

CONFIDENTIAL (FR)

September 15, 1976

SUMMARY AND OUTLOOK

By the Staff
Board of Governors
of the Federal Reserve System

SUMMARY AND OUTLOOK

STAFF GNP PROJECTIONS

	Per cent change, annual rate							
	Changes in nominal GNP (\$ billions)		Gross business product fixed-weighted price index				Unemployment rate	
			Real GNP				(per cent)	
			8/11/76	9/15/76				
	8/11/76	9/15/76	8/11/76	9/15/76	8/11/76	9/15/76	8/11/76	9/15/76
1973 <u>1/</u>	135.5	135.5	5.5	5.5	5.7	5.7	4.9	4.9
1974 <u>1/</u>	106.6	106.6	-1.7	-1.7	10.2	10.2	5.6	5.6
1975 <u>1/</u>	103.1	103.1	-1.8	-1.8	9.3	9.3	8.5	8.5
1976	181.9	179.8	6.5	6.3	5.3	4.9	7.5	7.5
1977	184.9	186.4	5.1	5.2	5.2	5.2	6.7	6.8
1976-I	48.0	48.0	9.2	9.2	3.7	3.7	7.6	7.6
II	36.8	37.9	4.4	4.3	4.6	5.2	7.4	7.4
III	44.7	37.7	5.3	4.0	5.5	5.4	7.6	7.8
IV	48.2	50.3	5.4	5.7	5.3	5.4	7.3	7.4
1977-I	46.2	48.0	5.0	5.4	5.3	5.4	7.0	7.1
II	44.7	45.7	5.0	5.2	5.1	5.1	6.8	6.9
III	49.5	50.1	5.2	5.2	5.0	5.1	6.6	6.7
IV	51.3	52.3	5.0	5.2	5.0	5.1	6.5	6.6
Change:								
75-II <u>1/</u> to								
76-II	190.7	191.8	7.0	7.0	5.5	5.6	-1.3	-1.3
75-IV <u>1/</u> to								
76-IV	177.7	173.9	6.0	5.8	4.8	4.9	-1.2	-1.1
76-II to								
77-II	183.8	181.7	5.2	5.1	5.3	5.3	-.6	-.5
76-IV to								
77-IV	191.7	196.1	5.1	5.3	5.1	5.2	-.8	-.8

1/ Actual

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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 dollars, with quarter figures at annual rates.)

	1976				1977			
	I	II	III	Projected IV	I	II	III	IV
Gross National Product	1636.2	1674.1	1711.8	1762.1	1810.1	1855.8	1905.9	1958.2
Final purchases	1621.4	1658.1	1699.0	1746.3	1791.8	1836.0	1885.1	1936.4
Private	1266.7	1296.1	1328.5	1365.1	1401.8	1438.6	1479.6	1520.0
Excluding net exports	1258.3	1288.0	1320.4	1356.1	1392.9	1430.4	1467.6	1506.0
Personal consumption expenditures	1043.6	1064.7	1088.9	1115.9	1142.9	1171.1	1199.3	1228.8
Durable goods	151.4	155.0	158.5	163.0	167.5	172.7	177.9	183.9
Nondurable goods	429.1	434.8	444.8	454.8	464.8	474.8	484.8	494.8
Services	463.2	474.9	485.6	498.1	510.6	523.6	536.6	550.1
Gross private domestic investment	229.6	239.2	244.3	256.0	268.3	279.1	289.1	299.0
Residential construction	61.3	65.3	68.7	71.6	74.4	76.2	77.2	77.6
Business fixed investment	153.4	157.9	162.8	168.6	175.6	183.1	191.1	199.6
Change in business inventories	14.8	16.0	12.8	15.8	18.3	19.8	20.8	21.8
Nonfarm	12.7	17.3	14.0	16.3	18.3	19.8	20.8	21.8
Net exports of goods and services ^{1/}	8.4	8.1	8.1	9.0	8.9	8.2	12.0	14.0
Exports	154.1	159.1	165.5	170.5	176.3	182.5	187.9	193.0
Imports	145.7	151.0	157.4	161.5	167.4	174.3	175.9	179.0
Gov't. purchases of goods and services	354.7	362.0	370.5	381.2	390.0	397.4	405.5	416.4
Federal	129.2	131.2	134.2	138.3	140.4	142.0	144.4	149.1
Defense	86.2	86.9	88.9	91.1	92.6	93.4	95.2	98.2
Other	42.9	44.2	45.3	47.2	47.8	48.6	49.2	50.9
State and local	225.5	230.9	236.3	242.9	249.6	255.4	261.1	267.3
Gross national product in constant (1972) dollars	1246.3	1259.4	1271.7	1289.5	1306.6	1323.4	1340.4	1357.5
GNP implicit deflator (1972=100)	131.3	132.9	134.6	136.7	138.5	140.2	142.2	144.2
Personal income	1331.3	1362.0	1398.7	1433.7	1466.8	1498.0	1533.4	1569.2
Wage and salary disbursements	861.5	881.1	899.5	924.2	947.4	969.5	992.4	1019.5
Disposable income	1147.6	1172.5	1203.1	1232.7	1260.0	1286.0	1315.2	1344.0
Personal saving	79.5	82.9	88.8	91.1	91.1	88.6	89.3	88.3
Saving rate (per cent)	6.9	7.1	7.4	7.4	7.2	6.9	6.8	6.6
Corporate profits with I.V.A. and C.C. Adj.	115.1	115.3	115.1	123.6	131.3	139.3	149.6	157.9
Corporate profits with I.V.A., without C.C. Adj.	129.6	130.7	130.1	138.2	145.9	153.5	163.8	172.1
Corporate profits before taxes	141.1	145.3	140.6	148.2	156.1	164.5	174.5	182.2
Federal government receipts and expenditures, (N.I.A. basis)								
Receipts	316.5	325.2	330.1	340.4	354.1	364.3	376.4	388.6
Expenditures	380.3	378.7	392.1	404.1	413.5	420.2	432.0	440.9
Surplus or deficit (-) ^{2/}	-63.8	-53.5	-62.0	-63.7	-59.4	-55.9	-55.6	-52.3
High employment surplus or deficit (-)	-9.9	1.9	-1.2	-4.3	-2.6	1.5	-5.5	2.1
State and local government surplus or deficit (-) (N.I.A. basis)	12.2	9.2	11.3	13.7	12.3	12.2	13.4	13.1
Excluding social insurance funds	-6	-3.8	-1.9	.2	-1.5	-1.9	-1.0	-1.6
Civilian labor force (millions)	93.6	94.5	95.4	95.6	95.9	96.4	96.8	97.3
Unemployment rate (per cent)	7.6	7.4	7.8	7.4	7.1	6.9	6.7	6.6
Nonfarm payroll employment (millions)	78.4	79.0	79.4	79.9	80.5	81.1	81.7	82.3
Manufacturing	18.8	19.0	19.0	19.3	19.5	19.7	19.8	19.9
Industrial production (1967=100)	127.0	129.3	131.5	135.1	137.7	140.5	143.0	145.8
Capacity utilization mfg. (per cent)	72.1	73.0	73.7	75.1	76.1	77.2	78.0	79.0
Materials (per cent)	78.9	78.9	81.5	83.1	84.3	85.4	86.3	87.2
Housing starts, private (millions, A.R.)	1.40	1.44	1.48	1.54	1.60	1.60	1.55	1.55
Sales new autos, (millions, A.R.)	9.99	10.34	10.40	10.65	10.85	11.00	11.05	11.15
Domestic models	8.68	8.90	8.90	9.15	9.30	9.40	9.45	9.50
Foreign models	1.31	1.45	1.50	1.50	1.55	1.60	1.60	1.65
1/ Net exports of g. & s. (Bal. of paymts) ^{3/}	3.7	4.5	4.8	5.3	4.4	3.3	7.1	9.1
Exports	154.1	159.9	166.3	171.3	177.1	183.3	188.7	193.8
Imports	150.4	155.4	161.5	166.0	172.7	180.0	181.6	184.7

^{1/} The Federal government receipts estimate continues to assume passage of legislation which extends, through 1977, the tax cuts embodied in the Tax Reduction Act of 1975.

^{3/} Includes U.S. government interest payments to foreigners and shipments of military equipment and supplies to Israel under cash grant programs; the former is not included in imports and the latter is not included in exports in the GNP accounts.

CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

September 15, 1976

	1976				1977			
					Projected			
	I	II	III	IV	I	II	III	IV
	-----Billions of Dollars-----							
Gross National Product	48.0	37.9	37.7	50.3	48.0	45.7	50.1	52.3
Inventory change	19.1	1.2	-3.2	3.0	2.5	1.5	1.0	1.0
Final purchases	28.9	36.7	40.9	47.3	45.5	44.2	49.1	51.3
Private	28.0	29.4	32.4	36.6	36.7	36.8	41.0	40.4
Net exports	-12.6	-3	.0	.9	-1.1	-7	3.8	2.0
Excluding net exports	40.6	29.7	32.4	35.7	36.8	37.5	37.2	38.4
Personal consumption expenditures	31.6	21.1	24.2	27.0	27.0	28.2	28.2	29.5
Durable goods	9.6	3.6	3.5	4.5	4.5	5.2	5.2	6.0
Nondurable goods	7.5	5.7	10.0	10.0	10.0	10.0	10.0	10.0
Services	14.6	11.7	10.7	12.5	12.5	13.0	13.0	13.5
Residential fixed investment	4.3	4.0	3.4	2.9	2.8	1.8	1.0	.4
Business fixed investment	4.7	4.5	4.9	5.8	7.0	7.5	8.0	8.5
Government	.9	7.3	8.5	10.7	8.8	7.4	8.1	10.9
Federal	-1.2	2.0	3.0	4.1	2.1	1.6	2.4	4.7
State and local	2.1	5.4	5.4	6.6	6.7	5.8	5.7	6.2
GNP in constant (1972) dollars	27.1	13.1	12.3	17.8	17.1	16.8	17.0	17.1
Final purchases	11.2	12.3	14.8	15.6	15.7	15.6	16.9	16.5
Private	14.5	10.6	11.9	13.4	13.5	13.9	15.3	14.9
	-----In Per Cent Per Year ^{1/} -----							
Gross National Product	12.6	9.6	9.3	12.3	11.3	10.5	11.2	11.4
Final purchases	7.5	9.4	10.2	11.6	10.8	10.2	11.1	11.3
Private	9.4	9.6	10.4	11.5	11.2	10.9	11.9	11.4
Personal consumption expenditures	13.1	8.3	9.4	10.3	10.0	10.2	10.0	10.2
Durable goods	29.8	10.0	9.3	11.8	11.5	13.0	12.6	14.2
Nondurable goods	7.3	5.5	9.5	9.3	9.1	8.9	8.7	8.5
Services	13.7	10.5	9.3	10.7	10.4	10.6	10.3	10.4
Gross private domestic investment	68.9	17.9	8.8	20.6	20.6	17.1	15.1	14.4
Residential structures	34.0	28.3	22.5	18.0	16.6	10.0	5.4	2.1
Business fixed investment	13.3	12.3	12.9	15.0	17.7	18.2	18.7	19.0
Gov't. purchases of goods & services	1.0	8.6	9.7	12.1	9.6	7.8	8.4	11.2
Federal	-3.7	6.3	9.6	12.8	6.2	4.6	6.9	13.7
Defense	-4.1	3.3	9.5	10.3	6.8	3.5	7.9	13.2
Other	-2.7	12.7	10.3	17.9	5.2	6.9	5.0	14.6
State and local	3.8	9.9	9.7	11.6	11.5	9.6	9.2	9.8
GNP in constant (1972) dollars	9.2	4.3	4.0	5.7	5.4	5.2	5.2	5.2
Final purchases	3.7	4.0	4.8	5.1	5.0	4.9	5.3	5.1
Private	6.2	4.4	4.9	5.5	5.5	5.5	6.0	5.8
GNP implicit deflator ^{2/}	3.2	5.1	5.1	6.2	5.6	5.0	5.7	5.9
Gross business product fixed weighted price index ^{3/}	3.7	5.2	5.4	5.4	5.4	5.1	5.1	5.1
Personal income	10.1	9.5	11.2	10.4	9.6	8.8	9.8	9.7
Wage and salary disbursements	12.6	9.4	8.6	11.4	10.4	9.7	9.8	11.4
Disposable income	10.3	9.0	11.2	10.4	9.6	8.8	9.8	9.7
Corporate profits before tax	33.4	12.4	-12.4	23.3	23.0	23.5	26.4	19.0
Federal Government receipts and expenditures (N.I.A. basis)								
Receipts	13.4	11.5	6.2	13.0	17.1	12.0	14.0	13.5
Expenditures	4.7	-1.7	14.9	12.8	9.6	6.6	11.7	8.5
Nonfarm payroll employment	4.2	3.1	2.0	2.5	3.0	3.0	3.0	3.0
Manufacturing	6.6	4.3	.0	6.5	4.2	4.2	2.0	2.0
Industrial production	12.6	7.4	7.0	11.4	7.9	8.4	7.3	8.1
Housing starts, private	9.1	11.9	11.6	17.2	16.5	.0	-11.9	.0
Sales new autos	38.4	14.8	2.3	10.0	7.7	5.6	1.8	3.7
Domestic models	48.0	10.5	.0	11.7	6.7	4.4	2.1	2.1
Foreign models	-5.9	50.1	14.5	.0	14.0	13.5	.0	13.1

^{1/} Percentage rates are annual rates compounded quarterly.

^{2/} Excluding Federal pay increases rates of change are: 1976-I, 3.0 per cent; 1976-IV, 5.7 per cent; 1977-I, 5.5 per cent; 1977-IV, 5.3 per cent.

Using expenditures in 1972 as weights.

GROSS NATIONAL PRODUCT AND RELATED ITEMS
(Expenditures and income figures are billions of dollars)

	1970	1971	1972	1973	1974	1975	Projected 1976	Projected 1977
Gross National Product	982.4	1063.4	1171.1	1306.6	1413.2	1516.3	1696.1	1882.5
Final purchases	978.6	1057.1	1161.7	1288.6	1402.5	1531.0	1681.2	1862.3
Private	759.7	823.4	908.6	1019.1	1099.2	1192.0	1314.1	1460.0
Excluding net exports	755.8	821.8	911.9	1012.0	1091.7	1171.5	1305.7	1449.2
Personal consumption expenditures	618.8	668.2	733.0	809.9	887.5	973.2	1078.3	1185.5
Durable goods	84.9	97.1	111.2	123.7	121.6	131.7	157.0	175.5
Nondurable goods	264.7	277.7	299.3	333.8	376.2	409.1	440.9	479.8
Services	269.1	293.4	322.4	352.3	389.6	432.4	480.4	530.2
Gross private domestic investment	140.8	160.0	188.3	220.0	215.0	183.7	242.3	283.9
Residential construction	36.6	49.6	62.0	66.1	55.1	51.2	66.7	76.3
Business fixed investment	100.5	104.1	116.8	136.0	149.2	147.1	160.7	187.3
Change in business inventories	3.8	6.4	9.4	17.9	10.7	-14.6	14.9	20.2
Nonfarm	3.7	5.1	8.8	14.7	12.2	-17.6	15.1	20.2
Net exports of goods and services	3.9	1.6	-3.3	7.1	7.5	20.5	8.4	10.8
Exports	62.5	65.6	72.7	101.6	144.4	148.1	162.3	184.9
Imports	58.5	64.0	75.9	94.4	136.9	127.6	153.9	174.1
Gov't. purchases of goods and services	218.9	233.7	253.1	269.5	303.3	339.0	367.1	402.3
Federal	95.6	96.2	102.1	102.2	111.6	124.4	133.2	144.0
Defense	73.5	70.2	73.5	73.5	77.3	84.3	88.3	94.9
Other	22.1	26.0	28.6	28.7	34.3	40.1	44.9	49.1
State and local	123.2	137.5	151.0	167.3	191.6	214.5	233.9	258.3
Gross national product in constant (1972) dollars	1075.3	1107.5	1171.1	1235.0	1214.0	1191.7	1266.7	1332.0
GNP implicit deflator (1972=100)	91.4	96.0	100.0	105.8	116.4	127.3	133.9	141.3
Personal income	801.3	859.1	942.5	1052.4	1153.3	1249.7	1381.4	1516.9
Wage and salary disbursements	546.5	579.4	633.8	701.3	765.0	806.7	891.6	982.2
Disposable income	685.9	742.8	801.3	901.7	982.9	1080.9	1189.0	1301.3
Personal saving	50.6	57.3	49.4	70.3	72.2	84.0	85.6	89.3
Saving rate (per cent)	7.4	7.7	6.2	7.8	7.3	7.8	7.2	6.9
Corporate profits with I.V.A. and C.C. Adj.	67.9	77.2	92.1	99.1	84.8	91.6	117.3	144.5
Corporate profits with I.V.A., without C.C. Adj.	66.4	76.9	89.6	97.2	87.8	103.1	132.2	158.8
Corporate profits before tax	71.5	82.0	96.2	115.8	127.6	114.5	143.8	169.3
Federal government receipts and expenditures, (N.I.A. basis)								
Receipts ^{2/}	192.1	198.6	227.5	258.3	288.2	286.5	328.1	370.8
Expenditures	204.2	220.6	244.7	265.0	299.7	357.8	388.8	426.6
Surplus or deficit (-)	-12.1	-22.0	-17.3	-6.7	-11.5	-71.2	-60.7	-55.8
High employment surplus or deficit (-)	6.5	-1.7	-1.0	6.6	26.3	-9.8	-3.4	.1
State and local government surplus or deficit (-) (N.I.A. basis)	2.8	3.7	13.7	13.0	7.3	6.9	11.6	12.8
Excluding social insurance funds	-4.0	-3.8	5.6	4.1	-2.8	-5.1	-1.5	-1.5
Civilian labor force (millions)	82.7	84.1	86.5	88.7	91.0	92.6	94.8	96.6
Unemployment rate (per cent)	4.9	5.9	5.6	4.9	5.6	8.5	7.5	6.8
Nonfarm payroll employment (millions)	70.9	71.2	73.7	76.9	78.4	77.0	79.2	81.4
Manufacturing	19.3	18.6	19.1	20.1	20.0	18.3	19.0	19.7
Industrial production (1967=100)	107.8	109.6	119.7	129.8	129.3	117.8	130.7	141.8
Capacity utilization, mfg. (per cent)	78.3	75.0	78.6	83.0	78.9	68.7	73.5	77.6
Materials (per cent)	84.3	83.1	88.0	92.5	87.7	73.5	80.6	85.8
Housing starts, private (millions, A.R.)	1.43	2.05	2.36	2.05	1.34	1.16	1.46	1.57
Sales new autos (millions, A.R.)	8.40	10.24	10.93	11.44	8.87	8.66	10.35	11.01
Domestic models	7.12	8.68	9.32	9.67	7.45	7.08	8.91	9.41
Foreign models	1.28	1.56	1.61	1.77	1.42	1.58	1.44	1.60
1/ Net exports of g. & s. (Bal. of paymts) ^{3/}	3.0	-.2	-6.0	3.3	3.2	15.9	4.6	6.0
Exports	62.4	65.5	72.7	101.5	144.4	148.0	162.9	185.7
Imports	59.5	65.8	78.6	98.3	141.2	132.2	158.3	179.8

2/ The Federal government receipts estimate continues to assume passage of legislation which extends, through 1977, the tax cuts embodied in the Tax Reduction Act of 1975.

3/ Includes U.S. government interest payments to foreigners and shipments of military equipment and supplies to Israel under cash grant programs; the former is not included in imports and the latter is not included in exports in the GNP accounts.

CONFIDENTIAL - FR
CLASS II FOMC

CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1970	1971	1972	1973	1974	1975	Projected	
							1976	1977
-----Billions of Dollars-----								
Gross National Product	46.9	81.0	107.7	135.5	106.6	103.1	179.8	186.4
Inventory change	-5.6	2.6	3.0	8.5	-7.2	-25.3	29.5	5.3
Final purchases	52.4	78.5	104.6	126.9	113.9	128.5	150.2	181.1
Private	41.4	63.7	85.2	110.5	80.1	92.8	122.1	145.9
Net exports	2.1	-2.3	-4.9	10.4	.4	13.0	-12.1	2.4
Excluding net exports	39.3	66.0	90.1	100.1	79.7	79.8	134.2	143.5
Personal consumption expenditures	39.1	49.4	64.8	76.9	77.6	85.7	105.1	107.2
Durable goods	-.6	12.2	14.1	12.5	-2.1	10.1	25.3	18.5
Nondurable goods	17.7	13.0	21.6	34.5	42.4	32.9	31.8	38.9
Services	21.9	24.3	29.0	29.9	37.3	42.8	48.0	49.8
Residential fixed investment	-1.3	13.0	12.4	4.1	-11.0	-3.9	15.5	9.6
Business fixed investment	1.6	3.6	12.7	19.2	13.2	-2.1	13.6	26.6
Government	11.0	14.8	19.4	16.4	33.8	35.7	28.1	35.2
Federal	-1.9	.6	5.9	.1	9.4	12.8	8.8	10.8
State and local	12.8	14.3	13.5	16.3	24.3	22.9	19.4	24.4
GNP in constant (1972) dollars	-3.5	32.2	63.6	63.9	-21.0	-22.3	75.0	65.3
Final purchases	2.8	29.9	60.8	56.8	-13.0	-1.8	52.7	62.1
Private	9.3	30.7	57.1	57.4	-16.9	-6.4	48.6	53.9
-----In Per Cent Per Year-----								
Gross National Product	5.0	8.2	10.1	11.6	8.2	7.3	11.9	11.0
Final purchases	5.7	8.0	9.9	10.9	8.8	9.2	9.8	10.8
Private	5.8	8.4	10.3	12.2	7.9	8.4	10.2	11.1
Personal consumption expenditures	6.7	8.0	9.7	10.5	9.6	9.7	10.8	9.9
Durable goods	-7.7	14.4	14.6	11.2	-1.7	8.3	19.2	11.8
Nondurable goods	7.2	4.9	7.8	11.5	12.7	8.7	7.8	8.8
Services	8.9	9.0	9.9	9.3	10.6	11.0	11.1	10.4
Gross private domestic investment	-3.7	13.6	17.7	16.8	-2.3	-14.6	31.9	17.2
Residential structures	-3.4	35.5	25.1	6.6	-16.7	-7.1	30.3	14.4
Business fixed investment	1.6	3.6	12.3	16.4	9.7	-1.4	9.2	16.6
Gov't. purchases of goods & services	5.3	6.8	8.3	6.5	12.5	11.8	8.3	9.6
Federal	-1.9	.6	6.1	.1	9.2	11.5	7.1	8.1
Defense	-3.7	-4.5	4.7	.0	5.2	9.1	4.7	7.5
Other	4.2	17.6	10.0	.3	19.5	16.9	12.0	9.4
State and local	11.6	11.6	9.8	10.8	14.5	11.9	9.0	10.5
GNP in constant (1972) dollars	-.3	3.0	5.7	5.5	-1.7	-1.8	6.3	5.2
Final purchases	.3	2.8	5.5	4.9	-1.1	-.1	4.4	4.9
Private	1.1	3.7	6.7	6.3	-1.7	-.7	5.2	5.4
GNP implicit deflator	5.4	5.1	4.1	5.8	10.0	9.3	5.3	5.5
Gross business product fixed weighted price index ^{1/}	4.4	4.4	3.3	5.7	10.2	9.3	4.9	5.2
Personal income	7.4	7.2	9.7	11.7	9.6	8.4	10.5	9.8
Wage and salary disbursements	6.2	6.0	9.4	10.7	9.1	5.5	10.5	10.2
Disposable income	8.8	8.3	7.9	12.5	9.0	10.0	10.0	9.4
Corporate profits before tax	-14.3	14.7	17.3	20.4	10.2	-10.3	25.6	17.7
Federal Government receipts and expenditures (N.I.A. basis)								
Receipts	-2.5	3.4	14.6	13.5	11.6	-.6	14.5	13.0
Expenditures	8.4	8.0	10.9	8.3	13.1	19.4	8.7	9.7
Nonfarm payroll employment	.7	.4	3.5	4.3	2.0	-1.8	2.9	2.8
Manufacturing	-4.5	-3.6	2.7	5.2	-.5	-8.5	3.8	3.7
Industrial production	-3.0	1.7	9.2	8.4	-.4	-8.9	11.0	8.5
Housing starts, private	-2.7	43.4	15.1	-13.1	-34.6	-13.4	25.9	7.5
Sales new autos	-12.2	21.9	6.7	4.7	-22.5	-2.4	19.5	6.4
Domestic models	-15.8	21.9	7.4	3.8	-23.0	-5.0	25.8	5.6
Foreign models	15.3	21.9	3.2	9.9	-19.8	11.3	-8.9	11.1

Using expenditures in 1972 as weights.

FEDERAL SECTOR ACCOUNTS
(billions of dollars)

F.R.B. estimates											
	Fiscal Year 1976*	Fiscal Year 1977 ^{e/}			CY 1976 F.R. Board	Calendar quarters; unadjusted data					
		Admin. est. 1/	Cong. est. 2/	F.R. Board		1976				1977	
						I*	II*	III3/	IV	I	II
Unified budget receipts	300.0	352.5	362.5	355.5	316.5	66.9	93.6	81.8	74.2	79.0	108.5
Unified budget outlays	365.6	400.0	413.1	410.0	379.3	89.6	91.5	98.0	100.2	103.5	102.3
Surplus(+)/deficit(-), unified budget	-65.6	-47.5	-50.6	-54.5	-62.7	-22.7	2.2	-16.2	-26.0	-24.5	6.2
Surplus(+)/deficit(-), off-budget agencies ^{4/}	-8.0	-11.4	n.a.	-11.4	-11.5	-3.8	-.7	-3.9	-3.1	-3.1	-2.6
Means of financing combined deficits:											
Net borrowing from public	82.8	56.9	n.a.	61.2	71.9	24.1	9.4	17.7	20.7	25.0	1.0
Decrease in cash operating balance	-7.2	n.a.	n.a.	4.2	-.2	.4	-6.8	-.4	6.5	-.4	-3.6
Other ^{5/}	-1.9	n.a.	n.a.	.5	2.5	2.0	-4.0	2.7	1.8	3.0	-1.0
Cash operating balance, end of period	14.8	n.a.	n.a.	11.0	8.7	8.0	14.8	15.2	8.7	9.1	12.7
Memo: Sponsored agency borrowing ^{6/}	3.5	10.8 ^{7/}	n.a.	n.a.	3.4	.3	.5	1.6	1.0	1.2	n.a.
NIA Budget											
						Seasonally adjusted; annual rates					
Receipts	310.8 ^{8/}	n.a.	n.a.	358.0 ^{9/}	328.1	316.5	325.2	330.1	340.4	354.1	364.3
Outlays	374.7 ^{8/}	n.a.	n.a.	417.5 ^{9/}	388.8	380.3	378.7	392.1	404.1	413.5	420.2
Surplus(+)/deficit(-)	-63.9 ^{8/}	n.a.	n.a.	-59.5 ^{9/}	-60.8	-63.8	-53.5	-62.0	-63.7	-59.4	-55.9
High Employment surplus(+)/deficit(-), (NIA basis) ^{10/11/}	-6.0	n.a.	n.a.	-1.5	-3.4	-9.9	1.9	-1.2	-4.3	-2.6	1.5
*actual											

1/ Mid-Session Review of the 1977 Budget, July 16, 1976.

2/ Conference Report on Second Concurrent Resolution on the Budget, September 10, 1976.

3/ Effective in CY 1976, the fiscal year for the U.S. Government changes from July 1 - June 30 to October 1 - September 30. Hence, 1976 QIII represents a transition quarter.

4/ Includes Federal Financing Bank, Postal Service, Export-Import Bank, Rural Electrification and Telephone revolving fund, Housing for the Elderly or Handicapped Fund, and Pension Benefit Guaranty Corporation.

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

6/ Includes Federal Home Loan Banks, Federal National Mortgage Association, Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives.

7/ Derived from Special Analyses, Budget of the United States Government, fiscal year 1977, January 21, 1976.

8/ Quarterly average exceeds fiscal year total by \$.7 billion for FY 1976 due to spreading of wage base effect over calendar year.

9/ Quarterly average exceeds fiscal year total by \$.8 billion for FY 1977 due to spreading of wage base effect over calendar year.

10/ Estimated by FRB staff.

11/ The high employment budget estimates now fully incorporates taxes on inventory profits beginning 1973.

CONFIDENTIAL (FR)

September 15, 1976

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

By the Staff
Board of Governors
of the Federal Reserve System

SECURITY OFFERINGS
(Monthly totals or monthly averages, in millions of dollars,
not seasonally adjusted)

	<u>1975</u> Year	QI	QII ^{e/}	July ^{e/}	Aug. ^{e/}	Sept. ^{f/}	Oct. ^{f/}
<u>Gross offerings</u>							
Corporate securities--							
Total	4,469	4,615	4,621	2,500	2,800	3,200	4,300
Publicly offered bonds	2,717	2,523	2,473	1,300	1,400	1,500	2,200
By quality ^{1/}							
Aaa and Aa	1,422	1,559	1,148	275	625	--	--
Less than Aa ^{2/}	1,295	964	1,325	1,025	775	--	--
By type of borrower							
Utility	925	630	780	525	400	--	--
Industrial	1,432	1,210	880	500	570	--	--
Other	360	683	813	275	430	--	--
Privately placed bonds	847	911	1,113	600	700	900	900
Stocks	905	1,181	1,035	600	700	800	1,200
By type of issuer							
Manufacturing	123	303	325	150	325	--	--
Utility and transp.	598	750	640	325	275	--	--
Other	184	128	70	125	100	--	--
Foreign securities ^{3/}	451	447	614	500	367	450	500
State and local government securities							
Long-term	2,544	2,798	2,973	2,572	2,600	2,600	2,800
Short-term	2,420	1,671	2,625	1,113	1,600	2,000	1,500
<u>Net offerings</u>							
U.S. Treasury	7,564	7,897	2,359	2,931	8,722	2,819	5,500
Sponsored Federal agencies	187	414	0	136	630	379	695

^{e/} Estimated.

^{f/} Forecast.

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

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

^{3/} Includes only publicly offered issues of marketable securities.