

ment structures have risen sharply relative to the implicit GNP prices—a 1-percent rise in the implicit GNP price has on the average been accompanied by a 1.6-percent rise in the implicit price of structures—mainly reflecting the relatively faster pace of construction prices generally. On the other hand, in this same period the implicit prices of equipment purchases by State and local governments have shown only a slight rise relative to the movement of the implicit GNP prices. Applying these price adjustments to the constant dollar State and local government capital outlays converts the projections to current dollars. The following table summarizes the 1975 projections in both constant and current dollars:

Projections of structures and equipment purchases of State and local government, 1970 and 1975

	Actual, 1965	Projection, 1970		Projection, 1975	
		Assump- tion A	Assump- tion B	Assump- tion A	Assump- tion B
Structures and equipment (billion 1958 dollars)-----	17.6	23.2	22.6	29.0	27.7
Structures-----	15.9	20.9	20.3	26.2	24.9
New construction-----	15.6	20.6	20.0	25.8	24.5
Addendum: Residential building-----	.3	.5	.5	.5	.5
Other ¹ -----	.3	.3	.3	.4	.4
Equipment-----	1.7	2.3	2.3	2.8	2.8
Structures and equipment (billion current dollars) ..	19.9	30.4	29.0	44.7	39.6
Structures-----	18.1	28.0	26.6	41.7	36.6
New construction-----	17.8	27.6	26.2	41.2	36.1
Addendum: Residential building-----	.4	.5	.5	.5	.5
Other ¹ -----	.3	.4	.4	.5	.5
Equipment-----	1.8	2.4	2.4	3.0	3.0

¹ Includes net purchases of existing structures less construction force account compensation. The latter item is deducted here because it is included in compensation of employees of State and local governments in the national income and product accounts.

NOTE.—In July 1966—subsequent to the time when the calculations above were made—the estimates in the national income and product accounts were revised for the years 1963–65. While the upward revisions of GNP and personal income in 1965 amounted to \$5,000,000,000 and \$4,000,000,000, respectively, the effect of these changes on the above projections is relatively small; for example, projections of State and local capital expenditures would be raised by about \$500,000,000 in 1970 and 1975.

Source: U.S. Department of Commerce.