

TABLE 4.—DETAILS OF SELECTED INCOME ACCOUNTS¹

[Dollar figures in billions of current dollars]

	1959	1963	1964	1975
1. Capital consumption allowances.....	\$41.4	\$52.8	\$55.7	\$97.5
2. Corporate depreciation charges.....	23.5	32.0	34.0	66.3
3. Other allowances.....	17.9	20.8	21.7	31.2
4. Corporate profits before taxes ²	52.1	58.6	64.8	118.5
5. Corporate taxes.....	23.7	26.0	27.6	47.4
6. Corporate profits after taxes ²	28.5	32.6	37.2	71.1
7. Dividends.....	12.6	15.8	17.2	32.4
8. Retained earnings.....	15.9	16.8	19.9	38.7
9. Corporate cash flow ³	52.0	64.5	71.2	137.4
10. Personal income.....	383.5	464.8	495.0	894.9
11. Personal taxes.....	46.2	60.9	59.2	111.9
12. Disposable personal income.....	337.3	403.8	435.8	783.0
13. Personal outlays.....	318.2	383.4	409.5	734.5
14. Personal saving.....	19.1	20.5	26.3	48.5
15. Personal saving rate (percent).....	5.7	5.1	6.0	6.2
Selected Percentage Relationships				
16. Personal income as percent of—				
17. GNP.....	79.3	78.9	78.7	78.6
18. National income.....	95.9	96.6	96.2	96.7
19. Corporate profits before taxes ⁴ as percent of—				
20. GNP.....	10.7	9.9	10.3	10.4
21. National income.....	12.9	12.1	12.5	12.8
22. Dividends as percent of—				
23. Corporate profits after taxes.....	44.2	48.6	46.4	45.6
24. Corporate cash flow ³	24.2	24.5	24.2	23.6

Sources: 1959, 1963, and 1964—U.S. Department of Commerce; 1975—The Conference Board.

¹This table is consistent with the new national accounts of data released in August 1965. The figures are tentative translations of findings drawn in part from the old national accounts, and are subject to significant revisions in a final report now in preparation.²Excluding inventory valuation adjustment.³Corporate profits after taxes plus corporate depreciation charges.⁴Including inventory valuation adjustment.

Aside from the "aspiration" level of GNP (i.e., \$1.5 trillion), Lecht's projection of a \$1 trillion GNP provides that private expenditures for business and industrial plant and equipment would have to rise from \$48.9 billion in 1962 to \$102.3 billion in 1975 (all expressed in 1962 dollars). This more than doubling of capital expenditures by business and industry is a measure of the great need for savings in the years ahead if capital formation is to be financed soundly.

The most comprehensive study of capital requirements in the United States in the years ahead has been made by Harvard professor Simon Kuznets.²³ In his monumental study, Kuznets concluded that during the preceding 20 years (1941–60) the rate of economic growth of the

²³ *Capital in the American Economy—Its Formation and Financing*, a study by the National Bureau of Economic Research, published by Princeton University Press, 1961. The Kuznets monograph was the summary volume in a project financed with a grant of \$460,000. Other monographs, all published by the Princeton University Press, were: (1) *Capital Formation in Residential Real Estate: Trends and Prospects* (Leo Grebler, David M. Blank, and Louis Winnick); (2) *Capital in Agriculture: Its Formation and Financing Since 1870* (Alvin Tostlebe); (3) *Capital in Transportation, Communications, and Public Utilities: Its Formation and Financing* (Melville Ulmer); (4) *Capital in Manufacturing and Mining: Its Formation and Financing* (Daniel Creamer, Sergei P. Dobrovolsky, and Israel Borenstein); (5) *Trends in Government Financing* (Morris A. Copeland); and (6) *Financial Intermediaries in the American Economy Since 1900* (Raymond Goldsmith).