

CONFIDENTIAL (FR)

April 12, 1978

**SUMMARY AND OUTLOOK**

By the Staff  
Board of Governors  
of the Federal Reserve System

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## **SUMMARY AND OUTLOOK**

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## STAFF GNP PROJECTIONS

Per cent changes, annual rate								
	Nominal GNP		Real GNP		Gross business product fixed-weighted price index		Unemployment rate (per cent)	
	3/15/78	4/12/78	3/15/78	4/12/78	3/15/78	4/12/78	3/15/78	4/12/78
1974 <sup>1/</sup>	8.1	8.1	-1.4	-1.4	10.4	10.4	5.6	5.6
1975 <sup>1/</sup>	8.2	8.2	-1.3	-1.3	9.5	9.5	8.5	8.5
1976 <sup>1/</sup>	11.6	11.6	6.0	6.0	5.4	5.4	7.7	7.7
1977 <sup>1/</sup>	10.8	10.7	4.9	4.9	6.0	6.0	7.0	7.0
1978	11.1	11.1	4.4	4.2	6.4	6.6	6.0	6.0
1977-II <sup>1/</sup>	10.2	10.2	5.1	5.1	5.0	5.0	6.9	6.9
1977-IV <sup>1/</sup>	10.4	9.9	4.0	3.8	5.5	5.4	6.6	6.6
1978-I	11.1	8.7	3.4	1.4	7.3	7.4	6.2	6.2
1978-II	11.6	14.5	5.0	6.7	6.7	7.3	6.0	6.0
1978-III	10.6	11.4	4.5	4.4	6.2	6.8	6.0	6.0
1978-IV	11.8	12.0	4.8	4.6	6.2	6.8	5.9	5.9
1979-I	11.7	11.9	4.9	4.6	6.7	7.4	5.8	5.8
1979-II	10.8	10.8	4.4	4.1	6.4	7.0	5.7	5.8
Change:								
76-IV to 77-IV <sup>1/</sup>	11.9	11.8	5.7	5.7	6.2	6.1	-1.2	-1.2
77-II to 78-II	10.8	10.8	4.4	4.2	6.1	6.3	-1.1	-1.1
77-IV to 78-IV	11.3	11.6	4.4	4.2	6.6	7.1	-.7	-.7
78-II to 79-II	11.2	11.5	4.6	4.4	6.4	7.0	-.3	-.2

<sup>1/</sup> Actual.

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CONFIDENTIAL - FR  
CLASS II FOMCGROSS NATIONAL PRODUCT AND RELATED ITEMS  
(Quarterly figures are seasonally adjusted. Expenditures and income  
figures are billions of dollars, with quarter figures at annual rates.)

	1977		1978				1979	
	III	IV	I	II	Projected		I	II
Gross National Product	1915.9	1961.8	2003.3	2072.5	2129.0	2190.1	2252.3	2310.8
Final purchases	1892.2	1948.2	1983.3	2048.0	2103.5	2163.1	2222.0	2279.3
Private	1491.3	1534.4	1563.8	1617.5	1661.5	1707.2	1755.6	1801.8
Excluding net exports	1498.8	1552.6	1583.3	1631.9	1672.7	1720.2	1767.9	1814.5
Personal consumption expenditures	1218.9	1259.5	1284.1	1319.8	1352.6	1392.3	1431.5	1468.9
Goods	659.4	685.9	691.4	710.6	728.7	751.1	771.3	789.6
Services	559.5	573.7	592.7	609.2	623.9	641.2	660.2	679.3
Gross private domestic investment	303.6	306.7	319.2	336.6	345.6	354.9	366.7	377.1
Residential construction	92.5	99.7	100.7	105.7	106.7	107.2	108.2	109.7
Business fixed investment	187.5	193.5	198.5	206.4	213.4	220.7	228.2	235.9
Change in business inventories	23.6	13.5	20.0	24.5	25.5	27.0	30.3	31.5
Nonfarm	23.1	9.0	18.0	23.5	25.5	27.0	30.3	31.5
Net exports of goods and services <sup>1/</sup>	-7.5	-18.2	-19.5	-14.4	-11.2	-13.0	-12.3	-12.7
Exports	179.9	170.6	180.4	190.9	200.3	207.5	218.0	223.9
Imports	187.4	188.8	199.9	205.3	211.5	220.5	230.3	236.6
Gov't. purchases of goods and services	400.9	413.8	419.5	430.5	442.0	455.9	466.4	477.5
Federal 2/	148.1	153.8	154.6	156.7	160.9	167.5	170.9	174.9
State and local	252.9	260.0	264.9	273.8	281.1	288.4	295.5	302.6
Gross national product in constant (1972) dollars	1347.4	1360.2	1365.0	1387.2	1402.1	1418.0	1434.0	1448.6
Personal income	1549.8	1603.0	1637.6	1684.5	1732.7	1779.8	1824.1	1868.4
Wage and salary disbursements	998.9	1029.1	1056.0	1084.7	1110.7	1140.1	1172.4	1200.9
Disposable income	1323.8	1368.3	1399.9	1437.4	1475.7	1529.5	1569.7	1605.6
Saving rate (per cent)	5.5	5.6	5.8	5.7	5.9	6.6	6.4	6.1
Corporate profits with I.V.A. and C.C. Adj.	149.0	144.5	138.9	154.1	158.0	168.4	167.8	171.1
Corporate profits before tax	172.8	178.0	180.3	192.6	195.6	206.2	206.1	209.9
Federal government surplus or deficit (-) (N.I.A. basis)	-58.9	-60.1	-55.3	-48.4	-45.5	-62.3	-54.8	-48.7
High employment surplus or deficit (-)	-20.4	-22.1	-13.5	-11.5	-8.1	-28.2	-19.7	-13.0
State and local government surplus or deficit (-) (N.I.A. basis)	32.9	31.1	29.8	29.6	27.4	27.4	26.0	24.1
Excluding social insurance funds	17.4	15.4	12.3	11.6	8.9	8.4	6.5	4.1
Civilian labor force (millions)	97.6	98.6	99.2	99.8	100.3	100.9	101.5	102.0
Unemployment rate (per cent)	6.9	6.6	6.2	6.0	6.0	5.9	5.8	5.8
Nonfarm payroll employment (millions)	82.5	83.2	84.1	84.9	85.4	86.0	86.6	87.2
Manufacturing	19.6	19.8	20.1	20.3	20.5	20.7	20.9	21.2
Industrial production (1967=100)	138.4	139.3	139.7	143.1	145.5	148.2	150.9	153.1
Capacity utilization: all manufacturing (per cent)	83.0	82.9	82.2	83.5	84.3	85.0	85.7	86.1
Materials (per cent)	82.3	82.2	81.6	83.3	84.2	85.1	86.1	86.7
Housing starts, private (millions, A.R.)	2.04	2.15	1.75	2.05	1.85	1.80	1.80	1.80
Sales new autos, (millions, A.R.)	10.92	10.75	10.80	10.85	10.90	11.05	11.10	10.95
Domestic models	8.88	8.77	8.80	8.75	8.90	9.10	9.15	9.10
Foreign models	2.04	1.98	2.00	2.10	2.00	1.95	1.95	1.85

<sup>1/</sup> Balance of payments data and projection underlying these estimates are shown in the International Development section of this part of the Greenbook.<sup>2/</sup> Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.