

WASHINGTON — AP — The Gross National Product, the broadest measure of the nation's economic well-being, registered a sharp drop in the growth rate during the spring quarter, the government reported today. The drop was attributed primarily to a stabilization of business inventory accumulation.

The Commerce Department said the GNP grew at an annual rate of 4.4 per cent in volume for April through June, compared to a 9.2 per cent annual rate of growth in the year's first quarter.

Despite the decline in the rate of growth, most economists say they feel the drop will be temporary.

The GNP represents the nation's total output of goods and services and is a key determinant of how many new jobs the economy generates as well as the economic status of all Americans.

The Commerce Department said the slower growth rate was accompanied by a quickening of inflation. Prices as measures in the GNP accounts, which include the prices of all goods and services in the economy rather than just consumer prices, were up 5 per cent at an annual rate in the second quarter. The inflation rate in the first quarter was 3 per cent.

A sharp drop in the growth rate had been expected by Ford administration economists for at least a month.

Despite the slower growth rate, the GNP figures contained some encouraging signals. Demand in the economy, or the level of final sales, actually grew at a faster pace—4.7 per cent at an annual rate. Final sales had climbed at a 3.7 per cent rate in the first quarter.

The reason that final sales managed

to climb faster while the economy as a whole was growing more slowly is that the sharp boost in inventory accumulation of the first quarter was absent.

Businessmen satisfied demand in 1975 from inventories because they were overstocked with goods and raw materials in their storehouses. Then in the first three months of this year they suddenly began building inventories again.

That inventory building quickly stimulated production and created new jobs, but in the second quarter of this year inventory accumulation was at a slightly slower pace, slowing down creation of new jobs.

Inventories grew by \$13.3 billion in the second quarter compared to a \$14.8 billion growth in the first quarter, the government said.

The total value of GNP at an annual rate in the second quarter was placed at \$1,673 billion.

Simultaneous with release of the GNP figures, the Commerce Department reported that total personal income of Americans grew by the smallest margin in 11 months during June. Personal income for the month was at annual rate of \$1,368.9 billion, an increase of \$6. billion, or four-tenths of 1 per cent, over May.

That compared with a \$10.4 billion advance in May and was the smallest monthly gain since personal income dipped last July.

The GNP accounts showed that disposable personal income, which is total income after deduction of taxes, amounted to \$5,452 per person.