

May 10, 1978

CONFIDENTIAL - FR
U.S. II FOMCCHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1971	1972	1973	1974	1975	1976	1977	Projected 1978
Billions of dollars								
Gross National Product	81.0	107.7	135.5	106.3	115.9	177.7	183.1	208.9
Inventory change	2.6	3.0	8.5	-9.0	-20.4	24.8	4.9	4.0
Final purchases	78.5	104.6	126.9	115.4	136.3	152.8	178.3	204.8
Private	63.7	85.2	110.5	82.2	100.1	130.3	144.7	164.8
Net exports	-2.3	-4.9	10.4	-1.1	14.4	-12.6	-18.7	-4.4
Excluding net exports	66.0	90.1	100.1	83.3	85.7	142.9	163.4	169.3
Personal consumption expenditures	49.4	64.8	76.9	79.7	90.8	133.6	117.2	132.1
Goods	25.2	35.7	47.0	40.8	43.9	59.4	58.9	63.8
Services	24.3	29.0	29.9	39.0	46.9	54.1	58.4	68.3
Residential fixed investment	13.0	12.4	4.1	-11.0	-3.6	16.5	23.0	12.8
Business fixed investment	3.6	12.7	19.2	14.6	-1.5	12.8	23.2	24.4
Government	14.8	19.4	16.4	33.2	36.2	22.5	33.6	40.0
Federal	.6	5.9	.1	8.9	12.2	6.8	15.3	12.8
State and local	14.3	13.5	16.3	24.2	24.1	15.6	18.4	27.2
GNP in constant (1972) dollars	32.2	63.6	63.9	-17.2	-15.7	72.6	62.6	54.7
Final purchases	29.9	60.8	56.8	-8.6	2.1	54.2	59.3	51.4
Private	30.7	57.1	57.4	-13.8	-3.2	52.8	52.6	42.7
In per cent per year								
Gross National Product	8.2	10.1	11.6	8.1	8.2	11.6	10.7	11.1
Final purchases	8.0	9.9	10.9	8.9	9.7	9.9	10.5	10.9
Private	8.4	10.3	12.2	8.1	9.1	10.8	10.9	11.2
Personal consumption expenditures	8.0	9.7	10.5	9.8	10.2	11.6	10.7	10.9
Goods	7.2	9.5	11.4	8.9	8.8	11.0	9.8	9.7
Services	9.0	9.9	9.3	11.1	12.0	12.4	11.9	12.4
Less private domestic investment	13.6	17.7	16.8	-2.5	-11.9	28.7	20.9	14.1
Residential structures	35.5	25.1	6.6	-16.7	-6.5	32.2	33.7	14.1
Business fixed investment	3.6	12.3	16.4	10.8	-1.0	8.6	14.3	13.2
Gov't. purchases of goods and services	6.8	8.3	6.5	12.3	12.0	6.6	9.3	10.1
Federal	.6	6.1	.1	8.7	11.0	5.5	11.8	8.8
State and local	11.6	9.8	10.8	14.5	12.6	7.2	7.9	10.9
GNP in constant (1972) dollars	3.0	5.7	5.5	-1.4	-1.3	6.0	4.9	4.1
Final purchases	2.8	5.5	4.9	-.7	.2	4.5	4.7	3.9
Private	3.7	6.7	6.3	-1.4	-.3	5.6	5.3	4.0
GNP implicit deflator	5.1	4.1	5.8	9.7	9.6	5.3	5.5	6.7
Gross business product fixed-weighted index ^{1/}	4.4	3.3	5.7	10.4	9.5	5.4	6.0	6.4
Personal income	7.2	9.7	11.7	9.7	8.5	10.3	11.1	11.4
Wage and salary disbursements	6.0	9.4	10.7	9.0	5.4	10.7	11.0	11.4
Disposable income	8.3	7.9	12.5	9.2	10.1	9.4	10.4	11.8
Corporate profits before tax	14.7	17.3	20.4	9.6	-2.7	27.0	9.4	9.9
Nonfarm payroll employment	.4	3.5	4.3	2.0	-1.7	3.1	3.4	3.9
Manufacturing	-4.0	2.8	5.1	-.1	-8.5	3.3	3.2	4.2
Nonfarm business sector								
Output per hour	2.9	3.0	1.7	-2.9	1.6	4.1	2.2	1.5
Compensation per hour	6.6	5.8	7.8	9.4	9.6	8.7	8.8	9.1
Unit labor costs	3.5	2.7	6.0	12.7	7.9	4.5	6.4	7.6
Industrial production	1.7	9.2	8.4	-.4	-8.9	10.2	5.5	5.4
Housing starts	43.1	14.9	-13.2	-34.6	-13.3	32.5	29.2	-8.4
Sales new autos	21.9	6.8	-4.7	-14.5	-2.8	16.9	9.9	-1.8
Domestic models	21.9	7.4	3.5	-22.4	-5.5	21.9	5.1	-1.7
Foreign models	21.8	3.1	9.7	-19.9	11.4	-5.1	37.2	-2.1

^{1/} Using expenditures in 1972 as weights.

FEDERAL SECTOR ACCOUNTS
(billions of dollars)

May 10, 1978

	F.R. Staff Estimates															
	Calendar quarters; unadjusted data															
	FY 1977*	FY 1978 e/		FY 1979 e/		CY77*	CY78e/	1977			1978			1979		
		Admin.	F.R.	Admin.	F.R.	F.R.	F.R.	III*	IV*	I*	II	III	IV	I	II	III
		1/ 2/	Board	1/	Board	Board	Board									
Unified budget receipts	356.9	400.5	400.0	439.8	440.0	365.2	409.3	91.3	84.5	84.9	124.7	105.9	93.8	96.6	133.3	116.4
Unified budget outlays	401.9	453.5	454.1	499.4	499.6	416.1	463.6	103.4	113.3	110.7	112.7	117.4	122.8	121.3	125.4	130.1
Surplus(+)/Deficit(-), unified budget	-45.0	-53.0	-54.1	-59.6	-59.6	-50.9	-54.3	-12.2	-28.8	-25.8	12.0	-11.5	-29.0	-24.7	7.9	-13.7
Surplus(+)/Deficit(-), off-budget agencies 3/	-8.7	-11.5	-11.6	-12.5	-11.5	-10.4	-11.9	-4.9	-1.3	-3.6	-2.0	-4.6	-1.7	-3.9	-1.3	-4.6
Means of financing combined deficits:																
Net borrowing from public	53.5	57.2	52.0	74.7	73.9	56.8	61.3	19.6 ^{8/}	20.7 ^{8/}	20.8	-1.4	11.9	30.0	27.6	-4.7	21.0
Decrease in cash operating balance	-1.7	n.a.	8.0	0	-0.9	-0.6	0.3	-2.8 ^{8/}	6.8 ^{8/}	5.9	-9.6	4.9	-0.9	0	0	0
Other 4/	1.9	n.a.	5.7	-2.6	-2.0	5.3	4.7	0.4	2.6	2.8	1.0	-0.7	1.6	1.0	-1.9	-2.7
Cash operating balance, end of period	19.1	12.0	11.1	12.0	12.0	12.3	12.0	19.1 ^{8/}	12.3	6.4	16.0	11.1	12.0	12.0	12.0	12.0
Memo: Sponsored agency borrowing 5/	5.2	n.a.	19.7	n.a.	13.5	6.8	20.7	1.1	2.0	4.5	6.4	6.8	3.0	2.5	3.5	4.5
NIA Budget								Seasonally adjusted annual rates								
Receipts	361.8 ^{6/}	410.9 ^{9/}	403.0 ^{6/}	451.6 ^{9/}	n.e.	373.9	415.6	373.2	386.3	391.1	411.1	430.5	429.8	443.8	457.0	n.e.
Outlays	411.9	457.0	458.3	503.4	503.7	423.4	469.4	432.1	446.3	451.6	460.1	475.2	490.8	497.9	506.1	520.0
Purchases (total)	140.6	156.0	155.3	171.4	170.9	145.5	158.2	148.1	153.8	153.1	155.1	159.0	165.5	169.0	172.7	176.5
Defense	91.8	99.3	99.8	107.6	107.8	94.3	101.4	95.6	98.5	99.2	100.3	101.4	104.5	106.4	109.0	111.4
Non-defense	48.8	56.7	55.4	63.8	63.1	51.2	56.8	52.5	55.3	53.9	54.8	57.6	61.0	62.6	63.7	65.1
All other outlays	271.4	301.0	303.0	332.0	332.8	278.0	311.2	284.0	292.5	298.5	305.0	316.2	325.3	328.9	333.4	343.5
Surplus(+)/Deficit(-)	-50.1 ^{6/}	-46.1	-55.3 ^{6/}	-51.8	n.e.	-49.5	-53.8	-58.9	-60.0	-60.5	-49.0	-44.7	-61.0	-54.1	-49.1	n.e.
High Employment Surplus(+)/Deficit(-) (NIA basis) 7/	-5.0	n.a.	-12.3	n.a.	-13.0	-8.7	-12.8	-20.4	-22.1	-12.3	-10.1	-4.9	-24.1	-15.9	-10.0	-1.9
	*actual	e--estimated	r--revised	n.e.--not estimated	n.a.--not available	p--preliminary										

- 1/ The Budget of the United States Government, Fiscal Year 1979, January 1978 and OMB Current Budget Estimates, March 1978.
- 2/ The Second Concurrent Resolution on the Budget (September 15, 1977) set the Congressional receipt and outlay targets at \$397 and \$458.3 billion, respectively.
- 3/ Includes Federal Financing Bank, Postal Service, U.S. Railway Association, Rural Electrification and Telephone Revolving fund, Housing for the Elderly or Handicapped Fund (until October 1977), and Pension Benefit Guaranty Corporation.
- 4/ Checks issues less checks paid, accrued items and other transactions.
- 5/ Includes Federal Home Loan Banks, FNMA, Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives.
- 6/ Quarterly average exceeds fiscal year total by \$1.7 billion for FY 1977 and by \$1.8 billion for FY 1978 due to spreading of wage base effect over calendar year.
- 7/ Estimated by F.R.B. staff.
- 8/ Includes \$2.5 billion of borrowing from the Federal Reserve on September 30 which was repaid October 4.
- 9/ NIA estimates consistent with the March Update. The Survey of Current Business, March 1978.