

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**

November 16, 1966

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

	1964	1965	1966 Proj.	1965 IV	1966			
					I	II	III	Proj. IV
Gross National Product	631.7	681.2	738.9	704.4	721.2	732.3	744.6	757.5
Final sales	627.0	627.1	728.9	694.0	712.3	720.0	734.6	748.5
Personal consumption expenditures	401.4	431.5	465.9	445.2	455.6	460.1	469.9	478.0
Durable goods	59.4	66.1	69.5	68.0	70.3	67.1	70.2	70.2
Nondurable goods	178.9	190.6	207.0	197.0	201.9	205.6	208.1	212.3
Services	163.1	174.8	189.4	180.2	183.4	187.4	191.5	195.5
Gross private domestic investment	93.0	106.6	115.5	111.9	114.5	118.5	115.0	114.0
Residential construction	27.6	27.8	26.0	27.6	28.6	28.0	24.8	22.7
Business fixed investment	60.7	69.7	79.5	73.9	77.0	78.2	80.3	82.3
Change in business inventories	4.7	9.1	10.0	10.4	8.9	12.3	9.9	9.0
Nonfarm	5.3	8.1	10.1	9.0	8.5	12.1	10.4	9.5
Net exports	8.5	7.0	4.9	6.1	6.0	4.7	4.2	4.5
Gov't purchases of goods & services	128.9	136.2	152.6	141.2	145.0	149.0	155.5	161.0
Federal	65.2	66.8	76.5	69.8	71.9	74.0	78.3	82.0
Defense	50.0	50.1	59.4	52.5	54.6	57.1	61.3	64.8
Other	15.2	16.7	17.1	17.3	17.4	16.9	17.0	17.2
State & local	63.7	69.4	76.1	71.4	73.1	75.0	77.2	79.0
Gross National Product in constant (1958) dollars	580.0	614.4	647.3	631.2	640.5	643.5	649.3	655.8
GNP Implicit deflator(1958=100)	108.9	110.9	114.2	111.6	112.6	113.8	114.7	115.5
Per cent change, annual rate								
GNP current dollars	7.0	7.8	8.5	10.4	9.5	6.2	6.7	6.9
GNP constant dollars	5.3	5.9	5.4	8.4	5.9	1.9	3.6	4.0
Implicit deflator	1.6	1.8	3.0	2.2	3.6	4.3	3.2	2.8
Personal income	496.0	535.1	580.0	552.8	564.6	573.5	585.2	596.6
Wage and salaries	333.6	358.4	392.0	370.8	380.0	387.4	396.7	404.0
Disposable income	436.6	469.1	505.0	486.1	495.1	499.9	507.8	517.1
Personal saving	24.5	25.7	25.8	28.5	26.7	26.6	24.5	25.3
Saving rate (per cent)	5.6	5.5	5.1	5.9	5.4	5.3	4.8	4.9
Total labor force (millions)	77.0	78.4	80.1	79.0	79.4	79.7	80.4	80.7
Armed forces "	2.7	2.7	3.1	2.8	2.9	3.1	3.2	3.3
Civilian labor force "	74.2	75.6	77.0	76.2	76.5	76.7	77.2	77.4
Unemployment rate (per cent)	5.2	4.6	3.9	4.2	3.8	3.9	3.9	3.9
Nonfarm payroll employment (millions)	58.3	60.8	63.8	61.8	62.8	63.6	64.1	64.6

FEDERAL BUDGETS, QUARTERLY, 1965-1966
(Billions of dollars)

	<u>Calendar 1965</u>		<u>Calendar 1966</u>					
	III	IV	I	II	III	IV(p)	Calendar 1965	Calendar 1966
<u>Quarterly Totals, seasonally unadjusted</u>								
<u>Admin. Budget</u>								
Receipts	22.2	21.0	26.1	35.4	25.4	23.2	96.7	110.1
Expenditures	25.7	27.3	27.2	26.8	33.2	31.8	101.4	119.0
Surplus	- 3.5	- 6.3	- 1.1	8.6	- 7.8	- 8.6	- 4.7	- 8.9
<u>Cash Budget</u>								
Receipts	29.2	25.8	33.3	46.1	34.6	30.9	123.4	144.9
Expenditures	33.1	34.0	34.6	36.0	41.3	40.5	127.9	152.4
Surplus	- 3.9	- 8.1	- 1.3	10.1	- 6.7	- 9.6	- 4.6	- 7.5
<u>Seasonally adjusted at annual rates</u>								
<u>NIA Budget</u>								
Receipts	123.8	126.9	136.0	141.0	145.4	148.5	124.9	142.7
Expenditures	126.3	127.0	133.7	137.2	145.1	150.0	123.4	141.5
Surplus	- 2.5	- .2	2.3	3.8	.3	- 1.5	1.6	1.2
<u>High Employment Budget</u>								
Receipts	127.6	129.0	136.7	141.2	145.4	148.5	128.4	143.0
Expenditures	126.0	126.8	133.7	137.1	145.1	150.0	123.1	141.5
Surplus	1.6	2.2	3.0	4.1	.3	- 1.5	5.3	1.5
Addendum: National Defense	50.7	52.5	54.6	57.1	61.3	64.8	50.1	59.4