

in several years, foreign buyers—influenced by many of the same anticipatory considerations that have motivated domestic consumers and businessmen—were able to continue the step-up in procurement from this country which they began last fall. Domestic supply shortages do not appear to have seriously impeded the rise so far, but may cut into the volume of goods available for export as the mobilization program proceeds.

As noted above, United States imports also rose in the first quarter, continuing a trend which began with the upturn in domestic economic activity in the second half of 1949, and which has been reinforced since the middle of last year by expanded demand for such strategic materials as rubber, copper, and tin. Following the pattern of other recent quarters, the dollar import totals reflected a considerably larger element of price increase than did exports.

### The Flow of Income

Personal income in the opening quarter of 1951 reached an annual rate of \$242 billion—up \$7 billion from the fourth quarter of last year. All major components shared in the advance, with the exception of dividends, which dropped sharply, not because of a change in corporate earnings, but by reason of the special circumstances noted below. Total income exclusive of dividends rose by \$9 billion, an amount approximately equivalent to the increases in each of the two preceding quarters.

#### Large gain in wages and salaries

Of this \$9 billion increment, \$7 billion was in the form of wages and salaries. At an annual rate of \$162 billion, these were 20 percent higher than a year ago and 4½ percent above the fourth quarter figure.

Government wages and salaries, which began to expand rapidly in the second half of 1950 after a long period of virtual constancy, again accounted for a more-than-proportionate share of the increase. The growth of military payrolls with enlargement of our Armed Forces, of course, was primarily responsible for this movement. However, civilian government wages and salaries—chiefly because of the increased activities of Federal facilities engaged in producing goods or servicing the military, and of the defense and stabilization agencies—also contributed.

Payrolls in private industries rose from \$130½ billion (at annual rates) in the fourth quarter to \$135½ billion in the first. The further growth of employment was a factor in this change, but about three-fourths of it appears to have been attributable to higher hourly earnings. The relative importance of these two factors thus shifted appreciably as compared with the early phases of the recent industrial expansion, when rising employment was the dominant influence upon the course of total private payrolls. The average workweek in the initial months of this year differed little, with due allowance for seasonal variations, from that of the December quarter.

#### Payroll advance widespread

The latest quarterly payroll increase was much more evenly distributed industrially than those which occurred in 1950. In general, this reflected the tapering-off of employment gains—which were concentrated in manufacturing, especially in durable-goods plants—and the growing relative contribution of wage rate increases, which were gradually spreading throughout the economy.

The manufacturing industries accounted for only about 40 percent of the first-quarter private payroll gain, as compared with 60 percent of the change from the third to the fourth quarter and a still higher proportion earlier last year. Within manufacturing, the bias in favor of durable-goods

Table 3.—National Income and Product, Last Two Quarters 1950 and First Quarter 1951<sup>1</sup>

[Billions of dollars]

Item	Unadjusted			Seasonally adjusted at annual rates		
	1950		1951	1950		1951
	III	IV <sup>2</sup>	I	III	IV <sup>2</sup>	I
<b>NATIONAL INCOME BY DISTRIBUTIVE SHARES</b>						
National income.....	61.1	64.6	(3)	244.0	256.2	(3)
Compensation of employees.....	39.0	41.2	41.9	155.3	162.7	170.2
Wages and salaries.....	37.1	39.5	39.8	147.8	155.1	162.1
Private.....	31.9	33.2	33.1	125.3	130.3	135.5
Military.....	(3)	(3)	(3)	(3)	(3)	(3)
Government civilian.....	(3)	(3)	(3)	(3)	(3)	(3)
Supplements to wages and salaries.....	1.8	1.8	2.1	7.4	7.6	8.1
Proprietors' and rental income <sup>4</sup> .....	11.4	11.6	12.0	45.5	46.3	48.0
Business and professional.....	6.2	6.1	6.4	24.6	24.3	25.8
Farm.....	3.4	3.6	3.7	13.5	14.4	14.8
Rental income of persons.....	1.8	1.9	1.9	7.4	7.6	7.4
Corporate profits and inventory valuation adjustment.....	9.5	10.5	(3)	38.1	42.2	(3)
Corporate profits before tax.....	11.4	12.6	(3)	46.4	50.8	(3)
Corporate profits tax liability.....	5.1	5.6	(3)	20.6	22.3	(3)
Corporate profits after tax.....	6.4	7.0	(3)	25.8	28.5	(3)
Inventory valuation adjustment.....	-2.1	-2.1	-2.3	-8.3	-8.5	-9.3
Net interest.....	1.3	1.3	1.3	5.0	5.1	5.2
Addendum: Compensation of general government employees.....	5.0	5.9	6.4	21.2	23.4	25.3
<b>GROSS NATIONAL PRODUCT OR EXPENDITURE</b>						
Gross national product.....	71.6	78.7	76.1	283.9	300.3	313.9
Personal consumption expenditures.....	49.1	52.5	48.5	198.9	195.8	204.8
Durable goods.....	8.6	8.3	7.0	34.0	30.0	31.6
Nondurable goods.....	25.5	28.9	25.8	104.5	104.3	110.7
Services.....	15.0	15.3	15.7	60.4	61.5	62.6
Gross private domestic investment.....	13.3	15.0	15.4	47.8	60.2	59.0
New construction.....	6.5	5.9	4.9	23.0	22.9	23.5
Residential nonfarm.....	3.9	3.3	2.6	13.6	12.9	12.9
Other.....	2.6	2.5	2.4	9.4	10.0	10.7
Producers' durable equipment.....	6.4	6.6	6.8	26.3	26.1	27.6
Change in business inventories, total.....	.5	2.6	3.6	-1.5	11.2	7.9
Nonfarm only.....	.4	2.5	3.6	-1.7	11.0	7.6
Net foreign investment.....	-9.9	-7.7	-6.6	-3.3	-3.4	-2.6
Government purchases of goods and services.....	10.2	11.9	12.8	40.4	47.6	52.6
Federal.....	5.3	6.8	8.0	21.1	27.1	32.2
Less: Government sales.....	.1	.1	.1	.2	.2	.2
State and local.....	4.9	5.2	4.8	19.5	20.8	20.7
<b>DISPOSITION OF PERSONAL INCOME</b>						
Personal income.....	56.1	60.0	59.3	224.9	234.9	241.6
Less: Personal tax and nontax payments.....	4.8	4.8	10.4	20.3	23.3	26.7
Federal.....	4.2	4.2	9.5	17.5	20.4	23.8
State and local.....	.7	.6	.9	2.8	2.8	2.9
Equals: Disposable personal income.....	51.3	55.2	48.9	204.6	211.6	214.9
Less: Personal consumption expenditures.....	49.1	52.5	48.5	198.9	195.8	204.8
Equals: Personal saving.....	2.2	2.7	.4	5.7	15.8	10.1
<b>RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME</b>						
Gross national product.....	71.6	78.7	76.1	283.9	300.3	313.9
Less: Capital consumption allowances.....	5.3	5.4	5.5	21.3	21.7	22.2
Indirect business tax and nontax liability.....	6.4	6.2	6.3	25.3	24.3	26.1
Business transfer payments.....	.2	.2	.2	.7	.7	.7
Statistical discrepancy.....	-1.4	2.3	(3)	-7.6	-2.7	(3)
Plus: Subsidies less current surplus of government enterprises.....	-1.1	.0	.0	-3.3	-1.1	-1.1
Equals: National income.....	61.1	64.6	(3)	244.0	256.2	(3)
Less: Corporate profits and inventory valuation adjustment.....	9.5	10.5	(3)	38.1	42.2	(3)
Contributions for social insurance.....	1.7	1.6	2.2	6.9	7.2	8.1
Excess of wage accruals over disbursements.....	.0	.0	.0	.0	.0	.0
Plus: Government transfer payments.....	2.7	2.8	2.8	11.2	11.2	11.5
Net interest paid by government.....	1.1	1.2	1.1	4.8	4.8	4.8
Dividends.....	2.2	3.4	2.1	9.3	11.5	9.3
Business transfer payments.....	.2	.2	.2	.7	.7	.7
Equals: Personal income.....	56.1	60.0	59.3	224.9	234.9	241.6

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

<sup>2</sup> Data for the fourth quarter of 1950 are the same as those in the February issue of the SURVEY except that an actual estimate of fourth-quarter corporate profits not previously available has been introduced.

<sup>3</sup> Not available.

<sup>4</sup> 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 1951 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	1950												1951		
	March	April	May	June	July	August	September	October	November	December	January	February	March		
<b>GENERAL BUSINESS INDICATORS</b>															
<b>NATIONAL INCOME AND PRODUCT†</b>															
Seasonally adjusted quarterly totals at annual rates:															
National income, total..... bil. of dol.	216.9			229.1			244.0			256.2					
Compensation of employees, total..... do.	142.3			147.9			155.3			162.7			170.2		
Wages and salaries, total..... do.	135.2			140.6			147.8			155.1			162.1		
Private..... do.	114.3			119.5			125.3			130.3			135.5		
Military..... do.	4.5			4.5											
Government civilian..... do.	16.4			16.6											
Supplements to wages and salaries..... do.	7.1			7.3			7.4			7.6			8.1		
Proprietors' and rental income, total♂..... do.	41.5			41.2			45.5			46.3			48.0		
Business and professional♂..... do.	21.4			22.3			24.6			24.3			25.8		
Farm..... do.	12.8			11.7			13.5			14.4			14.8		
Rental income of persons..... do.	7.3			7.1			7.4			7.6			7.4		
Corporate profits and inventory valuation adjustment, total..... bil. of dol.	28.1			35.0			38.1			42.2					
Corporate profits before tax, total..... do.	29.2			37.4			46.4			50.8					
Corporate profits tax liability..... do.	13.2			16.5			20.6			22.3					
Corporate profits after tax..... do.	16.0			20.9			25.8			28.5					
Inventory valuation adjustment..... do.	-1.0			-2.4			-8.3			-8.5			-9.3		
Net interest..... do.	5.0			5.0			5.0			5.1			5.2		
Gross national product, total..... do.	263.3			271.6			283.9			300.3			313.9		
Personal consumption expenditures, total..... do.	182.6			185.8			198.9			195.8			204.8		
Durable goods..... do.	26.4			26.5			34.0			30.0			31.6		
Nondurable goods..... do.	97.9			99.9			104.5			104.3			110.7		
Services..... do.	58.3			59.5			60.4			61.5			62.6		
Gross private domestic investment..... do.	41.8			47.7			47.8			60.2			59.0		
New construction..... do.	20.0			21.5			23.0			22.9			23.5		
Producers' durable equipment..... do.	19.5			21.8			26.3			26.1			27.6		
Change in business inventories..... do.	2.3			4.4			-1.5			11.2			7.9		
Net foreign investment..... do.	-1.7			-1.7			-3.3			-3.4			-2.6		
Government purchases of goods and services, total..... bil. of dol.	40.5			39.9			40.4			47.6			52.6		
Federal (less Government sales)..... do.	21.8			21.1			20.9			26.9			32.0		
State and local..... do.	18.7			18.8			19.5			20.8			20.7		
Personal income, total..... do.	216.4			215.1			224.9			234.9			241.6		
Less: Personal tax and nontax payments..... do.	19.0			19.5			20.3			23.3			26.7		
Equals: Disposable personal income..... do.	197.4			195.6			204.6			211.6			214.9		
Personal savings..... do.	14.8			9.8			5.7			15.8			10.1		
<b>PERSONAL INCOME, BY SOURCE†</b>															
Seasonally adjusted, at annual rates:															
Total personal income..... bil. of dol.	219.3	213.8	214.5	217.1	220.7	225.4	228.7	231.1	232.9	241.0	240.9	† 241.3	242.5		
Wage and salary receipts, total..... do.	133.6	135.3	137.7	140.2	141.7	145.5	147.8	150.7	152.1	154.3	156.7	† 158.7	160.4		
Employer disbursements, total..... do.	136.4	138.1	140.5	143.2	144.5	148.5	150.6	153.8	155.1	157.2	160.2	† 162.1	164.0		
Commodity-producing industries..... do.	57.7	59.1	60.9	62.7	63.3	65.6	66.5	68.6	69.1	70.0	71.1	† 72.0	72.6		
Distributive industries..... do.	39.6	39.7	40.1	40.7	40.9	41.7	41.6	41.9	41.9	42.4	43.2	† 43.7	44.1		
Service industries..... do.	18.1	18.2	18.5	18.6	18.7	18.8	18.8	19.2	19.3	19.4	19.9	† 19.8	20.0		
Government..... do.	21.0	21.1	21.0	21.2	21.6	22.4	23.7	24.1	24.8	25.4	26.0	† 26.6	27.3		
Less employee contributions for social insurance..... bil. of dol.	2.8	2.8	2.8	3.0	2.8	3.0	2.8	3.1	3.0	2.9	3.5	† 3.4	3.6		
Other labor income..... do.	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.5	† 3.5	3.5		
Proprietors' and rental income..... do.	40.2	39.8	41.5	42.3	45.5	46.1	45.0	45.7	46.2	47.0	49.3	† 47.7	47.1		
Personal interest income and dividends..... do.	18.0	18.2	17.8	17.8	17.8	18.4	21.1	19.2	19.4	24.7	19.0	† 19.3	19.5		
Total transfer payments..... do.	24.2	17.2	14.1	13.4	12.3	12.0	11.4	12.1	11.8	11.6	12.4	† 12.1	12.0		
Total nonagricultural income..... do.	203.7	198.7	198.4	200.7	202.7	207.3	211.2	212.7	213.9	221.9	220.9	† 222.4	223.8		
<b>NEW PLANT AND EQUIPMENT EXPENDITURES</b>															
All industries, quarterly total..... mil. of dol.															
Manufacturing..... do.	3,700			4,330			4,700			5,830			15,500		
Mining..... do.	1,520			1,860			2,050			2,790			12,670		
Railroad..... do.	150			160			180			200			1,190		
Other transportation..... do.	230			300			290			320			1,360		
Electric and gas utilities..... do.	80			90			120			140			1,150		
Commercial and miscellaneous..... do.	650			760			820			940			1,830		
	1,060			1,160			1,240			1,440			1,300		

† Revised. † Estimates for January-March, based on anticipated capital expenditures of business.

pp. 28-35 of the July 1950 SURVEY for the revised figures. Quarterly estimates of national income, gross national product, and personal income have been revised beginning 1946; see pp. 28-35 of the July 1950 SURVEY for the revised figures.

♂Includes inventory valuation adjustment.

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