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MARYLAND INTERINDUSTRY FORECASTING PROJECT

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Price Indexes 1958-1966 for 93-order I-O Sectors

by

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We have received several requests for output forecasts in 1958 dollars. To obtain them, we need price deflators for the industries of the model. Table I presents these deflators for 1966 relative to 1958. This memorandum describes how these deflators were calculated.

### (1) Livestock

The output of this sector includes livestock, live poultry, fluid milk, and eggs. We obtained the relative importance and price index for these product commodities from the Wholesale Prices and Price Indexes published by the Bureau of Labor Statistics. We then aggregated the indexes weighted by their relative importance to construct the I-0 sector price deflator. The following table shows the procedure:

(1) Product Commodity	(2) Relative Importance	(3) (2)/sum	(4) Price Index	(5) (3)x(4)
Livestock:				
live stock	3.086	.515	110.0	56.63
live poultry	.332	.055	91.4	5.06
fluid milk	2.001	.334	117.6	39.25
eggs	.576	.096	107.9	10.37
Sum	5.995			
I-0 sector Price Index				111.3

### (2) Crop (3) Forestry and Fishery Products

The products included in the Crops industry were fresh and dried fruits and vegetables, grains, plants and animal fibres, hays, hayseeds, and other farm products. The same method explained above was used here. Data also came directly from the Wholesale Prices and Price Indexes.

For the Forestry industry we used the price index of the Lumber industry. For the Fishery industry, we used only the index for unprocessed fin fish; the index of the fresh and frozen processed fish was excluded.

#### Mining: Sectors (5) through (10)

The price indexes for the Mining industries came directly from the annual average wholesale price indexes for these sectors. Data for the Minerals (9) and Chemical (10) mining sectors were taken from Table 2, page 107, of the 1966 Minerals Yearbook published by the Bureau of Mines. The products included were broken stone, common sand for the Minerals mining, and sulfur, rock salt, phosphate rock, borate, potash, fluorspar and barite for the Chemical mining.

#### Construction: Sectors (11) and (12)

For the New Construction sector (11) the price index was taken directly from Table 5.3, 8.7, page 39 and 51, of the Survey of Current Business published by OBE, July 1968. The same price index was used for the Maintenance Construction sector (12).

#### (13) Ordnance

The price deflator of the Aircraft industry (70) was assumed for the Ordnance sector.

#### Sectors (14) through (90)

The indexes of the manufacturing, transportation, communication, trade, finance and insurance, real estate, service, and government enterprise sectors were all computed from the ratio of current-dollar to deflated outputs. These deflated outputs were obtained from OBE, which compiles them for use in calculating GNP originating by industry. However, for the electricity and gas utility sectors (78, 79), the price deflators were taken from the wholesale price indexes.

(80) Water Utility

No price index of the Water Utility is available; a value of 1.0 has been assumed.

(91) Imports

For the Imports, the import deflator from the National Accounts was used.

(4) Agricultural Service, (92) Business Travel, (93) Office Supplies

Because the data of price deflators for these three sectors were not available, we weighted together the price indexes of all products by these industries as their input. The 1958 interindustry input coefficients were used as the weights.

Table I

1966 IO Deflators  
(1958=100)

<u>IO Number</u>	<u>Industry Title</u>	<u>Deflator</u>
1	Livestock	1.113
2	Crops	1.018
3	Forestry and Fishery Products	1.094
4	Agricultural Services	1.097
5	Iron Ore Mining	.905
6	Non-ferrous Ore Mining	1.209
7	Coal Mining	.986
8	Petroleum Mining	.975
9	Minerals Mining	1.067
10	Chemical Mining	1.073
11	New Construction	1.199
12	Maintenance Construction	1.199
13	Ordnance	1.104
14	Meat Packing	1.021
15	Dairy Products	1.191
16	Canned and Frozen Foods	1.059
17	Grain Mill Products	1.135
18	Bakery Products	1.133
19	Sugar	1.124
20	Candy	1.072
21	Beverages	1.106
22	Misc Food Products	1.061
23	Tabacco	1.094
24	Fabrics and Yarn	1.031
25	Rugs, Tire Cord, Misc Textiles	.964
26	Apparel	1.038
27	Household Textiles and Upholstery	1.050
28	Lumber & Products, Exc Containers	1.084
29	Wooden Containers	1.058
30	Household Furniture	1.085
31	Office Furniture	1.300
32	Paper & Products Exc Containers	1.033
33	Paper Containers	.999
34	Printing and Publishing	1.116
35	Basic Chemicals	.953
36	Plastics and Synthetics	.862
37	Drugs, Cleaning & Toilet Items	.977
38	Paint and Allied Products	1.044
39	Petroleum Refining	.994
40	Rubber and Plastic Products	.928

<u>IO Number</u>	<u>Industry Title</u>	<u>Deflator</u>
41	Leather Tanning	1.290
42	Shoes and Other Leather Products	.993
43	Glass and Glass Products	1.009
44	Stone & Clay Products	1.029
45	Iron and Steel	.968
46	Copper	1.361
47	Aluminum	1.019
48	Other Non-ferrous Metals	1.277
49	Metal Containers	1.085
50	Heating, Plumbing, Structural Metal	1.018
51	Stampings, Screw Machine Products	1.191
52	Hardware, Plating, Valves, Wire Prod.	1.090
53	Engines and Turbines	1.027
54	Farm Machinery and Equipment	1.165
55	Construction & Mining Machinery	1.152
56	Material Handling Equipment	1.110
57	Metalworking Machinery & Equipment	1.232
58	Special Industrial Machinery	1.144
59	General Industrial Machinery	1.072
60	Machine Shops & Misc Machinery	1.076
61	Office and Computing Machines	1.030
62	Service Industry Machine	.877
63	Electric Motors & Apparatus	.965
64	Household Appliances	.869
65	Electric Lighting and Wiring Equipment	1.093
66	Communication Equipment	.902
67	Electronic Components	.836
68	Batteries, X-ray & Engine Elec Equipment	1.089
69	Motor Vehicles	1.026
70	Aircraft and Parts	1.104
71	Ships, Trains, Trailers & Cycles	1.045
72	Instruments and Clocks	1.101
73	Optical & Photographic Equipment	1.104
74	Misc Manufactured Products	1.057
75	Transportation	1.008
76	Communication	.990
77	Radio, TV Broadcasting	1.439
78	Electric Utility	1.003
79	Gas Utility	1.293
80	Water Utility	1.000

<u>IO Number</u>	<u>Industry Title</u>	<u>Deflator</u>
81	Wholesale and Retail Trade	1.093
82	Finance and Insurance	1.309
83	Real Estate and Rental	1.114
84	Hotels, Personal & Repair Services	1.215
85	Business Services	1.258
86	Automobile Repair Services	1.086
87	Amusements and Recreation	1.352
88	Medical and Educational Institutions	1.363
89	Federal Government Enterprises	1.386
90	State and Local Government Enterprises	1.378
91	Imports	1.042
92	Business Travel and Entertainment	1.059
93	Office Supplies	1.070