

**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**

**May 4, 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	1965			1966 - Projected	
			II	III	IV	I <sup>1/</sup>	II
Gross National Product	628.7	676.3	668.8	681.5	697.2	714.1	729.0
Final sales	623.9	668.1	662.4	673.9	687.1	705.8	720.5
Personal consumption expenditures	398.9	428.7	424.5	432.5	441.0	452.6	461.3
Durable goods	58.7	65.0	63.5	65.4	66.4	68.8	69.0
Nondurable goods	177.5	189.0	187.9	190.5	195.0	201.1	206.0
Services	162.6	174.7	173.1	176.7	179.6	182.7	186.3
Gross private domestic investment	92.9	105.7	102.8	106.2	110.3	111.8	114.2
Residential construction	27.5	27.6	28.0	27.7	27.2	28.1	27.7
Business fixed investment	60.5	69.8	68.4	70.9	73.0	75.4	78.0
Changes in business inventories	4.8	8.2	6.4	7.6	10.1	8.3	8.5
Nonfarm	5.4	7.9	6.6	7.0	8.9	7.6	8.0
Net exports	8.6	7.1	8.0	7.4	6.9	6.1	6.0
Gov. purchases of goods and services	128.4	134.8	133.5	135.4	139.0	143.6	147.5
Federal	65.3	66.6	65.7	66.5	69.2	72.5	75.0
Defense	49.9	49.9	49.2	49.8	52.0	55.0	57.0
Other	15.4	16.7	16.5	16.7	17.2	17.5	18.0
State and local	63.1	68.2	67.8	68.9	69.8	71.1	72.5
Gross National Product in Constant (1958) Dollars	577.6	609.6	603.5	613.0	624.4	632.8	642.3
GNP Implicit Deflator (1958=100)	108.9	110.9	110.8	111.2	111.7	112.7	113.5
Personal income	495.0	530.7	524.7	536.0	546.0	556.9	568.0
Wages and salaries	333.5	357.4	353.6	359.0	368.1	377.0	385.5
Personal contributions for social insurance (deduction)	12.4	13.2	13.0	13.3	13.6	16.8	17.0
Disposable personal income	435.8	465.3	458.5	471.2	480.3	488.7	498.6
Personal saving	26.3	24.9	22.4	26.8	27.1	23.6	24.5
Saving rate (per cent)	6.0	5.4	4.9	5.7	5.6	4.8	4.9
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

<sup>1/</sup>Gross national product and income figures are Department of Commerce preliminary estimates.