

**SURVEY OF CURRENT BUSINESS**



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# the BUSINESS SITUATION

**R**EAL GNP increased 6½ percent at an annual rate in the first quarter of 1981, compared with 4 percent in the fourth quarter of 1980.<sup>1</sup> Two-thirds of the acceleration was in final sales; the rest was due to inventories. The contribution of inventories to the acceleration reflected a slowing in the rate of decumulation from the fourth quarter to the first after a step-up in that rate from the third to the fourth. In final sales, the largest element in the acceleration was net exports, which increased after a huge drop in the fourth quarter. Government purchases and nonresidential fixed investment increased more than in the fourth quarter. In contrast, personal consumption expenditures (PCE) increased less, and residential investment flattened (chart 1).

Motor vehicle output, which is the sum of the final sales and inventory change that are included in the corresponding conventional components of GNP, is shown in table 1. Motor vehicle output declined in the first quarter after a large increase in the fourth. If motor vehicle output and also residential in-

1. The first-quarter GNP estimates are based on the following major source data: For *personal consumption expenditures* (PCE), retail sales, and unit auto and truck sales through March; for *nonresidential fixed investment*, the same information for autos and trucks as for PCE, manufacturers' shipments of machinery and equipment for January and February, January and February construction put in place, and investment plans for the quarter; for *residential investment*, January and February construction put in place, and housing starts for January and February; for *change in business inventories*, January and February book values for manufacturing and trade, and unit auto inventories through March; for *net exports of goods and services*, January and February merchandise trade, and fragmentary information on investment income for the quarter; for *government purchases of goods and services*, Federal unified budget outlays for January and February, State and local construction put in place for January and February, and State and local employment through March; and for *GNP prices*, the Consumer Price Index for January and February, the Producer Price Index through March, and unit values for imports for January. Some of these source data are subject to revision.

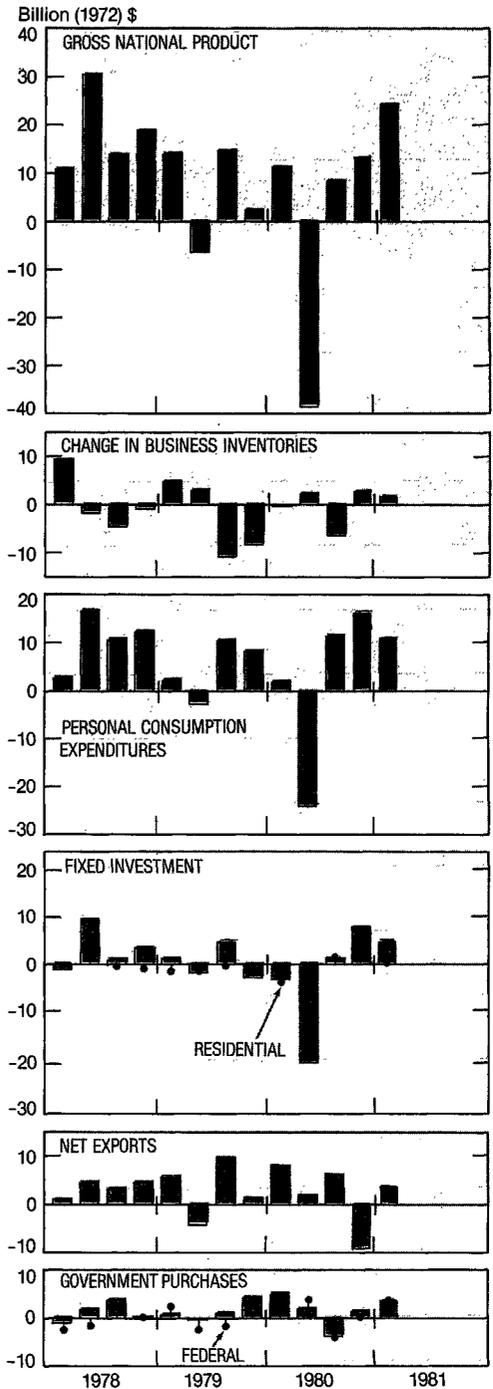
vestment are excluded, the course of production was quite different. This measure of production declined ½ percent at an annual rate in the fourth quarter and increased 8 percent in the first, compared with the 4-percent and 6½-percent increases registered by total GNP. Total GNP surpassed its first-quarter 1980 peak by ½ percent, and production excluding motor vehicle output and residential investment surpassed its peak by 1 percent.

*Prices.*—GNP prices as measured by the fixed-weighted price index increased 10 percent at an annual rate, compared with 10½ percent in the fourth quarter (table 2). The fourth-quarter increase had been boosted by a pay raise for Federal employees, which is reflected in the index because it represents an increase in the prices of the employee services purchased by the Federal Government. Excluding the pay raise, the increase in the fixed-weighted price indexes for GNP and for total final sales both accelerated 1 percentage point from 9 percent in the fourth quarter. This acceleration would have been larger had it not been for the prices of exports and imports. Export prices increased less than in the fourth quarter, largely reflecting prices of agricultural exports. Import prices, which enter the fixed-weighted price indexes with a negative weight, increased more, largely reflecting the price of petroleum imports. Among prices of other components of final sales, sharp accelerations were registered for each of the investment components; prices of PCE increased 11 percent, compared with 10 percent in the fourth quarter.

The step-up in PCE price increases was due to energy. Food prices and prices of PCE on other than food and energy increased less than in the fourth

CHART 1

## Real Product: Change from Preceding Quarter



U.S. Department of Commerce, Bureau of Economic Analysis

81-4-1

Table 1.—Key Factors in Real GNP

[Billions of constant (1972) dollars]

	Seasonally adjusted at annual rates				Change from preceding quarter		
	1980			1981	1980		1981
	II	III	IV	I	III	IV	I
Gross domestic product.....	1,435.5	1,443.4	1,458.9	1,481.2	7.0	15.5	22.3
Plus: Rest-of-the world product.....	27.8	28.5	26.7	28.0	.7	-1.8	1.3
<b>GNP</b> .....	<b>1,463.3</b>	<b>1,471.9</b>	<b>1,485.6</b>	<b>1,509.2</b>	<b>8.6</b>	<b>13.7</b>	<b>23.6</b>
Less: Motor vehicle output <sup>1</sup> .....	47.4	46.8	57.1	53.7	.8	10.3	-3.4
Residential investment.....	43.1	44.7	50.6	50.7	1.6	5.9	-1
<b>GNP less motor vehicle output and residential investment</b> .....	<b>1,372.8</b>	<b>1,380.4</b>	<b>1,377.9</b>	<b>1,404.8</b>	<b>7.6</b>	<b>-2.5</b>	<b>26.9</b>
Change in business inventories.....	1.3	-5.0	-7.2	-5.7	-6.3	-2.2	1.5
Less: Motor vehicles.....	-3	-4.4	2.4	-7.5	-4.1	6.8	-9.9
Change in business inventories less motor vehicles.....	1.6	-6	-9.6	1.8	-2.2	-9.0	11.4
Final sales.....	1,462.0	1,476.9	1,492.7	1,515.0	14.9	15.8	22.3
Less: Motor vehicles.....	47.6	51.3	54.6	61.2	5.1	3.3	6.6
Residential investment.....	43.1	44.7	50.6	50.7	1.6	5.9	.1
Final sales less motor vehicles and residential investment.....	1,371.3	1,380.9	1,387.5	1,403.1	9.6	6.6	15.6
Personal consumption expenditures.....	919.3	930.8	946.8	957.8	11.5	16.0	11.0
Less: Motor vehicles.....	34.9	39.1	42.0	47.2	5.6	2.9	5.2
Personal consumption expenditures less motor vehicles.....	884.4	891.7	904.8	910.6	7.3	13.1	5.8
Nonresidential structures.....	48.7	46.8	47.8	49.1	-1.9	1.0	1.3
Nonresidential producers' durable equipment.....	107.4	108.8	109.3	112.6	1.4	.5	3.3
Less: Motor vehicles.....	15.7	17.7	17.1	18.0	2.0	-6	.9
Nonresidential producers' durable equipment less motor vehicles.....	91.7	91.1	92.2	94.6	-6	1.1	2.4
Net exports.....	51.7	57.6	48.5	51.8	5.9	-9.1	3.3
Less: Motor vehicles.....	-5.2	-7.8	-6.7	-6.1	-2.6	1.1	.6
Net exports less motor vehicles.....	56.9	65.4	55.2	57.9	8.5	-10.2	2.7
Exports.....	160.5	160.5	157.4	164.9	0	-3.1	7.5
Less: Motor vehicles.....	3.9	3.4	4.0	4.2	-5	.6	.2
Exports less motor vehicles.....	156.6	157.1	153.4	160.7	.5	-3.7	7.3
Imports.....	108.9	102.8	108.9	113.1	-6.1	6.1	4.2
Less: Motor vehicles.....	9.2	11.2	10.6	10.2	2.0	-6	-4
Imports less motor vehicles.....	99.7	91.6	98.3	102.9	-8.1	6.7	4.6
Government purchases.....	291.9	288.2	289.8	292.9	-3.7	1.6	3.1
Less: Motor vehicles.....	2.2	2.2	2.2	2.2	0	0	0
Government purchases less motor vehicles.....	289.7	286.0	287.6	290.7	-3.7	1.6	3.1

1. This estimate and the estimates of motor vehicles that are shown under the components of GNP are from the auto and truck output tables (tables 1.15 and 1.17 of the National Income and Product Account Tables). The output estimates in turn are based primarily on unit production and sales data.

quarter: The former increased 7 percent at an annual rate, compared with 16 percent; the latter increased 8 percent, compared with 9 percent. The major factor in food was a decline in meat prices. Partly offsetting meat were sharp jumps in the prices of fats and

oils, reflecting substantial damage to last fall's peanut crop, and of fresh vegetables, reflecting reduced supplies following the mid-January freeze in Florida. Meat prices are expected to increase in the second quarter because of tighter supplies of beef.

PCE energy prices accelerated sharply in the first quarter from an annual rate increase of 6½ percent to 40½ percent. All four major components contributed. Gasoline and fuel oil prices increased 44½ percent and 89½ percent, respectively, compared

Table 2.—Fixed-Weighted Price Indexes

	Index of numbers (1972=100) seasonally adjusted				Percent change from preceding quarter at annual rates		
	1980 <sup>†</sup>			1981	1980 <sup>†</sup>		1981
	II	III	IV	I	III	IV	I
<b>Gross national product</b> .....	<b>181.1</b>	<b>185.1</b>	<b>189.7</b>	<b>194.3</b>	<b>9.0</b>	<b>10.4</b>	<b>9.9</b>
Less: Change in business inventories.....							
<b>Equals: Final sales</b> .....	<b>181.1</b>	<b>185.0</b>	<b>189.6</b>	<b>194.2</b>	<b>9.0</b>	<b>10.4</b>	<b>10.0</b>
Less: Exports.....	213.2	219.1	226.6	232.4	11.5	14.5	10.6
Plus: Imports.....	299.4	308.7	315.5	325.7	13.1	9.0	13.6
<b>Equals: Final sales to domestic purchasers</b> .....	<b>186.6</b>	<b>190.8</b>	<b>195.4</b>	<b>200.3</b>	<b>9.2</b>	<b>10.0</b>	<b>10.3</b>
Personal consumption expenditures.....	182.1	186.3	190.8	195.9	9.5	10.1	11.1
Food.....	187.9	195.1	202.6	206.1	16.2	16.1	7.2
Energy <sup>1</sup> .....	318.7	320.3	325.2	354.1	2.1	6.3	40.5
Other personal consumption expenditures.....	167.8	171.3	175.0	178.4	8.7	8.9	7.9
Other.....	194.3	198.4	203.1	207.6	8.8	9.7	9.2
Nonresidential structures.....	216.7	221.0	224.1	229.4	8.1	5.8	9.8
Producers' durable equipment.....	180.8	185.8	189.4	193.8	11.6	7.9	9.7
Residential.....	218.4	223.1	224.3	230.3	8.8	2.1	11.1
Government purchases.....	188.4	192.1	198.2	202.2	8.1	13.3	8.3

<sup>†</sup> Revised.

1. Gasoline and oil, fuel oil and coal, electricity, and gas.

with 6 percent and 6½ percent in the fourth quarter. The step-ups were due to increased prices for OPEC and other imported crude oil, and the decontrol of domestic crude oil and refined petroleum products, effective January 28. The latest round of OPEC price increases, announced in December, generally were \$2 to \$4 per barrel. Decontrol concentrated into the first quarter the price impact of the previously scheduled phasing out of Federal price and allocation controls. The effect of these developments on the average price of gasoline was an immediate increase of several cents per gallon. In March, however, the price of gasoline showed little change. Natural gas prices increased 7½ percent in the first quarter, compared with 5 percent in the fourth. Electricity prices increased 17½ percent, compared with 7½ percent in the fourth quarter, as higher prices for crude oil and petroleum products used in electricity production were passed through to consumers.

*Employment and unemployment.*—Labor market conditions improved slightly in the first quarter. The civilian

labor force increased 627,000, the largest increase in over a year (table 3). The household measure of employment increased 736,000, more than three times as much as in the fourth quarter. Adult women accounted for virtually the entire first-quarter increase in the labor force and for three-fourths of the increase in employment. Unemployment declined 109,000, as a decline in job losers more than offset increases in the other categories of unemployment. The unemployment rate declined from 7.5 percent in the previous 2 quarters to 7.4 percent, although the rate for teenagers increased to 19.1 percent, its highest level in 5 years.

The payroll measure of employment increased 658,000, about 140,000 less than in the fourth quarter. The entire deceleration was in durables manufacturing. The bulk of the first-quarter increase was in services (242,000) and distributive industries (217,000). Average weekly hours in the private nonfarm economy held steady at 35.4, and hours in manufacturing were up 0.2 to 40.1.

Like production, by the first quarter, employment and hours had recovered their recession losses. Employment was

**Table 4.—Real Gross Product, Hours, and Compensation in the Business Economy Other Than Farm and Housing**

[Percent change from preceding quarter at annual rates based on seasonally adjusted estimates]

	1980			1981
	II	III	IV	I
Real gross product.....	-12.5	2.9	7.3	7.5
Hours.....	-9.3	-1.0	7.6	3.2
Compensation.....	.7	8.5	17.9	15.4
Real gross product per hour..	-3.5	4.0	-3	4.2
Compensation per hour.....	10.9	9.7	9.6	11.8
Unit labor cost.....	15.0	5.4	9.8	7.3

above its first-quarter 1980 peak, and average hours nearly regained their year-ago level. Unemployment, however, remained well above its year-ago level.

*Costs and productivity.*—Table 4 adapts the information on real product, employment, and hours to focus on costs and productivity in the business economy other than farm and housing. Real product increased as strongly in the first quarter as in the fourth, but the increase in hours decelerated to only one-half the fourth-quarter increase. As a result, productivity—as measured by real gross product per hour—swung to a substantial increase, continuing the irregular pattern that characterized 1980. Compensation was up sharply in both quarters; the first quarter was affected by the increase—from \$3.10 to \$3.35 per hour—in the minimum wage under the Fair Labor Standards Act, and by the increase in employer contributions for social insurance due to step-ups in the social security tax rate from 6.13 percent to 6.65 percent and in the taxable wage base from \$25,900 to \$29,700. Excluding both of these factors, compensation per hour increased 8.7 percent at an annual rate, compared with 9.6 percent in the fourth quarter. Unit labor costs increased less than in the fourth quarter.

### Personal income and its disposition

Personal income increased \$61½ billion in the first quarter, \$12½ billion less than in the fourth (table 5).<sup>2</sup> The deceleration can be traced to wage and salary disbursements, proprietors' income, and

2. Quarterly estimates in the national income and product accounts are expressed at seasonally adjusted annual rates, and quarterly changes in them are differences between these rates.

**Table 3.—Selected Labor Market Indicators**

[Seasonally adjusted]

	1980				1981	Change from preceding quarter				
	I	II	III	IV	I	1980: II	1980: III	1980: IV	1981: I	
<b>Household survey</b>										
Civilian labor force (thousands).....	104,217	104,693	104,982	105,173	105,800	476	289	191	627	
Employment.....	97,718	97,040	97,061	97,276	98,012	-678	21	215	736	
Unemployment.....	6,499	7,652	7,921	7,897	7,788	1,153	269	-24	-109	
Job losers.....	3,040	4,071	4,357	4,232	3,863	1,031	286	-125	-369	
On layoff.....	1,098	1,716	1,758	1,538	1,275	618	42	-220	-263	
Other job losers.....	1,942	2,355	2,598	2,693	2,589	413	243	95	-104	
Job leavers, reentrants, and new entrants..	3,438	3,645	3,610	3,665	3,872	207	-35	55	207	
Unemployment rate (percent):										
Total.....	6.2	7.3	7.5	7.5	7.4	1.1	.2	0	-.1	
Adult men.....	4.8	6.2	6.6	6.3	6.0	1.4	.4	-.3	-.3	
Adult women.....	5.8	6.4	6.4	6.7	6.6	.6	0	.3	-.1	
Teenagers.....	16.4	17.9	18.4	18.3	19.1	1.5	.5	-.1	.8	
<b>Establishment survey</b>										
Employment, nonfarm payroll (thousands)....	91,120	90,489	90,131	90,932	91,590	-631	-358	801	658	
Goods producing.....	26,605	25,763	25,317	25,780	26,002	-842	-446	463	222	
Construction.....	4,644	4,427	4,362	4,475	4,549	-217	-65	113	74	
Manufacturing:										
Durables.....	12,701	12,176	11,878	12,116	12,193	-525	-298	238	77	
Nondurables.....	8,254	8,138	8,059	8,134	8,170	-116	-79	75	36	
Distributive <sup>1</sup> .....	25,793	25,652	25,694	25,785	26,002	-141	42	91	217	
Services <sup>2</sup> .....	22,630	22,778	22,983	23,211	23,453	148	205	228	242	
Government.....	16,093	16,296	16,137	16,156	16,133	203	-159	19	-23	
Average weekly hours, private nonfarm:										
Total.....	35.5	35.1	35.1	35.4	35.4	-.4	0	.3	0	
Manufacturing.....	40.1	39.4	39.3	39.9	40.1	-.7	-.1	.6	.2	

1. Transportation and public utilities, and wholesale and retail trade.

2. Services, and finance, insurance, and real estate.

Source: Bureau of Labor Statistics.

Table 5.—Personal Income and Its Disposition: Change From Preceding Quarter

[Billions of dollars, based on seasonally adjusted annual rates]

	1980		1981
	III	IV	I
Wage and salary disbursements.....	21.4	56.0	44.5
Manufacturing.....	3.5	18.2	13.0
Other commodity-producing.....	.6	5.7	4.1
Distributive.....	6.0	11.4	10.8
Services.....	7.9	11.3	12.8
Government and government enterprises.....	3.4	9.4	3.7
Proprietors' income.....	4.8	4.3	-2.6
Farm.....	-1.2	.3	-3.5
Nonfarm.....	6.0	3.9	.8
Personal interest income.....	8.2	7.9	18.7
Transfer payments.....	30.0	3.2	5.2
Other income.....	5.4	5.8	6.7
Less: Personal contributions for social insurance.....	2.3	3.1	11.0
<b>Personal income.....</b>	<b>67.7</b>	<b>74.1</b>	<b>61.5</b>
Less: Personal tax and nontax payments.....	11.2	17.7	13.0
Impact of legislation.....	.3	-.6	-2.8
Other.....	10.9	18.3	15.8
Equals: Disposable personal income.....	56.5	56.4	48.5
Less: Personal outlays.....	55.1	70.2	54.8
Equals: Personal saving.....	1.4	-13.8	-6.3
Addenda: Special factors in personal income:			
Federal pay raise.....		6.1	.1
Minimum wage.....			2.0
Accidental damage: Mount St. Helens and Florida civil disturbance.....	.7		
Social security (in personal contributions for social insurance)			
Base change.....			2.3
Rate change.....			6.7
Cost-of-living increase in Federal transfer payments.....	17.6	2.5	1.1

personal contributions for social insurance. In wages and salaries, the increase in manufacturing decelerated from \$18 billion to \$13 billion, largely due to smaller increases in employment and average weekly hours in durable goods industries. The increase in the minimum wage, the effect of which was concentrated in the distributive and services industries, more than accounted for the acceleration in their combined wages and salaries. In government and government enterprises, the deceleration was due to the Federal pay raise, which added \$6 billion to fourth-quarter wages and salaries.

Proprietors' income declined \$2½ billion in the first quarter after increasing \$4½ billion in the fourth. A swing in farm proprietors' income—from a small plus to a \$3½ billion decline—was largely traceable to the course of farm prices. Crop prices registered almost no change after a substantial fourth-quarter increase, and livestock prices registered a swing from an increase to a decline. Nonfarm proprietors' income

increased only \$1 billion after a \$4 billion increase. The increase in the first quarter was smaller than in the fourth, because incomes from construction increased much less and because commissions of real estate brokers and of security and commodity brokers declined.

Personal contributions for social insurance, which are deducted in deriving

personal income, were boosted \$9 billion in the first quarter by legislated increases in social security contributions. The increase due to the tax-rate change amounted to \$6½ billion, and that due to the wage-base change amounted to \$2½ billion.

The major offset to these decelerations was personal interest income, which increased \$18½ billion, compared with \$8 billion in the fourth quarter. The first-quarter increase was unusually large and was due to higher interest rates on Federal securities held by persons, either directly or through financial intermediaries.

Partly due to the deceleration in wages and salaries, personal taxes increased only \$13 billion, compared with \$17½ billion in the fourth quarter. Taxes were also held down by the impact of legislation, including changes in the indexing procedure used in California to adjust personal taxes for the effects of inflation.

As a result of the deceleration in tax payments, disposable personal income decelerated somewhat less than personal income. Disposable income increased \$48½ billion, \$8 billion less than in the fourth quarter. The increase in personal outlays, of which PCE is the preponderant part, again exceeded that in disposable income, so that personal saving again declined. However, because outlays decelerated more than income, the first-quarter decline in saving was smaller—only about one-half the large fourth-quarter decline. The personal saving rate declined 0.4 percentage point, to 4.7

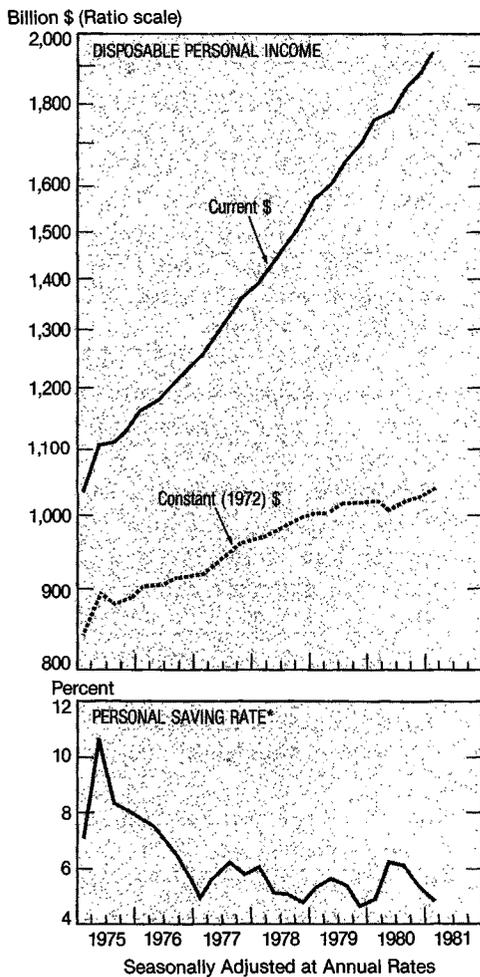
Table 6.—Real Personal Consumption Expenditures

	Billions of constant (1972) dollars, seasonally adjusted annual rates				Percent change from preceding quarter at annual rates		
	1980			1981	1980		1981
	II	III	IV	I	III	IV	I
<b>Personal consumption expenditures.....</b>	<b>919.0</b>	<b>930.8</b>	<b>946.8</b>	<b>957.8</b>	<b>5.1</b>	<b>7.0</b>	<b>4.7</b>
Durables.....	126.2	132.6	139.1	146.6	21.7	21.2	23.4
Motor vehicles and parts.....	47.0	51.5	54.6	60.4	44.5	26.1	40.7
Furniture and household equipment.....	57.0	58.4	60.7	62.0	10.2	16.6	9.0
Other durables.....	22.2	22.6	23.8	24.2	8.0	22.3	6.9
Nondurables.....	356.6	354.9	360.4	363.8	-1.8	6.3	3.8
Food.....	182.2	180.1	179.9	181.1	-4.6	-1.5	2.3
Energy <sup>1</sup> .....	30.5	29.5	30.6	28.5	-11.2	14.9	-24.3
Clothing and shoes.....	76.7	78.3	80.1	82.9	8.3	9.7	14.5
Other nondurables.....	67.2	67.0	69.8	71.3	-1.8	17.8	8.6
Services.....	436.5	443.3	447.3	447.4	6.4	-3.7	.1
Energy <sup>2</sup> .....	23.1	24.1	23.4	21.8	18.4	-11.4	-24.5
Other services.....	413.4	419.2	423.9	425.6	5.7	4.6	1.6

1. Gasoline and oil, and fuel oil and coal.
2. Electricity and gas.

CHART 2

**Disposable Personal Income and Personal Saving Rate**



U.S. Department of Commerce, Bureau of Economic Analysis

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percent, after declining 1.0 percentage point in the fourth quarter.

In real terms, disposable income increased 2½ percent at an annual rate, after increasing 3 percent in the fourth quarter and 4 percent in the third. These increases—although substantial—did little more than restore real disposable income to the level of the three-quarter plateau it had reached prior to its sharp decline in the second quarter of 1980 (chart 2).

**Real PCE.**—Real PCE continued strong in the first quarter. It increased 4½ percent at an annual rate, following increases of 7 percent in the fourth quarter and 5 percent in the third (table 6). On a monthly basis, PCE increased through January, but flattened subsequently. PCE on motor vehicles and

parts continued up, but other PCE fell off.

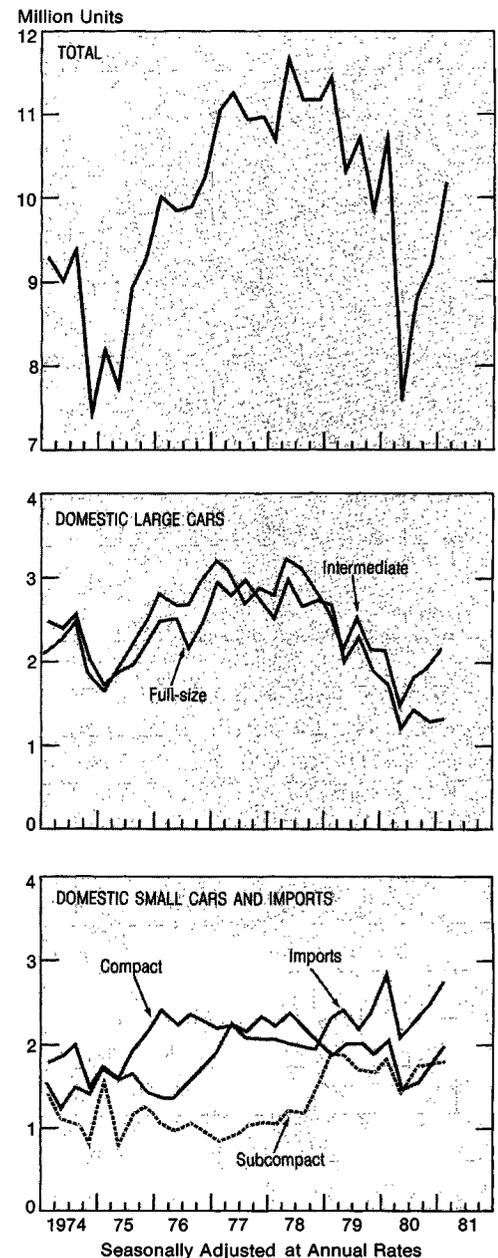
The bulk of the deceleration that occurred in PCE from the fourth quarter to the first was in services. PCE on electricity and gas declined, mainly due to unseasonably mild weather in February and March. “Other” services increased less than in the fourth quarter, primarily a reflection of a decline in commissions of security and commodity brokers and smaller increases in payments for several health-related services. Among goods, PCE on durables other than motor vehicles increased less in the first quarter, and PCE on energy declined. A decline in PCE on fuel oil, like that in electricity and gas, was mainly due to the weather. PCE on gasoline declined, continuing a 2-year slide that had been interrupted in the fourth quarter. In contrast, PCE on food turned up after 3 quarters of decline, and PCE on clothing continued to show a strong increase.

PCE on motor vehicles increased twice as much in the first quarter as in the fourth; purchases of cars continued to increase, and purchases of trucks turned up. In terms of units, sales of new passenger cars, which are sales to business and other final users as well as to consumers, totaled 10.2 million (seasonally adjusted annual rate) in the first quarter, up from 9.1 million in the fourth (chart 3). Import car sales continued their steady advance, increasing from 2.5 to 2.7 million. Sales of domestic cars were up sharply, from 6.7 to 7.4 million, after little change in the fourth quarter.

Sales of domestic cars were boosted by the extensive cash rebate programs in effect from mid-February through mid-March. The rebates were concentrated on intermediate and compact cars; sales of these cars increased from 1.9 to 2.2 million and from 1.7 to 2.0 million, respectively. Full-size car sales held steady at 1.3 million, and subcompact sales at 1.8 million. A portion of the rebate-induced increase represents “borrowing” from future periods; sales in the last 10 days of March, when most of the rebate programs had been scaled back, fell sharply.

CHART 3

**Retail Sales of New Passenger Cars**



Note.—The components may not add to the total because each category was separately adjusted for seasonal variation.

Data: Motor Vehicle Manufacturers Association of the United States, Inc. and Ward's Automotive Reports; seasonal adjustment by BEA.

U.S. Department of Commerce, Bureau of Economic Analysis.

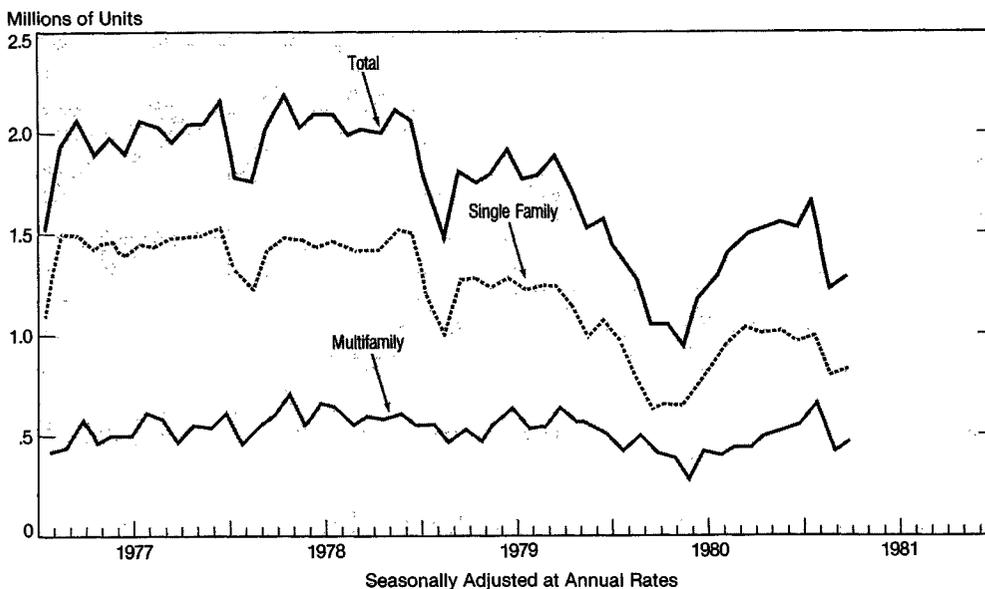
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**Investment**

Real nonresidential fixed investment increased 12½ percent at an annual rate, after increasing 4 percent in the fourth quarter (table 7). The first-quarter acceleration was in producers' durable equipment; a turnaround in motor vehicles and a larger first-quarter increase in other producers' durable equipment contributed about equally.

## Housing Starts

CHART 4



Data: Census

U.S. Department of Commerce, Bureau of Economic Analysis

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Most of the turnaround in motor vehicles was due to the boost given by the cash rebate programs to business purchases of new cars. New truck sales, which are sales to all final users, were up only slightly—in terms of units, from 2.3 to 2.4 million (seasonally adjusted annual rates). The entire increase was in sales of imported trucks; sales of domestic “light” and “other” trucks remained at about their fourth-quarter levels. In other producers’ durable equipment, the increase in the first quarter, as in the fourth, was spread across most of the major categories. The first-quarter increase in purchases of computers was especially large.

Investment in structures continued strong, increasing 11½ percent at an

annual rate after 9½ percent in the fourth quarter. The strength in the first quarter, as in the fourth, was in industrial and commercial buildings. Among other types of structures, public utility construction continued to decline, and petroleum exploration and drilling was up in the fourth but down in the first.

*Residential investment.*—Real residential investment was flat in the first quarter, following a huge increase in the fourth. Although new construction increased—single-family units, much less than in the fourth quarter, and multifamily units, more than in the fourth—the “other” component of residential investment registered an offsetting decline. The first-quarter decline

in this component, which includes brokers’ commissions on the sale of new and existing residences, additions and alterations, and mobile home purchases, was in brokers’ commissions.

New construction is a lagged function of housing starts. Multifamily starts moved up rather steadily through January, plummeted in February, and registered a limited recovery in March (chart 4). The fourth quarter included an unusually large increase in starts authorized under the Section 8 Federal rent subsidy program. Single-family starts increased strongly in June through September, held steady through January, and in February and March followed a course similar to that of multifamily starts. Single-family starts respond more rapidly to changes in financial conditions than do multifamily starts. In the fourth quarter, the prime rate—to which construction loans are tied—climbed to unprecedented levels, and, at 14 percent, the commitment rate on typical 25-year mortgages averaged 150 basis points above the third quarter (chart 5).

High and rising mortgage interest rates contributed also to the first-quarter decline in house sales, and, accordingly, in brokers’ commissions. Sales of new single-family houses declined from a seasonally adjusted annual rate of 541,000 in the fourth quarter to 500,000 in January and February; the corresponding decline for existing homes was from 3,000,000 to 2,570,000.

A clue to the surprising strength of housing starts through January in the face of high and rising interest rates is that the number of unused building permits was being drawn down to unusually low levels. This suggests that the houses being started included a larger than usual proportion for which financing had been arranged earlier, when terms were more favorable. This source of strength has receded. Further, recent yields at Federal National Mortgage Association auctions suggest that the mortgage rate is unlikely to fall much, if at all, in the near future. Also, net deposit flows at savings and loan associations and mutual savings banks fell sharply from the fourth quarter to January and February. Given these developments.

Table 7.—Real Fixed Investment

	Billions of constant (1972) dollars, seasonally adjusted annual rates				Percent change from preceding quarter at annual rates		
	1980			1981	1980		1981
	II	III	IV	I	III	IV	I
<b>Fixed investment</b> .....	199.2	200.2	207.6	212.4	2.1	15.7	9.4
Nonresidential.....	156.1	155.5	157.0	161.7	-1.5	4.0	12.3
Structures.....	48.7	46.8	47.8	49.1	-15.3	9.0	11.5
Producers' durable equipment.....	107.4	108.8	109.3	112.6	5.3	1.9	12.6
Autos, trucks, and buses.....	15.6	17.6	17.0	17.9	60.8	-12.2	21.1
Other.....	91.7	91.2	92.2	94.7	-2.4	4.8	11.1
Residential.....	43.1	44.7	50.6	50.7	16.0	64.2	1.0

the outlook for residential investment is clouded.

*Inventory investment.*—In real terms, inventories were run down in the first quarter at a rate of \$5½ billion—not far from the rates in the third and fourth quarters of 1980. The bulk of the three-quarter run-down was in nonfarm inventories, but farm inventories contributed as well.

The first-quarter decumulation in nonfarm inventories was more than accounted for by retail auto dealers.<sup>3</sup> Another series, which is the companion series to unit sales of new passenger cars, sheds additional light on auto inventory developments. Inventories of domestic cars were slashed from 1,350,000 (seasonally adjusted) in the fourth quarter to about 990,000 in the first, the lowest level in more than a decade. The inventory-sales ratio plunged from 2.4 in the fourth quarter to 1.6. The rebate programs were tailored to clear out certain slow-selling models that had built up despite earlier cutbacks in production. Inventories of many models are so low that an increase in production is scheduled in the second quarter despite uncertainty about the course of sales.

Among other nonfarm inventories, those held in wholesale trade, especially durables, and retail nondurables also registered decumulation in the first quarter. Accumulation in manufacturing, both durables and nondurables, was a partial offset.

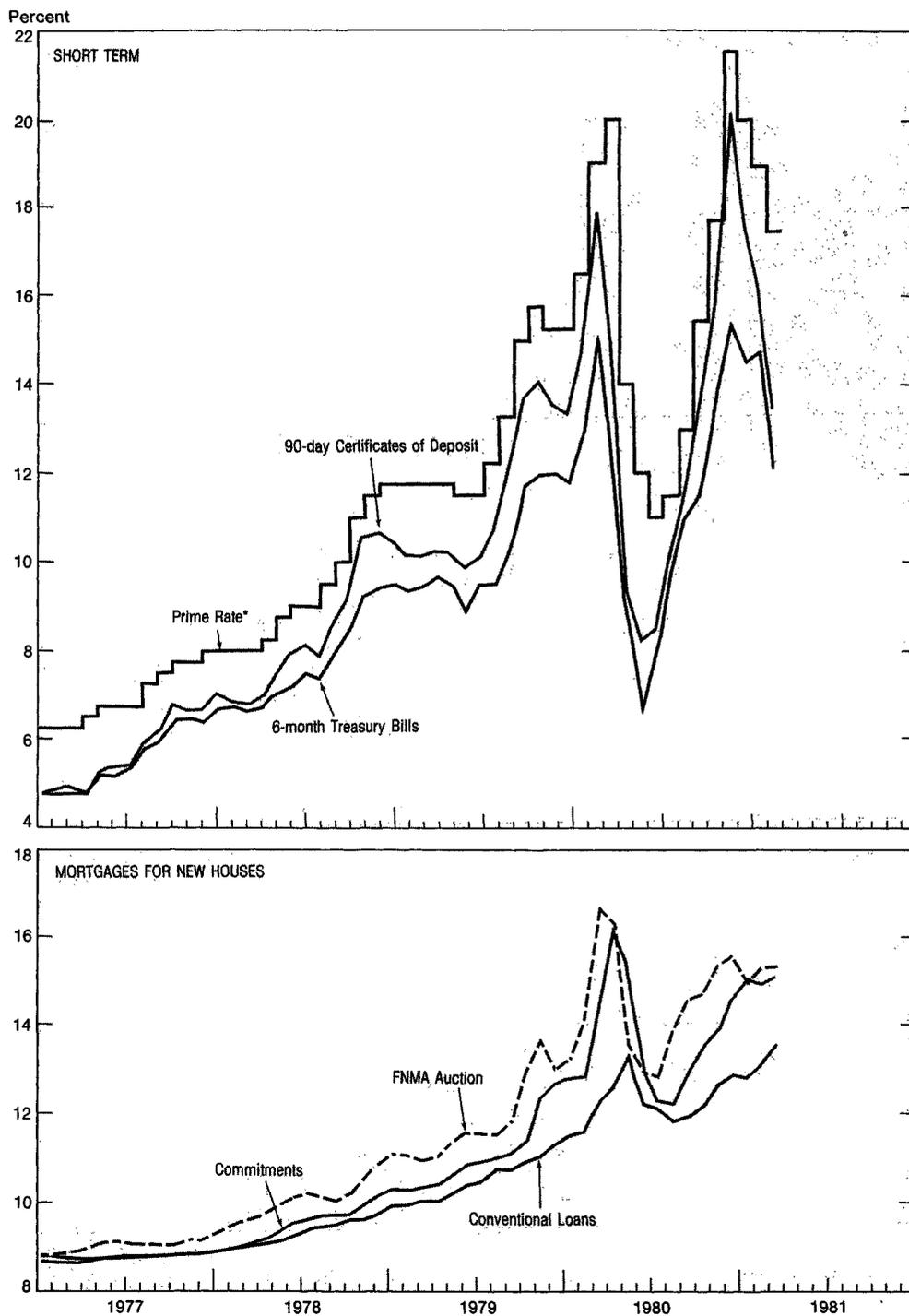
For manufacturing, merchant wholesale trade, and retail trade, sales estimates are available that make it possible to relate inventory stocks to sales. Table 8 shows constant-dollar inventories, sales, and inventory-sales ratios for the period beginning in the second quarter of 1980, when inventory-sales ratios reached their peak. In retail trade, durables inventories were run down in the third and fourth quarters and held steady in the first. The strong sales increase over this period made it possible

for these retailers to achieve the lean inventories they wanted. Nondurables inventories accumulated substantially in the third quarter when sales were weak, but were brought down subsequently when sales increased moderately. In manufacturing, inventories were run down in the third and fourth quarters

prior to the first-quarter accumulation. A strengthening of sales coincided with the run-down and a weakening coincided with the accumulation. The strengthening and weakening of sales, especially in durables manufacturing, is, in turn, partly traceable to the course of motor vehicle production and resi-

CHART 5

Selected Interest Rates



3. In general, the series for retail auto dealers is derived from Census Bureau book value inventory data. These data cover most auto inventories—including inventories of new and used autos, domestic and foreign—although not those held by manufacturers and wholesalers. The Census Bureau data for retail auto dealers cover, in addition to autos, some trucks and other motorized vehicles, and also parts.

\*At end of the month.  
U.S. Department of Commerce, Bureau of Economic Analysis

Data: FRB, FHLBB  
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dential investment, because they are major markets for the products of manufacturing industries.

An overview of inventory developments is provided in chart 6, which shows total business inventories relative to business final sales and to business final sales of goods and structures. The chart brings out that, except in the second quarter of 1980, inventories have tended down since the third quarter of 1979. Apart from special industry situations, this tendency can be attributed to the high costs of carrying inventories that prevailed during most of the period, the determination to avoid the kind of buildup that occurred prior to 1975, and the widespread expectation of weaker sales in the second half of 1980 than materialized. Over this period, the movements in the inventory-sales ratios were largely due to movements in sales—a picture that emerges also in the by-industry inventories and sales indexes shown in table 8. By the first quarter of 1981, the ratios had fallen back to the levels that were registered in 1977-78, a period when in-

ventories do not seem to have been excessive.

### Net exports

Real net exports of goods and services were up \$3½ billion in the first quarter, after declining \$9 billion in the fourth (table 9). The major factor in the swing was a sharp turnaround in merchandise exports (chart 7). Agricultural exports increased following a decline in the fourth quarter. Most categories of nonagricultural exports strengthened relative to the fourth quarter. There was an especially large step-up in capital goods—an increase of \$½ billion after a decline of \$2½ billion. Merchandise imports increased, but not as much as in the fourth quarter. Reflecting increased U.S. industrial activity, petroleum as well as other industrial supplies and materials again registered sharp increases. Petroleum imports were up to 6.9 million barrels per day (seasonally adjusted) from 6.5 million in the fourth quarter. The first-quarter level was 18 percent below that of the first quarter of 1980.

Factor incomes—both receipts and payments—were up in the first quarter, as they had been in the fourth. A major cause of the increases was higher dollar interest rates.

### Government

Real government purchases of goods and services increased 4½ percent at an annual rate in the first quarter, compared with 2 percent in the fourth (table 10). Federal purchases increased 12½ percent after little change. In the first quarter, agricultural price support operations by the Commodity Credit Corporation shifted from net sales of \$1½ billion to net purchases of \$2½ billion, as new loans to farmers exceeded redemptions of crops placed under loan earlier. Other Federal purchases showed little change.

State and local purchases, both in total and for major purchase categories, were flat in the first quarter. In the fourth quarter, these purchases had increased 2½ percent.

Table 8.—Constant-Dollar Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade

[Seasonally adjusted]

	Inventories (billions of 1972 dollars, end of period)						Sales (billions of 1972 dollars, monthly rate)						Inventory-sales ratio					
	1980			1981			1980			1981			1980			1981		
	II	III	IV	I	Jan.	Feb.	II	III	IV	Jan.	Feb.	II	III	IV	Jan.	Feb.		
<b>Manufacturing and trade</b> .....	264.7	264.2	263.0	261.6	263.2	262.9	150.5	153.6	158.1	159.5	158.6	1.76	1.72	1.66	1.65	1.66		
Manufacturing.....	147.2	145.9	145.0	146.0	145.8	146.2	70.1	71.5	74.1	74.0	73.8	2.10	2.04	1.96	1.97	1.98		
Durable goods.....	99.5	99.0	98.9	99.3	99.4	99.5	37.2	38.3	40.5	40.3	40.5	2.67	2.59	2.44	2.47	2.46		
Nondurable goods.....	47.7	46.8	46.1	46.7	46.4	46.8	32.9	33.2	33.6	33.8	33.3	1.45	1.41	1.37	1.37	1.40		
Merchant wholesalers.....	52.9	53.3	53.4	52.6	53.0	52.9	26.2	26.8	28.4	28.6	27.6	1.46	1.45	1.39	1.37	1.41		
Durable goods.....	35.3	35.3	35.5	34.6	35.0	35.0	16.4	16.9	17.8	17.6	17.8	2.15	2.09	1.99	1.99	1.97		
Nondurable goods.....	17.6	18.1	17.9	18.0	18.0	17.9	19.8	19.9	20.5	21.0	19.9	.89	.91	.87	.86	.90		
Retail trade.....	64.7	65.1	64.6	63.0	64.4	63.7	44.2	45.3	45.7	46.8	47.2	1.47	1.44	1.41	1.38	1.35		
Durable goods.....	30.7	30.2	30.3	29.0	30.4	29.7	14.2	15.3	15.4	16.3	16.7	2.16	1.98	1.97	1.86	1.78		
Auto.....	15.1	14.9	15.3	13.9	15.3	14.5	7.6	8.5	8.4	8.9	9.3	2.00	1.74	1.84	1.72	1.56		
Other.....	15.6	15.4	15.0	15.0	15.1	15.1	6.7	6.8	7.0	7.4	7.4	2.34	2.27	2.13	2.04	2.05		
Nondurable goods.....	34.1	34.8	34.2	34.0	34.0	34.1	29.9	30.0	30.3	30.5	30.5	1.14	1.16	1.13	1.12	1.12		
	1980: II=1.000																	
<b>Manufacturing and trade</b> .....	1.000	.998	.994	.998	.994	.993	1.000	1.021	1.050	1.060	1.054	1.000	.977	.943	.938	.943		
Manufacturing.....	1.000	.991	.985	.992	.990	.993	1.000	1.020	1.057	1.056	1.052	1.000	.971	.933	.938	.943		
Durable goods.....	1.000	.995	.994	.998	1.000	1.000	1.000	1.030	1.089	1.083	1.088	1.000	.970	.914	.925	.921		
Nondurable goods.....	1.000	.981	.966	.979	.973	.981	1.000	1.009	1.021	1.027	1.012	1.000	.972	.945	.945	.966		
Merchant wholesalers.....	1.000	1.008	1.009	.994	1.002	1.000	1.000	1.017	1.061	1.066	1.039	1.000	.993	.952	.938	.966		
Durable goods.....	1.000	1.000	1.006	.980	.992	.992	1.000	1.030	1.085	1.073	1.085	1.000	.972	.926	.926	.916		
Nondurable goods.....	1.000	1.028	1.017	1.023	1.023	1.017	1.000	1.005	1.035	1.061	1.005	1.000	1.022	.978	.966	1.011		
Retail trade.....	1.000	1.006	.998	.974	.995	.995	1.000	1.025	1.034	1.059	1.068	1.000	.980	.959	.939	.918		
Durable goods.....	1.000	.984	.987	.945	.990	.967	1.000	1.077	1.084	1.148	1.176	1.000	.917	.912	.861	.824		
Auto.....	1.000	.987	1.013	.921	1.013	.960	1.000	1.118	1.105	1.171	1.224	1.000	.870	.920	.860	.780		
Other.....	1.000	.987	.962	.962	.968	.968	1.000	1.015	1.045	1.104	1.104	1.000	.970	.910	.872	.872		
Nondurable goods.....	1.000	1.021	1.003	.997	.997	1.000	1.000	1.003	1.013	1.020	1.020	1.000	1.018	.991	.982	.912		

NOTE.—When put at annual rates and added to the change in farm, nonmerchant wholesalers, and "other" inventories, the differences between quarterly inventories sum to the constant-dollar change in business inventories component of GNP.

**NIPA Federal sector.**—Information on current-dollar Federal receipts and expenditures is shown in table 11. Expenditures increased \$19 billion, compared with \$26 billion in the fourth quarter. Purchases decelerated sharply; in the fourth quarter they had been boosted \$6½ billion by the Federal pay raise. Grants-in-aid to State and local governments declined after increasing in the fourth quarter. In contrast, net interest paid increased more. The \$12 billion step-up reflected higher interest rates on Federal securities and \$2½ billion paid to the Penn Central Transportation Company as part of a settlement for the value of assets transferred by Penn Central to Conrail in 1976.

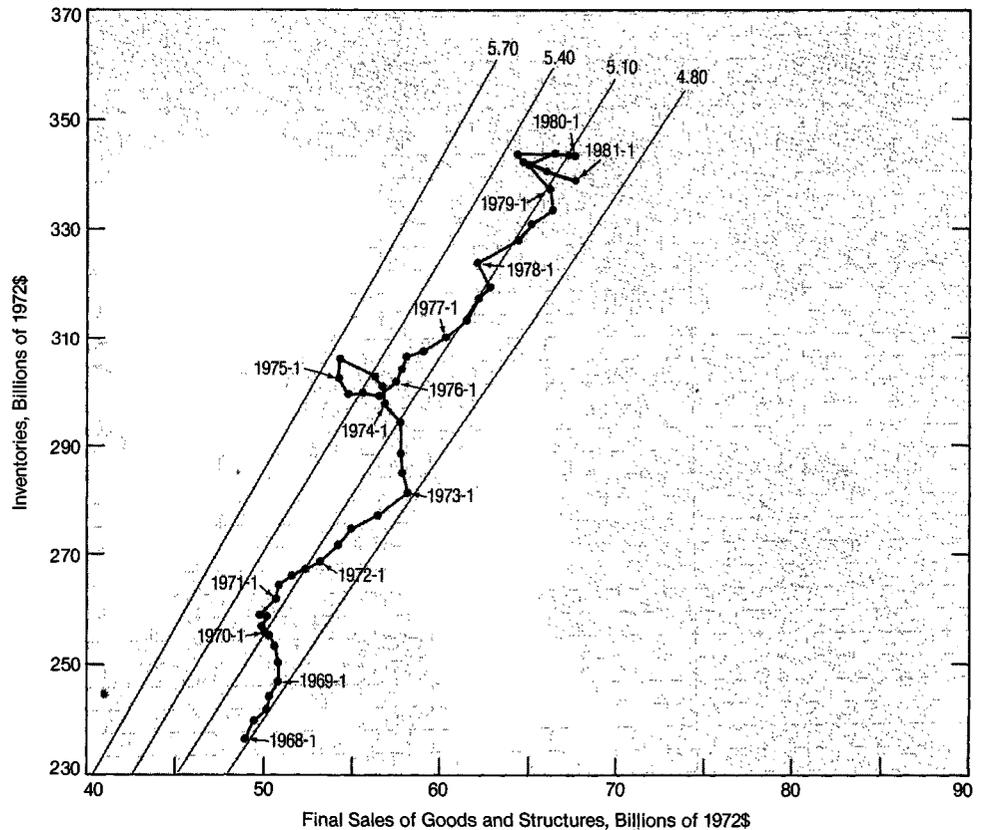
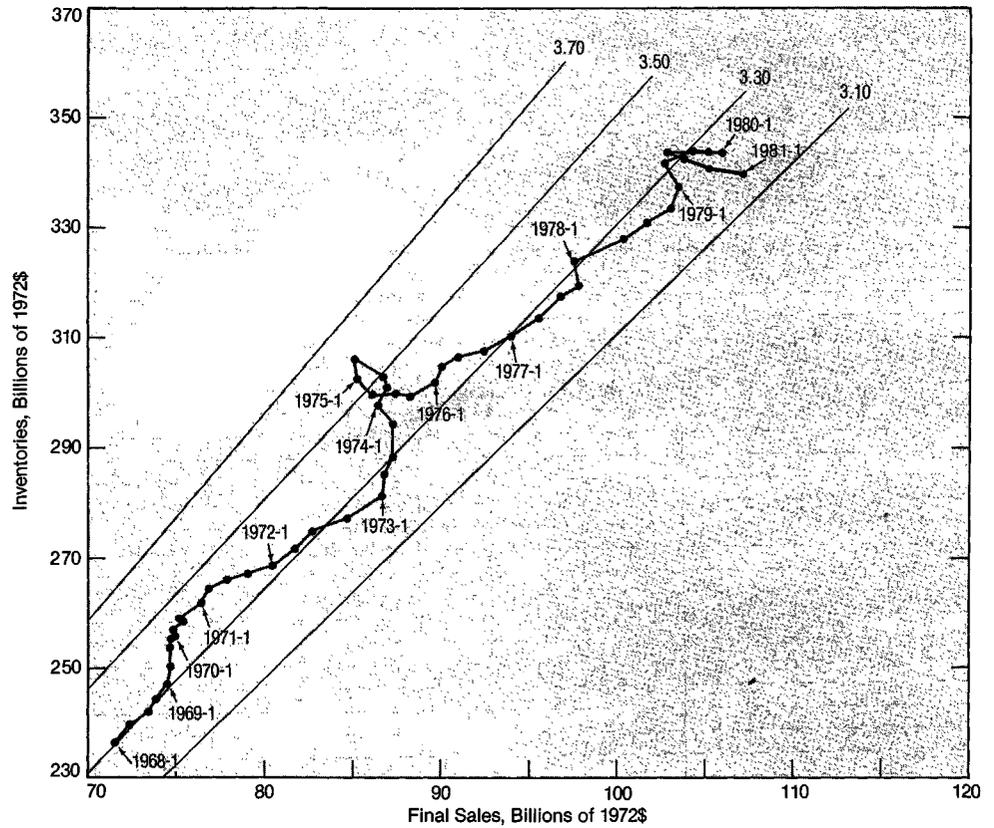
Receipts increased more than they did in the fourth quarter. Contributions for social insurance accelerated sharply—from \$7 billion to \$20½ billion—due to the step-up in the social security tax rate and taxable wage base. Also, indirect business taxes were up \$11 billion, after increasing \$6 billion in the fourth quarter. Windfall profits tax receipts increased sharply as a result of the full decontrol of domestic crude oil in January. Personal taxes increased \$10½ billion, about \$3 billion less than in the fourth quarter, largely reflecting the deceleration in the increase in wages and salaries. On the basis of a residual calculation of first-quarter profits, corporate profits tax accruals were down about one-third as much as they had increased in the fourth quarter. This residual calculation assumes that the statistical discrepancy in the national income and product account is the same as in the preceding quarter. On this basis, it appears that the Federal deficit on a national income and product account basis was about \$20 billion less than the \$68 billion recorded in the fourth quarter.

**Corporate profits**

In the fourth quarter of 1980, corporate profits from current production—profits with inventory valuation and capital consumption adjustments—increased \$5½ billion to \$183½ billion. This estimate is \$1½ billion higher than

CHART 6

**Constant-Dollar Business Inventories, Final Sales and Final Sales of Goods and Structures and Inventory-Sales Ratios**



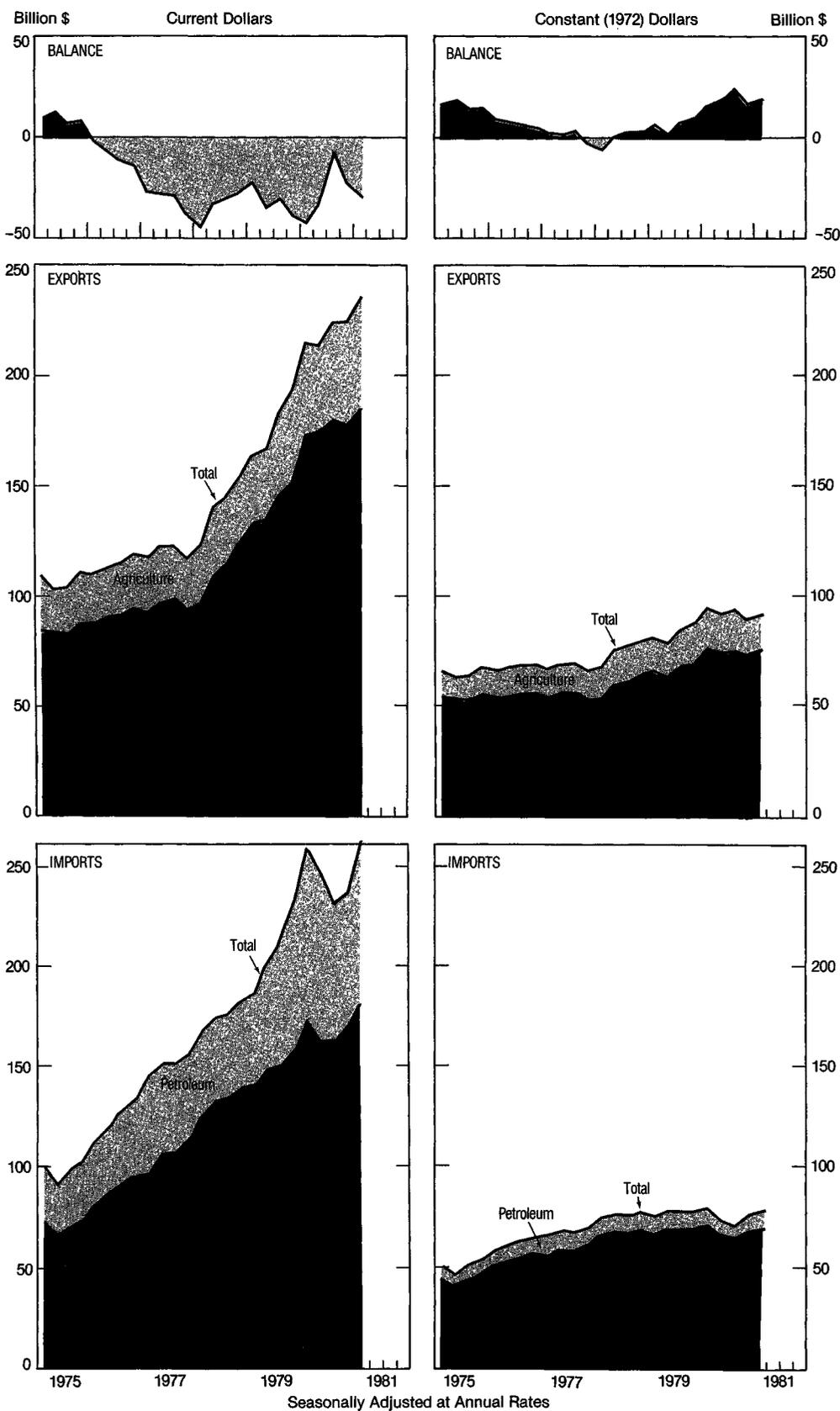
Note: End-of-quarter inventories, seasonally adjusted; final sales seasonally adjusted. Blue lines represent ratios of inventory stocks to final sales.

U.S. Department of Commerce, Bureau of Economic Analysis

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CHART 7

Merchandise Trade



U.S. Department of Commerce, Bureau of Economic Analysis

81-4-7

the one published a month ago. An upward revision in manufacturing profits more than offset down revisions in other industries.

Domestic profits of nonfinancial corporations increased \$7 billion to \$128 billion. Most of this increase was durable goods manufacturing profits.

Domestic profits of financial corporations increased \$1½ billion to \$27½ billion. An increase in Federal Reserve banks' profits and a swing from losses to profits for savings and loan associations more than offset a decrease in the profits of insurance carriers.

Rest-of-the-world profits—as measured by the net inflow of dividends and reinvested earnings of incorporated foreign affiliates, and earnings of unincorporated foreign affiliates—decreased \$3 billion to \$27½ billion. A major factor in this decrease was lower profits on the overseas petroleum operations of U.S. corporations.

*Recent developments in manufacturing and transportation profits.*—For manufacturing corporations, profits with inventory valuation adjustment but without capital consumption adjustment peaked in the first quarter of 1979, declined, with the exception of one quarter, until the second quarter of 1980, and increased substantially in the third and fourth quarters (table 12). However, these profits remain well below their peak. Quarter-to-quarter changes in the profits of most manufacturing industries have generally been in the same direction as quarter-to-quarter changes in constant-dollar sales of these industries (table 13). Exceptions are usually due to identifiable special factors.

Within durables manufacturing, changes in profits of primary metals manufacturers reflected both changes in sales and fluctuations in prices received for metals; decreases or low rates of increase in prices held down profits in 3 quarters of 1979 and 1980 despite sales increases. (Extraordinary charges related to closings of plants have not significantly affected profits as measured in the national income and product accounts (NIPA's). One example of such charges is write-offs of undepreciated closed facilities, which are treated in fi-

Table 9.—Net Exports of Goods and Services

	Current dollars				Constant (1972) dollars									
	Billions of dollars, seasonally adjusted at annual rates											Percent change from preceding quarter at annual rates		
	1980			1981	1980			1981	1980		1981			
	II	III	IV	I	II	III	IV	I	III	IV	I			
<b>Net exports of goods and services</b> .....	17.1	44.5	23.3	24.3	51.7	57.6	48.5	51.8						
Exports.....	333.3	342.4	346.1	371.5	160.5	160.5	157.4	164.9	-2	-7.4	20.5			
Merchandise.....	213.9	222.9	221.0	236.4	92.1	93.5	89.0	92.4	6.0	-17.9	16.5			
Agricultural.....	38.9	43.8	44.8	49.1	17.6	18.7	17.7	18.7	26.9	-20.4	26.0			
Nonagricultural.....	174.9	179.1	176.2	187.3	74.5	74.8	71.3	73.7	1.4	-17.3	14.2			
Other.....	119.4	119.5	125.0	135.0	68.4	67.0	68.4	72.5	-8.0	8.8	25.9			
Imports.....	316.2	297.9	322.7	347.2	108.9	102.8	108.9	113.1	-20.4	25.8	16.2			
Merchandise.....	245.6	231.5	245.8	267.3	73.4	70.5	73.4	75.3	-14.9	17.6	10.6			
Petroleum.....	84.0	69.1	76.8	88.2	7.2	5.8	6.2	6.7	-58.5	34.3	29.8			
Nonpetroleum.....	161.7	162.4	172.0	179.1	66.1	64.7	67.1	68.6	-8.6	16.1	9.0			
Other.....	70.5	66.4	73.9	79.9	35.5	32.4	35.5	37.8	-31.0	45.1	28.5			

anical statements as capital losses in the period the decision to close is made; in the NIPA's, the entire value of the plant is depreciated over the expected service life of the plant. Another example is the value of unfunded pension costs, which are not charged in deriving NIPA measures unless actually paid to trust funds.)

Quarter-to-quarter movements in the profits of auto manufacturers closely reflected movements of unit production of autos and light trucks. In addition, profits were held down in the early part of the period by a change in the mix of sales from large to small cars, on which per-unit profits are lower. In 1980, however, a narrowing in the spread of prices per unit among car sizes mitigated the

Table 10.—Real Government Purchases of Goods and Services

	Billions of constant (1972) dollars, seasonally adjusted annual rates				Percent change from preceding quarter at annual rates		
	1980			1981	1980		1981
	II	III	IV	I	III	IV	I
<b>Government purchases of goods and services</b> .....	291.9	288.2	289.8	292.9	-5.0	2.2	4.3
Federal.....	110.7	106.9	107.4	110.6	-13.1	2.0	12.5
National defense.....	70.9	70.9	71.9	72.1	-.1	5.9	1.0
Nondefense.....	39.7	35.9	35.4	38.5	-33.1	-5.3	38.8
Commodity Credit Corporation.....	2.7	-1.9	-1.4	2.4			
Other.....	37.0	37.9	36.9	36.0	9.7	-10.1	-8.7
State and local.....	181.2	181.3	182.4	182.3	.3	2.3	C

Table 11.—Federal Government Receipts and Expenditures, NIPA Basis

[Billions of dollars]

	Seasonally adjusted at annual rates				Change from preceding quarter		
	1980			1981	1980		1981
	II	III	IV	I	III	IV	I
<b>Receipts</b> .....	520.9	540.8	573.1	n.a.	19.9	32.3	n.a.
Personal tax and nontax receipts.....	252.0	259.4	272.9	283.6	7.4	13.5	10.7
Corporate profits tax accruals.....	60.9	66.7	72.5	n.a.	5.8	5.8	n.a.
Indirect business tax and nontax accruals.....	38.7	42.9	49.1	60.3	4.2	6.2	11.2
Contributions for social insurance.....	169.3	171.8	178.6	198.9	2.5	6.8	20.3
<b>Expenditures</b> .....	587.3	615.0	641.1	660.3	27.7	26.1	19.2
Purchases of goods and services.....	198.7	194.9	212.0	219.6	-3.8	17.1	7.6
National defense.....	128.7	131.4	141.6	144.9	2.7	10.2	3.3
Nondefense.....	70.0	63.5	70.4	74.8	-6.5	6.9	4.4
Transfer payments.....	236.0	265.3	269.0	271.7	29.3	3.7	2.7
Grants-in-aid to State and local governments.....	87.2	87.7	91.8	88.8	.5	4.1	-3.0
Net interest paid.....	54.4	53.5	55.2	67.3	-.9	1.7	12.1
Subsidies less current surplus of government enterprises.....	11.0	13.7	13.1	12.8	2.7	-6	-3
Less: Wage accruals less disbursements.....	0	0	0	0	0	0	0
<b>Surplus or deficit (-), national income and product accounts</b> .....	-66.5	-74.2	-68.0	n.a.	-7.7	6.2	n.a.

n.a. Not available.

downward pressure on profits due to the mix change. Profits of nonelectrical machinery fell despite the increases in sales. Strong competition in the computer and computing equipment industries was a factor in the profits decline.

Within nondurable manufacturing, changes in food manufacturers' profits reflected, in addition to sales, fluctuations in raw food prices, which were sharp in 1979 and 1980. Large increases in these prices are usually accompanied by decreases in margins between raw food costs and manufactured food prices, and slowing price increases or decreases are usually accompanied by margin increases.

The pattern of petroleum manufacturers' profits reflected three factors. First, because corporations classified in petroleum manufacturing produce a major share of domestic crude oil, increasing crude oil prices—the result of increasing world oil prices and gradual decontrol of domestic crude oil prices—led to higher profits. Second, the windfall profits tax on domestic crude oil production, effective March 1, 1980, reduced profits. Although it is not possible precisely to allocate by industry the impact of the tax, much of it fell on corporations classified in petroleum manufacturing. This tax was about \$2 billion in the first quarter of 1980, \$9 billion in the second, \$12 billion in the third, and \$17 billion in the fourth. Third, during 1980, declining demand for petroleum products made it increasingly difficult for petroleum refiners to pass on to product prices the higher costs of crude oil. The resulting squeeze on margins held down profits.

Transportation profits decreased

**Table 12.—Corporate Profits With Inventory Valuation Adjustment and Without Capital Consumption Adjustment in Manufacturing: Change From Preceding Quarter**

[Billions of dollars; seasonally adjusted at annual rates]

	1979				1980			
	I	II	III	IV	I	II	III	IV
<b>Manufacturing</b> .....	5.8	-7.9	-7.1	-4.2	11.9	-30.8	7.2	7.7
Durable goods.....	3.2	-7.9	-8.2	-5.5	-1.2	-18.0	9.3	6.4
Primary metal industries.....	.6	-1	-2	-1.7	3.1	-3.9	-1.4	3.2
Fabricated metal products.....	.1	-3	-7	.3	.4	-3.5	2.1	.9
Machinery, except electrical.....	-1.0	-5	4	-1.2	-7	-1.5	.5	-1
Electrical machinery.....	1.1	-7	-6	-1	.9	-2.8	1.7	-2
Motor vehicles.....	2.7	-5.2	-7.0	-5	-2.1	-5.9	4.0	4.1
Other.....	-4	-1.3	.1	-2.3	-2.8	-4	2.3	-1.4
Nondurable goods.....	2.6	0	1.1	1.3	13.1	-12.8	-2.1	1.3
Food and kindred products.....	-1	.9	-8	0	1.6	-1.5	-1.1	2.9
Paper and allied products.....	.7	-8	1.2	-1.4	.2	-9	.1	.2
Chemicals and allied products.....	0	-6	-1.0	-1.2	2.2	-2.8	1.1	1.1
Petroleum and coal products.....	1.2	1.9	.8	6.0	7.3	-5.8	-3.0	-2.4
Other.....	.9	-1.2	.8	-2.2	1.9	-1.5	.5	-6

**Table 13.—Constant-Dollar Manufacturing Sales: Change From Preceding Quarter**

[Billions of 1972 dollars; seasonally adjusted at annual rates]

	1979				1980			
	I	II	III	IV	I	II	III	IV
<b>Manufacturing</b> .....	10.8	-16.3	-0.2	-13.6	3.2	-71.8	16.2	31.3
Durable goods.....	7.1	-18.0	-4.9	-7.9	5.0	-53.0	12.4	26.7
Primary metal industries.....	-7	-4.4	.8	-1.8	.1	-11.8	2.2	6.5
Fabricated metal products.....	1.5	-2.3	-2	.5	.1	-7.8	1.2	5.6
Machinery, except electrical.....	.6	.6	2.2	.2	1.9	-4.4	2.0	2.4
Electrical machinery.....	3.7	-3	-2.1	.8	5.7	-4.7	-1.0	1.5
Motor vehicles.....	.1	-9.6	-8.0	-5.0	-3.0	-13.2	5.0	5.1
Other.....	2.0	-2.0	2.3	-2.6	.2	-11.2	3.0	5.6
Nondurable goods.....	3.7	1.7	4.7	-5.6	-1.8	-18.7	3.7	4.6
Food and kindred products.....	.1	1.3	1.8	-3	-1	-2	1.1	-2.7
Paper and allied products.....	.4	.3	.5	-1.7	.4	-2.0	.6	.3
Chemicals and allied products.....	3.0	-3	.8	.5	-1.7	-8.0	1.7	5.4
Petroleum and coal products.....	.1	-1.8	-1.6	-1.5	-1.2	-2.3	-9	1.6
Other.....	.1	2.2	3.2	-2.6	.8	-6.2	1.2	0

steadily from a peak in the third quarter of 1978 until the second quarter of 1980, and increased in the third and fourth quarters. Most of the decline was in airline profits. Rising fuel costs, declining revenue-passenger miles, and costs of opening new routes and competitive pressures under deregulation held down profits. Very large fare in-

creases began offsetting these negative factors in the fourth quarter of 1979, and airline profits increased in the third and fourth quarters of 1980. Decreases in motor freight profits, due to rapid increases in fuel costs and a large decrease in intercity truck tonnage, also contributed to the decreases in transportation profits.

National Income and Product Accounts Tables

The tables that follow are presented in eight groups, and the table numbers reflect these groups. The table numbers will also be used in future publications presenting national income and product account estimates. The groups are:

1. National product and income
2. Personal income and outlays
3. Government receipts and expenditures
4. Foreign transactions
5. Saving and investment
6. Product and income by industry
7. Implicit price deflators and price indexes
8. Supplementary table: Percent change from preceding period for selected items

The fixed-weighted and chain price indexes shown in tables 7.1-7.2 and 8.1 are revised for all periods. Revised estimates for earlier periods are available from the National Income and Wealth Division, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, D.C. 20230. Corporate profits and related totals for the fourth quarter and year 1980 are revised.

The abbreviations used in the tables are:

- CCAdj capital consumption adjustment
- IVA inventory valuation adjustment
- NIPA's national income and product accounts
- <sup>p</sup> preliminary
- <sup>r</sup> revised

	1979	1980	1979					1980					1979	1980	1979					1980					1981
			IV					I							IV					I <sup>p</sup>					
			Seasonally adjusted at annual rates												Seasonally adjusted at annual rates										

Table 1.1-1.2.—Gross National Product in Current and Constant Dollars

	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
Gross national product.....	2,413.9	2,626.1	2,496.3	2,571.7	2,564.8	2,637.3	2,730.6	2,826.8	1,483.0	1,480.7	1,490.6	1,501.9	1,463.3	1,471.9	1,485.6	1,509.2		
Personal consumption expenditures.....	1,510.9	1,672.8	1,582.3	1,631.0	1,626.8	1,682.2	1,751.0	1,805.4	930.9	935.1	941.6	943.4	919.3	930.8	946.8	957.8		
Durable goods.....	212.3	211.9	216.1	220.9	194.4	208.8	223.3	238.1	146.6	135.8	146.0	145.4	126.2	132.6	139.1	146.6		
Nondurable goods.....	602.2	675.7	639.2	661.1	664.0	674.2	703.5	724.4	354.6	358.4	361.3	361.5	356.6	354.9	360.4	363.8		
Services.....	696.3	785.2	727.0	749.0	768.4	799.2	824.2	842.8	429.6	440.9	434.3	436.5	436.5	443.3	447.3	447.4		
Gross private domestic investment.....	415.8	395.3	410.0	415.6	390.9	377.1	397.7	423.1	232.6	203.6	221.5	218.3	200.5	195.3	200.5	206.6		
Fixed investment.....	398.3	401.2	410.8	413.1	383.5	393.2	415.1	431.0	222.5	206.6	222.2	219.2	199.2	200.2	207.6	212.4		
Nonresidential.....	279.7	296.0	290.2	297.8	289.8	294.0	302.1	314.7	163.3	158.4	164.1	165.0	156.1	155.5	157.0	161.7		
Structures.....	96.3	108.8	105.1	108.2	108.4	107.3	111.5	116.2	48.5	48.4	50.7	50.5	48.7	46.8	47.8	49.1		
Producers' durable equipment.....	183.4	187.1	185.1	189.7	181.4	186.8	190.7	198.5	114.8	110.0	113.5	114.5	107.4	108.8	109.3	112.6		
Residential.....	113.9	105.3	120.6	115.2	93.6	99.2	113.0	116.3	59.1	48.1	58.1	54.2	43.1	44.7	50.6	50.7		
Nonfarm structures.....	118.9	100.3	115.4	110.1	88.9	94.5	107.6	110.9	56.2	45.2	54.9	51.2	40.3	41.9	47.5	47.7		
Farm structures.....	1.8	2.0	2.3	2.2	1.8	1.7	2.2	2.2	.9	.9	1.1	1.0	.8	.7	1.0	1.0		
Producers' durable equipment.....	2.9	3.0	3.0	3.0	2.9	3.0	3.1	3.2	2.0	2.0	2.1	2.1	2.0	2.0	2.0	2.1		
Change in business inventories.....	17.5	-5.9	-8	2.5	7.4	-16.0	-17.4	-7.9	10.2	-2.9	-7	-9	1.3	-5.0	-7.2	-5.7		
Nonfarm.....	13.4	-4.7	-4.4	1.5	6.1	-12.3	-14.0	-5.9	7.8	-2.4	-2.7	-1.4	.6	-3.1	-5.6	-4.8		
Farm.....	4.1	-1.2	3.6	1.0	1.3	-3.7	-3.4	-2.0	2.4	-5	2.0	.5	.7	-1.8	-1.5	-9		
Net exports of goods and services.....	13.4	23.3	7.6	8.2	17.1	44.5	23.3	24.3	37.7	52.0	42.2	50.1	51.7	57.6	48.5	51.8		
Exports.....	281.3	339.8	306.3	337.3	333.3	342.4	346.1	371.5	146.9	161.1	154.8	165.9	160.5	160.5	157.4	164.9		
Imports.....	267.9	316.5	298.7	329.1	316.2	297.9	322.7	347.2	109.2	109.1	112.6	115.8	108.9	102.8	108.9	113.1		
Government purchases of goods and services.....	473.8	534.7	496.4	516.8	530.0	533.5	558.6	574.1	281.8	290.0	285.3	290.1	291.9	288.2	289.8	292.9		
Federal.....	167.9	198.9	178.1	190.0	198.7	194.9	212.0	219.6	101.7	108.1	103.1	107.6	110.7	106.9	107.4	110.6		
Nonfederal.....	111.2	131.7	118.7	125.0	128.7	131.4	141.6	144.9	67.1	70.9	68.3	69.9	70.9	70.9	71.9	72.1		
State and local.....	56.7	67.2	59.4	64.9	70.0	63.5	70.4	74.8	34.6	37.2	34.8	37.7	39.7	35.9	35.4	38.5		
State and local.....	305.9	335.8	318.3	326.8	331.3	338.6	346.6	354.5	180.1	180.9	182.2	182.5	181.2	181.3	182.4	182.3		

Table 1.3-1.4.—Gross National Product by Major Type of Product in Current and Constant Dollars

	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
Gross national product.....	2,413.9	2,626.1	2,496.3	2,571.7	2,564.8	2,637.3	2,730.6	2,826.8	1,483.0	1,480.7	1,490.6	1,501.9	1,463.3	1,471.9	1,485.6	1,509.2		
Final sales.....	2,396.4	2,632.0	2,497.1	2,569.1	2,557.4	2,653.4	2,748.0	2,834.7	1,472.9	1,483.6	1,491.3	1,502.8	1,462.0	1,476.9	1,492.7	1,515.0		
Change in business inventories.....	17.5	-5.9	-8	2.5	7.4	-16.0	-17.4	-7.9	10.2	-2.9	-7	-9	1.3	-5.0	-7.2	-5.7		
Goods.....	1,055.9	1,130.4	1,078.3	1,116.9	1,106.4	1,129.4	1,169.0	1,225.2	674.5	665.2	673.3	682.1	658.1	657.5	662.9	683.6		
Final sales.....	1,038.5	1,136.3	1,079.1	1,114.4	1,099.0	1,145.4	1,186.3	1,233.1	664.3	668.1	674.0	683.0	656.8	662.4	670.1	689.3		
Change in business inventories.....	17.5	-5.9	-8	2.5	7.4	-16.0	-17.4	-7.9	10.2	-2.9	-7	-9	1.3	-5.0	-7.2	-5.7		
Durable goods.....	451.2	458.6	448.1	456.4	444.6	456.5	476.7	489.7	296.9	279.4	289.6	290.6	270.8	274.6	281.8	285.7		
Final sales.....	439.7	462.6	448.4	468.2	441.3	464.9	476.0	503.9	290.2	281.3	289.9	295.2	270.1	278.4	281.5	293.2		
Change in business inventories.....	11.5	-4.0	-4	-11.8	3.3	-8.4	.7	-14.2	6.7	-1.9	-3	-4.6	.7	-3.8	.3	-7.4		
Nondurable goods.....	604.7	671.9	630.3	660.5	661.8	672.9	692.2	735.5	377.5	385.7	383.7	391.4	387.3	382.9	381.1	397.8		
Final sales.....	598.8	673.7	630.7	646.2	657.7	680.5	710.3	729.2	374.1	386.8	384.1	387.7	386.7	384.0	388.6	396.1		
Change in business inventories.....	6.0	-1.8	-5	14.3	4.1	-7.7	-18.1	6.3	3.5	-1.1	-4	3.7	.6	-1.1	-7.5	1.7		
Services.....	1,097.2	1,229.6	1,142.8	1,178.6	1,205.6	1,249.0	1,285.3	1,314.7	678.0	695.7	684.9	690.7	690.6	699.9	701.7	702.7		
Structures.....	260.8	266.0	275.1	276.2	252.8	258.9	276.4	287.0	130.6	119.8	132.4	129.1	114.6	114.5	121.0	123.0		
Addenda:																		
Gross domestic purchases <sup>1</sup> .....	2,400.5	2,602.8	2,488.7	2,563.5	2,547.7	2,592.8	2,707.3	2,802.6	1,445.3	1,428.7	1,448.4	1,451.8	1,411.6	1,414.3	1,437.1	1,457.4		
Final sales to domestic purchasers <sup>1</sup> .....	2,383.0	2,608.7	2,489.5	2,560.9	2,540.3	2,608.8	2,724.6	2,810.5	1,435.1	1,431.7	1,449.1	1,452.7	1,410.4	1,419.2	1,444.2	1,463.1		

1. Gross domestic purchases equals GNP less exports plus imports; final sales to domestic purchasers equals final sales less exports plus imports.

Table 1.5-1.6.—Gross National Product by Sector in Current and Constant Dollars

	1979		1980					1981	1979		1980					1981
	1979	1980	IV	I	II	III	IV	I P	1979	1980	IV	I	II	III	IV	I P
Billions of dollars								Billions of 1972 dollars								
<b>Gross national product</b> .....	2,413.9	2,626.1	2,496.3	2,571.7	2,564.8	2,637.3	2,730.6	2,826.8	1,483.0	1,480.7	1,490.6	1,501.9	1,463.3	1,471.9	1,485.6	1,509.2
<b>Gross domestic product</b> .....	2,370.1	2,576.5	2,449.7	2,520.2	2,516.7	2,586.9	2,682.0	2,774.8	1,455.9	1,452.4	1,462.4	1,471.5	1,435.5	1,443.4	1,458.9	1,481.2
Business.....	2,046.3	2,221.2	2,113.9	2,176.9	2,166.4	2,230.0	2,311.4	2,395.0	1,258.3	1,251.8	1,263.6	1,271.9	1,235.2	1,242.3	1,257.5	1,279.2
Nonfarm.....	1,974.1	2,153.7	2,043.6	2,106.4	2,100.8	2,159.1	2,248.6	2,334.1	1,222.1	1,216.8	1,228.2	1,233.3	1,198.5	1,207.6	1,227.9	1,249.3
Nonfarm less housing.....	1,786.0	1,940.9	1,846.3	1,903.6	1,891.7	1,943.1	2,025.3	2,104.3	1,094.8	1,084.5	1,099.1	1,103.0	1,066.8	1,074.6	1,093.7	1,113.7
Housing.....	188.1	212.8	197.3	202.8	209.1	216.0	223.3	229.8	127.3	132.3	129.1	130.3	131.7	133.0	134.2	135.5
Farm.....	70.0	68.1	71.0	67.7	67.5	67.9	69.4	67.5	34.9	35.3	35.8	37.0	37.8	33.1	33.2	33.4
Statistical discrepancy.....	2.2	-7	-7	2.8	-1.9	3.0	-6.6	-6.6	1.4	-4	-4	1.6	-1.1	1.7	-3.6	-3.5
Households and institutions.....	75.7	85.9	79.4	82.1	84.4	86.9	90.4	94.0	43.7	45.4	44.4	44.8	44.9	45.6	46.1	46.7
Private households.....	6.4	6.7	6.6	6.6	6.7	6.7	6.9	7.1	3.5	3.5	3.6	3.5	3.5	3.4	3.4	3.5
Nonprofit institutions.....	69.3	79.2	72.8	75.5	77.7	80.2	83.5	86.9	40.2	41.9	40.8	41.3	41.5	42.1	42.7	43.3
Government.....	248.1	269.3	256.4	261.2	265.9	269.9	280.3	285.8	153.9	155.2	154.5	154.8	155.4	155.5	155.3	155.3
Federal.....	75.8	81.9	79.0	79.6	80.5	80.7	87.1	87.9	49.0	49.2	48.9	49.0	49.4	49.4	48.9	48.9
State and local.....	172.3	187.4	177.3	181.6	185.4	189.3	193.3	197.9	104.9	106.0	105.6	105.8	105.9	106.1	106.3	106.4
Rest of the world.....	43.8	49.7	46.6	51.5	48.1	50.5	48.6	52.0	27.2	28.3	28.1	30.4	27.8	28.5	26.7	28.0
<b>Addendum:</b>																
Gross domestic business product less housing.....	1,858.2	2,008.4	1,916.6	1,974.1	1,957.3	2,014.0	2,088.0	2,165.2	1,131.0	1,119.5	1,134.4	1,141.6	1,103.5	1,109.4	1,123.3	1,143.6

	1979		1980					1981
	1979	1980	IV	I	II	III	IV	I P
Billions of dollars								

	1979		1980					1981
	1979	1980	IV	I	II	III	IV	I P
Billions of dollars								

Table 1.7.—Relation of Gross National Product, Net National Product, National Income, and Personal Income

<b>Gross national product</b> .....	2,413.9	2,626.1	2,496.3	2,571.7	2,564.8	2,637.3	2,730.6	2,826.8
Less: Capital consumption allowances with CCAAdj.....	253.6	287.3	265.1	274.6	283.7	291.8	298.9	306.5
Capital consumption allowances.....	199.2	224.1	208.1	215.6	220.3	226.9	233.7	240.9
Less: CCAAdj.....	-54.5	-63.1	-57.0	-59.0	-63.4	-64.9	-65.2	-65.6
<b>Equals: Net national product</b> .....	2,160.3	2,338.9	2,231.2	2,297.1	2,281.1	2,345.5	2,431.7	2,520.3
Less: Indirect business tax and nontax liability.....	188.4	212.3	193.5	198.9	206.3	215.8	228.0	245.9
Business transfer payments.....	9.4	10.5	9.8	10.1	10.3	10.6	10.9	11.2
Statistical discrepancy.....	2.2	-7	-7	2.8	-1.9	3.0	-6.6	
Plus: Subsidies less current surplus of government enterprises.....	3.1	4.6	2.7	3.1	3.7	6.3	5.4	4.9
<b>Equals: National income</b> .....	1,963.3	2,121.4	2,031.3	2,088.5	2,070.0	2,122.4	2,204.8	
Less: Corporate profits with IVA and CCAAdj.....	196.8	182.7	189.4	200.2	169.3	177.9	183.3	
Net interest.....	143.4	179.8	156.5	165.4	175.3	185.3	193.3	200.8
Contributions for social insurance.....	187.1	203.7	192.2	198.8	199.5	204.1	212.3	233.7
Wage accruals less disbursements.....	-2.0	0	2	0	5	-5	0	
Plus: Government transfer payments to persons.....	239.9	283.8	253.3	261.6	270.3	300.1	303.1	307.9
Personal interest income.....	209.6	256.3	225.7	239.9	253.6	261.8	269.7	288.4
Personal dividend income.....	48.6	54.4	50.1	52.4	54.2	55.1	56.1	58.0
Business transfer payments.....	9.4	10.5	9.8	10.1	10.3	10.6	10.9	11.2
<b>Equals: Personal income</b> .....	1,943.8	2,160.2	2,032.0	2,088.2	2,114.5	2,182.1	2,256.2	2,317.7

Billions of 1972 dollars

Table 1.8.—Relation of Gross National Product, Net National Product, and National Income in Constant Dollars

<b>Gross national product</b> .....	1,483.0	1,480.7	1,490.6	1,501.9	1,463.3	1,471.9	1,485.6	1,509.2
Less: Capital consumption allowances with CCAAdj.....	141.6	147.5	144.1	145.9	146.6	147.9	149.5	151.2
<b>Equals: Net national product</b> .....	1,341.4	1,333.2	1,346.5	1,356.0	1,316.6	1,324.0	1,336.1	1,358.1
Less: Indirect business tax and nontax liability plus business transfer payments less subsidies plus current surplus of government enterprises.....	143.5	149.0	145.7	147.5	147.2	149.2	151.9	153.0
Statistical discrepancy.....	1.4	-4	-4	1.6	-1.1	1.7	-3.6	
<b>Equals: National income</b> .....	1,196.5	1,184.6	1,201.2	1,206.9	1,170.6	1,173.1	1,187.8	

Table 1.11.—National Income by Type of Income

<b>National income</b> .....	1,963.3	2,121.4	2,031.3	2,088.5	2,070.0	2,122.4	2,204.8	
<b>Compensation of employees</b> .....	1,460.9	1,596.5	1,518.1	1,558.0	1,569.0	1,597.4	1,661.8	1,721.8
Wages and salaries.....	1,235.9	1,343.6	1,282.4	1,314.5	1,320.4	1,342.3	1,397.3	1,442.3
Government and government enterprises.....	235.9	253.6	243.3	246.7	250.5	253.9	263.3	267.0
Other.....	1,000.0	1,090.0	1,039.1	1,067.9	1,069.9	1,088.4	1,134.0	1,175.3
Supplements to wages and salaries.....	225.0	252.9	235.7	243.5	248.6	255.0	264.5	279.5
Employer contributions for social insurance.....	106.4	115.8	109.8	112.6	113.6	116.0	121.0	131.5
Other labor income.....	118.6	137.1	126.0	130.9	135.1	139.1	143.5	148.0
<b>Proprietors' income with IVA and CCAAdj</b> .....	131.6	130.6	136.3	133.7	124.9	129.7	134.0	131.4
Farm.....	30.8	23.4	29.5	25.7	23.3	22.1	22.5	19.0
Proprietors' income with IVA.....	36.6	30.3	35.7	32.3	30.2	29.0	29.6	26.2
CCAAdj.....	-5.8	-6.9	-6.2	-6.5	-6.9	-6.9	-7.2	-7.2
Nonfarm.....	100.7	107.2	106.8	107.9	101.6	107.6	111.6	112.4
Proprietors' income with IVA.....	105.2	112.7	112.2	114.8	105.5	113.1	117.5	117.1
IVA.....	-3.4	-3.7	-4.0	-3.3	-2.0	-3.5	-4.0	-2.8
CCAAdj.....	-1.0	-1.9	-1.5	-1.6	-1.9	-2.0	-2.0	-1.9
<b>Rental income of persons with CCAAdj</b> .....	30.5	31.8	31.0	31.2	31.5	32.0	32.4	32.7
Rental income of persons.....	58.9	64.9	61.4	62.9	64.5	65.9	66.4	68.2
CCAAdj.....	-28.3	-33.1	-30.4	-31.6	-33.0	-33.9	-33.9	-35.5
<b>Corporate profits with IVA and CCAAdj</b> .....	196.8	182.7	189.4	200.2	169.3	177.9	183.3	
Corporate profits with IVA.....	212.7	199.8	204.5	215.6	186.9	195.9	201.0	
Profits before tax.....	255.4	245.5	255.4	277.1	217.9	237.6	249.5	
Profits tax liability.....	87.6	82.3	87.2	94.2	71.5	78.5	85.2	
Profits after tax.....	167.8	163.2	168.2	182.9	146.5	159.1	164.3	
Dividends.....	50.2	56.0	51.6	53.9	55.7	56.7	57.7	59.6
Undistributed profits.....	117.6	107.2	116.6	128.9	90.7	102.4	106.6	
IVA.....	-42.6	-45.7	-50.8	-61.4	-31.1	-41.7	-48.4	-38.4
CCAAdj.....	-15.9	-17.2	-15.1	-15.4	-17.6	-17.9	-17.8	-16.9
<b>Net interest</b> .....	143.4	179.8	156.5	165.4	175.3	185.3	193.3	200.8
<b>Addenda:</b>								
Corporate profits after tax with IVA and CCAAdj.....	109.2	100.3	102.2	106.0	97.8	99.5	98.1	
Dividends.....	50.2	56.0	51.6	53.9	55.7	56.7	57.7	59.6
Undistributed profits with IVA and CCAAdj.....	59.1	44.3	50.6	52.1	42.1	42.8	40.4	



	1979	1980	1980					1981
			IV	I	II	III	IV	
			Seasonally adjusted at annual rates					
Billions of dollars								

Table 2.1.—Personal Income and Its Disposition

Personal income.....	1,943.8	2,160.2	2,032.0	2,088.2	2,114.5	2,182.1	2,256.2	2,317.7
Wage and salary disbursements.....	1,236.1	1,343.7	1,282.2	1,314.7	1,320.4	1,341.8	1,397.8	1,442.3
Commodity-producing industries.....	437.9	465.4	450.4	461.7	456.0	460.1	484.0	501.1
Manufacturing.....	333.4	350.7	340.4	347.9	343.2	346.7	364.0	377.0
Distributive industries.....	303.0	328.9	315.0	322.6	323.2	329.2	340.6	351.4
Service industries.....	259.2	295.7	273.7	283.6	290.8	298.7	310.0	322.8
Government and government enterprises.....	236.1	253.6	243.1	246.8	250.5	253.9	263.3	267.0
Other labor income.....	118.6	137.1	126.0	130.9	135.1	139.1	143.5	148.0
Proprietors' income with IVA and CCAdj.....	131.6	130.6	136.3	133.7	124.9	129.7	134.0	131.4
Farm.....	30.8	23.4	29.5	25.7	23.3	22.1	22.5	19.0
Nonfarm.....	100.7	107.2	106.8	107.9	101.6	107.6	111.6	112.4
Rental income of persons with CCAdj.....	30.5	31.8	31.0	31.2	31.5	32.0	32.4	32.7
Personal dividend income.....	48.6	54.4	50.1	52.4	54.2	55.1	56.1	58.0
Personal interest income.....	209.6	256.3	225.7	239.9	253.6	261.8	269.7	288.4
Transfer payments.....	249.4	294.2	263.1	271.7	280.7	310.7	313.9	319.1
Old-age, survivors, disability, and health insurance benefits.....	131.8	153.8	139.3	142.0	144.7	163.2	165.3	169.2
Government unemployment insurance benefits.....	9.8	16.0	10.6	11.4	16.0	19.0	17.5	15.4
Veterans benefits.....	14.4	15.0	14.6	14.8	14.6	14.9	15.5	15.8
Government employees retirement benefits.....	37.0	42.8	39.2	40.2	42.3	43.1	45.7	46.7
Other transfer payments.....	56.4	66.7	59.3	63.3	63.0	70.5	69.9	72.0
Aid to families with dependent children.....	11.0	12.4	11.5	11.7	12.0	12.8	13.1	13.3
Other.....	45.4	54.3	47.8	51.6	51.0	57.7	56.8	58.6
Less: Personal contributions for social insurance.....	80.6	87.9	82.4	86.2	85.9	88.1	91.2	102.2
Less: Personal tax and nontax payments.....	302.0	338.5	321.8	323.1	330.3	341.5	359.2	372.2
Equals: Disposable personal income.....	1,641.7	1,821.7	1,710.1	1,765.1	1,784.1	1,840.6	1,897.0	1,945.5
Less: Personal outlays.....	1,555.5	1,720.4	1,629.4	1,678.7	1,674.1	1,729.2	1,799.4	1,854.2
Personal consumption expenditures.....	1,510.9	1,672.8	1,582.3	1,631.0	1,626.8	1,682.2	1,751.0	1,805.4
Interest paid by consumers to business.....	43.7	46.4	45.8	46.7	46.3	46.0	46.8	47.8
Personal transfer payments to foreigners (net).....	1.0	1.2	1.3	1.0	1.0	1.0	1.6	1.1
Equals: Personal saving.....	86.2	101.3	80.7	86.4	110.0	111.4	97.6	91.3
<b>Addenda:</b>								
Disposable personal income: Total, billions of 1972 dollars.....	1,011.5	1,018.4	1,017.7	1,021.0	1,008.2	1,018.5	1,025.8	1,032.2
Per capita:								
Current dollars.....	7,441	8,176	7,722	7,953	8,020	8,249	8,479	8,679
1972 dollars.....	4,584	4,571	4,596	4,600	4,532	4,565	4,585	4,604
Population (millions).....	220.6	222.8	221.5	221.9	222.4	223.1	223.7	224.2
Personal saving as percentage of disposable personal income.....	5.2	5.6	4.7	4.9	6.2	6.1	5.1	4.7

Table 3.14:

NOTE.—In this table interest and dividends received is included in receipts; in tables 3.2 and 3.3 interest received and dividends received are netted against expenditures.

	1979	1980	1980					1981
			IV	I	II	III	IV	
			Seasonally adjusted at annual rates					
Billions of dollars								

Table 2.2-2.3.—Personal Consumption Expenditures by Major Type of Product in Current and Constant Dollars

Personal consumption expenditures.....	1,510.9	1,672.8	1,582.3	1,631.0	1,626.8	1,682.2	1,751.0	1,805.4
Durable goods.....	212.3	211.9	216.1	220.9	194.4	208.8	223.3	238.1
Motor vehicles and parts.....	95.5	89.9	95.4	100.6	77.5	87.0	94.6	105.2
Furniture and household equipment.....	81.1	84.6	83.8	83.6	81.3	84.6	88.9	92.2
Other.....	35.8	37.3	37.0	36.8	35.6	37.2	39.8	40.7
Nondurable goods.....	602.2	675.7	639.2	661.1	664.0	674.2	703.5	724.4
Food.....	312.1	345.7	329.0	336.2	338.4	347.7	360.4	370.0
Clothing and shoes.....	98.9	104.8	102.5	102.2	102.3	105.3	109.4	113.2
Gasoline and oil.....	68.4	89.0	77.6	89.4	90.9	85.3	90.5	94.8
Other nondurable goods.....	122.9	136.2	130.0	133.3	132.4	136.0	143.3	146.5
Fuel oil and coal.....	16.0	19.8	18.1	18.8	19.2	20.7	20.5	18.7
Other.....	106.9	116.4	111.8	114.5	113.1	115.3	122.7	127.8
Services.....	696.3	785.2	727.0	749.0	768.4	799.2	824.2	842.8
Housing.....	241.9	272.0	253.0	259.8	267.3	275.7	285.3	293.4
Household operation.....	98.7	111.6	102.7	104.2	109.3	116.1	116.9	118.4
Electricity and gas.....	47.3	55.7	49.8	50.0	54.5	59.3	58.8	56.8
Other.....	51.3	56.0	52.9	54.2	54.8	56.8	58.2	59.7
Transportation.....	57.2	64.1	59.9	61.4	61.6	65.8	67.5	68.0
Other.....	298.5	337.5	311.4	323.7	330.2	341.5	354.5	364.9
Billions of 1972 dollars								
Personal consumption expenditures.....	930.9	935.1	941.6	943.4	919.3	930.8	946.8	957.8
Durable goods.....	146.6	135.8	146.0	145.4	126.2	132.6	139.1	146.6
Motor vehicles and parts.....	61.7	53.8	60.3	62.1	47.0	51.5	54.6	60.4
Furniture and household equipment.....	59.8	58.9	60.7	59.6	57.0	58.4	60.7	62.0
Other.....	25.1	23.1	25.0	23.8	22.2	22.6	23.8	24.2
Nondurable goods.....	354.6	358.4	361.3	361.5	356.6	354.9	360.4	363.8
Food.....	176.7	181.5	181.3	183.6	182.2	180.1	179.9	181.1
Clothing and shoes.....	76.6	78.0	78.4	76.9	76.7	78.3	80.1	82.9
Gasoline and oil.....	28.1	26.2	27.2	27.0	26.4	25.2	26.3	25.2
Other nondurable goods.....	73.2	72.6	74.4	73.9	71.2	71.4	74.1	74.6
Fuel oil and coal.....	4.7	4.2	4.5	4.2	4.1	4.3	4.2	3.3
Other.....	68.5	68.4	69.9	69.7	67.2	67.0	69.8	71.3
Services.....	429.6	440.9	434.3	436.5	436.5	443.3	447.3	447.4
Housing.....	159.3	164.2	160.9	162.1	163.5	164.8	166.5	168.0
Household operation.....	59.6	61.5	60.1	60.0	61.3	62.6	62.1	60.7
Electricity and gas.....	23.1	23.3	23.0	22.3	23.1	24.1	23.4	21.8
Other.....	36.5	38.3	37.1	37.7	38.2	38.4	38.7	38.8
Transportation.....	35.5	34.8	35.5	35.2	34.1	34.7	35.1	35.1
Other.....	175.2	180.4	177.7	179.2	177.7	181.2	183.6	183.7
Billions of dollars								

Table 3.14.—State and Local Government Social Insurance Funds Receipts and Expenditures

Receipts.....	40.2	45.1	42.1	42.9	43.6	46.0	47.8	49.4
Contributions for social insurance.....	28.1	31.5	29.2	29.6	30.2	32.3	33.7	34.8
Personal contribution.....	7.5	7.7	7.7	7.5	7.0	8.1	8.4	8.6
Employer contributions.....	20.7	23.8	21.5	22.2	23.2	24.3	25.3	26.3
Government and government enterprises.....	18.3	21.0	19.0	19.6	20.5	21.4	22.4	23.2
Other.....	2.4	2.8	2.5	2.6	2.7	2.8	2.9	3.0
Interest and dividends received.....	12.1	13.6	12.9	13.3	13.4	13.7	14.1	14.6
Expenditures.....	16.4	18.2	17.1	17.6	17.9	18.3	18.8	19.2
Administrative expenses (purchases of goods and services).....	.5	.6	.5	.5	.5	.6	.6	.6
Transfer payments to persons.....	15.9	17.6	16.6	17.0	17.4	17.8	18.2	18.6
Surplus or deficit (-).....	23.9	26.9	25.0	25.3	25.7	27.7	29.0	30.2

Table 3.2.—Federal Government Receipts and Expenditures

Table with 9 columns: 1979, 1980, 1979 (IV), 1979 (I), 1979 (II), 1979 (III), 1979 (IV), 1981 (I), 1981 (P). Rows include Receipts (Personal tax and nontax receipts, Corporate profits tax accruals, etc.) and Expenditures (Purchases of goods and services, Transfer payments, etc.).

Table 3.3.—State and Local Government Receipts and Expenditures

Table with 9 columns: 1979, 1980, 1979 (IV), 1979 (I), 1979 (II), 1979 (III), 1979 (IV), 1981 (I), 1981 (P). Rows include Receipts (Personal tax and nontax receipts, Corporate profits tax accruals, etc.) and Expenditures (Purchases of goods and services, Transfer payments, etc.).

Table 3.7B-3.8B.—Government Purchases of Goods and Services by Type in Current and Constant Dollars

Large table with 18 columns: 1979, 1980, 1979 (IV-I-III-IV), 1981 (I), 1979, 1980, 1979 (IV-I-III-IV), 1981 (I). Rows are categorized into Government purchases of goods and services (Federal, Nondefense, Defense), and State and local government purchases (Durable goods, Non-durable goods, Services, Structures).

	1979	1980	1979					1980					1981	
			IV	1980				IV	1980					I*
				I	II	III	IV		I	II	III	IV		
			Seasonally adjusted at annual rates					Seasonally adjusted at annual rates						
			Billions of dollars					Billions of 1972 dollars						

Table 4.1-4.2.—Foreign Transactions in the National Income and Product Accounts in Current and Constant Dollars

Receipts from foreigners.....	282.5	340.9	307.4	338.5	334.4	343.5	347.2	372.6								
Exports of goods and services.....	281.3	339.8	306.3	337.3	333.3	342.4	346.1	371.5	146.9	161.1	154.8	165.9	160.5	160.5	157.4	164.9
Merchandise.....	176.9	218.2	193.9	214.8	213.9	222.9	221.0	236.4	82.8	92.2	87.6	94.1	92.1	93.5	89.0	92.4
Durable goods.....	102.9	127.7	109.4	127.0	126.3	129.9	127.5	134.6	50.5	55.6	52.3	58.1	55.9	55.7	52.5	54.0
Nondurable goods.....	74.1	90.5	84.6	87.8	87.6	93.0	93.6	101.8	32.3	36.6	35.3	36.0	36.2	37.8	36.4	38.4
Services.....	104.4	121.6	112.4	122.5	119.4	119.5	125.0	135.0	64.1	68.9	67.2	71.8	68.4	67.0	68.4	72.5
Factor income <sup>1</sup> .....	66.6	79.5	74.5	83.0	78.1	76.3	80.7	89.0	41.3	45.4	45.0	49.0	45.1	43.1	44.4	48.0
Other.....	37.8	42.1	37.9	39.5	41.3	43.2	44.3	46.0	22.8	23.5	22.3	22.8	23.3	23.9	24.1	24.5
Capital grants received by the United States (net).....	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2								
Payments to foreigners.....	282.5	340.9	307.4	338.5	334.4	343.5	347.2	372.6								
Imports of goods and services.....	267.9	316.5	298.7	329.1	316.2	297.9	322.7	347.2	109.2	109.1	112.6	115.8	108.9	102.8	108.9	113.1
Merchandise.....	208.9	245.9	233.0	257.5	245.6	231.5	248.8	267.3	76.9	74.0	78.0	78.8	73.4	70.5	73.4	75.3
Durable goods.....	99.0	112.1	103.7	115.7	107.9	108.7	116.0	118.9	47.2	47.6	48.0	50.3	46.8	45.8	47.5	47.9
Nondurable goods.....	109.9	133.8	129.3	141.8	137.8	122.8	132.9	148.4	29.7	26.4	30.0	28.5	26.6	24.6	25.8	27.3
Services.....	59.0	70.6	65.7	71.6	70.5	66.4	73.9	79.9	32.3	35.1	34.7	37.0	35.5	32.4	35.5	37.8
Factor income.....	22.8	29.9	27.9	31.5	29.9	25.9	32.2	37.0	14.1	17.0	16.8	18.6	17.3	14.6	17.7	19.9
Other.....	36.2	40.7	37.8	40.0	40.6	40.6	41.7	42.9	18.1	18.1	17.8	18.4	18.2	17.8	17.8	17.9
Transfer payments (net).....	5.2	6.0	6.2	5.5	4.8	5.9	8.0	6.1								
From persons (net).....	1.0	1.2	1.3	1.0	1.0	1.0	1.6	1.1								
From government (net).....	4.2	4.9	4.9	4.5	3.8	4.9	6.4	5.0								
Interest paid by government to foreigners.....	11.1	12.5	11.3	12.2	11.7	11.9	14.1	15.8								
Net foreign investment.....	-1.7	5.9	-8.7	-8.3	1.7	27.8	2.3	3.5								

Table 4.3-4.4.—Merchandise Exports and Imports by Type of Product and by End-Use Category in Current and Constant Dollars

Merchandise exports.....	176.9	218.2	193.9	214.8	213.9	222.9	221.0	236.4	82.8	92.2	87.6	94.1	92.1	93.5	89.0	92.4
Foods, feeds, and beverages.....	29.8	35.9	34.8	34.2	32.1	38.4	38.8	42.8	13.4	15.3	15.2	14.9	14.5	16.4	15.2	16.2
Industrial supplies and materials.....	52.6	67.1	60.3	66.5	70.7	65.9	65.2	68.4	20.9	23.7	22.4	23.3	25.0	23.5	23.0	23.6
Durable goods.....	17.9	24.3	20.9	25.5	26.4	23.3	22.2	23.0	7.1	8.6	7.8	9.0	9.3	8.3	7.8	7.9
Nondurable goods.....	34.6	42.8	39.4	41.0	44.3	42.7	43.0	45.4	13.8	15.1	14.6	14.4	15.7	15.2	15.2	15.7
Capital goods, except autos.....	58.2	73.5	60.6	68.0	73.0	77.6	75.5	79.6	30.8	34.7	31.8	34.7	35.2	35.6	33.1	33.8
Autos.....	17.4	16.9	17.7	17.2	15.6	16.5	18.1	18.8	8.1	6.8	7.9	7.4	6.4	6.5	6.8	6.9
Consumer goods.....	12.6	16.5	13.7	18.8	15.1	16.0	16.1	16.0	6.7	8.3	7.1	9.3	7.8	7.9	7.9	7.7
Durable goods.....	6.2	8.8	6.8	11.1	7.7	8.3	8.0	7.8	3.0	3.8	3.2	4.9	3.4	3.6	3.4	3.2
Nondurable goods.....	6.5	7.7	6.9	7.6	7.4	7.7	8.1	8.2	3.7	4.5	3.9	4.5	4.5	4.4	4.6	4.4
Other.....	6.3	8.3	6.9	10.1	7.5	8.4	7.3	10.8	3.0	3.5	3.1	4.4	3.2	3.5	3.0	4.2
Durable goods.....	3.2	4.2	3.4	5.1	3.7	4.2	3.7	5.4	1.5	1.8	1.6	2.2	1.6	1.8	1.5	2.1
Nondurable goods.....	3.2	4.2	3.4	5.1	3.7	4.2	3.7	5.4	1.5	1.8	1.6	2.2	1.6	1.8	1.5	2.1
Merchandise imports.....	208.9	245.9	233.0	257.5	245.6	231.5	248.8	267.3	76.9	74.0	78.0	78.8	73.4	70.5	73.4	75.3
Foods, feeds, and beverages.....	17.4	18.2	19.0	17.8	17.5	18.2	19.5	20.0	7.6	6.7	7.7	6.8	6.5	6.6	7.0	7.2
Industrial supplies and materials, excluding petroleum.....	47.4	52.1	50.6	57.1	52.1	47.5	51.6	56.0	19.4	17.3	18.9	19.2	17.4	15.6	16.9	18.4
Durable goods.....	28.7	31.2	30.1	35.3	30.6	27.6	31.2	33.2	11.7	10.2	11.2	11.6	10.1	8.9	10.0	10.9
Nondurable goods.....	18.6	20.9	20.5	21.7	21.5	19.9	20.4	22.8	7.6	7.1	7.7	7.6	7.3	6.7	6.9	7.5
Petroleum and products.....	60.0	79.1	75.4	86.4	84.0	69.1	76.8	88.2	8.5	6.9	8.4	8.2	7.2	5.8	6.2	6.7
Capital goods, except autos.....	24.6	30.1	26.4	29.7	29.5	30.0	31.2	32.6	13.8	14.7	14.5	15.2	14.2	14.4	14.8	15.0
Autos.....	25.6	27.1	25.7	26.3	25.0	28.1	28.9	27.2	11.0	10.9	11.0	11.0	10.7	11.2	10.8	9.7
Consumer goods.....	30.6	34.4	32.0	34.2	34.1	34.3	34.8	37.6	15.0	15.5	15.7	15.8	15.9	15.2	15.2	16.1
Durable goods.....	18.4	21.2	19.6	21.4	21.0	20.8	21.7	23.0	9.9	10.9	10.4	11.2	11.1	10.5	10.7	11.2
Nondurable goods.....	12.2	13.1	12.4	12.8	13.1	13.5	13.1	14.6	5.1	4.7	5.3	4.6	4.8	4.7	4.5	4.9
Other.....	3.5	4.9	4.0	6.1	3.5	4.2	6.0	5.8	1.6	2.0	1.7	2.5	1.4	1.7	2.4	2.2
Durable goods.....	1.8	2.5	2.0	3.0	1.7	2.1	3.0	2.9	.8	1.0	.9	1.3	.7	.8	1.2	1.1
Nondurable goods.....	1.8	2.5	2.0	3.0	1.7	2.1	3.0	2.9	.8	1.0	.9	1.3	.7	.8	1.2	1.1
Addenda:																
Exports:																
Agricultural products.....	35.4	42.3	41.7	41.5	38.9	43.8	44.8	49.1	15.9	18.0	18.2	18.1	17.6	18.7	17.7	18.7
Nonagricultural products.....	141.5	175.9	152.2	173.3	174.9	179.1	176.2	187.3	66.9	74.1	69.3	76.0	74.5	74.8	71.3	73.7
Imports of nonpetroleum products.....	148.9	166.8	157.6	171.1	161.7	162.4	172.0	179.1	68.4	67.1	69.5	70.6	66.1	64.7	67.1	68.6

Table 4.1-4.2:

1. Equals rest-of-the-world production as shown in tables 1.5-1.6.











# Fiscal Year 1982 Federal Budget Revisions

IN mid-February, the new administration proposed a substantial policy change designed to slow inflation, encourage saving and investment, and stimulate economic growth. The plan to achieve these objectives has four parts: (1) a sharp reduction in the growth of Federal spending; (2) substantial tax cuts; (3) elimination and modification

**Table 1.—Economic Assumptions Underlying the Fiscal Year 1982 Budget Revisions**

	Calendar year			
	Actual		Estimates	
	1979	1980	1981	1982
	Billions of dollars			
Gross national product:				
Current dollars.....	2,414	2,629	2,920	3,293
1972 dollars.....	1,483	1,482	1,497	1,560
Incomes:				
Personal income.....	1,944	2,161	2,399	2,675
Wages and salaries.....	1,236	1,344	1,488	1,667
Corporate profits before taxes.....	255	243	233	254
	Percent change from preceding year			
GNP in current dollars:				
Annual average.....	12.0	8.9	11.1	12.8
Fourth quarter.....	9.9	9.8	11.0	13.3
GNP in 1972 dollars:				
Annual average.....	3.2	-1	1.1	4.2
Fourth quarter.....	1.7	0	1.4	5.2
GNP deflator:				
Annual average.....	8.5	9.0	9.9	8.3
Fourth quarter.....	8.1	9.9	9.5	7.7
Consumer Price Index:				
Annual average.....	11.4	13.5	11.1	8.3
Fourth quarter.....	12.8	12.6	10.5	7.2
	Percent			
Unemployment rate:				
Annual average.....	5.8	7.2	7.8	7.2
Fourth quarter.....	5.9	7.5	7.7	7.0
Insured unemployment rate: <sup>2</sup>				
Annual average.....	2.9	3.9	4.4	3.8
Fourth quarter.....	3.1	3.8	4.2	3.7
Interest rate, 91-day Treasury bills <sup>3</sup> .....	10.0	11.5	11.1	8.9

1. Includes the direct effect of the administration's depreciation proposal.

2. Insured unemployment under the State regular employment insurance program, excluding recipients of extended benefits, as percentage of covered employment under that program.

3. Average rate of new issues within the year. The estimates assume, by convention, that interest rates vary with the rate of inflation. They do not represent a forecast of interest rates.

Source: "Fiscal Year 1982 Budget Revisions."

of certain Federal regulations deemed to hamper economic activity; and (4) a slower growth in the supply of money.

On March 10, the administration submitted to Congress a detailed revision of the fiscal year 1982 budget proposed in January by the previous administration. The major revisions are:

- A reduction in nondefense spending;
- An increase in defense spending;
- A reduction in marginal individual income tax rates, phased in over three years; and
- A change in depreciation rules, resulting in an increase in business depreciation allowances.

Nondefense spending is reduced \$8.5 billion in 1981 and \$48.4 billion in 1982. New economic assumptions and technical reestimates account for part of the

reductions. However, the major factor is proposed reductions affecting almost all nondefense programs. Specifically

**Table 2.—Federal Government Receipts and Expenditures**

	Fiscal year		
	Actual 1980	Estimates	
		1981	1982
[Billions of dollars]			
<b>Unified budget</b>			
Receipts.....	520.0	600.3	650.3
Outlays.....	579.6	655.2	695.3
Surplus or deficit (-).....	-59.6	-54.9	-45.0
<b>National income and product accounts</b>			
Receipts.....	527.3	609.0	664.4
Expenditures.....	578.2	663.1	707.1
Surplus or deficit (-).....	-50.9	-54.1	-42.7
High-employment surplus or deficit (-).....	-16.7	13.2	23.7

Sources: "Fiscal Year 1982 Budget Revisions" and the Bureau of Economic Analysis.

**Table 3.—January and Revised Budget Estimates**

	Fiscal year 1981						Fiscal year 1982		
	January budget	Revisions	Revised budget	Fiscal year 1981			Fiscal year 1982		
				January budget	Revisions	Revised budget	January budget	Revisions	Revised budget
[Billions of dollars]									
Unified budget receipts.....	607.5	-7.2	600.3	711.8	-61.4	650.3			
Reconciliation items <sup>1</sup> .....	6.9	2.3	9.2	16.4	-1.8	14.7			
Federal Government receipts, NIPA.....	614.4	-4.9	609.5	728.2	-63.2	665.0			
Personal tax and nontax receipts.....	290.5	-7.0	283.5	339.3	-43.6	295.7			
Corporate profits tax accruals.....	67.9	.3	68.2	78.8	-5.6	73.2			
Indirect business tax and nontax accruals.....	61.2	-1.0	60.2	83.8	-14.4	69.4			
Contributions for social insurance.....	194.8	2.8	197.6	226.3	-4	226.7			
Unified budget outlays.....	662.7	-7.6	655.2	739.3	-44.0	695.3			
Reconciliation items <sup>1</sup> .....	8.3	-3	7.9	7.0	4.8	11.8			
Federal Government expenditures, NIPA.....	671.0	-7.9	663.1	746.3	-39.2	707.1			
Purchases of goods and services.....	218.5	-1.9	216.6	248.7	-4.0	244.7			
National defense.....	148.0	.2	148.2	167.5	5.4	172.9			
Nondefense.....	70.5	-2.1	68.4	81.2	-9.4	71.8			
Transfer payments.....	281.5	-8	280.7	318.9	-11.2	302.7			
To persons.....	276.8	-1.3	275.5	308.7	-11.6	297.1			
To foreigners.....	4.7	.5	5.2	5.2	.4	5.6			
Grants-in-aid to State and local governments.....	90.3	-9	89.4	94.6	-14.2	80.4			
Net interest paid.....	67.3	-2.9	64.4	75.1	-6.6	68.5			
Subsidies less current surplus of government enterprises.....	13.4	-1.4	12.0	14.0	-3.2	10.8			
Unified budget deficit.....	-55.2	.3	-54.9	-27.5	-17.4	-45.0			
Reconciliation items.....	-1.4	2.7	1.3	9.4	-6.4	2.9			
Federal Government deficit, NIPA.....	-56.6	3.0	-53.6	-18.1	-24.0	-42.1			

1. See table 4 for receipt reconciliation items and table 5 for expenditure reconciliation items.

**Table 4.—Relation of Federal Government Receipts in the National Income and Product Accounts to the Unified Budget**

	Fiscal year		
	1980	1981	1982
<b>Unified budget receipts</b> .....	<b>520.0</b>	<b>600.3</b>	<b>650.3</b>
Less: Coverage differences.....	1.2	1.5	1.5
Financial transactions.....			
Plus: Netting differences:			
Contributions to government employees retirement funds.....	8.6	9.7	10.3
Other.....	4.0	5.9	6.5
Timing differences:			
Corporate income tax.....	-5.5	-8.7	-2.1
Federal and State unemployment insurance taxes.....	-.1	.3	.8
Withheld personal income tax and social security contributions.....	-1.3	-.1	.4
Excise taxes.....	.6	3.9	.1
Other.....			
Miscellaneous.....	.3	-.3	.2
<b>Equals: Federal Government receipts, NIPA</b> .....	<b>525.4</b>	<b>609.5</b>	<b>665.0</b>

exempt from reductions are so-called "social safety net" programs. These include basic social security benefits for the elderly, medicare, railroad retirement, supplemental security income, basic unemployment insurance, and certain veterans' benefits.

Defense spending is increased \$1 billion in 1981 and \$4.4 billion in 1982.

**Table 6.—Breakdown of Changes in Federal Receipts, NIPA Basis**

	Change from preceding fiscal year		
	1980	1981	1982
<b>Total receipts</b> .....	<b>44.7</b>	<b>84.1</b>	<b>55.5</b>
Due to higher tax bases.....	48.0	68.8	89.2
Due to tax changes <sup>1</sup> .....	-3.3	15.3	-33.7
Enacted.....	-3.3	25.6	9.3
Proposed.....		-10.3	-43.0
Personal tax and nontax receipts.....	26.6	33.8	12.2
Due to higher tax bases.....	40.7	44.9	55.7
Due to tax changes.....	-14.1	-11.1	-43.5
Enacted.....	-14.1	-3.5	-4.4
Proposed.....		-7.6	-39.1
Corporate profits tax accruals.....	-5.2	-2.4	5.0
Due to higher tax bases.....	-2.7	9.1	12.9
Due to tax changes.....	-2.5	-11.5	-7.9
Enacted.....	-2.5	-8.3	-2.1
Proposed.....		-3.2	-5.8
Indirect business tax and nontax accruals.....	6.6	24.5	9.2
Due to higher tax bases.....	1.6	1.6	2.8
Due to tax changes.....	5.0	22.9	6.4
Enacted.....	5.0	22.4	4.8
Proposed.....		.5	1.6
Contributions for social insurance.....	16.7	28.2	29.1
Due to higher tax bases.....	8.4	13.2	17.8
Due to tax changes.....	8.3	15.0	11.3
Enacted.....	8.3	15.0	11.0
Proposed.....			.3

1. Consists of all tax changes since fiscal 1979.

Most of the added spending is for operation and maintenance and for military pay increases. The administration also is asking for substantially more spending authority in 1982 than requested by the previous administration, principally for procurement of weapons already in production.

The individual income tax proposal reduces taxes \$6.4 billion in 1981 and \$44.2 billion in 1982. Under the proposal, tax liabilities are reduced, as compared to present law, 5 percent in calendar year 1981, 15 percent in 1982, 25 percent in 1983, and 30 percent in 1984. Withholding rates are reduced 10 percent on July 1, 1981, and on January 1 of succeeding years in order to match the reduction in liabilities. A large share of the proposed rate reduction offsets tax increases resulting from already-enacted increases in social security payroll taxes and "bracket creep." The latter is the effect on taxpayers of being pushed into tax brackets with higher tax rates as inflation boosts dollar incomes.

The proposed change in depreciation rules reduces receipts \$2.5 billion in 1981 and \$9.7 billion in 1982. The depreciation proposal is a slightly modified version of the 10-5-3 plan discussed in Con-

**Table 5.—Relation of Federal Government Expenditures in the National Income and Product Accounts to the Unified Budget**

	Fiscal year		
	1980	1981	1982
<b>Unified budget outlays</b> .....	<b>579.6</b>	<b>655.2</b>	<b>695.3</b>
Less: Coverage differences:			
Geographic.....	4.5	4.9	4.6
Off-budget Federal entities.....	-14.2	-23.6	-16.7
Other.....	.2	.2	.2
Financial transactions:			
Net lending.....	25.0	28.4	19.7
Other.....	-.3	.1	-.1
Net purchases of land:			
Outer Continental Shelf.....	-2.2	-6.5	-6.7
Other.....	.4	.3	.2
Plus: Netting differences:			
Contributions to government employees retirement funds.....	8.6	9.7	10.3
Other.....	4.0	5.9	6.5
Timing differences:			
National defense purchases.....	-.6	-1.7	-1.8
Other.....	-.3	-2.1	-2.3
Miscellaneous.....	.3	0	.3
<b>Equals: Federal Government expenditures, NIPA</b> .....	<b>578.2</b>	<b>663.1</b>	<b>707.1</b>

gress last year. The proposal assigns depreciable lives of 10 years to most industrial buildings, 3 years to cars and light trucks, and 5 years to other equipment. It is retroactive to January 1, 1981. The revenue losses in 1981 and

**Table 7.—Breakdown of Changes in Federal Expenditures, NIPA Basis**

	Change from preceding fiscal year		
	1980	1981	1982
<b>Total expenditures</b> .....	<b>83.5</b>	<b>84.9</b>	<b>44.0</b>
Purchases of goods and services:			
Pay raises <sup>1</sup> .....	3.9	7.2	6.9
Commodity Credit Corporation.....	1.8	-2.9	2.4
Strategic petroleum reserve.....	-.6	3.7	.5
Naval petroleum reserve sales.....	-.7	-1.0	-.2
Transfer payments to persons:			
Social security.....	19.9	26.3	22.6
Unemployment benefits.....	5.4	5.4	-2.8
Military and civilian pensions.....	4.0	4.7	3.7
Trade adjustment assistance.....	1.4	1.0	-2.3
Grants-in-aid to State and local governments:			
Public assistance.....	1.9	3.4	.2
Highways.....	1.9	-.5	-.7
General revenue sharing.....		-1.6	-.6
Education.....	1.0	.4	-1.5
Food and nutrition.....	.7	-.2	-1.3
Public service employment.....	-1.2	-1.1	-2.5
Net interest paid.....	10.6	13.2	4.1
Subsidies less current surplus of government enterprises:			
Housing.....	.9	2.0	1.3
Commodity Credit Corporation deficit.....	.2	-.2	-.7
Agricultural subsidies.....	-1.6	.6	-.6
All other expenditures <sup>2</sup> .....	34.0	24.1	15.5
National defense.....	16.0	16.7	19.2
Nondefense.....	18.0	7.4	-3.7

1. Consists of pay raises since October 1979.

2. Includes purchases of goods and services, transfer payments, grants-in-aid, and subsidies less the current surplus of government enterprises.

1982 are relatively small because the depreciation changes are phased in over 5 years, but increase rapidly in later years, reaching \$85 billion by 1989.

*Economic assumptions.*—The economic assumptions underlying the fiscal year 1982 budget revisions are shown in table 1. Gross national product (GNP) is forecast to increase about 1½ percent from the fourth quarter of 1980 to the fourth quarter of 1981 and 5¼ percent to the fourth quarter of 1982. Real growth is sluggish until the second half of 1981 and picks up thereafter when the administration's program is in place. Prices, as measured by the GNP deflator, increase 9½ percent to the fourth quarter of 1981 and 7¾ percent to the fourth quarter of 1982. The unemployment rate is forecast to increase to 7.7 percent in the fourth quarter of 1981 and to decline to 7 percent by the end of 1982.

#### Unified budget

The unified budget deficit decreases from \$54.9 billion in fiscal year 1981 to \$45 billion in fiscal year 1982 (table 2).

Despite the tax reductions, receipts increase \$50 billion—or 8.3 percent—in 1982, to \$650.3 billion. Receipts in 1981 are \$600.3 billion, up 15.4 percent from 1980. Roughly 80 percent of the 1982 increase is accounted for by social insurance taxes and contributions and by excise taxes.

Outlays increase \$40.1 billion—or 6.1 percent—in 1982, to \$695.3 billion. Outlays in 1981 are \$655.2, up 13 percent from 1980. National defense outlays increase \$26.7 billion, accounting for two-thirds of the 1982 increase. Nondefense outlays increase \$13.4 billion. Outlays for income security, health, and interest more than account for the increase; all other outlays, taken together, decline. These "all other outlays," which account for less than one-fifth of the total budget, will be 15 percent below their 1980 level if the budget estimates materialize.

#### Federal sector of the NIPA's

BEA has prepared estimates of the Federal sector on the national income and product accounting (NIPA) basis consistent with the revised unified budget estimates (table 3). Details of

**Table 8.—Breakdown of Revisions in Federal Government Expenditures, NIPA Basis**

[Billions of dollars]

	Fiscal year 1981			Fiscal year 1982		
	Total Revisions	Re-ductions	In-creases	Total Revisions	Re-ductions	In-creases
<b>Federal Government expenditures</b> .....	<b>-7.9</b>	<b>-14.8</b>	<b>7.0</b>	<b>-39.2</b>	<b>-55.9</b>	<b>16.9</b>
Purchases of goods and services;						
National defense.....	.2	-2.4	2.7	5.4	-1.1	6.6
Nondefense.....	-2.1	-2.8	.7	-9.4	-11.6	2.2
Strategic petroleum reserve.....		-.5	.5	-.2	-1.3	1.1
Federal Aviation Administration.....				-1	-.6	.5
Health programs.....	-.1	-.1		-.1	-.6	.5
Commodity Credit Corporation.....	-.1	-.1		-.4	-.4	
Energy programs.....	-.3	-.3		-2.3	-2.3	
All other.....	-1.6	-1.8	.2	-6.3	-6.4	.1
Transfer payments.....	-.8	-2.6	1.7	-11.2	-12.4	1.2
To persons.....	-1.3	-2.6	1.2	-11.6	-12.3	.7
Medicare.....	1.2		1.2	.5		.5
Military and civilian pensions.....	-.1	-.1		-.5	-.6	.1
Food stamps.....	-.1	-.1		-1.2	-1.2	
Old age, survivors, and disability insurance.....	-.4	-.4		-4.8	-4.8	
Unemployment benefits.....	-1.2	-1.2		-2.9	-2.9	
All other.....	-.7	-.8		-2.7	-2.8	.1
To foreigners.....	.5		1.5	.4	-.1	1.5
Grants-in-aid to State and local governments.....	-.9	-1.7	.8	-14.2	-17.8	3.6
Mass transit.....	.2		.2	-.2	-.2	
Food and nutrition.....	.1		.1	-1.6	-1.6	
Public assistance;						
Social services.....	.4		.4	.4		.4
Aid to families with dependent children.....				-.8	-.8	
Medicaid.....	-.3	-.3		-.9	-.9	
Highways.....				-.4	-.4	
Waste treatment grants.....				-.4	-.4	
Energy programs.....				-.9	-.9	
Employment assistance.....	-.1	-.1		-1.1	-1.1	
Education.....	-.1	-.2	.1	-2.0	-4.9	3.0
Public service employment.....	-.5	-.5		-3.6	-3.6	
All other.....	-.6	-.6		-2.7	-3.0	.2
Net interest paid.....	-2.9	-3.5	.6	-6.6	-8.4	1.8
Subsidies less current surplus of government enterprises.....	-1.4	-1.8	.5	-3.2	-4.6	1.5
Postal Service.....	.4		.4	1.2	-.2	1.5
Railroad.....				-.3	-.3	
Housing.....	-.1	-.1		-.3	-.3	
Refundable investment tax credit.....	-1.7	-1.7		-3.6	-3.6	
All other.....	.1		.1	-.2	-.2	

1 Bureau of Economic Analysis reestimate.

**Table 9.—Relation of National Defense Purchases in the National Income and Product Accounts to National Defense Outlays in the Unified Budget**

[Billions of dollars]

	Fiscal year		
	Actual 1980	Estimates	
		1981	1982
<b>National defense outlays in the unified budget</b> .....	<b>135.9</b>	<b>162.1</b>	<b>188.8</b>
Department of Defense, military.....	132.8	158.6	184.8
Military personnel.....	30.8	37.0	38.8
Retired military personnel.....	11.9	13.9	15.7
Operation and maintenance.....	44.8	53.8	61.3
Procurement.....	29.0	34.1	40.1
Aircraft.....	11.1	13.1	15.5
Missiles.....	2.5	3.2	4.1
Ships.....	4.2	4.9	5.1
Weapons.....	3.2	4.0	4.8
Ammunitions.....	1.3	1.2	1.5
Other.....	6.7	7.6	9.1
Research, development, test, and evaluation.....	13.1	15.2	19.2
Other.....	3.2	4.4	4.4
Civilian and military pay raises <sup>1</sup> .....		.4	5.4
Atomic energy and other defense related activities.....	3.0	3.5	4.0
Plus: Military assistance outlays.....	3.9	2.9	3.0
Less: Transfer payments to retired military personnel.....	11.9	13.8	15.4
Grants-in-aid and net interest paid.....	1.0	1.1	1.3
Timing differences and other adjustments.....	.8	1.9	2.3
<b>Equals: National defense purchases, NIPA</b> .....	<b>126.1</b>	<b>148.2</b>	<b>172.9</b>

1. Consists of pay raises effective July and October 1981



the NIPA estimates consistent with the January budget appear in *Special Analyses, Budget of the United States Government, Fiscal Year 1982*, "Special Analysis B."

Estimates of the Federal sector are integrated conceptually and statistically with the rest of the NIPA's, and differ in several respects from the unified budget. Unlike the unified budget, they exclude financial transactions, such as loans, and record several categories of receipts and expenditures on a timing basis that is different from the budget. (For a more detailed discussion of the differences, see the February 1980 SURVEY OF CURRENT BUSINESS.) Table 4 shows the relation between unified budget and NIPA receipts and table 5 shows the relation between unified budget outlays and NIPA expenditures.

Federal receipts on the NIPA basis in 1982 are \$665.0 billion, up \$55.5 billion from 1981. The increase is the net result of an \$89.2 billion increase due to higher tax bases and a \$33.7 billion decrease due to tax changes (table 6).

Federal expenditures on the NIPA basis in 1982 are \$707.1 billion, up \$44 billion from 1981. As shown in table 7, social security benefits account for over one-half of the 1982 increase; pay and pensions for Federal employees and net interest paid are also up. Reductions occur in various grants-in-aid to State and local governments, in unemployment benefits, and in agricultural subsidies.

Table 8 shows a more detailed breakdown of the expenditure revisions to the January budget. The 1982 revisions are the net result of \$56 billion of reductions and \$17 billion of increases. The reductions are concentrated in

grants-in-aid, transfer payments to persons, and nondefense purchases. The largest increase occurs in national defense purchases. Table 9 shows the relation between national defense outlays in the unified budget and national defense purchases on the NIPA basis.

*Quarterly pattern.*—On a quarterly basis, the Federal deficit peaks in the third quarter of 1981 when income tax withholding rates are cut and social security benefits are increased. The deficit declines thereafter; expenditure increases are moderate and receipts rebound following the expected economic expansion (table 10).

The quarterly pattern is estimated by BEA with the cooperation of the Office of Management and Budget, the Social Security Administration, and the Departments of Agriculture, Labor, and Treasury. Receipts reflect the pattern of legislation consistent with the budget revisions and the administration's projected quarterly pattern of wages and profits. Expenditures reflect the pattern of proposed legislation and selected other items, such as cost-of-living increases in retirement benefits and pay raises for Federal employees. All estimates are seasonally adjusted at annual rates.

*High-employment surplus or deficit.*—The high-employment surplus is an estimate of the amount by which Federal revenues would exceed Federal expenditures if the economy were operating at a high-employment level of activity at current price levels. Consequently, cyclical fluctuations in the economy do not affect high-employment budget receipts or expenditures. The high-employment surplus is therefore a measure, although an imperfect one,

Table 11.—High-Employment Surplus or Deficit (—), NIPA Basis

(Billions of dollars)

	High employment surplus or deficit (—)	Change
<b>Calendar year:</b>		
1979.....	-2.2	13.5
1980.....	-18.3	-16.1
1981.....	22.8	41.1
<b>Quarters:</b>		
1979:		
I.....	-4.6	5.0
II.....	5.1	9.7
III.....	-2.3	-7.4
IV.....	-7.0	-4.7
1980:		
I.....	-17.1	-10.1
II.....	-21.6	-4.5
III.....	-21.2	0.4
IV.....	-13.2	8.0
1981:		
I.....	12.2	25.4
II.....	36.7	24.5
III.....	16.9	-19.8
IV.....	25.6	8.7
1982:		
I.....	19.0	-6.6
II.....	27.0	8.0
III.....	23.2	-3.8

of discretionary fiscal policy. (See the November 1980 SURVEY for a discussion of the limitations of the high-employment budget and BEA's new methodology for calculating it.)

As measured on a high-employment basis, the Federal sector of the NIPA's was in deficit in calendar year 1980 and is forecast to be in surplus in 1981 and 1982. The swing to surplus is concentrated in the first half of 1981, reflecting the large increase in social security taxes in January and an increase in the windfall profits tax resulting from the complete decontrol of domestic oil prices in January. Thereafter, the surplus is reduced somewhat; the subsequent quarterly pattern reflects primarily the proposed tax reductions and increases for social security and Federal pay raises (table 11).

# 1977 Benchmark Survey of U.S. Direct Investment Abroad

THE results of BEA's 1977 benchmark survey of U.S. direct investment abroad have just been released in a publication entitled *U.S. Direct Investment Abroad, 1977*.<sup>1</sup> A brief description of the survey and selected highlights of the data from it are presented below. Several articles analyzing data from the survey in greater depth will appear in future issues of the SURVEY OF CURRENT BUSINESS. Topics such as trade, sales, gross product, and employment of U.S.-based multinational companies will be covered.

## The Benchmark Survey

The purpose of the benchmark survey was to obtain complete and accurate data on U.S. direct investment abroad in 1977. U.S. direct investment abroad exists when one U.S. person (U.S. parent) has a direct or indirect ownership interest of 10 percent or more in a foreign business enterprise (foreign affiliate). The survey provides data that shed light on the effects of such investment on the U.S. and foreign economies.

The benchmark survey was a census, i.e., it was intended to cover the universe of direct investment, and reporting in it was mandatory. However, to ease the reporting burden on companies, very small affiliates—those with total assets, sales, and net income of less than \$500,000—were exempted from the survey. Reports covering 3,540 U.S. parents and their 24,666 foreign affiliates were received; 11,123 foreign affiliates were ex-

empted. Despite the large number of exempt affiliates, coverage of the universe in terms of value was virtually complete.<sup>2</sup>

The 1977 survey was the first benchmark survey of U.S. direct investment abroad conducted under authority of the International Investment Survey Act of 1976. The act requires that a benchmark survey be conducted at least once every 5 years. Previous benchmark surveys, conducted under authority of the Bretton Woods Agreement Act of 1945, were less frequent and less comprehensive in terms of the types of information collected. The last such survey covered 1966.<sup>3</sup>

In the 1977 survey, three related types of data were collected: (1) foreign affiliate financial and operating data, (2) U.S. parent financial and operating data, and (3) direct investment position and balance of payments data. Affiliate and parent financial and operating data cover balance sheets; inventories; property, plant, and equipment; income statements; sales; employment; employee compensation; merchandise trade; technology; and taxes. The direct investment position and balance of payments data cover positions and transactions between foreign affiliates and their U.S. parents, including data on direct investment capital outflows from U.S. parents to their foreign affiliates and receipts of income and of fees

and royalties by U.S. parents from their foreign affiliates.

The direct investment position and balance of payments data will be used primarily as a benchmark for BEA's regularly published series for these items. In the benchmarking procedure, sample data collected in nonbenchmark years are linked to universe data from the last benchmark survey. The benchmark data are then extrapolated forward, based on the sample data, to obtain universe estimates for subsequent years. At present, estimates for 1967-80 are linked to the 1966 benchmark survey. Revised estimates for 1978-80 will be obtained by linking the sample data for these years to the 1977 benchmark survey, and extrapolating forward. Revised estimates of the balance of payments items will be published in the June SURVEY; revised estimates of the position, and more detailed estimates of the balance of payments items, will be published in the August SURVEY. The highlights given below are confined to the foreign affiliate and U.S. parent financial and operating data for which regularly published series are not available.

The highlights are further limited to nonbank foreign affiliates of nonbank U.S. parents, and their U.S. parents. In the 1977 benchmark survey, the amount of financial and operating data collected differed depending on whether the foreign affiliates or U.S. parents were banks or nonbanks and, for nonbank affiliates, on their size and on whether they were majority or minority owned. Much more detailed data were collected for nonbank affiliates and parents than for bank affiliates and parents, because most of the information needed by the U.S. Government for the latter

1. The publication includes 339 tables, a methodology of the survey, including the basic concepts and definitions of U.S. direct investment abroad, and reprints of the survey forms and instructions. Copies may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, price \$10.00, stock number 003-010-00079-1.

2. The 11,123 exempt affiliates accounted for 31 percent of the number, but only 1 percent of total assets and less than 1 percent of sales and net income, of all reported and exempt affiliates combined.

3. Results of that survey were published in U.S. Department of Commerce, Bureau of Economic Analysis, *U.S. Direct Investment Abroad, 1966, Final Data* (Washington, D.C.: U.S. G.P.O., n.d.), price \$5.15, stock number 003-024-01073-9. Because of differences in concepts, methodology, and coverage, data from the 1966 and 1977 benchmark surveys are not fully comparable.

already had to be reported to other Government agencies.

Nonbank affiliates of nonbank U.S. parents accounted for 96 percent of the number, and 98 percent of the employment, of all foreign affiliates in 1977 (table 1). However, they accounted for only 59 percent of the total assets of all affiliates, because their assets tend, on the average, to be lower than those of bank affiliates. Bank affiliates' assets normally reflect substantial financial claims arising from their lending activities (their liabilities tend to be high as well, because of their sizable borrowing activities and customers' deposits). Similarly, nonbank parents accounted for 97 percent of both the number and employment, but only 73 percent of the total assets, of all U.S. parents.

The most detailed affiliate financial and operating data in the benchmark survey were obtained for the larger majority-owned nonbank affiliates, i.e., for nonbank affiliates in which the combined direct and indirect ownership interest of all U.S. parents exceeded 50 percent and in which assets, sales, or net income were at least \$3 million in 1977. In the highlights presented below, the data for all nonbank affiliates of nonbank U.S. parents are supplemented by selected data for these

majority-owned affiliates. Majority-owned affiliates accounted for 50 percent of the number, 72 percent of the total assets, and 75 percent of the employment of all nonbank affiliates of nonbank parents in 1977.

### Selected Highlights

#### Balance sheets

- Total assets of nonbank affiliates of nonbank U.S. parents were \$490.2 billion at yearend 1977. About 30 percent of the total was property, plant, and equipment, net of accumulated depletion and depreciation; 28 percent was current receivables; and 17 percent was inventories.

- Nonbank affiliates had total liabilities of \$318.6 billion, of which \$205.1 billion was current liabilities and \$78.8 billion was long-term debt. Owners' equity in affiliates was \$171.6 billion; 88 percent was in incorporated affiliates and 12 percent in unincorporated affiliates.

- Majority-owned nonbank affiliates had total liabilities of \$215.0 billion, of which \$142.0 billion was current liabilities and \$46.3 billion was long-term debt. Only 12 percent of these affiliates' current liabilities and 18 percent of their long-term debt were owed to U.S.

parents; most of the remainder was owed to unaffiliated foreigners.

- For all nonbank affiliates, almost three-fourths of total assets—\$359.6 billion—were accounted for by affiliates in developed countries (table 2 and chart 8). Canada had the largest total—\$86.2 billion. Assets of European affiliates, at \$206.6 billion, were concentrated in the European Communities (9); the United Kingdom, Germany, and France had the largest shares. Japanese affiliates had assets of \$41.8 billion; only 16 percent were held by majority-owned affiliates (compared with 79 percent for affiliates in all other developed countries combined).

- Total assets of nonbank affiliates in developing countries were \$115.8 billion. Brazil and Bermuda had the largest totals—just over \$17 billion each.

- By industry of affiliate, total assets were concentrated in manufacturing (\$190.9 billion) and petroleum (\$114.4 billion) (table 3). Assets in finance (except banking), insurance, and real estate were \$76.8 billion, in trade \$56.1 billion, in mining \$18.3 billion, and in "other industries" \$33.7 billion. Of the manufacturing total, chemicals and "other manufacturing" each accounted for 20 percent, transportation equipment for 17 percent, and nonelectrical machinery for 15 percent. Of the petroleum total, petroleum and coal products accounted for 44 percent, and oil and gas extraction for 27 percent.

- Of total assets of manufacturing affiliates, 80 percent were in developed countries—51 percent in Europe alone (table 4). Within Europe, assets were largest in the United Kingdom (\$25.1 billion), Germany (\$21.5 billion), and France (\$15.8 billion). In Canada, assets were \$30.8 billion. Among developing countries, assets were largest in Brazil (\$12.5 billion) and Mexico (\$7.5 billion).

- Of total assets of petroleum affiliates, 67 percent were in developed countries, 24 percent in developing countries, and 9 percent in "international" (mainly tanker operations). Among developed countries, assets were largest in Canada (\$18.1 billion), Japan (\$13.0 billion), and the United Kingdom (\$12.0 bil-

Table 1.—Number, Total Assets, and Employment of Foreign Affiliates and U.S. Parents, by Type of Affiliate or Parent

	Number of affiliates or parents	Total Assets (Millions of dollars)	Employment (Number of employees)
<b>Affiliate data</b>			
1 All affiliates	24,666	829,617	7,342,050
2 Nonbank affiliates	23,782	494,611	7,207,100
3 Nonbank affiliates of nonbank parents	23,641	490,178	7,196,691
4 Majority-owned nonbank affiliates of nonbank parents <sup>1</sup>	11,909	352,357	5,368,826
5 Minority-owned nonbank affiliates of nonbank parents <sup>2</sup>	11,732	137,821	1,827,865
6 Nonbank affiliates of bank parents	141	4,433	10,409
7 Bank affiliates	884	335,006	134,950
<b>U.S. parent data</b>			
8 All parents	3,540	2,128,470	19,415,065
9 Parents of nonbank affiliates <sup>3</sup>	3,451	1,810,443	19,096,987
10 Nonbank parents of nonbank affiliates	3,425	1,543,240	18,884,636
11 Nonbank parents of majority-owned nonbank affiliates <sup>1,4</sup>	1,996	1,475,362	17,509,800
12 Nonbank parents of minority-owned nonbank affiliates <sup>2,4</sup>	2,705	1,272,135	16,547,747
13 Bank parents of nonbank affiliates	26	267,203	212,351
14 Parents of bank affiliates <sup>3</sup>	128	622,769	751,372
<b>Addenda:</b>			
15 Nonbank affiliates of nonbank parents as percentage of all affiliates	95.8	59.1	98.0
16 Nonbank parents of nonbank affiliates as percentage of all parents	96.7	72.5	97.3

1. A "majority-owned nonbank affiliate" is a nonbank affiliate in which the combined direct and indirect ownership interest of all U.S. parents exceeds 50 percent and in which assets, sales, or net income were at least \$3 million in 1977.

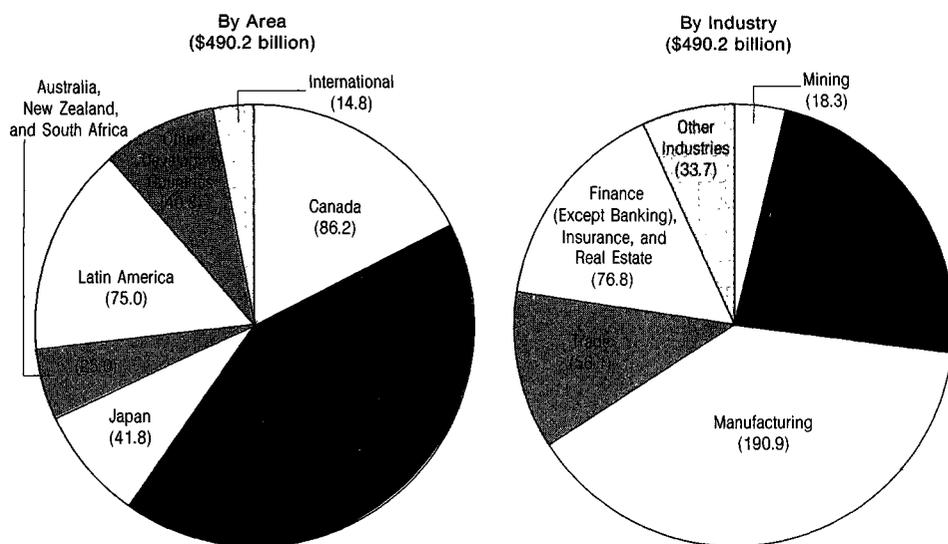
2. A "minority-owned nonbank affiliate" is any nonbank affiliate that is not a "majority-owned nonbank affiliate," as defined in footnote 1.

3. Because some parents may have both nonbank and bank affiliates, the sum of lines 9 and 14 contains duplication and does not equal the total in line 8.

4. Because some parents may have both majority- and minority-owned affiliates, the sum of lines 11 and 12 contains duplication and does not equal the total in line 10.

CHART 8

### Total Assets of Nonbank Affiliates of Nonbank U.S. Parents, 1977, by Area and by Industry



U.S. Department of Commerce, Bureau of Economic Analysis

-4-8

lion); among developing countries, they were concentrated in the Middle East and Indonesia.

- Net property, plant, and equipment of nonbank affiliates was \$151.4 billion. As with total assets, it was concentrated in developed countries, particularly Canada, the United Kingdom, and Germany. By industry, 40 percent was in manufacturing, 34 percent in petroleum, 10 percent in "other industries," and 8 percent in mining.

- Majority-owned affiliates accounted for 69 percent of net property, plant, and equipment of all nonbank affiliates. Of the total, 7 percent was property and 93 percent was plant and equipment.

- For nonbank U.S. parents of nonbank affiliates, total assets were \$1,543.2 billion. Of the total, 45 percent was current assets, 31 percent was net property, plant, and equipment, 8 percent was equity investment in foreign affiliates, and 16 percent was other assets. By industry of U.S. parent, manufacturing accounted for 41 percent of total assets; finance (except banking), insurance, and real estate for 25 percent; and petroleum and "other industries" for 14 percent each. Within manufacturing, transportation equipment, chemicals,

primary and fabricated metals, and non-electrical machinery had large totals.<sup>4</sup>

- Total assets of nonbank affiliates are classified by industry of U.S. parent in table 3, column 13. Affiliates of parents in manufacturing had assets of \$259.0 billion, 53 percent of total assets of all affiliates; affiliates of parents in petroleum accounted for most of the remainder. Within manufacturing, affiliates of parents in transportation equipment—mainly motor vehicles—and in chemicals had the largest totals.

- Worldwide assets of U.S.-based multinational companies (MNC's)—defined as the sum of total assets of non-

4. The distribution of U.S. parent data by industry was affected by the consolidation rules applied in the benchmark survey. In the survey, a U.S. parent was defined as a fully consolidated U.S. business enterprise. If a U.S. corporation was owned more than 50 percent by the enterprise, but was normally excluded from full consolidation in reports to stockholders—because, for example, it was a finance company, but the owning enterprise was a manufacturer, or its operations were otherwise unrelated to those of the owning enterprise—the benchmark survey nevertheless required its data to be consolidated (or aggregated, if consolidation would have caused an undue burden) with those of the enterprise. (In consolidation, positions and transactions between related entities are eliminated, whereas in aggregation they are not.) The consolidation (or aggregation) would have affected the distribution of the U.S. parent data by industry, if the corporation being consolidated (or aggregated) was in a different industry from the owning enterprise.

bank affiliates and of their nonbank U.S. parents—were \$2,033.4 billion; 76 percent were assets of U.S. parents and 24 percent were assets of foreign affiliates.<sup>5</sup> When the worldwide assets of each MNC are classified by industry of U.S. parent, the affiliate shares of the industry totals so obtained were highest in petroleum (38 percent) and mining (35 percent), and lowest in finance (except banking), insurance, and real estate (10 percent) and "other industries" (11 percent). In manufacturing, which accounted for 44 percent of worldwide assets, the affiliate share was 29 percent; within manufacturing, it was highest in nonelectrical machinery (35 percent) and lowest in food, primary and fabricated metals, and "other manufacturing" (about 25 percent each).

#### Income statements

- Nonbank affiliates of nonbank U.S. parents had total income of \$656.1 billion, of which \$648.0 billion was sales (or gross operating revenues). Total costs and expenses were \$632.2 billion, including \$54.0 billion of foreign income taxes. Net income was \$23.9 billion.

5. When total assets of U.S. parents and affiliates are summed, assets that reflect intercompany positions and, therefore, appear on the books of both parents and affiliates are counted twice. Such duplication of assets may be eliminated by consolidation. Data needed to remove most, but not all, of the duplication are available from the benchmark survey. Thus, consolidated worldwide assets of U.S.-based MNC's can be roughly estimated at \$1,818.2 billion. This is the sum of total assets of U.S. parents (\$1,543.2 billion) and affiliates (\$490.2 billion), less: U.S. parents' receivables from, and equity investment in, foreign affiliates (\$29.6 billion and \$123.4 billion, respectively); affiliates' receivables from U.S. parents (\$11.5 billion); and affiliates' receivables from, and equity investment in, other foreign affiliates of their U.S. parents (\$27.4 billion and \$23.4 billion, respectively). It should be noted that affiliates' receivables from other foreign affiliates were reported only for majority-owned affiliates. Thus, consolidated worldwide assets are overstated to the extent that minority-owned affiliates had receivables due from other foreign affiliates of U.S. parents. Also, U.S. parent assets (and, therefore, consolidated worldwide assets) are overstated due to aggregation because, in aggregation, intercompany assets are not eliminated (see footnote 4).

Because intercompany assets appear on both U.S. parents' and foreign affiliates' books, a decision to remove such assets from one set of books or the other in order to eliminate the duplication would be essentially arbitrary. Therefore, no attempt is made here to calculate the parents' and affiliates' respective shares of consolidated worldwide assets.

Table 2.—Selected Data for Nonbank Affiliates of Nonbank U.S. Parents, 1977, by Country

	Total assets	Net property, plant, and equipment	Sales	Net income	Employment (Number of employees)	Employee compensation	U.S. exports shipped to affiliates	U.S. imports shipped by affiliates
	Millions of dollars					Millions of dollars		
	(1)	(2)	(3)	(4)		(5)	(6)	(7)
<b>All countries</b> .....	490,178	151,413	647,969	23,944	7,196,691	76,593	40,787	41,525
<b>Developed countries</b> .....	359,583	109,633	449,015	15,335	4,980,691	63,998	32,522	22,089
Canada.....	86,223	31,801	94,876	3,994	1,064,467	16,217	17,303	15,641
Europe.....	206,605	60,571	276,275	9,416	3,110,471	38,792	12,335	5,097
European Communities (9).....	164,950	48,607	225,909	7,383	2,688,914	33,282	10,313	4,328
Belgium.....	12,091	3,335	16,998	335	157,002	2,841	1,595	(D)
Denmark.....	1,947	559	3,452	39	20,317	354	89	32
France.....	24,315	6,907	34,747	443	470,886	6,707	1,556	(D)
Germany.....	37,796	11,597	60,435	2,038	587,405	9,822	1,932	899
Ireland.....	2,084	672	2,009	290	27,555	207	172	125
Italy.....	12,218	3,140	15,899	347	212,848	2,524	789	149
Luxembourg.....	1,294	212	696	45	7,548	133	68	68
Netherlands.....	18,486	5,295	27,008	1,586	136,063	2,455	1,426	195
United Kingdom.....	54,719	16,889	64,666	2,261	1,069,290	8,287	2,686	2,267
Other Europe.....	41,655	11,964	50,366	2,033	421,557	5,510	2,022	769
Austria.....	2,542	686	3,180	155	32,129	513	85	18
Greece.....	849	227	1,498	34	16,601	129	57	(D)
Norway.....	5,784	3,731	3,945	341	433	433	123	(D)
Portugal.....	576	150	803	25	19,372	120	(D)	11
Spain.....	11,890	4,679	12,202	228	216,721	2,192	601	(D)
Sweden.....	4,044	1,201	4,921	49	42,864	837	238	32
Switzerland.....	14,179	955	21,373	1,165	47,109	1,023	790	308
Turkey.....	674	110	1,079	-60	14,566	136	(D)	3
Other.....	1,117	225	1,364	96	10,563	127	54	(D)
Japan.....	41,776	8,089	51,895	709	389,123	4,814	1,215	1,162
Australia, New Zealand, and South Africa.....	24,979	9,172	25,970	1,216	416,630	4,175	1,669	189
Australia.....	18,336	6,809	18,125	830	269,344	3,327	1,204	(D)
New Zealand.....	1,022	296	1,393	46	21,245	159	94	2
South Africa.....	5,621	2,068	6,453	339	126,041	688	371	(D)
<b>Developing countries</b> .....	115,822	32,951	183,219	8,558	2,175,096	12,109	8,142	19,400
Latin America.....	75,041	18,348	73,287	4,078	1,347,036	7,845	4,730	5,834
South America.....	31,717	10,873	35,331	1,783	771,000	5,092	2,732	1,011
Argentina.....	2,959	869	4,075	259	108,039	572	200	13
Brazil.....	17,331	6,227	19,340	792	435,661	2,889	797	415
Chile.....	397	154	610	30	10,121	70	58	1
Colombia.....	1,914	574	2,410	128	61,276	341	204	(D)
Ecuador.....	463	197	629	41	9,622	50	58	(D)
Peru.....	1,725	1,199	1,021	34	26,324	137	93	(D)
Venezuela.....	6,135	1,272	6,436	475	101,241	923	1,240	(D)
Other.....	794	381	810	24	18,716	109	82	(D)
Central America.....	14,831	4,345	15,083	916	480,374	2,272	1,628	1,211
Mexico.....	9,515	3,415	10,833	380	370,115	1,813	1,309	807
Panama.....	3,482	238	1,681	442	20,828	164	132	(D)
Other.....	1,834	692	2,569	95	89,431	295	188	(D)
Other Western Hemisphere.....	28,493	3,130	22,873	1,378	95,662	481	369	3,612
Bahamas.....	1,974	447	2,425	56	7,595	66	82	1,191
Bermuda.....	17,241	225	14,414	990	2,481	31	19	22
Netherlands Antilles.....	5,473	439	2,160	61	4,560	55	39	(D)
Trinidad and Tobago.....	1,483	899	1,395	126	15,707	113	53	(D)
Other.....	2,322	1,121	2,478	145	65,319	216	177	514
Other Africa.....	9,716	4,079	16,662	587	161,129	861	418	4,723
Saharan.....	2,751	1,176	6,758	221	25,934	280	124	1,862
Egypt.....	1,092	661	839	77	5,705	44	32	(D)
Libya.....	1,097	348	5,068	159	5,032	82	47	1,749
Other.....	562	167	850	-15	15,197	153	45	(D)
Sub-Saharan.....	6,965	2,903	9,904	366	135,195	581	294	2,861
Liberia.....	928	197	268	39	29,766	64	(D)	(D)
Nigeria.....	1,786	614	4,808	233	17,907	110	89	2,336
Other.....	4,250	2,092	4,823	95	87,522	407	(D)	(D)
Middle East.....	14,576	4,999	66,607	2,246	138,317	1,915	1,113	2,915
Israel.....	1,128	279	995	54	21,155	198	(D)	(D)
OPEC.....	12,403	4,312	63,660	2,162	104,877	1,558	990	2,848
Iran.....	3,460	1,254	11,675	389	38,047	370	141	2,369
Other.....	8,943	3,057	51,984	1,773	66,830	1,188	849	478
Other.....	1,046	408	1,952	30	12,285	159	(D)	(D)
Other Asia and Pacific.....	16,489	5,525	26,664	1,647	528,614	1,487	1,882	5,928
Hong Kong.....	2,631	360	5,301	395	44,847	213	360	1,917
India.....	1,802	624	2,287	50	94,622	164	23	(D)
Indonesia.....	3,085	1,460	5,605	716	52,465	266	137	1,865
Malaysia.....	878	375	1,245	69	35,969	91	242	(D)
Philippines.....	2,059	499	3,080	95	111,768	183	277	191
Singapore.....	1,549	478	2,554	159	44,184	178	386	735
South Korea.....	2,293	883	3,511	87	31,058	146	160	(D)
Taiwan.....	1,000	383	1,304	108	68,040	140	181	535
Thailand.....	657	282	1,070	24	27,337	63	82	(D)
Other.....	535	182	707	-56	18,324	43	35	10
<b>International</b> .....	14,773	8,830	15,734	51	40,904	486	123	36
Addendum: OPEC.....	25,524	8,394	86,879	3,800	304,937	3,143	2,608	9,221

<sup>D</sup> Suppressed to avoid disclosure of data for a specific person.

• Nonbank affiliates in developed countries accounted for \$449.0 billion, or 69 percent, of total affiliate sales. As with total assets, affiliates in Canada, the United Kingdom, Germany, Japan, and France had the largest shares; together they accounted for 68 percent of the developed countries' total. Sales by affiliates in developing countries were \$183.2 billion; affiliates in Middle East countries that are members of the Organization of Petroleum Exporting Countries accounted for over one-third.

• By industry of affiliate, petroleum and manufacturing each accounted for just under 40 percent of total sales. Trade—mainly wholesale—accounted for most of the remainder. Affiliates in developed countries accounted for 83 percent of sales by manufacturing affiliates and for 47 percent of sales by petroleum affiliates.

• Sales by majority-owned affiliates were \$507.0 billion, or 78 percent of sales by all nonbank affiliates. Of the total, one-third was sales to affiliated customers (i.e., to the U.S. parent or to other foreign affiliates of the U.S. parent). By destination, 62 percent of majority-owned affiliates' sales were local (i.e., charged to customers in the affiliate's country of location), 18 percent were charged to U.S. customers, and 20 percent were charged to customers in third countries. More than three-fourths of sales to U.S. customers were by petroleum affiliates; these sales largely reflected crude petroleum that affiliates engaged in petroleum extraction charged to U.S. parents but shipped to affiliates in other countries. (Actual shipments of goods to U.S. parents by petroleum affiliates were much smaller than sales charged.)

• Majority-owned manufacturing affiliates had sales of \$194.2 billion; 69 percent were local, 9 percent were to U.S. customers, and 22 percent were to customers in third countries. More than one-half of the sales to U.S. customers were by affiliates in the motor vehicles industry, mainly in Canada.

• Nonbank U.S. parents of nonbank affiliates had total income of \$1,448.0 billion, of which sales (or gross operating revenues) were \$1,412.3 billion and

equity in net income of foreign affiliates was \$18.2 billion. Total costs and expenses were \$1,366.6 billion, including U.S. income taxes of \$48.3 billion. Net income was \$81.4 billion.

#### *Employment and employee compensation*

• Nonbank affiliates of nonbank U.S. parents employed 7.2 million workers, and paid employee compensation of \$76.6 billion.<sup>6</sup> Affiliates in developed countries accounted for 69 percent (5.0 million) of total employment. Employment was highest for affiliates in Canada and the United Kingdom (1.1 million each), Germany (0.6 million), France (0.5 million), and Japan (0.4 million). Affiliates in developing countries employed 2.2 million workers. Of the total, 1.3 million were in Latin America—mainly in Brazil, Mexico, Argentina, and Venezuela—and 0.5 million were in “other Asia and Pacific”—mainly in the Philippines, India, and Taiwan.

• By industry of affiliate, more than two-thirds of total employment was in manufacturing, 14 percent in trade, and 10 percent in “other industries.” Affiliates in petroleum, which accounted for 28 percent of total assets of all nonbank affiliates, accounted for only 5 percent of total employment. Within manufacturing, the highest employment was in “other manufacturing” (1.1 million, mainly in rubber, instruments, paper, and textiles), transportation equipment (0.9 million), and electric and electronic equipment (0.8 million).

• Majority-owned affiliates employed 5.4 million workers, 75 percent of the total for all nonbank affiliates. Of these, 63,000 were research and development (R&D) scientists and engineers; they were concentrated in manufacturing affiliates in Europe, mainly in the United Kingdom, Germany, and France. Less than 1 percent (40,000) of majority-owned affiliates' workers were U.S. citizens.

6. For both affiliates and U.S. parents, employment is average full-time and part-time employment for the year; employee compensation is the sum of wages and salaries and of employer expenditures for employee benefit plans.

• Employee compensation paid by majority-owned affiliates was \$59.5 billion, or 78 percent of that paid by all nonbank affiliates; \$48.6 billion was wages and salaries and the remainder was employer expenditures for employee benefit plans.

• Majority-owned affiliates in manufacturing employed 3.8 million workers, of which 2.4 million were production workers and 1.5 million were nonproduction workers. Total employee compensation paid by these affiliates was \$40.4 billion; \$21.7 billion was paid to production workers and \$18.8 billion to nonproduction workers. For production workers, the average compensation rate was \$4.90 per hour worldwide. In developed countries, where almost three-fourths of these workers were employed, the average compensation rate was \$6.30 per hour; in developing countries, it was \$1.70 per hour.<sup>7</sup>

• Nonbank U.S. parents of nonbank affiliates employed 18.9 million workers, 28 percent of employment by all nonbank U.S. businesses.<sup>8</sup> Of the total, 418,000 were R&D scientists and engineers. U.S. parents paid employee compensation of \$324.1 billion—\$266.1 billion in wages and salaries and \$57.9 billion in employee benefit plans. Parents in manufacturing accounted for 62 percent of total employment, those in “other industries” (mainly in transportation, communication, and public utilities) for 15 percent, and those in trade for 13 percent.

• Of the 11.8 million employees of U.S. parents in manufacturing, 7.3 million were production workers and 4.5 million were nonproduction workers. These parents paid employee compensation of \$215.8 billion—\$120.2 billion to production workers and \$95.7 billion

7. Compensation rates in U.S. dollars indicate comparative levels of employer labor costs. However, because compensation includes more than current labor income of workers (e.g., it includes employer contributions to health and retirement plans), and because prices of goods and services vary greatly among countries, they do not indicate relative living standards of workers.

8. Data for all nonbank U.S. businesses are from U.S. Department of Commerce, Bureau of Economic Analysis, *National Income and Product Tables, 1976-79*, forthcoming, table 6.7. To improve comparability, data covering private households, government and government enterprises, and banking were excluded from the total for all domestic industries shown in table 6.7.



to nonproduction workers. For production workers, the average compensation rate was \$8.60 per hour.

- In table 3, column 14, employment of nonbank affiliates is disaggregated by industry of U.S. parent. Affiliates of U.S. parents in manufacturing accounted for 74 percent of total affiliate employment; 7 percent of the total was accounted for by affiliates of parents in "other industries" and 6 percent each by affiliates of parents in petroleum; trade; and finance (except banking), insurance, and real estate.

- U.S.-based MNC's—parents and affiliates combined—employed 26.1 million workers worldwide, of which 28 percent were employed by affiliates. By industry of U.S. parent, the affiliate shares ranged from 39 percent in mining to 16 percent each in trade and "other industries." In manufacturing, which accounted for about two-thirds of worldwide MNC employment, the affiliate share was 31 percent; within manufacturing, the affiliate shares ranged from 38 percent in chemicals to 24 percent in primary and fabricated metals.

#### *U.S. merchandise trade*

- U.S. exports shipped to nonbank affiliates of nonbank U.S. parents were \$40.8 billion, of which \$32.4 billion, or nearly 80 percent, were from U.S. parents; the remainder were from unaffiliated U.S. persons. By area of destination, 42 percent of the exports were shipped to Canada, 30 percent to Europe, mainly the European Communities (9), and 12 percent to Latin America. By industry of affiliate, 69 percent of the exports were to manufacturing, 23 percent to trade, and 5 percent to petroleum affiliates.

- Of exports to all nonbank affiliates, 88 percent were to majority-owned affiliates. The distributions of exports to these affiliates by area of destination and by industry of affiliate were very similar to those for exports to all nonbank affiliates.

- In the benchmark survey, U.S. exports to majority-owned affiliates were disaggregated by broad product categories as well as by industry of affiliate.

By product, manufactured goods accounted for 88 percent of total exports to majority-owned affiliates; exports of road motor vehicles accounted for 30 percent, machinery for 29 percent, and chemicals for 11 percent of the total.<sup>9</sup> Most of the exports of road motor vehicles were to Canadian affiliates.

- By intended use, 57 percent of exports to majority-owned affiliates were for resale without further manufacture, 4 percent were capital equipment for use by affiliates, and 38 percent were for other purposes, mainly further processing or assembly by affiliates.

- U.S. exports shipped by nonbank U.S. parents to all foreigners were \$93.5 billion, of which \$32.4 billion were to foreign affiliates and \$61.1 billion to unaffiliated foreigners. By area of destination, 31 percent were shipped to Europe, 20 percent to Canada, 13 percent to Latin America, and 9 percent each to Japan and the Middle East. By industry of U.S. parent, 72 percent of the exports were shipped by manufacturing, 19 percent by trade, and 5 percent by petroleum parents.

- Total MNC-associated exports (i.e., exports associated with both nonbank affiliates and their nonbank U.S. parents) were \$101.8 billion. This total is the sum of (1) U.S. exports shipped to the affiliates by both U.S. parents and other U.S. persons of \$40.8 billion, and (2) U.S. exports shipped by the U.S. parents to unaffiliated foreigners of \$61.1 billion. MNC-associated exports accounted for 84 percent of total U.S. exports.<sup>10</sup>

- U.S. imports shipped by nonbank affiliates of nonbank U.S. parents were \$41.5 billion, of which \$32.6 billion, or 79 percent, were shipped to U.S. parents and the remainder to unaffiliated U.S.

9. In the benchmark survey, exports of road motor vehicles were overstated (and exports of other types of goods understated), largely because some reporters erroneously classified certain automotive parts and accessories in road motor vehicles that, based on the Standard International Trade Classification, should have been classified instead in other categories.

10. Data for total U.S. exports are on a Census basis, f.a.s. U.S. port of exportation, as published in Anthony J. DiLullo, "U.S. International Transactions, First Quarter 1980," SURVEY OF CURRENT BUSINESS (June 1980), table 3, page 42. They exclude military grant shipments.

persons. By area of origin, 38 percent of the imports were from Canada, 12 percent from Europe, 14 percent each from Latin America and "other Asia and Pacific," and 11 percent from "other Africa." By industry of affiliate, 47 percent of the imports were from manufacturing affiliates, mainly in developed countries, and 43 percent from petroleum affiliates, mainly in developing countries.

- U.S. imports from majority-owned affiliates were \$38.0 billion. They accounted for 92 percent of imports from all nonbank affiliates; their distributions by area of origin and by industry of affiliate were very similar to those for all nonbank affiliates.

- By product, 48 percent of U.S. imports from majority-owned affiliates were manufactured goods, of which 22 percent were road motor vehicles and 13 percent machinery.<sup>11</sup> Imports of mineral fuels, largely petroleum, accounted for 44 percent of the total. About three-fourths of the imports from majority-owned affiliates were products of the affiliates themselves (i.e., were grown, extracted, processed, assembled, or manufactured by the affiliates); about one-fourth were products of others.

- U.S. imports shipped to nonbank U.S. parents by all foreigners were \$77.9 billion, of which \$32.6 billion were from foreign affiliates and \$45.2 billion from unaffiliated foreigners. Data on parent imports from unaffiliated foreigners by area of origin were not collected in the benchmark survey; thus, data on total U.S. parent imports by area are not available. By industry of U.S. parent, 44 percent of the imports were shipped to petroleum, 39 percent to manufacturing, and 14 percent to trade parents.

- Total MNC-associated imports were \$86.8 billion. This total is the sum of (1) U.S. imports shipped by the affiliates to both their U.S. parents and other U.S. persons of \$41.5 billion, and

11. In the benchmark survey, U.S. imports of road motor vehicles may have been overstated (and imports of other types of goods understated) by reporters' inclusion of certain automotive parts and accessories in road motor vehicles that should have been included instead in other categories (see also footnote 9).



(2) U.S. imports shipped to U.S. parents by unaffiliated foreigners of \$45.2 billion. MNC-associated imports accounted for 59 percent of total U.S. imports.<sup>12</sup>

### **R&D expenditures**

- R&D expenditures by majority-owned nonbank affiliates (these data are not available for other nonbank affiliates) were \$2.1 billion in 1977. Nearly all expenditures—92 percent—were by affiliates in developed countries. Affiliates in Europe, particularly in Germany, the United Kingdom, and France, accounted for 73 percent and affiliates in Canada for 12 percent. By

12. Data for total U.S. imports are on a Census basis, f.a.s. foreign port of exportation, as published in DiLullo, "U.S. International Transactions," table 3, page 42.

The reported benchmark survey data are stored on magnetic tape. Unpublished data can be tabulated and results of data manipulations, including regression analyses, can be provided at cost, within the limits of available resources and subject to the requirement of the International Investment Survey Act to avoid disclosure of data for specific persons. For further information, write to International Investment Division, BE-50(OC), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, D.C. 20230.

industry of affiliate, manufacturing accounted for 86 percent of the expenditures. Within manufacturing, the largest expenditures were in transportation equipment, chemicals, and electric and electronic equipment.

- Expenditures by nonbank U.S. parents of nonbank affiliates for R&D for their own (rather than others') benefit

were \$19.0 billion, of which 90 percent were by parents in manufacturing. Within manufacturing, transportation equipment, nonelectrical machinery, and chemicals had the largest shares. Federally funded expenditures for R&D performed by U.S. parents, whether for their own or others' benefit, were \$8.0 billion.



Table 2.—Percent Change in Selected Shares of Personal Income 1979-80

State and region	Total personal income	Labor and proprietors' income of persons engaged in production <sup>1</sup>												
		Total	Farm	Mining	Contract construction	Manufacturing	Wholesale and retail trade	Finance, insurance, and real estate	Transportation, communication and public utilities	Services	Other	Government		
												Federal civilian	Federal military	State and local
<b>United States</b> .....	10.7	8.2	-20.6	15.3	4.4	6.4	9.1	14.0	9.4	13.1	5.5	7.6	9.2	7.1
<b>New England</b> .....	11.8	9.9	-11.4	14.3	8.2	9.7	9.9	14.9	10.9	12.3	7.0	7.4	7.6	5.3
Connecticut.....	12.3	11.0	1.8	23.5	14.9	11.0	11.8	14.5	9.4	11.6	2.1	12.5	9.2	4.2
Maine.....	12.4	10.4	-19.4	21.8	13.3	12.8	8.6	13.6	11.9	13.3	11.7	9.0	5.1	6.5
Massachusetts.....	11.5	9.6	-7.3	9.3	6.6	8.4	9.9	15.6	11.7	12.8	7.9	5.3	4.9	4.8
New Hampshire.....	12.2	10.0	-16.2	-1.1	3	11.8	8.2	13.5	11.3	13.0	4.6	7.1	7.7	8.4
Rhode Island.....	10.8	8.1	-4.6	-12.1	-3.5	7.9	7.1	14.1	9.8	10.5	4.1	4.1	17.8	7.7
Vermont.....	10.7	8.1	-15.8	-1.1	4.3	9.6	7.8	14.4	8.3	12.5	6.8	10.8	-4.9	7.3
<b>Mideast</b> .....	10.5	8.1	-11.5	.7	4.1	6.2	7.9	14.4	7.2	12.4	2.5	7.2	7.8	5.9
Delaware.....	12.3	11.4	-22.0	-54.6	12.3	16.9	6.1	12.0	7.1	14.1	-1.4	13.1	7.1	4.9
District of Columbia.....	10.2	7.6	0	10.3	4	7.9	8.8	15.5	8.6	13.9	2.5	4.4	8.7	4
Maryland.....	11.9	10.8	-14.3	24.8	7.8	10.9	8.9	10.2	11.9	14.6	.1	8.4	9.8	12.7
New Jersey.....	10.6	8.9	-1	-2.8	2.1	6.4	8.1	13.5	10.2	14.2	3.3	8.4	5.4	8.5
New York.....	10.5	8.2	-13.4	8.2	6.0	6.0	7.6	15.7	6.9	10.9	1.6	10.0	6.4	4.6
Pennsylvania.....	9.5	6.5	-9.7	-8	1.7	4.7	7.7	12.4	4.2	13.0	4.7	7.4	8.4	4.3
<b>Great Lakes</b> .....	7.8	4.1	-28.6	4.6	-4	.8	6.3	11.8	5.2	11.1	4.8	8.3	7.9	7.2
Illinois.....	9.6	6.6	-38.0	3.4	7.3	4.8	8.5	11.0	8.1	11.5	5.3	8.8	12.4	6.7
Indiana.....	5.9	1.8	-26.0	.2	-6.5	-6	5.2	10.8	.5	10.1	5.9	12.0	7.4	5.1
Michigan.....	5.3	1.1	-26.3	2.4	-11.3	-3.5	2.8	10.8	2.4	10.5	3.9	5.2	3.7	7.4
Ohio.....	8.3	4.9	-25.8	8.4	5.3	1.1	6.4	14.2	4.8	10.7	4.4	7.6	3.6	7.4
Wisconsin.....	8.7	5.3	-20.7	5.5	-5.6	4.1	7.3	12.2	8.0	13.0	5.0	10.2	2.5	9.1
<b>Plains</b> .....	8.1	4.6	-29.2	10.6	-4.6	4.9	6.9	13.1	8.0	13.3	3.6	8.5	8.3	6.0
Iowa.....	6.1	1.3	-37.7	-8.3	-8.4	4.3	5.9	12.7	4.8	10.6	3.2	14.1	2.3	5.7
Kansas.....	8.9	5.9	-27.7	26.2	.1	7.6	8.8	11.8	7.0	14.2	1.7	8.7	8.7	7.7
Minnesota.....	9.1	6.3	-22.0	-5.9	-2	6.4	6.5	13.7	8.8	14.9	5.4	11.6	.9	6.4
Missouri.....	8.4	4.5	-25.5	-2.8	-8.6	2.2	6.1	13.0	8.3	13.6	3.8	5.8	11.8	4.8
Nebraska.....	6.9	3.5	-33.8	7.1	-5.3	6.7	9.1	13.7	9.1	11.2	3.9	6.6	8.6	6.0
North Dakota.....	10.6	7.4	-9.2	50.6	-4.7	2.4	6.2	13.6	14.3	14.1	3.2	7.5	6.6	6.6
South Dakota.....	6.5	2.5	-41.0	24.0	-3.6	15.1	7.9	13.7	5.5	12.7	-1.4	8.3	8.2	4.7
<b>Southeast</b> .....	11.6	9.1	-22.7	10.8	9.9	8.2	9.7	14.0	11.4	14.5	4.8	8.3	9.7	7.1
Alabama.....	10.2	7.0	-25.4	8.0	5.7	5.2	7.6	9.7	10.0	12.3	1.3	12.1	14.3	6.6
Arkansas.....	8.2	3.8	-32.9	14.4	-2.6	6.0	7.9	12.4	7.5	12.0	.3	10.1	6.7	10.9
Florida.....	15.0	13.1	-9.1	14.2	20.1	13.4	13.7	17.5	15.1	16.6	5.8	8.8	5.3	6.1
Georgia.....	10.8	8.8	-30.8	9.7	10.1	8.2	9.7	13.3	13.3	12.8	2.6	5.1	12.6	7.4
Kentucky.....	8.1	4.0	-23.8	6.7	-8.9	2.6	4.9	13.5	8.1	11.8	6.6	2.2	7.4	5.4
Louisiana.....	14.0	13.1	-24.1	23.9	17.9	12.3	11.0	12.2	13.1	16.2	7.0	10.1	8.6	9.8
Mississippi.....	8.5	4.0	-38.1	24.6	-5	2.7	9.5	11.2	7.9	13.0	3.8	11.6	15.2	5.6
North Carolina.....	11.0	8.6	-7.4	5.5	3.9	9.8	6.1	12.2	10.8	13.3	4.2	10.3	9.9	7.2
South Carolina.....	11.6	9.2	-31.7	7.3	13.7	8.8	10.6	14.0	11.9	13.8	4.4	6.7	11.9	6.0
Tennessee.....	10.5	7.9	-18.2	4.8	2.9	7.5	8.3	12.4	7.9	12.6	2.4	9.7	9.2	5.3
Virginia.....	12.5	11.4	-36.5	16.5	15.6	11.1	11.9	15.5	10.6	16.6	7.3	7.1	9.7	8.9
West Virginia.....	8.8	4.7	-20.9	-2.0	4	2.6	5.7	11.4	7.9	13.8	6.1	11.0	3.9	6.7
<b>Southwest</b> .....	14.1	12.9	-17.4	23.1	7.9	14.9	13.3	18.8	14.2	15.7	6.6	5.6	8.8	10.3
Arizona.....	13.8	11.5	-10.2	6.1	-2	19.2	11.6	19.4	14.7	15.1	4.5	9.5	5.9	9.1
New Mexico.....	11.0	8.2	-26.4	19.4	-5.1	7.4	8.5	9.5	13.5	14.5	2.8	4.9	7.7	8.7
Oklahoma.....	12.3	10.3	-30.4	17.6	5.1	15.8	12.1	16.0	13.9	14.7	4.1	4.3	8.0	5.2
Texas.....	14.8	13.9	-12.9	27.1	10.9	14.3	14.0	19.7	14.2	16.0	7.6	5.2	9.7	11.9
<b>Rocky Mountain</b> .....	12.8	11.1	-12.8	23.6	4.0	11.2	12.0	14.8	13.7	14.8	5.9	8.1	9.2	7.9
Colorado.....	13.7	12.3	-20.7	32.2	4.0	12.2	14.0	17.2	14.8	15.2	7.1	9.7	9.8	8.2
Idaho.....	11.2	8.5	-9.6	31.2	8.6	11.7	9.8	11.3	9.8	14.4	5.8	4.2	6.0	5.8
Montana.....	11.9	9.0	24.7	13.8	6.9	1.8	9.7	12.4	11.5	10.6	1.8	6.3	.6	8.0
Utah.....	11.2	9.0	-29.5	13.3	-6.1	11.9	9.0	10.3	13.3	15.2	6.0	7.8	12.8	6.1
Wyoming.....	15.7	15.2	-15.1	22.0	13.3	8.6	14.4	15.6	17.3	18.9	5.6	7.4	14.7	13.2
<b>Far West</b> .....	12.3	10.1	-6.8	18.4	3.4	10.3	11.1	13.0	11.5	13.5	7.1	8.1	10.1	8.1
California.....	12.2	10.0	-3.6	16.2	1.9	10.2	11.1	13.1	11.3	13.4	6.9	7.7	9.6	7.8
Nevada.....	13.7	11.5	-22.3	53.3	3.5	11.1	11.3	12.9	11.5	13.8	9.3	10.5	12.1	9.1
Oregon.....	9.6	5.8	-17.5	6.6	-5.4	3.4	8.3	9.4	10.0	12.4	7.1	8.3	4.2	6.2
Washington.....	14.0	12.6	-16.9	17.4	14.4	15.1	13.2	14.4	13.2	15.3	8.1	9.3	13.3	10.5
Alaska.....	9.6	8.5	-4.2	16.6	7.4	23.6	6.7	5.0	6.8	11.6	6.5	4.0	3.4	5.0
Hawaii.....	11.9	10.0	-1	88.6	9.4	13.1	9.6	14.0	12.5	11.4	9.3	5.0	10.4	8.3
<b>Census regions</b>														
New England.....	11.8	9.9	-11.4	14.3	8.2	9.7	9.9	14.9	10.9	12.3	7.0	7.4	7.6	5.3
Middle Atlantic.....	10.3	7.8	-10.4	.3	3.5	5.6	7.8	14.7	6.8	12.1	2.8	8.7	6.6	5.3
East North Central.....	7.8	4.1	-28.6	4.6	-4	.8	6.3	11.8	5.2	11.1	4.8	8.3	7.9	7.2
West North Central.....	8.1	4.6	-29.2	10.6	-4.6	4.9	6.9	13.1	8.0	13.3	3.6	8.5	8.3	6.0
South Atlantic.....	12.3	10.2	-17.0	4.1	12.3	10.1	10.3	14.5	12.2	15.0	4.5	6.7	9.5	7.6
East South Central.....	9.5	6.1	-27.9	8.4	-2	5.0	7.5	11.8	8.5	12.4	3.4	9.4	11.2	5.8
West South Central.....	13.8	12.6	-21.9	24.5	11.0	13.3	12.9	17.8	13.5	15.6	6.6	6.0	9.2	10.6
Mountain.....	12.9	10.9	-14.3	20.9	2.1	13.1	11.5	15.4	13.7	14.7	5.5	8.0	8.5	8.4
Pacific.....	12.2	10.0	-6.4	16.0	3.7	10.4	11.0	12.9	11.4	13.4	7.1	7.6	9.7	8.0

1. Consists of wage and salary disbursements, other labor income, and proprietors' income.



# County and Metropolitan Area Personal Income

*The local area estimates of personal income released each April are consistent with the State estimates that are released at the same time. The States estimates, which are also in the April issues of the SURVEY OF CURRENT BUSINESS, are preliminary annual and quarterly estimates for the most recent year, revised annual and quarterly estimates for the previous year, and revised annual estimates for earlier years. The revised State estimates supersede the estimates published in the previous August issue of the SURVEY.*

*The local area estimates are routinely revised in each of the two years following their initial release. These revisions incorporate more complete information for local areas as well as revised State and national totals.*

*Comprehensive (benchmark) revisions are initiated periodically—approximately every*

*five years—at the national level and extended, where appropriate, to the State and local area levels. The benchmark revisions at the local area level include distributional changes made possible by the availability of new or more current data as well as the definitional, classificational, and statistical changes at the national level. The local area personal income estimates reflect the benchmark revisions approximately 18 months after their initial introduction at the national level, and approximately 9 months after their extension to the State estimates.*

*The local area estimates for 1977-79 in tables 1 and 2 do not reflect the national benchmark revisions introduced in the December 1980 SURVEY. The benchmark-revised local area personal income estimates will be presented in the April 1982 issue of the SURVEY.*

counties and county equivalents are shown for the same years in Table 2.

## **Definition of total and per capita personal income**

Total personal income is the current income received by residents of an area from all sources. It is measured before deduction of income and other personal taxes, but after deduction of personal contributions for social security, government retirement, and other social insurance programs. It consists of wage and salary disbursements (covering all employee earnings, including executive salaries, bonuses, commissions, payments in kind, incentive payments, and tips), various types of supplementary earnings termed "other labor income," proprietors' income, rental income of persons, dividends, personal interest income, and government and business transfer payments.

**T**HIS article presents estimates of personal income for 1979 and revised estimates for 1977 and 1978 for the Nation's Standard Metropolitan Statistical Areas (SMSA's), counties, and county equivalents. These estimates supersede those presented in the April 1980 SURVEY OF CURRENT BUSINESS. Estimates for 1977 and 1978 reflect methodological revisions of the estimates of civilian government wage and salary disbursements in addition to the routine revisions. The 1977-79 estimates of Federal civilian, State, and local government wages and salaries reflect a shift from the use of periodic and indirectly related source data to the use of current wage data from administrative records generated by the Federal and State unemployment insurance programs. A discussion of the revised procedure is included in the methodological statement that appears in each volume of the nine-volume set *Local Area Personal Income, 1974-79*, scheduled for release by early July (see notice on page 72).

Total and per capita personal income for the 273 SMSA's for 1977, 1978, and 1979, are shown in Table 1. Total and per capita personal income for the 3,140

## **Acknowledgments**

The personal income estimates were prepared under the direction of Edwin J. Coleman, Chief of the Regional Economic Measurement Division. He was assisted by Jeanne S. Goodman. Tables were prepared by Eunice P. James and Kathy A. Albetski of the Regional Economic Information System Branch. Secretarial support was provided by Valeria A. Hamilton.

Estimates of civilian nonfarm wages and salaries and other labor income were prepared under the supervision of Elizabeth H. Queen, Chief of the Regional Wage Branch. She was assisted principally by: Sharon C. Carnevale, Carol E. Evans, Michael G. Pilot, Chen T. Pomsouvan, William E. Reid, Jr., Mary H. Risler, Victor Sahadachny, and James M. Scott.

Estimates of farm income, military wages and salaries, military other labor income, proprietors' income, property income, transfer payments, and contributions for social insurance were prepared under the supervision of Kenneth P. Berkman, Chief of the Regional Income Branch. He was assisted principally by: Vivian G. Conklin, Gary V. Kennedy, Arthur L. Sensenig, and Andrew E. Weiser.

Residence adjustments, disclosure avoidance, and final preparation of the local area personal income accounts were performed under the supervision of David W. Cartwright, Chief of the Regional Economic Information System Branch. He was assisted principally by: Wallace K. Bailey, Paul M. Levit, and Stuart A. Schwartz.

The definitions underlying the local area estimates are, for the most part, the same as those underlying the personal income estimates in the national income and product accounts. The majority difference is in the treatment of U.S. citizens temporarily working on assignment abroad. The national estimates include not only Federal personnel—civilian and military—stationed abroad, but also—since the 1976 benchmark revision—U.S. residents employed by private U.S. firms on temporary foreign assignment. The local area estimates include only persons residing in the 50 States and the District of Columbia.

Per capita personal income is computed by dividing the total personal in-

come by midyear population estimates. Population data for July for each year are provided by the Bureau of the Census; the college student population, however, is measured as of April 1.

The per capita personal income estimates should be used with caution for several reasons. In many instances, an unusually high (or low) per capita personal income is the temporary result of unusual conditions, such as a bumper crop, a major construction project (e.g., a defense facility, nuclear plant, or dam), or a catastrophe (e.g., a tornado or drought). In some cases, a high per capita personal income is not representative of the standard of living in an area. For example, a construction project may attract a large number of high-

paid workers who are included in the population but who send a substantial portion of their wages to dependents living in other areas. Conversely, a county with a large institutional population (e.g., residents of a college, correctional institution, or domiciliary medical facility) may show an unusually low per capita personal income, which is not necessarily indicative of the economic well-being of the noninstitutional population. Moreover, population is measured at midyear whereas income is measured as a flow over the year. Therefore, a significant change in population during the year can cause a distortion in the per capita personal income estimates, particularly if the change occurs around midyear.

PERSONAL income by type of payment and labor and proprietors' income by major industry groups, as shown in Table A, are available for SMSA's and for counties for 1959, 1962, and 1965-79. This information can be obtained for one or more counties or SMSA's from the Regional Economic Information System of the Regional Economic Measurement Division, Bureau of Economic Analysis. For computer printouts, there is a charge of \$1 for each State, SMSA, or county table. However, charges will not exceed: \$250 for a complete set of SMSA tables, and \$1,000 for an entire set of State and county tables for the United States. The tables are also available (at lower cost) in microfiche and magnetic tape form. The minimum charge for each request is \$5. Requests should be addressed to Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, D.C. 20230.

A nine-volume set, *Local Area Personal Income, 1974-79*, will be available by July. A national volume (volume 1) will contain personal income estimates for the United States and all the regions, States, SMSA's, and BEA economic areas. It will also include a detailed description of the sources and methods used in estimating local area personal income, as well as analytic tables, charts, and maps. Each of the eight regional volumes (volumes 2-9) will contain detailed personal income estimates for the States, SMSA's,

and counties of a single region with related analytic tables, charts, maps,

and a summary methodology (see notice on page 72).

Table A.—Example of Available Data for Local Areas

New London County, Connecticut	Personal income by major sources 1974-79 (thousands of dollars)					
	1974 <sup>1</sup>	1975 <sup>2</sup>	1976 <sup>2</sup>	1977 <sup>2</sup>	1978 <sup>2</sup>	1979 <sup>2</sup>
Total labor and proprietors' income by place of work <sup>3</sup>						
<b>By type:</b>						
Wage and salary disbursements.....	985,420	985,213	1,082,593	1,197,325	1,261,376	1,407,718
Other labor income.....	71,650	75,660	95,371	114,346	119,279	134,463
Proprietors' income <sup>4</sup> .....	57,328	53,654	63,214	64,019	79,251	86,766
Farm.....	5,037	1,642	6,807	4,015	6,304	6,563
Nonfarm <sup>4</sup> .....	52,291	52,012	56,407	60,004	72,947	80,203
<b>By industry:</b>						
Farm.....	8,966	5,582	11,150	9,037	11,517	12,562
Nonfarm.....	1,105,432	1,108,945	1,230,028	1,366,653	1,448,389	1,616,385
Private.....	825,140	815,634	929,725	1,053,276	1,100,971	1,242,255
Agriculture, forestry, fisheries, and other <sup>5</sup> .....	2,644	2,533	2,539	3,283	3,927	4,354
Mining.....	650	706	790	802	1,065	1,125
Construction.....	74,683	69,706	42,575	41,554	44,397	72,411
Manufacturing.....	435,191	406,401	513,705	598,767	590,829	654,607
Nondurable goods.....	104,989	99,188	105,750	116,091	129,559	147,285
Durable goods.....	330,202	307,213	407,955	482,676	461,270	507,322
Transportation and public utilities.....	49,516	48,242	52,453	60,330	66,237	72,473
Wholesale trade.....	28,538	28,268	35,528	34,207	34,109	30,034
Retail trade.....	89,933	98,602	105,347	114,502	128,677	140,781
Finance, insurance, and real estate.....	18,461	19,743	23,823	26,608	31,280	35,184
Services.....	125,524	141,333	154,965	173,165	200,450	222,286
Government and government enterprises.....	280,292	293,311	300,303	313,377	347,418	374,130
Federal, civilian.....	59,679	67,978	66,720	71,072	76,686	80,774
Federal, military.....	110,482	110,965	111,375	122,027	138,676	148,704
State and local.....	110,131	114,968	122,208	120,278	132,056	144,652
Derivation of personal income by place of residence						
Total labor and proprietors' income by place of work.....	1,114,398	1,114,527	1,241,178	1,375,690	1,459,906	1,628,947
Less: Personal contributions for social insurance by place of work.....	58,176	58,877	61,091	67,583	71,461	83,437
Net labor and proprietors' income by place of work.....	1,056,222	1,055,650	1,180,087	1,308,107	1,388,445	1,545,510
Plus: Residence adjustment.....	-56,728	-52,361	-60,523	-82,484	-61,271	-38,678
Net labor and proprietors' income by place of residence.....	999,494	1,003,289	1,119,564	1,225,623	1,327,174	1,506,832
Plus: Dividends, interest, and rent <sup>6</sup> .....	168,136	185,958	199,920	221,802	252,294	289,840
Plus: Transfer payments.....	144,163	183,509	201,816	216,655	233,358	253,246
Personal income by place of residence.....	1,311,793	1,372,756	1,521,300	1,664,080	1,812,826	2,049,918
Per capita personal income (dollars).....	5,473	5,640	6,236	6,831	7,386	8,442
Total population (thousands).....	239.7	243.4	243.9	243.6	245.5	242.8

1. Estimates based on 1967 SIC.

2. Estimates based on 1972 SIC.

3. Consists of wage and salary disbursements, other labor income, and proprietors' income. Primary source for private nonfarm wages: ES-202 covered wages—Connecticut Employment Security Division.

4. Includes the capital consumption adjustment for non-farm proprietors.

5. Includes wages and salaries of U.S. residents working for international organizations in the United States.

6. Includes the capital consumption adjustment for rental income of persons.

Table 1.—Total Personal Income and Per Capita Personal Income by SMSA for Selected Years<sup>1</sup>

Table with columns for Area title, Total personal income (Millions of dollars, Average annual rate of growth), Per capita personal income (Dollars, Rank in the United States), and years 1969-1979.

See footnotes at end of table.











Table 2.—Total Personal Income and Per Capita Personal Income by County for Selected Years 1—Continued

Table with 18 columns: Area title, Total personal income (Millions of dollars, Percent change 1978-79), Per capita personal income (Dollars, Rank in State 1979), Area title, Total personal income (Millions of dollars, Percent change 1978-79), Per capita personal income (Dollars, Rank in State 1979). Rows include counties from Taliaferro to Boone.

See footnotes at end of table.



Table 2.—Total Personal Income and Per Capita Personal Income by County for Selected Years 1—Continued

Table with columns for Area title, Total personal income (Millions of dollars, Percent change 1978-79), and Per capita personal income (Dollars, Rank in State 1979). Rows list counties for Scott, Washington, Kansas, and Kentucky.

See footnotes at end of table.

















Table 2.—Total Personal Income and Per Capita Personal Income by County for Selected Years <sup>1</sup>—Continued

Table with multiple columns: Area title, Total personal income (Millions of dollars, Percent change 1978-79), Per capita personal income (Dollars, Rank in State 1979). It lists counties across Texas, including Austin, Bexar, Borden, etc.

See footnotes at end of table.







### Durable Goods Owned by Consumers in the United States, 1964-79: Revised Estimates

Revised estimates of durable goods owned by consumers in the United States for 1964-79 are shown in tables 1-4. They incorporate the revised national income and product account (NIPA) estimates of personal consumption expenditures for durable goods that were described in the December 1980 SURVEY OF CURRENT BUSINESS. The NIPA revisions mostly affect the estimates starting in 1968; estimates for 1925-63 were not revised. The 1925-63 estimates and a summary statement of methodology appeared in the March 1979 SURVEY. A more detailed statement will appear in a forthcoming volume that will present the stock estimates in greater detail.

**Table 1.—Current-Dollar Gross Stock of Durable Goods Owned by Consumers, By Type, 1964-79**

(Billions of dollars)

Yearend	Total	Motor vehicles <sup>1</sup>		Furniture and household equipment					Other			
		Autos	Other	Furniture, including mattresses and bedsprings	Kitchen and other household appliances <sup>2</sup>	China, glassware, tableware, and utensils	Other durable house furnishings <sup>3</sup>	Radio and television receivers, records, and musical instruments	Jewelry and watches	Ophthalmic products and orthopedic appliances	Books and maps	Wheel goods, durable toys, sports equipment, boats, and pleasure aircraft
1964.....	431.0	167.1	6.7	63.5	42.7	20.4	42.5	28.1	22.4	5.6	12.9	19.2
1965.....	444.5	170.6	7.2	66.9	43.1	20.7	45.1	29.0	21.7	6.1	13.4	20.6
1966.....	474.9	178.0	8.2	72.8	45.2	22.1	48.7	32.5	23.3	6.7	14.4	22.9
1967.....	514.3	191.0	9.6	78.7	47.9	23.7	52.8	36.6	25.5	7.3	15.5	25.7
1968.....	564.8	207.2	11.6	86.5	51.8	26.6	56.6	41.5	29.0	7.8	16.9	29.4
1969.....	615.1	222.8	14.1	94.5	56.0	28.3	61.3	46.6	31.8	8.7	18.3	32.6
1970.....	672.1	247.3	17.3	100.8	60.6	30.1	63.9	52.2	34.1	9.8	19.7	36.4
1971.....	715.3	256.6	20.2	106.7	65.0	32.0	66.5	57.6	36.8	10.8	22.7	40.4
1972.....	770.9	272.4	25.2	112.8	69.5	35.2	70.7	63.4	40.1	11.6	24.3	45.7
1973.....	849.0	296.4	31.3	124.6	75.1	38.3	76.6	70.4	44.5	12.9	26.2	52.7
1974.....	990.9	343.7	39.2	142.0	89.6	47.4	90.3	80.6	50.9	14.7	29.7	62.8
1975.....	1,102.5	382.8	46.9	153.9	100.5	53.3	97.9	90.1	56.5	16.6	32.5	71.5
1976.....	1,209.2	423.5	57.6	162.6	110.1	56.0	106.5	99.1	61.3	18.2	35.1	79.2
1977.....	1,336.5	473.9	71.6	174.1	120.2	59.7	115.1	108.4	66.5	20.0	38.3	88.7
1978.....	1,499.4	525.6	87.5	195.7	134.7	66.5	127.7	121.8	77.1	21.6	42.1	99.2
1979.....	1,679.0	592.6	101.5	213.0	145.7	72.5	139.8	135.2	93.5	24.2	48.4	112.5

1. Includes tires, tubes, accessories, and other parts.

2. Consists of refrigerators and freezers, cooking ranges, dishwashers, laundry equipment, stoves, air conditioners, sewing machines, vacuum cleaners, and other appliances.

3. Includes such house furnishings as floor coverings, comforters, quilts, blankets, pillows, picture frames, mirrors, art products, portable lamps, and clocks. Also includes writing equipment and hand, power, and garden tools.

**Table 2.—Current-Dollar Net Stock of Durable Goods Owned by Consumers, By Type, 1964-79**

(Billions of dollars)

Yearend	Total	Motor vehicles <sup>1</sup>		Furniture and household equipment					Other			
		Autos	Other	Furniture, including mattresses and bedsprings	Kitchen and other household appliances <sup>2</sup>	China, glassware, tableware, and utensils	Other durable house furnishings <sup>3</sup>	Radio and television receivers, records, and musical instruments	Jewelry and watches	Ophthalmic products and orthopedic appliances	Books and maps	Wheel goods, durable toys, sports equipment, boats, and pleasure aircraft
1964.....	221.4	79.6	3.5	34.7	23.2	10.0	22.7	15.4	12.0	3.0	6.8	10.5
1965.....	233.1	84.2	3.9	36.8	23.5	10.4	24.5	16.4	11.8	3.2	7.2	11.4
1966.....	255.3	91.2	4.6	40.3	24.7	11.4	26.8	19.0	12.9	3.6	7.8	12.9
1967.....	279.6	99.2	5.4	43.6	26.3	12.5	29.3	22.0	14.4	3.8	8.4	14.8
1968.....	310.5	109.4	6.8	48.0	28.6	14.2	31.5	25.1	16.5	4.1	9.1	17.2
1969.....	340.1	118.9	8.5	52.4	31.1	15.2	34.1	28.1	18.2	4.6	9.9	19.2
1970.....	368.3	129.6	10.2	55.6	33.8	16.1	35.2	31.2	19.4	5.2	10.9	21.3
1971.....	390.0	133.4	12.0	58.5	36.3	17.1	36.3	33.9	20.8	5.7	12.6	23.3
1972.....	421.3	141.6	15.5	62.0	39.2	18.7	38.5	37.0	22.6	6.2	13.4	26.6
1973.....	465.4	154.1	19.4	68.7	42.7	20.4	41.9	41.0	25.1	6.8	14.3	30.8
1974.....	535.4	172.4	23.5	78.2	51.1	25.1	49.5	46.7	28.7	7.8	16.0	36.5
1975.....	585.0	184.8	27.1	84.0	56.7	27.9	53.3	52.1	31.7	8.8	17.5	41.2
1976.....	636.5	201.2	33.5	88.2	61.6	29.0	57.7	57.3	34.5	9.6	18.7	45.2
1977.....	702.3	224.2	42.1	94.2	66.9	30.8	62.4	62.6	37.4	10.5	20.5	50.5
1978.....	787.4	247.5	51.4	106.1	74.7	34.4	69.4	70.1	43.5	11.2	22.7	56.4
1979.....	874.4	274.9	57.3	115.7	79.8	37.5	76.0	77.6	52.5	12.6	26.3	64.1

1. See footnote 1, table 1.  
2. See footnote 2, table 1.

3. See footnote 3, table 1.

Table 3.—Constant-Dollar Gross Stock of Durable Goods Owned by Consumers, By Type, 1964-79

[Billions of 1972 dollars]

Yearend	Total	Motor vehicles <sup>1</sup>		Furniture and household equipment					Other			
		Autos	Other	Furniture, including mattresses and bedsprings	Kitchen and other household appliances <sup>2</sup>	China, glassware, tableware, and utensils	Other durable house furnishings <sup>3</sup>	Radio and television receivers, records, and musical instruments	Jewelry and watches	Ophthalmic products and orthopedic appliances	Books and maps	Wheel goods, durable toys, sports equipment, boats, and pleasure aircraft
1964.....	485.4	181.1	7.3	82.2	45.3	26.7	46.0	26.1	24.2	7.6	16.5	22.3
1965.....	511.5	191.9	8.1	85.7	47.3	27.0	48.5	28.6	25.4	8.1	17.1	23.8
1966.....	539.7	199.7	9.2	89.6	49.7	27.8	51.5	32.4	27.2	8.6	17.9	26.0
1967.....	569.3	208.0	10.4	93.3	52.1	28.8	54.6	36.9	29.2	8.9	18.6	28.6
1968.....	607.8	222.0	12.4	97.1	55.0	29.8	58.0	41.9	31.3	9.3	19.4	31.6
1969.....	645.7	234.4	14.8	100.8	58.2	30.9	61.3	47.0	33.4	9.8	20.3	34.8
1970.....	680.0	243.7	17.1	104.1	61.5	31.9	64.2	52.3	35.3	10.5	21.7	37.8
1971.....	721.6	258.9	20.4	107.5	65.1	32.9	67.0	57.6	37.4	10.9	23.0	40.9
1972.....	770.1	275.4	25.4	111.8	69.5	34.0	70.3	63.5	39.5	11.5	24.0	45.2
1973.....	826.5	294.8	31.1	116.7	74.7	35.2	74.3	70.4	42.1	12.1	25.1	50.0
1974.....	873.4	308.0	35.2	120.9	79.7	36.2	78.3	77.3	44.7	12.8	26.0	54.3
1975.....	918.3	321.6	39.4	124.1	83.8	36.7	81.7	84.8	47.2	13.4	27.1	58.5
1976.....	969.9	338.1	45.9	127.5	88.0	37.3	85.2	93.1	50.1	14.0	27.9	62.9
1977.....	1,026.5	354.9	53.6	131.4	92.6	38.0	89.3	102.0	53.3	14.5	29.1	67.8
1978.....	1,087.1	372.4	61.9	136.0	97.5	38.8	93.7	111.2	56.8	14.9	30.5	73.4
1979.....	1,144.6	389.8	66.7	140.6	101.2	39.6	98.3	121.1	60.1	15.6	32.2	79.4

1. See footnote 1, table 1.  
2. See footnote 2, table 1.

3. See footnote 3, table 1.

Table 4.—Constant-Dollar Net Stock of Durable Goods Owned by Consumers, By Type, 1964-79

[Billions of 1972 dollars]

Yearend	Total	Motor vehicles <sup>1</sup>		Furniture and household equipment					Other			
		Autos	Other	Furniture, including mattresses and bedsprings	Kitchen and other household appliances <sup>2</sup>	China, glassware, tableware, and utensils	Other durable house furnishings <sup>3</sup>	Radio and television receivers, records, and musical instruments	Jewelry and watches	Ophthalmic products and orthopedic appliances	Books and maps	Wheel goods, durable toys, sports equipment, boats, and pleasure aircraft
1964.....	249.6	86.3	3.8	45.0	24.6	13.1	24.6	14.3	13.0	4.0	8.7	12.2
1965.....	268.3	94.7	4.4	47.2	25.7	13.6	26.3	16.2	13.8	4.3	9.1	13.1
1966.....	289.9	102.3	5.2	49.6	27.2	14.3	28.4	19.0	15.1	4.6	9.7	14.7
1967.....	309.4	108.0	5.9	51.7	28.6	15.2	30.3	22.2	16.4	4.7	10.1	16.4
1968.....	334.0	117.2	7.3	53.9	30.4	15.9	32.3	25.3	17.9	4.9	10.5	18.5
1969.....	356.9	125.0	8.9	55.8	32.3	16.6	34.1	28.3	19.1	5.2	11.0	20.5
1970.....	372.9	127.7	10.1	57.4	34.3	17.1	35.3	31.3	20.1	5.6	12.0	22.1
1971.....	395.4	134.6	12.1	59.0	36.4	17.6	36.5	33.9	21.1	5.8	12.7	23.6
1972.....	420.8	143.2	15.7	61.4	39.2	18.1	38.2	37.1	22.2	6.1	13.2	26.3
1973.....	453.0	153.2	19.3	64.4	42.5	18.8	40.7	41.0	23.7	6.4	13.7	29.3
1974.....	472.0	154.5	21.0	66.5	45.5	19.2	42.9	44.9	25.2	6.8	14.1	31.5
1975.....	487.6	155.2	22.8	67.7	47.3	19.2	44.5	49.1	26.5	7.1	14.6	33.7
1976.....	511.3	160.6	26.7	69.1	49.2	19.3	46.2	53.8	28.2	7.3	14.9	35.9
1977.....	540.9	168.1	31.5	71.1	51.5	19.6	48.4	59.0	30.0	7.6	15.5	38.6
1978.....	572.5	175.4	36.4	73.7	54.1	20.0	50.9	64.0	32.0	7.8	16.4	41.8
1979.....	598.3	180.8	37.6	76.3	55.4	20.5	53.4	69.5	33.7	8.1	17.5	45.2

1. See footnote 1, table 1.  
2. See footnote 2, table 1.

3. See footnote 3, table 1.

### Alternative Estimates of Capital Consumption and Profits of Nonfinancial Corporations, 1929-79: Revised Estimates

Revised estimates of capital consumption and profits of nonfinancial corporations for 1929-79, based on alternative depreciation formulas and service lives and valued at historical and current cost, are shown in tables 1-3. They incorporate the revised national income and product account (NIPA) estimates that were described in the December 1980 SURVEY OF CURRENT BUSINESS. The depreciation formulas used are straight-line and double-declining balance; service lives used are 100 percent of Internal Revenue Service Bulletin F (F), 85 percent of Bulletin F (.85F), 75 percent of Bulletin F (.75F), and 100 percent of Bulletin F through 1940 with a gradual decrease to 75 percent of Bulletin F in 1960 (F to .75F). A statement of methodology appeared in the March 1976 SURVEY.

**Table 1.—Capital Consumption Allowances, Nonfinancial Corporations: National Income and Product Account Estimates and Estimates Based on Alternative Methods of Depreciation, 1929-79**

		[Billions of dollars]																
Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
1	Capital consumption allowances, NIPA <sup>1</sup> .....	4.1	4.2	4.2	3.9	3.7	3.5	3.5	3.5	3.5	3.6	3.6	3.7	4.1	5.0	5.3	6.0	6.3
2	Capital consumption allowances with capital consumption adjustment, NIPA <sup>2</sup> .....	5.5	5.4	5.0	4.5	4.3	4.4	4.4	4.4	4.8	4.9	4.8	4.9	5.4	6.1	6.2	6.3	6.5
	Capital consumption allowances with capital consumption adjustment, alternative methods of depreciation:																	
	Historical-cost valuation:																	
	Straight-line depreciation:																	
3	F service lives.....	4.4	4.5	4.6	4.5	4.4	4.3	4.3	4.3	4.4	4.4	4.4	4.5	4.6	4.7	4.7	4.7	4.9
4	.85F service lives.....	4.6	4.8	4.8	4.8	4.6	4.5	4.4	4.4	4.5	4.5	4.5	4.5	4.7	4.7	4.8	4.7	4.9
5	.75F service lives.....	4.9	5.0	5.0	4.9	4.8	4.6	4.5	4.4	4.5	4.5	4.5	4.5	4.7	4.8	4.8	4.8	5.0
6	F to .75F service lives.....	4.4	4.5	4.6	4.5	4.4	4.3	4.3	4.3	4.4	4.4	4.4	4.5	4.6	4.7	4.7	4.7	4.9
	Double-declining balance depreciation:																	
7	F service lives.....	4.8	4.9	4.9	4.7	4.4	4.3	4.1	4.1	4.3	4.3	4.3	4.4	4.6	4.8	4.7	4.7	5.0
8	.85F service lives.....	5.0	5.2	5.1	4.9	4.6	4.3	4.2	4.2	4.3	4.4	4.4	4.5	4.7	4.8	4.8	4.8	5.1
9	.75F service lives.....	5.2	5.4	5.3	5.0	4.6	4.3	4.2	4.2	4.3	4.4	4.4	4.5	4.7	4.9	4.8	4.8	5.2
10	F to .75F service lives.....	4.8	4.9	4.9	4.7	4.4	4.3	4.1	4.1	4.3	4.3	4.3	4.4	4.6	4.8	4.8	4.8	5.1
	Current-cost valuation:																	
	Straight-line depreciation:																	
11	F service lives.....	5.2	5.1	4.8	4.3	4.1	4.3	4.3	4.3	4.7	4.8	4.7	4.9	5.4	6.1	6.2	6.3	6.5
12	.75F service lives.....	5.5	5.4	5.1	4.5	4.2	4.3	4.3	4.3	4.7	4.7	4.7	4.8	5.3	6.0	6.1	6.1	6.4
13	F to .75F service lives.....	5.2	5.1	4.8	4.3	4.1	4.3	4.3	4.3	4.7	4.8	4.7	4.9	5.4	6.1	6.2	6.3	6.5
	Double-declining balance depreciation:																	
14	F service lives.....	5.5	5.3	5.0	4.3	4.0	4.1	4.1	4.1	4.6	4.7	4.6	4.8	5.3	6.0	6.1	6.1	6.4
15	.85F service lives.....	5.6	5.5	5.1	4.4	4.0	4.1	4.0	4.1	4.6	4.6	4.5	4.8	5.3	6.0	6.0	6.1	6.4
16	.75F service lives.....	5.7	5.6	5.1	4.4	4.0	4.0	4.0	4.0	4.5	4.6	4.5	4.7	5.3	6.0	6.0	6.0	6.4
17	F to .75F service lives.....	5.5	5.3	5.0	4.3	4.0	4.1	4.1	4.1	4.6	4.7	4.6	4.8	5.3	6.0	6.1	6.1	6.5
Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
1	Capital consumption allowances, NIPA <sup>1</sup> .....	4.6	5.7	6.9	7.8	8.7	10.1	11.3	12.9	14.7	17.1	18.6	20.4	21.6	23.1	24.7	26.0	29.7
2	Capital consumption allowances with capital consumption adjustment, NIPA <sup>2</sup> .....	7.6	9.3	10.9	11.7	12.6	14.6	15.8	16.8	17.9	19.1	21.8	23.8	24.8	25.8	26.8	27.5	28.4
	Capital consumption allowances with capital consumption adjustment, alternative methods of depreciation:																	
	Historical-cost valuation:																	
	Straight-line depreciation:																	
3	F service lives.....	5.4	6.0	6.8	7.6	8.4	9.4	10.4	11.4	12.6	13.7	15.1	16.4	17.6	18.7	19.9	21.1	22.3
4	.85F service lives.....	5.5	6.2	7.1	8.1	9.0	10.0	11.2	12.3	13.6	14.8	16.2	17.6	18.9	20.1	21.4	22.6	23.9
5	.75F service lives.....	5.6	6.4	7.4	8.5	9.5	10.6	11.8	13.1	14.4	15.6	17.1	18.6	20.0	21.2	22.5	23.8	25.1
6	F to .75F service lives.....	5.5	6.1	7.0	7.9	8.8	9.9	11.1	12.3	13.7	15.1	16.7	18.3	19.8	21.2	22.7	24.2	25.7
	Double-declining balance depreciation:																	
7	F service lives.....	5.8	6.7	8.0	9.0	9.9	11.0	12.2	13.4	14.6	15.9	17.4	19.1	20.4	21.4	22.6	23.8	25.0
8	.85F service lives.....	6.0	7.0	8.4	9.5	10.5	11.7	13.0	14.2	15.6	16.8	18.5	20.3	21.6	22.6	23.9	25.1	26.3
9	.75F service lives.....	6.1	7.3	8.8	10.0	10.9	12.2	13.6	14.9	16.3	17.6	19.3	21.2	22.6	23.6	24.8	26.0	27.3
10	F to .75F service lives.....	5.9	6.9	8.3	9.4	10.4	11.6	13.0	14.4	15.8	17.2	19.1	21.1	22.6	23.8	25.2	26.6	28.0
	Current-cost valuation:																	
	Straight-line depreciation:																	
11	F service lives.....	7.5	9.1	10.6	11.4	12.2	14.1	15.1	16.1	17.1	18.3	20.9	22.8	23.8	24.8	25.8	26.5	27.3
12	.75F service lives.....	7.5	9.3	10.9	11.9	12.9	15.0	16.2	17.2	18.3	19.5	22.3	24.4	25.4	26.4	27.4	28.1	29.0
13	F to .75F service lives.....	7.6	9.3	10.9	11.7	12.6	14.7	16.0	17.1	18.3	19.7	22.7	25.0	26.2	27.5	28.7	29.7	30.8
	Double-declining balance depreciation:																	
14	F service lives.....	7.7	9.6	11.4	12.3	13.1	15.2	16.3	17.3	18.3	19.6	22.4	24.6	25.5	26.4	27.3	27.9	28.8
15	.85F service lives.....	7.7	9.7	11.7	12.6	13.5	15.6	16.8	17.9	18.9	20.2	23.1	25.5	26.4	27.2	28.1	28.7	29.6
16	.75F service lives.....	7.7	9.9	11.9	12.9	13.8	16.0	17.2	18.3	19.4	20.6	23.7	26.1	27.0	27.8	28.6	29.3	30.2
17	F to .75F service lives.....	7.8	9.8	11.8	12.8	13.7	15.9	17.2	18.3	19.5	21.0	24.2	26.8	27.9	28.9	30.0	30.8	31.8

See footnotes at end of table.

**Table 1.—Capital Consumption Allowances, Nonfinancial Corporations: National Income and Product Account Estimates and Estimates Based on Alternative Methods of Depreciation, 1929-79—Continued**

[Billions of dollars]

Line	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1 Capital consumption allowances, NIPA <sup>1</sup> .....	31.7	33.6	36.4	39.5	42.9	46.6	51.1	54.6	58.6	65.3	70.5	77.7	85.2	91.7	105.3	117.3	133.4
2 Capital consumption allowances with capital consumption adjustment, NIPA <sup>2</sup> .....	29.4	30.8	32.7	35.6	38.9	42.6	47.1	52.2	57.3	62.6	67.9	79.5	94.9	104.8	116.6	129.7	147.5
Capital consumption allowances with capital consumption adjustment, alternative methods of depreciation:																	
Historical-cost valuation:																	
Straight-line depreciation:																	
3 F service lives.....	23.7	25.1	27.0	29.1	31.5	34.0	36.8	39.8	42.6	45.9	49.8	54.3	59.2	64.4	70.7	78.4	87.4
4 .85F service lives.....	25.3	26.9	28.8	31.2	33.8	36.4	39.5	42.8	45.8	49.2	53.5	58.4	63.7	69.3	76.2	84.7	94.6
5 .75F service lives.....	26.6	28.2	30.2	32.8	35.5	38.4	41.7	45.1	48.3	51.9	56.3	61.6	67.3	73.2	80.6	89.7	100.4
6 F to .75F service lives.....	27.3	29.0	31.2	33.8	36.6	39.4	42.7	46.1	49.2	52.8	57.1	62.4	68.0	73.9	81.3	90.3	101.0
Double-declining balance depreciation:																	
7 F service lives.....	26.4	28.1	30.3	33.1	36.2	39.0	42.3	45.7	48.8	52.3	57.1	62.9	68.7	74.7	82.4	92.1	103.5
8 .85F service lives.....	27.8	29.6	31.9	35.0	38.3	41.3	44.9	48.5	51.7	55.4	60.4	66.7	73.0	79.3	87.6	98.1	110.5
9 .75F service lives.....	28.9	30.7	33.2	36.5	39.9	43.1	46.8	50.6	53.9	57.7	63.0	69.7	76.3	83.0	91.7	102.9	116.1
10 F to .75F service lives.....	29.6	31.5	34.0	37.4	40.8	43.9	47.6	51.4	54.6	58.4	63.7	70.3	76.8	83.5	92.2	103.4	116.5
Current-cost valuation:																	
Straight-line depreciation:																	
11 F service lives.....	28.3	29.7	31.5	34.1	37.2	40.6	44.8	49.6	54.4	58.9	64.2	75.4	90.0	99.4	110.3	124.8	141.6
12 .75F service lives.....	30.0	31.5	33.5	36.5	40.0	43.9	48.6	54.0	59.2	64.1	69.9	82.1	97.9	108.0	119.6	135.1	153.2
13 F to .75F service lives.....	32.0	33.5	35.7	38.9	42.3	46.3	51.1	56.5	61.7	66.5	72.4	84.7	100.8	110.8	122.4	138.0	156.2
Double-declining balance depreciation:																	
14 F service lives.....	29.9	31.5	33.8	37.2	40.9	44.8	49.5	54.7	59.6	64.1	70.1	82.5	97.9	107.0	118.1	133.5	151.7
15 .85F service lives.....	30.8	32.4	34.8	38.5	42.5	46.6	51.5	57.0	62.0	66.7	72.9	85.8	101.7	110.9	122.3	138.2	157.1
16 .75F service lives.....	31.4	33.1	35.7	39.6	43.7	48.0	53.1	58.7	63.8	68.6	75.0	88.3	104.6	113.8	125.4	141.8	161.1
17 F to .75F service lives.....	33.1	34.8	37.4	41.4	45.5	49.7	54.9	60.6	65.6	70.4	76.8	90.3	106.7	115.9	127.4	143.9	163.3

1. Tax return-based capital consumption allowances.

2. Based on current cost valuation, straight-line depreciation, and .85F service lives.

**Table 2.—Capital Consumption Adjustment, Nonfinancial Corporations: National Income and Product Account Estimates and Estimates Based on Alternative Methods of Depreciation, 1929-79**

[Billions of dollars]

Line	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
1 Capital consumption adjustment, NIPA <sup>1</sup> .....	-1.4	-1.2	-0.8	-0.6	-0.6	-0.9	-0.9	-0.9	-1.3	-1.3	-1.1	-1.2	-1.3	-1.2	-0.9	-0.3	-0.2
Capital consumption adjustment, alternative methods of depreciation: <sup>2</sup>																	
Historical-cost valuation:																	
Straight-line depreciation:																	
2 F service lives.....	-3	-3	-3	-6	-7	-8	-8	-8	-8	-8	-8	-7	-4	.3	.6	1.3	1.4
3 .85F service lives.....	-5	-6	-6	-9	-9	-10	-9	-9	-9	-9	-9	-8	-5	.2	.5	1.2	1.4
4 .75F service lives.....	-7	-8	-8	-10	-11	-11	-10	-9	-10	-9	-9	-8	-5	.2	.5	1.2	1.3
5 F to .75F service lives.....	-3	-3	-3	-6	-7	-8	-8	-8	-8	-8	-8	-7	-4	.3	.6	1.3	1.4
Double-declining balance depreciation:																	
6 F service lives.....	-7	-7	-7	-8	-7	-7	-6	-6	-7	-7	-7	-7	-5	.2	.5	1.2	1.3
7 .85F service lives.....	-9	-10	-9	-10	-9	-8	-7	-7	-8	-8	-8	-7	-5	.1	.5	1.2	1.2
8 .75F service lives.....	-11	-11	-10	-11	-9	-8	-7	-7	-8	-8	-8	-8	-6	.1	.5	1.2	1.1
9 F to .75F service lives.....	-7	-7	-7	-8	-7	-7	-6	-6	-7	-7	-7	-7	-5	.2	.5	1.2	1.2
Current-cost valuation:																	
Straight-line depreciation:																	
10 F service lives.....	-1.1	-9	-6	-4	-4	-7	-8	-8	-1.2	-1.2	-1.1	-1.2	-1.2	-1.1	-9	-3	-2
11 .75F service lives.....	-1.4	-1.2	-8	-6	-5	-8	-8	-8	-1.2	-1.2	-1.0	-1.1	-1.2	-1.0	-8	-2	-1
12 F to .75F service lives.....	-1.1	-9	-6	-4	-4	-7	-8	-8	-1.2	-1.2	-1.1	-1.2	-1.2	-1.1	-9	-3	-2
Double-declining balance depreciation:																	
13 F service lives.....	-1.3	-1.1	-7	-4	-3	-5	-5	-6	-1.0	-1.1	-1.0	-1.1	-1.2	-1.1	-8	-1	-1
14 .85F service lives.....	-1.5	-1.3	-8	-5	-4	-5	-5	-6	-1.0	-1.0	-9	-1.0	-1.2	-1.1	-8	-1	-1
15 .75F service lives.....	-1.6	-1.4	-9	-5	-3	-5	-5	-5	-1.0	-1.0	-9	-1.0	-1.1	-1.0	-7	0	-1
16 F to .75F service lives.....	-1.3	-1.1	-7	-4	-3	-5	-5	-6	-1.0	-1.1	-1.0	-1.1	-1.2	-1.1	-8	-2	-2

See footnotes at end of table.

Table 2.—Capital Consumption Adjustment, Nonfinancial Corporations: National Income and Product Account Estimates and Estimates Based on Alternative Methods of Depreciation, 1929-79—Continued

[Billions of dollars]

Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
1	Capital consumption adjustment, NIPA <sup>1</sup> .....	-3.0	-3.5	-4.0	-3.9	-3.9	-4.6	-4.5	-3.9	-3.2	-2.0	-3.2	-3.4	-3.2	-2.7	-2.1	-1.5	1.4
	Capital consumption adjustment, alternative methods of depreciation: <sup>2</sup>																	
	Historical-cost valuation:																	
	Straight-line depreciation:																	
2	F service lives.....	-8	-2	.1	.2	.3	.7	.9	1.5	2.1	3.3	3.5	4.0	4.0	4.4	4.8	4.9	7.4
3	.85 F service lives.....	-9	-5	-2	-2	-3	.1	.1	.1	1.1	2.3	2.4	2.8	2.6	3.0	3.3	3.4	5.8
4	.75 F service lives.....	-1.0	-7	-6	-6	-8	-5	-5	-1	3	1.5	1.5	1.8	1.6	1.9	2.2	2.2	4.6
5	F to .75 F service lives.....	-9	-4	-1	-1	-2	.2	.2	.6	1.0	2.0	1.9	2.1	1.8	1.9	2.0	1.8	4.0
	Double-declining balance depreciation:																	
6	F service lives.....	-1.2	-1.0	-1.1	-1.2	-1.2	-9	-9	-4	.1	1.2	1.1	1.3	1.2	1.7	2.1	2.2	4.8
7	.85 F service lives.....	-1.4	-1.3	-1.5	-1.7	-1.8	-1.6	-1.7	-1.3	-9	.3	0	.1	0	.4	.8	.9	3.4
8	.75 F service lives.....	-1.5	-1.5	-1.9	-2.1	-2.3	-2.1	-2.3	-2.0	-1.6	-5	-8	-8	-1.0	-5	-2	-1	2.4
9	F to .75 F service lives.....	-1.3	-1.2	-1.4	-1.6	-1.7	-1.6	-1.7	-1.4	-1.1	-1	-5	-6	-1.0	-7	-6	-7	1.7
	Current-cost valuation:																	
	Straight-line depreciation:																	
10	F service lives.....	-2.9	-3.4	-3.7	-3.5	-3.5	-4.0	-3.8	-3.1	-2.4	-1.2	-2.3	-2.4	-2.2	-1.7	-1.1	-5	2.4
11	.75 F service lives.....	-2.9	-3.5	-4.0	-4.1	-4.2	-4.9	-4.9	-4.3	-3.6	-2.4	-3.7	-4.0	-3.8	-3.3	-2.7	-2.1	.7
12	F to .75 F service lives.....	-3.0	-3.5	-4.0	-3.9	-4.0	-4.7	-4.7	-4.2	-3.6	-2.6	-4.1	-4.6	-4.7	-4.4	-4.1	-3.7	-1.1
	Double-declining balance depreciation:																	
13	F service lives.....	-3.1	-3.8	-4.5	-4.5	-4.5	-5.1	-5.0	-4.3	-3.6	-2.5	-3.8	-4.2	-4.0	-3.3	-2.6	-2.0	.9
14	.85 F service lives.....	-3.1	-4.0	-4.8	-4.8	-4.8	-5.5	-5.5	-4.9	-4.2	-3.1	-4.6	-5.0	-4.8	-4.1	-3.4	-2.7	.1
15	.75 F service lives.....	-3.1	-4.1	-5.0	-5.1	-5.1	-5.9	-5.9	-5.3	-4.7	-3.5	-5.1	-5.7	-5.4	-4.7	-3.9	-3.3	-4
16	F to .75 F service lives.....	-3.2	-4.0	-4.9	-4.9	-5.0	-5.8	-5.9	-5.4	-4.8	-3.9	-5.6	-6.3	-6.3	-5.8	-5.3	-4.8	-2.1
Line		1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1	Capital consumption adjustment, NIPA <sup>1</sup> .....	2.3	2.9	3.7	3.9	4.0	4.0	4.0	2.4	1.3	2.7	2.6	-1.8	-9.7	-13.0	-11.4	-12.4	-14.1
	Capital consumption adjustment, alternative methods of depreciation: <sup>2</sup>																	
	Historical-cost valuation:																	
	Straight-line depreciation:																	
2	F service lives.....	8.0	8.5	9.5	10.4	11.4	12.6	14.2	14.9	16.0	19.4	20.7	23.3	26.0	27.4	34.6	38.9	46.0
3	.85 F service lives.....	6.3	6.8	7.6	8.3	9.1	10.1	11.5	11.9	12.8	16.0	17.0	19.3	21.5	22.4	29.1	32.6	38.8
4	.75 F service lives.....	5.1	5.5	6.2	6.8	7.4	8.2	9.4	9.6	10.4	13.4	14.2	16.1	17.9	18.5	24.6	27.6	33.0
5	F to .75 F service lives.....	4.3	4.6	5.2	5.7	6.3	7.1	8.3	8.5	9.4	12.5	13.3	15.3	17.2	17.8	24.0	26.9	32.4
	Double-declining balance depreciation:																	
6	F service lives.....	5.2	5.6	6.1	6.4	6.7	7.5	8.7	8.9	9.8	13.0	13.4	14.8	16.5	17.0	22.9	25.2	29.9
7	.85 F service lives.....	3.8	4.1	4.5	4.5	4.6	5.2	6.2	6.1	7.0	9.9	10.0	11.0	12.5	12.4	17.7	19.2	22.9
8	.75 F service lives.....	2.8	2.9	3.2	3.0	3.0	3.4	4.2	4.0	4.8	7.6	7.4	8.0	8.9	8.8	13.5	14.4	17.3
9	F to .75 F service lives.....	2.0	2.2	2.4	2.1	2.1	2.6	3.4	3.3	4.1	6.9	6.8	7.4	8.3	8.3	13.1	13.9	16.9
	Current-cost valuation:																	
	Straight-line depreciation:																	
10	F service lives.....	3.3	4.0	5.0	5.4	5.7	5.9	6.3	5.0	4.2	6.4	6.2	2.3	-4.8	-7.6	-5.0	-7.5	-8.2
11	.75 F service lives.....	1.6	2.2	3.0	3.0	2.9	2.6	2.4	.6	-6	1.2	.6	-4.4	-12.8	-16.2	-14.4	-17.8	-19.8
12	F to .75 F service lives.....	-3	.1	.8	.6	.6	.3	0	-1.9	-3.1	-1.3	-1.9	-7.0	-15.6	-19.1	-17.1	-20.7	-22.8
	Double-declining balance depreciation:																	
13	F service lives.....	1.7	2.1	2.7	2.3	2.0	1.8	1.6	-1	-1.0	1.1	.4	-4.8	-12.7	-15.3	-12.8	-16.2	-18.2
14	.85 F service lives.....	.9	1.2	1.6	1.0	.4	0	-4	-2.3	-3.4	-1.4	-2.4	-8.1	-16.5	-19.2	-17.0	-20.9	-23.7
15	.75 F service lives.....	.3	.5	.8	0	-8	-1.4	-2.0	-4.1	-5.2	-3.3	-4.5	-10.7	-19.4	-22.1	-20.1	-24.5	-27.7
16	F to .75 F service lives.....	-1.4	-1.2	-1.0	-1.9	-2.6	-3.2	-3.9	-5.9	-7.0	-5.1	-6.4	-12.6	-21.5	-24.1	-22.1	-26.6	-29.9

1. Equals line 1, table 1, minus line 2, table 1.

2. Lines 2 through 16 are equal to tax return-based capital consumption allowances (line 1, table 1) minus the capital consumption allowances based on the designated valuation, depreciation formula, and service lives (lines 3 through 17, table 1). For example, line 2 equals line 1, table 1, minus line 3, table 1.

**Table 3.—Corporate Profits With Inventory Valuation Adjustment, Nonfinancial Corporations:<sup>1</sup> National Income and Product Account Estimates and Estimates Based on Alternative Methods of Depreciation, 1929-79**

[Billions of dollars]

Line		1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
1	Corporate profits before deduction of capital consumption allowances with inventory valuation adjustment, NIPA .....	13.0	10.6	6.1	2.5	2.2	4.9	6.3	8.2	9.4	7.5	9.0	12.3	18.1	23.9	28.1	27.9	23.6
2	Corporate profits with inventory valuation adjustment and without capital consumption adjustment, NIPA <sup>2</sup> .....	8.9	6.4	1.9	-1.4	-1.5	1.4	2.8	4.7	5.8	3.9	5.3	8.6	14.0	18.9	22.8	21.9	17.3
3	Corporate profits with inventory valuation and capital consumption adjustments, NIPA <sup>3</sup> .....	7.5	5.2	1.1	-2.0	-2.1	.5	2.0	3.8	4.6	2.6	4.2	7.4	12.7	17.7	21.8	21.6	17.1
	Corporate profits with inventory valuation and capital consumption adjustments, alternative methods of depreciation: <sup>4</sup>																	
	Historical-cost valuation:																	
	Straight-line depreciation:																	
4	F service lives .....	8.6	6.1	1.6	-2.0	-2.3	.6	2.1	4.0	5.0	3.1	4.6	7.9	13.5	19.2	23.4	23.2	18.7
5	.85F service lives .....	8.3	5.8	1.3	-2.3	-2.5	.4	1.9	3.8	4.9	3.0	4.5	7.8	13.5	19.1	23.3	23.2	18.6
6	.75F service lives .....	8.1	5.6	1.1	-2.4	-2.6	.3	1.8	3.8	4.9	3.0	4.5	7.8	13.4	19.1	23.3	23.1	18.6
7	F to .75F service lives .....	8.6	6.1	1.6	-2.0	-2.3	.6	2.1	4.0	5.0	3.1	4.6	7.9	13.5	19.2	23.4	23.2	18.7
	Double-declining balance depreciation:																	
8	F service lives .....	8.2	5.6	1.2	-2.2	-2.3	.6	2.2	4.1	5.1	3.1	4.6	7.9	13.5	19.1	23.3	23.2	18.5
9	.85F service lives .....	8.0	5.4	1.0	-2.4	-2.4	.6	2.1	4.1	5.1	3.1	4.6	7.9	13.4	19.0	23.3	23.1	18.5
10	.75F service lives .....	7.8	5.2	.9	-2.5	-2.4	.5	2.1	4.1	5.1	3.1	4.6	7.9	13.4	19.0	23.3	23.1	18.4
11	F to .75F service lives .....	8.2	5.6	1.2	-2.2	-2.3	.6	2.2	4.1	5.1	3.1	4.6	7.9	13.5	19.1	23.3	23.1	18.5
	Current-cost valuation:																	
	Straight-line depreciation:																	
12	F service lives .....	7.8	5.5	1.3	-1.8	-2.0	.6	2.0	3.9	4.6	2.7	4.2	7.4	12.7	17.8	21.9	21.6	17.1
13	.75F service lives .....	7.5	5.2	1.1	-2.0	-2.1	.6	2.0	3.9	4.7	2.7	4.3	7.5	12.8	17.9	22.0	21.8	17.2
14	F to .75F service lives .....	7.8	5.5	1.3	-1.8	-2.0	.6	2.0	3.9	4.6	2.7	4.2	7.4	12.7	17.8	21.9	21.6	17.0
	Double-declining balance depreciation:																	
15	F service lives .....	7.5	5.2	1.2	-1.8	-1.9	.8	2.3	4.1	4.8	2.8	4.4	7.6	12.8	17.8	22.0	21.8	17.1
16	.85F service lives .....	7.4	5.1	1.0	-1.9	-1.9	.8	2.3	4.2	4.8	2.8	4.4	7.6	12.8	17.8	22.0	21.8	17.2
17	.75F service lives .....	7.3	5.0	1.0	-1.9	-1.9	.8	2.3	4.2	4.9	2.9	4.5	7.6	12.8	17.9	22.1	21.9	17.2
18	F to .75F service lives .....	7.5	5.2	1.2	-1.8	-1.9	.8	2.3	4.1	4.8	2.8	4.4	7.6	12.8	17.8	22.0	21.8	17.1
Line		1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
1	Corporate profits before deduction of capital consumption allowances with inventory valuation adjustment, NIPA .....	21.4	28.9	36.5	34.6	42.2	48.0	46.0	46.8	46.5	57.4	57.7	58.7	55.0	66.0	64.1	65.8	73.9
2	Corporate profits with inventory valuation adjustment and without capital consumption adjustment, NIPA <sup>2</sup> .....	16.8	23.2	29.6	26.8	33.5	37.9	34.7	33.9	31.8	40.3	39.1	38.3	33.5	42.9	39.5	39.8	44.2
3	Corporate profits with inventory valuation and capital consumption adjustments, NIPA <sup>3</sup> .....	13.8	19.7	25.6	22.9	29.6	33.4	30.2	30.0	28.6	38.3	35.9	34.9	30.2	40.1	37.4	38.3	45.6
	Corporate profits with inventory valuation and capital consumption adjustments, alternative methods of depreciation: <sup>4</sup>																	
	Historical-cost valuation:																	
	Straight-line depreciation:																	
4	F service lives .....	16.0	23.0	29.7	27.0	33.8	38.7	35.7	35.4	33.9	43.7	42.6	42.3	37.4	47.3	44.3	44.7	51.6
5	.85F service lives .....	15.8	22.7	29.4	26.6	33.2	38.0	34.9	34.5	32.9	42.6	41.5	41.1	36.1	45.9	42.8	43.1	50.0
6	.75F service lives .....	15.7	22.5	29.1	26.2	32.7	37.4	34.2	33.8	32.1	41.8	40.6	40.1	35.1	44.8	41.6	42.0	48.8
7	F to .75F service lives .....	15.9	22.8	29.5	26.7	33.3	38.1	34.9	34.5	32.8	42.3	41.0	40.4	35.2	44.8	41.4	41.6	48.2
	Double-declining balance depreciation:																	
8	F service lives .....	15.6	22.2	28.5	25.6	32.3	37.0	33.8	33.4	31.8	41.5	40.2	39.6	34.7	44.6	41.6	42.0	49.0
9	.85F service lives .....	15.4	21.9	28.1	25.1	31.7	36.4	33.1	32.6	30.9	40.6	39.2	38.4	33.4	43.3	40.3	40.7	47.6
10	.75F service lives .....	15.3	21.6	27.7	24.7	31.2	35.8	32.5	31.9	30.2	39.8	38.3	37.5	32.5	42.4	39.3	39.7	46.6
11	F to .75F service lives .....	15.5	22.0	28.2	25.2	31.8	36.4	33.0	32.5	30.7	40.2	38.6	37.6	32.4	42.2	38.9	39.1	45.9
	Current-cost valuation:																	
	Straight-line depreciation:																	
12	F service lives .....	13.9	19.8	25.9	23.3	30.0	34.0	30.9	30.8	29.3	39.1	36.8	35.9	31.2	41.1	38.4	39.3	46.6
13	.75F service lives .....	13.9	19.7	25.6	22.8	29.3	33.0	29.8	29.6	28.1	37.9	35.4	34.3	29.7	39.5	36.8	37.7	44.9
14	F to .75F service lives .....	13.8	19.7	25.6	22.9	29.5	33.3	30.1	29.7	28.1	37.7	35.0	33.7	28.8	38.4	35.4	36.1	43.1
	Double-declining balance depreciation:																	
15	F service lives .....	13.7	19.4	25.1	22.3	29.0	32.9	29.7	29.6	28.1	37.9	35.3	34.1	29.5	39.5	36.9	37.8	45.1
16	.85F service lives .....	13.7	19.2	24.8	22.0	28.7	32.4	29.2	29.0	27.5	37.2	34.5	33.2	28.7	38.7	36.1	37.1	44.3
17	.75F service lives .....	13.6	19.1	24.6	21.7	28.4	32.0	28.8	28.5	27.1	36.8	34.0	32.6	28.1	38.2	35.5	36.5	43.8
18	F to .75F service lives .....	13.6	19.1	24.7	21.9	28.5	32.1	28.9	28.5	26.9	36.4	33.5	31.9	27.2	37.1	34.2	35.0	42.1

See footnotes at end of table.

**Table 3.—Corporate Profits With Inventory Valuation Adjustment, Nonfinancial Corporations: <sup>1</sup> National Income and Product Account Estimates and Estimates Based on Alternative Methods of Depreciation, 1929-79—Continued**

[Billions of dollars]

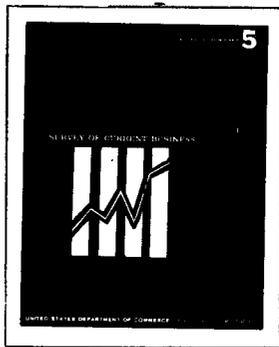
Line		1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1	Corporate profits before deduction of capital consumption allowances with inventory valuation adjustment, NIPA.....	80.7	88.5	100.4	107.8	107.7	115.8	114.6	104.9	119.4	135.3	146.5	143.1	180.9	212.0	242.9	267.3	284.2
2	Corporate profits with inventory valuation adjustment and without capital consumption adjustment, NIPA <sup>2</sup> .....	49.0	54.9	64.0	68.2	64.8	69.3	63.5	50.2	60.8	70.0	76.0	65.4	95.8	120.3	137.7	150.0	150.8
3	Corporate profits with inventory valuation and capital consumption adjustments, NIPA <sup>3</sup> .....	51.2	57.7	67.7	72.2	68.8	73.3	67.5	52.7	62.1	72.7	78.6	63.6	86.1	107.3	126.3	137.6	136.7
	Corporate profits with inventory valuation and capital consumption adjustments, alternative methods of depreciation: <sup>4</sup>																	
	Historical-cost valuation:																	
	Straight-line depreciation:																	
4	F service lives.....	57.0	63.4	73.4	78.6	76.1	81.8	77.7	65.1	76.8	89.4	96.7	88.7	121.7	147.7	172.3	188.9	196.8
5	.85F service lives.....	55.3	61.6	71.6	76.6	73.9	79.4	75.0	62.1	73.6	86.0	93.0	84.6	117.2	142.7	166.7	182.6	189.6
6	.75F service lives.....	54.1	60.3	70.2	75.0	72.1	77.4	72.9	59.8	71.2	83.4	90.2	81.4	113.7	138.8	162.3	177.6	183.8
7	F to .75F service lives.....	53.3	59.5	69.2	73.9	71.1	76.4	71.8	58.8	70.2	82.5	89.4	80.7	112.9	138.1	161.7	177.0	183.2
	Double-declining balance depreciation:																	
8	F service lives.....	54.2	60.4	70.1	74.6	71.5	76.8	72.2	59.1	70.6	82.9	89.4	80.2	112.2	137.3	160.6	175.2	180.7
9	.85F service lives.....	52.8	58.9	68.4	72.7	69.4	74.5	69.7	56.4	67.8	79.9	86.1	76.4	108.0	132.7	155.4	169.2	173.7
10	.75F service lives.....	51.8	57.8	67.2	71.3	67.7	72.7	67.7	54.3	65.6	77.6	83.5	73.4	104.6	129.1	151.2	164.4	168.1
11	F to .75F service lives.....	51.0	57.0	66.4	70.4	66.9	71.9	66.9	53.5	64.9	76.9	82.8	72.8	104.1	128.6	150.8	163.9	167.7
	Current-cost valuation:																	
	Straight-line depreciation:																	
12	F service lives.....	52.3	58.8	68.9	73.6	70.5	75.2	69.8	55.3	65.1	76.4	82.3	67.7	90.9	112.7	132.6	142.5	142.6
13	.85F service lives.....	50.6	57.0	66.9	71.2	67.7	71.9	65.9	50.9	60.2	71.2	76.6	61.0	83.0	104.1	123.3	132.2	131.0
14	F to .75F service lives.....	48.6	55.0	64.7	68.9	65.3	69.6	63.5	48.4	57.7	68.7	74.1	58.3	80.1	101.2	120.6	129.3	128.0
	Double-declining balance depreciation:																	
15	F service lives.....	50.7	57.0	66.6	70.6	66.8	71.1	65.1	50.2	59.9	71.1	76.4	60.6	83.0	105.0	124.8	133.8	132.6
16	.85F service lives.....	49.9	56.1	65.5	69.2	65.2	69.3	63.1	47.9	57.4	68.6	73.6	57.3	79.2	101.1	120.7	129.1	127.1
17	.75F service lives.....	49.3	55.4	64.7	68.2	63.9	67.8	61.5	46.2	55.6	66.7	71.5	54.7	76.4	98.2	117.5	125.5	123.1
18	F to .75F service lives.....	47.6	53.7	63.0	66.4	62.2	66.1	59.7	44.3	53.8	64.9	69.7	52.8	74.3	96.1	115.5	123.4	120.6

1. Excludes profits originating in the rest of the world.
2. Equals line 1, table 3 minus line 1, table 1.
3. Equals line 2, table 3, plus line 1, table 2.

4. Lines 4 through 18 are equal to NIPA profits with inventory valuation adjustment and without capital consumption adjustment (line 2, table 3) plus the capital consumption adjustment based on the designated valuation, depreciation formula, and service lives (lines 2 through 16, table 2). For example, line 4 equals line 2, table 3, plus line 2, table 2.

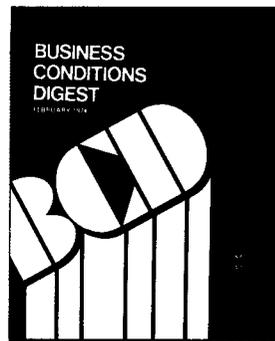
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Unless otherwise stated in footnotes below, data through 1976 and descriptive notes are as shown in the 1977 edition of BUSINESS STATISTICS

Table with columns for years 1979, 1980, 1980, and 1981. Sub-columns for 1980 and 1981 show months from Feb. to Mar.

LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued

Main data table containing sections for EMPLOYMENT (Seasonally Adjusted), AVERAGE HOURS PER WEEK (Seasonally Adjusted), and nonseasonally adjusted data for various industries and services.

See footnotes at end of tables.



Unless otherwise stated in footnotes below, data through 1976 and descriptive notes are as shown in the 1977 edition of BUSINESS STATISTICS

Table with columns for years: 1979, 1980, 1980 (with months Feb-Mar-Apr-May-June-July-Aug-Sept-Oct-Nov-Dec), and 1981 (with months Jan-Feb-Mar).

LABOR FORCE, EMPLOYMENT, AND EARNINGS-Continued

Main data table containing categories like HOURLY AND WEEKLY EARNINGS, AVERAGE HOURLY EARNINGS PER WORKER, INDEXES OF AVG. HOURLY EARNINGS, HOURLY WAGES, AVERAGE WEEKLY EARNINGS, HELP-WANTED ADVERTISING, LABOR TURNOVER, and UNEMPLOYMENT INSURANCE.

See footnotes at end of tables.

















































**Page S-22**

1. Reported annual total; monthly revisions are not available.
  2. Data withheld to avoid disclosing operations of individual companies.
  3. Beginning Jan. 1979, data include chemically-treated fertilizer and sodium nitrate containing over 16.3% nitrogen by weight; not strictly comparable with data shown for earlier periods.
  4. Annual total for monthly data where available; not comparable with earlier periods.
  5. See note "¶" for this page.
  6. Data beginning Jan. 1979 are for value of shipments and comprise three new product categories. Comparable data for these new categories are not available prior to Jan. 1979. However, the difference between total value of shipments and total factory sales (formerly shown) is considered statistically insignificant. Annual data for 1979 reflect revisions not distributed to the months.
  7. Beginning Jan. 1981, data represent gross weight (formerly phosphoric acid content weight) and are not comparable with data shown for earlier periods.
    - # Includes data for items not shown separately.
    - § Data are reported on the basis of 100 percent content of the specified material unless otherwise indicated.
    - ‡ Monthly revisions, back to 1975 for some commodities, will be shown in the 1979 BUSINESS STATISTICS.
- @ Monthly revisions for Oct. 1976-Feb. 1978 will be shown in the 1979 BUSINESS STATISTICS.
- ¶ Data for Jan. 1977-June 1979 exclude potassium magnesium sulfate; not strictly comparable with those shown for other periods.

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1. Includes Hawaii; not distributed to the months.
  2. Reported annual total, including Hawaii; monthly data are preliminary and subject to change.
- § Data are not wholly comparable from year to year, because of changes from one classification to another.
- @ Monthly revisions, for some series back to 1976, will be shown in the 1979 BUSINESS STATISTICS.

**Page S-24**

1. See note "@@" for this page.
  2. Crop estimate for the year.
  3. Stocks as of June 1.
  4. Stocks as of June 1 and represents previous year's crop; new crop not reported until June (beginning of new crop year).
  5. Previous year's crop; new crop not reported until Oct. (beginning of new crop year).
  6. Data are no longer available.
- § Excludes pearl barley.
- # Bags of 100 lbs.
- ¶ Revised crop estimates for 1970-75 will be shown in the 1979 BUSINESS STATISTICS.
- @ Monthly revisions, for some series back to 1976, will be shown in the 1979 BUSINESS STATISTICS.
- @@ Data are quarterly except for June (covering Apr. and May) and Sept. (covering June-Sept.).

**Page S-25**

1. Average for 11 months; price not available for Dec.
  2. Prices for Jan.-Mar. 1979 are estimated; actual price not available. Annual average for 1979 is based on actual price (Apr.-Dec.).
  3. Average for nine months; index not available for Apr.-June.
- § Cases of 30 dozen.
- ¶ Bags of 132.276 lbs.
- ‡ Monthly revisions back to Jan. 1975 will be shown in the 1979 BUSINESS STATISTICS.
- @ Monthly revisions back to 1976 will be shown in the 1979 BUSINESS STATISTICS.
- # Effective Apr. 1981 SURVEY, the wholesale price of smoked hams has been discontinued and has been replaced with the comparable price index. Annual indexes prior to 1979 and monthly indexes prior to Feb. 1980 are available upon request.

**Page S-26**

1. Beginning Sept. 1979, estimated prices are derived from a different source and are not comparable with those shown for earlier periods. Annual average for 1979 represents Sept.-Dec.
  2. Crop estimate for the year.
- § Monthly data reflect cumulative revisions for prior periods.
- @ Producers' and warehouse stocks.
- ¶ Factory and warehouse stocks.

**Page S-27**

1. Average for Jan.-May.
  2. Annual total; monthly revisions are not available.
  3. Average for July-Dec.
  4. Average for Jan.-Aug.
- # Totals include data for types of lumber not shown separately.

**Page S-28**

1. Annual data; monthly revisions not available.
2. Less than 500 short tons.
3. Effective Jan. 1980, data are no longer available.

**Page S-29**

1. Annual data; monthly revisions not available.
2. For month shown.
3. Copper refinery production from domestic and foreign ores are not shown to avoid disclosing information for individual firms. The source reports 79,039 metric tons of domestic ores and 14,623 metric tons of foreign ores for the period July-Sept. 1980.

**Page S-30**

1. Data beginning Jan. 1978 exclude stocks of lead base bullion in transit and at refineries.
  2. Less than 50 tons.
  3. Data are for five weeks; other months 4 weeks.
  4. For month shown.
  5. Data withheld to avoid disclosing information for individual companies in the 4th quarter of 1979. Annual total for 1979 is the sum of available data.
  6. Effective July 1980 SURVEY, data are revised and shown on a new base. Revised data are not comparable to previously published data.
    - ¶ Includes secondary smelters' lead stocks in refinery shapes and in copper-base scrap.
- @ All data (except annual production figures) reflect GSA remelted zinc and zinc purchased for direct shipment.
- ‡ Source for monthly data: American Bureau of Metal Statistics. Source for annual data: Bureau of Mines.
- # Includes data not shown separately.
- † Revised series. The sample size has been restored to 100 firms and the base has been changed to 1977=100.
- \* New series. These indexes are based on shipments of hydraulic and pneumatic products reported by participating members of the National Fluid Power Association. Data back to 1959 are available upon request.

**Page S-31**

1. Reflects revisions not available by months.
  2. Effective Jan. 1980, total stocks for bituminous coal and lignite exclude residential and commercial stocks and are not comparable with data shown for earlier periods.
  3. Data are available back to Oct. 1977.
  4. Beginning Jan. 1979, data reflect coverage of additional processing facilities; not strictly comparable with data shown for earlier periods.
    - # Includes data for items not shown separately.
- @ Beginning July 1977, data include shipments to mobile home and travel trailer manufacturers (formerly excluded); they are not directly comparable with data for earlier periods.
- \* New series. Annual data prior to 1978 and monthly data prior to April 1979 are available upon request.
- ¶ Includes nonmarketable catalyst coke.
- ¶ Includes small amounts of "other hydrocarbons and hydrogen refinery input," not shown separately.

**Page S-32**

1. Less than 50 thousand barrels.
2. See note 4 for p. S-31.
3. Reported annual totals; revisions not allocated to the months.
4. See note "¶" for this page.
  - ¶ Prices are mid-month, include taxes, and represent full service; comparable prices prior to Jan. 1979 are not available.
  - # Includes data for items not shown separately.
  - \* New series. See note "¶" for this page.

**Page S-33**

1. Reported annual total; not distributed to the months.
2. Effective Jan. 1980, data are no longer available.
3. Average for 11 months; no price for Aug.
  - ¶ Consumption by 525 daily newspapers reporting to the American Newspaper Publishers Association.
  - § Monthly data are averages of the 4-week periods ending on the Saturday nearest the end of the month; annual data are as of Dec. 31.
  - ‡ Data are monthly or annual totals. Formerly weekly averages were shown.

**Page S-34**

1. Reported annual total; revisions not allocated to the months.
2. Crop for the year.
3. Data cover five weeks; other months, four weeks.
4. Cumulative total for the 1980 crop.
5. Data are not available prior to Jan. 1980.
  - \* New series. Data for finishing mills have replaced data for weaving mills, which are no longer available.
  - # Includes data for items not shown separately.
  - ¶ Cumulative ginnings to the end of month indicated.
  - § Bales of 480 lbs.

**Page S-35**

1. Effective Jan. 1, 1978, includes reexports, formerly excluded.
  2. Effective 1st quarter 1977, data are not directly comparable with earlier periods.
  3. Average for crop year; Aug. 1-Jul. 31.
  4. For five weeks; other months four weeks.
  5. Monthly average.
  6. Average for 11 months; no price for Oct.
  7. Less than 500 bales.
- § Bales of 480 lbs.

¶ Based on 480-lb. bales, preliminary price reflects sales as of the 15th; revised price reflects total quantity purchased and dollars paid for the entire month (revised price includes discounts and premiums).

# Includes data not shown separately.

@ Effective Apr. 1979 SURVEY, data include 600 additional firms; comparable data back to Jan. 1977 (except for slacks, jean cut, casual, shown on p. S-36) will appear in the 1979 BUSINESS STATISTICS.

**Page S-36**

1. Annual total includes revisions not distributed to the months.
  2. Estimates of production, not factory sales.
  3. Effective Jan. 1980, passenger vans previously reported as passenger cars are now included with trucks.
  4. Excludes one state.
  5. Excludes two states.
  6. Excludes three states.
  7. Excludes four states.
  8. Effective Jan. 1979, data are not directly comparable with earlier periods because of the inclusion of Volkswagens produced in the U.S.
- @ See note "@" p. S-35.
- # Total includes backlog for nonrelated products and services and basic research.
- § Domestic comprise all cars assembled in the U.S. and cars assembled in Canada and imported to the U.S. under the provisions of the Automotive Products Trade Act of 1965. Imports comprise all other cars.
- ¶ Courtesy of R.L. Polk & Co.; republication prohibited.
- ‡ Excludes railroad-owned private refrigerator cars and private line cars.

**Discontinuation of WEEKLY BUSINESS STATISTICS**

**Publication of WEEKLY BUSINESS STATISTICS, which had provided a weekly update of major series published in the Current Business Statistics section of the SURVEY, has been discontinued.**



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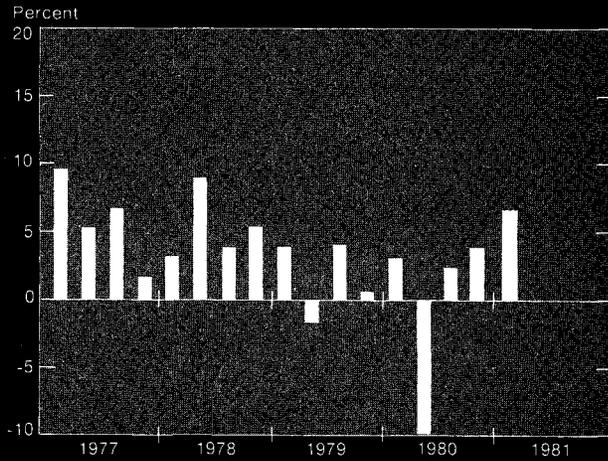
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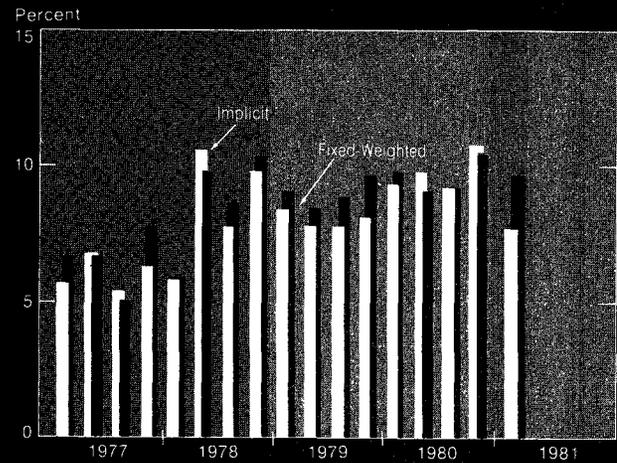
## In the first quarter

- Real GNP increased 6 1/2 percent
- GNP fixed-weighted price index increased 10 percent
- Real disposable personal income increased 2 1/2 percent

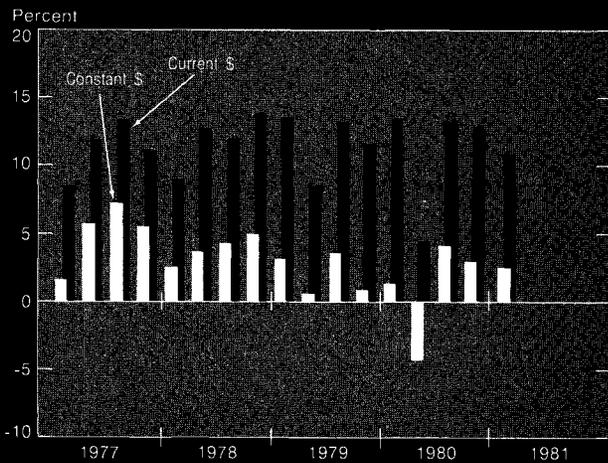
Real GNP



GNP Prices



Disposable Personal Income



Corporate Profits With IVA and CCAAdj

