

Consumer market developments in the first quarter featured a rebound in new auto sales, and continued growth in expenditures for services. Spending for food was up about in line with prices; while outlays for most other types of goods showed little change.

Auto sales improve

The \$1 billion rise in the annual rate of auto spending, to \$18 billion in the first quarter, reflected some catching up as the supply shortages of late 1959 were overcome. For the first 4 months of 1960, unit sales were above the year-earlier period by 15 percent. The effect of this improvement on total GNP was not so great as the figures would suggest; the gain centered in the new compact models, which generate less business for the supplier industries.

Production was stepped up in the early months of this year, in order to bring retail stocks of cars up to the desired volume. By the end of the quarter auto inventories had been built up to record levels, and subsequently they have been held even. The size of stocks reflects the dealers' need to carry a wider variety of models this year, and

the industry's desire to post a large sales gain over 1959.

Demand for furniture and household appliances has shown little change since new residential activity turned down after the middle of last year.

Food and apparel

Food consumption about matched the fourth quarter in real volume. Current dollar outlays, however, spirited late in the winter as prices rose. Most of the price advance was traceable to supply factors affecting hogs, poultry and eggs, as weather losses reinforced the effects of the 1958-59 price decline on production.

First-quarter sales of clothing and shoes were about even with the final quarter of last year on a seasonally adjusted basis, the total being held down by a dip late in the winter though this was apparently made up in April.

Capital Investment

Residential construction activity, which moved downward last year after reaching an all-time high in the spring

quarter, has declined from month to month so far in 1960 though remaining at relatively high levels. The recent course of housing starts and of applications for Government backing indicates a continuation of this movement for the immediate future.

While the decline in expenditures from last year's peak has amounted to 8 percent, the fall in starts has been considerably sharper. Outlay per unit has risen, reflecting an increase in the proportion of higher priced housing built as well as a general advance in construction costs; and expenditures for additions and alterations have held up.

Business fixed investment rose. Part of the immediate gain reflected a recovery from the strike-caused slow-downs, but the underlying influence was the continuing cyclical upswing in demand for plant and equipment. Data from the OBE-SEC survey of business capital plans indicate a continued improvement during 1960.

The scheduled gains from the fourth quarter to the first, while industrially widespread, were concentrated in areas where recovery in investment had lagged. Outlays in manufacturing rose

Table 5.—Gross National Product in Current and Constant Dollars

[Seasonally adjusted, at annual rates]

	Billions of current dollars								Billions of 1954 dollars							
	1957	1958	1959	1959				1960	1957	1958	1959	1959				1960
				I	II	III	IV	I				I	II	III	IV	I
Gross national product	442.5	441.7	479.5	470.4	484.8	478.6	483.5	500.2	408.3	399.0	426.0	420.7	432.1	424.3	426.8	439.3
Personal consumption expenditures	284.8	293.0	311.6	303.9	311.2	313.3	317.0	321.1	270.8	273.3	287.6	282.3	288.3	288.8	291.1	293.5
Durable goods.....	40.3	37.6	43.0	41.3	44.1	43.6	42.8	43.7	38.5	35.7	40.2	38.8	41.2	40.6	40.2	41.1
Nondurable goods.....	137.7	141.9	147.9	145.3	147.7	148.0	150.1	151.1	132.6	133.7	139.3	137.3	139.7	139.4	140.7	141.3
Services.....	106.7	113.4	120.7	117.4	119.4	121.6	124.1	126.3	99.8	103.8	108.2	106.2	107.4	108.8	110.2	111.1
Gross private domestic investment	66.6	54.9	71.1	70.0	77.7	67.0	69.7	79.2	58.5	47.3	60.2	59.8	66.0	56.4	58.8	66.3
New construction.....	36.1	35.8	40.2	39.7	41.0	41.0	39.2	40.4	31.9	31.5	34.4	34.3	35.1	34.9	33.3	34.0
Residential nonfarm.....	17.0	18.0	22.2	21.9	23.1	22.6	21.3	21.3	15.4	16.2	19.4	19.3	20.2	19.7	18.4	18.2
Other.....	19.0	17.7	18.0	17.8	17.9	18.3	17.9	19.1	16.5	15.2	15.0	15.0	14.9	15.2	14.9	15.7
Producers' durable equipment.....	28.5	22.9	26.1	23.9	26.0	27.0	27.5	28.1	24.6	19.3	21.5	19.8	21.3	22.1	22.7	23.1
Change in business inventories.....	2.0	-3.8	4.8	6.3	10.7	-1.0	3.0	10.6	2.0	-3.5	4.4	5.7	9.5	-6	2.8	9.2
Nonfarm.....	1.2	-4.9	3.9	5.4	9.8	-1.8	2.3	10.1	1.1	-4.4	3.5	4.7	8.6	-1.4	2.1	8.6
Net exports of goods and services (GNP basis) ...	4.9	1.2	-8	-9	-1.8	0	-6	1.2	3.8	0	-2.6	-2.7	-3.5	-1.9	-2.2	-7
Exports.....	26.2	22.6	22.8	21.5	22.1	24.1	23.4	24.8	24.4	21.6	21.7	20.4	20.9	23.1	22.4	23.3
Imports.....	21.3	21.3	23.6	22.4	23.9	24.1	24.1	23.6	20.6	21.6	24.3	23.1	24.5	25.0	24.7	24.0
Government purchases of goods and services	86.2	92.6	97.6	97.4	97.7	98.4	97.4	98.8	75.1	78.4	80.7	81.3	81.4	81.0	79.1	80.2
Federal.....	49.4	52.2	53.5	53.8	53.9	53.6	52.7	52.3	42.8	44.1	44.2	44.9	45.0	44.1	42.7	42.4
National defense.....	44.3	44.5	45.8	45.8	46.2	45.9	45.3	44.8	.....	.....	.....	.....	.....	.....	.....	.....
Other.....	5.5	8.1	8.1	8.3	8.0	8.1	7.8	7.8	.....	.....	.....	.....	.....	.....	.....	.....
Less: Government sales.....	.4	.5	.4	.3	.3	.4	.4	.4	.....	.....	.....	.....	.....	.....	.....	.....
State and local.....	36.8	40.5	44.1	43.6	43.8	44.8	44.7	46.5	32.3	34.4	36.5	36.4	36.4	36.9	36.3	37.7

NOTE.—For back data see Tables I-3 and I-5 in the July 1959 Survey, and for years prior to 1954, in U.S. Income and Output.

Monthly BUSINESS STATISTICS



THE STATISTICS here are a continuation of the data published in the 1959 edition of BUSINESS STATISTICS, biennial Statistical Supplement to the SURVEY OF CURRENT BUSINESS. That volume (price \$2.25) contains monthly (or quarterly) data for the years 1955 through 1958 and monthly averages for all years back to 1929 insofar as available; it also provides a description of each series and references to sources of monthly figures prior to 1955. Series added or significantly revised since publication of the 1959 BUSINESS STATISTICS are indicated by an asterisk (*) and a dagger (†), respectively; certain revisions for 1958 issued too late for inclusion in the aforementioned volume appear in the monthly SURVEY beginning with the July 1959 issue. Except as otherwise stated, the terms "unadjusted" and "adjusted" refer to adjustment for seasonal variation.

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Unless otherwise stated, statistics through 1958 and descriptive notes are shown in the 1959 edition of BUSINESS STATISTICS	1959										1960			
	March	April	May	June	July	August	September	October	November	December	January	February	March	April

GENERAL BUSINESS INDICATORS

NATIONAL INCOME AND PRODUCT														
Seasonally adjusted quarterly totals at annual rates:														
National income, total..... bil. of dol.														
389.4			403.9				398.2				402.6			
Compensation of employees, total..... do	269.9		278.9				279.3				281.6		290.1	
Wages and salaries, total..... do	250.9		259.4				259.5				261.5		268.6	
Private..... do	206.2		214.0				213.5				214.8		221.2	
Military..... do	9.8		9.8				9.8				9.8		9.9	
Government civilian..... do	34.8		35.6				36.3				36.9		37.6	
Supplements to wages and salaries..... do	19.0		19.6				19.8				20.0		21.4	
Proprietors' income, total [♂] do	46.9		46.6				45.1				46.7		46.3	
Business and professional [♂] do	33.7		34.5				34.8				35.1		35.4	
Farm..... do	13.2		12.1				10.3				11.6		10.8	
Rental income of persons..... do	12.0		12.0				12.0				12.0		12.2	
Corporate profits and inventory valuation adjustment, total..... bil. of dol.	45.5		51.0				46.0				46.2			
Corporate profits before tax, total..... do	46.5		52.6				46.4				45.7			
Corporate profits tax liability..... do	22.6		25.6				22.6				22.2			
Corporate profits after tax..... do	23.8		27.0				23.8				23.4			
Inventory valuation adjustment..... do	-9		-1.6				-3				.5			
Net interest..... do	15.1		15.4				15.8				16.1		16.4	
Gross national product, total..... do	470.4		484.8				478.6				483.5		500.2	
Personal consumption expenditures, total..... do	303.9		311.2				313.3				317.0		321.1	
Durable goods..... do	41.3		44.1				43.6				42.8		43.7	
Nondurable goods..... do	145.3		147.7				148.0				150.1		151.1	
Services..... do	117.4		119.4				121.6				124.1		126.3	
Gross private domestic investment, total..... do	70.0		77.7				67.0				69.7		79.2	
New construction..... do	39.7		41.0				41.0				39.2		40.4	
Producers' durable equipment..... do	23.9		26.0				27.0				27.5		28.1	
Change in business inventories..... do	6.3		10.7				-1.0				3.0		10.6	
Net exports of goods and services..... do	-9		-1.8				0				-6		1.2	
Exports..... do	21.5		22.1				24.1				24.4		24.8	
Imports..... do	22.4		23.9				24.1				24.1		23.6	
Government purchases of goods and services, total..... bil. of dol.	97.4		97.7				98.4				97.4		98.8	
Federal (less Government sales)..... do	53.8		53.9				53.6				52.7		52.3	
National defense [♀] do	45.8		46.2				45.9				45.3		44.8	
State and local..... do	43.6		43.8				44.8				44.7		46.5	
Personal income, total..... do	371.8		381.1				381.0				386.8		393.1	
Less: Personal tax and nontax payments..... do	44.4		45.8				45.9				46.1		47.7	
Equals: Disposable personal income..... do	327.4		335.3				335.1				340.8		345.4	
Personal saving [§] do	23.5		24.1				21.9				23.7		24.4	
GNP in constant (1954) dollars														
Gross national product, total..... bil. of dol.	420.7		432.1				424.3				426.8		439.3	
Personal consumption expenditures, total..... do	282.3		288.3				288.8				291.1		295.5	
Durable goods..... do	38.8		41.2				40.6				40.2		41.1	
Nondurable goods..... do	137.3		139.7				139.4				140.7		141.3	
Services..... do	106.2		107.4				108.8				110.2		111.1	
Gross private domestic investment, total..... do	59.8		66.0				56.4				58.8		66.3	
New construction..... do	34.3		35.1				34.9				33.3		34.0	
Producers' durable equipment..... do	19.8		21.3				22.1				22.7		23.1	
Change in business inventories..... do	5.7		9.5				-6				2.8		9.2	
Net exports of goods and services..... do	-2.7		-3.5				-1.9				-2.2		-1.7	
Government purchases of goods and services, total..... bil. of dol.	81.3		81.4				81.0				79.1		80.2	
Federal..... do	44.9		45.0				44.1				42.7		42.4	
State and local..... do	36.4		36.4				36.9				36.3		37.7	

[♂] Revised. [♂] Includes inventory valuation adjustment. [♀] Government sales are not deducted.
[§] Personal saving is excess of disposable income over personal consumption expenditures shown as a component of gross national product above.