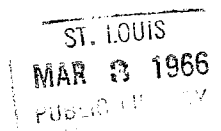


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Economic Indicators

February 1966

*Prepared for the Joint Economic Committee by the
Council of Economic Advisers*

UNITED STATES
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WASHINGTON : 1966

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[PUBLIC LAW 120—81ST CONGRESS; CHAPTER 237—1ST SESSION]

JOINT RESOLUTION [S.J. Res. 55]

To print the monthly publication entitled "Economic Indicators"

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Joint Economic Committee be authorized to issue a monthly publication entitled "Economic Indicators," and that a sufficient quantity be printed to furnish one copy to each Member of Congress; the Secretary and the Sergeant at Arms of the Senate; the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives; two copies to the libraries of the Senate and House, and the Congressional Library; seven hundred copies to the Joint Economic Committee; and the required number of copies to the Superintendent of Documents for distribution to depository libraries; and that the Superintendent of Documents be authorized to have copies printed for sale to the public.

Approved June 23, 1949.

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TOTAL OUTPUT, INCOME, AND SPENDING

THE NATION'S INCOME, EXPENDITURE, AND SAVING

Gross national product rose sharply by \$16 billion in the fourth quarter to a seasonally adjusted annual rate of \$697 billion, bringing the annual total to over \$676 billion. Large fourth quarter gains occurred in all major sectors led by consumer spending, up \$8½ billion. Gross private domestic investment rose by \$4 billion and government purchases by \$3½ billion.

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Period	Persons					Government						
	Disposable personal income			Personal consumption expenditures	Personal saving (+) or dis-saving (-)	Net receipts			Expenditures			Surplus (+) or deficit (-) on income and product account
	Total excluding interest and transfers	Total ¹	Interest paid and transfer payments to foreigners			Net receipts	Tax and nontax receipts or accruals	Transfers, interest, and subsidies ²	Purchases of goods and services	Total expenditures	Transfers, interest, and subsidies ²	
1956.....	287.3	293.2	5.9	266.7	20.6	83.5	109.0	25.5	78.6	104.1	25.5	4.9
1957.....	302.2	308.5	6.3	281.4	20.8	86.8	115.6	28.7	86.1	114.9	28.7	.7
1958.....	312.4	318.8	6.5	290.1	22.3	81.6	114.7	33.0	94.2	127.2	33.0	-12.5
1959.....	330.3	337.3	7.0	311.2	19.1	95.0	128.9	34.0	97.0	131.0	34.0	-2.1
1960.....	342.3	350.0	7.8	325.2	17.0	103.3	139.8	36.5	99.6	136.1	36.5	3.7
1961.....	356.3	364.4	8.1	335.2	21.2	103.3	144.6	41.3	107.6	149.0	41.3	-4.3
1962.....	376.7	385.3	8.6	355.1	21.6	114.2	157.0	42.8	117.1	159.9	42.8	-2.9
1963.....	394.3	403.8	9.6	373.8	20.4	123.8	168.3	44.5	122.6	167.1	44.5	1.2
1964.....	425.2	435.8	10.5	398.9	26.3	125.9	172.7	46.8	128.4	175.1	46.8	-2.4
1965*.....	453.6	465.3	11.7	428.7	24.9	137.3	187.0	49.7	134.8	184.5	49.7	2.5
1964: I.....	412.5	422.6	10.1	389.1	23.3	124.6	171.4	46.7	126.3	173.0	46.7	-1.6
II.....	423.3	433.6	10.4	396.0	27.3	123.2	169.6	46.4	129.7	176.1	46.4	-6.4
III.....	429.6	440.3	10.7	404.6	25.0	126.7	173.5	46.8	128.7	175.5	46.8	-2.1
IV.....	435.4	446.4	11.0	405.9	29.5	129.4	176.5	47.1	128.6	175.7	47.1	.8
1965: I.....	440.2	451.4	11.2	416.9	23.3	136.0	184.8	48.8	131.3	180.1	48.8	4.7
II.....	446.9	458.5	11.6	424.5	22.4	138.4	186.6	48.2	133.5	181.7	48.2	4.9
III.....	459.3	471.2	11.9	432.5	26.8	134.7	186.4	51.7	135.4	187.1	51.7	-.7
IV*.....	468.1	480.3	12.2	441.0	27.1	-----	-----	50.1	139.0	189.1	50.1	-----

Period	Business			International					Total income or receipts	Statistical discrepancy	Gross national product or expenditure
	Gross retained earnings ³	Gross private domestic investment ⁴	Excess of investment (—)	Transfers to foreigners by persons and Government	Net exports of goods and services			Excess of transfers (+) or of net exports (—) ⁵			
					Net exports	Ex-ports	Im-ports				
1956	47.3	70.0	—22.8	2.4	4.0	23.6	19.6	—1.6	420.4	—1.1	419.2
1957	49.8	67.8	—18.1	2.3	5.7	26.5	20.8	—3.4	441.1	(⁶)	441.1
1958	49.4	60.9	—11.5	2.3	2.2	23.1	20.9	.1	445.8	1.6	447.3
1959	56.8	75.3	—18.5	2.4	.1	23.5	23.3	2.3	484.5	— .8	483.6
1960	56.8	74.8	—18.0	2.3	4.1	27.2	23.2	—1.7	504.8	—1.0	503.8
1961	58.7	71.7	—13.0	2.6	5.6	28.6	22.9	—3.1	520.8	— .7	520.1
1962	66.3	83.0	—16.8	2.7	5.1	30.3	25.1	—2.5	559.8	.5	560.3
1963	69.1	86.9	—17.8	2.8	5.9	32.4	26.4	—3.2	589.9	— .7	589.2
1964	75.4	92.9	—17.5	2.7	8.6	37.0	28.5	—5.8	629.2	— .5	628.7
1965*	82.8	105.7	—22.9	2.8	7.1	39.0	31.9	—4.3	676.5	— .2	676.3
1964: I	74.2	89.7	—15.5	2.7	8.8	36.3	27.5	—6.1	614.0	(⁶)	614.0
II	75.2	90.9	—15.7	2.9	7.7	36.0	28.2	—4.8	624.5	— .3	624.2
III	76.5	92.6	—16.1	2.7	8.8	37.3	28.5	—6.1	635.4	— .7	634.8
IV	75.8	97.7	—21.9	2.7	8.9	38.4	29.5	—6.2	643.3	—2.2	641.1
1965: I	82.0	103.4	—21.4	2.6	6.0	34.7	28.6	—3.4	660.7	—3.1	657.6
II	82.0	102.8	—20.8	3.1	8.0	40.4	32.4	—5.0	670.2	—1.4	668.8
III	83.2	106.2	—23.0	2.8	7.4	40.1	32.7	—4.7	680.1	1.4	681.5
IV*		110.3		2.7	6.9	40.8	33.9	—4.1			697.2

¹ Personal income (p. 5) less personal taxes and nontax payments (fines, penalties, etc.).

² Government transfer payments to persons, foreign net transfers by Government, net interest paid by Government, and subsidies less current surplus of Government enterprises.

³ Undistributed corporate profits, corporate inventory valuation adjustment, capital consumption allowances, and excess of wage accruals over disbursements. Does not include retained earnings of unincorporated business which are included in disposable personal income.

⁴ Private business investment, purchases of capital goods by private nonprofit institutions, and residential housing.

⁵ Net foreign investment with sign changed.

⁶ Less than \$50 million.

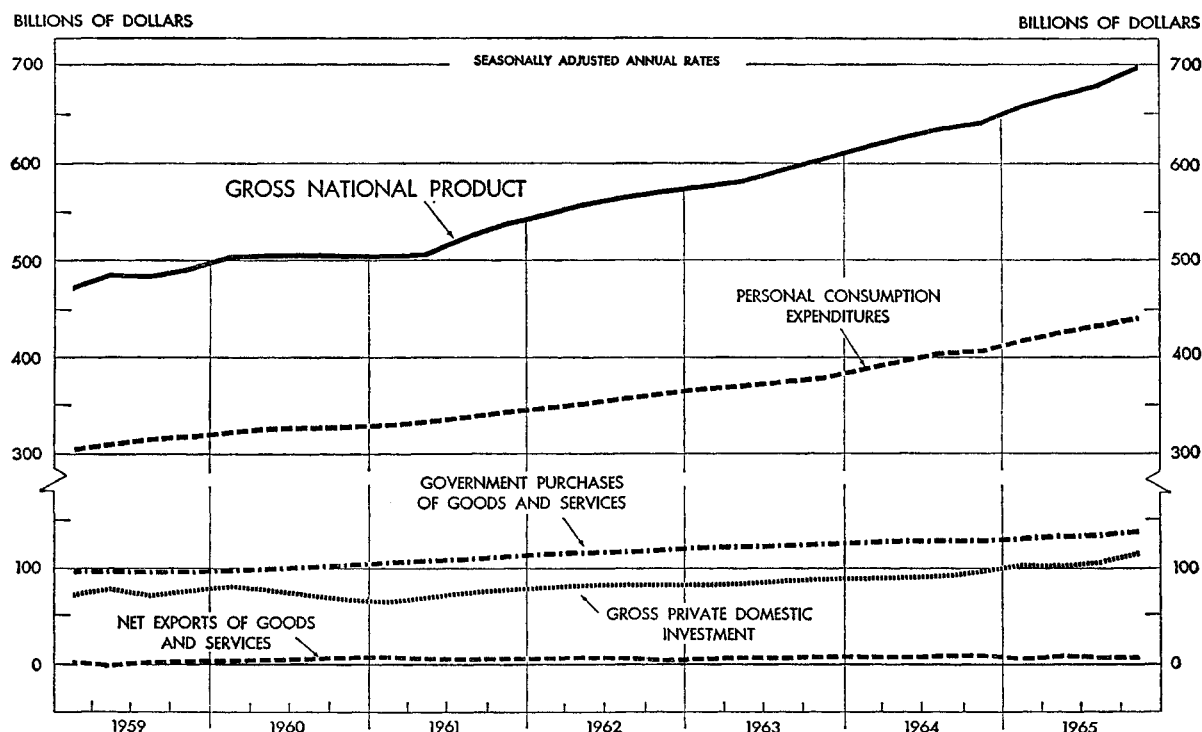
⁷ Preliminary estimates.

NOTE.—Data for Alaska and Hawaii included beginning 1960.

Source: Department of Commerce.

GROSS NATIONAL PRODUCT OR EXPENDITURE

Gross national product on a seasonally adjusted basis increased 2.3 percent in the fourth quarter, according to revised estimates; after adjustment for price changes, the increase was 1.9 percent.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Total gross national product in 1958 prices	Total gross national product	Personal consumption expenditures	Gross private domestic investment	Net exports of goods and services	Government purchases of goods and services					Implicit price deflator for total GNP, 1958=100 ²
						Total	Federal			State and local	
							Total	National defense ¹	Other		
Billions of dollars; quarterly data at seasonally adjusted annual rates											
1954.....	407.0	364.8	236.5	51.7	1.8	74.8	47.4	41.2	6.2	27.4	89.6
1955.....	438.0	398.0	254.4	67.4	2.0	74.2	44.1	38.6	5.5	30.1	90.9
1956.....	446.1	419.2	266.7	70.0	4.0	78.6	45.6	40.3	5.3	33.0	94.0
1957.....	452.5	441.1	281.4	67.8	5.7	86.1	49.5	44.2	5.3	36.6	97.5
1958.....	447.3	447.3	290.1	60.9	2.2	94.2	53.6	45.9	7.7	40.6	100.0
1959.....	475.9	483.6	311.2	75.3	.1	97.0	53.7	46.0	7.6	43.3	101.6
1960.....	487.8	503.8	325.2	74.8	4.1	99.6	53.5	44.9	8.6	46.1	103.3
1961.....	497.3	520.1	335.2	71.7	5.6	107.6	57.4	47.8	9.6	50.2	104.6
1962.....	530.0	560.3	355.1	83.0	5.1	117.1	63.4	51.6	11.8	53.7	105.7
1963.....	550.0	589.2	373.8	86.9	5.9	122.6	64.4	50.8	13.6	58.3	107.1
1964.....	577.6	628.7	398.9	92.9	8.6	128.4	65.3	49.9	15.4	63.1	108.9
1965.....	609.6	676.3	428.7	105.7	7.1	134.8	66.6	49.9	16.7	68.2	110.9
1964: I.....	567.1	614.0	389.1	89.7	8.8	126.3	65.0	49.8	15.2	61.3	108.3
II.....	575.9	624.2	396.0	90.9	7.7	129.7	67.0	51.7	15.3	62.7	108.4
III.....	582.6	634.8	404.6	92.6	8.8	128.7	64.9	49.5	15.4	63.8	109.0
IV.....	584.7	641.1	405.9	97.7	8.9	128.6	64.3	48.8	15.5	64.3	109.6
1965: I.....	597.7	657.6	416.9	103.4	6.0	131.3	64.9	48.8	16.1	66.4	110.0
II.....	603.5	668.8	424.5	102.8	8.0	133.5	65.7	49.2	16.5	67.8	110.8
III.....	613.0	681.5	432.5	106.2	7.4	135.4	66.5	49.8	16.7	68.9	111.2
IV.....	624.4	697.2	441.0	110.3	6.9	139.0	69.2	52.0	17.2	69.8	111.7

¹ This category corresponds closely with budget expenditures for national defense, shown on p. 35.

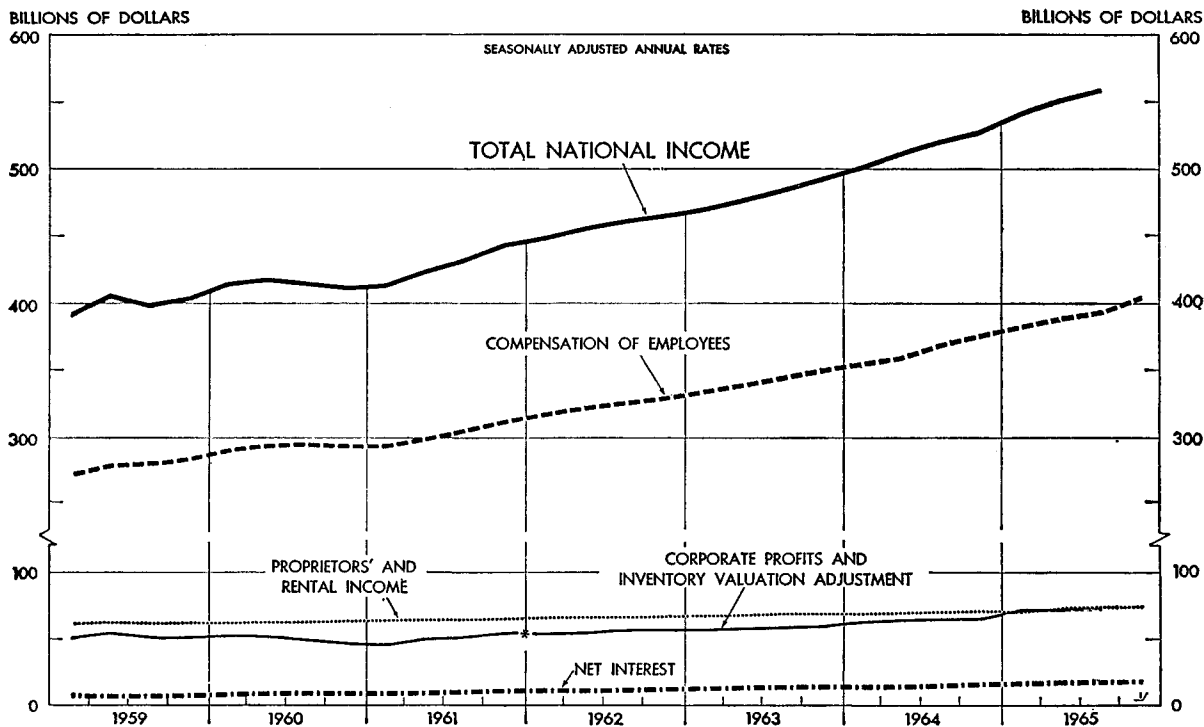
² Gross national product in current prices divided by gross national product in 1958 prices.

NOTE.—Data for Alaska and Hawaii included beginning 1960.

Source: Department of Commerce.

NATIONAL INCOME

The fourth quarter of 1965 witnessed exceptionally hearty gains with compensation of employees up \$10 billion, and farm income up \$½ billion (seasonally adjusted annual rate). Other sectors of noncorporate income had normal gains.



[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Period	Total national income	Compensation of employees ¹	Proprietors' income		Rental income of persons	Net interest	Corporate profits and inventory valuation adjustment ³		
			Farm ²	Business and professional			Total	Profits before taxes ³	Inventory valuation adjustment
1954.....	303.1	208.0	12.4	27.6	13.6	3.6	38.0	38.3	-0.3
1955.....	331.0	224.5	11.4	30.3	13.9	4.1	46.9	48.6	-1.7
1956.....	350.8	243.1	11.4	31.3	14.3	4.6	46.1	48.8	-2.7
1957.....	366.1	256.0	11.3	32.8	14.8	5.6	45.6	47.2	-1.5
1958.....	367.8	257.8	13.4	33.2	15.4	6.8	41.1	41.4	-0.3
1959.....	400.0	279.1	11.4	35.1	15.6	7.1	51.7	52.1	-0.5
1960.....	414.5	294.2	12.0	34.2	15.8	8.4	49.9	49.7	.2
1961.....	427.3	302.6	12.8	35.6	16.0	10.0	50.3	50.3	0.0
1962.....	457.7	323.6	13.0	37.1	16.7	11.6	55.7	55.4	.3
1963.....	481.1	341.0	13.0	37.8	17.6	13.6	58.1	58.6	-0.5
1964.....	514.4	365.3	12.0	39.1	18.2	15.2	64.5	64.8	-0.3
1965 ⁴	554.7	391.9	14.3	40.3	18.6	16.5	73.1	74.7	-1.6
1964: I.....	501.6	355.1	11.9	38.5	17.9	14.5	63.6	64.0	-0.4
II.....	510.5	361.9	12.0	39.0	18.1	15.0	64.5	64.5	(0)
III.....	519.5	369.0	12.0	39.4	18.3	15.4	65.5	65.3	.2
IV.....	526.3	375.4	12.2	39.6	18.5	15.7	64.9	65.9	-1.0
1965: I.....	540.6	382.4	12.0	39.9	18.5	16.1	71.7	73.1	-1.4
II.....	549.5	387.9	14.5	40.1	18.6	16.4	72.0	73.9	-1.8
III.....	557.9	393.7	15.0	40.4	18.6	16.7	73.5	74.6	-1.2
IV ⁴	(0)	403.6	15.5	40.7	18.7	17.1	(0)	(0)	-1.8

¹ Includes employer contributions for social insurance. (See also p. 4.)

² Excludes farm profits of corporations engaged in farming and therefore differs from net farm income (including net inventory change) on p. 6 which includes such profits.

³ See Note, page 7.

⁴ Preliminary estimates.

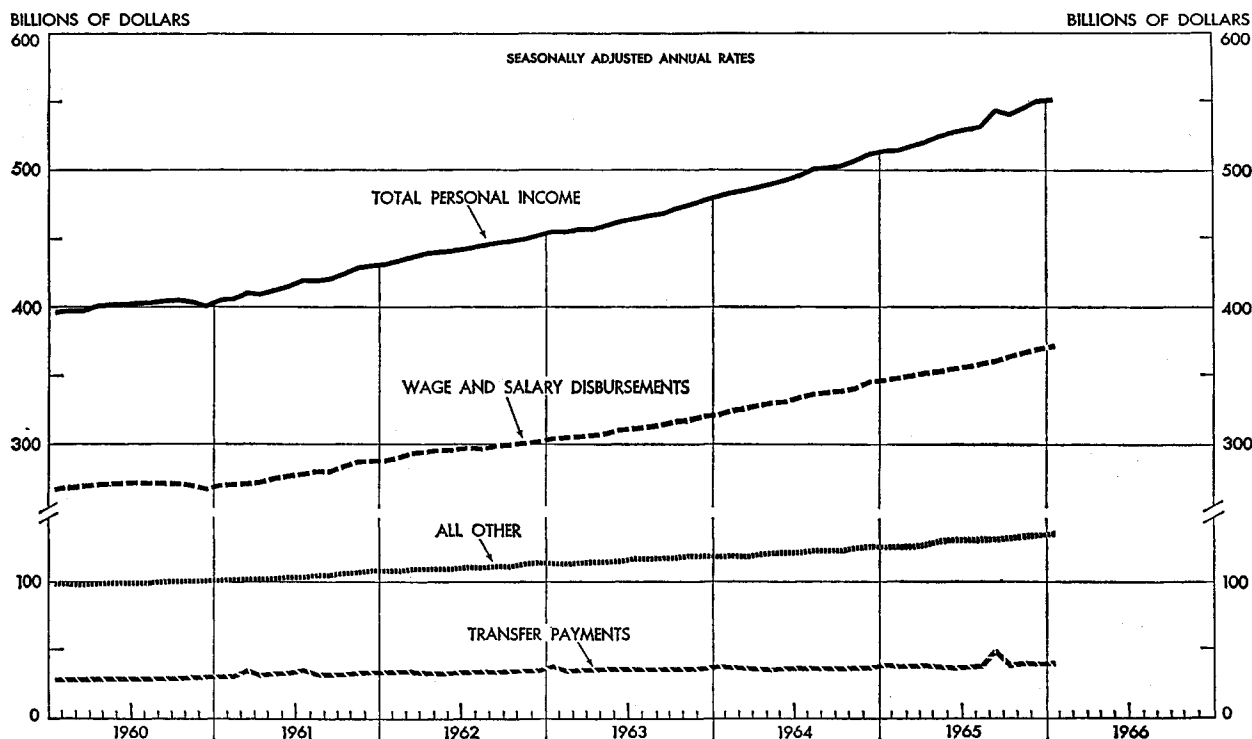
⁵ Less than \$50 million.

⁶ Not available.

NOTE.—Data for Alaska and Hawaii included beginning 1960.
Source: Department of Commerce.

SOURCES OF PERSONAL INCOME

Personal income rose slightly in January to a seasonally adjusted annual rate of \$551½ billion. Increases of \$2 billion in wage and salary disbursements, \$¾ billion in transfer payments, and \$¾ billion in other sources of income were largely offset by a rise of almost \$3 billion in personal contributions for social insurance resulting from increased tax rates and base.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars; monthly data at seasonally adjusted annual rates]

Period	Total personal income	Wage and salary disbursements ¹	Other labor income ²	Proprietors' income		Rental income of persons	Dividends	Personal interest income	Transfer payments	Less: Personal contributions for social insurance	Nonagricultural personal income ³
				Farm	Business and professional						
1957-----	351.1	238.7	9.5	11.3	32.8	14.8	11.7	17.6	21.4	6.7	336.6
1958-----	361.2	239.9	9.9	13.4	33.2	15.4	11.6	18.9	25.7	6.9	344.3
1959-----	383.5	258.2	11.3	11.4	35.1	15.6	12.6	20.7	26.6	7.9	368.5
1960-----	401.0	270.8	12.0	12.0	34.2	15.8	13.4	23.4	28.5	9.3	385.2
1961-----	416.8	278.1	12.7	12.8	35.6	16.0	13.8	25.0	32.4	9.6	400.0
1962-----	442.6	296.1	13.9	13.0	37.1	16.7	15.2	27.7	33.3	10.3	425.5
1963-----	464.8	311.2	14.8	13.0	37.8	17.6	15.8	31.1	35.2	11.8	447.4
1964-----	495.0	333.5	16.5	12.0	39.1	18.2	17.2	34.3	36.6	12.4	478.7
1965 ⁴ -----	530.7	357.4	18.2	14.3	40.3	18.6	18.9	37.1	39.2	13.2	512.1
1964: Dec-----	512.0	346.2	17.1	12.4	39.9	18.5	18.1	35.5	37.0	12.8	495.3
1965: Jan-----	515.4	346.5	17.4	12.4	39.8	18.5	17.9	35.7	⁵ 40.1	12.9	498.7
Feb-----	515.2	348.9	17.5	12.0	39.9	18.5	18.0	36.0	37.4	12.9	499.0
Mar-----	517.8	351.1	17.6	11.7	40.1	18.5	18.0	36.2	37.6	13.0	502.2
Apr-----	520.5	351.5	18.0	12.9	40.0	18.6	18.2	36.5	37.8	12.9	503.2
May-----	525.0	353.9	18.1	14.7	40.1	18.6	18.5	36.7	37.4	13.0	505.8
June-----	528.5	355.4	18.2	15.9	40.1	18.6	19.1	37.0	37.2	13.1	508.2
July-----	530.4	357.4	18.3	15.2	40.3	18.6	19.0	37.2	37.6	13.2	510.8
Aug-----	532.1	358.8	18.4	14.9	40.4	18.6	19.2	37.5	37.7	13.3	512.9
Sept-----	545.4	360.8	18.4	14.9	40.5	18.6	19.5	37.7	*48.4	13.4	526.2
Oct-----	541.3	364.7	18.6	15.3	40.6	18.7	19.7	37.9	39.3	13.5	521.7
Nov-----	546.1	368.3	18.9	15.5	40.7	18.7	19.9	38.2	39.6	13.6	526.3
Dec-----	550.9	371.3	19.0	15.7	40.8	18.7	20.2	38.5	40.3	13.7	530.7
1966: Jan ⁴ -----	551.6	373.3	19.2	15.7	40.9	18.8	20.4	38.8	41.0	16.5	531.5

¹ Compensation of employees (see p. 3) excluding employer contributions for social insurance and the excess of wage accruals over disbursements.

² Employer contributions to private pension, health, and welfare funds; compensation for injuries; directors' fees; military reserve pay; and a few other minor items.

³ Personal income exclusive of net income of unincorporated farm enterprises, farm wages, agricultural net interest, and net dividends paid by agricultural corporations.

⁴ Preliminary estimates.

⁵ Reflects stepped-up payments for veterans' insurance dividends.

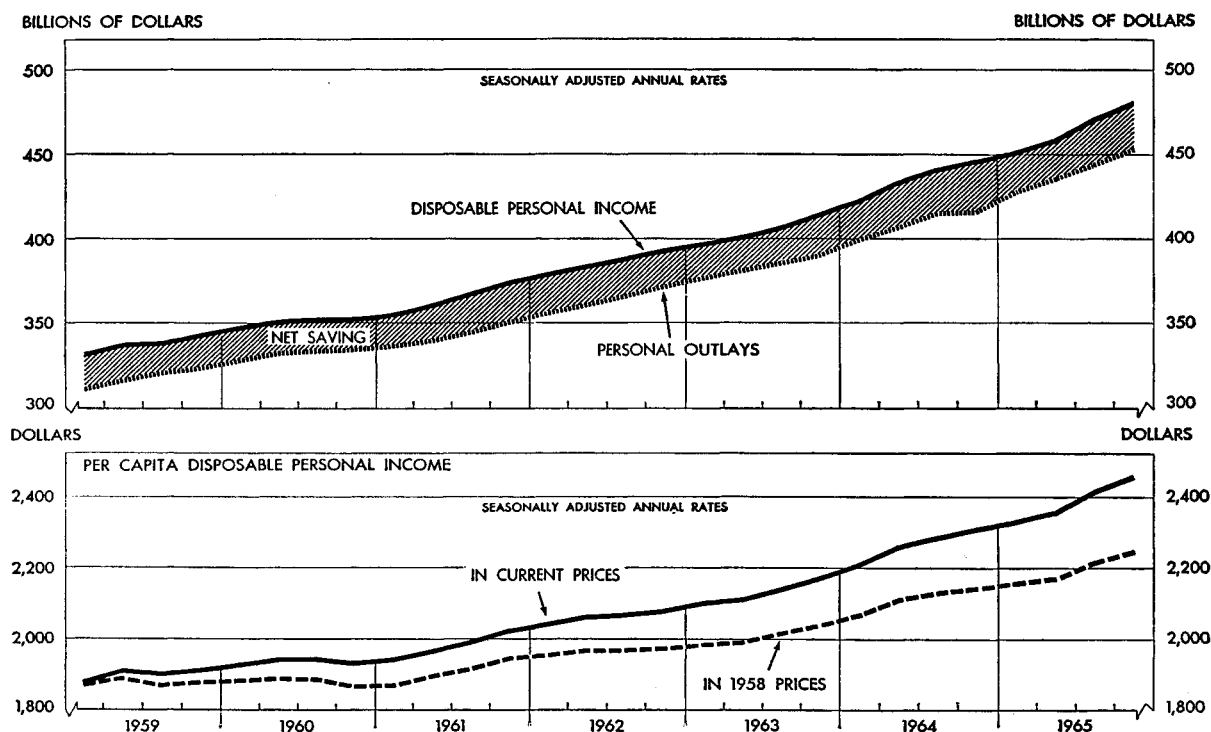
*Includes retroactive social security benefits of \$885 million or \$10.6 billion at annual rate.

NOTE.—Data for Alaska and Hawaii included beginning 1960.

Source: Department of Commerce.

DISPOSITION OF PERSONAL INCOME

Despite a drop in transfer payments, disposable personal income in the fourth quarter of 1965 pushed ahead by over \$9 billion (seasonally adjusted annual rate). With an increase of almost \$9 billion in personal outlays, the saving rate went from 5.7 to 5.6 percent.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Personal income	Less: Personal taxes	Equals: Disposable personal income	Less: Personal outlays				Equals: Personal saving	Per capita disposable personal income		Saving as percent of disposable personal income (percent)	Population (thousands)
				Total personal outlays ¹	Personal consumption expenditures ²				Current prices	1958 prices		
					Durable goods	Non-durable goods	Services					
	Billions of dollars								Dollars			
1955-----	310.9	35.5	275.3	259.5	39.6	123.3	91.4	15.8	1,666	1,795	5.7	165,275
1956-----	333.0	39.8	293.2	272.6	38.9	129.3	98.5	20.6	1,743	1,839	7.0	168,221
1957-----	351.1	42.6	308.5	287.8	40.8	135.6	105.0	20.8	1,801	1,844	6.7	171,274
1958-----	361.2	42.3	318.8	296.5	37.9	140.2	112.0	22.3	1,831	1,831	7.0	174,141
1959-----	383.5	46.2	337.3	318.2	44.3	146.6	120.3	19.1	1,905	1,881	5.7	177,073
1960-----	401.0	50.9	350.0	333.0	45.3	151.3	128.7	17.0	1,937	1,883	4.9	180,684
1961-----	416.8	52.4	364.4	343.2	44.2	155.9	135.1	21.2	1,983	1,909	5.8	183,756
1962-----	442.6	57.4	385.3	363.7	49.5	162.6	143.0	21.6	2,064	1,969	5.6	186,656
1963-----	464.8	60.9	403.8	383.4	53.4	168.0	152.3	20.4	2,132	2,009	5.1	189,417
1964-----	495.0	59.2	435.8	409.5	58.7	177.5	162.6	26.3	2,268	2,116	6.0	192,119
1965-----	530.7	65.4	465.3	440.5	65.0	189.0	174.7	24.9	2,391	2,198	5.4	194,583
	Seasonally adjusted annual rates											
1964: I----	483.0	60.4	422.6	399.3	57.4	173.7	158.0	23.3	2,211	2,070	5.5	191,161
II-----	490.6	56.9	433.6	406.3	59.1	175.7	161.2	27.3	2,261	2,111	6.3	191,780
III-----	499.1	58.8	440.3	415.3	60.5	179.8	164.3	25.0	2,288	2,134	5.7	192,478
IV-----	507.1	60.7	446.4	416.9	57.9	180.9	167.1	29.5	2,311	2,146	6.6	193,182
1965: I----	516.2	64.8	451.4	428.1	64.6	182.8	169.5	23.3	2,330	2,157	5.2	193,762
II-----	524.7	66.2	458.5	436.1	63.5	187.9	173.1	22.4	2,360	2,170	4.9	194,298
III-----	536.0	64.8	471.2	444.4	65.4	190.5	176.7	26.8	2,418	2,218	5.7	194,910
IV-----	546.0	65.7	480.3	453.2	66.4	195.0	179.6	27.1	2,456	2,247	5.6	195,536

¹ Includes personal consumption expenditures, interest paid by consumers, and personal transfer payments to foreigners.

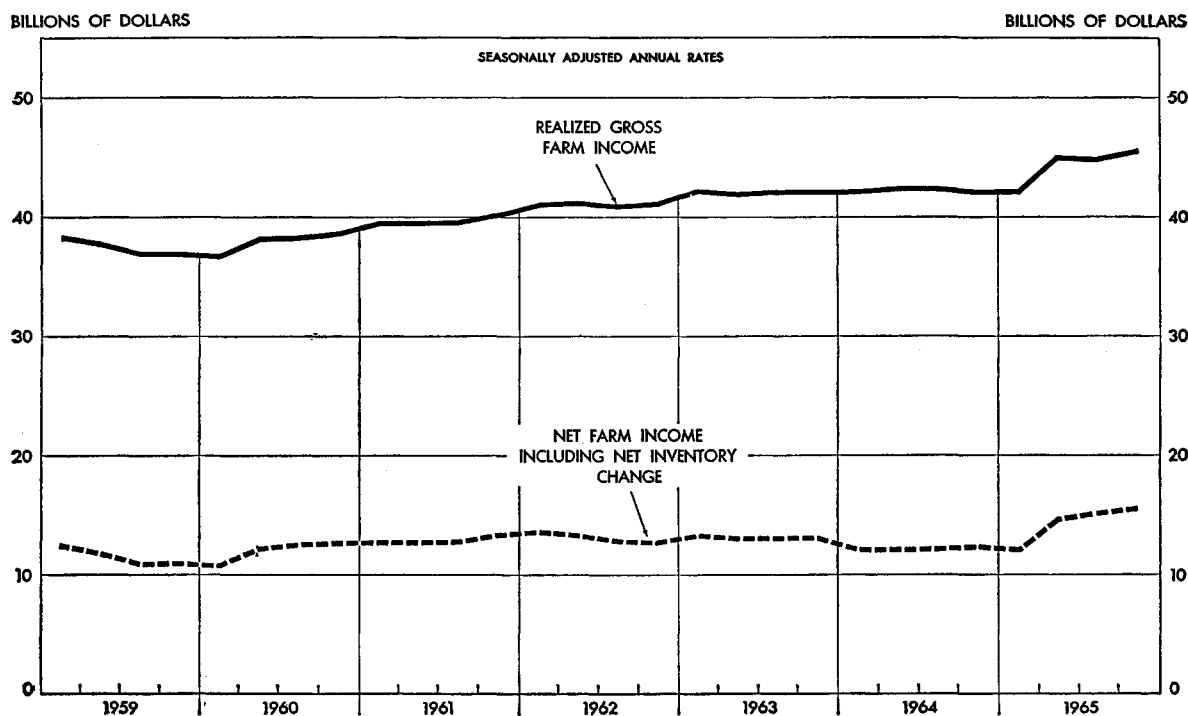
² See p. 2 for total personal consumption expenditures.

NOTE.—Data for Alaska and Hawaii included beginning 1960.

Sources: Department of Commerce and Council of Economic Advisers.

FARM INCOME

A further gain in seasonally adjusted net farm income, including inventory change, in the fourth quarter brought the total for 1965 to the highest level since 1952. On a per farm basis, however, it reached an all-time peak—23 percent above 1964.



SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

Period	Personal income received by total farm population			Income received from farming						
	From all sources	From farm sources	From nonfarm sources	Realized gross		Production expenses	Net to farm operators		Net income per farm including net inventory change ³	
				Total ¹	Cash receipts from marketings		Excluding net inventory change	Including net inventory change ²	Current prices	1965 prices ⁴
Billions of dollars									Dollars	
1957	17.7	11.0	6.6	34.0	29.7	23.3	10.7	11.3	2,590	2,786
1958	19.5	12.8	6.7	37.9	33.5	25.2	12.7	13.5	3,189	3,429
1959	18.1	11.0	7.0	37.5	33.5	26.1	11.4	11.5	2,795	2,973
1960	18.7	11.4	7.2	37.9	34.0	26.2	11.7	12.0	3,043	3,203
1961	19.0	12.1	6.9	39.6	34.9	27.0	12.6	12.9	3,389	3,567
1962	19.2	12.2	7.0	41.0	36.2	28.5	12.5	13.1	3,562	3,710
1963	18.7	12.0	6.7	42.1	37.3	29.6	12.5	13.1	3,671	3,785
1964	17.9	11.1	6.8	42.2	36.9	29.2	12.9	12.1	3,486	3,558
1965	20.0	13.2	6.8	44.4	38.9	30.3	14.1	14.4	4,280	4,280
Seasonally adjusted annual rates										
1964: I				42.1	36.9	29.5	12.6	12.0	3,460	3,530
II				42.3	37.0	29.3	13.0	12.1	3,480	3,550
III				42.3	37.0	29.2	13.1	12.1	3,480	3,550
IV				42.1	36.7	29.0	13.1	12.3	3,540	3,610
1965: I				42.2	36.7	29.7	12.5	12.1	3,590	3,630
II				45.0	39.5	30.2	14.8	14.6	4,330	4,330
III				44.8	39.3	30.3	14.5	15.1	4,480	4,480
IV				45.5	40.0	31.1	14.4	15.6	4,620	4,620

¹ Cash receipts from marketings, Government payments, and nonmoney income furnished by farms.

² Inventory of crops and livestock valued at the average price for the year. Also, see footnote 2, p. 3.

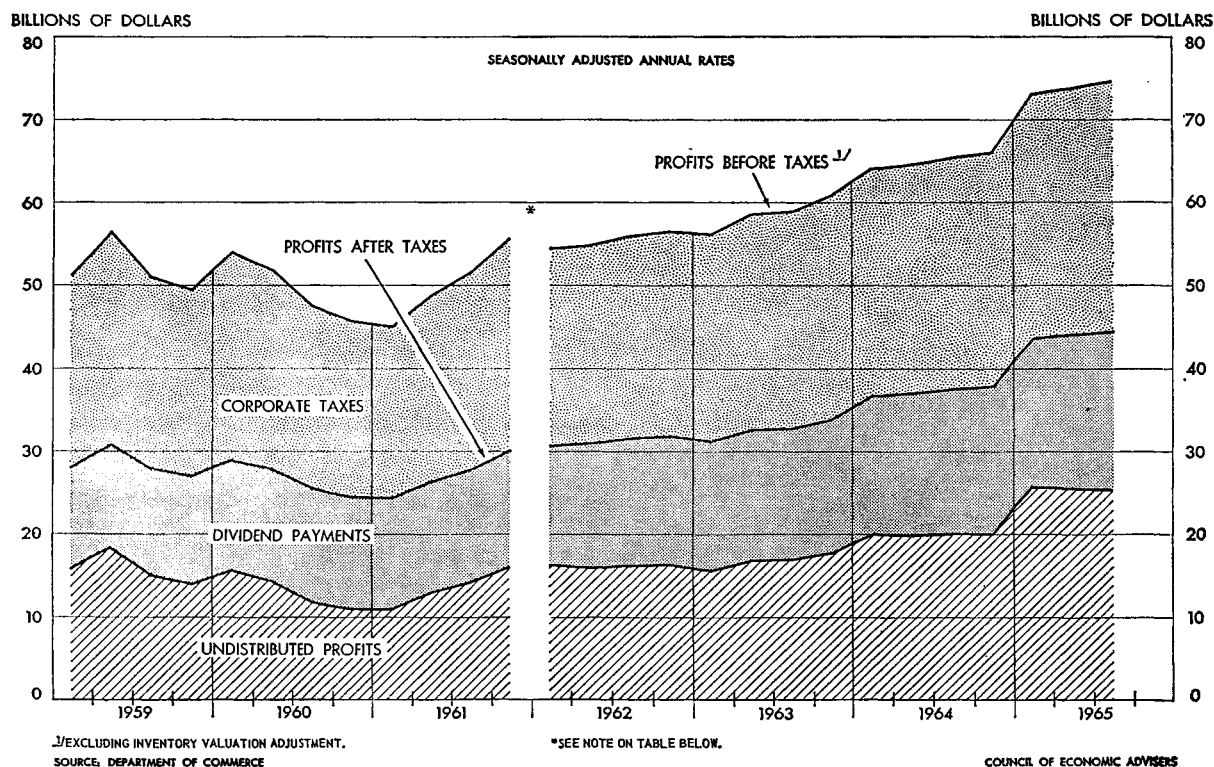
³ Based on 1959 Census of Agriculture definition of a farm. The number of farms is held constant within a year.

⁴ Income in current prices divided by the index of prices paid by farmers for family living items on a 1965 base.

Source: Department of Agriculture.

CORPORATE PROFITS

Corporate profits rose to record highs in the third quarter, according to current estimates. Profits before taxes were at a seasonally adjusted annual rate of \$74½ billion, and after taxes at \$44½ billion. Increases over a year earlier were 14 percent and almost 19 percent, respectively.



[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Period	Corporate profits (before taxes) and inventory valuation adjustment						Corporate profits before taxes	Corporate tax liability	Corporate profits after taxes			Corporate capital consumption allowances ¹	Profits plus capital consumption allowances ²
	All industries	Manufacturing		Transportation, communications, and public utilities	All other industries	Total			Dividend payments	Undistributed profits			
		Total	Durable goods industries								Non-durable goods industries		
1956-----	46.1	24.7	12.8	11.9	5.9	15.6	48.8	21.7	27.2	11.3	15.9	18.9	46.1
1957-----	45.6	24.0	13.3	10.7	5.8	15.8	47.2	21.2	26.0	11.7	14.2	20.8	46.8
1958-----	41.1	19.3	9.3	10.0	5.9	15.9	41.4	19.0	22.3	11.6	10.8	22.0	44.3
1959-----	51.7	26.3	13.6	12.7	7.0	18.4	52.1	23.7	28.5	12.6	15.9	23.5	52.0
1960-----	49.9	24.4	12.0	12.4	7.5	17.9	49.7	23.0	26.7	13.4	13.2	24.9	51.6
1961-----	50.3	23.3	11.4	11.9	7.9	19.1	50.3	23.1	27.2	13.8	13.5	26.2	53.5
1962-----	55.7	26.6	14.1	12.5	8.5	20.5	55.4	24.2	31.2	15.2	16.0	30.1	61.3
1963-----	58.1	28.7	15.4	13.2	9.2	20.2	58.6	26.0	32.6	15.8	16.8	32.0	64.5
1964-----	64.5	32.1	17.2	14.9	10.0	22.4	64.8	27.6	37.2	17.2	19.9	34.0	71.2
1965 ³ -----	73.1	37.4	20.7	16.7	10.8	24.9	74.7	30.1	44.5	18.9	25.6	36.1	80.5
1964: I-----	63.6	31.9	17.5	14.4	9.9	21.9	64.0	27.3	36.7	16.7	20.0	33.2	69.9
II-----	64.5	32.1	17.1	15.0	10.1	22.3	64.5	27.5	37.0	17.1	19.9	33.6	70.7
III-----	65.5	32.5	17.5	15.0	10.2	22.8	65.3	27.8	37.5	17.4	20.1	34.3	71.8
IV-----	64.9	32.3	17.1	15.3	10.1	22.5	65.9	28.1	37.8	17.7	20.0	34.8	72.6
1965: I-----	71.7	37.3	20.8	16.6	10.5	23.8	73.1	29.5	43.6	18.0	25.7	35.4	79.1
II-----	72.0	36.7	20.1	16.6	10.5	24.9	73.9	29.8	44.1	18.6	25.5	35.8	79.8
III-----	73.5	37.3	20.7	16.6	11.0	25.2	74.6	30.1	44.5	19.2	25.3	36.3	80.8
IV ³ -----	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	19.9	(4)	36.8	(4)

¹ Includes depreciation, capital outlays charged to current account, and accidental damages.

² Corporate profits after taxes plus corporate capital consumption allowances.

³ Preliminary estimates.

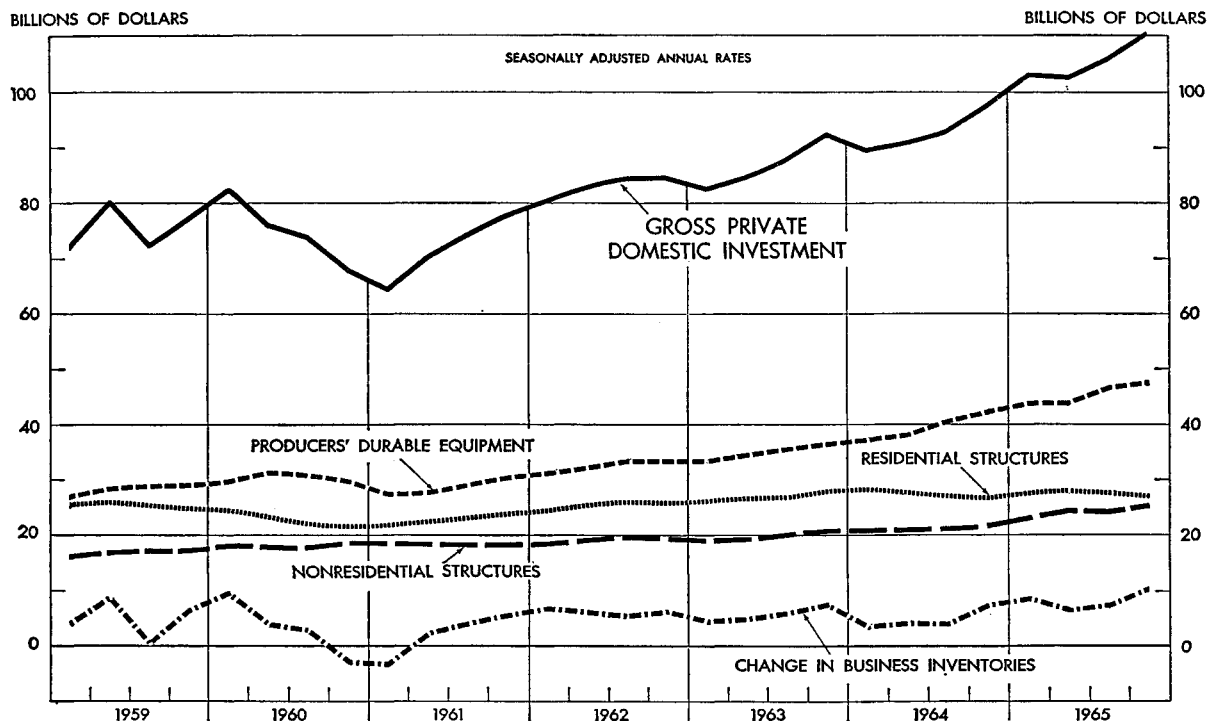
⁴ Not available.

NOTE.—Data beginning 1962 adjusted for effects of new depreciation guidelines (\$2½ billion for 1962) and therefore not comparable with previous data. Data for Alaska and Hawaii included beginning 1960.

Source: Department of Commerce.

GROSS PRIVATE DOMESTIC INVESTMENT

Revised figure of \$8.9 billion (seasonally adjusted annual rate) for nonfarm business inventory accumulation in the fourth quarter indicates a strong showing in the face of steel stock liquidation. This revision plus a small one in purchases of producers' durables raised gross private domestic investment to \$110.3 billion.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

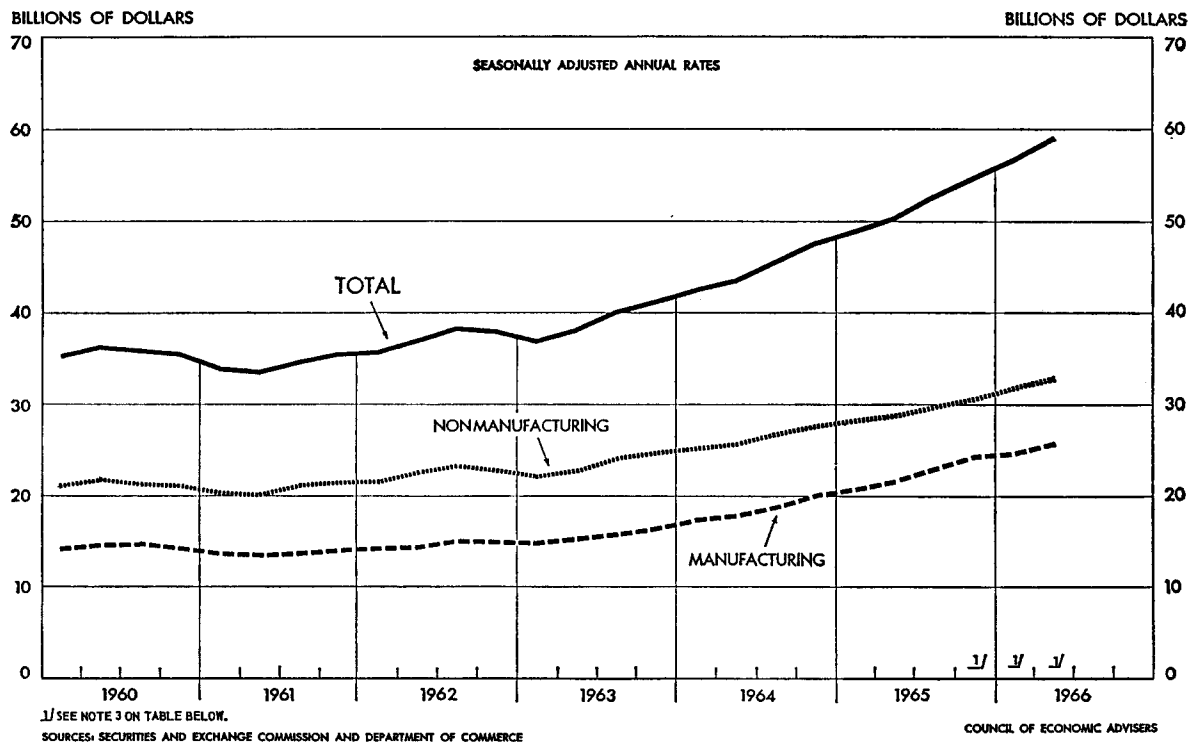
Period	Total gross private domestic investment	Fixed investment						Change in business inventories	
		Total	Nonresidential			Residential structures			
			Total	Structures	Producers' durable equipment	Total	Non-farm	Total	Non-farm
1954.....	51.7	53.3	33.6	13.1	20.6	19.7	19.0	-1.5	-2.1
1955.....	67.4	61.4	38.1	14.3	23.8	23.3	22.7	6.0	5.5
1956.....	70.0	65.3	43.7	17.2	26.5	21.6	20.9	4.7	5.1
1957.....	67.8	66.5	46.4	18.0	28.4	20.2	19.5	1.3	.8
1958.....	60.9	62.4	41.6	16.6	25.0	20.8	20.1	-1.5	-2.3
1959.....	75.3	70.5	45.1	16.7	28.4	25.5	24.8	4.8	4.8
1960.....	74.8	71.3	48.4	18.1	30.3	22.8	22.2	3.6	3.3
1961.....	71.7	69.7	47.0	18.4	28.6	22.6	22.0	2.0	1.7
1962.....	83.0	77.0	51.7	19.2	32.5	25.3	24.8	6.0	5.3
1963.....	86.9	81.2	54.3	19.7	34.6	26.9	26.3	5.7	4.9
1964.....	92.9	88.1	60.5	21.1	39.4	27.5	27.0	4.8	5.4
1965.....	105.7	97.4	69.8	24.3	45.5	27.6	27.1	8.2	7.9
1964: I.....	89.7	86.5	58.1	20.7	37.5	28.4	27.8	3.3	3.6
II.....	90.9	86.8	58.9	21.1	37.9	27.9	27.3	4.1	5.1
III.....	92.6	88.8	61.6	21.1	40.5	27.2	26.6	3.8	4.6
IV.....	97.7	90.2	63.5	21.5	42.0	26.7	26.2	7.5	7.8
1965: I.....	103.4	94.6	66.9	23.2	43.7	27.7	27.1	8.8	9.2
II.....	102.8	96.4	68.4	24.5	43.9	28.0	27.5	6.4	6.6
III.....	106.2	98.6	70.9	24.2	46.7	27.7	27.1	7.6	7.0
IV.....	110.3	100.2	73.0	25.4	47.6	27.2	26.7	10.1	8.9

NOTE.—Data for Alaska and Hawaii included beginning 1960.

Source: Department of Commerce.

EXPENDITURES FOR NEW PLANT AND EQUIPMENT

Business expenditures for new plant and equipment for the first half of 1966 are expected to amount to \$57.8 billion (seasonally adjusted annual rate) which is 16 percent above the first half of 1965. For the third time, the figures for 1965 have been revised upward and are now expected to reach \$51.8 billion or almost 15½ percent above 1964.



[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Period	Total ¹	Manufacturing			Mining	Transportation		Public utilities	Commercial and other ²
		Total	Durable goods	Nondurable goods		Railroads	Other		
1953.....	28.32	11.91	5.65	6.26	0.99	1.31	1.56	4.55	8.00
1954.....	26.83	11.04	5.09	5.95	.98	.85	1.51	4.22	8.23
1955.....	28.70	11.44	5.44	6.00	.96	.92	1.60	4.31	9.47
1956.....	35.08	14.95	7.62	7.33	1.24	1.23	1.71	4.90	11.05
1957.....	36.96	15.96	8.02	7.94	1.24	1.40	1.77	6.20	10.40
1958.....	30.53	11.43	5.47	5.96	.94	.75	1.50	6.09	9.81
1959.....	32.54	12.07	5.77	6.29	.99	.92	2.02	5.67	10.88
1960.....	35.68	14.48	7.18	7.30	.99	1.03	1.94	5.68	11.57
1961.....	34.37	13.68	6.27	7.40	.98	.67	1.85	5.52	11.68
1962.....	37.31	14.68	7.03	7.65	1.08	.85	2.07	5.48	13.15
1963.....	39.22	15.69	7.85	7.84	1.04	1.10	1.92	5.65	13.82
1964.....	44.90	18.58	9.43	9.16	1.19	1.41	2.38	6.22	15.13
1965 ³	51.83	22.51	11.34	11.18	1.30	1.68	2.83	6.84	16.66
1965: I.....	49.00	20.75	10.40	10.40	1.25	1.75	2.55	6.80	15.85
II.....	50.35	21.55	10.80	10.70	1.30	1.55	2.70	6.85	16.40
III.....	52.75	23.00	11.75	11.25	1.25	1.70	3.00	6.75	17.00
IV ³	54.85	24.35	12.20	12.15	1.40	1.70	3.10	6.95	17.30
1966: I ³	56.70	24.70	12.40	12.25	1.35	1.80	3.90	7.65	17.30
II ³	58.85	25.85	13.25	12.60					
33.00									

¹ Excludes agriculture.

² Commercial and other includes trade, service, finance, communications, and construction.

³ Estimates based on anticipated capital expenditures as reported by business in late October and November 1965. Includes adjustments when necessary for systematic tendencies in anticipatory data.

NOTE.—Beginning 1959 all quarterly data are rounded to nearest \$50 million.

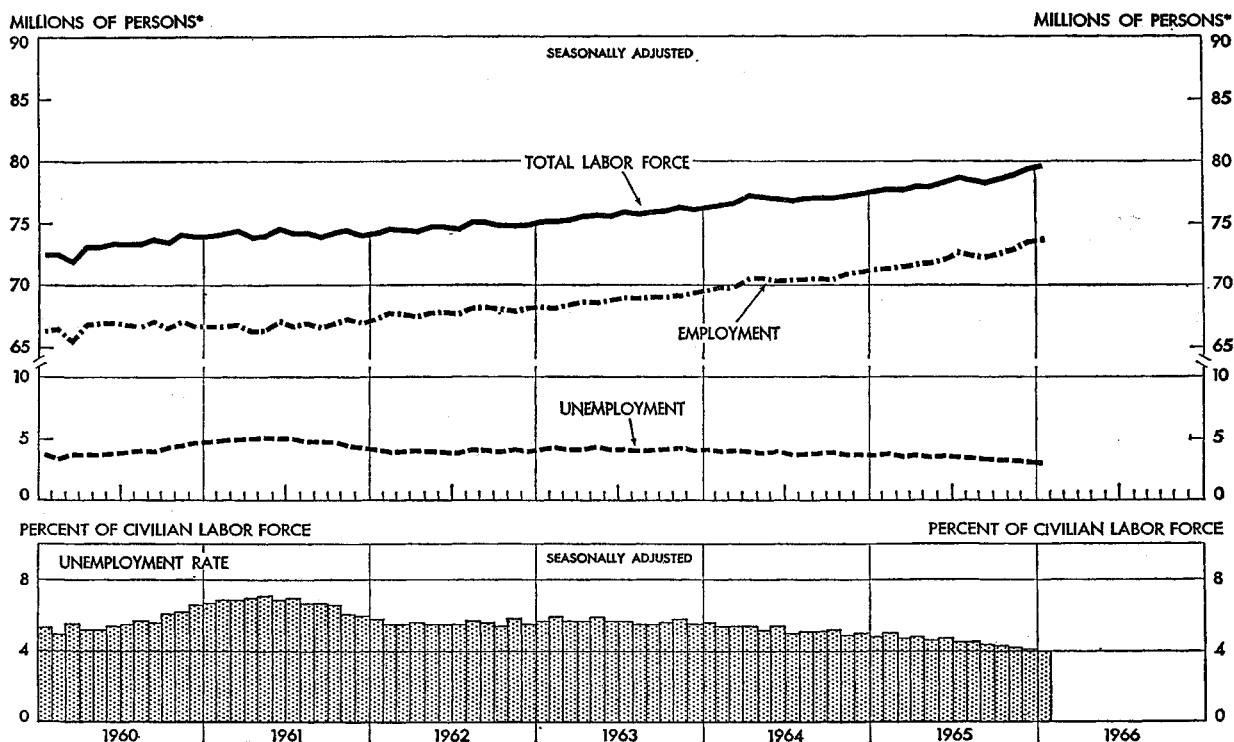
Annual total is the sum of unadjusted expenditures; it does not necessarily coincide with the average of seasonally adjusted figures.

These figures do not agree with the totals included in the gross national product estimates of the Department of Commerce, principally because the latter cover agricultural investment and also certain equipment and construction outlays charged to current expense.

Sources: Securities and Exchange Commission and Department of Commerce.

EMPLOYMENT, UNEMPLOYMENT, AND WAGES STATUS OF THE LABOR FORCE

Employment, seasonally adjusted, increased by 274,000 in January while the civilian labor force rose by 187,000. Nonagricultural employment increased by 331,000 but was partially offset by a 57,000 decline in agricultural employment.



*14 YEARS OF AGE AND OVER.
SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Total labor force (including armed forces)	Civilian employment		Unemployment	Total labor force (including armed forces)	Civilian labor force	Civilian employment			Unemployment	Unemployment rate (percent of civilian labor force)		Labor force participation rate, unadjusted ¹
		Total	Non-agricultural				Total	Agricultural	Non-agricultural		Unadjusted	Seasonally adjusted	

Thousands of persons 14 years of age and over											Percent		
1961.....	74,175	66,796	61,333	4,806	74,175	71,603	66,796	5,463	61,333	4,806	6.7	-----	58.0
1962 ²	74,681	67,846	62,657	4,007	74,681	71,854	67,846	5,190	62,657	4,007	5.6	-----	57.4
1963.....	75,712	68,809	63,863	4,166	75,712	72,975	68,809	4,946	63,863	4,166	5.7	-----	57.3
1964.....	76,971	70,357	65,596	3,876	76,971	74,233	70,357	4,761	65,596	3,876	5.2	-----	57.4
1965.....	78,357	72,179	67,594	3,456	78,357	75,635	72,179	4,585	67,594	3,456	4.6	-----	57.5
Unadjusted											Seasonally adjusted		
1964:													
Nov.....	76,897	70,793	66,248	3,373	77,203	74,472	70,832	4,699	66,133	3,640	4.5	4.9	57.0
Dec.....	76,567	70,375	66,590	3,466	77,473	74,747	71,037	4,611	66,426	3,710	4.7	5.0	56.7
1965:													
Jan.....	75,699	68,996	65,257	3,996	77,588	74,881	71,252	4,533	66,719	3,629	5.5	4.8	55.9
Feb.....	76,418	69,496	65,694	4,218	77,770	75,066	71,326	4,608	66,718	3,740	5.7	5.0	56.4
Mar.....	76,612	70,169	66,180	3,740	77,722	75,019	71,483	4,588	66,895	3,536	5.1	4.7	56.5
Apr.....	77,307	71,070	66,597	3,552	77,988	75,302	71,688	4,769	66,919	3,614	4.8	4.8	56.9
May.....	78,425	72,407	67,278	3,335	77,990	75,306	71,816	4,889	66,947	3,490	4.4	4.6	57.7
June.....	80,683	73,716	68,094	4,287	78,332	75,652	72,085	4,651	67,434	3,567	5.5	4.7	59.3
July.....	81,150	74,854	69,228	3,602	78,747	76,054	72,618	4,639	67,979	3,436	4.6	4.5	59.6
Aug.....	80,163	74,212	69,077	3,258	78,465	75,772	72,387	4,572	67,815	3,385	4.2	4.5	58.7
Sept.....	78,044	72,446	67,668	2,875	78,334	75,611	72,297	4,418	67,879	3,314	3.8	4.4	57.1
Oct.....	78,713	73,196	68,242	2,757	78,606	75,846	72,561	4,551	68,010	3,285	3.6	4.3	57.5
Nov.....	78,598	72,837	68,709	2,966	78,906	76,111	72,914	4,273	68,641	3,197	3.9	4.2	57.4
Dec.....	78,477	72,749	69,103	2,888	79,408	76,567	73,441	4,486	68,955	3,126	3.8	4.1	57.2
1966:													
Jan.....	77,409	71,229	67,652	3,290	79,644	76,754	73,715	4,429	69,286	3,039	4.4	4.0	56.3

¹ Total labor force as percent of noninstitutional population.

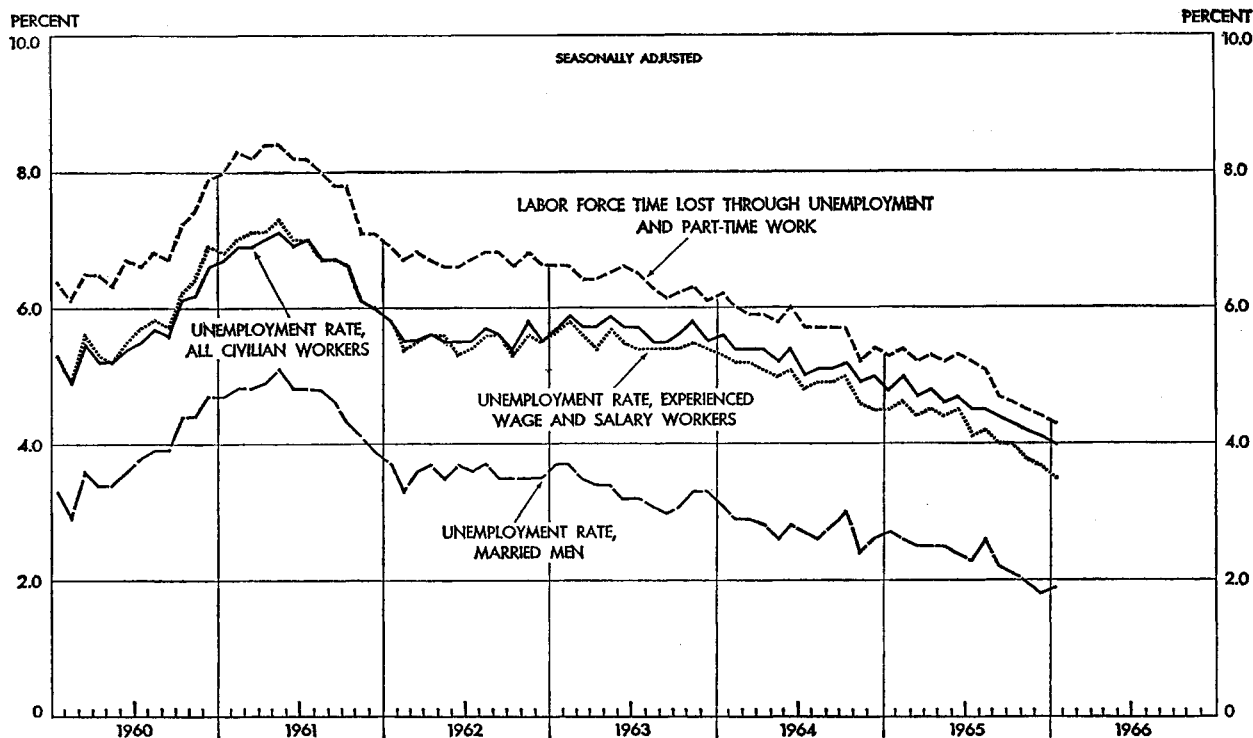
² Not strictly comparable with preceding data. See *Employment and Earnings*, May 1962, p. XIV.

NOTE.—Beginning 1960, data include Alaska and Hawaii.

Source: Department of Labor.

SELECTED MEASURES OF UNEMPLOYMENT AND PART-TIME EMPLOYMENT

The seasonally adjusted unemployment rate fell to 4.0 percent in January—the lowest rate since April 1957 and matching the interim target set in 1961.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

Period	Unemployment rate (percent of civilian labor force in group)			Labor force time lost through unem- ployment and part- time work ¹	Persons at work in nonagricultural industries by hours worked per week ²							
	All workers	Experi- enced wage and salary workers	Married men (wife present)		Over 40 hours	35-40 hours	Under 35 hours					
							Total	Part-time for economic reasons		Part-time for economic reasons		
								Usually full- time ³	Usually part- time ⁴	Usually full- time ³	Usually part- time ⁴	
Percent					Thousands of persons 14 years of age and over							
1961-----	6.7	6.8	4.6	8.0	18,210	29,047	11,132	1,297	1,516	-----	-----	
1962-----	5.6	5.5	3.6	6.7	19,025	28,853	11,675	1,049	1,288	-----	-----	
1963-----	5.7	5.5	3.4	6.4	19,257	29,422	11,856	1,070	1,219	-----	-----	
1964-----	5.2	5.0	2.8	5.8	19,294	29,127	13,850	985	1,151	-----	-----	
1965-----	4.6	4.2	2.4	5.0	20,808	30,802	12,618	897	1,031	-----	-----	
Seasonally adjusted					Unadjusted					Seasonally adjusted		
1964: Dec-----	5.0	4.5	2.6	5.4	21,251	31,066	12,298	1,021	968	1,027	1,094	
1965: Jan-----	4.8	4.5	2.7	5.3	20,264	31,166	11,681	1,078	979	1,000	1,130	
Feb-----	5.0	4.6	2.6	5.4	20,018	30,110	13,165	927	982	957	1,049	
Mar-----	4.7	4.4	2.5	5.2	20,612	31,371	11,981	910	998	904	1,078	
Apr-----	4.8	4.5	2.5	5.3	18,499	29,187	16,117	862	921	840	1,030	
May-----	4.6	4.4	2.5	5.2	21,354	31,654	11,966	936	892	947	957	
June-----	4.7	4.5	2.4	5.3	20,856	32,011	11,462	944	1,292	948	1,035	
July-----	4.5	4.1	2.3	5.2	20,244	30,295	10,778	874	1,466	961	1,127	
Aug-----	4.5	4.2	2.6	5.1	20,424	30,684	10,408	959	1,358	932	1,038	
Sept-----	4.4	4.0	2.2	4.7	22,040	31,626	11,159	851	854	843	937	
Oct-----	4.3	4.0	2.1	4.6	21,900	30,846	13,052	829	853	848	973	
Nov-----	4.2	3.8	2.0	4.5	21,006	28,341	17,195	830	916	817	1,002	
Dec-----	4.1	3.7	1.8	4.4	22,477	32,330	12,447	761	866	766	979	
1966: Jan-----	4.0	3.5	1.9	4.3	20,851	32,125	12,408	⁵ 972	⁵ 794	902	917	

¹ Man-hours lost by the unemployed and those on part-time for economic reasons as a percent of total man-hours potentially available to the civilian labor force. Beginning 1963, series reflects whether unemployed persons sought full- or part-time jobs.

² Differs from total nonagricultural employment (p. 13), which includes persons with jobs but not at work for such reasons as vacation, illness, bad weather, and industrial disputes.

³ Includes persons who worked part-time because of slack work, material shortages or repairs, new job started, or job terminated.

⁴ Primarily includes persons who could find only part-time work.

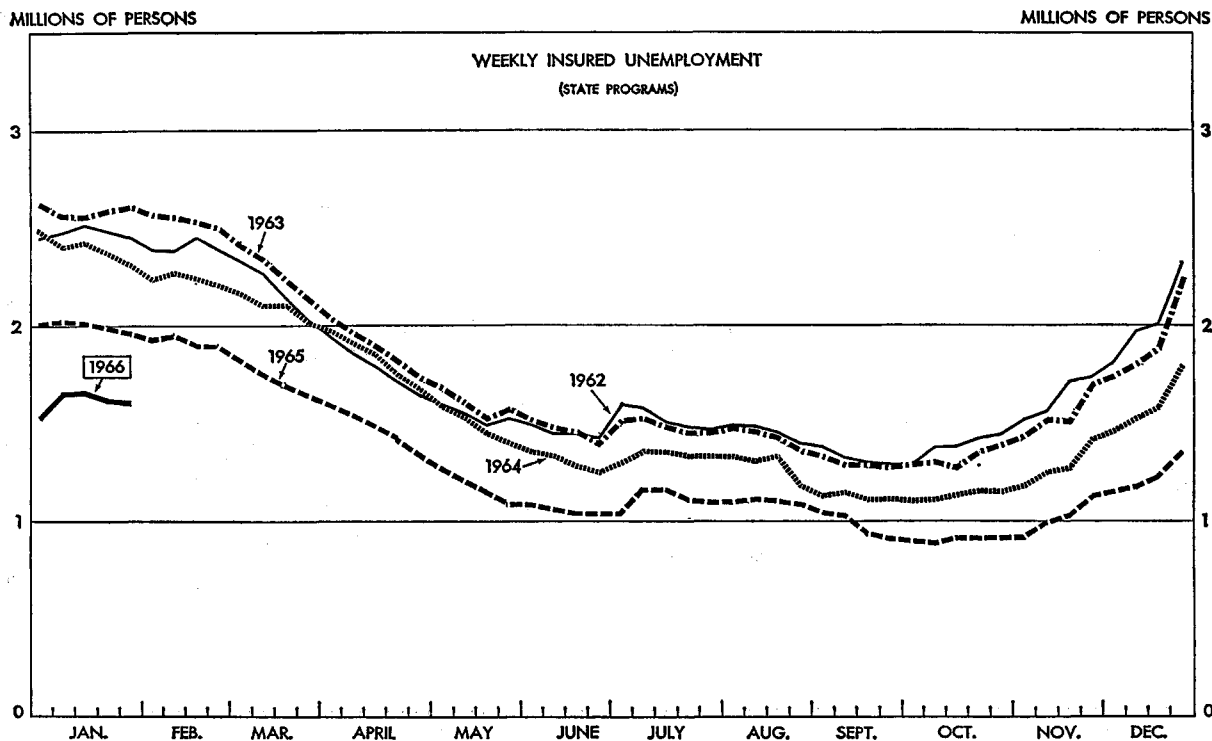
⁵ Average hours worked: usually full-time, 23.3; usually part-time, 17.8.

NOTE.—Beginning 1960, data include Alaska and Hawaii.

Source: Department of Labor.

UNEMPLOYMENT INSURANCE PROGRAMS

In January, insured unemployment under State programs averaged 356,000 less than in January 1965. The insured unemployment rate was 2.7 percent on a seasonally adjusted basis for the fourth month in a row.



1/ SEE NOTE 2 ON TABLE BELOW.
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

Period	All programs			State programs						
	Covered employment	Insured unemployment (weekly average)	Total benefits paid (millions of dollars)	Insured unemployment	Initial claims	Exhaustions	Insured unemployment as percent of covered employment		Benefits paid	
							Unadjusted	Seasonally adjusted	Total (millions of dollars)	Average weekly check (dollars)
Thousands	Weekly average, thousands	Percent								
1962.....	47,776	1,946	3,160.0	1,783	302	32	4.4	-----	2,675.4	34.56
1963.....	48,434	¹ 1,973	3,025.9	¹ 1,806	¹ 298	30	4.3	-----	2,774.7	35.28
1964.....	49,635	1,753	2,749.2	1,605	268	26	3.8	-----	2,522.1	35.96
1965 ²	1,450	2,434.7	1,328	232	21	3.0	-----	-----	2,166.0	37.19
1964: Dec.....	50,894	1,801	230.4	1,675	348	22	3.9	3.6	211.4	36.81
1965: Jan.....	² 49,319	2,135	273.0	1,996	355	25	4.6	3.4	252.1	37.18
Feb.....	² 49,320	2,066	265.8	1,932	269	25	4.5	3.3	245.7	37.39
Mar.....	² 49,834	1,863	294.9	1,718	222	25	4.0	3.2	273.4	37.41
Apr.....	² 50,683	1,622	242.7	1,470	220	27	3.4	3.2	224.9	37.16
May.....	² 51,336	1,316	179.2	1,179	186	24	2.7	3.0	165.7	36.40
June.....	² 52,125	1,182	169.3	1,059	191	22	2.4	3.0	156.3	36.07
July.....	1,255	160.6	1,132	252	19	2.6	3.0	3.0	149.5	36.40
Aug.....	1,218	160.7	1,102	215	18	2.5	3.1	3.1	148.0	36.58
Sept.....	1,068	150.3	959	173	17	2.2	2.9	2.9	138.6	37.23
Oct.....	1,013	128.2	916	189	16	2.0	2.7	2.7	117.8	37.32
Nov.....	1,123	143.0	1,033	225	15	2.3	2.7	2.7	132.2	38.08
Dec.....	1,394	184.7	1,307	290	17	3.0	2.7	2.7	172.1	38.81
1966: Jan ²	1,740	233.0	1,640	329	17	3.7	2.7	2.7	218.0	39.12
Week ended:										
1966: Jan 8.....		1,753	-----	1,657	403	-----	3.7	-----	-----	-----
15.....		1,772	-----	1,674	347	-----	3.8	-----	-----	-----
22.....		1,718	-----	1,624	291	-----	3.6	-----	-----	-----
29.....		1,708	-----	1,617	278	-----	3.6	-----	-----	-----
Feb 5 ²		1,760	-----	*1,669	319	-----	3.8	-----	-----	-----
12 ²					255	-----				

¹ Programs include Puerto Rican sugarcane workers for initial claims and insured unemployment beginning July 1963.
² Preliminary. * Not charted.

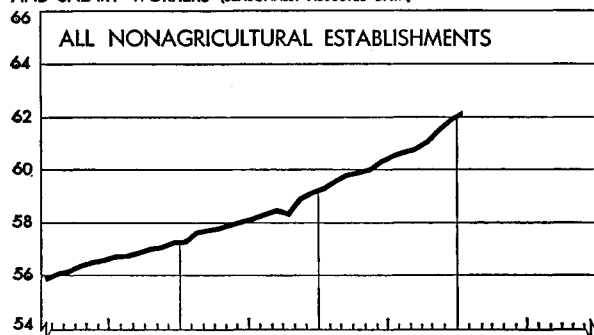
NOTE.—For definitions and coverage, see the 1964 Supplement to Economic Indicators. Data for Alaska and Hawaii included for all periods and for Puerto Rico since January 1961.

Source: Department of Labor.

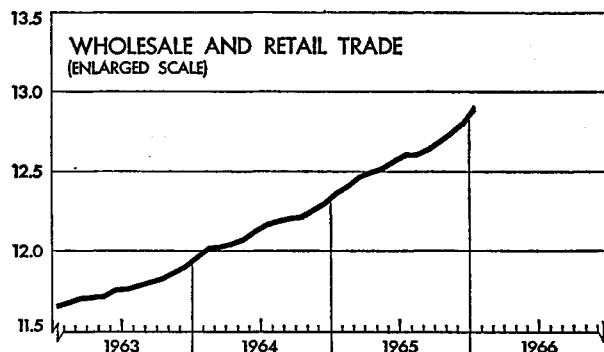
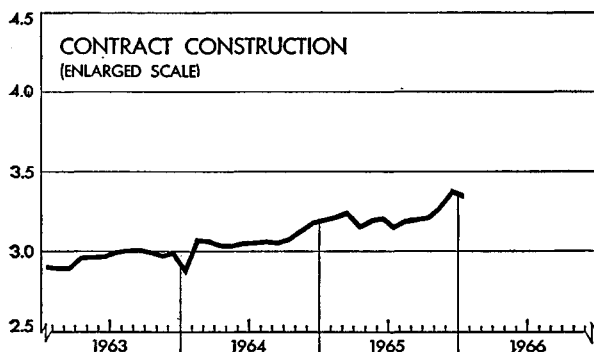
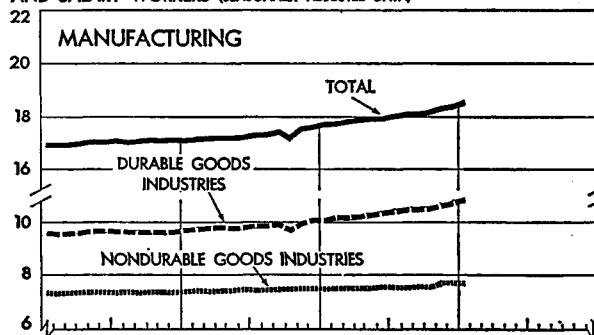
NONAGRICULTURAL EMPLOYMENT

Nonagricultural payroll employment increased by 246,000 (seasonally adjusted) in January. The largest gains were in durable goods manufacturing and trade.

MILLIONS OF WAGE AND SALARY WORKERS (SEASONALLY ADJUSTED DATA)



MILLIONS OF WAGE AND SALARY WORKERS (SEASONALLY ADJUSTED DATA)



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Thousands of wage and salary workers; ¹ seasonally adjusted]

Period	Total	Manufacturing (private)			Nonmanufacturing (private)							Government	
		Total	Durable goods	Non-durable goods	Total	Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Service and miscellaneous	Federal	State and local
1959-----	53,297	16,675	9,373	7,303	28,539	732	2,960	4,011	11,127	2,594	7,115	2,233	5,850
1960-----	54,203	16,796	9,459	7,336	29,054	712	2,885	4,004	11,391	2,669	7,392	2,270	6,083
1961-----	53,989	16,326	9,070	7,256	29,069	672	2,816	3,903	11,337	2,731	7,610	2,279	6,315
1962-----	55,515	16,853	9,480	7,373	29,772	650	2,902	3,906	11,566	2,800	7,947	2,340	6,550
1963-----	56,602	16,995	9,616	7,380	30,381	635	2,963	3,903	11,778	2,877	8,226	2,358	6,868
1964-----	58,156	17,259	9,813	7,446	31,301	633	3,056	3,947	12,132	2,964	8,569	2,348	7,248
1965 ² -----	60,432	17,984	10,379	7,604	32,402	628	3,211	4,031	12,585	3,043	8,903	2,379	7,667
1964: Dec--	59,163	17,565	10,044	7,521	31,815	635	3,179	3,994	12,303	2,999	8,705	2,348	7,435
1965: Jan--	59,295	17,638	10,098	7,540	31,854	634	3,185	3,926	12,374	3,003	8,732	2,342	7,461
Feb--	59,581	17,703	10,150	7,553	32,037	634	3,211	3,985	12,423	3,013	8,771	2,338	7,503
Mar--	59,814	17,762	10,194	7,568	32,164	632	3,238	4,017	12,460	3,023	8,794	2,342	7,546
Apr--	59,846	17,803	10,241	7,562	32,119	629	3,145	4,013	12,494	3,024	8,814	2,344	7,580
May--	60,032	17,835	10,266	7,569	32,242	627	3,188	4,020	12,532	3,032	8,843	2,345	7,610
June--	60,290	17,943	10,345	7,598	32,333	626	3,195	4,034	12,580	3,041	8,857	2,355	7,659
July--	60,501	18,032	10,424	7,608	32,415	633	3,154	4,031	12,619	3,049	8,929	2,376	7,678
Aug--	60,621	18,072	10,476	7,596	32,464	627	3,189	4,049	12,600	3,053	8,946	2,379	7,706
Sept--	60,756	18,098	10,494	7,604	32,539	617	3,186	4,067	12,641	3,061	8,967	2,379	7,740
Oct--	61,001	18,163	10,523	7,640	32,667	622	3,202	4,071	12,684	3,069	9,019	2,386	7,785
Nov--	61,472	18,321	10,615	7,706	32,882	627	3,267	4,079	12,754	3,074	9,081	2,400	7,869
Dec ² --	61,865	18,429	10,706	7,723	33,106	630	3,367	4,079	12,822	3,081	9,127	2,395	7,935
1966: Jan ² --	62,111	18,518	10,790	7,728	33,202	629	3,353	4,088	12,902	3,086	9,144	2,412	7,979

¹ Includes all full- and part-time wage and salary workers in nonagricultural establishments who worked during or received pay for any part of the pay period which includes the 12th of the month. Excludes proprietors, self-employed persons, domestic servants, and personnel of the armed forces. Total derived from this table not comparable with estimates of nonagricultural employment of the civilian labor forces, shown on p. 10, which include proprietors, self-employed persons, and domestic servants: which count persons as employed when they are not at work because of industrial disputes; and which are based on an enu-

meration of population, whereas the estimates in this table are based on reports from employing establishments.

² Preliminary.

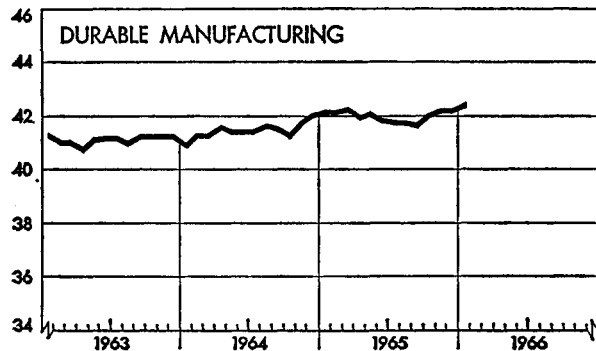
NOTE.—Beginning 1960, data include Alaska and Hawaii.

Source: Department of Labor.

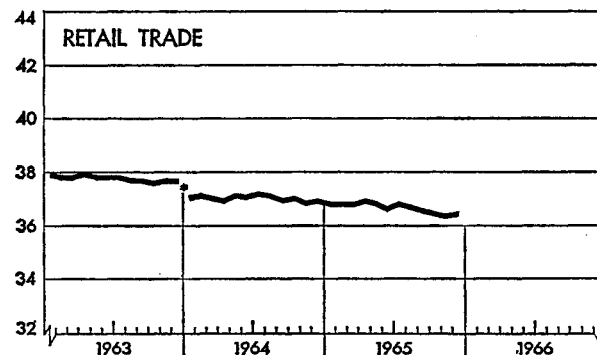
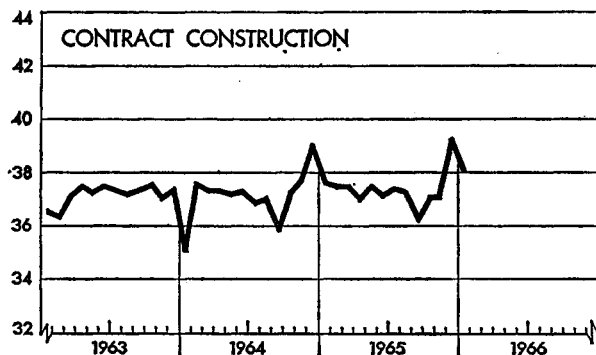
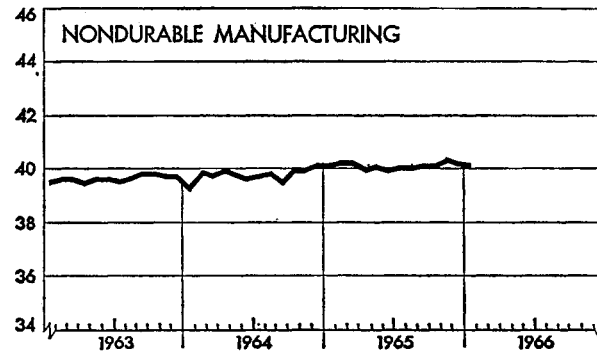
WEEKLY HOURS OF WORK - SELECTED INDUSTRIES

The average workweek in manufacturing, seasonally adjusted, was 41.4 hours in January—unchanged from November and December. In construction, the average workweek fell by 1.3 hours to 38.0 hours following an unusually large rise in December.

HOURS PER WEEK (SEASONALLY ADJUSTED)



HOURS PER WEEK (SEASONALLY ADJUSTED)



* SEE TABLE BELOW.
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Average hours per week; ¹ seasonally adjusted]

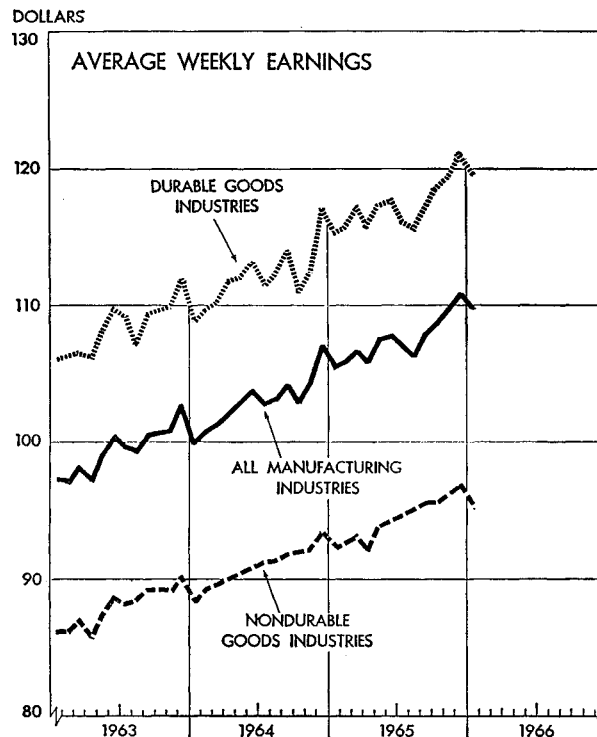
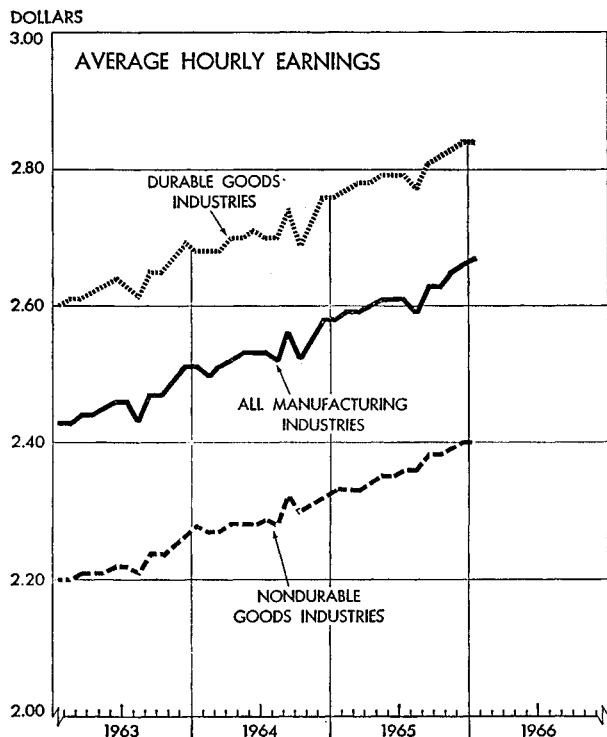
Period	Manufacturing industries			Contract construction	Retail trade
	All	Durable goods	Nondurable goods		
1955.....	40.7	41.3	39.9	37.1	39.6
1956.....	40.4	41.0	39.6	37.5	39.1
1957.....	39.8	40.3	39.2	37.0	38.7
1958.....	39.2	39.5	38.8	36.8	38.7
1959.....	40.3	40.7	39.7	37.0	38.7
1960.....	39.7	40.1	39.2	36.7	38.5
1961.....	39.8	40.3	39.3	36.9	38.1
1962.....	40.4	40.9	39.6	37.0	37.9
1963.....	40.5	41.1	39.6	37.3	37.8
1964.....	40.7	41.4	39.7	37.2	* 37.0
1965 ²	41.1	42.0	40.1	37.4	36.6
1964: Dec.....	41.2	42.0	40.1	39.0	36.9
1965: Jan.....	41.2	42.1	40.1	37.6	36.8
Feb.....	41.2	42.1	40.2	37.5	36.8
Mar.....	41.3	42.2	40.2	37.5	36.8
Apr.....	41.0	41.9	39.9	37.0	36.9
May.....	41.1	42.0	40.0	37.5	36.8
June.....	41.0	41.8	39.9	37.1	36.6
July.....	41.0	41.7	40.0	37.4	36.8
Aug.....	41.0	41.7	40.0	37.3	36.7
Sept.....	40.9	41.6	40.1	36.2	36.5
Oct.....	41.2	42.0	40.1	37.0	36.4
Nov.....	41.4	42.2	40.3	37.1	36.3
Dec ²	41.4	42.2	40.2	39.3	36.4
1966: Jan ²	41.4	42.4	40.1	38.0	-----

¹ Data relate to production workers or nonsupervisory employees. Data for Alaska and Hawaii included beginning 1959.
² Preliminary.

* Beginning 1964, includes eating and drinking places.
Source: Department of Labor.

AVERAGE HOURLY AND WEEKLY EARNINGS - SELECTED INDUSTRIES

Average weekly earnings in manufacturing were \$109.74 in January—\$4.22 above January 1965.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[For production workers or nonsupervisory employees]

Period	Average hourly earnings—current prices					Average weekly earnings—current prices					Manufacturing industries	
	Manufacturing industries			Contract construction	Retail trade	Manufacturing industries			Contract construction	Retail trade	Adjusted hourly earnings, 1957-59=100 ¹	Average weekly earnings, 1957-59 prices ²
	All	Durable goods	Non-durable goods			All	Durable goods	Non-durable goods				
1956-----	\$1. 95	\$2. 08	\$1. 77	\$2. 57	\$1. 40	\$78. 78	\$85. 28	\$70. 09	\$96. 38	\$54. 74	91. 5	\$83. 19
1957-----	2. 05	2. 19	1. 85	2. 71	1. 47	81. 59	88. 26	72. 52	100. 27	56. 89	96. 2	83. 26
1958-----	2. 11	2. 26	1. 91	2. 82	1. 52	82. 71	89. 27	74. 11	103. 78	58. 82	100. 2	82. 14
1959-----	2. 19	2. 36	1. 98	2. 93	1. 57	88. 26	96. 05	78. 61	108. 41	60. 76	103. 5	86. 96
1960-----	2. 26	2. 43	2. 05	3. 08	1. 62	89. 72	97. 44	80. 36	113. 04	62. 37	106. 6	87. 02
1961-----	2. 32	2. 49	2. 11	3. 20	1. 68	92. 34	100. 35	82. 92	118. 08	64. 01	109. 6	88. 62
1962-----	2. 39	2. 56	2. 17	3. 31	1. 74	96. 56	104. 70	85. 93	122. 47	65. 95	112. 3	91. 61
1963-----	2. 46	2. 63	2. 22	3. 41	1. 80	99. 63	108. 09	87. 91	127. 19	68. 04	115. 2	93. 37
1964-----	2. 53	2. 71	2. 29	3. 55	* 1. 75	102. 97	112. 19	90. 91	132. 06	* 64. 75	118. 0	95. 25
1965 ³ -----	2. 61	2. 79	2. 36	3. 68	1. 82	107. 27	117. 18	94. 64	137. 63	66. 61	120. 8	97. 61
1964: Dec--	2. 58	2. 76	2. 32	3. 63	1. 77	107. 07	117. 02	93. 50	133. 95	65. 84	119. 2	98. 41
1965: Jan--	2. 58	2. 76	2. 33	3. 62	1. 79	105. 52	115. 37	92. 50	131. 41	65. 34	119. 7	96. 90
Feb--	2. 59	2. 77	2. 33	3. 68	1. 79	105. 93	115. 79	92. 73	131. 38	65. 34	120. 0	97. 27
Mar--	2. 59	2. 78	2. 33	3. 65	1. 79	106. 71	117. 04	93. 20	133. 96	65. 34	120. 1	97. 90
Apr--	2. 60	2. 78	2. 34	3. 61	1. 80	105. 82	115. 93	92. 20	132. 49	66. 06	120. 4	96. 82
May--	2. 61	2. 79	2. 35	3. 65	1. 82	107. 53	117. 46	94. 00	140. 16	66. 43	120. 6	98. 11
June--	2. 61	2. 79	2. 35	3. 66	1. 82	107. 79	117. 74	94. 47	139. 08	67. 16	120. 8	97. 90
July--	2. 61	2. 79	2. 36	3. 64	1. 82	107. 01	116. 06	94. 87	140. 50	68. 25	120. 9	97. 11
Aug--	2. 59	2. 77	2. 36	3. 68	1. 82	106. 45	115. 51	95. 11	143. 15	68. 07	120. 7	96. 77
Sept--	2. 63	2. 81	2. 38	3. 74	1. 85	107. 83	117. 18	95. 68	138. 75	67. 53	121. 7	97. 85
Oct--	2. 63	2. 82	2. 38	3. 76	1. 86	108. 62	118. 72	95. 68	144. 01	67. 33	121. 8	98. 39
Nov--	2. 65	2. 83	2. 39	3. 74	1. 87	109. 71	119. 43	96. 32	136. 14	67. 13	122. 2	99. 20
Dec ³ -----	2. 66	2. 84	2. 40	3. 76	1. 85	110. 92	120. 98	96. 96	139. 87	67. 90	122. 7	99. 93
1966: Jan ³ -----	2. 67	2. 84	2. 40			109. 74	119. 56	95. 28				

¹Earnings in current prices, adjusted to exclude overtime and interindustry shifts.

²Earnings in current prices divided by the consumer price index on a 1957-59 base.

³Preliminary.

*Beginning 1964, includes eating and drinking places.

NOTE.—Beginning 1959, data include Alaska and Hawaii.

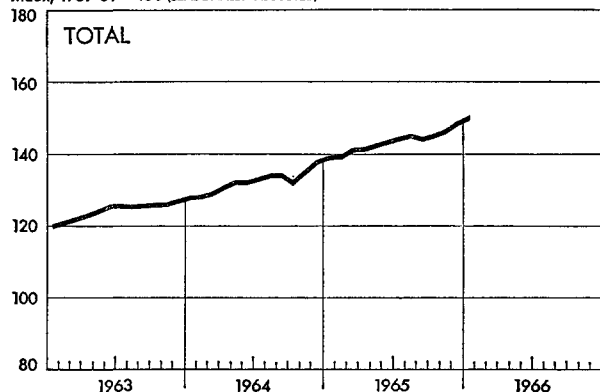
Source: Department of Labor.

PRODUCTION AND BUSINESS ACTIVITY

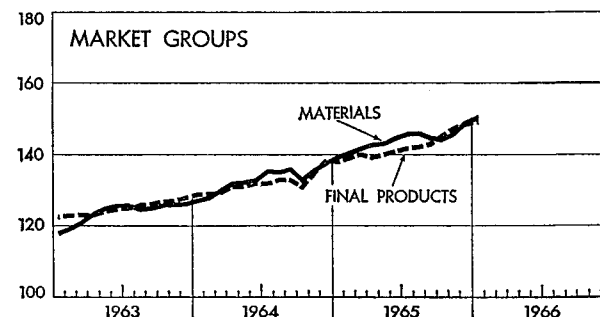
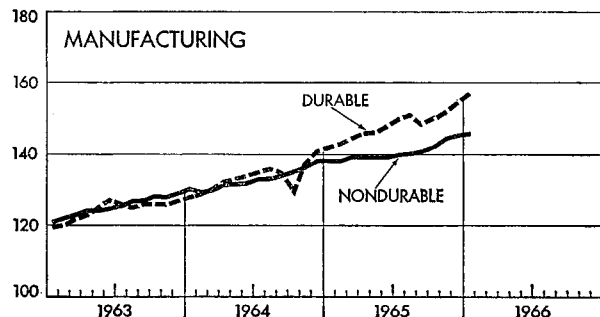
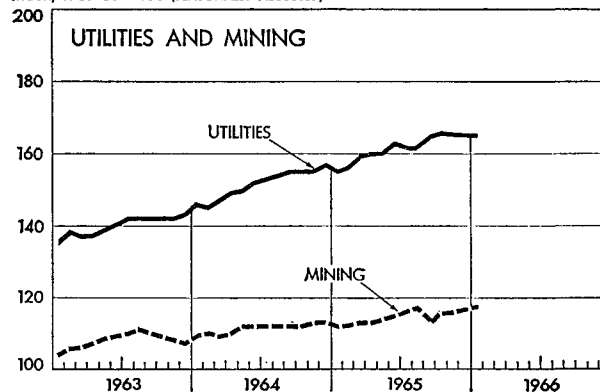
INDUSTRIAL PRODUCTION

The seasonally adjusted industrial production index increased 1 percent in January to 149.9 (1957-59=100). Higher output of materials and equipment were largely responsible for the rise.

Index, 1957-59=100 (SEASONALLY ADJUSTED)



Index, 1957-59=100 (SEASONALLY ADJUSTED)



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[1957-59=100, seasonally adjusted]

Period	Total industrial production	Industry					Market			
		Manufacturing			Mining	Utilities	Final products			Materials
		Total	Durable	Non-durable			Total	Consumer goods	Equipment	
1956.....	99.9	100.2	104.0	95.4	104.8	87.9	98.1	95.5	103.7	101.6
1957.....	100.7	100.8	104.0	96.7	104.6	93.9	99.4	97.0	104.6	101.9
1958.....	93.7	93.2	90.3	96.8	95.6	98.1	94.8	96.4	91.3	92.7
1959.....	105.6	106.0	105.6	106.5	99.7	108.0	105.7	106.6	104.1	105.4
1960.....	108.7	108.9	108.5	109.5	101.6	115.6	109.9	111.0	107.6	107.6
1961.....	109.7	109.6	107.0	112.9	102.6	122.3	111.2	112.6	108.3	108.4
1962.....	118.3	118.7	117.9	119.8	105.0	131.4	119.7	119.7	119.6	117.0
1963.....	124.3	124.9	124.5	125.3	107.9	140.0	124.9	125.2	124.2	123.7
1964.....	132.3	133.1	133.5	132.6	111.3	151.3	131.8	131.7	132.0	132.8
1965 ¹	143.3	144.9	148.3	140.6	114.5	161.4	142.4	140.3	146.8	144.2
1964: Dec.....	138.1	139.4	140.9	137.6	112.5	157.1	138.1	138.0	138.4	138.0
1965: Jan.....	138.6	140.2	142.0	137.9	111.8	154.9	138.4	138.4	138.2	138.8
Feb.....	139.2	140.8	142.7	138.4	111.8	156.1	138.5	138.0	139.4	139.7
Mar.....	140.7	142.3	144.8	139.1	112.5	158.5	140.1	140.0	140.4	141.7
Apr.....	140.9	142.4	145.5	138.5	113.0	159.9	139.4	138.5	141.2	142.6
May.....	141.6	143.1	146.4	138.8	114.0	160.4	140.2	138.6	143.7	142.6
June.....	142.7	144.1	148.1	139.0	115.3	162.5	140.7	138.7	144.9	144.5
July.....	144.2	145.7	150.0	140.4	116.0	161.3	141.7	139.3	147.0	146.4
Aug.....	144.5	146.0	150.5	140.4	117.0	161.4	142.3	139.5	148.4	146.1
Sept.....	143.5	145.2	148.2	141.3	112.6	165.3	143.3	140.7	149.0	143.7
Oct.....	145.1	146.7	150.3	142.1	115.8	165.7	145.7	141.7	154.3	144.3
Nov.....	146.4	148.3	151.5	144.2	115.5	165.1	147.4	142.8	157.3	145.6
Dec.....	148.5	150.5	154.9	145.1	116.9	165.0	148.8	144.1	159.0	148.3
1966: Jan ¹	149.9	152.0	157.1	145.7	117.7	165.0	149.5	144.2	160.8	150.1

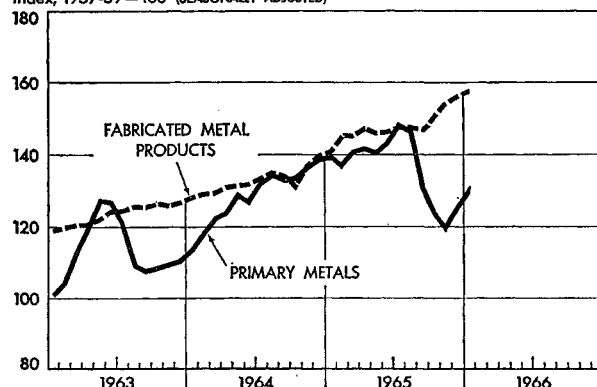
¹ Preliminary.

Source: Board of Governors of the Federal Reserve System.

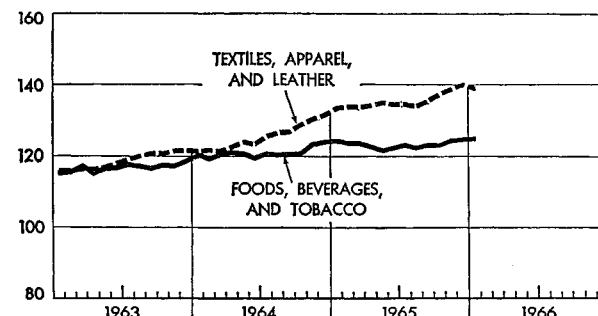
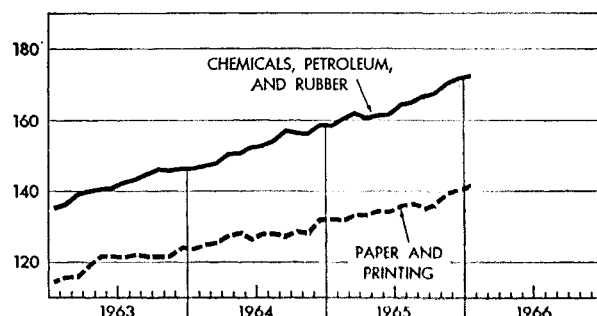
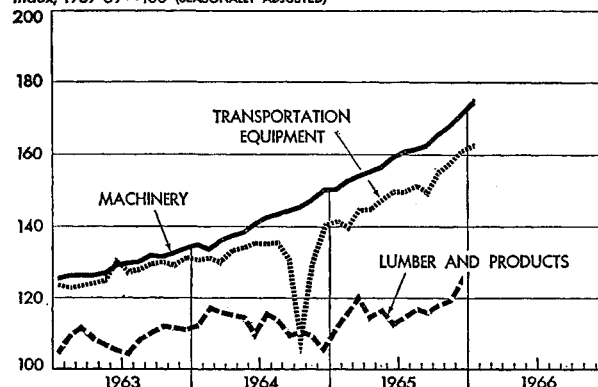
PRODUCTION OF SELECTED MANUFACTURES

In January, production of most manufactures continued to advance, on a seasonally adjusted basis. Primary metals (up over 3 percent) and machinery (up nearly 2 percent) registered the largest gains.

Index, 1957-59=100 (SEASONALLY ADJUSTED)



Index, 1957-59=100 (SEASONALLY ADJUSTED)



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[1957-59=100, seasonally adjusted]

Period	Durable manufactures					Nondurable manufactures			
	Primary metals	Fabricated metal products	Machinery	Transportation equipment	Lumber and products	Textiles, apparel, and leather	Paper and printing	Chemicals, petroleum, and rubber	Foods, beverages, and tobacco
1956.....	116.4	98.8	107.1	97.4	105.4	98.0	97.1	91.4	96.6
1957.....	112.2	101.5	104.2	106.4	95.9	96.9	97.8	95.6	96.7
1958.....	87.5	92.9	88.8	89.5	95.6	95.0	97.0	95.5	99.4
1959.....	100.4	105.5	107.1	104.0	108.5	108.1	105.2	108.9	103.9
1960.....	101.3	107.6	110.8	108.2	102.1	107.5	109.0	113.9	106.6
1961.....	98.9	106.5	110.4	103.6	101.3	108.4	112.4	118.9	110.2
1962.....	104.6	117.1	123.5	118.3	106.1	115.1	116.7	131.2	113.3
1963.....	113.3	123.4	129.2	127.0	108.9	118.5	120.1	141.8	116.8
1964.....	129.1	132.7	141.4	130.7	112.6	125.2	127.5	152.5	120.8
1965 ¹	137.8	148.2	160.3	148.9	-----	135.8	135.1	164.7	123.0
1964: Dec.....	138.6	139.7	150.1	140.3	105.5	131.5	132.1	158.5	123.9
1965: Jan.....	139.6	140.6	150.7	141.4	111.9	133.3	132.0	158.2	124.2
Feb.....	136.9	145.0	152.5	139.7	115.6	133.8	131.8	160.4	123.4
Mar.....	140.4	145.2	153.9	144.4	120.5	133.7	132.9	162.0	123.7
Apr.....	141.4	147.4	155.4	144.6	114.2	133.9	133.2	160.8	122.4
May.....	140.2	146.0	156.9	147.3	117.1	135.0	134.2	161.2	121.5
June.....	143.0	146.4	159.0	149.5	112.8	134.5	134.0	161.6	122.3
July.....	148.7	148.0	160.6	149.8	115.4	134.7	135.9	164.1	122.9
Aug.....	146.5	147.5	161.4	151.5	117.2	134.1	136.4	164.9	122.3
Sept.....	131.2	147.0	162.3	149.4	116.2	135.5	135.4	166.9	123.1
Oct.....	123.7	150.9	166.0	155.0	118.3	137.3	136.4	167.7	123.0
Nov.....	119.6	153.6	168.0	157.4	119.1	138.7	139.2	170.3	124.5
Dec.....	125.8	156.2	171.0	160.7	124.7	139.6	140.4	171.7	124.6
1966: Jan ¹	130	158	174	162	-----	139	142	173	125

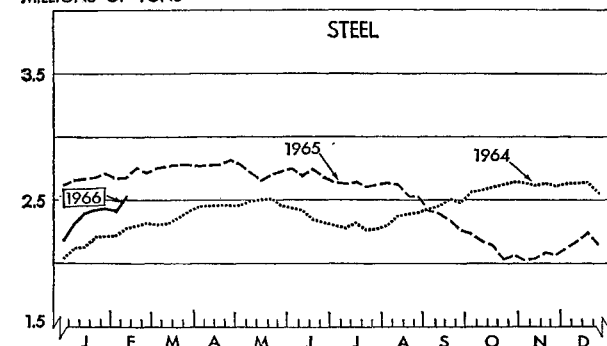
¹ Preliminary.

Source: Board of Governors of the Federal Reserve System.

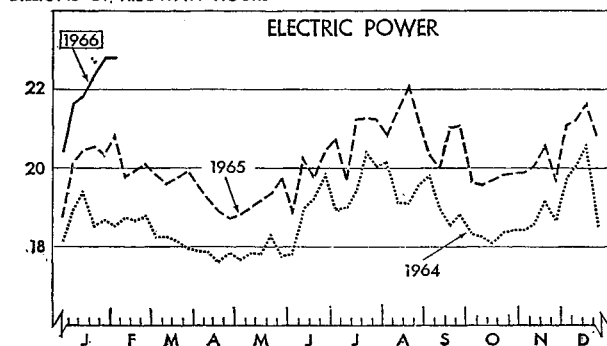
WEEKLY INDICATORS OF PRODUCTION

Steel produced in January averaged 10 percent above the December level. Cars and trucks assembled and electric power distributed also registered gains for the month.

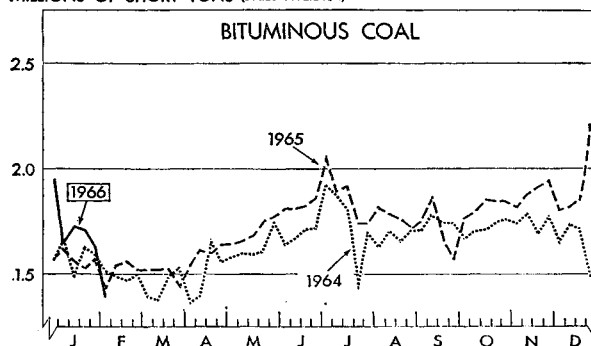
MILLIONS OF TONS



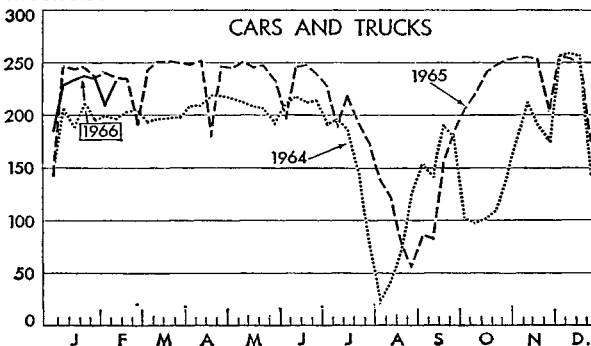
BILLIONS OF KILOWATT HOURS



MILLIONS OF SHORT TONS (DAILY AVERAGE)



THOUSANDS



SOURCES: AMERICAN IRON AND STEEL INSTITUTE, DEPARTMENT OF THE INTERIOR, EDISON ELECTRIC INSTITUTE, AND WARD'S AUTOMOTIVE REPORTS

COUNCIL OF ECONOMIC ADVISERS

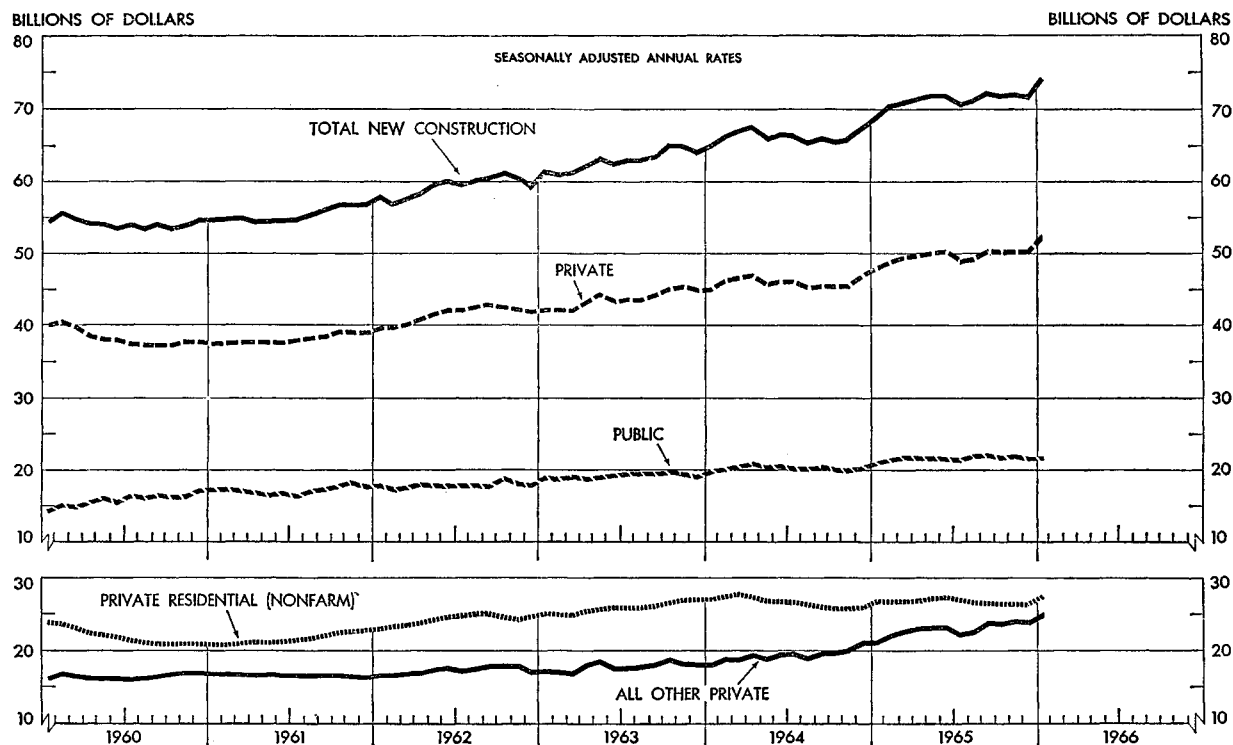
Period	Steel produced		Electric power distributed (millions of kilowatt-hours)	Bituminous coal mined (thousands of short tons) ¹	Freight loaded (thousands of cars)	Paperboard produced (thousands of tons)	Cars and trucks assembled (thousands)		
	Thousands of net tons	Index (1957-59=100)					Total	Cars	Trucks
Weekly average:									
1959-----	1,792	96.2	13,297	1,380	596	307	129.5	107.6	21.9
1960-----	1,899	101.9	14,424	1,390	585	306	151.8	128.8	23.0
1961-----	1,880	100.9	15,139	1,353	550	322	127.8	106.1	21.7
1962-----	1,886	101.2	16,325	1,414	552	343	157.5	133.4	24.1
1963-----	2,096	112.5	17,490	1,535	555	358	175.0	146.9	28.1
1964-----	2,431	130.5	18,728	1,630	550	384	178.8	148.8	30.0
1965 ² -----	2,516	135.1	20,169	1,717	563	410	213.7	179.4	34.3
1964: Dec-----	2,627	141.0	19,536	1,668	497	358	211.5	180.7	30.8
1965: Jan-----	2,671	143.4	20,348	1,576	529	391	243.1	206.8	36.3
Feb-----	2,716	145.8	20,160	1,554	512	409	225.7	192.8	33.0
Mar-----	2,787	149.6	19,728	1,598	540	421	248.5	210.5	37.9
Apr-----	2,789	149.7	18,896	1,647	567	410	231.5	195.4	36.1
May-----	2,712	145.6	19,314	1,649	597	423	244.3	206.6	37.7
June-----	2,702	145.1	19,842	1,791	578	406	233.3	196.1	37.2
July-----	2,613	140.3	20,833	1,802	550	367	199.9	171.2	28.7
Aug-----	2,556	137.2	21,395	1,781	588	416	98.4	73.1	25.2
Sept-----	2,325	124.8	20,414	1,735	573	413	142.6	109.7	32.9
Oct-----	2,098	112.6	19,741	1,801	620	441	240.1	203.6	36.6
Nov-----	2,056	110.4	20,027	1,884	581	443	242.3	207.6	34.7
Dec-----	2,178	116.9	21,010	1,902	524	455	224.0	189.0	35.0
1966: Jan ² -----	2,388	128.2	22,138	1,651	526	421	233.8	196.0	37.7
Week ended:									
1966: Jan 8-----	2,312	124.1	21,558	1,654	508	334	229.5	193.1	36.4
15-----	2,400	128.8	21,864	1,725	545	454	233.1	194.7	38.3
22-----	2,434	130.7	22,371	1,707	536	443	237.5	199.0	38.5
29-----	2,440	131.0	22,757	1,628	514	452	235.0	197.3	37.7
Feb 5 ² -----	2,422	130.0	22,793	1,423	488	436	208.5	172.0	36.4
12 ² -----	2,530	135.8	³ 21,657	³ 1,630	534	443	232.8	194.6	38.2

¹Daily average. Includes data for Alaska.
²Preliminary. ³Not charted.

Sources: American Iron and Steel Institute, Edison Electric Institute, Department of the Interior, Association of American Railroads, American Paper Institute, and Ward's Automotive Reports.

NEW CONSTRUCTION

New construction outlays (seasonally adjusted) rose 3 percent in January to an annual rate of \$7 billion. The private sector accounted for the increase.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Total new construction expenditures	Private						Federal, State, and local	Construction contracts	
		Total	Residential nonfarm		Commercial and industrial	Other	Total value (index, 1957-59=100)		Commercial and industrial floor space (millions of square feet)	
			Total ¹	New housing units						
Billions of dollars										
1960.....	53.9	38.1	21.7	16.4	7.0	9.3	15.9	105.2	461	
1961.....	55.4	38.3	21.7	16.2	7.5	9.2	17.1	107.6	443	
1962*.....	59.7	41.8	24.3	18.6	8.0	9.5	17.9	119.7	500	
1963*.....	63.0	43.6	25.8	20.1	7.9	9.9	19.3	132.0	534	
1964*.....	66.2	45.9	26.5	20.6	9.0	10.4	20.3	137.0	599	
1965* ³	71.3	49.6	26.6	20.7	23.0		21.7	142.8	680	
Seasonally adjusted annual rates										
1964:* Dec.....	67.5	47.1	26.0	20.2	10.3	10.9	20.3	154	707	
1965:* Jan.....	68.8	47.7	26.7	20.8	10.1	10.9	21.1	137	638	
Feb.....	70.4	48.9	26.7	20.9	11.1	11.1	21.4	140	697	
Mar.....	71.2	49.4	26.6	20.7	11.6	11.2	21.8	141	648	
Apr.....	71.4	49.7	26.7	20.8	11.5	11.6	21.7	152	771	
May.....	72.0	50.1	27.1	21.1	11.5	11.6	21.8	145	674	
June.....	72.0	50.3	27.2	21.2	11.6	11.5	21.7	139	663	
July.....	70.6	49.1	27.0	21.0	10.8	11.4	21.5	149	671	
Aug.....	71.1	49.2	26.6	20.7	11.2	11.4	21.9	139	595	
Sept.....	72.3	50.2	26.4	20.5	12.3	11.5	22.1	147	762	
Oct.....	71.8	50.1	26.3	20.4	12.1	11.6	21.7	147	726	
Nov ³	72.1	50.1	26.2	20.3	23.9		22.0	141	693	
Dec ³	71.7	50.1	26.2	20.3	23.8		21.7	153	784	
1966: Jan ³	74.1	52.4	27.5		24.9		21.6			

¹ Includes nonhousekeeping residential construction and additions and alterations, not shown separately.

² Compiled by F. W. Dodge Corporation and relates to 48 States.

³ Preliminary.

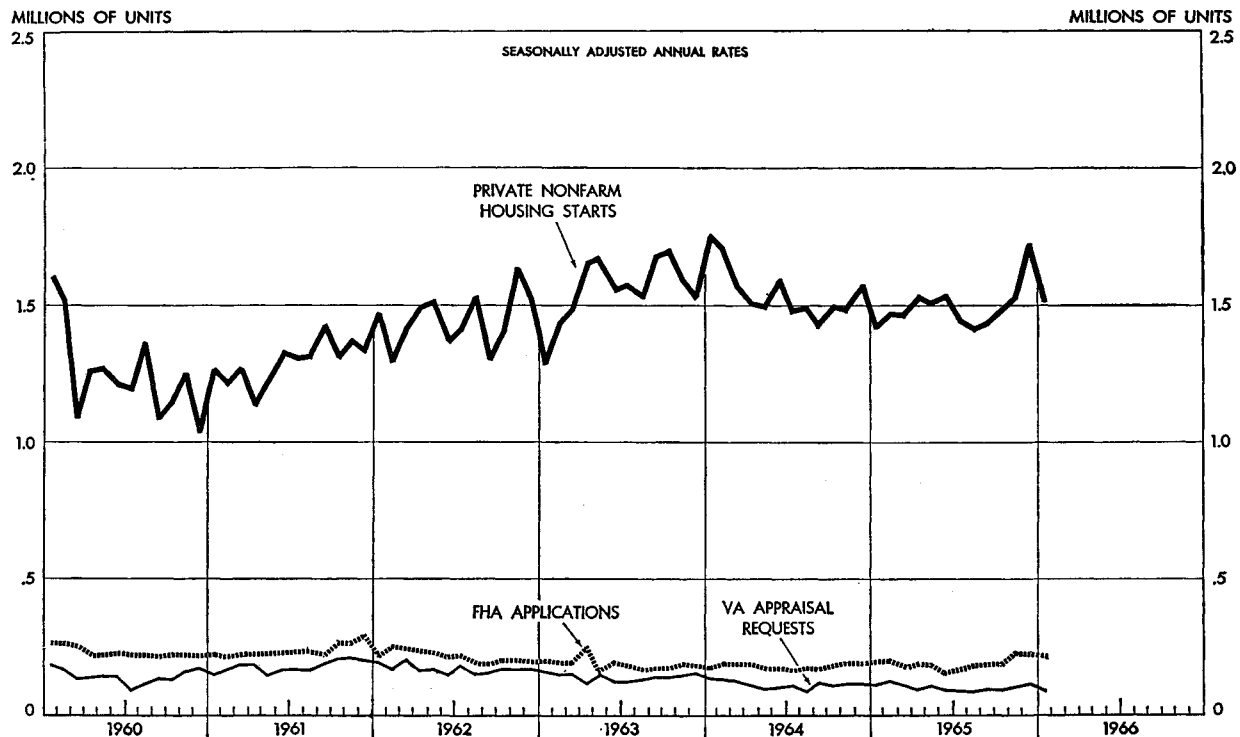
* Data for 1962-65 revised; see *Construction Reports* C30-65 (Supplement) January 1966.

NOTE.—Data for Alaska and Hawaii included beginning January 1959.

Sources: Department of Commerce and F. W. Dodge Corporation.

NEW HOUSING STARTS AND APPLICATIONS FOR FINANCING

Although private nonfarm housing starts, seasonally adjusted, declined 13 percent in January, they were 2 percent above the average 1965 level. Permit authorizations, after rising 3 months, also declined.



SOURCE, DEPARTMENT OF COMMERCE, FEDERAL HOUSING ADMINISTRATION (FHA), AND VETERANS ADMINISTRATION (VA)

COUNCIL OF ECONOMIC ADVISERS

[Thousands of units]

Period	Housing starts									New private housing units authorized ¹	Proposed home construction	
	Total private and public (including farm)	Total private (including farm)	Private nonfarm			Total private (including farm)	Private nonfarm				Applica- tions for FHA commit- ments ²	Requests for VA apprais- als ²
			Total	One- family	Two or more fami- lies		Total	Government home programs				
								FHA	VA			
1960-----	1, 296. 0	1, 252. 1	1, 230. 1	972. 9	257. 2	1, 252. 1	1, 230. 1	225. 7	74. 6	998. 0	242. 4	142. 9
1961-----	1, 365. 0	1, 313. 0	1, 284. 8	946. 4	338. 6	1, 313. 0	1, 284. 8	198. 8	83. 3	1, 064. 2	243. 8	177. 8
1962-----	1, 492. 4	1, 462. 8	1, 439. 1	967. 8	471. 1	1, 462. 8	1, 439. 1	197. 3	77. 8	1, 186. 6	221. 1	171. 2
1963-----	1, 640. 9	1, 609. 2	1, 581. 7	993. 2	588. 5	1, 609. 2	1, 581. 7	166. 2	71. 0	1, 334. 7	190. 2	139. 3
1964-----	1, 590. 8	1, 557. 4	1, 530. 4	944. 5	585. 9	1, 557. 4	1, 530. 4	154. 0	59. 2	1, 285. 8	182. 1	113. 6
1965 ³ -----	1, 542. 4	1, 504. 7	1, 482. 4	942. 1	538. 5	1, 504. 7	1, 482. 4	159. 9	52. 6	1, 240. 1	188. 9	102. 1
Seasonally adjusted annual rates												
1964: Dec--	98. 3	96. 7	94. 8	56. 7	38. 1	1, 610	1, 575	153	53	1, 195	184	118
1965: Jan--	85. 6	81. 5	80. 1	50. 4	29. 7	1, 442	1, 417	168	69	1, 280	196	113
Feb--	87. 9	85. 4	84. 7	50. 7	34. 0	1, 482	1, 468	164	69	1, 224	194	124
Mar--	124. 9	120. 7	118. 8	74. 8	44. 0	1, 489	1, 465	163	59	1, 269	175	110
Apr--	154. 9	152. 2	150. 1	97. 7	52. 4	1, 552	1, 532	146	51	1, 187	187	95
May--	162. 1	157. 5	155. 2	99. 9	55. 3	1, 516	1, 501	155	56	1, 240	180	109
June--	162. 3	155. 5	152. 8	97. 0	55. 8	1, 566	1, 539	154	54	1, 254	154	93
July--	143. 9	141. 3	139. 0	91. 8	47. 2	1, 473	1, 447	151	51	1, 243	165	92
Aug--	138. 0	134. 6	132. 8	86. 5	46. 3	1, 427	1, 409	148	46	1, 217	186	89
Sept--	125. 9	124. 3	122. 7	78. 4	44. 3	1, 453	1, 436	160	44	1, 180	189	98
Oct--	135. 7	133. 6	130. 9	84. 4	46. 5	1, 411	1, 380	167	46	1, 259	192	97
Nov--	118. 3	116. 1	114. 9	69. 9	44. 2	1, 547	1, 531	173	53	1, 282	222	105
Dec ³ --	102. 9	102. 0	100. 4	60. 6	38. 8	1, 763	1, 729	189	49	1, 325	219	117
1966: Jan ³ --	84. 5	81. 9	81. 0	-----	-----	1, 537	1, 511	181	55	1, 214	218	94

¹ Authorized by issuance of local building permit; in 10,000 permit-issuing places prior to 1963, and 12,000 or more thereafter.

² Units represented by mortgage applications for new home construction.

³ Preliminary.

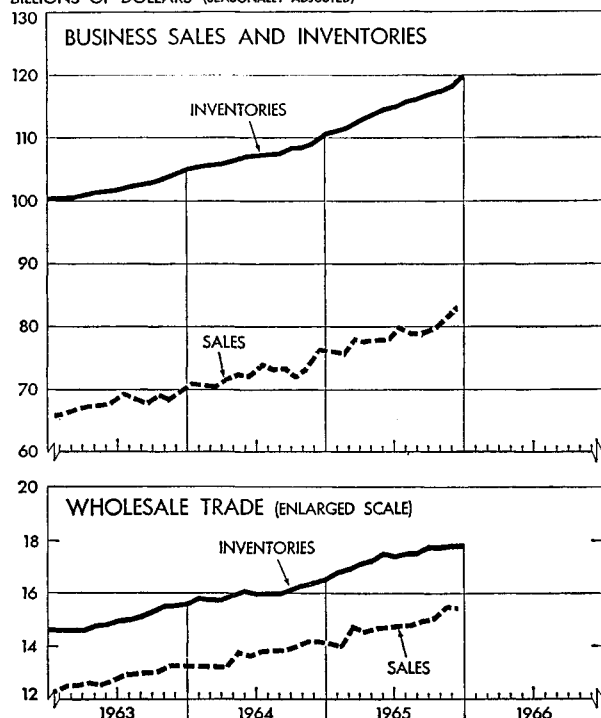
NOTE.—Data include Alaska and Hawaii.

Sources: Department of Commerce, Federal Housing Administration (FHA), and Veterans Administration (VA).

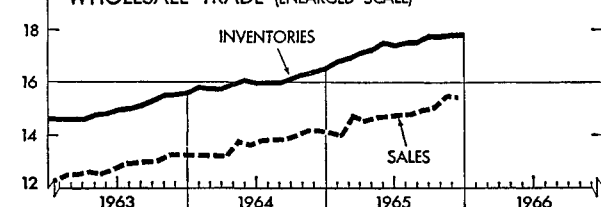
BUSINESS SALES AND INVENTORIES — TOTAL AND TRADE

Bearing the double brunt of bad weather and the New York transit strike, retail sales declined 1 percent (seasonally adjusted) in January. Both total business sales and inventories rose strongly in December.

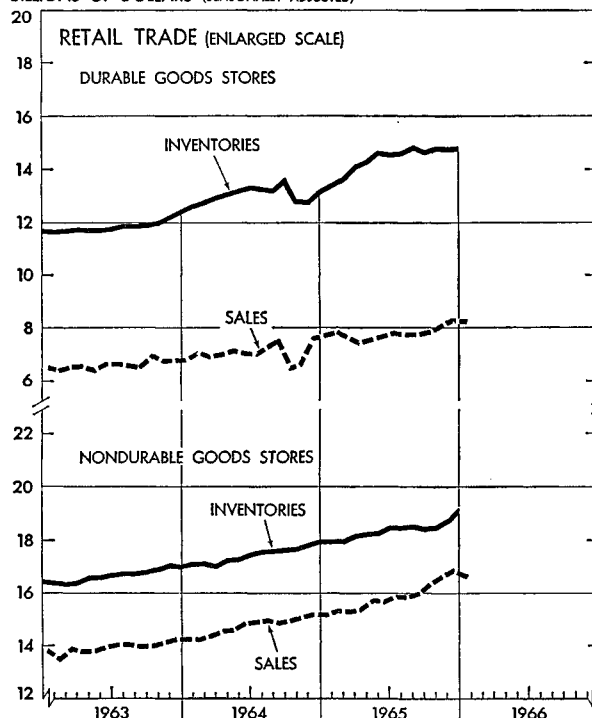
BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



WHOLESALE TRADE (ENLARGED SCALE)



BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Total business ¹		Wholesale ⁴		Retail ⁵					
	Sales ²	Inven- tories ³	Sales ²	Inven- tories ³	Sales ²			Inventories ³		
					Total	Durable goods stores	Non- durable goods stores	Total	Durable goods stores	Non- durable goods stores
	Millions of dollars, seasonally adjusted									
1958.....	54, 233	86, 922	10, 257	12, 739	16, 696	5, 284	11, 412	24, 113	10, 526	13, 587
1959.....	59, 583	91, 964	11, 413	13, 952	17, 951	5, 967	11, 984	25, 305	11, 029	14, 276
1960.....	60, 530	94, 610	11, 440	13, 983	18, 294	5, 880	12, 414	26, 813	11, 923	14, 890
1961.....	60, 748	95, 576	11, 629	14, 251	18, 234	5, 581	12, 654	26, 238	10, 965	15, 273
1962.....	65, 078	100, 271	12, 158	14, 580	19, 613	6, 210	13, 402	27, 938	11, 656	16, 282
1963.....	68, 002	105, 127	12, 692	15, 597	20, 536	6, 627	13, 909	29, 383	12, 386	16, 997
1964.....	72, 647	110, 535	13, 715	16, 461	21, 802	7, 014	14, 788	31, 130	13, 136	17, 994
1965 ⁶	78, 748	119, 680	14, 789	17, 837	23, 688	7, 806	15, 882	33, 952	14, 782	19, 170
1964: Nov.....	73, 420	109, 320	14, 196	16, 384	21, 710	6, 622	15, 088	30, 559	12, 730	17, 829
Dec.....	76, 253	110, 535	14, 178	16, 461	22, 757	7, 567	15, 190	31, 130	13, 136	17, 994
1965: Jan.....	75, 946	111, 465	14, 128	16, 774	22, 933	7, 759	15, 174	31, 478	13, 493	17, 985
Feb.....	75, 807	111, 884	13, 946	16, 867	23, 168	7, 841	15, 327	31, 635	13, 655	17, 980
Mar.....	77, 894	113, 032	14, 725	17, 064	22, 884	7, 597	15, 287	32, 260	14, 082	18, 178
Apr.....	77, 493	113, 761	14, 620	17, 216	22, 829	7, 445	15, 384	32, 546	14, 298	18, 248
May.....	77, 866	114, 542	14, 718	17, 450	23, 334	7, 618	15, 716	32, 823	14, 566	18, 257
June.....	78, 027	115, 049	14, 736	17, 410	23, 348	7, 691	15, 657	33, 014	14, 546	18, 468
July.....	79, 938	116, 012	14, 828	17, 530	23, 658	7, 821	15, 837	33, 088	14, 592	18, 496
Aug.....	78, 938	116, 683	14, 829	17, 535	23, 591	7, 764	15, 827	33, 360	14, 819	18, 541
Sept.....	78, 872	116, 967	14, 936	17, 655	23, 763	7, 770	15, 993	33, 045	14, 621	18, 424
Oct.....	79, 760	117, 653	14, 995	17, 715	24, 217	7, 871	16, 346	33, 296	14, 782	18, 514
Nov ⁶	81, 548	118, 500	15, 505	17, 775	24, 640	8, 050	16, 590	33, 533	14, 774	18, 759
Dec ⁶	82, 908	119, 680	15, 398	17, 837	25, 130	8, 289	16, 841	33, 952	14, 782	19, 170
1966: Jan ⁶					24, 855	8, 224	16, 631			

¹ The term "business" here includes wholesale, retail, and manufacturing trade (see page 22).

² Monthly average for year and total for month.

³ Book value, end of period, seasonally adjusted.

⁴ Beginning 1961, data include Alaska and Hawaii.

⁵ Beginning 1960, data include Alaska and Hawaii.

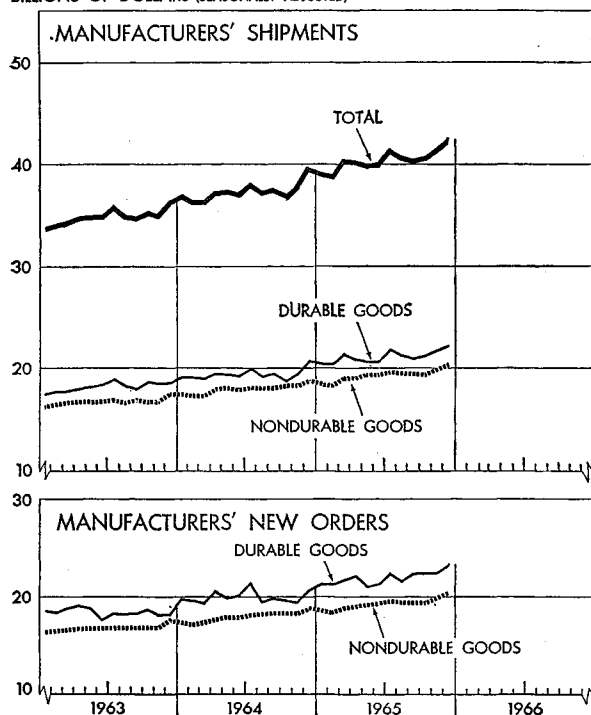
⁶ Preliminary.

Source: Department of Commerce.

MANUFACTURERS' SHIPMENTS, INVENTORIES, AND NEW ORDERS

Manufacturers' shipments in December rose 2 percent (seasonally adjusted). Orders and inventories also registered good advances.

BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Manufacturers' shipments ¹			Manufacturers' inventories ²			Manufacturers' new orders ¹				Manu- fac- turers' inven- tory- ship- ments ratio ³
	Total	Durable goods	Non- durable goods	Total	Durable goods	Non- durable goods	Total	Durable goods		Non- durable goods	
								Total	Machinery and equipment		
	Millions of dollars, seasonally adjusted										
1958.....	27,280	13,572	13,708	50,070	30,095	19,975	26,901	13,170	2,354	13,731	1.84
1959.....	30,219	15,544	14,675	52,707	31,839	20,868	30,679	15,951	2,878	14,728	1.70
1960.....	30,796	15,817	14,979	53,814	32,360	21,454	30,115	15,223	2,791	14,892	1.76
1961.....	30,884	15,532	15,352	55,087	32,646	22,441	31,061	15,664	2,854	15,397	1.74
1962.....	33,308	17,184	16,124	57,753	34,326	23,427	33,167	17,085	3,090	16,082	1.70
1963.....	34,774	18,071	16,704	60,147	36,028	24,119	35,036	18,300	3,326	16,736	1.69
1964.....	37,129	19,231	17,898	62,944	38,412	24,532	37,697	19,803	3,706	17,895	1.64
1965 ⁴	40,345	21,082	19,263	67,891	42,177	25,714	41,155	21,867	4,146	19,288	1.61
1964: Oct.....	36,811	18,633	18,178	61,777	37,517	24,260	37,846	19,623	3,786	18,223	1.68
Nov.....	37,514	19,291	18,223	62,377	38,040	24,337	37,720	19,454	3,882	18,266	1.66
Dec.....	39,318	20,559	18,759	62,944	38,412	24,532	39,590	20,720	3,917	18,870	1.60
1965: Jan.....	38,885	20,415	18,470	63,213	38,495	24,718	39,704	21,271	3,958	18,433	1.63
Feb.....	38,693	20,374	18,319	63,382	38,692	24,690	39,469	21,130	3,799	18,339	1.64
Mar.....	40,285	21,284	19,001	63,708	38,972	24,736	40,712	21,714	4,024	18,998	1.58
Apr.....	40,044	20,915	19,129	63,999	39,233	24,766	41,120	22,043	4,078	19,077	1.60
May.....	39,814	20,513	19,301	64,269	39,475	24,794	40,181	20,992	4,069	19,189	1.61
June.....	39,943	20,652	19,291	64,625	39,951	24,674	40,689	21,310	4,091	19,379	1.62
July.....	41,452	21,820	19,632	65,394	40,600	24,794	41,846	22,195	4,348	19,651	1.58
Aug.....	40,518	21,191	19,327	65,788	40,814	24,974	40,926	21,509	4,159	19,417	1.62
Sept.....	40,173	20,924	19,249	66,267	41,300	24,967	41,483	22,163	4,153	19,320	1.65
Oct.....	40,548	21,146	19,402	66,642	41,523	25,119	41,843	22,425	4,249	19,418	1.64
Nov.....	41,403	21,606	19,797	67,192	41,869	25,323	42,234	22,389	4,325	19,845	1.62
Dec ⁴	42,380	22,139	20,241	67,891	42,177	25,714	43,655	23,259	4,505	20,396	1.60
1966: Jan ⁴		22,659						23,584	4,383		

¹ Monthly average for year and total for month.

² Book value, end of period, seasonally adjusted.

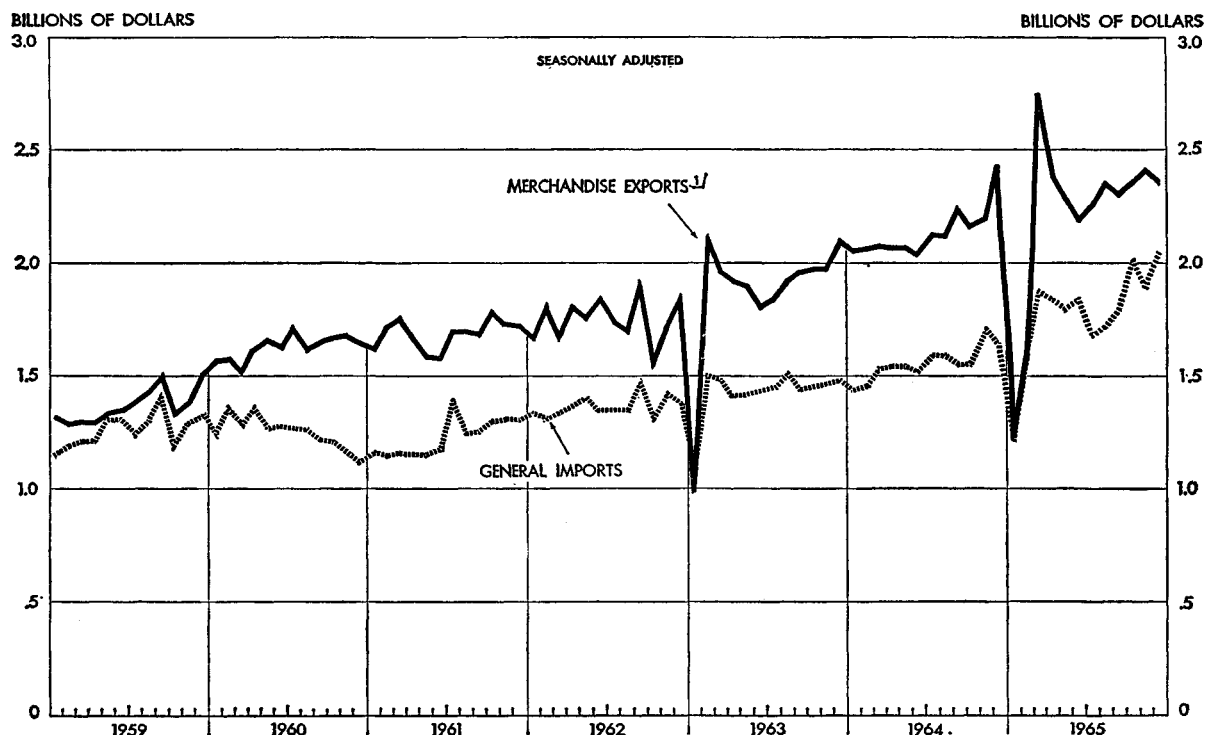
³ For annual periods, ratio of weighted average inventories to average monthly shipments; for monthly data, ratio of inventories at end of month to shipments for month.

⁴ Preliminary.

Source: Department of Commerce.

MERCHANDISE EXPORTS AND IMPORTS

The trade surplus in December fell to \$321 million (seasonally adjusted), thus bringing the trade surplus for 1965 to \$5.2 billion (\$433 million monthly average), or one-quarter below the high 1964 level.



^{1/}SEE NOTE 1 BELOW.

SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	Merchandise exports						Merchandise imports					Merchandise trade surplus, seasonally adjusted	
	Total (including reexports) ¹		Domestic exports				General imports ²		Imports for consumption ³				
			Total ⁴	Food, beverages, and tobacco	Crude materials and fuel	Manufactured goods			Total ⁴	Food, beverages, and tobacco	Crude materials and fuel		Manufactured goods
Monthly average:	Seasonally adjusted	Unadjusted					Seasonally adjusted	Unadjusted					
1958-----		1,364	1,351	224	254	962		1,105	1,101	296	342	433	259
1959-----		1,367	1,352	238	250	931		1,302	1,285	296	382	575	65
1960-----		1,634	1,617	263	324	1,072		1,251	1,251	283	379	556	383
1961-----		1,679	1,659	286	318	1,083		1,226	1,221	286	361	539	453
1962-----		1,745	1,723	307	277	1,157		1,366	1,354	306	381	630	379
1963-----		1,869	1,846	342	311	1,218		1,429	1,417	320	386	666	440
1964-----		2,135	2,106	387	362	1,360		1,557	1,550	332	413	756	578
1965-----		2,214	2,186					1,781	1,774				433
Unadjusted													
1964: Nov-----	2,206	2,183	2,158	440	382	1,342	1,698	1,672	1,655	392	399	813	508
Dec-----	2,426	2,561	2,526	452	463	1,605	1,642	1,755	1,720	376	454	842	784
1965: Jan-----	1,215	1,188	1,171	137	209	826	1,193	1,113	1,138	173	386	535	22
Feb-----	1,599	1,514	1,491	225	246	1,052	1,600	1,464	1,489	264	416	759	-1
Mar-----	2,755	2,892	2,860	484	461	1,888	1,861	2,040	1,999	386	508	1,041	894
Apr-----	2,380	2,529	2,502	389	410	1,708	1,833	1,855	1,821	331	454	963	547
May-----	2,260	2,381	2,351	392	378	1,555	1,789	1,724	1,720	332	409	913	471
June-----	2,230	2,219	2,191	382	382	1,455	1,830	1,907	1,878	349	474	989	401
July-----	2,256	2,172	2,140	414	362	1,343	1,663	1,633	1,636	261	410	902	592
Aug-----	2,333	2,124	2,096	363	321	1,393	1,764	1,718	1,729	315	449	909	569
Sept-----	2,324	2,141	2,111	401	303	1,371	1,807	1,798	1,795	353	431	946	517
Oct-----	2,342	2,420	2,387	431	383	1,530	2,006	1,997	2,004	409	462	1,061	336
Nov-----	2,408	2,440	2,407	459	402	1,525	1,903	1,967	1,953	417	424	1,034	505
Dec-----	2,356	2,550	2,520				2,035	2,160	2,130				321

¹ Total excludes Department of Defense shipments of grant-aid military supplies and equipment under the Military Assistance Program.

² Total arrivals of imported goods other than intransit shipments.

³ Imported merchandise released from Customs custody for entry into U.S.

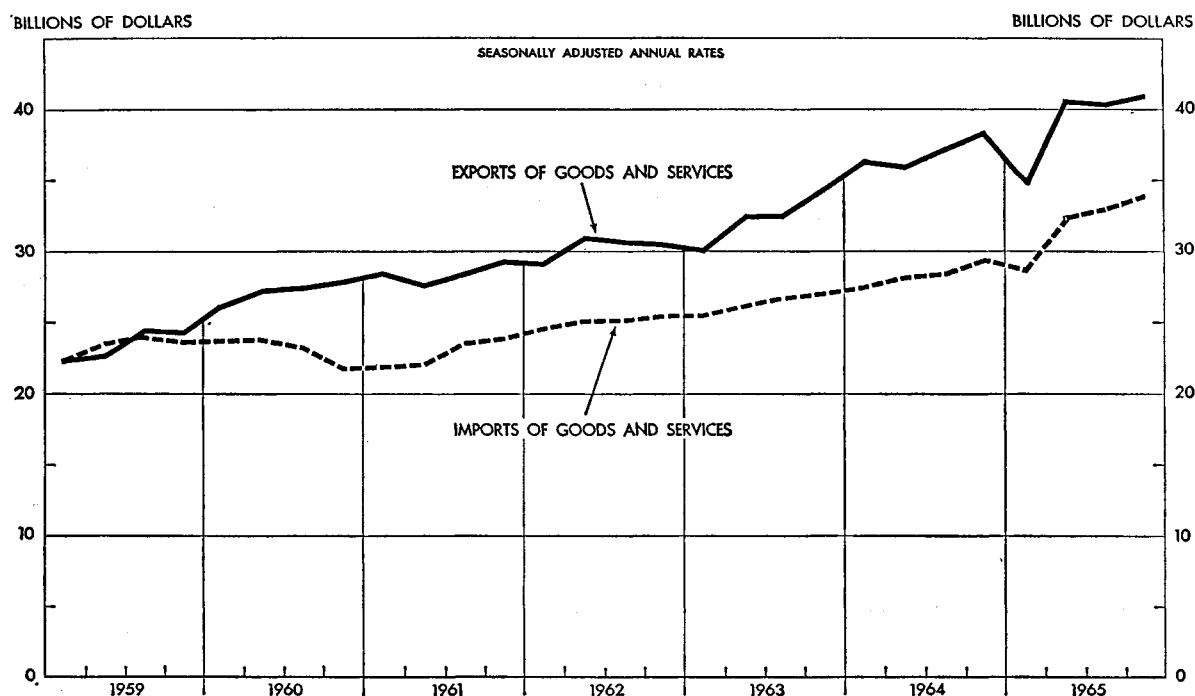
consumption channels, entries into bonded manufacturing warehouses, and ores and crude metals (after smelting and refining) in bonded warehouses.

⁴ Total includes commodities and transactions not classified according to kind.

Source: Department of Commerce.

U.S. EXPORTS AND IMPORTS OF GOODS AND SERVICES

In the fourth quarter of 1965 the balance on goods and services declined to \$6.9 billion (seasonally adjusted annual rate) bringing the balance for the year to \$7.2 billion. This yearly total is below the unusually high 1964 level of \$8.6 billion but is still the second highest surplus attained since 1947. Both yearly surpluses were below the unusually high levels attained in 1964.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	Exports of goods and services						Imports of goods and services				Balance on goods and services
	Total	Merchandise ¹	Military sales	Income on investments		Other services	Total	Merchandise ¹	Military expenditures	Other services	
				Private	Government						
1959	23, 476	16, 282	302	2, 694	349	3, 849	23, 342	15, 310	3, 107	4, 925	134
1960	27, 244	19, 489	335	3, 001	349	4, 070	23, 177	14, 732	3, 048	5, 397	4, 067
1961	28, 557	19, 936	402	3, 561	380	4, 278	22, 924	14, 507	2, 954	5, 463	5, 633
1962	30, 278	20, 604	656	3, 954	471	4, 593	25, 129	16, 173	3, 078	5, 878	5, 149
1963	32, 353	22, 069	659	4, 156	498	4, 971	26, 436	16, 992	2, 929	6, 515	5, 917
1964	37, 017	25, 288	762	5, 003	454	5, 510	28, 457	18, 619	2, 824	7, 014	8, 560
1965 ²	39, 121	26, 303					31, 953	21, 480			7, 168
Seasonally adjusted annual rates											
1964: I	36, 336	24, 596	776	5, 064	520	5, 380	27, 512	17, 640	2, 928	6, 944	8, 824
II	35, 964	24, 268	764	5, 052	528	5, 352	28, 244	18, 396	2, 880	6, 968	7, 720
III	37, 340	25, 528	672	5, 040	528	5, 572	28, 544	18, 836	2, 764	6, 944	8, 796
IV	38, 428	26, 760	836	4, 856	240	5, 736	29, 528	19, 604	2, 724	7, 200	8, 900
1965: I	34, 852	22, 504	696	5, 672	556	5, 424	28, 628	18, 652	2, 648	7, 328	6, 224
II	40, 576	27, 200	916	6, 032	560	5, 868	32, 428	21, 920	2, 808	7, 700	8, 148
III	40, 280	27, 328	840	5, 620	564	5, 928	32, 856	22, 380	2, 860	7, 616	7, 424
IV ²	40, 776	28, 180					33, 900	22, 968			6, 876

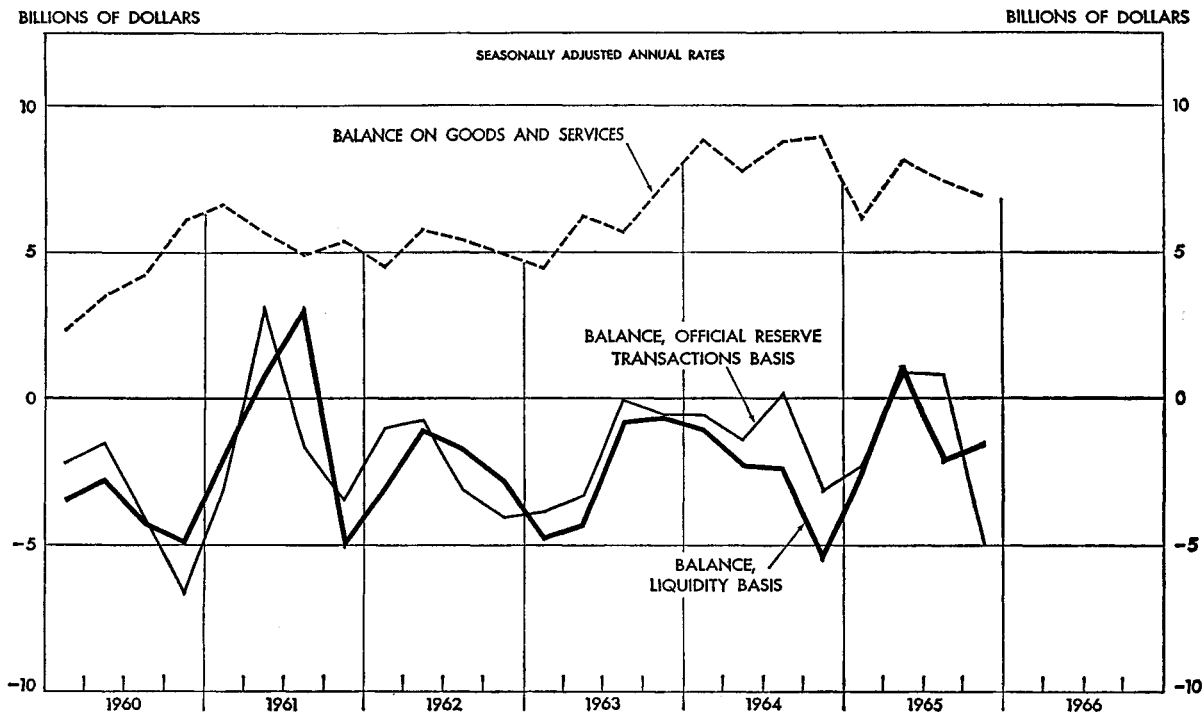
¹ Adjusted from customs data for differences in timing and coverage.

² Preliminary.

Source: Department of Commerce.

U.S. BALANCE OF INTERNATIONAL PAYMENTS

In 1965 the United States recorded moderate sized deficits on both the liquidity and official settlements bases. The deficit on liquidity balance was \$1.3 billion (compared to \$2.8 billion in 1964), and the deficit on official settlements balance was \$1.4 billion (compared to \$1.2 billion in 1964). The balances were very close to one another since the build-up of private liquid claims held abroad was very small in 1965.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	U.S. Government grants and capital, net ¹	U.S. private capital, net			Foreign capital, net ¹	Errors and un- recorded trans- actions	Balance		Changes in selected liabilities (decrease (-)) ⁴			Changes in gold, converti- ble cur- rencies and IMF gold tranche position (increase (-))
		Direct invest- ment	Other long- term	Short- term			Liqui- dity basis ²	Official reserve trans- actions basis ³	To foreign official holders ⁵		To other foreign holders ⁷	
									Liquid	Non- liquid ⁶		
1959	-1, 986	-1, 372	-926	-77	863	412	-3, 743	-2, 283	1, 248	-----	1, 460	1, 035
1960	-2, 769	-1, 674	-863	-1, 348	366	-988	-3, 881	-3, 592	1, 449	-----	289	2, 143
1961	-2, 780	-1, 599	-1, 025	-1, 556	707	-1, 045	-2, 370	-1, 287	681	-----	1, 083	606
1962	-3, 013	-1, 654	-1, 227	-544	1, 021	-1, 197	-2, 203	-2, 241	457	251	213	1, 533
1963	-3, 581	-1, 976	-1, 695	-785	688	-401	-2, 670	-1, 977	1, 673	-74	619	378
1964	-3, 563	-2, 376	-1, 975	-2, 111	667	-1, 161	-2, 798	-1, 224	1, 073	-20	1, 554	171
1965							-1, 299	-1, 382	-50	210	127	1, 222
Seasonally adjusted annual rates												
1964:									Quarterly, totals unadjusted			
I	-3, 012	-1, 856	-1, 096	-2, 356	456	-1, 152	-1, 028	-544	-400	-50	227	-51
II	-3, 560	-2, 160	-1, 024	-2, 192	308	-608	-2, 328	-1, 404	215	-----	114	303
III	-3, 580	-2, 204	-2, 448	-1, 624	680	-1, 164	-2, 372	184	389	-----	562	70
IV	-4, 100	-3, 284	-3, 332	-2, 272	1, 224	-1, 720	-5, 464	-3, 132	869	30	651	-151
1965:												
I	-3, 132	-4, 636	-2, 716	1, 188	1, 392	-12	-2, 588	-2, 324	-860	-----	198	842
II	-3, 904	-3, 564	400	1, 696	-240	-308	1, 068	920	-107	-----	-161	68
III	-3, 064	-2, 060	-1, 420	184	-1, 020	-1, 232	-2, 124	872	253	-----	687	41
IV							-1, 552	-4, 996	664	210	-597	* 271

¹ Includes certain special Government transactions.

² Equals changes in liquid liabilities to foreign official holders, other foreign holders, and changes in official reserve assets consisting of gold, convertible currencies, and the U.S. gold tranche position in the IMF.

³ Equals changes in liquid and nonliquid liabilities to foreign official holders and changes in official reserve assets consisting of gold, convertible currencies, and the U.S. gold tranche position in the IMF.

⁴ Includes short-term official and banking liabilities and foreign holdings of U.S. Government bonds and notes.

⁵ Central banks, governments, and U.S. liabilities to the IMF arising from reversible gold sales to, and gold deposits with, the U.S.

⁶ Provisional.

⁷ Private holders; includes banks and international and regional organizations; excludes IMF.

⁸ On Dec. 31, U.S. reserve assets consisted of gold stock, \$13,807 million (down \$118 million from Sept. 30); IMF position including gold portion of increased U.S. subscription, \$837 million; convertible currencies, \$777 million.

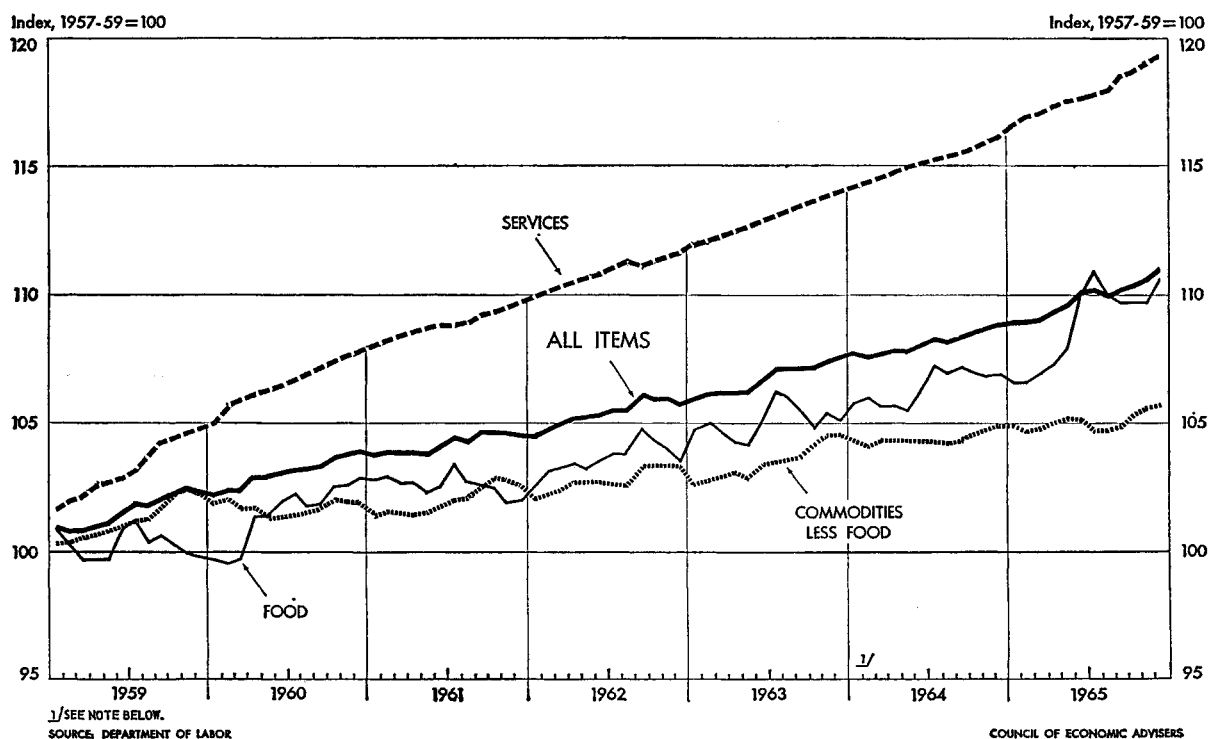
NOTE.—Data exclude military grant-aid and U.S. subscriptions to IMF.

Source: Department of Commerce.

PRICES

CONSUMER PRICES

The over-all index of consumer prices increased by 0.4 percent in December. This increase was primarily due to a very sharp rise of 0.8 percent in food prices. The prices of other commodities rose by only 0.1 percent and service prices increased by 0.3 percent.



[1957-59=100]

Period	All items	Commodities					Services		
		All commodities	Food	Commodities less food			All services	Rent	Services less rent
				All	Durable	Non-durable			
1955	93.3	94.6	94.0	94.9	95.3	94.4	90.5	94.8	89.4
1956	94.7	95.5	94.7	95.9	95.4	96.5	92.8	96.5	91.9
1957	98.0	98.5	97.8	98.8	98.5	99.1	96.6	98.3	96.1
1958	100.7	100.8	101.9	99.9	100.0	99.8	100.3	100.1	100.2
1959	101.5	100.9	100.3	101.2	101.5	101.0	103.2	101.6	103.6
1960	103.1	101.7	101.4	101.7	100.9	102.6	106.6	103.1	107.4
1961	104.2	102.3	102.6	102.0	100.8	103.2	108.8	104.4	110.0
1962	105.4	103.2	103.6	102.8	101.8	103.8	110.9	105.7	112.1
1963	106.7	104.1	105.1	103.5	102.1	104.8	113.0	106.8	114.5
1964 ¹	108.1	105.2	106.4	104.4	103.0	105.7	115.2	107.8	117.0
1965	109.9	106.4	108.8	105.1	102.6	107.2	117.8	108.9	120.0
1964: Nov	108.7	105.6	106.8	104.8	103.5	106.1	116.0	108.3	117.9
Dec	108.8	105.7	106.9	104.9	103.4	106.3	116.2	108.4	118.2
1965: Jan	108.9	105.6	106.6	104.9	103.6	106.1	116.6	108.4	118.6
Feb	108.9	105.5	106.6	104.7	103.3	106.1	116.9	108.5	118.9
Mar	109.0	105.6	106.9	104.8	103.2	106.2	117.0	108.7	119.1
Apr	109.3	105.9	107.3	105.0	103.0	106.8	117.3	108.8	119.3
May	109.6	106.2	107.9	105.2	102.9	107.2	117.5	108.8	119.5
June	110.1	106.9	110.1	105.1	102.6	107.3	117.6	108.8	119.7
July	110.2	106.9	110.9	104.7	102.3	106.9	117.8	108.9	120.0
Aug	110.0	106.6	110.1	104.7	101.8	107.1	117.9	109.0	120.0
Sept	110.2	106.6	109.7	104.9	101.7	107.7	118.5	109.1	120.7
Oct	110.4	106.9	109.7	105.3	102.1	108.0	118.7	109.2	121.0
Nov	110.6	107.1	109.7	105.6	102.4	108.3	119.0	109.3	121.3
Dec	111.0	107.4	110.6	105.7	102.4	108.4	119.3	109.5	121.6

¹ See Note.

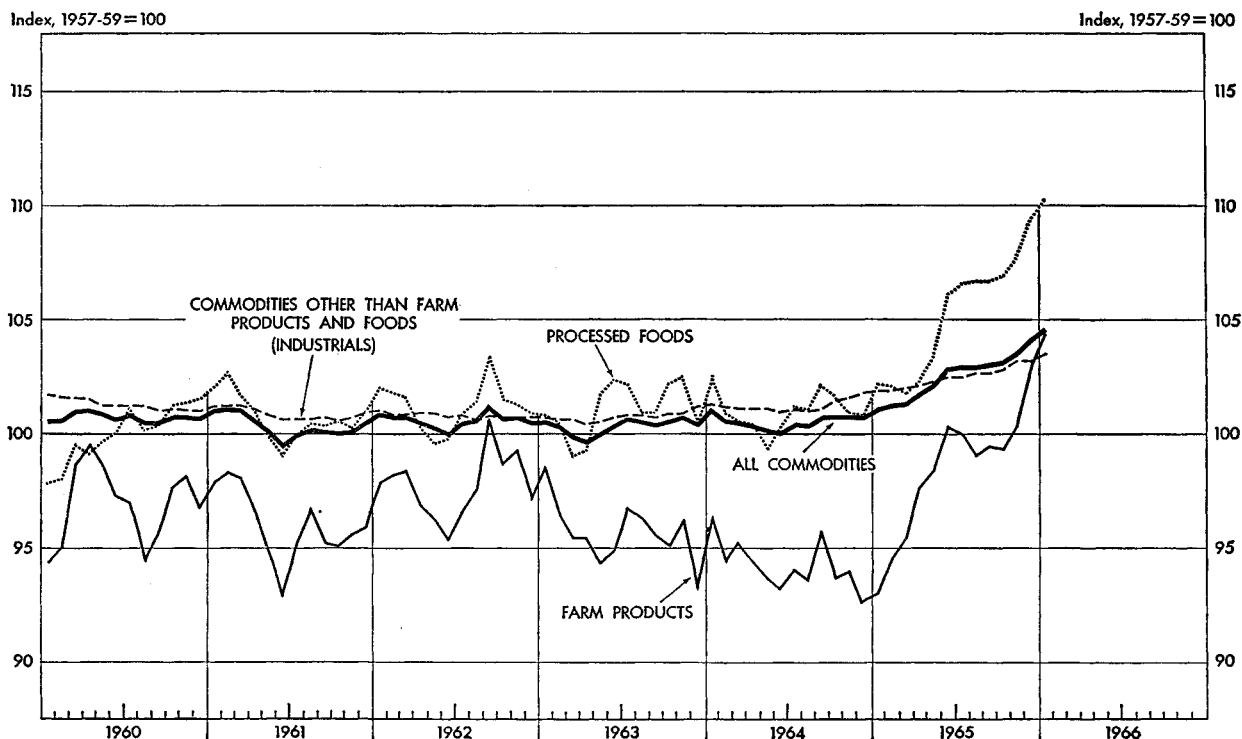
NOTE.—Prior to January 1964, indexes revised to reflect transfer of home-ownership from services to durable commodities.

Beginning with January 1964, new index with revised weights, coverage, and sampling procedures. For details, see Department of Labor release, *Major Changes in the Consumer Price Index*, March 3, 1964.

Source: Department of Labor.

WHOLESALE PRICES

The wholesale price index rose by 0.5 percent in January for the third big increase in a row. The increases were again concentrated in farm product and processed food prices, which rose by 1.4 percent and 0.7 percent, respectively, but industrial prices also rose—by 0.3 percent—after being stable in December.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[1957-59=100]

Period	All commodities	Farm products	Processed foods	Commodities other than farm products and foods (industrials)					
				All industrials ¹	Industrial crude materials	Industrial intermediate materials ²	Producer finished goods	Consumer finished goods excluding food	
								Durable	Non-durable
1958.....	100.4	103.6	102.9	99.5	96.9	99.4	100.2	100.1	99.3
1959.....	100.6	97.2	99.2	101.3	102.3	101.0	102.1	101.3	100.8
1960.....	100.7	96.9	100.0	101.3	98.3	101.4	102.3	100.9	101.5
1961.....	100.3	96.0	100.7	100.8	97.2	100.1	102.5	100.5	101.5
1962.....	100.6	97.7	101.2	100.8	95.6	99.9	102.9	100.0	101.6
1963.....	100.3	95.7	101.1	100.7	94.3	99.6	103.1	99.5	101.9
1964.....	100.5	94.3	101.0	101.2	97.1	100.2	104.1	99.9	101.6
1965 ³	102.5	98.4	105.1	102.5	100.9	101.5	105.4	99.6	102.8
1964: Dec.....	100.7	92.7	100.8	101.8	100.6	100.6	104.5	99.9	102.1
1965: Jan.....	101.0	93.0	102.2	101.9	99.0	100.8	104.9	99.8	102.3
Feb.....	101.2	94.5	102.1	101.9	99.4	100.8	105.0	99.7	102.2
Mar.....	101.3	95.4	101.8	102.0	99.7	100.9	105.1	99.7	102.2
Apr.....	101.7	97.6	102.3	102.1	100.1	101.1	105.3	99.7	102.2
May.....	102.1	98.4	103.3	102.3	101.0	101.4	105.3	99.6	102.5
June.....	102.8	100.3	106.1	102.5	100.5	101.5	105.4	99.7	102.6
July.....	102.9	100.0	106.6	102.5	100.4	101.5	105.4	99.6	102.7
Aug.....	102.9	99.1	106.7	102.7	101.7	101.7	105.5	99.5	102.8
Sept.....	103.0	99.5	106.7	102.7	101.3	101.8	105.5	99.5	103.0
Oct.....	103.1	99.4	106.9	102.8	102.0	101.9	105.6	99.5	103.3
Nov.....	103.5	100.3	107.6	103.2	102.7	102.1	105.9	99.6	103.6
Dec.....	104.1	103.0	109.4	103.2	102.6	102.2	106.0	99.6	103.7
1966: Jan ³	104.6	104.4	110.2	103.5	104.0	102.3	106.1	99.7	103.8
Week ended: ⁴									
1966: Feb 8.....	104.9	106.5	110.7	103.5					
15 ³	105.0	106.6	111.0	103.5					

¹ Coverage of the subgroups does not correspond exactly to coverage of this index.

² Excludes intermediate materials for food manufacturing and manufactured animal feeds; includes, in part, grain products for further processing.

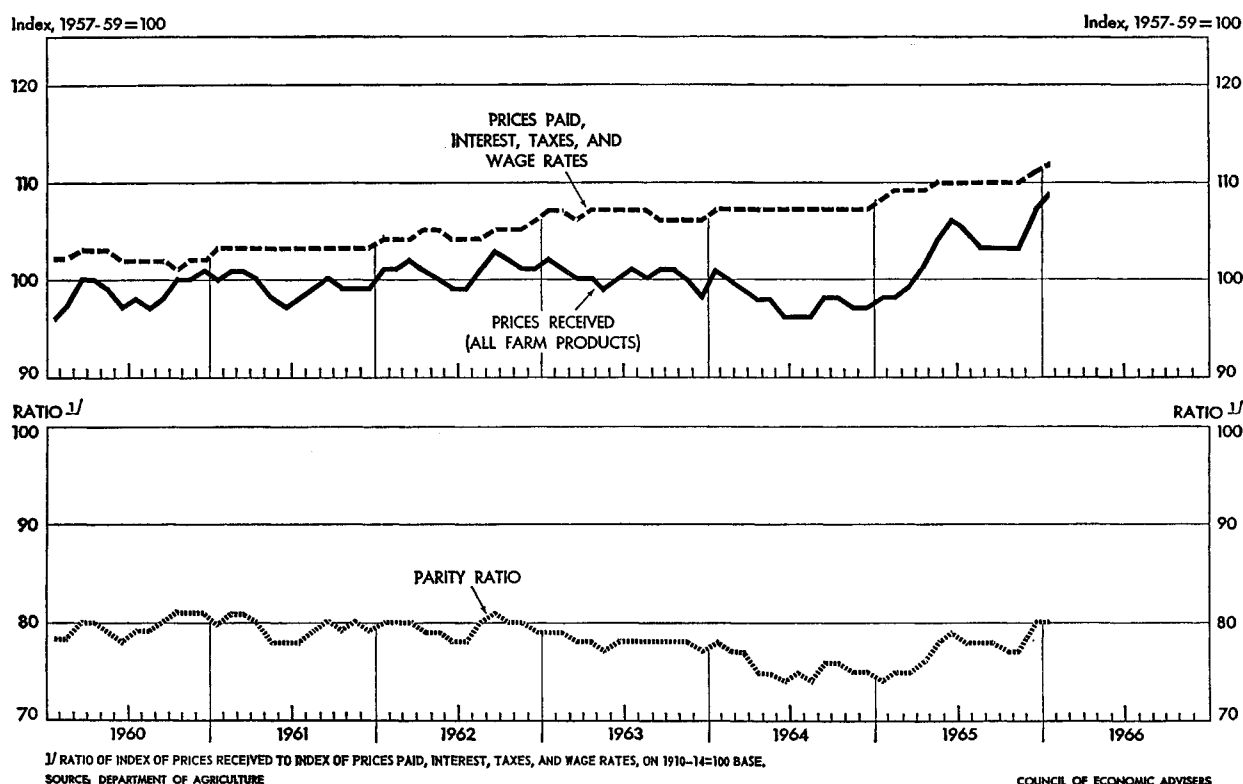
³ Preliminary.

⁴ Weekly series based on smaller sample than monthly series.

Source: Department of Labor.

PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers rose by 2 percent in the month ended January 15 due to increases in both crop and livestock prices. Prices paid by farmers also increased and the parity ratio was unchanged at 80 percent after rising sharply during the previous month.



Period	Prices received by farmers			Prices paid by farmers			Parity ratio ¹
	All farm products	Crops	Livestock and products	All items, interest, taxes, and wage rates	Family living items	Production items	
	Index, 1957-59=100						
1956-----	95	105	88	95	96	95	83
1957-----	97	101	94	98	99	98	82
1958-----	104	100	106	100	100	100	85
1959-----	99	99	100	102	101	102	81
1960-----	98	99	98	102	102	101	80
1961-----	99	102	98	103	102	101	79
1962-----	101	104	99	105	103	103	80
1963-----	100	106	95	107	104	104	78
1964-----	98	106	91	107	105	103	76
1965-----	102	104	101	110	107	105	77
1964: Dec 15-----	97	105	91	107	105	103	75
1965: Jan 15-----	98	105	92	108	106	104	74
Feb 15-----	98	105	93	109	106	104	75
Mar 15-----	99	106	93	109	106	104	75
Apr 15-----	101	109	95	109	106	105	76
May 15-----	104	111	99	110	108	106	78
June 15-----	106	109	103	110	107	106	79
July 15-----	105	106	104	110	107	106	78
Aug 15-----	103	100	105	110	107	106	78
Sept 15-----	103	100	105	110	107	106	78
Oct 15-----	103	99	106	110	107	105	77
Nov 15-----	103	98	106	110	107	105	77
Dec 15-----	107	100	112	111	108	106	80
1966: Jan 15-----	109	102	114	112	108	107	80

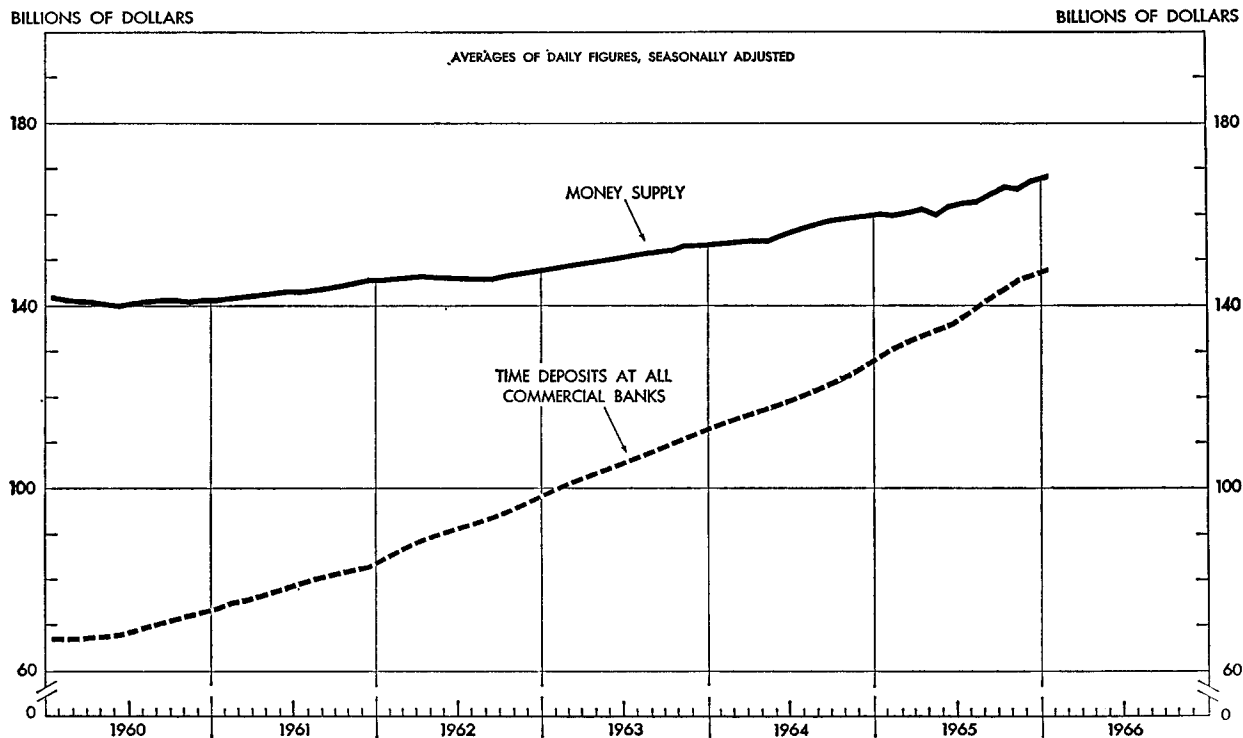
¹ Percentage ratio of index of prices received by farmers to index of prices paid, interest, taxes, and wage rates on 1910-14=100 base.

Source: Department of Agriculture.

MONEY, CREDIT, AND SECURITY MARKETS

MONEY SUPPLY

The daily average money supply (seasonally adjusted) registered a second consecutive substantial increase in January. The rise in time deposits, however, was smaller than the monthly average during 1965.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

Averages of daily figures, billions of dollars]

Period	Money supply				Money supply				U.S. Gov- ernment demand deposits ¹
	Total	Cur- rency out- side banks	De- mand de- posits	Time de- posits ¹	Total	Cur- rency out- side banks	De- mand de- posits	Time de- posits ¹	
	Seasonally adjusted				Unadjusted				
1960: Dec-----	141.1	28.9	112.1	72.9	144.7	29.6	115.2	72.1	4.7
1961: Dec-----	145.5	29.6	116.0	82.7	149.4	30.2	119.2	81.8	4.9
1962: Dec-----	147.5	30.6	116.9	97.8	151.6	31.2	120.3	96.7	5.6
1963: Dec-----	153.1	32.5	120.6	112.2	157.3	33.1	124.1	111.0	5.1
1964: Dec-----	159.7	34.2	125.4	126.6	164.0	35.0	129.1	125.2	5.5
1965: Dec-----	167.4	36.3	131.2	147.0	172.0	37.0	135.0	145.3	4.5
1964: Dec-----	159.7	34.2	125.4	126.6	164.0	35.0	129.1	125.2	5.5
1965: Jan-----	160.0	34.5	125.5	128.8	164.4	34.4	130.1	128.3	4.2
Feb-----	159.7	34.7	125.1	131.0	159.5	34.2	125.3	130.8	5.7
Mar-----	160.3	34.7	125.6	132.1	159.0	34.3	124.6	132.7	6.7
Apr-----	161.1	34.7	126.4	133.5	161.6	34.5	127.1	134.0	5.6
May-----	160.0	34.9	125.1	134.6	157.6	34.6	123.0	135.4	9.7
June-----	161.8	35.0	126.8	135.9	159.6	34.9	124.6	136.6	9.3
July-----	162.5	35.2	127.3	137.6	160.9	35.4	125.6	138.3	9.1
Aug-----	162.7	35.4	127.3	140.1	160.5	35.5	125.0	140.2	7.4
Sept-----	164.3	35.6	128.7	141.6	163.2	35.6	127.5	141.4	5.6
Oct-----	165.6	35.9	129.7	143.6	165.8	36.0	129.8	143.5	5.0
Nov-----	165.7	36.1	129.6	145.5	167.4	36.5	130.9	144.4	4.0
Dec-----	167.4	36.3	131.2	147.0	172.0	37.0	135.0	145.3	4.5
1966: Jan ² -----	168.5	36.7	131.8	148.0	173.1	36.5	136.6	147.4	3.7

¹ Deposits at all commercial banks.

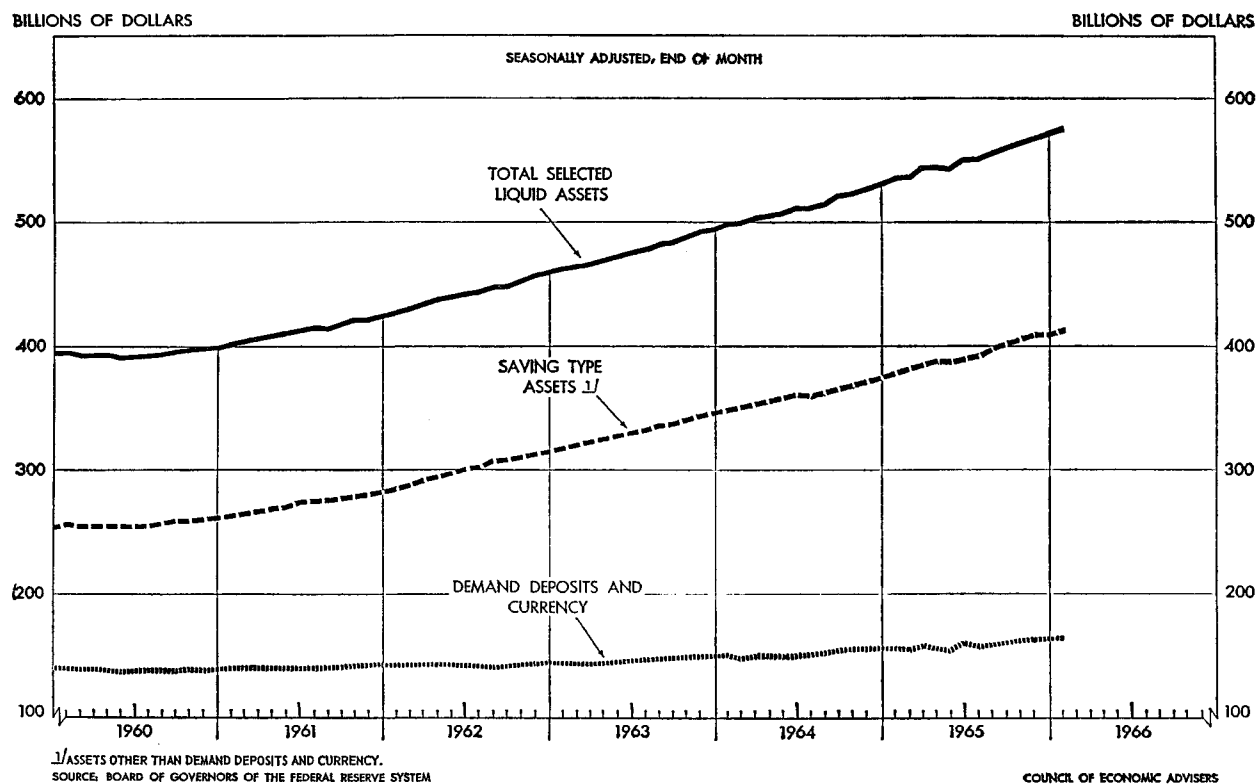
² Preliminary.

NOTE.—See Note, p. 31.

Source: Board of Governors of the Federal Reserve System.

SELECTED LIQUID ASSETS HELD BY THE PUBLIC

Nonbank public holdings of liquid assets, seasonally adjusted, increased substantially in January. They were lifted by the rise in holdings of short-term Treasury securities from a low December level, as well as by the increase in commercial bank time deposits.



[Billions of dollars, seasonally adjusted]

End of period	Total selected liquid assets	Demand deposits and currency ¹	Time deposits		Postal Savings System	Savings and loan shares	U.S. Government savings bonds ²	U.S. Government securities maturing within one year ²
			Commercial banks	Mutual savings banks				
1958.....	373.1	138.8	65.4	33.9	1.1	47.7	50.5	35.6
1959.....	393.9	139.7	67.4	34.9	.9	54.3	47.9	48.8
1960.....	399.2	138.4	73.1	36.2	.8	61.8	47.0	41.9
1961.....	424.6	142.6	82.5	38.3	.6	70.5	47.4	42.6
1962.....	459.0	144.8	98.1	41.4	.5	79.8	47.6	46.8
1963.....	495.4	149.6	112.9	44.5	.5	90.9	49.0	48.1
1964.....	530.4	156.7	127.1	49.0	.4	101.3	49.9	46.1
1965 ³	572.4	163.7	147.1	52.5	.3	109.7	50.5	48.6
1965: Jan.....	534.9	156.1	130.6	49.4	.4	101.7	50.0	46.8
Feb.....	536.4	154.8	131.9	49.6	.4	102.6	49.9	47.3
Mar.....	542.8	158.6	133.0	49.8	.4	103.6	49.9	47.6
Apr.....	543.3	156.3	134.1	50.1	.4	103.9	49.9	48.6
May.....	543.0	155.4	134.9	50.4	.4	104.4	49.9	47.6
June.....	550.2	159.6	136.3	50.8	.4	105.1	50.0	48.0
July.....	550.9	157.7	138.3	51.1	.4	105.5	50.1	47.9
Aug.....	555.6	157.8	139.8	51.3	.3	106.5	50.1	49.8
Sept.....	560.6	160.6	141.6	51.6	.3	107.7	50.1	48.7
Oct ³	565.0	161.1	144.0	52.0	.3	108.3	50.1	49.1
Nov ³	568.2	160.3	146.5	52.3	.3	109.2	50.1	49.4
Dec ³	572.4	163.7	147.1	52.5	.3	109.7	50.5	48.6
1966: Jan ³	576.5	163.8	149.2	52.9	.3	109.9	50.5	50.0

¹ Agrees in concept with money supply, p. 29, except for deduction of demand deposits held by mutual savings banks and savings and loan associations. Data for last Wednesday of month.

² Excludes holdings of Government agencies and trust funds, domestic commercial and mutual savings banks, Federal Reserve Banks, and beginning February 1960, savings and loan associations.

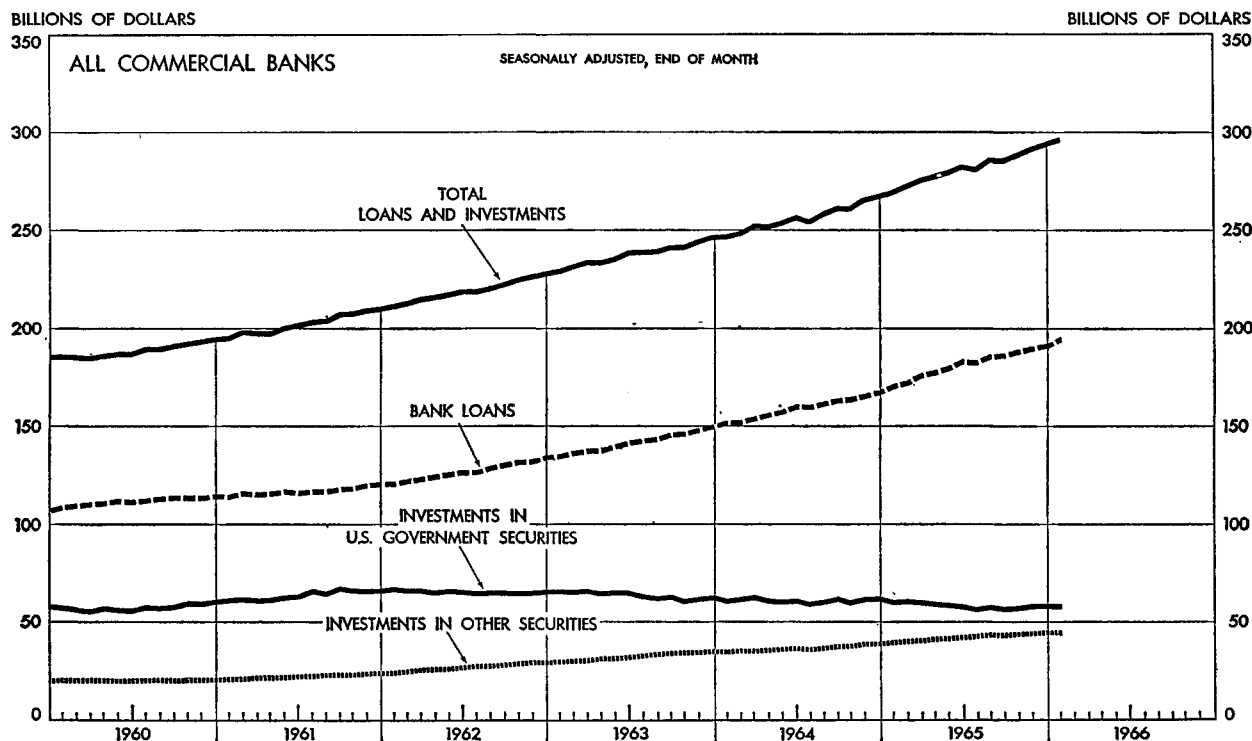
³ Preliminary.

NOTE.—See Note, p. 31.

Source: Board of Governors of the Federal Reserve System.

BANK LOANS, INVESTMENTS, DEBITS, AND RESERVES

Total commercial bank credit (seasonally adjusted) rose by \$3.0 billion in January, a substantial increase. It was concentrated entirely in loans as bank investments declined slightly.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

End of period	All commercial banks (seasonally adjusted data)				Weekly reporting member banks ¹	Bank debits outside New York City (224 centers), seasonally adjusted annual rates ³	All member banks ^{1 4}			
	Total loans and invest- ments	Loans, excluding inter- bank	Investments				Total reserves	Excess reserves	Borrow- ings at Federal Reserve Banks	Free reserves
			U.S. Gov- ernment securities	Other securi- ties	Business loans ²					
	Billions of dollars					Millions of dollars				
1958 -----	181. 2	95. 6	65. 1	20. 5	31. 7	1, 481	18, 899	516	557	- 41
1959 -----	185. 9	107. 6	57. 8	20. 5	30. 7	1, 656	18, 932	482	906	- 424
1960 -----	194. 5	113. 8	59. 9	20. 8	32. 2	1, 736	19, 283	756	87	669
1961 -----	209. 8	120. 5	65. 4	23. 9	32. 9	1, 832	20, 118	568	149	419
1962 -----	228. 3	133. 9	65. 2	29. 2	35. 2	2, 021	20, 040	572	304	268
1963 -----	246. 5	149. 4	62. 1	35. 0	38. 8	2, 199	20, 746	536	327	209
1964 -----	267. 2	167. 1	61. 4	38. 7	42. 1	² 2, 696	21, 609	411	243	168
1965 ⁵ -----	294. 0	191. 8	57. 6	44. 6	50. 6	2, 999	22, 715	443	454	- 11
1965: Jan -----	269. 6	170. 2	59. 9	39. 5	41. 8	2, 803	21, 620	405	299	106
Feb -----	272. 1	171. 9	60. 2	40. 0	43. 0	2, 845	21, 231	441	405	36
Mar -----	275. 5	175. 8	59. 6	40. 1	44. 6	2, 924	21, 246	341	416	- 75
Apr -----	277. 3	177. 1	59. 1	41. 1	44. 6	2, 962	21, 511	366	471	- 105
May -----	279. 4	179. 5	58. 6	41. 3	45. 2	2, 872	21, 472	325	505	- 180
June -----	282. 8	183. 0	57. 7	42. 1	46. 8	3, 019	21, 709	346	528	- 182
July ⁵ -----	281. 5	182. 7	56. 4	42. 4	46. 3	3, 021	21, 863	350	524	- 174
Aug ⁵ -----	286. 1	185. 8	57. 0	43. 3	46. 9	3, 019	21, 617	430	564	- 134
Sept ⁵ -----	286. 2	186. 2	56. 5	43. 5	48. 1	3, 023	21, 729	373	528	- 155
Oct ⁵ -----	288. 9	188. 0	57. 0	43. 9	48. 2	3, 069	21, 959	341	490	- 149
Nov ⁵ -----	291. 5	189. 8	57. 6	44. 1	49. 0	3, 179	21, 958	370	452	- 82
Dec ⁵ -----	294. 0	191. 8	57. 6	44. 6	50. 6	3, 250	22, 715	443	454	- 11
1966: Jan ⁵ -----	297. 0	195. 0	57. 4	44. 6	50. 3	3, 198	22, 751	357	402	- 45

¹ Member banks are all national banks and those State banks which have taken membership in the Federal Reserve System.

² Commercial and industrial loans.

³ Debits during period to demand deposit accounts except interbank and U.S. Government. New series; see *Bank Debits and Deposit Turnover, G.S. FRB, February 19, 1965*.

⁴ Averages of daily figures. Annual data are for December.

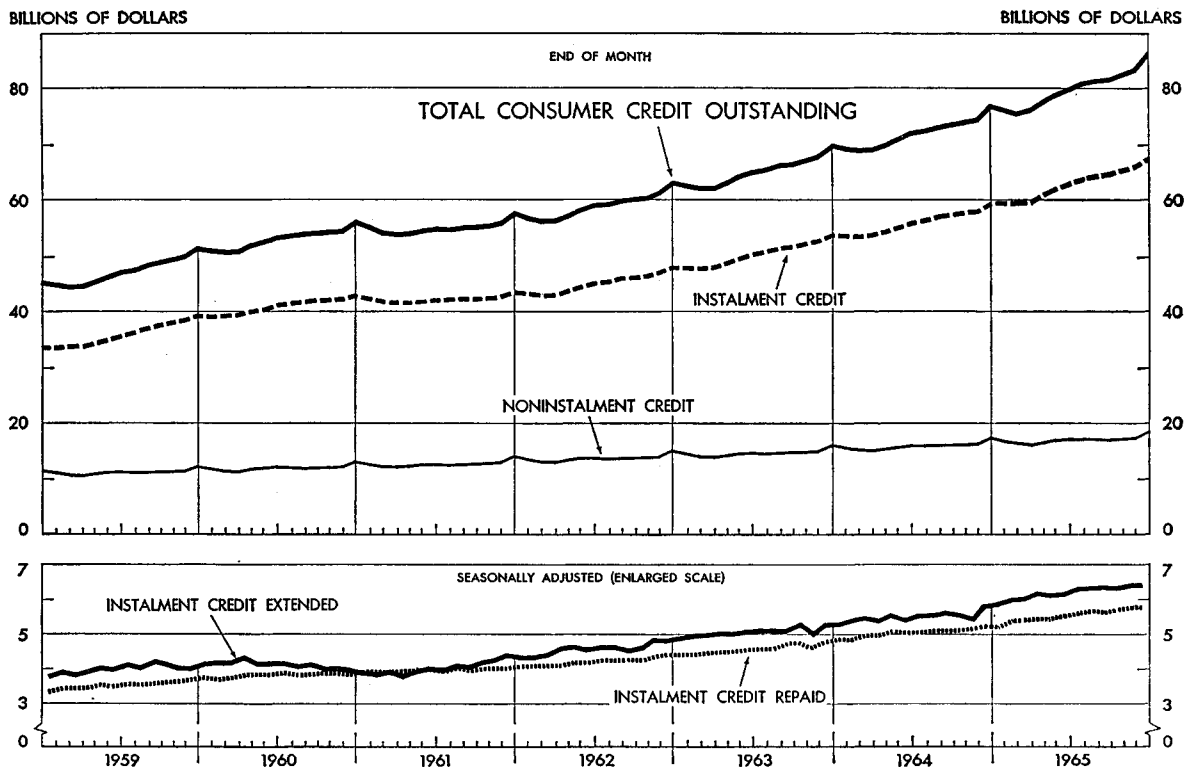
⁵ Preliminary.

NOTE.—Between January and August 1959, series for all commercial banks expanded to include data for all banks in Alaska and Hawaii. Data for all member banks include Alaska and Hawaii beginning 1954 and 1959, respectively.

Source: Board of Governors of the Federal Reserve System.

CONSUMER AND REAL ESTATE CREDIT

Total consumer credit continued its strong uptrend in December. Over 1965 as a whole, it rose by 12 percent compared with the 10 percent rise in 1964.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	Consumer credit outstanding (end of period; unadjusted)					Consumer instalment credit extended and repaid (seasonally adjusted)				Mortgage debt out- standing, nonfarm 1- to 4- family houses ³
	Total	Instalment			Non- instal- ment ²	Total		Automobile paper		
		Total ¹	Automobile paper	Personal loans		Extended	Repaid	Extended	Repaid	
1956.....	42, 334	31, 720	14, 420	6, 789	10, 614	39, 868	37, 054	15, 515	14, 555	99, 000
1957.....	44, 970	33, 867	15, 340	7, 582	11, 103	42, 016	39, 868	16, 465	15, 545	107, 600
1958.....	45, 129	33, 642	14, 152	8, 116	11, 487	40, 119	40, 344	14, 226	15, 415	117, 700
1959.....	51, 542	39, 245	16, 420	9, 386	12, 297	48, 052	42, 603	17, 779	15, 579	130, 900
1960.....	56, 028	42, 832	17, 688	10, 480	13, 196	49, 560	45, 972	17, 654	16, 384	141, 300
1961.....	57, 678	43, 527	17, 223	11, 256	14, 151	48, 396	47, 700	16, 007	16, 472	153, 100
1962.....	63, 164	48, 034	19, 540	12, 643	15, 130	55, 126	50, 620	19, 796	17, 478	166, 500
1963.....	69, 890	53, 745	22, 199	14, 391	16, 145	60, 822	55, 111	22, 013	19, 354	182, 200
1964.....	76, 810	59, 397	24, 521	16, 071	17, 413	66, 070	60, 418	23, 565	21, 243	197, 600
1965.....	85, 983	67, 406	28, 201	18, 166	18, 577	74, 527	66, 518	27, 357	23, 677	212, 900
1964: Nov.....	74, 371	58, 085	24, 367	15, 771	16, 286	5, 456	5, 155	1, 858	1, 818	-----
Dec.....	76, 810	59, 397	24, 521	16, 071	17, 413	5, 816	5, 256	2, 043	1, 864	197, 600
1965: Jan.....	76, 145	59, 342	24, 574	16, 091	16, 803	5, 883	5, 213	2, 120	1, 830	-----
Feb.....	75, 741	59, 363	24, 743	16, 190	16, 378	6, 022	5, 381	2, 228	1, 897	-----
Mar.....	76, 085	59, 788	25, 063	16, 341	16, 297	6, 030	5, 393	2, 229	1, 924	200, 500
Apr.....	77, 483	60, 803	25, 615	16, 693	16, 680	6, 189	5, 445	2, 272	1, 936	-----
May.....	78, 687	61, 739	26, 109	16, 917	16, 948	6, 105	5, 435	2, 215	1, 940	-----
June.....	79, 887	62, 790	26, 685	17, 159	17, 097	6, 139	5, 537	2, 250	1, 960	204, 800
July.....	80, 686	63, 609	27, 171	17, 312	17, 077	6, 278	5, 612	2, 301	1, 972	-----
Aug.....	81, 454	64, 393	27, 493	17, 565	17, 061	6, 288	5, 679	2, 313	2, 030	-----
Sept.....	81, 924	64, 846	27, 555	17, 724	17, 078	6, 331	5, 648	2, 324	1, 996	209, 000
Oct.....	82, 569	65, 368	27, 766	17, 763	17, 201	6, 306	5, 717	2, 266	2, 028	-----
Nov.....	83, 390	66, 012	27, 976	17, 883	17, 378	6, 405	5, 748	2, 408	2, 112	-----
Dec.....	85, 983	67, 406	28, 201	18, 166	18, 577	6, 398	5, 751	2, 393	2, 049	212, 900

¹ Also includes other consumer goods paper, and repair and modernization loans, not shown separately.

² Consists of single-payment loans, charge accounts, and service credit.

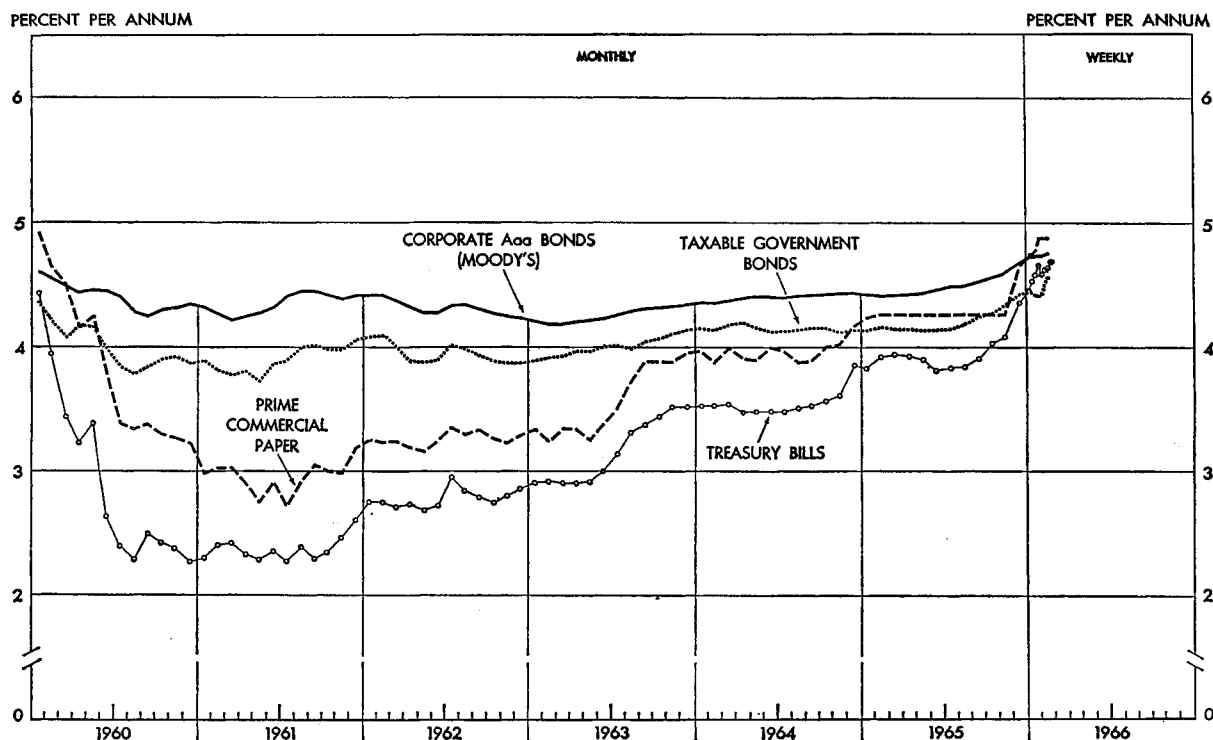
³ End of period, unadjusted.

NOTE.—Data for Alaska and Hawaii included beginning January and August 1959, respectively.

Sources: Board of Governors of the Federal Reserve System and Federal Home Loan Bank Board (except as noted).

BOND YIELDS AND INTEREST RATES

The 3-month Treasury bill rate leveled out in late January and early February but rose to a new high in the week of February 19. Yields on all types of longer-term securities moved higher.



SOURCES: SEE TABLE BELOW

COUNCIL OF ECONOMIC ADVISERS

[Percent per annum]

Period	U.S. Government security yields			High-grade municipal bonds (Standard & Poor's) ⁴	Corporate bonds (Moody's)		Prime commercial paper, 4-6 months	FHA new home mortgage yields ⁵
	3-month Treasury bills ¹	3-5 year issues ²	Taxable bonds ³		Aaa	Baa		
1959	3.405	4.33	4.08	3.95	4.38	5.05	3.97	5.77
1960	2.928	3.99	4.02	3.73	4.41	5.19	3.85	6.16
1961	2.378	3.60	3.90	3.46	4.35	5.08	2.97	5.78
1962	2.778	3.57	3.95	3.18	4.33	5.02	3.26	5.60
1963	3.157	3.72	4.00	3.23	4.26	4.86	3.55	5.46
1964	3.549	4.06	4.15	3.22	4.40	4.83	3.97	5.45
1965	3.954	4.22	4.21	3.27	4.49	4.87	4.38	5.46
1964: Dec	3.856	4.07	4.14	3.15	4.44	4.81	4.17	5.45
1965: Jan	3.828	4.06	4.14	3.06	4.43	4.80	4.25	5.45
Feb	3.929	4.08	4.16	3.10	4.41	4.78	4.27	5.45
Mar	3.942	4.12	4.15	3.18	4.42	4.78	4.38	5.45
Apr	3.932	4.12	4.15	3.17	4.43	4.80	4.38	5.45
May	3.895	4.11	4.14	3.19	4.44	4.81	4.38	5.45
June	3.810	4.09	4.14	3.26	4.46	4.85	4.38	5.45
July	3.831	4.10	4.15	3.26	4.48	4.88	4.38	5.44
Aug	3.836	4.19	4.19	3.25	4.49	4.88	4.38	5.44
Sept	3.912	4.24	4.25	3.36	4.52	4.91	4.38	5.45
Oct	4.032	4.33	4.28	3.42	4.56	4.93	4.38	5.46
Nov	4.082	4.46	4.34	3.47	4.60	4.95	4.38	5.49
Dec	4.362	4.77	4.43	3.56	4.68	5.02	4.65	5.51
1966: Jan	4.596	4.89	4.43	3.52	4.74	5.06	4.82	5.63
Week ended:								
1966: Jan 15	4.585	4.84	4.42	3.51	4.74	5.05	4.78	
22	4.673	4.86	4.42	3.51	4.74	5.06	4.88	
29	4.596	4.92	4.44	3.51	4.74	5.08	4.88	
Feb 5	4.638	4.96	4.52	3.51	4.75	5.09	4.88	
12	4.650	5.01	4.58	3.56	4.76	5.10	4.88	
19	4.695	5.04	4.64	3.67	4.79	5.13	4.88	

¹ Rate on new issues within period.

² Selected note and bond issues.

³ Series includes: April 1953 to date, bonds due or callable 10 years and after.

⁴ Weekly data are Wednesday figures.

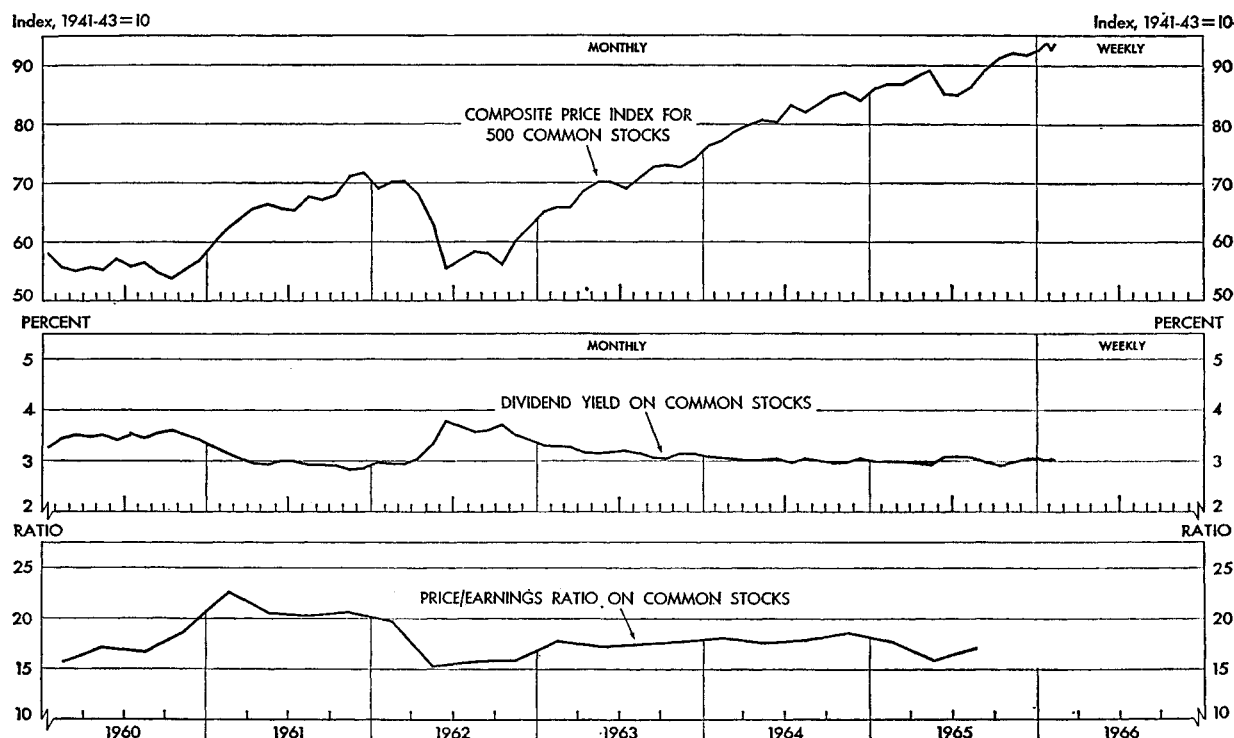
⁵ Data for first of the month, based on the maximum permissible interest rate (6 3/4 percent since May 1961) and 30-year mortgages paid in 15 years.

⁶ Preliminary estimates; not charted.

Sources: Treasury Department, Board of Governors of the Federal Reserve System, Federal Housing Administration, Standard & Poor's Corporation, and Moody's Investors Service.

COMMON STOCK PRICES, YIELD, AND EARNINGS

Stock prices continued to fluctuate irregularly in February reflecting changing and conflicting interpretations of the economic implications of developments in Vietnam.



SOURCE: STANDARD AND POOR'S CORPORATION

COUNCIL OF ECONOMIC ADVISERS

Period	Price index ¹						Dividend yield ² (percent)	Price/ earnings ratio ³
	Total	Industrials			Public utilities	Railroads		
		Total	Capital goods	Consumers' goods				
	1941-43=10							
1960.....	55.85	59.43	59.75	47.21	46.86	30.31	3.47	17.09
1961.....	66.27	69.99	67.33	57.01	60.20	32.83	2.98	21.06
1962.....	62.38	65.54	58.15	54.96	59.16	30.56	3.37	16.68
1963.....	69.87	73.39	63.30	62.28	64.99	37.58	3.17	17.62
1964.....	81.37	86.19	76.34	73.84	69.91	45.46	3.01	18.08
1965.....	88.17	93.48	85.26	81.94	76.08	46.78	3.00	-----
1965: Jan.....	86.12	91.04	80.19	79.69	75.87	46.79	2.99	-----
Feb.....	86.75	91.64	82.52	80.74	77.04	46.76	2.99	-----
Mar.....	86.83	91.75	83.62	81.50	76.92	46.98	2.99	17.69
Apr.....	87.97	93.08	84.85	83.78	77.24	46.63	2.95	-----
May.....	89.28	94.69	86.35	85.21	77.50	45.53	2.92	-----
June.....	85.04	90.19	81.62	80.04	74.19	42.52	3.07	15.93
July.....	84.91	89.92	80.54	78.80	74.63	43.31	3.09	-----
Aug.....	86.49	91.68	83.25	80.23	74.71	46.13	3.06	-----
Sept.....	89.38	94.93	86.91	82.34	76.10	46.96	2.98	17.10
Oct.....	91.39	97.20	90.28	83.90	76.69	48.46	2.91	-----
Nov.....	92.15	98.02	91.62	83.75	76.72	50.23	2.96	-----
Dec.....	91.73	97.66	91.42	83.31	75.39	51.03	3.06	-----
1966: Jan.....	93.32	99.56	93.35	84.28	74.50	53.68	3.02	-----
Week ended:								
1966: Jan 7.....	92.70	98.79	92.70	84.16	75.30	51.95	3.03	-----
14.....	93.36	99.53	93.33	83.98	75.07	53.64	3.02	-----
21.....	93.65	99.95	93.48	84.74	74.31	54.21	3.01	-----
28.....	93.65	100.03	93.89	84.23	73.62	54.75	3.01	-----
Feb 4.....	92.70	99.03	92.62	83.88	72.80	53.96	3.05	-----
11.....	93.77	100.27	94.56	84.95	72.86	54.76	3.01	-----

¹ Includes 500 common stock, 425 are industrials; 50 are public utilities; and 25 are railroads. Weekly indexes for capital and consumer goods are Wednesday figures; all other weekly indexes are averages of daily figures.
² Aggregate cash dividends (based on latest known annual rate) divided by the aggregate monthly market value of the stocks in the group. Annual yields are averages of monthly data. Weekly data are Wednesday figures.

³ Ratio of price index for last day in quarter to quarterly earnings (seasonally adjusted annual rate). Annual ratios are averages of quarterly data.

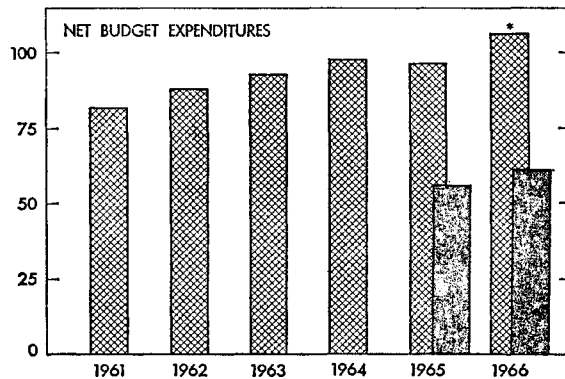
Source: Standard & Poor's Corporation.

FEDERAL FINANCE

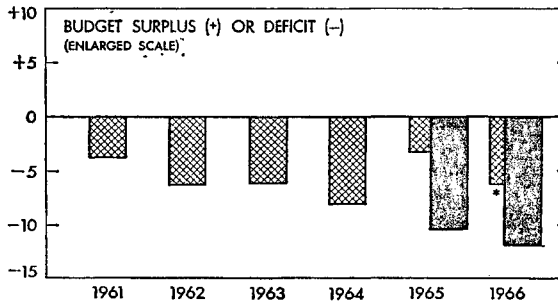
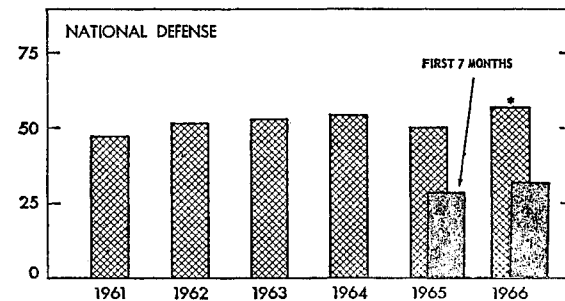
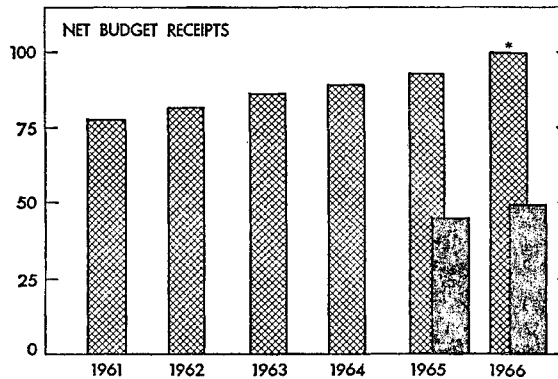
FEDERAL ADMINISTRATIVE BUDGET RECEIPTS AND EXPENDITURES

The budget deficit in the first 7 months of fiscal 1966 amounted to \$12.2 billion. In the corresponding period of fiscal 1965 the deficit was \$10.6 billion.

BILLIONS OF DOLLARS



BILLIONS OF DOLLARS



* ESTIMATE.

SOURCE: TREASURY DEPARTMENT AND BUREAU OF THE BUDGET

FISCAL YEARS

COUNCIL OF ECONOMIC ADVISERS

(Billions of dollars)

Period	Net budget receipts	Net budget expenditures				Budget surplus or deficit (—)	Public debt (end of period) ²
		Total	National defense ¹				
			Total	Depart- ment of Defense, military	Military assistance		
Fiscal year 1960-----	77.8	76.5	45.7	41.2	1.6	1.2	286.5
Fiscal year 1961-----	77.7	81.5	47.5	43.2	1.4	—3.9	289.2
Fiscal year 1962-----	81.4	87.8	51.1	46.8	1.4	—6.4	298.6
Fiscal year 1963-----	86.4	92.6	52.8	48.3	1.7	—6.3	306.5
Fiscal year 1964-----	89.5	97.7	54.2	49.8	1.5	—8.2	312.5
Fiscal year 1965-----	93.1	96.5	50.2	46.2	1.2	—3.4	317.9
Fiscal year 1966 ³ -----	100.0	106.4	56.6	52.9	1.3	—6.4	320.0
Fiscal year 1967 ³ -----	111.0	112.8	60.5	57.2	1.2	—1.8	321.7
1964: Dec-----	8.9	8.8	4.5	4.2	.1	.1	318.7
1965: Jan-----	5.6	7.7	4.0	3.7	.1	—2.0	318.6
Feb-----	7.5	7.1	3.8	3.6	.1	.4	320.6
Mar-----	11.2	8.1	4.5	4.2	.1	3.0	318.4
Apr-----	8.5	8.3	4.3	4.1	.1	.3	317.2
May-----	7.3	8.1	4.3	3.8	.2	— .8	319.8
June-----	13.4	9.1	5.0	4.3	.4	4.3	317.9
July-----	3.8	7.2	3.8	3.6	(⁵)	—3.4	317.1
Aug-----	7.4	9.0	4.4	4.1	(⁵)	—1.6	318.7
Sept-----	11.0	9.5	4.5	4.3	.1	1.5	317.3
Oct-----	3.3	8.8	4.5	4.3	(⁵)	—5.5	319.4
Nov-----	8.1	9.1	4.5	4.2	.1	—1.0	322.2
Dec-----	9.6	9.4	5.1	4.8	.1	.1	321.4
1966: Jan-----	6.5	8.8	4.6	4.4	(⁵)	—2.4	322.4
Cumulative totals, first 7 months:							
Fiscal year 1965-----	45.1	55.8	28.2	26.2	.4	—10.6	318.6
Fiscal year 1966-----	49.6	61.8	31.4	29.7	.4	—12.2	322.4

¹ In addition to items shown, also includes atomic energy and defense related services.

² Includes guaranteed securities held outside the Treasury. Not all of total shown is subject to statutory debt limitation.

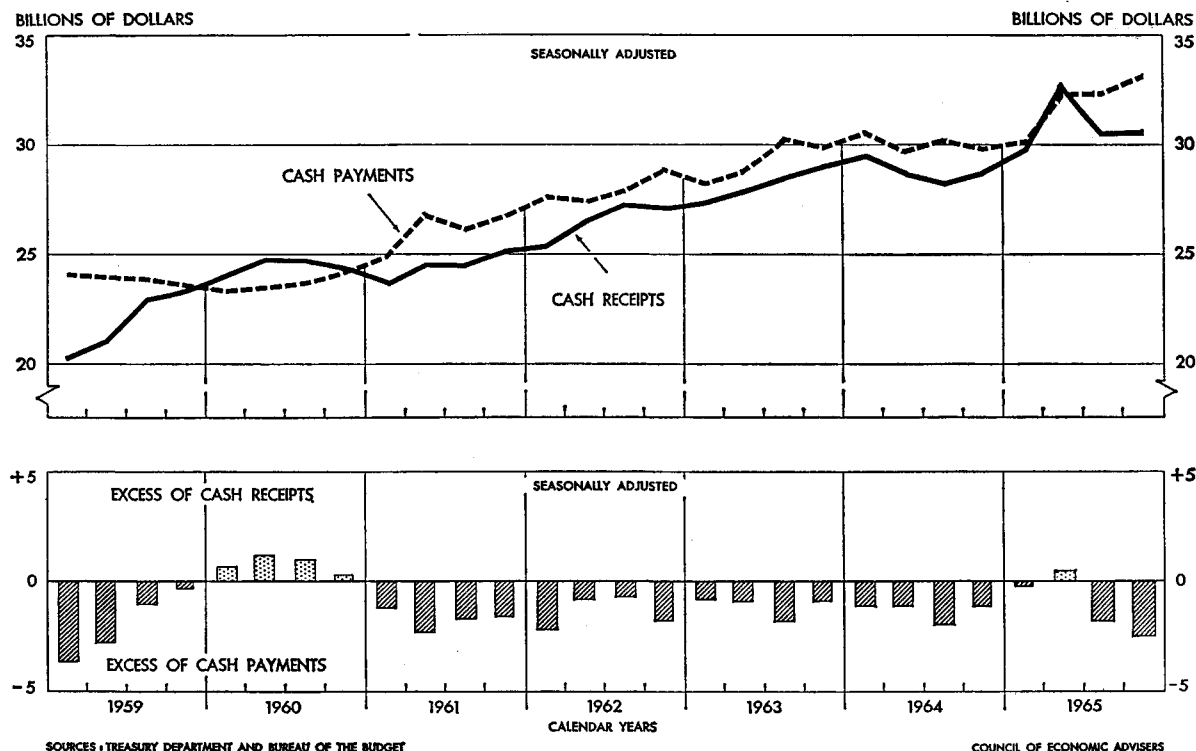
³ Estimates. ⁴ Less than \$50 million.

NOTE.—Total budget receipts and expenditures exclude certain intragovernmental transactions.

Sources: Treasury Department and Bureau of the Budget.

FEDERAL CASH RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

In the fourth quarter, cash payments exceeded cash receipts by \$8 billion; on a seasonally adjusted basis, however, the excess of payments was \$2½ billion. As a result, the cash deficit for the calendar year 1965 was \$4½ billion.



[Billions of dollars]

Period	Cash receipts from the public	Cash payments to the public	Excess of receipts or payments (-)	Cash receipts from the public	Cash payments to the public	Excess of receipts or payments (-)
Fiscal year:						
1961	97.2	99.5	-2.3			
1962	101.9	107.7	-5.8			
1963	109.7	113.8	-4.0			
1964	115.5	120.3	-4.8			
1965	119.7	122.4	-2.7			
1966 ¹	128.2	135.0	-6.9			
1967 ¹	145.5	145.0	.5			
Calendar year:						
1960	98.3	94.7	3.6			
1961	97.9	104.7	-6.8			
1962	106.2	111.9	-5.7			
1963	112.6	117.2	-4.6			
1964	115.0	120.3	-5.2			
1965 ²	123.4	127.9	-4.5			
Quarterly total (calendar years):	Unadjusted			Seasonally adjusted		
1964: I	30.3	28.7	1.6	29.5	30.5	-1.1
II	33.4	30.1	3.3	³ 28.7	29.7	-1.1
III	27.0	30.9	-3.9	28.2	30.2	-2.0
IV	24.3	30.6	-6.3	28.7	29.8	-1.1
1965: I	30.7	28.3	2.4	29.9	30.1	-.2
II	37.7	32.6	5.1	³ 32.8	32.3	.5
III	29.2	33.1	-3.9	30.5	32.3	-1.8
IV ²	25.8	34.0	-8.1	30.5	33.1	-2.5

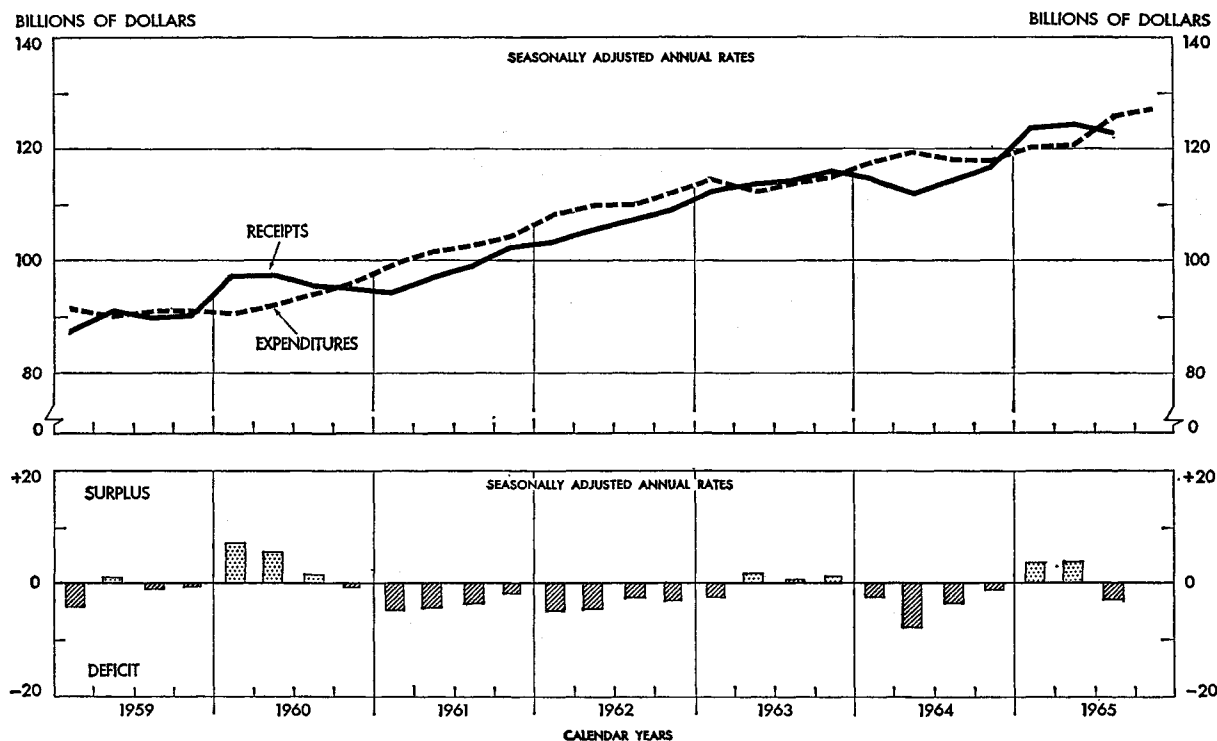
¹ Estimates.
² Preliminary.

³ Seasonally adjusted data include accelerated corporate tax payments of about \$0.3 billion in 1964 and \$0.9 billion in 1965.

Sources: Treasury Department and Bureau of the Budget.

FEDERAL BUDGET, NATIONAL INCOME ACCOUNTS BASIS

Federal expenditures increased \$5 billion (seasonally adjusted annual rate) in the third quarter, largely as a result of the retroactive transfer payments for OASI. Receipts declined \$1¾ billion, resulting in a deficit of \$3 billion. Preliminary fourth quarter data indicate increases in both receipts and expenditures and a drop in the deficit.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars, quarterly data at seasonally adjusted annual rates]

Period	Federal Government receipts					Federal Government expenditures						Surplus or deficit (-)
	Total	Personal tax and nontax receipts	Corpo- rate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social in- surance	Total	Pur- chases of goods and services	Trans- fer pay- ments	Grants- in-aid to State and local govern- ments	Net interest paid	Subsidies less current surplus of Govt. enter- prises	
Fiscal year:												
1962-----	104.2	47.3	22.9	14.2	19.9	106.4	60.9	27.2	7.6	6.8	3.8	-2.1
1963-----	110.2	49.6	23.6	15.0	22.1	111.4	63.4	28.6	8.4	7.5	3.6	-1.2
1964-----	115.1	50.7	25.3	15.6	23.6	117.1	65.8	29.6	9.8	8.1	3.8	-1.9
1965-----	119.6	51.2	27.0	16.8	24.6	118.3	64.5	30.3	10.9	8.6	4.1	1.2
1966 ¹ -----	128.8	54.8	29.3	15.9	28.8	131.0	70.7	34.2	12.8	9.0	4.3	-2.2
1967 ¹ -----	142.2	60.5	31.1	16.5	34.1	142.7	74.4	39.2	14.7	9.7	4.7	-.5
Calendar year:												
1961-----	98.3	44.7	21.8	13.6	18.2	102.1	57.4	27.0	7.2	6.6	3.8	-3.8
1962-----	106.4	48.6	22.7	14.6	20.5	110.3	63.4	27.7	8.0	7.2	4.0	-3.8
1963-----	114.3	51.5	24.5	15.3	23.0	114.0	64.4	29.2	9.1	7.8	3.6	.3
1964-----	114.5	48.6	26.0	16.1	23.7	118.3	65.3	29.9	10.4	8.4	4.3	-3.8
1965 ² -----	124.1	53.9	28.3	16.9	25.2	123.3	66.6	32.1	11.4	8.8	4.5	.7
1964: I-----	114.8	50.2	25.7	15.6	23.3	117.5	65.0	30.3	9.9	8.3	3.9	-2.6
II-----	112.0	46.5	25.9	16.0	23.5	119.6	67.0	29.8	10.3	8.2	4.2	-7.6
III-----	114.6	48.1	26.2	16.4	23.9	118.2	64.9	29.7	10.6	8.5	4.4	-3.6
IV-----	116.8	49.8	26.5	16.4	24.2	117.9	64.3	29.8	10.8	8.4	4.7	-1.1
1965: I-----	123.7	53.5	27.7	17.7	24.7	120.1	64.9	31.2	10.8	8.6	4.6	3.6
II-----	124.4	54.8	28.0	16.7	24.9	120.6	65.7	30.6	11.0	8.7	4.5	3.8
III-----	122.7	53.2	28.3	16.1	25.2	125.6	66.5	34.1	11.7	8.8	4.5	-2.9
IV ² -----	-----	54.0	-----	16.3	25.8	127.0	69.2	32.5	12.0	8.9	4.4	-----

¹ Estimates.

² Preliminary estimates.

NOTE.—Data for Alaska and Hawaii included beginning 1960.

Source: Department of Commerce.

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NOTE.— Detail in these tables will not necessarily add to totals because of rounding.
Data for Alaska and Hawaii are not included unless specifically noted.
Unless otherwise stated, all dollar figures are in current prices.