

CONFIDENTIAL (FR)

January 30, 1980

SUMMARY AND OUTLOOK

By the Staff
Board of Governors
of the Federal Reserve System

SUMMARY AND OUTLOOK

Prepared for the Federal Open Market Committee

By the staff of the Board of Governors of the Federal Reserve System

STAFF GNP PROJECTIONS

Percent changes, annual rate										
Nominal GNP		Real GNP		Gross domestic business product fixed-weighted price index				Unemployment rate (percent)		
				Total		Excluding food and energy				
1/3/80	1/30/80	1/3/80	1/30/80	1/3/80	1/30/80	1/3/80	1/30/80	1/3/80	1/30/80	
Annual changes:										
1978 1/	12.0	12.0	4.4	4.4	7.6	7.6	7.2	7.2	6.0	6.0
1979 1/	11.4	11.3	2.3	2.3	9.7	9.6	8.2	8.2	5.8	5.8
1980	7.8	8.1	-1.3	-7	10.2	10.0	8.1	7.9	7.4	6.9
1981	9.3	8.1	.2	-1.0	9.1	8.9	8.1	7.9	8.6	8.4
Quarterly changes:										
1979-Q1 1/	10.6	10.6	1.1	1.1	10.0	10.0	7.7	7.7	5.7	5.7
1979-Q2 1/	6.7	6.7	-2.3	-2.3	10.1	10.1	7.9	7.9	5.7	5.8
1979-Q3 1/	12.0	11.9	3.1	3.1	10.4	10.4	7.6	7.6	5.8	5.8
1979-Q4 1/	10.7	10.3	1.5	1.4	9.6	9.2	8.1	7.7	5.9	5.9
1980-Q1	4.7	7.2	-3.7	-8	10.5	10.3	7.8	7.6	6.6	6.2
1980-Q2	6.0	6.5	-3.4	-2.2	11.0	10.5	8.6	7.9	7.2	6.5
1980-Q3	8.0	6.2	-1.6	-3.1	9.5	9.8	8.4	8.8	7.8	7.1
1980-Q4	9.4	7.9	-.3	-2.4	9.3	9.2	8.3	8.2	8.1	7.7
1981-Q1	9.5	7.9	.4	-1.3	9.3	9.0	8.3	8.1	8.3	8.0
1981-Q2	10.0	9.0	1.2	.4	8.9	8.5	7.9	7.5	8.5	8.4
1981-Q3	10.0	9.2	1.6	1.4	8.3	8.0	7.3	7.0	8.7	8.6
1981-Q4	10.8	10.0	2.0	1.9	8.3	7.9	7.3	6.9	8.8	8.7
2/										
Two-quarter changes:										
1979-Q4 1/	11.4	11.1	2.3	2.3	9.9	9.7	7.9	7.7	.2	.1
1980-Q2	5.4	6.8	-3.5	-1.5	10.7	10.4	8.2	7.7	1.3	.6
1980-Q4	8.7	7.1	-1.0	-2.8	9.4	9.5	8.4	8.4	.9	1.2
1981-Q2	9.8	8.5	.8	-.5	9.1	8.7	8.1	8.0	.4	.7
1981-Q4	10.4	9.6	1.8	1.6	8.2	8.0	7.3	7.1	.3	.3
3/										
Four-quarter changes:										
1978-Q4 1/	13.4	13.4	4.8	4.8	8.6	8.6	8.1	8.1	-.8	-.7
1979-Q4 1/	10.0	9.9	.9	.8	10.0	9.9	7.8	7.7	.1	.1
1980-Q4	7.0	7.0	-2.3	-2.2	10.0	9.9	8.3	8.1	2.2	1.8
1981-Q4	10.1	9.0	1.3	.6	8.7	8.3	7.7	7.4	.7	1.0

1/ Actual.

2/ Percent change from two quarters earlier.

3/ Percent change from four quarters earlier.

January 30, 1980

CONFIDENTIAL - FR
CLASS II FOMCGROSS NATIONAL PRODUCT AND RELATED ITEMS
(Quarterly figures are seasonally adjusted. Expenditures and income
figures are billions of current dollars at annual rates.)

	1980				1981			
	Q1	Q2	Q3	Projected Q4	Q1	Q2	Q3	Q4
Gross national product	2499.0	2538.4	2577.0	2626.6	2677.1	2735.5	2796.6	2863.9
Final purchases	2494.5	2535.4	2582.5	2633.1	2683.1	2735.5	2792.1	2855.4
Private	1978.8	2009.3	2046.7	2084.3	2123.7	2165.4	2211.4	2259.2
Excluding net exports	1992.7	2023.4	2052.0	2078.7	2112.0	2151.5	2197.8	2248.3
Personal consumption expenditures	1614.8	1646.0	1670.0	1691.5	1718.5	1748.6	1783.5	1821.6
Goods	858.5	868.5	871.5	872.0	878.6	888.7	903.2	920.3
Services	756.3	777.5	798.5	819.5	839.9	859.9	880.3	901.3
Gross private domestic investment	382.4	380.4	376.5	380.7	387.5	402.9	418.8	435.2
Residential construction	112.1	108.6	111.6	115.6	120.1	127.1	134.6	142.6
Business fixed investment	265.8	268.8	270.4	271.6	273.4	275.8	279.7	284.1
Change in business inventories	4.5	3.0	-5.5	-6.5	-6.0	.0	4.5	8.5
Nonfarm	4.0	2.5	-6.0	-7.0	-6.5	-.5	4.0	8.0
Net exports of goods and services ^{1/}	-13.9	-14.1	-5.3	5.6	11.7	13.9	13.6	10.9
Exports	284.4	288.2	294.6	304.0	312.5	320.7	329.0	336.6
Imports	298.3	302.3	300.0	298.4	300.8	306.8	315.3	325.7
Gov't. purchases of goods and services	515.7	526.1	535.8	548.8	559.4	570.1	580.7	596.2
Federal ^{2/}	185.2	188.9	192.2	198.8	203.2	207.4	211.3	220.0
State and local	330.5	337.2	343.6	350.0	356.2	362.7	369.4	376.2
Gross national product in constant (1972) dollars	1435.3	1427.2	1415.9	1407.1	1402.4	1403.9	1408.9	1415.4
Personal income	2044.5	2090.0	2140.4	2181.9	2212.8	2254.3	2313.4	2365.0
Wage and salary disbursements	1294.6	1315.1	1328.7	1348.2	1367.9	1389.4	1416.0	1449.4
Disposable personal income	1724.3	1761.2	1803.9	1836.4	1857.6	1889.6	1937.4	1975.6
Saving rate (percent)	3.8	4.0	4.8	5.3	4.8	4.7	5.2	5.0
Corporate profits with I.V.A. and C.C. Adj.	164.9	154.8	153.7	158.2	155.3	164.7	171.7	177.0
Corporate profits before tax	228.4	214.5	211.8	215.8	212.6	221.7	228.4	231.4
Federal government surplus or deficit (-) (N.I.A. basis)	-26.4	-32.3	-51.4	-54.0	-37.9	-33.5	-40.3	-36.7
High employment surplus or deficit (-)	6.6	13.2	12.5	30.4	60.2	73.8	74.1	83.4
State and local government surplus or deficit (-) (N.I.A. basis)	21.9	19.9	20.4	19.1	17.4	17.8	17.9	18.7
Excluding social insurance funds	-7.0	-9.6	-9.6	-11.5	-13.8	-14.0	-14.5	-14.3
Civilian labor force (millions)	104.3	104.7	105.1	105.3	105.5	105.8	106.1	106.4
Unemployment rate (percent)	6.2	6.5	7.1	7.7	8.0	8.4	8.6	8.7
Nonfarm payroll employment (millions)	90.4	90.4	89.9	89.4	89.0	88.9	89.0	89.2
Manufacturing	20.7	20.5	20.1	19.8	19.5	19.3	19.1	19.0
Industrial production (1967=100)	151.2	150.6	148.9	147.8	147.0	147.0	147.4	147.9
Capacity utilization: all mfg. (percent)	83.4	82.3	80.5	79.0	77.9	77.3	77.0	76.9
Materials (percent)	84.2	82.3	80.0	78.2	76.9	76.2	75.9	75.7
Housing starts, private (million units, A.R.)	1.40	1.40	1.45	1.50	1.50	1.60	1.70	1.80
New autos sales, (millions, A.R.)	9.60	9.30	9.10	8.95	9.15	9.40	9.60	9.90
Domestic models	7.30	7.10	6.95	6.80	7.00	7.15	7.30	7.50
Foreign models	2.30	2.20	2.15	2.15	2.15	2.25	2.30	2.40

^{1/} Balance of payments data and details underlying these estimates are shown in the International Developments section of this part of the Greenbook.^{2/} Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.

January 3, 1980

CONFIDENTIAL - FR
CLASS II FOMCPERCENT CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS
(Annual rates compounded quarterly)

	1980				1981			
	Q1	Q2	Q3	Projected Q4	Q1	Q2	Q3	Q4
<u>Constant (1972) dollars</u>								
Gross national product	-8	-2.2	-3.1	-2.4	-1.3	.4	1.4	1.9
Final purchases	-6	-2.0	-2.0	-2.3	-1.4	-.4	.8	1.3
Private	-1.8	-2.7	-2.6	-2.7	-1.8	-.7	.8	1.3
Excluding net exports	-2.9	-3.2	-3.2	-3.6	-2.3	-.9	.9	1.6
Personal consumption expenditures	-2.0	-2.1	-3.0	-3.6	-2.3	-1.2	.4	1.1
Goods	-5.4	-5.7	-7.1	-8.2	-5.3	-3.3	-.9	.3
Services	2.1	2.1	1.8	1.5	1.0	1.0	1.8	1.9
Gross private domestic investment	-8.7	-9.5	-11.9	-4.7	-2.1	7.5	7.7	8.4
Residential structures	-19.6	-19.9	.9	4.2	6.4	15.6	15.9	16.1
Business fixed investment	-2.0	-3.8	-5.8	-6.3	-5.3	-4.0	-1.8	-.6
Gov't. purchases of goods and services	4.7	.6	.2	-.5	.3	.7	.7	1.0
Federal	12.2	2.4	1.4	-.4	2.0	2.8	2.9	2.9
State and local	.5	-.4	-.5	-.6	-.7	-.5	-.1	-.1
Disposable personal income	.1	-1.3	.7	-1.6	-4.0	-1.4	2.5	.4
<u>Current dollars</u>								
Gross national product	7.2	6.5	6.2	7.9	7.9	9.0	9.2	10.0
Final purchases	7.6	6.7	7.6	8.1	7.8	8.0	8.5	9.4
Private	6.1	6.3	7.6	7.6	7.8	8.1	8.8	8.9
Excluding net exports	7.4	6.3	5.8	5.3	6.6	7.7	8.9	9.5
Personal consumption expenditures	9.0	8.0	6.0	5.2	6.5	7.2	8.2	8.8
Goods	5.8	4.7	1.4	.2	3.1	4.7	6.7	7.8
Services	12.8	11.7	11.2	10.9	10.3	9.9	9.8	9.9
Gross private domestic investment	-.9	-2.1	-4.0	4.5	7.3	16.9	16.7	16.6
Residential structures	-11.6	-11.9	11.5	15.1	16.5	25.4	25.8	26.0
Business fixed investment	7.1	4.6	2.4	1.8	2.7	3.6	5.8	6.4
Gov't. purchases of goods and services	13.3	8.3	7.6	10.1	8.0	7.9	7.6	11.1
Federal	19.9	8.2	7.2	14.5	9.2	8.5	7.7	17.5
State and local	9.9	8.4	7.8	7.7	7.3	7.5	7.6	7.6
Disposable personal income	11.3	8.8	10.0	7.4	4.7	7.1	10.5	8.1
Personal income	9.1	9.2	10.0	8.0	5.8	7.7	10.9	9.2
Wage and salary disbursements	7.9	6.5	4.2	6.0	6.0	6.4	7.9	9.8
Corporate profits with IVA & C.C. Adj.	-33.8	-22.3	-2.8	12.2	-7.1	26.5	18.1	12.9
Corporate profits before tax	-30.1	-22.2	-4.9	7.8	-5.8	18.2	12.6	5.5
Nonfarm payroll employment	.9	.2	-2.1	-2.2	-1.7	-.6	.4	.9
Manufacturing	-3.8	-4.4	-6.2	-6.5	-6.1	-4.6	-3.5	-2.5
Nonfarm business sector								
Output per hour	-.6	-1.2	.0	.2	.6	1.4	1.2	1.0
Compensation per hour	10.1	9.1	8.7	8.5	11.5	8.1	8.4	8.5
Unit labor costs	10.8	10.4	8.7	8.3	10.8	6.6	7.1	7.4
GNP implicit deflator ^{1/}	8.1	8.9	9.7	10.6	9.4	8.6	7.7	8.0
Gross domestic business product								
fixed-weighted price index ^{2/}	10.3	10.5	9.8	9.2	9.0	8.5	8.0	7.9
Excluding food and energy	7.6	7.9	8.8	8.2	8.1	7.5	7.0	6.9
Consumer price index (all urban)	15.6	11.7	9.2	9.2	9.2	8.4	8.5	8.4
Industrial production	-2.3	-1.6	-4.4	-3.0	-2.2	.0	1.2	1.5

^{1/} Excluding Federal pay increases, the rates of change are: 1980-Q1, 8.1 percent; 1980-Q4, 10.0 percent; 1981-Q1, 9.3 percent; 1981-Q4, 7.3 percent.^{2/} Uses expenditures in 1972 as weights.

CONFIDENTIAL - FR
CLASS II FOMC

GROSS NATIONAL PRODUCT AND RELATED ITEMS
(Quarterly figures are seasonally adjusted. Expenditures and income
figures are billions of current dollars at annual rates.)

	1978				1979			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross national product	2011.3	2104.2	2159.6	2235.2	2292.1	2329.8	2396.5	2455.8
Final purchases	1988.5	2078.4	2139.5	2214.5	2272.9	2296.4	2381.9	2449.5
Private	1569.1	1650.1	1698.6	1760.7	1812.8	1829.8	1904.1	1949.7
Excluding net exports	1591.3	1657.7	1705.4	1765.2	1808.8	1837.9	1906.4	1957.4
Personal consumption expenditures	1287.2	1331.2	1369.3	1415.4	1454.2	1475.9	1528.6	1580.4
Goods	691.2	722.1	740.2	770.2	784.9	789.9	818.1	846.5
Services	596.0	609.1	629.1	645.1	669.3	686.0	710.6	733.9
Gross private domestic investment	327.0	352.3	356.2	370.5	373.8	395.4	392.3	383.3
Residential construction	100.5	107.7	110.2	113.7	111.2	112.9	116.0	115.6
Business fixed investment	203.7	218.8	225.9	236.1	243.4	249.1	261.8	261.3
Change in business inventories	22.8	25.8	20.0	20.6	19.1	33.4	14.5	6.4
Nonfarm	22.0	25.3	18.5	19.3	18.8	32.6	12.6	2.3
Net exports of goods and services ^{1/}	-22.2	-7.6	-6.8	-4.5	4.0	-8.1	-2.3	-7.7
Exports	184.4	205.7	213.8	224.9	238.5	243.7	267.3	280.0
Imports	206.6	213.3	220.6	229.4	234.4	251.9	269.5	287.7
Gov't. purchases of goods and services	419.4	428.3	440.9	453.8	460.1	466.6	477.8	499.8
Federal ^{2/}	150.9	148.2	152.3	159.0	163.6	161.7	162.9	177.0
State and local	268.5	280.1	288.6	294.8	296.5	304.9	314.9	322.8
Gross national product in constant (1972) dollar	1367.8	1395.2	1407.3	1426.6	1430.6	1422.3	1433.3	1438.4
Personal income	1634.8	1689.3	1742.5	1803.1	1852.6	1892.5	1946.6	2000.5
Wage and salary disbursements	1052.0	1090.0	1116.8	1154.3	1189.3	1212.4	1238.1	1270.1
Disposable personal income	1395.0	1437.3	1476.5	1524.8	1572.2	1601.7	1640.0	1678.8
Saving rate (percent)	5.3	5.0	4.8	4.7	5.0	5.4	4.3	3.3
Corporate profits with I.V.A. and C.C. Adj.	141.2	169.4	175.2	184.8	178.9	176.6	180.8	181.7
Corporate profits before tax	177.5	207.2	212.0	227.4	233.3	227.9	242.3	248.7
Federal government surplus or deficit (-) (N.I.A. basis)	-49.4	-24.6	-20.4	-16.3	-11.7	-7.0	-11.3	-11.5
High employment surplus or deficit (-)	-24.9	-8.0	-6.8	-6.6	-9	13.8	10.8	12.6
State and local government surplus or deficit (-) (N.I.A. basis)	30.2	29.6	22.7	27.1	27.6	19.7	25.3	25.4
Excluding social insurance funds	7.9	6.5	-9	3.3	2.6	-6.3	-1.8	-2.9
Civilian labor force (millions)	99.1	100.2	100.8	101.5	102.3	102.4	103.2	103.7
Unemployment rate (percent)	6.2	6.0	6.0	5.8	5.7	5.8	5.8	5.9
Nonfarm payroll employment (millions)	84.8	86.3	86.9	87.8	88.7	89.4	89.8	90.2
Manufacturing	20.2	20.4	20.5	20.8	21.0	21.1	21.0	20.9
Industrial production (1967=100)	140.8	145.1	147.9	150.7	152.2	151.9	152.3	152.1
Capacity utilization: all mfg. (percent)	82.0	83.9	85.2	86.4	86.7	85.9	85.4	84.6
Materials (percent)	82.6	85.0	86.4	88.2	88.0	87.3	87.1	86.1
Housing starts, private (million units, A.R.)	1.81	2.10	2.04	2.08	1.62	1.83	1.83	1.60
New autos sales, (millions, A.R.)	10.80	12.12	11.16	11.07	11.55	10.66	10.77	9.83
Domestic models	8.80	10.01	9.19	9.06	9.13	8.00	8.49	7.25
Foreign models	2.00	2.11	1.98	2.00	2.42	2.66	2.28	2.58

^{1/} Balance of payments data and details underlying these estimates are shown in the International Developments section of this part of the Greenbook.

^{2/} Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.

CONFIDENTIAL - FR
CLASS II FOMC

PERCENT CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS
(Annual rates compounded quarterly)

	1978				1979			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>Constant (1972) dollars</u>								
Gross national product	1.9	8.3	3.5	5.6	1.1	-2.3	3.1	1.4
Final purchases	.4	8.7	4.6	5.7	1.1	-3.9	6.4	2.5
Private	.8	10.7	4.4	6.7	1.8	-4.1	7.8	2.0
Excluding net exports	1.0	7.9	4.1	6.9	.4	-2.9	5.3	1.8
Personal consumption expenditures	.8	5.6	4.8	6.8	.6	-2.9	4.9	4.1
Goods	-4.7	9.2	4.2	9.9	-4.4	-7.3	6.0	4.8
Services	7.9	1.4	5.5	3.2	7.1	2.5	3.6	3.2
Gross private domestic investment	12.3	15.7	-5.0	6.6	-5.5	8.5	-12.8	-14.1
Residential structures	-4.7	11.0	-4.9	-1.1	-14.3	-7.2	-1.5	-9.8
Business fixed investment	4.6	23.2	3.9	11.3	4.8	-8	10.7	-6.9
Gov't. purchases of goods and services	-1.2	.9	5.0	1.8	-1.8	-3.3	1.0	4.7
Federal	-7.4	-12.3	8.2	3.2	7.2	-11.3	-2.6	12.6
State and local	2.7	9.3	3.3	1.0	-6.6	1.6	3.1	.6
Disposable personal income	2.0	4.0	4.2	6.4	2.1	-1.4	.2	.0
<u>Current dollars</u>								
Gross national product	8.4	19.8	10.9	14.8	10.6	6.7	11.9	10.3
Final purchases	7.5	19.3	12.3	14.8	11.0	4.2	15.8	11.8
Private	7.7	22.3	12.3	15.4	12.4	3.8	17.3	9.9
Excluding net exports	8.8	17.8	12.0	14.8	10.3	6.6	15.8	11.1
Personal consumption expenditures	9.0	14.4	11.9	14.2	11.4	6.1	15.0	14.3
Goods	3.3	19.1	10.4	17.2	7.9	2.6	15.1	14.6
Services	16.1	9.1	13.8	10.6	15.8	10.4	15.1	13.8
Gross private domestic investment	13.3	34.8	4.5	17.1	3.6	25.2	-3.0	-8.9
Residential structures	2.4	32.0	9.5	13.5	-8.5	6.1	11.7	-1.6
Business fixed investment	10.6	33.3	13.7	19.3	12.9	9.6	22.0	-7
Gov't. purchases of goods and services	6.5	8.8	12.3	12.2	5.6	5.8	10.0	19.7
Federal	-9	-7.0	11.7	18.7	12.1	-4.6	3.1	39.3
State and local	11.1	18.5	12.6	8.9	2.3	11.9	13.8	10.4
Disposable personal income	10.3	12.7	11.4	13.8	13.0	7.7	9.9	9.8
Personal income	10.0	14.0	13.2	14.7	11.4	8.9	11.9	11.5
Wage and salary disbursements	11.7	15.3	10.2	14.1	12.7	8.0	8.8	10.7
Corporate profits with IVA & C.C. Adj.	-27.5	107.2	14.4	23.8	-12.2	-5.0	9.9	2.0
Corporate profits before tax	-11.5	85.7	9.6	32.4	10.8	-8.9	27.8	11.0
Nonfarm payroll employment	4.6	7.1	2.8	4.4	4.3	2.9	1.8	1.9
Manufacturing	5.8	3.8	1.3	5.5	5.0	.8	-1.3	-1.8
Nonfarm business sector								
Output per hour	-9	1.9	2.7	.8	-3.2	-4.1	-1.4	-4
Compensation per hour	11.4	7.5	8.8	8.8	10.4	7.9	8.5	8.9
Unit labor costs	12.4	5.4	6.0	8.0	14.0	12.5	10.1	9.3
GNP implicit deflator ^{1/}	6.3	10.6	7.2	8.7	9.3	9.3	8.5	8.7
Gross domestic business product								
fixed-weighted price index ^{2/}	6.6	10.5	8.8	8.7	10.0	10.1	10.4	9.2
Excluding food and energy	5.5	9.4	8.9	8.7	7.7	7.9	7.6	7.7
Consumer price index (all urban)	7.8	10.2	8.8	9.1	11.1	13.6	12.9	13.2
Industrial production	1.4	12.8	7.9	7.8	4.0	-.8	1.1	-.5

^{1/} Excluding Federal pay increases, rates of change were: 1978-Q1, 6.3 percent; 1978-Q4, 8.1 percent; 1979-Q1, 9.3 percent; 1979-Q4, 8.1 percent.

^{2/} Uses expenditures in 1972 as weights.

January 30, 1980

CONFIDENTIAL - FR
CLASS II FOMCGROSS NATIONAL PRODUCT AND RELATED ITEMS
(Expenditures and income figures are billions of current dollars.)

	1974	1975	1976	1977	1978	1979	Projected	
							1980	1981
Gross national product	1412.9	1528.8	1702.2	1899.5	2127.6	2368.5	2560.2	2768.3
Final purchases	1404.0	1539.6	1692.1	1877.6	2105.2	2350.2	2561.4	2766.5
Private	1101.3	1201.2	1330.8	1481.4	1669.6	1874.1	2029.8	2189.9
Excluding net exports	1095.3	1180.8	1322.8	1491.3	1679.9	1877.6	2036.7	2177.4
Personal consumption expenditures	889.6	979.1	1089.9	1210.0	1350.8	1509.8	1655.6	1768.0
Goods	498.3	541.5	601.3	660.1	730.9	809.8	867.6	897.7
Services	391.3	437.5	488.5	549.8	619.8	700.0	787.9	870.3
Gross private domestic investment	214.6	190.9	243.0	303.3	351.5	386.2	380.0	411.1
Residential construction	55.1	51.5	68.1	91.9	108.0	113.9	112.0	131.1
Business fixed investment	150.6	150.2	164.9	189.4	221.1	253.9	269.1	278.2
Change in business inventories	8.9	-10.7	10.0	21.9	22.3	18.4	-1.1	1.7
Nonfarm	10.8	-14.3	12.1	20.7	21.3	16.6	-1.6	1.3
Net exports of goods and services ^{1/}	6.0	20.4	8.0	-9.9	-10.3	-3.5	-6.9	12.5
Exports	137.9	147.3	163.3	175.9	207.2	257.4	292.8	324.7
Imports	131.9	126.9	155.4	185.8	217.5	260.9	299.7	312.2
Gov't. purchases of goods and services	302.7	338.4	361.3	396.2	435.6	476.1	531.6	576.6
Federal ^{2/}	111.1	123.1	129.7	144.4	152.6	166.3	191.3	210.5
State and local	191.5	215.4	231.6	251.8	283.0	309.8	340.3	366.1
Gross national product in constant (1972) dollars	1217.8	1202.3	1273.0	1340.5	1399.2	1431.1	1421.4	1407.7
Personal income	1154.9	1255.5	1381.6	1531.6	1717.4	1923.1	2114.2	2286.4
Wage and salary disbursements	764.6	805.9	890.0	984.0	1103.3	1227.5	1321.6	1405.7
Disposable personal income	984.6	1086.7	1184.5	1305.1	1458.4	1623.2	1781.4	1915.1
Saving rate (percent)	7.3	7.7	5.8	5.0	4.9	4.5	4.5	4.9
Corporate profits with I.V.A. and C.C. Adj.	83.6	95.9	126.8	150.0	167.7	178.5	157.9	167.2
Corporate profits before tax	126.9	120.4	156.0	177.1	206.0	237.0	217.6	223.5
Federal government surplus or deficit (N.I.A. basis)	-10.7	-70.6	-53.6	-46.3	-27.7	-10.5	-41.0	-37.1
High employment surplus or deficit (-)	9.0	-19.2	-14.3	-19.3	-11.6	9.1	15.7	72.9
State and local government surplus or deficit (-) (N.I.A. basis)	7.6	6.2	17.9	26.8	27.4	24.4	20.3	17.9
Excluding social insurance funds	-2.9	-6.2	2.3	7.3	4.2	-2.2	-9.4	-14.2
Civilian labor force (millions)	91.0	92.6	94.8	97.4	100.4	102.9	104.8	105.9
Unemployment rate (percent)	5.6	8.5	7.7	7.0	6.0	5.8	6.9	8.4
Nonfarm payroll employment (millions)	78.3	77.0	79.4	82.4	86.4	89.5	90.0	89.0
Manufacturing	20.1	18.3	19.0	19.7	20.5	21.0	20.3	19.2
Industrial production (1967=100)	129.3	117.8	130.5	138.2	146.1	152.2	149.6	147.3
Capacity utilization: all manufacturing (percent)	83.8	72.9	79.5	81.9	84.4	85.7	81.3	77.3
Materials (percent)	87.1	73.4	81.1	82.7	85.6	87.1	81.2	76.2
Housing starts, private (million units, A.R.)	1.34	1.16	1.54	1.99	2.02	1.72	1.44	1.65
New auto sales, (millions, A.R.)	8.91	8.66	10.12	11.13	11.29	10.70	9.24	9.51
Domestic models	7.49	7.08	8.63	9.07	9.27	8.22	7.04	7.24
Foreign models	1.42	1.58	1.50	2.06	2.02	2.48	2.20	2.27

^{1/} Balance of payments data underlying these estimates are shown in the International Developments section of this part of the Greenbook.^{2/} Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.

January 30, 1980

CONFIDENTIAL - FR
CLASS II FOMCPERCENT CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1974	1975	1976	1977	1978	1979	Projected	
							1980	1981
<u>Constant (1972) dollars</u>								
Gross national product	-1.4	-1.3	5.9	5.3	4.4	2.3	-7	-1.0
Final purchases	-7	.2	4.5	4.8	4.4	2.6	.1	-1.1
Private	-1.4	-3	5.6	5.6	5.0	3.1	-4	-1.4
Excluding net exports	-2.3	-1.0	6.5	6.2	5.0	2.6	-1.2	-1.8
Personal consumption expenditures	-9	1.8	5.9	5.0	4.5	2.6	-4	-1.9
Goods	-3.4	.7	6.9	5.1	4.1	1.3	-2.7	-4.9
Services	2.3	3.2	4.8	4.9	5.1	4.2	2.4	1.4
Gross private domestic investment	-11.4	-22.3	21.6	15.4	7.1	.2	-9.6	-9
Residential structures	-24.6	-13.9	23.3	20.7	4.2	-6.1	-11.2	6.8
Business fixed investment	-.3	-13.0	4.8	8.6	8.4	5.8	-2.5	-4.5
Gov't. purchases of goods and services	2.1	1.9	.2	2.0	1.8	.3	2.1	.3
Federal	-.8	.7	-.2	4.4	-2.0	.7	4.8	1.7
State and local	3.8	2.6	.5	.6	4.0	.2	.5	-.5
Disposable personal income	-1.5	2.1	3.7	4.2	4.6	2.2	-.3	-1.2
<u>Current dollars</u>								
Gross national product	8.1	8.2	11.3	11.6	12.0	11.3	8.1	8.1
Final purchases	8.9	9.7	9.9	11.0	12.1	11.6	9.0	8.0
Private	8.1	9.1	10.8	11.3	12.7	12.2	8.3	7.9
Excluding net exports	8.2	7.8	12.0	12.7	12.6	11.8	8.5	6.9
Personal consumption expenditures	9.8	10.1	11.3	11.0	11.6	11.8	9.7	6.8
Goods	8.9	8.7	11.0	9.8	10.7	10.8	7.1	3.5
Services	11.1	11.8	11.7	12.5	12.7	12.9	12.6	10.5
Gross private domestic investment	-2.5	-11.0	27.3	24.8	15.9	9.9	-1.6	8.2
Residential structures	-16.7	-6.5	32.3	35.0	17.5	5.5	-1.7	17.1
Business fixed investment	10.8	-.3	9.8	14.9	16.7	14.8	6.0	3.4
Gov't. purchases of goods and services	12.3	11.8	6.8	9.7	9.9	9.3	11.7	8.5
Federal	8.7	10.7	5.4	11.3	5.7	9.0	15.0	10.0
State and local	14.5	12.5	7.5	8.7	12.4	9.5	9.8	7.6
Disposable personal income	9.2	10.4	9.0	10.2	11.7	11.3	9.7	7.5
Personal income	9.7	8.7	10.0	10.9	12.1	12.0	9.9	8.1
Wage and salary disbursements	9.0	5.4	10.4	10.6	12.1	11.3	7.7	6.4
Corporate profits with IVA & C.C. Adj.	-15.6	14.7	32.2	18.3	11.8	6.4	-11.5	5.9
Corporate profits before tax	9.6	-5.1	29.6	13.5	16.3	15.0	-8.2	2.7
Nonfarm payroll employment	2.0	-1.7	3.1	3.8	4.9	3.6	.6	-1.1
Manufacturing	-.4	-8.7	3.7	3.6	4.0	2.5	-3.4	-5.3
Nonfarm business sector								
Output per hour	-2.9	1.9	3.5	1.8	.5	-1.2	-.9	.6
Compensation per hour	9.4	9.9	8.3	8.0	8.6	8.9	9.1	9.2
Unit labor costs	12.7	7.8	4.7	6.3	8.0	10.2	10.2	8.6
GNP implicit deflator	9.7	9.6	5.2	6.0	7.3	8.8	8.9	9.1
Gross domestic business product								
fixed-weighted price index ^{1/}	10.4	9.4	5.3	6.2	7.6	9.6	10.0	8.9
Excluding food and energy	8.1	9.5	5.8	6.3	7.2	8.2	7.9	7.9
Consumer price index (all urban)	11.0	9.1	5.8	6.5	7.7	11.3	12.8	9.1
Industrial production	-.4	-8.9	10.8	5.9	5.7	4.2	-1.7	-1.5

^{1/} Uses expenditures in 1972 weights.

FEDERAL SECTOR ACCOUNTS
(billions of dollars)

January 30, 1980

	Fiscal Year 1979*	FY 1980 e/2/		FY 1981 e/		CY 1979*	CY80e/ F.R. Board	FRB Staff Estimates								
		Admin. 1/	F.R. Board	Admin. 1/	F.R. Board			Calendar quarters; unadjusted data								
								1979			1980			1981		
								III*	IV*	I	II	III	IV	I	II	III
Unified budget receipts	465.9	523.8	520.0	600.0	583.6	480.5	533.4	119.9	114.0	113.5	154.4	138.1	127.5	128.2	173.2	154.7
Unified budget outlays	493.7	563.6	562.6	615.8	622.5	508.7	577.4	124.4	138.6	138.0	141.7	144.3	153.4	152.7	156.8	159.6
Surplus(+)/deficit(-), unified budget	-27.7	-39.8	-42.6	-15.8	-38.9	-28.2	-44.0	-4.5	-24.6	-24.5	12.7	-6.2	-25.9	-24.5	16.4	-4.9
Surplus(+)/deficit(-), off-budget agencies ³	-12.4	-16.8	-17.8	-18.1	-19.0	-13.2	-17.9	-4.1	-1.0	-6.3	-6.0	-4.5	-1.1	-6.7	-6.4	-4.8
Combined deficit to be financed	-40.2	-56.5	-60.4	-33.9	-57.9	-41.4	-61.9	-8.6	-25.6	-30.8	6.7	-10.7	-27.0	-31.2	10.0	-9.7
Means of financing combined deficits:																
Net borrowing from public	33.6	44.3	49.2	33.1	56.4	37.3	59.3	12.4	18.9	19.8	-0.7	11.2	29.0	28.2	-8.0	7.2
Decrease in cash operating balance	-1.7	9.2	9.2	0.0	0.0	0.4	0.9	-6.7	8.3	7.9	-4.0	-3.0	0.0	0.0	0.0	0.0
Other ⁴	8.3	3.0	1.9	0.8	1.5	3.5	1.6	2.9	-1.7	3.1	-2.0	2.5	-2.0	3.0	-2.0	2.5
Cash operating balance, end of period	24.2	15.0	15.0	15.0	15.0	15.9	15.0	24.2	15.9	8.0	12.0	15.0	15.0	15.0	15.0	15.0
Memo: Sponsored agency borrowing ⁵	21.4	14.2	24.3	11.9	15.0	24.5	21.0	4.8	7.3	5.0	6.0	6.0	4.0	3.0	4.0	4.0
NIA Budget								Seasonally adjusted annual rates								
Receipts ⁶	483.7	530.6	529.3	607.7	589.4	497.7	541.3	504.8	525.1	527.5	535.0	544.7	558.1	585.5	601.4	618.8
Expenditures ⁶	493.6	564.2	564.0	626.3	632.8	508.0	582.6	516.1	536.4	554.2	567.6	596.5	612.3	623.8	635.2	659.4
Purchases (total)	162.4	185.6	185.8	202.9	205.2	166.3	191.3	162.9	177.0	185.2	188.9	192.2	198.8	203.2	207.4	211.3
Defense	105.9	118.7	119.3	132.1	134.3	108.3	123.1	109.0	114.6	117.7	120.8	124.0	129.7	132.7	135.9	138.9
Nondefense	56.5	66.9	66.6	70.8	70.9	58.0	68.2	53.9	62.4	67.5	68.1	68.2	69.1	70.5	71.5	72.4
All other expenditures	331.2	378.6	378.2	423.4	427.6	341.7	391.3	353.2	359.4	369.0	378.7	404.3	413.5	420.6	427.8	448.1
Surplus(+)/deficit(-) ⁶	-9.9	-33.6	-34.7	-18.6	-43.4	-10.3	-41.3	-11.3	-11.3	-26.7	-32.6	-51.8	-54.2	-38.3	-33.8	-40.6
High Employment Surplus(+)/ deficit(-) (NIA basis) ⁷	4.3	n.a.	11.2	n.a.	59.7	9.1	15.7	10.8	12.6	6.6	13.2	12.5	30.4	60.2	73.8	74.1
		*--actual		e--estimated				n.a.--not available								

1. The Budget of the United States Government, Fiscal Year 1981, January 1980.

2. In the Second Concurrent Resolution on the Budget, Fiscal Year 1980, (November 28, 1979), Congress approved receipts of \$517.8 billion and outlays of \$547.6 billion.

3. Includes Federal Financing Bank, Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, and Pension Benefit Guaranty Corporation.

4. Checks issued less checks paid, accrued items and other transactions.

5. Includes Federal Home Loan Banks, FNMA, Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives marketable debt on an offerings basis.

6. The fiscal year totals as published by the BEA "Fiscal Year 1981 Budget Translation," January 1980, are based on unadjusted data and do not conform to the average of four seasonally adjusted quarters. The FRB staff estimates, therefore, have been adjusted in order to make the BEA and the staff estimates comparable.

7. Estimates are based on new methodology described in greater detail in Appendix to Part II.

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CONFIDENTIAL (FR)
CLASS II FOMC

OUTLOOK FOR U.S. NET EXPORTS AND RELATED ITEMS
(BILLIONS OF DOLLARS, SEASONALLY ADJUSTED ANNUAL RATES)

	1979 ANN.	1980 ANN.	1981 ANN.	1980 Q I	1980 Q II	1980 Q III	1980 Q IV	1981 Q I	1981 Q II	1981 Q III	1981 Q IV
1. GNP NET EXPORTS											
CURRENT \$, NET	-3.5	-6.9	12.5	-13.9	-14.1	-5.3	5.6	11.7	13.9	13.6	10.9
EXPORTS OF G&S	257.4	292.8	324.7	284.4	288.2	294.6	304.0	312.5	320.7	329.0	336.6
IMPORTS OF G&S	260.9	299.7	312.2	298.3	302.3	300.0	298.4	300.8	306.8	315.4	325.7
CONSTANT 72 \$, NET	17.7	26.2	30.6	23.8	25.2	26.8	29.1	30.5	30.9	30.9	30.3
EXPORTS OF G&S	119.8	121.7	123.7	122.8	121.5	121.0	121.6	122.5	123.4	124.2	124.7
IMPORTS OF G&S	102.1	95.5	93.0	99.0	96.3	94.2	92.5	92.0	92.5	93.3	94.4
2. U.S. MERCHANDISE TRADE BALANCE 2/	-28.1	-34.4	-16.1	-43.7	-40.2	-32.2	-21.5	-16.0	-14.5	-15.3	-18.5
EXPORTS (EXCL. MILITARY)	182.8	210.7	236.0	202.4	207.6	212.7	220.1	226.7	232.8	239.3	245.3
AGRICULTURAL	35.3	36.9	41.1	36.7	36.6	36.3	37.9	39.4	40.4	41.7	43.0
NONAGRICULTURAL	147.5	173.8	194.9	165.7	171.0	176.4	182.2	187.3	192.4	197.6	202.3
IMPORTS	210.9	245.1	252.1	246.2	247.8	244.9	241.7	242.7	247.3	254.6	263.8
PETROLEUM AND PRODUCTS	59.4	84.1	87.4	82.2	85.0	85.1	84.0	84.8	86.3	87.9	90.5
NONPETROLEUM	151.5	161.0	164.7	164.0	162.7	159.8	157.6	157.9	161.0	166.7	173.3
3. U.S. CURRENT ACCOUNT BALANCE	0.3	-3.4	18.6	-15.0	-9.6	-0.1	11.2	17.3	19.8	19.9	17.5
OF WHICH: NET INVESTMENT INCOME	30.9	33.0	36.4	30.9	32.6	33.9	34.4	34.9	35.9	36.9	38.0
4. FOREIGN OUTLOOK - TEN INDUSTRIAL COUNTRIES 3/											
REAL GNP, % CHANGE, ANNUAL RATES	3.6	1.9	2.1	0.6	0.8	1.2	1.5	2.3	2.6	2.9	3.0
CONSUMER PRICES, 4/, % CHANGE, ANNUAL RATES	7.9	10.0	7.8	10.4	10.0	8.3	8.0	7.9	7.4	6.8	7.0

2/ INTERNATIONAL ACCOUNTS BASIS.

3/ GEOMETRIC WEIGHTS USED TO AGGREGATE FOREIGN REAL GNP AND CONSUMER PRICES -- PER CENT SHARE IN TEN-COUNTRY TOTAL MULTILATERAL TRADE. CANADA (9.1%), JAPAN (13.6%), UNITED KINGDOM (11.9%), GERMANY (20.8%), FRANCE (13.1%), ITALY (9.0%), BELGIUM (6.4%), THE NETHERLANDS (6.3%), SWITZERLAND (3.6%), SWEDEN (4.2%).

4/ WHOLESALE PRICES FOR JAPAN.

P/ PROJECTED.

CONFIDENTIAL (FR)

January 30, 1980

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

By the Staff
Board of Governors
of the Federal Reserve System

SURVEY OF PLANT AND EQUIPMENT EXPENDITURES
(Percent change from prior year)

	1979 ¹	Planned for 1980	
		McGraw-Hill	Commerce
All Business	14.7	9.5	10.9
Manufacturing	15.8	13	14.3
Durables	19.7	13	15.5
Nondurables	12.4	14	13.2
Nonmanufacturing	13.8	6	8.3
Mining	15.6	10	16.8
Transportation	26.6	3	10.4
Utilities	12.6	8	3.6
Communications, Commercial and other	12.1	5	10.0

1. November Commerce Survey, based on actual data for the first three quarters of the year and anticipations for the fourth quarter.

ERROR HISTORY OF THE COMMERCE DEPARTMENT ANNUAL SURVEY
(Percent change from prior year)

Year	Anticipated	Actual	Error ¹
1970	9.3	5.5	3.8
1971	1.4	1.9	-.5
1972	9.1	8.9	.2
1973	12.9	12.8	.1
1974	12.0	12.7	-.7
1975	4.6	.3	4.3
1976	5.5	6.8	-1.3
1977	11.3	12.7	-1.4
1978	10.1	13.3	-3.2
1979	11.2	14.7 ²	-3.5
1980	10.9	n.a.	n.a.

1. Anticipated minus actual percent change.

2. Based on November Commerce Survey.

GROSS OFFERINGS OF CORPORATE AND FOREIGN SECURITIES
(Monthly totals or monthly averages; in millions of dollars)

	1979				1980		
	H1	QIII	QIV ^P	Dec. ^P	Jan. ^P	Feb. ^f	Mar. ^f
----- Seasonally adjusted -----							
Corporate securities--total	4,335	4,825	3,600	3,175	3,900	3,450	3,600
Publicly offered bonds	2,125	2,425	1,875	1,650	2,200	1,900	2,000
Privately placed bonds	1,555	925	1,025	1,000	900	900	900
Stocks	655	1,475	700	525	800	650	700
----- Not seasonally adjusted -----							
Publicly offered bonds--total	2,280	2,125	1,850	1,450	2,400	1,800	2,600
By quality ¹							
Aaa and Aa	1,225	1,275	950	650	1,600	--	--
Less than Aa ²	1,055	850	900	800	800	--	--
By type of borrower							
Utility	700	575	1,080	1,325	1,315	--	--
Industrial ³	635	875	575	125	535	--	--
Financial	945	675	195	0	550	--	--
Foreign securities--total ⁴	408	517	435	375	550	300	300

p--preliminary. f--forecast.

1. Bonds categorized according to Moody's bond ratings.

2. Includes issues not rated by Moody's.

3. Includes equipment trust certificates.

4. Includes both publicly offered and privately placed bonds.

GOVERNMENT SECURITY OFFERINGS
(Monthly totals or monthly averages, billions of dollars)

	1979				1980		
	H1	QIII	QIV ^e	Dec. ^e	Jan. ^e	Feb. ^f	Mar. ^f
----- Seasonally adjusted -----							
State and local government securities, gross offerings							
Total	5.07	5.49	5.55	5.60	5.00	4.55	5.20
Long-term	3.35	3.58	4.15	4.00	3.00	2.60	3.60
Short-term	1.72	1.91	1.40	1.60	2.00	1.95	1.60
U.S. government securities, net offerings							
U.S. Treasury ¹	3.28	1.69	3.94	3.57	5.34	9.13	4.77
Sponsored agencies	2.22	0.73	2.83	2.63	1.68	2.81	2.43
----- Not seasonally adjusted -----							
State and local government securities, gross offerings							
Total	5.42	5.26	5.07	4.60	4.50	4.50	5.50
Long-term	3.54	3.38	3.89	3.30	3.00	2.80	3.80
Short-term	1.88	1.89	1.18	1.30	1.50	1.70	1.70
U.S. government securities, net offerings							
U.S. Treasury ¹	1.97	2.17	6.03	5.76	4.43	12.60	6.00
Sponsored agencies	2.09	1.31	2.53	1.65	1.29	1.82	2.25

e--estimate. f--forecast.

1. Marketable issues only.

III-10

Comparison of High Employment Surplus Estimates Using Old and New Methods
(billions of dollars)

FES	1979:4	1980:1	1980:2	1980:3	1980:4	1981:1	1981:2	1981:3	1981:4	FY'79	FY'80	FY'81	1979:4 to 1980:4	1980:4 to 1981:4
Old	13.0	17.2	24.1	21.6	36.4	65.1	67.1	75.8	83.5	4.0	19.0	61.1	23.4	47.1
New	12.6	6.6	13.2	12.5	30.4	60.2	73.8	74.1	83.4	4.3	11.2	59.7	17.8	53.0

CONFIDENTIAL (FR)
CLASS II - FOMC

February 1, 1980

SUPPLEMENT
CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the
Federal Open Market Committee

By the Staff
Board of Governors
of the Federal Reserve System

Table 1
SELECTED MEASURES OF THE FEDERAL BUDGET FOR RECENT FISCAL YEARS
(Billions of dollars)

	1978	1979	1980 ^e	1981 ^e
<u>Unified Budget</u>				
Receipts	402.0	465.9	523.8	600.0
Outlays	450.8	493.7	563.6	615.8
Deficit(-)	-48.8	-27.7	-39.8	-15.8
<u>Off-Budget Outlays</u>	10.3	12.4	16.8	18.1
<u>Combined Federal Deficit(-)</u>	-59.2	-40.2	-56.5	-33.9
<u>NIA Budget¹</u>				
Receipts	414.7	483.7	530.6	607.7
Expenditures	450.1	493.6	564.2	626.3
Deficit(-)	-35.4	-9.9	-33.6	-18.6
<u>High-Employment Budget²</u>				
Receipts	417	479	561	660
Expenditures	446	491	557	603
Surplus(+)/Deficit(-)	-29	-12	4	57
Memo:				
Percent Increase in:				
Unified Budget Receipts	12.4	15.9	12.4	14.5
Unified Budget Outlays	11.9	9.5	14.2	9.3
NIA Budget Receipts	13.3	16.6	9.7	14.5
NIA Budget Outlays	9.4	9.7	14.3	11.0

1. Federal budget measured on the National Income and Product Accounts basis.

2. Unified receipts and outlays for the economy at a 5.1 percent unemployment rate.

e--estimated.

Table 2
ECONOMIC ASSUMPTIONS IN THE BUDGET
(Calendar years; billions of dollars)

	Forecast		
	1979	1980	1981
GNP:			
Current dollars:			
Amount	2,369	2,567	2,842
Percent change, year over year	11.4	8.3	10.7
Percent change, fourth over fourth	10.0	7.9	11.7
Constant (1972) dollars:			
Amount	1,431	1,423	1,448
Percent change, year over year	2.3	-0.6	1.7
Percent change, fourth over fourth	0.8	-1.0	2.8
Price level:			
GNP implicit price deflator			
Level (1972 = 100), annual average	165.5	180.4	196.3
Percent change, year over year	8.9	8.9	8.8
Percent change, fourth over fourth	9.1	9.0	8.6
Unemployment rate:			
Total, annual average	5.8*	7.0	7.4

*--actual.

Table 3
EFFECTS OF ADMINISTRATION PROPOSALS ON RECEIPTS
(Fiscal years; billions of dollars)

	1980	1981
Current services receipts estimate	517.4	579.0
Windfall profits tax	5.5	13.9
Cash management initiatives	--	4.5
Other	<u>0.9</u>	<u>2.6</u>
Total proposed changes	6.4	21.0
Proposed receipts, President's budget	523.8	600.0

Table 4
COMPARATIVE CHANGES IN FEDERAL RECEIPTS
Fiscal Years 1973-1981

Fiscal Year	Unified Budget Receipts (\$ billions)	Change in Receipts from Previous Fiscal Year		Unified Budget Receipts as a Percent of GNP
		(\$ billions)	(percent)	
1973	232.2	23.6	11.3	18.8
1974	264.9	32.7	14.1	19.5
1975	281.0	16.1	6.1	19.3
1976	300.0	19.0	6.8	18.5
1977	357.8	57.8	15.4 ¹	19.4
1978	402.0	44.2	12.4	19.5
1979	465.9	63.9	15.9	20.1
1980 ^e	523.8	57.9	12.4	20.8
1981 ^e	600.0	76.2	14.5	21.7

1. Takes into account the transition quarter (July-September 1976).
e--estimated.

Table 5
COMPARATIVE CHANGES IN FEDERAL OUTLAYS
Fiscal Years 1973-1981

Fiscal Year	Unified Budget Outlays (\$ billions)	Change in Outlays from Previous Fiscal Year		Unified Budget Outlays as a Percent of GNP
		(\$ billions)	(Percent)	
1973	247.1	15.1	6.5	20.0
1974	269.6	22.5	9.1	19.8
1975	326.2	56.6	21.0	22.4
1976	366.4	40.2	12.3	22.6
1977	402.7	36.3	7.8 ¹	21.8
1978	450.8	48.1	11.9	21.9
1979	493.7	42.9	9.5	21.3
1980 ^e	563.6	69.9	14.2	22.4
1981 ^e	615.8	52.2	9.3	22.3

1. Takes into account the transition quarter (July-September 1976).

e--estimated.

Table 6
CHANGE IN FISCAL YEAR 1980 OUTLAY ESTIMATE
(Billions of dollars)

January 1979 Budget Estimate	531.6
Interest on the public debt	6.6
Energy security trust fund and other initiatives	2.1
National defense	4.6
Unemployment compensation	2.8
Medicare and medicaid	3.2
Social security and railroad retirement	2.4
Food stamps and child nutrition programs	2.1
All other	<u>8.2</u>
TOTAL--Outlay increases since the January 1979 Budget estimate	32.0
January 1980 Budget Estimate	563.6

Table 7
DIFFERENCES BETWEEN ADMINISTRATION'S FISCAL YEAR 1981
BUDGET REQUEST AND CURRENT SERVICES LEVEL
(Billions of dollars)

	Fiscal Year 1981
Current services outlay estimate	<u>612.0</u>
Proposed increases (total)	<u>13.5</u>
National defense	5.4
(Operations and maintenance)	(4.0)
(Research and development)	(1.0)
(Procurement)	(0.4)
Energy security programs	2.0
Countercyclical fiscal assistance	1.0
Heating-bill assistance for low-income families	0.8
Welfare reform and contingencies	1.5
All other	2.8
Proposed decreases (total)	<u>-9.7</u>
Cap on federal pay raises (civilian and military)	-2.7
Medicare and medicaid	-1.4
Net interest	-1.2
Education	-1.1
School lunch and child nutrition programs	-0.5
Agricultural export credit sales	-0.8
All other	-2.0
President's request (total)	615.8