

quarter of that year. Nonagricultural personal income, also exclusive of the insurance dividends, exceeded even its previous peak in the final quarter of 1948.

Payrolls advance

Payrolls moved upward from the fourth quarter by about \$1½ billion, at annual rates. It should be noted, however, that not all of this increase was reflected in personal income. Employee contributions for social insurance, which are deducted in obtaining wage-and-salary receipts, rose by about \$½ billion as higher rates under the old-age and survivors insurance program became effective in January.

Distributive and service industries contributed to the first-quarter wage advance, but factory payrolls in durable-goods manufacturing establishments accounted for most of it. In part, the rise in these payrolls was due to the lesser effect of strikes than in the preceding quarter. More importantly, however, it reflected the character of the recent upturn in final demand, which, as already explained, was associated to a large extent with durable goods. March payrolls in durable-goods industries exceeded the presteel-strike figure of last September (as well as all intervening months). Average weekly hours worked in durable manufacturing have been increasing since the middle of 1949, and it would appear that the rate of increase accelerated somewhat in the first quarter after allowance is made for seasonal factors.

Wages in nondurable manufacturing showed little change from the fourth quarter. This was also true of other commodity-producing industries, among which small variations proved largely offsetting on balance. Government payrolls were stable.

Favorable showing of proprietors' income

Proprietors' and rental income amounted to \$45 billion at annual rates in the initial quarter of this year—roughly \$1 billion above the preceding quarter. Gains in this component of personal income centered in the nonagricultural business sector, as neither farm nor rental incomes showed much change.

Chiefly responsible for the favorable movement of nonfarm proprietors' earnings was the expansion of consumer spending early this year. Since apart from agriculture the noncorporate form of organization is concentrated heavily in retail trade, and since proprietors of such establishments benefited substantially from the increased volume of retail sales, they accounted for most of the rise in business and professional income. Proportionately large gains also accrued to manufacturing proprietors, but these were not great in absolute terms.

The stability of farm income resulted from an approximate balance between divergent movements of its major determinants. A decline in the seasonally adjusted volume of crops marketed was counterbalanced by increased marketings (seasonally adjusted) of livestock and livestock products. Prices received by farmers differed very little, on the whole, from the fourth quarter.

Other components of personal income

Among the principal components of personal income, the only one to decline in the first quarter was dividends. This drop, however, reflected inclusion in the fourth quarter figures of an unusually large declaration of an extra dividend in December by a single great manufacturing corporation, and did not signify a basic downturn. The rate of distribution of profits to stockholders remained higher than in any previous quarter except the fourth of 1949.

(Continued on p. 24)

Table 3.—National Income and Product, Fourth Quarter 1949 and First Quarter 1950¹
[Billions of dollars]

| Item | Unadjusted | | Seasonally adjusted, at annual rates | |
|---|-----------------|------------------|--------------------------------------|------------------|
| | 1949 | 1950 | 1949 | 1950 |
| | IV ² | I | IV ² | I |
| NATIONAL INCOME BY DISTRIBUTIVE SHARES | | | | |
| National income | 55.1 | (³) | 219.1 | (³) |
| Compensation of employees..... | 35.7 | 35.2 | 140.9 | 142.8 |
| Wages and salaries..... | 34.4 | 33.6 | 135.3 | 136.7 |
| Private..... | 28.8 | 28.1 | 113.5 | 115.1 |
| Military..... | 1.1 | 1.1 | 4.5 | 4.4 |
| Government civilian..... | 4.5 | 4.4 | 17.3 | 17.2 |
| Supplements to wages and salaries..... | 1.3 | 1.5 | 5.6 | 6.1 |
| Proprietors' and rental income ⁴ | 10.9 | 11.2 | 43.7 | 44.7 |
| Business and professional..... | 6.0 | 6.3 | 24.0 | 25.0 |
| Farm..... | 3.2 | 3.2 | 12.9 | 12.9 |
| Rental income of persons..... | 1.7 | 1.7 | 6.8 | 6.8 |
| Corporate profits and inventory valuation adjustment..... | 7.4 | (³) | 30.2 | (³) |
| Corporate profits before tax..... | 7.2 | (³) | 29.5 | (³) |
| Corporate profits tax liability..... | 2.7 | (³) | 11.2 | (³) |
| Corporate profits after tax..... | 4.5 | (³) | 18.2 | (³) |
| Inventory valuation adjustment..... | .2 | -.2 | .7 | -.7 |
| Net interest..... | 1.1 | 1.1 | 4.3 | 4.3 |
| Addendum: Compensation of general Government employees..... | 5.3 | 5.2 | 20.7 | 20.3 |
| GROSS NATIONAL PRODUCT OR EXPENDITURE | | | | |
| Gross national product | 68.0 | 63.3 | 256.7 | 263.9 |
| Personal consumption expenditures..... | 48.7 | 43.1 | 179.8 | 182.7 |
| Durable goods..... | 7.2 | 5.9 | 25.2 | 25.9 |
| Nondurable goods..... | 27.4 | 22.6 | 97.7 | 98.1 |
| Services..... | 14.2 | 14.5 | 56.9 | 57.7 |
| Gross private domestic investment..... | 8.3 | 10.4 | 33.7 | 41.1 |
| New construction..... | 4.8 | 4.2 | 18.7 | 20.1 |
| Producers' durable equipment..... | 4.8 | 4.8 | 18.7 | 19.3 |
| Change in business inventories, total..... | -1.3 | 1.4 | -3.7 | 1.7 |
| Nonfarm only..... | -1.1 | 1.6 | -2.8 | 2.5 |
| Net foreign investment..... | .0 | -.6 | -.5 | -2.1 |
| Government purchases of goods and services..... | 11.0 | 10.4 | 43.7 | 42.2 |
| Federal..... | 6.3 | 5.9 | 25.2 | 23.4 |
| Less: Government sales..... | .1 | .0 | .2 | .2 |
| State and local..... | 4.8 | 4.5 | 18.8 | 18.9 |
| DISPOSITION OF PERSONAL INCOME | | | | |
| Personal income | 53.6 | 54.3 | 209.3 | 219.9 |
| Less: Personal tax and nontax payments..... | 3.6 | 6.8 | 18.6 | 18.7 |
| Federal..... | 3.1 | 6.0 | 16.1 | 16.1 |
| State and local..... | .5 | .8 | 2.5 | 2.6 |
| Equals: Disposable personal income..... | 49.9 | 47.5 | 190.7 | 201.3 |
| Less: Personal consumption expenditures..... | 48.7 | 43.1 | 179.8 | 182.7 |
| Equals: Personal saving..... | 1.2 | 4.4 | 10.8 | 18.6 |
| RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME | | | | |
| Gross national product | 68.0 | 63.3 | 256.7 | 263.9 |
| Less: Capital consumption allowances..... | 4.3 | 4.4 | 17.2 | 17.5 |
| Indirect business tax and nontax liability..... | 5.5 | 5.3 | 21.4 | 21.6 |
| Business transfer payments..... | .2 | .2 | .6 | .6 |
| Statistical discrepancy..... | 3.0 | (³) | -1.4 | (³) |
| Plus: Subsidies less current surplus of Government enterprises..... | .1 | .1 | .3 | .4 |
| Equals: National income | 55.1 | (³) | 219.1 | (³) |
| Less: Corporate profits and inventory valuation adjustment..... | 7.4 | (³) | 30.2 | (³) |
| Contributions for social insurance..... | 1.3 | 1.7 | 5.6 | 6.6 |
| Excess of wage accruals over disbursements..... | .0 | 0 | 0 | 0 |
| Plus: Government transfer payments..... | 3.0 | 5.2 | 11.8 | 20.7 |
| Net interest paid by Government..... | 1.3 | 1.2 | 4.7 | 4.7 |
| Dividends..... | 2.7 | 2.0 | 8.9 | 8.6 |
| Business transfer payments..... | .2 | .2 | .6 | .6 |
| Equals: Personal income | 53.6 | 54.3 | 209.3 | 219.9 |

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

² Data for the fourth quarter of 1949 are the same as those in the February issue of the SURVEY, with two exceptions: An actual estimate of fourth-quarter corporate profits, not previously available, has been introduced; and a revised figure for net foreign investment has been included. Comprehensive revisions of the national income and product estimates for 1949 to incorporate recent information will be made in the July issue of the SURVEY.

³ Not available.

⁴ Includes noncorporate inventory 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 (price \$1.25) 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 March 1950 for selected series will be found in the Weekly Supplement to the SURVEY.

Monthly averages for 1949 are shown in the March 1950 issue of the Survey of Current Business. Copies of that issue (price 25 cents) are available from Department of Commerce field offices or from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

| Unless otherwise stated, statistics through 1948 and descriptive notes are shown in the 1949 Statistical Supplement to the Survey | 1949 | | | | | | | | | | 1950 | | |
|---|-------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|---------|----------|-------|
| | 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, total..... bil. of dol. | 224.7 | | | 220.8 | | | 220.7 | | | 219.1 | | | |
| Compensation of employees, total..... do. | 141.9 | | | 140.8 | | | 141.1 | | | 140.9 | | | 142.8 |
| Wages and salaries, total..... do. | 136.5 | | | 135.4 | | | 135.6 | | | 135.3 | | | 136.7 |
| Private..... do. | 116.1 | | | 114.7 | | | 114.4 | | | 113.5 | | | 115.1 |
| Military..... do. | 4.1 | | | 4.1 | | | 4.2 | | | 4.5 | | | 4.4 |
| Government civilian..... do. | 16.3 | | | 16.6 | | | 16.9 | | | 17.3 | | | 17.2 |
| Supplements to wages and salaries..... do. | 5.4 | | | 5.5 | | | 5.5 | | | 5.6 | | | 6.1 |
| Proprietors' and rental income, total♂..... do. | 47.1 | | | 45.1 | | | 43.1 | | | 43.7 | | | 44.7 |
| Business and professional♂..... do. | 24.1 | | | 24.1 | | | 24.0 | | | 24.0 | | | 25.0 |
| Farm..... do. | 16.4 | | | 14.3 | | | 12.6 | | | 12.9 | | | 12.9 |
| Rental income of persons..... do. | 6.7 | | | 6.7 | | | 6.6 | | | 6.8 | | | 6.8 |
| Corporate profits and inventory valuation adjustment, total..... bil. of dol. | 31.6 | | | 30.7 | | | 32.3 | | | 30.2 | | | |
| Corporate profits before tax, total..... do. | 29.4 | | | 26.4 | | | 28.9 | | | 29.5 | | | |
| Corporate profits tax liability..... do. | 11.5 | | | 10.6 | | | 11.4 | | | 11.2 | | | |
| Corporate profits after tax..... do. | 17.9 | | | 15.8 | | | 17.5 | | | 18.2 | | | |
| Inventory valuation adjustment..... do. | 2.2 | | | 4.3 | | | 3.3 | | | .7 | | | -7 |
| Net interest..... do. | 4.1 | | | 4.2 | | | 4.2 | | | 4.3 | | | 4.3 |
| Gross national product, total..... do. | 262.0 | | | 257.9 | | | 254.6 | | | * 256.7 | | | 263.9 |
| Personal consumption expenditures, total..... do. | 178.7 | | | 179.3 | | | 179.7 | | | 179.8 | | | 182.7 |
| Durable goods..... do. | 23.0 | | | 23.6 | | | 25.7 | | | 25.2 | | | 26.9 |
| Nondurable goods..... do. | 100.4 | | | 99.8 | | | 97.6 | | | 97.7 | | | 98.1 |
| Services..... do. | 55.3 | | | 55.9 | | | 56.5 | | | 56.0 | | | 57.7 |
| Gross private domestic investment..... do. | 40.0 | | | 33.2 | | | 32.1 | | | 33.7 | | | 41.1 |
| New construction..... do. | 16.8 | | | 16.4 | | | 17.4 | | | 18.7 | | | 20.1 |
| Producers' durable equipment..... do. | 20.7 | | | 20.0 | | | 19.6 | | | 18.7 | | | 19.3 |
| Change in business inventories..... do. | 2.5 | | | -3.2 | | | -5.0 | | | -3.7 | | | 1.7 |
| Net foreign investment..... do. | 1.0 | | | 1.2 | | | -3 | | | -2.0 | | | -2.1 |
| Government purchases of goods and services, total..... bil. of dol. | 42.3 | | | 44.2 | | | 43.2 | | | 43.7 | | | 42.2 |
| Federal (less Government sales)..... do. | 25.2 | | | 26.4 | | | 25.0 | | | 25.0 | | | 23.2 |
| State and local..... do. | 17.1 | | | 17.8 | | | 18.2 | | | 18.8 | | | 18.9 |
| Personal income, total..... do. | 212.0 | | | 210.0 | | | 208.2 | | | 209.3 | | | 219.9 |
| Less: Personal tax and nontax payments..... do. | 18.6 | | | 18.6 | | | 18.6 | | | 18.6 | | | 18.7 |
| Equals: Disposable personal income..... do. | 193.4 | | | 191.4 | | | 189.5 | | | 190.7 | | | 201.3 |
| Personal saving‡..... do. | 14.8 | | | 12.1 | | | 9.8 | | | 10.8 | | | 18.6 |
| PERSONAL INCOME, BY SOURCE | | | | | | | | | | | | | |
| Seasonally adjusted, at annual rates: | | | | | | | | | | | | | |
| Total personal income..... bil. of dol. | 210.2 | 210.5 | 210.2 | 209.4 | 207.2 | 209.1 | 208.3 | 207.0 | 209.4 | 211.9 | 218.1 | 219.1 | 222.7 |
| Wage and salary receipts, total..... do. | 132.3 | 133.9 | 133.7 | 132.9 | 133.0 | 133.4 | 133.7 | 132.7 | 132.5 | 134.4 | 133.7 | * 133.1 | 135.2 |
| Employer disbursements, total..... do. | 134.6 | 136.0 | 135.9 | 135.2 | 135.2 | 135.6 | 135.9 | 134.9 | 134.7 | 136.6 | 136.5 | * 135.8 | 138.0 |
| Commodity-producing industries..... do. | 57.4 | 57.4 | 57.0 | 56.7 | 56.4 | 56.9 | 57.1 | 55.5 | 56.0 | 57.4 | 57.1 | * 56.5 | 58.4 |
| Distributive industries..... do. | 39.4 | 40.7 | 40.9 | 40.3 | 40.5 | 40.5 | 40.5 | 40.2 | 39.5 | 39.9 | 40.1 | * 39.9 | 40.2 |
| Service industries..... do. | 17.3 | 17.3 | 17.4 | 17.3 | 17.1 | 17.1 | 17.1 | 17.5 | 17.4 | 17.4 | 17.6 | * 17.8 | 17.8 |
| Government..... do. | 20.5 | 20.6 | 20.6 | 20.9 | 21.2 | 21.1 | 21.2 | 21.7 | 21.8 | 21.9 | 21.7 | * 21.6 | 21.6 |
| Less employee contributions for social insurance..... bil. of dol. | * 2.3 | * 2.1 | * 2.2 | * 2.3 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.8 | 2.7 | 2.8 |
| Other labor income..... do. | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 | 2.4 |
| Proprietors' and rental income..... do. | 46.2 | 45.0 | 45.2 | 45.1 | 42.8 | 43.9 | 42.7 | 42.9 | 44.9 | 43.5 | 46.5 | * 41.1 | 43.7 |
| Personal interest income and dividends..... do. | 17.0 | 17.1 | 17.0 | 17.0 | 16.9 | 17.1 | 17.2 | 17.3 | 17.4 | 18.9 | 17.4 | * 17.6 | 17.9 |
| Total transfer payments..... do. | 12.6 | 12.4 | 12.2 | 12.3 | 12.4 | 12.6 | 12.6 | 12.0 | 12.4 | 12.8 | 18.3 | 22.1 | 23.5 |
| Total nonagricultural income..... do. | 190.5 | 191.8 | 191.4 | 190.5 | 190.2 | 191.4 | 192.2 | 190.3 | 191.3 | 194.5 | 198.7 | * 202.7 | 206.7 |
| NEW PLANT AND EQUIPMENT EXPENDITURES | | | | | | | | | | | | | |
| All industries, quarterly total..... mil. of dol. | 4,460 | | | 4,660 | | | 4,370 | | | 4,630 | | | 4,110 |
| Manufacturing..... do. | 1,850 | | | 1,880 | | | 1,690 | | | 1,830 | | | 1,690 |
| Mining..... do. | 190 | | | 190 | | | 180 | | | 180 | | | 170 |
| Railroad..... do. | 360 | | | 380 | | | 310 | | | 300 | | | 250 |
| Other transportation..... do. | 130 | | | 140 | | | 140 | | | 120 | | | 80 |
| Electric and gas utilities..... do. | 680 | | | 780 | | | 790 | | | 890 | | | 740 |
| Commercial and miscellaneous..... do. | 1,260 | | | 1,290 | | | 1,260 | | | 1,320 | | | 1,170 |

* 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.