   | 7,213                                 | 25,704                                    | 73,352                       | 70,334                   | 3,018                        | 2.15   | 2.58                     | .45                          |
| Aug                 | 56,213                  | 30,426                   | 7,492                                 | 25,787                                    | 73,820                       | 70,830                   | 2,990                        | 2.20   | 2.65                     | .43                          |
| Sept                | 55,029                  | 29,193                   | 7,471                                 | 25,836                                    | 73,638                       | 70,695                   | 2,943                        | 2.18   | 2.63                     | .43                          |
| Oct                 | 55,928                  | 29,959                   | 7,859                                 | 25,969                                    | 74,035                       | 71,033                   | 3,002                        | 2.17   | 2.61                     | .43                          |
| Nov                 | 57,621                  | 30,923                   | 7,932                                 | 26,698                                    | 74,656                       | 71,608                   | 3,048                        | 2.14   | 2.57                     | .44                          |
| Dec                 | 57,558                  | 30,676                   | 8,131                                 | 26,882                                    | 74,826                       | 71,723                   | 3,103                        | 2.12   | 2.54                     | .44                          |
| 1972: Jan           | 59,579                  | 32,262                   | 8,166                                 | 27,317                                    | 75,566                       | 72,370                   | 3,196                        | 2.07   | 2.48                     | .44                          |
| Feb                 | 59,547                  | 32,221                   | 8,196                                 | 27,326                                    | 76,339                       | 72,975                   | 3,364                        | 2.10   | 2.51                     | .46                          |
| Mar                 | 60,614                  | 32,845                   | 8,528                                 | 27,769                                    | 77,059                       | 73,578                   | 3,481                        | 2.07   | 2.48                     | .46                          |
| Apr                 | 61,209                  | 33,529                   | 8,785                                 | 27,680                                    | 77,528                       | 74,005                   | 3,523                        | 2.05   | 2.43                     | .47                          |
| May                 | 61,475                  | 33,765                   | 9,036                                 | 27,710                                    | 78,045                       | 74,521                   | 3,524                        | 2.05   | 2.44                     | .47                          |
| June                | 63,074                  | 35,058                   | 9,173                                 | 28,016                                    | 80,402                       | 76,855                   | 3,547                        | 2.19   | 2.55                     | .47                          |

<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.

<sup>4</sup> Data prior to 1961 not completely comparable with later data. Comparable data for new orders (total, durable, and non-durable) are available for 1958, 1959, and 1960 only. See Department of Commerce, Bureau of the Census, "Series M3-1.1," September 1968, for these data.

Source: Department of Commerce, Bureau of the Census.

# PRICES

TABLE A-28.—Consumer price indexes, major groups, 1950-72

For urban wage earners and clerical workers

[1967=100]

| Year or month | Commodities |                     |                        |                 |       |                       |         |             |                   | Services     |       |                        |  |
|---------------|-------------|---------------------|------------------------|-----------------|-------|-----------------------|---------|-------------|-------------------|--------------|-------|------------------------|--|
|               | All items   | All items less food | All items less shelter | All commodities | Food  | Commodities less food |         |             | Total non-durable | All services | Rent  | All services less rent |  |
|               |             |                     |                        |                 |       | All                   | Durable | Non-durable |                   |              |       |                        |  |
| 1950          | 72.1        | 71.1                | 73.1                   | 78.8            | 74.5  | 81.4                  | 88.4    | 76.2        | 75.4              | 58.7         | 70.4  | 56.0                   |  |
| 1951          | 77.8        | 75.7                | 79.2                   | 85.9            | 82.8  | 87.5                  | 95.1    | 82.0        | 82.5              | 61.8         | 73.2  | 59.3                   |  |
| 1952          | 79.5        | 77.5                | 80.8                   | 87.0            | 84.3  | 88.3                  | 96.4    | 82.4        | 83.4              | 64.5         | 76.2  | 62.2                   |  |
| 1953          | 80.1        | 79.0                | 81.0                   | 86.7            | 83.0  | 88.5                  | 95.7    | 83.1        | 83.2              | 67.3         | 80.3  | 64.8                   |  |
| 1954          | 80.5        | 79.5                | 81.0                   | 85.9            | 82.8  | 87.5                  | 93.3    | 83.5        | 83.2              | 69.5         | 83.2  | 66.7                   |  |
| 1955          | 80.2        | 79.7                | 80.6                   | 85.1            | 81.6  | 86.9                  | 91.5    | 83.5        | 82.5              | 70.9         | 84.3  | 68.2                   |  |
| 1956          | 81.4        | 81.1                | 81.7                   | 85.9            | 82.2  | 87.8                  | 91.5    | 85.3        | 83.7              | 72.7         | 85.9  | 70.1                   |  |
| 1957          | 84.3        | 83.8                | 84.4                   | 88.6            | 84.9  | 90.5                  | 94.4    | 87.6        | 86.3              | 75.6         | 87.5  | 73.3                   |  |
| 1958          | 86.6        | 85.7                | 86.9                   | 90.6            | 88.5  | 91.5                  | 95.9    | 88.2        | 88.6              | 78.5         | 89.1  | 76.4                   |  |
| 1959          | 87.3        | 87.3                | 87.6                   | 90.7            | 87.1  | 92.7                  | 97.3    | 89.3        | 88.2              | 80.8         | 90.4  | 79.0                   |  |
| 1960          | 88.7        | 88.8                | 88.9                   | 91.5            | 88.0  | 93.1                  | 96.7    | 90.7        | 89.4              | 83.5         | 91.7  | 81.9                   |  |
| 1961          | 89.6        | 89.7                | 89.9                   | 92.0            | 89.1  | 93.4                  | 96.6    | 91.2        | 90.2              | 85.2         | 92.9  | 83.9                   |  |
| 1962          | 90.6        | 90.8                | 90.9                   | 92.8            | 89.9  | 94.1                  | 97.6    | 91.8        | 90.9              | 86.8         | 94.0  | 85.5                   |  |
| 1963          | 91.7        | 92.0                | 92.1                   | 93.6            | 91.2  | 94.8                  | 97.9    | 92.7        | 92.0              | 88.5         | 95.0  | 87.3                   |  |
| 1964          | 92.9        | 93.2                | 93.2                   | 94.6            | 90.7  | 95.6                  | 98.8    | 93.5        | 93.0              | 90.2         | 95.9  | 89.2                   |  |
| 1965          | 94.5        | 94.5                | 94.6                   | 95.7            | 94.4  | 96.2                  | 98.4    | 94.8        | 94.6              | 92.2         | 96.9  | 91.5                   |  |
| 1966          | 97.2        | 96.7                | 97.4                   | 98.2            | 99.1  | 97.5                  | 98.5    | 97.0        | 98.1              | 95.8         | 98.2  | 95.3                   |  |
| 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       | 104.4               | 104.1                  | 103.7           | 103.6 | 103.7                 | 103.1   | 104.1       | 103.9             | 105.2        | 102.4 | 105.7                  |  |
| 1969          | 109.8       | 110.1               | 109.4                  | 108.4           | 108.9 | 108.1                 | 107.0   | 108.8       | 108.9             | 112.5        | 105.7 | 113.8                  |  |
| 1970          | 116.3       | 116.7               | 114.4                  | 113.5           | 114.9 | 112.5                 | 111.8   | 113.1       | 114.0             | 121.6        | 110.1 | 123.7                  |  |
| 1971          | 121.3       | 122.1               | 119.3                  | 117.4           | 118.4 | 116.8                 | 116.5   | 117.0       | 117.7             | 128.4        | 115.2 | 130.9                  |  |
| 1970: Jan     | 113.3       | 113.3               | 112.0                  | 111.2           | 113.5 | 110.0                 | 109.0   | 110.7       | 112.1             | 117.1        | 107.9 | 118.8                  |  |
| Feb           | 113.9       | 113.9               | 112.4                  | 111.7           | 114.1 | 110.3                 | 109.0   | 111.2       | 112.6             | 118.0        | 108.4 | 119.8                  |  |
| Mar           | 114.5       | 114.6               | 112.8                  | 112.0           | 114.2 | 110.6                 | 109.4   | 111.5       | 112.9             | 119.3        | 108.8 | 121.2                  |  |
| Apr           | 115.2       | 115.4               | 113.5                  | 112.6           | 114.6 | 111.4                 | 110.1   | 112.3       | 113.4             | 120.1        | 109.1 | 122.1                  |  |
| May           | 115.7       | 116.0               | 114.0                  | 113.1           | 114.9 | 112.0                 | 111.1   | 112.7       | 113.9             | 120.7        | 109.4 | 122.8                  |  |
| June          | 116.3       | 116.5               | 114.4                  | 113.5           | 115.2 | 112.5                 | 111.9   | 112.9       | 114.0             | 121.4        | 109.8 | 123.5                  |  |
| July          | 116.7       | 117.0               | 114.8                  | 113.8           | 115.8 | 112.5                 | 112.1   | 113.0       | 114.4             | 122.0        | 110.1 | 124.2                  |  |
| Aug           | 116.9       | 117.2               | 114.9                  | 113.8           | 115.9 | 112.6                 | 112.2   | 113.0       | 114.5             | 122.7        | 110.5 | 124.9                  |  |
| Sept          | 117.5       | 118.0               | 115.4                  | 114.2           | 115.7 | 113.4                 | 112.5   | 114.1       | 114.9             | 123.5        | 110.9 | 125.8                  |  |
| Oct           | 118.1       | 118.9               | 116.0                  | 114.8           | 115.5 | 114.5                 | 113.9   | 114.9       | 115.2             | 124.1        | 111.4 | 126.5                  |  |
| Nov           | 118.5       | 119.6               | 116.3                  | 115.1           | 114.9 | 115.1                 | 114.7   | 115.4       | 115.3             | 124.9        | 111.8 | 127.3                  |  |
| Dec           | 119.1       | 120.2               | 116.8                  | 115.6           | 115.3 | 115.5                 | 115.2   | 115.7       | 115.6             | 125.6        | 112.6 | 128.0                  |  |
| 1971: Jan     | 119.2       | 120.3               | 117.0                  | 115.4           | 115.5 | 115.2                 | 115.2   | 115.3       | 115.4             | 126.3        | 112.9 | 128.7                  |  |
| Feb           | 119.4       | 120.4               | 117.4                  | 115.5           | 115.9 | 115.2                 | 115.0   | 115.4       | 115.7             | 126.6        | 113.6 | 129.0                  |  |
| Mar           | 119.8       | 120.6               | 118.0                  | 116.1           | 117.0 | 115.5                 | 115.2   | 115.7       | 116.4             | 126.6        | 113.9 | 128.9                  |  |
| Apr           | 120.2       | 120.9               | 118.6                  | 116.6           | 117.8 | 115.8                 | 115.7   | 116.0       | 116.9             | 126.8        | 114.4 | 129.1                  |  |
| May           | 120.8       | 121.6               | 119.2                  | 117.2           | 118.2 | 116.6                 | 116.6   | 116.6       | 117.4             | 127.5        | 114.7 | 129.8                  |  |
| June          | 121.5       | 122.2               | 119.8                  | 117.9           | 119.2 | 117.1                 | 117.4   | 116.9       | 118.1             | 128.2        | 115.2 | 130.6                  |  |
| July          | 121.8       | 122.4               | 120.0                  | 118.1           | 119.8 | 117.0                 | 117.5   | 116.7       | 118.3             | 128.8        | 115.4 | 131.2                  |  |
| Aug           | 122.1       | 122.7               | 120.2                  | 118.2           | 120.0 | 117.1                 | 116.9   | 117.2       | 118.6             | 129.4        | 115.8 | 131.9                  |  |
| Sept          | 122.2       | 123.1               | 120.2                  | 118.1           | 119.1 | 117.4                 | 116.4   | 118.2       | 118.7             | 129.8        | 116.1 | 132.3                  |  |
| Oct           | 122.4       | 123.5               | 120.3                  | 118.4           | 118.9 | 118.0                 | 117.1   | 118.7       | 118.8             | 130.0        | 116.4 | 132.5                  |  |
| Nov           | 122.6       | 123.7               | 120.4                  | 118.5           | 119.0 | 118.1                 | 117.4   | 118.7       | 118.9             | 130.4        | 116.6 | 132.9                  |  |
| Dec           | 123.1       | 123.9               | 120.9                  | 118.9           | 120.3 | 118.1                 | 117.2   | 118.8       | 119.5             | 130.8        | 116.9 | 133.3                  |  |
| 1972: Jan     | 123.2       | 124.0               | 120.9                  | 118.7           | 120.3 | 117.7                 | 117.3   | 118.1       | 119.2             | 131.5        | 117.1 | 134.1                  |  |
| Feb           | 123.8       | 124.2               | 121.5                  | 119.4           | 122.2 | 117.8                 | 117.1   | 118.4       | 120.3             | 131.8        | 117.5 | 134.4                  |  |
| Mar           | 124.0       | 124.5               | 121.8                  | 119.7           | 122.4 | 118.2                 | 117.3   | 118.9       | 120.6             | 132.0        | 117.7 | 134.7                  |  |
| Apr           | 124.3       | 124.9               | 122.1                  | 119.9           | 122.4 | 118.5                 | 117.7   | 119.1       | 120.7             | 132.4        | 118.1 | 135.0                  |  |
| May           | 124.7       | 125.4               | 122.4                  | 120.3           | 122.3 | 119.2                 | 118.4   | 119.7       | 121.0             | 132.7        | 118.3 | 135.3                  |  |
| June          | 125.0       | 125.7               | 122.7                  | 120.7           | 123.0 | 119.4                 | 119.2   | 119.5       | 121.2             | 133.1        | 118.8 | 135.7                  |  |

Source: Department of Labor, Bureau of Labor Statistics.

TABLE A-29.—Percent changes in consumer price indexes, major groups, 1950-72

[Percent change from preceding period ]

| Year or month | All items  |                     | Food       |                     | Commodities less food |                     | Services <sup>1</sup> |
|---------------|------------|---------------------|------------|---------------------|-----------------------|---------------------|-----------------------|
|               | Unadjusted | Seasonally adjusted | Unadjusted | Seasonally adjusted | Unadjusted            | Seasonally adjusted | Unadjusted            |
| 1950          | 5.8        |                     | 9.6        |                     |                       |                     |                       |
| 1951          | 5.9        |                     | 7.4        |                     |                       |                     |                       |
| 1952          | .9         |                     | -1.1       |                     |                       |                     |                       |
| 1953          | .6         |                     | -1.3       |                     |                       |                     |                       |
| 1954          | -.5        |                     | -1.6       |                     |                       |                     |                       |
| 1955          | .4         |                     | -.9        |                     |                       |                     |                       |
| 1956          | 2.9        |                     | 3.1        |                     |                       |                     |                       |
| 1957          | 3.0        |                     | 2.8        |                     | 2.2                   |                     | 4.5                   |
| 1958          | 1.8        |                     | 2.2        |                     | .8                    |                     | 2.7                   |
| 1959          | 1.5        |                     | -.8        |                     | 1.5                   |                     | 3.7                   |
| 1960          | 1.5        |                     | 3.1        |                     | -.3                   |                     | 2.7                   |
| 1961          | .7         |                     | -.9        |                     | .6                    |                     | 1.9                   |
| 1962          | 1.2        |                     | 1.5        |                     | .7                    |                     | 1.7                   |
| 1963          | 1.6        |                     | 1.9        |                     | 1.2                   |                     | 2.3                   |
| 1964          | 1.2        |                     | 1.4        |                     | .4                    |                     | 1.8                   |
| 1965          | 1.9        |                     | 3.4        |                     | .7                    |                     | 2.6                   |
| 1966          | 3.4        |                     | 3.9        |                     | 1.9                   |                     | 4.9                   |
| 1967          | 3.0        |                     | 1.2        |                     | 3.1                   |                     | 4.0                   |
| 1968          | 4.7        |                     | 4.3        |                     | 3.7                   |                     | 6.1                   |
| 1969          | 6.1        |                     | 7.2        |                     | 4.5                   |                     | 7.4                   |
| 1970          | 5.5        |                     | 2.2        |                     | 4.8                   |                     | 8.2                   |
| 1971          | 3.4        |                     | 4.3        |                     | 2.3                   |                     | 4.1                   |
| 1970: Jan     | .4         | 0.5                 | .6         | 0.5                 | -.2                   | 0.2                 | .9                    |
| Feb           | .5         | .6                  | .5         | .7                  | .3                    | .4                  | .8                    |
| Mar           | .5         | .4                  | .4         | .0                  | .3                    | .2                  | 1.1                   |
| Apr           | .6         | .5                  | .4         | .3                  | .7                    | .6                  | .7                    |
| May           | .4         | .4                  | .3         | .3                  | .5                    | .4                  | .5                    |
| June          | .5         | .4                  | .3         | -.1                 | .4                    | .4                  | .6                    |
| July          | .3         | .3                  | .5         | .1                  | .0                    | .2                  | .5                    |
| Aug           | .2         | .3                  | .1         | .1                  | .1                    | .3                  | .6                    |
| Sept          | .5         | .6                  | -.2        | .4                  | .7                    | .5                  | .7                    |
| Oct           | .5         | .5                  | -.2        | .0                  | 1.0                   | .4                  | .5                    |
| Nov           | .3         | .4                  | -.5        | .1                  | .5                    | .4                  | .6                    |
| Dec           | .5         | .4                  | .3         | -.2                 | .3                    | .7                  | .6                    |
| 1971: Jan     | .1         | .3                  | .2         | .1                  | -.3                   | -.1                 | .6                    |
| Feb           | .2         | .2                  | .3         | .5                  | .0                    | -.1                 | .2                    |
| Mar           | .3         | .2                  | .9         | .9                  | .3                    | -.2                 | .0                    |
| Apr           | .3         | .3                  | .7         | .6                  | .3                    | -.2                 | .2                    |
| May           | .5         | .5                  | .3         | .3                  | .7                    | .6                  | .6                    |
| June          | .6         | .4                  | .8         | .4                  | .4                    | .3                  | .5                    |
| July          | .2         | .3                  | .5         | .2                  | -.1                   | .2                  | .6                    |
| Aug           | .2         | .3                  | .2         | .3                  | .1                    | .3                  | .5                    |
| Sept          | .1         | .1                  | -.8        | -.3                 | .3                    | .0                  | .3                    |
| Oct           | .2         | .2                  | -.2        | -.1                 | .5                    | .0                  | .2                    |
| Nov           | .2         | .2                  | .1         | .8                  | .1                    | .0                  | .3                    |
| Dec           | .4         | .3                  | 1.1        | .6                  | .0                    | .2                  | .3                    |
| 1972: Jan     | .1         | .3                  | .0         | -.1                 | -.3                   | .2                  | .5                    |
| Feb           | .5         | .6                  | 1.6        | 1.8                 | -.1                   | .3                  | .2                    |
| Mar           | .2         | .0                  | .2         | .0                  | .3                    | .2                  | .3                    |
| Apr           | .2         | .2                  | .0         | -.1                 | .3                    | .5                  | .2                    |
| May           | .3         | .3                  | -.1        | -.1                 | .6                    | .2                  | .2                    |
| June          | .2         | .1                  | .6         | .2                  | .2                    | .0                  | .3                    |

<sup>1</sup> Annual changes are from December to December.

<sup>2</sup> Percent changes for services are based on unadjusted indexes since these prices have little seasonal movement.

Note.—The seasonally adjusted changes for the all items index are based on seasonal adjustment factors and seasonally adjusted indexes carried to two decimal places.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE A-30.—Wholesale price indexes, major groups, 1950-72

[1967=100]

| Year or month | All commodities | Farm products and processed foods and feeds |               |                           | Industrial commodities       |                              |                                     |                          |                         |                |                                |  |
|---------------|-----------------|---|---------------|---------------------------|------------------------------|------------------------------|-------------------------------------|--------------------------|-------------------------|----------------|--------------------------------|--|
|               |                 | Total                                       | Farm products | Processed foods and feeds | All industrials <sup>1</sup> | Crude materials <sup>2</sup> | Intermediate materials <sup>3</sup> | Producers finished goods | Consumer finished goods |                |                                |  |
|               |                 |   |               |                           |                              |                              |                                     |                          | Total                   | Consumer foods | Consumer goods excluding foods |  |
| 1950          | 81.8            | 93.9  | 106.7         | 83.4                      | 78.0                         | 93.6                         | 77.7                                | 64.9                     | 83.9                    | 84.7           | 83.5                           |  |
| 1951          | 91.1            | 106.9                                       | 124.2         | 92.7                      | 86.1                         | 102.9                        | 81.0                                | 71.2                     | 91.8                    | 95.2           | 89.5                           |  |
| 1952          | 88.6            | 102.7                                       | 117.2         | 91.6                      | 84.1                         | 93.1                         | 84.3                                | 72.4                     | 90.7                    | 94.3           | 88.3                           |  |
| 1953          | 87.4            | 96.0  | 106.2         | 87.4                      | 84.8                         | 92.4                         | 85.3                                | 73.5                     | 89.2                    | 89.4           | 89.1                           |  |
| 1954          | 87.6            | 95.7  | 104.7         | 88.9                      | 85.0                         | 88.0                         | 85.7                                | 74.5                     | 89.1                    | 88.7           | 89.4                           |  |
| 1955          | 87.8            | 91.2  | 98.2          | 85.0                      | 85.9                         | 96.6                         | 88.3                                | 76.7                     | 88.5                    | 86.5           | 90.1                           |  |
| 1956          | 90.7            | 90.6  | 96.9          | 84.9                      | 90.8                         | 102.3                        | 92.6                                | 82.4                     | 89.8                    | 86.3           | 92.3                           |  |
| 1957          | 93.3            | 93.7  | 99.5          | 87.4                      | 93.3                         | 100.9                        | 95.0                                | 87.6                     | 92.4                    | 89.3           | 94.6                           |  |
| 1958          | 94.6            | 98.1  | 103.9         | 91.8                      | 93.6                         | 96.9                         | 94.8                                | 89.7                     | 94.4                    | 94.5           | 94.7                           |  |
| 1959          | 94.8            | 93.5  | 97.5          | 89.4                      | 95.3                         | 102.3                        | 96.4                                | 91.5                     | 93.6                    | 90.1           | 95.9                           |  |
| 1960          | 94.9            | 93.7  | 97.2          | 89.5                      | 95.3                         | 98.3                         | 96.8                                | 91.6                     | 94.5                    | 92.1           | 96.3                           |  |
| 1961          | 94.5            | 93.7  | 96.3          | 91.0                      | 94.8                         | 97.2                         | 95.5                                | 91.8                     | 94.3                    | 91.7           | 96.2                           |  |
| 1962          | 94.8            | 94.7  | 98.0          | 91.9                      | 94.8                         | 95.6                         | 95.3                                | 92.2                     | 94.6                    | 92.5           | 96.0                           |  |
| 1963          | 94.5            | 93.8  | 96.0          | 92.5                      | 94.7                         | 94.3                         | 95.0                                | 92.4                     | 94.1                    | 91.4           | 96.0                           |  |
| 1964          | 94.7            | 93.2  | 94.6          | 92.3                      | 95.2                         | 97.1                         | 95.6                                | 93.3                     | 94.3                    | 91.9           | 95.9                           |  |
| 1965          | 96.6            | 97.1  | 98.7          | 95.5                      | 96.4                         | 100.9                        | 96.9                                | 94.4                     | 96.1                    | 95.4           | 96.6                           |  |
| 1966          | 99.8            | 103.5                                       | 105.9         | 101.2                     | 98.5                         | 104.5                        | 98.9                                | 96.8                     | 99.4                    | 101.6          | 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                          |  |
| 1968          | 102.5           | 102.4                                       | 102.5         | 102.2                     | 102.5                        | 102.0                        | 102.6                               | 103.5                    | 102.7                   | 103.7          | 102.1                          |  |
| 1969          | 106.5           | 107.9                                       | 109.1         | 107.3                     | 106.0                        | 110.6                        | 106.2                               | 106.9                    | 106.5                   | 110.0          | 104.6                          |  |
| 1970          | 110.4           | 111.6                                       | 111.0         | 112.0                     | 110.0                        | 118.8                        | 110.0                               | 111.9                    | 109.9                   | 113.4          | 107.7                          |  |
| 1971          | 113.9           | 113.8                                       | 112.9         | 114.3                     | 114.0                        | 122.7                        | 114.3                               | 116.6                    | 112.7                   | 115.2          | 111.2                          |  |
| 1970: Jan.    | 109.3           | 112.4                                       | 112.8         | 112.0                     | 108.3                        | 116.0                        | 108.3                               | 110.1                    | 109.6                   | 115.4          | 106.2                          |  |
| Feb.          | 109.7           | 112.8                                       | 114.0         | 112.1                     | 108.7                        | 118.5                        | 108.7                               | 110.3                    | 109.6                   | 115.0          | 106.4                          |  |
| Mar.          | 109.9           | 112.9                                       | 114.6         | 111.8                     | 108.9                        | 118.5                        | 109.0                               | 110.7                    | 109.7                   | 115.1          | 106.6                          |  |
| Apr.          | 109.9           | 111.8                                       | 111.6         | 111.8                     | 109.3                        | 120.3                        | 109.4                               | 110.8                    | 109.2                   | 113.3          | 106.7                          |  |
| May           | 110.1           | 111.2                                       | 111.3         | 111.1                     | 109.7                        | 120.0                        | 109.9                               | 111.1                    | 109.3                   | 112.9          | 107.1                          |  |
| June          | 110.3           | 111.7                                       | 111.6         | 111.7                     | 109.8                        | 119.5                        | 110.1                               | 111.3                    | 109.6                   | 113.4          | 107.3                          |  |
| July          | 110.9           | 113.4                                       | 113.4         | 113.3                     | 110.0                        | 117.0                        | 110.3                               | 111.6                    | 110.3                   | 115.0          | 107.5                          |  |
| Aug.          | 110.5           | 111.2                                       | 108.5         | 112.9                     | 110.2                        | 117.2                        | 110.5                               | 111.9                    | 109.5                   | 112.6          | 107.7                          |  |
| Sept.         | 111.0           | 112.6                                       | 112.1         | 113.0                     | 110.4                        | 118.7                        | 110.7                               | 112.3                    | 110.4                   | 114.2          | 108.0                          |  |
| Oct.          | 111.0           | 110.3                                       | 107.8         | 111.8                     | 111.3                        | 120.6                        | 111.0                               | 113.8                    | 110.1                   | 111.3          | 109.4                          |  |
| Nov.          | 110.9           | 109.9                                       | 107.0         | 111.7                     | 111.3                        | 118.2                        | 111.0                               | 114.2                    | 110.5                   | 112.0          | 109.6                          |  |
| Dec.          | 111.0           | 109.3                                       | 107.1         | 110.7                     | 111.7                        | 119.8                        | 111.0                               | 115.1                    | 110.5                   | 111.0          | 110.2                          |  |
| 1971: Jan.    | 111.8           | 110.7                                       | 108.9         | 111.8                     | 112.2                        | 121.4                        | 111.5                               | 115.6                    | 111.3                   | 112.3          | 110.7                          |  |
| Feb.          | 112.8           | 113.6                                       | 113.9         | 113.3                     | 112.5                        | 121.8                        | 112.0                               | 115.9                    | 112.0                   | 113.9          | 110.8                          |  |
| Mar.          | 113.0           | 113.4                                       | 113.0         | 113.7                     | 112.8                        | 121.4                        | 112.7                               | 116.0                    | 112.1                   | 114.6          | 110.6                          |  |
| Apr.          | 113.3           | 113.3                                       | 113.0         | 113.5                     | 113.3                        | 124.1                        | 113.3                               | 116.1                    | 112.0                   | 114.5          | 110.5                          |  |
| May           | 113.8           | 114.3                                       | 114.0         | 114.5                     | 113.7                        | 123.5                        | 113.8                               | 116.3                    | 112.7                   | 115.6          | 110.9                          |  |
| June          | 114.3           | 115.4                                       | 116.0         | 114.9                     | 113.9                        | 122.8                        | 114.1                               | 116.5                    | 113.1                   | 116.4          | 111.0                          |  |
| July          | 114.6           | 115.0                                       | 113.4         | 116.0                     | 114.5                        | 122.7                        | 114.9                               | 116.8                    | 113.0                   | 115.6          | 111.4                          |  |
| Aug.          | 114.9           | 114.6                                       | 113.2         | 115.4                     | 115.1                        | 122.3                        | 115.9                               | 117.1                    | 113.3                   | 116.1          | 111.5                          |  |
| Sept.         | 114.5           | 113.0                                       | 110.5         | 114.6                     | 115.0                        | 123.0                        | 115.9                               | 116.9                    | 112.7                   | 114.9          | 111.3                          |  |
| Oct.          | 114.4           | 113.0                                       | 111.3         | 114.1                     | 115.0                        | 122.9                        | 115.7                               | 117.1                    | 112.9                   | 115.0          | 111.6                          |  |
| Nov.          | 114.5           | 113.6                                       | 112.2         | 114.4                     | 114.9                        | 122.6                        | 115.6                               | 117.0                    | 113.1                   | 115.7          | 111.6                          |  |
| Dec.          | 115.4           | 115.9                                       | 115.8         | 115.9                     | 115.3                        | 123.4                        | 115.8                               | 117.8                    | 114.2                   | 117.7          | 112.1                          |  |
| 1972: Jan.    | 116.3           | 117.4                                       | 117.8         | 117.2                     | 115.9                        | 125.6                        | 116.4                               | 118.4                    | 114.7                   | 118.7          | 112.3                          |  |
| Feb.          | 117.3           | 119.6                                       | 120.7         | 118.8                     | 116.5                        | 127.0                        | 117.2                               | 118.8                    | 115.6                   | 120.6          | 112.5                          |  |
| Mar.          | 117.4           | 119.1                                       | 119.7         | 118.6                     | 116.8                        | 129.1                        | 117.6                               | 119.0                    | 115.2                   | 119.4          | 112.7                          |  |
| Apr.          | 117.5           | 118.3                                       | 119.1         | 117.7                     | 117.3                        | 129.3                        | 118.2                               | 119.3                    | 114.8                   | 118.0          | 112.9                          |  |
| May           | 118.2           | 120.0                                       | 122.2         | 118.6                     | 117.6                        | 129.9                        | 118.6                               | 119.4                    | 115.5                   | 119.5          | 113.1                          |  |
| June          | 118.8           | 121.3                                       | 124.0         | 119.6                     | 117.9                        | 129.8                        | 119.0                               | 119.6                    | 116.1                   | 120.7          | 113.4                          |  |
| July          | 119.7           | 124.0                                       | 128.0         | 121.5                     | 118.1                        | 130.2                        | 119.2                               | 119.7                    | 117.3                   | 123.3          | 113.7                          |  |

<sup>1</sup> Coverage of the subgroups does not correspond exactly to coverage of this index.

<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; includes, in part, grain products for further processing.

Source: Department of Labor, Bureau of Labor Statistics.



TABLE A-31.—Percent changes in wholesale price indexes, major groups, 1950-72

[Percent change from preceding period]

| Year or month | All commodities |                     | Industrial commodities |                     | Farm products and processed foods and feeds |                     | Consumer finished goods, total |                     | Consumer foods |                     | Consumer goods excluding foods |                     |
|---------------|-----------------|---------------------|------------------------|---------------------|---|---------------------|--------------------------------|---------------------|----------------|---------------------|--------------------------------|---------------------|
|               | Unadjusted      | Seasonally adjusted | Unadjusted             | Seasonally adjusted | Unadjusted                                  | Seasonally adjusted | Unadjusted                     | Seasonally adjusted | Unadjusted     | Seasonally adjusted | Unadjusted                     | Seasonally adjusted |
| 1950          | 14.7            |                     | 14.0                   |                     | 17.0  |                     | 10.2                           |                     | 13.3           |                     | 8.2                            |                     |
| 1951          | 1.2             |                     | .4                     |                     | 3.5   |                     | 2.7                            |                     | 5.3            |                     | .9                             |                     |
| 1952          | -3.4            |                     | -1.4                   |                     | -8.2  |                     | -3.1                           |                     | -5.9           |                     | -1.1                           |                     |
| 1953          | .5              |                     | 1.4                    |                     | -2.3  |                     | -1                             |                     | -2.2           |                     | 1.6                            |                     |
| 1954          | -6              |                     | .2                     |                     | -2.6  |                     | -6                             |                     | -1.9           |                     | .3                             |                     |
| 1955          | 1.6             |                     | 4.3                    |                     | -6.4  |                     | -1                             |                     | -2.9           |                     | 1.7                            |                     |
| 1956          | 4.5             |                     | 4.2                    |                     | 6.0   |                     | 3.1                            |                     | 3.6            |                     | 2.5                            |                     |
| 1957          | 2.0             |                     | 1.1                    |                     | 4.2   |                     | 3.0                            |                     | 5.3            |                     | 1.7                            |                     |
| 1958          | .5              |                     | .9                     |                     | -2  |                     | -2                             |                     | .4             |                     | .2                             |                     |
| 1959          | -3              |                     | 1.2                    |                     | -4.4  |                     | -7                             |                     | -3.7           |                     | .8                             |                     |
| 1960          | .5              |                     | -.6                    |                     | 3.9   |                     | 2.1                            |                     | 5.2            |                     | .4                             |                     |
| 1961          | -2              |                     | -.1                    |                     | -.6   |                     | -.8                            |                     | -1.3           |                     | -.3                            |                     |
| 1962          | .0              |                     | -.2                    |                     | .6  |                     | -1                             |                     | .5             |                     | -.1                            |                     |
| 1963          | -1              |                     | -.3                    |                     | -2.1  |                     | -4                             |                     | -1.3           |                     | -.1                            |                     |
| 1964          | .4              |                     | .6                     |                     | .0  |                     | .2                             |                     | .4             |                     | .1                             |                     |
| 1965          | 3.4             |                     | 1.4                    |                     | 9.5   |                     | 4.0                            |                     | 9.1            |                     | .9                             |                     |
| 1966          | 1.7             |                     | 2.2                    |                     | .2  |                     | 1.6                            |                     | 1.4            |                     | 1.7                            |                     |
| 1967          | 1.0             |                     | 1.9                    |                     | -1.8  |                     | 1.2                            |                     | -4             |                     | 2.1                            |                     |
| 1968          | 2.8             |                     | 2.7                    |                     | 3.5   |                     | 3.1                            |                     | 4.8            |                     | 2.0                            |                     |
| 1969          | 4.8             |                     | 3.9                    |                     | 7.5   |                     | 4.9                            |                     | 8.2            |                     | 2.9                            |                     |
| 1970          | 2.2             |                     | 3.6                    |                     | -1.4  |                     | 1.4                            |                     | -2.5           |                     | 4.0                            |                     |
| 1971          | 4.0             |                     | 3.2                    |                     | 6.0   |                     | 3.3                            |                     | 6.0            |                     | 1.7                            |                     |
| 1970: Jan.    | .6              | 0.4                 | .5                     | 0.3                 | 1.4   | 0.9                 | .6                             | 0.4                 | 1.3            | 0.9                 | .2                             | 0.3                 |
| Feb.          | .4              | .1                  | .4                     | .2                  | .4  | -.1                 | .1                             | -.1                 | -.3            | -.3                 | .2                             | .2                  |
| Mar.          | .2              | .2                  | .2                     | .2                  | .1  | .3                  | .0                             | .3                  | .1             | .3                  | .2                             | .9                  |
| Apr.          | .0              | .2                  | .4                     | .4                  | -1.0  | -.5                 | -.5                            | -.2                 | -1.6           | -.8                 | .1                             | .2                  |
| May           | .2              | .0                  | .4                     | .4                  | -.5   | -1.3                | -.1                            | -.2                 | -.4            | -.1                 | -.4                            | .4                  |
| June          | .2              | .1                  | .1                     | .2                  | .4  | -.2                 | .3                             | .0                  | -.4            | -.3                 | .2                             | .1                  |
| July          | .5              | .5                  | .2                     | .3                  | 1.5   | 1.2                 | .6                             | .5                  | 1.4            | .6                  | .2                             | .2                  |
| Aug.          | -.4             | .1                  | -.2                    | .2                  | -1.9  | -.4                 | -.7                            | .0                  | -2.1           | -.4                 | .2                             | .3                  |
| Sept.         | .5              | .5                  | .2                     | .2                  | 1.3   | 1.3                 | .8                             | .5                  | 1.4            | .6                  | .3                             | .5                  |
| Oct.          | .0              | .2                  | .8                     | .6                  | -2.0  | -.9                 | -.3                            | .1                  | -2.5           | -.6                 | 1.3                            | .8                  |
| Nov.          | -.1             | -.1                 | .0                     | .2                  | -.4   | -.5                 | .4                             | .3                  | .6             | .0                  | .2                             | .3                  |
| Dec.          | .1              | -.1                 | .4                     | .3                  | -.5   | -1.1                | .0                             | .1                  | -.9            | -1.3                | .5                             | .5                  |
| 1971: Jan.    | .7              | .5                  | .4                     | .3                  | 1.3   | .8                  | .7                             | .5                  | 1.2            | .8                  | .5                             | .5                  |
| Feb.          | .9              | .6                  | .3                     | .1                  | 2.6   | 1.9                 | .6                             | .5                  | 1.4            | 1.3                 | -.1                            | .1                  |
| Mar.          | .2              | .2                  | .3                     | .3                  | -.2   | -.1                 | -.1                            | -.2                 | .6             | .6                  | -.1                            | -.1                 |
| Apr.          | .3              | .5                  | .4                     | .4                  | -.1   | .5                  | -.1                            | .3                  | -.1            | .8                  | -.1                            | .0                  |
| May           | .4              | .3                  | .4                     | .5                  | .9  | .2                  | .6                             | .4                  | 1.0            | .2                  | -.4                            | .4                  |
| June          | .4              | .4                  | .2                     | .3                  | 1.0   | .4                  | .4                             | .1                  | .7             | .2                  | .1                             | .0                  |
| July          | .3              | .2                  | .5                     | .6                  | -.3   | -.7                 | -.1                            | -.4                 | -.7            | -1.5                | .4                             | .4                  |
| Aug.          | .3              | .7                  | .5                     | .5                  | -.3   | 1.2                 | .3                             | 1.1                 | .4             | 2.0                 | .1                             | .2                  |
| Sept.         | -.3             | -.3                 | -.1                    | -.1                 | -1.4  | -1.2                | -.5                            | -.8                 | -1.0           | -1.8                | -.2                            | .0                  |
| Oct.          | -.1             | .1                  | .0                     | -.2                 | .0  | 1.1                 | .2                             | .4                  | .1             | 2.1                 | -.2                            | -.2                 |
| Nov.          | .1              | .1                  | -.1                    | .1                  | .5  | .3                  | .2                             | .1                  | .6             | -.2                 | .0                             | .1                  |
| Dec.          | .8              | .6                  | .3                     | .2                  | 2.0   | 1.4                 | 1.0                            | .9                  | 1.7            | 1.5                 | .4                             | .4                  |
| 1972: Jan.    | .8              | .5                  | .5                     | .4                  | 1.3   | .9                  | .4                             | .3                  | .8             | .4                  | .2                             | .3                  |
| Feb.          | .9              | .5                  | .5                     | .4                  | 1.9   | 1.2                 | .8                             | .7                  | 1.6            | 1.5                 | .2                             | .2                  |
| Mar.          | .1              | .1                  | .3                     | .3                  | -.4   | -.3                 | -.3                            | -.3                 | -1.0           | -1.0                | -.2                            | -.3                 |
| Apr.          | .1              | .3                  | .4                     | .4                  | -.7   | -.1                 | -.3                            | .0                  | -.2            | -.3                 | -.2                            | -.2                 |
| May           | .6              | .5                  | .3                     | .4                  | 1.4   | .8                  | .6                             | .3                  | 1.3            | .3                  | .3                             | .2                  |
| June          | .5              | .5                  | .3                     | .4                  | 1.1   | .5                  | .5                             | .3                  | 1.0            | .5                  | .3                             | .2                  |
| July          | .8              | .7                  | .2                     | .2                  | 2.2   | 1.8                 | 1.0                            | .8                  | 2.2            | 1.3                 | .3                             | .3                  |

<sup>1</sup> Annual changes are from December to December.

Note.—The seasonally adjusted changes for all commodities and industrial commodities are based on seasonal adjustment factors and seasonally adjusted indexes carried to two decimal places.

Source: Department of Labor, Bureau of Labor Statistics.

# MONEY STOCK, INTEREST RATES, AND DEBT

TABLE A-32.—*Money stock measures, 1950-72*  
 [Averages of daily figures; billions of dollars, seasonally adjusted]

| Year and month | Overall measures                               |  |   | Components and related items |                              |                               |                         |   |       | U.S. Government deposits (unadjusted) <sup>6</sup> |
|----------------|--|--|---|------------------------------|------------------------------|-------------------------------|-------------------------|---|-------|--|
|                | M <sub>1</sub> (Currency plus demand deposits) | M <sub>2</sub> (M <sub>1</sub> plus time deposits at commercial banks other than large CD's) | M <sub>2</sub> (M <sub>1</sub> plus deposits at non-bank thrift institutions) | Currency <sup>1</sup>        | Deposits at commercial banks |                               |                         | Deposits at non-bank thrift institutions <sup>4</sup> |       |  |
|                |  |  |   |                              | Demand <sup>2</sup>          | Time and savings <sup>3</sup> |                         |   |       |  |
|                |  |  |   |                              |                              | Total                         | Large CD's <sup>4</sup> |   | Other |  |
| 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.     | 142.6  | ---  | ---   | 28.9                         | 113.7                        | 67.4                          | ---                     | ---   | 4.9   |  |
| 1960: Dec.     | 141.7  | ---  | ---   | 28.9                         | 112.8                        | 72.9                          | ---                     | ---   | 4.7   |  |
| 1961: Dec.     | 146.0  | ---  | ---   | 29.6                         | 116.5                        | 82.7                          | ---                     | ---   | 4.9   |  |
| 1962: Dec.     | 148.1  | ---  | ---   | 30.6                         | 117.6                        | 97.8                          | ---                     | ---   | 5.6   |  |
| 1963: Dec.     | 153.6  | ---  | ---   | 32.5                         | 121.1                        | 112.2                         | ---                     | ---   | 5.1   |  |
| 1964: Dec.     | 160.5  | 273.8  | 422.9   | 34.2                         | 126.3                        | 126.6                         | 13.3                    | 113.3   | 149.2 | 5.5  |
| 1965: Dec.     | 168.0  | 298.1  | 459.4   | 36.3                         | 131.7                        | 146.8                         | 16.7                    | 130.1   | 161.3 | 4.6  |
| 1966: Dec.     | 171.7  | 314.0  | 481.3   | 38.3                         | 133.4                        | 158.1                         | 15.9                    | 142.2   | 167.4 | 3.4  |
| 1967: Dec.     | 183.1  | 345.7  | 528.8   | 40.4                         | 142.7                        | 183.4                         | 20.8                    | 162.6   | 183.1 | 5.0  |
| 1968: Dec.     | 197.4  | 378.0  | 572.6   | 43.4                         | 154.0                        | 204.2                         | 23.6                    | 180.6   | 194.6 | 5.0  |
| 1969: Dec.     | 203.7  | 386.8  | 588.3   | 46.0                         | 157.7                        | 194.1                         | 11.0                    | 183.2   | 201.5 | 5.6  |
| 1970: Dec.     | 214.8  | 418.2  | 633.9   | 49.0                         | 165.8                        | 228.9                         | 25.5                    | 203.4   | 215.8 | 7.3  |
| 1971: Dec.     | 228.2  | 464.7  | 718.1   | 52.5                         | 175.7                        | 269.9                         | 33.4                    | 236.4   | 253.4 | 6.7  |
| 1970: Jan.     | 205.5  | 388.5  | 589.8   | 46.2                         | 159.3                        | 193.4                         | 10.4                    | 183.0   | 201.3 | 4.8  |
| Feb.           | 204.7  | 387.4  | 588.7   | 46.4                         | 158.3                        | 193.4                         | 10.7                    | 182.7   | 201.3 | 7.1  |
| Mar.           | 206.7  | 390.4  | 592.2   | 46.7                         | 160.0                        | 195.2                         | 11.5                    | 183.7   | 201.8 | 6.9  |
| Apr.           | 208.3  | 393.9  | 596.8   | 47.1                         | 161.2                        | 198.7                         | 13.1                    | 185.6   | 202.9 | 5.3  |
| May            | 209.0  | 396.2  | 600.1   | 47.6                         | 161.4                        | 200.6                         | 13.4                    | 187.2   | 203.9 | 6.4  |
| June           | 209.4  | 398.1  | 603.0   | 47.7                         | 161.7                        | 202.3                         | 13.6                    | 188.7   | 204.9 | 6.5  |
| July           | 210.3  | 401.7  | 608.4   | 48.0                         | 162.4                        | 208.4                         | 17.0                    | 191.4   | 206.6 | 6.8  |
| Aug.           | 211.6  | 405.6  | 613.9   | 48.1                         | 163.5                        | 213.2                         | 19.3                    | 193.9   | 208.4 | 7.1  |
| Sept.          | 212.8  | 409.2  | 619.1   | 48.3                         | 164.5                        | 217.7                         | 21.3                    | 196.4   | 209.9 | 6.9  |
| Oct.           | 213.1  | 412.0  | 623.9   | 48.5                         | 164.6                        | 221.5                         | 22.6                    | 198.9   | 211.8 | 6.2  |
| Nov.           | 213.6  | 414.3  | 627.9   | 48.7                         | 164.9                        | 224.2                         | 23.6                    | 200.6   | 213.6 | 5.7  |
| Dec.           | 214.8  | 418.2  | 633.9   | 49.0                         | 165.8                        | 228.9                         | 25.5                    | 203.4   | 215.8 | 7.3  |
| 1971: Jan.     | 215.3  | 423.1  | 642.2   | 49.3                         | 166.0                        | 234.4                         | 26.6                    | 207.8   | 219.2 | 6.8  |
| Feb.           | 217.7  | 430.4  | 653.4   | 49.7                         | 168.0                        | 240.2                         | 27.5                    | 212.7   | 223.0 | 8.4  |
| Mar.           | 219.7  | 437.1  | 663.9   | 50.0                         | 169.7                        | 245.4                         | 28.1                    | 217.4   | 226.8 | 5.5  |
| Apr.           | 221.2  | 441.5  | 672.5   | 50.5                         | 170.7                        | 248.1                         | 27.8                    | 220.3   | 231.0 | 5.5  |
| May            | 223.8  | 446.6  | 681.0   | 50.8                         | 173.0                        | 251.3                         | 28.5                    | 222.8   | 234.4 | 7.8  |
| June           | 225.5  | 450.6  | 687.8   | 51.1                         | 174.5                        | 254.4                         | 29.4                    | 225.0   | 237.2 | 5.3  |
| July           | 227.4  | 453.4  | 693.8   | 51.6                         | 175.8                        | 256.4                         | 30.4                    | 225.9   | 240.4 | 6.8  |
| Aug.           | 228.0  | 454.5  | 697.6   | 51.7                         | 176.3                        | 257.3                         | 30.8                    | 226.5   | 243.1 | 6.8  |
| Sept.          | 227.6  | 455.6  | 701.2   | 51.9                         | 175.7                        | 259.6                         | 31.6                    | 228.0   | 245.6 | 7.5  |
| Oct.           | 227.7  | 458.3  | 706.5   | 52.2                         | 175.5                        | 263.3                         | 32.7                    | 230.6   | 248.3 | 5.3  |
| Nov.           | 227.7  | 460.8  | 711.6   | 52.2                         | 175.5                        | 265.3                         | 32.2                    | 233.1   | 250.8 | 3.9  |
| Dec.           | 228.2  | 464.7  | 718.1   | 52.5                         | 175.7                        | 269.9                         | 33.4                    | 236.4   | 253.4 | 6.7  |
| 1972: Jan.     | 228.8  | 469.9  | 727.3   | 52.8                         | 176.0                        | 274.4                         | 33.2                    | 241.2   | 257.4 | 7.2  |
| Feb.           | 231.2  | 475.9  | 737.4   | 53.2                         | 178.0                        | 278.1                         | 33.8                    | 244.3   | 261.8 | 7.2  |
| Mar.           | 233.5  | 480.1  | 745.9   | 53.7                         | 179.9                        | 279.9                         | 33.4                    | 246.5   | 265.8 | 7.7  |
| Apr.           | 235.0  | 483.0  | 752.8   | 54.0                         | 180.9                        | 282.8                         | 34.7                    | 248.1   | 269.8 | 7.6  |
| May            | 235.5  | 486.1  | 758.9   | 54.4                         | 181.1                        | 287.0                         | 36.3                    | 250.7   | 272.8 | 10.4   |
| June           | 236.6  | 490.4  | 765.9   | 54.7                         | 181.9                        | 290.9                         | 37.1                    | 253.8   | 275.5 | 6.7  |

<sup>1</sup> Currency outside the Treasury, the Federal Reserve System, and the vaults of all commercial banks.  
<sup>2</sup> Demand deposits at all commercial banks, 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 demand 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.  
<sup>4</sup> Negotiable time certificates of deposit 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 and savings and loan shares.  
<sup>6</sup> Deposits at all commercial banks.

Note.—Effective June 1966, balances accumulated for payment of personal loans were reclassified for reserve purposes and are excluded from time deposits reported by member banks. The estimated amount of such deposits at all commercial banks (\$1.1 billion) is excluded from time and savings deposits thereafter.

Source: Board of Governors of the Federal Reserve System.

TABLE A-33.—Bond yields and interest rates, 1950-72

(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 | Federal Reserve Bank discount rate | FHA new home mortgage yields <sup>3</sup> |
|---------------|-------------------------------------|--------------------------------|------------------------------|----------------------------|---------------------------|------|--|---|------------------------------------|------------------------------------|---|
|               | 3-month Treasury bills <sup>1</sup> | 9-12 month issues <sup>2</sup> | 3-5 year issues <sup>2</sup> | Taxable bonds <sup>2</sup> | Aaa                       | Baa  |  |   |                                    |                                    |   |
| 1950          | 1.218                               | 1.26                           | 1.50                         | 2.32                       | 2.62                      | 3.24 | 1.98   | 2.69  | 1.45                               | 1.59                               | 4.17                                      |
| 1951          | 1.552                               | 1.73                           | 1.93                         | 2.57                       | 2.86                      | 3.41 | 2.00   | 3.11  | 2.16                               | 1.75                               | 4.21                                      |
| 1952          | 1.766                               | 1.81                           | 2.13                         | 2.68                       | 2.96                      | 3.52 | 2.19   | 3.49  | 2.33                               | 1.75                               | 4.29                                      |
| 1953          | 1.931                               | 2.07                           | 2.56                         | 2.94                       | 3.20                      | 3.74 | 2.72   | 3.69  | 2.52                               | 1.99                               | 4.61                                      |
| 1954          | .953                                | .92                            | 1.82                         | 2.55                       | 2.80                      | 3.51 | 2.37   | 3.61  | 1.58                               | 1.60                               | 4.62                                      |
| 1955          | 1.753                               | 1.89                           | 2.50                         | 2.84                       | 3.06                      | 3.53 | 2.57   | 3.61  | 1.58                               | 1.60                               | 4.62                                      |
| 1956          | 2.658                               | 2.83                           | 3.12                         | 3.08                       | 3.36                      | 3.88 | 2.93   | 4.20  | 2.18                               | 1.89                               | 4.64                                      |
| 1957          | 3.267                               | 3.53                           | 3.62                         | 3.47                       | 3.89                      | 4.71 | 3.60   | 4.62  | 3.81                               | 3.12                               | 4.79                                      |
| 1958          | 1.839                               | 2.09                           | 2.90                         | 3.43                       | 3.79                      | 4.73 | 3.56   | 4.34  | 2.46                               | 2.15                               | 5.42                                      |
| 1959          | 3.405                               | 4.11                           | 4.33                         | 4.08                       | 4.38                      | 5.05 | 3.95   | 5.00  | 3.97                               | 3.36                               | 5.49                                      |
| 1960          | 2.928                               | 3.55                           | 3.99                         | 4.02                       | 4.41                      | 5.19 | 3.73   | 5.16  | 3.85                               | 3.53                               | 5.71                                      |
| 1961          | 2.378                               | 2.91                           | 3.60                         | 3.90                       | 4.35                      | 5.08 | 3.46   | 4.97  | 2.97                               | 3.00                               | 6.18                                      |
| 1962          | 2.776                               | 3.02                           | 3.57                         | 3.95                       | 4.33                      | 5.02 | 3.18   | 5.00  | 3.26                               | 3.00                               | 5.80                                      |
| 1963          | 3.157                               | 3.28                           | 3.72                         | 4.00                       | 4.26                      | 4.86 | 3.23   | 5.01  | 3.55                               | 3.23                               | 5.61                                      |
| 1964          | 3.549                               | 3.76                           | 4.06                         | 4.15                       | 4.40                      | 4.83 | 3.22   | 4.99  | 3.97                               | 3.55                               | 5.47                                      |
| 1965          | 3.954                               | 4.09                           | 4.22                         | 4.21                       | 4.49                      | 4.87 | 3.27   | 5.06  | 4.38                               | 4.04                               | 5.45                                      |
| 1966          | 4.881                               | 5.17                           | 5.16                         | 4.65                       | 5.13                      | 5.67 | 3.82   | 6.00  | 5.55                               | 4.50                               | 6.29                                      |
| 1967          | 4.321                               | 4.84                           | 5.07                         | 4.85                       | 5.51                      | 6.23 | 3.98   | 6.00  | 5.10                               | 4.17                               | 6.55                                      |
| 1968          | 5.339                               | 5.62                           | 5.59                         | 5.26                       | 6.18                      | 6.94 | 4.51   | 6.68  | 5.90                               | 5.19                               | 7.13                                      |
| 1969          | 6.677                               | 7.06                           | 6.85                         | 6.12                       | 7.03                      | 7.81 | 5.81   | 8.21  | 7.83                               | 5.87                               | 8.19                                      |
| 1970          | 6.458                               | 6.90                           | 7.37                         | 6.58                       | 8.04                      | 9.11 | 6.51   | 8.48  | 7.72                               | 5.95                               | 9.05                                      |
| 1971          | 4.348                               | 4.75                           | 5.77                         | 5.74                       | 7.39                      | 8.56 | 5.70   | 6.32  | 5.11                               | 4.88                               | 7.78                                      |
| 1970: Jan.    | 7.914                               | 8.22                           | 8.14                         | 6.86                       | 7.91                      | 8.86 | 6.80   | 8.86  | 8.78                               | 6.00                               | 8.62                                      |
| Feb.          | 7.164                               | 7.60                           | 7.80                         | 6.44                       | 7.93                      | 8.78 | 6.57   | 8.86  | 8.55                               | 6.00                               | 8.62                                      |
| Mar.          | 6.710                               | 6.88                           | 7.20                         | 6.39                       | 7.84                      | 8.63 | 6.14   | 8.86  | 8.33                               | 6.00                               | 9.29                                      |
| Apr.          | 6.480                               | 6.96                           | 7.49                         | 6.53                       | 7.83                      | 8.70 | 6.55   | 8.86  | 8.06                               | 6.00                               | 9.20                                      |
| May           | 7.035                               | 7.69                           | 7.97                         | 6.94                       | 8.11                      | 8.98 | 7.02   | 8.49  | 8.23                               | 6.00                               | 9.10                                      |
| June          | 6.742                               | 7.50                           | 7.86                         | 6.99                       | 8.48                      | 9.25 | 7.06   | 8.86  | 8.21                               | 6.00                               | 9.11                                      |
| July          | 6.468                               | 7.00                           | 7.58                         | 6.57                       | 8.44                      | 9.40 | 6.69   | 8.86  | 8.29                               | 6.00                               | 9.16                                      |
| Aug.          | 6.412                               | 6.92                           | 7.56                         | 6.75                       | 8.13                      | 9.44 | 6.33   | 8.50  | 7.90                               | 6.00                               | 8.11                                      |
| Sept.         | 6.244                               | 6.68                           | 7.24                         | 6.63                       | 8.09                      | 9.39 | 6.45   | 8.86  | 7.82                               | 6.00                               | 9.07                                      |
| Oct.          | 5.927                               | 6.34                           | 7.06                         | 6.59                       | 8.03                      | 9.33 | 6.55   | 8.86  | 6.85                               | 6.00                               | 9.01                                      |
| Nov.          | 5.288                               | 5.52                           | 6.37                         | 6.24                       | 8.05                      | 9.38 | 6.20   | 8.07  | 6.30                               | 5.85                               | 8.97                                      |
| Dec.          | 4.860                               | 4.94                           | 5.86                         | 5.97                       | 7.64                      | 9.12 | 5.71   | 8.86  | 5.73                               | 5.52                               | 8.90                                      |
| 1971: Jan.    | 4.494                               | 4.29                           | 5.72                         | 5.92                       | 7.36                      | 8.74 | 5.70   | 8.86  | 5.11                               | 5.23                               | 8.40                                      |
| Feb.          | 3.773                               | 3.80                           | 5.31                         | 5.84                       | 7.08                      | 8.39 | 5.55   | 6.59  | 4.47                               | 4.91                               | 8.11                                      |
| Mar.          | 3.323                               | 3.66                           | 4.74                         | 5.71                       | 7.21                      | 8.46 | 5.44   | 8.86  | 4.19                               | 4.75                               | 7.75                                      |
| Apr.          | 3.780                               | 4.21                           | 5.42                         | 5.75                       | 7.25                      | 8.45 | 5.65   | 8.86  | 4.57                               | 4.75                               | 7.32                                      |
| May           | 4.139                               | 4.93                           | 6.02                         | 5.96                       | 7.53                      | 8.62 | 6.14   | 6.01  | 5.10                               | 4.75                               | 7.37                                      |
| June          | 4.699                               | 5.57                           | 6.36                         | 5.94                       | 7.84                      | 8.75 | 6.22   | 8.86  | 5.45                               | 4.75                               | 7.75                                      |
| July          | 5.405                               | 5.89                           | 6.77                         | 5.91                       | 7.64                      | 8.76 | 6.31   | 8.86  | 5.75                               | 4.88                               | 7.89                                      |
| Aug.          | 5.078                               | 5.67                           | 6.39                         | 5.78                       | 7.59                      | 8.76 | 5.95   | 6.51  | 5.73                               | 5.00                               | 7.97                                      |
| Sept.         | 4.668                               | 5.31                           | 5.96                         | 5.56                       | 7.44                      | 8.59 | 5.52   | 8.86  | 5.75                               | 5.00                               | 7.92                                      |
| Oct.          | 4.489                               | 4.74                           | 5.68                         | 5.46                       | 7.39                      | 8.48 | 5.24   | 8.86  | 5.54                               | 5.00                               | 7.84                                      |
| Nov.          | 4.191                               | 4.50                           | 5.50                         | 5.48                       | 7.26                      | 8.38 | 5.30   | 6.18  | 4.92                               | 4.90                               | 7.75                                      |
| Dec.          | 4.023                               | 4.38                           | 5.42                         | 5.62                       | 7.25                      | 8.38 | 5.36   | 8.86  | 4.74                               | 4.69                               | 7.62                                      |
| 1972: Jan.    | 3.403                               | 3.99                           | 5.33                         | 5.62                       | 7.19                      | 8.23 | 5.25   | 8.86  | 4.08                               | 4.50                               | 7.59                                      |
| Feb.          | 3.180                               | 4.07                           | 5.51                         | 5.67                       | 7.27                      | 8.23 | 5.33   | 5.52  | 3.93                               | 4.50                               | 7.49                                      |
| Mar.          | 3.723                               | 4.54                           | 5.74                         | 5.66                       | 7.24                      | 8.24 | 5.30   | 8.86  | 4.17                               | 4.50                               | 7.46                                      |
| Apr.          | 3.723                               | 4.84                           | 6.01                         | 5.74                       | 7.30                      | 8.24 | 5.45   | 8.86  | 4.58                               | 4.50                               | 7.45                                      |
| May           | 3.648                               | 4.58                           | 5.69                         | 5.63                       | 7.30                      | 8.23 | 5.26   | 5.59  | 4.51                               | 4.50                               | 7.50                                      |
| June          | 3.874                               | 4.87                           | 5.77                         | 5.59                       | 7.23                      | 8.20 | 5.37   | 8.86  | 4.64                               | 4.50                               | 7.53                                      |
| July          | 4.059                               | 4.89                           | 5.86                         | 5.59                       | 7.21                      | 8.23 | 5.39   | 8.86  | 4.85                               | 4.50                               | 7.54                                      |

<sup>1</sup> Rate on new issues within period.

<sup>2</sup> Certificates of indebtedness and selected note and bond issues.

<sup>3</sup> Selected note and bond issues.

<sup>4</sup> 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; January 1950-March 1952, 15 years.

<sup>5</sup> Data for first of the month, based on the maximum permissible interest rate (7 percent beginning February 18, 1971). Through July 1961, computed on 25-year mortgages paid in 12 years and thereafter, 30-year mortgages prepaid in 15 years.

<sup>6</sup> Series revised. Not strictly comparable with earlier data.

Note.—Yields and rates computed for New York City except for short-term bank loans.

Sources: Department of Housing and Urban Development, Treasury Department, Board of Governors of the Federal Reserve System, Moody's Investors Service, and Standard & Poor's Corporation.

TABLE A-34.—*Net public and private debt, 1950-71<sup>1</sup>*

[Billions of dollars]

| End of year | Total   | Public                          |   |                             | Private |           |                             |                   |         |          |                                       |          |
|-------------|---------|---------------------------------|---|-----------------------------|---------|-----------|-----------------------------|-------------------|---------|----------|---------------------------------------|----------|
|             |         | Federal Government <sup>2</sup> | Federal financial 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 |
| 1950        | 486.2   | 217.4                           | 0.7                                     | 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        | 1,244.1 | 266.4                           | 8.9                                     | 98.3                        | 870.4   | 454.3     | 416.1                       | 39.3              | 376.8   | 236.8    | 49.7                                  | 90.3     |
| 1966        | 1,341.4 | 271.8                           | 11.2                                    | 104.8                       | 953.5   | 506.6     | 446.9                       | 42.4              | 404.5   | 251.6    | 55.4                                  | 97.5     |
| 1967        | 1,443.1 | 286.5                           | 9.0                                     | 113.4                       | 1,034.3 | 553.7     | 480.6                       | 48.3              | 432.3   | 266.9    | 63.3                                  | 102.1    |
| 1968        | 1,585.3 | 291.9                           | 21.4                                    | 123.9                       | 1,148.2 | 628.0     | 520.3                       | 51.8              | 468.5   | 284.9    | 70.4                                  | 113.2    |
| 1969        | 1,723.2 | 289.3                           | 30.6                                    | 132.6                       | 1,270.8 | 714.8     | 556.0                       | 55.5              | 500.5   | 303.9    | 74.2                                  | 122.5    |
| 1970        | 1,843.9 | 301.1                           | 38.8                                    | 146.8                       | 1,357.3 | 773.6     | 583.7                       | 58.7              | 525.0   | 320.8    | 77.4                                  | 126.8    |
| 1971        | 1,996.4 | 325.9                           | 39.8                                    | 167.7                       | 1,463.0 | 827.3     | 635.7                       | 63.1              | 572.6   | 352.3    | 83.0                                  | 137.2    |

<sup>1</sup> Net public and private debt is a comprehensive aggregate of the indebtedness of borrowers after eliminating certain types of duplicating governmental and corporate debt.

<sup>2</sup> Net Federal Government and agency debt is the outstanding debt held by the public, as defined in the "Budget of the United States Government, for the Fiscal Year ending June 30, 1973."

<sup>3</sup> This comprises the debt of federally sponsored agencies, in which there is no longer any Federal proprietary interest. The obligations of the Federal Land Banks are included. 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> Financial debt is debt owed to banks for purchasing or carrying securities, customers' debt to brokers, and debt owed to life insurance companies by policyholders.

Sources: Department of Commerce (Bureau of Economic Analysis), Treasury Department, Department of Agriculture, Board of Governors of the Federal Reserve System, Federal Home Loan Bank Board, Federal Land Banks, and Federal National Mortgage Association.

# GOVERNMENT FINANCE

**TABLE A-35.—Federal budget receipts and outlays, 1950-73**

[Millions of dollars]

| Fiscal year                         | Receipts | Outlays | Surplus or deficit (-) |
|-------------------------------------|----------|---------|------------------------|
| <b>Consolidated cash statement:</b> |          |         |                        |
| 1950.....                           | 40,940   | 43,147  | -2,207                 |
| 1951.....                           | 53,390   | 45,797  | 7,593                  |
| 1952.....                           | 68,011   | 67,952  | 49                     |
| 1953.....                           | 71,495   | 76,769  | -5,274                 |
| <b>Unified budget:</b>              |          |         |                        |
| 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 <sup>1</sup> .....             | 208,600  | 231,600 | -23,000                |
| 1973 <sup>1</sup> .....             | 223,000  | 250,000 | -27,000                |

<sup>1</sup> Estimates.

Note.—Certain interfund transactions are excluded from receipts and outlays. Refunds of receipts are excluded from receipts and outlays.

Sources: Treasury Department and Office of Management and Budget.

TABLE A-36.—Receipts and expenditures of the Federal Government sector of the national income and product accounts, 1950-72

[Billions of dollars]

| 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 1 | Transfer payments               |            | Grants-in-aid to State and local governments | Net interest paid |  | Subsidies less current surplus of government enterprises |                     |
|   |          |                                   |                                |  |                                    |         | Purchases of goods and services | To persons |  |                   |  |  | To foreigners (net) |
| <b>Fiscal year:</b>                     |          |                                   |                                |  |                                    |         |                                 |            |  |                   |  |  |                     |
| 1950                                    | 42.0     | 16.5                              | 11.9                           | 8.2  | 5.5                                | 42.4    | 19.0                            | 11.3       | 4.3  | 2.4               | 4.4  | 1.0  | -0.5                |
| 1951                                    | 60.8     | 23.2                              | 21.5                           | 9.5  | 6.6                                | 44.6    | 25.1                            | 8.1        | 3.1  | 2.4               | 4.6  | 1.3  | 16.2                |
| 1952                                    | 65.1     | 28.8                              | 19.3                           | 9.7  | 7.3                                | 66.0    | 46.6                            | 8.5        | 2.6  | 2.5               | 4.8  | 1.1  | -1.0                |
| 1953                                    | 69.3     | 31.4                              | 19.7                           | 10.7                                       | 7.5                                | 75.8    | 56.1                            | 9.3        | 2.1  | 2.8               | 4.8  | 1.9  | -6.5                |
| 1954                                    | 65.8     | 30.3                              | 17.3                           | 10.4                                       | 7.8                                | 74.2    | 53.2                            | 10.5       | 1.7  | 2.9               | 5.0  | 1.0  | -8.5                |
| 1955                                    | 67.2     | 29.7                              | 18.7                           | 10.0                                       | 8.7                                | 67.3    | 43.9                            | 12.1       | 2.1  | 3.0               | 4.9  | 1.3  | -1.1                |
| 1956                                    | 75.8     | 33.6                              | 21.1                           | 10.8                                       | 10.2                               | 69.8    | 45.2                            | 12.8       | 1.8  | 3.2               | 5.1  | 1.7  | 6.0                 |
| 1957                                    | 80.7     | 36.7                              | 20.6                           | 11.7                                       | 11.7                               | 76.0    | 47.7                            | 14.4       | 1.9  | 3.7               | 5.5  | 2.8  | 4.7                 |
| 1958                                    | 77.9     | 36.3                              | 17.8                           | 11.6                                       | 12.2                               | 83.1    | 50.7                            | 17.8       | 1.7  | 4.7               | 5.7  | 2.5  | -5.1                |
| 1959                                    | 85.4     | 38.2                              | 21.5                           | 11.9                                       | 13.8                               | 90.9    | 54.7                            | 19.8       | 1.8  | 6.2               | 5.9  | 2.4  | -5.5                |
| 1960                                    | 94.8     | 42.5                              | 22.3                           | 13.2                                       | 16.7                               | 91.3    | 52.7                            | 20.6       | 1.8  | 6.8               | 7.0  | 2.3  | 3.5                 |
| 1961                                    | 95.3     | 43.6                              | 20.3                           | 13.3                                       | 18.1                               | 98.0    | 55.5                            | 23.6       | 2.1  | 6.9               | 6.8  | 3.2  | -2.7                |
| 1962                                    | 104.2    | 47.3                              | 22.9                           | 14.2                                       | 19.9                               | 106.4   | 60.9                            | 25.1       | 2.1  | 7.6               | 6.8  | 3.8  | -2.1                |
| 1963                                    | 110.2    | 49.6                              | 23.5                           | 15.0                                       | 22.1                               | 111.4   | 63.4                            | 26.4       | 2.1  | 8.4               | 7.5  | 3.6  | -1.2                |
| 1964                                    | 115.5    | 50.7                              | 25.7                           | 15.6                                       | 23.5                               | 116.9   | 65.7                            | 27.3       | 2.2  | 9.8               | 8.1  | 3.8  | -1.4                |
| 1965                                    | 120.5    | 51.3                              | 27.7                           | 16.9                                       | 24.6                               | 118.5   | 64.4                            | 28.3       | 2.2  | 10.9              | 8.5  | 4.1  | 2.0                 |
| 1966                                    | 132.8    | 57.6                              | 31.0                           | 15.7                                       | 28.5                               | 131.9   | 71.7                            | 31.8       | 2.3  | 12.7              | 9.0  | 4.5  | 1.9                 |
| 1967                                    | 147.2    | 64.5                              | 31.2                           | 15.8                                       | 35.7                               | 154.5   | 85.3                            | 37.2       | 2.2  | 14.8              | 9.9  | 5.1  | -7.3                |
| 1968                                    | 160.6    | 71.4                              | 33.7                           | 17.1                                       | 38.3                               | 172.5   | 94.9                            | 42.7       | 2.1  | 17.8              | 10.9   | 4.1  | -11.9               |
| 1969                                    | 190.4    | 89.9                              | 37.4                           | 18.6                                       | 44.4                               | 185.7   | 99.4                            | 48.5       | 2.2  | 19.2              | 12.3   | 4.1  | 4.7                 |
| 1970                                    | 195.0    | 93.7                              | 33.1                           | 19.2                                       | 49.0                               | 196.3   | 98.3                            | 54.8       | 2.0  | 22.6              | 14.0   | 4.7  | -1.3                |
| 1971                                    | 193.0    | 87.1                              | 32.0                           | 20.1                                       | 53.8                               | 212.8   | 95.8                            | 67.5       | 2.3  | 27.0              | 14.3   | 5.9  | -19.7               |
| 1972*                                   | 99.2     |                                   |                                | 20.0                                       | 59.4                               | 233.2   | 103.1                           | 75.7       | 2.8  | 32.8              | 13.5   | 5.3  |                     |
| <b>Calendar year:</b>                   |          |                                   |                                |  |                                    |         |                                 |            |  |                   |  |  |                     |
| 1950                                    | 49.9     | 18.1                              | 17.0                           | 8.9  | 5.9                                | 40.8    | 18.4                            | 10.8       | 3.6  | 2.3               | 4.5  | 1.2  | 9.1                 |
| 1951                                    | 64.0     | 26.1                              | 21.5                           | 9.4  | 7.1                                | 57.8    | 37.7                            | 8.5        | 3.1  | 2.6               | 4.7  | 1.3  | 6.2                 |
| 1952                                    | 67.2     | 31.0                              | 18.5                           | 10.3                                       | 7.4                                | 71.0    | 51.8                            | 8.8        | 2.1  | 2.6               | 4.7  | 1.0  | -3.8                |
| 1953                                    | 70.0     | 32.0                              | 17.5                           | 10.9                                       | 7.4                                | 77.0    | 57.0                            | 9.5        | 2.0  | 2.8               | 4.9  | 1.8  | -7.0                |
| 1954                                    | 63.8     | 29.0                              | 19.0                           | 9.7  | 8.1                                | 69.7    | 47.4                            | 11.5       | 1.8  | 2.9               | 5.0  | 1.1  | -5.9                |
| 1955                                    | 72.1     | 31.4                              | 20.6                           | 10.7                                       | 9.3                                | 68.1    | 44.1                            | 12.4       | 2.0  | 3.1               | 4.9  | 1.5  | 4.0                 |
| 1956                                    | 77.6     | 35.2                              | 20.6                           | 11.2                                       | 10.6                               | 71.9    | 45.6                            | 13.4       | 1.9  | 3.3               | 5.3  | 2.4  | 5.7                 |
| 1957                                    | 81.6     | 37.4                              | 20.2                           | 11.8                                       | 12.2                               | 79.6    | 49.5                            | 15.7       | 1.8  | 4.2               | 5.7  | 2.6  | 2.1                 |
| 1958                                    | 78.7     | 36.8                              | 18.0                           | 11.5                                       | 12.4                               | 88.9    | 53.6                            | 19.5       | 1.8  | 5.6               | 5.6  | 2.7  | -10.2               |
| 1959                                    | 89.7     | 39.9                              | 22.5                           | 12.5                                       | 14.8                               | 91.0    | 53.7                            | 20.1       | 1.8  | 6.8               | 6.4  | 2.1  | -1.2                |
| 1960                                    | 96.5     | 43.6                              | 21.7                           | 13.5                                       | 17.7                               | 93.0    | 53.5                            | 21.5       | 1.9  | 6.5               | 7.1  | 2.5  | 3.5                 |
| 1961                                    | 98.3     | 44.7                              | 21.8                           | 13.6                                       | 18.2                               | 102.1   | 57.4                            | 24.9       | 2.1  | 7.2               | 6.6  | 3.8  | -3.8                |
| 1962                                    | 106.4    | 48.6                              | 22.7                           | 14.6                                       | 20.5                               | 110.3   | 63.4                            | 25.5       | 2.2  | 8.0               | 7.2  | 4.0  | -3.8                |
| 1963                                    | 114.5    | 51.5                              | 24.6                           | 15.3                                       | 23.1                               | 113.9   | 64.2                            | 27.0       | 2.2  | 9.1               | 7.7  | 3.6  | .7                  |
| 1964                                    | 115.0    | 48.6                              | 26.4                           | 16.1                                       | 23.8                               | 118.1   | 65.2                            | 27.8       | 2.2  | 10.4              | 8.3  | 4.2  | -3.0                |
| 1965                                    | 124.7    | 53.8                              | 29.3                           | 16.5                                       | 25.1                               | 123.5   | 66.9                            | 30.3       | 2.2  | 11.1              | 8.7  | 5.3  | 1.2                 |
| 1966                                    | 142.5    | 61.7                              | 32.1                           | 15.7                                       | 33.0                               | 142.8   | 77.8                            | 33.4       | 2.3  | 14.4              | 9.5  | 5.4  | -2                  |
| 1967                                    | 151.2    | 67.5                              | 30.7                           | 16.3                                       | 36.7                               | 163.6   | 90.7                            | 40.0       | 2.2  | 15.8              | 10.2   | 4.6  | -12.4               |
| 1968                                    | 175.0    | 79.7                              | 36.7                           | 18.0                                       | 40.7                               | 181.5   | 98.8                            | 46.1       | 2.1  | 18.7              | 11.7   | 4.1  | -6.5                |
| 1969                                    | 197.3    | 94.8                              | 36.6                           | 19.0                                       | 46.9                               | 189.2   | 98.8                            | 50.3       | 2.1  | 20.3              | 13.1   | 4.6  | 8.1                 |
| 1970                                    | 191.6    | 92.4                              | 30.4                           | 19.3                                       | 49.5                               | 204.5   | 96.5                            | 61.1       | 2.2  | 24.5              | 14.6   | 5.5  | -12.9               |
| 1971                                    | 199.1    | 89.6                              | 33.1                           | 20.5                                       | 55.9                               | 220.8   | 97.8                            | 72.4       | 2.6  | 29.3              | 13.6   | 5.2  | -21.7               |
| <b>Seasonally adjusted annual rates</b> |          |                                   |                                |  |                                    |         |                                 |            |  |                   |  |  |                     |
| 1970: I                                 | 192.2    | 94.2                              | 30.5                           | 19.1                                       | 48.4                               | 195.9   | 99.7                            | 54.0       | 2.1  | 23.3              | 14.4   | 5.0  | -3.8                |
| II                                      | 194.2    | 94.8                              | 30.8                           | 19.2                                       | 49.3                               | 207.5   | 96.2                            | 63.0       | 2.0  | 24.1              | 14.4   | 5.6  | -13.4               |
| III                                     | 190.9    | 89.7                              | 31.5                           | 19.5                                       | 50.1                               | 205.6   | 95.2                            | 62.2       | 2.3  | 25.0              | 14.9   | 5.7  | -14.7               |
| IV                                      | 189.1    | 90.9                              | 28.7                           | 19.4                                       | 50.0                               | 208.8   | 95.0                            | 65.3       | 2.4  | 25.8              | 14.6   | 5.6  | -19.7               |
| 1971: I                                 | 196.4    | 86.6                              | 33.9                           | 20.9                                       | 55.0                               | 212.4   | 96.2                            | 66.9       | 2.2  | 27.1              | 14.0   | 6.0  | -16.0               |
| II                                      | 198.2    | 88.1                              | 34.4                           | 20.2                                       | 55.6                               | 221.2   | 96.3                            | 74.3       | 2.5  | 29.5              | 13.6   | 5.1  | -23.0               |
| III                                     | 199.1    | 89.8                              | 33.2                           | 20.0                                       | 56.1                               | 222.2   | 97.9                            | 73.6       | 2.7  | 29.8              | 13.6   | 4.6  | -23.1               |
| IV                                      | 202.8    | 93.8                              | 31.1                           | 20.8                                       | 57.0                               | 227.5   | 100.7                           | 74.9       | 2.9  | 30.8              | 13.3   | 5.0  | -24.7               |
| 1972: I                                 | 221.4    | 105.8                             | 34.0                           | 19.9                                       | 61.7                               | 236.3   | 105.7                           | 76.6       | 2.8  | 32.4              | 13.1   | 5.6  | -14.8               |
| II*                                     | 107.2    |                                   |                                | 19.4                                       | 62.6                               | 246.6   | 108.2                           | 77.7       | 2.9  | 38.0              | 13.8   | 5.9  | -----               |

\* Wage accruals less disbursements have been subtracted from total. These were (in billions of dollars, at seasonally adjusted annual rates) 2.5, -2.1, -0.4, and .0 in the four quarters of 1970, .0, .0, .0, and .1 in the four quarters of 1971, and .0 and -.1 in the first two quarters of 1972, respectively.

\* Preliminary; based on seasonally adjusted quarterly data.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE A-37.—Receipts and expenditures of the State and local government sector of the national income and product accounts, 1950-72

(Billions of dollars)

| 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        | Purchases of goods and services | Transfer payments to persons | Net interest paid | Less: Current surplus of government enterprises |  |
| 1950.....                        | 21.1     | 2.6                              | 0.8                            | 14.5                                      | 1.0                                | 2.3                   | 22.3         | 19.5                            | 3.5                          | 0.3               | 0.9   | -1.2   |
| 1951.....                        | 23.3     | 2.9                              | .9                             | 15.8                                      | 1.2                                | 2.5                   | 23.7         | 21.5                            | 3.0                          | .3                | 1.1   | -1.4   |
| 1952.....                        | 25.2     | 3.1                              | .8                             | 17.3                                      | 1.3                                | 2.6                   | 25.3         | 22.9                            | 3.2                          | .3                | 1.1   | (*)  |
| 1953.....                        | 27.2     | 3.4                              | .8                             | 18.7                                      | 1.5                                | 2.8                   | 27.0         | 24.6                            | 3.3                          | .3                | 1.2   | .1   |
| 1954.....                        | 28.8     | 3.7                              | .8                             | 19.7                                      | 1.7                                | 2.9                   | 29.9         | 27.4                            | 3.4                          | .4                | 1.4   | -1.1   |
| 1955.....                        | 31.4     | 4.1                              | 1.0                            | 21.4                                      | 1.8                                | 3.1                   | 32.7         | 30.1                            | 3.7                          | .5                | 1.6   | -1.3   |
| 1956.....                        | 34.7     | 4.7                              | 1.0                            | 23.6                                      | 2.0                                | 3.3                   | 35.6         | 33.0                            | 3.8                          | .5                | 1.7   | -.9  |
| 1957.....                        | 38.2     | 5.2                              | 1.0                            | 25.5                                      | 2.3                                | 4.2                   | 39.5         | 36.6                            | 4.2                          | .5                | 1.8   | -1.4   |
| 1958.....                        | 41.6     | 5.6                              | 1.0                            | 27.0                                      | 2.5                                | 5.6                   | 44.0         | 40.6                            | 4.6                          | .6                | 1.8   | -2.3   |
| 1959.....                        | 46.0     | 6.3                              | 1.2                            | 28.9                                      | 2.7                                | 6.8                   | 46.8         | 43.3                            | 4.8                          | .7                | 2.0   | -.8  |
| 1960.....                        | 49.9     | 7.3                              | 1.3                            | 31.7                                      | 3.0                                | 6.5                   | 49.6         | 46.1                            | 5.1                          | .7                | 2.2   | .2   |
| 1961.....                        | 53.6     | 7.7                              | 1.4                            | 34.1                                      | 3.2                                | 7.2                   | 54.1         | 50.2                            | 5.5                          | .8                | 2.3   | -.5  |
| 1962.....                        | 58.6     | 8.7                              | 1.4                            | 36.9                                      | 3.5                                | 8.0                   | 57.6         | 53.7                            | 5.7                          | .8                | 2.6   | -.9  |
| 1963.....                        | 63.4     | 9.4                              | 1.7                            | 39.4                                      | 3.8                                | 9.1                   | 62.2         | 58.2                            | 6.0                          | .8                | 2.8   | 1.2  |
| 1964.....                        | 69.5     | 10.8                             | 1.9                            | 42.3                                      | 4.1                                | 10.4                  | 67.8         | 63.5                            | 6.5                          | .7                | 2.9   | 1.7  |
| 1965.....                        | 75.5     | 11.8                             | 2.1                            | 45.9                                      | 4.5                                | 11.1                  | 74.5         | 70.1                            | 6.9                          | .5                | 3.0   | 1.0  |
| 1966.....                        | 85.2     | 13.7                             | 2.2                            | 49.9                                      | 5.0                                | 14.4                  | 83.9         | 79.0                            | 7.7                          | .3                | 3.1   | 1.3  |
| 1967.....                        | 93.5     | 15.5                             | 2.4                            | 54.1                                      | 5.7                                | 15.8                  | 95.1         | 89.4                            | 8.7                          | .2                | 3.2   | -1.6   |
| 1968.....                        | 107.1    | 18.3                             | 3.2                            | 60.6                                      | 6.4                                | 18.7                  | 107.5        | 100.8                           | 10.0                         | .0                | 3.4   | -.3  |
| 1969.....                        | 119.7    | 21.7                             | 3.4                            | 67.0                                      | 7.3                                | 20.3                  | 119.0        | 111.2                           | 11.6                         | -.2               | 3.5   | .7   |
| 1970.....                        | 135.0    | 24.3                             | 3.8                            | 74.1                                      | 8.3                                | 24.5                  | 132.1        | 122.5                           | 14.1                         | -.5               | 4.0   | 2.8  |
| 1971.....                        | 151.8    | 27.4                             | 4.2                            | 81.4                                      | 9.4                                | 29.3                  | 147.0        | 135.0                           | 16.6                         | -.1               | 4.3   | 4.8  |
| Seasonally adjusted annual rates |          |                                  |                                |   |                                    |                       |              |                                 |                              |                   |   |  |
| 1970: I.....                     | 130.1    | 23.7                             | 3.8                            | 71.4                                      | 7.9                                | 23.3                  | 126.5        | 117.6                           | 13.1                         | -0.5              | 3.7   | 3.6  |
| II.....                          | 133.6    | 24.1                             | 3.8                            | 73.4                                      | 8.1                                | 24.1                  | 129.8        | 120.5                           | 13.7                         | -.5               | 3.9   | 3.8  |
| III.....                         | 137.1    | 24.6                             | 3.9                            | 75.2                                      | 8.4                                | 25.0                  | 134.1        | 124.3                           | 14.5                         | -.6               | 4.1   | 2.9  |
| IV.....                          | 139.1    | 24.9                             | 3.5                            | 76.2                                      | 8.6                                | 25.8                  | 138.2        | 127.6                           | 15.2                         | -.4               | 4.3   | .9   |
| 1971: I.....                     | 144.2    | 25.8                             | 4.2                            | 78.3                                      | 9.0                                | 27.1                  | 142.2        | 130.8                           | 16.0                         | -.2               | 4.3   | 2.0  |
| II.....                          | 150.1    | 27.1                             | 4.3                            | 80.1                                      | 9.2                                | 29.5                  | 145.2        | 133.3                           | 16.3                         | -.1               | 4.3   | 5.0  |
| III.....                         | 154.0    | 27.7                             | 4.3                            | 82.6                                      | 9.5                                | 29.8                  | 147.8        | 135.7                           | 16.7                         | -.1               | 4.3   | 6.2  |
| IV.....                          | 158.7    | 29.2                             | 4.1                            | 84.8                                      | 9.8                                | 30.8                  | 152.7        | 140.2                           | 17.2                         | -.1               | 4.3   | 6.0  |
| 1972: I.....                     | 164.8    | 30.6                             | 4.7                            | 86.8                                      | 10.2                               | 32.4                  | 157.7        | 143.7                           | 17.8                         | .0                | 4.4   | 7.1  |
| II.....                          | .....    | 32.3                             | .....                          | 88.8                                      | 10.5                               | 38.0                  | 160.4        | 146.4                           | 18.2                         | .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 four quarters of 1970, and .0, .0, .3, and .4 in the four quarters of 1971, and -.6 and -.2 in the first two quarters of 1972, respectively.

<sup>2</sup> Deficit of \$41 million.

Source: Department of Commerce, Bureau of Economic Analysis.

# AGRICULTURE

**TABLE A-38.—Income of farm people and farmers, 1950-72**

| 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 |                                |   |                 |   |  |
| 1950.....                               | 20.4  | 14.1                           | 6.3                                | 32.3                         | 28.5                          | 19.4                | 12.9                           | 13.7  | 2,421           | 3,186   |  |
| 1951.....                               | 22.7  | 16.2                           | 6.5                                | 37.1                         | 32.9                          | 22.3                | 14.8                           | 16.0  | 2,946           | 3,549   |  |
| 1952.....                               | 22.1  | 15.4                           | 6.7                                | 36.8                         | 32.5                          | 22.6                | 14.1                           | 15.1  | 2,896           | 3,448   |  |
| 1953.....                               | 19.8  | 13.4                           | 6.4                                | 35.0                         | 31.0                          | 21.3                | 13.7                           | 13.1  | 2,626           | 3,126   |  |
| 1954.....                               | 18.4  | 12.5                           | 5.9                                | 33.6                         | 29.8                          | 21.6                | 12.0                           | 12.5  | 2,606           | 3,102   |  |
| 1955.....                               | 17.6  | 11.4                           | 6.2                                | 33.1                         | 29.5                          | 21.9                | 11.2                           | 11.5  | 2,463           | 2,932   |  |
| 1956.....                               | 17.8  | 11.2                           | 6.6                                | 34.3                         | 30.4                          | 22.4                | 11.9                           | 11.4  | 2,535           | 2,982   |  |
| 1957.....                               | 17.7  | 11.0                           | 6.6                                | 34.0                         | 29.7                          | 23.3                | 10.7                           | 11.3  | 2,590           | 2,943   |  |
| 1958.....                               | 19.5  | 12.8                           | 6.7                                | 37.9                         | 33.5                          | 25.2                | 12.7                           | 13.5  | 3,189           | 3,583   |  |
| 1959.....                               | 18.1  | 11.0                           | 7.0                                | 37.5                         | 33.5                          | 26.1                | 11.4                           | 11.5  | 2,795           | 3,140   |  |
| 1960.....                               | 18.7  | 11.5                           | 7.2                                | 38.1                         | 34.2                          | 26.4                | 11.7                           | 12.1  | 3,049           | 3,388   |  |
| 1961.....                               | 19.7  | 12.2                           | 7.5                                | 39.8                         | 35.1                          | 27.1                | 12.6                           | 13.0  | 3,399           | 3,777   |  |
| 1962.....                               | 20.4  | 12.3                           | 8.2                                | 41.3                         | 36.4                          | 28.6                | 12.6                           | 13.2  | 3,586           | 3,941   |  |
| 1963.....                               | 20.6  | 12.1                           | 8.5                                | 42.3                         | 37.4                          | 29.7                | 12.6                           | 13.2  | 3,708           | 4,030   |  |
| 1964.....                               | 20.6  | 11.3                           | 9.3                                | 42.6                         | 37.2                          | 29.5                | 13.1                           | 12.3  | 3,564           | 3,832   |  |
| 1965.....                               | 23.6  | 13.5                           | 10.0                               | 44.9                         | 39.3                          | 30.9                | 14.0                           | 15.0  | 4,487           | 4,723   |  |
| 1966.....                               | 24.9  | 14.4                           | 10.5                               | 49.7                         | 43.3                          | 33.4                | 16.3                           | 16.3  | 5,019           | 5,121   |  |
| 1967.....                               | 24.0  | 13.1                           | 10.9                               | 49.0                         | 42.7                          | 34.8                | 14.2                           | 14.9  | 4,730           | 4,730   |  |
| 1968.....                               | 25.1  | 13.2                           | 11.9                               | 50.9                         | 44.1                          | 36.2                | 14.7                           | 14.8  | 4,854           | 4,667   |  |
| 1969.....                               | 27.6  | 14.9                           | 12.7                               | 55.6                         | 48.1                          | 38.8                | 16.8                           | 16.9  | 5,674           | 5,206   |  |
| 1970.....                               | 28.2  | 15.0                           | 13.2                               | 57.9                         | 50.5                          | 41.1                | 16.8                           | 16.8  | 5,754           | 5,047   |  |
| 1971.....                               | 29.5  | 15.6                           | 13.9                               | 60.1                         | 53.1                          | 44.0                | 16.1                           | 17.4  | 6,049           | 5,083   |  |
| <b>Seasonally adjusted annual rates</b> |   |                                |                                    |                              |                               |                     |                                |   |                 |   |  |
| 1970: I.....                            |   |                                |                                    | 58.4                         | 51.0                          | 40.4                | 18.0                           | 18.0  | 6,160           | 5,500   |  |
| II.....                                 |   |                                |                                    | 58.0                         | 50.6                          | 40.9                | 17.1                           | 17.1  | 5,850           | 5,180   |  |
| III.....                                |   |                                |                                    | 57.7                         | 50.3                          | 41.3                | 16.4                           | 16.4  | 5,610           | 4,920   |  |
| IV.....                                 |   |                                |                                    | 57.6                         | 50.2                          | 41.8                | 15.8                           | 15.8  | 5,400           | 4,700   |  |
| 1971: I.....                            |   |                                |                                    | 59.0                         | 51.9                          | 43.2                | 15.8                           | 16.8  | 5,840           | 4,990   |  |
| II.....                                 |   |                                |                                    | 59.1                         | 52.1                          | 43.7                | 15.4                           | 16.9  | 5,880           | 4,980   |  |
| III.....                                |   |                                |                                    | 60.4                         | 53.4                          | 44.3                | 16.1                           | 17.7  | 6,150           | 5,130   |  |
| IV.....                                 |   |                                |                                    | 61.8                         | 54.9                          | 44.9                | 16.9                           | 18.2  | 6,330           | 5,280   |  |
| 1972: I.....                            |   |                                |                                    | 64.1                         | 56.5                          | 45.6                | 18.5                           | 19.3  | 6,820           | 5,590   |  |
| II.....                                 |   |                                |                                    | 64.8                         | 56.9                          | 46.5                | 18.3                           | 18.9  | 6,680           | 5,390   |  |

<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 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 A-39.—Indexes of prices received and prices paid by farmers, and parity ratio, 1950-72

[Index, 1967=100]

| Year or month  | Prices received by farmers |       |                        | Prices paid by farmers                     |                     |                  | Parity ratio <sup>1</sup> |                       |
|----------------|----------------------------|-------|------------------------|--|---------------------|------------------|---------------------------|-----------------------|
|                | All farm products          | Crops | Livestock and products | All items, interest, taxes, and wage rates | Family living items | Production items | Actual                    | Adjusted <sup>2</sup> |
| 1950.....      | 102                        | 103   | 101                    | 75   | 76                  | 86               | 101                       | 102                   |
| 1951.....      | 119                        | 117   | 121                    | 82   | 83                  | 95               | 107                       | 108                   |
| 1952.....      | 113                        | 118   | 110                    | 84   | 84                  | 95               | 100                       | 101                   |
| 1953.....      | 100                        | 106   | 97                     | 81   | 84                  | 89               | 92                        | 93                    |
| 1954.....      | 97                         | 107   | 90                     | 81   | 84                  | 89               | 89                        | 89                    |
| 1955.....      | 91                         | 102   | 84                     | 81   | 84                  | 87               | 84                        | 85                    |
| 1956.....      | 91                         | 104   | 82                     | 81   | 85                  | 87               | 83                        | 84                    |
| 1957.....      | 92                         | 99    | 88                     | 84   | 88                  | 90               | 82                        | 85                    |
| 1958.....      | 98                         | 99    | 99                     | 86   | 89                  | 92               | 85                        | 88                    |
| 1959.....      | 95                         | 98    | 93                     | 87   | 89                  | 93               | 81                        | 82                    |
| 1960.....      | 94                         | 99    | 91                     | 88   | 90                  | 92               | 80                        | 82                    |
| 1961.....      | 94                         | 100   | 91                     | 88   | 90                  | 93               | 79                        | 83                    |
| 1962.....      | 96                         | 103   | 92                     | 90   | 91                  | 94               | 80                        | 83                    |
| 1963.....      | 96                         | 106   | 89                     | 91   | 92                  | 95               | 78                        | 81                    |
| 1964.....      | 93                         | 106   | 85                     | 92   | 93                  | 94               | 76                        | 80                    |
| 1965.....      | 98                         | 103   | 94                     | 94   | 95                  | 96               | 77                        | 82                    |
| 1966.....      | 105                        | 105   | 105                    | 98   | 98                  | 99               | 80                        | 86                    |
| 1967.....      | 100                        | 100   | 100                    | 100  | 100                 | 100              | 74                        | 79                    |
| 1968.....      | 103                        | 101   | 104                    | 104  | 104                 | 102              | 73                        | 79                    |
| 1969.....      | 108                        | 97    | 117                    | 109  | 109                 | 106              | 74                        | 80                    |
| 1970.....      | 110                        | 100   | 118                    | 114  | 114                 | 110              | 72                        | 77                    |
| 1971.....      | 112                        | 107   | 116                    | 120  | 119                 | 115              | 70                        | 74                    |
| 1970: Jan 15.. | 113                        | 96    | 126                    | 112  | 112                 | 108              | 75                        | 81                    |
| Feb 15..       | 114                        | 97    | 126                    | 113  | 112                 | 109              | 75                        | 81                    |
| Mar 15..       | 114                        | 97    | 125                    | 113  | 112                 | 109              | 75                        | 81                    |
| Apr 15..       | 111                        | 97    | 121                    | 114  | 113                 | 109              | 72                        | 78                    |
| May 15..       | 110                        | 100   | 117                    | 114  | 113                 | 109              | 72                        | 77                    |
| June 15..      | 110                        | 101   | 117                    | 114  | 114                 | 109              | 72                        | 77                    |
| July 15..      | 112                        | 102   | 119                    | 114  | 114                 | 109              | 73                        | 79                    |
| Aug 15..       | 109                        | 101   | 115                    | 114  | 114                 | 109              | 71                        | 76                    |
| Sept 15..      | 111                        | 104   | 116                    | 115  | 115                 | 111              | 72                        | 77                    |
| Oct 15..       | 109                        | 104   | 113                    | 115  | 115                 | 111              | 70                        | 76                    |
| Nov 15..       | 108                        | 106   | 109                    | 115  | 115                 | 111              | 69                        | 75                    |
| Dec 15..       | 104                        | 100   | 108                    | 116  | 116                 | 112              | 67                        | 72                    |
| 1971: Jan 15.. | 107                        | 102   | 110                    | 117  | 116                 | 112              | 68                        | 72                    |
| Feb 15..       | 112                        | 105   | 117                    | 118  | 117                 | 113              | 71                        | 75                    |
| Mar 15..       | 112                        | 108   | 115                    | 118  | 117                 | 114              | 70                        | 75                    |
| Apr 15..       | 111                        | 108   | 114                    | 119  | 117                 | 115              | 69                        | 74                    |
| May 15..       | 112                        | 110   | 114                    | 120  | 118                 | 115              | 70                        | 74                    |
| June 15..      | 113                        | 113   | 113                    | 120  | 119                 | 116              | 70                        | 74                    |
| July 15..      | 112                        | 109   | 114                    | 120  | 119                 | 116              | 69                        | 74                    |
| Aug 15..       | 113                        | 107   | 117                    | 120  | 120                 | 116              | 69                        | 74                    |
| Sept 15..      | 111                        | 104   | 117                    | 121  | 120                 | 116              | 68                        | 72                    |
| Oct 15..       | 114                        | 106   | 118                    | 121  | 120                 | 116              | 70                        | 74                    |
| Nov 15..       | 115                        | 109   | 119                    | 121  | 120                 | 117              | 70                        | 74                    |
| Dec 15..       | 116                        | 108   | 122                    | 122  | 121                 | 117              | 71                        | 75                    |
| 1972: Jan 15.. | 119                        | 111   | 126                    | 123  | 121                 | 118              | 72                        | 78                    |
| Feb 15..       | 122                        | 110   | 131                    | 124  | 123                 | 118              | 73                        | 79                    |
| Mar 15..       | 120                        | 108   | 129                    | 124  | 123                 | 119              | 72                        | 78                    |
| Apr 15..       | 119                        | 112   | 125                    | 125  | 123                 | 120              | 71                        | 76                    |
| May 15..       | 123                        | 115   | 129                    | 125  | 124                 | 120              | 73                        | 79                    |
| June 15..      | 125                        | 116   | 131                    | 126  | 124                 | 121              | 73                        | 79                    |
| July 15..      | 127                        | 116   | 136                    | 127  | 125                 | 122              | 75                        | 80                    |

<sup>1</sup> Percentage ratio of index of prices received by farmers to index of prices paid, interest, taxes, and wage rates on 1910-14=100 base.

<sup>2</sup> The adjusted parity ratio reflects Government payments made directly to farmers.

Source: Department of Agriculture.

# BALANCE OF INTERNATIONAL PAYMENTS

TABLE A-40.—U.S. balance of payments, 1950-72

(Millions of dollars)

| Year or quarter                  | Merchandise <sup>1 2</sup> |         |             | Military transactions |                  |             | Net investment income |                 | Net travel and transportation expenditures | Other services, net | Balance on goods and services <sup>1</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 |  |                     |  |   |                            |
| 1950.....                        | 10,203                     | -9,081  | 1,122       | -576                  | ( <sup>4</sup> ) | -576        | 1,382                 | 78              | -120                                       | 6                   | 1,892                                      | -4,017  | -2,125                     |
| 1951.....                        | 14,243                     | -11,176 | 3,067       | -1,270                | ( <sup>4</sup> ) | -1,270      | 1,569                 | 151             | 298  | 2                   | 3,817                                      | -3,515  | 302                        |
| 1952.....                        | 13,449                     | -10,838 | 2,611       | -2,054                | ( <sup>4</sup> ) | -2,054      | 1,535                 | 140             | 83   | 41                  | 2,356                                      | -2,531  | -175                       |
| 1953.....                        | 12,412                     | -10,975 | 1,437       | -2,615                | 192              | -2,423      | 1,566                 | 166             | -238                                       | 24                  | 532  | -2,481  | -1,949                     |
| 1954.....                        | 12,929                     | -10,353 | 2,576       | -2,642                | 182              | -2,460      | 1,899                 | 213             | -269                                       | 0                   | 1,959                                      | -2,280  | -321                       |
| 1955.....                        | 14,424                     | -11,527 | 2,897       | -2,901                | 200              | -2,701      | 2,117                 | 180             | -297                                       | -43                 | 2,153                                      | -2,498  | -345                       |
| 1956.....                        | 17,556                     | -12,803 | 4,753       | -2,949                | 161              | -2,788      | 2,454                 | 40              | -361                                       | 47                  | 4,145                                      | -2,423  | 1,722                      |
| 1957.....                        | 19,562                     | -13,291 | 6,271       | -3,216                | 375              | -2,841      | 2,584                 | 4               | -189                                       | 72                  | 5,901                                      | -2,345  | 3,556                      |
| 1958.....                        | 16,414                     | -12,952 | 3,462       | -3,435                | 300              | -3,135      | 2,416                 | 168             | -633                                       | 78                  | 2,356                                      | -2,361  | -5                         |
| 1959.....                        | 16,458                     | -15,310 | 1,148       | -3,107                | 302              | -2,805      | 2,658                 | 68              | -821                                       | 62                  | 310  | -2,448  | -2,138                     |
| 1960.....                        | 19,650                     | -14,744 | 4,906       | -3,087                | 335              | -2,752      | 2,825                 | 16              | -964                                       | 77                  | 4,107                                      | -2,292  | 1,815                      |
| 1961.....                        | 20,107                     | -14,519 | 5,588       | -2,998                | 402              | -2,596      | 3,451                 | 103             | -978                                       | 30                  | 5,599                                      | -2,513  | 3,086                      |
| 1962.....                        | 20,779                     | -16,218 | 4,561       | -3,105                | 656              | -2,449      | 3,920                 | 132             | -1,155                                     | 115                 | 5,126                                      | -2,631  | 2,495                      |
| 1963.....                        | 22,252                     | -17,011 | 5,241       | -2,961                | 657              | -2,304      | 4,056                 | 97              | -1,312                                     | 178                 | 5,957                                      | -2,742  | 3,215                      |
| 1964.....                        | 25,478                     | -18,647 | 6,831       | -2,880                | 747              | -2,133      | 4,872                 | 3               | -1,149                                     | 142                 | 8,568                                      | -2,754  | 5,814                      |
| 1965.....                        | 26,438                     | -21,496 | 4,942       | -2,952                | 830              | -2,122      | 5,274                 | 21              | -1,318                                     | 301                 | 7,098                                      | -2,835  | 4,263                      |
| 1966.....                        | 29,287                     | -25,463 | 3,824       | -3,764                | 829              | -2,935      | 5,331                 | 44              | -1,380                                     | 286                 | 5,176                                      | -2,890  | 2,280                      |
| 1967.....                        | 30,638                     | -26,821 | 3,817       | -4,378                | 1,240            | -3,138      | 5,847                 | 40              | -1,763                                     | 334                 | 5,136                                      | -3,081  | 2,055                      |
| 1968.....                        | 33,576                     | -32,964 | 612         | -4,535                | 1,392            | -3,143      | 6,157                 | 63              | -1,565                                     | 302                 | 2,425                                      | -2,909  | -484                       |
| 1969.....                        | 36,417                     | -35,796 | 621         | -4,856                | 1,512            | -3,344      | 5,820                 | 155             | -1,784                                     | 442                 | 1,911                                      | -2,946  | -1,035                     |
| 1970.....                        | 41,963                     | -39,799 | 2,164       | -4,852                | 1,479            | -3,374      | 6,376                 | -115            | -2,061                                     | 574                 | 3,563                                      | -3,208  | 356                        |
| 1971.....                        | 42,770                     | -45,459 | -2,689      | -4,817                | 1,923            | -2,894      | 8,952                 | -957            | -2,432                                     | 748                 | 727  | -3,575  | -2,847                     |
| Seasonally adjusted annual rates |                            |         |             |                       |                  |             |                       |                 |  |                     |  |   |                            |
| 1970: I.....                     | 40,924                     | -38,924 | 2,000       | -4,720                | 1,092            | -3,628      | 6,236                 | 132             | -1,712                                     | 564                 | 3,592                                      | -3,060  | 532                        |
| II.....                          | 42,260                     | -39,324 | 2,936       | -5,036                | 1,764            | -3,272      | 5,832                 | -4              | -2,132                                     | 508                 | 3,868                                      | -3,092  | 776                        |
| III.....                         | 42,820                     | -39,872 | 2,948       | -4,840                | 1,316            | -3,524      | 6,580                 | -264            | -2,396                                     | 612                 | 3,956                                      | -3,284  | 672                        |
| IV.....                          | 41,848                     | -41,076 | 772         | -4,812                | 1,744            | -3,068      | 6,856                 | -324            | -2,004                                     | 616                 | 2,848                                      | -3,396  | -548                       |
| 1971: I.....                     | 44,068                     | -42,912 | 1,156       | -4,700                | 2,040            | -2,660      | 7,596                 | -404            | -1,992                                     | 848                 | 4,544                                      | -3,164  | 1,380                      |
| II.....                          | 42,840                     | -46,888 | -4,048      | -4,856                | 2,064            | -2,792      | 9,408                 | -644            | -2,500                                     | 720                 | 144  | -3,384  | -3,240                     |
| III.....                         | 45,916                     | -47,804 | -1,888      | -4,792                | 1,896            | -2,896      | 8,152                 | -1,308          | -2,424                                     | 728                 | 364  | -3,784  | -3,420                     |
| IV.....                          | 38,256                     | -44,232 | -5,976      | -4,920                | 1,692            | -3,228      | 10,652                | -1,472          | -2,812                                     | 688                 | -2,148                                     | -3,968  | -6,116                     |
| 1972: I.....                     | 47,236                     | -53,928 | -6,692      | -4,892                | 1,428            | -3,464      | 8,868                 | -1,524          | -2,572                                     | 796                 | -4,588                                     | -3,788  | -8,376                     |

See footnotes at end of table.

TABLE A-40.—U.S. balance of payments, 1950-72—Continued

(Millions of dollars)

| Year or quarter                  | Long-term capital flows, net  |                       | Balance on current account and long-term capital | Non-liquid short-term private capital flows, net <sup>2</sup> | Allo-cations of special drawing rights | Errors and omissions, not | Net liquidity balance | Liqu-id private capital flows, net <sup>3</sup> | Official reserve trans-actions balance | Change in lia-bilities to foreign official agencies, net <sup>4</sup> | Changes in U.S. official reserve assets, net <sup>5</sup> | U.S. official reserve assets, net (end of period) |
|----------------------------------|-------------------------------|-----------------------|--|---|--|---------------------------|-----------------------|---|--|---|---|---|
|                                  | U.S. Govern-ment <sup>1</sup> | Priv-ate <sup>3</sup> |  |   |  |                           |                       |   |  |   |   |   |
| 1950                             |                               |                       |  | -49   |  | -124                      |                       |   |  |   | 1,758   | 24,265  |
| 1951                             |                               |                       |  | 127   |  | 354                       |                       |   |  |   | -33   | 24,299  |
| 1952                             |                               |                       |  | 456   |  | 497                       |                       |   |  |   | -415  | 24,714  |
| 1953                             |                               |                       |  | 403   |  | 220                       |                       |   |  |   | 1,256   | 23,458  |
| 1954                             |                               |                       |  | -496  |  | 60                        |                       |   |  |   | 480   | 22,978  |
| 1955                             |                               |                       |  | 43  |  | 371                       |                       |   |  |   | 182   | 22,797  |
| 1956                             |                               |                       |  | -89   |  | 390                       |                       |   |  |   | -869  | 23,666  |
| 1957                             |                               |                       |  | 838   |  | 1,012                     |                       |   |  |   | -1,165  | 24,832  |
| 1958                             |                               |                       |  | 216   |  | 361                       |                       |   |  |   | 2,292   | 22,540  |
| 1959                             |                               |                       |  | 171   |  | 260                       |                       |   |  |   | 1,035   | 21,504  |
| 1960                             | -889                          | -2,100                | -1,174   | -1,405  |  | -1,098                    | -3,676                | 273   | -3,403                                 | 1,258   | 2,145   | 19,359  |
| 1961                             | -901                          | -2,181                | -1,200   | -1,200  |  | -1,054                    | -2,251                | 903   | -1,348                                 | 742   | 606   | 18,753  |
| 1962                             | -892                          | -2,607                | -1,003   | -657  |  | -1,206                    | -2,864                | 214   | -2,650                                 | 1,117   | 1,533   | 17,220  |
| 1963                             | -1,150                        | -3,357                | -1,292   | -968  |  | -455                      | -2,713                | 779   | -1,934                                 | 1,557   | 377   | 16,843  |
| 1964                             | -1,349                        | -4,470                | -4   | -1,642  |  | -1,048                    | -2,696                | 1,162   | -1,534                                 | 1,363   | 171   | 16,672  |
| 1965                             | -1,532                        | -4,577                | -1,846   | -154  |  | -476                      | -2,477                | 1,188   | -1,289                                 | 67  | 1,222   | 15,450  |
| 1966                             | -1,469                        | -2,555                | -1,744   | -104  |  | -302                      | -2,151                | 2,370   | 219                                    | -787  | 568   | 14,882  |
| 1967                             | -2,424                        | -2,912                | -3,280   | -522  |  | -881                      | -4,883                | 1,265   | -3,418                                 | 3,366   | 52  | 14,830  |
| 1968                             | -2,159                        | 1,198                 | -1,444   | 230   |  | -399                      | -1,610                | 3,251   | 1,641                                  | -761  | -880  | 15,710  |
| 1969                             | -1,926                        | -50                   | -3,011   | -640  |  | -2,470                    | -6,122                | 8,824   | 2,702                                  | -1,515  | -1,187  | 16,964  |
| 1970                             | -2,018                        | -1,398                | -3,059   | -482  | 867                                    | -1,174                    | -3,851                | -5,988  | -9,839                                 | 7,362   | 2,477   | 14,487  |
| 1971                             | -2,378                        | -4,149                | -9,374   | -2,420  | 717                                    | -10,927                   | -22,002               | -7,763  | -29,765                                | 27,417  | 2,348   | 11,267  |
| Seasonally adjusted annual rates |                               |                       |  |   |  |                           |                       |   |  |   |   |   |
| Unad-justed                      |                               |                       |  |   |  |                           |                       |   |  |   |   |   |
| 1970: I                          | -1,848                        | -3,688                | -5,004   | -988  | 868                                    | -204                      | -5,328                | -5,844  | -11,172                                | 10,116  | 1,056   | 17,350  |
| II                               | -2,252                        | -944                  | -2,420   | -224  | 868                                    | -1,640                    | -3,416                | -4,844  | -9,260                                 | 5,040   | 3,220   | 16,328  |
| III                              | -1,296                        | -764                  | -1,388   | 168   | 868                                    | -2,708                    | -3,060                | -4,416  | -7,476                                 | 5,140   | 2,336   | 15,527  |
| IV                               | -2,680                        | -196                  | -3,424   | -884  | 864                                    | -148                      | -3,592                | -8,848  | -12,440                                | 9,144   | 3,296   | 14,487  |
| 1971: I                          | -2,808                        | -3,688                | -5,116   | -2,136  | 720                                    | -3,776                    | -10,308               | -11,392   | -21,700                                | 18,972  | 2,728   | 14,342  |
| II                               | -2,336                        | -6,420                | -11,996  | -1,260  | 716                                    | -10,344                   | -22,884               | -2,980  | -25,864                                | 23,228  | 2,636   | 13,504  |
| III                              | -2,232                        | -7,532                | -13,184  | -3,532  | 716                                    | -21,520                   | -37,520               | -10,204   | -47,724                                | 42,948  | 4,776   | 12,131  |
| IV                               | -2,132                        | 1,040                 | -7,208   | -2,752  | 716                                    | -8,072                    | -17,316               | -6,476  | -23,792                                | 24,540  | -748  | 11,267  |
| 1972: I                          | -1,540                        | -3,048                | -12,964  | -2,116  | 712                                    | 1,920                     | -12,448               | -660  | -13,108                                | 11,392  | 1,716   | 12,270  |

<sup>1</sup> Excludes military grants.

<sup>2</sup> Adjusted from Census data for differences in timing and coverage.

<sup>3</sup> Includes fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States.

<sup>4</sup> Excludes liabilities to foreign official reserve agencies.

<sup>5</sup> Private foreigners exclude the IMF, but include other international and regional organizations.

<sup>6</sup> Includes liabilities to foreign official agencies reported by U.S. Government and U.S. banks and U.S. liabilities to the

IMF arising from reversible gold sales to, and gold deposits with, the United States.

<sup>7</sup> Official reserve assets include gold, special drawing rights, convertible currencies, and the U.S. gold tranche position in the IMF.

<sup>8</sup> Not available separately.

<sup>9</sup> Coverage of liquid banking claims for 1960-63 and of nonliquid nonbanking claims for 1960-62 is limited to foreign currency deposits only; other liquid items are not available separately and are included with nonliquid claims.

<sup>10</sup> Includes gain of \$67 million resulting from revaluation of the German mark in October 1969.

<sup>11</sup> Includes \$28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

Sources: Department of Commerce (Bureau of Economic Analysis) and Treasury Department.

**THE ECONOMY AT MID-1872**