

NBER

PRESS RELEASE

NATIONAL BUREAU OF
ECONOMIC RESEARCH, INC.
1050 Massachusetts Avenue
Cambridge, Massachusetts 02138

Donna Zerwitz
CONTACT: (617) 868-3910

FOR RELEASE: IMMEDIATELY

NBER BUSINESS CYCLE DATING GROUP MEETS

CAMBRIDGE, July 27 -- The Committee on Business Cycle Dating of the NBER met on July 26 to reviews the evidence about the current state of the U.S. economy. The Committee is responsible for maintaining the NBER's chronology of U.S. business cycles, which is widely used among economic and business analysts. The Committee met in response to growing evidence that the economy may have reached a cyclical peak in recent months and entered a recession at that point.

The Committee concluded that the evidence is not sufficiently strong at this time to determine whether or not a recession has begun or, if so, to identify the cyclical peak. Some of the reasons for the Committee's caution were: (1) The conflict between the small decline in the Federal Reserve industrial production index and the much larger decline in gross national product in constant dollars. (2) The continued strength of

employment and the decline in the unemployment rate. (3)

The erratic behavior of automobile and truck production brought about by the shortage of gasoline and increases in its price and by the work stoppage in the trucking industry.

Historically, the NBER's first announcement of a peak and onset of a recession occurs only when the evidence about the actual behavior of the economy becomes available for a long enough period to resolve the ambiguities created by special events. The Committee has scheduled another meeting for late October.

Robert Hall Chairman

William Branson
Martin Feldstein
Benjamin Friedman
Robert Gordon
Geoffrey Moore

(July 27, 1979)