

CONFIDENTIAL (FR)

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

By the Staff
Board of Governors
of the Federal Reserve System

November 20, 1968

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)

	1967	1968 Proj.	1968				1969 Projected	
			I	II	III	IV	I	II
Gross National Product	789.7	860.3	831.2	852.9	871.0	886.0	898.0	911.0
Final sales	783.6	853.1	829.1	842.1	863.5	877.8	891.3	903.3
Private	605.2	656.1	638.6	646.4	663.9	675.3	685.3	695.8
Personal consumption expenditures	492.2	534.5	519.4	527.9	541.1	549.7	558.0	565.5
Durable goods	72.6	82.6	79.0	81.0	85.1	85.3	85.0	84.0
Nondurable goods	215.8	231.0	226.5	228.2	232.7	236.4	240.7	245.2
Services	203.8	221.0	213.9	218.7	223.4	228.0	232.3	236.3
Gross private domestic investment	114.3	126.2	119.7	127.3	127.1	130.5	130.7	134.0
Residential construction	24.6	29.8	29.1	29.5	29.5	31.2	31.4	31.7
Business fixed investment	83.6	89.3	88.6	87.0	90.1	91.1	92.6	94.6
Change in business inventories	6.1	7.2	2.1	10.8	7.5	8.2	6.7	7.7
Nonfarm	5.6	6.8	1.6	10.4	7.3	7.7	6.7	8.2
Net Exports	4.8	2.5	1.5	2.0	3.3	3.3	3.3	4.0
Gov't. purchases of goods & services	178.4	197.1	190.5	195.7	199.6	202.5	206.0	207.5
Federal	90.6	100.1	97.1	100.0	101.2	101.9	103.3	102.8
Defense	72.4	78.8	76.8	79.0	79.6	79.9	80.8	80.8
Other	18.2	21.2	20.3	21.0	21.5	22.0	22.5	22.0
State & local	87.8	97.0	93.4	95.6	98.4	100.6	102.7	104.7
Gross national product in constant (1958) dollars	673.1	706.7	692.7	703.4	712.3	718.3	722.0	727.0
GNP implicit deflator (1958=100)	117.3	121.7	120.0	121.2	122.3	123.4	124.4	125.3
Personal income	628.8	685.7	662.7	678.1	694.3	707.8	717.5	728.8
Wages and salaries	423.4	463.5	448.3	457.6	469.0	478.9	487.0	495.7
Disposable income	546.3	589.0	574.4	586.3	592.7	602.5	607.5	614.8
Personal saving	40.2	40.0	40.8	44.0	37.1	38.1	34.6	34.2
Saving rate (per cent)	7.4	6.8	7.1	7.5	6.3	6.3	5.7	5.6
Corporate profits before tax	81.6	91.3	88.9	91.8	92.2	92.2	89.0	88.5
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	151.2	176.5	166.6	171.8	181.9	185.6	191.8	195.1
Expenditures	163.6	182.4	175.1	181.9	184.9	187.6	190.2	190.5
Surplus or deficit (-)	-12.4	-5.9	-8.6	-10.2	-3.0	-2.0	1.6	4.6
Total labor force (millions)	80.8	82.3	81.9	82.2	82.4	82.8	83.1	83.4
Armed forces "	3.4	3.6	3.5	3.5	3.6	3.6	3.6	3.6
Civilian labor force "	77.3	78.8	78.4	78.7	78.8	79.2	79.5	79.8
Unemployment rate (per cent)	3.8	3.6	3.6	3.6	3.6	3.7	3.9	4.1
Nonfarm payroll employment (millions)	66.0	68.1	67.4	67.8	68.3	68.7	69.0	69.2
Manufacturing	19.4	19.7	19.6	19.7	19.8	19.8	19.8	19.7
Industrial production (1957-59=100)	158.1	164.1	162.1	164.0	164.6	165.8	166.6	168.3
Capacity utilization, manufacturing (per cent)	85.3	84.1	84.9	84.8	83.6	83.2	82.5	82.3
Housing starts, private (millions A.R.)	1.29	1.50	1.50	1.44	1.55	1.52	1.55	1.61
Sales new domestic autos (millions, A.R.)	7.57	8.60	8.19	8.44	9.01	8.75	8.75	8.50

CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1967	1968	1968				1969	
		Proj.	I	II	III	IV	Projected	
							I	II
	-----In billions of dollars-----							
Gross National Product	42.1	70.6	20.2	21.7	18.1	15.0	12.0	13.0
Final sales	50.8	69.5	26.4	13.0	21.4	14.3	13.5	12.0
Private	28.6	50.9	19.4	7.8	17.5	11.4	10.0	10.5
GNP in constant (1958) dollars	16.0	33.6	10.9	10.7	8.9	6.0	3.7	5.0
Final sales	24.0	32.9	16.9	2.8	12.0	5.3	5.0	4.3
Private	9.8	24.5	12.4	0.1	11.1	4.7	3.7	4.5
	-----In Per Cent Per Year-----							
Gross National Product	5.6	8.9	10.0	10.4	8.5	6.9	5.4	5.8
Final sales	6.9	8.9	13.2	6.3	10.2	6.6	6.1	5.4
Private	5.0	8.4	12.5	4.9	10.8	6.9	5.9	6.1
Personal consumption expenditures	5.7	8.6	13.7	6.5	10.0	6.4	6.0	5.4
Durable goods	3.0	13.8	25.9	10.1	20.2	0.9	-1.4	-4.7
Nondurable goods	4.4	7.0	14.8	3.0	7.9	6.4	7.3	7.5
Services	8.2	8.4	8.2	9.0	8.6	8.2	7.5	6.9
Gross private domestic investment	-5.4	10.4	-6.9	25.4	-0.6	10.7	0.6	10.1
Residential construction	-0.8	21.1	8.4	5.5	0.0	23.0	2.6	3.8
Business fixed investment	2.8	6.7	16.9	-7.2	14.3	4.4	6.6	8.6
Gov't. purchases of goods & services	14.2	10.5	15.3	10.9	8.0	5.8	6.9	2.9
Federal	17.1	10.5	15.4	11.9	4.8	2.8	5.5	-1.9
Defense	19.5	8.8	11.8	11.5	3.0	1.5	4.5	0.0
Other	8.3	16.5	27.4	13.8	9.5	9.3	9.1	-8.9
State & local	11.4	10.5	15.1	9.4	11.7	8.9	8.3	7.8
GNP in constant (1958) dollars	2.4	5.0	6.4	6.2	5.0	3.4	2.1	2.8
Final sales	3.7	4.9	10.0	1.6	6.9	3.0	2.8	2.4
Private	1.9	4.7	9.3	0.1	8.2	3.4	2.6	3.2
GNP implicit deflator	3.1	3.8	3.5	4.2	3.4*	3.5	3.3	3.0
Personal income	7.2	9.0	10.8	9.3	9.6	7.8	5.5	6.3
Wages and salaries	7.3	9.4	10.9	8.3	10.0	8.4	6.8	7.1
Disposable income	6.8	7.8	10.6	8.3	4.4	6.6	3.3	4.9
Corporate profits before tax	-4.7	11.9	16.4	13.0	1.7	0.0	-13.9	-2.2
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	5.7	16.7	26.1	12.5	23.5	8.1	13.4	6.9
Expenditures	14.9	11.5	15.4	15.5	6.6	5.8	5.5	0.6
Nonfarm payroll employment	3.1	3.2	4.2	2.4	2.9	2.3	1.7	1.2
Manufacturing	1.0	1.5	2.0	2.0	2.0	0.0	0.0	-2.0
Industrial production	1.2	3.8	6.5	4.7	1.5	2.9	1.9	4.1
Housing starts, private	10.9	16.3	15.5	-16.3	29.7	-6.2	7.1	16.0
Sales new domestic autos	-9.7	13.6	40.6	12.0	27.3	-11.7	0.0	-11.4

* Excluding Federal pay increase, 2.8 per cent.