

August 18, 1982

SUMMARY AND OUTLOOK

Prepared for the Federal Open Market Committee

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

August 18, 1982

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				
6/23/82	8/18/82	6/23/82	8/18/82	6/23/82	8/18/82	6/23/82	8/18/82	6/23/82	8/18/82	
Annual changes:										
1980 <1>	8.8	8.9	-2	-4	9.8	10.1	8.2	8.6	7.1	7.1
1981 <1>	11.4	11.6	2.0	1.9	9.4	9.6	9.2	9.4	7.6	7.6
1982	5.4	4.7	-1.1	-1.6	6.2	6.1	7.0	7.1	9.3	9.5
1983	7.5	7.4	2.5	2.4	5.2	5.1	4.9	5.0	9.4	9.7
Quarterly changes:										
1981 Q1 <1>	19.2	19.6	8.6	7.9	10.5	10.4	8.4	8.4	7.4	7.4
Q2 <1>	4.7	5.3	-1.6	-1.5	8.2	8.6	9.6	9.4	7.4	7.4
Q3 <1>	11.4	11.4	1.4	2.2	9.9	9.3	11.5	11.0	7.4	7.4
Q4 <1>	4.6	3.0	-4.5	-5.3	7.5	7.4	8.2	8.6	8.3	8.3
1982 Q1 <1>	.0	-1.0	-3.7	-5.1	4.7	4.4	5.2	5.3	8.8	8.8
Q2 <1>	6.9	7.1	.7	1.7	3.8	4.3	6.3	6.7	9.5	9.5
Q3	8.3	7.5	2.5	1.0	6.6	6.5	5.8	5.7	9.6	10.0
Q4	8.4	7.6	2.9	2.3	5.7	5.2	5.3	5.0	9.5	9.9
1983 Q1	6.6	7.5	1.9	2.5	5.1	5.4	5.0	5.6	9.5	9.8
Q2	6.5	6.1	2.0	1.9	4.9	4.6	4.6	4.2	9.5	9.8
Q3	8.1	8.1	4.1	4.2	4.5	4.4	4.0	3.9	9.3	9.7
Q4	8.6	8.2	4.0	3.8	4.3	4.2	3.7	3.7	9.1	9.5
Two-quarter changes: <2>										
1981 Q2 <1>	11.7	12.2	3.4	3.1	9.2	9.5	9.0	8.9	-1	-1
Q4 <1>	7.9	7.1	-1.6	-1.6	8.7	8.3	9.8	9.8	.9	.9
1982 Q2 <1>	3.4	3.0	-1.5	-1.8	4.2	4.4	5.6	6.0	1.2	1.2
Q4	8.4	7.5	2.7	1.6	6.1	5.8	5.5	5.4	.0	.4
1983 Q2	6.6	6.8	1.9	2.2	5.0	5.0	4.8	4.9	.0	-1
Q4	8.4	8.1	4.1	4.0	4.4	4.3	3.8	3.8	-4	-3
Four-quarter changes: <3>										
1980 Q4 <1>	9.4	9.4	-3	-7	9.7	10.3	8.6	9.4	1.5	1.5
1981 Q4 <1>	9.8	9.6	.9	.7	9.0	8.9	9.4	9.3	.8	.8
1982 Q4	5.8	5.2	.6	-1	5.2	5.1	5.6	5.7	1.2	1.6
1983 Q4	7.5	7.5	3.0	3.1	4.7	4.6	4.3	4.4	-4	-4

<1> Actual.

<2> Percent change from two quarters earlier.

<3> Percent change from four quarters earlier.

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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	Q4	Q1	Q2	Q3	Q4
Gross national product	2575.9	2573.4	2643.7	2739.4	2864.9	2901.8	2980.9	3003.2
Final purchases	2576.6	2573.9	2664.8	2757.1	2852.7	2877.2	2949.1	2989.9
Private	2057.4	2037.9	2126.3	2197.3	2274.6	2294.0	2348.9	2363.6
Excluding net exports	2043.4	2013.7	2087.3	2173.8	2243.4	2270.3	2323.0	2340.1
Personal consumption expenditures	1618.7	1622.2	1682.0	1745.8	1799.9	1819.4	1868.8	1884.5
Goods	871.4	855.7	886.4	925.2	957.5	960.0	982.5	976.1
Services	747.3	766.6	795.6	820.6	842.4	859.4	886.3	908.3
Gross private domestic investment	424.0	391.0	384.1	410.3	455.7	475.5	486.0	468.9
Residential structures	113.5	91.2	97.6	110.5	113.6	109.5	101.2	95.5
Business fixed investment	311.2	300.2	307.8	317.5	330.0	341.3	353.0	360.2
Change in business inventories	-7	-4	-21.2	-17.7	12.2	24.6	31.8	13.2
Nonfarm	.7	4.0	-15.4	-12.3	10.0	19.3	24.6	6.0
Net exports of goods and services <1>	14.0	24.2	39.0	23.5	31.2	23.7	25.9	23.5
Exports	335.7	337.3	337.2	346.7	365.4	368.9	367.2	367.9
Imports	321.7	313.1	298.2	323.2	334.2	345.1	341.3	344.4
Gov't. purchases of goods and services	519.2	536.0	538.5	559.8	578.1	583.2	600.2	626.3
Federal <2>	189.6	198.8	193.3	207.0	217.0	218.2	230.0	250.5
State and local	329.6	337.2	345.2	352.8	361.1	365.0	370.1	375.7
Gross national product in constant (1972) dollars	1494.9	1457.8	1463.8	1479.4	1507.8	1502.2	1510.4	1490.1
Personal income	2086.8	2109.6	2185.3	2260.0	2330.0	2380.6	2458.2	2494.6
Wage and salary disbursements	1319.7	1332.1	1360.5	1412.2	1452.8	1479.4	1512.3	1531.2
Disposable personal income	1766.9	1781.0	1845.5	1902.9	1958.7	1996.5	2060.0	2101.4
Saving rate (percent)	5.5	6.1	6.1	5.5	5.4	6.1	6.5	7.5
Corporate profits with I.V.A. and G.C. Adj.	195.3	172.2	177.8	181.2	200.3	185.1	193.1	183.9
Corporate profits before tax	268.2	217.6	238.1	245.9	253.1	225.4	233.3	216.5
Federal government surplus or deficit (-) (N.I.A. basis)	-39.7	-67.5	-73.1	-65.2	-39.7	-40.5	-58.0	-101.7
High employment surplus or deficit (-) <3>	-18.3	-20.0	-19.0	-10.5	10.8	22.4	5.3	-21.2
State and local government surplus or deficit (-) (N.I.A. basis)	29.1	23.3	27.1	33.0	31.3	32.9	33.5	29.1
Excluding social insurance funds	3.3	-2.8	-1.0	3.9	1.1	1.7	1.2	-4.2
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)	90.9	90.3	89.9	90.5	90.9	91.2	91.4	91.0
Manufacturing	20.9	20.3	19.9	20.1	20.2	20.3	20.3	19.9
Industrial production (1967=100)	152.7	144.5	142.3	148.8	151.8	152.5	153.0	146.3
Capacity utilization: all manufacturing (percent)	83.4	77.9	75.9	79.1	79.9	79.8	79.2	74.8
Materials (percent)	85.8	78.9	75.2	80.1	82.2	81.2	81.2	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	7.36
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	2.23

<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 \$30.7 billion in 1980-Q4, and a deficit of \$43.8 billion in 1981-Q4.

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

	1980				1981			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>Constant (1972) Dollars</u>								
Gross national product	1.5	-9.6	1.6	4.3	7.9	-1.5	2.2	-5.3
Final purchases	1.6	-9.6	3.3	3.7	5.4	-4.0	1.0	-2.3
Private	.8	-12.4	5.4	4.7	5.5	-4.0	.4	-4.4
Excluding net exports	-1.3	-13.7	5.7	7.6	4.7	-2.8	2.2	-3.6
Personal consumption expenditures	-.7	-8.7	5.4	5.7	4.4	-2.7	2.9	-3.3
Goods	-2.3	-16.1	5.7	8.6	6.9	-5.1	4.0	-6.2
Services	1.2	.4	5.1	2.6	1.5	.1	1.7	.0
Gross private domestic investment	-4.5	-32.5	-5.1	22.6	25.0	14.9	6.9	-22.6
Residential structures	-21.6	-61.7	20.4	59.8	1.0	-17.4	-31.9	-25.3
Business fixed investment	2.5	-20.4	3.5	6.6	8.0	1.1	9.3	.6
Gov't. purchases of goods and services	5.2	3.1	-4.7	-.3	5.2	-4.1	3.6	7.0
Federal	12.3	10.5	-12.5	-2.6	12.2	-3.2	14.8	20.4
National defense	13.2	.5	-2.5	-2.1	8.0	11.5	7.6	10.1
State and local	1.2	-1.1	.3	1.0	1.3	-4.6	-2.7	-.8
Disposable personal income	1.1	-6.6	5.2	3.0	3.7	.6	4.8	1.2
<u>Current Dollars</u>								
Gross national product	12.2	-.4	11.4	15.3	19.6	5.3	11.4	3.0
Final purchases	11.8	-.4	14.9	14.6	14.6	3.5	10.4	5.7
Private	10.2	-3.7	18.5	14.0	14.8	3.5	9.9	2.5
Excluding net exports	9.5	-5.7	15.4	17.6	13.4	4.9	9.6	3.0
Personal consumption expenditures	10.7	.9	15.6	16.1	13.0	4.4	11.3	3.4
Goods	9.4	-7.0	15.1	18.7	14.7	1.0	9.7	-2.6
Services	12.3	10.7	16.0	13.2	11.1	8.3	13.2	10.3
Gross private domestic investment	7.1	-27.6	-6.8	30.1	52.2	18.5	9.2	-13.3
Residential structures	-14.0	-58.2	31.0	64.5	11.5	-13.4	-27.0	-20.8
Business fixed investment	13.3	-13.3	10.4	13.3	16.7	14.5	14.3	8.4
Gov't. purchases of goods and services	18.5	13.6	1.9	16.8	13.7	3.6	12.2	18.6
Federal	29.5	20.8	-10.5	31.3	20.9	2.2	23.5	40.7
National defense	28.8	10.4	1.7	25.3	15.4	22.1	10.8	36.7
State and local	12.7	9.6	9.8	9.2	9.7	4.4	5.7	6.2
Disposable personal income	12.7	3.2	15.3	13.0	12.3	7.9	13.4	8.3
Personal income	10.7	4.4	15.1	14.4	13.0	9.0	13.7	6.1
Wage and salary disbursements	11.4	3.8	8.8	16.1	12.0	7.5	9.2	5.1
Corporate profits with I.V.A. and C.C. Adj.	29.4	-39.6	13.7	7.9	49.3	-27.1	18.4	-17.7
Corporate profits before tax	34.2	-56.7	43.4	13.8	12.2	-37.1	14.8	-25.8
Nonfarm payroll employment	1.8	-2.3	-1.8	2.7	1.8	1.0	.8	-1.8
Manufacturing	-1.2	-10.4	-7.5	4.2	1.3	2.8	.1	-8.1
Nonfarm business sector								
Output per hour	-.4	-4.6	3.4	3.1	4.9	-1.3	-.3	-3.5
Compensation per hour	11.9	10.2	10.4	9.8	11.8	7.1	9.0	7.3
Unit labor costs	12.4	15.5	6.8	6.5	6.6	8.6	9.3	11.2
GMP implicit deflator <1>	10.5	10.1	9.6	10.5	10.9	6.8	9.0	8.8
Gross domestic business product								
fixed-weighted price index <2>	11.0	10.4	9.9	10.0	10.4	8.6	9.3	7.4
Excluding food and energy	8.7	9.6	9.7	9.7	8.4	9.4	11.0	8.6
Consumer price index (all urban)	16.5	13.5	7.7	12.8	11.0	7.8	11.8	7.7
Industrial production	.4	-19.8	-5.8	19.3	8.4	1.9	1.4	-16.6

<1> Excluding Federal pay increases, rates of change were: 1980-Q1, 10.5 percent; 1980-Q4, 9.4 percent; 1981-Q1, 10.8 percent; 1981-Q4, 7.8 percent.

<2> Uses expenditures in 1972 as weights.

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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.)

	1982				Projected 1983			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross national product	2995.5	3047.4	3102.8	3160.2	3218.2	3266.5	3330.7	3396.6
Final purchases	3031.1	3067.0	3109.8	3164.7	3216.2	3261.5	3321.7	3384.6
Private	2401.0	2435.1	2468.9	2506.4	2547.9	2581.9	2630.0	2678.0
Excluding net exports	2369.7	2399.5	2442.6	2493.0	2544.9	2584.1	2635.4	2687.3
Personal consumption expenditures	1919.4	1950.8	1998.8	2044.2	2086.1	2119.1	2163.6	2206.6
Goods	987.0	999.1	1020.5	1041.6	1059.6	1072.1	1091.6	1113.1
Services	932.4	951.6	978.3	1002.6	1026.5	1047.0	1072.0	1093.5
Gross private domestic investment	414.8	429.1	436.8	444.3	460.8	470.0	480.8	492.7
Residential structures	93.4	94.7	98.7	104.0	112.0	116.7	119.2	121.2
Business fixed investment	357.0	354.0	345.1	344.8	346.8	348.3	352.6	359.5
Change in business inventories	-35.6	-19.7	-7.0	-4.5	2.0	5.0	9.0	12.0
Nonfarm	-36.0	-19.2	-7.0	-4.5	2.0	5.0	9.0	12.0
Net exports of goods and services <1>	31.3	35.6	26.3	13.4	3.0	-2.2	-5.4	-9.3
Exports	359.9	360.9	350.4	342.6	343.2	351.6	364.7	378.6
Imports	328.6	325.3	324.1	329.2	340.2	353.8	370.1	387.9
Gov't. purchases of goods and services	630.1	631.9	640.9	658.3	668.3	679.6	691.7	706.6
Federal <2>	249.7	244.1	248.4	261.2	266.6	273.6	281.2	292.1
State and local	380.4	387.8	392.5	397.1	401.7	406.0	410.5	414.5
Gross national product in constant (1972) dollars	1470.7	1476.8	1480.4	1488.8	1498.0	1505.2	1520.6	1534.9
Personal income	2510.5	2549.5	2597.9	2645.8	2693.3	2739.0	2790.3	2837.9
Wage and salary disbursements	1541.6	1555.9	1573.9	1603.9	1629.8	1653.8	1681.1	1714.8
Disposable personal income	2117.1	2151.9	2211.2	2251.6	2291.1	2326.4	2396.2	2433.2
Saving rate (percent)	6.6	6.6	6.9	6.5	6.3	6.2	7.1	6.7
Corporate profits with I.V.A. and C.C. Adj.	157.1	167.0	180.5	185.3	187.2	189.4	203.0	210.8
Corporate profits before tax	171.6	179.2	193.4	192.1	188.1	183.2	189.1	187.3
Federal government surplus or deficit (-) (N.I.A. basis)	-119.3	-116.6	-147.5	-157.4	-148.9	-157.3	-196.1	-199.9
High employment surplus or deficit (-) <3>	-21.2	-8.5	-32.6	-36.0	-18.4	-21.4	-64.9	-68.9
State and local government surplus or deficit (-) (N.I.A. basis)	27.7	29.4	33.1	34.6	36.4	37.7	40.7	44.1
Excluding social insurance funds	-6.8	-6.3	-3.8	-3.5	-2.9	-2.8	-1.0	1.2
Civilian labor force (millions)	109.1	110.2	110.6	110.8	111.1	111.3	111.6	112.0
Unemployment rate (percent)	8.8	9.5	10.0	9.9	9.8	9.8	9.7	9.5
Nonfarm payroll employment (millions)	90.4	90.0	89.8	90.0	90.3	90.5	90.8	91.3
Manufacturing	19.4	19.1	18.8	19.0	19.2	19.4	19.6	19.8
Industrial production (1967=100)	141.7	139.2	138.4	140.6	142.3	144.3	147.9	150.4
Capacity utilization: all manufacturing (percent)	71.6	70.2	69.4	70.3	70.8	71.4	73.0	73.8
Materials (percent)	72.0	69.6	68.8	70.0	70.9	71.9	74.1	75.5
Housing starts, private (million units, A.R.)	.92	.95	1.15	1.15	1.20	1.20	1.20	1.20
New auto sales (millions, A.R.)	8.12	7.53	7.90	8.40	8.60	8.80	9.20	9.20
Domestic models	5.90	5.53	5.60	6.10	6.30	6.50	6.80	6.80
Foreign models	2.22	1.99	2.30	2.30	2.30	2.30	2.40	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.

<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 \$58.7 billion in 1982-Q4, and a deficit of \$93.3 billion in 1983-Q4.

August 18, 1982

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	-5.1	1.7	1.0	2.3	2.5	1.9	4.2	3.8
Final purchases	.2	-6	-1	2.0	1.8	1.6	3.7	3.5
Private	1.0	.8	-2	1.9	1.9	1.5	4.0	3.9
Excluding net exports	.9	1.2	.8	3.3	3.1	1.7	3.7	3.8
Personal consumption expenditures	2.5	3.0	3.3	4.1	2.9	1.8	4.0	3.7
Goods	2.0	4.1	2.4	4.5	2.7	1.1	3.8	4.3
Services	3.0	1.9	4.3	3.6	3.1	2.5	4.2	3.0
Gross private domestic investment	-36.5	10.9	-3.1	2.0	10.2	3.9	5.9	6.5
Residential structures	-10.2	3.3	13.4	18.5	28.7	12.8	4.3	2.6
Business fixed investment	-5.0	-8.5	-15.3	-4.5	-1.4	-1.6	2.1	4.5
Gov't. purchases of goods and services	-2.9	-6.4	.3	2.2	1.1	2.0	2.5	1.6
Federal	-5.5	-16.1	3.5	8.0	4.8	6.9	7.3	5.3
National defense	-7.9	7.1	6.7	4.6	6.4	11.2	12.1	9.4
State and local	-1.1	.4	-1.7	-1.3	-1.2	-1.2	-.7	-.9
Disposable personal income	-1.9	3.1	4.5	2.3	1.7	1.6	7.7	1.9
<u>Current Dollars</u>								
Gross national product	-1.0	7.1	7.5	7.6	7.5	6.1	8.1	8.2
Final purchases	5.6	4.8	5.7	7.3	6.7	5.8	7.6	7.8
Private	6.5	5.8	5.7	6.2	6.8	5.4	7.7	7.5
Excluding net exports	5.2	5.1	7.4	8.5	8.6	6.3	8.2	8.1
Personal consumption expenditures	7.6	6.7	10.2	9.4	8.5	6.5	8.7	8.2
Goods	4.5	5.0	8.8	8.5	7.1	4.8	7.5	8.1
Services	11.0	8.5	11.7	10.3	9.9	8.2	9.9	8.3
Gross private domestic investment	-38.8	14.5	7.4	7.0	15.7	8.2	9.5	10.3
Residential structures	-8.4	5.7	17.9	23.3	34.5	17.9	8.8	6.9
Business fixed investment	-3.5	-3.2	-9.7	-.3	2.3	1.7	5.0	8.1
Gov't. purchases of goods and services	2.4	1.2	5.8	11.3	6.2	6.9	7.3	8.9
Federal	-1.4	-8.6	7.2	22.3	8.5	10.9	11.6	16.4
National defense	-1.8	15.4	13.1	19.3	11.2	15.7	17.2	21.6
State and local	5.0	8.0	4.9	4.8	4.7	4.4	4.5	4.0
Disposable personal income	3.0	6.8	11.5	7.5	7.2	6.3	12.6	6.3
Personal income	2.6	6.4	7.8	7.6	7.4	7.0	7.7	7.0
Wage and salary disbursements	2.7	3.8	4.7	7.8	6.6	6.0	6.8	8.3
Corporate profits with I.V.A. and C.C. Adj.	-46.7	27.7	36.5	11.0	4.3	4.7	32.0	16.2
Corporate profits before tax	-60.5	18.9	35.7	-2.7	-7.9	-10.1	13.5	-3.8
Nonfarm payroll employment	-2.4	-1.6	-1.0	.7	1.3	1.0	1.6	2.1
Manufacturing	-9.0	-7.2	-5.1	3.7	4.9	3.8	4.3	4.6
Nonfarm business sector								
Output per hour	2.6	2.3	1.0	1.5	2.0	.9	2.3	1.5
Compensation per hour	10.1	6.2	6.1	5.9	6.4	5.5	5.5	5.4
Unit labor costs	7.4	3.8	5.0	4.3	4.3	4.6	3.1	3.8
GNP implicit deflator <1>	4.3	5.3	6.4	5.2	4.9	4.1	3.8	4.2
Gross domestic business product								
fixed-weighted price index <2>	4.4	4.3	6.5	5.2	5.4	4.6	4.4	4.2
Excluding food and energy	5.3	6.7	5.7	5.0	5.6	4.2	3.9	3.7
Consumer price index (all urban)	3.2	4.6	8.2	4.3	5.5	4.8	4.8	4.6
Industrial production	-11.8	-6.9	-2.3	6.5	4.9	5.7	10.4	6.9

<1> Excluding Federal pay increases, the rates of change are: 1982-Q1, 4.2 percent; 1982-Q4, 4.6 percent; 1983-Q1, 4.9 percent; 1983-Q4, 3.6 percent.

<2> Uses expenditures in 1972 as weights.

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CONFIDENTIAL - FR
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	1983
Gross national product	1718.0	1918.3	2163.9	2417.8	2633.1	2937.7	3076.5	3303.0
Final purchases	1706.2	1895.3	2137.4	2403.5	2643.1	2917.3	3093.1	3296.0
Private	1344.1	1501.5	1705.5	1929.1	2104.7	2320.4	2452.8	2609.4
Excluding net exports	1330.3	1505.5	1706.6	1915.9	2079.5	2294.3	2426.2	2612.9
Personal consumption expenditures	1084.3	1204.4	1346.5	1507.2	1667.2	1843.2	1978.3	2143.8
Goods	598.5	657.0	728.5	813.5	884.7	969.1	1012.0	1084.1
Services	485.7	547.4	618.0	693.7	782.5	874.1	966.2	1059.7
Gross private domestic investment	257.9	324.1	386.6	423.0	402.3	471.5	431.2	476.1
Residential construction	72.0	95.8	111.2	118.6	103.2	104.9	97.7	117.3
Business fixed investment	174.1	205.2	248.9	290.2	309.2	346.1	350.2	351.8
Change in business inventories	11.8	23.0	26.5	14.3	-10.0	20.5	-16.7	7.0
Nonfarm	13.9	21.9	25.4	8.6	-5.7	15.0	-16.7	7.0
Net exports of goods and services <1>	13.8	-4.0	-1.1	13.2	25.2	26.1	26.6	-3.5
Exports	170.9	182.7	218.7	281.4	339.2	367.3	353.4	359.5
Imports	157.1	186.7	219.8	268.1	314.0	341.3	326.8	363.0
Gov't. purchases of goods and services	362.1	393.8	431.9	474.4	538.4	596.9	640.3	686.5
Federal <2>	129.2	143.4	153.6	168.3	197.2	228.9	250.8	278.4
State and local	232.9	250.4	278.3	306.0	341.2	368.0	389.4	408.2
Gross national product in constant (1972) dollars	1298.2	1369.7	1438.6	1479.4	1474.0	1502.6	1479.2	1514.7
Personal income	1391.2	1540.4	1732.7	1951.2	2160.4	2415.8	2575.9	2765.1
Wage and salary disbursements	889.9	983.2	1106.3	1237.6	1356.1	1493.9	1568.8	1669.9
Disposable personal income	1194.4	1314.0	1474.0	1650.2	1824.1	2029.1	2182.9	2361.7
Saving rate (percent)	6.9	5.9	6.1	5.9	5.8	6.4	6.6	6.6
Corporate profits with I.V.A. and C.C.Adj.	138.1	167.3	192.4	194.8	181.6	190.6	172.5	197.6
Corporate profits before tax	166.3	194.7	229.1	252.7	242.4	232.1	184.1	186.9
Federal government surplus or deficit(-) (N.I.A. basis)	-53.1	-45.9	-29.5	-16.1	-61.4	-60.0	-135.2	-175.6
High employment surplus or deficit(-)	-17.4	-20.6	-16.0	-1.8	-17.0	4.3	-24.6	-43.4
State and local government surplus or deficit (-) (N.I.A. basis)	16.6	28.0	30.3	30.4	28.1	31.7	31.2	39.7
Excluding social insurance funds	.9	10.1	10.0	6.6	.9	-.1	-5.1	-1.4
Civilian labor force (millions)	96.2	99.0	102.3	105.0	106.9	108.7	110.2	111.5
Unemployment rate (percent)	7.7	7.1	6.1	5.8	7.1	7.6	9.5	9.7
Nonfarm payroll employment (millions)	79.4	82.5	86.7	89.8	90.4	91.1	90.1	90.7
Manufacturing	19.0	19.7	20.5	21.0	20.3	20.2	19.1	19.5
Industrial production (1967=100)	130.4	138.1	146.1	152.5	147.0	150.9	140.0	146.2
Capacity utilization: all manufacturing (percent)	79.5	81.9	84.4	85.6	79.1	78.4	70.4	72.3
Materials (percent)	81.1	82.7	85.6	87.4	80.0	79.9	70.1	73.1
Housing starts, private (million units, A.R.)	1.54	1.96	2.00	1.72	1.30	1.10	1.04	1.20
New auto sales (millions, A.R.)	10.54	10.69	10.92	9.91	8.34	7.98	8.02	8.95
Domestic models	8.63	9.07	9.29	8.36	6.62	6.24	5.78	6.60
Foreign models	1.92	1.62	1.63	1.55	1.72	1.74	2.24	2.35

<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.

August 18, 1982

CONFIDENTIAL - FR
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	5.0	2.8	-.4	1.9	-1.6	2.4
Final purchases	4.2	5.1	4.9	3.5	.5	1.0	-.5	1.7
Private	5.3	6.0	5.6	4.0	.0	1.0	-.6	1.9
Excluding net exports	6.2	6.5	5.5	2.9	-1.1	1.8	.1	2.6
Personal consumption expenditures	5.6	5.0	4.5	2.7	.3	1.8	1.4	3.1
Goods	6.7	5.1	4.2	1.9	-1.5	1.9	.8	3.0
Services	4.3	4.9	4.8	3.7	2.4	1.7	2.1	3.3
Gross private domestic investment	19.2	16.1	10.5	-.2	-11.8	8.3	-12.0	5.0
Residential structures	21.3	18.6	2.8	-5.3	-20.1	-4.9	-10.5	15.2
Business fixed investment	5.3	11.7	12.8	7.3	-2.2	3.6	-3.9	-3.6
Gov't. purchases of goods and services	.0	1.5	2.0	1.3	2.3	.9	-.3	1.1
Federal	-.6	3.7	-.1	1.8	4.3	3.7	1.2	4.5
National defense	-2.3	.8	.4	2.6	4.0	4.9	3.8	8.0
State and local	.4	.2	3.3	1.1	1.1	-.8	-1.3	-1.1
Disposable personal income	3.6	4.0	4.9	2.7	.2	2.5	1.6	3.0
<u>Current Dollars</u>								
Gross national product	10.9	11.7	12.8	11.7	8.9	11.6	4.7	7.4
Final purchases	9.6	11.1	12.8	12.4	10.0	10.4	6.0	6.6
Private	10.5	11.7	13.6	13.1	9.1	10.2	5.7	6.4
Excluding net exports	11.8	13.2	13.4	12.3	8.5	10.3	5.7	7.7
Personal consumption expenditures	11.0	11.1	11.8	11.9	10.6	10.6	7.3	8.4
Goods	10.9	9.8	10.9	11.7	8.8	9.5	4.4	7.1
Services	11.2	12.7	12.9	12.2	12.8	11.7	10.5	9.7
Gross private domestic investment	25.1	25.7	19.3	9.4	-4.9	17.2	-8.5	10.4
Residential structures	30.2	33.1	16.1	6.6	-13.0	1.7	-6.9	20.0
Business fixed investment	10.4	17.9	21.3	16.6	6.5	12.0	1.2	.4
Gov't. purchases of goods and services	6.5	8.8	9.7	9.8	13.5	10.9	7.3	7.2
Federal	5.3	11.0	7.1	9.6	17.1	16.1	9.6	11.0
National defense	3.6	8.0	8.0	11.5	17.5	17.0	14.1	15.4
State and local	7.2	7.5	11.2	9.9	11.5	7.9	5.8	4.8
Disposable personal income	9.0	10.0	12.2	12.0	10.5	11.2	7.6	8.2
Personal income	10.0	10.7	12.5	12.6	10.7	11.8	6.6	7.3
Wage and salary disbursements	10.4	10.5	12.5	11.9	9.6	10.2	5.0	6.4
Corporate profits with I.V.A. and C.C.Adj.	25.0	21.1	15.0	1.3	-6.8	5.0	-9.5	14.5
Corporate profits before tax	25.9	17.1	17.7	10.3	-4.0	-4.3	-20.7	1.5
Nonfarm payroll employment	3.2	3.9	5.1	3.6	.7	.8	-1.2	.7
Manufacturing	3.7	3.6	4.2	2.6	-3.6	-.6	-5.4	2.3
Nonfarm business sector								
Output per hour	3.2	2.2	.6	-1.3	-.9	1.4	.5	1.6
Compensation per hour	8.1	7.5	8.6	9.3	10.2	9.7	7.7	5.9
Unit labor costs	4.7	5.2	8.0	10.7	11.2	8.1	7.2	4.2
GNP implicit deflator	5.2	5.8	7.4	8.6	9.3	9.4	6.4	4.8
Gross domestic business product								
fixed-weighted price index <1>	5.5	6.1	8.0	9.9	10.1	9.6	6.1	5.1
Excluding food and energy	6.1	6.3	7.8	8.6	8.6	9.4	7.1	5.0
Consumer price index (all urban)	5.7	6.5	7.7	11.3	13.5	10.3	6.3	5.3
Industrial production	10.7	5.9	5.8	4.4	-3.6	2.6	-7.2	4.5

<1> Uses expenditures in 1972 as weights.

FEDERAL SECTOR ACCOUNTS

August 18, 1982

	Fiscal Year 1981*	FY1982e/		FY1983e/2/		CY 1981*	CY1982e/ F.R. Board	FRB Staff Estimates Calendar quarters; unadjusted data								
		Admin. 1/	F.R. Board	Admin. 1/	F.R. Board			1983								
								1982								
								1981 IV*	I*	II*	III	IV	I	II	III	
Unified budget receipts	599.3	622.1	618.1	646.5	630.0	619.1	615.3	146.0	143.6	178.9	149.7	143.2	143.9	189.8	153.1	
Unified budget outlays	657.2	731.0	730.5	761.5	789.0	691.6	730.1	194.2	167.3	181.4	187.7	193.8	197.2	194.2	203.9	
Surplus/deficit(-), unified budget	-57.9	-108.9	-112.4	-115.0	-159.0	-72.5	-114.8	-48.2	-23.7	-2.5	-38.0	-50.6	-53.3	-4.4	-50.8	
Surplus/deficit(-), off-budget agencies ³	-21.0	-19.3	-17.9	-14.9	-17.3	-22.4	-18.1	-3.6	-2.0	-5.8	-6.7	-3.8	-5.3	-4.1	-4.2	
Combined deficit to be financed	-78.9	-128.2	-130.3	-129.9	-176.3	-94.9	-132.9	-51.8	-25.7	-8.3	-44.7	-54.4	-58.6	-8.5	-54.9	
Means of financing combined deficit:																
Net borrowing from public	79.4	126.7	125.9	126.0	180.4	87.3	144.5	35.6	32.8	8.9	48.6	54.2	54.9	15.8	55.5	
Decrease in cash operating balance	2.3		1.4		-2.1	0.3	-3.0	6.7	-1.0	2.0	-6.3	2.3	2.8	-4.2	-3.0	
Other ⁴	-2.8	(1.4)	3.0	(3.9)	-2.1	7.3	-8.6	9.5	-6.1	-2.7	2.3	-2.1	0.8	-3.1	2.3	
Cash operating balance, end of period	18.7	n.a.	17.3	n.a.	19.4	12.0	15.0	12.0	13.0	11.0	17.3	15.0	12.2	16.4	19.4	
Memo: Sponsored agency borrowing ⁵	35.7	46.6	21.1	50.1	26.8	30.0	23.7	4.0	1.6	9.1	6.4	6.6	5.8	7.3	7.1	
NIA Budget																
								Seasonally adjusted annual rates								
Receipts	615.5	n.a.	615.4	n.a.	640.3	628.2	613.6	625.7	609.0	616.4	610.3	618.8	645.4	655.8	641.2	
Expenditures	666.3	n.a.	736.7	n.a.	805.3	688.2	749.0	727.4	728.3	733.0	758.1	776.4	794.4	813.1	837.3	
Purchases	218.1	n.a.	248.2	n.a.	270.6	228.9	230.9	250.5	249.7	244.1	248.4	261.2	266.6	273.6	281.2	
Defense	146.5	n.a.	170.7	n.a.	194.9	153.7	175.4	166.9	166.2	172.2	177.6	185.6	190.6	197.7	205.7	
Nondefense	71.5	n.a.	77.4	n.a.	75.8	75.2	75.5	83.6	83.5	71.9	70.8	75.6	76.0	75.9	75.5	
All other expenditures	448.2	n.a.	488.5	n.a.	534.7	459.3	498.1	476.9	478.6	488.9	509.7	515.2	527.8	539.5	556.1	
Surplus/deficit(-)	-50.9	n.a.	-121.3	n.a.	-165.0	-60.0	-135.3	-101.7	-119.3	-116.6	-147.8	-157.6	-149.0	-157.3	-196.1	
High Employment (H.E.) surplus/deficit(-) evaluated at H.E. unemployment rate of:																
5.1 percent	7.0	n.a.	-20.9	n.a.	-35.2	4.3	-24.6	-21.2	-21.2	-8.5	-32.6	-36.0	-18.4	-21.4	-64.9	
6.1 percent	-14.7	n.a.	-43.3	n.a.	-58.8	-18.0	-47.1	-43.8	-43.6	-31.2	-54.8	-58.7	-42.0	-45.5	-88.8	
	a--actual					e--estimated								n.a.--not available		

1. OMB Mid-Session Review of the 1983 Budget, July 1982.

2. In the First Concurrent Resolution on the Budget -- Fiscal Year 1983, the Congress recommended revenues of \$665.9 billion and outlays of \$769.8 billion.

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, FHLMC (excluding participation certificates), FNMA (excluding mortgage backed securities), Federal Land Banks, Federal Intermediate Credit Banks for Cooperatives, and Student Loan Marketing Association marketable debt on a payment basis. FRB and Administration estimates are not strictly comparable.

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

CONFIDENTIAL (FR)
CLASS II FOMC

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

	1981 ANN.	1982 ^f ANN.	1983 ^f ANN.	1982 Q I	1982 Q II	1982 ^f Q III	1982 ^f Q IV	1983 ^f Q I	1983 ^f Q II	1983 ^f Q III	1983 ^f Q IV
1. GNP NET EXPORTS											
CURRENT \$, NET	26.4	26.6	-3.5	30.3	35.6	26.3	13.4	2.9	-2.1	-5.4	-9.3
EXPORTS OF G&S	367.4	353.5	359.5	359.9	360.9	350.4	342.6	343.2	351.6	364.7	378.6
IMPORTS OF G&S	341.3	326.8	363.0	328.6	325.3	324.1	329.2	340.2	353.8	370.1	387.9
CONSTANT 72 \$, NET	42.0	33.5	25.8	37.0	35.5	32.7	28.9	25.5	25.0	26.4	26.8
EXPORTS OF G&S	158.4	149.3	146.8	151.7	152.3	148.7	144.5	142.7	144.5	148.1	151.7
IMPORTS OF G&S	116.4	115.8	120.9	114.7	116.8	116.0	115.6	117.3	119.5	122.1	124.9
TERMS OF TRADE (1972=100) 1/	79.0	83.9	81.6	82.9	85.4	84.3	83.3	82.9	82.2	81.2	80.4
2. U.S. MERCHANDISE TRADE BALANCE 2/	-27.9	-30.0	-65.3	-24.2	-20.5	-31.4	-43.8	-53.7	-61.8	-69.7	-76.1
EXPORTS (EXCL. MILITARY)	236.3	214.9	208.5	222.4	222.5	210.3	204.4	204.0	205.2	209.4	215.6
AGRICULTURAL	44.3	42.0	46.3	42.0	42.4	41.1	42.4	44.4	45.4	47.2	48.6
NONAGRICULTURAL	192.0	172.9	162.2	180.4	180.1	169.2	162.0	159.9	159.7	162.2	167.0
IMPORTS	264.1	244.9	273.9	246.7	242.9	241.7	248.2	257.7	267.0	279.0	291.7
PETROLEUM AND PRODUCTS	77.6	56.2	63.5	62.6	53.7	53.0	55.5	59.4	61.9	65.0	67.7
NONPETROLEUM	186.6	188.7	210.4	184.1	189.3	188.8	192.7	198.7	205.1	214.0	223.9
3. U.S. CURRENT ACCOUNT BALANCE	4.5	-.7	-33.3	4.7	7.8 ^f	-1.7	-13.4	-23.7	-30.3	-36.4	-42.7
OF WHICH: NET INVESTMENT INCOME	33.0	28.9	32.4	27.9	28.4 ^f	29.6	29.8	29.0	30.8	34.4	35.6
4. FOREIGN OUTLOOK - TEN INDUSTRIAL COUNTRIES 3/											
REAL GNP, % CHANGE, ANNUAL RATES	.5	.7	2.3	.4	.5	1.4	2.4	2.8	2.5	2.6	3.0
CONSUMER PRICES, % CHANGE, ANNUAL RATES	9.7	8.4	7.4	7.9	9.0	7.2	7.7	7.8	6.9	6.7	6.7

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

2/ INTERNATIONAL ACCOUNTS BASIS.

3/ GEOMETRIC WEIGHTS USED TO AGGREGATE FOREIGN REAL GNP AND CONSUMER PRICES -- PERCENT SHARE IN TEN-COUNTRY TOTAL MULTILATERAL TRADE. GERMANY (20.8%), JAPAN (13.6%), FRANCE (13.1%), UNITED KINGDOM (10.9%), CANADA (9.1%), ITALY (9.0%), THE NETHERLANDS (8.3%), BELGIUM (6.4%), SWEDEN (4.2%), SWITZERLAND (3.6%).

F/ PROJECTED.

August 18, 1982

RECENT DEVELOPMENTS

Prepared for the Federal Open Market Committee

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

Table 1

BUDGET REDUCTION INITIATIVES
(unified budget; fiscal year; billions of dollars)

	1983	
	Administration	Congress
Defense (excluding pay and retirement)	--	7.8
Federal pay	1.4	5.1
Discretionary appropriated programs	11.5	5.9
Entitlements	12.8	6.6
Management initiatives	13.4	13.7
User fees (offsetting receipts)	1.2	1.1
Other	<u>--</u>	<u>1.2</u>
Subtotal	40.3	41.4
Interest	<u>2.7</u>	<u>14.5</u>
Total Outlay Reductions	43.0	55.9
Revenue Increases	<u>12.8</u>	<u>20.9</u>
TOTAL DEFICIT REDUCING MEASURES	55.8	76.8

Table 2

REVISIONS OF THE ADMINISTRATION'S BUDGET ESTIMATES
(fiscal years, billions of dollars)

	1982	1983
<u>Outlays</u>		
February Estimate	725.3	757.6
Technical re-estimates and minor program changes ¹	+4.7	+10.5
Economic assumptions		
Unemployment compensation	+0.7	+1.7
Net interest	+0.2	-2.5
Social security (lower inflation)	-0.4	-1.0
Other	+0.4	-0.7
Subtotal, economic assumptions	+0.9	-2.5
Adjustment for Budget Resolution ²	--	-4.1
<u>Mid-Session Review Estimate</u>	<u>731.0</u>	<u>761.5</u>
<u>Receipts</u>		
February Estimate	626.8	666.1
Technical re-estimates and minor program changes	+6.3	-0-
Economic assumptions	-11.0	-27.6
Adjustment for Budget Resolution	--	+8.1
<u>Mid-Session Review Estimate</u>	<u>622.1</u>	<u>646.5</u>
<u>Deficit</u>		
February Estimate	98.5	91.5
<u>Mid-Session Review Estimate</u>	<u>108.9</u>	<u>115.0</u>

1. The largest component is upward revisions of Commodity Credit Corporation outlays.

2. Includes effect on interest outlays of larger deficit reducing measures.

Note: Details do not add to totals due to rounding.

Table 3

CBO REVISIONS OF DEFICIT ESTIMATES
(fiscal years; billions of dollars)

	1982	1983
Congressional Resolution target	-105.7	-103.9
Technical re-estimates ¹	-8.1	-12.5
Economic assumptions ²	--	<u>-25 to -35</u>
Current CBO Deficit Estimate ³	-109 to -114	-141 to -151

1. Re-estimates by CBO of those parts of the Congressional budget resolution not based on CBO estimating techniques. These re-estimates do not reflect new information received by CBO in conjunction with the Administration's Mid-Session Review; that information is currently being evaluated by CBO.

2. Reflects a preliminary CBO forecast made in July and subject to revision and updating for subsequent data.

3. The deficit range for 1982 reflects CBO's assessment of data available through mid-June on actual receipts and outlays for the year to date.

TREASURY AND AGENCY FINANCING¹
(Total for period; billions of dollars)

	1982				
	02	03 e	June	July e	Aug. f
<u>Treasury financing</u>					
Combined surplus/deficit(-)	-8.2	-44.6	4.5	-20.7	-17.5
Means of financing deficit:					
(1) Net cash borrowing from the public	8.9	48.6	3.2	14.5	21.2
Marketable borrowings/ repayments(-)	11.0	50.5	4.2	15.4	21.7
Bills	-.4	24.0	-.3	6.2	11.4
Coupons	11.4	26.5	4.5	9.2	10.3
Nonmarketable	-2.1	-1.9	-1.0	-.9	-.5
(2) Decrease in the cash balance	2.0	-6.3	-3.1	.6	.7
Memo: Cash balance at end of period	11.0	17.3	11.0	10.4	9.7
(3) Other ²	-2.7	2.3	-4.6	5.6	-4.4
<u>Federally sponsored credit agencies net cash borrowing³</u>					
FHLB	3.0	1.8	1.1	.6	.3
FNMA	3.4	2.6	.7	2.9	-1.0
Farm Credit Banks	2.1	1.7	1.2	.6	.4
Other	.6	.3	-.1	--	.1

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 Association. Excludes mortgage pass-through securities issued by FNMA and FHLMC.

large 80 percent of the total volume. Mortgage revenue bonds--proceeds from which are primarily intended to finance single-family housing--totaled about \$2.5 billion in July, the largest monthly volume since December 1980.¹

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

	<u>1981</u>	<u>1982</u>			
	Year	Q1	Q2	July ^e	August ^f
----- Seasonally adjusted -----					
Total	6.80	8.45	9.35	8.70	9.40
Long-term	4.00	5.25	5.20	5.60	5.40
Short-term	2.80	3.20	4.15	3.10	4.00
----- Not seasonally adjusted -----					
Total	6.80	7.05	10.15	8.40	9.00
Long-term	4.00	4.40	5.90	5.40	5.20
Mortgage revenue bonds	.60	.30	.95	2.35	2.00
Short-term	2.80	2.65	4.25	3.00	3.80

e--estimate. f--forecast.

Demand for long-term municipal bonds by institutional investors has remained relatively weak. Individuals have been the major purchasers of new municipal bonds, partly through investments in shares of unit investment trusts (UITs), and of municipal notes through tax-exempt money market funds. Sales of UITs in July were at a record \$1.1 billion, and UIT assets have increased 25 percent thus far in 1982 to about \$31 billion at the end of

¹. Issuance of mortgage bonds likely was stimulated in part by falling interest rates which increase the attractiveness of mortgages provided through these programs. In addition, volume probably was boosted by a Treasury ruling that in effect increased the arbitrage income bond issuers can earn, as well as by an IRS announcement that removed the uncertainty about the maximum amount of such bonds that can be issued in each state this year under existing law.

CONFIDENTIAL (FR)
CLASS II - FOMC

August 20, 1982

SUPPLEMENT
CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the
Federal Open Market Committee

By the Staff
Board of Governors
of the Federal Reserve System

EFFECTS OF 1982 DEFICIT REDUCTION MEASURES
 (- raises the deficit, fiscal years, billions of dollars)

	1983	1984	1985	FY83-85 Total
Outlay Reductions ¹				
Reconciliation Act of 1982	3.2	4.7	5.2	13.1
Tax Equity and Fiscal Responsibility Act (TEFRA)				
a. Unemployment compensation (net)	-1.0	0.7	0.6	0.3
b. Other outlays	3.6	5.7	7.5	16.8
Revenue Increases (TEFRA) ²				
Individual income tax increases and pension provisions	0.5	3.9	3.9	8.3
Corporate tax increases and acceleration	5.4	13.3	16.5	35.2
Life insurance and annuity provisions	1.9	2.1	2.9	6.9
Excise tax increases	2.8	4.0	4.7	11.5
Employment tax increases	1.9	3.1	3.6	8.6
Compliance and misc. provisions	3.3	8.8	8.6	20.7
Increased revenue from more IRS agents	<u>2.1</u>	<u>2.4</u>	<u>2.4</u>	<u>6.9</u>
TOTAL REVENUE INCREASES	18.0	37.7	42.7	98.4

1. Estimates by the Congressional Budget Office as reported by the Senate Budget Committee.

2. Estimates by the Joint Committee on Taxation in the Conference Report to accompany H.R. 4961.

Note: details do not add to totals due to rounding.