

WASHINGTON — AP — The nation's rate of economic growth faltered from July through September, a slowdown reflected in the increasing number of persons on the jobless rolls during the summer, the government reported today.

The Commerce Department said the Gross National Product, the total output of goods and services in the economy, expanded at an annual rate of 4 per cent in the third quarter.

The gross national product grew at an annual rate of 4.5 per cent in the second quarter and 9.2 per cent in the first three month of the year.

Most economists consider the growth rate during the second and third quarters adequate only to provide jobs for the expansion of the nation's labor force due to population growth. They believe it is inadequate to provide employment for persons thrown out of work because of the recession.

The Commerce report also showed that inflation, as measured in the Gross National Product, was less severe in the third quarter. Prices rose at an annual rate of 4.4 per cent, compared to 5.2 per cent from May through June.

The dollar value of the GNP in the third quarter was placed at \$1,709.7

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The percentage increase was the smallest since the 3.3 per cent growth rate recorded in the fourth quarter of 1975.

The growth rate was held down in part due to the slow build-up of business inventories and a slower pace of new investment in businesses and homes.

Inventories: grew during the third quarter at an annual rate of \$14.4 billion, compared to an annual rate of \$16 billion in the previous three-month period.

Total investment expanded at an annual rate of 5 per cent during the summer months, compared to 11.5 per cent in the spring quarter, the department said.

The GNP figures represent the broadest measure of the nation's economic performance. Today's report is the last one due before the November election.

The 4 per cent growth rate was in line with economists' predictions during the past several weeks, although it was well below administration forecasts as recently as July.

In midsummer, the administration forecast the GNP growth rate would be
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