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SURVEY OF CURRENT BUSINESS

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SURVEY OF CURRENT BUSINESS

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the BUSINESS SITUATION

The losses attributable to the auto strike cut significantly into the Nation's total output of goods and services in the fourth quarter. Gross national product increased only \$5½ billion in current prices, and in real terms declined at an annual rate of 3¼ percent. It is very probable that real output would have risen in the absence of the strike, in which case the fourth quarter would have seen a continuation of the moderate expansion that began last summer.

Developments in the economy during 1970 are reviewed in a special article in this issue of the SURVEY.

THE strike at General Motors, which lasted until late November, had a dominating influence on the economy's behavior in the fourth quarter. The losses attributable to the strike cut significantly into the Nation's total output of goods and services. Gross national product increased only \$5½ billion in current prices, and in real terms declined 3¼ percent at an annual rate. It is very probable that real product would have risen in the absence of the strike. In that case, the fourth quarter would have seen a continuation of the moderate expansion which began last summer. Real GNP had increased at an annual rate of about 1½ percent in the third quarter after having been virtually unchanged—up less than three-fourths of 1 percent—in the second.

The increase in current dollar GNP was entirely in final sales. On the basis of incomplete data, it is estimated that inventory accumulation fell about \$1½ billion, chiefly because of a large drop in retail auto inventories. However, in the absence of complete data for the

quarter, the inventory accumulation estimate is necessarily highly tentative.

Final sales

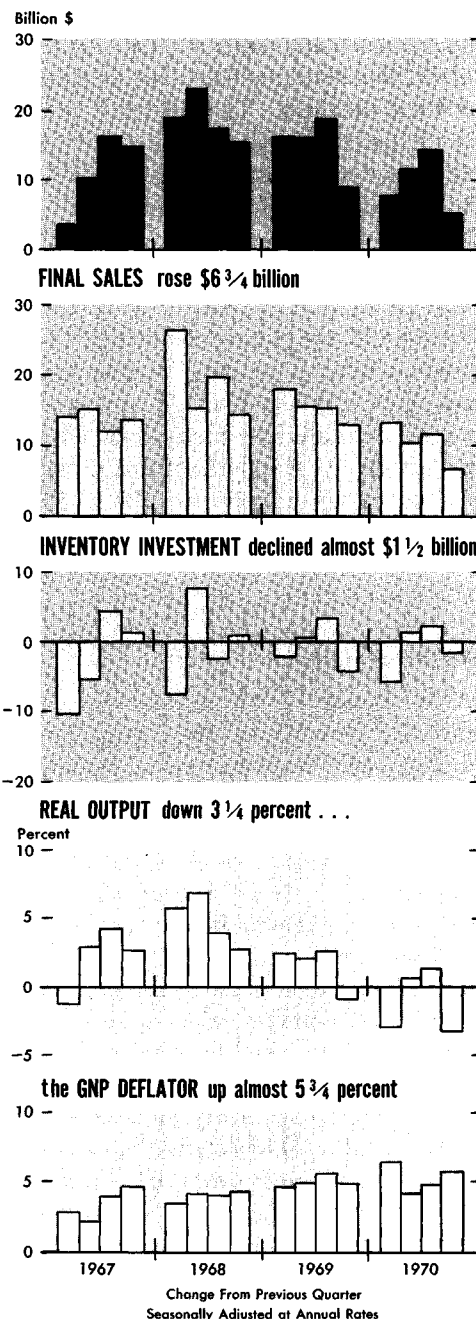
Increases in consumption, residential investment, and government purchases were partly offset by declines in business fixed investment and net exports.

The auto strike had an effect on all components of demand, but its impact on personal consumption spending was especially sharp. Sales of new domestic-type cars fell steeply—from a seasonally adjusted annual rate of 7¼ million units in the third quarter to a rate of 5½ million units in the fourth. Sales of foreign cars rose strongly, no doubt in part as a consequence of the strike but presumably also as a continuation of the strong growth trend prevailing all year. The disruption of the auto market in the opening months of a new model year means that there is as yet little evidence about the success of the new domestic subcompacts that are intended to compete against the small imports.

Consumer spending for durables other than autos and parts rose modestly, but total durables purchases dropped \$5¼ billion. There was an acceleration in the growth of spending for nondurable goods—especially food and apparel—after two quarters of weakness. Spending for services continued its steady advance. The rise of disposable income slowed in the fourth quarter, as the auto strike curtailed the growth of wages and salaries. Consumer spending grew a bit more strongly than disposable income and the saving rate dropped to 7.3 percent from 7.6 percent in the third quarter.

Residential investment registered a sizable advance. Spending rose \$2¼

CHART 1
GNP up about \$5½ billion in the fourth quarter



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

billion, following a gain of less than \$1 billion in the third quarter; in the year from the second quarter of 1969 to the same period of 1970, spending fell \$5½ billion. The upturn reflects the strong recovery of housing starts which got underway last spring, as soon as financial markets began to ease. The further improvement in mortgage credit conditions has kept the boom going strongly. Starts averaged 1.29 million units in the second quarter, 1.51 million in the third, and a surprising 1.75 million in the fourth.

Government purchases of goods and services also increased in the fourth quarter, due to a moderate rise in State and local outlays. The Federal total was virtually unchanged as a rise in nondefense purchases about offset a further drop in defense spending.

Business fixed investment, which had been weak all last year, declined \$2¼ billion. The decline centered in producers' durable equipment and reflected shortages of cars, trucks, and buses caused by the strike. Net exports are also estimated to have declined in the quarter. On the basis of incomplete data, the drop is put at about \$1½ billion, with exports little changed and imports up.

GNP price deflator

After rising at an annual rate of about 4½ percent in the spring and summer, the implicit price deflator increased at a rate of 5¾ percent in the fourth quarter. Much of this acceleration was due to changes in the composition of GNP rather than to accelerated increases in the prices of the goods and services that make up GNP. The implicit deflator is a measure in which component price indexes are combined with weights which reflect the composition of GNP and which therefore shift constantly as that composition shifts. The strike cut most deeply into the inventory investment, consumer auto purchase, and producers' durable equipment components of GNP, all of which have relatively low deflators. It was the reduction in the weights of these components which accounted for much of the acceleration in the rise of the overall deflator.

It is possible to calculate a GNP price measure whose quarter-to-quarter movements are unaffected by changes in the composition of GNP. One way to do this is to use fixed weights representing the composition of GNP in some base period. Another way is to use a "chain" construction in which the change in the deflator between any two consecutive quarters is calculated by using the composition weights of the earlier of the two quarters.

There is no unique and objective measure of general price change; measures constructed in different ways will give different pictures of price behavior. In the fourth quarter, the rate of increase in a price index using 1965 weights showed virtually no acceleration, and an index constructed with "chain" weights increased at a 5 percent rate compared with 4½ percent in the third quarter. (Rates of change in the "chain" index are now shown in table 19 of the National Income and Product tables appearing in each issue of the SURVEY.)

December Developments

The resumption of work at General Motors was reflected in large December increases in industrial production, payroll employment, and personal income. The Federal Reserve index of production rose 1½ percent to 164 percent of the 1957-59 average. This represented recovery of about one-third of the production loss since August, the last month unaffected by auto strike losses. The December rise in production centered in the auto industry and its suppliers. Output in other industries generally showed very little change.

The return of workers was the main reason for the December increase of 290,000 in the number of workers on nonfarm payrolls. Virtually all of the rise was in the durable goods industries most heavily affected by the strike. Employment did not increase in nondurable goods manufacturing or construction, and declined in the service producing industries. That drop resulted from employment cuts in retail trade and in transportation and public utilities, the latter largely attributable to the strike of taxicab drivers in New York City.

Unlike the payroll employment series, the data on the employment status of the civilian labor force treat striking workers as employed; the end of a strike thus does not automatically result in a jump in this employment series. In December, employment was essentially unchanged but the labor force and unemployment rose. The number of unemployed reached about 5 million, seasonally adjusted, and the jobless rate moved up from 5.8 to 6.0 percent, the highest since late 1961.

Personal income increased \$5¼ billion last month, mainly because of the rebound in manufacturing payrolls resulting from the end of the strike. Private nonmanufacturing wages and salaries were virtually unchanged, as a decline in retail trade offset increases in the service industries. State and local government payrolls continued to rise in line with recent trends while Federal payrolls were unchanged. Nonwage income declined a bit, mainly because yearend dividends were lower than usual.

Outlook for 1971

It is generally expected that some recovery of lost auto production and a strike-hedging buildup of steel inventories will buoy production during the first half of 1971. Beyond that the task of assessing the outlook is greatly complicated because the distortions caused by past and prospective strikes will be obscuring the underlying tendencies of the economy through most of the year. The economy should be stronger this year than last, but the speed of recovery is subject to various crucial uncertainties.

Among the principal demand components housing will be a major force for strength. The strong recovery in homebuilding which began late last spring brought starts to a surprisingly high annual rate of 1.75 million units (seasonally adjusted) in the fourth quarter. A reasonable expectation for 1971 seems to be a starts total roughly equal to that rate. Residential investment expenditures, which lag behind starts, are expected to rise substantially in 1971; for the year as a whole, spend-

ing may be as much as 25 percent above last year's level. Of course, the key to sustaining the homebuilding recovery is continuation of the greatly improved mortgage credit conditions which developed last year.

In contrast, business fixed investment is not expected to provide much if any stimulus this year. The recent OBE-SEC survey (reported on page 4) found businessmen planning to increase outlays for plant and equipment by only 1½ percent in current dollars, implying a decline in real investment. It is possible that a rising trend of economic activity will result in some expansion of investment programs, but any such revisions are likely to be moderate. The liberalization of the depreciation rules used in determining taxable income will increase depreciation allowances this year by an amount estimated at \$4½ billion. This will reduce corporate income taxes \$2 billion and after-tax profits about \$2½ billion. However, cash flow (depreciation and after-tax profits) will be raised \$2 billion. Given the prolonged financial stringency that business has been through, it seems likely that most of these funds will initially be used to rebuild liquidity, and there may be only a limited impact on capital investment in 1971.

Inventory investment is likely to be moderately stronger this year. In the near term, investment will be boosted by the expected strengthening of auto and steel production. For the year as a whole, however, it is improbable that there will be a sharp acceleration in inventory investment such as has characterized many past cyclical recoveries. The inventory correction in the 1969-70 slowdown was relatively mild, and thus did not set the stage for a surge in accumulation as demands strengthen.

The growth of State and local government purchases will accelerate somewhat this year. Rising employment and higher rates of pay will maintain the steady advance of payrolls, and it seems probable that many construction projects postponed because of financing problems will be rescheduled. However, rapidly rising construction costs could well be a continuing impediment to major growth in the real volume of public construction. In contrast Federal purchases are not likely to be much different than in 1970. Defense purchases are expected to continue their downtrend with the contraction concentrated in the first half of the year. However, this decline will be largely offset by increasing nondefense purchases; in the second half of the year total Federal purchases are expected to turn up. Expenditures which enter directly into the disposable incomes of other sectors of the economy are scheduled to increase more this year than last. Important here will be grants-in-aid and transfers, the latter to be boosted by an increase in social security benefits.

Consumer demand looms as a big unknown in the economic outlook for 1971. Consumers last year raised their saving rate to a relatively high level, and took on new debt at a very cautious pace. They entered 1971 in a financial position that presents the potential for strong consumption spending. However, attitudes remain cautious and confidence is likely to be slow to strengthen so long as unemployment remains high and consumers remain uncertain over economic conditions. It does seem likely, however, that this year will witness some decline in the saving rate. The recovery in homebuilding will no doubt strengthen purchases of household durables. Auto purchases will probably be large in the early part of the year, but the outlook further into

1971 is unclear. Although the saving rate may well come down somewhat, a big drop in the rate, providing a major thrust to economic activity, awaits the strengthening of consumer confidence. To a large extent this development depends on the success of economic policy.

As the year began, policy was clearly stimulative and had as its objective the reduction of both unemployment and inflation. However, the amount of progress that can be made on these two objectives depends on a crucial unknown, i.e., the extent to which policy can be expansionary without generating inflationary tendencies.

It is very difficult to judge the degree of progress that will be made toward reducing unemployment. With respect to prices, the fact that periods of economic recovery are typically accompanied by strong productivity gains is a significant favorable factor. It will help in the short run to moderate unit labor costs, and thus to relieve a key source of upward pressure on prices. However, slowing the rate of price increase in conditions of economic expansion and high rates of resource utilization depends importantly upon the attitudes of labor and business. Under present circumstances, a reduction of inflationary expectations would make labor less money-wage conscious and permit progress toward slowing the extraordinary advance in hourly compensation. Failing this, unit labor costs will be rising rapidly again when productivity growth slows to a more normal pace. Moreover, the achievement of relative price stability requires that a slowdown in costs be permitted to affect product prices consistent with a restoration of profit margins to levels more adequate than those that have prevailed recently.

Business Expectations for Capital Outlays, 1971

BUSINESSMEN are scheduling expenditures for new plant and equipment in 1971 about 1½ percent over the 1970 level, according to a survey conducted in late November and December 1970 by the Office of Business Economics and the Securities and Exchange Commission. Expenditures in 1970 are estimated to have been 6.6 percent above the 1969 level. Outlays in 1971 are expected to total \$81.7 billion, compared with \$80.6 billion last year and \$75.6 billion in 1969.¹

The quarterly OBE-SEC survey conducted in late October and November revealed that businessmen expect to invest at a seasonally adjusted annual rate of \$81.8 billion in the first half of 1971. This figure taken together with the current expectation for the full year suggests that the rate of spending in the second half will be little changed from

the first half. This applies to spending by both manufacturing and nonmanufacturing companies.

Expenditures by manufacturers are expected to total \$31.4 billion in 1971, 3 percent less than in 1970, while spending in nonmanufacturing industries is projected to rise 4 percent to \$50.3 billion. The greater strength in nonmanufacturing industries is similar to the general pattern which prevailed in 1970. Electric utilities and communications firms account for much of the 1971 increase in nonmanufacturing investment; expenditures by these industries also rose sharply in 1970. Airlines expect

a substantial reduction in 1971 following a sharp advance in 1970. Railroads and gas utilities project substantial declines and commercial and mining firms expect small decreases.

Among the manufacturing industries, nonferrous metals firms and petroleum refiners are programming increases of 6 percent and 5 percent, respectively. The motor vehicle and nonelectrical machinery industries expect to spend about the same as in 1970. Other major industries expect decreases, with the largest declines projected by iron and steel, aircraft, paper, rubber, and textile producers.

Expenditures for New Plant and Equipment by U.S. Business,¹ 1969-71

	1969	1970 ^p	1971 ²	Percent change	
	[Billions of dollars]			1969-70	1970-71
All industries	75.56	80.58	81.67	6.6	1.4
Manufacturing industries	31.68	32.26	31.39	1.8	-2.7
Durable goods ³	15.96	15.91	15.42	-.4	-3.1
Primary metals ⁴	3.23	3.20	3.15	-.8	-1.6
Blast furnace, steel works.....	1.83	1.70	1.58	-7.5	-6.8
Nonferrous.....	1.10	1.20	1.26	8.8	5.5
Electrical machinery.....	2.03	2.24	2.14	10.4	-4.7
Machinery, except electrical.....	3.44	3.58	3.57	4.0	-.3
Transportation equipment ³	2.76	2.45	2.35	-11.3	-4.0
Motor vehicles.....	1.65	1.60	1.61	-2.7	.4
Aircraft.....	.83	.55	.48	-33.6	-12.5
Stone, clay, and glass.....	1.07	.98	.93	-7.9	-5.4
Nondurable goods ³	15.72	16.36	15.97	4.1	-2.4
Food including beverage.....	2.59	2.93	2.76	12.9	-5.8
Textile.....	.63	.57	.52	-9.8	-8.8
Paper.....	1.58	1.63	1.50	3.2	-7.9
Chemical.....	3.10	3.46	3.26	11.6	-5.6
Petroleum.....	5.63	5.67	5.94	.7	4.8
Rubber.....	1.09	.97	.86	-10.9	-10.7
Nonmanufacturing industries	43.88	48.31	50.28	10.1	4.1
Mining.....	1.86	1.86	1.84	-.3	-1.0
Railroad.....	1.86	1.83	1.56	-1.6	-14.7
Air transportation.....	2.51	2.94	2.16	17.2	-26.5
Other transportation.....	1.68	1.24	1.28	-26.5	3.5
Public utilities.....	11.61	13.33	15.24	14.8	14.3
Electric.....	8.94	10.85	12.88	21.4	18.7
Gas and other.....	2.67	2.48	2.36	-7.0	-5.0
Communication, commercial and other ⁴	24.35	27.10	28.20	11.3	4.0

^p Preliminary.

1. Data exclude expenditures of agricultural business and outlays charged to current account.

2. Estimates are based on expected capital expenditures reported by business in late November and December 1970. The estimates for 1971 have been adjusted when necessary for systematic biases in expectational data.

3. Includes industries not shown separately.

4. Includes trade, service, construction, finance, and insurance.

NOTE.—Details may not add to totals because of rounding.

Sources: U.S. Department of Commerce, Office of Business Economics, and the Securities and Exchange Commission.

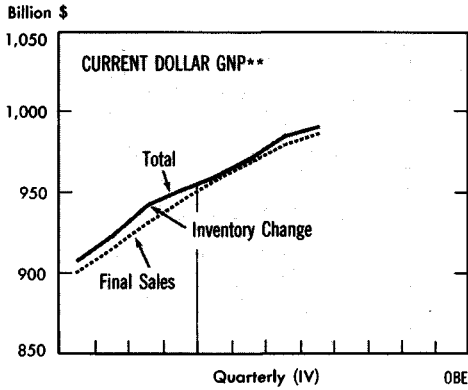
1. The 1969 figure is the estimate of actual expenditures and is consistent with the revised series of actual expenditures presented in the article on pages 25-40 of the January 1970 SURVEY.

The 1970 figure is based on estimated actual expenditures during the first three quarters of the year plus the expectations for the fourth quarter reported in the SURVEY last month. The expectations figure was adjusted for systematic biases by using the procedures described on pages 36 through 39 of the February 1970 SURVEY. The figure for the fourth quarter of 1970 may be revised on the basis of the responses to the next regular quarterly OBE-SEC survey, to be released in March.

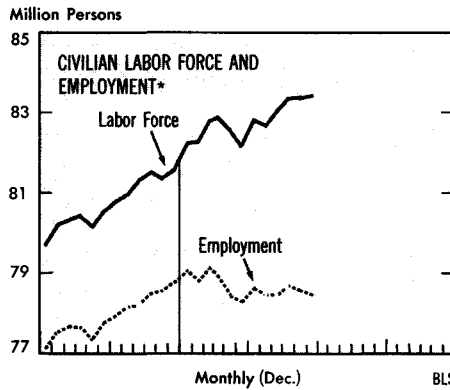
The 1971 expectations reported here have been adjusted for systematic biases when necessary. Before adjustment, expenditures were expected to be \$80.6 billion, indicating virtually no change from 1970. The bias adjustments, which are computed separately for each major industry, were applied only when expected spending deviated from actual spending in the same direction in each of the 4 years 1967 through 1970—the only years for which such data are available. When this criterion was met, the adjustment used was the median deviation between expected and actual spending in the 4 years. These bias adjustments are based on less comprehensive data than the adjustments which will be used in calculating expected 1971 spending from the responses to the survey to be taken late this month and next month and reported in March. For that survey, the adjustments are based on the experience of the entire postwar period. Thus, the results to be released in March may differ from the results shown here not only because of changes in the underlying reports but also because of the use of more comprehensive information on bias adjustment.

- Real GNP down 3¼ percent in fourth quarter, mainly because of the auto strike—GNP up \$5½ billion in current \$
- GNP deflator rose almost 5¾ percent in the fourth quarter
- Nonfarm payroll employment rose in December, reflecting the end of the strike; unemployment rate edged up to 6%

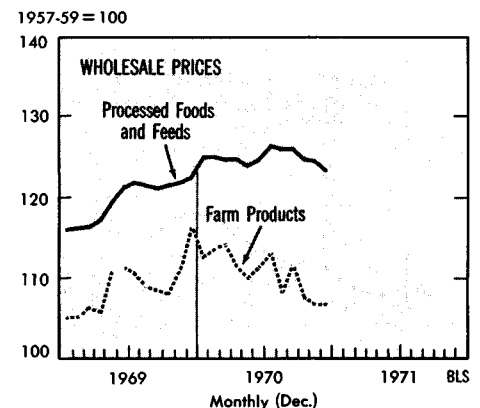
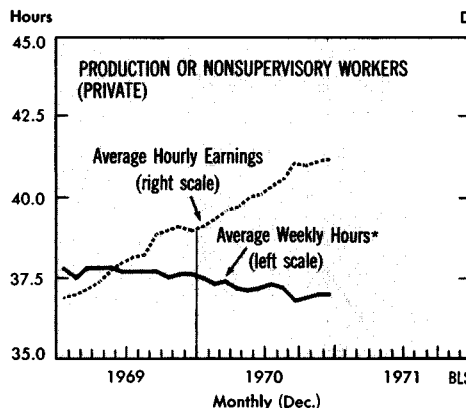
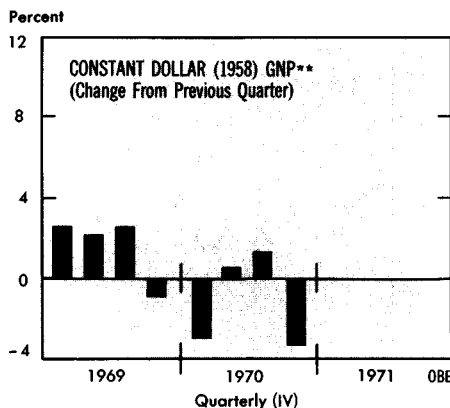
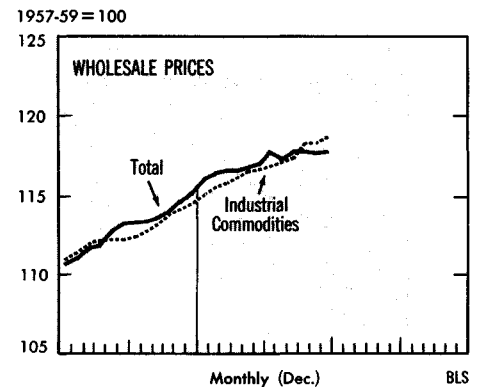
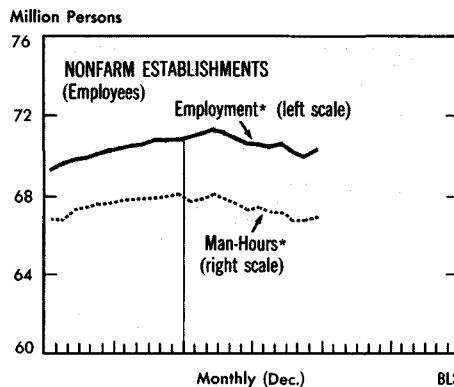
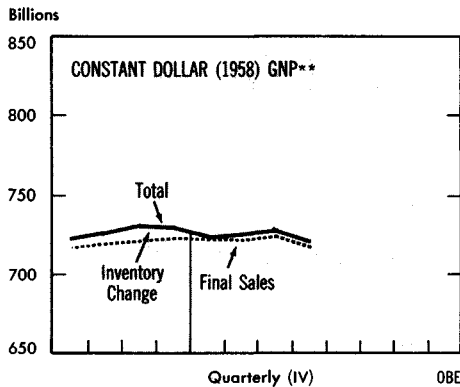
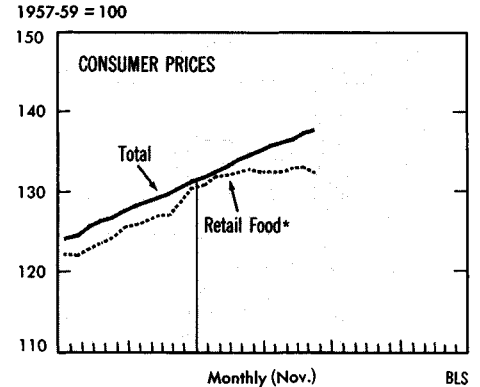
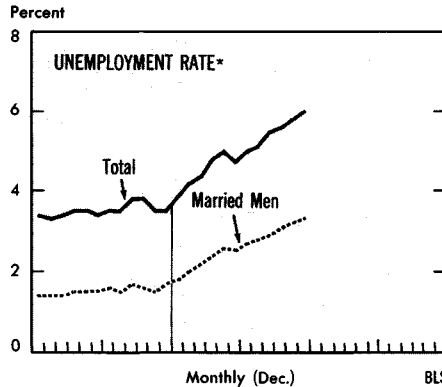
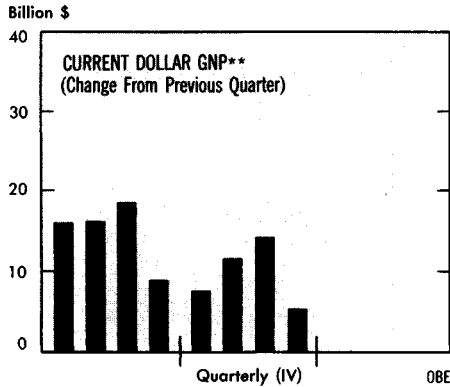
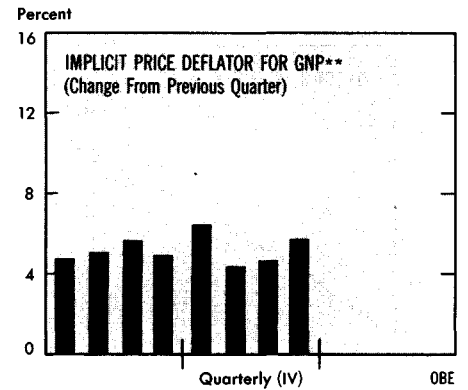
TOTAL PRODUCTION



THE LABOR MARKET



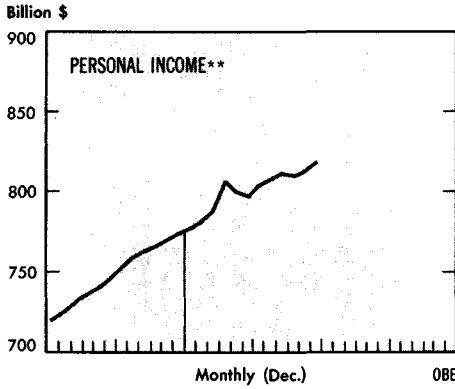
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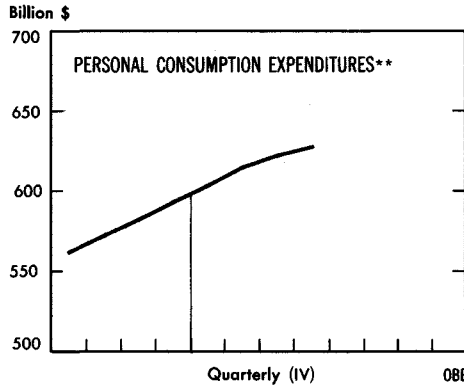
* Seasonally Adjusted ** Seasonally Adjusted at Annual Rates
U.S. Department of Commerce, Office of Business Economics

- Wage and salary income recovered in December and personal income rose \$5¼ billion
- Consumer spending advanced less in the fourth quarter than in the third, as new car sales dropped steeply
- Business fixed investment declined \$2¼ billion in the fourth quarter; residential construction advanced \$2¾ billion

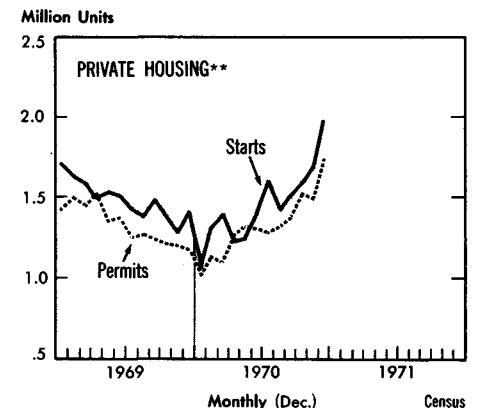
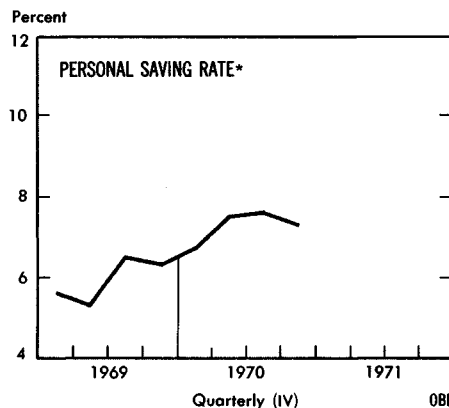
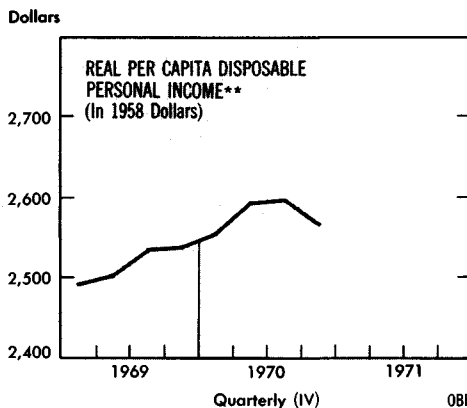
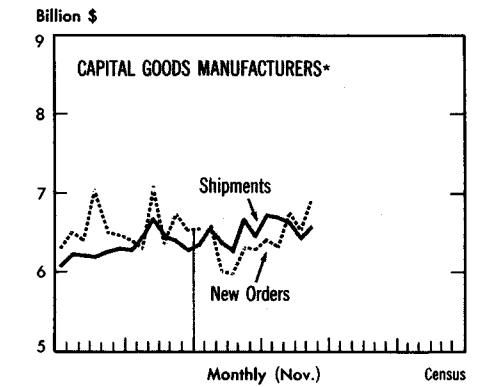
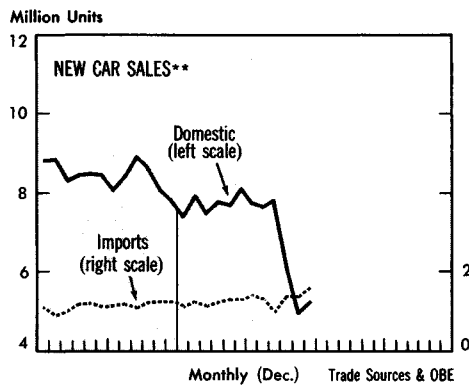
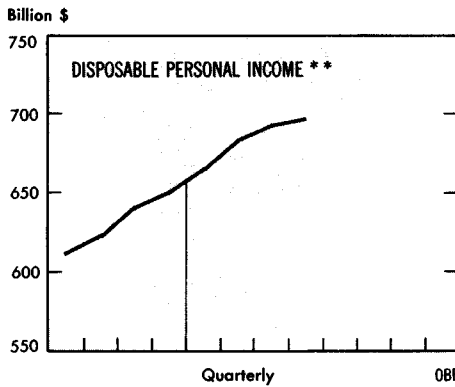
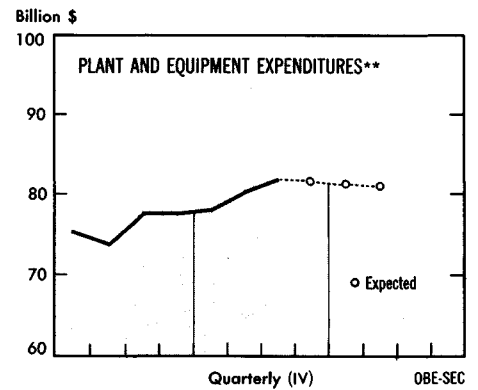
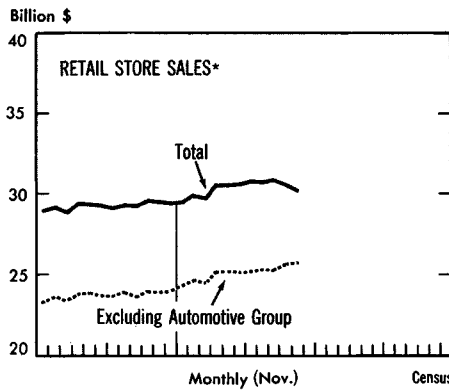
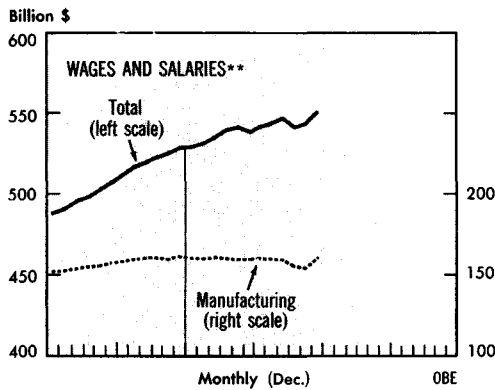
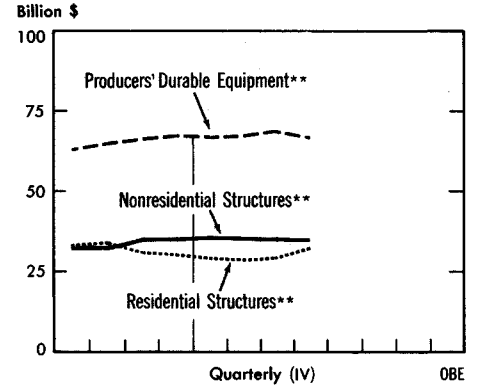
INCOME OF PERSONS



CONSUMPTION AND SAVING



FIXED INVESTMENT



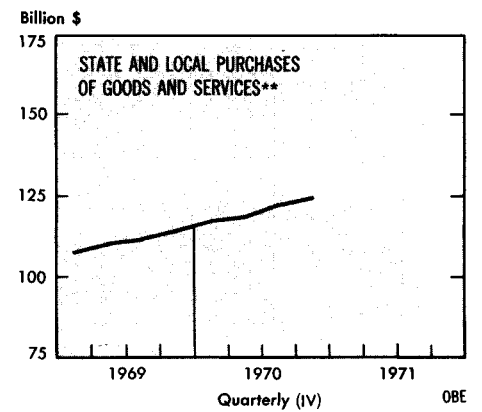
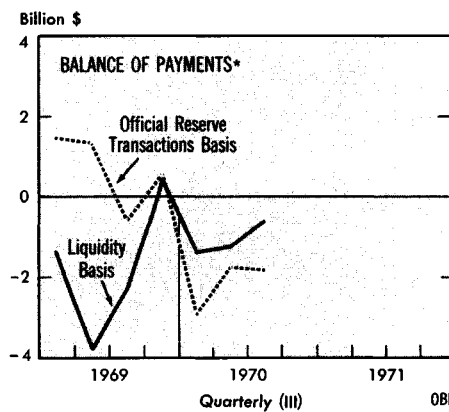
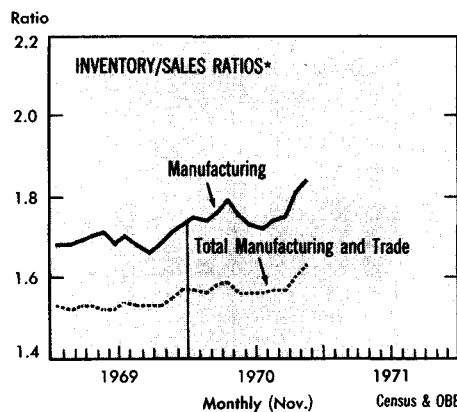
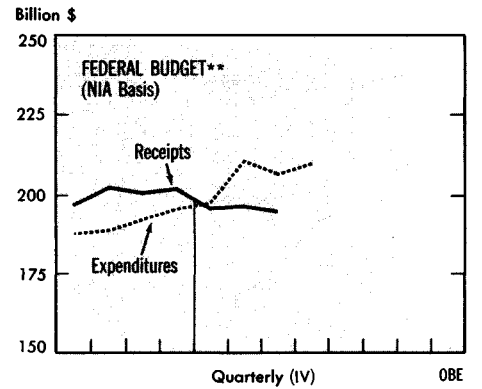
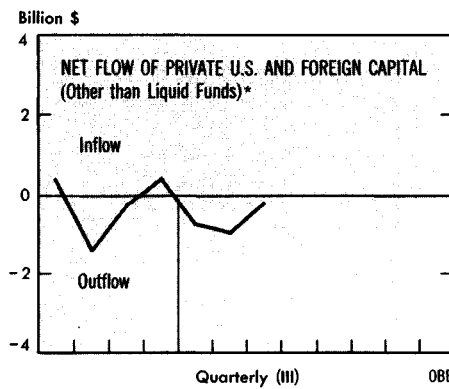
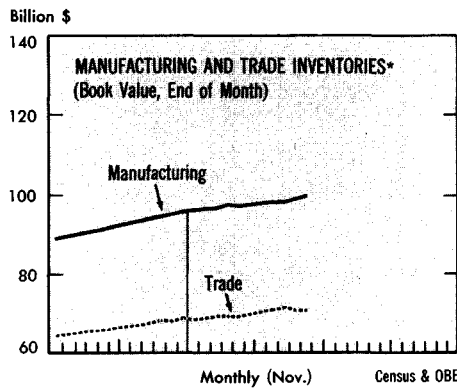
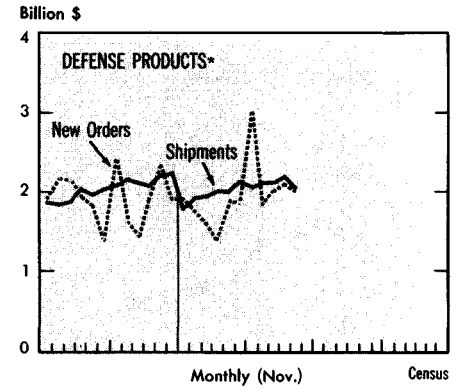
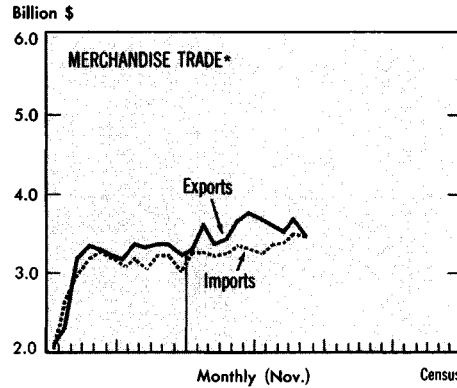
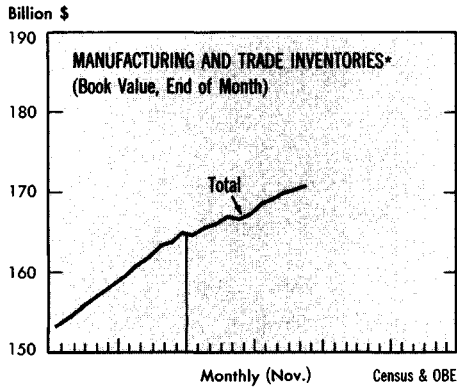
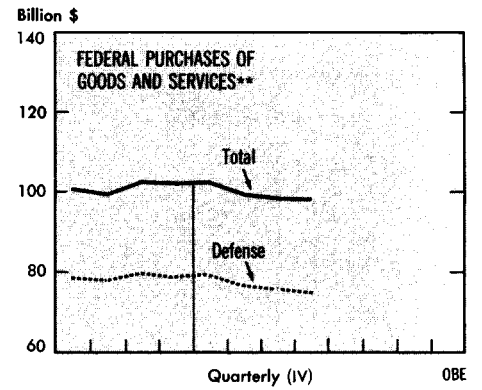
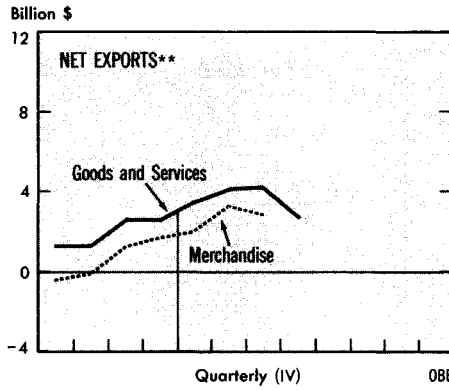
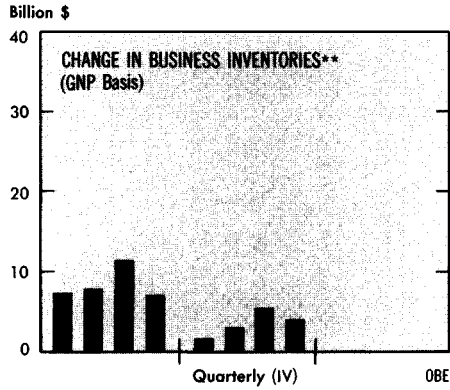
* Seasonally Adjusted ** Seasonally Adjusted, at Annual Rates
U.S. Department of Commerce, Office of Business Economics

- In the fourth quarter: Inventory accumulation fell \$1½ billion
- Net exports declined about \$1½ billion, as exports were little changed and imports increased
- Federal Government purchases were unchanged, State and local spending rose \$2½ billion

INVENTORIES

FOREIGN TRANSACTIONS

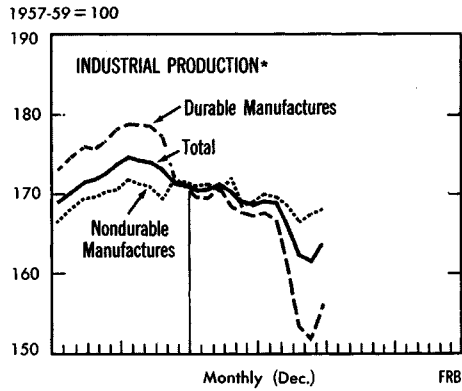
GOVERNMENT



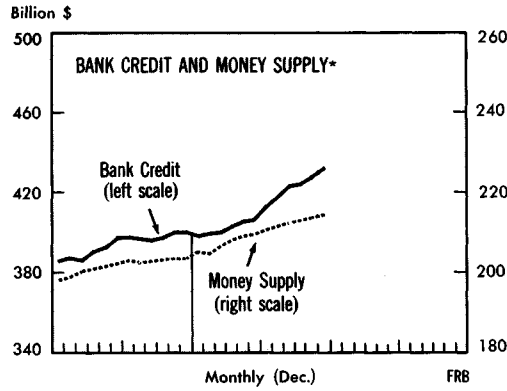
* Seasonally Adjusted ** Seasonally Adjusted at Annual Rates
U.S. Department of Commerce, Office of Business Economics

- In December: Industrial production rebounded after auto strike, rising about 1½ percent
- Bank credit and money supply increased
- Interest rates and bond yields dropped

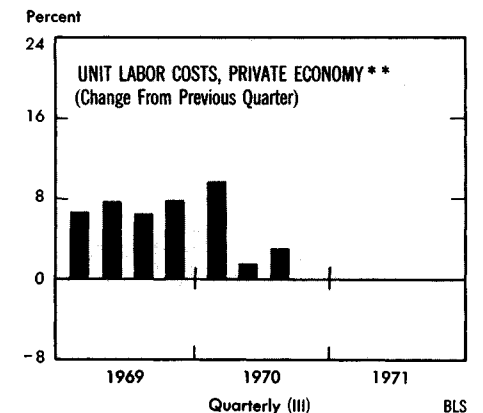
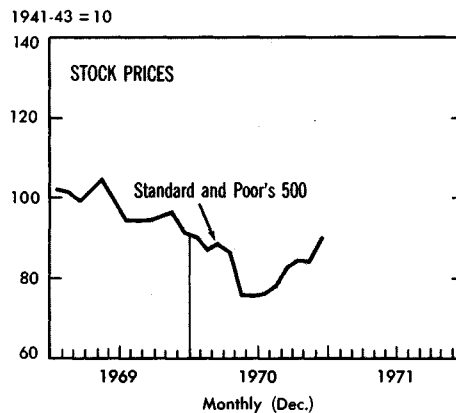
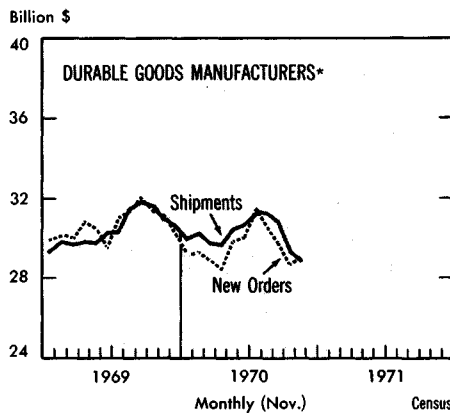
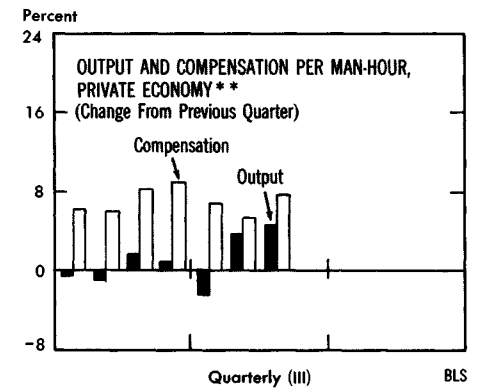
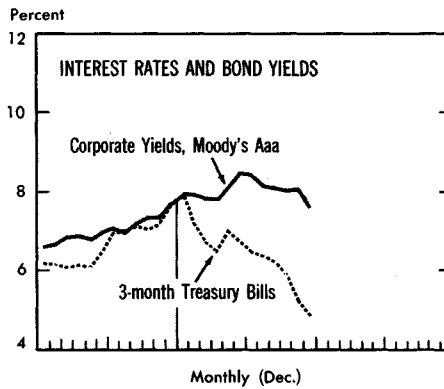
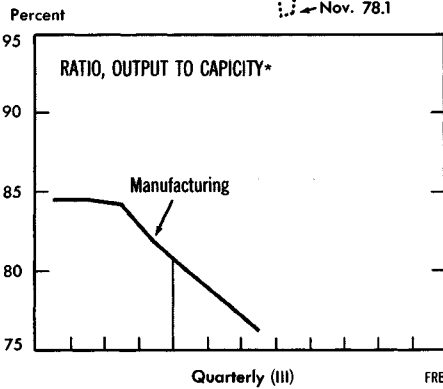
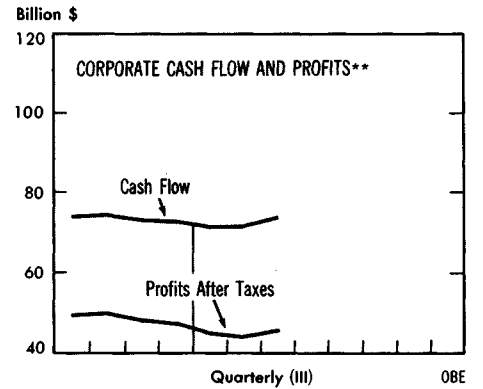
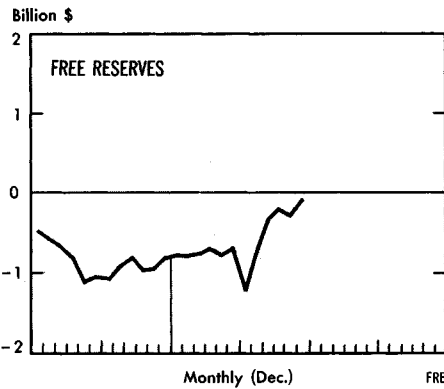
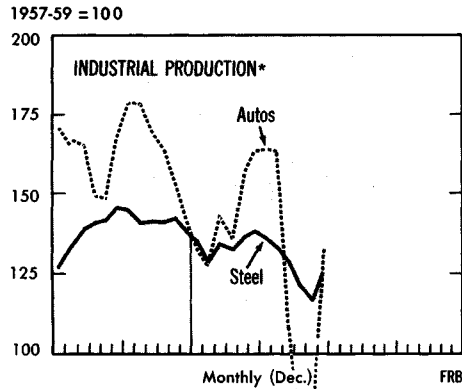
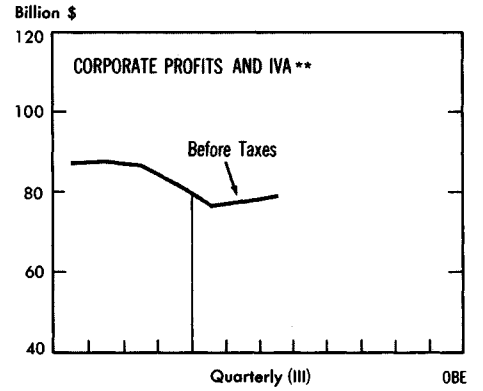
INDUSTRIAL PRODUCTION



MONEY, CREDIT, AND SECURITIES MARKETS



PROFITS AND COSTS



* Seasonally Adjusted ** Seasonally Adjusted at Annual Rates
U.S. Department of Commerce, Office of Business Economics

NATIONAL INCOME AND PRODUCT TABLES

	1969	1970 ^p	1969				1970				1969	1970 ^p	1969				1970			
			III	IV	I	II	III	IV ^p	III	IV			I	II	III	IV ^p				
			Seasonally adjusted at annual rates										Seasonally adjusted at annual rates							
			Billions of current dollars										Billions of 1958 dollars							

Table 1.—Gross National Product in Current and Constant Dollars (1.1, 1.2)

Gross national product.....	931.4	976.8	942.6	951.7	959.5	971.1	985.5	990.9	727.1	724.3	730.9	729.2	723.8	724.9	727.4	721.3
Personal consumption expenditures.....	577.5	616.8	582.1	592.6	603.1	614.4	622.1	627.6	467.7	477.2	468.7	471.7	474.0	478.1	479.6	477.1
Durable goods.....	90.0	89.4	89.5	90.8	89.1	91.9	91.2	85.4	84.9	82.1	84.1	84.9	82.7	84.9	83.6	77.1
Nondurable goods.....	245.8	264.7	248.1	252.0	258.8	262.6	265.8	271.7	201.2	207.9	201.9	202.4	205.6	206.6	208.2	211.2
Services.....	241.6	262.7	244.5	249.8	255.2	259.9	265.1	270.5	181.6	187.3	182.7	184.4	185.8	186.6	187.8	188.8
Gross private domestic investment.....	139.8	135.8	143.8	140.2	133.2	134.3	138.3	137.5	111.3	103.0	114.1	110.0	102.9	103.1	104.1	101.8
Fixed investment.....	131.4	132.2	132.4	133.0	131.6	131.2	132.7	133.4	104.1	99.9	104.2	103.9	101.5	100.1	99.6	98.3
Nonresidential.....	99.3	102.6	101.5	102.6	102.6	102.8	103.6	101.4	80.8	79.3	81.9	82.1	80.9	80.2	79.6	76.6
Structures.....	33.8	35.1	35.2	35.1	35.7	35.3	35.0	34.6	24.0	23.1	24.6	24.3	24.4	23.5	22.6	21.8
Producers' durable equipment.....	65.5	67.4	66.3	67.5	66.9	67.5	68.6	66.8	56.9	56.2	57.3	57.8	56.5	56.7	56.9	54.8
Residential structures.....	32.0	29.7	31.0	30.4	29.1	28.4	29.2	32.0	23.3	20.6	22.3	21.8	20.7	20.0	20.0	21.7
Nonfarm.....	31.5	29.0	30.4	29.8	28.4	27.8	28.6	31.4	22.8	20.2	21.8	21.4	20.2	19.5	19.6	21.3
Farm.....	.6	.6	.6	.6	.6	.6	.6	.6	.4	.4	.4	.4	.4	.4	.4	.4
Change in business inventories.....	8.5	3.6	11.3	7.2	1.6	3.1	5.5	4.1	7.2	3.1	9.9	6.1	1.3	2.9	4.6	3.5
Nonfarm.....	8.0	3.0	10.8	6.5	.9	2.6	5.0	3.6	6.8	2.6	9.3	5.4	.8	2.5	4.1	3.0
Farm.....	.4	.5	.5	.7	.7	.5	.5	.5	.4	.5	.6	.8	.6	.4	.4	.5
Net exports of goods and services.....	1.9	3.6	2.6	2.6	3.5	4.1	4.2	2.7	.2	2.3	.8	.9	1.9	2.4	3.1	1.9
Exports.....	55.5	62.3	58.3	58.8	61.1	62.8	62.8	62.6	48.5	52.2	50.8	50.0	52.0	52.9	52.0	51.8
Imports.....	53.6	58.7	55.6	56.2	57.6	58.7	58.6	59.9	48.2	49.9	50.0	49.1	50.1	50.5	48.9	50.0
Government purchases of goods and services.....	212.2	220.5	214.1	216.3	219.6	218.4	221.0	223.2	147.8	141.8	147.3	146.6	145.0	141.3	140.6	140.5
Federal.....	101.3	99.7	102.5	102.1	102.3	99.7	98.6	98.4	75.7	67.7	75.2	73.8	71.1	67.8	66.2	65.8
National defense.....	78.8	76.6	79.8	78.8	79.3	76.8	75.8	74.6								
Other.....	22.6	23.1	22.7	23.3	23.0	22.9	22.9	23.8								
State and local.....	110.8	120.8	111.6	114.2	117.4	118.7	122.4	124.8	72.1	74.1	72.1	72.9	73.8	73.5	74.4	74.7

Table 2.—Gross National Product by Major Type of Product in Current and Constant Dollars (1.3, 1.5)

Gross national product.....	931.4	976.8	942.6	951.7	959.5	971.1	985.5	990.9	727.1	724.3	730.9	729.2	723.8	724.9	727.4	721.3
Final sales.....	922.9	973.2	931.2	944.5	957.9	968.1	980.0	986.8	719.9	721.2	720.9	723.0	722.4	721.9	722.8	717.8
Change in business inventories.....	8.5	3.6	11.3	7.2	1.6	3.1	5.5	4.1	7.2	3.1	9.9	6.1	1.3	2.9	4.6	3.5
Goods output.....	460.0	474.1	466.2	468.9	467.1	474.9	479.8	474.5	392.2	388.5	395.7	393.5	387.3	391.1	392.1	383.6
Final sales.....	451.6	470.5	454.9	461.7	465.5	471.8	474.2	470.4	385.0	385.4	385.8	387.4	386.0	388.2	387.5	380.1
Change in business inventories.....	8.5	3.6	11.3	7.2	1.6	3.1	5.5	4.1	7.2	3.1	9.9	6.1	1.3	2.9	4.6	3.5
Durable goods.....	190.2	185.0	192.7	192.7	185.3	186.6	193.5	174.5	170.1	160.2	171.6	170.3	162.3	162.9	167.1	148.5
Final sales.....	183.9	185.3	184.8	187.4	185.5	188.5	188.3	179.0	164.7	160.5	164.9	165.9	162.6	164.4	162.7	152.5
Change in business inventories.....	6.4	-.4	7.9	5.3	-.3	-1.9	5.2	-4.5	5.3	-.4	6.7	4.4	-.3	-1.5	4.3	-4.0
Nondurable.....	269.8	289.1	273.5	276.2	281.8	288.3	286.3	300.0	222.1	228.4	224.1	223.3	225.1	228.3	225.0	235.2
Final sales.....	267.7	285.2	270.1	274.3	280.0	283.3	286.0	291.4	220.3	224.9	220.9	221.5	223.4	223.8	224.7	227.6
Change in business inventories.....	2.1	4.0	3.5	1.9	1.9	5.0	.3	8.6	1.8	3.5	3.2	1.8	1.6	4.5	.2	7.5
Services.....	377.6	410.3	383.0	390.3	400.1	405.8	413.2	422.2	268.2	274.5	269.8	271.3	273.1	272.8	274.8	277.2
Structures.....	93.8	92.4	93.3	92.5	92.3	90.4	92.6	94.2	66.6	61.3	65.4	64.4	63.4	60.9	60.5	60.5

Table 3.—Gross National Product by Sector in Current and Constant Dollars (1.7, 1.8)

Gross national product.....	931.4	976.8	942.6	951.7	959.5	971.1	985.5	990.9	727.1	724.3	730.9	729.2	723.8	724.9	727.4	721.3
Private.....	827.8	863.5	836.6	844.0	848.5	858.4	871.7	875.4	666.4	663.6	669.8	668.1	663.1	664.2	666.8	660.4
Business.....	765.4	828.6	804.2	810.8	814.3	824.5	836.5	830.0	646.0	642.8	649.7	647.6	642.1	644.0	645.9	639.1
Nonfarm.....	767.9	800.5	776.6	783.0	785.7	796.0	808.5	811.9	622.5	619.6	626.2	624.7	619.5	621.0	622.9	615.1
Farm.....	27.5	28.1	27.6	27.8	28.8	28.5	28.0	27.1	23.6	23.1	23.5	22.8	22.6	23.0	22.9	24.0
Households and institutions.....	28.1	30.3	28.3	29.0	29.6	30.0	30.5	31.1	16.4	16.6	16.3	16.6	16.7	16.5	16.5	16.5
Rest of the world.....	4.3	4.6	4.1	4.2	4.5	3.9	4.7	5.2	4.0	4.3	3.8	4.0	4.3	3.6	4.4	4.9
General government.....	103.6	113.3	106.0	107.7	111.0	112.8	113.9	115.6	60.7	60.7	61.0	61.1	60.7	60.7	60.6	60.9

^p Preliminary.

HISTORICAL STATISTICS

National income and product statistics for earlier periods are available as follows: Data for 1966-69, July 1970 SURVEY OF CURRENT BUSINESS; 1964-65, July 1968 SURVEY; 1929-63, *The National Income and Product Accounts of the United States* (available from U.S. Department of Commerce Field Offices or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, price \$1.00 per copy).

	1969	1970 ^a	1969		1970			
			III	IV	I	II	III	IV ^a
			Seasonally adjusted at annual rates					
Billions of dollars								

Table 4.—Relation of Gross National Product, National Income, and Personal Income (1.9)

Gross national product	931.4	976.8	942.6	951.7	959.5	971.1	985.5	990.9
Less: Capital consumption allowances.....	78.9	84.3	79.4	80.7	82.1	83.6	85.0	86.5
Equals: Net national product	852.5	892.4	863.1	871.0	877.4	887.5	900.5	904.4
Less: Indirect business tax and nontax liability.....	85.2	92.0	86.6	87.7	89.3	91.1	93.3	94.3
Business transfer payments.....	3.5	3.6	3.5	3.5	3.6	3.6	3.6	3.7
Statistical discrepancy.....	-4.7	-2.5	-5.5	-4.3	-5.4	-3.1	-1.1	-----
Plus: Subsidies less current surplus of government enterprises.....	1.0	1.7	1.0	1.2	1.6	1.5	1.8	2.0
Equals: National income	769.5	801.0	779.5	785.2	791.5	797.4	806.6	-----
Less: Corporate profits and inventory valuation adjustment.....	85.8	77.4	86.8	82.0	76.7	77.5	78.4	-----
Contributions for social insurance.....	53.6	57.1	54.2	55.1	56.0	56.7	57.6	58.0
Wage accruals less disbursements.....	.0	.0	.0	.0	2.5	-2.1	-4.4	.0
Plus: Government transfer payments to persons.....	61.6	73.9	62.0	63.4	66.3	75.8	75.1	78.4
Interest paid by government (net) and by consumers.....	29.0	31.8	29.1	30.2	31.0	31.4	32.2	32.6
Dividends.....	24.7	25.2	25.0	25.2	25.2	25.1	25.4	25.1
Business transfer payments.....	3.5	3.6	3.5	3.5	3.6	3.6	3.6	3.7
Equals: Personal income	748.9	801.0	758.1	770.5	782.3	801.3	807.2	813.4

Table 5.—Gross Auto Product in Current and Constant Dollars (1.15, 1.16)

	Billions of current dollars							
	1969	1970 ^a	1969	1970	1969	1970	1969	1970
Gross auto product ¹	36.6	31.0	37.6	35.8	31.1	35.4	34.7	22.7
Personal consumption expenditures.....	31.8	28.2	31.6	32.5	28.9	30.4	29.9	23.5
Producers' durable equipment.....	5.6	5.0	5.6	5.7	5.1	5.4	5.3	4.2
Change in dealers' auto inventories.....	.1	-.9	1.4	-1.1	-1.7	.8	.7	-3.2
Net exports.....	-1.1	-1.6	-1.4	-1.6	-1.5	-1.4	-1.4	-2.0
Exports.....	2.2	2.2	2.4	2.0	2.0	2.6	2.3	1.8
Imports.....	3.4	3.8	3.7	3.6	3.4	4.0	3.7	3.8
Addenda:								
New cars, domestic ²	32.2	26.5	33.5	30.7	26.4	30.7	30.8	18.0
New cars, foreign.....	5.6	6.1	5.6	6.5	6.2	6.7	5.3	6.3
	Billions of 1958 dollars							
Gross auto product ¹	35.0	28.7	35.8	33.9	29.2	33.2	32.1	20.3
Personal consumption expenditures.....	30.3	26.1	30.1	30.8	27.1	28.5	27.6	21.1
Producers' durable equipment.....	5.4	4.7	5.4	5.5	4.9	5.1	5.0	3.8
Change in dealers' auto inventories.....	.1	-.8	1.4	-1.1	-1.6	.8	.7	-3.0
Net exports.....	-1.1	-1.5	-1.3	-1.5	-1.4	-1.4	-1.4	-1.9
Exports.....	2.2	2.1	2.4	2.0	1.9	2.5	2.2	1.7
Imports.....	3.3	3.6	3.7	3.5	3.4	3.9	3.6	3.5
Addenda:								
New cars, domestic ²	31.4	25.2	32.7	29.8	25.3	29.5	29.3	16.7
New cars, foreign.....	5.5	5.8	5.5	6.3	6.0	6.4	5.1	5.9

1. The gross auto product total includes government purchases.
 2. Differs from the gross auto product total by the markup on both used cars and foreign cars.
^a Preliminary.

	1969	1970 ^a	1969		1970			
			III	IV	I	II	III	IV ^a
			Seasonally adjusted at annual rates					
Billions of dollars								

Table 6.—National Income by Type of Income (1.10)

National income	769.5	801.0	779.5	785.2	791.5	797.4	806.6	-----
Compensation of employees	564.2	599.8	572.2	582.1	592.2	596.4	603.8	606.8
Wages and salaries.....	509.0	540.1	516.4	525.3	534.4	537.4	543.4	545.4
Private.....	404.9	426.2	409.9	417.2	422.6	424.0	428.9	429.3
Military.....	19.0	19.3	19.9	19.6	20.1	19.5	19.1	18.6
Government civilian.....	85.1	94.6	86.6	88.5	91.7	93.9	95.4	97.5
Supplements to wages and salaries.....	55.1	59.7	55.8	56.8	57.9	59.0	60.4	61.4
Employer contributions for social insurance.....	27.5	29.3	27.9	28.3	28.6	29.0	29.6	29.9
Other labor income.....	27.6	30.4	27.9	28.5	29.3	30.0	30.8	31.5
Proprietors' income	66.8	67.6	67.5	67.2	67.6	67.8	67.8	67.4
Business and professional.....	50.5	51.4	50.9	50.6	50.6	51.2	51.7	52.0
Farm.....	16.4	16.2	16.6	16.6	17.0	16.5	16.1	15.3
Rental income of persons	22.0	22.7	22.1	22.3	22.5	22.6	22.7	23.0
Corporate profits and inventory valuation adjustment	85.8	77.4	86.8	82.0	76.7	77.5	78.4	-----
Profits before tax.....	91.2	82.3	89.9	88.5	82.6	82.0	84.4	-----
Profits tax liability.....	42.7	37.9	42.1	41.4	38.0	38.1	38.9	-----
Profits after tax.....	48.5	44.4	47.9	47.1	44.6	43.9	45.4	-----
Dividends.....	24.7	25.2	25.0	25.2	25.2	25.1	25.4	25.1
Undistributed profits.....	23.9	19.2	22.9	21.9	19.4	18.8	20.0	-----
Inventory valuation adjustment.....	-5.4	-4.9	-3.2	-6.5	-5.8	-4.5	-5.9	-3.3
Net interest	30.7	33.5	31.0	31.7	32.4	33.1	33.8	34.5

Table 7.—National Income by Industry Division (1.11)

All industries, total	769.5	801.0	779.5	785.2	791.5	797.4	806.6	-----
Agriculture, forestry, and fisheries.....	24.3	24.6	24.5	24.8	25.2	24.8	24.5	-----
Mining and construction.....	47.4	49.5	48.0	48.9	49.1	49.1	49.5	-----
Manufacturing.....	226.2	221.0	228.8	227.3	223.6	222.9	222.7	-----
Nondurable goods.....	87.0	89.5	87.5	88.5	88.8	88.7	89.6	-----
Durable goods.....	139.3	131.5	141.3	138.9	134.8	134.2	133.0	-----
Transportation.....	29.2	30.3	29.5	30.1	29.9	29.4	30.9	-----
Communication.....	15.9	16.4	15.9	16.1	15.9	16.2	16.4	-----
Electric, gas, and sanitary services.....	14.2	14.7	14.6	14.2	14.2	14.3	14.9	-----
Wholesale and retail trade.....	115.2	121.9	116.8	117.2	118.9	121.5	122.6	-----
Finance, insurance, and real estate.....	83.5	88.5	84.2	85.3	86.5	87.4	89.1	-----
Services.....	95.3	104.4	98.5	98.4	101.2	103.4	105.4	-----
Government and government enterprises.....	114.1	125.2	116.7	118.6	122.5	124.6	126.0	-----
Rest of the world.....	4.3	4.6	4.1	4.2	4.5	3.9	4.7	-----

Table 8.—Corporate Profits (Before Tax) and Inventory Valuation Adjustment by Broad Industry Groups (6.12)

All industries, total	85.8	77.4	86.8	82.0	76.7	77.5	78.4	-----
Financial institutions	12.0	12.7	12.2	12.2	12.0	12.3	12.9	-----
Nonfinancial corporations	73.8	64.7	74.6	69.8	64.7	65.2	65.5	-----
Manufacturing.....	41.8	34.1	41.8	39.1	35.2	35.5	34.7	-----
Nondurable goods.....	19.3	18.5	19.1	19.0	18.3	18.2	18.3	-----
Durable goods.....	22.4	15.6	22.7	20.0	16.9	17.2	16.3	-----
Transportation, communication, and public utilities.....	10.7	9.1	10.6	10.3	9.1	8.6	9.1	-----
All other industries.....	21.4	21.5	22.2	20.4	20.4	21.1	21.7	-----

	1969	1970 ^p	1969		1970			
			III	IV	I	II	III	IV ^p
			Seasonally adjusted at annual rates					
Billions of dollars								

Table 9.—Gross Corporate Product¹ (1.14)

Gross corporate product	531.2	546.0	537.7	539.7	539.7	544.0	550.7	
Capital consumption allowances.....	49.8	53.5	50.1	51.0	52.0	53.0	54.0	55.0
Indirect business taxes plus transfer payments less subsidies.....	48.6	52.1	49.3	49.9	50.7	51.7	52.9	53.2
Income originating in corporate business.....	432.9	440.3	438.2	438.8	437.1	439.3	443.8	
Compensation of employees.....	349.7	365.6	354.1	359.5	363.2	363.8	368.1	367.3
Wages and salaries.....	310.8	324.1	314.7	319.6	322.6	322.8	326.1	324.9
Supplements.....	38.9	41.5	39.4	39.9	40.6	41.0	42.0	42.4
Net interest.....	1.9	2.5	2.0	2.1	2.3	2.4	2.5	2.6
Corporate profits and inventory valuation adjustment.....	81.3	72.3	82.2	77.3	71.6	73.0	73.2	
Profits before tax.....	86.8	77.2	85.3	83.8	77.4	77.5	79.1	
Profits tax liability.....	42.7	37.9	42.1	41.4	38.0	38.1	38.9	
Profits after tax.....	44.1	39.2	43.3	42.4	39.4	39.5	40.2	
Dividends.....	23.0	23.3	23.3	23.5	23.3	23.4	23.5	
Undistributed profits.....	21.0	15.9	19.9	18.9	16.2	16.0	16.8	
Inventory valuation adjustment.....	-5.4	-4.9	-3.2	-6.5	-5.8	-4.5	-5.9	-3.3
Cash flow, gross of dividends.....	93.8	92.7	93.4	93.4	91.4	92.5	94.2	
Cash flow, net of dividends.....	70.8	69.4	70.1	69.9	68.2	69.0	70.7	
Gross product originating in financial institutions	24.7	26.2	24.9	25.1	25.3	25.6	26.5	
Gross product originating in nonfinancial corporations	506.5	519.8	512.8	514.6	514.4	518.4	524.2	
Capital consumption allowances.....	48.3	51.9	48.6	49.5	50.4	51.4	52.3	53.4
Indirect business taxes plus transfer payments less subsidies.....	46.5	49.8	47.2	47.7	48.4	49.4	50.6	50.9
Income originating in nonfinancial corporations.....	411.8	418.0	417.0	417.4	415.5	417.5	421.3	
Compensation of employees.....	329.9	344.4	334.1	339.1	342.3	342.9	346.8	345.4
Wages and salaries.....	293.5	305.7	297.3	301.8	304.4	304.6	307.6	306.0
Supplements.....	36.3	38.7	36.8	37.3	37.9	38.3	39.2	39.5
Net interest.....	12.6	14.1	12.9	13.3	13.6	13.9	14.2	14.5
Corporate profits and inventory valuation adjustment.....	69.4	59.6	70.0	65.1	59.6	60.7	60.3	
Profits before tax.....	74.8	64.5	73.2	71.6	65.4	65.2	66.2	
Profits tax liability.....	36.1	30.7	35.3	34.6	31.1	31.0	31.5	
Profits after tax.....	38.7	33.8	37.8	37.0	34.3	34.2	34.7	
Dividends.....	21.6	21.8	21.9	22.0	21.8	22.0	21.8	
Undistributed profits.....	17.1	12.1	15.9	15.1	12.5	12.3	12.9	
Inventory valuation adjustment.....	-5.4	-4.9	-3.2	-6.5	-5.8	-4.5	-5.9	-3.3
Cash flow, gross of dividends.....	87.0	85.7	86.5	86.5	84.7	85.6	87.1	
Cash flow, net of dividends.....	65.3	63.9	64.6	64.5	62.9	63.7	65.3	

Billions of 1958 dollars

Gross product originating in nonfinancial corporations	432.5	425.8	435.6	433.0	428.4	427.7	427.7	
Dollars								
Current dollar cost per unit of 1958 dollar gross product originating in nonfinancial corporations ²	1.171	1.221	1.177	1.188	1.201	1.212	1.226	
Capital consumption allowances.....	.112	.122	.112	.114	.118	.120	.122	
Indirect business taxes plus transfer payments less subsidies.....	.107	.117	.108	.110	.113	.116	.118	
Compensation of employees.....	.763	.809	.767	.783	.799	.802	.811	
Net interest.....	.029	.033	.030	.031	.032	.033	.033	
Corporate profits and inventory valuation adjustment.....	.160	.140	.161	.150	.139	.142	.141	
Profits tax liability.....	.083	.072	.081	.080	.073	.072	.074	
Profits after tax plus inventory valuation adjustment.....	.077	.068	.080	.070	.067	.069	.067	

1. Excludes gross product originating in the rest of the world.

2. This is equal to the deflator for gross product of nonfinancial corporations, with the decimal point shifted two places to the left.

3. Personal saving as a percentage of disposable personal income.

^p Preliminary.

	1969	1970 ^p	1969		1970			
			III	IV	I	II	III	IV ^p
			Seasonally adjusted at annual rates					
Billions of dollars								

Table 10.—Personal Income and Its Disposition (2.1)

Personal income	748.9	801.0	758.1	770.5	782.3	801.3	807.2	813.4
Wage and salary disbursements	509.0	540.1	516.4	525.3	531.9	539.5	543.8	545.4
Commodity-producing industries.....	197.5	201.2	199.9	202.5	202.7	201.5	201.9	198.7
Manufacturing.....	157.5	158.9	159.7	160.8	160.7	159.8	159.7	155.8
Distributive industries.....	119.8	128.4	121.3	123.8	125.9	127.0	129.7	131.0
Service industries.....	87.7	96.6	88.7	90.9	93.9	95.5	97.3	99.5
Government.....	104.1	114.0	106.5	108.1	109.3	115.5	114.9	116.1
Other labor income	27.6	30.4	27.9	28.5	29.3	30.0	30.8	31.5
Proprietor's income	66.8	67.6	67.5	67.2	67.6	67.8	67.8	67.4
Business and professional.....	50.5	51.4	50.9	50.6	50.6	51.2	51.7	52.0
Farm.....	16.4	16.2	16.6	16.6	17.0	16.5	16.1	15.3
Rental income of persons	22.0	22.7	22.1	22.3	22.5	22.6	22.7	23.0
Dividends	24.7	25.2	25.0	25.2	25.2	25.1	25.1	25.1
Personal interest income	59.7	65.3	60.1	61.9	63.4	64.5	66.0	67.1
Transfer payments	65.1	77.5	65.5	67.0	69.8	79.4	78.7	82.1
Old age, survivors, disability, and health insurance benefits.....	33.0	38.5	33.1	33.5	34.2	41.5	39.0	39.5
State unemployment insurance benefits.....	2.1	3.9	2.2	2.3	2.9	3.6	4.3	4.8
Veterans benefits.....	8.3	9.5	8.3	8.7	9.0	9.5	9.7	10.1
Other.....	21.6	25.6	21.8	22.4	23.8	24.9	25.8	27.7
Less: Personal contributions for social insurance	26.0	27.8	26.4	26.8	27.4	27.7	28.0	28.1
Less: Personal tax and nontax payments	117.3	116.4	117.5	119.9	117.0	117.7	114.2	116.5
Equals: Disposable personal income	631.6	684.7	640.6	650.6	665.3	683.6	693.0	696.9
Less: Personal outlays	593.9	634.7	598.7	609.6	620.5	632.1	640.2	646.0
Personal consumption expenditures.....	577.5	616.8	582.1	592.6	603.1	614.4	622.1	627.6
Interest paid by consumers.....	15.7	17.0	15.8	16.1	16.4	16.8	17.2	17.5
Personal transfer payments to foreigners.....	.8	.9	.9	.8	.9	1.0	1.0	1.0
Equals: Personal saving	37.6	50.0	42.0	41.1	44.8	51.5	52.7	50.9
Addenda:								
Disposable personal income:								
Total, billions of 1958 dollars.....	511.5	529.7	515.9	517.8	522.9	532.0	534.2	529.8
Per capita, current dollars.....	3,108	3,333	3,148	3,188	3,252	3,333	3,369	3,378
Per capita, 1958 dollars.....	2,517	2,579	2,535	2,537	2,556	2,594	2,597	2,568
Personal saving rate,³ percent	6.0	7.3	6.5	6.3	6.7	7.5	7.6	7.3

Table 11.—Personal Consumption Expenditures by Major Type (2.3)

Personal consumption expenditures	577.5	616.8	582.1	592.6	603.1	614.4	622.1	627.6
Durable goods	90.0	89.4	89.5	90.8	89.1	91.9	91.2	85.4
Automobiles and parts.....	40.3	37.3	40.2	41.1	37.7	39.4	39.2	32.8
Furniture and household equipment.....	36.7	38.5	36.7	36.9	38.3	38.9	38.1	38.5
Other.....	13.1	13.7	12.6	12.7	13.1	13.6	13.9	14.1
Nondurable goods	245.8	264.7	248.1	252.0	258.8	262.6	265.8	271.7
Food and beverages.....	121.7	131.7	122.4	124.6	128.8	131.2	132.3	134.5
Clothing and shoes.....	49.9	52.3	50.7	50.9	51.3	51.8	52.3	53.7
Gasoline and oil.....	21.1	22.9	21.5	21.7	22.4	22.7	23.0	23.4
Other.....	53.2	57.9	53.5	54.9	56.3	56.9	58.3	60.0
Services	241.6	262.7	244.5	249.8	255.2	259.9	265.1	270.5
Housing.....	84.0	91.8	84.7	87.0	89.0	90.8	92.6	95.0
Household operation.....	33.9	36.3	34.5	34.8	35.2	35.9	36.9	37.4
Transportation.....	16.7	18.1	16.8	17.1	17.7	17.9	18.2	18.5
Other.....	107.1	116.4	108.5	110.9	113.3	115.4	117.4	119.6

Table 12.—Foreign Transactions in the National Income and Product Accounts (4.1)

Receipts from foreigners	55.5	63.2	58.3	58.8	62.0	63.7	63.7	63.5
Exports of goods and services.....	55.5	62.3	58.3	58.8	61.1	62.8	62.8	62.6
Capital grants received by the United States.....		.9			.9	.9	.9	.9
Payments to foreigners	55.5	63.2	58.3	58.8	62.0	63.7	63.7	63.5
Imports of goods and services.....	53.6	58.7	55.6	56.2	57.6	58.7	58.6	59.9
Transfers to foreigners.....	2.8	2.9	2.8	2.9	3.0	2.9	2.9	2.9
Personal.....	.8	.9	.8	.8	.9	1.0	1.0	1.0
Government.....	2.1	2.0	1.9	2.1	1.9	2.0	1.9	2.0
Net foreign investment.....	-9.9	1.6	-1.1	-3.3	1.6	2.0	2.1	.6

	1969	1970 ^a	1969		1970			
			III	IV	I	II	III	IV ^b
			Seasonally adjusted at annual rates					
Billions of dollars								

Table 13.—Federal Government Receipts and Expenditures (3.1, 3.2)

Federal Government receipts	200.6	195.4	200.8	202.0	195.9	196.7	194.9	.....
Personal tax and nontax receipts.....	95.9	91.8	95.6	96.9	93.4	93.5	89.4	90.8
Corporate profits tax accruals.....	39.2	34.8	38.6	38.1	34.8	34.9	35.7	.....
Indirect business tax and nontax accruals.....	19.1	19.6	19.5	19.3	19.3	19.4	20.1	19.6
Contributions for social insurance.....	46.5	49.3	47.0	47.7	48.4	48.9	49.7	49.9
Federal Government expenditures	191.3	206.2	192.5	195.9	197.7	210.9	206.7	209.5
Purchases of goods and services.....	101.3	99.7	102.5	102.1	102.3	99.7	98.6	98.4
National defense.....	78.8	76.6	79.8	78.8	79.3	76.8	75.8	74.6
Other.....	22.6	23.1	22.7	23.3	23.0	22.9	22.9	23.8
Transfer payments.....	52.1	62.0	52.2	53.3	55.3	64.4	62.9	65.3
To persons.....	50.0	60.0	50.3	51.2	53.4	62.4	61.0	63.3
To foreigners (net).....	2.1	2.0	1.9	2.1	1.9	2.0	1.9	2.0
Grants-in-aid to State and local governments.....	20.2	24.4	20.0	21.8	23.0	25.1	24.4	25.2
Net interest paid.....	13.1	14.5	13.2	13.9	14.3	14.3	14.8	14.7
Subsidies less current surplus of government enterprises.....	4.6	5.5	4.6	4.9	5.3	5.3	5.6	5.9
Less: Wage accruals less disbursements.....	.0	.0	.0	.0	2.5	-2.1	-4	.0
Surplus or deficit (-), national income and product accounts	9.3	-10.8	8.3	6.1	-1.7	-14.2	-11.8	.....

Table 14.—State and Local Government Receipts and Expenditures (3.3, 3.4)

State and local government receipts	118.3	132.4	119.6	123.9	127.3	132.0	133.7	.....
Personal tax and nontax receipts.....	21.4	24.6	21.9	23.0	23.6	24.2	24.9	25.7
Corporate profits tax accruals.....	3.5	3.2	3.4	3.3	3.2	3.2	3.3	.....
Indirect business tax and nontax accruals.....	66.1	72.4	67.1	68.4	70.0	71.7	73.2	74.6
Contributions for social insurance.....	7.1	7.8	7.2	7.4	7.5	7.7	7.9	8.1
Federal grants-in-aid.....	20.2	24.4	20.0	21.8	23.0	25.1	24.4	25.2
State and local government expenditures	118.9	131.2	119.8	122.9	126.8	128.7	133.0	136.3
Purchases of goods and services.....	110.8	120.8	111.6	114.2	117.4	118.7	122.4	124.8
Transfer payments to persons.....	11.5	13.9	11.7	12.2	12.9	13.5	14.1	15.1
Net interest paid.....	.1	.3	.2	.2	.2	.3	.3	.3
Less: Current surplus of government enterprises.....	3.6	3.8	3.6	3.7	3.7	3.8	3.8	3.9
Surplus or deficit (-), national income and product accounts	-6	1.2	-3	1.0	.5	3.4	.7	.....

Table 15.—Sources and Uses of Gross Saving (5.1)

Gross private saving	135.0	148.6	141.1	137.1	140.5	149.4	151.8	.....
Personal saving.....	37.6	50.0	42.0	41.1	44.8	51.5	52.7	50.9
Undistributed corporate profits.....	23.9	19.2	22.9	21.9	19.4	18.8	20.0	.....
Corporate inventory valuation adjustment.....	-5.4	-4.9	-3.2	-6.5	-5.8	-4.5	-5.9	-3.3
Corporate capital consumption allowances.....	49.8	53.5	50.1	51.0	52.0	53.0	54.0	55.0
Noncorporate capital consumption allowances.....	29.1	30.8	29.3	29.7	30.2	30.6	31.1	31.5
Wage accruals less disbursements.....	.0	.0	.0	.0	.0	.0	.0	.0
Government surplus or deficit (-), national income and product accounts	8.7	-9.6	8.0	7.1	-1.2	-10.9	-11.2	.....
Federal.....	9.3	-10.8	8.3	6.1	-1.7	-14.2	-11.8	.....
State and local.....	-6	1.2	-3	1.0	.5	3.4	.7	.....
Capital grants received by the United States.....	.9	.....	.....	.9	.9	.9	.9	.....
Gross investment	138.9	137.4	143.6	139.9	134.8	136.3	140.4	138.1
Gross private domestic investment.....	139.8	135.8	143.8	140.2	133.2	134.3	138.3	137.5
Net foreign investment.....	-9	1.6	-1	-3	1.6	2.0	2.1	.6
Statistical discrepancy	-4.7	-2.5	-5.5	-4.3	-5.4	-3.1	-1.1	.....

^aPreliminary

	1969	1970 ^a	1969		1970			
			III	IV	I	II	III	IV ^b
			Seasonally adjusted					
Index numbers, 1958=100								

Table 16.—Implicit Price Deflators for Gross National Product (8.1)

Gross national product	128.11	134.86	128.97	130.52	132.57	133.98	135.50	137.39
Personal consumption expenditures	123.5	129.2	124.2	125.6	127.2	128.5	129.7	131.5
Durable goods.....	106.0	109.0	106.4	107.0	107.8	108.2	109.2	110.8
Nondurable goods.....	122.2	127.3	122.9	124.5	125.9	127.1	127.7	128.6
Services.....	133.1	140.3	133.8	135.5	137.3	139.3	141.1	143.3
Gross private domestic investment.....	.....	.....	.....	.....	.....	.....	.....	.....
Fixed investment.....	126.2	132.4	127.1	128.0	129.6	131.0	133.3	135.6
Nonresidential.....	122.8	129.4	123.9	125.1	126.8	128.2	130.2	132.4
Structures.....	141.1	152.2	143.3	144.7	146.4	150.0	154.8	158.5
Producers' durable equipment.....	115.1	120.0	115.6	116.8	118.4	119.2	120.4	122.0
Residential structures.....	137.7	144.0	138.9	139.3	140.6	142.4	145.7	147.1
Nonfarm.....	137.8	144.1	139.0	139.4	140.7	142.5	145.8	147.2
Farm.....	132.3	139.8	133.6	135.1	136.7	137.9	141.5	143.1
Change in business inventories.....	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports.....	114.6	119.5	114.6	117.7	117.5	118.8	120.8	120.8
Imports.....	111.1	117.7	111.2	114.5	114.9	116.2	119.9	119.9
Government purchases of goods and services	143.5	155.5	145.4	147.5	151.5	154.6	157.2	158.9
Federal.....	133.9	147.3	136.3	138.4	143.8	147.0	149.1	149.5
State and local.....	153.7	163.1	154.9	156.7	158.9	161.5	164.5	167.2

Table 17.—Implicit Price Deflators for Gross National Product by Major Type of Product (8.2)

Gross national product	128.11	134.86	128.97	130.52	132.57	133.98	135.50	137.39
Final sales.....	128.2	134.9	129.2	130.6	132.6	134.1	135.6	137.5
Goods output	117.3	122.0	117.8	119.2	120.6	121.4	122.4	123.7
Durable goods.....	111.9	115.5	112.3	113.2	114.2	114.6	115.8	117.6
Nondurable goods.....	121.4	126.6	122.1	123.7	125.2	126.3	127.3	127.6
Services	140.8	149.5	142.0	143.9	146.5	148.7	150.3	152.3
Structures.....	140.8	150.7	142.7	143.7	145.7	148.5	153.1	155.7
Addendum:	.....	.....	.....	.....	.....	.....	.....	.....
Gross auto product.....	104.7	108.0	105.0	105.6	106.6	106.5	108.2	112.0

Table 18.—Implicit Price Deflators for Gross National Product by Sector (8.4)

Gross national product	128.11	134.86	128.97	130.52	132.57	133.98	135.50	137.39
Private	124.22	130.12	124.90	126.32	127.96	129.24	130.73	132.55
Business.....	123.1	128.9	123.8	125.2	126.8	128.0	129.5	131.3
Nonfarm.....	123.4	129.2	124.0	125.3	126.8	128.2	129.8	132.0
Farm.....	116.9	121.5	117.6	121.6	127.5	124.0	121.9	112.9
Households and institutions.....	171.9	183.2	.....	.....	.....	.....	.....	.....
General government	170.8	186.6	173.6	176.5	182.9	185.9	187.9	189.9

Table 19.—Gross National Product: Change From Preceding Period

	Percent		Percent at annual rate					
	1969	1970 ^a	1969	1970	1971	1972	1973	1974
Gross national product:	.....	.....	.....	.....	.....	.....	.....	.....
Current dollars.....	7.7	4.9	8.4	3.9	3.3	4.9	6.1	2.2
Constant dollars.....	2.8	-4	2.7	-9	-2.9	.6	1.4	-3.3
Implicit price deflator.....	4.7	5.3	5.6	4.9	6.4	4.3	4.6	5.7
Chain price index.....	4.8	5.2	6.0	4.9	5.9	5.0	4.4	5.0
Gross private product:	.....	.....	.....	.....	.....	.....	.....	.....
Current dollars.....	7.5	4.3	7.1	3.6	2.1	4.7	6.4	1.7
Constant dollars.....	2.9	-4	2.6	-1.0	-3.0	.7	1.6	-3.8
Implicit price deflator.....	4.5	4.7	4.4	4.6	5.3	4.1	4.7	5.7
Chain price index.....	4.5	4.7	5.0	4.7	4.7	4.8	4.4	5.1

Welfare Measurement and the GNP

It has often been noted that the GNP cannot be regarded as an index of welfare, and the proposition has been advanced that it should be reconstructed to convert it into such an index. This view has gained prominence recently because of the mounting concern with the quality of the environment. According to Edward F. Denison, outstanding expert in national income accounting and the analysis of economic growth, such an attempt would encounter intractable obstacles. Presented here is a slightly expanded version of a short paper which Mr. Denison prepared for a conference on national growth policy. Mr. Denison stresses that the paper is not intended as a comprehensive treatment of his subject; he deals only with what he regards as its most important aspects.

The Office of Business Economics is deeply concerned with the subject matter of Mr. Denison's paper. It invites comments on the paper in the hope that these will throw further light on the complex and controversial problems he discusses. The Office also hopes that these comments will help it in the formulation of a realistic and constructive research program in an area in which much new information is required to make possible informed decisions that are vital to the equitable, efficient, and harmonious functioning of our society.

IT would be enormously convenient to have a single, generally accepted index of the economic and social welfare of the people of the United States. A glance at it would tell us how much better or worse off we had become each year and each decade. We could judge the desirability of any proposed action by asking whether it would raise or lower this index.

Some recent discussion seems almost to imply that such an index could be constructed. Articles in the popular

press even criticize GNP because it is not such a complete index of welfare, on the one hand ignoring the fact that it was never intended to be such an index, and on the other, suggesting that with appropriate changes it could be converted to one.

Components of a Welfare Measure

A single, generally acceptable index of welfare cannot be constructed. This ought to be obvious, but it may be instructive to state some of the changes in society such a measure would have to encompass and the problems its compilers would face.

Output

The output available to satisfy our wants and needs is one important determinant of welfare. Whatever want, need, or social problem engages our attention, we ordinarily can more easily find resources to deal with it when output is large and growing than when it is not. GNP measures output fairly well. Net national product (NNP) measures it even better, provided that depreciation is calculated in a consistent and reasonable way. The capital stock study of the Office of Business Economics provides data that can be used to calculate NNP.

A myriad of different products must somehow be combined if one is to obtain a measure of total output. We can obtain a generally acceptable measure only because market prices provide weights to combine them that are widely accepted as reasonable and objective. The rationale is that, given the relative prices they face, people individually or collectively are free to

spend their money in whatever way maximizes their satisfactions. If they preferred to do so, they could shift purchases from one product to another, substituting at the ratio of market prices.¹ If automobiles cost \$3,000 and TV's \$300, they could choose to buy another car and 10 fewer TV's, or the reverse.

GNP and NNP valued at *constant* prices permit measurement of changes in the quantity of output with products combined by use of prices in the base year (at present 1958). They are extremely useful measures. But users should understand their characteristics. Two of these seem to me to be the most important in qualifying their use in welfare measurement.

First, households, governments, and nonprofit organizations are regarded as the final users of the economy's output, and GNP and NNP measure the goods and services they buy.² How effectively they use their purchases is outside the purview of GNP or NNP. Soap, vacuum cleaners, washing machines, and the time of domestic servants bought by the housewife are measured, not how clean her house and linen may be. Similarly, the teachers' services, books, school buildings, etc., purchased by school systems are measured, as are the planes, ammunition, and soldiers' services bought by the Department of Defense; NNP does not tell how much education and national security are

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1. In an economy with indirect taxes and subsidies, there is a complication which leads national accountants to construct two measures of national product. One, recommended for "welfare" questions, uses market prices as weights; the other, recommended for resource allocation problems and productivity measurement, uses factor cost values instead. For most questions and comparisons the choice makes little difference. When it matters, the appropriate choice can be made.

2. I ignore here the net capital formation and net export components of NNP.

obtained per dollar (in 1958 prices) of expenditure for such items.

It is sometimes suggested that governments (and nonprofit organizations) should be treated as if they were businesses "selling" services to individuals. NNP in constant prices would include the services provided (measured in constant prices) instead of government purchases. Because most government purchases are for education and defense, this proposal requires ways to measure changes in the amounts of education and defense that are independent of government expenditures. But how? Educators and generals have found no acceptable procedure to make such an estimate, and until they do, it would be a bit absurd to expect the national accountant to do so. Present estimates of real GNP truly measure the services provided by governments only if the services provided per dollar of government purchases (in 1958 prices) are the same each year as in 1958.

The prospect for measuring the services a household secures from its purchases (when they are combined with the "labor" of household members, which is omitted from national product) as distinct from the value of its purchases seems at least equally remote.

The second characteristic concerns the "quality change problem." When expenditure for a new or improved product appears, it is counted as output equal to the quantity of previously existing products that could have been bought for the same expenditure (based on 1958 price ratios if the new product had appeared by then, otherwise on price ratios when it first entered price indexes).

Real NNP in 1950 was half that of 1968. This means that output in 1950 was half as big as the sum of (1) the quantity of products produced in 1968 that were the same as those produced in 1950 and (2) the quantity of 1950 products that could have been produced in 1968 by the resources that were actually used in 1968 to produce products that did not exist in 1950.

The change in real NNP understates the change in the ability of output to satisfy our wants because it ascribes no value to the increased range of products the economy is able to provide; for

example, in 1968 medicines were available that did not exist at all in 1950. I am personally convinced that there is no way to measure this understatement not all economists agree.

Such characteristics, which in my view are not remediable, limit the accuracy of real product as a measure of changes over time in the ability of output to satisfy our wants.³ Nevertheless, real product is a very useful measure. But to evaluate welfare we would need additional measures which would be far more difficult to construct.

Real costs of production

We would need an index of real costs incurred in production, because we are better off if we get the same output at less cost. The starting point for an index of labor costs exists in series for total man-hours worked, and we can also compute hours per capita or per worker. But use of man-hours for welfare evaluation would imply unreasonably that to increase total hours by raising the hours of eight women from 60 to 65 a week (coverage of the Maryland 60-hour law recently was reduced greatly) imposes no more burden than raising the hours of eight men from 40 to 45, or even than hiring one involuntarily unemployed man for 40 hours a week. A usable measure of the real costs of working would consider that the welfare benefits from working fewer hours decline as hours are shortened and may even disappear.⁴

A measure of real costs of labor would also have to consider working conditions. Most of us spend almost half our waking hours on the job and our welfare is vitally affected by the circumstances in which we pass those hours. From the beginning, labor unions have concerned themselves with "wages, hours, and working condi-

tions." Only the first of these relates to the goods and services the worker can buy; the others relate to real costs. Perhaps it is under this heading, too, that the deaths and injuries from wartime service in the armed forces, and the disutility of involuntary service in the armed forces in war or peace, should be counted.

We have data on saving, but no measure of the real costs of what was once called "abstinence." And we have no acceptable way to combine the real costs of labor and abstinence.

Needs

To measure welfare we would need a measure of changes in the needs that our output must satisfy. One aspect, population change, is now handled, crudely, by converting output to a per capita basis on the assumption that, other things equal, twice as many people need twice as many goods and services to be equally well off.⁵ Beyond this, an index of needs would account for differences in the requirements for living as the population becomes more urbanized or suburbanized; for the effect of weather changes on requirements for heat, air conditioning, and clothing; for medical requirements occasioned by epidemics or new diseases; and, most of all, for changes in national defense requirements. Such an index would have to tell us the difference between the cost of meeting our needs, to the extent that we do, in a base year, and the cost of meeting them equally well under the circumstances prevailing in every other year.

It is sometimes wrongly supposed that the necessity of taking account of some changes in needs can be obviated by omission from NNP of expenditures for purposes for which needs change: for example, by elimination of expenditures for local transportation, heat and air conditioning, health, or

3. The two characteristics I have described result from changes over time in the kinds of end products that the state of knowledge permits the economy to provide, and in the skill of individuals and governments in utilizing their purchases to meet their objectives. They do not limit the significance of comparisons of alternative national products that might be obtained at a point in time under alternative conditions or policies unless these alternatives would affect such knowledge or skill.

4. In this formulation I regard the real costs of working additional hours as including the loss of welfare resulting from less leisure time. If it is necessary to treat the two as separate items affecting welfare, the problem is still more complicated.

5. In my view, this is a tolerable assumption only if no change occurs in the composition of the population by age and family status. In the first place, requirements for individuals vary with age and marital status. Second, an intractable problem is created by the simple fact that a couple with two wanted children is not worse off than if it had no children and the family had twice the per capita income. Since the couple rejected that option they must be better off. Also, greater ability to control family size has surely improved welfare in a way that cannot be captured in any measure I know.

defense. This procedure fails utterly. It yields the false result that we are equally well off whether, in the same circumstances, we ride or must walk to work, freeze or are comfortable, do or do not obtain medical care when we are sick, or provide or do not provide for national security. Needs and provision to meet them must be separately evaluated.

The environment

Measures of "needs" shade into measures of the human and physical environment in which we live; perhaps it is here that the concept of economic welfare broadens to encompass "social welfare." We are all enormously affected by the people around us. Can we go where we like without fear of attack? Can we attend a lecture without its being disrupted? Will we be discriminated against? Are our neighbors congenial? We are also affected by the physical environment—purity of air and water, accessibility of park land, presence of trash or rats in our alleys, and all the other conditions receiving so much attention just now.

To measure the state of affairs with respect to any aspect of the human and physical environment requires adequate and accurate data. Such data are generally deficient in both quantity and quality, and collection and evaluation urgently need expansion. But, given data, construction of an index of the goodness or badness of almost any environmental aspect faces at least two serious problems.

First, relations between environmental conditions and welfare are rarely linear, and nonlinear relationships are hard to establish. A little air pollution is harmless, more an annoyance, a great deal lethal. Discrimination against Jews by a random 10 percent of employers, landlords, and operators of public places might be merely an annoyance to those affected; by 40 percent, a real hardship; by 90 percent, an economic and social catastrophe. The last situation is far more than nine times as undesirable as the first.

Second, if anything except the most detailed imaginable set of data is contemplated, weighting is required: To combine robberies and murders in a

crime index; to combine pollution of the Potomac and pollution of Lake Erie in a water pollution index; to combine trash in Northeast Washington alleys and its absence on Route 70-S into a trash index. An expert in a field may be able to provide judgments with respect to the problems of nonlinearity and weights that would permit an interesting index to be calculated. However, the necessity for numerous individual judgments that are difficult to assess or even to describe must impair general acceptability of measures based upon them.

The absence of any natural weighting scheme is an even greater obstacle to combining indexes of crime, water pollution, racial discrimination, and the like into a single index. Personally, I see not basis at all for combining indexes of different aspects of the environment into a combined index that will command general acceptance. I can imagine only letting each individual in the country compute his own index with his own personal weights, and then averaging them. But even this procedure is almost sure to be biased because we are all concerned with the aspects of the environment that currently are problems. Who would now think to consider the dangers of attack by hostile Indians? Or the risk of being doused by slops thrown from windows as he walks the city streets? Even the very recent elimination of refrigerator doors that cannot be opened from within, and cost the lives of so many children, is almost forgotten. The annual series for "Persons Lynched" appeared in the Census Bureau's *Historical Statistics* but not in its current *Statistical Abstract*.

The distribution of income

To measure welfare we would need an index of the "goodness" of the size distribution of income. There is probably a consensus that, given the same total income and output, a distribution with fewer families in poverty would be better than the present distribution, and possibly that less inequality throughout the distribution would be

an improvement. There is no agreement on an ideal distribution, from which departures could be measured.

Other aspects

The list I have presented is not exhaustive. I have ignored the hard fact that tastes differ among individuals and change over time. I have not yet recalled that welfare is affected by people's perception of reality as well as the objective facts; one's fear of crime on the streets need not be closely related to actual risks. The authors of "Toward a Social Report"⁶ stressed the need for attitudinal data to develop welfare measures. I have not provided room for any of the pleasures and worries that are related to purely personal relationships and that for most people dominate all else in affecting their feeling of well-being.

Impracticability of a general measure of welfare

Even if we could construct indexes of output, real costs, needs, the state of the environment, income distribution, and other relevant aspects of life, we could not compute a welfare index because we have no system of weights to combine them. Certainly statisticians and social scientists are in no position to assign weights.

The point to be stressed is that the situation is just the same as in making policy decisions in government, in business, in the family, or anywhere else. Most decisions that might be made have favorable and unfavorable effects on various aspects of life. Decisionmakers must try to determine the favorable and unfavorable effects of alternatives and then decide on their course of action. Economists, statisticians, and other social scientists can help determine what the effects are likely to be. But the responsible decisionmaker must decide how the favorable and unfavorable effects balance out, and different persons will decide differently. This is only another way of saying that a generally accepted weighting system does not exist.

⁶ U.S. Department of Health, Education, and Welfare, "Toward a Social Report" (January 1969).

Costs of Growth and the National Product

It is fashionable to describe our environmental problems as costs of economic growth, and even to suggest that these costs should be deducted from GNP and NNP. I have no idea whether this would raise or lower the growth rate in any particular period. But a few observations are in order.

First, some of the objections to "growth" are to an increase in population (or its geographic concentration) and the resulting congestion. Over the last two centuries, it is true, increases in productivity have permitted population to increase and led to its doing so. But this relationship is increasingly uncertain; births, which are the chief population determinant in this country, do not now follow changes in per capita income in any predictable way. It is no longer possible to regard the increase in population, and whatever disadvantages it may bring, as the *consequence* of an increase in output; there is no presumption that less output would mean fewer people. Moreover, there is no unanimity as to whether population growth or the steps that would be required to curtail it are undesirable or desirable. Population increase has meant less space per person and has affected other aspects of life adversely in the view of many people. Others stress the pleasures derived from children; almost none would like a higher death rate; and immigration, which has contributed importantly even to recent population growth, has presumably meant a better life for the immigrants.

Second, many aspects of the environment are only remotely, if at all, connected with the amount of production or income; and when they are, it is by no means obvious that high income worsens rather than improves the environment. Would such problems of the human environment as crime, drugs, student unrest, racial tension, and labor-management conflicts now be absent or even smaller if output and income had increased less than they did in the past decade or two? It seems unlikely.

I now turn to what clearly are environmental costs associated with

production. Air and water pollution, the volume of solid waste, and other undesirable aspects of the physical environment *have* been increased by economic growth or, more accurately, by the increase in the production and use of particular products which have been produced and used in particular ways. Given an index of the state of the environment, a complete welfare evaluation would not require knowledge of the extent to which changes in this index were the result of production. Nevertheless, the idea of measuring the net gain from production by balancing the value of the deterioration of the physical environment caused by production against the value of greater output is attractive. The value of this deterioration could then be deducted from NNP to obtain what many would regard as a better measure of net output. But implementation of this suggestion would require an objective measurement of the value of the deterioration expressed as a dollar amount. Such a valuation does not exist, and its estimation would encounter all the problems involved in measuring the goodness of the environment plus those of deciding what portion of changes in its goodness were due to production.

At this point, let me emphasize that expenditures actually incurred to preserve or improve the environment are not at all the same thing as the value of the deterioration of the environment that is caused by production. Such expenditures must not be deducted in lieu of the value of the deterioration caused by production. To do this would mean that the more we diverted our resources and output from other uses to improvement of the environment, the smaller would be GNP and NNP. This surely is not a desirable result.

Fortunately, GNP and NNP are not reduced by diversion of resources from other uses to environmental improvement when the costs are borne by government or by consumers because expenditures by these groups are counted as final products. (This generalization includes such cases as the addition of antipollution devices to automobiles because in the national accounts the addition is regarded as

increasing the quantity, rather than the price, of cars.)⁷

GNP and NNP can be regarded as providing defective measures of changes in output when expenditures to protect the environment are incurred by business in the form of current costs. Such purchases are not themselves counted as final products and they absorb resources that would otherwise be used to produce products that are counted as final. Steps already taken, and adoption of additional proposals, to increase expenditures for environmental control of this type will have the effect of reducing real output and productivity, as measured, below the values they would take if resources were not so diverted. Business expenditures for the safety of employees, which are also likely to rise as a result of new legislation, will have the same effect. The reduction in measured output could be avoided only by isolating business expenditures for these purposes and adding them to national product as final product. Such a solution is not, I fear, feasible because such a classification of business expenditures would encounter distinctions that are gradual and blurred. What we would need to know is the amount by which business unit costs exceed the theoretical minimum that could be achieved if production were to be conducted with no regard at all to the external environment or to employee welfare—implying no laws, no community pressure, and no conscience. Such a situation has never prevailed and is difficult even to imagine. What perhaps can be done, and should surely be attempted, is to start now to collect information on *changes* in expenditures for environmental and employee protection that will occur in the future. Even if such information does not lead or enable us to change the measure of output, it will enable us to interpret better the changes in output and productivity that we observe in the future as well as to know the true costs of the new programs.

7. Neither are GNP and NNP reduced, in the first instance, when business makes capital outlays for this purpose. But in the case of business capital outlays NNP is eventually reduced by a rise in depreciation, just as it is in the case to which I turn next.

The Economy in 1970

THE course of the economy last year reflected the workings of the severe restraint imposed in 1969 and maintained into early 1970. Clear progress had been made in 1969 in slowing the growth of demand, but the very substantial impact of the restraint did not become plain until last year. Real output for the year as a whole was down slightly from 1969, largely because of production losses caused by the auto strike in the fourth quarter. There was a drop in real output in the first quarter, followed by very slow expansion in the second and third; output then fell again in the fourth quarter. Overall, economic activity in 1970 proved weaker than had generally been expected—even abstracting from the effects of the strike. The unemployment rate rose, capacity utilization fell, and profits shrank substantially.

Progress against inflation proved to be disappointingly slow. The stubborn rise of prices, well after excess demand pressures had been eliminated, was painful and frustrating. The economy had experienced several years of serious inflation, which worked its way deeply into the cost and price structure as well as into attitudes. Such influences, once well established, are very hard to reverse, and they can have a persisting effect on the behavior of wages and of other prices and costs. Some progress was made in 1970: There was apparently some ebbing of inflationary expectations, productivity gains during the year helped to offset the pressures of continuing rapid gains in labor compensation, and the price rise showed signs of slowing. However, it was clear at yearend that a great deal remained to be done in the way of affecting basic cost and price behavior.

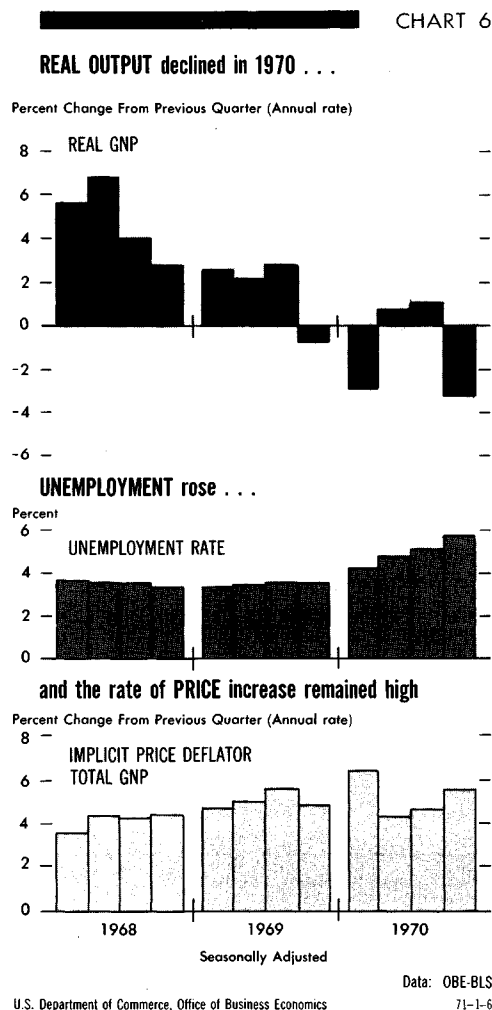
A cutback in defense-related demand has been a particularly visible facet of the overall restraint on the economy. Last year saw heavy shrinkage in defense-related employment and output, but slack was widespread through the economy. Housing was the one sector for which 1970 turned out to be a good year. This reflected the easing in credit conditions which developed during 1970, a reversal of 1969 when credit grew very tight and residential construction plummeted. Consumers

were very cautious and substantially raised the share of income saved. There was a downward adjustment in inventory investment, though the drag was relatively mild by comparison with the corrections in some earlier periods of weakening demand. Likewise, capital spending held up well relative to past experience.

The trade balance improved substantially from 1969 to 1970. However, the improvement occurred not because of a slowdown in import growth, such as might have been expected, but rather because the growth of exports was usually strong. The improvement in the trade surplus contributed to a small improvement in the underlying liquidity balance; the trade gain was partly offset by increased outflows of private long-term capital, reflecting increased U.S. direct investment abroad and reduced buying of U.S. stocks by foreigners.

The official reserve transactions balance, on the other hand, swung into deep deficit last year—a swing associated with the shift of domestic monetary policy from severe restraint in 1969 to moderate ease in 1970. In 1969, U.S. banks sought to relieve the pressure on their reserve positions by borrowing heavily from the Eurodollar market. The resulting high Eurodollar rates made dollars attractive to private foreigners, with the consequence that foreign central banks lost reserves. The process was reversed in 1970 and foreign central banks made large dollar gains.

The easing of domestic monetary conditions began early last year. The move was very cautious at first, but the shift toward more expansionary policies became more pronounced as the year progressed. Fiscal policy also



swung toward stimulus. Some features of the Federal fiscal system function as automatic stabilizers, and these were operative last year in the face of the economy's weakness: unemployment compensation grew sharply while tax revenues were dampened by the weakness of taxable incomes.

However, Federal receipts and expenditures were affected last year by much more than the automatic stabilizer features of the fiscal system. Federal workers' pay was raised, as were social security benefit rates and the benefits of retirees under the Civil Service and railroad retirement systems. These actions buoyed personal income significantly. In addition, the surcharge on personal and corporate income taxes expired during the year, with the result

that its effective rate was cut from 10 percent in 1969 to 2½ percent in 1970. There were some actions which raised Federal revenues, such as new aviation user charges and higher premiums for medical insurance under social security. However, the overall fiscal stance was expansive: the budget on the NIA basis swung from a large surplus to a large deficit, while on the "full employment" basis the budget surplus shrank substantially.

The easier fiscal and monetary stance adopted in 1970 is presumably having a stimulating effect on the economy, though with a lag. The critical task has been and still is to restore fuller utilization of resources while achieving a further mitigation of inflationary tendencies.

typically the case when the direction of interest rates is reversed, the decline in long-term rates trailed that in short-term markets. The dominant factor in long-term markets was an extraordinary demand for capital by corporations and State and local governments. This partly represented a backlog of unfilled demand that had built up during the severe credit stringency of 1969 and early 1970; it also reflected efforts on the part of many borrowers to replace short-term with long-term obligations.

Monetary policy

The monetary authorities cautiously moved away from credit restraint during the first half of the year, and became more aggressive in pursuing a moderately expansionary policy in the second half.

In January, when market interest were still rising sharply, the Federal Reserve raised interest rate ceilings on time and saving deposits. The authorities stated that the thrust of credit policy had not changed and that the action represented a realignment of ceilings within the framework of continued overall restraint. In February, the policy directives of the Federal Open Market Committee began to indicate a desire for somewhat less monetary restraint. However, throughout the first half of the year, Federal Reserve operations were apparently geared to permitting little growth in member bank reserves—the base for money and credit expansion. The objective of policy appeared to be to permit market forces to achieve a gradual easing of credit conditions. Open market purchases were stepped up in May, as market pressures were once again pushing interest rates higher. Even though these pressures subsided

Financial Developments

THE year opened with credit shortages intensifying and interest rates reaching new highs; it closed with credit availability increasing and interest rates registering one of the sharpest declines on record. This dramatic shift reflected the cumulative impact of several factors: a shift in monetary policy from severe restraint to moderate expansion; weakness in consumer and business loan demand, related to the weakness in economic activity; and an appreciable dampening of inflationary expectations on the part of market participants.

The unwinding of pressures in credit markets began in the early months of last year and interest rates, particularly in short-term markets, declined noticeably from February through April. The trend was interrupted in the spring, when financial market sentiment was adversely affected by concern over a possible liquidity crisis and by uncertainties arising from U.S. military operations in Cambodia and their domestic aftermath. Strains in financial markets intensified again at midyear, when the Penn Central insolvency seriously shook investor confidence in the commercial

paper market and caused renewed concern over liquidity problems.

The trend toward more comfortable credit market conditions resumed in the summer and gathered momentum in the fall as monetary policy become more stimulative and economic activity was further depressed by the auto strike. The decline of short-term interest rates accelerated as the summer wore on and in late September the prime rate, which had been cut from 8½ to 8 percent in March, was lowered to 7½ percent. In November, it was reduced in two steps to 7 percent and in the latter part of December to 6¼ percent.

Conditions in long-term credit markets also became much less strained in the second half of 1970. However, as is

Table 1.—Changes in Interest Rates and Bond Yields

[Basis points]

	June 1969- Jan. 1970	Jan. 1970- Apr. 1970	Apr. 1970- June 1970	June 1970- Sept. 1970	Sept. 1970- Dec. 1970
3-month Treasury bills (market yield).....	1.44	-1.37	0.17	-0.55	-1.25
Prime commercial paper 4 to 6 months.....	.55	-.72	.15	-.89	-1.59
Federal funds.....	.08	-.88	-.50	-1.31	-1.39
Corporate bonds Aaa.....	.93	-.08	.65	-.39	-.45
State and local Aaa.....	.80	-.14	.57	-.91	-.69
U.S. Government long-term.....	.80	-.33	.46	-.36	-.66

Source: Federal Reserve Board.

during the second half of the year, open market purchases continued to run at a heavier rate.

The monetary authorities took a major step toward strengthening the position of the commercial banking system in late June, when it appeared that some sellers of commercial paper might not be able to renew their obligations and would turn to the banks for credit accommodation. Inter-

est rate ceilings on large denomination certificates of deposit (CD's) with maturities of less than 90 days were suspended, enabling banks to bid freely for short-term funds. Banks were highly successful in issuing a large volume of CD's and their intermediary role in the financial process was greatly strengthened.

In mid-August, the Federal Reserve reduced the reserve requirement on time deposits from 6 to 5 percent. At the same time, however, a reserve requirement was imposed on funds obtained for a member bank through the sale of commercial paper by an affiliate. These changes, which became effective October 1, had the net effect of freeing about \$350 million of reserves, mostly at banks outside the major money centers.

Late in the year, after market interest rates had already declined very substantially, the Federal Reserve discount rate was lowered in several steps. These reductions—from 6 to 5½ percent early in November and to 5½ percent effective December 1—were more a matter of following market developments than of trying to lead.

Commercial banks

The moderately expansionary monetary policy pursued during 1970 is reflected in the growth of the major monetary aggregates (table 2). There was a pronounced rise in total bank deposits, centered in time deposits, which became increasingly attractive as a consequence first of the suspension of ceilings on short CD's and then of the general decline in short-term market rates. Private demand deposits—which together with currency in circulation make up the narrowly defined money stock—recorded only moderate expansion, a development that probably reflects a weakness in demand for transaction balances associated with slack economic activity.

Commercial banks directed part of their deposit growth to a restructuring of liabilities, and significantly reduced their dependence on nondeposit sources of funds. During the second half of the year, banks substantially reduced their borrowings from the Federal Reserve System and in the federal funds market.

Table 2.—Changes in Selected Monetary Aggregates

(Billions of dollars, seasonally adjusted at annual rates)

	Dec. 1968– June 1969	June 1969– Dec. 1969	Dec. 1969– June 1970	June 1970– Dec. 1970
Total reserves.....	0.2	-0.3	-0.1	4.0
Monetary base ¹	3.0	1.8	4.0	5.6
Money stock (currency in circulation and private demand deposits).....	10.0	2.4	12.0	10.0
Demand deposits.....	7.2	.2	8.4	7.4
Time deposits.....	-7.2	-13.2	15.2	56.2
Large CD's ²	-16.0	-9.2	4.2	24.8
Money stock plus time deposits.....	2.8	-10.8	27.2	66.2

1. Sums of member bank reserves with Federal Reserve Banks (including reserve adjustments) and currency in circulation.

2. Not seasonally adjusted.

Source: Federal Reserve Board; Federal Reserve Bank of St. Louis.

In addition, banks in the major money market centers sharply cut their use of Eurodollar borrowing and their reliance on funds raised through sales of bank-related commercial paper.

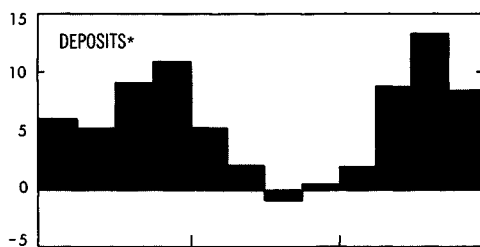
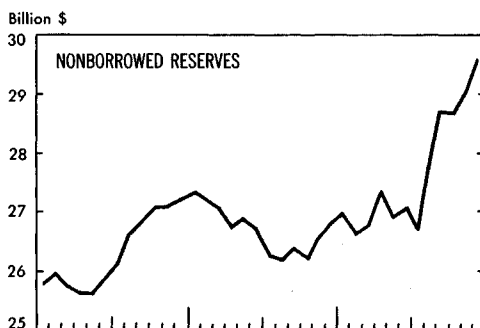
Banks made important progress in 1970 in restoring liquidity, following serious erosion during the earlier period of credit stringency. After the first quarter, they added substantially to their holdings of U.S. Government and State and local securities. Increased security holdings accounted for \$16 billion of the \$27 billion rise in total bank credit (adjusted for loans sold) from the fourth quarter of 1969 to the fourth quarter of 1970. In the previous year, bank credit increased \$17½ billion but investment in securities declined \$8½ billion. The loan component of bank credit, which had been very strong in 1969, turned very weak in 1970—excluding the temporary July–August spurt associated with the difficulties in the commercial paper market. The weakening of loan expansion reflected the slowdown in economic activity as well as the repayment of business loans from the proceeds of capital market borrowing.

Thrift institutions

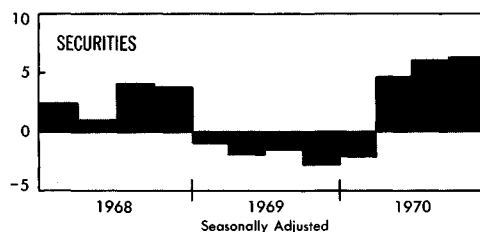
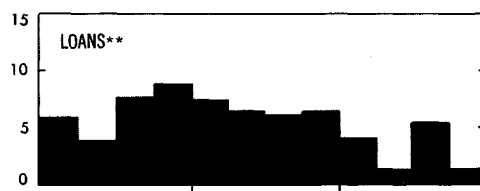
Last year's generally easier credit conditions and sharp declines in market rates of interest resulted in a substantial improvement in the flow of savings to mutual savings banks and savings and loan associations. This greatly improved the availability of funds for mortgage lending and was a key element in the strong recovery of homebuilding.

CHART 7

With monetary policy easier, NONBORROWED RESERVES and BANK DEPOSITS have increased sharply



LOAN demand has been weakening, and SECURITIES account for most of the bank credit expansion



*Adjusted to include nondeposit sources of funds.

**Adjusted to include loans sold.

NOTE.—Monthly level is plotted for nonborrowed reserves; other data are changes between quarterly averages.

Data: FRB

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Savings flows to the S&L's accelerated sharply after the first quarter, and for the year as a whole deposits were up 7 percent or about \$9½ billion. In contrast, deposit inflows in 1969 had dropped to about \$4 billion, less than half the expansion in 1968. The S&L's, like the commercial banks, allocated part of last year's deposit growth to rebuilding depleted liquidity positions. Their acquisition of liquid assets increased and the ratio of cash and security holdings to total liabilities—one measure of liquidity—rose steadily from a low of about 8 percent in the first quarter to 9¼ percent in closing quarter of 1970. At yearend, the S&L's had not reduced their indebtedness to the Federal Home Loan Banks. Although that indebtedness increased greatly in 1969 and early 1970, the FHLB system urged the S&L's to defer repayment and to use their enlarged deposit flows to support mortgage debt expansion. The expan-

Table 3.—Saving Flows, Mortgage Holdings, and Net Change in Commitments of Savings and Loan Associations

(Billions of dollars, seasonally adjusted at annual rates)¹

	Dec. 1968– June 1969	June 1969– Dec. 1969	Dec. 1969– June 1970	June 1970– Nov. 1970
Net saving flows.....	6.1	1.9	5.8	15.4
Mortgages.....	10.9	7.9	6.1	13.3
Commitments.....	.6	-2.1	.3	2.9

1. Preliminary seasonal adjustments by the Federal Reserve Board.

sion of mortgage debt, which had slowed from the winter of 1969 through the winter of 1970, picked up in the spring and rose sharply during the second half of the year. A similar pattern was evident in mortgage commitments, which fell steadily during the year ending last March, then turned around and rose over the remainder of 1970 (table 3).

Income and Consumption

WITH employment in most industries stable to declining last year and the workweek shortening, there was little expansion in private sector wages and salaries. The slack was most pronounced in manufacturing, but spread ever more widely as the year progressed. Even in the service industries, which are relatively insensitive to swings in economic activity, the growth of wage and salary income was appreciably slower in 1970 than in prior years.

The sharpness of the income swing in manufacturing in large part reflected the sensitivity of manufacturing employment to economic fluctuations. However, the auto strike had a major, though largely transitory, effect in the fourth quarter. Largely because of the strike, aggregate wage and salary payments in manufacturing were significantly lower in the second half of the year than in the first (chart 8). For 1970 as a whole, wages and salaries in manufacturing were up barely 1 percent, a sharp contrast to the 8 percent gain from 1968 to 1969; the slowdown in

other private wages and salaries was less pronounced, from a gain of 11 percent in 1969 to one of 8 percent in 1970.

The shrinkage of profits last year naturally affected the flow of dividend income. The total was roughly unchanged from 1969 because companies, in the aggregate, boosted the proportion of earnings paid out. The factors responsible for the squeeze on profits—weak volume and pressure on margins—also affected the income of proprietors. Interest income, on the other hand, continued to grow at a rapid pace. Taken together, the nonwage components of personal income originating in the private sector increased last year by an amount roughly in line with the recent trend, though less than in the preceding 2 years.

Government actions

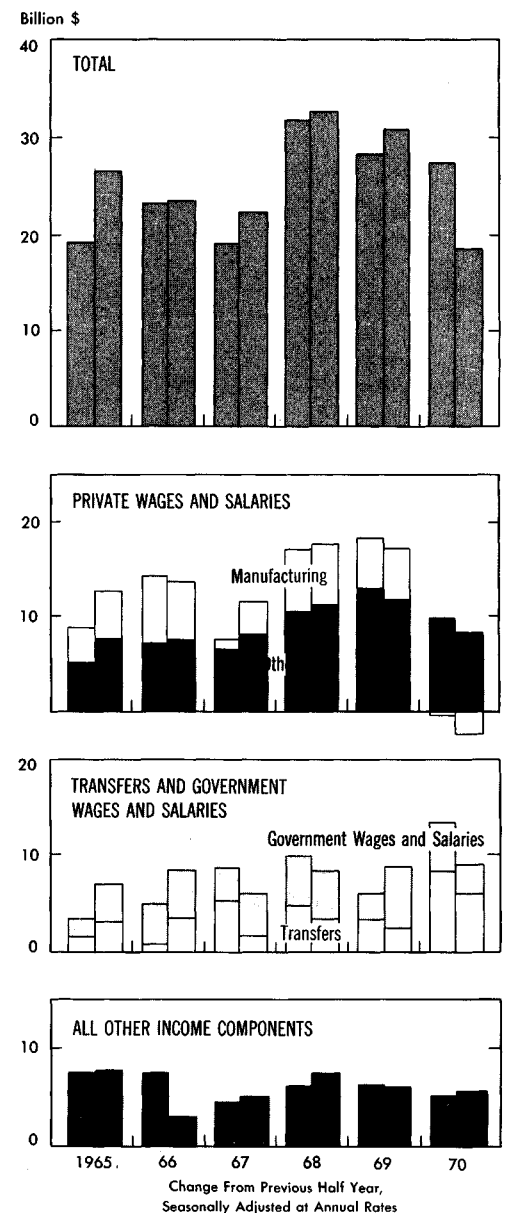
The slack in private incomes was made up to a considerable degree by increases in government payments of various types, including automatic stabilizers

such as unemployment compensation as well as increases in pay and social security benefits. Likewise, the slack in taxable income cut into tax receipts. In addition, reduction of the surcharge and other tax actions, such as liberalized treatment of low income persons, reduced taxes.

Unemployment insurance benefit payments expanded steadily during the course of last year and by the fourth quarter had reached a record annual rate of almost \$5 billion, more than double the rate a year earlier. The

CHART 8

PERSONAL INCOME growth slowed in 1970, although government payments partly offset the slack in private payrolls



previous record was set in the second quarter of 1961, when the number of beneficiaries was larger but the average check was considerably smaller.

The other major factor boosting government transfer payments last year was an increase in social security benefit rates, effective in April but retroactive to the first of the year. The increase caused a permanent upward shift on the order of \$4¼ billion at an annual rate, while the lump sum retroactive payment boosted income in April by more than \$8 billion at an annual rate.

Federal workers' pay was raised in April, retroactive to the first of the year. The raise, which had originally not been scheduled to occur before early 1971, was the second in less than a year. It resulted in a permanent upward shift of about \$2½ billion (annual rate) in government salaries, compared to a boost of about \$3¼ billion in July 1969. The retroactive payments temporarily swelled the income stream in both April and May, by about \$3¼ billion (annual rate) in each month.

Other boosts in government payments later in 1970 constituted further offsets to the weakness in private incomes. In September, postal workers received an additional pay increase under the arrangement reached in April, with a retroactive payment (about \$2 billion at an annual rate) for the April-August period. In the same month, there were increases in benefits for retired Federal workers and for pensioners under the railroad retirement system. The latter increase was retroactive to the first of the year resulting in a lump-sum payment in October of about \$1¼ billion at an annual rate.

The general weakness of taxable incomes held down personal tax payments last year. Nonwithheld payments were particularly weak, a development apparently related in good part to a slump in capital gains income in 1969. Moreover, the income tax surcharge was at an effective rate of only 2½ percent for 1970 as a whole, down from the full 10 percent rate in effect throughout 1969. Surcharge withholding was cut to 5 percent on January 1 and eliminated at midyear; each cut boosted disposable income by more than \$3¼

Table 4.—Personal Income and Tax Payments
[Billions of dollars]

	1968	1969	1970	1969		1970	
				Second half ¹	First half ¹	First half ¹	Second half ¹
Personal income.....	688.7	748.9	801.0	764.3	791.8	810.1	810.1
Tax payments ²	97.5	117.3	116.4	118.7	117.3	115.3	115.3
Federal.....	76.3	95.9	91.8	96.3	93.5	90.1	90.1
State and local.....	18.3	21.4	24.6	22.5	23.9	25.3	25.3
Disposable personal income.....	591.2	631.6	684.7	645.6	674.5	694.8	694.8

1. Seasonally adjusted at annual rates.

2. Excludes social security contributions; includes nontax payments such as fines.

billion at an annual rate. In addition the personal exemption was raised at midyear from \$600 to \$650, with the associated reduction in withholding representing a boost to income of about \$1¼ billion at an annual rate. (The only significant personal tax increase at the Federal level last year affected the premium payment for supplementary medical insurance under social security.) For the full year 1970, payments to all governments combined were down slightly. This was in sharp contrast to the situation in 1969, the year in which the full impact of the tax surcharge was felt.

Consumption and saving

Personal consumption expenditures rose less strongly than disposable income in 1970 and the saving rate continued to advance (chart 9). For the year as a whole, personal consumption expenditures totaled \$617 billion, up \$39½ billion or 6¼ percent from 1969. The gain in disposable income amounted to \$53 billion or about 8½ percent and the saving rate rose from 6.0 percent in 1969 to 7.3 percent in 1970.

Spending for services continued to expand in line with the steady trend of recent years. The growth of nondurable goods consumption slackened in the middle months of 1970 but picked up again toward yearend, with spending for apparel showing a particularly marked strengthening. In the aggregate, expenditures for nondurables and services grew about 8 percent in 1970, a gain somewhat stronger than those generally registered in recent years. Durables consumption was weak however, partly but by no means solely because of the auto strike. The general wariness of consumers had a clear ad-

verse impact in markets for a broad range of durable goods; for the year as a whole, durables consumption excluding spending on motor vehicles and parts was up only \$2½ billion or about 4¼ percent, while spending for motor vehicles and parts dropped \$3 billion.

The strike cut deeply into fourth quarter auto sales. Fourth quarter sales of new domestic models were about 5.4 million units at a seasonally adjusted annual rate, down from the rate of about 7¼ million units maintained in the first three quarters of the year. Quite apart from the strike, 1970 was not a strong year for domestic cars. The pre-strike pace was relatively weak compared to the sales rates of well over 8 million units throughout 1968 and 1969. By contrast, sales of imported models boomed in 1970, doing especially well in the fourth quarter. It is too early to tell whether the new domestic cars intended to compete directly with the imports will succeed in winning back some of the market share which the latter now hold.

The saving rate registered a particularly steep jump in the second quarter

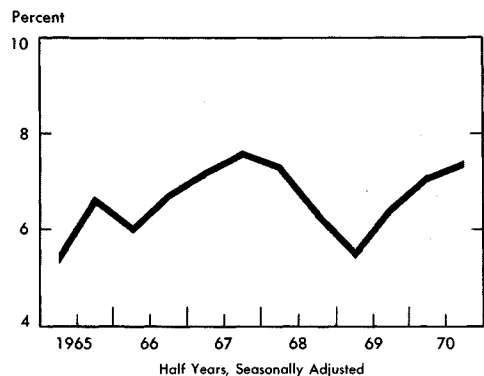
Table 5.—Sales of New Automobiles

[Millions of units, seasonally adjusted annual rates]

	Domestic models	Import models
I.....	8.4	1.0
II.....	8.4	1.0
III.....	8.9	1.1
IV.....	8.7	1.1
1968: Year.....	8.6	1.0
I.....	8.7	1.0
II.....	8.5	1.2
III.....	8.5	1.1
IV.....	8.2	1.2
1969: Year.....	8.5	1.1
I.....	7.6	1.2
II.....	7.9	1.3
III.....	7.8	1.2
IV.....	5.4	1.5
1970: Year.....	7.1	1.3

CHART 9

PERSONAL SAVING RATE continued
to rise in 1970



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

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of 1970, the period in which income was boosted very sharply by the retroactive increases in Federal pay and social security benefits. Some measurable rise in the saving rate is not surprising as a short-run concomitant of a sharp income jump, for it takes some time for consumers to adjust. This factor very likely contributed to the rise in the saving rate last year.

Moreover, the rate had dropped very substantially in the year following the imposition of the tax surcharge at mid-

1968, while at the same time there was a sharp increase in the use of consumer credit. In view of these developments, it was reasonable to expect that consumers, wanting to rebuild liquidity, would raise the share of income saved. From mid-1969 through the end of 1970, there was not only a large rebound in the saving rate but also a sizable cut in the rate of consumer credit expansion. The latter development was only partly the result of the relatively weak trend of auto sales; there was also a slowing in the growth of consumer credit of other types, including personal loans.

In general, there was ample cause for consumers to behave cautiously last year. Surveys found them concerned over the state of the economy and worried about income and unemployment. Inflation was cutting into the purchasing power of their money incomes, and they faced a steady diet of disquieting news, including the decline in stock prices. As to the latter, it is not clear how close a connection exists between stock prices and consumption, but there is doubtless some relationship—working both through the direct impact on the wealth of stockholders and through an impact on general sentiment.

Inventory Investment

WHEN demands weaken, the associated adjustments in economic activity typically include a swing in inventory investment, aimed at aligning stocks more closely with sales. This was true in the 1969-70 economic slowdown, as the rate of inventory accumulation dropped substantially between the fall of 1969 and the spring of 1970.

The 1969-70 swing was milder than many past inventory corrections. The actual decline in the investment rate was smaller than some in the past, and it of course occurred in a bigger overall economy. It seems likely that the fairly orderly nature of the 1969-70 inventory adjustment was related to the fact that throughout 1969 evidence accumulated which pointed to a slowdown and

counseled moderation in inventory policy. Order backlogs were declining all that year and delivery performance was reported to be improving. There was thus considerable warning for those who cared to heed it. Moreover, the severe credit restraint prevailing in 1969 and on into 1970 presumably induced businessmen to assess inventories carefully—though such care would not necessarily eliminate the threat of undesired accumulation in the face of unexpected sales weakness.

As measured in GNP, inventory accumulation fell from an annual rate of more than \$11 billion in the third quarter of 1969 to a rate of only \$1½ billion in the first quarter of 1970. The adjustment at the time of the 1967

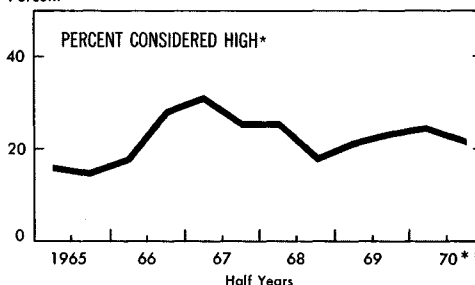
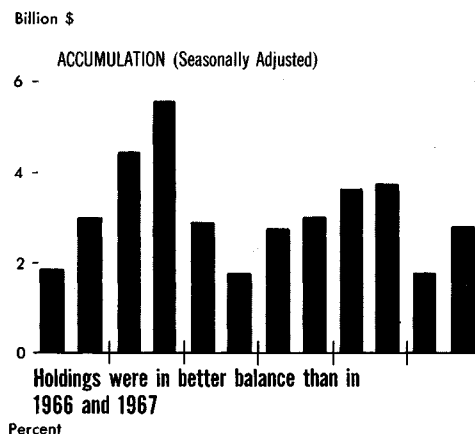
“minirecession,” following the imposition of restraint on demand in 1966, was much larger—from an annual rate of \$20 billion to \$4½ billion in a span of two quarters.

The accumulation rate turned higher again after last year's first quarter, but remained modest. Businessmen had ample reason to concentrate on holding stocks to the bare bones. The business outlook was clouded all year, providing no strong incentive to prepare for a resurgence of demand. Moreover, the severe pressure on profits and the high level of interest rates provided a strong motive to avoid unnecessary tying up of capital in stocks. Considerations such as these probably had an important influence on steel users, who apparently did little if any stockpiling in the late months of 1970—contrary to the widespread expectation that they would by then have begun to prepare for a threatened strike this summer.

The cutback in accumulation in late 1969 and early 1970 was broadly based. Measured in terms of inventory book

CHART 10

INVENTORY ACCUMULATION by manufacturers
slowed in 1970



*Percent of total inventory book value held at end of period by companies characterizing their inventories as high relative to sales and unfilled orders.

**Accumulation through November, expressed at half-yearly rate: inventory condition at September 30.

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Table 6.—Inventory Accumulation, Manufacturing and Trade

[Billions of dollars, seasonally adjusted]

	1969		1970		Change	
	III	IV	I	II	1969-III— 1970-I	1970-I— 1970-II
Total	3.29	3.08	1.23	1.23	-2.06	0.0
Auto group retailers.....	.57	.08	-.41	.26	-.98	.67
Other durables retailers.....	.05	.26	-.10	-.18	-.15	-.08
Nondurables retailers.....	.53	.38	.21	.12	-.32	-.09
Wholesalers.....	.11	.65	.48	.30	.37	-.18
Transportation equipment manufacturers.....	.41	.43	-.07	-.33	-.48	-.26
Other durables manufacturers.....	1.19	1.02	.79	.46	-.39	-.33
Nondurables manufacturers.....	.44	.26	.34	.59	-.10	.25

value, accumulation by manufacturing and trade firms dropped from a rate of \$3½ billion in the third quarter of 1969 to \$1¼ billion in the first quarter of 1970. The rate was unchanged in the following quarter but the adjustment was in fact continuing; further declines in accumulation rates in many sectors were offset by a rather large rise in the finished goods stocks of nondurables manufacturers—presumably not a healthy development—and a shift to accumulation by auto retailers.

Accumulation in both the manufacturing and nonmanufacturing sectors was generally modest in the second half of 1970. At yearend, inventory-sales ratios in some lines of business were rather high but it is impossible to disentangle the essentially transitory in-

fluence of the auto strike from more fundamental forces. OBE's quarterly surveys found that the proportion of durables stocks characterized as high (relative to sales and unfilled orders) rose through mid-1970 while the "high" proportion of nondurables stocks held steady. Both figures were below the levels reached in 1966-67, and both declined between June 30 and September 30 (chart 10). However, this improvement may not have been sustained through yearend. Manufacturers' accumulation picked up in the fourth quarter, including another large increase in finished nondurables. Thus, while stocks are probably not seriously out of balance, the process of inventory adjustment may not have run its full course.

Nonresidential Fixed Investment

BUSINESS was rather slow to adjust capital spending to the changed economic conditions which developed in 1969 and became fully evident in 1970. The strength of spending in 1969 suggested the possibility that spending was largely determined by long range considerations and was highly resistant to essentially shortrun economic fluctuations, even quite severe ones. However, in retrospect it appears that an important influence in 1969 was simply that businessmen were not at all convinced that the restraint imposed on the economy would be so enduring or so severe as it turned out to be. Had expectations of uninterrupted growth

and persistent inflation moderated more promptly, spending would very likely have adjusted more rapidly. There surely were many good reasons for adjustment, and it is not surprising that investment spending finally slackened in the face of weakening demands for output, a growing margin of excess capacity, severe pressure on profits, and high interest rates.

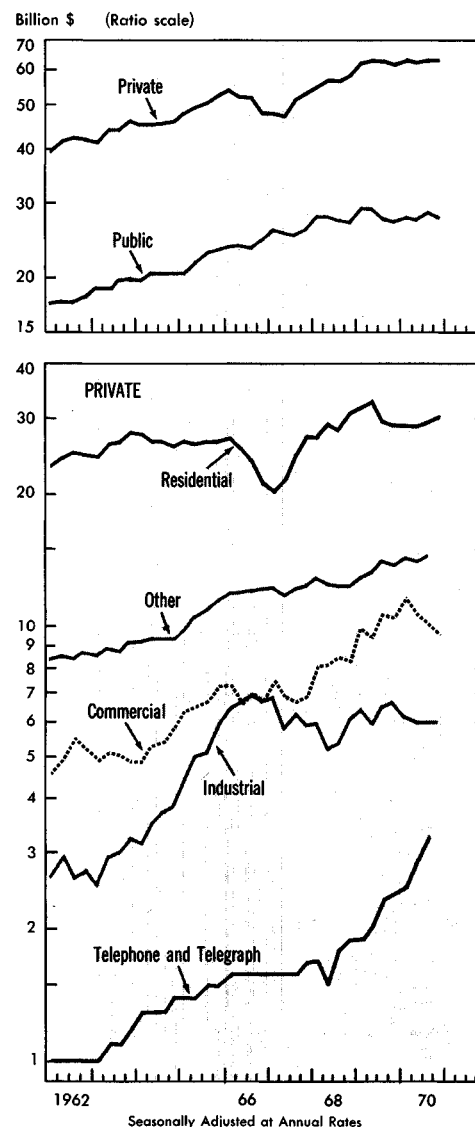
The physical volume of nonresidential fixed investment was modestly smaller in 1970 than in 1969, and was contracting slowly during the year. Dollar outlays were up slightly more than 3 percent for the year, compared with a gain of 12 percent in 1969.

The auto strike cut sharply into business purchases of motor vehicles in the fourth quarter, and investment in producers durables was significantly depressed. Otherwise, investment in producers durables traced a generally stronger path within the year than investment in nonresidential structures, though neither type of spending showed much vigor.

As measured in GNP, private investment in nonresidential structures covers a broad range, not limited to the spending of profitmaking enterprises. It includes not only investment in commercial and industrial structures and private utility plant but also sub-

CHART 11

Construction Outlays



NOTE.—Data for 1970-IV are averages of October and November.

Data: Census

stantial amounts spent for hospitals and educational, religious, and other institutional structures. The "other" grouping plotted on chart 11 includes these categories as well as spending by utilities other than telephone companies—a category for which data are currently not published separately. As can be seen from chart 11, private investment in nonresidential structures accounts for about one-third of total construction spending; the remainder is divided about equally between private residential investment and public investment.

Plant and equipment spending

From the time in 1963 when business spending for new plant and equipment took off into a boom, there has been barely any interruption in the rapid growth of spending by communications firms (consisting for the most part of telephone companies) and the electric utilities (chart 12). Airline spending traced a path that was similar but more erratic. Spending by these three industries continued to expand in 1970, though airline outlays were quite evidently on a downtrend by yearend. Spending by manufacturing and commercial firms, on the other hand, had

ceased to grow by 1970; spending by mining firms and gas utilities was also about stable last year, while railroads and truckers reported sharp declines.

The paths traced by various industries' spending reflect the different influences affecting each. Cyclical swings typically center in manufacturing, and that sector's spending has historically been quite sensitive to shifts in economic conditions. The surface transportation industries—railroads and trucking—are also quite sensitive to cyclical swings in the economy; spending by commercial firms

is sensitive but to a lesser degree. The utilities and telephone companies, however, are likely to base their plant and equipment spending very heavily on considerations of long range growth. Moreover, they will be relatively undeterred by high interest rates provided they can obtain regulatory approval for passing borrowing costs on to customers. The need to expand has doubtless governed spending by these two industries since the early 1960s, as both industries have faced strong demand growth and considerable pressure on capacity.

Housing

THE easing in mortgage market conditions last year occurred against a background of very strong underlying demand for new housing. Residential construction was consequently poised to takeoff as soon as financial conditions improved at all. After declining \$5½ billion, or 16 percent, during the year ending last spring, residential investment expenditures increased \$3½ billion in the second half of 1970. For the year as a whole, spending was down about \$2½ billion from the 1969 level.

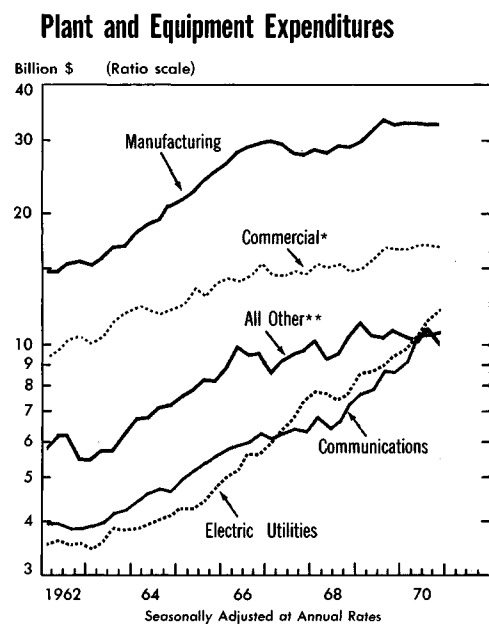
The upturn of expenditures in the second half of last year reflected the turn in private starts. At its low of about 1.25 million units (seasonally adjusted annual rate) in the spring, the starts rate was down close to 25 percent from the level in late 1968 and

early 1969. The rate recovered sharply in the summer and fall and averaged 1.75 million units in the fourth quarter. The recovery was evident in both single family and multifamily structures; by yearend, starts of both types were back close to their levels of late 1968 and early 1969. Indeed, the rate reached in the fourth quarter represented a stronger recovery than was generally expected for 1970, and in fact equaled the widely accepted forecast of the starts total for 1971.

Shifts in homebuilding

The character of homebuilding activity changed substantially in 1970 as new home production shifted in the direction of more moderately priced homes. This development stands in sharp contrast to the pattern of recent years, when rapidly rising land prices seemed to provide a rationale for the construction of big expensive houses, and inflationary expectations seemed to justify the prices of both the land and the houses. Last year's shift toward lower priced housing is clearly apparent in the 8 percent decline in the median sale price of new homes sold. Moreover, difficulties in marketing high-priced housing were reflected in the very large spread which developed between the price of new homes sold and the price of new homes intended for sale.

CHART 12



NOTE.—Data for 1970-IV are expectations reported in November.

Data: OBE-SEC

Table 7.—Prices of New Homes
[Dollars]

Year	Change in median sales price of new homes sold	Spread between median intended sales price and median price of new homes sold
1963.....	.....	700
1964.....	900	700
1965.....	1,100	1,300
1966.....	1,400	1,400
1967.....	1,300	900
1968.....	2,000	-100
1969.....	900	1,400
1970.....	-2,000	3,500

NOTE.—Changes and spread both reflect differences in the proportion of homes of different size, location, etc., as well as differences in the prices of homes of identical characteristics.
Source: Bureau of the Census; Department of Housing and Urban Development.

In part, the trend toward less expensive housing reflects a response by builders to shifts in home buyer preferences. Such shifts are to be expected in a period when mortgage credit is both scarce and very costly. However, a more important factor in the trend toward less expensive housing is the vast expansion in Federal Government support of low-income housing. The 1968 Housing Act involved the Federal Government in large programs of mortgage interest subsidies (sec. 235) and rent supplements (sec. 236). Assistance under these programs began gradually in 1969, but became very important in 1970, increasing the effective demand of a large number of people who previously had been excluded from the new home market. Because units receiving assistance under these programs must be financed by government underwritten mortgages, the increase in Federal support to low-income housing was also an important factor in the big jump in the

share of starts—both single family and multifamily—financed by FHA and VA mortgages. More than 30 percent of last year's starts had this type of financing, whereas the typical figure in the 1960's was 15 to 20 percent.

Housing shortage

As is well known, new construction has failed for several years to meet the shelter demands that arise from normal replacement needs and from new family formation. While mobile home production has helped to meet some of this demand, severe pressures in the housing market persist. These are reflected in increases in rents and house prices and in the low levels to which vacancy rates have declined. The latter fell sharply from 1965 to 1968 and have since stabilized (except in the West, where a downtrend continues); the national rates are about 5 percent for rental units and a little less than 1 percent for homeowner units.

Federal Government

ON a national income accounts (NIA) basis, the Federal fiscal position shifted from a \$9½ billion surplus in 1969 to a deficit of nearly \$11 billion in 1970, the largest swing in 24 years. Sluggish economic activity and reductions in tax rates depressed receipts while civilian expenditure increases far outstripped the reduction in defense spending.

The swing in the budget was to a considerable extent the result of the slowdown in economic activity, and the swing in terms of the so-called "full employment" budget was much less pronounced. This is a measure of Federal fiscal impact which attempts to abstract from the effects that changes in economic activity have on the budget; it is calculated by estimating what receipts and expenditures would be if the economy were fully employed. The "full-employment surplus" decreased about \$5 billion from 1969 to 1970, according to unofficial estimates.

Expenditures

Purchases of goods and services declined last year for the first time since 1960. The \$1½ billion reduction occurred despite a \$3 billion increase in the compensation of military and civilian personnel resulting primarily from the 6-percent raise granted in April retroactive to the beginning of the year. Defense purchases fell more than \$2 billion—the first decline since 1964, the year prior to the Vietnam escalation—while nondefense purchases rose one-half billion dollars, the smallest increase in 4 years.

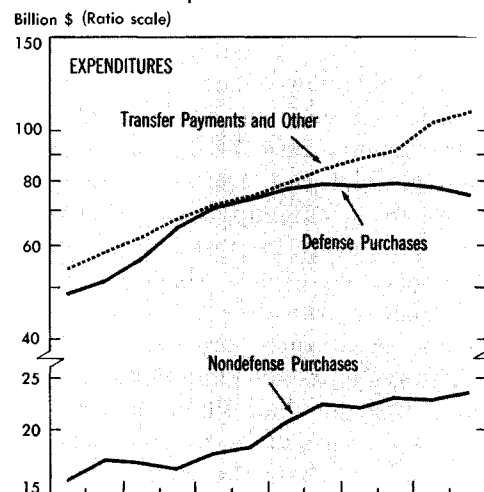
There were appreciable declines in defense purchases of hardware, particularly aircraft and ordnance, of operational supplies and materials, and of construction; research and development outlays registered a smaller decline. Military manpower fell approximately 300,000 persons and civilian Defense Department employment was down 100,000. The small rise in non-

defense purchases was the net result of increases in most civilian agencies which were nearly offset by large declines in spending by CCC (\$2 billion) and NASA (one-half billion dollars).

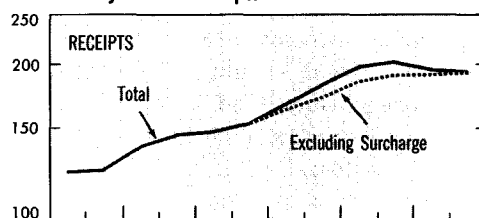
Other types of Federal expenditure—transfers, grants, interest, and subsidies—increased \$16½ billion, more than

CHART 13

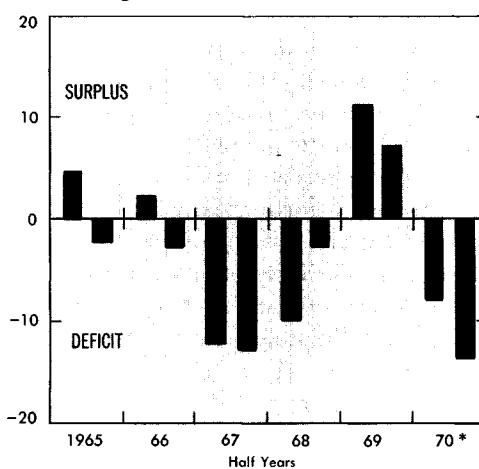
Federal Budget (NIA Basis)
 Defense purchases declined in 1970 but increases in pay and social security benefits boosted other expenditures



Repeal of the surcharge and a sluggish economy lowered receipts ...



and a large deficit was recorded



*Data for second half are preliminary.

double the 1969 advance. These items, which are direct transfers of Federal moneys to other sectors, came to \$106½ billion in 1970 or more than half of total expenditures on the NIA basis.

The largest category—transfer payments to persons—advanced a record \$10 billion to \$60 billion. As usual, OASDI benefits were the biggest element in the increase. They rose \$5 billion, largely because of the 15 percent benefit increase granted in April retroactive to January 1. Other transfer increases included unemployment compensation (up \$1¼ billion), veterans benefits (\$1 billion), food stamps (three-fourths billion dollars), and medicare (one-half billion dollars).

Grants-in-aid to State and local governments rose \$4 billion to \$24½ billion. The rise appeared partly to represent a catchup from 1969, when severe expenditure restrictions limited the advance to less than \$2 billion. Elements in the 1970 increase included public assistance (up \$1½ billion), highways (one-half billion dollars), and education (one-half billion dollars).

The increase in net interest paid was \$1½ billion, about the same as in the 2 preceding years. There were some signs at yearend that interest payments were leveling off, following the easing of market interest rates. Subsidies (net of the current surplus of government enterprises) increased a record \$1 billion in 1970, mainly because of two pay raises for postal workers which swelled the postal deficit. Farm subsidies were essentially unchanged.

Receipts

The drop of over \$5 billion in receipts reflected the slow growth of money income, reduction of the surcharge from 10 percent to an effective rate of 2½ percent, and the impact of several tax reform measures. Lower tax rates lost \$7¼ billion of receipts while income growth generated a rise of only \$2½ billion. Personal tax receipts fell \$4 billion. Final settlements paid in the first half of 1970 were particularly depressed, partly because of the low level of capital gains realized in 1969.

Corporate tax accruals also declined sharply. Most of the estimated decline of nearly \$4½ billion can be attributed

Table 8.—Federal Personal Tax Payments
(Change from previous year, billions of dollars)

	1968	1969	1970
Total	11.8	16.6	-4.1
Due to:			
Changes in incomes.....	8.5	10.9	3.4
Capital gains.....	1.4	1.8	-1.4
Other.....	7.1	9.1	4.8
Changes in tax rates.....	3.3	5.7	-7.5
Surcharge.....	3.3	5.7	-6.3
Other.....	.0	.0	-1.2

to the drop in profits. The effect of the surcharge reduction was nearly offset by the higher liabilities resulting from

repeal of the investment credit and from certain other provisions of the Tax Reform Act of 1969.

Contributions for social insurance rose \$2¼ billion, one of the smallest increases in recent years. More than two-thirds of the increase was in OASDI and medicare contributions. There were no changes in the payroll tax rate or the maximum earnings subject to tax, but the monthly premium for supplementary medical insurance for the aged was raised from \$4 to \$5.30 at midyear.

State and Local Governments

PURCHASES by State and local governments rose \$10 billion in 1970 to \$121 billion, a percentage increase somewhat smaller than those of recent years. Transfer payments—largely for welfare and pensions—rose a record \$2½ billion to total almost \$14 billion.

Employee compensation rose \$7 billion as a result of higher average pay—up 6 percent—and steady growth in employment. All major employment segments increased more rapidly in 1970 than in the previous year except State-employed education personnel. State and local construction outlays were little changed. Highway construction, the largest category, increased modestly but conditions in the credit markets appear to have cut into other construction spending. The credit market squeeze had less effect on highway construction because it is more directly dependent on Federal grants for financing.

Receipts increased \$14 billion in 1970. The slack in the economy re-

duced the growth rate of sales and personal income tax collections and cut corporate tax liabilities; nearly two-thirds of the total receipts increase was accounted for by local property taxes (up \$5 billion) and Federal grants-in-aid (up \$4 billion).

Nearly half the States raised tax rates in one or more categories in 1970. No major new levies were imposed, however, largely because many legislatures did not hold regular budget sessions in 1970, and because voters rejected several proposals for new taxes which were on the ballot in 1970 elections.

The operating budgets of State and local governments remained in deficit in 1970 and the fiscal position became increasingly stringent in many large cities. There were large surpluses in State and local pension funds, however, and on an NIA basis, which consolidates operating and pension funds, a small surplus was recorded.

Employment and Labor Force

THE employment adjustment in the 1969-70 contraction was initially slow. It seems likely that expectations had a role in shaping the lag in the employment adjustment, just as they did in

the adjustment of capital spending. The strength of employment in 1969 was probably related in good part to a lag on the part of employers in recognizing how severely the economy was

being restrained. They had been through several years of substantial labor shortage. In view of that, and of the widely held belief that the slowdown would be brief and mild, it is not surprising that 1969 saw relatively little in the way of adjustments in employment.

Some signs of adjustment were in fact present in that year, such as a decline in overtime and a rise in the number of workers on part time for economic reasons. Moreover, manufacturers were hiring fewer workers and laying off more, and factory workers were less inclined to quit—all signs of slackening demand. It was not until 1970, however, that employment cuts became sizable. As the year progressed, the impact spread to more and more industries and to nonproduction as well as production workers. Only State and local government employment was immune to the trend; in all other areas, employment grew less rapidly or actually declined. The impact on nonproduction workers was especially sharp in the defense products industries, where many engineers and technicians were laid off.

The peak in defense-related employ-

ment was reached in early 1968 but employment in other industries generally continued to rise through the end of 1969. The auto strike cut into manufacturing employment in the fourth quarter of 1970, and thus the second half decline shown in table 9 is exaggerated.

Labor force behavior

Unemployment rates for all major labor force groups increased sharply during 1970 (chart 14). Despite the clear weakness of demand, the labor force continued to grow very rapidly in the winter 1969-70. This pushed the unemployment rate up sharply from December to May. A dip in the labor force during the summer slowed the rise of unemployment. However, labor force growth resumed in the fall while employment was even weaker than it had been earlier in the year, so that unemployment rose yet higher. (In the measurement of the labor force, strikers are counted as employed; thus, strikes affect data on labor force employment and unemployment only insofar as workers are laid off because of a strike in another industry.)

Table 9.—Change in the Number of Employees on Nonagricultural Payrolls¹

(Thousands of persons, seasonally adjusted)

	1968		1969		1970	
	2d half	1st half	2d half	1st half	2d half	
Total	1,116	1,416	776	339	-638	
Mining.....	2	9	6	2	-2	
Construction.....	69	104	30	-45	-113	
Durables manufacturing.....	97	214	11	-373	-627	
Production.....	58	172	-13	-337	-505	
Nonproduction.....	39	42	24	-36	-122	
Defense products industries.....	-10	-26	-53	-122	² -148	
Production.....	-13	-21	-36	-86	-85	
Nonproduction.....	3	-5	-17	-36	-63	
Other durables.....	107	240	64	-251	² -513	
Production.....	71	193	23	-251	-450	
Nonproduction.....	36	47	41	0	-63	
Nondurables manufacturing.....	92	62	27	-26	-146	
Production.....	69	33	-6	-44	-134	
Nonproduction.....	23	29	33	18	-12	
Transportation and utilities.....	44	66	63	33	8	
Finance, insurance, real estate.....	81	99	73	72	27	
Services.....	268	348	214	214	88	
Wholesale trade.....	59	65	65	75	7	
Retail trade.....	215	244	166	132	-43	
Federal government.....	-1	34	-22	8	-92	
State and local government.....	187	170	146	248	252	
Memorandum:						
Goods producing industries.....	260	389	74	-442	-888	
Service producing industries.....	853	1,026	705	782	247	

¹ Computed from half-year averages.

² Breakdown into defense products industries and other durables is calculated with averages for January-May and July-November.

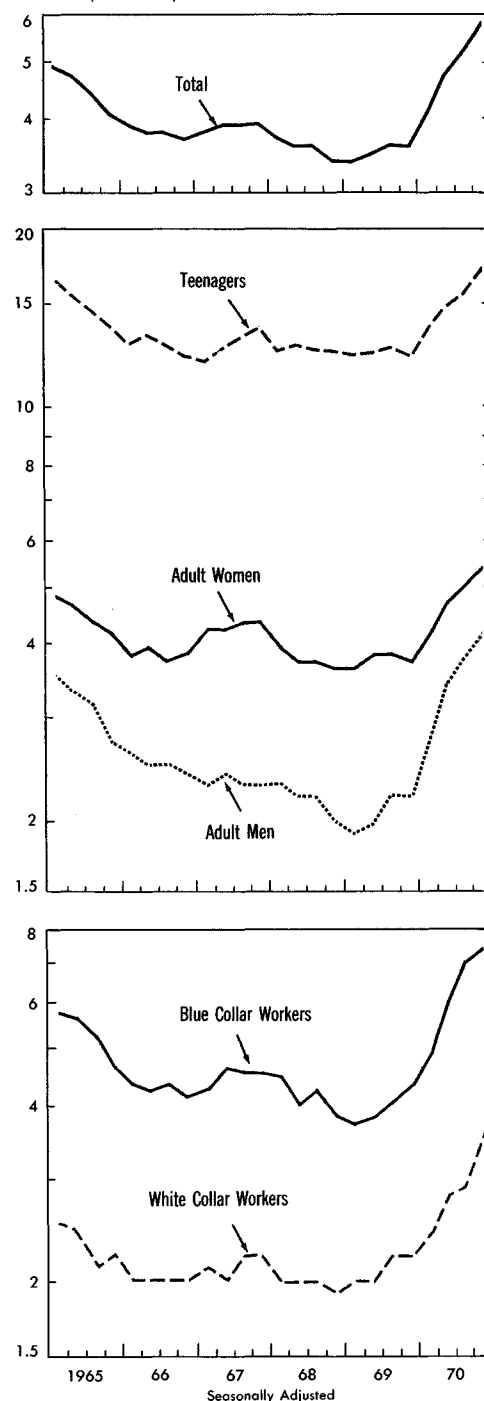
Source: Bureau of Labor Statistics.

The large increase in the labor force in the early months of 1970 was rather puzzling. Part of it probably reflected attempts by women and teenagers to find jobs to offset the impact on family income of inflation or unemployment or both. The participation of teenagers in the labor force, which

CHART 14

Unemployment Rates

Percent (Ratio scale)



Data: BLS

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

71-1-14

Table 10.—Change in Population and Labor Force

[Thousands of persons, seasonally adjusted]

	1968	1969		1970	
	2d half	1st half	2d half	1st half	2d half
Adult men:					
Population.....	458	428	441	415	436
Armed forces.....	214	-10	-50	-193	-154
Civilian population.....	244	438	491	608	590
Civilian labor force.....	120	289	315	537	340
Employed.....	186	335	193	136	-137
Unemployed.....	-66	-46	122	401	477
Participation rate (percent).....	83.0	82.9	82.7	82.8	82.5
Unemployment rate (percent).....	2.1	2.0	2.2	3.0	4.0
Boys 16-19:					
Population.....	61	78	68	102	108
Armed forces.....	-153	-55	56	-28	-45
Civilian population.....	214	133	12	130	153
Civilian labor force.....	70	153	35	136	-9
Employed.....	79	137	18	29	-102
Unemployed.....	-9	16	17	107	93
Participation rate (percent).....	54.6	55.8	56.2	57.1	55.7
Unemployment rate (percent).....	11.3	11.2	11.6	13.8	16.2
Adult women:					
Civilian population.....	548	543	584	532	542
Civilian labor force.....	360	695	541	414	375
Employed.....	389	668	505	222	118
Unemployed.....	-29	27	36	192	257
Participation rate (percent).....	41.7	42.4	42.9	43.2	43.4
Unemployment rate (percent).....	3.7	3.7	3.7	4.4	5.2
Girls 16-19:					
Civilian population.....	60	80	84	107	108
Civilian labor force.....	-95	135	142	112	-51
Employed.....	-87	131	130	47	-110
Unemployed.....	-8	4	12	65	59
Participation rate (percent).....	41.0	42.5	44.0	44.8	43.5
Unemployment rate (percent).....	14.0	13.5	13.3	14.8	16.8

Source: Bureau of Labor Statistics.

had been rising throughout 1969, jumped sharply further in early 1970 while women's participation grew in line with the long-term uptrend; more surprising was that men's participation, which is trending slowly but very steadily downward over time, also rose in the period. Later in the year, the women's participation rate rose but little while the rates for men and teenagers declined.

Although there was a drop during 1970 in the percentage of civilian men and teenagers participating in the civilian labor force, the growth of the civilian population was swelled by the contraction of the armed forces. In December 1970 the armed forces were down by more than 400,000 persons from the level a year earlier. The impact of this reduction is shown in table 10.

Prices, Costs, and Profits

The contraction of labor input last year was considerably greater than the decline of production, and output per man-hour improved substantially in the second and third quarters (the latest for which data are available). The productivity gain offset much of the continued strong rise in hourly compensation and the rise in unit labor costs slowed. This was an important factor in the moderate improvement of corporate

profits and cash flow in the spring and summer. However, rising costs continued to put strong pressure on prices, and much remained to be done in the struggle against inflation.

Productivity and labor costs

Output per man-hour recovered in the spring and summer of 1970 after more than a year of very small gains or actual declines. The rise in productivity

mainly reflected the fact that sizable cuts in man-hours continued while output was beginning a gradual recovery. It is typical in both expansions and contractions for adjustments in man-hours to lag behind changes in output. Consequently, productivity tends to deteriorate markedly when the economy is contracting and to improve markedly in the early stages of recovery.

Average hourly compensation in the private economy continued to rise rapidly last year. The rate of increase in the first three quarters was slower than the preceding high pace—about 6½ percent at an annual rate compared with a rate of more than 8 percent in the second half of 1969. However, this slowing was probably due for the most part not to an actual slowdown in the rate of increase of hourly rates but to cuts in overtime and to the fact that man-hour reductions were heaviest in industries with relatively high pay levels, such as durables manufacturing. With productivity up in the second and third quarters, there was a substantial slowdown in the rise of unit labor cost. This key element in the cost-price structure rose 2¼ percent at an annual rate in the two quarters, down dramatically from the rate of more than 7½ percent over the preceding five quarters.

Very large settlements resulting from union contract negotiations contributed importantly to sustaining a rapid advance in hourly compensation last year. Settlements provided increases even larger than those negotiated in 1969, and last year's negotiations affected an especially large share of the unionized workforce. The inflation that had built up during the life of expiring contracts and the inflation expected during the life of new contracts both entered into the demands which workers advanced in negotiations. While union workers represent only a relatively small segment of the labor force, it is clear that their success in raising their wages contributed significantly to the sustained rapid rate of increase in overall compensation.

Profits

The pretax book profits of corporations declined \$11½ billion in the year ending with last year's second quarter

and then rose \$2½ billion in the third. Profits after tax also rose somewhat in the third quarter and cash flow—retained earnings and capital consumption allowances—rose \$2¼ billion. This was the largest increase in internally generated funds since the end of 1967, and nearly matched the \$2¼ billion decline registered in the year through the second quarter of 1970. Much of the improvement in book profits represented inventory profits—due to differences between the replacement cost of goods taken out of inventory and the cost at which they are charged to production. Such inventory gains or losses are excluded from the profits share of national income by use of an inventory valuation adjustment. As measured for national income purposes, total pretax profits rose a bit less than \$1 billion in both the second and third quarters of last year.

On the national income basis, the pretax profits of nonfinancial corporations—which account for more than half of GNP—increased slightly in the spring and were essentially unchanged in the summer. These developments reflected a stabilization of profit margins, i.e., profit per unit of output, after a steep decline beginning in mid-1968 (table 11).

The moderation in the rise of unit labor cost presumably reflects productivity gains that offset the continued strong rise in hourly compensation. Nonlabor costs are of a relatively fixed character in the short run, and changes

in nonlabor costs per unit are heavily affected by changes in the volume of output.

Prices

Prices continued to rise rapidly in 1970. Some moderation was evident in wholesale prices, but at retail prices

were increasing at about the same high rate as in 1969 (chart 15). Although a slowdown in the rise of food prices dampened the overall increase in both retail and wholesale markets, the indexes of nonfood commodity prices showed no deceleration. For consumers, prices of services were accelerating and in terms of the overall consumer index this offset the effect of the slower advance in food prices.

The consumer price index, which is based on a representative "market basket" of goods and services bought by wage earners and clerical workers, rose 5½ percent from the fourth quarter of 1969 to the fourth quarter of 1970; this about matched the increase from 1968 to 1969. Food prices, which account for close to 25 percent of the consumer index, are very volatile and consequently contribute importantly to short run changes in the overall index. They rose sharply in the first half of the year but then moderated in the second as prices of meats and poultry declined; for the full year, food prices were up 4 percent, compared with a 5½-percent increase during 1969. The rate of increase in nonfood prices showed little change from 1969 to 1970 as an acceleration in durable goods prices—largely reflecting higher prices of new and used cars—was about offset by a more moderate rise for nondurable goods, especially apparel. However, 1970 saw acceleration in the price rise for all major service groups and the services component of the CPI rose 8¼ percent as compared with 7¼ percent in 1969. Household service costs and medical care costs rose a little faster than in 1969, and sharply rising local transit charges and plane and train fares increased transportation charges 11½ percent as compared with a 1969 rise of 7¼ percent.

The 2¼-percent rise in the wholesale index from the end of 1969 to the end of 1970 reflected increases in prices of industrial commodities. The overall stability of agricultural prices in 1970 contrasts sharply with the 1969 increase of more than 6¼ percent. Within the agricultural group, higher prices for corn and other grains resulted from reports in mid-summer of blight in several major corn growing areas, but

CHART 15

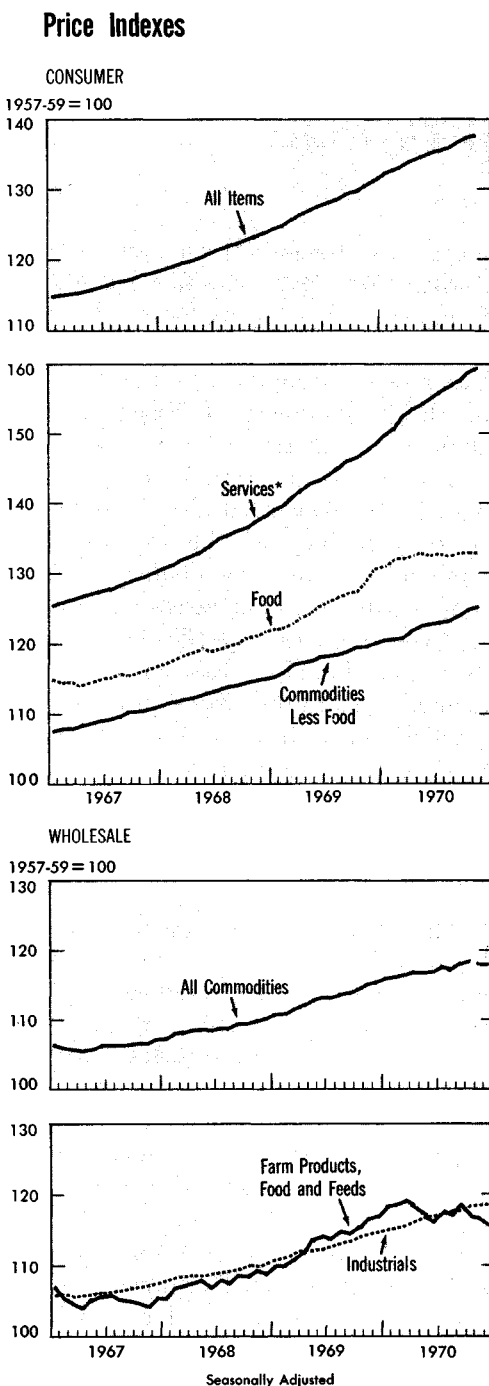


Table 11.—Unit Prices, Costs, and Profits Nonfinancial Corporations

[Dollars, seasonally adjusted]

	Price	Labor cost	Non-labor cost ¹	Profit
1968: I	1.123	0.720	0.237	0.166
II	1.129	.720	.237	.172
III	1.135	.726	.238	.171
IV	1.145	.737	.239	.169
1969: I	1.154	.745	.243	.166
II	1.165	.755	.246	.164
III	1.177	.767	.249	.161
IV	1.188	.783	.255	.150
1970: I	1.201	.799	.263	.139
II	1.212	.802	.269	.142
III	1.226	.811	.273	.141

¹ Sum of capital consumption allowances, indirect business taxes less subsidies, business transfer payments, and net interest.

NOTE.—Values are calculated by dividing current dollar corporate product (total and its components) by real corporate product.

* Not Seasonally Adjusted

Date: BLS

this was largely offset by declines in livestock, poultry, and egg prices.

Industrial commodity prices were up 3¼ percent during 1970, about the same as the advance in 1969. It is relevant to note, however, that many industrial commodities are carried in the wholesale index at list price. Consequently, in a period when many transactions occur at prices below list, e.g., because of discounts, rebates, etc., the wholesale index may have an upward bias as a measure of price behavior.

Within major industry groups, there

were some notable differences in the behavior of prices. Shortages raised fuel and power prices more than 8 percent during 1970, more than double the 1969 increase. Also, machinery and equipment prices rose steadily and the increase for the year amounted to 4½ percent as compared with 3¼ in 1969. On the other hand, the advance in metals and mineral prices slowed to 4 percent—less than half the 1969 advance—and wood and lumber prices fell 4 percent.

Eurodollar market in the last two years that resulted in abnormally large “errors and omissions.” (The outflow on this account averaged about \$1 billion per year from 1960 to 1968.) Also, the 1970 balance includes the initial allocation of SDR to the United States. Adjusting for these special factors, the year-to-year improvement appears to have been small.

In spite of this improvement, the official reserve transactions balance deteriorated sharply, from a \$2.7 billion surplus in 1969 to a deficit of \$6.5 billion in the first three quarters of 1970 and a deficit of probably over \$9½ billion for the full year (including the SDR allocation). This swing largely reflected changes in monetary conditions here and abroad. In 1969, U.S. monetary policy was very restrictive and U.S. banks attracted a large amount of funds from the Eurodollar market through their foreign branches. The high Eurodollar rates, in turn, attracted funds out of foreign money markets, and foreign central banks lost reserves.

In 1970, monetary conditions in the United States eased sharply while foreign monetary conditions remained tight. The change in U.S. conditions led to a significant repayment of Eurodollar borrowings by U.S. banks. This was reinforced by the reserve requirements imposed by the Federal Reserve Board in the fall of 1969 on Eurodollar borrowings in excess of a reserve-free base amount, and by the banks' success in developing an alternative domestic source of funds through the issuance of commercial paper by bank holding companies. The incentive for Eurodollar borrowing by U.S. banks was further reduced when Regulation Q ceilings were raised in January 1970 and, particularly, when ceilings were suspended in June on large CD's of short maturity.

The repayment of Eurodollar borrowings led to a sharp drop in Eurodollar rates and there were large flows of funds into foreign currencies, with the consequence that foreign central banks made large dollar gains. Toward the end of 1970, the Federal Reserve Board increased, from 10 to 20 percent, the marginal reserve requirement on U.S. banks' Eurodollar liabilities. This

The Balance of Payments

THE U.S. official reserve transactions balance showed a very sharp deterioration in 1970, reflecting an easing of monetary conditions in the United States and in the Eurodollar market while foreign monetary conditions remained firm. The liquidity balance, on the other hand, improved somewhat. The deficit, as recorded, was much smaller than in 1969. However, after adjustment for various special factors, it appears that the underlying liquidity deficit was probably not much smaller than the \$4½ billion underlying deficit in 1969. The trade surplus grew but net outflows of private capital were larger.

Reflecting the large deficit in the U.S. official reserve transactions balance, large dollar gains were made by the United Kingdom early in the year as funds were drawn there by relatively high interest rates and a renewed confidence in sterling as the U.K. basic balance of payments strengthened. Later in the year, Germany made very large gains as the government's restrictive policies to control domestic inflation resulted in high interest rates. France, Canada, Japan and a number of other countries also gained dollars in 1970.

Despite the rather large international flows of short-term funds and the magnitude of the U.S. official reserve transactions deficit, the foreign exchange

markets were generally calm and orderly during 1970. Even the floating of the Canadian dollar beginning in late May was absorbed without undue difficulty. The relative stability was due, in part, to the realignment of European exchange rates in 1969.

The successful activation of the SDR plan in January 1970 also contributed to the stability of the international financial system. The deliberate creation of international reserve assets in this way reduces dependence on gold. The price of gold in private markets remained close to the official price during most of 1970, although it rose to \$37–\$38 per ounce toward the end of the year.

The balances

The balance of payments on the liquidity basis was in deficit by \$3.3 billion, seasonally adjusted, for the first three quarters of 1970. Preliminary evidence suggests a moderate deficit in the fourth quarter. For the year as a whole the recorded deficit was probably slightly under \$4 billion, compared with \$7 billion in 1969. However, the liquidity balance has been distorted by special financial transactions—mostly shifts of funds held by foreign official agencies and by international and regional organizations between liquid and nonliquid categories—and by largely unrecorded flows of U.S. funds to the

was done to discourage U.S. banks from reducing their reserve-free base by further repayment of Eurodollar borrowings.

Goods and services

On the basis of preliminary information, the nonmilitary merchandise trade balance in 1970 (adjusted to balance of payments definition) was in surplus by \$2.2 billion, an improvement of about \$1½ billion from 1969. The bulk of the gain was concentrated in trade with Western Europe; gains were also made with Japan and the developing countries.

Exports probably rose by over \$5½ billion in 1970, compared with a \$2.9 billion rise in 1969. The acceleration in 1970 reflected buoyant sales of agri-

cultural exports and jumbo jet aircraft, as well as the absence of a dock strike, which disrupted trade in 1969. The prices of internationally traded goods also rose quite rapidly in 1970. Aside from these factors, strong economic activity abroad and the associated pressure on foreign capacity encouraged U.S. exports in both years. However, toward the end of 1970, foreign economic activities tended to slow down, and exports weakened.

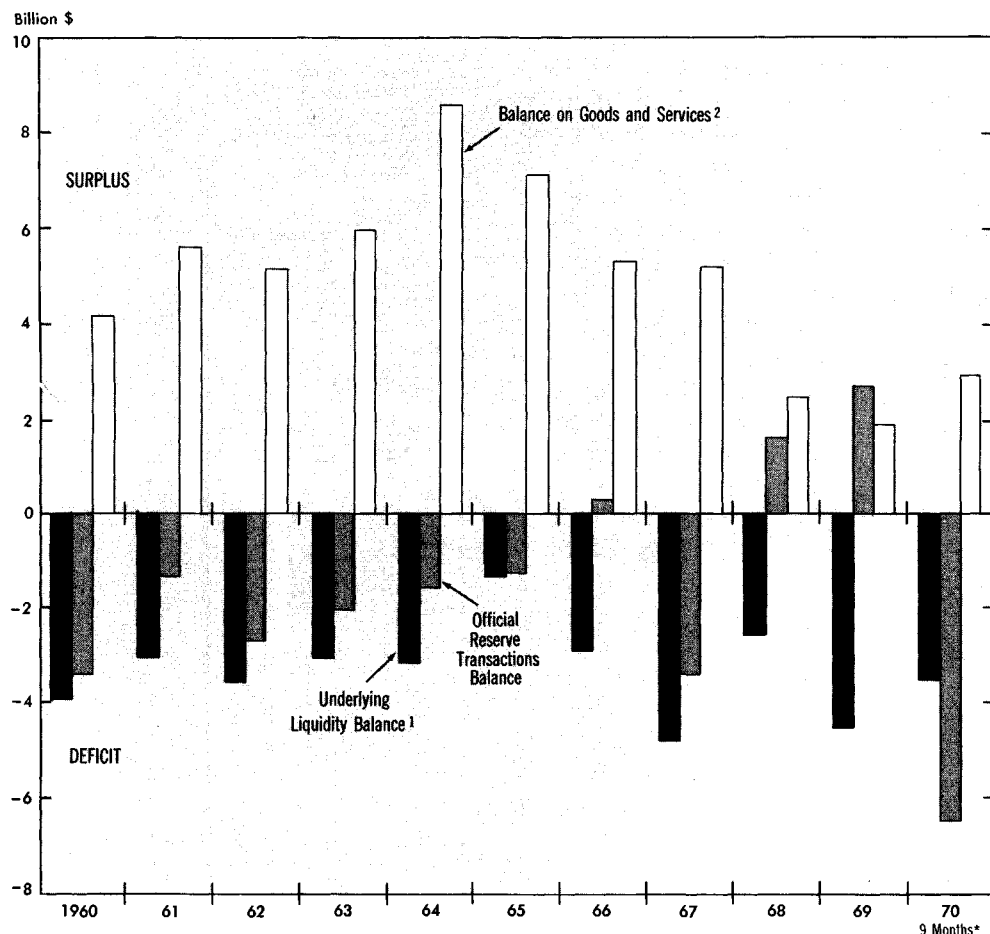
Imports rose about \$4 billion in 1970, compared with \$2.9 billion in 1969, partly reflecting the absence of various strikes that distorted imports in the two preceding years. After adjustment for such strikes, imports grew slightly less in 1970 than in 1969. Nevertheless, the increase in imports was somewhat stronger than might have been ex-

pected in view of the slowdown in the U.S. economy. The worldwide rise in prices of internationally traded goods—partly reflecting the revaluation of the German mark in October 1969 and the appreciation of the Canadian dollar in 1970—was probably a major factor in the large increase in the dollar value of U.S. imports last year.

Earnings on U.S. investments abroad continued to grow in 1970, but this gain was partly offset by larger payments on foreign dollar holdings and other investments in the United States. Net outflows associated with military transactions were slightly higher than in 1969, reflecting a small decline in military sales and little change in military expenditures as a reduction in troop strength abroad and the closing of foreign bases were offset by higher salaries and other cost increases. The travel balance probably also deteriorated somewhat, but the balances on transportation and on other services were probably better. Thus, the overall surplus on goods and services may have improved by roughly the same amount as the gain in the trade surplus.

CHART 16

U.S. Balance of Payments



*Seasonally adjusted

1. Liquidity balance excluding allocation of SDR, special financial transactions, and "abnormal" errors and omissions (in 1969 and 1970).
 2. Excluding transfers under military grants.

Capital flows

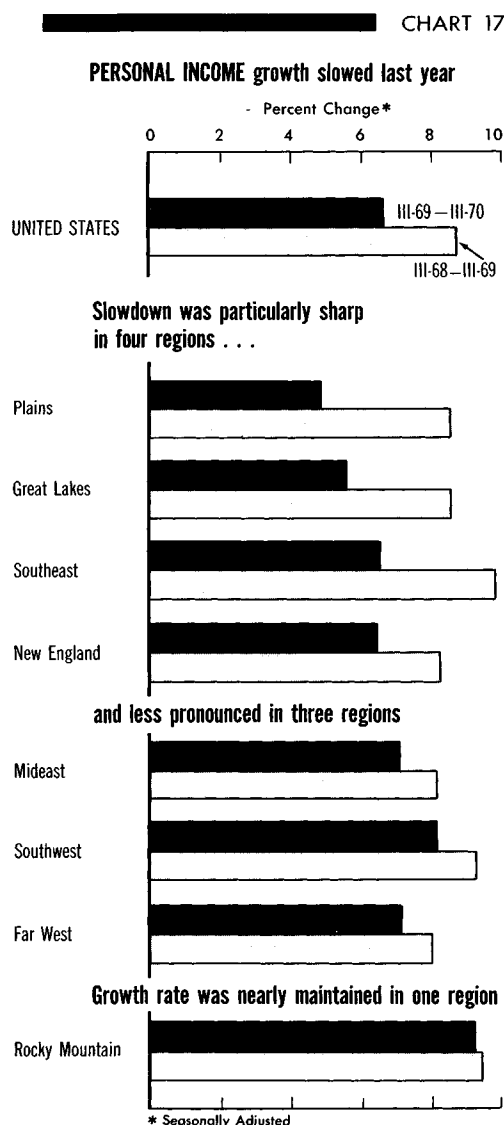
Private capital flows, on balance, probably moved adversely in 1970. For the first 9 months, there was a net deterioration of \$0.7 billion in recorded private U.S. and foreign capital transactions (other than changes in liquid liabilities and special financial transactions), compared with the corresponding period in 1969. This reflected an increased net outflow of U.S. corporate capital—associated with heavier plant and equipment spending by foreign affiliates—and a decrease in net foreign purchases of U.S. stocks—associated with the weak domestic stock market and the difficulties experienced by offshore mutual funds. These adverse factors were partly offset by a decline in net U.S. purchases of foreign securities. The pattern for the year as a whole will probably prove to have been similar to that for the first 9 months, if U.S. companies repatriated large amounts of funds at yearend as they did in 1968 and 1969.

Regional and State Personal Income: Third Quarter 1970

PERSONAL income rose in each of the eight regions and in 35 of the 50 States during the third quarter of 1970. However, with consumer prices rising nearly 1 percent, real income was up in only two regions and 19 States as the economy nationwide continued sluggish.

For the United States as a whole, total personal income rose three-fourths of 1 percent. Gains were above the national average in the Plains and Southwest regions, approximately average in the Rocky Mountain, Mideast, and Great Lakes regions, and quite small in the Southeast, Far West, and New England regions.

The top ranking increases in the



Plains and Southwest reflected especially large gains in income from agriculture as well as above-average advances in most nonfarm income components. Below-average gains were widespread among income components in the New England, Far West, and Southeast regions; there were particularly sharp drops in manufacturing payrolls in New England and the Far West, and farm income was noticeably weak in the Southeast and Far West.

Regional income changes over the last year

In the year from the third quarter 1969—the peak in business activity—to the third quarter 1970—the most recent period for which State information is available—personal income rose moderately in all regions, in 49 States (North Dakota was the exception) and the District of Columbia. The gain was 6½ percent nationally, while consumer prices (as measured by the implicit price deflator for personal consumption expenditures) rose nationally by 4½ percent. The income advance in all regions and in 44 States exceeded this price increase figure, at least by a modest amount.

The exceptions were Washington and Indiana, where income growth was about equal to the price rise, and Wyoming, South Dakota, Michigan, and North Dakota, where income grew less than the rise in prices. The income weakness in Wyoming and South and North Dakota reflected large declines in farm income which were only partly offset by gains in other components. The weakness in Washington and Michigan reflected drops in manufacturing payrolls, with the cutback in aerospace important in Washington. In Indiana, changes in most components of personal income were well below the national average.

Comparison with 1969

The impact of the 1969–70 economic slowdown can be seen in a comparison of changes in personal income in the 12 months ending third quarter 1970 with changes in the preceding year. Such a

comparison eliminates the effects of most random and transitory developments (such as large retroactive social security and government wage payments, strikes, and short-term fluctuations in farm income) so that underlying cyclical effects become clearer.

As chart 17 and the tables show, the pace of the personal income advance

Table A.—Regional Change in Income, Selected Components

	Percent change		Change (percentage points)
	III-1968—III-1969	III-1969—III-1970	
United States:			
Total personal income.....	8.7	6.6	-2.1
Total excluding manufacturing wages.....	8.8	8.4	-.4
Total excluding farm income.....	8.7	6.8	-1.9
Total excluding manufacturing and farm income.....	8.8	8.7	-.1
Total excluding transfers.....	8.7	5.3	-3.4
Plains:			
Total personal income.....	8.6	4.9	-3.7
Total excluding manufacturing wages.....	8.8	5.8	-3.0
Total excluding farm income.....	8.3	6.4	-1.9
Total excluding manufacturing and farm income.....	8.4	7.8	-.6
Total excluding transfers.....	8.7	3.4	-5.3
Great Lakes:			
Total personal income.....	8.6	5.6	-3.0
Total excluding manufacturing wages.....	8.5	8.2	-.3
Total excluding farm income.....	8.8	5.6	-3.2
Total excluding manufacturing and farm income.....	8.8	8.3	-.5
Total excluding transfers.....	8.7	4.3	-4.4
Southeast:			
Total personal income.....	9.9	6.5	-3.4
Total excluding manufacturing wages.....	9.8	7.6	-2.2
Total excluding farm income.....	9.6	6.8	-2.8
Total excluding manufacturing and farm income.....	9.5	8.1	-1.4
Total excluding transfers.....	9.9	5.2	-4.7
New England:			
Total personal income.....	8.2	6.4	-1.8
Total excluding manufacturing wages.....	8.8	9.1	.3
Total excluding farm income.....	8.2	6.4	-1.8
Total excluding manufacturing and farm income.....	8.8	9.1	.3
Total excluding transfers.....	8.0	5.0	-3.0
Mideast:			
Total personal income.....	8.2	7.1	-1.1
Total excluding manufacturing wages.....	8.4	8.6	.2
Total excluding farm income.....	8.2	7.1	-1.1
Total excluding manufacturing and farm income.....	8.4	8.6	.2
Total excluding transfers.....	8.1	5.8	-2.3
Southwest:			
Total personal income.....	9.3	8.2	-1.1
Total excluding manufacturing wages.....	8.8	9.5	.7
Total excluding farm income.....	9.8	8.1	-1.7
Total excluding manufacturing and farm income.....	9.4	9.4	.0
Total excluding transfers.....	9.3	7.3	-2.0
Far West:			
Total personal income.....	8.0	7.1	-.9
Total excluding manufacturing wages.....	8.3	9.4	1.1
Total excluding farm income.....	8.4	7.3	-1.1
Total excluding manufacturing and farm income.....	8.7	9.7	1.0
Total excluding transfers.....	7.7	5.5	-2.2
Rocky Mountain:			
Total personal income.....	9.5	9.3	-.2
Total excluding manufacturing wages.....	9.4	9.9	.5
Total excluding farm income.....	9.2	8.8	-.4
Total excluding manufacturing and farm income.....	9.0	9.4	.4
Total excluding transfers.....	9.6	8.4	-1.2

slowed in the recent period in all regions and in all but six of the States. This slowing, both nationwide and in each of the regions, reflects mainly developments in manufacturing and farming, with transfers providing a partial offset. Table A highlights the effects of

these three income components. By showing income changes excluding the three components in varying combinations, the combined effects of the percent change in the component and its importance in the region's income structure are measured.

Table B.—Total Personal Income, by States and Regions

[Millions of dollars, seasonally adjusted at annual rates]

State and region	1969				1970			Percent change	
	I	II	III	IV	I	II	III	III-1968— III-1969	III-1969— III-1970
United States	721,552	736,852	753,503	766,006	778,447	797,082	803,263	8.7	6.6
New England	45,729	46,754	47,564	47,642	49,530	50,506	50,619	8.2	6.4
Maine.....	2,903	2,969	3,002	3,073	3,175	3,240	3,211	7.8	7.0
New Hampshire.....	2,424	2,457	2,504	2,570	2,608	2,654	2,681	7.9	7.1
Vermont.....	1,374	1,404	1,442	1,483	1,529	1,545	1,572	8.7	9.0
Massachusetts.....	22,212	22,784	23,177	22,716	23,953	24,755	24,782	8.9	6.9
Rhode Island.....	3,414	3,507	3,521	3,618	3,626	3,749	3,693	7.3	4.9
Connecticut.....	13,402	13,633	13,918	14,182	14,639	14,563	14,680	7.3	5.5
Mideast	170,551	174,297	178,013	181,936	184,666	188,997	190,615	8.2	7.1
New York.....	78,959	80,599	82,231	83,746	85,549	87,278	88,102	8.2	7.1
New Jersey.....	29,103	29,962	30,596	31,587	31,738	32,513	32,775	8.0	7.1
Pennsylvania.....	42,071	42,711	43,551	44,396	45,166	45,846	46,217	8.1	6.1
Delaware.....	2,144	2,166	2,239	2,321	2,274	2,346	2,346	7.6	4.8
Maryland.....	14,620	15,160	15,591	15,972	15,983	16,837	16,960	9.4	8.8
District of Columbia.....	3,654	3,699	3,805	3,914	3,956	4,177	4,215	6.0	10.8
Great Lakes	152,749	155,060	158,093	161,032	162,819	165,391	166,893	8.6	5.6
Michigan.....	33,992	34,623	35,387	36,037	35,372	36,629	36,253	8.7	2.4
Ohio.....	39,088	39,753	40,515	41,224	42,093	42,607	43,104	8.8	6.4
Indiana.....	18,337	18,652	19,048	19,438	19,391	19,710	19,876	9.5	4.3
Illinois.....	46,369	46,857	47,580	48,554	49,836	50,057	50,963	8.2	7.1
Wisconsin.....	14,963	15,195	15,563	15,781	16,127	16,388	16,697	8.2	7.3
Plains	54,780	55,381	57,428	58,710	59,749	59,384	60,250	8.6	4.9
Minnesota.....	13,111	13,118	13,584	13,979	14,179	14,109	14,297	8.8	5.2
Iowa.....	9,444	9,760	10,199	10,076	10,283	10,402	10,706	8.3	5.0
Missouri.....	15,764	15,736	16,356	16,483	17,024	16,922	17,150	7.5	4.9
North Dakota.....	1,766	1,836	1,881	1,926	1,942	1,855	1,841	15.8	-2.1
South Dakota.....	1,974	1,925	1,963	2,116	2,206	2,087	2,016	5.9	2.7
Nebraska.....	5,010	5,182	5,174	5,553	5,584	5,651	5,514	12.7	6.6
Kansas.....	7,711	7,824	8,271	8,577	8,531	8,358	8,726	7.7	5.5
Southeast	124,908	127,672	131,158	132,221	134,366	138,993	139,643	9.9	6.5
Virginia.....	14,809	15,261	15,896	15,888	16,103	16,840	16,795	9.7	6.3
West Virginia.....	4,576	4,718	4,763	4,884	4,915	5,040	5,099	6.4	7.1
Kentucky.....	8,956	9,134	9,340	9,378	9,460	9,911	9,992	8.7	7.0
Tennessee.....	10,889	11,114	11,273	11,480	11,733	12,050	12,044	8.1	6.8
North Carolina.....	14,563	14,933	15,428	15,196	15,838	16,300	16,430	11.0	6.5
South Carolina.....	6,786	6,950	7,151	7,184	7,361	7,592	7,498	10.5	4.9
Georgia.....	13,772	14,107	14,402	14,731	14,710	15,215	15,172	11.5	5.3
Florida.....	21,367	21,958	22,962	23,296	23,225	24,174	24,710	13.4	7.6
Alabama.....	8,887	9,000	9,227	9,350	9,675	9,757	9,814	9.7	6.4
Mississippi.....	5,291	5,244	5,219	5,182	5,465	5,745	5,608	6.7	7.5
Louisiana.....	10,142	10,285	10,562	10,664	10,838	11,053	11,214	6.6	6.2
Arkansas.....	4,870	4,968	5,025	4,988	5,043	5,316	5,267	7.1	4.8
Southwest	50,871	52,337	53,876	54,401	55,421	57,539	58,310	9.3	8.2
Oklahoma.....	7,413	7,701	8,082	8,104	8,226	8,305	8,618	8.8	6.6
Texas.....	35,163	36,225	36,997	37,448	38,164	39,756	40,027	8.9	8.2
New Mexico.....	2,855	2,817	2,936	2,910	3,047	3,133	3,234	8.8	10.2
Arizona.....	5,440	5,594	5,861	5,939	5,984	6,345	6,431	12.9	9.7
Rocky Mountain	15,607	15,985	16,168	16,507	16,707	17,485	17,667	9.5	9.3
Montana.....	2,102	2,085	2,224	2,278	2,251	2,297	2,359	11.3	6.1
Idaho.....	2,047	2,150	2,123	2,162	2,173	2,282	2,288	11.6	7.8
Wyoming.....	1,036	1,067	1,075	1,113	1,163	1,133	1,114	6.4	3.6
Colorado.....	7,389	7,585	7,590	7,714	7,845	8,373	8,448	9.8	11.3
Utah.....	3,033	3,098	3,156	3,240	3,275	3,400	3,458	7.4	9.6
Far West	102,249	105,141	106,828	108,976	110,563	113,971	114,420	8.0	7.1
Washington.....	12,666	13,050	13,206	13,448	13,524	13,771	13,798	8.0	4.5
Oregon.....	6,974	7,194	7,392	7,484	7,521	7,709	7,886	9.8	6.7
Nevada.....	1,896	1,995	2,084	2,174	2,144	2,233	2,278	14.9	9.3
California.....	80,713	82,902	84,146	85,870	87,374	90,258	90,458	7.7	7.5
Alaska.....	1,199	1,241	1,262	1,329	1,372	1,425	1,394	12.1	10.4
Hawaii.....	2,909	2,964	3,113	3,252	3,254	3,391	3,452	11.2	10.9

NOTE.—Quarterly totals for the State personal income series will not agree with the personal income measure carried in the national income and product accounts since the latter includes income disbursed to Government personnel stationed abroad.

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

Nationally, the personal income gain slowed by two percentage points. Manufacturing wage payments rose 8½ percent in the first period but showed no change in the second. There was a swing of similar magnitude in income from farming, from a 7½ percent rise to a one-percent decline. Excluding income from manufacturing and farming, the growth rate of personal income was virtually the same in the two periods. This general pattern is evident in each of the eight regions.

Partly offsetting the fall-off in farming and manufacturing was a rise in transfer payments, reflecting both increased unemployment compensation payments and statutory increases in social security payments. The importance of transfers in bolstering income can be seen in the relatively sharp decline in the growth rate of income excluding transfers, both nationwide and in each of the regions.

Differential developments in farming and manufacturing income explain most of the regional differences in the sharpness of the deceleration in income growth. The slowing in the rate of personal income increase was most pronounced in the Plains, Great Lakes, Southeast, and New England regions and least pronounced in the Rocky Mountain region. (See table and chart.)

Farm income had been expanding rapidly in the earlier period in the Plains and Southeast where it is an important income source, but it declined last year. In the Great Lakes and New England—both heavy manufacturing areas—there were particularly large swings in factory wage and salary payments, from vigorous gains in the first period to declines in the second. The Great Lakes, New England, and Far West were the only regions to show a decline in manufacturing payrolls in the past year.

In the Rocky Mountain area farm income grew vigorously in both periods, with the expansion somewhat greater in the second than in the first. Also helping to maintain income growth in that region were the strength in most nonfarm income components and the relatively modest fall in the growth rate of manufacturing payrolls.

Personal Consumption Expenditures in the 1963 Input-Output Study

TABLE 1 presents a cross-classification of 1963 personal consumption expenditures (PCE) by the functional categories used in the national income and product accounts and the industry categories used in the 1963 input-output study. The table extends the data from the 1963 study by providing information on the industrial composition of PCE and on the separate costs of trade and transportation associated with each category.¹ Similar statistics for 1958, with a description of the data and a discussion of uses, were published in "Personal Consumption Expenditures in the 1958 Input-Output Study," by Nancy W. Simon, *SURVEY OF CURRENT BUSINESS*, October 1965.

The 1963 figures for personal consumption expenditures as now published in the national income and product accounts differ from PCE as shown in table 1 because the former have not yet been revised to conform to the input-output calculations. The forthcoming benchmark revisions of the national income and product accounts, which will incorporate these calculations, may in turn result in some modifications of the input-output information presented here.

1. The input-output data in the table are for summary industry categories. A comparable table with the full industry detail is available upon request from the Office of Business Economics. The Summary input output tables for 1963 were presented in "The Input-Output Structure of the U.S. Economy: 1963," *SURVEY OF CURRENT BUSINESS*, November 1969. Reprints of that article may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at 40 cents a copy. Tables showing the full detail for 367 industries have been published in three volumes under the general title *Input-Output Structure of the U.S. Economy: 1963*; Volume 1, *Transactions Data for Detailed Industries*; Volume 2, *Direct Requirements for Detailed Industries*; and Volume 3, *Total Requirements for Detailed Industries*. These volumes may be purchased from the Superintendent of Documents at \$1.75 each. A list of the detailed industries, with identifying codes, was included in the November 1969 *SURVEY* article.

Aggregate PCE has the same value in the income and product accounts and the input-output accounts, but there are important classification differences. In the income and product accounts, consumption expenditures are classified by function; in the input-output accounts, they are classified by producing industry. For example, food purchases in GNP are broken down into four functional categories: "food purchased for off-premise consumption"; "purchased meals and beverages"; "food furnished government (including military) and commercial employees"; and "food produced and consumed on farms". In the input-output transactions table,² on the other hand, food purchases are not explicitly shown. However, the PCE column of that table includes flows from the various industries that produce and distribute food, such as livestock and livestock products, forestry and fishery products, food and kindred products, transportation, and trade.

In GNP, personal consumption expenditures (like all final purchases) are valued in the prices paid by the purchaser. "Food purchased for off-premise consumption," for example, reflects prices actually paid in retail food stores and thus includes all costs to the consumer, including the costs of transportation and wholesale and retail distribution. In the interindustry transactions table, on the other hand, goods and services are valued at the prices that producers charge. Thus, in the case of items destined for personal consumption, the values that appear in the PCE column of the interindustry transactions table reflect producers' prices. The costs

2. Table 1.—Interindustry Transactions, 1963, *SURVEY*, November 1969, p. 30.

of transportation, trade (measured as gross margins, i.e., operating expenses plus profits), and certain types of insurance which are necessary to bring goods to consumers are shown in the PCE column as consumer purchases from the transportation, trade, and insurance industries. The entries in the transportation and trade rows of the PCE column of the interindustry transactions table thus include the cost of transporting and marketing all items purchased by persons.

Table 1 provides a bridge between the GNP accounts and the interindustry transactions table in the treatment of PCE. It shows 1963 expenditures in each of the 83 functional categories into which PCE is classified in the income and product accounts. For each category, the table shows the breakdown of expenditures by input-output industry in producers' prices, plus each element of margin—the cost of transportation, trade, and insurance—which is added to arrive at the PCE category value, which is in purchasers' prices. The identifying numbers for the PCE categories are the ones used in table 2.5 in the annual income and product accounts published each July. The input-output industry code numbers, used to identify producing industries, are shown below in table A with the associated industry titles and definitions in terms of the 1957 Standard Industrial Classification.³

3. A discussion of the definitions and conventions of the 1963 input-output study appears on p. 25 of the November 1969 *SURVEY*. Some points helpful in understanding table 1 are summarized here.

The figure for purchases from each industry represents the primary products of that industry wherever they are produced. This results from the transfer and redefinition conventions used in the input-output transactions table. Under the transfer convention, an industry's secondary products are treated as being sold by the industry in which they are

Table A.—Industry Classification Used in the 1963 Input-Output Study

Industry number and title	Related SIC codes (1957 edition)	Industry number and title	Related SIC codes (1957 edition)
Agricultural, forestry & fisheries:			
1 Livestock & livestock products.....	013, pt. 014, 0193, pt. 02, pt. 0729	49 General industrial machinery & equipment.....	356
2 Other agricultural products.....	011, 012, pt. 014, 0192, 0199, pt. 02	50 Machine shop products.....	359
3 Forestry & fishery products.....	074, 081, 082, 084, 086, 091	51 Office, computing & accounting machines.....	357
4 Agricultural, forestry & fisheries services.....	071, 0723, 073 pt. 0729, 085, 098	52 Service industry machines.....	358
Mining:			
5 Iron & ferroalloy ores mining.....	1011, 106	53 Electric transmission & distribution equipment, & electrical industrial apparatus.....	361, 362
6 Nonferrous metal ores mining.....	102, 103, 104, 105, 108, 109	54 Household appliances.....	363
7 Coal mining.....	11, 12	55 Electric lighting & wiring equipment.....	364
8 Crude petroleum & natural gas.....	1311, 1321	56 Radio, television, & communication equipment.....	365, 366
9 Stone & clay mining & quarrying.....	141, 142, 144, 145, 148, 149	57 Electronic components & accessories.....	367
10 Chemical & fertilizer mineral mining.....	147	58 Miscellaneous electrical machinery, equipment, & supplies.....	369
Construction:			
11 New construction.....	138, pt. 15, pt. 16, pt. 17, pt. 6561	59 Motor vehicles & equipment.....	371
12 Maintenance & repair construction.....	pt. 138, pt. 15, pt. 16, pt. 17	60 Aircraft & parts.....	372
Manufacturing:			
13 Ordnance & accessories.....	19	61 Other transportation equipment.....	373, 374, 375, 379
14 Food & kindred products.....	20	62 Professional, scientific, & controlling instruments & supplies.....	381, 382, 384, 387
15 Tobacco manufactures.....	21	63 Optical, ophthalmic, & photographic equipment & supplies.....	383, 385, 386
16 Broad & narrow fabrics, yarn & thread mills.....	221, 222, 223, 224, 226, 228	64 Miscellaneous manufacturing.....	39 (exc. 3992)
17 Miscellaneous textile goods & floor coverings.....	227, 229	Transportation, communication, electric, gas, & sanitary services:	
18 Apparel.....	225, 23 (exc. 239), 3992	65 Transportation & warehousing.....	40, 41, 42, 44, 45, 46, 47
19 Miscellaneous fabricated textile products.....	239	66 Communications, except radio & television broadcasting.....	481, 482, 489
20 Lumber & wood products, except containers.....	24 (exc. 244)	67 Radio & T.V. broadcasting.....	483
21 Wooden containers.....	244	68 Electric, gas, water, & sanitary services.....	49
22 Household furniture.....	251	Wholesale & retail trade:	
23 Other furniture & fixtures.....	25 (exc. 251)	69 Wholesale & retail trade.....	50 (exc. manufacturers sales offices), 52, 53, 54, 55, 56, 57, 58, 59, 7396
24 Paper & allied products, except containers & boxes.....	26 (exc. 265)	Finance insurance & real estate:	
25 Paperboard containers & boxes.....	265	70 Finance & insurance.....	60, 61, 62, 63, 64, 67
26 Printing & publishing.....	27	71 Real estate & rental.....	65 (exc. pt. 6561), 66
27 Chemicals & selected chemical products.....	281 (exc. alumina pt. of 2819), 286, 287, 289	Services:	
28 Plastics & synthetic materials.....	282	72 Hotels & lodging places; personal & repair services, except automobile repair.....	70, 72, 76 (exc. 7694 & pt. 7699)
29 Drugs, cleaning, & toilet preparations.....	283, 284	73 Business services.....	73 (exc. 7396), 7694, pt. 7699, 81, 89 (exc. 8921)
30 Paints & allied products.....	285	Research and development:	
31 Petroleum refining & related industries.....	29	74 Eliminated as a separate industry in the 1963 study. Research and development performed for sale is distributed to the purchaser by each of the industries performing the research and development.....	
32 Rubber & miscellaneous plastics products.....	30	75 Automobile repair & services.....	75
33 Leather tanning & industrial leather products.....	311, 312	76 Amusements.....	78, 79
34 Footwear & other leather products.....	31 (exc. 311, 312)	77 Medical, educational services, & nonprofit organizations.....	0722, 80, 82, 84, 86, 8921
35 Glass & glass products.....	321, 322, 323	Government enterprises:	
36 Stone & clay products.....	324, 325, 326, 327, 328, 329	78 Federal Government enterprises.....	
37 Primary iron & steel manufacturing.....	331, 332, 3391, 3399	79 State & local government enterprises.....	
38 Primary nonferrous metals manufacturing.....	2819 (alumina only), 333, 334, 335, 336, 3392	Imports:	
39 Metal containers.....	3411, 3491	80 Gross imports of goods & services.....	
40 Heating, plumbing & fabricated structural metal products.....	343, 344	Dummy industries:	
41 Screw machine products, bolts, nuts, etc., & metal stampings.....	345, 346	81 Business travel, entertainment, & gifts.....	
42 Other fabricated metal products.....	342, 347, 348, 349 (exc. 3491)	82 Office supplies.....	
43 Engines & turbines.....	351	83 Scrap, used & secondhand goods.....	
44 Farm machinery & equipment.....	352	Special industries:	
45 Construction, mining, oil field machinery & equipment.....	3531, 3532, 3533	84 Government industry.....	
46 Materials handling machinery & equipment.....	3534, 3535, 3536, 3537	85 Rest of the world industry.....	
47 Metalworking machinery & equipment.....	354	86 Household industry.....	
48 Special industry machinery & equipment.....	355		

NOTE.—The SIC codes incorporate the 1958 and 1963 supplements to the 1957 SIC.

produced to the industry to which they are primary; they are added to the output of the latter industry. Under the redefinition convention, secondary products and their associated inputs are subtracted from the industry in which they are produced and added to the industry to which they are primary.

Consumer purchases of scrap, used, or secondhand goods (industry 83) in producers' prices are shown net, i.e., as purchases by the personal sector from the other final demand sectors less personal sales to other final demand sectors. (Sales within the personal sector do not affect the first column of table 1 because they cancel.) However, the trade margin has been measured on all sales of used goods—both within the personal sector and between persons and other sectors—to the extent that such sales pass through trade channels. This margin is usually the largest part of the value of used

goods in purchasers' prices. Thus, purchases in 1963 of used furniture (part of category V-1) from industry 83 amounted to \$157 million, of which \$148 million was margin. The value of \$10 million in producers' prices represents the small net purchase by persons of used furniture from other final demand sectors.

Nearly every PCE category shows some purchases from the import industry (80). Under the convention adopted in the 1963 study, imports purchased by the final demand sectors are shown as direct purchases from the import row. (On the other hand, imports used for further processing, if they are similar to domestic goods, are transferred to the domestic industry producing similar goods and distributed along with the domestic production of those goods. Imports

used for further processing which have no domestic counterpart are shown in the input-output transactions table as direct purchases by the processing industry from the import industry.)

Excise and sales taxes are included in the value of sales of the industry which is liable for the tax. Therefore, excise taxes levied on the producer are part of the producers' value of the output, and retail excise and sales taxes are part of the retail trade margin.

The margin shown in table 1 for the insurance industry covers only the cost of insuring imported commodities as they move from the foreign port to the domestic port. Insurance on domestic products while in transit is included in the transportation margin.

Table 1.—Industrial Composition of Personal Consumption Expenditures, by PCE Category, in Producers' and Purchasers' Prices, 1963

(Millions of dollars)

Producing industry number ¹	Allocations to PCE					Producing industry number ¹	Allocations to PCE					Producing industry number ¹	Allocations to PCE				
	Producers' prices	Transportation (industry 65)	Trade (industry 69)	Insurance (industry 70)	Purchasers' prices		Producers' prices	Transportation (industry 65)	Trade (industry 69)	Insurance (industry 70)	Purchasers' prices		Producers' prices	Transportation (industry 65)	Trade (industry 69)	Insurance (industry 70)	Purchasers' prices
I-1. Food purchased for off-premise consumption (n.d.c.)																	
Total	45,458	1,666	18,748	4	65,877												
1	1,208	64	259	0	1,531												
2	1,764	445	1,721	0	3,929												
3	329	42	139	0	511												
10	2	1	(*)	0	3												
14	40,974	930	15,364	0	57,268												
27	10	1	9	0	19												
65	25	0	0	0	25												
78	6	0	0	0	6												
80	1,141	184	1,257	4	2,586												
I-2. Purchased meals and beverages (n.d.c.)																	
Total	8,400	253	11,029	0	19,682												
1	160	9	209	0	378												
2	337	73	573	0	983												
3	32	2	43	0	77												
14	7,467	169	10,197	0	17,834												
27	4	(*)	5	0	10												
69	400	0	0	0	400												
I-3. Food furnished government (including military) and commercial employees (n.d.c.)																	
Total	1,200	34	116	0	1,350												
1	27	1	2	0	30												
2	40	9	11	0	59												
3	12	1	1	0	14												
14	1,083	23	102	0	1,208												
27	1	(*)	(*)	0	1												
80	37	0	0	0	37												
I-4. Food produced and consumed on farms (n.d.c.)																	
Total	954	0	0	0	954												
1	255	0	0	0	255												
2	339	0	0	0	339												
14	359	0	0	0	359												
I-5. Tobacco products (n.d.c.)																	
Total	4,946	44	2,504	(*)	7,494												
15	4,943	43	2,500	0	7,486												
80	4	(*)	4	(*)	8												
II-1. Shoes and other footwear (n.d.c.)																	
Total	2,840	42	1,909	(*)	4,791												
32	359	9	225	0	592												
34	2,352	23	1,543	0	3,917												
80	129	11	136	(*)	276												
83	0	0	5	0	5												
II-2. Shoe cleaning and repair (s.)																	
Total	255	0	0	0	255												
72	255	0	0	0	255												
II-3a. Women's and children's clothing and accessories except footwear (n.d.c.)																	
Total	10,007	102	6,122	1	16,232												
16	271	3	318	0	592												
17	7	(*)	6	0	14												
18	8,923	70	5,070	0	14,063												
19	39	(*)	20	0	60												
24	41	1	29	0	71												
26	17	(*)	7	0	24												
32	15	(*)	7	0	22												
34	428	10	319	0	758												
64	74	1	48	0	123												
80	213	15	269	1	498												
83	-21	0	30	0	8												
II-3b. Men's and boys' clothing and accessories except footwear (n.d.c.)																	
Total	5,077	55	3,290	1	8,422												
16	11	(*)	13	0	24												
18	4,718	37	2,907	0	7,663												
19	3	(*)	2	0	5												
34	180	4	130	0	313												
80	176	13	222	1	412												
83	-12	0	16	0	5												
II-4. Standard clothing issued to military personnel (n.d.c.)																	
Total	63	1	0	0	64												
16	36	(*)	0	0	36												
18	21	0	0	0	21												
34	7	(*)	0	0	7												
II-5. Cleaning, dyeing, pressing, alteration, storage, and repair of garments incl. furs (in shops) n.e.c. (s.)																	
Total	1,763	0	0	0	1,763												
72	1,763	0	0	0	1,763												
II-6. Laundering in establishments (s.)																	
Total	1,255	0	0	0	1,255												
72	1,255	0	0	0	1,255												
II-7. Jewelry and watches (d.c.)																	
Total	1,093	9	1,030	(*)	2,132												
34	15	(*)	12	0	27												
62	193	(*)	161	0	355												
64	838	7	688	0	1,532												
80	84	2	142	(*)	228												
83	-38	0	28	0	-10												
II-8. Other clothing, accessories, and jewelry (s.)																	
Total	488	0	0	0	488												
72	488	0	0	0	488												
III-1. Toilet articles and preparations (n.d.c.)																	
Total	2,295	54	1,480	(*)	3,829												
19	1	(*)	1	0	2												
29	1,823	42	1,131	0	2,996												
32	3	(*)	2	0	5												
42	194	3	118	0	315												
54	125	4	126	0	255												
64	130	4	80	0	214												
80	19	1	21	(*)	42												
III-2. Barbershops, beauty parlors, and baths (s.)																	
Total	2,827	0	0	0	2,827												
72	2,827	0	0	0	2,827												
IV-1. Owner-occupied nonfarm dwellings—space rental value (s.)																	
Total	37,095	0	0	0	37,095												
71	37,095	0	0	0	37,095												
IV-2. Tenant-occupied nonfarm dwellings (including lodging houses)—space rent (s.)																	
Total	14,531	0	0	0	14,531												
71	14,334	0	0	0	14,334												
72	197	0	0	0	197												
IV-3. Rental value of farmhouses (s.)																	
Total	2,161	0	0	0	2,161												
71	2,161	0	0	0	2,161												
IV-4. Other housing (s.)																	
Total	1,803	0	0	0	1,803												
72	1,803	0	0	0	1,803												
V-1. Furniture, including mattresses and bedsprings (d.c.)																	
Total	3,049	102	2,196	(*)	5,347												
22	3,007	97	1,996	0	5,100												
80	32	5	52	(*)	89												
83	10	0	148	0	157												
V-2. Kitchen and other household appliances (d.c.)																	
Total	3,057	107	1,798	(*)	4,962												
22	18	1	11	0	30												
38	3	(*)	2	0	5												
40	73	3	12	0	88												
52	255	6	120	0	380												
54	2,609	93	1,535	0	4,238												
58	39	1	21	0	61												
80	60	3	37	(*)	100												
83	0	0	59	0	59												
V-3. China, glassware, tableware, and utensils (d.c.)																	
Total	1,036	39	825	(*)	1,900												
20	23	1	14	0	37												
32	144	6	100	0	250												
35	177	5	105	0	287												
36	70	6	57	0	133												
38	9	(*)	4	0	13												
41	242	5	183	0	431												
42	92	2	49	0	143												
64	192	1	143	0	336												
80	88	12	169	(*)	269												
V-4. Other durable house furnishings (d.c.)																	
Total	2,765	99	2,111	1	4,977												
16	46	1	114	0	162												
17	940	28	764	0	1,732												
19	114	2	80	0	196												
20	145	7	87	0	239												
23	133	17	134	0	283												
26	27	2	25	0	53												
32	52	1	34	0	87												
34	19	(*)	13	0	33												
35	48	2	49	0	98												
36	43	2	36	0	81												
40	15	(*)	7	0	23												
42	217	8	165	0	390												
44	77	(*)	4	0	15												
47	77	1	20	0	98												
48	21	(*)	11	0	32												
51	88	1	77	0	166												
52	23	1	15	0	39												
53	14	(*)	3	0	18												
54	53	1	44	0	98												
55	176	8	93	0	277												
61	12	1	4	0	17												
62	69	(*)	54	0	124												
63	11	(*)	7	0	19												
64	233	6	198	0	437												
80	151	9	54	1	215												
83	29	0	15	0	45												

See footnotes at end of table.

Table 1.—Industrial Composition of Personal Consumption Expenditures, by PCE Category, in Producers' and Purchasers' Prices, 1963—Continued

[Millions of dollars]

Producing industry number ¹	Allocations to PCE					Producing industry number ¹	Allocations to PCE					Producing industry number ¹	Allocations to PCE					
	Producers' prices	Transportation (industry 65)	Trade (industry 69)	Insurance (industry 70)	Purchasers' prices		Producers' prices	Transportation (industry 65)	Trade (industry 69)	Insurance (industry 70)	Purchasers' prices		Producers' prices	Transportation (industry 65)	Trade (industry 69)	Insurance (industry 70)	Purchasers' prices	
V-5. Semidurable house furnishings (n.d.c.)						V-10. Domestic service (s.)						VII-4. Expense of handling life insurance (s.)						
Total	1,755	31	1,438	(*)	3,223	Total	3,824	0	0	0	3,824	Total	4,067	0	0	0	4,067	
16.....	266	4	278	0	547	86.....	3,824	0	0	0	3,824	70.....	4,023	0	0	0	4,023	
17.....	11	(*)	8	0	19							80.....	44	0	0	0	44	
18.....	34	(*)	23	0	58	V-11. Other household operation (s.)						VII-5. Legal services (s.)						
19.....	1,216	20	927	0	2,163	Total	2,374	0	0	0	2,374	Total	2,308	0	0	0	2,308	
26.....	6	(*)	6	0	12	65.....	408	0	0	0	408	73.....	2,308	0	0	0	2,308	
28.....	12	(*)	4	0	17	70.....	216	0	0	0	216							
32.....	8	(*)	5	0	13	72.....	862	0	0	0	862	VII-6. Funeral and burial expenses (s.)						
35.....	11	(*)	6	0	17	73.....	62	0	0	0	62	Total	1,635	4	29	0	1,669	
37.....	1	(*)	0	0	2	77.....	827	0	0	0	827	36.....	59	4	29	0	93	
41.....	24	1	14	0	38	VI-1. Drug preparations and sundries (n.d.c.)						71.....	288	0	0	0	0	288
64.....	132	3	120	0	255	Total	2,267	68	2,347	0	4,682	72.....	1,288	0	0	0	1,288	
80.....	35	2	40	(*)	77	24.....	142	4	64	0	210	VII-7. Other personal business (s.)						
83.....	0	0	6	0	6	27.....	1	(*)	(*)	0	1	Total	1,178	0	0	0	1,178	
V-6. Cleaning and polishing preparations, and miscellaneous household supplies and paper products (n.d.c.)						29.....	1,982	61	2,136	0	4,179	66.....	18	0	0	0	18	
Total	3,143	147	1,578	(*)	4,869	32.....	48	1	32	0	80	73.....	302	0	0	0	302	
9.....	15	1	0	0	16	54.....	7	(*)	7	0	14	76.....	6	0	0	0	6	
17.....	34	(*)	30	0	63	55.....	2	(*)	1	0	3	77.....	796	0	0	0	796	
19.....	9	(*)	1	0	10	62.....	86	2	107	0	195	80.....	55	0	0	0	55	
24.....	828	24	410	0	1,262	VI-2. Ophthalmic products and orthopedic appliances (d.c.)						VIII-1a. New cars and net purchases of used cars² (d.c.)						
25.....	74	2	41	0	116	Total	283	4	700	0	986	Total	16,166	419	5,726	2	22,313	
26.....	4	(*)	3	0	8	35.....	3	(*)	2	0	5	59.....	15,341	377	3,409	0	19,127	
27.....	217	20	133	0	370	58.....	5	(*)	3	0	8	61.....	602	9	151	0	762	
29.....	1,600	94	763	0	2,457	62.....	53	1	65	0	119	80.....	378	33	246	2	660	
30.....	23	1	19	0	43	63.....	222	3	629	0	854	83.....	-156	0	1,919	0	1,764	
32.....	3	(*)	2	0	5	VI-3. Physicians (s.)						VIII-1b. Tires, tubes, accessories, and parts (d.c.)						
36.....	44	1	18	0	62	Total	6,397	0	0	0	6,397	Total	1,905	51	1,154	0	3,010	
42.....	41	1	11	0	53	77.....	6,397	0	0	0	6,397	17.....	15	(*)	13	0	28	
53.....	6	(*)	2	0	8	VI-4. Dentists (s.)						19.....	37	(*)	19	0	56	
55.....	154	1	93	0	248	Total	2,253	0	0	0	2,253	27.....	84	8	40	0	132	
58.....	36	1	23	0	60	77.....	2,253	0	0	0	2,253	29.....	23	1	16	0	40	
64.....	45	1	15	0	61	VI-5. Other professional services (s.)						32.....	1,200	31	709	0	1,941	
80.....	13	1	15	(*)	28	Total	1,584	0	0	0	1,584	36.....	1	(*)	(*)	0	1	
V-7. Stationery and writing supplies (n.d.c.)						VI-6. Privately controlled hospitals and sanitariums (s.)						VIII-1c. Automobile repair, greasing, washing, parking, storage, and rental (s.)						
Total	705	17	537	(*)	1,259	Total	7,216	0	0	0	7,216	Total	6,693	0	0	0	6,693	
24.....	220	7	141	0	368	77.....	7,216	0	0	0	7,216	75.....	6,693	0	0	0	6,693	
26.....	355	6	302	0	67	VI-7. Health insurance (s.)						VIII-1d. Gasoline and oil (n.d.c.)						
27.....	51	2	34	0	87	Total	1,654	0	0	0	1,654	Total	6,177	587	6,938	0	13,701	
32.....	7	(*)	5	0	12	70.....	1,654	0	0	0	1,654	31.....	6,177	587	6,936	0	13,699	
37.....	(*)	(*)	(*)	0	1	VII-1. Brokerage charges and investment counseling (s.)						83.....	0	0	2	0	2	
64.....	71	1	53	0	125	Total	1,610	0	0	0	1,610	VIII-1e. Bridge, tunnel, ferry, and road tolls (s.)						
80.....	2	(*)	2	(*)	3	70.....	1,610	0	0	0	1,610	Total	354	0	0	0	354	
V-8a. Electricity (s.)						VI-8. Services furnished w/o payment by financial intermediaries except insurance companies (s.)						VIII-1f. Automobile insurance premiums less claims paid (s.)						
Total	6,057	0	0	0	6,057	Total	6,229	0	0	0	6,229	Total	2,047	0	0	0	2,047	
68.....	6,057	0	0	0	6,057	70.....	6,229	0	0	0	6,229	70.....	2,047	0	0	0	2,047	
V-8b. Gas (s.)						VII-2. Bank service charges, trust services, and safe-deposit box rental (s.)												
Total	3,799	0	0	0	3,799	Total	1,090	0	0	0	1,090							
68.....	3,799	0	0	0	3,799	70.....	1,090	0	0	0	1,090							
V-8c. Water and other sanitary services (s.)						VII-3. Services furnished w/o payment by financial intermediaries except insurance companies (s.)												
Total	1,772	0	0	0	1,772	Total	6,229	0	0	0	6,229							
65.....	16	0	0	0	16	70.....	6,229	0	0	0	6,229							
68.....	1,471	0	0	0	1,471													
79.....	285	0	0	0	285													
V-8d. Other fuel and ice (n.d.c.)						VII-4. Brokerage charges and investment counseling (s.)												
Total	2,384	222	1,469	0	4,074	Total	1,610	0	0	0	1,610							
7.....	165	79	135	0	378													
14.....	38	1	7	0	46													
20.....	62	5	5	0	72													
27.....	24	2	15	0	41													
31.....	2,056	135	1,303	0	3,494													
37.....	8	(*)	4	0	13													
68.....	31	0	0	0	31													
V-9. Telephone and telegraph (s.)						VII-5. Bank service charges, trust services, and safe-deposit box rental (s.)												
Total	5,524	0	0	0	5,524	Total	1,090	0	0	0	1,090							
66.....	5,524	0	0	0	5,524	70.....	1,090	0	0	0	1,090							

See footnotes at end of table.

Table 1.—Industrial Composition of Personal Consumption Expenditures, by PCE Category, in Producers' and Purchasers' Prices, 1963—Continued

[Millions of dollars]

Producing industry number ¹	Allocations to PCE					Producing industry number ¹	Allocations to PCE					Producing industry number ¹	Allocations to PCE				
	Producers' prices	Transportation (industry 65)	Trade (industry 69)	Insurance (industry 70)	Purchasers' prices		Producers' prices	Transportation (industry 65)	Trade (industry 69)	Insurance (industry 70)	Purchasers' prices		Producers' prices	Transportation (industry 65)	Trade (industry 69)	Insurance (industry 70)	Purchasers' prices
VIII-2a. Street and electric railway and local bus (s.)						IX-4. Wheel goods, durable toys, sport equipment, boats, and pleasure aircraft (d.c.)						IX-12. Other recreation (s.)					
Total	1,315	0	0	0	1,315	Total	1,314	37	828	(*)	2,180	Total	1,874	3	35	(*)	1,912
65.....	1,315	0	0	0	1,315	13.....	76	1	58	0	134	01.....	113	3	33	0	148
VIII-2b. Taxicabs (s.)						IX-5. Radio and TV receivers, records, and musical instruments (d.c.)						X-1. Private higher education (s.)					
Total	595	0	0	0	595	Total	2,384	65	1,243	(*)	3,692	Total	2,047	0	0	0	2,047
65.....	595	0	0	0	595	34.....	7	(*)	5	0	13	77.....	2,047	0	0	0	2,047
VIII-2c. Railway (commutation) (s.)						IX-6. Radio and TV repair (s.)						X-2. Private elementary and secondary schools (s.)					
Total	130	0	0	0	130	Total	904	0	0	0	904	Total	1,673	0	0	0	1,673
65.....	130	0	0	0	130	72.....	904	0	0	0	904	77.....	1,673	0	0	0	1,673
VIII-3a. Railway (excluding commutation) and sleeping and parlor car (s.)						IX-7. Flowers, seeds, and potted plants (n.d.c.)						X-3. Other private education and research (s.)					
Total	264	0	0	0	264	Total	403	39	549	0	991	Total	992	0	0	0	992
65.....	264	0	0	0	264	02.....	388	39	549	0	975	77.....	992	0	0	0	992
VIII-3b. Intercity bus (s.)						IX-8a. Admission to motion picture theaters (s.)						XI. Religious and welfare activities (s.)					
Total	290	0	0	0	290	Total	942	0	0	0	942	Total	5,332	0	0	0	5,332
65.....	290	0	0	0	290	76.....	942	0	0	0	942	77.....	5,332	0	0	0	5,332
VIII-3c. Airline (s.)						IX-8b. Admissions to legitimate theaters and opera and entertainments of nonprofit institutions (except athletics) (s.)						XII-1. Foreign travel by U.S. residents (s.)					
Total	924	0	0	0	924	Total	427	0	0	0	427	Total	2,840	0	0	0	2,840
65.....	924	0	0	0	924	76.....	427	0	0	0	427	65.....	436	0	0	0	436
VIII-3d. Other intercity transportation (s.)						IX-8c. Admissions to spectator sports (s.)						XII-2. Expenditures abroad by U.S. Government personnel (military and civilian) (n.d.c.)					
Total	44	0	0	0	44	Total	364	(*)	1	0	365	Total	779	0	191	0	971
65.....	44	0	0	0	44	26.....	3	(*)	1	0	4	80.....	779	0	191	0	971
IX-1. Books and maps (d.c.)						IX-9. Clubs and fraternal organizations except insurance (s.)						XII-3. Expenditures in the United States by foreigners (s.)					
Total	986	12	415	(*)	1,413	Total	808	0	0	0	808	Total	-1,250	0	0	0	-1,250
26.....	936	8	373	0	1,316	77.....	808	0	0	0	808	85.....	-1,250	0	0	0	-1,250
80.....	50	4	29	(*)	84	IX-10. Commercial participant amusements (s.)						XII-4. Personal remittances in kind to foreigners (n.d.c.)					
83.....	0	0	13	0	13	Total	1,595	0	0	0	1,595	Total	-132	0	0	0	-132
IX-2. Magazines, newspapers, and sheet music (n.d.c.)						IX-11. Pari-mutuel net receipts (s.)						Total personal consumption expenditures					
Total	1,747	36	685	0	2,468	Total	694	0	0	0	694	Total	290,743	4,395	80,391	11	375,540
26.....	1,770	36	682	0	2,488	77.....	694	0	0	0	694	Durable commodities (d.c.)					
80.....	5	(*)	3	0	8	IX-11. Commercial participant amusements (s.)						Total	33,937	942	18,027	5	52,911
83.....	-28	0	0	0	-28	Total	1,489	0	0	0	1,489	Nondurable commodities (n.d.c.)					
IX-3. Nondurable toys and sport supplies (n.d.c.)						IX-11. Pari-mutuel net receipts (s.)						Total personal consumption expenditures					
Total	1,694	47	1,372	(*)	3,113	Total	694	0	0	0	694	Total	102,162	3,445	62,299	6	167,912
03.....	46	6	23	0	74	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
13.....	105	1	89	0	195	Total	694	0	0	0	694	Total	154,645	7	65	(*)	154,717
17.....	5	(*)	3	0	8	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
24.....	10	(*)	7	0	17	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
26.....	43	2	39	0	85	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
27.....	3	(*)	2	0	5	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
32.....	19	(*)	13	0	32	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
53.....	2	(*)	0	0	2	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
55.....	59	1	36	0	96	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
58.....	16	(*)	9	0	26	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
63.....	226	1	184	0	411	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
64.....	1,070	28	859	0	1,957	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					
80.....	89	7	108	(*)	204	IX-11. Pari-mutuel net receipts (s.)						Services (s.)					

(d.c.) Durable commodities.
(n.d.c.) Nondurable commodities.
(s.) Services.
*Less than \$500,000.

1. Industry number relates to the industry codes used for the summary version of the 1963 input-output study. For name and Standard Industrial Classification (SIC) coverage of each industry, see table A.

2. Imported cars appear as a purchase from the import industry (number 80). In the 1968 input-output data, imported cars were a purchase from the motor vehicle industry (number 59).

NOTE.—Detail may not add to total due to rounding.

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

(Continued from page 16)

Implications for statistics

We need, can obtain, and should obtain additional information, including statistics, on many aspects of American life that affect welfare. We can and should explore ways of presenting and analyzing such information in a comprehensible form. Some of this research could well be performed by individuals familiar with estimation of the national accounts, because some of the statistical

and conceptual problems are similar. However, we cannot obtain a comprehensive index of welfare.

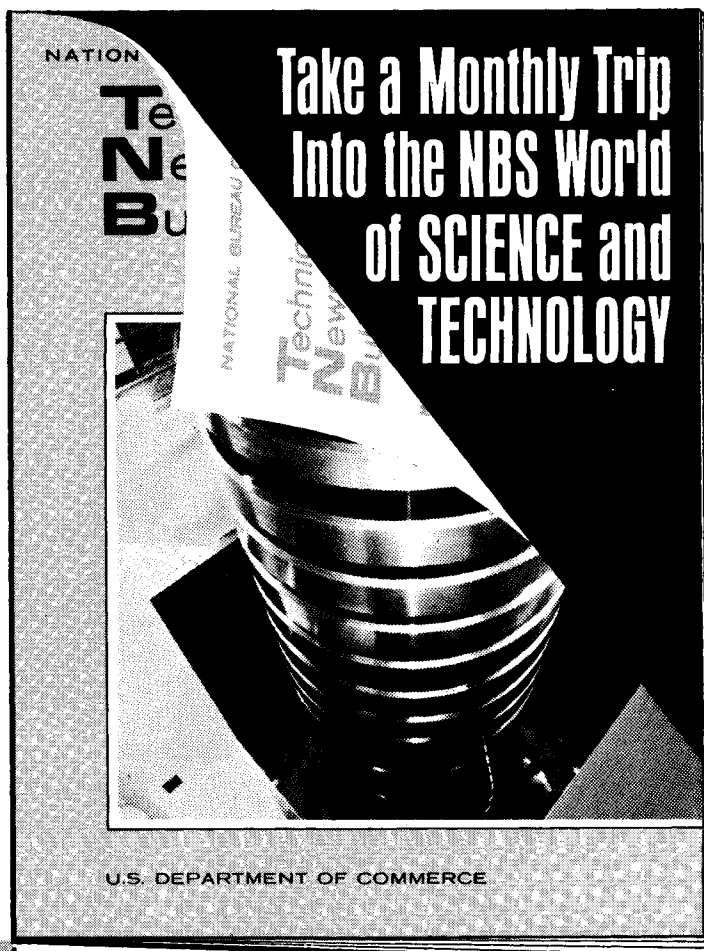
There are likely to be pressures to make *ad hoc* changes in the existing national product measures that, it is supposed, will move the national product series closer to a complete welfare measure in one way or another. Such suggestions should be welcomed if they improve the measurement of the Nation's output. I would myself urge regular publication of series for NNP

and national income, as well as GNP, in constant prices. But some suggestions to change the measurement of national product will derive from confusion between an output measure and a comprehensive welfare measure. Such proposals must be rejected. GNP and NNP cannot be transformed into a comprehensive welfare measure. Efforts to do so can only impair their usefulness for the very important purposes of both long-term and short-term analysis that they now serve well.

The best single source of information concerning the activities of the NATIONAL BUREAU of STANDARDS is the

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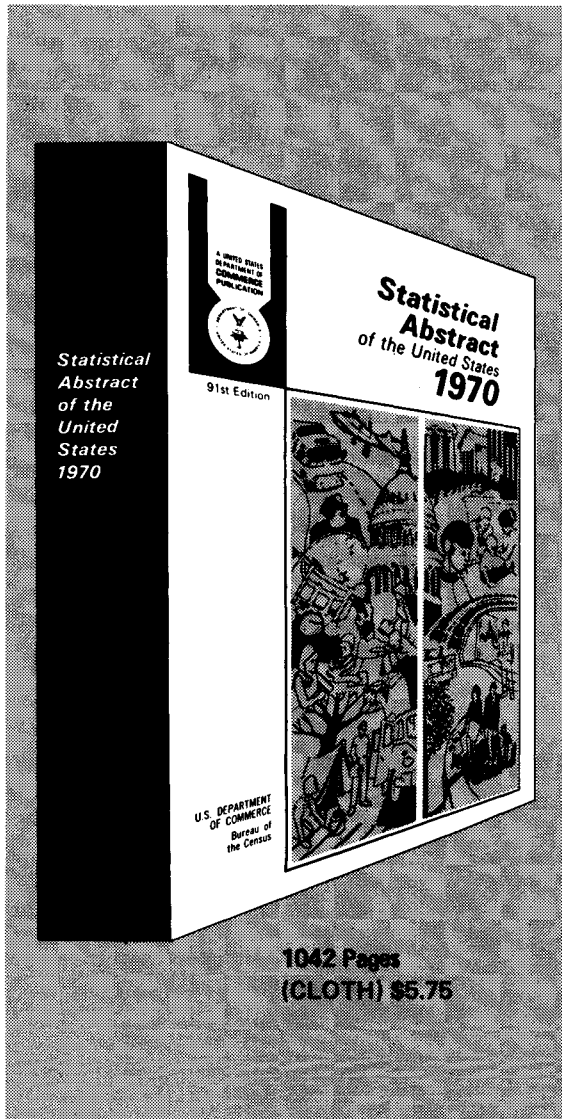
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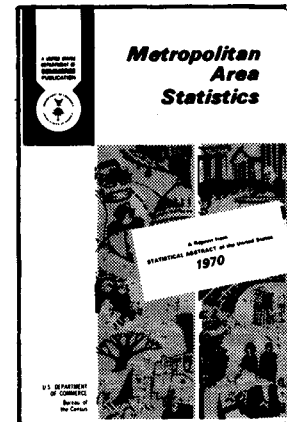
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CURRENT BUSINESS STATISTICS

THE STATISTICS here update series published in the 1969 edition of BUSINESS STATISTICS biennial statistical supplement to the SURVEY OF CURRENT BUSINESS. That volume (price \$3.00) provides a description of each series, references to sources of earlier figures, and historical data as follows: For all series, monthly or quarterly, 1965 through 1968 (1958-68 for major quarterly series), annually, 1939-68; for selected series, monthly or quarterly, 1947-68 (where available). Series added or significantly revised after the 1969 BUSINESS STATISTICS went to press are indicated by an asterisk (*) and a dagger (†), respectively; certain revisions for 1968 issued too late for inclusion in the 1969 volume appear in the monthly SURVEY beginning with the September 1969 issue. Also, unless otherwise noted, revised monthly data for periods not shown herein corresponding to revised annual data are available upon request.

The sources of the data are given in the 1969 edition of BUSINESS STATISTICS; they appear in the main descriptive note for each series, and are also listed alphabetically on pages 189-90. Statistics originating in Government agencies are not copyrighted and may be reprinted freely. Data from private sources are provided through the courtesy of the compilers, and are subject to their copyrights.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1967	1968	1969	1967				1968				1969				1970				
	Annual total			IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
	Seasonally adjusted quarterly totals at annual rates																			

GENERAL BUSINESS INDICATORS—Quarterly Series

NATIONAL INCOME AND PRODUCT																				
Gross national product, total †.....bil. \$..	793.9	865.0	931.4	815.9	834.9	858.1	875.8	891.4	907.6	923.7	942.6	951.7	959.5	971.1	985.5	990.9				
Personal consumption expenditures, total.....do....	492.1	535.8	577.5	502.5	519.7	529.1	543.8	550.8	561.8	573.3	582.1	592.6	603.1	614.4	622.1	627.6				
Durable goods, total †.....do....	73.1	84.0	90.0	75.3	79.9	82.6	86.7	86.9	89.1	90.6	89.5	90.8	89.1	91.9	91.2	85.4				
Automobiles and parts.....do....	30.5	37.2	40.3	31.1	34.9	36.0	39.1	38.8	39.8	40.0	40.2	41.1	37.7	39.4	39.2	32.8				
Furniture and household equipment.....do....	31.4	34.6	36.7	32.5	33.7	34.1	35.4	35.2	35.8	37.2	36.7	36.9	38.3	38.9	38.1	38.5				
Nondurable goods, total †.....do....	215.0	230.2	245.8	217.1	225.6	227.6	232.6	234.8	239.2	244.0	248.1	252.0	258.8	262.6	265.8	271.7				
Clothing and shoes.....do....	42.3	46.1	49.9	42.5	44.8	45.2	47.1	47.2	47.9	50.0	50.7	50.9	51.3	51.8	52.3	53.7				
Food and beverages.....do....	108.5	115.1	121.7	109.5	112.7	114.7	116.1	117.0	119.1	120.8	122.4	124.6	128.8	131.2	132.3	134.5				
Gasoline and oil.....do....	17.6	19.0	21.1	18.1	18.8	18.6	19.2	19.3	20.3	20.8	21.5	21.7	22.4	22.7	23.0	23.4				
Services, total †.....do....	204.0	221.6	241.6	210.1	214.2	218.9	224.5	229.0	233.5	238.7	244.5	249.8	255.2	259.9	265.1	270.5				
Household operation.....do....	29.1	31.2	33.9	30.1	30.4	30.8	31.5	32.1	32.7	33.3	34.5	34.8	35.2	35.9	36.9	37.4				
Housing.....do....	71.8	77.4	84.0	73.7	75.2	76.6	77.9	79.8	81.4	83.0	84.7	87.0	89.0	90.8	92.6	95.0				
Transportation.....do....	14.5	15.6	16.7	14.6	15.2	15.3	15.6	16.1	16.2	16.5	16.8	17.1	17.7	17.9	18.2	18.5				
Gross private domestic investment, total.....do....	116.6	126.5	139.8	123.0	119.8	127.3	126.5	132.6	136.0	139.3	143.8	140.2	133.2	134.3	138.3	137.5				
Fixed investment.....do....	108.4	118.9	131.4	113.0	117.2	117.0	118.3	123.3	128.7	131.4	132.4	133.0	131.6	131.2	132.7	133.4				
Nonresidential.....do....	83.3	88.7	99.3	84.1	88.3	88.3	86.4	91.6	95.7	97.5	101.5	102.6	102.6	102.8	103.6	101.4				
Structures.....do....	28.0	29.6	33.8	28.0	29.8	28.9	29.4	30.3	32.6	32.3	35.2	35.1	35.7	35.3	35.0	34.6				
Producers' durable equipment.....do....	55.3	59.1	65.5	56.2	58.5	57.5	59.0	61.3	63.1	65.2	66.3	67.5	66.9	67.5	68.6	66.8				
Residential structures.....do....	25.1	30.3	32.0	28.8	28.8	30.6	29.9	31.7	33.0	33.9	31.0	30.4	29.1	28.4	29.2	32.0				
Nonfarm.....do....	24.5	29.7	31.5	28.3	28.3	30.1	29.4	31.1	32.4	33.3	30.4	29.8	28.4	27.8	28.6	31.4				
Change in business inventories.....do....	8.2	7.6	8.5	10.0	2.6	10.4	8.2	9.3	7.4	7.9	11.3	7.2	1.6	3.1	5.5	4.1				
Nonfarm.....do....	7.5	7.5	8.0	8.5	2.5	10.3	8.1	9.3	7.3	7.6	10.8	6.5	.9	2.6	5.0	3.6				
Net exports of goods and services.....do....	5.2	2.5	1.9	4.0	1.8	3.4	3.4	1.4	1.3	1.3	2.6	2.6	3.5	4.1	4.2	2.7				
Exports.....do....	46.2	50.6	55.5	46.8	47.7	50.7	53.2	50.9	47.8	57.2	58.3	58.8	61.1	62.8	62.8	62.6				
Imports.....do....	41.0	48.1	53.6	42.8	45.9	47.3	49.8	49.5	46.5	55.9	55.6	56.2	57.6	58.7	58.6	59.9				
Govt. purchases of goods and services, total.....do....	180.1	200.2	212.2	186.5	193.6	198.3	202.1	206.7	208.5	209.9	214.1	216.3	219.6	218.4	221.0	223.2				
Federal.....do....	90.7	99.5	101.3	93.6	96.4	98.9	100.7	101.9	100.9	99.8	102.5	102.1	102.3	99.7	98.6	98.4				
National defense.....do....	72.4	78.0	78.8	74.7	76.3	77.8	78.6	79.2	78.6	77.9	79.8	78.8	79.3	76.8	75.8	74.6				
State and local.....do....	89.4	100.7	110.8	92.9	97.2	99.4	101.4	104.7	107.5	110.1	111.6	114.2	117.4	118.7	122.4	124.8				
By major type of product: †																				
Final sales, total.....do....	785.7	857.4	922.9	805.9	832.3	847.8	867.6	882.1	900.2	915.9	931.2	944.5	957.9	968.1	980.0	986.8				
Goods, total.....do....	390.7	422.9	451.6	395.0	411.6	417.8	429.0	433.3	440.9	448.8	454.9	461.7	465.5	471.8	474.2	470.4				
Durable goods.....do....	156.5	170.4	183.9	158.5	165.2	168.0	173.1	175.3	180.5	182.7	184.8	187.4	185.5	188.5	188.3	179.0				
Nondurable goods.....do....	234.2	252.5	267.7	236.5	246.4	249.8	255.9	258.0	260.4	266.1	270.1	274.3	280.0	283.3	286.0	291.4				
Services.....do....	316.5	347.1	377.6	328.4	334.7	343.1	352.2	358.4	364.8	372.3	383.0	390.3	400.1	405.8	413.2	422.2				
Structures.....do....	78.6	87.4	93.8	82.5	86.0	86.8	86.3	90.5	94.5	94.8	93.3	92.5	92.3	90.4	92.6	94.2				
Change in business inventories.....do....	8.2	7.6	8.5	10.0	2.6	10.4	8.2	9.3	7.4	7.9	11.3	7.2	1.6	3.1	5.5	4.1				
Durable goods.....do....	4.7	5.7	6.4	6.1	2.5	7.1	5.8	7.2	5.6	6.7	7.9	5.3	-.3	-1.9	5.2	-4.5				
Nondurable goods.....do....	3.5	2.0	2.1	3.9	.1	3.2	2.4	2.1	1.8	1.2	3.5	1.9	1.9	5.0	.3	8.6				
GNP in constant (1958) dollars																				
Gross national product, total †.....bil. \$..	675.2	707.2	727.1	683.6	693.5	705.4	712.6	717.5	722.1	726.1	730.9	729.2	723.8	724.9	727.4	721.3				
Personal consumption expenditures, total.....do....	430.1	452.3	467.7	434.3	445.0	448.4	457.7	458.1	463.3	467.1	468.7	471.7	474.0	478.1	479.6	477.1				
Durable goods.....do....	72.9	81.4	84.9	74.0	78.1	80.2	83.9	83.2	84.9	85.7	84.1	84.9	82.7	84.9	83.6	77.1				
Nondurable goods.....do....	190.2	196.5	201.2	190.3	195.5	194.9	197.9	197.6	199.7	200.9	201.9	202.4	205.6	206.6	208.2	211.2				
Services.....do....	167.0	174.4	181.6	169.9	171.3	173.2	175.9	177.4	178.7	180.5	182.7	184.4	185.8	186.6	187.8	188.8				
Gross private domestic investment, total.....do....	101.2	105.7	111.3	105.1	101.3	107.1	105.1	109.5	109.7	111.5	114.1	110.0	102.9	103.1	104.1	101.8				
Fixed investment.....do....	93.5	98.8	104.1	95.9	98.9	97.6	97.7	101.0	103.6	104.8	104.2	103.9	101.5	100.1	99.6	98.3				
Nonresidential.....do....	73.2	75.5	80.8	72.9	76.1	73.8	74.9	77.1	79.3	80.2	81.9	82.1	80.9	80.2	79.6	76.6				
Residential structures.....do....	20.4	23.3	23.3	23.0	22.9	23.8	22.8	23.9	24.3	24.7	22.3	21.8	20.7	20.0	20.0	21.7				
Change in business inventories.....do....	7.7	6.9	7.2	9.2	2.4	9.5	7.4	8.5	6.1	6.6	9.9	6.1	1.3	2.9	4.6	3.5				
Net exports of goods and services.....do....	3.6	.9	.2	2.1	.8	1.5	1.5	-.2	-.4	-.3	.8	.9	1.9	2.4	3.1	1.9				
Govt. purchases of goods and services, total.....do....	140.2	148.3	147.8	142.2	146.4	148.5	148.3	150.0	149.5	147.9	147.3	146.6	145.0	141.3	140.6	140.5				
Federal.....do....	74.7	78.7	75.7	75.5	77.5	79.1	78.9	79.4	78.0	75.8	75.2	73.8	71.1	67.8	66.2	65.8				
State and local.....do....	65.5	69.6	72.1	66.7	68.9	69.4	69.4	70.6	71.5	72.1	72.1	72.9	73.8	73.5	74.4	74.7				

† Revised. † Preliminary. † Preliminary annual totals for 1970 for components shown in this column appear on pp. 9-12 of this issue of the SURVEY. † Revised series. Estimates of national income and product and personal income have been revised back to 1967 (see

p. 17 ff. of the July 1970 SURVEY); revisions prior to May 1969 for personal income appear on p. 26 ff. of the July 1970 SURVEY. † Includes data not shown separately.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1967	1968	1969	1968				1969				1970				1971
	Annual total			I	II	III	IV	I	II	III	IV	I	II	III	IV ³	I
GENERAL BUSINESS INDICATORS—Quarterly Series—Continued																
NATIONAL INCOME AND PRODUCT—Con.																
<i>Quarterly Data Seasonally Adjusted at Annual Rates</i>																
National income, total†.....bil. \$.	653.6	712.7	769.5	687.2	706.1	722.2	735.2	749.3	764.0	779.5	785.2	791.5	797.4	806.6	.....	.....
Compensation of employees, total.....do.	467.2	514.1	564.2	495.3	507.6	520.9	532.5	544.9	557.5	572.2	582.1	592.2	596.4	608.8	606.8	.....
Wages and salaries, total.....do.	423.1	464.8	509.0	447.9	458.9	471.0	481.4	491.6	502.9	516.4	525.3	534.4	537.4	543.4	545.4	.....
Private.....do.	337.3	369.1	404.9	356.0	364.7	373.4	382.5	391.5	401.2	409.9	417.2	422.6	424.0	428.9	429.3	.....
Military.....do.	16.2	17.9	19.0	17.3	17.6	18.6	18.2	18.1	18.4	19.9	19.6	*20.1	19.5	19.1	18.6	.....
Government civilian.....do.	69.5	77.8	85.1	74.7	76.6	79.0	80.7	81.9	83.4	86.6	88.5	*91.7	93.9	95.4	97.5	.....
Supplements to wages and salaries.....do.	44.2	49.3	55.1	47.4	48.7	49.9	51.1	53.3	54.6	55.8	56.8	*57.9	59.0	60.4	61.5	.....
Proprietors' income, total?.....do.	62.1	64.1	66.8	62.9	63.8	64.4	65.2	66.0	66.7	67.5	67.2	67.6	67.8	67.8	67.4	.....
Business and professional?.....do.	47.3	49.1	50.5	48.5	49.2	49.2	49.4	49.9	50.5	50.9	50.6	50.6	51.2	51.7	52.0	.....
Farm.....do.	14.8	15.0	16.4	14.4	14.6	15.3	15.8	16.2	16.2	16.6	16.6	17.0	16.5	16.1	15.3	.....
Rental income of persons.....do.	21.1	21.3	22.0	21.3	21.3	21.3	21.3	21.6	22.0	22.1	22.3	22.5	22.6	22.7	23.0	.....
Corporate profits and inventory valuation adjustment, total.....bil. \$.	78.7	85.4	85.8	81.3	86.0	87.4	87.1	87.1	87.4	86.8	82.0	76.7	77.5	78.4	.....	.....
By broad industry groups:																
Financial institutions.....do.	10.0	11.0	12.0	10.6	10.8	11.5	11.2	11.5	11.9	12.2	12.2	12.0	12.3	12.9	.....	.....
Nonfinancial corporations, total.....do.	68.7	74.4	73.8	70.6	75.2	75.9	75.5	75.4	74.6	69.8	64.7	65.2	65.5	65.5	.....	.....
Manufacturing, total.....do.	38.7	42.4	41.8	40.1	42.8	42.9	43.7	43.4	42.9	41.8	39.1	35.2	35.5	34.7	.....	.....
Nondurable goods industries.....do.	18.0	19.1	19.3	18.6	18.9	19.4	19.2	19.4	19.1	19.1	19.0	18.3	18.2	18.3	.....	.....
Durable goods industries.....do.	20.7	23.3	22.4	21.5	23.9	23.6	24.4	24.0	23.0	22.7	20.0	16.9	17.2	16.3	.....	.....
Transportation, communication, and public utilities.....bil. \$.	10.8	11.0	10.7	11.1	11.0	11.2	10.7	11.0	10.8	10.6	10.3	9.1	8.6	9.1	.....	.....
All other industries.....do.	19.1	21.0	21.4	19.5	21.3	21.8	21.5	21.2	21.8	22.2	20.4	20.4	21.1	21.7	.....	.....
Corporate profits before tax, total.....do.	79.8	88.7	91.2	86.7	88.6	88.4	91.3	93.0	93.4	89.9	88.5	82.6	82.0	84.4	.....	.....
Corporate profits tax liability.....do.	33.2	40.6	42.7	39.8	40.4	40.4	41.7	43.5	43.8	42.1	41.4	38.0	38.1	38.9	.....	.....
Corporate profits after tax.....do.	46.6	48.2	48.5	46.9	48.3	48.0	49.6	49.5	49.7	47.9	47.1	44.6	43.9	45.4	.....	.....
Dividends.....do.	21.4	23.3	24.7	22.3	23.1	23.8	24.1	24.1	24.4	25.0	25.2	25.2	25.1	25.4	.....	.....
Undistributed profits.....do.	25.3	24.9	23.9	24.7	25.2	24.2	25.5	25.5	25.2	22.9	21.9	19.4	18.8	20.0	.....	.....
Inventory valuation adjustment.....do.	-1.1	-3.3	-5.4	-5.4	-2.6	-9	-4.2	-5.9	-6.0	-3.2	-6.5	-5.8	-4.5	-5.9	.....	.....
Net interest.....do.	24.4	27.8	30.7	26.4	27.3	28.2	29.1	29.7	30.4	31.0	31.7	32.4	33.1	33.8	34.5	.....
DISPOSITION OF PERSONAL INCOME†																
<i>Quarterly Data Seasonally Adjusted at Annual Rates</i>																
Personal income, total.....bil. \$.	629.3	688.7	748.9	664.0	680.9	697.6	712.5	725.8	741.1	758.1	770.5	782.3	801.3	807.2	813.4	.....
Less: Personal tax and nontax payments.....do.	83.0	97.5	117.3	89.1	92.6	102.1	106.5	113.8	118.1	117.5	119.9	117.0	117.7	114.2	116.5	.....
Equals: Disposable personal income.....do.	546.3	591.2	631.6	574.9	588.4	595.6	606.0	612.0	623.0	640.6	650.6	665.3	683.6	693.0	696.9	.....
Less: Personal outlays‡.....do.	506.0	550.8	593.9	534.1	543.8	559.1	566.4	577.7	589.7	598.7	609.6	620.5	632.1	640.2	646.0	.....
Equals: Personal savings.....do.	40.4	40.4	37.6	40.8	44.6	36.5	39.6	34.3	33.3	42.0	41.1	44.8	51.5	52.7	50.9	.....
NEW PLANT AND EQUIPMENT EXPENDITURES																
<i>Unadjusted quarterly or annual totals:†</i>																
All industries.....bil. \$.	65.47	67.76	75.56	15.10	16.85	16.79	19.03	16.04	18.81	19.25	21.46	17.47	20.33	20.26	122.52	18.12
Manufacturing.....do.	28.51	28.37	31.68	6.15	6.99	7.13	8.10	6.58	7.82	8.16	9.12	7.14	8.15	7.99	8.98	6.93
Durable goods industries ¶.....do.	14.06	14.12	15.96	3.06	3.36	3.54	4.16	3.36	3.98	4.03	4.59	3.59	4.08	3.87	4.37	3.43
Nondurable goods industries ¶.....do.	14.45	14.25	15.72	3.09	3.63	3.59	3.94	3.22	3.84	4.12	4.53	3.56	4.07	4.12	4.61	3.50
Nonmanufacturing.....do.	36.96	39.40	43.88	8.95	9.86	9.66	10.93	9.45	10.99	11.10	12.34	10.32	12.18	12.27	13.54	11.19
Mining.....do.	1.65	1.63	1.86	.42	.43	.39	.40	.42	.48	.47	.49	.45	.47	.46	.47	.44
Railroad.....do.	1.86	1.45	1.86	.39	.37	.31	.38	.38	.44	.49	.55	.42	.47	.46	.49	.36
Air transportation.....do.	2.29	2.56	2.51	.68	.58	.64	.66	.68	.66	.53	.64	.73	.80	.74	.67	.50
Other transportation.....do.	1.48	1.59	1.68	.30	.42	.41	.47	.38	.46	.40	.44	.28	.31	.30	.34	.24
Public utilities.....do.	8.74	10.20	11.61	2.07	2.62	2.61	2.90	2.36	2.99	3.03	3.23	2.54	3.28	3.58	3.93	3.35
Electric.....do.	6.75	7.66	8.94	1.69	1.94	1.87	2.16	1.88	2.22	2.23	2.61	2.15	2.29	2.79	3.32	2.90
Gas and other.....do.	2.00	2.54	2.67	.38	.68	.74	.74	.48	.77	.80	.62	.39	.69	.78	.62	.45
Communication.....do.	6.34	6.83	8.30	1.59	1.62	1.61	2.00	1.81	2.00	2.11	2.39	2.14	2.59	2.56	.....	.....
Commercial and other.....do.	14.59	15.14	16.05	3.50	3.81	3.69	4.13	3.41	3.97	4.07	4.60	3.76	4.26	4.16	27.64	26.31
Seas. adj. qtrly. totals at annual rates:†																
All industries.....do.				68.09	66.29	67.77	69.05	72.52	73.94	77.84	77.84	78.22	80.22	81.88	181.72	181.40
Manufacturing.....do.				28.02	27.84	28.86	28.70	29.99	31.16	33.05	32.39	32.44	32.43	32.15	32.13	31.49
Durable goods industries ¶.....do.				14.11	13.51	14.47	14.39	15.47	15.98	16.53	15.88	16.40	16.32	15.74	15.30	15.70
Nondurable goods industries ¶.....do.				13.91	14.33	14.40	14.31	14.52	15.18	16.52	16.50	16.05	16.11	16.40	16.82	15.79
Nonmanufacturing.....do.				40.07	38.45	38.91	40.35	42.53	42.78	44.80	45.46	45.78	47.79	49.73	49.60	49.91
Mining.....do.				1.80	1.66	1.57	1.52	1.83	1.88	1.89	1.85	1.92	1.84	1.86	1.81	1.86
Railroad.....do.				1.68	1.49	1.29	1.34	1.68	1.76	2.06	1.94	1.74	1.88	1.96	1.76	1.56
Air transportation.....do.				2.88	1.98	2.69	2.87	2.89	2.22	2.23	2.80	2.94	2.88	3.24	2.72	2.03
Other transportation.....do.				1.43	1.49	1.65	1.75	1.87	1.66	1.65	1.63	1.37	1.12	1.22	1.27	1.15
Public utilities.....do.				10.08	10.24	9.82	10.63	11.52	11.68	11.48	11.80	12.14	12.72	13.84	14.36	15.92
Electric.....do.				7.76	7.64	7.50	7.74	8.62	8.71	8.98	9.36	9.77	10.15	11.34	11.91	13.21
Gas and other.....do.				2.32	2.60	2.32	2.89	2.90	2.97	2.50	2.44	2.37	2.57	2.50	2.45	2.72
Communication.....do.				6.83	6.42	6.67	7.34	7.74	7.92	8.71	8.76	9.14	10.38	10.62	.....	.....
Commercial and other.....do.				15.37	15.17	15.22	14.91	15.00	15.67	16.78	16.67	16.52	16.98	17.00	27.68	27.38
U.S. BALANCE OF INTERNATIONAL PAYMENTS‡																
<i>Quarterly Data Are Seasonally Adjusted (Credits +; debits -)</i>																
Exports of goods and services (excl. transfers under military grants).....mil. \$.	46,204	50,626	55,516	11,932	12,685	13,295	12,714	11,948	14,291	14,565	14,712	15,342	15,914	p15,924	.....	.....
Merchandise, adjusted, excl. military.....do.	30,681	33,588	36,473	7,946	8,886	8,878	8,378	7,472	9,585	9,581	9,835	10,228	10,705	p10,678	.....	.....
Transfers under military sales contracts.....do.	1,239	1,896	1,514	302	344	393	357	391	313	458	352	258	432	p341	.....	.....
Income on U.S. investments abroad.....do.	6,872	7,630	8,839	1,765	1,990	2,000	1,935	2,089	2,150	2,286	2,814	2,499	2,302	p2,407	.....	.....
Other services.....do.	7,412	7,952	8,690	1,919	1,965	2,024	2,044	1,996	2,243	2,240	2,211	2,357	2,475	p2,498	.....	.....
Imports of goods and services.....do.	-40,991	-48,127	-53,566	-11,477	-11,832	-12,444	-12,374	-11,618	-13,978	-13,909	-14,061	-14,510	-14,810	p-14,903	.....	.....
Merchandise, adjusted, excl. military.....do.	-26,821	-32,964	-35,835	-7,820												

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1967	1968	1969	1968				1969				1970				1971
	Annual total			I	II	III	IV	I	II	III	IV	I	II	III	IV	I

GENERAL BUSINESS INDICATORS—Quarterly Series—Continued

U.S. BALANCE OF INTERNATIONAL PAYMENTS §—Con.															
Quarterly Data Are Seasonally Adjusted															
Transactions in U.S. private assets, net; increase (-)	-5,637	-5,412	-5,233	-684	-1,429	-1,585	-1,714	-1,213	-2,151	-980	-889	-1,688	-1,870	p-1,339	
Transactions in U.S. Govt. assets, excl. official reserve assets; increase (-)	-2,419	-2,268	-2,184	-723	-642	-528	-375	-435	-641	-650	-458	-444	-364	p-367	
Transactions in U.S. official reserve assets, net; increase (-)	52	-880	-1,187	904	-137	-571	-1,076	-48	-299	-686	-154	264	805	p 584	
Transactions in foreign assets in the U.S., net (U.S. liabilities); increase (+)	6,853	9,409	12,332	1,008	2,562	2,253	3,586	3,174	4,513	3,276	1,369	1,738	1,749	p 1,065	
Liquid assets	3,492	709	8,199	-660	31	426	912	1,400	4,100	2,965	-266	1,175	429	p 54	
Other assets	3,361	8,700	4,133	1,668	2,531	1,827	2,674	1,774	413	311	1,635	563	1,320	p 1,011	
Balance on transactions in U.S. and foreign liquid and nonliquid assets, incl. reserves	-1,154	849	3,728	505	354	-431	421	1,478	1,422	960	-132	-130	320	p-57	
Allocations of special drawing rights (SDR)												217	217	p 217	
Errors and omissions, net	-1,088	-514	-2,841	-329	-528	335	8	-1,196	-922	-927	204	-182	-920	p-428	
Balance on liquidity basis: †															
Including allocations of SDR	-3,544	171	-7,012	-244	106	145	164	-1,352	-3,801	-2,279	420	-1,439	-1,234	-638	
Excluding allocations of SDR	-3,544	171	-7,012	-244	106	145	164	-1,352	-3,801	-2,279	420	-1,656	-1,451	-855	
Balance on official reserve transactions basis: ‡															
Including allocations of SDR	-3,418	1,641	2,700	-61	1,652	408	-358	1,453	1,315	-582	514	-2,886	-1,761	p-1,847	
Excluding allocations of SDR	-3,418	1,641	2,700	-61	1,652	408	-358	1,453	1,315	-582	514	-3,110	-1,994	-2,047	

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969	1969			1970									
	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. †

GENERAL BUSINESS INDICATORS—Monthly Series

PERSONAL INCOME, BY SOURCE †																
Seasonally adjusted, at annual rates: †																
Total personal income	688.7	748.9	770.6	774.3	777.8	781.5	787.6	806.0	799.7	798.2	803.3	806.4	811.9	† 809.9	† 812.6	817.8
Wage and salary disbursements, total	464.8	509.0	525.2	528.0	529.5	531.1	535.0	539.9	540.5	538.1	541.5	543.2	546.6	541.8	† 544.1	550.3
Commodity-producing industries, total	181.5	197.5	201.9	203.8	202.2	202.0	203.9	202.3	200.9	201.3	202.1	202.0	201.5	196.8	† 196.8	202.6
Manufacturing	145.9	157.5	160.0	161.6	160.8	160.0	161.3	160.0	159.2	159.5	160.1	159.6	159.5	154.3	† 153.6	159.5
Distributive industries	109.2	119.8	124.1	124.1	125.4	125.7	126.7	126.0	127.2	127.9	129.1	129.7	130.2	130.6	† 131.4	131.0
Service industries	78.4	87.7	91.0	91.6	93.1	94.1	94.6	95.1	95.5	95.7	96.8	97.3	97.9	98.8	† 99.8	100.0
Government	95.7	104.1	108.1	108.5	108.9	109.3	109.8	116.5	116.9	113.2	113.5	114.2	117.0	115.6	† 116.1	116.7
Other labor income	24.9	27.6	28.5	28.6	29.0	29.3	29.6	29.8	30.0	30.3	30.6	30.8	31.1	31.3	† 31.5	31.7
Proprietors' income:																
Business and professional	49.1	50.5	50.5	50.4	50.4	50.6	50.7	51.0	51.3	51.5	51.6	51.7	51.8	51.9	† 52.0	52.1
Farm	15.0	16.4	16.6	16.6	16.8	17.0	17.2	16.9	16.5	16.2	16.2	16.1	16.0	† 15.7	† 15.3	15.0
Rental income of persons	21.3	22.0	22.3	22.4	22.5	22.6	22.6	22.6	22.6	22.7	22.7	22.7	22.8	† 22.9	† 23.0	23.1
Dividends	23.3	24.7	25.3	25.0	25.1	25.2	25.2	25.2	25.3	24.7	25.2	25.3	25.5	25.6	† 25.7	24.1
Personal interest income	54.0	59.7	62.0	62.6	63.0	63.4	63.7	64.2	64.5	64.8	65.3	66.0	66.8	† 67.0	† 67.2	67.2
Transfer payments	59.0	65.1	66.9	67.7	68.8	69.7	71.1	84.1	76.6	77.6	78.1	78.6	79.6	† 81.7	† 81.9	82.6
Less personal contributions for social insurance																
bil. \$	22.8	26.0	26.7	26.9	27.3	27.3	27.5	27.7	27.7	27.6	27.8	28.0	28.2	28.0	† 28.1	28.3
Total nonagricultural income	668.2	726.7	747.9	751.6	755.0	758.4	764.3	783.0	777.0	775.7	780.9	784.0	789.7	† 787.9	† 791.0	796.6
FARM INCOME AND MARKETINGS ‡																
Cash receipts from farming, including Government payments, total†	47,680	51,023	5,106	4,577	† 4,425	† 3,391	† 3,596	† 3,511	† 3,362	† 3,566	† 4,011	† 6,917	† 4,565	† 5,693	5,110	
Farm marketings and CCC loans, total	44,218	47,229	5,085	4,544	† 4,369	† 3,367	† 3,584	† 3,448	† 3,346	† 3,549	† 3,807	† 3,794	† 4,521	† 5,595	† 5,079	4,219
Crops	18,734	18,790	2,651	2,129	† 1,853	† 1,052	† 1,003	† 928	† 947	† 1,176	† 1,485	† 1,505	† 2,011	† 2,864	† 2,782	1,984
Livestock and products, total ‡	25,484	28,439	2,434	2,415	2,516	2,315	2,581	2,520	2,399	† 2,372	2,322	2,290	2,510	† 2,731	† 2,297	2,235
Dairy products	5,955	6,172	495	525	538	504	547	558	585	553	538	524	516	† 539	† 520	548
Meat animals	15,363	17,521	1,498	1,422	1,526	1,429	1,635	1,598	1,455	1,470	1,392	1,386	1,583	† 1,782	† 1,407	1,313
Poultry and eggs	3,828	4,423	423	441	422	351	372	327	322	323	371	359	391	† 392	† 353	349
Indexes of cash receipts from marketings and CCC loans, unadjusted: †																
All commodities	137	146	188	168	† 162	† 125	† 133	† 128	† 124	† 132	† 141	† 141	† 168	† 207	† 188	156
Crops	135	136	230	184	† 160	† 91	† 87	† 80	† 82	† 102	† 129	† 130	† 174	† 248	† 241	172
Livestock and products	138	154	158	156	163	150	167	163	155	154	150	148	163	† 177	149	145
Indexes of volume of farm marketings, unadjusted: †																
All commodities	126	126	168	148	† 144	† 100	† 102	† 99	† 99	† 111	† 120	† 119	† 139	† 178	† 168	130
Crops	129	129	227	187	† 174	† 85	† 73	† 62	† 63	† 92	† 120	† 115	† 147	† 218	† 220	134
Livestock and products	124	124	124	119	122	111	125	127	126	125	† 120	123	133	† 148	† 129	127
INDUSTRIAL PRODUCTION ♂																
Federal Reserve Index of Quantity Output																
Unadj., total index (incl. utilities) ♂ 1957-59=100	165.5	† 172.8	173.6	169.6	168.2	171.5	172.1	170.6	169.1	172.1	163.6	169.1	170.2	166.4	† 163.0	162.0
By industry groupings:																
Manufacturing, total	166.9	† 173.9	175.0	169.6	167.5	171.3	172.2	171.0	168.9	171.8	161.6	166.4	167.6	† 164.2	† 161.2	159.5
Durable manufactures	169.8	† 176.5	175.4	172.6	169.1	170.7	173.5	170.5	169.4	171.3	159.8	161.0	162.3	† 156.3	† 153.6	157.0
Nondurable manufactures	163.3	† 170.6	174.5	165.9	165.6	172.0	170.6	171.7	168.4	172.3	163.8	173.2	174.2	† 174.0	† 170.6	162.8
Mining	126.6	† 130.2	132.9	133.1	130.1	134.1	134.0	135.0	137.9	137.6	129.2	138.2	140.1	† 141.8	† 140.4	138.8
Utilities	202.5	† 221.2														
By market groupings:																
Final products, total	165.1	† 170.8	170.0	166.2	167.1	170.5	169.9	166.9	165.8	169.9	161.8	167.1	† 168.8	† 164.9	† 160.3	159.3
Consumer goods	156.9	† 162.5	162.6	156.6	159.0	163.0	161.8	160.6	160.3	165.7	157.6	165.3	† 168.1	† 164.3	† 158.2	155.7
Automotive and home goods	175.0	† 179.5	175.9	167.4	165.1	171.5	176.3	175.5	176.0	181.2	153.5	150.4	† 163.2	† 161.0	† 156.5	165
Apparel and staples	151.2	† 157.1	158.4	153.1	157.1	160.3	157.2	155.9	155.3	160.8	158.9	170.0	† 169.6	† 165.4		
Equipment, including defense	182.6	† 188.6	186.0	187.0	184.3	186.5	187.3	180.3	177.7	179.0	170.9	170.9	† 170.4	† 166.1	† 164.9	167.0
Materials	165.8	† 174.6	176.9	172.6	169.5	172.5	174.0	174.3	172.1	174.1	165.3	170.9	† 171.5	† 168.1	† 165.7	164.8
Durable goods materials	157.8	† 165.5	166.3	161.8	156.8	158.4	161.3	160.4	159.5	162.0	153.2	156.0	† 154.9	† 147.4	† 144.0	147
Nondurable materials	174.1	† 183.9	187.8	183.7	182.5	186.9	187.1	188.5	185.1	186.6	177.8	186.2	† 188.6	† 189.4	† 188.0	183

† Revised. ‡ Preliminary. § See note "♂" on p. S-2. ¶ Increase in U.S. official reserve assets and decrease in liquid liabilities to all foreigners. † Increase in U.S. official reserve assets and decrease in liquid and certain nonliquid liabilities to foreign official agencies. ‡ See corresponding note on p. S-1. § Series revised beginning 1967; monthly data prior to May 1969 are shown in the Farm Income Situation, July 1970, available from the U.S. Dept. of Agriculture, Economic Research Service. ¶ Revisions for Jan.-Oct. 1968 will be shown later. † Includes data for items not shown separately.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969 ^a	1969		1970											
	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^b
GENERAL BUSINESS INDICATORS—Continued																
INDUSTRIAL PRODUCTION^c—Continued																
<i>Federal Reserve Index of Quantity Output—Con.</i>																
Seas. adj., total index (incl. utilities) ^d 1957-59=100	165.5	172.8	171.4	171.1	170.4	170.5	171.1	170.2	169.0	168.8	169.2	168.8	165.8	162.3	161.6	163.9
By industry groupings:																
Manufacturing, total..... do	166.9	173.9	171.8	171.3	170.2	170.3	170.8	170.0	168.1	168.0	168.5	167.7	163.7	159.4	158.8	161.6
Durable manufactures ^e do	169.8	176.5	172.1	171.1	169.7	169.6	171.0	168.4	167.6	167.3	167.4	166.7	160.4	153.5	151.7	156.2
Primary metals..... do	137.0	149.1	150.3	147.7	143.1	139.2	141.9	138.9	142.6	142.7	145.2	145.6	142.6	134.4	129.3	132
Iron and steel..... do	130.7	140.3	142.7	138.8	135.2	129.8	134.4	133.0	136.7	138.8	136.8	134.1	129.5	121.9	117.0	120
Nonferrous metals and products..... do	160.0	181.1	183.1	181.1	174.8	177.3	183.6	175.4	174.4	169.2	172.6	169.7	172.1	162.2	163.5	.....
Fabricated metal products..... do	167.9	179.8	179.2	178.4	180.0	178.9	178.3	175.2	171.4	172.3	172.5	171.9	169.2	160.7	159.1	163
Structural metal parts..... do	162.2	173.3	174.5	177.1	175.4	174.6	174.4	170.2	164.2	164.4	162.9	164.0	162.7	158.0	158.7	162
Machinery..... do	184.3	195.7	187.4	188.7	189.7	195.8	199.1	194.9	191.0	190.6	191.2	190.3	186.2	182.9	178.9	178
Nonelectrical machinery..... do	181.0	194.6	194.9	196.5	195.9	195.8	196.6	191.7	187.1	185.2	185.2	183.0	180.0	176.1	172.5	173
Electrical machinery..... do	188.5	197.2	177.5	178.3	181.5	195.9	202.5	199.1	196.3	197.7	199.1	199.9	194.5	191.9	187.5	185
Transportation equipment ^e do	179.5	174.6	168.3	163.9	159.6	154.3	156.0	153.1	157.3	159.9	158.1	156.7	139.0	122.0	122.5	142
Motor vehicles and parts..... do	171.4	166.9	159.9	152.0	146.8	142.1	148.9	148.0	158.5	164.4	164.8	164.7	127.3	95.4	97.4	141
Aircraft and other equipment..... do	185.0	177.8	171.9	170.7	166.7	161.4	159.1	154.1	153.0	153.3	149.7	147.1	145.7	141.1	140.3	139
Instruments and related products..... do	184.2	194.4	196.0	197.4	194.8	194.0	193.6	195.4	191.3	187.9	187.0	183.3	181.8	181.3	181.8	177
Clay, glass, and stone products..... do	146.2	156.0	155.9	157.4	154.5	155.0	151.7	154.6	152.6	149.4	148.8	150.1	148.7	148.3	148.8	150
Lumber and products..... do	122.3	119.1	114.1	109.7	118.0	117.5	113.1	115.5	116.1	107.6	110.5	114.2	108.2	110.1	.....	.....
Furniture and fixtures..... do	178.3	186.9	183.7	183.3	183.4	179.4	180.4	179.5	174.4	173.8	172.5	172.9	171.7	173.9	174.2	174
Miscellaneous manufactures..... do	161.4	166.4	166.4	167.2	168.2	168.4	167.8	167.4	163.6	162.6	162.0	159.1	157.7	156.3	158.8	156
Nondurable manufactures..... do	163.3	170.6	171.5	171.5	171.0	171.3	170.6	171.9	168.7	168.9	170.0	169.0	167.7	166.6	167.7	168.2
Textile mill products..... do	151.5	154.2	151.9	150.3	152.9	151.3	150.3	151.3	147.8	145.9	145.3	146.1	145.7	145.9	146.3	.....
Apparel products..... do	149.9	149.2	148.0	147.9	145.8	141.7	140.1	140.8	137.7	139.0	140.9	140.7	139.3	138.6	.....	.....
Leather and products..... do	111.0	101.9	102.7	98.0	96.9	96.9	95.9	100.2	104.5	93.9	95.6	93.6	94.6	97.1	.....	.....
Paper and products..... do	163.8	175.6	175.9	178.0	173.8	174.8	174.9	176.3	174.5	170.8	172.0	172.9	166.2	166.3	166.3	.....
Printing and publishing..... do	149.6	156.3	159.1	158.6	157.9	157.3	156.9	156.9	154.8	155.2	154.6	154.3	151.5	150.2	152.4	152
Newspapers..... do	136.1	142.7	145.1	142.0	141.7	142.1	137.9	139.3	136.9	137.5	140.0	138.7	137.4	134.5	137.2	.....
Chemicals and products..... do	221.7	239.0	240.8	241.7	240.2	242.6	242.3	244.4	241.4	243.2	243.3	239.8	240.8	240.2	241.3	.....
Industrial chemicals..... do	262.0	283.0	283.9	283.8	281.9	284.3	284.8	289.2	281.3	285.8	285.7	280.7	282.0	282.0	.....	.....
Petroleum products..... do	139.6	143.8	150.9	149.5	143.3	143.0	146.6	147.9	146.5	147.8	145.5	147.5	150.3	150.1	155.6	.....
Rubber and plastics products..... do	222.0	238.7	240.2	234.8	231.4	234.0	235.3	239.4	212.2	227.8	244.8	236.9	221.4	210.1	.....	.....
Food and beverages..... do	136.4	140.7	141.0	142.1	144.7	145.2	143.3	143.7	143.1	140.7	141.1	141.6	142.4	139.6	141.2	.....
Food manufactures..... do	132.7	136.7	137.5	137.4	140.2	140.4	140.0	140.1	141.0	138.3	139.5	138.8	138.7	135.7	138.5	.....
Beverages..... do	156.5	161.9	159.7	167.2	168.9	170.7	161.0	162.8	154.6	153.7	149.6	156.4	162.2	160.3	.....	.....
Tobacco products..... do	120.9	117.3	116.2	115.1	117.8	122.8	116.8	125.1	117.8	120.7	126.6	121.8	122.9	124.1	.....	.....
Mining..... do	126.6	130.2	132.6	134.4	131.7	134.2	135.1	133.9	134.8	135.5	133.8	137.1	138.9	139.9	140.0	139.3
Coal..... do	118.2	117.7	118.9	119.3	113.4	122.3	121.5	123.0	134.2	124.3	127.5	128.5	127.9	128.1	127.2	129
Crude oil and natural gas..... do	126.8	129.3	131.2	132.6	131.4	131.8	132.4	131.3	131.9	135.1	131.7	136.5	140.3	141.5	140.8	139
Crude oil..... do	130.5	132.0	133.5	135.0	133.7	133.0	133.5	135.2	135.8	137.5	134.4	139.8	144.1	145.1	144.2	142
Metal mining..... do	126.4	142.0	153.3	152.3	155.7	158.4	165.8	162.6	151.8	150.3	150.9	152.3	144.5	145.1	153.8	.....
Stone and earth minerals..... do	137.8	144.7	146.8	164.8	142.6	149.8	150.1	146.1	142.8	143.0	143.8	142.3	140.5	142.0	142.3	.....
Utilities..... do	202.5	221.2	226.0	227.9	230.1	232.7	230.3	233.8	234.9	235.4	236.3	235.8	242.8	244.8	239.5	240.0
Electric..... do	211.5	233.0	238.3	240.5	243.1	246.1	242.8	247.1	248.4	248.7	249.5	248.6	257.1	259.6	.....	.....
Gas..... do	174.1	174.1	187.6	188.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
By market groupings:																
Final products, total ^d do	165.1	170.8	168.4	168.5	168.5	169.9	169.7	168.5	167.7	167.1	166.8	166.5	163.1	159.9	159.3	161.8
Consumer goods..... do	156.9	162.5	160.5	160.7	161.5	162.4	162.0	163.2	163.2	162.8	163.5	163.5	160.1	157.0	156.8	160.5
Automotive and home goods..... do	175.0	179.5	167.2	164.4	163.7	166.6	171.4	171.1	173.5	172.7	178.5	177.0	160.1	151.1	151.6	165
Automotive products..... do	174.3	173.2	168.0	160.9	155.3	154.8	160.0	158.4	166.4	170.3	172.8	167.5	133.1	109.5	110.8	148
Autos..... do	174.8	162.8	153.8	141.6	132.9	127.6	138.4	136.1	156.0	163.0	163.8	163.3	165.5	76.5	78.1	132
Auto parts and allied products..... do	173.8	186.8	186.7	186.2	184.9	190.7	188.5	187.8	180.1	179.9	184.7	173.1	165.6	152.9	153.8	.....
Home goods ^e do	175.4	184.2	166.7	166.8	169.6	174.8	179.4	180.0	178.4	177.7	182.5	183.7	179.0	180.3	180.2	.....
Appliances, TV, and radios..... do	168.4	180.2	142.2	140.1	149.9	168.6	178.1	178.9	182.6	178.8	192.3	198.6	189.9	194.3	188.6	.....
Furniture and rugs..... do	173.7	180.3	176.0	175.0	173.8	169.2	170.3	170.6	165.5	164.9	165.2	164.9	164.4	166.5	169.1	.....
Apparel and staples..... do	151.2	157.1	158.3	159.5	160.8	161.0	159.0	160.7	159.9	159.0	158.8	159.2	160.1	158.9	.....	.....
Apparel, incl. knit goods and shoes..... do	139.5	138.5	137.5	137.7	137.6	135.7	133.4	133.8	131.4	132.4	132.4	133.2	131.7	131.6	.....	.....
Consumer staples..... do	154.5	162.4	164.2	165.7	167.3	168.2	166.2	168.4	168.0	166.6	166.3	166.6	168.1	166.7	166.5	167
Processed foods..... do	132.6	136.6	136.5	137.0	138.7	139.5	139.6	140.2	141.1	137.9	138.7	139.4	139.3	135.2	137.2	.....
Beverages and tobacco..... do	144.5	146.8	145.0	149.6	151.7	154.6	146.1	150.1	142.2	142.6	141.9	144.7	149.0	148.1	.....	.....
Drugs, soap, and toiletries..... do	193.4	209.0	213.2	217.0	217.6	217.9	216.5	218.6	219.6	217.4	217.4	213.9	215.5	215.0	217.0	.....
Newspapers, magazines, books..... do	143.3	147.1	148.9	149.7	147.7	147.6	146.1	148.0	146.9	147.6	142.9	143.1	140.5	140.8	142.8	.....
Consumer fuel and lighting..... do	183.4	199.6	206.0	206.0	210.0	210.3	207.2	212.6	212.3	213.7	212.8	213.5	219.2	221.7	.....	.....
Equipment, including defense ^e do	182.6	188.6	185.6	185.2	183.6	186.2	186.3	179.9	177.3	176.3	173.7	173.0	169.6	165.9	164.6	164.8
Business equipment..... do	184.7	195.6	194.4	193.8	192.8	196										

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969	1969		1970											
	Annual	Annual	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

GENERAL BUSINESS INDICATORS—Continued

MANUFACTURERS' SALES, INVENTORIES, AND ORDERS†—Continued																
Shipments (seas. adj.) †—Continued																
By industry group:																
Nondurable goods industries, total ² mil. \$			24,877	24,937	25,140	25,340	25,466	24,906	25,173	25,800	25,710	25,426	25,612	25,567	25,495	
Food and kindred products.....do			8,330	8,513	8,510	8,547	8,759	8,587	8,541	8,837	8,538	8,547	8,750	8,822	8,808	
Tobacco products.....do			433	434	459	428	444	454	444	417	459	445	471	478	452	
Textile mill products.....do			1,771	1,731	1,784	1,782	1,819	1,736	1,740	1,751	1,783	1,691	1,752	1,744	1,702	
Paper and allied products.....do			2,298	2,280	2,338	2,361	2,356	2,326	2,325	2,316	2,418	2,366	2,351	2,382	2,377	
Chemicals and allied products.....do			4,164	4,114	4,006	4,237	4,244	4,000	4,200	4,168	4,166	4,184	4,122	4,043	4,055	
Petroleum and coal products.....do			2,132	2,139	2,241	2,162	2,123	2,139	2,156	2,127	2,136	2,165	2,131	2,179	2,179	
Rubber and plastics products.....do			1,435	1,370	1,492	1,559	1,551	1,441	1,484	1,536	1,598	1,541	1,527	1,454	1,478	
By market category:																
Home goods and apparel.....do	156,010	157,935	4,557	4,620	4,511	4,445	4,446	4,424	4,585	4,889	4,816	4,608	4,759	4,716	4,674	
Consumer staples.....do	115,551	124,395	10,726	10,899	10,889	10,977	11,141	10,920	10,870	11,222	10,918	10,922	11,143	11,220	11,168	
Equipment and defense prod., excl. auto.....do	196,115	108,385	9,339	9,201	9,019	9,478	9,193	9,270	9,483	9,079	9,345	9,481	9,393	9,373	9,107	
Automotive equipment.....do	154,048	157,175	4,671	4,494	4,159	4,355	4,199	4,423	4,523	4,789	4,966	5,084	4,247	3,453	3,415	
Construction materials and supplies.....do	148,587	154,130	4,614	4,555	4,454	4,466	4,440	4,326	4,452	4,554	4,643	4,627	4,716	4,595	4,663	
Other materials and supplies.....do	234,291	254,697	21,981	21,771	21,977	21,892	21,804	21,176	21,748	21,905	22,337	21,974	22,217	21,579	21,274	
Supplementary series:																
Household durables.....do	124,915	126,951	2,082	2,078	1,996	2,028	2,046	2,061	2,143	2,197	2,099	2,005	2,104	2,085	2,051	2,215
Defense products (old series).....do	146,201	150,144	4,457	4,476	3,959	4,328	4,292	4,515	4,255	4,097	4,192	4,092	4,269	4,524	4,230	4,032
Defense products (new series).....do	123,915	124,511	2,199	2,259	1,792	1,924	1,943	2,010	2,003	2,130	2,048	2,112	2,121	2,184	2,036	2,038
Producers' capital goods industries.....do	168,757	175,694	6,381	6,275	6,346	6,554	6,379	6,252	6,697	6,446	6,727	6,687	6,630	6,423	6,567	6,231
Inventories, end of year or month: †																
Book value (unadjusted), total.....do	88,239	95,475	94,755	95,475	96,271	97,181	97,504	98,588	98,625	98,073	97,921	98,145	97,807	98,542	99,264	
Durable goods industries, total.....do	57,034	63,106	62,570	63,106	63,702	64,244	64,599	65,285	65,222	64,779	64,838	65,141	64,827	65,036	65,442	
Nondurable goods industries, total.....do	31,205	32,369	32,185	32,369	32,569	32,937	32,905	33,303	33,403	33,294	33,083	33,004	32,980	33,506	33,822	
Book value (seasonally adjusted), total†.....do																
By industry group:																
Durable goods industries, total ².....do	57,399	63,547	63,089	63,547	63,909	63,977	64,263	64,689	64,447	64,395	65,079	65,290	65,290	65,323	65,628	66,002
Stone, clay, and glass products.....do	2,210	2,472	2,478	2,472	2,492	2,527	2,535	2,574	2,573	2,558	2,587	2,626	2,626	2,658	2,684	2,688
Primary metals.....do	7,535	8,033	8,013	8,033	8,114	8,124	8,254	8,544	8,609	8,598	8,641	8,738	8,734	8,866	9,027	
Blast furnaces, steel mills.....do	4,028	4,300	4,285	4,300	4,265	4,251	4,358	4,571	4,589	4,608	4,658	4,726	4,669	4,747	4,846	
Fabricated metal products.....do	6,273	6,598	6,511	6,598	6,695	6,708	6,745	6,702	6,648	6,633	6,697	6,801	6,877	6,866	7,070	
Machinery, except electrical.....do	11,332	13,216	13,110	13,216	13,267	13,345	13,447	13,572	13,618	13,703	13,876	13,861	13,850	14,004	14,068	
Electrical machinery.....do	8,575	9,373	9,315	9,373	9,404	9,493	9,551	9,587	9,454	9,521	9,690	9,676	9,720	9,780	9,733	
Transportation equipment.....do	13,960	15,584	15,431	15,584	15,665	15,522	15,515	15,442	15,309	15,190	15,339	15,262	15,185	15,162	15,124	
Motor vehicles and parts.....do	4,273	4,173	4,087	4,173	4,210	4,167	4,128	4,115	4,040	3,977	4,036	3,993	3,901	4,021	4,048	
Instruments and related products.....do	2,170	2,460	2,447	2,460	2,475	2,509	2,583	2,637	2,681	2,674	2,685	2,680	2,690	2,650	2,650	
By stage of fabrication:																
Materials and supplies ².....do	16,634	17,606	17,217	17,606	17,418	17,702	17,698	17,570	17,447	17,438	17,470	17,621	17,652	17,708	17,832	
Primary metals.....do	2,791	2,828	2,790	2,828	2,904	2,939	3,012	3,027	3,034	3,046	3,035	3,091	3,108	3,162	3,187	
Machinery (elec. and nonelec.).....do	4,829	5,571	5,460	5,571	5,529	5,544	5,540	5,565	5,568	5,608	5,592	5,603	5,600	5,584	5,554	
Transportation equipment.....do	3,403	3,295	3,106	3,295	3,263	3,204	3,148	3,117	3,087	3,029	3,081	3,096	3,056	3,099	3,165	
Work in process ².....do	26,327	29,790	29,693	29,790	29,584	29,665	30,060	30,309	30,308	30,263	30,605	30,555	30,539	30,522	30,608	
Primary metals.....do	2,529	2,759	2,758	2,759	2,824	2,741	2,762	2,891	2,930	2,921	2,939	2,940	2,955	2,975	3,064	
Machinery (elec. and nonelec.).....do	9,491	10,733	10,738	10,733	10,888	10,824	10,875	10,946	10,940	10,984	11,127	11,055	11,042	11,139	11,149	
Transportation equipment.....do	9,192	10,717	10,753	10,717	10,857	10,788	10,826	10,783	10,709	10,641	10,717	10,649	10,669	10,595	10,474	
Finished goods ².....do	14,438	16,151	16,179	16,151	16,907	16,310	16,505	16,810	16,692	16,694	17,004	17,114	17,132	17,398	17,562	
Primary metals.....do	2,215	2,446	2,465	2,446	2,386	2,444	2,480	2,626	2,636	2,631	2,667	2,707	2,671	2,729	2,776	
Machinery (elec. and nonelec.).....do	5,587	6,285	6,272	6,285	7,024	6,470	6,583	6,648	6,595	6,632	6,847	6,879	6,928	7,061	6,998	
Transportation equipment.....do	1,365	1,572	1,572	1,572	1,545	1,530	1,541	1,542	1,513	1,520	1,541	1,517	1,460	1,468	1,485	
Nondurable goods industries, total ².....do																
Food and kindred products.....do	31,168	32,384	32,385	32,384	32,291	32,675	32,719	33,102	33,188	33,311	33,181	33,198	33,335	33,838	34,041	
Tobacco products.....do	7,370	7,240	7,295	7,240	7,240	7,451	7,457	7,579	7,581	7,563	7,457	7,336	7,376	7,432	7,668	
Textile mill products.....do	2,257	2,198	2,238	2,198	2,170	2,150	2,159	2,165	2,142	2,142	2,145	2,171	2,168	2,185	2,223	
Paper and allied products.....do	3,559	3,525	3,502	3,525	3,456	3,439	3,423	3,427	3,431	3,380	3,383	3,381	3,338	3,397	3,317	
Chemicals and allied products.....do	2,394	2,644	2,618	2,644	2,671	2,682	2,686	2,713	2,697	2,738	2,754	2,758	2,762	2,756	2,775	
Petroleum and coal products.....do	5,931	6,625	6,581	6,625	6,557	6,612	6,640	6,704	6,798	6,895	6,921	6,943	7,015	7,069	7,184	
Rubber and plastics products.....do	2,102	2,255	2,185	2,255	2,313	2,328	2,345	2,374	2,414	2,446	2,380	2,422	2,417	2,461	2,555	
By stage of fabrication:	1,799	1,886	1,869	1,886	1,913	1,946	1,958	1,948	1,920	1,915	1,930	1,908	1,935	1,949	1,960	
Materials and supplies.....do	11,617	11,821	11,966	11,821	11,647	11,818	11,936	11,950	11,921	11,910	11,849	11,856	11,877	12,117	12,201	
Work in process.....do	4,834	5,072	5,076	5,072	5,076	5,013	4,958	4,993	5,013	5,002	4,977	4,896	4,887	4,940	4,966	
Finished goods.....do	14,717	15,491	15,343	15,491	15,568	15,844	15,825	16,159	16,254	16,399	16,355	16,446	16,571	16,781	16,874	
By market category:																
Home goods and apparel.....do	9,461	9,924	9,947	9,924	9,895	9,896	9,845	9,930	9,847	9,813	9,892	10,037	10,040	10,158	10,145	
Consumer staples.....do	11,790	12,102	12,102	12,102	12,126	12,374	12,438	12,565	12,554	12,587	12,465	12,415	12,497	12,679	12,758	
Equip. and defense prod., excl. auto.....do	22,178	25,862	25,612	25,862	25,953	25,925	26,003	26,185	26,119	26,241	26,613	26,546	26,472	26,439	26,540	
Automotive equipment.....do	5,218	5,299	5,193	5,299	5,337	5,299	5,255	5,245	5,161	5,094	5,181	5,136	5,045	5,194	5,202	
Construction materials and supplies.....do	7,393	7,980	7,948	7,980	7,937	7,979	8,006	8,035	8,016	8,026	8,086	8,173	8,246	8,306	8,457	
Other materials and supplies.....do	32,527	34,764	34,612	34,764	34,910	35,153	35,435	35,831	35,938	35,945	36,023	36,271	36,358	36,690	37,031	
Supplementary series:																
Household durables.....do	4,645	5,097	5,114	5,097	5,142	5,153	5,169	5,169	5,050	5,018	5,108	5,159	5,159	5,195	5,199	
Defense products (old series).....do	11,485	13,173	13,036	13,173	13,150	13,044	13,015	12,941	12,872	12,816	12,906	12,761	12,710	12,429	12,336	
Defense products (new series).....do	7,112	7,459	7,602	7,459	7,498	7,294	7,326	7,359	7,189	7,104	7,143	7,056	6,986	6,803	6,671	
Producers' capital goods industries.....do	14,070	16,353	16,289	16,353	16,449	16,582	16,715	16,911	16,898	17,026	17,285	17,337	17,418	17,659	17,740	
New orders, net (not seas. adj.), total†.....do																
Durable goods industries, total.....do	335,301	367,482	30,430	29,740	27,766	30,422	30,412	29,594	29,825	32,147	28,171	28,152	31,166	28,936	28,245	29,459
Nondurable goods industries, total.....do	272,737	291,709	24,942	23,809	23,590	25,519	25,940	25,208	25,084	26,435						

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969	1969		1970											
	Annual	Annual	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

COMMODITY PRICES—Continued

WHOLESALE PRICES [⊖] —Continued																	
(U.S. Department of Labor Indexes—Continued)																	
All commodities [⊕] —Continued																	
Industrial commodities—Continued																	
Hides, skins, and leather products [⊖]																	
1957-59=100																	
Footwear.....do.....	119.5	125.8	126.8	126.5	126.6	126.7	126.8	128.5	127.9	127.3	127.1	127.1	127.3	127.9	128.4	127.9	
Hides and skins.....do.....	128.0	133.2	135.5	135.0	135.9	136.9	136.9	138.4	137.8	137.9	137.9	137.9	138.8	139.0	139.0	139.1	
Leather.....do.....	99.9	116.9	110.4	108.9	102.8	101.1	99.4	106.6	101.8	93.8	90.8	92.8	93.8	97.2	102.9	96.0	
Lumber and wood products.....do.....	112.6	119.9	119.6	119.7	119.6	117.3	118.2	120.4	120.4	119.8	119.8	118.9	116.8	118.1	118.4	118.3	
Lumber.....do.....	119.4	132.0	123.9	122.5	121.6	120.2	119.5	120.1	121.0	120.2	119.6	120.2	120.4	119.2	117.9	117.1	
Machinery and equipment [⊖]do.....	127.3	142.6	129.3	128.2	126.9	124.1	123.3	123.5	124.3	123.0	121.8	123.0	124.1	123.4	121.6	120.4	
Agricultural machinery and equip.....do.....	115.4	119.0	121.0	121.9	122.5	122.8	123.1	123.4	123.7	124.1	124.7	124.8	125.3	126.0	126.5	127.2	
Construction machinery and equip.....do.....	127.2	132.8	135.8	136.4	136.7	137.2	137.1	137.3	137.4	137.1	137.4	137.6	138.4	139.5	141.0	142.4	
Electrical machinery and equip.....do.....	130.2	135.5	138.6	139.8	140.2	140.3	140.6	140.8	140.9	141.0	141.2	141.6	142.2	145.0	146.5	147.3	
Metalworking machinery and equip.....do.....	103.1	104.8	106.0	106.2	106.8	106.9	107.2	107.3	107.5	108.2	108.6	108.8	109.4	109.5	109.8	110.1	
Metals and metal products [⊖]do.....	128.7	133.4	136.5	138.0	138.6	139.3	139.8	140.3	140.3	141.7	142.2	141.5	141.5	141.9	142.0	142.5	
Heating equipment.....do.....	112.4	118.9	122.9	123.8	124.9	126.1	127.0	127.8	128.7	129.1	129.0	128.8	128.7	129.0	128.0	127.4	
Iron and steel.....do.....	95.2	97.6	99.3	99.7	99.7	99.9	100.5	101.3	101.7	102.4	103.3	103.4	103.8	104.6	104.6	104.5	
Nonferrous metals.....do.....	105.6	111.0	113.7	113.9	114.6	117.0	117.7	117.3	118.9	120.2	120.4	120.3	120.9	121.6	120.7	120.7	
Nonmetallic mineral products [⊖]do.....	125.1	137.4	146.4	150.1	152.8	152.8	153.4	157.1	157.2	155.0	152.6	151.1	148.4	147.5	144.3	141.1	
Clay prod., structural, excl. refractories.....do.....	108.2	112.8	113.9	114.5	116.5	116.9	117.3	117.8	117.9	117.9	118.1	118.5	118.7	119.1	119.5	120.0	
Concrete products.....do.....	113.3	117.0	118.5	118.5	119.4	119.4	119.8	120.9	121.2	121.2	121.3	121.3	122.0	122.2	122.4	122.9	
Gypsum products.....do.....	108.1	112.2	113.6	114.2	115.9	116.4	117.0	117.2	117.4	118.1	118.3	118.9	119.7	119.8	120.1	120.7	
Pulp, paper, and allied products.....do.....	106.5	106.4	109.8	104.3	107.3	108.3	107.0	105.6	104.0	100.7	100.7	104.7	99.2	99.8	98.7	97.8	
Paper.....do.....	104.9	108.2	109.3	109.5	111.1	111.8	112.1	112.5	112.3	112.2	112.5	112.3	112.4	113.0	112.8	112.6	
Rubber and plastics products [⊖]do.....	112.2	116.6	117.0	117.4	120.3	121.5	121.6	121.6	121.6	121.7	121.9	122.5	122.6	123.1	123.3	123.3	
Tires and tubes.....do.....	100.2	102.1	104.4	104.5	104.7	104.6	104.4	104.2	104.2	104.1	105.6	106.3	106.0	106.1	105.7	106.0	
Textile products and apparel [⊖]do.....	98.7	98.2	101.7	101.7	101.7	101.7	101.7	101.7	101.7	101.7	107.5	107.5	107.5	107.5	107.5	107.5	
Apparel.....do.....	105.8	108.0	109.2	109.2	109.5	109.4	109.5	109.3	109.3	109.3	109.2	109.5	109.6	109.4	109.2	108.8	
Cotton products.....do.....	110.6	114.5	116.7	116.9	117.2	117.5	117.9	117.9	118.0	118.4	118.4	119.0	119.6	119.9	120.0	119.5	
Manmade fiber textile products.....do.....	105.2	105.2	106.0	106.1	106.1	106.1	105.8	105.8	105.8	105.9	105.8	106.3	106.4	106.7	106.9	107.6	
Silk yarns.....do.....	90.8	92.2	91.5	91.1	91.5	91.0	90.4	89.9	89.5	89.0	88.4	88.0	87.1	85.7	84.8	84.3	
Wool products.....do.....	183.0	169.7	184.6	191.1	193.5	196.3	194.2	201.3	204.8	199.5	201.0	201.0	193.2	193.4	190.1	191.3	
Transportation equipment [⊖]do.....	103.7	104.6	104.6	104.3	104.3	104.3	104.4	104.0	103.8	102.8	102.6	102.4	102.0	100.9	100.9	100.0	
Motor vehicles and equip.....do.....	100.7	102.7	102.7	102.9	102.9	103.2	103.1	103.2	103.2	103.3	103.2	103.3	103.6	108.2	108.5	108.9	
Miscellaneous products [⊖]do.....	105.1	107.0	109.0	109.0	109.1	109.1	109.4	109.3	109.4	109.5	109.4	109.5	109.7	115.0	115.3	115.9	
Toys, sporting goods, etc.....do.....	111.7	114.7	117.0	117.0	117.4	117.5	117.8	117.8	118.2	121.0	121.4	121.5	121.9	122.0	122.2	122.3	
Tobacco products.....do.....	108.3	111.3	112.8	112.7	114.1	114.2	115.3	115.0	115.1	115.8	115.9	116.2	116.4	117.0	116.8	116.9	
Purchasing power of the dollar.....do.....	115.2	120.8	124.0	124.0	124.0	124.0	124.1	124.1	124.1	132.3	131.7	131.8	132.1	132.1	132.1	132.1	
PURCHASING POWER OF THE DOLLAR																	
As measured by—																	
Wholesale prices.....do.....	1957-59=\$1.00	\$0.919	\$0.885	\$0.872	\$0.869	\$0.862	\$0.859	\$0.858	\$0.858	\$0.856	\$0.855	\$0.850	\$0.853	\$0.849	\$0.849	\$0.850	\$0.849
Consumer prices.....do.....		.825	.783	.767	.762	.759	.755	.751	.746	.743	.740	.737	.735	.732	.728	.726	

CONSTRUCTION AND REAL ESTATE

CONSTRUCTION PUT IN PLACE																
New construction (unadjusted), total.....mil. \$..	84,690	90,866	7,867	6,963	6,091	5,897	6,512	7,106	7,686	8,244	8,470	8,812	8,484	8,323	7,989	
Private, total [⊖]do.....	56,996	62,806	5,483	5,111	4,317	4,113	4,567	4,990	5,281	5,588	5,744	5,965	5,790	5,802	5,603	
Residential (nonfarm).....do.....	28,823	30,603	2,482	2,288	1,961	1,765	1,986	2,278	2,463	2,634	2,813	2,935	2,698	2,673	2,633	
New housing units.....do.....	22,423	23,689	1,984	1,797	1,495	1,300	1,454	1,636	1,743	1,876	1,990	2,075	2,093	2,095	2,094	
Nonresidential buildings, except farm and public utilities, total [⊖]mil. \$..	18,800	22,033	2,076	1,942	1,623	1,627	1,769	1,824	1,891	1,948	1,898	1,983	2,010	1,998	1,885	
Industrial.....do.....	5,594	6,373	569	575	438	415	458	501	498	521	519	543	531	528	527	
Commercial.....do.....	8,333	10,136	982	889	750	763	841	840	890	925	874	922	964	964	862	
Public utilities:.....do.....																
Telephone and telegraph.....do.....	1,704	2,172	200	226	155	174	218	234	235	271	275	266	276			
Public, total [⊖]do.....	27,694	28,060	2,384	1,852	1,774	1,784	1,945	2,116	2,405	2,656	2,726	2,847	2,694	2,521	2,386	
Buildings (excluding military) [⊖]do.....	10,445	11,226	921	780	800	801	834	877	887	953	893	984	926	814		
Housing and redevelopment.....do.....	746	1,047	95	80	78	75	118	82	89	104	87	86	93			
Industrial.....do.....	517	512	36	41	41	35	36	45	48	47	24	42	47	45	36	
Military facilities.....do.....	824	945	76	73	61	54	53	56	72	75	50	82	76	81	74	
Highways and streets.....do.....	9,295	9,276	822	600	483	500	581	677	904	986	1,144	1,134	1,061	984		
New construction (seasonally adjusted at annual rates), total.....bil. \$..			88.8	89.8	90.8	92.0	90.7	90.4	89.5	90.2	90.7	92.1	90.7	91.3	91.1	
Private, total [⊖]do.....			61.8	61.9	62.7	63.3	64.2	63.4	62.4	62.1	62.3	63.6	62.5	63.7	63.3	
Residential (nonfarm).....do.....			28.8	28.9	28.7	28.7	29.4	29.6	28.9	28.1	28.6	29.7	28.5	29.7	30.5	
Nonresidential buildings, except farm and public utilities, total [⊖]bil. \$..			22.8	22.6	23.3	24.0	23.8	22.7	22.4	22.7	21.9	22.4	21.8	21.8	20.7	
Industrial.....do.....			6.6	6.4	6.4	6.0	5.9	6.2	5.9	5.9	5.9	6.2	5.7	6.0	6.1	
Commercial.....do.....			10.2	10.3	11.0	11.7	11.8	10.6	10.6	10.9	10.0	10.2	10.4	10.2	8.9	
Public utilities:.....do.....																
Telephone and telegraph.....do.....			2.2	2.5	2.4	2.4	2.6	2.9	2.8	2.9	3.3	3.0	3.3	3.2		
Public, total [⊖]do.....			27.0	27.9	28.1	28.6	26.6	27.1	27.0	28.4	28.4	28.5	28.2	27.7	27.8	
Buildings (excluding military) [⊖]do.....			10.5	10.7	10.8	10.9	10.7	10.7	10.5	10.5	10.4	10.4				
Housing and redevelopment.....do.....			.9	1.0	1.1	1.1	1.2	1.4	1.2	1.1	1.0	1.0				
Industrial.....do.....			.4	.5	.5	.5	.4	.5	.5	.5	.4	.6	.5	.5	.4	
Military facilities.....do.....			.8	.9	.9	.7	.7	.7	.9	.8	.6	.8	.7	.9	.8</	

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969	1969		1970											
	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CONSTRUCTION AND REAL ESTATE—Continued																
CONSTRUCTION CONTRACTS																
Construction contracts in 48 States (F. W. Dodge Division, McGraw-Hill):																
Valuation, total.....mil. \$	61,732	67,827	4,406	5,228	4,928	5,249	6,140	6,757	5,417	6,553	6,178	6,230	5,398	5,453	5,145	
Index (mo. data seas. adj.).....1957-59=100	173	193	178	218	205	215	208	203	170	186	180	212	183	179	202	
Public ownership.....mil. \$	19,597	22,858	1,427	1,727	1,433	1,652	2,069	1,791	1,695	2,815	2,313	2,078	1,869	2,023	1,937	
Private ownership.....do	42,135	44,969	2,980	3,501	3,495	3,597	4,071	4,966	3,722	3,738	3,865	4,151	3,529	3,430	3,208	
By type of building:																
Non-residential.....do	22,513	26,065	1,566	2,168	2,252	2,269	2,191	2,413	1,750	1,919	2,469	2,331	1,944	1,863	1,701	
Residential.....do	24,838	25,590	1,675	1,744	1,475	1,482	1,974	2,466	2,123	2,224	2,347	2,349	2,176	2,302	1,947	
Non-building construction.....do	14,382	16,152	1,165	1,317	1,201	1,498	1,975	1,878	1,545	2,410	1,361	1,549	1,278	1,289	1,497	
New construction planning (Engineering News-Record).....do	52,419	57,164	6,878	5,486	5,655	4,092	4,989	5,857	6,457	4,916	5,248	4,829	4,303	7,555	7,013	6,023
HOUSING STARTS AND PERMITS																
New housing units started:																
Unadjusted:																
Total (private and public).....thous.	1,545.5	1,499.9	97.4	85.3	69.2	77.0	117.8	130.2	127.3	141.6	143.4	131.6	133.4	143.4	127.8	120.0
Inside SMSA's.....do	1,116.1	1,096.8	68.1	63.7	52.0	55.3	87.5	91.3	88.4	92.4	103.4	92.2	89.2	98.7	90.0	85.3
Privately owned.....do	1,507.7	1,466.8	94.6	84.1	66.4	74.3	114.7	128.4	125.0	135.2	140.8	128.7	130.9	140.9	126.4	117.6
One-family structures.....do	899.5	810.6	55.1	42.8	33.4	41.4	61.9	73.8	74.8	83.0	75.5	77.3	76.0	79.4	67.1	67.2
Seasonally adjusted at annual rates:																
Total privately owned.....do			1,280	1,402	1,059	1,306	1,392	1,224	1,242	1,393	1,603	1,425	1,509	1,583	1,688	1,987
One-family structures.....do			762	776	577	725	708	697	728	835	827	838	881	890	930	1,204
New private housing units authorized by building permits (13,000 permit-issuing places): ²																
Seasonally adjusted at annual rates:																
Total.....thous.	1,353	1,300	1,213	1,175	1,051	1,108	1,085	1,178	1,309	1,284	1,309	1,378	1,389	1,521	1,489	1,737
One-family structures.....do	695	617	591	605	483	555	542	595	600	618	638	676	679	698	704	834
Manufacturers' shipments of mobile homes: [*]																
Unadjusted.....do	318.0	412.7	32.7	27.2	23.7	23.9	29.3	39.6	32.6	35.4	36.8	38.1	41.1	40.5	30.3	
Seasonally adjusted at annual rates.....do			452	403	383	340	344	442	377	366	432	407	428	423	418	
CONSTRUCTION COST INDEXES																
Dept. of Commerce composite.....1957-59=100	131	142	144	145	146	146	146	148	150	153	155	156	157	157	157	
American Appraisal Co., The:																
Average, 30 cities.....1913=100	970	1,050	1,073	1,076	1,082	1,084	1,085	1,097	1,117	1,127	1,150	1,158	1,158	1,167		
Atlanta.....do	1,072	1,158	1,178	1,178	1,210	1,214	1,221	1,231	1,231	1,231	1,261	1,263	1,268	1,268		
New York.....do	1,070	1,116	1,136	1,136	1,189	1,171	1,172	1,178	1,178	1,177	1,226	1,229	1,229	1,229		
San Francisco.....do	966	1,054	1,066	1,061	1,061	1,060	1,061	1,062	1,062	1,058	1,106	1,110	1,110	1,111		
St. Louis.....do	953	1,021	1,054	1,054	1,060	1,065	1,066	1,072	1,138	1,137	1,138	1,140	1,140	1,140		
Associated General Contractors of America, Inc., The (building only).....1957-59=100	139	150	153	154	155	155	156	157	159	164	168	171	172	176	179	
Boeckh indexes:																
Average, 20 cities:																
Apartments, hotels, office buildings.....1957-59=100	139.9	151.8	156.0	156.4	156.7	157.1	158.0	158.3	159.4	159.8	163.8	164.1	167.7	168.1	169.2	
Commercial and factory buildings.....do	139.1	149.1	152.5	153.2	154.2	154.5	155.5	155.7	157.7	157.9	161.9	162.1	165.2	165.3	166.5	
Residences.....do	136.7	148.0	150.1	151.0	151.6	152.1	152.3	152.6	153.3	153.6	157.5	157.8	159.3	159.6	160.6	
Engineering News-Record:																
Building.....do	136.8	149.9	151.9	152.2	152.2	152.0	152.2	154.2	156.4	157.5	160.9	161.4	162.7	163.6	164.3	164.2
Construction.....do	151.9	167.2	171.7	171.7	172.2	172.5	173.0	174.9	177.0	180.1	186.0	186.6	187.2	188.6	190.2	190.2
Federal Highway Adm.—Highway construction: Composite (avg. for year or qtr.).....1967=100	103.4	111.8		116.6			116.4			121.3			134.0			
CONSTRUCTION MATERIALS																
Output index: †																
Composite, unadjusted.....1947-49=100	166.0	166.0	147.6	147.0	136.7	142.9	161.1	162.9			175.9	173.8	172.0			
Seasonally adjusted.....do			154.4	171.1	145.5	161.5	166.6	159.8			182.4	157.5	164.5			
Iron and steel products, unadjusted.....do	171.1	167.8	153.0	158.7	140.2	158.9	175.4	162.7	180.7	190.9	183.7	175.8	168.0	165.7		
Lumber and wood products, unadj.....do	168.2	164.5	147.2	149.9	151.0	146.6	163.4	169.8	163.8	162.6	165.1	167.2	170.3	176.7		
Portland cement, unadjusted.....do	198.1	204.2	184.2	155.4	101.7	120.8	153.9	196.9	217.6	239.0	253.4	249.1	228.2	234.1		
REAL ESTATE																
Mortgage applications for new home construction:																
FHA net applications.....thous. units	166.8	184.9	14.6	14.9	16.5	20.0	26.5	27.7	24.9	27.7	26.6	27.9	29.4	28.1	23.8	
Seasonally adjusted annual rates.....do			230	210	251	250	258	282	269	290	294	319	338	327	350	
Requests for VA appraisals.....do	131.7	138.2	11.5	10.1	9.4	10.7	13.5	12.8	12.2	11.5	12.7	13.2	12.0	14.3	11.1	10.4
Seasonally adjusted annual rates.....do			177	147	141	142	142	134	131	125	127	153	138	166	163	151
Home mortgages insured or guaranteed by—																
Fed. Hous. Adm.: Face amount.....mil. \$	6,495.94	7,120.63	560.12	595.83	610.47	501.86	581.88	561.43	527.06	696.27	705.61	751.81	788.61	867.76	769.79	
Vet. Adm.: Face amount.....do	3,773.88	4,073.86	328.54	317.14	310.21	235.24	257.74	232.58	237.52	262.66	297.73	306.24	325.77	340.56	318.97	317.70
Federal Home Loan Banks, outstanding advances to member institutions, end of period.....mil. \$	5,259	9,289	8,802	9,289	9,852	9,937	9,745	9,860	10,008	10,236	10,373	10,446	10,524			
New mortgage loans of all savings and loan associations, estimated total.....mil. \$	21,983	21,832	1,330	1,508	1,064	1,042	1,262	1,400	1,586	2,086	2,080	2,111	2,183	2,127	1,972	2,451
By purpose of loan:																
Home construction.....do	4,916	4,756	286	300	220	223	284	325	373	398	393	369	388	406	355	401
Home purchase.....do	11,215	11,244	652	687	530	502	585	627	741	1,017	1,071	1,147	1,100	1,032	919	964
All other purposes.....do	5,852	5,832	392	521	314	317	393	448	472	671	616	595	695	689	698	1,086
Foreclosures.....number	110,404	95,856	7,249	8,337	7,704	7,137	8,383	8,491	8,639	9,084						
Fire losses (on bldgs., contents, etc.).....mil. \$	1,829.92	1,952.02	146.32	179.43	184.03	206.89	196.68	188.47	186.94	177.67	177.85	200.93	176.27	185.67	158.49	

* Revised. † Preliminary. ‡ Annual total reflects revisions not distributed to months. § Computed from cumulative valuation total. ¶ Index as of Jan. 1, 1971: Building, 160.2; Construction, 192.8. © Data for Jan., Apr., July, Oct., and Dec. 1970 are for 5 weeks; other months, 4 weeks. ** New series. Data from Mobile Home Manufacturers' Association; seasonally adjusted annual rates calculated by Bu. of the Census. Available earlier data will be shown later. †† New base; comparable data for periods prior to 4th qtr. 1969 will be shown later. ‡‡ Revisions for Jan. 1967-Oct. 1970 for permits, for 1961-68 for FHA applications, and for 1961-Feb. 1969 for requests for VA appraisals (seas. adj. annual rates) will be shown later. Revisions for 1964-68 for construction materials output indexes appear in the Dec. 1969 issue of Construction Review (BDSA). ††† Includes data for items not shown separately. †††† Data include guaranteed direct loans sold.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968		1969		1970											
	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
DOMESTIC TRADE—Continued																
RETAIL TRADE—Continued																
All retail stores—Continued																
Estimated sales (seas. adj.)—Continued																
Nondurable goods stores † mil. \$																
Apparel group																
Men's and boys' wear stores																
Women's apparel, accessory stores																
Shoe stores																
Drug and proprietary stores																
Eating and drinking places																
Food group																
Grocery stores																
Gasoline service stations																
General merchandise group with non-stores † mil. \$																
General merchandise group without non-stores † mil. \$																
Department stores																
Mail order houses (dept. store mdse.)																
Variety stores																
Liquor stores																
Estimated inventories, end of year or month: ‡																
Book value (unadjusted), total † mil. \$																
Durable goods stores †																
Automotive group																
Furniture and appliance group																
Lumber, building, hardware group																
Nondurable goods stores †																
Apparel group																
Food group																
General merchandise group with non-stores † mil. \$																
Department stores																
Book value (seas. adj.), total †																
Durable goods stores †																
Automotive group																
Furniture and appliance group																
Lumber, building, hardware group																
Nondurable goods stores †																
Apparel group																
Food group																
General merchandise group with non-stores † mil. \$																
Department stores																
Firms with 11 or more stores:																
Estimated sales (unadj.), total †																
Apparel group †																
Men's and boys' wear stores																
Women's apparel, accessory stores																
Shoe stores																
Drug and proprietary stores																
Eating and drinking places																
Furniture and appliance group																
General merchandise group with non-stores † mil. \$																
General merchandise group without non-stores † mil. \$																
Dept. stores, excl. mail order sales																
Variety stores																
Grocery stores																
Tire, battery, accessory dealers																
Estimated sales (seas. adj.), total †																
Apparel group †																
Men's and boys' wear stores																
Women's apparel, accessory stores																
Shoe stores																
Drug and proprietary stores																
Eating and drinking places																
General merchandise group with non-stores † mil. \$																
General merchandise group without non-stores † mil. \$																
Dept. stores, excl. mail order sales																
Variety stores																
Grocery stores																
Tire, battery, accessory dealers																
All retail stores, accounts receivable, end of yr. or mo.:																
Total (unadjusted) mil. \$																
Durable goods stores																
Nondurable goods stores																
Charge accounts																
Installment accounts																
Total (seasonally adjusted)																
Durable goods stores																
Nondurable goods stores																
Charge accounts																
Installment accounts																

* Revised. * See corresponding note on p. S-11. † Series revised to reflect benchmarking to the levels of the 1968 and 1969 Annual Retail Trade Reports (Census Bureau), and also recalculation of seas. factors for all lines of trade; description of revisions and

revised data back to 1961 appear on pp. 38 ff. of the Oct. 1970 SURVEY. ‡ Includes data not shown separately. § Except department stores mail order.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969	1969		1970										
	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued

HOURS AND MAN-HOURS—Continued																
Man-hour indexes, seas. adjusted—Continued																
Manufacturing indus., nondurable goods—Con.																
Paper and allied products.....1957-59=100	117.4	120.9	120.7	121.7	121.9	120.2	119.5	117.5	116.6	115.8	114.9	114.7	113.9	114.3	112.9	
Printing and publishing.....do	117.3	120.2	121.8	122.6	121.3	120.5	119.7	118.0	117.6	118.4	116.8	116.8	116.2	116.3	117.0	
Chemicals and allied products.....do	122.7	125.3	124.6	124.8	125.2	124.0	123.4	121.6	121.0	120.9	119.8	122.6	120.0	119.0	118.6	
Petroleum and coal products.....do	83.0	79.3	83.0	82.4	83.5	83.9	82.9	81.7	82.8	83.0	83.3	81.7	82.8	82.2	83.3	
Rubber and plastics products, nec.....do	158.5	166.3	164.7	165.2	165.1	163.7	162.1	161.1	144.9	154.2	159.3	153.8	147.3	145.5	146.2	
Leather and leather products.....do	95.9	90.1	88.2	89.5	88.7	86.5	86.9	87.2	87.6	88.0	87.7	83.4	82.4	83.3	82.0	
WEEKLY AND HOURLY EARNINGS																
Not Seasonally Adjusted																
Avg. weekly gross earnings per prod. worker on payrolls of private nonagric. estab. \$.....dollars																
Mining.....do	107.73	114.61	117.38	117.62	116.12	116.55	117.92	117.34	118.40	120.05	121.45	122.20	121.73	121.36	121.40	122.43
Contract construction.....do	142.71	154.80	161.08	160.64	159.05	160.60	160.27	163.35	162.26	163.88	163.97	163.97	164.55	168.67	165.09	165.09
Manufacturing establishments.....do	164.93	181.16	184.39	189.13	181.00	186.21	188.23	192.91	194.31	196.99	200.20	204.05	194.03	203.79	196.57	203.79
Durable goods.....do	132.07	140.01	142.55	145.53	142.04	140.24	142.51	141.50	143.07	144.94	143.87	143.92	145.56	142.76	143.56	149.04
Ordinance and accessories.....do	135.29	138.17	143.32	143.91	144.73	144.43	145.66	146.06	146.47	146.11	143.28	145.52	146.00	147.53	151.03	154.57
Lumber and wood products.....do	104.34	110.15	114.11	113.88	110.65	111.90	112.97	114.62	117.09	119.50	118.31	122.31	121.70	120.78	120.48	121.50
Furniture and fixtures.....do	100.28	105.85	108.81	110.57	105.42	104.49	105.96	105.65	105.88	107.92	107.86	111.00	108.92	111.72	111.56	114.17
Stone, clay, and glass products.....do	124.98	133.98	137.85	137.76	134.15	137.12	137.12	139.03	140.27	141.10	141.25	142.35	142.83	143.66	143.85	144.55
Primary metal industries.....do	147.68	158.42	159.39	161.38	159.42	157.08	157.49	156.35	157.56	159.54	159.96	160.80	166.46	157.61	156.81	162.79
Fabricated metal products.....do	131.77	138.94	141.86	143.79	141.45	140.48	142.33	142.10	143.26	145.49	144.79	144.89	145.44	142.61	142.31	150.51
Machinery, except electrical.....do	141.46	162.15	154.87	160.33	156.14	155.87	157.88	155.25	154.95	155.32	153.06	152.31	152.76	153.92	155.09	157.85
Electrical equip. and supplies.....do	118.08	124.84	126.77	129.65	128.15	127.04	129.92	128.30	129.49	130.68	132.14	131.74	131.54	132.47	133.67	136.68
Transportation equipment.....do	155.72	161.85	165.17	170.49	161.20	157.21	160.40	156.80	164.02	170.56	166.06	164.40	167.66	162.41	163.22	173.02
Instruments and related products.....do	120.69	128.21	132.75	134.23	132.03	131.45	133.50	132.59	132.00	133.39	132.87	133.73	134.64	136.00	136.74	138.45
Miscellaneous manufacturing ind.....do	98.50	103.74	106.90	109.02	108.25	108.64	109.20	108.64	108.47	108.75	108.29	108.85	109.16	110.30	111.64	113.68
Nondurable goods.....do	109.05	115.53	118.21	119.60	117.99	117.69	118.78	118.56	118.95	119.95	121.44	121.04	122.15	122.07	123.17	124.26
Food and kindred products.....do	114.24	120.77	123.41	124.64	124.74	123.20	124.00	124.49	127.98	127.58	128.61	128.96	130.56	129.92	131.22	133.01
Tobacco manufactures.....do	93.99	97.99	97.73	98.26	106.39	106.64	105.56	110.56	110.03	115.14	113.63	104.81	108.29	111.50	114.46	108.70
Textile mill products.....do	91.05	95.47	99.46	99.95	96.80	96.80	97.04	96.56	96.47	97.93	96.96	97.60	96.19	99.75	100.80	101.45
Apparel and other textile products.....do	79.78	82.93	83.77	84.37	83.07	83.78	84.85	83.90	82.84	84.25	84.61	85.56	83.45	84.46	86.38	86.38
Paper and allied products.....do	130.85	139.32	142.43	144.29	142.04	140.37	140.70	140.53	142.12	142.61	144.70	146.23	147.97	147.07	147.91	148.75
Printing and publishing.....do	133.28	141.70	145.15	148.59	143.26	144.02	145.92	145.15	145.89	147.03	148.18	149.31	151.18	150.38	150.75	154.28
Chemicals and allied products.....do	136.27	145.05	149.52	150.36	150.12	149.76	150.48	150.18	151.42	152.72	153.59	153.68	158.76	155.70	156.87	157.70
Petroleum and coal products.....do	159.38	170.40	175.07	170.97	176.40	176.81	176.81	179.77	181.90	181.04	184.45	184.03	187.49	187.05	186.19	184.45
Rubber and plastics products, nec.....do	121.18	126.18	128.64	130.31	128.21	127.48	127.26	127.35	123.29	127.26	129.68	130.41	132.03	129.60	130.22	131.74
Leather and leather products.....do	85.41	87.79	90.51	93.45	92.74	92.38	91.64	90.02	93.38	94.87	93.99	91.76	90.86	92.00	93.62	94.63
Trans., comm., elec., gas, etc.*.....do	138.85	147.74	152.15	151.78	151.07	151.88	150.75	149.25	153.12	156.29	159.06	159.51	159.95	159.96	160.37	160.00
Wholesale and retail trade.....do	86.40	91.14	92.58	93.18	93.02	93.80	93.80	93.88	94.50	96.12	98.10	98.74	97.08	96.88	96.95	97.08
Wholesale trade.....do	122.31	129.85	133.87	135.94	134.67	135.20	136.00	135.66	136.06	136.80	137.83	138.35	137.76	139.25	139.74	141.55
Retail trade.....do	74.95	78.66	79.30	80.14	79.49	79.92	80.49	80.25	81.41	82.86	85.16	85.40	84.07	83.08	83.42	83.73
Finance, insurance, and real estate.....do	101.75	108.33	111.23	110.26	111.44	112.48	112.85	111.81	111.57	111.57	112.61	113.65	113.09	114.82	115.55	114.61
Services*.....do	84.32	91.26	94.11	94.11	93.98	95.01	96.81	95.70	96.04	96.95	98.77	99.75	99.76	99.81	100.84	101.53
Spendable earnings per worker (with 3 dependents), total private sector \$.....current dollars																
Mining.....do	78.61	78.30	78.25	77.91	77.37	77.22	77.62	76.83	77.10	77.72	78.25	78.51	77.89	77.23	77.02	-----
Manufacturing.....do	106.75	111.44	113.63	115.61	114.48	113.69	114.85	114.37	115.27	116.43	116.48	116.22	117.25	115.68	116.58	-----
1957-59 dollars.....do	88.08	87.27	87.07	88.05	86.86	85.80	86.22	85.35	85.64	86.12	85.84	85.46	85.83	84.19	84.60	-----
Avg. hourly gross earnings per prod. worker on payrolls of private nonagric. estab. \$.....dollars																
Mining.....do	2.85	3.04	3.13	3.12	3.13	3.15	3.17	3.18	3.20	3.21	3.23	3.25	3.29	3.28	3.29	3.30
Contract construction.....do	3.35	3.60	3.72	3.71	3.76	3.77	3.78	3.79	3.80	3.82	3.82	3.84	3.89	3.92	3.95	3.94
Manufacturing.....do	4.41	4.78	4.97	5.03	5.07	5.06	5.06	5.09	5.10	5.13	5.20	5.30	5.36	5.42	5.43	5.42
Durable goods.....do	3.01	3.19	3.26	3.29	3.29	3.29	3.31	3.32	3.34	3.36	3.37	3.37	3.42	3.37	3.39	3.46
Excluding overtime.....do	2.88	3.06	3.12	3.15	3.17	3.17	3.19	3.21	3.22	3.23	3.25	3.25	3.29	3.26	3.28	3.35
Ordinance and accessories.....do	3.19	3.39	3.46	3.49	3.49	3.48	3.51	3.52	3.55	3.57	3.57	3.58	3.63	3.56	3.58	3.68
Lumber and wood products.....do	3.05	3.24	3.31	3.34	3.36	3.36	3.38	3.40	3.42	3.44	3.45	3.46	3.49	3.44	3.46	3.56
Furniture and fixtures.....do	3.26	3.42	3.53	3.51	3.53	3.54	3.57	3.58	3.59	3.59	3.60	3.62	3.65	3.67	3.72	3.77
Stone, clay, and glass products.....do	2.57	2.74	2.86	2.84	2.83	2.84	2.86	2.88	2.92	2.98	2.98	3.05	3.05	3.05	3.05	3.03
Primary metal industries.....do	2.47	2.62	2.70	2.71	2.71	2.70	2.71	2.73	2.75	2.76	2.78	2.81	2.80	2.80	2.81	2.84
Fabricated metal products.....do	2.99	3.19	3.29	3.28	3.28	3.28	3.32	3.35	3.38	3.40	3.42	3.43	3.45	3.47	3.50	3.50
Machinery, except electrical.....do	3.55	3.79	3.85	3.87	3.86	3.85	3.86	3.87	3.90	3.92	3.94	3.99	4.07	3.99	3.99	4.08
Electrical equip. and supplies.....do	3.16	3.34	3.41	3.44	3.45	3.46	3.48	3.50	3.52	3.54	3.54	3.56	3.60	3.53	3.54	3.68
Transportation equipment.....do	3.36	3.58	3.67	3.72	3.70	3.72	3.75	3.77	3.77	3.77	3.77	3.77	3.80	3.81	3.82	3.85
Instruments and related products.....do	2.93	3.09	3.13	3.17	3.18	3.20	3.24	3.24	3.27	3.30	3.32	3.31	3.33	3.32	3.35	3.40
Miscellaneous manufacturing ind.....do	3.69	3.90	3.98	4.04	4.02	3.97	4.01	4.00	4.06	4.10	4.08	4.11	4.15	4.01	4.03	4.22
Nondurable goods.....do	2.98	3.15	3.23	3.25	3.26	3.27	3.28	3.29	3.30	3.31	3.33	3.36	3.40	3.40	3.41	3.47
Food and kindred products.....do	2.50	2.66	2.72	2.76	2.79	2.80	2.80	2.80	2.81	2.81	2.82	2.82	2.85	2.85	2.87	2.93
Tobacco manufactures.....do	2.74	2.91	2.97	2.99	3.01	3.01	3.03	3.04	3.05	3.06	3.09	3.08	3.14	3.13	3.15	3.17
Textile mill products.....do	2.63	2.79	2.85	2.87	2.90	2.90	2.92	2.93	2.94	2.95	2.98	2.97	3.02	3.01	3.04	3.06
Apparel and other textile products.....do	2.80	2.96	3.01	3.04	3.08	3.08	3.10	3.12	3.16	3.15	3.16	3.13	3.20	3.20	3.24	3.26
Paper and allied products.....do	2.48	2.62	2.62	2.67	2.66	2.69	2.90	2.98	2.99	3.03	3.03	2.78	2.88	2.83	2.95	2.93
Printing and publishing.....do	2.21	2.34	2.42	2.42	2.42	2.42	2.42	2.43	2.43	2.43	2.43	2.44	2.46	2.46	2.52	2.53
Chemicals and allied products.....do	2.21	2.31	2.34	2.35	2.36	2.36	2.37	2.37	2.36	2.38						

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969	1969		1970											
	Annual	Annual	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued

HELP-WANTED ADVERTISING																
Seasonally adjusted index†.....1957-59=100..	206	228	222	217	203	203	194	186	180	175	172	170	162	146	148	152
LABOR TURNOVER△																
Manufacturing establishments:																
Unadjusted for seasonal variation:																
Accession rate, total																
mo. rate per 100 employees..	4.6	4.7	3.6	2.9	4.0	3.6	3.7	3.7	4.2	5.4	4.4	5.1	4.7	3.8	3.0	
New hires.....do.....	3.5	3.7	2.8	2.1	2.9	2.5	2.6	2.6	2.8	3.9	2.9	3.5	3.4	2.7	1.9	
Separation rate, total.....do.....	4.6	4.9	4.3	4.2	4.8	4.3	4.5	4.8	4.6	4.4	5.3	5.6	6.0	5.3	4.3	
Quit.....do.....	2.5	2.7	2.1	1.6	2.1	1.9	1.9	2.1	2.1	2.1	3.0	3.0	3.3	2.1	1.5	
Layoff.....do.....	1.2	1.2	1.3	1.8	1.7	1.6	1.6	1.7	1.5	1.5	2.3	1.7	1.7	2.2	2.1	
Seasonally adjusted:																
Accession rate, total.....do.....			4.4	4.6	4.2	4.3	3.9	4.0	4.2	4.0	4.1	4.1	3.8	3.6	3.7	
New hires.....do.....			3.4	3.5	3.3	3.1	3.0	2.8	2.7	2.7	2.8	2.9	2.7	2.4	2.3	
Separation rate, total.....do.....			4.8	4.5	5.0	5.1	5.0	5.2	5.0	4.8	4.9	4.5	4.4	5.0	4.8	
Quit.....do.....			2.6	2.5	2.5	2.4	2.2	2.2	2.1	2.2	2.2	2.1	2.0	1.9	1.8	
Layoff.....do.....			1.3	1.4	1.5	1.7	1.8	2.0	1.9	1.9	1.6	1.8	1.9	2.2	2.0	
INDUSTRIAL DISPUTES																
Strikes and lockouts:																
Beginning in period:																
Work stoppages.....number..	5,045	5,700	324	196	260	290	390	600	750	600	490	420	550	410	270	160
Workers involved.....thous..	2,649	2,481	131	51	55	106	294	2,319	2,309	212	192	135	539	159	72	449
In effect during month:																
Work stoppages.....number..			611	446	420	460	570	810	960	840	750	700	810	650	510	370
Workers involved.....thous..			368	276	233	296	364	2,385	2,470	428	354	202	655	608	469	527
Man-days idle during period.....do.....	49,018	42,869	4,308	3,882	3,730	1,820	2,230	24,181	27,516	5,040	4,378	2,800	7,625	10,056	6,458	2,438
EMPLOYMENT SERVICE AND UNEMPLOYMENT INSURANCE																
Nonfarm placements.....thous..	5,733	5,153	372	311	326	295	328	352	339	374	333	330	340	298		
Unemployment insurance programs:																
Insured unemployment, all programs \$.....do.....																
State programs:	1,187	1,177	1,105	1,464	1,958	1,988	1,917	1,885	1,778	1,696	1,897	1,855	1,746	1,889	2,233	
Initial claims.....do.....	10,463	10,385	866	1,363	1,529	1,169	1,078	1,333	1,010	1,118	1,502	1,068	1,079	1,208		
Insured unemployment, weekly avg.....do.....	1,111	1,101	1,030	1,375	1,847	1,874	1,798	1,770	1,667	1,583	1,761	1,710	1,607	1,724	2,017	
Percent of covered employment:♁																
Unadjusted.....do.....	2.2	2.1	2.0	2.7	3.6	3.6	3.5	3.4	3.2	3.0	3.3	3.2	3.0	3.2	3.7	
Seasonally adjusted.....do.....			2.3	2.4	2.5	2.6	2.8	3.2	3.6	3.7	3.6	3.7	4.1	4.4	4.4	
Beneficiaries, weekly average.....thous..	936	923	763	1,020	1,459	1,629	1,581	1,533	1,462	1,382	1,414	1,500	1,375	1,377		
Benefits paid.....mil. \$.	2,031.6	2,127.9	136.6	214.3	299.4	310.8	331.1	320.2	292.9	291.7	314.2	311.4	300.2	304.2		
Federal employees, insured unemployment, weekly average.....thous..																
Veterans' program (UCX):	23	20	22	24	28	30	29	27	26	27	31	33	32	33	35	
Initial claims.....do.....	289	333	30	39	44	38	42	47	38	47	51	44	46	49		
Insured unemployment, weekly avg.....do.....	32	37	38	48	61	66	69	70	73	84	89	81	83	83	97	
Beneficiaries, weekly average.....do.....	29	34	32	42	55	61	66	67	67	69	77	87	81	75		
Benefits paid.....mil. \$.	69.2	87.0	6.2	9.5	12.0	12.0	14.2	14.6	14.0	15.3	18.0	18.6	18.3	17.3		
Railroad program:																
Applications.....thous..	139	100	5	5	9	4	9	8	4	12	21	16	12	16	8	
Insured unemployment, weekly avg.....do.....	20	17	14	17	20	18	19	16	15	11	15	17	18	22	20	
Benefits paid.....mil. \$.	40.4	37.0	2.5	3.2	4.1	3.4	3.7	3.6	2.4	2.3	2.0	3.0	2.9	3.5		

FINANCE

BANKING																
Open market paper outstanding, end of period:																
Bankers' acceptances.....mil. \$.	4,428	5,451	5,212	5,451	5,288	5,249	5,352	5,614	5,801	5,849	5,973	5,979	5,848	6,167	6,268	
Commercial and finance co. paper, total.....do.....	20,497	31,709	33,636	31,709	34,362	36,020	37,164	37,966	39,674	37,748	36,911	36,524	33,924	34,401	33,966	
Placed through dealers.....do.....	7,201	11,817	12,524	11,817	12,038	12,875	13,634	13,735	13,952	12,989	12,034	12,044	12,518	13,084	13,391	
Placed directly (finance paper).....do.....	13,296	19,892	21,112	19,892	22,324	23,145	23,530	24,231	25,722	24,759	24,877	24,480	21,406	21,289	20,664	
Agricultural loans and discounts outstanding of agencies supervised by the Farm Credit Adm.:																
Total, end of period.....mil. \$.	11,748	13,204	12,803	13,204	13,388	13,597	13,826	14,032	14,190	14,353	14,308	14,338	14,443	14,573	14,616	
Farm mortgage loans:																
Federal land banks.....do.....	6,126	6,714	6,704	6,714	6,738	6,777	6,833	6,891	6,942	6,995	7,026	7,061	7,101	7,137	7,156	
Loans to cooperatives.....do.....	1,577	1,732	1,705	1,732	1,804	1,844	1,840	1,828	1,796	1,749	1,762	1,775	1,852	1,973	2,020	
Other loans and discounts.....do.....	4,044	4,758	4,394	4,758	4,846	4,975	5,154	5,313	5,452	5,609	5,519	5,499	5,489	5,463	5,439	
Bank debits to demand deposit accounts, except interbank and U.S. Government accounts, annual rates, seasonally adjusted:																
Total (233 SMSA's)♁.....bil. \$.			9,484.4	9,560.4	9,547.5	9,793.5	9,845.3	10,170.2	10,021.8	10,143.3	10,218.1	10,557.7	10,559.4	10,793.2	10,542.0	
New York SMSA.....do.....			4,207.5	4,198.2	4,054.0	4,232.1	4,336.7	4,422.0	4,249.4	4,366.0	4,324.3	4,770.6	4,668.1	4,899.8	4,824.0	
Total 232 SMSA's (except N.Y.).....do.....			5,276.9	5,362.2	5,493.5	5,561.4	5,508.6	5,748.2	5,772.5	5,777.3	5,893.9	5,787.1	5,891.3	5,893.5	5,718.0	
6 other leading SMSA's†.....do.....			2,224.8	2,212.9	2,277.4	2,309.1	2,291.4	2,417.9	2,460.0	2,443.3	2,508.2	2,478.8	2,502.9	2,499.5	2,420.1	
226 other SMSA's.....do.....			3,052.1	3,149.3	3,216.1	3,252.2	3,217.2	3,330.3	3,312.5	3,334.0	3,385.6	3,308.3	3,388.4	3,393.9	3,297.0	
Federal Reserve banks, condition, end of period:																
Assets, total ♁.....mil. \$.	78,972	84,050	84,315	84,050	83,133	83,283	82,709	84,690	84,024	84,102	84,794	85,708	87,366	86,609	88,464	90,142
Reserve bank credit outstanding, total ♁.....do.....	56,614	60,841	61,603	60,841	59,931	59,595	59,348	60,729	61,683	60,728	62,411	62,089	63,297	63,527	63,737	66,780
Discounts and advances.....do.....	188	183	1,531	183	1,565	1,148	684	545	1,451	420	1,292	538	852	428	300	334
U.S. Government securities.....do.....	52,937	57,154	57,318	57,154	55,709	55,823	55,785	56,508	57,307	57,714	58,597	59,947	59,975	60,015	61,233	62,142
Gold certificate account.....do.....	10,026	10,036	10,036	10,036	11,036	11,045	11,045	11,045	11,045	11,045	11,045	11,045	10,819	10,819	10,827	10,457
Liabilities, total ♁.....do.....	78,972	84,050	84,315	84,050	83,133	83,283	82,709	84,690	84,024	84,102	84,794	85,708	87,366	86,609	88,464	90,142
Deposits, total.....do.....	23,473	24,338	24,948	24,338	25,608	25,348	24,726	25,895	25,187	23,970	25,253	24,536	26,037	26,007	24,104	26,672
Member-bank reserve balances.....do.....	21,807	22,085	23,385	22,085	23,637	23,344	22,495	23,082	23,041	21,991	23,072	22,557	23,938	24,206	22,689	24,135
Federal Reserve notes in circulation.....do.....	45,510	48,244	47,191	48,244	46,831	46,689	46,992	47,254	47,879	48,391	48,746	48,952	49,128	49,314	50,390	51,386

† Revised. ♁ Preliminary. 1 Data for indicated month exclude loans by Federal Intermediate Credit Banks outside the Farm Credit Adm. system. 2 Excludes figures for the interstate trucking industry stoppage. † Revised (back to 1960) to incorporate new seasonal factors; see note "†", p. S-15, Oct. 1969 SURVEY for data through May 1968 (revisions for June and July 1968, 197 and 204). △ See note "†", p. S-14.

♁ Beginning Jan. 1970, data include claims filed under extended duration provisions of regular State laws.

♁ Insured unemployment as % of average covered employment in a 12-month period.

♁ Total SMSA's include some cities and counties not designated as SMSA's.

♁ Includes Boston, Philadelphia, Chicago, Detroit, San Francisco-Oakland and Los Angeles-Long Beach. ♁ Includes data not shown separately.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969	1969		1970											
	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

FINANCE—Continued

SECURITIES ISSUED—Continued																
Securities and Exchange Commission—Continued																
Estimated gross proceeds—Continued																
By type of issuer:																
Corporate, total ϕ.....mil. \$																
Manufacturing.....do.....	21,966	26,744	2,375	2,532	2,636	1,802	3,539	3,170	3,909	3,389	2,768	2,273	3,518	3,851	-----	-----
Extractive (mining).....do.....	6,979	6,356	453	601	811	357	1,416	689	817	939	638	683	994	1,091	-----	-----
Public utility.....do.....	594	1,721	188	99	94	85	149	211	327	358	139	70	193	180	-----	-----
.....do.....	5,281	6,736	622	600	639	540	906	1,109	600	1,103	843	630	1,241	1,101	-----	-----
Railroad.....do.....	246	294	23	15	44	50	77	41	9	51	64	70	77	41	-----	-----
Communication.....do.....	1,766	2,188	201	277	234	226	306	62	1,747	354	144	279	445	370	-----	-----
Financial and real estate.....do.....	2,820	4,409	533	524	275	323	339	597	231	355	526	370	347	572	-----	-----
Noncorporate, total ϕ.....do.....	43,596	25,802	1,695	1,908	3,508	4,201	3,260	2,721	5,639	3,596	3,128	5,882	4,681	4,576	-----	-----
U.S. Government.....do.....	18,025	4,765	300	380	413	416	461	387	3,701	819	405	3,573	1,428	412	-----	-----
State and municipal.....do.....	16,374	11,460	853	812	1,314	1,198	1,504	1,625	974	1,058	1,310	1,318	1,650	1,882	-----	-----
State and municipal issues (Bond Buyer):																
Long-term.....do.....	16,374	11,460	853	812	1,314	1,198	1,504	1,625	974	1,058	1,310	1,318	1,650	1,882	1,684	2,228
Short-term.....do.....	8,659	11,928	1,430	1,230	878	1,444	1,211	1,046	1,387	2,035	1,113	1,226	2,049	1,216	2,022	2,223
SECURITY MARKETS																
Brokers' Balances																
(N.Y.S.E. Members Carrying Margin Accounts)																
Cash on hand and in banks.....mil. \$	1,002	1,923	921	923	933	890	874	806	784	748	-----	-----	-----	-----	-----	-----
Customers' debit balances (net).....do.....	1,979	1,745	7,111	7,445	6,683	6,562	6,353	5,965	5,433	5,281	-----	-----	-----	-----	-----	-----
Customers' free credit balances (net).....do.....	3,717	2,803	2,613	2,803	2,626	2,463	2,441	2,248	2,222	2,009	2,180	2,083	2,236	2,163	2,197	-----
Bonds																
Prices:																
Standard & Poor's Corporation:																
High grade corporate:																
Composite σ.....dol. per \$100 bond.....	76.4	68.6	65.6	62.9	62.2	62.4	62.8	62.8	61.2	59.4	59.0	60.0	60.8	61.3	61.9	64.7
Domestic municipal (15 bonds).....do.....	93.4	79.0	73.4	68.7	69.7	71.7	75.6	71.9	67.8	67.5	70.6	73.8	72.7	71.9	75.0	79.8
U.S. Treasury bonds, taxable ϕ.....do.....	72.33	64.49	61.08	58.71	58.33	61.63	62.04	60.89	57.78	57.37	60.59	59.20	60.10	60.44	63.27	65.63
Sales:																
Total, excl. U.S. Government bonds (SEC):																
All registered exchanges:																
Market value.....mil. \$	5,669.52	4,501.18	318.32	382.04	363.31	283.27	313.51	310.25	300.39	645.56	370.56	311.80	400.69	417.18	398.18	-----
Face value.....do.....	5,458.55	5,123.47	376.13	526.97	485.34	365.56	405.30	384.02	465.04	824.44	536.56	442.43	516.87	538.59	506.43	-----
New York Stock Exchange:																
Market value.....do.....	4,401.94	3,550.33	261.94	324.20	314.79	245.86	267.94	275.85	264.77	608.25	344.53	289.98	358.08	382.93	370.35	-----
Face value.....do.....	4,447.68	4,123.33	308.69	442.89	411.57	304.65	344.36	337.06	374.22	743.34	489.26	401.69	443.37	485.02	460.35	-----
New York Stock Exchange, exclusive of some stopped sales, face value, total.....mil. \$	3,814.24	3,646.16	263.80	432.91	304.63	281.84	297.74	329.77	448.20	360.69	394.13	349.78	396.30	370.23	404.43	557.12
Yields:																
Domestic corporate (Moody's).....percent.....																
By rating:																
Aaa.....do.....	6.18	7.03	7.35	7.72	7.91	7.93	7.84	7.83	8.11	8.48	8.44	8.13	8.09	8.03	8.05	7.64
Aa.....do.....	6.38	7.20	7.58	7.93	8.15	8.13	8.06	8.03	8.24	8.58	8.64	8.49	8.47	8.44	8.42	8.13
A.....do.....	6.54	7.40	7.84	8.21	8.35	8.31	8.17	8.22	8.49	8.76	8.92	8.85	8.78	8.71	8.74	8.48
Baa.....do.....	6.94	7.81	8.25	8.65	8.86	8.78	8.63	8.70	8.98	9.25	9.40	9.44	9.39	9.33	9.38	9.12
By group:																
Industrials.....do.....	6.41	7.25	7.61	7.95	8.15	8.11	7.98	8.00	8.19	8.55	8.61	8.44	8.40	8.35	8.37	7.95
Public utilities.....do.....	6.49	7.49	7.94	8.39	8.54	8.47	8.34	8.37	8.72	9.06	9.01	8.83	8.80	8.74	8.77	8.45
Railroads.....do.....	6.77	7.46	7.83	8.15	8.38	8.39	8.33	8.34	8.59	8.76	9.11	9.19	9.10	9.06	9.06	8.56
Domestic municipal:																
Bond Buyer (20 bonds).....do.....	4.47	5.79	6.58	6.79	6.78	6.16	6.11	6.79	7.12	6.79	6.40	6.16	6.39	6.40	5.41	5.58
Standard & Poor's Corp. (15 bonds).....do.....	4.51	5.81	6.37	6.91	6.80	6.67	6.14	6.55	7.02	7.06	6.69	6.33	6.45	6.55	6.20	5.70
U.S. Treasury bonds, taxable ϕ.....do.....	5.25	6.10	6.51	6.81	6.86	6.44	6.39	6.53	6.94	6.99	6.57	6.75	6.63	6.59	6.24	5.97
Stocks																
Dividend rates, prices, yields, and earnings, common stocks (Moody's):																
Dividends per share, annual rate, composite																
.....dollars.....	8.53	8.98	9.06	8.99	9.13	9.13	9.13	9.10	8.96	8.95	8.95	8.94	8.93	8.90	8.84	8.85
Industrials.....do.....	9.24	9.83	9.92	9.92	9.98	9.97	9.98	9.93	9.71	9.69	9.70	9.70	9.70	9.67	9.56	9.57
Public utilities.....do.....	4.50	4.61	4.63	4.63	4.64	4.64	4.70	4.70	4.70	4.71	4.71	4.71	4.71	4.71	4.72	4.73
Railroads.....do.....	4.55	4.60	4.67	4.10	4.02	4.02	4.02	4.02	4.02	4.02	3.95	3.79	3.79	3.79	3.79	3.79
N.Y. banks.....do.....	5.82	6.40	6.61	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.70	6.82	6.82	6.90	7.13
Property and casualty insurance cos.....do.....	8.62	9.44	10.20	10.20	10.23	10.23	10.45	10.45	10.48	10.48	10.48	10.48	10.48	10.48	10.49	10.49
Price per share, end of mo., composite.....do.....	264.62	262.77	252.78	248.68	231.68	244.45	243.53	222.65	209.44	198.30	212.90	221.25	226.91	224.96	235.68	248.66
Industrials.....do.....	315.86	313.15	301.65	299.54	276.68	290.09	287.85	263.96	248.12	236.81	252.79	264.25	272.90	272.65	285.00	298.78
Public utilities.....do.....	98.37	94.55	85.98	84.62	80.31	85.35	87.44	80.06	74.91	68.96	74.55	77.17	75.66	74.15	81.54	88.59
Railroads.....do.....	101.00	93.90	80.73	76.96	73.87	78.55	74.99	68.32	62.07	52.39	56.18	57.02	65.13	61.70	64.62	72.50
Yields, composite.....percent.....																
Industrials.....do.....	2.93	3.14	3.29	3.31	3.61	3.44	3.47	3.76	3.91	4.09	3.84	3.67	3.55	3.55	3.35	3.20
Public utilities.....do.....	4.57	4.88	5.38	5.47	5.78	5.44	5.38	5.87	6.27	6.83	6.32	6.10	6.23	6.35	5.79	5.34
Railroads.....do.....	4.50	4.90	5.78	5.33	5.44	5.12	5.36	5.88	6.48	7.67	7.03	6.65	5.82	6.14	5.87	5.23
N.Y. banks.....do.....	3.40	3.72	3.95	3.92	4.20	3.61	3.72	4.14	4.29	4.30	4.01	3.83	3.99	4.27	4.16	4.04
Property and casualty insurance cos.....do.....	3.10	3.37	3.28	3.65	3.84	3.58	3.66	4.29	4.67	4.61	4.19	4.15	4.01	4.05	3.88	3.59
Earnings per share (indust., qtrly. at ann. rate; pub. util. and R.R., for 12 mo. ending each qtr.):																
.....dollars.....	17.62	17.69	-----	18.54	-----	-----	15.19	-----	-----	17.19	-----	-----	14.12	-----	-----	-----
Industrials.....do.....	6.67	6.92	-----	6.92	-----	-----	6.90	-----	-----	6.90	-----	-----	6.82	-----	-----	-----
Public utilities.....do.....	7.25	7.28	-----	7.28	-----	-----	6.78	-----	-----	5.21	-----	-----	5.00	-----	-----	-----

* Revised. ¹ End of year. ² Because of changes in series, data beginning July 1970 are not directly comparable with those for earlier periods.

ϕ Includes data not shown separately.

σ Number of bonds represented fluctuates; the change in the number does not affect the continuity of the series.

¹ Prices are derived from average yields on basis of an assumed 3 percent 20-year bond.

² For bonds due or callable in 10 years or more.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969	1969		1970											
	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

TRANSPORTATION AND COMMUNICATION—Continued

TRANSPORTATION—Continued																
Motor Carriers (Intercity)																
Carriers of property, class I (qtrly. total):																
Number of reporting carriers	1,289	1,289		1,289				1,379								
Operating revenues, total	9,513	10,482		2,775				2,640								
Expenses, total	9,030	10,036		2,683				2,567								
Freight carried (revenue)	531	560		144				136								
Freight carried, volume indexes, class I and II (ATA):																
Common and contract carriers of property (qtrly.) average same period, 1957-59=100	175.2	183.8		172.8				179.9						179.8		
Common carriers of general freight, seas. adj. † 1957-59=100	159.4	168.9	166.1	167.6	172.3	178.2	173.0	122.6	151.0	161.2	172.8	173.1	172.1	167.4	160.8	
Carriers of passengers, class I (qtrly.): §																
Number of reporting carriers	170	170		70				70						69		
Operating revenues, total	641.1	676.4		166.5				147.6						179.0		
Expenses, total	563.8	593.6		151.8				145.1						158.0		
Passengers carried (revenue)	184.3	175.0		42.4				39.2						42.8		
Class I Railroads																
Financial operations (qtrly.):																
Operating revenues, total †	10,860	11,451		2,958				2,818						3,082		2,3,040
Freight	9,755	10,346		2,683				2,569						2,811		2,2,759
Passenger	444	439		106				99						106		2,113
Operating expenses	8,582	9,062		2,363				2,337						2,458		2,2,451
Tax accruals and rents	1,595	1,729		429				422						466		2,479
Net railway operating income	683	659		166				60						158		2,109
Net income (after taxes)	565	461		92				15						76		2,27
Traffic:																
Ton-miles of freight (net), revenue and nonrevenue (qtrly.)	4,759.1	4,781.7		201.7				190.6						201.4		
Revenue ton-miles	4,744.5	4,767.9		197.9				184.6						198.6		2,189.2
Revenue per ton-mile (qtrly. avg.)	1.310	1.347		1.356				1.378						1.416		
Passengers (revenue) carried 1 mile (qtrly.)	13,120	12,169		2,838				2,571						2,754		2,188.1
Travel																
Hotels:																
Average sale per occupied room	11.35	12.37	12.75	11.66	13.22	12.98	12.23	13.95	12.87	13.80	12.17	13.74	13.95	14.48	13.39	
Rooms occupied	61	59	55	44	52	55	57	61	58	56	53	55	56	62	50	
Restaurant sales index same mo. 1951=100	117	119	112	118	107	114	122	127	131	125	117	106	118	114	104	
Foreign travel:																
U.S. citizens: Arrivals	5,021	5,911	395	342	469	414	496	480	509	536	736	1,009	690			
Departures	4,820	5,767	355	429	402	423	499	481	545	731	903	767	535			
Aliens: Arrivals	3,084	3,602	256	245	297	237	291	295	341	349	455	498	416			
Departures	2,613	3,039	222	272	214	187	244	245	289	313	395	421	334			
Passports issued	1,748	1,820	77	93	125	153	246	277	267	311	254	163	126	101	88	108
National parks, visits	42,392	42,403	1,602	1,040	987	1,133	1,559	1,878	3,338	6,667	9,912	9,969				
COMMUNICATION (QTRLY.)																
Telephone carriers:																
Operating revenues †	15,068	16,781		4,375				4,354						4,543		4,568
Station revenues	7,578	8,213		2,120				2,149						2,227		2,236
Tolls, message	5,693	6,506		1,717				1,660						1,753		1,765
Operating expenses (excluding taxes)	9,020	10,270		2,722				2,741						2,898		2,955
Net operating income (after taxes)	2,553	2,798		734				732						764		758
Phones in service, end of period	95.1	100.3		100.3				101.0						101.7		103.1
Telegraph carriers:																
Domestic:																
Operating revenues	358.2	391.3		104.3				97.5						106.7		98.1
Operating expenses	309.5	330.8		85.1				82.8						85.8		85.1
Net operating revenues (before taxes)	29.6	32.9		7.7				9.4						11.3		6.4
International:																
Operating revenues	153.4	179.9		48.3				47.5						48.5		47.7
Operating expenses	116.1	132.6		36.5				34.9						35.9		36.0
Net operating revenues (before taxes)	30.6	39.1		9.3				10.3						10.2		9.4

CHEMICALS AND ALLIED PRODUCTS

CHEMICALS																
Inorganic chemicals, production:																
Acetylene	15,385	14,204	1,113	1,203	1,228	1,254	1,306	1,319	1,275	1,220	1,214	1,124	1,155	1,112	1,103	
Ammonia, synthetic anhydrous	12,119.9	12,713.5	1,060.0	1,129.8	948.0	1,032.5	1,165.5	1,139.4	1,128.9	1,136.5	1,065.5	1,082.2	1,102.6	1,059.7	1,107.8	
Carbon dioxide, liquid, gas, and solid †	1,014.1	1,096.3	82.6	80.8	73.7	80.1	96.5	102.3	109.5	100.3	104.2	106.6	103.5	87.9	77.0	
Chlorine, gas (100% Cl ₂)	8,444.5	9,422.0	788.2	845.8	787.2	745.4	822.5	814.3	839.2	810.3	844.4	811.7	805.2	860.1	801.2	
Hydrochloric acid (100% HCl)	1,752.1	1,848.6	145.7	160.8	152.4	149.6	176.8	157.1	165.9	161.5	166.8	161.0	163.8	165.6	144.3	
Nitric acid (100% HNO ₃)	6,362.1	6,254.3	528.4	557.3	517.4	506.0	551.4	582.0	571.7	548.7	475.7	502.1	522.7	564.3	553.6	
Oxygen (high purity) †	247,995	272,884	23,984	23,885	22,535	21,807	23,713	23,325	24,040	23,401	23,147	22,974	23,003	24,244	23,065	
Phosphoric acid (100% P ₂ O ₅)	4,958.3	4,915.5	408.6	447.1	393.9	430.4	458.7	480.3	465.0	422.1	388.1	456.9	481.6	503.3	459.2	
Sodium carbonate (soda ash), synthetic (58% Na ₂ O)	4,595.7	4,502.8	349.6	419.8	350.6	343.6	370.4	378.3	391.4	365.4	379.4	332.7	355.5	373.4	361.6	
Sodium bichromate and chromate	146.0	149.4	11.3	14.3	11.3	10.5	12.7	13.6	13.6	12.6	12.7	10.7	12.1	13.3	11.8	
Sodium hydroxide (100% NaOH)	8,867.7	9,618.7	821.2	858.0	800.9	756.0	835.2	847.8	856.8	816.8	889.3	879.1	829.1	889.1	830.9	
Sodium silicate, anhydrous	623.5	653.8	63.4	60.3	37.4	44.5	52.2	55.0	65.2	54.8	39.1	48.7	48.7	56.2	54.6	
Sodium sulfate, anhydrous	1,482.7	4,471.0	119.9	120.1	115.4	117.1	124.0	116.0	108.0	108.0	103.4	97.9	117.6	122.7	115.2	
Sulfuric acid (100% H ₂ SO ₄)	28,543.8	29,536.9	2,501.2	2,843.4	2,302.6	2,312.6	2,465.3	2,530.5	2,517.4	2,398.4	2,310.7	2,303.9	2,403.8	2,494.8	2,428.8	

† Revised. † Number of carriers filing complete reports for the year. ‡ Preliminary estimate by Association of American Railroads. § Annual total reflects revisions not distributed to the monthly or quarterly data. ¶ After extraordinary items. † Revised monthly data (1957-69) are available. § Beginning with 1st quarter 1969 reporting period, motor carriers are designated class I if they have annual gross operating revenues of \$1 million or over (1968 data have been restated on the new basis). ¶ Includes data not shown separately. † Revisions for 1967 available upon request.

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	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.

CHEMICALS AND ALLIED PRODUCTS—Continued

CHEMICALS—Continued																
Organic chemicals, production: ♂																
Acetic anhydride.....mil. lb.	1,651.6	1,748.0	129.5	152.1	143.0	136.2	2.9	3.0	131.5	133.2	132.2	127.8	2.2	3.3	3.5	
Acetylsalicylic acid (aspirin).....do.	31.2	37.5	2.7	3.5	3.4	3.0			3.0	2.8	2.4	2.2				
Cresote oil.....mil. gal.	106.0	118.3	10.0		6.5	8.8	10.0	8.6	10.2	9.3	8.0	9.6	9.5	9.3		
Ethyl acetate (85%).....mil. lb.	162.0	153.2	10.4	13.1	12.7	14.5	13.6	25.5	22.9	13.2	8.3	9.7	16.2	14.7		
Formaldehyde (37% HCHO).....do.	4,099.6	4,192.8	355.0	358.7	324.8	321.1	382.6	373.7	372.4	363.1	324.2	353.2	397.8	370.8		
Glycerin, refined, all grades:																
Production.....do.	347.0	322.4	29.4	25.4	24.5	26.5	27.9	29.1	28.7	28.8	25.3	27.9	26.1	27.8	31.7	
Stocks, end of period.....do.	29.5	30.5	30.5	30.5	27.5	26.5	23.8	24.9	26.5	27.2	25.3	24.6	24.4	23.0	26.6	
Methanol, synthetic.....mil. gal.	580.2	624.8	52.5	56.4	52.5	53.5	54.3	59.7	60.4	57.9	43.4	53.2	50.6	60.4		
Phthalic anhydride.....mil. lb.	748.3	774.0	64.3	72.1	56.4	61.8	63.2	58.8	64.8	61.0	61.0	58.8	63.6	54.9		
ALCOHOL																
Ethyl alcohol and spirits:																
Production.....mil. tax gal.	708.1	738.0	50.8	53.2	42.2	48.5	50.8	57.7	57.8	59.2	56.9	46.9	58.3	54.8		
Stocks, end of period.....do.	189.2	179.7	177.2	179.7	164.4	166.9	177.1	181.2	177.3	184.0	184.8	176.9	177.8	169.4		
Used for denaturation.....do.	564.4	592.6	33.7	43.8	40.2	40.7	46.6	44.0	46.3	48.4	45.0	42.3	42.7	42.9		
Taxable withdrawals.....do.	81.4	85.6	6.6	5.9	6.2	7.1	8.0	8.6	6.2	6.7	6.0	6.4	7.5	8.6		
Denatured alcohol:																
Production.....mil. wine gal.	303.5	318.5	18.0	23.7	21.6	21.6	24.9	23.7	24.8	26.0	24.3	22.8	23.0	23.2		
Consumption (withdrawals).....do.	305.6	318.8	18.1	23.7	21.4	21.7	25.1	23.6	24.8	26.1	24.4	22.9	22.9	22.9		
Stocks, end of period.....do.	2.7	2.4	2.6	2.4	2.6	2.5	2.4	2.4	3.0	2.9	2.8	2.7	2.8	3.0		
FERTILIZERS																
Exports, total ♀																
Nitrogenous materials.....thous. sh. tons.	18,956	16,599	1,004	1,319	1,278	1,253	1,088	1,230	579	2,078	1,550	1,414	1,341	1,479	1,420	
Phosphate materials.....do.	2,607	1,799	107	93	57	61	106	49	102	92	140	130	76	105	114	
Potash materials.....do.	13,584	12,229	704	1,039	1,079	977	840	951	323	1,773	1,148	1,086	1,034	1,189	1,163	
Potash materials.....do.	1,303	1,233	93	122	78	87	51	105	87	48	103	74	115	74	73	
Imports:																
Ammonium nitrate.....do.	227	233	15	19	25	22	46	59	57	15	10	10	18	23	24	
Ammonium sulfate.....do.	131	138	16	9	16	17	30	37	16	12	6	15	12	16	24	
Potassium chloride.....do.	3,557	3,829	364	393	336	377	514	579	397	218	164	304	331	391	387	
Sodium nitrate.....do.	205	184	6	19	16	9	1	1	6	21	16	13	13	22	8	
Potash deliveries (K ₂ O).....do.	4,170	4,794	453	634	331	401	631	621	416	206	159	353	340	411	416	
Superphosphate and other phosphatic fertilizers (100% P₂O₅):																
Production.....thous. sh. tons.	4,149	4,290	347	393	336	356	393	408	381	364	330	343	380	386	389	
Stocks, end of period.....do.	535	448	429	448	468	422	359	276	264	351	455	432	418	394	430	
MISCELLANEOUS PRODUCTS																
Explosives (industrial), shipments, quarterly §																
.....mil. lb.	1,581.7	1,924.8		512.4			390.9			475.3			484.0			
Paints, varnish, and lacquer, factory shipments:																
Total shipments.....mil. \$.	2,586.8	2,776.7	186.2	179.9	179.0	197.6	241.6	236.3	251.2	281.3	256.4	258.9	252.3	217.3	183.4	
Trade products.....do.	1,427.5	1,473.5	91.6	85.0	85.9	102.8	130.4	131.7	142.9	162.1	153.1	150.5	143.5	123.2	106.5	
Industrial finishes.....do.	1,159.3	1,303.5	94.6	95.0	93.1	94.8	111.2	104.6	108.3	119.2	103.2	108.5	108.8	94.1	76.9	
Sulfur, native (Frasch) and recovered:																
Production.....thous. lg. tons.	8,817	8,568	755	746	730	660	721	683	720	671	717	700	817	746		
Stocks (producers'), end of period.....do.	2,790	3,461	3,401	3,461	3,530	3,604	3,657	3,642	3,714	3,738	3,689	3,800	3,837	3,977		
PLASTICS AND RESIN MATERIALS																
Production:																
Thermosetting resins:																
Alkyd resins.....mil. lb.	1,691.6	1,628.8	43.1	43.8	44.3	45.5	47.7	53.9	40.2	58.0	55.3	51.7	56.9	50.1		
Polyester resins.....do.	1,615.4	1,667.4	54.4	55.6	49.4	49.7	58.2	57.9	52.5	54.5	49.1	53.6	54.7	58.0		
Phenolic and other tar acid resins.....do.	1,096.8	1,123.8	91.0	87.9	85.2	90.5	93.0	100.6	89.3	85.7	74.1	83.1	82.2	92.8		
Urea and melamine resins.....do.	1,816.1	1,770.5	65.1	55.7	54.8	52.8	53.8	54.9	54.7	54.6	44.7	54.7	52.8	50.7		
Thermoplastic resins:																
Cellulose plastic materials.....do.	1,187.3	1,192.6	15.5	14.0	11.0	12.0	13.3	12.8	12.5	11.0	10.4	10.3	10.8	11.0		
Coumarone-indene and petroleum polymer resins.....mil. lb.	1,348.8	1,332.6	29.4	26.5	22.9	27.7	25.1	27.4	26.9	25.6	25.3	25.7	24.6	25.4		
Styrene-type materials (polystyrene).....do.	12,895.7	13,251.6	276.9	280.2	275.5	255.1	269.2	276.2	288.2	299.1	272.5	274.3	293.8	271.9		
Vinyl resins (resin content basis).....do.	13,215.1	13,638.8	311.5	311.5	284.9	283.2	316.7	338.2	330.2	325.3	298.4	310.5	314.0	311.7		
Polyethylene.....do.	14,567.7	15,440.7	486.6	497.7	448.4	441.8	472.2	484.6	501.1	505.3	503.2	488.7	497.4	517.7		

ELECTRIC POWER AND GAS

ELECTRIC POWER																
Production (utility and industrial), total ‡																
.....mil. kw.-hr.	1,436,029	1,552,299	125,601	136,786	141,110	124,678	132,333	126,528	130,470	137,155	149,700	151,492	139,839	132,734		
Electric utilities, total.....do.																
By fuels.....do.	1,329,443	1,441,939	116,465	127,357	131,732	116,010	123,051	117,443	121,197	128,082	140,633	142,694	131,106	123,536		
By waterpower.....do.	1,106,952	1,191,861	96,941	106,027	109,474	95,973	100,978	95,722	99,394	106,906	119,724	122,769	113,094	105,384		
By waterpower.....do.	222,491	250,078	19,524	21,330	22,258	20,037	22,073	21,721	21,803	21,176	20,909	19,924	18,011	18,153		
Privately and municipally owned util.....do.	1,083,117	1,171,693	94,736	103,589	107,213	94,335	99,877	96,192	98,722	104,606	115,291	117,630	108,928	102,710		
Other producers (publicly owned).....do.	246,326	270,247	21,729	23,768	24,519	21,675	23,174	21,250	22,475	23,477	25,342	25,064	22,177	20,827		
Industrial establishments, total.....do.																
By fuels.....do.	106,586	110,360	9,137	9,429	9,378	8,668	9,283	9,085	9,274	9,072	9,067	8,798	8,733	9,197		
By waterpower.....do.	103,203	107,076	8,869	9,144	9,070	8,367	8,978	8,765	8,961	8,806	8,825	8,575	8,529	8,972		
By waterpower.....do.	3,383	3,283	267	285	307	301	305	320	312	267	242	223	204	225		

♂ Revised.
 † Revised annual total; revisions are not distributed to the monthly data.
 ♀ Data are reported on the basis of 100 percent content of the specified material unless

otherwise indicated. ♀ Includes data not shown separately.
 § Data have been restated to exclude black blasting powder formerly included.
 ‡ Revised data for the months of 1968 will be shown later.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS

	1968	1969	1969		1970											
	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

FOOD AND KINDRED PRODUCTS; TOBACCO—Continued

DAIRY PRODUCTS—Continued																
Condensed and evaporated milk:																
Production, case goods:																
Condensed (sweetened).....mil. lb.	87.4	84.9	5.9	3.9	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)
Evaporated (unsweetened).....do.	1,360.0	1,413.8	83.6	108.5	⁶ 102.1	⁶ 96.2	⁶ 107.2	⁶ 114.0	⁶ 133.4	⁶ 136.5	⁶ 117.5	⁶ 103.1	⁶ 88.9	87.1	⁶ 74.8	
Stocks, manufacturers', end of period:																
Condensed (sweetened).....mil. lb.	2.1	1.9	2.2	1.9	5.7	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)
Evaporated (unsweetened).....do.	99.1	105.0	113.6	105.0	90.9	⁶ 85.1	⁶ 88.4	⁶ 79.6	⁶ 130.2	⁶ 173.2	⁶ 192.7	⁶ 195.9	⁶ 187.4	180.0	⁶ 147.5	
Exports:																
Condensed (sweetened).....do.	42.4	52.1	4.4	.6	(¹)	(¹)	.1	(¹)	(¹)	(¹)	0	(¹)	.6	6.9	4.6	
Evaporated (unsweetened).....do.	33.7	37.1	3.4	2.4	2.3	3.2	2.3	4.4	3.6	1.8	2.5	3.1	1.2	2.0	3.0	
Price, manufacturers' average selling:																
Evaporated (unsweetened).....\$ per case	7.26	7.50	7.59	7.62	7.75	7.76	7.77	7.85	7.96	8.04	8.11	8.06	8.12	8.12	8.13	
Fluid milk:																
Production on farms.....mil. lb.																
Utilization in mfd. dairy products.....do.	117,234	116,200	8,691	9,170	9,412	8,840	10,053	10,330	11,019	10,750	10,162	9,732	9,250	9,248	8,835	9,285
Price, wholesale, U.S. average.....\$ per 100 lb.	57,997	57,167	^r 3,667	^r 4,300	4,649	4,543	5,287	5,524	6,067	6,140	5,583	5,013	4,418	4,388	3,997	
Dry milk:																
Production:																
Dry whole milk.....mil. lb.	79.8	66.1	5.2	5.2	5.1	4.7	6.1	6.1	7.2	7.3	6.5	5.8	4.7	4.4	4.3	
Nonfat dry milk (human food).....do.	1,594.4	1,431.7	72.0	101.5	102.5	106.8	132.2	148.4	185.7	179.9	152.3	124.5	96.0	94.8	88.5	
Stocks, manufacturers', end of period:																
Dry whole milk.....do.	7.6	6.6	5.7	6.6	5.8	5.6	4.7	5.1	6.6	8.0	9.3	9.4	8.6	6.6	4.7	
Nonfat dry milk (human food).....do.	79.0	83.9	90.2	83.9	81.1	81.8	80.6	101.4	138.7	159.0	154.0	165.5	144.8	122.8	101.7	
Exports:																
Dry whole milk.....do.	18.6	15.6	.5	.7	1.5	3.8	1.4	1.0	1.0	.7	.6	.7	.5	.7	.9	
Nonfat dry milk (human food).....do.	151.0	111.6	10.4	7.4	25.7	29.2	14.2	10.7	9.0	14.2	19.9	34.1	19.9	7.7	25.4	
Price, manufacturers' average selling, nonfat dry milk (human food).....\$ per lb.																
	.224	.235	^r .236	.237	.238	.236	.237	.262	.269	.276	.273	.271	.274	.273	.273	
GRAIN AND GRAIN PRODUCTS																
Exports (barley, corn, oats, rye, wheat).....mil. bu.																
	1,267.4	1,059.0	123.6	100.8	97.6	107.1	93.9	100.7	104.6	102.5	117.4	111.5	114.5	143.2	123.0	
Barley:																
Production (crop estimate).....do.																
Stocks (domestic), end of period.....do.	² 423.0	^r 2423.5														⁷ 410.4
On farms.....do.	371.6	420.1		420.1				326.4			³ 232.4		488.0			
Off farms.....do.	247.7	258.0		258.0				192.8			³ 132.1		302.8			
Exports, including malt.....do.	123.9	162.1		162.1				133.6			³ 100.3		185.2			
Prices, wholesale (Minneapolis):	17.8	8.3	.3	.2	.1	.2	.1	.1	6.5	7.8	8.3	8.1	6.4	4.4	6.7	
No. 2, malting.....\$ per bu.	1.18	1.12	1.08	1.08	1.06	1.06	1.07	1.10	1.15	1.16	1.11	1.14	1.19	1.19	1.21	1.22
No. 3, straight.....do.	1.18	1.12	1.07	1.07	1.06	1.06	1.07	1.09	1.15	1.16	1.12	1.14	1.18	1.17	^r 1.18	1.20
Corn:																
Production (crop estimate, grain only).....mil. bu.																
Stocks (domestic), end of period, total.....mil. bu.	² 4,393	^r 24,583														⁷ 4,110
On farms.....do.	4,233	4,313		4,313				2,989			1,923		³ 999			
Off farms.....do.	3,276	3,320		3,320				2,222			1,403		³ 570			
Exports, including meal and flour.....do.	957	993		993				768			520		³ 430			
Prices, wholesale:	594.0	553.5	79.6	48.6	40.2	50.3	44.3	40.0	50.0	40.0	58.7	43.9	53.8	56.8	46.4	
No. 3, yellow (Chicago).....\$ per bu.	1.11	1.21	1.15	1.15	1.22	1.23	1.22	1.26	1.30	1.34	1.38	1.47	1.50	1.40	1.41	1.52
Weighted avg., 5 markets, all grades.....do.	1.11	1.19	1.12	1.12	1.19	1.22	1.21	1.25	1.29	1.32	1.32	1.40	1.46	1.42	1.39	1.49
Oats:																
Production (crop estimate).....mil. bu.																
Stocks (domestic), end of period, total.....do.	² 939	² 950														⁷ 909
On farms.....do.	784	884		884				673			³ 490		1,076			
Off farms.....do.	661	723		723				529			³ 345		830			
Exports, including oatmeal.....do.	123	161		161				145			³ 146		246			
Prices, wholesale, No. 2, white (Chicago).....\$ per bu.	11.6	7.6	.4	.4	.3	1.0	.5	.9	.4	.5	.5	.5	1.9	7.4	6.1	
Rice:	4.72	5.67			.71			.67	.68	.66	.67	.72	.76			.84
Rice:																
Production (crop estimate).....mil. bags																
California mills:	² 104.1	^r 290.8														⁷ 82.9
Receipts, domestic, rough.....mil. lb.	2,020	2,012	36	79	63	87	78	127	244	281	303	161	67	^r 160	100	84
Shipments from mills, milled rice.....do.	1,376	1,515	44	47	60	67	63	39	171	258	302	130	110	^r 68	47	78
Stocks, rough and cleaned (cleaned basis), end of period.....mil. lb.	312	270	266	270	250	241	228	230	136	249	188	184	42	^r 79	102	82
Southern States mills (Ark., La., Tenn., Tex.):																
Receipts, rough, from producers.....mil. lb.	7,086	6,605	602	424	326	280	330	269	110	44	95	1,049	1,672	1,482	472	
Shipments from mills, milled rice.....do.	4,774	4,818	450	461	406	374	373	423	335	220	291	267	401	547	429	
Stocks, domestic, rough and cleaned (cleaned basis), end of period.....mil. lb.	2,013	1,695	1,862	1,695	1,508	1,322	1,176	931	717	504	318	745	1,502	1,950	1,852	
Exports.....do.	4,163	4,183	349	362	235	337	306	188	366	499	371	231	189	438	447	
Price, wholesale, Nato, No. 2 (N.O.).....\$ per lb.	.087	.085	.086	.086	.085	.085	.085	.085	.085	.085	.085	.085	.085			
Rye:																
Production (crop estimate).....mil. bu.																
Stocks (domestic), end of period.....do.	² 23.4	^r 231.6														⁷ 38.6
Price, wholesale, No. 2 (Minneapolis).....\$ per bu.	24.3	29.9		29.9				24.6			³ 21.2		47.7			
Wheat:	1.14	1.17	1.13	1.14	1.15	1.16	1.18	1.18	1.20	1.18	1.05	1.08	1.10	1.16	1.17	1.15
Wheat:																
Production (crop estimate), total.....mil. bu.																
Spring wheat.....do.	² 1,576	^r 21,460														⁷ 1,378
Winter wheat.....do.	² 341	^r 2,313														⁷ 260
Distribution.....do.	² 1,235	^r 21,147														⁷ 1,118
Stocks (domestic), end of period, total.....do.	1,444	1,275		340				337			313		462			
On farms.....do.	1,346	1,531		1,531				1,195			³ 883		1,782			
Off farms.....do.	581	608		608				454			³ 305		653			
Price, wholesale, No. 2 (Minneapolis).....\$ per bu.	764	923		923				741			³ 578		1,129			

^r Revised. ¹ Less than 50 thousand pounds. ² Crop estimate for the year. ³ Old crop only; new crop not reported until beginning of new crop year (July for barley, oats, rye, and wheat; Oct. for corn). ⁴ Average for 11 months; no price for Nov. ⁵ Average for Jan.-Sept. ⁶ Condensed milk reported with evaporated to avoid disclosing operations of individual firms. ⁷ December 1 estimate of 1970 crop. ⁸ Excludes pearl barley. ⁹ Bags of 100 lbs.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS

Table header for METALS AND MANUFACTURES-Continued, showing years 1968-1970 and months Jan-Dec.

METALS AND MANUFACTURES-Continued

Main data table for METALS AND MANUFACTURES-Continued, containing rows for Heating Equipment, Machinery and Equipment, and Electrical Equipment.

PETROLEUM, COAL, AND PRODUCTS

Table for PETROLEUM, COAL, AND PRODUCTS, with a sub-section for COAL production and prices.

Footnotes for COAL section: Revised, Total for 11 months, Excludes orders for motors 1-20 hp, etc.

Footnotes for PETROLEUM section: Omnis combination washer-dryers, Revised series, Data reflect adjustment to 1967 Census of Manufactures, etc.

Unless otherwise stated in footnotes below, data through 1968 and descriptive notes are as shown in the 1969 edition of BUSINESS STATISTICS	1968	1969	1969		1970											
	Annual		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.

TEXTILE PRODUCTS—Continued

COTTON—Continued

Cotton (excluding linters)—Continued																	
Exports.....thous. bales.....	3,870	2,397	123	176	382	325	246	308	299	269	186	84	89	181	251	.....
Imports.....do.....	95	46	6	1	3	8	4	7	2	2	2	1	6	3	1	.....

Price (farm), American upland.....cents per lb.....	122.0	120.9	21.4	20.0	19.1	20.2	20.7	21.4	22.1	22.3	22.6	22.6	21.9	22.8	22.1	21.0
Price, middling 1½, avg. 12 markets.....do.....	122.9	122.2	21.9	22.0	22.0	22.1	22.2	22.4	22.6	22.8	23.0	23.0	23.0	23.0	22.8	22.6

COTTON MANUFACTURES

Spindle activity (cotton system spindles):																
Active spindles, last working day, total.....mil.....	20.0	19.6	19.7	19.6	19.6	19.5	19.5	19.3	19.1	19.1	19.1	19.0	18.8	18.8	18.6	18.6
Consuming 100 percent cotton.....do.....	13.1	12.4	12.6	12.4	12.4	12.2	12.2	12.1	11.9	11.9	12.0	11.9	11.8	11.7	11.8	11.6

Cotton yarn, price, 36/2, combed, knit.....\$ per lb.....	1.049	1.027	1.024	1.024	1.021	1.021	1.014	1.008	1.008	1.005	1.001	1.001				
Cotton cloth:																

Cotton broadwoven goods over 12" in width:																
Production (qtrly.).....mil. lin. yd.....	7,476	6,965	.....	1,723	.....	.....	1,654	.....	.....	1,560	.....	.....	.....	.....	.....
Orders, unfilled, end of period, as compared with avg. weekly production.....No. weeks' prod.....	13.8	15.0	13.1	15.0	13.0	12.7	12.8	13.2	13.3	15.7	14.9	13.1	13.4	13.4	13.9	.....

Exports, raw cotton equiv.....thous. bales.....	256.0	330.5	39.1	34.9	28.2	23.1	29.1	28.0	25.0	21.2	19.3	16.5	18.6	23.0	.....	.....
Imports, raw cotton equiv.....do.....	559.6	573.3	48.9	44.0	52.7	49.9	52.0	40.7	52.0	42.1	52.5	37.2	37.9	35.4	.....	.....

Mill margins:																
Carded yarn cloth average.....cents per lb.....	37.73	43.27	43.96	43.92	43.92	43.86	43.79	43.65	43.41	43.33	43.11	42.98	43.29	43.53	43.96	44.29
Combed yarn cloth average.....do.....	93.25	108.02	107.87	109.01	108.81	108.00	106.81	105.11	101.65	99.07	98.78	.....	.....	.....	.....	.....

MANMADE FIBERS AND MANUFACTURES

Fiber production, qtrly. total.....mil. lb.....	5,159.5	5,520.2	.....	1,368.6	.....	.....	1,380.1	.....	.....	1,336.2	.....	1,290.3	.....	.....	.....
Filament yarn (rayon and acetate).....do.....	805.2	774.4	.....	183.9	.....	.....	181.7	.....	.....	179.5	.....	176.8	.....	.....	.....
Staple, incl. tow (rayon).....do.....	739.1	758.8	.....	187.5	.....	.....	171.7	.....	.....	141.2	.....	134.4	.....	.....	.....

Exports: Yarns and monofilaments.....thous. lb.....	96,390	100,539	8,887	8,710	9,861	12,692	15,564	12,523	15,212	16,942	11,083	11,647	10,690	10,367	8,521	.....
Imports: Yarns and monofilaments.....do.....	59,303	41,063	4,533	5,872	5,031	6,755	8,751	8,874	9,085	11,966	15,424	13,896	13,198	14,760	14,314	.....

Stocks, producers', end of period:																
Filament yarn (rayon and acetate).....mil. lb.....	59.4	78.4	.....	78.4	.....	.....	80.6	.....	.....	84.5	.....	77.9	.....	.....	.....
Staple, incl. tow (rayon).....do.....	59.0	75.6	.....	75.6	.....	.....	92.0	.....	.....	90.3	.....	72.1	.....	.....	.....

Prices, manmade fibers, f.o.b. producing plant:																
Staple: Polyester, 1.5 denier.....\$ per lb.....	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61	.61
Yarn: Rayon (viscose), 150 denier.....do.....	.85	.89	.89	.89	.89	.89	.89	.89	.89	.89	.89	.89	.89	.89	.89	.89

Manmade fiber and silk broadwoven fabrics:																
Production (qtrly.).....mil. lin. yd.....	5,203.6	5,396.4	.....	1,340.7	.....	.....	1,339.9	.....	.....	1,294.9	.....	1,210.5	.....	.....	.....
Filament yarn (100%) fabrics.....do.....	1,737.2	1,690.7	.....	421.0	.....	.....	406.5	.....	.....	382.0	.....	341.8	.....	.....	.....

Wool consumption, mill (clean basis):																
Apparel class.....mil. lb.....	238.3	219.0	14.7	16.1	16.0	15.6	18.8	15.6	14.1	16.3	9.8	10.8	13.3	10.7	10.7	.....
Carpet class.....do.....	91.4	93.8	6.7	7.3	5.8	5.7	7.2	5.8	6.6	6.8	5.0	7.5	8.4	6.1	5.4	.....

Wool prices, raw, clean basis, Boston:																
Good French combing and staple:																
Graded territory, fine.....\$ per lb.....	1.207	1.221	1.210	1.198	1.185	1.185	1.110	1.081	1.070	1.055	1.025	1.025	.953	.925	.925	.850
Graded fleece, ¾ blood.....do.....	.840	.862	.890	.890	.884	.865	.865	.865	.880	.880	.880	.880	.880	.887	.887	.838
Australian, 64s, 70s, good topmaking.....do.....	1.180	1.174	1.089	1.075	1.034	1.014	1.010	1.019	1.025	1.020	.982	.952	.854	.760	.820	.802

WOOL MANUFACTURES

Knitting yarn, worsted, 2/20s-50s/56s, American system, wholesale price.....1957-59=100.....	91.0	92.6	92.6	92.5	92.5	92.6	92.9	93.0	93.7	94.7	94.7	94.7	.....	.....	.....
Wool broadwoven goods, exc. felts:															
Production (qtrly.).....mil. lin. yd.....	243.3	222.5	.....	45.7	.....	.....	58.1	.....	.....	54.2	.....	36.5	.....	.....	.....

Revised. 1 Season average. 2 For 5 weeks; other months, 4 weeks. 3 Average for 6 months, July-Dec. 4 Beginning 1969, the average omits two cloths previously included. 5 Revised total; revisions not distributed by months. 6 Beginning Jan. 1970, quotation refers to Australian wool, 64's, Type 62; comparable prices prior to 1970 are not available. 7 Omits quantities of chiefly nylon combination fabrics. 8 Beginning Apr. 1970 average is for cloth 38½-inch, 64 x 56, 5.50 yds./lb.; data not comparable with prices for periods prior to Apr. 1970. 9 Includes data not shown separately. 10 Revisions for 1967 are in the Dec. 1970 SURVEY.

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A description of the "Input-Output Structure of the U.S. Economy: 1963" appeared in the November 1969 issue of the **SURVEY OF CURRENT BUSINESS**. Reprints of the article are available for 40 cents from the Superintendent of Documents, Washington, D.C. 20402.

Input-Output Seminars

A good way to learn about the applications of the input-output technique is to attend a seminar conducted by the professionals in the Office of Business Economics and private industry who have intimate knowledge of the system and its uses.

Seminars will be held on February 25, 1971, in Denver, Colorado, and in the latter part of March in Kansas City, Missouri. For more details, contact the field office in the city in which the seminar is scheduled (addresses are shown on the inside front cover).