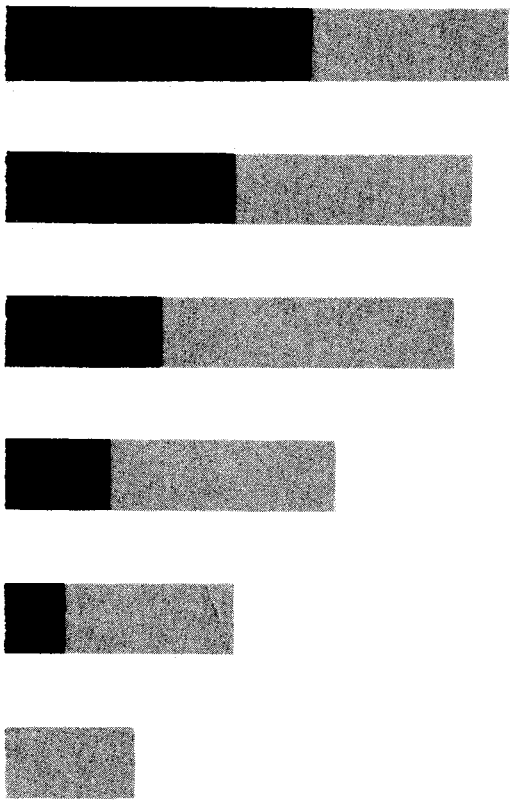
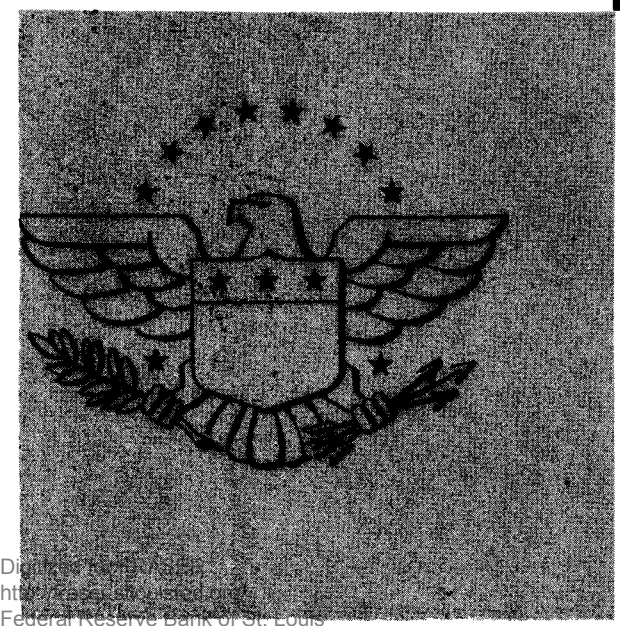


U. S. INCOME AND OUTPUT

A Supplement to the Survey of Current Business



U. S. DEPARTMENT OF COMMERCE

OFFICE OF BUSINESS ECONOMICS

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U. S. Income and Output

Prepared in the Office of Business Economics

under the supervision of

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A Supplement to
the Survey of Current Business



U. S. DEPARTMENT OF COMMERCE, LEWIS L. STRAUSS, Secretary

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FOREWORD

This volume does more than bring up to date the material contained in the 1954 edition of *National Income*. Not only have new series and formulations been added, but the range of subject matter has been broadened to include our work in the field of income distribution. Here, too, we discuss recent progress on the national income accounts, requisites for further development, and our program for the future.

This is our silver anniversary volume, since we undertook our first report in the national income field in 1932–33 in response to Senate Resolution 220, 72d Congress. It is in itself a mark of the progress that has been made in the comprehensive reporting on the national economy within a framework that has contributed much to knowledge and understanding. The use of national income accounts as a measure of America's economic position and progress is today commonplace. They are accepted as guides to business operations and Government policy determinations. The language of the accounts through wide use in our press has become a normal and understandable guide to the public.

This is the fourth volume of a series initiated in 1947, but departs considerably from the format and content of its predecessors. It was considered neither desirable nor necessary to repeat in this volume what is still valid in the old. For those who wish the full detail of the methods and of the underlying concepts, copies of the 1954 edition are available for purchase or consultation from the usual sources.

Our intent here transcends earlier objectives. While the full range of income and product data is carried forward and annotated, a major effort has been made to view in perspective the entire framework of analysis. To this latter end the net qualitative yield of a quarter of a century is surveyed.

Persons with special interests, as in marketing, income distribution by size and areas, or overall trend analysis, will find within these covers the material needed for current appraisals and for the establishment of relationships over time. Those seeking fuller knowledge of sources and methods are here equipped with explanations of new series and all significant alterations of the old.

For the many with strong preferences for those features of the accounts which would best repay prompt further development, the sections on the program ahead, and on the availability of statistical prerequisites, may bring constructive thinking to closer focus. We hope they will aid in the implementation of a program to meet our basic data needs more adequately. To further this objective, we have placed considerable stress upon the shortcomings of the basic statistical data and specifications of the requirements for improving the national income calculations.

The extraordinary range of information which the Office of Business Economics must utilize regularly in its national income work makes us more than ordinarily conscious of our dependence upon the large number of cooperating public and private agencies and individuals that assist us so generously. This blanket expression of appreciation is supplemented by the acknowledgments which are included in this volume.

M. Joseph Meehan

Director, Office of Business Economics.

NOVEMBER 1958.

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ACKNOWLEDGMENTS

In presenting the results of our work on the national income in recent years, OBE brings into focus the achievements of its National Income Division and the contributions of those other divisions whose activities aid in preparation of these accounts. A general acknowledgment to the staff is thus appropriate. But, as is always the case in bringing efforts to fruition in the form of a book—which must derive from inspiration as well as from workmanship—the responsibility for this volume fell largely upon certain individuals to whom special thanks are due.

In addition to the principal authors listed on the title page, Charles F. Schwartz and George Jaszi, the contributors to the various parts and the particularized knowledge which they brought to bear are here recognized with appreciation. Lawrence Grose supervised most of the statistical work underlying the revision and expansion of series on the product side of the accounts. Harlow D. Osborne was in charge of the property income estimates and contributed much to Chapters 4, 5, and 6, concerned with the development of the official income and product work. Selma F. Goldsmith had responsibility for most of the income series and drafted Chapter 3 analyzing the distribution of family incomes by size. George M. Cobren supervised the preparation of the government accounts and drafted part of Chapter 8, on methodology.

The laborious and detailed work that went into the approximately 100 tables in the Statistical Section, involving both updating the existing accounts and development of new avenues of information, was shared by numerous individuals. Those principally concerned are listed here alphabetically with their special areas of competence:

Lillian P. Barnes—State and local government expenditures and receipts; Edward O. Bassett—consumer commodities, involving in particular the major task of incorporating data from the 1954 industrial censuses into the commodity flow estimates; Jacquelin Bauman—corporate profits; Carolyn G. Bernhard—consumer services; F. Beatrice Coleman—monthly personal income; Nancy F. Culbertson—foreign transactions; Jeannette M. Fitzwilliams—business and professional incomes; John A. Gorman—property incomes; Maurice Liebenberg—change in business inventories a corporate profits; Joseph Rosenthal—Federal Government e penditures and receipts; Mabel A. Smith—quarterly consum expenditures; Robert C. Wasson—producers' durable equipme and capital consumption allowances; and Marilyn J. Young—em ployee compensation and monthly personal income.

Loughlin F. McHugh, Chief of the National Economics Divi sion, drafted Chapter 1 on economic growth and progress. Rober E. Graham, Jr., who is in charge of OBE's regional income work drafted Chapter 2. The graphic presentations in the volume were executed by Anna M. Guindon and John A. Miskell.

To those portions of the volume relating to consumption and investment OBE's Business Structure Division, Lawrence Bridge, Chief, made valuable contributions. A similar role was performed by the Balance of Payments Division, Walther Lederer, Chief, with respect to international transactions.

Certain of the income and product series are prepared by agencies other than the Office of Business Economics: Farm income by the Agricultural Economics Division of the Department of Agriculture; direct estimates of personal saving by the Securities and Exchange Commission; and new construction activity by the Construction Industry Division, Business and Defense Services Administration, U. S. Department of Commerce, in cooperation with the Bureau of Labor Statistics of the Department of Labor. Also to be noted is the cooperation of the Securities and Exchange Commission with the Office of Business Economics in the collection of the underlying plant and equipment investment data.

The statistics rest in a larger sense upon the work of the numerous Government and private agencies which provide the primary source data needed to construct the national income and product accounts. The cooperation of all these agencies is gratefully acknowledged.

The progress recorded has been continuously aided by the Bureau of the Budget, not only by its direct support, but by its comprehensive recognition of our needs, which have been considered regularly in the development of the Government's statistical program.

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1. Economic Growth and Progress

Growth and progress have constituted the outstanding feature of the American economy in the postwar period. The physical volume of total output in 1957 was more than two-fifths above that of 10 years earlier; on a per capita basis, output was up more than one-fifth.

The postwar economic expansion has been a continuation of the longer-term course of developments in this country. The salient facts of cyclical fluctuations and basic growth are evident from Figure 1, which traces the historical record of national output since 1909.

While growth in the past decade has not been a steady process, the postwar setbacks to business have been mild. With a concatenation of forceful influences—some temporary and some of a longer-term character—conducive to expansion, prosperous conditions have prevailed throughout most of the past decade. The standard of living has improved substantially.

Postwar developments have reflected primarily continued operation of the same basic forces that have characterized our economic life in the past. However, new factors have also been at work. Government has played an increasing role, in the main to meet the defense requirements of the cold war but also to discharge added responsibilities in the civilian sphere through a broad range of social and economic programs.

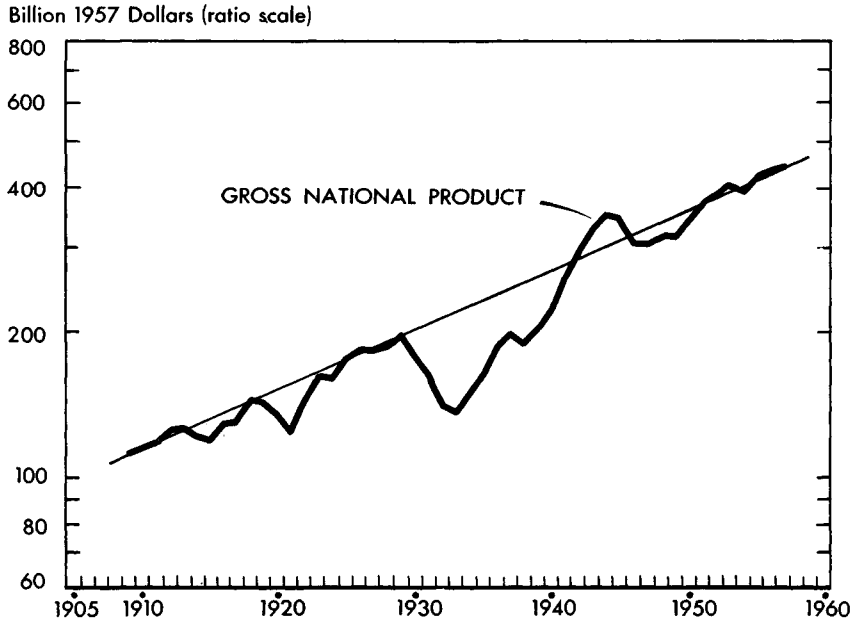
Another set of factors influencing the postwar scene was the abnormality of demand and supply conditions immediately after the war. On the one hand, there was a translation into effective demand of consumption and investment that had been postponed during World War II and the 1930's. On the other, capacity to produce civilian goods was limited pending the completion of economic reconversion. Because of these circumstances, the rate of economic advance was above average in the first half of the decade.

In these years, technological progress that had been latent during the depression and unusually rapid under the exigencies of war, became embodied in civilian production on a large scale. However, continuous improvements in the techniques and organization of production were an outstanding feature of the entire postwar period, and were both a cause and an effect of the generally high rate of business investment.

It seems appropriate at this point to review our progress—to establish its dimensions and characteristics, and to assay our current status not only in the light of the more recent past but in broader historical perspective.

Fig. 1

Economic Growth Characterized Postwar Period



UTILITY OF INCOME MEASURES

Central focus is provided by the comprehensive and detailed statistics embodied in the national income and product measures. These furnish at once a convenient summary of recent movements in aggregate income and output and a vast array of supporting information necessary for adequate appraisal of economic developments. They encompass within a uniform framework the record of several decades so that current trends can be placed against the background of the past.

Size, composition, and use of the Nation's output, the industrial structure in which it is produced, and the distribution of the corresponding income flows—geographically and among the Nation's families—all are encompassed in the guides provided by national income measurements.

The present volume incorporates improvements of these estimates stemming from a major statistical review occasioned by the availability of additional primary

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data. Also, the estimates have been expanded to include new types of measurements which will give a sharper focus to the view of the economy provided by national income statistics.

In this chapter, we analyze some key features of the postwar economic record with the aid of this information. Attention is directed to the following major points:

1. Postwar output expansion to its present dimensions;
2. Changing market demand patterns;
3. Structural aspects of industrial activity and purchasing power;
4. Cyclical forces in the postwar economy.

Regional developments and shifts in the size distribution of consumer incomes and buying power are discussed in the two succeeding chapters.

EXPANSION OF THE POSTWAR ECONOMY

Gross national product in 1957 was valued at $440 billion, as compared with $234 billion 10 years earlier. Over this period, prices rose 30 percent. Much of the advance reflected the aftermath of World War II, and another spurt came with the Korean conflict, but pressures on the price level were characteristic of the entire period. After adjustment for the price factor, aggregate output expanded, as already indicated, by more than two-fifths over the decade.

This expansion was unusually rapid but a note of caution is necessary in appraising the postwar record for its more enduring aspects. A decade's experience is generally not sufficient to indicate a long-term trend, especially when developments are as influenced by temporary factors as they were in the period under review.

TEMPORARY POSTWAR FACTORS

The decade started from a relatively low base. Investment had lagged in the 1930's; and during the war the stock of capital available for peacetime use had been depleted by heavy wear-and-tear and by the need to channel resources into the production of facilities and munitions required directly for the war effort. Moreover, employment and real output immediately after the war were affected by the technical and organizational bottlenecks associated with the transition to peacetime production.

Productive capacity was thus capable of very rapid expansion from the early postwar base. Demand factors were also conducive to a swift rise of output. Consumers had had to defer demand on a large scale during the war, and correspondingly had accumulated financial resources which greatly improved their liquidity positions. Backlog demands made themselves felt extensively in consumer markets once wartime restrictions had been removed.

Another factor affecting the consumer market was rapid population growth. Population had not sustained its earlier expansion during the 1930's, when the increase was roughly half that of the preceding decade. The birthrate began to rise during the war and this rise was further accentuated after the termination of hostilities. Similarly, the rate of new family formation was particularly high during the early postwar period. These demographic developments reinforced the buoyancy of consumer demand.

Incentives to invest were also powerful. Against the background of a receptive consumer market, the business community was eager to make up for capital depletion in the prior span of years, to incorporate in productive facilities past advances in technology, and to lay the basis for further expansion on a broad scale. As in the case of consumers, liquid resources accumulated during the war helped to finance postwar expenditures. After-tax profits, which had been restrained during the war, assumed a more normal relationship to sales as taxes were lowered and other wartime controls removed.

Foreign markets also had an influence on United States production that was special to this period. Some of our customers abroad were in a backlog-demand and liquid-asset position analogous to that of domestic buyer groups. Other foreign countries, whose productive operations had been seriously damaged and disorganized by the war, needed to supplement their current output, both in order to maintain minimum living standards and to initiate programs designed to rebuild their capital facilities. Crop failures further added to foreign requirements in the short run. With the U. S. Government financing these requirements on a large scale, the demand for our exports soon rose to a postwar peak not approached in earlier or later peacetime years.

In gauging our postwar expansion, it is obviously necessary to take these extraordinary factors into account. In combination, they resulted in an abnormally low early postwar production base and in an exceptionally rapid economic expansion over the next few years. If appropriate allowance for these developments is made, the postwar achievement is seen to be broadly in line with the record of the past half century, as depicted in Figure 1.

LONG-TERM GROWTH

The salient features of this long-term record may be summarized as follows. The $440 billion of gross national output in 1957 compares with an aggregate of $196 billion at the end of the 1920's—the last prewar period of generally prosperous conditions—and with the $112 billion in 1909, these earlier figures also being stated in 1957 prices. Thus, total real output has quadrupled over the last 50 years. This rise represents an average annual growth of about 3 percent—a rate which held approximately both in the 1909–29 period and in the subsequent 3-decade interval.

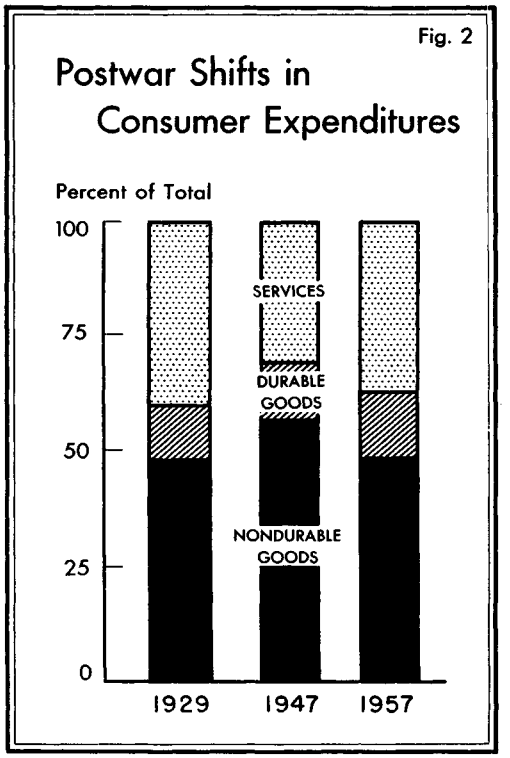
With population doubling, per capita output in real terms in 1957 was twice that of 1909.

In a basic sense, the increase in real output was even more pronounced. The available statistical techniques make only partial allowance for changes in the quality—as distinguished from the quantity—of real output. Inasmuch as improvements in product quality have constituted a major avenue of economic progress, the quantitative measures that can be calculated do not reflect the full extent of our economic growth.

FACTORS IN GROWTH

The increase in the number of man-hours worked—an average of about 1 percent per year since 1909—has been a clear-cut factor in the long-term growth of real output. Employment, it may be noted, expanded substantially more over this period—1½ percent per year. But the average length of the workweek declined sharply, as employees and entrepreneurs chose to take some of the improvement in

Fig. 2



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their living standards in the form of shorter working hours.

All of the other factors that—in addition to man-hours worked—have contributed to the growth of real output are summed up in a conventional statistical calculation—"output per man-hour worked." This measure has increased at an average annual rate of about 2 percent over the last half century, thus accounting for the larger part of real output expansion.

Most of this gain has come from technological and managerial progress, a high rate of capital formation including the development of natural resources, and constant advances in the education and skills of the working population. Shifting of the work force into activities in which productivity is relatively high has also contributed. So have the economies of large-scale production and increased division of labor associated with the growth of population and of the market economy.

It is not possible to quantify in a comprehensive manner these manifold factors which have contributed to economic growth. However, significant measures are available of one of them—the stock of tangible capital assets used in the Nation's productive establishments. These show a striking secular growth in the amount of plant and equipment used per unit of labor engaged in production, and corroborate the view that this growth is one of the major factors explaining the rise in the productivity of American business.

A study of manufacturing recently completed by the Office of Business Economics, the results of which are reproduced in the Statistical Section of this report, is of special interest in this connection. This study developed for a span of 30 years series for manufacturing establishments on private investment in structures and equipment, on the depreciation of these two forms of fixed capital on alternative valuation bases, and on net capital formation in the form of both fixed capital and inventories. Time series on the total volume of the various forms of manufacturing capital were also provided; and these were compared with measures of man-hours worked and of manufacturing output, to examine the interaction of these key variables.

From the standpoint of the present discussion, the most important facts brought out by this study are those relating to the relative use of labor and capital in manufacturing. Over the last 30 years, the physical amount of capital applied in manufacturing production virtually doubled, whereas the number of man-hours worked increased by two-fifths. (See Figure 27 in Chapter 5.) In other words, over this period the amount of capital per man-hour increased more than one-third. This increased application of capital of improved efficiency undoubtedly has been a big factor in the growth of manufacturing production, which in 1957 had risen to 2½ times its 1929 volume.

The fact that the expansion of output in manufacturing significantly outstripped that in either labor or capital input underscores the importance of the other factors, noted above, making for production growth—factors which cannot be quantified.

MARKET DEMAND PATTERNS

Ours is a market economy. Basic to its organization is a reliance on countless transactions among a multiplicity of independent economic units to produce and distribute the Nation's output. Even Government, which has come to play such a vital role, works its economic influence by entering the market and by modifying, rather than replacing, market forces. To understand the functioning of the economy, it is necessary to reduce the voluminous detail of business activity to manageable proportions. National income statistics perform this essential task—by delineating the broad markets for national output and the significant types of product and income flows that picture their dimensions and behavior.

We shall make a brief survey of each of these markets in the postwar period. Attention will be drawn to the major forces that affected their behavior, as well as to new structural features.

Later in this chapter, it will be shown how the changing patterns of market demand affected the industrial structure of the economy, and how the various markets interacted in the cyclical swings of postwar business.

Apart from its contribution to an understanding of the overall economy, study of these broad national markets is useful as a background for more special types of market research focusing on the vast amount of income and expenditure detail reported in the Statistical Section of this volume.

Consumer Buying and Income

A major element of strength in the postwar economy was provided by consumer demand for goods and services. The basic support for this demand stemmed from the dynamic elements in the economy which produced a generally high and expanding flow of income to individuals.

Personal income—which measures this flow on a before-tax basis—totaled $348 billion in 1957 as compared with $192 billion 10 years earlier. This expansion of four-fifths was similar to that in the current-dollar value of gross national product.

Personal income consists in the main of individuals' earnings from current production. A significant additional part is disbursed by government in the form of social security benefits and other transfer payments; these are partly offset by the contributions made by individuals to the financing of the government-administered social insurance programs.

These government payments and social-security deductions made a sizable addition, on balance, to the current purchasing power of consumers in the postwar period. This was more than offset, however, by higher taxes. Income and other tax payments made by individuals to the Federal, State, and local governments in 1957 came to nearly $43 billion, or 12½ percent of total personal income. This tax ratio varied between 11½ percent and 12½ percent from 1951 to 1957, and for the earlier postwar years averaged somewhat lower. In the prewar period, personal taxes had absorbed about 3 percent of personal income.

With the proportion of income taken by taxes not varying substantially over most of the postwar period, the course of income after taxes paralleled generally that of total personal income. The 1947–57 expansion in disposable personal income likewise approximated four-fifths in dollar terms, and amounted to almost 50 percent on a real basis—that is, after allowance for the 10-year increase in consumer prices.

SPENDING AND INCOME

After the end of the war, individuals stepped up their buying relative to income in the attempt to fill backlog demands. These were made effective by a greatly improved financial position reflecting both accumulated liquid assets and lowered debts. Consumer expenditures amounted to 97 percent of disposable personal income in 1947—an exceptionally high ratio which doubtless meant that an unusual number of families drew on their liquid assets to supplement current income.

The spending-income ratio, however, was soon reduced as the special buying needs were met. It averaged 94½ percent in the 1948–50 period and 92½ percent from 1951 to 1957. In none of the 7 years of the latter span did the ratio differ from the average by as much as one percentage point.

The ratio of consumer expenditures to disposable income was thus relatively stable during most of the postwar period—a fact supporting the view that income was by far the principal determinant of consumption. This broad generalization in no

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way minimizes the role of other factors influencing consumer spending, such as the availability and use of consumer credit. They were manifested most clearly in quarterly variations in the income-consumption ratio; their influence in the shaping of short-term business fluctuations will become apparent from the subsequent discussion of postwar business cycles.

Another point may be noted. The comparative stability found in the consumption-income ratio was not displayed by the saving-income ratio; its relative fluctuations were wide even on an annual basis. Since personal saving is the difference between much larger income and consumption totals, movements in these totals having only slight effect on the consumption-income ratio resulted in much sharper relative changes in saving and in the saving-income ratio.

CONSUMER PURCHASING AND GNP

The consumer market throughout the postwar period absorbed around two-thirds of total gross national product. This share was lower than that which prevailed in prosperous prewar years, when three-fourths of total output flowed through consumer channels.

This fundamental change reflected the expansion in the role of Government resulting primarily from the heightened requirements of national defense, although an increase in civilian-type services rendered by Government was involved also. This shift to Government in the use of current output was accomplished through a considerable step-up in the rates of taxation. The ratio of disposable personal income to GNP was thereby lowered; and, in turn, there was a corresponding reduction in the ratio of consumption to GNP as individuals in the past decade spent and saved roughly the same proportions of their after-tax incomes as they did in the prewar era.

The reduction in the ratio of personal consumption to production has been accompanied by a large expansion in the latter, and the absolute volume of real consumption is currently far above prewar levels. Compared with the late 1920's, it is more than twice as high in the aggregate and 50 percent greater on a per capita basis.

SHIFT IN PATTERNS

The cross-currents in consumer markets were many and varied in the postwar period. Out of the myriad developments, however, certain broad patterns emerge. Apart from the fact that they depict a significant aspect of the postwar economy, knowledge of them may contribute background perspective for studies utilizing the individual product detail.

Figure 2 highlights the main facts which must be interpreted. It shows that the goods-services distribution of consumer expenditures in 1947 differed quite significantly from that for 1929 or 1957. The services share of total consumption in 1947 was below that of either terminal year; conversely, the share of nondurable goods in 1947 was relatively high—markedly above 1929 or 1957. The proportion of expenditures going for durable goods in 1947 fell between the terminal-year ratios, and thereby was not inconsistent with an apparent long-term tendency for such expenditures to absorb a rising share of the total consumer market.

The divergent movements in the shares of services and nondurable goods, it may be added, proceeded more or less steadily on an annual basis throughout the decade, and involved strikingly different percentage changes in these categories of expenditures. From 1947 to 1957, total outlays by consumers for services advanced 107 percent; those for nondurable goods, 48 percent. These compare with increases of 72 percent in total consumption expenditures and 79 percent in disposable personal income.

These postwar shifts in the goods-services composition of the consumer market can be viewed broadly in one of two ways. On the one hand, they may represent basic tendencies to which trend significance should be accorded, with the changes since 1947 representing a break with previously established patterns. On the other hand, the early postwar distribution of consumer spending may have been shaped in considerable degree by temporary influences, in which case the observed 1947–57 shifts, particularly of services and nondurable goods, would be viewed largely as movements back toward the more basic relationships depicted by the prewar distribution.

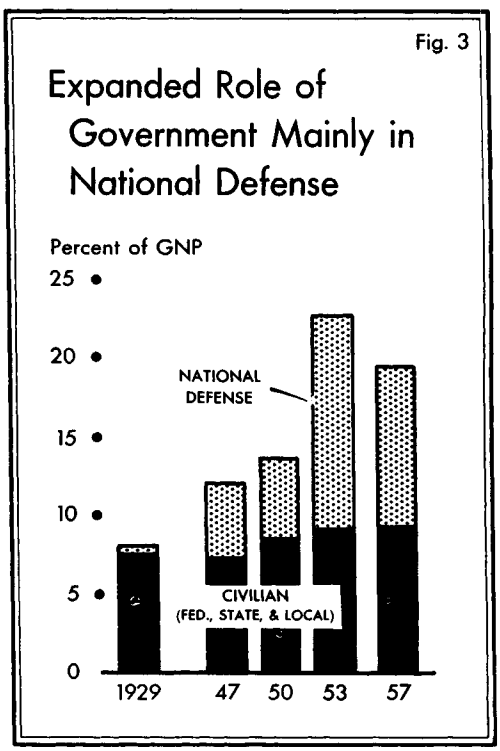
The latter view appears valid. The postwar record, it is believed, does not warrant the assumption that over the long run the trends in spending for services and for nondurable goods are markedly different, or that these broad groups of outlays are substantially independent of changes in disposable income. Supply and price conditions in the consumer market of 1947 were distorted not only by special aftermath-of-war circumstances, but also by carryover effects of the war and depression. In large degree, developments in the ensuing decade reflected a correction of these dislocations.

PRICE MOVEMENTS VARY

In an evaluation of the changes in the goods-services distribution of consumer expenditures over the past decade, it should first be noted that they mainly reflected differential price movements rather than fundamental alterations of the consumption pattern in real terms. As Table 1 shows, the 1947 distribution appears much less out of line with 1929 and 1957 when the comparison is based on expenditure data adjusted for changes in prices. Relative to 1929 and 1957, the 1947 share of services is higher in the constant-dollar distribution than it is in the current-dollar figures, and the share of nondurable goods is correspondingly reduced. Some reduction is also apparent in the 1947 ratio of durables to total real spending, indicating that prices of such goods in that year were also relatively high.

Prices of commodities dropped more

Fig. 3



than those of services in the early 1930's and rose much more from then until shortly after the war, at which time they were substantially higher, relative to 1929, than service prices. The gap between service and commodity prices narrowed substantially in the past decade. As shown by the table, prices of services moved up 40 percent, or more than double the increase for commodities. Despite these changes, the composite implicit price index for services in 1957 was still up less from 1929 than commodities—60 percent as compared with 77 percent.

The steep advance in the dollar value of service expenditures from 1947 to 1957, and the lesser rise of commodities (especially of nondurables), thus reflected primarily a catching-up of the prices of services with those of commodities. This process was fairly pervasive among the major types of expenditures, but develop-

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ments relating to housing, food, and clothing had a large weight in determining the broad picture of price and volume changes in the consumer market.

MORE GOES FOR HOUSING

Rental rates, which during the 1930's had declined more and recovered less than other prices, were held in check by war and early postwar controls. They advanced at a faster-than-average rate after the war, but in 1957 were relatively quite low in comparison with 1929. It is for this reason that outlays for housing in 1957—covering both cash rents and the rental value of owner-occupied dwellings—still comprised a significantly lower proportion of total current-dollar expenditures than in 1929, although the proportion was up substantially from the end of the war.

Measured in constant dollars, the 1957 share of housing in total consumption was above 1929, as well as 1947. This fact is attributable not only to the large volume of new dwelling units that were added to the housing stock in the postwar period, but also to an improvement in average quality of the units.

This improvement reflected an upgrading that accompanied the pronounced shift from rented to owned quarters. The long-term trend to home ownership in this country had been interrupted first during the depression and then by the wartime restrictions on residential construction. The trend was resumed in the postwar upsurge of residential building and was encouraged by unusually favorable terms of mortgage financing. By 1957, about 60 percent of all nonfarm residences were owner-occupied, compared with 40 percent in 1940.

It may be added that if housing is excluded from service expenditures the long-run relationship of services to total consumption is changed in both current and constant dollars. In current dollars, exclusion of housing largely eliminates the decline in the relative importance of services from 1929 to 1957. Over that period, the real volume of services other than housing declined appreciably—from 28 percent to 25 percent.

FOOD SHARE READJUSTED

The large food category accounts for one-fourth of total consumer expenditures and for more than one-half of the outlays for nondurable goods. As may be seen from the table, changes in the relative importance of these outlays—both before and after 1947—were dominated by the food component.

Purchases of food accounted for an extraordinarily high share of the total consumer dollar in 1947; the ratio of one-third compares with one-fourth for 1929. This expansion reflected relatively large increases in both food prices and the real volume of food consumption. Largely because of the extraordinary demand for food resulting from the deterioration of agricultural production in other parts of the world, food prices rose sharply after wartime controls were lifted in the fall of 1946. With the improvement in world food conditions and with other goods in relatively more abundant supply, food prices advanced at a below-average pace from 1947 to 1957. In the latter year, food purchases as a proportion of total consumption—in both current and constant dollars—were not substantially out of line with relationships prevailing in prosperous prewar years.

The fact that the current-dollar ratio for food was somewhat higher in 1957 than in 1929 is largely attributable to the differing status of alcoholic beverages in the two periods. It is also to be noted that, apart from these beverages, maintenance of the food share of total consumption reflected in part the better processing and packaging which were introduced in the postwar years to attract the demands of a consumer market characterized by rising real incomes.

CLOTHING SHARE LOWER

Demand for apparel was strong in the early postwar period, and clothing prices moved up swiftly after the removal of price controls. Compared with 1929, prices of clothing and shoes in 1947 were up most among the major categories of consumer expenditure. As a proportion of total consumption, apparel purchases in 1947 were only slightly below 1929 in current dollars, but were off substantially in real terms.

Throughout the subsequent decade, the consumer continued—in extension of an apparent long-term tendency—to use less of his consumption dollar for clothing. The share of total real consumption going for apparel declined from 10 percent in 1947 to 8½ percent in 1957. The drop on a current-dollar basis was even larger because of the fact, just noted, that clothing prices were exceptionally high in the early postwar period.

The Role of Government

Government has provided a large and somewhat irregular market for the Nation's output in the postwar period. Total purchases of goods and services by Federal, State, and local governments ranged from a low of 12 percent of GNP in 1947 to a high of 23 percent in 1953. Recently, about 20 percent of total output was bought by government.

Changes in the rate of government spending have tended to be concentrated in relatively brief periods. Much of the upward movement to the 1953 high occurred during 1951 and 1952, and the subsequent downward adjustment was accomplished by 1955.

The relative rise in public purchases as compared with the prewar period has been substantial, and has in the main reflected the requirements of national defense. Government purchases for civilian functions have expanded only moderately in relation to total output. (See Figure 3.) Changes in the defense program have been the main source also of the postwar fluctuations of government spending.

IMPACT OF DEFENSE

National defense purchases—$44 billion in 1957—consist mainly of expenditures for the military functions of the Defense Department. Also included are goods destined for military assistance to foreign countries, outlays for atomic energy development, and

Table 1.—Percent Distributions of Consumer Expenditures by Major Groups, in Current and Constant Dollars

	Distribution based on current dollars			Distribution based on constant (1957) dollars			Implicit price deflators (1957=100)		
	1929	1947	1957	1929	1947	1957	1929	1947	1957
Total goods and services	100.0	100.0	100.0	100.0	100.0	100.0	58	80	100
Durable goods	11.7	12.4	14.0	11.7	11.8	14.0	58	85	100
Nondurable goods	47.7	56.5	48.5	50.2	53.2	48.5	55	85	100
Food and beverages	24.7	32.9	26.6	26.1	30.5	26.6	55	87	100
Clothing and shoes	11.9	11.4	8.6	13.5	10.2	8.6	51	89	100
Other	11.1	12.2	13.3	10.6	12.5	13.3	61	78	100
Services	40.6	31.1	37.5	38.1	35.0	37.5	62	71	100
Housing	14.5	9.4	12.5	10.0	10.5	12.5	84	72	100
Other	26.1	21.7	25.0	28.1	24.5	25.0	54	71	100

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the stockpiling of strategic and critical materials. Since 1953, and over the postwar decade as a whole, defense outlays have accounted for about one-half of total governmental purchases. Their share was lower prior to the Korean war, and higher during the years of that conflict.

Dollarwise, and also in percentage terms, fluctuations have been particularly pronounced in the procurement of military equipment, currently the largest single item in a broad object breakdown of defense outlays. Moreover, the composition of equipment procurement has been subject to continuing change, as rapid progress in military technology has led to a high rate of obsolescence in general, and more particularly to a shift from conventional items to nuclear and other modern weapons.

Inasmuch as the production of military goods is concentrated largely in durable goods manufacturing, the impact of changes in the defense program on the national economy cannot be inferred from comparisons of the broad defense and national output totals alone. As the subsequent analysis of postwar business fluctuations will show, the specific industrial incidence of defense purchases is an essential link in the chain of causal events explaining the dynamics of postwar business conditions.

In an assessment of the longer-range economic effects of the defense program, its impact on scientific and technological progress should be noted. The large defense funds now being disbursed for research and development have augmented substantially the total amount of our national resources devoted to this purpose. The direct aim of these public outlays is of course the strengthening of our military defenses, but they also affect general economic productivity because of the close interrelations which have developed between military and industrial technological progress.

CIVILIAN FUNCTIONS EXPAND

As already indicated, purchases for civilian functions have accounted for about one-half of the government total since the war. State and local expenditures have far outranked the nondefense outlays of the Federal Government. Amounting to $13 billion in 1947 and to $36 billion 10 years later, they rose steadily over the entire decade. Federal purchases were about $5 billion in both terminal years, although their decade average was somewhat higher.

The upsurge in State and local purchases—from less than 6 percent to 8 percent of GNP—is explicable partly in terms of prior restrictions upon such spending. During the war these restrictions reflected the precedence of military over civilian requirements. In the prewar decade they stemmed mainly from the impaired fiscal position of State and local government units.

Contrariwise, the generally prosperous conditions of the postwar period improved the revenue sources of State and local governments and their ability to borrow, and otherwise strengthened their willingness to embark upon construction and other programs. Population growth and shifts—such as the movement to suburban residential areas—provided a special impetus to the demand for many services typically provided by these governments.

A detailed view of government services in the national income framework is provided for the first time by the new functional breakdown of public expenditures included in this report. Outlays for education—including new construction as well as running expenses—currently account for almost two-fifths of total State and local purchases. Expenditures for highways (the construction of which is financed to a substantial extent by Federal grants) account for another 20 percent. The remaining two-fifths implements a wide variety of other functions, the most important of which are health and sanitation, general administration, public safety and protection, the provision of public utility capital facilities, and the maintenance and development of natural resources.

Most of the categories of State and local purchases have shared in the postwar expansion of the total. Inasmuch as a major part of this expansion took the form of new construction, which had lagged particularly in the prior decade, categories of expenditures—such as education and highways—which involve relatively high ratios of new construction grew at particularly rapid rates.

Developments in the area of Federal civilian purchases have been less striking. Examination of the record reveals the increased Federal responsibilities (as compared with the prewar period) in such varied fields as foreign affairs, public health, social security, the care of veterans, transportation, agriculture, and natural resources. But fluctuations in Federal purchasing of sufficient size to make an imprint on overall business conditions have been confined to two major programs: expenditures for agricultural price support mainly by the Commodity Credit Corporation, and (in the earlier part of the decade) foreign economic assistance in kind.

GROWTH OF OTHER EXPENDITURES

Purchases of goods and services are the largest item on the list of government expenditures. Other categories are included also, and have assumed increasing importance in the postwar period. In 1957, for instance, governmental units purchased $86 billions of goods and services. The total expenditures of these units, as measured in the national income accounts, amounted to more than $114 billion on a consolidated basis.

The difference consisted largely of transfer payments ($21 billion) and interest paid on government debt ($6 billion). Although these payments do not involve the performance of productive services, economic significance attaches to them because they establish broad sources of income that do not move with the cycles of economic activity. In the case of unemployment insurance benefits, they actually move in a contrary fashion and have a stabilizing effect by partly offsetting changes in earnings from production.

The growth of transfer payments has been substantial. Setting aside international grants in cash, which in 1957 amounted to about $1½ billion and are discussed in the survey of foreign markets, government transfer payments to persons increased from about $11 billion in the early postwar years to $20 billion in 1957. They accounted for about 5 percent of personal incomes in the postwar decade, as compared with 1 percent in 1929.

Table 2.—Government Receipts and Expenditures in the National Income Accounts. Selected Years, 1929–57

[Billions of dollars]

	1929	1947	1950	1953	1957
Receipts	11.3	57.1	69.3	94.9	116.2
Personal taxes	2.6	21.5	20.8	35.8	42.7
Corporate profits taxes	1.4	11.3	17.9	20.2	21.6
Indirect business taxes	7.0	18.6	23.7	30.2	37.6
Contributions for social insurance	.2	5.7	6.9	8.7	14.2
Expenditures	10.2	43.8	61.1	102.0	114.5
Purchases	8.5	28.4	39.0	82.8	85.7
National defense	.6	10.2	14.1	49.0	43.9
Other	7.8	18.1	24.8	33.9	41.8
Transfer payments, etc.	1.7	15.4	22.1	19.2	28.8
Surplus or deficit	1.0	13.3	8.2	−7.1	1.7

A few major developments explain the postwar course of these government payments to individuals. Most important was the expansion of the various social security programs broadly defined, which has reflected both natural growth and extended coverage. The old-age and survivors insurance program was the most important item in this connection, accounting for $7 billion of the $9 billion net growth of transfer payments from 1947 to 1957. State unemployment insurance benefit payments have risen also as rates were increased, and so have disbursements for the various forms of public assistance.

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Partly countering the growth of these and other civilian types of transfers have been disbursements to former military personnel. Military pensions, disability, and retirement payments increased throughout the postwar period. But their annual growth was more than offset until recently by the progressive decline of special programs—such as mustering-out and terminal leave payments, and readjustment, self-employment, and subsistence allowances to veterans—which were at their peak in the years immediately following World War II.

HIGHER TAX YIELDS

As can be seen from Table 2, the enlarged flow of governmental expenditures during the postwar period was accompanied by a record volume of taxation. Combined receipts of all levels of government in 1957, at $116 billion, about matched expenditures for that year. Individual income and other personal taxes accounted for almost 40 percent of the receipts aggregate, and corporate profits taxes for almost 20 percent. Sales, excise, property and other indirect taxes constituted more than 30 percent of the total, and the remaining 10 percent consisted of employment taxes and other contributions for social insurance.

In spite of changes in tax rates, these broad proportions are generally representative of the source pattern of governmental receipts for the postwar period as a whole.

The main contrast with the late 1920's lies in the relative expansion of individual and corporate income taxes, which are the mainstays of the expanded Federal revenue structure, and in the employment taxes associated with the social security program which had not been established in the earlier period. Mirroring these developments, the share of indirect taxes has declined.

CUMULATIVE SURPLUS

The near-balance of receipts and expenditures which obtained in 1957 was characteristic also of the postwar period as a whole. As can be seen from Figure 4, periods of surplus and of deficit have alternated, reflecting largely the course of defense expenditures and the state of the business cycle. Over the 1947–57 period as a whole, however, government receipts and expenditures, as measured in the national income accounts, were slightly better than in balance, resulting in a surplus of $26 billion—about 3 percent of total receipts or expenditures. With the cumulative accounts of State and local governments showing a small deficit, the Federal fiscal position was actually somewhat more favorable than that shown by the combined figures.

Needless to say, approximate balance of government receipts and expenditures does not imply that government operations are neutral in their effects upon business conditions. Given the current size of government intakes and outpayments, they have significant repercussions on the economy whether or not they are in balance.

Some of the effects of governmental expenditures have been mentioned earlier. An important consequence of the postwar tax structure may be pointed up here, because it is relevant to the subsequent discussion.

The enlarged volume of taxation has weakened the link between earnings from production and the disposable income of individuals and corporations. Changes in the value of national production and in the earnings arising from it are not transmitted fully to private income recipients but are dampened by changes in the Government tax take. Quite apart from these mechanical cushioning effects, a high level of taxation enlarges the opportunity of the Government to influence market demand via tax rate adjustments. As will be shown later, the role of taxation has been clearly discernible in the course of postwar business cycles.

Foreign Markets

Exports are another major market for United States production. Foreign demand was high through most of the postwar period. Centering at first on the needs of economic reconstruction, it subsequently reflected the general prevalence of prosperity and the investment programs all over the world which have been aimed at long-run improvement in living standards.

Foreign purchases from the United States are of course financed mainly through foreigners' sales to us. In the postwar period, however, an unusually large fraction of the financing has been dependent on loan and cash aid programs carried on by the United States Government. Outlays under such programs aggregated $30 billion in the 1946–57 period. Adding aid in kind—which, however, is treated in the GNP measures as a component of Government purchases—brings the 12-year total of United States aid to $62 billion.

Loan and grant funds from this country played an especially important part in foreign trade financing under the conditions of economic emergency just after the war. Their relative role has declined since that time, as imports have tended upward with the general economic expansion. While total cash grants and loans under these Government programs have shown no growth in the period, they have been continued on a substantial scale as part of our overall international security program, and are still of critical importance to free economies in many parts of the world.

EXPORTS 5 PERCENT OF OUTPUT

Foreign countries bought roundly 5 percent of the postwar output of the United States, the fraction having reached a peak of 8 percent in 1947. In absolute terms the high point came in 1957, with an export total of $26 billion. (These figures exclude military and other Federal aid in kind.) Though price advances contributed to the growth of the total over the past decade, there was a substantial increase in real volume as well.

Superimposed on the basic tendency of exports to expand since World War II has been a series of large fluctuations. The most notable of these was the bulge which came as an immediate aftermath of the war. Aside from emergency needs for the relief and rehabilitation of foreign nationals at that time, United States products were needed to help make good the destruction or undermaintenance of productive facilities abroad. Many countries, moreover, had accumulated liquid reserves and deferred requirements for United States production, just as had the United States consumer and capital-goods markets.

Subsequent fluctuations around the longer-term uptrend stemmed from a variety of similarly transitory factors. A sharp reaction followed the 1947 peak. Somewhat later, the Korean hostilities had brief but widespread repercussions in world markets. These, like the more limited effects of the Suez crisis of late 1957, were additional to the changes attributable to such factors as year-to-year variations in world output and prices of agricultural commodities, and to cyclical movements in European business activity.

FINANCING OF EXPORTS

The accompanying table shows how foreign buyers obtained dollar exchange to pay for their purchases of United States products. Since 1947 such buying has totaled close to $200 billion. All but about $30 billion was balanced by United States purchases from abroad. Two-thirds of the remainder was financed through cash grants by the United States Government, and one-third through United States private and public investment.

Imports of goods and services grew rather steadily throughout the period, and in 1957 passed $20 billion—a figure more than twice that recorded a decade earlier.

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After allowance for the rise in prices, the bulk of this expansion is seen to have reflected an increase in the physical volume of trade.

Dollar earnings of foreigners from sales to the United States tended to finance a progressively larger share of our exports as war-born dislocations were overcome. The export surplus declined from $9 billion in 1947 to $1 billion or less annually in most years of the 1950–55 period. There was, however, an increase in the past 2 years.

Table 3.—Foreign Transactions in the National Income Accounts, Selected Years, 1947–57

[Billions of dollars]

	1947	1950	1953	1955	1957
Exports of goods and services	17.9	13.1	16.6	19.4	26.0
Imports of goods and services	8.9	12.5	17.0	18.3	21.0
Export surplus	9.0	.6	−.4	1.1	5.0
Net transfer payments by Government	.1	2.8	1.6	1.5	1.5
Net foreign investment	8.9	−2.2	−2.0	−.4	3.5

From 1952 to 1957, the portion of this surplus financed by cash transfers from the Federal Government was stable at about $1½ billion a year, or roughly half as much as in the peak years of the Marshall Plan. These cash transfers are grants for the furthering of economic development abroad. (Military aid, being given in kind rather than in cash, is excluded here along with economic aid in kind; this treatment is consistent with that underlying the GNP measure of exports.)

Net foreign investment by the United States has been comparatively limited in most years since the early postwar period, when the totals were swelled by Federal Government loans of an emergency aid character. In the 1950–55 period, in fact, foreigners' new investment (including gold purchases) here generally exceeded the flow of United States capital abroad. More recently, there was a rise in net foreign investment by the United States. This involved a sharp expansion in the outflow of American private capital and, in 1957, a drop in new investment here by foreigners. The net effect was to permit the financing of a $4 billion increase in our export balance from 1955 to 1957 with relatively little dependence on expansion in Government grants and lending.

Private investment abroad fluctuated around $1 billion annually during most of the postwar period, but rose in 1956 and 1957 to $3 billion or more. Direct investment of United States business firms in foreign branches and subsidiaries accounted for $2 billion in each of those years.

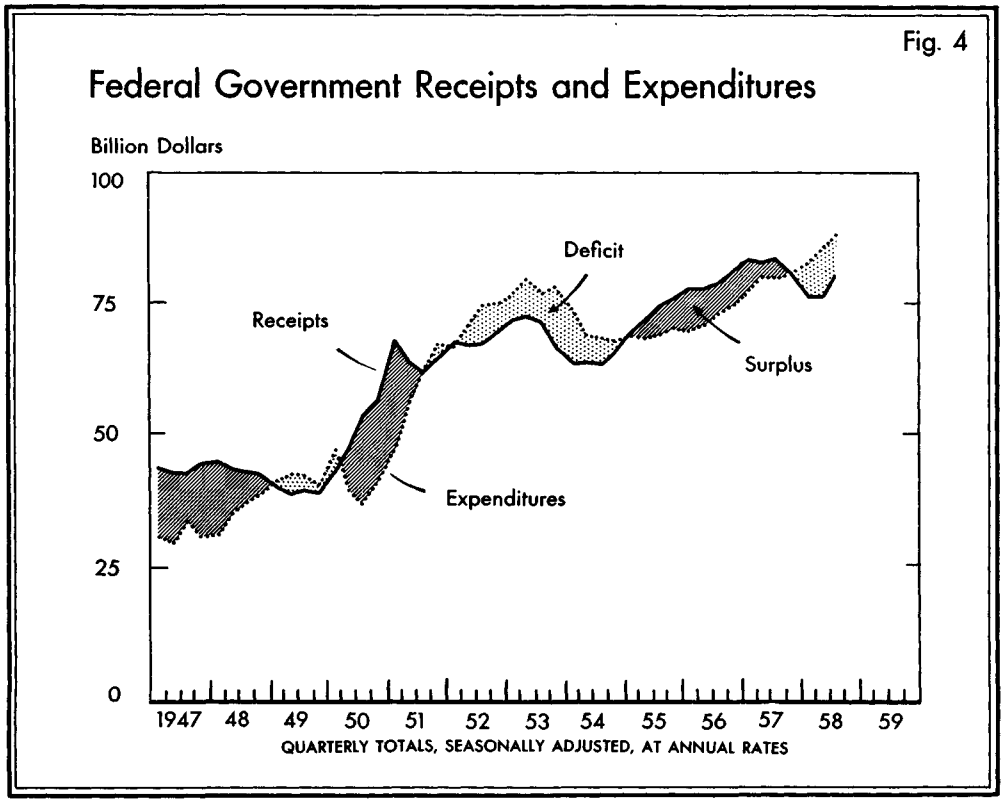
One of the characteristic features of foreign investment since the war has been the relatively large contribution of direct investment to the total. Ordinary trade-finance credit and the purchase of foreign securities as portfolio investments, on the other hand, have been relatively less important than in prewar patterns of capital outflow.

GOVERNMENT PROGRAMS

As has been noted, United States Government programs have released dollar exchange in our foreign markets not only through the cash grants distinguished in the table but also through international loans and credits.

In addition to the foreign purchases of our output which have been made possible with these funds, large amounts of American goods and services have been bought by the Federal Government for the use of friendly foreign nations under our military and economic aid programs. The $62-billion total which is analyzed in Figure 5 comprises such assistance in kind as well as loans and cash grants. The great bulk of this total is seen to have taken the form of grants rather than loans. Two-thirds of it was for emergency relief and other economic aid; the military-aid fraction has been up in recent years, however, amounting since 1952 to over one-half of the total.

Fig. 4



Domestic Investment

An essential requirement for a progressive industrial economy is that a portion of current output be used for investment in capital goods. The United States economy has characteristically featured a high rate of investment; this has been a major influence in the outstanding growth of our standard of living.

Investment is typically one of the more dynamic elements of demand. Its principal components—fixed capital and inventories—are both subject to rapid change. The former accounts for the principal share of total investment, and includes outlays on industrial plant and equipment, housing, and related facilities. Since multiple-use goods of relatively long life are involved, production of them need not be geared at all closely to current use, and hence can be bunched or postponed.

Inventory investment—the change in business inventories—is an item which can be either positive or negative as inventories are raised or lowered. It is subject to pronounced short-term variability—a feature brought out in the subsequent discussion of postwar cyclical developments. At this time, however, attention is called to one central fact: Inventory holdings are a sizable element in the capital structure of business, and their expansion with the growth of the economy has accounted for a significant part of total investment. In manufacturing, which holds a large part

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of all inventory goods in the economy, stocks at the end of 1957 came to over $50 billion, equal to roughly three-eighths of the total of capital goods in the industry. Moreover, the buildup of manufacturers' inventories over the 1929–57 span was nearly as large as the growth in the net real value of structures and equipment. (See Figure 30 in Chapter 6.)

CAPITAL INVESTMENT HIGH

Gross fixed business investment—expenditures on nonresidential construction and producers' durable equipment—reached $47 billion in 1957, an all-time high in terms of both current dollars and physical volume. This investment was sizable throughout the postwar period, even when reduced during the brief intervals of cyclical contraction.

A large backlog of demand for capital facilities had accumulated by the end of World War II, stemming from the period of underinvestment during the 1930's, restrictions imposed in the war period, and the heavy wear-and-tear on equipment involved in the pressures of war production. Once supply conditions after the war permitted resumption of volume production of capital goods, business moved forward almost continuously in its programs of modernization and expansion, spurred by the general prosperity of the period. These programs traced three wavelike patterns superimposed on an upward sloping trend: the first culminating in 1948, the second in 1953, and the third in 1957.

While the expansion in outlays for business facilities in the postwar period reflected in part rising equipment prices and construction costs, the new additions to the physical stock of capital were of record proportions.

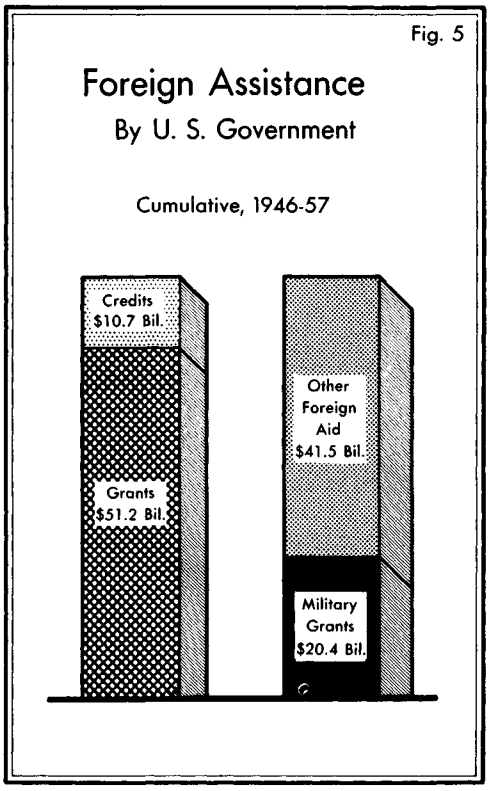
Current-dollar outlays in this period constituted about the same relative share of GNP—around one-tenth—as in the prosperous 1920's, the most recent comparable period of facilities expansion. Expressed in constant dollars, the share of postwar fixed investment was somewhat lower than in that earlier period. However, it seems best not to read this difference too literally, inasmuch as the constant-dollar data do not take complete account of quality change and over the long-run quality improvements in fixed equipment probably have exceeded those in other goods and services.

CAPITAL STOCK IMPROVED

Ratios of fixed investment to total output, while helpful in studying market demand patterns and fluctuations, do not portray the extent to which the supply of capital is geared to growth requirements. To shed light on this latter aspect, information on productive capacity is needed. While this is difficult to obtain, a few broad qualitive aspects may be noted in assessing the postwar investment programs of business.

The first relates to the environment in which the postwar expansion was initiated and carried through. While private investment was held back in the 1930's and the war years, advances in science and technology had continued apace. The intensive search for labor- and materials-saving facilities encouraged by the pressures of war requirements, and the subsequent continuing emphasis on research and development, quickened the pace of discovery of new techniques. Thus, it was possible to incorporate into the postwar programs types of machinery, materials, and processes which were probably far more efficient than ever before.

Fig. 5



Secondly, it appears that the capital stock in the past decade was in an especially favorable working condition in terms of its age composition. To throw some light on the "newness" aspect of facilities, an attempt has been made to measure the relation of net equipment stocks (after depreciation) to gross stocks. Whereas this ratio will tend to exceed 50 percent in a growing economy, throughout most of the period it was markedly above it, and exceeded the 55 percent ratio which applied during the late 1920's.

A third factor to be noted about postwar business fixed investment concerns its relative composition as between equipment and construction: This differed markedly from that of the 1920's. The shift involved is covered in the lower panel of Figure 6, which shows that business expenditures for fixed capital in the recent period were concentrated much more heavily upon acquisition of new equipment, and proportionately less upon plant expansion.

Also of interest in this regard is Figure 30 in Chapter 6. This depicts the striking change which has occurred in the composition of capital assets in manufacturing over the past several decades. Measured in constant dollars, the net value (after depreciation) of the stock of equipment has grown very substantially whereas the additions to manufacturers' plant have been comparatively moderate.

It is clearly evident that business firms have found it feasible to conserve on the space aspect of their facilities. This basic development may reflect in part a more intensive utilization of existing plant capacity and, possibly more important, an improvement in design and engineering not only of the newer buildings, but of the new equipment put in place as well. There would seem to be a reasonable presumption that this shift in application of the business investment dollar has involved a more productive allocation of fixed capital resources.

ACTIVE HOUSING MARKET

In addition to the substantial accumulation of industry-type fixed facilities during the past decade, investment in new housing for the Nation's population also represented an important claim on resources and at the same time contributed significantly to the favorable record of total business activity.

Nonfarm residential construction amounted to $17 billion in 1957. This was moderately below the record of $18½ billion in 1955, but almost 2½ times the dollar volume of 1947 which was still affected by conditions carrying over from the war. Much of this dollar rise over the decade represented higher construction costs; after allowance for this factor, the real volume of nonfarm housing put in place in 1957 was half again as large as in the earlier year.

During the first few years after World War II, demands for housing associated with normal family growth were augmented by demands of many families which had been required to "double-up" because of war-engendered shortages or still inadequate financial resources. Thus, demand was strong; the ceiling on housing activity was set by the capacity limitations of the period.

By the early 1950's, these abnormal demand and supply conditions had been substantially alleviated. Construction of new housing was exceptionally rapid in 1950,

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with the physical volume put in place that year up almost 40 percent over the average of the two preceding years. The volume of activity tapered in 1951 and 1952, rose to an all-time high by 1955, and receded over the next two years. The quantity of housing put in place in 1957 equaled that of 1950, and was higher than in any prior year.

For the postwar period as a whole, the absolute volume of housing production was far above any previous experience. Relative to the total value of output, nonfarm residential construction was close to that of the 1920's, which encompassed the previous housing boom.

A combination of favorable circumstances helped to make effective the record housing requirements of the postwar period. Incomes were high and generally rising; other financial circumstances of would-be homeowners, including their liquid-asset position, were also generally favorable; and the terms of financing were made more liberal than ever before.

As the postwar experience unfolded, mortgage financing terms became a significant factor influencing housing activity. Liberalization of terms helped the expansion of residential purchases in 1949–50, in 1954–55, and probably in 1957–58. On the other hand, in 1951–52 and 1956–57 changes in mortgage terms appear to have constituted restrictive influences.

Financing Investment

The tremendous volume of postwar investment entailed financing on an unprecedented scale.

For the economy as a whole, the saving required to finance the expansion of capital assets is derived from individuals, corporations, and government. Separate data on the saving of these groups is given for all postwar years in table V–1 of the Statistical Section; also recorded are the matching flows of private domestic investment (fixed capital formation and inventory change) and foreign investment. In this consolidated statement of saving and investment for the Nation, the financial investments involving transactions among the domestic segments of the economy are canceling.

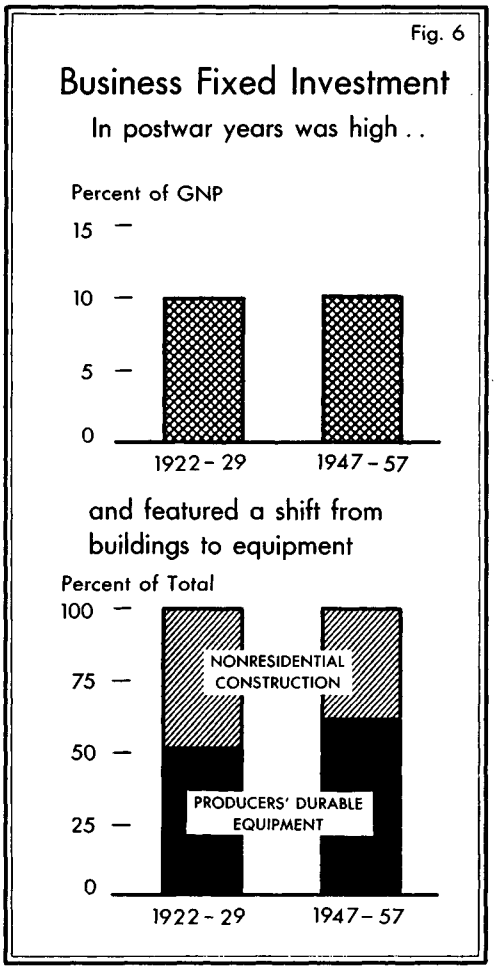
PRIVATE SAVING PREDOMINATES

As is readily apparent from this table, private domestic investment dominates the overall investment picture. Foreign investment for the 1947–57 period taken as a whole amounted to only 2 percent of a gross investment aggregate on the order of $575 billion.

On the saving side, perhaps the most noteworthy feature revealed by the consolidated statement is that private saving—from individuals and corporations—accounted for all but a small fraction of the postwar total. The portion of total national saving contributed by government—through an excess of governmental receipts over expenditures—was less than 5 percent for the 1947–57 period as a whole.

As pointed out earlier, the cumulative governmental surplus on income and product transactions for this period amounted to $26 billion—comprised of a surplus of $30 billion for the Federal Government and a deficit of $4 billion for State and local governments. On a year-to-year basis, it may be emphasized again, swings in the government surplus or deficit were sometimes sizable; they affected short-run economic developments much more than is indicated by the cumulative data which are used to provide a broad postwar perspective.

Fig. 6



SOURCE AND USE OF CAPITAL FUNDS

By reason of the overwhelming importance of individuals and corporations in the postwar saving and investment picture, two additional tables in the Statistical Section—V–9 and V–10—are particularly relevant to the present discussion. These contain postwar estimates of the sources and uses of capital funds for individuals (including those owning their own businesses) and for nonfinancial corporations. Condensations of these materials, in the form of cumulative data for the 1947–57 period as a whole, are provided in the two accompanying tabulations. In addition to data on gross investment in tangible assets and on gross saving, these tabulations cover transactions in financial assets and liabilities.

These "sources-and-uses" estimates may thus be viewed broadly as elaborations of the consolidated saving and investment account—as breakdowns of it in the form of separate saving-investment accounts for individuals and nonfinancial corporations. However, these three sets of data have not yet been brought into full definitional and statistical consistency; this will be accomplished as part of a comprehensive study of saving and investment, described in later chapters, now under way in the Office of Business Economics. Meanwhile, although comparisons of a detailed type should be avoided, the present materials are adequate to support significant generalizations regarding the postwar financing of individuals and of corporations, particularly when based on data for the period as a whole.

INTERNAL FINANCING IMPORTANT

Before the discussion is thus directed to the financial positions of these economic groups, two further observations of a more general import may prove of interest.

1. Taken together, the three statistical tables we have been discussing indicate that, for the postwar period as a whole, changes in net financial claims on other parts of the economy for government, individuals, and nonfinancial corporations were not large in relation to the gross flows involved.

For government, as already noted, the cumulative $26 billion surplus for the years 1947–57 represented a small percentage of the aggregate receipts or expenditures of the period. In similar fashion, gross saving did not differ substantially from gross investment in the case of either individuals or corporations; the net change in financial claims (increase in financial assets less increase in debt) did not bulk large in terms of total financing requirements which amounted to around $400 billion for each group. (For corporations, this generalization includes an allowance for the fact that the differences shown in the table would be reduced if the figures were tied fully into the national income accounts.)

As against this substantial similarity of financial inflows and outflows for each of the groups for the whole postwar period, two additional points may be noted briefly:

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that such similarity held to a much less degree over short intervals within the period, and that it reflected offsets in a network of flows among the several groups which have a particular significance for study of the saving and investment process.

It will be understood that these comparisons of saving, investment, and financial flows of individuals and corporations apply to each sector as a whole. The individuals or firms contributing to saving were not necessarily the same as those making the investments. Among individuals, the processes of saving and investment are usually so separate that there is little direct causal relationship between the amounts involved. In the case of corporations, however, the correspondence between the saving and investment processes is probably sufficient for the availability of internal funds to have had some effect on the amount of corporate investment and, conversely, for the size of corporate requirements for investment funds to have influenced the amount of dividend payments, and of retained profits.

2. For reasons already indicated, conclusions based on joint use of the consolidated saving and investment account and the related tables for corporations and individuals should be kept on a general level. These materials cannot be used, for example, to obtain precise measures of the comparative changes in financial claims of the several economic groups. It would appear, however, that for the period 1947–57 as a whole gross corporate saving was less than gross investment, and that corporations absorbed additional funds from outside sources to finance the difference; that government was a net lender for the period as a whole; and that in the case of individuals also there was a net outflow of current funds to help finance expansion elsewhere in the economy, although the amount involved may have been rather small. It is to be noted, however, that the surplus underlying government lending reflected an excess of receipts over expenditures in social insurance accounts, and therefore may be viewed as constituting saving directly on behalf of individuals.

FINANCING OF INDIVIDUALS

In the acquisition of tangible assets, the major use of individuals' capital funds in the postwar period was for investment in housing. The remainder of physical investments made by individuals—also large—was in their capacity as owners of noncorporate businesses, and consisted primarily of outlays for fixed facilities. (See Table 4.)

The investment of nonfarm entrepreneurs involved in opening new businesses was an especially dynamic factor in the early postwar years. The business population had been restricted during the depression and the war, but with the return to prosperous peacetime conditions new firms were formed at a record rate. By 1948 the business population was restored to a size more in line with the long-term trend.

Individuals channeled a sizable share of their gross saving into the more liquid types of assets in the past decade. About $75 billion was added to cash and savings accounts, or two-fifths of individuals' total addition to financial assets. This was superimposed on the already huge accumulations built up during the war. When individuals are considered as a group, their liquid-asset position was quite favorable throughout the postwar period, far more so than before the war.

Individuals also added around $70 billion to their equities in private insurance and pension reserves. The funds thus set aside were, of course, available through financial intermediaries for financing the capital requirements of business firms and purchasers of other capital assets, such as housing. A sizable additional volume of saving in the form of insurance and pension reserves accrued to individuals through government-administered funds; such saving, as already noted, is regarded in the national accounts as part of the government surplus.

The remainder of the financial asset accumulation of individuals took the form of purchases of securities, divided about equally between government and private issues. These purchases either represented a direct contribution of individuals to the financing of the issuing units or were an addition to the indirect supply of personal saving which flowed through banks and other financial institutions to the investment markets.

These accumulations of physical and financial assets by individuals were financed from gross saving and from borrowed funds roughly in a 2-to-1 proportion. The postwar rise in individuals' indebtedness, about $170 billion, was exceptionally rapid. This is explained in part by the relatively low indebtedness at the end of World War II. The favorable wartime financial conditions had permitted most individuals to pay off a substantial amount of outstanding debt; at the same time, wartime restrictions had limited the availability of housing and consumer durables, the principal uses which normally involve substantial borrowing.

Use of borrowed funds was also fostered by financial developments in the postwar period. Interest costs were low by historical standards, and other terms of borrowing, especially for residential purchases, were greatly liberalized. The largest share of the total increase in personal debt took the form of federally insured or guaranteed mortgages on which terms of financing were especially liberal. Undoubtedly, these permitted the purchase of residential properties by many individuals who might not otherwise have aspired to home ownership.

The generally buoyant condition of real estate markets, characterized by rising real estate values, was also conducive to mortgage debt expansion.

It seems clear that on an overall basis the financial position of individuals remained generally favorable throughout the postwar years, although of course not all individuals or groups shared the same experience. Given the high and generally rising volume of income, at no time was there evidence that weaknesses in the financial situation of individuals significantly affected the growth and stability of the economy.

Table 4.—Sources and Uses of Private Noncorporate Funds, Cumulative Totals, 1947–57 [1]

[Billions of dollars]

Sources, total	455
Personal saving	171
Depreciation	116
Nonfarm housing	34
All other	82
Increase in debt	168
Mortgage debt on nonfarm housing	81
Consumer debt	33
All other debt	54
Uses, total	455
Gross investment in tangible assets	282
Nonfarm housing	136
All other	145
Increase in financial assets	174
Liquid assets	73
Currency and bank deposits	40
Savings and loan associations shares	33
Securities	34
Government	16
Corporate and other	18
Private insurance and pension reserves	67

1. Data cover individuals (including noncorporate business), nonprofit institutions, and private pension and related funds.

CORPORATE FINANCING

As in the case of individuals, corporations added substantially to their financial as well as physical assets in the postwar period.

As shown in Table 5, total uses of funds requiring financing amounted to about $380 billion. Of this, three-fourths represented investment in tangible assets; one-fourth, an increase in financial assets taking the form of extension in book credit to customers and additions to liquid and other short-term assets.

Note should be taken of the fact that corporations made only slight additions to their liquid resources over the past decade. This reflects for the most part the excess

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liquidity with which corporate business entered the postwar period. This favorable position was fairly general among business firms, and seldom if ever in the past decade was liquidity an important independent factor serving to limit business activity.

Internal sources—retained earnings and depreciation allowances—accounted for three-fifths of total corporate financial requirements. It may be noted, however, that whereas retained earnings consituted the predominant form of internal financing in the early part of the decade, the steady rise of depreciation made that source of financing predominant in the more recent period.

Table 5.—Sources and Uses of Corporate Funds, Cumulative Totals, 1947–57 [1]

[Billions of dollars]

Sources, total	**379**
Internal sources	230
Retained profits	106
Depreciation	124
External long-term sources	85
Stocks	25
Debt	60
Short-term sources	64
Trade payables	27
Other	37
Uses, total	**379**
Gross investment in tangible assets	292
Plant and equipment	246
Inventories	46
Increase in financial assets	87
Cash and U. S. Government securities	13
Receivables and other assets	74

1. Excluding banks and insurance companies.

The reduction in the relative importance of retained earnings was characteristic of most industries, and reflected in considerable degree a gradual move away from the low ratios of dividends to after-tax profits. While these stemmed in part from heavy investment requirements, they were also a legacy of the financial troubles of the 1930's, as most corporate executives carried over at least into the early postwar years a determination to establish comfortable equity cushions.

The almost continuous prosperity of the past decade and its concurrent rebuilding of plant and equipment slowly brought a higher payout to stockholders. However, as late as 1957 the dividend-earnings ratios of most industries remained conservative in historical perspective. These relatively low postwar dividend payments permitted a substantial buildup of equity funds to offset in part the impact on corporation financial structures of the rapid upsurge in postwar borrowing.

The reduced share of retained earnings in gross corporate saving also reflected the substantial and steady postwar rise in depreciation allowances which was general throughout corporate industry. This rise stemmed from both basic factors and from special influences related to tax law changes. Depreciation allowances were fairly low at the start of the period. As the record-breaking postwar spending programs proceeded—generally involving expanded physical capacity purchased at rising cost—the depreciable asset base and depreciation allowances were steadily increased.

Rapid amortization provisions were introduced into the tax laws, first in 1950 for defense-related expansions and later, in 1954, for all new facilities. Both of these changes gave a special impetus to depreciation allowances in the more recent period. By 1957, the 1950 provision was of declining importance, but this was still being largely offset by the rise imparted by the 1954 change. Obviously, as time goes on these special aspects will lose force since there was no change in total depreciation allowed, but merely in its time-phasing.

In addition to the huge amounts of gross equity funds supplied from these internal sources, corporations raised about $25 billion through the sale of new stock issues. These were probably of somewhat lesser relative importance than in earlier prosperous periods, but total equity financing—internal and external combined—appears to have supplied a relatively large part of aggregate needs.

Corporate business borrowed substantial sums in the postwar period, with the net increase in interest-bearing debt from 1947 to 1957 amounting to $60 billion.

In consideration of this increase, it should be noted first that debt and its servicing requirements were exceptionally low at the start of the period. Not only had corporations paid off a substantial volume of existing obligations from liquid funds accumulated during the war years, but much of the debt still outstanding had been refinanced on the more favorable terms then prevailing.

Interest costs, while tending upward over most of the last decade, have remained low as compared with the past. Corporate bond yields (Moody's series) currently average 4 percent, about one point above the postwar average but almost two points below the average for the 1920's. Total corporate interest payments on outstanding debt in 1957 were up about two-fifths from 1929, but over this period there was a much greater rise in the source from which these payments are made—profits before taxes and interest. Interest paid in 1957 was 14 percent of these available funds, compared with an average of 22 percent just prior to World War II and 34 percent in 1929.

Table 6.—Percentage Distribution of Gross National Product, by Durability and Source of Demand

	1929	1947	1957
Gross national product	100.0	100.0	100.0
Durable goods	17.4	20.2	20.8
Personal consumption	8.8	8.8	9.1
Producers' durable equipment	5.6	7.1	6.3
Government purchases	.4	1.3	4.1
Other [1]	2.6	3.0	1.3
Nondurable goods	36.5	41.1	32.5
Personal consumption	36.1	39.9	31.4
Government purchases	.6	.9	.9
Other [1]	−.2	.3	.2
Services	35.4	30.7	35.2
Personal consumption	30.7	22.0	24.2
Government purchases	4.8	8.4	11.2
Other [1]	−.1	.3	−.2
Construction	10.7	8.0	11.5
Private	8.3	6.5	8.3
Government	2.4	1.5	3.2

1. Consists of net exports and change in business inventories.

CHANGING INCOME STRUCTURE

The expansion of gross national product has been accompanied by a corresponding rise in the national income—a comprehensive alternative measure of national output expressed in terms of the earnings derived from production. From 1947 to 1957, the national income increased from $198 billion to $364 billion, or four-fifths. This rise, of course, reflected not only the expansion in physical volume of production but also the sharp advance in prices over the period.

Interest attaches to the national income mainly because it lends itself to breakdowns which differ from those of the gross national product, and hence throw additional light on the functioning of the economy.

In this section, the broad effects of changes in the product composition of output on the industrial income structure are traced, and it is shown how changes in that structure, in turn, influenced the forms—such as wages and profits—in which income has accrued. Industrial shifts affect the forms of income mainly because the various industries differ widely as to their predominant type of legal organization—e. g., corporate vs. noncorporate business—and hence as to the income type patterns they generate.

Analysis of these basic distributions of income—by industry, by type, and by legal form of organization—is of interest primarily because they provide essential links in explaining the circular flow of income and purchasing power through the economy as this is affected by, and in turn affects, final demand as registered in the GNP.

These three distributions have numerous other uses also. For instance, the industrial origin of national income is

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indicative of the relative utilization of economic resources by the various industries. Again, the breakdown by income types is relevant to the consideration of the distribution of income among economic groups. The legal-form distribution is useful in a variety of studies bearing on the institutional structure of the economy.

Industrial Patterns

One of the new tables in this volume makes it possible to trace more clearly the impact of shifts in the composition of final product on the industrial distribution of the national income. This is table VII–5 in the Statistical Section, which provides a classification of the gross national product by major type of product—durable goods, nondurable goods, services, and construction.

In the conventional breakdown of gross national product by type of expenditures, the goods-services classification is provided only for the consumer market, and, in the case of construction, only the private component is shown. The new table extends the goods-services-construction breakdown to the entire GNP. It provides a superior basis for studying the link between product demand and industrial activity, since the industrial structure of national income is closely related to this comprehensive product classification of total output.

Table 6 shows this new classification in a condensed form for 1929, 1947, and 1957. It will be understood that the goods-services percentages given here differ from the corresponding data already considered for personal consumption. As indicated above, the type-of-product classification in Table 6 is carried through for all components of national product, not just for consumption. Correspondingly, the percentage breakdowns in this table are based on total GNP, whereas the earlier figures are based on total consumption.

SHIFTS IN PRODUCT COMPOSITION

Over the past decade, the principal change in composition of gross national product was a relative decline in the goods portion and a rise in the services portion. This is evident from the following data based on Table 6:

	Percent of GNP		
	1929	1947	1957
Goods	54	61	53
Services	35	31	35
Construction	11	8	12

This shift from 1947 to 1957 does not appear to have been part of a long-run trend. When the figures are considered in historical perspective, and interpreted in light of the particular economic forces at work in the early postwar period, the goods-services-construction breakdown of GNP for 1947 appears out of line. Specifically, the goods component seems relatively high, and services and construction correspondingly low. From this vantage point, the postwar shifts in broad product composition are seen to have represented a return toward earlier, more normal patterns, rather than the establishment of new basic movements and relationships. This generalization is similar to that already made in the case of personal consumption, which, of course, is a major determinant of the product composition of GNP.

When durable goods and nondurable goods are looked at separately, it is clear that the up-then-down pattern of the total goods percentage reflects the movement of nondurable goods, which are the larger part of the total. The durable goods percentage for 1947 did not differ substantially from what would have been expected on the basis of the apparent long-term upward trend in the relative importance of durable goods in the gross national product.

These postwar shifts in the composition of GNP stemmed from a variety of influences pointed out in the previous section on Market Demand Patterns. Developments in all major markets—government, consumer, foreign, and investment—contributed to the broad pattern of changing product mix which emerged.

BROAD INDUSTRIAL IMPACT

The effect of this pattern on the industrial origin of national income is clearly evident when the separate industry divisions are grouped according to whether their output is mainly dependent, directly or indirectly, on final demand for goods and construction, on the one hand, or for services, on the other. Needless to say, such a grouping of industries must be somewhat arbitrary. Many industries contribute to the final value of both goods and services. The transportation industry is an example. Transportation services enter the value of goods output in the GNP and are also represented directly as services when bought separately by final users, as in the case of the transportation of passengers.

For purpose of the present analysis, the goods-associated industries are considered to be agriculture, manufacturing, mining, contract construction, trade, and transportation; the services-associated industries consist of finance, communications and public utilities, services proper, and government.

The contract construction industry is not classified separately by reason of the fact that there is only tenuous correspondence in movement between this industry on the income side and construction activity as included in the GNP. Among the several differences in coverage between the two measures, most important are these: That the GNP construction component—unlike the contract construction industry—includes force-account work and excludes altogether the value of maintenance and repair. In the text table below, construction is included with goods in both the GNP and national income breakdowns:

	1929	1947	1957
Goods (including construction) as percent of GNP	65	69	65
Goods-associated industries as percent of NI	64	70	64
Services as percent of GNP	35	31	35
Services-associated industries as percent of NI	36	30	36

As may be seen, there is a remarkable correspondence between the goods and services breakdowns of the gross national product and national income. While this may have stemmed in part from offsetting errors in the income allocations, the tabulation establishes beyond doubt the pervasive influence of shifts in the composition of final demand on the postwar industrial income structure. This influence, it may be added, is evident not only in the above comparison involving the years 1947 and 1957, but on an annual basis as well. Clearly depicted by the annual data is a more or less steady rise in the services share of both GNP and national income, and a corresponding reduction in the share of these aggregates accounted for by goods.

Since the postwar shifts in product composition of GNP reflected in the main relatively short-term adjustments, rather than basic trends, the same generalization applies to the income changes which they produced. This central finding should serve as a background in more detailed studies of the postwar industrial origin of national income.

The breakdowns of GNP shown above are based on the current-dollar values of goods and services. If analogous breakdowns of constant-dollar GNP are prepared—on the basis of table VII–6 in the Statistical Section—the relative shares of goods and services in 1947 appear to be fairly well in line with long-run developments. In other words, the postwar shifts in product composition of GNP were due mainly to the price factor—to relatively high prices for goods and low prices for services in 1947, and to their subsequent readjustment. Therefore, it seems evident that measures of real income or output by

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industry would show developments for the postwar period much more in conformity with long-term trends than those displayed by the current-dollar data analyzed above.

HIGHLIGHTS BY INDUSTRIES

While any detailed examination of individual industries is precluded, it will be of interest to highlight the main developments which occurred in farming, manufacturing, trade, and government. The first three account for the bulk of the goods-associated industry group. Government forms a significant part of the services-associated group, and is of independent interest. With respect to the private-industry components of the latter group, it may be noted that their rate of increase over the postwar period generally exceeded that of total national income. This uniformity of developments reflected the broad supply and demand conditions which in the past decade affected the services area of the economy as a whole.

Income originating in farming has had a long-term downtrend relative to total national income. In the early postwar period, however, farming temporarily regained a share of the income total—nearly 10 percent—matching that of the late 1920's. This experience was due to the prevailing relatively high prices for farm products which reflected a strong domestic market reinforced by exceptional foreign demand. The latter, as noted earlier, was an outcome of the damaged state of world agriculture and of the poor growing conditions abroad which characterized the early postwar years.

As world crop and livestock conditions improved, farm prices began to recede, and the longer-term trends affecting United States farm income reappeared. Beginning with 1949, income from farming declined steadily as a proportion of the national income, to a figure of 4 percent in 1957.

Though the farm share of total national income has fallen sharply, per capita income originating in farming has been well maintained over the past quarter-century in relation to the all-industry average. Underlying this development is a strong shift of labor away from farming; the number of persons engaged in this industry declined from 19 percent of all persons engaged in production in 1929 to 8 percent in 1957.

Manufacturing, the largest of the goods-associated industries, increased greatly in relative importance from 1929 to 1957—from 25 percent to 31 percent of the national income. A figure similar to that for 1957 had been established by 1947 and, with irregular variations, was characteristic of the entire postwar decade.

The trend significance of this stability—its meaning for the longer run—is quite uncertain because of the many special factors that were operative in this comparatively brief period. Important among them were the abnormally high output of goods in the early postwar years, to which manufacturing was the major contributor; the particular impact of the Korean conflict upon this industry; and the three postwar recessions which, although mild for the economy as a whole, significantly affected the course of production in manufacturing. While measurement is not possible, it would seem that up through the Korean conflict the net balance of economic forces was especially favorable for the manufacturing industry; one should therefore not conclude that the postwar stability in the ratio of manufacturing to total national income rules out the presence of an underlying upward trend.

Income originating in trade is strongly correlated with demand for goods, and followed quite closely the post-1947 decline in the ratio of goods output to total production. Trade income rose from 15 percent of the national income total in 1929 to 19 percent in 1947—then declined to 16 percent in 1957. This postwar decline was broken only by slight rises in 1949 and 1954 as income from trade in those years weakened less than income from manfuacturing and certain other industries particularly affected by the recessions.

Income originating in government—the compensation of government employees (including military personnel)—accounted for 9 percent of the national income in 1947. It moved up irregularly to 12 percent of the total by 1952, and held approximately at that figure through 1957.

Measuring, as it does, the value of services of government employees, income originating in government is included above with the services-associated industries. Obviously, however, the factors bearing on the government component are basically different from those affecting service industries in the private area. The moderate expansion of government services since 1947, and the spectacular growth since 1929, resulted mainly from the increased responsibilities which the Federal Government had to assume in the sphere of national defense.

Income by Type

The industrial shifts just reviewed have had much to do with changes observed in the relative importance of the different types of national income.

The type-breakdown of income is a classification of earnings, before deduction of direct taxes, according to the forms which they take—employee compensation, profits of corporate and of unincorporated business, rental income of persons, and net interest.

ROLE OF INDUSTRY SHIFTS

Shifts in the industrial origins of national income affect its type-distribution because the income type pattern generated in production varies widely from industry to industry. Such variations, as already noted, are associated primarily with interindustry differences in legal form of organization. For example, an industry in which the corporate form of organization predominates, while sole proprietorships and partnerships are less important, will of course account for relatively more corporate profits and less noncorporate business net income than will an industry in which the roles of these two legal forms of organization are the reverse. Even apart from differences in the legal form structure, the proportions of the various types of income originating vary industrially, depending on the relative amounts of labor and capital used and many other factors.

The decline in income from agriculture was an important source of change in the type-distribution of national income after World War II. Largely in reflection of this development, the share of proprietors' income was reduced over this period—from about one-fifth of the total national income in the early years to a ratio somewhat in excess of one-tenth at the end of the period. A secondary, much less significant, factor in this connection was the decline in the relative importance of trade—much of the income from which arises in noncorporate businesses—from the unusually high fraction of national income which it represented just after the war.

The rise in the government fraction of national income is another feature of the postwar industrial pattern which had an effect on the distribution of income by type. Since earnings from government enter the income total in the form of employee compensation only, any expansion is reflected exclusively in this particular income share.

It may be added that, over the longer run, the growth in compensation of military and other government personnel has been the most notable of several developments outside the ordinary business system which have had a strong impact on the distributive shares of national income. For many comparisons of the postwar and prewar distributive-share patterns, it is essential that these developments—which we have traced in other reports, including the 1954 *National Income* supplement—be taken into account.

A third marked shift since the end of World War II was the rise in the percentage of national income consisting of inter-

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est. This likewise was associated in part with a change in the industrial structure of the economy: An expansion in the finance-insurance-real estate category, where activity increased with the pace of capital formation and the growth in the accumulated stock of capital. (Also important was an increase in interest rates over the period as a whole; this, however, was not an industry shift phenomenon.)

The changes in type-distribution noted have of course not been mutually independent. A rise or fall in any type of income, others remaining constant, tends of itself to produce a contrary movement in the percentages of the total accounted for by the others. The increases in the payroll and interest fractions have been the larger because other factors were tending to depress the proprietors' percentage, and vice versa.

SWING IN PROFIT RATIO

Some of the most notable postwar changes in the type-distribution of income are thus seen to have involved industry shifts which altered the legal form structure of the economy.

There is, however, one other change to which this generalization does not apply. A rise in the share of corporate profits in the early postwar years was followed by a downdrift—the dollar total showing a horizontal trend after 1951 while national income as a whole expanded. This swing cannot be accounted for in terms of a changing legal form of organization, for the same movement appears in the distribution of income from corporate business taken by itself. Moreover, detailed studies have shown it to be characteristic of a broad range of industries, so that a structural shift toward typically lower-profit industries apparently was not a major factor in it.

The flow of corporate profits is of strategic importance for the functioning of the economy, both through its role as incentive to invest and through its influence on the sources of investment funds, and its swing in relative magnitude since World War II deserves further examination.

Figure 7 shows that the share of profits in total income originating in corporate business increased from about one-fifth in 1946 and 1947 to a peak above one-fourth in 1950 and 1951, and then moved downward to cancel the earlier gain.

The initial advance came after war controls had been dropped and as reconversion from war to peacetime patterns of demand and production was accomplished. In these circumstances the relative changes in prices, wages, and industrial efficiency were such as to bring about a considerably sharper advance in profits than in employee compensation, which is the other major type of income arising in corporate business.

After dipping in the recession of 1949, the profit ratio resumed its advance with the recovery of early 1950. It reached a high point shortly thereafter under the influence of the large price and output advances following the outbreak of hostilities in Korea.

A reaction toward the long-term average followed as the special pressures of the time subsided. Besides this, the broad movement apparent in the chart reflects the 1953–55 cyclical dip and recovery, with the ratio for 1957 also affected by the business downturn which came in the latter part of the year.

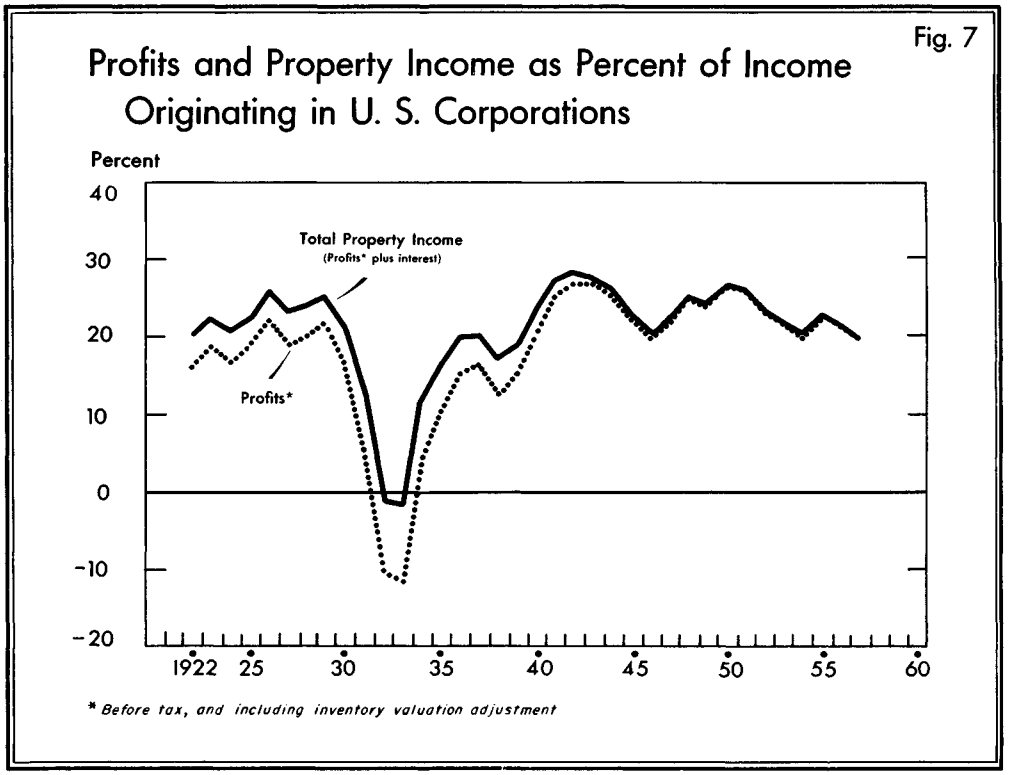
The tendency for the profit ratio in the more recent period to revert toward the long-term average is clearly evident from the figures. Setting aside the years most affected by cyclical conditions, the percentage for 1952 was below that for 1951; 1956, in turn, was lower than 1952; and this tendency seems to have continued into 1957. During this period, the relative cost-price conditions which had been associated with the unusually rapid economic expansion of the earlier postwar years did not, of course, persist.

The 35-year perspective afforded by the chart shows the profit percentage to have been fluctuating since 1951 in about the same broad range as during the 1920's. The comparison is even closer in terms of the fraction represented by property income as a whole—including interest as well as profits. Over the past several decades, interest-bearing debt declined relatively to corporate assets and interest rates fell relatively to rates of return on such assets. As a result, a shift from interest to profits occurred within the property income flow. Combined, these two shares accounted for a fraction of total income originating in corporations which varied between one-fourth and one-fifth for the period 1922–29; the range for the period 1951–57 was between these same limits.

ROLE OF DEPRECIATION

Profits are obviously hard to measure with precision. Difficulties associated with the making of proper allowance for depreciation should be mentioned specifically. The profit ratios charted here are based upon calculations employing the depreciation concepts which have been used in corporate tax returns. These are not necessarily the most appropriate for economic analysis. For instance, they reflect changes in the tax laws, such as the special amortization provisions enacted in 1950 and the legalization of alternative formulae which permitted accelerated depreciation under the Revenue Code of 1954. Profit ratios adjusted to eliminate the effects of these changes might be higher by one or two percentage points for 1957, and would show a somewhat different movement over the past few years. The broad pattern of downdrift since 1951 which is suggested in the chart would remain, however, and no change in the interpretation of it would seem to be called for.

Fig. 7



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The fact that tax depreciation is based on original cost values introduces an additional element that requires consideration, especially in problems involving longer-term comparisons. For many objectives of economic analysis, it would be preferable to value depreciation in terms of current replacement cost. Generally speaking, this change of method would raise depreciation and reduce profits relatively more in the postwar period than during the 1920's. It is believed, however, that the effect on the ratio of profits to total income originating in corporate business would be moderate. If, in addition, we take account of the tendency of the special tax provisions to lower the profits measure in recent years relative to prior periods, it would seem reasonably certain that the conclusions drawn above as to the basic trend of the profit ratio are independent of the particular characteristics of the depreciation measure.

DISPOSITION OF PROFITS

The movement of corporate profits actually realized after taxes has reflected the course of before-tax earnings as discussed above, together with the changes in tax rates. The latter, in turn, have been dependent upon the fiscal requirements of the government, especially in connection with its national defense responsibilities. Corporate taxes were sharply reduced at the end of World War II, and increased again to meet the needs of the Korean War. The termination of hostilities in 1953 was followed by a cut in effective rates, the excess profits tax expiring at the end of that year.

For the postwar period as a whole, average effective rates of Federal and State profits taxes combined have ranged from a 1947–1948 low of less than two-fifths to a Korean peak above 50 percent. These figures are much higher than any recorded prior to World War II. The average for 1922–29 was less than 15 percent.

The disposition made of after-tax profits since the war has also differed considerably from that of the prosperous 1920's, and has reflected the shift in corporate financing toward greater reliance upon internal funds. In general, the fraction paid out in dividends has been markedly lower, and that retained higher, than a generation ago. The payout ratio has moved up considerably from year to year during the more recent period, however, as was described in the section dealing with corporate finance.

POSTWAR CYCLICAL DEVELOPMENTS

While one of the outstanding features of the postwar period has been the vigorous uptrend in business activity, the economy has been subject to periods of cyclical fluctuations with recessions occurring in 1948–49, 1953–54, and 1957–58.

These recessions were mild. There was no repetition of the serious cyclical disturbance which ensued shortly after World War I, when total output dropped by 9 percent from 1920 to 1921, manufacturing activity was off by 25 percent in the same period, and unemployment in the latter year averaged over 10 percent of the labor force. The postwar recessions were rather of the same order as the more moderate contractions of the 1910's and 1920's, and substantially milder than the downturn in 1937–38 when the economy moved sharply lower despite the incomplete nature of the previous recovery from the deep 1930–32 depression.

In this concluding section of the chapter, we shall trace the cyclical patterns of the postwar period as they have thus far emerged, bringing out their dimensions and timing and the major forces contributing to the upswings and downturns. The national income and product data which will be relied upon for this purpose include not only the familiar quarterly figures on gross national product and national income, but also the newly developed quarterly series for GNP in constant dollars and other new breakdowns of the current-dollar data.

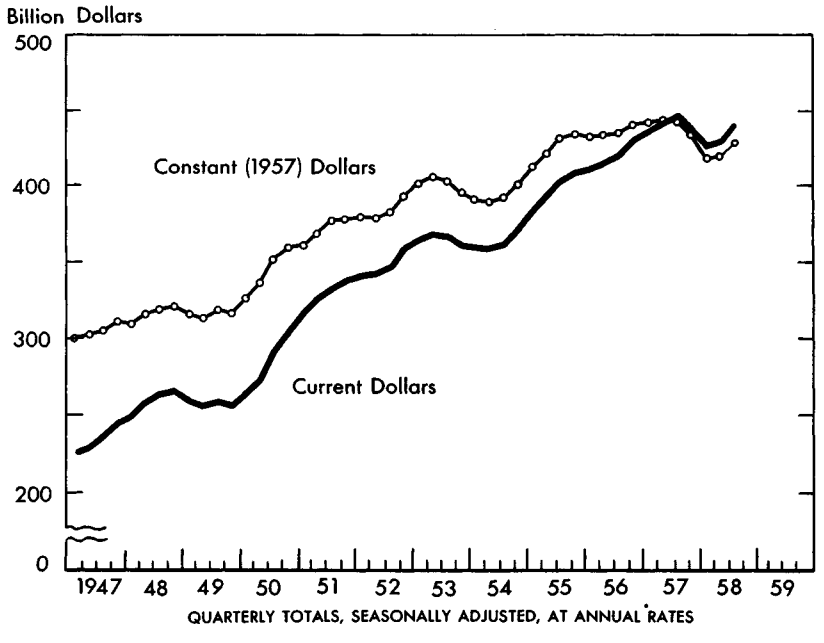
The new quarterly information on real GNP is a valuable supplement to the current dollar figures. By abstracting from the influence of price changes, it makes possible a comprehensive view of short-term fluctuations in real output and the underlying elements of real demand. There is now available a rounded picture of quarterly productive activity in terms of current dollar GNP, constant-dollar GNP, and the prices at which output is valued.

The quarterly series for real GNP and the implict price indexes are shown in tables I–5 and VII–3 of the Statistical Section. These tables have been computed with 1954 prices as a base. Because the recent level of prices furnishes a more familiar reference point, the figures have been converted to a 1957 base for present purposes and are shown in Table 9 at the end of this chapter.

The quarterly movements of current- and constant-dollar GNP over the postwar period are traced in Figure 8. The similarity of the broad patterns of change is clearly apparent. There are, however, significant differences in the movements of the two series; those bearing specifically upon the interpretation of the postwar business cycles will be noted in the following review.

Fig. 8

Gross National Product in Current and Constant Dollars



RISE IN PRICES

The spread between the current-dollar and constant-dollar values of gross national product reflects, of course, the advance in prices which prevailed over much of the postwar period, and which made for

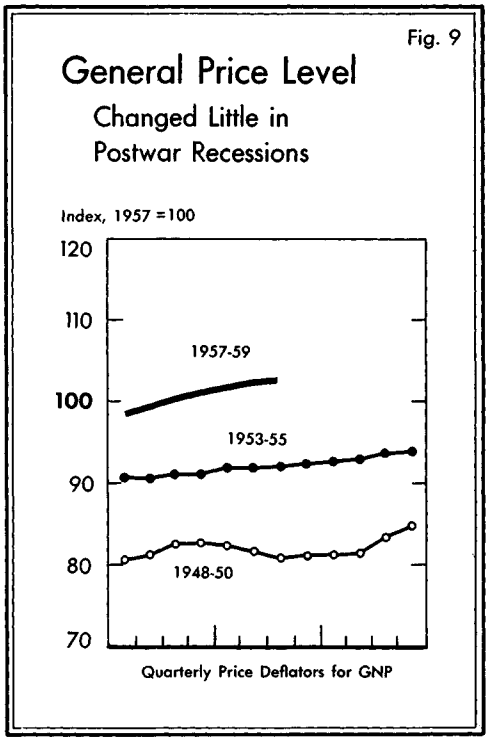
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a generally more pronounced upward movement in the current-dollar line. The impact of inflation was largest in the years immediately after the war, when controls were lifted and costs and prices were brought into a new alignment. More than one-half of the entire postwar price increase occurred in the 1946–48 period, when extraordinary demands placed a severe strain on productive capacity.

The postwar period featured two other pronounced upward movements in prices. One was associated with the Korean conflict; the other occurred during 1956 and 1957. As can be seen from the chart, comparative stability prevailed in the period 1952–55, although the general average of GNP prices edged upward. This experience reflected the better adaptation of supply to demand after the Korean buildup, as discussed later; the dampening effects of the 1953–54 downturn; and the offsetting movements during the period in the agricultural and industrial components entering the final price structure. By early 1956, agricultural as well as other prices were on the upgrade in a general setting of buoyant demand, high output, and rising production costs.

It is noteworthy that in the past decade there was an almost total absence of downward pressures on the general price level. Even in the two most recent recessions, prices edged forward. (See Figure 9.) A moderate downward movement was registered in the 1948–49 period concurrent with the break in agricultural prices in early 1948.

Fig. 9



DIFFERING DEMAND PATTERNS

Figure 10 shows on a quarterly basis significant groupings of aggregate real demand. The semilog, "ratio" scale used for plotting purposes facilitates direct comparison of percentage changes, in contrast to the preceding GNP chart which gives equal weight to dollar changes regardless of absolute size of the measured item.

In the second line are grouped those demand elements which historically have been sensitive to cyclical influences: business investment (construction expenditures, purchases of producers' durable equipment, and changes in business inventories), purchases of consumer durable goods, and foreign market demand as measured by the net export balance. The combined demand for these items was cyclically sensitive also in the postwar period, although, as pointed out below, there were notable exceptions within the group which at times dampened the cyclical movement of the combined total.

Federal Government purchases are shown separately. Dominated by the requirements of national defense, this large segment of demand exhibited wide and irregular swings which importantly influenced short-term movements in total activity—at times countering changes in private spending and at others reinforcing them.

Purchases by State and local governments in the past decade were an almost steady force for stability and growth.

The huge volume of demand for consumer nondurables and services also rose steadily and was subject to only minor cyclical fluctuations. This demand and State and local purchases together accounted for two-thirds of real gross national product in 1957.

The 1948–50 Movements

The peak of total business activity during the first business cycle after World War II was reached in the final months of 1948. As already indicated, strong inflationary pressures which had been prevalent since 1941 dominated also most of the postwar period leading up to that peak. With the physical volume of production pressing against capacity, much, if not most, of the pressure exerted by intensive consumer, business, and foreign buying was reflected in price movements. The effects on prices of the pent-up demands engendered by the war and of the purchasing power created by expansionary wartime financing had been restrained for a time, but were manifested in the price level with particular force during this period.

By 1948, however, these effects were largely worked off. A better balance between supply and demand emerged, and the price rise tapered. This was brought about partly through an appreciable expansion of real output and partly through a diminution in the intensity of some of the demands, including those from abroad, from which the greatest pressures had emanated.

With these signs presaging a slowdown in the pace of economic activity, three actions on the part of the Federal Government provided a fillip to production during 1948.

First, Federal income taxes on individuals were cut in the spring of 1948, adding to the strength of consumer markets at a time when some slackening, especially in real volume, had become apparent.

Second, grants made under the newly introduced Marshall Plan helped to stabilize the foreign market which had been sliding since mid-1947.

Third, an increased defense program was announced, and this was the major factor in a strong upward movement of Federal purchases during 1948. With Federal receipts tending lower as a result of the tax cut and with expenditures moving higher, the Federal Government impact on the economy was strongly expansionary in 1948, in contrast to the moderating influence which had been exerted in earlier postwar years.

A gradual rise in State and local government purchases reinforced the expansionary influence of Federal Government activities.

RISE IN DEMAND TAPERS

The cresting of real output in 1948 was due to the leveling of demands in the private economy.

At the cyclical peak in the fourth quarter of that year, the combined total of personal consumption expenditures, fixed investment, and net exports—a sum representing private final demand—was in real terms fractionally below the corresponding quarter of 1947, though up by 4 percent in current dollars.

This movement in real purchases was the net result of divergent changes in individual markets. Net exports in late 1948, although supported by the Marshall Plan, were much lower than in 1947. Real purchases of consumer durable goods and dwellings reached peaks in the spring and summer months, and by the fourth quarter were moderately below year-before levels. On the other hand, consumer expenditures for services moved higher throughout 1948.

The remaining private real demand elements—consumer purchases of nondurables and business investment in construc-

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tion and equipment—were virtually stable throughout the year.

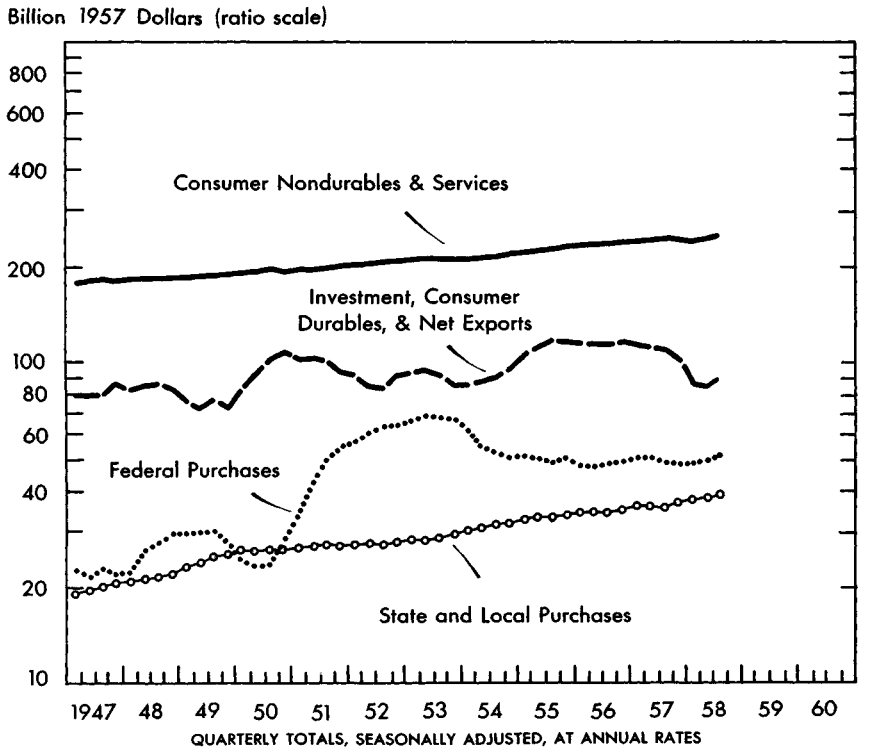
The expansion of final real demand during 1948 thus stemmed wholly from government. In part because of this shift, much of the expansion centered in services, and the rise in commodity demand flattened out. With this development, and the increase in the productive capacity of the economy, substantial inventory accumulation appeared. This had been prevented in 1947 by a general excess of demand over supply.

It may be noted that total current-dollar GNP in the final months of 1948 was almost 9 percent above the last quarter of 1947. Roughly two-thirds of this rise reflected higher prices; total real output was up by about 3 percent. Most of this increase in volume had been achieved by the summer of 1948.

Fig. 10

Gross National Product in Constant Dollars

Quarterly Fluctuations in Major Markets Differ Widely



BUSINESS INVESTMENT OFF

The 1948–49 downturn centered in business fixed investment and inventories.

From a high annual rate of $30 billion in the final quarter of 1948, business expenditures on nonresidential construction and producers' durable equipment fell by about one-sixth during the ensuing year. The reduction was especially pronounced in manufacturing, but nonmanufacturing industries were also affected. (See Figure 11.) The principal exception was afforded by public utilities, with gas companies showing steady expansion and electrical utilities maintaining their fixed capital outlays throughout 1949.

With the shift in the final demand picture, business adopted more cautious buying policies in the latter part of 1948, but inventory accumulation continued at a substantial rate in the final quarter of the year. After holding even in the first quarter of 1949, inventories were reduced sharply in the second and liquidation proceeded at irregular rates during the remainder of the year.

Inventory liquidation was by far the largest item in the decline of national output from the fourth quarter 1948 peak to the second quarter 1949 trough. This liquidation had a particular impact on manufacturing, which supplies most of the goods which compose the Nation's inventory holdings. Since the fall-off in fixed investment demand was principally in producers' durable equipment—also made primarily in manufacturing establishments—it is apparent that factory output bore the brunt of the decline in aggregate production. Compared with the moderate—2 percent—decline in real GNP from the fourth quarter of 1948 to the second quarter of 1949, the fall in manufacturing output amounted to almost 10 percent, and was especially sharp in the durable-goods industries.

STRENGTH OF CONSUMER BUYING

Private demands other than business investment held up extremely well in 1949.

After hesitating in the first quarter of 1949, real consumption moved up steadily and by the fourth quarter was 4 percent above the same period of 1948. The current-dollar rise was smaller, as prices of commodities—especially of nondurables—declined throughout the year.

The strength of consumer spending in 1949 was due in large measure to the fact that the disposable income of individuals held up much better than total output. Whereas gross national product was reduced by about $10 billion on an annual rate basis from the fourth quarter of 1948 to the second quarter of 1949, the drop in disposable income during this period was only $4 billion. This differential movement was attributable to several factors: The payment of sizable unemployment compensation benefits, the reduction in payments of Federal individual income taxes as a result of the previous year's legislation, and the maintenance of dividend payments to individuals notwithstanding a sizable fall in corporate profits.

Of comparable importance was the willingness of consumers to spend increasing proportions of their available income—a fact reflected in the steady cutting of personal saving from a 1948 peak of over $14 billion (annual rate) in the third quarter of that year to $5 billion by the final quarter of 1949.

HOUSING REBOUNDS

Residential construction outlays decreased 15 percent from the spring of 1948 to a low point one year later. By the middle of 1949, they were moving upward again, and in the final quarter the real volume of building was one-eighth higher than a year earlier.

Tightening of money markets and reduced availability of the more liberal kinds of mortgage financing—Government supported—were influences in the softening

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of housing demand in early 1948. A reversal of these influences in 1949, following the reduction in business investment demands upon capital markets and the easing of credit policies, was undoubtedly important in the quick turnabout of building activity.

Government demand, which had moved forward throughout 1948, continued to be a strong expansionary force in 1949. Federal purchases leveled off at the high rate which had been reached at the end of 1948, with farm price-support outlays an important sustaining influence. State and local government spending rose uninterruptedly during 1949, and was the major factor in the further growth of total government demand in that year.

Foreign trade was a supporting influence in 1949. Exports were approximately maintained for the year as a whole, largely because of expanded foreign aid by the Government. The net export balance showed an improvement as the domestic recession lowered import demand.

RECOVERY IN EARLY 1950

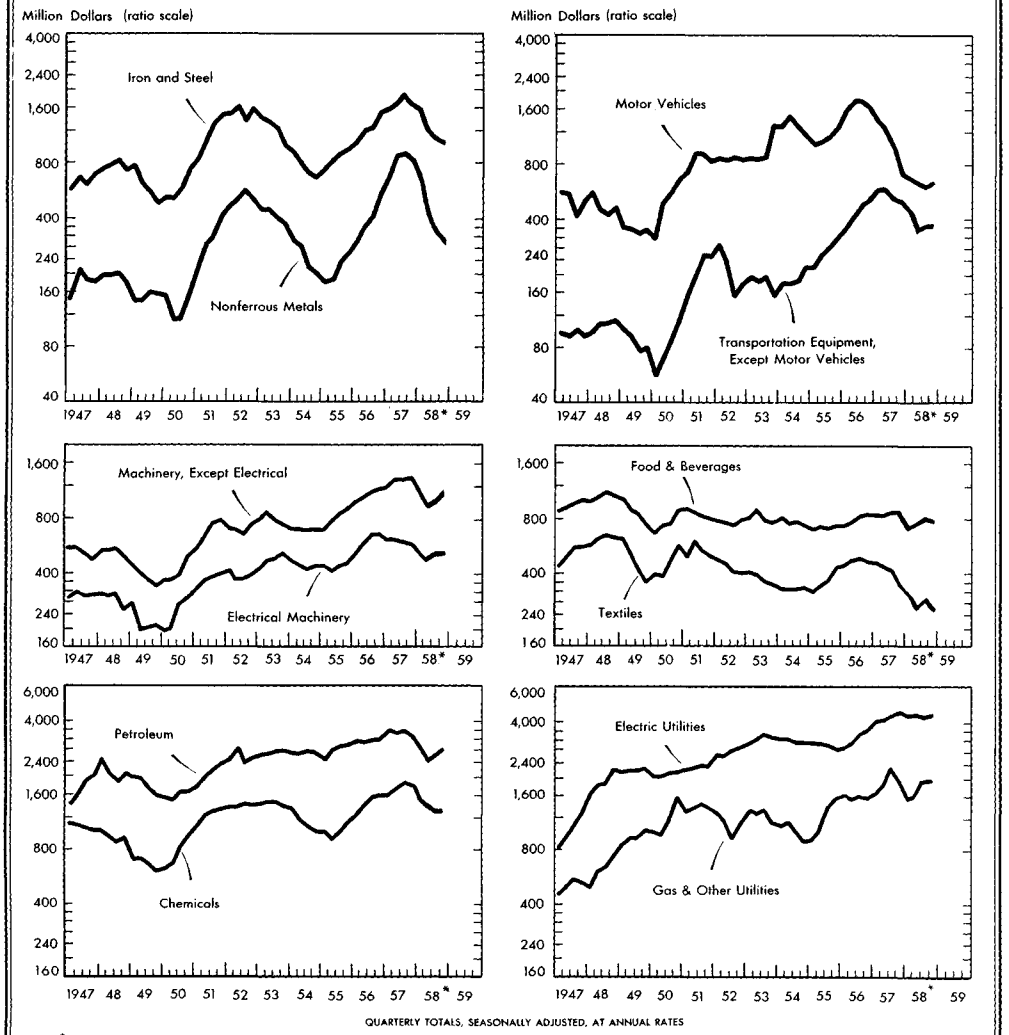
It became apparent in the second half of 1949 that the curtailment of output had been excessive in relation to the existing stable volume of business sales. Accordingly, in early 1950 production was stepped up, and the accumulation of inventories was resumed. Meanwhile, the recovery of residential construction had grown into a sustained building boom, and consumer demand, already strong, was being bolstered by large Government payments to veterans. These factors, moreover, were being reinforced by a renewed upturn in business fixed investment.

This widening resurgence of production generated increases in employment and incomes, adding further impetus to consumer purchasing. A business upswing of substantial dimensions was under way and was carrying the economy toward full-capacity operation. By the first quarter of 1950, the volume of national production had moved 2 percent above its previous high.

Fig. 11

Plant and Equipment Expenditures

By Selected Industries



The 1953–55 Decline and Recovery

The second cyclical peak in total output was reached in the spring of 1953, capping a steady expansion in dollar and real output which had started with the recovery from the 1948–49 recession.

KOREAN WAR BACKGROUND

Recovery from this recession was strongly reinforced by the requirements of the Korean conflict which erupted at midyear. The defense program that evolved provided not only for a sharp step-up in the direct military potential, but also for the establishment of a broad base of productive facilities to permit prompt economic mobilization in case of full-scale war.

Federal purchases turned up quickly and entered a prolonged phase of rapid expansion. By the fall of 1951, they had more than doubled and, still on the upgrade, were absorbing a much enlarged share of total output.

In addition, purchases of the consuming public moved upward sharply through early 1951, with some bunching in the scare buying waves of the summer of 1950 and the opening months of 1951.

Superimposed on these expanding final demands was a rapid buildup of business inventories. The increase which occurred in the 12-month period ended September 1951 was by far the largest on record for an annual interval.

Although total output rose briskly, these huge demands outstripped the supply of goods. Strong inflationary tendencies reasserted themselves, with the general average of final-product prices increasing almost 10 percent in the year after the start of the Korean conflict.

Around the middle of 1951, the economic situation changed significantly. Output continued to expand at a rapid rate, and it became apparent that the production potential of the Nation had been underestimated. Taxes had been raised, and the establishment of price, wage, and other economic controls afforded some assurance that inflation would be kept in check.

As a consequence of these developments, and of the well-stocked position of individuals after several months of extraordinarily heavy buying, there was a marked easing in the urgency of consumer demand. This was paralleled by a curtail-

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ment of business buying which entailed a very substantial inventory readjustment—with a notable scaling down in the accumulation of civilian goods.

In this setting, it was possible to achieve a further substantial expansion in national defense expenditures and allied fixed capital outlays concurrently with a high rate of civilian consumption and a diminution of inflationary pressures. From mid-1951 to mid-1952, the rise in the general price level was limited to 2 percent.

In the third year of the Korean conflict—from mid-1952 to mid-1953—the Nation's capacity to produce continued to expand substantially while the rate of growth in national defense outlays tapered off. This shift in the relation of supply and demand permitted the relaxation and subsequent removal of economic controls.

Civilian demand increased, particularly in the durable goods lines previously restricted by controls and material shortages. Residential, institutional, and State and local construction, business investment in plant and equipment other than in defense-connected industries, and consumer and inventory demand for automobiles and other durable goods all contributed to a spurt in economic activity.

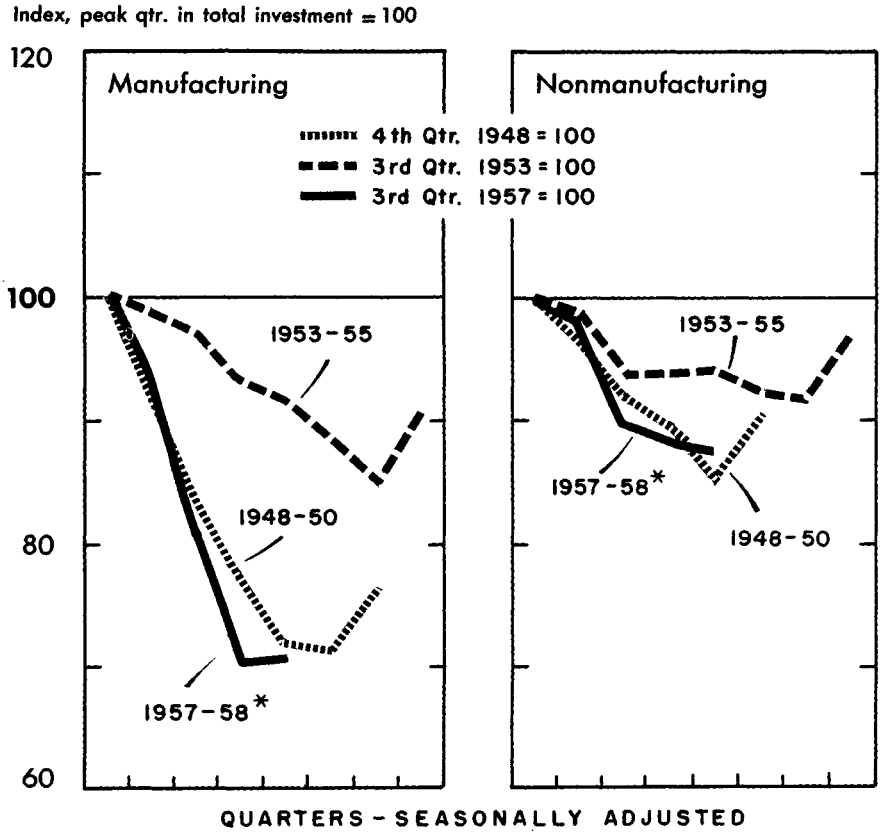
From the second quarter of 1952 to the corresponding period of 1953, gross national product increased 8 percent. Virtually all of this gain was in real output as prices on an overall basis changed but little.

The bulk of this increase in real output occurred in the earlier part of the period. As the economy approached a cyclical peak in mid-1953, there was a noticeable slackening in the rate of expansion. This mainly reflected developments in final demand.

On a real basis, the rise in consumer expenditures, particularly for goods, tapered sharply in the first two quarters of 1953 and substantial stability characterized business fixed investment, residential construction, net exports, and State and local government purchases. Some further increase in Federal outlays helped to sustain aggregate demand in this period, but a sizable cutback in them was foreshadowed by the January 1953 budget message.

Fig. 12

Postwar Downturns in Plant and Equipment Expenditures



*Third quarter for 1958 anticipated in August reports to SEC-OBE

BUSINESS TURNS DOWN

From the second quarter 1953 high of $369 billion, the annual rate of gross national product receded almost 3 percent to a low of $359 billion in the second quarter of 1954. The decline in real output was somewhat larger, almost 4 percent.

The onset of the business downturn was manifested in a shift from inventory accumulation to liquidation. In essence, this shift was a result of the changing demand situation—the leveling of private purchases and the altered picture for Federal spending.

Following several quarters of sizable accumulation which had served to replenish stocks of civilian-type goods, inventories held almost even in the third quarter of 1953 and were liquidated on a large scale in the fourth. This turnabout, which was concentrated in the hard-goods industries, accounted for almost the entire drop in gross national product in the second half of 1953. Stocks continued to be drawn down through most of 1954, but the pace of liquidation was fairly uniform and thus exerted no further downward pressure on business activity.

The major element of decline in final demand was Federal purchases. These were reduced with the cutback in defense spending after the end of the Korean war. The reduction, centering in the procurement of hard goods, was moderate in the latter part of 1953 but quite sharp in the first half of 1954. The contraction from the $59 billion annual rate reached in the spring of 1953 amounted to $12 billion, and further small decreases occurred in the latter half of 1954. In an evaluation of the impact of Federal Government operations upon the economy in this period, account should also be taken of tax reductions and other fiscal and financial measures discussed below.

Business outlays for fixed facilities constituted the other element of decline in final demand during the recession. However, the downdrift in these outlays from mid-1953 to the low point in the fourth quarter of 1954 was moderate in the aggregate.

As shown by the two charts on plant and equipment, Figures 11 and 12, changes in fixed capital expenditures varied consider-

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ably by industry. There were pronounced reductions in the iron and steel and nonferrous-metals manufacturing industries; elsewhere, declines which occurred were of generally smaller proportions, and some industries continued to expand their capital outlays, running counter to the overall trend.

SUSTAINING INFLUENCES

While these changes were occurring, other demands for output were a major sustaining influence on total business activity.

Consumer expenditures showed a dip—concentrated in durable goods—in the fourth quarter of 1953 and thereafter advanced steadily. Residential building activity was stable throughout the business downturn and began to move up strongly by the middle of 1954. Purchases by State and local governments increased substantially during the recession, and foreign markets were a supporting force.

An easing of credit conditions helped to maintain aggregate demand in the 1953–54 recession. Reflecting in part the lessened requirements of business for outside funds and in part the positive policies of Federal authorities, interest rates fell and the terms of borrowing improved. This change in the credit situation was especially important for the housing market, and also affected State and local government demand.

DISPOSABLE INCOME RISES

More powerful in their sustaining effect on business activity were the forces that cushioned disposable incomes and thereby provided a support for consumer spending.

In the face of a $10 billion drop in the annual rate of GNP from peak to trough, the quarter-to-quarter flow of disposable personal income at no time turned downward. In fact, over this span—from the second quarter of 1953 to the corresponding quarter a year later—disposable income actually went up by $2 billion, at annual rates. Several developments accounted for these divergent movements.

As has been indicated, the decline in output centered in durable goods, and therefore had its principal impact upon manufacturing and transportation, in which the corporate form of organization predominates. With employee compensation relatively well maintained, the bulk of the drop in corporate production and income was reflected in before-tax profits.

However, the fall-off in profits on an after-tax basis was cushioned by a sharp reduction in tax liabilities, stemming not only from the shrinkage in the tax base, but also from the abolition of the excess-profits tax at the start of 1954. In addition, corporations were in a position to increase dividend pay-out ratios since in the previous period undistributed profits had been relatively high. Dividend disbursements to individuals were accordingly maintained.

In short, incomes distributed by business fell much less than the value of business production. Income receipts of individuals, moreover, were bolstered by an increase in transfer payments, mainly in the form of unemployment insurance benefits. Further adding to the disposable income of individuals was a substantial reduction in the rates of Federal individual income taxation, which became effective in early 1954.

As in 1948–49, consumers spent increasing proportions of their disposable income during the recession period. This was reflected in personal saving which, after having risen temporarily in the fourth quarter of 1953, tended downward during 1954. This independent strength of consumer demand reinforced the supportive effect of disposable income upon aggregate activity.

UPTURN IN LATE 1954

During the first three quarters of 1954, the expansion of consumer expenditures, residential building, and State and local government purchases roughly offset the continuing cutbacks in Federal spending. More broadly, this expansion provided the foundation for an atmosphere of business confidence—manifested, for example, in the strength of the stock market—which contributed to the near stability of business investment in this period.

This setting of overall business stability and confidence was a major factor in the resumption of inventory accumulation around the turn of the year, after several quarters of liquidation had brought stocks into better adjustment with current sales. Around the same time, total final demand turned up as the decline in Federal purchases leveled out.

The business recovery which thus got underway received special impetus from a spurt in automobile demand and output. This was a major element in the upsurge of economic activity both in the final quarter of 1954 and the first quarter of 1955. Over this two-quarter span, two-fifths of the rise in total output was accounted for directly by purchases of automobiles for consumption and business purposes and accumulations of automobile inventories in manufacturing and trade.

Subsequently, the base of the recovery broadened. The economy continued to benefit from the pervasive influence of the high level of automobile production, but expansion was provided by other markets, notably private investment expenditures for construction and equipment and consumer expenditures other than for automobiles. Inasmuch as Federal purchases were maintained at their reduced level during 1955, and State and local purchases went up only moderately, virtually the entire economic expansion stemmed from the growth of private demands.

The upswing of activity that started in the fall of 1954—after the economy had remained close to its recession low during the first three quarters of the year—was one of the most vigorous on record. By the first quarter of 1955, real output had passed the previous cyclical peak of the spring of 1953, and in the final quarter exceeded it by 7 percent.

Absorption of the unused resources and additional capacity that had become available in the recession made for an exceptionally rapid expansion of production through the first half of 1955, with the general price averages advancing only moderately. During the latter months of that year the production growth rate slackened somewhat with the economy's approach to peak-volume operation and, concurrently, price pressures intensified.

The 1957–58 Swing

A brief review of the key developments that followed the 1955 cyclical recovery and projected the economy to new highs in income and output will provide background perspective on the downturn in the latter part of 1957.

Economic expansion during 1956 was characterized by divergent and partly offsetting tendencies in demand and supply.

Business demands for fixed capital were intense, continuing the strong upward movement that had been resumed in early 1955. In some lines, these demands outstripped the economic resources—productive capacity, materials, and labor—that were available to meet them. The strong investment climate of 1956 was manifested

Table 7.—GNP and Final Purchases, Selected Quarters, 1955–57

(Seasonally adjusted at annual rates)

Quarter	GNP (billions of dollars)	Implicit price deflator (1957=100)	Billions of 1957 dollars		
			GNP	Inventory change	Final purchases
IV, 1955	409	94	435	8	427
IV, 1956	430	98	441	5	436
I, 1957	436	99	442	1	441
II, 1957	441	100	443	3	440
III, 1957	446	101	442	2	440

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also in a continuing substantial buildup of inventories.

Foreign trade contributed to the further business advance in 1956, with export demand up strongly during the year. Mirroring primarily the uptrend in State and local purchases, government demand was also an expansionary influence.

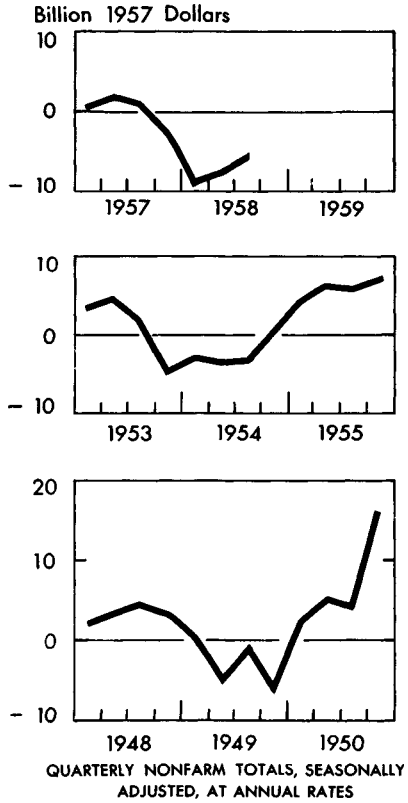
On the other hand, weaknesses developed in some other markets. Most notably, automobile demand fell sharply from the abnormal high reached in 1955; and residential building, which also had contributed to the upsurge in 1955, receded moderately, partly because of tighter credit conditions. The market for consumer durables other than autos was generally sluggish, with purchases of some types of household goods below 1955.

With the economy operating on a very high plane, the growth of real output within the year 1956 was of course less than that realized during the period of cyclical recovery from the 1954 low. The 1956 output rise was further limited by the demand-supply imbalances indicated above. In some industries, where demands were particularly urgent, production was restricted by supply considerations; in others, where supplies were potentially ample, it was held down by a lack of demand.

Reflecting an overall demand that was extraordinarily high in spite of spot weaknesses, and was accompanied by generally increasing unit-production costs, there was a sharp upturn in prices during 1956. The rise in costs reflected the continued increase in wage rates as well as a spurt in real labor requirements per unit of output; the latter stemmed from the general tapering in the output rise and from the imbalances between supply and demand that for large segments of the economy led to capacity utilization either above or below optimal rates. Another factor in the cost-price situation was a renewal, in early 1956, of the rise in farm prices; these had been receding for several years.

Fig. 13

Postwar Cyclical Changes In Inventories



FACTORS UNDERLYING DOWNTURN

The tenor of business activity was changing as the economy moved into 1957. Some easing in the buoyancy of demands was apparent, and productive capacity to satisfy them was becoming more ample. With the improvement in supplies relative to demand, there was a sharp cutback in the rate of business inventory accumulation, following the sizable buildup of stocks which had occurred during 1955 and 1956.

As evidenced mainly by the gradual leveling off in capital expansion programs reported by business, the intensity of demands for plant and equipment slackened. The further expansion of these massive outlays through the third quarter of 1957 appears to have reflected the updrift of capital goods prices.

But changes also emerged in other elements of demand. Among these was the drop in our export trade from the exceptionally high rate reached early in 1957 by reason of the Suez crisis and other special factors—a rate markedly out of line with the purchasing ability of foreign countries as derived from our own buying of foreign goods and services and our capital exports. Again, weaknesses in the market for consumer durables became more apparent, with unit sales of automobiles and some other major items off moderately from prior levels.

In their effects on the general demand situation, these several factors were reinforced by the depressing influence of Government decisions in the spring of 1957 to ease budgetary pressures by cutting back the future rate of Federal purchasing. These decisions, which resulted in a sharp reduction in new Government contracts, directly affected current business production and also dampened the general economic outlook.

By contrast, consumer demand for nondurable goods and services continued to advance in the period leading up to the fourth-quarter 1957 downturn. Accounting for virtually the entire rise in the value of gross national product from the first to the third quarters of 1957, it was the dominant element in the maintenance of record economic activity in that period.

Several factors were instrumental in the strength of consumer buying. Supplementing the high rate of earnings from production in the spring of 1957 were the initial disbursements of social security benefits made to groups that had been brought under coverage by prior legislation. An increase in the willingness of the consuming public to spend—as evidenced by a declining saving ratio—appears to have been an additional element. It should also be noted that, with corporate profits squeezed by unfavorable cost-price developments, an exceptionally large part of the additional amounts spent by consumers in this period tended to flow back to them in the form of incomes available for spending in the market for consumer goods and services.

Table 7 summarizes the course of output, prices, and final demand as these broad economic variables were shaped by the developments which have been reviewed. It shows a steady rise in current-dollar GNP, the accompanying rise in prices, and the gradual flattening in the real volume of output and final demand.

The stability of final real demand in the 1957 period is particularly noteworthy. The upward momentum was ended, and some indications of a cyclical downswing had emerged.

DECLINE SHARP

The recession which began in the early fall of 1957 was sharp but uneven in its incidence and brief. From its peak annual rate of $446 billion in the third quarter, GNP fell by 4½ percent to a low of $426 billion in the opening quarter of 1958, and then firmed in the second. The decline was somewhat larger in real terms—5½ percent—as final product prices continued to rise on the average.

This reduction in the physical volume of national output exceeded the peak-to-trough movements of 2 percent and 4 percent registered in the 1948–49 and 1953–54 recessions; common to all of them, however, was the occurrence of a major part of the drop in a relatively brief period.

The drop in total output from the third quarter of 1957 to the first quarter of 1958 was concentrated largely in investment and investment-type goods. Business invest-

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ment in plant, equipment, and inventories, and consumer purchases of durables fell in the aggregate by nearly one-fourth—from $90 billion to $69 billion, at annual rates. The impact of this drop was almost wholly upon durable-goods industries—a pattern characteristic of all three postwar recessions despite the substantial differences among them in the particular markets from which the declines in final demand stemmed.

DEMANDS FOR OUTPUT VARY

The sharp swing in business inventories which occurred during the 1957–58 recession reflected the prior leveling or easing of real demand for important segments of industry, as well as its concurrent decline. Of the $7 billion annual-rate decline of GNP from the third quarter to the fourth, $5 billion was accounted for by a switch from inventory accumulation to liquidation. In the first quarter of 1958, the basic demand factors at work expressed themselves more clearly. A shrinkage in total final demand contributed about as much to the further fall of national production as did the intensified rate at which stocks were being reduced. Thereafter, final demand firmed, and inventories—continuing down at somewhat diminished rates—exerted less of a drag on economic activity. (Inventory fluctuations in the 1957–58 recession, as well as in the two earlier postwar cycles, are shown in Figure 13.)

Fixed investment tilted down in the fourth quarter of 1957 and was reduced sharply in the first quarter of 1958. For the half year as a whole, the reduction accounted for one-fourth of the drop in total GNP. The further decline of fixed investment in the spring quarter was milder, and business plans for capital outlays reported in the summer of 1958 indicated a firming in the second half of the year.

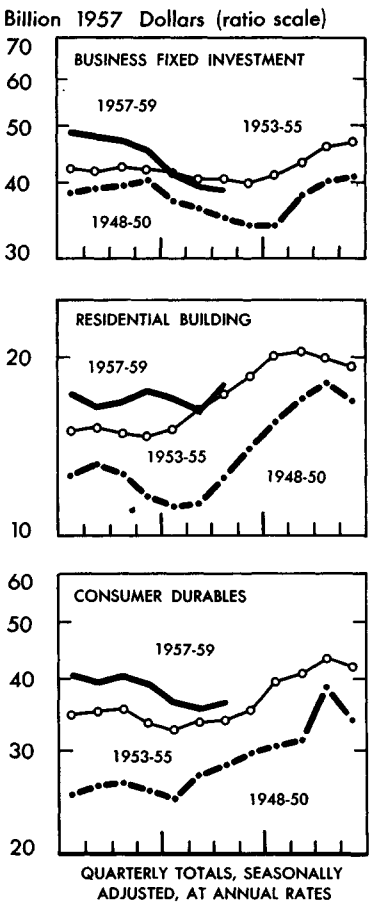
The course of our foreign trade, as already indicated, contributed importantly to the timing of the recent business recession. Down already in the third quarter of 1957 from the high reached early in the year, exports dropped sharply in the next half year. Imports, the demand for which in recent years has been comparatively insensitive to the trend of domestic business, were well maintained throughout the period.

In contrast to the earlier postwar experience, demand for consumer durables in the 1957–58 recession underwent a sharp reduction, with most of it occurring in the opening quarter of 1958. (See Figure 14.) The change in the economic climate in the prior quarter contributed to the magnitude of the decline as, with economic prospects uncertain, many large-ticket purchases were postponed. A 20 percent cut in automobile sales, from a level that had already been rather disappointing, was the major underlying event; consumer purchases of furniture and household equipment were down also, but less so.

Federal purchases advanced through the spring of 1957, reaching a quarterly peak ahead of the general turn in business. A decline in them was foreshadowed by the sharp fall in orders that accompanied the cutback in military programs. Purchases receded slightly in the second half of 1957 before a reversal of military procurement policy turned them up again in 1958. The change in forward orders was again sharper than that which occurred in actual purchases, and was more indicative of the impact of Federal purchase programs on business activity.

Fig. 14

Durable Goods in Three Postwar Cycles



The remaining demands for national output were well sustained, following a general pattern that had characterized also the business adjustments of 1948–49 and 1953–54. Purchases of State and local governments continued to increase without interruption. Housing construction tended to recover from its prior decline in the first half of 1957, although subject to special disturbances stemming from the abnormally severe 1958 winter weather. Consumer purchases of nondurable goods and services—in contrast to those of durables—turned up in the first quarter of 1958, after the nondurables had dipped slightly. Prices paid by consumers advanced throughout this period; on a real basis, the dip extended into the first quarter of 1958.

DISPOSABLE INCOME MAINTAINED

A major influence supporting the consumer market was the degree to which disposable personal income held up despite the sharp drop in national output. From peak to trough, income decreased $4 billion, at annual rates; value of output, $20 billion. This development, as can be seen from Figure 15, was one which the recent downturn shared with the preceding postwar recessions, and the chain of causation was much the same.

Quite briefly, the 1957–58 demand reduction centered in durable goods (including inventory holdings). It hit hardest industries—notably manufacturing and transportation—which are primarily corporate. The volatile corporate profits share bore the brunt of the output decline—falling from $43 billion to $32 billion, at annual rates—but dividend payments to individuals held stable as part of the fall in before-tax profits was absorbed by taxes and part by undistributed earnings. Adding concurrently to the income receipts of individuals from production was a mounting flow of Government transfer payments, reflecting chiefly the automatic cyclical expansion in unemployment compensation.

ROLE OF GOVERNMENT SUPPORTS

The role of Federal Government receipts and expenditures in helping to stem the recent business decline is brought out in Table 8, which presents these transactions as they enter the national income accounts.

The outstanding feature of the change in the Federal fiscal position from the 1957 peak in business activity to its trough in the first quarter of 1958 was a decline in the quarterly tax take amounting to $7 billion at annual rates. This occurred primarily in corporate profits taxes and reflected the cut in the underlying profits base. In conjunction with the fall in receipts, Federal expenditures showed a rise of $3 billion, mainly in transfer payments.

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Table 8.—Federal Government Receipts and Expenditures in the National Income Accounts, Selected Quarters at Seasonally Adjusted Annual Rates, 1948–58

[Billions of dollars]

	IV 1948	II 1949	II 1950	II 1953	II 1954	II 1955	III 1957	I 1958	II 1958
Receipts	42.6	38.5	47.3	72.3	63.3	71.7	83.3	76.1	76.1
Personal taxes	18.2	16.2	17.3	32.5	29.0	31.3	37.7	36.6	36.5
Corporate profits taxes	11.6	9.2	15.5	21.0	16.1	19.9	21.0	15.4	15.6
Other	12.8	13.1	14.5	18.8	18.2	20.5	24.6	24.1	24.0
Expenditures	38.8	42.4	39.0	79.4	68.7	68.1	79.9	82.8	86.0
Purchases of goods and services	22.1	22.3	17.2	58.9	47.1	44.7	49.7	49.7	50.7
Transfer payments to persons	7.4	8.9	10.3	9.5	11.6	12.5	15.9	18.3	20.3
Other	9.3	11.2	11.5	11.0	10.0	10.9	14.3	14.8	15.0
Surplus or deficit (−)	3.8	−3.9	8.3	−7.0	−5.4	3.5	3.4	−6.6	−9.9

The first of these changes helped to shield the current buying power of the private economy from the downward pressure to which before-tax production earnings were subject. The second constituted a positive supplementation of that buying power. The combined influence of these revenue and expenditure changes was mirrored in a shift from a quarterly surplus on income and product account of $3 billion at annual rates to a deficit of $7 billion. Under the influence of increases in both transfer payments and Government purchases, this deficit rose to $10 billion in the second quarter of the year.

The table also shows that a similar mechanism was effective in the two prior business recessions as well, although its precise working was affected by differences in tax and expenditure policies.

In the 1948–49 downturn, when a $4 billion surplus was converted into a deficit of the same size, the prior cut in the rates of the individual income tax accentuated the shrinkage in tax receipts associated with lower earnings, and provided additional support to disposable personal incomes. A step-up in the foreign assistance program was another special feature of this period.

The pattern of automatic tax shrinkage and expenditure rise was altered drastically in the 1953–54 downturn. Superimposed upon the reduction in tax take caused by the declining tax base were the abolition of the corporate excess profits tax and substantial reductions in the individual income-tax rates. More than offsetting these autonomous changes on the receipts side, however, was the large reduction in Government purchases. Expressing the combined effect of these developments, receipts and expenditures moved into closer balance during the second postwar recession, and the quarterly deficit was reduced from an annual rate of $7 billion to $5½ billion during the year of declining business activity.

Taxes and transfer payments, it is important to note, have a stabilizing effect during periods of recovery also. Mainly because of the upsurge in the corporate profits tax base, taxes rose sharply in the two periods of recovery shown in the table, and acted as a brake on disposable incomes available to the private economy. On the expenditure side, the shrinkage in unemployment insurance benefits provided an offset to the generally continuing uptrend in transfers.

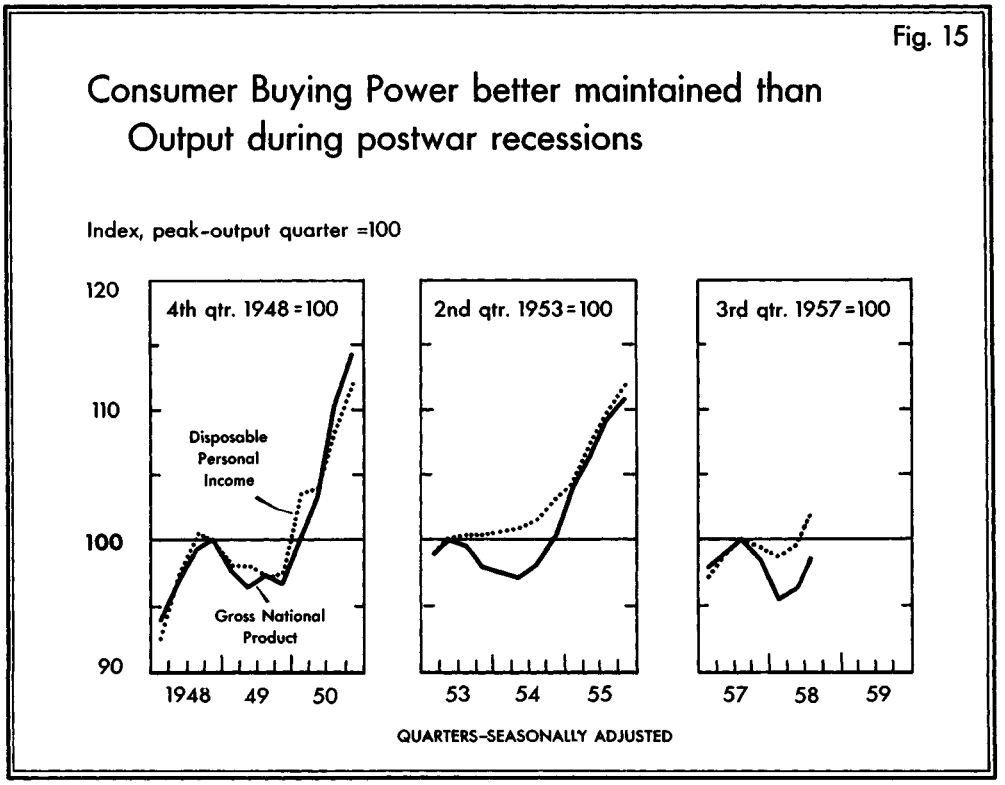
The influence of the Federal Government was not confined to the changes in receipts and expenditures summarized in Table 8. In the 1957–58 downturn, Federal authorities took numerous steps to ease credit conditions and otherwise encourage the use of private purchasing power. Those relating to credit included the Federal Reserve Board's lowering of reserve requirements and rediscount rates and its open market operations, and the supporting actions by other Federal agencies engaged in financial activities, especially those bearing on the mortgage market. In addition, the process of contract awards for defense and other procurement was stepped up, as was noted, and the Congress provided higher authorizations for defense and other requirements.

RECOVERY PRONOUNCED

Aggregate economic activity firmed in the second quarter of 1958 as prior demand declines tapered and prior increases continued or picked up strength.

The further drop in business capital expenditures was comparatively mild; foreign demand leveled out; and consumer purchases of durables were only fractionally lower than in the first quarter. Already on the upgrade by reason of the shift in military procurement policy, Federal purchases received added impetus from agricultural price-support operations; Federally aided transactions in the market for residential property heralded an increase in construction activity; personal consumption expenditures for nondurables and services

Fig. 15



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Table 9.—Gross National Product, Seasonally Adjusted Quarterly Totals at Annual Rates, in Constant Dollars, 1947–58

[Billions of 1957 dollars]

Line		1947					1948					1949				
		I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**300.6**	**302.7**	**305.7**	**311.5**	**305.0**	**309.0**	**316.8**	**319.3**	**321.3**	**316.7**	**315.4**	**314.0**	**319.6**	**316.5**	**316.4**
2	**Personal consumption expenditures**	**202.4**	**206.1**	**207.0**	**207.1**	**205.7**	**208.4**	**209.3**	**209.7**	**210.9**	**209.6**	**210.3**	**214.2**	**215.4**	**219.8**	**214.9**
3	Durable goods	22.9	24.2	24.6	25.8	24.4	25.1	26.0	26.4	25.5	25.7	24.8	27.2	28.3	29.8	27.5
4	Nondurable goods	108.9	110.7	110.1	108.5	109.5	109.5	109.1	108.4	110.0	109.3	110.1	110.7	109.9	111.6	110.6
5	Services	70.6	71.3	72.3	72.8	71.8	73.7	74.2	74.9	75.4	74.6	75.4	76.3	77.2	78.4	76.8
6	**Gross private domestic investment**	**46.7**	**45.5**	**45.5**	**54.3**	**47.9**	**53.9**	**57.3**	**57.9**	**56.2**	**56.4**	**48.1**	**41.6**	**45.8**	**42.0**	**44.4**
7	New construction	20.8	20.7	22.8	26.3	22.5	24.8	26.1	26.0	25.1	25.6	24.1	24.2	25.4	26.9	25.2
8	Residential nonfarm	9.4	9.1	10.6	12.7	10.6	12.5	13.2	12.7	11.7	12.6	11.2	11.3	12.6	14.1	12.4
9	Other	11.4	11.6	12.2	13.6	11.9	12.3	12.9	13.2	13.4	13.0	12.9	12.8	12.7	12.8	12.8
10	Producers' durable equipment	24.9	25.0	25.0	25.6	25.1	26.3	26.2	26.0	26.9	26.4	24.3	23.6	22.4	21.4	22.9
11	Change in business inventories—total	1.0	−.2	−2.2	2.4	.3	2.8	5.1	6.0	4.2	4.5	−.3	−6.2	−2.0	−6.4	−3.7
12	Nonfarm only	1.5	1.9	−.2	3.3	1.6	2.2	3.5	4.5	3.3	3.4	.5	−5.0	−.9	−5.9	−2.8
13	**Net exports of goods and services**	**9.5**	**9.7**	**9.8**	**7.1**	**9.0**	**3.5**	**2.2**	**2.0**	**2.4**	**2.6**	**4.1**	**4.1**	**3.4**	**1.5**	**3.3**
14	**Government purchases of goods and services**	**42.0**	**41.4**	**43.3**	**42.9**	**42.4**	**43.2**	**47.9**	**49.6**	**51.7**	**48.1**	**52.9**	**54.1**	**55.0**	**53.3**	**53.8**
15	Federal	22.7	21.6	23.1	22.1	22.4	22.2	26.5	27.8	29.6	26.5	29.6	29.8	29.9	27.5	29.2
16	State and local	19.3	19.8	20.2	20.8	20.0	21.0	21.5	21.8	22.1	21.6	23.3	24.3	25.1	25.8	24.6

Line		1950					1951					1952				
		I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**326.7**	**336.7**	**351.2**	**358.6**	**343.4**	**361.2**	**369.0**	**376.2**	**376.9**	**370.7**	**379.8**	**379.5**	**383.2**	**393.7**	**384.1**
2	**Personal consumption expenditures**	**221.6**	**225.3**	**237.2**	**228.3**	**228.1**	**233.8**	**225.7**	**228.9**	**231.3**	**229.9**	**231.4**	**234.3**	**235.5**	**242.2**	**235.8**
3	Durable goods	30.4	31.2	39.1	33.7	33.6	34.6	29.1	29.4	29.0	30.5	28.3	29.7	28.2	33.0	29.8
4	Nondurable goods	112.2	113.3	116.4	112.4	113.6	116.5	113.5	115.3	117.2	115.6	117.7	118.7	120.4	121.4	119.6
5	Services	79.0	80.8	81.7	82.1	80.9	82.7	83.1	84.1	85.0	83.7	85.5	85.9	86.8	87.8	86.5
6	**Gross private domestic investment**	**52.4**	**60.7**	**63.8**	**74.7**	**63.1**	**66.8**	**71.0**	**65.6**	**59.3**	**65.5**	**60.1**	**52.6**	**56.2**	**60.3**	**57.3**
7	New construction	28.5	30.6	31.8	31.5	30.8	31.1	29.6	28.9	28.6	29.4	29.0	29.1	29.0	29.9	29.3
8	Residential nonfarm	15.5	17.0	18.2	16.9	17.1	16.3	14.2	13.3	13.4	14.2	13.6	13.9	14.0	14.7	14.1
9	Other	13.0	13.6	13.6	14.5	13.7	14.8	15.4	15.6	15.2	15.2	15.4	15.2	15.0	15.2	15.2
10	Producers' durable equipment	21.1	24.5	26.7	26.4	24.6	24.9	25.5	25.8	25.7	25.5	26.0	26.5	23.2	25.2	25.2
11	Change in business inventories—total	2.8	5.6	5.3	16.8	7.6	10.8	15.9	10.9	5.0	10.7	5.0	−3.0	4.0	5.2	2.8
12	Nonfarm only	2.6	5.1	4.4	15.9	7.0	10.0	15.2	10.3	4.5	10.0	4.6	−3.6	3.6	5.0	2.4
13	**Net exports of goods and services**	**1.9**	**1.2**	**−.1**	**.6**	**.8**	**.5**	**2.5**	**4.4**	**4.4**	**3.0**	**4.2**	**3.5**	**.4**	**−.6**	**1.9**
14	**Government purchases of goods and services**	**50.8**	**49.5**	**50.3**	**55.1**	**51.4**	**59.9**	**69.8**	**77.3**	**82.0**	**72.3**	**84.0**	**89.1**	**91.2**	**91.7**	**89.0**
15	Federal	24.3	23.1	23.9	28.6	25.0	33.2	42.7	50.1	54.8	45.2	56.7	61.5	63.8	63.9	61.5
16	State and local	26.5	26.4	26.5	26.5	26.5	26.7	27.1	27.2	27.1	27.0	27.3	27.6	27.4	27.8	27.5

Line		1953					1954					1955				
		I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**401.2**	**406.1**	**402.7**	**395.9**	**401.5**	**391.4**	**390.0**	**392.5**	**400.8**	**393.9**	**413.9**	**422.0**	**430.5**	**434.7**	**425.5**
2	**Personal consumption expenditures**	**246.2**	**248.5**	**248.2**	**246.3**	**247.3**	**245.6**	**248.8**	**251.5**	**255.9**	**250.4**	**261.7**	**266.9**	**273.4**	**275.4**	**269.4**
3	Durable goods	34.6	35.1	35.3	33.6	34.6	32.6	33.7	33.9	35.4	33.9	39.7	40.9	43.4	41.8	41.4
4	Nondurable goods	122.9	123.9	122.9	122.4	123.0	122.1	123.4	124.6	126.4	124.1	126.5	129.3	131.8	134.1	130.4
5	Services	88.7	89.5	90.1	90.3	89.6	90.9	91.7	93.0	94.1	92.4	95.6	96.8	98.2	99.5	97.5
6	**Gross private domestic investment**	**60.1**	**60.6**	**58.3**	**52.2**	**57.8**	**53.5**	**53.7**	**55.6**	**59.3**	**55.7**	**66.2**	**70.4**	**72.4**	**73.9**	**70.8**
7	New construction	30.6	31.1	31.2	31.4	31.1	31.5	32.6	34.0	35.5	33.5	37.7	38.3	38.5	38.0	38.2
8	Residential nonfarm	15.0	15.2	14.9	14.8	15.0	15.1	16.3	17.4	18.6	16.9	20.1	20.4	20.0	19.3	20.0
9	Other	15.6	16.0	16.3	16.6	16.1	16.5	16.3	16.6	16.9	16.6	17.6	17.9	18.5	18.7	18.2
10	Producers' durable equipment	26.7	25.7	26.2	25.7	26.1	24.9	24.3	24.0	23.1	24.1	23.5	25.2	27.5	28.2	26.1
11	Change in business inventories—total	2.8	3.7	.9	−4.9	.6	−2.9	−3.2	−2.4	.8	−1.9	5.0	7.0	6.5	7.7	6.5
12	Nonfarm only	3.4	4.5	1.6	−4.7	1.2	−3.0	−3.6	−3.0	.2	−2.4	4.2	6.3	5.9	7.2	5.9
13	**Net exports of goods and services**	**−.2**	**−.5**	**−.6**	**.2**	**−.3**	**.5**	**1.5**	**1.2**	**3.0**	**1.7**	**2.0**	**1.1**	**1.8**	**1.4**	**1.7**
14	**Government purchases of goods and services**	**95.1**	**97.6**	**96.8**	**97.3**	**96.7**	**91.8**	**86.0**	**84.2**	**82.5**	**86.1**	**84.0**	**83.5**	**82.9**	**84.0**	**83.6**
15	Federal	66.9	69.3	68.0	67.8	68.0	61.4	55.1	52.6	50.7	55.0	51.2	50.2	49.6	50.4	50.3
16	State and local	28.3	28.2	28.8	29.5	28.7	30.3	30.9	31.6	31.8	31.1	32.8	33.4	33.4	33.6	33.3

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Table 9.—Gross National Product, Seasonally Adjusted Quarterly Totals at Annual Rates, in Constant Dollars, 1947–58—Continued

[Billions of 1957 dollars]

Line		1956					1957					1958				
		I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	433.2	434.1	435.2	440.9	436.0	441.6	442.8	442.4	434.1	440.3	418.0	419.0	428.3		
2	**Personal consumption expenditures**	276.4	276.6	276.5	280.5	277.5	282.5	283.5	287.2	284.6	284.4	280.7	281.5	284.7		
3	Durable goods	40.6	39.3	38.5	40.2	39.6	40.5	39.5	40.3	39.4	39.9	36.3	35.5	35.8		
4	Nondurable goods	135.2	135.6	134.9	136.0	135.4	136.8	137.6	139.8	137.7	138.0	136.8	137.7	139.9		
5	Services	100.6	101.7	103.1	104.3	102.4	105.2	106.4	107.1	107.5	106.5	107.7	108.3	109.0		
6	**Gross private domestic investment**	73.4	71.7	71.5	70.9	71.8	67.1	67.0	65.9	61.1	65.3	49.4	48.5	52.7		
7	New construction	37.4	36.9	36.9	36.9	37.0	36 9	36.0	36.3	36.7	36.5	35.7	34.2	35.7		
8	Residential nonfarm	18.5	18.0	17.7	17.9	18.0	17.3	16.5	16.8	17.5	17.0	17.0	16.2	17.8		
9	Other	18.9	18.9	19.1	19.0	19.0	19.6	19.5	19.5	19.2	19.5	18.7	18.0	17.9		
10	Producers' durable equipment	28.3	28.5	28.9	29.1	28.7	29.1	28.2	27.8	26.3	27.9	22.4	21.8	21.8		
11	Change in business inventories—total	7.7	6.3	5.8	4.9	6.2	1.1	2.8	1.8	−1.9	1.0	−8.7	−7.5	−4.8		
12	Nonfarm only	7.7	6.6	5.7	4.7	6.2	.6	1.9	.9	−2.7	.2	−8.8	−7.6	−5.2		
13	**Net exports of goods and services**	1.0	3.3	3.7	4.9	3.4	5.7	6.2	4.7	3.0	4.9	1.1	1.1	1.3		
14	**Government purchases of goods and services**	82.3	82.6	83.5	84.6	83.2	86.3	86.1	84.6	85.4	85.7	86.7	87.8	89.6		
15	Federal	48.1	48.0	48.9	49.3	48.6	50.2	50.2	48.9	48.3	49.4	48.9	49.9	50.9		
16	State and local	34.2	34.5	34.6	35.2	34.7	36.1	35.9	35.7	37.1	36.3	37.8	38.0	38.7		

moved upward again; and State and local government outlays expanded further. Inventory liquidation was a little lower than in the first quarter, and thus contributed to the improvement in aggregate demand on a net basis.

By the third quarter, economic recovery was clearly under way. Reflecting substantial increases in consumption, housing, and government buying, and a pronounced slackening in the rate of inventory liquidation, gross national product registered a sharp advance. Fixed investment outlay was the only major demand that did not contribute to the general rise. But, as already noted, the decline had apparently leveled out and firming tendencies were in evidence.

The 1957–58 turnabout of GNP was the quickest on record in the postwar period. It contrasted with the pattern in 1954, when output remained low for three quarters, and with that in 1949, when output hesitated for two quarters before resuming a steady upward course.

At an annual rate of $439 billion in the third 1958 quarter, the value of gross national product was $13 billion above the recession low and had recovered two-thirds of the fall from the prior peak reached a year earlier. Prices having risen over this period, the increase in real output had canceled about two-fifths of the previous loss.

Personal income, which at its low point in February 1958 was only 2 percent under the August 1957 high, was back up to the peak by June and continued its strong advance through the summer.

CONCLUDING COMMENT

As this is written in October 1958, we have a substantial but as yet incomplete recovery following a sharp business decline. Although personal income has moved up to a record rate, corporate profits are still below their earlier high; employment in nonagricultural industries has recovered about one-fourth of its earlier loss, and unemployment though improving remains a problem in many areas; automobile sales and output are low and a test of the recovery in demand awaits the availability of the 1959 models, which are only now beginning to go on display. So the tracing of the upward phase of the current business cycle is still a matter for the future.

Again we have had, through the national income accounts, prompt measures of retrogression and progress which have given business and Government a comprehensive picture upon which analyses and actions could be based. This has contributed greatly to knowledge and understanding, which are essential guides to policies of both action and restraint in the economic sphere.

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2. Expansion of Regional Markets

The growth and structure of regional markets in the United States during the postwar period are traced in this chapter through OBE's estimates of personal income by States.

Since these estimates cover the current income received by individuals from all sources, they constitute a major purchasing power guide which yields directly a geographic breakdown of the broad consumer market. Although personal income is measured before deduction of income and other direct personal taxes, these can be excluded in order to derive State estimates of disposable personal income, a somewhat more precise market measure.

As a complete measure of the income flow to individuals, personal income also qualifies as an indicator of business activity and economic growth among regions, and provides a particularly valuable framework for relating regional developments to those on a national scale. The usefulness of the State income figures as a tool of economic analysis is enhanced by reason of the significant breakdowns which accompany the overall totals. The rich array of underlying detail—in terms of both industrial sources and types of income—facilitates understanding of the individual regional economies.

The State income measures, then, portray the dimensions of the regional markets and, more generally, afford a significant and comprehensive basis for viewing the regional economies. They furnish an economic record for the States that is both current and long term, both summary and detailed.

The ensuing review of these voluminous statistics focuses on highlights—on significant aspects of the current geographic income distribution and of the changes which have occurred in the postwar period. The available historical record extending back to the late 1920's is drawn upon for perspective, as a background against which to evaluate the postwar developments.

More specifically, the State income data are first utilized to delineate present-day regional differences in market size and economic structure. Following these brief profiles, the overall postwar growth of the regions is summarized by use of aggregate and per capita income data in real as well as in current-dollar terms. Finally, in an analysis which focuses to a large extent on the industrial sources of income, the shifts evidenced by these summary measures are evaluated for the light they shed on basic economic developments among the regions over the postwar span.

ECONOMIC PROFILES

The personal income data for 1957 reveal directly key characteristics of the current regional economies and of the geographic markets for goods and services. The requisite information by States covers both total and per capita personal income, disposable personal income, and breakdowns of income and earnings by industrial sources.

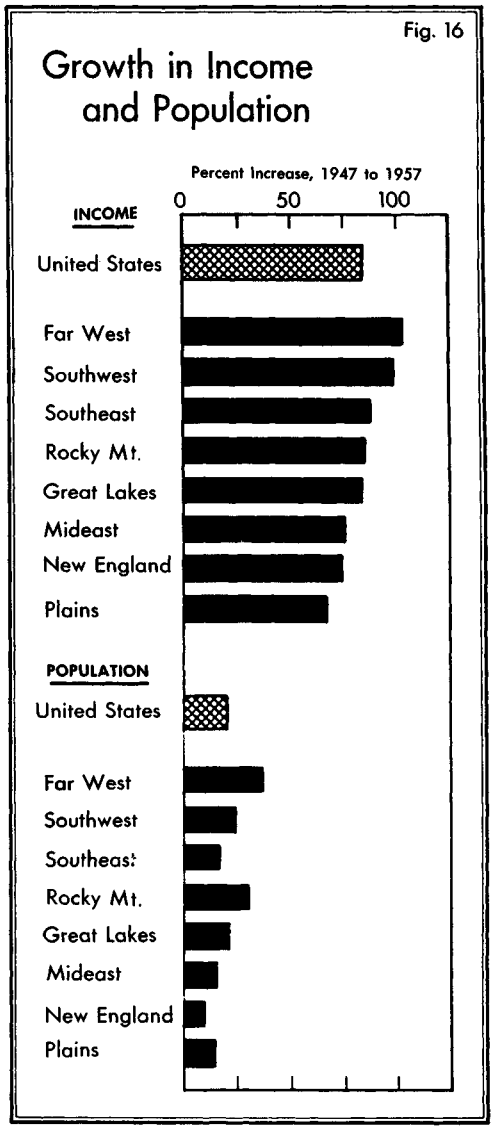
FEATURES OF INCOME DISTRIBUTION

Included in Tables 1 and 2 are columns showing for 1957 the percentage of national personal income received by each State and region and the percentage relationship between its per capita income and that of the Nation; also shown are the dollar figures on which the percentages are based. These data bring out two broad features of the geographic distribution of income in this country.

First, they are a forceful reminder that, irrespective of past and current differentials in relative income movements, the individual States and regions vary substantially in volume of total income. Of the 1957 personal income total of $345 billion, more than two-fifths was accounted for by five States: New York ($41 billion), California ($35 billion), Illinois ($24 billion), Pennsylvania ($23 billion), and Ohio ($21 billion). By contrast, five States each received $1 billion or less in personal income—Vermont, Wyoming, Nevada, North Dakota, and Idaho.

Also to be noted is that two regions—the Mideast and Great Lakes—account for almost one-half of all personal income; that Massachusetts, Texas, and California dominate their respective regional income

Fig. 16



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totals; and that the five Rocky Mountain States, though embracing a huge land area, receive only a little over 2 percent of the Nation's income.

Second, although the geographic distribution of income reflects mainly the location of population, differentials in per capita income are wide. By regions, per capita income ranges from almost one-fifth above the national average in the Far West and Mideast to nearly one-third below it in the Southeast. On a State basis, of course, the spread in average income levels is much greater.

As compared with the United States figure of $2,027, per capita personal income in 1957 varied from $2,821 in Connecticut to $958 in Mississippi. In Connecticut and others in the top rank—Delaware, New York, California, District of Columbia, and New Jersey—average incomes ranged from one-fourth to two-fifths above the national average. In 10 of the 12 Southeastern States, as well as in North Dakota and South Dakota, per capita incomes in 1957 were from one-fourth to one-half below the countrywide average.

DISPOSABLE PERSONAL INCOME

The best available measure of the dimensions of geographic markets for consumer goods and services is furnished by disposable personal income, which defines the individual income flow on an after-tax basis. Estimates by States and regions are given in table II–10 of the Statistical Section for selected years of the period from 1929 to 1955. While the latter year is the most recent for which tabulations of Federal individual income taxes are presently available from the Internal Revenue Service on a State-of-residence basis, the regional estimates of disposable income have been extended here to 1957 by means of the incomplete information at hand.

As shown in the accompanying tabular comparison, the relative distribution of disposable income by regions in 1957 was quite similar to that of total income. Such similarity, which also prevailed in marked degree on a State basis, was even closer for 1929 and 1947—pointing to the fact that the relative shifts among regions in disposable income were about the same as those in the before-tax measure.

Personal and Disposable Income, 1957

	Billions of dollars		Percent distribution	
	Personal income	Disposable income	Personal income	Disposable income
United States	**345.3**	**302.9**	**100.00**	**100.00**
New England	22.7	19.7	6.57	6.51
Mideast	87.9	76.2	25.46	25.11
Great Lakes	77.6	67.8	22.46	22.38
Plains	27.9	24.9	8.08	8.23
Southeast	53.1	47.8	15.38	15.78
Southwest	23.4	20.9	6.79	6.91
Rocky Mountain	7.7	6.8	2.24	2.26
Far West	45.0	38.8	13.02	12.82

The relatively close correspondence between the distributions of personal income and disposable income is attributable to the moderate "weight" of personal taxes in this context. In 1957, taxes absorbed 12½ percent of personal income in the United States. Even significant variations around this nationwide average could—and did—result in a regional distribution of income after taxes that in relative terms differed only moderately from the before-tax distribution.

The foregoing finding of "similarity" between disposable income and personal income is based on a comparison of relationships shown for these two measures between each area and the United States. For any particular area, however, the percentage changes in personal income and disposable income over the long run differ markedly, just as they do for the country as a whole; differences in these changes over the postwar decade, however, are only moderate, by reason of the fact—noted in Chapter 1—that the national ratio of personal taxes to personal income did not vary substantially in this period.

BROAD INDUSTRIAL SOURCES

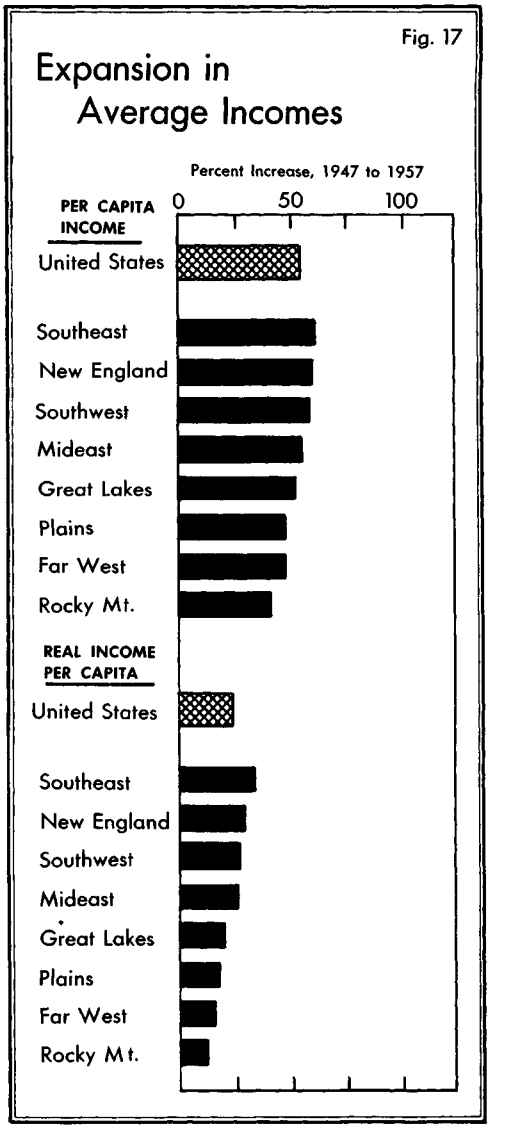
Important to an understanding of the current regional economies is a knowledge of their industrial structure. Basic information along this line is to be found in a breakdown of personal income into the amounts received by residents of each State from farming, government, and private nonfarm industry.

The most striking fact revealed by Table 4 is the wide variation in the percentage of income received from farming. As compared with 4 percent nationally, regional proportions range from 1 percent in the Mideast to 12 percent in the Plains, with the percentage in the Rocky Mountain States and the two southern regions varying from 6 to 9 percent. By States, of course, variations are more extreme—from 1 percent or less in several of the New England and Mideastern States to 20–30 percent in South Dakota, North Dakota, Iowa, and Nebraska.

Government income disbursements in 1957 formed about one-sixth of all personal income in the United States. Of the $58 billion disbursed to individuals, about two-fifths—$23 billion—came from State and local governments. In 37 States, the latter element accounted for a fairly uniform proportion (6–8 percent) of total income. Therefore, Federal Government payments introduce the main geographic differentials in the proportion of personal income received from government. These, in turn, stem primarily from the location of national defense installations, as reflected in payroll disbursements to military personnel on duty and to civilian employees of the defense agencies. The remainder of Federal Government disbursements to residents of the States is distributed throughout the country rather uniformly in relation to total income.

Government disbursements bulk largest in the four regions of the South and West, where they account directly for about one-fifth of total income. The proportion is smallest—one-eighth—in the Great Lakes States.

Nationally, 79 percent of personal income in 1957 was disbursed by private nonfarm industries. The considerable variation around this average—from 88 percent in Connecticut to 51 percent in South Dakota—reflects chiefly the widely differing importance of farming as a source of personal income throughout the country.



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CIVILIAN INCOME BY INDUSTRIES

The breakdown of personal income just reviewed—farm, government, and private nonfarm—is as far as one can go in classifying total income in each State according to industrial source. The private nonfarm income totals by States cannot be subdivided by industry mainly because of the lack of information on industrial sources of dividends and interest.

It is possible, however, to allocate a large portion of total income—four-fifths on a national basis—by State and industry. This portion—termed "civilian income received by persons for participation in current production"—covers, except for military disbursements, the combined total of wages and salaries, other labor income, and proprietors' income. These three flows can be characterized very largely as the earnings received by individuals, both employees and self-employed, for their efforts in current production. Accordingly, Table 5, which shows individuals' earnings in each industry as a percent of total civilian earnings in 1957, affords a comprehensive and meaningful picture of the industrial structures of the State and regional economies.

The major fact revealed by examination of this table is that farming, mining, and manufacturing account for the bulk of geographic variations in the industrial composition of total civilian earnings. This fact, in turn, encompasses two others: (*a*) Despite their widely differing importance individually, these 3 industries together account for roughly similar proportions of total civilian earnings in most areas; and (*b*) the proportions of aggregate civilian income by States and regions derived from the other industrial divisions enumerated in Table 5—singly as well as in combination—are, on the whole, fairly uniform.

In amplification of this broad characterization of the industrial source patterns of civilian earnings by geographic areas, the condensation given below of Table 5 may prove helpful. It shows for the United States and each of the eight regions the percentage of total civilian earnings in 1957 received from four groups of industries: Commodity-producing, distributive, service, and government. In addition to farming, mining, and manufacturing, the commodity-producing group includes contract construction and "other" (the latter comprised largely of agricultural services, forestry, and fisheries). The distributive industries consist of wholesale and retail trade, transportation, and communications and public utilities. The service category comprises the services industry proper and finance, insurance, and real estate. Finally, the "Government" column in the accompanying tabulation combines the data shown in Table 5 for Federal civilian and State and local.

As evidenced by the breakdown of individuals' civilian earnings in 1957, the industrial structures of the various States and regions exhibit general correspondence in the relative importance of commodity production and distributive, service, and government activities. The extent of geographic uniformity in the relative importance of the commodity-producing group of industries (see Figure 20) is fairly rough, but is none the less significant. It stands in sharp contrast to the widely varying emphasis placed upon farming, mining, and manufacturing within the commodity-producing segment, as depicted in Table 5. And within each of these three major industries there is further, detailed specialization in production—a fact so widely

Table 1.—Personal Income and Population

State and region	Total income						Population		
	Amount (millions) 1957	Percent of continental United States [1]			Percent change [1]		Number (thousands) 1957	Percent change [2]	
		1929	1947	1950	1957	1929 to 1957	1947 to 1957		1929 to 1957	1947 to 1957
Continental United States	**345,272**	**100.00**	**100.00**	**100.00**	**100.00**	**303**	**83**	**170,333**	**40**	**19**
New England	**22,687**	**8.32**	**6.89**	**6.73**	**6.57**	**218**	**74**	**9,871**	**21**	**9**
Maine	1,568	.56	.52	.48	.45	227	60	943	18	10
New Hampshire	1,065	.38	.32	.31	.31	231	73	572	22	12
Vermont	626	.26	.21	.20	.18	178	61	376	5	6
Massachusetts	11,361	4.51	3.48	3.45	3.29	194	73	4,866	15	6
Rhode Island	1,715	.69	.60	.57	.50	188	52	862	26	10
Connecticut	6,352	1.92	1.76	1.72	1.84	287	91	2,252	41	14
Mideast	**87,901**	**32.06**	**26.49**	**26.36**	**25.46**	**220**	**75**	**36,722**	**30**	**14**
New York	40,954	16.47	12.69	12.43	11.86	190	71	15,888	31	14
New Jersey	14,089	4.33	3.84	3.86	4.07	279	94	5,627	41	22
Pennsylvania	23,327	8.79	7.28	7.30	6.76	210	70	11,043	14	8
Delaware	1,200	.28	.26	.31	.35	400	140	438	86	43
Maryland	6,242	1.47	1.61	1.67	1.81	395	105	2,895	79	28
District of Columbia	2,089	.72	.81	.79	.61	240	37	831	72	−5
Great Lakes	**77,559**	**23.61**	**22.47**	**22.51**	**22.46**	**283**	**83**	**35,035**	**39**	**20**
Michigan	16,706	4.44	4.67	4.79	4.84	339	89	7,803	63	28
Ohio	20,748	6.04	5.75	5.72	6.01	301	91	9,200	39	19
Indiana	9,110	2.30	2.61	2.66	2.64	362	85	4,533	41	20
Illinois	23,579	8.50	7.22	7.10	6.82	224	73	9,637	27	15
Wisconsin	7,416	2.33	2.22	2.24	2.15	271	76	3,862	32	19
Plains	**27,913**	**8.87**	**8.85**	**8.80**	**8.08**	**268**	**67**	**15,309**	**15**	**14**
Minnesota	6,145	1.80	1.86	1.86	1.78	299	75	3,321	29	19
Iowa	5,056	1.66	1.58	1.68	1.46	256	69	2,799	14	12
Missouri	8,256	2.66	2.49	2.53	2.39	263	76	4,255	17	11
North Dakota	924	.30	.44	.35	.27	265	11	644	−4	11
South Dakota	1,075	.34	.39	.35	.31	273	45	702	2	17
Nebraska	2,640	.95	.83	.86	.76	226	68	1,452	6	15
Kansas	3,817	1.16	1.26	1.17	1.11	282	60	2,136	14	15
Southeast	**53,088**	**11.67**	**15.03**	**15.17**	**15.38**	**431**	**87**	**37,193**	**37**	**16**
Virginia	6,302	1.23	1.73	1.78	1.82	498	92	3,797	57	16
West Virginia	3,071	.93	1.02	.98	.89	287	59	1,976	15	5
Kentucky	4,172	1.19	1.26	1.26	1.21	309	75	3,040	17	8
Tennessee	4,791	1.15	1.47	1.46	1.39	388	73	3,463	33	9
North Carolina	5,924	1.22	1.78	1.82	1.72	466	76	4,498	44	19
South Carolina	2,796	.55	.82	.83	.81	495	80	2,370	36	19
Georgia	5,407	1.18	1.53	1.56	1.57	433	87	3,779	30	16
Florida	7,522	.88	1.54	1.61	2.17	899	159	4,098	184	61
Alabama	4,171	1.00	1.24	1.18	1.21	387	78	3,151	19	7
Mississippi	2,093	.67	.74	.71	.61	267	50	2,185	9	4
Louisiana	4,804	1.01	1.20	1.30	1.39	455	111	3,068	47	19
Arkansas	2,035	.66	.70	.68	.59	261	54	1,768	−5	−4
Southwest	**23,438**	**4.97**	**6.25**	**6.50**	**6.79**	**451**	**98**	**13,381**	**49**	**24**
Oklahoma	3,687	1.26	1.14	1.11	1.07	242	70	2,277	−4	7
Texas	16,364	3.21	4.41	4.61	4.73	495	96	9,138	59	24
New Mexico	1,399	.20	.30	.35	.41	718	143	830	98	43
Arizona	1,988	.30	.40	.43	.58	683	165	1,136	164	74
Rocky Mountain	**7,731**	**1.88**	**2.23**	**2.23**	**2.24**	**379**	**84**	**4,146**	**53**	**30**
Montana	1,263	.36	.41	.42	.37	305	64	666	27	26
Idaho	1,043	.26	.35	.34	.30	364	60	640	43	23
Wyoming	644	.18	.20	.21	.19	326	69	316	42	23
Colorado	3,339	.75	.87	.86	.96	420	102	1,673	66	35
Utah	1,442	.33	.40	.40	.42	408	93	851	68	34
Far West	**44,955**	**8.62**	**11.79**	**11.70**	**13.02**	**508**	**102**	**18,680**	**130**	**37**
Washington	5,792	1.36	1.76	1.77	1.68	397	74	2,722	75	22
Oregon	3,385	.75	1.09	1.09	.98	423	63	1,769	87	30
Nevada	647	.09	.14	.14	.19	719	151	267	197	79
California	35,131	6.42	8.80	8.70	10.17	539	111	13,922	152	40
Territory of Hawaii	*1,098*		*.38*	*.31*	*.32*		*52*	*603*		*16*

1. Computed from data in table II-8, Statistical Section.
2. Based on data from U. S. Department of Commerce, Bureau of the Census.

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known as not to require statistical confirmation. Notable examples include the geographic concentration of automobile, textile, and tobacco manufactures; the limited areas of petroleum and gas mining; and the production of citrus fruits, beef cattle, cotton, tobacco, and wheat in sections determined almost entirely by soil and weather conditions.

ONE NATIONAL ECONOMY

It is believed that these two broad features—commodity-production specialization on the one hand, and generally similar importance of distributive and service (including government) pursuits on the other—provide a significant view of the geographic economies of the United States. They depict these economies as highly interdependent, linked to each other by a complex network of commodity and service flows. Further, they support a general view of the United States as a single "national economy" comprised of complementary, interrelated regional economies—rather than as a "weighted average" of separate regional economies having a high degree of independence and passing through individually distinct stages of economic structure (as delineated here by the 4-way grouping of industries).

Percent of Total Civilian Earnings, 1957

	Commodity-producing industries	Distributive industries	Service industries	Government
United States	**45**	**28**	**16**	**11**
New England	48	24	18	10
Mideast	42	28	19	11
Great Lakes	53	25	14	8
Plains	45	30	15	10
Southeast	43	28	16	13
Southwest	41	30	17	12
Rocky Mountain	40	31	15	14
Far West	40	28	19	13

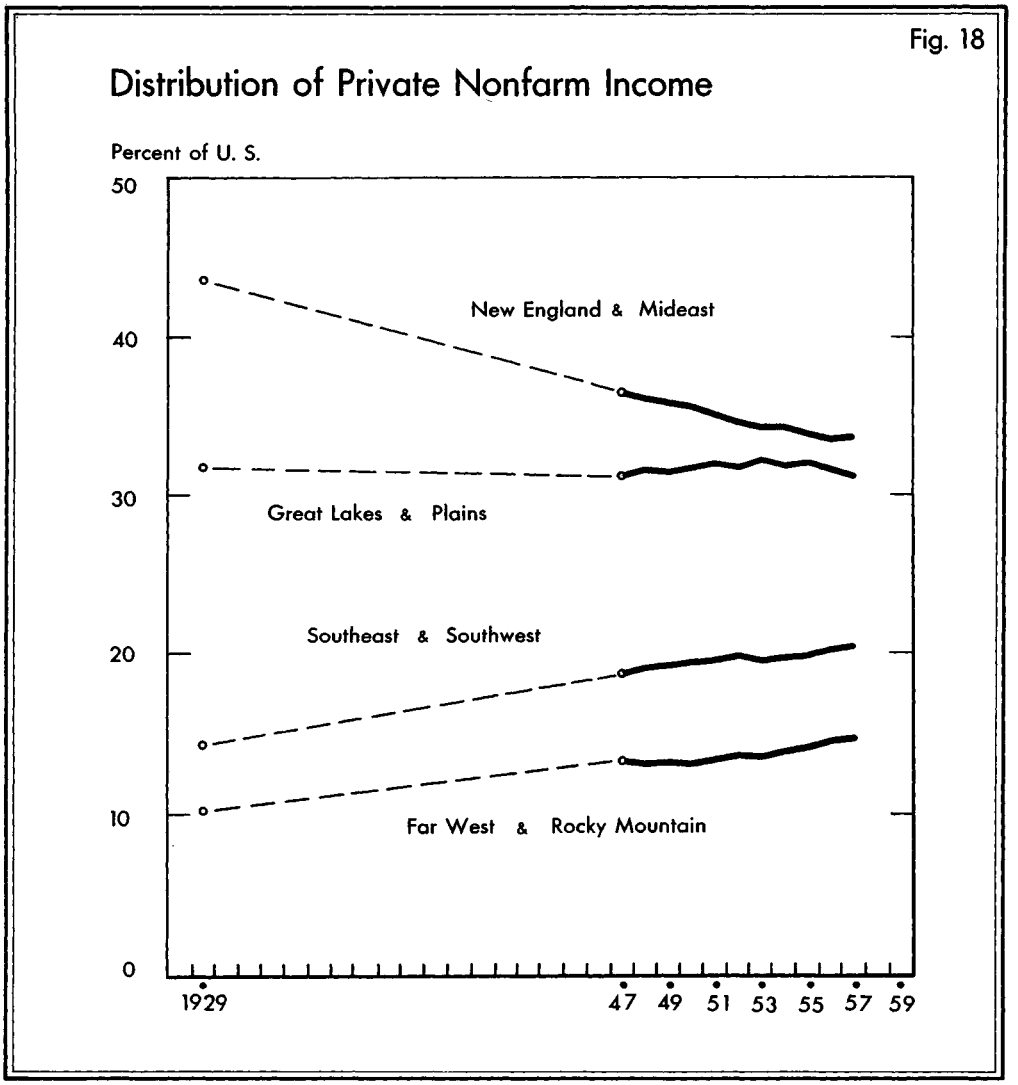
Bearing significantly on this point, it is to be noted that the profound economic changes of the past quarter of a century—featuring a vast growth in real national output and shifts in its composition—have had relatively little impact on geographic differences in the broad industrial source patterns of income. In 1929, as well as in 1957, both specialized commodity-production and distributive and service activities were of roughly similar importance throughout the country.

These features of regional income patterns in the United States—specialized commodity production and similar emphasis upon distribution and service—are attributable to numerous factors. Among them are the location and character of natural resources, mobility of labor and capital funds, common institutions and laws, and access to broader regional and national markets made possible by the absence of trade barriers and by highly developed systems of transportation and communication.

The close economic interlink of geographic areas in this country is indicated also by an interesting tally of year-to-year changes in personal income by States since 1929. This shows that in every year in which the change in personal income (either total or per capita) on a national basis has been appreciable the *direction* of change has been the same in all or a very large majority of the individual States. It would seem to be clearly indicated that the major stimulus of economic forces in the United States is national rather than geographic in scope and origin.

This characterization of the relation between the national and regional economies of the United States is not, of course, at variance with two well-known facts: That the regions can, and do, exhibit differing overall rates of economic growth, as our income measures clearly reveal; and that the national economy can, and does, derive strength from the effective utilization and development of human and material resources in the several regions. For if the basic stimulus, or climate, of economic forces in the United States is national in scope, economic growth in the country as a whole must perforce reflect the character of regional responses to it.

Fig. 18



SUMMARY OF GROWTH

Over the period from 1947 to 1957, personal income in real terms showed an expansion of nearly one-half on a national basis—about the same as that which occurred in the physical volume of gross national product. Translated to a per capita basis, the income rise over the decade amounted to more than one-fifth.

Through the availability of specially compiled price indexes, it is possible to adjust the State income estimates for

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changes in consumer prices, and thus to determine geographic differences in the relative growth of real income.

RISE IN PURCHASING POWER

The largest relative advances in aggregate real income from 1947 to 1957—almost three-fifths—were scored in the Far West and Southwest, while growth in the Southeast was only a little less. The record for the Great Lakes and Rocky Mountain regions was about the same as that for the country as a whole. In the highly developed New England and Mideast areas, the expansion in real income approximated two-fifths; in the Plains States, it amounted to one-third. These comparative advances in purchasing power, along with the absolute volume of income in each region, are shown here in the text table.

Personal Income—Billions of 1957 Dollars

	1947	1957	Percent increase, 1947–57
United States	**236.3**	**345.3**	**46**
New England	16.3	22.7	39
Mideast	61.8	87.9	42
Great Lakes	53.8	77.6	44
Plains	20.9	27.9	34
Southeast	34.7	53.1	53
Southwest	15.0	23.4	57
Rocky Mountains	5.3	7.7	47
Far West	28.6	45.0	57

Accompanying the gains in total real income, and contributing to them, were widely varying rates of population advance. (See Figure 16.) As compared with a growth of about one-fifth for the country as a whole, the 1947–57 population increases by regions varied from nearly two-fifths in the Far West and almost one-third in the Rocky Mountain States to one-tenth in New England. The pattern of regional expansion in population differed significantly from that in total real income.

In real income per capita, an outstanding advance over the past decade was made by the Southeast, as shown in Figure 17. Gains in New England, the Mideast, and Southwest also exceeded the national average.

While differences in postwar economic growth are thus apparent, of primary note is the broad upsurge which characterized all sections of the Nation. In 1957, real income was a record in every State and region.

COMPARATIVE INCOME EXPANSION

Following this sketch of income changes in real terms, consideration is now turned to the regular current-dollar figures. These are available, as noted, in considerable component detail, and thus permit analysis of some of the principal factors underlying relative shifts in the regional distribution of income.

It should first be noted that the State and regional increases in current-dollar income from 1947 to 1957 reflect the same pattern of change observed in real income. This generalization stems from the fact that relative increases in consumer prices appear to have been quite similar in most broad regions of the country, and that such similarity has held in marked degree among States.[1]

Given this fact, it follows that the ranking of the regions as to relative expansion in current-dollar income was the same as that noted above for real income. Relative increases were thus largest in the Far West and Southwest, where total income doubled from 1947 to 1957; and the rise recorded for the Plains States—two-thirds—was least. (See Table 1.) In the Great Lakes and Rocky Mountain States, income expansion closely approximated the nationwide rate of a little over four-fifths. The increase fell somewhat below that rate in New England and the Mideast, and exceeded it in the Southeast.

On a State basis, there was some tendency for the 1947–57 increases in total income to be above average or below average in conformity with the record of the region in which a State is located. Within this general pattern, the actual rates of increase varied widely.

The largest relative advances in total income over the past decade occurred in Florida, Arizona, New Mexico, Nevada, and Delaware. While it must be kept in mind that these States are in general among the smaller ones in terms of income volume and that growth proceeded from a relatively low base, in each of them income in 1957 was approximately 2½ times the 1947 dollar total. In the first four States listed, above-average increases were general among major industries; in Delaware, the impetus stemmed chiefly from manufacturing—more specifically, from the State's large chemical industry—and from a spurt in construction activity.

At the other end of the scale were North Dakota, South Dakota, Arkansas, Mississippi, Rhode Island, and the District of Columbia, where the advances from 1947 to 1957 ranged from one-tenth to one-half. In the two Dakotas, Arkansas, and Mississippi, the rise in aggregate income was dampened by a drop in farm income; activity in nonfarm industries in each of these four States expanded at a pace approximating that for the Nation. In Rhode Island, the principal limiting factor was a sizable decline in textile manufacturing, the State's largest industry.

In the case of the District of Columbia, it should be noted that the figures are not at all indicative of what happened in the Washington Metropolitan Area as a whole. The District comprises a city of limited geographic size, and growth in the postwar period has taken place in the Maryland and Virginia suburbs, which have expanded greatly. The income of the Washington Metropolitan Area in 1957—at $4½ billion—was more than double that received by residents of the District of Columbia.

REGIONAL SHIFTS BY INDUSTRY

Next in this review is an evaluation of the State and regional income changes over the postwar period. This will be carried out through an analysis of underlying factors as evidenced in the components of personal income, principally those which record the earnings of individuals on an industry basis.

The endeavor will be to gauge the extent to which the measured changes in total income from 1947 to 1957 reflect differences in basic growth tendencies among the regions. This requires an allowance, at least rough, for those temporary or special factors which may have been present in either or both of the terminal years 1947 and 1957, and thus may have served to obscure developments of a more fundamental nature.

Experience with the State income data has shown that the temporary or special factors making for irregularity of movement in the geographic income flows stem in large degree from two sources—farming and government.

After a discussion of the geographic changes in these income sources from 1947 to 1957, attention will be directed to the pattern of postwar regional economic growth indicated by the data on nonfarm income and private nonfarm income. Because these data abstract from the direct effects of the special elements reflected in the agricultural and governmental income flows, they tend to provide better measures than total income of the more basic short-term developments in the State and regional economies. It may also be added that nonfarm measures of geographic income growth have an independent usefulness for market research.

FARM INCOME DECLINES

The economic development of the past decade most clearly imprinted on the regional distribution of income was the strong

1. State and regional consumer price indexes used in this report for deflating personal income in selected years 1929–53 were prepared by Abner Hurwitz and Carlyle P. Stallings of the U. S. Department of Labor, and published in "Interregional Differentials in Per Capita Real Income Change," *Studies in Income and Wealth*, Volume Twenty-one, National Bureau of Economic Research, 1957. Hurwitz and Stallings extended the indexes to 1957 on a regional basis for use in this volume.

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decline in farm income from the abnormal high attained in 1947.

The total income received by individuals from farming amounted to $17 billion, or 9 percent of national personal income, in 1947, when farm prices were exceptionally high and foreign demand was at a peak because of the disruption of production in many parts of the world as a result of the war. By 1957, farm income had receded to $14 billion, or 4 percent of total income.

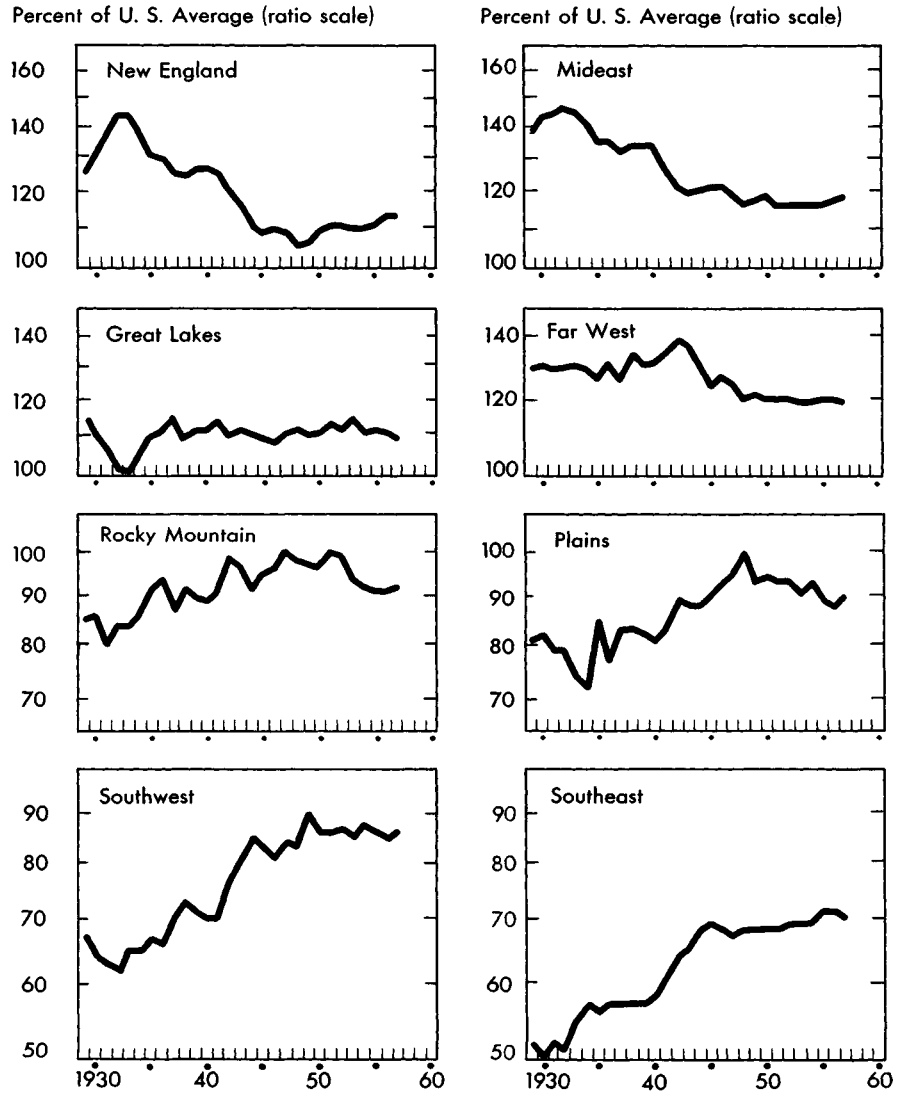
This decline, of course, was at a much steeper rate than the historical one since 1929, when farming accounted for 8½ percent of personal income. The long-term trend, it may be added, has been accompanied by a shift of population from farm to city—to which the tremendous growth of capital equipment in agriculture gave impetus—and over the past quarter-century average incomes earned in farming have more than kept pace with those in nonfarm pursuits.

It is also to be noted that in the personal income measure no allowance is made for capital gains, whether realized or unrealized. These were large in both the war and postwar periods, which witnessed a great rise in the value of farm property.

In an evaluation of postwar alterations in the regional income distribution, it is of prime importance to take account of the pronounced geographic effects of the divergence in movement between farm and nonfarm incomes, the latter having shown a comparatively steady growth.

Fig. 19

Per Capita Personal Income as Percent of National Average by Regions



In most regions of the country, the 1947–57 decline in farm income was of about the same relative magnitude as in the country as a whole, and its effect on total income was generally proportionate to the relative importance of agriculture in the economies. By States, however, variations in rates of change were also a significant contributing factor. The percentages of total income received from farming in the various States and regions in 1957 and the percent changes in farm income from 1947 to 1957 are recorded in Table 4.

One further note regarding farm income is relevant. This concerns its considerable volatility from year to year on a State basis. Because agriculture is so specialized geographically, weather conditions, price fluctuations, and other factors that cause variations in farm production have a larger impact on income in specific areas than in the country as a whole.

Accordingly, in the study of geographic shifts in income from agriculture, an averaging of the data for two or three years at each end of the period under review is apt to yield more meaningful results than comparision based on single years. By regions, much of the instability characterizing single years cancels in the intraregional State variations. But on a State basis the choice of periods for measurement may be of critical importance.

An example, admittedly extreme, of the instability of single-year data is afforded by Iowa and Nebraska. For both States, 1947 was a drought year, in which corn production was reduced sharply with a consequent lowering of farm income, whereas 1948 was a bumper year. If 1947 is used as a base for measuring the postwar change in income from agriculture, Iowa shows a gain of one-fourth by 1957, and Nebraska one-eighth. On the other hand, if 1948 is used as the base, farm income drops nearly one-third in Iowa and one-seventh in Nebraska.

LARGER ROLE OF GOVERNMENT

As brought out in Chapter 1, the postwar role of government in the economy has been much larger than in prewar years, primarily because of the expanded requirements of national defense and of social insurance, veterans', and related programs. In 1929, income paid out to individuals by government totaled $6 billion, or 7 percent of personal income nationally. In 1957, such disbursements came to $58 billion, or 17 percent of individual incomes. This total, in turn, compared with $28 billion for 1947.

Government income disbursements represent the total of all types of income paid to individuals by Federal, State, and local governmental agencies. They include

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wages and salaries, "other" labor income, interest, and transfer payments. Only payments made directly to persons are included. The personal income arising from government purchases from business is included in the private income flows.

After the immediate postwar adjustment, government disbursements to individuals were a generally expansionary factor throughout the Nation in the upward sweep of economic activity. In every region, they rose at a more rapid rate from 1947 to 1957 than the income disbursed to persons from the private economy.

Income paid out by government increased at below-average rates in New England and the Mideast, at an above-average pace in the four southern and western regions, and at roughly the national rate in the Great Lakes and Plains States.

The above relationships between government and private income flows hold on a decade basis for broad regions, but not in terms of annual changes in individual States. Here, the potential volatility of governmental income disbursements becomes operative. The main factor making for wide swings in them is the relocation of military personnel and the associated changes in civilian employment attendant upon military installations, but variations in unemployment benefits, disbursement of veterans' bonuses, and other types of transfers also operated to this effect at various times throughout the postwar period.

As shown in Table 4, differences among the States in the 1947–57 percentage increase in government income disbursements were quite substantial—much wider than in the case of the regional increases. This variability, which centered chiefly in Federal disbursements, had a significant effect in some States on the relative changes in total income over this period.

NONFARM DISTRIBUTIONS ALTERED

The best, and most direct, way of gauging the geographic effects of income changes in farming and government is to compare the relative movements in nonfarm income and private nonfarm income with those in total income. Such a comparison can aid materially in interpreting and evaluating the State and regional shifts in total personal income.

Private nonfarm income is a valuable analytical tool for evaluating short-run changes in regional economic activity. As already indicated, it is free of the direct effects of numerous erratic elements such as the vagaries of weather, sharp variations in farm prices, and relocation of military personnel. Elements of this type sometimes mask income changes in the large private nonfarm area of the economy—which pays out four-fifths of all income to individuals—and render total income an inappropriate measure of basic economic growth.

Provided here is a regional summary, drawn from Table 4, of the relative increases in total income, nonfarm income, and private nonfarm income over the 1947–57 decade.

The major feature of the tabulation relates to the Plains States. In this—the most agricultural—region, total income advanced least; nonfarm income, by contrast, showed an increase matching the nationwide average. The dampening influence of agriculture on total-income changes is evident also for the Rocky Mountain States, Southwest, and Southeast, but less pronouncedly.

A corollary influence will be noted for New England, the Mideast, and Great Lakes States, the industrial heart of the Nation, where only a small fraction of total income is derived from farming. In these areas, the downward "pull" which

Table 2.—Per Capita Personal Income

State and region	Amount (dollars) 1957	Percent of continental United States [1]				Percent change [1]	
		1929	1947	1950	1957	1929 to 1957	1947 to 1957
Continental United States	**2,027**	**100**	**100**	**100**	**100**	**188**	**54**
New England	**2,298**	**125**	**109**	**109**	**113**	**162**	**60**
Maine	1,663	85	87	80	82	177	45
New Hampshire	1,862	98	92	88	92	170	54
Vermont	1,665	89	84	79	82	166	52
Massachusetts	2,335	130	109	111	115	156	63
Rhode Island	1,990	124	109	110	98	128	39
Connecticut	2,821	146	129	128	139	174	67
Mideast	**2,394**	**138**	**118**	**118**	**118**	**146**	**54**
New York	2,578	165	130	126	127	122	50
New Jersey	2,504	132	119	120	124	169	59
Pennsylvania	2,112	110	102	105	104	173	57
Delaware	2,740	145	124	144	135	169	68
Maryland	2,156	111	103	107	106	177	60
District of Columbia	2,514	181	133	147	124	97	44
Great Lakes	**2,214**	**114**	**111**	**111**	**109**	**176**	**52**
Michigan	2,141	113	110	113	106	170	47
Ohio	2,255	111	107	108	111	189	60
Indiana	2,010	87	99	102	99	228	54
Illinois	2,447	136	124	123	121	156	50
Wisconsin	1,920	97	98	98	95	182	48
Plains	**1,823**	**81**	**95**	**94**	**90**	**219**	**47**
Minnesota	1,850	85	95	94	91	209	47
Iowa	1,806	82	90	97	89	213	52
Missouri	1,940	89	93	97	96	209	59
North Dakota	1,435	53	110	85	71	283	−1
South Dakota	1,531	59	94	81	76	267	24
Nebraska	1,818	84	94	98	90	208	46
Kansas	1,787	76	98	92	88	234	39
Southeast	**1,427**	**52**	**67**	**68**	**70**	**288**	**62**
Virginia	1,660	62	76	82	82	282	66
West Virginia	1,554	66	78	73	77	236	51
Kentucky	1,372	56	65	64	68	251	61
Tennessee	1,383	54	67	67	68	267	58
North Carolina	1,317	48	68	68	65	294	47
South Carolina	1,180	38	59	59	58	337	51
Georgia	1,431	50	67	68	71	309	62
Florida	1,836	74	87	86	91	252	61
Alabama	1,324	46	60	58	65	309	67
Mississippi	958	41	50	49	47	236	45
Louisiana	1,566	59	67	73	77	277	78
Arkansas	1,151	43	55	54	57	277	60
Southwest	**1,752**	**67**	**84**	**86**	**86**	**270**	**59**
Oklahoma	1,619	65	77	76	80	257	60
Texas	1,791	68	86	90	88	275	59
New Mexico	1,686	58	75	78	83	314	71
Arizona	1,750	84	87	87	86	196	52
Rocky Mountain	**1,865**	**85**	**101**	**96**	**92**	**213**	**41**
Montana	1,896	85	111	108	94	219	30
Idaho	1,630	72	95	86	80	224	30
Wyoming	2,038	96	113	109	101	201	37
Colorado	1,996	91	102	97	98	213	49
Utah	1,694	80	90	86	84	203	44
Far West	**2,407**	**129**	**124**	**120**	**119**	**165**	**47**
Washington	2,128	107	114	112	105	184	42
Oregon	1,914	97	115	107	94	180	26
Nevada	2,423	125	132	130	120	176	40
California	2,523	142	128	124	124	154	50
Territory of Hawaii	*1,821*	..	*105*	*94*	*90*	.....	*72*

1. Computed from data in table II–9, Statistical Section.

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farm income exerted on the general income stream in the 1947–57 period was comparatively slight.

In general, as brought out in the tabulation, regional shifts in private nonfarm income over the past decade were similar to those in nonfarm income. On a State basis, the degree of similarity was less

Percent Increases in Income, 1947 to 1957

	Total	Nonfarm	Private nonfarm
United States	**83**	**93**	**90**
New England	74	77	73
Mideast	75	78	75
Great Lakes	83	90	88
Plains	67	94	92
Southeast	87	104	100
Southwest	98	124	123
Rocky Mountain	84	114	113
Far West	102	111	109

marked as the relative movements in private nonfarm income and government income disbursements were considerably divergent—the latter being more erratic. By reason of this fact, the data on postwar changes in private nonfarm income recorded in Table 4 have a particular relevance to the analysis of income flows on a State basis. It may also be added that the value of this type of measure is enhanced as the time period under review becomes shorter, and the relative importance of random factors greater.

An example of the value of the private nonfarm data is afforded by Mississippi. In that State, total income rose 50 percent from 1947 to 1957, as compared with the national figure of 83 percent. If the direct effects of a drop of one-third in farm income are excluded, the relative growth in Mississippi is seen to be much more favorable—an advance of 85 percent in nonfarm income comparing with 93 percent for the country as a whole. If the effects of a below-average increase in income from government are also removed, it would appear that in private nonfarm income the State did about as well as the Nation—88 percent as compared with 90 percent.

Because in the year 1947 Mississippi had an exceptionally high farm income and an unusual concentration of military personnel, it is believed that the comparison based on private nonfarm income, which abstracts from these nonrecurrent elements, gives the truest picture of the basic tendency in the Mississippi income flow relative to that of the Nation over the past decade.

Sources of Private Nonfarm Income

This review of the postwar expansion of regional markets turns now to a tracing of the shifts in private nonfarm income to their industrial source. While this has the main purpose of shedding light on the factors underlying such shifts, it should also be noted that information on developments in broad industrial divisions of the economy has an independent utility for regional economic and market research.

This examination is based on Table 3, containing for the individual States and regions percentage increases by major industrial divisions in the income received by individuals from private nonfarm sources for their participation in current production. For each of the several industries shown in the table, this measure covers wages and salaries, other labor income, and proprietors' income.

The main finding which emerges is a highly significant one—that the geographic shifts in individuals' earnings by industry fall generally into the same pattern as total private nonfarm income. That is to say, regional changes in private nonfarm income in the postwar period did not represent the residual effect of a netting out of diverse economic forces. Rather, the summary changes stemmed from industrial developments that are pervasive throughout the regional economies.

In New England and the Mideast, earnings of individuals in all major private nonfarm industries rose at less-than-average rates. In the two southern and two western regions, nearly every industry moved up at a better-than-average pace. In the Great Lakes and Plains States, where growth approximated the national rate, expansion in most individual industries also came close to the countrywide average.

IMPACT OF MANUFACTURING

The manufacturing industry is of obvious and basic importance in conditioning changes in the regional distribution of income.

The expansionary impact of manufacturing on the regional economies was greatest in the Far West, Southwest, and Rocky Mountain States. In each of these regions, individuals' factory earnings rose much faster than income received from other private nonfarm industries.

The effect of manufacturing was sizable also in New England, which derives a high proportion of its income from this source. There, the less-than-average growth of the industry was a major influence in the overall record. Most other private nonfarm industries in the States of this area experienced postwar growth rates closer to the national average.

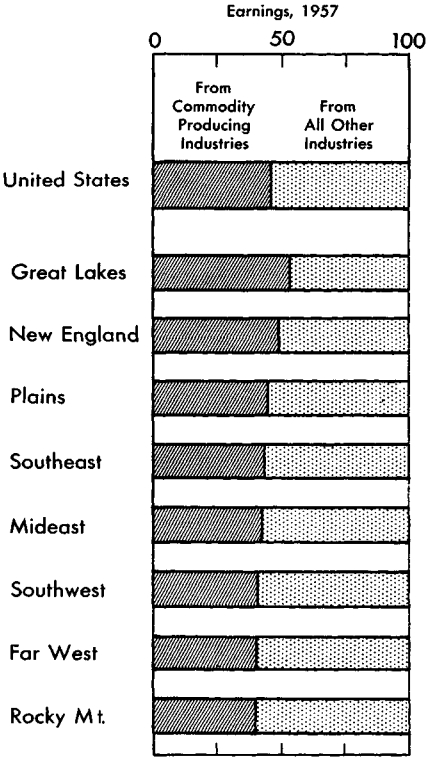
In the Mideast, Great Lakes States, and Southeast, the role of manufactures in shaping postwar economic growth was in proportion to the importance of the industry in the regional economy, since in each of these areas relative changes in factory earnings were roughly in line with the experience of other private nonfarm industries. In the Mideast, the lag in earnings from manufacturing relative to the Nation was of about the same proportion as that in other major industries. In the Southeast, manufacturing activity rose at above-average rates, but no more so than did earnings from other industries generally. In similar fashion, expansion in the Great Lakes States in manufacturing as well as most other industries was fairly close to the national rate.

Among States, there was strong conformity to the regional pattern. Every New England and Mideastern State with the exception of Delaware and Maryland experienced less-than-average increases in earnings from manufacturing over the 1947–57 period. Of the 25 Southern and Western States, 20 bettered the national rate of increase, and in 3 of the remaining 5 the difference was minor.

In relative terms, the outstanding gain on a State basis was scored by Arizona, where income from manufacturing in 1957 was 5 times its 1947 volume. As a proportion of total private nonfarm income, manufacturing in this State moved from 8 percent in 1947 to 15 percent in 1957—

Fig. 20

Importance of Commodity Producing Industries



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the latter still far short of the comparable national figure of 32 percent.

Other top-ranking gains in manufacturing were registered by California, Texas, Florida, and Kansas. In each, individual incomes from this industry in 1957 were nearly 3 times as large as a decade earlier. In Arizona, California, Texas, and Florida, nearly all industries shared in the rapid growth; in Kansas, it centered primarily in aircraft production.

California's strong advance in manufacturing from 1947 to 1957, it may be noted, was derived in large degree from the transportation equipment, electrical machinery, and fabricated metals industries. These three types of manufactures, which bulk large in the State's industrial structure, were among the top growth industries of the postwar period throughout the Nation generally, and their relative expansion in California was substantially above average.

Regional shifts in manufacturing over the postwar years, it may be observed, were in line with those over the longer period back to 1929. For that period also, New England and the Mideast—while experiencing large growth in absolute terms—accounted for lower shares of manufacturing income, while the Southeast, Southwest, and Far West each obtained a larger share. The experience of the heavily industrialized Great Lakes States was "average" over the past three decades as well as in the postwar period alone.

Two types of shifts in the geographic distribution of manufacturing from 1947 to 1957 are evident. The first relates to a shift in factory production from one established area to another. Examples of this type include the movement of textiles from the northeastern sections of the country to the Southeast; the westward trend of lumber manufactures from the Southeast to Washington, Oregon, Montana, and Idaho; and the further concentration of tobacco manufactures in North Carolina and Virginia, together with the relative drift away from Pennsylvania.

The second type of change in manufacturing involves the spread of activity from old established sections to newer and comparatively less developed areas. Probably the most dramatic relates to nonautomotive transportation equipment—to its increased relative importance in Missouri, Kansas, Georgia, Texas, Washington, and California and to its relative decline in the Mideast, particularly New Jersey and Pennsylvania, and in several States of the Great Lakes. In paper production, the Southeast increased its share appreciably in the postwar period, while in chemicals manufacturing, Louisiana, Florida, and Texas experienced appreciably better-than-average growth.

TRADE-SERVICE PATTERN CONFORMS

After manufacturing, wholesale and retail trade is the largest industrial source of earnings for the Nation's employed labor force. Ranking next are the service industries. These embrace a wide variety of establishments and activities—such as medical, legal, engineering, and other professional services; amusements and recreation, including motion pictures; various types of services to business; personal services; domestic services; hotels; and charitable, welfare, and relief organizations.

In general, income from trade and the services exhibited a regional pattern of relative shifts from 1947 to 1957 much like that in private nonfarm income. For both groups of industries, there were declines in the percentage of the national total received in New England and the Mideast; little change in the share of the Great Lakes; a moderate reduction in the proportion received in the Plains States; and increased shares to the Southeast, Southwest, and Rocky Mountain States.

The sole departure from pattern was the fractional decline in the share of income from trade and service accounted for by the Far West. This contrasted with the region's general record of substantial relative gain. Examination of the course of change within the decade indicates that the moderate lag of the Far West in the expansion of trade and service activities was a product of developments in the early postwar years. From 1950 to 1957, expansion in the region considerably outpaced that in the country as a whole.

Also noteworthy was the below-average postwar rise of the Plains States in income from trade. Here, the region's comparatively less favorable experience would appear to reflect the indirect consequences of the drop in income from farming, the region's principal industry.

OTHER GROUPS GENERALLY IN LINE

To this point, the discussion of industrial income sources has covered farming, government, manufacturing, trade, and services. Changes in earnings in five other industries over the postwar decade are shown in Table 3. These include mining, contract construction, finance, transportation, and communications and public utilities.

The picture which emerges upon study of the data for these industries is fairly uniform, and similar in general outline to that observed for private nonfarm industry as a whole. It includes larger-than-average advances in the Southeast, Southwest, Rocky Mountain States, and Far West; below-average advances in New England and the Mideast; and a mixed record for the Great Lakes and Plains States, with changes in the separate industries only moderately different from the national average and tending to offset.

It is to be noted, however, that the postwar growth of the contract construction industry, as measured in terms of the 1947 and 1957 data, showed irregular variation by regions, with notable deviations from the general pattern. But this industry is subject to wide fluctuations in activity, particularly on a geographic basis, and comparative regional changes based on single-year reference points are apt to lack sufficient stability to be meaningful. When the regional postwar changes in this industry are studied more broadly—by looking at the general course of developments throughout the whole period—it becomes evident that in construction activity also there was basic consistency with the broad trend of developments.

A marked degree of uniformity between changes in total private nonfarm income and in the volume of individuals' earnings in the various industry divisions prevailed on a State as well as regional basis. The underlying State data should be examined, however, for the many specific features which this generalization cannot reveal. Such data include not only those given here in Tables 3 and 4, but also the detailed tabular materials on earnings by industry contained in our basic report, "Personal Income By States," as updated in the latest August issue of the SURVEY OF CURRENT BUSINESS.

It may be found, for instance, that in West Virginia and Kentucky payrolls in coal mining in 1957 were no higher than in 1947—because of which fact the overall advance in individuals' earnings from mining in the Southeast was of less-than-average proportion. By way of further example, the more detailed statistics on mining also reveal such contrary developments as the outstanding postwar expansion of crude petroleum and natural gas in Texas and Louisiana; the sizable growth of metal mining in Montana and Utah; and the increase in both of these types of mining in Colorado.

Longer-Run Perspective

While the main focus of this chapter is on regional economic growth in the postwar period, perspective can be gained by considering this growth against the background of long-term developments. An observed income change in an area over the relatively short span from 1947 to 1957 will be accorded greater trend significance if it is found to fit in with the record of the past, or if deviations from that record can be explained on the basis of temporary factors.

The key data for judging the extent to

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which regional income changes in the postwar period were in fundamental accord with the long run are contained in the accompanying tabulation. The figures provided here are a simple and convenient measure of regional income shifts—of the change in income for each region relative to that of the United States. They were obtained by computing the percent increase or decrease from 1929 or 1947 to 1957 in the percentage of the Nation's income received by each region.

As pointed out earlier and emphasized below, the regions differ widely in absolute volume of income. This is a fact which, particularly from a marketing standpoint, should be kept in mind in interpreting the percentage changes recorded in the tabulation; as might be expected, there tends to be an inverse relationship between size of relative income expansion and market concentration.

	Percent change in income shares		
	1929 to 1957		1947 to 1957
	Total	Private nonfarm	Private nonfarm
New England	−21	−23	−9
Mideast	−21	−23	−8
Great Lakes	−5	−2	−1
Plains	−9	−2	+1
Southeast	+32	+41	+5
Southwest	+37	+47	+17
Rocky Mountain	+19	+21	+12
Far West	+51	+48	+10

Table 3.—Postwar Changes in Private Nonfarm Earnings [1]

State and region	Percent changes in individuals' earnings in private nonfarm industries, by States and regions, 1947 to 1957								
	Private nonfarm industries	Mining	Contract construction	Manufacturing	Wholesale and retail trade	Finance, insurance, and real estate	Transportation	Communications and public utilities	Services
Continental United States	**88**	**51**	**136**	**93**	**67**	**146**	**56**	**121**	**93**
New England	**70**	**120**	**131**	**59**	**58**	**127**	**42**	**94**	**91**
Maine	59	100	77	46	61	153	61	84	64
New Hampshire	70	0	117	58	67	192	47	79	81
Vermont	62	100	108	49	64	171	44	62	67
Massachusetts	65	129	112	55	48	116	36	99	96
Rhode Island	40	0	86	23	49	118	46	58	51
Connecticut	91	250	206	79	79	137	47	110	104
Mideast	**73**	**−13**	**124**	**74**	**58**	**109**	**49**	**102**	**87**
New York	67	88	119	63	53	96	48	95	78
New Jersey	91	121	137	81	84	140	65	119	113
Pennsylvania	69	−23	120	78	55	125	45	110	88
Delaware	135	.....	245	164	89	107	28	183	124
Maryland	99	36	145	102	77	159	53	122	113
District of Columbia	37	.....	32	23	22	68	25	39	54
Great Lakes	**88**	**27**	**153**	**89**	**68**	**144**	**53**	**114**	**96**
Michigan	94	128	160	93	69	153	72	135	103
Ohio	94	28	162	97	73	150	57	128	99
Indiana	93	8	140	100	75	189	52	124	84
Illinois	77	3	148	76	62	124	44	92	93
Wisconsin	86	130	142	85	65	152	57	107	97
Plains	**90**	**109**	**126**	**111**	**60**	**155**	**58**	**128**	**96**
Minnesota	94	170	159	102	59	157	64	127	109
Iowa	81	78	89	103	56	152	35	129	95
Missouri	86	39	111	104	57	136	66	129	90
North Dakota	99	267	259	67	72	212	74	150	89
South Dakota	83	100	165	82	63	180	21	122	90
Nebraska	81	450	105	99	54	160	55	127	94
Kansas	108	84	128	183	72	200	57	128	93
Southeast	**98**	**38**	**154**	**103**	**85**	**203**	**60**	**152**	**95**
Virginia	97	35	142	98	82	168	62	145	114
West Virginia	60	12	163	78	69	148	51	138	76
Kentucky	91	13	155	129	76	180	46	144	93
Tennessee	88	3	84	107	80	133	43	152	84
North Carolina	88	114	97	85	79	216	84	148	76
South Carolina	89	33	128	85	78	283	46	147	79
Georgia	96	110	113	111	82	189	55	120	75
Florida	164	160	226	192	137	303	101	233	140
Alabama	90	−8	230	100	80	183	23	150	85
Mississippi	85	93	100	105	65	205	46	178	67
Louisiana	124	286	258	101	91	212	80	140	115
Arkansas	75	37	96	111	44	171	56	138	64
Southwest	**123**	**133**	**130**	**185**	**89**	**221**	**68**	**170**	**114**
Oklahoma	99	115	120	142	68	156	65	133	92
Texas	122	131	120	185	89	221	71	164	105
New Mexico	171	233	123	147	125	475	60	389	267
Arizona	173	138	264	398	123	284	42	205	148
Rocky Mountain	**109**	**104**	**208**	**134**	**74**	**206**	**64**	**146**	**110**
Montana	97	142	168	102	71	200	58	150	98
Idaho	81	35	153	133	36	190	51	117	98
Wyoming	75	58	135	91	50	200	43	180	93
Colorado	131	131	267	136	97	218	88	143	127
Utah	111	116	203	167	70	194	56	164	95
Far West	**105**	**72**	**112**	**166**	**61**	**167**	**66**	**129**	**90**
Washington	80	8	108	112	53	118	51	180	69
Oregon	59	80	62	59	38	147	63	117	68
Nevada	160	85	186	191	102	375	67	180	249
California	115	76	118	198	65	175	70	138	92
Territory of Hawaii	*42*	*0*	*24*	*33*	*43*	*92*	*29*	*64*	*56*

1. Consist of wage and salary disbursements, other labor income, and proprietors' income.

First to be noted from the tabulation is the similarity between changes in the regional distributions of personal income and private nonfarm income over the long span from 1929 to 1957. This is significant in view of the particular suitability of the private nonfarm income measure for evaluating basic developments over the short run as well.

A second fact revealed is that the shifts in private nonfarm income from 1947 to 1957 accorded with those over the whole period since 1929. Thus, we can infer with considerable assurance that postwar economic developments among broad regions of the Nation were generally in line with long-run trends. This continuity is portrayed in Figure 18.

Both in the postwar decade and over the whole period since 1929, the pattern of regional income shifts included relative declines in New England and the Mideast; relative gains in the Far West, Southwest, Southeast, and Rocky Mountain States; and comparatively little change in the shares of the Great Lakes and Plains States. A noteworthy difference between postwar and long-run developments occurred in the Southeast, where aggregate income expansion in the past decade exceeded the countrywide average only moderately, as against the region's outstanding growth since the late 1920's.

For a rounded view of developments in this area, however, attention should be called to a fact previously noted—that over this decade the Southeast's percentage increase in per capita real income was largest among the regions. In addition to the fact that the area's total income rose somewhat more than the nationwide rate, both population growth and the rise of consumer prices in the Southeast were moderately below average. Reflecting these events was an increase of one-third in the

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Southeast's per capita real income, as compared with a little over one-fifth for the country as a whole.

REGIONS DIFFER WIDELY IN SIZE

Perspective on the income changes just reviewed requires recognition of the fact that the regions vary substantially in their economic dimensions. As measured by personal income, these are set forth in the accompanying text table.

Personal Income—Billions of Dollars

	1929	1947	1957
United States	85.7	189.1	345.3
New England	7.1	13.0	22.7
Mideast	27.5	50.1	87.9
Great Lakes	20.2	42.5	77.6
Plains	7.6	16.7	27.9
Southeast	10.0	28.4	53.1
Southwest	4.3	11.8	23.4
Rocky Mountain	1.6	4.2	7.7
Far West	7.4	22.3	45.0

It is instructive to view the regional shifts in terms of *absolute* increases in income. Total personal income received in the four regions of the South and West totaled $129 billion in 1957, as compared with $23 billion in 1929. Though starting from a lower income base, this expansion considerably outstripped that in New England and the Mideast—from $35 billion to $111 billion.

There are numerous parallels between New England and the Mideast in respect to their patterns of development. However, the most fundamental characteristic they have in common is simply their comparative economic maturity. The reductions in the percentages of income received in New England and the Mideast reflect in large measure the industrial, commercial, and population growth of the newer and less developed parts of the country. Any tapering in this rate of growth would make the forces underlying the shift in the distribution of income toward the South and West less strong in the future than they were in the past. And it is to be emphasized that New England and the Mideast still account for one-third of the Nation's personal income and are principal centers of population and production.

While this section on "Longer-Run Perspective" has been brief, it might be noted that long-term trends by States and regions were measured and analyzed in some detail in the *Personal Income* volume.

DIFFERENTIALS IN AVERAGE INCOMES

Relative movements in per capita income by regions over the postwar decade were fairly uniform—more so than the movements in total income. Notwithstanding, per capita incomes rose more than average in New England and the Southeast, and less than average in the Plains, Rocky Mountain, and Far West areas.

Whereas the ratios of regional per capita incomes to the national average were not altered markedly over the postwar period, there has been a pronounced longer-run tendency toward a reduction in these differentials. As shown in the tabulation below, relative differences in per capita income among the regions were substantially smaller in 1957 than in 1929.

	Regional as percent of national per capita income				
	1929	1940	1944	1947	1957
New England	125	127	110	109	113
Mideast	138	133	120	118	118
Great Lakes	114	112	110	111	109
Plains	81	81	88	95	90
Southeast	52	58	68	67	70
Southwest	67	70	85	84	86
Rocky Mountain	85	89	92	101	92
Far West	129	132	130	124	119

Over this period, the percentage by which per capita incomes exceeded the national average declined in New England, the Mideast, the Far West, and Great Lakes States—all high-income areas. At the same time, each of the four regions with comparatively low per capita incomes showed improvement relative to the national average. On a State basis, the lessening of relative differences in average income levels is evident to a striking degree.

Examination of the text table reveals that the bulk of the reduction in regional differentials actually took place during the war years 1940–44. Shifts prior to 1940 were generally small, and the regional differentials obtaining in 1944 were carried over with only moderate alteration into the postwar period and since then, as noted, have tended to remain relatively stable in most regions. Significant exception to pattern is afforded only by the Far West.

CONSIDERATIONS OF RECENT STABILITY

Since the recent comparative stability in the per capita income relatives is at variance with the considerable narrowing recorded over the long run, a problem arises in trying to decide which of the two broad patterns offers the better guide to the future. Unfortunately, there is no certain answer. We are inclined, however, to the thesis that the longer-term measures are of greater significance in this regard.

It was pointed out that several special influences affected regional changes in total personal income during the postwar period. Their impact on per capita income cannot be measured, for lack of knowledge regarding the interaction, or interrelation, between income and population changes. However, these special influences which were operative on total income are nevertheless quite relevant to an evaluation of the postwar stability in regional per capita income differentials, and the attempt should be made to take account of them at least qualitatively.

For instance, the postwar decline in farm income was singled out as a principal development serving to obscure the basic income trends. This development dampened relative income growth in several of the low-income regions, and had a contrary, relatively favorable, effect on the total-income shares of New England and the Mideast.

Regarding the trend significance of the postwar pattern of regional per capita incomes, there is another aspect that warrants consideration. It stems from the character of developments in the prewar and war periods. Broadly speaking, regional per capita income differentials widened and then narrowed as underlying secular forces in the national economy were first checked by depression, gradually relaxed during the prewar recovery, and then unleashed in the upsurge of the economy to full employment during the war. In view of these sweeping shifts, as depicted in Figure 19, it seems relevant to conjecture whether the reduction in regional differentials that had taken place by 1944 might have happened somewhat sooner than would have been the case under conditions of generally full employment throughout the period. If so—if the reduction in regional income differentials under such conditions would have come more gradually—then the stability of these differentials over the postwar period has restricted meaning as a reflection of the basic trend.

In any event, study of the course of geographic per capita income differentials within the past three decades has not uncovered a sufficiently regular pattern of development to warrant any considerable basis for judgment of the probable future course. Nor does reasoning along the above lines, which was amplified in the *Personal Income* bulletin, point to a definitive solution of the problem.

Reduction in average income differentials has been one of the most fundamental regional developments. Despite the difficulties involved, additional research is needed to aid in ascertaining the main underlying factors, with the idea that these might aid in understanding the basic trend.

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Table 4.—Personal Income by Broad Industrial Sources

State and region	Percent of personal income, 1957						Percent changes by broad industrial sources, 1947 to 1957						
	Total income	Farm income[1]	Government income disbursements[2]			Private nonfarm income[3]	Total personal income	Farm income	Nonfarm income	Government income disbursements			Private nonfarm income
			Total	Federal	State and local					Total	Federal	State and local	
Continental United States	**100.0**	**4.1**	**16.9**	**10.3**	**6.6**	**79.0**	**83**	**−18**	**93**	**108**	**94**	**136**	**90**
New England	**100.0**	**1.3**	**16.4**	**10.2**	**6.2**	**82.3**	**74**	**−19**	**77**	**98**	**99**	**97**	**73**
Maine	100.0	4.7	20.0	13.9	6.1	75.3	60	−22	68	108	137	63	60
New Hampshire	100.0	2.4	18.4	12.5	5.9	79.2	73	−11	77	104	102	110	72
Vermont	100.0	7.5	17.1	10.4	6.7	75.4	61	−11	72	95	91	100	68
Massachusetts	100.0	.6	17.6	10.9	6.7	81.8	73	−28	74	98	93	108	70
Rhode Island	100.0	.5	22.3	15.8	6.5	77.2	52	−18	53	82	92	61	46
Connecticut	100.0	1.2	11.3	6.2	5.1	87.6	91	−12	93	101	104	98	92
Mideast	**100.0**	**.9**	**15.9**	**9.7**	**6.2**	**83.2**	**75**	**−24**	**78**	**94**	**80**	**122**	**75**
New York	100.0	.9	14.9	7.7	7.3	84.2	71	−17	72	91	72	116	69
New Jersey	100.0	.9	13.7	8.3	5.4	85.4	94	−15	96	117	95	164	93
Pennsylvania	100.0	1.1	14.3	9.3	5.1	84.6	70	−34	72	87	80	101	70
Delaware	100.0	2.1	11.8	7.4	4.3	86.2	140	0	147	207	207	206	141
Maryland	100.0	1.2	23.8	18.1	5.7	74.9	105	−35	111	164	156	193	98
District of Columbia	100.0	.....	43.8	39.7	4.1	56.2	37	.....	37	32	29	76	41
Great Lakes	**100.0**	**3.1**	**13.1**	**7.3**	**5.8**	**83.9**	**83**	**−16**	**90**	**101**	**97**	**105**	**88**
Michigan	100.0	1.9	13.3	6.5	6.8	84.8	89	−23	95	90	108	75	96
Ohio	100.0	1.9	12.9	7.6	5.4	85.2	91	−25	97	112	98	135	94
Indiana	100.0	4.7	13.2	7.4	5.7	82.2	85	−19	97	126	116	141	94
Illinois	100.0	3.2	12.9	7.6	5.3	83.9	73	−1	77	86	81	95	76
Wisconsin	100.0	6.3	13.7	7.2	6.5	80.0	76	−21	92	117	111	124	89
Plains	**100.0**	**12.1**	**16.4**	**9.6**	**6.8**	**71.6**	**67**	**−17**	**94**	**105**	**94**	**125**	**92**
Minnesota	100.0	8.4	15.4	8.1	7.3	76.3	75	−22	98	99	81	123	97
Iowa	100.0	20.8	14.7	8.3	6.4	64.5	69	24	87	103	94	116	84
Missouri	100.0	5.7	15.3	9.3	6.1	79.0	76	−8	86	93	72	138	85
North Dakota	100.0	24.2	19.1	10.5	8.6	56.7	11	−54	99	91	80	108	102
South Dakota	100.0	28.9	20.1	12.7	7.4	51.0	45	−10	95	120	127	111	86
Nebraska	100.0	20.2	17.7	11.1	6.6	62.1	68	13	91	112	113	111	86
Kansas	100.0	7.0	19.8	12.6	7.3	73.2	60	−65	110	139	141	135	113
Southeast	**100.0**	**6.2**	**21.4**	**14.2**	**7.1**	**72.4**	**87**	**−18**	**104**	**119**	**96**	**189**	**100**
Virginia	100.0	3.6	29.7	23.9	5.8	66.7	92	−24	104	116	104	179	99
West Virginia	100.0	2.2	14.9	8.5	6.4	83.0	59	−38	64	87	69	118	61
Kentucky	100.0	7.9	19.8	13.3	6.5	72.3	75	−20	95	115	94	173	90
Tennessee	100.0	6.1	18.5	11.7	6.8	75.4	73	−24	88	88	61	165	88
North Carolina	100.0	9.3	18.6	11.7	6.9	72.1	76	−12	96	110	81	189	93
South Carolina	100.0	7.0	22.9	16.1	6.8	70.1	80	−21	99	115	100	160	95
Georgia	100.0	5.7	21.5	14.5	7.0	72.8	87	−20	103	135	111	203	96
Florida	100.0	4.9	20.5	13.9	6.6	74.6	159	59	168	171	156	211	167
Alabama	100.0	5.7	22.8	15.0	7.9	71.5	78	−31	97	122	97	193	90
Mississippi	100.0	12.3	23.4	14.7	8.7	64.4	50	−36	85	77	50	156	88
Louisiana	100.0	4.1	19.9	9.7	10.2	76.0	111	−24	129	152	82	297	124
Arkansas	100.0	14.1	23.1	15.4	7.7	62.9	54	−21	83	96	78	148	79
Southwest	**100.0**	**6.2**	**19.5**	**12.5**	**7.0**	**74.3**	**98**	**−27**	**124**	**129**	**115**	**158**	**123**
Oklahoma	100.0	5.0	23.1	14.0	9.1	71.9	70	−54	98	101	93	116	97
Texas	100.0	6.0	17.9	11.6	6.2	76.2	96	−30	122	123	107	159	122
New Mexico	100.0	6.7	27.0	17.5	9.5	66.3	143	−10	177	205	188	241	167
Arizona	100.0	10.2	20.8	13.0	7.8	69.0	165	80	181	198	188	216	176
Rocky Mountain	**100.0**	**9.3**	**20.5**	**12.8**	**7.7**	**70.2**	**84**	**−23**	**114**	**120**	**111**	**135**	**113**
Montana	100.0	16.6	18.4	10.9	7.4	65.1	64	−16	102	121	109	141	97
Idaho	100.0	15.9	18.4	10.9	7.5	65.7	60	−14	90	106	104	111	86
Wyoming	100.0	11.6	20.5	12.7	7.8	67.9	69	−16	95	140	128	163	84
Colorado	100.0	5.7	21.4	13.4	8.0	72.9	102	−39	134	131	123	145	135
Utah	100.0	5.3	21.9	14.6	7.4	72.8	93	−21	109	98	89	116	113
Far West	**100.0**	**4.2**	**18.9**	**11.1**	**7.8**	**76.8**	**102**	**−2**	**111**	**123**	**96**	**178**	**109**
Washington	100.0	5.2	22.4	14.2	8.2	72.4	74	−20	86	94	83	116	84
Oregon	100.0	6.0	17.6	9.7	7.9	76.4	63	−14	73	119	92	164	65
Nevada	100.0	3.7	19.9	13.0	7.0	76.4	151	−8	169	269	300	221	151
California	100.0	3.9	18.5	10.7	7.8	77.6	111	6	120	129	97	194	118
Territory of Hawaii	*100.0*	*7.7*	*38.6*	*30.2*	*8.4*	*53.6*	*52*	*10*	*57*	*70*	*66*	*88*	*49*

1. Consists of net income of farm proprietors, farm wages, and farm "other" labor income, less personal contributions under the OASI program.
2. Consist of income disbursed directly to persons by the Federal and State and local governments. Comprise wages and salaries (net of employee contributions for social insurance), other labor income, interest, and transfer payments.
3. Equals total personal income less farm income and government income disbursements.

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Table 5.—Industrial Composition of Civilian Income in 1957

State and region	Percent distribution by industry of civilian income received by persons for participation in current production [1]												
	Total	Farms	Mining	Contract construction	Manufacturing	Wholesale and retail trade	Finance, insurance, and real estate	Transportation	Communications and public utilities	Services	Federal Government	State and local government	Other
Continental United States	**100.0**	**5.2**	**1.8**	**6.7**	**31.1**	**19.4**	**4.7**	**5.4**	**2.8**	**11.8**	**3.9**	**6.9**	**0.3**
New England	**100.0**	**1.7**	**.2**	**6.4**	**39.6**	**17.9**	**5.3**	**3.5**	**2.9**	**12.4**	**3.1**	**6.6**	**.6**
Maine	100.0	6.1	.2	6.9	33.9	19.9	3.6	4.8	2.9	9.8	4.2	6.5	1.2
New Hampshire	100.0	3.1	.1	6.4	39.6	17.0	4.3	3.4	3.1	11.8	4.4	6.5	.4
Vermont	100.0	9.6	1.2	5.5	30.5	18.4	3.9	5.3	2.7	12.3	3.1	7.2	.4
Massachusetts	100.0	.8	.2	5.8	37.4	18.8	5.5	3.7	3.1	13.5	3.5	7.2	.6
Rhode Island	100.0	.7	.1	5.6	40.8	18.8	4.9	3.3	3.1	10.8	5.0	6.5	.4
Connecticut	100.0	1.5	.1	7.6	45.2	15.9	5.7	2.7	2.5	11.5	1.3	5.5	.5
Mideast	**100.0**	**1.2**	**.9**	**5.8**	**34.1**	**19.5**	**5.5**	**5.5**	**3.0**	**13.3**	**4.3**	**6.7**	**.3**
New York	100.0	1.1	.2	5.3	29.7	22.0	7.1	5.3	3.2	15.0	2.7	8.0	.2
New Jersey	100.0	1.0	.3	6.6	40.8	17.7	4.7	5.3	2.8	12.4	2.4	5.7	.3
Pennsylvania	100.0	1.3	2.8	5.7	41.1	17.0	3.8	6.0	2.8	10.7	3.3	5.2	.2
Delaware	100.0	2.9	.1	8.9	46.0	14.6	3.4	4.8	2.0	9.9	2.0	5.4	.2
Maryland	100.0	1.6	.3	8.3	27.7	17.9	4.4	5.8	2.9	12.3	11.8	6.6	.5
District of Columbia	100.0			4.1	3.5	17.4	4.4	4.3	3.0	19.5	38.9	4.6	.3
Great Lakes	**100.0**	**3.7**	**.8**	**6.4**	**41.5**	**18.0**	**3.8**	**5.0**	**2.5**	**10.0**	**2.1**	**6.1**	**.2**
Michigan	100.0	2.3	.7	5.8	47.1	16.8	3.1	3.4	2.6	9.6	1.3	7.1	.1
Ohio	100.0	2.3	.8	6.8	43.8	17.2	3.5	5.3	2.3	9.5	2.7	5.5	.3
Indiana	100.0	5.6	.8	6.0	43.1	17.3	3.5	5.2	2.3	7.9	2.0	6.0	.2
Illinois	100.0	3.9	1.0	6.6	35.6	19.8	4.8	6.0	2.7	11.5	2.3	5.6	.2
Wisconsin	100.0	7.7	.4	6.1	38.9	18.4	3.7	4.2	2.5	9.5	1.5	7.0	.2
Plains	**100.0**	**15.1**	**1.4**	**6.7**	**21.5**	**20.8**	**4.4**	**6.7**	**2.7**	**10.6**	**2.8**	**7.0**	**.3**
Minnesota	100.0	10.3	2.4	8.1	22.7	21.0	4.7	6.9	2.5	11.0	2.2	7.8	.3
Iowa	100.0	25.6	.4	5.3	19.8	19.3	3.7	4.7	2.5	9.7	2.0	6.7	.3
Missouri	100.0	7.1	.6	6.4	28.2	21.7	4.8	7.5	3.1	11.6	3.1	5.6	.2
North Dakota	100.0	29.7	1.4	7.9	3.3	24.0	3.3	7.0	2.6	8.9	3.4	8.5	.1
South Dakota	100.0	35.9	1.4	7.0	5.8	19.8	3.2	3.3	2.3	8.9	4.3	8.0	.2
Nebraska	100.0	25.6	.5	5.3	12.5	20.3	4.9	7.2	2.4	10.2	3.5	7.4	.2
Kansas	100.0	9.1	3.4	7.2	22.6	20.5	3.9	8.1	3.1	10.3	3.6	8.0	.2
Southeast	**100.0**	**7.9**	**3.3**	**7.3**	**24.4**	**19.7**	**4.3**	**5.7**	**2.6**	**11.5**	**5.4**	**7.4**	**.4**
Virginia	100.0	4.7	1.8	6.7	21.2	18.8	4.2	6.9	2.5	11.5	14.1	7.0	.5
West Virginia	100.0	2.6	20.1	6.8	26.0	15.1	2.6	6.7	3.7	8.4	1.7	6.3	.1
Kentucky	100.0	10.0	6.1	6.7	25.6	17.9	3.4	6.8	2.6	10.3	3.7	6.7	.2
Tennessee	100.0	7.4	.9	5.9	30.0	21.0	4.0	5.4	2.0	11.3	4.9	7.1	.2
North Carolina	100.0	11.7	.3	5.8	32.7	18.8	3.7	4.5	2.1	10.0	2.6	7.5	.3
South Carolina	100.0	9.1	.2	6.0	35.0	17.7	4.0	3.2	2.1	10.1	4.8	7.5	.3
Georgia	100.0	7.2	.5	6.3	27.0	21.9	4.8	5.6	2.7	10.9	5.6	7.0	.6
Florida	100.0	6.7	.7	11.8	11.6	24.4	7.0	5.8	2.7	16.6	4.2	7.8	.8
Alabama	100.0	6.9	2.4	7.3	29.2	17.7	3.9	4.8	2.5	9.8	7.8	7.5	.2
Mississippi	100.0	15.5	1.7	5.5	21.0	20.4	3.6	4.2	3.0	11.0	4.8	8.7	.5
Louisiana	100.0	5.2	7.6	8.9	18.7	19.9	4.1	7.1	3.2	12.7	2.8	9.2	.6
Arkansas	100.0	18.4	2.3	6.0	19.2	18.3	3.6	6.3	3.2	10.2	4.3	7.5	.7
Southwest	**100.0**	**7.9**	**7.3**	**7.9**	**17.4**	**21.2**	**4.7**	**5.9**	**3.2**	**12.0**	**5.0**	**7.3**	**.3**
Oklahoma	100.0	6.4	10.1	6.8	14.9	21.4	4.4	5.5	3.5	11.9	6.5	8.0	.5
Texas	100.0	7.6	6.6	7.7	19.4	21.8	4.8	6.3	3.0	11.6	4.3	6.7	.3
New Mexico	100.0	8.5	9.0	9.4	6.6	17.7	4.1	5.0	3.9	15.8	9.0	10.7	.4
Arizona	100.0	12.8	6.2	10.2	12.9	19.1	4.5	4.0	3.6	12.9	5.0	8.6	.3
Rocky Mountain	**100.0**	**11.7**	**5.6**	**9.1**	**13.7**	**20.3**	**4.1**	**7.3**	**3.1**	**10.9**	**6.2**	**7.8**	**.1**
Montana	100.0	20.4	7.7	6.4	10.1	19.0	3.5	8.7	2.9	9.7	3.7	8.0	(2)
Idaho	100.0	19.5	3.1	8.8	14.7	18.7	3.3	6.5	3.0	10.5	3.9	7.8	.2
Wyoming	100.0	14.8	10.1	9.2	8.2	15.8	3.5	11.7	2.7	10.1	5.1	8.8	(2)
Colorado	100.0	7.5	3.8	10.2	14.6	22.6	4.8	6.4	3.3	12.5	6.4	7.7	.1
Utah	100.0	6.4	7.8	9.2	15.9	19.4	4.1	7.0	3.0	9.4	10.3	7.4	.1
Far West	**100.0**	**5.4**	**.8**	**7.5**	**26.1**	**20.0**	**5.3**	**5.3**	**2.8**	**13.3**	**4.5**	**8.3**	**.6**
Washington	100.0	6.7	.3	7.4	26.2	20.4	4.7	6.1	2.3	10.8	5.9	8.5	.6
Oregon	100.0	7.4	.3	6.7	25.2	21.8	4.6	6.7	3.2	11.8	3.4	8.5	.4
Nevada	100.0	4.8	4.6	11.4	6.1	18.1	3.6	6.7	2.7	28.5	5.9	7.6	.2
California	100.0	5.0	.9	7.5	26.5	19.7	5.5	5.0	2.9	13.6	4.4	8.3	.7
Territory of Hawaii	*100.0*	*11.1*	*.1*	*7.2*	*10.3*	*19.9*	*3.2*	*5.7*	*3.0*	*12.9*	*15.5*	*10.5*	*.4*

1. Dollar figures underlying these percentages are published in table 70, page 21, of the August 1958 SURVEY OF CURRENT BUSINESS.
2. Less than .05 of one percent.

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3. Family Income and Buying Power

High levels of productive activity during the postwar period have given a substantial lift to the flow of incomes to consumers. In turn, the buying power thus generated has stimulated the demand for the goods and services turned out by the productive establishments of the Nation. This stimulus has been exerted directly through a broad and active market for consumption goods, and indirectly through the investment market, which has absorbed a record volume of capital goods and inventories to facilitate the enlarged flow of consumption.

The broad dynamics of these mutually interacting events have been outlined in Chapter 1, and Chapter 2 has dealt with regional aspects. We shall now examine the size structure of consumer incomes and buying power, since this is a particularly important link in the complete chain of developments.

The current average income of American families and single consumers is high—it was more than $6,000 in 1957. This average summarizes a distribution which shows prosperity to be widely diffused among the more than 50 million consumer units that comprise the Nation. Moreover, we are not dealing here with a static record. With only minor interruptions, American families have risen on the income scale during the postwar period, and have provided an expanding mass market for relatively expensive types of consumption goods and services. This market is a unique characteristic of the United States economy.

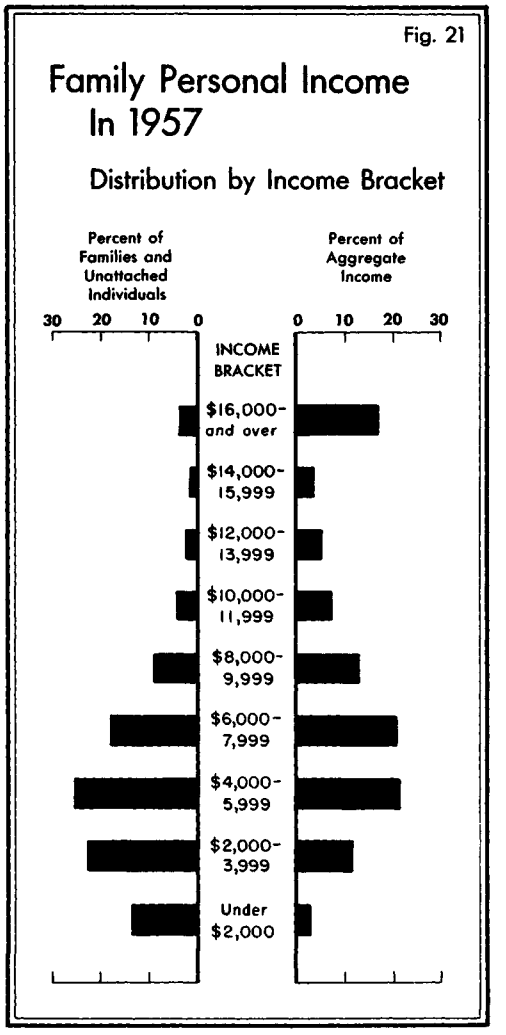
These major conclusions are drawn from OBE's estimates of the size distribution of family incomes, which also provide detailed documentation to support them, as well as the qualifications that necessarily go with broad generalizations of this type.

These estimates provide cross-section views of the distribution of before-tax income by size of income and of the number of families and single consumers in each income bracket. They also furnish information on income taxes paid by the various income groups and of the distribution of income after such taxes. The latter are a close approximation to a distribution on a disposable-income basis. Separate data are also given on the before-tax distribution of incomes of nonfarm families, farm families, and single consumers. This information on taxes and on major consumer groups makes possible a more precise interpretation of the broad conclusions relating to the level and distribution of family incomes.

The key series have been prepared in current dollars for selected years covering the war and postwar periods, and supplementary estimates adjusted for price changes have also been made. These time series show the upward shift of consumer incomes in terms of current dollars, and permit separation of the price and real volume factors that have contributed to this shift.

Finally, special estimates of the size distribution of income for the year 1929 have been prepared. These put into historical perspective the rise along the real income scale and the broadening of the prosperous middle-income markets which it entailed.

Fig. 21



A CROSS-SECTION VIEW OF FAMILY INCOMES

The 1957 distribution of families and single consumers and their incomes along the income scale is shown in Figure 21 (and in Table 1). The largest proportion of consumer units—one-fourth of the total—was in the income range between $4,000 and $6,000. This bracket included the median family income of $5,060; one-half of the units had incomes below this amount and one-half had incomes above it. About two-fifths of families and single consumers were in the two adjacent income brackets, $2,000 to $4,000, and $6,000 to $8,000. The latter bracket included the mean family income of $6,130.

Fourteen percent of the total—comprising in large part single individuals and farm operator families—received incomes of less than $2,000. The remaining 20 percent had incomes above $8,000, with the proportions decreasing rapidly in the top income brackets.

The distribution of income was pitched higher on the income scale than the distribution of consumer units. In the chart this is particularly visible in income brackets above $8,000, which include much

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larger proportions of aggregate income than of consumer units, and in brackets below $4,000 for which the reverse is true.

Impact of Taxes

Because of taxation, the distribution of current buying power differs from that of before-tax incomes. Table 2 summarizes salient features of the Federal individual income tax, which was the most important factor in this connection.

In 1956, the latest year for which tax distribution estimates could be prepared, Federal individual income tax liabilities totaled about $32 billion. (Capital gains taxes are excluded from this total because the gains themselves are not part of personal income.) This represented an average tax of about $600 per family and unattached individual. State and local income taxes, which are not examined here, would have added only $30 to this average.

A larger than proportionate share of the Federal income tax was paid by the high income recipients. Effective tax rates (tax liability expressed as a percent of total before-tax personal income) increased from a negligible proportion in the low brackets to 21 percent in the $15,000 and over group.

The graduation of the Federal income tax is most substantial in the $15,000 and over range, which is not broken down further for 1956 because of lack of detailed information. Units in the higher part of this range are subject to tax rates that are much heavier than the average for the group.

Personal income, it should be noted, includes nontaxable items, such as certain types of income in kind and transfer payments; and all taxable forms of personal income are not fully reported on income tax returns. Thus, the effective rates on personal income are somewhat lower than those derivable from tax data.

Moreover, because the rates shown in Table 2 are averages on total income before deductions and exemptions, they are substantially lower than the marginal rates, implicit in these averages, to which increments of income are subject.

Finally, effective rates for given income brackets represent averages on the incomes of families differing widely with respect to composition and size and hence with respect to tax liability.

Family income [1]	Percentage distribution in 1956 of—	
	Before-tax income	After-tax income
Under $2,000	2.8	3.5
$2,000–$3,999	12.4	15.3
$4,000–$5,999	21.5	26.2
$6,000–$7,999	20.4	19.6
$8,000–$9,999	12.0	10.5
$10,000–$14,999	13.6	12.5
$15,000 and over	17.3	12.4
Total	**100.0**	**100.0**

1. Represents income brackets before tax for the first column, and after-tax for the second.

Reflecting the impact of the Federal income tax, after-tax family income was 10 percent less than before-tax income, and its distribution differed noticeably from that of the before-tax aggregate. As can be seen from the accompanying tabulation, families with before-tax incomes below $6,000 in 1956 received 37 percent of the income total; those above $6,000, 63 percent of it. In terms of after-tax incomes—a closer approximation to consumer purchasing power—45 percent of the national total was accounted for by consumer units with less than $6,000, and 55 percent by units with more than that sum.

The contrast was particularly pronounced in the top ranges. Thus, in terms of before-tax income, families with $15,000 and over received 17 percent of the national total; those that remained in this income bracket after paying their income taxes accounted for only 12 percent of the national market in terms of after-tax purchasing power.

Income of Consumer Groups

Additional features of the income structure of consumer markets are revealed by distinguishing among three broad groups of consumer units. The largest of these—nonfarm families—covers all units of two or more related persons other than the farm group. Numbering 38½ million in 1956, nonfarm families accounted for 73 percent of all consumer units. Farm operator families—those operating farms whether tenant- or owner- operators—totaled 5 million, or 9 percent. Included in this group are full-time farmers as well as families whose farming operations represent only secondary pursuits.

The third group of 9½ million unattached individuals, 18 percent of the total, consists of persons other than institutional residents not living with relatives. Included are persons living alone (or with nonrelated persons) in their own house or apartment, as well as lodgers and servants in private homes, lodging houses, and hotels.

The highest average income is found in the nonfarm family group. In 1956 personal income averaged $6,920 for these families, as compared with $4,035 for the farm operator group (including their income from nonfarm as well as farm sources). The comparable average for unattached individuals was $2,800.

Reflecting this range in average income, there were substantial differences in the distributions by income brackets of the three groups of consumer units. Farm operator families and, in particular, unattached individuals, are much more heavily concentrated in the lower ranges of the income scale than nonfarm families. (See Table 7.) In 1956, for example, 43 percent of unattached individuals and 30 percent of farm operator families received personal incomes of less than $2,000, as compared with only 5 percent of nonfarm families. Also, only some 10 percent of the individuals and 25 percent of the farm

Table 1.—Distribution of Consumer Units and Their Income by Income Level, 1947 and 1953–57

Family personal income (before income taxes)	Number of families and unattached individuals (millions)						Family personal income (billions of dollars)					
	1947	1953	1954	1955	1956	1957	1947	1953	1954	1955	1956	1957
Under $2,000	11.1	8.5	9.0	8.2	7.6	7.3	13.2	9.9	10.5	9.6	8.9	8.5
$2,000–$3,999	17.1	13.4	13.8	13.6	12.7	12.1	51.2	40.8	42.0	41.4	38.6	36.9
$4,000–$5,999	9.2	13.3	13.1	13.5	13.5	13.6	44.5	65.8	65.1	66.9	67.0	67.4
$6,000–$7,999	3.8	7.8	7.7	8.5	9.2	9.6	26.0	53.5	53.2	58.5	63.5	66.3
$8,000–$9,999	1.5	3.4	3.3	3.6	4.3	4.8	13.3	29.8	29.1	32.2	37.7	42.6
$10,000–$14,999	1.2	2.6	2.7	3.0	3.5	3.9	14.3	31.6	31.9	36.2	42.5	46.7
$15,000 and over	.8	1.5	1.6	1.8	2.0	2.2	22.1	40.8	42.2	47.1	54.1	59.8
Total	**44.7**	**50.5**	**51.2**	**52.2**	**52.8**	**53.5**	**184.6**	**272.2**	**274.0**	**291.9**	**312.3**	**328.2**
	Percent distribution											
Under $2,000	25	17	18	16	14	14	7	4	4	3	3	3
$2,000–$3,999	38	27	27	26	24	23	28	15	15	14	12	11
$4 000–$5,999	20	26	26	26	26	25	24	24	24	23	22	21
$6,000–$7,999	9	15	15	16	17	18	14	19	19	20	20	20
$8,000–$9,999	3	7	6	7	8	9	7	11	11	11	12	13
$10,000–$14,999	3	5	5	6	7	7	8	12	12	13	14	14
$15,000 and over	2	3	3	3	4	4	12	15	15	16	17	18
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

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group are estimated to have had incomes above $5,000, compared with over 60 percent of nonfarm families.

In an interpretation of the income distribution of the farm operator group, attention is called to the significant element of imputed income from food and housing that is included. Food produced and consumed by farm families is valued at farm prices, although for some purposes a retail valuation might be more appropriate. Valuation of imputed income at retail prices would decrease somewhat the proportions of farm operator families in the low income brackets.

More broadly, the basic differences in the mode of living make meaningful income comparisons between farm and nonfarm families very difficult. In spite of the imputation of key items, many forms of income and production that arise within households escape measurement although similar items are taken into account if they are part of a market economy. Items thus omitted are relatively more important for farm than for urban families.

Also, the greater complexity of urban life calls for many unavoidable expenditures in the course of earning one's living which have no counterpart in the rural economy. On the other hand, the urban population has access to many types of consumption goods and services which are not easily available to farm families. For these and other reasons it is not possible to measure with any degree of precision differences in the level of living for farm and urban families. The conclusion that is most usually drawn, however, is that comparisons based upon the present income definitions tend to overstate the economic status of nonfarm families relative to that of farm families.

In connection with the large proportion of unattached individuals in the low income brackets, note should be taken of the understatement of actual economic status that occurs for consumer units that were in existence for only part of the year and are listed at their part-year incomes. This type of downward bias in the income distributions affects multiperson family units also, but is believed to be relatively more important for unattached individuals.

Table 2.—Distribution of Consumer Units, Family Income, and Federal Individual Income Tax Liability, by Income Level, 1956

Family personal income (before income taxes)	Number of families and unattached individuals (millions)	Family personal income (billions of dollars)	Federal individual income tax liability (billions of dollars)	Tax rate (percent)
Under $1,000	2.7	1.4	0.0	0.0
$1,000–$1,999	5.0	7.5	.2	2.7
$2,000–$2,999	5.9	14.7	.7	4.8
$3,000–$3,999	6.8	23.9	1.4	5.7
$4,000–$4,999	7.0	31.2	2.1	6.6
$5,000–$5,999	6.5	35.8	2.8	7.8
$6,000–$7,499	7.4	49.7	4.4	8.9
$7,500–$9,999	6.0	51.5	4.7	9.1
$10,000–$14,999	3.5	42.5	4.4	10.5
$15,000 and over	2.0	54.1	11.3	20.9
Total	**52.8**	**312.3**	**32.0**	**10.2**

More generally, it should be noted that even full-period low incomes in a particular year do not invariably signify inadequate levels of living. Living status is affected also by such factors as incomes earned in adjacent years by the same family unit, family requirements which vary with the size and composition of the unit, and the amount of capital resources available for supplementing current income receipts.

Source Patterns

The income structure of the large nonfarm family group is examined further in Table 3, which shows striking differences in the distribution of major types of income among family income brackets. Dividends and business income are concentrated most heavily in the income range above $10,000, wages and salaries in the middle income range between $4,000 and $10,000, and transfer payments in the range below $4,000. The high proportion of transfers flowing to families in low income brackets reflects the concentration in those brackets of aged couples living on pensions or old-age benefits and of families dependent on public assistance.

The figures are rearranged in the lower bank of Table 3 to show the relative importance of the various types of income in the family income total for each income bracket. Wages and salaries represent the major income source in all income ranges, but they make a relatively smaller contribution to the income total in low and high family income brackets than in the middle income ranges. In the brackets between $4,000 and $10,000 wages and salaries comprised over four-fifths of total income in 1955; below $4,000 and above $10,000 they represented only three-fifths of the total.

Transfer payments were the most important supplementary income source below $4,000, accounting for one-fourth of total family income in that range. Business and professional incomes, and the various items of property income, were relatively most significant in the range above $10,000, each comprising one-fifth of the total in that bracket.

POSTWAR RISE IN FAMILY INCOME

The recent distribution of family incomes is the result of a process of growth that has characterized most of the postwar period. Total family income rose from $185 billion in 1947 to $328 billion 10 years later. With the number of families and single consumers increasing from 45 million to 53½ million over the same period, average before-tax income advanced, with only minor interruptions, from $4,130 in 1947 to $6,130 in 1957 (Table 4). Income taxes accounted for about one-tenth of family income in most of these years.

Part of the income rise reflected the upward movement of prices. But there also occurred a substantial increase in real incomes. In terms of 1957 dollars, before-tax incomes averaged $1,000 higher in 1957 than 10 years earlier (see Figure 22); on an after-tax basis the increase was almost $900. These real increases represented an annual average rate of growth of 1¾ percent.

The postwar rate of growth has been somewhat higher than the long-term rate found for the entire period from 1929 to date. For before-tax incomes, the 1929–57 growth was 1½ percent per year, and for after-tax incomes it averaged 1¼ percent. The rise in income taxes that made for the lesser growth in after-tax incomes occurred mainly during World War II; in spite of some reductions in the postwar period, tax rates did not revert to their prewar levels as Federal expenditures remained relatively high.

As has been noted in connection with the discussion of the real GNP, the high postwar rates of growth cannot be taken as evidence of a change in long-term trend. The retardation of normal economic development during the depression of the 1930's, and the pent-up demands that became ef-

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fective after World War II, are important factors which may account for the differential rates of growth.

Upward Income Shift

The rise in average family income over the 1947 to 1957 decade was reflected in a marked upward shift of families along the income scale. This is illustrated in Figure 23, which compares the income distribution of consumer units in current dollars for 1947 and 1957.

The chart shows a broad shift of the income distribution curve from the range below $4,000 on the left-hand side of the diagram to the higher income bands on the right-hand side. Reflecting expansion in economic activity, the rise in prices, and the increase in the total number of households, families with current-dollar incomes above $4,000 more than doubled between 1947 and 1957. In the earlier year there were some 16½ million consumer units in the range above $4,000; their number increased to 34 million last year. In contrast, units with incomes below $4,000 declined from 28 million in 1947 to 19½ million in 1957. In percentage terms, families and unattached individuals with incomes above $4,000 accounted for 37 percent of the total number in 1947 and 63 percent in 1957. (See Table 1.)

The broad shift of families from income brackets below $4,000 to higher income ranges is mirrored in the distribution of their total income. In 1957, the 34 million consumer units that had incomes of more than $4,000 received about $280 billion of total income. This contrasted with $120 billion in that range received by 16½ million consumers in 1947.

Incomes of all three major component groups of consumer units did not increase proportionately over the postwar decade, and the relative importance of the groups in the total population also changed. As a result, the consumer composition of the various broad income ranges in recent years has differed substantially from that in 1947.

The total number of farm operator families decreased by almost one million during this period while nonfarm families and individuals increased by about 9 million. Over the decade the average income of the farm group—including their off-farm income as well as net amounts earned from farming operations—increased relatively less than that of nonfarm consumer units.

Reflecting these differential changes, farm operator families accounted for a smaller fraction of the consumer units in the upper income ranges in 1956 than in 1947. For example, in the income range above $4,000, farm operator families comprised 5 percent of the total in 1956 as compared with over 10 percent in 1947.

Within lower income brackets farm operator families accounted for about the same proportion of the total in both years. This stability stemmed from the fact that the decline in the total number of farm families was offset by a relatively larger concentration of them in the low income range. In interpreting these figures, it should be recalled that farm incomes were unusually high in the immediate postwar years.

Unattached individuals predominated in the lower income brackets in both 1947 and 1956. However, the relative importance of these individuals within successive income brackets up to about $5,000 was much larger in 1956 than in 1947. In the earlier year they comprised one-third of all consumers in the $1,000 to $2,000 income bracket, and one-fifth of those in the $2,000 to $3,000 bracket; 10 years later the corresponding proportions were almost one-half and one-third, respectively.

This change in the composition of the low income range reflected in part the slightly larger proportion that unattached individuals comprised of the total population in 1956 than in 1947. But the main reason for the change was the upward shift in incomes that took place over the decade. During a period in which current-dollar incomes increased on the average by almost one-half and relative income changes within the nonfarm sector were small, the composition of given income brackets that prevailed in the beginning of the period can be expected to shift to income brackets about 50 percent higher.

Table 3.—Relative Importance of Major Types of Income by Income Level, Nonfarm Multiperson Families, 1955

Family personal income (before income taxes)	Nonfarm families	Total family personal income	Wages and salaries	Nonfarm business and professional income	Dividends and income from estate and trusts	Interest and rental income	Transfer payments and miscellaneous income
	Percent distribution						
Under $4,000	28.0	11.8	10.3	2.4	3.7	12.0	54.7
$4,000–$5,999	30.4	23.1	26.0	13.9	6.3	19.7	19.2
$6,000–$9,999	29.8	34.0	38.4	22.4	11.6	28.0	21.1
$10,000 and over	11.8	31.1	25.3	61.3	78.4	40.3	5.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
	Percent of total income						
Under $4,000		100.0	63.4	2.0	1.2	8.9	24.5
$4,000–$5,999		100.0	81.3	5.9	1.0	7.4	4.4
$6,000–$9,999		100.0	81.7	6.5	1.3	7.2	3.3
$10,000 and over		100.0	58.9	19.3	9.6	11.3	.9
Total		**100.0**	**72.4**	**9.8**	**3.8**	**8.7**	**5.3**

Table 4.—Average Family Personal Income Before and After Federal Individual Income Tax Liability

Year	Number of families and unattached individuals (millions)	Average (mean) personal income per family and unattached individual			
		Before tax		After tax	
		In current dollars	In 1957 dollars [1]	In current dollars	In 1957 dollars [1]
1929	36.1	$2,340	$3,940	$2,320	$3,910
1947	44.7	4,130	5,120	3,720	4,610
1950	48.9	4,440	5,180	4,070	4,750
1951	49.5	4,900	5,360	4,420	4,830
1952	50.2	5,120	5,500	4,570	4,910
1953	50.5	5,390	5,720	4,810	5,100
1954	51.2	5,360	5,640	4,840	5,100
1955	52.2	5,600	5,870	5,050	5,290
1956	52.8	5,910	6,110	5,310	5,480
1957	53.5	6,130	6,130	5,480	5,480

1 The price indexes used as deflators are those employed in deflating the personal consumption expenditure series in the national income accounts.

Real Income Rise

For many purposes it is of interest to examine the changes in income size distribution that have taken place after the effect of the price rise has been eliminated, that is, to determine changes in the size distribution of real incomes. These can be derived only in rough fashion because separate indexes applicable to the various income brackets are not available. It is therefore necessary to use the same index throughout the income range even though all brackets may not have been affected by the price rise in the same way. Moreover, available price indexes which refer to consumer expenditures for goods and services must be applied to income totals that include income taxes and saving as well as outlays for consumption.

In Table 5 an approximate conversion of the 1947 current-dollar distribution of families and unattached individuals into 1957 dollars has been made by applying to that distribution the price index used in deflating the personal consumption expenditure component of gross national

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product. Differences between these 1947 deflated figures and the income distribution for 1957 reflect—approximately—the shifts that have taken place in real (constant-dollar) family incomes.

The upward shift of families into brackets above $4,000 that was noted earlier in the current-dollar series appears also, though substantially dampened, in the constant-dollar figures. The number of consumer units with real (1957-dollar) incomes over $4,000 increased from 23 million in 1947 to the 34 million already cited for 1957. In the current-dollar series the number in this range more than doubled. Similarly, compared with 11½ million or 26 percent of families and unattached individuals with real incomes above $6,000 in 1947, there were 20½ million, or 38 percent, in that range in 1957. Consumer units with real incomes above $10,000 increased in number from 3½ million in 1947 to more than 6 million last year.

Relative Shares

Another view of income and purchasing power is provided in Table 6 which is designed to show the income position of the Nation's families relative to each other. Consumer units have been ranked by size of their income and divided into five groups of equal number. The table shows the percentage share of total income received by each group, and by the top 5 percent of consumers, in 1947 and 1956.

The most striking feature of this table is the stability in income shares which it displays. In spite of the marked upward shift of consumer units on the absolute income scale that has reflected both real growth and inflation, and in spite of all the other changes that have occurred in the American economy during the postwar years, the relative share of the various broad income groups in the total consumer market was much the same in 1956 as it had been in 1947. Moreover, the stability has held for all the years for which data are available—1947 and 1950–57—including, it may be noted, the recession year 1954.

As compared with 1947, only fractional changes in relative shares have occurred. Apparently there were small increases in the relative amounts of purchasing power received by the three middle groups and a correspondingly minor decrease for the top group. In absolute terms, the purchasing power of all groups increased substantially over this period.

PREWAR COMPARISON OF INCOME DISTRIBUTION

Because of deficiencies in the source data, income size distributions that are available for prewar years are not comparable in quality to those for the war and postwar periods. Moreover, significant comparisons between the postwar and some prewar data are impeded because it is difficult to allow for the effects of cyclical fluctuations, and for changes in the methods of accounting for income that have occurred over this period in part as a result of heavier income taxation.

Nevertheless, two bodies of data are available—Kuznets' series for upper income groups and a family income distribution based on the Brookings study for 1929 [1]—which suggest strongly that the structure of consumer purchasing power was significantly different in the last period of prewar prosperity from that in the postwar decade. While precise measurement is not possible, these data indicate that the dispersion of family incomes was smaller in recent years than in 1929.

Families that comprised the lower and middle income groups received a larger proportion of total consumer income in the postwar period than did their counterparts in 1929. For the lowest 40 percent of units the relative income share was 16 percent in 1956 as compared with about 13 percent in 1929, and for each of the next two-fifths the gain was also in the order of 3 percentage points.

Table 5.—Distribution of Consumer Units by Real Income Level, 1947 and 1957

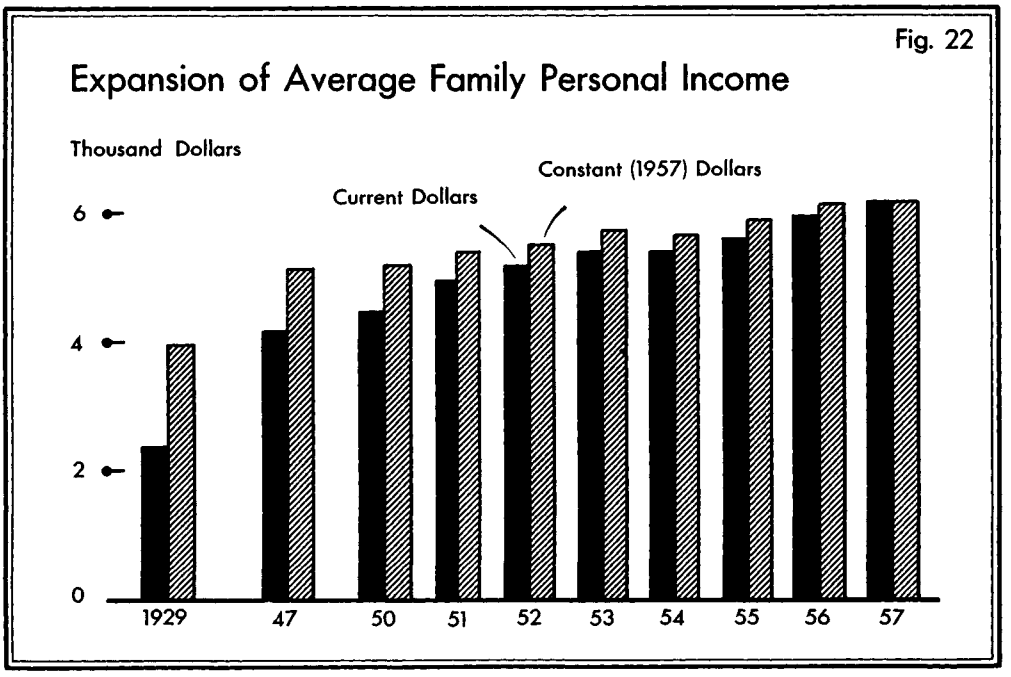
Family personal income in 1957 dollars (before income taxes)	Number of families and unattached individuals (millions)		Percent distribution	
	1957	1947 (in 1957 dollars)[1]	1957	1947 (in 1957 dollars)[1]
Under $2,000	7.3	8.0	14	18
$2,000–$3,999	12.1	13.7	23	31
$4,000–$5,999	13.6	11.5	25	25
$6,000–$7,999	9.6	5.6	18	12
$8,000–$9,999	4.8	2.5	9	6
$10,000–$14,999	3.9	2.1	7	5
$15,000 and over	2.2	1.3	4	3
Total	**53.5**	**44.7**	**100**	**100**

1. For limitations of the adjustment for price changes, see text.

Fifths of consumer units	Percentage of total family income	
	1929	1956
Lowest	13	5.0
2		11.3
3	14	16.5
4	19	22.3
Highest	54	44.9
Total	**100**	**100.0**
Top 5 percent	**30**	**20.1**

Correspondingly, the percentage share of the highest fifth of consumers decreased

Fig. 22



1. Simon Kuznets, *Shares of Upper Income Groups in Income and Savings*, National Bureau of Economic Research, New York, 1953; Maurice Leven et al., *America's Capacity to Consume*, Brookings Institution, Washington, 1934. The family income distribution for 1929 that underlies the present discussion represents the Brookings Institution estimates adjusted in several ways so as to make them as nearly comparable as possible, definitionally, with the OBE postwar series. The most important of the adjustments was to remove realized capital gains and losses which are not included in the postwar income distribution series. For a description of the adjustments, see Selma F. Goldsmith, "Relation of Census Income Distribution Statistics to Other Income Data," in *An Appraisal of the 1950 Census Income Data, Studies in Income and Wealth*, Vol. 23, Princeton University Press for National Bureau of Economic Research, 1958.

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Table 6.—Distribution of Family Personal Income Among Fifths of Consumer Units, 1947 and 1956

Fifths of consumer units	1947		1956	
	Income range	Per cent of family personal income	Income range	Per cent of family personal income
Lowest	Under $1,730	5.0	Under $2,510	5.0
2	$1,730 to $2,800	11.0	$2,510 to $4,120	11.3
3	$2,800 to $3,830	16.0	$4,120 to $5,660	16.5
4	$3,830 to $5,470	22.0	$5,660 to $7,790	22.3
Highest	$5,470 and over	46.0	$7,790 and over	44.9
Total		100.0		100.0
Top 5 per cent	$9,560 and over	20.9	$13,490 and over	20.1

over this period, from 54 percent in 1929 to 45 percent in 1956. The decrease reflected the experience of the top 5 percent of consumer units. In absolute terms, of course, the income of the highest fifth rose along with that of other income groups.

The magnitude of the market shifts implied by these changes is brought out more clearly if we compare consumer purchasing power as it was actually distributed in 1956 with the distribution that would have prevailed had the 1929 relative patterns been in force. In 1956, the income of the top 5 percent of consumer units—those earning $13,500 and more—accounted for $63 billion. Had 1929 patterns prevailed, the income of this group would have aggregated about $30 billion more. About $12 billion of this difference accrued to consumer units comprising the lowest 40 percent of the population—those with incomes below $4,100. The remaining $18 billion was received by the next 40 percent.

Increase in Middle Incomes

Since 1929 there has occurred a substantial increase in the real purchasing power of incomes. Average family income (in terms of 1957 dollars) has risen from $3,940 in 1929 to $6,130 in 1957. This represented an increase of more than one-half in real before-tax income; for real after-tax income the rise was 40 precent. The corresponding average annual growth rates were 1½ percent and 1¼ percent, respectively.

This rise in real income, supplemented by the changes in the relative position of the various income groups that have just been summarized, has led to a very pronounced increase in the share of the total consumer market that consists of middle income families.

If—somewhat arbitrarily—we define this market as embracing consumer units that earned between $4,000 and $10,000 in terms of recent prices, we find in 1957 approximately 28 million consumer units in this range, whose incomes amounted to $176 billion. They accounted for about one-half of the number of families and also of the total income. In 1929, by contrast, about 8 million families—only one-fifth of the total—were correspondingly located on the real income scale. Their incomes (in terms of 1957 prices) amounted to $46 billion, or one-third of the total.

Putting the comparison in somewhat different terms, the number of middle income families, as defined here, was 3½ times as large in 1957 as in 1929, whereas the total number of families in the population increased by only 50 percent. The aggregate income of this group also increased relatively much more than total consumer income.

Family personal income in 1957 dollars (before income taxes)	Number of families and unattached individuals (millions)		Total family personal income in 1957 dollars (billions of dollars)	
	1929	1957	1929	1957
Under $2,000	12.4	7.3	13.4	8.5
$2,000–$3,999	14.0	12.1	40.8	36.9
$4,000–$5,999	5.1	13.6	24.6	67.4
$6,000–$7,999	1.7	9.6	11.3	66.3
$8,000–$9,999	1.2	4.8	10.2	42.6
$10,000 and over	1.7	6.1	41.5	106.5
Total	**36.1**	**53.5**	**141.8**	**328.2**

Factors in Market Shift

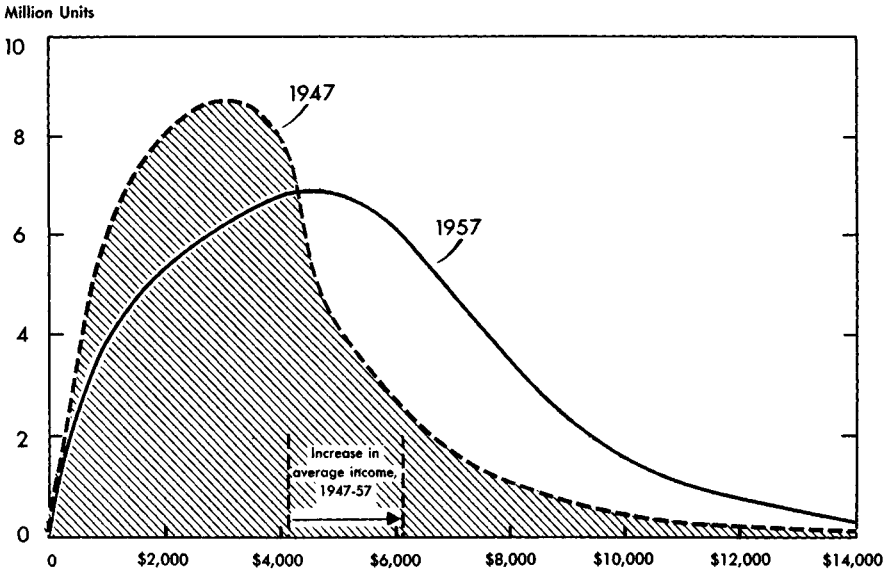
The causes of this shift in the structure of consumer markets have not yet been fully analyzed. Growth in national productivity, which was the major factor underlying the increase in real income and purchasing power, has been discussed in an earlier chapter. The circumstances responsible for the shift in relative incomes are less easily distinguished. However, a few of them stand out fairly clearly.

The accompanying tabulation shows for 1929 and for the average of the postwar years, 1947–57, the percentage distribution of family personal income by types of income. The major feature of the table is the relative decrease in dividends, rental income, and interest income on the one hand, and the increase in wages and salaries and transfer payments on the other. Inasmuch as the former types of income account for a relatively large proportion of the total income receipts of upper income groups, and the latter for those of lower and middle income groups (see discussion of income source patterns), the kind of change indicated by the table may be expected to account for at least part of the shift in the size distribution of consumer incomes and purchasing power that has been reviewed.

Fig. 23

Changes in Family Income Distribution

There was a marked upward shift of family incomes from 1947 to 1957



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Many complex factors were in turn responsible for the change in the composition of personal income by income type. Higher corporate taxes and earnings retention seem to be the most important factors accounting for the reduced share of dividend disbursements. Rent control and monetary policies may have been responsible in part for reducing the relative importance of rental and interest incomes, respectively.

Income type	Percent distribution	
	1929	1947–57 average
Wages and salaries and other labor income	59.7	66.7
Transfer payments	1.6	5.3
Proprietors' income:		
Farm	7.1	5.7
Nonfarm	10.4	10.3
Dividends	6.9	3.7
Personal interest income	8.2	4.7
Rental income	6.1	3.6
Total family personal income	**100.0**	**100.0**

The increase in the share of transfer payments reflects the establishment and expansion of social security programs and also the growth of pension and other payments to veterans. The importance of wages and salaries in the income total was bolstered by the rise in the compensation of government employees accompanying the expanded level of government operations which characterized the postwar period as compared with prewar.

Quite apart from these factors which affected the size distribution of consumer income by changing the composition of income by type, there appear to have been others that affected it by reducing the dispersion of individual types of income. The clearest evidence in this respect refers to the important wage and salary component which accounts for about two-thirds of the family income total.

Based on wage and salary data collected for detailed occupation and industry groups in the last two Decennial Population Censuses, it has been found that three major developments have contributed to a narrowing of income differentials for wage and salary earners between 1939 and 1949: (*a*) Decreases in relative income dispersion for men within practically all of the more than one hundred occupations and industries that were studied; (*b*) relatively greater gains in median wage and salary income for low-paid than for high-paid occupations and industries; and (*c*) an increase in the proportion of workers classified in occupations with comparatively little income dispersion.[2]

Although the interrelationships between the size distributions of individual types of income and the distribution of total family income are complex, it can be expected that a reducton of wage and salary differentials such as the one observed would be reflected in a reduction in income dispersion among families.

Similar data are not available for years other than 1939 and 1949. However, there is evidence that the reduction in wage and salary differentials holds also when the postwar decade as a whole is compared with 1929. An analysis of the average annual earnings of employees, which are available in considerable industry detail on a yearly basis for the period 1929 to date, indicates that the dispersion in these earnings was substantially smaller during the entire postwar decade than in the prewar period, most of the reduction having apparently occurred within the war years. This reduction in industry wage and salary differentials points to a simultaneous reduction in dispersion in the size distribution of wage and salary earnings, and thus broadens and extends the prewar-postwar wage comparison that has been made on the basis of the Decennial Census data.

Another development that is relevant to the subject matter is the changing role of the farm population in the economy, which has been discussed in earlier chapters of this volume. The number of farm operator families has decreased substantially over the period since 1929, and the incomes of these families—including off-farm earnings—have risen on the average somewhat more than those of the nonfarm group. Given the fact that average farm family incomes are much below those of nonfarm families, both of these developments are likely to have made a contribution—though not a substantial one—to the reduction in relative dispersion of family incomes.

2. Herman P. Miller, *Income of the American People*, New York, 1955, and "Changes in the Industrial Distribution of Wages in the United States, 1939–1949," in *An Appraisal of the 1950 Census Income Data, Studies in Income and Wealth*, Vol. 23, Princeton University Press for National Bureau of Economic Research, 1958.

Table 7.—Distribution of Nonfarm Families, Farm Operator Families, and Unattached Individuals, by Income Level, 1956

Family personal income (before income taxes)	Number of consumer units (thousands)				Percent distribution			
	Total	Nonfarm families	Farm operator families	Unattached individuals	Total	Nonfarm families	Farm operator families	Unattached individuals
Under $1,000	2,688	433	462	1,794	5.1	1.1	9.3	19.0
$1,000–$1,999	4,954	1,663	1,035	2,255	9.4	4.3	20.9	23.8
$2,000–$2,999	5,871	2,891	939	2,041	11.1	7.5	18.9	21.6
$3,000–$3,999	6,784	4,523	752	1,509	12.9	11.8	15.1	16.0
$4,000–$4,999	6,941	5,554	538	849	13.2	14.5	10.9	9.0
$5,000–$5,999	6,540	5,704	390	446	12.4	14.9	7.8	4.7
$6,000–$7,499	7,416	6,806	347	263	14.0	17.7	7.0	2.8
$7,500–$9,999	6,042	5,632	251	159	11.4	14.7	5.1	1.7
$10,000–$14,999	3,545	3,307	160	78	6.7	8.6	3.2	.8
$15,000 and over	2,019	1,873	90	56	3.8	4.9	1.8	.6
Total	**52,800**	**38,386**	**4,964**	**9,450**	**100.0**	**100.0**	**100.0**	**100.0**

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4. Progress in Past Quarter Century

The present report incorporates the new material on the national income and output of the United States economy which the Office of Business Economics has developed in recent years. In a broader sense, however, the report is founded upon work which we have carried on progressively over the last quarter of a century.

Study of the national income by the Department of Commerce was initiated at a time when the country was in a major depression and there was urgent need to understand and to improve the functioning of the economy. The work was undertaken in 1932 in response to Senate Resolution 220 of the 72d Congress, which directed the Secretary of Commerce to prepare a report including "estimates of the portions of the national income originating from agriculture, manufacturing, mining, transportation, and other gainful industries and occupations, and estimates of the distribution of the national income in the form of wages, rents, royalties, dividends, profits, and other types of payments."

The first report, covering the years 1929–32, was issued early in 1934 as Senate Document No. 124 of the 73d Congress, and the estimates were carried forward regularly in succeeding years.

In 1938, we provided a major tool for current business analysis in the form of monthly estimates of income payments to individuals. These estimates were the predecessor of our present personal income series, the most comprehensive measure of economic activity available on a monthly basis.

A year later annual distributions of income by States were published, to furnish market guides and measures of regional trends in business.

World War II gave a major impetus to national income work, because basic policy relating to economic mobilization required tools for evaluating the Nation's total production potential and for determining the portions of output that could be devoted to war use. Measures of the gross national product, by type of product and major market outlet, were prepared to provide the factual background for such calculations.

With a large share of rising production diverted to military purposes, incomes increased faster than civilian supplies during the war, and steps had to be taken to keep the resulting inflationary tendencies in check. The new product series were related to the previously developed information on income flows, to make possible a quantitative assessment of inflationary forces, and to facilitate the establishment of financial and other policies adequate to deal with them.

In this manner national income data were expanded and transformed to yield a comprehensive statistical picture of the national economy in terms of interrelated product and income flows. This general framework for organizing economic information continued to be indispensable to the formulation and execution of governmental policies to deal with the domestic and international economic problems of the postwar period. The statistics also became a major tool of economic analysis in the hands of the business community and of other private groups whose contribution to a decade of economic progress has been reviewed in earlier chapters.

The principal steps which OBE has taken to develop national income information to meet the requirements of economic analysis during the postwar years will be set forth briefly.

New View of the Economy

In 1947, the first *National Income* supplement to the SURVEY OF CURRENT BUSINESS was published, representing a landmark in the development of national income work. The report carried out four major objectives: (1) A recasting of United States national income and product statistics into the framework of a comprehensive national economic accounting system designed to provide an integrated overall view of the economic structure and process; (2) the introduction of a number of changes in the definitions of the several income and product aggregates; (3) a basic improvement of the statistical series back to 1929; and (4) the provision of much greater detail on the composition of the income and product flows.

Thus, at the beginning of the postwar period OBE provided a set of basic data unique in their systematic and detailed description of economic life in terms of the production, distribution, and use of national output. The series first published in the 1947 supplement have since been carried forward in OBE's monthly SURVEY OF CURRENT BUSINESS on a regular schedule which has included publication of detailed annual reports each July and quarterly summaries on a current basis.

Need Met for Measures of Real Output

Initially, all the estimates were expressed in terms of current dollars only. There remained an obvious need for a measure of the real volume of national output and its components. Such a measure was necessary to supplement the current-dollar figures in the study of inflationary and deflationary processes, and also to assess trends in national productivity and standards of living.

To fill this gap in economic information, estimates of constant-dollar gross national product were published in 1951. The new series covered on an annual basis the period back to 1929, with the total GNP broken down to show separately the broad categories of consumption, investment, and government purchases.

When the new income and product series were issued in 1947, it was possible to provide only a brief explanation of definitions, and a description of statistical sources and methods was totally lacking. At that time we promised a more extensive report

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which would describe fully the official national income and product series.

Presentation of Concepts and Methods

This obligation was discharged in 1951 with the publication of the second *National Income* supplement. This volume marked a further major development in United States national income work, for the provision of full explanations of the conceptual and statistical bases of the official income and product accounts was a task of first-order importance that met a widespread need among users of the statistics. Also contained in the report was a summary view of the functioning of the United States economy as seen through the medium of the accounts.

The discussion of statistical methodology was conducted with candor. Meaningful mathematical measures of reliability cannot be calculated for national income statistics; only a frank evaluation of the sources and methods underlying them can provide the understanding which is needed for their effective use in economic analysis.

Another important purpose in focusing on the quality of the statistics was to provide guidance and impetus to the Federal program of primary data collection.

A major task of the next few years was the incorporation into the income and product accounts of the statistical data collected by the postwar industrial and population censuses during the 1947–50 period. For major portions of the product flow, these censuses provided the first benchmark data since 1939.

Revisions of the estimates based on this material, as well as other statistical information which had become available since 1947, were presented in the 1954 *National Income* supplement. This report also revised and brought up to date the portions of the 1951 supplement dealing with definitions and concepts, and with statistical methodology.

Discussion of the latter subject was expanded in particular, to take into account the results of the statistical revisions published in the 1954 report. The detailed description of sources and methods was rewritten in the light of new data sources and procedures; and the revisions were analyzed for the light they shed on the reliability of the estimating techniques used pending the availability of census benchmark data.

It appeared that these techniques had produced reliable preliminary measures of national output and of its broad components, but that revisions for some of the more detailed breakdowns had been substantial. These revisions, it was noted in the foreword to the report, "underscore the need which we have repeatedly stressed for further development of the primary data sources on which the national income estimates are based."

The 1954 *National Income* supplement is a basic reference volume on the United States national income accounts. Therefore, it required only updating in the present volume, which is of a different kind.

The 1954 Supplement is not superseded by the present report. It continues to be the basic source of estimates for the prewar and war periods; for the discussion of definitions and concepts, which has not been repeated here; and also for the description of sources and methods, which in the present report is confined to an explanation and evaluation of the statistical revisions which have been introduced into the estimates.

Personal Income for Market Analysis

In addition to the several *National Income* supplements, two major projects in the field of personal income measurement have served to extend materially the scope and value of the official national income work. These projects, both of which represented large-scale undertakings extending over a period of years, yielded the widely used Office of Business Economics series on personal income by size classes and by States. Both of these established new sources of information on the country's economic structure in general and on the composition of consumer markets in particular.

The estimates of personal income by size classes were established in 1953, when they were reported, described, and analyzed in a special supplement to the SURVEY OF CURRENT BUSINESS.[1] These estimates, covering selected years since 1944, provided size distributions of before-tax incomes for nonfarm families, farm families, and single consumers, and size distributions of after-tax incomes for all consumer units combined. The series have since been kept up to date in regular annual reports in the SURVEY.

They are based on two major sources of information—consolidated tabulations of (1) individual income tax returns by the Internal Revenue Service, and (2) sample field surveys conducted by the Bureau of the Census and by the Survey Research Center of the University of Michigan for the Federal Reserve Board. Involved in the derivation of the estimates is the complex task of integrating these data sources and of adjusting the results to controlling totals based on the OBE personal income estimates.

The State series on personal income covers all years since 1929. This annual economic record consists of both overall figures on total and per capita personal income and the detailed sources of income by type and by industry.

The complete set of estimates was presented in a series of 80 tables in a SURVEY supplement published in 1956.[2] This report also provided detailed explanations of the concept, statistical derivation, and reliability of the personal income measures, together with an analysis of the results of regional economic development, with particular focus on long-term trends.

The *Personal Income* supplement incorporated a number of improvements over the "State income payments" work which had been initiated in 1939. The new State series, tied in with the conceptually improved personal income measure included in the national income and product accounts, provided essential information in much greater detail, fully documented and explained.

The report also featured a new purchasing power guide—the first official estimates of disposable personal income by States.

Other Developmental Work

The development and improvement of the national income accounts which occurred during the postwar period is most clearly apparent in the five major publications discussed above. However, this backward look over the past decade would not be complete without reference to portions of our national income work that are not directly reflected in these reports.

1. Speedups in the inflow of primary data combined with long experience in estimating work have enabled OBE to present a comprehensive and systematic view of the Nation's economic activity on an exceedingly prompt time schedule. We make available monthly estimates of personal income 2 weeks after the end of the month, and quarterly summaries of the entire set of the national income and product accounts 6 weeks after the close of the reference period. This information is basic for the analysis of current economic developments, including our monthly and quarterly reviews of business conditions in the SURVEY OF CURRENT BUSINESS. Its widespread use is reflected in the increasingly high order of economic appraisals now available in the business and daily press.

2. A number of articles appearing in the SURVEY have contributed to developmental research in the national income

1. *Income Distribution in the United States*, U. S. Government Printing Office, Washington, 1953. 65 cents.

2. Charles F. Schwartz and Robert E. Graham, Jr., *Personal Income by States Since 1929*, U. S. Government Printing Office, Washington, 1956, $1.50.

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field. Examples are the several studies of capital formation, consumption, and stocks; the cross-classification of GNP by type of output and purchaser group; and the measurement and analysis of gross product originating in farming. Our regular investigations into the sources and uses of funds by corporations may also be mentioned in this connection, as well as the Plant and Equipment Survey which OBE conducts jointly with the Securities and Exchange Commission. Throughout the past decade this survey has furnished a key economic indicator, in the form of data on the anticipated and actual capital outlays by business—quarterly as well as annual, and broken down by industry groups.

3. The Office of Business Economics has maintained an active role in international developments in the field of national income. Prior to the publication of our estimates on a new and revised basis in 1947, we held a series of meetings in Washington with technicians from the United Kingdom and Canada in order to exchange views and to promote international comparability of national income statistics. Subsequently, the National Income Division has aided United Nations and OEEC technical committees working toward a standard national accounting system designed to have international applicability.[3]

In addition to cooperating with international organizations for the improvement of national income concepts and measurement, the Office of Business Economics has provided help to a great many countries where income research was less highly developed. In the past 10 years, the training courses for foreign personnel which are conducted by OBE's National Income Division and Balance of Payments Division have graduated about 175 technicians from more than 50 different countries.

Reflecting the initial emphasis of the program, nearly one-half of these technicians have come from Latin America. In the more recent period, participation has been quite diversified, extending to all major regions of the free world.

4. Our assistance has also been made available to public and private groups concerned with the level and composition of income locally. Cooperation has been given to various organizations, mostly university bureaus of business and economic research, engaged in the estimation of income by counties. At the request of the Territory of Hawaii, we conducted a study which established a Territorial income series consistent with our regular State estimates, and which, more generally, set forth a systematic approach to area income measurement.[4]

The Office of Business Economics recently prepared an economic base survey for the U. S. Army Corps of Engineers as part of the Corps' study of the water resource development of the Delaware River Basin. Central to this survey was a set of specially constructed estimates of personal income for the Delaware River Service Area and its principal subdivisions. One of the major ends served by the study was to furnish a basic guide to all those interested in the methodology required for calculating income flows on a smaller-than-State basis.

Another undertaking of significance to local income research was our part in organizing a conference on regional income studies held at Duke University in the spring of 1955.[5]

5. As the national income and product accounts have grown in use and become firmly established as tools of economic analysis during the postwar years, their underlying concepts have been subjected to increasing scrutiny and discussion among economists. OBE has taken an active part in such evaluations, contributing a number of papers to this literature.

The autumn 1955 meetings of the Conference on Research in Income and Wealth, sponsored by the National Bureau of Economic Research, provide a major case in point. These were devoted entirely to an appraisal of OBE's work on the national income accounts. We presented a comprehensive paper before this leading forum, dealing with the major conceptual problems of economic accounting and the general lines along which future work might proceed. We also responded in detail to the other papers that were read.[6]

Having reviewed the development and scope of OBE's past work in the national income field, we turn now to a discussion of the new statistical tools that are introduced in this volume.

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3. *Measurement of National Income and the Construction of Social Accounts, Studies and Reports on Statistical Methods, No. 7,* United Nations, Geneva, 1947; *A Standardized System of National Accounts,* Organization for European Economic Cooperation, Paris, 1952; *A System of National Accounts and Supporting Tables, Studies in Methods 2,* United Nations, New York, 1953.

4. See Charles F. Schwartz, *Income of Hawaii,* U. S. Government Printing Office, Washington, 1953.

5. See *Regional Income, Studies in Income and Wealth,* Vol. 21, Princeton University Press for National Bureau of Economic Research, 1957.

6. *A Critique of the United States Income and Product Accounts, Studies in Income and Wealth,* Vol. 22, Princeton University Press for National Bureau of Economic Research, 1958.

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5. What's New in the Present Volume

This chapter discusses the new information on United States income and output which is incorporated in the present report. A summary view, setting forth highlights of the new material, is given below. This is followed by more detailed comments explaining the nature and significance of the new tables in the Statistical Section of the report, and thus furnishing a guide to their use in economic analysis.

SUMMARY OF NEW DATA

The summary 6-account system previously used has been redesigned and simplified to bring out measures and relationships for current economic analysis. The set of supporting tables has been greatly expanded, and has been organized around the new 5-account system.

Increased emphasis has been given to real-volume measures as supplements to the usual current-dollar series. Quarterly estimates of gross national product in dollars of constant purchasing power, presented here for the first time, are an outstanding illustration.

Several other new bodies of data on the GNP have been incorporated. One of these is a classification of output into durable goods, nondurable goods, services, and construction. Another is a breakdown by the legal form in which the producing entities are organized.

Consumer income is more fully covered in the new set of tables. In particular, OBE's income-size and regional data have been summarized in this volume.

Increased provision has been made for the analysis of governmental activities. Included, for example, are distributions of public expenditures, separately for Federal and for State and local governments, by type of governmental service rendered. At the same time, tables relating the income and product measures to data in the United States *Budget* and to summaries of the fiscal statistics of State and local governments provide information facilitating the use of all these materials together in consistent fashion.

The presentation of the economic transactions of the United States with other nations has been expanded and clarified, and tied into the official statistics of the balance of payments which OBE compiles.

Assembled in this report also are a number of tables which will serve as building-blocks for OBE's study of saving and investment flows (see below). In addition to such widely used tabulations as our sources and uses of corporate funds, this group of materials includes an analysis of the formation, consumption, and stocks of capital goods in manufacturing, using various alternative valuation bases for these items.

Finally, a new framework for current reporting is embodied in the quarterly tables. It is introduced at various points in the Statistical Section of the report, and deserves a special word at this time.

Quarterly Tables Expanded

The previous set of quarterly tables consisted of distributions of GNP by major components, national income by type of income, personal income by its disposition among taxes, consumption, and saving, and a reconciliation of the three major aggregates.

In the present version, perhaps the most notable new element is the supplementation of the quarterly current-dollar GNP breakdown by a corresponding table in dollars of constant purchasing power. To the quarterly information previously furnished on national income have been added summary breakdowns by industry division and by legal form of organization, the latter showing separately the amounts of income of each type originating in corporate business. Closely related to these is a distribution of seasonally adjusted corporate profits by four broad industry groups.

None of the quarterly breakdowns of national income can be completed for a current quarter, of course, until the data on corporate profits are available. Because of delays in the reporting of the basic information, it has not yet become possible to place the estimation of corporate profits on the same schedule as that of other income and product items. The tabulation of personal income and its disposition, however, has been developed into an improved framework for the reporting of other income developments as soon as they become known.

The impact of fluctuations in consumer income on spending and saving is of course modified by changes in personal taxes; this relationship continues to be shown on a quarterly basis.

Quarterly materials on other major parts of the economy have been elaborated in the new system of tables. For the Federal Government and also for State and local governments, data are provided on receipts, expenditures, and surplus or deficit. For international transactions, the measure of the net foreign balance is shown in the context of the latest available estimates of the gross flows of exports and imports as well as net international transfers. Finally, the saving and investment of the Nation are given in conspectus.

In short, the system of quarterly reporting has been expanded to provide an improved summary of current economic developments. This has been accomplished by means of a set of tables paralleling as closely as possible the new 5-account system (described below) that ties together the annual estimates. However, because of differences in the timing of the basic data flows, modifications in the quarterly presentation have been made to facilitate prompt reporting of key figures. Also, information has been added that is not

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brought out by the 5-account system but is nevertheless important for current economic analyis—notably data on constant-dollar gross national product and on the origins of the national income by industry and by legal form of organization.

THE 5-ACCOUNT SYSTEM

The new system of summary accounts is being adopted after considerable discussion in the literature of economic accounting. As compared with the one presented in the 1954 and earlier *National Income* supplements, it has been simplified by the omission of detail relating to the institutional origins of production, in order to bring out more clearly the types of economic flows and relationships that are of key importance for current business analysis.

The new summary accounting system appears at the beginning of the Statistical Section. The first account—that of the National Income and Product—presents the output of the Nation both in terms of final product flows and in terms of the basic income types generated in its production. The next two accounts deal respectively with Personal Income and Outlay and with Government Receipts and Expenditures. In conjunction with the first account, these show the manner in which basic production incomes are modified by transfers and taxes and become available for disposal by consumers and government. They also show current purchases of output by these two institutional groups—personal consumption in the one case and government purchases of goods and services in the other.

A fourth statement, the Foreign Account, shows purchases of United States output by foreign nations; these are seen in the context of our purchases of foreign output and of current income transfers. The fifth and final account, the Gross Saving and Investment Account, shows, on the one hand, the parts of income not yet accounted for—namely, incomes saved or retained in various parts of the economy, rather than spent on the current use of output—and, on the other, the several forms of investment in which these current surpluses are embodied, as seen from the standpoint of the Nation as a whole.

In the prior 6-account setup, the National Income and Product Account was elaborated by information showing the institutional origins of the gross national product. This included a separate production account for business enterprises and similar production statements embodied on the accounts for other institutional groups (persons and government) and also for the rest of the world.

In the new presentation, the more significant of these underlying details are still carried in the regular statistical tables, but all of them have been eliminated from the summary accounts. The business account is omitted in its entirety from the new system; and the income and product subtotals are dropped from the other current accounts, along with the detailed entries formerly included as necessary to support these.

With the removal of these items, the number of entries previously carried in the summary account tables has been substantially reduced. The broad measures found analytically most useful now stand out more clearly in their various interrelationships.

Something has of course been sacrificed to this end. The institutional structure of productive activity, stressed in the original set of accounts, is not shown in the new form. Again, the business account eliminated here is useful as a conceptual bridge relating national production and its accounting to their business analogues. It is hoped, however, that the gains in simplicity, in aptness for other principal uses of the accounts, and perhaps also in international comparability, outweigh these costs.

The 5-account system and the more detailed 6-account system from which it is condensed are of course not the only summary forms into which national income statistics can be cast to provide a bird's-eye view of the entire economy. Among the many possible alternatives, one has been reproduced in table VII–1 of the Statistical Section because it has proved particularly convenient in broad economic analysis.

The essence of this statement is its presentation of the gross national product as equal at once to the purchases of consumers, businesses, government, and foreign nations and also to the disposable receipts of these groups. The purchase breakdown of the GNP is the conventional one; the fact that the disposable receipts of the economic groups listed also add up to the GNP aggregate reflects basically the exhaustive allocation of total receipts from the sale of output among the owners of the economic resources used in production. Transfers and taxes modify the initial allocation to yield the disposable incomes or receipts of the various economic entities, but the sum total available for allocation is not affected by this process of redistribution.

The changes in accounting design introduced in the present volume do not represent our final word on the subject. For example, there remains for consideration a variety of unsolved problems in the classification of transactions within the accounts. It seems likely, moreover, that there will be some scope for further improvement in the mutual relationships between the account items and the supporting tables. Similarly, the former will probably require modification in order to serve with maximum effectiveness as a framework for integrating such developmental projects as those outlined in the next chapter—which of course could not be taken into consideration in any detail in drawing up the present set of accounts.

These projects include substantial elaboration of the accounts for persons and government, a detailed tracing of the process of saving and investment, and the provision of additional information on the industrial sources of the national output in current and constant dollars. While unlikely to affect the fundamental structure of the 5-account system, such projects would be fairly certain to call for modifications in it.

Summary accounts—whatever particular form they may take—should not be regarded as substitutes for the supporting tables on the various income and product flows. They condense the information contained in these tables and place it in the context of the economic process as a whole. But once this focus has been established, most types of economic analysis must proceed beyond the accounts to utilize the wealth of factual information shown by the statistical tables.

We turn next to a consideration of these supporting tables. They have been rearranged and grouped in the present report in accordance with the structure of the new set of accounts, and approximately doubled in number.

NATIONAL PRODUCT AND INCOME

The Statistical Section contains a set of 18 annual and quarterly tables detailing the composition of national income and gross national product. The following discussion will focus on the material that is new.

Annual Real GNP

The annual constant-dollar GNP series hitherto published have been thoroughly reworked in this volume. The composite price indexes have been reweighted to take into account the results of the 1954 censuses, as well as the revisions in the BLS Consumer Price Index beginning with 1953. The latter have extended the areas of consumption to which this index is applicable and correspondingly reduced

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those for which the price series of the Agricultural Marketing Service of the Department of Agriculture are used. Finally, all constant-dollar series in the Statistical Section have been expressed in terms of 1954 dollars instead of the 1947 dollars previously employed.

Quarterly Real GNP

Reference has already been made to the new quarterly measures of real gross national product. These are presented (table I–5) in the same product breakdown as the current-dollar quarterly figures.

These real-volume estimates have been among the most-needed extensions of United States national income statistics. This is partly because of their importance in indicating promptly the pace and focal points of inflationary or deflationary changes. More broadly, it is due to the key role of the Nation's total production volume in determining employment on the one hand and the scale of living on the other. Figure 8 in Chapter 1 shows the course of real production over the postwar period—compared with that of current-dollar GNP—as revealed by the new quarterly series.

The quarterly constant-dollar estimates are derived by dividing seasonally adjusted current-dollar GNP components by appropriate price indexes; the elimination of seasonal variations from the latter has constituted a special problem requiring careful attention. The deflation procedure has been carried out separately for about one hundred product groups, involving the combination of several times as many price indexes drawn from Bureau of Labor Statistics and other sources. The results so obtained have been adjusted to annual constant-dollar figures that are prepared in an even finer breakdown.

In view of the fact that the quarterly real GNP is a new series which will be employed widely, it is important to draw the attention of users to its principal characteristics.

First, undue significance should not be attached to small, irregular changes shown by these quarterly constant-dollar measures of total GNP and its main components. While inevitable imprecisions in the basic data preclude meaningful interpretations of these estimates to the last decimal, as it were, they can be taken as valid indicators of real volume changes which are of significant magnitude or which fall into pattern, either in terms of this body of data itself or when studied in relation to other economic variables.

For example, for the several quarters preceding the business downturn in the autumn of 1957, the estimates of total real GNP show small changes to which no precise significance should be accorded. On the other hand, when the estimates are rightly interpreted they convey the important fact that total real output was approximately stable during this prerecession interval when current-dollar output was still rising.

A second, closely related, point is that these new real volume data and the associated implicit price indexes are not sufficiently accurate for any exact assessment of the relative contributions of the price and volume factors to the quarter-to-quarter changes in the market value of gross national product.

The price and current-dollar value data are statistically independent. The price data are not ordinarily subject to substantial revisions even though, as will be noted presently, they are not entirely satisfactory for the deflation of GNP. In practice, therefore, statistical revisions in the current-dollar GNP series tend to be reflected very largely in the real volume measure.

Suppose, for instance, that the initial estimates for a given quarter show a rise from $400 billion to $404 billion, or one percent, in the annual rate of current-dollar GNP and an increase of one-half percent in overall prices applicable to the GNP. Price and real volume thus appear of equal importance in accounting for the change in current-dollar GNP. If, subsequently, a downward revision of $1 billion, or one-fourth of one percent, occurs in the GNP, this will show up almost entirely in the real volume change, and the indicated importance of this change will decline from one-half to one-third.

A third, perhaps even stronger, caveat should be entered with respect to any attempt to use these quarterly constant-dollar estimates in productivity analysis. The margin of error attributable to the output estimates, when combined with that in the available man-hour data, renders judgment on this score extremely hazardous. Even the preliminary annual estimates of real output, which are customarily published each February in the SURVEY, have supported only the most tentative comments in this connection.

The major reasons why constant-dollar estimates of GNP, valuable as they are, are subject to certain particular limitations have been set forth in the 1954 *National Income* supplement, in connection with the annual series. There, we called attention to the shortcomings of price deflation. These stem from the lack of price information directly applicable to many components of the current-dollar product flow; from the fact that, generally speaking, available price information cannot take adequte account of premiums, discounts, and bargain sales; and from even more basic problems encountered in pricing items subject to significant quality change, or whose physical units are not clearly definable for other reasons.

The quarterly constant-dollar figures are affected, in different degrees, by these same difficulties. On balance, the price information available on a quarterly basis—particularly for the most current period—is somewhat weaker than that underlying the annual estimates.

In addition, certain special problems are encountered in the estimation of quarterly current-dollar GNP, from which the constant-dollar measure is derived. These are discussed in Chapter 8, which contains a section dealing with the methodology employed in estimating the current-dollar income and product series on a less-than-annual basis.

Goods, Services, and Construction

The usual classification of gross national product focuses on purchaser groups, and also provides a great deal of information on the product composition of final output. The latter type of breakdown, however, is not carried through systematically for all buyer groups.

In the present volume, a new set of tables shows type-of-product information on a consistent basis for the GNP as a whole. Current-dollar and real output are classified into durable goods, nondurable goods, services, and construction; and production in each of the two categories of goods is shown also as the sum of final sales and inventory change.[1] A cross-classification of type of product by type of buyer is also given.[2]

These new tables will be useful for many purposes. They will help, for instance, in the analysis of problems in which the durability of output is a significant factor. They will make it easier to trace the industrial impact of shifts in final demand. They will permit a more refined analysis of inventory holdings in relation to output. Again, they will enhance the usefulness of the gross national product as a framework within which other measures of physical production, more restricted in scope but affording valuable detail on various segments of the economy, may be interpreted.

One of the economic developments which emerge more clearly in the light of the new data is the rise in the importance of durable goods relative to total GNP over the past 30 years. This is shown in Figure 24.

1. See tables I–6 and I–7.
2. See tables VII–5 through VII–7.

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The total national output of durables and construction is an aggregate which has been of wide interest, particularly in connection with studies of capital and of investment broadly defined. While purchases of such output by consumers and public bodies are not classified as investment in the national income accounts, the new tables provide users interested in such a broad measure with the data needed to calculate it.

Users familiar with the conventional breakdown of gross national product will have little difficulty in visualizing the content of the new one which has been added. For durable goods, the chief components of the new series are the familiar measures of producers' durable equipment and of personal consumption expenditures for durables. To the sum of these are added special estimates of such purchases by Federal, State and local governments and of exports—less imports—of these goods. The resulting total covers all sales to final users. To convert it into an output measure, we add an allowance for business inventory change, as indicated by data on the holdings of durable-goods manufacturers and distributors.

The aggregates for production and final purchases of nondurables are derived by a parallel method.

The total for final services represents personal consumption expenditures in this category, public purchases of services from business and from government employees (as measured by their compensation), and net service exports.

The last of the four type-of-product categories combines the private and public components of new construction activity. It represents the value of work put in place during the year. No attempt has been made in any of the tables in this volume to break this portion of output between sales of finished structures and changes in sellers' inventories.

Though carefully done, the special estimates required for the new type-of-product series are in general less reliable than are the more familiar breakdowns of the gross national product. For example, the relative proportions of durables and of nondurable goods involved in business inventory change can be measured only roughly, since the basic data are classified by line of trade and not by type of good held in inventory. The estimates of government purchases of durables are also rough; this point will receive further attention in later chapters.

Production by Major Groups

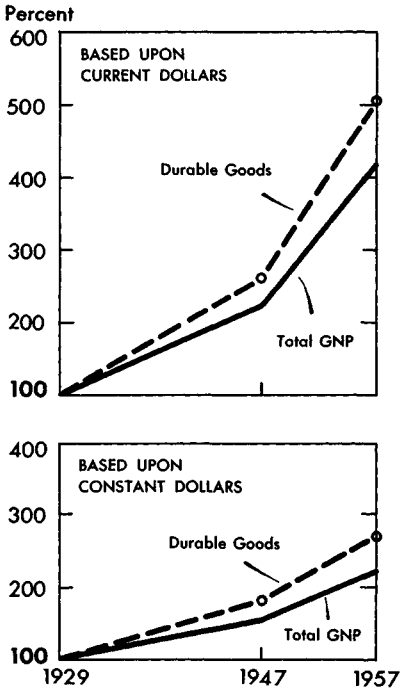
There are a number of purposes which require measurement of the gross product originating in particular parts of the Nation's economy. Neither the trend of output nor its short-run fluctuations need be the same for government as for business, or for farmers as for nonfarm producers. To the extent to which total GNP can be broken down to distinguish the contributions of such different producer groups, economic analysis can be made more realistic and more fruitful.

Accordingly, in the present volume we have brought together OBE's work to date on the current- and constant-dollar value of gross product originating in farming and nonfarm business and in certain nonbusiness groups. The general procedure has been to prepare explicit estimates of production originating in government, households and institutions, the foreign sector, and farming, and to deduct these from the total GNP to obtain nonfarm business gross product as a residual.

Fig. 24

Durable Goods Output

Contributes Rising Share of Total



The current-dollar output of the three nonbusiness groups is measured by the incomes originated by them. The contribution of farm business to the national product has been estimated as the total value of farm products less farmers' cost purchases from nonfarm business (which in the last analysis represent values originating off, rather than on, farms). The resulting measure of output is in principle equal to the sum of income derived from farm production plus certain other charges, mainly taxes and depreciation.

The constant-dollar measures are derived in the same general framework. The real gross product of farming is estimated by the separate deflation of product values and cost purchases, each in considerable detail. In contrast, the measures of the real output of nonbusiness groups are based on conventions necessary to meet certain special difficulties involved in the definition and estimation of output originating in these sectors. These conventions limit the significance of the results.

The real output of government is measured in terms of deflated labor input, without allowance for changes in productivity. Real income from foreign investment is obtained by deflating the current-dollar flows by composite price indexes that measure changes in the purchasing power of these flows in foreign trade transactions. The labor component of the real product of households and institutions reflects labor input; the interest component traces the purchasing power of this flow in consumer markets.

Employed with due regard to the shortcomings which are apparent from the methodological summary given above, the new type-of-producer breakdowns of the GNP should facilitate a more systematic study of current-dollar and real output patterns than has heretofore been feasible.

Both the farm-nonfarm breakdown and that by legal form permit of such use. The former [3] shows that for several decades gross product originating in nonfarm business has continued to rise substantially faster than has product originated in farming. (See Figure 31 in Chapter 6.) The difference in rates of output growth has stemmed not only from a lesser rate of expansion in the output of farm products as such, but also from the fact that the substantial recorded increase in farm products supplied has involved a larger farm use of gasoline, chemical fertilizers, and other nonfarm materials. The relatively more limited rise shown in the measure of GNP from agriculture than in total output of farm products reflects the attribution of the value contributed by these materials to nonfarm rather than to farm producers in the GNP measure.

The legal-form breakdown of nonfarm gross product [4] serves primarily to set aside the productive contribution of government, private households, and the foreign sector, so as to permit a closer examination of business gross product. Many types of economic analysis—for instance, those relating output to factor input—can focus more sharply if they are conducted in this

3. Tables I–15, I–16, and VII–9 through VII–11.
4. Tables I–12, I–13, and I–16.

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more restricted framework. The estimates of output of the nonbusiness groups may also be used directly, in spite of their limitations, adding perspective to studies of the institutional forms of production.

Historical Series

Important for trend analysis are time series covering long periods. The present volume extends back to 1909 the current- and constant-dollar measures of GNP, and of the portions originating in general government, in farming, and in other types of production (see Figure 25, based on table I–16). The principal generalizations as to long-term growth made in Chapter 1 are drawn from these figures.

It must be emphasized that the pre-1929 series should be used with particular awareness of their statistical limitations. They incorporate a great deal of painstaking research, undertaken in the course of a long succession of private and governmental studies. Nevertheless, their quality necessarily reflects the less developed state of the country's economic statistics in that earlier period—in respect both to the variety and to the reliability of the data available.

Quarterly National Income

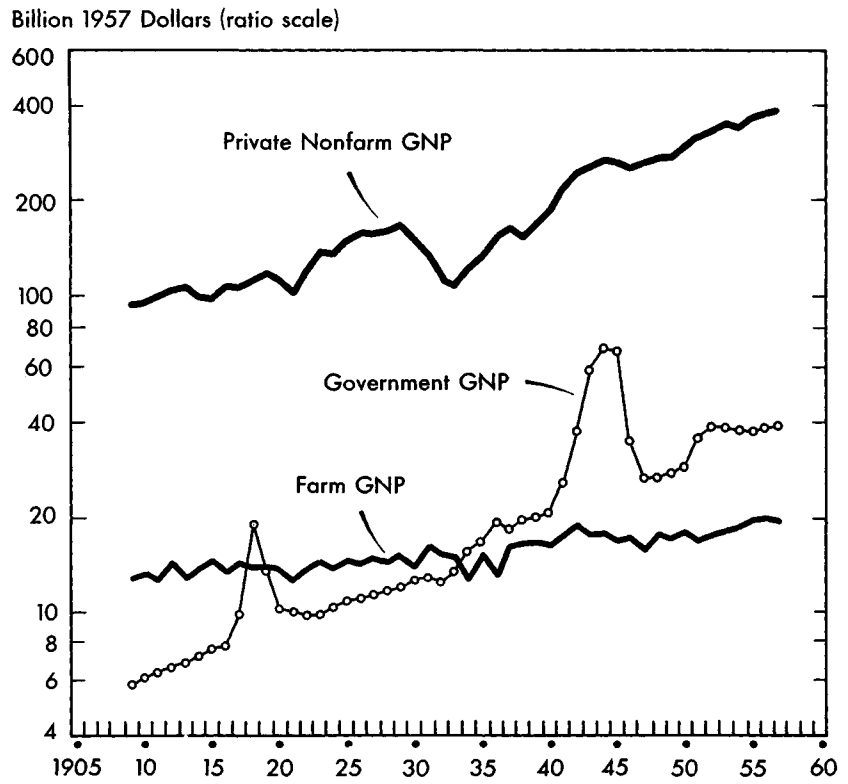
Reference has been made above to three new quarterly tables on the national income: limited breakdowns of the total by industry and legal form of origin, and of corporate profits by industry.[5] Such estimates have been used from time to time in the SURVEY OF CURRENT BUSINESS, on a semiannual basis, and have been found very useful in tracing the effects of initial changes in demand through the economic system.

For instance, these data illuminated one of the most striking features of the 1953–54 business recession—the maintenance of consumer income in the face of a decline in production and the income generated by it. The data showed that the chief impact of the initial drop in final demand was upon production in industries in which the corporate form of organization predominated. They made clear also that, with corporate payrolls only moderately down, the matching reduction in income centered in corporate profits. Dividends were maintained, nevertheless, partly because a cut in taxes cushioned the decline in earnings available for distribution. As a result, only about one-third of the total decline in corporate production and in income generated was reflected in a reduction of disbursements to the consuming public. With incomes in noncorporate production up, transfer payments expanding, and personal taxes cut, total disposable consumer income available for spending and saving held steady or actually increased throughout the 1953–54 recession period.

Here again, note must be taken of statistical limitations in the estimates. Source data available on a quarterly basis do not approach in statistical adequacy those which underlie the annual measures of profits and other income shares. To minimize the resulting margins of error, the industrial and other classifications involved have been condensed.

Fig. 25

Expansion in Major Segments of the Gross National Product



PERSONAL INCOME AND OUTLAY

The second group of statistical tables relates to personal income and its disposition. Assembled here are summaries of OBE's studies of the geographic and size distributions of income, as well as annual and shorter-period estimates of the national totals for personal income and expenditure and their components.

State and Size Distributions

Estimates of personal income—total and per capita—are given by States and regions for each year from 1929 on. Also provided are supplementary measures, for selected years, of disposable personal income which allow for the differential effect of taxes on the distribution of consumer purchasing power.[6]

Underlying these summary tables is a wealth of detailed information to be found in the basic reports on personal income by States.[7] These reports show for each State and region annual data since 1929 on the composition of personal income by type, with payrolls broken down in considerable industry detail and proprietors' income distributed between farm and nonfarm. For

5. See tables I–11, I–14, and VI–10.
6. Tables II–8 through II–10.
7. Charles F. Schwartz and Robert E. Graham, Jr., *op. cit.*, and latest annual report in the August SURVEY OF CURRENT BUSINESS.

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selected years, they likewise show for each area the broad industrial sources of total personal income and of civilian income received from employment (including self-employment), as well as manufacturing wage and salary disbursements by two-digit industry groups.

Also appearing in the second part of the Statistical Section are summaries of family personal income distributed by income size.[8] The tables show consumer units and their income by dollar income brackets and by quintiles arranged according to income size, covering selected years from 1944 through 1956. Separate distributions by size of income are given for nonfarm families, farm operators' families, and unattached individuals for the years 1953–56. (The 1956 data are shown in Figure 26.)

The income size tables, like those on the geographic distribution of income, summarize a more detailed study of the subject. The basic reports on the income size study[9] include distributions by income after Federal income taxes and a variety of ancillary data developed in the course of the study: e. g., money income excluding imputed items, and data on family composition by broad income size groups.

While the most obvious use of these personal income measures is as indicators of the geographic and size distributions of consumer incomes, they have a broader significance for economic understanding. The State series provide the most comprehensive available measures of business activity in the various States and regions, as well as detailed descriptions of their economic structures. The use of these series as the framework for studies of regional economic development illustrates their applications in fields other than marketing. The size estimates likewise depict conditions of major economic significance.

The statistical foundations of the State and size distributions are described in the reports cited above. A word should perhaps be said here about how State personal income and family personal income differ from the familiar overall national total which is reported monthly.[10]

In definition, State personal income is identical with the national series except in one respect—that payments by the Federal Government to its civilian and military personnel stationed outside the continental United States are excluded from the State figures. Family personal income is likewise adjusted in line with the common sense of such a measure. In particular, adjustments are made to exclude income flows to military personnel not living with their families, to institutional residents, and to nonprofit institutions, as well as the undistributed incomes of private trust, welfare, and pension funds.[11]

New National Series

The tables on personal income on a national basis have been expanded in order to introduce additional monthly and quarterly information.[12] Manufacturing payrolls, available hitherto only on an annual basis, will henceforth be reported currently, by month and quarter. A 4-way breakdown of transfer payments will be made available quarterly.

Additional monthly detail on proprietors' and property income is also presented. Because of gaps in the primary data and other difficulties encountered in the preparation of short-term income estimates, most of this detail has little significance of its own. It is provided mainly at the request of analysts who need it to round out their use of other monthly time series that possess independent validity, or to recombine monthly personal income components in alternative forms. In addition, users will sometimes find such detail helpful in tracing the exact source of changes in the reported total of personal income.

Appended to the quarterly and annual tables is a measure of disposable personal income in dollars of constant purchasing power—a series frequently requested by users of our data. A conceptual problem posed by this new series should be mentioned. If disposable income is thought of as the sum of consumption and saving, the procedure of deflating the total by the implicit price index for personal consumption expenditures—as is done here—is seen to be somewhat arbitrary. This procedure may be justified pragmatically, however, since income saved is a relatively small part of the total and no clearly superior alternative for deflating saving seems to be available.

Annual information on consumer expenditures in constant dollars, detail on which has heretofore been confined to the totals for durables, nondurables, and services, is now shown separately for the major subcategories of these in table II–5. The new series are provided in response to a widespread demand for greater detail, which has here been met within the practical limitations imposed by the basic price data available and by special conceptual difficulties met in deflating certain service items in particular.

GOVERNMENT RECEIPTS AND EXPENDITURES

The third group of tables brings together a greatly expanded set of materials on the income and product flows involving government.

New Quarterly Data

New quarterly tables show receipts and expenditures in some detail, together with the surplus or deficit on income and product account. (See Figure 4 in Chapter 1.) These are presented separately for the Federal Government and for State and local governments as a group.[13] They are designed to provide an integrated, up-to-date picture of developments in public finance, as these developments affect the national economy. The breakdown between Federal and other governments will prove useful because of the substantially different circumstances surrounding fiscal operations at these two levels.

From the standpoint of carrying the series forward on a current basis, the delayed availability of data on corporate profits and profits tax accruals for the current quarter will present a special problem. Depending on progress in the fields of data collection and tabulation and on the particular economic conditions prevailing, it may or may not prove feasible to estimate this key revenue item on a preliminary basis so as to complete the tables.

Expenditures by Function and Object

A new annual table provides estimates of government purchases and other expenditures classified by type of function (table III–8). The breakdown, relating outlays to their end-purposes and indicating the costs of the various kinds of services rendered to the public, represents an advance over the distributions previously shown, which went no further in this direction than to distinguish defense from nondefense outlays.

Of the many possible schemes for classifying the functions of government, the one adopted for the present report is an inte-

8. Tables II–11 through II–13.

9. *Income Distribution in the United States*, U. S. Government Printing Office, Washington, 1953, and latest annual article in the SURVEY OF CURRENT BUSINESS.

10. Apart from the conceptual differences noted here, it should be observed that the latest (July 1958) revisions in the national total have not all been carried into the State and size distributions shown in the Statistical Section of the present volume.

11. The unit of measurement is the family or unattached individual, as defined by the Census Bureau. Families are groups of two or more persons related by blood, marriage, or adoption and residing together; unattached individuals are persons, other than institutional inmates, who are not living with their relatives.

12. See tables II–1 through II–3.

13. Tables III–3 and III–4.

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grated version of those employed in the *Budget* of the United States Government and in the reports of the Census Bureau on State and local government finances. On the whole, this classification is very similar to one developed by the United Nations, the grouping and nomenclature of which were also taken into account.

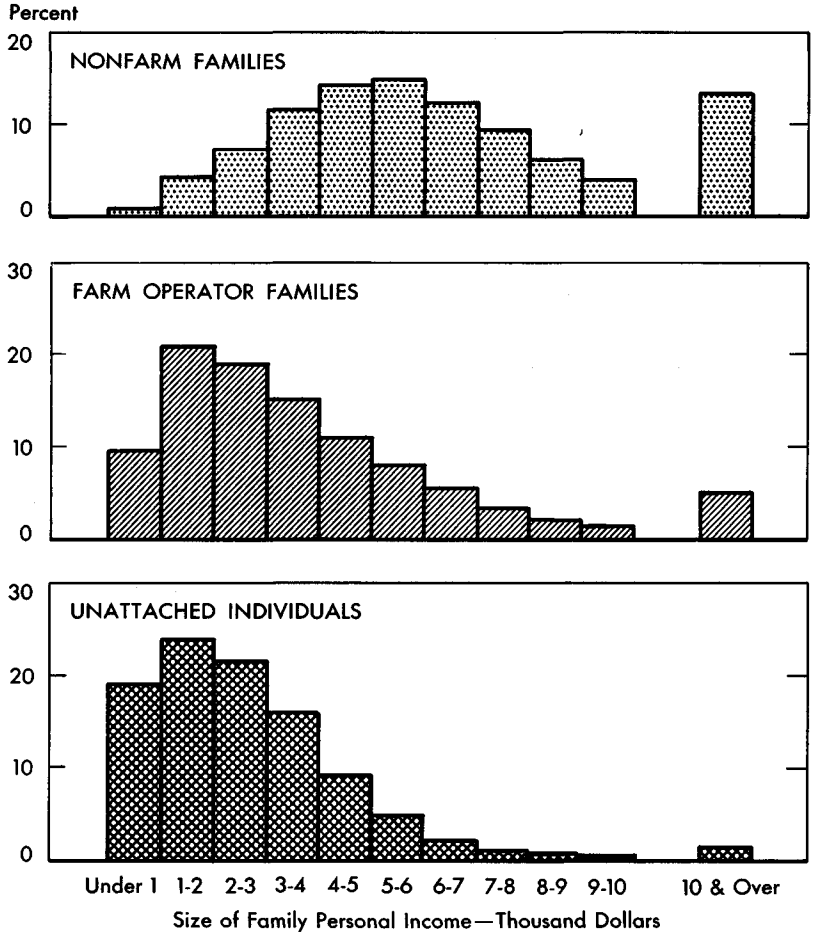
It should be noted that the functional classification of government expenditures needs further work, conceptual as well as statistical. At present not even the proper goals of such a classification are definitely established. For instance, specialists sometimes ask for a breakdown permitting the separation of outlays which benefit business from those which benefit consumers, though it is doubtful whether this idea can be implemented in practice. The present classification is not designed for this purpose; the details shown might, however, perhaps be rearranged in such a way as to cast light on the matter.

The estimates for each functional category show Federal outlays separately from those of State and local governments. A further breakdown classifies outlays for each function into purchases of goods and services, transfer and interest payments, and subsidies (net of government enterprise surpluses). In the case of the Federal Government, grants-in-aid represent a fourth category.

In connection with many of the functions, the goods and services purchased consist mainly of employee services. In the case of others, substantial outlays for equipment, construction, or materials are involved as well. For major types of national defense activities, and for education, two functional categories which are of particularly great interest and of primary quantitative importance, another new table shows expenditures for such major objects separately (table III–9). The object details given represent a selection of the measures found most useful in current analyses of the GNP. As in other areas, a good deal of potentially valuable detail has had to be foregone because of data limitations.

Fig. 26

Distribution of Families and Individuals by Size of Income in 1956



Relation to Other Data

Closing the section on government transactions is another set of tables which has frequently been called for. These link the receipt and expenditure aggregates in the national income accounts to the corresponding totals in the United States *Budget* and, for State and local governments, to those compiled by the Census Bureau. The relationship of the income and product measures, which are designed specifically for economic analysis, to these bodies of primary statistical data is of interest chiefly as providing a link facilitating their joint use. For example, the new tables will help users to translate reported budgetary developments into terms of shifts in governmental demand for goods and services, and to evaluate the implications for other parts of the national economy.

Moreover, many of the specific items involved in the reconciliation are of intrinsic interest because they illuminate aspects of financial management.

In view of the importance of these tables in economic analysis, we shall explain their contents in some detail. The relation items are grouped into a few broad categories. (Overlapping items are classified for convenience according to the nature of their principal components.) Such groups include those reconciling differences in (1) agency coverage, (2) treatment with respect to netting and consolidation, (3) time periods during which the transactions reported are deemed to have been carried out, and (4) handling of capital transactions.

Table III–10, dealing with the Federal Government, relates the "administrative" and "cash" budgets to the statement of Federal receipts and expenditures which appears in the national income and product accounts. A detailed reconciliation between the Federal administrative and cash budgets appears both in the *Budget* document itself (Special Analysis A) and in current issues of the *Treasury Bulletin*. The major components of this reconciliation, as summarized in table III–10, are adjustments made to the administrative budget in order to consolidate the accounts of trust funds, Government-sponsored enterprises, and the general and special funds of the Treasury. Thus the cash-budget totals already incorporate the principal adjustments to be made for national in-

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come purposes as to agency coverage as well as to account consolidation.

With respect to agency coverage, a reverse adjustment of the Federal cash budget is required to remove the totals for the District of Columbia, since these are included with the State and local figures in the national income statistics.

As regards consolidation and netting, the following principal adjustments of the cash budget are made. The Government's contributions to the veterans' life insurance funds and the contributions of the Government and its employees to employee retirement funds are consolidated out in the cash budget as intragovernmental transactions. They are added back both to receipts and expenditures in the national income accounts, where these payments are treated as earned by the recipients and invested by them in the funds.

Property income flows are reported partly on a gross basis in the cash budget; for national income purposes, governmental receipts of such income are netted against payments by deducting them from both sides of the cash budget.

The timing adjustments are required mainly to convert the Government records of transactions with business from a cash basis to an accrual basis consistent with their treatment in the business accounts. Examples of items requiring such adjustment include business taxes—especially corporate profits taxes—and Treasury payments for goods delivered earlier or to be delivered later.

A variety of other items which serve essentially to adjust the time-reference of transactions records are also shown. One of these eliminates the time lag which occurs between employers' withholding of individual income taxes on their employees' pay and the forwarding of these sums to the Treasury; the cash budget reflects such collections only as they are covered into the Treasury, while for national income purposes the collection is deemed to have been made at the time of withholding. Another adjustment which deserves mention is for CCC-guaranteed nonrecourse loans to farmers. These enter the cash budget only as the Government guarantee is redeemed. In national income accounting, however, such loans are treated as current purchases at the time they are made (along with nonrecourse loans extended directly by the CCC).

The final group of adjustments to the cash budget is required to eliminate receipts and expenditures reflecting transactions in financial and second-hand assets. The present national income account for Government (as for other transactor groups) is designed to cover current-account transactions only. Capital-account dealings are shown only in a statement for the economy as a whole, in which transactions in financial and second-hand assets cancel out.

Adjustments similar to those made for the Federal Government are applied also to the State and local government figures reported by the Census Bureau (table III–11). The agency coverage of the Census totals is modified to exclude the State unemployment insurance funds, which are held in trust by the Federal Government and are treated as part of the Federal financial structure in the cash budget and in the national income statistics alike. Under the head of netting and consolidation, adjustments are required to convert the transactions of government enterprises from a gross to a net basis; and entries paralleling those outlined above for the Federal Government are made for property income flows and government contributions to government-employee retirement funds. Business tax receipts are converted from a cash to an accrual basis; and capital transactions are excluded both from receipts and from expenditures.

FOREIGN TRANSACTIONS

The present report incorporates an extensive revision in the handling of foreign transactions, a reconciliation table explaining the difference between the national income treatment of these and their treatment in the United States balance of international payments, and a substantial volume of empirical data drawn from the latter.

The changes in the handling of foreign transactions can best be understood by reference to their previous treatment in the national income accounts. In that treatment, foreign transactions were represented in the GNP statement by the balance of three items: (1) United States exports of goods and services less (2) imports and less (3) transfers (net)—gifts and grants—made by this country to abroad.

New Treatment of Major Categories

Exports of goods and services enter the gross national product positively, because they are a component of United States output. Imports of foreign goods and services enter negatively, because they are included in the purchases of the various market groups distinguished in the GNP breakdown; they must therefore be deducted from the sum of these purchases to derive from the purchases side a measure of output attributable to the United States. The prior treatment of gifts and grants was similar to that of imports because—along the then conventional lines—these transfers were included in the purchase components of GNP as though they represented imports of foreign services.

Inasmuch as any excess of receipts from exports over payments for imports and transfers must be matched by a corresponding change in the net international asset position of the United States, the balance of these three items was labeled "net foreign investment" in the former GNP statement.

In the new treatment of international transactions adopted in the present volume, net cash transfers made by the U. S. Government are no longer included in the Government-purchase component of the gross national product. They are correspondingly omitted from the calculation of the foreign entry, thus leaving total GNP unchanged. In conformity with this definitional change, that entry is now designated as "net exports of goods and services." Also to be noted, the underlying gross flows of exports and imports are shown separately.

The Government grants formerly merged with Government purchases are now recognized and labeled as grants in the national accounts: They appear as a new and separate component of Government expenditures (leaving total Government expenditures unchanged). The counterentry is to be found in the new foreign account. Designed to show the key flows affecting foreign trade, this account presents receipts from exports as financed by payments for imports, by net cash transfers from the U. S. Government, and by funds made available by United States investment abroad. In the future, our regular reports on the GNP will include a statement of the foreign account in terms of these four measures.

The new treatment has several advantages. It introduces an analytically important distinction between Government purchases, on the one hand, and cash grants, on the other. It makes the breakdown of GNP conform consistently, and appropriately, to a measure of the flow of goods and services to broad purchaser groups (instead of expressing the foreign entry in terms of the financial concept of net foreign investment). And it shows the net foreign balance in terms of the underlying gross export and import totals, thus providing a better view of the relative importance of foreign trade to the United States economy.

It may be seen that some information has been added by this revision in the handling of foreign transactions, whereas none has been lost. In particular, net foreign investment continues to be recorded in the accounts even though it is no longer a component of the gross national product.

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Attention should be called to certain more detailed definitional aspects of the new treatment. The most important of these relates to the exact line that has been drawn to distinguish foreign aid in cash—which is represented in the new tables by an international transfer—from foreign aid in kind, which continues to be reflected as a purchase by Government. Cash aid is defined to include all aid involving the transfer of funds to a foreign agency or account; aid in kind is aid not involving such a transfer of funds. The result of these definitions is a concept of cash aid that is relatively wide, and of aid in kind that is correspondingly narrow. Illustrative of a number of borderline cases which are handled as cash grants are the instances in which funds are transferred for the purchase of specified commodities. These are not analytically very much different from direct shipment of the commodity without any international transfer of funds intervening.

In principle, it will have been noted, the treatment of personal gifts (immigrant and other private remittances) should have been changed along with that of governmental aid transactions. In practice, because of the relatively small scale of private remittances, it has not seemed worthwhile to burden the accounts with the special transfer entries which would be required for a parallel treatment. Personal remittances are therefore still handled as consumer purchases.

The treatment of international flows of public debt interest has been revised in line with the interpretation placed on internal flows of such interest. All these government interest payments, international as well as domestic, are now handled consistently as analogous to transfer payments.

Balance-of-Payments Bridge

In relation to the detailed statistics of the balance of international payments which are compiled by OBE, the main difficulty with the former national income tables on foreign transactions was the inconvenience met with in using the two sets of materials together. Definitional differences between them are now explained in table IV–4. These differences stem primarily from the points just considered, each of which gives rise to entries in the reconciliation table.[14]

Data Provided for Full View

The picture of United States foreign aid which emerges in this framework is still far from complete. Cash grants represent only part of total United States foreign assistance, which has taken the form also of grants in kind and of Government loans. Table IV–6 provides a summary view of the entire program. It shows aid outlays distributed by form—grants and long- and short-term credits—and by military and nonmilitary character, a broad geographic breakdown being given for each of the latter. These data are drawn from a separate and continuing OBE study of foreign aid as such. It should be noted that they differ somewhat in the definitions and timing of specific transactions from the balance-of-payments summaries.[15] They are shown here in highly condensed form; a large volume of supporting material on the types and geographic patterns of aid expenditures is available in other OBE publications.[16]

A summary of the balance of payments is given in table IV–5.[17] This table shows annual data on exports, imports, and transfers, with information on each conforming to that in the quarterly balance-of-payments reports published in the SURVEY. Extensive geographical detail on all of these items and further breakdowns by type for most of them are published in the regular balance-of-payments publications of the OBE. The most recent of these is the *Balance of Payments Statistical Supplement*.[18]

SAVING AND INVESTMENT

Of critical importance in the economic process are the flow of saving into productive investment and the contributions of the capital so accumulated to output and to income. The Office of Business Economics has been concerned for many years with the study of this subject, both in connection with the national income and product and through other programs.

The most widely used and economically significant of these OBE studies have been brought together in condensed form in the fifth group of tables. Included also are certain tabulations, supplied by other agencies, which have been part of the annual national income reports since 1947.

Unlike the other statistical tables, this set contains a substantial amount of material not yet integrated into the national income accounts. A research project now under way has as one of its major aims the remedying of this situation, which is a source of trouble when the attempt is made to use the data in conjunction with one another.

Fixed Investment

Following the familiar summary of Sources and Uses of Gross Saving which introduces this set of tables, there appears a detailed breakdown of investment in the form of new construction. This is given not only in current dollars as before but also, somewhat condensed, in dollars of constant purchasing power (table V–IV). For the most part, the deflation here has been accomplished by the use of cost indexes. In the regular constant-dollar GNP tables, it may be noted, we have modified these cost indexes to reflect changes in profit margins—a modification which renders them more suitable for use in deflation since such margins are of course included in the current value of construction activity.

The construction statistics are prepared by the Business and Defense Services Administration of the Commerce Department in cooperation with the Department of Labor. They are supported by further breakdowns of various types in the reports of these other agencies.

The standard GNP table showing private purchases of producers' durable equipment by type of product is likewise now presented in constant dollars (table V–6) as well as current dollars. These materials, like the construction activity details, represent important elements in the three-way classification of capital formation by commodity type and by the industry and legal form of the purchaser—which, as explained later, we consider most essential for effective analysis.

Regrettably, data problems encountered in the estimation of the current-dollar series have so far prevented breakdowns of producers' durables from being carried

14. From total exports of goods and services as given in the balance-of-payments statement, there are deducted (1) military grants and other grants in kind, which are still treated as Government purchases rather than as exports in the national income accounts, and (2) the inflow of interest to U. S. Government. (It may be noted that the latter item is used as a statistical approximation of interest payments by foreign governments.)

Imports of goods and services as given are adjusted by adding personal remittances and deducting public-debt interest paid to foreigners.

A third subsection of the table summarizes net balances on goods and services according to the balance-of-payments and national income definitions.

A fourth quantifies the differences between the two definitions of international transfers. From the balance-of-payments measure we deduct military and nonmilitary transfers in kind as well as private remittances, and we add the net outflow of public-debt interest. It may be noted that these adjustments are the obverse of those made to the balance-of-payments totals for goods and services.

Finally, the table shows how net foreign investment can be derived as the net balance of exports less imports and transfers (by either the balance-of-payments or the national income definitions, since the adjustments merely rearrange items without altering the balance of debits and credits).

15. A detailed reconciliation appears in the *Balance of Payments Statistical Supplement* (Washington, U. S. Government Printing Office, July 1958, $1.00).

16. See *Foreign Grants and Credits by the United States Government* (Washington, Office of Business Economics, quarterly).

Foreign Aid by the United States Government, 1940–51, a supplement to the SURVEY OF CURRENT BUSINESS (Washington, U. S. Government Printing Office, 1952, $1.00) and annual articles appearing in the April issue of the *Survey*.

17. For international capital transactions, see table V–II in the Statistical Section.

18. See footnote 15 above.

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forward beyond 1954. (See discussion of this problem in Chapter 8.)

All these tables on construction and equipment outlays are essentially breakdowns of regular components of the gross national product. Related to them and utilized in estimating these components, but differing somewhat in categories both of goods and of purchasers covered, are the widely used OBE–SEC tabulations of new plant and equipment expenditures by United States business (table V–7). These are based on quarterly surveys which gather information on recent past and anticipated future outlays. The survey results are analyzed regularly in the SURVEY OF CURRENT BUSINESS, where a variety of supplementary material is provided to support and illuminate the standard industry breakdown. The latter breakdown is given in table V–7, where it represents industry-of-purchaser detail of the type required for the three-way classification just mentioned.

Sources and Uses of Funds

An analysis of personal saving in terms of estimated balance-sheet changes has been included in the national income statistics through a tabulation showing Securities and Exchange Commission estimates of personal saving and a comparison with Department of Commerce estimates. This tabulation is presented in a rearranged form as table V–9, with a shift in emphasis to bring out the totals and details of real and financial investment and of net borrowing.

Broadly paralleling this account of personal saving and how it is used are two regular OBE tabulations which deal respectively with the sources and uses of corporate funds and with capital transactions in the balance of payments.

The former (table V–10) sets corporate plant, equipment, and inventory investment in the perspective of the corporations' internal fund sources, long-term and other external sources, and changes in financial assets. It is a principal tool for the understanding of developments in investment finance.

The tabulation of the balance of payments on capital account (table V–11) is a section of the regular balance-of-payments statement published quarterly by the Office of Business Economics. It details the applications of United States investment funds abroad—including loans by the U. S. Government—and of foreign funds in this country.

Together, these three tables reflect most of the financial transactions involved in the flow of national saving to gross private and net foreign investment. As has been noted, they have not been articulated with one another. Because of definitional and statistical differences among them, cross-comparisons and other types of analysis involving the use of the three in conjunction are possible only on a very general level.

Capital in Manufacturing

The saving and investment part of the Statistical Section ends with a group of annual tabulations dealing with physical investment in manufacturing since 1929.[19]

In these, gross private purchases of structures and of equipment are given in current and constant dollars. Annual depreciation charges are measured on the basis of the same valuations (and also in terms of original cost). Net formation of structure and equipment capital is shown in current dollars and constant dollars as the difference between the purchase and depreciation series, and this measure is supplemented by correspondingly valued series on inventory change to account comprehensively for net tangible private capital formation in manufacturing establishments. Finally, estimates of net stocks of structures and of equipment are derived by the "perpetual inventory" method—i. e., essentially by differencing gross purchases and the depreciation accruing on them. These estimates, taken together with a series on total inventory holdings, give a complete picture of the real asset structure of manufacturing over the past 30 years.

The results of this study are key materials for an understanding not only of the changing composition of capital but also of its relationships to output, income, and employment. Illustrating some of the types of conclusions possible from these data are several which are discussed in detail—and with proper qualifications—in the November 1956 issue of the SURVEY: the shift in form of fixed capital from plant to equipment; the relatively greater growth since 1929 in the stock of capital than in the annual man-hour input; and the sharper uptrend in output than in the value of capital applied to production. (See Figure 27.)

Materials for Basic Study

All these newly introduced bodies of data may be viewed, in conjunction with those which were also included in earlier reports on the national income, as building-blocks for use in OBE's study of saving and investment.

One aspect of this study centers around the preparation of separate accounts for each of the major saver-investor groups. Into these will fit improved and mutually consistent versions of the tables on personal saving and its disposition, on corporate fund sources and uses, and on the capital transactions in the balance of payments.

Certain deficiencies of these tabulations from the standpoint of such use in their present form have already been noted. Various conceptual and statistical inconsistencies among them need to be resolved. The figures on fixed investment provide an important example. Involved here is the relationship between the plant and equipment survey data used in the personal and corporate fund-use tables, on the one hand, and the totals for construction and equipment spending which are included in the GNP, on the other. The basic source materials underlying these two sets of tables seem at times to conflict in the movement they indicate for fixed capital outlays.

Many of the other series included also call for more precise definition, and for strengthening of their statistical foundations both to reduce margins of error and to permit more adequately detailed presentation.

A coordinate part of the saving and investment project is aimed at developing measures of capital formation, consumption, and stocks in the economy along the lines indicated by the special tabulations here presented for manufacturing. The value bases and other aspects of capital change are to receive intensive study in this connection.

Further discussion of this project is deferred to the next chapter.

INCOME AND EMPLOYMENT BY INDUSTRY

In this section are brought together all the standard industry tables on the origins of the components of total national income, on the number of employees and their average annual earnings, on the number of persons engaged in production, and on corporate sales.

In addition, there is included for the first time a breakdown of depreciation charges for corporate business by industry and for noncorporate business by industry division. These new data have been much in demand for use in deriving "gross" variants of business and national income originating. Most of the values shown represent charges allowable for tax purposes, which reflect acquisition cost to the holder. Farm depreciation is presented on a replacement cost basis, however, and personally owned housing (in the real estate industry) is depreciated in terms of its original construction cost.

Work on alternative economic measures

19. Tables V–12 through V–15.

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of capital consumption has been initiated; because of the numerous theoretical difficulties and data gaps involved, the present concepts are the only one for which measures both comprehensive and detailed can be provided for some time to come.

Also included in this part of the Statistical Section is the quarterly breakdown of corporate profits by broad industry groups (table VI–10) to which attention has been drawn earlier. This is presented on a seasonally adjusted basis, incorporating the results of an extended study of typical quarterly patterns. Since these patterns are in general clearer and more consistent in data adjusted to eliminate inventory gains and losses, the seasonals have been removed using data so adjusted. Corresponding details for book profits are not available.

Quarterly profits are shown in total without seasonal adjustment and including and excluding inventory valuation gains in the final part (VII) of the Statistical Section, which also contains a variety of other supplementary tables.

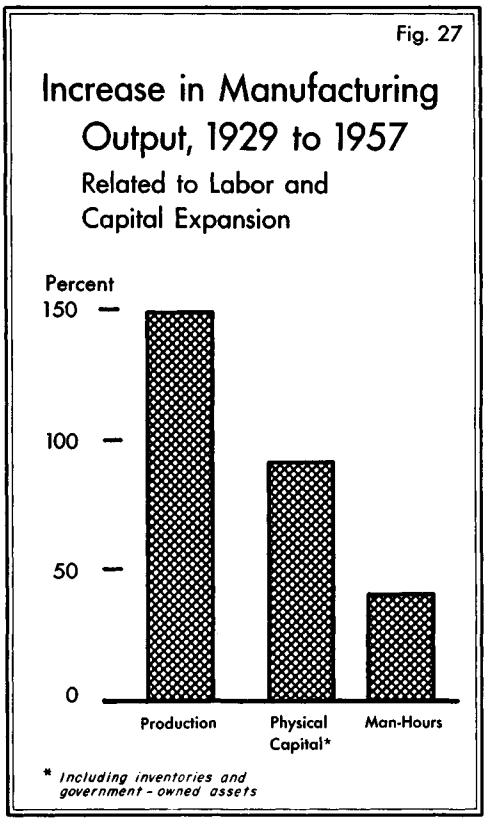
NATIONAL ACCOUNTS REVIEW COMMITTEE

Completion of the portion of OBE's work program discussed in this chapter covers most of the needs in this field that could be implemented with the resources made available for collection and processing of primary statistical data for national income estimation. These needs were reviewed with the National Accounts Review Committee that last year reported on the status of the United States economic accounts. Meeting these needs is an outcome of OBE's progress in recent years; this permitted what may appear to be a quick implementation of the Committee's recommendations.

The Review Committee, consisting of a representative group of economists connected with private organizations, was organized in late 1956 by the National Bureau of Economic Research, at the request of the U. S. Bureau of the Budget, to review and appraise the national economic accounts and present recommendations for their improvement. Its report was completed in the middle of 1957 and appears as an appendix to last year's congressional hearings on the national economic accounts.[20]

The recommendations of the NARC were based in part on extensive studies and investigations which it conducted on its own, including a canvass not only of the producers of the national accounts but also of the main groups of users, including business, labor, and university economists. In addition, the Review Committee took into account the results of the 1955 meeting of the Conference on Research in Income and Wealth, which was devoted to an appraisal of the United States national income and product accounts. To this meeting we contributed a detailed review of the conceptual basis of the official accounts, as well as discussions of the various proposals concerning these accounts which were made by other participants.[21]

Fig. 27



The recommendations of the Review Committee for the national income work can be grouped under three principal headings: Definitions of the major aggregates; presentation of the existing data and of various additional sets of estimates capable of early completion; and future developmental work desirable for the longer term.

Comment on Major Aggregates

The overall scope and definition of the major aggregates are scarcely touched at all by the many separate recommendations contained in the Review Committee's report. The measures of national income and of gross national product would be changed only to a minor extent—principally by the addition of interest paid on the debt of State and local governments, which is not included in our measures of the Nation's output. The Committee's proposal for this change emerged from a weighing of pros and cons involved in controversial theoretical questions of long standing, and is one with which we do not agree.

Personal income and disposable income, under the Committee's suggestions, would be changed only to include transfer payments to individuals from abroad—an item of very small magnitude which is now netted against the corresponding inflow (a component of consumer outlay). The practical reasons for not introducing this change have been noted earlier in connection with our discussion of the revised treatment of international transactions.

In this summing up of the Review Committee's recommendations with respect to their effect on the aggregates, we do not wish to imply that the individual Committee members regard the definitions which have been adopted in the national income and product accounts as representing a wholly satisfactory and fully settled state of affairs. The definition under which national output can most usefully be measured is in part a matter of judgment requiring some difficult and controversial decisions, and the Committee encountered a number of areas which always have presented problems to the national income technicians. In general, however, the Committee felt that the present handling of these areas was as adequate as might be expected pending further developments in the field. In a few instances it quite advisedly has recommended the provision of alternative, supplementary measures, in reflection not only of an unsettled state of professional opinion but also of the need for different measures to serve different purposes.

Shorter Term Proposals

While proposals of the National Accounts Review Committee would not alter significantly any of the basic aggregates, they called for certain changes in the detailed material. Improvements introduced in the present volume which may be considered to be in line with the major short-range recommendations of the Committee are referred to below.

Particularly to be noted among these is the 5-account system which introduces the statistical tables. The basic changes represented by this system, which are reviewed above, have been rather uniformly in the direction which found approval in the NARC Report. (As the Committee remarks, to a great extent the same principles

20. U. S. Congress. Joint Economic Committee: *The National Economic Accounts of the United States.* Hearings before Subcommittee on Economic Statistics, 85th Congress, 1st session, October 29 and 30, 1957, Washington, U. S. Government Printing Office, 1957. In this volume, a statement by Charles F. Schwartz, Assistant Director of the Office of Business Economics, sets forth OBE's development program showing its agreement with major recommendations of the National Accounts Review Committee.

21. See the paper by George Jaszi on "The Conceptual Basis of the Accounts," and replies to other papers, in *Studies in Income and Wealth*, Volume 22. Princeton University Press for National Bureau of Economic Research, 1958.

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were already embodied in the quarterly tables of the national income and product.)

It will be observed, incidentally, that changes in the categories of transactions distinguished have been held to a selected few in the present version, pending further study. The particular set of account stubs shown in Appendix A of the Committee's report—designated as "tentative and . . . not to be regarded as a specific recommendation by the Committee"—presents certain difficulties: e. g., it leaves no place in the system for national income and for corporate profits as such, and it calls for a redefinition of personal income which is not advocated in the body of the report itself.

The first group of tables in the Statistical Section of the present volume contains several innovations which bear on requests made by the Committee. One of these represents the fruition of OBE's work on the measurement of real gross product on a quarterly basis. The new tabulations of current-dollar and real gross product in terms of durables, nondurables, services, and construction may also be mentioned, along with those of GNP by producer group—nonfarm business, government, agriculture, etc. The former will, in the words of the Review Committee's report, "permit users to treat purchases of consumer durables and government outlays for structures and equipment as capital expenditures which increase the stock of material wealth," if they wish. The producer-group breakdown is one requested for use in analysis of output as related to employment and man-hours.

The extension of the current- and constant-dollar gross national product estimates back to 1909 likewise fills a long-recognized gap which was stressed by the Committee.

In the second group of tables, dealing with personal income and outlay, we have made several additions which relate to views of the NARC. Most noteworthy are the constant-dollar estimates of consumer expenditures for the major subcategories of durables, nondurables, and services, which are in line with the Committee's recommendation for finer breakdowns of the annual figures.

Among the additions made to the government tables, there are five which deal with subject matters of particular concern to the Review Committee. One is the functional classification of expenditures. The added object breakdown of government purchases is another. The systematic reconciliation of our measures of receipts and expenditures with those of the Federal *Budget* and the Census Bureau was specifically endorsed, and a wish was indicated for a quarterly measure of the Federal surplus or deficit such as we now provide. A fifth change—the reclassification of cash foreign aid to treat it as a transfer rather than a purchase outlay—is only partly in the direction of the Committee's preference.

With regard to this last point, we have not followed the Committee's proposal to extend the same treatment to aid in kind. One reason for not taking this further step of imputing a payment and a foreign purchase in the case of aid rendered in kind is that we doubt its analytical superiority—a doubt which seems to be reflected, with respect to the military-aid component which dominates the total, on page 199 of the NARC report. Also, there is the logical difficulty of restricting the notion of government transfers in kind once such a notion is applied to any purchased good or service.

As indicated by the earlier discussion in this chapter, we believe that the broader definition of foreign aid should be implemented statistically through supplementary tables, rather than in the main GNP statement itself. Therefore, in this case, and in two or three others which have been handled more summarily than in the classification scheme of the Review Committee's report, the new set of national income statistics contains the information required for a different treatment if desired by the user.

The quarterly and annual tables on foreign transactions in the national income accounts likewise include several features which have the effect of adapting them along the lines of preference of the Committee. Chief among these is the presentation of exports and imports of goods and services on a gross basis, with transfers and investment shown in their role as helping to finance such trade. Again—a minor point elaborated by the Committee—the inflows and outflows of public-debt interest are now isolated and treated like transfer payments.

The saving and investment part of the Statistical Section brings together the initial contributions to our major project under way in this field. This is a key area where the Review Committee joined others in calling for further progress in OBE's national income accounts.

Tables which incorporate rudimentary sector saving-investment accounts are shown for persons, corporations (other than banks and insurance companies), and foreigners dealing with the United States on capital account. Detail on real fixed investment is included for the first time, in the form of constant-dollar tables on construction activity and producers' durable equipment. Both these and the breakdown of plant and equipment outlay by industry of purchaser which is now introduced into the standard set of national income tables represent steps toward the three-way classification of fixed investment which the Committee, like ourselves, finds most important for analysis in this area. Finally, the special tables for manufacturing include much information—such as depreciation valued at constant cost and at replacement cost—which fits into the Committee's suggested program for improved measures of real capital and changes therein.

Developmental Work

As will be seen in the next chapter from our discussion of the needed directions of future research in national income, we find our views broadly consistent with most of the major suggestions which the National Accounts Review Committee makes for longer range developmental work—including in particular the pointed emphasis on more and better source data as essential for the effective implementation of such programs.

With respect to this latter basic requirement endorsed by the Committee, it is our hope that a broad Government program will be established to close data gaps and to speed up the production of primary information—steps which are necessary for significant improvement in the present national income and product estimates and for the success of developmental projects in this field.

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6. Directions of Future Research

A balanced program for national income work must have two main elements. One is to strengthen the statistical quality of the existing measures. The other is to improve the national income accounts conceptually and extend them to areas of the economy not now adequately covered.

Before we turn to a discussion of developmental work proper, it must be stressed that a major part of our effort will continue to be in the statistical area. Our plans here are shaped by the fact that the National Income Division is a processor rather than a collector of primary data. Its chief role is to point up significant data gaps and to promote and help design steps to fill them.

Such steps represent the key to any major improvement in the reliability of the estimates. An increase in the resources available to OBE for its processing function may also be expected to yield gains in accuracy. While limited by comparison with those possible from data improvement, these gains will nevertheless be very substantial in relation to the cost involved.

Similar comments apply to the proposals for developmental work. Continued advances may be anticipated with the resources now at hand, but adequate progress requires both an increase in the staff available for work directly on the national accounts and the gathering of additional statistical data.

Since resources are necessarily scarce, one must be selective in planning how to use them. There are, in our judgment, real priorities in the sequence in which desired objectives should be met. The projects that will be discussed in this chapter could become the elements of a balanced program, under moderately optimistic assumptions as to the supply of data and the staff for processing them.

In outlining the particular areas of research where we feel progress would be most desirable, we shall refer to the types of data improvement likely to be most helpful. This will permit a view of the work of the data-collecting agencies of the Federal Government in the light of what is needed for the development of the national income accounts. Obviously no detailed listing of data requirements is possible or necessary at this stage. Yet there are certain immediate or basic requirements that clearly should be stressed.

THE INVESTMENT PROCESS

The Office of Business Economics has for many years been engaged in the measurement and analysis of various aspects of the saving-investment process, a key element in the functioning of our economy. This work is being more closely integrated and extended further.

The core of the project, from the national income standpoint, is the elaboration of the saving-investment information now contained in the national accounts. The work involved here has to do with the improved measurement of saving and capital formation, on the one hand, and of the associated financial flows, on the other.

As in our work in general, we shall endeavor to present the new information in a conceptual framework well adapted to the needs of economic analysis. We also plan to give full attention to data problems. In the derivation of the new measures, existing sources will be used as intensively as possible, and needs for additional data programs will be formulated and brought to the attention of the Budget Bureau and of the data-collecting agencies. And, in deciding upon the detail in which the new measures are to be designed, we shall be guided closely by the adequacy and reliability of the primary information available to construct them.

It should be noted that the OBE saving-investment program includes a number of developmental and analytical projects which lie beyond the sphere of national income accounting *per se,* and which will therefore not be reviewed here. An important example is the strengthening of our program in the field of business anticipations, in which a rich harvest in terms of economic guidance has rewarded our past work.

Saving-Investment Accounts

The basic framework for tying the new information together will be a set of saving-investment or fund sources-and-uses statements for major economic groups, along lines which the National Accounts Review Committee viewed with approval in contemplating the directions to be followed in extending our work.

These statements can be viewed as deconsolidations of the present national saving-investment account (see table V–1 of the Statistical Section). In this table, the savings or surpluses of the major economic groups, carried forward from their respective current accounts, are matched by the various kinds of capital formation. The proposed accounts will be set up along the same general lines, but will also show transactions in financial assets and liabilities among domestic groups as they affect, or are influenced by, the real changes in saving and investment. These transactions —the means by which much of the national saving is effected and real investment made possible—cancel out when the accounts of the various groups are consolidated into a national statement.

Proceeding along institutional lines similar to those drawn in the present national income accounts, we plan to establish separate saving-investment or sources-and-uses accounts for individuals and for government. To these will be added similar accounts for nonfinancial corporations and for financial institutions. A statement covering international capital transactions will complete the set. Like the summary current accounts, the new saving-investment statements will be supplemented by a set of tables which will contain supporting detail.

Our present plans provide for informa-

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tion only on an annual basis. We shall, in addition, explore the possibilities of shorter term measurement; however, the statistical problems—stemming from the general insufficiency of the data, their lack of synchronization, and their seasonal variability—are very large.

The manner in which saving-investment information is to be provided within the framework of the national accounts has merely been sketched above. The following discussion will deal further with the economic groups to be distinguished, and with the measurement of their financial and real saving-investment transactions. The plans are subject to further specification and modification in the light of the conceptual work that remains to be done, and in the light of the data problems that will be encountered as we proceed in their implementation.

Treatment of Major Groups

As now defined, the personal segment of the economy covers nonprofit institutions and private pension and welfare funds along with consumer households. For analysis of the saving-investment process, it would be desirable to have separate information on these entities. There are several alternative ways in which the separation can be effected; these are being studied, taking into account the requirements of analysis as well as the statistical information available to implement them.

Another splitup of the personal saving-investment account that would be of great interest would separate the transactions of major types of families—families headed by farm proprietors, nonfarm entrepreneurs and wage-and-salary earners, for instance. The basic statistical information necessary to make these distinctions would be extremely difficult and costly to obtain, however, and there is little hope that it will become available on a regular basis in the foreseeable future.

In the absence of empirical data, attempts have been made to segregate entrepreneurial saving on the basis of a variety of assumptions—all of them, however, based on the common premise that it is possible to distinguish the saving-investment transactions in which an entrepreneur engages in his business capacity from those in which he engages in a personal or consumer capacity. We do not believe that the entrepreneur himself is aware of such a distinction; nor is such a distinction embodied in existing business accounting records. Accordingly, we do not plan to introduce this vivisection of the entrepreneurial personality into the national accounts.

The government fund sources-and-uses statement should be subdivided to distinguish Federal from State and local governments. This project and possible extensions of it will be referred to in our statement concerning research on the government accounts.

As to the further subdivision of the corporate nonfinancial group, we have done some work in the past on the breakdown of sources and uses of corporate funds along broad industrial lines, and hope to strengthen and extend this work in the national income framework.

The new financial sector that has been proposed likewise calls for further breakdowns. These should segregate, e. g., the saving-investment transactions of the commercial banking system and of life insurance companies, in their entirety or on a more selective basis.

In dealing with financial institutions, we shall have in mind the role of the national accounts as tools of general economic analysis. Information will be developed so as to shed light on overall business conditions; we are not concerned with additional financial detail, however essential it may be for other uses such as the technical analysis of the money and capital markets. The development of the latter type of materials is in the province of other agencies.

Financial Transactions

For the classifying of financial transactions, we shall need a uniform scheme for grouping financial assets and liabilities—one that is both useful for broad economic analysis and capable of being carried through the major accounts on the basis of the statistical information that can be made available. Needless to say, this general scheme should be supplemented (through the device of supporting tables) by additional detail of analytical interest for specific economic groups.

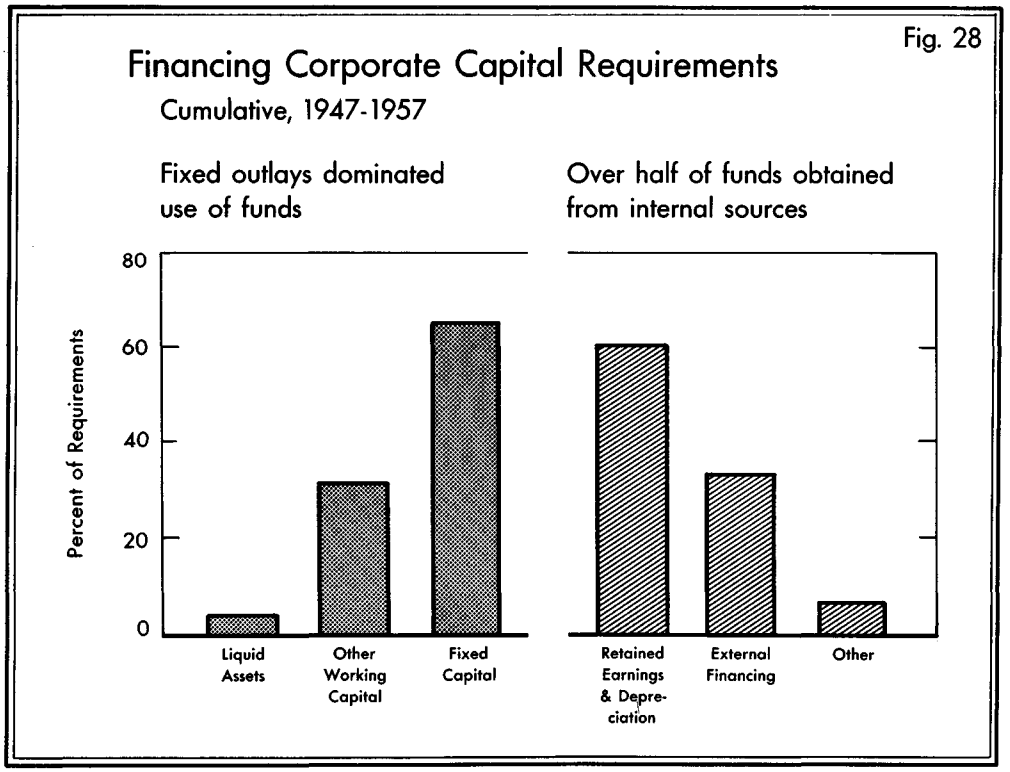
A kindred set of issues is concerned with whether transactions within such groups should be presented on a consolidated or a combined basis and the extent to which they should be netted or grossed. Here again, conclusions stemming from the requirements of economic analysis should be judged in the light of what is statistically feasible.

Tangible Investment

Our program proposal for measuring tangible investment calls for a comprehensive and consistent set of estimates of private fixed capital formation, with breakdowns of the national total by type of commodity (structure or equipment), by purchasing industry, and by legal form of investor. The estimates of inventory investment should also be improved. With a reasonable strengthening of present data sources along the lines suggested by our methodological review in Chapter 8, and some additional information from the plant and equipment survey, it would be possible to make real progress toward these goals.

The legal-form breakdowns of fixed in-

Fig. 28



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vestment which are proposed will link these series directly with the accounting framework outlined above. To the extent that data by legal form can be cross-classified by commodity and industry, the link will be improved. The data situation limits the possibilities in this direction, however, and the intrinsic analytical interest of such cross-classifications would not justify a major data-gathering effort.

Capital Consumption and Stocks

Another facet of our proposed work in the saving and investment area is the development of capital consumption measures supplementary to those now included in the national accounts. (This project, it will be noted, implies alternative series on net business incomes and savings also.)

As is well known, our present depreciation charges are mostly byproducts of income tax accounting. They are based on a valuation of capital equipment at its cost to the current owner. These values are depreciated on the basis of assumptions as to useful life and conventions as to time phasing which have no clear economic foundations and are, moreover, affected by such partly extraneous factors as changes in the income tax laws or their administration.

For many analytical purposes it would be desirable to put the measures of capital consumption on alternative valuation bases—for instance a current-dollar valuation which would make them comparable with the current-dollar series on gross capital formation, or a constant-dollar basis which would make them comparable with the constant-dollar series. Also desirable are measures utilizing time patterns of depreciation that are more realistic from an economic standpoint than the present conventional ones.

Needless to say, formidable conceptual and statistical problems are encountered in pursuing this line of inquiry, but it would be desirable to press forward toward estimates of net capital formation—and of the resulting net capital stocks—for the economy as a whole and for its major segments.

Consumers and Government

We have no plans for extending our present concept of capital formation to embrace consumer durables or structures and equipment acquired by government. Within the limits suggested by the potential uses of the results in economic analysis or imposed by the gaps in the basic information, however, we can probably elaborate our measurement of these items.

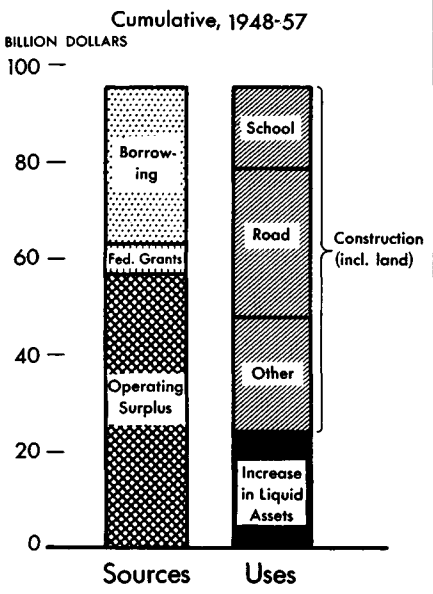
Judging from work we have done in the past (see the March 1943 issue of the SURVEY OF CURRENT BUSINESS), it would seem feasible to supplement our existing series on consumer purchases of durables with associated measures of current use, as reflected in their depreciation. These purchase and depreciation measures could then be used, together with available direct information, in making estimates of net stocks of consumer durables.

Fig. 29

State and Local Governments

Sources and Uses of Funds

Cumulative, 1948-57



As noted earlier, we have made some progress in segregating government purchases of structures and equipment (see tables VII–5 and VII–6 in the Statistical Section), and we shall urge improvements in data collection necessary to strengthen these estimates (see Chapter 8).

Data Sources

The tables assembled in part V of the Statistical Section provide a great deal of material for the integrated study of saving and investment just outlined. In particular, the tables on personal saving and its disposition (V–9), the sources and uses of corporate funds (V–10 and Figure 28), and the balance of payments on capital account (V–11) constitute the basis for the construction of the proposed saving-investment accounts for persons, nonfinancial corporations, and international transactions.

Additional work on these tables will be required, however, because, produced at different times for different purposes, they were not designed as parts of an interrelated accounting system. They must be made consistent with one another and with the national income accounts.

Also, it may be noted that these tables, as they now stand, are statistically quite rough in spots. Many of their deficiencies and inconsistencies, which began to emerge clearly only when they came to be viewed as parts of a whole, can be remedied even on the basis of existing information; intensive work along these lines is a major aspect of the saving-investment study.

Basically, however, the statistical quality of the tables will depend on the availability of new and improved data sources. Most of the data that are necessary are required also for the strengthening of the statistical foundations of our present estimates, as indicated in Chapter 8. Particularly relevant are the comments relating to capital formation and to business incomes—broadening the scope of the data-collection programs needed for the latter to refer not only to incomes proper but also to the surrounding balance sheet items. In the area of unincorporated business, especially, the information now available is weak.

The accounts for financial institutions will be based mainly on balance sheet information collected by the Internal Revenue Service and various regulatory agencies. The governmental account will be derived from Federal fiscal statistics and from State and local fiscal statistics as summarized by the Census Bureau. The principal data gaps are in the materials for certain types of financial institutions and for State and local governmental units.

A special statistical problem that should perhaps be mentioned, as common to the entire set of the proposed saving-investment accounts, is that of the "float"—broadly defined to include checks in transit, commercial instruments in the mail, and goods in the process of being shipped. This float threatens to disturb the synchronization of the various accounts even if the basic statistical information is quite reliable in all other respects. An effort will be made to sort out the accounting procedures giving rise to timing discrepancies, and to utilize existing information as well as to suggest new data programs that can be used to eliminate them.

Our major project to date in the estimation of variant measures of depreciation, and of net capital formation and net capi-

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tal stocks, is the study of manufacturing summarized in tables V–12 to V–15 of the Statistical Section. (See Figure 30.) Several types of information are needed before we can proceed confidently to the preparation of similar estimates for other major sectors and for the economy as a whole.

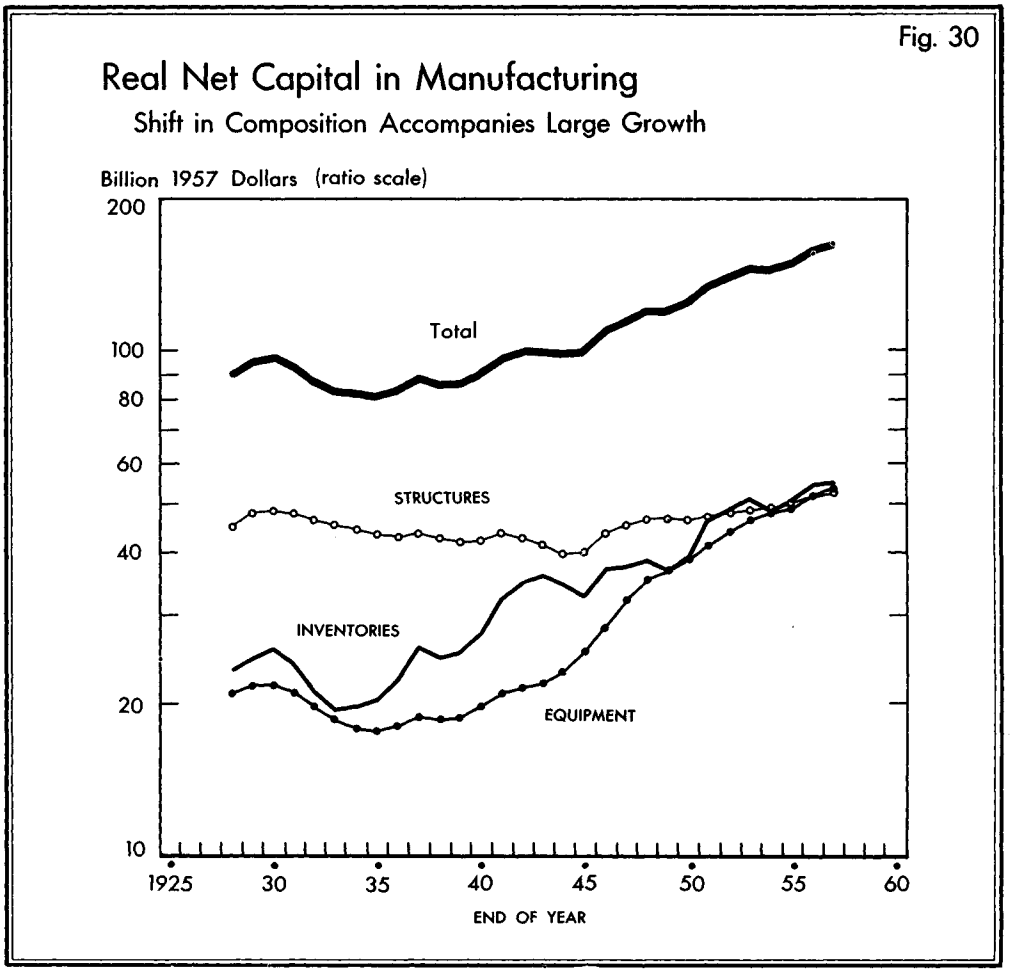
First, we need the comprehensive and consistent set of data on gross investment to which reference has already been made. Most urgently required are the commodity and industry breakdowns; the legal-form information would also be helpful.

Secondly, much more information is required on the length of economic life and on the time pattern of use of the various types of structures and equipment. The only comprehensive data now available on this subject are the tabulations in *Bulletin "F"* of the IRS. The appropriateness of this information has frequently been questioned.

Thirdly, improved price information is needed on capital goods items. Statistical study of these is hampered by the pervasiveness of extreme quality change stemming from technological progress. This whole aspect of price measurement is one in which definite knowledge is largely lacking. Even limited projects—such as a precise evaluation of the bearing of standard practices of price index number construction on the measurement of quality change—would be useful.

With information of the three types specified, it would be possible to make much better estimates of net capital formation, and of capital stocks based upon the perpetual inventory method, which involves the cumulation of successive increments of net capital change. Finally, it would be desirable to have periodic benchmark data on the existing stocks of various types of durable assets, against which the results of the perpetual inventory method could be checked.

Fig. 30



REAL PRODUCT BY INDUSTRY

The Office of Business Economics' basic measure of the real GNP (table I–2) is derived by deflating the various final products by appropriate price indexes. The breakdown yielded directly by the present methodology is therefore essentially one by type of commodity or service purchased. In the present report we have extended the hitherto published breakdowns of this kind by providing comprehensive series on total GNP by major type of product, and new detail relating both to real consumption and fixed capital formation.

This report also contains additional breakdowns of real product by sector or industry. Specifically, the total is subdivided into gross product originating in farm and nonfarm business, in government, in households and institutions, and in transactions with foreign countries. The procedures by means of which these estimates are derived have been discussed in Chapter 5.

This type of breakdown of the real GNP could be carried further by making comprehensive estimates of real national product by industry of origin. The precise industry detail in which the estimates should be prepared cannot be determined without further statistical experimentation. A reasonable goal, subject to modification in the light of the data situation, would be to make estimates for all industry divisions with some additional detail for manufacturing.

Double Deflation Approach

In principle, constant-dollar gross product originating in each industry should be determined by estimating the industry's sales and inventory change in constant-dollars and deducting from the sum of these its constant-dollar purchases of intermediate products from all other industries. If measures so derived are consolidated, inter-industry sales and purchases of intermediate goods cancel out, leaving total industry sales to final users plus inventory change—i. e., real GNP by type of product in its presently published form.

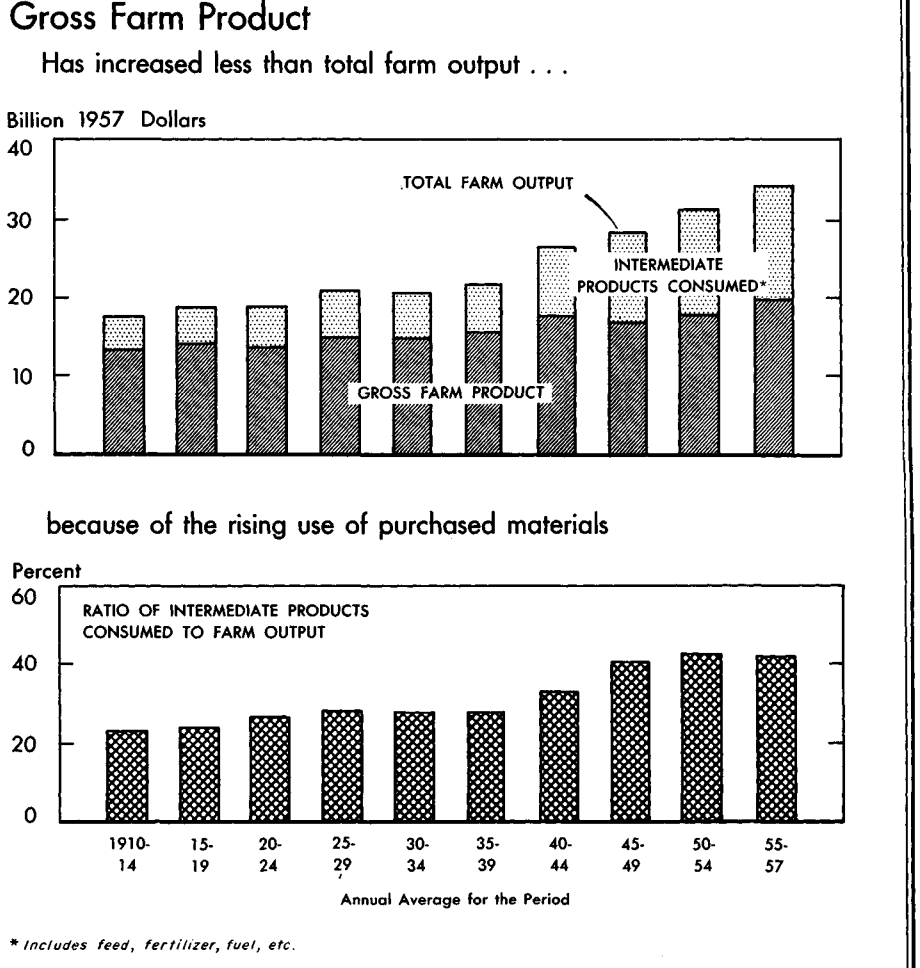
The OBE measure of gross product originating in farming (see tables VII–9 and VII–10, as well as Figure 31) represents pioneering work along these lines. More recently the Bureau of Labor Statistics has developed measures of a similar type for manufacturing. But the definition of

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"gross" adopted by BLS is not the same as the one underlying the gross national product, and the BLS measure also departs from the national income accounts framework with respect to its weighting system and in some other ways.

As part of the proposed measurement of real output, the methodology used for farming should be extended to other industries. Preliminary study indicates, however, that it will not be possible to universalize the approach in the foreseeable future. There are many industries for which data on sales, purchases, and prices are too deficient to permit the application of the full-fledged double-deflation approach.

Fig. 31



Conventional Measures

For industries to which the double-deflation approach cannot be applied, we can resort to conventional-type measures which reflect total industry output without deduction of the intermediate goods consumed. There is a great deal of evidence that this statistical shortcut will yield results that are tolerable approximations of the theoretical ideal.

Extant conventional-type measures of industry output will need adjustment to the definitional framework of the national accounts with respect to industry classification, weighting, etc., as far as possible.

For a number of industries output measures do not exist and would have to be constructed. These are generally lines in which conceptual problems of output measurement are particularly intractable (e. g., trade and the services) and in which the value and price or volume data necessary to make the calculations are sparse. A genuine contribution could be made in this area by a thorough sorting out of the conceptual problems and by an intensive utilization of the data sources at hand. Our present measures of constant-dollar GNP by type of product would probably be benefited as an incidental result of this work.

Data Needs

As in the case of other branches of national income work, the degree of success will be conditioned by the supply of primary data. While we believe that a useful measure of constant-dollar GNP by industry of origin can be constructed even with the present data, it is obvious that the accuracy of the results as well as the industry detail and time-breakdown in which they can be prepared will depend on the quantity and quality of the basic data.

To improve the conventional measure of total industry output and to calculate similar measures for industries not now covered, better value- and volume-data are needed on industry sales and production. These require a further extension and strengthening of the Census Bureau program of industrial census enumerations and sample surveys. Progress in the measurement of output as properly defined in the GNP framework—industry sales plus inventory change, or production, *less* industry purchases of intermediate goods—requires that improved information be compiled on the latter item as well. Finally, better price information specifically applicable to industry sales is needed for the shortcut approach, and for the full-fledged procedure comparable data relating to industry purchases are required in addition.

Some of these data needs are touched on in Chapter 8, with reference to the measurement of final product. In connection with the present project, the requirements are more extensive, embracing data for the estimation of intermediate product flows (and the prices applicable to them).

GOVERNMENT ACCOUNTS

With public receipts and expenditures assuming such an important role in the network of income and product flows, a great deal of interest focuses on the government accounts. A considerable amount of new information bearing on government operations has been introduced into the present volume. But much work remains to be done.

The functional breakdown of governmental expenditures shown in the Statistical Section represents a major step forward. As we have already pointed out, however, in this exceedingly difficult field further research is needed even at the conceptual level.

Object-class details of expenditure, which are needed in tracing the industrial impact of changes in the rate and pattern of government outlays, are better represented in the new set of tables than in the old set. It is clear, however, that the amount of concrete detail of this sort which is provided still falls far short of that required for systematic analysis. Improvement waits on the availability of better

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primary data. To be most useful, the new materials should be so classified as to facilitate their use in conjunction with statistics for other purchaser groups and for sales by producers.

Another important project in economic accounting for government is an analysis of the changes in financial assets and liabilities associated with the surplus or deficit. This undertaking is closely related to the saving-investment program outlined above. Besides the financial data, the latter will also bring together certain information on inventories, public construction and realty holdings, and public purchases and stocks of durable equipment.

Our summary account for government is in a sense a consolidation of the accounting records of many different governmental entities. As such, it can be made more meaningful by distinguishing the different contributions which the various types of public bodies make to the aggregates. Separation of State from local government transactions, for instance, would illuminate not only the differences in fiscal position which are characteristic of the two levels, but also certain associated fiscal relationships between them which have become very important in recent years.

Again, the special characteristics and significance of public enterprises justify more explicit accounting for these than is now provided in the national income and product framework.

Even within the broad categories of general government—Federal, State, or local—there are differences along institutional or organizational lines which call for separate treatment, in the interests both of economic and administrative analyses. It is clear that for their own purposes each such group of governmental institutions will require accounts elaborated in a different direction. However, as their accounting systems have developed in recent years—characteristically, toward greater utility for managerial and policy purposes as well as in their original function of enforcing fund accountability—certain common features have tended to emerge. Some of these have likewise been found to be appropriate from the standpoint of national economic accounting; and categories developed for the latter, in turn, have proved helpful for designing forms suitable for use by the public bodies themselves.[1]

In view of this evidence of a kinship of objectives, we see a fruitful field of work in the integration of the national income accounts for government with those kept by the governmental entities, and we hope to contribute to this work.

1. See United Nations, Department of Economic and Social Affairs, *A Manual for Economic and Functional Classification of Government Transactions* (New York, 1958).

REGIONAL INCOME WORK

The measurement of regional income should be extended on a limited basis to encompass areas of smaller size than the States, particularly metropolitan areas. The latter account for three-fifths of the Nation's total population and the establishment of income records for the larger, if not all, of them would constitute a valuable tool for market research.

It may be noted that two of the most troublesome features of local-area income estimation generally are bypassed or minimized in the case of metropolitan areas. First, farm income, which is extremely difficult to measure on a local-area basis, is either absent or of very small magnitude in metropolitan areas. Secondly, the "commuter problem" tends to be relatively less important. Certain income components (wages and salaries, in particular) are measured at the point of disbursement (place of work), while others (property income, for example) are estimated on a residence basis. This situation raises especially knotty problems in small-area income estimation, for where workers reside in one area and work in another the basic income data for such areas are partly on a "where-received" basis and partly on a "where-earned" basis. Adequate data to convert personal income wholly to either of the two definitions are lacking. However, the use of metropolitan areas as the geographic unit of estimation reduces the problem since commuting across boundary lines is generally not very great in the case of these areas.

County income estimation is conducted largely by State government departments and university bureaus of business research, which are in a good position to assemble data for their States, to explore local sources of information, and to carry out the very detailed analytical work required. The method generally followed is to secure total income as the sum of separately estimated components derived through allocation of OBE State-wide totals on the basis of the most relevant available data.

Serving as a guide for such work by those interested in particular geographical areas is a "pilot" study recently completed by OBE. This study was part of an economic base survey of the Delaware River Service Area we made for the U. S. Army Corps of Engineers. Covering selected years of the period since 1929, it provided estimates of total income by type and industry as well as per capita income. These were prepared not only for the service area as a whole, but separately for eight subdivisions. The figures for the subdivisions, in turn, were built up, for the most part, from detailed information assembled for the area's 49 counties.

The Office of Business Economics does not plan to engage in county-income measurement on a comprehensive or continuing basis. To compile income series for the more than 3,000 counties in the Nation would require a very large increase in personnel. Moreover, it would be costly to provide for and assemble here in Washington the basic data that would be needed in such a project.

INCOME SIZE DISTRIBUTION

The main objective of OBE in this field is to improve the annual distributions of consumer units by size of family personal income. Aside from limitations of a purely statistical character, the main shortcoming of these distributions is their lumping together of all nonfarm families into a single large and heterogeneous group. The most important step that could be taken to make the income-size materials more useful would be the construction of separate distributions for families headed by entrepreneurs, by wage earners, and by others. These three types of families differ widely from one another in their economic status and behavior and it would obviously be desirable to have separate data for each.

Another type of information which would be useful, especially for purposes of interpreting the causal factors behind changes in the size distribution, would be a breakdown showing the principal sources of income for the respective types of families at each income level. Illustrative estimates for all nonfarm families combined are shown in Figure 32.

The basic data needed to extend our estimates in these two directions are of essentially the same character as those required to improve the reliability of the present distributions. The suggested increase in the amount of detail provided by family type, and that on income sources, would of course call for statistically stronger basic data than do the summary estimates now published.

These summary figures are derived by integrating data from Federal individual income-tax return tabulations with statistics from Census and other sample field surveys of family income, and adjusting the results to control totals based on the OBE measures of the various types of personal income. Use of the tax return data requires so-called "matching studies," which relate the incomes of sample consumer units to the tax returns they file and thus provide a

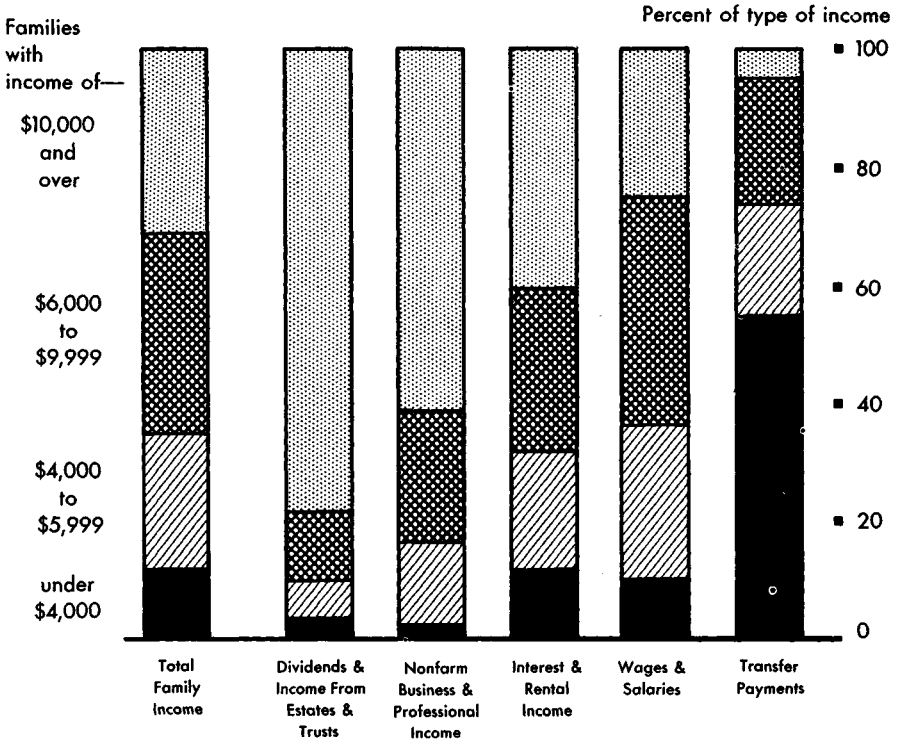
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means for converting distributions of tax return incomes to a family income basis. Also required are IRS audit studies yielding up-to-date information on underreporting of income to the tax authorities. The sample survey information requires improvement with respect to the handling of families at the lower end of the income scale and on farms. In addition, it should show in greater detail how the principal types of income distinguished in our control totals are distributed by family income level.

Fig. 32

Major Sources of Family Income

By Income Groups in 1955



Note.—Distribution is for nonfarm multiperson families by size of personal income before tax.

Primary data and resources permitting, it would be desirable to provide additional tools for relating our income distributions to the economic variables which are influenced by them, on the one hand, and to the causes that underlie them, on the other.

The most important project under the first of these headings would be one yielding estimates of taxes, consumption, and saving for the families in each income group. To carry out such a project adequately would require comprehensive new field surveys of the type which have been conducted, e. g., by the Bureau of Labor Statistics among the urban families in its *Survey of Consumer Expenditures* in 1950. Despite the improvements in reliability which may be expected from recent technical progress in the making of such surveys, experience indicates that the results as tabulated will diverge from the independently derived totals for the Nation. It would seem appropriate for the National Income Division to reconcile and integrate the survey-based distributions with these totals, as we now do annually with the basic survey and tax return data on the distribution of income.

As to causes, the family income distribution may be viewed as reflecting three factors, each of which in turn is determined by different basic economic forces and therefore deserves separate study. One is the distribution of individuals' receipts of specific types of income, classified directly by the size of such receipts. The second is the relative importance of the various types of income in the total. The third is the pattern in which individual recipients of the various kinds of income are combined into family units.

Information and techniques should be developed by which these factors could be isolated and their specific effects on the final family distribution traced and evaluated. About the first and last of them, in particular, not enough is known. The matching study called for above would cast light on how individual recipients are combined into consumer units. Key primary data on the size distributions of the various types of income should be obtained from tax returns and the decennial census schedules—mainly improved detail of each kind of income distributed by its own size and, for the tax returns, crossbreaks of employees' as well as proprietors' earnings by broad occupational groups.

Reference above to family personal income as the basis of our distributions should not be taken to imply final acceptance of this concept as the only one for all purposes. To the contrary, we should like to experiment with a number of variant bases—distinguished, e. g., by the inclusion of capital gains or by the exclusion of imputed items—which may prove superior in one connection or another.

More broadly, business practices in accounting for income naturally change over time, in response to tax legislation and other institutional shifts; and these changes affect our distributions. While it is not in general possible to make adjustments which will eliminate such effects, continued study of them is important for a proper interpretation of our statistics.

INDUSTRY SALES AND PURCHASES

The central objective of national income statistics is to depict the economic process in terms of interrelated income and product flows. The project to be discussed, like the preceding ones, would make a significant contribution to this goal. It differs from them, however, in that the resources required for its successful inplementation are on a quite different scale from those which would be sufficient to make substantial progress in the other directions that have been outlined.

Utilizing the accounts in their present form, we can study income as originating in production in the various industries, trace the way this income accrues to the major economic groups—businesses, consumers, and government—and see how this basic flow is modified by taxes and transfers. It is also possible to observe the spending of incomes, so modified, for current purposes (broadly defined to include personal consumption as well as government purchases of goods and services).

The channeling of the remainder of income—i. e., saving—into investment demand is not now shown in our tables. The study of saving and investment outlined earlier is intended to account clearly for this stage in the economic circulation, thus

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rounding out the statistical picture of how income is transformed into final demand.

To complete the depiction of the circular process, it is necessary to show the manner in which this demand in turn generates incomes in the various industries of the economy. The study of industry sales and purchases is intended to provide this link, by showing how final demand is translated into demand for the products—including intermediate goods—of the various industries.

The provision of this information within the framework of the national accounts would enhance their usefulness in the analysis of general business conditions. Also important, it would strengthen them in their capacity to throw light upon the effect of changes in total demand or its composition upon particular industrial markets. The analysis of changes in industrial supply and cost conditions would be facilitated as well.

To see more completely the essence of the new statistical information and its relation to the information we now provide, it is best to envisage it in terms of an operating account for each industry group selected for analysis.

The credit side of this account would show production as the sum of sales and inventory change, with sales subdivided into (*a*) intermediate products going to each of the other industries and (*b*) final products disposed of in each major market now distinguished in the regular GNP tables—consumer, fixed investment, government, and export. The debit side of the account would show purchases of intermediate goods from each supplying industry and from abroad, income originating (wages, profits, etc.), indirect business taxes, and depreciation and kindred capital consumption allowances. The sum of the last three groups of items, it may be noted, measures gross product originating in each industry.

Industry income and gross product, on the one hand, and direct industry sales in final markets, on the other, would thus be shown in their interrelation with the network of other industry sales and purchases. We would then have a basic framework for analyzing repercussions of changes in final demands not only on incomes generated in the industries directly affected but, also, through changes in the current-account purchases of these industries, on the income flows from other industries which contribute to the production of the final output.

The accounting relationships of the new statistical information to that we now publish emerge most clearly in terms of the consolidation of the industry accounts. Industry sales and purchases of intermediate goods would cancel, and (with imports netted against exports) the credit side of the consolidated account would show gross national product in its conventional form as the sum of sales to final markets and inventory change; the debit side would exhibit the same magnitude measured in terms of national income, business taxes, and capital consumption allowances.

The foregoing very general sketch may serve to bring out the essence of the new information and show how it fits into the present framework of the national accounts. Several more specific points should also be noted.

1. In the development of the new information, it would be simpler from a statistical standpoint to confine the cross-break by purchaser and seller to intermediate goods, showing the flow of capital goods by seller industry only, i. e., without providing a cross-classification by purchaser industry. The cross-classification by purchaser would be of great interest, however, and every effort should be made to obtain it.

2. Decisions have to be made as to the industry detail that is to be provided. For the purposes of the type of economic analysis to which national income statistics are best adapted, a reasonable goal would be a fairly aggregative type of presentation distinguishing major industry divisions and two-digit groups within manufacturing. It would be desirable, of course, to set the project up in such a manner that the totals shown would be capable of further disaggregation for uses in which this is necessary.

3. Benchmark calculations should be made for years covered by basic census enumerations, but the series should be maintained on an annual basis, although in a more condensed form if this is indicated by the limitations of the primary data.

4. The working out of a detailed scheme for handling transactions among industries poses several difficult issues. For instance, for many purposes it is desirable to depart from the depiction of the actual passage of commodities from producers to distributive industries and from the latter to final users. It may be more advantageous to show these users as purchasing directly from producers and as making separate payments to the distributive industries (equal to the gross margins these industries add to the cost of goods purchased).

Similarly, for some purposes it is desirable to show the amounts of raw materials consumed during the accounting period, rather than the amounts purchased, by the various industries. (As can be seen, this modification would involve opposite adjustments in the industry measurement of inventory change.) Similar departures from the actual flow of goods and services are indicated for some uses of the statistics in the case of secondary products and imports. These and other procedures should be carefully reviewed in the light of the major analytical uses to which the figures are to be put and of the primary data available to make the estimates.

Data Gaps

It should be stressed that a large body of additional facts is needed to produce reliable estimates of the type outlined. Many of these facts represent further, detailed elaboration of basic information which has not so far been produced in a satisfactory fashion even in the summary form in which it is needed for the present national product estimates.

The latter needs have been indicated in Chapter 8 in the discussion of our consumption and capital formation measures. The requirements of a cross-classification of purchases and sales among industries are the most exacting, because this involves the most comprehensive and articulated presentation of product flows.

No attempt will be made here to outline in any detail the data necessary to carry out the project. The most important data sources are the Census of Manufactures and the Annual Survey of Manufactures, and this reporting system should also be used to provide much of the additional information that is required. Broadly speaking, we need information on manufacturers' sales by type of purchaser, improved information on materials consumed and on investment by industry, and improved data on the product detail of shipments. Similar information will be required for nonmanufacturing industries; it should be obtained mainly through regularization, integration, and expansion of the Census program. Moreover, the problems met in deriving a consistent industry classification of national income on an establishment basis (see Chapter 8) also arise in the present project. In terms of the new industry accounts that have been sketched, what is involved is a measurement of income originating that is consistent both internally and with the surrounding sales and purchases estimates.

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7. Summary Evaluation of the Postwar Estimates

The two chapters in this part of the volume deal with the statistical foundations of the national income and product estimates.

Following a general discussion of the scope and results of the statistical revisions that have been introduced, an account is provided of the data and procedures used in preparing the new postwar estimates. This covers each of the principal income and product components, both annual and quarterly. At the end of Chapter 8 we list the major deficiencies in the basic data sources available for national income work, and give recommendations as to how these sources could be strengthened.

This focus on methodology and revisions is desirable because a knowledge of them is necessary for an assessment of the reliability of the national income and product estimates. It is obvious that such an assessment is of first-order importance, both from the standpoint of facilitating informed uses of the figures and of promoting further improvements in them. However, the fact that it must derive primarily from a knowledge of the statistical basis of the estimates perhaps requires elaboration. This can be set forth briefly through a series of generalizations drawn from fuller discussions of this general subject which have been included in our previous national income bulletins.

ASSESSMENT OF RELIABILITY

Statistical data on the United States economy are not collected in the framework of a coordinated program designed for income and product measurement. Our estimates must be constructed from an extensive array of diverse information which for the most part is not directly or wholly suitable for this purpose, and which must be processed to adjust for differences in definition and to fill gaps in coverage. Although basic information is drawn from numerous private sources, the mainstay of the national income and product estimates is government-produced statistics; these include not only censuses and other general-purpose economic information, but also many types of data that become available from government agencies as a by-product of their administrative functions.

The essence of OBE's task in the national income field is to assemble these relevant diverse data and to adjust them, through estimation, in a step-by-step buildup of the income and output measures. Such a detailed statistical approach is followed chiefly for the purpose of maximizing reliability.

The reliability of the national income and product estimates cannot be assessed quantitatively. These estimates incorporate a great deal of basic data which may be presumed from their general characteristics to be "reliable," but for which the extent of accuracy cannot be specified in exact terms. Beyond such data, the area of uncertainty widens. For they are buttressed by countless other data of differing quality, scope, and relevance; and resort must also be had to indirect procedures in the attempt to overcome the gaps or deficiencies in the statistical source materials available for national income estimation.

It is to be stressed, too, that to know the degree of probable error in individual figures would not be sufficient. More often than not, the concern would be with the error in relationships among the figures, particularly over time. Throughout the period since 1929, the amount and quality of basic data have varied widely among the various income and product components.

Since, then, the degree of error in the national income and product estimates is not subject to quantitative determination, the assessment of reliability must be based in large degree on an analytical appraisal of the data and procedures underlying the estimates and of the record of revisions. The primary aim of the methodological descriptions contained in the present volume, as well as in the preceding income supplements, is to provide the basis for such appraisals. The endeavor is to portray the essential character of the estimates—focusing on those aspects which bear most directly on accuracy—and to provide our frank judgments concerning the adequacy of the various series.

To round out the points which have been sketched above, some further observations should be made:

No other approach to national income work would make feasible the assessment of error mathematically. Suppose, for instance, that—in sharp contrast to present procedure—the national income and product measures were derived wholly from samples. Quantitative expression of "probable error" would then be possible. In itself, however, this would involve an estimate, and hence measure of uncertainty, because of a lack of knowledge of the true universe and its composition; and, more important, it would not cover errors due to faulty reporting of information by respondents, negligence on the part of enumerators, etc. The errors stemming from such sources may in practice be larger than those which are attributed to sampling itself. Moreover, they are most difficult to determine and hardly ever can be quantified.

Inability to measure error is not, of course, confined to the field of national income but encompasses the entire range of economic statistics. It is also relevant to note that work in national income—in fact, in the social sciences generally—seldom requires a rigorous specification of probable error. Further, studies in these fields do not depend for their validity and usefulness on statistics having a high degree of exactitude. The national income and product figures are of generally good quality and, despite the inevitable margin of error in them, are found widely useful in economic analysis.

Of final note, analysis of reliability on any detailed and comprehensive scale is seldom, if ever, called for. With respect to most specific applications of the national income and product estimates, reasonably careful study of the relevant descriptions of methodology and concept will give a clear indication as to whether the estimates are suitable for the intended use.

Such a study will usually prove rewarding. It will lead to more effective utiliza-

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tion of the data by channeling them into uses warranted by their nature and degree of accuracy. It will also forestall many misapplications of the data as, for example, when the informed user becomes wary of drawing seemingly significant conclusions from small changes in a series which are obviously well within the margin of error.

We turn now to a discussion of the statistical revisions which have been incorporated into the present volume.

STATISTICAL REVISIONS

Recent-year estimates of national income and product are based on incomplete data and are revised as additional information becomes available. For most components there is a significant basis for revising the initial figures. An important example is furnished by those components, such as business earnings and inventories, which are affected by the lag in the availability of tabulations from Federal income tax returns.

Periodically, statistical revisions must extend further back to incorporate census information obtained at intervals which can range up to 10 years. Such benchmark information finds widespread use in our work, especially in building up the product side of the accounts. Finally, in certain instances improved sources and/or methods may become available which call for revisions over an even longer period of years.

Scope of Current Revisions

In this report, our estimates have undergone a major review occasioned principally by the availability of tabulations from the 1954 Census of Manufactures and Census of Business. These sources have been utilized to prepare new benchmarks for consumer commodities and producers' durable equipment, according to the "commodity flow" procedure. They yielded requisite benchmark data also for numerous individual series of consumer expenditures for services. While the 1954 censuses thus afforded a comprehensive basis for making necessary revisions of the gross national product, they had limited effect on the national income. The latter is dependent on industrial census data only in minor degree; in the main, it rests on statistics collected under the administration of the social security and Federal income-tax systems.

The preparation of new benchmarks for important components of the gross national product for 1954 meant that our tables had to be "opened up" for a back period of years, so as to provide—by means of "interpolation"—annual series for those components which tied in with both these benchmarks and the previous ones for 1947. Therefore, the opportunity was taken to revise our estimates on a broad scale—to incorporate also noncensus data which had become available since the last major revision four years ago, and to carry through desired improvements in estimating techniques.

The series on corporate profits and business and professional proprietors' income were significantly affected by this extension of the scope of the revisions; the estimates of wages and salaries were strengthened for several of the industry groups and refined in still other respects; special revisions of farm income, embodying Census of Agriculture data, were prepared by the Department of Agriculture; the revisions of residential construction which were issued last year by the compilers of the data were incorporated into the GNP; and other improvements were effected as all of the many income and product components came under careful statistical review and appraisal and were altered wherever there was felt to be an appreciable need.

In addition to this more basic revision of a periodic nature, the previously published national income and product figures were subjected to the same kind of current review and alteration as are regularly associated with the July National Income Number of the SURVEY OF CURRENT BUSINESS. In this, revisions of recent-period estimates—usually covering 3 years—are incorporated on the basis of statistical information becoming available during the past year.

The statistical changes which are presented in this report extend from 1946. We went back that far in order to take account of revisions in the residential construction and farm income series. A few other components have been modified for 1946 and 1947, but for most the changes begin with 1948.

A reworking of the figures before 1946 was not undertaken because the case for doing so was not compelling. We revised back to 1929 in the 1954 *National Income* supplement, and any further changes at this time would have fallen generally in the category of minor refinements, since the basic data available for the earlier period already have been mined rather thoroughly. Also, we were mindful of the inconvenience which revisions, whatever their merit, cause the users of the statistics.

All in all, we have attempted to put the national income and product estimates for the entire postwar period on as solid a statistical footing as is possible at the present time. This generalization applies not only to the annual figures, but also to the quarterly series, which likewise were reviewed comprehensively and in a number of significant instances basically recast as to statistical methodology.

As a result of this work, the statistical basis for estimating the GNP was put substantantially on a final basis through 1954. The component estimates through that year now incorporate a very large bulk of the basic data that may be expected from present statistical sources. The principal exception relates to consumer expenditures for services, for which one-third or more of the total awaits another decennial benchmark from the 1960 Census of Population and Housing. Also to be noted is that data collected in the Census Bureau's 1956 National Housing Inventory called into question the post-1950 estimates of residential construction, and that the issue—as discussed later—has not reached definitive solution pending a necessary special survey.

For the year 1955, the status of the GNP figures is about the same as that described for 1954 except that the estimates for consumer commodities, and probably producers' durable equipment, will be affected somewhat by the future incorporation of results from the 1958 manufacturing and business censuses. The estimates of gross national product for 1956 and 1957, especially the latter, are decidedly more preliminary.

The basis for revision of the national income is likewise rather complete through 1954 and 1955, with subsequent-year figures more tentative. The farm income series, however, may be revised further in the light of studies now in progress; and there is always the possibility that for some other components new data may become available to suggest a modification of the past record. This latter generalization, of course, applies to the entire range of statistical series covered by the field of national income and product.

Overall Results

It is time now to ask what this substantial volume of revision work has contributed to knowledge about the reliability of the national income and product figures. What has been learned about the statistical basis of the estimates from this most recent effort to improve them? We shall pursue this question along general lines, and against the background of our previous experience; the provision of specific information about statistical problems and methodology, and about the extent to which the component series have been altered, is reserved for the next chapter.

In the 1954 *National Income* supplement, after having completed a similar statistical review, we reported that the revisions which had been made in the initial estimates of national income and gross national product were very moderate—generally less than 1 percent. The results this time are similar.

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For the years 1946–54, the differences between the new income and product aggregates and the figures they superseded are quite small. For the subsequent period, the revisions are somewhat larger, though still moderate—as exemplified by the GNP for 1957, which at $440 billion on the new basis exceeds the previous figure by $6 billion, or somewhat more than 1 percent. This increase in level dates largely from 1955, with the revised estimates serving to accentuate the picture of strong recovery already shown for that year. The 1955–57 expansion in GNP, as well as in the income flow, recorded by the revised figures is closely similar to that previously measured.

In the new estimates of gross national product, the incorporation of 1954 census data and of other information resulted in a replacement of components forming about two-fifths of the total. The smallness of the percentage revisions in aggregate GNP thus constitutes favorable evidence regarding the quality of the extrapolating procedures that are used pending the availability of census information.

We would first point out that an outcome of this general type had been expected. This was because the national income, which is a reliable measure dependent on census data only in minor degree, had confirmed the gross national product estimates in the interim period—through the moderate size of the statistical discrepancy. The advantages of estimating income and product flows in an interrelated accounting framework are clearly apparent in this connection.

But this favorable outcome, although anticipated, must be qualified. First, while the revisions of total GNP were moderate, the underlying statistical situation is not so adequate as might be implied. As the next chapter explains, we encountered certain difficulties in the estimation of consumer expenditures and producers' durable equipment, and found it necessary to make reductions totaling $4½ billion—or a little over 1 percent of GNP—in the initial calculations of these series for 1954 when collateral information indicated they had turned out too high. While we are reasonably sure that the decisions made in this connection were in the nature of improvements, the implications for reliability of the GNP are not the same as if the total had been added up directly from benchmark information not subject to significant limitations.

A second qualification stems from the fact that extrapolating errors were generally larger in components than in the total GNP. In itself, this fact conforms with a well-known tendency in national income and other fields of estimation, and hence is not surprising. In the work just concluded, however, the revisions in numerous component series were quite sizable, and the results on this score were less satisfactory than in 1954.

A third qualification regarding the moderateness of revisions in the GNP total relates to a point already noted—that not all of the basic data that are relevant to its calculation have yet become available. However, setting aside the estimates for the most recent year or two, consumer expenditures for services are probably the most "preliminary" major component; on the basis of past experience, subsequent revisions in this series are unlikely to have substantial effect on the gross national product total.

Implications for Reliability

The results of the revision work noted above may thus be said to have a twofold implication for reliability of the estimates.

First, they confirm our belief, expressed on page 64 of the 1954 Supplement, that "the estimated annual totals of gross national product, national income, and personal income are subject to only a small percentage of error." In this connection, it is well to remind that an error of $4 billion, while large in an absolute sense, is still only 1 percent of our greatly expanded GNP.

At the same time—and this is the second point—the state of the basic data for estimating some components of gross national product is a source of definite concern. The statistical review of the postwar figures pointed up an impreciseness in the overall totals of consumer commodity expenditures and producers' durable equipment; and, beyond this, the revisions in numerous parts of these important GNP components were sizable. The next chapter includes a discussion of the difficulties encountered in these phases of the work, and of the steps that have been taken to help remedy the deficiencies and to minimize errors. The success achieved in this direction could only be partial, and there remains a clear need for better statistical data on certain of the product flows.

Other lessons derived from this comprehensive statistical effort may be commented upon briefly. One such lesson serves simply to affirm the advisability of the step taken 4 years ago in reducing the amount of detail shown for personal consumption expenditures, net income of unincorporated businesses, and several other series. A primary reason for this move was the fact that the basic data situation had not improved in line with our expectations in 1947 at the time the original system of tables was established.

How much detail to publish or release is, of course, a problem of long standing. We have reexamined this problem in connection with the expansion of statistical tables for this report, and have attempted to strike a balance between the needs of analysis, on the one hand, and the undesirability of issuing weak estimates, on the other. The material which has been added is believed to be sufficiently reliable when used appropriately. Provision of any significant amount of additional detail must await further development and improvement in the basic data.

In actual fact, the national income and product series are published—and have been in the past—in somewhat greater detail than is warranted by the statistical reliability of some of the ultimate components. While it would be hazardous to attach precise significance to the level and movement of these components, offsetting errors make it feasible to recombine them into reliable subtotals differing from the published ones and better adapted to serve specific types of economic analysis. It is in order to facilitate such judicious recombinations that some of the estimates (in particular, recent-year detail on the industrial origin of some of the income shares and on the product breakdown of some of the consumer commodity and service flows) are published, and one should be aware that the use that can be made of these series in isolation is limited.

There is one more observation to be made regarding the further experience gained in this latest work—namely, that it has underlined the fact that the measurement of income and product on a less-than-annual basis encounters a number of difficulties that are particular to short-term estimation. To use the quarterly and monthly measures effectively, one should be aware of their characteristics. The description of these measures which is provided in the next chapter is intended to be of some help in this regard.

Conclusion About Revisions

In conclusion, the preparation of this volume has served to reaffirm our belief in the manifold usefulness of the national income statistics. Inadequacies in these statistics have seldom proved of material consequence from the standpoint of general economic analysis. The estimates of national income and product have given a comprehensive view of the performance of the economy which in no major sense has been altered by statistical revisions.

Nevertheless, the work on this volume has pointed up a number of areas in which the figures require strengthening in order to improve their usefulness for more particular purposes. This strengthening is especially desirable in view of the increasing demands which are being placed upon the income and product estimates. It can come about only through the provision of better basic data—the raw materials from which the estimates are constructed—and this, in turn, would appear to be quite feasible.

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8. How the Estimates Were Made

The broad purpose of this chapter is to advance knowledge about the reliability of the GNP and national income measures through a discussion of the sources and methods used in deriving their components. We shall report on the statistical problems which were encountered in making the postwar estimates embodied in this volume, and how these problems were handled.

The 1954 *National Income* supplement [1] contains a full account of the methodology employed in estimating the various income and product components. Given this background, our present purpose will be served best by bringing the 1954 description up to date on a summary basis—amending it or revising it wherever necessary, and pointing up those aspects of the postwar methodology which bear particularly on the quality of the estimates.

Scope of chapter

We shall take up first the annual gross national product estimates; then, the various components on the income side of the accounts. The third section covers the quarterly and monthly series, and contains information on methodology not previously recorded in any of our bulletins. The chapter concludes with a listing of major data gaps brought out in this review of the postwar income and product series, together with recommendations for the elimination of these deficiencies.

The ensuing account of methodology does not deal with either the State income or size distribution series. The statistical basis of the former is covered fully in our recent volume on *Personal Income by States Since 1929*. In that volume, a summary discussion of the derivation and reliability of the State series is provided as part of the chapter titled, "A General View of the Estimates"; and this is followed by a detailed explanation of sources and methods which serves to document the earlier overall appraisal. A careful description of the basic methodology used in the size distribution estimates may be found in the special supplement, *Income Distribution in the United States,* and this was up-dated in the April 1958 SURVEY OF CURRENT BUSINESS.

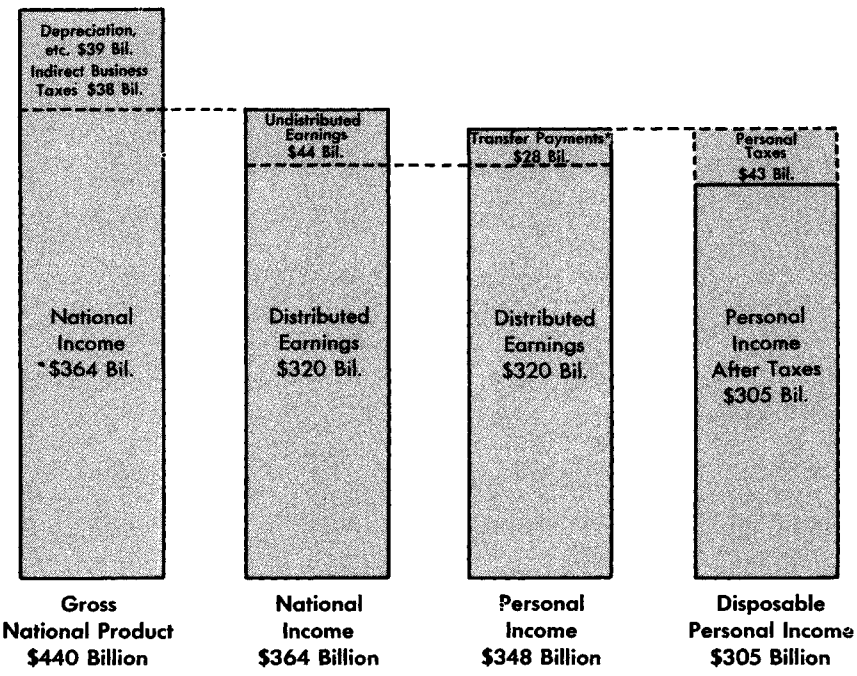
New IRS report

On the whole, data sources for estimating the national income and product have remained much the same in the past few years. Such specific changes as have occurred are noted below, but one new valuable source of information which was designed to strengthen several components of the national income accounts may be singled out at this time. Reference is had to *Business Indicators,* a series of reports by the Internal Revenue Service which was initiated in the spring of 1958 for the purpose of providing an advance release of key statistical information regularly published in *Statistics of Income.*

The Business Indicator reports issued this year provided data for 1956, classified by industry groups, on net income, sales,

Fig. 33

Relation of Income and Product Aggregates, 1957



* Including $6 billion of net interest paid by Government

1. *National Income—1954 Edition,* U. S. Government Printing Office, Washington, 1954, $1.50.

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taxes, inventories, and other items taken from the Federal tax returns of corporations, sole proprietorships, and partnerships. These tabulations, which were made available more than a year ahead of the regular schedule, were derived from samples used to produce *Statistics of Income* benchmarks.

The specific industries and items selected for *Business Indicators* were those for which "adequate and timely data are not available from other Government sources and could be obtained at a minimum cost from returns filed with the Internal Revenue Service." On the basis of these criteria, agriculture, forestry, and fishery were excluded from unincorporated businesses, and manufacturing from corporations. The main points of note here are that the Department of Agriculture is the regular source of the necessary estimates for farming, and that the Securities and Exchange and Federal Trade Commissions, through their Quarterly Financial Survey, furnish current sample-based data for manufacturing similar to the special tabulations for nonmanufacturing corporations derived by *Business Indicators.*

The precise degree of reliability of these new data will not be established until a comparison between them and the final tabulations from tax returns is available for a number of years. But there can be little doubt that they represent a substantial improvement over the type of interim information that had to be utilized until now.

Strengthening the Gross National Product Measure

The statistical review of the gross national product, as already indicated, centered mainly in personal consumption expenditures and producers' durable equipment. Following a description of this larger task, we take up the changes found necessary in the other components.

For residential construction, the revisions embodied in the new data issued last year, and now incorporated into the GNP, were sizable. For business inventories, foreign transactions, and government purchases, however, the statistical modifications were, on the whole, relatively minor.

CONSUMER EXPENDITURES

The 1954 Census of Manufactures and Census of Business provided an extensive basis for the preparation of new benchmark figures on personal consumption expenditures. The revision work on consumer expenditures for 1954 may be viewed as consisting of three phases:

1. The "commodity flow" method was used to derive estimates for individual commodity groups which together formed over four-fifths of total consumer commodity expenditures. This method earlier had been applied biennially for odd-numbered years of the 1929–39 period and for 1947—years for which a Census of Manufactures, the prime requisite statistical source, had been taken.

As described in the 1954 *National Income* supplement, the commodity flow procedure involves numerous estimating steps. In broad outline, these entail securing commodity data at producers' prices on the output of factories, farms, and fisheries; segregating for each commodity the portion of total output not requiring further processing, and destined for personal consumption; and then passing from finished output at producers' prices to final costs to consumers by tracing the commodities through the various stages of the distributive system. Of necessity, the commodity flow method depends on the periodic industrial censuses—including those of retail and wholesale trade—to provide most of the basic information for separating consumer commodities from total output, tracing their flow, and measuring their costs of distribution.

2. For a large number of individual items of consumer expenditures on services, benchmark estimates were prepared for 1954 on the basis of information collected for that year in the Census of Business. Such items make up about one-sixth of aggregate consumer outlays on services.

3. All component series of consumption expenditures, both commodities and services, not affected by the availability of 1954 census materials were nonetheless given a careful statistical review. While the importance of this part of the work should not be exaggerated, many such series—particularly in the area of the services—were improved through the incorporation of data which had become available since the last major revision 4 years ago. A significant example is afforded by the professional services category, where Internal Revenue Service tabulations of the sales of proprietorships and partnerships were utilized to indicate the movement of consumer expenditures. And a particularly noteworthy improvement centers in the development of new figures on the automobile "allocation"—the proportions by which total (private) sales of passenger cars, gasoline and oil, automobile repairs, and certain other items are subdivided between consumers and business.

Adjustment of the Total

In general, then, it may be said that personal consumption expenditures for 1954 were revised by the usual methods. The processing of Census of Manufactures and Census of Business data largely followed established procedure; as compared with the revision work that was done 4 years ago, the study of automobile allocations was the principal new feature.

Some of the more specific aspects of methodology underlying the new 1954 estimates of consumer expenditures will be described presently. We discuss at this time the broader problems that were encountered in the estimates.

The first difficulty arose when the numerous separately estimated items of consumer expenditures were added up for 1954 and the resulting total appeared too high. As will be seen, the problem was not major in terms of the broad aggregates of personal consumption and gross national product, particularly since a reasonable solution of it became evident. Its impact within the accounts, however, was more substantial—as, for example, with respect to its implications for the personal saving estimates. Our explanation of the handling of this matter, which involved fairly technical issues, is developed at some length in the interest of clarity.

APPRAISAL OF THE PROBLEM

After the estimates of consumer expenditures for the individual series had been totaled for 1954, and then fitted into the national income accounts, two results were immediately apparent:

1. The "statistical discrepancy" was a sizable positive figure, indicating that gross national product as estimated from the expenditure side of the accounts exceeded gross national product derived as the sum of incomes and other charges.

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2. The difficulty appeared to center in an imbalance between income and consumption. This was indicated by the fact that personal saving obtained by subtracting personal consumption expenditures from disposable personal income was considerably lower than the direct estimate of personal saving prepared by the Securities and Exchange Commission, whereas the latter was closely approximated by the OBE "alternative estimate" of personal saving. With reference to table V–1 in the Statistical Section, this alternative series is equal to gross investment less government surplus and less gross private saving other than personal saving. Statistically, it is obtained most readily by adding the statistical discrepancy to the more conventional (income less consumption) measure of personal saving.

At this stage, a detailed statistical review of the entire set of income and product estimates was undertaken. This, however, did not appreciably affect the initial results. That is, our reexamination of the individual income and product series in the attempt to trace the source of the statistical discrepancy did not uncover substantial instances in which the initial methodology was regarded as faulty.

The problem thus remained, and in approximately the same dimensions. We were faced with two possible courses—to permit the estimates to stand, that is, to publish them with their obvious blemishes; or to adjust the figures so as to eliminate what we considered, upon analysis, to be the source of difficulty even though it could not be located specifically, or demonstrated in terms of actual statistical methodology. The latter course seemed clearly preferable; and the decision was reached to bring the national income accounts into better conformity by reducing the initial estimates of consumer expenditures. We may spell out to some extent the considerations that led to this decision.

First, we accepted as being probably correct the above-noted indication that the statistical discrepancy reflected estimating errors in the general area of personal income and expenditure. An opposite conclusion would have implied that both the SEC direct estimate of personal saving and the OBE "alternative" estimate were grossly in error, despite their good agreement with each other; and that the statistical trouble spot in the figures was in the area of gross investment and nonpersonal saving—a situation which seemed less plausible than that entailed in the assumption that the principal error lay in the personal saving estimate derived as the difference between disposable income and consumption.

The latter estimate, because it is obtained as the residual between much larger totals, is subject to substantial percentage error. The OBE "alternative" estimate of personal saving is also a residual measure. It is not possible to say which of these two residuals, in general, is likely to be the more reliable, although in the present instance of the 1954 estimates we were inclined to favor the "alternative" estimate upon consideration of the statistical quality of the income and product estimates involved. With regard to the SEC measure of personal saving, which is provided through direct estimates of changes in the assets and liabilities of persons, data deficiencies make this type of procedure a hazardous one also.

Although none of the three available measures of personal saving could be regarded as particularly reliable, we took into account that they were to a very large extent statistically independent and thus could be used to provide useful statistical checks upon each other. Considerable weight was therefore attached to the fact that, in the estimates initially reviewed, the SEC direct measure and the OBE "alternative" measure were in line with each other, not only for 1954, but also throughout the period 1948–53. For each of the 6 years of that period, as for the benchmark year 1954, the tentative estimates initially turned in by staff members showed a positive statistical discrepancy and a personal saving figure—income less consumption—that appeared too low in relation to both of the other personal saving series.

What, then, caused this figure to be "too low"? Did the error center in disposable income, in consumer expenditures, or in some combination of the two? To these questions there can be no sure answers. Our own judgment, as already indicated, led to a scaling down of the initial calculation of consumer expenditures. This amounted to 1½ percent of the 1954 total, or $3½ billion. The reduction was allocated proportionately among the individual commodity and service items since it did not appear advisable—nor was there any feasible basis—to attempt to gauge relative accuracy among them. Adjustment of the 1954 benchmark estimates, together with the interpolations between 1947 and 1954 which followed, meant that the final estimates for 1948–53 are also lower than they otherwise would have been—by proportions which roughly represent a straight-lining between zero percent for 1947 and 1½ percent for 1954.

The decision which we made regarding the 1954 figures may be said to be twofold: (1) Rejecting the initial estimate of consumer expenditures derived by the usual procedure of building up the total from detailed, separately calculated commodity and service items; and (2) substituting in its place the aggregate approximately indicated by subtracting the SEC direct estimate of personal saving from our own figure on disposable personal income. When viewed in this way, the published 1954 consumer expenditure total is seen to have a specific basis; and the value of estimating income, consumption, and saving in an interrelated framework is once more brought into clear focus. As a corollary, however, it will be recognized that the three measures of personal saving shown in table V–8 have lost a considerable measure of their statistical independence for the post-1947 period.

CONSIDERATIONS OF RELIABILITY

This point must be emphasized: The decision that the consumer expenditure figure was too high—rather than that the personal income calculation was too low—represented a judgment, although we believe a good one. It was noted in Chapter 7 that quantitative measures of the reliability of the various income and product series are not available, and cannot be constructed on a meaningful basis. We therefore had to rely on an appraisal that, as compared with personal consumption expenditures, personal income is a better estimated series with statistical procedures more clearly indicated.

In terms of the broad components of personal income, a very high rating of reliability must be assigned to wages and salaries, dividends, and transfer payments, which together account for four-fifths of the total. Among other components, only rental income of persons—less than 4 percent of all personal income—can be stated flatly to be deficient; and personal interest income and other labor income are rated as satisfactory.

The estimates of proprietors' income—both farm and business and professional—are subject to significant shortcomings. In the case of the latter (*nonfarm*) series, however, one should guard against the easy generalization that it is patently and substantially too low by reason of the fact that it is founded principally on tax return information. For it should be noted that the tabulations of Federal tax returns are quite comprehensive in scope and have been adjusted for gaps in coverage by reference to census materials, and that the reported compilations from taxpayers' original returns have been raised for understatement. The allowance which has been made for understatement—based largely on an Internal Revenue Service "audit control" study of sole proprietorships, but supplemented liberally by us where the IRS data were not applicable—is quite sizable. In 1954, it amounted to $5 billion, or 20 percent of the IRS total of sole proprietorship and partnership net income to which it was related.

When the appraisal is directed to the estimates of personal consumption expen-

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ditures, it is clear that a high degree of reliability attaches to this large segment of the gross national product. But there would appear to be several reasons for drawing a distinction—less favorable—between the estimates of consumer expenditures and those of personal income. The more important are as follows:

1. There is no counterpart in personal consumption expenditures to the accuracy that is imparted to personal income by the estimates of wages and salaries, dividends, and transfer payments.

2. The estimating procedures applied to consumer commodities are fairly complex.

3. Certain basic statistical sources on which the estimates of consumer services rely are rather infrequent in timing, and some were not available for 1954 or a proximate year. Most important was the decennial Census of Population and Housing, upon which one-third of the consumer-service expenditure total for 1950 was based.

4. In the categories of both commodities and services, the estimation of consumer expenditures is rendered imprecise at several stages by an inadequacy of requisite statistical data. As will become evident from the later description of methodology, a particular handicap is the lack of comprehensive, accurate information for making "consumer allocations"—for segregating sales to consumers from sales to business and government.

There is one final point. By our procedure of having adjusted personal consumption expenditures and left (disposable) personal income intact, we do not imply that all of the evident error in personal saving as initially estimated was concentrated in consumer expenditures. Rather, we believe the procedure adopted reflects the substance of the matter—that the bulk of the error was in consumption but that a more elaborate assessment and proration of error would not have been warranted, from the standpoint of either the extent of our knowledge or the difference in results which would have obtained.

Commodity Composition

Attention is now directed to another problem that emerged in the recent work on personal consumption expenditures. We refer to the fact that the 1954 revisions among components of total consumer expenditures for commodities were generally quite sizable. The situation, we felt, was not one which could be handled in routine statistical fashion, by simply adjusting the provisional, or preliminary, estimates for 1948–54 to the new benchmarks and then moving forward from 1954 by means of the same data and procedures which had proved inadequate. Accordingly, the methodology of interpolation and extrapolation in the commodity segment of consumer expenditures has been altered in order to improve the estimates for past periods and to prevent a recurrence of large biases in the future.

BACKGROUND OF PROBLEM

Prior to an explanation of this change in methodology, the background and dimensions of the problem which gave rise to it may be explored briefly.

Our previously published postwar estimates of consumer expenditures for individual commodity groups were based, in the main, on an extrapolation from 1947 by retail sales. In itself this method cannot take account of year-by-year changes in the relative importance of business purchases at retail and consumer purchases outside retail trade—allowances for which are difficult to make. But a more significant shortcoming of retail trade data in this application is that, with the exception of department store sales, they are not available by commodities, but according to a not very detailed classification by type of store.

This classification assigns a store to a single category on the basis of the commodity accounting for the principal part of its business. But food stores, for instance, sell goods other than food, and food is sold also in other types of retail outlets, including drug and department stores. With diverse movements in the sales of various commodities, use of sales data classified by type of store to move commodity groups will give rise to errors which, however, may be presumed to show an offsetting tendency.

This was borne out by our experience in the revisions made 4 years ago. The projections of consumer commodities from 1939 by retail sales missed the commodity-flow benchmark total for 1947 by only 3 percent, and the record for the individual commodity groups was mixed. However, for an extrapolation procedure covering an 8-year period marked by extensive war and postwar changes and a near tripling in total dollar expenditures, the results were considered "broadly satisfactory." There was no clear pattern of bias and, with the reservations expressed in the 1954 *National Income* supplement, we continued to use retail sales as an index of consumer expenditures. They provided the basis for interpolating between the 1939 and 1947 commodity-flow benchmarks and, as noted, for moving the latter forward.

When the extrapolations for 1954 are compared with the new commodity-flow benchmarks for that year, two facts are readily evident: (1) The differences among commodity groups are generally substantial; and (2) these, however, are approximately canceling so that the overall totals agree quite well, even apart from the 1½-percent reduction that was applied to the benchmark figures.

For the commodity groups, the extent of divergence between provisional and benchmark estimates found for 1954 was considerably greater than that for 1947 (as shown on page 105 of the 1954 Supplement). We of course regard with particular concern the discrepancy which developed in the important food series. Our published estimate for that component for 1954 has been lowered by 10 percent, or $7.0 billion; and for 1957 the corresponding revisions amount to 11½ percent, or $9.8 billion.

Based principally on the results of the 1954 Census of Retail Trade, tests show that these errors in the consumer commodity figures may be attributed only in generally minor part to biases in the estimates of retail sales. Instead, they centered mainly in this particular application of the retail sales data—in using them to indicate changes in consumer expenditures by commodity lines.

In the food category alone, very little of the overall upward bias was due to errors in the retail sales figures which we used. Part of this bias came from the procedure of utilizing retail sales information to extrapolate food sold outside retail channels, which our 1954 benchmark study showed had actually declined somewhat from 1947. But the bulk of the discrepancy in the food series evidently resulted from a shift in the composition of food store sales toward nonfood types of merchandise. This same shift contributed largely to the general understatement which characterized the provisional estimates of consumer expenditures for nonfood commodities.

STEPS IN NEW PROCEDURE

Because of this record of revisions, the procedure of simply using retail sales to move from one census period to the next has been modified as follows for the large "commodity flow" segment of personal consumption expenditures:

1. Overall totals for this segment were established for the years 1948–53 by using the published estimates (based on the retail sales extrapolation from 1947) to interpolate between the 1947 and 1954 benchmarks. Similar totals for 1955–57 were derived as the sum of component estimates extrapolated from 1954 by the usual retail sales procedure. In this initial key step of setting up "control" totals, we were guided by the fact that for both 1947 and 1954 the provisional estimates based on the movement of retail sales turned out quite well in the aggregate as compared with the benchmarks.

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2. For 1951, special estimates were developed by individual commodity groups and then, through a downward adjustment of 3 percent, made to conform with the independently derived total. These estimates, to be described below, were based for nonfood lines on an abbreviated commodity-flow approach utilizing product data from the Census Bureau's Annual Survey of Manufactures; for food expenditures, on a Department of Agriculture series on the retail value of domestic farm foods bought by civilian consumers (reconciled to our concept and adjusted through interpolation to the food expenditure estimates for 1947 and 1954 prepared by the basic commodity-flow method). The Agriculture series, which is available annually, has corresponded well in movement to the estimates of consumer expenditures for food derived in our various commodity-flow studies.

These "secondary" benchmark estimates for 1951 provided valuable additional information bearing on the commodity distribution of consumer expenditures within the period 1947–54. As it turned out, they differed quite significantly from figures for 1951 based on an interpolation by retail sales, and in general are assuredly superior to them. In such an interpolation, lack of information necessitates the assumption that the bias or error observed for the terminal benchmark year developed in an approximately cumulative, straight-line fashion during the period.

3. Another "secondary" benchmark distribution was established for 1956. It proved feasible to base this one wholly on the (abbreviated) commodity-flow procedure, for food expenditures as well as for the various other commodity groups. An upward adjustment of about 1½ percent was required to bring the individual commodity estimates into line with the "control" total.

For a number of groups, the estimates yielded by the 1956 abbreviated commodity-flow procedure differed little from the 2-year extrapolations based on retail sales. A notable variation appeared in food, with the series based on the movements of retail food store sales again exhibiting too sharp a rise. It is to be noted, however, that the further bias resulting from this method should not be calculated as the difference between the food revisions in 1956 and 1954. Of this difference, $2½ billion, roughly one-half may be said to have stemmed from this bias. About $¾ billion may be ascribed to our treatment of the sales data themselves in the provisional procedure, and about $½ billion to the previous error in level in 1954.[2]

4. At this stage, with distributions for the commodity-flow segment available for 1947, 1951, 1954, and 1956, estimates for other years of the post–1947 period were derived by interpolation and extrapolation, with adjustment to the previously established totals. For this purpose, use was made of the Agriculture Department's series for food expenditures and our own retail sales-based series for the other groups.

By way of recapitulation, the current method of estimating consumer commodities for the preponderant "commodity flow" segment has these main ingredients: (1) Development of periodic benchmarks from the Census of Manufactures and Census of Business; (2) the setting of control-totals for other years through interpolation and extrapolation by an aggregate series constructed from components based on the movement of retail sales data classified by type of store; (3) the establishment for selected years of commodity distributions derived from an abbreviated commodity-flow method; and (4) the preparation of distributions for other years through an interpolation (and extrapolation) procedure based for food expenditures on Department of Agriculture data and for other commodity lines on the OBE "components" series noted above, based on changes in retail sales.

As compared with the former procedure of simply extending the commodity-flow benchmarks by the component series based on the movement of retail sales, this revised approach very probably represents a distinct improvement insofar as the commodity composition of the total is concerned. It lessens the emphasis on the retail sales-based series, and, through the abbreviated commodity-flow distributions which will be updated from year to year, it should prove adequate to spot the main biases developing in the current extrapolations.

At the same time, while the new procedure is likely an improvement over the old, it still rests to a considerable, if lessened, extent on the retail-store sales approach which has proved inadequate on a commodity basis. Further, the "abbreviated" commodity-flow procedure needs strengthening in a number of places; in particular, it cannot be regarded as sufficiently reliable to register annual changes accurately.

These considerations bearing on the estimates for noncensal years are apart from the fact that the basic commodity-flow procedure itself cannot yield precise measures, or realize its reliability potential, given the source materials presently available for its implementation.

This need for better data on consumer expenditures is emphasized in the listing of major data gaps at the conclusion of this chapter. Meanwhile, additional information on the elements of strength and weakness in the present methodology for consumer expenditures is provided in the immediately following description. For commodities, this supplements the foregoing general account by filling in some details about procedures in the "commodity flow" area, as well as by covering the series estimated by other methods. For services also there is provided a summary of methodology underlying the present revisions.

Commodity Flow Method, 1954

The commodity-flow method used in making the new benchmark estimates for 1954 was closely similar to that which had been followed for 1947. Basic values were those of the 1954 manufacturing census, classified and allocated product by product. These products, together with an allowance for nonmanufactured foods based on Department of Agriculture data, were combined into consumption groups and then raised from producers' values to consumer expenditure levels by adding transportation costs, trade markups, and taxes with lesser adjustments for exports, imports, and inventory changes. In the estimation of the important markup element, the principal sources were the 1954 wholesale census and tabulations of Federal income tax returns for that year by the Internal Revenue Service; retail markups, in particular, were based on a special sample of tax returns, as were the 1947 markups.

MANUFACTURING DATA

At the manufacturing level, the first task was to classify the full census array of commodities into the categories of "finished," "unfinished," and "mixed," according to the definitions given in the 1954 *National Income* supplement. This classification was greatly facilitated by the extent of commodity detail—approximately 6,000 separate products—reported in the 1954 census. Such detail serves to break up otherwise mixed product items into products which can be assigned individually, thus reducing the problem of allocation.

The greater number of the commodities reported could be classified directly as either finished or unfinished. An overwhelming proportion of commodities in this initial finished classification could be assigned immediately to either the consumer commodity or producers' durable category. However, some finished commodities fell into both of these categories, and so required allocation. This problem was not important.

Commodities which could not be classified directly as wholly finished or unfinished—the "mixed" commodities—re-

2. That is, with our level off by $7.0 billion for 1954, even a correct extrapolation would have meant a further error of $½ billion for 1956, given the 8 percent rise in food expenditures which occurred over the 2-year period.

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quired special study to allocate them among the categories of consumer commodities, producers' durables, and unfinished. Such study, a key element in the commodity-flow procedure, received little direct assistance from the Census reports. The principal lack was information on the distribution of manufacturers' sales by class of customer, which the 1954 census, like its 1947 predecessor, did not collect (except in the case of book publishing). Sales distribution data had been a feature of the prewar manufacturing censuses.

With such data unavailable, 1947 allocation ratios were generally assumed to apply to 1954, although in a limited number of cases modifications were introduced on the basis of a clear change in conditions or the advice of industry experts. Unfortunately, however, the 1947 allocation ratios themselves had drawn rather heavily on those for 1939, the latest year for which sales distribution data were collected.

The judgmental factor, in short, played much too large a role in the 1954 product allocations. And it was somewhat larger than in the 1947 estimates, to which the Bureau of Labor Statistics, in its work on interindustry flows, had provided considerable special assistance in this particular phase of the commodity-flow procedure.

TRACING THE FLOW

In the earlier commodity-flow estimates through 1939, manufacturers' sales to their various classes of customers, together with similar distributions of wholesalers' sales, had been the basis for tracing the flow of commodities through wholesale and retail channels, as well as for estimating direct factory sales to consumers.

For wholesaling, it was again necessary in the 1954 estimates to give up the commodity-flow approach, since the requisite distribution data for estimating wholesalers' purchases—the core of this approach—were not available. The substitute procedure, which is complex and probably less reliable, was like that devised for 1947.

For retailing, however, omission of sales distributions from the 1954 (and 1947) Census of Manufactures did not prevent continuation of the commodity-flow treatment. Retailers' purchases of consumption commodities could be estimated somewhat indirectly and without significant error, by procedures explained in the 1954 Supplement.

The critical requirement was for information on retail markups, which alone account for one-third of the final consumer value of commodities estimated by the commodity-flow method. It may be said that the information on this element which has been available for the past two commodity-flow studies has been inadequate for the needs of national income calculations. It has been an area of retrogression in the Federal statistical program from our point of view.

The estimation of retail markups for 1954 departed little from 1947 procedure. The principal source was a sample of Federal income tax returns for 25 kinds of business, provided by the Bureau of the Census and the Internal Revenue Service. This was drawn from Census lists as a probability sample stratified by sales size, with about 300 cases in each kind of business or 7,000 in all. However, many tax returns in the sample could not be located and the number of cases which finally could be used approximated 4,000.

One other observation may be made concerning the data sources which were available for raising the consumption commodity groups from producers' to final consumer values. This has to do with the fact that the 1954 business census fell short of its 1948 counterpart in several respects significant to the consumer commodity estimates. It did not obtain data on commodity breakdowns of retailers' sales; and it did not tabulate and report the service receipts of retailers, the merchandise sales of service trades, and most of the data collected on inventories in trade.

"Secondary" Benchmarks

The abbreviated commodity-flow procedures that yielded the "secondary" benchmarks for 1951 and 1956 were based principally on the Census Bureau's Annual Survey of Manufactures. The product (shipments) data collected in this survey are much less detailed than those in a full census, and are subject to marked sampling variability for some of the consumption expenditure groups. However, the Annual Survey has shown decided improvement in these and other respects since its initiation in 1950.

In these summary applications of the commodity-flow method, the classification and allocation of reported product data conformed with decisions made in the benchmark studies. The allocations for 1951, for example, were based on rates for both 1947 and 1954, interpolated if necessary at four-sevenths of the difference between them. The 1956 allocations were held at the 1954 rates. For both "secondary" benchmarks, the allocation rates were applied to 5-digit classes of manufactured products, which were the finest detail available in the 1951 and 1956 Surveys.

The 1951 commodity-flow study, as already noted, did not cover food. For most individual groups, all steps in the 1947 benchmark procedure—as outlined in the exhibit on page 111 of the 1954 Supplement—were carried out. Actual estimates were made for manufacturers' excise taxes, imports and exports, wholesalers' inventory change, retailers' inventory change, retailers' markups, and retail excise and sale taxes; other steps in the procedure were based on 1947 relationships, as exemplified by the extrapolation of transportation charges from 1947 by manufacturers' shipments plus excise taxes. For the important retail markup element, the 1947 commodity group rates were extrapolated to 1951 mainly by department store data from the National Retail Dealers' Association, as well as by Internal Revenue Service data, and applied to estimated retailers' cost of sales. The overall markup ratio turned out to be intermediate between the comparable figures for 1947 and 1954.

Six commodity groups—women's clothing, men's clothing, jewelry and watches, drugs, trailers, and magazines and newspapers—were accorded separate treatment in the 1951 study. Consumer expenditures for these groups, selected because of their particular characteristics in relation to the data situation, were interpolated between 1947 and 1954 by the estimates of manufacturers' shipments.

The 1956 study was based upon somewhat better shipments data. Also noteworthy, it covered the food group—manufactured food through the Annual Survey, and nonmanufactured food through Agriculture Department data in a procedure that shortcut the extensively detailed benchmark effort by carrying out the allocations of farmers' cash receipts for relatively broad product classes.

The actual method adopted for the various commodity groups for 1956 was quite abbreviated, mainly because data of the type used for 1951 were not fully available to estimate retailers' markups. Specifically, manufacturers' shipments were classified and allocated, and imports were added and exports subtracted; and the shipments series so adjusted was used to extrapolate the 1954 final expenditure estimates for the individual commodity groups. Finally, inventory changes were introduced. These were derived from Census Bureau monthly inventory series and IRS *Business Indicators* data—which sources were not sufficiently detailed for our purpose and permitted only rough estimation of inventory adjustments by commodity groups.

The present situation calls for the institution of commodity-flow estimates on an annual basis. The clear requirement is for continued improvement in the annual manufacturing surveys and increased availability of auxiliary data, notably on retailers' markups.

Interpolating Series for Food

The earlier general account of problems encountered with the recent estimates of consumer expenditures noted that the ex-

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trapolation of food expenditures by retail store sales had led to substantial error, and that we had introduced a revised series utilizing figures of the Department of Agriculture for interpolation of periodic "commodity flow" estimates. A brief description of this interpolating series is in order.

The series is derived by making a number of adjustments to the published figures of the Agricultural Marketing Service on the retail cost of farm foods purchased by domestic civilian consumers. In the preparation of these figures, the basic value data are the AMS estimates of cash receipts from farm marketings, which are allocated or adjusted to represent only food for civilian consumption. These farm values then are raised to a retail basis by the application of ratios of retail prices to farm prices for equivalent units; the minimum procedure is to mark up a group of related foods by the average ratio for a selection of items in the group, but if data permit ratios are applied for individual subgroups or product classes. The overall method allows for waste and loss, byproducts, nonfood use, food for export and military use, interfarm sales, and changes in stocks (except retail stocks). Elements of retail price covering changes in manufacturing and marketing services may not always be reflected fully. But where reasonably good estimates of prices and volumes are possible, account is taken of such changes as the increased proportion of potatoes sold as potato chips, or the additional cost involved in shifts to smaller sizes of canned fruits and vegetables.

To this published AMS series on the retail cost of farm foods bought by civilian consumers, adjustments must be made in order to approximate the definition of food expenditures (excluding alcoholic beverages) in the national accounts. Among these, the additions needed to cover nonfarm foods (fishery products) and imported food are estimated by the AMS. Principal adjustments which we make are the deduction of food such as hospital meals treated otherwise in the national accounts, the addition of military food, the incorporation of retailers' inventory changes, and the bringing of trade margins implicit in the AMS series into conformity with our definition. These various adjustments are not large in relation to the overall food total and, although statistically crude in some respects, are not capable of engendering appreciable errors.

Other Methods, 1954

From commodity-flow benchmarks and interpolation procedure, we turn briefly to the groups estimated by other methods, which contribute about one-fifth of all commodity expenditures by consumers. In total, these groups were revised upward for 1954 by $2½ billion, or 9 percent. This change was due entirely to the increased allocations to consumers of expenditures for passenger cars and related products, which are discussed later. Apart from this factor, revisions would on balance have reduced the total of these groups moderately.

In this category, automotive expenditures are predominant and "retail valuation"—estimated quantity purchased multiplied by an appropriate average retail price—is the principal method. The pricing of new passenger cars continues to require careful study, although a major advance serving to facilitate this was brought about by the Bureau of Labor Statistics through reflection of allowances and discounts in new car prices beginning in 1954. In our method, imported cars have been accorded separate treatment because of their increased importance. Used car margins, moreover, have been put on a somewhat firmer basis, with the Automobile Manufacturers Association, National Automobile Dealers Association, and Bureau of the Census each contributing data for the past few years which were not previously available.

Expenditures for gasoline and oil, like the estimates of passenger car purchases, were affected substantially by the new consumer-allocation ratio. Otherwise, the only noteworthy change in method occurred in the average price series which is applied to the estimated quantity of gasoline to obtain expenditures prior to consumer allocation. The retail pricing now draws mainly on BLS data, which, along with price information from the Agricultural Marketing Service, have been introduced to supplement the Texas Company price series long used in this estimate.

The series on purchased fuel and ice (combined with fuel produced and consumed on farms in the expenditure table) is unique in its reliance upon retail valuations for periodic revisions and upon retail sales data for extrapolations. It did not escape the biases generally imparted by the latter. The various source materials available for the 1954 benchmark estimate were generally the same as those which had been used for 1947.

New data were incorporated in the tobacco series, which is also estimated by the retail valuation method, but these made no appreciable difference in the final values.

Comment may also be made on several of the imputations. Two imputed items of consumer commodities, food and fuel produced and consumed on farms, are supplied by the Agricultural Marketing Service. These were changed moderately in the recent AMS review of its postwar farm income series. For another imputed series—standard clothing issued to military personnel—only slight revisions were found necessary.

Services

The postwar revisions of total consumer expenditures for services included in this report are quite small. For 1954, the new aggregate of $86.3 billion is approximately one-half percent lower than the one it replaced. Prior to the overall adjustment of 1954 consumer expenditures discussed above, the services total was 1 percent higher than the previously published estimate. It may be added that this latter difference, in turn, was about equivalent to the amount by which consumer services were affected by the increase in the ratio for allocating the automobile service items between consumers and business.

The good showing of the estimates of consumer service expenditures in the aggregate reflected a substantial offsetting in the revisions made for individual components. While these revisions in general attest to the need for better data, it should be observed that the largest percentage revisions occurred for the most part in items of relatively small magnitude, and that a few of the most sizable changes—around one-fifth—resulted mainly from the special new auto-allocation study. This study—as described below—was the first of its kind in many years, and we expect to keep a closer watch on this phase of the estimates than has been possible in the past, and thereby minimize the errors from this source.

Apart from the auto-allocation study, the principal new source materials utilized in the revision of consumer services were the Census of Business for 1954 and Internal Revenue Service tabulations of the receipts of professional practitioners for the years 1953–56. Numerous, more specific, sources of information, extending over the entire range of the services, were also taken into account. It may be added that consumer expenditures for services represent one of the most detailed areas of estimation in the field of national income, with the 55 service items for which expenditures are shown in table II–4 actually comprised of several hundred separate series of estimates.

CENSUS OF BUSINESS DATA

Benchmark data for items accounting for about one-sixth of total consumer expenditures for services are obtained from the Census of Business. Data utilized in preparing these estimates consist of the service receipts of retailers as well as of service establishments.

Receipts data reported in the 1954 Census of Business supplied the basis for new

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estimates comparable to the previous benchmarks for 1948.[3] Only moderate changes were called for in most Census-based items as the result of the new data; exceptions were the laundering and radio and television series, which were reduced by 9 percent and 21 percent, respectively.

The usefulness of the 1954 Census of Business data for the present estimates was restricted by the lack of certain breakdowns formerly provided. In particular, separate tabulations of receipts from services and receipts from commodity sales, which had been included in earlier censuses, were not available for 1954. In most cases, service receipts were estimated on the basis of their relationship to total receipts in 1948. However, for two areas where this breakdown is of particular importance—automobile repair and radio and television repair—the Census Bureau supplied special samples.

Although the upward revision of 18 percent in the automobile repair item in 1954 stemmed almost entirely from the new auto-allocation ratio, the method of deriving total auto repair expenditures prior to allocation was also changed. Census data were used for estimating the receipts of service establishments from this source, but the corresponding service receipts of new car dealers were derived from sample data prepared by the National Automobile Dealers Association. The reported data in the form of repair labor costs (on new and used cars) as a percent of new cars sold were doubled to allow roughly for parts used in making repairs, and then multiplied by the number of new car sales. This allowance for parts was based on the BLS 1947 Interindustry Relations Study and on a cost breakdown contained in the yearbook issue of "Mail-Me-Monday Barometer of Small Business," published by the Accounting Corporation of America.

PROFESSIONAL SERVICES

The Office of Business Economics periodically has conducted sample questionnaire surveys to obtain basic data for estimating the professional services category of proprietors' income and of consumer expenditures for services. With regard to the latter, survey information on the average gross incomes of professional persons from independent practice, and on the percentage of gross income received from individuals (as contrasted with government and business), has been used in conjunction with available information on the total number of persons in each profession to secure the consumer expenditure estimates.

For the three largest professions, the most recent data collected in the OBE surveys pertained to the year 1948 for dentists, to 1949 for physicians, and to 1954 for lawyers. The information on lawyers' incomes, covering the years 1947–54, was not available in time for the previous revision of the national income and product statistics, but has been fully incorporated in the present report. The results of the legal survey, which was carried out with the cooperation of the American Bar Association, were published in the December 1956 issue of the SURVEY OF CURRENT BUSINESS.

In the professional services area, the material available from OBE surveys has been supplemented by tabulations from the Internal Revenue Service. These cover the gross receipts of professional practitioners as compiled from Federal income tax returns of individuals for the years 1953–56 and of partnerships for 1953 and 1956. Both sets of figures for 1956 were provided in *Business Indicators,* to which previous references have been made.

This body of IRS information has been used to indicate the movements of consumer expenditures for the various types of professional services in the more recent period. Such use of the gross receipts data may be expected to be generally valid, by reason of the fact that a very large proportion of the business done by independent professional persons is with consumers. The outstanding exception is provided by lawyers, only about one-half of whose gross income from independent practice is received from individuals.

Our revisions of consumer expenditures for the services of physicians and lawyers were fairly moderate, but they were very substantial in the case of dental services. The 1948 results from our last survey of dental incomes had been carried forward on the basis of indirect data and methods.

OTHER CHANGES

As indicated, besides incorporating Census and IRS data and taking into account the new auto allocation, we reexamined all the individual service series and made revisions on the basis of any new information available or any change in procedure deemed advisable. Almost all the items were modified, at least to some degree; the more important revisions may be noted briefly.

Several revisions on the income side of the accounts—discussed later—affected service items. A reworking of wages and salaries in the "private households" industry, for example, was carried over directly into the "domestic service" component of consumer services, which is the same as employee compensation in that industry. Also in wages and salaries, a revision of the religious-organizations component of the "nonprofit membership organizations' industry affected the "religious and welfare activities" component of consumer services because such payrolls are used to extrapolate the portion of expenditures in this category benchmarked on the 1936 Census of Religious Bodies.

Service expenditures in the important "Housing" category also underwent revision, as discussed presently in connection with rental income of persons. As a result of the incorporation of new source materials, both the space rental value of owner-occupied nonfarm dwellings and the space rent of tenant-occupied nonfarm dwellings were changed moderately—each by about 4½ percent, for example, in 1954.

Procedural changes brought about a quite sizable revision in the consumer service series for private elementary and secondary schools. This series formerly had been derived as the product of (*a*) reported enrollment in these schools, and (*b*) the estimated average expenditure per pupil in public elementary and secondary schools. For this report, we modified item (*b*) so as to reflect the estimated postwar movement in average expenditures for pupils of private elementary and secondary schools, utilizing for this purpose mainly the National Income Division's estimates of the payrolls of these schools.

The estimates of interest on personal debt have been raised considerably—11 percent in 1954. This change centered mainly in revisions of the Federal Reserve Board's consumer credit statistics.

As a final note, consumer allocations were reviewed (in addition to those for autos) and changes were made notably for these series: Telephones, airlines, hotels and other lodging places, street and electric railways, electricity, and motion pictures. The information on which these revisions were based was generally fragmentary since, on the whole, data for making consumer allocations of service expenditures are unsatisfactory. This situation has an important effect on certain individual series such as hotels; but, with respect to the total, components adding to only about one-tenth of all consumer service expenditures constitute a substantial allocation problem—a point discussed in the 1954 Supplement.

Passenger Car Allocation

Since passenger car sales are not reported separately by type of purchaser—individuals, business, and government—this breakdown must be developed for purposes of gross national product estimation. After allowance for government purchases, it is necessary to allocate expenditures for new cars and for used cars (dealers' gross

3. These latter estimates, together with the series used to interpolate and extrapolate the benchmark estimates, are described in some detail in the 1954 *National Income* supplement.

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margins) between personal consumption expenditures and producers' durable equipment. The problem of making this allocation is complicated by the fact that passenger cars are frequently used partly for business and partly for personal purposes. In general, the attempt is made in the present estimating procedure to allocate to business use all passenger car outlays which are charged to business expense.

Formerly, new passenger car sales and gross margins on used cars were allocated 70 percent to personal consumption expenditures and 30 percent to producers' durable equipment (except for World War II, when the new car allocation to business was raised). These proportions were derived mainly from surveys made by the Bureau of Public Roads to determine road use in terms of mileage.

More recent studies by the Bureau of Public Roads indicate that the relationship between personal and business usage has changed considerably, and the present estimates have been revised in line with this finding.

The new reference base has been the Bureau's surveys of motor vehicle use taken variously during the period 1950–54, based upon representative samples drawn from 17 States. Analysis of the data, both published and unpublished, collected in these surveys indicates that—on the basis of mileage driven—83 percent of the sales of new passenger cars and gross margins on used cars is allocable to personal consumption expenditures, and 17 percent to producers' durables.

Tests indicated that the 17-State data are probably representative, that is, that the results which they showed were about the same as would have obtained from a full-scale surveying of all the States. First, the 17 States yielded the same 70–30 allocation pattern for 1934–37 as had the entire survey for that period; and, secondly, they showed a prewar-to-postwar percentage increase in passenger car registrations closely similar to that for the United States total.

The old allocation has been retained through 1947 on the ground that the consumer proportion probably did not rise in the early postwar years when automobiles were still in short supply and business firms continued—as they did during the war period—to obtain a larger than normal share of supplies available. The new allocation has been introduced into the estimates starting with 1953 and linked to the former 70–30 pattern by straight-line interpolation back to 1947.

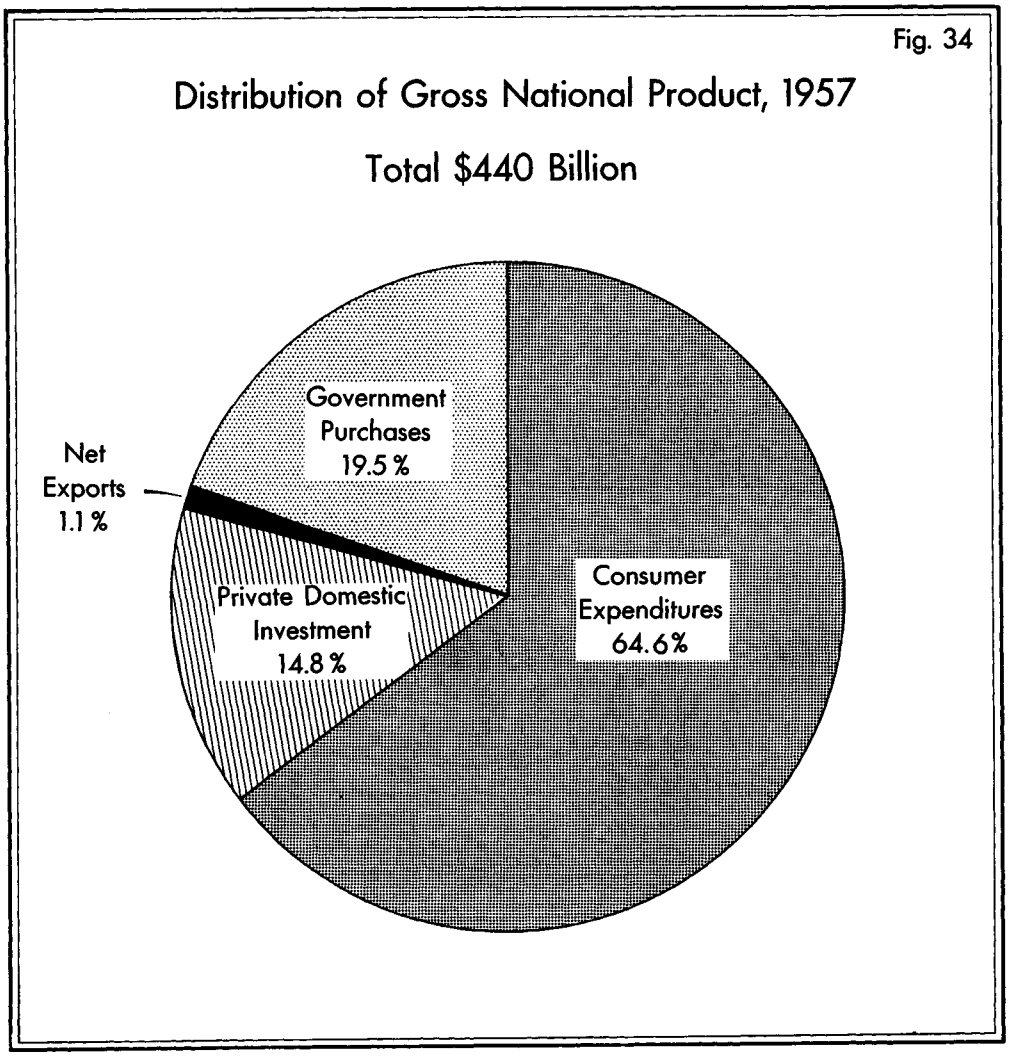
Corroboration of the new 83–17 ratio—or at least of a substantial shift from the former 70–30 allocation—was found in several independent sources. (1) Unpublished data tabulated from the 1950 BLS *Consumer Expenditure Survey*, while only partly relevant to the present estimate, clearly indicated that the existing 70 percent allocation to personal use was too low for the more recent period. (2) Calculations based upon the Federal Reserve Board study, *Financing New Car Purchases*, showed that in 1954 and 1955 business users made about 20 percent of all new car purchases. However, in view of the faster turnover of cars used by business, the proportion of the total stock of cars in business use must be less than 20 percent. (3) Studies for recent years made by the Dominion Bureau of Statistics for the Canadian national income estimates show about the same breakdown between business and personal use of automobiles as the new United States benchmark. It is significant that the Canadian prewar allocation also was 70–30.

While these independent studies serve to confirm the general reasonableness of the revised allocation, this estimate is rough and continues to involve a considerable measure of judgment. Currently under way is a comprehensive study which promises to yield more definitive results, and which could be repeated at regular intervals. This study entails the collection of direct data on the net outlays (purchases minus sales) of new and used passenger cars by both consumers and business. The results will be based upon a coordination of information from three sources: (*a*) A special questionnaire to the respondents of the OBE–SEC Plant and Equipment Survey, data from which are already at hand; (*b*) the Federal Reserve Board *Survey of Consumer Finances* for 1958; and (*c*) a survey, yet to be undertaken, of the auto purchases of the major car rental companies.

The shift from a 70–30 to 83–17 automobile allocation, it may be noted finally, has had a quite noticeable effect on the estimates. For the year 1954, for example, this particular revision raised consumer expenditures for passenger cars (new and used) by $1.6 billion; lowered producers' purchases of durable equipment by the same amount; and raised consumer expenditures for tires, tubes, accessories, and parts by $0.3 billion, for gasoline and oil by $1.2 billion, and for automobile repairs, insurance, and tolls by $¾ billion.

As will be evident, the revisions stemming from the passenger car series were offsetting between consumer expenditures and producers' durables, and hence did not affect the gross national product total. The

Fig. 34



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other revisions, however, increased the GNP (by a little over $2 billion in 1954) through their effect on consumer expenditures. The business-use portion of expenditures for gasoline and oil, tires, accessories, repair work, etc., is an intermediate product not included in the gross national product, and therefore cannot counterbalance an error in the consumer-use portion.

FIXED NONRESIDENTIAL INVESTMENT

Producers' durable equipment, as already explained, was the second major component of GNP to undergo a thorough statistical reworking. In turning to this, we shall cover the broader area of "fixed nonresidential investment," which includes not only the producers' durable item but also private construction except housing. This treatment is followed, even though the construction series has not been revised, in order to put the work done on producers' durables into perspective.

Consideration is given also to the OBE-SEC series on new plant and equipment expenditures. This series, as well as that on construction, was taken into account in setting the final estimates of producers' purchases of durable equipment. As will be seen, the essential approach was twofold: (*a*) Preparing annual estimates of producers' durable equipment for the period 1947–56, and (*b*) modifying this series in the light of a check made on the movement of producers' durables plus private nonresidential construction against plant and equipment expenditures adjusted approximately to the GNP concept.

In this area of fixed nonresidential investment, then, we have dealt with three series of estimates. The following brief account of the scope and main statistical characteristics of these series will be helpful in understanding the uses which we have made of them.

PRODUCERS' DURABLE EQUIPMENT

This component of the gross national product is defined to cover newly produced durable equipment (with an average life exceeding 1 year) acquired by private business enterprises and nonprofit institutions. It is estimated by type of commodity, as shown in table V–4.

The "commodity flow" method is the basic procedure followed in estimating producers' durable equipment. The application of this method, similar in its essentials to that already described for consumer commodities, entails segregating finished producers' durables from total manufacturing output and then tracing their flow through distributive channels so as to arrive at the final costs to purchasers. Currently, business passenger cars—around 10 percent of the total—are the only sizable component for which this method is not followed.

New benchmark estimates of producers' durable equipment were derived for 1954 by procedures which in all major respects followed those used for 1947, as set forth in some detail in the 1954 *National Income* supplement. The major task again involved the classification and allocation of the detailed product information collected in the Census of Manufactures. Attention may be called, however, to the substantial effort devoted to obtaining better data on government purchases of durable equipment—which are subtracted from manufacturers' shipments to obtain the final estimates of durable equipment, by commodity groups, valued at producers' prices.

This effort was only partly successful, for the data on government equipment purchases which we were able to secure already embodied some estimation, were in general not sufficiently detailed for our purposes, and had to be adjusted by us in various ways, notably to eliminate the estimated amounts included for parts and other intermediate products. For Federal Government purchases, data extending back over most of the postwar period were obtained from the Department of Defense and Atomic Energy Commission; and the usual tabulations of contract awards under the Walsh-Healey Act were supplied by the Department of Labor. The estimates of equipment purchased by State and local governments were pieced together from data, mostly unpublished, provided by the Governments Division, Bureau of the Census.

Along with the preparation of the new benchmark figures for 1954, we revised the annual series on producers' durable equipment back to 1948. A reworking of the annual series was indicated, and made possible, by the new information for 1954 on manufacturers' shipments and distributors' markups. In addition, as just indicated, the data on Government purchases acquired from the Defense Department and the Atomic Energy Commission covered not only 1954, but a number of earlier years as well.

CONSIDERATIONS OF RELIABILITY.—It is not easy to rate the producer durables series as to reliability, although it may be said in general that any overall appraisal must be favorable. The principal elements which must be taken into account in judging the accuracy of the series tend to change markedly in relative importance from one period to the next, and the difficulty is also enhanced by the fact that it has not been possible to utilize uniform source materials. Following, however, are the points of main relevance to a statistical appraisal.

(*a*) The application of the commodity-flow method to producers' durables, as compared with that to consumer commodities, has two particular features which contribute to reliability. First, the problem of "allocation" is mitigated by the fact that manufacturers' sales of finished durable equipment (apart from the special problem of government purchases) can be derived, in general, from the vast amount of detailed product data in the Census of Manufactures through selection of items in their entirety or allocation of "mixed" items having relatively little other use. Secondly, and more important, the successive estimating adjustments to manufacturers' sales required by the commodity-flow method do not bulk large in the case of producers' durable equipment, and are virtually offsetting. That is, the estimation required to convert producers' value to final market values is less than in the consumer commodity series—chiefly because only a comparatively small volume of producer durables flows through retail channels.

(*b*) On the other hand, it is very difficult in some cases to segregate parts, or components, from finished equipment; this is especially true of the segment of producer durables comprised of products customarily charged by business to current expense, instead of amortized through depreciation allowances. And difficulties are also encountered for some commodities in making the correct classification in relation to construction, the definition of which calls for the inclusion of the installed value of equipment generally considered an integral part of a structure and commonly included in the construction contract price.

For the handling of these problems, actual survey information is required. The classification and allocation of finished durable equipment rest to an undue degree on personal judgment, notwithstanding the assistance afforded by the extensive product detail in the Census of Manufactures.

(*c*) The parenthetical reference above, "apart from the special problem of government purchases," signifies another phase of the commodity-flow method which sometimes has impaired accuracy. As already indicated, government purchases are deducted from manufacturers' sales as a separate step in the procedure, and the underlying data on this item have generally been quite imprecise. The amounts of such purchases deducted have varied widely, from a few hundred million dollars in 1947 to a peak of $6.8 billion in 1952. For 1954 and 1956, the estimated amounts were $4.0 billion and $3.0 billion, respectively.

(*d*) As might be expected, commodity-flow estimates of producer durables other than for years based on the Census of Manufactures are of lesser reliability, though generally adequate. For the postwar period estimates for nonbenchmark years—those other than 1947 and 1954—are based principally on the Census Bureau's

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Annual Survey of Manufactures, which was initiated in 1950. These estimates are subject to sampling variability at the manufactures' sales level—although for most producer durable groups this is small—and to errors stemming from the use of benchmark relationships to determine allocations of the less-detailed product information available in the Annual Survey, as well as the major elements of distributive costs.

(*e*) The series on business passenger cars, the main group not derived from the commodity-flow procedures, depends substantially on an allocation between consumers and business which is not very firm. However, the basis of this allocation has been improved by the new study which was undertaken for this report—as described earlier in connection with the estimates of personal consumption expenditures.

CONSTRUCTION

The construction component of fixed business investment—new private construction except nonfarm residential—is estimated in the Business and Defense Services Administration, Department of Commerce, from data of widely varying quality. This series, which is classified by type of construction, is subject to a marked degree of error because of the uncertainties as to coverage, valuation, and timing for some components.

About 40 percent of the total—all except public utility construction, farm construction, and oil and gas well drilling—is based on monthly reports on contract awards issued by the F. W. Dodge Corporation. These provide reasonably good value information for projects covered, particularly in periods when escalator clauses and other similar arrangements are not important. However, use of contract award reports for this purpose poses difficult problems of estimation because (*a*) coverage is not complete, (*b*) there is a varying time lag between the reported data of a contract award and the start of actual construction, and (*c*) there is further variation in the rate of progress after the start.

With regard to (*a*), the F. W. Dodge Corporation data until recently applied only to the 37 States east of the Rocky Mountains, and it was necessary to fill in estimates for the Western States by reference to building permit information and reports on construction contract awards appearing in various trade journals. But even apart from this geographic adjustment, the scope of the contract awards data does not purport to be complete; allowance for undercoverage is based on a raising ratio developed from the 1939 Census of Construction and from trade sources.

In the absence of definite information on (*b*) above, the assumption is made that the delay between the letting of contract awards and start of construction averages one month. Then, with reference to (*c*), typical activity patterns which have been established for various types and sizes of projects are used to translate the value of starts into construction activity—to allocate contract values to the particular time periods during which the work is presumed to have been done. This procedure cannot be very precise.

Public utility construction, which accounts for about 30 percent of the private nonresidential total, is estimated chiefly from direct reports of work done or paid for. These come from Federal regulatory agencies, private corporations, and trade associations. Statistical problems in this segment are relatively minor, and the quality of the estimates is accordingly high.

Reliability is substantially lower for the remainder of the private nonresidential series, consisting in roughly equal magnitudes of farm construction and oil and gas well drilling. The farm series, prepared in the Agricultural Marketing Service, is developed chiefly from periodic sample surveys of the construction expenditures of farm operators, with annual interpolations based on indicators such as estimated consumption of lumber and sales of building materials in rural areas, and on a variety of other data. The series on costs of drilling oil and gas wells has 2 benchmark years, 1939 and 1954, for which data collected in the Census of Mineral Industries and compiled from trade publications were utilized. The annual estimates that are tied to these benchmarks are developed from figures on the number of wells completed, as reported in trade sources, and average cost per well as estimated by adjusting the Census-based averages to take account of changes in labor costs and efficiency, material costs, proportion of wildcat ventures, and average depth of wells.

PLANT AND EQUIPMENT OUTLAYS

These key data on business investment are collected in regular surveys, quarterly and annual, which cover the whole of the private economy except for agriculture, professional practitioners, nonprofit institutions, and finance, insurance, and real estate. The plant and equipment series is constructed mainly from reports to the Securities and Exchange Commission by corporations registered with the Commission and from a large sample of unregistered companies, unincorporated and incorporated, maintained in the Office of Business Economics. Unlike the producer durable and construction series, the estimates of business expenditures for new plant and equipment are available in a breakdown by industry.

The fact that the plant and equipment survey does not cover the entire private economy—and that separate data for the noncovered segments are lacking—prevents its direct incorporation into the gross national product. In addition, the data for certain industry groups, notably "Commercial and other," would benefit from an enlargement of the sample. It should also be noted that the survey has not provided regular, comprehensive information on a breakdown of total expenditures into the separate categories of plant and equipment.

PROCEDURE OF ESTIMATION

In addition to the obvious primary objective of deriving the best possible figures, the procedure adopted for estimating fixed nonresidential investment took into account a further consideration. This was the desirability of utilizing the three series discussed above—showing fixed capital formation by type, on the one hand, and by industry, on the other—in such a way as to facilitate their joint use by analysts in a more or less consistent fashion.[4]

The approach we have followed, as already briefly indicated, was as follows:

A series for the years 1947–56 was prepared as the sum of private nonfarm residential construction—the regular estimates issued by the Business and Defense Services Administration of the Department of Commerce—and of producers' durable equipment. We also prepared a series representing an adjustment of the plant and equipment survey results. The major such adjustments—for the purpose of making the plant and equipment figures conform more closely in definition to the sum of the construction and producers' durable series—consisted of the following additions: (*a*) Tractors and farm equipment, based on data provided by the Department of Agriculture; (*b*) capital outlays charged to current expense, as derived in connection with the producers' durable equipment series; and (*c*) the estimated amount of producers' purchases of automobiles not accounted for in the survey. Certain of these necessary adjustments are rough; and others which are called for in principle, such as including the investment of nonprofit institutions, cannot be made for lack of data. All in all, the adjustments which have been made secure a series which is not precise as to level, but rather one which is regarded as furnishing a fairly reliable indication of the year-to-year

4. It may be noted that this approach is in line with the broader plan for development of the basic data on fixed capital expenditures noted in Chapter 6. The plan regards as necessary for effective analysis in this area consistent estimates of fixed investment broken down in three ways: by type of producers' durable equipment and of construction, by industry of purchaser, and by legal form of organization of the purchaser.

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movements in fixed nonresidential investment.

In fact, the series is probably more reliable in this respect than is the one derived as the sum of producers' durable equipment and private nonresidential construction. Despite its incompleteness in scope and the aforementioned need to strengthen sample coverage in certain areas, the plant and equipment series covers a preponderant part of the relevant universe and rests on reported business data. Estimation is a relatively minor factor, whereas it is a rather substantial factor in the series obtained by summing producers' durables and construction activity.

For the period from 1947 to 1954, there was tolerably good correspondence in movement between the two series. However, considerable improvement was effected by adjusting the sum of durable equipment and construction by $1 billion in each of 3 years. The adjustment was downward in 1950 and 1954 and upward in 1952.

In the period 1954–56, however, the two series differed substantially in movement. As compared with the adjusted plant and equipment figures, the equipment-construction series registered a considerably steeper rise from 1954 to 1955 but increased markedly less from 1955 to 1956. Over the 2-year period as a whole, the expansion shown by the two series was not substantially different—$8½ billion for the adjusted plant and equipment series and $10 billion for the other.

Unfortunately, the collateral statistical information that was available for checking which of the two series might be the more correct was quite limited. About the only definitive finding pointed to the rise shown by producers' durable equipment from 1954 to 1955 as being too large. The rough test that was made in this connection involved splitting out the estimated share of producers' durable equipment purchased by manufacturers, and comparing the results with investment expenditures as reported in the Census Bureau's Annual Survey of Manufactures.

The course we followed, which was influenced only in part by this test for manufacturing, was to make sizable adjustments in the equipment-construction totals. The estimates actually used were derived essentially by averaging the movements of the adjusted plant and equipment and equipment-construction series from 1954 to 1956. For the year 1955, the sum of producers' durable equipment and construction as included in the gross national product is about $2½ billion lower than that initially estimated; for 1956, the corresponding adjustment was roughly $1½ billion.

In point of fact, the various adjustments that were imposed on the equipment-construction series by use of the adjusted plant and equipment series were made wholly in producers' durable equipment. The construction series was not assigned part of these adjustments by reason of the fact that it is prepared by another agency and published in a detailed breakdown, and our changing it for this purpose would have been inappropriate and would have resulted in confusion and inconvenience on the part of users.

The adjustments made to producers' durable equipment in 1950, 1952, and 1954—$1 billion each—were fairly moderate, amounting to about 5 percent of total purchases of equipment in each of those years. The adjustment was spread proportionately among the various commodity groups, as published in table V–5. The adjustments for 1955 and 1956 were too large, however, to warrant the maintenance and publication of the commodity breakdown of producers' durable equipment. It is therefore because of the lack of consistency shown by the several fixed capital formation series in the period from 1954 to 1956 that we have discontinued—at least temporarily—the commodity breakdown of the producers' durable series after 1954.

SUMMARY NOTE

The procedure which we have followed of giving weight to the Plant and Equipment Survey was, in part, for the purpose of achieving a reasonable statistical consistency between the type-of-product data provided by the producers' durable equipment and construction activity series, on the one hand, and the industry data provided by the survey, on the other. More directly, the procedure was intended to lessen the error in fixed nonresidential investment and also—in this respect—in the total GNP. We have used the adjusted plant and equipment data to check upon and alter the movements shown by the combined total of producers' durable equipment and private nonresidential construction, so that the influence of these two series in the GNP has been reduced substantially.

The statistical situation in this area of fixed investment obviously is not satisfactory. The need for better data is clearly indicated.

There is one point still to be noted—a procedural one. The foregoing brief account carried the methodology only through 1956, which was the latest year for which it was possible to prepare estimates of producers' durable equipment by the commodity-flow method. It remains to be added that for the current period—1957 and 1958 at the present writing—the estimates of producers' durable equipment, quarterly as well as annual, are obtained through extrapolation by the plant and equipment series. For the July 1959 National Income Number of the SURVEY, for example, commodity-flow estimates of producers' durable equipment will be prepared for 1957; the procedure based on a comparison of producers' durables plus construction with the adjusted plant and equipment series will be resumed; and the latter series will again be used as the basis for the current extrapolations.

OTHER COMPONENTS

Following the descriptions of the work done on personal consumption expenditures and producers' durable equipment, attention is now directed to the statistical changes made in the other components of GNP. These are discussed under the headings of residential construction, nonfarm inventories, farm inventories, foreign transactions, and government.

RESIDENTIAL CONSTRUCTION

Revisions in the additions and alterations component of the series on private nonfarm residential construction, prepared by the Bureau of Labor Statistics, have been incorporated into the gross national product. Their effect is to raise the level of the series substantially for the postwar period. In magnitude, the revisions vary from $½ billion in 1945 to around $3½ billion in recent years.[5] They amounted to roughly 25 percent of the previously published nonfarm residential building total for most years, although the proportion is higher for the early postwar period.

The postwar estimates of expenditures for residential additions and alterations had been derived from the BLS regularly published series on the value of building permits issued for residential additions and alterations, adjusted for undercoverage. As reported in a Technical Note appearing in the June 1957 *Construction Review*, joint publication of the Departments of Commerce and Labor, a new benchmark estimate was prepared for 1950 and the building permit information was then used to extend it to other years. More precisely, the latter information provided the basis for extrapolation back to 1947 and the link between the new and old series was concentrated in 1945 and 1946—the BLS assumption being that all of the discrepancy in level between the two series accumulated during that period.

The 1950 benchmark was developed mainly from two sources: (1) The 1950

5. Because our revisions of the national income and product series began with 1946, the 1945 revisions of residential construction was not entered in the accounts.

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Survey of Consumer Expenditures, which was made by the Bureau of Labor Statistics to collect data for revising the Consumer Price Index and (2) the Federal Reserve Board's Survey of Consumer Finances for 1951. The former study yielded a classification of expenditures for additions and alterations as against maintenance and repairs, but was only urban in coverage. The FRB survey did not provide a clear distinction between these two categories of outlays but covered all owner-occupied nonfarm structures.

With regard to using the trend of building permits to move the 1950 benchmark to other years, the procedure may be said to have obvious potential weakness by reason of the fact that such data had proved to be a very deficient indicator of level. On the other hand, a BLS test shows that the results checked fairly well for most years against an alternative series derived by basing the extrapolation from 1950 on FRB estimates of owners' total expenditures on their homes (including maintenance and repair as well as major additions and alterations). The maximum difference occurred in 1947, for which the extrapolation based on the FRB data yielded an estimate of additions and alterations about $360 million higher than the figure of $1,960 million derived from the trend of building permits.

Despite this substantial revision, the basic data for estimating the value of residential construction remain unsatisfactory. The situation was pointed up most recently in connection with tabulations from the 1956 National Housing Inventory. After such allowances as are possible for differences in definition and coverage, the NHI sample-based data on units added by new construction from April 1950 to December 1956 were found to exceed substantially the BLS series on new nonfarm dwelling units started during the same period. The latter series figures prominently in the estimates of value of nonfarm residential construction as entered in the gross national product.

This basic discrepancy in the housing statistics was reported in the Census Bureau's news release of November 23, 1957, on the National Housing Inventory. It was noted there that special field surveys would be conducted in the attempt to obtain a quantitative evaluation of the discrepancies now apparent, and to establish the basis for achieving the largest feasible degree of comparability between the two series.

As analytical work in this difficult area goes forward, careful attention will be given to the implication for the national income accounts of existing BLS and Census data and of the results of future surveys.

NONFARM INVENTORIES

The statistical revisions which have been introduced into the annual estimates of change in nonfarm business inventories stem mainly from the availability of Internal Revenue Service data on book values for 1955 and 1956. The 1955 data were included in the usual *Statistics of Income* tabulations; those for 1956 were provided in *Business Indicators,* the new report series previously noted.

For 1957, the estimated changes in book values were based chiefly on the following sources: For manufacturing, the OBE-Census monthly Industry Survey, supplemented for this purpose by special tabulations covering a group of large corporations not reporting to this Survey; and for trade, the OBE regular wholesale and retail samples plus preliminary information from the Census Bureau's Annual Retail Trade Survey for 1957.

It may be observed in this connection that the inventory valuation adjustment has been changed only slightly in the latest figures. The smallness of the revisions should not be taken to mean that this series, or the underlying revaluation of book values, is firmly based. On the contrary, adjustment of the reported book value data to a current cost basis required for national income accounting involves quite difficult estimation. The generally limited scale of postwar revisions in the inventory valuation adjustment—which is characteristic of this series—signifies only that the final sources of price information used in the revaluation procedure do not differ significantly from the preliminary information on which the estimates are based initially.

FARM INVENTORIES

The farm component of "Change in business inventories" is measured by the Agricultural Marketing Service as the difference between physical quantities of crops and livestock on farms at the beginning and end of the year, multiplied by average prices for the year. It is derived as the sum of separate State estimates for individual crop and livestock items. No inventory valuation adjustment is required since the farm inventory changes are computed directly from data on physical stocks and current prices.

The procedure of using average prices for the year—average State prices received by farmers—to value the changes in physical stocks was adopted by the Agricultural Marketing Service 3 years ago. (See the *Farm Income Situation,* No. 155, October 31, 1955.) Until then, it was the practice to value physical change in farm inventories in terms of year-end prices. In connection with the development of farm income estimates for the State personal income series, however, it was found that materially different results obtained for some years when the inventory changes were valued at annual average prices.

In the measurement of farm income, the purpose of the inventory change item is to convert sales to a production basis—to exclude sales out of inventory when inventories on farms decline, and to add income in excess of sales when inventories on farms increase. Clearly, valuation of inventory change at average prices for the year yields a measure more comparable to sales than one based on year-end prices. Accordingly, the former expedient of using year-end prices as an approximation of average prices was discarded, and the entire series was reworked on the latter basis.

These farm inventory revisions had been included in the national income accounts back to 1952. The present volume, however, provided the opportunity to extend them to 1946. For the years 1929–45, the change in farm inventories still remains on the year-end price basis.

The revisions in farm inventory change just incorporated into the national income accounts are largest for 1947 and 1948—roughly $600 million in each year. For the earlier period, differences between the two series are substantial ($300 to $400 million) only in 1934, 1936, and 1937.

FOREIGN TRANSACTIONS

The actual statistical changes that have been made in the foreign component of GNP are inconsequential. The sizable postwar differences that appear between "Net exports of goods and services" and the former "Net foreign investment" item are definitional in character. As explained in Chapter 5, they reflect primarily the changed treatment of Government international transfer payments. More specifically, the Government's cash grants to foreign countries no longer enter into the calculation of either net exports or Federal purchases of goods and services, whereas formerly such grants were, on the one hand, included with Federal purchases and, on the other, deducted from exports (along with imports) in the derivation of net foreign investment.

The new handling of international cash grants thus involves offsetting changes in the Federal Government and foreign segments of gross national product. The concept of net foreign investment is retained, but the measure of it appears as an entry in the Foreign Transactions Account rather than as a component of GNP.

GOVERNMENT

The annual postwar estimates of Federal Government purchases are appreciably lower than before, because of the changed

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treatment of international transfers. Statistical revisions of the various series on Federal expenditures and revenues are extremely minor, and routine in nature.

A considerable amount of new work was done on the State and local government series, but this entailed only small changes in the figures since the preliminary estimates were found to measure up quite well.

Revisions were made in local government receipts and expenditures for the years 1946–51 on the basis of the Census Bureau publication, *Historical Statistics on State and Local Government Finances, 1902–53,* published in 1955. This report coordinated and classified on a consistent basis a large body of statistical materials on State and local government finances for selected years of this half-century period.

Benchmarks from this source were introduced into the present estimates for the years 1946, 1948, and 1950. Corresponding data for 1952 and 1953 as reported in this source already had been incorporated into our estimates from earlier Census publications.

Developments in the Estimation of National Income

Revising the estimates of national income posed a quite different—less formidable—problem from that just described for the gross national product. This was because the two sides of the accounts differ greatly in the character of their underlying data sources. In essence, important components of the GNP—consumer commodities, consumer services, and producers' durables—are dependent on periodic censuses, whereas the estimates of national income do not rest on census enumerations to any appreciable extent.

The estimates of wages and salaries, which account for over three-fifths of the total national income, are constructed mainly from information which is available annually. Important examples are the payroll data tabulated from reports by business for social security purposes, and the figures reported by the Federal Government on the disbursements made to its civilian and military personnel. While census information is utilized in estimating wages and salaries in certain industries, its importance to this area in general is distinctly secondary.

NEW TREASURY DATA

With respect to the next two largest components of the national income, the various industrial and population censuses are not used at all in the series on corporate profits, and figure only to a minor degree in the estimation of the income of unincorporated nonfarm enterprises. These components are founded almost entirely on Internal Revenue Service tabulations of the Federal income tax returns of corporations, individuals, and partnerships.

For corporations, tabulations have been prepared on an annual basis in substantial industrial detail, but in the past did not become available until more than 2 years after the year to which they referred. For example, at the time the 1956 estimates were reported in the July 1957 National Income Number of the SURVEY OF CURRENT BUSINESS, IRS profits tabulations from corporation income tax returns extended through 1954, and it was necessary to project the comprehensive data for that year to 1955 and 1956, and then currently into 1957, on the basis of a variety of source materials by industry which were considerably less reliable.

IRS tabulations of net income and related items in the noncorporate area have been available on an aggregate basis annually (except for the latest 2 or 3 years), but less frequently by industry. In the past, the industry tabulations were not regularized and usually did not cover partnerships along with proprietorships.

Two recent developments in the IRS data directly benefited the estimates of corporate profits and income of unincorporated nonfarm enterprises prepared for this report. The first was the issuance of the *Business Indicators* reports for 1956, which served to advance IRS reporting for nonmanufacturing corporations and for sole proprietorships and partnerships fully one year ahead of the past schedule. And secondly, since our previous major revision in 1954 the Internal Revenue Service has compiled and released, in addition to *Business Indicators,* several other statistical tabulations of partnership and/or proprietorship incomes in the recent period. These additional tabulations, in conjunction with those previously available, enabled us to revise and improve the postwar series on unincorporated nonfarm business incomes and to base it, up through 1956 on annual IRS data.

The other components of national income—supplements to wages and salaries net income of farm proprietors, net interest, and rental income of persons—are each relatively small and are satisfactory except in the case of the rental series. Again, the major data sources underlying these components are annual rather than periodic.

FEATURES OF THE ESTIMATES

The foregoing brief summary has perhaps afforded a sufficient basis for making several generalizations about the quality of the national income estimates and the nature of the recent postwar revisions of them.

1. The national income is based for the most part on statistical sources which yield data annually, and which are of generally high quality.

2. The accuracy of the national income estimates for the current period, however, is affected by the delay in availability of comprehensive data on business incomes. The new IRS *Business Indicators* series takes on a particular significance for the national income series because it puts the reporting of such data on an accelerated basis and reduces the period for which resort must be had to less satisfactory source materials for extrapolation.

3. A principal requirement to improve the national income estimates is better profits data, covering both incorporated and unincorporated businesses, for the current period pending the availability of information from the Internal Revenue Service. It may be added that the social security wage data do not become available in time for use in the preliminary estimates for the current year—1958 at present—but that the current monthly information, mainly from the Bureau of Labor Statistics, for projecting the estimates of wages and salaries in the interim has proved generally adequate.

4. Because the national income estimates depend to a comparatively small extent on censuses, the revisions on the income side of the accounts were in general more "selective" than the comprehensive statistical recasting which was given to consumer expenditures for commodities, producers' purchases of durable equipment, and part of the consumer services series. However, as we indicated above, issuance by the Internal Revenue Service of additional income tax return tabulations permitted this kind of a systematic reworking to be carried out in the instance of unincorporated nonfarm business income.

This section of the chapter describes the revisions that were undertaken for each of the components of national income. It also covers capital consumption allowances, which constitute an important item of con-

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ceptual difference between the national income and the gross national product. Other such items of difference—indirect business tax and nontax liability, subsidies less current surplus of government enterprises, and business transfer payments—are not discussed because these series were left generally intact.

INCOME BY INDUSTRY

Before discussion of these various components of the national income, note should be taken of a problem concerning the estimation of its industrial distribution. The further work we did on this problem did not lead to a solution; it remains on the agenda for future research.

Most components of the national income—and the bulk of the total—are distributed by industry on the basis of a classification of establishments. Corporate profits and interest, however, are classified industrially in acccordance with the major activity (revenue source) of each company or affiliated system of companies taken as a whole.

Comparisons of corporate property incomes with other items of national income, while valid for all industries combined, are therefore more or less imprecise for any individual industry. (See the 1954 *National Income* supplement.) This imprecision varies from one industry to another, depending in general on the relative importance of multi-industry companies. Among the industries particularly affected are the refining of petroleum and nonferrous metals and the manufacture of motor vehicles—which include substantial profits from economic activity that is classified elsewhere for purposes of measuring other types of income—and petroleum and metals extraction, where the reverse condition exists. As can be seen, industry comparisons with respect to total income originating are also affected in such cases.

In principle, the noncomparability could be removed either by allocating the corporate profits and interest of multi-industry enterprises among the different establishments they own or by regrouping the other income flows from such enterprises on a company basis.

The latter solution would avoid difficult problems of cost accounting that arise in the allocation of profits among various establishments owned by a company. In spite of these problems, however, a national income breakdown based on the classification of establishments is preferable in general, because it serves better all the varied analytical purposes which require information about the type of productive activity in which business units are engaged.

As a practical matter, neither of the two solutions can be carried through the national income tables without considerably more primary data than are now available. The information at hand is generally sufficient to indicate that the noncomparabilities in the present national income measures are significant for certain areas of the economy; but it does not provide a basis for quantitative adjustments to eliminate these noncomparabilities.

A statistical source apparently holding some promise is a series of sample tabulations by the Internal Revenue Service of corporate tax returns showing substantial amounts of depletion. These tabulations provide figures on "net income subject to depletion" attributed by the taxpayers to depletable properties yielding specified minerals. In principle, such figures could be used to construct a rough series of mining profits on an establishment basis, comparable to the payroll series. Unfortunately, these sample tabulations are so far available for a few years only. Moreover, the fact that the net income allocations serve as the basis for determining allowable percentage depletion appears to have impaired their usability for the purposes here envisaged. Pending solution of this latter problem, an extension of the tabulations to cover a longer period of time, and the development of materials for a corresponding adjustment in other industries where the problem is also of considerable importance, we decided against an interim adjustment for mining in the present volume.

A potential source of comprehensive data in this area is the Company Statistics program of the Census Bureau. This has so far yielded cross-tabulations of payrolls and other items by industry of company and industry of establishment from the 1954 Censuses of Business, Manufactures, and Mining Industries. This program is intended to provide a bridge between bodies of industry data classified on the two alternative bases. The Census data, however, cannot as yet be satisfactorily tied in with the tax return materials which are the basic source of profits data. Because companies may report to the IRS on a more (or less) consolidated basis than to the Census Bureau, a substantial number of them may be included in one industry in the tax return tabulations while the Census Bureau's company statistics include them in a different industry.

Again, errors might occur in an establishment allocation of company profits based on the particular items the Census Bureau has cross-classified. The closest approximation to profits the latter yield is the difference between payrolls and total value added. This difference is much grosser than profits, and it rests in the end on a valuation of shipments which, for intracompany transactions, may not be tied closely enough to market prices to provide a realistic basis for an establishment allocation of profits.

Finally, the Census experience of 1954 is not easily generalizable to apply to other years in the estimation of such a volatile item as profits.

COMPENSATION OF EMPLOYEES

The postwar revisions of wages and salaries are quite minor in the aggregate. This result reflects the generally high quality of the underlying basic data for this large component of the national income, although for a few industries the payroll estimates remain statistically weak.

While the new work on wages and salaries undertaken for this report has not in general affected the estimates significantly, it has served to refine them in a number of places. The improvements which have been introduced are described below separately for the important segment of payrolls estimated from social security data and for "noncovered" industries.

The estimates of supplements to wages and salaries have not been altered for years through 1954; for the subsequent period, they have been revised to incorporate the Internal Revenue Service tabulation of corporations' contributions to private pension funds for 1955—which was issued this past spring—and various other pieces of data now available for 1956 and 1957. This lack of back-year revisions reflects chiefly an absence of additional basic data; it should not be taken to mean that the statistical basis of this component is fully satisfactory. While the supplements series is a generally adequate one, there are several ways in which it can, and should, be strengthened.

"Covered" Industries

For this report, a somewhat different method was devised for estimating the total of wages and salaries paid out in industries covered by the Social Security Act. This method, which was adopted for the period beginning with 1951, can best be described after reviewing the original procedure. This review will also give a background for the second type of revision made in the "covered" payroll series, namely, the preparation for recent years of new payroll estimates for "small" firms not covered by the State unemployment insurance laws.

CHARACTERISTICS OF DATA

Through 1950, the old-age and survivors insurance (OASI) program and the State unemployment insurance (UI) programs covered the same universe of industries,

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ranging over virtually the whole of commercial and industrial employment. The area of the economy thus embraced by the Social Security Act accounted for about three-fourths of total wages and salaries and close to nine-tenths of private-industry wages and salaries.

The payroll statistics furnished by neither the OASI nor UI programs were complete. Only taxable wages were available from OASI, since employers were not required to report the amounts earned by employees over the $3,000 taxable wage base. Under the UI programs, both taxable and total payrolls were reported by the establishments covered, but most of these programs exempted firms with few employees (ranging in that period from 1 to 7, according to the individual State laws), as well as firms in business intermittently or for short periods.

A "control" total for the social security universe—to which independently derived industry estimates were adjusted—was prepared for the period through 1950 by adding together the following three parts:

1. Taxable payrolls reported under the OASI program—that is, the taxable payrolls of all firms under social security coverage, accounting for about four-fifths of the total payrolls of these firms.

2. Nontaxable payrolls reported under UI, derived by simply subtracting taxable payrolls from total payrolls as reported by employers covered by the State laws.

3. An estimate, based on social security data, of the nontaxable payrolls of "small" firms—those small enough to be excluded from UI coverage by the varying size-of-firm coverage provisions of the State laws. This portion of "covered" wages and salaries not reported under either social security program amounted to less than 1 percent; virtually the entire total was based on employer-reported data summarized in the tabulations noted under (1) and (2) above.

The method used to derive a total of "covered" wages and salaries was not followed for the separate industries since the OASI taxable-wage data by industry had been compiled only from small samples and were not available for the whole period on an establishment (as distinct from company) basis. Instead, industry series were built up from the following components involving a different, though also integrated, use of the social security data:

1. *Total payrolls reported under the UI programs.* These data, which accounted in the aggregate for almost 95 percent of total covered wages and salaries in the pre-1951 period, are classified by industry on an establishment basis.

2. *The estimated total payroll of small firms covered by OASI but not UI.* This estimate was based on OASI special tabulations, usually in connection with the report on *County Business Patterns,* showing the taxable payroll for the first quarter of the given year, classified by State and industry, for firms of a size excluded from UI coverage. Since virtually all of the first-quarter payroll in such small firms could be assumed to be taxable, the addition of UI total payrolls and OASI small-firm taxable payrolls gave a very close approximation to total payrolls in each industry in the first quarter of the year. The ratio of this total to the UI component—a "small-firm raising ratio"—was applied to the annual total of UI payrolls in each industry to adjust it to include the pay in small firms.

3. *An unexplained discrepancy.* In all years, the sum of the industry estimates derived from (1) and (2) above fell short of the overall controlling total. The amount was always relatively small but varied from year to year, being $0.8 billion in 1947, for example, and $0.2 billion in 1950. Adjustment of the industry estimates to the total was accomplished by allocating the amount of the discrepancy among them in proportion to the OASI small-firm payrolls.

Beginning with 1951, a problem was encountered in constructing the control-total of social security payrolls by the method outlined above. Taxable earnings under the OASI program (which were raised to $3,600 and are now $4,200) no longer coincided with those under the UI laws ($3,000), and coverage of OASI was expanded to include some groups not covered under the UI programs. For a number of years, however, the Bureau of Old-Age and Survivors Insurance furnished a special estimate of what the OASI taxable wage total would have been in terms of the 1950 coverage provisions—thus permitting an extension of the basic procedure.

This estimate was subject to appreciable sampling variability and, moreover, became more difficult as the period of years beyond 1950 lengthened. It was therefore decided, in connection with this report, to attempt to develop a different method of handling the control-total aspect of covered wages and salaries.

REVISED METHOD

The method which has been adopted is a variant of the former approach in building up the individual industry estimates. For all years since 1951, UI total payrolls for each industry have been raised to cover small firms in accordance with the regular method; and an overall upward adjustment of these results has then been introduced to take the place of what was formerly the "unexplained discrepancy."

The small-firm ratios for this period have been based on OASI tabulations for the first quarters of 1951 and 1956, with straight-line interpolation for the intervening years. It may be noted that the 1956 data—prepared in connection with *County Business Patterns*—are new; they represent a significant addition to the basic information available for estimating "covered" payrolls, particularly since it had been necessary to hold constant the relationships indicated by the prior small-firm study for 1951.

The tabulations furnished by the Bureau of Old-Age and Survivors Insurance for 1956 showed employment as of mid-March by State and industry in a 2-way classification by size of establishment (0–3 and 4–7 employees) that approximated the required definitions very closely. While direct payroll data of course would have been preferable, these employment figures have proved quite helpful. This was especially true because the average pay of small-firm employees could be estimated apparently without substantial error, by reason of the fact that for most industries on a national basis the ratio of such average pay to that for employees in all establishments had shown essential stability for the period through 1951.

With regard to the introduction of the overall upward adjustment noted above, the need for such an adjustment was indicated by the fact that the sum of the industry estimates had fallen short of the controlling total in the past. In other words, we felt that the UI data adjusted to cover small firms would probably continue to understate slightly the actual amounts of "covered" wages and salaries.

In this connection, it was observed that for the few years for which such a comparison could be made the amount of payroll estimated by OASI to be missing from *County Business Patterns* because of delinquency in reporting closely approximated the unexplained discrepancy between the sum of our industry estimates and the controlling total. An oversimplified view of this correspondence would be that all of the payroll omitted from *County Business Patterns* because of delinquent reporting referred to small firms, and thus was excluded also from the small-firm tabulations used in the national income estimates. Undoubtedly, however, some of this delinquent reporting was in large firms. To illustrate with hypothetical breakdowns, the amount of delinquent reporting in *County Business Patterns* for the first quarter of 1947, $0.8 billion at an annual rate, may have represented $0.6 billion in small firms and $0.2 billion in the larger firms; and our $0.8 billion "unexplained discrepancy" for 1947 may have reflected an undercoverage of $0.6 billion in the OASI-based estimates for small firms and $0.2 billion in the UI figures, with the latter understatement resulting from the provisions in many State laws that firms are not subject to UI coverage until they have been in the requisite size class for a certain number of weeks, usually 20.

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In any case, the close agreement between delinquent reporting in *County Business Patterns* and the "unexplained discrepancy" in the years for which both figures were available led us to use the former item for 1951 and 1956 to take the place of what was conceptually the "unexplained discrepancy." For intervening years the all-industry total of this item was interpolated by small-firm payrolls. The resulting figures were distributed among industries in proportion to estimated small-firm payroll.

For each year since 1947 the amount of wages and salaries added to the sum of the initially computed industry estimates—under the label of either an "unexplained discrepancy" or delinquent reporting in *County Business Patterns*—has been less than a billion dollars.

"Noncovered" Industries

In the "covered" area of wages and salaries, revision of the method of estimating the controlling total and the receipt of small-firm tabulations for 1956 took care of the more significant problems. For "noncovered" payrolls, a review of existing methodology led to improvements in the estimates for a number of industries, all of them among the statistically weaker series.

PRIVATE HOUSEHOLDS

Our former method of estimating the total pay of domestic servants was to multiply Census employment (from the Current Population Survey) by an average earnings series benchmarked on the Census of Population and extrapolated by the BLS price index for domestic service.

Beginning with the year 1954, the Census Bureau made available unpublished data on hours worked corresponding to the employment figures. Estimates of total man-hours computed from these data when divided into the previous payroll series yielded an average hourly pay which appeared high. From the files of the Bureau of Labor Statistics, however, we tabulated information on the prevailing wages per 8-hour day paid to domestic workers in over 50 scattered cities during the months of 1952 and 1953 (as reported by employment agencies in those cities)—which information implied an average hourly rate of pay that was lower and seemed reasonable.

The new estimates of wages and salaries in private households have thus been prepared by multiplying total man-hours by average hourly earnings, with benchmarks for the latter interpolated and extrapolated by the BLS consumer price index for domestic service. The revisions for this payroll series extend back to 1948 and are appreciable for the more recent period, for which the new figures are less than the former ones by about $\$1/2$ billion, or approximately one-sixth.

HOSPITALS

Pay in kind has been a weak element of the series on wages and salaries paid out by hospitals. Formerly, pay in kind was extrapolated from a 1935 Census of Hospitals benchmark on the basis of estimated employment multiplied by a weighted combination of the food and rent components of the consumer price index. To improve this procedure, we turned to the American Hospital Association's "Salary Survey," which contains much information on pay in kind by type of hospital, type of personnel, and type of perquisite (food, lodging, and laundry). The 1946 and 1956 surveys were used to construct new pay-in-kind benchmarks, and each type of pay in kind was interpolated for the intervening years by the product of employment and the relevant price index (food, rent, and laundry, respectively). The incorporation of these AHA data was the major factor in reducing the overall estimates of hospital wages and salaries—by almost $400 million, or 15 percent, by 1956.

HIGHER EDUCATION

The U. S. Office of Education published for the school year 1953–54 total payrolls in schools comprising the great bulk of all private institutions of higher education. It also published for the same schools the ratio of aggregate payrolls to aggregate educational, general, and auxiliary expense. This ratio was applied to the comparable expense total in all private higher education to obtain a benchmark for total payrolls. The new series is about 5 percent lower than the superseded one for the more recent period.

Such comprehensive data relating to payrolls in private higher education had not heretofore been published by the Office of Education. The series are to be continued in the regular *Biennial Surveys* of that Office.

NONPROFIT ORGANIZATIONS

Part of the expansion of the OASI program in 1951 consisted of making eligible for coverage on an elective basis the various types of nonprofit organizations exempt from Federal income tax under Section 101 (6) of the Internal Revenue Code of 1939. These religious, charitable, scientific, literary, educational, and similar organizations are exempt from UI coverage and formerly were exempt from OASI coverage. Only limited information has been available on the wages paid in such organizations.

In connection with the 1951 and 1953 editions of *County Business Patterns,* the Bureau of Old-Age and Survivors Insurance collected and reported separately (in "OASI Coverage Statistics, First Quarter, 1953") the payroll in those organizations which had elected to be covered by OASI. In the opinion of a representative of that Bureau, the bulk of the organizations eligible had elected to be covered by 1953.

We did not use the OASI data for hospitals, schools, and colleges since more comprehensive information for these types of organizations, including implicitly the Section 101 portion, was available from other sources.

For all other organizations represented, the amounts reported by OASI for 1953 were used to derive benchmarks for this category of payrolls in the industries concerned. Since these amounts were necessarily minimums, we raised them by 10 percent for each industry except religious organizations, where a 25-percent raising factor was applied on the assumption of a relatively smaller coverage on an elective basis.

In total, approximately $1 billion of payrolls is included in the 1953 estimates on the basis of these OASI data. This amount is not a net addition to the wage and salary totals since in various industries the figures based on OASI data were used as benchmarks to replace weaker estimates. However, in some industries and parts of industries, most significant of which was "civic, social, and fraternal organizations," the new data provided estimates for categories of payrolls not previously included in the national income.

INCOME OF UNINCORPORATED ENTERPRISES

The estimates of income of unincorporated nonfarm business establishments have been revised back to 1948. This latest of several periodic reviews of source materials and procedures in this difficult area can be said to have improved the statistical basis of the series quite significantly.

Estimation in this field has generally required the laborious piecing together and adjustment of various types of data from numerous sources, some only inferentially connected with noncorporate business income. While such difficulties remain a characteristic of the work, the enterpreneurial income series now, for the first time, is founded for an appreciable span of years on a comprehensive and uniform body of

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statistical data. Reference is had to tax-return tabulations by the Internal Revenue Service (IRS) of the incomes of sole proprietorships and partnerships covering the period from 1945 through 1956.

This basic information is fully incorporated into the estimates contained in this volume. IRS tabulations for 1945 and 1947, the first comprehensive data on the incomes of unincorporated nonfarm enterprises, had previously been utilized, along with certain other tabulations of this type which were available for a few succeeding years. For the present report, the post-1947 series was thoroughly revised in light of the substantial volume of additional tax-return information compiled and issued by the Internal Revenue Service in the past several years. A variety of other source materials also went into the calculations, but the new IRS reports were of overriding importance.

The revised estimates of the income of unincorporated business and professional enterprises differ appreciably from the former series. In the main, the revision is a statistical one, with the IRS and other data indicating a higher level, particularly for recent years, than had been estimated from the incomplete and less direct materials at hand. Part of the revision, however, stems from an extension of the scope of the estimates. A careful reexamination of the coverage provided by our estimates of the various types of noncorporate forms of organization indicated the advisability of attempting to fill certain gaps which had previously been neglected because of the crudity of available basic data and the presumably small amounts involved. Examples of such omissions which have been remedied at least roughly are afforded by mutual nonlife insurance companies and enterprises owned by fiduciaries. For these, as well as for miscellaneous other types of noncorporate organizations not covered in the past, the estimated annual net income for the recent period amounts to about $\$¾$ billion.

In the work on nonfarm entrepreneurial income just completed, separate estimates were made for approximately 65 industries listed in table I–10, which shows the industrial origin of national income. Because of the general inadequacy of the entrepreneurial series on a "2-digit" industry basis, the series is not published in such detail but only, as in table VI–4, for broad industry divisions. Revisions were quite sizable, however, even for some of these broader categories, and serve to point up the extreme difficulty of estimating entrepreneurial income well, particularly on an industry basis.

The significant improvement in the new estimates noted above is relative only. There are still a number of ways in which the nonfarm entrepreneurial income series can be made more reliable. Probably the most essential need in this regard, as recorded in the final section of this chapter, is for periodic, comprehensive audit studies by the Internal Revenue Service along the lines of the one for 1949 already embodied in the figures.

INTERNAL REVENUE SERVICE DATA

Two sets of IRS data, both derived from samples, were utilized for preparing annual estimates of the income of unincorporated business and professional enterprises for the period beginning with 1948. One consisted of periodic tabulations by industry of the net income, sales, and related items reported by (*a*) individuals (sole proprietorships) on the business schedule of their Federal income tax returns, and (*b*) partnerships on their mandatory informational returns to the Government. Tabulations for sole proprietorships were available for 1949, 1951, 1953, 1954 (in a limited industry breakdown), 1955, and 1956; partnership data were reported for 1953 and 1956.

The other series of IRS information, which was available annually for 1948–55 without an industry breakdown, showed the total net income from (*a*) individually owned businesses, and (*b*) partnerships as reported by individuals on the "face" of their Federal income tax returns. With specific reference to the individual income tax return (form 1040) for 1955 and other recent years, item (a) was a combination of lines 8 and 9 on page 1—"Profit (or loss) from business" and "Profit (or loss) from farming"; and item (b) represented "Income from partnerships" as tabulated from page 3, schedule H (line 1). Of further note, item (a) consisted of amounts transferred by individuals from schedules C and F of the form 1040 return; item (b), which was part of line 10 on the "face" (page 1) of the return but not shown separately there, represented a reporting by individuals of the amounts distributed to them by partnerships, whereas the partnership figures included in the industry tabulations were taken, as already noted, from the returns of the partnerships themselves.

SUMMARY OF METHOD

The tabulations from the Internal Revenue Service outlined above became the principal basis for an estimating procedure for the period 1948–55 which may be said to have consisted in essence of the following steps:

1. Filling in, through estimation, the gaps in IRS industry data—that is, estimating by individual industry groups the total net income of sole proprietorships and partnerships for 1948, 1950, and 1952 and of partnerships alone for 1949, 1951, 1954, and 1955.

2. Adjusting (proportionately) the resultant 1948–55 industry figures, year by year, to a controlling total developed primarily from the IRS "face-of-return" information.

3. Adjusting for incompleteness, or undercoverage, in the IRS universe, as measured against census information on sales or number of proprietors.

4. Allowing for differences in industrial classification between the IRS tabulations and the system followed in the national income.

5. Raising the figures to correct for the understatement of net income reported on tax returns—largely on the basis of a special IRS audit study made some time ago for the year 1949.

6. Adding in the estimated business incomes of certain types of proprietors or noncorporate entities not covered, for one reason or another, in the IRS sole proprietorship and partnership tabulations.

The main new feature of this methodology was step 2—the development of annual "control" totals so as to eliminate from aggregate unincorporated nonfarm business income the errors arising from the necessary use of estimation by industry because IRS data were not available at all for some years and only in part for others. With the incorporation of such controlling totals, the income of unincorporated business and professional enterprises included in the national income accounts represents essentially the annual totals tabulated from individuals' Federal income tax returns, adjusted upward to allow for understatement of reported net income and for the estimated amounts of income not covered altogether by these returns.

The various adjustments made to IRS data may take on a more precise meaning from the additional notes on methodology given below. It is first to be noted, however, that the actual procedure of estimation varied somewhat from the 6-step method which has been summarized. The latter, it is believed, sets forth the essence of the matter more clearly than would an outline of the actual way in which the estimates were prepared. Because of statistical convenience, and mostly to avoid unnecessary computations, the procedures which were used differed as follows from those outlined above:

1. The industry information for sole proprietorships and partnerships reported by the Internal Revenue Service was adjusted for undercoverage (step 3), differences in industrial classification (step 4), and understatement of reported net income (step 5) before estimation was employed to extend the industry estimates to all years of the period.

2. Adjustment to the controlling total came next. However, the total was of course adjusted for this purpose to include the amounts by which the industry figures had

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been increased by the estimation involved in steps 3 and 5. It is recognized that this adjustment caused the control-total to lose in part its statistical independence of the industry estimates, but it should be added that the actual results differed not at all in the aggregate and inconsequentially by industry from those which would have obtained if the 6-step method summarized above had been followed literally.

3. The final step was the same as in (6) above—allowing for incomes of proprietors outside the scope of IRS coverage.

PREPARATION OF INDUSTRY SERIES

It has been noted that the reported IRS net income data for individual nonfarm industries required adjustment for any incompleteness of coverage and for differences in industrial classification. Important new source materials for making both types of adjustment were provided by the 1954 censuses of business—covering retail trade, wholesale trade, and the services—manufactures and mining.

Procedures for incorporating the 1954 Census information, for raising the estimates for understatement in reporting on the original tax returns, and for making interpolations to derive the initial estimates of business and professional incomes by industry for years not covered by the IRS data were, in general, similar to the methodology for 1947–49 described in the 1954 *National Income* supplement.

Allowance for understatement in the IRS tax-return data was a particularly important step in procedure. The chief basis for making it was an IRS intensive audit for 1949, based on a representative sample, giving primary emphasis to business income reported by individuals. The study was carried on by experienced field investigators through direct contact with taxpayers and examination of their records.

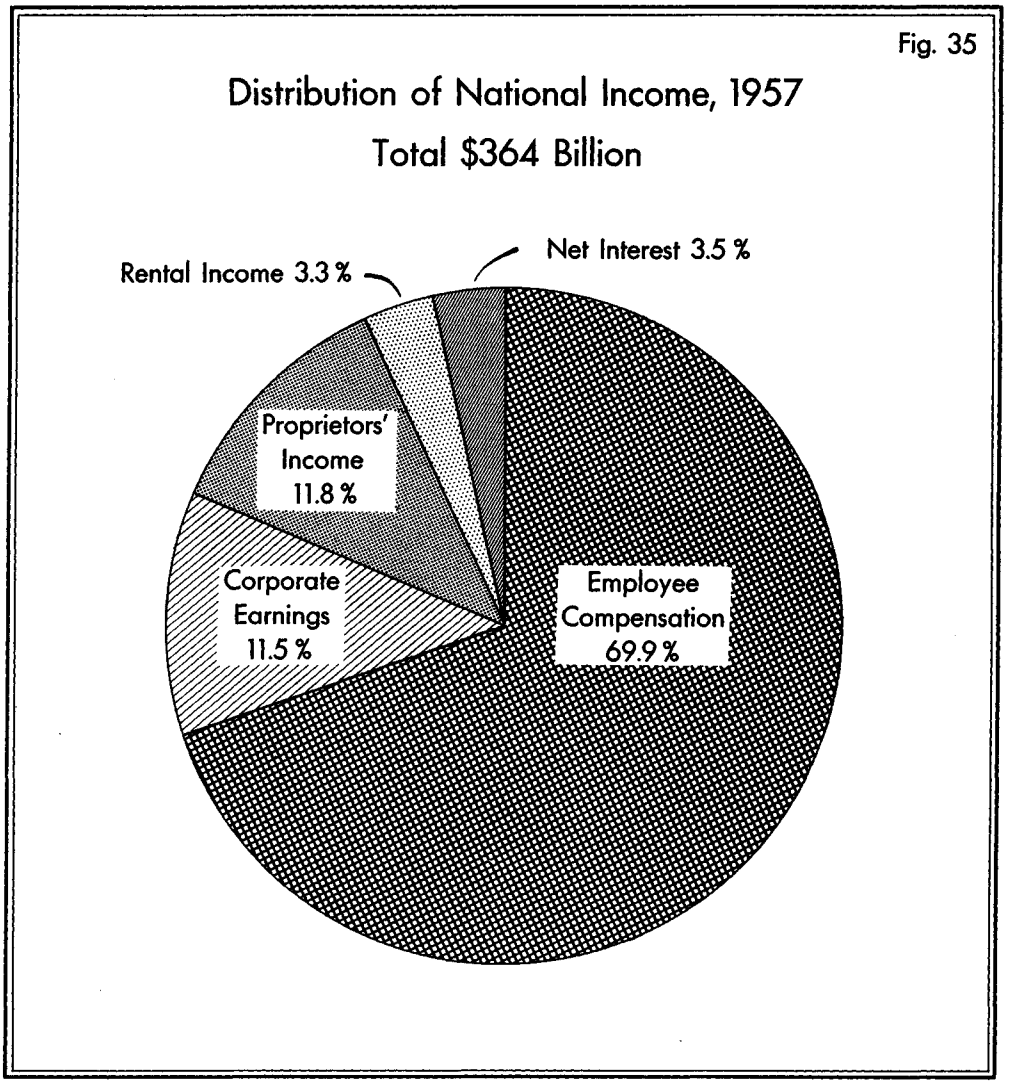
This IRS audit permitted an adjustment to be made, by industry, of the net income reported for tax purposes by individual proprietors. For lack of data, the same relative adjustment was applied to the income reported by partnerships, although collateral audit information indicated that, insofar as size-of-firm differences alone were determining, a lesser adjustment might have been in order. More important, it was necessary to use the 1949 audit allowance for an industry for all years of the series (from 1929 to 1957).

Another type of audit adjustment, as it were, is included in the estimates of the income of professional practitioners.

These estimates have been derived for the most part by multiplying the number of professional persons in independent practice by average net income figures derived from mail questionnaire surveys of the major professions conducted by the Office of Business Economics. The latest such survey, covering the legal profession for the years 1947–54, was utilized in this report.

Estimates of postwar professional incomes obtained by this approach have generally been moderately higher than those based on IRS data adjusted for audit. While the difference involved, around $\$1/2$ billion a year recently, may reflect statistical errors at least in part, it has been retained in the estimates and viewed as a kind of audit adjustment.

Fig. 35



OTHER PHASES OF PROCEDURE

The development of control-totals formalized into a regular procedure the previous use of the face-of-return information as a check on the "sum-of-industry" estimates. (See the 1954 Supplement, pp. 82–83.)

Apart from the audit and undercoverage adjustments, noted above, that were introduced into the control totals to make them conform with the industry estimates, an annual series of these totals was derived by adjusting as follows the IRS face-of-return amount of business and professional income reported on individual income tax returns:

1. The estimated amount of net farm income included in the face-of-return total was subtracted. This figure was available from the IRS industry tabulations for the years noted above, and was obtained for other years by interpolation on the basis of the Agriculture Department's annual series on net income of farm operators (exclusive of noncash items of income).

2. Allowance was made for differences in definition between net income reported on tax returns and included in the national income accounts. Under this heading came the adding back of deductions that had been taken for depletion allowances and the subtraction of several items (such as

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dividends and interest received by partnerships and earnings of insurance solicitors) that are counted in other components of the national income. All together, these allowances for definitional differences, based mostly on IRS tabulated data for selected years, entailed a lowering of the reported face-of-return total by $300–400 million a year in the postwar period.

The controlling totals derived in this manner were then subjected to a statistical check. This involved IRS data on sole proprietorship income, which accounts for two-thirds of the business and professional universe. The total of such income reported in the IRS industry tabulations (for 1947, 1949, 1951, and 1953–55) was compared with that derived from the face-of-return information (reported total adjusted to exclude farm income). Very good agreement was found except for 1954 and 1955, when the two series showed a considerable divergence.

No explanation of this was found. Statistically, the face-of-return figures are regarded as probably somewhat superior to the industry tabulations, but one cannot be sure and the latter data seemed more reasonable in this particular instance. Given this uncertainty, the controlling totals developed from the face-of-return information were adjusted downward for 1954 and 1955, by averaging the two sets of IRS data for sole proprietorships. The effect of this adjustment on the final estimates of noncorporate business income was about $¾ billion in each of the 2 years.

The control-totals that were obtained by adjusting the face-of-return figures for farm income, definitional differences, and the statistical divergence just noted accounted for three-fourths of the final estimates of unincorporated nonfarm enterprise income. The audit allowances formed another 15 percent. Part of the remainder represented estimated incompleteness of IRS coverage in various industries, but the bulk of it consisted of the incomes of special groups not typically reporting their business incomes on individual income tax returns.

Included here were the income of own-account workers in contract construction (such as carpenters and painters) operating from their own homes (see the 1954 Supplement, p. 80), patronage refunds and stock dividends paid by farmers cooperatives, incomes from businesses owned by fiduciaries, and the net profit of mutual nonlife insurance companies. These and other such items total around $2 billion a year and, on the whole, have an unsatisfactory statistical basis.

ESTIMATES FOR 1956 AND 1957

For the year 1956, for which face-of-return totals were not yet available from the Internal Revenue Service, the estimates of business and professional incomes were based on an extrapolation from 1955 by industry figures constructed primarily from IRS tabulations. It is to be noted that the IRS data that were used for 1956—covering both sole proprietorships and partnerships—were the product of the accelerated tabulation program embodied in the *Business Indicator* series. The availability of 1956 industry tabulations in time for the preparation of the detailed national income statistics for 1957 represents a marked improvement over the earlier 2-year time lag which had characterized IRS reporting in this area.

For 1957, pending the availability of tax-return tabulations by industry, the estimates were based on movements from 1956 indicated by such data as retail sales, construction activity, wages and salaries, and corporation profits. To obtain the benefit of appropriate weighting, the extrapolations were carried out in as much industry detail as possible.

It is to be emphasized, however, that the data underlying these current extrapolations were, for the most part, fragmentary and only indirectly relevant. For this reason, the changes in nonfarm proprietors' income shown for the period beyond the latest reporting of IRS data are subject to possibly substantial error.

Farm Income

The Agricultural Marketing Service of the Department of Agriculture furnished for this report a new set of figures on the net income of farm proprietors for the years 1946–57. Most other farm items that enter the national income and product accounts were also modified.

For the early postwar years, these revised estimates of farm proprietors' income are appreciably higher than the figures they replaced in our tables. The annual differences in the period 1946–48 vary from about $1 billion to $1½ billion, or from 6 to 9 per cent. The corresponding changes are less for the years 1949–51, and become quite small in the subsequent period.

The above differences for the years 1946–51 mainly reflect the AMS revision made 3 years ago, which we had not had the opportunity to incorporate into our tables. This revision, which was presented and described in the October 1955 *Farm Income Situation,* centered primarily in depreciation charges and inventories. The main points involved are covered in this chapter by the separate notes provided on these items.

The current revision of the AMS farm income and expenditure estimates—presented in the July 1958 *Farm Income Situation*—has had the effect of raising net income slightly for the years 1946–52, and of changing it very little thereafter, in comparison with the series established in 1955. In this most recent effort, complete adjustments were made to the 1954 Census of Agriculture and several other changes in data and procedures were introduced.

Our tables thus incorporate the latest AMS estimates of farm proprietors' income and related items for the years since 1946. This is not true for the period 1929–45, for which revised AMS series were also prepared in 1955, a year following our own revisions of the national income and product estimates back to 1929. However, the differences between the 1929–45 farm income figures carried in our tables and the ones which superseded them in the 1955 AMS report are generally small. The latter, revised series is shown in table VII–12 of the Statistical Section.

Attention may be called to the program of farm income reporting developed by the Office of Business Economics and the Agricultural Marketing Service in early 1956, with the cooperation of the Office of Statistical Standards of the Bureau of the Budget. The essential feature of this program is an agreement on the part of OBE and AMS to carry in their reports the same figures on farm income, both quarterly and annual. In the past, differences in publication schedules and in the timing of revisions had prevented a synchronization of farm income data in the publications of the two agencies. The new arrangement—now in its third year—is a benefit to the many individuals who make joint use of the OBE and AMS income reports.

OTHER COMPONENTS

Included under this heading are descriptions of the new statistical work which has been done in four remaining areas on the "income side" of the national income and product account: Rental income of persons, corporate profits, interest, and capital consumption allowances.

The statistical revisions in these four sets of measures were of a selective character. As we have indicated earlier, the more basic, "top-to-bottom" kind of statistical reworking such as was done for the estimates of consumer commodities, producers' durables, and business and professional income was not involved.

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Rental Income of Persons

The postwar revisions of rental income of persons incorporate a somewhat simplified estimating procedure and a variety of new source materials. Their effect was to lift the net rent series a few hundred million dollars in most years; the largest revision (that for 1956) amounted to $0.6 billion, or 6 percent. At the same time, beginning with 1951 estimated consumer expenditures for rental of tenant-occupied dwellings were revised upward, and space-rental values imputed to owner-occupied dwellings revised downward, by amounts ranging up to $0.8 billion annually.

Rental income of persons is estimated as the sum of three components. The largest of these consists of the returns (net rents and royalties) from rented nonfarm property. Approaching it in magnitude is the imputed net return from owner-occupied nonfarm dwellings. The third component is net rent from farm realty; this is measured by use of data from the Department of Agriculture, and is revised in the present report only to incorporate routine minor revisions in these data. The discussion below is confined to the nonfarm cash and imputed components.

RENTED NONFARM PROPERTY

The estimates of the former—persons' net rental income from nonfarm property—had been derived through a rather intricate procedure described on pages 86–91 of the 1954 *National Income* supplement. This procedure included a detailed structural analysis of gross rent flows and expenses—a framework which facilitated the consistent use and interpretation of all available data on rents. The net rent measure, however, emerged as the last in a series of residuals obtained by differencing relatively larger items, so that its margin of error was substantial despite the thoroughness with which the data were exploited.

An alternative measure, based on the totals of net rents and royalties reported by individuals and fiduciaries for income tax purposes, has been maintained from year to year as a check. This series is also subject to a variety of weaknesses. Inclusion of an uncertain amount of farm rent, gaps in the data for fiduciaries, incompleteness of coverage, and a response bias offset entirely or in part by taxpayers' neglecting in some cases to charge interest and tax costs specifically to the rental properties they hold—these are some of the major sources of error in the measure based on tax returns. Adjustments, necessarily rough, are made for the first two only.

These alternative rent series moved together prior to World War II (allowing roughly for changes in the coverage of the tax data), but diverged after 1941, when an apparent sharp downward bias began to appear in the tax return measure. Since 1947, however, the latter again has been consistent in movement with the more elaborately based series and has been substituted for it in the basic procedure. However, an abbreviation of the old method is still used to obtain an extrapolator for the two most recent years, for which the tax data are not yet available.

OWNER-OCCUPIED NONFARM DWELLINGS

The estimates of imputed net rent from owner-occupied dwellings—and of the space-rent or rental value of nonfarm housing—have also been revised, to incorporate new source materials. The framework of estimation described in the 1954 Supplement has been retained.

One of the most important of the new data sources was the Census Bureau's 1956 National Housing Inventory. This was used in the preparation of estimates of the total number of dwellings, and to revise the allocation of the total between owner-occupied and rental housing. It also provided new information on the course since 1950 of rental rates and of facility and utility costs.

Data from a number of other surveys by the Census Bureau also made possible an improvement in the postwar rent estimates. The regular samplings of households and families (Series P–20) and of dwelling vacancies and occupancies (Series H–111) were used in interpolating and extrapolating the number and distribution of dwelling units. The 1954 survey of "fixup" expenditures provided a new benchmark on home owners' repair and maintenance costs. Advance releases of the 1957 *Census of Governments*, dealing with real estate assessments, furnished a basis for revising the tenure distribution of taxes and of value of nonfarm dwellings.

Among new materials from other sources, several were supplied by the Bureau of Labor Statistics. A special tabulation of changes in the rental rates on one-family homes included in the Bureau's sample underlying the rent component of the Consumer Price Index was used to adjust the trend of mean imputed rental values. An index of insurance costs from the same source was applied in determining the course of landlords' expenses for fire insurance, which are deducted in estimating home owners' net rental income. Another such deduction, for depreciation, was revised to reflect in the depreciation base the new and higher BLS estimates of the value added by additions and alteration.

Despite the revisions which have been outlined, the rent estimates continue to be among the least satisfactory components of the national income statistics. This condition is largely a reflection of the heterogeneity, poor statistical quality, and serious gaps which characterize the basic data at many points.

Corporate Profits

Revisions in corporate profits were moderate in the earlier postwar years, averaging around three-quarters of a billion dollars for the before-tax series in the period 1950–54. For the years 1955–57, they ranged up to $2½ billion, or 6 percent.

Several factors contributed to the 1948-54 revisions. The data base previously used in evaluating the effects of IRS audit on the underlying income tax statistics was discontinued, and was replaced by a new one which tended to raise the estimates. The inclusion for the first time of an allowance for the operating profits of speculative builders classified by IRS as gain from sales of property had a similar effect. Working generally in the opposite direction, but of small influence dollarwise, was the introduction of a better method of treating the profits earned by foreign branches of United States corporations. All three changes represented improvements in the processing of data according to the basic methodology of corporate profits estimation.

For the post-1954 period, the effect of these was augmented by the incorporation of *Statistics of Income* profits data for 1955 at a level more than $1 billion higher than had been indicated by the extrapolators used in the interim. Also incorporated in the present series are the new *Business Indicators* reports, preliminary sample tabulations from 1956 tax returns made by the Internal Revenue Service on an accelerated schedule. Availability of this new data source annually is expected to improve considerably the reliability of the current-period estimates for nonmanufacturing industries, to which it is confined. Only for the terminal year and for the current quarterly estimates is it now necessary to rely on the heterogeneous data described for these industries on pages 95–96 of the 1954 Supplement. It should be noted, however, that the *Business Indicators* for 1956 did not require a significant change in the overall movement previously shown by the profits estimates; the 1955–57 change in the new estimates is substantially the same as that shown earlier.

ALLOWANCE FOR AUDIT

The revisions made in the allowance for profits disclosed by audit reflected the adoption of a new method. This was

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required by data developments, and is believed to provide a more adequate view of the facts.

The old procedure involved inferring the ultimate amount of audit for a given year from the incomplete results reported up to the time of estimate. The inferences were based on time patterns constructed from IRS cross-tabulations of audit results by year when obtained and by year in which tax liability had accrued. Since the audit data were in terms of additional tax liability rather than of additional taxable income found, special problems were encountered also in the treatment of corporations reporting no net income. Finally, as bases of universe estimates, the data did not provide an adequate coverage of small corporations.

Beginning with 1952, the tax-year detail of additional tax assessments was replaced by tabulations by asset-size class, which provide extensive coverage for the larger corporations. Also, a special IRS study for 1949 served to indicate the extent of the additional profits and tax liability applicable to the smaller size group, including deficit corporations. The two sets of source data were used in combination to derive a comprehensive estimate of the general level of audit profits for the early 1950s. Year-to-year variations around this level for the postwar period were based primarily on the movements of total compiled deductions and of Federal tax liability (prior to audit).

OTHER CHANGES

With respect to the introduction of a special allowance for the profits of operative or speculative builders, IRS data for these concerns are reported in such a way that the bulk of their income appears as "gains from sale of property other than capital assets." Income so reported by the IRS had been excluded from the national income measure of corporate profits, being interpreted as essentially a capital gain. The case of operative builders is now recognized as an exception, and their profits are calculated without deducting this item.

Improvements in the international elements of the profits flow have been made by use of IRS tabulations of information filed in support of claims for tax credits for foreign income taxes paid. In particular, the industry distribution of corporate profits has been strengthened by the revised allocation of foreign branch profits. Formerly, the amounts of such profits included in the IRS industry data were unknown, and the estimates made of them were tenuous. With the tabulations referred to above, it has been possible to remove approximately the actual amounts of branch profits and, with adjustments to balance of payments concepts and timing, to assign them to the "rest of the world" industry.

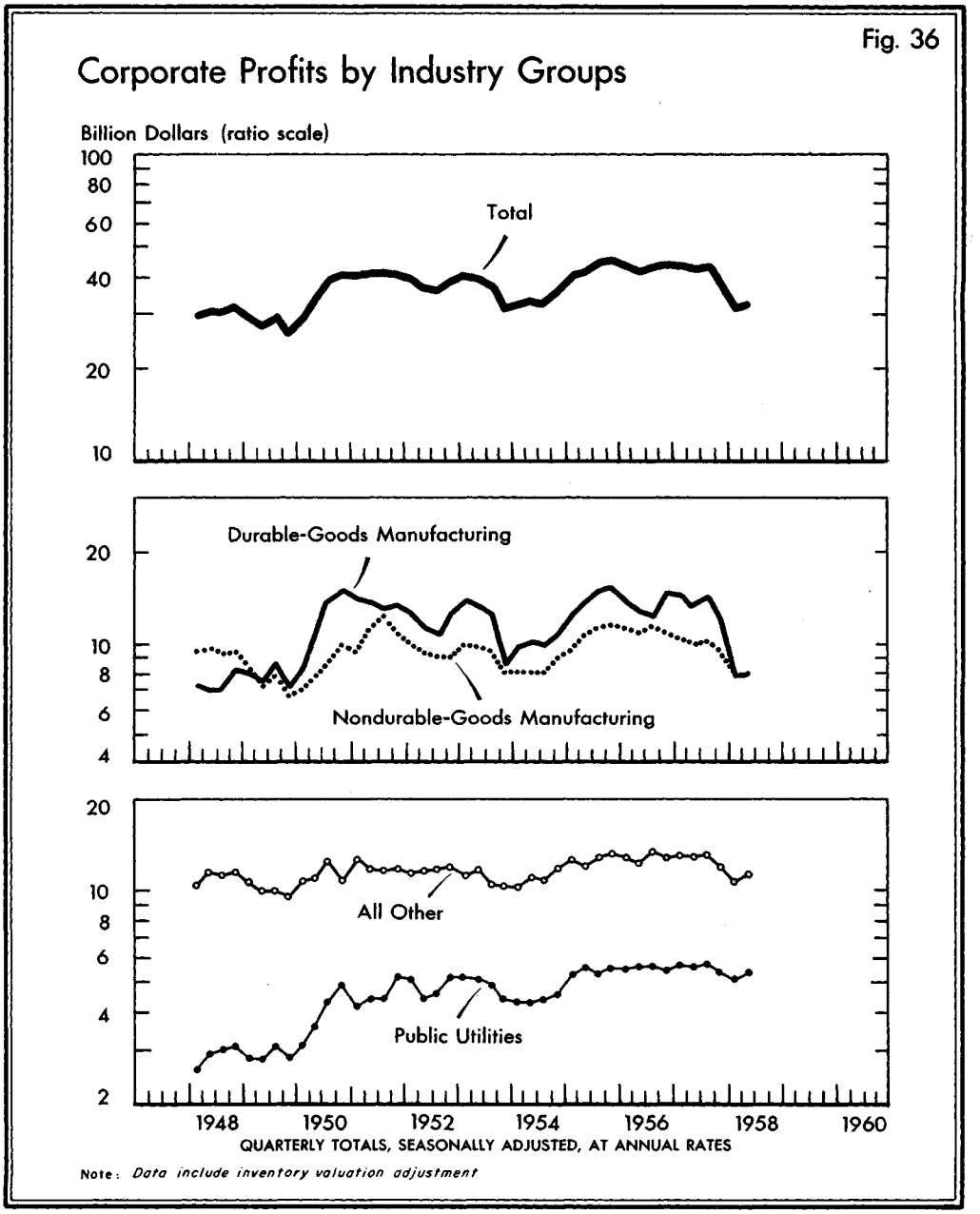
The estimates of corporate profits tax liability, after-tax profits, net dividend payments, and retained net income, as well as of profits before tax, have been revised in the present volume. The revisions in tax liability and in dividends have been relatively small. Of these two series, the former has been estimated for the most recent years in the light of reported tax collections as well as before-tax profits, and was not involved in the revision noted above for operative builders. The dividend series was scarcely affected by the 1946–54 revisions outlined above, and errors in extrapolating it have generally been small. The revisions which have been made in before-tax profits, therefore, have tended to spill over directly into after-tax profits and thence into undistributed net income.

Net Interest

The estimates of net interest included in this report for the period beginning with 1948 are uniformly lower by 5 to 7 percent than those previously published. The revisions of personal interest income, which includes public debt interest, have been somewhat smaller.

These changes were made to take advantage of newly available data. Bench-

Fig. 36



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marks based on tabulations of Federal income tax returns were obtained for the series on interest paid by nonfarm proprietors and partners; and a minor reduction in the estimates of farm debt interest was made by the Department of Agriculture. The figures for corporate interest paid and received, like those for corporate profits, were revised to incorporate *Statistics of Income* data for 1955. In the case of consumer interest payments, the underlying debt estimates were revised upward by the Federal Reserve Board, and a higher consumer allocation was applied to automobile debt in line with our allocation study of auto purchases discussed earlier. Outweighing the effect of these revisions in consumers' obligations, however, was the correction of an underestimate in the measure of personal finance companies' interest receipts, which are deducted from interest paid in our procedure.

These several revisions affected not only the interest component of national income but that of personal income as well. A further change, involving only the former, stemmed from the new treatment of interest received by the Government from abroad. This inflow is treated analogously to a transfer, and therefore is excluded from national income.

Capital Consumption Allowances

The estimates of capital consumption allowances presented in this report increased from $10½ billion in 1946 to $37½ billion in 1957. For the years 1946–51, the figures are from $1 to $1½ billion less than those previously published. The revision for the subsequent period was more moderate—downward by less than $½ billion each year.

The revisions for the earlier postwar period centered very largely in farm depreciation. Several years ago the Department of Agriculture changed its treatment of farm capital expenditures and associated depreciation charges. Whereas we had recorded the new series in the national income accounts beginning with 1952, it was only with the present report that opportunity was afforded to incorporate the corresponding figures for 1946–51. As explained in the October 1955 *Farm Income Situation,* the revision of farm depreciation under discussion entailed the reclassification into current expenses of certain expenditures on repairs and parts which previously had been included in capital outlays.

Modifications have also been made in the depreciation series for nonfarm unincorporated enterprises. The new figures for this series are lower—by small amounts for the earlier period but by about $1 billion a year recently.

This reworking of the nonfarm unincorporated estimates was made possible by the availability of Internal Revenue Service tabulations of depreciation as reported on tax returns—by partnerships for 1953 and 1956, and by proprietorships for 1954 and 1956. The 1956 data were reported in *Business Indicators,* which, as noted earlier, provided on an accelerated schedule tabulations of key items from business and individual tax returns.

This body of IRS data was utilized to prepare on an industry basis the first direct estimates of depreciation for unincorporated nonfarm enterprises since 1947, the most recent year for which comparable tabulations had been available. In the interim, the 1947 benchmark had been moved forward largely by estimates for comparable corporate industry groups.

The reduction in nonfarm unincorporated business depreciation has been offset in part by an increase in residential depreciation. This stemmed from the upward revisions in the BLS estimates of the additions and alterations component of residential construction, as discussed earlier.

Our revision of corporate depreciation charges was mostly of a routine nature. This large component was raised about $½ billion for 1955, reflecting the use of *Statistics of Income* data for all corporations. The 1956 estimate was increased about $1 billion; tabulations from *Business Indicators* were used to derive nonmanufacturing corporations' depreciation, while depreciation for manufacturing companies was extrapolated from the somewhat higher 1955 benchmark.

The estimates of capital outlays charged to current expense have been increased by moderate amounts for most recent years. A new 1954 benchmark was prepared for producers' purchases of durable equipment customarily charged to current expense by use of detailed product statistics collected in the Census of Manufactures. A second significant change in this series occurred in the costs of oil and gas well drilling currently expensed, for which the first direct estimate since 1939 was constructed largely from data reported in the 1954 Census of Mineral Industries.

The revisions in capital consumption allowances were wholly statistical. Nonetheless, this is an area of national income research where much new developmental work is needed, such as to derive more meaningful measures of the volume of capital used up in production than are afforded by book depreciation charges.

Measurement of Quarterly and Monthly Movements

In their role as the most comprehensive available measures of short-term changes in overall economic activity, the quarterly and monthly national income statistics have been subject to a steadily widening interest. Although based generally on more limited information, these forerunners of the annual series have demonstrated their ability to depict current economic trends and to highlight major factors affecting the course of general business activity.

In recognition of the urgent need for up-to-date information on the state of the Nation's economy, efforts have been made to speed up the reporting system of national income statistics. Toward this end, the Office of Business Economics maintains a continuing check on the gross national product, national income, and related series. In addition to the regularly published quarterly series, preliminary summaries are prepared reflecting the incomplete but latest available data to provide a current frame of reference for the monthly business reviews in the SURVEY OF CURRENT BUSINESS. These preliminary summaries are also regularly furnished to the Council of Economic Advisers in order to meet their need for the promptest possible reporting on current economic developments.

With this same objective in mind, the schedule of the published series has been advanced. Since the spring of 1957, the monthly personal income figures have been issued 2 weeks after the close of the month to which they refer—an advance of about 3 weeks over the previous schedule. The quarterly income and product statistics (with the exception of corporate profits) are available about 6 weeks after the end of the calendar quarter. The delay in corporate profits estimates—which become available 3½ months after the calendar

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quarter to which they refer—reflects the timing of underlying source materials, and is something we would very much like to see eliminated by more prompt reporting.

In a number of important respects, our quarterly and monthly series differ from the corresponding annual figures. In general, these series are based on less complete information, and more reliance must be placed on samples and indirect estimating procedures. The problem of synchronizing the income and product flows is also greater. Additionally, the necessity of adjusting the monthly and quarterly data for seasonal variations interposes special and sometimes difficult problems. Seasonal adjustments are themselves in the nature of estimates, and hence subject to error.

Patterns of seasonality in many of the individual component series were modified for the present volume, and this type of adjustment doubtless will continue to be improved as our experience in the postwar period is lengthened. Also, many of the data limitations in the existing quarterly and monthly series can be overcome, and toward this objective we have made several specific recommendations in the last section of this chapter. Nonetheless, a margin of error inevitably will remain in these series. But when used with proper caution and judgment, the short-term data—as the experience to date proves—are extremely helpful in the measurement and analysis of current business developments.

It may be noted that, apart from changes in the basic data and in seasonal adjustments, the quarterly and monthly estimates are affected by revisions in the annual series to which they are controlled. These series are of a preliminary nature for the two or three most recent years, and are subject to revision each July (in the National Income Number of the SURVEY). As a consequence, the quarterly and monthly figures must be adjusted in line with these regular changes made in the annual estimates. A similar problem arises periodically in connection with the incorporation of census data which may affect the annual estimates for a more extended period.

As discussed earlier, experience with these revisions has shown that the overall annual aggregates are generally changed by only a small percentage, but that the changes in some components may be sizable and thereby affect the quarterly and monthly distributions. On the whole, patterns indicated by the quarterly and monthly figures tend to be corroborated in the subsequent revisions, particularly if users of the data have not interpreted the initial changes too stringently.

UNADJUSTED SERIES

One of the significant changes made in the new quarterly format in this report relates to the handling of the unadjusted series, that is, data without correction for seasonal variation. In brief, the unadjusted series have been retained for the gross national product and its components but discontinued for the income components of the national accounts with the exception of corporate profits. The discontinuance of the unadjusted income series, an admittedly regrettable step, was undertaken in the light of our experience with these data over the past decade.

The original decision to include unadjusted income data in our published reports was marginal at the time the national accounts were set up in 1947, and reflected a balance of divergent considerations. On the one hand, there was the obvious general advantage of showing matching sets of unadjusted and seasonally adjusted data, since unadjusted data are needed for certain purposes and some analysts prefer to work with the data in this form. It was also recognized as good statistical practice to give users of the national income series an opportunity of viewing the impact of seasonal adjustments upon the estimates. On the other hand, the character of the "unadjusted" income data generally gave us pause by reason of the fact that they were not in most cases truly unadjusted.

In the present report, the latter consideration has come to have overriding importance. The data sources have not been developed to the point required to have a completely unadjusted income series, nor is there any early prospect of such development. For example, the Bureau of Labor Statistics monthly series used to interpolate the annual estimates of wages and salaries reflect "regular" earnings in the pay period nearest the middle of the month, and do not include such additional elements as year-end bonuses. In this interpolation process, we are therefore in effect spreading such "extra" payments over the year in accordance with the pattern of regular earnings, so that the resultant unadjusted series already embodies a partial correction for seasonality. Similarly, proprietors' income estimates, both farm and nonfarm, constitute a particularly difficult area in which actual net income information is lacking on a monthly (or quarterly) basis. Indeed, the very concept of net income on a monthly basis lacks clarity—particularly when applied to farming. In this situation, income is estimated indirectly by reference to seasonally adjusted materials—mainly business sales or receipts—and the same estimates are then used for both the unadjusted and seasonally adjusted series.

In the case of other income components such as rent and interest, where unadjusted monthly data are also lacking, the estimates are derived by means of graphically smoothed curves fitted to the annual totals. This procedure implicitly eliminates random fluctuations as well as seasonal variations from the time series. It may be added, however, that income flows of this type are characteristically more stable in the short-run and therefore more amenable to graphic smoothing than most other types.

While this data situation, in our opinion, does not appreciably affect the reliability of the seasonally adjusted monthly and quarterly income series, it does negate meaningful comparison between unadjusted and adjusted figures. Our present decision has also been influenced by periodic inquiries about the unadjusted income series which clearly indicated that the limitations of these series—quite understandably—were often not recognized.

MAJOR DATA SOURCES

To assist users of our quarterly and monthly estimates in the difficult task of gauging their general order of reliability, the following notes have been prepared. These summarize the major underlying data sources, and single out the strong and weak points of methodology.

In most cases, the data sources utilized in the preparation of the estimates are mentioned but not described. Reference to OBE's *Business Statistics* supplement—issued biennially for odd-numbered years—is therefore in order. This Supplement includes annotated descriptions of the more than 2,600 statistical series—together with back data for the series themselves—which are carried regularly on a monthly or quarterly basis in the SURVEY OF CURRENT BUSINESS.

GROSS NATIONAL PRODUCT

The ensuing discussion of the quarterly estimates of gross national product is subdivided according to the principal components of this aggregate. The general approach in these figures parallels that followed annually: Total GNP is built up as the sum of individually estimated components, with the quarterly interpolations and extrapolations prepared for a large number of separate series in order to make best use of the available basic data.

Personal Consumption Expenditures

In the main, the data underlying the quarterly estimates of consumer purchases of durable and nondurable goods in tables II–6 and II–7 are essentially the same as

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those used to interpolate the annual estimates between the census-based benchmarks for 1947 and 1954, and the special "secondary" benchmarks established for 1951 and 1956 as described earlier in this chapter. These data are based primarily on the relative movements in retail sales, with principal reliance placed on retail sales by type of store, prepared by the Bureau of the Census, and department store sales by type of department, compiled by the Federal Reserve Board. In addition, use is also made of unpublished compilations of State sales tax data, sales data from trade associations and other private organizations, quantity and price information for individual groups of commodities, and Federal retail excise tax collections.

Our discussion of methodology in connection with the annual estimates brought out the limitations involved in using data on retail sales by type of store to measure changes in consumer expenditures for commodities. However, such limitations—stemming from the evident shifts in commodity lines among the various types of stores—might be expected to be lessened on a quarterly basis.

The principal components of consumer commodities which rely on source data other than retail sales are passenger cars, gasoline and oil, and tobacco. For these, there are sufficient quantity and price data to follow the general methodology used in the annual estimates.

EXPENDITURES FOR SERVICES

For the quarterly estimation of consumer expenditures for services, there is no body of source data comparable in relative scope to the retail sales series used for commodities. Instead, the service estimates are built up in considerable detail to take advantage of the great variety of source materials bearing on this heterogeneous area. A partial listing by major groups of some of the principal data sources is given below. These data are used as indexes, in effect, for interpolating between the estimated annual totals and extrapolating them into the current period.

As will be seen, the statistical underpinning of the quarterly estimates of consumer expenditures for services is not strong. The relative stability of these expenditures, however, is a mitigating factor—serving to lessen the magnitude of error which might otherwise occur.

HOUSEHOLD OPERATION.—One component of this category—consumer outlays for domestic services—is the same as the estimates of wages and salaries for the "private households" industry, as described below. In the important household utilities group, the interpolating series for purchases of electricity is based on electric power sales to residential consumers multiplied by revenue per kilowatt-hour, from data compiled by the Edison Electric Institute. Similarly, purchases of gas are estimated from revenue sales of manufactured and natural gas to residential consumers as reported by the American Gas Association. Quarterly movements of outlays for telephone service are based on Federal Communication Commission data on station revenues of telephone carriers.

HOUSING.—The rental value of nonfarm dwellings (owner-occupied and tenant-occupied combined) is interpolated and extrapolated on the basis of the estimated number of occupied nonfarm dwelling units multiplied by the rent component of the BLS Consumer Price Index.

TRANSPORTATION.—Quarterly changes in purchased local transportation are determined mainly from data on passenger operating revenues of local transit lines compiled by the American Transit Association. Purchased intercity transportation is based on passenger revenues as reported for Class I railways and Class I intercity motor carriers by the Interstate Commerce Commission, and for certificated airlines by the Civil Aeronautics Board.

The estimates of auto repair services and of bridge and road tolls, two of the principal service components included in user-operated transportation, are derived indirectly by taking into account net gallons of gasoline taxed (compiled by the Public Roads Administration) and fluctuations in the BLS consumer price index for auto repair services.

Two of the more important service groups not shown separately in tables II–6 and II–7 are personal services and recreation. The quarterly movements of personal services are based largely on payroll or employment data relating to major components such as laundering, cleaning and dyeing, and garment repair. The recreation estimates incorporate the data on expenditures for motion pictures prepared by Sindlinger & Co., and Internal Revenue Service data on the collection of Federal admissions and related taxes.

Gross Private Domestic Investment

This important component of the gross national product is estimated separately for new private construction, producers' purchases of durable equipment, and the change in business inventories.

CONSTRUCTION

The quarterly, like annual, estimates of new private construction rest very largely on the monthly construction activity series prepared jointly by the Business and Defense Services Administration of the Department of Commerce and the Bureau of Labor Statistics of the Department of Labor. The monthly figures are reported on a seasonally adjusted as well as an unadjusted basis. Only one relatively small part of new private construction in the GNP—petroleum and gas well drilling—is outside the scope of these regularly published monthly statistics, and therefore requires special estimation.

The methodology underlying the construction estimates was summarized in the 1954 *National Income* supplement, and the main features of these estimates have also been brought out earlier in this chapter in connection with the discussions of residential construction and fixed nonresidential investment. As is well known, there are weaknesses in much of the underlying source material, and these have a particular effect on the monthly and quarterly series. Over the considerable range of the construction estimates for which building-permit and contract-awards data are used, the timing adjustments necessary to convert these types of information to a work-put-in-place concept are imprecise on an annual basis, and doubtless are less adequate for shorter time periods.

PRODUCERS' DURABLES

The quarterly estimates of producers' purchases of durable equipment, both unadjusted and seasonally adjusted, are derived largely by interpolation and extrapolation of the annual estimates by series based on the OBE-SEC Plant and Equipment Survey. The survey results are adjusted for comparability, principally by the exclusion of construction expenditures (on the basis of the data just referred to), the addition of expenditures for passenger cars to the extent they are not covered, and the inclusion of farm equipment, which is outside the scope of this survey. The farm purchases used in this adjustment are benchmarked upon annual censuses of shipments of farm machines, equipment, and tractors, and are extrapolated by Census Bureau data on sales of retail farm equipment dealers.

In the present revision, the Plant and Equipment Survey has been used to estimate the quarterly movement of producers' durables for the period back to 1947. Prior to this report, the survey had been used only for the period starting in 1953. The quarterly movement in the earlier years had been based mainly on selected industry

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sales data reported in the OBE Industry Survey, except for the 1950-52 period when data from the National Production Authority were utilized.

It should be emphasized that this procedure of deriving the quarterly movement of producers' durable equipment is equivalent to using the plant and equipment data to guide the movement of total fixed nonresidential investment, that is, producers' durables plus private nonresidential construction. This is so because, as noted above, the Commerce-Labor estimates of construction are deducted in computing the adjusted plant and equipment series which is used for interpolating and extrapolating the annual totals of producers' durable equipment. This deduction thus serves to offset errors in the quarterly movements of the private nonresidential construction component of the GNP.

BUSINESS INVENTORIES

The quarterly nonfarm inventory component of GNP—unadjusted for seasonal variations—is derived as the sum of the change in book values and the inventory valuation adjustment. The available statistical information bearing on these two items is sufficiently adequate to yield usable orders of magnitude, but not precise measurements.

Because of the residual nature of the calculations, even small percentage errors in the aggregates from which the changes are computed can have an appreciable effect on the inventory component of gross national product. In addition to this consideration, data requirements for accurate measurement of this component are heightened by reason of its extreme volatility; changes in business inventories often account for a major portion of quarterly increments in the entire gross national product. This volatility, it may be added, is also one of the factors which contribute to the difficulty of determining seasonal patterns in the quarterly changes in business inventories.

NONFARM BOOK VALUES.—For manufacturing, quarterly movements in the book value of inventories are based upon monthly data collected in the OBE-Census Bureau Industry Survey, which covers a sample of reporting companies accounting for more than 45 percent of total manufacturers' sales. The book values of wholesalers' inventories are based on relative monthly changes obtained from the Census Bureau's sample of merchant wholesalers. Changes in inventory book values in retail trade are estimated from the Census sample of retail establishments and the Federal Reserve Board's monthly data on department store stocks. Data on nonfarm inventories outside manufacturing and trade do not become available in time for the initial quarterly figures. Estimates for this group of industries are first made judgmentally, and then are revised for the following July National Income Number on the basis of data obtained largely from the SEC quarterly reports on "working capital of United States corporations."

VALUATION ADJUSTMENT.—The source materials and methods used in calculating this adjustment on a quarterly basis are generally the same as those followed annually, although the quarterly procedure is abridged at a number of points. The annual estimates are described at length in the 1954 Supplement, which emphasizes the unusual difficulty of the procedure and the limited knowledge about the actual prices and accounting methods reflected in the reported inventory book values.

CHANGE IN NONFARM INVENTORIES.—Measuring nonfarm inventory changes on a seasonally corrected basis represented one of the major tasks in the quarterly revisions undertaken for this report. Adjustments for seasonality, which have an unusually sharp impact on inventory data, were developed on several different bases. The series selected for incorporation into the GNP was derived from separate adjustments of seven component parts: manufacturing, wholesale trade, retail trade—each separately for durable-goods and nondurable-goods groups—and all other nonfarm industries.

Somewhat different results were obtained depending upon whether the seasonal adjustment was carried out directly for the nonfarm inventory component of GNP—as was done for this report—or as the sum of separate seasonally adjusted entries for the change in nonfarm book values and for the inventory valuation adjustment—which was our previous procedure. Differences also appeared when the seasonal adjustment was done for the total and in varying degrees of industrial detail. However, the results yielded by these variant procedures, which were tested with the aid of the UNIVAC program at the Bureau of the Census, were in general only moderately different.

FARM INVENTORIES.—Actual data on quarterly changes in farm inventories are incomplete in coverage. Therefore, estimates are obtained simply by fitting a smooth curve through the annual data. For the current year, the Agricultural Marketing Service guides the quarterly trend of this series by means of a continuing check with Department of Agriculture specialists on the outlook for major types of crops and livestock.

Net Exports

Exports and imports are estimated quarterly by the same methodology which is used on an annual basis. The estimates are part of OBE's quarterly balance of payments statements published regularly in the March, June, September, and December issues of the SURVEY OF CURRENT BUSINESS. A delay in the availability of information for some components prevents the preparation and publication of the export and import totals one month sooner to synchronize them with the gross national product series, and means that the net export component of GNP for the latest quarter must be based on incomplete data.

The postwar statistical revisions of this component of quarterly GNP were extremely minor, and reflected for the most part slight alterations in seasonal adjustments. The substantial difference between the new series on net exports and the former net foreign investment component is wholly definitional in character—a point explained both in connection with the annual estimates in this chapter and in the discussion of the new treatment of foreign transactions in Chapter 5.

Government Purchases

The procedure of estimating Federal purchases of goods and services quarterly parallels closely that which is followed in the annual series.[6] However, information for some of the adjustments required to convert budgetary data to a national income basis is either lacking by quarters or does not become available in time for the initial estimates.

A principal example of such information is that necessary to shift the financial data from a time-of-payment to a time-of-purchase basis. Data for this adjustment—relating to Government purchases on credit, advances, and prepayments—are available with a lag of about 3 months from special tabulations of the Securities and Exchange Commission. A comparable timing problem, which must be resolved in the current quarterly estimates with only partial information, arises in connection with the farm price-support operations of the Commodity Credit Corporation.

In this report, the changes in the quarterly Federal purchases series due to statistical revisions have been small, and reflected mainly the introduction of seasonal correction in the national defense component. The appreciable differences in

6. The *Daily Statement of the United States Treasury* and the *Monthly Statement of Receipts and Expenditures of the United States Government* provide most of the basic data.

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level between the new and old series are definitional in nature; as discussed earlier, the Government's international cash grants are no longer included with Federal purchases.

For deriving the quarterly movement of purchases by State and local governments, chief reliance is placed upon the estimated payroll and construction outlays of these units.[7] Such outlays account for about three-fourths of total State and local government purchases. Quarterly changes in other purchases are estimated by taking into account the indicated annual trend and the fairly systematic relationship of these purchases to wages and salaries.

Quarterly Constant-Dollar GNP

In the past, the estimates of gross national product available on a quarterly basis consisted of the current-dollar series for which the general methodology has just been described. There existed an important need for corresponding quarterly estimates of GNP in constant dollars, in order to obtain a more frequent and up-to-date measure of real volume changes than that afforded by the annual series.

This need has been met in the present volume; the new quarterly estimates of gross national product in constant dollars are shown for the period since 1947 in table I–5 of the Statistical Section. The figures are presented in Chapter 5, where a description of them is provided. This covers briefly the data and procedures used in the estimation and the particular characteristics and limitations of these new constant-dollar measures that should be taken into account for their informed use in analysis.

PERSONAL INCOME

Personal income is the only major income or product aggregate which is estimated on a monthly basis and, by reason of its comprehensiveness of scope and the significant supporting detail provided, it is a leading current indicator not only of consumer purchasing power but of general business activity as well.

The monthly figures as shown on a seasonally adjusted annual rate basis in Table II–3 are averaged to obtain the corresponding quarterly series contained in Table II–2. In addition to the personal income total and its breakdown by type of income and by industrial source, this latter table also shows the disposition of personal income among the items of taxes, consumption (described above), and saving.

The bulk of personal tax and nontax payments consists of income taxes withheld by the Federal Government. Quarterly collections of these taxes as reported by the Treasury are lagged one quarter to reflect the approximate timing of actual withholding from individuals' pay.[8] The seasonally adjusted series is derived by interpolating and extrapolating the calendar year totals of withheld taxes on the basis of seasonally adjusted payroll data.

For most other types of personal tax and nontax payments to the Federal and State and local governments, the general procedure is to use collections for a given calendar year to reflect the seasonally adjusted annual rate in each quarter of that year. A similar procedure is used for tax refunds, which are netted out of total collections to arrive at the estimates of personal taxes shown in table II–2. For current quarters, the estimates of collections and refunds for the year as a whole required by this procedure are modified on the basis of available data as the year progresses.

Personal saving is derived statistically as the difference between disposable personal income—personal income less personal tax and nontax payments—and personal consumption expenditures. Because of the residual nature of this estimate, relatively small changes in these income and expenditure aggregates can lead to disproportionately large changes in estimated personal saving. Accordingly, the quarterly estimates for this item should be used with caution, and interpreted more as broad indicators of general tendency than as precise measures of the quarter-to-quarter movement.

Attention is now directed to the personal income series itself, which is estimated in substantial detail. The overall annual rate of personal income for a given month is derived as the sum of numerous items shown separately in the published data, and most of these, in turn, are built up from an extensive array of finer component series. The twofold purpose behind this approach is a familiar and traditional one in national income measurement—partly to obtain analytically useful breakdowns, but mostly to minimize errors of estimation by employing a detailed framework to take advantage of all available information in a systematic fashion.

The following description of sources and methods touches upon each of the published components of personal income.

WAGE AND SALARY DISBURSEMENTS

First, we shall review the large component of wages and salaries, starting with the private industry group, following on with government, and concluding with a note on seasonals.

PRIVATE.—For individual industry groups comprising over 85 percent of the total, monthly changes in private-industry payrolls are estimated from Bureau of Labor Statistics sample information on employment and (in most cases) average weekly earnings. Of the remaining 15 percent, one-half is based on various public agency sources: Railroad wages and salaries are extrapolated by payroll data reported by the Interstate Commerce Commission; movements in farm wages reflect Department of Agriculture sample data on employment and wage rates; and domestic service payrolls are based on Census Bureau *Monthly Reports on the Labor Force* and the BLS consumer price index for domestic service. For industries for which no current information is available—about 7 percent of the total—the monthly estimates are founded on projections of past trends and on relationships with allied industries.

Information on payrolls reported under the State unemployment insurance laws—available after a 6-month lag—affords a broad check upon the reasonableness of the initial quarterly estimates based on the monthly data.

GOVERNMENT.—The civilian payrolls of the Federal Government—executive, legislative, and judicial—are reported monthly to the Civil Service Commission from records of the individual agencies. The data do not become available in time for our schedule, but subsequent revisions in the preliminary estimates (based on employment changes) are usually small. Military payrolls are extrapolated by the strength of the Armed Forces, as reported by the Department of Defense; changes in pay rates are taken into account.

The monthly change in State and local government wages and salaries is based initially on BLS employment estimates compiled from a sample of government units. Payroll data from the same source become available about 6 weeks after the close of the month to which they pertain.

SEASONALS.—In addition to adjustment to the revised annual figures, the monthly wage and salary estimates in this report reflect (1) a comprehensive reworking of the seasonal correction factors, and (2) changes in the BLS interpolating series from April 1956 to date, resulting from its

7. As noted below, the payroll estimates are based on BLS data; the construction figures are reported in the official Commerce-Labor series.

8. After January 1951, contributions of both employees and employers for old-age and survivors insurance are included in the reported data; these contributions must be estimated and deducted.

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periodic alignment with data from Government social insurance programs.

Revised seasonal corrections, which had been introduced into the 1954–56 data in July 1957, were, in the present report, applied to the time series as far back as it appeared fruitful to reopen the estimates. In most cases this meant beginning with 1951, although for some industries the revised seasonals were applied to the monthly series for earlier years.

These new seasonal patterns were developed in considerable detail. For example, separate adjustment factors were calculated for 19 industries in manufacturing; additionally, for each of these industries separate seasonally adjusted series on employment, average weekly hours, and average hourly earnings consistent with the adjusted payroll series were computed both for checking and for general analytical purposes. Comprehensive computations were also made for nonmanufacturing industries, but the underlying data did not permit the preparation of a degree of industrial detail comparable to that for manufacturing.

PROPRIETORS' INCOME

Direct data on the net income of unincorporated enterprises are lacking on a monthly basis. It is therefore necessary to employ indirect measures, tied to the annual estimates, to indicate the general course of proprietors' income in the monthly series. The monthly interpolations are made in considerable industrial detail in order to provide an appropriate weighting of the various types of relevant information used. For the major industry groups, entrepreneurial income changes are based on such indicators as sales (in trade and manufacturing), payrolls (contract construction and insurance), consumer expenditures for services (services industries), and mortgage records (real estate).

The object of this procedure is to catch as much as possible of the general trend in this type of income, and the month-to-month movements should not be read too closely. In itself, the procedure can only attempt to indicate the course of gross receipts (or of some similar measure of the volume of business activity), rather than changes in the net-to-gross relationship.[9] However, a careful study is maintained of such data as are available on profit-ratios in the corporate segments of the various industries, and this material is taken into account in making the entrepreneurial income estimates.

The monthly estimates of net farm income are based on the Agricultural Marketing Service series on cash receipts from farm marketings, Government payments to farmers, and prices paid by farmers for production items (including interest, taxes, and wage rates). Given the partial state of the less-than-annual statistical information on farmers' inventories of crops and livestock, the monthly inventory change needed to complete the income estimate is obtained, as noted above, by a graphic smoothing of previous annual data which are extended by a running forecast for the current year supplied by the AMS.

A continuous check on the monthly farm income estimates is maintained against the quarterly series prepared by the AMS. Any discrepancy between these monthly and quarterly estimates—which is usually small—is reconciled in line with the OBE-AMS agreement to carry identical quarterly figures on the net income of farm operators.

DIVIDENDS

This component of monthly personal income is estimated from a sample of publicly reported dividends which is maintained by the Office of Business Economics. The sample includes approximately 5,500 corporations and accounts for three-fourths of total dividend disbursements.

The unadjusted monthly data are subject to wide seasonal swings, and are also affected by temporary shifts in payment dates and other sporadic factors. Therefore, application of seasonal adjustment factors on a monthly basis has not proved feasible. This is done quarterly instead, and seasonally adjusted monthly estimates are obtained essentially by straight-line interpolation of the adjusted quarterly averages. For the month of December, however, with the aid of information collected in the dividend sample, separate allowance is made for any unusual variation in the volume of year-end "extras" and special disbursements.

TRANSFER PAYMENTS

For the most part, transfer payments are reported directly by various governmental agencies such as the Social Security Administration, Veterans' Administration, Bureau of Employment Security, and U. S. Civil Service Commission. For some components of transfer payments, such as State and local government pensions and business transfer payments, no monthly information is available. The monthly estimates for these components are derived from a smooth curve fitted to the annual data. It is necessary to use this latter procedure for about 15 percent of total transfer payments currently.

PERSONAL CONTRIBUTIONS FOR SOCIAL INSURANCE

Month-to-month changes in employee contributions for old age, survivors, and disability insurance, railroad retirement insurance, and Federal civilian employee retirement systems are based on relevant wage and salary data, with the necessary account also taken of changes in contribution rates. Contributions to Federal Government life insurance funds and State sickness compensation funds are based on receipts reported by the various funds. The estimates of monthly contributions to State and local retirement systems represent a smooth curve drawn through annual totals. Data on the annual contributions of self-employed persons under the old age, survivors, and disability insurance program, which are payable in the first quarter of the year, are obtained from the Social Security Administration and smoothed throughout the year to approximate a seasonal adjustment.

OTHER TYPES OF INCOME

For the other components of personal income—other labor income, personal interest income, and rental income of persons—very little statistical information is available on a monthly basis. Each of them is estimated by drawing a smooth curve through the annual estimates—a procedure which requires projections for the current year which are subject to continuing check and modification. The resulting monthly series reflect, therefore, broad trends and cyclical influences, but not random fluctuations.

While the method adopted here is a convention necessitated by lack of data, it is believed to give satisfactory results. These components typically exhibit fairly regular changes on an annual basis, and the general assumption for them of a smooth progression in the monthly movements is not unreasonable. Taken together, other labor income, personal interest income, and rental income account for a little over one-tenth of total personal income.

RELATION OF THE AGGREGATES

With the principal exception of corporate earnings, which are discussed now, the source data for the components of the quarterly national income total have already been covered in the description of personal income. National income differs from personal income in that it excludes transfer payments and net interest paid by government, and it includes both employee and employer contributions for

9. Such changes are reflected in the procedure only through shifts in the relative importance of the separate industrial components.

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social insurance and the portions of corporate earnings not paid out in dividends. A minor difference also appears in the wage and salary components, in that retroactive wage payments are included in the national income when earned and in personal income when received.

CORPORATE EARNINGS

A substantial amount of work has been done on the corporate profits part of the quarterly national income estimates—most recently in connection with the present volume. The existing source materials have been utilized assiduously, and constant efforts have been made to improve the estimating procedures. It is clear, however, that the further gains to be achieved in this direction are quite limited.

Instead, the next significant stride depends on the development of better basic data. In general, profits data for quarterly periods are adequate for manufacturing but not for most of the other industries—a fact which limits the industry detail which we can provide (see Figure 36). One of the prime needs is for an extension to nonmanufacturing industries, notably trade, of the kind of sample financial survey which has been provided for the past ten years for manufacturing.

In the preparation of the quarterly series on profits before tax, the general procedure is to use the available basic data to interpolate and extrapolate the estimated annual totals, separately by industry groups. The data for the manufacturing industries, which account for more than half of total corporate profits, are collected in the Federal Trade Commission and Securities and Exchange Commission sample survey, *Quarterly Financial Report for United States Manufacturing Corporations.* Quarterly movements of profits in the public utility and transportation industries are based on reports of regulatory agencies—Federal Communications Commission, Federal Power Commission, and Interstate Commerce Commission. The series for the finance industry are derived in large measure from the summaries of net earnings of the member banks of the Federal Reserve System. For most other industries, including contract construction, services, wholesale trade and parts of retail trade, quarterly movements are evaluated by reference to standard sales series or other activity indicators and to cost-price changes, or to reports for related industries as indicative of shifts in profit ratios. The retail trade estimates also rely for relevant segments on profit margin data obtained from the National Automobile Dealers Association and the National Retail Merchants Association.

The adjustment for seasonal variation in this volatile component of the national accounts is difficult to accomplish. To deal with the diversity in seasonal patterns that is encountered, the correction is made in considerable industrial detail.

The seasonal patterns in corporate profits have been subject to periodic revision as the postwar experience lengthened. Indeed, one of the major statistical tasks undertaken for this volume was a detailed review and reworking, where necessary, of the seasonal corrections in this area, but notably for the 22 industries comprising the manufacturing group. It should be noted that the correction for seasonal variation is made in terms of the corporate profits share of national income (corporate profits before tax and inventory valuation adjustment), which our experience has shown permits a more meaningful basis of adjustment than profits before taxes.

The total inventory valuation adjustment, as already set forth, is derived in the process of estimating the quarterly change in business inventories in the GNP. The corporate-noncorporate breakdown of this total is based upon the corresponding breakdown of the book value of inventories as developed in the annual estimates. The relationship of corporate to total IVA on a quarterly basis is ascertained by straight-line interpolation.

Corporate profits taxes are derived by multiplying the quarterly estimates of profits before taxes by annual tax ratios. For current quarters, the ratio of taxes to profits before tax for the latest full year are used with any necessary adjustments, such as to allow for new Federal tax legislation. Other profit components are found as residuals: profits after tax being equal to profits before tax less corporate profit tax liability, and undistributed corporate profits being equal to profits after tax less dividends.

CAPITAL CONSUMPTION ALLOWANCES

Among the items of conceptual difference between national income and gross national product, by far the largest are capital consumption allowances and indirect business taxes.

Capital consumption allowances are estimated separately for depreciation, accidental damage to fixed capital, and capital outlays charged to current expense.

Quarterly data on depreciation are available for the large manufacturing division from the FTC-SEC *Quarterly Financial Report.* The unadjusted depreciation estimates for other industries, and the seasonally adjusted series for all industries, are estimated by fitting a curve to the annual data. This same procedure is also followed for the estimates of accidental damage to fixed capital.

The quarterly figures on capital outlays charged to current expenses, on the other hand, are derived in the process of estimating producers' durable equipment. Essentially, the annual totals for this item are interpolated and extrapolated quarterly on the basis of producers' durables for those categories of equipment which include important items charged to current expense.

INDIRECT BUSINESS TAXES

For Federal indirect business tax liabilities, the annual totals are distributed on a quarterly basis by Treasury data on deposits of excise taxes. The Federal nontax series represents interpolations of budgetary fiscal year data; preliminary quarterly estimates for this item are checked on the basis of collection data which become available with a lag of about one quarter.

For the State and local government component of this item, the major sales taxes levied by the States are moved by the appropriate components of the retail sales series. Internal Revenue Service data on taxpaid withdrawals of tobacco products are similarly utilized in connection with State sales taxes on tobacco. Most other taxes and nontaxes are derived by graphic smoothing of the annual data.

GAPS IN BASIC DATA

The foregoing sections have covered the statistical methodology underlying the annual, quarterly, and monthly income and product series. Attention was focused on considerations bearing upon the reliability of the estimates so as to provide a guide for the use of the data in economic analysis.

In the course of this discussion, the significant gaps in basic data flow have been brought out, and occasional references have been made to the ways in which the flow of primary information might be improved.

In the concluding section which starts on the next page, the major data gaps will be listed and discussed systematically, and comprehensive recommendations for improvements will be made.

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Recommendations for Improvement of Primary Source Data

The following discussion of ways to improve the basic data will be selective. It will include OBE's requirements from other Government agencies for materials that would fill major gaps in the existing statistical information and lead to significant improvements in the national income and product accounts. Moreover, it will be confined to fields in which recommendations that are fairly clear-cut and of broad applicability can be made—as distinguished from those in which solutions are less obvious or require detailed technical explanations.

Not included, for instance, is a discussion of our requirements, in connection with the investment and consumption components of the GNP, for better information on accounting practices used by business—in drawing the borderline between capital outlays and current costs, in measuring inventories, and in charging various consumption-type goods to business expense. Again, data on the float of Government checks and additional information on Government receivables and payables are needed to improve the timing of the Government purchase series particularly on a quarterly basis.

Regularization and extension of the Census Bureau surveys of State and local government finances would be desirable to provide better benchmark and current information for the State and local government receipt and expenditure components of the national accounts. A variety of data relating to the numbers, rental values, and expenses of real properties would improve both the personal consumption and rental income series. Additional price data are required for the estimates of inventory change and of the constant-dollar national product.

A discussion of these and other requirements was included in a comprehensive presentation we made to the National Accounts Review Committee; this was reprinted as appendix E of their report. Also submitted to the Committee were our proposals for the improvement of the primary data underlying OBE's regional and size distribution estimates; we are in general agreement with the recommendations of the Committee regarding these two subjects.

The following discussion will deal in turn with personal consumption expenditures for commodities, producers' durable equipment, private construction activity, business inventory change, entrepreneurial income, and corporate profits.

The first two of these items, it will be recalled, raised particular problems in the preparation of the postwar estimates.

The construction activity series, and the one measuring the change in business inventories for current periods, are known to require strengthening. However, except for inclusion of the reported statistical revisions in the estimates of residential building, and of our reworking of the seasonal patterns of inventory change, this could not be accomplished in the present report, for lack of basic data.

Both the entrepreneurial and the corporate profit series were improved significantly in the revisions just completed. But more information is needed to strengthen further the benchmark as well as current-period estimates of these two important income components.

Consumer Commodities

The following recommendations for improving the source data that support the estimates of consumer commodities will focus on the commodity-flow method, on the assumption that this method will continue to be relied upon to derive the bulk of the commodity estimates.

In view of the complexities of the method and the data gaps that hamper its execution, it should be indicated why alternative methods of estimation are ruled out. Specifically, we must comment on the idea that retail sales data be made the mainstay of the consumer commodity estimates. The suggested procedure would be to eliminate from the retail sales totals, sales made to others than consumers—for instance, sales of building materials—and to add to them consumer purchases from sellers other than retailers—such as direct purchases of food from farmers.

Two major difficulties stand in the way of the "retail sales" approach. In the first place, it would be impossible by this method to obtain estimates by type of commodity. Retail sales information is available by type of store only, and this is not an adequate indication of commodity breakdown, as our recent experience has demonstrated.

Secondly, the retail trade method of estimating the commodity total yields results that are substantially lower than those obtained by the commodity-flow method. This has been not only our own experience, but also that of other national income estimators who have preceded us in this field. While the causes of this discrepancy have not finally been determined and need further study and investigation, it is our view that estimates benchmarked upon retail sales data would be too low.

The essence of the commodity-flow method, it will be remembered, is to select among producers' shipments of commodities those destined for personal consumption without further processing, and to add to the commodities so allocated inventory changes and margins at the wholesale and retail trade level, and many other items such as transportation costs and sales taxes, to arrive ultimately at an estimate of the total value of commodities when purchased by consumers.

DISTRIBUTION OF MANUFACTURERS' SALES

In the accomplishment of the first step—the selection of commodities destined for ultimate consumption without further processing—the distributions of manufacturers' sales by classes of purchasers, available in the manufacturing censuses of 1929, 1935, and 1939, are the single major source of information. Briefly, sales to "industrial, commercial, professional, and institutional users"—the 1939 designation—are taken to represent nonconsumer use, and only the remaining sales are subject to the further steps of the commodity-flow procedure, such as the addition of trade inventory changes and margins.

In the absence of the information on the distribution of manufacturers' sales from the 1947 and 1954 censuses, the commodity allocations for those years had to be based on the 1939 patterns, modified by reference to a variety of data which, on the whole, were not satisfactory. It may be noted, specifically, that a thorough and systematic canvass of expert industry knowledge was made to plug the gap created by the lack of up-to-date census information, but although this approach was helpful, it was not an adequate substitute for the latter.

In the light of this situation, we wish to recommend firmly that the Census Bureau resume the collection of information relating to the distribution of manufacturers' sales, and note with satisfaction that work along these lines in connection with the 1958 census is planned. We are aware of the difficulties that led the Census Bureau to discontinue the collection of the

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data in 1947. We hope, however, that with advances in the techniques of data collection it will be possible to devise new procedures which will provide reliable sales distribution data by type of commodity, with coverage and detail adequate to implement effectively the commodity-flow method.

TRADE INVENTORIES

In tracing the flow of commodities from producers to consumers, allowance must be made for changes in the inventories of these commodities held by wholesalers and retailers: Increases in such inventories must be deducted and decreases added to producers' shipments to estimate the amounts actually delivered to consumers.

Inventory data included in the wholesale and retail trade censuses were never wholly satisfactory for this purpose. They were available by type of store, rather than on a commodity basis. The lack of synchronization in the dates of the manufacturing and trade censuses further added to the difficulty of relating the inventory data to producers' shipments.

Recently, the position has become even weaker. The 1954 Census of Wholesale Trade collected data on beginning and year-end inventories, but only the latter were tabulated. In the 1958 census only year-end data will be collected. No inventory data were tabulated from the 1954 Retail Trade Census, and none will be collected for 1958.

In the absence of usable data in the basic censuses, the 1954 benchmark calculations of wholesale inventory changes relied on the 1953 Survey of Wholesale Trade. Retail inventory changes were developed from corporate tax return data. The inventory information in these sources was less detailed than that in the pre-1954 censuses; and, inasmuch as comprehensive surveys of wholesale trade have not been conducted since 1953, the data available for future commodity-flow calculations are likely to be still less satisfactory.

The fact that inventory changes in trade for the year 1954 as a whole were comparatively small was fortunate from the standpoint of making the benchmark estimates for that year. But one cannot count upon a repetition of this fortuitous event; under less favorable circumstances absence of detailed, reliable information on trade inventory change may emerge as a significant gap in the commodity-flow method. Accordingly, the provision of such information—either via the census enumerations or through strengthened sample surveys—should be put on the agenda for data improvements.

RETAIL TRADE MARGINS

The addition of trade margins is a quantitatively very important step in the commodity-flow method. In 1954, for instance, these margins constituted about one-half of the value of producers' shipments of commodity-flow commodities and about one-third of the total value of these commodities in the hands of consumers.

Wholesale margins are much smaller than retail margins, approximately one-fifth their size. While the information on which their estimates rest is not fully satisfactory, we feel that a tolerable estimate of this item can be made.

With respect to retail trade margins the situation is different. Since data on retailers' expenses are not collected in the Census of Retail Trade, no information pertinent to the estimate of margins is available from this source. Instead, as noted earlier, we have been relying on the results of a sample of retail trade firms drawn from income tax returns on the basis of a list prepared from Census Bureau records.

Our work with this sample has raised doubts as to its adequacy. Frequent and inexplicable differences between sales as given on the Census list and in the tax records were noted; and, among other problems, difficulties were encountered in eliminating margins attributable to the manufacturing activities of trade firms from the income tax return data. More generally, the sample was too small for our requirements.

In view of this situation, it is imperative that more adequate resources be allocated to the collection of information on retail trade margins. The most obvious avenue is to strengthen the present procedure by increasing the size of the sample and devoting more care to its selection. Alternatively, the feasibility of developing margin information in connection with the Annual Census Surveys of Retail Trade should be considered.

DATA FOR ANNUAL ESTIMATES

As will be recalled from the earlier review of methodology, in estimating consumer commodities a major difficulty is encountered in obtaining a correct breakdown of their composition for nonbenchmark years to which, given the present data situation, a full-fledged commodity-flow method cannot be applied.

Prior to the current revisions, the general procedure was to interpolate and extrapolate the benchmark estimates of the commodity detail obtained via the commodity-flow method by sales data of corresponding types of retail stores. But basic changes in merchandising practices have disqualified the retail interpolation and extrapolation method as means of obtaining reliable estimates of commodity composition.

To minimize the error stemming from the use of retail sales data, we have introduced several changes in methodology, featuring the establishment of "secondary" benchmarks based upon an abbreviated version of the commodity-flow method. While we believe that these changes will prevent gross errors in commodity composition by reducing the use of retail sales data, we recognize the weaknesses of the abbreviated commodity-flow method. Specifically, the Annual Surveys of Manufactures which are used in lieu of the Census of Manufactures as a source for producers' shipments of manufactured commodities present this information in less detail than does the basic census. Another major gap is the absence of current information on trade margins that could be utilized to build up the commodity-flow estimates.

In order to obtain more reliable information on the annual composition of the commodity flow, the commodity detail of the Annual Survey of Manufactures should be expanded on a selective basis, and annual information on retail trade margins usable in conjunction with the commodity-flow method should be provided. Next in order of importance would be an improvement in the information on wholesale and retail inventories, along the lines indicated earlier.

Producers' Durable Equipment

The estimates of producers' durable equipment provide information on the breakdown of fixed investment by types of product. They are thus an essential element in a balanced program for the development of fixed investment statistics which envisages, in addition, breakdowns of the total by industry and legal form of the purchaser.

The producers' durable estimates, like those of consumer commodities, are based for the most part on the commodity-flow method. The recommendations that have been made for the strengthening of that method in connection with the consumption series apply here also, but with some change in emphasis. For instance, inasmuch as producers' durable equipment does not usually pass through retail channels, the main inventory data that are required in the present connection relate to wholesale trade.

GOVERNMENT PURCHASES

Again, the main use that would be made of manufacturers' sales distributions in the estimation of producers' durable equipment would be in the determination of purchases of such equipment by government. These purchases must be deducted from manufacturers' shipments of equipment, because the GNP investment series covers private business only; government acquisitions of investment goods are part of

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government purchases of goods and services. It is accordingly essential from the standpoint of the producers' durable estimates that the manufacturers' sales distributions show separately sales to government—Federal and State and local.

Government purchases of durable equipment are large and variable; regular information on them is required to develop annual estimates of producers' durable equipment utilizing an abbreviated commodity-flow method that builds on the shipment data contained in the Annual Surveys of Manufactures.

Governmental records, from which information relative to equipment purchases is now derived, are at present inadequate in coverage, detail, and timing to provide the requisite information. Better accommodation of governmental accounting systems—including those of the Department of Defense, which is the largest purchaser of durable equipment—to the needs of national income measurement is one avenue to data improvement that should be explored.

An alternative approach that should be considered is to derive the information on the government take of producers' durables from sellers' rather than from buyers' records, in conjunction with the Census surveys of manufactures. In this connection, it may be recalled that data on government purchases obtained during World War II and the Korean war in surveys run by the Census Bureau were a key element in the estimation of private producers' durable equipment for those periods.

Construction Statistics

Owing to the importance and volatility of construction activity, the weakness of existing construction statistics has been a handicap to the development of a reliable set of national accounts.

Accurate and meaningful measurement is difficult in the field of construction, which is populated by small-business units that are often hard to identify and do not maintain accurate business records. In the absence of adequate resources devoted to construction statistics, the available estimates have not provided a reliable indication either of the level of construction activity or of its short-term movements. Significant understatements of the former have come to light recently, with possible further upward adjustments in the offing. Measurement of short-term movement has been handicapped by the lack of information relating to the actual time phasing of construction projects constituting the bulk of private construction, and to a lesser extent by the difficulty of measuring seasonal movements.

A comprehensive program for the improvement of construction statistics is now under active consideration by the Budget Bureau and the interested Federal agencies. The major specifications—additional to those of providing more reliable estimates of the level and movement of the value of construction put in place—which such a program would have to satisfy from the standpoint of strengthening the national accounts are briefly discussed below.

NATIONAL ACCOUNTS FRAMEWORK

In the first place, this program would have to be designed to yield consistent measures of output, in terms of construction put in place, on the one hand, and in terms of the wages, profits, and other incomes earned in construction, on the other. At present these two types of measures, to the extent that they can be put together on the basis of available information, often yield inconsistent results, particularly on a quarterly basis.

Secondly, the construction program should be framed carefully to meet as far as possible the definitional issues that arise in fitting construction into the national accounts. To mention only a few outstanding ones, careful distinctions must be drawn between construction, on the one hand, and durable equipment and the improvement of land on the other. New construction (including major alterations and repairs) must be distinguished from repair and maintenance outlays. The treatment of profit margins must be clear-cut and meaningful, and the value of new construction must also be defined clearly with respect to such marginal items as architects' fees and settlement charges.

It is to be emphasized that, from our standpoint, any useful survey of construction must be based not only upon a thorough knowledge of the construction industry itself, but also upon an analysis of transactions in the real estate markets in which the products of the industry are bought and sold, and of the place of these transactions in the national accounts. In this manner the results will be either directly appropriate for inclusion in the national accounts or, wherever definitional departures appear unavoidable, it will at least be clear in what respect they will have to be modified in order to make them appropriate for inclusion.

Third, improvements in the present classification of construction activity seem desirable. This classification is a hybrid between one based on product type and one based on purchasing industry. While in the case of construction the two classifications coincide much more closely than in the case of producers' equipment, so that broad commonsense inferences from one to the other are usually possible, the present construction classification should be reviewed so as to yield the best possible information for product and industrial breakdowns of private fixed investment.

Inventory Change

Inventory change is a volatile item which, although small in relation to total national output, accounts for a large part of short-term fluctuations in business activity. Accurate measures of the inventory component of gross national product are therefore highly desirable from the standpoint of analyzing the ups and downs of business.

CURRENT DATA FOR TRADE

In the measurement of current inventory change, trade is the major area that requires strengthening. Needless to say, it is recognized that progress is made difficult by the inadequacies of existing business records and by the problems involved in sampling this segment of the economy.

For wholesale trade, current sample information is confined to monthly reports from merchant wholesalers. No information is available on other types of wholesalers—such as agents and brokers, assemblers of farm products, and bulk petroleum stations, accounting for about one-quarter of the inventory holdings of firms engaged in wholesale trade. The first step to remedy this gap would be to reinstitute the Survey of Wholesale Trade (taken in 1953) on a regular annual basis. The coverage of the survey should be comprehensive to include wholesalers other than merchant wholesalers; it should be designed to provide information by legal form, and to take adequate account of business turnover.

With respect to retail inventories, the main requirement is the strengthening of the monthly sample for small retailers. The current sample of retailers with 10 or fewer outlets is 1,500 out of a universe population of about 1.7 million. These small retailers account for about 80 percent of total retail inventory holdings.

Provision of legal form information would be desirable in connection with the annual survey.

Book values outside manufacturing and trade, it might be noted, are not now covered adequately on a current basis. Quarterly information relating to corporations is contained in the Securities and Exchange Commission's *Working Capital of United States Corporations*. But it is not too se-

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curely founded, and becomes available too late for inclusion in the current quarterly estimates of gross national product. (Noncorporate business inventories outside manufacturing and trade are not covered at all, but are insignificant in magnitude.)

While the deficiency in inventory information outside manufacturing and trade is not a major one from the standpoint of the national accounts, it would be desirable to remedy it in view of the intensity with which inventory data are being scrutinized by analysts of business fluctuations.

Proprietors' Income

The estimates of nonfarm entrepreneurial income [10] for the postwar period have been strengthened considerably, mainly because of improvements in the data furnished by the Internal Revenue Service. First, the extension of the individual income tax and the upsurge of money incomes have increased the coverage of entrepreneurial incomes in IRS tax-return statistics to such an extent that these statistics can now serve as the springboard for estimating the level of these incomes as well as a comprehensive indicator of their annual change. Secondly, the IRS audit control program has provided valuable information for adjusting the totals reported on income tax forms for the underreporting of income. Thirdly, the publication of *Business Indicators* has cut down substantially the period for which we must rely on fragmentary information to extrapolate our estimates.

The following recommendations are directed toward further improving the IRS data and filling the gap in recent-period information which these data cannot provide.

AUDIT CONTROL STUDIES

The last audit control study which was tabulated referred to 1949 and was confined to sole proprietors. Audit control studies should be made at regular intervals, and extended to cover partnerships. A shortcoming of the audit control program from our standpoint is that it is not designed to disclose all underreporting of income, but only that portion of it which might be discovered by an audit investigation of a specified intensity. To obtain a closer approximation of the magnitude of total underreporting, a subsample of the audit control sample might be subjected to further, even more thorough processing.

ANNUAL SAMPLE SURVEYS

To improve the estimates for the most recent years, an attempt should be made to obtain data on entrepreneurial incomes through an annual sample survey. Substantial difficulties in securing reliable information would of course be encountered in this area in which small, ephemeral units without adequate accounting records are numerous. However, no other alternative seems to be available for strengthening this important component of the national income estimates.

Corporate Profits

The estimates of corporate profits have been strengthened by the key data on nonmanufacturing corporations made available in *Business Indicators*. Using these data in conjunction with the SEC-FTC quarterly sample on manufacturing corporations, we can now extend the *Statistics of Income* benchmark to all but the last 1 or 2 years without resort to data sources that are obviously inferior.

Three major gaps remain to be filled.

First, current quarterly reporting of corporate profits should be extended to nonmanufacturing corporations. Extension to wholesale and retail trade is most urgent. In the longer run, however, consideration should be given to other nonmanufacturing industries that contribute sizably to the profits total and are not covered adequately, such as by reports of regulatory agencies.

Secondly, the current quarterly reports should be speeded up. The results of the present quarterly survey of manufacturing corporations are published on a schedule which entails a two-month lag in their inclusion in the national income and product accounts. In view of the strategic importance of profits in economic fluctuations, this is a serious handicap to current business analysis.

Thirdly, the audit control program of the IRS should be extended to corporations. On the basis of the information now available, we are able to make only an order-of-magnitude allowance for profits disclosable by audit.

AVENUES OF PROGRESS

In a discussion of data gaps and their remedies, one must both make a balanced evaluation of the existing situation and set standards that are reasonable. With respect to the former point, our listing of the deficiencies of the available source materials should not give rise to the impression that the present data situation is poor. Quite on the contrary. The primary source data upon which the United States national income and product estimates rest compare favorably in quantity and quality with those available in most, if not all, other countries, and have undergone major improvements over the years. It is true that progress has not been uniform, and we are especially concerned about the pace of it during the postwar period.

Just as it would be mistaken to take a pessimistic view of the present state of the primary data underlying the national income and product estimates, so would it be wrong to pin excessive hopes on the results that might flow from their improvement. From the review of statistical approach and methodology, it may be fairly concluded that no expenditure of resources on the improvement of the estimates that can rationally be justified can ever free them of some margin of error.

However, as has been pointed out, national income estimates are eminently useful in economic analysis even though they are subject to error, provided that in handling them one is aware of their limitations. While the most obvious avenue of rendering them more useful is to continue work on their improvement, an equally important approach is to help users to employ the statistics effectively, in spite of their shortcomings.

The Office of Business Economics has improved the accuracy of national income statistics in the past by pressing its requirements for primary data, and by processing the existing information by careful estimating methods. It has promoted the effective use of national income statistics through its analyses of the American economy in the national income framework, and through its published evaluations of the methodology underlying the estimates. The present volume continues in this tradition—in addition to extending the factual information on the United States economy in the statistical tables which follow.

10. This discussion is limited to nonfarm entrepreneurial income. The farm component is discussed in detail in *Major Statistical Series of the U. S. Department of Agriculture, Volume 3, Gross and Net Farm Income*, Agricultural Handbook No. 118, U. S. Department of Agriculture, December 1957.

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Statistical Section

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SUMMARY DATA FOR 1957

I.—National Income and Product Account, 1957 [1]

[Billions of dollars]

Item			Item		
1	Compensation of employees	254. 6	24	Personal consumption expenditures (II–2)	284. 4
2	Wages and salaries	238. 1	25	Gross private domestic investment (V–1)	65. 3
3	Disbursements (II–7)	238. 1			
4	Excess of accruals over disbursements (V–11)	. 0	26	Net exports of goods and services	4. 9
			27	Exports (IV–1)	26. 0
5	Supplements	16. 5	28	Imports (IV–2)	21. 0
6	Employer contributions for social insurance (III–18)	7. 6	29	Government purchases of goods and services (III–1)	85. 7
7	Other labor income (II–11)	8. 9			
8	Proprietors' income (II–12)	43. 0			
9	Rental income of persons (II–15)	11. 8			
10	Corporate profits and inventory valuation adjustment	41. 9			
11	Profits before tax	43. 4			
12	Tax liability (III–15)	21. 6			
13	Profits after tax	21. 8			
14	Dividends (II–16)	12. 4			
15	Undistributed (V–12)	9. 4			
16	Inventory valuation adjustment (V–13)	−1. 5			
17	Net interest (II–18)	12. 6			
18	NATIONAL INCOME	364. 0			
19	Business transfer payments (II–21)	1. 6			
20	Indirect business tax and nontax liability (III–16)	37. 6			
21	Current surplus of government enterprises less subsidies (III–10)	−1. 3			
22	Capital consumption allowances (V–14)	37. 7			
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	GROSS NATIONAL PRODUCT	440. 3		GROSS NATIONAL PRODUCT	440. 3

1. Numbers in parentheses indicate accounts and items of counter-entry in the accounts.

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II.—Personal Income and Outlay Account, 1957 [1]

[Billions of dollars]

Item			Item		
1	Personal tax and nontax payments (III–12)	42. 7	7	Wage and salary disbursements (I–3)	238. 1
2	Personal consumption expenditures (I–24)	284. 4	8	Manufacturing	80. 6
3	Durable goods	39. 9	9	Other private	117. 4
4	Nondurable goods	138. 0	10	Government	40. 1
5	Services	106. 5	11	Other labor income (I–7)	8. 9
6	Personal saving (V–10)	20. 7	12	Proprietors' income (I–8)	43. 0
			13	Business and professional	31. 4
			14	Farm	11. 6
			15	Rental income of persons (I–9)	11. 8
			16	Dividends (I–14)	12. 4
			17	Personal interest income	18. 8
			18	Net interest (I–17)	12. 6
			19	Net interest paid by government (III–9)	6. 2
			20	Transfer payments	21. 5
			21	Business (I–19)	1. 6
			22	Government (III–7)	19. 9
			23	Less: Personal contributions for social insurance (III–19)	6. 6
	PERSONAL OUTLAY AND SAVING	347. 9		PERSONAL INCOME	347. 9

III.—Government Receipts and Expenditures Account, 1957 [1]

[Billions of dollars]

Item			Item		
1	Purchases of goods and services (I–29)	85. 7	12	Personal tax and nontax receipts (II–1)	42. 7
2	Federal	49. 4	13	Federal	37. 4
3	National defense (less sales)	43. 9	14	State and local	5. 4
4	Other	5. 5	15	Corporate profits tax accruals (I–12)	21. 6
5	State and local	36. 3	16	Indirect business tax and nontax accruals (I–20)	37. 6
6	Transfer payments	21. 3	17	Contributions for social insurance	14. 2
7	To persons (II–22)	19. 9	18	Employer (I–6)	7. 6
8	Foreign (IV–3)	1. 5	19	Personal (II–23)	6. 6
9	Net interest paid (II–19)	6. 2			
10	Subsidies less current surplus of government enterprises (I–21)	1. 3			
11	Surplus or deficit (−) on income and product account (V–15)	1. 7			
	GOVERNMENT EXPENDITURES AND SURPLUS	116. 2		GOVERNMENT RECEIPTS	116. 2

1. Numbers in parentheses indicate accounts and items of counter-entry in the accounts.

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IV.—Foreign Transactions Account, 1957 [1]

[Billions of dollars]

Item			Item		
1	Exports of goods and services (I–27)	26. 0	2	Imports of goods and services (I–28)	21. 0
			3	Transfer payments from U. S. Government (III–8)	1. 5
			4	Net foreign investment (V–9)	3. 5
	RECEIPTS FROM ABROAD	26. 0		PAYMENTS TO ABROAD	26. 0

V.—Gross Saving and Investment Account, 1957 [1]

[Billions of dollars]

Item			Item		
1	Gross private domestic investment (I–25)	65. 3	10	Personal saving (II–6)	20. 7
2	New construction	36. 5	11	Excess of wage accruals over disbursements (I–4)	. 0
3	Residential nonfarm	17. 0			
4	Other	19. 5	12	Undistributed corporate profits (I–15)	9. 4
5	Producers' durable equipment	27. 9	13	Corporate inventory valuation adjustment (I–16)	−1. 5
6	Change in business inventories	1. 0	14	Capital consumption allowances (I–22)	37. 7
7	Nonfarm	. 2			
8	Farm	. 8	15	Government surplus or deficit (−) on income and product account (III–11)	1. 7
9	Net foreign investment (IV–4)	3. 5	16	Statistical discrepancy (I–23)	. 7
	GROSS INVESTMENT	68. 8		GROSS SAVING AND STATISTICAL DISCREPANCY	68. 8

1. Numbers in parentheses indicate accounts and items of counter-entry in the accounts.

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I. Gross National Product and National Income*

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* Figures in parentheses refer to corresponding tables in the 1954 *National Income* supplement.

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Table I–1.—*Gross National Product or Expenditure, 1929–40*

[Millions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Gross national product**	**104,436**	**91,105**	**76,271**	**58,466**	**55,964**	**64,975**	**72,502**	**82,743**	**90,780**	**85,227**	**91,095**	**100,618**
2	**Personal consumption expenditures**	**78,952**	**70,968**	**61,333**	**49,306**	**46,392**	**51,894**	**56,289**	**62,616**	**67,259**	**64,641**	**67,578**	**71,881**
3	Durable goods	9,212	7,155	5,485	3,646	3,469	4,213	5,111	6,304	6,925	5,686	6,670	7,771
4	Nondurable goods	37,677	34,010	28,946	22,758	22,251	26,656	29,319	32,836	35,185	33,985	35,131	37,215
5	Services	32,063	29,803	26,902	22,902	20,672	21,025	21,859	23,476	25,149	24,970	25,777	26,895
6	**Gross private domestic investment**	**16,231**	**10,265**	**5,523**	**913**	**1,391**	**2,888**	**6,277**	**8,404**	**11,747**	**6,661**	**9,309**	**13,155**
7	New construction	8,707	6,183	3,968	1,876	1,431	1,709	2,299	3,281	4,403	3,960	4,757	5,452
8	Residential nonfarm	3,625	2,075	1,565	630	470	625	1,010	1,565	1,875	1,990	2,680	2,985
9	Other	5,082	4,108	2,403	1,246	961	1,084	1,289	1,716	2,528	1,970	2,077	2,467
10	Producers' durable equipment	5,850	4,465	2,839	1,593	1,589	2,304	3,066	4,169	5,095	3,644	4,180	5,531
11	Change in business inventories	1,674	−383	−1,284	−2,556	−1,629	−1,125	912	954	2,249	−943	372	2,172
12	Nonfarm	1,836	−83	−1,608	−2,590	−1,370	195	376	2,066	1,726	−1,046	316	1,902
13	Farm	−162	−300	324	34	−259	−1,320	536	−1,112	523	103	56	270
14	**Net exports of goods and services**	**771**	**690**	**197**	**169**	**150**	**429**	**−54**	**−93**	**62**	**1,109**	**888**	**1,509**
15	Exports	7,034	5,448	3,641	2,474	2,402	2,975	3,265	3,539	4,553	4,336	4,432	5,355
16	Imports	6,263	4,758	3,444	2,305	2,252	2,546	3,319	3,632	4,491	3,227	3,544	3,846
17	**Government purchases of goods and services**	**8,482**	**9,182**	**9,218**	**8,078**	**8,031**	**9,764**	**9,990**	**11,816**	**11,712**	**12,816**	**13,320**	**14,073**
18	Federal	1,311	1,410	1,537	1,480	2,018	2,991	2,931	4,815	4,552	5,280	5,157	6,170
19	National defense	1,344	1,432	1,549	1,484	2,022	2,997	2,935	4,818	4,557	5,286	1,258	2,223
20	Other											3,908	3,956
21	Less: Government sales	33	22	12	4	4	6	4	3	5	6	9	9
22	State and local	7,171	7,772	7,681	6,598	6,013	6,773	7,059	7,001	7,160	7,536	8,163	7,903

Table I–2.—*Gross National Product or Expenditure in Constant Dollars, 1929–40* [1]

[Billions of 1954 dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Gross national product**	**181.8**	**164.5**	**153.0**	**130.1**	**126.6**	**138.5**	**152.9**	**173.3**	**183.5**	**175.1**	**189.3**	**205.8**
2	**Personal consumption expenditures**	**128.1**	**120.3**	**116.6**	**106.0**	**103.5**	**108.9**	**115.8**	**127.7**	**132.1**	**129.9**	**137.3**	**144.6**
3	Durable goods	14.9	11.8	10.3	7.8	7.5	8.6	10.7	13.1	13.8	11.2	13.3	15.3
4	Nondurable goods	65.3	62.1	61.8	56.9	55.2	58.8	62.1	69.2	71.6	72.8	76.7	80.2
5	Services	48.0	46.4	44.6	41.4	40.8	41.5	42.9	45.3	46.8	45.9	47.2	49.1
6	**Gross private domestic investment**	**35.0**	**23.6**	**15.0**	**3.9**	**4.0**	**7.4**	**16.1**	**21.0**	**27.0**	**15.5**	**21.6**	**29.0**
7	New construction	20.9	15.4	10.9	6.0	4.6	5.1	6.7	9.4	11.3	10.1	12.2	13.6
8	Residential nonfarm	8.7	5.1	4.2	2.1	1.6	1.9	3.1	4.6	5.0	5.1	6.8	7.3
9	Other	12.2	10.4	6.6	3.9	3.0	3.2	3.6	4.9	6.3	5.0	5.4	6.3
10	Producers' durable equipment	11.1	8.8	5.9	3.5	3.7	5.0	6.7	9.2	10.5	7.3	8.5	10.9
11	Change in business inventories	3.0	−.7	−1.8	−5.6	−4.2	−2.8	2.6	2.4	5.2	−1.8	1.0	4.5
12	Nonfarm	3.2	−.3	−3.5	−6.3	−3.5	.3	.9	4.3	3.4	−2.3	.6	3.8
13	Farm	−.3	−.4	1.7	.7	−.7	−3.1	1.7	−2.0	1.8	.4	.4	.6
14	**Net exports of goods and services**	**.2**	**.2**	**−.3**	**−.3**	**−.8**	**−.6**	**−1.9**	**−2.2**	**−1.6**	**.8**	**.3**	**1.1**
15	Exports	11.1	9.9	8.4	6.8	6.8	6.9	7.3	7.7	9.3	9.3	9.5	10.5
16	Imports	10.9	9.7	8.7	7.1	7.7	7.5	9.2	9.8	10.9	8.5	9.2	9.4
17	**Government purchases of goods and services**	**18.5**	**20.5**	**21.6**	**20.5**	**19.9**	**22.8**	**23.0**	**26.9**	**26.0**	**28.8**	**30.1**	**31.1**
18	Federal	2.9	3.4	3.7	3.9	5.3	6.9	6.7	10.3	9.6	11.4	11.0	13.1
19	State and local	15.6	17.1	17.9	16.6	14.6	15.8	16.3	16.6	16.4	17.4	19.1	18.0

1. Implicit price deflators are shown in table VII–2.

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Table I–1.—*Gross National Product or Expenditure, 1941–57*

[Millions of dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
125,822	**159,133**	**192,513**	**211,393**	**213,558**	**210,663**	**234,289**	**259,426**	**258,054**	**284,599**	**328,975**	**346,999**	**365,385**	**363,112**	**397,469**	**419,214**	**440,328**	1
81,875	**89,748**	**100,541**	**109,833**	**121,699**	**147,109**	**165,409**	**178,313**	**181,158**	**195,013**	**209,805**	**219,774**	**232,649**	**238,025**	**256,940**	**269,400**	**284,442**	2
9,659	6,968	6,605	6,764	8,105	15,892	20,593	22,723	24,584	30,351	29,471	29,099	32,875	32,398	39,632	38,369	39,926	3
43,208	51,324	59,259	65,368	73,222	84,802	93,382	98,737	96,607	99,801	110,135	115,100	117,961	119,328	124,762	131,382	137,971	4
29,008	31,456	34,677	37,701	40,372	46,415	51,434	56,853	59,967	64,861	70,199	75,575	81,813	86,299	92,546	99,649	106,545	5
18,072	**9,875**	**5,600**	**7,130**	**10,430**	**28,140**	**31,459**	**43,087**	**32,977**	**49,970**	**56,334**	**49,863**	**50,340**	**48,872**	**63,843**	**68,180**	**65,292**	6
6,629	3,721	2,326	2,712	3,833	11,028	15,254	19,454	18,813	24,215	24,811	25,532	27,588	29,722	34,941	35,732	36,483	7
3,510	1,715	885	815	1,100	4,752	7,535	10,122	9,642	14,100	12,529	12,842	13,777	15,379	18,705	17,677	17,019	8
3,119	2,006	1,441	1,897	2,733	6,276	7,719	9,332	9,171	10,115	12,282	12,690	13,811	14,343	16,236	18,055	19,464	9
6,942	4,343	4,027	5,438	7,654	10,733	16,667	18,925	17,236	18,940	21,290	21,264	22,305	20,789	23,119	27,002	27,856	10
4,501	1,811	−753	−1,020	−1,057	6,379	−462	4,708	−3,072	6,815	10,233	3,067	447	−1,639	5,783	5,446	953	11
4,049	652	−577	−575	−595	6,350	1,298	2,976	−2,209	6,000	9,057	2,146	1,068	−2,129	5,486	5,925	195	12
452	1,159	−176	−445	−462	29	−1,760	1,732	−863	815	1,176	921	−621	490	297	−479	758	13
1,124	**−207**	**−2,245**	**−2,099**	**−1,438**	**4,916**	**9,039**	**3,490**	**3,760**	**587**	**2,376**	**1,318**	**−434**	**961**	**1,094**	**2,796**	**4,913**	14
5,968	4,037	4,546	5,438	7,368	12,792	17,900	14,505	13,958	13,098	17,857	17,431	16,600	17,476	19,381	22,955	25,954	15
4,844	5,144	6,791	7,537	8,806	7,876	8,861	11,015	10,198	12,511	15,481	16,113	17,034	16,515	18,287	20,159	21,041	16
24,751	**59,717**	**88,617**	**96,529**	**82,867**	**30,498**	**28,382**	**34,536**	**40,159**	**39,029**	**60,460**	**76,044**	**82,830**	**75,254**	**75,592**	**78,838**	**85,681**	17
16,923	52,027	81,223	89,006	74,796	20,582	15,650	19,306	22,241	19,348	38,768	52,854	57,964	47,548	45,282	45,721	49,381	18
13,794	49,567	80,384	88,615	75,923	18,791	11,360	11,578	13,570	14,257	33,864	46,408	49,289	41,189	39,081	40,330	44,347	19
3,173	2,664	1,480	1,552	1,031	4,486	5,417	8,231	8,853	5,202	5,213	6,717	8,989	6,674	6,559	5,722	5,456	20
44	204	641	1,161	2,158	2,695	1,127	503	182	111	309	271	314	315	358	331	422	21
7,828	7,690	7,394	7,523	8,071	9,916	12,732	15,230	17,918	19,681	21,692	23,190	24,866	27,706	30,310	33,117	36,300	22

Table I–2.—*Gross National Product or Expenditure in Constant Dollars, 1941–57* [1]

[Billions of 1954 dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
238.1	**266.9**	**296.7**	**317.9**	**314.0**	**282.5**	**282.3**	**293.1**	**292.7**	**318.1**	**341.8**	**353.5**	**369.0**	**363.1**	**392.7**	**402.2**	**407.0**	1
154.3	**150.8**	**154.6**	**160.2**	**171.4**	**192.3**	**195.6**	**199.3**	**204.3**	**216.8**	**218.5**	**224.2**	**235.1**	**238.0**	**256.0**	**263.7**	**270.3**	2
17.6	10.9	9.4	8.6	9.8	19.4	23.3	24.6	26.3	32.1	29.2	28.5	33.1	32.4	39.6	37.9	38.1	3
85.6	87.3	90.0	94.0	101.4	107.6	105.3	105.1	106.3	109.2	111.2	115.0	118.3	119.3	125.4	130.2	132.7	4
51.1	52.6	55.2	57.6	60.2	65.3	67.0	69.6	71.7	75.5	78.2	80.8	83.7	86.3	91.0	95.6	99.4	5
36.7	**18.8**	**10.7**	**12.3**	**17.0**	**42.4**	**41.5**	**49.8**	**38.5**	**55.9**	**57.7**	**50.4**	**50.6**	**48.9**	**62.5**	**63.1**	**57.8**	6
15.3	7.8	4.4	4.8	6.6	17.3	19.9	22.7	22.3	27.4	26.0	26.0	27.6	29.7	33.9	32.8	32.3	7
7.9	3.6	1.7	1.4	1.8	7.3	9.6	11.4	11.2	15.5	12.9	12.8	13.6	15.4	18.2	16.4	15.5	8
7.4	4.2	2.7	3.4	4.8	10.0	10.3	11.2	11.1	11.9	13.2	13.2	14.0	14.3	15.7	16.4	16.9	9
12.9	7.4	6.9	9.2	12.7	16.1	21.7	22.8	19.8	21.3	22.0	21.8	22.5	20.8	22.5	24.8	24.1	10
8.6	3.6	−.6	−1.7	−2.4	9.0	−.1	4.4	−3.6	7.2	9.7	2.6	.5	−1.6	6.1	5.6	1.4	11
7.6	1.6	−.5	−1.1	−1.6	9.1	1.4	3.0	−2.6	6.5	9.0	2.2	1.1	−2.1	5.4	5.5	.1	12
1.0	2.0	.0	−.6	−.8	−.1	−1.6	1.4	−1.0	.7	.7	.4	−.7	.5	.7	.0	1.4	13
−.6	**−2.9**	**−6.6**	**−6.7**	**−5.6**	**3.8**	**8.0**	**2.0**	**2.6**	**.2**	**2.2**	**1.2**	**−.9**	**1.0**	**.9**	**2.4**	**3.9**	14
10.6	7.6	6.7	7.4	9.8	15.8	19.2	14.7	15.1	14.5	17.3	16.9	16.4	17.5	19.2	22.2	24.3	15
11.3	10.5	13.2	14.1	15.3	12.0	11.1	12.8	12.4	14.2	15.1	15.7	17.3	16.5	18.3	19.8	20.5	16
47.7	**100.1**	**137.9**	**152.2**	**131.2**	**43.9**	**37.2**	**42.1**	**47.2**	**45.1**	**63.3**	**77.7**	**84.3**	**75.3**	**73.2**	**72.9**	**75.0**	17
30.7	84.7	123.9	138.4	117.1	28.2	19.4	22.9	25.3	21.6	39.3	53.3	58.8	47.5	43.5	42.0	42.7	18
16.9	15.4	14.0	13.8	14.0	15.8	17.8	19.2	21.9	23.5	24.1	24.5	25.5	27.7	29.7	30.9	32.3	19

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Table I-3.—*Gross National Product or Expenditure, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**198.0**	**206.3**	**217.1**	**221.2**	**210.7**	**226.0**	**230.0**	**235.6**	**245.1**	**234.3**
2	**Personal consumption expenditures**	**137.3**	**143.0**	**152.7**	**155.4**	**147.1**	**159.4**	**163.9**	**167.2**	**171.2**	**165.4**
3	Durable goods	12.7	14.9	17.4	18.6	15.9	19.1	20.3	20.8	22.1	20.6
4	Nondurable goods	80.8	82.6	87.7	88.1	84.8	90.7	93.0	94.2	95.7	93.4
5	Services	43.9	45.5	47.5	48.7	46.4	49.6	50.6	52.2	53.4	51.4
6	**Gross private domestic investment**	**22.1**	**29.0**	**29.6**	**31.8**	**28.1**	**29.8**	**29.2**	**29.6**	**36.7**	**31.5**
7	New construction	8.5	10.8	12.2	12.6	11.0	13.3	13.8	15.6	17.9	15.3
8	Residential nonfarm	3.5	4.6	5.3	5.6	4.8	6.2	6.3	7.6	9.6	7.5
9	Other	4.9	6.2	6.9	7.0	6.3	7.0	7.4	8.0	8.3	7.7
10	Producers' durable equipment	7.7	9.4	11.4	14.5	10.7	16.1	16.4	16.7	17.4	16.7
11	Change in business inventories—total	5.9	8.8	6.1	4.7	6.4	.4	−1.0	−2.7	1.4	−.5
12	Nonfarm only	6.0	8.7	5.9	4.8	6.4	1.5	1.5	−.3	2.4	1.3
13	**Net exports of goods and services**	**3.8**	**4.5**	**6.5**	**4.9**	**4.9**	**9.0**	**9.4**	**9.9**	**7.9**	**9.0**
14	Exports	11.1	12.4	14.4	13.2	12.8	17.4	18.4	18.5	17.2	17.9
15	Imports	7.3	7.9	7.9	8.3	7.9	8.5	9.0	8.6	9.3	8.9
16	**Government purchases of goods and services**	**34.9**	**29.7**	**28.3**	**29.1**	**30.5**	**27.8**	**27.5**	**28.8**	**29.4**	**28.4**
17	Federal	25.9	20.2	18.1	18.1	20.6	15.9	15.1	15.9	15.7	15.6
18	National defense	24.5	19.4	16.3	15.0	18.8	13.0	10.3	10.7	11.5	11.4
19	Other	3.9	4.4	4.9	4.8	4.5	4.3	6.1	6.1	5.1	5.4
20	Less: Government sales	2.5	3.6	3.1	1.7	2.7	1.4	1.3	.9	.9	1.1
21	State and local	8.9	9.5	10.2	11.0	9.9	11.9	12.4	12.9	13.7	12.7

Table I-3.—*Gross National Product or Expenditure, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**341.0**	**341.3**	**347.0**	**358.6**	**347.0**	**364.5**	**368.8**	**367.1**	**361.0**	**365.4**
2	**Personal consumption expenditures**	**214.6**	**217.7**	**219.6**	**227.2**	**219.8**	**230.9**	**233.3**	**234.1**	**232.3**	**232.6**
3	Durable goods	27.7	29.1	27.5	32.1	29.1	33.2	33.4	33.6	31.2	32.9
4	Nondurable goods	113.3	113.9	115.9	117.2	115.1	118.1	118.6	117.8	117.4	118.0
5	Services	73.6	74.7	76.2	77.9	75.6	79.6	81.2	82.8	83.7	81.8
6	**Gross private domestic investment**	**52.2**	**45.6**	**49.1**	**52.6**	**49.9**	**52.0**	**52.9**	**51.1**	**45.2**	**50.3**
7	New construction	25.2	25.4	25.4	26.1	25.5	26.9	27.8	27.7	27.9	27.6
8	Residential nonfarm	12.4	12.7	12.8	13.4	12.8	13.7	14.0	13.8	13.7	13.8
9	Other	12.8	12.7	12.6	12.7	12.7	13.2	13.8	14.0	14.2	13.8
10	Producers' durable equipment	21.9	22.4	19.4	21.2	21.3	22.5	22.0	22.6	21.9	22.3
11	Change in business inventories—total	5.1	−2.2	4.3	5.3	3.1	2.5	3.1	.7	−4.6	.4
12	Nonfarm only	4.0	−3.3	3.4	4.7	2.1	3.0	4.0	1.5	−4.3	1.1
13	**Net exports of goods and services**	**3.1**	**2.8**	**.1**	**−.7**	**1.3**	**−.3**	**−.7**	**−.8**	**.0**	**−.4**
14	Exports	19.0	18.3	16.0	16.4	17.4	16.5	16.5	16.7	16.7	16.6
15	Imports	15.9	15.5	16.0	17.1	16.1	16.7	17.2	17.5	16.7	17.0
16	**Government purchases of goods and services**	**71.1**	**75.2**	**78.2**	**79.5**	**76.0**	**81.8**	**83.3**	**82.7**	**83.5**	**82.8**
17	Federal	48.5	52.1	55.0	55.8	52.9	57.4	58.9	57.7	57.8	58.0
18	National defense	43.0	46.2	47.0	49.3	46.4	49.8	50.5	49.3	47.6	49.3
19	Other	5.8	6.2	8.1	6.7	6.7	8.0	8.7	8.7	10.5	9.0
20	Less: Government sales	.3	.3	.2	.2	.3	.4	.3	.3	.3	.3
21	State and local	22.5	23.1	23.2	23.7	23.2	24.4	24.3	24.9	25.7	24.9

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Table I–3.—*Gross National Product or Expenditure, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
249.5	**257.7**	**264.0**	**265.9**	**259.4**	**259.8**	**256.4**	**258.8**	**257.0**	**258.1**	**265.8**	**274.4**	**293.2**	**304.3**	**284.6**	**317.8**	**326.4**	**333.8**	**338.1**	**329.0**	1
174.7	**177.5**	**180.2**	**180.8**	**178.3**	**179.0**	**181.1**	**180.5**	**184.0**	**181.2**	**185.7**	**189.9**	**204.4**	**200.1**	**195.0**	**211.5**	**205.5**	**208.8**	**213.4**	**209.8**	2
21.6	22.6	23.6	23.1	22.7	22.4	24.5	25.1	26.3	24.6	26.8	27.9	35.5	31.2	30.4	33.0	28.0	28.5	28.4	29.5	3
98.1	98.7	99.0	99.2	98.7	97.8	97.1	95.3	96.3	96.6	96.2	97.7	103.3	102.0	99.8	110.2	108.1	109.5	112.7	110.1	4
55.0	56.2	57.6	58.5	56.9	58.8	59.5	60.1	61.5	60.0	62.6	64.3	65.7	66.9	64.9	68.3	69.4	70.8	72.3	70.2	5
39.9	**43.2**	**45.2**	**43.9**	**43.1**	**36.8**	**30.8**	**33.7**	**30.6**	**33.0**	**39.8**	**46.9**	**51.1**	**61.4**	**50.0**	**56.9**	**61.6**	**56.3**	**51.0**	**56.3**	6
18.4	19.8	20.1	19.4	19.5	18.5	18.2	18.6	19.9	18.8	21.6	23.6	25.6	25.3	24.2	25.7	25.0	24.5	24.5	24.8	7
9.7	10.5	10.4	9.7	10.1	9.0	8.9	9.6	10.9	9.6	12.2	13.8	15.4	14.4	14.1	14.1	12.5	11.8	12.1	12.5	8
8.6	9.2	9.7	9.7	9.3	9.4	9.3	9.0	9.0	9.2	9.4	9.8	10.3	10.9	10.1	11.6	12.5	12.7	12.4	12.3	9
18.2	18.3	19.0	20.1	18.9	18.3	17.9	16.8	16.0	17.2	15.7	18.4	20.6	21.1	18.9	20.7	21.3	21.6	21.5	21.3	10
3.3	5.1	6.1	4.3	4.7	.0	−5.3	−1.7	−5.3	−3.1	2.5	4.9	4.9	15.0	6.8	10.5	15.2	10.2	4.9	10.2	11
2.3	2.9	3.9	2.8	3.0	.6	−4.1	−.6	−4.7	−2.2	2.2	4.2	3.8	13.8	6.0	9.3	14.0	9.1	3.8	9.1	12
4.8	**3.3**	**2.8**	**3.0**	**3.5**	**4.6**	**4.6**	**3.7**	**2.1**	**3.8**	**2.0**	**1.1**	**−.6**	**−.2**	**.6**	**−.2**	**1.7**	**3.9**	**4.2**	**2.4**	13
15.5	14.2	14.2	14.1	14.5	15.2	15.0	13.6	12.1	14.0	12.5	12.4	13.4	14.2	13.1	15.9	17.7	18.9	18.9	17.9	14
10.7	10.9	11.5	11.0	11.0	10.6	10.3	9.9	10.0	10.2	10.5	11.3	14.0	14.4	12.5	16.1	16.0	15.0	14.8	15.5	15
30.1	**33.7**	**35.8**	**38.2**	**34.5**	**39.5**	**39.9**	**40.9**	**40.3**	**40.2**	**38.4**	**36.5**	**38.2**	**43.0**	**39.0**	**49.5**	**57.7**	**64.9**	**69.5**	**60.5**	16
15.9	19.0	20.3	22.1	19.3	22.5	22.3	22.6	21.6	22.2	19.1	17.2	18.4	22.7	19.3	28.7	36.1	42.9	47.4	38.8	17
11.2	11.3	11.8	12.1	11.6	13.5	13.7	14.1	13.0	13.6	12.6	12.0	14.1	18.3	14.3	24.3	31.2	38.1	41.8	33.9	18
5.8	8.1	8.8	10.2	8.2	9.3	8.9	8.6	8.7	8.9	6.6	5.2	4.4	4.5	5.2	4.5	5.1	5.2	6.0	5.2	19
1.1	.4	.3	.2	.5	.3	.2	.1	.1	.2	.1	.1	.1	.2	.1	.2	.2	.4	.4	.3	20
14.2	14.7	15.6	16.1	15.2	17.0	17.6	18.3	18.7	17.9	19.3	19.3	19.8	20.3	19.7	20.9	21.6	21.9	22.1	21.7	21

Table I–3.—*Gross National Product or Expenditure, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
360.0	**358.9**	**362.0**	**370.8**	**363.1**	**384.3**	**393.0**	**403.4**	**408.9**	**397.5**	**410.8**	**414.9**	**420.5**	**430.5**	**419.2**	**436.3**	**441.2**	**445.6**	**438.9**	**440.3**	1
233.7	**236.5**	**238.7**	**243.2**	**238.0**	**249.4**	**254.3**	**260.9**	**263.3**	**256.9**	**265.2**	**267.2**	**269.7**	**275.4**	**269.4**	**279.8**	**282.5**	**288.3**	**287.2**	**284.4**	2
31.2	32.2	32.3	33.9	32.4	38.2	39.1	41.4	39.8	39.6	38.7	37.8	37.5	39.5	38.4	40.2	39.5	40.4	39.6	39.9	3
117.9	118.8	119.6	121.0	119.3	121.2	123.7	126.1	128.1	124.8	129.6	130.9	131.6	133.4	131.4	135.5	137.1	140.5	138.8	138.0	4
84.6	85.5	86.9	88.3	86.3	90.0	91.6	93.4	95.3	92.5	96.9	98.6	100.6	102.5	99.6	104.1	105.9	107.4	108.7	106.5	5
46.6	**47.2**	**48.8**	**52.3**	**48.9**	**58.8**	**63.1**	**65.4**	**67.6**	**63.8**	**68.0**	**67.7**	**68.1**	**68.8**	**68.2**	**65.9**	**67.0**	**66.7**	**61.5**	**65.3**	6
27.8	28.9	30.2	31.6	29.7	33.9	34.9	35.4	35.4	34.9	35.2	35.8	35.8	36.2	35.7	36.1	36.1	36.6	37.1	36.5	7
13.7	14.7	15.8	17.0	15.4	18.5	18.9	18.9	18.4	18.7	17.8	17.7	17.6	17.7	17.7	17.2	16.5	16.9	17.6	17.0	8
14.1	14.2	14.4	14.6	14.3	15.4	16.0	16.5	17.0	16.2	17.4	18.1	18.3	18.4	18.1	18.9	19.6	19.7	19.6	19.5	9
21.4	20.9	20.7	19.9	20.8	20.5	22.1	24.4	25.4	23.1	25.9	26.6	27.3	28.2	27.0	28.7	28.1	28.0	26.7	27.9	10
−2.6	−2.7	−2.1	.8	−1.6	4.4	6.1	5.7	6.7	5.8	6.9	5.4	4.9	4.4	5.4	1.1	2.9	2.2	−2.3	1.0	11
−2.8	−3.2	−2.8	.2	−2.1	3.8	5.7	5.5	6.7	5.5	7.4	6.2	5.3	4.6	5.9	.6	2.0	1.3	−3.1	.2	12
.3	**.8**	**.4**	**2.3**	**1.0**	**1.5**	**.7**	**1.3**	**.9**	**1.1**	**.8**	**2.8**	**3.2**	**4.4**	**2.8**	**5.6**	**6.0**	**4.8**	**3.3**	**4.9**	13
16.0	17.9	17.3	18.7	17.5	18.7	18.6	20.0	20.3	19.4	20.9	22.5	23.6	24.8	23.0	26.4	26.6	26.0	24.9	26.0	14
15.7	17.1	16.8	16.5	16.5	17.2	17.9	18.7	19.4	18.3	20.1	19.8	20.4	20.4	20.2	20.8	20.6	21.2	21.6	21.0	15
79.4	**74.4**	**74.1**	**73.0**	**75.3**	**74.6**	**74.9**	**75.8**	**77.1**	**75.6**	**76.8**	**77.2**	**79.5**	**81.8**	**78.8**	**85.0**	**85.7**	**85.8**	**86.9**	**85.7**	16
52.9	47.1	45.9	44.4	47.5	45.1	44.7	45.3	46.1	45.3	44.8	44.5	46.1	47.5	45.7	49.1	49.7	49.7	49.1	49.4	17
44.8	41.5	40.0	38.4	41.2	39.2	38.8	39.2	39.1	39.1	39.1	39.1	41.0	42.1	40.3	43.7	44.9	44.9	43.9	44.3	18
8.4	5.9	6.2	6.2	6.7	6.2	6.2	6.5	7.4	6.6	6.1	5.7	5.4	5.7	5.7	5.8	5.1	5.2	5.7	5.5	19
.3	.3	.3	.3	.3	.3	.4	.4	.4	.4	.3	.4	.3	.3	.3	.4	.3	.5	.5	.4	20
26.5	27.3	28.2	28.7	27.7	29.5	30.2	30.5	31.0	30.3	32.0	32.7	33.4	34.4	33.1	35.9	36.0	36.1	37.8	36.3	21

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Table I–4.—*Gross National Product or Expenditure, Quarterly, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**48.0**	**50.5**	**54.0**	**58.2**	**210.7**	**54.6**	**56.5**	**58.0**	**65.2**	**234.3**
2	**Personal consumption expenditures**	**32.3**	**35.5**	**37.1**	**42.3**	**147.1**	**37.6**	**40.6**	**40.7**	**46.6**	**165.4**
3	Durable goods	2.7	3.7	4.1	5.4	15.9	4.2	5.1	4.9	6.4	20.6
4	Nondurable goods	18.6	20.3	21.2	24.7	84.8	20.9	22.7	22.8	26.9	93.4
5	Services	11.0	11.5	11.8	12.1	46.4	12.4	12.8	13.0	13.3	51.4
6	**Gross private domestic investment**	**6.1**	**6.2**	**8.6**	**7.2**	**28.1**	**8.0**	**6.4**	**8.1**	**8.9**	**31.5**
7	New construction	1.8	2.7	3.4	3.2	11.0	2.8	3.5	4.4	4.6	15.3
8	Residential nonfarm	.7	1.1	1.5	1.4	4.8	1.2	1.6	2.2	2.5	7.5
9	Other	1.1	1.5	1.9	1.8	6.3	1.6	1.8	2.2	2.1	7.7
10	Producers' durable equipment	2.0	2.4	2.8	3.5	10.7	4.0	4.3	4.0	4.4	16.7
11	Change in business inventories—total	2.3	1.1	2.4	.5	6.4	1.2	−1.3	−.3	----------	−.5
12	Nonfarm only	2.3	1.1	2.4	.6	6.4	1.4	−.7	.3	.2	1.3
13	**Net exports of goods and services**	**.8**	**1.4**	**1.4**	**1.3**	**4.9**	**2.2**	**2.6**	**2.2**	**2.1**	**9.0**
14	Exports	2.7	3.3	3.4	3.5	12.8	4.3	4.8	4.3	4.5	17.9
15	Imports	1.9	1.9	2.0	2.1	7.9	2.1	2.2	2.1	2.4	8.9
16	**Government purchases of goods and services**	**8.7**	**7.5**	**7.0**	**7.3**	**30.5**	**6.9**	**6.9**	**7.0**	**7.6**	**28.4**
17	Federal	6.5	5.1	4.5	4.5	20.6	4.0	3.8	3.8	4.0	15.7
18	National defense	6.1	4.8	4.1	3.7	18.8	3.3	2.6	2.5	2.9	11.4
19	Other	1.0	1.1	1.2	1.2	4.5	1.1	1.5	1.5	1.3	5.4
20	Less: Government sales	.6	.9	.8	.4	2.7	.3	.3	.2	.2	1.1
21	State and local	2.2	2.4	2.5	2.8	9.9	2.8	3.1	3.2	3.6	12.7

Table I–4.—*Gross National Product or Expenditure, Quarterly, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**82.9**	**84.5**	**85.6**	**94.1**	**347.0**	**88.1**	**91.9**	**91.0**	**94.4**	**365.4**
2	**Personal consumption expenditures**	**50.7**	**54.1**	**53.4**	**61.5**	**219.8**	**54.7**	**58.1**	**57.2**	**62.6**	**232.6**
3	Durable goods	6.1	7.4	6.6	9.0	29.1	7.4	8.6	8.2	8.8	32.9
4	Nondurable goods	26.1	27.9	27.9	33.1	115.1	27.3	29.0	28.5	33.1	118.0
5	Services	18.6	18.8	18.8	19.4	75.6	20.0	20.5	20.5	20.8	81.8
6	**Gross private domestic investment**	**13.8**	**10.7**	**12.7**	**12.6**	**49.9**	**13.5**	**12.9**	**13.3**	**10.7**	**50.3**
7	New construction	5.4	6.4	7.0	6.7	25.5	5.7	7.0	7.7	7.1	27.6
8	Residential nonfarm	2.5	3.3	3.6	3.5	12.8	2.8	3.6	3.9	3.5	13.8
9	Other	2.9	3.2	3.4	3.2	12.7	3.0	3.4	3.8	3.6	13.8
10	Producers' durable equipment	5.2	5.9	4.5	5.7	21.3	5.1	5.9	5.4	5.8	22.3
11	Change in business inventories—total	3.3	−1.6	1.1	.3	3.1	2.6	−.1	.2	−2.3	.4
12	Nonfarm only	3.0	−1.9	.9	.1	2.1	2.7	.1	.4	−2.2	1.1
13	**Net exports of goods and services**	**.9**	**.6**	**−.2**	----------	**1.3**	**−.1**	**−.1**	**−.4**	**.2**	**−.4**
14	Exports	4.8	4.5	3.8	4.2	17.4	4.0	4.3	4.0	4.3	16.6
15	Imports	4.0	3.9	4.0	4.2	16.1	4.1	4.4	4.4	4.1	17.0
16	**Government purchases of goods and services**	**17.4**	**19.0**	**19.7**	**19.9**	**76.0**	**20.0**	**21.0**	**20.9**	**21.0**	**82.8**
17	Federal	12.1	13.1	13.8	13.8	52.9	14.3	14.9	14.5	14.4	58.0
18	National defense	10.7	11.7	11.8	12.2	46.4	12.4	12.7	12.4	11.8	49.3
19	Other	1.5	1.5	2.0	1.7	6.7	2.0	2.2	2.2	2.6	9.0
20	Less: Government sales	.1	.1	.1	.1	.3	.1	.1	.1	.1	.3
21	State and local	5.3	5.8	5.9	6.1	23.2	5.7	6.2	6.4	6.6	24.9

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Table I-4.—*Gross National Product or Expenditure, Quarterly, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
60.3	**63.1**	**65.4**	**70.6**	**259.4**	**62.5**	**63.1**	**64.3**	**68.1**	**258.1**	**63.9**	**67.5**	**73.1**	**80.1**	**284.6**	**77.0**	**80.6**	**82.7**	**88.7**	**329.0**	1
41.4	**43.9**	**44.0**	**49.1**	**178.3**	**42.0**	**45.2**	**44.2**	**49.8**	**181.2**	**43.8**	**47.2**	**50.0**	**54.0**	**195.0**	**50.1**	**51.0**	**50.9**	**57.7**	**209.8**	2
4.8	5.7	5.7	6.6	22.7	4.9	6.2	6.2	7.4	24.6	5.9	7.1	8.8	8.6	30.4	7.3	7.2	6.9	8.0	29.5	3
22.8	24.0	24.0	27.9	98.7	22.4	24.0	23.1	27.1	96.6	22.1	24.0	25.0	28.7	99.8	25.5	26.4	26.5	31.7	110.1	4
13.8	14.2	14.3	14.6	56.9	14.8	15.0	14.9	15.3	60.0	15.7	16.2	16.3	16.7	64.9	17.2	17.5	17.5	18.0	70.2	5
10.3	**9.7**	**12.1**	**10.9**	**43.1**	**9.7**	**6.5**	**9.3**	**7.4**	**33.0**	**10.5**	**10.5**	**13.8**	**15.1**	**50.0**	**14.9**	**14.4**	**14.7**	**12.3**	**56.3**	6
3.8	5.0	5.6	5.0	19.5	3.9	4.6	5.2	5.1	18.8	4.5	6.0	7.2	6.5	24.2	5.5	6.3	6.8	6.3	24.8	7
1.9	2.7	3.0	2.5	10.1	1.8	2.3	2.7	2.8	9.6	2.5	3.5	4.4	3.7	14.1	2.9	3.2	3.3	3.1	12.5	8
1.9	2.3	2.6	2.5	9.3	2.1	2.3	2.5	2.3	9.2	2.1	2.5	2.8	2.8	10.1	2.6	3.1	3.5	3.1	12.3	9
4.2	4.7	4.6	5.5	18.9	4.2	4.6	4.1	4.4	17.2	3.7	4.6	5.0	5.7	18.9	4.9	5.5	5.1	5.8	21.3	10
2.3	-------	1.9	.4	4.7	1.6	−2.6	-------	−2.1	−3.1	2.3	-------	1.6	2.9	6.8	4.6	2.6	2.8	.2	10.2	11
2.1	−.5	1.4	-------	3.0	1.7	−2.3	.3	−1.9	−2.2	2.2	−.2	1.3	2.6	6.0	4.3	2.3	2.6	-------	9.1	12
1.2	**1.0**	**.5**	**.9**	**3.5**	**1.1**	**1.3**	**.7**	**.6**	**3.8**	**.3**	**.5**	**−.3**	-------	**.6**	**−.2**	**.6**	**.7**	**1.3**	**2.4**	13
3.8	3.7	3.3	3.7	14.5	3.7	3.9	3.2	3.2	14.0	3.0	3.3	3.2	3.7	13.1	3.9	4.6	4.4	4.9	17.9	14
2.7	2.7	2.8	2.8	11.0	2.6	2.5	2.5	2.5	10.2	2.6	2.8	3.5	3.6	12.5	4.0	4.0	3.8	3.7	15.5	15
7.4	**8.6**	**8.8**	**9.7**	**34.5**	**9.7**	**10.1**	**10.1**	**10.3**	**40.2**	**9.3**	**9.3**	**9.6**	**10.9**	**39.0**	**12.1**	**14.6**	**16.3**	**17.4**	**60.5**	16
4.0	4.8	4.9	5.6	19.3	5.7	5.6	5.5	5.5	22.2	4.7	4.3	4.6	5.6	19.3	7.1	9.1	10.8	11.8	38.8	17
2.9	2.8	2.8	3.1	11.6	3.4	3.4	3.4	3.3	13.6	3.1	3.0	3.5	4.6	14.3	6.0	7.9	9.6	10.4	33.9	18
1.5	2.0	2.2	2.6	8.2	2.3	2.2	2.2	2.2	8.9	1.6	1.3	1.1	1.1	5.2	1.1	1.3	1.3	1.5	5.2	19
.3	.1	.1	.1	.5	.1	-------	-------	-------	.2	-------	-------	-------	-------	.1	-------	-------	.1	.1	.3	20
3.4	3.8	3.9	4.1	15.2	4.0	4.5	4.6	4.8	17.9	4.6	4.9	5.0	5.2	19.7	5.0	5.5	5.6	5.7	21.7	21

Table I-4.—*Gross National Product or Expenditure, Quarterly, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
87.1	**89.5**	**89.6**	**97.0**	**363.1**	**92.7**	**97.7**	**100.0**	**107.1**	**397.5**	**99.1**	**102.5**	**104.5**	**113.1**	**419.2**	**104.6**	**109.6**	**110.5**	**115.6**	**440.3**	1
55.4	**59.0**	**58.1**	**65.5**	**238.0**	**59.2**	**63.3**	**63.6**	**70.9**	**256.9**	**63.1**	**66.0**	**66.0**	**74.3**	**269.4**	**66.3**	**70.2**	**70.6**	**77.3**	**284.4**	2
7.1	8.2	7.6	9.5	32.4	8.7	10.0	9.8	11.1	39.6	8.8	9.6	8.9	11.1	38.4	9.2	10.0	9.6	11.1	39.9	3
27.0	29.3	28.9	34.1	119.3	27.8	30.3	30.5	36.2	124.8	29.9	31.7	31.9	37.8	131.4	31.0	33.6	34.1	39.3	138.0	4
21.3	21.5	21.5	21.9	86.3	22.6	23.0	23.4	23.6	92.5	24.4	24.7	25.2	25.4	99.6	26.2	26.6	26.8	26.9	106.5	5
12.3	**11.3**	**12.8**	**12.4**	**48.9**	**15.1**	**15.2**	**17.2**	**16.3**	**63.8**	**17.2**	**16.3**	**17.9**	**16.9**	**68.2**	**16.4**	**16.3**	**17.4**	**15.2**	**65.3**	6
5.9	7.3	8.4	8.1	29.7	7.2	8.9	9.8	9.1	34.9	7.5	9.1	10.0	9.2	35.7	7.7	9.2	10.1	9.5	36.5	7
2.8	3.8	4.5	4.3	15.4	3.7	4.9	5.3	4.7	18.7	3.6	4.6	5.0	4.5	17.7	3.4	4.3	4.8	4.5	17.0	8
3.2	3.5	3.9	3.7	14.3	3.4	4.0	4.5	4.3	16.2	3.9	4.5	5.0	4.7	18.1	4.3	4.8	5.3	5.0	19.5	9
4.9	5.6	4.9	5.3	20.8	4.6	5.8	5.9	6.7	23.1	5.8	6.9	6.6	7.6	27.0	6.3	7.4	6.9	7.3	27.9	10
1.4	−1.7	−.5	−.9	−1.6	3.3	.5	1.4	.5	5.8	3.9	.3	1.3	-------	5.4	2.4	−.3	.4	−1.6	1.0	11
1.4	−1.8	−.7	−1.1	−2.1	3.1	.4	1.4	.5	5.5	4.0	.5	1.4	-------	5.9	2.2	−.5	.2	−1.8	.2	12
-------	**.3**	**−.1**	**.8**	**1.0**	**.4**	**.2**	-------	**.5**	**1.1**	**.3**	**.7**	**.4**	**1.5**	**2.8**	**1.5**	**1.4**	**.7**	**1.3**	**4.9**	13
3.9	4.6	4.1	4.8	17.5	4.6	4.8	4.7	5.3	19.4	5.2	5.8	5.6	6.4	23.0	6.6	6.8	6.1	6.4	26.0	14
3.9	4.4	4.2	4.1	16.5	4.2	4.6	4.7	4.7	18.3	4.9	5.1	5.2	4.9	20.2	5.1	5.4	5.4	5.2	21.0	15
19.4	**18.8**	**18.7**	**18.3**	**75.3**	**18.1**	**19.0**	**19.1**	**19.3**	**75.6**	**18.6**	**19.5**	**20.2**	**20.5**	**78.8**	**20.5**	**21.7**	**21.8**	**21.8**	**85.7**	16
13.2	11.9	11.5	11.0	47.5	11.2	11.3	11.4	11.4	45.3	11.1	11.2	11.6	11.8	45.7	12.2	12.5	12.5	12.2	49.4	17
11.1	10.5	10.0	9.5	41.2	9.8	9.8	9.8	9.7	39.1	9.7	9.9	10.3	10.4	40.3	10.9	11.3	11.3	10.9	44.3	18
2.1	1.5	1.6	1.5	6.7	1.5	1.6	1.6	1.8	6.6	1.5	1.4	1.4	1.4	5.7	1.4	1.3	1.3	1.4	5.5	19
.1	.1	.1	.1	.3	.1	.1	.1	.1	.4	.1	.1	.1	.1	.3	.1	.1	.1	.1	.4	20
6.2	7.0	7.2	7.3	27.7	6.9	7.7	7.8	7.9	30.3	7.4	8.3	8.6	8.7	33.1	8.3	9.2	9.3	9.6	36.3	21

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Table I–5.—*Gross National Product or Expenditure, Seasonally Adjusted Quarterly Totals at Annual Rates, in Constant Dollars, 1947–48* [1]

[Billions of 1954 dollars]

Line		1947					1948				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**278.4**	**280.4**	**282.9**	**287.2**	**282.3**	**286.4**	**293.3**	**295.6**	**297.3**	**293.1**
2	**Personal consumption expenditures**	**192.5**	**196.1**	**196.9**	**197.0**	**195.6**	**198.1**	**199.0**	**199.4**	**200.6**	**199.3**
3	Durable goods	21.8	23.1	23.5	24.7	23.3	24.0	24.8	25.2	24.3	24.6
4	Nondurable goods	104.7	106.4	105.8	104.3	105.3	105.3	104.9	104.3	105.8	105.1
5	Services	65.9	66.5	67.5	68.0	67.0	68.9	69.3	69.9	70.4	69.6
6	**Gross private domestic investment**	**40.6**	**39.3**	**39.2**	**46.4**	**41.5**	**47.4**	**50.7**	**51.3**	**49.5**	**49.8**
7	New construction	18.4	18.3	20.2	22.3	19.9	22.0	23.1	23.0	22.2	22.7
8	Residential nonfarm	8.6	8.2	9.6	11.6	9.6	11.4	12.0	11.6	10.6	11.4
9	Other	9.9	10.0	10.5	10.7	10.3	10.7	11.2	11.5	11.6	11.2
10	Producers' durable equipment	21.5	21.6	21.6	22.1	21.7	22.8	22.6	22.5	23.3	22.8
11	Change in business inventories—total	.6	−.5	−2.5	2.0	−.1	2.7	4.9	5.8	4.1	4.4
12	Nonfarm only	1.4	1.8	−.3	2.9	1.4	1.9	3.1	4.1	3.0	3.0
13	**Net exports of goods and services**	**8.5**	**8.7**	**8.8**	**6.2**	**8.0**	**2.9**	**1.7**	**1.4**	**1.9**	**2.0**
14	**Government purchases of goods and services**	**36.8**	**36.3**	**38.0**	**37.6**	**37.2**	**37.9**	**42.0**	**43.5**	**45.3**	**42.1**
15	Federal	19.6	18.7	20.0	19.1	19.4	19.2	22.9	24.1	25.6	22.9
16	State and local	17.2	17.6	18.0	18.5	17.8	18.7	19.1	19.4	19.7	19.2

1. Implicit price deflators are shown in table VII–3.

Table I–5.—*Gross National Product or Expenditure, Seasonally Adjusted Quarterly Totals at Annual Rates, in Constant Dollars, 1953–54* [1]

[Billions of 1954 dollars]

Line		1953					1954				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**368.9**	**373.2**	**370.2**	**363.9**	**369.0**	**360.4**	**359.5**	**362.1**	**370.1**	**363.1**
2	**Personal consumption expenditures**	**234.0**	**236.2**	**236.0**	**234.1**	**235.1**	**233.4**	**236.4**	**239.0**	**243.2**	**238.0**
3	Durable goods	33.0	33.5	33.7	32.1	33.1	31.2	32.2	32.4	33.9	32.4
4	Nondurable goods	118.1	119.2	118.1	117.7	118.3	117.4	118.6	119.8	121.5	119.3
5	Services	82.8	83.6	84.1	84.3	83.7	84.9	85.6	86.8	87.9	86.3
6	**Gross private domestic investment**	**52.8**	**53.0**	**51.0**	**45.4**	**50.6**	**46.9**	**47.0**	**48.9**	**52.2**	**48.9**
7	New construction	27.1	27.6	27.6	27.8	27.6	27.9	28.9	30.2	31.5	29.7
8	Residential nonfarm	13.6	13.8	13.5	13.5	13.6	13.7	14.8	15.8	16.9	15.4
9	Other	13.5	13.8	14.1	14.3	14.0	14.2	14.1	14.4	14.6	14.3
10	Producers' durable equipment	23.1	22.2	22.6	22.2	22.5	21.5	20.9	20.7	19.9	20.8
11	Change in business inventories—total	2.6	3.2	.7	−4.6	.5	−2.5	−2.9	−2.0	.8	−1.6
12	Nonfarm only	3.2	4.1	1.5	−4.3	1.1	−2.6	−3.4	−2.7	.1	−2.1
13	**Net exports of goods and services**	**−.8**	**−1.1**	**−1.2**	**−.5**	**−.9**	**−.1**	**.9**	**.6**	**2.4**	**1.0**
14	**Government purchases of goods and services**	**83.0**	**85.1**	**84.4**	**84.9**	**84.3**	**80.1**	**75.2**	**73.6**	**72.2**	**75.3**
15	Federal	57.9	60.0	58.8	58.7	58.8	53.1	47.7	45.5	43.9	47.5
16	State and local	25.1	25.1	25.6	26.2	25.5	27.0	27.5	28.1	28.3	27.7

1. Implicit price deflators are shown in table VII–3.

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Table I–5.—*Gross National Product or Expenditure, Seasonally Adjusted Quarterly Totals at Annual Rates, in Constant Dollars, 1949–52* [1]

[Billions of 1954 dollars]

1949					1950					1951					1952					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
291.5	**290.3**	**295.6**	**293.0**	**292.7**	**302.7**	**312.0**	**325.6**	**331.6**	**318.1**	**334.0**	**340.0**	**346.3**	**346.9**	**341.8**	**349.6**	**349.3**	**352.6**	**362.3**	**353.5**	1
199.9	**203.6**	**204.8**	**209.0**	**204.3**	**210.7**	**214.2**	**225.6**	**217.0**	**216.8**	**222.3**	**214.5**	**217.5**	**219.8**	**218.5**	**220.0**	**222.7**	**223.8**	**230.2**	**224.2**	2
23.7	26.0	27.1	28.5	26.3	29.0	29.8	37.3	32.2	32.1	33.0	27.8	28.1	27.7	29.2	27.0	28.4	27.0	31.6	28.5	3
105.9	106.4	105.6	107.3	106.3	107.9	108.9	111.9	108.1	109.2	112 0	109.2	110.9	112.7	111.2	113.2	114.1	115.8	116.7	115.0	4
70.4	71.2	72.1	73.2	71.7	73.8	75.4	76.3	76.7	75.5	77.2	77.6	78.6	79.4	78.2	79.8	80.2	81.0	81.9	80.8	5
41.9	**35.8**	**39.8**	**36.4**	**38.5**	**46.2**	**53.8**	**56.5**	**66.3**	**55.9**	**59.1**	**62.7**	**57.7**	**51.9**	**57.7**	**52.7**	**46.0**	**49.5**	**53.2**	**50.4**	6
21.3	21.4	22.5	23.9	22.3	25.3	27.3	28.3	28 0	27.4	27.6	26.2	25.6	25.3	26.0	25.7	25.8	25.7	26.5	26.0	7
10.1	10.3	11.5	12.8	11.2	14.0	15.5	16.5	15.4	15.5	14.8	12.9	12.0	12.1	12.9	12.4	12.6	12.8	13.4	12.8	8
11.2	11.1	11.0	11.1	11.1	11.3	11.8	11.8	12.6	11.9	12.8	13.4	13.5	13.2	13.2	13.3	13.2	13.0	13.1	13.2	9
21.0	20.4	19.3	18.5	19.8	18.2	21.1	23.0	22.8	21.3	21.5	22.0	22.3	22.2	22.0	22.5	22.9	20.0	21.8	21.8	10
−.4	−6.0	−2.0	−6.0	−3.6	2.7	5.4	5.2	15.5	7.2	10.0	14.5	9.8	4.5	9.7	4.6	−2.7	3.8	4.9	2.6	11
.4	−4.6	−.8	−5.4	−2.6	2.4	4.8	4.1	14.5	6.5	9.2	13.7	9.2	3.9	9.0	4.0	−3.3	3.3	4.7	2.2	12
3.4	**3.4**	**2.8**	**.9**	**2.6**	**1.1**	**.6**	**−.7**	**.0**	**.2**	**.0**	**1.8**	**3.6**	**3.6**	**2.2**	**3.5**	**2.8**	**−.2**	**−1.1**	**1.2**	13
46.3	**47.4**	**48.2**	**46.8**	**47.2**	**44.6**	**43.5**	**44.2**	**48.3**	**45.1**	**52.5**	**61.1**	**67.6**	**71.6**	**63.3**	**73.4**	**77.7**	**79.5**	**80.0**	**77.7**	14
25.6	25.8	25.9	23.8	25.3	21.1	20.0	20.7	24.7	21.6	28.8	36.9	43.3	47.4	39.3	49.1	53.2	55.2	55.3	53.3	15
20.7	21.6	22.4	23.0	21.9	23.6	23.5	23.5	23.6	23.5	23.8	24.1	24.2	24.1	24.1	24.3	24.5	24.4	24.7	24.5	16

Table I–5.—*Gross National Product or Expenditure, Seasonally Adjusted Quarterly Totals at Annual Rates, in Constant Dollars, 1955–57*

[Billions of 1954 dollars]

1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
382.2	**389.5**	**397.5**	**401.1**	**392.7**	**399.6**	**400.4**	**401.4**	**407.1**	**402.2**	**407.9**	**409.3**	**409.1**	**401.2**	**407.0**	1
248.7	**253.7**	**259.9**	**261.8**	**256.0**	**262.7**	**262.9**	**262.7**	**266.6**	**263.7**	**268.5**	**269.3**	**272.9**	**270.4**	**270.3**	2
37.9	39.0	41.5	39.9	39.6	38.8	37.5	36.8	38.4	37.9	38.7	37.7	38.5	37.6	38.1	3
121.6	124.3	126.7	128.9	125.4	130.0	130.3	129.7	130.8	130.2	131.6	132.3	131.1	132.4	132.7	4
89.2	90.4	91.7	92.9	91.0	93.9	95.0	96.3	97.4	95.6	98.2	99.3	100.0	100.3	99.4	5
58.5	**62.3**	**63.9**	**65.2**	**62.5**	**61.5**	**62.8**	**62.8**	**62.5**	**63.1**	**59.3**	**59.5**	**58.1**	**54.0**	**57.8**	6
33.5	34.0	34.2	33.7	33.9	33.2	32.7	32.7	32.7	32.8	32.7	31.9	32.1	32.5	32.3	7
18.3	18.5	18.2	17.6	18.2	16.8	16.4	16.1	16.2	16.4	15.7	15.0	15.2	15.9	15.5	8
15.2	15.5	16.0	16.1	15.7	16.3	16.1	16.6	16.5	16.4	16.9	16.9	16.9	16.6	16.9	9
20.3	21.7	23.7	24.4	22.5	24.4	24.6	24.9	25.1	24.8	25.2	24.3	24.0	22.7	24.1	10
4.7	6.5	6.0	7.1	6.1	6.9	5.5	5.2	4.6	5.6	1.5	3.3	2.3	−1.3	1.4	11
3.9	5.8	5.4	6.6	5.4	7.0	5.8	5.1	4.2	5.5	.5	1.8	.8	−2.7	.1	12
1.5	**.4**	**1.2**	**.7**	**.9**	**.3**	**2.5**	**2.9**	**4.0**	**2.4**	**4.6**	**5.1**	**3.7**	**2.0**	**3.9**	13
73.4	**73.1**	**72.6**	**73.5**	**73.2**	**72.1**	**72.3**	**73.1**	**74.0**	**72.9**	**75.5**	**75.4**	**74.1**	**74.8**	**75.0**	14
44.3	43.4	42.9	43.6	43.5	41.6	41.6	42.3	42.7	42.0	43.4	43.4	42.3	41.8	42.7	15
29.2	29.7	29.7	29.9	29.7	30.4	30.7	30.8	31.3	30.9	32.1	31.9	31.8	33.0	32.3	16

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Table I–6.—*Gross National Product by Major Type of Product, 1929–40* [1]

[Billions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Gross national product**	**104.4**	**91.1**	**76.3**	**58.5**	**56.0**	**65.0**	**72.5**	**82.7**	**90.8**	**85.2**	**91.1**	**100.6**
2	Final sales	102.8	91.5	77.6	61.0	57.6	66.1	71.6	81.8	88.5	86.2	90.7	98.4
3	Inventory change	1.7	−.4	−1.3	−2.6	−1.6	−1.1	.9	1.0	2.2	−.9	.4	2.2
4	**Goods output**	**56.3**	**47.1**	**37.4**	**26.8**	**27.1**	**34.1**	**39.9**	**45.7**	**51.4**	**45.4**	**49.2**	**56.4**
5	Final sales	54.6	47.5	38.7	29.3	28.7	35.3	39.0	44.7	49.1	46.4	48.8	54.3
6	Inventory change	1.7	−.4	−1.3	−2.6	−1.6	−1.1	.9	1.0	2.2	−.9	.4	2.2
7	Durable goods output	18.1	11.8	8.0	3.8	5.1	7.7	9.6	12.6	14.5	10.3	13.1	17.3
8	Final sales	16.7	12.9	9.2	5.8	5.6	7.6	9.3	11.7	13.7	11.1	12.8	16.1
9	Inventory change	1.4	−1.0	−1.2	−2.0	−.5	.1	.3	.9	.8	−.9	.3	1.2
10	Nondurable goods output	38.1	35.2	29.5	23.0	22.0	26.4	30.2	33.1	36.8	35.2	36.0	39.1
11	Final sales	37.9	34.6	29.5	23.5	23.1	27.7	29.7	33.0	35.4	35.3	36.0	38.2
12	Inventory change	.3	.6	.0	−.5	−1.1	−1.3	.6	.0	1.5	−.1	.1	1.0
13	**Services**	**37.0**	**35.0**	**32.2**	**28.0**	**26.1**	**27.5**	**28.7**	**31.5**	**32.9**	**33.7**	**34.5**	**36.0**
14	**Construction**	**11.2**	**9.0**	**6.6**	**3.7**	**2.8**	**3.3**	**3.9**	**5.5**	**6.6**	**6.1**	**7.4**	**8.2**

1. For further detail see table VII–5.

Table I–7.—*Gross National Product by Major Type of Product, in Constant Dollars, 1929–40* [1]

[Billons of 1954 dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Gross national product**	**181.8**	**164.5**	**153.0**	**130.1**	**126.6**	**138.5**	**152.9**	**173.3**	**183.5**	**175.1**	**189.3**	**205.8**
2	Final sales	178.8	165.2	154.7	135.7	130.8	141.2	150.3	171.0	178.3	176.9	188.3	201.4
3	Inventory change	3.0	−.7	−1.8	−5.6	−4.2	−2.8	2.6	2.4	5.2	−1.8	1.0	4.5
4	**Goods output**	**95.4**	**83.4**	**77.8**	**64.3**	**63.6**	**72.0**	**82.4**	**93.9**	**102.1**	**93.9**	**102.7**	**115.5**
5	Final sales	92.5	84.1	79.5	69.9	67.8	74.7	79.7	91.6	96.9	95.7	101.7	111.0
6	Inventory change	3.0	−.7	−1.8	−5.6	−4.2	−2.8	2.6	2.4	5.2	−1.8	1.0	4.5
7	Durable goods output	30.8	20.5	15.0	7.6	10.6	15.6	19.8	26.2	28.7	19.7	25.5	33.1
8	Final sales	28.2	22.4	17.8	12.4	12.1	15.4	19.0	24.2	27.0	21.6	25.0	30.8
9	Inventory change	2.6	−2.0	−2.8	−4.8	−1.5	.2	.8	2.0	1.6	−1.9	.5	2.4
10	Nondurable goods output	64.7	63.0	62.8	56.7	53.0	56.3	62.6	67.7	73.5	74.2	77.2	82.3
11	Final sales	64.3	61.7	61.7	57.5	55.7	59.3	60.7	67.4	69.9	74.1	76.7	80.3
12	Inventory change	.4	1.3	1.0	−.8	−2.7	−3.0	1.9	.3	3.6	.1	.4	2.1
13	**Services**	**60.3**	**59.3**	**57.7**	**54.1**	**54.6**	**57.4**	**59.7**	**64.3**	**65.0**	**65.9**	**67.6**	**70.2**
14	**Construction**	**26.1**	**21.8**	**17.5**	**11.8**	**8.4**	**9.2**	**10.9**	**15.1**	**16.4**	**15.3**	**19.0**	**20.1**

1. For further detail see table VII–6. Implicit price deflators are shown in table VII–4.

Table I–8.—*National Income by Type of Income, 1929–40*

[Millions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**National income**	**87,814**	**75,729**	**59,708**	**42,547**	**40,159**	**48,959**	**57,057**	**64,911**	**73,618**	**67,581**	**72,753**	**81,634**
2	**Compensation of employees**	**51,085**	**46,844**	**39,740**	**31,054**	**29,539**	**34,295**	**37,340**	**42,910**	**47,934**	**44,994**	**48,108**	**52,129**
3	Wages and salaries	50,423	46,187	39,119	30,477	28,997	33,705	36,690	41,920	46,107	42,976	45,941	49,818
4	Private	45,485	41,033	33,861	25,511	23,855	27,629	30,189	34,054	38,614	34,752	37,742	41,395
5	Military	308	311	304	292	267	268	303	334	354	365	388	563
6	Government civilian [1]	4,630	4,843	4,954	4,674	4,875	5,808	6,198	7,532	7,139	7,859	7,811	7,860
7	Supplements to wages and salaries	662	657	621	577	542	590	650	990	1,827	2,018	2,167	2,311
8	Employer contributions for social insurance	101	106	111	126	133	147	171	418	1,234	1,423	1,540	1,624
9	Other labor income	561	551	510	451	409	443	479	572	593	595	627	687
10	Employer contributions to private pension and welfare funds.	169	160	158	148	140	166	180	238	218	228	248	282
11	Other	392	391	352	303	269	277	299	334	375	367	379	405
12	**Proprietors' income**	**14,759**	**11,540**	**8,734**	**5,316**	**5,599**	**7,010**	**10,387**	**10,482**	**12,691**	**11,128**	**11,610**	**13,010**
13	Business and professional	8,791	7,410	5,581	3,384	3,166	4,564	5,351	6,530	7,073	6,793	7,293	8,442
14	Income of unincorporated enterprises	8,649	6,655	4,970	3,089	3,691	4,618	5,401	6,650	7,102	6,572	7,459	8,487
15	Inventory valuation adjustment	142	755	611	295	−525	−54	−50	−120	−29	221	−166	−45
16	Farm	5,968	4,130	3,153	1,932	2,433	2,446	5,036	3,952	5,618	4,335	4,317	4,568
17	**Rental income of persons**	**5,425**	**4,778**	**3,761**	**2,713**	**1,971**	**1,694**	**1,661**	**1,776**	**2,081**	**2,560**	**2,742**	**2,885**
18	**Corporate profits and inventory valuation adjustment**	**10,100**	**6,582**	**1,634**	**−1,970**	**−1,992**	**1,091**	**2,918**	**5,002**	**6,204**	**4,263**	**5,689**	**9,120**
19	Profits before tax	9,628	3,322	−780	−3,017	151	1,716	3,145	5,740	6,235	3,300	6,403	9,320
20	Profits tax liability	1,369	842	498	385	521	744	951	1,409	1,502	1,029	1,441	2,834
21	Profits after tax	8,259	2,480	−1,278	−3,402	−370	972	2,194	4,331	4,733	2,271	4,962	6,486
22	Dividends	5,813	5,490	4,088	2,565	2,056	2,587	2,863	4,548	4,685	3,187	3,788	4,043
23	Undistributed profits	2,446	−3,010	−5,366	−5,967	−2,426	−1,615	−669	−217	48	−916	1,174	2,443
24	Inventory valuation adjustment	472	3,260	2,414	1,047	−2,143	−625	−227	−738	−31	963	−714	−200
25	**Net interest**	**6,445**	**5,985**	**5,839**	**5,434**	**5,042**	**4,869**	**4,751**	**4,741**	**4,708**	**4,636**	**4,604**	**4,490**

1. Includes also the pay of employees of government enterprises and of permanent United States residents employed in the United States by foreign governments and international organizations.

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Table I–6.—*Gross National Product by Major Type of Product, 1941–57* [1]

[Billions of dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
125.8	**159.1**	**192.5**	**211.4**	**213.6**	**210.7**	**234.3**	**259.4**	**258.1**	**284.6**	**329.0**	**347.0**	**365.4**	**363.1**	**397.5**	**419.2**	**440.3**	1
121.3	157.3	193.3	212.4	214.6	204.3	234.8	254.7	261.1	277.8	318.7	343.9	364.9	364.8	391.7	413.8	439.4	2
4.5	1.8	−.8	−1.0	−1.1	6.4	−.5	4.7	−3.1	6.8	10.2	3.1	.4	−1.6	5.8	5.4	1.0	3
73.2	**94.5**	**121.3**	**133.8**	**130.7**	**128.8**	**143.8**	**157.0**	**149.3**	**163.6**	**191.8**	**198.2**	**206.9**	**197.4**	**217.2**	**226.9**	**234.7**	4
68.7	92.7	122.0	134.8	131.7	122.4	144.3	152.3	152.4	156.8	181.6	195.2	206.4	199.0	211.4	221.4	233.7	5
4.5	1.8	−.8	−1.0	−1.1	6.4	−.5	4.7	−3.1	6.8	10.2	3.1	.4	−1.6	5.8	5.4	1.0	6
27.8	36.0	54.6	58.4	49.5	39.8	47.4	49.8	47.9	60.7	74.4	75.6	79.8	71.6	84.3	89.1	91.7	7
24.7	35.0	54.6	59.1	50.7	34.5	46.0	48.9	49.9	56.7	67.5	74.5	78.9	74.1	81.3	85.8	91.0	8
3.0	1.0	.0	−.6	−1.3	5.3	1.4	.9	−2.1	4.0	6.9	1.2	.9	−2.5	3.0	3.3	.8	9
45.5	58.6	66.7	75.3	81.2	89.0	96.4	107.2	101.5	102.9	117.4	122.6	127.0	125.9	132.9	137.8	142.9	10
44.0	57.8	67.4	75.7	81.0	87.9	98.2	103.4	102.4	100.1	114.1	120.7	127.5	125.0	130.2	135.7	142.7	11
1.5	.8	−.8	−.4	.2	1.1	−1.8	3.8	−1.0	2.8	3.3	1.9	−.5	.9	2.7	2.1	.2	12
40.9	**50.5**	**62.6**	**71.9**	**76.7**	**68.5**	**71.8**	**78.1**	**83.5**	**89.8**	**102.9**	**112.3**	**119.5**	**124.1**	**133.4**	**143.6**	**154.8**	13
11.6	**14.1**	**8.6**	**5.8**	**6.2**	**13.4**	**18.7**	**24.3**	**25.2**	**31.2**	**34.2**	**36.4**	**39.0**	**41.6**	**46.9**	**48.7**	**50.8**	14

Table I–7.—*Gross National Product by Major Type of Product, in Constant Dollars, 1941–57* [1]

[Billions of 1954 dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
238.1	**266.9**	**296.7**	**317.9**	**314.0**	**282.5**	**282.3**	**293.1**	**292.7**	**318.1**	**341.8**	**353.5**	**369.0**	**363.1**	**392.7**	**402.2**	**407.0**	1
229.5	263.2	297.3	319.6	316.4	273.5	282.4	288.7	296.3	310.9	332.1	350.9	368.5	364.8	386.6	396.6	405.5	2
8.6	3.6	−.6	−1.7	−2.4	9.0	−.1	4.4	−3.6	7.2	9.7	2.6	.5	−1.6	6.1	5.6	1.4	3
133.0	**146.9**	**171.4**	**188.1**	**183.1**	**164.2**	**163.3**	**167.7**	**162.3**	**177.6**	**191.7**	**196.8**	**207.7**	**197.4**	**216.9**	**221.5**	**220.2**	4
124.4	143.3	172.0	189.8	185.5	155.2	163.4	163.4	165.9	170.4	182.0	194.2	207.2	199.0	210.8	215.9	218.8	5
8.6	3.6	−.6	−1.7	−2.4	9.0	−.1	4.4	−3.6	7.2	9.7	2.6	.5	−1.6	6.1	5.6	1.4	6
46.1	50.2	73.7	82.5	72.9	53.2	55.8	55.4	51.9	65.3	74.6	75.1	80.8	71.6	83.1	84.4	83.1	7
40.3	47.8	73.2	83.7	75.4	45.4	54.3	54.6	54.3	61.0	67.4	73.9	79.8	74.1	80.1	81.5	82.4	8
5.8	2.4	.4	−1.2	−2.5	7.8	1.5	.8	−2.4	4.3	7.1	1.2	1.0	−2.5	3.0	3.0	.7	9
87.0	96.7	97.8	105.6	110.3	111.0	107.5	112.3	110.5	112.3	117.1	121.8	126.9	125.9	133.8	137.1	137.2	10
84.2	95.5	98.7	106.1	110.1	109.7	109.2	108.8	111.6	109.4	114.5	120.3	127.4	125.0	130.7	134.5	136.4	11
2.8	1.2	−1.0	−.5	.2	1.3	−1.6	3.5	−1.2	2.9	2.6	1.5	−.5	.9	3.1	2.6	.8	12
78.5	**92.2**	**109.9**	**119.5**	**120.1**	**97.4**	**94.7**	**97.2**	**100.7**	**105.0**	**114.2**	**119.8**	**122.5**	**124.1**	**130.2**	**136.0**	**141.8**	13
26.5	**27.8**	**15.4**	**10.4**	**10.8**	**20.8**	**24.3**	**28.2**	**29.7**	**35.4**	**36.0**	**36.9**	**38.8**	**41.6**	**45.6**	**44.8**	**45.0**	14

Table I–8.—*National Income by Type of Income, 1941–57*

[Millions of dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
104,710	**137,694**	**170,310**	**182,639**	**181,248**	**180,879**	**198,177**	**223,487**	**217,690**	**241,876**	**279,313**	**292,155**	**305,573**	**301,794**	**330,206**	**349,356**	**363,951**	1
64,789	**85,271**	**109,587**	**121,286**	**123,181**	**117,697**	**128,757**	**140,969**	**140,834**	**154,190**	**180,327**	**195,012**	**208,812**	**207,595**	**223,852**	**241,799**	**254,637**	2
62,086	82,109	105,828	116,823	117,577	111,836	122,858	135,214	134,310	146,391	170,788	184,835	198,030	196,259	210,902	227,304	238,120	3
51,894	66,123	79,197	83,843	82,664	91,241	105,512	116,443	113,809	124,121	141,928	151,870	164,157	161,867	174,927	189,258	198,001	4
1,866	6,168	14,133	20,033	21,819	7,818	4,067	3,970	4,248	4,999	8,684	10,472	10,337	9,951	9,778	9,668	9,634	5
8,326	9,818	12,498	12,947	13,094	12,777	13,279	14,801	16,253	17,271	20,176	22,493	23,536	24,441	26,197	28,378	30,485	6
2,703	3,162	3,759	4,463	5,604	5,861	5,899	5,755	6,524	7,799	9,539	10,177	10,782	11,336	12,950	14,495	16,517	7
1,983	2,302	2,677	2,937	3,805	3,970	3,565	3,042	3,503	3,976	4,753	4,861	4,788	5,122	5,814	6,597	7,570	8
720	860	1,082	1,526	1,799	1,891	2,334	2,713	3,021	3,823	4,786	5,316	5,994	6,214	7,136	7,898	8,947	9
314	401	586	948	1,132	1,231	1,555	1,810	2,024	2,743	3,582	4,019	4,598	4,739	5,523	6,070	6,957	10
406	459	496	578	667	660	779	903	997	1,080	1,204	1,297	1,396	1,475	1,613	1,828	1,990	11
17,401	**23,907**	**28,187**	**29,565**	**30,835**	**36,573**	**35,492**	**40,194**	**35,583**	**37,541**	**42,329**	**42,233**	**40,723**	**40,442**	**42,149**	**42,435**	**43,001**	12
10,897	13,899	16,823	18,040	19,011	21,321	19,948	22,405	22,657	23,541	25,995	26,896	27,445	27,751	30,382	30,803	31,403	13
11,512	14,266	16,979	18,109	19,117	23,026	21,419	22,815	22,194	24,635	26,322	26,695	27,613	27,800	30,580	31,300	31,700	14
−615	−367	−156	−69	−106	−1,705	−1,471	−410	463	−1,094	−327	201	−168	−49	−198	−497	−297	15
6,504	10,008	11,364	11,525	11,824	15,252	15,544	17,789	12,926	14,000	16,334	15,337	13,278	12,691	11,767	11,632	11,598	16
3,465	**4,547**	**5,097**	**5,413**	**5,634**	**6,208**	**6,510**	**7,297**	**8,274**	**9,013**	**9,431**	**10,154**	**10,528**	**10,869**	**10,698**	**10,887**	**11,837**	17
14,511	**19,678**	**23,781**	**23,033**	**18,413**	**17,288**	**23,626**	**30,848**	**28,226**	**35,663**	**40,954**	**37,672**	**37,314**	**33,743**	**43,126**	**42,933**	**41,878**	18
16,982	20,882	24,554	23,320	18,977	22,551	29,525	33,000	26,370	40,628	42,153	36,691	38,311	34,061	44,862	45,493	43,426	19
7,610	11,415	14,074	12,949	10,689	9,111	11,283	12,483	10,375	17,865	22,447	19,459	20,222	17,220	21,827	22,422	21,649	20
9,372	9,467	10,480	10,371	8,288	13,440	18,242	20,517	15,995	22,763	19,706	17,232	18,089	16,841	23,035	23,071	21,777	21
4,458	4,289	4,484	4,673	4,691	5,784	6,521	7,243	7,473	9,208	9,029	8,954	9,225	9,839	11,215	12,038	12,355	22
4,914	5,178	5,996	5,698	3,597	7,656	11,721	13,274	8,522	13,555	10,677	8,278	8,864	7,002	11,820	11,033	9,422	23
−2,471	−1,204	−773	−287	−564	−5,263	−5,899	−2,152	1,856	−4,965	−1,199	981	−997	−318	−1,736	−2,560	−1,548	24
4,544	**4,291**	**3,658**	**3,342**	**3,185**	**3,113**	**3,792**	**4,179**	**4,773**	**5,469**	**6,272**	**7,084**	**8,196**	**9,145**	**10,381**	**11,302**	**12,598**	25

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Table I–9.—*National Income by Type of Income, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**National income**	**169.6**	**176.6**	**185.2**	**191.9**	**180.9**	**193.1**	**194.5**	**198.4**	**206.5**	**198.2**
2	**Compensation of employees**	**113.2**	**115.2**	**119.5**	**122.7**	**117.7**	**125.7**	**127.1**	**128.8**	**133.2**	**128.8**
3	Wages and salaries	107.3	109.3	113.6	116.8	111.8	119.6	121.0	123.2	127.5	122.9
4	Private	82.4	89.1	94.8	98.4	91.2	101.8	103.6	106.3	110.1	105.5
5	Military	12.5	7.6	5.9	5.3	7.8	4.7	4.0	3.8	3.9	4.1
6	Government civilian [1]	12.4	12.6	12.9	13.2	12.8	13.2	13.4	13.1	13.5	13.3
7	Supplements to wages and salaries	5.8	5.9	5.9	5.9	5.9	6.0	6.1	5.7	5.8	5.9
8	**Proprietors' income**	**34.0**	**35.8**	**38.4**	**38.0**	**36.6**	**37.2**	**33.6**	**34.8**	**36.3**	**35.5**
9	Business and professional	20.7	21.7	21.8	21.0	21.3	20.1	19.8	19.6	20.3	19.9
10	Farm	13.3	14.1	16.6	17.0	15.3	17.1	13.9	15.2	16.0	15.5
11	**Rental income of persons**	**5.9**	**6.1**	**6.2**	**6.6**	**6.2**	**6.5**	**6.2**	**6.4**	**6.9**	**6.5**
12	**Corporate profits and inventory valuation adjustment**	**13.5**	**16.5**	**17.9**	**21.2**	**17.3**	**20.2**	**23.8**	**24.5**	**26.0**	**23.6**
13	Profits before tax	14.7	19.3	26.0	30.2	22.6	29.8	28.5	28.5	31.2	29.5
14	Profits tax liability	6.0	7.8	10.5	12.2	9.1	11.4	10.9	10.9	11.9	11.3
15	Profits after tax	8.8	11.5	15.5	18.0	13.4	18.4	17.6	17.6	19.3	18.2
16	Inventory valuation adjustment	−1.2	−2.8	−8.1	−8.9	−5.3	−9.7	−4.7	−4.0	−5.2	−5.9
17	**Net interest**	**3.0**	**3.0**	**3.1**	**3.3**	**3.1**	**3.5**	**3.7**	**3.9**	**4.0**	**3.8**

1. Includes also the pay of employees of government enterprises and of permanent United States residents employed in the United States by foreign governments and internationa organizations.

Table I–9.—*National Income by Type of Income, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**National income**	**287.2**	**288.0**	**292.4**	**300.6**	**292.2**	**306.3**	**308.7**	**307.2**	**300.1**	**305.6**
2	**Compensation of employees**	**190.3**	**192.0**	**195.0**	**202.4**	**195.0**	**206.4**	**209.7**	**210.4**	**208.8**	**208.8**
3	Wages and salaries	180.4	181.9	184.8	191.9	184.8	195.7	198.8	199.6	198.0	198.0
4	Private	148.3	149.0	151.4	158.4	151.9	162.0	164.8	165.7	164.1	164.2
5	Military	10.2	10.6	10.7	10.5	10.5	10.3	10.4	10.4	10.3	10.3
6	Government civilian [1]	21.9	22.3	22.7	23.1	22.5	23.4	23.6	23.5	23.6	23.5
7	Supplements to wages and salaries	10.0	10.1	10.2	10.5	10.2	10.7	10.9	10.8	10.8	10.8
8	**Proprietors' income**	**41.2**	**42.4**	**43.9**	**41.4**	**42.2**	**41.2**	**40.7**	**40.3**	**40.7**	**40.7**
9	Business and professional	26.4	26.8	26.8	27.5	26.9	27.6	27.5	27.4	27.3	27.4
10	Farm	14.7	15.6	17.1	13.9	15.3	13.7	13.2	12.9	13.3	13.3
11	**Rental income of persons**	**9.9**	**10.1**	**10.3**	**10.4**	**10.2**	**10.4**	**10.5**	**10.6**	**10.7**	**10.5**
12	**Corporate profits and inventory valuation adjustment**	**39.1**	**36.6**	**36.0**	**38.9**	**37.7**	**40.5**	**39.8**	**37.5**	**31.4**	**37.3**
13	Profits before tax	37.9	35.5	35.3	38.1	36.7	40.9	41.4	39.5	31.4	38.3
14	Profits tax liability	20.1	18.8	18.7	20.2	19.5	21.6	21.9	20.9	16.6	20.2
15	Profits after tax	17.8	16.7	16.6	17.9	17.2	19.3	19.6	18.7	14.8	18.1
16	Inventory valuation adjustment	1.3	1.2	.7	.8	1.0	−.4	−1.6	−2.0	.0	−1.0
17	**Net interest**	**6.7**	**6.9**	**7.2**	**7.5**	**7.1**	**7.8**	**8.1**	**8.4**	**8.6**	**8.2**

1. Includes also the pay of employees of government enterprises and of permanent United States residents employed in the United States by foreign governments and internationa organizations.

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Table I–9.—*National Income by Type of Income, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
214.4	**222.6**	**227.4**	**229.2**	**223.5**	**220.8**	**217.4**	**217.8**	**214.8**	**217.7**	**222.1**	**233.6**	**250.6**	**261.1**	**241.9**	**270.8**	**278.2**	**282.0**	**286.0**	**279.3**	1
136.3	**139.1**	**143.6**	**144.5**	**141.0**	**142.4**	**141.1**	**139.8**	**139.9**	**140.8**	**143.2**	**149.6**	**158.0**	**165.8**	**154.2**	**173.7**	**179.4**	**182.5**	**185.5**	**180.3**	2
130.7	133.4	137.9	138.7	135.2	136.1	134.7	133.3	133.2	134.3	136.0	142.0	150.0	157.4	146.4	164.5	169.9	172.9	175.6	170.8	3
113.0	115.3	118.6	118.6	116.4	116.0	114.4	112.7	112.2	113.8	114.9	120.8	127.6	133.1	124.1	138.1	141.8	142.8	144.8	141.9	4
3.8	3.9	4.0	4.2	4.0	4.2	4.1	4.2	4.5	4.2	4.4	4.3	4.9	6.3	5.0	7.4	8.5	9.2	9.7	8.7	5
13.9	14.2	15.2	15.8	14.8	15.9	16.2	16.4	16.5	16.3	16.6	16.9	17.5	18.0	17.3	19.0	19.7	21.0	21.1	20.2	6
5.7	5.7	5.8	5.9	5.8	6.3	6.5	6.6	6.7	6.5	7.3	7.5	8.0	8.4	7.8	9.2	9.5	9.6	9.9	9.5	7
37.4	**41.3**	**41.7**	**40.4**	**40.2**	**36.4**	**35.9**	**35.1**	**35.0**	**35.6**	**35.5**	**36.2**	**38.8**	**39.7**	**37.5**	**41.5**	**42.2**	**42.4**	**43.2**	**42.3**	8
21.4	22.2	22.9	23.1	22.4	22.7	23.0	22.7	22.3	22.7	22.2	23.1	24.5	24.4	23.5	25.9	25.9	26.0	26.2	26.0	9
16.0	19.1	18.8	17.3	17.8	13.7	12.9	12.4	12.7	12.9	13.3	13.2	14.2	15.3	14.0	15.6	16.3	16.4	17.0	16.3	10
7.0	**7.1**	**7.4**	**7.6**	**7.3**	**7.9**	**8.1**	**8.4**	**8.7**	**8.3**	**8.8**	**8.9**	**9.1**	**9.2**	**9.0**	**9.3**	**9.3**	**9.5**	**9.7**	**9.4**	11
29.6	**30.9**	**30.6**	**32.4**	**30.8**	**29.6**	**27.6**	**29.6**	**26.2**	**28.2**	**29.4**	**33.5**	**39.2**	**40.6**	**35.7**	**40.4**	**41.1**	**41.2**	**41.1**	**41.0**	12
32.4	33.8	33.4	32.4	33.0	28.2	24.7	26.6	26.0	26.4	30.1	36.8	46.5	49.2	40.6	49.1	42.1	37.8	39.6	42.2	13
12.3	12.8	12.6	12.3	12.5	11.1	9.7	10.5	10.2	10.4	13.2	16.2	20.4	21.6	17.9	26.2	22.4	20.1	21.1	22.4	14
20.2	21.0	20.7	20.2	20.5	17.1	15.0	16.1	15.8	16.0	16.8	20.6	26.0	27.5	22.8	23.0	19.7	17.7	18.5	19.7	15
−2.9	−2.9	−2.8	−.1	−2.2	1.4	2.8	3.0	.2	1.9	−.7	−3.3	−7.3	−8.5	−5.0	−8.7	−1.0	3.5	1.5	−1.2	16
4.1	**4.1**	**4.2**	**4.3**	**4.2**	**4.5**	**4.7**	**4.9**	**5.0**	**4.8**	**5.2**	**5.4**	**5.6**	**5.8**	**5.5**	**6.0**	**6.2**	**6.4**	**6.6**	**6.3**	17

Table I–9.—*National Income by Type of Income, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
299.3	**299.4**	**300.9**	**307.5**	**301.8**	**316.9**	**327.3**	**335.0**	**341.4**	**330.2**	**342.2**	**346.2**	**350.8**	**357.9**	**349.4**	**361.5**	**364.1**	**368.7**	**361.5**	**364.0**	1
206.6	**206.6**	**206.7**	**210.3**	**207.6**	**214.8**	**222.0**	**226.8**	**231.7**	**223.9**	**235.3**	**240.6**	**243.0**	**248.1**	**241.8**	**251.6**	**254.9**	**257.3**	**254.8**	**254.6**	2
195.4	195.4	195.4	198.7	196.3	202.5	209.3	213.5	218.1	210.9	221.4	226.4	228.2	232.9	227.3	235.6	238.4	240.5	238.0	238.1	3
161.5	161.2	160.8	163.9	161.9	167.5	173.2	177.3	181.5	174.9	184.3	188.6	189.8	194.1	189.3	196.2	198.6	199.9	197.4	198.0	4
10.1	10.0	9.9	9.8	10.0	9.7	10.0	9.8	9.7	9.8	9.7	9.7	9.7	9.6	9.7	9.6	9.7	9.8	9.5	9.6	5
23.9	24.3	24.7	25.0	24.4	25.4	26.1	26.4	26.9	26.2	27.4	28.0	28.8	29.3	28.4	29.8	30.2	30.8	31.1	30.5	6
11.2	11.2	11.3	11.6	11.3	12.3	12.7	13.3	13.5	13.0	13.9	14.2	14.7	15.1	14.5	16.0	16.4	16.8	16.8	16.5	7
40.6	**39.6**	**40.9**	**40.6**	**40.4**	**41.1**	**42.4**	**42.6**	**42.5**	**42.1**	**42.0**	**42.1**	**42.7**	**42.9**	**42.4**	**42.6**	**43.0**	**43.5**	**42.8**	**43.0**	8
27.1	27.6	27.8	28.5	27.8	29.3	30.4	30.9	31.0	30.4	30.7	30.9	30.8	30.9	30.8	31.1	31.4	31.7	31.3	31.4	9
13.6	12.0	13.1	12.1	12.7	11.8	12.1	11.7	11.5	11.8	11.3	11.3	11.9	12.0	11.6	11.5	11.6	11.8	11.5	11.6	10
10.8	**10.9**	**10.9**	**10.9**	**10.9**	**10.8**	**10.7**	**10.6**	**10.7**	**10.7**	**10.7**	**10.7**	**10.9**	**11.2**	**10.9**	**11.4**	**11.7**	**12.0**	**12.2**	**11.8**	11
32.5	**33.3**	**33.0**	**36.1**	**33.7**	**40.3**	**41.9**	**44.4**	**45.8**	**43.1**	**43.3**	**41.6**	**42.8**	**44.0**	**42.9**	**43.7**	**42.0**	**43.1**	**38.8**	**41.9**	12
32.5	33.3	33.7	36.6	34.1	41.4	42.8	46.6	48.6	44.9	46.2	44.8	44.3	46.7	45.5	46.1	43.5	44.2	39.9	43.4	13
16.5	16.9	17.1	18.5	17.2	20.2	20.8	22.7	23.6	21.8	22.8	22.1	21.8	23.0	22.4	23.0	21.7	22.0	19.9	21.6	14
16.1	16.5	16.7	18.1	16.8	21.3	22.0	23.9	24.9	23.0	23.4	22.7	22.4	23.7	23.1	23.1	21.8	22.1	20.0	21.8	15
.0	.0	−.7	−.5	−.3	−1.1	−.9	−2.2	−2.8	−1.7	−2.8	−3.2	−1.5	−2.7	−2.6	−2.4	−1.5	−1.1	−1.1	−1.5	16
8.8	**9.0**	**9.3**	**9.6**	**9.1**	**9.9**	**10.3**	**10.6**	**10.8**	**10.4**	**10.9**	**11.1**	**11.4**	**11.7**	**11.3**	**12.1**	**12.5**	**12.8**	**12.9**	**12.6**	17

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Table I–10.—*National Income by Industry, 1929–40* [1]

[Millions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**All industries, total**	**87,814**	**75,729**	**59,708**	**42,547**	**40,159**	**48,959**	**57,057**	**64,911**	**73,618**	**67,581**	**72,753**	**81,634**
2	**Agriculture, forestry, and fisheries**	**8,278**	**6,226**	**4,895**	**3,332**	**3,713**	**3,723**	**6,411**	**5,405**	**7,214**	**5,907**	**5,933**	**6,247**
3	Farms	8,083	6,044	4,727	3,199	3,590	3,603	6,268	5,266	7,029	5,741	5,761	6,073
4	Agricultural services, forestry, and fisheries	195	182	168	133	123	120	143	139	185	166	172	174
5	**Mining**	**2,048**	**1,628**	**969**	**673**	**647**	**1,158**	**1,211**	**1,520**	**1,912**	**1,470**	**1,582**	**1,868**
6	Metal mining	466	275	106	20	38	123	166	263	452	271	343	440
7	Anthracite mining	284	282	229	151	130	172	139	146	137	114	126	138
8	Bituminous and other soft-coal mining	649	531	374	241	257	417	446	535	600	458	501	621
9	Crude petroleum and natural gas	447	348	150	211	181	376	378	461	581	523	482	518
10	Nonmetallic mining and quarrying	202	192	110	50	41	70	82	115	142	104	130	151
11	**Contract construction**	**3,808**	**3,179**	**2,203**	**1,056**	**755**	**1,066**	**1,297**	**1,983**	**2,078**	**1,993**	**2,323**	**2,569**
12	**Manufacturing**	**21,888**	**18,232**	**12,419**	**7,207**	**7,562**	**10,905**	**13,265**	**16,182**	**19,305**	**15,006**	**17,925**	**22,336**
13	Food and kindred products	2,135	2,394	1,860	1,409	1,331	1,599	1,873	2,076	2,401	2,252	2,269	2,462
14	Tobacco manufactures	256	299	322	312	142	146	203	134	196	223	297	260
15	Textile-mill products	1,796	1,405	1,148	714	699	1,102	1,201	1,361	1,601	1,094	1,261	1,509
16	Apparel and other finished fabric products	1,262	1,003	808	498	542	784	850	973	992	917	1,028	1,138
17	Lumber and furniture products [2]	1,528	1,122	653	329	305	547	669	891	1,072	852	1,001	1,154
18	Lumber and wood products, except furniture												
19	Furniture and fixtures												
20	Lumber and timber basic products	852	615	281	118	123	264	328	449	564	430	494	591
21	Furniture and finished lumber products	676	507	372	211	182	283	341	442	508	422	507	563
22	Paper and allied products	562	504	388	270	290	418	461	505	565	573	556	665
23	Printing, publishing, and allied industries	1,589	1,501	1,220	883	793	928	1,042	1,171	1,253	1,137	1,213	1,254
24	Chemicals and allied products [2]	1,129	1,036	830	561	621	726	806	961	1,167	1,007	1,202	1,488
25	Products of petroleum and coal [2]	917	809	309	121	76	120	208	317	542	491	434	639
26	Rubber products	355	274	232	113	102	134	213	214	292	204	278	321
27	Leather and leather products	602	491	390	305	271	413	376	424	461	403	424	461
28	Stone, clay, and glass products	799	613	439	123	208	330	409	576	653	503	663	760
29	Metals, metal products, and miscellaneous [2]	4,323	3,347	1,861	768	1,031	1,781	2,345	3,084	3,806	2,479	3,377	4,502
30	Primary metal industries												
31	Fabricated metal products, including ordnance.												
32	Instruments												
33	Miscellaneous manufacturing												
34	Iron and steel and their products, including ordnance.	2,970	2,217	1,110	410	684	1,086	1,478	2,069	2,597	1,600	2,267	3,078
35	Nonferrous metals and their products	757	634	412	196	153	381	461	557	699	438	591	790
36	Miscellaneous manufacturing	596	496	339	162	194	314	406	458	510	441	519	634
37	Machinery, except electrical [2]	1,890	1,481	753	299	424	733	1,014	1,398	1,760	1,247	1,490	2,179
38	Electrical machinery [2]	1,045	824	503	245	276	376	526	710	912	661	852	1,134
39	Transportation equipment, except automobiles	315	288	142	89	69	119	139	232	332	263	396	810
40	Automobiles and automobile equipment	1,385	841	561	168	382	649	930	1,155	1,300	700	1,184	1,600
41	**Wholesale and retail trade**	**13,358**	**12,229**	**9,743**	**6,354**	**5,485**	**8,056**	**9,200**	**10,590**	**12,212**	**11,943**	**12,453**	**14,337**
42	Wholesale trade	4,222	4,053	3,181	2,158	1,781	2,476	2,919	3,234	3,926	3,779	3,830	4,463
43	Retail trade and automobile services	9,136	8,176	6,562	4,196	3,704	5,580	6,281	7,356	8,286	8,164	8,623	9,874
44	**Finance, insurance, and real estate**	**12,693**	**10,592**	**8,646**	**6,753**	**5,745**	**5,633**	**5,933**	**6,580**	**7,237**	**7,676**	**7,920**	**8,208**
45	Banking	1,957	1,480	985	733	495	541	665	778	895	846	882	981
46	Security and commodity brokers, dealers and exchanges.	655	144	70	98	260	215	183	279	243	159	165	139
47	Finance, n. e. c.	200	6	−28	−63	0	19	77	140	151	220	168	192
48	Insurance carriers	888	808	718	576	571	650	720	801	906	922	926	893
49	Insurance agents and combination offices	421	402	366	328	289	315	330	347	386	383	390	405
50	Real estate	8,572	7,752	6,535	5,081	4,130	3,893	3,958	4,235	4,656	5,146	5,389	5,598
51	**Transportation**	**6,636**	**5,604**	**4,369**	**3,210**	**3,036**	**3,415**	**3,700**	**4,277**	**4,634**	**4,052**	**4,642**	**5,040**
52	Railroads	4,597	3,766	2,828	1,979	1,866	2,062	2,250	2,635	2,808	2,370	2,737	2,944
53	Local and highway passenger transportation	825	766	633	512	450	485	478	535	546	499	515	526
54	Highway freight transportation and warehousing	560	533	481	418	416	466	526	587	654	658	739	815
55	Water transportation	266	216	173	127	153	178	200	243	293	206	280	336
56	Air transportation (common carriers)	−3	−10	4	10	10	8	14	22	26	30	44	57
57	Pipeline transportation	129	105	81	56	47	103	106	107	130	120	131	131
58	Services allied to transportation	262	228	169	108	94	113	126	148	177	169	196	231
59	**Communications and public utilities**	**2,864**	**2,790**	**2,628**	**2,286**	**2,000**	**2,198**	**2,280**	**2,487**	**2,725**	**2,717**	**2,863**	**3,056**
60	Telephone, telegraph, and related services	1,125	1,097	991	794	691	741	777	842	925	947	1,005	1,025
61	Radio broadcasting and television	28	9	16	21	14	32	38	53	66	65	76	91
62	Utilities: electric and gas	1,631	1,608	1,563	1,410	1,237	1,359	1,401	1,528	1,668	1,642	1,717	1,872
63	Local utilities and public services, n. e. c.	80	76	58	61	58	66	64	64	66	63	65	68
64	**Services**	**10,338**	**9,187**	**7,863**	**6,133**	**5,567**	**6,231**	**6,669**	**7,479**	**8,246**	**7,907**	**8,276**	**8,854**
65	Hotels and other lodging places	599	543	442	305	271	341	371	413	471	456	481	530
66	Personal services	1,279	1,203	1,030	800	695	782	857	958	1,110	1,024	1,049	1,150
67	Private households	3,253	2,363	1,815	1,362	1,199	1,336	1,428	1,662	1,930	1,718	1,866	2,056
68	Commercial and trade schools and employment agencies.	40	38	31	22	20	23	29	32	39	34	34	34
69	Business services, n. e. c.	561	559	445	356	330	424	473	574	607	599	638	666
70	Miscellaneous repair services and hand trades	312	301	273	224	191	203	218	230	247	259	261	261
71	Motion pictures	440	438	361	194	210	283	329	391	437	426	434	449
72	Amusement and recreation, except motion pictures	381	337	269	178	154	197	211	253	305	266	288	310
73	Medical and other health services	1,536	1,476	1,306	1,037	948	1,036	1,115	1,253	1,323	1,330	1,381	1,463
74	Legal services	689	683	701	591	561	600	624	647	680	666	692	719
75	Engineering and other professional services, n. e. c.	206	184	152	102	98	113	121	144	156	164	181	193
76	Educational services, n. e. c.	402	413	412	393	363	361	365	376	394	409	415	424
77	Nonprofit membership organizations, n. e. c.	640	649	626	569	527	532	528	546	547	556	556	599
78	**Government and government enterprises**	**5,093**	**5,316**	**5,426**	**5,150**	**5,326**	**6,271**	**6,724**	**8,108**	**7,772**	**8,524**	**8,523**	**8,762**
79	Federal—general government	879	915	921	880	1,164	1,694	1,768	3,570	3,013	3,505	3,414	3,489
80	Federal—government enterprises	581	584	582	544	485	540	614	662	675	698	719	746
81	State and local—general government	3,456	3,630	3,737	3,565	3,531	3,884	4,178	3,696	3,889	4,121	4,185	4,289
82	State and local—government enterprises	177	187	186	161	146	153	164	180	195	200	205	238
83	**Rest of the world**	**810**	**746**	**547**	**393**	**323**	**303**	**367**	**300**	**283**	**386**	**313**	**357**

n. e. c.—Not elsewhere classified.

1. National income originating in each industry is the sum of factor costs incurred by the industry in production. Hence, it is the net value added to production by the industry, measured at factor costs. In the business sector of the economy, except government enterprises, it is equal to the excess of the market value of the industry's product and the subsidies it receives over the sum of the following costs: purchases of goods and services from other enterprises, indirect business tax and nontax liability, business transfer payments, and capital consumption charges. In the other sectors of the economy (government, personal, and rest of the world) and also in government enterprises, this value added in production (as measured in the present series) can be described only as factor costs incurred. "National income originating" is a more net concept of value-added than that used by the Bureau of the Census in compiling the Census of Manufactures. "Value added by manufacture" is obtained in the Census of Manufactures by deducting from the value of products only "the cost of materials, supplies, containers, fuel, purchased electric energy, and contract work." National income

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Table I–10.—*National Income by Industry, 1941–57* [1]

[Millions of dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
104,710	**137,694**	**170,310**	**182,639**	**181,248**	**180,879**	**198,177**	**223,487**	**217,690**	**241,876**	**279,313**	**292,155**	**305,573**	**301,794**	**330,206**	**349,356**	**363,951**	1
8,470	**12,403**	**14,143**	**14,483**	**14,889**	**18,652**	**19,303**	**21,902**	**16,897**	**17,923**	**20,493**	**19,532**	**17,498**	**16,922**	**16,084**	**16,138**	**16,229**	2
8,269	12,148	13,864	14,152	14,526	18,235	18,836	21,355	16,332	17,328	19,829	18,807	16,750	16,128	15,234	15,206	15,280	3
201	255	279	331	363	417	467	547	565	595	664	725	748	794	850	932	949	4
2,299	**2,571**	**2,741**	**2,891**	**2,717**	**2,970**	**4,191**	**5,247**	**4,334**	**5,010**	**5,499**	**5,237**	**5,208**	**4,923**	**5,609**	**6,265**	**6,191**	5
504	581	498	403	334	302	515	636	509	691	797	720	817	766	990	1,095	847	6
165	192	213	239	219	283	300	343	261	282	279	254	202	161	133	168	171	7
805	989	1,133	1,263	1,195	1,242	1,815	2,096	1,446	1,706	1,806	1,554	1,490	1,133	1,313	1,555	1,609	8
620	556	646	757	741	839	1,178	1,721	1,662	1,804	2,011	2,095	2,056	2,182	2,410	2,603	2,783	9
205	253	251	229	228	304	383	451	456	527	606	614	643	681	763	844	781	10
4,195	**6,471**	**5,460**	**4,135**	**4,280**	**6,477**	**8,401**	**10,576**	**10,475**	**11,833**	**14,213**	**15,383**	**15,881**	**16,043**	**17,358**	**19,080**	**19,648**	11
33,027	**45,343**	**58,149**	**60,124**	**52,008**	**48,479**	**58,717**	**66,777**	**62,702**	**74,371**	**88,495**	**90,172**	**97,953**	**91,057**	**104,490**	**109,901**	**112,517**	12
2,737	3,693	4,395	4,951	5,010	5,539	5,803	6,608	6,409	6,654	6,998	7,618	8,016	7,944	8,826	8,949	9,119	13
220	185	189	283	236	326	364	424	496	470	547	587	703	680	696	731	802	14
2,067	2,852	3,014	2,965	3,015	4,005	4,657	5,158	4,123	4,545	5,183	4,584	4,407	3,789	4,320	4,402	4,120	15
1,463	1,928	2,418	2,705	2,914	3,355	3,383	3,496	3,317	3,414	3,816	3,906	4,050	3,866	4,129	4,443	4,398	16
1,691	1,973	2,089	2,170	2,133	2,811	3,455	3,849	3,371	4,236	4,735	4,567	4,511	4,278	4,995	5,113	4,635	17
							2,661	2,219	2,842	3,209	2,982	2,917	2,752	3,233	3,198	2,721	18
							1,188	1,152	1,394	1,526	1,585	1,594	1,526	1,762	1,915	1,914	19
907	1,090	1,138	1,142	1,080	1,448	1,938											20
784	883	951	1,028	1,053	1,363	1,517											21
1,030	1,124	1,257	1,348	1,341	1,696	2,208	2,333	2,152	2,683	3,373	3,120	3,317	3,351	3,725	4,011	3,872	22
1,363	1,434	1,739	2,029	2,234	2,697	3,055	3,293	3,442	3,637	3,878	4,130	4,483	4,608	5,069	5,455	5,671	23
1,940	2,774	3,349	3,350	3,221	3,271	3,763	4,258	4,276	5,096	6,178	5,909	6,269	6,308	7,486	7,799	8,172	24
826	1,152	1,459	1,326	1,244	1,510	2,209	3,477	2,682	3,071	3,746	3,335	3,761	3,694	4,042	4,378	4,063	25
489	594	898	1,019	928	1,082	1,124	1,061	948	1,044	1,633	1,700	1,716	1,387	1,704	1,881	1,911	26
617	778	859	884	925	1,082	1,114	1,241	1,102	1,111	1,334	1,338	1,344	1,322	1,368	1,437	1,458	27
1,070	1,171	1,192	1,134	1,146	1,561	1,852	2,124	2,079	2,639	3,017	2,831	3,138	3,150	3,792	4,031	3,957	28
7,165	9,593	12,589	12,598	10,679	8,851	11,094	13,029	11,928	15,399	18,968	18,287	21,065	18,546	22,025	23,658	24,186	29
							5,918	5,402	7,153	9,091	7,903	9,393	7,686	10,176	11,105	11,229	30
							4,400	3,974	5,106	6,236	6,553	7,475	6,767	7,372	7,714	8,128	31
							1,020	997	1,245	1,602	1,775	1,959	1,940	2,085	2,290	2,358	32
							1,691	1,555	1,895	2,039	2,056	2,238	2,153	2,392	2,549	2,471	33
5,076	6,895	9,068	9,045	7,389	5,531	7,566											34
1,200	1,491	1,945	1,934	1,686	1,753	1,912											35
889	1,207	1,576	1,619	1,604	1,567	1,616											36
3,844	5,395	5,917	5,867	5,084	4,717	6,192	6,884	6,191	7,246	9,869	10,667	10,809	9,733	10,370	12,108	12,298	37
1,893	2,474	3,347	3,708	3,051	2,376	3,398	3,630	3,456	4,415	5,476	6,303	6,985	6,261	6,681	7,500	8,344	38
2,262	6,214	12,105	12,446	7,730	1,691	1,524	1,868	1,917	2,046	3,346	4,856	5,711	5,721	5,728	6,493	7,432	39
2,350	2,009	1,333	1,401	1,117	1,909	3,522	4,044	4,813	6,665	6,398	6,434	7,668	6,419	9,534	7,512	8,079	40
17,254	**20,312**	**23,831**	**25,745**	**27,997**	**34,417**	**37,341**	**41,453**	**40,567**	**42,707**	**47,187**	**48,951**	**49,753**	**50,649**	**55,000**	**57,339**	**59,622**	41
5,228	6,195	6,911	7,640	8,242	10,393	11,651	13,005	12,401	13,682	15,905	16,232	16,551	16,614	18,729	20,096	20,929	42
12,026	14,117	16,920	18,105	19,755	24,024	25,690	28,448	28,166	29,025	31,282	32,719	33,202	34,035	36,271	37,243	38,693	43
9,172	**10,649**	**11,569**	**12,197**	**12,830**	**14,479**	**15,250**	**17,628**	**19,969**	**21,789**	**23,575**	**25,573**	**27,608**	**29,312**	**30,918**	**32,134**	**34,611**	44
1,097	1,188	1,410	1,661	1,829	2,167	2,159	2,437	2,568	2,904	3,319	3,800	4,278	4,363	4,586	5,041	5,520	45
109	78	173	178	315	283	132	168	179	278	309	297	307	451	491	470	465	46
225	364	283	273	272	333	403	289	390	461	601	676	693	664	812	814	961	47
918	1,021	1,101	1,087	1,077	1,183	1,403	1,943	2,720	2,254	2,481	2,675	3,103	3,372	3,409	3,202	3,345	48
444	468	488	529	568	750	852	940	969	1,138	1,270	1,430	1,567	1,725	1,826	1,945	2,054	49
6,379	7,530	8,114	8,469	8,769	9,763	10,301	11,851	13,143	14,754	15,595	16,695	17,660	18,737	19,794	20,662	22,266	50
6,300	**8,598**	**10,784**	**11,245**	**10,536**	**10,245**	**11,498**	**12,680**	**11,926**	**13,278**	**14,867**	**15,382**	**15,754**	**14,444**	**15,781**	**16,766**	**17,258**	51
3,778	5,568	6,971	6,899	6,009	5,466	6,294	7,123	6,341	7,076	7,776	7,913	7,715	6,546	7,116	7,486	7,432	52
582	904	1,218	1,293	1,306	1,412	1,393	1,380	1,341	1,336	1,434	1,474	1,455	1,410	1,411	1,444	1,483	53
1,021	1,183	1,308	1,354	1,390	1,699	1,993	2,287	2,376	2,819	3,117	3,380	3,814	3,836	4,301	4,628	4,855	54
432	425	595	857	989	823	814	810	748	748	967	931	1,003	852	987	1,044	1,151	55
77	113	151	175	192	217	243	306	349	434	526	593	662	710	800	909	977	56
145	117	129	145	131	126	151	192	202	256	285	296	292	286	286	299	317	57
265	288	412	522	519	502	610	582	569	609	762	795	813	804	880	956	1,043	58
3,324	**3,669**	**3,934**	**4,062**	**4,244**	**4,792**	**5,114**	**5,896**	**6,563**	**7,198**	**8,304**	**9,208**	**10,127**	**10,757**	**11,677**	**12,484**	**13,340**	59
1,135	1,367	1,547	1,652	1,751	1,973	2,077	2,462	2,670	2,962	3,339	3,701	4,159	4,364	4,838	5,251	5,659	60
106	109	139	175	186	203	226	253	262	316	389	430	476	532	629	690	729	61
2,011	2,121	2,169	2,152	2,218	2,523	2,709	3,067	3,514	3,794	4,430	4,913	5,311	5,661	6,014	6,341	6,740	62
72	72	79	83	89	93	102	114	117	126	146	164	181	200	196	202	212	63
9,806	**10,981**	**12,295**	**13,618**	**14,614**	**17,205**	**18,919**	**20,656**	**21,333**	**23,089**	**25,063**	**26,928**	**29,201**	**30,214**	**33,740**	**36,959**	**39,422**	64
584	674	877	983	1,085	1,322	1,287	1,339	1,354	1,385	1,461	1,535	1,566	1,585	1,657	1,731	1,814	65
1,286	1,548	1,893	2,012	2,121	2,552	2,634	2,830	2,898	3,006	3,149	3,258	3,395	3,468	3,652	3,856	4,019	66
2,188	2,201	2,107	2,360	2,635	2,766	3,272	3,621	3,887	4,557	4,882	5,186	5,937	5,995	6,960	7,840	8,341	67
57	112	159	134	72	89	114	133	146	169	168	163	159	166	184	208	226	68
779	826	915	1,055	1,179	1,471	1,634	1,848	1,872	2,097	2,365	2,668	2,974	3,172	3,611	4,167	4,615	69
350	419	610	701	703	843	938	937	877	930	1,046	1,132	1,176	1,182	1,310	1,413	1,488	70
513	652	830	883	930	1,133	1,054	893	879	830	853	852	815	895	926	887	867	71
368	388	436	507	613	810	794	833	815	825	865	918	1,032	1,103	1,187	1,261	1,335	72
1,575	1,806	1,988	2,341	2,459	3,024	3,544	4,072	4,182	4,544	4,946	5,389	5,906	5,971	6,997	7,547	8,045	73
763	793	814	874	930	954	1,033	1,174	1,253	1,339	1,449	1,507	1,595	1,745	1,900	1,965	2,095	74
264	385	344	320	335	454	560	672	680	731	948	1,156	1,245	1,286	1,474	1,809	1,952	75
439	461	503	532	569	660	813	942	1,019	1,088	1,173	1,251	1,341	1,447	1,571	1,788	1,972	76
640	716	819	916	983	1,127	1,242	1,362	1,471	1,588	1,758	1,913	2,060	2,199	2,311	2,487	2,653	77
10,500	**16,332**	**27,037**	**33,716**	**36,764**	**22,592**	**18,619**	**19,681**	**21,919**	**23,490**	**30,221**	**34,466**	**35,276**	**35,856**	**37,766**	**40,269**	**42,869**	78
5,027	10,645	20,899	27,250	29,786	14,545	9,343	8,895	9,966	10,690	16,193	18,837	18,509	17,683	18,240	18,841	19,427	79
808	918	1.139	1,188	1,248	1,448	1,440	1,627	1,806	1,897	2,081	2,379	2,367	2,352	2,521	2,667	2,830	80
4,388	4,473	4,663	4,938	5,370	6,177	7,320	8,502	9,422	10,124	11,069	12,174	13,246	14,620	15,727	17,439	19,197	81
277	296	336	340	360	422	516	657	725	779	878	1,076	1,154	1,201	1,278	1,322	1,415	82
363	**365**	**367**	**423**	**369**	**571**	**824**	**991**	**1,005**	**1,188**	**1,396**	**1,323**	**1,314**	**1,617**	**1,783**	**2,021**	**2,244**	83

by industrial origin is obtained statistically by aggregating the data presented in tables VI–1 and VI–5 and the industry detail underlying tables VI–4, VI–11, and VI–12 together with the rental income of persons (shown in table I–12 and classified in the real estate industry). Footnotes to these tables are, therefore, relevant to table I–10 also.

For information on the system of industrial classification used in the national income estimates, see pages 66–67 of the 1954 *National Income* supplement.

2. Owing to changes in the industrial classification of the underlying data, figures for 1948 and subsequent years in this and a number of other industries are not strictly comparable with those shown here for 1947 and earlier years. Estimates for 1948 national income comparable to those shown for 1947 are as follows: Lumber and furniture products, $3,954; Chemicals and allied products, $4,427; Products of petroleum and coal, $3,290; Metals, metal products, and miscellaneous, $12,546; Machinery, except electrical, $7,011; and Electrical machinery, $3,693.

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Table I-11.—*National Income by Industry Division, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**All industries, total**	**169.6**	**176.6**	**185.2**	**191.9**	**180.9**	**193.1**	**194.5**	**198.4**	**206.5**	**198.2**
2	Agriculture, forestry, and fisheries	16.5	17.4	20.2	20.5	18.7	21.0	17.5	19.0	19.8	19.3
3	Manufacturing	40.4	48.4	50.1	54.9	48.5	55.7	58.4	59.1	61.6	58.7
4	Durable-goods industries	17.3	23.8	27.0	27.8	23.9	28.6	31.9	30.9	32.8	31.0
5	Nondurable-goods industries	23.1	24.7	23.2	27.2	24.6	27.0	26.5	28.2	28.8	27.7
6	Wholesale and retail trade	31.9	33.6	35.8	36.2	34.4	36.4	36.5	37.2	39.2	37.3
7	Finance, insurance, and real estate	13.9	14.4	14.6	15.1	14.5	15.0	14.9	15.2	15.9	15.2
8	Transportation	9.4	10.2	10.7	10.6	10.2	10.4	11.4	11.9	12.3	11.5
9	Communications and public utilities	5.4	3.9	5.0	5.0	4.8	4.7	4.8	5.4	5.5	5.1
10	Services	16.2	17.0	17.6	18.0	17.2	18.3	18.8	19.1	19.4	18.9
11	Government and government enterprises	27.1	22.3	20.7	20.2	22.6	19.5	19.0	17.8	18.2	18.6
12	Other	8.8	9.3	10.6	11.3	10.0	12.2	13.1	13.8	14.6	13.4

Table I-11.—*National Income by Industry Division, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**All industries, total**	**287.2**	**288.0**	**292.4**	**300.6**	**292.2**	**306.3**	**308.7**	**307.2**	**300.1**	**305.6**
2	Agriculture, forestry, and fisheries	18.9	19.8	21.4	18.0	19.5	17.8	17.4	17.1	17.6	17.5
3	Manufacturing	89.6	87.9	87.8	95.2	90.2	100.1	100.6	99.4	91.8	98.0
4	Durable-goods industries	53.5	52.1	51.7	58.4	53.9	61.8	61.9	60.9	55.0	59.9
5	Nondurable-goods industries	36.0	35.7	36.2	36.8	36.2	38.3	38.7	38.5	36.8	38.1
6	Wholesale and retail trade	47.6	49.0	49.0	50.2	49.0	49.8	50.1	49.6	49.5	49.8
7	Finance, insurance, and real estate	24.7	25.3	25.8	26.4	25.6	26.9	27.6	27.8	28.1	27.6
8	Transportation	15.6	14.9	15.1	15.9	15.4	15.9	16.0	15.9	15.2	15.8
9	Communications and public utilities	9.1	8.9	9.2	9.6	9.2	9.9	10.1	10.2	10.3	10.1
10	Services	26.1	26.6	27.2	27.8	26.9	28.4	29.1	29.5	29.8	29.2
11	Government and government enterprises	33.5	34.4	34.9	35.1	34.5	35.2	35.5	35.2	35.2	35.3
12	Other	22.1	21.4	21.9	22.4	21.9	22.2	22.3	22.5	22.6	22.4

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Table I–11.—*National Income by Industry Division, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
214.4	**222.6**	**227.4**	**229.2**	**223.5**	**220.8**	**217.4**	**217.8**	**214.8**	**217.7**	**222.1**	**233.6**	**250.6**	**261.1**	**241.9**	**270.8**	**278.2**	**282.0**	**286.0**	**279.3**	1
20.0	23.1	23.0	21.5	21 9	17.7	17.0	16.4	16.6	16.9	17.2	17.0	18.2	19.3	17.9	19.7	20.4	20.6	21.2	20.5	2
65.2	66.2	67.3	68.4	66.8	65.4	62.2	63.4	59.8	62.7	64.0	70.7	78.4	84.6	74.4	85.7	89.2	89.5	89.5	88.5	3
34.5	34.6	35.7	37.0	35.4	35.6	33.6	34.1	31.4	33.8	35.1	40.1	45.6	49.7	42.6	50.4	52.0	51.7	53.1	51.8	4
30.8	31.6	31.6	31.4	31.3	29.8	28.6	29.3	28.4	28.9	28.9	30.5	32.8	34.9	31.7	35.3	37.2	37.8	36.4	36.7	5
40.5	41.3	41.9	42.1	41.5	41.2	40.9	40.2	40.0	40.6	41.0	41.9	44.8	43.1	42.7	47.8	46.6	47.0	47.4	47.2	6
16.7	17.3	18.0	18.6	17.6	19.0	19.8	20.4	20.7	20.0	20.8	21.5	22.2	22.7	21.8	22.7	23.2	23.9	24.5	23.6	7
12.4	12.5	12.9	13.0	12.7	12.2	12.1	12.0	11.5	11.9	11.9	12.6	13.8	14.8	13.3	14.5	14.9	14.8	15.5	14.9	8
5.7	5.8	5.9	6.1	5.9	6.3	6.5	6.7	6.7	6.6	6.8	7.1	7.3	7.6	7.2	7.9	8.1	8.4	8.8	8.3	9
19.9	20.5	21.1	21.2	20.7	21.3	21.2	21.3	21.6	21.3	22.2	22.8	23.4	23.9	23.1	24.6	24.9	25.2	25.5	25.1	10
18.6	19.0	20.1	21.0	19.7	21.5	21.7	22.0	22.5	21.9	22.4	22.5	23.6	25.5	23.5	27.7	29.5	31.5	32.2	30.2	11
15.5	16.9	17.3	17.5	16.8	16.2	16.1	15.5	15.5	15.8	15.8	17.5	18.9	19.6	18.0	20.2	21.4	21.1	21.5	21.1	12

Table I–11.—*National Income by Industry Division, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
299.3	**299.4**	**300.9**	**307.5**	**301.8**	**316.9**	**327.3**	**335.0**	**341.4**	**330.2**	**342.2**	**346.2**	**350.8**	**357.9**	**349.4**	**361.5**	**364.1**	**368.7**	**361.5**	**364.0**	1
17.8	16.4	17.2	16.3	16.9	16.0	16.4	16.0	15.9	16.1	15.7	15 8	16.5	16.6	16.1	16.1	16.2	16.5	16.1	16.2	2
91.3	90.4	89.3	93.1	91.1	98.0	103.2	106.8	110.2	104.5	108.0	108.4	108.9	114.2	109.9	114.1	113.0	113.9	109.2	112.5	3
54.8	53.8	52.7	55.1	54.1	59.0	62.1	64.6	66.9	63.1	65.0	65.2	65.0	70.3	66.4	70.4	69.2	69.8	66.3	68.9	4
36.5	36.6	36.6	38.0	36.9	38.9	41.1	42.2	43.2	41.4	43.0	43.2	43.9	43.8	43.5	43.6	43.7	44.1	42.9	43.6	5
49.3	50.5	50.9	51.8	50.6	53.5	53.9	55.9	56.5	55.0	56.5	56.6	58.2	58.0	57.3	59.2	59.6	60.5	59.1	59.6	6
28.6	29.2	29 5	29.9	29.3	30.4	30.8	31.1	31.4	30.9	31.6	31.9	32.3	32.7	32.1	33.5	34.2	35.2	35.6	34.6	7
14.5	14.3	14.4	14.6	14.4	15.2	15.6	16.1	16.2	15.8	16.6	16.8	16.6	17.0	16.8	17.3	17.4	17.6	16.8	17.3	8
10.5	10.7	10.8	11.0	10.8	11.3	11.7	11.7	12.1	11.7	12.2	12.4	12.7	12.6	12.5	13.1	13.3	13.4	13.6	13.3	9
29.6	29.8	30.3	31.1	30.2	32.1	33.3	34.4	35.2	33.7	36.0	36.6	37.3	38.0	37.0	38.5	39.3	39.9	40.0	39.4	10
35.3	35.7	36.1	36.4	35.9	36.8	37.9	38.0	38.4	37.8	39.3	40.0	40.7	41.1	40.3	42.1	42.6	43.3	43.4	42.9	11
22.4	22.4	22.3	23.2	22.6	23.7	24.6	25.2	25.5	24.8	26.4	27.7	27.7	27.6	27.4	27.7	28.5	28.5	27.7	28.1	12

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Table I–12.—*National Income and Gross National Product by Legal Form of Organization, 1929–40*

[Millions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**National income**	87,814	75,729	59,708	42,547	40,159	48,959	57,057	64,911	73,618	67,581	72,753	81,634
2	**Income originating in business, total**	78,179	66,814	51,464	35,216	32,903	40,697	48,253	54,565	63,332	56,640	61,748	70,148
3	Corporate business	45,224	38,490	28,328	18,426	17,345	23,380	27,017	32,273	37,587	32,256	36,185	42,436
4	Compensation of employees	33,739	30,303	24,888	18,603	17,620	20,642	22,632	25,818	30,042	26,758	29,290	32,326
5	Wages and salaries	33,307	29,886	24,508	18,274	17,318	20,305	22,266	25,185	28,754	25,348	27,771	30,695
6	Compensation of corporate officers	3,337	3,139	2,698	2,133	1,995	2,173	2,345	2,713	2,809	2,591	2,697	2,950
7	Other wages and salaries	29,970	26,747	21,810	16,141	15,323	18,132	19,921	22,472	25,945	22,757	25,074	27,745
8	Supplements to wages and salaries	432	417	380	329	302	337	366	633	1,288	1,410	1,519	1,631
9	Corporate profits and inventory valuation adjustment.	9,868	6,445	1,638	−1,936	−1,990	1,031	2,759	4,898	6,082	4,016	5,505	8,886
10	Profits before tax	9,396	3,185	−776	−2,983	153	1,656	2,986	5,636	6,113	3,053	6,219	9,086
11	Profits tax liability	1,369	842	498	385	521	744	951	1,409	1,502	1,029	1,441	2,834
12	Profits after tax	8,027	2,343	−1,274	−3,368	−368	912	2,035	4,227	4,611	2,024	4,778	6,252
13	Inventory valuation adjustment	472	3,260	2,414	1,047	−2,143	−625	−227	−738	−31	963	−714	−200
14	Net interest	1,617	1,742	1,802	1,759	1,715	1,707	1,626	1,557	1,463	1,482	1,390	1,224
15	Sole proprietorships and partnerships	23,941	20,052	15,912	10,838	10,564	12,515	16,330	17,155	20,175	18,359	19,285	21,230
16	Compensation of employees	8,596	7,794	6,425	4,821	4,351	4,966	5,449	6,233	7,062	6,776	7,203	7,757
17	Wages and salaries	8,533	7,729	6,365	4,770	4,307	4,920	5,401	6,141	6,847	6,523	6,936	7,477
18	Supplements to wages and salaries	63	65	60	51	44	46	48	92	215	253	267	280
19	Proprietors' income	14,713	11,499	8,710	5,303	5,585	6,996	10,365	10,448	12,649	11,097	11,580	12,973
20	Business and professional	8,745	7,369	5,557	3,371	3,152	4,550	5,329	6,496	7,031	6,762	7,263	8,405
21	Income of unincorporated enterprises.	8,603	6,614	4,946	3,076	3,677	4,604	5,379	6,616	7,060	6,541	7,429	8,450
22	Inventory valuation adjustment	142	755	611	295	−525	−54	−50	−120	−29	221	−166	−45
23	Farm	5,968	4,130	3,153	1,932	2,433	2,446	5,036	3,952	5,618	4,335	4,317	4,568
24	Net interest [1]	632	759	777	714	628	553	516	474	464	486	502	500
25	Other private business [2]	8,256	7,501	6,456	5,247	4,363	4,109	4,128	4,295	4,700	5,127	5,354	5,498
26	Compensation of employees	793	778	722	608	564	613	652	706	785	783	814	846
27	Wages and salaries	792	777	721	607	563	612	651	699	764	755	785	817
28	Supplements to wages and salaries	1	1	1	1	1	1	1	7	21	28	29	29
29	Proprietors' income—business and professional.[3]	46	41	24	13	14	14	22	34	42	31	30	37
30	Rental income of persons	5,425	4,778	3,761	2,713	1,971	1,694	1,661	1,776	2,081	2,560	2,742	2,885
31	Net interest	1,992	1,904	1,949	1,913	1,814	1,788	1,793	1,779	1,792	1,753	1,768	1,730
32	Government enterprises	758	771	768	705	631	693	778	842	870	898	924	984
33	Compensation of employees	758	771	768	705	631	693	778	842	870	898	924	984
34	Wages and salaries	745	757	754	691	617	679	760	818	838	860	884	943
35	Supplements to wages and salaries	13	14	14	14	14	14	18	24	32	38	40	41
36	**Income originating in general government**	4,335	4,545	4,658	4,445	4,695	5,578	5,946	7,266	6,902	7,626	7,599	7,778
37	Compensation of employees	4,335	4,545	4,658	4,445	4,695	5,578	5,946	7,266	6,902	7,626	7,599	7,778
38	Wages and salaries	4,192	4,396	4,503	4,274	4,524	5,396	5,740	7,047	6,654	7,363	7,313	7,477
39	Supplements to wages and salaries	143	149	155	171	171	182	206	219	248	263	286	301
40	**Income originating in households and institutions [4]**	4,490	3,624	3,039	2,493	2,238	2,381	2,491	2,780	3,101	2,929	3,093	3,351
41	Compensation of employees	2,863	2,652	2,278	1,871	1,677	1,802	1,882	2,044	2,272	2,152	2,276	2,435
42	Wages and salaries	2,853	2,641	2,267	1,860	1,667	1,792	1,871	2,029	2,249	2,126	2,250	2,406
43	Supplements to wages and salaries	10	11	11	11	10	10	11	15	23	26	26	29
44	Net interest [5]	1,627	972	761	622	561	579	609	736	829	777	817	916
45	**Income originating in the rest of the world**	810	746	547	393	323	303	367	300	283	386	313	357
46	Wages and salaries [6]	1	1	1	1	1	1	1	1	1	1	2	3
47	Corporate profits after tax [7]	232	137	−4	−34	−2	60	159	104	122	247	184	234
48	Net interest	577	608	550	426	324	242	207	195	160	138	127	120
49	**Gross national product**	104,436	91,105	76,271	58,466	55,964	64,975	72,502	82,743	90,780	85,227	91,095	100,618
50	**Business**	94,801	82,190	68,027	51,135	48,708	56,713	63,698	72,397	80,494	74,286	80,090	89,132
51	Income originating in business (line 2 above)	78,179	66,814	51,464	35,216	32,903	40,697	48,253	54,565	63,332	56,640	61,748	70,148
52	Other	16,622	15,376	16,563	15,919	15,805	16,016	15,445	17,832	17,162	17,646	18,342	18,984
53	Indirect business tax and nontax liability	7,003	7,155	6,859	6,768	7,055	7,815	8,190	8,663	9,157	9,154	9,365	10,021
54	Business transfer payments	587	534	649	737	659	641	594	594	567	429	451	431
55	Corporate gifts to nonprofit institutions	32	35	40	31	27	27	28	30	33	27	31	38
56	Consumer bad debts	452	390	497	598	530	508	458	461	428	296	316	287
57	Other	103	109	112	108	102	106	108	103	106	106	104	106
58	Statistical discrepancy	268	−977	840	754	948	731	−171	1,118	−248	456	1,173	804
59	Less: Subsidies minus current surplus of government enterprises.	−147	−123	−49	−45	18	283	403	39	60	176	485	420
60	Capital consumption allowances	8,617	8,541	8,166	7,615	7,161	7,112	7,235	7,496	7,746	7,783	7,838	8,148
61	**General government (line 36 above)**	4,335	4,545	4,658	4,445	4,695	5,578	5,946	7,266	6,902	7,626	7,599	7,778
62	**Households and institutions (line 40 above)**	4,490	3,624	3,039	2,493	2,238	2,381	2,491	2,780	3,101	2,929	3,093	3,351
63	**Rest of the world (line 45 above)**	810	746	547	393	323	303	367	300	283	386	313	357

1. This series is net only of imputed interest received, and of cash interest received by firms engaged in lending as a principal activity; cash interest received by other proprietors is considered to be received in the proprietors' personal capacity.

2. Includes all mutual financial institutions; producers' and consumers' cooperatives; nonprofit organizations, such as trade associations furnishing services to business; individually owned property including owner-occupied homes; and miscellaneous forms of business organization.

3. Estimated patronage refunds and stock dividends paid by farmers' cooperatives and profits of mutual nonlife insurance companies.

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Table I–12.—*National Income and Gross National Product by Legal Form of Organization, 1941–57*

[Millions of dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
104,710	**137,694**	**170,310**	**182,639**	**181,248**	**180,879**	**198,177**	**223,487**	**217,690**	**241,876**	**279,313**	**292,155**	**305,573**	**301,794**	**330,206**	**349,356**	**363,951**	1
91,373	**118,497**	**140,564**	**145,771**	**141,053**	**154,453**	**174,625**	**198,246**	**189,887**	**211,482**	**241,557**	**250,060**	**261,619**	**256,538**	**281,760**	**297,010**	**308,045**	2
56,437	72,904	88,087	90,110	82,414	86,302	104,710	120,404	115,527	132,302	153,309	158,502	168,958	163,257	184,209	195,167	202,057	3
41,051	52,293	63,595	66,525	63,485	68,969	81,168	90,049	87,729	97,404	113,296	121,609	132,411	130,420	142,184	154,017	161,949	4
39,070	49,965	60,761	63,346	60,316	65,748	77,254	85,906	83,362	91,736	106,227	114,089	124,240	121,896	132,505	143,393	150,024	5
3,472	3,691	3,745	3,759	4,118	5,143	6,026	6,733	6,743	7,607	8,122	8,338	8,676	9,006	10,356	na	na	6
35,598	46,274	57,016	59,587	56,198	60,605	71,228	79,173	76,619	84,129	98,105	105,751	115,564	112,890	122,149	na	na	7
1,981	2,328	2,834	3,179	3,169	3,221	3,914	4,143	4,367	5,668	7,069	7,520	8,171	8,524	9,679	10,624	11,925	8
14,280	19,453	23,543	22,740	18,185	16,863	22,937	30,012	27,394	34,663	39,739	36,551	36,188	32,330	41,568	41,172	39,953	9
16,751	20,657	24,316	23,027	18,749	22,126	28,836	32,164	25,538	39,628	40,938	35,570	37,185	32,648	43,304	43,732	41,501	10
7,610	11,415	14,074	12,949	10,689	9,111	11,283	12,483	10,375	17,865	22,447	19,459	20,222	17,220	21,827	22,422	21,649	11
9,141	9,242	10,242	10,078	8,060	13,015	17,553	19,681	15,163	21,763	18,491	16,111	16,963	15,428	21,477	21,310	19,852	12
−2,471	−1,204	−773	−287	−564	−5,263	−5,899	−2,152	1,856	−4,965	−1,199	981	−997	−318	−1,736	−2,560	−1,548	13
1,106	1,158	949	845	744	470	605	343	404	235	274	342	359	507	457	−22	155	14
27,632	37,005	43,045	45,938	48,629	56,963	57,978	64,253	58,863	62,684	70,238	71,933	71,859	71,353	74,722	77,729	79,686	15
9,783	12,732	14,648	16,204	17,640	20,303	22,326	23,942	23,506	24,875	27,714	29,354	30,883	30,703	32,270	34,898	36,382	16
9,434	12,311	14,203	15,733	17,136	19,757	21,718	23,358	22,895	24,123	26,837	28,460	29,959	29,693	31,166	33,670	35,013	17
349	421	445	471	504	546	608	584	611	752	877	894	924	1,010	1,104	1,228	1,369	18
17,341	23,811	28,038	29,424	30,713	36,393	35,303	39,886	34,870	37,277	41,874	41,877	40,247	39,908	41,666	42,034	42,524	19
10,837	13,803	16,674	17,899	18,889	21,141	19,759	22,097	21,944	23,277	25,540	26,540	26,969	27,217	29,899	30,402	30,926	20
11,452	14,170	16,830	17,968	18,995	22,846	21,230	22,507	21,481	24,371	25,867	26,339	27,137	27,266	30,097	30,899	31,223	21
−615	−367	−156	−69	−106	−1,705	−1,471	−410	463	−1,094	−327	201	−168	−49	−198	−497	−297	22
6,504	10,008	11,364	11,525	11,824	15,252	15,544	17,789	12,926	14,000	16,334	15,337	13,278	12,691	11,767	11,632	11,598	23
508	462	359	310	276	267	349	425	487	532	650	702	729	742	786	797	780	24
6,219	7,374	7,957	8,195	8,402	9,318	9,981	11,305	12,966	13,820	15,051	16,170	17,281	18,375	19,030	20,125	22,057	25
916	986	1,053	1,110	1,164	1,395	1,558	1,763	1,869	2,084	2,290	2,465	2,683	2,836	3,041	3,313	3,550	26
887	958	1,025	1,080	1,135	1,363	1,524	1,717	1,817	2,018	2,212	2,369	2,581	2,718	2,905	3,161	3,377	27
29	28	28	30	29	32	34	46	52	66	78	96	102	118	136	152	173	28
60	96	149	141	122	180	189	308	713	264	455	356	476	534	483	401	477	29
3,465	4,547	5,097	5,413	5,634	6,208	6,510	7,297	8,274	9,013	9,431	10,154	10,528	10,869	10,698	10,887	11,837	30
1,778	1,745	1,658	1,531	1,482	1,535	1,724	1,937	2,110	2,459	2,875	3,195	3,594	4,136	4,808	5,524	6,193	31
1,085	1,214	1,475	1,528	1,608	1,870	1,956	2,284	2,531	2,676	2,959	3,455	3,521	3,553	3,799	3,989	4,245	32
1,085	1,214	1,475	1,528	1,608	1,870	1,956	2,284	2,531	2,676	2,959	3,455	3,521	3,553	3,799	3,989	4,245	33
1,040	1,167	1,427	1,477	1,550	1,808	1,894	2,213	2,450	2,580	2,867	3,352	3,436	3,490	3,692	3,817	4,017	34
45	47	48	51	58	62	62	71	81	96	92	103	85	63	107	172	228	35
9,415	**15,118**	**25,562**	**32,188**	**35,156**	**20,722**	**16,663**	**17,397**	**19,388**	**20,814**	**27,262**	**31,011**	**31,755**	**32,303**	**33,967**	**36,280**	**38,624**	36
9,415	15,118	25,562	32,188	35,156	20,722	16,663	17,397	19,388	20,814	27,262	31,011	31,755	32,303	33,967	36,280	38,624	37
9,146	14,809	25,190	31,491	33,352	18,770	15,435	16,542	18,035	19,672	25,973	29,588	30,417	30,880	32,262	34,208	36,082	38
269	309	372	697	1,804	1,952	1,228	855	1,353	1,142	1,289	1,423	1,338	1,423	1,705	2,072	2,542	39
3,559	**3,714**	**3,817**	**4,257**	**4,670**	**5,133**	**6,065**	**6,853**	**7,410**	**8,392**	**9,098**	**9,761**	**10,885**	**11,336**	**12,696**	**14,045**	**15,038**	40
2,533	2,918	3,240	3,719	4,117	4,421	5,069	5,518	5,795	6,319	6,786	7,093	7,539	7,758	8,570	9,281	9,867	41
2,503	2,889	3,208	3,684	4,077	4,373	5,016	5,462	5,735	6,244	6,652	6,952	7,377	7,560	8,351	9,034	9,587	42
30	29	32	35	40	48	53	56	60	75	134	141	162	198	219	247	280	43
1,026	796	577	538	553	712	996	1,335	1,615	2,073	2,312	2,668	3,346	3,578	4,126	4,764	5,171	44
363	**365**	**367**	**423**	**369**	**571**	**824**	**991**	**1,005**	**1,188**	**1,396**	**1,323**	**1,314**	**1,617**	**1,783**	**2,021**	**2,244**	45
6	10	14	12	11	17	17	16	16	18	20	25	20	22	21	21	20	46
231	225	238	293	228	425	689	836	832	1,000	1,215	1,121	1,126	1,413	1,558	1,761	1,925	47
126	130	115	118	130	129	118	139	157	170	161	177	168	182	204	239	299	48
125,822	**159,133**	**192,513**	**211,393**	**213,558**	**210,663**	**234,289**	**259,426**	**258,054**	**284,599**	**328,975**	**346,999**	**365,385**	**363,112**	**397,469**	**419,214**	**440,328**	49
112,485	**139,936**	**162,767**	**174,525**	**173,363**	**184,237**	**210,737**	**234,185**	**230,251**	**254,205**	**291,219**	**304,904**	**321,431**	**317,856**	**349,023**	**366,868**	**384,422**	50
91,373	118,497	140,564	145,771	141,053	154,453	174,625	198,246	189,887	211,482	241,557	250,060	261,619	256,538	281,760	297,010	308,045	51
21,112	21,439	22,203	28,754	32,310	29,784	36,112	35,939	40,364	42,723	49,662	54,844	59,812	61,318	67,263	69,858	76,377	52
11,296	11,769	12,735	14,127	15,522	17,313	18,641	20,405	21,637	23,747	25,647	28,140	30,203	30,151	32,865	35,631	37,644	53
502	495	505	506	532	557	674	739	781	843	985	1,169	1,369	1,262	1,457	1,526	1,595	54
58	98	159	234	266	214	241	239	223	253	343	399	494	314	415	415	415	55
332	283	246	165	150	193	258	298	353	328	328	398	468	521	574	574	574	56
112	114	100	107	116	150	175	202	205	262	314	372	407	427	468	537	606	57
375	−830	−1,720	2,766	4,467	2,088	3,541	−847	510	−734	1,247	1,374	1,283	853	988	−935	725	58
102	150	183	652	760	868	−226	−171	−162	198	187	−154	−431	−243	33	1,045	1,330	59
9,041	10,155	10,866	12,007	12,549	10,694	13,030	15,471	17,274	19,065	21,970	24,007	26,526	28,809	31,986	34,681	37,743	60
9,415	**15,118**	**25,562**	**32,188**	**35,156**	**20,722**	**16,663**	**17,397**	**19,388**	**20,814**	**27,262**	**31,011**	**31,755**	**32,303**	**33,967**	**36,280**	**38,624**	61
3,559	**3,714**	**3,817**	**4,257**	**4,670**	**5,133**	**6,065**	**6,853**	**7,410**	**8,392**	**9,098**	**9,761**	**10,885**	**11,336**	**12,696**	**14,045**	**15,038**	62
363	**365**	**367**	**423**	**369**	**571**	**824**	**991**	**1,005**	**1,188**	**1,396**	**1,323**	**1,314**	**1,617**	**1,783**	**2,021**	**2,244**	63

4. Includes private households; and religious organizations, social and athletic clubs, labor organizations, nonprofit schools and hospitals, charitable and welfare organizations, and all other nonprofit organizations furnishing services to individuals.

5. This series measures gross interest paid; it is termed "net interest" only because it is a component of that distributive share.

6. Pay of permanent United States residents employed in the United States by foreign governments and international organizations.

7. Measures net inflow from abroad of dividends and branch profits; the net inflow from abroad of undistributed profits and corporate profits tax liability is excluded from this line and from the national income aggregate.

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Table I–13.—*Gross National Product by Legal Form of Organization, in Constant Dollars, 1929–40* [1]

[Billions of 1954 dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Gross national product**	**181.8**	**164.5**	**153.0**	**130.1**	**126.6**	**138.5**	**152.9**	**173.3**	**183.5**	**175.1**	**189.3**	**205.8**
2	Business	159.5	143.2	132.3	110.3	106.3	116.3	129.5	147.2	158.2	148.4	162.4	177.9
3	General government	10.3	10.8	11.0	10.8	11.5	13.3	14.2	16.7	15.7	17.0	17.2	17.7
4	Households and institutions	10.4	8.8	8.2	7.7	7.5	7.9	8.0	8.4	8.7	8.4	8.7	9.2
5	Rest of the world	1.5	1.7	1.5	1.3	1.3	1.0	1.2	1.0	.9	1.2	1.0	1.0

1. Footnotes to table I–12 are relevant to this table also. Implicit price deflators are shown in table VII–8.

Table I–14.—*National Income by Corporate and Noncorporate Form of Organization, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**National income**	**169.6**	**176.6**	**185.2**	**191.9**	**180.9**	**193.1**	**194.5**	**198.4**	**206.5**	**198.2**
2	**Income originating in corporate business**	**75.9**	**83.8**	**89.8**	**95.7**	**86.3**	**98.3**	**103.3**	**106.3**	**110.9**	**104.7**
3	Compensation of employees	62.3	67.2	71.8	74.6	69.0	78.3	79.6	81.8	85.1	81.2
4	Wages and salaries	59.3	64.1	68.5	71.1	65.7	74.5	75.7	77.8	80.9	77.3
5	Supplements to wages and salaries	3.0	3.1	3.3	3.5	3.2	3.7	3.8	4.0	4.1	3.9
6	Corporate profits and inventory valuation adjustment [1]	13.2	16.1	17.5	20.7	16.9	19.5	23.1	23.8	25.2	22.9
7	Profits before tax [1]	14.4	18.9	25.6	29.6	22.1	29.2	27.8	27.9	30.4	28.8
8	Profits tax liability	6.0	7.8	10.5	12.2	9.1	11.4	10.9	10.9	11.9	11.3
9	Profits after tax [1]	8.4	11.1	15.1	17.4	13.0	17.8	16.9	17.0	18.5	17.6
10	Inventory valuation adjustment	−1.2	−2.8	−8.1	−8.9	−5.3	−9.7	−4.7	−4.0	−5.2	−5.9
11	Net interest	.4	.5	.5	.5	.5	.5	.6	.6	.7	.6
12	**Income originating outside corporate business**	**93.8**	**92.8**	**95.4**	**96.1**	**94.6**	**94.7**	**91.2**	**92.2**	**95.5**	**93.5**

1. Excludes corporate profits originatin g in the rest of the world sector.

Table I–14.—*National Income by Corporate and Noncorporate Form of Organization, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**National income**	**287.2**	**288.0**	**292.4**	**300.6**	**292.2**	**306.3**	**308.7**	**307.2**	**300.1**	**305.6**
2	**Income originating in corporate business**	**157.1**	**155.1**	**156.2**	**165.7**	**158.5**	**170.5**	**172.2**	**170.5**	**162.7**	**169.0**
3	Compensation of employees	118.8	119.2	121.0	127.5	121.6	130.8	133.2	133.7	131.9	132.4
4	Wages and salaries	111.4	111.8	113.4	119.7	114.1	122.8	125.1	125.4	123.7	124.2
5	Supplements to wages and salaries	7.4	7.4	7.5	7.8	7.5	8.0	8.1	8.3	8.3	8.2
6	Corporate profits and inventory valuation adjustment [1]	38.0	35.5	34.9	37.8	36.6	39.3	38.6	36.5	30.3	36.2
7	Profits before tax [1]	36.7	34.4	34.2	37.1	35.6	39.8	40.2	38.5	30.3	37.2
8	Profits tax liability	20.1	18.8	18.7	20.2	19.5	21.6	21.9	20.9	16.6	20.2
9	Profits after tax [1]	16.6	15.5	15.4	16.8	16.1	18.2	18.4	17.6	13.7	17.0
10	Inventory valuation adjustment	1.3	1.2	.7	.8	1.0	−.4	−1.6	−2.0	.0	−1.0
11	Net interest	.3	.3	.3	.3	.3	.3	.3	.4	.4	.4
12	**Income originating outside corporate business**	**130.2**	**133.0**	**136.2**	**134.9**	**133.7**	**135.8**	**136.5**	**136.7**	**137.5**	**136.6**

1. Excludes corporate profits originating in the rest of the world sector.

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Table I–13.—*Gross National Product by Legal Form of Organization, in Constant Dollars, 1941–57* [1]

[Billions of 1954 dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
238.1	**266.9**	**296.7**	**317.9**	**314.0**	**282.5**	**282.3**	**293.1**	**292.7**	**318.1**	**341.8**	**353.5**	**369.0**	**363.1**	**392.7**	**402.2**	**407.0**	1
205.8	225.1	237.8	251.2	248.6	244.1	250.3	260.4	258.2	281.8	299.5	308.7	323.7	317.9	346.2	354.1	357.7	2
22.0	32.1	50.3	58.1	57.0	29.9	22.8	22.8	23.9	24.8	30.8	33.2	32.8	32.3	32.2	32.8	33.2	3
9.2	8.8	7.8	7.7	7.6	7.6	8.2	8.7	9.2	10.1	10.3	10.4	11.1	11.3	12.5	13.4	13.9	4
1.0	.9	.8	.9	.8	1.0	1.1	1.2	1.3	1.4	1.3	1.3	1.4	1.6	1.8	2.0	2.2	5

Table I–14.—*National Income by Corporate and Noncorporate Form of Organization, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
214.4	**222.6**	**227.4**	**229.2**	**223.5**	**220.8**	**217.4**	**217.8**	**214.8**	**217.7**	**222.1**	**233.6**	**250.6**	**261.1**	**241.9**	**270.8**	**278.2**	**282.0**	**286.0**	**279.3**	1
116.7	**119.5**	**121.8**	**123.6**	**120.4**	**118.8**	**115.3**	**115.9**	**112.1**	**115.5**	**118.1**	**127.3**	**138.6**	**145.1**	**132.3**	**149.8**	**153.5**	**154.2**	**155.7**	**153.3**	2
87.5	89.2	91.7	91.8	90.0	89.7	88.2	86.8	86.2	87.7	89.4	94.5	100.4	105.3	97.4	110.2	113.3	113.9	115.7	113.3	3
83.4	85.1	87.6	87.6	85.9	85.5	83.9	82.4	81.7	83.4	84.3	89.0	94.5	99.1	91.7	103.4	106.3	106.8	108.4	106.2	4
4.1	4.1	4.2	4.2	4.1	4.2	4.3	4.4	4.5	4.4	5.1	5.4	5.9	6.2	5.7	6.8	7.0	7.1	7.3	7.1	5
28.8	30.0	29.7	31.5	30.0	28.8	26.7	28.7	25.4	27.4	28.5	32.6	38.0	39.5	34.7	39.4	39.9	40.0	39.7	39.7	6
31.7	32.9	32.5	31.5	32.2	27.4	23.8	25.7	25.2	25.5	29.2	36.0	45.3	48.1	39.6	48.1	40.9	36.5	38.2	40.9	7
12.3	12.8	12.6	12.3	12.5	11.1	9.7	10.5	10.2	10.4	13.2	16.2	20.4	21.6	17.9	26.2	22.4	20.1	21.1	22.4	8
19.4	20.1	19.9	19.3	19.7	16.3	14.1	15.3	15.0	15.2	15.9	19.8	24.9	26.5	21.8	21.9	18.5	16.4	17.1	18.5	9
−2.9	−2.9	−2.8	−.1	−2.2	1.4	2.8	3.0	.2	1.9	−.7	−3.3	−7.3	−8.5	−5.0	−8.7	−1.0	3.5	1.5	−1.2	10
.4	.3	.3	.3	.3	.3	.4	.4	.4	.4	.2	.2	.2	.2	.2	.3	.3	.3	.3	.3	11
97.8	**103.1**	**105.6**	**105.6**	**103.1**	**102.0**	**102.1**	**101.9**	**102.7**	**102.2**	**104.0**	**106.3**	**111.9**	**116.0**	**109.6**	**121.0**	**124.7**	**127.8**	**130.3**	**126.0**	12

Table I–14.—*National Income by Corporate and Noncorporate Form of Organization, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
299.3	**299.4**	**300.9**	**307.5**	**301.8**	**316.9**	**327.3**	**335.0**	**341.4**	**330.2**	**342.2**	**346.2**	**350.8**	**357.9**	**349.4**	**361.5**	**364.1**	**368.7**	**361.5**	**364.0**	1
162.2	**162.3**	**161.6**	**167.0**	**163.3**	**175.1**	**181.7**	**187.6**	**192.5**	**184.2**	**191.6**	**193.1**	**195.4**	**200.6**	**195.2**	**202.6**	**202.5**	**204.8**	**198.4**	**202.1**	2
130.5	129.8	129.4	132.0	130.4	135.9	140.7	144.3	147.9	142.2	150.0	153.3	154.4	158.4	154.0	160.5	162.4	163.6	161.3	161.9	3
122.0	121.4	120.9	123.3	121.9	126.7	131.2	134.3	137.7	132.5	139.8	142.9	143.6	147.3	143.4	148.9	150.6	151.4	149.2	150.0	4
8.5	8.4	8.5	8.7	8.5	9.1	9.5	10.0	10.2	9.7	10.2	10.4	10.8	11.1	10.6	11.6	11.9	12.1	12.1	11.9	5
31.2	32.0	31.7	34.4	32.3	38.8	40.5	42.9	44.1	41.6	41.6	39.9	41.0	42.2	41.2	41.9	39.9	41.1	37.0	40.0	6
31.2	32.0	32.4	35.0	32.6	39.9	41.4	45.1	46.9	43.3	44.5	43.1	42.5	44.9	43.7	44.3	41.5	42.1	38.1	41.5	7
16.5	16.9	17.1	18.5	17.2	20.2	20.8	22.7	23.6	21.8	22.8	22.1	21.8	23.0	22.4	23.0	21.7	22.0	19.9	21.6	8
14.8	15.2	15.3	16.5	15.4	19.7	20.5	22.4	23.2	21.5	21.7	21.0	20.7	21.9	21.3	21.3	19.8	20.1	18.2	19.9	9
.0	.0	−.7	−.5	−.3	−1.1	−.9	−2.2	−2.8	−1.7	−2.8	−3.2	−1.5	−2.7	−2.6	−2.4	−1.5	−1.1	−1.1	−1.5	10
.5	.5	.5	.5	.5	.4	.5	.5	.5	.5	.0	.0	.0	.0	.0	.1	.2	.2	.2	.2	11
137.2	**137.1**	**139.3**	**140.5**	**138.5**	**141.8**	**145.7**	**147.4**	**148.9**	**146.0**	**150.7**	**153.0**	**155.4**	**157.4**	**154.2**	**159.0**	**161.6**	**163.9**	**163.1**	**161.9**	12

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Table I–15.—*Farm and Nonfarm Business Gross Product, in Current and Constant Dollars, 1929–40* [1]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
		[Millions of current dollars]											
1	**Business gross product**	**94,801**	**82,190**	**68,027**	**51,135**	**48,708**	**56,713**	**63,698**	**72,397**	**80,494**	**74,286**	**80,090**	**89,132**
2	Farm	9,817	7,733	6,192	4,448	4,588	4,331	6,944	6,263	8,089	6,726	6,498	6,843
3	Nonfarm	84,984	74,457	61,835	46,687	44,120	52,382	56,754	66,134	72,405	67,560	73,592	82,289
		[Billions of 1954 dollars]											
4	**Business gross product**	**159.5**	**143.2**	**132.3**	**110.3**	**106.3**	**116.3**	**129.5**	**147.2**	**158.2**	**148.4**	**162.4**	**177.9**
5	Farm	16.5	15.1	17.6	16.6	16.3	13.5	16.5	14.1	17.6	17.8	17.8	17.5
6	Nonfarm	143.0	128.1	114.6	93.8	89.9	102.7	113.0	133.1	140.5	130.6	144.7	160.4

1. Footnotes to table I–12 are relevant to this table also. For details on farm gross product, see tables VII–9 and VII–10.

Table I–16.—*Gross National Product Originating in General Government, Farms, and All Other Industries, in Current and Constant Dollars, 1909–14*

[Billions of dollars]

Line		1909	1910	1911	1912	1913	1914
	Current Dollars						
1	**Gross national product**	**33.9**	**35.7**	**36.2**	**39.8**	**40.0**	**39.0**
2	General government	1.0	1.1	1.1	1.2	1.3	1.4
3	Farms	5.5	5.9	5.2	6.3	5.7	6.1
4	All other industries [1]	27.4	28.7	29.9	32.3	33.1	31.5
	1954 Dollars						
5	**Gross national product**	**104.1**	**106.8**	**109.5**	**116.1**	**117.0**	**112.1**
6	General government	5.0	5.3	5.5	5.7	5.9	6.2
7	Farms	13.9	14.2	13.7	15.6	14.0	15.1
8	All other industries [1]	85.2	87.3	90.3	94.8	97.2	90.9

1. This subtotal exceeds nonfarm business gross product in table I–15 by the amounts of gross national product originating in households and institutions, and in the rest of the world sector; the latter have not been separately estimated for the pre-1929 period.

Table I–17.—*Relation of Gross National Product, National Income, and Personal Income, 1929–40*

[Millions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Gross national product**	**104,436**	**91,105**	**76,271**	**58,466**	**55,964**	**64,975**	**72,502**	**82,743**	**90,780**	**85,227**	**91,095**	**100,618**
2	Less: Capital consumption allowances	8,617	8,541	8,166	7,615	7,161	7,112	7,235	7,496	7,746	7,783	7,838	8,148
3	**Equals: Net national product**	**95,819**	**82,564**	**68,105**	**50,851**	**48,803**	**57,863**	**65,267**	**75,247**	**83,034**	**77,444**	**83,257**	**92,470**
4	Less: Indirect business tax and nontax liability	7,003	7,155	6,859	6,768	7,055	7,815	8,190	8,663	9,157	9,154	9,365	10,021
5	Business transfer payments	587	534	649	737	659	641	594	594	567	429	451	431
6	Statistical discrepancy	268	−977	840	754	948	731	−171	1,118	−248	456	1,173	804
7	Plus: Subsidies minus current surplus of government enterprises.	−147	−123	−49	−45	18	283	403	39	60	176	485	420
8	**Equals: National income**	**87,814**	**75,729**	**59,708**	**42,547**	**40,159**	**48,959**	**57,057**	**64,911**	**73,618**	**67,581**	**72,753**	**81,634**
9	Less: Undistributed corporate profits	2,446	−3,010	−5,366	−5,967	−2,426	−1,615	−669	−217	48	−916	1,174	2,443
10	Corporate profits tax liability	1,369	842	498	385	521	744	951	1,409	1,502	1,029	1,441	2,834
11	Corporate inventory valuation adjustment	472	3,260	2,414	1,047	−2,143	−625	−227	−738	−31	963	−714	−200
12	Contributions for social insurance	243	253	262	278	285	304	333	598	1,800	1,977	2,136	2,282
13	Excess of wage accruals over disbursements	0	0	0	0	0	0	0	0	0	0	0	0
14	Plus: Net interest paid by government	983	964	1,084	1,141	1,170	1,230	1,141	1,101	1,204	1,192	1,205	1,291
15	Government transfer payments to persons	909	999	2,065	1,433	1,457	1,553	1,806	2,926	1,851	2,405	2,512	2,683
16	Business transfer payments	587	534	649	737	659	641	594	594	567	429	451	431
17	**Equals: Personal income**	**85,763**	**76,881**	**65,698**	**50,115**	**47,208**	**53,575**	**60,210**	**68,480**	**73,921**	**68,554**	**72,884**	**78,680**

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Table I–15.—*Farm and Nonfarm Business Gross Product, in Current and Constant Dollars, 1941–57* [1]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
[Millions of current dollars]																	
112,485	**139,936**	**162,767**	**174,525**	**173,363**	**184,237**	**210,737**	**234,185**	**230,251**	**254,205**	**291,219**	**304,904**	**321,431**	**317,856**	**349,023**	**366,868**	**384,422**	1
9,363	13,388	15,288	15,658	16,230	19,280	20,747	23,821	19,295	20,537	23,552	22,759	20,895	20,344	19,612	19,388	19,273	2
103,122	126,548	147,479	158,867	157,133	164,957	189,990	210,364	210,956	233,668	267,667	282,145	300,536	297,512	329,411	347,480	365,149	3
[Billions of 1954 dollars]																	
205.8	**225.1**	**237.8**	**251.2**	**248.6**	**244.1**	**250.3**	**260.4**	**258.2**	**281.8**	**299.5**	**308.7**	**323.7**	**317.9**	**346.2**	**354.1**	**357.7**	4
18.8	20.4	18.8	19.2	18.1	18.4	16.9	19.3	18.3	19.3	18.1	18.8	19.5	20.3	21.4	21.5	20.8	5
187.0	204.6	219.0	232.0	230.5	225.7	233.4	241.1	239.9	262.5	281.4	289.9	304.3	297.5	324.7	332.5	336.9	6

Table I–16.—*Gross National Product Originating in General Government, Farms, and All Other Industries, in Current and Constant Dollars, 1915–28*

[Billions of dollars]

1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	Line
40.5	**48.9**	**61.1**	**77.1**	**84.9**	**91.9**	**70.3**	**75.0**	**86.2**	**85.9**	**94.5**	**98.6**	**96.5**	**98.8**	1
1.4	1.5	2.2	5.1	3.6	2.9	3.2	3.1	3.2	3.4	3.5	3.7	3.9	4.1	2
6.3	6.8	11.0	12.1	12.8	12.2	7.0	7.8	8.7	8.4	10.2	9.5	9.2	9.5	3
32.8	40.5	47.9	60.0	68.6	76.8	60.1	64.1	74.3	74.1	80 8	85.4	83.3	85.2	4
111.4	**120.0**	**120.5**	**132.9**	**132.6**	**125.6**	**114.9**	**133.2**	**149.2**	**149.0**	**161.8**	**170.8**	**170.5**	**171.8**	5
6.4	6.6	8.5	16.9	11.7	8.7	8.6	8.4	8.5	8.8	9.2	9.4	9.8	10.0	6
16.0	14.6	15.6	15.1	15.2	15.1	13.7	14.8	15.6	15.0	16.0	15.6	16.3	15.7	7
89.0	98.8	96.4	100.9	105.7	101.7	92.7	110.1	125.1	125.2	136.6	145.8	144.5	146.1	8

Table I–17.—*Relation of Gross National Product, National Income, and Personal Income, 1941–57*

[Millions of dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
125,822	**159,133**	**192,513**	**211,393**	**213,558**	**210,663**	**234,289**	**259,426**	**258,054**	**284,599**	**328,975**	**346,999**	**365,385**	**363,112**	**397,469**	**419,214**	**440,328**	1
9,041	10,155	10,866	12,007	12,549	10,694	13,030	15,471	17,274	19,065	21,970	24,007	26,526	28,809	31,986	34,681	37,743	2
116,781	**148,978**	**181,647**	**199,386**	**201,009**	**199,969**	**221,259**	**243,955**	**240,780**	**265,534**	**307,005**	**322,992**	**338,859**	**334,303**	**365,483**	**384,533**	**402,585**	3
11,296	11,769	12,735	14,127	15,522	17,313	18,641	20,405	21,637	23,747	25,647	28,140	30,203	30,151	32,865	35,631	37,644	4
502	495	505	506	532	557	674	739	781	843	985	1,169	1,369	1,262	1,457	1,526	1,595	5
375	−830	−1,720	2,766	4,467	2,088	3,541	−847	510	−734	1,247	1,374	1,283	853	988	−935	725	6
102	150	183	652	760	868	−226	−171	−162	198	187	−154	−431	−243	33	1,045	1,330	7
104,710	**137,694**	**170,310**	**182,639**	**181,248**	**180,879**	**198,177**	**223,487**	**217,690**	**241,876**	**279,313**	**292,155**	**305,573**	**301,794**	**330,206**	**349,356**	**363,951**	8
4,914	5,178	5,996	5,698	3,597	7,656	11,721	13,274	8,522	13,555	10,677	8,278	8,864	7,002	11,820	11,033	9,422	9
7,610	11,415	14,074	12,949	10,689	9,111	11,283	12,483	10,375	17,865	22,447	19,459	20,222	17,220	21,827	22,422	21,649	10
−2,471	−1,204	−773	−287	−564	−5,263	−5,899	−2,152	1,856	−4,965	−1,199	981	−997	−318	−1,736	−2,560	−1,548	11
2,784	3,468	4,516	5,173	6,138	5,981	5,683	5,220	5,737	6,870	8,170	8,614	8,728	9,695	10,995	12,313	14,168	12
0	0	209	−193	14	−30	15	35	−46	24	74	−22	−76	0	0	0	0	13
1,289	1,517	2,140	2,809	3,683	4,463	4,420	4,527	4,670	4,794	4,973	5,016	5,171	5,407	5,389	5,745	6,174	14
2,611	2,648	2,459	3,082	5,633	10,854	11,113	10,542	11,622	14,304	11,590	12,041	12,887	14,961	16,050	17,094	19,868	15
502	495	505	506	532	557	674	739	781	843	985	1,169	1,369	1,262	1,457	1,526	1,595	16
96,275	**123,497**	**151,392**	**165,696**	**171,222**	**179,298**	**191,581**	**210,435**	**208,319**	**228,468**	**256,692**	**273,071**	**288,259**	**289,825**	**310,196**	**330,513**	**347,897**	17

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Table I–18.—*Relation of Gross National Product, National Income, and Personal Income, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**198.0**	**206.3**	**217.1**	**221.2**	**210.7**	**226.0**	**230.0**	**235.6**	**245.1**	**234.3**
2	Less: Capital consumption allowances	10.1	10.5	10.8	11.3	10.7	11.9	12.9	13.3	14.1	13.0
3	Indirect business tax and nontax liability	16.5	17.0	17.7	18.0	17.3	17.9	18.2	18.7	19.7	18.6
4	Business transfer payments	.5	.6	.6	.6	.6	.6	.7	.7	.7	.7
5	Statistical discrepancy	3.0	2.8	3.2	−.4	2.1	2.3	3.5	4.2	3.9	3.5
6	Plus: Subsidies less current surplus of government enterprises	1.7	1.2	.4	.1	.9	−.1	−.2	−.3	−.3	−.2
7	**Equals: National income**	**169.6**	**176.6**	**185.2**	**191.9**	**180.9**	**193.1**	**194.5**	**198.4**	**206.5**	**198.2**
8	Less: Corporate profits and inventory valuation adjustment	13.5	16.5	17.9	21.2	17.3	20.2	23.8	24.5	26.0	23.6
9	Contributions for social insurance	6.1	6.1	5.9	5.8	6.0	6.1	6.1	5.3	5.3	5.7
10	Excess of wage accruals over disbursements	.8	−.9	.0	.0	.0	.0	.0	.0	.0	.0
11	Plus: Government transfer payments to persons	12.0	11.1	10.6	9.7	10.9	10.1	9.9	13.7	10.7	11.1
12	Net interest paid by government	4.4	4.5	4.5	4.5	4.5	4.4	4.4	4.4	4.4	4.4
13	Dividends	5.3	5.6	5.9	6.4	5.8	6.6	6.3	6.4	6.8	6.5
14	Business transfer payments	.5	.6	.6	.6	.6	.6	.7	.7	.7	.7
15	**Equals: Personal income**	**171.4**	**176.7**	**182.9**	**186.0**	**179.3**	**188.6**	**186.0**	**193.8**	**197.8**	**191.6**

Table I–18.—*Relation of Gross National Product, National Income, and Personal Income, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	**341.0**	**341.3**	**347.0**	**358.6**	**347.0**	**364.5**	**368.8**	**367.1**	**361.0**	**365.4**
2	Less: Capital consumption allowances	23.4	23.9	24.1	24.7	24.0	25.6	26.2	26.8	27.4	26.5
3	Indirect business tax and nontax liability	27.0	28.1	28.3	29.2	28.1	29.8	30.1	30.4	30.4	30.2
4	Business transfer payments	1.1	1.2	1.2	1.2	1.2	1.3	1.4	1.4	1.4	1.4
5	Statistical discrepancy	2.3	.0	.8	2.6	1.4	1.1	2.0	.8	1.2	1.3
6	Plus: Subsidies less current surplus of government enterprises	−.1	−.1	−.2	−.2	−.2	−.4	−.4	−.5	−.5	−.4
7	**Equals: National income**	**287.2**	**288.0**	**292.4**	**300.6**	**292.2**	**306.3**	**308.7**	**307.2**	**300.1**	**305.6**
8	Less: Corporate profits and inventory valuation adjustment	39.1	36.6	36.0	38.9	37.7	40.5	39.8	37.5	31.4	37.3
9	Contributions for social insurance	8.6	8.5	8.6	8.8	8.6	8.8	8.9	8.7	8.5	8.7
10	Excess of wage accruals over disbursements	.1	.1	−.3	.0	.0	.0	−.1	−.1	−.1	−.1
11	Plus: Government transfer payments to persons	11.6	11.7	12.3	12.5	12.0	12.7	12.7	12.8	13.4	12.9
12	Net interest paid by government	5.0	5.0	5.0	5.0	5.0	5.1	5.1	5.2	5.3	5.2
13	Dividends	9.0	8.9	9.0	9.0	9.0	9.3	9.4	9.4	9.4	9.2
14	Business transfer payments	1.1	1.2	1.2	1.2	1.2	1.3	1.4	1.4	1.4	1.4
15	**Equals: Personal income**	**266.1**	**269.7**	**275.6**	**280.6**	**273.1**	**285.4**	**288.7**	**289.8**	**289.7**	**288.3**

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Table I–18.—*Relation of Gross National Product, National Income, and Personal Income, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
249.5	**257.7**	**264.0**	**265.9**	**259.4**	**259.8**	**256.4**	**258.8**	**257.0**	**258.1**	**265.8**	**274.4**	**293.2**	**304.3**	**284.6**	**317.8**	**326.4**	**333.8**	**338.1**	**329.0**	1
14.8	15.4	15.5	16.1	15.5	16.6	17.0	17.5	18.0	17.3	18.5	18.9	19.1	19.8	19.1	20.7	21.5	22.4	23.2	22.0	2
19.6	20.3	20.8	20.9	20.4	21.0	21.5	22.1	21.9	21.6	22.3	23.3	25.2	24.2	23.7	25.9	25.0	25.4	26.3	25.6	3
.7	.7	.8	.8	.7	.8	.8	.8	.8	.8	.8	.8	.8	.9	.8	1.0	1.0	1.0	1.0	1.0	4
−.3	−1.5	−.5	−1.2	−.8	.6	−.5	.4	1.5	.5	2.3	−2.1	−2.3	−1.3	−.7	−.3	1.0	3.1	1.7	1.2	5
−.2	−.2	−.1	−.1	−.2	−.3	−.2	−.1	.0	−.2	.1	.2	.3	.3	.2	.3	.2	.2	.1	.2	6
214.4	**222.6**	**227.4**	**229.2**	**223.5**	**220.8**	**217.4**	**217.8**	**214.8**	**217.7**	**222.1**	**233.6**	**250.6**	**261.1**	**241.9**	**270.8**	**278.2**	**282.0**	**286.0**	**279.3**	7
29.6	30.9	30.6	32.4	30.8	29.6	27.6	29.6	26.2	28.2	29.4	33.5	39.2	40.6	35.7	40.4	41.1	41.2	41.1	41.0	8
5.2	5.1	5.3	5.3	5.2	5.8	5.7	5.7	5.7	5.7	6.6	6.7	6.9	7.3	6.9	8.1	8.2	8.1	8.3	8.2	9
.1	.1	−.2	.1	.0	.1	−.3	.0	.0	.0	.0	.0	.0	.1	.0	.2	−.1	.8	−.6	.1	10
11.0	10.8	10.4	9.9	10.5	11.2	11.7	11.9	11.8	11.6	20.6	14.2	11.1	11.3	14.3	11.3	11.6	11.7	11.7	11.6	11
4.5	4.5	4.5	4.6	4.5	4.6	4.7	4.7	4.7	4.7	4.7	4.8	4.8	4.8	4.8	4.9	4.9	5.0	5.0	5.0	12
6.9	7.1	7.4	7.6	7.2	7.4	7.3	7.3	7.8	7.5	7.9	8.3	9.5	11.1	9.2	8.9	8.7	9.0	9.3	9.0	13
.7	.7	.8	.8	.7	.8	.8	.8	.8	.8	.8	.8	.8	.9	.8	1.0	1.0	1.0	1.0	1.0	14
202.7	**209.6**	**214.8**	**214.4**	**210.4**	**209.3**	**208.9**	**207.2**	**207.9**	**208.3**	**220.2**	**221.5**	**230.8**	**241.2**	**228.5**	**248.1**	**255.2**	**258.7**	**264.3**	**256.7**	15

Table I–18.—*Relation of Gross National Product, National Income, and Personal Income, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
360.0	**358.9**	**362.0**	**370.8**	**363.1**	**384.3**	**393.0**	**403.4**	**408.9**	**397.5**	**410.8**	**414.9**	**420.5**	**430.5**	**419.2**	**436.3**	**441.2**	**445.6**	**438.9**	**440.3**	1
27.9	28.5	29.1	29.9	28.8	30.8	31.6	32.4	33.0	32.0	33.7	34.3	35.0	35.7	34.7	36.6	37.5	38.1	38.5	37.7	2
30.1	30.2	29.8	30.5	30.2	31.4	32.8	33.3	34.0	32.9	34.5	35.3	35.8	37.0	35.6	37.1	37.8	37.9	37.7	37.6	3
1.3	1.3	1.2	1.2	1.3	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	4
1.0	−.8	.8	1.7	.9	3.7	−.2	1.2	−.9	1.0	−.2	−1.3	−1.5	−.5	−.9	.9	1.5	.7	.7	.7	5
−.4	−.3	−.2	.0	−.2	−.1	.0	.1	.2	.0	.9	1.0	1.1	1.2	1.0	1.4	1.4	1.3	1.2	1.3	6
299.3	**299.4**	**300.9**	**307.5**	**301.8**	**316.9**	**327.3**	**335.0**	**341.4**	**330.2**	**342.2**	**346.2**	**350.8**	**357.9**	**349.4**	**361.5**	**364.1**	**368.7**	**361.5**	**364.0**	7
32.5	33.3	33.0	36.1	33.7	40.3	41.9	44.4	45.8	43.1	43.3	41.6	42.8	44.0	42.9	43.7	42.0	43.1	38.8	41.9	8
9.6	9.6	9.7	9.9	9.7	10.6	10.8	11.2	11.4	11.0	11.9	12.1	12.5	12.7	12.3	14.0	14.1	14.3	14.2	14.2	9
.0	.0	.0	.0	.0	.1	.5	−.6	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	10
14.1	14.9	15.2	15.9	15.0	15.7	16.1	16.1	16.2	16.0	16.6	17.0	17.3	17.6	17.1	18.4	19.9	20.0	21.3	19.9	11
5.4	5.4	5.4	5.4	5.4	5.3	5.3	5.4	5.5	5.4	5.5	5.7	5.8	5.9	5.7	6.1	6.2	6.2	6.2	6.2	12
9.4	9.5	9.7	10.1	9.8	10.2	10.5	10.9	12.2	11.2	11.7	12.0	12.2	11.8	12.0	12.5	12.6	12.7	12.0	12.4	13
1.3	1.3	1.2	1.2	1.3	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	14
287.4	**287.6**	**289.7**	**294.2**	**289.8**	**298.5**	**307.5**	**313.8**	**319.7**	**310.2**	**322.3**	**328.7**	**332.3**	**338.1**	**330.5**	**342.3**	**348.4**	**351.8**	**349.7**	**347.9**	15

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II. Personal Income and Outlay*

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*Figures in parentheses refer to corresponding tables in the 1954 *National Income* supplement.

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Table II–1.—*Personal Income and Its Disposition, 1929–40*

[Millions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Personal income**	**85,763**	**76,881**	**65,698**	**50,115**	**47,208**	**53,575**	**60,210**	**68,480**	**73,921**	**68,554**	**72,884**	**78,680**
2	Wage and salary disbursements	50,423	46,187	39,119	30,477	28,997	33,705	36,690	41,920	46,107	42,976	45,941	49,818
3	Commodity-producing industries [1]	21,492	18,547	14,286	9,926	9,807	12,057	13,542	15,789	18,358	15,274	17,358	19,714
4	Manufacturing only	16,092	13,850	10,810	7,678	7,827	9,643	10,829	12,410	14,571	11,837	13,585	15,584
5	Distributive industries [1]	15,558	14,491	12,523	9,758	8,804	9,918	10,708	11,765	13,162	12,631	13,284	14,202
6	Service industries [1]	8,435	7,995	7,052	5,827	5,244	5,654	5,939	6,500	7,094	6,847	7,100	7,479
7	Government	4,938	5,154	5,258	4,966	5,142	6,076	6,501	7,866	7,493	8,224	8,199	8,423
8	Other labor income	561	551	510	451	409	443	479	572	593	595	627	687
9	Proprietors' income	14,759	11,540	8,734	5,316	5,599	7,010	10,387	10,482	12,691	11,128	11,610	13,010
10	Business and professional	8,791	7,410	5,581	3,384	3,166	4,564	5,351	6,530	7,073	6,793	7,293	8,442
11	Farm	5,968	4,130	3,153	1,932	2,433	2,446	5,036	3,952	5,618	4,335	4,317	4,568
12	Rental income of persons	5,425	4,778	3,761	2,713	1,971	1,694	1,661	1,776	2,081	2,560	2,742	2,885
13	Dividends	5,813	5,490	4,088	2,565	2,056	2,387	2,863	4,548	4,685	3,187	3,788	4,043
14	Personal interest income	7,428	6,949	6,923	6,575	6,212	6,099	5,892	5,842	5,912	5,828	5,809	5,781
15	Transfer payments	1,496	1,533	2,714	2,170	2,116	2,194	2,400	3,520	2,418	2,834	2,963	3,114
16	Old-age and survivors insurance benefits									1	10	14	35
17	State unemployment insurance benefits									2	393	429	518
18	Veterans' benefits [2]	560	601	1,574	773	545	438	474	1,889	593	531	522	524
19	Other [3]	936	932	1,140	1,397	1,571	1,756	1,926	1,631	1,822	1,900	1,998	2,037
20	Less: Personal contributions for social insurance	142	147	151	152	152	157	162	180	566	554	596	658
21	Less: Personal tax and nontax payments	2,643	2,507	1,858	1,455	1,464	1,595	1,888	2,258	2,921	2,862	2,440	2,604
22	Federal	1,263	1,134	607	331	474	595	827	1,130	1,723	1,635	1,235	1,364
23	State and local	1,380	1,373	1,251	1,124	990	1,000	1,061	1,128	1,198	1,227	1,205	1,240
24	**Equals: Disposable personal income**	**83,120**	**74,374**	**63,840**	**48,660**	**45,744**	**51,980**	**58,322**	**66,222**	**71,000**	**65,692**	**70,444**	**76,076**
25	Less: Personal consumption expenditures	78,952	70,968	61,333	49,306	46,392	51,894	56,289	62,616	67,259	64,641	67,578	71,881
26	**Equals: Personal saving**	**4,168**	**3,406**	**2,507**	**−646**	**−648**	**86**	**2,033**	**3,606**	**3,741**	**1,051**	**2,866**	**4,195**
27	Addendum: Disposable personal income in constant (1954) dollars.	134,935	126,058	121,369	104,645	102,107	109,202	120,004	134,872	139,489	131,912	143,179	153,070

1. "Commodity-producing" industries consist of agriculture, forestry, and fisheries; mining; contract construction; and manufacturing. "Distributive" industries consist of wholesale and retail trade, transportation, and communications and public utilities. "Service" industries comprise finance, insurance, and real estate, and services.

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Table II–1.—*Personal Income and Its Disposition, 1941–57*

[Millions of dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
96, 275	**123, 497**	**151, 392**	**165, 696**	**171, 222**	**179, 298**	**191, 581**	**210, 435**	**208, 319**	**228, 468**	**256, 692**	**273, 071**	**288, 259**	**289, 825**	**310, 196**	**330, 513**	**347, 897**	1
62, 086	82, 109	105, 619	117, 016	117, 563	111, 866	122, 843	135, 179	134, 356	146, 367	170, 714	184, 857	198, 106	196, 259	210, 902	227, 304	238, 120	2
27, 523	39, 151	48, 984	50, 401	45, 865	46, 043	54, 336	60, 257	56, 914	63, 495	74, 885	80, 547	88, 077	84, 062	91, 390	98, 665	102, 180	3
21, 714	30, 922	40, 883	42, 913	38, 229	36, 476	42, 500	46, 459	43, 860	49, 393	58, 277	62, 960	69, 881	66, 077	72, 252	77, 697	80, 630	4
16, 320	18, 010	20, 129	22, 705	24, 773	30, 923	35, 164	38, 802	39, 016	41, 313	45, 953	48, 749	51, 797	52, 324	55, 766	60, 134	63, 258	5
8, 051	8, 962	9, 875	10, 930	12, 012	14, 305	15, 997	17, 349	17, 925	19, 289	21, 060	22, 628	24, 283	25, 481	27, 771	30, 459	32, 563	6
10, 192	15, 986	26, 631	32, 980	34, 913	20, 595	17, 346	18, 771	20, 501	22, 270	28, 816	32, 933	33, 949	34, 392	35, 975	38, 046	40, 119	7
720	860	1, 082	1, 526	1, 799	1, 891	2, 334	2, 713	3, 021	3, 823	4, 786	5, 316	5, 994	6, 214	7, 136	7, 898	8, 947	8
17, 401	23, 907	28, 187	29, 565	30, 835	36, 573	35, 492	40, 194	35, 583	37, 541	42, 329	42, 233	40, 723	40, 442	42, 149	42, 435	43, 001	9
10, 897	13, 899	16, 823	18, 040	19, 011	21, 321	19, 948	22, 405	22, 657	23, 541	25, 995	26, 896	27, 445	27, 751	30, 382	30, 803	31, 403	10
6, 504	10, 008	11, 364	11, 525	11, 824	15, 252	15, 544	17, 789	12, 926	14, 000	16, 334	15, 337	13, 278	12, 691	11, 767	11, 632	11, 598	11
3, 465	4, 547	5, 097	5, 413	5, 634	6, 208	6, 510	7, 297	8, 274	9, 013	9, 431	10, 154	10, 528	10, 869	10, 698	10, 887	11, 837	12
4, 458	4, 289	4, 484	4, 673	4, 691	5, 784	6, 521	7, 243	7, 473	9, 208	9, 029	8, 954	9, 225	9, 839	11, 215	12, 038	12, 355	13
5, 833	5, 808	5, 798	6, 151	6, 868	7, 576	8, 212	8, 706	9, 443	10, 263	11, 245	12, 100	13, 367	14, 552	15, 770	17, 047	18, 772	14
3, 113	3, 143	2, 964	3, 588	6, 165	11, 411	11, 787	11, 281	12, 403	15, 147	12, 575	13, 210	14, 256	16, 223	17, 507	18, 620	21, 463	15
88	130	165	209	273	378	463	552	664	954	1, 872	2, 177	2, 979	3, 633	4, 915	5, 652	7, 321	16
344	344	80	62	446	1, 094	775	790	1, 730	1, 367	837	992	954	2, 015	1, 369	1, 400	1, 755	17
509	500	507	901	2, 776	6, 754	6, 745	5, 769	5, 104	4, 884	3, 897	3, 863	3, 738	3, 848	4, 250	4, 227	4, 341	18
2, 172	2, 169	2, 212	2, 416	2, 670	3, 185	3, 804	4, 170	4, 905	7, 942	5, 969	6, 178	6, 585	6, 727	6, 973	7, 341	8, 046	19
801	1, 166	1, 839	2, 236	2, 333	2, 011	2, 118	2, 178	2, 234	2, 894	3, 417	3, 753	3, 940	4, 573	5, 181	5, 716	6, 598	20
3, 293	5, 981	17, 845	18, 935	20, 867	18, 729	21, 468	21, 135	18, 665	20, 813	29, 211	34, 357	35, 785	32, 940	35, 748	40, 059	42, 748	21
2, 016	4, 668	16, 517	17, 536	19, 379	17, 162	19, 650	18, 997	16, 194	18, 179	26, 278	31, 165	32, 359	29, 155	31, 521	35, 244	37, 389	22
1, 277	1, 313	1, 328	1, 399	1, 488	1, 567	1, 818	2, 138	2, 471	2, 634	2, 933	3, 192	3, 426	3, 785	4, 227	4, 815	5, 359	23
92, 982	**117, 516**	**133, 547**	**146, 761**	**150, 355**	**160, 569**	**170, 113**	**189, 300**	**189, 654**	**207, 655**	**227, 481**	**238, 714**	**252, 474**	**256, 885**	**274, 448**	**290, 454**	**305, 149**	24
81, 875	89, 748	100, 541	109, 833	121, 699	147, 109	165, 409	178, 313	181, 158	195, 013	209, 805	219, 774	232, 649	238, 025	**256, 940**	269, 400	284, 442	25
11, 107	**27, 768**	**33, 006**	**36, 928**	**28, 656**	**13, 460**	**4, 704**	**10, 987**	**8, 496**	**12, 642**	**17, 676**	**18, 940**	**19, 825**	**18, 860**	**17, 508**	**21, 054**	**20, 707**	26
175, 107	197, 506	205, 457	213, 937	211, 768	209, 894	201, 079	211, 508	213, 815	230, 984	236, 959	243, 586	255, 024	256, 885	273, 355	284, 202	290, 066	27

2. Includes the payments listed in lines 11–14 in table III–7, and veterans' aid and bonuses paid by State and local governments.

3. Includes the government transfer payments from table III–7 that are not shown separately above, and business transfer payments.

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Table II-2.—*Personal Income and Its Disposition, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47* [1]

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Personal income**	**171.4**	**176.7**	**182.9**	**186.0**	**179.3**	**188.6**	**186.0**	**193.8**	**197.8**	**191.6**
2	Wage and salary disbursements	106.5	110.2	113.6	116.8	111.9	119.6	121.0	123.1	127.5	122.8
3	Commodity-producing industries	40.2	44.9	48.4	50.6	46.0	52.7	53.4	54.3	56.8	54.3
4	Manufacturing only	31.5	35.9	38.3	40.2	36.5	41.2	42.0	42.3	44.4	42.5
5	Distributive industries	28.1	30.9	31.8	32.7	30.9	33.7	34.2	35.7	36.9	35.2
6	Service industries	13.5	14.1	14.6	15.1	14.3	15.4	15.9	16.3	16.4	16.0
7	Government	24.8	20.3	18.8	18.5	20.6	17.8	17.4	16.8	17.3	17.3
8	Other labor income	1.8	1.8	1.9	2.0	1.9	2.1	2.3	2.4	2.5	2.3
9	Proprietors' income	34.0	35.8	38.4	38.0	36.6	37.2	33.6	34.8	36.3	35.5
10	Business and professional	20.7	21.7	21.8	21.0	21.3	20.1	19.8	19.6	20.3	19.9
11	Farm	13.3	14.1	16.6	17.0	15.3	17.1	13.9	15.2	16.0	15.5
12	Rental income of persons	5.9	6.1	6.2	6.6	6.2	6.5	6.2	6.4	6.9	6.5
13	Dividends	5.3	5.6	5.9	6.4	5.8	6.6	6.3	6.4	6.8	6.5
14	Personal interest income	7.4	7.5	7.6	7.8	7.6	7.9	8.1	8.3	8.5	8.2
15	Transfer payments	12.5	11.7	11.1	10.3	11.4	10.8	10.6	14.4	11.4	11.8
16	Old-age and survivors insurance benefits	.3	.4	.4	.4	.4	.4	.5	.5	.5	.5
17	State unemployment insurance benefits	1.5	1.2	.9	.7	1.1	.9	.9	.8	.6	.8
18	Veterans' benefits	7.7	6.8	6.6	5.8	6.8	5.8	5.5	9.2	6.4	6.7
19	Other	3.0	3.2	3.2	3.3	3.2	3.6	3.8	3.9	3.9	3.8
20	Less: Personal contributions for social insurance	2.1	2.1	2.0	1.9	2.0	2.2	2.2	2.1	2.1	2.1
21	Less: Personal tax and nontax payments	17.8	18.6	19.0	19.5	18.7	21.1	21.2	21.5	22.1	21.5
22	Federal	16.2	17.0	17.5	17.9	17.2	19.3	19.4	19.7	20.2	19.6
23	State and local	1.5	1.5	1.6	1.6	1.6	1.7	1.8	1.9	1.9	1.8
24	**Equals: Disposable personal income**	**153.6**	**158.2**	**163.9**	**166.5**	**160.6**	**167.5**	**164.8**	**172.3**	**175.7**	**170.1**
25	Less: Personal consumption expenditures	137.3	143.0	152.7	155.4	147.1	159.4	163.9	167.2	171.2	165.4
26	**Equals: Personal saving**	**16.3**	**15.1**	**11.2**	**11.0**	**13.5**	**8.1**	**.9**	**5.1**	**4.5**	**4.7**
27	Addendum: Disposable personal income in constant (1954) dollars	215.5	218.1	207.4	200.1	209.9	202.3	197.1	202.9	202.2	201.1

1. Footnotes to table II-1 are relevant to this table also.

Table II-2.—*Personal Income and Its Disposition, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53* [1]

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Personal income**	**266.1**	**269.7**	**275.6**	**280.6**	**273.1**	**285.4**	**288.7**	**289.8**	**289.7**	**288.3**
2	Wage and salary disbursements	180.3	181.8	185.1	191.9	184.9	195.8	198.9	199.7	198.1	198.1
3	Commodity-producing industries	78.6	78.5	79.7	85.1	80.5	87.6	88.9	88.8	87.0	88.1
4	Manufacturing only	61.1	61.3	62.1	67.2	63.0	69.5	70.9	70.5	68.6	69.9
5	Distributive industries	47.6	48.1	49.2	50.1	48.7	50.7	51.7	52.4	52.3	51.8
6	Service industries	22.1	22.4	22.8	23.2	22.6	23.6	24.2	24.5	24.8	24.3
7	Government	32.0	32.8	33.4	33.5	32.9	33.8	34.0	34.1	34.0	33.9
8	Other labor income	5.1	5.2	5.4	5.5	5.3	5.8	5.9	6.1	6.2	6.0
9	Proprietors' income	41.2	42.4	43.9	41.4	42.2	41.2	40.7	40.3	40.7	40.7
10	Business and professional	26.4	26.8	26.8	27.5	26.9	27.6	27.5	27.4	27.3	27.4
11	Farm	14.7	15.6	17.1	13.9	15.3	13.7	13.2	12.9	13.3	13.3
12	Rental income of persons	9.9	10.1	10.3	10.4	10.2	10.4	10.5	10.6	10.7	10.5
13	Dividends	9.0	8.9	9.0	9.0	9.0	9.3	9.4	9.4	9.4	9.2
14	Personal interest income	11.8	11.9	12.2	12.5	12.1	12.9	13.2	13.5	13.8	13.4
15	Transfer payments	12.7	12.9	13.5	13.7	13.2	14.0	14.1	14.2	14.8	14.3
16	Old-age and survivors insurance benefits	2.0	2.0	2.1	2.6	2.2	2.7	3.0	3.1	3.1	3.0
17	State unemployment insurance benefits	1.1	1.1	1.0	.8	1.0	.9	.8	.9	1.3	1.0
18	Veterans' benefits	3.5	3.5	4.3	4.1	3.9	3.9	3.7	3.7	3.6	3.7
19	Other	6.0	6.3	6.1	6.2	6.2	6.5	6.5	6.5	6.8	6.6
20	Less: Personal contributions for social insurance	3.8	3.7	3.8	3.8	3.8	3.9	4.0	4.0	3.9	3.9
21	Less: Personal tax and nontax payments	33.9	34.0	34.5	35.0	34.4	35.5	35.9	36.0	35.8	35.8
22	Federal	30.8	30.8	31.3	31.7	31.2	32.1	32.5	32.5	32.3	32.4
23	State and local	3.1	3.2	3.2	3.3	3.2	3.3	3.4	3.5	3.5	3.4
24	**Equals: Disposable personal income**	**232.1**	**235.6**	**241.1**	**245.6**	**238.7**	**250.0**	**252.8**	**253.8**	**253.8**	**252.5**
25	Less: Personal consumption expenditures	214.6	217.7	219.6	227.2	219.8	230.9	233.3	234.1	232.3	232.6
26	**Equals: Personal saving**	**17.5**	**17.9**	**21.5**	**18.4**	**18.9**	**19.0**	**19.6**	**19.7**	**21.6**	**19.8**
27	Addendum: Disposable personal income in constant (1954) dollars	238.1	240.9	245.8	248.8	243.6	253.3	256.1	255.9	255.9	255.0

1. Footnotes to table II-1 are relevant to this table also.

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Table II–2.—*Personal Income and Its Disposition, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51* [1]

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
202.7	**209.6**	**214.8**	**214.4**	**210.4**	**209.3**	**208.9**	**207.2**	**207.9**	**208.3**	**220.2**	**221.5**	**230.8**	**241.2**	**228.5**	**248.1**	**255.2**	**258.7**	**264.3**	**256.7**	1
130.5	133.3	138.0	138.6	135.2	136.0	135.0	133.3	133.2	134.4	136.0	142.0	150.0	157.3	146.4	164.3	170.0	172.1	176.2	170.7	2
58.1	59.7	61.7	61.4	60.3	59.0	57.3	56.1	55.3	56.9	57.1	61.2	65.7	69.8	63.5	72.6	75.1	75.3	76.4	74.9	3
45.1	46.1	47.4	47.1	46.5	45.7	44.0	43.3	42.5	43.9	44.5	47.4	51.2	54.6	49.4	56.7	58.5	58.5	59.4	58.3	4
38.0	38.3	39.5	39.5	38.8	39.2	39.5	38.7	38.7	39.0	39.2	40.5	42.3	43.2	41.3	44.8	46.0	46.2	46.8	46.0	5
16.8	17.2	17.7	17.7	17.3	17.7	17.9	17.9	18.2	17.9	18.5	19.0	19.6	20.0	19.3	20.6	20.8	21.2	21.6	21.1	6
17.7	18.1	19.2	20.0	18.8	20.1	20.3	20.6	21.0	20.5	21.1	21.3	22.4	24.3	22.3	26.4	28.1	29.4	31.4	28.8	7
2.6	2.7	2.7	2.8	2.7	2.8	3.0	3.1	3.2	3.0	3.4	3.7	4.0	4.2	3.8	4.5	4.7	4.9	5.1	4.8	8
37.4	41.3	41.7	40.4	40.2	36.4	35.9	35.1	35.0	35.6	35.5	36.2	38.8	39.7	37.5	41.5	42.2	42.4	43.2	42.3	9
21.4	22.2	22.9	23.1	22.4	22.7	23.0	22.7	22.3	22.7	22.2	23.1	24.5	24.4	23.5	25.9	25.9	26.0	26.2	26.0	10
16.0	19.1	18.8	17.3	17.8	13.7	12.9	12.4	12.7	12.9	13.3	13.2	14.2	15.3	14.0	15.6	16.3	16.4	17.0	16.3	11
7.0	7.1	7.4	7.6	7.3	7.9	8.1	8.4	8.7	8.3	8.8	8.9	9.1	9.2	9.0	9.3	9.3	9.5	9.7	9.4	12
6.9	7.1	7.4	7.6	7.2	7.4	7.3	7.3	7.8	7.5	7.9	8.3	9.5	11.1	9.2	8.9	8.7	9.0	9.3	9.0	13
8.6	8.6	8.7	8.9	8.7	9.1	9.3	9.5	9.7	9.4	9.9	10.1	10.4	10.6	10.3	10.9	11.1	11.4	11.6	11.2	14
11.7	11.5	11.1	10.7	11.3	11.9	12.5	12.7	12.6	12.4	21.4	15.0	11.9	12.2	15.1	12.3	12.6	12.7	12.7	12.6	15
.5	.5	.6	.6	.6	.6	.7	.7	.7	.7	.7	.8	.8	1.5	1.0	1.8	1.9	1.9	1.9	1.9	16
.8	.8	.8	.8	.8	1.5	1.8	1.9	1.8	1.7	1.9	1.6	1.1	.9	1.4	.8	.8	.9	1.0	.8	17
6.5	6.1	5.6	5.0	5.8	5.2	5.3	5.0	4.9	5.1	5.1	5.4	4.6	4.4	4.9	4.3	4.0	3.7	3.6	3.9	18
4.0	4.1	4.2	4.4	4.2	4.6	4.8	5.1	5.2	4.9	13.8	7.2	5.4	5.3	7.9	5.5	6.0	6.2	6.2	6.0	19
2.1	2.1	2.2	2.3	2.2	2.3	2.2	2.2	2.2	2.2	2.8	2.8	2.9	3.1	2.9	3.4	3.4	3.3	3.4	3.4	20
23.2	20.8	20.2	20.4	21.1	18.7	18.7	18.6	18.6	18.7	19.3	19.9	20.6	23.5	20.8	28.3	28.8	29.2	30.5	29.2	21
21.1	18.7	18.0	18.2	19.0	16.3	16.2	16.2	16.1	16.2	16.7	17.3	17.9	20.8	18.2	25.5	25.9	26.2	27.5	26.3	22
2.1	2.1	2.2	2.2	2.1	2.4	2.5	2.5	2.5	2.5	2.6	2.6	2.7	2.7	2.6	2.9	2.9	3.0	3.0	2.9	23
179.5	**188.8**	**194.7**	**194.0**	**189.3**	**190.6**	**190.2**	**188.6**	**189.3**	**189.7**	**200.9**	**201.7**	**210.2**	**217.7**	**207.7**	**219.8**	**226.4**	**229.5**	**233.8**	**227.5**	24
174.7	177.5	180.2	180.8	178.3	179.0	181.1	180.5	184.0	181.2	185.7	189.9	204.4	200.1	195.0	211.5	205.5	208.8	213.4	209.8	25
4.8	**11.4**	**14.4**	**13.2**	**11.0**	**11.6**	**9.1**	**8.1**	**5.3**	**8.5**	**15.2**	**11.8**	**5.8**	**17.6**	**12.6**	**8.2**	**20.9**	**20.7**	**20.4**	**17.7**	26
203.5	211.7	215.3	215.1	211.5	212.9	213.9	214.0	214.9	213.8	228.0	227.3	232.0	236.1	231.0	230.9	236.3	239.1	240.8	237.0	27

Table II–2.—*Personal Income and Its Disposition, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57* [1]

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
287.4	**287.6**	**289.7**	**294.2**	**289.8**	**298.5**	**307.5**	**313.8**	**319.7**	**310.2**	**322.3**	**328.7**	**332.3**	**338.1**	**330.5**	**342.3**	**348.4**	**351.8**	**349.7**	**347.9**	1
195.4	195.4	195.4	198.7	196.3	202.4	208.9	214.1	218.1	210.9	221.4	226.4	228.2	232.9	227.3	235.6	238.4	240.5	238.0	238.1	2
84.7	83.9	82.8	84.9	84.1	87.2	90.8	92.5	95.0	91.4	95.8	98.3	98.6	101.8	98.7	102.2	102.9	102.9	100.8	102.2	3
66.7	65.9	64.9	66.7	66.1	68.8	71.7	73.1	75.5	72.3	75.6	77.1	77.4	80.5	77.7	80.8	81.2	81.1	79.4	80.6	4
52.0	52.1	52.4	52.8	52.3	53.5	55.0	56.7	57.7	55.8	59.0	60.1	60.5	61.0	60.1	62.1	63.2	64.1	63.6	63.3	5
24.8	25.2	25.6	26.2	25.5	26.7	27.4	28.2	28.8	27.8	29.5	30.2	30.7	31.3	30.5	31.9	32.5	32.8	33.0	32.6	6
33.9	34.2	34.6	34.8	34.4	34.9	35.6	36.8	36.6	36.0	37.1	37.8	38.4	38.9	38.0	39.4	39.9	40.6	40.6	40.1	7
6.1	6.1	6.2	6.4	6.2	6.7	7.0	7.3	7.5	7.1	7.6	7.8	8.0	8.3	7.9	8.6	8.9	9.1	9.2	8.9	8
40.6	39.6	40.9	40.6	40.4	41.1	42.4	42.6	42.5	42.1	42.0	42.1	42.7	42.9	42.4	42.6	43.0	43.5	42.8	43.0	9
27.1	27.6	27.8	28.5	27.8	29.3	30.4	30.9	31.0	30.4	30.7	30.9	30.8	30.9	30.8	31.1	31.4	31.7	31.3	31.4	10
13.6	12.0	13.1	12.1	12.7	11.8	12.1	11.7	11.5	11.8	11.3	11.3	11.9	12.0	11.6	11.5	11.6	11.8	11.5	11.6	11
10.8	10.9	10.9	10.9	10.9	10.8	10.7	10.6	10.7	10.7	10.7	10.7	10.9	11.2	10.9	11.4	11.7	12.0	12.2	11.8	12
9.4	9.5	9.7	10.1	9.8	10.2	10.5	10.9	12.2	11.2	11.7	12.0	12.2	11.8	12.0	12.5	12.6	12.7	12.0	12.4	13
14.1	14.4	14.7	15.0	14.6	15.3	15.6	15.9	16.3	15.8	16.5	16.9	17.2	17.6	17.0	18.2	18.7	19.0	19.1	18.8	14
15.4	16.1	16.5	17.2	16.2	17.1	17.5	17.6	17.7	17.5	18.1	18.5	18.8	19.1	18.6	20.0	21.5	21.6	22.9	21.5	15
3.3	3.5	3.6	4.2	3.6	4.4	4.9	5.1	5.2	4.9	5.3	5.6	5.8	5.9	5.7	6.3	7.7	7.5	7.8	7.3	16
1.7	2.2	2.3	2.2	2.0	1.5	1.3	1.3	1.2	1.4	1.3	1.4	1.5	1.5	1.4	1.6	1.6	1.7	2.4	1.8	17
3.7	3.8	3.9	4.1	3.8	4.2	4.3	4.3	4.3	4.2	4.3	4.3	4.1	4.2	4.2	4.3	4.3	4.3	4.5	4.3	18
6.7	6.7	6.7	6.8	6.7	6.9	7.0	6.9	7.1	7.0	7.3	7.3	7.3	7.5	7.3	7.8	8.0	8.1	8.3	8.0	19
4.5	4.5	4.6	4.7	4.6	5.0	5.1	5.3	5.3	5.2	5.6	5.7	5.7	5.9	5.7	6.6	6.6	6.7	6.6	6.6	20
32.7	32.8	32.9	33.3	32.9	34.7	35.5	36.2	36.6	35.7	39.2	39.9	40.2	40.9	40.1	42.3	42.7	43.1	43.0	42.7	21
29.1	29.0	29.1	29.4	29.2	30.6	31.3	31.9	32.3	31.5	34.5	35.1	35.4	35.9	35.2	37.1	37.3	37.7	37.5	37.4	22
3.7	3.8	3.8	3.9	3.8	4.1	4.2	4.3	4.3	4.2	4.7	4.8	4.9	5.0	4.8	5.2	5.3	5.4	5.5	5.4	23
254.6	**254.8**	**256.8**	**260.9**	**256.9**	**263.8**	**272.0**	**277.7**	**283.0**	**274.4**	**283.1**	**288.8**	**292.1**	**297.2**	**290.5**	**300.0**	**305.7**	**308.7**	**306.8**	**305.1**	24
233.7	236.5	238.7	243.2	238.0	249.4	254.3	260.9	263.3	256.9	265.2	267.2	269.7	275.4	269.4	279.8	282.5	288.3	287.2	284.4	25
21.0	**18.3**	**18.0**	**17.7**	**18.9**	**14.4**	**17.8**	**16.8**	**19.8**	**17.5**	**17.9**	**21.6**	**22.4**	**21.7**	**21.1**	**20.3**	**23.2**	**20.4**	**19.6**	**20.7**	26
254.4	254.8	257.0	260.9	256.9	263.0	271.5	276.5	281.4	273.4	280.3	284.0	284.4	287.7	284.2	288.0	291.5	292.1	288.9	290.1	27

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Table II-3.—*Personal Income, Seasonally Adjusted Monthly Totals at Annual Rates, 1946–57* [1]

[Billions of dollars]

Year and month	Personal income	Wage and salary disbursements						Other labor income	Proprietors' income		Rental income of persons	Dividends	Personal interest income	Transfer payments	Less: Personal contributions for social insurance	Nonagricultural income
		All industries	Commodity-producing		Distributive	Service	Government		Business and professional	Farm						
			Total	Manufacturing only												
1946																
January	170.6	107.0	39.3	31.0	27.4	13.1	27.1	1.8	20.1	12.4	6.2	5.1	7.3	12.9	2.1	155.6
February	170.1	104.4	38.6	30.0	28.0	13.4	24.4	1.8	20.8	14.3	6.0	5.3	7.4	12.2	2.0	153.1
March	173.5	108.2	42.7	33.6	28.8	13.8	22.9	1.8	21.2	13.2	5.7	5.4	7.4	12.5	2.0	157.5
April	175.1	109.2	43.8	35.4	30.4	14.0	21.1	1.8	21.6	13.8	5.8	5.5	7.5	12.0	2.1	158.6
May	176.5	110.1	44.5	35.5	31.6	14.0	20.1	1.8	21.9	13.9	5.9	5.6	7.5	11.7	2.1	159.8
June	178.5	111.3	46.4	36.6	30.8	14.3	19.8	1.9	21.7	14.6	6.5	5.7	7.5	11.3	2.0	161.1
July	183.1	111.8	46.7	37.0	31.5	14.5	19.2	1.9	21.9	18.9	6.3	5.8	7.6	11.0	2.0	161.3
August	184.5	114.1	48.7	38.5	32.0	14.6	18.8	1.9	22.0	17.8	6.2	5.9	7.6	10.9	2.0	163.5
September	181.2	115.0	49.6	39.3	32.1	14.8	18.5	1.9	21.6	13.1	6.2	6.1	7.7	11.5	1.9	165.1
October	184.9	115.5	49.7	39.5	32.3	15.0	18.5	2.0	21.1	17.3	6.4	6.2	7.7	10.5	1.9	164.9
November	185.5	116.5	50.4	40.2	32.7	15.1	18.3	2.0	21.0	17.0	6.7	6.4	7.8	10.1	2.0	165.5
December	187.5	118.6	51.5	40.9	33.2	15.2	18.7	2.1	20.8	16.8	6.7	6.5	7.8	10.3	2.0	167.7
Total	**179.3**	**111.9**	**46.0**	**36.5**	**30.9**	**14.3**	**20.6**	**1.9**	**21.3**	**15.3**	**6.2**	**5.8**	**7.6**	**11.4**	**2.0**	**161.2**
1947																
January	188.9	119.3	52.4	40.9	33.5	15.3	18.1	2.1	20.4	17.2	6.6	6.7	7.9	10.9	2.1	168.3
February	188.8	119.5	52.7	41.2	33.8	15.4	17.7	2.1	20.0	17.7	6.5	6.6	7.9	10.6	2.2	167.8
March	188.1	120.0	53.0	41.6	33.9	15.4	17.7	2.2	19.9	16.5	6.3	6.5	8.0	10.8	2.2	168.4
April	184.8	119.4	52.9	41.8	33.4	15.7	17.4	2.2	19.9	14.2	6.2	6.4	8.1	10.8	2.3	167.6
May	185.1	120.9	53.5	42.0	34.1	15.9	17.4	2.3	19.7	13.4	6.1	6.3	8.1	10.4	2.1	168,7
June	188.0	122.6	53.8	42.1	35.2	16.2	17.4	2.3	19.7	14.0	6.4	6.3	8.2	10.6	2.1	170.8
July	188.3	121.7	53.4	41.8	35.4	16.3	16.6	2.4	19.6	14.6	6.3	6.3	8.2	11.3	2.1	170.7
August	189.2	123.1	54.2	42.1	35.5	16.2	17.1	2.4	19.5	14.6	6.4	6.4	8.3	10.6	2.1	171.3
September	204.0	124.6	55.3	43.1	36.2	16.2	16.8	2.4	19.8	16.4	6.6	6.5	8.4	21.3	2.0	184.4
October	196.3	125.9	55.8	43.6	36.5	16.4	17.3	2.5	19.9	16.2	6.7	6.7	8.4	12.1	2.1	177.1
November	196.9	127.6	56.8	44.3	37.0	16.4	17.4	2.5	20.2	15.4	6.9	6.8	8.5	10.9	1.9	178.3
December	200.1	129.0	58.0	45.2	37.2	16.5	17.3	2.6	20.7	16.4	7.1	6.9	8.5	11.1	2.1	180.4
Total	**191.6**	**122.8**	**54.3**	**42.5**	**35.2**	**16.0**	**17.3**	**2.3**	**19.9**	**15.5**	**6.5**	**6.5**	**8.2**	**11.8**	**2.1**	**172.8**
1948																
January	201.8	130.0	58.2	45.0	37.6	16.6	17.6	2.6	21.3	16.3	7.1	6.9	8.6	11.4	2.2	182.1
February	201.1	130.2	57.9	45.0	38.1	16.8	17.3	2.6	21.3	15.1	7.0	6.9	8.6	11.4	2.0	182.7
March	205.2	131.4	58.1	45.5	38.1	16.9	18.3	2.7	21.7	16.5	7.0	7.0	8.6	12.4	2.1	185.2
April	207.3	131.4	58.6	45.7	37.9	17.1	17.8	2.7	22.1	18.4	7.1	7.0	8.6	12.1	2.1	185.4
May	208.6	133.4	59.8	45.9	38.5	17.2	18.0	2.7	22.1	18.3	7.1	7.1	8.6	11.3	2.1	186.9
June	212.9	135.1	60.6	46.7	38.5	17.4	18.6	2.7	22.5	20.6	7.2	7.2	8.6	11.3	2.2	189.0
July	213.3	136.8	61.3	47.1	39.0	17.6	18.9	2.7	22.7	18.8	7.3	7.2	8.7	11.3	2.2	191.0
August	215.4	138.3	61.8	47.5	39.5	17.7	19.2	2.7	22.9	19.0	7.4	7.4	8.7	11.3	2.2	192.9
September	215.8	139.0	61.9	47.5	39.9	17.7	19.6	2.7	23.0	18.7	7.5	7.6	8.8	10.9	2.3	193.6
October	216.1	138.8	61.7	47.3	39.7	17.7	19.7	2.8	23.0	19.1	7.6	7.7	8.9	10.6	2.2	193.4
November	214.3	138.7	61.5	47.3	39.3	17.7	20.2	2.8	23.1	17.2	7.6	7.6	9.0	10.6	2.2	193.7
December	212.9	138.4	61.2	46.8	39.3	17.7	20.2	2.8	23.2	15.6	7.7	7.5	9.0	10.9	2.3	193.9
Total	**210.4**	**135.2**	**60.3**	**46.5**	**38.8**	**17.3**	**18.8**	**2.7**	**22.4**	**17.8**	**7.3**	**7.2**	**8.7**	**11.3**	**2.2**	**189.2**
1949																
January	209.4	137.3	60.1	46.2	39.4	17.7	20.1	2.8	22.6	13.4	7.8	7.5	9.1	11.3	2.3	192.6
February	208.8	136.1	59.3	45.8	39.1	17.6	20.1	2.8	22.7	13.3	7.9	7.4	9.2	11.7	2.3	192.2
March	209.5	134.4	57.6	45.0	39.0	17.7	20.1	2.9	22.8	14.3	8.0	7.4	9.2	12.9	2.3	191.9
April	210.0	135.6	57.9	44.4	39.7	17.8	20.2	2.9	23.0	13.4	8.0	7.3	9.3	12.5	2.2	193.2
May	209.2	135.4	57.6	44.0	39.6	18.0	20.2	3.0	22.9	13.0	8.1	7.3	9.3	12.4	2.2	192.8
June	207.5	134.0	56.5	43.6	39.1	17.9	20.4	3.0	22.9	12.4	8.2	7.4	9.4	12.5	2.3	191.8
July	205.3	133.2	56.1	43.2	38.7	17.9	20.5	3.0	22.6	10.9	8.3	7.4	9.5	12.5	2.1	191.1
August	207.4	133.1	56.1	43.1	38.6	17.8	20.6	3.1	22.7	12.7	8.4	7.3	9.5	12.7	2.2	191.4
September	208.9	133.4	56.1	43.7	38.7	17.9	20.7	3.1	22.8	13.7	8.5	7.2	9.6	12.8	2.2	191.9
October	205.0	131.8	54.2	42.0	38.5	18.1	21.0	3.2	22.5	12.2	8.6	7.1	9.7	12.2	2.2	189.5
November	207.8	132.9	55.1	41.7	38.5	18.2	21.1	3.2	22.5	13.2	8.7	7.2	9.7	12.6	2.2	191.4
December	211.0	134.9	56.6	43.6	39.0	18.3	21.0	3.2	21.9	12.6	8.7	8.9	9.8	13.0	2.2	195.1
Total	**208.3**	**134.4**	**56.9**	**43.9**	**39.0**	**17.9**	**20.5**	**3.0**	**22.7**	**12.9**	**8.3**	**7.5**	**9.4**	**12.4**	**2.2**	**192.1**
1950																
January	216.6	135.4	57.0	44.2	39.0	18.4	21.1	3.4	22.1	14.1	8.7	7.8	9 9	18.1	2.8	199.2
February	219.2	135.0	56.3	44.3	39.1	18.5	21.1	3.4	22.1	12.6	8.8	8.0	9.9	22.1	2.7	203.3
March	224.9	137.5	58.1	44.9	39.6	18.6	21.2	3.5	22.4	13.2	8.9	8.1	10.0	24.1	2.8	208.5
April	220.3	139.8	59.5	46.0	40.0	18.8	21.4	3.6	22.6	12.8	8.9	8.2	10.1	17.1	2.7	204.3
May	221.3	141.7	61.3	47.4	40.3	19.0	21.1	3.7	23.1	13.9	8.9	8.3	10.1	14.3	2.8	204.2
June	223.0	144.6	62.9	48.7	41.1	19.2	21.4	3.8	23.6	12.7	9.0	8.4	10.2	13.6	2.9	207.1
July	226.3	146.5	63.8	49.6	41.9	19.4	21.5	3.9	24.5	14.1	9.0	8.5	10.3	12.3	2.8	209.1
August	231.2	150.5	66.1	51.6	42.4	19.6	22.3	4.0	24.8	14.8	9.1	8.8	10.4	11.9	3.0	213.3
September	234.8	153.0	67.2	52.4	42.6	19.8	23.4	4.0	24.3	13.8	9.2	11.3	10.4	11.6	2.8	217.8
October	236.7	155.5	69.0	54.0	42.9	19.9	23.7	4.1	24.2	14.8	9.2	9.1	10.5	12.4	3.2	218.7
November	238.7	156.9	69.5	54.4	43.0	20.0	24.5	4.2	24.0	15.6	9.2	9.1	10.6	12.1	3.1	220.0
December	248.2	159.5	70.8	55.5	43.7	20.2	24.8	4.3	24.9	15.6	9.2	15.0	10.7	12.0	3.0	229.4
Total	**228.5**	**146.4**	**63.5**	**49.4**	**41.3**	**19.3**	**22.3**	**3.8**	**23.5**	**14.0**	**9.0**	**9.2**	**10.3**	**15.1**	**2.9**	**211.3**
1951																
January	246.0	161.9	71.5	55.8	44.3	20.4	25.7	4.4	26.0	15.6	9.3	9.0	10.8	12.5	3.5	227.0
February	248.3	164.4	72.6	56.7	44.9	20.5	26.4	4.5	26.0	15.5	9.3	8.9	10.9	12.2	3.3	229.5
March	250.1	166.6	73.6	57.5	45.2	20.7	27.0	4.6	25.8	15.7	9.3	8.7	10.9	12.2	3.6	231.2
April	253.3	168.6	74.8	58.4	45.6	20.7	27.5	4.6	25.7	16.5	9.3	8.6	11.0	12.3	3.3	233.5
May	255.3	169.4	74.9	58.3	45.5	20.9	28.1	4.7	25.9	17.0	9.3	8.7	11.1	12.7	3.6	235.0
June	257.1	172.1	75.5	58.9	46.9	20.9	28.8	4.8	25.9	15.5	9.3	8.9	11.2	12.8	3.4	238.3
July	256.6	171.3	75.3	58.5	45.9	21.1	28.9	4.8	25.8	15.7	9.4	8.9	11.3	12.7	3.4	237.4
August	259.7	172.1	75.2	58.3	46.2	21.2	29.4	4.9	26.2	17.2	9.5	9.0	11.4	12.8	3.3	239.0
September	259.7	173.0	75.5	58.7	46.4	21.3	29.8	4.9	26.0	16.4	9.5	9.1	11.5	12.6	3.3	240.0
October	263.4	174.5	75.5	58.6	46.4	21.4	31.1	5.0	26.3	17.7	9.6	9.1	11.6	13.1	3.5	242.2
November	264.3	176.4	76.1	59.2	46.9	21.6	31.8	5.1	26.2	17.0	9.7	9.1	11.6	12.7	3.5	243.8
December	265.1	177.6	77.5	60.4	47.1	21.8	31.2	5.1	26.1	16.3	9.7	9.6	11.7	12.3	3.4	245.5
Total	**256.7**	**170.7**	**74.9**	**58.3**	**46.0**	**21.1**	**28.8**	**4.8**	**26.0**	**16.3**	**9.4**	**9.0**	**11.2**	**12.6**	**3.4**	**237.0**

1. Footnotes to table II-1 are relevant to this table also.

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Table II–3.—*Personal Income, Seasonally Adjusted Monthly Totals at Annual Rates, 1946–57* [1]—Continued

[Billions of dollars]

Year and month	Personal income	Wage and salary disbursements						Other labor income	Proprietors' income		Rental income of persons	Dividends	Personal interest income	Transfer payments	Less: Personal contributions for social insurance	Nonagricultural income
		All industries	Commodity-producing		Distributive	Service	Government		Business and professional	Farm						
			Total	Manufacturing only												
1952																
January	263.7	178.8	77.8	60.5	47.4	21.9	31.7	5.1	26.3	14.0	9.8	9.0	11.7	12.8	3.9	246.2
February	267.2	180.6	78.9	61.2	47.5	22.1	32.1	5.1	26.7	15.3	9.9	9.0	11.8	12.5	3.7	248.4
March	267.3	181.3	79.0	61.6	47.9	22.2	32.2	5.2	26.3	14.9	9.9	9.0	11.8	12.7	3.8	249.1
April	267.7	180.8	78.6	61.4	47.6	22.3	32.3	5.2	26.6	15.2	10.0	8.9	11.9	12.8	3.7	249.1
May	269.8	181.8	78.7	61.4	48.0	22.4	32.7	5.2	26.9	15.3	10.1	8.9	11.9	13.2	3.6	251.1
June	271.5	182.8	78.2	61.2	48.5	22.6	33.5	5.3	27.0	16.3	10.1	9.0	12.0	12.8	3.7	251.8
July	270.5	180.5	75.6	58.6	48.9	22.7	33.2	5.3	26.8	17.3	10.2	9.0	12.1	13.0	3.8	249.7
August	276.9	186.1	80.4	62.7	49.4	22.8	33.5	5.4	26.6	17.2	10.3	9.0	12.2	13.9	3.7	256.3
September	279.4	188.7	83.1	65.0	49.3	23.0	33.3	5.5	27.0	16.9	10.3	9.0	12.3	13.7	3.8	259.0
October	280.5	190.2	83.9	66.1	49.8	23.1	33.5	5.5	27.5	15.7	10.4	9.0	12.4	13.5	3.8	261.4
November	279.6	192.1	85.1	67.1	50.2	23.1	33.6	5.5	27.2	13.0	10.4	9.1	12.5	13.5	3.8	263.4
December	281.6	193.4	86.5	68.3	50.2	23.3	33.4	5.5	27.8	13.0	10.4	8.8	12.6	13.9	3.9	265.2
Total	**273.1**	**184.9**	**80.5**	**63.0**	**48.7**	**22.6**	**32.9**	**5.3**	**26.9**	**15.3**	**10.2**	**9.0**	**12.1**	**13.2**	**3.8**	**254.3**
1953																
January	283.7	193.9	86.7	68.7	50.2	23.4	33.6	5.7	27.4	14.2	10.4	9.2	12.7	14.0	3.9	266.1
February	285.0	195.8	87.6	69.5	50.8	23.6	33.8	5.8	27.7	13.2	10.4	9.3	12.9	13.9	3.9	268.5
March	287.6	197.5	88.6	70.5	51.2	23.8	33.9	5.9	27.6	13.6	10.4	9.3	13.0	14.2	4.0	270.5
April	287.5	198.1	88.8	70.9	51.3	24.1	33.9	5.9	27.5	13.0	10.5	9.4	13.1	14.1	4.0	271.1
May	288.4	199.0	88.8	70.9	51.9	24.1	34.1	5.9	27.4	13.0	10.5	9.4	13.2	13.9	4.0	271.9
June	290.2	199.5	89.2	71.0	52.0	24.3	34.1	6.0	27.5	13.7	10.5	9.4	13.3	14.3	4.0	273.0
July	290.1	200.0	89.3	71.1	52.3	24.5	34.0	6.0	27.6	13.0	10.5	9.4	13.4	14.1	4.0	273.7
August	289.5	200.0	89.0	70.7	52.3	24.5	34.1	6.1	27.3	12.3	10.5	9.4	13.5	14.3	3.9	273.7
September	289.9	199.2	88.1	69.8	52.5	24.6	34.1	6.1	27.3	13.4	10.6	9.4	13.7	14.2	3.9	273.0
October	290.5	199.1	87.9	69.4	52.5	24.7	34.0	6.2	27.4	13.2	10.6	9.4	13.8	14.9	4.0	273.9
November	289.2	198.0	86.8	68.5	52.5	24.8	34.0	6.2	27.3	13.2	10.7	9.4	13.8	14.5	3.9	272.6
December	289.2	197.0	86.3	68.0	52.1	24.8	33.9	6.2	27.3	13.6	10.7	9.4	13.9	15.0	3.9	272.3
Total	**288.3**	**198.1**	**88.1**	**69.9**	**51.8**	**24.3**	**33.9**	**6.0**	**27.4**	**13.3**	**10.5**	**9.2**	**13.4**	**14.3**	**3.9**	**271.5**
1954																
January	287.3	195.6	84.9	67.1	52.1	24.7	33.9	6.1	26.9	14.0	10.7	9.4	14.0	15.0	4.5	270.0
February	287.9	195.7	85.0	66.8	51.9	24.8	33.9	6.1	27.2	13.7	10.8	9.4	14.1	15.3	4.5	270.7
March	286.9	194.9	84.3	66.3	51.8	24.9	33.9	6.1	27.2	13.0	10.8	9.4	14.2	15.8	4.6	270.5
April	287.0	195.1	83.8	65.9	52.1	25.2	34.0	6.1	27.6	12.0	10.9	9.4	14.3	16.1	4.5	271.5
May	287.4	195.4	83.9	65.9	52.2	25.1	34.2	6.1	27.4	11.9	10.9	9.5	14.4	16.2	4.5	272.0
June	288.3	195.6	83.9	65.8	52.0	25.3	34.4	6.1	27.8	12.2	10.9	9.6	14.5	16.2	4.5	272.7
July	288.3	195.0	82.8	64.9	52.4	25.4	34.4	6.2	27.8	12.2	10.9	9.7	14.6	16.5	4.6	272.8
August	289.4	195.3	82.6	64.7	52.4	25.6	34.7	6.2	27.8	13.1	10.9	9.7	14.7	16.3	4.6	273.0
September	291.4	196.0	82.9	65.0	52.5	25.8	34.8	6.3	27.9	13.9	10.9	9.7	14.8	16.6	4.6	274.1
October	291.5	197.0	83.6	65.6	52.6	26.0	34.8	6.3	28.0	12.0	10.9	9.7	14.9	17.3	4.7	276.2
November	294.5	199.0	85.2	67.1	52.7	26.3	34.8	6.4	28.4	12.3	10.9	9.9	15.0	17.2	4.6	278.9
December	296.7	200.2	85.8	67.5	53.1	26.4	34.9	6.5	29.1	11.9	10.9	10.7	15.1	17.0	4.7	281.4
Total	**289.8**	**196.3**	**84.1**	**66.1**	**52.3**	**25.5**	**34.4**	**6.2**	**27.8**	**12.7**	**10.9**	**9.8**	**14.6**	**16.2**	**4.6**	**273.8**
1955																
January	296.6	201.0	86.2	67.9	53.3	26.6	34.9	6.6	29.0	12.0	10.8	10.1	15.2	16.8	5.0	281.3
February	298.1	202.2	87.1	68.8	53.5	26.6	35.0	6.7	29.1	11.9	10.8	10.2	15.3	16.9	5.0	282.9
March	300.8	203.9	88.4	69.7	53.8	26.9	34.8	6.9	29.8	11.4	10.7	10.3	15.4	17.4	5.1	285.9
April	305.1	206.8	89.7	70.8	54.3	27.2	35.6	7.0	30.1	12.2	10.7	10.4	15.5	17.5	5.1	289.5
May	308.1	209.3	91.3	72.1	55.1	27.4	35.5	7.0	30.4	12.1	10.7	10.5	15.6	17.5	5.1	292.5
June	309.4	210.5	91.5	72.3	55.6	27.6	35.8	7.1	30.6	11.9	10.7	10.6	15.7	17.6	5.2	294.1
July	312.8	214.2	92.2	72.7	56.3	27.9	37.8	7.2	30.7	11.2	10.6	10.7	15.8	17.6	5.3	298.2
August	313.1	213.3	92.2	72.9	56.7	28.2	36.2	7.3	30.9	11.9	10.6	10.9	15.9	17.6	5.3	297.8
September	315.6	214.8	93.0	73.6	57.1	28.4	36.3	7.4	31.1	12.0	10.7	11.2	16.1	17.6	5.3	300.1
October	316.7	216.2	94.0	74.6	57.2	28.5	36.5	7.4	31.0	11.4	10.7	11.4	16.2	17.6	5.3	301.9
November	319.6	218.4	95.4	76.0	57.7	28.7	36.6	7.5	31.0	11.9	10.7	11.5	16.3	17.8	5.3	304.2
December	322.7	219.8	95.7	76.0	58.4	29.0	36.7	7.5	30.9	11.2	10.7	13.7	16.4	17.8	5.3	308.0
Total	**310.2**	**210.9**	**91.4**	**72.3**	**55.8**	**27.8**	**36.0**	**7.1**	**30.4**	**11.8**	**10.7**	**11.2**	**15.8**	**17.5**	**5.2**	**295.0**
1956																
January	321.0	220.3	95.6	75.7	58.7	29.3	36.8	7.6	30.8	11.3	10.7	11.6	16.4	18.0	5.6	306.3
February	322.2	221.0	95.6	75.3	58.8	29.5	37.1	7.6	30.6	11.7	10.7	11.7	16.5	18.0	5.6	307.1
March	323.8	222.8	96.2	75.8	59.4	29.8	37.4	7.6	30.8	10.9	10.7	11.8	16.5	18.3	5.6	309.4
April	327.4	225.7	98.2	77.2	59.9	30.0	37.6	7.7	30.7	11.1	10.7	11.9	16.8	18.4	5.6	312.7
May	328.6	225.8	98.1	76.9	59.9	30.1	37.7	7.8	31.0	11.5	10.7	12.0	16.9	18.6	5.7	313.5
June	330.2	227.5	98.6	77.2	60.5	30.4	38.0	7.8	30.9	11.1	10.8	12.1	17.0	18.6	5.7	315.5
July	329.3	225.9	96.8	75.9	60.3	30.6	38.2	7.9	30.7	11.7	10.8	12.2	17.1	18.6	5.7	314.1
August	333.2	228.6	98.9	77.7	60.5	30.8	38.4	8.0	31.0	12.2	10.9	12.3	17.2	18.9	5.8	317.5
September	334.5	230.2	99.9	78.6	60.8	30.8	38.6	8.1	30.6	12.0	11.0	12.2	17.3	18.9	5.7	319.0
October	337.4	231.3	101.1	79.9	60.4	31.1	38.7	8.1	30.8	13.1	11.1	12.3	17.5	19.1	5.8	320.8
November	337.9	232.5	101.4	80.3	61.0	31.3	38.9	8.3	30.9	11.9	11.2	12.3	17.6	19.1	5.9	322.5
December	338.9	235.0	102.9	81.4	61.5	31.6	39.0	8.4	31.0	11.2	11.3	10.9	17.8	19.2	5.9	324.1
Total	**330.5**	**227.3**	**98.7**	**77.7**	**60.1**	**30.5**	**38.0**	**7.9**	**30.8**	**11.6**	**10.9**	**12.0**	**17.0**	**18.6**	**5.7**	**315.4**
1957																
January	340.1	234.3	101.8	80.7	61.7	31.7	39.2	8.5	31.0	11.4	11.4	12.4	18.0	19.7	6.6	325.1
February	342.8	235.8	102.4	80.9	62.1	31.9	39.4	8.6	31.2	11.6	11.4	12.5	18.2	19.9	6.5	327.6
March	344.1	236.6	102.5	80.9	62.4	32.1	39.6	8.7	31.1	11.5	11.5	12.5	18.4	20.3	6.6	329.0
April	345.9	236.9	102.7	81.1	62.4	32.3	39.5	8.8	31.3	11.6	11.6	12.6	18.6	21.0	6.5	330.6
May	348.6	238.4	102.6	81.0	63.3	32.5	40.0	8.9	31.4	11.6	11.7	12.6	18.7	21.8	6.6	333.3
June	350.7	240.0	103.4	81.5	63.9	32.6	40.2	9.0	31.6	11.5	11.8	12.7	18.9	21.8	6.6	335.6
July	351.8	240.5	103.3	81.4	64.0	32.8	40.4	9.1	31.8	11.9	11.9	12.8	18.9	21.7	6.7	336.2
August	352.1	240.8	103.1	81.3	64.2	32.9	40.6	9.1	31.8	11.8	12.0	12.8	19.0	21.5	6.7	336.6
September	351.4	240.2	102.4	80.7	64.2	32.9	40.7	9.1	31.6	11.7	12.1	12.7	19.1	21.5	6.6	336.1
October	350.6	238.6	101.5	80.0	63.5	32.9	40.7	9.2	31.6	11.4	12.1	12.6	19.1	22.6	6.6	335.7
November	350.2	238.0	101.0	79.8	63.6	32.9	40.5	9.2	31.2	11.4	12.2	12.6	19.1	23.0	6.6	335.2
December	348.4	237.3	99.8	78.6	63.7	33.2	40.6	9.2	31.2	11.8	12.2	10.8	19.2	23.3	6.6	333.0
Total	**347.9**	**238.1**	**102.2**	**80.6**	**63.3**	**32.6**	**40.1**	**8.9**	**31.4**	**11.6**	**11.8**	**12.4**	**18.8**	**21.5**	**6.6**	**332.7**

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Table II–4.—*Personal Consumption Expenditures, by Type of Product, 1946–57**

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**I. Food[1] and tobacco**	**52,496**	**58,274**	**60,216**	**58,384**	**59,670**	**66,250**	**69,522**	**70,606**	**71,431**	**73,292**	**76,875**	**81,641**	1
2	1. Food purchased for off-premise consumption (n. d. c.)	33,332	38,677	40,312	39,198	40,351	44,610	46,935	47,834	49,145	50,591	53,308	57,092	2
3	2. Purchased meals and beverages[2] (n. d. c.)	11,709	11,939	11,996	11,686	11,749	12,936	13,419	13,722	13,766	14,371	15,062	15,589	3
4	3. Food furnished government (including military) and commercial employees (n. d. c.)	1,349	1,023	1,021	1,000	1,076	1,632	1,769	1,650	1,478	1,292	1,198	1,227	4
5	4. Food produced and consumed on farms (n. d. c.)	2,628	2,766	2,732	2,228	2,062	2,329	2,246	2,035	1,824	1,688	1,669	1,659	5
6	5. Tobacco products (n. d. c.)	3,478	3,869	4,155	4,272	4,432	4,743	5,153	5,365	5,218	5,350	5,638	6,074	6
7	**II. Clothing, accessories, and jewelry**	**22,215**	**22,952**	**24,356**	**23,451**	**23,795**	**25,539**	**26,449**	**26,668**	**26,749**	**28,430**	**29,719**	**29,985**	7
8	1. Shoes and other footwear (n. d. c.)	2,781	2,955	3,090	3,109	3,323	3,315	3,250	3,260	3,270	3,611	3,746	3,749	8
9	2. Shoe cleaning and repair (s.)	241	227	216	199	194	204	202	202	203	210	218	228	9
10	3. Clothing and accessories except footwear[3]	15,097	15,610	16,831	15,995	16,017	17,420	18,345	18,528	18,599	19,695	20,648	20,834	10
11	a. Women's and children's (n. d. c.)	9,728	9,963	10,916	10,205	10,014	10,857	11,622	11,925	11,977	12,477	12,892	13,173	11
12	b. Men's and boys' (n. d. c.)	5,369	5,647	5,915	5,790	6,003	6,563	6,723	6,603	6,622	7,218	7,756	7,661	12
13	4. Standard clothing issued to military personnel (n. d. c.).	364	229	191	212	272	414	256	161	79	52	61	59	13
14	5. Cleaning, dyeing, pressing, alteration, storage, and repair of garments including furs (in shops) not elsewhere classified (s.).	1,198	1,349	1,431	1,439	1,462	1,543	1,608	1,671	1,677	1,754	1,816	1,867	14
15	6. Laundering in establishments (s.)	715	796	835	835	838	841	848	859	858	865	876	885	15
16	7. Jewelry and watches (d. c.)	1,506	1,463	1,436	1,353	1,370	1,465	1,577	1,611	1,682	1,835	1,920	1,894	16
17	8. Other[4] (s.)	313	323	326	309	319	337	363	376	381	408	434	469	17
18	**III. Personal care**	**2,086**	**2,253**	**2,311**	**2,324**	**2,452**	**2,626**	**2,786**	**2,973**	**3,151**	**3,399**	**3,726**	**3,963**	18
19	1. Toilet articles and preparations (n. d. c.)	1,109	1,245	1,283	1,280	1,375	1,501	1,593	1,697	1,739	1,881	2,040	2,123	19
20	2. Barbershops, beauty parlors, and baths (s.)	977	1,008	1,028	1,044	1,077	1,125	1,193	1,276	1,412	1,518	1,686	1,840	20
21	**IV. Housing**	**13,800**	**15,567**	**17,588**	**19,295**	**21,198**	**23,247**	**25,382**	**27,485**	**29,108**	**30,738**	**32,767**	**35,367**	21
22	1. Owner-occupied nonfarm dwellings—space-rental value[5] (s.)	7,343	8,471	9,755	10,915	12,117	13,134	14,266	15,520	16,720	18,033	19,854	22,064	22
23	2. Tenant-occupied nonfarm dwellings (including lodging houses)—space rent[5] (s.).	4,750	5,113	5,723	6,370	6,978	7,800	8,611	9,373	9,803	10,018	10,146	10,395	23
24	3. Rental value of farmhouses (s.)	1,303	1,447	1,505	1,408	1,464	1,608	1,736	1,765	1,711	1,741	1,744	1,794	24
25	4. Other[6] (s.)	404	536	605	602	639	705	769	827	874	946	1,023	1,114	25
26	**V. Household operation**	**20,092**	**23,949**	**26,232**	**25,651**	**29,003**	**30,785**	**30,947**	**32,275**	**32,738**	**36,522**	**38,875**	**39,984**	26
27	1. Furniture, including mattresses and bedsprings (d. c.).	2,248	2,552	2,779	2,689	3,070	3,184	3,393	3,576	3,637	4,180	4,432	4,343	27
28	2. Kitchen and other household appliances[7] (d. c.)	1,811	3,179	3,468	3,127	3,940	3,873	3,815	3,985	4,033	4,694	4,885	4,762	28
29	3. China, glassware, tableware, and utensils (d. c.)	1,263	1,348	1,457	1,414	1,531	1,637	1,610	1,678	1,703	1,862	1,905	1,899	29
30	4. Other durable house furnishings[8] (d. c.)	2,194	2,453	2,712	2,605	2,990	3,270	2,934	2,862	2,653	3,045	3,332	3,340	30
31	5. Semidurable house furnishings[9] (n. d. c.)	2,039	2,135	2,354	2,332	2,647	2,824	2,615	2,550	2,390	2,573	2,655	2,650	31
32	6. Cleaning and polishing preparations, and miscellaneous household supplies and paper products (n. d. c.).	924	1,523	1,628	1,599	1,728	1,909	1,832	2,015	2,152	2,374	2,543	2,770	32
33	7. Stationery and writing supplies (n. d. c.)	426	440	469	496	515	564	616	674	698	764	819	862	33
34	8. Household utilities	4,941	5,682	6,428	6,299	6,990	7,524	7,874	8,285	8,870	9,624	10,263	10,819	34
35	a. Electricity (s.)	1,270	1,406	1,561	1,748	1,964	2,210	2,453	2,730	3,017	3,300	3,606	3,899	35
36	b. Gas (s.)	754	862	956	1,028	1,171	1,324	1,445	1,560	1,762	1,984	2,210	2,343	36
37	c. Water (s.)	433	464	490	512	554	594	660	724	764	857	912	970	37
38	d. Other fuel and ice (n. d. c.)	2,484	2,950	3,421	3,011	3,301	3,396	3,316	3,271	3,327	3,483	3,535	3,607	38
39	9. Telephone, telegraph, cable, and wireless (s.)	1,312	1,383	1,579	1,737	1,942	2,160	2,386	2,616	2,693	2,966	3,239	3,539	39
40	10. Domestic service (s.)	2,120	2,348	2,363	2,356	2,572	2,661	2,614	2,690	2,520	2,942	3,187	3,283	40
41	11. Other[10] (s.)	814	906	995	997	1,078	1,179	1,258	1,344	1,389	1,498	1,615	1,717	41
42	**VI. Medical care and death expenses**	**6,893**	**7,685**	**8,674**	**9,003**	**9,711**	**10,485**	**11,252**	**12,200**	**13,049**	**14,014**	**15,293**	**16,399**	42
43	1. Drug preparations and sundries (n. d. c.)	1,271	1,313	1,466	1,555	1,719	1,979	2,058	2,137	2,163	2,473	2,869	3,098	43
44	2. Ophthalmic products and orthopedic appliances (d. c.).	396	400	431	454	486	546	580	604	595	685	814	873	44
45	3. Physicians (s.)	1,720	2,020	2,327	2,338	2,427	2,519	2,657	2,840	3,109	3,189	3,470	3,693	45
46	4. Dentists (s.)	772	784	900	920	961	997	1,098	1,234	1,406	1,508	1,625	1,705	46
47	5. Other professional services[11] (s.)	338	390	445	455	482	510	544	586	634	653	697	734	47
48	6. Privately controlled hospitals and sanitariums[12] (s.)	1,163	1,397	1,621	1,772	2,037	2,248	2,486	2,729	2,962	3,229	3,518	3,884	48
49	7. Medical care and hospitalization insurance[13] (s.)	444	513	559	557	629	641	749	942	1,056	1,090	1,055	1,064	49
50	8. Funeral and burial expenses (s.)	789	868	925	952	970	1,045	1,080	1,128	1,124	1,187	1,245	1,348	50
51	**VII. Personal business**	**4,993**	**5,707**	**6,560**	**7,015**	**8,005**	**8,927**	**9,586**	**10,783**	**11,663**	**12,993**	**14,520**	**15,736**	51
52	1. Brokerage charges and interest, and investment counseling (s.).	320	244	290	247	446	408	343	342	574	676	625	602	52
53	2. Bank service charges, trust services, and safe-deposit box rental (s.).	234	260	292	313	339	364	383	414	467	510	578	644	53
54	3. Services furnished without payment by financial intermediaries except insurance companies (s.).	1,499	1,532	1,768	1,877	2,008	2,184	2,472	2,794	2,947	3,240	3,666	3,863	54
55	4. Expense of handling life insurance[14] (s.)	1,292	1,549	1,623	1,668	1,816	2,197	2,271	2,379	2,515	2,775	3,145	3,565	55
56	5. Legal services (s.)	609	668	763	832	868	934	964	1,007	1,088	1,174	1,201	1,278	56
57	6. Interest on personal debt (s.)	618	904	1,232	1,498	1,923	2,154	2,488	3,144	3,346	3,867	4,497	4,901	57
58	7. Other[15] (s.)	421	550	592	580	605	686	665	703	726	751	808	883	58
59	**VIII. Transportation**	**12,066**	**15,390**	**17,794**	**20,864**	**24,654**	**24,526**	**25,165**	**29,619**	**29,328**	**35,341**	**33,776**	**36,345**	59
60	1. User-operated transportation	9,004	12,316	14,601	17,777	21,651	21,353	21,906	26,331	26,177	32,179	30,559	33,054	60
61	a. New cars and net purchases of used cars (d. c.)	2,436	4,587	5,724	8,077	10,729	9,444	8,872	11,822	11,347	15,800	13,260	14,575	61
62	b. Tires, tubes, accessories, and parts (d. c.)	1,492	1,674	1,669	1,684	2,223	2,106	2,161	2,205	2,027	2,454	2,368	2,528	62
63	c. Automobile repair, greasing, washing, parking, storage, and rental (s.).	1,717	1,975	2,205	2,364	2,497	2,833	2,991	3,339	3,418	3,651	3,861	4,108	63
64	d. Gasoline and oil (n. d. c.)	3,034	3,630	4,435	5,003	5,375	6,040	6,705	7,547	8,007	8,770	9,558	10,220	64
65	e. Bridge, tunnel, ferry, and road tolls (s.)	65	69	76	85	94	107	132	144	153	162	186	214	65
66	f. Automobile insurance premiums less claims paid (s.).	260	381	492	564	733	823	1,045	1,274	1,225	1,342	1,326	1,409	66
67	2. Purchased local transportation	1,951	2,007	2,098	2,063	2,041	2,068	2,089	2,106	2,031	2,008	1,987	1,990	67
68	a. Street and electric railway and local bus (s.)	1,334	1,326	1,402	1,401	1,359	1,359	1,367	1,367	1,313	1,273	1,261	1,240	68
69	b. Taxicab (s.)	554	614	620	583	604	627	634	647	623	636	621	638	69
70	c. Railway (commutation) (s.)	63	67	76	79	78	82	88	92	95	99	105	112	70
71	3. Purchased intercity transportation	1,111	1,067	1,095	1,024	962	1,105	1,170	1,182	1,120	1,154	1,230	1,301	71
72	a. Railway (excluding commutation) and sleeping and parlor car (s.).	627	589	602	515	443	496	511	484	427	407	416	404	72
73	b. Intercity bus (s.)	341	321	323	324	313	340	338	318	269	256	264	279	73
74	c. Airline (s.)	106	120	134	151	176	241	295	352	398	465	525	593	74
75	d. Other[16] (s.)	37	37	36	34	30	28	26	28	26	26	25	25	75

Footnotes for this table follow table II-6 on pages 152 and 153.

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Table II–4.—*Personal Consumption Expenditures, by Type of Product, 1946–57**—Continued

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
76	**IX. Recreation**	**8,621**	**9,352**	**9,808**	**10,122**	**11,278**	**11,704**	**12,257**	**12,892**	**13,256**	**14,220**	**15,161**	**15,908**	76
77	1. Books and maps (d. c.)	594	536	588	630	677	778	790	831	806	888	1,006	1,026	77
78	2. Magazines, newspapers, and sheet music (n. d. c.)	1,099	1,243	1,374	1,454	1,495	1,573	1,689	1,776	1,825	1,917	1,954	2,170	78
79	3. Nondurable toys and sport supplies [17] (n. d. c.)	843	910	1,079	1,172	1,396	1,663	1,709	1,694	1,624	1,842	2,008	2,048	79
80	4. Wheel goods, durable toys, sport equipment, boats, and pleasure aircraft [17] (d. c.)	809	972	980	847	878	904	994	1,093	1,174	1,397	1,575	1,698	80
81	5. Radio and television receivers, records, and musical instruments (d. c.)	1,143	1,429	1,479	1,704	2,457	2,264	2,373	2,608	2,741	2,792	2,872	2,988	81
82	6. Radio and television repair (s.)	115	140	174	201	281	350	389	428	475	522	585	652	82
83	7. Flowers, seeds, and potted plants (n. d. c.)	447	475	483	504	524	582	634	675	687	721	770	824	83
84	8. Admissions to specified spectator amusements	2,066	2,004	1,918	1,868	1,775	1,708	1,646	1,594	1,660	1,700	1,741	1,658	84
85	a. Motion picture theaters (s.)	1,692	1,594	1,503	1,445	1,367	1,299	1,233	1,172	1,210	1,217	1,225	1,116	85
86	b. Legitimate theaters and opera, and entertainments of nonprofit institutions (except athletics) (s.)	174	188	182	183	185	188	192	200	225	251	276	296	86
87	c. Spectator sports [18] (s.)	200	222	233	240	223	221	221	222	225	232	240	246	87
88	9. Clubs and fraternal organizations except insurance [19] (s.)	359	399	438	458	467	483	506	525	549	582	627	671	88
89	10. Commercial participant amusements [20] (s.)	379	415	436	440	463	490	510	545	565	615	668	725	89
90	11. Pari-mutuel net receipts (s.)	241	255	256	246	237	253	323	367	362	375	408	431	90
91	12. Other [21] (s.)	526	574	603	598	628	656	694	756	788	869	947	1,017	91
92	**X. Private education and research**	**1,162**	**1,411**	**1,553**	**1,683**	**1,801**	**1,951**	**2,109**	**2,244**	**2,389**	**2,597**	**2,848**	**3,047**	92
93	1. Higher education [22] (s.)	501	649	713	784	817	868	925	967	1,022	1,077	1,170	1,232	93
94	2. Elementary and secondary schools [22] (s.)	350	420	458	483	531	585	650	710	774	863	951	1,026	94
95	3. Other [23] (s.)	311	342	382	416	453	498	534	567	593	657	727	789	95
96	**XI. Religious and welfare activities [24] (s.)**	**1,915**	**2,032**	**2,227**	**2,235**	**2,364**	**2,483**	**2,696**	**2,778**	**2,988**	**3,106**	**3,441**	**3,607**	96
97	**XII. Foreign travel and remittances—net**	**770**	**837**	**994**	**1,131**	**1,082**	**1,282**	**1,623**	**2,126**	**2,175**	**2,288**	**2,399**	**2,460**	97
98	1. Foreign travel by United States residents (s.)	450	597	727	850	920	924	1,044	1,174	1,263	1,456	1,625	1,734	98
99	2. Expenditures abroad by United States Government personnel (military and civilian) (n. d. c.)	388	450	417	501	444	705	960	1,370	1,337	1,314	1,301	1,316	99
100	3. Personal cash remittances to foreign countries less personal cash remittances to the United States by foreigners (s.)	234	169	220	193	176	172	179	200	205	219	225	243	100
101	4. Less: expenditures in the United States by foreigners (s.)	302	379	370	413	458	519	560	618	630	701	752	833	101
102	**Total personal consumption expenditures**	**147,109**	**165,409**	**178,313**	**181,158**	**195,013**	**209,805**	**219,774**	**232,649**	**238,025**	**256,940**	**269,400**	**284,442**	102
103	**Durable commodities (d. c.)**	**15,892**	**20,593**	**22,723**	**24,584**	**30,351**	**29,471**	**29,099**	**32,875**	**32,398**	**39,632**	**38,369**	**39,926**	103
104	**Nondurable commodities (n. d. c.)**	**84,802**	**93,382**	**98,737**	**96,607**	**99,801**	**110,135**	**115,100**	**117,961**	**119,328**	**124,762**	**131,382**	**137,971**	104
105	**Services (s.)**	**46,415**	**51,434**	**56,853**	**59,967**	**64,861**	**70,199**	**75,575**	**81,813**	**86,299**	**92,546**	**99,649**	**106,545**	105

Footnotes for this table follow table II–6 on pages 152 and 153.

Table II–5.—*Personal Consumption Expenditures by Major Type, in Constant Dollars, 1946–57* [1]

[Billions of 1954 dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Total personal consumption expenditures**	**192.3**	**195.6**	**199.3**	**204.3**	**216.8**	**218.5**	**224.2**	**235.1**	**238.0**	**256.0**	**263.7**	**270.3**	1
2	**Durable goods, total**	**19.4**	**23.3**	**24.6**	**26.3**	**32.1**	**29.2**	**28.5**	**33.1**	**32.4**	**39.6**	**37.9**	**38.1**	2
3	Automobiles and parts [2]	5.0	7.4	8.2	10.4	13.8	11.6	10.6	13.8	13.4	17.9	14.9	15.5	3
4	Other	14.3	15.9	16.4	15.9	18.3	17.5	17.9	19.3	19.0	21.7	23.0	22.6	4
5	**Nondurable goods, total**	**107.6**	**105.3**	**105.1**	**106.3**	**109.2**	**111.2**	**115.0**	**118.3**	**119.3**	**125.4**	**130.2**	**132.7**	5
6	Food and beverages [3]	63.0	61.1	60.0	60.3	61.1	61.9	63.4	65.3	66.2	69.0	71.7	73.7	6
7	Clothing and shoes [4]	21.2	20.2	20.4	20.4	20.9	20.8	21.8	22.0	21.9	23.3	23.9	23.7	7
8	Gasoline and oil	4.3	4.6	5.0	5.6	6.0	6.6	7.1	7.7	8.0	8.7	9.2	9.4	8
9	Other	19.1	19.3	19.7	20.0	21.2	22.0	22.6	23.2	23.2	24.4	25.4	25.8	9
10	**Services, total**	**65.3**	**67.0**	**69.6**	**71.7**	**75.5**	**78.2**	**80.8**	**83.7**	**86.3**	**91.0**	**95.6**	**99.4**	10
11	Housing	19.0	20.6	21.9	23.3	24.8	26.1	27.3	28.3	29.1	30.3	31.8	33.7	11
12	Household operation [5]	8.1	8.7	9.1	9.4	10.2	10.9	11.2	11.7	12.1	13.5	14.6	15.3	12
13	Transportation [5]	7.8	7.7	7.7	7.5	7.5	7.9	8.1	8.2	7.9	8.2	8.3	8.4	13
14	Other	30.4	30.0	30.9	31.5	33.0	33.3	34.1	35.5	37.1	39.0	40.9	42.0	14

1. Implicit price deflators are shown in table VII–13.
2. Consists of items VIII–1–a and VIII–1–b in table II–4.
3. Consists of items I–1, I–2, I–3, and I–4 in table II–4.
4. Consists of items II–1, II–3, and II–4 in table II–4.
5. Consists of service items included in this category in table II–4.

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Table II–6.—*Personal Consumption Expenditures by Major Type, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47*[1]

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Goods and services, total**	137.3	143.0	152.7	155.4	147.1	159.4	163.9	167.2	171.2	165.4
2	**Durable goods, total**	12.7	14.9	17.4	18.6	15.9	19.1	20.3	20.8	22.1	20.6
3	Automobiles and parts	2.3	3.3	4.6	5.6	3.9	5.6	6.4	6.2	6.8	6.3
4	Furniture and household equipment [2]	7.3	8.3	9.4	9.7	8.7	10.1	10.6	11.2	11.9	11.0
5	Other	3.2	3.3	3.5	3.3	3.3	3.4	3.4	3.4	3.4	3.4
6	**Nondurable goods, total**	80.8	82.6	87.7	88.1	84.8	90.7	93.0	94.2	95.7	93.4
7	Food and beverages	46.3	47.2	50.7	51.8	49.0	53.1	54.4	55.0	55.2	54.4
8	Clothing and shoes	18.0	18.0	19.0	18.0	18.2	18.4	18.5	18.9	19.4	18.8
9	Gasoline and oil	2.7	3.0	3.1	3.3	3.0	3.4	3.6	3.7	3.9	3.6
10	Other	13.7	14.5	14.9	14.9	14.5	15.9	16.5	16.6	17.2	16.6
11	**Services, total**	43.9	45.5	47.5	48.7	46.4	49.6	50.6	52.2	53.4	51.4
12	Housing	13.2	13.6	14.0	14.4	13.8	14.7	15.1	15.8	16.6	15.6
13	Household operation	6.6	6.5	6.7	6.9	6.7	7.1	7.3	7.5	7.6	7.4
14	Transportation	4.7	5.0	5.3	5.4	5.1	5.4	5.5	5.5	5.5	5.5
15	Other	19.3	20.4	21.5	22.0	20.8	22.3	22.7	23.3	23.7	23.0

1. Footnotes to table II–5 are relevant to this table also.
2. Consists of items V–1, V–2, V–3, V–4, and IX–5 in table II–4.

Table II–6.—*Personal Consumption Expenditures by Major Type, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53*[1]

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Goods and services, total**	214.6	217.7	219.6	227.2	219.8	230.9	233.3	234.1	232.3	232.6
2	**Durable goods, total**	27.7	29.1	27.5	32.1	29.1	33.2	33.4	33.6	31.2	32.9
3	Automobiles and parts	10.1	11.4	9.3	13.4	11.0	14.4	14.5	14.6	12.6	14.0
4	Furniture and household equipment [2]	13.8	13.9	14.2	14.6	14.1	14.6	14.8	14.8	14.6	14.7
5	Other	3.8	3.9	4.0	4.2	3.9	4.2	4.2	4.2	4.0	4.1
6	**Nondurable goods, total**	113.3	113.9	115.9	117.2	115.1	118.1	118.6	117.8	117.4	118.0
7	Food and beverages	63.4	64.2	64.7	65.1	64.4	65.3	65.4	65.1	65.2	65.2
8	Clothing and shoes	21.7	21.2	22.1	22.4	21.9	22.5	22.3	21.6	21.3	21.9
9	Gasoline and oil	6.5	6.6	6.8	6.9	6.7	7.1	7.4	7.8	7.9	7.5
10	Other	21.8	21.9	22.3	22.8	22.2	23.2	23.5	23.3	23.0	23.2
11	**Services, total**	73.6	74.7	76.2	77.9	75.6	79.6	81.2	82.8	83.7	81.8
12	Housing	24.7	25.1	25.6	26.2	25.4	26.7	27.2	27.8	28.3	27.5
13	Household operation	10.5	10.7	10.9	11.1	10.8	11.4	11.7	11.9	11.8	11.7
14	Transportation	7.3	7.3	7.5	7.6	7.4	7.9	8.1	8.1	8.1	8.0
15	Other	31.1	31.6	32.2	33.0	32.0	33.7	34.3	35.0	35.5	34.6

1. Footnotes to table II–5 are relevant to this table also.
2. Consists of items V–1, V–2, V–3 V–4, and IX–5 in table II–4.

Footnotes to table II–4.

*Consumer durable commodities are designated (d. c.), nondurable commodities (n. d. c.), and services (s.) following group titles.

1. Expenditures for food (items 1–4) include consumer expenditures for alcoholic beverages of the following amounts in millions of dollars: 1946, $8,360; 1947, $8,620; 1948, $7,900; 1949, $7,680; 1950, $7,790; 1951, $8,060; 1952, $8,530; 1953, $8,610; 1954, $8,500; 1955, $8,700; 1956, $8,990; and 1957, $9,140. Expenditures for food (items 1–4) excluding alcoholic beverages are as follows in millions of dollars: 1946, $40,658; 1947, $45,785; 1948, $48,161; 1949, $46, 432; 1950, $47,448; 1951, $53,447; 1952, $55,839; 1953, $56,631; 1954, $57,713; 1955, $59,242; 1956, $62,247; and 1957, $66,427.
2. Comprises purchases of meals and beverages from retail, service, and amusement establishments, hotels, dining and buffet cars, schools, school fraternities, institutions, clubs, and industrial lunchrooms, and also tips.
3. Includes luggage.
4. Comprises watch, clock, and jewelry repairs, dressmakers and seamstresses not in shops, costume and dress suit rental, and miscellaneous personal services related to clothing.
5. Space rent covers heating and plumbing facilities, water heaters, lighting fixtures, kitchen cabinets, linoleum, storm windows and doors, window screens, screen doors, and window blinds or shades, but excludes other furnishings, equipment, and related services—furniture, stoves and ranges, refrigerators, repairs of furniture and appliances, fuel, electricity, etc.
6. Comprises transient hotels, tourist cabins, clubs, schools, and institutions.
7. Includes refrigerators and freezers, cooking ranges, dish washers, laundry equipment, heating stoves, air conditioners, sewing machines, vacuum cleaners, and other small electric appliances.
8. The principal house furnishings included are floor coverings, comforters, quilts, blankets, pillows, picture frames, mirrors, art products, portable lamps, and clocks. Also includes writing equipment and hand, power, and garden tools.
9. Consists mainly of textile house furnishings (except those specified in group V–4) including piece goods allocated to house furnishings use. Among other products covered are lamp shades, brooms, and brushes.
10. Comprises maintenance services for appliances and house furnishings, moving and warehouse expenses, postage and express charges, premiums for fire and theft insurance on personal property less claims paid, and miscellaneous household operation services.
11. Comprises services of osteopathic physicians, chiropractors, chiropodists and podiatrists, private duty trained nurses, and miscellaneous curative and healing professions.
12. Comprises current expenditures (including depreciation) of nonprofit hospitals and sanitariums and payments by patients to proprietary hospitals, sanitariums, and nursing homes.
13. Premiums less claims: accident and health insurance, mutual accident and sick benefit associations, and group hospitalization associations. Also covers administrative and medical expenses of group health associations and student fees for medical care.

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Table II–6.—*Personal Consumption Expenditures by Major Type, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51* [1]

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
174.7	**177.5**	**180.2**	**180.8**	**178.3**	**179.0**	**181.1**	**180.5**	**184.0**	**181.2**	**185.7**	**189.9**	**204.4**	**200.1**	**195.0**	**211.5**	**205.5**	**208.8**	**213.4**	**209.8**	1
21.6	**22.6**	**23.6**	**23.1**	**22.7**	**22.4**	**24.5**	**25.1**	**26.3**	**24.6**	**26.8**	**27.9**	**35.5**	**31.2**	**30.4**	**33.0**	**28.0**	**28.5**	**28.4**	**29.5**	2
6.9	7.1	7.7	7.9	7.4	8.2	10.1	10.3	10.4	9.8	11.0	12.2	14.9	13.8	13.0	13.4	11.1	11.1	10.6	11.6	3
11.3	12.1	12.5	11.7	11.9	10.9	11.1	11.5	12.7	11.5	12.6	12.4	17.0	14.0	14.0	15.9	13.3	13.7	14.0	14.2	4
3.4	3.4	3.5	3.4	3.4	3.3	3.3	3.2	3.2	3.3	3.3	3.3	3.6	3.5	3.4	3.7	3.6	3.7	3.8	3.7	5
98.1	**98.7**	**99.0**	**99.2**	**98.7**	**97.8**	**97.1**	**95.3**	**96.3**	**96.6**	**96.2**	**97.7**	**103.3**	**102.0**	**99.8**	**110.2**	**108.1**	**109.5**	**112.7**	**110.1**	6
56.5	56.4	55.7	55.6	56.1	54.8	54.4	53.6	53.7	54.1	53.6	54.3	56.8	56.3	55.2	61.2	60.9	61.5	62.3	61.5	7
19.5	20.0	20.3	20.7	20.1	20.2	19.6	18.5	19.0	19.3	18.9	19.1	20.3	20.1	19.6	21.9	20.5	20.6	21.6	21.1	8
4.2	4.4	4.5	4.6	4.4	4.7	5.0	5.1	5.2	5.0	5.2	5.4	5.5	5.5	5.4	5.8	5.9	6.1	6.3	6.0	9
17.8	17.9	18.5	18.3	18.1	18.1	18.1	18.0	18.5	18.2	18.6	19.0	20.6	20.1	19.6	21.3	20.8	21.3	22.4	21.4	10
55.0	**56.2**	**57.6**	**58.5**	**56.9**	**58.8**	**59.5**	**60.1**	**61.5**	**60.0**	**62.6**	**64.3**	**65.7**	**66.9**	**64.9**	**68.3**	**69.4**	**70.8**	**72.3**	**70.2**	11
17.0	17.3	17.8	18.2	17.6	18.6	19.1	19.5	20.0	19.3	20.5	21.0	21.4	21.9	21.2	22.4	22.9	23.5	24.2	23.2	12
7.9	7.9	8.0	8.0	7.9	8.3	8.3	8.2	8.7	8.4	9.0	9.2	9.3	9.6	9.3	9.9	10.0	10.2	10.4	10.1	13
5.7	5.8	6.1	6.2	6.0	6.1	6.2	6.1	6.1	6.1	6.1	6.3	6.4	6.5	6.3	6.7	6.9	7.0	7.1	6.9	14
24.5	25.2	25.7	26.0	25.4	25.8	26.0	26.3	26.6	26.2	27.0	27.9	28.5	28.8	28.1	29.2	29.6	30.1	30.6	29.9	15

Table II–6.—*Personal Consumption Expenditures by Major Type, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57* [1]

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
233.7	**236.5**	**238.7**	**243.2**	**238.0**	**249.4**	**254.3**	**260.9**	**263.3**	**256.9**	**265.2**	**267.2**	**269.7**	**275.4**	**269.4**	**279.8**	**282.5**	**288.3**	**287.2**	**284.4**	1
31.2	**32.2**	**32.3**	**33.9**	**32.4**	**38.2**	**39.1**	**41.4**	**39.8**	**39.6**	**38.7**	**37.8**	**37.5**	**39.5**	**38.4**	**40.2**	**39.5**	**40.4**	**39.6**	**39.9**	2
12.4	13.2	13.3	14.5	13.4	17.8	18.1	19.7	17.4	18.3	16.0	15.1	15.0	16.5	15.6	17.3	16.7	17.3	17.1	17.1	3
14.7	14.8	14.6	15.0	14.8	16.0	16.2	16.9	17.2	16.6	17.4	17.5	17.1	17.7	17.4	17.5	17.3	17.5	17.0	17.3	4
4.1	4.2	4.4	4.4	4.3	4.4	4.8	4.9	5.1	4.8	5.3	5.3	5.3	5.4	5.3	5.4	5.4	5.6	5.5	5.5	5
117.9	**118.8**	**119.6**	**121.0**	**119.3**	**121.2**	**123.7**	**126.1**	**128.1**	**124.8**	**129.6**	**130.9**	**131.6**	**133.4**	**131.4**	**135.5**	**137.1**	**140.5**	**138.8**	**138.0**	6
65.4	65.8	66.5	67.2	66.2	66.2	67.5	68.7	69.4	67.9	70.3	70.9	71.3	72.5	71.2	73.6	75.3	77.1	76.2	75.6	7
21.8	21.8	21.7	22.4	21.9	22.7	23.2	23.6	23.9	23.4	24.1	24.3	24.6	24.8	24.5	24.8	24.3	25.1	24.4	24.6	8
7.9	7.9	8.0	8.2	8.0	8.4	8.7	8.9	9.1	8.8	9.2	9.5	9.6	9.9	9.6	10.2	10.2	10.3	10.2	10.2	9
22.8	23.2	23.4	23.3	23.2	23.9	24.3	24.9	25.7	24.7	26.0	26.2	26.1	26.2	26.1	26.9	27.3	28.0	28.0	27.5	10
84.6	**85.5**	**86.9**	**88.3**	**86.3**	**90.0**	**91.6**	**93.4**	**95.3**	**92.5**	**96.9**	**98.6**	**100.6**	**102.5**	**99.6**	**104.1**	**105.9**	**107.4**	**108.7**	**106.5**	11
28.6	28.9	29.2	29.7	29.1	30.1	30.5	31.0	31.4	30.7	31.8	32.3	33.1	33.8	32.8	34.4	35.1	35.7	36.3	35.4	12
11.9	12.0	12.2	12.5	12.1	13.0	13.2	13.7	14.2	13.5	14.4	14.7	14.9	15.1	14.8	15.3	15.6	15.8	16.2	15.8	13
8.0	7.9	7.9	8.0	7.9	8.2	8.3	8.4	8.4	8.3	8.5	8.6	8.5	8.7	8.6	8.9	9.0	9.2	9.0	9.0	14
36.0	36.7	37.6	38.1	37.1	38.7	39.5	40.3	41.2	39.9	42.1	43.0	44.1	44.9	43.5	45.5	46.2	46.7	47.2	46.4	15

Footnotes to table II–4—Continued.

14. Comprises total operating expenses of life insurance companies and fraternal and assessment associations, excluding payments to policyholders and expenses allocated to accident and health insurance.

15. Comprises total payments to labor unions minus cash benefits, employment agency fees, employees' payments to professional associations, miners' expenditures (for explosives, lamps, and smithing), money order fees, classified advertisements, net purchases from pawnbrokers and miscellaneous second-hand stores, and other personal business services.

16. Comprises baggage charges and coastal and inland waterway and ferry foot passenger fares.

17. Groups IX–3 and IX–4 include games, toys, sporting, athletic, and photographic goods, and related products. These commodities are divided roughly between the two groups on the basis of durability.

18. Comprises professional baseball, football, and hockey, horse and dog race tracks, college football, and other amateur spectator sports.

19. Comprises gross receipts less cash benefits of fraternal, patriotic, and women's organizations except insurance; and dues and fees of athletic, social, and luncheon clubs, and school fraternities.

20. Comprises billiard parlors, bowling alleys, dancing, riding, shooting, skating, and swimming places, amusement devices and parks, daily fee golf course greens fees, golf instruction, club rental, and caddy fees, sightseeing buses and guides, and private flying operations.

21. Comprises photo developing and printing, photographic studios, collectors' net acquisitions of stamps and coins, hunting dog purchase and training, sports guide service, veterinary service, purchase of pets, camp fees, nonvending coin machine receipts minus payoff, and other commercial amusements.

22. The estimates represent current expenditures (including depreciation) net of receipts accounted for separately in consumer expenditures, such as receipts from meals, rooms, and entertainments.

23. Comprises fees paid to commercial, business, trade, and correspondence schools; fees for musical, dancing, and other instruction except athletics; and current expenditures (including depreciation) of foundations for education and research.

24. Comprises religious bodies, social welfare and foreign relief agencies, political organizations, museums and libraries, and foundations (except foundation expenditures for education and research). The estimates represent current expenditures (including depreciation but excluding relief payments within the United States), and are net of receipts accounted for separately in consumer expenditures, such as receipts from meals, rooms, and entertainments.

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Table II–7.—*Personal Consumption Expenditures by Major Type, Quarterly, 1946–47*[1]

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Goods and services, total**	**32.3**	**35.5**	**37.1**	**42.3**	**147.1**	**37.6**	**40.6**	**40.7**	**46.6**	**165.4**
2	**Durable goods, total**	**2.7**	**3.7**	**4.1**	**5.4**	**15.9**	**4.2**	**5.1**	**4.9**	**6.4**	**20.6**
3	Automobiles and parts	.5	.8	1.2	1.4	3.9	1.4	1.6	1.6	1.7	6.3
4	Furniture and household equipment	1.6	2.1	2.2	2.8	8.7	2.2	2.7	2.7	3.4	11.0
5	Other	.6	.8	.7	1.2	3.3	.6	.8	.7	1.3	3.4
6	**Nondurable goods, total**	**18.6**	**20.3**	**21.2**	**24.7**	**84.8**	**20.9**	**22.7**	**22.8**	**26.9**	**93.4**
7	Food and beverages	10.9	11.6	12.9	13.5	49.0	12.5	13.4	14.0	14.5	54.4
8	Clothing and shoes	3.8	4.6	4.1	5.7	18.2	4.0	4.6	4.0	6.2	18.8
9	Gasoline and oil	.6	.8	.8	.8	3.0	.7	.9	1.0	.9	3.6
10	Other	3.3	3.3	3.3	4.6	14.5	3.7	3.8	3.7	5.3	16.6
11	**Services, total**	**11.0**	**11.5**	**11.8**	**12.1**	**46.4**	**12.4**	**12.8**	**13.0**	**13.3**	**51.4**
12	Housing	3.3	3.4	3.5	3.6	13.8	3.7	3.8	4.0	4.1	15.6
13	Household operation	1.7	1.6	1.6	1.7	6.7	1.9	1.8	1.8	1.9	7.4
14	Transportation	1.1	1.3	1.4	1.3	5.1	1.3	1.4	1.5	1.4	5.5
15	Other	4.9	5.2	5.3	5.5	20.8	5.6	5.8	5.7	5.9	23.0

1. Footnotes to tables II–5 and II–6 are relevant to this table also.

Table II–7.—*Personal Consumption Expenditures by Major Type, Quarterly, 1952–53*[1]

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Goods and services, total**	**50.7**	**54.1**	**53.4**	**61.5**	**219.8**	**54.7**	**58.1**	**57.2**	**62.6**	**232.6**
2	**Durable goods, total**	**6.1**	**7.4**	**6.6**	**9.0**	**29.1**	**7.4**	**8.6**	**8.2**	**8.8**	**32.9**
3	Automobiles and parts	2.4	3.2	2.4	3.1	11.0	3.4	4.0	3.7	2.9	14.0
4	Furniture and household equipment	3.0	3.3	3.4	4.3	14.1	3.2	3.6	3.6	4.3	14.7
5	Other	.7	.9	.8	1.6	3.9	.8	1.0	.9	1.5	4.1
6	**Nondurable goods, total**	**26.1**	**27.9**	**27.9**	**33.1**	**115.1**	**27.3**	**29.0**	**28.5**	**33.1**	**118.0**
7	Food and beverages	15.0	16.0	16.5	16.9	64.4	15.5	16.2	16.6	16.9	65.2
8	Clothing and shoes	4.4	5.3	4.8	7.4	21.9	4.7	5.5	4.7	7.1	21.9
9	Gasoline and oil	1.4	1.8	1.8	1.7	6.7	1.6	2.0	2.1	1.9	7.5
10	Other	5.2	4.9	4.9	7.1	22.2	5.5	5.3	5.1	7.2	23.2
11	**Services, total**	**18.6**	**18.8**	**18.8**	**19.4**	**75.6**	**20.0**	**20.5**	**20.5**	**20.8**	**81.8**
12	Housing	6.2	6.3	6.4	6.5	25.4	6.7	6.8	6.9	7.1	27.5
13	Household operation	2.9	2.7	2.5	2.8	10.8	3.1	2.9	2.7	2.9	11.7
14	Transportation	1.7	1.9	2.0	1.9	7.4	1.9	2.1	2.1	2.0	8.0
15	Other	7.8	8.0	7.9	8.2	32.0	8.4	8.7	8.8	8.7	34.6

1. Footnotes to tables II–5 and II–6 are relevant to this table also.

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Table II–7.—*Personal Consumption Expenditures by Major Type, Quarterly, 1948–51* [1]

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
41.4	**43.9**	**44.0**	**49.1**	**178.3**	**42.0**	**45.2**	**44.2**	**49.8**	**181.2**	**43.8**	**47.2**	**50.0**	**54.0**	**195.0**	**50.1**	**51.0**	**50.9**	**57.7**	**209.8**	1
4.8	**5.7**	**5.7**	**6.6**	**22.7**	**4.9**	**6.2**	**6.2**	**7.4**	**24.6**	**5.9**	**7.1**	**8.8**	**8.6**	**30.4**	**7.3**	**7.2**	**6.9**	**8.0**	**29.5**	2
1.7	1.8	2.0	2.0	7.4	1.9	2.6	2.8	2.5	9.8	2.6	3.1	4.0	3.3	13.0	3.2	3.1	2.8	2.5	11.6	3
2.5	3.1	3.0	3.4	11.9	2.4	2.8	2.7	3.6	11.5	2.7	3.2	4.1	4.0	14.0	3.5	3.3	3.3	4.1	14.2	4
.6	.8	.7	1.3	3.4	.6	.8	.7	1.2	3.3	.6	.8	.7	1.3	3.4	.7	.8	.8	1.4	3.7	5
22.8	**24.0**	**24.0**	**27.9**	**98.7**	**22.4**	**24.0**	**23.1**	**27.1**	**96.6**	**22.1**	**24.0**	**25.0**	**28.7**	**99.8**	**25.5**	**26.4**	**26.5**	**31.7**	**110.1**	6
13.3	14.0	14.2	14.6	56.1	12.9	13.5	13.6	14.1	54.1	12.6	13.4	14.4	14.8	55.2	14.4	15.1	15.6	16.3	61.5	7
4.3	4.8	4.4	6.6	20.1	4.1	5.0	4.0	6.1	19.3	3.9	4.8	4.4	6.5	19.6	4.8	5.0	4.4	7.0	21.1	8
.9	1.2	1.2	1.1	4.4	1.0	1.3	1.4	1.3	5.0	1.1	1.4	1.5	1.3	5.4	1.3	1.6	1.6	1.5	6.0	9
4.2	4.1	4.2	5.6	18.1	4.3	4.1	4.1	5.6	18.2	4.4	4.3	4.7	6.2	19.6	5.0	4.7	4.8	6.8	21.4	10
13.8	**14.2**	**14.3**	**14.6**	**56.9**	**14.8**	**15.0**	**14.9**	**15.3**	**60.0**	**15.7**	**16.2**	**16.3**	**16.7**	**64.9**	**17.2**	**17.5**	**17.5**	**18.0**	**70.2**	11
4.2	4.3	4.4	4.6	17.6	4.7	4.8	4.9	5.0	19.3	5.1	5.2	5.4	5.5	21.2	5.6	5.7	5.9	6.0	23.2	12
2.1	2.0	1.9	2.0	7.9	2.2	2.1	2.0	2.2	8.4	2.4	2.3	2.2	2.4	9.3	2.7	2.5	2.4	2.6	10.1	13
1.3	1.5	1.6	1.5	6.0	1.4	1.6	1.6	1.5	6.1	1.4	1.6	1.7	1.6	6.3	1.6	1.8	1.8	1.8	6.9	14
6.2	6.4	6.4	6.5	25.4	6.5	6.6	6.5	6.6	26.2	6.8	7.1	7.0	7.2	28.1	7.3	7.5	7.4	7.6	29.9	15

Table II–7.—*Personal Consumption Expenditures by Major Type, Quarterly, 1954–57* [1]

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
55.4	**59.0**	**58.1**	**65.5**	**238.0**	**59.2**	**63.3**	**63.6**	**70.9**	**256.9**	**63.1**	**66.0**	**66.0**	**74.3**	**269.4**	**66.3**	**70.2**	**70.6**	**77.3**	**284.4**	1
7.1	**8.2**	**7.6**	**9.5**	**32.4**	**8.7**	**10.0**	**9.8**	**11.1**	**39.6**	**8.8**	**9.6**	**8.9**	**11.1**	**38.4**	**9.2**	**10.0**	**9.6**	**11.1**	**39.9**	2
3.1	3.8	3.2	3.3	13.4	4.4	5.1	4.7	4.1	18.3	4.0	4.2	3.6	3.9	15.6	4.3	4.6	4.2	4.0	17.1	3
3.3	3.5	3.6	4.4	14.8	3.5	3.9	4.1	5.0	16.6	3.8	4.2	4.2	5.2	17.4	3.9	4.2	4.3	5.0	17.3	4
.7	1.0	.9	1.7	4.3	.8	1.1	1.0	2.0	4.8	1.0	1.2	1.1	2.1	5.3	1.0	1.2	1.2	2.1	5.5	5
27.0	**29.3**	**28.9**	**34.1**	**119.3**	**27.8**	**30.3**	**30.5**	**36.2**	**124.8**	**29.9**	**31.7**	**31.9**	**37.8**	**131.4**	**31.0**	**33.6**	**34.1**	**39.3**	**138.0**	6
15.5	16.3	17.0	17.4	66.2	15.6	16.8	17.6	18.0	67.9	16.6	17.5	18.3	18.8	71.2	17.4	18.6	19.7	19.8	75.6	7
4.3	5.6	4.7	7.4	21.9	4.6	5.8	5.0	8.0	23.4	5.0	5.8	5.3	8.3	24.5	4.8	6.2	5.5	8.2	24.6	8
1.8	2.1	2.1	2.0	8.0	1.9	2.3	2.4	2.2	8.8	2.1	2.5	2.5	2.4	9.6	2.3	2.7	2.7	2.5	10.2	9
5.4	5.3	5.1	7.3	23.2	5.7	5.4	5.5	8.1	24.7	6.2	5.9	5.8	8.3	26.1	6.4	6.1	6.2	8.8	27.5	10
21.3	**21.5**	**21.5**	**21.9**	**86.3**	**22.6**	**23.0**	**23.4**	**23.6**	**92.5**	**24.4**	**24.7**	**25.2**	**25.4**	**99.6**	**26.2**	**26.6**	**26.8**	**26.9**	**106.5**	11
7.2	7.2	7.3	7.4	29.1	7.5	7.6	7.7	7.9	30.7	8.0	8.1	8.3	8.5	32.8	8.6	8.8	8.9	9.1	35.4	12
3.3	2.9	2.8	3.1	12.1	3.6	3.3	3.1	3.6	13.5	4.0	3.6	3.4	3.7	14.8	4.2	3.8	3.6	4.0	15.8	13
1.9	2.0	2.0	2.0	7.9	1.9	2.1	2.2	2.1	8.3	2.0	2.2	2.2	2.2	8.6	2.1	2.3	2.4	2.2	9.0	14
9.0	9.3	9.4	9.4	37.1	9.6	10.0	10.3	10.1	39.9	10.4	10.8	11.3	11.0	43.5	11.3	11.6	11.9	11.6	46.4	15

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Table II–8.—*Personal Income, by States and Regions, 1929–40*

[Millions of dollars]

Line	State and region	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Continental United States**	**85,661**	**76,780**	**65,597**	**50,022**	**47,122**	**53,482**	**60,104**	**68,363**	**73,803**	**68,433**	**72,753**	**78,522**
2	**New England**	**7,125**	**6,588**	**5,881**	**4,699**	**4,413**	**4,836**	**5,152**	**5,799**	**6,015**	**5,530**	**5,940**	**6,398**
3	Maine	479	460	396	309	307	342	358	420	425	396	417	444
4	New Hampshire	322	302	263	204	200	229	238	258	272	259	274	285
5	Vermont	225	205	168	129	121	132	146	165	170	161	172	184
6	Massachusetts	3,862	3,588	3,259	2,650	2,442	2,652	2,804	3,127	3,204	2,954	3,162	3,385
7	Rhode Island	596	540	485	390	379	402	433	484	502	465	500	534
8	Connecticut	1,641	1,493	1,310	1,017	964	1,079	1,173	1,345	1,442	1,295	1,415	1,566
9	**Mideast**	**27,465**	**25,580**	**22,146**	**17,236**	**16,019**	**17,726**	**18,992**	**21,654**	**22,730**	**21,188**	**22,347**	**23,949**
10	New York	14,105	13,186	11,379	8,849	8,322	9,070	9,669	10,914	11,339	10,708	11,152	11,713
11	New Jersey	3,714	3,495	3,071	2,440	2,172	2,364	2,565	2,910	3,068	2,869	3,100	3,433
12	Pennsylvania	7,531	6,904	5,846	4,406	4,122	4,721	5,049	5,850	6,207	5,593	5,933	6,417
13	Delaware	240	203	186	144	140	157	174	215	236	201	241	270
14	Maryland	1,260	1,176	1,060	858	787	891	943	1,076	1,164	1,118	1,186	1,309
15	District of Columbia	615	616	604	539	476	523	592	689	716	699	735	807
16	**Great Lakes**	**20,235**	**17,328**	**14,431**	**10,501**	**9,737**	**11,544**	**13,378**	**15,394**	**17,109**	**15,060**	**16,428**	**17,818**
17	Michigan	3,803	3,186	2,593	1,882	1,668	2,167	2,554	3,014	3,389	2,891	3,215	3,610
18	Ohio	5,178	4,472	3,804	2,716	2,631	3,087	3,523	4,060	4,432	3,863	4,265	4,606
19	Indiana	1,973	1,681	1,431	1,022	982	1,184	1,397	1,608	1,838	1,605	1,767	1,898
20	Illinois	7,280	6,235	5,187	3,780	3,434	3,945	4,484	5,112	5,743	5,116	5,566	5,964
21	Wisconsin	2,001	1,754	1,416	1,101	1,022	1,161	1,420	1,600	1,707	1,585	1,615	1,740
22	**Plains**	**7,584**	**6,802**	**5,633**	**4,252**	**3,781**	**4,156**	**5,468**	**5,588**	**6,415**	**5,926**	**6,165**	**6,515**
23	Minnesota	1,539	1,423	1,198	961	832	964	1,214	1,285	1,469	1,359	1,432	1,467
24	Iowa	1,419	1,255	988	735	633	673	1,052	971	1,270	1,136	1,183	1,272
25	Missouri	2,275	2,073	1,838	1,379	1,276	1,394	1,602	1,778	1,928	1,809	1,914	1,982
26	North Dakota	253	208	124	119	98	119	178	152	209	180	202	224
27	South Dakota	288	248	166	130	89	122	202	160	209	205	219	230
28	Nebraska	811	713	568	424	382	352	552	529	548	533	521	578
29	Kansas	999	882	751	504	471	532	668	713	782	704	694	762
30	**Southeast**	**9,990**	**8,558**	**7,503**	**5,655**	**5,777**	**6,835**	**7,559**	**8,708**	**9,450**	**8,861**	**9,525**	**10,387**
31	Virginia	1,054	933	899	691	696	780	870	985	1,081	1,022	1,127	1,267
32	West Virginia	794	712	623	450	456	551	604	703	754	678	723	777
33	Kentucky	1,020	853	766	563	554	624	720	803	930	819	855	914
34	Tennessee	982	850	732	534	560	667	728	836	918	841	886	995
35	North Carolina	1,046	929	789	603	678	809	894	986	1,088	1,018	1,111	1,171
36	South Carolina	470	421	358	275	305	360	399	451	482	456	511	584
37	Georgia	1,015	897	750	584	602	712	789	895	946	897	967	1,060
38	Florida	753	683	589	478	440	537	592	726	813	801	892	982
39	Alabama	856	705	589	427	440	550	584	679	723	677	704	801
40	Mississippi	570	407	346	252	266	339	361	461	459	426	444	474
41	Louisiana	866	753	676	514	493	573	638	731	786	790	834	861
42	Arkansas	564	415	386	284	287	333	380	452	470	436	471	501
43	**Southwest**	**4,254**	**3,648**	**3,069**	**2,303**	**2,276**	**2,573**	**2,961**	**3,360**	**3,810**	**3,684**	**3,820**	**4,090**
44	Oklahoma	1,077	884	718	516	530	590	699	749	861	797	805	867
45	Texas	2,752	2,399	2,044	1,561	1,524	1,720	1,950	2,247	2,548	2,498	2,600	2,776
46	New Mexico	171	142	125	92	94	112	136	163	178	171	184	199
47	Arizona	254	223	182	134	128	151	176	201	223	218	231	248
48	**Rocky Mountain**	**1,614**	**1,485**	**1,179**	**932**	**888**	**1,031**	**1,248**	**1,453**	**1,466**	**1,441**	**1,494**	**1,598**
49	Montana	312	271	207	182	162	197	260	264	284	284	294	318
50	Idaho	225	222	168	124	106	179	189	228	212	216	226	242
51	Wyoming	151	132	109	86	84	94	116	130	146	136	145	152
52	Colorado	642	603	501	380	380	397	477	586	586	564	578	617
53	Utah	284	257	194	160	156	164	206	245	238	241	251	269
54	**Far West**	**7,394**	**6,791**	**5,755**	**4,444**	**4,231**	**4,781**	**5,346**	**6,407**	**6,808**	**6,743**	**7,034**	**7,767**
55	Washington	1,166	1,043	851	638	601	707	797	939	1,008	995	1,058	1,152
56	Oregon	647	593	496	373	355	432	464	568	591	580	629	677
57	Nevada	79	76	61	52	48	52	65	83	77	80	90	99
58	California	5,502	5,079	4,347	3,381	3,227	3,590	4,020	4,817	5,132	5,088	5,257	5,839
59	*Territory of Hawaii*											*218*	*246*

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Table II–8.—*Personal Income, by States and Regions, 1941–57*

[Millions of dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
95,953	**122,417**	**148,409**	**160,118**	**164,549**	**175,701**	**189,077**	**207,414**	**205,452**	**225,473**	**252,960**	**269,050**	**283,140**	**285,339**	**306,598**	**327,947**	**345,272**	1
7,754	**9,522**	**10,892**	**11,274**	**11,372**	**12,286**	**13,026**	**13,949**	**13,829**	**15,180**	**16,809**	**17,725**	**18,697**	**18,857**	**20,200**	**21,581**	**22,687**	2
533	712	876	878	856	933	982	1,079	1,061	1,087	1,187	1,297	1,298	1,312	1,452	1,526	1,568	3
347	409	446	482	513	567	615	660	663	699	779	817	862	894	952	1,007	1,065	4
219	261	293	293	319	362	389	420	414	448	502	522	542	543	567	603	626	5
3,970	4,711	5,392	5,671	5,823	6,342	6,581	7,072	7,066	7,799	8,505	8,855	9,333	9,403	10,056	10,764	11,361	6
685	882	1,028	1,067	1,067	1,066	1,126	1,191	1,173	1,287	1,410	1,471	1,545	1,515	1,617	1,692	1,715	7
2,000	2,547	2,857	2,883	2,794	3,016	3,333	3,527	3,452	3,860	4,426	4,763	5,117	5,190	5,556	5,989	6,352	8
27,850	**33,172**	**38,906**	**42,113**	**43,472**	**47,066**	**50,093**	**54,271**	**54,505**	**59,448**	**65,140**	**68,782**	**72,612**	**73,231**	**78,014**	**83,485**	**87,901**	9
13,209	15,206	17,752	19,483	20,599	22,712	23,997	26,060	26,144	28,054	30,163	31,681	33,265	34,189	36,508	38,876	40,954	10
4,085	5,048	6,024	6,520	6,558	6,886	7,268	7,876	7,930	8,699	9,968	10,708	11,411	11,622	12,351	13,273	14,089	11
7,646	9,154	10,678	11,470	11,641	12,576	13,756	14,876	14,771	16,477	18,038	18,922	20,145	19,572	20,706	22,170	23,327	12
315	356	404	424	431	460	500	550	599	689	754	812	876	906	1,049	1,189	1,200	13
1,674	2,254	2,709	2,870	2,829	2,924	3,046	3,309	3,384	3,755	4,323	4,716	5,028	5,084	5,453	5,948	6,242	14
921	1,154	1,339	1,346	1,414	1,508	1,526	1,600	1,677	1,774	1,894	1,943	1,887	1,858	1,947	2,029	2,089	15
22,084	**27,227**	**32,748**	**34,901**	**35,511**	**38,332**	**42,488**	**47,505**	**45,924**	**50,744**	**57,557**	**60,768**	**65,761**	**64,894**	**70,208**	**74,646**	**77,559**	16
4,522	5,812	7,269	7,570	7,215	7,743	8,832	9,579	9,522	10,803	12,103	12,902	14,516	14,127	15,785	16,361	16,706	17
5,765	7,166	8,641	9,160	9,326	9,853	10,880	12,227	11,736	12,891	14,892	15,908	17,316	17,241	18,589	19,814	20,748	18
2,526	3,209	3,899	4,116	4,271	4,419	4,925	5,581	5,398	6,006	6,951	7,285	8,012	7,623	8,251	8,768	9,110	19
7,153	8,367	9,772	10,743	11,188	12,487	13,647	15,472	14,654	15,984	17,777	18,579	19,669	19,751	20,968	22,611	23,579	20
2,118	2,673	3,167	3,312	3,511	3,830	4,204	4,646	4,614	5,060	5,834	6,094	6,248	6,152	6,615	7,092	7,416	21
7,934	**10,566**	**12,352**	**13,014**	**13,780**	**15,341**	**16,726**	**19,239**	**17,896**	**19,854**	**21,733**	**22,859**	**23,168**	**24,084**	**24,683**	**25,983**	**27,913**	22
1,678	2,119	2,404	2,519	2,788	3,213	3,511	4,028	3,810	4,184	4,624	4,796	5,049	5,154	5,450	5,760	6,145	23
1,511	2,014	2,321	2,258	2,460	2,978	2,986	3,934	3,403	3,799	4,072	4,272	4,110	4,489	4,260	4,519	5,056	24
2,463	3,097	3,553	3,814	3,984	4,459	4,695	5,321	5,219	5,705	6,306	6,660	7,000	7,055	7,579	7,996	8,256	25
321	381	506	535	549	596	836	802	678	781	804	755	771	783	872	903	924	26
288	443	479	534	600	637	739	888	690	793	932	815	881	910	861	906	1,075	27
697	1,010	1,226	1,302	1,407	1,446	1,574	1,851	1,699	1,949	2,045	2,179	2,106	2,259	2,203	2,289	2,640	28
976	1,502	1,863	2,052	1,992	2,012	2,385	2,415	2,397	2,643	2,950	3,382	3,251	3,434	3,458	3,610	3,817	29
13,493	**18,456**	**22,856**	**25,478**	**26,380**	**26,965**	**28,416**	**31,233**	**30,943**	**34,193**	**38,900**	**41,528**	**43,153**	**43,148**	**47,154**	**50,510**	**53,088**	30
1,729	2,590	2,945	3,269	3,375	3,336	3,278	3,565	3,626	4,024	4,737	5,130	5,220	5,256	5,603	6,061	6,302	31
933	1,123	1,285	1,404	1,519	1,683	1,936	2,176	2,050	2,203	2,439	2,540	2,547	2,414	2,586	2,860	3,071	32
1,118	1,498	1,854	1,986	2,067	2,235	2,383	2,719	2,624	2,834	3,318	3,524	3,644	3,627	3,782	4,014	4,172	33
1,290	1,640	2,108	2,464	2,592	2,634	2,776	3,006	2,992	3,288	3,633	3,796	4,050	4,056	4,347	4,607	4,791	34
1,533	2,063	2,515	2,779	2,892	3,198	3,372	3,620	3,596	4,108	4,613	4,768	4,885	5,023	5,535	5,872	5,924	35
769	1,089	1,262	1,412	1,428	1,484	1,554	1,755	1,700	1,869	2,284	2,468	2,543	2,414	2,604	2,694	2,796	36
1,350	1,836	2,354	2,638	2,724	2,744	2,890	3,088	3,098	3,510	4,046	4,337	4,460	4,414	4,918	5,237	5,407	37
1,211	1,685	2,459	2,770	2,895	2,813	2,903	3,053	3,210	3,632	4,077	4,543	5,041	5,312	6,088	6,820	7,522	38
1,089	1,520	1,880	2,058	2,161	2,162	2,337	2,542	2,429	2,659	3,030	3,223	3,344	3,258	3,708	3,914	4,171	39
684	970	1,191	1,329	1,304	1,254	1,395	1,564	1,391	1,590	1,740	1,862	1,889	1,836	2,065	2,076	2,093	40
1,123	1,508	2,008	2,179	2,153	2,106	2,272	2,601	2,789	2,937	3,248	3,540	3,721	3,756	3,985	4,377	4,804	41
664	934	995	1,190	1,270	1,316	1,320	1,544	1,438	1,539	1,735	1,797	1,809	1,782	1,933	1,978	2,035	42
4,988	**7,007**	**9,226**	**10,160**	**10,272**	**10,578**	**11,822**	**12,919**	**13,816**	**14,666**	**16,794**	**18,172**	**18,670**	**19,136**	**20,513**	**21,932**	**23,438**	43
982	1,390	1,706	1,940	1,958	2,000	2,166	2,359	2,432	2,514	2,806	3,060	3,161	3,162	3,341	3,532	3,687	44
3,459	4,822	6,464	7,123	7,169	7,400	8,332	9,054	9,778	10,375	11,826	12,712	13,013	13,391	14,380	15,326	16,364	45
238	319	404	457	491	509	575	649	717	798	935	1,005	1,055	1,088	1,159	1,245	1,399	46
309	476	652	640	654	669	749	857	889	979	1,227	1,395	1,441	1,495	1,633	1,829	1,988	47
1,941	**2,665**	**3,222**	**3,247**	**3,405**	**3,718**	**4,209**	**4,545**	**4,552**	**5,010**	**5,770**	**6,091**	**6,158**	**6,174**	**6,670**	**7,222**	**7,731**	48
388	467	545	550	568	657	772	865	791	957	1,050	1,066	1,093	1,071	1,158	1,222	1,263	49
298	435	501	555	546	595	653	706	706	757	849	916	883	880	917	1,010	1,043	50
195	235	281	295	302	339	381	418	440	474	552	543	547	537	570	609	644	51
728	1,010	1,185	1,195	1,317	1,429	1,654	1,760	1,794	1,930	2,284	2,468	2,492	2,543	2,783	3,045	3,339	52
332	518	710	652	672	698	749	796	821	892	1,035	1,098	1,143	1,143	1,242	1,336	1,442	53
9,909	**13,802**	**18,207**	**19,931**	**20,357**	**21,415**	**22,297**	**23,753**	**23,987**	**26,378**	**30,257**	**33,125**	**34,921**	**35,815**	**39,156**	**42,588**	**44,955**	54
1,562	2,291	2,979	3,282	3,190	3,208	3,331	3,609	3,641	3,986	4,414	4,694	4,883	4,956	5,211	5,476	5,792	55
897	1,286	1,720	1,767	1,740	1,874	2,071	2,261	2,235	2,451	2,748	2,914	2,934	2,919	3,139	3,352	3,385	56
119	215	227	229	233	249	258	273	276	314	369	428	462	508	582	603	647	57
7,331	10,010	13,281	14,653	15,194	16,084	16,637	17,610	17,835	19,627	22,726	25,089	26,642	27,432	30,224	33,157	35,131	58
341	*612*	*778*	*1,028*	*1,009*	*719*	*721*	*725*	*685*	*689*	*796*	*864*	*889*	*893*	*952*	*1,024*	*1,098*	59

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Table II–9.—*Per Capita Personal Income, by States and Regions, 1929–40*

[Dollars]

Line	State and region	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Continental United States**	**703**	**624**	**529**	**401**	**375**	**423**	**472**	**534**	**573**	**527**	**556**	**595**
2	**New England**	**876**	**806**	**718**	**572**	**535**	**583**	**616**	**691**	**715**	**656**	**704**	**757**
3	Maine	601	575	491	379	374	413	428	500	505	**470**	**493**	523
4	New Hampshire	690	648	560	430	419	477	495	536	565	**534**	**559**	579
5	Vermont	627	569	468	360	339	370	409	462	478	452	**480**	507
6	Massachusetts	913	844	767	622	570	616	646	718	735	677	727	784
7	Rhode Island	871	787	712	576	561	596	639	706	723	670	713	743
8	Connecticut	1,029	926	805	621	587	654	704	804	859	769	**834**	917
9	**Mideast**	**973**	**890**	**762**	**588**	**543**	**598**	**637**	**723**	**757**	**701**	**738**	**790**
10	New York	1,159	1,043	886	681	634	684	723	810	839	792	825	870
11	New Jersey	931	859	745	592	529	578	628	713	750	700	751	822
12	Pennsylvania	775	716	602	451	421	482	517	599	634	562	599	648
13	Delaware	1,017	849	769	588	565	628	690	850	929	782	916	1,004
14	Maryland	777	719	640	511	**465**	521	545	617	664	633	661	712
15	District of Columbia	1,273	1,262	1,198	1,051	900	921	974	1,095	1,162	1,096	1,117	1,170
16	**Great Lakes**	**803**	**684**	**568**	**411**	**380**	**449**	**518**	**593**	**656**	**574**	**621**	**667**
17	Michigan	793	659	540	394	**349**	452	528	616	682	572	624	679
18	Ohio	781	671	568	404	**390**	457	519	597	651	565	619	665
19	Indiana	612	519	439	311	**297**	357	419	480	545	**474**	519	553
20	Illinois	957	816	675	489	**442**	508	575	652	731	650	705	754
21	Wisconsin	682	595	474	364	336	380	463	519	553	512	517	554
22	**Plains**	**572**	**510**	**419**	**315**	**279**	**306**	**401**	**411**	**474**	**439**	**456**	**483**
23	Minnesota	598	552	458	363	311	358	447	470	535	494	517	526
24	Iowa	577	507	398	295	254	268	417	387	508	455	469	501
25	Missouri	628	569	495	368	338	368	422	468	508	478	506	524
26	North Dakota	375	305	182	176	145	177	266	229	319	278	314	350
27	South Dakota	417	358	239	188	129	179	300	240	319	316	340	359
28	Nebraska	590	517	410	306	276	255	401	390	409	402	395	439
29	Kansas	535	468	399	268	251	285	357	381	421	382	380	426
30	**Southeast**	**368**	**313**	**273**	**204**	**207**	**242**	**266**	**304**	**327**	**302**	**319**	**343**
31	Virginia	435	384	368	282	283	314	**345**	386	417	387	422	466
32	West Virginia	462	411	358	258	260	311	**337**	389	416	371	387	407
33	Kentucky	391	325	289	210	205	229	**262**	290	334	292	303	320
34	Tennessee	377	325	275	197	204	240	**260**	300	328	298	308	339
35	North Carolina	334	293	248	187	207	245	**269**	295	321	296	316	328
36	South Carolina	270	241	204	157	174	205	**226**	253	267	249	273	307
37	Georgia	350	308	256	199	204	240	**267**	301	311	290	310	340
38	Florida	521	464	395	314	284	339	**367**	440	476	452	486	513
39	Alabama	324	266	222	161	165	205	215	248	262	243	250	282
40	Mississippi	285	203	174	126	131	165	175	222	220	200	205	218
41	Louisiana	415	358	318	239	226	260	286	325	348	346	357	363
42	Arkansas	305	223	209	155	155	177	201	239	247	226	242	256
43	**Southwest**	**474**	**401**	**334**	**250**	**245**	**276**	**314**	**354**	**399**	**384**	**394**	**418**
44	Oklahoma	454	368	299	216	222	247	293	317	369	343	345	373
45	Texas	478	411	346	262	253	284	318	363	408	396	409	432
46	New Mexico	407	333	287	209	209	243	286	333	354	333	352	375
47	Arizona	591	514	424	315	300	353	406	454	492	468	477	497
48	**Rocky Mountain**	**596**	**538**	**422**	**331**	**314**	**362**	**435**	**500**	**499**	**487**	**500**	**531**
49	Montana	595	503	383	337	299	361	473	477	513	514	530	570
50	Idaho	503	497	370	270	228	378	393	461	418	421	434	464
51	Wyoming	677	584	476	374	365	403	489	542	601	553	585	608
52	Colorado	637	580	474	356	355	369	442	538	531	507	516	546
53	Utah	559	505	378	309	300	314	392	465	450	450	462	487
54	**Far West**	**910**	**816**	**680**	**520**	**490**	**546**	**600**	**703**	**727**	**708**	**726**	**785**
55	Washington	750	665	538	403	378	439	489	568	600	586	617	662
56	Oregon	683	620	513	384	363	439	464	554	564	544	582	623
57	Nevada	878	826	649	542	500	531	650	822	748	762	841	876
58	California	995	889	746	574	541	592	651	760	786	764	775	840
59	*Territory of Hawaii*											*525*	*577*

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Table II–9.—*Per Capita Personal Income, by States and Regions, 1941–57*

[Dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
719	**909**	**1,102**	**1,194**	**1,234**	**1,249**	**1,316**	**1,420**	**1,382**	**1,491**	**1,649**	**1,727**	**1,788**	**1,770**	**1,866**	**1,961**	**2,027**	1
903	**1,104**	**1,276**	**1,313**	**1,336**	**1,379**	**1,438**	**1,511**	**1,471**	**1,628**	**1,831**	**1,917**	**1,968**	**1,944**	**2,084**	**2,215**	**2,298**	2
626	850	1,087	1,091	1,067	1,117	1,150	1,229	1,175	1,188	1,326	1,452	1,455	1,434	1,578	1,641	1,663	3
707	849	967	1,048	1,106	1,145	1,208	1,269	1,244	1,314	1,473	1,530	1,576	1,620	1,722	1,785	1,862	4
629	757	902	930	1,013	1,058	1,099	1,170	1,122	1,185	1,335	1,403	1,441	1,468	1,549	1,625	1,665	5
902	1,074	1,261	1,300	1,351	1,398	1,434	1,513	1,490	1,662	1,850	1,919	1,963	1,937	2,086	2,236	2,335	6
921	1,134	1,184	1,261	1,267	1,349	1,436	1,513	1,464	1,644	1,810	1,855	1,893	1,852	1,955	2,000	1,990	7
1,142	1,417	1,590	1,601	1,568	1,578	1,693	1,751	1,699	1,908	2,206	2,334	2,418	2,371	2,515	2,697	2,821	8
916	**1,099**	**1,307**	**1,432**	**1,492**	**1,507**	**1,553**	**1,646**	**1,621**	**1,761**	**1,912**	**1,995**	**2,076**	**2,053**	**2,162**	**2,297**	**2,394**	9
995	1,169	1,379	1,536	1,644	1,691	1,715	1,798	1,756	1,883	2,001	2,087	2,150	2,174	2,305	2,456	2,578	10
960	1,170	1,432	1,563	1,591	1,529	1,570	1,650	1,622	1,792	1,995	2,113	2,224	2,215	2,305	2,408	2,504	11
771	942	1,133	1,240	1,268	1,273	1,348	1,446	1,422	1,566	1,733	1,790	1,892	1,804	1,903	2,027	2,112	12
1,141	1,267	1,438	1,483	1,507	1,533	1,634	1,763	1,896	2,153	2,257	2,360	2,482	2,422	2,649	2,844	2,740	13
873	1,120	1,292	1,331	1,318	1,313	1,350	1,457	1,453	1,588	1,770	1,892	1,986	1,939	1,965	2,105	2,156	14
1,205	1,364	1,508	1,561	1,635	1,689	1,748	1,905	2,078	2,198	2,313	2,347	2,230	2,196	2,321	2,442	2,514	15
817	**1,003**	**1,237**	**1,316**	**1,346**	**1,349**	**1,457**	**1,592**	**1,514**	**1,661**	**1,869**	**1,939**	**2,050**	**1,961**	**2,084**	**2,173**	**2,214**	16
827	1,047	1,347	1,387	1,319	1,318	1,454	1,542	1,504	1,684	1,855	1,932	2,120	1,982	2,145	2,158	2,141	17
829	1,028	1,259	1,322	1,349	1,311	1,412	1,552	1,472	1,614	1,870	1,958	2,032	1,931	2,070	2,184	2,255	18
726	913	1,132	1,198	1,248	1,193	1,303	1,440	1,364	1,521	1,688	1,758	1,920	1,796	1,903	1,977	2,010	19
895	1,039	1,258	1,392	1,470	1,530	1,636	1,809	1,690	1,827	2,030	2,085	2,185	2,156	2,251	2,385	2,447	20
675	872	1,053	1,115	1,186	1,209	1,294	1,402	1,361	1,467	1,694	1,751	1,770	1,694	1,786	1,872	1,920	21
597	**805**	**967**	**1,046**	**1,112**	**1,164**	**1,244**	**1,414**	**1,292**	**1,408**	**1,529**	**1,604**	**1,609**	**1,652**	**1,660**	**1,724**	**1,823**	22
617	796	935	998	1,100	1,174	1,256	1,404	1,298	1,397	1,533	1,578	1,646	1,649	1,710	1,767	1,850	23
607	825	995	984	1,069	1,207	1,190	1,547	1,320	1,447	1,551	1,617	1,546	1,691	1,571	1,641	1,806	24
646	809	962	1,073	1,134	1,186	1,221	1,384	1,344	1,443	1,562	1,664	1,721	1,712	1,805	1,905	1,940	25
522	654	927	1,002	1,009	1,046	1,446	1,383	1,136	1,260	1,320	1,222	1,228	1,241	1,365	1,407	1,435	26
470	742	816	950	1,047	1,083	1,232	1,451	1,094	1,213	1,414	1,239	1,331	1,360	1,266	1,307	1,531	27
548	811	993	1,072	1,163	1,151	1,243	1,463	1,305	1,468	1,549	1,652	1,578	1,668	1,585	1,605	1,818	28
552	849	1,034	1,164	1,159	1,116	1,288	1,276	1,245	1,374	1,512	1,716	1,641	1,697	1,679	1,717	1,787	29
435	**584**	**719**	**814**	**856**	**849**	**883**	**968**	**943**	**1,009**	**1,128**	**1,194**	**1,232**	**1,229**	**1,319**	**1,385**	**1,427**	30
581	782	839	898	946	990	1,002	1,112	1,101	1,222	1,394	1,474	1,481	1,508	1,569	1,636	1,660	31
495	613	738	822	890	921	1,029	1,146	1,062	1,095	1,215	1,274	1,278	1,224	1,316	1,456	1,554	32
392	533	689	759	794	811	850	965	921	958	1,116	1,191	1,224	1,221	1,264	1,339	1,372	33
433	555	717	856	902	856	876	935	925	995	1,081	1,136	1,219	1,213	1,279	1,347	1,383	34
426	575	691	765	821	858	894	943	919	1,009	1,114	1,149	1,165	1,196	1,279	1,333	1,317	35
392	540	639	724	743	763	779	879	838	881	1,043	1,111	1,132	1,071	1,134	1,157	1,180	36
424	571	725	835	882	844	884	948	932	1,016	1,145	1,208	1,246	1,222	1,349	1,412	1,431	37
597	769	985	1,090	1,151	1,137	1,143	1,184	1,203	1,288	1,380	1,466	1,556	1,533	1,665	1,755	1,836	38
375	515	651	735	780	744	794	856	810	867	989	1,045	1,081	1,071	1,202	1,254	1,324	39
313	440	528	627	627	605	662	753	667	729	792	851	874	875	981	964	958	40
449	593	784	879	892	829	881	1,002	1,059	1,089	1,176	1,250	1,296	1,302	1,361	1,454	1,566	41
338	471	541	672	722	729	719	846	780	805	908	967	988	1,006	1,091	1,123	1,151	42
506	**698**	**892**	**1,010**	**1,030**	**1,006**	**1,100**	**1,173**	**1,246**	**1,286**	**1,415**	**1,497**	**1,528**	**1,550**	**1,605**	**1,676**	**1,752**	43
434	624	774	944	967	939	1,015	1,129	1,155	1,133	1,285	1,398	1,459	1,464	1,525	1,573	1,619	44
524	712	931	1,038	1,051	1,028	1,128	1,187	1,283	1,340	1,447	1,519	1,550	1,581	1,640	1,714	1,791	45
471	628	758	869	926	906	988	1,075	1,113	1,163	1,297	1,364	1,394	1,417	1,463	1,535	1,686	46
628	898	986	1,036	1,107	1,083	1,149	1,242	1,245	1,297	1,551	1,647	1,610	1,574	1,584	1,684	1,750	47
654	**899**	**1,072**	**1,095**	**1,168**	**1,195**	**1,324**	**1,387**	**1,346**	**1,428**	**1,647**	**1,703**	**1,672**	**1,637**	**1,707**	**1,785**	**1,865**	48
715	896	1,128	1,168	1,191	1,278	1,457	1,596	1,390	1,606	1,768	1,780	1,786	1,733	1,844	1,871	1,896	49
594	904	1,004	1,080	1,114	1,169	1,251	1,281	1,239	1,279	1,446	1,568	1,487	1,484	1,506	1,616	1,630	50
783	944	1,142	1,229	1,258	1,340	1,488	1,554	1,588	1,629	1,890	1,841	1,861	1,814	1,833	1,927	2,038	51
648	891	1,030	1,063	1,183	1,195	1,338	1,394	1,385	1,446	1,732	1,804	1,735	1,694	1,784	1,870	1,996	52
603	890	1,132	1,058	1,128	1,094	1,178	1,219	1,224	1,283	1,456	1,502	1,528	1,498	1,554	1,619	1,694	53
966	**1,256**	**1,514**	**1,557**	**1,535**	**1,585**	**1,633**	**1,711**	**1,687**	**1,795**	**1,984**	**2,078**	**2,126**	**2,113**	**2,234**	**2,348**	**2,407**	54
871	1,203	1,473	1,535	1,425	1,395	1,497	1,600	1,587	1,671	1,816	1,912	1,971	1,961	1,990	2,047	2,128	55
838	1,140	1,401	1,415	1,381	1,396	1,518	1,609	1,562	1,602	1,751	1,824	1,811	1,764	1,853	1,934	1,914	56
975	1,547	1,493	1,477	1,585	1,717	1,732	1,750	1,758	1,938	2,171	2,339	2,357	2,330	2,376	2,355	2,423	57
1,009	1,281	1,540	1,582	1,580	1,654	1,678	1,750	1,725	1,848	2,051	2,144	2,196	2,186	2,330	2,461	2,523	58
749	*1,087*	*1,186*	*1,239*	*1,328*	*1,312*	*1,384*	*1,411*	*1,354*	*1,403*	*1,586*	*1,721*	*1,740*	*1,717*	*1,731*	*1,787*	*1,821*	59

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Table II–10.—*Disposable Personal Income, Total and Per Capita, by States and Regions, Selected Years, 1929–55*

Line	State and region	Total (millions of dollars)						Per capita (dollars)					
		1929	1940	1946	1950	1953	1955	1929	1940	1946	1950	1953	1955
1	**Continental United States**	**83,020**	**75,924**	**157,003**	**204,729**	**247,752**	**271,240**	**682**	**575**	**1,116**	**1,354**	**1,565**	**1,651**
2	**New England**	**6,901**	**6,169**	**10,874**	**13,769**	**16,306**	**17,789**	**849**	**730**	**1,221**	**1,477**	**1,716**	**1,835**
3	Maine	467	432	859	1,012	1,165	1,333	586	509	1,029	1,106	1,306	1,449
4	New Hampshire	315	275	515	644	756	851	675	559	1,040	1,211	1,382	1,539
5	Vermont	220	178	333	416	487	512	613	490	974	1,101	1,295	1,399
6	Massachusetts	3,724	3,261	5,562	6,996	8,096	8,811	881	755	1,226	1,491	1,703	1,828
7	Rhode Island	577	515	951	1,170	1,359	1,431	844	716	1,204	1,494	1,665	1,730
8	Connecticut	1,598	1,508	2,654	3,531	4,443	4,851	1,003	883	1,389	1,745	2,100	2,196
9	**Mideast**	**26,361**	**22,952**	**41,246**	**53,327**	**62,559**	**67,981**	**934**	**757**	**1,320**	**1,579**	**1,789**	**1,884**
10	New York	13,381	11,142	19,645	24,938	28,371	31,495	1,099	828	1,462	1,674	1,834	1,988
11	New Jersey	3,593	3,325	6,129	7,899	9,968	10,928	901	796	1,360	1,627	1,943	2,039
12	Pennsylvania	7,332	6,199	11,213	14,991	17,584	18,272	754	626	1,135	1,425	1,652	1,680
13	Delaware	222	232	383	565	695	834	941	862	1,277	1,766	1,969	2,106
14	Maryland	1,230	1,265	2,554	3,335	4,303	4,742	759	688	1,147	1,411	1,699	1,709
15	District of Columbia	603	789	1,322	1,599	1,638	1,710	1,248	1,143	1,480	1,981	1,936	2,038
16	**Great Lakes**	**19,636**	**17,310**	**34,245**	**46,020**	**57,194**	**61,871**	**780**	**648**	**1,205**	**1,506**	**1,783**	**1,836**
17	Michigan	3,673	3,502	6,938	9,776	12,540	13,873	766	659	1,181	1,524	1,831	1,885
18	Ohio	5,037	4,475	8,822	11,711	15,023	16,348	760	646	1,174	1,466	1,763	1,820
19	Indiana	1,934	1,854	3,998	5,515	7,132	7,388	600	540	1,080	1,397	1,709	1,704
20	Illinois	7,050	5,804	11,039	14,438	17,059	18,466	927	734	1,352	1,650	1,895	1,982
21	Wisconsin	1,942	1,675	3,448	4,580	5,440	5,796	662	533	1,088	1,328	1,541	1,565
22	**Plains**	**7,402**	**6,336**	**13,950**	**18,192**	**20,485**	**22,108**	**558**	**469**	**1,058**	**1,290**	**1,422**	**1,487**
23	Minnesota	1,494	1,422	2,898	3,787	4,439	4,819	581	510	1,059	1,264	1,447	1,512
24	Iowa	1,385	1,236	2,737	3,494	3,668	3,831	563	487	1,109	1,331	1,379	1,413
25	Missouri	2,221	1,928	4,045	5,233	6,148	6,772	613	509	1,076	1,323	1,511	1,613
26	North Dakota	247	218	545	718	694	802	366	341	956	1,158	1,105	1,255
27	South Dakota	281	224	595	742	807	795	407	349	1,012	1,135	1,219	1,169
28	Nebraska	797	564	1,307	1,803	1,868	1,989	580	429	1,041	1,358	1,399	1,431
29	Kansas	977	744	1,823	2,415	2,861	3,100	523	416	1,011	1,256	1,444	1,505
30	**Southeast**	**9,785**	**10,094**	**24,826**	**31,722**	**39,001**	**42,902**	**360**	**333**	**782**	**936**	**1,113**	**1,200**
31	Virginia	1,032	1,232	3,080	3,699	4,639	5,025	426	453	914	1,123	1,316	1,408
32	West Virginia	782	758	1,558	2,057	2,313	2,354	455	397	852	1,023	1,161	1,198
33	Kentucky	1,000	893	2,060	2,612	3,260	3,400	384	312	747	883	1,095	1,137
34	Tennessee	963	970	2,428	3,056	3,664	3,970	370	330	789	925	1,103	1,168
35	North Carolina	1,021	1,134	2,971	3,832	4,435	5,079	326	317	797	942	1,057	1,174
36	South Carolina	462	572	1,387	1,749	2,331	2,403	266	301	713	825	1,037	1,046
37	Georgia	998	1,031	2,508	3,255	4,052	4,494	344	331	771	942	1,132	1,233
38	Florida	727	937	2,517	3,329	4,496	5,471	503	489	1,018	1,181	1,388	1,496
39	Alabama	839	782	1,994	2,471	3,037	3,387	317	275	686	806	982	1,098
40	Mississippi	561	464	1,181	1,511	1,764	1,937	281	213	570	693	816	921
41	Louisiana	848	834	1,910	2,706	3,343	3,595	407	352	752	1,003	1,164	1,228
42	Arkansas	552	487	1,232	1,445	1,667	1,787	298	249	683	756	910	1,009
43	**Southwest**	**4,169**	**3,985**	**9,588**	**13,388**	**16,532**	**18,405**	**464**	**407**	**912**	**1,174**	**1,353**	**1,440**
44	Oklahoma	1,056	844	1,831	2,293	2,811	3,008	445	363	859	1,034	1,298	1,373
45	Texas	2,699	2,708	6,688	9,459	11,499	12,893	468	421	929	1,221	1,369	1,470
46	New Mexico	167	193	464	736	937	1,039	398	363	826	1,073	1,238	1,312
47	Arizona	247	240	605	900	1,285	1,465	574	481	979	1,192	1,436	1,412
48	**Rocky Mountain**	**1,575**	**1,552**	**3,364**	**4,584**	**5,433**	**5,941**	**581**	**515**	**1,082**	**1,306**	**1,475**	**1,521**
49	Montana	305	311	601	884	975	1,041	582	557	1,169	1,483	1,593	1,658
50	Idaho	219	236	543	694	790	826	490	452	1,067	1,172	1,330	1,356
51	Wyoming	148	148	309	435	479	507	664	592	1,221	1,495	1,629	1,630
52	Colorado	625	595	1,268	1,744	2,167	2,449	620	527	1,060	1,306	1,509	1,570
53	Utah	278	262	643	827	1,022	1,118	547	475	1,008	1,190	1,366	1,399
54	**Far West**	**7,191**	**7,526**	**18,910**	**23,727**	**30,242**	**34,243**	**885**	**761**	**1,399**	**1,614**	**1,841**	**1,954**
55	Washington	1,138	1,124	2,882	3,631	4,277	4,631	732	646	1,253	1,522	1,727	1,769
56	Oregon	627	658	1,666	2,205	2,537	2,750	662	606	1,241	1,441	1,566	1,623
57	Nevada	77	95	209	276	382	495	856	841	1,441	1,704	1,949	2,020
58	California	5,349	5,649	14,153	17,615	23,046	26,367	967	813	1,455	1,659	1,899	2,033
59	*Territory of Hawaii*	----------	*239*	*639*	*622*	*783*	*851*	----------	*561*	*1,166*	*1,267*	*1,532*	*1,547*

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Table II–11.—*Distribution of Consumer Units and Their Family Personal Income by Income Brackets, Selected Years, 1944–56*

Line	Family personal income (before income taxes)	Number of families and unattached individuals (thousands)										Aggregate family personal income (millions of dollars)										Line
		1944	1946	1947	1950	1951	1952	1953	1954	1955	1956	1944	1946	1947	1950	1951	1952	1953	1954	1955	1956	
1	Under $1,000	4,352	3,826	3,748	3,861	3,227	3,282	2,956	3,071	2,918	2,688	2,390	2,017	1,973	1,943	1,680	1,688	1,518	1,571	1,480	1,380	1
2	$1,000–$1,999	8,108	7,606	7,370	7,464	6,022	5,687	5,554	5,889	5,327	4,954	12,338	11,570	11,231	11,333	9,084	8,627	8,438	8,951	8,081	7,502	2
3	$2,000–$2,999	8,762	8,791	8,459	8,091	7,164	6,541	6,364	6,509	6,272	5,871	21,938	22,007	21,176	20,273	17,945	16,411	15,998	16,345	15,771	14,742	3
4	$3,000–$3,999	7,723	8,590	8,628	8,586	8,192	7,636	7,061	7,291	7,275	6,784	26,960	29,906	30,045	29,983	28,696	26,792	24,817	25,615	25,591	23,841	4
5	$4,000–$4,999	4,535	5,364	5,725	7,054	7,455	7,631	7,117	7,118	7,117	6,941	20,261	23,956	25,583	31,533	33,552	34,305	32,057	32,055	32,087	31,198	5
6	$5,000–$5,999	2,515	3,065	3,474	4,694	5,580	6,072	6,152	6,032	6,363	6,540	13,739	16,725	18,957	25,603	30,502	33,200	33,702	33,033	34,871	35,838	6
7	$6,000–$7,499	2,259	2,547	3,151	3,836	5,323	5,801	6,379	6,284	6,940	7,416	14,942	16,833	20,812	25,578	35,596	38,759	42,611	41,947	46,442	49,668	7
8	$7,500–$9,999	1,385	1,751	2,170	2,758	3,390	4,121	4,768	4,734	5,186	6,042	11,802	14,905	18,454	23,364	28,531	34,660	40,707	40,333	44,272	51,540	8
9	$10,000–$14,999	707	1,070	1,199	1,536	1,899	2,041	2,636	2,661	3,017	3,545	8,483	12,784	14,300	18,310	22,617	24,212	31,561	31,856	36,173	42,483	9
10	$15,000–$19,999	246	332	386	414	523	598	734	745	852		4,215	5,692	6,586	7,083	8,933	10,214	12,557	12,749	14,606		10
11	$20,000–$24,999	108	143	167	218	274	316	308	313	356	2,019	2,395	3,165	3,700	4,826	6,063	6,986	6,821	6,931	7,885	54,063	11
12	$25,000–$49,999	140	191	208	294	336	384	383	397	433		4,651	6,308	6,879	9,743	11,097	12,633	12,793	13,294	14,528		12
13	$50,000 and over	40	54	55	84	95	100	98	106	114		3,607	4,837	4,902	7,690	8,356	8,675	8,606	9,276	10,118		13
14	**Total**	**40,880**	**43,330**	**44,740**	**48,890**	**49,480**	**50,210**	**50,510**	**51,150**	**52,170**	**52,800**	**147,721**	**170,705**	**184,598**	**217,262**	**242,652**	**257,162**	**272,186**	**273,956**	**291,905**	**312,255**	14
15	Average (mean) family personal income											$3,614	$3,940	$4,126	$4,444	$4,904	$5,122	$5,389	$5,356	$5,595	$5,914	15

Table II–12.—*Distributions of Nonfarm Families, Farm Operator Families, and Unattached Individuals and Their Family Personal Income, by Income Brackets, 1953–56*

Line	Family personal income (before income taxes)	Nonfarm families				Farm operator families				Unattached individuals			
		1953	1954	1955	1956	1953	1954	1955	1956	1953	1954	1955	1956
		Number (thousands)											
1	Under $1,000	408	513	471	433	530	526	498	462	2,019	2,032	1,948	1,794
2	$1,000–$1,999	1,955	2,306	1,848	1,663	1,145	1,130	1,086	1,035	2,454	2,454	2,393	2,255
3	$2,000–$2,999	3,216	3,367	3,178	2,891	1,019	1,000	973	939	2,129	2,142	2,122	2,041
4	$3,000–$3,999	4,872	5,122	5,035	4,523	804	787	775	752	1,385	1,381	1,464	1,509
5	$4,000–$4,999	5,852	5,872	5,824	5,554	569	557	546	538	697	689	747	849
6	$5,000–$5,999	5,444	5,344	5,613	5,704	399	387	385	390	309	302	365	446
7	$6,000–$7,499	5,848	5,769	6,389	6,806	347	335	338	347	184	180	213	263
8	$7,500–$9,999	4,399	4,374	4,809	5,632	250	242	244	251	119	118	133	159
9	$10,000–$14,999	2,420	2,452	2,799	3,307	158	152	154	160	57	56	65	78
10	$15,000–$19,999	672	686	791		44	42	43		17	17	18	
11	$20,000–$24,999	280	286	327	1,873	18	18	18	90	10	9	11	56
12	$25,000–$49,999	347	361	397		21	21	21		15	15	16	
13	$50,000 and over	89	97	104		4	4	4		5	5	5	
14	**Total**	**35,802**	**36,549**	**37,585**	**38,386**	**5,308**	**5,201**	**5,085**	**4,964**	**9,400**	**9,400**	**9,500**	**9,450**

Line	Family personal income (before income taxes)	Aggregate family personal income (millions of dollars)											
1	Under $1,000	198	246	226	201	363	360	342	318	957	965	912	861
2	$1,000–$1,999	3,037	3,581	2,874	2,591	1,730	1,704	1,633	1,557	3,672	3,666	3,573	3,354
3	$2,000–$2,999	8,186	8,569	8,100	7,357	2,537	2,483	2,407	2,327	5,275	5,293	5,264	5,058
4	$3,000–$3,999	17,236	18,118	17,838	15,994	2,807	2,740	2,690	2,615	4,774	4,757	5,063	5,232
5	$4,000–$4,999	26,402	26,490	26,315	25,018	2,555	2,497	2,444	2,410	3,100	3,068	3,328	3,770
6	$5,000–$5,999	29,838	29,278	30,791	31,287	2,183	2,117	2,104	2,129	1,680	1,638	1,976	2,422
7	$6,000–$7,499	39,087	38,524	42,778	45,619	2,307	2,229	2,250	2,310	1,218	1,194	1,414	1,740
8	$7,500–$9,999	37,557	37,266	41,057	48,038	2,137	2,070	2,085	2,150	1,013	998	1,129	1,351
9	$10,000–$14,999	28,990	29,361	33,563	39,642	1,890	1,826	1,843	1,916	680	669	767	925
10	$15,000–$19,999	11,512	11,735	13,561		753	722	732		293	292	313	
11	$20,000–$24,999	6,201	6,331	7,245	49,978	406	392	399	2,298	213	208	242	1,787
12	$25,000–$49,999	11,567	12,095	13,291		719	694	701		507	505	537	
13	$50,000 and over	7,812	8,478	9,231		340	349	376		454	448	511	
14	**Total**	**227,623**	**230,072**	**246,870**	**265,725**	**20,727**	**20,183**	**20,006**	**20,030**	**23,836**	**23,701**	**25,029**	**26,500**
15	Average (mean) family personal income	$6,358	$6,295	$6,568	$6,922	$3,905	$3,881	$3,934	$4,035	$2,536	$2,521	$2,635	$2,804

Table II–13.—*Distribution of Family Personal Income Among Quintiles of Consumers Units, Selected Years, 1944–56*

Line	Quintile (consumer units ranked by income)	Percent distribution of family personal income					Mean family personal income					Lower income limit of quintile					Line
		1944	1947	1950	1953	1956	1944	1947	1950	1953	1956	1944	1947	1950	1953	1956	
1	Lowest	4.9	5.0	4.8	4.9	5.0	$882	$1,023	$1,056	$1,322	$1,465						1
2	2	10.9	11.0	10.9	11.3	11.3	1,979	2,275	2,418	3,038	3,345	$1,510	$1,730	$1,810	$2,260	$2,510	2
3	3	16.2	16.0	16.1	16.6	16.5	2,920	3,308	3,579	4,471	4,876	2,450	2,800	3,020	3,770	4,120	3
4	4	22.2	22.0	22.1	22.5	22.3	4,014	4,542	4,911	6,072	6,617	3,410	3,830	4,160	5,180	5,660	4
5	Highest	45.8	46.0	46.1	44.7	44.9	8,272	9,483	10,254	12,041	13,266	4,800	5,470	5,850	7,160	7,790	5
6	Total	100.0	100.0	100.0	100.0	100.0	3,614	4,126	4,444	5,389	5,914						6
7	Top 5 percent	20.7	20.9	21.4	19.9	20.1	14,963	17,226	19,066	21,481	23,794	8,240	9,560	10,200	12,320	13,490	7

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III. Government Receipts and Expenditures*

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*Figures in parentheses refer to corresponding tables in the 1954 *National Income* supplement.

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Table III–1.—*Federal Government Receipts and Expenditures, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Receipts**	**39,200**	**43,311**	**43,411**	**39,062**	**50,216**	**64,462**	**67,707**	**70,341**	**63,777**	**72,757**	**78,737**	**82,458**	1
2	Personal tax and nontax receipts before refunds	18,815	21,323	20,783	18,562	19,888	28,078	33,301	34,976	32,055	34,621	38,494	40,895	2
3	Income taxes	17,987	20,446	19,825	17,751	19,167	27,247	32,370	33,981	31,067	33,572	37,151	39,385	3
4	Estate and gift taxes	734	830	900	754	659	751	850	922	921	982	1,281	1,448	4
5	Other taxes [2]	1												5
6	Nontaxes [3]	93	47	58	57	62	80	81	73	67	67	62	62	6
7	Less: Tax refunds	1,653	1,673	1,786	2,368	1,709	1,800	2,136	2,617	2,900	3,100	3,250	3,506	7
8	Equals: Personal tax and nontax receipts	17,162	19,650	18,997	16,194	18,179	26,278	31,165	32,359	29,155	31,521	35,244	37,389	8
9	Corporate profits tax accruals	8,649	10,679	11,813	9,773	17,098	21,569	18,639	19,419	16,455	20,869	21,381	20,655	9
10	Indirect business tax and nontax accruals before refunds	7,975	7,943	8,173	8,230	9,099	9,598	10,593	11,276	10,143	11,136	11,726	12,403	10
11	Excise taxes	7,267	7,297	7,501	7,561	8,252	8,677	9,622	10,215	9,048	9,866	10,370	10,926	11
12	Liquor	2,691	2,330	2,177	2,204	2,419	2,459	2,726	2,820	2,706	2,806	3,044	2,902	12
13	Tobacco	1,219	1,267	1,312	1,320	1,348	1,447	1,663	1,614	1,543	1,596	1,638	1,704	13
14	Other	3,357	3,700	4,012	4,037	4,485	4,771	5,233	5,781	4,799	5,464	5,688	6,320	14
15	Customs duties	503	436	410	381	549	591	582	589	565	679	743	787	15
16	Capital stock tax													16
17	Nontaxes [4]	205	210	262	288	298	330	389	472	530	591	613	690	17
18	Less: Tax refunds	79	69	83	72	67	68	68	82	88	96	125	191	18
19	Equals: Indirect business tax and nontax accruals	7,896	7,874	8,090	8,158	9,032	9,530	10,525	11,194	10,055	11,040	11,601	12,212	19
20	Contributions for social insurance	5,493	5,108	4,511	4,937	5,907	7,085	7,378	7,369	8,112	9,327	10,511	12,202	20
21	**Expenditures**	**37,014**	**31,135**	**35,414**	**41,599**	**41,027**	**58,045**	**71,613**	**77,715**	**69,570**	**68,915**	**71,900**	**79,582**	21
22	Purchases of goods and services	20,582	15,650	19,306	22,241	19,348	38,768	52,854	57,964	47,548	45,282	45,721	49,381	22
23	Compensation of employees	14,545	9,343	8,895	9,966	10,690	16,193	18,837	18,509	17,683	18,240	18,841	19,427	23
24	New construction	931	951	1,187	1,488	1,625	2,982	4,186	4,151	3,445	2,800	2,772	3,018	24
25	Other purchases	7,801	6,483	9,727	10,969	7,144	19,902	30,102	35,618	26,735	24,600	24,439	27,358	25
26	Less: Government sales	2,695	1,127	503	182	111	309	271	314	315	358	331	422	26
27	Transfer payments	9,535	9,009	9,213	11,992	13,675	10,810	10,384	11,252	12,969	14,028	14,895	17,347	27
28	To persons	9,214	8,887	7,652	8,754	10,884	8,663	8,906	9,669	11,607	12,514	13,475	15,896	28
29	Foreign (net) [5]	321	122	1,561	3,238	2,791	2,147	1,478	1,583	1,362	1,514	1,420	1,451	29
30	Grants-in-aid to State and local governments [6]	1,108	1,738	1,986	2,228	2,339	2,478	2,635	2,811	2,882	3,050	3,257	4,087	30
31	Net interest paid	4,170	4,167	4,264	4,400	4,509	4,709	4,729	4,846	5,006	4,920	5,238	5,632	31
32	Interest paid	5,217	5,230	5,354	5,611	5,804	5,996	6,290	6,637	6,887	6,863	7,596	8,397	32
33	Less: Interest received	1,047	1,063	1,090	1,211	1,295	1,287	1,561	1,791	1,881	1,943	2,358	2,765	33
34	Subsidies less current surplus of government enterprises [7]	1,619	571	645	738	1,156	1,280	1,011	842	1,165	1,635	2,789	3,135	34
35	**Surplus or deficit (−) on income and product account.**	**2,186**	**12,176**	**7,997**	**−2,537**	**9,189**	**6,417**	**−3,906**	**−7,374**	**−5,793**	**3,842**	**6,837**	**2,876**	35

1. Includes transactions of social insurance funds, which can be separated by use of the data furnished in table III–5. For an explanation of the treatment of Government enterprises, see Part II of 1954 *National Income* supplement. For a list of these enterprises, see footnotes to the table on industrial classification in the Introduction to Part III of the 1954 supplement.
2. Consists of dividends tax and automobile use tax.
3. Consists mainly of charges for Government products and services not accounted for under Government enterprises; of fines and penalties; and of donations. Receipts from the sale of surplus property are not included.
4. Consists mainly of charges for Government products and services not accounted for under Government enterprises, including rents and royalties; and of fines and penalties. Receipts from the sale of surplus property are not included.
5. Consists of net Government grants in cash, net Government pensions and other transfers, and net income on investments paid by Government.
6. Includes shared receipts as well as grants-in-aid. The latter consist of highway grants, education grants (agricultural research and education, vocational education, and rehabilitation, defense training and research programs, and veterans' postwar training programs), public assistance grants (mainly categorical assistance under the Social Security program), grants for the administration of the Unemployment Compensation program and of the U. S. Employment Service, Public Health grants, the Federal contribution to the District of Columbia, and miscellaneous other grants.
7. Subsidies reflected consist of Government payments to farmers, payments for the exportation and diversion of surplus agricultural commodities, shipping subsidies, and subsidy payments to air carriers.

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Table III–2.—*State and Local Government Receipts and Expenditures, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Receipts**	**13,042**	**15,502**	**17,818**	**19,580**	**21,418**	**23,491**	**25,498**	**27,408**	**29,111**	**31,728**	**34,945**	**37,838**	1
2	Personal tax and nontax receipts	1,567	1,818	2,138	2,471	2,634	2,933	3,192	3,426	3,785	4,227	4,815	5,359	2
3	Income taxes	409	488	571	721	779	910	1,008	1,048	1,143	1,355	1,580	1,778	3
4	Death and gift taxes	153	177	183	175	182	209	218	238	255	285	336	357	4
5	Motor vehicle licenses [2]	199	226	253	288	326	373	397	421	458	504	543	573	5
6	Property taxes [3]	155	171	189	211	227	245	266	287	306	330	360	384	6
7	Other taxes [4]	86	101	115	130	141	149	169	182	191	223	235	249	7
8	Nontaxes [5]	565	655	827	946	979	1,047	1,134	1,250	1,432	1,530	1,761	2,018	8
9	Corporate profits tax accruals	462	604	670	602	767	878	820	803	765	958	1,041	994	9
10	Indirect business tax and nontax accruals	9,417	10,767	12,315	13,479	14,715	16,117	17,615	19,009	20,096	21,825	24,030	25,432	10
11	Sales tax	2,899	3,508	4,115	4,333	4,801	5,366	5,847	6,264	6,469	7,103	7,989	8,435	11
12	State [6]	2,716	3,202	3,715	3,882	4,317	4,815	5,220	5,546	5,766	6,324	7,100	7,560	12
13	General	1,051	1,330	1,584	1,609	1,828	2,118	2,347	2,509	2,557	2,838	3,208	3,512	13
14	Gasoline	1,020	1,176	1,318	1,451	1,625	1,791	1,968	2,100	2,296	2,491	2,787	2,902	14
15	Liquor	427	407	439	418	442	462	449	471	455	514	565	575	15
16	Tobacco	218	289	374	404	422	444	456	466	458	481	540	571	16
17	Local	183	306	400	451	484	551	627	718	703	779	889	875	17
18	Motor vehicle licenses [2]	271	324	368	412	460	517	570	629	675	728	782	832	18
19	Property taxes [3]	4,836	5,346	5,938	6,642	7,143	7,696	8,385	9,096	9,673	10,434	11,395	12,079	19
20	Other taxes [7]	1,037	1,158	1,346	1,501	1,634	1,784	1,993	2,189	2,307	2,517	2,790	2,984	20
21	Nontaxes [8]	374	431	548	591	677	754	820	831	972	1,043	1,074	1,102	21
22	Contributions for social insurance	488	575	709	800	963	1,085	1,236	1,359	1,583	1,668	1,802	1,966	22
23	Federal grants-in-aid [9]	1,108	1,738	1,986	2,228	2,339	2,478	2,635	2,811	2,882	3,050	3,257	4,087	23
24	**Expenditures**	**11,098**	**14,414**	**17,567**	**20,156**	**22,428**	**23,790**	**25,447**	**27,136**	**30,053**	**32,713**	**35,499**	**39,009**	24
25	Purchases of goods and services	9,916	12,732	15,230	17,918	19,681	21,692	23,190	24,866	27,706	30,310	33,117	36,300	25
26	Compensation of employees	6,177	7,320	8,502	9,422	10,124	11,069	12,174	13,246	14,620	15,727	17,439	19,197	26
27	New construction	1,431	2,483	3,640	4,916	5,376	6,437	6,715	7,243	8,477	9,161	10,233	11,336	27
28	Other purchases	2,308	2,929	3,088	3,580	4,181	4,186	4,301	4,377	4,609	5,422	5,445	5,767	28
29	Transfer payments to persons	1,640	2,226	2,890	2,868	3,420	2,927	3,135	3,218	3,354	3,536	3,619	3,972	29
30	Net interest paid	293	253	263	270	285	264	287	325	401	469	507	542	30
31	Interest paid	555	521	550	585	624	656	733	814	945	1,088	1,241	1,361	31
32	Less: Interest received	262	268	287	315	339	392	446	489	544	619	734	819	32
33	Less: Current surplus of government enterprises	751	797	816	900	958	1,093	1,165	1,273	1,408	1,602	1,744	1,805	33
34	**Surplus or deficit (−) on income and product account**	**1,944**	**1,088**	**251**	**−576**	**−1,010**	**−299**	**51**	**272**	**−942**	**−985**	**−554**	**−1,171**	34

1. See footnote 1 to table III–1.
2. State only; includes State drivers' licenses.
3. Property taxes levied on houses of owner-occupants are classified as indirect business taxes.
4. Consists of poll taxes and miscellaneous licenses and permits.
5. Consists of charges for government products and services not accounted for under government enterprises (such as tuition fees and public hospital fees); fines and penalties; donations; and special assessments for outlay paid by unincorporated business, including homeowners.
6. Minor State sales taxes not specified below are included in "Other taxes."
7. Consists of gross receipts taxes, franchise taxes, licenses, permits, severance taxes, documentary and stock transfer taxes, and minor State sales taxes.
8. Consists mainly of charges for government products and services not accounted for under government enterprises, including rents and royalties; fines and penalties; special assessments for operation; and donations.
9. See footnote 6 to table III–1.

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Table III–3.—*Government Receipts and Expenditures, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47* [1]

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Federal Government receipts**	**35.1**	**37.8**	**41.0**	**42.9**	**39.2**	**43.5**	**42.8**	**42.5**	**44.5**	**43.3**
2	Personal tax and nontax receipts	16.2	17.0	17.5	17.9	17.2	19.3	19.4	19.7	20.2	19.6
3	Corporate profits tax accruals	5.7	7.4	10.0	11.6	8.6	10.8	10.3	10.3	11.3	10.7
4	Indirect business tax and nontax accruals	7.5	7.8	8.1	8.2	7.9	7.8	7.6	7.7	8.3	7.9
5	Contributions for social insurance	5.7	5.6	5.4	5.3	5.5	5.5	5.5	4.7	4.7	5.1
6	**Federal Government expenditures**	**44.4**	**37.1**	**33.7**	**32.8**	**37.0**	**30.6**	**29.6**	**33.7**	**30.6**	**31.1**
7	Purchases of goods and services	25.9	20.2	18.1	18.1	20.6	15.9	15.1	15.9	15.7	15.6
8	Transfer payments	10.9	9.8	9.0	8.4	9.5	8.3	7.9	11.4	8.4	9.0
9	To persons	10.5	9.6	8.8	8.0	9.2	8.3	7.8	11.1	8.2	8.9
10	Foreign (net)	.5	.2	.3	.4	.3	.0	.1	.2	.2	.1
11	Grants-in-aid to State and local governments	1.0	.9	1.2	1.4	1.1	1.5	1.8	1.8	1.8	1.7
12	Net interest paid	4.1	4.2	4.2	4.2	4.2	4.1	4.2	4.2	4.2	4.2
13	Subsidies less current surplus of government enterprises	2.5	2.0	1.2	.8	1.6	.7	.6	.5	.5	.6
14	**Surplus or deficit (−) on income and product account**	**−9.3**	**.7**	**7.3**	**10.1**	**2.2**	**12.9**	**13.2**	**8.7**	**13.9**	**12.2**
15	**State and local government receipts**	**12.2**	**12.6**	**13.4**	**13.9**	**13.0**	**14.6**	**15.3**	**15.8**	**16.3**	**15.5**
16	Personal tax and nontax receipts	1.5	1.5	1.6	1.6	1.6	1.7	1.8	1.9	1.9	1.8
17	Corporate profits tax accruals	.3	.4	.5	.6	.5	.6	.6	.6	.6	.6
18	Indirect business tax and nontax accruals	9.0	9.2	9.6	9.8	9.4	10.1	10.6	11.0	11.4	10.8
19	Contributions for social insurance	.4	.5	.5	.5	.5	.6	.6	.6	.6	.6
20	Federal grants-in-aid	1.0	.9	1.2	1.4	1.1	1.5	1.8	1.8	1.8	1.7
21	**State and local government expenditures**	**10.0**	**10.6**	**11.6**	**12.3**	**11.1**	**13.2**	**13.9**	**14.9**	**15.6**	**14.4**
22	Purchases of goods and services	8.9	9.5	10.2	11.0	9.9	11.9	12.4	12.9	13.7	12.7
23	Transfer payments to persons	1.5	1.5	1.8	1.8	1.6	1.8	2.1	2.6	2.5	2.2
24	Net interest paid	.3	.3	.3	.3	.3	.3	.3	.2	.2	.3
25	Less: Current surplus of government enterprises	.8	.7	.7	.8	.8	.8	.8	.8	.8	.8
26	**Surplus or deficit (−) on income and product account**	**2.2**	**2.0**	**1.8**	**1.6**	**1.9**	**1.3**	**1.4**	**.9**	**.7**	**1.1**

1. Footnotes to tables III–1 and III–2 are relevant to this table also.

Table III–3.—*Government Receipts and Expenditures, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53* [1]

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Federal Government receipts**	**67.4**	**66.8**	**67.0**	**69.6**	**67.7**	**71.6**	**72.3**	**71.1**	**66.3**	**70.3**
2	Personal tax and nontax receipts	30.8	30.8	31.3	31.7	31.2	32.1	32.5	32.5	32.3	32.4
3	Corporate profits tax accruals	19.2	18.0	17.9	19.4	18.6	20.7	21.0	20.0	15.9	19.4
4	Indirect business tax and nontax accruals	10.0	10.6	10.5	11.0	10.5	11.3	11.3	11.3	10.9	11.2
5	Contributions for social insurance	7.4	7.3	7.3	7.5	7.4	7.5	7.5	7.3	7.2	7.4
6	**Federal Government expenditures**	**66.5**	**70.9**	**74.3**	**74.7**	**71.6**	**76.7**	**79.4**	**76.8**	**78.1**	**77.7**
7	Purchases of goods and services	48.5	52.1	55.0	55.8	52.9	57.4	58.9	57.7	57.8	58.0
8	Transfer payments	9.6	10.4	11.0	10.5	10.4	11.4	11.4	10.7	11.6	11.3
9	To persons	8.5	8.5	9.2	9.3	8.9	9.6	9.5	9.5	10.2	9.7
10	Foreign (net)	1.1	1.9	1.7	1.2	1.5	1.8	1.9	1.2	1.4	1.6
11	Grants-in-aid to State and local governments	2.5	2.6	2.7	2.8	2.6	2.2	3.4	2.7	2.9	2.8
12	Net interest paid	4.8	4.7	4.7	4.7	4.7	4.8	4.8	4.9	4.9	4.8
13	Subsidies less current surplus of government enterprises	1.1	1.0	1.0	.9	1.0	.9	.8	.8	.9	.8
14	**Surplus or deficit (−) on income and product account**	**1.0**	**−4.2**	**−7.2**	**−5.1**	**−3.9**	**−5.1**	**−7.0**	**−5.6**	**−11.8**	**−7.4**
15	**State and local government receipts**	**24.6**	**25.3**	**25.7**	**26.4**	**25.5**	**26.3**	**27.8**	**27.5**	**27.9**	**27.4**
16	Personal tax and nontax receipts	3.1	3.2	3.2	3.3	3.2	3.3	3.4	3.5	3.5	3.4
17	Corporate profits tax accruals	.8	.8	.8	.9	.8	.9	.9	.8	.7	.8
18	Indirect business tax and nontax accruals	17.0	17.5	17.8	18.2	17.6	18.5	18.8	19.2	19.5	19.0
19	Contributions for social insurance	1.2	1.2	1.3	1.3	1.2	1.3	1.3	1.4	1.4	1.4
20	Federal grants-in-aid	2.5	2.6	2.7	2.8	2.6	2.2	3.4	2.7	2.9	2.8
21	**State and local government expenditures**	**24.7**	**25.4**	**25.5**	**26.0**	**25.4**	**26.7**	**26.7**	**27.3**	**27.9**	**27.1**
22	Purchases of goods and services	22.5	23.1	23.2	23.7	23.2	24.4	24.3	24.9	25.7	24.9
23	Transfer payments to persons	3.0	3.2	3.1	3.2	3.1	3.1	3.2	3.3	3.2	3.2
24	Net interest paid	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3
25	Less: Current surplus of government enterprises	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3
26	**Surplus or deficit (−) on income and product account**	**−.1**	**−.1**	**.2**	**.4**	**.1**	**−.4**	**1.2**	**.3**	**.0**	**.3**

1. Footnotes to tables III–1 and III–2 are relevant to this table also.

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Table III–3.—*Government Receipts and Expenditures, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51* [1]

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
45.0	**43.2**	**42.8**	**42.6**	**43.4**	**39.7**	**38.5**	**39.4**	**38.7**	**39.1**	**43.1**	**47.3**	**53.6**	**56.9**	**50.2**	**67.7**	**63.8**	**61.7**	**64.6**	**64.5**	1
21.1	18.7	18.0	18.2	19.0	16.3	16.2	16.2	16.1	16.2	16.7	17.3	17.9	20.8	18.2	25.5	25.9	26.2	27.5	26.3	2
11.6	12.1	11.9	11.6	11.8	10.5	9.2	9.8	9.6	9.8	12.6	15.5	19.6	20.7	17.1	25.1	21.6	19.3	20.3	21.6	3
7.8	8.1	8.3	8.2	8.1	7.9	8.2	8.5	8.1	8.2	8.0	8.8	10.2	9.1	9.0	10.1	9.2	9.2	9.7	9.5	4
4.5	4.4	4.5	4.6	4.5	5.0	4.9	4.9	4.9	4.9	5.7	5.7	5.9	6.3	5.9	7.1	7.1	7.0	7.2	7.1	5
31.1	**34.7**	**37.0**	**38.8**	**35.4**	**41.1**	**42.4**	**42.2**	**40.8**	**41.6**	**47.0**	**39.0**	**36.6**	**41.6**	**41.0**	**47.5**	**55.7**	**62.0**	**67.0**	**58.0**	6
15.9	19.0	20.3	22.1	19.3	22.5	22.3	22.6	21.6	22.2	19.1	17.2	18.4	22.7	19.3	28.7	36.1	42.9	47.4	38.8	7
8.6	9.0	9.7	9.5	9.2	11.5	12.9	12.0	11.6	12.0	20.1	13.7	10.2	10.7	13.7	10.4	11.0	10.8	11.1	10.8	8
8.0	7.8	7.4	7.4	7.7	8.5	8.9	9.0	8.7	8.8	17.2	10.3	7.8	8.2	10.9	8.3	8.7	8.8	8.8	8.7	9
.6	1.2	2.3	2.2	1.6	3.0	4.0	3.1	2.9	3.2	2.9	3.4	2.4	2.5	2.8	2.1	2.3	2.0	2.3	2.1	10
1.8	1.9	2.1	2.1	2.0	2.1	2.1	2.4	2.3	2.2	2.4	2.5	2.2	2.3	2.3	2.5	2.6	2.2	2.6	2.5	11
4.2	4.2	4.3	4.3	4.3	4.4	4.4	4.4	4.4	4.4	4.5	4.5	4.5	4.6	4.5	4.6	4.7	4.8	4.8	4.7	12
.6	.6	.7	.7	.6	.6	.7	.8	.9	.7	1.0	1.1	1.2	1.3	1.2	1.3	1.3	1.3	1.2	1.3	13
13.9	**8.5**	**5.8**	**3.8**	**8.0**	**−1.4**	**−3.9**	**−2.8**	**−2.1**	**−2.5**	**−3.8**	**8.3**	**17.0**	**15.3**	**9.2**	**20.2**	**8.1**	**−.3**	**−2.4**	**6.4**	14
17.0	**17.7**	**18.1**	**18.4**	**17.8**	**19.0**	**19.2**	**19.9**	**20.1**	**19.6**	**20.6**	**21.3**	**21.8**	**22.0**	**21.4**	**23.2**	**23.3**	**23.3**	**24.1**	**23.5**	15
2.1	2.1	2.2	2.2	2.1	2.4	2.5	2.5	2.5	2.5	2.6	2.6	2.7	2.7	2.6	2.9	2.9	3.0	3.0	2.9	16
.7	.7	.7	.7	.7	.6	.6	.6	.6	.6	.6	.7	.9	.9	.8	1.0	.9	.8	.8	.9	17
11.8	12.2	12.5	12.7	12.3	13.0	13.3	13.6	13.9	13.5	14.2	14.5	15.0	15.1	14.7	15.8	15.8	16.2	16.6	16.1	18
.7	.7	.7	.7	.7	.8	.8	.8	.8	.8	.9	.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	19
1.8	1.9	2.1	2.1	2.0	2.1	2.1	2.4	2.3	2.2	2.4	2.5	2.2	2.3	2.3	2.5	2.6	2.2	2.6	2.5	20
16.7	**17.2**	**18.0**	**18.2**	**17.6**	**19.1**	**19.7**	**20.6**	**21.2**	**20.2**	**22.1**	**22.6**	**22.4**	**22.7**	**22.4**	**23.1**	**23.7**	**24.0**	**24.2**	**23.8**	21
14.2	14.7	15.6	16.1	15.2	17.0	17.6	18.3	18.7	17.9	19.3	19.3	19.8	20.3	19.7	20.9	21.6	21.9	22.1	21.7	22
3.0	3.0	2.9	2.6	2.9	2.7	2.8	2.9	3.1	2.9	3.4	3.9	3.3	3.1	3.4	3.0	2.9	2.9	2.9	2.9	23
.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	24
.8	.8	.8	.8	.8	.9	.9	.9	.9	.9	.9	.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	25
.4	**.4**	**.2**	**.3**	**.3**	**−.1**	**−.5**	**−.7**	**−1.0**	**−.6**	**−1.4**	**−1.3**	**−.6**	**−.7**	**−1.0**	**.1**	**−.3**	**−.7**	**−.1**	**−.3**	26

Table III–3.—*Government Receipts and Expenditures, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57* [1]

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
63.2	**63.3**	**63.1**	**65.5**	**63.8**	**69.3**	**71.7**	**74.3**	**75.7**	**72.8**	**77.5**	**77.9**	**78.4**	**81.2**	**78.7**	**83.2**	**82.7**	**83.3**	**80.6**	**82.5**	1
29.1	29.0	29.1	29.4	29.2	30.6	31.3	31.9	32.3	31.5	34.5	35.1	35.4	35.9	35.2	37.1	37.3	37.7	37.5	37.4	2
15.7	16.1	16.3	17.7	16.5	19.3	19.9	21.7	22.6	20.9	21.7	21.1	20.8	22.0	21.4	21.9	20.7	21.0	19.0	20.7	3
10.3	10.1	9.7	10.1	10.1	10.5	11.3	11.2	11.2	11.0	11.1	11.4	11.6	12.4	11.6	12.1	12.5	12.3	12.0	12.2	4
8.1	8.0	8.1	8.2	8.1	8.9	9.2	9.6	9.6	9.3	10.2	10.3	10.7	10.9	10.5	12.1	12.2	12.4	12.2	12.2	5
73.8	**68.7**	**68.2**	**67.8**	**69.6**	**68.5**	**68.1**	**68.8**	**70.1**	**68.9**	**69.8**	**70.6**	**72.6**	**74.7**	**71.9**	**77.7**	**80.1**	**79.9**	**80.8**	**79.6**	6
52.9	47.1	45.9	44.4	47.5	45.1	44.7	45.3	46.1	45.3	44.8	44.5	46.1	47.5	45.7	49.1	49.7	49.7	49.1	49.4	7
12.2	12.7	13.2	14.0	13.0	14.2	14.0	13.7	14.1	14.0	14.3	15.0	14.9	15.5	14.9	16.0	17.8	17.1	18.6	17.3	8
10.8	11.6	11.8	12.5	11.6	12.2	12.5	12.5	12.7	12.5	13.0	13.5	13.7	13.9	13.5	14.6	16.0	15.9	17.2	15.9	9
1.4	1.2	1.4	1.5	1.4	1.9	1.5	1.2	1.4	1.5	1.3	1.5	1.2	1.6	1.4	1.4	1.8	1.2	1.4	1.5	10
2.9	2.8	2.9	2.9	2.9	2.9	3.0	3.2	3.1	3.0	3.0	3.2	3.4	3.4	3.3	3.9	3.8	4.3	4.4	4.1	11
5.0	5.0	5.0	5.0	5.0	4.9	4.9	4.9	5.0	4.9	5.0	5.2	5.3	5.4	5.2	5.5	5.7	5.7	5.7	5.6	12
.9	1.0	1.2	1.5	1.2	1.4	1.6	1.7	1.8	1.6	2.6	2.8	2.8	2.9	2.8	3.2	3.2	3.1	3.1	3.1	13
−10.6	**−5.4**	**−5.1**	**−2.3**	**−5.8**	**.8**	**3.5**	**5.5**	**5.6**	**3.8**	**7.7**	**7.3**	**5.8**	**6.5**	**6.8**	**5.5**	**2.6**	**3.4**	**−.2**	**2.9**	14
28.5	**29.0**	**29.3**	**29.7**	**29.1**	**30.5**	**31.2**	**32.3**	**33.0**	**31.7**	**33.9**	**34.6**	**35.4**	**35.9**	**34.9**	**37.1**	**37.4**	**38.3**	**38.5**	**37.8**	15
3.7	3.8	3.8	3.9	3.8	4.1	4.2	4.3	4.3	4.2	4.7	4.8	4.9	5.0	4.8	5.2	5.3	5.4	5.5	5.4	16
.7	.7	.8	.8	.8	.9	.9	1.0	1.0	1.0	1.1	1.0	1.0	1.1	1.0	1.1	1.0	1.0	.9	1.0	17
19.7	20.0	20.2	20.4	20.1	20.9	21.5	22.2	22.8	21.8	23.4	23.9	24.3	24.6	24.0	25.0	25.3	25.6	25.7	25.4	18
1.5	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.9	1.8	1.9	1.9	2.0	2.0	2.0	19
2.9	2.8	2.9	2.9	2.9	2.9	3.0	3.2	3.1	3.0	3.0	3.2	3.4	3.4	3.3	3.9	3.8	4.3	4.4	4.1	20
28.8	**29.6**	**30.6**	**31.1**	**30.1**	**32.0**	**32.6**	**32.9**	**33.4**	**32.7**	**34.3**	**35.1**	**35.7**	**36.8**	**35.5**	**38.5**	**38.7**	**38.9**	**40.6**	**39.0**	21
26.5	27.3	28.2	28.7	27.7	29.5	30.2	30.5	31.0	30.3	32.0	32.7	33.4	34.4	33.1	35.9	36.0	36.1	37.8	36.3	22
3.3	3.3	3.4	3.4	3.4	3.5	3.6	3.5	3.5	3.5	3.6	3.6	3.6	3.7	3.6	3.8	3.9	4.0	4.1	4.0	23
.4	.4	.4	.4	.4	.4	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.6	.5	24
1.4	1.4	1.4	1.5	1.4	1.5	1.6	1.6	1.7	1.6	1.7	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.8	1.8	25
−.3	**−.7**	**−1.3**	**−1.4**	**−.9**	**−1.5**	**−1.4**	**−.6**	**−.4**	**−1.0**	**−.5**	**−.4**	**−.4**	**−1.0**	**−.6**	**−1.4**	**−1.3**	**−.6**	**−2.1**	**−1.2**	26

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Table III–4.—*Government Receipts and Expenditures, Quarterly, 1946–47* [1]

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Federal Government receipts**	**11.6**	**8.1**	**9.7**	**9.8**	**39.2**	**14.2**	**9.2**	**10.0**	**9.9**	**43.3**
2	Personal tax and nontax receipts	7.1	2.9	3.9	3.3	17.2	8.2	3.5	4.3	3.7	19.6
3	Corporate profits tax accruals	1.2	1.8	2.5	3.1	8.6	2.6	2.5	2.6	3.0	10.7
4	Indirect business tax and nontax accruals	1.8	1.9	2.1	2.1	7.9	1.9	1.8	2.0	2.2	7.9
5	Contributions for social insurance	1.5	1.4	1.3	1.3	5.5	1.5	1.4	1.2	1.0	5.1
6	**Federal Government expenditures**	**11.1**	**9.5**	**8.2**	**8.2**	**37.0**	**7.7**	**7.6**	**8.1**	**7.7**	**31.1**
7	Purchases of goods and services	6.5	5.1	4.5	4.5	20.6	4.0	3.8	3.8	4.0	15.6
8	Transfer payments	2.7	2.5	2.2	2.1	9.5	2.1	2.0	2.7	2.2	9.0
9	To persons	2.6	2.4	2.2	2.0	9.2	2.1	2.0	2.7	2.1	8.9
10	Foreign (net)	.1	.1	.1	.1	.3	.0	.0	.0	.1	.1
11	Grants-in-aid to State and local governments	.2	.2	.3	.4	1.1	.4	.4	.5	.5	1.7
12	Net interest paid	1.0	1.0	1.1	1.0	4.2	1.0	1.0	1.0	1.0	4.2
13	Subsidies less current surplus of government enterprises	.6	.7	.1	.1	1.6	.2	.3	.1	.0	.6
14	**Surplus or deficit (−) on income and product account**	**.5**	**−1.4**	**1.5**	**1.6**	**2.2**	**6.4**	**1.7**	**1.9**	**2.2**	**12.2**
15	**State and local government receipts**	**3.1**	**3.1**	**3.3**	**3.5**	**13.0**	**3.6**	**3.8**	**3.9**	**4.1**	**15.5**
16	Personal tax and nontax receipts	.5	.4	.4	.3	1.6	.5	.5	.4	.4	1.8
17	Corporate profits tax accruals	.1	.1	.1	.2	.5	.1	.1	.1	.2	.6
18	Indirect business tax and nontax accruals	2.2	2.3	2.4	2.5	9.4	2.5	2.6	2.8	2.9	10.8
19	Contributions for social insurance	.1	.1	.1	.1	.5	.1	.1	.1	.2	.6
20	Federal grants-in-aid	.2	.2	.3	.4	1.1	.4	.4	.5	.5	1.7
21	**State and local government expenditures**	**2.5**	**2.7**	**2.8**	**3.1**	**11.1**	**3.1**	**3.5**	**3.7**	**4.1**	**14.4**
22	Purchases of goods and services	2.2	2.4	2.5	2.8	9.9	2.8	3.1	3.2	3.6	12.7
23	Transfer payments to persons	.4	.4	.4	.4	1.6	.5	.5	.6	.6	2.2
24	Net interest paid	.1	.1	.1	.1	.3	.1	.1	.1	.1	.3
25	Less: Current surplus of government enterprises	.2	.2	.2	.2	.8	.2	.2	.2	.2	.8
26	**Surplus or deficit (−) on income and product account**	**.6**	**.5**	**.6**	**.4**	**1.9**	**.5**	**.3**	**.2**	**.0**	**1.1**

1. Footnotes to tables III–1 and III–2 are revelant to this table also.

Table III–4.—*Government Receipts and Expenditures, Quarterly, 1952–53* [1]

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Federal Government receipts**	**20.4**	**15.6**	**16.2**	**15.5**	**67.7**	**21.5**	**16.6**	**17.5**	**14.7**	**70.3**
2	Personal tax and nontax receipts	11.2	6.4	7.3	6.2	31.2	11.7	6.3	7.9	6.5	32.4
3	Corporate profits tax accruals	4.6	4.6	4.5	4.9	18.6	4.9	5.5	5.0	4.0	19.4
4	Indirect business tax and nontax accruals	2.4	2.6	2.7	2.8	10.5	2.7	2.8	2.8	2.8	11.2
5	Contributions for social insurance	2.2	1.9	1.8	1.6	7.4	2.3	2.0	1.7	1.4	7.4
6	**Federal Government expenditures**	**16.6**	**17.9**	**18.6**	**18.5**	**71.6**	**19.2**	**20.0**	**19.3**	**19.3**	**77.7**
7	Purchases of goods and services	12.1	13.1	13.8	13.8	52.9	14.3	14.9	14.5	14.4	58.0
8	Transfer payments	2.5	2.6	2.7	2.5	10.4	2.9	2.9	2.6	2.8	11.3
9	To persons	2.2	2.1	2.3	2.3	8.9	2.4	2.4	2.3	2.5	9.7
10	Foreign (net)	.3	.5	.4	.2	1.5	.5	.5	.3	.3	1.6
11	Grants-in-aid to State and local governments	.6	.6	.7	.7	2.6	.5	.8	.7	.8	2.8
12	Net interest paid	1.2	1.2	1.2	1.2	4.7	1.2	1.2	1.2	1.2	4.8
13	Subsidies less current surplus of government enterprises	.3	.3	.2	.2	1.0	.2	.2	.2	.1	.8
14	**Surplus or deficit (−) on income and product account**	**3.8**	**−2.3**	**−2.4**	**−3.0**	**−3.9**	**2.4**	**−3.4**	**−1.8**	**−4.6**	**−7.4**
15	**State and local government receipts**	**6.2**	**6.3**	**6.4**	**6.6**	**25.5**	**6.5**	**7.0**	**6.9**	**7.0**	**27.4**
16	Personal tax and nontax receipts	.9	.8	.7	.7	3.2	.9	1.0	.8	.8	3.4
17	Corporate profits tax accruals	.2	.2	.2	.2	.8	.2	.2	.2	.2	.8
18	Indirect business tax and nontax accruals	4.2	4.4	4.5	4.6	17.6	4.5	4.7	4.8	5.0	19.0
19	Contributions for social insurance	.3	.3	.3	.3	1.2	.3	.3	.3	.3	1.4
20	Federal grants-in-aid	.6	.6	.7	.7	2.6	.5	.8	.7	.8	2.8
21	**State and local government expenditures**	**5.9**	**6.4**	**6.5**	**6.7**	**25.4**	**6.3**	**6.7**	**7.0**	**7.1**	**27.1**
22	Purchases of goods and services	5.3	5.8	5.9	6.1	23.2	5.7	6.2	6.4	6.6	24.9
23	Transfer payments to persons	.8	.8	.8	.8	3.1	.8	.8	.8	.8	3.2
24	Net interest paid	.1	.1	.1	.1	.3	.1	.1	.1	.1	.3
25	Less: Current surplus of government enterprises	.3	.3	.3	.3	1.2	.3	.3	.3	.3	1.3
26	**Surplus or deficit (−) on income and product account**	**.3**	**−.1**	**.0**	**.0**	**.1**	**.2**	**.3**	**−.1**	**−.1**	**.3**

1. Footnotes to tables III–1 and III–2 are relevant to this table also.

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Table III–4.—*Government Receipts and Expenditures, Quarterly, 1948–51* [1]

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
14.4	**9.4**	**10.0**	**9.6**	**43.4**	**12.3**	**8.3**	**9.7**	**8.9**	**39.1**	**12.7**	**10.8**	**13.4**	**13.3**	**50.2**	**20.1**	**14.8**	**14.8**	**14.7**	**64.5**	1
8.6	3.3	3.8	3.3	19.0	6.6	2.7	3.8	3.1	16.2	6.3	3.3	4.3	4.3	18.2	9.8	5.1	5.9	5.3	26.3	2
2.7	2.9	3.0	3.2	11.8	2.5	2.3	2.5	2.5	9.8	2.9	3.8	5.0	5.4	17.1	5.9	5.5	4.8	5.4	21.6	3
1.9	2.0	2.1	2.2	8.1	1.9	2.0	2.2	2.1	8.2	1.9	2.1	2.6	2.4	9.0	2.4	2.2	2.3	2.5	9.5	4
1.2	1.2	1.2	1.0	4.5	1.3	1.3	1.2	1.1	4.9	1.6	1.6	1.5	1.3	5.9	1.9	1.9	1.7	1.5	7.1	5
7.8	**8.7**	**9.0**	**9.9**	**35.4**	**10.4**	**10.7**	**10.2**	**10.3**	**41.6**	**11.8**	**9.9**	**9.0**	**10.4**	**41.0**	**11.9**	**14.1**	**15.5**	**16.6**	**58.0**	6
4.0	4.8	4.9	5.6	19.3	5.7	5.6	5.5	5.5	22.2	4.7	4.3	4.6	5.6	19.3	7.1	9.1	10.8	11.8	38.8	7
2.2	2.2	2.3	2.5	9.2	2.9	3.2	2.9	3.0	12.0	5.1	3.4	2.4	2.7	13.7	2.6	2.8	2.7	2.7	10.8	8
2.0	1.9	1.8	1.9	7.7	2.2	2.2	2.1	2.2	8.8	4.4	2.6	1.9	2.0	10.9	2.1	2.2	2.2	2.2	8.7	9
.2	.3	.5	.6	1.6	.7	1.0	.7	.7	3.2	.7	.9	.6	.6	2.8	.5	.6	.5	.5	2.1	10
.4	.4	.5	.6	2.0	.5	.5	.6	.6	2.2	.6	.6	.6	.6	2.3	.6	.6	.6	.7	2.5	11
1.1	1.1	1.1	1.1	4.3	1.1	1.1	1.1	1.1	4.4	1.1	1.1	1.1	1.1	4.5	1.2	1.2	1.2	1.2	4.7	12
.1	.2	.1	.2	.6	.2	.2	.1	.2	.7	.3	.4	.2	.3	1.2	.4	.5	.2	.2	1.3	13
6.7	**.6**	**1.1**	**−.4**	**8.0**	**1.9**	**−2.4**	**−.5**	**−1.5**	**−2.5**	**.9**	**.9**	**4.4**	**3.0**	**9.2**	**8.2**	**.7**	**−.7**	**−1.9**	**6.4**	14
4.3	**4.4**	**4.5**	**4.7**	**17.8**	**4.7**	**4.8**	**5.0**	**5.1**	**19.6**	**5.2**	**5.3**	**5.5**	**5.5**	**21.4**	**5.8**	**5.8**	**5.8**	**6.0**	**23.5**	15
.6	.6	.5	.5	2.1	.7	.7	.6	.5	2.5	.8	.6	.6	.6	2.6	.9	.8	.7	.6	2.9	16
.2	.2	.2	.2	.7	.2	.1	.2	.2	.6	.1	.2	.2	.2	.8	.2	.2	.2	.2	.9	17
2.9	3.0	3.1	3.3	12.3	3.2	3.3	3.4	3.6	13.5	3.5	3.6	3.8	3.8	14.7	3.8	4.0	4.1	4.2	16.1	18
.2	.2	.2	.2	.7	.2	.2	.2	.2	.8	.2	.2	.2	.3	1.0	.3	.3	.3	.3	1.1	19
.4	.4	.5	.6	2.0	.5	.5	.6	.6	2.2	.6	.6	.6	.6	2.3	.6	.6	.6	.7	2.5	20
4.0	**4.4**	**4.5**	**4.6**	**17.6**	**4.5**	**5.0**	**5.2**	**5.4**	**20.2**	**5.3**	**5.7**	**5.6**	**5.8**	**22.4**	**5.5**	**6.0**	**6.1**	**6.2**	**23.8**	21
3.4	3.8	3.9	4.1	15.2	4.0	4.5	4.6	4.8	17.9	4.6	4.9	5.0	5.2	19.7	5.0	5.5	5.6	5.7	21.7	22
.8	.8	.7	.6	2.9	.7	.7	.7	.8	2.9	.9	1.0	.8	.8	3.4	.8	.7	.7	.7	2.9	23
.1	.1	.1	.1	.3	.1	.1	.1	.1	.3	.1	.1	.1	.1	.3	.1	.1	.1	.1	.3	24
.2	.2	.2	.2	.8	.2	.2	.2	.2	.9	.2	.2	.2	.2	1.0	.3	.3	.3	.3	1.1	25
.2	**.0**	**.0**	**.0**	**.3**	**.2**	**−.2**	**−.2**	**−.4**	**−.6**	**−.1**	**−.5**	**−.1**	**−.3**	**−1.0**	**.3**	**−.2**	**−.2**	**−.1**	**−.3**	26

Table III–4.—*Government Receipts and Expenditures, Quarterly, 1954–57* [1]

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
19.5	**14.2**	**15.4**	**14.7**	**63.8**	**18.3**	**18.6**	**18.3**	**17.5**	**72.8**	**20.0**	**20.6**	**19.4**	**18.7**	**78.7**	**21.6**	**22.0**	**20.6**	**18.3**	**82.5**	1
10.9	5.2	7.0	6.1	29.2	8.7	8.1	7.9	6.8	31.5	9.3	9.5	8.9	7.5	35.2	10.0	10.3	9.3	7.8	37.4	2
3.8	4.3	4.0	4.5	16.5	4.7	5.3	5.3	5.6	20.9	5.3	5.5	5.1	5.5	21.4	5.4	5.4	5.2	4.8	20.7	3
2.5	2.5	2.4	2.6	10.1	2.5	2.8	2.8	2.9	11.0	2.7	2.8	2.9	3.2	11.6	2.9	3.1	3.1	3.1	12.2	4
2.5	2.2	1.9	1.6	8.1	2.4	2.4	2.4	2.1	9.3	2.8	2.8	2.6	2.4	10.5	3.3	3.2	3.0	2.6	12.2	5
18.4	**17.5**	**17.0**	**16.6**	**69.6**	**17.2**	**17.3**	**17.1**	**17.3**	**68.9**	**17.5**	**17.8**	**18.1**	**18.6**	**71.9**	**19.5**	**20.3**	**20.0**	**19.8**	**79.6**	6
13.2	11.9	11.5	11.0	47.5	11.2	11.3	11.4	11.4	45.3	11.1	11.2	11.6	11.8	45.7	12.2	12.5	12.5	12.2	49.4	7
3.2	3.3	3.2	3.3	13.0	3.7	3.6	3.3	3.4	14.0	3.7	3.8	3.6	3.8	14.9	4.1	4.5	4.1	4.5	17.3	8
2.8	2.9	2.8	3.0	11.6	3.2	3.2	3.0	3.1	12.5	3.4	3.4	3.3	3.4	13.5	3.8	4.1	3.9	4.2	15.9	9
.4	.3	.3	.3	1.4	.5	.4	.3	.3	1.5	.3	.4	.3	.4	1.4	.4	.5	.3	.4	1.5	10
.7	.7	.8	.8	2.9	.7	.7	.9	.8	3.0	.7	.7	.9	.9	3.3	.9	.9	1.1	1.2	4.1	11
1.2	1.3	1.3	1.2	5.0	1.2	1.2	1.2	1.3	4.9	1.3	1.3	1.3	1.3	5.2	1.4	1.4	1.4	1.4	5.6	12
.2	.4	.3	.3	1.2	.4	.5	.4	.4	1.6	.6	.7	.7	.7	2.8	.8	1.0	.8	.5	3.1	13
1.1	**−3.3**	**−1.6**	**−2.0**	**−5.8**	**1.2**	**1.4**	**1.2**	**.1**	**3.8**	**2.6**	**2.8**	**1.3**	**.1**	**6.8**	**2.1**	**1.7**	**.6**	**−1.5**	**2.9**	14
7.0	**7.3**	**7.3**	**7.5**	**29.1**	**7.5**	**7.9**	**8.1**	**8.3**	**31.7**	**8.4**	**8.7**	**8.9**	**9.0**	**34.9**	**9.1**	**9.5**	**9.6**	**9.7**	**37.8**	15
1.0	1.0	.9	.9	3.8	1.1	1.2	1.0	1.0	4.2	1.3	1.3	1.2	1.1	4.8	1.4	1.5	1.3	1.2	5.4	16
.2	.2	.2	.2	.8	.2	.2	.2	.3	1.0	.3	.3	.2	.3	1.0	.3	.3	.2	.2	1.0	17
4.8	5.0	5.1	5.2	20.1	5.1	5.4	5.6	5.8	21.8	5.7	6.0	6.1	6.2	24.0	6.1	6.3	6.4	6.6	25.4	18
.4	.4	.4	.4	1.6	.4	.4	.4	.4	1.7	.4	.4	.5	.5	1.8	.5	.5	.5	.5	2.0	19
.7	.7	.8	.8	2.9	.7	.7	.9	.8	3.0	.7	.7	.9	.9	3.3	.9	.9	1.1	1.2	4.1	20
6.8	**7.6**	**7.8**	**7.9**	**30.1**	**7.5**	**8.4**	**8.4**	**8.5**	**32.7**	**8.0**	**8.9**	**9.2**	**9.3**	**35.5**	**8.9**	**9.8**	**10.0**	**10.3**	**39.0**	21
6.2	7.0	7.2	7.3	27.7	6.9	7.7	7.8	7.9	30.3	7.4	8.3	8.6	8.7	33.1	8.3	9.2	9.3	9.6	36.3	22
.8	.8	.8	.9	3.4	.9	.9	.9	.9	3.5	.9	.9	.9	.9	3.6	1.0	1.0	1.0	1.0	4.0	23
.1	.1	.1	.1	.4	.1	.1	.1	.1	.5	.1	.1	.1	.1	.5	.1	.1	.1	.1	.5	24
.3	.3	.4	.4	1.4	.4	.4	.4	.4	1.6	.4	.4	.4	.4	1.7	.4	.4	.5	.5	1.8	25
.2	**−.3**	**−.5**	**−.4**	**−.9**	**.0**	**−.5**	**−.3**	**−.2**	**−1.0**	**.4**	**−.2**	**−.4**	**−.4**	**−.6**	**.2**	**−.4**	**−.4**	**−.7**	**−1.2**	26

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Table III–5.—*Social Insurance Funds, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
	Federal													
1	Contributions for social insurance	5,493	5,108	4,511	4,937	5,907	7,085	7,378	7,369	8,112	9,327	10,511	12,202	1
2	Employee contributions	1,773	1,833	1,829	1,856	2,448	2,904	2,975	3,086	3,651	4,120	4,420	5,166	2
3	Employer contributions	3,720	3,275	2,682	3,081	3,459	4,181	4,197	4,064	4,238	4,909	5,623	6,514	3
4	Government and government enterprises	1,654	840	342	732	396	486	525	324	172	364	609	968	4
5	Private	2,066	2,435	2,340	2,349	3,063	3,695	3,672	3,740	4,066	4,545	5,014	5,546	5
6	Self-employed persons' contributions							206	219	223	298	468	522	6
7	Less: Transferred to general government	244	114	175	226	338	388	303	347	319	455	475	424	7
8	Equals: Retained by social insurance funds	5,249	4,994	4,336	4,711	5,569	6,697	7,075	7,022	7,793	8,872	10,036	11,778	8
9	Plus: Investment income	608	667	756	853	884	887	1,008	1,118	1,193	1,198	1,272	1,342	9
10	Equals: Net receipts	5,857	5,661	5,092	5,564	6,453	7,584	8,083	8,140	8,986	10,070	11,308	13,120	10
11	Less: Benefit payments	2,348	2,123	2,226	3,492	6,100	4,352	4,758	5,606	7,463	8,040	8,937	11,177	11
12	Equals: Surplus or deficit (−)	3,509	3,538	2,866	2,072	353	3,232	3,325	2,534	1,523	2,030	2,371	1,943	12
	State and local													
13	Contributions for social insurance	488	575	709	800	963	1,085	1,236	1,359	1,583	1,668	1,802	1,966	13
14	Employee contributions	238	285	349	378	446	513	572	635	699	763	828	910	14
15	Employer contributions	250	290	360	422	517	572	664	724	884	905	974	1,056	15
16	Government and government enterprises	250	290	360	420	510	570	660	720	880	900	970	1,050	16
17	Private			0	2	7	2	4	4	4	5	4	6	17
18	Less: Transferred to general government	6	7	11	16	17	17	16	17	17	17	18	20	18
19	Equals: Retained by social insurance funds	482	568	698	784	946	1,068	1,220	1,342	1,566	1,651	1,784	1,946	19
20	Plus: Investment income	86	91	101	122	142	168	199	210	248	287	331	377	20
21	Equals: Net receipts	568	659	799	906	1,088	1,236	1,419	1,552	1,814	1,938	2,115	2,323	21
22	Less: Benefit payments	260	297	326	356	398	466	543	609	700	743	854	964	22
23	Equals: Surplus or deficit (−)	308	362	473	550	690	770	876	943	1,114	1,195	1,261	1,359	23

1. For a listing of social insurance funds and for detail on employer and employee contributions and benefit payments, see tables III–6 and III–7.

Table III–6.—*Contributions for Social Insurance, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Total contributions for social insurance**	**5,981**	**5,683**	**5,220**	**5,737**	**6,870**	**8,170**	**8,614**	**8,728**	**9,695**	**10,995**	**12,313**	**14,168**	1
2	**Employer contributions**	**3,970**	**3,565**	**3,042**	**3,503**	**3,976**	**4,753**	**4,861**	**4,788**	**5,122**	**5,814**	**6,597**	**7,570**	2
3	Old-age and survivors insurance	687	780	839	816	1,308	1,660	1,776	1,882	2,458	2,825	3,014	3,653	3
4	State unemployment insurance	893	1,029	965	1,010	1,217	1,465	1,350	1,288	1,081	1,221	1,475	1,505	4
5	Federal unemployment tax	184	212	228	223	232	263	263	298	289	304	326	338	5
6	Railroad retirement insurance	163	271	283	277	282	307	319	312	294	308	316	304	6
7	Railroad unemployment insurance	139	143	25	23	24	26	25	25	24	25	76	97	7
8	Federal civilian employee retirement systems	241	241	244	273	316	316	326	188	42	144	393	599	8
9	State and local employee retirement systems	250	290	360	420	510	570	660	720	880	900	970	1,050	9
10	Cash sickness compensation funds			0	2	7	2	4	4	4	5	4	6	10
11	Government life insurance	1,413	599	98	459	80	144	138	71	50	82	23	18	11
12	**Employee contributions**	**2,011**	**2,118**	**2,178**	**2,234**	**2,894**	**3,417**	**3,547**	**3,721**	**4,350**	**4,883**	**5,248**	**6,076**	12
13	Old-age and survivors insurance	687	780	839	816	1,308	1,660	1,776	1,882	2,458	2,825	3,014	3,653	13
14	State unemployment insurance	44	33	18	11	13	13	14	14	13	14	16	17	14
15	Railroad retirement insurance	163	271	283	277	282	307	319	312	294	308	316	304	15
16	Federal civilian employee retirement systems	262	246	275	350	371	391	427	431	430	513	600	673	16
17	State and local employee retirement systems	190	230	280	330	395	465	520	580	640	700	760	840	17
18	Cash sickness compensation funds	48	55	69	48	51	48	52	55	59	63	68	70	18
19	Government life insurance	617	503	414	402	474	533	439	447	456	460	474	519	19
20	**Self-employed persons' contributions**							**206**	**219**	**223**	**298**	**468**	**522**	20
21	Old-age and survivors insurance							206	219	223	298	468	522	21

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Table III–7.—*Government Transfer Payments to Persons, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Total government transfer payments to persons**	**10,854**	**11,113**	**10,542**	**11,622**	**14,304**	**11,590**	**12,041**	**12,887**	**14,961**	**16,050**	**17,094**	**19,868**	1
2	**Federal Government**	**9,214**	**8,887**	**7,652**	**8,754**	**10,884**	**8,663**	**8,906**	**9,669**	**11,607**	**12,514**	**13,475**	**15,896**	2
3	Benefits from social insurance funds	2,348	2,123	2,226	3,492	6,100	4,352	4,758	5,606	7,463	8,040	8,937	11,177	3
4	Old-age and survivors insurance benefits	378	463	552	664	954	1,872	2,177	2,979	3,633	4,915	5,652	7,321	4
5	State unemployment insurance benefits	1,094	775	790	1,730	1,367	837	992	954	2,015	1,369	1,400	1,755	5
6	Railroad retirement insurance benefits	159	212	283	320	337	345	476	515	578	620	674	738	6
7	Railroad unemployment insurance benefits	40	39	28	103	60	20	42	46	157	93	70	93	7
8	Federal civilian pensions	349	282	220	242	273	288	328	396	412	453	553	648	8
9	Government life insurance benefits	328	352	353	433	3,109	990	743	716	668	590	588	622	9
10	Direct relief													10
11	Military pension, disability, and retirement payments	1,693	2,181	2,297	2,402	2,478	2,431	2,562	2,747	2,887	3,120	3,214	3,394	11
12	Adjusted compensation benefits [2]	18	6	3	2	2	1	1	1	• 1	0	0	0	12
13	Mustering-out payments to discharged servicemen and terminal-leave benefits.	2,131	1,577	431	167	116	153	453	355	324	297	192	121	13
14	Readjustment, self-employment, and subsistence allowance to veterans.	2,780	2,605	2,284	2,280	1,708	1,222	652	498	607	730	781	757	14
15	Other [3]	244	395	411	411	480	504	480	462	325	327	351	441	15
16	**State and local government**	**1,640**	**2,226**	**2,890**	**2,868**	**3,420**	**2,927**	**3,135**	**3,218**	**3,354**	**3,536**	**3,619**	**3,972**	16
17	Benefits from social insurance funds	260	297	326	356	398	466	543	609	700	743	854	964	17
18	Government pensions	255	275	300	325	360	430	500	560	640	680	780	880	18
19	Cash sickness compensation	5	22	26	31	38	36	43	49	60	63	74	84	19
20	Direct relief	1,177	1,478	1,727	2,169	2,345	2,267	2,297	2,357	2,433	2,495	2,563	2,766	20
21	Special types of public assistance	1,057	1,314	1,529	1,889	2,055	2,075	2,129	2,207	2,238	2,283	2,367	2,556	21
22	General assistance	120	164	198	280	290	192	168	150	195	212	196	210	22
23	Other [4]	203	451	837	343	677	194	295	252	221	298	202	242	23

1. Classification differs from functional breakdown of transfer payments in table III–8.
2. For the period covered in this table, consists almost entirely of cash redemptions by veterans of adjusted service bonds issued under the Adjusted Compensation Payment Act of January 27, 1936.
3. Consists of military and naval insurance payments, payments to nonprofit institutions, profits of military post exchanges and navy exchanges and ships' stores, payments under the Panama Canal Construction Annuity Act, enemy alien and civilian war assistance, payments to United States military and civilian prisoners of war, and Atomic Energy Commission fellowships.
4. Consists of veterans' aid and bonuses, payments for the care of foster children in private family homes, and payments to nonprofit institutions.

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Table III–8.—*Government Expenditures by Type of Function, 1952–57* [1]

1952

[Millions of dollars]

Line		Federal					State and local				Line
		Total	Purchases of goods and services	Transfer payments and net interest paid	Grants-in-aid to State and local governments [2]	Subsidies less current surplus of government enterprises [3]	Total [2]	Purchases of goods and services	Transfer payments and net interest paid	Less: Current surplus of government enterprises	
1	**Total**	71,613	52,854	15,113	2,635	1,011	25,447	23,190	3,422	1,165	1
2	**National defense**	47,452	46,408	1,074	70	−100	124	124			2
3	Military services and foreign military assistance	44,368	43,422	1,034	12	−100	36	36			3
4	Atomic energy development	1,813	1,721	40	52		50	50			4
5	Stockpiling and defense facilities	1,000	1,000								5
6	Other	271	265		6		38	38			6
7	**General government**	6,512	1,474	5,078	11	−51	3,059	2,261	830	32	7
8	General administration	769	769				1,212	1,212			8
9	General property and records management	212	212				244	244			9
10	Central personnel management and employment costs	611	283	328			1,236	725	543	32	10
11	Net interest paid	4,729		4,729			287		287		11
12	Other	191	210	21	11	−51	80	80			12
13	**International affairs and finance**	2,240	762	1,478							13
14	Conduct of foreign affairs and informational activities	292	292								14
15	Foreign economic assistance and other transfers	1,948	470	1,478							15
16	**Health, education, and welfare**	6,043	464	3,745	1,837	−3	15,951	13,545	2,406		16
17	Public health and sanitation	322	157	56	109		3,145	3,143	2		17
18	Education	307	109		198		7,937	7,907	30		18
19	Elementary and secondary	270	72		198		6,529	6,529			19
20	Higher						1,045	1,045			20
21	Other	37	37				363	333	30		21
22	Social security and special welfare services	5,152	125	3,689	1,338		2,826	452	2,374		22
23	Public assistance and relief	1,279	2		1,277		2,826	452	2,374		23
24	Unemployment benefits	1,034		1,034							24
25	Old age and retirement benefits	2,718	63	2,655							25
26	Other	121	60		61						26
27	Civilian safety	24	27			−3	1,860	1,860			27
28	Police						945	945			28
29	Fire						584	584			29
30	Prisons	24	27			−3	331	331			30
31	Labor and manpower	232	40		192		183	183			31
32	Other	6	6								32
33	**Veterans' services and benefits**	5,057	1,203	3,738	116		198	14	184		33
34	Education, training, and other benefits	903	27	766	110						34
35	Compensation and pensions	2,217		2,217			184		184		35
36	Insurance	755		755							36
37	Hospitals and medical care	913	909		4						37
38	Administration and other services	269	267		2		14	14			38
39	**Commerce and housing**	1,932	736		498	698	5,084	6,218		1,134	39
40	Regulation of commerce and finance	33	33				364	364			40
41	Transportation	1,136	597		490	49	4,475	4,616		141	41
42	Highways	532	72		460		4,394	4,503		109	42
43	Water	438	389			49	19	51		32	43
44	Air	166	136		30		62	62			44
45	Housing and community redevelopment	−64	9		8	−81	460	572		112	45
46	Public utilities						−34	640		674	46
47	Transit						45	63		18	47
48	Electricity						−77	193		270	48
49	Water and gas						−2	384		386	49
50	Postal services	818	20			798					50
51	Other	9	77			−68	−181	26		207	51
52	**Agriculture and agricultural resources**	1,274	700		45	529	343	341	2		52
53	Stabilization of farm prices and income	691	436			255					53
54	Financing farm ownership and utilities	61	29			32					54
55	Conservation of agricultural resources	358	116			242	341	341			55
56	Other services	164	119		45		2		2		56
57	**Natural resources**	1,374	1,378		58	−62	688	687		−1	57
58	Conservation and development of resources	1,314	1,318		58	−62	380	380			58
59	Recreational use of natural resources	30	30				307	307			59
60	Other	30	30				1			−1	60
61	**Less: Government sales**	271	271								61

See footnotes at end of table.

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Table III–8.—*Government Expenditures by Type of Function, 1952–57* [1]—Continued

1953

[Millions of dollars]

Line		Federal					State and local				Line
		Total	Purchases of goods and services	Transfer payments and net interest paid	Grants-in-aid to State and local governments [2]	Subsidies less current surplus of government enterprises [3]	Total [2]	Purchases of goods and services	Transfer payments and net interest paid	Less: Current surplus of government enterprises	
1	**Total**	**77,715**	**57,964**	**16,098**	**2,811**	**842**	**27,136**	**24,866**	**3,543**	**1,273**	1
2	**National defense**	**50,301**	**49,289**	**1,020**	**90**	**−98**	**139**	**139**			2
3	Military services and foreign military assistance	47,330	46,432	980	16	−98	44	44			3
4	Atomic energy development	1,872	1,772	40	60		53	53			4
5	Stockpiling and defense facilities	888	888								5
6	Other	211	197		14		42	42			6
7	**General government**	**6,585**	**1,326**	**5,301**	**12**	**−54**	**3,308**	**2,411**	**934**	**37**	7
8	General administration	748	748				1,271	1,271			8
9	General property and records management	167	167				254	254			9
10	Central personnel management and employment costs	579	183	396			1,363	791	609	37	10
11	Net interest paid	4,846		4,846			325		325		11
12	Other	245	228	59	12	−54	95	95			12
13	**International affairs and finance**	**2,050**	**465**	**1,583**		**2**					13
14	Conduct of foreign affairs and informational activities	238	236			2					14
15	Foreign economic assistance and other transfers	1,812	229	1,583							15
16	**Health, education, and welfare**	**7,002**	**494**	**4,541**	**1,970**	**−3**	**17,203**	**14,725**	**2,478**		16
17	Public health and sanitation	277	150	45	82		3,192	3,187	5		17
18	Education	343	104		239		8,912	8,873	39		18
19	Elementary and secondary	} 307	68		239		{ 7,453	7,453			19
20	Higher						1,080	1,080			20
21	Other	36	36				379	340	39		21
22	Social security and special welfare services	6,133	182	4,496	1,455		2,913	482	2,431		22
23	Public assistance and relief	1,396	2		1,394		2,913	482	2,431		23
24	Unemployment benefits	1,000		1,000							24
25	Old age and retirement benefits	3,559	63	3,496							25
26	Other	178	117		61						26
27	Civilian safety	24	27			−3	1,998	1,995	3		27
28	Police						1,042	1,042			28
29	Fire						598	596	2		29
30	Prisons	24	27			−3	358	357	1		30
31	Labor and manpower	220	26		194		188	188			31
32	Other	5	5								32
33	**Veterans' services and benefits**	**4,810**	**1,098**	**3,653**	**59**		**139**	**13**	**126**		33
34	Education, training, and other benefits	627	26	548	53						34
35	Compensation and pensions	2,369		2,369			126		126		35
36	Insurance	736		736							36
37	Hospitals and medical care	851	847		4						37
38	Administration and other services	227	225		2		13	13			38
39	**Commerce and housing**	**1,681**	**562**		**568**	**551**	**5,301**	**6,532**		**1,231**	39
40	Regulation of commerce and finance	44	44				413	413			40
41	Transportation	1,149	478		560	111	4,785	4,950		165	41
42	Highways	596	59		537		4,684	4,811		127	42
43	Water	402	305			97	53	86		33	43
44	Air	151	114		23	14	48	53		5	44
45	Housing and community redevelopment	−54	9		8	−71	280	390		110	45
46	Public utilities						7	758		751	46
47	Transit						18	43		25	47
48	Electricity						−22	264		286	48
49	Water and gas						11	451		440	49
50	Postal services	599	17			582					50
51	Other	−57	14			−71	−184	21		205	51
52	**Agriculture and agricultural resources**	**4,179**	**3,599**		**46**	**534**	**367**	**362**	**5**		52
53	Stabilization of farm prices and income	3,667	3,328			339					53
54	Financing farm ownership and utilities	43	29			14					54
55	Conservation of agricultural resources	292	111			181	362	362			55
56	Other services	177	131		46		5		5		56
57	**Natural resources**	**1,421**	**1,445**		**66**	**−90**	**679**	**684**		**5**	57
58	Conservation and development of resources	1,357	1,381		66	−90	329	329			58
59	Recreational use of natural resources	30	30				355	355			59
60	Other	34	34				−5			5	60
61	**Less: Government sales**	314	314								61

See footnotes at end of table.

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Table III–8.—*Government Expenditures by Type of Function, 1952–57* [1]—Continued

1954

[Millions of dollars]

Line		Federal					State and local				Line
		Total	Purchases of goods and services	Transfer payments and net interest paid	Grants-in-aid to State and local governments [2]	Subsidies less current surplus of government enterprises [3]	Total [2]	Purchases of goods and services	Transfer payments and net interest paid	Less: Current surplus of government enterprises	
1	**Total**	**69,570**	**47,548**	**17,975**	**2,882**	**1,165**	**30,053**	**27,706**	**3,755**	**1,408**	1
2	**National defense**	**42,113**	**41,189**	**916**	**97**	**−89**	**151**	**151**			2
3	Military services and foreign military assistance	38,975	38,168	876	20	−89	50	50			3
4	Atomic energy development	1,937	1,837	40	60		58	58			4
5	Stockpiling and defense facilities	1,009	1,009								5
6	Other	192	175		17		43	43			6
7	**General government**	**6,726**	**1,289**	**5,468**	**22**	**−53**	**3,786**	**2,721**	**1,101**	**36**	7
8	General administration	717	717				1,388	1,388			8
9	General property and records management	147	147				303	303			9
10	Central personnel management and employment costs	509	97	412			1,602	938	700	36	10
11	Net interest paid	5,006		5,006			401		401		11
12	Other	347	328	50	22	−53	92	92			12
13	**International affairs and finance**	**1,776**	**413**	**1,362**		**1**					13
14	Conduct of foreign affairs and informational activities	213	212			1					14
15	Foreign economic assistance and other transfers	1,563	201	1,362							15
16	**Health, education, and welfare**	**8,982**	**536**	**6,425**	**2,023**	**−2**	**19,025**	**16,396**	**2,629**		16
17	Public health and sanitation	235	119	40	76		3,461	3,455	6		17
18	Education	351	106		245		10,075	10,030	45		18
19	Elementary and secondary	308	63		245		8,517	8,517			19
20	Higher						1,166	1,166			20
21	Other	43	43				392	347	45		21
22	Social security and special welfare services	8,096	213	6,385	1,498		3,112	536	2,576		22
23	Public assistance and relief	1,439	2		1,437		3,112	536	2,576		23
24	Unemployment benefits	2,172		2,172							24
25	Old age and retirement benefits	4,279	66	4,213							25
26	Other	206	145		61						26
27	Civilian safety	29	31			−2	2,178	2,176	2		27
28	Police						1,133	1,133			28
29	Fire						652	651	1		29
30	Prisons	29	31			−2	393	392	1		30
31	Labor and manpower	262	58		204		199	199			31
32	Other	9	9								32
33	**Veterans' services and benefits**	**4,785**	**951**	**3,804**	**30**		**30**	**12**	**18**		33
34	Education, training, and other benefits	680	24	632	24						34
35	Compensation and pensions	2,474		2,474			18		18		35
36	Insurance	698		698							36
37	Hospitals and medical care	736	732		4						37
38	Administration and other services	197	195		2		12	12			38
39	**Commerce and housing**	**1,476**	**522**		**585**	**369**	**5,913**	**7,279**		**1,366**	39
40	Regulation of commerce and finance	38	38				402	402			40
41	Transportation	1,179	418		585	176	5,536	5,709		173	41
42	Highways	632	60		572		5,395	5,536		141	42
43	Water	357	248			109	89	115		26	43
44	Air	190	110		13	67	52	58		6	44
45	Housing and community redevelopment	−86	10			−96	199	331		132	45
46	Public utilities						−40	804		844	46
47	Transit						−24	61		85	47
48	Electricity						−71	243		314	48
49	Water and gas						55	500		445	49
50	Postal services	367	21			346					50
51	Other	−22	35			−57	−184	33		217	51
52	**Agriculture and agricultural resources**	**2,815**	**1,699**		**51**	**1,065**	**390**	**383**	**7**		52
53	Stabilization of farm prices and income	2,270	1,436			834					53
54	Financing farm ownership and utilities	38	24			14					54
55	Conservation of agricultural resources	315	98			217	383	383			55
56	Other services	192	141		51		7		7		56
57	**Natural resources**	**1,212**	**1,264**		**74**	**−126**	**758**	**764**		**6**	57
58	Conservation and development of resources	1,149	1,201		74	−126	357	357			58
59	Recreational use of natural resources	36	36				407	407			59
60	Other	27	27				−6			6	60
61	**Less: Government sales**	**315**	**315**								61

See footnotes at end of table.

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Table III–8.—*Government Expenditures by Type of Function, 1952–57*[1]—Continued

1955

[Millions of dollars]

Line		Federal					State and local				Line
		Total	Purchases of goods and services	Transfer payments and net interest paid	Grants-in-aid to State and local governments[2]	Subsidies less current surplus of government enterprises[3]	Total[2]	Purchases of goods and services	Transfer payments and net interest paid	Less: Current surplus of government enterprises	
1	**Total**	**68,915**	**45,282**	**18,948**	**3,050**	**1,635**	**32,713**	**30,310**	**4,005**	**1,602**	1
2	**National defense**	**40,046**	**39,081**	**953**	**88**	**−76**	**151**	**151**			2
3	Military services and foreign military assistance	37,549	36,722	903		−76	54	54			3
4	Atomic energy development	1,676	1,560	50	66		65	65			4
5	Stockpiling and defense facilities	658	658								5
6	Other	163	141		22		32	32			6
7	**General government**	**6,859**	**1,382**	**5,417**	**20**	**40**	**4,063**	**2,883**	**1,212**	**32**	7
8	General administration	786	786				1,466	1,466			8
9	General property and records management	155	155				356	356			9
10	Central personnel management and employment costs	651	198	453			1,673	962	743	32	10
11	Net interest paid	4,920		4,920			469		469		11
12	Other	347	243	44	20	40	99	99			12
13	**International affairs and finance**	**2,084**	**569**	**1,514**		**1**					13
14	Conduct of foreign affairs and informational activities	221	221								14
15	Foreign economic assistance and other transfers	1,863	348	1,514		1					15
16	**Health, education, and welfare**	**9,573**	**470**	**7,036**	**2,070**	**−3**	**20,833**	**18,138**	**2,695**		16
17	Public health and sanitation	246	127	37	82		3,689	3,683	6		17
18	Education	365	117		248		11,360	11,317	43		18
19	Elementary and secondary	314	66		248		9,636	9,636			19
20	Higher						1,314	1,314			20
21	Other	51	51				410	367	43		21
22	Social security and special welfare services	8,652	127	6,999	1,526		3,209	567	2,642		22
23	Public assistance and relief	1,468	2		1,466		3,209	567	2,642		23
24	Unemployment benefits	1,462		1,462							24
25	Old age and retirement benefits	5,626	89	5,537							25
26	Other	96	36		60						26
27	Civilian safety	29	32			−3	2,364	2,360	4		27
28	Police						1,238	1,238			28
29	Fire						693	691	2		29
30	Prisons	29	32			−3	433	431	2		30
31	Labor and manpower	270	56		214		211	211			31
32	Other	11	11								32
33	**Veterans' services and benefits**	**5,004**	**956**	**4,028**	**20**		**104**	**12**	**92**		33
34	Education, training, and other benefits	769	13	743	13						34
35	Compensation and pensions	2,663		2,663			92		92		35
36	Insurance	622		622							36
37	Hospitals and medical care	765	760		5						37
38	Administration and other services	185	183		2		12	12			38
39	**Commerce and housing**	**1,739**	**464**		**713**	**562**	**6,300**	**7,866**		**1,566**	39
40	Regulation of commerce and finance	35	35				410	410			40
41	Transportation	1,270	411		713	146	5,951	6,165		214	41
42	Highways	759	58		701		5,864	6,029		165	42
43	Water	338	231			107	39	74		35	43
44	Air	173	122		12	39	48	62		14	44
45	Housing and community redevelopment	4	12			−8	34	182		148	45
46	Public utilities						73	1,042		969	46
47	Transit						1	80		79	47
48	Electricity						−108	257		365	48
49	Water and gas						180	705		525	49
50	Postal services	496	25			471					50
51	Other	−66	−19			−47	−168	67		235	51
52	**Agriculture and agricultural resources**	**2,932**	**1,621**		**60**	**1,251**	**407**	**401**	**6**		52
53	Stabilization of farm prices and income	2,367	1,316			1,051					53
54	Financing farm ownership and utilities	36	24			12					54
55	Conservation of agricultural resources	298	110			188	401	401			55
56	Other services	231	171		60		6		6		56
57	**Natural resources**	**1,036**	**1,097**		**79**	**−140**	**855**	**859**		**4**	57
58	Conservation and development of resources	963	1,024		79	−140	381	381			58
59	Recreational use of natural resources	39	39				478	478			59
60	Other	34	34				−4			4	60
61	**Less: Government sales**	**358**	**358**								61

See footnotes at end of table.

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Table III–8.—*Government Expenditures by Type of Function, 1952–57* [1]—Continued

1956

[Millions of dollars]

Line		Federal					State and local				Line
		Total	Purchases of goods and services	Transfer payments and net interest paid	Grants-in-aid to State and local governments [2]	Subsidies less current surplus of government enterprises [3]	Total [2]	Purchases of goods and services	Transfer payments and net interest paid	Less: Current surplus of government enterprises	
1	**Total**	**71,900**	**45,721**	**20,133**	**3,257**	**2,789**	**35,499**	**33,117**	**4,126**	**1,744**	1
2	**National defense**	**41,310**	**40,330**	**941**	**98**	**−59**	**177**	**177**			2
3	Military services and foreign military assistance	38,863	38,031	891		−59	61	61			3
4	Atomic energy development	1,798	1,672	50	76		82	82			4
5	Stockpiling and defense facilities	458	458								5
6	Other	191	169		22		34	34			6
7	**General government**	**7,334**	**1,540**	**5,828**	**23**	**−57**	**4,441**	**3,125**	**1,361**	**45**	7
8	General administration	812	812				1,586	1,586			8
9	General property and records management	189	189				344	344			9
10	Central personnel management and employment costs	974	421	553			1,873	1,064	854	45	10
11	Net interest paid	5,238		5,238			507		507		11
12	Other	121	118	37	23	−57	131	131			12
13	**International affairs and finance**	**2,068**	**611**	**1,420**		**37**					13
14	Conduct of foreign affairs and informational activities	242	242								14
15	Foreign economic assistance and other transfers	1,826	369	1,420		37					15
16	**Health, education, and welfare**	**10,833**	**837**	**7,829**	**2,171**	**−4**	**22,598**	**19,867**	**2,731**		16
17	Public health and sanitation	328	206	31	91		4,182	4,177	5		17
18	Education	350	115		235		12,398	12,346	52		18
19	Elementary and secondary	294	59		235		10,403	10,403			19
20	Higher						1,507	1,507			20
21	Other	56	56				488	436	52		21
22	Social security and special welfare services	9,823	411	7,798	1,614		3,252	580	2,672		22
23	Public assistance and relief	1,539	1		1,538		3,252	580	2,672		23
24	Unemployment benefits	1,470		1,470							24
25	Old age and retirement benefits	6,452	124	6,328							25
26	Other	362	286		76						26
27	Civilian safety	30	34			−4	2,540	2,538	2		27
28	Police						1,336	1,336			28
29	Fire						735	734	1		29
30	Prisons	30	34			−4	469	468	1		30
31	Labor and manpower	292	61		231		226	226			31
32	Other	10	10								32
33	**Veterans' services and benefits**	**5,104**	**973**	**4,115**	**16**		**40**	**11**	**29**		33
34	Education, training, and other benefits	805	8	789	8						34
35	Compensation and pensions	2,701		2,701			29		29		35
36	Insurance	625		625							36
37	Hospitals and medical care	797	791		6						37
38	Administration and other services	176	174		2		11	11			38
39	**Commerce and housing**	**2,186**	**595**		**791**	**800**	**6,813**	**8,508**		**1,695**	39
40	Regulation of commerce and finance	39	39				453	453			40
41	Transportation	1,464	490		791	183	6,461	6,728		267	41
42	Highways	827	54		773		6,333	6,533		200	42
43	Water	448	303			145	52	95		43	43
44	Air	189	133		18	38	76	100		24	44
45	Housing and community redevelopment	26	10			16	0	161		161	45
46	Public utilities						83	1,107		1,024	46
47	Transit						36	107		71	47
48	Electricity						−68	300		368	48
49	Water and gas						115	700		585	49
50	Postal services	632	30			602					50
51	Other	25	26			−1	−184	59		243	51
52	**Agriculture and agricultural resources**	**2,207**	**−74**		**71**	**2,210**	**431**	**426**	**5**		52
53	Stabilization of farm prices and income	1,556	−403			1,959					53
54	Financing farm ownership and utilities	62	31			31					54
55	Conservation of agricultural resources	337	117			220	426	426			55
56	Other services	252	181		71		5		5		56
57	**Natural resources**	**1,189**	**1,240**		**87**	**−138**	**999**	**1,003**		**4**	57
58	Conservation and development of resources	1,100	1,151		87	−138	490	490			58
59	Recreational use of natural resources	54	54				513	513			59
60	Other	35	35				−4			4	60
61	**Less: Government sales**	**331**	**331**								61

See footnotes at end of table.

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Table III–8.—*Government Expenditures by Type of Function, 1952–57* [1]—Continued

1957

[Millions of dollars]

Line		Federal					State and local				Line
		Total	Purchases of goods and services	Transfer payments and net interest paid	Grants-in-aid to State and local governments [2]	Subsidies less current surplus of government enterprises [3]	Total [2]	Purchases of goods and services	Transfer payments and net interest paid	Less: Current surplus of government enterprises	
1	**Total**	**79,582**	**49,381**	**22,979**	**4,087**	**3,135**	**39,009**	**36,300**	**4,514**	**1,805**	1
2	**National defense**	**45,371**	**44,347**	**989**	**104**	**−69**	**204**	**204**			2
3	Military services and foreign military assistance	42,419	41,574	914		−69	69	69			3
4	Atomic energy development	2,183	2,024	75	84		97	97			4
5	Stockpiling and defense facilities	567	567								5
6	Other	202	182		20		38	38			6
7	**General government**	**7,664**	**1,378**	**6,321**	**23**	**−58**	**4,870**	**3,404**	**1,506**	**40**	7
8	General administration	809	809				1,735	1,735			8
9	General property and records management	202	202				367	367			9
10	Central personnel management and employment costs	960	312	648			2,080	1,156	964	40	10
11	Net interest paid	5,632		5,632			542		542		11
12	Other	61	55	41	23	−58	146	146			12
13	**International affairs and finance**	**2,069**	**617**	**1,451**		**1**					13
14	Conduct of foreign affairs and informational activities	300	300								14
15	Foreign economic assistance and other transfers	1,769	317	1,451		1					15
16	**Health, education, and welfare**	**13,135**	**722**	**9,955**	**2,462**	**−4**	**24,690**	**21,745**	**2,945**		16
17	Public health and sanitation	426	265	46	115		4,590	4,584	6		17
18	Education	374	108		266		13,562	13,506	56		18
19	Elementary and secondary	} 329	63		266		{ 11,320	11,320			19
20	Higher						{ 1,712	1,712			20
21	Other	45	45				530	474	56		21
22	Social security and special welfare services	12,000	260	9,909	1,831		3,516	635	2,881		22
23	Public assistance and relief	1,726	2		1,724		3,516	635	2,881		23
24	Unemployment benefits	1,848		1,848							24
25	Old age and retirement benefits	8,222	161	8,061							25
26	Other	204	97		107						26
27	Civilian safety	23	27			−4	2,774	2,772	2		27
28	Police						1,454	1,454			28
29	Fire						801	800	1		29
30	Prisons	23	27			−4	519	518	1		30
31	Labor and manpower	301	51		250		248	248			31
32	Other	11	11								32
33	**Veterans' services and benefits**	**5,277**	**1,006**	**4,263**	**8**		**68**	**10**	**58**		33
34	Education, training, and other benefits	769	9	760							34
35	Compensation and pensions	2,841		2,841			58		58		35
36	Insurance	662		662							36
37	Hospitals and medical care	819	813		6						37
38	Administration and other services	186	184		2		10	10			38
39	**Commerce and housing**	**2,545**	**506**		**1,309**	**730**	**7,587**	**9,350**		**1,763**	39
40	Regulation of commerce and finance	47	47				506	506			40
41	Transportation	1,847	362		1,309	176	7,117	7,398		281	41
42	Highways	1,314	35		1,279		6,973	7,187		214	42
43	Water	258	119			139	58	101		43	43
44	Air	275	208		30	37	86	110		24	44
45	Housing and community redevelopment	18	9			9	26	176		150	45
46	Public utilities						133	1,206		1,073	46
47	Transit						43	117		74	47
48	Electricity						−59	327		386	48
49	Water and gas						149	762		613	49
50	Postal services	592	47			545					50
51	Other	41	41				−195	64		259	51
52	**Agriculture and agricultural resources**	**2,602**	**−208**		**83**	**2,727**	**474**	**469**	**5**		52
53	Stabilization of farm prices and income	1,940	−544			2,484					53
54	Financing farm ownership and utilities	46	31			15					54
55	Conservation of agricultural resources	345	117			228	469	469			55
56	Other services	271	188		83		5		5		56
57	**Natural resources**	**1,341**	**1,435**		**98**	**−192**	**1,116**	**1,118**		**2**	57
58	Conservation and development of resources	1,236	1,330		98	−192	559	559			58
59	Recreational use of natural resources	63	63				559	559			59
60	Other	42	42				−2			2	60
61	**Less: Government sales**	**422**	**422**								61

1. This classification of expenditures by function follows generally similar classifications published for the Federal Government in the *Budget of the United States Government for the Fiscal Year Ending June 30, 1959*, and for State and local governments, in the governmental finances reports of the Bureau of the Census. The principal classification difference occurs in Federal expenditures. National defense in this table differs from Major National Security in the *Budget* by the inclusion (in line 6) of expenditures of the National Advisory Committee for Aeronautics, Selective Service System, and Federal Civil Defense Administration, and by the exclusion of expenditures for defense support under the mutual defense assistance program. The latter are included in this table in foreign economic assistance and other foreign transfers (line 15).

2. Federal grants-in-aid are reflected in both Federal and State and local expenditures. If all government expenditures are combined these grants-in-aid should be deducted from the total to avoid duplication.

3. A negative entry in this column indicates a current surplus of government enterprises, or an excess of such surplus over subsidy payments where both types of entry occur for the same function.

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Table III–9.—*Object Breakdown of Government Purchases of Goods and Services, Selected Functions, 1952–57*

[Millions of dollars]

Line		1952	1953	1954	1955	1956	1957
	Federal Government						
1	**Military services and foreign military assistance**	43,422	46,432	38,168	36,722	38,031	41,574
2	Wages and salaries	15,158	14,934	14,302	14,620	14,778	14,822
3	Military	10,472	10,337	9,951	9,778	9,668	9,634
4	Civilian	4,686	4,597	4,351	4,842	5,110	5,188
5	Construction	1,388	1,307	1,030	1,313	1,395	1,322
6	Other purchases	26,876	30,191	22,836	20,789	21,858	25,430
7	Military equipment	19,070	18,789	15,634	13,290	14,429	16,235
8	Other goods and services	7,806	11,402	7,202	7,499	7,429	9,195
	Federal Goverment—Continued						
9	**Stockpiling and defense facilities**	1,000	888	1,009	658	458	567
10	Net acquisition of strategic materials	992	739	815	508	318	315
11	Defense production facilities [1]	8	149	194	150	140	252
	State and local government						
12	**Education** [2]	7,957	8,926	10,088	11,382	12,428	13,603
13	Wages and salaries [3]	5,314	5,812	6,434	6,987	7,831	8,837
14	Construction	1,601	1,705	2,125	2,436	2,548	2,817
15	Other purchases	1,042	1,409	1,529	1,959	2,049	1,949

1. Includes only expenditures made by nondefense agencies, principally the General Services Administration. Expenditures for defense production facilities made by the Department of Defense are included in lines 5, 7, and 8.
2. Includes amounts spent for atomic research in State institutions of higher education under contractual agreements with the Federal Government. These amounts are shown separately in line 4 of Table III–8.
3. Differs from public education wages and salaries shown in Table VI–2 by the inclusion of public library payrolls.

Table III–10.—*Relation of Federal Government Receipts and Expenditures in the National Income Accounts to the Budget, 1952–57*

[Billions of dollars]

Line		Fiscal years						Calendar years			Line
		1952	1953	1954	1955	1956	1957	1956 second half	1957		
									First half	Second half	
	Receipts										
1	**Budget receipts**	61.4	64.8	64.7	60.4	68.2	71.0	28.1	43.0	29.3	1
2	Less: Intragovernmental transactions	2.1	2.2	2.1	2.1	2.7	3.2	1.6	1.7	1.4	2
3	Receipts from exercise of monetary authority	.1	.1	.1	.0	.0	.0	.0	.0	.0	3
4	Plus: Trust fund receipts	8.8	8.9	9.2	9.5	11.7	14.4	6.2	8.2	7.2	4
5	**Equals: Federal receipts from the public (consolidated cash receipts)**	68.0	71.5	71.6	67.8	77.1	82.1	32.6	49.5	35.1	5
	Less: Adjustment for agency coverage:										
6	District of Columbia revenues	.1	.1	.1	.2	.2	.2	.1	.1	.1	6
	Plus: Adjustments for netting and consolidation:										
	Federal Government contributions to:										
7	Employee retirement funds	.3	.3	.0	.0	.2	.5	.3	.3	.3	7
8	Veterans' life insurance funds	.1	.1	.1	.1	.1	.0	.0	.0	.0	8
9	Federal Government employee contributions to employee retirement funds.	.4	.4	.4	.5	.6	.7	.3	.3	.3	9
10	Interest, dividends, and other earnings	−.4	−.5	−.6	−.4	−.4	−.5	−.2	−.3	−.3	10
	Adjustments for timing:										
	Excess of taxes included in national income accounts over cash collections:										
11	Personal	.2	.6	.0	.2	.2	−.3	.3	−.6	.1	11
12	Corporate profits	−1.9	−1.6	−4.1	.5	.7	.1	5.2	−5.1	3.9	12
13	Other	.1	.1	−.3	.1	.0	.2	.1	.1	−.2	13
14	Miscellaneous	−.7	−.3	−.3	−.4	−.4	.2	.2	.1	.1	14
	Less: Adjustments for capital transactions:										
15	Realization upon loans and investments	.2	.2	.2	.3	.3	.3	.2	.2	.2	15
16	Proceeds from sale of government property	.3	.2	.2	.4	.5	.4	.2	.2	.2	16
17	Recoveries and refunds	.1	.2	.4	.6	.6	.4	.2	.2	.2	17
18	**Equals: Receipts—national income accounts**	65.5	69.9	65.9	67.0	76.4	81.7	38.1	43.6	38.8	18

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Table III–10.—*Relation of Federal Government Receipts and Expenditures in the National Income Accounts to the Budget, 1952–57*—Con.

[Billions of dollars]

Line		Fiscal years						Calendar years			Line
		1952	1953	1954	1955	1956	1957	1956 second half	1957 First half	1957 Second half	
	Expenditures										
19	**Budget expenditures**	**65.4**	**74.3**	**67.8**	**64.6**	**66.5**	**69.4**	**33.8**	**35.6**	**36.1**	19
20	Less: Intragovernmental transactions	2.1	2.2	2.1	2.1	2.7	3.2	1.6	1.7	1.4	20
21	Accrued interest and other noncash expenditures (net)	.3	.5	.6	.6	.9	−.8	−.9	.1	.1	21
22	Plus: Trust fund expenditures	5.3	5.3	7.2	8.5	9.4	13.0	5.3	7.7	7.1	22
23	Government-sponsored enterprise expenditures (net)	−.3	−.1	−.4	.1	.3	.0	.2	−.2	.3	23
24	**Equals: Federal payments to the public (consolidated cash expenditures)**	**68.0**	**76.8**	**71.9**	**70.5**	**72.6**	**80.0**	**38.6**	**41.4**	**41.9**	24
	Less: Adjustment for agency coverage:										
25	District of Columbia expenditures	.1	.1	.2	.2	.2	.2	.1	.1	.1	25
	Plus: Adjustments for netting and consolidation:										
	Federal Government contributions to:										
26	Employee retirement funds	.3	.3	.0	.0	.2	.5	.3	.3	.3	26
27	Veterans' life insurance funds	.1	.1	.1	.1	.1	.0	.0	.0	.0	27
28	Federal Government employee contributions to employee retirement funds.	.4	.4	.4	.5	.6	.7	.3	.3	.3	28
29	Interest received and proceeds of government sales	−.7	−.9	−.6	−.7	−.8	−.6	−.3	−.3	−.6	29
	Adjustments for timing:										
30	Accrued interest on saving bonds and Treasury bills	.8	.7	.6	.5	.4	.6	.9	−.3	.8	30
31	Commodity Credit Corporation guaranteed non-recourse loans (net change).	.0	.2	1.7	−1.0	−.4	−.2	.2	−.4	.0	31
32	Increase in clearing account	−.4	−.2	−.1	−.1	.3	−.8	−1.1	.4	−.3	32
33	Miscellaneous	.0	.7	−.1	.4	−1.3	−1.0	−.4	−.6	−.6	33
	Less: Adjustments for capital transactions:										
	Loans and other adjustments:										
34	Federal National Mortgage Association secondary market operations.	(1)	(1)	(1)	−.1	.1	1.0	.1	.8	.3	34
35	Other	1.7	1.8	−.6	1.7	1.1	.4	.6	−.2	.7	35
36	Purchase of land and existing assets	.1	.1	.1	.0	.0	.0	.0	.0	.0	36
37	Trust and deposit fund expenditures	.1	−.2	−.2	.5	.8	.5	.3	.2	.4	37
38	Redemption of International Monetary Fund notes	.0	.0	−.1	−.2	−.2	.7	.7	.0	.3	38
39	**Equals: Expenditures—national income accounts**	**66.5**	**76.3**	**74.5**	**68.1**	**69.7**	**76.5**	**36.7**	**39.8**	**39.8**	39

1. Included in line 35 for years prior to fiscal year 1955.

Table III–11.—*Relation of State and Local Government Receipts and Expenditures in the National Income Accounts to Bureau of Census Data, Fiscal Years 1952–56* [1]

[Billions of dollars]

Line		1952	1953	1954	1955	1956	Line		1952	1953	1954	1955	1956
	Receipts							**Expenditures**					
1	**Total revenue from own sources—Census** [2]	**28.4**	**30.5**	**32.4**	**34.5**	**38.4**	11	**Total direct expenditures—Census** [2]	**30.9**	**32.9**	**36.6**	**40.4**	**43.2**
2	Less: Excess of tax collections over accruals	.1	.0	.1	−.1	−.1	12	Less: Operating expenditures and current surplus of utilities and liquor stores	3.1	3.3	3.5	3.7	3.9
3	Receipts of utilities and liquor stores	3.1	3.3	3.5	3.7	3.9	13	Operating expenditures and current surplus of other commercial activities	1.3	1.4	1.5	1.7	1.9
4	Receipts of other commercial activities	1.3	1.4	1.5	1.7	1.9	14	Unemployment compensation benefits	1.0	.9	1.5	1.8	1.3
5	Receipts of unemployment compensation funds	1.6	1.6	1.5	1.3	1.5	15	Interest received	.4	.5	.5	.6	.7
6	Interest received	.4	.5	.5	.6	.7	16	Purchases of land and existing structures	.5	.5	.7	.9	1.2
7	Sale of existing assets and capital gains	.1	.1	.1	.1	.1	17	Plus: Government contributions to self-administered insurance funds	.5	.6	.6	.7	.7
8	Plus: Government contributions to self-administered insurance funds	.5	.6	.6	.7	.7	18	**Equals: Total expenditures—national income accounts**	**25.1**	**26.9**	**29.5**	**32.4**	**35.0**
9	Federal grants-in-aid	2.5	2.8	2.8	2.9	3.1							
10	**Equals: Total receipts—national income accounts**	**24.8**	**27.1**	**28.7**	**30.8**	**34.2**							

1. Reconciliation items are derived mainly from publications of the Governments Division of the Bureau of the Census; Federal grants-in-aid are from Treasury and Bureau of the Budget sources.
2. Total less intergovernmental.

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IV. Foreign Transactions

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Table IV–1.—*Foreign Transactions in the National Income Accounts, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Receipts from abroad**	**12,792**	**17,900**	**14,505**	**13,958**	**13,098**	**17,857**	**17,431**	**16,600**	**17,476**	**19,381**	**22,955**	**25,954**	1
2	Exports of goods and services	12,792	17,900	14,505	13,958	13,098	17,857	17,431	16,600	17,476	19,381	22,955	25,954	2
3	**Payments to abroad**	**12,792**	**17,900**	**14,505**	**13,958**	**13,098**	**17,857**	**17,431**	**16,600**	**17,476**	**19,381**	**22,955**	**25,954**	3
4	Imports of goods and services	7,876	8,861	11,015	10,198	12,511	15,481	16,113	17,034	16,515	18,287	20,159	21,041	4
5	Net transfer payments by Government	321	122	1,561	3,238	2,791	2,147	1,478	1,583	1,362	1,514	1,420	1,451	5
6	Net foreign investment	4,595	8,917	1,929	522	−2,204	229	−160	−2,017	−401	−420	1,376	3,462	6

Table IV–2.—*Foreign Transactions in the National Income Accounts, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Receipts from abroad**	**11.1**	**12.4**	**14.4**	**13.2**	**12.8**	**17.4**	**18.4**	**18.5**	**17.2**	**17.9**
2	Exports of goods and services	11.1	12.4	14.4	13.2	12.8	17.4	18.4	18.5	17.2	17.9
3	**Payments to abroad**	**11.1**	**12.4**	**14.4**	**13.2**	**12.8**	**17.4**	**18.4**	**18.5**	**17.2**	**17.9**
4	Imports of goods and services	7.3	7.9	7.9	8.3	7.9	8.5	9.0	8.6	9.3	8.9
5	Net transfer payments by Government	.5	.2	.3	.4	.3	.0	.1	.2	.2	.1
6	Net foreign investment	3.3	4.3	6.2	4.5	4.6	9.0	9.3	9.7	7.7	8.9

Table IV–2.—*Foreign Transactions in the National Income Accounts, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Receipts from abroad**	**19.0**	**18.3**	**16.0**	**16.4**	**17.4**	**16.5**	**16.5**	**16.7**	**16.7**	**16.6**
2	Exports of goods and services	19.0	18.3	16.0	16.4	17.4	16.5	16.5	16.7	16.7	16.6
3	**Payments to abroad**	**19.0**	**18.3**	**16.0**	**16.4**	**17.4**	**16.5**	**16.5**	**16.7**	**16.7**	**16.6**
4	Imports of goods and services	15.9	15.5	16.0	17.1	16.1	16.7	17.2	17.5	16.7	17.0
5	Net transfer payments by Government	1.1	1.9	1.7	1.2	1.5	1.8	1.9	1.2	1.4	1.6
6	Net foreign investment	2.0	.9	−1.7	−1.9	−.2	−2.1	−2.6	−2.0	−1.4	−2.0

Table IV–3.—*Foreign Transactions in the National Income Accounts, Quarterly, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Receipts from abroad**	**2.7**	**3.3**	**3.4**	**3.5**	**12.8**	**4.3**	**4.8**	**4.3**	**4.5**	**17.9**
2	Exports of goods and services	2.7	3.3	3.4	3.5	12.8	4.3	4.8	4.3	4.5	17.9
3	**Payments to abroad**	**2.7**	**3.3**	**3.4**	**3.5**	**12.8**	**4.3**	**4.8**	**4.3**	**4.5**	**17.9**
4	Imports of goods and services	1.9	1.9	2.0	2.1	7.9	2.1	2.2	2.1	2.4	8.9
5	Net transfer payments by Government	.1	.1	.1	.1	.3	.0	.0	.0	.1	.1
6	Net foreign investment	.7	1.3	1.3	1.2	4.6	2.2	2.6	2.2	2.0	8.9

Table IV–3.—*Foreign Transactions in the National Income Accounts, Quarterly, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Receipts from abroad**	**4.8**	**4.5**	**3.8**	**4.2**	**17.4**	**4.0**	**4.3**	**4.0**	**4.3**	**16.6**
2	Exports of goods and services	4.8	4.5	3.8	4.2	17.4	4.0	4.3	4.0	4.3	16.6
3	**Payments to abroad**	**4.8**	**4.5**	**3.8**	**4.2**	**17.4**	**4.0**	**4.3**	**4.0**	**4.3**	**16.6**
4	Imports of goods and services	4.0	3.9	4.0	4.2	16.1	4.1	4.4	4.4	4.1	17.0
5	Net transfer payments by Government	.3	.5	.4	.2	1.5	.5	.5	.3	.3	1.6
6	Net foreign investment	.6	.1	−.6	−.2	−.2	−.6	−.6	−.7	−.1	−2.0

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Table IV-2.—*Foreign Transactions in the National Income Accounts, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
15.5	**14.2**	**14.2**	**14.1**	**14.5**	**15.2**	**15.0**	**13.6**	**12.1**	**14.0**	**12.5**	**12.4**	**13.4**	**14.2**	**13.1**	**15.9**	**17.7**	**18.9**	**18.9**	**17.9**	1
15.5	14.2	14.2	14.1	14.5	15.2	15.0	13.6	12.1	14.0	12.5	12.4	13.4	14.2	13.1	15.9	17.7	18.9	18.9	17.9	2
15.5	**14.2**	**14.2**	**14.1**	**14.5**	**15.2**	**15.0**	**13.6**	**12.1**	**14.0**	**12.5**	**12.4**	**13.4**	**14.2**	**13.1**	**15.9**	**17.7**	**18.9**	**18.9**	**17.9**	3
10.7	10.9	11.5	11.0	11.0	10.6	10.3	9.9	10.0	10.2	10.5	11.3	14.0	14.4	12.5	16.1	16.0	15.0	14.8	15.5	4
.6	1.2	2.3	2.2	1.6	3.0	4.0	3.1	2.9	3.2	2.9	3.4	2.4	2.5	2.8	2.1	2.3	2.0	2.3	2.1	5
4.2	2.1	.5	.9	1.9	1.6	.6	.7	−.8	.5	−.9	−2.3	−3.0	−2.7	−2.2	−2.3	−.6	1.9	1.9	.2	6

Table IV-2.—*Foreign Transactions in the National Income Accounts, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
16.0	**17.9**	**17.3**	**18.7**	**17.5**	**18.7**	**18.6**	**20.0**	**20.3**	**19.4**	**20.9**	**22.5**	**23.6**	**24.8**	**23.0**	**26.4**	**26.6**	**26.0**	**24.9**	**26.0**	1
16.0	17.9	17.3	18.7	17.5	18.7	18.6	20.0	20.3	19.4	20.9	22.5	23.6	24.8	23.0	26.4	26.6	26.0	24.9	26.0	2
16.0	**17.9**	**17.3**	**18.7**	**17.5**	**18.7**	**18.6**	**20.0**	**20.3**	**19.4**	**20.9**	**22.5**	**23.6**	**24.8**	**23.0**	**26.4**	**26.6**	**26.0**	**24.9**	**26.0**	3
15.7	17.1	16.8	16.5	16.5	17.2	17.9	18.7	19.4	18.3	20.1	19.8	20.4	20.4	20.2	20.8	20.6	21.2	21.6	21.0	4
1.4	1.2	1.4	1.5	1.4	1.9	1.5	1.2	1.4	1.5	1.3	1.5	1.2	1.6	1.4	1.4	1.8	1.2	1.4	1.5	5
−1.0	−.4	−.9	.7	−.4	−.5	−.8	.1	−.5	−.4	−.5	1.3	2.0	2.8	1.4	4.2	4.2	3.6	1.9	3.5	6

Table IV-3.—*Foreign Transactions in the National Income Accounts, Quarterly, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
3.8	**3.7**	**3.3**	**3.7**	**14.5**	**3.7**	**3.9**	**3.2**	**3.2**	**14.0**	**3.0**	**3.3**	**3.2**	**3.7**	**13.1**	**3.9**	**4.6**	**4.4**	**4.9**	**17.9**	1
3.8	3.7	3.3	3.7	14.5	3.7	3.9	3.2	3.2	14.0	3.0	3.3	3.2	3.7	13.1	3.9	4.6	4.4	4.9	17.9	2
3.8	**3.7**	**3.3**	**3.7**	**14.5**	**3.7**	**3.9**	**3.2**	**3.2**	**14.0**	**3.0**	**3.3**	**3.2**	**3.7**	**13.1**	**3.9**	**4.6**	**4.4**	**4.9**	**17.9**	3
2.7	2.7	2.8	2.8	11.0	2.6	2.5	2.5	2.5	10.2	2.6	2.8	3.5	3.6	12.5	4.0	4.0	3.8	3.7	15.5	4
.2	.3	.5	.6	1.6	.7	1.0	.7	.7	3.2	.7	.9	.6	.6	2.8	.5	.6	.5	.5	2.1	5
1.0	.7	−.1	.3	1.9	.3	.3	.0	−.1	.5	−.4	−.4	−.8	−.6	−2.2	−.7	.0	.2	.8	.2	6

Table IV-3.—*Foreign Transactions in the National Income Accounts, Quarterly, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
3.9	**4.6**	**4.1**	**4.8**	**17.5**	**4.6**	**4.8**	**4.7**	**5.3**	**19.4**	**5.2**	**5.8**	**5.6**	**6.4**	**23.0**	**6.6**	**6.8**	**6.1**	**6.4**	**26.0**	1
3.9	4.6	4.1	4.8	17.5	4.6	4.8	4.7	5.3	19.4	5.2	5.8	5.6	6.4	23.0	6.6	6.8	6.1	6.4	26.0	2
3.9	**4.6**	**4.1**	**4.8**	**17.5**	**4.6**	**4.8**	**4.7**	**5.3**	**19.4**	**5.2**	**5.8**	**5.6**	**6.4**	**23.0**	**6.6**	**6.8**	**6.1**	**6.4**	**26.0**	3
3.9	4.4	4.2	4.1	16.5	4.2	4.6	4.7	4.7	18.3	4.9	5.1	5.2	4.9	20.2	5.1	5.4	5.4	5.2	21.0	4
.4	.3	.3	.3	1.4	.5	.4	.3	.3	1.5	.3	.4	.3	.4	1.4	.4	.5	.3	.4	1.5	5
−.3	.0	−.5	.4	−.4	−.1	−.2	−.3	.2	−.4	−.1	.3	.1	1.0	1.4	1.1	1.0	.4	.9	3.5	6

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Table IV–4.—*Relation of Foreign Transactions in the National Income Accounts to Balance of Payments, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Exports of goods and services, total—BP** [2]	14,804	19,780	17,089	16,061	14,427	20,333	20,708	21,335	21,110	22,328	26,123	28,916	1
2	Less: Net military grants	69	43	300	210	526	1,470	2,603	4,254	3,161	2,325	2,605	2,440	2
3	Equals: Goods and services, excluding net military grants	14,735	19,737	16,789	15,851	13,901	18,863	18,105	17,081	17,949	20,003	23,518	26,476	3
4	Less: Net Government grants in kind, nonmilitary	1,922	1,771	2,182	1,795	694	808	470	229	201	348	369	317	4
5	Income on investments—Government	21	66	102	98	109	198	204	252	272	274	194	205	5
6	**Equals: Exports of goods and services—NIA** [3]	12,792	17,900	14,505	13,958	13,098	17,857	17,431	16,600	17,476	19,381	22,955	25,954	6
7	**Imports of goods and services, total—BP**	7,241	8,208	10,349	9,702	12,098	15,142	15,760	16,644	16,088	17,937	19,810	20,707	7
8	Plus: Net private remittances	650	669	683	521	444	386	417	476	486	444	503	535	8
9	Less: Income on investment—Government	15	16	17	25	31	47	64	86	59	94	154	201	9
10	**Equals: Imports of goods and services—NIA**	7,876	8,861	11,015	10,198	12,511	15,481	16,113	17,034	16,515	18,287	20,159	21,041	10
11	**Balance on goods and services, total—BP [lines (1) minus (7)].**	7,563	11,572	6,740	6,359	2,329	5,191	4,948	4,691	5,022	4,391	6,313	8,209	11
12	Total excluding net military grants [lines (3) minus (7)]	7,494	11,529	6,440	6,149	1,803	3,721	2,345	437	1,861	2,066	3,708	5,769	12
13	**Net exports of goods and services—NIA [lines (6) minus (10)].**	4,916	9,039	3,490	3,760	587	2,376	1,318	−434	961	1,094	2,796	4,913	13
14	**Net unilateral transfers to foreign countries, total—BP**	2,968	2,655	4,811	5,837	4,533	4,962	5,108	6,708	5,423	4,811	4,937	4,747	14
15	Less: Net military grants	69	43	300	210	526	1,470	2,603	4,254	3,161	2,325	2,605	2,440	15
16	Equals: Total excluding net military grants	2,899	2,612	4,511	5,627	4,007	3,492	2,505	2,454	2,262	2,486	2,332	2,307	16
17	Less: Net private remittances	650	669	683	521	444	386	417	476	486	444	503	535	17
18	Net Government grants in kind, nonmilitary	1,922	1,771	2,182	1,795	694	808	470	229	201	348	369	317	18
19	Plus: Net income on investments—Government [lines (9) minus (5)].	−6	−50	−85	−73	−78	−151	−140	−166	−213	−180	−40	−4	19
20	**Equals: Net transfer payments by Government—NIA**	321	122	1,561	3,238	2,791	2,147	1,478	1,583	1,362	1,514	1,420	1,451	20
21	**Net foreign investment—BP=NIA [lines (11) minus (14)=(12) minus (16)=(13) minus (20)].**	4,595	8,917	1,929	522	−2,204	229	−160	−2,017	−401	−420	1,376	3,462	21

1. Reconciliation items are obtained from published and unpublished balance of payments data.
2. BP—balance of payments.
3. NIA—national income accounts.
4. Includes an adjustment for geographical coverage. Total imports of goods and services were increased by $250 million, and the balance on goods and services, and net foreign investment, respectively, decreased by the same amount. (See footnote 1, page 139 of the 1954 *National Income* supplement.)

Table IV–5.—*Balance of Payments on Goods, Services, and Unilateral Transfers, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Exports of goods and services, total**	14,804	19,780	17,089	16,061	14,427	20,333	20,708	21,335	21,110	22,328	26,123	28,916	1
2	Military supplies and services transferred under grants, net.	69	43	300	210	526	1,470	2,603	4,254	3,161	2,325	2,605	2,440	2
3	Goods and services, excluding military transferred under grants, total.	14,735	19,737	16,789	15,851	13,901	18,863	18,105	17,081	17,949	20,003	23,518	26,476	3
4	Merchandise, adjusted [1]	11,707	16,015	13,193	12,149	10,117	14,123	13,319	12,281	12,799	14,280	17,321	19,327	4
5	Transportation	1,383	1,738	1,317	1,238	1,033	1,556	1,488	1,198	1,171	1,420	1,619	1,847	5
6	Travel	271	364	334	392	419	473	550	574	595	654	705	785	6
	Miscellaneous services:													
7	Private	471	448	505	545	607	677	714	754	829	879	938	1,131	7
8	Government [1]	131	70	100	132	132	152	206	172	149	122	121	137	8
9	Military transactions	(1)	(1)	(1)	(1)	(1)	(1)	(1)	192	179	204	156	308	9
	Income on investments:													
10	Direct investments	589	869	1,064	1,112	1,294	1,492	1,419	1,442	1,725	1,912	2,160	2,313	10
11	Other private	162	167	174	185	190	192	205	216	230	258	304	363	11
12	Government	21	66	102	98	109	198	204	252	272	274	194	205	12
13	**Imports of goods and services, total**	6,991	8,208	10,349	9,702	12,098	15,142	15,760	16,644	16,088	17,937	19,810	20,707	13
14	Merchandise, adjusted, excluding military	5,073	5,979	7,563	6,879	9,108	11,202	10,838	10,990	10,354	11,527	12,791	13,291	14
15	Transportation	459	583	646	700	818	974	1,115	1,081	1,026	1,204	1,432	1,428	15
16	Travel	462	573	631	700	754	757	840	929	1,009	1,153	1,275	1,372	16
	Miscellaneous services:													
17	Private	190	195	219	234	247	330	343	392	429	486	520	531	17
18	Government, excluding military	102	178	211	235	250	254	277	267	248	242	264	312	18
19	Military expenditures	493	455	799	621	576	1,270	1,957	2,535	2,603	2,823	2,910	3,120	19
	Income on investments:													
20	Private	197	229	263	308	314	308	326	364	360	408	464	452	20
21	Government	15	16	17	25	31	47	64	86	59	94	154	201	21
	Balance on goods and services:													
22	**Total**	7,813	11,572	6,740	6,359	2,329	5,191	4,948	4,691	5,022	4,391	6,313	8,209	22
23	Excluding military supplies and services transferred under grants.	7,744	11,529	6,440	6,149	1,803	3,721	2,345	437	1,861	2,066	3,708	5,769	23
	Unilateral transfers, net [to foreign countries (−)]:													
24	**Total**	−2,968	−2,655	−4,811	−5,837	−4,533	−4,962	−5,108	−6,708	−5,423	−4,811	−4,937	−4,747	24
25	Excluding military supplies and services	−2,899	−2,612	−4,511	−5,627	−4,007	−3,492	−2,505	−2,454	−2,262	−2,486	−2,332	−2,307	25
26	Private remittances	−650	−669	−683	−521	−444	−386	−417	−476	−486	−444	−503	−535	26
	Government:													
27	Military supplies and services	−69	−43	−300	−210	−526	−1,470	−2,603	−4,254	−3,161	−2,325	−2,605	−2,440	27
28	Other grants	−2,274	−1,897	−3,894	−4,997	−3,484	−3,035	−1,960	−1,837	−1,647	−1,901	−1,695	−1,613	28
29	Pensions and other transfers	25	−46	66	−109	−79	−71	−128	−141	−129	−141	−134	−159	29

1. Military transactions prior to 1953 are included in merchandise and in Government services (lines 4 and 8).

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Table IV–6.—*United States Government Net Foreign Assistance, 1946–57* [1]

[Billions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Total** [2]	**5.5**	**5.7**	**5.3**	**5.7**	**4.2**	**4.6**	**5.0**	**6.4**	**4.9**	**4.6**	**4.9**	**5.1**	1
2	Grants	2.9	1.9	4.3	5.2	4.0	4.5	4.6	6.1	4.9	4.3	4.4	4.1	2
3	Long-term credits	2.6	3.9	1.1	.5	.1	.1	.4	.2	−.1	−.1	.0	.3	3
4	Short-term credits [3]								.0	.2	.3	.6	.6	4
5	**Military supplies and services (grants)**	**.1**	**.0**	**.4**	**.2**	**.5**	**1.5**	**2.7**	**4.3**	**3.2**	**2.4**	**2.6**	**2.5**	5
6	Western Europe and dependent areas					.3	.9	1.9	3.1	2.0	1.4	1.6	1.1	6
7	Other areas	.1	.0	.4	.2	.2	.6	.8	1.2	1.2	1.0	1.1	1.4	7
8	**Other aid**	**5.4**	**5.7**	**4.9**	**5.4**	**3.6**	**3.2**	**2.4**	**2.1**	**1.7**	**2.2**	**2.3**	**2.6**	8
9	Western Europe and dependent areas	3.3	4.3	3.8	4.2	2.7	2.1	1.4	.9	.8	.7	.4	.5	9
10	Near East (including Greece and Turkey) and Africa	.2	.1	.2	.2	.2	.3	.4	.3	.3	.4	.4	.3	10
11	South Asia	.0	.0	.0	.0	.0	.1	.1	.1	.0	.2	.3	.3	11
12	Other Asia and Pacific	.9	.9	.8	.9	.6	.5	.4	.4	.5	.7	1.0	1.0	12
13	American Republics	.1	.1	.0	.1	.0	.1	.1	.4	.1	.1	.2	.2	13
14	Unspecified areas	.9	.3	.1	.1	.1	.0	.0	.0	.0	.1	.1	.2	14

1. A reconciliation of the net foreign assistance items as shown in this table with comparable entries in the balance of payments is given in the *Balance of Payments Statistical Supplement*, Office of Business Economics, 1958, pp. 120–3.

2. Does not include the U. S. Government capital investment in the International Bank for Reconstruction and Development, International Finance Corporation, and International Monetary Fund; as follows: 1946, $0.3 billion; 1947, $3.1 billion; 1956, less than $50 million.

3. Short-term claims acquired by the U. S. Government under agricultural sales programs, less short-term liability for currencies advanced by foreign governments pending delivery of agricultural commodities.

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V. Saving and Investment*

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*Figures in parentheses refer to corresponding tables in the 1954 *National Income* supplement.

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Table V–1.—*Sources and Uses of Gross Saving, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Gross private saving**	**26,517**	**23,571**	**37,615**	**36,102**	**40,321**	**49,198**	**52,184**	**54,142**	**54,353**	**59,578**	**64,208**	**66,324**	1
2	Personal saving	13,460	4,704	10,987	8,496	12,642	17,676	18,940	19,825	18,860	17,508	21,054	20,707	2
3	Undistributed corporate profits	7,656	11,721	13,274	8,522	13,555	10,677	8,278	8,864	7,002	11,820	11,033	9,422	3
4	Corporate inventory valuation adjustment	−5,263	−5,899	−2,152	1,856	−4,965	−1,199	981	−997	−318	−1,736	−2,560	−1,548	4
5	Depreciation charges	9,041	11,062	13,101	15,091	16,500	18,753	20,872	23,066	25,202	27,943	30,755	33,704	5
6	Accidental damage to fixed business capital	407	567	574	518	616	909	684	813	917	1,055	729	897	6
7	Capital outlays charged to current expense	1,246	1,401	1,796	1,665	1,949	2,308	2,451	2,647	2,690	2,988	3,197	3,142	7
8	Excess of wage accruals over disbursements	−30	15	35	−46	24	74	−22	−76	0	0	0	0	8
9	**Government surplus on income and product transactions**	**4,130**	**13,264**	**8,248**	**−3,113**	**8,179**	**6,118**	**−3,855**	**−7,102**	**−6,735**	**2,857**	**6,283**	**1,705**	9
10	Federal	2,186	12,176	7,997	−2,537	9,189	6,417	−3,906	−7,374	−5,793	3,842	6,837	2,876	10
11	State and local	1,944	1,088	251	−576	−1,010	−299	51	272	−942	−985	−554	−1,171	11
12	**Gross investment**	**32,735**	**40,376**	**45,016**	**33,499**	**47,766**	**56,563**	**49,703**	**48,323**	**48,471**	**63,423**	**69,556**	**68,754**	12
13	Gross private domestic investment	28,140	31,459	43,087	32,977	49,970	56,334	49,863	50,340	48,872	63,843	68,180	65,292	13
14	Net foreign investment	4,595	8,917	1,929	522	−2,204	229	−160	−2,017	−401	−420	1,376	3,462	14
15	**Statistical discrepancy**	**2,088**	**3,541**	**−847**	**510**	**−734**	**1,247**	**1,374**	**1,283**	**853**	**988**	**−935**	**725**	15

1. In principle gross private saving plus government surplus on income and product transactions equals gross investment. Because of estimating errors, it differs from it by the amount of the statistical discrepancy.

Table V–2.—*Sources and Uses of Gross Saving, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47* [1]

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross private saving**	**29.5**	**27.8**	**23.5**	**25.0**	**26.5**	**22.2**	**20.4**	**25.6**	**25.9**	**23.6**
2	Personal saving	16.3	15.1	11.2	11.0	13.5	8.1	.9	5.1	4.5	4.7
3	Undistributed corporate profits	3.5	5.9	9.6	11.6	7.7	11.8	11.2	11.2	12.5	11.7
4	Corporate inventory valuation adjustment	−1.2	−2.8	−8.1	−8.9	−5.3	−9.7	−4.7	−4.0	−5.2	−5.9
5	Capital consumption allowance	10.1	10.5	10.8	11.3	10.7	11.9	12.9	13.3	14.1	13.0
6	Excess of wage accruals over disbursements	.8	−.9	.0	.0	.0	.0	.0	.0	.0	0
7	**Government surplus on income and product transactions**	**−7.1**	**2.7**	**9.1**	**11.7**	**4.1**	**14.2**	**14.6**	**9.6**	**14.5**	**13.3**
8	Federal	−9.3	.7	7.3	10.1	2.2	12.9	13.2	8.7	13.9	12.2
9	State and local	2.2	2.0	1.8	1.6	1.9	1.3	1.4	.9	.7	1.1
10	**Gross investment**	**25.4**	**33.3**	**35.9**	**36.4**	**32.7**	**38.8**	**38.5**	**39.4**	**44.3**	**40.4**
11	Gross private domestic investment	22.1	29.0	29.6	31.8	28.1	29.8	29.2	29.6	36.7	31.5
12	Net foreign investment	3.3	4.3	6.2	4.5	4.6	9.0	9.3	9.7	7.7	8.9
13	**Statistical discrepancy**	**3.0**	**2.8**	**3.2**	**−.4**	**2.1**	**2.3**	**3.5**	**4.2**	**3.9**	**3.5**

1. Footnote to table V–1 is relevant to this table also.

Table V–2.—*Sources and Uses of Gross Saving, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53* [1]

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross private saving**	**51.1**	**50.8**	**53.6**	**52.8**	**52.2**	**54.2**	**54.2**	**53.7**	**54.3**	**54.1**
2	Personal saving	17.5	17.9	21.5	18.4	18.9	19.0	19.6	19.7	21.6	19.8
3	Undistributed corporate profits	8.8	7.7	7.6	9.0	8.3	10.1	10.2	9.3	5.4	8.9
4	Corporate inventory valuation adjustment	1.3	1.2	.7	.8	1.0	−.4	−1.6	−2.0	.0	−1.0
5	Capital consumption allowance	23.4	23.9	24.1	24.7	24.0	25.6	26.2	26.8	27.4	26.5
6	Excess of wage accruals over disbursements	.1	.1	−.3	.0	.0	.0	−.1	−.1	−.1	−.1
7	**Government surplus on income and product transactions**	**.9**	**−4.3**	**−7.0**	**−4.7**	**−3.9**	**−5.5**	**−5.9**	**−5.4**	**−11.8**	**−7.1**
8	Federal	1.0	−4.2	−7.2	−5.1	−3.9	−5.1	−7.0	−5.6	−11.8	−7.4
9	State and local	−.1	−.1	.2	.4	.1	−.4	1.2	.3	.0	.3
10	**Gross investment**	**54.3**	**46.5**	**47.4**	**50.7**	**49.7**	**49.9**	**50.3**	**49.1**	**43.8**	**48.3**
11	Gross private domestic investment	52.2	45.6	49.1	52.6	49.9	52.0	52.9	51.1	45.2	50.3
12	Net foreign investment	2.0	.9	−1.7	−1.9	−.2	−2.1	−2.6	−2.0	−1.4	−2.0
13	**Statistical discrepancy**	**2.3**	**.0**	**.8**	**2.6**	**1.4**	**1.1**	**2.0**	**.8**	**1.2**	**1.3**

1. Footnote to table V–1 is relevant to this table also.

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Table V-2.—*Sources and Uses of Gross Saving, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51* [1]

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
30.2	**37.9**	**40.3**	**41.9**	**37.6**	**39.3**	**36.3**	**37.4**	**31.4**	**36.1**	**41.9**	**39.7**	**34.1**	**45.5**	**40.3**	**34.6**	**52.3**	**56.0**	**53.7**	**49.2**	**1**
4.8	11.4	14.4	13.2	11.0	11.6	9.1	8.1	5.3	8.5	15.2	11.8	5.8	17.6	12.6	8.2	20.9	20.7	20.4	17.7	2
13.3	13.9	13.4	12.5	13.3	9.7	7.7	8.8	8.0	8.5	8.9	12.4	16.5	16.5	13.6	14.1	11.0	8.7	9.2	10.7	3
−2.9	−2.9	−2.8	−.1	−2.2	1.4	2.8	3.0	.2	1.9	−.7	−3.3	−7.3	−8.5	−5.0	−8.7	−1.0	3.5	1.5	−1.2	4
14.8	15.4	15.5	16.1	15.5	16.6	17.0	17.5	18.0	17.3	18.5	18.9	19.1	19.8	19.1	20.7	21.5	22.4	23.2	22.0	5
.1	.1	−.2	.1	.0	.1	−.3	.0	.0	.0	.0	.0	.0	.1	.0	.2	−.1	.8	−.6	.1	6
14.3	**8.9**	**5.9**	**4.1**	**8.2**	**−1.5**	**−4.4**	**−3.5**	**−3.2**	**−3.1**	**−5.2**	**6.9**	**16.4**	**14.6**	**8.2**	**20.4**	**7.8**	**−.9**	**−2.5**	**6.1**	**7**
13.9	8.5	5.8	3.8	8.0	−1.4	−3.9	−2.8	−2.1	−2.5	−3.8	8.3	17.0	15.3	9.2	20.2	8.1	−.3	−2.4	6.4	8
.4	.4	.2	.3	.3	−.1	−.5	−.7	−1.0	−.6	−1.4	−1.3	−.6	−.7	−1.0	.1	−.3	−.7	−.1	−.3	9
44.1	**45.3**	**45.7**	**44.8**	**45.0**	**38.4**	**31.4**	**34.3**	**29.8**	**33.5**	**38.9**	**44.6**	**48.2**	**58.7**	**47.8**	**54.6**	**61.0**	**58.2**	**52.9**	**56.6**	**10**
39.9	43.2	45.2	43.9	43.1	36.8	30.8	33.7	30.6	33.0	39.8	46.9	51.1	61.4	50.0	56.9	61.6	56.3	51.0	56.3	11
4.2	2.1	.5	.9	1.9	1.6	.6	.7	−.8	.5	−.9	−2.3	−3.0	−2.7	−2.2	−2.3	−.6	1.9	1.9	.2	12
−.3	**−1.5**	**−.5**	**−1.2**	**−.8**	**.6**	**−.5**	**.4**	**1.5**	**.5**	**2.3**	**−2.1**	**−2.3**	**−1.3**	**−.7**	**−.3**	**1.0**	**3.1**	**1.7**	**1.2**	**13**

Table V-2.—*Sources and Uses of Gross Saving, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57* [1]

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
55.5	**53.7**	**53.4**	**55.1**	**54.4**	**55.3**	**60.4**	**59.4**	**62.8**	**59.6**	**60.5**	**63.4**	**66.2**	**66.5**	**64.2**	**65.1**	**68.4**	**66.8**	**64.9**	**66.3**	**1**
21.0	18.3	18.0	17.7	18.9	14.4	17.8	16.8	19.8	17.5	17.9	21.6	22.4	21.7	21.1	20.3	23.2	20.4	19.6	20.7	2
6.7	7.0	7.0	8.0	7.0	11.1	11.5	13.0	12.8	11.8	11.7	10.7	10.2	11.9	11.0	10.6	9.2	9.4	8.0	9.4	3
.0	.0	−.7	−.5	−.3	−1.1	−.9	−2.2	−2.8	−1.7	−2.8	−3.2	−1.5	−2.7	−2.6	−2.4	−1.5	−1.1	−1.1	−1.5	4
27.9	28.5	29.1	29.9	28.8	30.8	31.6	32.4	33.0	32.0	33.7	34.3	35.0	35.7	34.7	36.6	37.5	38.1	38.5	37.7	5
.0	.0	.0	.0	.0	.1	.5	−.6	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	6
−10.9	**−6.1**	**−6.4**	**−3.7**	**−6.7**	**−.7**	**2.1**	**4.9**	**5.1**	**2.9**	**7.2**	**6.9**	**5.4**	**5.5**	**6.3**	**4.1**	**1.3**	**2.8**	**−2.3**	**1.7**	**7**
−10.6	−5.4	−5.1	−2.3	−5.8	.8	3.5	5.5	5.6	3.8	7.7	7.3	5.8	6.5	6.8	5.5	2.6	3.4	−.2	2.9	8
−.3	−.7	−1.3	−1.4	−.9	−1.5	−1.4	−.6	−.4	−1.0	−.5	−.4	−.4	−1.0	−.6	−1.4	−1.3	−.6	−2.1	−1.2	9
45.6	**46.8**	**47.9**	**53.1**	**48.5**	**58.4**	**62.3**	**65.5**	**67.1**	**63.4**	**67.5**	**69.0**	**70.0**	**71.6**	**69.6**	**70.1**	**71.2**	**70.3**	**63.4**	**68.8**	**10**
46.6	47.2	48.8	52.3	48.9	58.8	63.1	65.4	67.6	63.8	68.0	67.7	68.1	68.8	68.2	65.9	67.0	66.7	61.5	65.3	11
−1.0	−.4	−.9	.7	−.4	−.5	−.8	.1	−.5	−.4	−.5	1.3	2.0	2.8	1.4	4.2	4.2	3.6	1.9	3.5	12
1.0	**−.8**	**.8**	**1.7**	**.9**	**3.7**	**−.2**	**1.2**	**−.9**	**1.0**	**−.2**	**−1.3**	**−1.5**	**−.5**	**−.9**	**.9**	**1.5**	**.7**	**.7**	**.7**	**13**

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Table V–3.—*New Construction Activity, by Type, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Total new construction activity**	**13,390**	**18,688**	**24,281**	**25,217**	**31,216**	**34,230**	**36,433**	**38,982**	**41,644**	**46,902**	**48,737**	**50,837**	1
2	**New private construction activity**	**11,028**	**15,254**	**19,454**	**18,813**	**24,215**	**24,811**	**25,532**	**27,588**	**29,722**	**34,941**	**35,732**	**36,483**	2
3	Residential buildings (excluding farm)	4,752	7,535	10,122	9,642	14,100	12,529	12,842	13,777	15,379	18,705	17,677	17,019	3
4	New dwelling units	3,300	5,450	7,500	7,257	11,525	9,849	9,870	10,555	12,070	14,990	13,535	12,615	4
5	Additions and alterations	1,307	1,960	2,467	2,200	2,400	2,490	2,787	2,955	3,013	3,376	3,695	3,903	5
6	Nonhousekeeping units	145	125	155	185	175	190	185	267	296	339	447	501	6
7	Nonresidential buildings (excluding farm)[2]	3,341	3,142	3,621	3,228	3,777	5,152	5,014	5,680	6,250	7,611	8,817	9,556	7
8	Industrial buildings	1,689	1,702	1,397	972	1,062	2,117	2,320	2,229	2,030	2,399	3,084	3,557	8
9	Warehouses, office and loft buildings	331	237	352	321	402	544	515	739	958	1,311	1,684	1,893	9
10	Stores, restaurants, and garages	801	619	901	706	886	827	622	1,052	1,254	1,907	1,947	1,671	10
11	Other nonresidential buildings	520	584	971	1,229	1,427	1,664	1,557	1,660	2,008	1,994	2,102	2,435	11
12	Religious	76	126	251	360	409	452	399	472	593	734	768	868	12
13	Educational	123	174	253	269	294	345	351	426	529	492	536	525	13
14	Hospital and institutional	85	110	126	202	344	419	394	317	337	351	328	525	14
15	Social and recreational	125	99	224	262	247	164	125	163	228	239	275	311	15
16	Miscellaneous	111	75	117	136	133	284	288	282	321	178	195	206	16
17	Public utilities	1,374	2,338	3,043	3,323	3,330	3,729	4,003	4,416	4,284	4,543	5,113	5,774	17
18	Railroads	258	318	379	352	315	399	438	442	353	374	427	406	18
19	Telephone and telegraph	305	510	713	533	440	487	570	615	655	805	1,066	1,068	19
20	Other public utilities[3]	811	1,510	1,951	2,438	2,575	2,843	2,995	3,359	3,276	3,364	3,620	4,300	20
21	Farm construction	856	1,397	1,544	1,488	1,635	1,846	1,905	1,731	1,645	1,600	1,560	1,590	21
22	Residential	409	683	738	695	763	863	890	809	769	750	730	744	22
23	Nonresidential	447	714	806	793	872	983	1,015	922	876	850	830	846	23
24	Petroleum and natural gas well drilling	653	773	1,059	1,054	1,261	1,491	1,683	1,864	2,043	2,321	2,445	2,345	24
25	All other private[4]	52	69	65	78	112	64	85	120	121	161	120	199	25
26	**New public construction activity**	**2,362**	**3,434**	**4,827**	**6,404**	**7,001**	**9,419**	**10,901**	**11,394**	**11,922**	**11,961**	**13,005**	**14,354**	26
27	Residential buildings	374	200	156	359	345	595	654	556	336	266	292	506	27
28	Nonresidential buildings	354	599	1,301	2,068	2,384	3,497	4,136	4,346	4,636	4,218	4,074	4,486	28
29	Industrial	113	96	196	177	224	974	1,684	1,771	1,506	721	453	473	29
30	Educational	101	287	618	934	1,133	1,513	1,619	1,714	2,134	2,442	2,556	2,825	30
31	Hospital and institutional	85	85	223	477	496	528	473	365	360	322	298	333	31
32	Other nonresidential buildings[5]	55	131	264	480	531	482	360	496	636	733	767	855	32
33	Military facilities	188	204	158	137	177	887	1,388	1,307	1,030	1,313	1,395	1,322	33
34	Highways	895	1,451	1,774	2,131	2,272	2,518	2,820	3,160	3,870	4,050	4,655	5,215	34
35	Sewer and water systems	194	351	535	619	659	775	790	883	982	1,085	1,275	1,344	35
36	Miscellaneous public service enterprises	84	141	164	184	160	184	168	167	189	233	384	393	36
37	Conservation and development	260	424	670	852	942	912	900	892	773	701	826	971	37
38	All other public[6]	13	64	69	54	62	51	45	83	106	95	104	117	38

1. These construction data are published by the Business and Defense Services Administration of the Department of Commerce and the Bureau of Labor Statistics of the Department of Labor, except for petroleum and natural gas well drilling which is estimated by the Office of Business Economics.

2. Excludes nonresidential building by privately owned public utilities.

3. Consists of local transit, petroleum pipeline, electric light and power (including construction with Rural Electrification Administration funds), and manufactured and natural gas.

4. Consists of sewer and water, roads, bridges, and miscellaneous nonstructural items such as parks and playgrounds.

5. Consists of public administration, social and recreational, commercial, and miscellaneous nonresidential.

6. Includes publicly owned parks and playgrounds, memorials, etc.

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Table V–4.—*New Construction Activity, by Type, in Constant Dollars, 1946–57* [1]

[Millions of 1954 dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Total new construction activity**	**21,048**	**24,361**	**28,551**	**30,184**	**35,743**	**36,303**	**37,321**	**39,038**	**41,644**	**45,555**	**44,890**	**45,153**	1
2	**New private construction activity**	**17,495**	**19,981**	**22,982**	**22,675**	**27,659**	**26,306**	**26,267**	**27,712**	**29,722**	**33,877**	**32,928**	**32,461**	2
3	Residential buildings (excluding farm)	7,367	9,641	11,597	11,408	15,670	12,993	12,966	13,679	15,379	18,148	16,427	15,531	3
4	Nonresidential buildings (excluding farm)	5,501	4,131	4,279	3,862	4,410	5,529	5,169	5,725	6,250	7,405	8,098	8,356	4
5	Public utilities	2,307	3,348	3,977	4,253	4,064	4,130	4,313	4,546	4,284	4,398	4,552	4,837	5
6	Farm construction	1,271	1,689	1,721	1,713	1,834	1,872	1,904	1,719	1,645	1,564	1,466	1,444	6
7	Petroleum and natural gas well drilling	960	1,071	1,322	1,340	1,545	1,709	1,822	1,919	2,043	2,210	2,276	2,121	7
8	All other private	89	101	86	99	136	73	93	124	121	152	109	172	8
9	**New public construction activity**	**3,553**	**4,380**	**5,569**	**7,509**	**8,084**	**9,997**	**11,054**	**11,326**	**11,922**	**11,678**	**11,962**	**12,692**	9
10	Residential buildings	567	267	178	422	384	612	658	549	336	255	269	458	10
11	Nonresidential buildings	614	806	1,553	2,497	2,806	3,795	4,284	4,366	4,636	4,111	3,779	3,984	11
12	Military facilities	289	256	180	158	202	931	1,412	1,305	1,030	1,283	1,282	1,160	12
13	Highways	1,142	1,607	1,754	2,232	2,483	2,464	2,611	2,991	3,870	3,999	4,279	4,638	13
14	Sewer and water systems	331	514	705	795	800	888	867	924	982	1,043	1,165	1,173	14
15	Miscellaneous public service enterprises	149	216	225	244	200	205	183	173	189	223	341	330	15
16	Conservation and development	443	619	880	1,088	1,136	1,045	990	931	773	673	753	846	16
17	All other public	18	95	94	73	73	57	49	87	106	91	94	103	17

1. These figures are derived from those published in terms of 1947–49 dollars by the Business and Defense Services Administration of the Department of Commerce and the Bureau of Labor Statistics of the Department of Labor, except for petroleum and natural gas well drilling which is estimated by the Office of Business Economics. They differ from the construction components of gross national product because the deflators used here reflect largely changes in construction costs whereas those underlying the gross national product components account also for changes in profit margins of construction firms, in an attempt to approximate more closely the selling prices in terms of which the current dollar figures are expressed.

Implicit price deflators are shown in table VII–14.

Footnotes to table V–3 are relevant to this table also.

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Table V–5.—*Private Purchases of Producers' Durable Equipment, 1946–54* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	Line
1	**Total**	**10,733**	**16,667**	**18,925**	**17,236**	**18,940**	**21,290**	**21,264**	**22,305**	**20,789**	1
2	Furniture and fixtures	500	690	641	583	635	893	886	856	1,021	2
3	Cutlery and hand tools	353	348	370	336	348	425	417	391	331	3
4	Fabricated metal products (except cutlery and hand tools)	317	506	492	390	392	433	379	423	458	4
5	Engines and turbines	52	148	214	196	234	292	321	344	406	5
6	Tractors	298	544	759	857	872	1,012	1,075	1,000	789	6
7	Agricultural machinery (except tractors)	351	676	1,057	1,077	1,050	1,178	1,235	1,051	907	7
8	Construction machinery	323	408	564	402	445	539	678	563	440	8
9	Mining and oilfield machinery	301	352	497	413	504	711	788	784	599	9
10	Metalworking machinery	779	834	803	619	973	1,127	1,200	1,531	1,576	10
11	Special-industry machinery, n. e. c.	837	1,340	1,414	1,144	1,278	1,588	1,496	1,590	1,411	11
12	General industrial machinery	863	1,170	1,287	1,024	1,032	1,271	1,514	1,743	1,785	12
13	Office and store machines	443	588	680	622	684	804	956	1,195	1,161	13
14	Service-industry and household machines	456	873	1,263	877	867	789	921	1,047	1,027	14
15	Electrical machinery	1,129	2,061	1,895	1,631	1,836	2,017	2,247	2,302	2,282	15
16	Trucks, buses, and trailers	1,376	2,283	2,592	2,103	2,651	3,186	2,414	2,314	2,032	16
17	Passenger cars	995	1,889	2,167	2,838	3,221	2,669	2,314	2,598	2,383	17
18	Aircraft	156	145	75	103	60	86	174	147	173	18
19	Ships and boats	174	236	120	102	95	153	207	258	283	19
20	Railroad equipment	359	631	1,004	1,030	756	1,072	953	869	541	20
21	Instruments	226	335	360	328	356	359	362	503	490	21
22	Miscellaneous equipment	445	610	671	561	651	686	727	796	694	22

n. e. c.—Not elsewhere classified.
1. The system of commodity classification underlying this table is given in Exhibit 1, page 126, of the 1954 *National Income* supplement.

Table V–6.—*Private Purchases of Producers' Durable Equipment, in Constant Dollars, 1946–54* [1]

[Millions of 1954 dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	Line
1	**Total**	**16,098**	**21,703**	**22,761**	**19,808**	**21,285**	**21,996**	**21,801**	**22,522**	**20,789**	1
2	Furniture and fixtures	779	904	786	699	728	908	910	866	1,021	2
3	Cutlery and hand tools	605	528	510	434	417	473	463	409	331	3
4	Fabricated metal products (except cutlery and hand tools)	510	660	593	469	454	452	399	430	458	4
5	Engines and turbines	80	207	282	254	297	327	347	354	406	5
6	Tractors	490	771	948	1,002	999	1,073	1,113	1,005	789	6
7	Agricultural machinery (except tractors)	555	952	1,307	1,238	1,174	1,204	1,251	1,061	907	7
8	Construction machinery	533	583	717	481	518	563	702	571	440	8
9	Mining and oilfield machinery	493	501	637	500	596	760	836	803	599	9
10	Metalworking machinery	1,227	1,181	1,057	782	1,160	1,203	1,250	1,554	1,576	10
11	Special-industry machinery, n. e. c.	1,286	1,833	1,785	1,378	1,490	1,656	1,557	1,619	1,411	11
12	General industrial machinery	1,480	1,723	1,728	1,269	1,226	1,335	1,599	1,791	1,785	12
13	Office and store machines	503	622	710	649	703	794	958	1,187	1,161	13
14	Service-industry and household machines	727	1,132	1,527	1,015	992	818	950	1,050	1,027	14
15	Electrical machinery	1,648	2,535	2,240	1,908	2,082	2,056	2,346	2,371	2,282	15
16	Trucks, buses, and trailers	1,890	2,791	2,912	2,266	2,888	3,208	2,369	2,291	2,032	16
17	Passenger cars	1,337	2,277	2,390	3,004	3,399	2,695	2,218	2,549	2,383	17
18	Aircraft	261	212	102	132	74	97	191	153	173	18
19	Ships and boats	269	334	156	129	116	173	225	265	283	19
20	Railroad equipment	484	795	1,201	1,196	867	1,150	1,001	876	541	20
21	Instruments	308	414	416	378	404	375	381	516	490	21
22	Miscellaneous equipment	633	748	757	625	701	676	735	801	694	22

n. e. c.—Not elsewhere classified.
1. See footnote 1 to table V–5 for reference to system of commodity classification.
Implicit price deflators are shown in table VII–15.

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Table V–7.—*Expenditures on New Plant and Equipment by U. S. Business, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Total**	14,848	20,612	22,059	19,285	20,605	25,644	26,493	28,322	26,827	28,701	35,081	36,962	1
2	**Manufacturing**	6,790	8,703	9,134	7,149	7,491	10,852	11,632	11,908	11,038	11,439	14,954	15,959	2
3	**Durable-goods industries**	3,112	3,407	3,483	2,593	3,135	5,168	5,614	5,648	5,091	5,436	7,623	8,022	3
4	Primary iron and steel	500	638	772	596	599	1,198	1,511	1,210	754	863	1,268	1,722	4
5	Primary nonferrous metals	93	178	193	151	134	310	512	412	246	214	412	814	5
6	Electrical machinery and equipment	282	304	289	216	245	373	386	475	439	436	603	599	6
7	Machinery, except electrical	511	519	527	383	411	683	701	797	694	809	1,078	1,275	7
8	Motor vehicles and equipment	591	504	474	348	510	851	855	989	1,295	1,128	1,689	1,058	8
9	Transportation equipment, excluding motor vehicles	109	95	106	87	82	219	211	180	191	274	440	544	9
10	Stone, clay, and glass products	241	326	269	181	280	397	330	346	361	498	686	572	10
11	Other durable goods [2]	785	843	853	631	874	1,136	1,107	1,239	1,110	1,214	1,447	1,438	11
12	**Nondurable-goods industries**	3,678	5,296	5,651	4,555	4,356	5,684	6,018	6,260	5,948	6,003	7,331	7,937	12
13	Food and beverages	670	946	1,053	875	760	853	769	812	765	718	799	850	13
14	Textile-mill products	342	510	618	471	450	531	434	378	331	366	465	408	14
15	Paper and allied products	232	371	383	298	327	420	364	409	455	518	801	811	15
16	Chemicals and allied products	800	1,060	941	670	771	1,247	1,386	1,428	1,130	1,016	1,455	1,724	16
17	Petroleum and coal products	1,087	1,736	2,100	1,789	1,587	2,102	2,535	2,638	2,684	2,798	3,135	3,453	17
18	Rubber products	139	143	102	81	102	150	154	161	131	150	201	200	18
19	Other nondurable goods [3]	408	530	454	371	359	382	377	404	451	437	475	491	19
20	**Mining**	427	691	882	792	707	929	985	986	975	957	1,241	1,243	20
21	**Railroads**	583	889	1,319	1,352	1,111	1,474	1,396	1,311	854	923	1,231	1,396	21
22	**Transportation, other than rail**	923	1,298	1,285	887	1,212	1,490	1,500	1,565	1,512	1,602	1,712	1,771	22
23	**Public utilities**	792	1,539	2,543	3,125	3,309	3,664	3,887	4,552	4,219	4,309	4,895	6,195	23
24	**Communications**	817	1,399	1,742	1,320	1,104	1,319	1,537	1,690	1,717	1,983	2,684	3,032	24
25	**Commercial and other** [4]	4,516	6,093	5,154	4,660	5,671	5,916	5,557	6,310	6,513	7,488	8,364	7,366	25

1. These data differ somewhat in definition and coverage from the fixed capital formation components of the gross national product. (See discussion in Chapter 5).
2. Includes fabricated metal products, lumber products, furniture and fixtures, instruments, ordnance, and miscellaneous manufactures.
3. Includes apparel and related products, tobacco, leather and leather products, and printing and publishing.
4. Includes trade, service, finance, and construction.

Sources: U. S. Department of Commerce, Office of Business Economics, and Securities and Exchange Commission.

Table V–8.—*Net Change in Business Inventories, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Net change in business inventories, total**	6,379	−462	4,708	−3,072	6,815	10,233	3,067	447	−1,639	5,783	5,446	953	1
2	Farm	29	−1,760	1,732	−863	815	1,176	921	−622	490	297	−479	758	2
3	Nonfarm	6,350	1,298	2,976	−2,209	6,000	9,057	2,146	1,068	−2,129	5,486	5,925	195	3
4	**Net change in nonfarm inventories**	6,350	1,298	2,976	−2,209	6,000	9,057	2,146	1,068	−2,129	5,486	5,925	195	4
5	Corporate	5,967	1,240	2,053	−1,721	4,823	8,552	2,231	812	−1,927	4,927	5,805	152	5
6	Noncorporate	383	58	923	−488	1,177	505	−85	256	−202	559	120	43	6
7	Change in book value	13,318	8,668	5,538	−4,528	12,059	10,583	964	2,233	−1,762	7,420	8,982	2,040	7
8	Corporate	11,230	7,139	4,205	−3,577	9,788	9,751	1,250	1,809	−1,609	6,663	8,365	1,700	8
9	Noncorporate	2,088	1,529	1,333	−951	2,271	832	−286	424	−153	757	617	340	9
10	Inventory valuation adjustment	−6,968	−7,370	−2,562	2,319	−6,059	−1,526	1,182	−1,165	−367	−1,934	−3,057	−1,845	10
11	Corporate	−5,263	−5,899	−2,152	1,856	−4,965	−1,199	981	−997	−318	−1,736	−2,560	−1,548	11
12	Noncorporate	−1,705	−1,471	−410	463	−1,094	−327	201	−168	−49	−198	−497	−297	12
13	**Net change in nonfarm inventories by industrial group**	6,350	1,298	2,976	−2,209	6,000	9,057	2,146	1,068	−2,129	5,486	5,925	195	13
14	Manufacturing	2,901	450	1,271	−1,580	2,164	7,872	1,863	1,172	−2,582	2,626	4,618	316	14
15	Change in book value	6,163	4,412	2,749	−2,743	5,496	8,477	1,185	1,874	−2,260	4,008	6,165	1,288	15
16	Inventory valuation adjustment	−3,262	−3,962	−1,478	1,163	−3,332	−605	678	−702	−322	−1,382	−1,547	−972	16
17	Wholesale trade	815	−21	566	4	1,356	308	323	100	282	1,115	504	−1,013	17
18	Change in book value	2,081	1,084	706	−401	2,458	604	1	203	244	1,195	1,131	−621	18
19	Inventory valuation adjustment	−1,266	−1,105	−140	405	−1,102	−296	322	−103	38	−80	−627	−392	19
20	Retail trade	2,048	603	1,229	−358	2,131	39	−36	405	144	2,092	130	739	20
21	Change in book value	4,094	2,249	1,777	−899	3,351	526	−255	645	215	2,294	811	1,184	21
22	Inventory valuation adjustment	−2,046	−1,646	−548	541	−1,220	−487	219	−240	−71	−202	−681	−445	22
23	All other	586	266	−90	−275	349	838	−4	−609	27	−347	673	153	23
24	Change in book value	980	923	306	−485	754	976	33	−489	39	−77	875	189	24
25	Inventory valuation adjustment	−394	−657	−396	210	−405	−138	−37	−120	−12	−270	−202	−36	25

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Table V–9.—*Securities and Exchange Commission Estimates of Personal Saving and Its Disposition and Comparison With Office of Business Economics Estimates of Personal Saving, 1946–57*

[Billions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Gross investment in tangible assets**	**11.49**	**14.97**	**22.41**	**18.36**	**27.73**	**26.29**	**25.24**	**25.53**	**27.61**	**32.99**	**30.67**	**30.58**	1
2	Nonfarm homes	4.42	6.77	9.00	8.23	12.70	11.61	11.96	12.75	14.24	17.34	16.22	15.17	2
3	Other construction and producers' durable equipment	6.66	9.91	10.76	11.49	13.04	12.99	12.44	13.14	13.09	14.80	14.80	14.60	3
4	Noncorporate enterprises	4.34	6.01	5.53	5.76	6.96	6.48	6.32	6.91	7.02	8.60	8.86	8.10	4
5	Farm enterprises [1]	1.86	3.33	4.28	4.52	4.65	4.99	4.71	4.70	4.19	4.19	3.83	4.07	5
6	Nonprofit institutions	.45	.57	.95	1.21	1.44	1.53	1.41	1.53	1.87	2.01	2.12	2.44	6
7	Inventories of noncorporate enterprises	.41	−1.70	2.66	−1.35	1.99	1.68	.84	−.36	.29	.86	−.36	.80	7
8	Nonfarm	.38	.06	.92	−.49	1.18	.50	−.08	.26	−.20	.56	.12	.04	8
9	Farm	.03	−1.76	1.73	−.86	.82	1.18	.92	−.62	.49	.30	−.48	.76	9
10	**Depreciation [2]**	**5.04**	**6.15**	**7.15**	**8.21**	**9.01**	**10.26**	**10.89**	**11.58**	**12.15**	**12.81**	**13.36**	**14.33**	10
11	Nonfarm homes	1.84	1.94	2.12	2.29	2.53	2.83	3.02	3.32	3.61	3.92	4.26	4.64	11
12	Noncorporate nonfarm enterprises	1.76	2.37	2.72	3.22	3.45	3.85	4.07	4.31	4.46	4.68	4.85	5.24	12
13	Farm enterprises [3]	1.23	1.62	2.07	2.44	2.74	3.24	3.42	3.53	3.63	3.74	3.75	3.92	13
14	Nonprofit institutions	.22	.23	.24	.26	.29	.33	.39	.43	.45	.48	.49	.52	14
15	**Net investment in tangible assets**	**6.45**	**8.82**	**15.26**	**10.15**	**18.72**	**16.03**	**14.34**	**13.94**	**15.47**	**20.18**	**17.31**	**16.24**	15
16	Nonfarm homes	2.58	4.83	6.88	5.94	10.17	8.78	8.94	9.44	10.63	13.42	11.96	10.53	16
17	Other	3.87	3.99	8.38	4.21	8.55	7.25	5.40	4.50	4.84	6.76	5.35	5.71	17
18	**Increase in financial assets [4 5]**	**13.43**	**9.43**	**6.94**	**6.91**	**11.06**	**14.06**	**20.05**	**18.85**	**17.40**	**22.46**	**22.90**	**24.29**	18
19	Currency and bank deposits	10.61	2.07	−1.78	−1.38	3.74	6.00	7.14	4.93	5.41	3.81	4.87	5.65	19
20	Savings and loan association shares	1.18	1.20	1.19	1.51	1.54	2.07	3.05	3.64	4.45	4.79	4.83	4.80	20
21	Securities	−2.08	2.21	3.38	2.48	.97	.58	3.47	3.41	.23	6.29	5.16	6.02	21
22	U. S. savings bonds [6]	1.22	2.09	1.60	1.46	.25	−.47	.09	.20	.60	.26	−.09	−1.91	22
23	Other U. S. Government	−3.10	−.85	−.28	−.10	−.46	−1.00	.35	.06	−1.60	1.62	1.54	1.95	23
24	State and local government	−.15	.33	.98	.41	.49	.38	.96	1.83	.66	1.68	1.44	1.98	24
25	Corporate and other	−.05	.65	1.08	.70	.69	1.67	2.08	1.32	.57	2.73	2.27	3.99	25
26	Private insurance and pension reserves	3.72	3.95	4.15	4.31	4.82	5.41	6.39	6.88	7.31	7.57	8.05	7.81	26
27	**Increase in debt to corporations and financial intermediaries**	**7.82**	**11.30**	**11.17**	**8.88**	**19.65**	**10.17**	**15.26**	**11.71**	**16.33**	**24.49**	**20.72**	**18.22**	27
28	Consumer debt	2.32	2.81	2.41	2.64	3.64	.99	4.36	3.65	.96	6.09	3.14	2.58	28
29	Securities loans	−2.34	−.76	.43	.32	.22	−.30	.60	.40	.86	.60	−.75	−.07	29
30	Mortgage debt	4.40	5.43	5.82	5.35	8.93	8.38	7.90	8.59	10.64	13.98	12.42	10.14	30
31	On nonfarm homes	3.63	4.51	4.66	4.13	7.33	6.60	6.52	7.30	9.11	11.93	10.38	8.25	31
32	On noncorporate nonfarm enterprises	.79	.81	1.07	1.03	1.30	1.48	1.02	1.00	1.20	1.48	1.53	1.53	32
33	On farms	−.02	.11	.08	.19	.30	.29	.35	.29	.34	.57	.50	.36	33
34	Net trade debt of noncorporate nonfarm enterprises	1.11	1.25	1.84	−.96	2.42	.35	2.17	−.47	1.56	−.18	3.96	3.52	34
35	Non-real-estate farm debt	.45	.78	.88	.28	.58	.96	.30	−.37	.34	.54	.23	.64	35
36	Bank debt not elsewhere classified	1.87	1.80	−.20	1.25	3.85	−.21	−.08	−.09	1.97	3.46	1.72	1.41	36
37	**Personal saving, SEC [lines (15)+(18)−(27)]**	**12.06**	**6.94**	**11.03**	**8.19**	**10.14**	**19.92**	**19.14**	**21.09**	**16.54**	**18.15**	**19.50**	**22.32**	37
38	**Personal saving, Commerce (from table II–1) [7]**	**13.46**	**4.70**	**10.99**	**8.50**	**12.64**	**17.68**	**18.94**	**19.82**	**18.86**	**17.51**	**21.05**	**20.71**	38
39	Difference between lines (37) and (38)	−1.40	2.24	.05	−.31	−2.50	2.24	.20	1.26	−2.32	.64	−1.56	1.61	39
40	Statistical discrepancy in the national income and product accounts (from table I–17)	2.09	3.54	−.85	.51	−.73	1.25	1.37	1.28	.85	.99	−.94	.72	40
41	**Alternative estimate of personal saving, Commerce [lines (38)+(40)].[8]**	**15.55**	**8.24**	**10.14**	**9.01**	**11.91**	**18.92**	**20.31**	**21.11**	**19.71**	**18.50**	**20.12**	**21.43**	41
42	Difference between lines (37) and (41)	−3.49	−1.30	.89	−.82	−1.77	.99	−1.18	−.02	−3.18	−.35	−.62	.88	42

1. Includes farm dwellings.

2. Includes accidental damage to fixed property.

3. Includes depreciation on farm property owned by nonfarm landlords. This item is excluded from table VII–9, line 12, and included in line 12 of table VI–19. Also includes accidental damage to fixed property which is excluded from table VI–19.

4. Excludes changes in government insurance and pension reserves, and Armed Forces leave bonds (both of which are ascribed to the government sector in the national income accounts). Annual amounts, in billions of dollars, of changes in government insurance and pension reserves are as follows: 1946, $3.55; 1947, $3.49; 1948, $3.57; 1949, $2.34; 1950, $1.09; 1951, $4.24; 1952, $4.40; 1953, $3.24; 1954, $2.63; 1955, $3.09; 1956, $3.49; 1957, $3.09. Annual amounts, in billions of dollars, of Armed Forces leave bonds are as follows: 1946, $0.60; 1947, $0.16; 1948, −$0.30; 1949, −$0.12; 1950, −$0.10; 1951, −$0.15; and less than −$0.05 in each of the succeeding years.

5. Includes changes in assets of noncorporate enterprises of the types specified.

6. Includes increase in redemption value of outstanding bonds.

7. Equals disposable personal income less personal consumption expenditures.

8. Equals gross investment less government surplus and less gross private saving other than personal saving as given in table V—1.

Sources: Securities and Exchange Commission and U. S. Department of Commerce, Office of Business Economics.

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Table V–10.—*Sources and Uses of Corporate Funds, 1946–57* [1] [2]

[Billions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Sources, total**	21.9	32.4	29.1	15.5	44.2	39.6	30.8	30.4	22.2	50.3	44.2	40.1	1
2	**Internal sources, total**	11.4	16.6	18.8	14.9	20.8	19.0	17.8	19.7	19.8	26.6	27.9	28.5	2
3	Retained profits [3]	7.2	11.4	12.6	7.8	13.0	10.0	7.4	7.9	6.3	10.9	10.2	8.8	3
4	Depreciation	4.2	5.2	6.2	7.1	7.8	9.0	10.4	11.8	13.5	15.7	17.7	19.7	4
5	**External long-term sources, total**	4.2	6.3	7.2	4.3	4.2	7.8	9.4	7.6	6.4	8.6	11.1	12.1	5
6	Stocks	1.3	1.4	1.2	1.6	1.7	2.7	3.0	2.3	2.1	2.7	3.0	3.4	6
7	Bonds	1.1	3.0	4.7	3.3	2.0	3.6	4.9	4.8	3.8	4.2	4.8	7.5	7
8	Other debt	1.8	1.9	1.3	−.6	.5	1.5	1.5	.5	.5	1.7	3.3	1.2	8
9	**Short-term sources, total**	6.3	9.5	3.1	−3.7	19.2	12.8	3.6	3.1	−4.0	15.1	5.2	− .5	9
10	Bank loans	2.1	1.4	.5	−1.7	2.1	3.9	1.6	−.1	−1.1	3.7	1.9	.6	10
11	Trade payables	3.7	4.5	1.3	−.3	8.8	2.7	2.7	.4	−.2	5.5	2.7	−1.1	11
12	Federal income tax liabilities	−1.6	2.1	.9	−2.2	7.3	4.3	−3.1	.6	−3.1	3.8	−1.4	−1.9	12
13	Other	2.1	1.5	.4	.5	1.0	1.9	2.4	2.2	.4	2.1	2.0	1.9	13
14	**Uses, total**	23.2	32.7	28.3	16.5	45.3	39.5	30.0	28.6	23.8	50.6	42.6	38.2	14
15	**Increase in physical assets, total**	23.7	24.1	23.0	12.7	26.7	31.4	23.7	25.7	20.8	30.9	38.3	34.4	15
16	Plant and equipment	12.5	17.0	18.8	16.3	16.9	21.6	22.4	23.9	22.4	24.2	29.9	32.7	16
17	Inventories (book value)	11.2	7.1	4.2	−3.6	9.8	9.8	1.3	1.8	−1.6	6.7	8.4	1.7	17
18	**Increase in financial assets, total**	−.5	8.6	5.3	3.8	18.6	8.1	6.3	2.9	3.0	19.7	4.3	3.8	18
19	Receivables	4.8	7.6	4.1	.6	13.8	4.7	5.8	1.1	2.2	11.9	7.7	3.3	19
20	Consumer	1.1	1.4	1.3	1.5	1.8	.8	2.2	1.8	.7	3.3	1.2	.9	20
21	Other	3.7	6.2	2.8	−.9	12.0	3.9	3.6	−.7	1.5	8.6	6.5	2.4	21
22	Cash and U. S. Government securities	−4.7	1.0	1.0	3.2	4.5	2.8	.1	1.8	.0	5.0	−4.3	−1.8	22
23	Cash (including deposits)	1.1	2.2	.3	1.2	1.6	1.9	.8	2	2.3	1.2	.5	−.1	23
24	U. S. Government securities	−5.8	−1.2	.7	2.0	2.9	.9	−.7	1.6	−2.3	3.8	−4.8	−1.7	24
25	Other assets	−.6	.0	.2	.0	.3	.6	.4	.0	.8	2.8	.9	2.3	25
26	Discrepancy (uses less sources)	1.3	.3	−.8	1.0	1.1	−.1	−.8	−1.8	1.6	.3	−1.6	−1.9	26

1. "Sources and uses" information has not yet been developed within the framework of the national income accounts; some items in this table, therefore, differ definitionally and statistically from similar entries in the accounts.

2. Excludes banks and insurance companies.

3. Includes depletion.

Table V–11.—*Balance of Payments on Capital Account, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**United States capital, net [outflow of funds (−)], total**	−3,437	−7,956	−1,930	−1,205	−1,421	−1,224	−1,578	−587	−1,526	−1,521	−3,606	−4,174	1
2	Private, net, total	−413	−987	−906	−553	−1,265	−1,068	−1,158	−369	−1,619	−1,211	−2,980	−3,211	2
3	Direct investments	−230	−749	−721	−660	−621	−528	−850	−721	−664	−779	−1,839	−2,072	3
4	New issues	−85	−396	−150	−118	−254	−491	−286	−270	−309	−128	−457	−597	4
5	Redemptions	308	295	62	103	301	113	66	139	124	190	169	149	5
6	Other long-term, net	−96	52	19	−65	−542	−59	6	316	−135	−303	−319	−383	6
7	Short-term, net	−310	−189	−116	187	−149	−103	−94	167	−635	−191	−534	−308	7
8	Government, net, total	−3,024	−6,969	−1,024	−652	−156	−156	−420	−218	93	−310	−626	−963	8
9	Long-term capital, outflow	−3,348	−7,150	−1,555	−684	−414	−458	−847	−716	−306	−383	−534	−987	9
10	Repayments	86	294	443	205	295	305	429	487	507	416	479	659	10
11	Short-term, net	238	−113	88	−173	−37	−3	−2	11	−108	−343	−571	−635	11
12	**Foreign capital, net [outflow of funds (−)], total**	−980	265	352	72	1,912	578	1,612	1,147	1,462	1,454	1,844	634	12
13	Direct and long-term portfolio investments other than U. S. Government securities	−347	−98	−172	119	53	182	141	206	244	346	542	361	13
14	Transactions in U. S. long-term Government securities					941	−659	302	−82	8	529	−135	−52	14
15	Short-term liabilities to foreign banks and official institutions reported by U. S. banks	−633	363	524	−47	918	613	1,083	1,021	1,234	702	1,112	−21	15
16	Other short-term liabilities						442	86	2	−24	−123	325	346	16
17	**Gold sales [purchases (−)]**	−623	−2,162	−1,530	−164	1,743	−53	−379	1,161	298	41	−306	−798	17
18	Foreign capital and gold, total	−1,603	−1,897	−1,178	−92	3,655	525	1,233	2,308	1,760	1,495	1,538	−164	18
19	**Errors and omissions, net**	195	936	1,179	775	−30	470	505	296	167	446	692	876	19

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Table V–12.—*Private Purchases of Structures and Equipment for Manufacturing Establishments, 1929–40*

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
		Current-year cost (billions of dollars)											
1	**Structures and equipment**	2.9	1.8	1.0	.5	.7	.9	1.0	1.5	2.1	1.3	1.5	2.2
2	Structures	1.5	.8	.3	.1	.3	.3	.3	.4	.8	.4	.4	.7
3	Equipment	1.4	1.0	.7	.4	.4	.6	.8	1.0	1.3	.9	1.1	1.5
		Constant cost (billions of 1954 dollars)											
4	**Structures and equipment**	6.6	4.5	2.7	1.4	2.0	2.2	2.4	3.5	4.7	2.8	3.3	4.7
5	Structures	3.8	2.4	1.2	.4	1.0	1.0	.8	1.3	2.1	1.0	1.2	1.9
6	Equipment	2.7	2.1	1.5	.9	1.0	1.2	1.6	2.2	2.6	1.8	2.1	2.8
		Implicit price indexes (1954=100)											
7	**Structures and equipment**	44	41	39	38	35	40	42	42	45	46	46	47
8	Structures	38	34	30	27	27	32	33	34	39	38	37	39
9	Equipment	51	49	46	44	43	46	47	47	51	51	51	53

Table V–13.—*Depreciation on Privately Owned Structures and Equipment in Manufacturing Establishments, 1929–40*

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
		Original cost (billions of dollars)											
1	**Structures and equipment**	1.4	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5
2	Structures	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5
3	Equipment	1.0	1.0	1.0	1.0	.9	.9	.9	.9	.9	.9	.9	1.0
		Constant cost (billions of 1954 dollars)											
4	**Structures and equipment**	3.7	3.8	3.8	3.8	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.7
5	Structures	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
6	Equipment	2.0	2.1	2.1	2.0	1.9	1.9	1.8	1.9	1.9	1.9	1.9	2.0
		Current-year cost (billions of dollars)											
7	**Structures and equipment**	1.7	1.6	1.5	1.4	1.3	1.4	1.4	1.5	1.6	1.6	1.6	1.7
8	Structures	.6	.6	.5	.5	.5	.5	.6	.6	.7	.7	.6	.7
9	Equipment	1.0	1.0	1.0	.9	.8	.9	.9	.9	1.0	1.0	1.0	1.0
		Ratio of current-year cost to original cost											
10	**Structures and equipment**	1.17	1.08	.99	.92	.92	1.02	1.02	1.04	1.13	1.11	1.09	1.13
11	Structures	1.37	1.20	1.03	.93	.94	1.09	1.10	1.15	1.27	1.23	1.18	1.24
12	Equipment	1.08	1.02	.97	.92	.91	.97	.98	.98	1.05	1.05	1.04	1.07

Table V–14.—*Net Formation of Privately Owned Structure and Equipment Capital in Manufacturing Establishments, 1929–40*

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
		Current-year cost (billions of dollars)											
1	**Structures and equipment**	1.2	.2	−.4	−.8	−.6	−.6	−.4	.0	.5	−.3	−.1	.5
2	Structures	.8	.2	−.2	−.3	−.2	−.2	−.3	−.1	.2	−.3	−.2	.1
3	Equipment	.4	.0	−.3	−.5	−.4	−.3	−.1	.2	.3	−.1	.1	.4
		Constant cost (billions of 1954 dollars)											
4	**Structures and equipment**	2.9	.7	−1.1	−2.4	−1.7	−1.4	−1.1	−.1	1.1	−.8	−.4	1.0
5	Structures	2.2	.7	−.6	−1.3	−.7	−.7	−.9	−.4	.4	−.7	−.5	.2
6	Equipment	.7	.0	−.6	−1.1	−1.0	−.7	−.2	.3	.7	−.1	.2	.8

Table V–15.—*Real Net Value of Privately Owned Structures, Equipment, and Inventories in Manufacturing Establishments, End of Year, 1928–39*

[Billions of 1954 dollars]

Line		1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
1	**Structures, equipment, and inventories**	76.9	81.1	82.7	79.9	74.8	71.5	70.7	70.1	71.9	76.2	74.0	74.2
2	Structures and equipment	55.9	58.7	59.4	58.3	55.9	54.2	52.8	51.7	51.6	52.7	51.9	51.5
3	Structures	37.7	39.8	40.6	40.0	38.7	38.0	37.3	36.4	36.0	36.4	35.7	35.2
4	Equipment	18.2	18.9	18.9	18.3	17.2	16.2	15.5	15.3	15.6	16.3	16.2	16.3
5	Inventories	21.1	22.4	23.3	21.6	18.9	17.2	17.9	18.5	20.3	23.5	22.2	22.8

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Table V–12.—*Private Purchases of Structures and Equipment for Manufacturing Establishments, 1941–57*

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
Current-year cost (billions of dollars)																	
3.1	**2.0**	**1.7**	**2.2**	**3.6**	**6.3**	**7.1**	**7.1**	**5.7**	**6.3**	**8.3**	**8.4**	**8.6**	**8.0**	**8.6**	**11.2**	**12.0**	1
1.3	.6	.2	.3	1.0	3.1	2.7	2.4	1.8	1.6	2.6	2.6	2.6	2.4	3.0	3.5	4.0	2
1.8	1.5	1.5	1.9	2.5	3.2	4.4	4.7	3.9	4.6	5.6	5.9	6.0	5.6	5.6	7.8	8.0	3
Constant cost (billions of 1954 dollars)																	
6.2	**3.7**	**3.0**	**3.9**	**6.2**	**9.7**	**9.4**	**8.6**	**6.7**	**7.3**	**8.6**	**8.7**	**8.7**	**8.0**	**8.5**	**10.2**	**10.3**	4
3.0	1.1	.5	.6	1.9	4.6	3.4	2.7	2.1	1.9	2.6	2.6	2.5	2.4	3.0	3.1	3.4	5
3.2	2.6	2.6	3.3	4.3	5.1	6.0	5.9	4.7	5.4	5.9	6.1	6.2	5.6	5.5	7.1	6.9	6
Implicit price indexes (1954=100)																	
50	**55**	**57**	**57**	**57**	**65**	**76**	**82**	**84**	**86**	**97**	**97**	**99**	**100**	**102**	**110**	**117**	7
43	50	54	52	56	68	79	89	87	88	99	101	103	100	102	112	119	8
56	57	58	58	58	63	74	79	83	86	96	96	98	100	102	109	115	9

Table V–13.—*Depreciation on Privately Owned Structures and Equipment in Manufacturing Establishments, 1941–57*

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
Original cost (billions of dollars)																	
1.6	**1.7**	**1.7**	**1.8**	**1.9**	**2.0**	**2.3**	**2.7**	**2.9**	**3.2**	**3.5**	**3.9**	**4.2**	**4.5**	**4.9**	**5.2**	**5.7**	1
.6	.6	.6	.6	.6	.6	.7	.8	.8	.9	.9	1.0	1.0	1.1	1.1	1.2	1.3	2
1.0	1.1	1.1	1.2	1.3	1.4	1.6	1.9	2.1	2.3	2.6	2.9	3.2	3.5	3.7	4.1	4.4	3
Constant cost (billions of 1954 dollars)																	
3.8	**3.9**	**3.9**	**4.0**	**4.1**	**4.4**	**4.7**	**5.0**	**5.3**	**5.5**	**5.7**	**5.9**	**6.1**	**6.4**	**6.6**	**6.8**	**7.1**	4
1.8	1.8	1.8	1.7	1.7	1.8	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.1	2.1	5
2.0	2.1	2.2	2.2	2.4	2.6	2.8	3.1	3.4	3.5	3.7	4.0	4.1	4.4	4.6	4.8	5.0	6
Current-year cost (billions of dollars)																	
1.9	**2.1**	**2.2**	**2.2**	**2.4**	**2.8**	**3.6**	**4.2**	**4.5**	**4.8**	**5.5**	**5.8**	**6.1**	**6.4**	**6.7**	**7.5**	**8.2**	7
.8	.9	1.0	.9	1.0	1.2	1.5	1.7	1.7	1.7	1.9	2.0	2.0	2.0	2.1	2.3	2.5	8
1.2	1.2	1.2	1.3	1.4	1.6	2.1	2.5	2.8	3.0	3.6	3.8	4.0	4.4	4.6	5.2	5.8	9
Ratio of current-year cost to original cost																	
1.22	**1.27**	**1.29**	**1.26**	**1.27**	**1.38**	**1.54**	**1.58**	**1.52**	**1.49**	**1.58**	**1.50**	**1.44**	**1.41**	**1.38**	**1.42**	**1.44**	10
1.36	1.52	1.63	1.55	1.62	1.87	2.06	2.18	2.05	1.99	2.14	2.08	2.01	1.87	1.84	1.92	1.95	11
1.14	1.13	1.11	1.11	1.10	1.15	1.30	1.33	1.32	1.31	1.38	1.31	1.27	1.27	1.25	1.28	1.31	12

Table V–14.—*Net Formation of Privately Owned Structure and Equipment Capital in Manufacturing Establishments, 1941–57*

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
Current-year cost (billions of dollars)																	
1.2	**−.1**	**−.5**	**.0**	**1.2**	**3.5**	**3.5**	**2.9**	**1.2**	**1.5**	**2.7**	**2.6**	**2.6**	**1.6**	**1.9**	**3.8**	**3.7**	1
.5	−.3	−.7	−.6	.1	1.9	1.2	.7	.1	−.1	.7	.6	.6	.4	1.0	1.2	1.5	2
.6	.3	.3	.6	1.1	1.6	2.3	2.2	1.1	1.6	2.1	2.0	2.0	1.2	.9	2.6	2.2	3
Constant cost (billions of 1954 dollars)																	
2.4	**−.2**	**−.9**	**−.1**	**2.1**	**5.3**	**4.7**	**3.6**	**1.5**	**1.8**	**2.9**	**2.7**	**2.6**	**1.6**	**1.9**	**3.4**	**3.2**	4
1.3	−.7	−1.3	−1.1	.1	2.8	1.5	.8	.2	−.1	.7	.6	.5	.4	1.0	1.0	1.3	5
1.1	.4	.4	1.0	1.9	2.5	3.2	2.8	1.3	1.9	2.2	2.1	2.0	1.2	.9	2.3	1.9	6

Table V–15.—*Real Net Value of Privately Owned Structures, Equipment, and Inventories in Manufacturing Establishments, End of Year, 1940–57*

[Billions of 1954 dollars]

1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
77.4	**84.1**	**86.3**	**86.1**	**85.0**	**85.0**	**94.5**	**99.3**	**104.0**	**103.7**	**107.9**	**117.1**	**122.1**	**126.7**	**125.9**	**129.4**	**136.8**	**140.2**	1
52.4	54.8	54.6	53.7	53.6	55.7	61.0	65.6	69.2	70.7	72.5	75.3	78.0	80.6	82.2	84.1	87.5	90.7	2
35.3	36.6	35.9	34.6	33.5	33.6	36.4	37.9	38.7	38.9	38.8	39.5	40.0	40.6	41.0	41.9	43.0	44.3	3
17.1	18.2	18.7	19.1	20.1	22.1	24.6	27.8	30.5	31.8	33.7	35.9	38.0	40.1	41.3	42.2	44.5	46.4	4
25.0	29.3	31.7	32.4	31.4	29.3	33.6	33.7	34.8	33.0	35.4	41.8	44.1	46.0	43.7	45.3	49.3	49.6	5

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VI. Income and Employment by Industry*

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*Figures in parentheses refer to corresponding tables in the 1954 *National Income* supplement.

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Table VI–1.—*Compensation of Employees, by Industry, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	117,697	128,757	140,969	140,834	154,190	180,327	195,012	208,812	207,595	223,852	241,799	254,637	1
2	**Agriculture, forestry, and fisheries**	2,801	3,097	3,353	3,184	3,013	3,183	3,223	3,236	3,182	3,234	3,348	3,445	2
3	Farms	2,563	2,829	3,045	2,877	2,689	2,812	2,815	2,805	2,726	2,749	2,806	2,887	3
4	Agricultural services, forestry, and fisheries	238	268	308	307	324	371	408	431	456	485	542	558	4
5	**Mining**	2,470	3,070	3,543	3,127	3,440	3,914	3,969	4,081	3,744	4,058	4,529	4,683	5
6	Metal mining	242	309	353	339	368	448	498	556	502	564	638	661	6
7	Anthracite mining	248	262	293	238	254	260	248	209	166	140	147	146	7
8	Bituminous and other soft coal mining	1,111	1,463	1,652	1,277	1,465	1,619	1,434	1,409	1,092	1,204	1,376	1,409	8
9	Crude petroleum and natural gas	651	775	953	975	1,023	1,198	1,369	1,454	1,526	1,647	1,799	1,889	9
10	Nonmetallic mining and quarrying	218	261	292	298	330	389	420	453	458	503	569	578	10
11	**Contract construction**	4,621	6,108	7,437	7,274	8,348	10,369	11,263	11,802	12,019	12,932	14,299	14,719	11
12	**Manufacturing**	38,178	44,537	48,604	46,124	52,535	62,418	67,391	74,809	71,089	77,979	83,943	87,671	12
13	Food and kindred products	3,750	4,232	4,560	4,629	4,908	5,426	5,689	6,035	6,178	6,477	6,890	7,101	13
14	Tobacco manufactures	197	207	215	226	236	271	286	301	313	322	335	343	14
15	Textile-mill products	2,803	3,219	3,663	3,278	3,744	3,882	3,756	3,783	3,410	3,626	3,691	3,587	15
16	Apparel and other finished fabric products	2,555	2,744	2,993	2,891	3,118	3,262	3,399	3,616	3,508	3,730	3,964	4,029	16
17	Lumber and furniture products [2]	2,192	2,767	2,950	2,680	3,229	3,605	3,682	3,748	3,564	4,002	4,174	3,979	17
18	Lumber and wood products, except furniture			1,948	1,724	2,060	2,372	2,371	2,361	2,242	2,511	2,591	2,355	18
19	Furniture and fixtures			1,002	956	1,169	1,233	1,311	1,387	1,322	1,491	1,583	1,624	19
20	Lumber and timber basic products	1,090	1,395											20
21	Furniture and finished lumber products	1,102	1,372											21
22	Paper and allied products	1,187	1,408	1,572	1,541	1,780	2,045	2,128	2,363	2,443	2,664	2,893	3,020	22
23	Printing, publishing, and allied industries	1,981	2,344	2,607	2,752	2,928	3,167	3,390	3,678	3,855	4,113	4,426	4,679	23
24	Chemicals and allied products [2]	2,072	2,394	2,503	2,505	2,752	3,322	3,588	4,000	4,140	4,420	4,885	5,267	24
25	Products of petroleum and coal [2]	822	991	1,154	1,186	1,214	1,453	1,578	1,722	1,730	1,770	1,879	2,043	25
26	Rubber products	778	866	844	778	918	1,090	1,181	1,288	1,173	1,395	1,424	1,497	26
27	Leather and leather products	905	978	1,010	971	1,047	1,062	1,146	1,183	1,142	1,237	1,292	1,318	27
28	Stone, clay, and glass products	1,180	1,402	1,593	1,530	1,765	2,108	2,098	2,303	2,278	2,569	2,782	2,859	28
29	Metals, metal products, and miscellaneous [2]	7,477	8,923	10,034	9,187	11,055	13,464	14,446	16,636	15,155	17,160	18,481	19,461	29
30	Primary metal industries			4,393	3,931	4,864	6,002	6,060	6,895	6,062	7,366	7,988	8,383	30
31	Fabricated metal products, including ordnance			3,473	3,210	3,827	4,700	5,396	6,338	5,760	6,224	6,560	6,954	31
32	Instruments			828	794	931	1,193	1,364	1,541	1,513	1,609	1,803	1,941	32
33	Miscellaneous manufacturing			1,340	1,252	1,433	1,569	1,626	1,862	1,820	1,961	2,130	2,183	33
34	Iron and steel and their products, including ordnance	4,704	5,942											34
35	Nonferrous metals and their products	1,412	1,491											35
36	Miscellaneous manufacturing	1,361	1,490											36
37	Machinery, except electrical [2]	4,142	5,041	5,499	4,781	5,379	7,264	8,037	8,606	7,843	8,413	9,707	10,033	37
38	Electrical machinery [2]	2,352	2,859	2,949	2,678	3,177	4,049	4,676	5,465	5,023	5,506	6,184	6,664	38
39	Transportation equipment, except automobiles	1,846	1,674	1,771	1,726	1,753	2,982	4,266	5,077	4,924	5,103	5,935	6,687	39
40	Automobiles and automobile equipment	1,939	2,438	2,687	2,785	3,532	3,966	4,045	5,005	4,410	5,472	5,001	5,104	40
41	**Wholesale and retail trade**	20,195	23,622	26,053	26,434	28,330	31,226	32,994	35,087	36,085	38,623	41,656	44,010	41
42	Wholesale trade	6,901	8,248	9,159	9,131	9,869	11,216	11,899	12,692	13,171	14,138	15,658	16,621	42
43	Retail trade and automobile services	13,294	15,374	16,894	17,303	18,461	20,010	21,095	22,395	22,914	24,485	25,998	27,389	43
44	**Finance, insurance, and real estate**	4,307	4,722	5,295	5,554	6,159	6,757	7,344	7,991	8,720	9,535	10,403	11,153	44
45	Banking	1,086	1,227	1,350	1,432	1,545	1,730	1,930	2,122	2,286	2,460	2,702	2,946	45
46	Security and commodity brokers, dealers and exchanges	286	237	246	240	312	338	336	345	442	540	550	556	46
47	Finance, n. e. c.	314	361	413	457	498	574	671	736	831	947	1,076	1,190	47
48	Insurance carriers	1,296	1,481	1,672	1,813	1,994	2,179	2,401	2,655	2,842	3,041	3,314	3,652	48
49	Insurance agents and combination offices	430	467	526	560	639	701	747	818	887	953	1,050	1,115	49
50	Real estate	895	949	1,088	1,052	1,171	1,235	1,259	1,315	1,432	1,594	1,711	1,694	50
51	**Transportation**	9,016	9,664	10,294	9,875	10,420	11,969	12,513	13,076	12,466	13,246	14,315	14,985	51
52	Railroads	5,144	5,446	5,823	5,387	5,586	6,415	6,465	6,476	5,925	6,108	6,583	6,634	52
53	Local and highway passenger transportation	1,125	1,195	1,174	1,166	1,148	1,211	1,244	1,264	1,223	1,209	1,216	1,255	53
54	Local railways and buslines	571	605	553	561	548	568	575	582	570	542	531	530	54
55	Highway passenger transportation, n. e. c.	554	590	621	605	600	643	669	682	653	667	685	725	55
56	Highway freight transportation and warehousing	1,255	1,459	1,670	1,758	2,083	2,405	2,657	3,011	3,073	3,487	3,822	4,055	56
57	Water transportation	701	636	665	599	589	712	779	865	780	835	881	991	57
58	Air transportation (common carriers)	246	286	309	325	349	409	501	562	588	667	786	918	58
59	Pipeline transportation	93	111	132	130	124	143	158	161	157	157	165	179	59
60	Services allied to transportation	452	531	521	510	541	674	709	737	720	783	862	953	60
61	**Communications and public utilities**	3,067	3,563	4,119	4,376	4,619	5,109	5,607	6,132	6,455	6,853	7,435	7,916	61
62	Telephone, telegraph, and related services	1,615	1,816	2,096	2,188	2,239	2,465	2,727	2,990	3,109	3,322	3,634	3,862	62
63	Radio broadcasting and television	147	173	206	227	258	298	332	375	425	459	507	539	63
64	Utilities: electric and gas	1,259	1,522	1,760	1,902	2,060	2,278	2,471	2,686	2,837	2,983	3,197	3,415	64
65	Local utilities and public services, n. e. c.	46	52	57	59	62	68	77	81	84	89	97	100	65
66	**Services**	10,433	11,738	12,574	12,951	13,818	15,141	16,217	17,302	17,957	19,605	21,581	23,166	66
67	Hotels and other lodging places	849	912	955	960	980	1,052	1,118	1,178	1,205	1,254	1,315	1,394	67
68	Personal services	1,632	1,750	1,822	1,833	1,887	2,014	2,108	2,208	2,271	2,369	2,528	2,651	68
69	Private households	2,123	2,350	2,363	2,356	2,572	2,661	2,614	2,690	2,520	2,942	3,188	3,286	69
70	Commercial and trade schools and employment agencies	69	92	110	125	139	138	131	125	131	146	169	185	70
71	Business services, n. e. c.	961	1,104	1,258	1,284	1,403	1,599	1,800	2,009	2,150	2,398	2,799	3,157	71
72	Miscellaneous repair services and hand trades	308	358	369	357	367	472	535	560	553	614	704	779	72
73	Motion pictures	702	718	681	684	681	705	717	704	739	790	802	795	73
74	Amusement and recreation, except motion pictures	523	565	618	630	642	673	706	758	805	868	923	983	74
75	Medical and other health services	1,134	1,410	1,578	1,704	1,903	2,134	2,359	2,603	2,840	3,092	3,351	3,623	75
76	Legal services	184	209	228	242	265	294	325	358	386	421	459	495	76
77	Engineering and other professional services, n. e. c.	275	334	408	410	437	608	788	864	880	1,008	1,298	1,431	77
78	Educational services, n. e. c.	578	727	855	933	996	1,077	1,150	1,234	1,329	1,444	1,612	1,790	78
79	Nonprofit membership organizations, n. e. c.	1,095	1,209	1,329	1,433	1,546	1,714	1,866	2,011	2,148	2,259	2,433	2,597	79
80	**Government and government enterprises**	22,592	18,619	19,681	21,919	23,490	30,221	34,466	35,276	35,856	37,766	40,269	42,869	8
81	Federal—general government	14,545	9,343	8,895	9,966	10,690	16,193	18,837	18,509	17,683	18,240	18,841	19,427	8
82	Federal—government enterprises	1,448	1,440	1,627	1,806	1,897	2,081	2,379	2,367	2,352	2,521	2,667	2,830	8
83	State and local—general government	6,177	7,320	8,502	9,422	10,124	11,069	12,174	13,246	14,620	15,727	17,439	19,197	83
84	State and local—government enterprises	422	516	657	725	779	878	1,076	1,154	1,201	1,278	1,322	1,415	84
85	**Rest of the world**	17	17	16	16	18	20	25	20	22	21	21	20	85
86	**Addendum: All private industries**	95,088	110,121	121,272	118,899	130,682	150,086	160,521	173,516	171,717	186,065	201,509	211,748	86

n. e. c.—Not elsewhere classified.

1. Compensation of employees is the sum of wages and salaries (table VI–2) and supplements to wages and salaries (table VI–3). Footnotes to table VI–2 are therefore relevant to this table also.

2. See footnote 1 to table VI–2. Estimates of 1948 employee compensation comparable to those shown for 1947 are as follows: Lumber and furniture products, $3,043 million; Chemicals and allied products, $2,602 million; Products of petroleum and coal, $1,125 million; Metals, metal products, and miscellaneous, $9,733 million; Machinery, except electrical, $5,600 million; and Electrical machinery, $2,996 million.

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Table VI–2.—*Wages and Salaries, by Industry, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	**111,836**	**122,858**	**135,214**	**134,310**	**146,391**	**170,788**	**184,835**	**198,030**	**196,259**	**210,902**	**227,304**	**238,120**	1
2	**Agriculture, forestry, and fisheries**	**2,787**	**3,082**	**3,337**	**3,167**	**2,994**	**3,153**	**3,191**	**3,201**	**3,143**	**3,177**	**3,289**	**3,379**	2
3	Farms	2,553	2,819	3,034	2,865	2,678	2,789	2,791	2,780	2,699	2,707	2,762	2,838	3
4	Agricultural services, forestry, and fisheries	234	263	303	302	316	364	400	421	444	470	527	541	4
5	**Mining**	**2,368**	**2,920**	**3,340**	**2,931**	**3,158**	**3,588**	**3,647**	**3,735**	**3,410**	**3,676**	**4,107**	**4,237**	5
6	Metal mining	232	297	336	323	346	418	468	523	466	521	590	606	6
7	Anthracite mining	237	250	277	223	233	237	224	183	142	120	125	126	7
8	Bituminous and other soft coal mining	1,065	1,378	1,529	1,166	1,291	1,425	1,256	1,212	922	1,001	1,152	1,182	8
9	Crude petroleum and natural gas	623	742	914	929	969	1,134	1,294	1,380	1,439	1,554	1,698	1,774	9
10	Nonmetallic mining and quarrying	211	253	284	290	319	374	405	437	441	480	542	549	10
11	**Contract construction**	**4,412**	**5,834**	**7,121**	**6,956**	**7,950**	**9,867**	**10,749**	**11,260**	**11,432**	**12,285**	**13,572**	**13,934**	11
12	**Manufacturing**	**36,476**	**42,500**	**46,459**	**43,860**	**49,393**	**58,277**	**62,960**	**69,881**	**66,077**	**72,252**	**77,697**	**80,630**	12
13	Food and kindred products	3,578	4,083	4,359	4,414	4,654	5,122	5,372	5,704	5,811	6,074	6,460	6,623	13
14	Tobacco manufactures	185	195	202	211	219	251	267	279	288	296	309	314	14
15	Textile-mill products	2,700	3,103	3,530	3,151	3,569	3,687	3,570	3,595	3,222	3,423	3,486	3,373	15
16	Apparel and other finished fabric products	2,448	2,625	2,869	2,759	2,952	3,075	3,201	3,399	3,286	3,477	3,692	3,734	16
17	Lumber and furniture products [1]	2,111	2,668	2,848	2,585	3,100	3,453	3,528	3,597	3,404	3,814	3,975	3,776	17
18	Lumber and wood products, except furniture	.....	.....	1,879	1,663	1,977	2,276	2,277	2,271	2,147	2,399	2,472	2,240	18
19	Furniture and fixtures	.....	.....	969	922	1,123	1,177	1,251	1,326	1,257	1,415	1,503	1,536	19
20	Lumber and timber basic products	1,048	1,346	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	20
21	Furniture and finished lumber products	1,063	1,322	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	21
22	Paper and allied products	1,138	1,347	1,502	1,464	1,684	1,919	1,969	2,217	2,284	2,489	2,701	2,804	22
23	Printing, publishing, and allied industries	1,912	2,263	2,523	2,657	2,816	3,034	3,251	3,525	3,691	3,923	4,220	4,444	23
24	Chemicals and allied products [1]	1,949	2,255	2,352	2,332	2,551	3,049	3,300	3,679	3,761	4,023	4,444	4,753	24
25	Products of petroleum and coal [1]	697	823	985	985	1,027	1,162	1,243	1,327	1,318	1,376	1,459	1,552	25
26	Rubber products	749	833	813	749	868	1,013	1,102	1,195	1,094	1,298	1,320	1,379	26
27	Leather and leather products	876	939	973	933	1,000	1,012	1,093	1,131	1,089	1,175	1,228	1,249	27
28	Stone, clay, and glass products	1,128	1,344	1,530	1,465	1,678	1,988	1,976	2,161	2,126	2,387	2,581	2,638	28
29	Metals, metal products, and miscellaneous [1]	7,164	8,564	9,640	8,757	10,298	12,498	13,421	15,508	14,038	15,837	17,026	17,809	29
30	Primary metal industries	.....	.....	4,224	3,744	4,444	5,488	5,517	6,305	5,482	6,661	7,202	7,484	30
31	Fabricated metal products, including ordnance	.....	.....	3,341	3,065	3,617	4,408	5,086	5,994	5,427	5,840	6,148	6,492	31
32	Instruments	.....	.....	786	747	872	1,113	1,273	1,438	1,403	1,484	1,665	1,781	32
33	Miscellaneous manufacturing	.....	.....	1,289	1,201	1,365	1,489	1,545	1,771	1,726	1,852	2,011	2,052	33
34	Iron and steel and their products, including ordnance	4,502	5,706	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	34
35	Nonferrous metals and their products	1,353	1,431	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	35
36	Miscellaneous manufacturing	1,309	1,427	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	36
37	Machinery, except electrical [1]	3,987	4,821	5,291	4,579	5,114	6,856	7,579	8,118	7,368	7,875	9,076	9,329	37
38	Electrical machinery [1]	2,215	2,672	2,759	2,488	2,945	3,722	4,304	5,044	4,644	5,076	5,697	6,105	38
39	Transportation equipment, except automobiles	1,762	1,611	1,693	1,650	1,670	2,840	4,072	4,841	4,673	4,803	5,581	6,266	39
40	Automobiles and automobile equipment	1,877	2,354	2,590	2,681	3,248	3,596	3,632	4,561	3,980	4,906	4,442	4,482	40
41	**Wholesale and retail trade**	**19,560**	**22,871**	**25,298**	**25,629**	**27,322**	**30,085**	**31,820**	**33,895**	**34,747**	**37,124**	**40,001**	**42,133**	41
42	Wholesale trade	6,691	7,999	8,907	8,870	9,534	10,814	11,496	12,285	12,708	13,603	15,058	15,935	42
43	Retail trade and automobile services	12,869	14,872	16,391	16,759	17,788	19,271	20,324	21,610	22,039	23,521	24,943	26,198	43
44	**Finance, insurance, and real estate**	**4,097**	**4,502**	**5,031**	**5,251**	**5,806**	**6,353**	**6,863**	**7,473**	**8,099**	**8,801**	**9,598**	**10,227**	44
45	Banking	991	1,124	1,237	1,304	1,403	1,558	1,716	1,872	1,996	2,136	2,346	2,530	45
46	Security and commodity brokers, dealers and exchanges	277	231	238	232	300	325	323	331	422	519	529	533	46
47	Finance, n. e. c	302	348	389	425	475	539	621	690	769	872	990	1,088	47
48	Insurance carriers	1,261	1,445	1,623	1,756	1,914	2,100	2,307	2,563	2,735	2,885	3,144	3,451	48
49	Insurance agents and combination offices	418	453	509	540	612	675	719	788	851	915	1,007	1,067	49
50	Real estate	848	901	1,035	994	1,102	1,156	1,177	1,229	1,326	1,474	1,582	1,558	50
51	**Transportation**	**8,509**	**9,022**	**9,730**	**9,305**	**9,801**	**11,251**	**11,761**	**12,296**	**11,694**	**12,392**	**13,349**	**13,939**	51
52	Railroads	4,778	4,962	5,428	5,000	5,192	5,967	6,000	6,009	5,481	5,627	6,020	6,057	52
53	Local and highway passenger transportation	1,081	1,150	1,130	1,117	1,096	1,149	1,182	1,202	1,160	1,148	1,151	1,182	53
54	Local railways and buslines	554	587	538	544	530	547	552	559	546	523	512	509	54
55	Highway passenger transportation, n. e. c	527	563	592	573	566	602	630	643	614	625	639	673	55
56	Highway freight transportation and warehousing	1,211	1,412	1,617	1,698	2,001	2,309	2,557	2,902	2,953	3,341	3,662	3,877	56
57	Water transportation	683	611	637	574	556	669	731	808	721	763	809	902	57
58	Air transportation (common carriers)	232	271	293	306	323	377	462	518	542	611	718	834	58
59	Pipeline transportation	88	105	123	121	116	131	146	146	145	146	155	167	59
60	Services allied to transportation	436	511	502	489	517	649	683	711	692	756	834	920	60
61	**Communications and public utilities**	**2,824**	**3,286**	**3,809**	**4,036**	**4,214**	**4,647**	**5,114**	**5,606**	**5,883**	**6,250**	**6,784**	**7,186**	61
62	Telephone, telegraph, and related services	1,479	1,661	1,924	2,000	2,023	2,227	2,471	2,716	2,822	3,032	3,321	3,522	62
63	Radio broadcasting and television	143	167	199	219	249	291	325	367	417	450	496	527	63
64	Utilities: electric and gas	1,157	1,407	1,631	1,759	1,882	2,064	2,244	2,444	2,564	2,683	2,875	3,043	64
65	Local utilities and public services, n. e. c	45	51	55	58	60	65	74	79	80	85	92	94	65
66	**Services**	**10,208**	**11,495**	**12,318**	**12,674**	**13,483**	**14,707**	**15,765**	**16,810**	**17,382**	**18,970**	**20,861**	**22,336**	66
67	Hotels and other lodging places	822	887	928	932	946	1,012	1,077	1,135	1,154	1,200	1,258	1,329	67
68	Personal services	1,589	1,707	1,778	1,786	1,829	1,949	2,046	2,143	2,197	2,292	2,440	2,554	68
69	Private households	2,120	2,348	2,361	2,353	2,569	2,648	2,601	2,677	2,501	2,918	3,163	3,257	69
70	Commercial and trade schools and employment agencies	63	90	107	120	133	135	128	122	128	143	165	181	70
71	Business services, n. e. c	927	1,061	1,213	1,231	1,338	1,524	1,723	1,921	2,050	2,284	2,665	2,993	71
72	Miscellaneous repair services and hand trades	296	345	356	343	351	452	513	538	528	586	673	744	72
73	Motion pictures	679	694	655	658	653	673	688	677	709	758	770	762	73
74	Amusement and recreation, except motion pictures	509	551	602	614	623	653	688	737	780	841	893	949	74
75	Medical and other health services	1,125	1,397	1,565	1,688	1,885	2,102	2,321	2,557	2,780	3,025	3,276	3,535	75
76	Legal services	181	205	224	238	259	288	319	352	377	410	448	481	76
77	Engineering and other professional services, n. e. c	269	325	397	401	427	587	755	833	847	968	1,246	1,370	77
78	Educational services, n. e. c	564	712	839	915	972	1,041	1,112	1,190	1,274	1,383	1,542	1,707	78
79	Nonprofit membership organizations, n. e. c	1,064	1,173	1,293	1,395	1,498	1,643	1,794	1,928	2,057	2,162	2,322	2,474	79
80	**Government and government enterprises**	**20,578**	**17,329**	**18,755**	**20,485**	**22,252**	**28,840**	**32,940**	**33,853**	**34,370**	**25,954**	**38,025**	**40,099**	80
81	Federal—general government	12,858	8,420	8,415	9,048	10,072	15,490	18,108	17,923	17,179	17,505	17,865	18,089	81
82	Civilian, except work relief [2]	5,040	4,353	4,445	4,800	5,073	6,806	7,636	7,586	7,228	7,725	8,197	8,455	82
83	Military [3]	7,818	4,067	3,970	4,248	4,999	8,684	10,472	10,337	9,951	9,778	9,668	9,634	83
84	Work relief	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	84
85	Federal—government enterprises	1,391	1,384	1,563	1,734	1,812	2,001	2,294	2,309	2,327	2,459	2,544	2,655	85
86	State and local—general government	5,912	7,015	8,127	8,987	9,600	10,483	11,480	12,494	13,701	14,759	16,343	17,993	86
87	Public education	2,584	3,084	3,599	3,983	4,292	4,740	5,244	5,739	6,361	6,909	7,734	8,728	87
88	Nonschool, except work relief	3,328	3,931	4,528	5,004	5,308	5,743	6,236	6,755	7,340	7,850	8,609	9,265	88
89	Work relief	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	89
90	State and local—government enterprises	417	510	650	716	768	866	1,058	1,127	1,163	1,233	1,273	1,362	90
91	**Rest of the world [4]**	**17**	**17**	**16**	**16**	**18**	**20**	**25**	**20**	**22**	**21**	**21**	**20**	91
92	**Addendum: All private industries**	**91,241**	**105,512**	**116,443**	**113,809**	**124,121**	**141,928**	**151,870**	**164,157**	**161,867**	**174,927**	**189,258**	**198,001**	92

n. e. c.—Not elsewhere classified.

1. Owing to changes in the industrial classification of the underlying data, figures for 1948 and subsequent years in this and a number of other industries are not strictly comparable with those shown here for 1946 and 1947 or with the figures for earlier years in the 1954 *National Income* supplement. Estimates of 1948 wages and salaries comparable to those shown for 1947 are as follows: Lumber and furniture products, $2,942 million; Chemicals and allied products, $2,450 million; Products of petroleum and coal, $957 million; Metals, metal products, and miscellaneous, $9,343 million; Machinery, except electrical, $5,359 million; and Electrical machinery, $2,804 million.

2. Includes pay of United States citizens but not of foreigners employed abroad by the United States Government.

3. The pay of personnel stationed abroad is included, but that of personnel recruited from the territories is excluded.

4. Pay of permanent United States residents employed in the United States by foreign governments and international organizations.

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Table VI–3.—*Supplements to Wages and Salaries, by Industry Division, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	**5,861**	**5,899**	**5,755**	**6,524**	**7,799**	**9,539**	**10,177**	**10,782**	**11,336**	**12,950**	**14,495**	**16,517**	1
2	Agriculture, forestry, and fisheries	14	15	16	17	19	30	32	35	39	57	59	66	2
3	Mining	102	150	203	196	282	326	322	346	334	382	422	446	3
4	Contract construction	209	274	316	318	398	502	514	542	587	647	727	785	4
5	Manufacturing	1,702	2,037	2,145	2,264	3,142	4,141	4,431	4,928	5,012	5,727	6,246	7,041	5
6	Wholesale and retail trade	635	751	755	805	1,008	1,141	1,174	1,192	1,338	1,499	1,655	1,877	6
7	Finance, insurance, and real estate	210	220	264	303	353	404	481	518	621	734	805	926	7
8	Transportation	507	642	564	570	619	718	752	780	772	854	966	1,046	8
9	Communications and public utilities	243	277	310	340	405	462	493	526	572	603	651	730	9
10	Services	225	243	256	277	335	434	452	492	575	635	720	830	10
11	Government and government enterprises	2,014	1,290	926	1,434	1,238	1,381	1,526	1,423	1,486	1,812	2,244	2,770	11
12	Addendum: All private industries	3,847	4,609	4,829	5,090	6,561	8,158	8,651	9,359	9,850	11,138	12,251	13,747	12

Table VI–4.—*Income of Unincorporated Enterprises, by Industry Division, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	**38,278**	**36,963**	**40,604**	**35,120**	**38,635**	**42,656**	**42,032**	**40,891**	**40,491**	**42,347**	**42,932**	**43,298**	1
2	Agriculture, forestry, and fisheries	15,423	15,737	18,029	13,186	14,273	16,625	15,653	13,595	13,030	12,129	12,020	11,987	2
3	Mining	143	244	347	237	235	233	192	206	195	261	300	320	3
4	Contract construction	1,720	2,119	2,646	2,637	3,071	3,292	3,518	3,586	3,549	4,034	4,273	4,500	4
5	Manufacturing	2,279	1,626	1,425	1,220	1,685	1,784	1,686	1,720	1,537	1,626	1,594	1,397	5
6	Wholesale and retail trade	12,070	10,437	10,381	9,431	10,439	11,256	11,016	11,027	11,019	11,645	11,803	11,584	6
7	Finance, insurance, and real estate	818	720	991	1,553	1,573	1,724	1,741	1,958	2,212	2,455	2,247	2,310	7
8	Transportation	486	553	594	593	650	689	721	750	757	754	767	768	8
9	Communications and public utilities	24	26	26	25	34	41	51	56	64	62	54	55	9
10	Services	5,315	5,501	6,165	6,238	6,675	7,012	7,454	7,993	8,128	9,381	9,874	10,377	10

1. "Income of unincorporated enterprises" excludes the inventory valuation adjustment which is shown by industry division in table VI–11. The sum of the two items equals "proprietors income."

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Table VI–5.—*Corporate Profits Before Tax, by Industry, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	**22,551**	**29,525**	**33,000**	**26,370**	**40,628**	**42,153**	**36,691**	**38,311**	**34,061**	**44,862**	**45,493**	**43,426**	1
2	**Agriculture, forestry, and fisheries**	**135**	**145**	**161**	**122**	**182**	**153**	**67**	**48**	**74**	**43**	**42**	**43**	2
3	Farms	131	143	162	124	185	152	67	48	76	42	n. a.	n. a.	3
4	Agricultural services, forestry, and fisheries	4	2	−1	−2	−3	1	0	0	−2	1	n. a.	n. a.	4
5	**Mining**	**438**	**953**	**1,422**	**918**	**1,368**	**1,356**	**1,078**	**955**	**973**	**1,321**	**1,446**	**1,186**	5
6	Metal mining	92	234	304	163	336	362	230	274	267	435	n. a.	n. a.	6
7	Anthracite mining	33	34	43	16	22	12	1	−8	−8	−7	n. a.	n. a.	7
8	Bituminous and other soft coal mining	112	310	387	139	210	155	101	72	31	99	n. a.	n. a.	8
9	Crude petroleum and natural gas	121	269	554	475	638	649	585	457	502	567	n. a.	n. a.	9
10	Nonmetallic mining and quarrying	80	106	134	125	162	178	161	160	181	227	n. a.	n. a.	10
11	**Contract construction**	**211**	**377**	**560**	**507**	**538**	**533**	**568**	**482**	**465**	**419**	**504**	**409**	11
12	**Manufacturing**	**11,402**	**16,529**	**18,233**	**14,203**	**23,579**	**24,999**	**20,411**	**22,116**	**18,703**	**26,310**	**26,018**	**24,467**	12
13	Food and kindred products	2,033	1,850	1,526	1,468	1,805	1,591	1,547	1,695	1,570	1,890	n. a.	n. a.	13
14	Tobacco manufactures	173	194	244	262	294	304	296	356	331	399	n. a.	n. a.	14
15	Textile-mill products	1,406	1,544	1,524	661	1,245	992	533	544	325	614	n. a.	n. a.	15
16	Apparel and other finished fabric products	494	451	282	155	284	161	171	157	151	216	n. a.	n. a.	16
17	Lumber and furniture products [2]	496	794	717	409	907	746	571	479	481	755	n. a.	n. a.	17
18	Lumber and wood products, except furniture			543	282	664	530	370	312	330	504	n. a.	n. a.	18
19	Furniture and fixtures			174	127	243	216	201	167	151	251	n. a.	n. a.	19
20	Lumber and timber basic products	263	518											20
21	Furniture and finished lumber products	233	276											21
22	Paper and allied products	563	927	780	534	991	1,352	946	948	887	1,095	n. a.	n. a.	22
23	Printing, publishing, and allied industries	648	615	562	504	564	611	613	632	575	788	n. a.	n. a.	23
24	Chemicals and allied products [2]	1,416	1,708	1,552	1,521	2,619	2,846	2,169	2,254	2,152	2,924	n. a.	n. a.	24
25	Products of petroleum and coal [2]	796	1,434	2,427	1,387	1,910	2,308	1,751	2,136	1,911	2,338	n. a.	n. a.	25
26	Rubber products	306	204	213	130	398	496	347	358	260	415	n. a.	n. a.	26
27	Leather and leather products	234	219	134	89	161	113	124	114	117	155	n. a.	n. a.	27
28	Stone, clay, and glass products	363	449	532	500	849	884	696	837	849	1,232	n. a.	n. a.	28
29	Metals, metal products, and miscellaneous [2]	1,606	2,702	3,322	2,400	4,465	5,385	3,564	4,267	3,200	4,994	n. a.	n. a.	29
30	Primary metal industries			1,755	1,320	2,464	3,107	1,794	2,450	1,608	3,006	n. a.	n. a.	30
31	Fabricated metal products, including ordnance			1,043	684	1,268	1,465	1,074	1,114	911	1,156	n. a.	n. a.	31
32	Instruments			198	162	296	408	386	415	417	471	n. a.	n. a.	32
33	Miscellaneous manufacturing			326	234	437	405	310	288	264	361	n. a.	n. a.	33
34	Iron and steel and their products, including ordnance	1,019	1,912											34
35	Nonferrous metals and their products	365	552											35
36	Miscellaneous manufacturing	222	238											36
37	Machinery, except electrical [2]	685	1,460	1,713	1,298	2,007	2,673	2,444	2,197	1,759	2,078	n. a.	n. a.	37
38	Electrical machinery [2]	134	769	857	673	1,400	1,523	1,606	1,596	1,243	1,319	n. a.	n. a.	38
39	Transportation equipment, except automobiles	−39	−12	222	192	366	440	579	783	821	821	n. a.	n. a.	39
40	Automobiles and automobile equipment	88	1,221	1,626	2,020	3,314	2,574	2,454	2,763	2,071	4,277	n. a.	n. a.	40
41	**Wholesale and retail trade**	**5,550**	**6,082**	**5,710**	**3,763**	**6,255**	**5,421**	**4,348**	**3,936**	**3,495**	**4,925**	**5,141**	**4,808**	41
42	Wholesale trade	2,438	2,694	2,321	1,416	2,810	2,679	1,867	1,674	1,411	2,194	n. a.	n. a.	42
43	Retail trade and automobile services	3,112	3,388	3,389	2,347	3,445	2,742	2,481	2,262	2,084	2,731	n. a.	n. a.	43
44	**Finance, insurance, and real estate**	**1,630**	**1,593**	**2,418**	**2,798**	**3,043**	**3,307**	**3,732**	**4,147**	**4,061**	**4,150**	**4,187**	**4,283**	44
45	Banking	1,201	1,023	1,279	1,331	1,509	1,823	2,122	2,374	2,239	2,378	n. a.	n. a.	45
46	Security and commodity brokers, dealers and exchanges	−38	−47	−61	−50	−38	−51	−52	−61	−67	−110	n. a.	n. a.	46
47	Finance, n. e. c.	68	102	173	227	387	475	503	536	517	566	n. a.	n. a.	47
48	Insurance carriers	−50	7	278	536	342	247	366	445	510	419	n. a.	n. a.	48
49	Insurance agents and combination offices	38	55	65	54	60	70	71	73	67	72	n. a.	n. a.	49
50	Real estate	411	453	684	700	783	743	722	780	795	825	n. a.	n. a.	50
51	**Transportation**	**526**	**1,156**	**1,624**	**1,072**	**1,981**	**1,959**	**1,825**	**1,651**	**900**	**1,468**	**1,390**	**1,174**	51
52	Railroads	107	724	1,147	621	1,287	1,150	1,169	1,011	365	758	n. a.	n. a.	52
53	Local and highway passenger transportation	151	60	70	43	56	80	79	65	38	56	n. a.	n. a.	53
54	Highway freight transportation and warehousing	90	119	161	147	230	184	168	188	159	209	n. a.	n. a.	54
55	Water transportation	120	173	134	133	146	236	133	120	54	137	n. a.	n. a.	55
56	Air transportation (common carriers)	−24	−40	0	19	86	117	91	98	116	132	n. a.	n. a.	56
57	Pipeline transportation	39	50	62	65	126	131	126	116	110	107	n. a.	n. a.	57
58	Services allied to transportation	43	70	50	44	50	61	59	53	58	69	n. a.	n. a.	58
59	**Communications and public utilities**	**1,507**	**1,353**	**1,485**	**1,666**	**2,202**	**2,662**	**3,001**	**3,337**	**3,473**	**4,096**	**4,307**	**4,464**	59
60	Telephone, telegraph, and related services	324	224	285	347	618	749	845	1,042	1,104	1,406	n. a.	n. a.	60
61	Radio broadcasting and television	56	53	42	32	52	83	88	91	93	158	n. a.	n. a.	61
62	Utilities: electric and gas	1,106	1,050	1,131	1,261	1,504	1,793	2,030	2,160	2,233	2,488	n. a.	n. a.	62
63	Local utilities and public services, n. e. c.	21	26	27	26	28	37	38	44	43	44	n. a.	n. a.	63
64	**Services**	**727**	**648**	**551**	**489**	**480**	**548**	**540**	**513**	**504**	**572**	**697**	**667**	64
65	Hotels and other lodging places	121	112	111	92	90	92	94	74	65	59	n. a.	n. a.	65
66	Personal services	65	71	62	62	56	61	61	62	60	69	n. a.	n. a.	66
67	Business services, n. e. c.	110	127	137	129	160	185	176	190	173	218	n. a.	n. a.	67
68	Miscellaneous repair services and hand trades	6	12	13	9	12	19	15	13	4	19	n. a.	n. a.	68
69	Motion pictures	309	232	134	122	86	82	72	54	89	83	n. a.	n. a.	69
70	Amusement and recreation, except motion pictures	90	62	56	42	40	56	65	65	69	63	n. a.	n. a.	70
71	Engineering and other professional services, n. e. c.	26	32	38	33	36	53	57	55	44	61	n. a.	n. a.	71
72	**Rest of the world**	**425**	**689**	**836**	**832**	**1,000**	**1,215**	**1,121**	**1,126**	**1,413**	**1,558**	**1,761**	**1,925**	72

n. a.—Not available. n. e. c.—Not elsewhere classified.

1. Depletion charges are not deducted in arriving at corporate profits for national income purposes. This has an important bearing on the data for the mining industries.

2. Owing to changes in the industrial classification of the underlying data, figures for 1948 and subsequent years in this and a number of other industries are not strictly comparable with those shown here for 1946 and 1947 or with the values for earlier years in the 1954 *National Income* supplement. Estimates for 1948 profits before tax comparable to those shown for 1947 are as follows: Lumber and furniture products, $744 million; Chemicals and allied products, $1,604 million; Products of petroleum and coal, $2,439 million; Metals, metal products, and miscellaneous, $3,142 million; Machinery, except electrical, $1,731 million; and Electrical machinery, $877 million.

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Table VI–6.—*Federal and State Corporate Profits Tax Liability, by Industry, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	9,111	11,283	12,483	10,375	17,865	22,447	19,459	20,222	17,220	21,827	22,422	21,649	1
2	**Agriculture, forestry, and fisheries**	62	67	76	65	98	101	72	66	58	60	58	61	2
3	Farms	59	64	74	64	94	97	68	62	55	56	n. a.	n. a.	3
4	Agricultural services, forestry, and fisheries	3	3	2	1	4	4	4	4	3	4	n. a.	n. a.	4
5	**Mining**	117	269	396	259	396	445	348	265	285	422	469	358	5
6	Metal mining	23	67	74	34	102	130	83	95	100	186	n. a.	n. a.	6
7	Anthracite mining	9	10	14	5	7	5	3	2	2	3	n. a.	n. a.	7
8	Bituminous and other soft coal mining	31	93	120	46	74	59	37	30	17	32	n. a.	n. a.	8
9	Crude petroleum and natural gas	28	65	144	132	151	181	168	80	104	123	n. a.	n. a.	9
10	Nonmetallic mining and quarrying	26	34	44	42	62	70	57	58	62	78	n. a.	n. a.	10
11	**Contract construction**	86	141	221	212	256	301	317	278	274	261	306	280	11
12	**Manufacturing**	4,744	6,474	7,056	5,713	10,913	14,364	11,565	12,395	9,637	13,109	13,222	12,321	12
13	Food and kindred products	819	756	655	627	831	877	883	925	854	996	n. a.	n. a.	13
14	Tobacco manufactures	69	79	96	103	138	172	168	204	173	208	n. a.	n. a.	14
15	Textile-mill products	576	615	608	292	564	559	337	331	239	339	n. a.	n. a.	15
16	Apparel and other finished fabric products	192	173	129	87	132	106	105	100	96	120	n. a.	n. a.	16
17	Lumber and furniture products [1]	195	302	281	170	394	371	287	235	237	342	n. a.	n. a.	17
18	Lumber and wood products, except furniture			207	113	281	246	171	139	146	212	n. a.	n. a.	18
19	Furniture and fixtures			74	57	113	125	116	96	91	130	n. a.	n. a.	19
20	Lumber and timber basic products	102	192											20
21	Furniture and finished lumber products	93	110											21
22	Paper and allied products	226	365	308	221	462	821	549	532	472	583	n. a.	n. a.	22
23	Printing, publishing, and allied industries	255	246	227	207	258	331	335	349	312	410	n. a.	n. a.	23
24	Chemicals and allied products [1]	571	684	629	630	1,294	1,758	1,302	1,347	1,142	1,507	n. a.	n. a.	24
25	Products of petroleum and coal [1]	203	390	675	348	604	941	613	730	506	591	n. a.	n. a.	25
26	Rubber products	127	85	91	58	196	325	217	218	147	223	n. a.	n. a.	26
27	Leather and leather products	94	88	61	43	72	72	68	66	64	81	n. a.	n. a.	27
28	Stone, clay, and glass products	142	178	211	200	406	504	385	455	417	604	n. a.	n. a.	28
29	Metals, metal products, and miscellaneous [1]	677	1,052	1,299	987	2,101	3,163	1,991	2,385	1,719	2,553	n. a.	n. a.	29
30	Primary metal industries			651	508	1,156	1,845	966	1,333	839	1,493	n. a.	n. a.	30
31	Fabricated metal products, including ordnance			420	296	596	843	609	631	499	607	n. a.	n. a.	31
32	Instruments			83	70	143	247	232	250	224	251	n. a.	n. a.	32
33	Miscellaneous manufacturing			145	113	206	228	184	171	157	202	n. a.	n. a.	33
34	Iron and steel and their products, including ordnance	429	741											34
35	Nonferrous metals and their products	142	205											35
36	Miscellaneous manufacturing	106	106											36
37	Machinery, except electrical [1]	342	600	688	549	938	1,591	1,459	1,293	959	1,125	n. a.	n. a.	37
38	Electrical machinery [1]	118	323	353	282	687	949	998	983	684	727	n. a.	n. a.	38
39	Transportation equipment, except automobiles	64	64	101	89	169	259	375	506	433	442	n. a.	n. a.	39
40	Automobiles and automobile equipment	74	474	644	820	1,667	1,565	1,493	1,736	1,183	2,258	n. a.	n. a.	40
41	**Wholesale and retail trade**	2,121	2,302	2,228	1,570	2,709	2,834	2,313	2,127	1,969	2,541	2,671	2,603	41
42	Wholesale trade	949	1,039	931	620	1,230	1,453	994	899	797	1,111	n. a.	n. a.	42
43	Retail trade and automobile services	1,172	1,263	1,297	950	1,479	1,381	1,319	1,228	1,172	1,430	n. a.	n. a.	43
44	**Finance, insurance, and real estate**	743	715	995	1,180	1,414	1,700	1,952	2,137	2,298	2,135	2,253	2,549	44
45	Banking	346	316	453	523	639	847	1,005	1,118	1,193	1,005	n. a.	n. a.	45
46	Security and commodity brokers, dealers and exchanges	13	6	5	8	12	11	16	14	24	26	n. a.	n. a.	46
47	Finance, n. e. c.	106	111	146	153	254	316	337	336	342	374	n. a.	n. a.	47
48	Insurance carriers	45	34	101	209	159	129	192	256	303	264	n. a.	n. a.	48
49	Insurance agents and combination offices	13	19	23	18	21	41	28	46	46	47	n. a.	n. a.	49
50	Real estate	220	229	267	269	329	356	374	367	390	419	n. a.	n. a.	50
51	**Transportation**	347	526	681	474	900	1,037	1,022	917	589	842	822	721	51
52	Railroads	151	313	462	271	570	591	617	538	264	445	n. a.	n. a.	52
53	Local and highway passenger transportation	69	47	39	29	33	47	53	46	30	36	n. a.	n. a.	53
54	Highway freight transportation and warehousing	34	44	62	60	101	98	95	100	89	114	n. a.	n. a.	54
55	Water transportation	52	74	66	61	75	131	93	80	51	77	n. a.	n. a.	55
56	Air transportation (common carriers)	6	1	5	10	40	67	60	59	69	77	n. a.	n. a.	56
57	Pipeline transportation	16	19	26	24	57	71	71	63	54	54	n. a.	n. a.	57
58	Services allied to transportation	19	28	21	19	24	32	33	31	32	39	n. a.	n. a.	58
59	**Communications and public utilities**	594	531	582	674	939	1,341	1,544	1,721	1,784	2,097	2,217	2,339	59
60	Telephone, telegraph, and related services	141	93	124	159	273	394	456	557	576	728	n. a.	n. a.	60
61	Radio broadcasting and television	24	22	18	15	24	45	46	55	60	84	n. a.	n. a.	61
62	Utilities: electric and gas	420	406	429	489	631	883	1,023	1,087	1,125	1,259	n. a.	n. a.	62
63	Local utilities and public services, n. e. c.	9	10	11	11	11	19	19	22	23	26	n. a.	n. a.	63
64	**Services**	297	258	248	228	240	324	326	316	326	360	404	417	64
65	Hotels and other lodging places	49	45	46	40	43	52	53	47	46	46	n. a.	n. a.	65
66	Personal services	23	26	24	25	24	31	32	32	32	36	n. a.	n. a.	66
67	Business services, n. e. c.	44	49	56	55	73	105	102	108	105	130	n. a.	n. a.	67
68	Miscellaneous repair services and hand trades	2	4	5	4	6	9	8	9	6	9	n. a.	n. a.	68
69	Motion pictures	128	91	72	62	51	60	55	46	67	65	n. a.	n. a.	69
70	Amusement and recreation, except motion pictures	38	27	27	26	24	36	40	38	40	39	n. a.	n. a.	70
71	Engineering and other professional services, n. e. c.	13	16	18	16	19	31	36	36	30	35	n. a.	n. a.	71

n. a.—Not available. n. e. c.—Not elsewhere classified.

1. Estimates for 1948 and subsequent years are not strictly comparable with those for earlier years. See table VI–5, footnote 2.

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Table VI–7.—*Corporate Profits After Tax, by Industry, 1946–57* [1]

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	13,440	18,242	20,517	15,995	22,763	19,706	17,232	18,089	16,841	23,035	23,071	21,777	1
2	**Agriculture, forestry, and fisheries**	73	78	85	57	84	52	−5	−18	16	−17	−16	−18	2
3	Farms	72	79	88	60	91	55	−1	−14	21	−14	n. a.	n. a.	3
4	Agricultural services, forestry, and fisheries	1	−1	−3	−3	−7	−3	−4	−4	−5	−3	n. a.	n. a.	4
5	**Mining**	321	684	1,026	659	972	911	730	690	688	899	977	828	5
6	Metal mining	69	167	230	129	234	232	147	179	167	249	n. a.	n. a.	6
7	Anthracite mining	24	24	29	11	15	7	−2	−10	−10	−10	n. a.	n. a.	7
8	Bituminous and other soft coal mining	81	217	267	93	136	96	64	42	14	67	n. a.	n. a.	8
9	Crude petroleum and natural gas	93	204	410	343	487	468	417	377	398	444	n. a.	n. a.	9
10	Nonmetallic mining and quarrying	54	72	90	83	100	108	104	102	119	149	n. a.	n. a.	10
11	**Contract construction**	125	236	339	295	282	232	251	294	191	158	198	129	11
12	**Manufacturing**	6,658	10,055	11,177	8,490	12,666	10,635	8,846	9,721	9,066	13,201	12,796	12,146	12
13	Food and kindred products	1,214	1,094	871	841	974	714	664	770	716	894	n. a.	n. a.	13
14	Tobacco manufactures	104	115	148	159	156	132	128	152	158	191	n. a.	n. a.	14
15	Textile-mill products	830	929	916	369	681	433	196	213	86	275	n. a.	n. a.	15
16	Apparel and other finished fabric products	302	278	153	68	152	55	66	57	55	96	n. a.	n. a.	16
17	Lumber and furniture products [2]	301	492	436	239	513	375	284	244	244	413	n. a.	n. a.	17
18	Lumber and wood products, except furniture			336	169	383	284	199	173	184	292	n. a.	n. a.	18
19	Furniture and fixtures			100	70	130	91	85	71	60	121	n. a.	n. a.	19
20	Lumber and timber basic products	161	326											20
21	Furniture and finished lumber products	140	166											21
22	Paper and allied products	337	562	472	313	529	531	397	416	415	512	n. a.	n. a.	22
23	Printing, publishing, and allied industries	393	369	335	297	306	280	278	283	263	378	n. a.	n. a.	23
24	Chemicals and allied products [2]	845	1,024	923	891	1,325	1,088	867	907	1,010	1,417	n. a.	n. a.	24
25	Products of petroleum and coal [2]	593	1,044	1,752	1,039	1,306	1,367	1,138	1,406	1,405	1,747	n. a.	n. a.	25
26	Rubber products	179	119	122	72	202	171	130	140	113	192	n. a.	n. a.	26
27	Leather and leather products	140	131	73	46	89	41	56	48	53	74	n. a.	n. a.	27
28	Stone, clay, and glass products	221	271	321	300	443	380	311	382	432	628	n. a.	n. a.	28
29	Metals, metal products, and miscellaneous [2]	929	1,650	2,023	1,413	2,364	2,222	1,573	1,882	1,481	2,441	n. a.	n. a.	29
30	Primary metal industries			1,104	812	1,308	1,262	828	1,117	769	1,513	n. a.	n. a.	30
31	Fabricated metal products, including ordnance			623	388	672	622	465	483	412	549	n. a.	n. a.	31
32	Instruments			115	92	153	161	154	165	193	220	n. a.	n. a.	32
33	Miscellaneous manufacturing			181	121	231	177	126	117	107	159	n. a.	n. a.	33
34	Iron and steel and their products, including ordnance	590	1,171											34
35	Nonferrous metals and their products	223	347											35
36	Miscellaneous manufacturing	116	132											36
37	Machinery, except electrical [2]	343	860	1,025	749	1,069	1,082	985	904	800	953	n. a.	n. a.	37
38	Electrical machinery [2]	16	446	504	391	713	574	608	613	559	592	n. a.	n. a.	38
39	Transportation equip ment, except automobiles	−103	−76	121	103	197	181	204	277	388	379	n. a.	n. a.	39
40	Automobiles and auto mobile equipment	14	747	982	1,200	1,647	1,009	961	1,027	888	2,019	n. a.	n. a.	40
41	**Wholesale and retail trade**	3,429	3,780	3,482	2,193	3,546	2,587	2,035	1,809	1,526	2,384	2,470	2,205	41
42	Wholesale trade	1,489	1,655	1,390	796	1,580	1,226	873	775	614	1,083	n. a.	n. a.	42
43	Retail trade and automobile services	1,940	2,125	2,092	1,397	1,966	1,361	1,162	1,034	912	1,301	n. a.	n. a.	43
44	**Finance, insurance, and real estate**	887	878	1,423	1,618	1,629	1,607	1,780	2,010	1,763	2,015	1,934	1,734	44
45	Banking	855	707	826	808	870	976	1,117	1,256	1,046	1,373	n. a.	n. a.	45
46	Security and commodity brokers, dealers and exchanges	−51	−53	−66	−58	−50	−62	−68	−75	−91	−136	n. a.	n. a.	46
47	Finance, n. e. c.	−38	−9	27	74	133	159	166	200	175	192	n. a.	n. a.	47
48	Insurance carriers	−95	−27	177	327	183	118	174	189	207	155	n. a.	n. a.	48
49	Insurance agents and combination offices	25	36	42	36	39	29	43	27	21	25	n. a.	n. a.	49
50	Real estate	191	224	417	431	454	387	348	413	405	406	n. a.	n. a.	50
51	**Transportation**	179	630	943	598	1,081	922	803	734	311	626	568	453	51
52	Railroads	−44	411	685	350	717	559	552	473	101	313	n. a.	n. a.	52
53	Local and highway passenger transportation	82	13	31	14	23	33	26	19	8	20	n. a.	n. a.	53
54	Highway freight transportation and warehousing	56	75	99	87	129	86	73	88	70	95	n. a.	n. a.	54
55	Water transportation	68	99	68	72	71	105	40	40	3	60	n. a.	n. a.	55
56	Air transportation (common carriers)	−30	−41	−5	9	46	50	31	39	47	55	n. a.	n. a.	56
57	Pipeline transportation	23	31	36	41	69	60	55	53	56	53	n. a.	n. a.	57
58	Services allied to transportation	24	42	29	25	26	29	26	22	26	30	n. a.	n. a.	58
59	**Communications and public utilities**	913	822	903	992	1,263	1,321	1,457	1,616	1,689	1,999	2,090	2,125	59
60	Telephone, telegraph, and related services	183	131	161	188	345	355	389	485	528	678	n. a.	n. a.	60
61	Radio broadcasting and television	32	31	24	17	28	38	42	36	33	74	n. a.	n. a.	61
62	Utilities: electric and gas	686	644	702	772	873	910	1,007	1,073	1,108	1,229	n. a.	n. a.	62
63	Local utilities and public services, n. e. c.	12	16	16	15	17	18	19	22	20	18	n. a.	n. a.	63
64	**Services**	430	390	303	261	240	224	214	197	178	212	293	250	64
65	Hotels and other lodging places	72	67	65	52	47	40	41	27	19	13	n. a.	n. a.	65
66	Personal services	42	45	38	37	32	30	29	30	28	33	n. a.	n. a.	66
67	Business services, n. e. c.	66	78	81	74	87	80	74	82	68	88	n. a.	n. a.	67
68	Miscellaneous repair services and hand trades	4	8	8	5	6	10	7	4	−2	10	n. a.	n. a.	68
69	Motion pictures	181	141	62	60	35	22	17	8	22	18	n. a.	n. a.	69
70	Amusement and recreation, except motion pictures	52	35	29	16	16	20	25	27	29	24	n. a.	n. a.	70
71	Engineering and other professional services, n. e. c.	13	16	20	17	17	22	21	19	14	26	n. a.	n. a.	71
72	**Rest of the world**	425	689	836	832	1,000	1,215	1,121	1,126	1,413	1,558	1,761	1,925	72

n. a.—Not available. n. e. c.—Not elsewhere classified.

1. See table VI–5, footnote 1.
2. Estimates for 1948 and subsequent years are not strictly comparable with those for earlier years. See table VI–5 footnote 2.

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Table VI–8.—*Net Corporate Dividend Payments, by Industry, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	5,784	6,521	7,243	7,473	9,208	9,029	8,954	9,225	9,839	11,215	12,038	12,355	1
2	**Agriculture, forestry, and fisheries**	28	52	55	52	59	69	49	42	43	39	36	37	2
3	Farms	23	50	52	50	56	66	47	40	30	38	n. a.	n. a.	3
4	Agricultural services, forestry, and fisheries	5	2	3	2	3	3	2	2	4	1	n. a.	n. a.	4
5	**Mining**	177	260	361	338	454	504	523	548	678	698	751	711	5
6	Metal mining	53	84	118	92	131	142	110	111	133	186	n. a.	n. a.	6
7	Anthracite mining	13	10	9	8	5	1	2	−2	−4	−2	n. a.	n. a.	7
8	Bituminous and other soft coal mining	28	37	59	50	52	46	43	34	28	32	n. a.	n. a.	8
9	Crude petroleum and natural gas	60	98	141	156	225	272	320	364	475	427	n. a.	n. a.	9
10	Nonmetallic mining and quarrying	23	31	34	32	41	43	48	41	46	55	n. a.	n. a.	10
11	**Contract construction**	30	36	56	62	67	60	66	59	57	66	59	66	11
12	**Manufacturing**	2,856	3,414	3,735	3,953	4,845	4,529	4,495	4,719	4,789	5,651	6,023	6,170	12
13	Food and kindred products	405	439	416	403	434	443	427	488	441	453	n. a.	n. a.	13
14	Tobacco manufactures	69	75	86	90	91	91	93	97	101	103	n. a.	n. a.	14
15	Textile-mill products	200	237	267	201	232	224	174	161	131	150	n. a.	n. a.	15
16	Apparel and other finished fabric products	52	49	55	43	46	35	33	32	30	29	n. a.	n. a.	16
17	Lumber and furniture products [1]	80	109	121	104	141	129	115	103	107	128	n. a.	n. a.	17
18	Lumber and wood products, except furniture			89	74	100	97	85	72	77	92	n. a.	n. a.	18
19	Furniture and fixtures			32	30	41	32	30	31	30	36	n. a.	n. a.	19
20	Lumber and timber basic products	44	62											20
21	Furniture and finished lumber products	36	47											21
22	Paper and allied products	96	136	154	131	172	200	183	206	213	234	n. a.	n. a.	22
23	Printing, publishing, and allied industries	123	123	132	123	122	113	110	115	115	129	n. a.	n. a.	23
24	Chemicals and allied products [1]	360	401	396	448	571	533	561	536	645	769	n. a.	n. a.	24
25	Products of petroleum and coal [1]	291	375	414	523	476	524	532	624	534	636	n. a.	n. a.	25
26	Rubber products	44	35	27	36	37	24	43	39	55	61	n. a.	n. a.	26
27	Leather and leather products	34	43	40	37	37	34	31	28	28	32	n. a.	n. a.	27
28	Stone, clay, and glass products	85	97	111	124	156	147	150	175	192	211	n. a.	n. a.	28
29	Metals, metal products, and miscellaneous [1]	432	552	634	621	819	783	760	772	759	968	n. a.	n. a.	29
30	Primary metal industries			318	314	462	431	423	439	416	579	n. a.	n. a.	30
31	Fabricated metal products, including ordnance			195	188	219	220	205	202	204	215	n. a.	n. a.	31
32	Instruments			52	57	69	65	75	79	86	110	n. a.	n. a.	32
33	Miscellaneous manufacturing			69	62	69	67	57	52	53	64	n. a.	n. a.	33
34	Iron and steel and their products, including ordnance	278	370											34
35	Nonferrous metals and their products	97	129											35
36	Miscellaneous manufacturing	57	53											36
37	Machinery, except electrical [1]	230	299	348	333	399	392	404	403	386	408	n. a.	n. a.	37
38	Electrical machinery [1]	125	162	177	188	254	254	278	313	328	377	n. a.	n. a.	38
39	Transportation equipment, except automobiles	83	72	85	85	94	94	101	117	151	174	n. a.	n. a.	39
40	Automobiles and automobile equipment	147	210	272	463	764	509	500	510	573	789	n. a.	n. a.	40
41	**Wholesale and retail trade**	816	867	948	856	1,001	939	880	804	765	820	879	867	41
42	Wholesale trade	300	332	372	327	401	376	331	272	246	251	n. a.	n. a.	42
43	Retail trade and automobile services	516	535	576	529	600	563	549	532	519	569	n. a.	n. a.	43
44	**Finance, insurance, and real estate**	631	570	640	656	823	817	831	879	1,019	1,146	1,251	1,262	44
45	Banking	290	310	327	348	401	412	431	467	510	566	n. a.	n. a.	45
46	Security and commodity brokers, dealers and exchanges	6	−1	0	−1	−2	−3	1	−2	−2	−2	n. a.	n. a.	46
47	Finance, n. e. c	103	45	72	40	134	183	200	162	263	346	n. a.	n. a.	47
48	Insurance carriers	27	11	22	47	56	10	−2	38	58	40	n. a.	n. a.	48
49	Insurance agents and combination offices	10	14	20	17	23	19	16	25	16	14	n. a.	n. a.	49
50	Real estate	195	191	199	205	211	196	185	189	174	182	n. a.	n. a.	50
51	**Transportation**	285	246	311	271	365	393	377	420	412	493	510	522	51
52	Railroads	167	127	198	153	200	250	243	260	267	306	n. a.	n. a.	52
53	Local and highway passenger transportation	49	35	32	31	28	32	34	31	35	32	n. a.	n. a.	53
54	Highway freight transportation and warehousing	15	16	19	21	27	22	20	27	24	29	n. a.	n. a.	54
55	Water transportation	24	37	33	33	37	42	38	36	31	52	n. a.	n. a.	55
56	Air transportation (common carriers)	3	4	4	3	11	15	16	17	19	24	n. a.	n. a.	56
57	Pipeline transportation	15	15	13	18	50	21	15	36	21	31	n. a.	n. a.	57
58	Services allied to transportation	12	12	12	12	12	11	11	13	15	19	n. a.	n. a.	58
59	**Communications and public utilities**	687	714	741	830	1,032	1,150	1,279	1,319	1,487	1,689	1,846	1,977	59
60	Telephone, telegraph, and related services	192	180	182	202	252	294	334	387	433	474	n. a.	n. a.	60
61	Radio broadcasting and television	14	14	11	7	18	10	11	9	10	15	n. a.	n. a.	61
62	Utilities: electric and gas	470	510	539	611	749	834	916	906	1,030	1,184	n. a.	n. a.	62
63	Local utilities and public services, n. e. c	11	10	9	10	13	12	18	17	14	16	n. a.	n. a.	63
64	**Services**	145	141	142	150	136	150	152	124	127	138	126	134	64
65	Hotels and other lodging places	18	16	20	18	21	17	26	17	17	29	n. a.	n. a.	65
66	Personal services	13	12	13	14	14	11	12	11	12	13	n. a.	n. a.	66
67	Business services, n. e. c	26	29	31	35	37	36	36	37	35	40	n. a.	n. a.	67
68	Miscellaneous repair services and hand trades	1	1	1	1	2	3	2	1	1	3	n. a.	n. a.	68
69	Motion pictures	64	61	55	60	39	56	50	35	34	28	n. a.	n. a.	69
70	Amusement and recreation, except motion pictures	18	16	15	15	16	18	16	14	19	15	n. a.	n. a.	70
71	Engineering and other professional services, n. e. c	5	6	7	7	7	9	10	9	9	10	n. a.	n. a.	71
72	**Rest of the world**	129	221	254	305	426	418	302	311	462	475	557	609	72

n. a.—Not available. n. e. c.—Not elsewhere classified.

1. Estimates for 1948 and subsequent years are not strictly comparable with those for earlier years. See table VI–5, footnote 2.

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Table VI–9.—*Undistributed Corporate Profits, by Industry, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	**7,656**	**11,721**	**13,274**	**8,522**	**13,555**	**10,677**	**8,278**	**8,864**	**7,002**	**11,820**	**11,033**	**9,422**	1
2	**Agriculture, forestry, and fisheries**	**45**	**26**	**30**	**5**	**25**	**−17**	**−54**	**−60**	**−27**	**−56**	**−52**	**−55**	2
3	Farms	49	29	36	10	35	−11	−48	−54	−18	−52	n. a.	n. a.	3
4	Agricultural services, forestry, and fisheries	−4	−3	−6	−5	−10	−6	−6	−6	−9	−4	n. a.	n. a.	4
5	**Mining**	**144**	**424**	**665**	**321**	**518**	**407**	**207**	**142**	**10**	**201**	**226**	**117**	5
6	Metal mining	16	83	112	37	103	90	37	68	34	63	n. a.	n. a.	6
7	Anthracite mining	11	14	20	3	10	6	−4	−8	−6	−8	n. a.	n. a.	7
8	Bituminous and other soft coal mining	53	180	208	43	84	50	21	8	−14	35	n. a.	n. a.	8
9	Crude petroleum and natural gas	33	106	269	187	262	196	97	13	−77	17	n. a.	n. a.	9
10	Nonmetallic mining and quarrying	31	41	56	51	59	65	56	61	73	94	n. a.	n. a.	10
11	**Contract construction**	**95**	**200**	**283**	**233**	**215**	**172**	**185**	**145**	**134**	**92**	**139**	**63**	11
12	**Manufacturing**	**3,802**	**6,641**	**7,442**	**4,537**	**7,821**	**6,106**	**4,351**	**5,002**	**4,277**	**7,550**	**6,773**	**5,976**	12
13	Food and kindred products	809	655	455	438	540	271	237	282	275	441	n. a.	n. a.	13
14	Tobacco manufactures	35	40	62	69	65	41	35	55	57	88	n. a.	n. a.	14
15	Textile-mill products	630	692	649	168	449	209	22	52	−45	125	n. a.	n. a.	15
16	Apparel and other finished fabric products	250	229	98	25	106	20	33	25	25	67	n. a.	n. a.	16
17	Lumber and furniture products [1]	221	383	315	135	372	246	169	141	137	285	n. a.	n. a.	17
18	Lumber and wood products, except furniture	------	------	247	95	283	187	114	101	107	200	n. a.	n. a.	18
19	Furniture and fixtures	------	------	68	40	89	59	55	40	30	85	n. a.	n. a.	19
20	Lumber and timber basic products	117	264	------	------	------	------	------	------	------	------	------	------	20
21	Furniture and finished lumber products	104	119	------	------	------	------	------	------	------	------	------	------	21
22	Paper and allied products	241	426	318	182	357	331	214	210	202	278	n. a.	n. a.	22
23	Printing, publishing, and allied industries	270	246	203	174	184	167	168	168	148	249	n. a.	n. a.	23
24	Chemicals and allied products [1]	485	623	527	443	754	555	306	371	365	648	n. a.	n. a.	24
25	Products of petroleum and coal [1]	302	669	1,338	516	830	843	606	782	871	1,111	n. a.	n. a.	25
26	Rubber products	135	84	95	36	165	147	87	101	58	131	n. a.	n. a.	26
27	Leather and leather products	106	88	33	9	52	7	25	20	25	42	n. a.	n. a.	27
28	Stone, clay, and glass products	136	174	210	176	287	233	161	207	240	417	n. a.	n. a.	28
29	Metals, metal products, and miscellaneous [1]	497	1,098	1,389	792	1,545	1,439	813	1,110	722	1,473	n. a.	n. a.	29
30	Primary metal industries	------	------	786	498	846	831	405	678	353	934	n. a.	n. a.	30
31	Fabricated metal products, including ordnance	------	------	428	200	453	402	260	281	208	334	n. a.	n. a.	31
32	Instruments	------	------	63	35	84	96	79	86	107	110	n. a.	n. a.	32
33	Miscellaneous manufacturing	------	------	112	59	162	110	69	65	54	95	n. a.	n. a.	33
34	Iron and steel and their products, including ordnance	312	801	------	------	------	------	------	------	------	------	------	------	34
35	Nonferrous metals and their products	126	218	------	------	------	------	------	------	------	------	------	------	35
36	Miscellaneous manufacturing	59	79	------	------	------	------	------	------	------	------	------	------	36
37	Machinery, except electrical [1]	113	561	677	416	670	690	581	501	414	545	n. a.	n. a.	37
38	Electrical machinery [1]	−109	284	327	203	459	320	330	300	231	215	n. a.	n. a.	38
39	Transportation equipment, except automobiles	−186	−148	36	18	103	87	103	160	237	205	n. a.	n. a.	39
40	Automobiles and automobile equipment	−133	537	710	737	883	500	461	517	315	1,230	n. a.	n. a.	40
41	**Wholesale and retail trade**	**2,613**	**2,913**	**2,534**	**1,337**	**2,545**	**1,648**	**1,155**	**1,005**	**761**	**1,564**	**1,591**	**1,338**	41
42	Wholesale trade	1,189	1,323	1,018	469	1,179	850	542	503	368	832	n. a.	n. a.	42
43	Retail trade and automobile services	1,424	1,590	1,516	868	1,366	798	613	502	393	732	n. a.	n. a.	43
44	**Finance, insurance, and real estate**	**256**	**308**	**783**	**962**	**806**	**790**	**949**	**1,131**	**744**	**869**	**683**	**472**	44
45	Banking	565	397	499	460	469	564	686	789	536	807	n. a.	n. a.	45
46	Security and commodity brokers, dealers and exchanges	−57	−52	−66	−57	−48	−59	−69	−73	−89	−134	n. a.	n. a.	46
47	Finance, n. e. c.	−141	−54	−45	34	−1	−24	−34	38	−88	−154	n. a.	n. a.	47
48	Insurance carriers	−122	−38	155	280	127	108	176	151	149	115	n. a.	n. a.	48
49	Insurance agents and combination offices	15	22	22	19	16	10	27	2	5	11	n. a.	n. a.	49
50	Real estate	−4	33	218	226	243	191	163	224	231	224	n. a.	n. a.	50
51	**Transportation**	**−106**	**384**	**632**	**327**	**716**	**529**	**426**	**314**	**−101**	**133**	**58**	**−69**	51
52	Railroads	−211	284	487	197	518	309	309	213	−166	7	n. a.	n. a.	52
53	Local and highway passenger transportation	33	−22	−1	−17	−5	1	−8	−12	−27	−12	n. a.	n. a.	53
54	Highway freight transportation and warehousing	41	59	80	66	102	64	53	61	46	66	n. a.	n. a.	54
55	Water transportation	44	62	35	39	34	63	2	4	−28	8	n. a.	n. a.	55
56	Air transportation (common carriers)	−33	−45	−9	6	34	35	15	22	28	31	n. a.	n. a.	56
57	Pipeline transportation	8	16	23	23	19	39	40	17	35	22	n. a.	n. a.	57
58	Services allied to transportation	12	30	17	13	14	18	15	9	11	11	n. a.	n. a.	58
59	**Communications and public utilities**	**226**	**108**	**162**	**162**	**231**	**171**	**178**	**297**	**202**	**310**	**244**	**148**	59
60	Telephone, telegraph, and related services	−9	−49	−21	−14	93	61	55	98	95	204	n. a.	n. a.	60
61	Radio broadcasting and television	18	17	13	10	10	28	31	27	23	59	n. a.	n. a.	61
62	Utilities: electric and gas	216	134	163	161	124	76	91	167	78	45	n. a.	n. a.	62
63	Local utilities and public services, n. e. c.	1	6	7	5	4	6	1	5	6	2	n. a.	n. a.	63
64	**Services**	**285**	**249**	**161**	**111**	**104**	**74**	**62**	**73**	**51**	**74**	**167**	**116**	64
65	Hotels and other lodging places	54	51	45	34	26	23	15	19	2	−16	n. a.	n. a.	65
66	Personal services	29	33	25	23	18	19	17	19	16	20	n. a.	n. a.	66
67	Business services, n. e. c.	40	49	50	39	50	44	38	45	33	48	n. a.	n. a.	67
68	Miscellaneous repair services and hand trades	3	7	7	4	4	7	5	3	−3	7	n. a.	n. a.	68
69	Motion pictures	117	80	7	0	−4	−34	−33	−27	−12	−10	n. a.	n. a.	69
70	Amusement and recreation, except motion pictures	34	19	14	1	0	2	9	13	10	9	n. a.	n. a.	70
71	Engineering and other professional services, n. e. c.	8	10	13	10	10	13	11	10	5	16	n. a.	n. a.	71
72	**Rest of the world**	**296**	**468**	**582**	**527**	**574**	**797**	**819**	**815**	**951**	**1,083**	**1,204**	**1,316**	72

n. a.—Not available. n. e. c.—Not elsewhere classified.

1. Estimates for 1948 and subsequent years are not strictly comparable with those for earlier years. See table VI–5, footnote 2.

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Table VI–10.—*Corporate Profits (Before Tax) and Inventory Valuation Adjustment, by Broad Industry Groups, Seasonally Adjusted Quarterly Totals at Annual Rates, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**All industries, total**	**13.5**	**16.5**	**17.9**	**21.2**	**17.3**	**20.2**	**23.8**	**24.5**	**26.0**	**23.6**
2	Manufacturing	5.3	8.6	8.2	11.4	8.4	11.0	13.0	13.4	13.8	12.8
3	Durable-goods industries	−.9	2.0	3.7	3.5	2.1	3.7	6.5	5.5	5.8	5.3
4	Nondurable-goods industries	6.2	6.6	4.5	7.9	6.3	7.3	6.6	7.9	8.0	7.4
5	Transportation, communications, and public utilities	1.9	1.4	2.2	1.8	1.8	1.3	2.4	2.3	2.4	2.1
6	All other industries	6.3	6.5	7.6	8.0	7.1	7.9	8.4	8.7	9.8	8.7

Table VI–10.—*Corporate Profits (Before Tax) and Inventory Valuation Adjustment, by Broad Industry Groups, Seasonally Adjusted Quarterly Totals at Annual Rates, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**All industries, total**	**39.1**	**36.6**	**36.0**	**38.9**	**37.7**	**40.5**	**39.8**	**37.5**	**31.4**	**37.3**
2	Manufacturing	22.5	20.5	19.6	21.6	21.1	23.9	23.0	22.1	16.6	21.4
3	Durable-goods industries	12.6	11.2	10.7	12.7	11.8	14.0	13.3	12.7	8.5	12.1
4	Nondurable-goods industries	9.9	9.3	9.0	9.0	9.3	9.9	9.7	9.4	8.1	9.3
5	Transportation, communications, and public utilities	5.1	4.4	4.6	5.2	4.8	5.2	5.1	4.9	4.4	4.9
6	All other industries	11.5	11.7	11.8	12.1	11.8	11.3	11.8	10.5	10.4	11.0

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Table VI–10.—*Corporate Profits (Before Tax) and Inventory Valuation Adjustment, by Broad Industry Groups, Seasonally Adjusted Quarterly Totals at Annual Rates, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
29.6	**30.9**	**30.6**	**32.4**	**30.8**	**29.6**	**27.6**	**29.6**	**26.2**	**28.2**	**29.4**	**33.5**	**39.2**	**40.6**	**35.7**	**40.4**	**41.1**	**41.2**	**41.1**	**41.0**	1
16.6	16.5	16.3	17.7	16.8	16.2	14.7	16.5	13.9	15.3	15.5	18.9	22.3	24.8	20.4	23.4	24.8	25.2	24.2	24.4	2
7.2	7.0	7.0	8.3	7.4	8.0	7.5	8.7	7.2	7.9	8.5	11.0	13.7	15.0	12.0	14.0	13.6	13.0	13.4	13.5	3
9.4	9.6	9.3	9.4	9.4	8.1	7.2	7.8	6.7	7.4	7.0	7.9	8.7	9.8	8.4	9.4	11.2	12.2	10.8	10.9	4
2.6	2.9	3.0	3.1	2.9	2.8	2.8	3.1	2.8	2.9	3.1	3.6	4.3	4.9	4.0	4.2	4.4	4.4	5.2	4.5	5
10.4	11.5	11.3	11.6	11.2	10.6	10.0	10.0	9.6	10.1	10.7	11.0	12.5	10.9	11.3	12.8	11.9	11.6	11.7	12.0	6

Table VI–10.—*Corporate Profits (Before Tax) and Inventory Valuation Adjustment, by Broad Industry Groups, Seasonally Adjusted Quarterly Totals at Annual Rates, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
32.5	**33.3**	**33.0**	**36.1**	**33.7**	**40.3**	**41.9**	**44.4**	**45.8**	**43.1**	**43.3**	**41.6**	**42.8**	**44.0**	**42.9**	**43.7**	**42.0**	**43.1**	**38.8**	**41.9**	1
17.9	18.0	17.8	19.8	18.4	22.2	24.3	26.3	27.0	25.0	24.9	23.7	23.8	25.6	24.5	24.9	23.4	24.3	21.5	23.5	2
9.8	10.1	9.9	10.8	10.1	12.7	13.7	14.9	15.4	14.2	13.6	12.9	12.4	14.8	13.4	14.5	13.4	14.1	12.1	13.5	3
8.1	8.0	8.0	9.0	8.3	9.5	10.6	11.4	11.6	10.8	11.3	10.8	11.4	10.8	11.1	10.4	10.0	10.2	9.4	10.0	4
4.3	4.3	4.4	4.6	4.4	5.3	5.6	5.3	5.5	5.4	5.5	5.6	5.6	5.5	5.5	5.7	5.6	5.7	5.4	5.6	5
10.3	11.0	10.8	11.8	11.0	12.8	12.0	12.9	13.2	12.8	12.9	12.4	13.5	12.9	12.9	13.1	13.0	13.1	11.9	12.8	6

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Table VI–11.—*Inventory Valuation Adjustment, by Industry Division, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	−6,968	−7,370	−2,562	2,319	−6,059	−1,526	1,182	−1,165	−367	−1,934	−3,057	−1,845	1
2	**Corporations, total**	−5,263	−5,899	−2,152	1,856	−4,965	−1,199	981	−997	−318	−1,736	−2,560	−1,548	2
3	Mining	−75	−70	−61	31	−49	−9	−11	−37	0	−43	−19	−11	3
4	Contract construction	−39	−109	−42	24	−72	−12	−3	−8	−14	−43	−13	2	4
5	Manufacturing	−3,041	−3,737	−1,442	1,107	−3,183	−601	654	−692	−315	−1,348	−1,513	−957	5
6	Wholesale and retail trade	−1,881	−1,628	−366	567	−1,450	−470	360	−193	−1	−151	−856	−552	6
7	Transportation	−144	−213	−151	59	−100	−78	2	−46	−8	−47	−56	−36	7
8	Communications and public utilities	−83	−142	−90	68	−111	−29	−21	−21	20	−104	−103	6	8
9	**Unincorporated enterprises, total**	−1,705	−1,471	−410	463	−1,094	−327	201	−168	−49	−198	−497	−297	9
10	Mining	−13	−14	−12	5	−6	0	0	−1	0	0	0	0	10
11	Contract construction	−40	−109	−40	23	−67	−10	−4	−7	−10	−33	−11	3	11
12	Manufacturing	−221	−225	−36	56	−149	−4	24	−10	−7	−34	−34	−15	12
13	Wholesale and retail trade	−1,431	−1,123	−322	379	−872	−313	181	−150	−32	−131	−452	−285	13

Table VI–12.—*Net Interest, by Industry Division, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	3,113	3,792	4,179	4,773	5,469	6,272	7,084	8,196	9,145	10,381	11,302	12,598	1
2	Agriculture, forestry, and fisheries	293	324	359	405	455	532	589	619	636	678	728	754	2
3	Mining	7	8	8	16	22	5	9	4	11	12	9	13	3
4	Contract construction	4	15	15	10	15	41	41	26	33	49	28	15	4
5	Manufacturing	−118	−13	−7	−8	−96	−101	6	10	50	−43	−107	−46	5
6	Wholesale and retail trade	−86	−49	−3	−7	5	67	52	46	85	89	47	57	6
7	Finance, insurance, and real estate	1,516	1,705	1,627	1,790	2,001	2,356	2,602	2,984	3,450	4,080	4,410	5,028	7
8	Transportation	361	338	319	327	327	328	321	323	329	360	350	367	8
9	Communications and public utilities	277	314	356	428	454	521	570	623	744	770	791	899	9
10	Services	730	1,032	1,366	1,655	2,116	2,362	2,717	3,393	3,625	4,182	4,807	5,212	10
11	Rest of the world	129	118	139	157	170	161	177	168	182	204	239	299	11

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Table VI–13.—*Number of Full-Time Equivalent Employees, by Industry, 1946–57* [1]

[Data in thousands]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	47,466	47,453	48,370	47,108	48,675	52,864	54,135	55,201	53,483	54,827	56,236	56,544	1
2	**Agriculture, forestry, and fisheries**	2,309	2,392	2,467	2,382	2,219	2,129	2,067	2,079	2,075	2,044	2,007	2,000	2
3	Farms	2,189	2,267	2,337	2,252	2,090	1,988	1,921	1,935	1,930	1,896	1,851	1,842	3
4	Agricultural services, forestry, and fisheries	120	125	130	130	129	141	146	144	145	148	156	158	4
5	**Mining**	871	938	986	914	916	925	899	858	779	782	819	812	5
6	Metal mining	88	99	101	95	97	102	103	107	101	105	111	111	6
7	Anthracite mining	82	80	81	77	75	70	64	54	40	31	30	29	7
8	Bituminous and other soft coal mining	391	429	452	398	395	372	334	289	228	220	233	229	8
9	Crude petroleum and natural gas	221	235	255	248	251	276	292	299	303	315	327	327	9
10	Nonmetallic mining and quarrying	89	95	97	96	98	105	106	109	107	111	118	116	10
11	**Contract construction**	1,739	2,062	2,278	2,166	2,381	2,659	2,693	2,665	2,644	2,783	2,904	2,831	11
12	**Manufacturing**	14,493	15,215	15,285	14,183	14,969	16,163	16,419	17,260	16,055	16,607	16,950	16,863	12
13	Food and kindred products	1,500	1,530	1,528	1,509	1,517	1,553	1,549	1,552	1,527	1,525	1,541	1,516	13
14	Tobacco manufactures	104	100	99	101	97	104	104	104	103	100	97	93	14
15	Textile-mill products	1,313	1,327	1,366	1,229	1,292	1,272	1,195	1,188	1,075	1,084	1,062	1,007	15
16	Apparel and other finished fabric products	1,117	1,128	1,175	1,157	1,183	1,193	1,209	1,239	1,181	1,219	1,226	1,204	16
17	Lumber and furniture products [2]	1,064	1,210	1,187	1,057	1,171	1,218	1,162	1,142	1,048	1,114	1,114	1,035	17
18	Lumber and wood products, except furniture.			838	732	798	853	796	768	702	742	732	656	18
19	Furniture and fixtures			349	325	373	365	366	374	346	372	382	379	19
20	Lumber and timber basic products	578	658											20
21	Furniture and finished lumber products	486	552											21
22	Paper and allied products	449	464	470	453	484	509	503	531	532	549	567	565	22
23	Printing, publishing, and allied industries	668	705	721	727	741	765	777	801	813	832	858	874	23
24	Chemicals and allied products [2]	705	723	692	659	677	750	769	807	793	809	839	852	24
25	Products of petroleum and coal [2]	219	228	243	236	238	250	252	255	247	247	246	246	25
26	Rubber products	265	270	254	232	245	264	267	280	253	273	274	269	26
27	Leather and leather products	411	406	403	388	393	379	382	385	368	381	378	372	27
28	Stone, clay, and glass products	474	503	523	487	518	555	535	546	521	551	566	559	28
29	Metals, metal products, and miscellaneous [2]	2,704	2,882	2,971	2,664	2,920	3,205	3,250	3,544	3,194	3,357	3,415	3,411	29
30	Primary metal industries			1,231	1,090	1,192	1,318	1,253	1,338	1,185	1,292	1,322	1,317	30
31	Fabricated metal products, including ordnance.			1,029	922	1,024	1,136	1,229	1,374	1,216	1,255	1,252	1,257	31
32	Instruments			249	227	247	286	307	329	314	316	334	342	32
33	Miscellaneous manufacturing			462	425	457	465	461	503	479	494	507	495	33
34	Iron and steel and their products, including ordnance.	1,670	1,863											34
35	Nonferrous metals and their products	498	482											35
36	Miscellaneous manufacturing	536	537											36
37	Machinery, except electrical [2]	1,393	1,549	1,541	1,317	1,362	1,623	1,699	1,730	1,561	1,594	1,724	1,727	37
38	Electrical machinery [2]	847	929	875	765	874	1,002	1,087	1,219	1,092	1,134	1,205	1,235	38
39	Transportation equipment, except automobiles.	593	512	471	459	447	669	911	1,016	962	937	1,023	1,112	39
40	Automobiles and automobile equipment	667	749	766	743	810	852	798	921	785	901	815	786	40
41	**Wholesale and retail trade**	8,226	8,688	8,934	8,840	9,005	9,489	9,688	9,837	9,765	10,030	10,362	10,483	41
42	Wholesale trade	2,215	2,408	2,498	2,451	2,487	2,616	2,683	2,729	2,727	2,793	2,908	2,949	42
43	Retail trade and automobile services	6,011	6,280	6,436	6,389	6,518	6,873	7,005	7,108	7,038	7,237	7,454	7,534	43
44	**Finance, insurance, and real estate**	1,594	1,643	1,703	1,731	1,805	1,893	1,959	2,040	2,116	2,218	2,318	2,376	44
45	Banking	374	393	407	411	420	451	477	502	519	538	568	596	45
46	Security and commodity brokers, dealers and exchanges.	53	49	48	46	49	53	54	54	58	66	71	72	46
47	Finance, n. e. c.	94	102	106	112	122	135	148	159	170	187	206	217	47
48	Insurance carriers	475	514	545	568	589	613	640	677	702	723	750	790	48
49	Insurance agents and combination offices	143	146	153	160	171	181	186	193	201	208	217	220	49
50	Real estate	455	439	444	434	454	460	454	455	466	496	506	481	50
51	**Transportation**	2,886	2,869	2,815	2,617	2,652	2,817	2,797	2,796	2,597	2,638	2,685	2,657	51
52	Railroads	1,564	1,543	1,503	1,349	1,373	1,433	1,383	1,360	1,206	1,197	1,184	1,117	52
53	Local and highway passenger transportation	402	406	385	374	354	353	349	342	323	308	301	301	53
54	Local railways and buslines	203	198	171	166	157	151	145	141	134	124	116	112	54
55	Highway passenger transportation, n. e. c.	199	208	214	208	197	202	204	201	189	184	185	189	55
56	Highway freight transportation and warehousing.	440	461	482	479	525	587	610	643	638	684	723	737	56
57	Water transportation	200	163	159	139	126	143	144	137	125	130	133	140	57
58	Air transportation (common carriers)	82	83	80	79	79	86	98	105	105	114	131	145	58
59	Pipeline transportation	27	28	30	29	27	28	29	28	27	26	26	26	59
60	Services allied to transportation	171	185	176	168	168	187	184	181	173	179	187	191	60
61	**Communications and public utilities**	1,100	1,177	1,269	1,280	1,270	1,310	1,346	1,388	1,391	1,412	1,471	1,493	61
62	Telephone, telegraph, and related services	613	643	693	688	667	693	719	744	738	750	795	810	62
63	Radio broadcasting and television	36	41	47	49	53	57	59	64	69	72	75	78	63
64	Utilities: electric and gas	429	470	506	520	527	536	544	555	560	564	575	580	64
65	Local utilities and public services, n. e. c.	22	23	23	23	23	24	24	25	24	26	26	25	65
66	**Services**	5,452	5,732	5,828	5,836	6,073	6,214	6,195	6,280	6,239	6,617	6,936	7,100	66
67	Hotels and other lodging places	462	461	457	445	440	455	463	472	461	470	483	493	67
68	Personal services	857	863	853	831	832	847	847	844	835	840	855	856	68
69	Private households	1,503	1,605	1,574	1,571	1,710	1,667	1,524	1,483	1,365	1,557	1,612	1,589	69
70	Commercial and trade schools and employment agencies.	25	31	34	37	39	37	34	34	34	36	40	44	70
71	Business services, n. e. c.	324	351	376	372	387	401	431	463	471	509	565	614	71
72	Miscellaneous repair services and hand trades.	107	116	113	106	102	126	136	135	131	142	155	165	72
73	Motion pictures	228	229	225	226	224	220	215	207	204	202	197	187	73
74	Amusement and recreation, except motion pictures.	233	235	247	243	240	236	233	235	232	237	240	240	74
75	Medical and other health services	701	767	816	846	912	981	1,026	1,081	1,150	1,216	1,292	1,361	75
76	Legal services	103	104	102	104	109	115	116	120	122	124	126	127	76
77	Engineering and other professional services, n. e. c.	82	93	106	102	104	131	155	165	163	180	213	225	77
78	Educational services, n. e. c. [3]	313	337	371	387	393	394	396	407	424	447	483	513	78
79	Nonprofit membership organizations, n. e. c.	514	540	554	566	581	604	619	634	647	657	675	686	79
80	**Government and government enterprises**	8,791	6,732	6,800	7,154	7,380	9,260	10,036	9,993	9,817	9,691	9,780	9,925	80
81	Federal—general government	5,276	3,015	2,871	3,032	3,142	4,926	5,531	5,340	4,999	4,706	4,553	4,486	81
82	Civilian, except work relief [4]	1,842	1,416	1,403	1,428	1,448	1,802	1,893	1,795	1,673	1,681	1,705	1,701	82
83	Military [5]	3,434	1,599	1,468	1,604	1,694	3,124	3,638	3,545	3,326	3,025	2,848	2,785	83
84	Work relief													84
85	Federal—government enterprises	526	483	505	528	516	527	558	547	546	542	544	558	85
86	State and local—general government	2,828	3,053	3,209	3,369	3,484	3,557	3,659	3,811	3,977	4,143	4,380	4,565	86
87	Public education [3]	1,276	1,364	1,418	1,491	1,536	1,581	1,655	1,732	1,812	1,915	2,036	2,140	87
88	Nonschool, except work relief	1,552	1,689	1,791	1,878	1,948	1,976	2,004	2,079	2,165	2,228	2,344	2,425	88
89	Work relief													89
90	State and local—government enterprises	161	181	215	225	238	250	288	295	295	300	303	316	90
91	**Rest of the world** [6]	5	5	5	5	5	5	6	5	5	5	4	4	91
92	**Addendum: All private industries**	38,670	40,716	41,565	39,949	41,290	43,599	44,093	45,203	43,661	45,131	46,452	46,615	92

n. e. c.—Not elsewhere classified.

1. Full-time equivalent employment measures man-years of full-time employment of wage and salary earners and its equivalent in work performed by part-time workers. Full-time employment is defined simply in terms of the number of hours which is customary at a particular time and place. For a full explanation of the concept see SURVEY OF CURRENT BUSINESS, June 1945, pp. 17–18.

2. Owing to changes in the industrial classification of the underlying data, figures for 1948 and subsequent years in this and a number of other industries are not strictly comparable with those shown here for 1946 and 1947 or with the figures for earlier years in the 1954 *National Income* supplement. Estimates for 1948 employment comparable to those shown for 1947 are as follows: Lumber and furniture products, 1,220; Chemicals and allied products, 723; Products of petroleum and coal, 235; Metals, metal products, and miscellaneous, 2,873; Machinery, except electrical, 1,562; and Electrical machinery, 889.

3. School teachers are considered to be employed during vacation periods.

4. Includes United States citizens, but not foreigners, employed abroad by the U. S. Government.

5. Includes personnel stationed abroad, but personnel recruited from the territories is excluded.

6. Represents the estimated number of permanent United States residents employed in the United States by foreign governments and international organizations.

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Table VI–14.—*Average Number of Full-Time and Part-Time Employees, by Industry, 1946–57* [1]

[Data in thousands]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	**49,642**	**49,713**	**50,693**	**49,453**	**51,145**	**55,442**	**56,787**	**57,927**	**56,284**	**57,843**	**59,528**	**59,960**	1
2	**Agriculture, forestry, and fisheries**	**2,343**	**2,427**	**2,500**	**2,411**	**2,246**	**2,157**	**2,094**	**2,102**	**2,096**	**2,064**	**2,026**	**2,015**	2
3	Farms	2,189	2,267	2,337	2,252	2,090	1,988	1,921	1,935	1,930	1,896	1,851	1,842	3
4	Agricultural services, forestry, and fisheries	154	160	163	159	156	169	173	167	166	168	175	173	4
5	**Mining**	**871**	**938**	**986**	**914**	**916**	**925**	**899**	**858**	**779**	**782**	**819**	**812**	5
6	Metal mining	88	99	101	95	97	102	103	107	101	105	111	111	6
7	Anthracite mining	82	80	81	77	75	70	64	54	40	31	30	29	7
8	Bituminous and other soft coal mining	391	429	452	398	395	372	334	289	228	220	233	229	8
9	Crude petroleum and natural gas	221	235	255	248	251	276	292	299	303	315	327	327	9
10	Nonmetallic mining and quarrying	89	95	97	96	98	105	106	109	107	111	118	116	10
11	**Contract construction**	**1,739**	**2,062**	**2,278**	**2,166**	**2,381**	**2,659**	**2,693**	**2,665**	**2,644**	**2,783**	**2,904**	**2,831**	11
12	**Manufacturing**	**14,493**	**15,215**	**15,285**	**14,183**	**14,969**	**16,163**	**16,449**	**17,260**	**16,055**	**16,607**	**16,950**	**16,863**	12
13	Food and kindred products	1,500	1,530	1,528	1,509	1,517	1,553	1,549	1,552	1,527	1,525	1,541	1,516	13
14	Tobacco manufactures	104	100	99	101	97	104	104	104	103	100	97	93	14
15	Textile-mill products	1,313	1,327	1,366	1,229	1,292	1,272	1,195	1,188	1,075	1,084	1,062	1,007	15
16	Apparel and other finished fabric products	1,117	1,128	1,175	1,157	1,183	1,193	1,209	1,239	1,181	1,219	1,226	1,204	16
17	Lumber and furniture products [2]	1,064	1,210	1,187	1,057	1,171	1,218	1,162	1,142	1,048	1,114	1,114	1,035	17
18	Lumber and wood products, except furniture.			838	732	798	853	796	768	702	742	732	656	18
19	Furniture and fixtures			349	325	373	365	366	374	346	372	382	379	19
20	Lumber and timber basic products	578	658											20
21	Furniture and finished lumber products	486	552											21
22	Paper and allied products	449	464	470	453	484	509	503	531	532	549	567	565	22
23	Printing, publishing, and allied industries	668	705	721	727	741	765	777	801	813	832	858	874	23
24	Chemicals and allied products [2]	705	723	692	659	677	750	769	807	793	809	839	852	24
25	Products of petroleum and coal [2]	219	228	243	236	238	250	252	255	247	247	246	246	25
26	Rubber products	265	270	254	232	245	264	267	280	253	273	274	269	26
27	Leather and leather products	411	406	403	388	393	379	382	385	368	381	378	372	27
28	Stone, clay, and glass products	474	503	523	487	518	555	535	546	521	551	566	559	28
29	Metals, metal products, and miscellaneous [2]	2,704	2,882	2,971	2,664	2,920	3,205	3,250	3,544	3,194	3,357	3,415	3,411	29
30	Primary metal industries			1,231	1,090	1,192	1,318	1,253	1,338	1,185	1,292	1,322	1,317	30
31	Fabricated metal products, including ordnance.			1,029	922	1,024	1,136	1,229	1,374	1,216	1,255	1,252	1,257	31
32	Instruments			249	227	247	286	307	329	314	316	334	342	32
33	Miscellaneous manufacturing			462	425	457	465	461	503	479	494	507	495	33
34	Iron and steel and their products, including ordnance.	1,670	1,863											34
35	Nonferrous metals and their products	498	482											35
36	Miscellaneous manufacturing	536	537											36
37	Machinery, except electrical [2]	1,393	1,549	1,541	1,317	1,362	1,623	1,699	1,730	1,561	1,594	1,724	1,727	37
38	Electrical machinery [2]	847	929	875	765	874	1,002	1,087	1,219	1,092	1,134	1,205	1,235	38
39	Transportation equipment, except automobiles.	593	512	471	459	447	669	911	1,016	962	937	1,023	1,112	39
40	Automobiles and automobile equipment	667	749	766	743	810	852	798	921	785	901	815	786	40
41	**Wholesale and retail trade**	**9,055**	**9,546**	**9,804**	**9,703**	**9,884**	**10,451**	**10,678**	**10,851**	**10,778**	**11,078**	**11,450**	**11,589**	41
42	Wholesale trade	2,286	2,485	2,578	2,529	2,565	2,728	2,804	2,858	2,862	2,937	3,065	3,114	42
43	Retail trade and automobile services	6,769	7,061	7,226	7,174	7,319	7,723	7,874	7,993	7,916	8,141	8,385	8,475	43
44	**Finance, insurance, and real estate**	**1,692**	**1,746**	**1,810**	**1,836**	**1,916**	**2,002**	**2,072**	**2,152**	**2,227**	**2,334**	**2,438**	**2,490**	44
45	Banking	376	395	410	414	423	454	482	507	525	544	575	603	45
46	Security and commodity brokers, dealers and exchanges.	64	61	58	56	60	64	65	65	68	78	84	84	46
47	Finance, n. e. c.	112	121	127	133	146	157	171	183	195	213	234	244	47
48	Insurance carriers	484	525	559	582	603	627	654	691	715	736	763	802	48
49	Insurance agents and combination offices	172	177	184	192	204	215	221	227	234	242	252	254	49
50	Real estate	484	467	472	459	480	485	479	479	490	521	530	503	50
51	**Transportation**	**3,009**	**2,996**	**2,943**	**2,744**	**2,787**	**2,946**	**2,925**	**2,924**	**2,716**	**2,757**	**2,804**	**2,773**	51
52	Railroads	1,564	1,543	1,503	1,349	1,373	1,433	1,393	1,360	1,206	1,197	1,184	1,117	52
53	Local and highway passenger transportation	406	410	388	377	357	356	352	345	326	311	304	304	53
54	Local railways and buslines	203	198	171	166	157	151	145	141	134	124	116	112	54
55	Highway passenger transportation, n. e. c.	203	212	217	211	200	205	207	204	192	187	188	192	55
56	Highway freight transportation and warehousing.	528	553	578	575	629	687	709	742	731	778	817	827	56
57	Water transportation	210	171	167	146	133	147	147	140	127	131	134	140	57
58	Air transportation (common carriers)	82	83	80	79	79	86	98	105	105	114	131	145	58
59	Pipeline transportation	27	28	30	29	27	28	29	28	27	26	26	26	59
60	Services allied to transportation	192	208	197	189	189	209	207	204	194	200	208	214	60
61	**Communications and public utilities**	**1,104**	**1,181**	**1,273**	**1,285**	**1,275**	**1,316**	**1,352**	**1,394**	**1,398**	**1,419**	**1,478**	**1,500**	61
62	Telephone, telegraph, and related services	613	643	693	688	667	693	719	744	738	750	795	810	62
63	Radio broadcasting and television	40	45	51	54	58	63	65	70	76	79	82	85	63
64	Utilities: electric and gas	429	470	506	520	527	536	544	555	560	564	575	580	64
65	Local utilities and public services, n. e. c.	22	23	23	23	23	24	24	25	24	26	26	25	65
66	**Services**	**6,007**	**6,307**	**6,423**	**6,462**	**6,778**	**7,004**	**7,021**	**7,169**	**7,168**	**7,658**	**8,092**	**8,274**	66
67	Hotels and other lodging places	491	489	484	471	467	483	493	503	496	503	516	525	67
68	Personal services	912	915	903	880	880	896	895	891	882	888	904	904	68
69	Private households [3]	1,756	1,891	1,888	1,921	2,131	2,155	2,046	2,070	1,985	2,285	2,447	2,444	69
70	Commercial and trade schools and employment agencies.	30	37	41	44	47	47	42	40	41	43	48	51	70
71	Business services, n. e. c.	354	380	401	397	412	444	478	510	524	567	629	683	71
72	Miscellaneous repair services and hand trades.	130	139	134	126	128	143	153	151	144	154	166	175	72
73	Motion pictures	253	253	249	250	248	247	242	234	231	229	224	213	73
74	Amusement and recreation, except motion pictures.	289	291	305	301	298	295	291	294	292	300	304	305	74
75	Medical and other health services [4]	701	767	816	846	912	981	1,026	1,081	1,150	1,216	1,292	1,361	75
76	Legal services	114	116	113	114	119	124	125	128	130	131	132	132	76
77	Engineering and other professional services, n. e. c.	82	93	106	102	104	131	155	165	163	180	213	225	77
78	Educational services, n. e. c. [4 5]	313	337	371	387	393	394	396	407	424	447	483	513	78
79	Nonprofit membership organizations, n. e. c.	582	599	612	623	639	664	679	695	706	715	734	743	79
80	**Government and government enterprises**	**9,324**	**7,290**	**7,386**	**7,744**	**7,988**	**9,814**	**10,598**	**10,547**	**10,418**	**10,356**	**10,563**	**10,809**	80
81	Federal—general government	5,276	3,015	2,871	3,032	3,142	4,926	5,531	5,340	4,999	4,706	4,553	4,486	81
82	Civilian, except work relief [6]	1,842	1,416	1,403	1,428	1,448	1,802	1,893	1,795	1,673	1,681	1,705	1,701	82
83	Military [7]	3,434	1,599	1,468	1,604	1,694	3,124	3,638	3,545	3,326	3,025	2,848	2,785	83
84	Work relief													84
85	Federal—government enterprises	572	528	553	579	565	577	614	602	602	598	600	616	85
86	State and local—general government	3,297	3,547	3,726	3,888	4,023	4,045	4,149	4,297	4,508	4,739	5,095	5,380	86
87	Public education [5]	1,414	1,517	1,579	1,660	1,718	1,768	1,850	1,944	2,043	2,180	2,359	2,514	87
88	Nonschool, except work relief	1,883	2,030	2,147	2,228	2,305	2,277	2,299	2,353	2,465	2,559	2,736	2,866	88
89	Work relief													89
90	State and local—government enterprises	179	200	236	245	258	266	304	308	309	313	315	327	90
91	**Rest of the world** [8]	5	5	5	5	5	5	6	5	5	5	4	4	91
92	**Addendum: All private industries**	**40,313**	**42,418**	**43,302**	**41,704**	**43,152**	**45,623**	**46,183**	**47,375**	**45,861**	**47,482**	**48,961**	**49,147**	92

n. e. c.—Not elsewhere classified.

1. This series measures the average number of full-time and part-time jobs filled during the year by wage and salary earners. The difference between the data shown in table VI–13 and table VI–14 is explained in the SURVEY OF CURRENT BUSINESS, June 1945, pp. 17–18.
2. See footnote 2 to table VI–13.
3. Data represent the number of persons employed; the number of full-time and part-time jobs is much larger.
4. Series measures full-time equivalent employment; full-time and part-time employment not available.
5. See footnote 3 to table VI–13.
6. See footnote 4 to table VI–13.
7. See footnote 5 to table VI–13.
8. See footnote 6 to table VI–13.

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Table VI–15.—*Average Annual Earnings per Full-Time Employee, by Industry, 1946–57* [1]

[Dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	**2,356**	**2,589**	**2,795**	**2,851**	**3,008**	**3,231**	**3,414**	**3,587**	**3,670**	**3,847**	**4,042**	**4,211**	1
2	**Agriculture, forestry, and fisheries**	**1,207**	**1,288**	**1,353**	**1,330**	**1,349**	**1,481**	**1,544**	**1,540**	**1,515**	**1,554**	**1,639**	**1,690**	2
3	Farms	1,166	1,243	1,298	1,272	1,281	1,403	1,453	1,437	1,398	1,428	1,492	1,541	3
4	Agricultural services, forestry, and fisheries	1,950	2,104	2,331	2,323	2,450	2,582	2,740	2,924	3,062	3,176	3,378	3,424	4
5	**Mining**	**2,719**	**3,113**	**3,387**	**3,207**	**3,448**	**3,879**	**4,057**	**4,353**	**4,377**	**4,701**	**5,015**	**5,218**	5
6	Metal mining	2,636	3,000	3,327	3,400	3,567	4,098	4,544	4,888	4,614	4,962	5,315	5,459	6
7	Anthracite mining	2,890	3,125	3,420	2,896	3,107	3,386	3,500	3,389	3,550	3,871	4,167	4,345	7
8	Bituminous and other soft coal mining	2,724	3,212	3,383	2,930	3,268	3,831	3,760	4,194	4,044	4,550	4,944	5,162	8
9	Crude petroleum and natural gas	2,819	3,157	3,584	3,746	3,861	4,109	4,432	4,615	4,749	4,933	5,193	5,425	9
10	Nonmetallic mining and quarrying	2,371	2,663	2,928	3,021	3,255	3,562	3,821	4,009	4,121	4,324	4,593	4,733	10
11	**Contract construction**	**2,537**	**2,829**	**3,126**	**3,211**	**3,339**	**3,711**	**3,991**	**4,225**	**4,324**	**4,414**	**4,674**	**4,922**	11
12	**Manufacturing**	**2,517**	**2,793**	**3,040**	**3,092**	**3,300**	**3,606**	**3,828**	**4,049**	**4,116**	**4,351**	**4,584**	**4,781**	12
13	Food and kindred products	2,385	2,669	2,853	2,925	3,068	3,298	3,468	3,675	3,806	3,983	4,192	4,369	13
14	Tobacco manufactures	1,779	1,950	2,040	2,089	2,258	2,413	2,567	2,683	2,796	2,960	3,186	3,376	14
15	Textile-mill products	2,056	2,338	2,584	2,564	2,762	2,899	2,987	3,026	2,997	3,158	3,282	3,350	15
16	Apparel and other finished fabric products	2,192	2,327	2,442	2,385	2,495	2,578	2,648	2,743	2,782	2,852	3,011	3,101	16
17	Lumber and furniture products [2]	1,984	2,205	2,399	2,446	2,647	2,835	3,036	3,150	3,248	3,424	3,568	3,648	17
18	Lumber and wood products, except furniture.			2,242	2,272	2,477	2,668	2,861	2,957	3,058	3,233	3,377	3,415	18
19	Furniture and fixtures			2,777	2,837	3,011	3,225	3,418	3,545	3,633	3,804	3,935	4,053	19
20	Lumber and timber basic products	1,813	2,046											20
21	Furniture and finished lumber products	2,187	2,395											21
22	Paper and allied products	2,535	2,903	3,196	3,232	3,479	3,770	3,974	4,175	4,293	4,534	4,764	4,963	22
23	Printing, publishing, and allied industries	2,862	3,210	3,499	3,655	3,800	3,966	4,184	4,401	4,540	4,715	4,918	5,085	23
24	Chemicals and allied products [2]	2,765	3,119	3,399	3,539	3,768	4,065	4,291	4,559	4,743	4,973	5,297	5,579	24
25	Products of petroleum and coal [2]	3,183	3,610	4,053	4,174	4,315	4,648	4,933	5,204	5,336	5,571	5,931	6,309	25
26	Rubber products	2,826	3,085	3,201	3,228	3,543	3,837	4,127	4,268	4,324	4,755	4,818	5,126	26
27	Leather and leather products	2,131	2,313	2,414	2,405	2,545	2,670	2,861	2,938	2,959	3,084	3,249	3,358	27
28	Stone, clay, and glass products	2,380	2,672	2,925	3,008	3,239	3,582	3,693	3,958	4,081	4,332	4,560	4,719	28
29	Metals, metal products, and miscellaneous [2]	2,649	2,972	3,245	3,287	3,527	3,900	4,130	4,376	4,395	4,718	4,986	5,221	29
30	Primary metal industries			3,431	3,435	3,728	4,164	4,403	4,712	4,626	5,156	5,448	5,683	30
31	Fabricated metal products, including ordnance.			3,247	3,324	3,532	3,880	4,138	4,362	4,463	4,653	4,911	5,165	31
32	Instruments			3,157	3,291	3,530	3,892	4,147	4,371	4,468	4,696	4,985	5,208	32
33	Miscellaneous manufacturing			2,790	2,826	2,987	3,202	3,351	3,521	3,603	3,749	3,966	4,145	33
34	Iron and steel and their products, including ordnance.	2,696	3,063											34
35	Nonferrous metals and their products	2,717	2,969											35
36	Miscellaneous manufacturing	2,442	2,657											36
37	Machinery, except electrical [2]	2,862	3,112	3,433	3,477	3,755	4,224	4,461	4,692	4,720	4,940	5,265	5,402	37
38	Electrical machinery [2]	2,615	2,876	3,153	3,252	3,370	3,715	3,960	4,138	4,253	4,476	4,728	4,943	38
39	Transportation equipment, except automobiles.	2,971	3,146	3,594	3,595	3,736	4,245	4,470	4,765	4,858	5,126	5,456	5,635	39
40	Automobiles and automobile equipment	2,814	3,143	3,381	3,608	4,010	4,221	4,614	4,952	5,070	5,445	5,450	5,702	40
41	**Wholesale and retail trade**	**2,378**	**2,632**	**2,832**	**2,899**	**3,034**	**3,171**	**3,284**	**3,446**	**3,558**	**3,702**	**3,860**	**4,019**	41
42	Wholesale trade	3,021	3,322	3,566	3,619	3,834	4,134	4,285	4,502	4,660	4,870	5,178	5,404	42
43	Retail trade and automobile services	2,141	2,368	2,547	2,623	2,729	2,804	2,901	3,040	3,131	3,250	3,346	3,477	43
44	**Finance, insurance and real estate**	**2,570**	**2,740**	**2,954**	**3,034**	**3,217**	**3,356**	**3,503**	**3,663**	**3,828**	**3,968**	**4,141**	**4,304**	44
45	Banking	2,650	2,860	3,039	3,173	3,340	3,455	3,597	3,729	3,846	3,970	4,130	4,245	45
46	Security and commodity brokers, dealers and exchanges.	5,226	4,714	4,958	5,043	6,122	6,132	5,981	6,130	7,276	7,864	7,451	7,403	46
47	Finance, n. e. c.	3,213	3,412	3,670	3,795	3,893	3,993	4,196	4,340	4,524	4,663	4,806	5,014	47
48	Insurance carriers	2,655	2,811	2,978	3,092	3,250	3,426	3,605	3,786	3,896	3,990	4,192	4,368	48
49	Insurance agents and combination offices	2,923	3,103	3,327	3,375	3,579	3,729	3,866	4,083	4,234	4,399	4,641	4,850	49
50	Real estate	1,864	2,052	2,331	2,290	2,427	2,513	2,593	2,701	2,845	2,972	3,126	3,239	50
51	**Transportation**	**2,948**	**3,145**	**3,456**	**3,556**	**3,696**	**3,994**	**4,205**	**4,398**	**4,503**	**4,697**	**4,972**	**5,246**	51
52	Railroads	3,055	3,216	3,611	3,706	3,782	4,164	4,338	4,418	4,545	4,701	5,084	5,423	52
53	Local and highway passenger transportation	2,689	2,833	2,935	2,987	3,096	3,255	3,387	3,515	3,591	3,727	3,824	3,927	53
54	Local railways and buslines	2,729	2,965	3,146	3,277	3,376	3,623	3,807	3,965	4,075	4,218	4,414	4,545	54
55	Highway passenger transportation, n. e. c.	2,648	2,707	2,766	2,755	2,873	2,980	3,088	3,199	3,249	3,397	3,454	3,561	55
56	Highway freight transportation and warehousing.	2,752	3,063	3,355	3,545	3,811	3,934	4,192	4,513	4,629	4,885	5,065	5,261	56
57	Water transportation.	3,415	3,748	4,006	4,129	4,413	4,678	5,076	5,898	5,768	5,869	6,083	6,443	57
58	Air transportation (common carriers)	2,829	3,265	3,662	3,873	4,089	4,384	4,714	4,933	5,162	5,360	5,481	5,752	58
59	Pipeline transportation	3,259	3,750	4,100	4,172	4,296	4,679	5,034	5,214	5,370	5,615	5,962	6,423	59
60	Services allied to transportation	2,550	2,762	2,852	2,911	3,077	3,471	3,712	3,928	4,000	4,223	4,460	4,817	60
61	**Communications and public utilities**	**2,567**	**2,792**	**3,002**	**3,153**	**3,318**	**3,547**	**3,799**	**4,039**	**4,229**	**4,426**	**4,612**	**4,813**	61
62	Telephone, telegraph, and related services	2,413	2,583	2,776	2,907	3,033	3,214	3,437	3,651	3,824	4,043	4,177	4,348	62
63	Radio broadcasting and television	3,972	4,073	4,234	4,469	4,698	5,105	5,508	5,734	6,043	6,250	6,613	6,756	63
64	Utilities: electric and gas	2,697	2,994	3,223	3,383	3,571	3,851	4,125	4,404	4,579	4,757	5,000	5,247	64
65	Local utilities and public services, n. e. c.	2,045	2,217	2,391	2,522	2,609	2,708	3,083	3,160	3,333	3,400	3,538	3,760	65
66	**Services**	**1,872**	**2,005**	**2,114**	**2,172**	**2,220**	**2,367**	**2,545**	**2,677**	**2,786**	**2,867**	**3,008**	**3,146**	66
67	Hotels and other lodging places	1,779	1,924	2,031	2,094	2,150	2,224	2,326	2,405	2,503	2,553	2,605	2,696	67
68	Personal services	1,854	1,978	2,084	2,149	2,198	2,301	2,416	2,539	2,631	2,729	2,854	2,984	68
69	Private households	1,411	1,463	1,500	1,498	1,502	1,588	1,707	1,805	1,832	1,874	1,962	2,050	69
70	Commercial and trade schools and employment agencies.	2,520	2,903	3,147	3,243	3,410	3,649	3,765	3,588	3,765	3,972	4,125	4,114	70
71	Business services, n. e. c.	2,861	3,023	3,226	3,309	3,457	3,800	3,998	4,149	4,352	4,487	4,717	4,875	71
72	Miscellaneous repair services and hand trades.	2,766	2,974	3,150	3,236	3,441	3,587	3,772	3,985	4,031	4,127	4,342	4,509	72
73	Motion pictures	2,978	3,031	2,911	2,912	2,915	3,059	3,200	3,271	3,475	3,752	3,909	4,075	73
74	Amusement and recreation, except motion pictures.	2,185	2,345	2,437	2,527	2,596	2,767	2,953	3,136	3,362	3,549	3,721	3,954	74
75	Medical and other health services	1,605	1,821	1,918	1,995	2,067	2,143	2,262	2,365	2,417	2,488	2,536	2,597	75
76	Legal services	1,757	1,971	2,196	2,288	2,376	2,504	2,750	2,933	3,090	3,306	3,556	3,787	76
77	Engineering and other professional services, n. e. c.	3,280	3,495	3,745	3,931	4,106	4,481	4,871	5,048	5,196	5,378	5,850	6,089	77
78	Educational services, n. e. c.	1,802	2,113	2,261	2,364	2,473	2,642	2,808	2,924	3,005	3,094	3,193	3,321	78
79	Nonprofit membership organizations, n. e. c.	2,070	2,172	2,334	2,465	2,578	2,720	2,898	3,041	3,179	3,291	3,440	3,606	79
80	**Government and government enterprises**	**2,341**	**2,574**	**2,758**	**2,863**	**3,015**	**3,114**	**3,282**	**3,388**	**3,501**	**3,710**	**3,888**	**4,040**	80
81	Federal—general government	2,437	2,793	2,931	2,984	3,206	3,145	3,274	3,356	3,436	3,719	3,924	4,032	81
82	Civilian, except work relief	2,736	3,074	3,168	3,361	3,503	3,777	4,034	4,226	4,320	4,595	4,808	4,971	82
83	Military	2,277	2,543	2,704	2,648	2,951	2,780	2,879	2,916	2,992	3,232	3,395	3,459	83
84	Work relief													84
85	Federal—government enterprises	2,644	2,865	3,095	3,284	3,512	3,797	4,111	4,221	4,262	4,537	4,676	4,758	85
86	State and local—general government	2,091	2,298	2,533	2,668	2,755	2,947	3,137	3,278	3,445	3,562	3,731	3,942	86
87	Public education	2,025	2,261	2,538	2,671	2,794	2,998	3,169	3,314	3,510	3,608	3,799	4,079	87
88	Nonschool, except work relief	2,144	2,327	2,528	2,665	2,725	2,906	3,112	3,249	3,390	3,523	3,673	3,821	88
89	Work relief													89
90	State and local—government enterprises	2,590	2,818	3,023	3,182	3,227	3,464	3,674	3,820	3,942	4,110	4,201	4,310	90
91	**Rest of the world**	**3,400**	**3,400**	**3,200**	**3,200**	**3,600**	**4,000**	**4,200**	**4,300**	**4,400**	**4,500**	**4,700**	**5,000**	91
92	**Addendum: All private industries**	**2,359**	**2,591**	**2,801**	**2,849**	**3,006**	**3,255**	**3,444**	**3,632**	**3,707**	**3,876**	**4,074**	**4,248**	92

n. e. c.—Not elsewhere classified.

1. Average annual earnings per full-time employee are obtained by dividing wages and salaries, as given in table VI–2, by the number of full-time equivalent employees, as given in table VI–13. Footnotes to tables VI–2 and VI–13 are, therefore, relevant also to table VI–15. For a full explanation of the concept of "average annual earnings per full-time employee," see SURVEY OF CURRENT BUSINESS, June 1945, pp. 17—18.

2. See footnote 1 to table VI–2 and footnote 2 to table VI–13. Estimates of 1948 average annual earnings comparable to those shown for 1947 are as follows: Lumber and furniture products, $2,411; Chemicals and allied products, $3,389; Products of petroleum and coal, $4,072; Metals, metal products, and miscellaneous, $3,252; Machinery, except electrical, $3,431; and Electrical machinery, $3,154.

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Table VI–16.—*Number of Persons Engaged in Production, by Industry, 1946–57* [1]

[Data in thousands]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	**57,379**	**57,652**	**58,581**	**57,202**	**58,731**	**62,780**	**64,096**	**65,070**	**63,351**	**64,794**	**66,182**	**66,405**	1
2	**Agriculture, forestry, and fisheries**	**7,085**	**7,042**	**7,012**	**6,814**	**6,546**	**6,144**	**6,005**	**5,885**	**5,877**	**5,762**	**5,579**	**5,418**	2
3	Farms	6,838	6,785	6,747	6,554	6,284	5,867	5,715	5,595	5,588	5,468	5,269	5,105	3
4	Agricultural services, forestry, and fisheries	247	257	265	260	262	277	290	290	289	294	310	313	4
5	**Mining**	**901**	**973**	**1,021**	**948**	**951**	**962**	**936**	**896**	**820**	**826**	**868**	**862**	5
6	Metal mining	93	104	106	99	101	106	107	111	105	109	115	115	6
7	Anthracite mining	83	82	83	80	78	73	67	57	42	33	33	32	7
8	Bituminous and other soft coal mining	397	437	461	407	405	382	343	297	236	228	242	238	8
9	Crude petroleum and natural gas	235	250	269	261	264	290	307	316	323	338	353	354	9
10	Nonmetallic mining and quarrying	93	100	102	101	103	111	112	115	114	118	125	123	10
11	**Contract construction**	**2,551**	**3,007**	**3,262**	**3,130**	**3,392**	**3,740**	**3,816**	**3,801**	**3,801**	**4,012**	**4,195**	**4,135**	11
12	**Manufacturing**	**14,681**	**15,406**	**15,468**	**14,368**	**15,163**	**16,364**	**16,654**	**17,462**	**16,248**	**16,792**	**17,138**	**17,047**	12
13	Food and kindred products	1,534	1,562	1,559	1,539	1,546	1,581	1,576	1,578	1,553	1,550	1,568	1,542	13
14	Tobacco manufactures	105	101	100	102	98	105	105	105	103	100	97	93	14
15	Textile-mill products	1,318	1,331	1,370	1,233	1,296	1,275	1,199	1,191	1,078	1,087	1,065	1,009	15
16	Apparel and other finished fabric products	1,149	1,157	1,203	1,184	1,210	1,219	1,235	1,263	1,204	1,240	1,246	1,224	16
17	Lumber and furniture products [2]	1,092	1,246	1,222	1,094	1,214	1,269	1,215	1,196	1,097	1,163	1,163	1,084	17
18	Lumber and wood products, except furniture.			867	763	835	897	842	815	744	784	774	698	18
19	Furniture and fixtures			355	331	379	372	373	381	353	379	389	386	19
20	Lumber and timber basic products	596	684											20
21	Furniture and finished lumber products	496	562											21
22	Paper and allied products	450	465	471	454	485	510	504	532	533	550	568	566	22
23	Printing, publishing, and allied industries	689	728	744	750	765	789	801	826	837	856	881	897	23
24	Chemicals and allied products [2]	710	727	696	663	681	754	773	810	797	812	843	856	24
25	Products of petroleum and coal [2]	219	228	243	236	238	250	252	255	247	247	246	246	25
26	Rubber products	266	271	254	232	245	264	267	280	254	274	275	270	26
27	Leather and leather products	415	410	406	391	396	382	385	387	371	383	380	374	27
28	Stone, clay, and glass products	483	513	533	497	527	564	543	554	529	559	574	567	28
29	Metals, metal products, and miscellaneous [2]	2,732	2,910	2,997	2,692	2,950	3,235	3,281	3,576	3,223	3,385	3,443	3,438	29
30	Primary metal industries			1,234	1,093	1,195	1,321	1,256	1,341	1,187	1,294	1,324	1,319	30
31	Fabricated metal products, including ordnance.			1,040	934	1,037	1,149	1,243	1,389	1,230	1,269	1,266	1,270	31
32	Instruments			251	229	249	288	309	331	316	317	335	343	32
33	Miscellaneous manufacturing			472	436	469	477	473	515	490	505	518	506	33
34	Iron and steel and their products, including ordnance.	1,678	1,871											34
35	Nonferrous metals and their products	507	491											35
36	Miscellaneous manufacturing	547	548											36
37	Machinery, except electrical [2]	1,407	1,563	1,554	1,330	1,377	1,640	1,717	1,748	1,578	1,609	1,741	1,743	37
38	Electrical machinery [2]	849	931	877	767	876	1,004	1,089	1,221	1,094	1,136	1,207	1,237	38
39	Transportation equipment, except automobiles.	595	513	472	460	448	670	913	1,018	964	939	1,025	1,114	39
40	Automobiles and automobile equipment	668	750	767	744	811	853	799	922	786	902	816	787	40
41	**Wholesale and retail trade**	**10,392**	**11,001**	**11,309**	**11,264**	**11,439**	**11,936**	**12,147**	**12,282**	**12,189**	**12,473**	**12,822**	**12,953**	41
42	Wholesale trade	2,419	2,625	2,712	2,668	2,711	2,847	2,922	2,971	2,969	3,036	3,158	3,199	42
43	Retail trade and automobile services	7,973	8,376	8,597	8,596	8,728	9,089	9,225	9,311	9,220	9,437	9,664	9,754	43
44	**Finance, insurance, and real estate**	**1,813**	**1,866**	**1,923**	**1,941**	**2,014**	**2,125**	**2,214**	**2,320**	**2,427**	**2,570**	**2,659**	**2,716**	44
45	Banking	375	394	408	412	421	452	478	503	520	539	569	597	45
46	Security and commodity brokers, dealers and exchanges.	66	61	61	59	62	67	69	69	74	83	90	91	46
47	Finance, n. e. c.	102	111	116	122	133	147	162	175	187	205	226	238	47
48	Insurance carriers	475	514	545	568	589	613	640	677	702	723	750	790	48
49	Insurance agents and combination offices	204	210	219	227	241	256	267	281	305	314	325	329	49
50	Real estate	591	576	574	553	568	590	598	615	639	706	699	671	50
51	**Transportation**	**3,039**	**3,045**	**3,000**	**2,803**	**2,842**	**3,014**	**2,996**	**2,997**	**2,787**	**2,825**	**2,867**	**2,849**	51
52	Railroads	1,564	1,543	1,503	1,349	1,373	1,433	1,383	1,360	1,206	1,197	1,184	1,117	52
53	Local and highway passenger transportation.	435	442	421	409	386	386	383	377	358	343	337	337	53
54	Local railways and buslines	203	198	171	166	157	151	145	141	134	124	116	112	54
55	Highway passenger transportation, n. e. c.	232	244	250	243	229	235	238	236	224	219	221	225	55
56	Highway freight transportation and warehousing.	552	592	622	621	672	740	764	798	783	825	858	881	56
57	Water transportation	203	166	162	142	130	147	148	141	128	134	137	144	57
58	Air transportation (common carriers)	82	83	80	79	79	86	98	105	105	114	131	145	58
59	Pipeline transportation	27	28	30	29	27	28	29	28	27	26	26	26	59
60	Services allied to transportation	176	191	182	174	175	194	191	188	180	186	194	199	60
61	**Communications and public utilities**	**1,111**	**1,190**	**1,281**	**1,293**	**1,283**	**1,324**	**1,360**	**1,403**	**1,408**	**1,431**	**1,492**	**1,514**	61
62	Telephone, telegraph, and related services	616	646	695	690	669	695	721	746	740	753	798	813	62
63	Radio broadcasting and television	36	42	48	51	55	59	61	66	71	74	77	80	63
64	Utilities: electric and gas	429	470	506	520	527	536	544	555	560	564	575	580	64
65	Local utilities and public services, n. e. c.	30	32	32	32	32	34	34	36	37	40	42	41	65
66	**Services**	**7,010**	**7,385**	**7,500**	**7,482**	**7,716**	**7,906**	**7,926**	**8,026**	**7,972**	**8,407**	**8,778**	**8,982**	66
67	Hotels and other lodging places	632	636	640	616	609	632	643	661	643	655	669	684	67
68	Personal services	1,210	1,243	1,241	1,221	1,225	1,243	1,246	1,243	1,241	1,248	1,267	1,268	68
69	Private households	1,503	1,605	1,574	1,571	1,710	1,667	1,524	1,483	1,365	1,557	1,612	1,589	69
70	Commercial and trade schools and employment agencies.	30	36	39	43	45	44	40	40	40	43	47	52	70
71	Business services, n. e. c.	418	455	486	482	497	515	550	584	595	645	713	773	71
72	Miscellaneous repair services and hand trades.	504	535	504	465	451	495	522	514	486	522	549	575	72
73	Motion pictures	236	237	234	236	234	230	225	217	214	211	206	196	73
74	Amusement and recreation, except motion pictures.	275	284	299	296	294	291	288	291	288	296	301	301	74
75	Medical and other health services	983	1,071	1,131	1,168	1,237	1,307	1,355	1,413	1,483	1,551	1,627	1,698	75
76	Legal services	210	212	217	227	234	242	244	248	251	253	256	258	76
77	Engineering and other professional services, n. e. c.	131	144	160	155	157	190	220	235	238	262	303	317	77
78	Educational services, n. e. c.	364	387	421	436	442	446	450	463	481	507	553	585	78
79	Nonprofit membership organizations, n. e. c.	514	540	554	566	581	604	619	634	647	657	675	686	79
80	**Government and government enterprises**	**8,791**	**6,732**	**6,800**	**7,154**	**7,380**	**9,260**	**10,036**	**9,993**	**9,817**	**9,691**	**9,780**	**9,925**	80
81	Federal—general government	5,276	3,015	2,871	3,032	3,142	4,926	5,531	5,340	4,999	4,706	4,553	4,486	81
82	Civilian, except work relief	1,842	1,416	1,403	1,428	1,448	1,802	1,893	1,795	1,673	1,681	1,705	1,701	82
83	Military	3,434	1,599	1,468	1,604	1,694	3,124	3,638	3,545	3,326	3,025	2,848	2,785	83
84	Work relief													84
85	Federal—government enterprises	526	483	505	528	516	527	558	547	546	542	544	558	85
86	State and local—general government	2,828	3,053	3,209	3,369	3,484	3,557	3,659	3,811	3,977	4,143	4,380	4,565	86
87	Public education	1,276	1,364	1,418	1,491	1,536	1,581	1,655	1,732	1,812	1,915	2,036	2,140	87
88	Nonschool, except work relief	1,552	1,689	1,791	1,878	1,948	1,976	2,004	2,079	2,165	2,228	2,344	2,425	88
89	Work relief													89
90	State and local—government enterprises	161	181	215	225	238	250	288	295	295	300	303	316	90
91	**Rest of the world**	**5**	**5**	**5**	**5**	**5**	**5**	**6**	**5**	**5**	**5**	**4**	**4**	91
92	**Addendum: All private industries**	**48,583**	**50,915**	**51,776**	**50,043**	**51,346**	**53,515**	**54,054**	**55,072**	**53,529**	**55,098**	**56,398**	**56,476**	92

n. e. c.—Not elsewhere classified.

1. This series measures man-years of full-time employment by persons working for wages or salaries (as shown in table VI–13) and by active proprietors of unincorporated enterprises devoting the major portion of their time to the business. "Persons engaged" falls short of total man-years of full-time employment because of the exclusion from the data of unpaid family workers. This exclusion is due to unresolved difficulties in their definition and measurement.

2. Owing to changes in the industrial classification of the underlying data, figures for 1948 and subsequent years in this and a number of other industries are not strictly comparable with those shown here for 1946 and 1947 or with the figures for earlier years in the 1954 *National Income* supplement. Estimates for 1948 of persons engaged in production comparable to those shown for 1947 are as follows: Lumber and furniture products, 1,256; Chemicals and allied products, 727; Products of petroleum and coal, 235; Metals, metal products, and miscellaneous, 2,898; Machinery, except electrical, 1,575; and Electrical machinery, 891.

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Table VI–17.—*Corporate Sales, by Industry, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	270,898	347,801	388,744	370,079	431,857	488,446	499,454	523,307	516,502	599,390	643,415	667,251	1
2	**Agriculture, forestry, and fisheries**	1,208	1,595	1,784	1,825	1,985	2,323	2,450	2,300	2,176	2,476	2,650	2,839	2
3	Farms	1,150	1,527	1,715	1,769	1,910	2,234	2,351	2,217	2,095	2,373	n. a.	n. a.	3
4	Agricultural services, forestry, and fisheries	58	68	69	56	75	89	99	83	81	103	n. a.	n. a.	4
5	**Mining**	4,123	5,809	7,597	6,565	8,257	9,316	9,366	9,000	8,239	9,459	10,677	10,607	5
6	Metal mining	641	968	1,216	927	1,250	1,503	1,440	1,339	1,385	1,797	n. a.	n. a.	6
7	Anthracite mining	440	498	560	409	476	485	438	382	336	283	n. a.	n. a.	7
8	Bituminous and other soft coal mining	1,580	2,245	2,641	1,875	2,355	2,484	2,227	1,990	1,614	1,964	n. a.	n. a.	8
9	Crude petroleum and natural gas	995	1,498	2,436	2,602	3,313	3,838	4,178	4,175	3,746	4,021	n. a.	n. a.	9
10	Nonmetallic mining and quarrying	467	600	744	752	863	1,006	1,083	1,114	1,158	1,394	n. a.	n. a.	10
11	**Contract construction**	4,220	6,929	9,228	9,740	11,358	14,010	15,052	15,959	17,215	19,742	21,916	23,388	11
12	**Manufacturing**	136,906	177,777	197,115	184,479	216,819	251,227	257,322	276,835	266,073	303,573	323,715	337,558	12
13	Food and kindred products	28,321	35,705	36,627	35,091	37,363	42,657	43,190	42,915	43,848	44,638	n. a.	n. a.	13
14	Tobacco manufactures	2,640	2,869	3,029	3,114	3,107	3,395	3,720	3,771	3,675	3,870	n. a.	n. a.	14
15	Textile-mill products	10,257	11,631	12,304	10,691	13,030	14,264	13,070	12,540	11,729	13,618	n. a.	n. a.	15
16	Apparel and other finished fabric products	6,737	7,779	8,353	7,749	8,296	8,874	9,043	8,894	8,857	10,022	n. a.	n. a.	16
17	Lumber and furniture products [1]	4,804	6,540	6,841	6,164	8,245	8,760	8,873	8,600	8,559	10,517	n. a.	n. a.	17
18	Lumber and wood products, except furniture.			4,413	3,893	5,233	5,535	5,510	5,251	5,129	6,343	n. a.	n. a.	18
19	Furniture and fixtures			2,428	2,271	3,012	3,225	3,363	3,349	3,430	4,174	n. a.	n. a.	19
20	Lumber and timber basic products	2,033	3,114											20
21	Furniture and finished lumber products	2,771	3,426											21
22	Paper and allied products	4,353	5,690	5,920	5,372	6,853	8,293	7,742	8,250	8,448	9,836	n. a.	n. a.	22
23	Printing, publishing, and allied industries	4,792	5,672	6,152	6,315	6,670	7,333	7,844	8,418	8,696	9,827	n. a.	n. a.	23
24	Chemicals and allied products [1]	10,737	13,487	13,972	13,050	16,104	18,055	17,724	18,440	18,696	21,422	n. a.	n. a.	24
25	Products of petroleum and coal [1]	10,374	14,792	19,411	17,560	19,281	23,481	23,904	25,650	27,509	30,831	n. a.	n. a.	25
26	Rubber products	3,127	3,420	3,323	3,022	3,980	4,851	4,867	4,972	4,560	5,776	n. a.	n. a.	26
27	Leather and leather products	2,845	3,298	3,137	2,901	3,173	3,448	3,314	3,226	3,055	3,406	n. a.	n. a.	27
28	Stone, clay, and glass products	2,938	3,633	4,079	3,927	4,981	5,689	5,547	6,444	6,554	7,879	n. a.	n. a.	28
29	Metals, metal products, and miscellaneous [1]	20,926	27,420	33,165	29,397	37,030	44,082	42,329	48,002	43,549	53,126	n. a.	n. a.	29
30	Primary metal industries			16,835	14,472	18,654	22,604	20,207	23,282	19,636	25,985	n. a.	n. a.	30
31	Fabricated metal products, including ordnance.			9,577	8,635	11,059	12,907	13,045	14,752	14,112	15,936	n. a.	n. a.	31
32	Instruments			1,909	1,829	2,300	3,041	3,557	4,031	3,848	4,345	n. a.	n. a.	32
33	Miscellaneous manufacturing			4,844	4,461	5,017	5,530	5,520	5,937	5,953	6,860	n. a.	n. a.	33
34	Iron and steel and their products, including ordnance.	13,717	18,778											34
35	Nonferrous metals and their products	4,315	5,337											35
36	Miscellaneous manufacturing	2,894	3,305											36
37	Machinery, except electrical [1]	9,117	13,145	14,858	13,451	15,653	20,452	22,069	23,284	21,198	22,924	n. a.	n. a.	37
38	Electrical machinery [1]	5,488	8,214	8,703	8,095	10,457	12,223	14,815	16,724	15,805	17,251	n. a.	n. a.	38
39	Transportation equipment, except automobiles.	2,855	2,999	3,722	3,804	3,996	5,944	9,509	11,952	11,122	11,667	n. a.	n. a.	39
40	Automobiles and automobile equipment	6,595	11,483	13,519	14,776	18,500	19,426	19,762	24,753	20,213	26,963	n. a.	n. a.	40
41	**Wholesale and retail trade**	95,736	122,185	136,199	130,981	153,587	166,751	167,207	168,611	171,637	205,957	221,192	226,601	41
42	Wholesale trade	51,408	65,237	72,645	67,196	81,608	90,869	88,334	85,067	86,778	103,686	n. a.	n. a.	42
43	Retail trade and automobile services	44,328	56,948	63,554	63,785	71,979	75,882	78,873	83,544	84,859	102,271	n. a.	n. a.	43
44	**Transportation**	13,786	16,717	18,372	17,164	18,805	21,326	22,241	22,947	21,273	24,299	25,686	26,767	44
45	Railroads	8,612	9,567	10,626	9,342	10,209	11,234	11,536	11,608	10,178	11,125	n. a.	n. a.	45
46	Local and highway passenger transportation	1,556	1,579	1,585	1,596	1,503	1,617	1,633	1,775	1,529	1,629	n. a.	n. a	46
47	Highway freight transportation and warehousing.	1,542	1,999	2,451	2,677	3,407	3,856	4,193	4,664	4,697	5,902	n. a.	n. a.	47
48	Water transportation	921	2,073	2,019	1,830	1,678	2,186	2,173	2,158	1,844	2,217	n. a.	n. a.	48
49	Air transportation (common carriers)	516	662	781	835	956	1,184	1,354	1,402	1,568	1,774	n. a.	n. a.	49
50	Pipeline transportation	190	260	335	339	474	540	568	509	545	560	n. a.	n. a.	50
51	Services allied to transportation	449	577	575	545	587	709	784	831	912	1,092	n. a.	n. a.	51
52	**Communications and public utilities**	8,118	8,985	10,159	10,859	12,281	13,787	15,214	16,642	18,411	20,732	22,640	24,313	52
53	Telephone, telegraph, and related services	2,583	2,772	3,205	3,496	3,915	4,362	4,829	5,317	5,909	6,558	n. a.	n. a.	53
54	Radio broadcasting and television	343	383	412	442	544	696	780	845	1,001	1,364	n. a.	n. a.	54
55	Utilities: electric and gas	5,058	5,676	6,371	6,735	7,631	8,507	9,365	10,213	11,246	12,519	n. a.	n. a.	55
56	Local utilities and public services, n. e. c	134	154	171	186	191	222	240	267	255	291	n. a.	n. a.	56
57	**Services**	6,801	7,804	8,290	8,466	8,765	9,706	10,602	11,013	11,478	13,152	14,939	15,178	57
58	Hotels and other lodging places	1,233	1,341	1,409	1,383	1,373	1,461	1,503	1,609	1,639	1,795	n. a.	n. a.	58
59	Personal services	1,151	1,366	1,473	1,491	1,528	1,689	1,674	1,846	1,845	2,099	n. a.	n. a.	59
60	Business services, n. e. c	1,461	1,751	1,961	2,136	2,395	2,799	3,269	3,392	3,633	4,229	n. a.	n. a.	60
61	Miscellaneous repair services and hand trades.	130	213	246	266	297	408	424	486	466	573	n. a.	n. a.	61
62	Motion pictures	1,823	1,942	1,914	1,856	1,826	1,804	1,945	1,850	2,049	2,273	n. a.	n. a.	62
63	Amusement and recreation, except motion pictures.	574	609	643	652	627	663	777	783	839	943	n. a.	n. a.	63
64	Engineering and other professional services, n. e. c.	429	582	644	682	719	882	1,010	1,047	1,007	1,240	n. a.	n. a.	64

n. a.—Not available. n. e. c. Not elsewhere classified.

1. Owing to changes in the industrial classification of the underlying data, figures for 1948 and subsequent years in this and a number of other industries are not strictly comparable with those shown here for 1946 and 1947 or with the values for earlier years in the 1954 *National Income* supplement. Estimates for 1948 corporate sales comparable to those shown for 1947 are as follows: Lumber and furniture products, $7,228; Chemicals and allied products, $14,413; Products of petroleum and coal, $19,495; Metals, metal products, and miscellaneous, $30,998; Machinery, except electrical, $14,994; and Electrical machinery, $8,918.

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Table VI–18.—*Corporate Depreciation Charges, by Industry, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	4,267	5,280	6,340	7,223	7,904	9,129	10,423	12,029	13,694	15,928	17,890	20,005	1
2	**Agriculture, forestry, and fisheries**	32	40	49	60	65	75	85	89	95	113	119	125	2
3	Farms	30	38	47	57	62	72	82	85	91	107	n. a.	n. a.	3
4	Agricultural services, forestry, and fisheries	2	2	2	3	3	3	3	4	4	6	n. a.	n. a.	4
5	**Mining**	159	197	262	306	363	412	450	462	499	628	709	790	5
6	Metal mining	18	20	30	31	34	41	40	47	68	121	n. a.	n. a.	6
7	Anthracite mining	8	9	11	11	11	12	12	10	11	10	n. a.	n. a.	7
8	Bituminous and other soft coal mining	44	51	68	72	83	85	86	85	87	94	n. a.	n. a.	8
9	Crude petroleum and natural gas	72	94	122	155	193	228	257	260	265	316	n. a.	n. a.	9
10	Nonmetallic mining and quarrying	17	23	31	37	40	46	54	59	68	87	n. a.	n. a.	10
11	**Contract construction**	53	88	128	157	181	214	239	257	297	367	419	470	11
12	**Manufacturing**	1,946	2,376	2,818	3,172	3,444	3,998	4,710	5,629	6,510	7,499	8,372	9,300	12
13	Food and kindred products	223	276	331	376	407	454	486	501	548	622	n. a.	n. a.	13
14	Tobacco manufactures	7	8	10	11	12	13	14	15	17	20	n. a.	n. a.	14
15	Textile-mill products	102	122	147	170	186	206	218	238	255	285	n. a.	n. a.	15
16	Apparel and other finished fabric products	21	28	35	39	41	46	48	52	57	64	n. a.	n. a.	16
17	Lumber and furniture products [1]	63	87	101	112	123	147	162	170	180	212	n. a.	n. a.	17
18	Lumber and wood products, except furniture			78	86	93	113	124	130	133	160	n. a.	n. a.	18
19	Furniture and fixtures			23	26	30	34	38	40	47	52	n. a.	n. a.	19
20	Lumber and timber basic products	37	53											20
21	Furniture and finished lumber products	26	34											21
22	Paper and allied products	77	89	108	126	140	163	189	218	256	318	n. a.	n. a.	22
23	Printing, publishing, and allied industries	48	60	75	89	100	114	122	134	147	173	n. a.	n. a.	23
24	Chemicals and allied products [1]	180	222	274	324	361	421	536	654	770	899	n. a.	n. a.	24
25	Products of petroleum and coal [1]	373	422	464	525	545	615	690	801	985	1,155	n. a.	n. a.	25
26	Rubber products	36	48	54	58	59	66	74	87	99	117	n. a.	n. a.	26
27	Leather and leather products	13	17	20	21	22	24	25	26	26	29	n. a.	n. a.	27
28	Stone, clay, and glass products	58	72	92	104	118	138	166	204	224	264	n. a.	n. a.	28
29	Metals, metal products, and miscellaneous [1]	369	446	543	581	633	771	984	1,317	1,517	1,695	n. a.	n. a.	29
30	Primary metal industries			319	339	377	455	622	902	1,056	1,156	n. a.	n. a.	30
31	Fabricated metal products, including ordnance			131	142	153	186	216	248	275	315	n. a.	n. a.	31
32	Instruments			30	34	37	54	64	74	83	101	n. a.	n. a.	32
33	Miscellaneous manufacturing			63	66	66	76	82	93	103	123	n. a.	n. a.	33
34	Iron and steel and their products, including ordnance	281	334											34
35	Nonferrous metals and their products	54	66											35
36	Miscellaneous manufacturing	34	46											36
37	Machinery, except electrical [1]	143	186	224	257	286	337	401	462	535	620	n. a.	n. a.	37
38	Electrical machinery [1]	76	102	120	134	148	176	214	262	301	351	n. a.	n. a.	38
39	Transportation equipment, except automobiles	34	41	49	52	56	71	98	123	140	161	n. a.	n. a.	39
40	Automobiles and automobile equipment	120	150	173	190	208	236	280	366	453	514	n. a.	n. a.	40
41	**Wholesale and retail trade**	357	520	692	821	919	1,033	1,127	1,230	1,354	1,638	1,998	2,430	41
42	Wholesale trade	102	156	218	264	300	347	376	405	448	566	n. a.	n. a.	42
43	Retail trade and automobile services	255	364	474	557	619	686	752	825	906	1,073	n. a.	n. a.	43
44	**Finance, insurance, and real estate**	373	399	456	564	592	678	734	868	983	1,044	1,173	1,300	44
45	Banking	48	54	63	73	81	89	101	120	136	154	n. a.	n. a.	45
46	Security and commodity brokers, dealers and exchanges	1	2	2	2	2	2	3	3	4	4	n. a.	n. a.	46
47	Finance, n. e. c.	22	19	19	56	27	31	28	43	47	41	n. a.	n. a.	47
48	Insurance carriers	16	17	24	30	37	51	61	72	82	39	n. a.	n. a.	48
49	Insurance agents and combination offices	2	3	4	5	6	26	53	10	12	20	n. a.	n. a.	49
50	Real estate	284	304	345	398	441	479	488	620	702	788	n. a.	n. a.	50
51	**Transportation**	459	670	793	859	903	1,124	1,301	1,517	1,611	1,858	1,924	1,990	51
52	Railroads	207	327	367	381	402	540	684	793	832	959	n. a.	n. a.	52
53	Local and highway passenger transportation	86	102	119	130	116	125	126	133	116	136	n. a.	n. a.	53
54	Local railways and buslines	41	40	39	38	32	33	34	40	28	34	n. a.	n. a.	54
55	Highway passenger transportation, n. e. c.	45	62	80	92	84	92	92	93	88	102	n. a.	n. a.	55
56	Highway freight transportation and warehousing	55	80	104	124	147	184	198	222	249	311	n. a.	n. a.	56
57	Water transportation	34	51	70	86	86	99	101	113	116	129	n. a.	n. a.	57
58	Air transportation (common carriers)	44	68	82	83	84	90	98	139	168	174	n. a.	n. a.	58
59	Pipeline transportation	19	26	30	33	46	52	58	68	73	80	n. a.	n. a.	59
60	Services allied to transportation	14	16	21	23	22	34	36	49	57	70	n. a.	n. a.	60
61	**Communications and public utilities**	729	790	886	975	1,118	1,231	1,369	1,553	1,866	2,202	2,486	2,780	61
62	Telephone, telegraph, and related services	248	275	320	332	384	408	441	482	528	578	n. a.	n. a.	62
63	Radio broadcasting and television	6	8	12	19	22	25	28	32	46	63	n. a.	n. a.	63
64	Utilities: electric and gas	462	493	538	606	692	777	876	1,014	1,267	1,528	n. a.	n. a.	64
65	Local utilities and public services, n. e. c.	13	14	16	18	19	21	23	25	25	32	n. a.	n. a.	65
66	**Services**	159	200	252	310	319	365	409	425	479	577	690	820	66
67	Hotels and other lodging places	55	62	74	81	86	92	96	103	117	134	n. a.	n. a.	67
68	Personal services	24	33	43	50	53	60	63	70	69	81	n. a.	n. a.	68
69	Business services, n. e. c.	19	29	43	53	64	87	118	109	123	153	n. a.	n. a.	69
70	Miscellaneous repair services and hand trades	2	3	4	5	5	6	6	9	11	12	n. a.	n. a.	70
71	Motion pictures	35	40	50	77	66	72	75	79	94	118	n. a.	n. a.	71
72	Amusement and recreation, except motion pictures	15	21	26	30	30	31	33	35	45	55	n. a.	n. a.	72
73	Engineering and other professional services, n. e. c.	8	12	12	14	15	17	17	19	20	25	n. a.	n. a.	73

n. a.—Not available. n. e. c.—Not elsewhere classified.

1. Estimates for 1948 and subsequent years are not strictly comparable with those for earlier years. See table VI-17, footnote 1.

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Table VI–19.—*Noncorporate Depreciation Charges, by Industry Division, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**All industries, total**	**4,774**	**5,782**	**6,761**	**7,868**	**8,596**	**9,624**	**10,449**	**11,037**	**11,508**	**12,015**	**12,865**	**13,699**	1
2	Agriculture, forestry, and fisheries	1,043	1,369	1,797	2,200	2,472	2,868	3,115	3,223	3,245	3,302	3,433	3,551	2
3	Farms [1]	1,028	1,351	1,774	2,170	2,438	2,827	3,071	3,174	3,201	3,263	3,394	3,511	3
4	Agricultural services, forestry, and fisheries	15	18	23	30	34	41	44	49	44	39	39	40	4
5	Mining	70	91	97	113	115	127	129	134	141	171	207	250	5
6	Contract construction	104	165	214	269	314	359	402	433	461	538	608	650	6
7	Manufacturing	182	220	243	288	299	338	350	364	347	385	384	385	7
8	Wholesale and retail trade	563	789	920	1,146	1,230	1,343	1,521	1,623	1,530	1,476	1,599	1,730	8
9	Wholesale trade	109	153	242	201	232	298	293	309	276	313	355	n. a.	9
10	Retail trade and automobile services	454	636	678	945	998	1,045	1,228	1,314	1,254	1,163	1,244	n. a.	10
11	Finance, insurance, and real estate	2,158	2,243	2,429	2,629	2,880	3,181	3,408	3,683	3,993	4,377	4,760	5,138	11
12	Real estate	2,129	2,218	2,396	2,584	2,828	3,117	3,337	3,605	3,911	4,276	4,639	4,997	12
13	Other	29	25	33	45	52	64	71	78	82	101	121	141	13
14	Transportation, communications, and public utilities	141	220	230	261	262	285	286	291	284	313	339	375	14
15	Services	513	685	831	962	1,024	1,123	1,238	1,286	1,507	1,453	1,535	1,620	15
16	Nonprofit institutions	209	217	226	250	279	312	372	408	429	450	475	500	16
17	Other	304	468	605	712	745	811	866	878	1,078	1,003	1,060	1,120	17

n. a. Not available.
1. See footnote 3 to table V–9.

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*Figures in parentheses refer to corresponding tables in the 1954 *National Income* supplement.

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Table VII–1.—*Gross National Product: Receipts and Expenditures by Major Economic Groups, 1946–50*

[Billions of dollars]

Line		1946			1947			1948			1949			1950		
		Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)
	Persons:															
1	Disposable personal income	160.6			170.1			189.3			189.7			207.7		
2	Personal consumption expenditures		147.1			165.4			178.3			181.2			195.0	
3	Personal saving			13.5			4.7			11.0			8.5			12.6
	Business:															
4	Gross retained earnings [1]	13.1			18.9			26.6			27.6			27.7		
5	Gross private domestic investment		28.1			31.5			43.1			33.0			50.0	
6	Excess of investment (−)			−15.1			−12.6			−16.5			−5.4			−22.3
	Government:															
7	Tax and nontax receipts or accruals.	51.1			57.1			59.2			56.4			69.3		
8	Less: Transfers, etc.[2]	16.5			15.4			16.5			19.4			22.1		
9	Net receipts	34.6			41.6			42.8			37.0			47.2		
10	Purchases of goods and services		30.5			28.4			34.5			40.2			39.0	
11	Surplus or deficit (−) on income and product account.			4.1			13.3			8.2			−3.1			8.2
	Foreign:															
12	Net transfer payments by Government.	.3			.1			1.6			3.2			2.8		
13	Net exports		4.9			9.0			3.5			3.8			.6	
14	Net foreign investment			−4.6			−8.9			−1.9			−.5			2.2
15	**Statistical discrepancy**	**2.1**		**2.1**	**3.5**		**3.5**	**−.8**		**−.8**	**.5**		**.5**	**−.7**		**−.7**
16	**Gross national product**	**210.7**	**210.7**		**234.3**	**234.3**		**259.4**	**259.4**		**258.1**	**258.1**		**284.6**	**284.6**	

1. Includes undistributed corporate profits, corporate inventory valuation adjustment, capital consumption allowances, and excess of wage accruals over disbursements.

2. Includes government transfer payments to persons, net foreign transfer payments, net interest paid by government, and subsidies minus current surplus of government enterprises.

Table VII–2.—*Implicit Price Deflators for Gross National Product or Expenditure, 1929–40*

[Index numbers, 1954=100]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Gross national product**	**57.4**	**55.4**	**49.9**	**44.9**	**44.2**	**46.9**	**47.4**	**47.7**	**49.5**	**48.7**	**48.1**	**48.9**
2	**Personal consumption expenditures**	**61.6**	**59.0**	**52.6**	**46.5**	**44.8**	**47.6**	**48.6**	**49.1**	**50.9**	**49.8**	**49.2**	**49.7**
3	Durable goods	62.0	60.5	53.5	47.0	46.1	48.8	47.9	47.9	50.3	50.8	50.2	50.7
4	Nondurable goods	57.7	54.8	46.9	40.0	40.3	45.3	47.2	47.4	49.1	46.7	45.8	46.4
5	Services	66.8	64.2	60.3	55.3	50.7	50.7	50.9	51.9	53.8	54.5	54.5	54.8
6	**Gross private domestic investment**												
7	New construction	41.7	40.0	36.5	31.1	31.2	33.3	34.1	34.8	39.0	39.1	39.0	40.1
8	Residential nonfarm	41.8	40.8	37.1	30.1	29.8	33.1	32.6	34.3	37.8	39.2	39.5	40.9
9	Other	41.6	39.7	36.2	31.7	31.9	33.4	35.4	35.2	39.9	39.1	38.4	39.1
10	Producers' durable equipment	52.5	50.5	47.9	45.5	43.1	45.9	45.6	45.4	48.7	50.2	49.4	50.6
11	Change in business inventories												
12	**Net exports of goods and services**												
13	Exports	63.1	55.0	43.2	36.2	35.2	43.0	44.7	46.0	48.9	46.5	46.9	51.2
14	Imports	57.3	48.9	39.7	32.3	29.3	33.8	36.0	36.9	41.1	38.0	38.6	40.9
15	**Government purchases of goods and services**	**45.8**	**44.9**	**42.7**	**39.4**	**40.3**	**42.9**	**43.4**	**44.0**	**45.1**	**44.5**	**44.2**	**45.2**
16	Federal	44.5	41.8	41.7	38.2	38.3	43.2	43.7	46.9	47.3	46.1	46.8	47.0
17	State and local	46.1	45.5	43.0	39.7	41.1	42.8	43.3	42.2	43.8	43.4	42.7	43.9

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Table VII–1.—*Gross National Product: Receipts and Expenditures by Major Economic Groups, 1951–57*

[Billions of dollars]

1951			1952			1953			1954			1955			1956			1957			Line
Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)	Receipts	Expenditures	Excess of receipts or expenditures (−)	
227.5			238.7			252.5			256.9			274.4			290.5			305.1			1
	209.8			219.8			232.6			238.0			256.9			269.4			284.4		2
		17.7			18.9			19.8			18.9			17.5			21.1			20.7	3
31.5			33.2			34.3			35.5			42.1			43.2			45.6			4
	56.3			49.9			50.3			48.9			63.8			68.2			65.3		5
		−24.8			−16.6			−16.0			−13.4			−21.8			−25.0			−19.7	6
85.5			90.6			94.9			90.0			101.4			110.4			116.2			7
18.9			18.4			19.2			21.5			23.0			25.3			28.8			8
66.6			72.2			75.7			68.5			78.4			85.1			87.4			9
	60.5			76.0			82.8			75.3			75.6			78.8			85.7		10
		6.1			−3.9			−7.1			−6.7			2.9			6.3			1.7	11
2.1			1.5			1.6			1.4			1.5			1.4			1.5			12
	2.4			1.3			−.4			1.0			1.1			2.8			4.9		13
		−.2			.2			2.0			.4			.4			−1.4			−3.5	14
1.2		**1.2**	**1.4**		**1.4**	**1.3**		**1.3**	**.9**		**.9**	**1.0**		**1.0**	**−.9**		**−.9**	**.7**		**.7**	15
329.0	**329.0**		**347.0**	**347.0**		**365.4**	**365.4**		**363.1**	**363.1**		**397.5**	**397.5**		**419.2**	**419.2**		**440.3**	**440.3**		16

Table VII–2.—*Implicit Price Deflators for Gross National Product or Expenditure, 1941–57*

[Index numbers, 1954=100]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
52.9	**59.6**	**64.9**	**66.5**	**68.0**	**74.6**	**83.0**	**88.5**	**88.2**	**89.5**	**96.2**	**98.1**	**99.0**	**100.0**	**101.2**	**104.2**	**108.2**	1
53.1	**59.5**	**65.0**	**68.6**	**71.0**	**76.5**	**84.6**	**89.5**	**88.7**	**89.9**	**96.0**	**98.0**	**99.0**	**100.0**	**100.4**	**102.2**	**105.2**	2
54.8	64.2	70.3	78.7	82.8	82.0	88.4	92.4	93.5	94.6	101.1	102.2	99.4	100.0	100.1	101.3	104.7	3
50.5	58.8	65.8	69.5	72.2	78.8	88.7	94.0	90.9	91.4	99.0	100.1	99.7	100.0	99.5	100.9	104.0	4
56.8	59.8	62.8	65.5	67.1	71.1	76.8	81.7	83.6	85.9	89.8	93.6	97.7	100.0	101.7	104.2	107.1	5
																	6
43.4	47.6	53.0	56.3	57.8	63.7	76.6	85.9	84.3	88.3	95.3	98.4	100.1	100.0	103.1	109.0	112.9	7
44.6	47.7	51.4	56.2	60.0	65.3	78.4	88.6	85.9	90.9	97.5	100.3	101.3	100.0	103.0	108.1	110.1	8
42.2	47.6	54.0	56.3	56.9	62.6	74.8	83.1	82.6	85.1	93.1	96.5	98.9	100.0	103.2	109.8	115.5	9
54.0	58.5	58.4	59.3	60.0	66.7	76.8	83.1	87.0	89.0	96.8	97.5	99.0	100.0	102.6	109.0	115.8	10
																	11
																	12
56.1	64.9	68.1	73.3	75.3	80.8	93.4	98.6	92.7	90.3	103.3	103.0	101.0	100.0	100.7	103.4	106.7	13
43.0	48.9	51.3	53.3	57.4	65.5	79.7	86.3	82.0	87.8	102.8	102.8	98.2	100.0	99.9	101.9	102.8	14
51.9	**59.6**	**64.3**	**63.4**	**63.2**	**69.4**	**76.4**	**82.0**	**85.1**	**86.5**	**95.5**	**97.8**	**98.3**	**100.0**	**103.3**	**108.1**	**114.2**	15
55.1	61.4	65.6	64.3	63.9	73.0	80.8	84.4	88.0	89.6	98.7	99.2	98.6	100.0	104.1	108.8	115.6	16
46.2	49.8	52.7	54.6	57.4	63.0	71.5	79.3	81.7	83.7	90.2	94.8	97.5	100.0	102.2	107.2	112.4	17

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Table VII–3.—*Implicit Price Deflators for Seasonally Adjusted Quarterly Gross National Product or Expenditure, 1947–48*

[Index numbers, 1954=100]

Line		1947					1948				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	81.2	82.0	83.3	85.3	83.0	87.1	87.9	89.3	89.5	88.5
2	**Personal consumption expenditures**	82.8	83.6	84.9	86.9	84.6	88.2	89.2	90.4	90.2	89.5
3	Durable goods	87.7	87.9	88.6	89.4	88.4	90.1	91.0	93.6	94.9	92.4
4	Nondurable goods	86.6	87.4	89.0	91.8	88.7	93.1	94.1	94.9	93.8	94.0
5	Services	75.2	76.0	77.3	78.5	76.8	79.9	81.2	82.4	83.1	81.7
6	**Gross private domestic investment**										
7	New construction	72.0	73.2	77.6	80.3	76.6	83.3	85.4	87.3	87.3	85.9
8	Residential nonfarm	72.9	77.0	79.2	82.8	78.4	85.4	87.9	90.4	90.9	88.6
9	Other	71.2	74.2	76.1	77.6	74.8	81.2	82.7	84.2	84.0	83.1
10	Producers' durable equipment	74.9	76.2	77.5	78.6	76.8	80.1	81.1	84.7	86.6	83.1
11	Change in business inventories										
12	**Net exports of goods and services**										
13	**Government purchases of goods and services**	75.7	75.8	75.9	78.1	76.4	79.7	80.7	82.8	84.7	82.0
14	Federal	81.1	80.9	79.5	81.9	80.8	83.1	83.4	84.6	86.5	84.4
15	State and local	69.9	69.3	72.3	74.6	71.5	76.3	77.6	80.7	82.4	79.3

Table VII–3.—*Implicit Price Deflators for Seasonally Adjusted Quarterly Gross National Product or Expenditure, 1953–54*

[Index numbers, 1954=100]

Line		1953					1954				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Gross national product**	98.8	98.8	99.2	99.2	99.0	99.9	99.8	100.0	100.2	100.0
2	**Personal consumption expenditures**	98.7	98.7	99.2	99.2	99.0	100.1	100.0	99.9	100.0	100.0
3	Durable goods	100.5	99.8	99.8	97.4	99.4	100.1	100.1	99.7	100.1	100.0
4	Nondurable goods	100.0	99.5	99.7	99.7	99.7	100.5	100.2	99.8	99.6	100.0
5	Services	96.2	97.2	98.3	99.3	97.7	99.6	99.8	100.1	100.5	100.0
6	**Gross private domestic investment**										
7	New construction	99.1	100.6	100.4	100.2	100.1	99.7	99.9	100.0	100.3	100.0
8	Residential nonfarm	100.7	101.3	101.8	101.3	101.3	100.5	99.3	99.9	100.3	100.0
9	Other	97.6	99.8	99.1	99.1	98.9	99.0	100.6	100.1	100.3	100.0
10	Producers' durable equipment	97.8	99.3	100.1	99.0	99.0	99.8	100.0	100.1	100.1	100.0
11	Change in business inventories										
12	**Net exports of goods and services**										
13	**Government purchases of goods and services**	98.6	97.9	97.9	98.4	98.3	99.1	98.9	100.6	101.2	100.0
14	Federal	99.3	98.3	98.2	98.7	98.6	99.5	98.7	100.8	101.1	100.0
15	State and local	97.2	97.0	97.5	98.1	97.5	98.5	99.5	100.5	101.4	100.0

Table VII–4.—*Implicit Price Deflators for Gross National Product by Major Type of Product, 1929–40*

[Index numbers, 1954=100]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Gross national product**	57.4	55.4	49.9	44.9	44.2	46.9	47.4	47.7	49.5	48.7	48.1	48.9
2	Goods output	59.0	56.4	48.1	41.6	42.5	47.4	48.4	48.6	50.3	48.4	47.9	48.9
3	Durable goods output	58.9	57.9	53.1	49.7	48.0	49.3	48.8	48.2	50.6	52.1	51.3	52.3
4	Nondurable goods output	59.0	56.0	47.0	40.6	41.4	46.9	48.3	48.8	50.2	47.4	46.7	47.5
5	Services	61.3	58.9	55.8	51.7	47.8	48.0	48.1	49.0	50.6	51.2	51.0	51.3
6	Construction	42.9	41.6	37.9	31.8	33.6	36.2	35.9	36.6	39.9	39.7	39.2	40.4

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Table VII–3.—*Implicit Price Deflators for Seasonally Adjusted Quarterly Gross National Product or Expenditure, 1949–52*

[Index numbers, 1954=100]

1949					1950					1951					1952					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
89.1	**88.3**	**87.6**	**87.7**	**88.2**	**87.8**	**87.9**	**90.1**	**91.8**	**89.5**	**95.1**	**96.0**	**96.4**	**97.5**	**96.2**	**97.6**	**97.7**	**98.4**	**99.0**	**98.1**	1
89.5	**88.9**	**88.1**	**88.1**	**88.7**	**88.1**	**88.7**	**90.6**	**92.2**	**89.9**	**95.2**	**95.8**	**96.0**	**97.1**	**96.0**	**97.5**	**97.8**	**98.1**	**98.7**	**98.0**	2
94.6	94.3	92.7	92.5	93.5	92.5	93.5	95.0	96.9	94.6	100.0	100.7	101.5	102.3	101.1	102.7	102.6	101.9	101.7	102.2	3
92.4	91.2	90.2	89.7	90.9	89.2	89.7	92.3	94.3	91.4	98.4	99.1	98.8	100.0	99.0	100.1	99.8	100.1	100.5	100.1	4
83.5	83.5	83.4	84.0	83.6	84.8	85.2	86.1	87.3	85.9	88.4	89.4	90.1	91.1	89.8	92.2	93.1	94.0	95.0	93.6	5
																				6
86.5	85.0	82.5	83.3	84.3	85.4	86.7	90.4	90.5	88.3	93.2	95.4	95.7	97.0	95.3	98.0	98.5	98.6	98.4	98.4	7
89.2	86.7	83.5	84.9	85.9	87.0	89.5	92.9	93.5	90.9	95.5	97.2	97.9	99.7	97.5	100.4	100.3	100.5	100.1	100.3	8
84.1	83.5	81.4	81.4	82.6	83.4	83.0	86.9	86.8	85.1	90.5	93.6	93.8	94.5	93.1	95.8	96.8	96.8	96.6	96.5	9
87.2	87.6	86.8	86.3	87.0	86.3	87.1	89.3	92.6	89.0	96.2	96.9	96.9	97.1	96.8	97.5	97.9	97.2	97.4	97.5	10
																				11
																				12
85.2	**84.2**	**84.8**	**86.3**	**85.1**	**85.9**	**84.0**	**86.4**	**89.1**	**86.5**	**94.3**	**94.5**	**96.0**	**97.2**	**95.5**	**96.8**	**96.6**	**98.2**	**99.3**	**97.8**	13
87.7	86.5	87.2	90.7	88.0	90.5	86.2	89.1	91.9	89.6	99.3	97.3	98.6	99.5	98.7	98.8	97.8	99.5	100.8	99.2	14
82.1	81.3	81.9	81.5	81.7	81.9	82.2	84.0	86.2	83.7	88.1	89.7	90.9	92.1	90.2	93.1	94.3	95.8	96.1	94.8	15

Table VII–3.—*Implicit Price Deflators for Seasonally Adjusted Quarterly Gross National Product or Expenditure, 1955–57*

[Index numbers, 1954=100]

1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
100.5	**100.9**	**101.5**	**101.9**	**101.2**	**102.8**	**103.6**	**104.8**	**105.7**	**104.2**	**107.0**	**107.8**	**108.9**	**109.4**	**108.2**	1
100.3	**100.2**	**100.4**	**100.6**	**100.4**	**101.0**	**101.7**	**102.7**	**103.3**	**102.2**	**104.2**	**104.9**	**105.7**	**106.2**	**105.2**	2
101.0	100.1	99.8	99.6	100.1	99.7	100.6	101.9	103.0	101.3	103.8	104.7	105.0	105.3	104.7	3
99.6	99.5	99.5	99.4	99.5	99.7	100.4	101.5	102.0	100.9	103.0	103.6	104.5	104.8	104.0	4
100.8	101.3	101.8	102.6	101.7	103.2	103.8	104.6	105.2	104.2	106.1	106.6	107.4	108.4	107.1	5
															6
101.1	102.7	103.6	105.0	103.1	106.1	109.4	109.8	110.6	109.0	110.6	113.2	113.9	114.2	112.9	7
101.1	102.4	103.8	104.9	103.0	106.0	108.2	109.0	109.2	108.1	109.1	110.0	110.9	110.7	110.1	8
101.1	103.0	103.5	105.1	103.2	106.3	110.5	110.5	112.0	109.8	111.9	115.9	116.5	117.5	115.5	9
101.1	101.8	102.7	104.4	102.6	106.0	108.1	109.6	112.2	109.0	114.2	115.3	116.3	117.4	115.8	10
															11
															12
101.5	**102.4**	**104.4**	**104.9**	**103.3**	**106.4**	**106.6**	**108.7**	**110.4**	**108.1**	**112.2**	**113.4**	**115.4**	**115.8**	**114.2**	13
101.9	103.1	105.7	105.8	104.1	107.7	107.0	109.1	111.2	108.8	113.1	114.4	117.4	117.4	115.6	14
101.1	101.4	102.7	103.7	102.2	104.7	106.2	108.2	109.4	107.2	110.9	111.9	112.8	113.8	112.4	15

Table VII–4.—*Implicit Price Deflators for Gross National Product by Major Type of Product, 1941–57*

[Index numbers, 1954=100]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
52.9	**59.6**	**64.9**	**66.5**	**68.0**	**74.6**	**83.0**	**88.5**	**88.2**	**89.5**	**96.2**	**98.1**	**99.0**	**100.0**	**101.2**	**104.2**	**108.2**	1
55.0	64.4	70.7	71.1	71.4	78.4	88.0	93.6	92.0	92.1	100.1	100.7	99.6	100.0	100.1	102.5	106.6	2
60.2	71.6	74.1	70.8	67.9	74.9	85.0	89.9	92.3	93.0	99.8	100.7	98.8	100.0	101.5	105.5	110.4	3
52.3	60.6	68.2	71.3	73.6	80.1	89.6	95.4	91.8	91.6	100.2	100.7	100.1	100.0	99.3	100.5	104.2	4
52.2	54.8	57.0	60.1	63.8	70.3	75.8	80.4	83.0	85.5	90.1	93.7	97.6	100.0	102.5	105.6	109.2	5
43.9	50.7	56.0	55.7	57.6	64.3	76.9	86.2	85.0	88.1	95.2	98.8	100.4	100.0	102.9	108.9	113.1	6

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Table VII–5.—*Gross National Product by Major Type of Product and Purchaser, 1929 and 1947–57*

[Billions of dollars]

Line		1929	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Gross national product**	104.4	234.3	259.4	258.1	284.6	329.0	347.0	365.4	363.1	397.5	419.2	440.3	1
2	**Durable goods**	18.1	47.4	49.8	47.9	60.7	74.4	75.6	79.8	71.6	84.3	89.1	91.7	2
3	Personal consumption expenditures	9.2	20.6	22.7	24.6	30.4	29.5	29.1	32.9	32.4	39.6	38.4	39.9	3
4	Producers' durable equipment	5.8	16.7	18.9	17.2	18.9	21.3	21.3	22.3	20.8	23.1	27.0	27.9	4
5	Government purchases	.4	3.1	4.0	5.1	5.5	13.7	21.3	21.1	17.7	15.1	16.3	18.3	5
6	Net exports	1.3	5.7	3.2	3.0	2.0	3.0	2.8	2.6	3.2	3.4	4.1	4.9	6
7	Change in business inventories	1.4	1.4	.9	−2.1	4.0	6.9	1.2	.9	−2.5	3.0	3.3	.8	7
8	**Nondurable goods**	38.1	96.4	107.2	101.5	102.9	117.4	122.6	127.0	125.9	132.9	137.8	142.9	8
9	Personal consumption expenditures	37.7	93.4	98.7	96.6	99.8	110.1	115.1	118.0	119.3	124.8	131.4	138.0	9
10	Government purchases	.6	2.2	4.5	5.4	1.9	4.8	6.4	11.1	6.6	6.4	4.3	4.0	10
11	Net exports	−.4	2.6	.2	.5	−1.7	−.9	−.8	−1.5	−.9	−1.0	.0	.8	11
12	Change in business inventories	.3	−1.8	3.8	−1.0	2.8	3.3	1.9	−.5	.9	2.7	2.1	.2	12
13	**Services**	37.0	71.8	78.1	83.5	89.8	102.9	112.3	119.5	124.1	133.4	143.6	154.8	13
14	Personal consumption expenditures	32.1	51.4	56.9	60.0	64.9	70.2	75.6	81.8	86.3	92.5	99.6	106.5	14
15	Government purchases	5.0	19.6	21.2	23.3	24.6	32.5	37.4	39.2	39.0	42.1	45.3	49.1	15
16	Net exports	−.1	.8	.0	.3	.3	.3	−.7	−1.5	−1.3	−1.3	−1.4	−.8	16
17	**Construction**	11.2	18.7	24.3	25.2	31.2	34.2	36.4	39.0	41.6	46.9	48.7	50.8	17
18	Private construction	8.7	15.3	19.5	18.8	24.2	24.8	25.5	27.6	29.7	34.9	35.7	36.5	18
19	Government construction	2.5	3.4	4.8	6.4	7.0	9.4	10.9	11.4	11.9	12.0	13.0	14.4	19

Table VII–6.—*Gross National Product by Major Type of Product and Purchaser, in Constant Dollars, 1929 and 1947–57*

[Billions of 1954 dollars]

Line		1929	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Gross national product**	181.8	282.3	293.1	292.7	318.1	341.8	353.5	369.0	363.1	392.7	402.2	407.0	1
2	**Durable goods**	30.8	55.8	55.4	51.9	65.3	74.6	75.1	80.8	71.6	83.1	84.4	83.1	2
3	Personal consumption expenditures	14.9	23.3	24.6	26.3	32.1	29.2	28.5	33.1	32.4	39.6	37.9	38.1	3
4	Producers' durable equipment	11.1	21.7	22.8	19.8	21.3	22.0	21.8	22.5	20.8	22.5	24.8	24.1	4
5	Government purchases	.7	3.6	4.4	5.3	5.6	13.3	20.9	21.8	17.7	14.7	15.0	15.9	5
6	Net exports	1.5	5.7	2.8	2.8	2.1	3.0	2.7	2.4	3.2	3.4	3.8	4.3	6
7	Change in business inventories	2.6	1.5	.8	−2.4	4.3	7.1	1.2	1.0	−2.5	3.0	3.0	.7	7
8	**Nondurable goods**	64.7	107.5	112.3	110.5	112.3	117.1	121.8	126.9	125.9	133.8	137.1	137.2	8
9	Personal consumption expenditures	65.3	105.3	105.1	106.3	109.2	111.2	115.0	118.3	119.3	125.4	130.2	132.7	9
10	Government purchases	1.1	2.3	4.8	6.0	2.4	3.9	6.2	10.8	6.6	6.4	4.4	3.4	10
11	Net exports	−2.1	1.5	−1.0	−.6	−2.2	−.6	−.9	−1.8	−.9	−1.1	−.2	.3	11
12	Change in business inventories	.4	−1.6	3.5	−1.2	2.9	2.6	1.5	−.5	.9	3.1	2.6	.8	12
13	**Services**	60.3	94.7	97.2	100.7	105.0	114.2	119.8	122.5	124.1	130.2	136.0	141.8	13
14	Personal consumption expenditures	48.0	67.0	69.6	71.7	75.5	78.2	80.8	83.7	86.3	91.0	95.6	99.4	14
15	Government purchases	11.5	26.9	27.4	28.5	29.1	36.2	39.7	40.4	39.0	40.4	41.6	43.1	15
16	Net exports	.8	.8	.2	.4	.4	−.2	−.6	−1.6	−1.3	−1.3	−1.2	−.8	16
17	**Construction**	26.1	24.3	28.2	29.7	35.4	36.0	36.9	38.8	41.6	45.6	44.8	45.0	17
18	Private construction	20.9	19.9	22.7	22.3	27.4	26.0	26.0	27.6	29.7	33.9	32.8	32.3	18
19	Government construction	5.2	4.4	5.5	7.3	8.0	9.9	10.9	11.2	11.9	11.7	12.0	12.6	19

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Table VII–7.—*Implicit Price Deflators for Gross National Product by Major Type of Product and Purchaser, 1929 and 1947–57*

[Index numbers, 1954=100]

Line		1929	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Gross national product**	57.4	83.0	88.5	88.2	89.5	96.2	98.1	99.0	100.0	101.2	104.2	108.2	1
2	**Durable goods**	58.9	85.0	89.9	92.3	93.0	99.8	100.7	98.8	100.0	101.5	105.5	110.4	2
3	Personal consumption expenditures	62.0	88.4	92.4	93.5	94.6	101.1	102.2	99.4	100.0	100.1	101.3	104.7	3
4	Producers' durable equipment	52.5	76.8	83.1	87.0	89.0	96.8	97.5	99.0	100.0	102.6	109.0	115.8	4
5	Government purchases	53.8	86.4	90.4	95.2	98.0	103.1	101.7	96.9	100.0	102.8	108.6	114.9	5
6	**Nondurable goods**	59.0	89.6	95.4	91.8	91.6	100.2	100.7	100.1	100.0	99.3	100.5	104.2	6
7	Personal consumption expenditures	57.7	88.7	94.0	90.9	91.4	99.0	100.1	99.7	100.0	99.5	100.9	104.0	7
8	Government purchases	56.5	96.4	94.2	90.2	80.4	123.8	103.7	102.0	100.0	100.8	96.1	117.2	8
9	**Services**	61.3	75.8	80.4	83.0	85.5	90.1	93.7	97.6	100.0	102.5	105.6	109.2	9
10	Personal consumption expenditures	66.8	76.8	81.7	83.6	85.9	89.8	93.6	97.7	100.0	101.7	104.2	107.1	10
11	Government purchases	43.6	73.0	77.5	81.6	84.6	89.7	94.3	97.2	100.0	104.2	109.0	113.9	11
12	**Construction**	42.9	76.9	86.2	85.0	88.1	95.2	98.8	100.4	100.0	102.9	108.9	113.1	12
13	Private construction	41.7	76.6	85.9	84.3	88.3	95.3	98.4	100.1	100.0	103.1	109.0	112.9	13
14	Government construction	47.6	78.4	87.6	87.2	87.3	95.0	99.7	101.3	100.0	102.3	108.7	113.5	14

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Table VII–8.—*Implicit Price Deflators for Gross National Product by Legal Form of Organization, 1929–40*

[Index numbers, 1954=100]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Gross national product**	**57.4**	**55.4**	**49.9**	**44.9**	**44.2**	**46.9**	**47.4**	**47.7**	**49.5**	**48.7**	**48.1**	**48.9**
2	Business	59.4	57.4	51.4	46.4	45.8	48.8	49.2	49.2	50.9	50.0	49.3	50.1
3	General government	42.0	42.0	42.4	41.3	40.7	41.8	41.7	43.5	43.9	44.7	44.2	44.0
4	Households and institutions	43.0	41.0	36.9	32.4	29.7	30.3	31.2	33.1	35.6	34.9	35.5	36.4
5	Rest of the world												

Table VII–9.—*Income and Gross Product Originating in Farming, 1929–40*

[Millions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Total value of farm output**	**13,670**	**11,120**	**8,702**	**6,434**	**6,660**	**6,699**	**9,548**	**9,237**	**11,372**	**9,694**	**9,719**	**10,466**
2	Cash receipts from farm marketings and CCC loans	11,299	9,050	6,369	4,735	5,308	6,314	7,074	8,356	8,819	7,703	7,819	8,332
3	Farm products consumed directly in farm households	1,704	1,540	1,255	1,010	1,024	1,090	1,317	1,373	1,394	1,266	1,224	1,239
4	Net change in farm inventories	−162	−300	324	34	−259	−1,320	536	−1,112	523	103	56	270
5	Gross rental value of farm homes	829	830	754	655	587	615	621	620	636	622	620	625
6	Less: Value of intermediate products consumed, total	3,824	3,323	2,429	1,913	2,032	2,325	2,596	2,971	3,265	2,939	3,206	3,621
7	Intermediate products consumed, other than rents	2,912	2,583	1,924	1,532	1,594	1,821	2,008	2,302	2,618	2,367	2,608	3,013
8	Gross rents paid to nonfarm landlords (excluding operating expenses)	912	740	505	381	438	504	588	669	647	572	598	608
9	Plus: Other items	−29	−64	−81	−73	−40	−43	−8	−3	−18	−29	−15	−2
10	**Equals: Farm gross product**	**9,817**	**7,733**	**6,192**	**4,448**	**4,588**	**4,331**	**6,944**	**6,263**	**8,089**	**6,726**	**6,498**	**6,843**
11	Less: Capital consumption allowances	1,209	1,170	998	846	760	784	827	883	974	996	1,025	1,025
12	Depreciation charges [1]	1,148	1,109	944	799	718	741	781	835	925	945	975	976
13	Capital outlays charged to current expense	61	61	54	47	42	43	46	48	49	51	50	49
14	Indirect business taxes	525	519	467	403	351	341	347	356	369	366	373	372
15	Plus: Government payments to farm landlords	0	0	0	0	113	397	498	242	283	377	661	627
16	**Equals: National income originating in farming**	**8,083**	**6,044**	**4,727**	**3,199**	**3,590**	**3,603**	**6,268**	**5,266**	**7,029**	**5,741**	**5,761**	**6,073**

1. See footnote 3 to table V–9.

Table VII–10.—*Farm Gross Product, in Constant Dollars, 1929–40*

[Millions of 1954 dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Total value of farm output**	**22,793**	**21,385**	**23,792**	**22,638**	**22,324**	**18,925**	**21,909**	**20,290**	**23,777**	**24,340**	**24,964**	**25,211**
2	Cash receipts from farm marketings and CCC loans	19,189	17,960	18,080	17,895	18,841	18,043	16,341	18,433	18,159	19,977	20,572	20,635
3	Farm products consumed directly in farm households	2,614	2,595	2,738	2,843	2,986	2,784	2,676	2,687	2,641	2,790	2,852	2,762
4	Net change in farm inventories	−257	−418	1,742	694	−684	−3,071	1,736	−1,980	1,827	417	372	635
5	Gross rental value of farm homes	1,247	1,248	1,232	1,206	1,181	1,169	1,156	1,150	1,150	1,156	1,168	1,179
6	Less: Value of intermediate products consumed, total	6,265	6,184	5,932	5,808	5,833	5,254	5,388	6,175	6,097	6,466	7,152	7,738
7	Intermediate products consumed, other than rents	4,511	4,397	4,075	3,903	4,135	3,935	3,985	4,593	4,712	4,727	5,306	6,011
8	Gross rents paid to nonfarm landlords (excluding operating expenses)	1,754	1,787	1,857	1,905	1,698	1,319	1,403	1,582	1,385	1,739	1,846	1,727
9	Plus: Other items	−49	−125	−231	−271	−142	−134	−19	−7	−39	−77	−41	−5
10	**Equals: Farm gross product**	**16,479**	**15,076**	**17,629**	**16,559**	**16,349**	**13,537**	**16,502**	**14,108**	**17,641**	**17,797**	**17,771**	**17,468**

Table VII–11.—*Implicit Price Deflators for Farm Gross Product, 1929–40*

[Index numbers, 1954=100]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940
1	**Total value of farm output**	**60.0**	**52.0**	**36.6**	**28.4**	**29.8**	**35.4**	**43.6**	**45.5**	**47.8**	**39.8**	**38.9**	**41.5**
2	Cash receipts from farm marketings and CCC loans	58.9	50.4	35.2	26.5	28.2	35.0	43.3	45.3	48 6	38.6	38.0	40.4
3	Farm products consumed directly in farm households	65.2	59.3	45.8	35.5	34.3	39.2	49.2	51.1	52.8	45.4	42.9	44.9
4	Net change in farm inventories												
5	Gross rental value of farm homes	66.5	66.5	61.2	54.3	49.7	52.6	53.7	53.9	55.3	53.8	53.1	53.0
6	Less: Value of intermediate products consumed, total	61.0	53.7	40.9	32.9	34.8	44.3	48.2	48.1	53.6	45.5	44.8	46.8
7	Intermediate products consumed, other than rents	64.6	58.7	47.2	39.3	38.5	46.3	50.4	50.1	55.6	50.1	49.2	50.1
8	Gross rents paid to nonfarm landlords (excluding operating expenses)	52.0	41.4	27.2	20.0	25.8	38.2	41.9	42.3	46.7	32.9	32.4	35.2
9	Plus: Other items	59.6	51.3	35.1	26.9	28.1	32.0	42.1	44.4	45.9	37.8	36.6	39.2
10	**Equals: Farm gross product**	**59.6**	**51.3**	**35.1**	**26.9**	**28.1**	**32.0**	**42.1**	**44.4**	**45.9**	**37.8**	**36.6**	**39.2**

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Table VII–8.—*Implicit Price Deflators for Gross National Product by Legal Form of Organization, 1941–57*

[Index numbers, 1954=100]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
52.9	**59.6**	**64.9**	**66.5**	**68.0**	**74.6**	**83.0**	**88.5**	**88.2**	**89.5**	**96.2**	**98.1**	**99.0**	**100.0**	**101.2**	**104.2**	**108.2**	1
54.6	62.2	68.5	69.5	69.7	75.5	84.2	89.9	89.2	90.2	97.2	98.8	99.3	100.0	100.8	103.6	107.5	2
42.7	47.1	50.9	55.4	61.7	69.4	73.2	76.3	81.1	84.0	88.6	93.5	96.7	100.0	105.4	110.7	116.4	3
38.7	42.2	48.8	55.6	61.3	67.3	73.8	78.5	80.6	83.0	88.4	93.9	97.9	100.0	101.8	104.6	108.5	4
																	5

Table VII–9.—*Income and Gross Product Originating in Farming, 1941–57*

[Millions of dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
13,615	**19,101**	**22,049**	**22,892**	**24,119**	**28,963**	**32,278**	**36,389**	**30,772**	**33,014**	**38,213**	**37,663**	**34,431**	**34,098**	**33,400**	**33,583**	**34,072**	**1**
11,075	15,486	19,358	20,377	21,383	24,802	29,620	30,227	27,828	28,512	32,958	32,632	31,126	29,953	29,556	30,539	29,757	2
1,442	1,772	2,140	2,169	2,218	2,829	2,971	2,925	2,399	2,223	2,471	2,374	2,161	1,944	1,806	1,779	1,763	3
452	1,159	−176	−445	−462	29	−1,760	1,732	−863	815	1,176	921	−621	490	297	−479	758	4
646	684	727	791	980	1,303	1,447	1,505	1,408	1,464	1,608	1,736	1,765	1,711	1,741	1,744	1,794	5
4,273	5,747	6,813	7,272	7,913	9,754	11,606	12,639	11,507	12,556	14,701	14,844	13,476	13,723	13,726	14,128	14,720	6
3,385	4,595	5,541	5,981	6,583	8,175	9,871	10,952	10,070	10,978	12,937	13,014	11,824	12,105	12,162	12,535	13,197	7
888	1,152	1,272	1,291	1,330	1,579	1,735	1,687	1,437	1,578	1,764	1,830	1,652	1,618	1,564	1,593	1,523	8
21	34	52	38	24	71	75	71	30	79	40	−60	−60	−31	−62	−67	−79	9
9,363	**13,388**	**15,288**	**15,658**	**16,230**	**19,280**	**20,747**	**23,821**	**19,295**	**20,537**	**23,552**	**22,759**	**20,895**	**20,344**	**19,612**	**19,388**	**19,273**	10
1,179	1,388	1,565	1,750	1,869	1,193	1,551	1,989	2,361	2,655	3,110	3,281	3,399	3,481	3,575	3,607	3,768	11
1,124	1,322	1,484	1,657	1,772	1,121	1,472	1,911	2,285	2,582	3,037	3,214	3,328	3,410	3,503	3,532	3,691	12
55	66	81	93	97	72	79	78	76	73	73	67	71	71	72	75	77	13
387	415	422	443	494	535	637	704	764	803	863	910	932	959	1,003	1,059	1,113	14
472	563	563	687	659	683	277	227	162	249	250	239	186	224	200	484	888	15
8,269	**12,148**	**13,864**	**14,152**	**14,526**	**18,235**	**18,836**	**21,355**	**16,332**	**17,328**	**19,879**	**18,807**	**16,750**	**16,128**	**15,234**	**15,206**	**15,280**	16

Table VII–10.—*Farm Gross Product, in Constant Dollars, 1941–57*

[Millions of 1954 dollars]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
27,114	**29,807**	**28,410**	**28,982**	**28,602**	**30,229**	**28,945**	**31,374**	**30,499**	**32,065**	**31,532**	**32,493**	**32,909**	**34,098**	**35,523**	**36,279**	**35,891**	1
22,336	24,116	24,778	25,914	25,676	26,122	26,539	26,120	27,770	27,586	27,142	28,361	29,922	29,953	31,230	32,619	30,950	2
2,597	2,543	2,527	2,506	2,428	2,889	2,641	2,518	2,358	2,293	2,179	2,104	1,990	1,944	1,867	1,837	1,740	3
993	1,977	−49	−568	−760	−55	−1,553	1,374	−1,041	720	689	440	−655	490	667	22	1,361	4
1,188	1,171	1,154	1,130	1,258	1,273	1,318	1,362	1,412	1,466	1,522	1,588	1,652	1,711	1,759	1,801	1,840	5
8,369	9,412	9,716	9,804	10,497	11,914	12,110	12,154	12,189	12,794	13,508	13,638	13,402	13,723	14,045	14,687	14,994	6
6,289	7,391	7,840	8,045	8,731	10,227	10,626	10,707	10,624	11,182	11,959	12,006	11,766	12,105	12,386	12,981	13,330	7
2,080	2,021	1,876	1,759	1,766	1,687	1,484	1,447	1,565	1,612	1,549	1,632	1,636	1,618	1,659	1,706	1,664	8
42	52	64	47	27	68	61	57	29	74	31	−50	−56	−31	−68	−74	−85	9
18,787	**20,447**	**18,758**	**19,225**	**18,132**	**18,383**	**16,896**	**19,277**	**18,339**	**19,345**	**18,055**	**18,805**	**19,451**	**20,344**	**21,410**	**21,518**	**20,812**	10

Table VII–11.—*Implicit Price Deflators for Farm Gross Product, 1941–57*

[Index numbers, 1954=100]

1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
50.2	**64.1**	**77.6**	**79.0**	**84.3**	**95.8**	**111.5**	**116.0**	**100.9**	**103.0**	**121.2**	**115.9**	**104.6**	**100.0**	**94.0**	**92.6**	**94.9**	1
49.6	64.2	78.1	78.6	83.3	94.9	111.6	115.7	100.2	103.4	121.4	115.1	104.0	100.0	94.6	93.6	96.1	2
55.5	69.7	84.7	86.6	91.4	97.9	112.5	116.2	101.7	96.9	113.4	112.8	108.6	100.0	96.7	96.8	101.3	3
																	4
54.4	58.4	63.0	70.0	77.9	102.4	109.8	110.5	99.7	99.9	105.7	109.3	106.8	100.0	99.0	96.8	97.5	5
51.1	61.1	70.1	74.2	75.4	81.9	95.8	104.0	94.4	98.1	108.8	108.8	100.6	100.0	97.7	96.2	98.2	6
53.8	62.2	70.7	74.3	75.4	79.9	92.9	102.3	94.8	98.2	108.2	108.4	100.5	100.0	98.2	96.6	99.0	7
42.7	57.0	67.8	73.4	75.3	93.6	116.9	116.6	91.8	97.9	113.9	112.1	101.0	100.0	94.3	93.4	91.5	8
49.8	65.5	81.5	81.4	89.5	104.9	122.8	123.6	105.2	106.2	130.4	121.0	107.4	100.0	91.6	90.1	92.6	9
49.8	**65.5**	**81.5**	**81.4**	**89.5**	**104.9**	**122.8**	**123.6**	**105.2**	**106.2**	**130.4**	**121.0**	**107.4**	**100.0**	**91.6**	**90.1**	**92.6**	10

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Table VII–12.—*Revised Farm Series, 1929–45*

[Millions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	Line
1	Net income of farm proprietors.[1]	6,142	4,254	3,346	2,038	2,573	2,941	5,303	4,332	6,048	4,405	4,489	4,570	6,573	9,924	11,822	11,807	12,411	1
	Farm gross product: [2]																		
2	Current dollars	9,688	7,624	6,237	4,449	4,603	4,653	6,969	6,440	8,271	6,535	6,287	6,466	9,014	13,138	15,455	15,522	16,168	2
3	Constant (1954) dollars	16,152	15,223	18,077	16,636	16,350	13,451	16,087	13,718	17,312	17,304	17,185	16,500	18,088	20,041	18,616	18,695	17,662	3

1. Revised series of the Department of Agriculture not incorporated into the national income accounts. See *Farm Income Situation* No. 169, Agricultural Marketing Service, U. S. Department of Agriculture, July 1958.

2. Revised series not incorporated into the national income accounts. Consistent with revised Department of Agriculture estimates referred to in footnote 1.

Table VII–13.—*Implicit Price Deflators for Personal Consumption Expenditures by Major Type, 1946–57* [1]

[Index numbers, 1954=100]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Total personal consumption expenditures**	76.5	84.6	89.5	88.7	89.9	96.0	98.0	99.0	100.0	100.4	102.2	105.2	1
2	**Durable goods, total**	82.0	88.4	92.4	93.5	94.6	101.1	102.2	99.4	100.0	100.1	101.3	104.7	2
3	Automobiles and parts	77.9	84.3	90.3	93.7	94.1	99.4	104.0	101.8	100.0	102.2	104.8	110.0	3
4	Other	83.5	90.3	93.5	93.3	94.9	102.2	101.1	97.7	100.0	98.4	99.1	101.0	4
5	**Nondurable goods, total**	78.8	88.7	94.0	90.9	91.4	99.0	100.1	99.7	100.0	99.5	100.9	104.0	5
6	Food and beverages	77.8	89.0	93.5	89.7	90.5	99.4	101.6	99.8	100.0	98.5	99.3	102.5	6
7	Clothing and shoes	86.1	93.0	98.7	94.5	93.6	101.8	100.0	99.8	100.0	100.2	102.2	103.8	7
8	Gasoline and oil	70.1	78.6	88.1	90.1	90.3	92.1	93.9	97.9	100.0	101.1	104.1	108.8	8
9	Other	76.0	85.6	92.1	91.0	92.1	97.6	98.1	100.0	100.0	101.1	103.0	106.6	9
10	**Services, total**	71.1	76.8	81.7	83.6	85.9	89.8	93.6	97.7	100.0	101.7	104.2	107.1	10
11	Housing	72.6	75.7	80.3	82.7	85.5	89.0	92.9	97.2	100.0	101.3	103.0	105.0	11
12	Household operation	82.7	85.1	87.4	89.1	90.7	92.9	96.5	99.6	100.0	100.3	101.3	102.8	12
13	Transportation	65.1	71.0	77.1	81.2	84.4	87.6	91.6	97.7	100.0	101.6	103.2	106.8	13
14	Other	68.5	76.6	82.1	83.3	85.0	89.9	93.7	97.6	100.0	102.4	106.3	110.5	14

1. Footnotes to table II–5 are relevant to this table also.

Table VII–14.—*Implicit Price Deflators for New Construction Activity, 1946–57* [1]

[Index numbers, 1954=100]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Total new construction activity**	63.6	76.7	85.0	83.5	87.3	94.3	97.6	99.9	100.0	103.0	108.6	112.6	1
2	**New private construction activity**	63.0	76.3	84.6	83.0	87.5	94.3	97.2	99.6	100.0	103.1	108.5	112.4	2
3	Residential buildings (excluding farm)	64.5	78.2	87.3	84.5	90.0	96.4	99.0	100.7	100.0	103.1	107.6	109.6	3
4	Nonresidential buildings (excluding farm)	60.7	76.1	84.6	83.6	85.6	93.2	97.0	99.2	100.0	102.8	108.9	114.4	4
5	Public utilities	59.6	69.8	76.5	78.1	81.9	90.3	92.8	97.1	100.0	103.3	112.3	119.4	5
6	Farm construction	67.3	82.7	89.7	86.9	89.1	98.6	100.1	100.7	100.0	102.3	106.4	110.1	6
7	Petroleum and natural gas well drilling	68.0	72.2	80.1	78.7	81.6	87.2	92.4	97.1	100.0	105.0	107.4	110.6	7
8	All other private	58.4	68.3	75.6	78.8	82.4	87.7	91.4	96.8	100.0	105.9	110.1	115.7	8
9	**New public construction activity**	66.5	78.4	86.7	85.3	86.6	94.2	98.6	100.6	100.0	102.4	108.7	113.1	9
10	Residential buildings	66.0	74.9	87.6	85.1	89.8	97.2	99.4	101.3	100.0	104.3	108.6	110.5	10
11	Nonresidential buildings	57.7	74.3	83.8	82.8	85.0	92.1	96.5	99.5	100.0	102.6	107.8	112.6	11
12	Military facilities	65.1	79.7	87.8	86.7	87.6	95.3	98.3	100.2	100.0	102.3	108.8	114.0	12
13	Highways	78.4	90.3	101.1	95.5	91.5	102.2	108.0	105.7	100.0	101.3	108.8	112.4	13
14	Sewer and water systems	58.6	68.3	75.9	77.9	82.4	87.3	91.1	95.6	100.0	104.0	109.4	114.6	14
15	Miscellaneous public service enterprises	56.4	65.3	72.9	75.4	80.0	89.8	91.8	96.5	100.0	104.5	112.6	119.1	15
16	Conservation and development	58.7	68.5	76.1	78.3	82.9	87.3	90.9	95.8	100.0	104.2	109.7	114.8	16
17	All other public	72.2	67.4	73.4	74.0	84.9	89.5	91.8	95.4	100.0	104.4	110.6	113.6	17

1. Footnote 1 to table V–4 is relevant to this table also.

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Table VII–15.—*Implicit Price Deflators for Producers' Durable Equipment, 1946–54*

[Index numbers, 1954=100]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	Line
1	**Total**	**66.7**	**76.8**	**83.1**	**87.0**	**89.0**	**96.8**	**97.5**	**99.0**	**100.0**	1
2	Furniture and fixtures	64.2	76.3	81.6	83.4	87.2	98.4	97.4	98.8	100.0	2
3	Cutlery and hand tools	58.3	65.9	72.5	77.4	83.5	89.8	90.0	95.5	100.0	3
4	Fabricated metal products (except cutlery and hand tools)	62.2	76.7	82.9	83.1	86.3	95.9	95.1	98.3	100.0	4
5	Engines and turbines	64.7	71.6	76.0	77.1	78.8	89.2	92.6	97.2	100.0	5
6	Tractors	60.8	70.6	80.1	85.5	87.3	94.3	96.6	99.5	100.0	6
7	Agricultural machinery (except tractors)	63.2	71.0	80.9	87.0	89.4	97.8	98.7	99.1	100.0	7
8	Construction machinery	60.6	70.0	78.7	83.6	85.9	95.7	96.6	98.6	100.0	8
9	Mining and oilfield machinery	61.0	70.3	78.0	82.6	84.6	93.5	94.3	97.6	100.0	9
10	Metalworking machinery	63.5	70.6	76.0	79.2	83.9	93.7	96.0	98.5	100.0	10
11	Special-industry machinery, n. e. c.	65.1	73.1	79.2	83.0	85.8	95.9	96.1	98.2	100.0	11
12	General industrial machinery	58.3	67.9	74.5	80.7	84.2	95.2	94.7	97.3	100.0	12
13	Office and store machines	88.1	94.6	95.8	95.8	97.3	101.3	99.8	100.7	100.0	13
14	Service-industry and household machines	62.7	77.1	82.7	86.4	87.4	96.5	96.9	99.7	100.0	14
15	Electrical machinery	68.5	81.3	84.6	85.5	88.2	98.1	95.8	97.1	100.0	15
16	Trucks, buses, and trailers	72.8	81.8	89.0	92.8	91.8	99.3	101.9	101.0	100.0	16
17	Passenger cars	74.4	83.0	90.7	94.5	94.8	99.0	104.3	101.9	100.0	17
18	Aircraft	59.8	68.3	73.6	77.9	81.2	88.3	91.2	96.2	100.0	18
19	Ships and boats	64.6	70.6	76.7	79.2	81.6	88.4	92.0	97.5	100.0	19
20	Railroad equipment	74.2	79.4	83.6	86.1	87.2	93.2	95.2	99.2	100.0	20
21	Instruments	73.3	80.9	86.6	86.7	88.1	95.8	95.0	97.4	100.0	21
22	Miscellaneous equipment	70.3	81.6	88.6	89.8	92.9	101.5	98.9	99.4	100.0	22

n. e. c.—Not elsewhere classified.

Table VII–16.—*Monetary and Imputed Interest, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Net interest (component of national income)**	**3,113**	**3,792**	**4,179**	**4,773**	**5,469**	**6,272**	**7,084**	**8,196**	**9,145**	**10,381**	**11,302**	**12,598**	1
2	Originating in private business	2,272	2,678	2,705	3,001	3,226	3,799	4,239	4,682	5,385	6,051	6,299	7,128	2
3	Monetary interest paid	4,920	5,573	6,223	6,856	7,516	8,687	9,832	10,935	12,079	13,731	15,306	17,368	3
4	Imputed interest paid	4,181	4,502	5,003	5,384	5,897	6,506	7,215	8,034	8,532	9,440	10,574	11,416	4
5	Less: Monetary interest received	5,848	6,233	7,236	7,878	8,688	9,683	10,891	12,198	13,123	14,790	16,917	18,728	5
6	Less: Imputed interest received	981	1,164	1,285	1,361	1,499	1,711	1,917	2,089	2,103	2,330	2,664	2,928	6
7	Originating in households and institutions	712	996	1,335	1,615	2,073	2,312	2,668	3,346	3,578	4,126	4,764	5,171	7
8	Monetary interest paid	712	996	1,335	1,615	2,073	2,312	2,668	3,346	3,578	4,126	4,764	5,171	8
9	Originating in rest of the world	129	118	139	157	170	161	177	168	182	204	239	299	9
10	Monetary interest received from abroad	158	158	167	179	192	186	202	196	215	242	281	342	10
11	Less: Monetary interest paid to abroad	29	40	28	22	22	25	25	28	33	38	42	43	11
12	**Personal interest income (component of personal income)**	**7,576**	**8,212**	**8,706**	**9,443**	**10,263**	**11,245**	**12,100**	**13,367**	**14,552**	**15,770**	**17,047**	**18,772**	12
13	Net interest (component of national income)	3,113	3,792	4,179	4,773	5,469	6,272	7,084	8,196	9,145	10,381	11,302	12,598	13
14	Net interest paid by government	4,463	4,420	4,527	4,670	4,794	4,973	5,016	5,171	5,407	5,389	5,745	6,174	14
15	Monetary interest paid	5,772	5,751	5,904	6,196	6,428	6,652	7,023	7,451	7,832	7,951	8,837	9,758	15
16	Less: Monetary interest received	1,309	1,331	1,377	1,526	1,634	1,679	2,007	2,280	2,425	2,562	3,092	3,584	16

Table VII–17.—*Major Items of Personal Income and Personal Consumption Expenditures in Kind, 1946–57*

[Millions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	Line
1	**Personal income and consumption expenditures in kind**	**6,174**	**5,641**	**6,196**	**6,843**	**7,635**	**8,793**	**9,483**	**10,079**	**10,345**	**10,599**	**11,391**	**12,552**	1
2	Food furnished government (including military) and commercial employees.	1,349	1,023	1,021	1,000	1,076	1,632	1,769	1,650	1,478	1,292	1,198	1,227	2
3	Standard clothing issued to military personnel	364	229	191	212	272	414	256	161	79	52	61	59	3
4	Meals furnished domestic servants and nurses	214	277	320	318	374	416	399	393	371	429	460	476	4
5	Net rent of owner-occupied farm and nonfarm dwellings	2,628	2,455	2,762	3,300	3,763	3,996	4,430	4,918	5,306	5,419	5,836	6,754	5
6	Services furnished without payment by financial intermediaries except insurance companies.	1,499	1,532	1,768	1,877	2,008	2,184	2,472	2,794	2,947	3,240	3,666	3,863	6
7	Employees' lodging	120	125	134	136	142	151	157	163	164	167	170	173	7
8	**Personal income and consumption expenditures partially in kind.**[1]	**2,829**	**2,971**	**2,926**	**2,399**	**2,223**	**2,471**	**2,373**	**2,161**	**1,944**	**1,804**	**1,779**	**1,763**	8
9	Food produced and consumed on farms	2,628	2,766	2,732	2,228	2,062	2,329	2,246	2,035	1,824	1,688	1,669	1,659	9
10	Fuel produced and consumed on farms	201	205	194	171	161	142	127	126	120	116	110	104	10
11	**Personal consumption expenditures in kind not included in personal income.**	**2,851**	**3,244**	**3,675**	**4,181**	**4,576**	**5,037**	**5,523**	**6,030**	**6,588**	**7,280**	**8,103**	**8,845**	11
12	Depreciation of owner-occupied farm and nonfarm dwellings.	1,364	1,531	1,689	1,825	2,011	2,233	2,423	2,638	2,885	3,203	3,568	3,901	12
13	Taxes on owner-occupied farm and nonfarm dwellings	1,278	1,496	1,760	2,106	2,286	2,492	2,728	2,984	3,274	3,627	4,060	4,444	13
14	Institutional depreciation	209	217	226	250	279	312	372	408	429	450	475	500	14

1. These items are presented at their gross value because data on costs are not available separately from costs of farm output sold on the market. Only the net income derived from production of these items represents income in kind; only the net income derived from, and the depreciation and taxes incurred in, their production represent personal consumption expenditure in kind. On a cash income basis the current expenses incurred in their production, other than depreciation and taxes, would become personal consumption expenditures instead of business expenses, the taxes would become personal taxes instead of business taxes, and the depreciation would not appear.

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Table VII–18.—*Corporate Profits and Inventory Valuation Adjustment, Quarterly, 1946–47*

[Billions of dollars]

Line		1946					1947				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Corporate profits and inventory valuation adjustment**	**2.9**	**4.0**	**4.5**	**5.9**	**17.3**	**4.8**	**5.9**	**6.0**	**7.0**	**23.6**
2	Profits before tax	3.2	4.7	6.5	8.1	22.6	7.3	6.9	7.1	8.2	29.5
3	Profits tax liability	1.3	1.9	2.6	3.3	9.1	2.8	2.6	2.7	3.1	11.3
4	Profits after tax	1.9	2.8	3.9	4.8	13.4	4.5	4.3	4.4	5.1	18.2
5	Inventory valuation adjustment	−.3	−.7	−2.0	−2.2	−5.3	−2.5	−1.0	−1.1	−1.2	−5.9

Table VII–18.—*Corporate Profits and Inventory Valuation Adjustment, Quarterly, 1952–53*

[Billions of dollars]

Line		1952					1953				
		I	II	III	IV	Year	I	II	III	IV	Year
1	**Corporate profits and inventory valuation adjustment**	**9.1**	**9.5**	**9.0**	**10.1**	**37.7**	**9.5**	**10.5**	**9.2**	**8.1**	**37.3**
2	Profits before tax	9.0	9.1	8.9	9.7	36.7	9.7	10.8	9.9	8.0	38.3
3	Profits tax liability	4.8	4.8	4.7	5.2	19.5	5.1	5.7	5.2	4.2	20.2
4	Profits after tax	4.2	4.3	4.2	4.6	17.2	4.6	5.1	4.7	3.8	18.1
5	Inventory valuation adjustment	.1	.5	.0	.4	1.0	−.2	−.3	−.7	.2	−1.0

Table VII–19.—*Relation of Corporate Profits, Taxes, and Dividends to Corresponding Totals as Tabulated by Internal Revenue Service 1946–55* [1]

[Millions of dollars]

Line			1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	Line
1	**Compiled net profit, IRS**		**25,399**	**31,615**	**34,588**	**28,387**	**42,831**	**43,800**	**38,735**	**39,801**	**36,721**	**47,949**	1
2	Add:	Posttabulation amendments and revisions, including allowance for audit profits.[2]	243	410	540	420	880	1,230	1,040	1,530	1,190	1,050	2
3		Depletion (tax deductible)	799	1,210	1,711	1,476	1,709	2,085	2,126	2,302	2,359	2,806	3
4		State income taxes on corporations [3]	462	604	670	602	767	878	820	803	765	958	4
5		Profits of Federal Reserve Banks (FRB)	93	93	232	239	195	299	351	400	329	302	5
	Deduct:	Tax-return measures of:											
6		Profits of mutual financial intermediaries	1,248	1,330	1,440	1,583	1,707	1,763	2,095	2,383	2,560	2,819	6
7		Gains, net of losses, from sale of property	1,269	923	796	667	1,083	1,294	1,216	978	1,997	1,977	7
8		Domestic dividends received	1,713	1,882	2,194	2,162	2,460	2,377	2,350	2,389	2,332	2,572	8
9		Income from equities in foreign corporations and branches (to U. S. corporations).[3]	640	961	1,147	1,174	1,504	1,920	1,841	1,901	1,827	2,393	9
10	Add:	Income received from such equities by all U. S. residents, net of corresponding outflows.[4]	425	689	836	832	1,000	1,215	1,121	1,126	1,413	1,558	10
11	**Equals:**	**Profits before tax, OBE**	**22,551**	**29,525**	**33,000**	**26,370**	**40,628**	**42,153**	**36,691**	**38,311**	**34,061**	**44,862**	11
12	**Federal income and excess profits taxes, IRS**		**8,875**	**10,982**	**11,920**	**9,817**	**17,317**	**22,082**	**19,148**	**19,869**	**16,861**	**21,741**	12
13	Add:	Posttabulation amendments and revisions, including results of audit and loss carryback.[4]	−55	−138	18	80	125	−23	−69	11	220	64	13
14		Income taxes of Federal Reserve Banks (FRB)		75	167	193	197	255	292	343	276	252	14
15		State income taxes on corporations [3]	462	604	670	602	767	878	820	803	765	958	15
16	Deduct:	Federal income taxes on mutual financial intermediaries	9	10	14	47	74	120	145	162	176	229	16
17		U. S. tax credits for foreign taxes paid	162	230	278	270	467	625	587	642	726	959	17
18	**Equals:**	**Federal and State income and excess profits tax liability, OBE.**	**9,111**	**11,283**	**12,483**	**10,375**	**17,865**	**22,447**	**19,459**	**20,222**	**17,220**	**21,827**	18
19	**Profits after tax, OBE (line 11 less line 18)**		**13,440**	**18,242**	**20,517**	**15,995**	**22,763**	**19,706**	**17,232**	**18,089**	**16,841**	**23,035**	19
20	**Dividends paid (in cash or assets) IRS**		**7,497**	**8,365**	**9,386**	**9,569**	**11,553**	**11,300**	**11,263**	**11,601**	**11,913**	**13,592**	20
21	Add:	Dividends paid by Federal Reserve Banks (FRB)	11	12	12	12	13	14	15	16	16	18	21
22		U. S. receipts of dividends from abroad, net of payments to abroad.[4]	129	221	254	305	426	418	302	311	462	475	22
23	Deduct:	Dividends received by U. S. corporations (excluding mutuals).	1,853	2,077	2,409	2,413	2,784	2,703	2,626	2,703	2,552	2,870	23
24	**Equals:**	**Net dividends, OBE**	**5,784**	**6,521**	**7,243**	**7,473**	**9,208**	**9,029**	**8,954**	**9,225**	**9,839**	**11,215**	24
25	**Undistributed profits, OBE (line 19 less line 24)**		**7,656**	**11,721**	**13,274**	**8,522**	**13,555**	**10,677**	**8,278**	**8,864**	**7,002**	**11,820**	25

1. Except as noted, the values shown in this table are taken directly or with relatively minor adjustments from the basic Internal Revenue Service tabulations.
2. Consists principally of allowance for audit profits as estimated by the Office of Business Economics.
3. Office of Business Economics estimate of amounts included in tax-return data.
4. Estimate by the Office of Business Economics.

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Table VII–18.—*Corporate Profits and Inventory Valuation Adjustment, Quarterly, 1948–51*

[Billions of dollars]

1948					1949					1950					1951					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
6.9	**7.5**	**7.6**	**8.8**	**30.8**	**6.9**	**7.1**	**7.4**	**6.9**	**28.2**	**6.5**	**8.4**	**10.1**	**10.7**	**35.7**	**9.2**	**10.6**	**10.2**	**10.9**	**41.0**	1
7.6	8.1	8.5	8.8	33.0	6.6	6.1	6.7	6.9	26.4	6.9	8.9	12.0	12.9	40.6	11.5	10.8	9.4	10.5	42.2	2
2.9	3.1	3.2	3.3	12.5	2.6	2.4	2.6	2.7	10.4	3.0	3.9	5.3	5.7	17.9	6.1	5.7	5.0	5.6	22.4	3
4.7	5.0	5.3	5.5	20.5	4.0	3.7	4.1	4.2	16.0	3.9	5.0	6.7	7.2	22.8	5.4	5.0	4.4	4.9	19.7	4
−.8	−.5	−.9	.0	−2.2	.3	.9	.7	.0	1.9	−.3	−.5	−1.9	−2.2	−5.0	−2.3	−.2	.8	.4	−1.2	5

Table VII–18.—*Corporate Profits and Inventory Valuation Adjustment, Quarterly, 1954–57*

[Billions of dollars]

1954					1955					1956					1957					Line
I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	I	II	III	IV	Year	
7.6	**8.8**	**8.1**	**9.2**	**33.7**	**9.8**	**11.2**	**10.7**	**11.5**	**43.1**	**10.5**	**11.0**	**10.5**	**11.1**	**42.9**	**10.5**	**11.1**	**10.5**	**9.8**	**41.9**	1
7.8	8.8	8.3	9.2	34.1	10.2	11.3	11.3	12.0	44.9	11.2	11.7	10.8	11.8	45.5	11.3	11.3	10.8	10.0	43.4	2
3.9	4.5	4.2	4.7	17.2	5.0	5.5	5.5	5.9	21.8	5.5	5.8	5.3	5.8	22.4	5.6	5.6	5.4	5.0	21.6	3
3.8	4.4	4.1	4.6	16.8	5.2	5.8	5.8	6.2	23.0	5.7	5.9	5.5	6.0	23.1	5.6	5.7	5.4	5.0	21.8	4
−.1	.0	−.2	.0	−.3	−.4	−.2	−.6	−.6	−1.7	−.8	−.8	−.3	−.7	−2.6	−.8	−.3	−.4	−.2	−1.5	5

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