

CONFIDENTIAL (FR)

CURRENT ECONOMIC and FINANCIAL CONDITIONS

**Prepared for the
Federal Open Market Committee**

By the Staff

**BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM**

March 1, 1967

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

	1965	1966	1966				1967	
			I	II	III	IV	Projected	
							I	II
Gross National Product	681.2	739.6	721.2	732.3	745.3	759.3	764.3	769.3
Final sales	672.1	727.7	712.3	720.0	735.4	743.1	752.8	764.3
Personal consumption expenditures	431.5	464.9	455.6	460.1	469.9	474.1	477.4	482.6
Durable goods	66.1	69.3	70.3	67.1	70.2	69.6	67.7	67.5
Nondurable goods	190.6	206.2	201.9	205.6	208.1	209.2	210.4	212.0
Services	174.8	189.4	183.4	187.4	191.5	195.3	199.3	203.1
Gross private domestic investment	106.6	117.0	114.5	118.5	115.0	120.0	115.6	110.2
Residential construction	27.8	25.8	28.6	28.0	24.8	21.9	21.9	22.4
Business fixed investment	69.7	79.3	77.0	78.2	80.3	81.6	82.2	82.8
Change in business inventories	9.1	11.9	8.9	12.3	9.9	16.4	11.5	5.0
Nonfarm	8.1	12.2	8.5	12.1	10.4	17.6	12.0	5.0
Net exports	7.0	4.8	6.0	4.7	4.2	4.1	5.0	6.0
Gov't purchases of goods & services	136.2	153.0	145.0	149.0	156.2	161.1	166.3	170.5
Federal	66.8	76.9	71.9	74.0	79.0	81.7	85.1	87.5
Defense	50.1	60.0	54.6	57.1	62.0	65.5	68.3	70.3
Other	16.7	16.9	17.4	16.9	17.0	16.2	16.8	17.2
State & local	69.4	76.2	73.1	75.0	77.2	79.4	81.2	83.0
Gross National Product in constant (1958) dollars	614.4	647.8	640.5	643.5	649.9	657.2	657.7	658.6
GNP Implicit deflator(1958=100)	110.9	114.2	112.6	113.8	114.7	115.5	116.2	116.8
Per cent change, annual rate								
GNP current dollars	7.8	8.6	9.5	6.2	7.1	7.4	2.6	2.6
GNP constant dollars	5.9	5.4	5.9	1.9	4.0	4.4	0.3	0.5
Implicit deflator	1.8	3.0	3.6	4.3	3.2	3.1	2.4	2.1
Personal income	535.1	580.4	564.6	573.5	585.2	598.3	610.0	616.5
Wage and salaries	358.4	392.3	380.0	387.4	396.7	405.0	413.0	418.0
Disposable income	469.1	505.3	495.1	499.9	507.8	518.4	529.0	534.5
Personal saving	25.7	27.0	26.7	26.6	24.5	30.4	37.3	37.3
Saving rate (per cent)	5.5	5.3	5.4	5.3	4.8	5.9	7.0	7.0
Total labor force (millions)	77.2	78.9	78.1	78.4	79.1	79.8	80.4	80.6
Armed forces "	2.7	3.1	2.9	3.1	3.2	3.3	3.4	3.5
Civilian labor force "	74.5	75.8	75.2	75.4	76.0	76.5	77.0	77.1
Unemployment rate (per cent)	4.5	3.8	3.8	3.8	3.8	3.7	3.8	4.0
Nonfarm payroll employment (millions)	60.8	63.8	62.8	63.6	64.1	64.8	65.3	65.5

Note: Labor force revised to exclude persons age 14 and 15. Quarterly data for 1966 also reflect new seasonal factors; projections for 1967 reflect new definitions of unemployment.