

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**

June 22, 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	II	III
Gross National Product	628.7	676.3	668.8	681.5	697.2	713.9	725.0	739.0
Final sales	623.9	668.1	662.4	673.9	687.1	705.8	715.0	731.0
Personal consumption expenditures	398.9	428.7	424.5	432.5	441.0	451.8	456.4	465.7
Durable goods	58.7	65.0	63.5	65.4	66.4	68.7	65.9	67.5
Nondurable goods	177.5	189.0	187.9	190.5	195.0	200.1	203.8	207.5
Services	162.6	174.7	173.1	176.7	179.6	183.0	186.7	190.7
Gross private domestic investment	92.9	105.7	102.8	106.2	110.3	111.7	115.0	115.3
Residential construction	27.5	27.6	28.0	27.7	27.2	28.2	27.7	27.0
Business fixed investment	60.5	69.8	68.4	70.9	73.0	75.5	77.3	80.3
Changes in business inventories	4.8	8.2	6.4	7.6	10.1	8.1	10.0	8.0
Nonfarm	5.4	7.9	6.6	7.0	8.9	7.4	9.5	8.0
Net exports	8.6	7.1	8.0	7.4	6.9	6.4	5.7	5.7
Gov. purchases of goods and services	128.4	134.8	133.5	135.4	139.0	144.0	147.9	152.3
Federal	65.3	66.6	65.7	66.5	69.2	72.5	74.7	77.9
Defense	49.9	49.9	49.2	49.8	52.0	55.0	57.0	59.5
Other	15.4	16.7	16.5	16.7	17.2	17.5	17.7	18.4
State and local	63.1	68.2	67.8	68.9	69.8	71.5	73.2	74.4
Gross National Product in constant (1958) dollars	577.6	609.6	603.5	613.0	624.4	633.6	638.8	645.4
GNP Implicit deflator (1958=100)	108.9	110.9	110.8	111.2	111.7	112.7	113.5	114.5
Personal income	495.0	530.7	524.7	536.0	546.0	557.1	566.0	580.0
Wages and salaries	333.5	357.4	353.6	359.0	368.1	377.0	384.0	392.9
Transfer payments	36.6	39.2	37.5	41.2	39.7	41.7	41.8	45.7
Personal contributions for social insurance (deduction)	12.4	13.2	13.0	13.3	13.6	16.8	17.0	17.8
Disposable personal income	435.8	465.3	458.5	471.2	480.3	488.7	494.6	506.9
Personal saving	26.3	24.9	22.4	26.8	27.1	24.4	25.3	28.4
Saving rate (per cent)	6.0	5.4	4.9	5.7	5.6	5.0	5.1	5.5
Total labor force (millions)	77.0	78.4	78.1	78.5	79.0	79.4	79.7	80.1
Armed forces "	2.7	2.7	2.7	2.7	2.8	2.9	3.0	3.1
Civilian labor force "	74.2	75.6	75.4	75.8	76.2	76.5	76.7	77.0
Employed "	70.4	72.2	71.9	72.4	73.0	73.6	73.9	74.3
Unemployed "	3.9	3.5	3.6	3.4	3.2	2.9	2.8	2.7
Unemployment rate (per cent)	5.2	4.6	4.7	4.5	4.2	3.8	3.7	3.5

Federal Budgets
(In billions of dollars)

	By Half-Years				By Fiscal Years			
	July - Dec. 1964	Jan. - June 1965	July - Dec. 1965	Jan. - June 1966 p/	1964	1965	1966 p/	Jan. 1966 Budget Document FY'66
Quarterly Totals, not seasonally adjusted								
Administrative Budget								
Receipts	39.6	53.5	43.2	60.3	89.5	93.1	103.5	100.0
Expenditures	48.1	48.4	53.0	54.0	97.7	96.5	107.0	106.4
Deficit (-)	- 8.5	5.2	- 9.9	6.3	- 8.2	- 3.4	- 3.5	- 6.4
Cash Budget								
Receipts	51.3	68.4	55.0	78.0	115.5	119.7	133.0	128.2
Payments	61.5	60.9	67.1	71.3	120.3	122.4	138.4	135.0
Deficit (-)	- 10.2	7.5	- 12.0	6.7	- 4.8	- 2.7	- 5.4	- 6.9
Annual Rates, seasonally adjusted								
National Income Budget								
Receipts	115.7	124.1	124.0	136.0	115.1	119.6	130.0	128.8
Expenditures	118.1	120.4	126.3	135.2	117.1	119.2	130.8	131.0
Deficit (-)	- 2.4	3.7	- 2.3	.8	- 1.9	.3	.8	- 2.2
Full Employment Budget								
Receipts	120.8	128.5	127.0	136.2	120.8	124.7	131.6	
Expenditures	117.6	120.0	126.0	135.2	116.0	118.8	130.6	
Surplus (+)	3.2	8.5	1.0	1.0	4.8	5.9	1.0	

p -- Projected.