

been passed. A period of hesitancy developed pending further concrete developments in such strategic matters as foreign aid, national defense, tax reduction, and the third round of wage increases. Some of these uncertainties were being resolved towards the end of the first quarter and resulted in firmer wholesale prices in March, as well as in a renewed upturn in other economic indicators.

The shifts which occurred in the components of production and income from the fourth to the first quarter throw light on the manner in which temporary stability was being maintained. The demand for fixed domestic capital investment, which includes construction and producers' durable equipment, had about the same intensity as in previous quarters. Changes were apparent, however, in other markets for the national product. Total consumer expenditures registered the smallest quarterly increase since the end of the war, confirming qualitative information indicating a flattening in consumer demand. The sharp drop in foreign purchases of American output from the extraordinarily high levels maintained throughout 1947 constituted another important change in the basic demand situation.

Partly offsetting the contraction of foreign purchases, there was a widening flow of foreign aid, largely under the interim-aid program, which was reflected in increased Federal Government purchases of goods and services. Also there occurred a large increase in the accumulation of nonfarm business inventories over the rates which had obtained in the second half of 1947. There is evidence, cited below, that this accumulation was, in part at least, unintended and occurred as a temporary result of slackening in other purchases.

Under the offsetting influence of these demand factors, the major components of the income flow showed little

Table 2.—National Income and Product, Fourth Quarter 1947 and First Quarter 1948¹—Continued

Item	[Billions of dollars]			
	Unadjusted		Seasonally adjusted, at annual rates	
	1947	1948	1947	1948
	IV ²	I	IV ²	I
DISPOSITION OF PERSONAL INCOME				
Personal income.....	52.5	51.6	205.8	209.2
Less: Personal tax and nontax payments.....	4.2	9.2	22.1	23.0
Federal.....	3.8	8.6	20.2	21.1
State and local.....	.4	.6	1.9	2.0
Equals: Disposable personal income.....	48.3	42.4	183.7	186.1
Less: Personal consumption expenditures.....	45.8	41.4	172.5	173.2
Equals: Personal saving.....	2.4	1.0	11.2	12.9
RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME				
Gross national product.....	62.7	59.8	240.9	244.3
Less: Capital consumption allowances.....	3.2	3.2	12.7	12.7
Indirect business tax and nontax liability.....	4.9	4.6	19.1	18.7
Business transfer payments.....	.1	.1	.5	.5
Statistical discrepancy.....	.3	(³)	-5.9	(³)
Plus: Subsidies less current surplus of government enterprises.....	-1.1	-1.1	-2.2	-4.4
Equals: National income.....	54.1	(³)	214.3	(³)
Less: Corporate profits and inventory valuation adjustment.....	6.6	(³)	26.1	(³)
Contributions for social insurance.....	1.2	1.4	5.2	5.3
Excess of wage accruals over disbursements.....	.0	.0	.0	.0
Plus: Government transfer payments.....	2.7	2.8	10.5	10.9
Net interest paid by government.....	1.1	1.1	4.4	4.5
Dividends.....	2.2	1.7	7.3	7.5
Business transfer payments.....	.1	.1	.5	.5
Equals: Personal income.....	52.5	51.6	205.8	209.2

¹ Detail will not necessarily add to totals because of rounding.

² Data for the fourth quarter of 1947 are the same as those in the February issue of the SURVEY, with the exception that an actual estimate of fourth quarter corporate profits has been substituted for the arbitrary figure previously assumed. Revisions of the national income and product estimates for 1947 to incorporate recent information will be made in the July issue of the SURVEY. It should be noted that in the interim national product data will not agree fully with revised information already published for certain components of national product, notably new private construction and net foreign investment.

³ Not available.

⁴ Includes noncorporate inventory-valuation adjustment.

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

Table 2.—National Income and Product, Fourth Quarter 1947 and First Quarter 1948¹

[Billions of dollars]

Item	Unadjusted		Seasonally adjusted, at annual rates	
	1947	1948	1947	1948
	IV ²	I	IV ²	I
NATIONAL INCOME BY DISTRIBUTIVE SHARES				
National income.....	54.1	(³)	214.3	(³)
Compensation of employees.....	33.7	33.3	132.9	134.6
Wages and salaries.....	32.5	31.9	127.8	129.5
Private.....	27.9	27.4	110.3	111.9
Military.....	1.0	1.0	3.8	3.8
Government, civilian.....	3.6	3.6	13.7	13.8
Supplements to wages and salaries.....	1.2	1.3	5.1	5.1
Proprietors' and rental income ⁴	12.9	13.1	51.5	52.6
Business and professional.....	6.3	6.4	25.4	25.5
Farm.....	4.6	4.8	18.5	19.3
Rental income of persons.....	1.9	1.9	7.6	7.8
Corporate profits and inventory valuation adjustment.....	6.6	(³)	26.1	(³)
Corporate profits before tax.....	8.1	(³)	32.2	(³)
Corporate profits tax liability.....	3.2	(³)	12.6	(³)
Corporate profits after tax.....	4.9	(³)	19.7	(³)
Inventory valuation adjustment.....	-1.5	-1.5	-6.1	-5.9
Net interest.....	1.0	1.0	3.8	3.8
Addendum: Compensation of general Government employees.....	4.3	4.2	16.4	16.3
GROSS NATIONAL PRODUCT OR EXPENDITURE				
Gross national product.....	62.7	59.8	240.9	244.3
Personal consumption expenditures.....	45.8	41.4	172.5	173.2
Durable goods.....	6.1	4.7	21.3	20.7
Nondurable goods.....	28.0	24.7	104.2	104.3
Services.....	11.8	12.0	47.0	48.2
Gross private domestic investment.....	7.1	9.6	29.9	36.0
New construction.....	3.2	2.7	12.4	13.1
Residential nonfarm.....	1.6	1.3	6.3	6.6
Other.....	1.5	1.4	6.1	6.5
Producers' durable equipment.....	4.8	4.8	18.8	18.8
Change in business inventories, total.....	-8.2	2.2	-1.3	4.1
Nonfarm only.....	-4.4	2.3	.6	4.8
Net foreign investment.....	2.0	1.0	8.2	4.2
Government purchases of goods and services.....	7.7	7.7	30.3	31.0
Federal.....	4.4	4.7	17.7	19.0
Less: Government sales.....	.2	.3	.8	1.3
State and local.....	3.4	3.3	13.3	13.3

See footnotes at end of table.

change. The drop in farm prices, the only development significantly affecting incomes, was not fully reflected in farm income for the first quarter, which includes the month of January, when prices received by farmers were at an all-time peak.

Developments in the major components of the product and income flow are reviewed briefly below.

1. Personal consumption expenditures were at an annual rate of 173 billion dollars in the first quarter of 1948. As already noted, the less than 1 billion increase from the fourth quarter was the smallest since the end of the war and reflected a small price increase rather than volume. On an over-all basis, the high rate of consumer spending characteristic of the postwar period was maintained, but there was a noticeable easing of inflationary pressures.

2. Private domestic capital formation, which includes new construction, the purchase of producers' durable equipment, and the net change in business inventories, rose to 36 billion dollars in the first quarter.

In spite of an unusually severe winter, private construction (both residential and nonresidential) continued to advance on a seasonally adjusted basis. The heavy demand for auxiliary commercial construction created by the high rate of residential building in the past 2 years and deferred needs was clearly evident in nonresidential construction activity.

Purchases of producers' durable equipment likewise showed little change from the quarters reviewed in previous issues of the SURVEY. Expenditures for these items continued at the extraordinarily high annual rate of 19 billion dollars to which they had risen in the fourth quarter. Purchases of equipment by certain industries—mainly, transportation and public utilities—were still expanding. However, limitations

Monthly BUSINESS STATISTICS



THE DATA here are a continuation of the statistics published in the 1942 Supplement to the SURVEY OF CURRENT BUSINESS. That volume contains monthly data for the years 1938 to 1941, and monthly averages for earlier years back to 1913 insofar as available; it also provides a description of each series and references to sources of monthly figures prior to 1938. Series added or revised since publication of the 1942 Supplement are indicated by an asterisk (*) and a dagger (†), respectively, the accompanying footnote indicating where historical data and a descriptive note may be found. The terms "unadjusted" and "adjusted" used to designate index numbers refer to adjustment of monthly figures for seasonal variation.

Data subsequent to March for selected series will be found in the Weekly Supplement to the Survey.

Unless otherwise stated, statistics through 1941 and descriptive notes may be found in the 1942 Supplement to the Survey	1947										1948		
	March	April	May	June	July	August	September	October	November	December	January	February	March
GENERAL BUSINESS INDICATORS													
NATIONAL INCOME AND PRODUCT*													
Seasonally adjusted quarterly totals at annual rates:													
National income..... bil. of dol.	194.6			199.8			203.3				214.3		
Compensation of employees..... do	124.7			125.6			128.7				132.9		134.6
Wages and salaries..... do	119.1			120.0			123.6				127.8		129.5
Private..... do	101.2			102.7			106.2				110.3		111.9
Military..... do	4.6			4.1			3.9				3.8		3.8
Government civilian..... do	13.3			13.2			13.5				13.7		13.8
Supplements to wages and salaries..... do	5.6			5.6			5.1				5.1		5.1
Proprietors' and rental income..... do	46.2			46.7			47.0				51.6		52.6
Business and professional..... do	22.4			22.9			23.5				25.4		25.5
Farm..... do	16.8			16.6			16.2				18.5		19.3
Rental income of persons..... do	7.0			7.2			7.3				7.6		7.8
Corporate profits and inventory valuation adjustment..... bil. of dol.	20.4			23.9			23.9				26.1		
Corporate profits before tax..... do	28.9			27.8			28.2				32.2		
Corporate profits tax liability..... do	11.5			10.9			11.1				12.6		
Corporate profits after tax..... do	17.4			16.9			17.1				19.7		
Inventory valuation adjustment..... do	-8.6			-3.8			-4.3				-6.1		-5.9
Net interest..... do	3.3			3.5			3.7				3.8		3.8
Gross national product..... do	221.0			226.9			229.4				240.9		244.3
Personal consumption expenditures..... do	156.9			162.3			165.8				172.5		173.2
Durable goods..... do	18.2			19.3			20.2				21.3		20.7
Nondurable goods..... do	94.7			98.4			99.9				104.2		104.3
Services..... do	44.0			44.6			45.7				47.0		48.2
Gross private domestic investment..... do	28.2			26.1			27.0				29.9		36.0
New construction..... do	10.3			9.6			10.4				12.4		13.1
Producers' durable equipment..... do	16.4			17.9			18.4				18.8		18.8
Change in business inventories..... do	1.6			-1.4			-1.7				-1.3		4.1
Net foreign investment..... do	8.3			10.4			7.8				8.2		4.2
Government purchases of goods and services..... bil. of dol.	27.6			28.2			28.7				30.3		31.0
Federal (less Government sales)..... do	16.2			16.3			16.2				16.9		17.7
State and local..... do	11.4			11.9			12.5				13.3		13.3
Personal income..... do	189.8			191.4			199.6				205.8		209.2
Less: Personal tax and nontax payments..... do	21.0			21.2			21.6				22.1		23.0
Equals: Disposable personal income..... do	168.8			170.1			177.9				183.7		186.1
Personal savings..... do	11.9			7.8			12.1				11.2		12.9
PERSONAL INCOME*													
Seasonally adjusted, at annual rates:													
Total personal income..... bil. of dol.	190.6	189.4	190.5	194.1	194.9	193.8	200.9	203.2	204.2	210.4	211.4	207.7	208.5
Wage and salary receipts, total..... do	117.0	116.0	117.3	120.1	119.9	121.2	123.2	123.7	126.4	128.1	128.2	127.1	127.1
Total employer disbursements..... do	119.1	118.2	119.4	122.2	122.0	123.3	125.2	125.7	128.4	130.1	130.3	129.2	129.2
Commodity-producing industries..... do	53.4	52.8	53.5	54.9	54.4	55.5	56.7	57.2	58.8	60.3	60.1	58.3	58.2
Distributive industries..... do	33.5	33.1	33.8	34.9	35.0	35.2	35.8	35.8	36.8	37.1	37.4	37.7	37.7
Service industries..... do	14.6	14.8	14.9	15.2	15.4	15.2	15.2	15.1	15.2	15.2	15.4	15.5	15.5
Government..... do	17.6	17.5	17.2	17.2	17.2	17.4	17.5	17.6	17.6	17.5	17.4	17.7	17.8
Less employee contributions for social insurance..... bil. of dol.	2.1	2.2	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.1	2.1	2.1
Other labor income..... do	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.8
Proprietors' and rental income..... do	46.8	46.5	46.5	47.1	47.4	45.5	48.1	50.4	49.9	54.0	54.5	51.6	51.5
Personal interest income and dividends..... do	14.2	14.3	14.4	14.6	14.7	14.9	15.6	15.4	15.5	15.6	15.7	15.8	16.0
Total transfer payments..... do	10.9	10.9	10.5	10.5	11.1	10.4	21.2	11.8	10.5	10.8	11.1	11.3	12.1
Total nonagricultural income..... do	168.8	168.3	169.7	172.4	173.0	173.8	188.7	180.6	182.3	184.6	184.8	184.1	185.6
NEW PLANT AND EQUIPMENT EXPENDITURES*													
All industries, total..... mil. of dol.	3,160			3,940			4,140			4,960			4,480
Electric and gas utilities..... do	330			450			600			960			510
Manufacturing and mining..... do	1,600			2,010			2,050			2,500			2,140
Railroad..... do	160			220			230			310			340
Commercial and miscellaneous..... do	1,080			1,260			1,360			1,530			1,500
FARM INCOME AND MARKETINGS													
Cash farm income, total, including Government payments*..... mil. of dol.	2,076	1,974	2,026	2,211	2,662	2,517	3,060	3,773	3,109	2,927	2,581	1,866	
From marketings and C. C. C. loans*..... do	2,010	1,914	1,989	2,185	2,657	2,505	3,049	3,759	3,096	2,909	2,555	1,837	1,961
Crops*..... do	692	594	621	743	1,205	1,187	1,497	2,122	1,540	1,299	1,044	717	698
Livestock and products*..... do	1,318	1,320	1,368	1,442	1,452	1,318	1,552	1,637	1,556	1,610	1,511	1,120	1,263
Dairy products*..... do	345	345	379	392	382	353	334	319	293	303	329	318	373
Meat animals*..... do	743	726	705	782	785	711	958	1,039	970	1,019	968	593	645
Poultry and eggs*..... do	224	236	261	234	261	232	244	262	280	279	206	201	237

* Revised. † Personal savings is the excess of disposable income over personal consumption expenditures shown as a component of gross national product above.

* New series. Quarterly data for 1939-46 and annual data beginning 1929 for national income and gross national product and monthly data for 1929-46 for personal income are published in the "National Income Supplement to Survey of Current Business", which is available from the Superintendent of Documents, Washington, D. C., for 25 cents; these series are compiled by the U. S. Department of Commerce. For description of the series on plant and equipment expenditures and data for 1929-45, see p. 24 of the March 1948 Survey; first quarter of 1948 estimates are based on anticipated capital expenditures of business. Revisions for January 1945-May 1946 for farm income are available on request; see note in September 1947 Survey regarding earlier data; revisions beginning 1945 were in part to adjust the series to levels indicated by 1945 Census data; 1940-44 data have not been similarly revised.