

May 10, 1978

CONFIDENTIAL - FR
S II POMCCHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1977		I	1978		1979		
	III	IV		Projected II	Projected III	Projected IV	I	II
-----Billions of dollars-----								
Gross National Product	46.0	45.9	31.1	81.5	57.9	62.1	60.3	56.9
Inventory change	1.9	-10.1	3.0	6.5	1.0	1.5	1.8	1.2
Final purchases	44.0	56.0	28.2	75.0	56.9	60.6	58.5	55.7
Private	33.7	43.1	24.9	63.4	45.5	46.8	47.9	44.9
Net exports	2.2	-10.7	-4.4	5.7	5.5	.9	1.5	-.2
Excluding net exports	31.5	53.8	29.3	57.6	40.0	45.9	46.4	45.1
Personal consumption expenditures	24.9	40.6	24.5	44.1	32.9	38.9	39.1	37.1
Goods	6.4	26.5	3.9	27.0	17.4	22.2	20.0	18.1
Services	18.4	14.2	20.6	17.0	15.5	16.7	19.1	19.0
Residential fixed investment	1.7	7.2	.5	4.5	.5	.0	.0	.5
Business fixed investment	5.1	6.0	4.2	9.0	6.6	7.0	7.3	7.5
Government	10.3	12.9	3.3	11.6	11.4	13.8	10.6	10.8
Federal	4.5	5.7	-.7	2.0	3.9	6.5	3.5	3.7
State and local	5.9	7.1	4.1	9.5	7.5	7.3	7.1	7.1
GNP in constant (1972) dollars	16.7	12.8	-1.9	29.6	15.0	16.0	14.7	13.3
Final purchases	14.3	19.7	-4.6	25.2	14.6	15.2	13.5	12.2
Private	10.3	16.7	-2.5	21.8	11.2	12.6	11.3	9.9
-----In per cent per year ^{1/} -----								
Gross National Product	10.2	9.9	6.5	17.4	11.6	12.2	11.5	10.5
Final purchases	9.9	12.4	5.9	16.1	11.6	12.0	11.2	10.4
Private	9.6	12.1	6.7	17.3	11.7	11.7	11.6	10.6
Personal consumption expenditures	8.6	14.0	8.0	14.5	10.3	11.9	11.6	10.7
Goods	4.0	17.0	2.3	16.6	10.1	12.7	11.0	9.7
Services	14.3	10.5	15.2	12.0	10.5	11.1	12.4	11.9
Gross private domestic investment	12.4	4.1	10.4	28.0	10.0	10.3	10.8	10.6
Residential structures	7.7	35.0	2.1	19.2	1.9	.0	.0	1.9
Business fixed investment	11.6	13.4	9.0	19.5	13.4	13.8	13.9	13.8
Gov't. purchases of goods and services	11.0	13.5	3.3	11.6	11.1	13.1	9.7	9.6
Federal	12.9	16.3	-1.8	5.4	10.4	17.4	8.7	9.0
State and local	9.9	11.8	6.4	15.3	11.4	10.8	10.2	10.0
GNP in constant (1972) dollars	5.1	3.8	-.6	9.0	4.4	4.6	4.2	3.8
Final purchases	4.4	6.1	-1.3	7.7	4.3	4.5	3.9	3.5
Private	4.0	6.5	-.9	8.3	4.1	4.7	4.1	3.5
GNP implicit deflator ^{2/}	4.8	5.9	7.1	7.7	6.9	7.2	6.9	6.5
Gross business product fixed-weighted price index ^{3/}	5.0	5.4	6.6	7.7	6.9	6.9	7.3	6.9
Personal income	8.9	14.5	8.7	13.0	12.1	11.6	10.1	10.0
Wage and salary disbursements	7.5	12.7	11.5	13.4	9.5	11.2	11.6	9.7
Disposable income	10.0	14.1	9.8	12.0	11.3	15.7	10.6	9.4
Corporate profits before tax	-2.7	13.4	-16.4	52.2	7.3	21.4	-2.7	7.9
Nonfarm payroll employment	3.3	3.2	4.4	5.6	2.3	2.7	2.4	2.3
Manufacturing	1.3	2.7	6.6	4.0	4.5	4.4	4.2	4.0
Nonfarm business sector								
Output per hour	3.8	2.3	-3.3	3.9	3.3	2.8	2.1	1.9
Compensation per hour	7.5	8.2	13.2	7.7	7.9	8.0	11.6	8.2
Unit labor costs	3.5	5.8	17.0	3.8	4.6	5.2	9.5	6.3
Industrial production	4.2	2.6	.6	12.0	6.9	7.6	6.6	5.7
Housing starts, private	23.3	22.2	-57.6	77.8	-34.4	-10.7	-10.9	.0
Sales new autos	-24.1	-6.2	2.0	5.6	-1.8	5.6	1.8	-5.3
Domestic models	-18.4	-4.8	1.4	2.1	2.3	9.3	2.2	-2.2
Foreign models	-43.9	-12.3	4.7	21.6	-17.7	-9.6	.0	-19.0

^{1/} Percentage rates are annual rates compounded quarterly.

Excluding Federal pay increases rates of change are: 1977-IV, 5.1 per cent; 1978-I, 7.0 per cent; 1978-IV, 6.6 per cent; 1979-I, 6.9 per cent.

Using expenditures in 1972 as weights.

CONFIDENTIAL - FR
CLASS II FOMC

GROSS NATIONAL PRODUCT AND RELATED ITEMS
(Expenditures and income figures are billions of dollars.)

May 10, 1978

	1971	1972	1973	1974	1975	1976	1977	Projected 1978
Gross National Product	1063.4	1171.1	1306.6	1412.9	1528.8	1706.5	1889.6	2098.5
Final purchases	1057.1	1161.7	1288.6	1404.0	1540.3	1693.1	1871.4	2076.2
Private	823.4	908.6	1019.1	1101.3	1201.4	1331.7	1476.4	1641.2
Excluding net exports	821.8	911.9	1012.0	1095.3	1181.0	1323.9	1487.3	1656.6
Personal consumption expenditures	668.2	733.0	809.9	889.6	980.4	1094.0	1211.2	1343.3
Goods	374.8	410.5	457.5	498.3	542.2	601.6	660.5	724.3
Services	293.4	322.4	352.3	391.3	438.2	492.3	550.7	619.0
Gross private domestic investment	160.0	188.3	220.0	214.6	189.1	243.3	294.2	335.6
Residential construction	49.6	62.0	66.1	55.1	51.5	68.0	91.0	103.8
Business fixed investment	104.1	116.8	136.0	150.6	149.1	161.9	185.1	209.5
Change in business inventories	6.4	9.4	17.9	8.9	-11.5	13.3	18.2	22.2
Nonfarm	5.1	8.8	14.7	10.8	-15.1	14.9	17.1	21.7
Net exports of goods and services	1.6	-3.3	7.1	6.0	20.4	7.8	-10.9	-15.3
Exports	65.6	72.7	101.6	137.9	147.3	162.9	174.7	193.3
Imports	64.0	75.9	94.4	131.9	126.9	155.1	185.6	208.6
Gov't. purchases of goods and services	233.7	253.1	269.5	302.7	338.9	361.4	395.0	435.0
Federal	96.2	102.1	102.2	111.1	123.3	130.1	145.4	158.2
State and local	137.5	151.0	167.3	191.5	215.6	231.2	249.6	276.8
Gross national product in constant (1972) dollars	1107.5	1171.1	1235.0	1217.8	1202.1	1274.7	1337.3	1392.0
Personal income	859.1	942.5	1052.4	1154.9	1253.4	1382.7	1536.7	1711.3
Wage and salary disbursements	579.4	633.8	701.3	764.6	805.7	891.8	990.0	1102.7
Disposable income	742.8	801.3	901.7	984.6	1084.4	1185.8	1309.2	1463.9
Saving rate (per cent)	7.7	6.2	7.8	7.3	7.4	5.6	5.1	5.8
Corporate profits with I.V.A. and C.C. Adj.	77.2	92.1	99.1	83.6	99.3	128.1	139.9	146.1
Corporate profits before tax	82.0	96.2	115.8	126.9	123.5	156.9	171.7	188.7
Federal government surplus or deficit (-) (N.I.A. basis)	-22.0	-17.3	-6.7	-10.7	-70.2	-54.0	-49.5	-53.8
High employment surplus or deficit (-)	-5.3	-5.9	-.7	17.1	-20.3	-10.4	-8.7	-12.8
State and local government surplus or deficit (-) (N.I.A. basis)	3.7	13.7	13.0	7.5	5.9	18.4	29.2	32.1
Excluding social insurance funds	-3.8	5.6	4.1	-2.9	-6.2	3.9	13.7	15.2
Civilian labor force (millions)	84.1	86.5	88.7	91.0	92.6	94.8	97.4	100.1
Unemployment rate (per cent)	5.9	5.6	4.9	5.6	8.5	7.7	7.0	5.9
Nonfarm payroll employment (millions)	71.2	73.7	76.9	78.4	77.1	79.4	82.1	85.4
Manufacturing	18.6	19.1	20.1	20.0	18.3	19.0	19.6	20.4
Industrial production (1967=100)	109.6	119.7	129.8	129.3	117.8	129.8	137.0	144.4
Capacity utilization: all manufacturing (per cent)	78.0	83.1	87.5	84.2	73.6	80.2	82.4	83.7
Materials (per cent)	83.1	88.0	92.4	87.7	73.6	80.4	81.9	83.5
Housing starts, private (millions, A.R.)	2.05	2.36	2.05	1.34	1.16	1.54	1.99	1.82
Sales new autos (millions, A.R.)	10.24	10.93	11.42	8.91	8.66	10.12	11.13	10.93
Domestic models	8.68	9.32	9.65	7.49	7.08	8.63	9.07	8.91
Foreign models	1.56	1.61	1.77	1.42	1.58	1.50	2.06	2.01