

STATE AND LOCAL GOVERNMENT OFFERINGS
(Monthly or monthly averages, in millions of dollars)

	Long-term	Net Short-term
1969 - Year	991	294
1970 - Year	1,515	383
1970 - QIII	1,490	457
QIV	1,954	521
1971 - QI	2,230	554e
March	2,200e	700e
April	2,000e	750e
May	2,000e	n.a.

e/ Estimated.

Note: Long-term offerings are gross. Short-term offerings are Federal Reserve Board estimates of net sales.

Net short-term tax-exempt offerings continued to ~~rise~~ in March and April, in spite of a large volume of maturing issues, as gross offerings in both months exceeded sales of long-term bonds. Tax anticipation notes accounted for a growing proportion of short-term tax-exempt securities in recent months, perhaps reflecting the difficulties of some State and local authorities in meeting current operating expenses.

Stock market. In April, investors continued to project a sharp improvement in 1972 corporate profits and stock prices maintained the recent rate of advance that has made the recovery from 1970 lows one of the most rapid in recent years. As of late April, both the NYSE index and Dow Jones Industrial Average of stock prices had

FEDERAL BUDGET AND FEDERAL SECTOR IN NATIONAL INCOME ACCOUNTS
(In billions of dollars)

	F.R. Board Staff estimates										
	Fiscal 1971e/		Fiscal 1972e/		Calendar Years		Calendar Quarters				
	Jan.	F.R.	Jan.	F.R.	1970	1971e/	1970	1971			
	Budget	Board	Budget	Board	Actual		IV*	I*	II	III	IV
<u>Federal Budget</u>											
(Quarterly data, unadjusted)											
Surplus/deficit	-18.6	-20.9	-11.6	-23.4	-11.4	-26.8	-8.9	-8.2	3.8	-10.2	-12.3
Receipts	194.2	190.5	217.6	211.0	190.5	196.4	41.1	44.1	58.9	49.2	44.2
Outlays	212.8	211.4	229.2	234.4	201.9	223.2	49.9	52.2	55.1	59.4	56.5
Means of financing:											
Net borrowing from the public	17.6	17.4	10.6	23.4	11.8	24.3	8.9	1.6	-.5	10.3	12.9
Decrease in cash operating balance	n.a.	2.0	n.a.	-1.0	-2.8	1.1	.7	3.6	-1.5	-1.2	.2
Other <u>1/</u>	n.a.	1.5	n.a.	1.0	2.4	1.5	-.7	2.9	-1.8	1.2	-.8
Cash operating balance, end of period	n.a.	6.0	n.a.	7.0	8.1	7.0	8.1	4.5	6.0	7.2	7.0
Memo: Net agency borrowing <u>2/</u>	n.a.	1.6	n.a.	n.e.	8.2	n.e.	1.5	-.7	-.8	n.e.	n.e.
<u>National Income Sector</u>											
(Seasonally adjusted annual rate)											
Surplus/deficit	-15.0	-15.7	-4.2	n.e.	-11.1	-16.5	-18.1	-15.2	-17.6	-16.8	-16.5
Receipts	200.0	197.2	225.9	n.e.	195.2	206.5	191.7	198.8	203.4	207.4	216.4
Expenditures	215.0	212.9	230.1	235.7	206.3	223.0	209.9	214.0	221.0	224.2	232.9
High employment surplus/deficit (NIA basis) <u>3/</u>	n.a.	.2	n.a.	-1.2	-.8	.5	1.3	1.4	-.2	1.9	-.9

* Actual e--projected

n.e.--not estimated n.a.--not available

1/ Includes such items as deposit fund accounts and clearing accounts.

2/ Federally-sponsored credit agencies, i.e., Federal Home Loan Banks, Federal National Mortgage Assn., Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives.

3/ Estimated by Federal Reserve Board Staff. The level of the estimated series shown here differs considerably from the estimates by the Council of Economic Advisers. Continues to show effect of accelerated depreciation recently proposed by the Treasury.

PROJECTION OF TREASURY CASH OUTLOOK
(In billions of dollars)

	April	May	June	July
<u>Total net borrowing</u>	-.1	-.9	.5	6.0
Weekly and monthly bills	2.8	--	--	--
Tax bills	-4.3	--	-2.5	--
Coupon issues	--	--	--	--
As yet unspecified new borrowing	--	--	3.0	6.0
Other (debt repayments, etc.)	1.4	-.9	--	--
Plus: <u>Other net financial sources</u> ^{a/}	.6	-.5	-1.9	.1
Plus: <u>Budget surplus or deficit (-)</u>	4.0	-4.2	4.0	-7.4
Equals: <u>Change in cash balance</u>	4.5	-5.6	2.6	-1.3
Memoranda: Level of cash balance, end of period	9.0	3.4	6.0	4.7
Derivation of budget surplus or deficit:				
Budget receipts	22.0	14.3	22.6	13.5
Budget outlays	18.0	18.5	18.6	20.9
Maturing coupon issues held by public	--	5.8	--	--
Net agency borrowing	*	-.5	-.2	.5

^{a/} Checks issued less checks paid and other accrual items.

*--Less than 50 million dollars.