

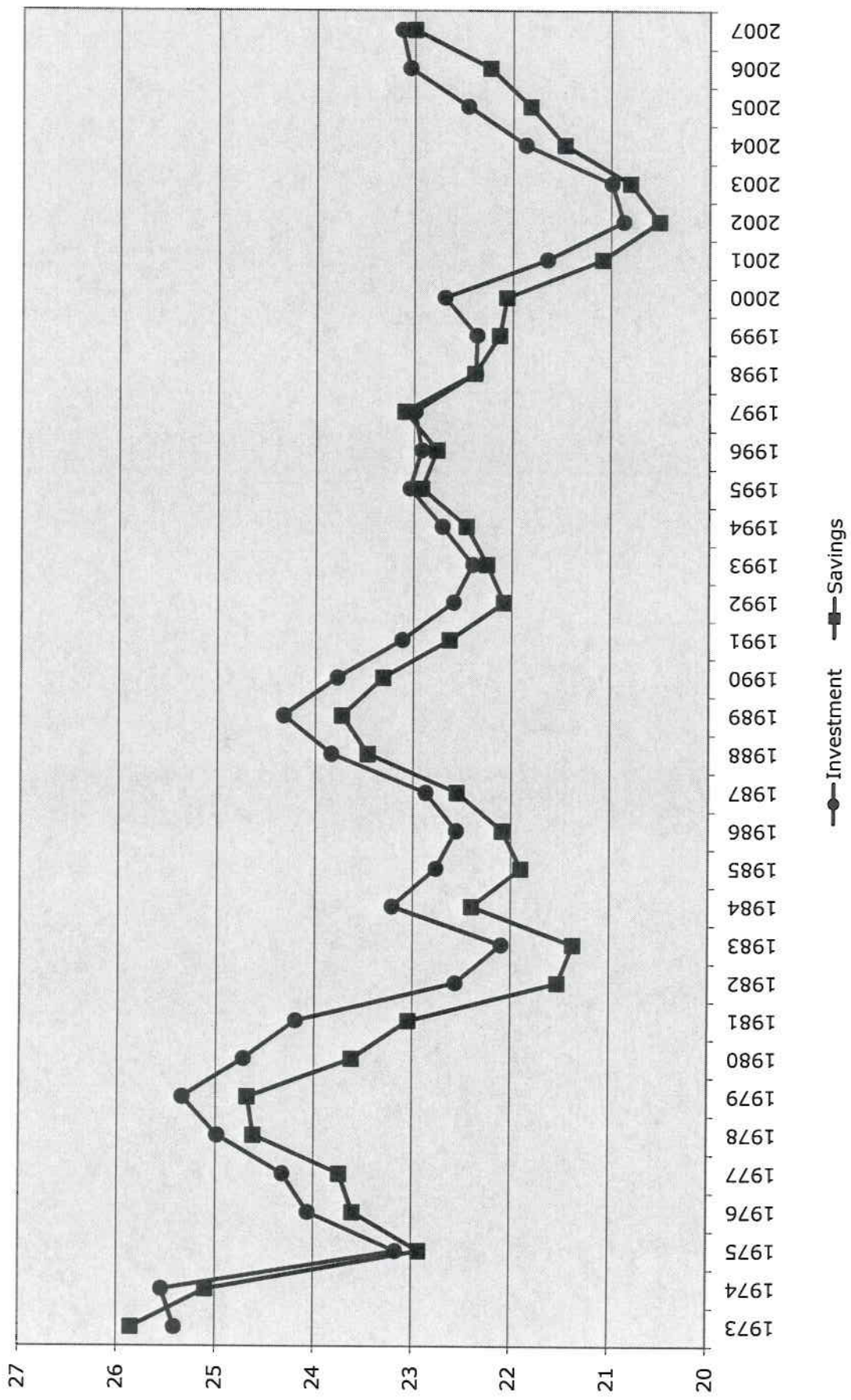
DECLINING ECONOMIC DYNAMISM, 1960-2007

(average annual per cent change)

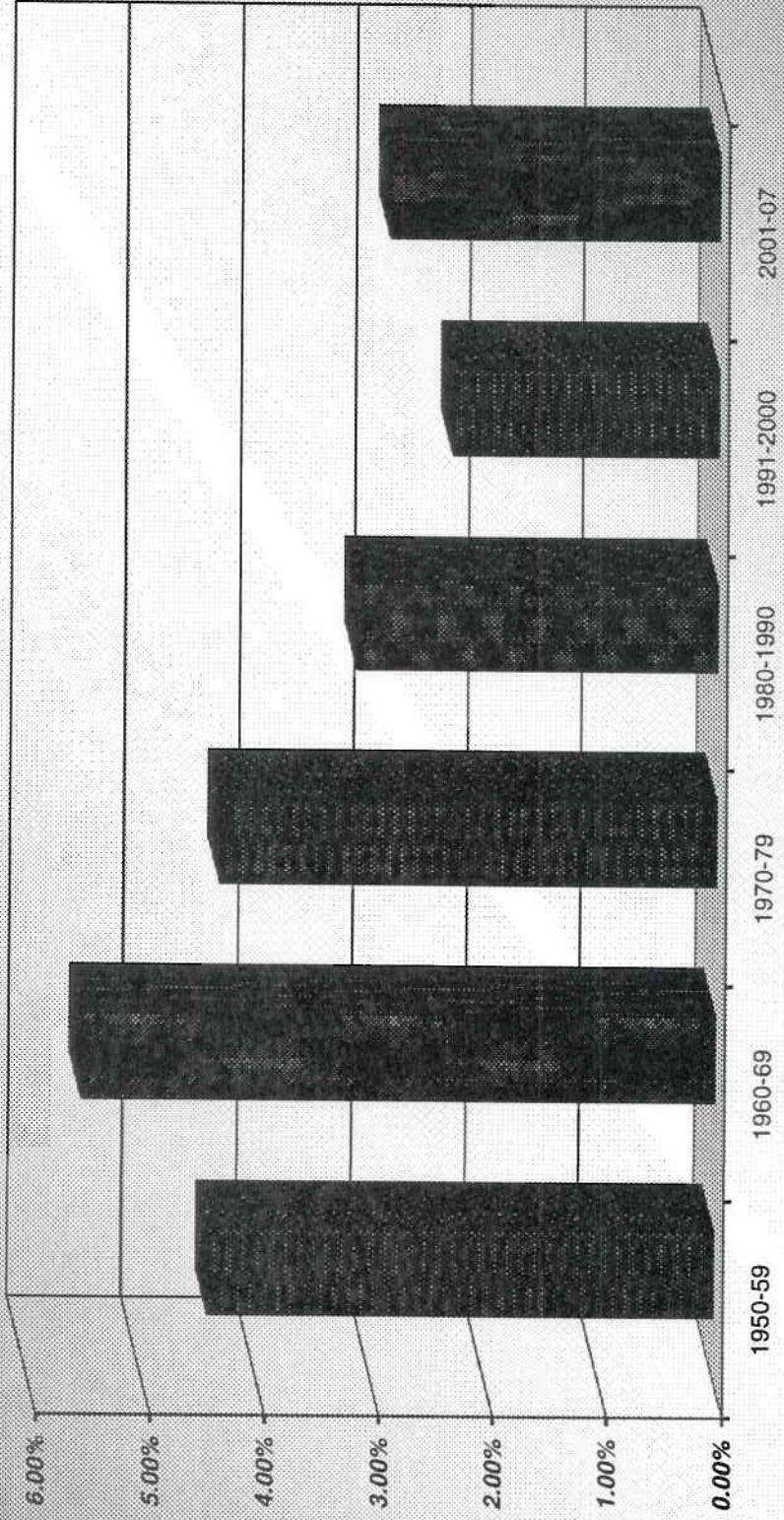
	60-69	69-79	79-90	90-00	2000-07
GDP					
US	4.2	3.2	3.2	3.3	2.3
Japan	10.1	4.4	3.9	1.3	1.4
Germany	4.4	2.8	2.3	2.1	1.2
Euro 12	5.3	3.2	2.4	2.2	1.9
G7	5.1	3.6	3	3.1	
			2.9	2.5	2
Non-Residential Capital Stock (private business economy)					
US	3.9	3.7	3.0	2.9	1.8
Japan	12.5*	9.4	6.1	2.9	1.1**
Germany	6.7	5.2	3.3	2.4	1.2
Industrial	5.0	4.2	3.1	3.3	2.1
Labor Productivity Total Economy (GDP/worker)					
US	2.3	1.2	1.3	1.7	1.7
Japan	8.6	3.7	3	1.1	1.8
Germany	4.2	2.5	1.3	2.5	1.5
Euro 12	5.1	2.9	1.8	1.9	0.9
G7	4.8 (60-73)	2.8 (73-79)	2.6	1.9	1
Real Compensation Total Economy (per employee)					
US	2.7	1	0.8	1.9	0.6
Japan	7.5	3.9	1.7	0.8	0.1
Germany	5.7	3	0.8	2.3	0.2
Euro 12	5.8	3.2	0.6	1.1	0.4
GDP Per Capita Real	60-69	69-79	79-90	90-00	2000-07
US		2.2	2.1	1.9	1.4
Japan		4.1	3.2	1.4	1.5
Germany		2.9	1.9	1.5	1.2
Euro 15		2.8	2.0	1.9	1.6
Total Real Private Compensation					
			(employment times compensation per employee)		
US	4.4	3.5	2.5	3.2	1.3
Japan	6.9	6.4	2.9	1.8	0.7
Germany	2.5	-0.4	1.6	1.7	-0.3
Private Sector Employment					
US	2.2	2.7	1.9	0.6	0.6
Japan	1.4	0.5	1	0.8	-0.2
Germany	0.5	0.04	0.6	0.04	-0.2
EU-12	0.2	0.4	0.7	0.7	1.1
Real Private Consumption Expenditure					
	60-69	69-79	79-90	90-00	2000-07
US	4.4	3.2	3.5	3.5	2.9
Japan	9	4.7	3.7	1.6	1.4
Germany	5.1	3.4	2.1	2.2	0.3
EU-12	5.6	3.7	2.3	2.1	1.6

*Gross Stock **2000-06

World Investment and Savings as a Percent of World GDP, 1973-2007



World Real GDP Growth 1950-2007



■ GDP Average Change

World GDP Growth = Weighted Average of Economies' Real GDP Growth
Weights = Shares of Economy in 2000 World Nominal GDP Converted to Dollars at Market Exchange Rates
Source: WTO

US, GERMANY, AND JAPAN: NET PROFIT RATES, 1949-2007

(Business Cycle Averages)

1949-1959 1960-1969 1970-1979 1980-1990 1991-2000 2001-2007*

PRIVATE BUSINESS SECTOR

US Non-Financial Corporate Profit Rate
 US Non-Financial Growth of Real Compensation per hour

0.133 0.146 0.105 0.098 0.108 0.100
 0.031 0.020 0.010 0.001 0.010 0.011

Germany Profit Rate
 Germany Growth of Real Compensation per person

0.177 0.132 0.128 0.128 0.094 0.095
 0.028 -0.005 0.009 0.012 0.012 -0.004

Japan Profit Rate
 Japan Growth of Real Compensation per person

0.190 0.126 0.119 0.119 0.085 0.086
 0.069 0.051 0.015 0.015 0.008 -0.001

MANUFACTURING SECTOR

US Profit Rate
 US Growth of Real Compensation per person

0.250 0.245 0.134 0.118 0.164 0.141
 0.041 0.019 0.013 0.007 0.014 0.013

Germany Profit Rate
 Germany Growth of Real Compensation per person

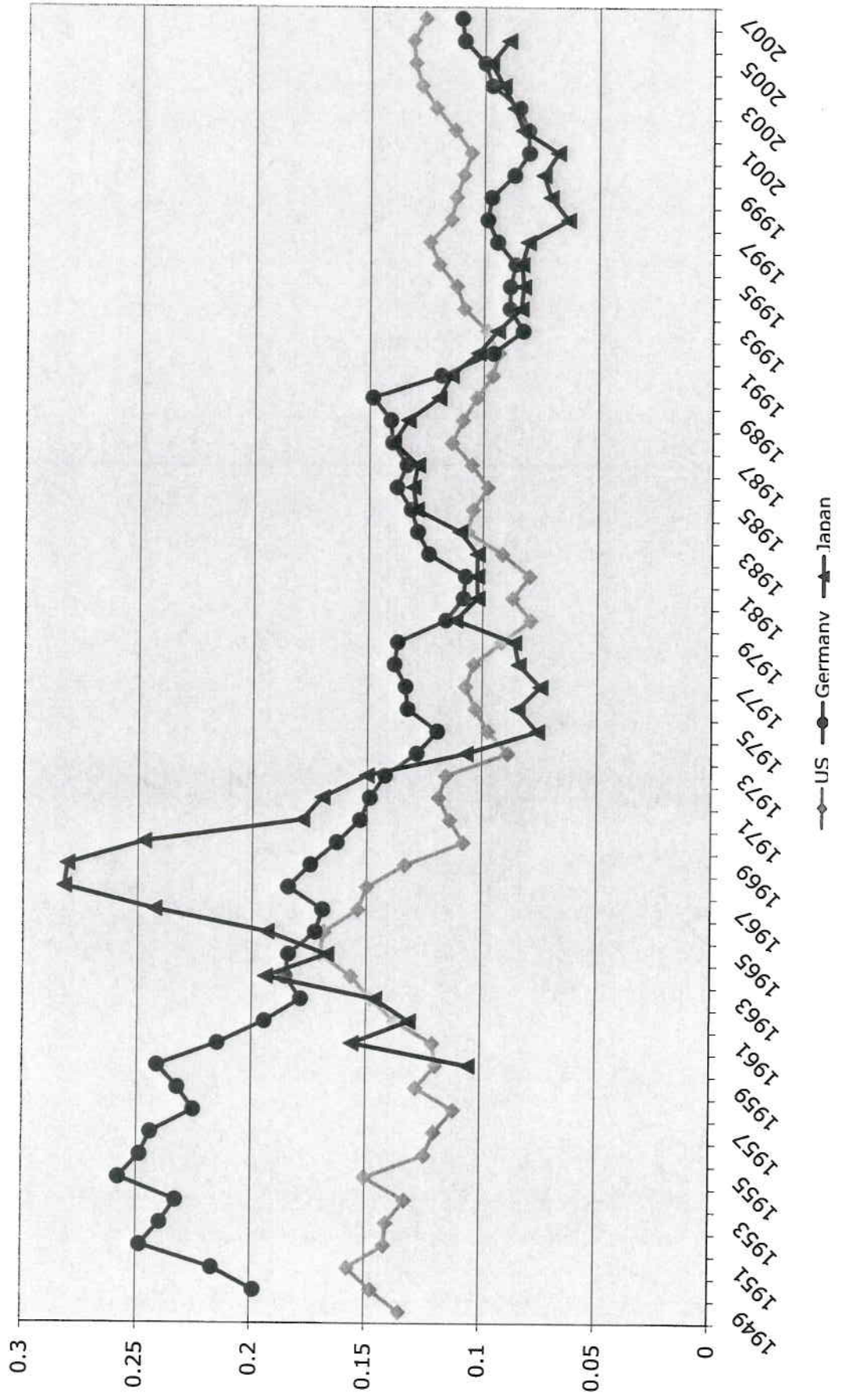
0.189 0.124 0.124 0.104 0.052 0.122
 0.022 -0.001 0.014 0.014 0.027 0.004

Japan Profit Rate
 Japan Growth of Real Compensatio per person

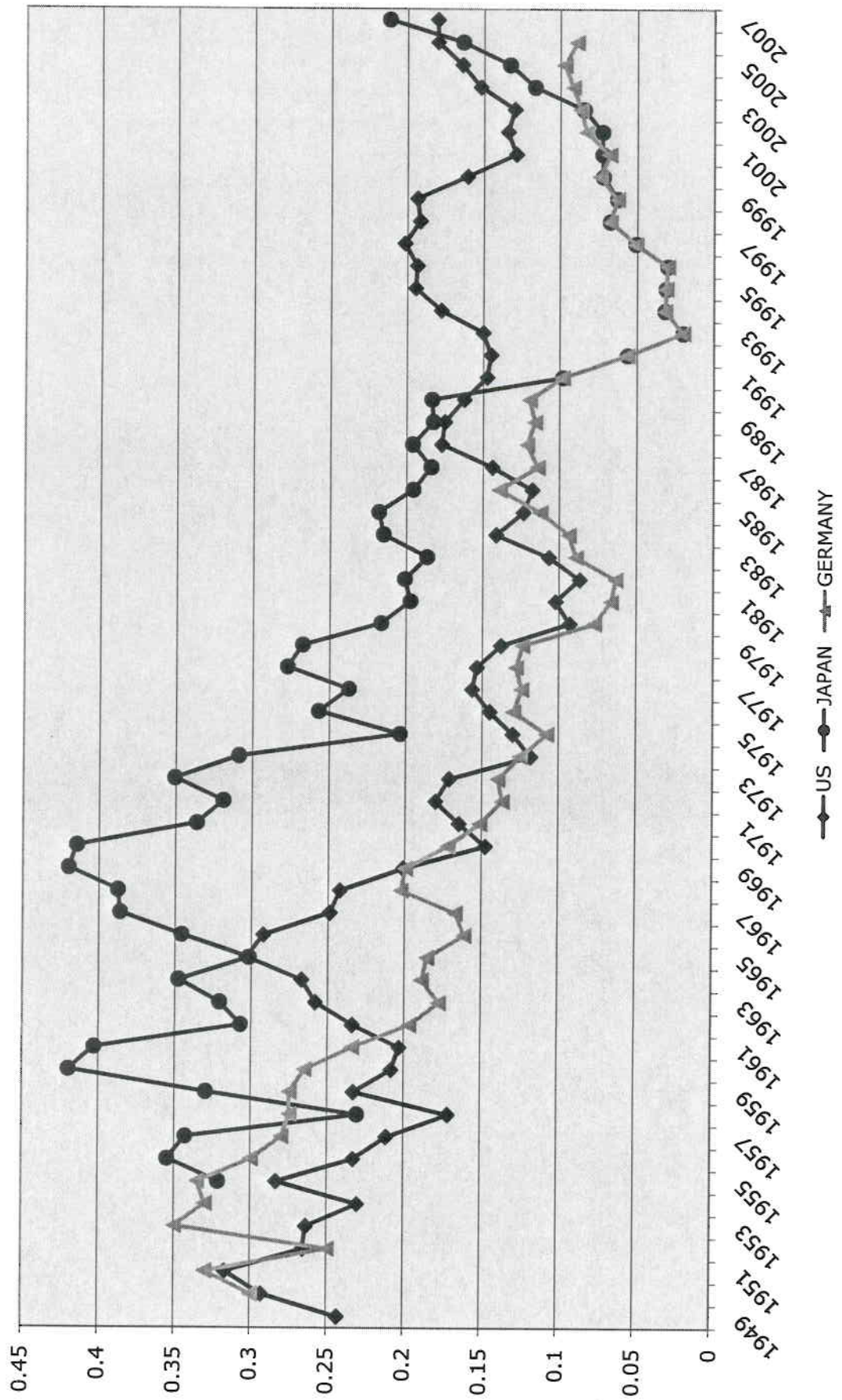
0.364 0.297 0.297 0.198 0.103 0.083
 0.106 0.085 0.085 0.027 0.026 0.036

* 2001-2006 for Japan
 Germany=West Germany thru 1990

**Private Sector Net Profit Rates:
US, Germany, and Japan 1949-2007**



**Manufacturing Net Profit Rates
US, Germany, and Japan, 1949-2007**



NonFinancial Corporate, Manufacturing, and Nonfinancial Nonmanufacturing Corporate Net Profit Rates, 1948-2007 (adjusted for indirect business taxes)

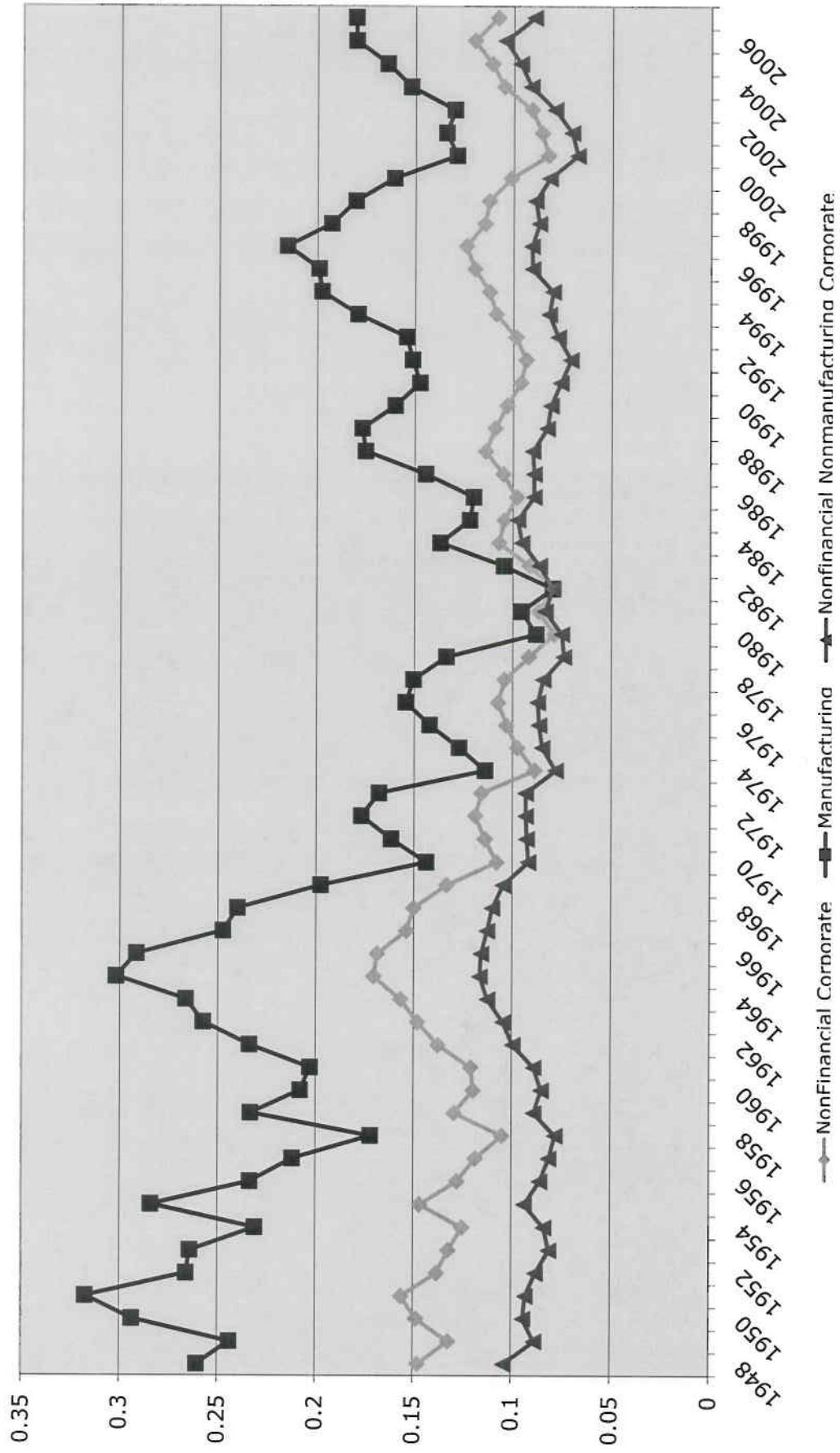
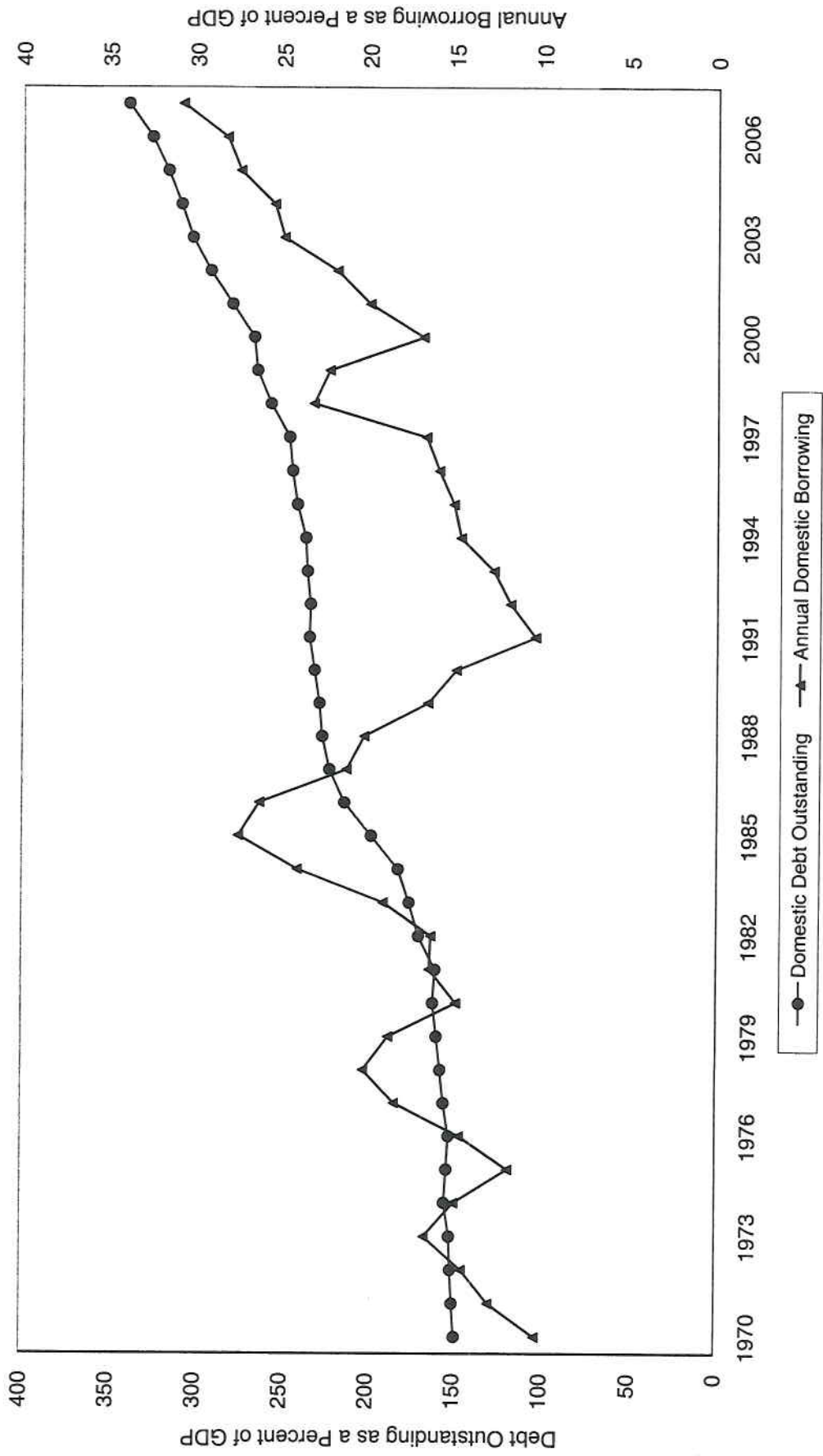
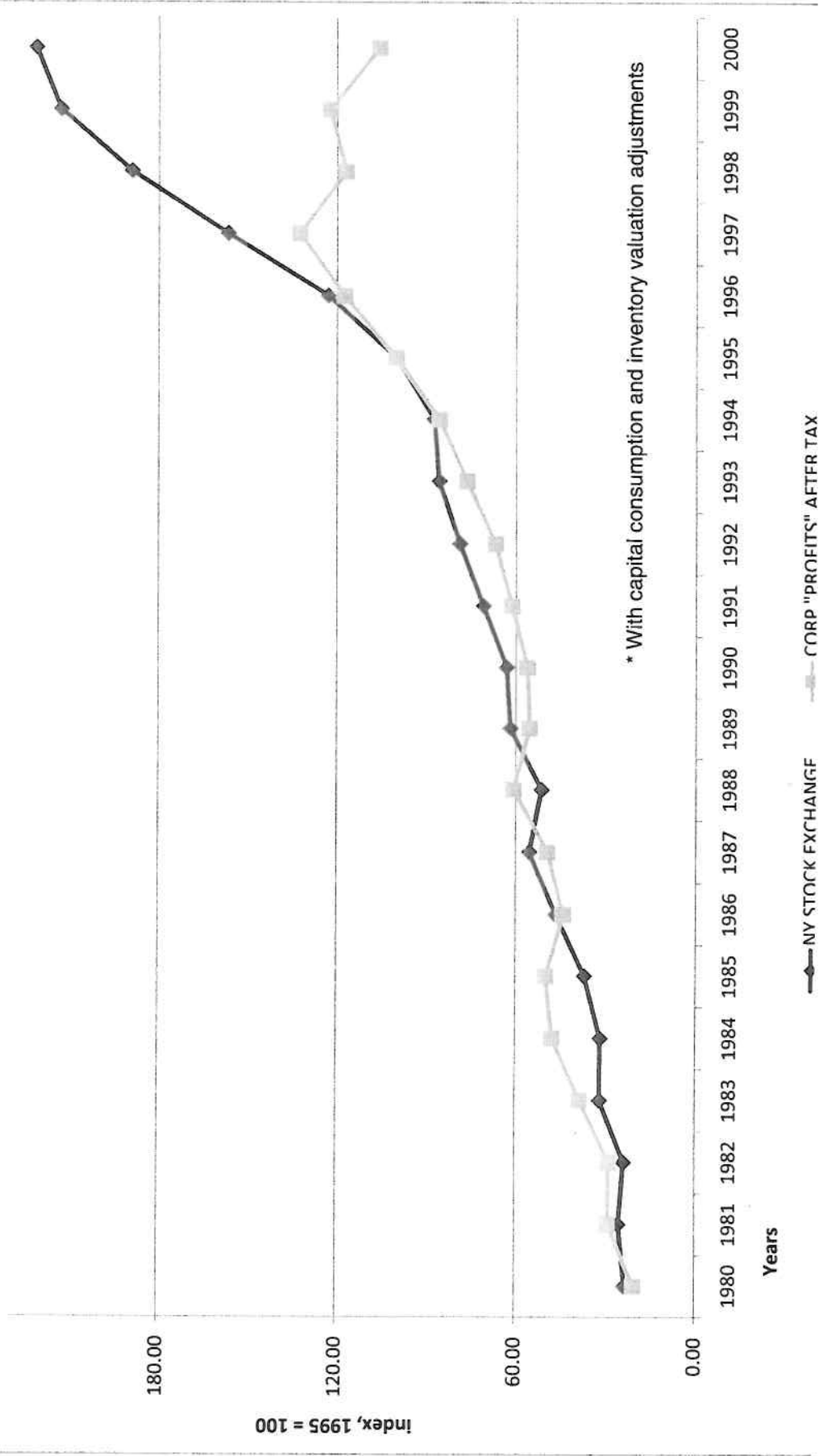


Chart1

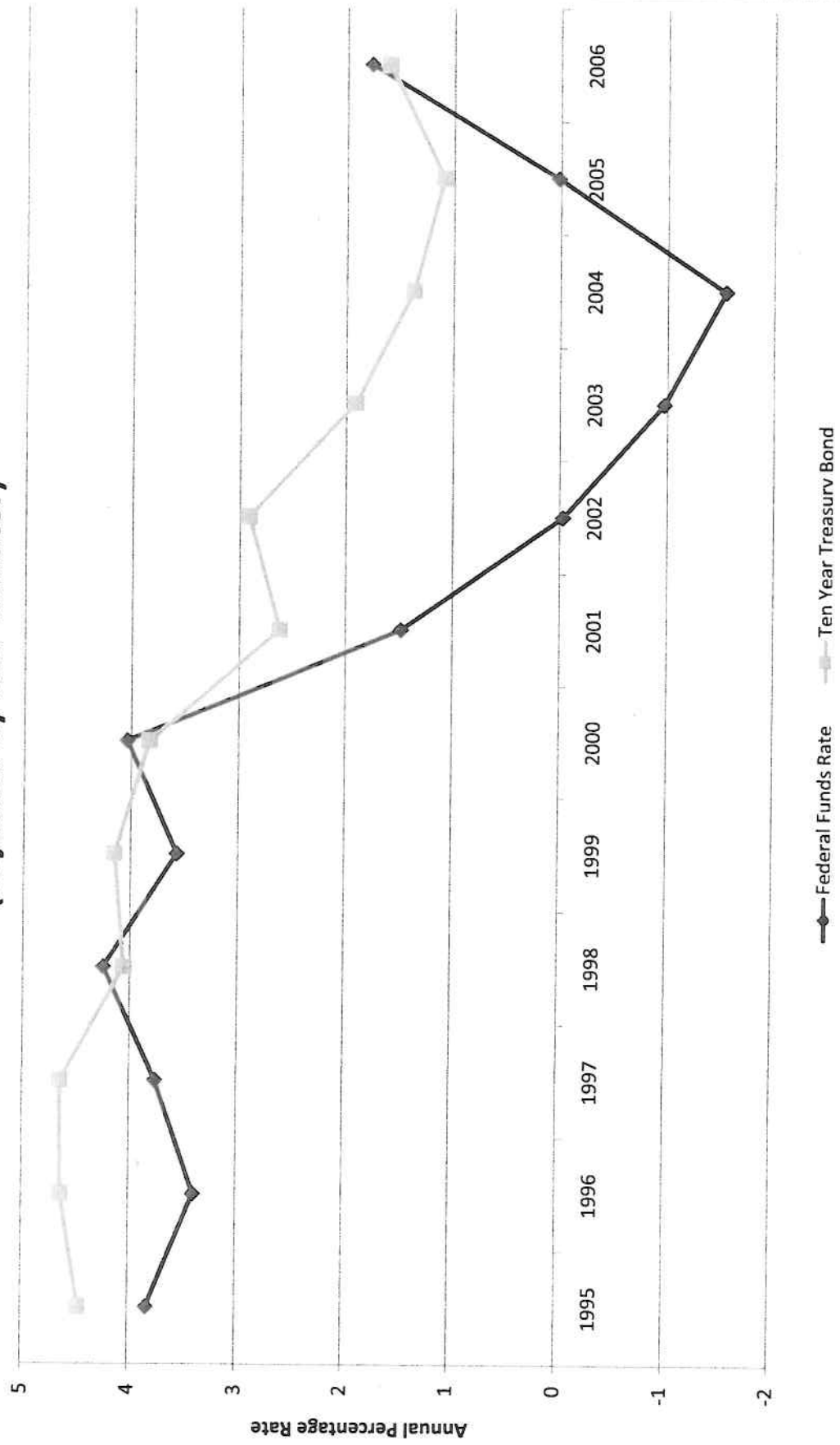
US Total Domestic Borrowing and Debt Outstanding, 1970-2007 (as percent of GDP)



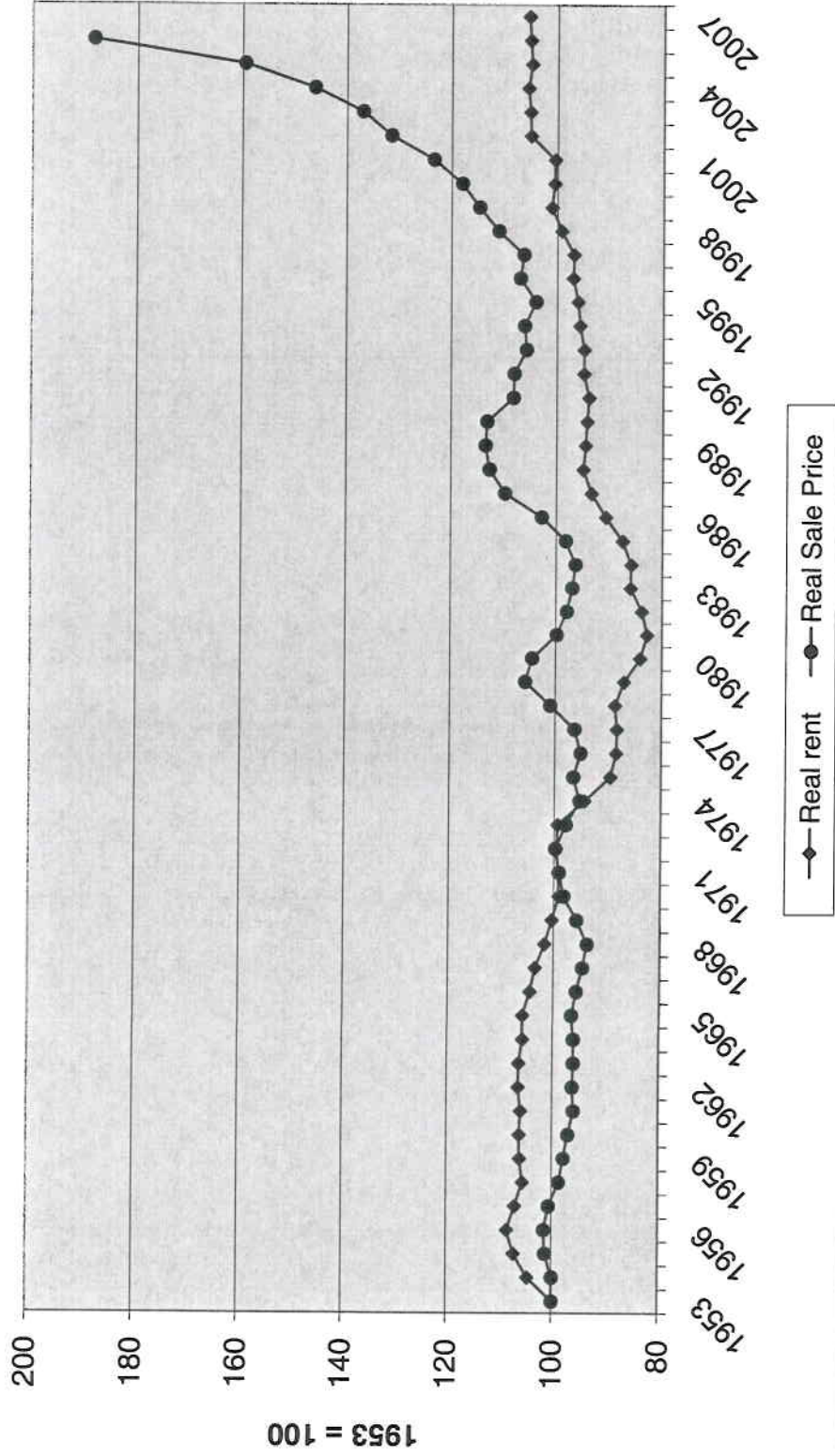
INDEX OF CORPORATE PROFITS NET OF INTEREST AFTER TAX VERSUS NEW YORK STOCK EXCHANGE COMPOSITE INDEX, 1980-2000



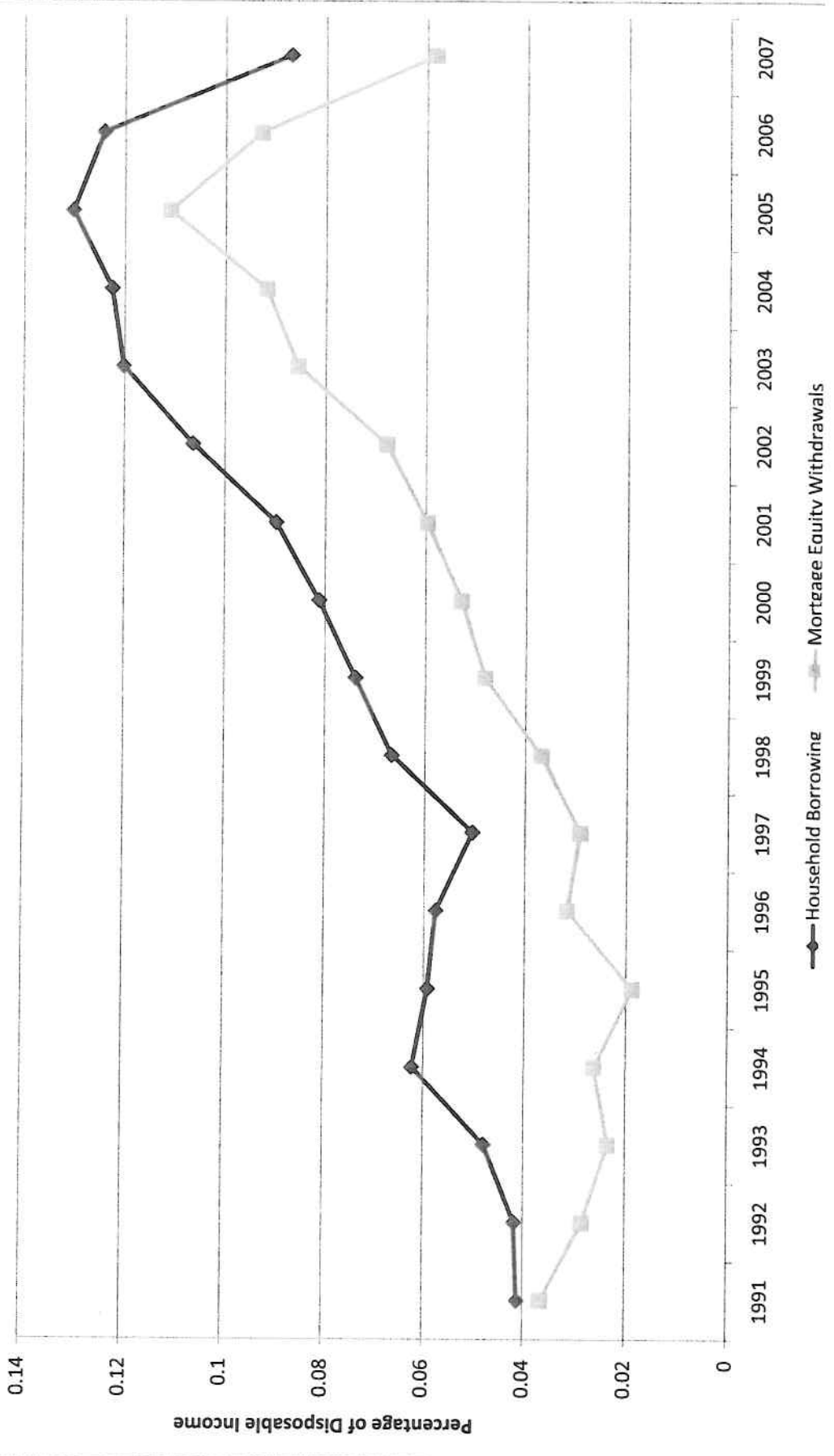
US Real Long- and Short-Term Interest Rates 1995-2006 (adjusted by GDP deflator)



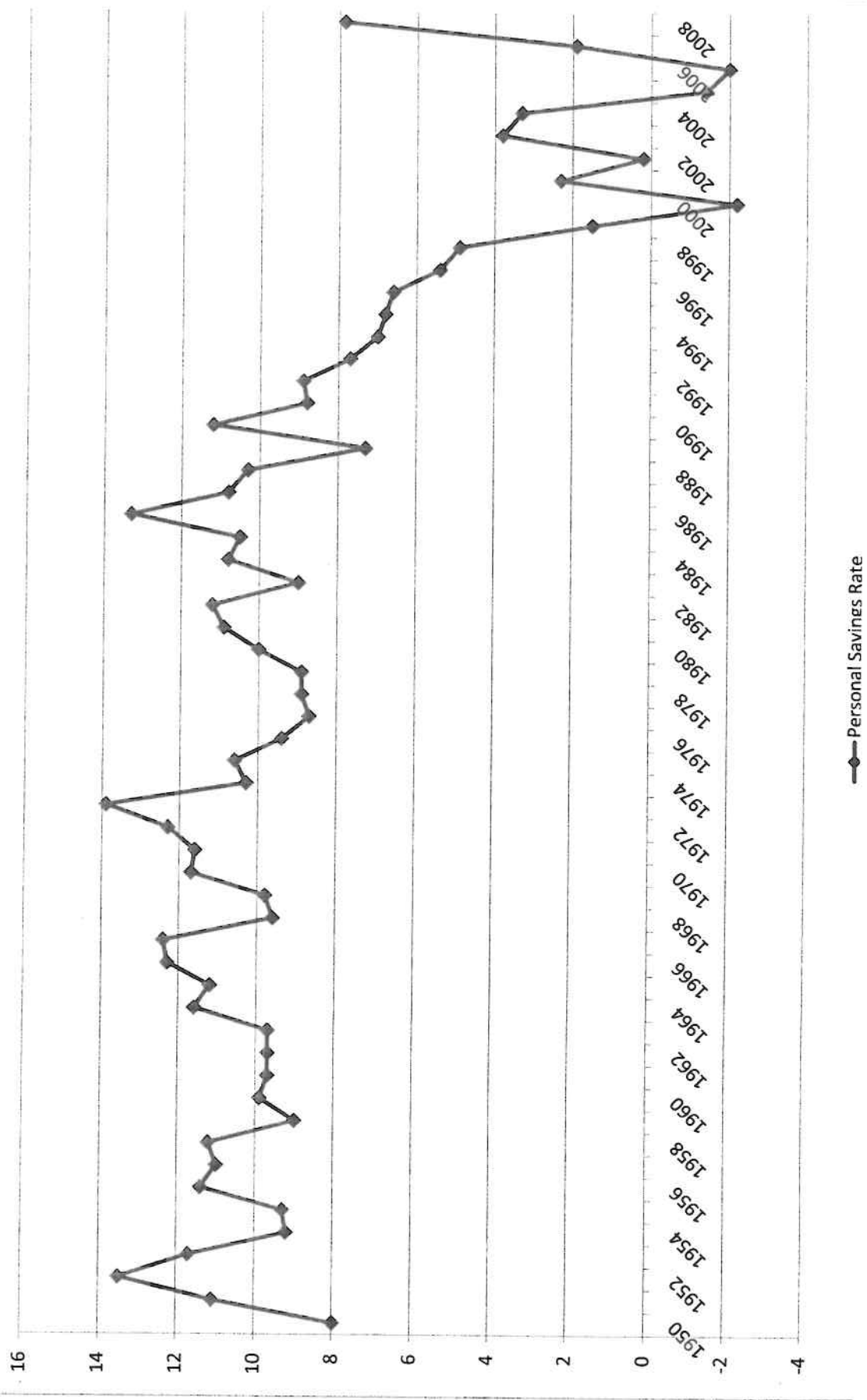
US Real House Prices: Sale and Rent, 1953-2006



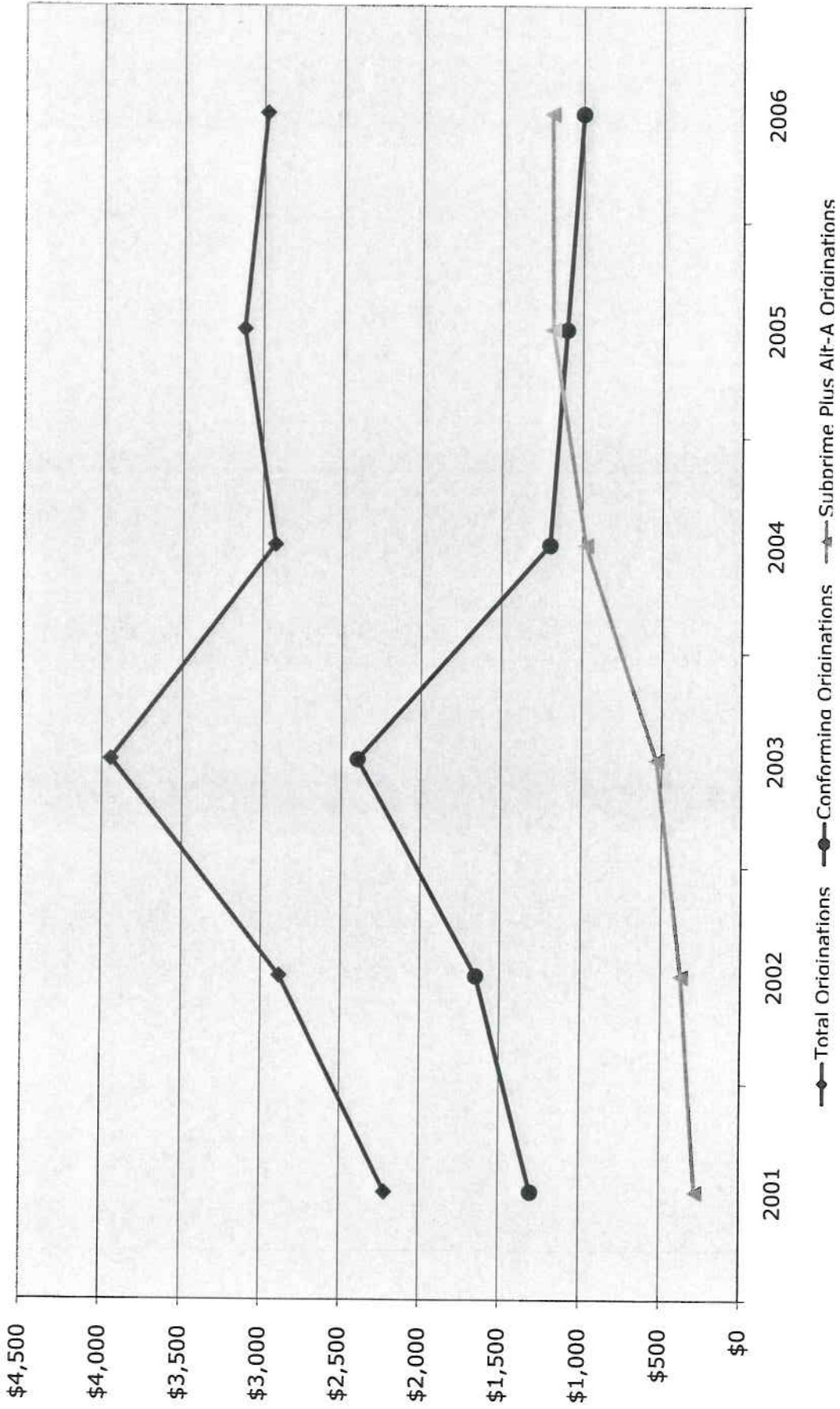
US Household Borrowing and Mortgage Equity Withdrawals as Percent of Personal Disposable Income 1980-2007



Personal Savings as a Percentage of Personal Disposable Income 1950-2008



US Mortgage Originations 2001-2006 (in billions)



Subprime and Alt-A Share of US Mortgage Origination

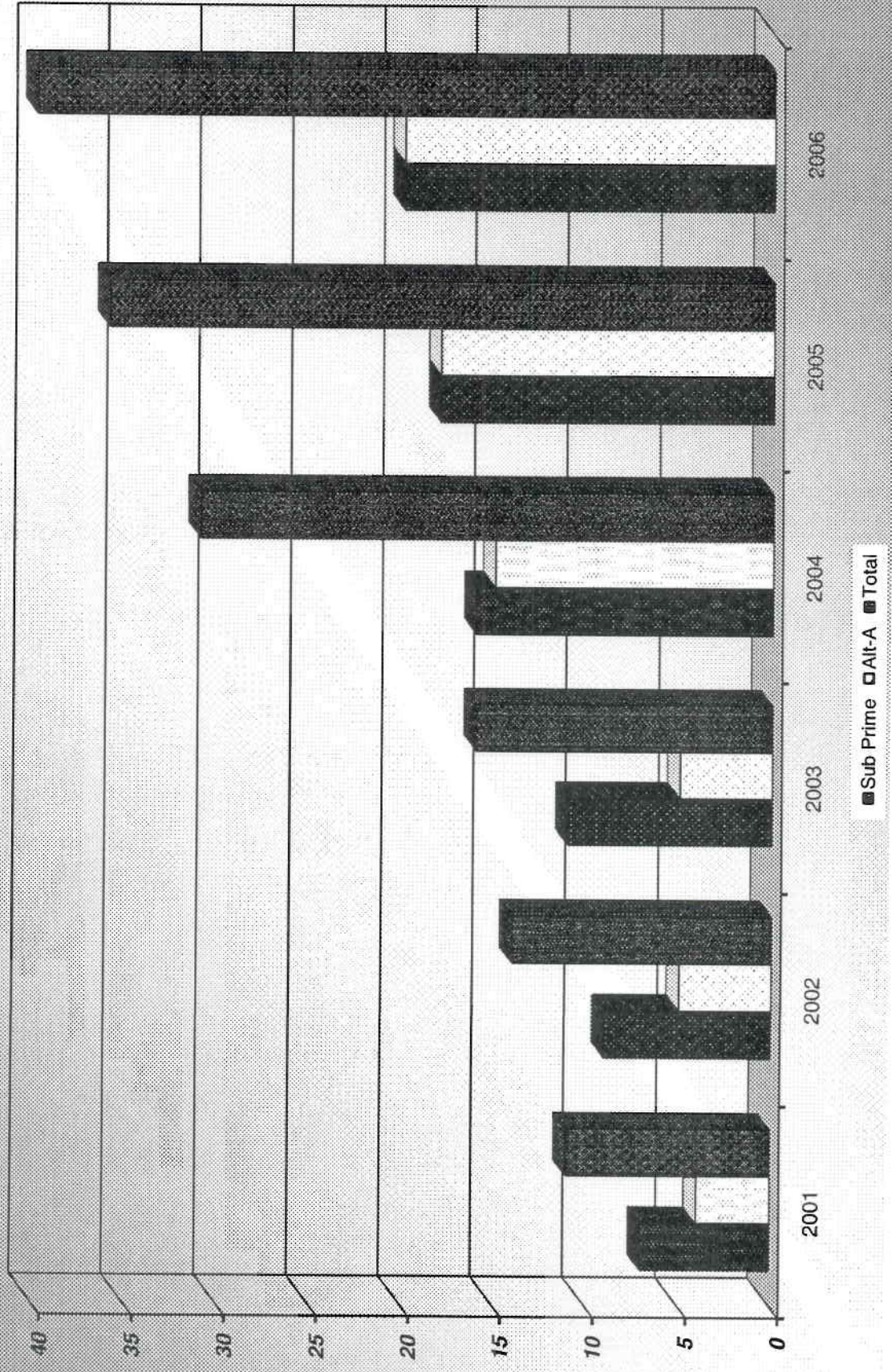
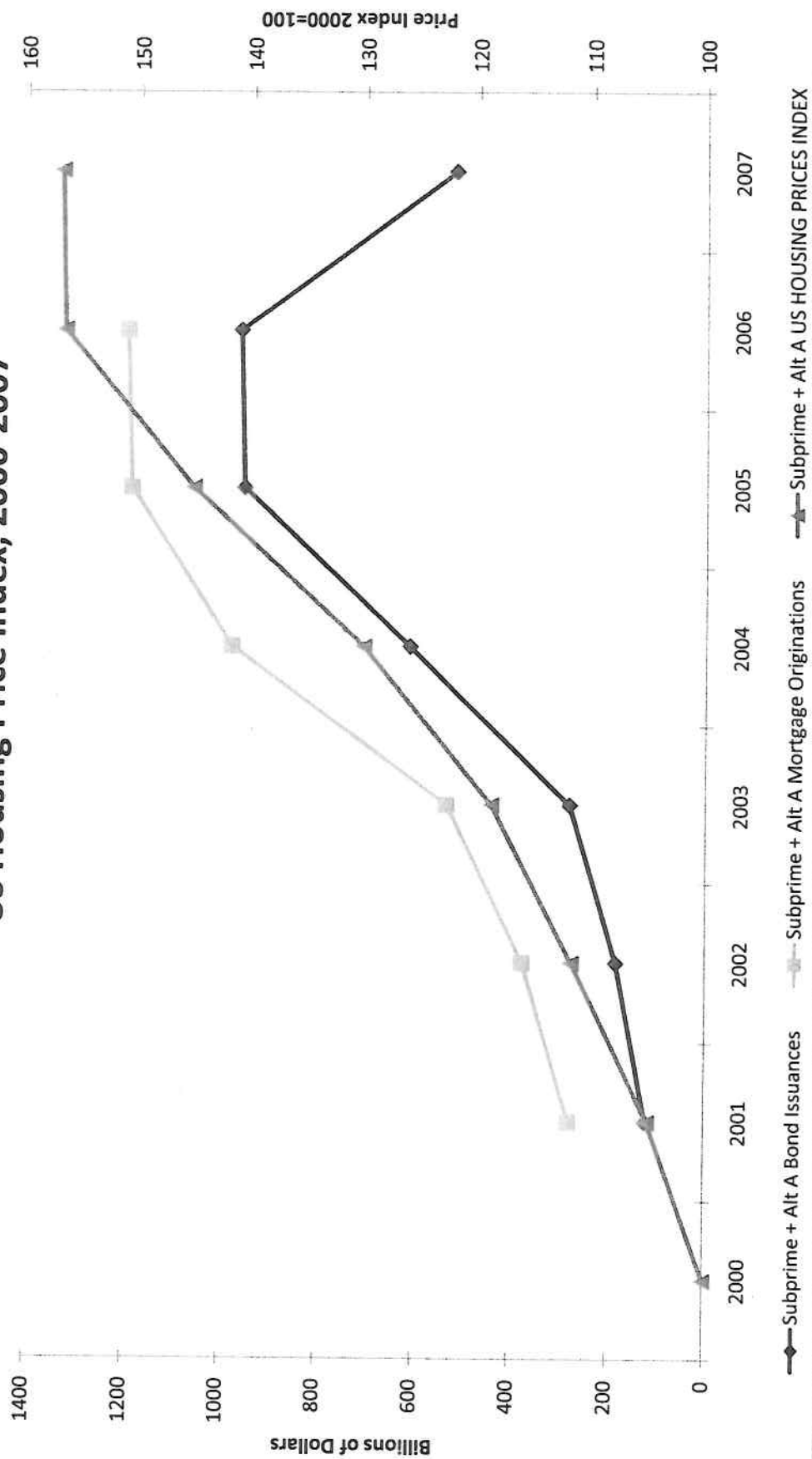


Chart2

Subprime and Alt-A Mortgage Originations, Subprime and Alt-A Bond Issuances, and US Housing Price Index, 2000-2007



**US Nonfinancial Corporations
Capital Expenditures, Purchases of Nonfinancial Assets Plus Nonfinancial Corporate
Equities, and Dividends**

