

## Sustained Flow of Incomes

In the absence of national income figures for the third quarter, trends in distributive shares can best be discussed in the framework of the personal income concept. Personal income, as already noted, declined from \$212½ billion in the second quarter, at annual rates, to \$210½ billion in the third. Nonagricultural components of the aggregate, however, registered very little change, and were advancing slightly in August and September, as a result of the pick-up in manufacturing activity.

### Pay rolls steady

Total wages and salaries were stable at approximately the second quarter rate—some 2 percent below the high fourth quarter of 1948. The salient feature of this leveling-out—after declines earlier in the year—was a stabilization in manufacturing pay rolls.

The drop in wages and salaries in the first quarter had been largely confined to factory pay rolls, reflecting, according to the analysis given above, the concentration of the impact of reduced inventory demand upon manufacturing production. Labor earnings in the distributive industries were also affected in the first quarter, but only to a minor extent, while pay rolls of service establishments and of governmental units did not suffer at all.

Although the major downward impetus in factory wages had been dissipated by early Spring, the falling trend for manufacturing as a whole continued at a reduced rate through midsummer. In the distributive industries, however, what little decline had been discernible in the first quarter was eliminated by the second, and both service-industry and government pay rolls continued to expand moderately through the third quarter.

Within manufacturing, there appeared after April a distinction between durable- and nondurable-goods industries. The persisting declines were concentrated in the former group, while slight monthly advances began to show up in the latter, where average hours worked per week have increased each month since April.

By August, the decrease of durable-goods factory pay rolls was finally halted, and the third quarter ended with no major category of wages and salaries on the downgrade except for mining, where the coal strike cut into September earnings. For the quarter as a whole, continuing increments in non-manufacturing wages sufficed to offset the small additional drop of factory pay rolls from the second quarter, so that aggregate labor earnings were virtually unchanged.

### Income decline centered in agriculture

Proprietors' and rental income fell from \$46½ billion, at an annual rate, in the second quarter to \$44½ billion in the third, thus accounting for most of the decline in personal income. Only farm proprietors were involved in the decrease, as business and professional earnings held firm.

A reduction in the seasonally adjusted volume of crops marketed or placed under government loan was mainly responsible for the adverse movement of farm income. Live-stock sales were little changed. Cash receipts from farming also suffered from a further decline in agricultural prices, which averaged appreciably less than in the second quarter.

Dividend income was unchanged from the second to the third quarter, and remained at a seasonally adjusted annual rate in excess of last year's total. The fact that earnings

Table 2.—National Income and Product, First Three Quarters 1949<sup>1</sup>

Item	Unadjusted			Seasonally adjusted at annual rates		
	I	II	III	I	II	III
NATIONAL INCOME BY DISTRIBUTIVE SHARES						
National income.....	56.1	55.8	(?)	226.3	223.4	(?)
Compensation of employees.....	35.0	35.4	35.6	142.5	141.8	142.2
Wages and salaries.....	33.7	34.0	34.1	137.5	136.5	136.6
Private.....	28.5	28.7	29.3	117.2	115.9	115.7
Military.....	1.0	1.0	1.0	4.1	4.0	4.0
Government civilian.....	4.2	4.3	3.9	16.2	16.6	16.8
Supplements to wages and salaries.....	1.3	1.4	1.4	5.0	5.3	5.6
Proprietors' and rental income <sup>2</sup> .....	12.0	11.6	11.1	47.8	46.5	44.5
Business and professional.....	6.0	6.0	6.0	24.0	24.1	24.2
Farm.....	4.3	3.9	3.5	17.1	15.7	13.8
Rental income of persons.....	1.7	1.7	1.6	6.7	6.7	6.5
Corporate profits and inventory valuation adjustment.....	8.1	7.7	(?)	31.8	30.9	(?)
Corporate profits before tax.....	7.5	6.6	(?)	29.4	26.4	(?)
Corporate profits tax liability.....	2.9	2.6	(?)	11.5	10.6	(?)
Corporate profits after tax.....	4.6	3.9	(?)	17.9	15.8	(?)
Inventory valuation adjustment.....	.6	1.1	.9	2.3	4.5	3.5
Net interest.....	1.0	1.1	1.1	4.2	4.3	4.3
Addendum: Compensation of general Government employees.....	4.9	5.0	4.6	18.9	19.4	19.9
GROSS NATIONAL PRODUCT OR EXPENDITURE						
Gross national product.....	63.7	63.1	64.9	263.5	259.6	256.3
Personal consumption expenditures.....	42.1	44.6	44.0	178.6	178.9	178.5
Durable goods.....	5.1	6.0	6.5	23.1	23.8	25.8
Nondurable goods.....	23.1	24.5	23.6	100.1	99.3	96.5
Services.....	13.9	14.0	13.9	55.4	55.9	56.2
Gross private domestic investment.....	10.8	7.0	10.4	41.6	35.4	35.0
New construction.....	3.5	4.1	4.9	16.8	16.4	17.3
Producers' durable equipment.....	5.2	5.2	5.0	21.2	20.4	20.1
Change in business inventories, total.....	2.1	-2.3	.4	3.6	-1.4	-2.4
Nonfarm only.....	1.8	-2.5	.4	2.3	-2.1	-2.6
Net foreign investment.....	.2	.3	-.3	1.0	1.2	-.8
Government purchases of goods and services.....	10.4	11.2	10.8	42.3	44.0	43.6
Federal.....	6.4	6.6	6.4	25.5	26.5	25.8
Less: Government sales.....	.1	.1	.1	.3	.3	.3
State and local.....	4.1	4.6	4.4	17.0	17.8	18.1
DISPOSITION OF PERSONAL INCOME						
Personal income.....	52.5	53.2	52.2	213.7	212.5	210.6
Less: Personal tax and nontax payments.....	7.3	3.4	4.4	18.8	18.7	18.8
Federal.....	6.6	2.7	3.8	16.4	16.4	16.4
State and local.....	.7	.6	.5	2.3	2.4	2.4
Equals: Disposable personal income.....	45.2	49.8	47.8	194.9	193.8	191.9
Less: Personal consumption expenditures.....	42.1	44.6	44.0	178.6	178.9	178.5
Equals: Personal saving.....	3.1	5.2	3.8	16.3	14.8	13.3
RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME						
Gross national product.....	63.7	63.1	64.9	263.5	259.6	256.3
Less: Capital consumption allowances.....	4.1	4.1	4.2	16.2	16.6	16.7
Indirect business tax and nontax liability.....	5.0	5.2	5.4	20.6	21.2	21.5
Business transfer payments.....	.2	.2	.2	.6	.6	.6
Statistical discrepancy.....	-1.6	-2.2	(?)	.1	-1.9	(?)
Plus: Subsidies less current surplus of Government enterprises.....	.1	.1	.1	.3	.3	.3
Equals: National income.....	56.1	55.8	(?)	226.3	223.4	(?)
Less: Corporate profits and inventory valuation adjustment.....	8.1	7.7	(?)	31.8	30.9	(?)
Contributions for social insurance.....	1.4	1.4	1.4	5.2	5.4	5.6
Excess of wage accruals over disbursements.....	0	-.1	0	.1	-.3	0
Plus: Government transfer payments.....	2.8	2.9	2.8	11.1	11.5	11.6
Net interest paid by Government.....	1.0	1.4	1.0	4.5	4.6	4.6
Dividends.....	1.9	2.0	1.8	8.4	8.4	8.4
Business transfer payments.....	.2	.2	.2	.6	.6	.6
Equals: Personal income.....	52.5	53.2	52.2	213.7	212.5	210.6

<sup>1</sup> Detail will not necessarily add to totals because of rounding.

<sup>2</sup> Not available.

<sup>3</sup> Includes noncorporate inventory valuation adjustment.

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

# Monthly BUSINESS STATISTICS



THE DATA here are a continuation of the statistics published in the 1949 Statistical Supplement to the SURVEY OF CURRENT BUSINESS. That volume contains monthly data for the years 1945 to 1948, and monthly averages for earlier years back to 1935 insofar as available; it also provides a description of each series and references to sources of monthly figures prior to 1945. Series added or revised since publication of the 1949 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 and dollar values refer to adjustment of monthly figures for seasonal variation.

Data subsequent to September for selected series will be found in the Weekly Supplement to the SURVEY.

Unless otherwise stated, statistics through 1948 and descriptive notes are shown in the 1949 Statistical Supplement to the Survey	1948				1949								
	September	October	November	December	January	February	March	April	May	June	July	August	September
<b>GENERAL BUSINESS INDICATORS</b>													
<b>NATIONAL INCOME AND PRODUCT</b>													
Seasonally adjusted quarterly totals at annual rates:													
National income, total.....bil. of dol.	230.4			234.3			226.3			† 223.4			
Compensation of employees, total.....do.	143.3			144.9			142.5			† 141.8			142.2
Wages and salaries, total.....do.	138.3			139.8			137.5			† 136.5			136.6
Private.....do.	118.6			119.6			117.2			† 115.9			115.7
Military.....do.	3.9			4.1			4.1			† 4.0			4.0
Government civilian.....do.	15.7			16.1			16.2			† 16.6			16.8
Supplements to wages and salaries.....do.	5.0			5.0			5.0			† 5.3			5.6
Proprietors' and rental income, total.....do.	49.9			49.7			47.8			† 46.5			44.5
Business and professional.....do.	24.5			24.5			24.0			† 24.1			24.2
Farm.....do.	18.8			18.5			17.1			† 15.7			13.8
Rental income of persons.....do.	6.6			6.7			6.7			† 6.7			6.5
Corporate profits and inventory valuation adjustment, total.....bil. of dol.	33.3			35.7			31.8			† 30.9			
Corporate profits before tax, total.....do.	36.6			34.5			29.4			† 26.4			
Corporate profits tax liability.....do.	14.4			13.6			11.5			† 10.6			
Corporate profits after tax.....do.	22.2			20.9			17.9			† 15.8			
Inventory valuation adjustment.....do.	-3.3			1.2			2.3			† 4.5			3.5
Net interest.....do.	3.9			4.1			4.2			† 4.3			4.3
Gross national product, total.....do.	266.5			270.3			† 263.5			† 259.6			256.3
Personal consumption expenditures, total.....do.	180.3			180.9			† 178.6			† 178.9			178.5
Durable goods.....do.	24.8			22.9			† 23.1			† 23.8			25.8
Nondurable goods.....do.	101.8			103.3			† 100.1			† 99.3			96.5
Services.....do.	53.7			54.8			55.4			55.9			56.2
Gross private domestic investment.....do.	47.1			48.0			† 41.6			† 35.4			35.0
New construction.....do.	18.7			17.9			16.8			† 16.4			17.3
Producers' durable equipment.....do.	21.0			21.2			† 21.2			† 20.4			20.1
Change in business inventories.....do.	7.4			9.0			† 3.6			† -1.4			-2.4
Net foreign investment.....do.	-1			1.0			† 1.0			† 1.2			-1.8
Government purchases of goods and services, total.....bil. of dol.	39.2			40.3			† 42.3			† 44.0			43.6
Federal (less Government sales).....do.	22.8			23.4			† 25.2			† 26.2			25.5
State and local.....do.	16.4			16.9			17.0			† 17.8			18.1
Personal income, total.....do.	215.4			216.6			213.7			† 212.5			210.6
Less: Personal tax and nontax payments.....do.	20.2			20.4			† 18.8			† 18.7			18.8
Equals: Disposable personal income.....do.	195.2			196.2			† 194.9			† 193.8			191.9
Personal savings.....do.	15.0			15.3			† 16.3			† 14.8			13.3
<b>PERSONAL INCOME, BY SOURCE</b>													
Seasonally adjusted, at annual rates:													
Total personal income.....bil. of dol.	216.3	216.3	216.6	217.0	215.7	212.9	212.4	212.5	213.1	211.9	209.7	† 211.4	210.8
Wage and salary receipts, total.....do.	137.7	138.1	137.5	137.1	136.6	135.0	133.5	134.7	135.0	133.9	134.2	† 134.4	134.7
Employer disbursements, total.....do.	139.9	140.3	139.7	139.4	138.9	137.3	135.8	136.8	137.2	136.2	136.4	† 136.6	136.9
Commodity-producing industries.....do.	62.8	62.7	62.7	62.3	61.4	60.6	58.9	58.6	58.3	58.1	57.8	† 58.2	58.5
Distributive industries.....do.	40.4	40.4	39.8	40.0	40.2	39.5	39.4	40.5	41.1	40.3	40.5	† 40.5	40.6
Service industries.....do.	16.7	16.9	16.9	16.9	17.0	16.9	17.1	17.1	17.3	17.1	17.2	† 17.1	17.0
Government.....do.	20.0	20.3	20.3	20.2	20.3	20.3	20.4	20.6	20.5	20.7	20.9	† 20.8	20.8
Less employee contributions for social insurance.....bil. of dol.	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.1	2.2	2.3	2.2	2.2	2.2
Other labor income.....do.	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.2	2.1	2.2	2.2
Proprietors' and rental income.....do.	49.4	49.0	49.8	50.3	49.0	47.2	47.3	46.3	46.7	46.5	44.2	† 45.2	44.1
Personal interest income and dividends.....do.	16.5	16.8	16.9	16.9	17.0	17.1	17.1	17.2	17.3	17.2	17.1	† 17.3	17.5
Total transfer payments.....do.	10.7	10.4	10.4	10.7	11.1	11.5	12.4	12.2	12.0	12.1	12.1	12.3	12.3
Total nonagricultural income.....do.	193.3	192.9	192.8	193.6	192.6	191.7	191.4	192.3	192.6	191.5	191.2	† 192.2	193.2
<b>NEW PLANT AND EQUIPMENT EXPENDITURES</b>													
All industries, quarterly total.....mil. of dol.	4,830			5,410			4,460			4,660			4,550
Manufacturing.....do.	2,090			2,320			1,850			1,880			1,770
Mining.....do.	200			220			190			190			180
Railroad.....do.	320			410			360			380			340
Other transportation.....do.	170			170			130			140			140
Electric and gas utilities.....do.	690			850			680			780			810
Commercial and miscellaneous.....do.	1,360			1,440			1,260			1,290			1,300

† Revised. † Estimates based on anticipated capital expenditures of business.

♂ Includes inventory valuation adjustment.

§ Personal saving is excess of disposable income over personal consumption expenditures shown as a component of gross national product above.