

CONFIDENTIAL - FR

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CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1970	1971 Proj.	1971				1972	
			I	II	III	IV	I	II
	-----Billions Of Dollars-----							
Gross National Product	45.0	77.1	32.4	22.3 ^r	16.0	22.7	30.6	25.4
Inventory change	-4.6	1.8	-0.5	2.5	-1.9	1.7	2.2	4.8
Final purchases	49.6	75.4	32.9	19.8	17.9	21.1	28.3	20.6
Private	39.9	61.1	28.4	17.8	12.6	15.6	21.3	18.1
Excluding net exports	38.3	64.2	26.9	22.4	13.2	15.6	19.8	16.6
Net exports	1.6	-3.2	1.5	-4.7 ^r	-0.5	0.0	1.5	1.5
Government	9.7	14.3	4.5	2.0	5.3	5.5	7.0	2.5
GNP in constant (1958) dollars	-4.7	21.1	13.8	8.7	3.8	11.9	13.7	14.4
Final purchases	-0.5	19.6	14.3	6.4	5.5	10.4	11.9	10.4
Private	5.7	20.3	15.0	6.9	3.7	8.3	11.1	9.5
	-----In Per Cent Per Year-----							
Gross National Product	4.8	7.9	13.8 ^{1/}	9.0 ^{r 1/}	6.1	8.6	11.3	9.1
Final purchases	5.4	7.8	13.4	7.8	6.9	8.0	10.5	7.5
Private	5.6	8.1	14.9	9.0	6.2	7.6	10.2	8.5
Personal consumption expenditures	6.2	8.1	12.7	10.1	6.6	8.6	9.7	7.6
Durable goods	-1.4	15.0	59.8	13.1	8.7	11.7	50.6	-25.1
Nondurable goods	6.9	6.2	1.6	11.5	4.6	9.9	11.0	7.4
Services	8.4	7.8	9.1	7.9	7.7	6.2	7.3	7.3
Gross private domestic investment	-1.8	11.8	18.9	23.9	1.0	7.6	13.6	19.9
Residential construction	-4.4	31.3	43.9	36.3	13.1	13.7	13.2	6.4
Business fixed investment	3.5	4.6	13.9	10.4	3.7	-0.7	6.3	9.1
Gov't. purchases of goods & services	4.6	6.5	8.0	3.5	9.2	9.3	11.6	4.0
Federal	-2.0	0.3	3.3	-4.1	7.5	10.3	12.0	-1.9
Defense	-3.8	-4.5	-1.1	-6.6	-1.7	0.0	11.2	0.0
Other	5.8	16.4	17.6	3.4	35.1	38.5	14.0	-6.8
State & local	10.5	11.5	11.3	9.1	10.4	8.7	11.3	8.3
GNP in constant (1958) dollars	-0.6	2.9	8.0 ^{1/}	4.8 ^{r 1/}	2.1	6.4	7.3	7.5
Final purchases	-0.1	2.7	8.0	3.5 ^r	3.0	5.6	6.4	5.4
Private	1.0	3.5	10.4	4.7 ^r	2.5	5.6	7.3	6.1
GNP implicit deflator	5.5	4.9	5.3 ^{1/}	4.0 ^{r 1/}	4.1	2.2	3.9	1.6
Private GNP fixed weight price index ^{2/}	4.8		5.6 ^{1/}	5.0 ^{1/}	4.0	1.9	3.2	2.5
Personal income	7.1	6.9	8.6	9.8	5.5	5.9	9.5	7.3
Wage and salary disbursements	6.2	6.4	11.0	7.2	5.5	6.2	10.5	7.5
Disposable income	8.5	8.1	11.5	10.6	5.1	5.7	10.6	7.3
Corporate profits before tax	-10.5	9.9	41.9	21.2	-3.8	19.4	27.7	23.8
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	-2.7	3.8	13.3	5.5	2.2	5.2	11.1	11.0
Expenditures	8.2	8.2	6.5	14.4	6.5	8.4	13.6	3.2
Nonfarm payroll employment	0.5	0.1	1.8	1.3	-0.4	2.3	3.4	3.9
Manufacturing	-4.0	-4.0	0.4	-0.6	-3.2	2.2	4.3	4.3
Industrial production	-3.6	-1.0	7.3	4.7	-3.6	7.5	8.5	8.7
Housing starts, private	-2.3	39.9	8.1	32.7	29.6	5.1	0.0	0.0
Sales new autos								
Domestic models	-15.9	21.2	216.1	-4.7	15.1	30.2	0.0	0.0
Foreign models	16.0	28.5	60.2	18.1	46.5	-57.1	-26.7	-28.6

^{1/} At compound rates.^{2/} Using expenditures in 1967 as weights.

QUARTERLY PATTERN OF EXPENDITURES FOR
NEW PLANT AND EQUIPMENT
(Billions of dollars, seasonally adjusted
annual rates)

	1970		1971			
	III (Actual)	IV (Actual)	I (Actual)	II (Actual)	III (Anticipated)	IV (Anticipated)
Total	81.9	78.6	79.3	81.6	82.4	82.4
Addendum: Totals as shown in May 1971 survey	81.9	78.6	79.3	82.4	82.8	82.7
Manufacturing	32.2	31.0	30.5	30.1	29.7	30.2
Durable goods	15.7	14.9	14.2	14.1	14.5	14.5
Nondurable goods	16.4	16.1	16.3	16.1	15.2	15.8
Nonmanufacturing ^{1/}	49.7	47.7	48.9	51.5	52.6	52.2
Railroads	2.0	1.6	1.5	1.9	1.8	1.5
Other transportation	4.5	4.3	2.6	3.7	2.9	3.4
Public utilities ^{1/}	13.8	13.7	14.6	14.9	16.1	16.4
Electric	11.3	11.2	12.2	12.6	13.7	13.8
Communications	10.6	10.2	10.7	11.2	11.2 ^{2/}	10.9 ^{2/}
Commercial and other	17.0	16.0	17.4	17.7	18.6 ^{2/}	18.0 ^{2/}

^{1/} Includes series not shown separately.

^{2/} Confidential, not published separately.

MANUFACTURERS' NEW CAPITAL APPROPRIATIONS
(Seasonally adjusted, quarterly rates)

	1971	1970				1971	
	II p	I	II	III	IV	I r	II p
	Millions of \$	Per Cent Change from Preceding Quarter					
All manufacturing	5,432	-13.4	-1.1	1.6	-9.3	-4.0	-5.7
Durable goods	2,514	-10.6	-2.2	3.8	-18.9	.2	-7.4
Nondurable goods	2,918	-15.9	.0	.5	.5	-7.5	-4.1

SOURCE: Conference Board.

corporations anticipating issues over the next six months or so that might accelerate their offerings if it appeared that interest rates were trending upward again. Prospective offerings in other sectors of the long-term securities markets are expected to remain close to the monthly averages for the first half of the year. It is estimated that takedowns of private placements will continue at a monthly rate of about \$550 million during the latter part of the year, after the usual end-of-the-quarter upswing in September. New equity volume, while varying somewhat from month to month because of the timing of rights offerings, is expected to average \$800 to \$900 million a month.

CORPORATE SECURITY OFFERINGS
(Monthly or monthly averages in millions of dollars)

	Bonds		Stocks	Total
	Public	Private		
1970 - Year	2,099	403	713	3,245
First half	1,929	424	721	3,074
1971 - First half	2,486	546	948	3,980
QI	2,790	505	769	4,063
QII	2,182	586	1,128	3,896
QIII <u>e/</u>	1,677	596	1,382	3,655
August <u>e/</u>	1,400	500	950	2,850
September <u>e/</u>	2,300	750	1,000	4,050
October <u>e/</u>	1,900	550	750	3,200

e/ Estimated.

Long-term offerings by State and local governments were about \$1.8 billion in August, and the September total is estimated at \$1.9 billion, since a few previously postponed offerings apparently were