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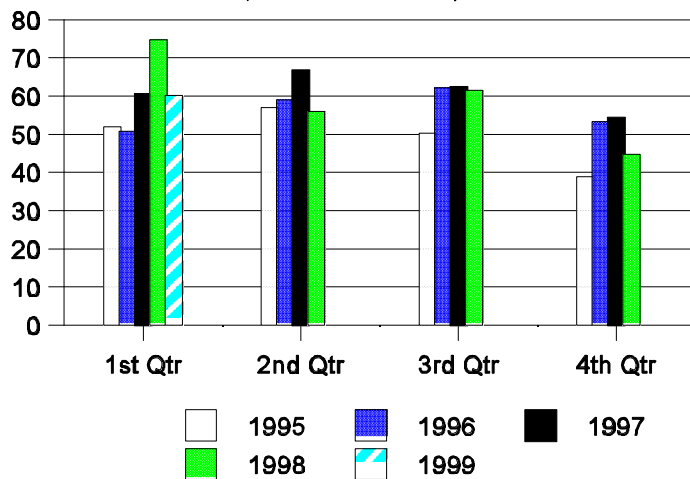
**ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT FOR MANUFACTURING,
 MINING, AND TRADE CORPORATIONS—FIRST QUARTER 1999**

(Except where noted, all figures in text and tables are not seasonally adjusted.)

Sales and after-tax profits data for all manufacturing are presented in Table 1 on both a seasonally adjusted and an unadjusted basis. Seasonally adjusted historical data for this series, as well as for total durable and total nondurable manufacturing, are presented in Table 3. Data for individual manufacturing industries are not seasonally adjusted.

Manufacturers' After-Tax Profits

(Billions of Dollars)



Unadjusted durable manufacturers' after-tax profits for the first quarter of 1999 were \$33.3 billion, up \$4.4 billion or 15.3 percent ($\pm 4.2\%$) compared to the fourth quarter of 1998, with the underlying industry categories showing mixed results. Motor vehicles, aircraft, fabricated metals, stone, clay, and glass, and lumber reported statistically significant increases. Motor vehicles' increase of \$1.9 (± 0.1) billion was due primarily to improvements in operating profits and equity earnings from foreign subsidiaries more than offsetting a decline in dividend income from foreign subsidiaries. Aircraft's \$1.9 (± 0.1) billion improvement was due principally to gains from asset sales. Electrical machinery and iron and steel reported statistically significant decreases. Electrical machinery's \$2.3 (± 0.4) billion downturn was due chiefly to a decline in operating profits.

Manufacturing corporations' seasonally adjusted after-tax profits averaged 6.1 cents per dollar of sales for the first quarter of 1999, up 1.1 (± 0.1) cents from the fourth quarter of 1998. The Commerce Department's Bureau of the Census also reported that on an unadjusted basis, after-tax profits for the first quarter averaged 6.2 cents per dollar of sales, up 1.8 (± 0.1) cents from the preceding quarter, but down 1.6 (± 0.1) cents from the same quarter in 1998.

For the first quarter of 1999, manufacturers' seasonally adjusted after-tax profits were \$61.0 billion, up \$11.5 (± 1.4) billion from last quarter. On an unadjusted basis, first quarter after-tax profits were \$60.1 billion, up \$15.4 (± 1.4) billion from last quarter, but down \$14.6 (± 1.2) billion from the same quarter a year ago.

When compared to the first quarter of 1998, unadjusted durable manufacturers' after-tax profits were down \$11.5 billion or 25.8 percent ($\pm 1.7\%$). The underlying industry categories showed mixed results. Motor vehicles, iron and steel, and nonferrous metals reported statistically significant decreases. Motor vehicles' \$15.0 (± 0.1) billion decline, the largest for the group, was due primarily to the inclusion of significant gains from asset sales in the first quarter of 1998. Aircraft, electrical machinery, machinery, lumber, stone, clay, and glass, and miscellaneous manufacturing reported statistically significant increases. Aircraft's \$2.1 (± 0.1) billion increase was principally a result of higher operating profits and gains from asset sales.

Unadjusted nondurable manufacturers' after-tax profits for the first quarter of 1999 were \$26.9 billion, up \$11.0 billion or 69.6 percent ($\pm 8.7\%$) when compared to the fourth quarter of 1998, with most underlying industry categories showing improvement. Petroleum, residual of chemicals, food, industrial chemicals, and paper reported statistically significant increases. Petroleum's \$5.6 (± 0.1) billion increase was due to improvements in operating profits and equity income from foreign subsidiaries and the absence of significant nonrecurring charges against income more than offsetting a decline in dividend income from foreign subsidiaries. Residual of chemicals' \$2.7 (± 0.2) billion increase was due chiefly to improved operating profits and the absence of significant nonrecurring charges against income. Food's \$1.8 (± 0.3) billion improvement was due principally to the absence of significant nonrecurring charges against income. Drugs' \$0.3 (± 0.2) billion decrease, the only statistically significant decrease for the nondurable group, was due to a decline in dividends from foreign subsidiaries more than offsetting increases in operating profits and equity income from foreign subsidiaries.

When compared to the same quarter in 1998, unadjusted nondurable manufacturers' after-tax profits were down \$3.0 billion or 10.1 percent ($\pm 2.2\%$), with most of the underlying industry categories reporting decreases. Petroleum, industrial chemicals, apparel, paper, textiles, and rubber reported statistically significant declines. Petroleum's \$1.9 (± 0.1) billion decrease was due primarily to lower operating profits and a decline in equity income from foreign subsidiaries. Industrial chemicals' \$1.1 (± 0.1) billion decrease was due principally to lower operating profits, the inclusion this quarter of significant nonrecurring charges against income, and a decline in equity income from foreign subsidiaries. Drugs, printing, and residual of chemicals reported statistically significant increases. Drugs' improvement of \$1.1 (± 0.2) billion was due chiefly to increased operating profits.

Manufacturers' seasonally adjusted sales for the first quarter of 1999 were \$1,005.2 billion, up \$11.6 (± 9.8) billion from last quarter. On an unadjusted basis, sales were \$972.8 billion, down \$37.5 billion or 3.7 percent ($\pm 1.0\%$) from last quarter, but up \$13.9 billion or 1.5 percent ($\pm 1.0\%$) from the first quarter of 1998.

Seasonally adjusted sales of nondurables were \$448.3 billion, up \$6.9 (± 5.8) billion from last quarter. Seasonally adjusted durable manufacturers' sales were \$556.9 billion, showing no statistically significant change from last quarter.

Unadjusted sales for nondurable manufacturing were \$434.2 billion, down \$12.8 billion or 2.9 percent ($\pm 1.3\%$) from last quarter, but showing no statistically significant change from a year ago. Unadjusted durable manufacturers' sales were \$538.6 billion, down \$24.7 billion or 4.4 percent ($\pm 1.3\%$) when compared to the

fourth quarter of 1998. On a same quarter a year ago basis, unadjusted durable manufacturers' sales were up \$16.6 billion or 3.2 percent ($\pm 1.4\%$).

Also included in this release are first quarter 1999 data for large mining and wholesale trade corporations.

These advance data, based on quarterly financial reports from about 8,100 corporations, were released today from the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations--First Quarter 1999 (QFR-99-1). The publication includes statements of income and retained earnings, balance sheets, and related financial and operating ratios. The aggregated data are classified by industry and asset size.

The publication becomes available for sale approximately two weeks from the date of this release from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954 (202-512-1800). The cost for an annual subscription is \$34 domestic and \$42.50 foreign. Remittances from foreign countries must be by international money order or by draft on a U.S. bank.

Files are also available on 3.5 inch flexible diskettes from U.S. Department of Commerce, Bureau of the Census (MS1921), P.O. Box 277943, Atlanta, GA 30384-7943 (301-457-4100). The annual subscription cost is \$84; \$66 for the first diskette and \$6 for each additional diskette. Second quarter 1999 advance data are scheduled for release on September 13, 1999.

EXPLANATORY NOTES:

This quarter's publication contains data revised due to the reclassification of corporations by industry, and revisions that reflect respondents' corrections of submitted data subsequent to original publication.

The data presented in this report are estimated from a sample survey and therefore are subject to sampling variability as well as nonsampling variability such as response error, nonreporting, and coverage errors. Estimates of sampling variability are presented in the publication. A statement such as "up 2.5 (± 0.15) cents," appearing in the text, indicates the range (+2.35 to +2.65 cents) in which the actual change is likely to have occurred. The range given for the change is a 90 percent confidence interval that accounts only for sampling variability. If the range had contained zero (0), it would have been uncertain whether there was an increase or decrease; that is, the change would not have been statistically significant. For any comparison cited without a confidence interval, the change is statistically significant. The quarterly publication includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

This press release is available on the day of issue through the Department of Commerce's on-line Economic Bulletin Board (202-482-1986) and on the Internet (<http://www.census.gov/agfs/www/qfr.html>).

TABLE 1. QUARTERLY FINANCIAL REPORT FOR MANUFACTURING CORPORATIONS

Item	Seasonally Adjusted			Unadjusted		
	1Q 1999	4Q 1998 ¹	1Q 1998 ¹	1Q 1999	4Q 1998 ¹	1Q 1998 ¹
Rate of return (after taxes):						
Cents per dollar of sales	6.1	5.0	7.6	6.2	4.4	7.8
Percent on equity (annual rate)	NA	NA	NA	15.5	11.6	20.0
	(million dollars)					
Sales	1,005,158	993,574	991,392	972,812	1,010,305	958,902
Income after income taxes	61,008	49,556	75,441	60,120	44,681	74,680
Dividends paid (cash)	NA	NA	NA	24,918	33,560	31,131

TABLE 2. SALES AND PROFITS OF CORPORATIONS ENGAGED IN MANUFACTURING, MINING, AND TRADE--NOT SEASONALLY ADJUSTED

Industry Group	Sales			Operating Profits*			After-Tax Profits		
	1Q 1999	4Q 1998 ¹	1Q 1998 ¹	1Q 1999	4Q 1998 ¹	1Q 1998 ¹	1Q 1999	4Q 1998 ¹	1Q 1998 ¹
	(million dollars)								
All manufacturing corporations	972,812	1,010,305	958,902	72,337	69,274	71,086	60,120	44,681	74,680
Nondurable goods	434,194	446,975	436,850	36,272	31,709	36,359	26,853	15,829	29,867
Food and tobacco	119,326	123,714	116,671	10,549	11,377	9,547	6,697	4,856	6,747
Textiles	14,906	14,862	17,005	687	789	1,176	205	303	587
Apparel ²	18,114	16,789	17,349	1,000	291	1,201	243	25	765
Paper	39,485	40,864	41,312	3,022	2,318	3,055	919	423	1,325
Printing	47,388	50,148	44,456	5,066	5,559	3,889	3,603	4,154	3,180
Chemicals	112,124	111,283	105,066	12,585	9,770	11,655	11,943	8,675	11,697
Industrial chemicals and synthetics ³ ..	36,284	36,601	36,950	3,130	2,073	3,457	1,790	959	2,884
Drugs ³	38,578	39,217	34,103	5,186	4,289	3,981	6,273	6,557	5,222
Residual of chemicals ³	37,262	35,465	34,013	4,270	3,408	4,218	3,880	1,158	3,592
Petroleum	54,371	59,647	64,152	1,397	(184)	3,507	2,023	(3,591)	3,968
Rubber	28,479	29,669	30,840	1,965	1,790	2,329	1,220	984	1,598
Durable goods	538,619	563,330	522,052	36,065	37,564	34,728	33,267	28,852	44,813
Stone, clay, and glass	17,744	19,675	17,023	1,466	2,047	1,055	846	(111)	515
Primary metals	34,679	36,815	39,028	1,520	1,809	2,642	648	649	1,796
Iron and steel ³	16,629	17,449	19,879	392	801	1,176	(68)	37	652
Nonferrous metals ³	18,050	19,366	19,150	1,128	1,007	1,466	717	611	1,145
Fabricated metals	45,633	44,778	43,796	4,009	2,947	4,009	2,460	1,407	2,805
Machinery	104,928	112,559	107,746	4,346	5,649	5,193	6,659	6,933	6,160
Electrical machinery	113,940	119,746	107,802	8,852	11,482	8,417	7,668	9,938	6,404
Transportation equipment	151,310	155,529	136,762	10,331	7,780	7,952	11,320	6,803	23,804
Motor vehicles and equipment ³	103,811	102,836	93,935	6,432	4,600	4,866	6,836	4,931	21,837
Aircraft, guided missiles, and parts ³ ..	38,108	43,272	35,679	3,007	2,855	2,432	3,757	1,855	1,615
Instruments	27,736	29,675	28,913	2,444	2,882	2,817	1,583	1,624	1,840
Other durable goods	42,649	44,551	40,981	3,097	2,969	2,642	2,084	1,609	1,489
Lumber and wood products ³	17,194	16,735	16,338	1,309	803	955	950	409	600
Furniture and fixtures ³	16,490	17,066	15,810	1,201	1,239	1,171	732	767	676
Miscellaneous manufacturing ³	8,965	10,750	8,834	588	927	516	401	434	213
Mining ⁴	15,890	17,586	16,692	504	257	1,991	(171)	(4,709)	625
Wholesale trade ⁴	269,707	281,721	263,243	6,848	5,771	6,065	3,414	2,773	3,128
Retail trade ⁴	NA	311,023	263,834	NA	17,805	11,352	NA	9,383	5,550

*Operating profits are profits before nonoperating income and expense items and income taxes.

¹Revised.

²Includes leather industry (previously titled "Other Nondurables").

³Included in major industry above.

⁴Mining and trade data are the quarterly results of companies in those divisions with assets over \$50 million; whereas, data for manufacturing corporations represent the quarterly results of companies with assets over \$250,000.

