

**ECONOMIC
AND
BUSINESS**

Facts and Forecasts



MARCH 1974

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Comments on the Business Outlook

The slowdown in economic activity previously envisioned for 1974 is being aggravated by the adverse impacts of energy conservation and sharp increases in energy costs on consumer spending. In fact, when complete economic data become available, it will undoubtedly indicate that the economy turned downward in December.

Real output is expected to decline in the first half of 1974, reflecting further reductions in consumer spending and outlays for residential construction. Business spending for new plant and equipment is also expected to slow as corporate profits decline. And, net exports are forecast to decline as the result of sharply increased prices of foreign crude oil imports.

A resumption in growth is anticipated in the second half of 1974, reflecting an improvement in consumer sentiment, an upturn in housing, and the effects of more expansionary monetary and fiscal policies. This anticipated recovery in overall economic activity should be sufficient to offset the current decline and hold the average level of real output in 1974 approximately flat. Under these slack economic conditions, the immediate termination of all wage and price controls could make a substantial contribution toward moderating the rate of inflation and regaining an orderly expansion of our nation's economy by the end of this year.

GENERAL BUSINESS INDICATORS

	Units of Measure	Year 1972	Year 1973	Percent Change 72-73	4th Q. 1973	Quarterly Totals At Seasonally Adjusted Annual Rates			
1. Gross National Product.....	\$ billion	1,155.2	1,288.2	+11.5	1,334.0				
2. Personal Consumption Expenditures.....	\$ billion	726.5	805.0	+10.8	829.0				
3. Government Purchases of Goods and Services.....	\$ billion	255.0	277.2	+ 8.7	285.8				
4. Plant and Equipment Outlays.....	\$ billion	88.4	100	+12.7	104				
5. Disposable Personal Income	\$ billion	797.0	882.6	+10.7	918.0				
6. FRB Index of Industrial Production.....	1967 = 100	115.2	125.4	+ 8.9	127.0				
7. Housing Starts (Private).....	000 starts	2,357	2,042	-13.4	1,566				

MOTOR VEHICLES

		Year 1972	Year 1973	Percent Change 72-73	4th Q. 1973	Quarterly Totals			
8. Auto Production.....	000 vehicles	8,822	9,661	+ 9.5	2,350				
9. Truck and Bus Production....	000 vehicles	2,476	3,007	+21.4	730				
10. Wheel-Type Tractor Shipments.....	000 vehicles	197	214	+ 8.6	52				
11. Auto Registrations, end of year.....	000 vehicles	96,860	101,237	+ 4.5					
12. Truck-Bus Registrations, end of year.....	000 vehicles	21,646	23,241	+ 7.4					
13. Autos, 2 years and older.....	000 vehicles	68,200	70,500	+ 3.3					
14. Trucks-Buses, 2 years and older.....	000 vehicles	15,200	16,000	+ 5.2					

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RUBBER CONSUMPTION

Quarterly Totals

	Units of Measure	Year 1972	Year 1973		Percent Change 72-73	4th Q. 1973				
15. U.S.A. New Rubber										
Consumption.....	000 long tons	2,937	3,086	3,020	+ 5.1	- 2.1	780	745	745	755
16. Natural.....	000 long tons	641	685	700	+ 6.9	+ 2.2	174	172	171	172
17. Synthetic.....	000 long tons	2,296	2,401	2,320	+ 4.6		605	573	574	583
18. % Synthetic.....		78.2	77.8				77.6			
19. Other Free World New										
Rubber Consumption.....	000 long tons	4,693	5,000		+ 6.5		1,250			
20. Natural.....	000 long tons	1,840	1,950		+ 6.0		495			
21. Synthetic.....	000 long tons	2,853	3,050		+ 6.9		755			
22. % Synthetic.....		60.8	61.0				60.4			

INDUSTRY SALES FOR MAJOR B.F.GOODRICH PRODUCT LINES

Quarterly Totals

23. Total Pneumatic Tires —										
Shipments.....	mil. tires	242.4	254.3		+ 4.9		57.5			
Passenger Car Tire Shipments										
24. Original Equipment.....	mil. tires	51.3	56.0		+ 9.2		13.2			
25. Replacement.....	mil. tires	141.3	141.8		+ .4		30.4			
Truck-Bus Tire Shipments										
26. Original Equipment.....	mil. tires	9.3	10.3		+10.8		2.4			
27. Mobile Home O.E.....	mil. tires	3.2	3.3		+ 3.1		.6			
28. Replacement.....	mil. tires	20.1	22.9		+13.9		6.0			
Farm Tire Shipments*										
29. Original Equipment.....	mil. tires	1.6	1.9		+18.8		.5			
30. Replacement.....	mil. tires	3.0	3.6		+20.0		.9			
31. Industrial Rubber Hose										
Dollar Shipments Index.....	1967 = 100	127	140		+10.5		146			
32. Industrial Rubber Belting										
Dollar Shipments Index.....	1967 = 100	118	137		+16.4		143			
33. PVC Resin — Sales of										
Domestic Production.....	mil. lbs.	4,337	4,735		+ 9.2		1,130			

*Excludes garden tractor tire shipments.

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FIVE-YEAR HISTORY

	Units of Measure	1967	1968	1969	1970	1971
General Business Indicators						
1. Gross National Product.....	\$ billion	793.9	864.2	930.3	977.1	1,055.5
2. Personal Consumption Expenditures.....	\$ billion	492.1	536.2	579.5	617.6	667.2
3. Government Purchases of Goods and Services....	\$ billion	180.1	199.6	210.0	219.5	234.3
4. Plant and Equipment Outlays.....	\$ billion	65.5	67.8	75.6	79.7	81.2
5. Disposable Personal Income.....	\$ billion	546.3	591.0	634.4	691.7	746.0
6. FRB Index of Industrial Production.....	1967 = 100	100	106	111	107	107
7. Housing Starts (Private).....	000 starts	1,292	1,508	1,467	1,434	2,052
Motor Vehicles						
8. Auto Production.....	000 vehicles	7,407	8,843	8,219	6,546	8,578
9. Truck and Bus Production.....	000 vehicles	1,585	1,951	1,963	1,717	2,071
10. Wheel-Type Tractor Shipments.....	000 vehicles	241	212	194	175	165
11. Auto Registrations, end of year.....	000 vehicles	80,415	83,693	86,861	89,280	92,800
12. Truck-Bus Registrations, end of year.....	000 vehicles	16,531	17,346	18,235	19,127	20,200
13. Autos, 2 years and older.....	000 vehicles	55,324	58,287	60,861	63,629	66,200
14. Trucks-Buses, 2 years and older.....	000 vehicles	12,162	12,800	13,330	13,825	14,440
Rubber Consumption						
15. U.S.A. New Rubber Consumption.....	000 long tons	2,117	2,478	2,622	2,477	2,683
16. Natural.....	000 long tons	489	582	598	559	578
17. Synthetic.....	000 long tons	1,628	1,896	2,024	1,918	2,105
18. % Synthetic.....		76.9	76.5	77.2	77.4	78.5
19. Other Free World New Rubber Consumption.....	000 long tons	3,087	3,469	3,856	4,238	4,524
20. Natural.....	000 long tons	1,406	1,519	1,614	1,722	1,799
21. Synthetic.....	000 long tons	1,681	1,950	2,242	2,516	2,725
22. % Synthetic.....		54.5	56.2	58.1	59.4	60.2
Industry Sales						
23. Total Pneumatic Tires — Shipments.....	mil. tires	185.4	212.8	219.2	207.8	228.0
Passenger Car Tire Shipments						
24. Original Equipment.....	mil. tires	40.8	49.9	46.2	37.5	48.6
25. Replacement.....	mil. tires	108.5	121.1	129.1	129.6	135.0
Truck-Bus Tire Shipments						
26. Original Equipment.....	mil. tires	5.7	6.8	7.2	6.2	7.4
27. Mobile Home O.E.	mil. tires	1.2	1.7	2.3	2.4	2.8
28. Replacement.....	mil. tires	14.4	16.3	17.3	16.7	18.4
Farm Tire Shipments*						
29. Original Equipment.....	mil. tires	2.6	2.8	1.3	1.4	1.3
30. Replacement.....	mil. tires	3.1	3.1	3.0	2.6	2.9
31. Industrial Rubber Hose Dollar Shipments Index.....	1967 = 100	100	106	119	107	112
32. Industrial Rubber Belting Dollar Shipments Index.....	1967 = 100	100	113	114	111	118
33. PVC Resin — Sales of Domestic Production.....	mil. lbs.	2,078	2,550	2,819	2,985	3,452

Totals may not add due to rounding.

*Excludes garden tractor tire shipments.

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