

CONFIDENTIAL (FR)

January 31, 1979

SUMMARY AND OUTLOOK

**By the Staff
Board of Governors
of the Federal Reserve System**

SUMMARY AND OUTLOOK

STAFF GNP PROJECTIONS

Per cent changes, annual rate								
	Nominal GNP		Real GNP		Gross business product fixed-weighted price index		Unemployment rate (per cent)	
	12/13/78	1/31/79	12/13/78	1/31/79	12/13/78	1/31/79	12/13/78	1/31/79
1976 I/	11.2	11.2	5.7	5.7	5.4	5.4	7.7	7.7
1977 I/	11.0	11.0	4.9	4.9	6.2	6.2	7.0	7.0
1978 I/	11.7	11.6	3.9	3.9	7.8	7.8	6.0	6.0
1979	11.4	11.9	3.3	3.6	8.2	8.5	6.1	6.1
1980		9.0		1.4		7.6		6.8
1978-III I/	10.7	9.6	3.4	2.6	8.2	8.0	6.0	6.0
1978-IV I/	12.9	14.7	4.4	6.1	8.0	8.3	5.8	5.8
1979-I	12.1	13.3	3.7	4.0	8.3	8.9	5.8	5.8
1979-II	9.3	9.8	2.0	2.0	8.1	8.4	6.0	6.0
1979-III	8.5	8.2	1.5	1.3	7.3	7.6	6.2	6.2
1979-IV	8.9	8.9	1.2	1.2	7.3	7.7	6.4	6.3
1980-I		9.3		1.3		7.8		6.5
1980-II		9.0		1.3		7.6		6.7
1980-III		8.6		1.5		7.1		6.9
1980-IV		9.2		1.6		7.1		7.1
Change:								
77-IV to 78-IV I/	12.7	12.9	4.1	4.3	8.8	8.8	-.8	-.8
78-IV to 79-IV	9.7	10.1	2.1	2.1	7.8	8.1	.6	.5
79-IV to 80-IV		9.0		1.4		7.4		.8
Memo:								
Growth Over Annual Policy Period:								
78-IV to 79-IV	9.7	10.1	2.1	2.1	7.8	8.1	.6	.5

I/ Actual.

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

	1979				1980			
					Projected			
	I	II	III	IV	I	II	III	IV
Gross national product	2281.1	2335.3	2381.8	2433.3	2488.1	2542.1	2595.3	2653.2
Final purchases	2265.2	2316.4	2364.4	2416.9	2473.7	2528.7	2582.9	2641.8
Private	1801.9	1847.0	1883.1	1923.1	1971.2	2016.9	2061.6	2107.4
Excluding net exports	1800.9	1845.6	1883.8	1923.2	1963.6	2005.6	2047.9	2091.3
Personal consumption expenditures	1443.2	1482.5	1515.5	1548.4	1581.4	1615.5	1649.7	1685.2
Goods	782.9	803.2	818.8	834.4	849.3	864.9	881.0	898.0
Services	660.3	679.3	696.7	714.0	732.1	750.6	768.7	787.2
Gross private domestic investment	373.6	382.0	385.7	391.2	396.6	403.5	410.6	417.5
Residential construction	115.5	114.3	113.3	113.8	115.3	117.5	120.0	122.8
Business fixed investment	242.2	248.8	255.0	261.0	266.9	272.6	278.2	283.3
Change in business inventories	15.9	18.9	17.4	16.4	14.4	13.4	12.4	11.4
Nonfarm	15.9	18.9	17.4	16.4	14.4	13.4	12.4	11.4
Net exports of goods and services 1/	1.0	1.4	-.7	-.1	7.6	11.3	13.7	16.1
Exports	233.9	242.5	250.4	258.6	269.5	278.3	285.8	293.9
Imports	232.9	241.1	251.1	258.7	261.9	267.0	272.1	277.8
Gov't. purchases of goods and services	463.3	469.4	481.3	493.8	502.5	511.8	521.3	534.4
Federal 2/	164.5	164.0	169.4	175.4	177.3	179.5	181.7	187.4
State and local	298.8	305.4	311.9	318.4	325.2	332.3	339.6	347.0
Gross national product in constant (1972) dollars	1426.2	1433.4	1438.0	1442.3	1447.1	1451.9	1457.3	1462.9
Personal income	1833.0	1878.5	1932.7	1978.2	2018.8	2061.2	2113.5	2160.3
Wage and salary disbursements	1180.4	1206.0	1231.4	1258.8	1285.7	1309.9	1335.2	1365.0
Disposable personal income	1559.5	1597.1	1642.3	1679.4	1713.5	1748.2	1791.9	1829.2
Saving rate (per cent)	5.0	4.7	5.2	5.2	5.1	5.0	5.3	5.2
Corporate profits with I.V.A. and C.C. Adj.	185.4	189.0	185.6	186.4	187.9	192.4	195.1	198.9
Corporate profits before tax	234.3	238.0	232.6	232.9	237.1	242.7	244.4	248.2
Federal government surplus or deficit (-) (N.I.A. basis)	-18.6	-15.2	-26.9	-30.2	-23.6	-20.0	-24.2	-22.6
High employment surplus or deficit (-)	7.0	14.6	8.0	9.0	21.5	30.5	31.5	37.4
State and local government surplus or deficit (-) (N.I.A. basis)	26.2	26.3	25.2	25.0	24.3	23.3	22.3	22.5
Excluding social insurance funds	2.8	2.3	.6	-.2	-1.5	-3.1	-4.7	-5.1
Civilian labor force (millions)	102.3	102.9	103.5	104.1	104.6	105.1	105.6	106.1
Unemployment rate (per cent)	5.8	6.0	6.2	6.3	6.5	6.7	6.9	7.1
Nonfarm payroll employment (millions)	87.7	88.1	88.5	88.9	89.2	89.5	89.7	90.0
Manufacturing	20.9	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Industrial production (1967=100)	151.7	153.2	154.0	154.6	155.0	155.4	155.9	156.4
Capacity utilization: all mfg. (per cent)	86.2	86.3	85.9	85.4	84.8	84.2	83.7	83.1
Materials (per cent)	87.9	88.1	87.9	87.5	87.1	86.7	86.3	85.9
Housing starts, private (million units, A.R.)	1.95	1.75	1.70	1.65	1.75	1.75	1.80	1.80
New autos sales, (millions, A.R.)	10.95	10.75	10.50	10.35	10.30	10.40	10.40	10.50
Domestic models	9.10	9.00	8.80	8.75	8.70	8.75	8.75	8.80
Foreign models	1.85	1.75	1.70	1.60	1.60	1.65	1.65	1.70

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 31, 1979

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

	1979				1980			
					Projected			
	I	II	III	IV	I	II	III	IV
<u>Constant (1972) dollars</u>								
Gross national product	4.0	2.0	1.3	1.2	1.3	1.3	1.5	1.6
Final purchases	3.5	1.5	1.6	1.4	1.7	1.5	1.7	1.7
Private	4.4	2.2	1.0	1.3	1.9	1.6	1.8	1.8
Excluding net exports	3.2	2.1	1.1	1.0	.8	1.1	1.5	1.5
Personal consumption expenditures	3.2	3.0	1.8	1.4	1.0	1.2	1.6	1.8
Goods	3.1	2.5	1.0	.6	-.1	.4	1.0	1.3
Services	3.5	3.5	2.8	2.4	2.3	2.3	2.2	2.3
Gross private domestic investment	6.4	1.3	-3.7	-1.8	-2.3	-.7	-.7	-.9
Residential structures	-1.1	-13.6	-13.0	-7.5	-4.2	-1.1	.7	1.5
Business fixed investment	4.4	3.2	2.3	1.9	1.5	1.0	.8	.0
Gov't. purchases of goods and services	.1	-1.1	3.8	1.5	.8	1.2	1.3	1.4
Federal	-2.4	-5.4	8.6	2.3	-.5	.4	.3	.7
State and local	1.6	1.4	1.2	1.1	1.5	1.7	1.9	1.9
Disposable personal income	4.3	1.8	4.2	1.8	.6	.7	3.1	1.5
<u>Current dollars</u>								
Gross national product	13.3	9.8	8.2	8.9	9.3	9.0	8.6	9.2
Final purchases	12.7	9.4	8.5	9.2	9.7	9.2	8.9	9.4
Private	14.3	10.4	8.0	8.8	10.4	9.6	9.2	9.2
Excluding net exports	12.2	10.3	8.5	8.6	8.7	8.8	8.7	8.7
Personal consumption expenditures	12.2	11.3	9.2	9.0	8.8	8.9	8.7	8.9
Goods	12.4	10.8	8.0	7.8	7.3	7.6	7.7	7.9
Services	12.0	12.0	10.6	10.3	10.5	10.5	10.0	10.0
Gross private domestic investment	16.1	9.3	3.9	5.8	5.6	7.1	7.2	6.9
Residential structures	11.3	-4.1	-3.5	1.8	5.4	7.9	8.8	9.7
Business fixed investment	12.9	11.4	10.3	9.7	9.4	8.8	8.5	7.5
Gov't. purchases of goods and services	6.9	5.4	10.5	10.8	7.2	7.6	7.6	10.4
Federal	2.7	-1.2	13.8	14.9	4.4	5.1	5.0	13.2
State and local	9.3	9.1	8.8	8.6	8.8	9.0	9.1	9.0
Disposable personal income	13.3	10.0	11.8	9.3	8.4	8.4	10.4	8.6
Personal income	10.8	10.3	12.0	9.7	8.5	8.7	10.5	9.2
Wage and salary disbursements	11.6	9.0	8.7	9.2	8.8	7.7	8.0	9.2
Corporate profits with IVA & C.C. Adj.	15.6	8.0	-7.0	1.7	3.3	9.9	5.7	8.0
Corporate profits before tax	14.5	6.5	-8.7	.4	7.5	9.7	2.9	6.2
Nonfarm payroll employment	3.6	1.8	1.6	1.8	1.5	1.2	1.1	1.0
Manufacturing	5.7	2.1	1.1	-.5	-.8	-.2	.1	.3
Nonfarm business sector								
Output per hour	1.7	.9	.6	.5	.9	1.0	1.1	1.0
Compensation per hour	12.0	8.7	8.6	8.5	9.9	8.3	8.3	8.2
Unit labor costs	10.1	7.7	8.0	8.0	8.9	7.2	7.1	7.1
GNP implicit deflator 1/	8.9	7.7	6.8	7.6	7.9	7.5	7.0	7.6
Gross business product fixed-weighted price index 2/	8.9	8.4	7.6	7.7	7.8	7.6	7.1	7.1
Industrial production	6.0	4.0	2.1	1.6	1.0	1.2	1.2	1.4

1/ Excluding Federal pay increase rates of change are: 1979 QI, 8.9 per cent; 1979 QIV, 7.1 per cent; 1980 QI, 7.9 per cent; 1980 QIV, 7.1 per cent.

2/ Using expenditures in 1972 as weights.

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

	1977				1978			
	I	II	III	IV	I	II	III	IV
Gross national product	1806.8	1867.0	1916.8	1958.1	1992.0	2087.5	2136.1	2210.8
Final purchases	1796.5	1850.0	1894.9	1945.0	1975.3	2067.4	2122.5	2198.4
Private	1421.5	1461.2	1495.4	1532.5	1558.6	1642.7	1682.7	1742.8
Excluding net exports	1430.0	1467.1	1502.4	1555.7	1582.7	1648.2	1693.4	1749.7
Personal consumption expenditures	1167.7	1188.6	1214.5	1255.2	1276.7	1322.9	1356.9	1402.2
Goods	639.1	649.2	657.1	684.1	684.9	717.1	731.2	760.4
Services	528.6	539.4	557.5	571.1	591.8	605.8	625.8	641.8
Gross private domestic investment	272.5	295.6	309.7	313.5	322.7	345.4	350.1	359.9
Residential construction	81.6	91.4	94.3	100.2	100.3	105.3	109.0	112.5
Business fixed investment	180.6	187.2	193.5	200.3	205.6	220.1	227.5	235.0
Change in business inventories	10.3	17.0	21.9	13.1	16.7	20.1	13.6	12.4
Nonfarm	11.1	16.5	22.0	10.4	16.9	22.1	14.6	13.1
Net exports of goods and services 1/	-8.5	-5.9	-7.0	-23.2	-24.1	-5.5	-10.7	-6.9
Exports	170.9	178.1	180.8	172.1	181.7	205.4	210.1	223.5
Imports	179.4	184.0	187.8	195.2	205.8	210.9	220.8	230.4
Gov't. purchases of goods and services	375.0	388.8	399.5	412.5	416.7	424.7	439.8	455.6
Federal 2/	138.3	142.9	146.8	152.2	151.5	147.2	154.0	163.4
State and local	236.7	245.9	252.7	260.3	265.2	277.6	285.8	292.2
Gross national product in constant (1972) dollar	1306.7	1325.5	1343.9	1354.5	1354.2	1382.6	1391.4	1412.2
Personal income	1470.7	1508.6	1543.7	1593.0	1628.9	1682.4	1731.7	1786.4
Wage and salary disbursements	946.4	973.4	993.6	1021.2	1050.8	1090.2	1113.2	1148.5
Disposable personal income	1248.0	1285.3	1319.1	1359.6	1391.6	1433.3	1468.4	1511.4
Saving rate (per cent)	4.2	5.3	5.6	5.4	5.9	5.3	5.2	4.8
Corporate profits with I.V.A. and C.C. Adj.	129.9	143.7	154.8	148.2	132.6	163.4	165.2	178.8
Corporate profits before tax	164.8	175.1	177.5	178.3	172.1	205.5	205.4	226.5
Federal government surplus or deficit (-) (N.I.A. basis)	-37.3	-40.3	-56.4	-58.6	-52.6	-23.6	-22.8	-19.9
High employment surplus or deficit (-)	1.0	-6.8	-25.8	-27.5	-15.0	4.2	6.6	5.1
State and local government surplus or deficit (-) (N.I.A. basis)	29.5	28.5	31.2	29.0	31.5	29.8	23.4	26.5
Excluding social insurance funds	12.5	10.8	12.8	9.9	11.5	9.3	1.8	3.7
Civilian labor force (millions)	96.2	97.1	97.6	98.5	99.3	100.1	100.8	101.5
Unemployment rate (per cent)	7.4	7.2	6.9	6.6	6.2	6.0	6.0	5.8
Nonfarm payroll employment (millions)	80.8	82.0	82.7	83.5	84.3	85.7	86.1	87.0
Manufacturing	19.4	19.6	19.7	19.9	20.1	20.3	20.3	20.6
Industrial production (1967=100)	133.6	137.0	138.4	139.3	139.6	144.0	147.0	149.5
Capacity utilization: all mfg. (per cent)	81.2	82.7	83.0	82.9	82.1	84.0	85.0	85.7
Materials (per cent)	80.4	82.6	82.3	82.2	81.7	84.5	86.0	87.3
Housing starts, private (million units, A.R.)	1.74	1.94	2.04	2.15	1.72	2.11	2.07	2.13
New auto sales, (millions, A.R.)	11.12	11.70	10.92	10.75	10.80	12.12	11.16	11.07
Domestic models	9.28	9.34	8.88	8.77	8.80	10.01	9.19	9.06
Foreign models	1.84	2.36	2.04	1.98	2.00	2.11	1.98	2.00

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

Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.

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

	1977				1978			
	I	II	III	IV	I	II	III	IV
<u>Constant (1972) dollars</u>								
Gross national product	7.3	5.9	5.7	3.2	-1.1	8.7	2.6	6.1
Final purchases	5.3	4.6	5.0	4.7	-1.6	8.6	3.7	6.6
Private	6.1	3.7	4.8	4.8	-1.1	11.0	2.8	6.9
Excluding net exports	6.9	3.8	4.3	8.7	-1.0	7.7	3.7	6.3
Personal consumption expenditures	5.1	1.4	4.1	9.0	-1.4	6.0	4.1	6.8
Goods	5.2	1.2	2.4	13.5	-8.1	9.7	2.6	9.9
Services	4.9	1.5	6.1	3.9	7.0	1.9	5.9	3.1
Gross private domestic investment	32.8	25.7	9.7	-2.9	11.3	15.2	-5.1	1.4
Residential structures	10.2	37.8	5.2	11.1	-5.2	2.7	-1.6	1.1
Business fixed investment	19.0	7.5	5.3	5.3	4.2	21.3	3.5	5.4
Gov't. purchases of goods and services	2.4	8.0	5.8	4.2	-3.5	-2.2	7.2	5.1
Federal	5.1	10.7	6.4	2.9	-8.9	-15.3	14.3	12.0
State and local	.7	6.3	5.4	5.1	-1	9.6	3.4	1.3
Disposable personal income	1.7	6.2	5.9	7.8	1.1	3.5	3.6	5.1
<u>Current dollars</u>								
Gross national product	13.7	14.0	11.1	8.9	7.1	20.6	9.6	14.7
Final purchases	11.0	12.5	10.1	11.0	6.4	20.0	11.1	15.1
Private	11.3	11.6	9.7	10.3	7.0	23.4	10.1	15.1
Excluding net exports	14.9	10.8	10.0	15.0	7.1	17.6	11.4	14.0
Personal consumption expenditures	12.5	7.3	9.0	14.1	7.0	15.3	10.7	14.0
Goods	12.1	6.5	5.0	17.5	.5	20.2	8.1	17.0
Services	13.1	8.4	14.1	10.1	15.3	9.8	13.9	10.6
Gross private domestic investment	48.0	38.5	20.5	5.1	12.2	31.3	5.5	11.7
Residential structures	25.1	57.8	13.5	27.3	.5	21.0	14.9	13.5
Business fixed investment	25.9	15.3	14.1	14.8	11.1	31.2	14.3	13.8
Gov't. purchases of goods and services	9.9	15.5	11.5	13.7	4.1	7.9	15.0	15.2
Federal	11.5	14.0	11.3	15.7	-2.0	-10.9	20.0	26.8
State and local	9.0	16.4	11.6	12.5	7.8	19.9	12.4	9.3
Disposable personal income	9.0	12.5	10.9	12.9	9.8	12.5	10.2	12.2
Personal income	11.7	10.7	9.6	13.4	9.3	13.8	12.2	13.2
Wage and salary disbursements	12.0	11.9	8.6	11.6	12.1	15.9	8.7	13.3
Corporate profits with IVA & C.C. Adj.	26.4	49.8	34.7	-16.0	-35.9	130.6	4.5	37.2
Corporate profits before tax	29.1	27.5	5.6	1.8	-13.2	103.3	-.2	47.9
Nonfarm payroll employment	3.9	5.6	3.6	4.0	3.8	6.9	2.1	4.0
Manufacturing	5.2	5.7	1.5	3.2	5.7	3.1	-.2	6.0
Nonfarm business sector								
Output per hour	2.4	-1.4	3.7	.5	-3.1	1.7	2.3	2.3
Compensation per hour	8.3	6.5	8.1	7.6	12.2	8.2	9.6	9.1
Unit labor costs	5.8	8.0	4.2	7.1	15.7	6.4	7.1	6.7
GNP implicit deflator <u>1/</u>	6.0	7.7	5.1	5.5	7.2	11.0	6.9	8.1
Gross business product fixed-weighted price index <u>2/</u>	6.7	7.9	4.7	6.3	6.7	12.1	8.0	8.3
Industrial production	6.3	10.5	4.4	2.5	1.0	13.1	8.6	7.0

1/ Excluding Federal pay increase rates of change are: 1977 QI, 5.9 per cent; 1977 QIV, 4.8 per cent; 1978 QI, 7.2 per cent; 1978 QIV, 7.6 per cent.

2/ Using expenditures in 1972 as weights.

January 31, 1979

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

	1973	1974	1975	1976	1977	1978	Projected 1979	Projected 1980
Gross national product	1306.6	1412.9	1528.8	1700.1	1887.2	2106.6	2357.9	2569.7
Final purchases	1288.6	1404.0	1539.6	1689.9	1871.6	2090.9	2340.7	2556.8
Private	1019.1	1101.3	1201.2	1330.4	1477.6	1655.8	1863.8	2039.3
Excluding net exports	1012.0	1095.3	1180.8	1323.0	1488.7	1667.6	1863.4	2027.1
Personal consumption expenditures	809.9	889.6	979.1	1090.2	1206.5	1339.7	1497.4	1632.9
Goods	457.5	498.3	541.5	599.2	657.4	723.4	809.8	873.3
Services	352.3	391.3	437.5	491.0	549.2	616.3	687.6	759.6
Gross private domestic investment	220.0	214.6	190.9	243.0	297.8	344.5	383.1	407.0
Residential construction	66.1	55.1	51.5	68.2	91.9	106.8	114.2	118.9
Business fixed investment	136.0	150.6	150.2	164.6	190.4	222.0	251.7	275.2
Change in business inventories	17.9	8.9	-10.7	10.2	15.6	15.7	17.1	12.9
Nonfarm	14.7	10.8	-14.3	12.2	15.0	16.7	17.1	12.9
Net exports of goods and services <u>1/</u>	7.1	6.0	20.4	7.4	-11.1	-11.8	.4	12.2
Exports	101.6	137.9	147.3	163.2	175.5	205.2	246.3	281.9
Imports	94.4	131.9	126.9	155.7	186.6	217.0	245.9	269.7
Gov't. purchases of goods and services	269.5	302.7	338.4	359.5	394.0	434.2	476.9	517.5
Federal <u>2/</u>	102.2	111.1	123.1	129.9	145.1	154.0	168.3	181.5
State and local	167.3	191.5	215.4	229.6	248.9	280.2	308.6	336.0
Gross national product in constant (1972) dollars	1235.0	1217.8	1202.3	1271.0	1332.7	1385.1	1435.0	1454.8
Personal income	1052.4	1154.9	1255.5	1380.9	1529.0	1707.3	1905.6	2088.5
Wage and salary disbursements	701.3	764.6	805.9	890.1	983.6	1100.7	1219.1	1323.9
Disposable personal income	901.7	984.6	1086.7	1184.4	1303.0	1451.2	1619.6	1770.7
Saving rate (per cent)	7.8	7.3	7.7	5.7	5.1	5.3	5.0	5.1
Corporate profits with I.V.A. and C.C. Adj.	99.1	83.6	95.9	127.0	144.2	160.0	186.6	193.6
Corporate profits before tax	115.8	126.9	120.4	155.9	173.9	202.4	234.5	243.1
Federal government surplus or deficit (N.I.A. basis)	-6.7	-10.7	-70.6	-53.8	-48.1	-29.4	-22.7	-22.6
High employment surplus or deficit (-)	-1.3	14.8	-23.6	-15.9	-14.8	.2	9.6	30.2
State and local government surplus or deficit (-) (N.I.A. basis)	13.0	7.6	6.2	20.7	29.6	27.8	25.7	23.1
Excluding social insurance funds	4.1	-2.9	-6.2	5.5	11.5	6.6	1.4	-3.6
Civilian labor force (millions)	88.7	91.0	92.6	94.8	97.4	100.4	103.2	105.3
Unemployment rate (per cent)	4.9	5.6	8.5	7.7	7.0	6.0	6.1	6.8
Nonfarm payroll employment (millions)	76.8	78.3	76.9	79.4	82.3	85.8	88.3	89.6
Manufacturing	20.2	20.1	18.3	19.0	19.6	20.3	21.0	21.0
Industrial production (1967=100)	129.8	129.3	117.8	129.8	137.1	145.1	153.4	155.7
Capacity utilization: all manufacturing (per cent)	87.5	84.2	73.6	80.2	82.5	84.2	85.9	84.0
Materials (per cent)	92.4	87.7	73.6	80.4	81.9	84.9	87.8	86.5
Housing starts, private (million units, A.R.)	2.05	1.34	1.16	1.54	1.99	2.02	1.76	1.77
New auto sales, (millions, A.R.)	11.42	8.91	8.66	10.12	11.13	11.29	10.64	10.40
Domestic models	9.65	7.49	7.08	8.63	9.07	9.27	8.91	8.75
Foreign models	1.77	1.42	1.58	1.50	2.06	2.02	1.72	1.65

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 31, 1979

~~CONFIDENTIAL - FR
CLASS II FOMC~~PER CENT CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1973	1974	1975	1976	1977	1978	Projected 1979	Projected 1980
<u>Constant (1972) dollars</u>								
Gross national product	5.5	-1.4	-1.3	5.7	4.9	3.9	3.6	1.4
Final purchases	4.9	-.7	.2	4.3	4.7	3.8	3.6	1.6
Private	6.3	-1.4	-.3	5.5	5.3	4.3	4.0	1.6
Excluding net exports	5.1	-2.3	-1.0	6.4	6.0	4.4	3.5	1.1
Personal consumption expenditures	4.7	-.9	1.8	5.8	4.7	3.9	3.8	1.5
Goods	5.0	-3.4	.7	6.4	5.0	3.3	4.1	.6
Services	4.4	2.3	3.2	5.0	4.4	4.6	3.5	2.5
Gross private domestic investment	10.0	-11.4	-22.3	21.6	13.2	7.0	1.7	-1.6
Residential structures	-3.7	-24.6	-13.9	23.4	20.5	3.6	-4.9	-5.1
Business fixed investment	12.2	-.3	-13.0	4.7	9.1	7.8	4.7	1.5
Gov't. purchases of goods and services	-.2	2.1	1.9	.1	2.4	2.2	2.2	1.4
Federal	-5.4	-.8	.7	.1	5.2	-1.1	2.3	1.1
State and local	3.2	3.8	2.6	.1	.8	4.2	2.1	1.5
Disposable personal income	6.7	-1.5	2.1	3.5	4.1	4.2	3.7	1.7
<u>Current dollars</u>								
Gross national product	11.6	8.1	8.2	11.2	11.0	11.6	11.9	9.0
Final purchases	10.9	8.9	9.7	9.8	10.8	11.7	11.9	9.2
Private	12.2	8.1	9.1	10.8	11.1	12.1	12.5	9.4
Excluding net exports	11.0	8.2	7.8	12.0	12.5	12.0	11.7	8.8
Personal consumption expenditures	10.5	9.8	10.1	11.4	10.7	11.0	11.8	9.1
Goods	11.4	8.9	8.7	10.7	9.7	10.0	11.9	7.8
Services	9.3	11.1	11.8	12.2	11.8	12.2	11.6	10.5
Gross private domestic investment	16.8	-2.5	-11.0	27.3	22.6	15.7	11.2	6.2
Residential structures	6.6	-16.7	-6.5	32.5	34.8	16.2	7.0	4.1
Business fixed investment	16.4	10.8	-.3	9.6	15.7	16.6	13.4	9.3
Gov't. purchases of goods and services	6.5	12.3	11.8	6.2	9.6	10.2	9.8	8.5
Federal	.1	8.7	10.7	5.5	11.7	6.2	9.3	7.8
State and local	10.8	14.5	12.5	6.6	8.4	12.6	10.1	8.9
Disposable personal income	12.5	9.2	10.4	9.0	10.0	11.4	11.6	9.3
Personal income	11.7	9.7	8.7	10.0	10.7	11.7	11.6	9.6
Wage and salary disbursements	10.6	9.0	5.4	10.4	10.5	11.9	10.8	8.6
Corporate profits with IVA & C.C. Adj.	7.6	-15.6	14.7	32.4	13.5	11.0	16.6	3.7
Corporate profits before tax	20.4	9.6	-5.1	29.5	11.5	16.4	15.9	3.7
Nonfarm payroll employment	4.3	1.9	-1.7	3.2	3.6	4.3	3.0	1.5
Manufacturing	5.2	-.4	-8.7	3.7	3.4	3.5	3.2	.0
Nonfarm business sector								
Output per hour	1.7	-2.9	1.9	3.6	1.3	.6	1.5	.8
Compensation per hour	7.8	9.4	9.9	8.5	8.1	9.4	9.6	8.8
Unit labor costs	6.0	12.7	7.9	4.7	6.7	8.8	8.0	7.9
GNP implicit deflator	5.9	9.7	9.6	5.2	5.9	7.9	8.1	7.5
Gross business product fixed-weighted price index <u>1/</u>	5.7	10.4	9.4	5.4	6.2	7.8	8.5	7.6
Industrial production	8.4	-.4	-8.9	10.2	5.6	5.8	5.7	1.5

1/ Using expenditures in 1972 as weights.

January 31, 1979

FEDERAL SECTOR ACCOUNTS
(billions of dollars)

	Fiscal Year 1978*	FRB Staff Estimates														
		FY 1979 e/ 1/		FY 1980 e/ 1/		CY 1978*	CY F.R. Board	Calendar quarters; unadjusted data				1980				
		Admin.	F.R. Board	Admin.	F.R. Board			III*	IV*	I	II	III	IV	I	II	III
Unified budget receipts	402.0	456.0	457.1	502.6	505.1	416.9	467.5	106.8	99.5	100.2	138.6	118.8	109.9	109.7	151.8	133.7
Unified budget outlays	450.8	493.4	492.8	531.6	538.1	460.6	502.8	114.9	123.2	122.2	123.2	124.2	133.2	132.9	135.0	137.0
Surplus(+) / Deficit(-), unified budget	-48.8	-37.4	-35.7	-29.0	-33.0	-43.7	-35.3	-8.1	-23.7	-22.0	15.4	-5.4	-23.3	-23.2	16.8	-3.3
Surplus(+) / Deficit(-), off-budget agencies 2/	-10.3	-12.0	-10.7	-12.0	-11.5	-9.1	-11.5	-3.1	-0.1	-3.5	-4.0	-3.0	-1.0	-3.0	-4.0	-3.5
Combined Deficit to be financed	-59.1	-49.4	-46.4	-41.0	-44.5	-52.8	-46.8	-11.2	-23.8	-25.5	11.4	-8.4	-24.3	-26.2	12.8	-6.8
Means of financing combined deficits:																
Net borrowing from public	59.1	40.0	37.0	39.0	42.5	53.6	42.5	15.1	15.2	14.5	-6.6	13.9	20.7	17.6	-6.8	11.0
Decrease in cash operating balance	-3.3	7.4	7.4	0.0	0.0	-4.0	-2.3	-4.9	6.1	8.3	-4.0	-3.0	1.0	6.0	-4.0	-3.0
Other 3/	3.2	2.0	2.0	2.0	2.0	3.2	2.0	1.0	2.6	2.7	-0.8	-2.5	2.6	2.6	-2.0	-1.2
Cash operating balance, end of period	22.4	15.0	15.0	15.0	15.0	16.3	14.0	22.4	16.3	8.0	12.0	15.0	14.0	8.0	12.0	15.0
Memo: Sponsored agency borrowing 4/	19.1	n.a.	19.6	n.a.	14.4	22.0	18.1	6.1	4.9	4.1	5.5	5.1	3.4	3.0	4.0	4.0
NIA Budget								Seasonally adjusted annual rates								
Receipts 6/	413.8	464.3	472.2	513.8	520.1	431.6	484.8	441.7	462.6	469.8	480.2	489.6	499.9	513.2	525.1	536.5
Expenditures 6/	450.6	496.3	495.7	539.2	543.2	461.0	507.6	464.5	482.3	488.4	495.4	516.5	530.1	536.8	545.1	560.7
Purchases (total)	151.1	166.0	165.3	178.2	178.5	154.0	168.3	154.0	163.4	164.5	164.0	169.4	175.4	177.3	179.5	181.7
Defense	98.1	105.1	104.7	115.4	114.3	99.5	107.0	99.6	102.1	103.6	105.6	107.5	111.3	113.3	115.3	117.4
Non-defense	53.0	60.9	60.6	62.8	64.1	54.5	61.3	54.5	61.3	60.9	58.4	61.9	64.1	64.0	64.2	64.3
All other expenditures	299.5	330.3	330.4	361.0	364.7	307.0	339.3	310.5	318.9	323.9	331.4	347.1	354.7	359.5	365.6	379.0
Surplus(+) / Deficit(-) 6/	-36.8	-32.0	-23.4	-25.4	-23.1	-29.4	-22.8	-22.8	-19.7	-18.6	-15.2	-26.9	-30.2	-23.6	-20.0	-24.2
High Employment Surplus(+) / Deficit(-) (NIA basis) 5/	-7.9	n.a.	8.7	n.a.	23.1	0.2	9.6	6.6	5.1	7.0	14.6	8.0	9.0	21.5	30.5	31.5

* actual e--estimated r--revised n.a.--not available

1/ The Budget of the United States Government, Fiscal Year 1980, January 1979.

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

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

4/ Includes Federal Home Loan Banks, FNMA, Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives.

5/ FRB staff estimates are consistent with the Council's new potential GNP series as reported in the Economic Report of the President, January 1979.

6/ The fiscal year totals as published by the BEA "Fiscal Year 1980 Budget Translation," January 1979, 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.

	1978 ^e	1979 ^P	1980 ^P	1978		1979 ^P				1980 ^P			
				III	IV	I	II	III	IV	I	II	III	IV
<u>GNP NET EXPORTS OF GOODS AND SERVICES</u>													
1. International Acct. data (GNP account data 1/)	-11.0 (-11.8)	1.2 (.4)	13.2 (12.2)	-9.8 (-10.7)	-6.0 (-6.9)*	1.9 (1.0)	2.3 (1.4)	.2 (-.7)	.8 (-.1)	8.5 (7.6)	12.2 (11.3)	14.6 (13.7)	17.0 (16.1)
3. a) Merchandise Trade Balance	-34.8	-27.6	-19.5	-32.2	-31.0	-25.6	-26.3	-29.1	-29.4	-23.3	-20.3	-18.3	-16.3
4. Exports (excl. military)	141.9	171.7	198.6	147.7	157.0	162.1	168.1	175.0	181.5	188.5	195.1	202.0	208.8
5. Agricultural	29.9	30.0	31.6	31.7	30.0	30.3	29.7	30.1	30.0	30.8	31.1	31.9	32.5
6. Nonagricultural	112.0	141.7	167.0	116.0	127.0	131.8	138.4	144.9	151.5	157.7	164.0	170.0	176.3
7. Imports	176.7	199.3	218.1	179.9	188.0	187.7	194.4	204.1	210.9	211.8	215.4	220.3	225.1
8. Petroleum and petrol. products	42.8	49.1	54.6	43.3	45.0	42.2	45.8	52.6	55.8	52.6	53.8	55.8	56.9
9. Nonpetroleum	133.9	150.2	163.5	136.6	143.0	145.5	148.6	151.5	155.1	159.2	161.6	165.0	168.2
10. b) Other transactions, net	23.8	28.8	32.7	22.4	25.0	27.5	28.6	29.3	30.2	31.8	32.5	32.9	33.3
11. Investment Income, net 2/	19.9	23.6	25.1	19.1	20.8	23.2	23.5	23.7	23.9	25.0	25.3	25.1	25.0
12. Other, net 3/	3.9	5.2	7.6	3.3	4.2	4.3	5.1	5.6	6.3	6.8	7.2	7.8	8.3
<u>13. U.S. CURRENT ACCOUNT BALANCE</u>	<u>-17.3</u>	<u>-8.5</u>	<u>2.9</u>	<u>-15.3</u>	<u>-13.8</u>	<u>-8.2</u>	<u>-8.2</u>	<u>-9.3</u>	<u>-8.5</u>	<u>-2.1</u>	<u>1.5</u>	<u>4.7</u>	<u>7.4</u>
14. a) GNP net exports (line 1.)	-11.0	1.2	13.2	-9.8	-6.0	1.9	2.3	.2	.8	8.5	12.2	14.6	17.0
15. b) U.S. Govt & private transfers 4/	-6.3	-9.7	-10.3	-5.5	-7.8	-10.1	-10.5	-9.5	-9.3	-10.6	-10.7	-9.9	-9.6
<u>Constant (1972) dollars</u>													
16. Merchandise exports (excl. military)	72.3	80.2	86.3	74.0	76.5	77.8	79.2	81.0	82.8	84.3	85.6	86.9	88.4
17. (% change, annual rates)	(7.9)	(10.9)	(7.6)	(6.1)	(14.3)	(7.4)	(7.0)	(9.5)	(9.5)	(7.4)	(6.6)	(6.1)	(7.0)
18. Merchandise imports	76.1	79.8	81.5	77.1	79.0	77.6	78.7	80.9	81.9	80.8	81.0	81.7	82.3
19. (% change, annual rates)	(7.2)	(4.8)	(2.1)	(17.9)	(10.4)	(-7.0)	(5.7)	(11.7)	(4.9)	(-5.3)	(.8)	(3.2)	(3.2)
<u>Foreign Outlook - Ten Industrial Countries 5/</u>													
20. Real GNP, % change, annual rates	3.6	3.9	3.9	2.9	4.7	3.7	3.9	4.0	4.1	3.9	3.5	3.8	4.0
21. Consumer Prices, 6/ % change, A.R.	5.3	5.8	6.4	4.0	4.5	5.9	6.6	7.0	6.6	6.4	6.1	5.8	5.7

1/ Lines 1 and 2 are defined identically but, data in line 2 differ from Intl. Acct. data (line 1) in that they usually lag the Intl. Acct. data in the inclusion of revisions and new information in published data.

2/ Excluding U.S. Govt. interest payments to foreigners, and reinvested earnings of incorporated affiliates. These are included in line 15.

3/ Includes travel, transportation, fees and royalties, miscellaneous other service transactions, and military transactions.

4/ Includes U.S. Govt. grants, U.S. Govt. interest payments to foreigners, remittances and pensions, exports to Israel financed by U.S. military assistance grants, and reinvested earnings of incorporated affiliates.

5/ Weighted by the shares of Canada, France, Germany, Italy, Japan, United Kingdom, Netherlands, Sweden, Belgium and Switzerland in the sum of the real GNP of the ten countries in dollar terms.

6/ Wholesale prices for Japan.

p/ Projected.

e/ Estimated.

*/ Published data.

Part 2

January 31, 1979

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

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

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

	Actual 1/ 1978	Planned for 1979	
		McGraw-Hill	Commerce
All Business	12.7	9.9	11.2
Manufacturing	12.4	10.3	13.8
Durables	14.3	12.2	16.2
Nondurables	10.8	8.6	11.7
Nonmanufacturing	13.0	9.5	9.1
Mining	7.8	8.0	9.7
Transportation	15.0	13.6	14.9
Utilities	13.0	7.1	11.6
Communications	16.8	10.0	4.0
Commercial and other	10.7	11.0	7.9

1/ November Commerce survey, based on actual expenditures for the first three quarters of the year and planned outlays for the fourth quarter.

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

	<u>1977</u> Year	<u>1978</u>				<u>1979</u>	
		H1	QIII	QIV ^{e/}	Dec. ^{e/}	Jan. ^{f/}	Feb. ^{f/}
<u>Seasonally adjusted</u>							
Corporate securities--total	4,518	3,587	4,822	3,586	3,250	2,925	3,100
Publicly offered bonds	2,016	1,489	2,365	1,606	1,500	1,050	1,425
Privately placed bonds	1,501	1,366	1,428	1,333	1,250	1,200	1,200
Stocks	1,001	732	1,029	647	500	675	475
<u>Not seasonally adjusted</u>							
Publicly offered bonds	2,016	1,695	1,761	1,533	1,200	1,275	1,400
By quality ^{1/}							
Aaa and Aa	1,089	820	885	908	675	1,025	--
Less than Aa ^{2/}	927	875	876	625	525	250	--
By type of borrower							
Utility	692	525	770	640	300	400	--
Industrial ^{3/}	700	578	560	418	375	375	--
Financial	624	592	431	475	525	500	--
Foreign securities--total	621	640	328	423	10	821	--
Publicly offered ^{4/}	437	466	183	336	10	625	300
Privately placed	184	174	145	87	0	196	--

^{1/} Bonds categorized according to Moody's bond ratings.

^{2/} Includes issues not rated by Moody's.

^{3/} Includes equipment trust certificates.

^{4/} Classified by original offering date.

^{e/} Estimated.

^{f/} Forecast.

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

	1978				1979		
	H1	QIII	QIVe/	Nov.	Dec.e/	Jan.f/	Feb.f/
<u>Seasonally adjusted</u>							
State and local government securities, gross offerings							
Total	5,714	6,421	5,723	5,197	7,283	4,650	4,600
Long-term	3,919	4,403	3,924	4,143	4,583	3,000	2,600
Short-term	1,795	2,018	1,799	1,054	2,700	1,650	2,000
U.S. Government securities, net offerings							
U.S. Treasury ^{1/} Sponsored agencies	3,654	3,080	-945	-255	1,256	3,056	2,227
	2,320	1,641	1,788	3,053	2,003	1,650	2,466
<u>Not seasonally adjusted</u>							
State and local government securities, gross offerings							
Total	6,109	5,963	5,050	5,348	5,700	4,400	4,400
Long-term	4,094	4,195	3,600	4,075	3,600	3,000	2,700
Short-term	2,015	1,768	1,450	1,273	2,100	1,400	1,700
U.S. Government securities, net offerings							
U.S. Treasury ^{1/} Sponsored agencies	2,382	3,560	1,152	1,700	932	2,151	5,700
	2,012	2,130	1,635	2,667	1,542	1,327	1,476

1/ Marketable issues only.

e/ Estimated.

f/ Forecasted.

Table 1
**Selected Measures of the Federal Budget
 for Recent Fiscal Years
 (Billions of dollars)**

	<u>1977</u>	<u>1978</u>	<u>1979e</u>	<u>1980e</u>
<u>Unified Budget</u>				
Receipts	357.8	402.0	456.0	502.6
Outlays	402.8	450.8	493.4	531.6
Deficit (-)	-45.0	-48.8	-37.4	-29.0
<u>Off-Budget Outlays</u>	8.7	10.3	12.0	12.0
<u>Combined Federal Deficit (-)</u>	-53.7	-59.1	-49.4	-41.0
<u>NIA Budget 1/</u>				
Receipts	365.3	413.8	464.3	513.8
Expenditures	412.0	450.6	496.3	539.2
Deficit (-)	-46.7	-36.8	-32.0	-25.4
<u>High-Employment Budget 2/</u>				
Receipts	379	417	469	521
Expenditures	398	448	492	529
Deficit (-)	-19	-31	-23	-8
Memo:				
Per Cent Increase in:				
Unified Budget Receipts	19.3	12.4	13.4	10.2
Unified Budget Outlays	9.9	11.9	9.4	7.7
NIA Budget Receipts	16.4	13.3	12.2	10.7
NIA Budget Outlays	10.9	9.4	10.1	8.6

e/ Estimated.

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

2/ NIPA receipts and outlays for the economy at a 5.1 per cent unemployment rate.

Table 2
Economic Assumptions in the Budget
 (Calendar years; dollar amounts in billions)

	Forecast		
	1978	1979	1980
GNP:			
Current dollars:			
Amount	2,106	2,343	2,565
Per cent change, year over year	11.6	11.3	9.5
Per cent change, fourth over fourth	12.7	9.8	9.8
Constant (1972) dollars:			
Amount	1,384	1,430	1,466
Per cent change, year over year	3.9	3.3	2.5
Per cent change, fourth over fourth	4.0	2.2	3.2
Price level:			
GNP implicit price deflator:			
Level (1972 = 100), annual average	152.1	163.9	175.0
Per cent change, year over year	7.4	7.7	6.8
Per cent change, fourth over fourth	8.4	7.4	6.4
Unemployment rate:			
Total, annual average	6.0	6.0	6.2

Table 3
Effects of Administration Proposals on Receipts
(billions of dollars)

	<u>Fiscal Year 1980</u>
Current services receipts estimates	504.5
Real wage insurance	-2.3
Increase in railroad retirement payroll tax	.2
Oil pollution liability and compensation	<u>.1</u>
Total proposed changes	-2.0
Proposed receipts, President's budget	502.6

Table 4
Comparative Changes in Federal Outlays
Fiscal Years 1970-1980

Fiscal Year	Unified Budget Outlays (\$ billions)	Change in Outlays from Previous Fiscal Year (\$ billions)	Per Cent	Unified Budget Outlays as a Per Cent of GNP
1970	196.6	12.1	6.6	20.5
1971	211.4	14.8	7.5	20.7
1972	232.0	20.6	9.7	20.9
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	402.8	36.4	7.8 ^{1/}	22.0
1978	450.8	48.0	11.9	22.1
1979 ^{e/}	493.4	42.6	9.4	21.6
1980 ^{e/}	531.6	38.2	7.7	21.2

1/ Takes into account the Transition Quarter (August-September 1976).

e/ Estimated.

Table 5

Differences Between Administration's Fiscal Year 1980 Budget
 Request and Current Services Levels
 (billions of dollars)

	<u>Fiscal Year 1980</u>
Current Services Estimate	<u>536.1</u>
Proposed Increases (Total)	7.0
National Defense (excluding pay)	2.2
Food Stamps	.7
Real Wage Insurance	.2
Health Services (Medicaid)	.4
Elementary and Secondary Education	.3
Multilateral Development Banks	.3
National Development Bank	.2
Veteran's Compensation	.5
All Other	2.2
Proposed Decreases (Total)	-11.5
Cap on Federal Pay Raises (civilian and military)	-3.0
Public Service Employment	-.5
Summer Jobs	-.3
Impact Aid	-.2
Medicare and Medicaid	-1.7
Social Security	-.7
Veteran's Benefits	-.3
Agricultural Price Supports (CCC)	-.7
Strategic Petroleum Reserve	-.3
Railroads	-.5
Education	-.4
All Other	-2.9
President's Request (Total)	531.6

APPENDIX B

Table 1

COMPARISON OF OLD AND NEW POTENTIAL GNP ESTIMATES
(Billions of dollars, except as noted)

Fiscal Year	Old High	New High	Real Potential GNP		% Growth in	
	Employment Benchmark Unemployment rate (%)	Employment Benchmark Unemployment rate (%)	Old	New	Real Potential GNP Old	Real Potential GNP New
1974	4.8	5.0	1,249.8	1,243.9	3.5	3.0
1975	4.8	5.1	1,294.1	1,281.2	3.5	3.0
1976	4.8	5.1	1,340.0	1,319.6	3.5	3.0
1977	4.8	5.1	1,399.7	1,369.3	3.5	3.0
1978	4.9	5.1	1,449.4	1,410.3	3.5	3.0
1979	4.9	5.1	1,500.8	1,452.7	3.5	3.0
1980	4.8	5.0	1,554	1,496	3.5	3.0

Source: Council of Economic Advisers and Economic Report of the President, January 1979.

APPENDIX B

Table 2

THE FRB HIGH EMPLOYMENT SURPLUS/DEFICIT (HES/D)
(Billions of dollars)

Fiscal Year	HES/D		Change in HES/D	
	Old 1/	New	Old 1/	New
1974	8.1	6.8		
1975	.2	-3.0	-7.9	-9.8
1976	-14.5	-19.8	-14.7	-16.8
1977	-3.0	-11.8	11.5	8.0
1978	5.2	-7.2	8.2	4.6
1979	16.8	-.4	11.6	6.8
1980	37.8	15.0	21.0	15.4

1/ Old estimates are those found in the December, 1978 Greenbook and an extrapolation for 1980.