

**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**

**January 5, 1967**

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

	1964	1965	1966 Proj.	1966			1967 Projected	
				I	II	III	IV	I
Gross National Product	631.7	681.2	739.0	721.2	732.3	744.3*	758.5	765.5
Final sales	627.0	672.1	727.9	712.3	720.0	734.4*	745.0	757.0
Personal consumption expenditures	401.4	431.5	465.6	455.6	460.1	469.9	476.7	483.0
Durable goods	59.4	66.1	69.4	70.3	67.1	70.2	70.2	70.2
Nondurable goods	178.9	190.6	206.7	201.9	205.6	208.1	211.0	213.3
Services	163.1	174.8	189.5	183.4	187.4	191.5	195.5	199.5
Gross private domestic investment	93.0	106.6	116.2	114.5	118.5	114.7*	117.0	112.5
Residential construction	27.6	27.8	25.9	28.6	28.0	25.0	22.2	21.8
Business fixed investment	60.7	69.7	79.1	77.0	78.2	79.8*	81.3	82.2
Change in business inventories	4.7	9.1	11.2	8.9	12.3	9.9	13.5	8.5
Nonfarm	5.3	8.1	11.4	8.5	12.1	10.4	14.4	9.0
Net exports	8.5	7.0	4.9	6.0	4.7	4.2	4.5	4.8
Gov't purchases of goods & services	128.9	136.2	152.4	145.0	149.0	155.5	160.3	165.2
Federal	65.2	66.8	76.3	71.9	74.0	78.3	81.1	84.2
Defense	50.0	50.1	59.2	54.6	57.1	61.3	64.1	66.6
Other	15.2	16.7	17.1	17.4	16.9	17.0	17.0	17.6
State & local	63.7	69.4	76.1	73.1	75.0	77.2	79.2	81.0
Gross National Product in constant (1958) dollars	580.0	614.4	647.4	640.5	643.5	648.9	656.7	659.2
GNP Implicit deflator(1958=100)	108.9	110.9	114.2	112.6	113.8	114.7	115.5	116.1
Per cent change, annual rate								
GNP current dollars	7.0	7.8	8.5	9.5	6.2	6.6	7.6	3.7
GNP constant dollars	5.3	5.9	5.4	5.9	1.9	3.4	4.8	1.5
Implicit deflator	1.6	1.8	3.0	3.6	4.3	3.2	2.8	2.2
Personal income	496.0	535.1	580.1	564.6	573.5	585.2	597.0	604.0
Wage and salaries	333.6	358.4	392.1	380.0	387.4	396.7	404.4	408.5
Disposable income	436.6	469.1	505.1	495.1	499.9	507.8	517.5	524.0
Personal saving	24.5	25.7	26.2	26.7	26.6	24.5	26.9	26.8
Saving rate (per cent)	5.6	5.5	5.2	5.4	5.3	4.8	5.2	5.1
Total labor force (millions)	77.0	78.4	80.1	79.4	79.7	80.4	80.9	81.2
Armed forces "	2.7	2.7	3.1	2.9	3.1	3.2	3.3	3.4
Civilian labor force "	74.2	75.6	77.0	76.5	76.7	77.2	77.6	77.8
Unemployment rate (per cent)	5.2	4.6	3.9	3.8	3.9	3.9	3.8	4.0
Nonfarm payroll employment (millions)	58.3	60.8	63.8	62.8	63.6	64.1	64.7	65.1

\* Incorporates changes in published figures because of revisions in data underlying GNP estimates.