

February 2, 1983

SUMMARY AND OUTLOOK

Prepared for the Federal Open Market Committee

By the staff of the Board of Governors of the Federal Reserve System

February 2, 1983

STAFF GNP PROJECTIONS

Percent changes, annual rate										
	Nominal GNP		Real GNP		Gross domestic business product fixed-weighted price index				Unemployment rate (percent)	
					Total		Excluding food and energy			
	12/15/82	2/2/83	12/15/82	2/2/83	12/15/82	2/2/83	12/15/82	2/2/83	12/15/82	2/2/83
Annual changes:										
1981 <1>	11.6	11.6	1.9	1.9	9.6	9.6	9.4	9.4	7.6	7.6
1982 <1>	4.1	4.1	-1.9	-1.8	6.0	5.9	6.9	6.9	9.7	9.7
1983	6.1	6.1	1.4	1.8	4.7	4.3	4.5	4.8	11.0	10.8
1984	....	7.8	....	4.1	....	3.9	....	3.8	....	9.9
Quarterly changes:										
1982 Q1 <1>	-1.0	-1.0	-5.1	-5.1	4.4	4.4	5.3	5.3	8.8	8.8
Q2 <1>	6.8	6.8	2.1	2.1	3.8	3.8	5.9	5.9	9.5	9.4
Q3 <1>	4.7	5.8	.0	.7	5.5	5.9	5.0	5.2	9.9	10.0
Q4 <1>	4.0	1.7	-1.8	-2.5	5.6	4.7	5.7	5.0	10.7	10.7
1983 Q1	6.4	8.2	1.9	3.5	4.3	3.3	4.4	4.9	11.1	10.9
Q2	6.3	6.3	2.0	2.6	4.8	4.2	4.0	4.5	11.1	10.9✓
Q3	8.0	7.8	3.9	3.9	4.1	4.2	3.4	4.0	11.0	10.8
Q4	8.7	7.6	4.6	3.9	3.9	3.9	3.2	3.7	10.8	10.6✓
1984 Q1	....	7.8	....	4.2	....	3.8	....	3.7	....	10.4
Q2	....	7.8	....	4.1	....	3.8	....	3.8	....	10.1✓
Q3	....	8.4	....	4.4	....	3.9	....	3.9	....	9.8
Q4	....	9.0	....	4.6	....	3.9	....	3.7	....	9.5✓
Two-quarter changes: <2>										
1982 Q2 <1>	2.8	2.8	-1.6	-1.6	4.2	4.2	5.6	5.6	1.2	1.1
Q4 <1>	4.4	3.7	-.9	-.9	5.6	5.3	5.4	5.1	1.2	1.3
1983 Q2	6.4	7.2	1.9	3.0	4.5	3.8	4.2	4.7	.4	.2
Q4	8.4	7.7	4.3	3.9	4.0	4.1	3.3	3.8	-.3	-.3
1984 Q2	....	7.8	....	4.2	....	3.8	....	3.8	....	-.5
Q4	....	8.7	....	4.5	....	3.9	....	3.8	....	-.6
Four-quarter changes: <3>										
1981 Q4 <1>	9.6	9.6	.7	.7	8.9	8.9	9.3	9.3	.8	.9
1982 Q4 <1>	3.6	3.3	-1.2	-1.2	4.9	4.8	5.5	5.4	2.4	2.4
1983 Q4	7.4	7.5	3.1	3.5	4.3	3.9	3.8	4.3	.1	-.1
1984 Q4	....	8.3	....	4.4	....	3.8	....	3.8	....	-1.1

<1> Actual.

<2> Percent change from two quarters earlier.

<3> Percent change from four quarters earlier.

.... Not available.

February 2, 1983

CONFIDENTIAL - FR
CLASS II FOMCGROSS NATIONAL PRODUCT AND RELATED ITEMS
(Quarterly figures are seasonally adjusted. Expenditures and income
figures are billions of current dollars at annual rates.)

	1981				1982			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross national product	2864.9	2901.8	2980.9	3003.2	2995.5	3045.2	3088.2	3101.3
Final purchases	2852.7	2877.2	2949.1	2989.9	3031.1	3061.4	3083.5	3139.8
Private	2274.6	2294.0	2348.9	2363.6	2401.0	2430.5	2431.8	2464.1
Excluding net exports	2243.4	2270.3	2323.0	2340.1	2369.7	2395.6	2424.9	2471.0
Personal consumption expenditures	1799.9	1819.4	1868.8	1884.5	1919.4	1947.8	1986.3	2034.6
Goods	957.5	960.0	982.5	976.1	987.0	995.7	1008.7	1030.0
Services	842.4	859.4	886.3	908.3	932.4	952.1	977.6	1004.5
Gross private domestic investment	455.7	475.5	486.0	468.9	414.8	431.5	443.3	397.9
Residential structures	113.6	109.5	101.2	95.5	93.4	95.5	94.3	99.8
Business fixed investment	330.0	341.3	353.0	360.2	357.0	352.2	344.2	336.6
Change in business inventories	12.2	24.6	31.8	13.2	-35.6	-16.2	4.7	-38.5
Nonfarm	10.0	19.3	24.6	6.0	-36.0	-15.0	3.7	-39.0
Net exports of goods and services <1>	31.2	23.7	25.9	23.5	31.3	34.9	6.9	-6.9
Exports	365.4	368.9	367.2	367.9	359.9	365.8	349.5	323.7
Imports	334.2	345.1	341.3	344.4	328.6	330.9	342.5	330.6
Gov't. purchases of goods and services	578.1	583.2	600.2	626.3	630.1	630.9	651.7	675.7
Federal <2>	217.0	218.2	230.0	250.5	249.7	244.3	259.0	276.1
State and local	361.1	365.0	370.1	375.7	380.4	386.6	392.7	399.6
Gross national product in constant (1972) dollars	1507.8	1502.2	1510.4	1490.1	1470.7	1478.4	1481.1	1471.7
Personal income	2330.0	2380.6	2458.2	2494.6	2510.5	2552.7	2592.5	2623.2
Wage and salary disbursements	1452.8	1479.4	1512.3	1531.2	1541.6	1556.6	1570.0	1572.3
Disposable personal income	1958.7	1996.5	2060.0	2101.4	2117.1	2151.5	2198.1	2223.5
Saving rate (percent)	5.4	6.1	6.5	7.5	6.6	6.7	6.9	5.8
Corporate profits with I.V.A. and C.C. Adj.	200.3	185.1	193.1	183.9	157.1	155.4	166.2	165.7
Corporate profits before tax	253.1	225.4	233.3	216.5	171.6	171.7	180.3	178.0
Federal government surplus or deficit (-) (N.I.A. basis)	-39.7	-40.5	-58.0	-101.7	-118.4	-119.6	-156.0	-197.6
High employment surplus or deficit (-) <3>	10.4	21.9	6.0	-20.4	-16.9	-8.2	-36.9	-60.2
State and local government surplus or deficit(-) (N.I.A. basis)	31.3	32.9	33.5	29.1	27.7	32.1	32.3	35.5
Excluding social insurance funds	1.1	1.7	1.2	-4.2	-6.8	-3.6	-4.5	-2.7
Civilian labor force (millions)	108.2	108.8	108.6	109.1	109.3	110.1	110.6	111.0
Unemployment rate (percent)	7.4	7.4	7.4	8.3	8.8	9.4	10.0	10.7
Nonfarm payroll employment (millions)	90.9	91.2	91.4	91.0	90.4	90.0	89.4	88.7
Manufacturing	20.2	20.3	20.3	19.9	19.4	19.1	18.7	18.2
Industrial production (1967=100)	151.8	152.5	153.0	146.3	141.7	139.4	138.2	135.1
Capacity utilization: all manufacturing (percent)	79.9	79.8	79.2	74.8	71.6	70.3	69.7	67.6
Materials (percent)	82.2	81.2	81.2	75.2	72.0	69.6	68.1	66.0
Housing starts, private (million units, A.R.)	1.40	1.17	.96	.87	.92	.95	1.12	1.25
New auto sales (millions, A.R.)	9.96	7.89	9.04	7.36	8.12	7.53	7.78	8.57
Domestic models	7.31	5.63	6.90	5.13	5.90	5.33	5.56	6.08
Foreign models	2.66	2.25	2.14	2.23	2.22	1.99	2.22	2.49

<1> Balance of payments data and details underlying these estimates are shown in the International Developments section of this part of the Greenbook.

<2> Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.

<3> Estimates in table are evaluated at a 5.1 percent high employment unemployment rate. Evaluated at a 6.1 percent unemployment rate, the high employment budget would show a deficit of \$43.5 billion in 1981-Q4, and a deficit of \$85.2 billion in 1982-Q4.

CONFIDENTIAL - FR
CLASS II FOMC

PERCENT CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS
(Annual rates compounded quarterly)

	1981				1982			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>Constant (1972) Dollars</u>								
Gross national product	7.9	-1.5	2.2	-5.3	-5.1	2.1	.7	-2.5
Final purchases	5.4	-4.0	1.0	-2.3	.2	-7.9	-1.3	3.2
Private	5.5	-4.0	.4	-4.4	1.0	.2	-3.5	1.2
Excluding net exports	4.7	-2.8	2.2	-3.6	.9	.6	-7.9	3.5
Personal consumption expenditures	4.4	-2.7	2.9	-3.3	2.5	2.5	.6	5.0
Goods	6.9	-5.1	4.0	-6.2	2.0	2.5	-4	7.1
Services	1.5	.1	1.7	.0	3.0	2.4	1.7	2.7
Gross private domestic investment	25.0	14.9	6.9	-22.6	-36.5	15.0	7.9	-37.2
Residential structures	1.0	-17.4	-31.9	-25.3	-10.2	12.9	-5.3	23.7
Business fixed investment	8.0	1.1	9.3	.6	-5.0	-11.8	-7.6	-9.0
Gov't. purchases of goods and services	5.2	-4.1	3.6	7.0	-2.9	-5.3	8.4	11.3
Federal	12.2	-3.2	14.8	20.4	-5.5	-13.5	23.1	28.4
National defense	8.0	11.5	7.6	10.1	-7.9	21.4	13.0	3.2
State and local	1.3	-4.6	-2.7	-8	-1.1	.4	-2	1.0
Disposable personal income	3.7	.6	4.8	1.2	-1.9	3.1	1.3	-2
<u>Current Dollars</u>								
Gross national product	19.6	5.3	11.4	3.0	-1.0	6.8	5.8	1.7
Final purchases	14.6	3.5	10.4	5.7	5.6	4.1	2.9	7.5
Private	14.8	3.5	9.9	2.5	6.5	5.0	.2	5.4
Excluding net exports	13.4	4.9	9.6	3.0	5.2	4.4	5.0	7.8
Personal consumption expenditures	13.0	4.4	11.3	3.4	7.6	6.1	8.1	10.1
Goods	14.7	1.0	9.7	-2.6	4.5	3.6	5.3	8.7
Services	11.1	8.3	13.2	10.3	11.0	8.7	11.2	11.5
Gross private domestic investment	52.2	18.5	9.2	-13.3	-38.8	17.2	11.4	-35.1
Residential structures	11.5	-13.4	-27.0	-20.8	-8.4	9.4	-4.9	25.1
Business fixed investment	16.7	14.5	14.3	8.4	-3.5	-5.3	-8.7	-8.6
Gov't. purchases of goods and services	13.7	3.6	12.2	18.6	2.4	.6	13.8	15.6
Federal	20.9	2.2	23.5	40.7	-1.4	-8.3	26.3	29.2
National defense	15.4	22.1	10.8	36.7	-1.8	26.4	15.6	14.3
State and local	9.7	4.4	5.7	6.2	5.0	6.7	6.5	7.2
Disposable personal income	12.3	7.9	13.4	8.3	3.0	6.7	8.9	4.7
Personal income	13.0	9.0	13.7	6.1	2.6	6.9	6.4	4.8
Wage and salary disbursements	12.0	7.5	9.2	5.1	2.7	3.9	3.5	.6
Corporate profits with I.V.A. and C.C. Adj.	49.3	-27.1	18.4	-17.7	-46.7	-4.3	30.8	-1.2
Corporate profits before tax	12.2	-37.1	14.8	-25.8	-60.5	.2	21.6	-5.0
Nonfarm payroll employment	1.8	1.0	.8	-1.8	-2.4	-1.7	-2.9	-3.0
Manufacturing	1.3	2.8	.1	-8.1	-9.0	-7.2	-7.8	-9.7
Nonfarm business sector								
Output per hour	4.9	-1.3	-.3	-3.5	.6	.8	3.4	2.7
Compensation per hour	11.8	7.1	9.0	7.3	7.7	6.1	6.6	6.0
Unit labor costs	6.6	8.6	9.3	11.2	7.1	5.2	3.1	3.2
GNP implicit deflator <1>	10.9	6.8	9.0	8.8	4.3	4.6	5.0	4.3
Gross domestic business product								
fixed-weighted price index <2>	10.4	8.6	9.3	7.4	4.4	3.8	5.9	4.7
Excluding food and energy	8.4	9.4	11.0	8.6	5.3	5.9	5.2	5.0
Consumer price index (all urban)	11.0	7.8	11.8	7.7	3.2	4.6	7.7	2.6
Industrial production	8.4	1.9	1.4	-16.6	-11.8	-6.5	-3.4	-8.6

<1> Excluding Federal pay increases, rates of change were: 1981-Q1, 10.8 percent; 1981-Q4, 7.8 percent; 1982-Q1, 4.2 percent; 1982-Q4, 4.0 percent.

<2> Uses expenditures in 1972 as weights.

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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 current dollars at annual rates.)

	Projected							
	1983				1984			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gross national product	3162.7	3211.7	3272.7	3333.5	3396.9	3461.2	3531.9	3608.9
Final purchases	3182.7	3210.7	3263.7	3317.0	3372.9	3433.2	3501.9	3576.9
Private	2500.6	2527.8	2566.3	2603.9	2650.9	2701.7	2760.1	2818.8
Excluding net exports	2507.6	2550.8	2596.4	2641.0	2692.3	2742.4	2795.9	2850.6
Personal consumption expenditures	2064.5	2099.0	2136.5	2173.0	2213.0	2251.0	2290.5	2330.0
Goods	1038.5	1051.5	1069.5	1087.0	1104.5	1121.5	1139.0	1157.0
Services	1026.0	1047.5	1067.0	1086.0	1108.5	1129.5	1151.5	1173.0
Gross private domestic investment	423.1	452.8	468.9	484.5	503.3	519.4	535.4	552.6
Residential structures	110.8	118.3	123.8	129.3	134.8	139.8	145.3	150.3
Business fixed investment	332.3	333.5	336.1	338.7	344.5	351.6	360.1	370.3
Change in business inventories	-20.0	1.0	9.0	16.5	24.0	28.0	30.0	32.0
Nonfarm	-20.0	1.0	9.0	16.5	24.0	28.0	30.0	32.0
Net exports of goods and services <1>	-7.0	-23.0	-30.1	-37.1	-41.4	-40.7	-35.8	-31.8
Exports	321.6	322.0	330.6	341.0	353.5	370.1	387.9	405.2
Imports	328.6	345.0	360.7	378.1	394.9	410.8	423.7	437.0
Gov't. purchases of goods and services	682.1	682.9	697.4	713.1	722.0	731.5	741.8	758.1
Federal <2>	278.7	274.5	284.1	294.1	297.5	301.5	306.3	316.9
State and local	403.4	408.4	413.3	419.0	424.5	430.0	435.5	441.2
Gross national product in constant (1972) dollars	1484.4	1494.0	1508.3	1522.9	1538.7	1554.3	1571.3	1589.2
Personal income	2654.6	2692.3	2739.2	2780.7	2823.8	2871.7	2919.1	2977.6
Wage and salary disbursements	1596.0	1618.4	1644.2	1673.9	1703.6	1733.8	1764.0	1803.4
Disposable personal income	2260.9	2290.2	2336.9	2378.4	2423.5	2464.9	2506.3	2555.4
Saving rate (percent)	6.0	5.7	5.9	6.0	6.0	6.0	6.0	6.2
Corporate profits with I.V.A. and C.C. Adj.	177.8	181.4	194.2	201.2	205.4	213.2	229.8	242.1
Corporate profits before tax	181.9	176.3	185.3	183.0	182.2	185.2	197.0	204.0
Federal government surplus or deficit (-) (N.I.A. basis)	-190.0	-180.6	-196.4	-206.0	-204.4	-201.0	-198.5	-201.8
High employment surplus or deficit (-) <3>	-45.7	-31.4	-48.0	-60.4	-59.7	-58.6	-61.1	-67.7
State and local government surplus or deficit (-) (N.I.A. basis)	38.0	40.8	43.8	45.3	46.9	48.6	51.0	53.8
Excluding social insurance funds	-1.2	.4	2.1	2.3	2.4	2.9	4.0	5.3
Civilian labor force (millions)	111.3	111.7	112.0	112.5	112.9	113.3	113.7	114.2
Unemployment rate (percent)	10.9	10.9	10.8	10.6	10.4	10.1	9.8	9.5
Nonfarm payroll employment (millions)	88.7	89.1	89.5	90.0	90.7	91.4	92.1	92.8
Manufacturing	18.2	18.3	18.5	18.8	19.1	19.4	19.7	20.0
Industrial production (1967=100)	135.9	138.9	141.8	145.1	147.7	150.6	153.5	156.7
Capacity utilization: all manufacturing (percent)	67.6	68.6	69.7	71.0	71.8	72.8	73.7	74.8
Materials (percent)	66.6	67.9	69.6	71.8	73.2	74.8	76.0	77.4
Housing starts, private (million units, A.R.)	1.35	1.45	1.45	1.55	1.55	1.60	1.70	1.80
New auto sales (millions, A.R.)	8.50	8.30	8.90	9.20	9.20	9.30	9.50	9.70
Domestic models	6.20	6.20	6.60	6.80	6.90	7.00	7.10	7.20
Foreign models	2.30	2.10	2.30	2.40	2.30	2.30	2.40	2.50

<1> Balance of payments data and details underlying these estimates are shown in the International Developments section of this part of the Greenbook.

<2> Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.

<3> Estimates in table are evaluated at a 5.1 percent high employment unemployment rate. Evaluated at a 6.1 percent unemployment rate, the high employment budget would show a deficit of \$86.7 billion in 1983-Q4, and a deficit of \$96.2 billion in 1984-Q4.

February 2, 1983

CLASS II FOMC

PERCENT CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS
(Annual rates compounded quarterly)

	Projected							
	1983				1984			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>Constant (1972) Dollars</u>								
Gross national product	3.5	2.6	3.9	3.9	4.2	4.1	4.4	4.6
Final purchases	1.1	.0	2.9	3.0	3.3	3.7	4.2	4.4
Private	2.2	1.4	2.6	2.8	3.9	4.2	4.8	4.9
Excluding net exports	2.3	2.5	2.6	2.8	3.8	3.7	4.0	4.3
Personal consumption expenditures	2.3	2.1	2.4	2.6	3.3	3.1	3.1	3.2
Goods	2.8	1.8	2.9	3.0	3.3	3.3	3.1	3.2
Services	1.7	2.5	1.9	2.1	3.3	2.9	3.0	3.1
Gross private domestic investment	22.9	26.4	11.2	10.7	12.9	9.8	9.6	10.8
Residential structures	46.6	25.2	15.1	14.4	13.4	10.9	11.7	9.7
Business fixed investment	-7.5	-1.3	.3	.7	4.2	5.3	7.3	9.7
Gov't. purchases of goods and services	-3.2	-5.7	4.2	3.9	.9	1.5	1.9	2.6
Federal	-5.5	-13.4	10.4	7.8	.9	2.3	3.4	4.9
National defense	10.2	7.6	11.7	7.6	7.2	6.3	4.9	5.7
State and local	-1.6	.0	.1	1.2	.9	.9	.9	1.0
Disposable personal income	3.1	.6	3.4	2.9	3.5	3.1	2.8	4.1
<u>Current Dollars</u>								
Gross national product	8.2	6.3	7.8	7.6	7.8	7.8	8.4	9.0
Final purchases	5.6	3.6	6.8	6.7	6.9	7.3	8.3	8.8
Private	6.1	4.4	6.2	6.0	7.4	7.9	8.9	8.8
Excluding net exports	6.1	7.1	7.3	7.0	8.0	7.7	8.0	8.1
Personal consumption expenditures	6.0	6.9	7.3	7.0	7.6	7.0	7.2	7.1
Goods	3.3	5.1	7.0	6.7	6.6	6.3	6.4	6.5
Services	8.8	8.6	7.7	7.3	8.5	7.8	8.0	7.7
Gross private domestic investment	27.8	31.2	15.0	14.0	16.4	13.4	12.9	13.5
Residential structures	51.9	30.0	19.9	19.0	18.1	15.7	16.7	14.5
Business fixed investment	-3.0	1.5	3.2	3.1	7.0	8.5	10.0	11.8
Gov't. purchases of goods and services	3.8	.5	8.8	9.3	5.1	5.4	5.8	9.1
Federal	3.8	-5.9	14.7	14.8	4.7	5.5	6.5	14.6
National defense	15.9	12.4	17.0	15.5	11.3	9.3	8.7	15.6
State and local	3.9	5.1	4.9	5.6	5.4	5.3	5.2	5.3
Disposable personal income	6.9	5.3	8.4	7.3	7.8	7.0	6.9	8.1
Personal income	4.9	5.8	7.2	6.2	6.3	7.0	6.8	8.3
Wage and salary disbursements	6.2	5.7	6.5	7.4	7.3	7.3	7.2	9.2
Corporate profits with I.V.A. and C.C. Adj.	32.4	8.4	31.4	15.3	8.5	16.1	35.0	23.2
Corporate profits before tax	9.1	-11.7	22.1	-4.8	-1.8	6.8	28.0	15.0
Nonfarm payroll employment	.3	1.4	1.9	2.4	2.9	3.1	3.1	3.4
Manufacturing	-1.1	4.0	4.4	5.3	6.2	6.4	6.4	7.1
Nonfarm business sector								
Output per hour	3.3	2.0	2.4	1.8	2.0	1.1	1.1	1.3
Compensation per hour	5.7	4.5	4.4	4.5	6.2	4.1	4.1	4.3
Unit labor costs	2.3	2.5	2.0	2.7	4.1	3.0	3.0	3.0
GNP implicit deflator <1>	4.5	3.6	3.8	3.6	3.5	3.5	3.8	4.2
Gross domestic business product								
fixed-weighted price index <2>	3.3	4.2	4.2	3.9	3.8	3.8	3.9	3.9
Excluding food and energy	4.9	4.5	4.0	3.7	3.7	3.8	3.9	3.7
Consumer price index (all urban)	3.2	4.9	4.7	4.4	4.2	4.0	4.1	4.0
Industrial production	2.4	9.1	8.6	9.6	7.4	8.1	7.9	8.6

<1> Excluding Federal pay increases, the rates of change are: 1983-Q1, 4.5 percent; 1983-Q4, 3.2 percent; 1984-Q1, 3.4 percent; 1984-Q4, 3.6 percent.

<2> Uses expenditures in 1972 as weights.

February 2, 1983

CONFIDENTIAL - FR
CLASS II FOMCGROSS NATIONAL PRODUCT AND RELATED ITEMS
(Expenditures and income figures are billions of current dollars.)

	1977	1978	1979	1980	1981	1982	---Projected---	
							1983	1984
Gross national product	1918.3	2163.9	2417.8	2633.1	2937.7	3057.5	3245.2	3499.7
Final purchases	1895.3	2137.4	2403.5	2643.1	2917.3	3078.9	3243.5	3471.2
Private	1501.5	1705.5	1929.1	2104.7	2320.4	2431.8	2549.7	2732.9
Excluding net exports	1505.5	1706.6	1915.9	2079.5	2294.3	2415.3	2573.9	2770.3
Personal consumption expenditures	1204.4	1346.5	1507.2	1667.2	1843.2	1972.0	2118.2	2271.1
Goods	657.0	728.5	813.5	884.7	969.1	1005.4	1061.6	1130.5
Services	547.4	618.0	693.7	782.5	874.1	966.6	1056.6	1140.6
Gross private domestic investment	324.1	386.6	423.0	402.3	471.5	421.9	457.3	527.7
Residential construction	95.8	111.2	118.6	103.2	104.9	95.8	120.5	142.5
Business fixed investment	205.2	248.9	290.2	309.2	346.1	347.5	335.1	356.6
Change in business inventories	23.0	26.5	14.3	-10.0	20.5	-21.4	1.6	28.5
Nonfarm	21.9	25.4	8.6	-5.7	15.0	-21.6	1.6	28.5
Net exports of goods and services <1>	-4.0	-1.1	13.2	25.2	26.1	16.5	-24.3	-37.4
Exports	182.7	218.7	281.4	339.2	367.3	349.7	328.8	379.2
Imports	186.7	219.8	268.1	314.0	341.3	333.2	353.1	416.6
Gov't. purchases of goods and services	393.8	431.9	474.4	538.4	596.9	647.1	693.9	738.3
Federal <2>	143.4	153.6	168.3	197.2	228.9	257.3	282.8	305.5
State and local	250.4	278.3	306.0	341.2	368.0	389.8	411.0	432.8
Gross national product in constant (1972) dollars	1369.7	1438.6	1479.4	1474.0	1502.6	1475.5	1502.4	1563.4
Personal income	1540.4	1732.7	1951.2	2160.4	2415.8	2569.7	2716.7	2898.0
Wage and salary disbursements	983.2	1106.3	1237.6	1356.1	1493.9	1560.1	1633.1	1751.2
Disposable personal income	1314.0	1474.0	1650.2	1824.1	2029.1	2172.5	2316.6	2487.5
Saving rate (percent)	5.9	6.1	5.9	5.8	6.4	6.5	5.9	6.1
Corporate profits with I.V.A. and C.C.Adj.	167.3	192.4	194.8	181.6	190.6	161.1	188.6	222.6
Corporate profits before tax	194.7	229.1	252.7	242.4	232.1	175.4	181.6	192.1
Federal government surplus or deficit(-) (N.I.A. basis)	-45.9	-29.5	-16.1	-61.4	-60.0	-147.9	-193.2	-201.4
High employment surplus or deficit(-)	-20.5	-16.0	-2.0	-17.2	4.5	-30.6	-46.4	-61.8
State and local government surplus or deficit (-) (N.I.A. basis)	28.0	30.3	30.4	28.1	31.7	31.9	42.0	50.1
Excluding social insurance funds	10.1	10.0	6.6	.9	-.1	-4.4	.9	3.6
Civilian labor force (millions)	99.0	102.3	105.0	106.9	108.7	110.2	111.9	113.5
Unemployment rate (percent)	7.1	6.1	5.8	7.1	7.6	9.7	10.8	9.9
Nonfarm payroll employment (millions)	82.5	86.7	89.8	90.4	91.1	89.6	89.3	91.7
Manufacturing	19.7	20.5	21.0	20.3	20.2	18.8	18.5	19.5
Industrial production (1967=100)	138.1	146.1	152.5	147.0	150.9	138.6	140.4	152.1
Capacity utilization: all manufacturing (percent)	81.9	84.4	85.6	79.1	78.4	69.8	69.2	73.3
Materials (percent)	82.7	85.6	87.4	80.0	79.9	68.9	69.0	75.4
Housing starts, private (million units, A.R.)	1.96	2.00	1.72	1.30	1.10	1.06	1.45	1.66
New auto sales (millions, A.R.)	11.13	11.29	10.68	9.04	8.56	8.00	8.72	9.42
Domestic models	9.07	9.29	8.36	6.62	6.24	5.77	6.45	7.05
Foreign models	2.06	2.00	2.32	2.42	2.32	2.23	2.27	2.37

<1> Balance of payments data underlying these estimates are shown in the International Developments section of this part of the Greenbook.

<2> Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.

February 2, 1983

CONFIDENTIAL - FR
CLASS II FOMCPERCENT CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1977	1978	1979	1980	1981	1982	—Projected— 1983	1984
<u>Constant (1972) Dollars</u>								
Gross national product	5.5	5.0	2.8	-.4	1.9	-1.8	1.8	4.1
Final purchases	5.1	4.9	3.5	.5	1.0	-.6	1.2	3.2
Private	6.0	5.6	4.0	.0	1.0	-1.1	1.1	3.6
Excluding net exports	6.5	5.5	2.9	-1.1	1.8	-.2	2.1	3.4
Personal consumption expenditures	5.0	4.5	2.7	.3	1.8	1.0	2.6	2.9
Goods	5.1	4.2	1.9	-1.5	1.9	.3	3.0	3.1
Services	4.9	4.8	3.7	2.4	1.7	1.8	2.1	2.7
Gross private domestic investment	16.1	10.5	-.2	-11.8	8.3	-12.8	4.7	11.9
Residential structures	18.6	2.8	-5.3	-20.1	-4.9	-10.9	22.8	13.5
Business fixed investment	11.7	12.8	7.3	-2.2	3.6	-3.8	-5.5	3.6
Gov't. purchases of goods and services	1.5	2.0	1.3	2.3	.9	1.4	1.5	1.8
Federal	3.7	-.1	1.8	4.3	3.7	5.2	4.0	3.2
National defense	.8	.4	2.6	4.0	4.9	6.9	9.3	7.3
State and local	.2	3.3	1.1	1.1	-.8	-1.0	-.1	.8
Disposable personal income	4.0	4.9	2.7	.2	2.5	1.1	1.8	3.1
<u>Current Dollars</u>								
Gross national product	11.7	12.8	11.7	8.9	11.6	4.1	6.1	7.8
Final purchases	11.1	12.8	12.4	10.0	10.4	5.5	5.3	7.0
Private	11.7	13.6	13.1	9.1	10.2	4.8	4.8	7.2
Excluding net exports	13.2	13.4	12.3	8.5	10.3	5.3	6.6	7.6
Personal consumption expenditures	11.1	11.8	11.9	10.6	10.6	7.0	7.4	7.2
Goods	9.8	10.9	11.7	8.8	9.5	3.7	5.6	6.5
Services	12.7	12.9	12.2	12.8	11.7	10.6	9.3	7.9
Gross private domestic investment	25.7	19.3	9.4	-4.9	17.2	-10.5	8.4	15.4
Residential structures	33.1	16.1	6.6	-13.0	1.7	-8.8	25.9	18.2
Business fixed investment	17.9	21.3	16.6	6.5	12.0	.4	-3.6	6.4
Gov't. purchases of goods and services	8.8	9.7	9.8	13.5	10.9	8.4	7.2	6.4
Federal	11.0	7.1	9.6	17.1	16.1	12.4	9.9	8.0
National defense	8.0	8.0	11.5	17.5	17.0	16.1	15.6	12.3
State and local	7.5	11.2	9.9	11.5	7.9	5.9	5.4	5.3
Disposable personal income	10.0	12.2	12.0	10.5	11.2	7.1	6.6	7.4
Personal income	10.7	12.5	12.6	10.7	11.8	6.4	5.7	6.7
Wage and salary disbursements	10.5	12.5	11.9	9.6	10.2	4.4	4.7	7.2
Corporate profits with I.V.A. and C.C.Adj.	21.1	15.0	1.3	-6.8	5.0	-15.5	17.1	18.0
Corporate profits before tax	17.1	17.7	10.3	-4.0	-4.3	-24.4	3.5	5.8
Nonfarm payroll employment	3.9	5.1	3.6	.6	.8	-1.6	-.3	2.7
Manufacturing	3.6	4.2	2.6	-3.6	-.6	-6.6	-2.1	5.8
Nonfarm business sector								
Output per hour	2.2	.6	-1.3	-.9	1.4	.2	2.5	1.7
Compensation per hour	7.5	8.6	9.3	10.2	9.7	7.3	5.4	4.8
Unit labor costs	5.2	8.0	10.7	11.2	8.1	7.1	2.8	3.0
GNP implicit deflator	5.8	7.4	8.6	9.3	9.4	6.0	4.2	3.6
Gross domestic business product								
fixed-weighted price index <1>	6.1	8.0	9.9	10.1	9.6	6.0	4.3	3.9
Excluding food and energy	6.3	7.8	8.6	8.6	9.4	6.9	4.8	3.8
Consumer price index (all urban)	6.5	7.7	11.3	13.5	10.3	6.1	4.3	4.3
Industrial production	5.9	5.8	4.4	-3.6	2.6	-8.2	1.3	8.3

<1> Uses expenditures in 1972 as weights.

FEDERAL SECTOR ACCOUNTS

February 2, 1983

	Fiscal Year 1982*	FY1983a		FY1984a		CY 1982*	FY1983a/ F.R. Board	PRB Staff Estimates										
		Admin. 1/	F.R. Board	Admin. 1/	F.R. Board			Calendar quarters; unadjusted data										
								1982		1983			1984					
								III*	IV*	I	II	III	IV	I	II	III		
Unified budget receipts	617.8	597.5	600.4	659.7	642.7	608.8	608.3	149.3	137.0	137.2	173.8	152.4	144.9	149.3	182.9	165.6		
Unified budget outlays	728.4	805.2	801.8	848.5	847.0	739.5	808.6	185.5	205.3	198.5	195.8	202.2	212.1	211.3	221.0	202.6		
Surplus/deficit(-), unified budget	-110.6	-207.7	-201.4	-188.8	-204.3	-130.7	-200.3	-36.2	-68.3	-61.3	-22.0	-49.8	-67.2	-62.0	-38.1	-37.0		
Surplus/deficit(-), off-budget agencies ²	-17.3	-17.0	-17.0	-14.0	-12.2	-14.9	-18.1	-6.0	-1.1	-4.4	-5.8	-5.7	-2.2	-2.8	-3.1	-4.1		
Combined deficit to be financed	-127.9	-224.8	-218.4	-202.8	-216.5	-145.6	-218.4	-42.3	-69.4	-65.7	-27.8	-55.5	-69.4	-64.8	-41.2	-41.1		
Means of financing combined deficit:																		
Net borrowing from public	134.9	215.0	212.6	203.0	214.1	161.3	206.9	57.5	62.0	53.6	40.3	56.7	56.3	65.4	50.3	42.1		
Decrease in cash operating balance	-10.7	9.4	10.3	0.0	-1.4	-7.8	7.3	-18.4	9.6	9.6	-12.5	3.6	6.6	2.5	-5.3	-5.2		
Other ³	3.8	0.4	-4.5	-0.2	3.8	-7.9	4.2	3.2	-2.2	2.5	0.0	-4.8	6.5	-3.1	-3.8	4.2		
Cash operating balance, end of period	29.4	20.0	19.1	20.0	20.5	19.8	12.5	29.4	19.8	10.2	22.7	19.1	12.5	10.0	15.3	20.5		
Memo: Sponsored agency borrowing ⁴	20.3	18.2	7.7	21.2	20.3	16.9	11.6	5.8	-0.4	-0.7	3.5	4.5	4.3	4.0	6.0	6.0		
NIA Budget																		
								Seasonally adjusted annual rates										
Receipts	618.2	627.9	634.1	685.6	671.3	614.7	641.4	613.7	618.3	630.2	642.3	645.4	647.6	665.9	678.6	692.9		
Expenditures	739.7	829.0	825.2	877.3	873.7	762.6	834.6	769.7	815.9	820.2	822.9	841.8	853.6	870.3	879.6	891.4		
Purchases	250.1	279.0	278.3	302.5	299.8	257.3	282.8	259.0	276.1	278.7	274.5	284.1	294.1	297.5	301.5	306.3		
Defense	173.0	199.4	199.1	229.0	225.7	178.5	206.3	182.7	188.9	196.0	201.8	209.9	217.6	223.5	228.5	233.3		
Nondefense	77.1	79.6	79.2	73.5	74.1	78.8	76.5	76.3	87.2	82.7	72.7	74.2	76.5	74.0	73.0	73.0		
All other expenditures	489.6	550.0	546.8	574.8	573.9	505.3	551.8	510.7	539.8	541.5	548.4	557.7	559.5	572.8	578.1	585.1		
Surplus/deficit(-)	-121.5	-201.1	-191.1	-191.7	-202.5	-147.9	-193.2	-156.0	-197.6	-190.0	-180.6	-196.4	-206.0	-204.4	-201.0	-198.5		
High Employment (H.E.) surplus/deficit(-)																		
evaluated at H.E. unemployment rate of:																		
5.1 percent	-20.6	n.a.	-46.4	n.a.	-60.0	-30.6	-46.4	-36.9	-60.2	-45.7	-31.4	-48.0	-60.4	-59.7	-58.6	-61.1		
6.1 percent	-45.0	n.a.	-71.8	n.a.	-87.0	-55.4	-72.2	-61.7	-85.2	-71.0	-57.2	-74.1	-86.7	-86.5	-85.9	-88.9		
	*—actual			a—estimated			n.a.—not available											

1. The Budget of the United States Government, Fiscal Year 1984, January 1983.
 2. Includes Federal Financing Bank, Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank and (beginning in FY1982) the Strategic Petroleum Reserve.

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

4. PRB staff estimates and actuals include Federal Home Loan Banks, FHLMC (excluding participation certificates), FHMA (excluding mortgage backed securities), Federal Land Banks, Federal Intermediate Credit Banks for Cooperatives, and Student Loan Marketing Association marketable debt on a payment basis. PRB and Administration estimates are not strictly comparable.

NOTE: Quarterly figures may not add to yearly totals due to rounding.

FEBRUARY 1, 1983

OUTLOOK FOR U.S. NET EXPORTS AND RELATED ITEMS
(BILLIONS OF DOLLARS, SEASONALLY ADJUSTED ANNUAL RATES)

	1982 ANN.	1983-P ANN.	1984-P ANN.	1982 Q3	1982 Q4	1983-P Q1	1983-P Q2	1983-P Q3	1983-P Q4	1984-P Q1	1984-P Q2	1984-P Q3	1984-P Q4
1. GNP NET EXPORTS													
CURRENT \$, NET	16.6	-24.3	-37.4	7.0	-6.9	-7.0	-23.0	-30.1	-37.0	-41.4	-40.8	-35.8	-31.8
EXPORTS OF G+S	349.7	328.8	379.2	349.5	323.7	321.6	322.0	330.6	341.0	353.5	370.1	387.9	405.2
IMPORTS OF G+S	333.1	353.1	416.6	342.5	330.6	328.5	345.0	360.7	378.1	394.9	410.8	423.7	437.0
CONSTANT 72 \$, NET	30.3	18.9	21.6	27.5	21.1	21.4	18.2	18.1	18.2	18.6	20.2	22.8	24.8
EXPORTS OF G+S	147.5	135.3	147.4	147.5	136.4	134.6	133.7	135.4	137.7	140.7	145.2	149.9	154.1
IMPORTS OF G+S	117.2	116.5	125.9	120.0	115.3	113.6	115.5	117.3	119.4	122.1	125.0	127.0	129.3
TERMS OF TRADE (1972=100) 1/	83.4	80.3	77.7	83.0	82.8	82.6	80.7	79.5	78.3	77.7	77.6	77.7	77.9
2. U.S. MERCHANDISE TRADE BALANCE 2/	-36.1	-65.9	-81.6	-50.0	-47.6	-48.2	-62.5	-72.5	-80.4	-83.6	-83.1	-81.0	-78.5
EXPORTS (EXCL. MILITARY)	211.2	192.9	225.7	209.3	192.9	189.8	189.3	192.9	199.4	207.8	218.6	231.4	245.1
AGRICULTURAL	37.4	36.3	39.7	33.6	32.1	34.6	36.1	36.9	37.7	38.6	39.3	40.1	40.9
NONAGRICULTURAL	173.8	156.5	186.0	175.7	160.9	155.2	153.2	156.0	161.7	169.1	179.3	191.3	204.3
IMPORTS	247.3	258.7	307.3	259.3	240.5	238.0	254.8	265.4	279.8	291.3	301.8	312.4	323.7
PETROLEUM AND PRODUCTS	61.2	60.6	69.8	65.8	62.8	55.4	59.0	62.3	65.9	67.4	68.5	70.3	73.0
NONPETROLEUM	186.1	198.1	237.5	193.5	177.7	182.6	192.8	203.1	213.9	223.9	233.3	242.1	250.7
3. U.S. CURRENT ACCOUNT BALANCE	-6.7	-37.3	-53.6	-17.1	-22.3 ^P	-20.8	-35.1	-42.5	-50.8	-56.4	-56.8	-52.4	-49.0
OF WHICH: NET INVESTMENT INCOME	28.2	27.0	29.2	29.7	24.9 ^P	25.7	24.8	28.4	29.2	27.8	27.4	29.9	31.5
4. FOREIGN OUTLOOK - TEN INDUSTRIAL COUNTRIES 3/													
REAL GNP, % CHANGE, ANNUAL RATES	-0.2	0.9	2.6	-2.8	0.9	1.4	1.8	1.7	3.0	2.9	2.3	2.7	3.0
CONSUMER PRICES, % CHANGE, ANNUAL RATES	8.1	6.6	6.3	6.0	6.3	7.6	6.2	5.8	5.8	6.9	6.3	6.1	6.0

1/ GNP EXPORT IMPLICIT DEFLATOR DIVIDED BY GNP IMPORT IMPLICIT DEFLATOR

2/ INTERNATIONAL ACCOUNTS BASIS

3/ GEOMETRIC WEIGHTS USED TO AGGREGATE FOREIGN REAL GNP AND CONSUMER PRICES

-- PERCENT SHARE IN TEN-COUNTRY TOTAL MULTILATERAL TRADE.

GERMANY (20.8%), JAPAN (13.6%), FRANCE (13.1%), UNITED KINGDOM (11.8%) CANADA

(9.1%), ITALY (9.0%), THE NETHERLANDS (8.3%), BELGIUM (6.4%)

SWEDEN (4.2%), SWITZERLAND (3.6%)

P/ PROJECTED

February 2, 1983

RECENT DEVELOPMENTS

Prepared for the Federal Open Market Committee

By the staff of the Board of Governors of the Federal Reserve System

SURVEYS OF PLANT AND EQUIPMENT EXPENDITURES
(Percent change from prior year)

	¹ 1982 Survey (Actual)	Planned for 1983		
		Commerce Department Jan. 1983	McGraw-Hill ² Fall 1982	Merrill-Lynch ² Fall 1982
All Business	-5	-1.3	-2.1	-1.7
Manufacturing	-3.3	-2.6	-2.5	-.1
Durables	-6.3	-1.0	-.7	-1.3
Nondurables	-.4	-3.9	-4.1	1.1
Nonmanufacturing	1.3	-.60	-1.8	-2.8
Mining	-4.8	2.5	-13.5	10.1
Transportation	-2.0	1.0	-10.4	-5.5
Utilities	8.4	-3.9	-3.8	-5.1
Trade and Services	.1	.5	4.6 ³	-10.2 ⁴
Communications and other	.9	-1.1	-7.0	15.3 ⁵

1. Growth in actual expenditures reported in the January Commerce Survey.
2. Not strictly comparable to Commerce Survey.
3. Includes only commercial category.
4. Includes commercial and other.
5. Includes communication only.

ERROR HISTORY OF ANNUAL SURVEYS¹

Year	Commerce Department	McGraw-Hill ²	Merrill-Lynch ²
1970*	3.8	2.8	1.5
1971	-.5	.5	1.1
1972	.2	-2.6	.1
1973	.1	-2.2	-2.8
1974*	-.7	.9	-1.0
1975*	4.3	11.5	9.7
1976	-1.3	2.0	-3.9
1977	-1.4	.3	.8
1978	-3.2	-2.2	-3.1
1979	-3.9	-5.2	-6.1
1980*	1.3	.2	-1.9
1981*	1.7	3.2	-1.7
1982*	6.9	8.9	6.8
Mean Absolute Error	2.3	3.3	3.1

1. Anticipated less actual percent change.
 2. Fall Survey taken in October and November of 1982.
- * Recession year

GROSS OFFERINGS OF SECURITIES BY U.S. CORPORATIONS
(Monthly totals or monthly averages, millions of dollars)

	1982					1983
	H1	Q3	Q4 ^p	Nov. ^p	Dec. ^p	Jan. ^f
-----Seasonally adjusted-----						
Corporate securities--total	6,247	9,436	10,879	11,515	11,012	9,900
Securities sold in U.S.	4,867	8,410	10,120	10,350	10,875	7,900
Publicly offered bonds ¹	2,184	5,008	6,610	6,550	6,875	4,700
Privately placed bonds	593	917	600	700	700	700
Stocks ²	2,090	2,485	2,910	3,100	3,300	2,500
Securities sold abroad ³	1,380	1,026	759	1,165	137	2,000
----Domestic offerings, not seasonally adjusted----						
Publicly offered bonds--total ¹	2,348	4,574	5,140	5,000	4,000	3,800
By industry						
Utility	816	970	1,360	1,230	1,030	--
Industrial	520	1,971	1,940	2,410	1,205	--
Financial	1,012	1,633	1,840	1,360	1,765	--
By quality ⁴						
Aaa and Aa	825	1,835	1,900	1,510	1,580	--
A and Baa	937	1,836	2,265	2,340	1,625	--
Less than Baa	173	235	550	620	465	--
No rating (or unknown)	413	668	425	530	330	--
Memo items:						
Convertible bonds	113	199	649	560	775	--
Original discount bonds						
Par value	1,020	650	1,094	235	2,800	--
Gross proceeds	345	229	184	209	124	--
Stocks--total ²	2,040	2,251	3,045	2,800	3,800	2,300
By industry						
Utility	610	728	1,080	700	1,800	--
Industrial	967	969	1,465	1,600	1,700	--
Financial	463	554	500	500	300	--

p--preliminary. f--forecast.

1. Total reflects gross proceeds rather than par value of original discount bonds.

2. Includes equity issues associated with debt/equity swaps.

3. Notes and bonds, not seasonally adjusted.

4. Bonds categorized according to Moody's bond ratings.

TREASURY AND AGENCY FINANCING¹
(Total for period; billions of dollars)

	1982		1983	
	Dec.	Q4	Jan. p	Q1 f
<u>Treasury financing</u>				
Combined surplus/deficit(-)	-18.1	-69.4	-12.1	-65.7
Means of financing deficit:				
(1) Net cash borrowing from the public	29.9	62.0	7.9	53.6
Marketable borrowings/repayments(-)	29.1	58.6	7.2	52.2
Bills	18.3	33.9	-3.5	18.5
Coupons	10.8	24.7	10.7	33.7
Nonmarketable	.8	3.4	.7	1.4
(2) Decrease in the cash balance	-14.6	9.6	2.3	9.6
Memo: Cash balance at end of period	19.8	19.8	17.5	10.2
(3) Other ²	2.8	-2.2	1.9	2.5
<u>Federally sponsored credit agencies net cash borrowing³</u>				
FHLB	-1.1	-1.6	-1.4	-2.5
FNMA	3.2	2.8	1.0	2.5
Farm Credit Banks	-.8	-1.4	-.5	.5
Other	*	.1	*	.2

p--preliminary.

f--forecast.

*--less than 100 million.

1. Numbers reported on a not seasonally adjusted, payment basis.

2. Includes checks issued less checks paid, accrued items and other transactions.

3. Includes debt of Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, the Federal Farm Credit Bank System, and the Student Loan Marketing Association. Excludes mortgage pass-through securities issued by FNMA and FHLMC.

CONFIDENTIAL (FR)
CLASS II - FOMC

February 4, 1983

SUPPLEMENT
CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the
Federal Open Market Committee

By the Staff
Board of Governors
of the Federal Reserve System

Table 1

Administration Unified Budget Proposal
(fiscal years)

	1983	1984	1985	1986	1987	1988
<hr/> -----Billions of dollars-----						
Revenues	597.5	659.7	724.3	841.9	916.3	1010.3
Outlays	805.2	848.5	918.5	989.6	1058.4	1126.9
On-budget Deficit	270.7	188.8	194.2	147.7	142.1	116.6
Off-budget Outlays	17.0	14.0	10.5	9.5	9.6	9.2
Combined Deficit	224.8	202.8	204.7	157.1	151.7	125.8
<hr/> -----Percent of GNP-----						
Revenues	18.7	18.9	19.0	20.3	20.3	20.7
Outlays	25.2	24.3	24.1	23.9	23.5	23.0
On-budget Deficit	6.5	5.4	5.1	3.6	3.2	2.4
Off-budget Outlays	0.5	0.4	0.3	0.2	0.2	0.2
Combined Deficit	7.0	5.8	5.4	3.8	3.4	2.6

Note: Details may not add to totals due to rounding.

Source: Budget of the United States Government, Fiscal Year 1984.

Table 2

Current Services Budget
(fiscal years)

	1983	1984	1985	1986	1987	1988
<hr/> -----Billions of dollars-----						
Revenues	597.5	648.8	713.3	780.9	849.1	926.7
Outlays	806.1	880.3	966.4	1051.7	1140.8	1227.0
On-budget Deficit	208.6	231.5	253.1	270.8	291.7	300.3
Off-budget Outlays	16.9	17.1	14.2	13.6	16.4	15.1
Combined Deficit	225.5	248.6	267.3	284.4	308.1	315.4
<hr/> -----Percent of GNP-----						
Revenues	18.7	18.6	18.7	18.8	18.8	18.9
Outlays	25.2	25.2	25.4	25.4	25.3	25.1
On-budget Deficit	6.5	6.6	6.7	6.5	6.5	6.1
Off-budget Outlays	0.5	0.5	0.3	0.3	0.4	0.3
Combined Deficit	7.1	7.1	7.0	6.9	6.9	6.4

Note: Details may not add to totals due to rounding.

Source: Budget of the United States Government, Fiscal Year 1984.

Table 3

Projections of Economic Activity¹
(calendar year)

	1983	1984	1985	1986	1987	1988
Gross National Product						
current dollars:						
Amount (\$ billions)	3262	3566	3890	4232	4599	4995
Percent change (year over year)	6.7	9.3	9.1	8.8	8.7	8.6
constant dollars:						
Amount (\$ billions)	1496	1555	1617	1682	1749	1819
(year over year)	1.4	3.9	4.0	4.0	4.0	4.0
Prices (percent change)						
GNP deflator (year over year)	5.2	5.2	4.9	4.6	4.5	4.4
CPI (year over year)	4.9	4.6	4.6	4.6	4.5	4.4
Unemployment rate (percent)						
Yearly average	10.7	9.9	8.9	8.1	7.3	6.5
Interest rate, 91-day Treasury (calendar average)	8.0	7.9	7.4	6.8	6.5	6.1

1. The Administration numbers for 1983 and 1984 represent forecasts for that period while those for 1985 to 1988 are not forecasts but projections consistent with economic policy objectives that assume steady progress in reducing unemployment, inflation, and interest rates.

Source: Budget of the United States Government, Fiscal Year 1984.

Table 4

Estimates of Combined Deficit and High Employment Deficit, Current
Services Basis
(billions of dollars, fiscal years)

	1983	1984	1985	1986	1987	1988
Administration Estimates:						
Combined (Unified plus off-budget) Deficit	225	249	267	284	308	315
High Employment Deficit ^{1,3} (Combined)	154	181	210	243	284	306
CBO Estimates:						
Unified Deficit	194	197	214	231	250	267
Combined Deficit	210	212	231	250	267	284
Standard-Employment Deficit ^{2,3} (unified)	69	91	128	159	187	215

1. Assumes 6-1/2 percent benchmark unemployment rate.

2. Assumes 6 percent benchmark unemployment rate.

3. High employment budget estimates shown in the Federal Sector Accounts table in Part 1 of the Greenbook are on a NIPA basis and reflect staff assumptions of policy changes from a current services baseline.

Sources: Budget of the United States Government, Fiscal Year 1984 and
Congressional Budget Office, The Outlook for Economic Recovery.

Table 5

INITIATIVES PROPOSED IN THE ADMINISTRATION'S FY1984 BUDGET
(Fiscal years, billions of dollars)

	1983	1984	1985	1986	1987	1988
Current Services Baseline Deficits	-208.5	-231.5	-253.1	-270.8	-291.7	-300.4
Outlay Reductions:						
1a. Freeze on 1984 COLAs in federal civilian pay and indexed transfers ¹		8.9	11.8	12.6	13.6	14.4
1b. Freeze in 1984 on the total of discretionary domestic programs		6.2	10.0	12.8	16.5	20.8
2. Health care and "means-tested" entitlements changes		3.3	5.8	7.4	9.4	11.6
3. Defense		8.4	8.1	9.2	10.4	11.0
4. Interest		2.0	6.1	12.5	22.1	32.9
5. Other (net)		3.0	6.1	7.6	10.3	9.4
Total Outlay Reductions	0.8	<u>31.8</u>	<u>47.9</u>	<u>62.1</u>	<u>82.3</u>	<u>100.1</u>
Receipts Increases:						
6. Social security ¹		8.2	5.8	8.9	10.7	22.3
7. Taxation of health insurance premiums		2.3	4.4	6.0	8.0	10.7
8. Contributions to federal retirement		1.2	2.3	2.1	1.9	1.7
9. Other		-0.8	-1.5	-2.0	-2.3	-2.5
Subtotal	0.0	<u>10.9</u>	<u>11.0</u>	<u>15.0</u>	<u>18.3</u>	<u>32.2</u>
10. Contingency plan		--	--	46.0	49.0	51.4
Total Receipts Increase	0.0	<u>10.9</u>	<u>11.0</u>	<u>61.0</u>	<u>67.3</u>	<u>83.6</u>
Total Deficit Reducing Measures	0.8	42.7	58.9	123.1	149.6	183.7
Deficits in Proposed Budget	-207.7	-188.8	-194.2	-147.7	-142.1	-116.7

Footnotes follow on next page.

Source: Budget of the United States Government, Fiscal Year 1984.