

contrast to the usual sharp seasonal rise. With the coming of spring, sales rose more than seasonally and the higher levels continued into the second quarter. Stocks declined slightly but somewhat less than expected in this period of the year. In spite of the second quarter improvement, automobile sales and production were substantially below a year ago.

### Support from Government

The bulk of the second quarter increase in GNP came in private expenditures, but the role of the Federal Government in stimulating business activity was important. In addition to the \$2 billion annual rate increase in direct purchases of goods and services, the Federal Government instituted several programs swelling the flow of income in the economy, notably the feed grain and the temporary unemployment insurance programs. Measures affecting the supply of money and credit designed to stimulate economic activity will be noted later.

### Consumption expenditures up

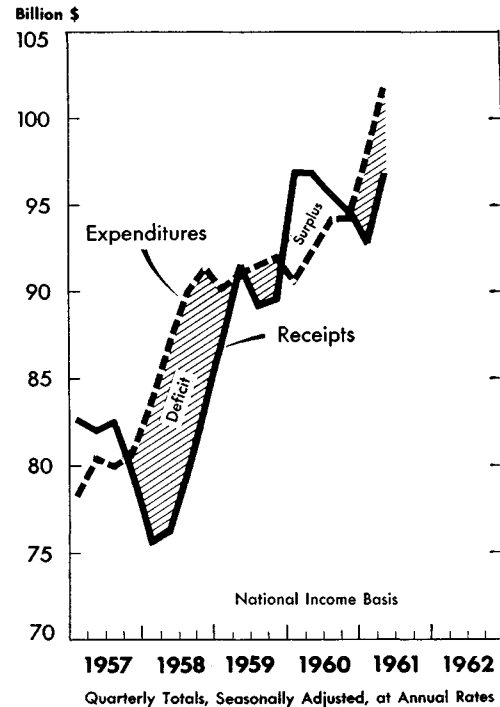
Personal consumption expenditures, which had turned down in the opening quarter of the year with the decline in auto and other durable goods purchases, moved up in the second quarter. The \$5½ billion increase to an annual rate of \$336 billion was concentrated in expenditures for automobiles and services. (See chart.) Sales of durable goods other than autos—mainly furniture and appliances—showed only modest increases which were not enough to bring them back to the highs of late 1959.

Small changes were the rule for all the major categories of nondurable goods. Spending for food and beverages, which was up only slightly in current dollars, went up more in real terms as retail food prices—principally of meat and dairy products—declined from their first quarter average.

### Swing in inventories

The inventory swing from the first to the second quarter featured changes in stocks of automobile producers and

### FEDERAL GOVERNMENT Expenditures Exceed Receipts in First Half Of 1961



Quarterly Totals, Seasonally Adjusted, at Annual Rates

U. S. Department of Commerce, Office of Business Economics 61-8-7

Table 1.—Gross National Product in Current and Constant Dollars (1-3, 1-5)

[Seasonally adjusted, at annual rates]

	1958			1959			1960			1961		1958			1959			1960			1961	
	II	III	IV	I	II	II	III	IV	I	II	II	III	IV	I	II							
	Billions of current dollars										Billions of 1954 dollars											
<b>Gross national product</b> .....	444.5	482.8	504.4	506.4	505.1	504.5	500.8	516.1	401.3	428.4	440.8	443.4	440.2	438.4	433.2	445.5						
<b>Personal consumption expenditures</b> .....	293.2	314.0	328.9	329.9	329.7	332.3	330.7	336.1	273.2	289.3	298.3	299.5	298.6	299.6	297.0	301.6						
Durable goods.....	37.3	43.5	44.3	45.3	43.4	43.8	39.4	42.0	35.5	41.0	41.8	42.5	40.8	41.6	37.6	39.8						
Nondurable goods.....	141.6	147.3	152.4	153.3	152.7	153.1	153.7	154.1	133.3	138.8	141.8	142.9	142.0	141.3	141.6	142.6						
Services.....	114.3	123.2	132.2	131.2	133.6	135.4	137.5	139.9	104.4	109.5	114.7	114.2	115.8	116.6	117.8	119.2						
<b>Gross private domestic investment</b> .....	56.6	72.4	72.4	74.6	70.5	65.6	59.8	68.8	49.0	61.1	60.6	62.3	58.6	54.9	49.6	57.3						
New construction.....	35.5	40.2	40.7	40.7	40.4	40.7	39.6	41.3	31.1	34.3	33.9	33.9	33.6	33.9	32.9	34.1						
Residential nonfarm.....	18.0	22.3	21.1	21.2	21.0	20.5	19.3	20.6	16.2	19.4	18.0	18.1	17.9	17.5	16.5	17.6						
Other.....	17.4	17.9	19.6	19.5	19.4	20.2	20.4	20.7	14.8	14.8	16.0	15.9	15.7	16.4	16.4	16.6						
Producers' durable equipment.....	23.1	25.9	27.5	28.6	27.7	26.7	24.2	24.7	19.4	21.3	22.7	23.4	22.7	22.1	19.9	20.3						
Change in business inventories.....	-2.0	6.3	4.2	5.4	2.4	-1.9	-4.0	2.8	-1.5	5.5	4.0	4.9	2.3	-1.1	-3.2	2.9						
Nonfarm.....	-2.9	6.2	4.0	5.1	2.0	-2.2	-4.3	2.4	-2.4	5.6	3.8	4.7	2.0	-1.3	-3.5	2.4						
Farm.....	.9	.1	.3	.3	.4	.3	.3	.4	.8	-.0	.2	.2	.3	.2	.3	.4						
<b>Net exports of goods and services</b> .....	1.2	-.7	3.0	2.3	3.0	5.1	5.3	3.9	-.2	-2.1	1.7	1.0	1.6	3.5	3.3	1.9						
Exports.....	22.7	23.1	26.7	26.7	26.8	27.6	27.6	26.4	21.4	22.2	25.3	25.4	25.4	26.1	25.7	24.5						
Imports.....	21.5	23.8	23.6	24.4	23.8	22.4	22.3	22.5	21.6	24.3	23.6	24.4	23.7	22.6	22.4	22.6						
<b>Government purchases of goods and services</b> .....	93.5	97.1	100.1	99.6	101.9	101.6	105.0	107.3	79.3	80.1	80.2	80.6	81.3	80.3	83.3	84.7						
Federal.....	52.6	53.5	52.9	52.9	54.0	53.0	54.7	56.6	44.5	43.9	42.3	42.7	42.9	41.6	43.1	44.7						
National defense.....	44.8	46.2	45.5	45.5	45.4	45.7	47.2	48.8	-----	-----	-----	-----	-----	-----	-----	-----						
Other.....	8.3	7.8	8.0	7.9	9.1	7.9	8.0	8.3	-----	-----	-----	-----	-----	-----	-----	-----						
Less: Government sales.....	.5	.5	.6	.6	.6	.6	.5	.5	-----	-----	-----	-----	-----	-----	-----	-----						
State and local.....	40.8	43.6	47.2	46.8	48.0	48.6	50.3	50.6	34.8	36.2	38.0	37.8	38.4	38.7	40.2	40.0						

distributors; these accounted for the bulk of the inventory liquidation in the first quarter and for about one-fourth of the buildup in the second. The second quarter increase in nonautomotive stocks centered in trade. Manufacturers' stocks outside of the automotive industry were reduced somewhat as a continued liquidation in the stocks of durable goods' producers was only partly offset by accumulation in non-durable goods lines.

### Business fixed investment stable

The second quarter increase in fixed investment expenditures by business was minor in total, and individual industry changes were likewise small. The latest OBE-SEC survey of capital spending plans indicates a modest pickup in the second half of the year. Largely because of the presence of excess capacity, businessmen are usually reluctant to expand fixed capital outlays in the early stages of recovery. Thus, business fixed investment continued to decline in the initial phase of the 1958 upturn and was stable during 1954 after total production had started to rise.

# 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	1960						1961							
	June	July	August	September	October	November	December	January	February	March	April	May	June	July
<b>GENERAL BUSINESS INDICATORS</b>														
<b>NATIONAL INCOME AND PRODUCT †</b>														
Seasonally adjusted quarterly totals at annual rates: †														
National income, total..... bil. of dol.	419.2			419.0			416.5			412.2				
Compensation of employees, total..... do	294.6			296.0			294.0			292.6			300.2	
Wages and salaries, total..... do	272.4			273.2			271.3			270.1			277.3	
Private..... do	224.6			224.2			221.6			219.7			226.0	
Military..... do	9.8			9.9			10.0			10.1			10.1	
Government civilian..... do	38.0			39.1			39.7			40.3			41.2	
Supplements to wages and salaries..... do	22.2			22.7			22.7			22.5			22.9	
Proprietors' income, total <sup>♂</sup> ..... do	48.6			48.7			49.0			48.9			49.2	
Business and professional <sup>♂</sup> ..... do	36.4			36.3			36.3			36.0			36.3	
Farm..... do	12.3			12.4			12.7			12.9			12.9	
Rental income of persons..... do	11.7			11.7			11.7			11.5			11.5	
Corporate profits and inventory valuation adjustment, total..... bil. of dol	45.9			44.1			42.9			40.0				
Corporate profits before tax, total..... do	46.3			43.2			42.6			39.6				
Corporate profits tax liability..... do	23.0			21.4			21.1			19.6				
Corporate profits after tax..... do	23.3			21.7			21.4			20.0				
Inventory valuation adjustment..... do	- 4			.9			.3			.4				
Net interest..... do	18.3			18.6			18.9			19.2			19.6	
Gross national product, total..... do	506.4			505.1			504.5			500.8			516.1	
Personal consumption expenditures, total..... do	329.9			329.7			332.3			330.7			336.1	
Durable goods..... do	45.3			43.4			43.8			39.4			42.0	
Nondurable goods..... do	153.3			152.7			153.1			153.7			154.1	
Services..... do	131.2			133.6			135.4			137.5			139.9	
Gross private domestic investment, total..... do	74.6			70.5			65.6			59.8			68.8	
New construction..... do	40.7			40.4			40.7			39.6			41.3	
Producers' durable equipment..... do	28.6			27.7			26.7			24.2			24.7	
Change in business inventories..... do	5.4			2.4			-1.9			-4.0			2.8	
Net exports of goods and services..... do	2.3			3.0			5.1			5.3			3.9	
Exports..... do	26.7			26.8			27.6			27.6			26.4	
Imports..... do	24.4			23.8			22.4			22.3			22.5	
Government purchases of goods and services, total..... bil. of dol	99.6			101.9			101.6			105.0			107.3	
Federal (less Government sales)..... do	52.9			54.0			53.0			54.7			56.6	
National defense <sup>♀</sup> ..... do	45.5			45.4			45.7			47.2			48.8	
State and local..... do	46.8			48.0			48.6			50.3			50.6	
Personal income, total..... do	403.1			405.1			405.4			404.7			413.2	
Less: Personal tax and nontax payments..... do	50.5			50.8			50.5			50.3			51.4	
Equals: Disposable personal income..... do	352.7			354.4			354.9			354.3			361.8	
Personal saving <sup>§</sup> ..... do	22.8			24.6			22.7			23.7			25.8	
<b>GNP in constant (1954) dollars</b>														
Gross national product, total..... bil. of dol	443.4			440.2			438.4			433.2			445.5	
Personal consumption expenditures, total..... do	299.5			298.6			299.6			297.0			301.6	
Durable goods..... do	42.5			40.8			41.6			37.6			39.8	
Nondurable goods..... do	142.9			142.0			141.3			141.6			142.6	
Services..... do	114.2			115.8			116.6			117.8			119.2	
Gross private domestic investment, total..... do	62.3			58.6			54.9			49.6			57.3	
New construction..... do	33.9			33.6			33.9			32.9			34.1	
Producers' durable equipment..... do	23.4			22.7			22.1			19.9			20.3	
Change in business inventories..... do	4.9			2.3			-1.1			-3.2			2.9	
Net exports of goods and services..... do	1.0			1.6			3.5			3.3			1.9	
Government purchases of goods and services, total..... bil. of dol	80.6			81.3			80.3			83.3			84.7	
Federal..... do	42.7			42.9			41.6			43.1			44.7	
State and local..... do	37.8			38.4			38.7			40.2			40.0	

♂ Revised. † Revised series. Estimates of national income and product and personal income have been revised back to 1957; revisions prior to the 2d quarter 1960 (and prior to May 1960 for personal income) appear on p. 6 ff. of the July 1961 SURVEY. ♀ 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.

Unless otherwise stated, statistics through 1958 and descriptive notes are shown in the 1959 edition of BUSINESS STATISTICS	1960							1961						
	June	July	August	September	October	November	December	January	February	March	April	May	June	July

GENERAL BUSINESS INDICATORS—Continued

PERSONAL INCOME, BY SOURCE†														
Seasonally adjusted, at annual rates:†														
Total personal income..... bil. of dol.	404.4	404.7	405.2	405.5	406.4	406.0	404.0	403.6	403.1	<sup>1</sup> 405.5 407.3	409.8	413.2	† 417.3	<sup>1</sup> 419.2 421.8
Wage and salary disbursements, total..... do.....	273.2	273.6	273.2	273.0	272.9	271.5	269.6	269.6	269.5	271.1	274.6	277.2	† 280.7	282.5
Commodity-producing industries, total..... do.....	111.7	111.3	110.2	110.0	109.5	108.3	106.2	106.2	105.6	106.5	109.1	110.5	† 112.7	113.5
Manufacturing only..... do.....	88.6	88.0	86.9	86.7	86.3	85.4	84.0	83.8	83.5	84.1	86.1	87.6	† 88.9	89.4
Distributive industries..... do.....	72.6	72.6	72.6	72.3	72.4	72.0	71.8	71.8	71.8	71.8	72.3	72.9	† 73.5	73.8
Service industries..... do.....	40.9	41.1	41.2	41.3	41.4	41.5	41.7	41.6	41.7	42.1	42.3	42.5	† 42.9	43.5
Government..... do.....	48.0	48.6	49.1	49.4	49.6	49.7	49.8	50.0	50.4	50.7	51.0	51.3	† 51.6	51.7
Other labor income..... do.....	10.8	10.9	10.9	10.9	11.1	11.2	11.3	11.0	10.7	10.6	10.7	10.8	† 11.0	11.1
Proprietors' income:														
Business and professional..... do.....	36.4	36.3	36.3	36.3	36.4	36.4	36.0	36.0	35.8	36.0	36.1	36.3	† 36.4	36.6
Farm..... do.....	12.7	12.3	12.4	12.4	12.5	12.8	12.8	12.8	12.9	13.0	12.9	12.9	† 13.0	12.9
Rental income of persons..... do.....	11.7	11.7	11.7	11.7	11.7	11.7	11.6	11.6	11.5	11.4	11.5	11.5	† 11.5	11.5
Dividends..... do.....	14.0	14.0	14.1	14.3	14.4	14.4	14.1	14.2	14.2	14.2	14.2	14.2	† 14.3	14.3
Personal interest income..... do.....	26.2	26.3	26.4	26.6	26.6	26.7	26.7	26.8	26.8	26.8	26.8	27.0	† 27.1	27.2
Transfer payments..... do.....	28.7	28.8	29.3	29.8	30.2	30.7	31.0	31.1	31.1	33.7	32.5	33.0	† 33.0	33.5
Less personal contributions for social insur..... do.....	9.3	9.3	9.3	9.4	9.3	9.3	9.2	9.6	9.4	9.6	9.6	9.7	† 9.8	9.8
Total nonagricultural income..... do.....	387.6	388.3	388.7	389.0	389.8	389.1	387.2	386.8	386.2	<sup>1</sup> 390.4	392.9	396.4	† 400.2	<sup>1</sup> 404.7
NEW PLANT AND EQUIPMENT EXPENDITURES														
Unadjusted quarterly totals:														
All industries..... bil. of dol.	9.28			8.98			9.53			7.57			† 8.72	† 8.70
Manufacturing..... do.....	3.76			3.62			4.01			3.00			3.51	3.48
Durable goods industries..... do.....	1.88			1.80			1.95			1.41			1.62	1.58
Nondurable goods industries..... do.....	1.88			1.81			2.06			1.59			1.89	1.91
Mining..... do.....	.27			.25			.24			.21			.26	.26
Railroads..... do.....	.29			.24			.25			.17			.20	.16
Transportation, other than rail..... do.....	.55			.47			.46			.41			.49	.45
Public utilities..... do.....	1.42			1.50			1.58			1.09			1.45	1.65
Commercial and other..... do.....	2.99			2.91			2.99			2.69			2.81	2.68
Seasonally adjusted quarterly totals at annual rates:														
All industries..... bil. of dol.	36.30			35.90			35.50			33.85			† 33.85	† 34.60
Manufacturing..... do.....	14.70			14.65			14.40			13.75			13.65	14.05
Durable goods industries..... do.....	7.40			7.35			6.85			6.50			6.30	6.40
Nondurable goods industries..... do.....	7.30			7.30			7.55			7.25			7.35	7.70
Mining..... do.....	1.05			1.00			.80			.95			1.00	1.05
Railroads..... do.....	1.10			1.00			1.00			.70			.75	.65
Transportation, other than rail..... do.....	2.15			1.90			1.80			1.75			1.85	1.85
Public utilities..... do.....	5.70			5.60			5.70			5.35			5.75	6.15
Commercial and other..... do.....	11.60			11.75			11.65			11.30			10.90	10.80
FARM INCOME AND MARKETINGS♠														
Cash receipts from farming, including Government payments, total..... mil. of dol.	2,513	2,802	3,023	3,375	4,336	3,847	3,268	3,123	2,272	2,278	2,171	2,478	2,479	
Farm marketings and CCC loans, total..... do.....	2,489	2,738	2,992	3,353	4,036	3,767	3,221	3,077	2,250	2,259	2,137	2,236	2,447	
Crops..... do.....	952	1,316	1,397	1,715	2,181	2,073	1,624	1,448	788	607	618	615	915	
Livestock and products, total?..... do.....	1,537	1,422	1,595	1,638	1,855	1,694	1,597	1,629	1,462	1,652	1,519	1,621	1,532	
Dairy products..... do.....	409	389	379	379	393	379	403	409	377	424	417	448	427	
Meat animals..... do.....	847	759	902	926	1,100	964	854	938	819	924	823	897	832	
Poultry and eggs..... do.....	284	250	282	298	359	338	316	247	238	279	249	256	246	
Indexes of cash receipts from marketings and CCC loans, unadjusted:														
All commodities..... 1947-49=100.....	102	112	123	138	166	155	132	126	92	93	88	92	100	
Crops..... do.....	89	123	130	160	203	193	151	135	74	57	58	57	85	
Livestock and products..... do.....	113	104	117	120	136	124	117	120	107	121	111	119	112	
Indexes of volume of farm marketings, unadjusted:														
All commodities..... 1947-49=100.....	118	132	143	156	191	176	146	† 144	102	103	97	† 106	120	
Crops..... do.....	96	143	148	174	236	222	168	163	81	57	53	† 52	90	
Livestock and products..... do.....	134	124	140	142	156	142	130	131	118	137	130	† 147	142	
INDUSTRIAL PRODUCTION †														
<i>Revised Federal Reserve Index of Quantity Output</i>														
Unadjusted, total index (including utilities)†	109	103	107	108	110	106	101	102	103	104	107	108	† 111	† 106
By industry:														
Manufacturing, total..... do.....	110	103	106	108	110	106	100	101	102	103	† 107	108	† 111	† 106
Durable manufactures..... do.....	106	99	98	102	103	100	96	95	96	97	100	103	† 106	† 101
Nondurable manufactures..... do.....	116	109	117	117	119	114	106	109	111	112	115	† 113	† 118	† 113
Mining..... do.....	98	94	98	98	98	97	97	97	97	96	97	98	† 99	† 96
Utilities..... do.....														
By market grouping:														
Final products, total..... do.....	112	107	111	112	114	110	106	106	108	107	110	110	† 113	† 109
Consumer goods..... do.....	116	110	115	117	121	115	108	109	111	111	113	114	† 118	† 113
Automotive and home goods..... do.....	121	104	99	110	123	117	108	101	104	104	112	113	† 118	† 105
Apparel and staples..... do.....	115	112	121	119	120	114	108	112	114	113	114	114	† 118	† 115
Equipment, including defense..... do.....	104	102	101	102	101	100	101	101	101	101	102	102	† 103	† 102
Materials..... do.....	107	100	104	105	105	102	98	98	99	101	104	† 107	† 109	† 104
Durable goods materials..... do.....	104	96	97	100	99	95	90	90	90	91	96	† 101	† 105	† 99
Nondurable materials..... do.....	111	104	110	110	112	110	106	108	109	111	112	† 113	† 113	† 108

† Revised. † Preliminary. † Italicized totals for March and July exclude stepped-up rate of, and special Government life insurance dividend payments to veterans, respectively; total disbursements of \$150 million (March) and \$218 million (July) multiplied by 12 (to put on annual rate basis) amounted to \$1.8 billion (March) and \$2.6 billion (July). Figures for transfer payments and total nonagricultural income reflecting similar exclusion are as follows: March—\$31.9 billion and \$388.6 billion; July—\$32.8 billion and \$402.1 billion. † Estimates for April-June 1961 based on anticipated capital expenditures of business. † Estimates for July-September 1961 based on anticipated capital expenditures of business. † Anticipated expenditures for the year 1961, and comparative data for 1959-60, appear on p. 8 of the June 1961 SURVEY.

† See note marked "†" on page S-1. † Revised beginning 1958; revisions prior to May 1960 will be shown later. † Includes data not shown separately. † Revised series. For figures back to January 1955 for total and summary groups (seasonally adjusted), see p. 6 of the January 1960 SURVEY; for other information and earlier figures back to 1947 (1919 for total industrial production, including utilities), see the December 1959 Federal Reserve Bulletin and the separate Federal Reserve publication, "Industrial Production: 1959 Revision" (available from the Board of Governors of the Federal Reserve System).