

NOTES

Gross national product

Assumption A based on 4.5 percent annual rate of growth for real GNP and 2.0 percent annual price increase 1966-75.

Assumption B based on 4.0 percent annual rate of growth for real GNP and 1.5 percent annual price increase 1966-75.

Personal consumption expenditures—

Assuming a personal saving rate of 5.0 percent under assumption A and 5.5 percent under assumption B.

Durable goods—a relatively high proportion of DPI.

Nondurable goods—extension of trend of ratio to DPI.

Services—residual.

Residential structures—ratio to real GNP.

Change in business inventories—ratio to real GNP.

Net exports—

Merchandise exports (58\$) = $-2.090 + .198$ GNP abroad + .238 merchandise imports in preceding year. (53-65 ex. 56, 57).

Services exports (58\$)—trend (53-65).

Merchandise imports = $.158 + .0295$ GNP (48-65).

Services imports = $-2.688 + .0224$ DPI (53-65).

Military expend.—arbitrary.

Federal purchases—Compensation per employee increased with private productivity gain and consumer price rise. Other purchases held constant in real terms; price increases of 2.0 percent and 1.5 percent per year for assumptions A and B, respectively.

State and local purchases— $Y = -29.30 + .1796$ (national income) (52-65 ex. 54, 58, 61).

Nonresidential fixed investment—Residual.

Deflators—Based on relation to GNP implicit price.