

CONFIDENTIAL (FR)

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

November 14, 1973

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

STAFF GNP PROJECTIONS

	Per cent change annual rate							
	Changes in nominal GNP \$ billion		Real GNP		Gross private product fixed weighted price index		Unemployment rate	
	10/10/73	11/14/73	10/10/73	11/14/73	10/10/73	11/14/73	10/10/73	11/14/73
1971 ^{1/}	78.3	78.3	3.2	3.2	4.6	4.6	5.9	5.9
1972 ^{1/}	99.7	99.7	6.1	6.1	3.2	3.2	5.6	5.6
1973	133.5	133.3	6.1	6.1	6.0	5.8	4.8	4.8
1974	108.1	115.2	2.5	2.9	5.7	5.9	5.2	4.9
1973-I ^{1/}	43.3	43.3	8.7	8.7	7.0	7.0	5.0	5.0
II ^{1/}	29.5	29.5	2.4	2.4	7.9	7.9	4.9	4.9
III ^{2/}	32.2	32.0	3.7	3.6	7.1	7.1	4.8	4.8
IV	32.1	31.6	3.5	3.8	6.3	5.8	4.7	4.6
1974-I	27.2	29.7	2.5	3.0	5.9	6.2	4.9	4.7
II	25.0	26.3	2.3	2.5	5.2	5.4	5.1	4.8
III	19.2	24.1	1.0	2.0	4.6	5.0	5.3	5.0
IV	19.7	26.3	1.1	2.0	4.6	5.0	5.5	5.2
Change: 72-IV to 73-IV	137.1	136.4	4.5	4.6	7.1	6.9	-.6	-.7
73-IV to 74-IV	91.1	106.4	1.7	2.4	5.1	5.4	.8	.6

^{1/} Actual.^{2/} Commerce preliminary for GNP.

November 14, 1973

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

	1972	1973 Proj.	1972		1973			
			III	IV	I	II	IIIp	ProJ. IV
Gross National Product	1155.2	1288.5	1166.5	1199.2	1242.5	1272.0	1304.0	1335.6
Final purchases	1149.1	1282.4	1157.8	1191.0	1237.8	1267.5	1298.5 ^{1/}	1325.6
Private	894.1	1004.7	903.1	930.3	969.2	992.2	1018.9 ^{1/}	1038.5
Excluding net exports	898.7	1000.1	906.9	933.8	969.2	989.4	1012.0 ^{1/}	1029.7
Personal consumption expenditures	726.5	805.2	734.1	752.6	779.4	795.6	814.0 ^{1/}	831.6
Durable goods	117.4	132.1	120.2	122.9	132.2	132.8	132.0 ^{1/}	131.5
Nondurable goods	299.9	336.4	302.3	310.7	322.2	330.3	341.5 ^{1/}	351.6
Services	309.2	336.7	311.6	319.0	325.0	332.6	340.5	348.5
Gross private domestic investment	178.3	201.1	181.5	189.4	194.5	198.2	203.5 ^{1/}	208.1
Residential construction	54.0	58.2	54.5	56.9	59.0	59.6	59.3	54.8
Business fixed investment	118.2	136.8	118.3	124.3	130.9	134.1	138.7	143.3
Change in business inventories	6.0	6.2	8.7	8.2	4.6	4.5	5.5 ^{1/}	10.0
Nonfarm	5.6	5.5	8.4	7.9	4.4	4.4	4.0 ^{1/}	9.0
Net exports of goods and services ^{1/}	-4.6	4.6	-3.8	-3.5	0.0	2.8	6.9 ^{1/}	8.8
Exports	73.5	100.6	74.0	79.7	89.7	97.2	104.5 ^{1/}	110.9
Imports	78.1	96.0	77.7	83.2	89.7	94.4	97.6 ^{1/}	102.1
Gov't. purchases of goods and services	255.0	277.7	254.7	260.7	268.6	275.3	279.6 ^{1/}	287.1
Federal	104.4	107.4	102.3	102.7	105.5	107.3	107.1	109.7
Defense	74.4	74.3	71.9	72.4	74.3	74.2	73.6	75.1
Other	30.1	33.1	30.4	30.3	31.2	33.1	33.5 ^{1/}	34.6
State & local	150.5	170.2	152.4	158.0	163.0	168.0	172.5 ^{1/}	177.4
Gross national product in constant (1958) dollars	790.7	838.7	796.7	812.3	829.3	834.3	841.6	849.5
GNP implicit deflator (1958 = 100)	146.1	153.6	146.4	147.6	149.8	152.5	154.9	157.2
Personal income	939.2	1034.3	943.7	976.1	996.6	1019.0	1046.7	1074.9
Wage and salary disbursements	627.8	691.6	632.7	648.7	666.7	682.6	698.9	718.0
Disposable income	797.0	881.6	800.9	828.7	851.5	869.7	890.9 ^{1/}	914.4
Personal saving	49.7	52.9	45.8	54.4	50.0	51.0	52.8 ^{1/}	57.8
Saving rate (per cent)	6.2	6.0	5.7	6.6	5.9	5.9	5.9 ^{1/}	6.3
Corporate profits before tax	98.0	126.4	98.4	106.1	119.6	128.9	128.0e	129.0
Corp. cash flow, net of div. (domestic)	105.0	109.2	91.9	97.7	104.9	110.3	110.4	111.1
Federal government receipts and expenditures, (N.I.A. basis)								
Receipts	228.7	264.9	229.6	236.9	253.6	262.4	268.9e	274.7
Expenditures	244.6	264.7	237.0	260.3	258.6	262.4	265.7	272.0
Surplus or deficit (-)	-15.9	0.2	-7.4	-23.4	-5.0	0.0	3.2e	2.7
High employment surplus or deficit (-)	0.4	-0.8	7.3	-10.9	-0.9	0.0	-1.5	-0.7
State and local government surplus or deficit (-), (N.I.A. basis)	13.1	10.7	9.5	19.6	13.9	11.5	9.8e	7.6
Total labor force (millions)	89.0	91.1	89.3	89.6	90.0	90.9	91.3	92.1
Armed forces "	2.5	2.3	2.4	2.4	2.4	2.3	2.3	2.3
Civilian labor force "	86.5	88.8	86.9	87.2	87.6	88.6	89.0	89.8
Unemployment rate (per cent)	5.6	4.8	5.6	5.3	5.0	4.9	4.8	4.6
Nonfarm payroll employment (millions)	72.8	75.5	73.0	73.8	74.6	75.3	75.7	76.4
Manufacturing	18.9	19.8	19.0	19.3	19.6	19.8	19.8	20.0
Industrial production (1967 = 100)	115.1	125.7	116.3	120.2	123.1	124.8	126.8	128.3
Capacity utilization, mfg. (per cent)	78.6	83.2	79.4	81.5	82.8	83.3	83.4	83.3
Major materials (per cent)	90.2	95.5	91.0	92.4	93.8	94.4	96.3	97.4
Housing starts, private (millions, A.R.)	2.38	2.10	2.37	2.40	2.40	2.22	2.01	1.78
Sales new autos (millions, A.R.)	10.94	11.63	11.52	11.69	12.23	11.73	11.74	10.85
Domestic models	9.32	9.87	9.91	9.90	10.27	9.87	10.11	9.25
Foreign models	1.61	1.76	1.61	1.79	1.96	1.86	1.63	1.60

^{1/} Estimates of revisions to be made in Commerce preliminary estimates because of revised and more complete underlying data.

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

	1974 Proj.	1974 Projected			
		I	II	III	IV
Gross National Product	1403.7	1365.3	1391.6	1415.7	1442.0
Final purchases	1394.0	1353.8	1381.6	1406.7	1433.7
Private	1088.4	1059.4	1080.5	1098.3	1115.5
Excluding net exports	1079.2	1050.5	1070.9	1089.0	1106.3
Personal consumption expenditures	874.9	851.0	869.1	883.2	896.2
Durable goods	131.8	132.0	132.0	132.0	131.0
Nondurable goods	376.6	363.0	374.1	381.2	388.2
Services	366.5	356.0	363.0	370.0	377.0
Gross private domestic investment	214.0	211.0	211.8	214.8	218.4
Residential construction	50.7	51.2	49.3	50.3	52.1
Business fixed investment	153.6	148.3	152.5	155.5	158.0
Change in business inventories	9.7	11.5	10.0	9.0	8.3
Nonfarm	9.5	12.0	10.0	8.5	7.5
Net exports of goods and services ^{1/}	9.3	8.9	9.6	9.3	9.3
Exports	119.7	115.7	119.0	120.8	123.1
Imports	110.4	106.8	109.4	111.6	113.8
Gov't. purchases of goods and services	305.5	294.4	301.1	308.4	318.1
Federal	114.7	111.7	113.3	115.0	118.7
Defense	77.4	75.5	76.3	77.5	80.3
Other	37.3	36.2	37.0	37.5	38.4
State & local	190.8	182.7	187.8	193.4	199.4
Gross national product in constant (1958) dollars	863.0	855.8	861.1	865.4	869.7
GNP implicit deflator (1958 = 100)	162.6	159.5	161.6	163.6	165.8
Personal income	1134.2	1102.4	1123.7	1144.3	1166.4
Wage and salary disbursement	758.3	734.6	750.0	765.6	782.9
Disposable income	965.7	938.4	958.0	973.8	992.5
Personal saving	63.7	61.6	62.2	63.1	68.0
Saving rate (per cent)	6.6	6.6	6.5	6.5	6.9
Corporate profits before tax	128.4	128.5	129.0	128.0	128.0
Corp. cash flow, net of div. (domestic)	113.5	111.9	113.1	113.6	115.4
Federal government receipts and expenditures, (N.I.A. basis)					
Receipts	288.3	282.4	286.6	290.1	294.1
Expenditures	292.6	285.7	290.0	293.9	300.7
Surplus or deficit (-)	-4.3	-3.3	-3.4	-3.8	-6.6
High employment surplus or deficit (-)	5.9	-1.4	4.3	9.7	11.0
State and local government surplus or deficit (-), (N.I.A. basis)	5.5	8.3	5.9	5.2	2.8
Total labor force (millions)	93.1	92.5	92.9	93.3	93.7
Armed forces "	2.3	2.3	2.3	2.3	2.3
Civilian labor force "	90.8	90.2	90.6	91.0	91.4
Unemployment rate (per cent)	4.9	4.7	4.8	5.0	5.2
Nonfarm payroll employment (millions)	77.1	76.7	77.0	77.3	77.5
Manufacturing	19.9	20.0	20.0	19.9	19.8
Industrial production (1967 = 100)	130.2	129.4	130.0	130.5	130.8
Capacity utilization, mfg. (per cent)	82.2	83.1	82.5	81.9	81.2
Major materials	97.5	98.0	97.7	97.2	96.9
Housing starts, private (millions, A.R.)	1.76	1.70	1.70	1.75	1.83
Sales new autos (millions, A.R.)	10.01	10.25	10.10	10.10	9.60
Domestic models	8.41	8.65	8.50	8.50	8.00
Foreign models	1.60	1.60	1.60	1.60	1.60

CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1972	1973 Proj.	1972		1973			Proj. IV
			III	IV	I	II	IIIp	IV
-----Billions of Dollars-----								
Gross National Product	99.7	133.3	24.1	32.7	43.3	29.5	32.0 ^{4/}	31.6
Inventory change	-0.1	0.2	3.2	-0.5	-3.6	-0.1	1.0 ^{4/}	4.5
Final purchases	99.7	133.3	20.9	33.2	46.8	29.7	31.0 ^{4/}	27.1
Private	79.0	110.6	20.4	27.2	38.9	23.0	26.7 ^{4/}	19.6
Net exports	-5.4	9.2	1.9	0.3	3.5	2.8	4.1 ^{4/}	1.9
Excluding net exports	84.4	101.4	18.5	26.9	35.4	20.2	22.6 ^{4/}	17.7
Personal consumption expenditures	59.3	78.7	14.9	18.5	26.8	16.2	18.4 ^{4/}	17.6
Durable goods	13.8	14.7	5.1	2.7	9.3	0.6	-0.8 ^{4/}	-0.5
Nondurable goods	21.2	36.5	4.4	8.4	11.5	8.1	11.2 ^{4/}	10.1
Services	24.3	27.5	5.4	7.4	6.0	7.6	7.9	8.0
Residential structures	11.3	4.2	1.7	2.4	2.1	0.6	-0.3	-4.5
Nonresidential fixed investment	13.8	18.6	2.0	6.0	6.6	3.2	4.6 ^{4/}	4.6
Government	20.7	22.7	0.5	6.0	7.9	6.7	4.3 ^{4/}	7.5
Federal	6.3	3.0	-4.4	0.4	2.8	1.8	-0.2 ^{4/}	2.6
State and local	14.3	19.7	4.9	5.6	5.0	5.0	4.5 ^{4/}	4.9
GNP in constant (1958) dollars	45.3	48.0	11.1	15.6	17.0	5.0	7.3	7.9
Final purchases	46.0	47.9	8.7	16.0	20.0	5.0	6.8	3.4
Private	41.4	45.6	10.9	14.3	19.1	4.2	6.7	2.5
-----Par Cent Per Year ^{1/} -----								
Gross National Product	9.4	11.5	8.7	11.7	15.2	9.8	10.4	10.1
Final purchases	9.5	11.6	7.6	12.0	16.7	9.9	10.1	8.6
Private	9.7	12.4	9.6	12.6	17.8	9.8	11.2	7.9
Personal consumption expenditures	8.9	10.8	8.5	10.5	15.0	8.6	9.6	8.9
Durable goods	13.3	12.5	18.9	9.3	33.9	1.8	-2.4	-1.5
Nondurable goods	7.6	12.2	6.0	11.6	15.6	10.4	14.3	12.4
Services	8.5	8.9	7.2	9.8	7.7	9.7	9.8	9.7
Gross private domestic investment	16.4	12.8	16.5	18.6	11.2	7.8	11.1	9.4
Residential structures	26.5	7.8	13.5	18.8	15.6	4.1	-2.0	-27.2
Business fixed investment	13.2	15.7	7.1	21.9	23.0	10.1	14.4	13.9
Gov't. purchases of goods & services	8.8	8.9	0.8	9.8	12.7	10.4	6.3	11.2
Federal	6.4	2.9	-15.5	1.6	11.4	7.0	-0.7	10.1
Defense	3.9	-0.1	-22.4	2.8	10.9	-0.5	-3.2	8.4
Other	13.6	10.0	4.0	-1.3	12.4	26.7	4.9	13.8
State and local	10.5	13.1	14.0	15.5	13.3	12.8	11.2	11.9
GNP in constant (1958) dollars	6.1	6.1	5.8	8.1	8.6	2.4	3.5	3.8
Final purchases	6.2	6.1	4.5	8.4	10.3	2.4	3.3	1.7
Private	6.9	7.1	7.0	9.1	12.0	2.5	4.0	1.5 ^{2/}
GNP implicit deflator	3.2	5.1	2.8	3.3	6.1	7.4	6.4	6.1 ^{2/}
Private GNP fixed weighted index ^{3/}	3.2	5.8	3.1	4.1	7.0	7.9	7.0	5.8
Personal income	8.8	10.1	7.8	14.5	8.7	9.3	11.3	11.2
Wage and salary disbursements	9.5	10.2	7.7	10.5	11.6	9.9	9.9	11.4
Disposable income	6.8	10.6	8.1	14.6	11.5	8.8	10.1	11.0
Corporate profits before tax	15.2	29.0	16.1	35.2	61.5	34.9	-2.8	3.2
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	15.0	15.8	7.7	13.3	31.3	14.6	10.3	8.9
Expenditures	10.7	8.2	-11.6	45.5	-2.6	6.0	5.1	9.8
Nonfarm payroll employment	3.0	3.7	2.8	4.5	4.5	3.7	2.2	3.5
Manufacturing	2.2	4.8	2.6	7.1	5.4	4.7	1.2	3.1
Industrial production	7.9	9.1	9.2	13.8	10.1	5.8	6.3	4.9
Housing starts, private	14.1	-11.8	16.0	6.6	0.2	-27.1	-33.3	-38.1
Sales new autos	6.8	6.3	49.7	5.9	19.8	-15.4	0.2	-26.9
Domestic models	7.4	5.9	53.1	-0.5	16.0	-14.9	10.1	-29.9
Foreign models	3.3	9.3	30.9	52.0	42.3	-18.1	-41.7	-6.2

1/ Percentage rates of change are annual rates compounded quarterly.

2/ Excluding Federal pay increase, 5.9 per cent per year.

3/ Using expenditures in 1967 as weights.

4/ Reflects estimates of revision in net exports incorporated in Commerce figures.

November 14, 1973

CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1974 Proj.	1974 Projection			
		I	II	III	IV
		-----Billions of Dollars-----			
Gross National Product	115.2	29.7	26.3	24.1	26.3
Inventory change	3.5	1.5	-1.5	-1.0	-0.7
Final purchases	111.6	28.2	27.8	25.1	27.0
Private	83.7	20.9	21.1	17.8	17.2
Net exports	4.7	0.1	0.7	-0.3	0.0
Excluding net exports	79.1	20.8	20.4	18.1	17.3
Personal consumption expenditures	69.7	19.4	18.1	14.1	13.0
Durable goods	-0.3	0.5	0.0	0.0	-1.0
Nondurable goods	40.2	11.4	11.1	7.0	7.0
Services	29.8	7.5	7.0	7.0	7.0
Residential structures	-7.5	-3.6	-1.9	1.0	1.8
Nonresidential fixed investment	16.8	5.0	4.2	3.0	2.5
Government	27.8	7.3	6.7	7.3	9.7
Federal	7.3	2.0	1.6	1.7	3.7
State and local	20.6	5.3	5.1	5.6	6.0
GNP in constant (1958) dollars	24.3	6.3	5.3	4.3	4.3
Final purchases	20.3	4.6	6.4	5.0	4.7
Private	16.0	3.4	5.1	3.5	2.9
-----Per Cent Per Year ^{1/} -----					
Gross National Product	8.9	9.2	7.9	7.1	7.6
Final purchases	8.7	8.8	8.5	7.5	7.9
Private	8.3	8.3	8.2	6.8	6.4
Personal consumption expenditures	8.7	9.7	8.8	6.6	6.0
Durable goods	-0.2	1.5	0.0	0.0	-3.0
Nondurable goods	12.0	13.6	12.8	7.8	7.5
Services	8.9	8.9	8.1	7.9	7.8
Gross private domestic investment	6.4	5.7	1.5	5.8	6.9
Residential structures	-12.9	-23.8	-14.0	8.4	15.1
Nonresidential fixed investment	12.3	14.7	11.8	8.1	6.6
Gov't. purchases of goods & services	10.0	10.6	9.4	10.1	13.2
Federal	6.8	7.5	5.8	6.1	13.5
Defense	4.2	2.1	4.3	6.4	15.3
Other	12.7	19.8	9.1	5.5	10.0
State and local	12.1	12.5	11.6	12.5	13.0
GNP in constant (1958) dollars	2.9	3.0	2.5	2.0	2.0
Final purchases	2.4	2.2	3.0	2.4	2.2
Private	2.3	1.9 ^{2/}	3.0	2.0	1.6 ^{3/}
GNP implicit deflator	5.9	6.0 ^{2/}	5.3	5.0	5.5 ^{3/}
Private GNP fixed weighted index ^{4/}	5.9	6.2	5.4	5.0	5.0
Personal income	9.7	10.6	8.0	7.5	8.0
Wage and salary disbursements	9.6	9.6	8.7	8.6	9.3
Disposable income	9.5	10.9	8.6	6.8	7.9
Corporate profits before tax	1.6	-1.5	1.6	-3.1	0.0
Federal government receipts and expenditures (N.I.A. basis)					
Receipts	8.8	11.7	6.1	5.0	5.6
Expenditures	10.5	21.7	6.2	5.5	9.6
Nonfarm payroll employment	2.1	1.6	1.6	1.6	1.0
Manufacturing	0.5	0.0	0.0	-2.0	-2.0
Industrial production	3.5	3.5	1.9	1.5	0.9
Housing starts, private	-16.1	-16.8	-0.0	12.3	19.6
Sales new autos	-13.9	-20.4	-5.7	0.0	-18.4
Domestic models	-14.8	-23.5	-6.8	0.0	-21.5
Foreign models	-9.1	0.0	0.0	0.0	0.0

^{1/} Percentage rates of change are annual rates compounded quarterly.^{2/} Excluding Federal pay increase, 5.9 per cent annual rate.^{3/} Excluding Federal pay increase, 5.0 per cent annual rate.^{4/} Using expenditures in 1967 as weights.

PROJECTION OF TREASURY CASH OUTLOOK
(In billions of dollars)

	Oct.	Nov.	Dec.	Jan.
<u>Total net borrowing</u>	1.5	2.5	4.0	0.0
Weekly and monthly bills	1.8	1.2	--	--
Tax bills	--	2.0	4.0	--
Coupon issues	--	3.8	--	--
As yet unspecified new borrowing	--	--	--	--
Special foreign series	-0.4	-1.4	--	--
Agency transactions, debt repayment, etc.	0.1	-3.1	--	--
Plus: <u>Other net financial sources</u> ^{a/}	1.9 ^{b/}	-0.4	-0.5	1.6
Plus: <u>Budget surplus or deficit (-)</u>	-6.0	-2.3	-0.1	-1.5
Equals: <u>Change in cash balance</u>	-2.6 ^{c/}	-0.2	3.4	0.1
Memoranda: Level of cash balance, end of period	5.7 ^{c/}	5.5	8.9	9.0
Derivation of budget surplus or deficit:				
Budget receipts	17.3	19.8	21.7	22.5
Budget outlays	23.3	22.1	21.8	24.0
Maturing coupon issues held by public	--	3.6 ^{d/}	--	--
Sales of financial assets	0.1	0.1	0.7	0.2
Budget agency borrowing	*	0.3	--	0.2
Net borrowing by government-sponsored agencies	2.9	-0.2	0.9	1.0

^{a/} Checks issued less checks paid and other accrual items.

^{b/} Includes \$1.2 billion in receipts resulting from the monetization of gold.

^{c/} Actual.

^{d/} In the November refinancing, \$3.8 billion of notes and bonds were sold to provide funds for refunding the \$3.6 billion of publicly-held bonds maturing on November 15.

* Less than \$50 million.

FEDERAL BUDGET AND FEDERAL SECTOR IN NATIONAL INCOME ACCOUNTS
(In billions of dollars)

	F.W.D. Staff Estimates										
	Fiscal 1974 e/			Calendar Years		Calendar Quarters					
	Year	Adm. Est. ^{1/}	F.R. F.R. Estimates	1973		1974					
	1973 *	10-19-73	Board	1973	1974	III*	IV	I	II	III	IV
Federal Budget						Unadjusted data					
Surplus/deficit	-14.4	-0.6	-3.0	-11.4	-2.8	-1.1	-8.4	-6.0	12.5	-2.1	-7.2
Receipts	232.2	270.0	269.0	249.3	284.4	64.4	58.8	63.2	82.6	72.7	65.9
Outlays	246.6	270.6	272.0	260.8	287.2	65.5	67.2	69.2	70.1	74.8	73.1
Means of financing:											
Net borrowing from the public	19.3	n.a.	-2.2	9.2	-2.8	-0.7	8.0	2.3	-11.8	2.6	4.1
Decrease in cash operating balance	-2.5	n.a.	3.7	2.2	2.6	4.3	-0.6	0.2	-0.2	0.5	2.1
Other ^{2/}	-2.4	n.a.	1.4	0.0	3.0	-2.5	1.0	3.5	-0.5	-1.0	1.0
Cash operating balance, end of period	12.6	n.a.	8.9	8.9	6.3	8.3	8.9	8.7	8.9	8.4	6.3
Memo ^{3/} : Sales of financial assets ^{4/}	4.8	n.a.	3.4	3.5	n.e.	-0.3	0.9	1.3	1.5	n.e.	n.e.
Budget agency borrowing ^{5/}	0.4	n.a.	1.4	0.1	n.e.	0.4	0.3	0.5	0.3	n.e.	n.e.
Sponsored agency borrowing ^{6/}	8.7	n.a.	15.0	16.8	n.e.	6.1	3.6	2.5	2.7	n.e.	n.e.
National Income Sector						Seasonally adjusted, annual rates					
Surplus/deficit	-12.1	n.a.	-0.2	0.2	-4.3	3.2	2.7	-3.3	-3.4	3.8	-6.6
Receipts	242.9	n.a.	278.2	264.9	288.3	268.9	274.7	282.4	286.6	290.1	294.1
Expenditures	255.0	n.a.	278.4	264.7	292.6	265.7	272.0	285.7	290.0	293.9	300.7
High Employment surplus/deficit (NIA basis) ^{8/}	n.a.	n.a.	0.2	-0.8	5.9	-1.5	-0.7	-1.4	4.3	9.7	-11.0
* Actual	e--projected		n.e.--not estimated			n.a.--not available					

Footnotes continued

- 1/ The Administration's estimate, presented at the October 18th hearings on the debt ceiling, was \$270 billion for both receipts and outlays. Since that time, as a result of increased aid to Israel, the Administration has requested additional funds for defense which would add about \$0.6 billion to fiscal year 1974 outlays.
- 2/ Includes such items as deposit fund accounts and clearing accounts.
- 3/ The sum of sponsored and budget agency debt issues and financial asset sales does not necessarily reflect the volume of debt absorbed by the public, since both the sponsored and budget agencies acquire a portion of these issues.
- 4/ Includes net sales of loans held by the Commodity Credit Corporation, Farmers Home Adm., Government National Mortgage Assn., Federal Housing Adm., and Veterans Adm. Receipts from these sales are netted against Federal Budget Outlays shown above.
- 5/ Includes, for example, debt issued by the U.S. Postal Service, Export-Import Bank, and Tennessee Valley Authority, which is included in the Net Treasury Borrowing from the Public shown above.
- 6/ Federally-sponsored credit agencies, i.e., Federal Home Loan Banks, Federal National Mortgage Assn., Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives.
- 7/ Calculated by averaging appropriate quarters. Official fiscal year estimates are adjusted for spreading of wage base and refund effect over calendar year.
- 8/ Estimated by F.R. Board Staff.

CONFIDENTIAL (FR)

SUPPLEMENT

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the
Federal Open Market Committee

November 16, 1973

By the Staff
Board of Governors
of the Federal Reserve System

November 16, 1973

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

	1973-II		1973-III		
	Amount	Change from 73-I	Commerce Estimates		Change from 73-II
			Preliminary 10/17/73 Change from 73-II	Final 11/16/73 Amount	
Gross National Product	1272.0	29.5	32.0	1304.5	32.5
Final purchases	1267.5	29.7	27.8	1299.8	32.3
Private	992.2	23.0	23.2	1020.8	28.6
Excluding net exports	989.4	20.2	22.0	1013.2	23.8
Personal consumption expenditures	795.6	16.2	17.8	816.0	20.4
Durable	132.8	0.6	-0.7	132.8	0.0
Nondurable	330.3	8.1	10.5	341.6	11.3
Services	332.6	7.6	7.9	341.6	9.0
Gross private domestic investment	198.2	3.7	8.5	202.0	3.8
Residential construction	59.6	0.6	-0.3	59.2	-0.4
Business fixed investment	134.1	3.2	4.6	138.0	3.9
Change in business inventories	4.5	-0.1	4.2	4.7	0.2
Nonfarm	4.4	0.0	2.8	3.2	-1.2
Net exports of goods and services	2.8	2.8	1.2	7.6	4.8
Exports	97.2	7.5	5.5	104.5	7.3
Imports	94.4	4.7	4.4	97.0	2.6
Gov't. purchases of goods and services	275.3	6.7	4.6	279.0	3.7
Federal	107.3	1.8	-0.2	106.8	-0.5
Defense	74.2	-0.1	-0.6	74.2	0.0
Other	33.1	1.9	0.4	32.7	-0.4
State & local	168.0	5.0	4.8	172.2	4.2
GNP in '58 \$	834.3	5.0	7.3	841.3	7.0
GNP implicit deflator (1958 = 100)	152.5	--	--	155.1	--
Personal income	1019.0	22.4	27.7	1047.1	28.1
Wage and salary disbursements	682.6	15.9	16.3	699.3	16.7
Disposable income	869.7	18.2	21.2	891.1	20.4
Personal saving	51.0	1.0	2.4 ^{1/}	51.1	0.1
Saving rate (per cent)	5.9	--	6.0 ^{1/}	5.7	--
Corporate profits before tax	128.9	9.3	n.a.	129.4	0.5
-----Per Cent Change at Annual Rates ^{2/} -----					
Gross National Product	9.9	--	10.4	10.6	--
GNP in constant '58 \$	2.4	--	3.6	3.4	--
Gross Private Product, '58 \$	2.5	--	3.8	3.6	--
Gross Private Nonfarm Product '58 \$	4.0	--	4.5	4.4	--
GNP implicit price deflator	7.3	--	6.7	7.0	--
GNP fixed weighted price index ^{3/}	7.6	--	6.8	7.3	--
GPP fixed weighted price index ^{3/}	7.9	--	7.0	7.6	--

^{1/} Actual rate.^{2/} At compound rates.^{3/} Using expenditures in 1967 as weights.