

volume of stock accumulation this year would still be higher than in 1965. As in the recent past, machinery and aircraft producers, whose order backlogs are substantial and rising, expect the largest increases in stocks during the second half of 1966.

Nondurable goods producers continue to make smaller additions to in-

ventories than durable goods producers. They anticipate a \$400 million rise in their stocks in each of the last two quarters of this year. The expected increase in the second half is somewhat smaller than the additions to book values of \$1¼ billion in the first half of 1966 and \$1 billion in the second half of 1965, but is at a higher rate than any

other 6-month period in the 1960's. Most nondurable goods producers expect to add to their inventories in the final half of this year.

Yearend inventories are expected to reach \$47.8 billion for durable goods producers and \$27.7 billion for nondurable goods producers—equivalent to 2 months and 1.3 months of projected

Table 1.—Manufacturers' Inventories and Sales: Actual and Anticipated

[Billions of dollars]

	1964				1965				1966			
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept. ¹	Oct.-Dec. ¹
Inventories, end of quarter												
Unadjusted												
All manufacturing.....	60.7	60.7	60.7	62.6	64.1	65.0	65.9	67.6	70.0	72.4	73.9	75.1
Durables.....	36.4	36.8	36.9	38.0	39.3	40.3	41.1	41.8	43.6	45.4	46.8	47.2
Nondurables.....	24.3	23.9	23.8	24.6	24.8	24.7	24.8	25.8	26.5	26.9	27.1	27.9
Seasonally adjusted												
All manufacturing.....	60.3	60.4	61.9	62.9	63.7	64.6	66.3	68.0	69.6	71.9	74.3	75.5
Durables.....	36.1	36.5	37.0	38.4	39.0	40.0	41.3	42.3	43.3	45.0	47.0	47.8
Nondurables.....	24.2	23.9	24.0	24.5	24.7	24.7	25.0	25.7	26.4	26.9	27.3	27.7
Sales, total for quarter												
Unadjusted												
All manufacturing.....	108.0	114.2	109.6	113.7	117.0	123.3	118.5	124.6	128.8	135.4	130.4	138.1
Durables.....	56.3	60.6	55.4	58.6	61.5	65.4	60.2	65.1	67.6	72.1	66.1	72.7
Nondurables.....	51.7	53.6	54.3	55.2	55.5	57.9	58.3	59.4	61.1	63.4	64.3	65.4
Seasonally adjusted												
All manufacturing.....	109.1	111.1	112.4	113.6	117.9	119.8	122.1	124.6	129.5	131.7	134.4	138.1
Durables.....	57.1	57.5	58.3	58.5	62.1	62.1	63.9	65.1	68.0	68.5	70.2	72.6
Nondurables.....	52.1	53.6	54.1	55.2	55.8	57.7	58.2	59.5	61.5	63.2	64.2	65.5

¹ Anticipations reported by manufacturers in August 1966. Inventories have been corrected for systematic tendencies in anticipatory data.

Sources: U.S. Department of Commerce, Anticipations, Office of Business Economics; actuals, Bureau of the Census.

Table 2.—Manufacturers' Evaluation of the Condition of Their Inventories¹

[Percent distribution]

	Total			Durables			Nondurables		
	High	About right	Low	High	About right	Low	High	About right	Low
March 31, 1961.....	18	81	1	20	79	1	16	83	1
June 30, 1961.....	14	85	1	15	84	1	13	85	2
September 30, 1961.....	10	88	2	11	87	2	9	88	3
December 31, 1961.....	10	88	2	10	88	2	9	89	2
March 31, 1962.....	14	84	2	19	80	1	8	89	3
June 30, 1962.....	14	84	2	17	82	1	9	89	2
September 30, 1962.....	15	83	2	18	81	1	11	86	3
December 31, 1962.....	14	84	2	17	82	1	11	86	3
March 31, 1963.....	15	82	3	17	81	2	12	85	3
June 30, 1963.....	15	83	2	18	80	2	10	88	2
September 30, 1963.....	17	81	2	19	80	1	14	83	3
December 31, 1963.....	13	85	2	14	84	2	10	87	3
March 31, 1964.....	16	82	2	17	81	2	14	84	2
June 30, 1964.....	13	84	3	16	81	3	9	85	3
September 30, 1964.....	14	82	4	15	81	4	11	84	5
December 31, 1964.....	13	84	3	15	82	3	9	87	4
March 31, 1965.....	16	81	3	20	77	3	9	87	4
June 30, 1965.....	16	80	4	20	77	3	10	85	5
September 30, 1965.....	16	81	3	22	76	2	8	88	4
December 31, 1965.....	15	82	3	19	78	3	8	88	4
March 31, 1966.....	15	81	4	18	79	3	10	85	5
June 30, 1966.....	18	78	4	21	75	4	13	83	4

1. Condition of actual inventories relative to sales and unfilled orders position as viewed by reporting companies. Percent distribution of inventory book values according to company's classification of inventory condition.

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

Unless otherwise stated, statistics through 1964 and descriptive notes are shown in the 1965 edition of BUSINESS STATISTICS	1963	1964	1965	1966					1965				1966			
	Annual total			IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
	GENERAL BUSINESS INDICATORS—Quarterly Series—Continued															
NATIONAL INCOME AND PRODUCT—Con.																
<i>Quarterly Data Seasonally Adjusted at Annual Rates</i>																
National income, total ¹bil. \$.	481.9	517.3	559.0	493.9	504.0	513.7	522.9	528.5	543.3	552.2	562.7	577.8	595.7	604.1		
Compensation of employees, total.....do.	341.0	365.7	392.9	349.2	355.3	362.2	369.8	375.3	381.7	387.8	395.6	406.5	419.6	427.9		
Wages and salaries, total.....do.	311.1	333.6	358.4	318.5	324.4	330.6	337.4	342.2	348.2	353.7	360.8	370.8	380.0	387.4		
Private.....do.	251.6	269.3	289.1	257.1	261.8	267.1	272.3	275.9	281.2	285.8	291.1	298.5	305.9	311.5		
Military.....do.	10.8	11.7	12.1	11.6	11.6	11.6	11.7	11.9	11.8	11.7	12.0	13.0	13.6	14.1		
Government civilian.....do.	48.6	52.6	57.1	49.8	51.0	51.9	53.4	54.3	55.2	56.3	57.7	59.3	60.4	61.8		
Supplements to wages and salaries.....do.	29.9	32.0	34.5	30.8	31.0	31.7	32.4	33.1	33.5	34.1	34.8	35.7	39.6	40.5		
Proprietors' income, total ²do.	51.0	51.9	55.7	51.4	51.3	52.2	51.9	52.2	53.3	55.9	56.7	57.1	58.4	57.9		
Business and professional ³do.	37.9	39.9	40.7	38.5	39.1	39.9	40.3	40.3	40.5	40.4	40.7	41.1	41.4	41.6		
Farm.....do.	13.1	12.0	15.1	12.9	12.2	12.2	11.7	11.9	12.9	15.5	16.0	16.0	17.0	16.3		
Rental income of persons.....do.	17.1	17.7	18.3	17.2	17.4	17.6	17.8	17.9	18.1	18.3	18.4	18.5	18.7	18.8		
Corporate profits and inventory valuation adjustment, total.....bil. \$.	58.9	66.6	74.2	61.4	65.3	66.5	67.8	66.8	73.2	72.7	74.0	76.9	80.0	79.9		
By broad industry groups:																
Financial institutions.....do.	7.8	8.4	8.9	7.9	8.0	8.5	8.4	8.6	8.5	8.7	8.9	9.5	9.4	9.8		
Nonfinancial corporations, total.....do.	51.2	58.2	65.3	53.5	57.3	58.1	59.3	58.1	64.6	64.0	65.0	67.5	70.6	70.0		
Manufacturing, total.....do.	28.8	32.4	37.8	30.2	32.1	32.4	33.0	32.2	37.4	36.7	37.4	39.6	41.9	40.6		
Nondurable goods industries.....do.	13.0	14.5	15.7	13.4	14.1	14.6	14.6	14.7	15.5	15.5	15.5	16.4	17.2	17.2		
Durable goods industries.....do.	15.8	17.9	22.1	16.8	18.1	17.7	18.4	17.5	21.9	21.2	21.9	23.2	24.7	23.4		
Transportation, communication, and public utilities.....bil. \$.	9.5	10.4	11.1	9.8	10.1	10.2	10.6	10.5	10.7	10.9	11.2	11.5	11.3	12.0		
All other industries.....do.	12.9	15.4	16.4	13.5	15.0	15.5	15.7	15.5	16.5	16.4	16.4	16.4	17.4	17.4		
Corporate profits before tax, total.....do.	59.4	67.0	75.7	62.7	65.8	66.8	67.8	67.7	74.5	74.5	75.0	78.7	82.7	82.8		
Corporate profits tax liability.....do.	26.3	28.4	31.2	27.8	27.9	28.3	28.7	28.6	30.7	30.7	30.9	32.4	34.1	34.1		
Corporate profits after tax.....do.	33.1	38.7	44.5	34.9	38.0	38.5	39.1	39.0	43.8	43.8	44.1	46.3	48.7	48.7		
Dividends.....do.	16.5	17.3	19.2	16.8	17.1	17.3	17.4	17.7	18.1	18.8	19.5	20.2	20.9	21.1		
Undistributed profits.....do.	16.6	21.3	25.3	18.1	20.9	21.3	21.7	21.4	25.7	25.0	24.6	26.1	27.8	27.8		
Inventory valuation adjustment.....do.	-5	-4	-1.5	-1.3	-5	-3	0	-9	-1.3	-1.8	-1.0	-1.8	-2.8	-2.9		
Net interest.....do.	13.8	15.5	17.8	14.7	14.7	15.1	15.7	16.3	16.9	17.5	18.1	18.7	19.1	19.6		
DISPOSITION OF PERSONAL INCOME¹																
<i>Quarterly Data Seasonally Adjusted at Annual Rates</i>																
Personal income, total.....bil. \$.	465.5	496.0	535.1	475.8	484.0	492.0	500.3	507.5	518.0	527.6	541.9	552.8	564.6	573.5		
Less: Personal tax and nontax payments.....do.	60.9	59.4	66.0	61.7	60.7	56.9	59.1	60.9	64.9	66.6	65.7	66.7	69.5	73.6		
Equals: Disposable personal income.....do.	404.6	436.6	469.1	414.1	423.4	435.1	441.2	446.6	453.2	461.0	476.2	486.1	495.1	499.9		
Less: Personal outlays ²do.	384.7	412.1	443.4	391.6	401.4	408.5	418.4	420.0	430.3	438.6	447.1	457.6	468.4	473.3		
Equals: Personal savings ³do.	19.9	24.5	25.7	22.5	22.0	26.6	22.8	26.6	22.8	22.4	29.0	28.5	26.7	26.6		
NEW PLANT AND EQUIPMENT EXPENDITURES																
<i>Unadjusted quarterly or annual totals:</i>																
All industries.....bil. \$.	39.22	44.90	51.96	11.09	9.40	11.11	11.54	12.84	10.79	12.81	13.41	14.95	12.77	15.29	15.64	17.16
Manufacturing.....do.	15.69	18.58	22.45	4.56	3.79	4.53	4.67	5.59	4.54	5.47	5.73	6.72	5.61	6.78	6.84	7.84
Durable goods industries.....do.	7.85	9.43	11.40	2.31	1.93	2.30	2.37	2.83	2.25	2.76	2.91	3.48	2.87	3.51	3.54	4.04
Nondurable goods industries.....do.	7.84	9.16	11.05	2.25	1.87	2.23	2.30	2.76	2.28	2.70	2.82	3.24	2.74	3.27	3.30	3.80
Mining.....do.	1.04	1.19	1.30	.28	.26	.29	.30	.33	.29	.33	.32	.35	.33	.40	.36	.37
Railroad.....do.	1.10	1.41	1.73	.33	.32	.36	.37	.35	.39	.44	.44	.46	.40	.55	.47	.54
Transportation, other than rail.....do.	1.92	2.38	2.81	.54	.51	.63	.59	.64	.58	.72	.77	.73	.75	1.00	.90	.97
Public utilities.....do.	5.65	6.22	6.94	1.61	1.18	1.58	1.71	1.76	1.32	1.71	1.88	2.04	1.60	2.09	2.22	2.25
Communication.....do.	3.79	4.30	4.94	1.06	.87	1.10	1.17	1.08	1.24	1.22	1.41	1.26	1.42	1.42	1.42	1.42
Commercial and other.....do.	10.03	10.83	11.79	2.72	2.37	2.61	2.84	3.01	2.59	2.85	3.10	3.25	2.83	3.06	3.84	5.19
<i>Seas. adj. qtrly. totals at annual rates:</i>																
All industries.....do.				41.20	42.55	43.50	45.65	47.75	49.00	50.35	52.75	55.35	58.00	60.10	61.60	63.55
Manufacturing.....do.				16.45	17.40	17.80	18.85	20.15	20.75	21.55	23.00	24.15	25.60	26.80	27.55	28.15
Durable goods industries.....do.				8.30	8.85	9.00	9.60	10.15	10.40	10.80	11.75	12.45	13.15	13.85	14.35	14.40
Nondurable goods industries.....do.				8.15	8.55	8.80	9.20	10.00	10.40	10.70	11.25	11.70	12.45	12.95	13.20	13.70
Mining.....do.				1.05	1.15	1.15	1.20	1.25	1.30	1.25	1.35	1.40	1.40	1.55	1.40	1.45
Railroad.....do.				1.35	1.40	1.25	1.50	1.55	1.75	1.55	1.70	1.95	2.00	2.00	1.85	2.30
Transportation, other than rail.....do.				2.10	2.30	2.25	2.40	2.60	2.55	2.70	3.00	3.00	3.30	3.50	3.70	3.95
Public utilities.....do.				5.80	5.95	6.30	6.30	6.35	6.80	6.85	6.75	7.30	8.25	8.30	8.05	8.10
Communication.....do.				4.05	4.05	4.40	4.40	4.40	4.55	4.80	5.05	5.30	5.35	5.50	5.50	5.50
Commercial and other.....do.				10.45	10.25	10.45	11.00	11.40	11.30	11.60	11.95	12.25	12.35	12.45	19.00	19.65
U.S. BALANCE OF INTERNATIONAL PAYMENTS¹																
<i>Quarterly Data Are Seasonally Adjusted (Credits +; debits -)</i>																
Exports of goods and services (excl. transfers under military grants).....mil. \$.	32,339	36,958	38,993	8,564	9,112	9,001	9,308	9,537	8,776	10,136	10,016	10,065	10,456	10,565		
Merchandise, adjusted, excl. military.....do.	22,071	25,297	26,276	5,949	6,156	6,092	6,389	6,660	5,625	6,798	6,826	7,027	7,121	7,111		
Military sales.....do.	657	747	844	145	198	186	162	201	200	229	199	216	198	258		
Income on U.S. investments abroad.....do.	4,654	5,392	5,901	1,183	1,402	1,369	1,368	1,253	1,561	1,616	1,470	1,254	1,541	1,596		
Other services.....do.	4,957	5,262	5,972	1,287	1,356	1,354	1,389	1,423	1,591	1,493	1,521	1,568	1,596	1,600		
Imports of goods and services.....do.	-26,442	-28,468	-32,036	-6,784	-6,850	-7,032	-7,196	-7,390	-7,164	-8,087	-8,245	-8,540	-8,922	-9,238		
Merchandise, adjusted, excl. military.....do.	-16,992	-18,621	-21,488	-4,372	-4,389	-4,579	-4,752	-4,901	-4,656	-5,481	-5,295	-5,756	-6,003	-6,258		
Military expenditures.....do.	-2,936	-2,834	-2,881	-719	-740	-725	-686	-683	-664	-701	-745	-771	-854	-913		
Income on foreign investments in the U.S.....do.	-1,271	-1,404	-1,646	-352	-339	-344	-349	-372	-373	-404	-411	-458	-436	-436		
Other services.....do.	-5,243	-5,609	-6,021	-1,341	-1,382	-1,384	-1,409	-1,434	-1,471	-1,501	-1,494	-1,555	-1,629	-1,631		
Unilateral transfers, net (excl. military grants); transfers to foreigners (-).....mil. \$.	-2,784	-2,765	-2,794	-702	-683	-717	-694	-671	-662	-768	-719	-645	-852	-733		
Transactions in U.S. private assets, net; increase (-).....mil. \$.	-4,456	-6,523	-3,690	-1,106	-1,360	-1,385	-1,589	-2,189	-1,605	-346	-827	-912	-908	1,104		
Transactions in U.S. Govt. assets, excl. official reserve assets; increase (-).....mil. \$.	-1,664	-1,674	-1,575	-486	-291	-350	-415	-618	-367	-469	-268	-471	-332	-471		
Transactions in U.S. official reserve assets, net; increase (-).....mil. \$.	378	171	1,222	-5	-51	303	70	-151	842	68	41	271	424	68		
Transactions in foreign assets in the U.S., net (U.S. liabilities); increase (+).....mil. \$.	2,981	3,312	309	358	419	332	719	1,542	180	-425	242	312	402	979		
Liquid assets.....do.	2,292	2,627	133	143	299	249	547	1,532	-145	-294	493	61	132	89		