

CONFIDENTIAL - FR  
CLASS II FOMC

CHANGES IN GROSS NATIONAL PRODUCT  
AND RELATED ITEMS

	1977		1978				1979	
	III	IV	I	Projected		I	II	
				III	IV			
-----Billions of dollars-----								
Gross National Product	46.0	53.1	58.9	53.8	54.6	63.1	62.8	58.9
Inventory change	1.9	-8.6	3.0	3.5	1.5	2.0	4.7	1.8
Final purchases	44.0	61.8	55.9	50.3	53.1	61.1	58.1	57.1
Private	33.7	50.0	45.0	39.0	42.2	47.2	47.3	46.7
Net exports	2.2	-2.7	4.6	-7	-6	.8	.6	-.8
Excluding net exports	31.5	52.7	40.4	39.7	42.8	46.4	46.7	47.5
Personal consumption expenditures	24.9	39.6	29.0	31.0	34.1	38.0	38.4	38.7
Goods	6.4	23.6	15.0	17.0	18.7	21.9	19.7	20.5
Services	18.4	16.0	14.0	14.0	15.4	16.1	18.7	18.2
Residential fixed investment	1.7	6.8	5.8	2.5	2.5	2.0	1.5	1.5
Business fixed investment	5.1	6.2	5.6	6.2	6.2	6.4	6.8	7.3
Government	10.3	11.8	10.9	11.3	10.9	13.9	10.8	10.4
Federal	4.5	4.2	3.3	4.0	3.6	6.7	3.1	2.8
State and local	5.9	7.5	7.6	7.3	7.3	7.2	7.7	7.6
GNP in constant (1972) dollars	16.7	15.0	17.9	15.4	15.3	17.5	18.0	16.1
Final purchases	14.3	20.6	16.2	13.3	14.3	16.4	15.2	15.0
Private	10.3	18.9	13.0	10.0	11.3	14.4	13.0	12.9
-----In Per Cent Per Year <sup>1/</sup> -----								
Gross National Product	10.2	11.6	12.5	11.0	10.9	12.3	11.9	10.8
Final purchases	9.9	13.7	11.9	10.4	10.7	12.1	11.1	10.6
Private	9.6	14.1	12.2	10.2	10.8	11.8	11.5	11.0
Personal consumption expenditures	8.6	13.6	9.5	10.0	10.8	11.7	11.5	11.3
Goods	4.0	15.1	9.1	10.1	10.9	12.5	10.8	11.0
Services	14.3	11.9	10.1	9.8	10.6	10.8	12.3	11.6
Residential fixed investment	12.4	5.9	20.1	16.0	12.8	12.6	15.5	12.0
Business fixed investment	7.7	32.8	25.5	9.9	9.6	7.5	5.5	5.4
Gov't. purchases of goods and services	11.0	12.3	11.0	11.1	10.4	13.1	9.7	9.1
Federal	12.9	12.0	9.0	10.7	9.3	17.5	7.5	6.6
State and local	9.9	12.5	12.2	11.3	11.0	10.6	11.1	10.6
GNP in constant (1972) dollars	5.1	4.5	5.4	4.5	4.4	5.1	5.1	4.5
Final purchases	4.4	6.4	4.9	3.9	4.2	4.8	4.4	4.3
Private	4.0	7.4	4.9	3.7	4.2	5.3	4.7	4.6
GNP implicit deflator <sup>2/</sup>	4.8	6.7	6.8	6.2	6.2	6.9	6.5	6.0
Gross business product fixed-weighted price index <sup>3/</sup>	5.0	6.0	6.6	6.3	6.6	6.3	6.6	6.4
Personal income	8.9	13.0	11.2	11.0	11.8	12.3	12.4	10.6
Wage and salary disbursements	7.5	11.4	12.2	10.1	10.2	11.6	13.3	10.1
Disposable income	10.0	12.3	12.3	10.2	10.7	15.9	12.5	9.7
Corporate profits before tax	-2.7	31.8	16.5	2.3	1.5	19.3	-6.5	1.3
Nonfarm payroll employment	3.3	3.2	3.1	2.8	2.9	3.3	3.3	2.9
Manufacturing	1.3	4.0	4.0	4.0	4.5	5.5	6.0	4.5
Nonfarm business sector								
Output per hour	2.9	2.0	3.0	2.3	2.3	2.4	2.5	2.1
Compensation per hour	7.6	7.9	11.7	7.8	7.9	7.9	11.3	8.0
Unit labor costs	4.5	5.9	8.7	5.5	5.6	5.5	8.8	5.9
Industrial production	4.5	3.3	8.5	6.5	6.5	8.3	8.3	6.6
Housing starts, private	36.6	14.5	-5.5	-9.2	-9.4	-9.6	-9.9	.0
Sales new autos	-24.1	-6.2	13.6	-5.3	-1.8	5.6	1.8	-5.3
Domestic models	-18.4	-4.8	15.8	-4.3	.0	4.5	2.2	-2.2
Foreign models	-43.9	-12.3	4.7	-9.6	-9.9	10.9	.0	-19.0

<sup>1/</sup> Percentage rates are annual rates compounded quarterly.

<sup>2/</sup> Excluding Federal pay increases rates of change are: 1977-IV, 6.0 per cent; 1978-I, 6.7 per cent; 1978-IV, 6.3 per cent; 1979-I, 6.4 per cent.  
Using expenditures in 1972 as weights.