

Photo courtesy of Bucyrus-Erie Company

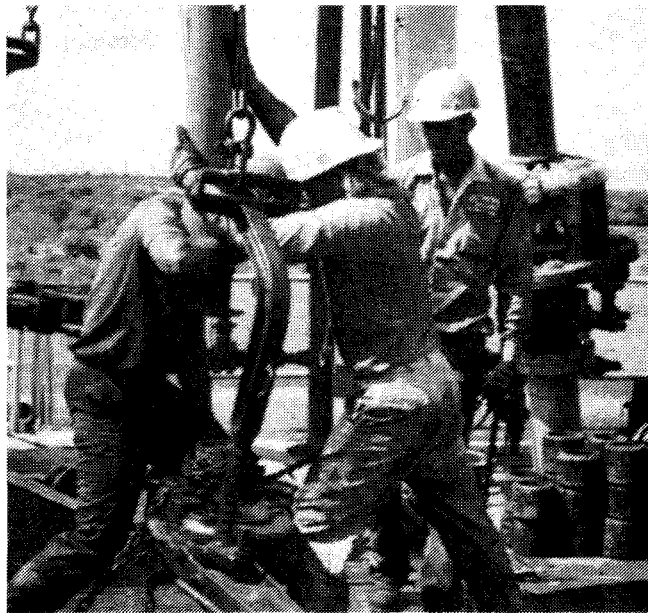
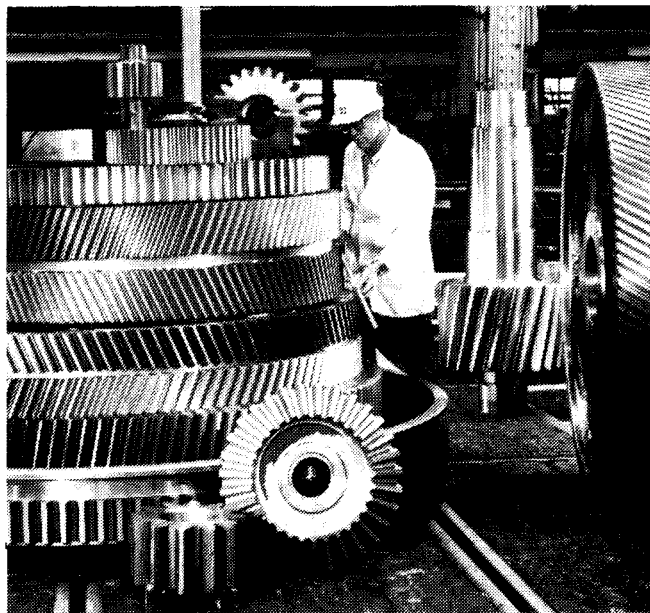


Photo courtesy of the University of Texas Petroleum Extension Service

## The model's projections

The following series of graphs shows the LaRouche-Riemann model's measurements of the state of the physical economy of the United States, for the total economy and for 10 subsectors, using historical data through the third quarter of 1980 and projections through 1982.

The projections are not a forecast as such, but a measurement of the effects on the economy of the Federal Reserve chairman's recent second round of credit tightening if continued through next year. All data are moving averages of annual values (therefore fluctuations within individual years are not shown).

All data are expressed in constant 1976 dollars except for ratios.

The measurements shown are selected from 48 measurements generated by the computer model for each of 30 subsectors. For each sector, computer-generated graphs display sectoral surplus (the equivalent of value added in physical terms); tangible consumption of the productive workforce of each sector; and the rate of gross operating profit, or free energy ratio, in physical terms (tangible output in excess of replacement costs, raw materials inputs, and labor consumption divided by the capital and labor inputs).

For the total economy, the three cited measures are shown as well as total consumption of raw and semifinished goods, labor productivity, and net reinvestible surplus.

The 10 sectors displayed (out of 30 analyzed by the multi-sector model) are shown in three groups:

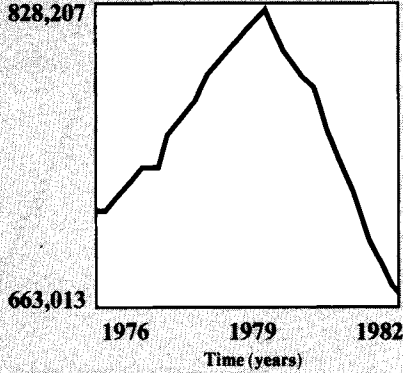
- 1) growth sectors (aerospace, oil and gas, and electric utilities);
- 2) worst-case sectors (construction, rubber, iron and steel, motor vehicles);
- 3) intermediate sectors (food processing, non-electrical machinery, electrical machinery).

# Aggregate U.S. economy

# Growth industries

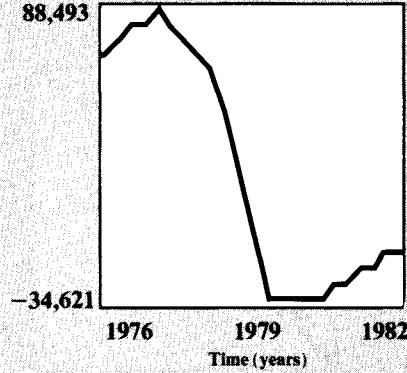
## Surplus

(millions of 1976 dollars)



## Reinvestible surplus

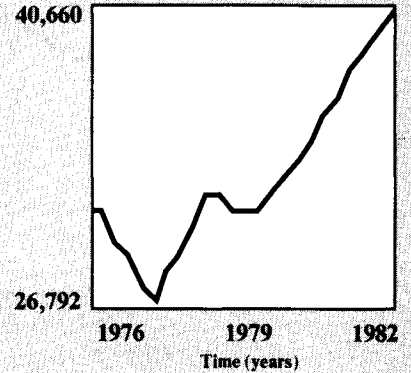
(millions of 1976 dollars)



## Oil and gas production

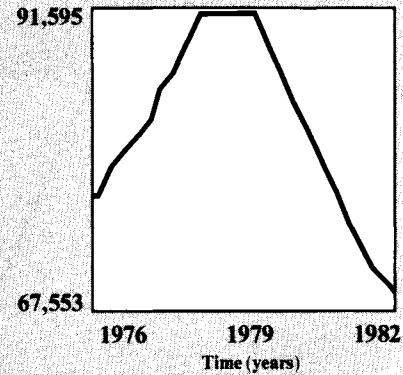
### Surplus

(millions of 1976 dollars)



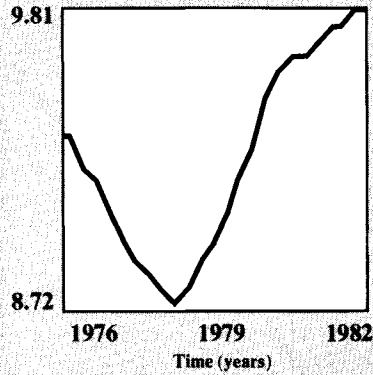
## Consumption of productive workforce

(millions of 1976 dollars)



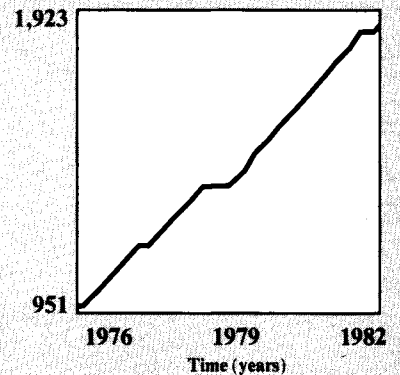
## Labor productivity

(Ratio of surplus to consumption of productive workforce)



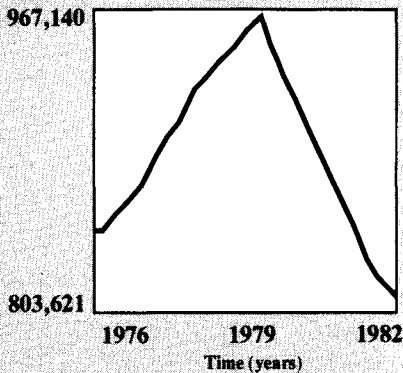
## Consumption of productive workforce

(millions of 1976 dollars)



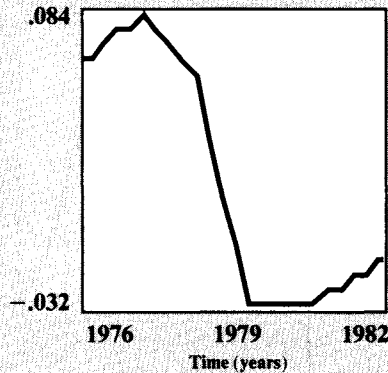
## Raw materials and semi-finished goods inputs

(millions of 1976 dollars)



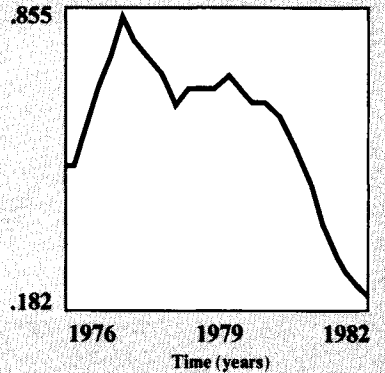
## Free-energy ratio

(Ratio of surplus to consumption of productive workforce)



## Free-energy ratio

(Ratio of surplus to consumption of productive workforce)

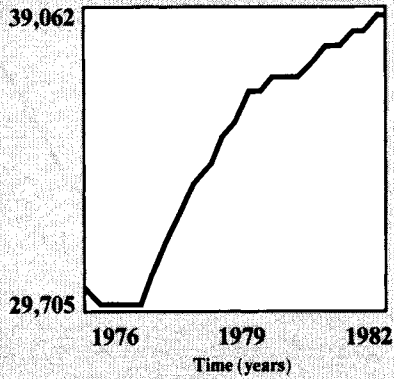


## Growth industries (cont'd.)

### Aerospace and other transportation equipment

#### Surplus

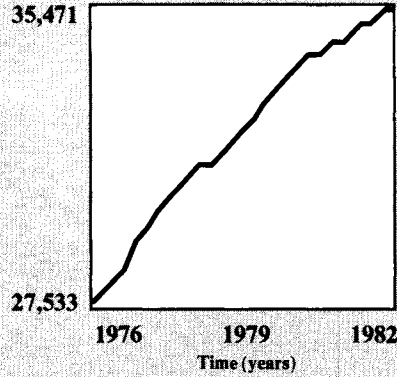
(millions of 1976 dollars)



### Electric utilities

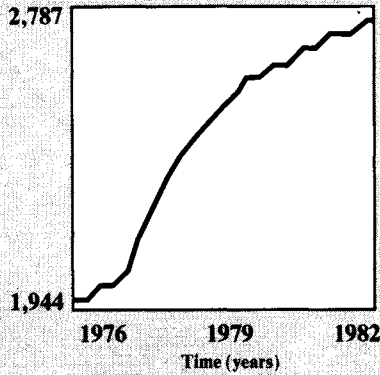
#### Surplus

(millions of 1976 dollars)



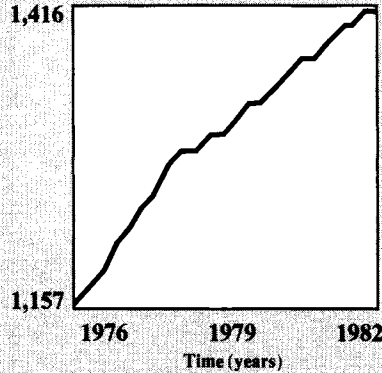
### Consumption of productive workforce

(millions of 1976 dollars)

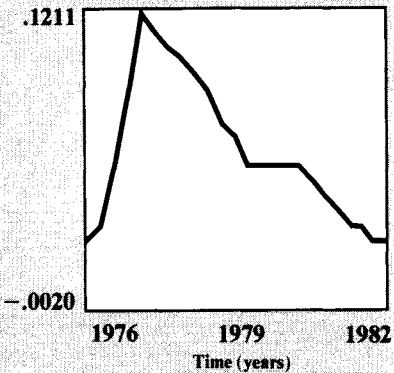


### Consumption of productive workforce

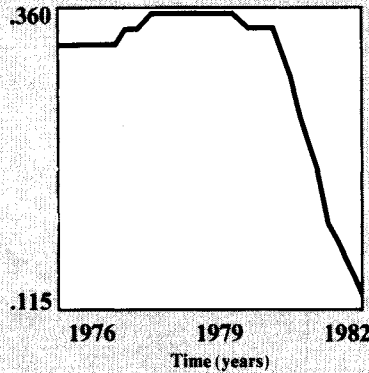
(millions of 1976 dollars)



### Free-energy ratio



### Free-energy ratio

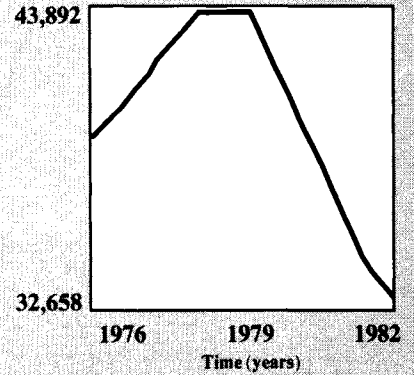


## “Sunset” industries

### Construction

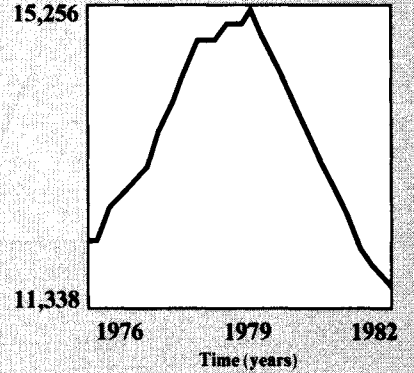
#### Surplus

(millions of 1976 dollars)

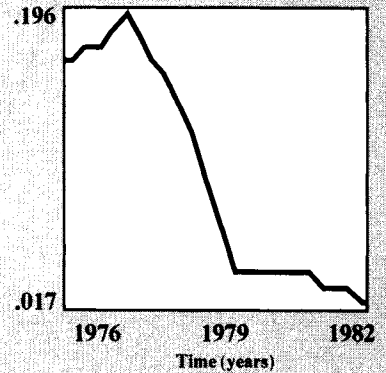


### Consumption of productive workforce

(millions of 1976 dollars)



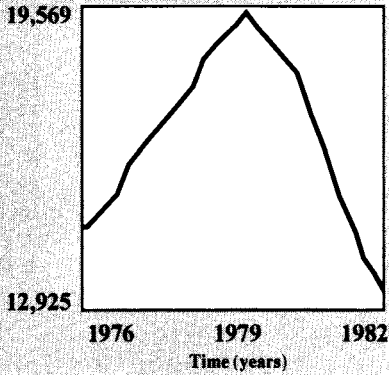
### Free-energy ratio



## Rubber

### Surplus

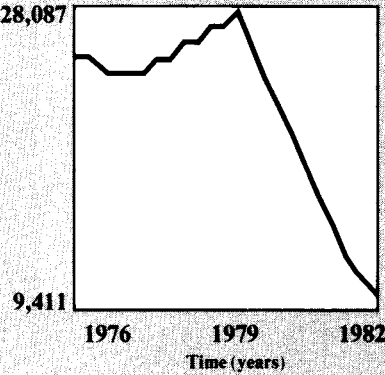
(millions of 1976 dollars)



## Iron and steel

### Surplus

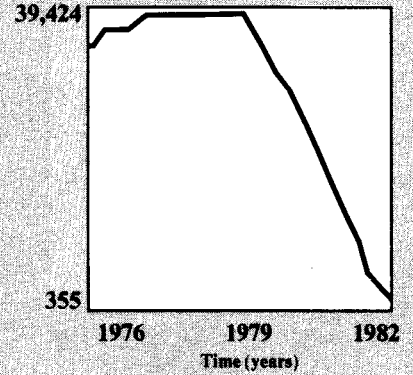
(millions of 1976 dollars)



## Motor vehicles

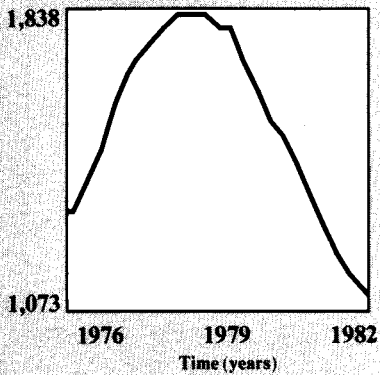
### Surplus

(millions of 1976 dollars)



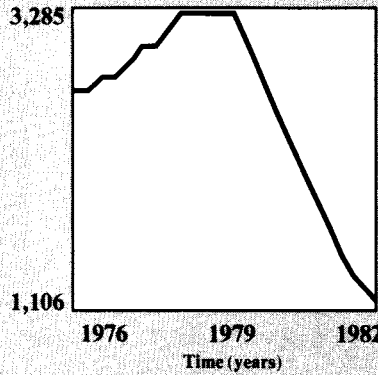
### Consumption of productive workforce

(millions of 1976 dollars)



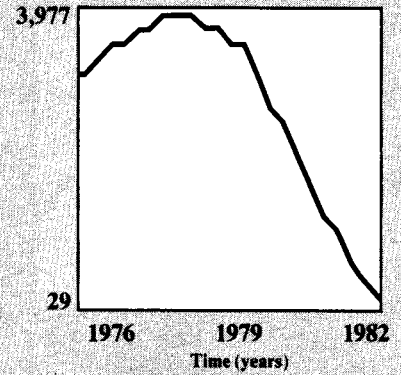
### Consumption of productive workforce

(millions of 1976 dollars)

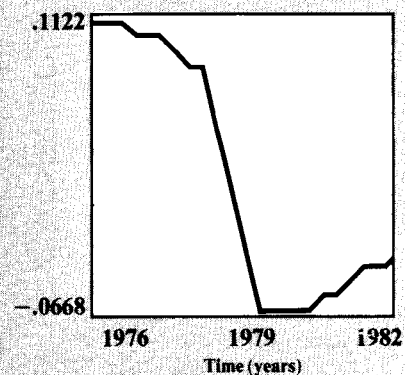


### Consumption of productive workforce

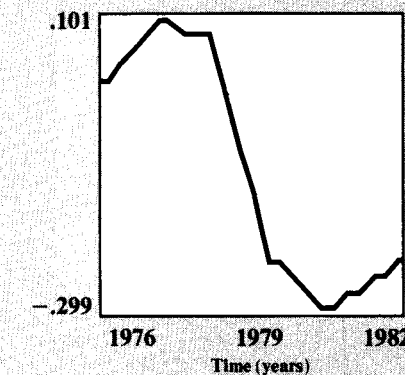
(millions of 1976 dollars)



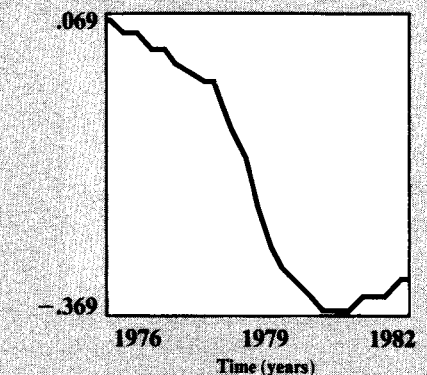
### Free-energy ratio



### Free-energy ratio



### Free-energy ratio



# Intermediate industries

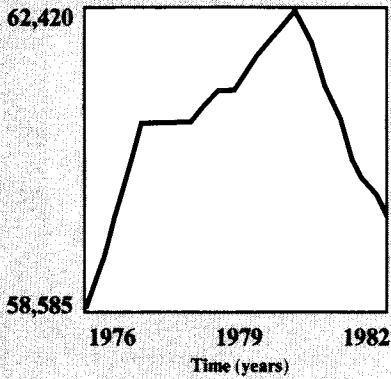
## Food processing

## Non-electrical machinery

## Electrical machinery

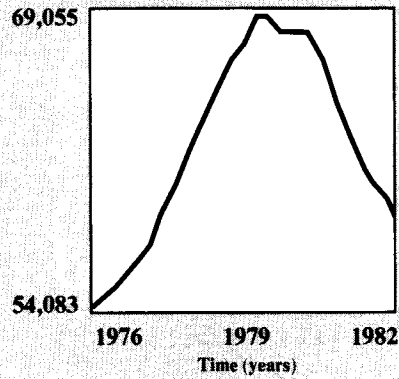
### Surplus

(millions of 1976 dollars)



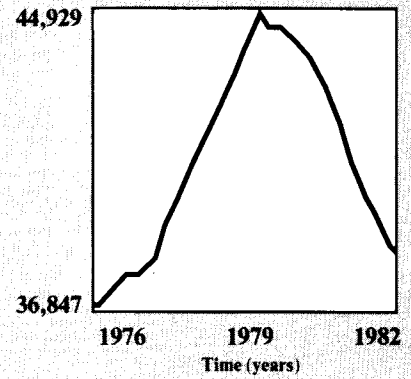
### Surplus

(millions of 1976 dollars)



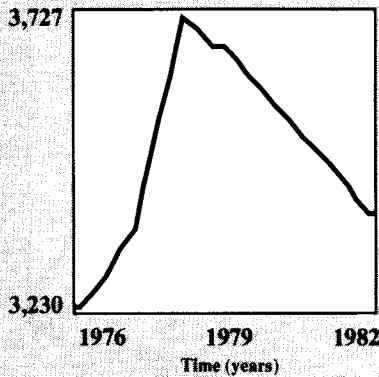
### Surplus

(millions of 1976 dollars)



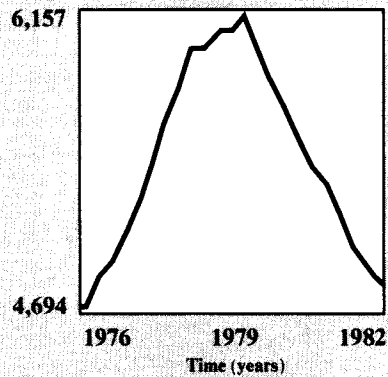
### Consumption of productive workforce

(millions of 1976 dollars)



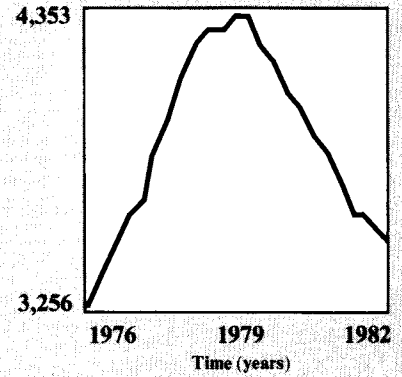
### Consumption of productive workforce

(millions of 1976 dollars)



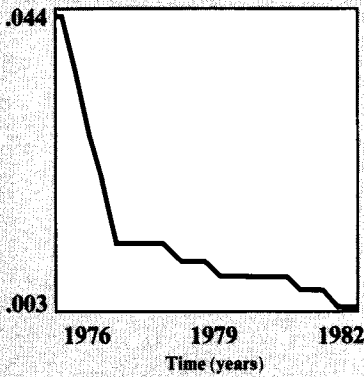
### Consumption of productive workforce

(millions of 1976 dollars)



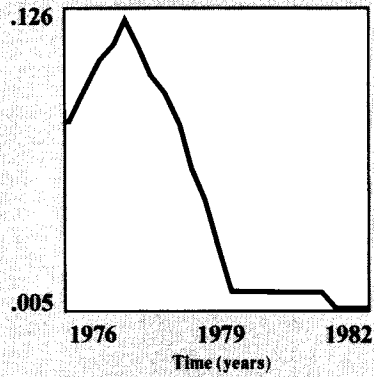
### Free-energy ratio

.044



### Free-energy ratio

.126



### Free-energy ratio

.080

