

CONFIDENTIAL (FR)

CURRENT ECONOMIC and FINANCIAL CONDITIONS

**Prepared for the
Federal Open Market Committee**

By the Staff

**BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM**

April 6, 1966

CONFIDENTIAL (FR)

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

**By the Staff
Board of Governors
of the Federal Reserve System**

April 6, 1966

CONFIDENTIAL

April 5, 1966

GROSS NATIONAL PRODUCT AND RELATED ITEMS
(Expenditures and income figures are billions of dollars,
seasonally adjusted annual rates)

| | 1964 | 1965 | 1965 | | | 1966 Projected | |
|--|-------|-------|-------|-------|-------|-------------------|-------|
| | | | II | III | IV | I | II |
| Gross National Product | 628.7 | 676.3 | 668.8 | 681.5 | 697.2 | 712.0 | 726.0 |
| Personal consumption expenditures | 398.9 | 428.7 | 424.5 | 432.5 | 441.0 | 450.0 | 458.2 |
| Durable goods | 58.7 | 65.0 | 63.5 | 65.4 | 66.4 | 68.2 | 69.2 |
| Nondurable goods | 177.5 | 189.0 | 187.9 | 190.5 | 195.0 | 199.5 | 203.0 |
| Services | 162.6 | 174.7 | 173.1 | 176.7 | 179.6 | 182.3 | 186.0 |
| Gross private domestic investment | 92.9 | 105.7 | 102.8 | 106.2 | 110.3 | 112.3 | 113.8 |
| Residential construction | 27.5 | 27.6 | 28.0 | 27.7 | 27.2 | 27.8 | 27.4 |
| Business fixed investment | 60.5 | 69.8 | 68.4 | 70.9 | 73.0 | 75.5 | 77.7 |
| Change in business inventories | 4.8 | 8.2 | 6.4 | 7.6 | 10.1 | 9.0 | 8.7 |
| Nonfarm | 5.4 | 7.9 | 6.6 | 7.0 | 8.9 | 8.0 | 8.0 |
| Net exports | 8.6 | 7.1 | 8.0 | 7.4 | 6.9 | 6.5 | 7.0 |
| Gov. purchases of goods and services | 128.4 | 134.8 | 133.5 | 135.4 | 139.0 | 143.2 | 147.0 |
| Federal | 65.3 | 66.6 | 65.7 | 66.5 | 69.2 | 72.0 | 74.0 |
| Defense | 49.9 | 49.9 | 49.2 | 49.8 | 52.0 | 54.3 | 55.7 |
| Other | 15.4 | 16.7 | 16.5 | 16.7 | 17.2 | 17.7 | 18.3 |
| State and local | 63.1 | 68.2 | 67.8 | 68.9 | 69.8 | 71.2 | 73.0 |
| Gross National Product in Constant (1958) Dollars | 577.6 | 609.6 | 603.5 | 613.0 | 624.4 | 634.0 | 643.6 |
| Personal income | 495.0 | 530.7 | 524.7 | 536.0 | 546.0 | 556.2 | 566.5 |
| Wages and salaries | 333.5 | 357.4 | 353.6 | 359.0 | 368.1 | 376.9 | 384.5 |
| Personal contributions for social insurance (deduction) | 12.4 | 13.2 | 13.0 | 13.3 | 13.6 | 16.7 | 16.9 |
| Disposable personal income | 435.8 | 465.3 | 458.5 | 471.2 | 480.3 | 488.6 | 497.7 |
| Personal saving | 26.3 | 24.9 | 22.4 | 26.8 | 27.1 | 26.1 | 26.7 |
| Saving rate (per cent) | 6.0 | 5.4 | 4.9 | 5.7 | 5.6 | 5.3 | 5.4 |
| Total labor force (millions) | 77.0 | 78.4 | 78.1 | 78.5 | 79.0 | 79.4* | 79.8 |
| Armed forces | 2.7 | 2.7 | 2.7 | 2.7 | 2.8 | 2.9* | 3.0 |
| Civilian labor force | 74.2 | 75.6 | 75.4 | 75.8 | 76.2 | 76.5* | 76.8 |
| Employed | 70.4 | 72.2 | 71.9 | 72.4 | 73.0 | 73.6* | 74.1 |
| Unemployed | 3.9 | 3.5 | 3.6 | 3.4 | 3.2 | 2.9* | 2.7 |
| Unemployment rate (per cent) | 5.2 | 4.6 | 4.7 | 4.5 | 4.2 | 3.8* | 3.5 |

* Actual figures for the quarter