

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**

March 16, 1966

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GROSS NATIONAL PRODUCT AND RELATED ITEMS
(Expenditure 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	711.0	724.0
Personal consumption expenditures	398.9	428.7	424.5	432.5	441.0	448.3	456.5
Durable goods	58.7	65.0	63.5	65.4	66.4	67.5	68.5
Nondurable goods	177.5	189.0	187.9	190.5	195.0	198.5	202.0
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	111.9	113.3
Residential construction	27.5	27.6	28.0	27.7	27.2	27.9	27.6
Business fixed investment	60.5	69.8	68.4	70.9	73.0	75.0	77.0
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	7.0	7.0
Gov. purchases of goods and services	128.4	134.8	133.5	135.4	139.0	143.8	147.2
Federal	65.3	66.6	65.7	66.5	69.2	72.3	74.0
Defense	49.9	49.9	49.2	49.8	52.0	54.5	55.7
Other	15.4	16.7	16.5	16.7	17.2	17.8	18.3
State and local	63.1	68.2	67.8	68.9	69.8	71.5	73.2
Gross National Product in Constant (1958) Dollars	577.6	609.6	603.5	613.0	624.4	633.0	641.8
Personal income	495.0	530.7	524.7	536.0	546.0	556.0	566.3
Wages and salaries	333.5	357.4	353.6	359.0	368.1	376.5	383.9
Personal contributions for social insurance (deduction)	12.4	13.2	13.0	13.3	13.6	16.6	16.8
Disposable personal income	435.8	465.3	458.5	471.2	480.3	488.4	497.5
Personal saving	26.3	24.9	22.4	26.8	27.1	27.6	28.2
Saving rate (per cent)	6.0	5.4	4.9	5.7	5.6	5.7	5.7
Total labor force (millions)	77.0	78.4	78.2	78.5	78.9	79.5	79.9
Armed forces "	2.7	2.7	2.7	2.7	2.8	2.9	3.0
Civilian labor force "	74.2	75.6	75.5	75.8	76.1	76.6	76.9
Employed "	70.4	72.2	71.9	72.4	72.9	73.7	74.3
Unemployed "	3.9	3.5	3.6	3.4	3.2	2.9	2.6
Unemployment rate (per cent)	5.2	4.6	4.7	4.4	4.2	3.8	3.5