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PRESS RELEASE

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NBER "RECESSION" GROUP MEETS

CAMBRIDGE, October 25 -- NBER's Committee on Business Cycle Dating met today to review developments in the U.S. economy in the third quarter. At its previous meeting in July, the Committee decided to wait until data for the third quarter became available before making a judgement of whether a business cycle peak had occurred in early 1979. The performance of the economy in the third quarter confirmed the Committee's earlier caution.

A variety of measures of real activity grew sharply from the second to the third quarter. These included real gross national product and retail sales adjusted for price increases. At the same time, industrial production, employment and unemployment remained stable. In view of the recent strength in the economy, the Committee further postponed any preliminary dating of a peak in the business

cycle. The Committee will meet again in late December, when two additional months of data will be available.

The Committee emphasized that growth in the economy has apparently faltered in the period since the first quarter of 1979. Real gross national product has been roughly stationary, while under normal conditions it would have grown at an annual rate of about 3 percent. Industrial production and employment have actually declined in a substantial fraction of industries. At this time, the various indicators examined by the Committee did not give a clear picture of the current state of the business cycle.

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