

**March 24, 1982**

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## **SUMMARY AND OUTLOOK**

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**Prepared for the Federal Open Market Committee  
By the staff of the Board of Governors of the Federal Reserve System**

March 24, 1982

I-7  
STAFF GNP PROJECTIONS

	Percent changes, annual rate									
	Gross domestic business product fixed-weighted price index									
	Nominal GNP		Real GNP		Total		Excluding food and energy		Unemployment rate (percent)	
	1/27/82	3/24/82	1/27/82	3/24/82	1/27/82	3/24/82	1/27/82	3/24/82	1/27/82	3/24/82
<u>Annual changes:</u>										
1980 1/	8.8	8.8	-.2	-.2	9.8	9.8	8.2	8.2	7.1	7.1
1981 1/	11.3	11.4	1.9	2.0	9.4	9.4	9.0	9.2	7.6	7.6
1982	6.3	6.2	-.9	-.7	7.4	6.9	7.6	7.6	9.4	9.0
1983	8.3	8.4	2.6	3.1	5.7	5.4	5.4	5.2	9.2	8.8
<u>Quarterly changes:</u>										
1981-Q1 1/	19.2	19.2	8.6	8.6	10.5	10.5	8.4	8.4	7.4	7.4
1981-Q2 1/	4.7	4.7	-1.6	-1.6	8.2	8.2	9.7	9.7	7.4	7.4
1981-Q3 1/	11.4	11.4	1.4	1.4	9.9	9.9	11.5	11.5	7.2	7.4
1981-Q4 1/	2.7	4.6	-5.2	-4.5	7.1	7.5	7.7	8.2	8.4	8.3
1982-Q1	2.5	.2	-4.0	-4.5	6.9	6.2	6.4	6.7	9.3	8.8
1982-Q2	8.2	8.8	1.3	2.1	7.3	5.9	7.0	6.9	9.5	9.2
1982-Q3	10.9	10.9	4.5	5.1	6.8	6.0	6.5	6.1	9.4	9.1
1982-Q4	10.0	9.6	3.7	3.9	5.9	5.7	5.9	5.6	9.3	9.0
1983-Q1	7.0	7.0	1.4	1.9	5.5	5.4	5.1	4.9	9.3	8.9
1983-Q2	6.5	7.0	1.4	2.1	5.3	5.1	4.8	4.7	9.3	8.9
1983-Q3	8.7	8.9	3.9	4.5	5.1	4.6	4.5	4.4	9.2	8.7
1983-Q4	8.1	8.5	2.7	3.1	5.0	4.6	4.7	4.4	9.1	8.6
	2/									
<u>Two-quarter changes:</u>										
1981-Q2 1/	11.7	11.7	3.4	3.4	9.2	9.2	9.0	9.0	-.1	-.1
1981-Q4 1/	7.0	7.9	-2.0	-1.6	8.5	8.7	9.6	9.8	1.0	.9
1982-Q2	5.3	4.4	-1.4	-1.3	7.1	6.0	6.7	6.8	1.1	.9
1982-Q4	10.5	10.3	4.1	4.5	6.3	5.9	6.2	5.8	-.2	-.2
1983-Q2	6.7	7.0	1.4	2.0	5.4	5.3	4.9	4.8	.0	-.1
1983-Q4	8.4	8.7	3.3	3.8	5.1	4.6	4.6	4.4	-.2	-.3
	3/									
<u>Four-quarter changes:</u>										
1980-Q4 1/	9.4	9.4	-.3	-.3	9.7	9.7	8.6	8.6	1.6	1.5
1981-Q4 1/	9.3	9.8	.7	.9	8.9	9.0	9.3	9.4	.9	.8
1982-Q4	7.9	7.3	1.3	1.6	6.7	6.0	7.5	6.3	.9	.7
1983-Q4	7.6	7.8	2.3	2.9	5.2	5.0	5.3	4.6	-.2	-.4

1/ Actual.

2/ Percent change from two quarters earlier.

3/ Percent change from four quarters earlier.

March 24, 1982

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.)

	1980				1981			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross national product	2571.7	2564.8	2637.3	2730.6	2853.0	2885.8	2965.0	2998.3
Final purchases	2569.1	2557.4	2653.4	2748.0	2848.5	2862.5	2937.6	2989.0
Private	2052.3	2027.4	2119.9	2189.4	2272.0	2285.1	2348.7	2367.0
Excluding net exports	2044.1	2010.3	2075.4	2166.1	2242.8	2264.3	2319.4	2342.3
Personal consumption expenditures	1631.0	1626.8	1682.2	1751.0	1810.1	1829.1	1883.9	1908.3
Goods	882.0	858.4	883.0	926.8	964.3	962.6	987.5	986.7
Services	749.0	768.4	799.2	824.2	845.8	866.5	896.4	921.5
Gross private domestic investment	415.6	390.9	377.1	397.7	437.1	458.6	463.0	443.3
Residential construction	115.2	93.6	99.2	113.0	116.7	110.7	100.5	94.2
Business fixed investment	297.8	289.8	294.0	302.1	315.9	324.6	335.1	339.8
Change in business inventories	2.5	7.4	-16.0	-17.4	4.5	23.3	27.5	9.4
Nonfarm	1.5	6.1	-12.3	-14.0	6.8	21.5	23.1	3.7
Net exports of goods and services <u>1/</u>	8.2	17.1	44.5	23.3	29.2	20.8	29.3	24.7
Exports	337.3	333.3	342.4	346.1	367.4	368.2	368.0	365.6
Imports	329.1	316.2	297.9	322.7	338.2	347.5	338.7	341.0
Gov't. purchases of goods and services	516.8	530.0	533.5	558.6	576.5	577.4	588.9	622.0
Federal <u>2/</u>	190.0	198.7	194.9	212.0	221.6	219.5	226.4	253.3
State and local	326.8	331.3	338.6	346.6	354.9	357.9	362.5	368.7
Gross national product in constant (1972) dollars	1501.9	1463.3	1471.9	1485.6	1516.4	1510.4	1515.8	1498.4
Personal income	2088.2	2114.5	2182.1	2256.2	2319.8	2368.5	2441.7	2486.5
Wage and salary disbursements	1314.7	1320.4	1341.8	1397.8	1442.9	1467.0	1498.5	1522.5
Disposable personal income	1765.1	1784.1	1840.6	1897.0	1947.8	1985.6	2042.0	2088.5
Saving rate (percent)	4.9	6.2	6.1	5.1	4.6	5.4	5.2	6.1
Corporate profits with I.V.A. and C.C. Adj	200.2	169.3	177.9	183.3	203.0	190.3	195.7	179.5
Corporate profits before tax	277.1	217.9	237.6	249.5	257.0	229.0	234.4	214.6
Federal government surplus or deficit (-) (N.I.A. basis)	-36.3	-66.5	-74.2	-67.9	-46.6	-47.2	-55.7	-99.5
High employment surplus or deficit (-) <u>3/</u>	-17.1	-21.5	-21.1	-13.4	.4	6.6	11.8	-25.1
State and local government surplus or deficit (-) (N.I.A. basis)	26.6	23.9	28.6	37.1	36.9	36.1	37.8	36.0
Excluding social insurance funds	1.3	-1.7	.9	8.1	6.6	4.3	5.1	2.3
Civilian labor force (millions)	106.5	106.8	107.2	107.5	108.1	108.8	108.7	109.2
Unemployment rate (percent)	6.3	7.3	7.6	7.5	7.4	7.4	7.4	8.3
Nonfarm payroll employment (millions)	90.8	90.5	90.2	90.8	91.2	91.5	91.9	91.5
Manufacturing	20.8	20.3	20.0	20.2	20.2	20.4	20.5	20.0
Industrial production (1967=100)	152.6	144.5	142.3	148.7	151.8	152.5	153.0	146.2
Capacity utilization: all mfg. (percent)	83.4	77.9	75.9	79.1	79.9	79.8	79.3	74.7
Materials (percent)	85.8	78.8	75.2	80.1	82.2	81.2	81.1	75.2
Housing starts, private (million units, A.R.)	1.25	1.06	1.39	1.50	1.40	1.17	.96	.87
New auto sales, (millions, A.R.)	10.65	7.68	8.80	9.04	9.96	7.89	9.04	7.37
Domestic models	7.87	5.53	6.51	6.57	7.31	5.63	6.90	5.13
Foreign models	2.77	2.14	2.29	2.47	2.66	2.25	2.14	2.24

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.

3/ Estimates in table are evaluated at a 5.1 percent high employment unemployment rate. Evaluated at a 6.1 percent unemployment rate, the high employment budget would show a deficit of \$37.8 billion in 1980-Q4 and a deficit of 51.7 billion in 1981-Q4.

March 24, 1982

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

	1980				1981			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b><u>Constant (1972) dollars</u></b>								
Gross national product	3.1	-9.9	2.4	3.8	8.6	-1.6	1.4	-4.5
Final purchases	3.1	-10.4	4.1	4.4	6.9	-4.7	.3	-1.8
Private	2.2	-13.3	6.5	4.9	7.3	-4.5	.8	-4.5
Excluding net exports	-.4	-14.4	4.6	8.5	6.7	-3.1	1.9	-3.3
Personal consumption expenditures	.8	-9.8	5.1	7.0	5.8	-2.1	3.3	-2.2
Goods	-.3	-17.7	4.0	10.2	9.8	-5.3	3.8	-5.5
Services	2.1	.0	6.4	3.7	1.4	1.6	2.6	1.7
Gross private domestic investment	-5.6	-28.9	-10.0	11.1	24.2	16.1	3.3	-24.7
Residential structures	-24.2	-60.2	16.0	64.2	3.6	-23.4	-36.2	-27.1
Business fixed investment	2.2	-19.9	-1.5	4.0	13.3	-2.1	6.9	-2.9
Gov't. purchases of goods and services	6.9	2.5	-5.0	2.2	5.4	-5.6	-1.5	10.2
Federal	18.9	11.9	-13.1	2.0	14.8	-8.4	3.1	28.2
National defense	9.8	6.2	-.1	5.9	1.1	2.6	7.9	16.3
State and local	.6	-2.8	.3	2.3	.2	-3.8	-4.2	.1
Disposable personal income	1.3	-4.9	4.1	2.9	3.0	1.4	2.6	1.6
<b><u>Current dollars</u></b>								
Gross national product	12.6	-1.1	11.8	14.9	19.2	4.7	11.4	4.6
Final purchases	12.0	-1.8	15.9	15.0	15.5	2.0	10.9	7.2
Private	10.7	-4.8	19.5	13.8	16.0	2.3	11.6	3.2
Excluding net exports	10.6	-6.5	13.6	18.7	14.9	3.9	10.1	4.0
Personal consumption expenditures	12.9	-1.0	14.3	17.4	14.2	4.3	12.5	5.3
Goods	13.1	-10.3	12.0	21.4	17.2	-.7	10.8	-.3
Services	12.7	10.8	17.0	13.1	10.9	10.1	14.6	11.7
Gross private domestic investment	5.6	-21.8	-13.3	23.7	45.9	21.1	3.9	-16.0
Residential structures	-16.7	-56.4	25.7	68.5	14.0	-19.2	-32.1	-22.9
Business fixed investment	11.0	-10.4	6.0	11.5	19.6	11.4	13.6	5.8
Gov't. purchases of goods and services	17.5	10.6	2.6	20.2	13.5	.6	8.2	24.5
Federal	29.5	19.8	-7.5	40.2	19.3	-3.7	13.1	56.7
National defense	23.2	12.4	8.4	35.0	10.4	8.7	16.9	47.0
State and local	11.2	5.6	9.1	9.7	10.0	3.3	5.3	7.1
Disposable personal income	13.5	4.4	13.3	12.8	11.2	8.0	11.8	9.4
Personal income	11.5	5.1	13.4	14.3	11.8	8.7	12.9	7.5
Wage and salary disbursements	10.5	1.8	6.6	17.8	13.5	6.9	8.9	6.6
Corporate profits with IVA & C.C. Adj.	24.8	-48.9	21.9	12.7	50.4	-22.8	11.8	-29.2
Corporate profits before tax	38.6	-61.8	41.4	21.6	12.6	-37.0	9.8	-29.7
Nonfarm payroll employment	1.5	-1.6	-1.0	2.7	1.8	1.4	1.7	-1.8
Manufacturing	-2.4	-9.7	-5.9	3.7	.5	4.2	2.4	-9.4
Nonfarm business sector								
Output per hour	.3	-2.9	3.6	-.2	4.4	1.4	-1.7	-6.8
Compensation per hour	10.3	11.3	9.0	9.8	11.7	9.6	9.5	6.2
Unit labor costs	9.9	14.6	5.3	10.1	7.0	8.1	11.5	14.0
GNP implicit deflator <u>1/</u>	9.3	9.8	9.2	10.7	9.8	6.4	9.9	9.5
Gross domestic business product								
fixed-weighted price index <u>2/</u>	10.1	9.8	9.6	9.3	10.5	8.2	9.9	7.5
Excluding food and energy	7.4	9.5	9.3	8.2	8.4	9.7	11.5	8.2
Consumer price index (all urban)	16.5	13.5	7.7	12.8	11.0	7.8	11.8	7.7
Industrial production	.3	-19.6	-6.2	19.2	8.3	1.9	1.3	-16.4

1/ Excluding Federal pay increases, rates of change were: 1980-Q1, 9.2 percent; 1980-Q4, 9.7 percent; 1981-Q1, 9.7 percent; 1981-Q4, 7.4 percent.

2/ Uses expenditures in 1972 as weights.

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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.)

	Projected							
	1982				1983			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross national product	2999.7	3063.9	3143.9	3217.1	3271.7	3327.5	3399.4	3469.1
Final purchases	3029.7	3075.9	3140.9	3202.1	3256.7	3312.5	3384.4	3454.1
Private	2400.8	2444.1	2503.6	2548.4	2591.2	2635.0	2694.7	2748.3
Excluding net exports	2381.9	2421.8	2488.5	2547.7	2597.1	2644.6	2705.2	2756.9
Personal consumption expenditures	1951.4	1987.8	2042.3	2088.7	2128.4	2167.5	2218.3	2260.2
Goods	1001.4	1011.8	1041.6	1065.7	1084.4	1101.5	1130.3	1151.2
Services	950.0	976.0	1000.7	1023.0	1044.0	1066.0	1088.0	1109.0
Gross private domestic investment	400.5	422.0	449.2	474.0	483.7	492.1	501.9	511.7
Residential construction	93.2	98.2	106.2	113.2	117.2	119.7	123.2	127.2
Business fixed investment	337.3	335.8	340.0	345.8	351.5	357.4	363.7	369.5
Change in business inventories	-30.0	-12.0	3.0	15.0	15.0	15.0	15.0	15.0
Nonfarm	-30.0	-12.0	3.0	15.0	15.0	15.0	15.0	15.0
Net exports of goods and services <u>1/</u>	18.9	22.3	15.1	0.7	-5.9	-9.6	-10.5	-8.6
Exports	362.3	359.0	359.3	360.7	365.2	371.6	382.5	396.5
Imports	343.4	336.7	344.2	360.0	371.1	381.2	393.0	405.1
Gov't. purchases of goods and services	628.9	631.8	637.3	653.7	665.5	677.5	689.7	705.8
Federal <u>2/</u>	254.4	252.0	252.8	264.4	271.9	279.4	287.0	298.6
State and local	374.5	379.8	384.5	389.3	393.6	398.1	402.7	407.2
Gross national product in constant (1972) dollars	1481.1	1488.8	1507.6	1522.0	1529.0	1537.1	1554.1	1566.2
Personal income	2510.8	2560.9	2619.3	2677.1	2728.7	2780.2	2841.6	2896.8
Wage and salary disbursements	1536.0	1559.1	1588.6	1625.9	1653.7	1681.4	1713.4	1749.5
Disposable personal income	2113.1	2152.8	2232.1	2278.9	2330.7	2369.4	2446.9	2489.9
Saving rate (percent)	5.1	5.2	6.0	5.9	6.2	6.1	6.9	6.8
Corporate profits with I.V.A. and C.C. Adj.	151.0	165.8	187.5	195.6	194.9	198.4	212.1	219.6
Corporate profits before tax	177.7	188.3	205.5	208.6	202.6	199.8	207.1	206.4
Federal government surplus or deficit (-) (N.I.A. basis)	-116.9	-116.6	-147.6	-149.2	-158.2	-163.4	-201.4	-207.4
High employment surplus or deficit (-) <u>3/</u>	-21.8	-9.5	-45.8	-47.3	-52.5	-54.3	-98.0	-103.1
State and local government surplus or deficit (-) (N.I.A. basis)	36.1	40.5	44.8	43.4	43.3	44.5	48.2	50.7
Excluding social insurance funds	1.1	4.0	6.8	3.9	2.3	2.0	4.2	5.2
Civilian labor force (millions)	109.1	109.6	110.0	110.3	110.6	110.9	111.2	111.4
Unemployment rate (percent)	8.8	9.2	9.1	9.0	8.9	8.9	8.7	8.6
Nonfarm payroll employment (millions)	90.9	90.8	90.9	91.3	91.6	91.9	92.3	92.8
Manufacturing	19.5	19.4	19.5	19.7	19.9	20.0	20.2	20.4
Industrial production (1967=100)	141.1	143.1	147.8	151.1	151.8	152.7	155.3	157.1
Capacity utilization: all mfg. (percent)	71.3	71.8	73.9	75.1	75.0	74.9	75.7	76.1
Materials (percent)	71.3	72.4	75.6	77.4	77.4	77.6	79.0	79.7
Housing starts, private (million units, A.R.)	.94	1.05	1.15	1.20	1.20	1.20	1.25	1.25
New auto sales, (millions, A.R.)	8.30	7.90	9.10	9.30	9.40	9.40	9.80	9.80
Domestic models	6.00	5.50	6.60	6.80	6.90	6.90	7.20	7.20
Foreign models	2.30	2.40	2.50	2.50	2.50	2.50	2.60	2.60

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.3/ Estimates in table are evaluated at a 5.1 percent high employment unemployment rate. Evaluated at a 6.1 percent unemployment rate, the high employment budget would show a deficit of \$74.8 billion in 1982-Q4, and a deficit of \$131.6 billion in 1983-Q4.

March 24, 1982

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

	Projected							
	1982				1983			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>Constant (1972) dollars</u>								
Gross national product	-4.5	2.1	5.1	3.9	1.9	2.1	4.5	3.1
Final purchases	.5	-.3	3.1	2.3	1.9	2.1	4.5	3.2
Private	.2	1.0	4.2	2.4	1.8	2.1	5.0	3.5
Excluding net exports	1.4	1.1	5.3	4.1	2.6	2.5	4.9	3.3
Personal consumption expenditures	3.5	2.0	5.5	3.8	2.5	2.5	5.2	3.3
Goods	2.9	1.0	7.9	5.0	2.4	2.1	7.4	3.9
Services	4.2	3.1	2.9	2.5	2.6	2.9	2.9	2.5
Gross private domestic investment	-38.3	17.1	21.8	18.3	3.0	2.2	3.2	3.2
Residential structures	-9.6	16.3	29.3	22.0	9.1	3.6	6.9	8.2
Business fixed investment	-7.7	-7.6	-1.3	1.1	1.5	1.9	2.3	1.9
Gov't. purchases of goods and services	1.9	-5.8	-1.7	1.6	2.0	2.3	2.4	1.7
Federal	7.2	-12.9	-2.8	5.1	6.7	7.0	6.7	4.9
National defense	2.0	3.0	5.9	7.6	12.5	12.3	12.9	9.1
State and local	-1.4	-.9	-.9	-.7	-1.0	-.7	-.5	-.4
Disposable personal income	-.8	2.0	9.4	3.1	4.0	1.8	9.1	2.7
<u>Current dollars</u>								
Gross national product	.2	8.8	10.9	9.6	7.0	7.0	8.9	8.5
Final purchases	5.6	6.2	8.7	8.0	7.0	7.0	9.0	8.5
Private	5.9	7.4	10.1	7.4	6.9	6.9	9.4	8.2
Excluding net exports	6.9	6.9	11.5	9.9	8.0	7.5	9.5	7.9
Personal consumption expenditures	9.4	7.7	11.4	9.4	7.8	7.6	9.7	7.8
Goods	6.1	4.2	12.3	9.6	7.2	6.5	10.9	7.6
Services	12.9	11.4	10.5	9.2	8.5	8.7	8.5	7.9
Gross private domestic investment	-33.4	23.3	28.4	24.0	8.4	7.1	8.2	8.0
Residential structures	-4.2	23.2	36.8	29.1	14.9	8.8	12.2	13.6
Business fixed investment	-2.9	-1.8	5.1	7.0	6.8	6.9	7.2	6.5
Gov't. purchases of goods and services	4.5	1.9	3.5	10.7	7.4	7.4	7.4	9.7
Federal	1.7	-3.7	1.3	19.7	11.8	11.5	11.3	17.2
National defense	6.8	6.9	10.4	23.7	18.0	17.4	18.0	22.2
State and local	6.4	5.8	5.0	5.1	4.5	4.7	4.7	4.5
Disposable personal income	4.8	7.7	15.6	8.6	9.4	6.8	13.7	7.2
Personal income	4.0	8.2	9.4	9.1	7.9	7.8	9.1	8.0
Wage and salary disbursements	3.6	6.2	7.8	9.7	7.0	6.9	7.8	8.7
Corporate profits with IVA & C.C. Adj.	-49.9	43.4	63.6	18.4	-1.4	7.4	30.6	14.9
Corporate profits before tax	-53.0	26.1	41.7	6.2	-11.0	-5.3	15.5	-1.5
Nonfarm payroll employment	-2.5	-.6	.7	1.6	1.4	1.2	1.9	1.8
Manufacturing	-9.9	-2.6	2.6	5.5	3.0	2.6	4.0	4.1
Nonfarm business sector								
Output per hour	-.1	3.1	4.9	2.5	.6	.8	2.4	1.1
Compensation per hour	8.4	7.4	7.3	6.9	7.1	6.4	6.4	6.2
Unit labor costs hour	8.5	4.2	2.3	4.3	6.5	5.6	3.9	5.0
GNP implicit deflator 1/	5.0	6.6	5.4	5.5	5.0	4.8	4.2	5.2
Gross domestic business product								
fixed-weighted price index 2/	6.2	5.9	6.0	5.7	5.4	5.1	4.6	4.6
Excluding food and energy	6.7	6.9	6.1	5.6	4.9	4.7	4.4	4.4
Consumer price index (all urban)	3.8	4.5	6.0	5.7	5.0	5.0	4.9	4.9
Industrial production	-13.2	5.8	13.8	9.2	1.9	2.4	7.0	4.7

1/ Excluding Federal pay increases, the rates of change are: 1982-Q1, 4.9 percent; 1982-Q4, 4.8 percent; 1983-Q1, 5.0 percent; 1983-Q4, 4.5 percent

2/ Uses expenditures in 1972 as weights.

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

	1976	1977	1978	1979	1980	1981	Projected 1982	Projected 1983
Gross national product	1718.0	1918.0	2156.1	2413.9	2626.1	2925.5	3106.1	3366.9
Final purchases	1706.2	1897.0	2133.9	2396.4	2632.0	2909.4	3112.1	3351.9
Private	1344.1	1502.5	1701.3	1922.6	2097.3	2318.2	2474.2	2667.3
Excluding net exports	1330.4	1506.7	1701.9	1909.2	2074.0	2292.2	2460.0	2675.9
Personal consumption expenditures	1084.3	1205.5	1348.7	1510.9	1672.8	1857.8	2017.5	2193.6
Goods	598.5	657.8	729.1	814.5	887.6	975.2	1030.1	1116.8
Services	485.7	547.7	619.6	696.3	785.2	882.6	987.4	1076.7
Gross private domestic investment	257.9	322.3	375.3	415.8	395.3	450.5	436.4	497.3
Residential construction	72.0	95.8	111.3	118.6	105.3	105.5	102.7	121.8
Business fixed investment	174.1	205.5	242.0	279.7	296.0	328.9	339.7	360.5
Change in business inventories	11.8	21.0	22.2	17.5	-5.9	16.2	-6.0	15.0
Nonfarm	13.9	20.2	21.8	13.4	-4.7	13.8	-6.0	15.0
Net exports of goods and services 1/	-13.7	-4.2	-.6	13.4	23.3	26.0	14.2	-8.7
Exports	170.9	183.3	219.8	281.3	339.8	367.3	360.3	378.9
Imports	157.1	187.5	220.4	267.9	316.5	341.3	346.1	387.6
Gov't. purchases of goods and services	362.1	394.5	432.6	473.8	534.7	591.2	637.9	684.6
Federal 2/	129.2	143.9	153.4	167.9	198.9	230.2	255.9	284.2
State and local	232.9	250.6	279.2	305.9	335.8	361.0	382.0	400.4
Gross national product in constant (1972) dollars	1300.4	1371.7	1436.9	1483.0	1480.7	1510.3	1499.8	1546.6
Personal income	1391.2	1538.0	1721.8	1943.8	2160.2	2404.1	2592.0	2811.8
Wage and salary disbursements	889.9	983.8	1105.2	1236.1	1343.7	1482.7	1577.4	1699.5
Disposable personal income	1194.4	1311.5	1462.9	1641.7	1821.7	2016.0	2194.2	2409.2
Saving rate (percent)	6.9	5.6	5.2	5.2	5.6	5.3	5.6	6.5
Corporate profits with I.V.A. and C.C. Adj.	138.1	164.7	185.5	196.8	182.7	192.1	175.0	206.2
Corporate profits before tax	166.3	192.6	223.3	255.4	245.5	233.7	195.0	204.0
Federal government surplus or deficit (N.I.A. basis)	-53.1	-46.4	-29.2	-14.8	-61.2	-62.3	-132.6	-182.6
High employment surplus or deficit (-)	-20.1	-23.1	-15.7	-2.2	-18.3	-1.6	-31.1	-77.0
State and local government surplus or deficit (-) (N.I.A. basis)	16.6	28.1	29.0	26.7	29.1	36.7	41.2	46.7
Excluding social insurance funds	.9	10.1	9.0	2.9	2.1	4.6	3.9	3.4
Civilian labor force (millions)	96.2	99.0	102.3	105.0	106.9	108.7	109.8	111.0
Unemployment rate (percent)	7.7	7.1	6.1	5.8	7.1	7.6	9.0	8.8
Nonfarm payroll employment (millions)	79.4	82.5	85.7	89.8	90.6	91.5	91.0	92.2
Manufacturing	19.0	19.7	20.5	21.0	20.3	20.3	19.5	20.1
Industrial production (1967=100)	130.5	138.1	146.1	152.5	147.1	151.0	145.8	154.2
Capacity utilization: all manufacturing (percent)	79.5	81.9	84.4	85.6	79.1	78.4	73.0	75.4
Materials (percent)	81.1	82.7	85.6	87.4	80.0	79.9	74.2	78.4
Housing starts, private (million units, A.R.)	1.54	1.99	2.02	1.75	1.29	1.09	1.08	1.22
New auto sales, (millions, A.R.)	10.12	11.13	11.28	10.70	9.04	8.56	8.65	9.60
Domestic models	8.63	9.07	9.29	8.38	6.62	6.24	6.22	7.05
Foreign models	1.50	2.06	1.99	2.32	2.42	2.32	2.42	2.55

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.

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CLASS II FOMCPERCENT CHANGES IN GROSS NATIONAL PRODUCT  
AND RELATED ITEMS

	1976	1977	1978	1979	1980	1981	--Projected--	1982	1983
<u>Constant (1972) dollars</u>									
Gross national product	5.4	5.5	4.8	3.2	-.2	2.0	-.7	3.1	
Final purchases	4.2	5.2	4.7	3.5	.7	1.3	.0	2.4	
Private	5.3	6.0	15.4	4.0	.2	1.5	-.1	2.7	
Excluding net exports	6.2	6.5	5.2	2.9	-1.0	2.2	.9	3.4	
Personal consumption expenditures	5.6	4.9	4.7	2.9	.5	2.5	2.0	3.5	
Goods	6.7	5.2	4.2	1.9	-1.4	2.5	1.2	4.1	
Services	4.3	4.5	5.4	4.1	2.6	2.6	2.9	2.8	
Gross private domestic investment	19.2	15.7	7.6	1.3	-12.5	5.5	-9.0	8.6	
Residential structures	21.3	18.6	2.9	-5.2	-18.6	-6.1	-8.5	12.6	
Business fixed investment	5.2	11.9	9.1	6.5	-3.0	2.5	-3.4	.7	
Gov't. purchases of goods and services	.0	2.1	2.0	1.5	2.9	.6	.5	1.0	
Federal	-.7	4.1	-.9	1.9	6.3	3.1	3.7	3.8	
National defense	-2.3	.8	.0	2.6	5.7	4.2	6.4	9.9	
State and local	.5	.9	3.7	1.2	1.0	-.9	-1.4	-.8	
Disposable personal income	3.6	3.6	4.4	3.1	.7	2.2	2.3	4.5	
<u>Current dollars</u>									
Gross national product	10.9	11.6	12.4	12.0	8.8	11.4	6.2	8.4	
Final purchases	9.6	11.2	12.5	12.3	9.8	10.5	7.0	7.7	
Private	10.5	11.8	13.2	13.0	9.1	10.5	6.7	7.8	
Excluding net exports	11.8	13.3	12.9	12.2	8.6	10.5	7.3	8.8	
Personal consumption expenditures	11.1	11.2	11.9	12.0	10.7	11.1	8.6	8.7	
Goods	10.9	9.9	10.8	11.7	9.0	9.9	5.6	8.4	
Services	11.2	12.7	13.1	12.4	12.8	12.4	11.9	9.0	
Gross private domestic investment	25.1	25.0	16.5	10.8	-4.9	14.0	-3.1	14.0	
Residential structures	30.2	33.1	16.1	6.6	-11.3	.2	-2.7	18.6	
Business fixed investment	10.3	18.1	17.7	15.6	5.8	11.1	3.3	6.1	
Gov't. purchases of goods and services	6.5	8.9	9.7	9.5	12.9	10.6	7.9	7.3	
Federal	5.3	11.4	6.6	9.5	18.5	15.7	11.2	11.1	
National defense	3.7	8.5	7.1	11.2	18.4	17.2	16.2	17.5	
State and local	7.3	7.6	11.4	9.6	9.8	7.5	5.8	4.8	
Disposable personal income	9.0	9.8	11.5	12.2	11.0	10.7	8.8	9.8	
Personal income	10.0	10.6	12.0	12.9	11.1	11.3	7.8	8.5	
Wage and salary disbursements	10.4	10.6	12.3	11.8	8.7	10.3	6.4	7.7	
Corporate profits with IVA & C.C. Adj.	25.0	19.3	12.6	6.1	-7.2	5.1	-8.9	17.8	
Corporate profits before tax	25.9	15.8	15.9	14.4	-3.9	-4.8	-16.6	4.6	
Nonfarm payroll employment	3.2	3.9	5.1	3.6	.8	1.1	-.6	1.3	
Manufacturing	3.7	3.6	4.2	2.6	-3.5	-.2	-3.7	3.2	
Nonfarm business sector									
Output per hour	3.2	2.0	-.2	-.7	-.3	.9	-.1	1.9	
Compensation per hour	8.1	7.6	8.5	9.7	9.9	10.1	7.8	6.8	
Unit labor costs	4.7	5.5	8.7	10.4	10.3	9.0	7.9	4.8	
GNP implicit deflator	5.2	5.8	7.3	8.5	9.0	9.2	6.9	5.1	
Gross domestic business product									
fixed-weighted price index 1/	5.5	6.3	7.8	9.7	9.8	9.4	6.9	5.4	
Excluding food and energy	6.0	6.5	7.5	8.4	8.2	9.2	7.6	5.2	
Consumer price index (all urban)	5.8	6.5	7.7	11.3	13.5	10.3	6.3	5.2	
Industrial production	10.8	5.8	5.8	4.4	-3.5	2.7	-3.4	5.8	

1/ Uses expenditures in 1972 weights.

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**FEDERAL SECTOR ACCOUNTS**  
 (billions of dollars)

	Fiscal Year 1981*	FY1982e		FY1983e		CY 1981*	CY 1982 F.R. Board	FRB Staff Estimates Calendar quarters; unadjusted data								
		Admin. 1/	F.R. Board	Admin. 1/	F.R. Board			1981	1982	I	II	III	IV	I	II	III
Unified budget receipts <sup>2/</sup>	599.3	626.8	621.9	666.1	633.0	619.0	618.3	155.8	146.0	141.9	183.9	150.1	142.4	146.0	188.7	155.9
Unified budget outlays <sup>2/</sup>	657.2	725.3	733.3	757.6	791.0	691.6	734.1	164.3	194.2	164.0	186.5	188.6	195.0	194.2	196.2	205.6
Surplus/deficit(-), unified budget	-57.9	-98.6	-111.4	-91.5	-158.0	-72.5	-115.8	-8.6	-48.2	-22.1	-2.6	-38.5	-52.6	-48.2	-7.5	-49.7
Surplus/deficit(-), off-budget agencies <sup>3/</sup>	-21.0	-19.7	-17.5	-15.7	-18.5	-22.4	-17.9	-6.9	-3.6	-3.9	-4.8	-5.3	-3.9	-5.0	-4.7	-4.9
Combined deficit to be financed	-78.9	-118.3	-128.9	-107.2	-176.5	-94.9	-133.7	-15.5	-51.8	-26.0	-7.4	-43.8	-56.5	-53.2	-12.2	-54.6
Means of financing combined deficit:																
Net borrowing from public	79.4	115.4	122.8	108.0	179.1	87.3	141.3	18.5	35.6	30.6	12.6	44.0	54.1	49.9	19.4	55.7
Decrease in cash operating balance	2.3	3.3	{-0.8}	0.0	0.3	-0.4	-2.3	6.7	0.5	-3.5	-0.4	3.0	2.2	-4.9	-0.3	
Other <sup>4/</sup>	-2.8	{2.9}	2.9	-2.6	7.3	-7.2	-0.7	9.5	-5.1	-1.7	0.2	-0.6	1.1	-2.3	-0.8	
Cash operating balance, end of period	18.7	n.a.	15.4	n.a.	15.4	12.0	12.4	18.7	12.0	11.5	15.0	15.4	12.4	10.2	15.1	15.4
Memo: Sponsored agency borrowing <sup>5/</sup>	32.9	46.6	18.1	50.1	26.8	30.0	21.8	15.4	3.6	1.9	6.5	6.1	7.3	6.5	6.5	6.5

1. The Budget of the United States Government, Fiscal Year 1983, February 1982.

2. Outlays and receipts have been reduced by about \$4.0 billion due to the reclassification of supplemental medical insurance premiums (SMI) from receipts to an offset to outlays.

3. Includes Federal Financing Bank, Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank and (beginning in FY1982) the Strategic Petroleum Reserve.

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

5. FRB staff estimates include Federal Home Loan Banks, FNMA, Federal Land Banks, Marketing Administration marketable debt on an offerings basis. FRB and Administration estimates are not strictly comparable.

**Administration estimates are not strictly comparable.**

**NOTE:** Quarterly figures may not add to yearly totals due to rounding.

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CONFIDENTIAL (FR)  
CLASS II POMC

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

	1981 ANN.	1982 P ANN.	1983 P ANN.	1982 P Q I	1982 P Q II	1982 P Q III	1982 P Q IV	1983 P Q I	1983 P Q II	1983 P Q III	1983 P Q IV	
<b>1. GNP NET EXPORTS</b>												
CURRENT \$, NET	26.0	14.2	-8.7	18.9	22.2	15.1	.6	-6.0	-9.6	-10.5	-8.7	
EXPORTS OF G&S	367.3	360.3	378.9	362.3	359.0	359.3	360.7	365.2	371.6	382.5	396.5	
IMPORTS OF G&S	341.4	346.1	387.6	343.4	336.7	344.2	360.0	371.1	381.2	393.0	405.1	
CONSTANT 72 \$, NET	44.9	33.2	26.2	35.7	35.7	33.0	28.4	26.3	25.4	26.4	27.0	
EXPORTS OF G&S	160.4	152.0	150.9	154.6	152.6	151.2	149.5	148.8	149.1	151.4	154.5	
IMPORTS OF G&S	115.5	118.8	124.7	118.9	116.9	118.2	121.1	122.5	123.7	125.3	127.5	
TERMS OF TRADE (1972=100) 1/	77.5	81.4	80.8	81.1	81.7	81.6	81.2	81.0	80.9	80.6	80.8	
<b>2. U.S. MERCHANDISE TRADE BALANCE 2/</b>	<b>-27.8</b>	<b>-39.1</b>	<b>-64.6</b>	<b>-34.0</b>	<b>-30.1</b>	<b>-38.9</b>	<b>-53.6</b>	<b>-59.9</b>	<b>-62.6</b>	<b>-67.8</b>	<b>-68.2</b>	
EXPORTS (EXCL. MILITARY)	236.3	220.7	227.4	226.1	221.0	218.1	217.5	220.3	224.3	228.5	236.3	
AGRICULTURAL	44.3	42.9	48.2	42.1	42.0	42.8	44.8	47.1	48.5	47.8	49.3	
NONAGRICULTURAL	192.0	177.8	179.2	184.0	179.0	175.3	172.7	173.2	175.8	180.6	187.0	
IMPORTS	264.1	259.8	292.0	260.1	251.1	257.0	271.1	280.2	287.0	296.3	304.5	
PETROLEUM AND PRODUCTS	77.6	65.5	71.1	65.6	64.2	64.5	67.9	68.8	69.9	72.3	73.2	
NONPETROLEUM	186.5	194.3	220.9	194.5	186.9	192.5	203.2	211.3	217.1	224.0	231.3	
<b>3. U.S. CURRENT ACCOUNT BALANCE</b>	<b>6.6</b>	<b>-11.0</b>	<b>-35.6</b>	<b>-5.9</b>	<b>-2.8</b>	<b>-10.2</b>	<b>-25.1</b>	<b>-31.9</b>	<b>-35.6</b>	<b>-37.4</b>	<b>-37.6</b>	
OF WHICH: NET INVESTMENT INCOME	36.8	31.1	32.5	31.0	29.9	31.6	31.8	31.1	30.2	33.9	34.6	
<b>4. FOREIGN OUTLOOK - TEN INDUSTRIAL COUNTRIES 3/</b>												
REAL GNP, % CHANGE, ANNUAL RATES	.4	1.1	2.5	1.2	1.5	2.0	2.3	2.6	2.6	2.9	3.2	
CONSUMER PRICES, %, % CHANGE, ANNUAL RATES	9.7	8.7	7.8	8.7	8.9	8.2	7.9	7.8	7.6	7.2	7.1	

1/ GNP EXPORT IMPLICIT DEFLATOR DIVIDED BY GNP IMPORT IMPLICIT DEFULATOR.

2/ INTERNATIONAL ACCOUNTS BASIS.

3/ GEOMETRIC WEIGHTS USED TO AGGREGATE FOREIGN REAL GNP AND CONSUMER PRICES -- PERCENT 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 (8.3%), SWITZERLAND (3.6%), SWEDEN (4.2%).

P/ PROJECTED.

**March 24, 1982**

## **SUMMARY AND OUTLOOK**

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**Prepared for the Federal Open Market Committee  
By the staff of the Board of Governors of the Federal Reserve System**

**Table 1**  
**COMPARISON OF CURRENT SERVICE BUDGETS**  
**(fiscal years)**

	1982		1983 <sup>1</sup>		1984 <sup>1</sup>		1985 <sup>1</sup>	
	Admin.	CBO	Admin.	CBO	Admin.	CBO	Admin.	CBO
-----Billions of dollars-----								
Revenues	626.4	631	653.3	652	703.8	701	778.3	763
Outlays	727.7	740	799	809	868.6	889	946.3	971
Deficit	101.3	109	145.7	157	164.8	188	168	208
-----Percent of GNP-----								
Revenues	20.3	20.6	19.0	19.0	18.6	18.5	18.7	18.3
Outlays	23.6	24.2	23.3	23.6	22.9	23.5	22.7	23.3
Deficit	3.3	3.6	4.2	4.6	4.3	5.0	4.0	5.0

I. The Administration's estimates are for "current services with adequate defense"; the CBO estimates are a "baseline" that includes growth in defense outlays only to the extent that it is provided in existing authorizing legislation.

Sources: Budget of the United States Government, Fiscal Year 1983 and  
Congressional Budget Office, Baseline Budget Projections for  
Fiscal Years 1983-1987.

**TABLE 2**  
**PROJECTIONS OF ECONOMIC ACTIVITY<sup>1</sup>**  
**(Calendar year)**

	1982		1983		1984		1985	
	Admin.	CBO	Admin.	CBO	Admin.	CBO	Admin.	CBO
Gross National Product current dollars:								
Amount (\$ billions)	3160	3140	3524	3515	3883	3882	4258	4259
Percent change (year over year)	8.1	7.5	11.5	11.9	10.2	10.4	9.7	9.7
constant dollars:								
Amount (\$ billions)								
Percent change (year over year)	0.2	-0.1	5.2	4.4	5.0	3.6	4.7	3.5
Prices (percent change)								
GNP deflator (year over year)	7.9	7.5	6.0	7.3	5.0	6.6	4.7	6.0
CPI (year over year)	7.3	7.5	6.0	6.9	4.6	6.9	4.8	6.4
Unemployment rate (percent)								
Yearly average	8.9	8.9	7.9	8.0	7.1	7.4	6.4	7.2
Interest rate, 91-day Treas. (calendar average)	11.7	12.0	10.5	13.2	9.5	11.3	8.5	9.4

1. The Administration numbers for 1982 and 1983 represent forecasts for that period while those for 1984 and 1985 are not forecasts but projections consistent with economic policy objectives that assume steady progress in reducing unemployment, inflation, and interest rates. A similar caveat also applies to the CBO numbers.

TABLE 3

ADMINISTRATION BUDGET INITIATIVES<sup>1</sup>  
 (Effects on unified budget surplus in billions of dollars)

	1982	1983	1984	1985
<b>I. REVENUE RAISING PROPOSALS IN 1983 BUDGET</b>				
A. Tax Revisions	0	7.2	13.5	13.5
B. Improved collection and Enforcement	.2	5.5	5.5	4.7
C. Other Initiatives (net)	.1	.2	.4	.1
D. Total of Receipts proposals	<u>.3</u>	<u>12.8</u>	<u>19.3</u>	<u>18.3</u>
E. Memo: Effect of 1981 Tax Act	-38.3	-91.6	-139.0	-176.7
<b>II. NONDEFENSE SPENDING INITIATIVES IN 1983 BUDGET</b>				
A. Entitlement reforms	1.4	12.8	18.1	23.0
B. User fees (negative outlays)		1.2	2.1	2.2
C. Discretionary Programs	--	14.2	26.1	35.3
D. Management Initiatives	1.1	14.8	18.5	19.2
E. Proposed Spending Increases	<u>-0.2</u>	<u>-1.8</u>	<u>-2.1</u>	<u>-2.7</u>
F. Total Spending Initiatives	2.4	41.2	62.6	77.8
G. Memo: Outlays enacted in 1981	27.1	45.0	47.5	48.0
<b>III. NET EFFECT OF NONDEFENSE INITIATIVES IN 1983 BUDGET</b>				
A. 1983 Budget initiatives	2.7	54.0	81.9	96.0
B. 1983 initiatives plus those enacted in 1981	-8.5	+7.4	-9.6	-32.6

1. Changes from "current services with adequate defense" baseline. Minus sign denotes increase in the deficit; direct effects not taking into account any second round effects on either aggregate demand or supply.

NOTE: Details may not add to totals due to rounding.

**Table 4**  
**ADMINISTRATION UNIFIED BUDGET**  
**(Billions of dollars)**

	FY1982	FY1983	FY1984	FY1985
<b>Outlays:</b>				
Current services outlays	727.7	799.0	868.6	946.3
Proposed net savings	-2.4	-41.2	-62.6	-77.8
Total	725.3	757.6	805.9	868.5
<b>Receipts:</b>				
Current services receipts	626.4	653.3	703.8	778.3
Proposed net increases	0.3	12.8	19.3	18.3
Total	626.8	666.1	723.0	796.6
<b>Deficit:</b>				
Current services deficit	101.2	145.6	164.8	168.0
Net deficit-reducing proposals	-2.7	-54.0	-81.9	-96.1
Total	98.6	91.5	82.9	71.9

Source: Budget of the United States Government, Fiscal Year 1983.

GROSS OFFERINGS OF CORPORATE SECURITIES IN DOMESTIC MARKETS  
(Monthly totals or monthly averages, millions of dollars)

	1981			1982		
	Year	Q3	Q4	Jan.	Feb. <sup>p</sup>	Mar. <sup>f</sup>
----- Seasonally adjusted -----						
Corporate securities--total	5,758	4,252	7,544	2,634	2,910	4,775
Publicly offered bonds <sup>1</sup>	3,134	1,791	5,645	690	1,500	3,300
Privately placed bonds	582	628	235	333	500	500
Stocks	2,042	1,833	1,664	1,611	910	975
----- Not seasonally adjusted -----						
Publicly offered bonds--total <sup>1</sup>	3,134	1,676	4,223	561	1,000	3,500
By industry						
Utility	1,079	960	958	159	300	--
Industrial	1,192	345	1,751	317	200	--
Financial	863	371	1,514	85	500	--
By quality <sup>2</sup>						
Aaa and Aa	1,182	685	1,882	30	300	--
A and Baa	1,448	627	1,772	261	500	--
Less than Baa <sup>3</sup>	504	364	569	270	200	--
Memo items:						
Convertible bonds	357	150	349	150	0	--
Original discount bonds						
Par value	808	410	1,478	0	125	--
Gross proceeds	358	191	677	0	47	--
Stocks--total	2,042	1,679	1,730	1,511	1,000	900
By industry						
Utility	660	577	540	532	700	--
Industrial	1,018	700	754	703	200	--
Financial	364	402	436	276	100	--

p--preliminary. f--forecast.

1. Total reflects gross proceeds rather than par value of original discount bonds.

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

3. Includes issues not rated by Moody's.

FEDERAL GOVERNMENT AND SPONSORED AGENCY FINANCING<sup>1</sup>  
 (Total for period; billions of dollars)

	FY81	1981		1982		
		Q4	Feb. <sup>e</sup>	Mar. <sup>f</sup>	Q1 <sup>f</sup>	Q2 <sup>f</sup>
<u>Treasury financing</u>						
Combined surplus/deficit(-)		-78.9	-51.8	-15.0	-19.1	-26.0
Means of financing deficit:						
(1) Net cash borrowing from the public		79.4	35.6	10.7	10.1	30.6
Marketable borrowings/ repayments(-)	89.5	37.4	11.1	9.8	31.3	15.2
Bills	23.5	21.6	3.5	2.1	11.1	-2.4
Coupons	66.0	15.8	7.6	7.7	20.2	17.6
Nonmarketable	-10.1	-1.8	-.4	.3	-.7	-2.6
(2) Decrease in the cash balance	2.3	6.7	4.0	9.2	.5	-3.5
(3) Other means of finance <sup>2</sup>	-2.8	9.5	.3	-.2	-5.1	-1.7
<u>Federally sponsored credit agencies net cash borrowing<sup>3</sup></u>	37.5	2.9	.6	1.7	1.9	6.5

e--estimated. f--forecast.

1. Numbers reported on a not seasonally adjusted, payment basis.

2. Includes checks issued less checks paid, accrued items and other transactions.

3. Includes debt of Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, the Federal Farm Credit Bank System, and the Student Loan Marketing Administration.

State and Local Sector. Gross issuance of long-term municipal securities in March is estimated at \$3-3/4 billion (s.a.), which is below the volume sold in January and February. Revenue securities continued to account for about 70 percent of this total; most of the proceeds were used by utilities and by hospitals. In the short-term sector, the net volume to date this year is about equal to the brisk pace in 1981, but the gross volume has increased largely because maturities on H.U.D. project notes have been shortened.

STATE & LOCAL GOVERNMENT SECURITY OFFERINGS  
(Monthly averages, billions of dollars)

Year	1981		1982		
	Q3	Q4	e	Jan.	e
----- Seasonally adjusted -----					
Total	6.70	6.40	8.30	8.20	8.20
Long-term	3.90	3.50	4.30	5.00	4.90
Short-term	2.80	2.90	4.00	3.20	3.30
----- Not seasonally adjusted -----					
Total	6.70	6.40	7.50	6.10	6.20
Long-term	3.90	3.40	4.50	3.70	3.30
Housing bonds	.40	.25	.60	.10	.15
Short-term	2.80	3.00	3.00	2.40	2.90
-----					

e--estimate. f--forecast.

Rates on long-term municipal obligations receded during February and early March, but have risen in the past couple of weeks. The Bond Buyer general obligation index--at 12.99 percent--is only fractionally below its level at the time of the last FOMC meeting. Short-term rates have remained essentially constant at 7-1/2 percent over the intermeeting period. In contrast to the taxable market, the yield curve continues to be steeply upward sloping, reflecting strong preferences for short maturities by insti-