

*100th Congress, 2d Session*

# Economic Indicators

**AUGUST 1988**

*(Includes data available as of August 30, 1988)*

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

UNITED STATES  
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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 numbers 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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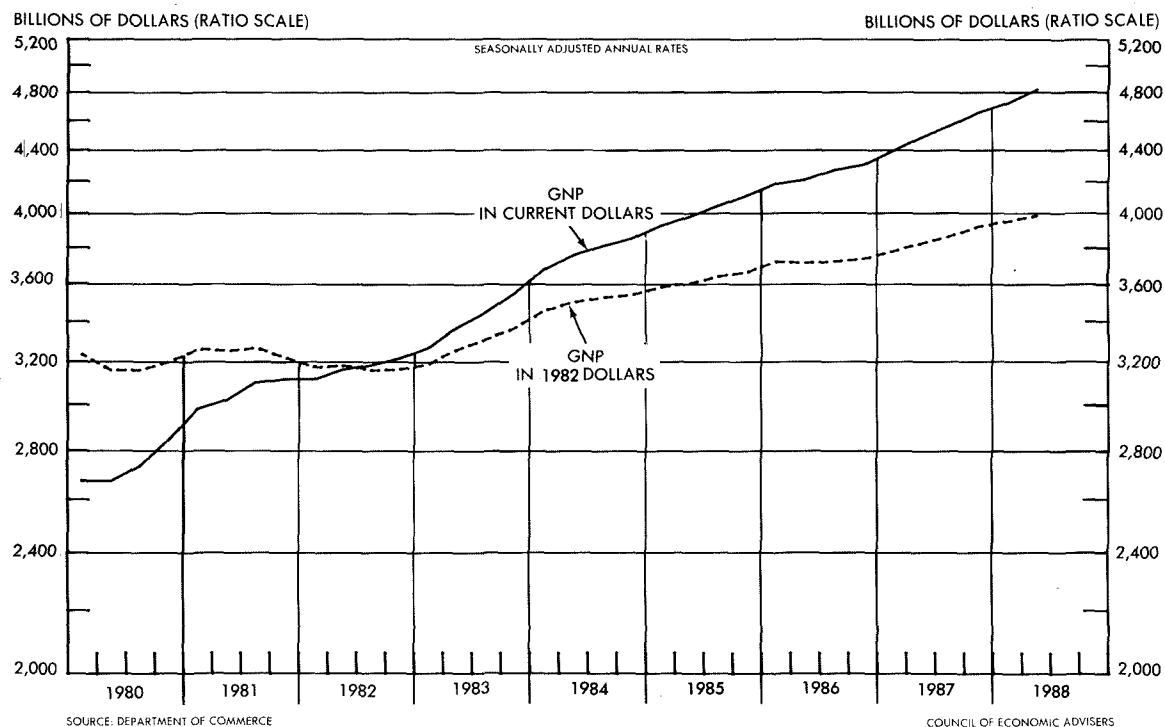
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# TOTAL OUTPUT, INCOME, AND SPENDING

## GROSS NATIONAL PRODUCT

In the second quarter of 1988, according to revised estimates, current-dollar gross national product (GNP) rose 8.3 percent (annual rate) or \$95.2 billion. Real GNP (GNP adjusted for price changes) rose 3.3 percent and the implicit price deflator rose 5.1 percent.



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

Period	Gross national product	Personal consumption expenditures	Gross private domestic investment	Exports and imports of goods and services			Government purchases of goods and services				Final sales	Gross domestic purchases <sup>1</sup>	
				Net exports	Exports	Imports	Total	Federal					State and local
								Total	National defense	Non-defense			
1980.....	2,732.0	1,732.6	437.0	32.1	351.0	318.9	530.3	208.1	142.7	65.4	322.2	2,740.3	2,699.8
1981.....	3,052.6	1,915.1	515.5	33.9	382.8	348.9	588.1	242.2	167.5	74.8	345.9	3,028.6	3,018.7
1982.....	3,166.0	2,050.7	447.3	26.3	361.9	335.6	641.7	272.7	193.8	78.9	369.0	3,190.5	3,139.7
1983.....	3,405.7	2,234.5	502.3	-6.1	352.5	358.7	675.0	283.5	214.4	69.1	391.5	3,412.8	3,411.8
1984.....	3,772.2	2,430.5	664.8	-58.9	383.5	442.4	735.9	310.5	234.3	76.2	425.3	3,704.5	3,831.1
1985.....	4,014.9	2,629.0	643.1	-78.0	370.9	448.9	820.8	355.2	259.1	96.0	465.6	4,003.6	4,092.8
1986.....	4,240.3	2,807.5	665.9	-104.4	378.4	482.8	871.2	366.2	277.5	88.7	505.0	4,224.7	4,344.7
1987.....	4,526.7	3,012.1	712.9	-123.0	428.0	551.1	924.7	382.0	295.3	86.7	542.8	4,487.5	4,649.7
1982: IV.....	3,212.5	2,117.0	409.6	14.1	335.9	321.9	671.8	293.2	205.4	87.7	378.7	3,272.4	3,198.5
1983: IV.....	3,545.8	2,315.8	579.8	-25.8	364.7	390.5	676.1	276.1	221.5	54.6	400.0	3,514.8	3,571.6
1984: IV.....	3,851.8	2,493.4	661.8	-67.9	385.7	453.6	764.5	326.0	244.1	81.9	438.5	3,806.8	3,919.7
1985: IV.....	4,107.9	2,700.4	654.1	-103.2	369.2	472.4	856.7	376.6	268.6	108.0	480.1	4,100.7	4,211.2
1986: I.....	4,180.4	2,739.0	686.6	-93.0	376.9	469.9	847.8	356.6	266.8	89.9	491.2	4,136.5	4,273.4
1986: II.....	4,207.6	2,772.1	667.8	-101.2	373.9	475.1	868.8	368.7	277.2	91.5	500.2	4,188.1	4,308.7
1986: III.....	4,268.4	2,842.8	653.0	-109.1	377.8	486.9	881.8	372.7	288.0	84.7	509.1	4,267.7	4,377.6
1986: IV.....	4,304.6	2,876.0	656.4	-114.3	385.2	499.4	886.5	366.7	278.1	88.7	519.7	4,306.6	4,418.9
1987: I.....	4,391.8	2,921.7	685.5	-119.1	395.3	514.4	903.8	372.7	287.3	85.4	531.1	4,354.1	4,510.9
1987: II.....	4,484.2	2,992.2	698.5	-122.2	416.8	539.0	915.7	377.5	294.8	82.6	538.2	4,451.5	4,606.3
1987: III.....	4,568.0	3,058.2	702.8	-125.2	440.4	565.6	932.2	386.3	299.8	86.4	546.0	4,553.5	4,693.2
1987: IV.....	4,662.8	3,076.3	764.9	-125.7	459.7	585.4	947.3	391.4	299.2	92.2	555.9	4,590.7	4,788.4
1988: I.....	4,724.5	3,128.1	763.4	-112.1	487.8	599.9	945.2	377.7	298.4	79.3	567.5	4,659.2	4,836.6
1988: II.....	4,819.7	3,189.1	758.2	-88.6	508.0	596.6	961.0	381.6	298.2	83.4	579.4	4,776.9	4,908.3

<sup>1</sup> GNP less exports of goods and services plus imports of goods and services.

Source: Department of Commerce, Bureau of Economic Analysis.

# GROSS NATIONAL PRODUCT IN 1982 DOLLARS

[Billions of 1982 dollars; quarterly data at seasonally adjusted annual rates]

Period	Gross national product	Personal consumption expenditures	Gross private domestic investment			Exports and imports of goods and services			Government purchases of goods and services				Final sales	Gross domestic purchases <sup>1</sup>	
			Nonresidential fixed	Residential fixed	Change in business inventories	Net exports	Exports	Imports	Total	Federal					State and local
										Total	National defense	Non-defense			
1980.....	3,187.1	2,000.4	379.2	137.0	-6.9	57.0	388.9	332.0	620.5	246.9	171.2	75.7	373.6	3,194.0	3,180.1
1981.....	3,248.8	2,024.2	395.2	126.5	23.9	49.4	392.7	343.4	629.7	259.6	180.3	79.3	370.1	3,225.0	3,199.4
1982.....	3,166.0	2,050.7	366.7	105.1	-24.5	26.3	361.9	335.6	641.7	272.7	193.8	78.9	369.0	3,190.5	3,139.7
1983.....	3,279.1	2,146.0	361.2	149.3	-6.4	-19.9	348.1	368.1	649.0	275.1	206.9	68.2	373.9	3,285.5	3,299.1
1984.....	3,501.4	2,249.3	425.2	170.9	62.3	-84.0	371.8	455.8	677.7	290.8	218.5	72.3	387.0	3,439.1	3,585.4
1985.....	3,618.7	2,354.8	453.5	174.4	9.1	-104.3	367.2	471.4	731.2	326.0	237.2	88.8	405.2	3,609.6	3,723.0
1986.....	3,721.7	2,455.2	433.1	195.0	15.4	-137.5	378.4	515.9	760.5	333.4	251.4	82.0	427.1	3,706.3	3,859.3
1987.....	3,847.0	2,521.0	445.1	195.2	34.4	-128.9	427.8	556.7	780.2	339.0	264.9	74.1	441.2	3,812.6	3,975.9
1982: IV.....	3,159.3	2,078.7	352.3	115.8	-59.3	11.7	336.0	324.3	660.1	289.5	201.4	88.2	370.6	3,218.6	3,147.6
1983: IV.....	3,365.1	2,191.9	390.4	159.9	27.0	-46.2	355.5	401.6	642.2	266.0	211.6	54.4	376.2	3,338.1	3,411.3
1984: IV.....	3,535.2	2,281.1	444.4	169.6	41.7	-94.8	376.6	471.4	693.2	300.5	225.3	75.2	392.7	3,493.5	3,630.0
1985: IV.....	3,662.4	2,386.9	460.9	179.4	7.7	-125.3	367.4	492.6	752.7	340.6	241.4	99.2	412.1	3,654.7	3,787.6
1986: I.....	3,719.3	2,415.1	446.8	185.5	45.7	-115.7	374.5	490.2	741.8	322.7	241.1	81.6	419.1	3,673.6	3,834.9
1986: II.....	3,711.6	2,440.9	432.8	195.7	23.6	-140.2	372.1	512.4	758.8	333.6	250.8	82.8	425.2	3,688.0	3,851.8
1986: III.....	3,721.3	2,478.6	425.6	199.0	3.0	-151.8	379.1	530.9	766.9	336.7	260.7	76.0	430.2	3,718.3	3,873.0
1986: IV.....	3,734.7	2,486.2	427.3	199.7	-10.5	-142.4	387.8	530.2	774.5	340.5	253.1	87.4	434.0	3,745.2	3,877.2
1987: I.....	3,776.7	2,490.2	418.2	198.4	29.8	-132.8	394.9	527.7	772.9	334.0	257.0	77.0	438.9	3,746.9	3,909.5
1987: II.....	3,823.0	2,516.6	434.8	197.6	27.8	-126.0	416.4	542.3	772.2	332.1	264.8	67.3	440.1	3,795.2	3,949.0
1987: III.....	3,865.3	2,545.2	462.8	192.1	13.0	-130.7	440.9	571.6	782.9	342.1	269.5	72.6	440.8	3,852.2	3,996.0
1987: IV.....	3,923.0	2,531.7	464.8	192.7	67.1	-126.0	459.2	585.2	792.6	347.7	268.2	79.5	444.9	3,855.9	4,049.0
1988: I.....	3,956.1	2,559.8	473.4	189.5	66.0	-109.0	486.2	595.1	776.4	327.8	264.6	63.2	448.7	3,890.1	4,065.1
1988: II.....	3,988.1	2,577.2	491.6	190.0	36.0	-90.1	499.7	589.7	783.3	331.0	263.2	67.8	452.3	3,952.1	4,078.2

<sup>1</sup> GNP less exports of goods and services plus imports of goods and services.

Source: Department of Commerce, Bureau of Economic Analysis.

# IMPLICIT PRICE DEFLATORS FOR GROSS NATIONAL PRODUCT

[1982=100; quarterly data are seasonally adjusted]

Period	Gross national product	Personal consumption expenditures				Gross private domestic investment		Exports and imports of goods and services		Government purchases of goods and services			
		Total	Durable goods	Nondurable goods	Services	Nonresidential fixed	Residential fixed	Exports	Imports	Federal			State and local
										Total	National defense	Non-defense	
1980.....	85.7	86.6	89.2	89.4	83.9	85.1	89.4	90.2	96.0	84.3	83.4	86.4	86.2
1981.....	94.0	94.6	95.7	96.9	92.6	93.4	96.6	97.5	101.6	93.3	92.9	94.3	93.4
1982.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983.....	103.9	104.1	102.1	102.1	106.2	98.8	102.2	101.3	97.4	103.1	103.6	101.4	104.7
1984.....	107.7	108.1	103.8	105.0	111.6	97.9	106.0	103.2	97.1	106.8	107.2	105.5	109.9
1985.....	110.9	111.6	104.8	107.5	107.5	97.7	108.3	101.0	95.2	109.0	109.2	108.2	114.9
1986.....	113.9	114.3	105.6	107.3	122.4	100.2	111.1	100.0	93.6	109.8	110.4	108.2	118.2
1987.....	117.7	119.5	107.9	112.1	128.5	100.4	116.2	100.0	99.0	112.7	111.5	117.0	123.0
1982: IV.....	101.7	101.8	100.7	101.0	102.7	100.7	99.1	100.0	99.3	101.3	102.0	99.5	102.2
1983: IV.....	105.4	105.7	103.1	103.1	108.3	98.3	103.1	102.6	97.2	103.8	104.7	100.3	106.3
1984: IV.....	109.0	109.3	104.1	105.8	113.5	97.9	107.2	102.4	96.2	108.5	108.3	108.9	111.7
1985: IV.....	112.2	113.1	104.7	108.7	119.0	97.9	109.0	100.5	95.9	110.6	111.3	108.8	116.5
1986: I.....	112.4	113.4	105.0	107.8	120.1	98.2	109.8	100.6	95.9	110.5	110.6	110.1	117.2
1986: II.....	113.4	113.6	105.0	106.4	121.6	99.8	110.6	100.5	92.7	110.5	110.5	110.4	117.6
1986: III.....	114.7	114.7	106.1	107.2	123.2	101.2	111.4	99.6	91.7	110.7	110.5	111.5	118.3
1986: IV.....	115.3	115.7	106.2	107.8	124.6	101.6	112.4	99.3	94.2	107.7	109.9	101.5	119.7
1987: I.....	116.3	117.3	106.7	109.8	126.1	101.1	113.4	100.1	97.5	111.6	111.8	110.9	121.0
1987: II.....	117.3	118.9	107.5	111.9	127.6	100.8	115.2	100.1	99.4	113.7	111.3	122.9	122.3
1987: III.....	118.2	120.2	108.6	112.9	129.1	99.9	117.7	99.9	98.9	112.9	111.3	119.0	123.9
1987: IV.....	118.9	121.5	108.9	113.7	131.0	99.8	118.7	100.1	100.0	112.6	111.6	116.0	124.9
1988: I.....	119.4	122.2	109.1	113.8	132.2	99.6	119.5	100.3	100.8	115.2	112.8	125.5	126.5
1988: II.....	120.9	123.7	109.5	116.0	133.7	99.3	119.6	101.7	101.2	115.3	113.3	123.0	128.1

Source: Department of Commerce, Bureau of Economic Analysis.

# CHANGES IN GNP, PERSONAL CONSUMPTION EXPENDITURES, AND RELATED PRICE MEASURES

[Percent change from previous period; quarterly data at seasonally adjusted annual rates]

Period	Gross national product					Personal consumption expenditures				
	Current dollars	Constant (1982) dollars	Implicit price deflator	Chain price index	Fixed-weighted price index (1982 weights)	Current dollars	Constant (1982) dollars	Implicit price deflator	Chain price index	Fixed-weighted price index (1982 weights)
1980.....	8.9	-0.2	9.0	9.0	9.3	10.6	-0.2	10.7	10.9	10.5
1981.....	11.7	1.9	9.7	9.4	9.3	10.5	1.2	9.2	9.2	9.0
1982.....	3.7	-2.5	6.4	6.3	6.2	7.1	1.3	5.7	5.7	5.6
1983.....	7.6	3.6	3.9	4.1	4.1	9.0	4.6	4.1	4.2	4.2
1984.....	10.8	6.8	3.7	3.9	4.0	8.8	4.8	3.8	3.9	4.0
1985.....	6.4	3.4	3.0	3.3	3.4	8.2	4.7	3.2	3.5	3.5
1986.....	5.6	2.8	2.7	2.5	2.8	6.8	4.3	2.4	2.7	2.7
1987.....	6.8	3.4	3.3	3.4	3.6	7.3	2.7	4.5	4.5	4.5
1982: IV.....	4.2	.6	3.6	4.1	4.0	10.3	5.3	4.4	4.8	4.8
1983: IV.....	12.4	7.3	4.7	3.9	4.0	9.7	5.5	4.3	4.1	4.1
1984: IV.....	4.7	1.7	3.0	3.1	3.2	7.2	4.3	3.0	3.1	3.2
1985: IV.....	6.2	3.0	3.3	3.2	3.3	6.0	1.9	4.0	4.2	4.3
1986: I.....	7.2	6.4	.7	1.7	2.2	5.8	4.8	1.1	1.4	1.5
II.....	2.6	-.8	3.6	2.0	2.4	4.9	4.3	.7	.8	.7
III.....	5.9	1.0	4.7	3.1	3.0	10.6	6.3	3.9	4.3	4.2
IV.....	3.4	1.4	2.1	2.4	2.8	4.8	1.2	3.5	3.5	3.5
1987: I.....	8.4	4.6	3.5	4.0	4.2	6.5	.6	5.6	5.5	5.6
II.....	8.7	5.0	3.5	3.7	4.2	10.0	4.3	5.6	5.7	5.7
III.....	7.7	4.5	3.1	3.6	3.7	9.1	4.6	4.4	4.3	4.2
IV.....	8.6	6.1	2.4	3.4	3.8	2.4	-2.1	4.4	4.4	4.6
1988: I.....	5.4	3.4	1.7	3.0	3.5	6.9	4.5	2.3	2.5	2.4
II.....	8.3	3.3	5.1	4.4	4.7	8.0	2.7	5.0	5.2	5.2

Note.—Annual changes are from previous year and quarterly changes are from previous quarter.  
Source: Department of Commerce, Bureau of Economic Analysis.

# NONFINANCIAL CORPORATE BUSINESS—OUTPUT, COSTS, AND PROFITS

[Quarterly data at seasonally adjusted annual rates]

Period	Gross domestic product of nonfinancial corporate business (billions of dollars)		Current-dollar cost and profit per unit of output (dollars) <sup>1</sup>							Output per hour of all employees (1982 dollars)	Compensation per hour of all employees (dollars)	
			Total cost and profit <sup>2</sup>	Capital consumption allowances with capital consumption adjustment	Indirect business taxes <sup>3</sup>	Compensation of employees	Net interest	Corporate profits with inventory valuation and capital consumption adjustments				
	Current dollars	1982 dollars						Total	Profits tax liability			Profits after tax <sup>4</sup>
1980.....	1,540.8	1,807.9	0.852	0.095	0.077	0.581	0.031	0.068	0.037	0.031	17.096	9.999
1981.....	1,738.4	1,837.2	.946	.109	.090	.632	.037	.078	.035	.044	17.194	10.861
1982.....	1,782.2	1,782.2	1.000	.125	.094	.676	.043	.063	.026	.037	17.318	11.699
1983.....	1,914.2	1,866.0	1.026	.123	.098	.679	.037	.089	.032	.057	17.865	12.122
1984.....	2,146.7	2,036.5	1.054	.118	.100	.687	.039	.109	.036	.073	18.287	12.569
1985.....	2,267.1	2,117.4	1.071	.119	.103	.704	.038	.106	.033	.073	18.584	13.075
1986.....	2,371.6	2,177.2	1.089	.121	.105	.719	.039	.106	.035	.071	18.927	13.605
1987.....	2,513.5	2,270.4	1.107	.122	.106	.732	.043	.105	.044	.061	19.216	14.062
1982: IV.....	1,779.4	1,760.2	1.011	.131	.096	.685	.042	.057	.023	.034	17.383	11.914
1983: IV.....	2,012.5	1,940.5	1.037	.120	.098	.680	.037	.103	.036	.066	18.029	12.261
1984: IV.....	2,201.8	2,069.5	1.064	.118	.102	.694	.042	.107	.032	.075	18.359	12.746
1985: IV.....	2,309.2	2,137.7	1.080	.120	.104	.713	.037	.106	.033	.072	18.639	13.288
1986: I.....	2,344.9	2,172.3	1.079	.120	.105	.710	.038	.107	.032	.075	18.901	13.427
II.....	2,348.8	2,163.2	1.086	.122	.102	.717	.038	.106	.034	.072	18.864	13.532
III.....	2,383.6	2,174.2	1.096	.122	.106	.722	.039	.107	.036	.071	18.921	13.660
IV.....	2,409.3	2,199.0	1.096	.122	.105	.725	.040	.104	.039	.065	19.043	13.815
1987: I.....	2,438.8	2,215.0	1.101	.122	.105	.730	.041	.103	.041	.061	18.996	13.869
II.....	2,482.7	2,248.0	1.104	.122	.106	.730	.043	.104	.043	.061	19.142	13.969
III.....	2,546.9	2,296.1	1.109	.121	.106	.729	.044	.109	.046	.063	19.362	14.110
IV.....	2,585.6	2,322.5	1.113	.121	.105	.738	.046	.103	.044	.059	19.357	14.291
1988: I.....	2,633.2	2,363.5	1.114	.121	.105	.736	.045	.106	.044	.062	19.560	14.397
II.....	2,687.2	2,393.5	1.123	.121	.106	.743	.046	.107	.046	.061		

<sup>1</sup> Output is measured by gross domestic product of nonfinancial corporate business in 1982 dollars.

<sup>2</sup> This is equal to the deflator for gross domestic product of nonfinancial corporate business with the decimal point shifted two places to the left.

<sup>3</sup> Indirect business tax and nontax liability plus business transfer payments less subsidies.

<sup>4</sup> With inventory valuation and capital consumption adjustments.

\* Data reflect revisions beginning 1985 of GNP and related items published July 27, 1988.

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of Labor (Bureau of Labor Statistics).

# NATIONAL INCOME

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

Period	National income	Compensation of employees <sup>1</sup>	Proprietors' income with inventory valuation and capital consumption adjustments		Rental income of persons with capital consumption adjustment	Corporate profits with inventory valuation and capital consumption adjustments					Net interest
			Farm	Nonfarm		Total	Profits with inventory valuation adjustment and without capital consumption adjustment			Capital consumption adjustment	
							Total	Profits before tax	Inventory valuation adjustment		
1982	2,518.4	1,907.0	24.6	150.9	13.6	150.0	159.2	169.6	-10.4	-9.2	272.3
1983	2,719.5	2,020.7	12.4	178.4	13.2	213.7	196.7	207.6	-10.9	17.0	281.0
1984	3,028.6	2,213.9	30.5	204.0	8.5	266.9	234.2	240.0	-5.8	32.7	304.8
1985	3,234.0	2,367.5	30.2	225.6	9.2	282.3	222.6	224.3	-1.7	59.7	319.0
1986	3,437.1	2,507.1	36.4	250.3	12.4	298.9	244.7	236.4	8.3	54.2	331.9
1987	3,678.7	2,683.4	43.0	270.0	18.4	310.4	258.7	276.7	-18.0	51.7	353.6
1982: IV	2,548.2	1,931.1	28.5	159.8	15.8	146.1	150.7	164.1	-13.4	-4.5	266.9
1983: IV	2,851.5	2,092.7	19.3	188.6	12.4	248.5	223.4	231.5	-8.1	25.1	290.2
1984: IV	3,096.1	2,272.7	28.1	209.7	5.6	266.9	224.6	226.1	-1.6	42.3	313.1
1985: IV	3,312.8	2,426.7	29.2	235.0	7.8	291.4	228.4	235.0	-6.6	63.0	322.7
1986: I	3,378.9	2,461.0	27.6	245.5	10.6	303.2	243.4	222.5	21.0	59.8	331.1
1986: II	3,421.8	2,483.4	46.4	248.3	12.5	297.1	242.1	230.3	11.8	55.0	334.1
1986: III	3,450.9	2,518.2	33.3	251.7	13.1	301.2	249.2	240.5	8.7	52.0	333.3
1986: IV	3,496.6	2,565.8	38.4	255.8	13.4	293.9	244.1	252.1	-8.1	49.8	329.3
1987: I	3,573.0	2,608.9	46.7	263.5	17.4	298.3	247.5	261.8	-14.4	50.8	338.3
1987: II	3,631.8	2,652.0	43.0	265.9	17.8	305.2	253.6	273.7	-20.0	51.5	348.1
1987: III	3,708.0	2,702.8	35.2	271.5	18.1	322.0	269.9	289.4	-19.5	52.1	358.3
1987: IV	3,802.0	2,769.9	47.0	279.0	20.5	316.1	263.7	281.9	-18.2	52.4	369.5
1988: I	3,850.8	2,816.4	44.7	279.2	20.5	316.2	266.8	286.2	-19.4	49.4	379.9
1988: II	3,933.9	2,874.0	42.7	285.4	19.0	332.0	283.6	310.7	-27.1	48.4	380.8

<sup>1</sup> Includes employer contributions for social insurance. (See also p. 5.)

Source: Department of Commerce, Bureau of Economic Analysis.

# PERSONAL CONSUMPTION EXPENDITURES

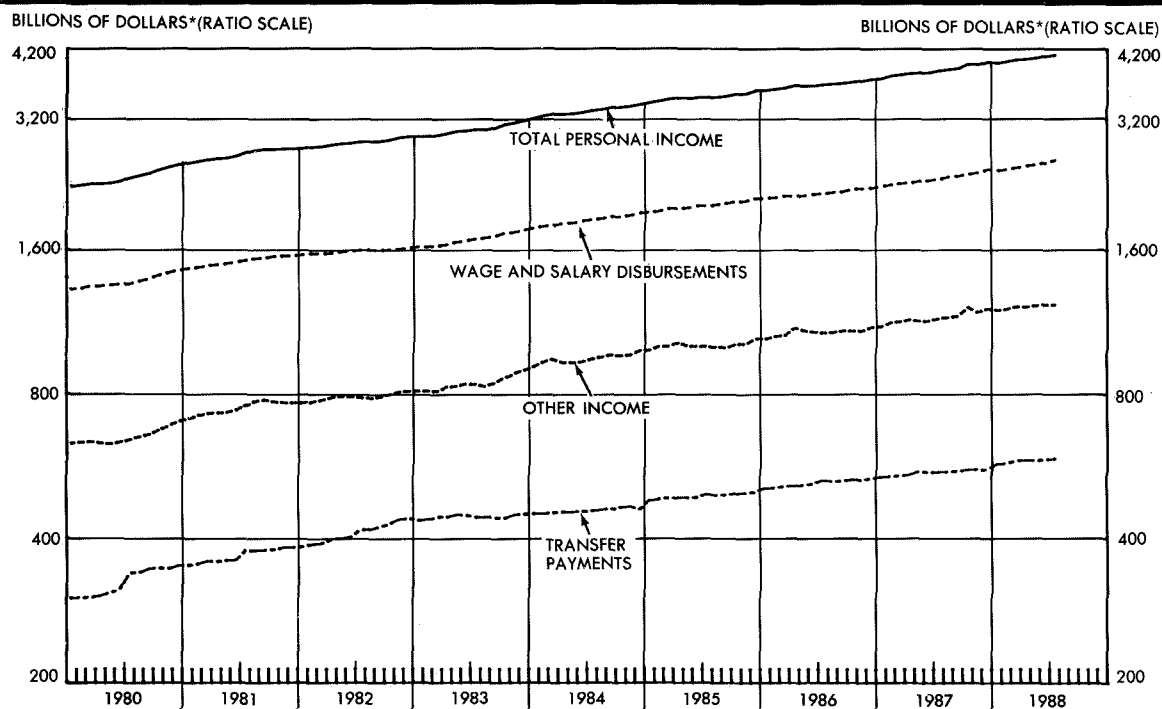
[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Period	Total personal consumption expenditures	Durable goods				Nondurable goods					Services	Retail sales of new passenger cars (millions of units)	
		Total durable goods	Motor vehicles and parts	Furniture and household equipment	Other	Total non-durable goods	Food	Clothing and shoes	Gasoline and oil	Other		Do-mestics	Im-ports
1982	2,050.7	252.7	108.9	95.7	48.1	771.0	398.8	124.4	89.1	158.7	1,027.0	5.8	2.2
1983	2,234.5	289.1	130.4	107.1	51.6	816.7	421.9	135.1	90.2	169.5	1,128.7	6.8	2.4
1984	2,430.5	335.5	157.4	118.8	59.3	867.3	448.5	146.7	90.0	182.1	1,227.6	8.0	2.4
1985	2,629.0	372.2	179.1	129.9	63.2	911.2	471.6	156.4	90.6	192.6	1,345.6	8.2	2.8
1986	2,807.5	406.5	196.4	140.0	70.1	943.6	501.0	167.0	73.3	202.2	1,457.3	8.2	3.2
1987	3,012.1	421.9	195.8	148.3	77.8	997.9	526.4	178.2	77.0	216.3	1,592.3	7.1	3.2
1982: IV	2,117.0	263.8	115.7	99.1	49.0	786.6	407.0	126.5	89.8	163.4	1,066.5	6.0	2.5
1983: IV	2,315.8	310.0	144.4	112.4	53.2	837.9	430.8	141.1	91.9	174.0	1,167.9	7.4	2.6
1984: IV	2,493.4	346.7	162.3	122.7	61.8	879.6	456.1	149.8	89.0	184.7	1,267.1	7.7	2.6
1985: IV	2,700.4	373.2	173.8	134.7	64.7	932.7	482.5	160.6	91.0	198.5	1,394.5	7.0	3.1
1986: I	2,739.0	381.4	179.4	135.9	66.0	938.4	490.3	163.0	86.3	198.8	1,419.2	7.7	3.0
1986: II	2,772.1	393.0	187.7	138.8	66.5	937.2	498.0	167.0	71.7	200.5	1,441.9	8.0	3.1
1986: III	2,842.8	429.9	217.5	142.0	70.5	944.7	503.2	168.7	68.9	203.9	1,468.2	9.5	3.4
1986: IV	2,876.0	421.8	201.0	143.3	77.5	954.1	512.6	169.4	66.3	205.8	1,500.1	7.7	3.4
1987: I	2,921.7	403.5	181.7	145.9	75.9	977.5	521.0	174.5	72.1	209.9	1,540.7	6.7	2.9
1987: II	2,992.2	420.5	194.5	147.8	78.3	995.3	525.3	176.8	77.4	215.8	1,576.4	7.1	3.1
1987: III	3,058.2	441.4	212.9	150.2	78.3	1,006.6	528.4	180.4	79.3	218.5	1,610.2	8.0	3.5
1987: IV	3,076.3	422.0	194.0	149.4	78.6	1,012.4	530.9	181.2	79.3	220.9	1,641.9	6.6	3.3
1988: I	3,128.1	437.8	202.2	154.7	81.0	1,016.2	535.9	180.5	76.3	223.5	1,674.1	7.6	3.2
1988: II	3,189.1	448.2	207.2	159.4	81.6	1,035.7	546.1	183.4	78.4	227.8	1,705.2	7.5	3.1

Source: Department of Commerce, Bureau of Economic Analysis.

# SOURCES OF PERSONAL INCOME

Personal income rose \$25.2 billion (annual rate) in July, following a rise of \$25.4 billion in June. The increases were reduced by subsidy payments to farm proprietors, which decreased \$9.0 billion in July and \$3.1 billion in June. Excluding these payments, personal income increased \$34.2 billion in July and \$28.5 billion in June.



\* SEASONALLY ADJUSTED ANNUAL RATES  
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	Other labor income <sup>1,2</sup>	Proprietors' income <sup>3</sup>		Rental income of persons <sup>4</sup>	Personal dividend income	Personal interest income	Transfer payments <sup>5</sup>	Less: Personal contributions for social insurance	Nonfarm personal income <sup>6</sup>
				Farm	Nonfarm						
1980	2,258.4	1,372.0	138.4	20.5	160.1	6.6	52.9	271.9	324.7	88.6	2,215.8
1981	2,520.9	1,510.3	150.3	30.7	156.1	13.3	61.3	335.4	368.1	104.5	2,465.6
1982	2,670.8	1,586.1	163.6	24.6	150.9	13.6	63.9	369.7	410.6	112.3	2,618.7
1983	2,838.6	1,676.6	173.6	12.4	178.4	13.2	68.7	393.1	442.6	120.1	2,799.0
1984	3,108.7	1,838.6	182.9	30.5	204.0	8.5	75.5	444.7	456.6	132.7	3,052.1
1985	3,325.3	1,975.4	187.6	30.2	225.6	9.2	78.7	478.0	489.8	149.3	3,271.3
1986	3,531.1	2,094.0	196.1	36.4	250.3	12.4	82.8	499.1	521.1	161.1	3,472.5
1987	3,780.0	2,248.4	207.9	43.0	270.0	18.4	88.6	527.0	548.8	172.0	3,716.0
1987: July	3,778.6	2,247.6	208.3	41.0	268.9	17.7	89.0	526.9	550.9	171.7	3,716.8
Aug	3,803.7	2,269.0	209.3	33.6	272.4	18.0	90.0	533.0	551.6	173.1	3,749.2
Sept	3,820.8	2,278.6	210.3	31.1	273.3	18.5	90.6	539.0	552.7	173.4	3,768.8
Oct	3,897.2	2,302.9	211.4	67.9	277.8	19.5	91.3	545.0	556.4	175.1	3,808.5
Nov	3,884.1	2,318.7	212.4	31.6	278.6	20.5	91.9	550.0	556.1	175.8	3,831.9
Dec	3,939.0	2,353.5	213.3	41.4	280.6	21.5	92.4	555.1	557.9	176.8	3,877.1
1988: Jan	3,921.8	2,342.3	214.0	35.9	278.6	20.8	92.8	554.4	572.2	189.1	3,865.5
Feb	3,946.7	2,359.0	214.6	41.5	279.0	20.5	93.6	554.1	574.6	190.2	3,884.7
Mar	3,985.9	2,374.7	215.2	56.8	279.9	20.2	94.0	554.1	582.2	191.2	3,908.7
Apr <sup>r</sup>	3,999.3	2,394.0	215.8	43.6	282.8	19.3	94.7	558.8	582.8	192.4	3,934.8
May <sup>r</sup>	4,020.6	2,408.5	216.4	44.1	285.2	18.9	95.0	563.7	582.2	193.4	3,955.4
June <sup>r</sup>	4,046.0	2,427.4	217.4	40.5	288.2	18.8	95.4	568.7	584.1	194.6	3,984.1
July <sup>p</sup>	4,071.2	2,451.9	218.4	32.4	290.7	19.4	96.3	571.7	586.3	195.9	4,017.6

<sup>1</sup> The total of wage and salary disbursements and other labor income differs from compensation of employees (see p. 4) in that it excludes employer contributions for social insurance and the excess of wage accruals over wage disbursements.

<sup>2</sup> Consists primarily of employer contributions to private pension and private welfare funds.

<sup>3</sup> With inventory valuation and capital consumption adjustments.

<sup>4</sup> With capital consumption adjustment.

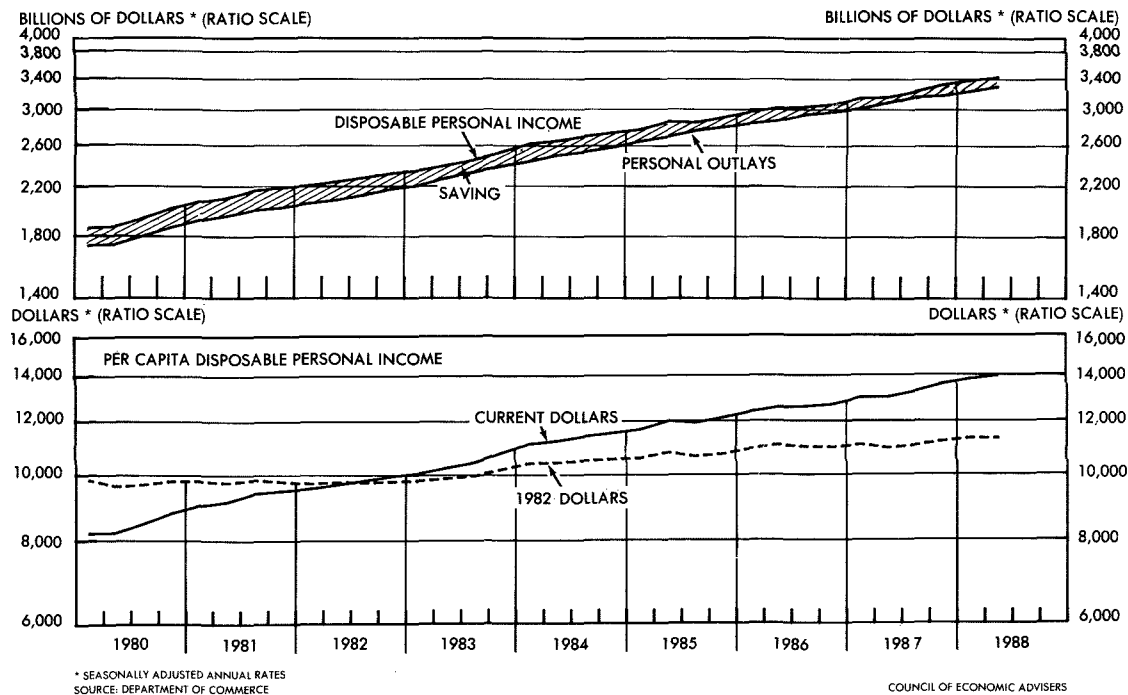
<sup>5</sup> Consists mainly of social insurance benefits, direct relief, and veterans payments.

<sup>6</sup> Personal income exclusive of farm proprietors' income, farm wages, farm other labor income, and agricultural net interest.

Source: Department of Commerce, Bureau of Economic Analysis.

# DISPOSITION OF PERSONAL INCOME

Real per capita disposable personal income fell in the second quarter of 1988.



\* SEASONALLY ADJUSTED ANNUAL RATES  
SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

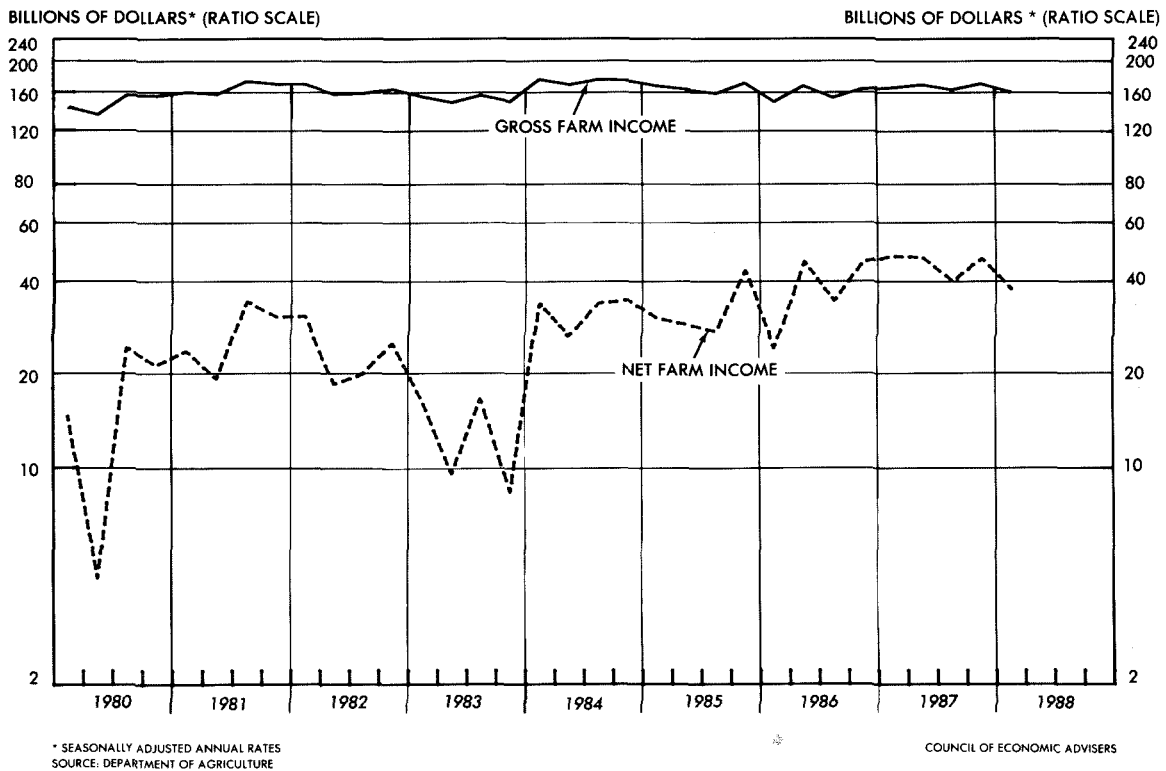
Period	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays <sup>1</sup>	Equals: Personal saving	Disposable personal income in 1982 dollars (billions)	Per capita disposable personal income		Per capita personal consumption expenditures		Percent change in real per capita disposable personal income	Saving as percent of disposable personal income	Population, including Armed Forces abroad (thousands) <sup>2</sup>
							Current dollars	1982 dollars	Current dollars	1982 dollars			
						Billions of dollars				Dollars		Percent	
1980.....	2,258.4	340.5	1,917.9	1,781.1	136.8	2,214.3	8,421	9,722	7,607	8,783	-1.1	7.1	227,754
1981.....	2,520.9	393.3	2,127.6	1,968.1	159.4	2,248.6	9,243	9,769	8,320	8,794	.5	7.5	230,182
1982.....	2,670.8	409.3	2,261.4	2,107.5	153.9	2,261.5	9,724	9,724	8,818	8,818	-.5	6.8	232,549
1983.....	2,838.6	410.5	2,428.1	2,297.4	130.6	2,331.9	10,340	9,930	9,515	9,139	2.1	5.4	234,829
1984.....	3,108.7	440.2	2,668.6	2,504.5	164.1	2,469.8	11,257	10,419	10,253	9,489	4.9	6.1	237,051
1985.....	3,325.3	486.6	2,838.7	2,713.3	125.4	2,542.8	11,861	10,625	10,985	9,839	2.0	4.4	239,322
1986.....	3,531.1	511.4	3,019.6	2,898.0	121.7	2,640.9	12,496	10,929	11,618	10,160	2.9	4.0	241,650
1987.....	3,780.0	570.3	3,209.7	3,105.5	104.2	2,686.3	13,157	11,012	12,348	10,334	.8	3.2	243,944
						Seasonally adjusted annual rates							
1982: IV.....	2,729.2	411.1	2,318.1	2,174.9	143.1	2,276.1	9,929	9,749	9,068	8,904	1.2	6.2	233,466
1983: IV.....	2,941.8	413.9	2,527.9	2,382.5	145.4	2,392.7	10,725	10,151	9,825	9,299	9.1	5.8	235,707
1984: IV.....	3,188.3	459.7	2,728.6	2,571.3	157.3	2,496.3	11,467	10,491	10,479	9,587	1.7	5.8	237,946
1985: IV.....	3,399.1	499.6	2,899.5	2,787.7	111.7	2,562.8	12,068	10,667	11,240	9,935	3.3	3.9	240,257
1986: I.....	3,460.7	495.6	2,965.1	2,828.2	136.9	2,614.5	12,315	10,858	11,375	10,030	7.4	4.6	240,784
1986: II.....	3,517.3	501.0	3,016.3	2,862.1	154.1	2,655.9	12,499	11,006	11,487	10,115	5.6	5.1	241,324
1986: III.....	3,546.7	514.2	3,032.4	2,933.6	98.8	2,643.9	12,534	10,928	11,750	10,245	-2.8	3.3	241,936
1986: IV.....	3,599.6	534.9	3,064.7	2,967.9	96.8	2,649.4	12,635	10,923	11,857	10,250	-2.2	3.2	242,557
1987: I.....	3,676.1	532.2	3,143.9	3,013.1	130.8	2,679.6	12,934	11,024	12,020	10,244	3.8	4.2	243,077
1987: II.....	3,736.1	582.0	3,154.1	3,084.7	69.5	2,652.8	12,947	10,889	12,282	10,330	-4.8	2.2	243,618
1987: III.....	3,801.0	576.2	3,224.9	3,152.3	72.6	2,683.9	13,204	10,989	12,521	10,421	3.7	2.3	244,236
1987: IV.....	3,906.8	591.0	3,315.8	3,171.8	144.0	2,728.9	13,543	11,145	12,564	10,340	5.8	4.3	244,845
1988: I.....	3,951.4	575.8	3,375.6	3,225.7	149.9	2,762.3	13,760	11,260	12,751	10,435	4.2	4.4	245,318
1988: II.....	4,021.9	601.0	3,421.0	3,288.3	132.6	2,764.6	13,918	11,247	12,974	10,485	-5.5	3.9	245,800

<sup>1</sup> Includes personal consumption expenditures, interest paid by consumers to business, and personal transfer payments to foreigners (net).

<sup>2</sup> Annual data are averages of quarterly data, which are averages for the period.  
Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

# FARM INCOME

In the first quarter of 1988, according to preliminary estimates, gross farm income fell \$10.2 billion (annual rate) and net farm income fell \$9.6 billion.



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

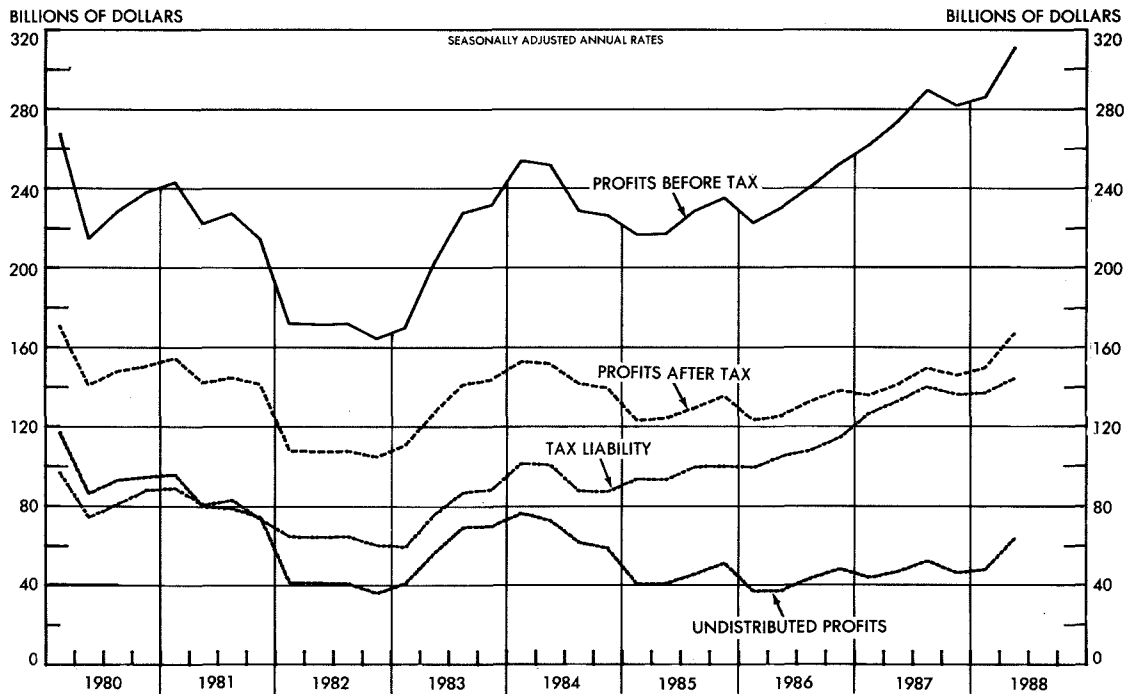
Period	Income of farm operators from farming							Net farm income	
	Gross farm income					Production expenses	Current dollars	1982 dollars <sup>3</sup>	
	Total <sup>1</sup>	Cash marketing receipts			Value of inventory changes <sup>2</sup>				
		Total	Livestock and products	Crops					
1980 .....	149.3	139.7	68.0	71.7	-6.3	133.1	16.1	18.8	
1981 .....	166.3	141.6	69.2	72.5	6.5	139.4	26.9	28.6	
1982 .....	163.5	142.6	70.3	72.3	-1.4	140.0	23.5	23.5	
1983 .....	153.1	136.6	69.4	67.1	-10.9	140.4	12.7	12.2	
1984 .....	174.7	142.3	72.9	69.4	6.2	142.7	32.0	29.7	
1985 .....	166.0	144.2	69.8	74.4	-2.7	133.7	32.3	29.1	
1986 .....	159.5	135.2	71.6	63.6	-3.3	122.1	37.5	32.9	
1987 .....	168.4	136.4	75.5	60.9	-6	123.0	45.4	38.6	
1985: I.....	168.5	137.9	69.9	68.0	1.1	138.3	30.2	27.5	
II.....	164.0	138.0	69.0	68.9	-2.4	135.3	28.7	25.9	
III.....	159.5	144.8	68.9	76.0	-4.2	132.2	27.3	24.5	
IV.....	172.1	156.1	71.4	84.7	-5.1	129.0	43.1	38.4	
1986: I.....	149.8	134.4	68.3	66.0	-4.2	125.7	24.1	21.4	
II.....	168.8	130.6	66.8	63.8	-3.5	122.9	45.9	40.5	
III.....	154.7	135.0	77.8	57.2	-3.0	120.6	34.2	29.8	
IV.....	164.8	140.7	73.3	67.4	-2.4	119.0	45.8	39.7	
1987: I.....	167.3	127.5	72.3	55.2	-.8	119.5	47.8	41.1	
II.....	170.7	142.1	73.8	68.3	-.2	123.3	47.3	40.3	
III.....	164.1	142.4	79.9	62.5	-.3	124.5	39.7	33.6	
IV.....	171.7	133.6	75.9	57.7	-1.2	124.7	47.0	39.5	
1988: I.....	161.5	134.9	76.1	58.8	-4.1	124.0	37.4	31.3	

<sup>1</sup> Cash marketing receipts and inventory changes plus Government payments, other farm cash income, and nonmoney income furnished by farms.  
<sup>2</sup> Physical changes in end-of-year inventory of crop and livestock commodities valued at average prices during the year.

<sup>3</sup> Income in current dollars divided by the GNP implicit price deflator.  
NOTE.—Data include net Commodity Corporation loans and operator households.  
Sources: Department of Agriculture and Department of Commerce.

# CORPORATE PROFITS

In the second quarter of 1988, according to preliminary estimates, corporate profits before tax rose \$24.5 billion (annual rate) and after-tax profits rose \$17.2 billion.



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

Period	Profits (before tax) with inventory valuation adjustment <sup>1</sup>						Profits before tax	Tax liability	Profits after tax			Inventory valuation adjustment
	Total <sup>2</sup>	Domestic industries							Total	Dividends	Undistributed profits	
		Total	Financial	Nonfinancial								
				Total <sup>3</sup>	Manufacturing	Wholesale and retail trade						
1980.....	194.0	159.6	21.0	138.6	77.1	21.6	237.1	84.8	152.3	54.7	97.6	-43.1
1981.....	202.3	173.8	16.5	157.3	88.5	32.5	226.5	81.1	145.4	63.6	81.8	-24.2
1982.....	159.2	131.2	11.8	119.4	58.0	34.6	169.6	63.1	106.5	66.9	39.6	-10.4
1983.....	196.7	166.6	18.1	148.5	70.1	38.9	207.6	77.2	130.4	71.5	58.9	-10.9
1984.....	234.2	203.3	13.0	190.3	88.8	51.2	240.0	93.9	146.1	79.0	67.0	-5.8
1985.....	222.6	191.4	22.8	168.6	79.7	44.1	224.3	96.4	127.8	83.3	44.6	-1.7
1986.....	244.7	212.8	31.8	180.9	79.4	46.1	236.4	106.6	129.8	88.2	41.6	8.3
1987.....	258.7	222.3	30.1	192.1	96.8	42.8	276.7	133.8	142.9	95.5	47.4	-18.0
1982: IV.....	150.7	121.6	18.7	102.9	46.8	33.6	164.1	59.8	104.3	68.5	35.8	-13.4
1983: IV.....	223.4	190.7	15.5	175.2	88.6	43.1	231.5	88.1	143.4	73.9	69.5	-8.1
1984: IV.....	224.6	193.9	13.6	180.3	79.8	51.8	226.1	87.0	139.2	80.8	58.4	-1.6
1985: IV.....	228.4	193.6	26.0	167.6	83.8	38.5	235.0	99.8	135.2	84.0	51.2	-6.6
1986: I.....	243.4	208.5	31.6	176.9	75.4	48.5	222.5	99.2	123.2	86.2	37.0	21.0
1986: II.....	242.1	213.5	34.5	179.0	80.5	43.4	230.3	104.9	125.4	88.0	37.4	11.8
1986: III.....	249.2	217.2	32.4	184.9	73.8	49.9	240.5	107.9	132.6	88.9	43.7	8.7
1986: IV.....	244.1	211.9	28.9	183.0	87.7	42.5	252.1	114.3	137.9	89.8	48.1	-8.1
1987: I.....	247.5	213.0	30.7	182.3	84.8	46.5	261.8	126.3	135.5	91.7	43.8	-14.4
1987: II.....	253.6	219.2	31.4	187.8	93.8	37.8	273.7	132.6	141.1	94.0	47.0	-20.0
1987: III.....	269.9	234.6	29.5	205.1	107.0	44.1	289.4	140.0	149.5	97.0	52.4	-19.5
1987: IV.....	263.7	222.2	28.8	193.4	101.7	43.0	281.9	136.2	145.7	99.3	46.4	-18.2
1988: I.....	266.8	236.6	27.6	209.0	110.6	43.9	286.2	136.9	149.4	101.3	48.1	-19.4
1988: II <sup>p</sup> .....	283.6	245.5	29.0	216.5	.....	.....	310.7	144.1	166.6	103.1	63.5	-27.1

<sup>1</sup> See p. 4 for profits with inventory valuation and capital consumption adjustments.

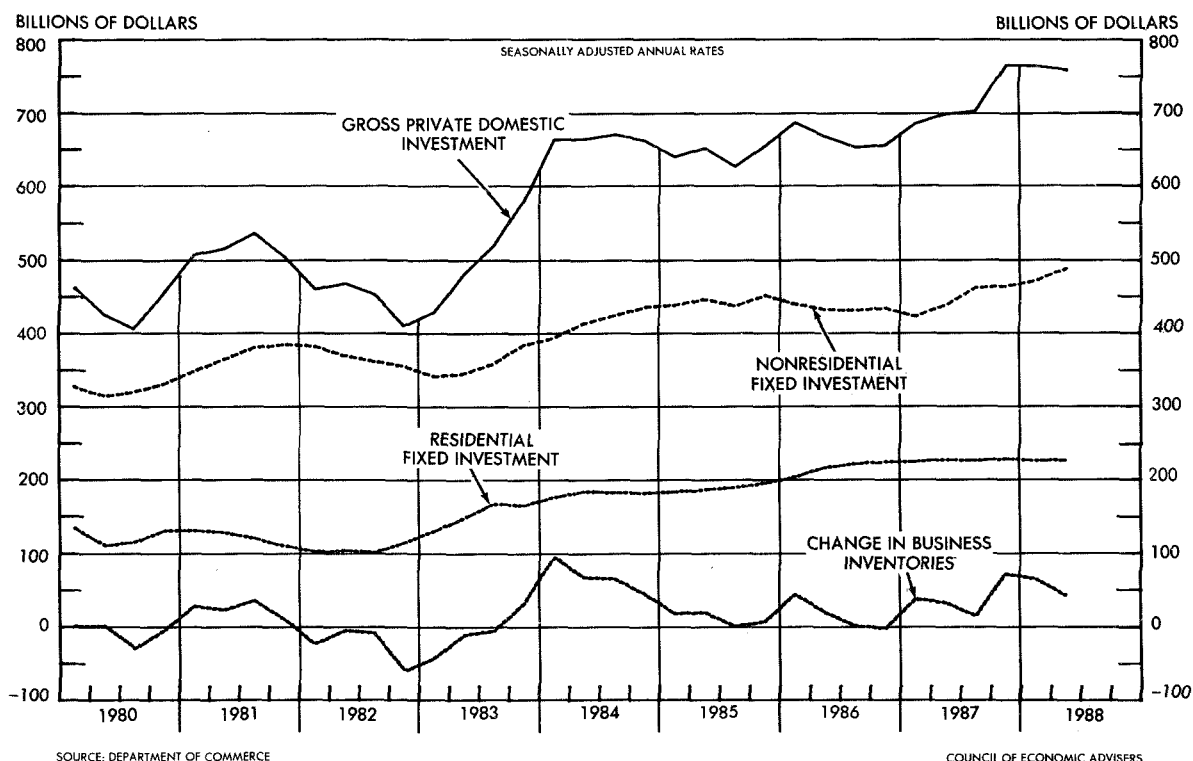
<sup>2</sup> Includes rest of the world, not shown separately.

<sup>3</sup> Includes industries not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

# GROSS PRIVATE DOMESTIC INVESTMENT

According to revised estimates for the second quarter of 1988, nonresidential fixed investment rose \$16.7 billion (annual rate) while residential investment rose \$0.5 billion. There was a \$42.9 billion increase in inventories, following an increase of \$65.3 billion in the first quarter.



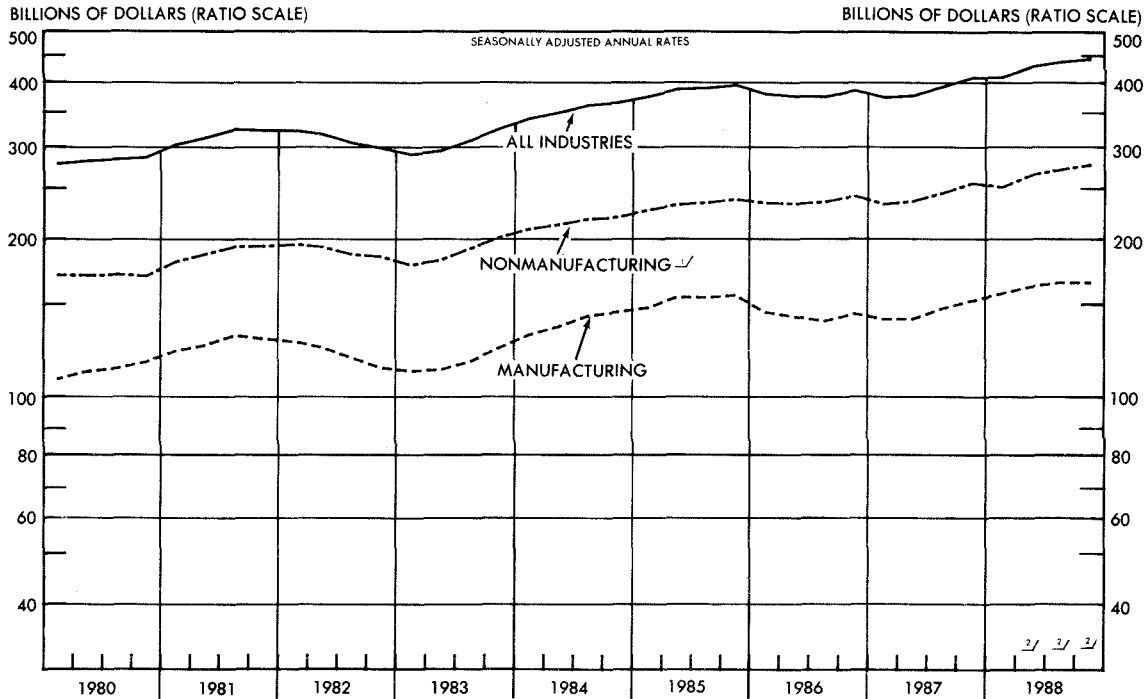
[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Period	Gross private domestic investment	Fixed investment					Change in business inventories	
		Total	Nonresidential			Residential	Total	Nonfarm
			Total	Structures	Producers' durable equipment			
1980.....	437.0	445.3	322.8	113.9	208.9	122.5	-8.3	-2.4
1981.....	515.5	491.5	369.2	138.5	230.7	122.3	24.0	18.3
1982.....	447.3	471.8	366.7	143.3	223.4	105.1	-24.5	-23.1
1983.....	502.3	509.4	356.9	124.0	232.8	152.5	-7.1	.4
1984.....	664.8	597.1	416.0	141.1	274.9	181.1	67.7	60.5
1985.....	643.1	631.8	442.9	153.2	289.7	188.8	11.3	14.6
1986.....	665.9	650.4	433.9	138.5	295.4	216.6	15.5	17.4
1987.....	712.9	673.7	446.8	139.5	307.3	226.9	39.2	40.7
1982: IV.....	409.6	469.5	354.9	137.6	217.3	114.7	-59.9	-51.1
1983: IV.....	579.8	548.8	383.9	127.4	256.5	164.9	31.0	21.3
1984: IV.....	661.8	616.8	435.0	146.6	288.4	181.8	45.0	41.3
1985: IV.....	654.1	646.8	451.3	155.9	295.5	195.5	7.2	23.7
1986: I.....	686.6	642.6	438.9	151.1	287.8	203.6	44.0	43.3
1986: II.....	667.8	648.3	431.9	136.1	295.7	216.4	19.5	19.8
1986: III.....	653.0	652.3	430.6	132.0	298.5	221.8	.7	3.6
1986: IV.....	656.4	658.4	434.1	134.6	299.4	224.4	-2.0	3.0
1987: I.....	685.5	647.8	422.8	132.7	290.1	225.0	37.7	40.9
1987: II.....	698.5	665.8	438.2	134.4	303.8	227.6	32.7	31.4
1987: III.....	702.8	688.3	462.1	143.0	319.1	226.2	14.5	17.8
1987: IV.....	764.9	692.9	464.1	147.7	316.3	228.8	72.0	72.8
1988: I.....	763.4	698.1	471.5	140.1	331.3	226.6	65.3	49.4
1988: II.....	758.2	715.3	488.2	145.4	342.8	227.1	42.9	32.5

Source: Department of Commerce, Bureau of Economic Analysis.

# EXPENDITURES FOR NEW PLANT AND EQUIPMENT

According to the Commerce Department April-May survey, business spending for new plant and equipment is expected to rise 10.7 percent in 1988, following a rise of 2.4 percent in 1987.



✓ SURVEYED QUARTERLY  
 ✓ SEE FOOTNOTE 4 BELOW  
 SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

(Billions of dollars; quarterly data at seasonally adjusted annual rates)

Period	Industries surveyed quarterly									Addenda				
	All industries	Manufacturing			Nonmanufacturing					Total non-farm business <sup>2</sup>	Manufacturing	Nonmanufacturing		
		Total	Durable goods	Non-durable goods	Total <sup>1</sup>	Mining	Transportation	Public utilities	Commercial and other			Total	Surveyed quarterly	Surveyed annually <sup>3</sup>
1979.....	254.96	95.92	48.50	47.42	159.04	12.81	16.05	35.63	94.56	284.94	95.92	189.02	159.04	29.98
1980.....	282.80	112.33	55.36	56.96	170.47	15.99	16.60	37.74	100.14	314.47	112.33	202.15	170.47	31.68
1981.....	315.22	126.54	59.81	66.73	188.68	21.39	15.84	41.21	110.24	349.26	126.54	222.72	188.68	34.04
1982.....	310.58	120.68	55.35	65.33	189.89	20.05	14.79	45.43	109.63	347.47	120.68	226.79	189.89	36.89
1983.....	304.78	116.20	53.08	63.12	188.58	15.19	13.97	44.96	114.45	343.35	116.20	227.15	188.58	38.56
1984.....	354.44	138.82	66.24	72.58	215.61	16.86	16.52	47.48	134.75	398.99	138.82	260.16	215.61	44.55
1985.....	387.13	153.48	73.27	80.21	233.65	15.88	18.02	48.81	150.94	431.94	153.48	278.46	233.65	44.81
1986.....	379.47	142.69	69.14	73.56	236.78	11.22	18.80	46.38	160.38	427.23	142.69	284.54	236.78	47.75
1987.....	388.60	145.46	70.91	74.55	243.14	11.34	18.85	44.76	168.19	439.59	145.46	294.13	243.14	50.99
1988 <sup>4</sup> .....	430.23	163.01	77.63	85.39	267.22	12.39	21.25	47.18	186.40	.....	163.01	.....	267.22	.....
1986: III.....	375.50	139.43	69.42	70.01	236.07	10.14	18.81	45.81	161.31	.....	139.43	.....	236.07	.....
1986: IV.....	386.09	144.07	69.87	74.20	242.02	10.31	19.50	46.12	166.08	.....	144.07	.....	242.02	.....
1987: I.....	374.23	140.65	70.47	70.18	233.58	10.31	18.98	43.60	160.70	.....	140.65	.....	233.58	.....
1987: II.....	377.65	140.79	68.76	72.03	236.87	11.02	17.67	43.48	164.69	.....	140.79	.....	236.87	.....
1987: III.....	393.13	147.56	71.78	75.78	245.58	11.64	19.17	44.90	169.87	.....	147.56	.....	245.58	.....
1987: IV.....	409.37	152.84	72.64	80.20	256.53	12.39	19.57	47.07	177.50	.....	152.84	.....	256.53	.....
1988: I.....	409.73	157.79	75.33	82.45	251.95	12.50	20.59	44.31	174.54	.....	157.79	.....	251.95	.....
1988: II <sup>4</sup> .....	429.01	162.82	79.00	83.82	266.19	12.87	20.81	46.37	186.15	.....	162.82	.....	266.19	.....
1988: III <sup>4</sup> .....	438.22	165.73	79.30	86.43	272.49	12.51	22.61	48.94	188.44	.....	165.73	.....	272.49	.....
1988: IV <sup>4</sup> .....	443.95	165.71	76.87	88.84	278.24	11.67	20.99	49.10	196.48	.....	165.71	.....	278.24	.....

<sup>1</sup> Excludes forestry, fisheries, and agricultural services; medical services; professional services; social services and membership organizations; and real estate, which, effective with the April-May 1984 survey, are no longer surveyed quarterly. See last column ("nonmanufacturing surveyed annually") for data for these industries.

<sup>2</sup> "All industries" plus the part of nonmanufacturing that is surveyed annually.

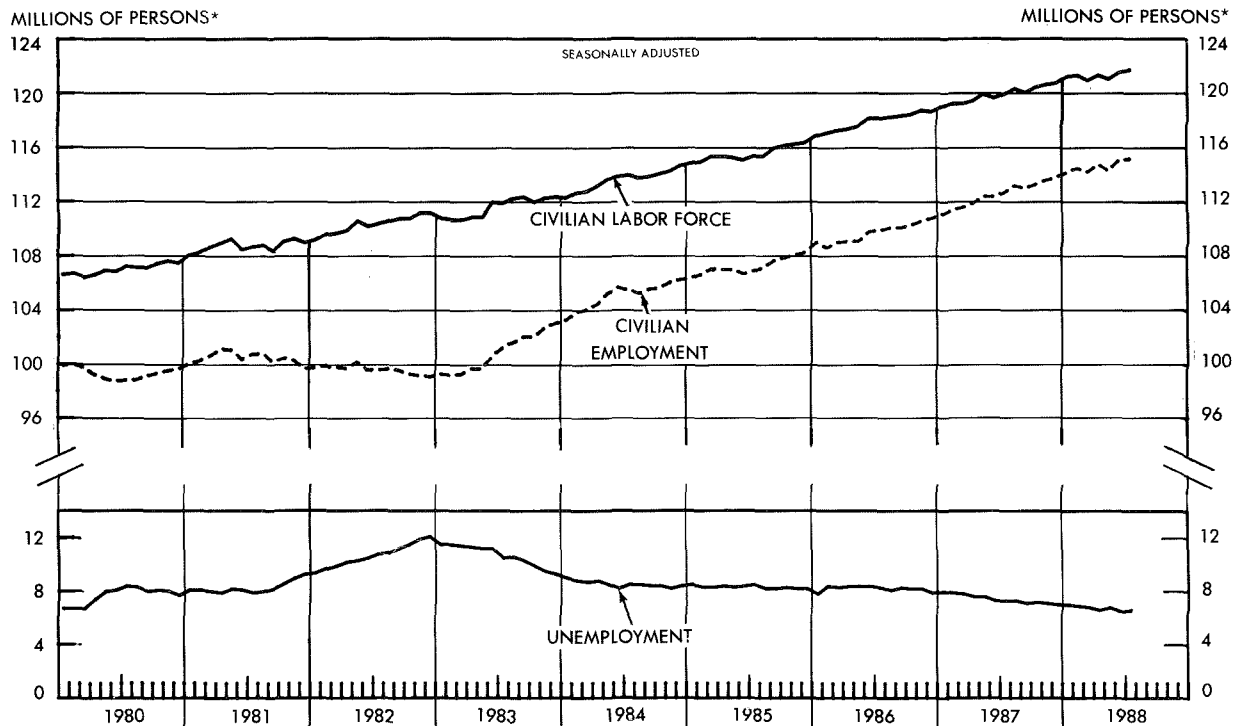
<sup>3</sup> Consists of forestry, fisheries, and agricultural services; medical services; professional services; social services and membership organizations; and real estate.

<sup>4</sup> Planned capital expenditures as reported by business in April-May 1988, corrected for biases.

Source: Department of Commerce, Bureau of Economic Analysis.

# EMPLOYMENT, UNEMPLOYMENT, AND WAGES

In July, civilian employment rose 41,000 and unemployment rose 170,000.



\*16 YEARS OF AGE AND OVER  
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Thousands of persons 16 years of age and over, except as noted; monthly data seasonally adjusted except as noted by NSA]

Period	Noninstitutional population including resident Armed Forces NSA	Resident Armed Forces NSA	Labor force including resident Armed Forces	Employment including resident Armed Forces	Civilian labor force	Civilian employment				Unemployment		Labor force participation rate (percent)	
						Total	Agricultural	Nonagricultural		Total	15 weeks and over	Total <sup>2</sup>	Civilian <sup>3</sup>
								Total	Part-time for economic reasons <sup>1</sup>				
1980.....	169,349	1,604	108,544	100,907	106,940	99,303	3,364	95,938	4,064	7,637	1,871	64.1	63.8
1981.....	171,775	1,645	110,315	102,042	108,670	100,397	3,368	97,030	4,499	8,273	2,285	64.2	63.9
1982.....	173,939	1,668	111,872	101,194	110,204	99,526	3,401	96,125	5,852	10,678	3,485	64.3	64.0
1983.....	175,891	1,676	113,226	102,510	111,550	100,834	3,383	97,450	5,997	10,717	4,210	64.4	64.0
1984.....	178,080	1,697	115,241	106,702	113,544	105,005	3,321	101,685	5,512	8,539	2,737	64.7	64.4
1985.....	179,912	1,706	117,167	108,856	115,461	107,150	3,179	103,971	5,334	8,312	2,305	65.1	64.8
1986*.....	182,293	1,706	119,540	111,303	117,834	109,597	3,163	106,434	5,345	8,237	2,232	65.6	65.3
1987.....	184,490	1,737	121,602	114,177	119,865	112,440	3,208	109,232	5,122	7,425	1,983	65.9	65.6
1987: July.....	184,605	1,720	121,610	114,359	119,890	112,639	3,212	109,427	5,154	7,251	1,920	65.9	65.6
Aug.....	184,738	1,736	122,042	114,786	120,306	113,050	3,143	109,907	5,016	7,256	1,896	66.1	65.7
Sept.....	184,904	1,743	121,706	114,615	119,963	112,872	3,184	109,688	4,986	7,091	1,904	65.8	65.5
Oct.....	185,052	1,741	122,128	114,951	120,387	113,210	3,249	109,961	5,067	7,177	1,801	66.0	65.7
Nov.....	185,225	1,755	122,349	115,259	120,594	113,504	3,172	110,332	5,241	7,090	1,834	66.1	65.7
Dec.....	185,370	1,750	122,472	115,494	120,722	113,744	3,215	110,529	5,004	6,978	1,791	66.1	65.7
1988: Jan.....	185,571	1,749	122,924	115,878	121,175	114,129	3,293	110,836	5,145	7,046	1,733	66.2	65.9
Feb.....	185,705	1,736	123,084	116,145	121,348	114,409	3,228	111,182	5,254	6,938	1,740	66.3	66.0
Mar.....	185,847	1,736	122,639	115,839	120,903	114,103	3,204	110,899	5,106	6,801	1,722	66.0	65.7
Apr.....	185,964	1,732	123,055	116,445	121,323	114,713	3,228	111,485	4,924	6,610	1,540	66.2	65.9
May.....	186,088	1,714	122,692	115,909	120,978	114,195	3,035	111,160	4,623	6,783	1,609	65.9	65.6
June.....	186,247	1,685	123,157	116,703	121,472	115,018	3,085	111,933	5,076	6,455	1,512	66.1	65.8
July.....	186,402	1,673	123,357	116,732	121,684	115,059	3,046	112,014	5,185	6,625	1,629	66.2	65.9

<sup>1</sup> Persons at work. Economic reasons include slack work, material shortages, inability to find full-time work, etc.

<sup>2</sup> Labor force as percent of noninstitutional population (both including resident Armed Forces).

<sup>3</sup> Civilian labor force as percent of civilian noninstitutional population.

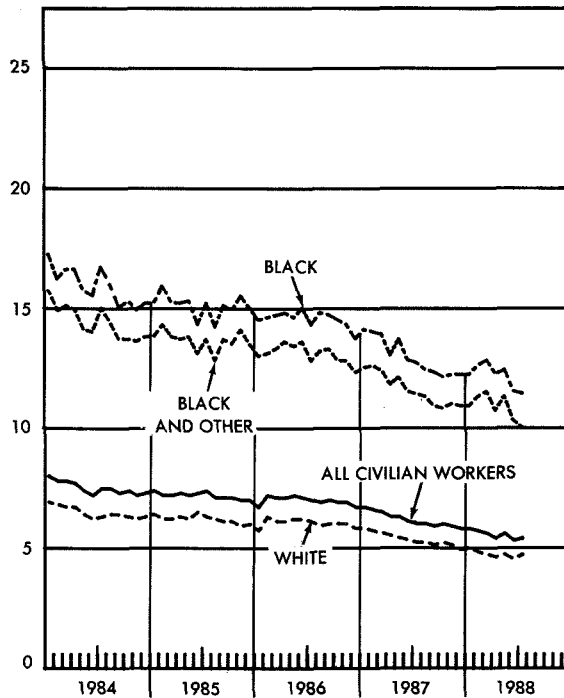
\* Data beginning January 1986 not strictly comparable with earlier data because of change in estimation procedures.

Source: Department of Labor, Bureau of Labor Statistics.

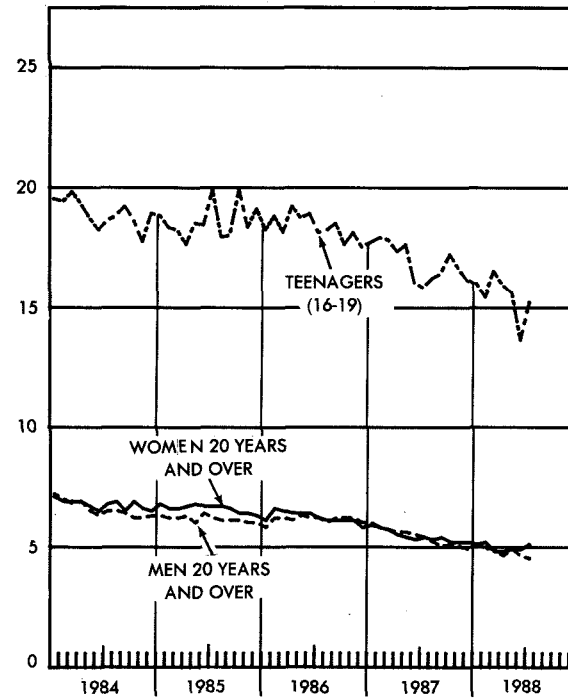
# SELECTED UNEMPLOYMENT RATES

In July, both the overall unemployment rate and the civilian unemployment rate rose slightly, to 5.4 percent.

PERCENT\* (SEASONALLY ADJUSTED)



PERCENT\* (SEASONALLY ADJUSTED)



\*UNEMPLOYMENT AS PERCENT OF CIVILIAN LABOR FORCE IN GROUP SPECIFIED.  
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Monthly data seasonally adjusted]

Period	Unemployment rate, all workers <sup>1</sup>	Unemployment rate (percent of civilian labor force in group)											Labor force time lost (percent) <sup>2</sup>	
		All civilian workers	By sex and age			By race			By selected groups					
			Men 20 years and over	Women 20 years and over	Both sexes 16-19 years	White	Black and other	Black	Experienced wage and salary workers	Married men, spouse present	Women who maintain families	Full-time workers		Part-time workers
1980 .....	7.0	7.1	5.9	6.4	17.8	6.3	13.1	14.3	6.9	4.2	9.2	6.9	8.8	7.9
1981 .....	7.5	7.6	6.3	6.8	19.6	6.7	14.2	15.6	7.3	4.3	10.4	7.3	9.4	8.5
1982 .....	9.5	9.7	8.8	8.3	23.2	8.6	17.3	18.9	9.3	6.5	11.7	9.6	10.5	11.0
1983 .....	9.5	9.6	8.9	8.1	22.4	8.4	17.8	19.5	9.2	6.5	12.2	9.5	10.4	10.9
1984 .....	7.4	7.5	6.6	6.8	18.9	6.5	14.4	15.9	7.1	4.6	10.3	7.2	9.3	8.6
1985 .....	7.1	7.2	6.2	6.6	18.6	6.2	13.7	15.1	6.8	4.3	10.4	6.8	9.3	8.1
1986 .....	6.9	7.0	6.1	6.2	18.3	6.0	13.1	14.5	6.6	4.4	9.8	6.6	9.1	7.9
1987 .....	6.1	6.2	5.4	5.4	16.9	5.3	11.6	13.0	5.8	3.9	9.2	5.8	8.4	7.1
1987: July .....	6.0	6.0	5.4	5.4	15.8	5.2	11.4	12.7	5.8	3.8	9.3	5.7	8.1	6.9
Aug .....	5.9	6.0	5.2	5.3	16.2	5.2	11.3	12.4	5.7	3.7	9.0	5.6	8.2	6.9
Sept .....	5.8	5.9	5.0	5.4	16.4	5.1	10.9	12.3	5.5	3.7	8.8	5.5	8.4	6.8
Oct .....	5.9	6.0	5.1	5.2	17.2	5.2	10.8	12.1	5.5	3.7	8.9	5.6	8.3	6.8
Nov .....	5.8	5.9	5.0	5.2	16.6	5.1	11.0	12.2	5.5	3.5	8.5	5.5	8.2	6.8
Dec .....	5.7	5.8	4.9	5.2	16.1	4.9	10.9	12.2	5.4	3.4	8.4	5.4	8.0	6.6
1988: Jan .....	5.7	5.8	5.1	5.1	16.0	5.0	10.9	12.2	5.5	3.6	8.9	5.4	8.3	6.6
Feb .....	5.6	5.7	4.9	5.2	15.4	4.8	11.3	12.6	5.3	3.4	8.3	5.3	7.9	6.6
Mar .....	5.5	5.6	4.9	4.8	16.5	4.7	11.5	12.8	5.2	3.4	7.5	5.3	7.7	6.5
Apr .....	5.4	5.4	4.6	4.8	15.9	4.6	10.7	12.2	5.0	3.0	8.7	5.1	7.4	6.2
May .....	5.5	5.6	4.9	4.9	15.6	4.7	11.3	12.4	5.4	3.3	8.4	5.2	7.7	6.4
June .....	5.2	5.3	4.6	4.9	13.6	4.5	10.3	11.5	5.0	3.1	7.8	4.9	7.8	6.3
July .....	5.4	5.4	4.5	5.1	15.2	4.7	10.0	11.4	5.1	3.0	8.6	5.0	8.1	6.4

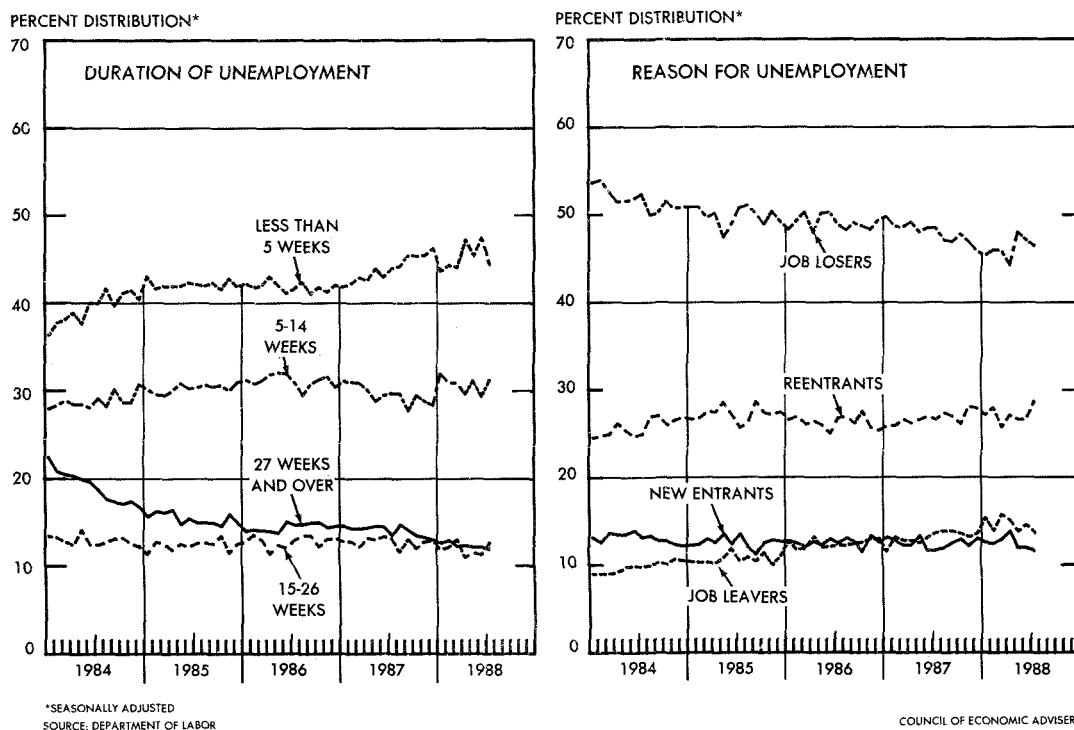
<sup>1</sup> Unemployed as percent of total labor force including resident Armed Forces.

<sup>2</sup> Aggregate hours lost by the unemployed and persons on part time for economic reasons as percent of potentially available labor force hours.

Source: Department of Labor, Bureau of Labor Statistics.

## SELECTED MEASURES OF UNEMPLOYMENT AND UNEMPLOYMENT INSURANCE PROGRAMS

In July, the percentages of unemployed persons who had been out of work for less than 5 weeks and for 27 weeks and over fell, while the percentages for 5-14 weeks and for 15-26 weeks rose. Both the mean and the median duration of unemployment rose.



\*SEASONALLY ADJUSTED  
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Monthly data seasonally adjusted, except as noted]

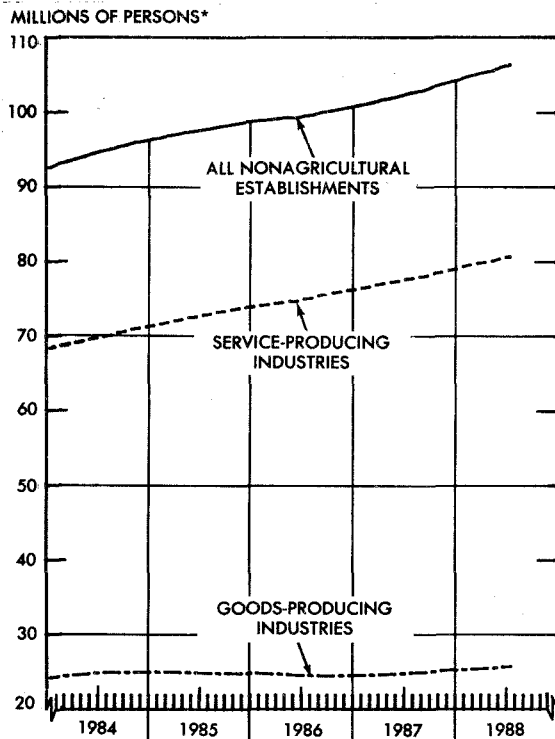
Period	Unemployment (thousands)	Duration of unemployment				Number of weeks		Reason for unemployment: percent distribution				State programs		Insured unemployment, all regular programs (unadjusted) <sup>1</sup>	
		Percent distribution				Average (mean)	Median	Job losers	Job leavers	Reentrants	New entrants	Insured unemployment	Initial claims		
		Less than 5 weeks	5-14 weeks	15-26 weeks	27 weeks and over										
													Weekly average, thousands		
1980	7,637	43.1	32.3	13.8	10.7	11.9	6.5	51.7	11.7	25.2	11.4	3,350	488	3,837	
1981	8,273	41.7	30.7	13.6	14.0	13.7	6.9	51.6	11.2	25.4	11.9	3,047	460	3,410	
1982	10,678	36.4	31.0	16.0	16.6	15.6	8.7	58.7	7.9	22.3	11.1	4,061	583	4,594	
1983	10,717	33.3	27.4	15.4	23.9	20.0	10.1	58.4	7.7	22.5	11.3	3,396	438	3,775	
1984	8,539	39.2	28.7	12.9	19.1	18.2	7.9	51.8	9.6	25.6	13.0	2,476	377	2,561	
1985	8,312	42.1	30.2	12.3	15.4	15.6	6.8	49.8	10.6	27.1	12.5	2,611	396	2,693	
1986	8,237	41.9	31.0	12.7	14.4	15.0	6.9	48.9	12.3	26.2	12.5	2,650	378	2,746	
1987	7,425	43.7	29.6	12.7	14.0	14.5	6.5	48.0	13.0	26.6	12.4	2,332	328	2,401	
1987: July	7,251	43.9	29.6	13.0	13.4	14.2	6.6	48.4	13.6	26.5	11.6	2,273	329	2,210	
Aug	7,256	44.2	29.6	11.5	14.7	14.3	6.4	47.0	13.8	27.3	11.9	2,223	307	2,030	
Sept	7,091	45.5	27.6	13.0	14.0	14.2	5.8	46.8	13.8	26.9	12.5	2,102	289	1,800	
Oct	7,177	45.3	29.4	11.9	13.4	14.1	6.2	47.7	13.5	26.0	12.9	2,035	293	1,759	
Nov	7,090	45.4	28.7	12.7	13.2	14.0	6.1	46.8	13.1	28.0	12.1	2,037	303	1,931	
Dec	6,978	46.2	28.2	12.8	12.9	14.2	6.0	45.7	13.5	27.8	13.0	2,090	317	2,322	
1988: Jan	7,046	43.6	31.9	11.8	12.6	14.4	6.4	45.2	15.3	27.0	12.5	2,242	356	2,870	
Feb	6,938	44.3	30.8	12.1	12.9	14.4	6.4	45.9	13.8	27.9	12.4	2,208	327	2,775	
Mar	6,801	44.0	30.8	13.0	12.2	13.7	6.6	45.8	15.7	25.6	12.9	2,140	308	2,536	
Apr	6,610	47.2	29.5	10.9	12.3	13.4	5.6	44.1	15.0	27.0	13.8	2,087	302	2,208	
May	6,783	45.3	31.1	11.5	12.1	13.8	5.9	47.9	13.7	26.5	11.9	2,064	313	2,050	
June	6,455	47.4	29.2	11.2	12.1	12.9	6.0	47.0	14.5	26.5	11.9	2,064	302	1,887	
July	6,625	44.4	31.1	12.6	11.9	13.6	6.3	46.3	13.6	28.5	11.6	2,096	328		

<sup>1</sup> Includes State (50 States, District of Columbia, Puerto Rico, and Virgin Islands), ex-service-men (UCX), Federal (UCFE), and railroad (RR) programs. Also includes Federal and State extended benefit programs. Does not include Federal supplemental compensation program.

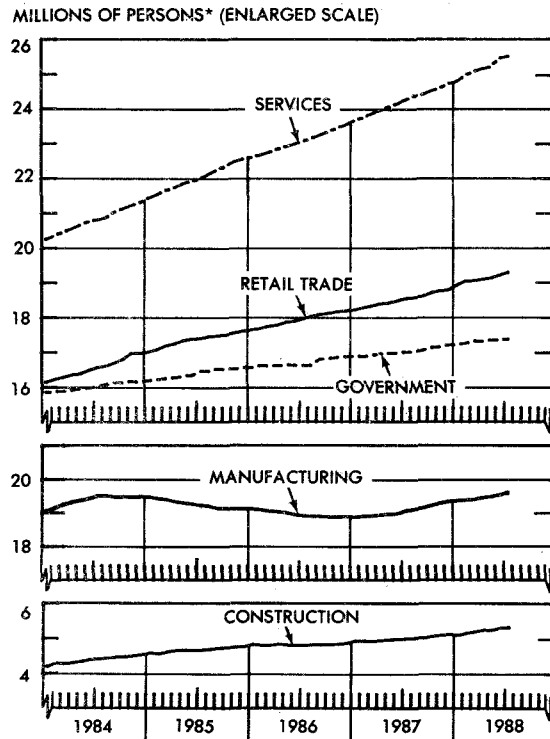
Source: Department of Labor (Bureau of Labor Statistics and Employment and Training Administration).

# NONAGRICULTURAL EMPLOYMENT

Total nonagricultural employment as measured by the payroll survey rose 283,000 in July.



\*SEASONALLY ADJUSTED  
SOURCE: DEPARTMENT OF LABOR



COUNCIL OF ECONOMIC ADVISERS

[Thousands of wage and salary workers; <sup>1</sup> seasonally adjusted]

Period	Total nonagricultural employment	Goods-producing industries					Service-producing industries							
		Total <sup>2</sup>	Construction	Manufacturing			Total	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government	
				Total	Durable goods	Nondurable goods							Total	Federal
1980 .....	90,406	25,658	4,346	20,285	12,187	8,098	64,748	5,146	5,275	15,035	5,160	17,890	16,241	2,866
1981 .....	91,156	25,497	4,188	20,170	12,109	8,061	65,659	5,165	5,358	15,189	5,298	18,619	16,031	2,772
1982 .....	89,566	23,813	3,905	18,781	11,039	7,741	65,753	5,082	5,278	15,179	5,341	19,036	15,837	2,739
1983 .....	90,200	23,334	3,948	18,434	10,732	7,702	66,866	4,954	5,268	15,613	5,468	19,694	15,869	2,774
1984 .....	94,496	24,727	4,383	19,378	11,505	7,873	69,769	5,159	5,555	16,545	5,689	20,797	16,024	2,807
1985 .....	97,519	24,859	4,673	19,260	11,490	7,770	72,660	5,238	5,717	17,356	5,955	22,000	16,394	2,875
1986 .....	99,525	24,558	4,816	18,965	11,230	7,734	74,967	5,255	5,753	17,930	6,283	23,053	16,693	2,899
1987 .....	102,310	24,784	4,998	19,065	11,218	7,847	77,525	5,385	5,872	18,509	6,549	24,196	17,015	2,943
1987: July.....	102,430	24,788	4,997	19,069	11,190	7,879	77,642	5,373	5,874	18,543	6,570	24,273	17,009	2,941
Aug.....	102,672	24,851	5,012	19,111	11,246	7,865	77,821	5,394	5,892	18,569	6,581	24,369	17,016	2,943
Sept.....	102,906	24,902	5,012	19,156	11,269	7,887	78,004	5,427	5,914	18,605	6,588	24,415	17,055	2,962
Oct.....	103,371	25,025	5,060	19,225	11,315	7,910	78,346	5,448	5,935	18,705	6,604	24,524	17,130	2,966
Nov.....	103,678	25,123	5,090	19,297	11,355	7,942	78,555	5,466	5,958	18,761	6,608	24,604	17,158	2,974
Dec.....	104,001	25,201	5,118	19,348	11,390	7,958	78,800	5,481	5,984	18,784	6,619	24,725	17,207	2,980
1988: Jan.....	104,262	25,180	5,083	19,369	11,393	7,976	79,082	5,499	6,010	18,927	6,633	24,795	17,218	2,973
Feb.....	104,729	25,271	5,150	19,390	11,404	7,986	79,458	5,513	6,035	19,045	6,636	24,975	17,254	2,972
Mar.....	105,020	25,330	5,192	19,405	11,411	7,994	79,690	5,530	6,061	19,050	6,651	25,078	17,320	2,970
Apr.....	105,281	25,435	5,238	19,460	11,459	8,001	79,846	5,543	6,089	19,093	6,650	25,163	17,308	2,963
May.....	105,489	25,466	5,237	19,490	11,477	8,013	80,023	5,556	6,115	19,130	6,656	25,216	17,350	2,957
June.....	106,021	25,590	5,305	19,545	11,514	8,031	80,431	5,578	6,145	19,213	6,676	25,459	17,360	2,951
July.....	106,304	25,672	5,319	19,613	11,573	8,040	80,632	5,593	6,169	19,295	6,678	25,522	17,375	2,947

<sup>1</sup> Includes all full- and part-time wage and salary workers in nonagricultural establishments who 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 force, shown on p. 11, which include proprietors, self-employed persons, and domestic servants; which count persons as employed when they are not at work because of industrial disputes, bad

weather, etc., even if they are not paid for the time off, and which are based on a sample of the working-age population, whereas the estimates in this table are based on reports from employing establishments.

<sup>2</sup> Includes mining, not shown separately.

Source: Department of Labor, Bureau of Labor Statistics.

## AVERAGE WEEKLY HOURS AND HOURLY EARNINGS PRIVATE NONAGRICULTURAL INDUSTRIES

[For production or nonsupervisory workers; monthly data seasonally adjusted, except as noted]

Period	Average weekly hours			Average gross hourly earnings		Adjusted hourly earnings index—total private nonagricultural <sup>2</sup>			
	Total private nonagricultural <sup>1</sup>	Manufacturing		Total private nonagricultural <sup>1</sup>	Manufacturing	Index, 1977=100		Percent change from a year earlier <sup>4,5</sup>	
		Total	Overtime			Current dollars	1977 dollars <sup>3</sup>	Current dollars	1977 dollars
1980.....	35.3	39.7	2.8	\$6.66	\$7.27	127.3	93.5	9.0	-4.0
1981.....	35.2	39.8	2.8	7.25	7.99	138.9	92.6	9.1	-1.0
1982.....	34.8	38.9	2.3	7.68	8.49	148.5	93.4	6.9	.9
1983.....	35.0	40.1	3.0	8.02	8.83	155.4	94.9	4.6	1.6
1984.....	35.2	40.7	3.4	8.32	9.19	160.3	94.6	3.2	-.3
1985.....	34.9	40.5	3.3	8.57	9.54	165.2	94.1	3.1	-.5
1986.....	34.8	40.7	3.4	8.76	9.73	169.4	95.0	2.5	1.0
1987.....	34.8	41.0	3.7	8.98	9.91	173.5	94.0	2.4	-1.1
1987: July.....	34.8	41.0	3.8	8.96	9.88	173.2	93.7	2.3	-1.5
Aug.....	34.8	41.0	3.8	9.01	9.94	174.1	93.8	2.7	-1.6
Sept.....	34.6	40.6	3.7	9.02	10.00	174.6	93.7	2.8	-1.5
Oct.....	34.9	41.2	3.9	9.07	9.99	174.9	93.5	2.7	-1.8
Nov.....	34.8	41.2	3.9	9.10	10.00	175.6	93.8	2.6	-1.9
Dec.....	34.6	41.0	3.8	9.11	10.01	175.7	93.7	2.7	-1.7
1988: Jan.....	34.7	41.1	3.9	9.14	10.02	176.6	93.8	3.1	-1.0
Feb.....	34.8	41.0	3.7	9.13	10.03	176.7	93.7	2.8	-1.0
Mar.....	34.6	40.9	3.7	9.16	10.05	177.0	93.5	2.9	-.9
Apr.....	34.9	41.2	3.9	9.23	10.11	178.0	93.6	3.2	-.6
May.....	34.7	41.0	3.9	9.27	10.15	178.7	93.6	3.4	-.5
June <sup>r</sup> .....	34.7	41.1	3.9	9.28	10.18	178.6	93.2	3.3	-.5
July <sup>p</sup> .....	34.9	41.1	3.9	9.32	10.19	179.5	93.3	3.6	-.4

## AVERAGE WEEKLY EARNINGS PRIVATE NONAGRICULTURAL INDUSTRIES

[For production or nonsupervisory workers; monthly data seasonally adjusted, except as noted]

Period	Average gross weekly earnings					Percent change from a year earlier, total private nonagricultural <sup>5</sup>	
	Total private nonagricultural <sup>1</sup>		Manufacturing	Construction	Retail trade	Current dollars	1977 dollars
	Current dollars	1977 dollars <sup>3</sup>	Current dollars				
1980.....	\$235.10	\$172.74	\$288.62	\$367.78	\$147.38	6.9	-5.8
1981.....	255.20	170.13	318.00	399.26	158.03	8.5	-1.5
1982.....	267.26	168.09	330.26	426.82	163.85	4.7	-1.2
1983.....	280.70	171.26	354.08	442.97	171.05	5.0	1.9
1984.....	292.86	172.78	374.03	458.51	174.33	4.3	.9
1985.....	299.09	170.42	386.37	464.46	174.64	2.1	-1.4
1986.....	304.85	171.07	396.01	466.75	176.08	1.9	.4
1987.....	312.50	169.28	406.31	479.68	178.41	2.5	-1.0
1987: July.....	311.81	168.64	405.08	479.17	179.32	2.6	-1.3
Aug.....	313.55	168.85	407.54	480.82	180.22	3.1	-1.2
Sept.....	312.09	167.52	406.00	455.93	182.31	2.4	-1.8
Oct.....	313.54	169.27	411.59	485.90	179.87	3.5	-1.0
Nov.....	316.68	169.08	412.00	485.50	180.16	3.2	-1.3
Dec.....	315.21	168.02	410.41	484.12	178.27	3.0	-1.4
1988: Jan.....	317.16	168.43	411.82	476.38	179.80	3.1	-.9
Feb.....	317.72	168.46	411.23	478.19	180.42	2.8	-1.0
Mar.....	316.94	167.43	411.05	487.62	180.38	2.4	-1.3
Apr.....	322.13	169.36	416.53	491.34	182.50	4.2	.4
May <sup>r</sup> .....	321.67	168.41	416.15	485.42	182.12	3.1	-.7
June <sup>r</sup> .....	322.02	168.07	418.40	495.99	183.04	3.6	-.2
July <sup>p</sup> .....	325.27	169.06	418.81	492.36	185.47	4.2	.2

<sup>1</sup> Also includes other private industry groups shown on p. 14.  
<sup>2</sup> Adjusted for interindustry employment shifts and for overtime in manufacturing.  
<sup>3</sup> Current dollar index (or earnings) divided by the consumer price index for urban wage earners and clerical workers (on a 1977=100 base).

<sup>4</sup> Monthly changes based on indexes to two decimal places.  
<sup>5</sup> Based on seasonally unadjusted data.

Source: Department of Labor, Bureau of Labor Statistics.

# PRODUCTIVITY AND RELATED DATA, BUSINESS SECTOR

Period	Output per hour of all persons		Output <sup>1</sup>		Hours of all persons <sup>2</sup>		Compensation per hour <sup>3</sup>		Real compensation per hour <sup>4</sup>		Unit labor costs		Implicit price deflator <sup>5</sup>	
	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector
1977 = 100; quarterly data seasonally adjusted														
1979.....	99.6	99.3	107.9	107.9	108.3	108.7	119.1	118.9	99.4	99.2	119.5	119.7	117.0	116.5
1980.....	99.3	98.8	106.7	106.7	107.5	108.0	131.5	131.3	96.7	96.6	132.5	132.9	127.6	127.3
1981.....	100.7	99.8	108.9	108.5	108.2	108.7	143.7	143.6	95.8	95.8	142.7	144.0	139.8	140.3
1982.....	100.3	99.2	105.5	104.9	105.2	105.7	154.9	154.8	97.3	97.2	154.5	156.0	148.1	149.2
1983.....	103.0	102.5	109.9	110.1	106.8	107.5	161.4	161.5	98.2	98.3	156.7	157.6	153.0	154.3
1984.....	105.5	104.6	119.2	119.2	112.9	114.0	167.9	167.8	97.9	97.9	159.1	160.4	158.2	159.0
1985 <sup>r</sup> .....	107.7	106.1	124.2	123.9	115.3	116.8	175.5	174.9	98.8	98.5	162.9	164.9	162.2	163.8
1986 <sup>r</sup> .....	110.1	108.2	128.6	128.2	116.8	118.5	183.1	182.3	101.2	100.8	166.3	168.6	165.8	167.8
1987 <sup>r</sup> .....	111.0	109.0	133.3	133.0	120.1	122.1	190.4	189.4	101.5	101.0	171.5	173.8	170.5	172.5
1982: IV.....	101.0	99.7	105.0	104.2	103.9	104.5	158.3	158.2	98.0	97.9	156.8	158.7	150.2	151.4
1983: IV.....	103.8	103.3	113.6	114.1	109.4	110.4	163.6	163.4	98.1	97.9	157.6	158.2	155.2	156.2
1984: IV.....	105.9	104.9	120.8	120.7	114.0	115.1	170.3	170.2	98.1	98.1	160.8	162.3	159.8	161.0
1985: IV.....	108.5	106.5	125.9	125.5	116.1	117.9	178.9	177.9	99.4	99.0	164.8	167.1	163.7	165.5
1986: I.....	110.5	108.6	128.4	128.1	116.2	117.9	180.4	179.8	100.0	99.6	163.3	165.5	163.7	165.7
1986: II.....	110.4	108.4	128.2	127.8	116.1	117.9	182.0	181.2	101.2	100.7	164.9	167.1	165.0	167.0
1986: III.....	110.0	108.0	128.5	128.1	116.8	118.6	184.0	183.1	101.7	101.2	167.3	169.5	167.0	169.0
1986: IV.....	109.8	107.8	129.3	128.8	117.8	119.5	186.2	185.4	102.2	101.8	169.6	172.1	167.5	169.5
1987: I.....	109.9	107.8	130.5	130.1	118.8	120.7	187.3	186.4	101.5	101.0	170.5	172.9	168.7	170.9
1987: II.....	110.6	108.6	132.2	131.9	119.5	121.5	189.0	187.9	101.2	100.6	170.8	173.0	170.1	171.9
1987: III.....	111.7	109.6	134.3	134.1	120.3	122.3	191.1	190.0	101.4	100.8	171.1	173.3	171.2	173.2
1987: IV.....	111.8	109.9	136.2	136.0	121.8	123.8	194.0	192.9	102.0	101.4	173.5	175.6	171.9	174.0
1988: I.....	112.8	110.8	138.0	137.9	122.3	124.4	195.8	194.6	102.1	101.5	173.5	175.7	172.3	174.2
1988: II.....	112.2	110.3	139.2	139.5	124.1	126.4	198.0	196.6	102.0	101.3	176.5	178.2	173.9	175.8
Percent change; quarterly data at seasonally adjusted annual rates														
1979.....	-1.2	-1.6	2.0	1.9	3.2	3.5	9.7	9.5	-1.5	-1.7	11.1	11.2	9.0	8.9
1980.....	-3	-4	-1.1	-1.2	-8	-7	10.5	10.5	-2.7	-2.7	10.9	11.0	9.0	9.7
1981.....	1.4	1.0	2.1	1.7	.7	.7	9.2	9.4	-1.0	-8	7.7	8.3	9.6	9.7
1982.....	-4	-6	-3.1	-3.3	-2.8	-2.7	7.8	7.8	1.6	1.5	8.3	8.4	5.9	6.3
1983.....	2.7	3.3	4.2	5.0	1.5	1.6	4.2	4.3	.9	1.1	1.4	1.0	3.3	3.5
1984.....	2.5	2.1	8.4	8.3	5.7	6.0	4.1	3.9	-2	-4	1.5	1.8	3.3	3.0
1985 <sup>r</sup> .....	2.1	1.4	4.2	3.9	2.1	2.5	4.5	4.2	.9	.6	2.4	2.8	2.5	3.0
1986 <sup>r</sup> .....	2.2	2.0	3.5	3.5	1.3	1.5	4.3	4.2	2.4	2.3	2.1	2.2	2.3	2.4
1987 <sup>r</sup> .....	.8	.8	3.6	3.8	2.8	3.0	4.0	3.8	.3	.2	3.1	3.1	2.8	2.8
1982: IV.....	3.0	2.4	-5	-1.2	-3.4	-3.5	4.5	5.0	3.2	3.8	1.5	2.6	2.4	3.0
1983: IV.....	3.1	1.4	10.4	9.8	7.1	8.2	5.5	4.3	1.4	.2	2.3	2.8	4.8	3.1
1984: IV.....	1.7	1.2	3.5	3.1	1.8	1.9	3.8	3.9	.6	.7	2.1	2.7	2.7	3.3
1985: IV.....	.7	.2	3.6	3.5	2.9	3.4	5.4	5.1	1.3	1.0	4.7	4.9	2.6	2.1
1986: I.....	7.7	8.4	8.3	8.5	.6	.0	3.7	4.3	2.1	2.7	-3.7	-3.8	.1	.4
1986: II.....	-4	-8	-8	-8	-4	-0	3.7	3.2	5.1	4.6	4.1	4.0	3.2	3.0
1986: III.....	-1.4	-1.5	.9	.8	2.3	2.4	4.4	4.3	2.0	1.9	5.8	5.9	5.0	5.1
1986: IV.....	-8	-9	2.5	2.4	3.4	3.3	4.8	5.1	2.1	2.3	5.7	6.1	1.1	1.2
1987: I.....	.3	.0	3.7	4.0	3.4	4.0	2.5	2.1	-2.8	-3.2	2.2	2.1	3.0	3.3
1987: II.....	2.7	3.2	5.3	5.7	2.5	2.5	3.6	3.4	-1.2	-1.4	.8	.2	3.2	2.3
1987: III.....	3.9	3.7	6.6	6.8	2.6	2.9	4.6	4.5	.8	.6	.7	.7	2.8	3.1
1987: IV.....	.6	.9	5.7	5.9	5.1	4.9	6.2	6.4	2.4	2.6	5.6	5.4	1.4	1.8
1988: I.....	3.5	3.4	5.5	5.6	1.9	2.1	3.7	3.5	.3	.1	.2	.1	1.0	.6
1988: II.....	-2.2	-1.7	3.5	4.7	5.9	6.5	4.7	4.1	-1	-6	7.0	5.9	3.9	3.8

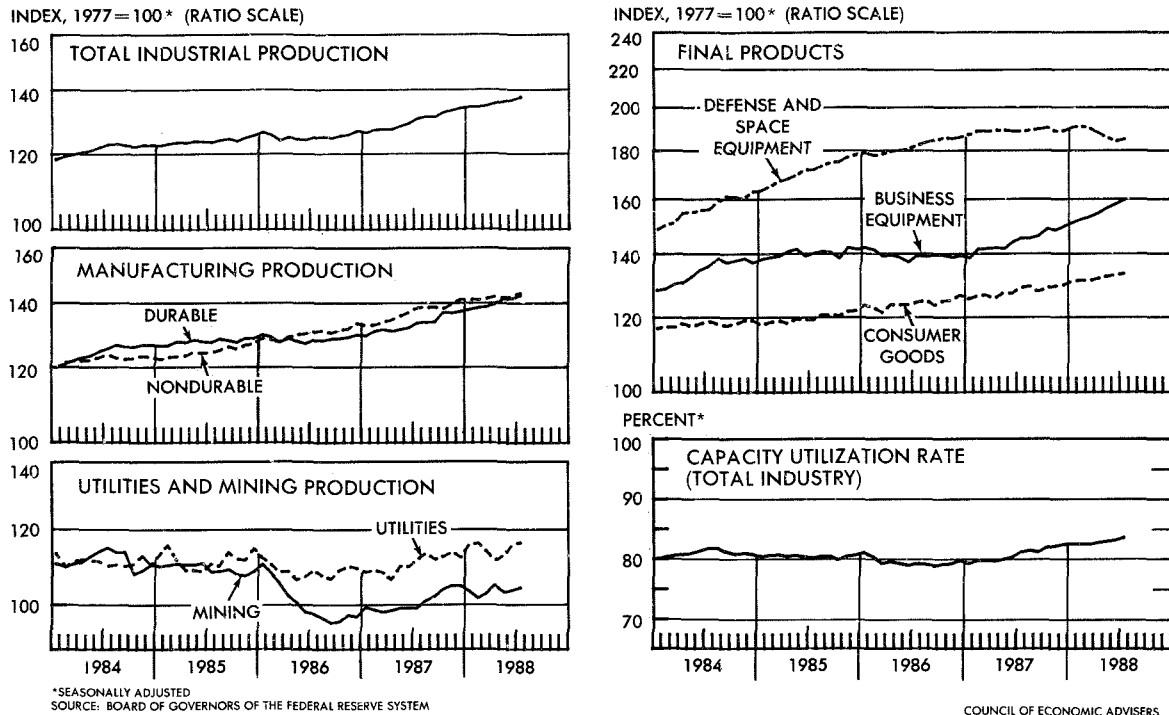
<sup>1</sup> Output refers to gross domestic product originating in the sector in 1982 dollars.  
<sup>2</sup> Hours of all persons engaged in the sector, including hours of proprietors and unpaid family workers. Estimates based primarily on establishment data.  
<sup>3</sup> Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.  
<sup>4</sup> Hourly compensation divided by the consumer price index for all urban consumers.

<sup>5</sup> Current dollar gross domestic product divided by constant dollar gross domestic product.  
 NOTE.—Data relate to all persons engaged in the sector.  
 Percent changes are from preceding period and are based on original data; they therefore may differ slightly from percent changes based on indexes shown here.  
 \*Data do not reflect revisions of GNP and related items published August 25, 1988.  
 Source: Department of Labor, Bureau of Labor Statistics.

# PRODUCTION AND BUSINESS ACTIVITY

## INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

Industrial production rose 0.8 percent in July, following a 0.4 percent increase in June. The index for July was 5.4 percent above its year-earlier level.



[Monthly data seasonally adjusted]

Period	Total industrial production		Industry production indexes, 1977 = 100					Capacity utilization rate, percent <sup>1</sup>	
	Index, 1977 = 100	Percent change from year earlier	Manufacturing			Mining	Utilities	Total industry	Manufacturing
			Total	Durable	Nondurable				
1977 proportion .....	100.0	.....	84.21	49.10	35.11	9.83	5.96	.....	.....
1980 .....	108.6	-1.9	108.2	109.1	107.0	112.4	107.3	80.9	79.3
1981 .....	111.0	2.2	110.5	111.1	109.7	117.5	107.1	79.9	78.2
1982 .....	103.1	-7.1	102.2	99.9	105.5	109.3	104.8	72.1	70.3
1983 .....	109.2	5.9	110.2	107.7	113.7	102.9	105.2	74.6	73.9
1984 .....	121.4	11.2	123.4	124.2	122.3	111.1	110.7	81.0	80.5
1985 .....	123.7	1.9	126.4	127.6	124.6	108.9	111.1	80.4	80.1
1986 .....	125.1	1.1	129.1	128.4	130.1	100.4	108.5	79.4	79.7
1987 .....	129.8	3.8	134.7	133.1	136.8	100.7	110.3	80.7	81.0
1987: July .....	130.6	4.6	135.6	133.5	138.5	99.2	111.2	81.1	81.5
Aug .....	131.2	5.1	135.9	133.8	138.8	100.9	112.9	81.4	81.5
Sept .....	131.0	5.2	135.7	133.7	138.6	101.9	111.2	81.1	81.3
Oct .....	132.5	5.8	137.3	136.8	138.1	103.6	112.1	81.9	82.0
Nov .....	133.2	6.0	137.9	136.7	139.6	104.6	112.2	82.1	82.2
Dec .....	133.9	5.6	138.9	137.3	141.3	104.6	111.7	82.4	82.6
1988: Jan .....	134.4	6.5	139.4	137.9	141.4	103.3	115.2	82.5	82.7
Feb .....	134.4	5.8	139.5	138.4	141.1	101.5	115.6	82.4	82.6
Mar .....	134.7	5.7	140.0	138.8	141.7	102.7	113.3	82.4	82.7
Apr <sup>r</sup> .....	135.4	6.3	140.8	139.7	142.3	104.7	111.0	82.7	82.9
May <sup>r</sup> .....	136.1	6.2	141.7	141.5	141.9	103.0	112.3	82.9	83.2
June <sup>r</sup> .....	136.6	5.8	142.0	141.7	142.5	103.5	115.2	83.1	83.2
July <sup>p</sup> .....	137.7	5.4	143.1	142.8	143.6	104.1	115.8	83.5	83.7

<sup>1</sup> Output as percent of capacity.

Source: Board of Governors of the Federal Reserve System.

# INDUSTRIAL PRODUCTION—MAJOR MARKET GROUPS AND SELECTED MANUFACTURES

[1977 = 100; monthly data seasonally adjusted]

Period	Products									Materials		
	Final products							Intermediate products			Total	Energy
	Total	Consumer goods			Equipment			Total	Construction supplies	Business supplies		
		Total	Durable goods	Nondurable goods	Total <sup>1</sup>	Business	Defense and space equipment					
1977 proportion.....	44.77	25.52	6.89	18.63	19.25	14.34	3.67	12.94	5.95	6.99	42.28	11.69
1980.....	112.2	102.7	88.4	108.1	124.7	125.1	115.4	106.9	100.6	112.3	105.3	105.5
1981.....	115.2	104.1	89.7	109.3	129.9	127.6	119.8	107.3	98.6	114.7	107.7	104.7
1982.....	109.5	101.4	82.9	108.3	120.2	113.6	133.0	101.7	88.3	113.1	96.7	101.2
1983.....	114.7	109.3	98.5	113.3	121.7	115.4	143.1	111.2	100.6	120.3	102.8	98.4
1984.....	127.3	118.0	112.2	120.1	139.6	134.2	156.4	124.7	114.0	133.8	114.2	103.9
1985.....	131.0	119.8	112.5	122.5	145.8	140.2	171.4	129.3	119.2	137.9	114.3	103.3
1986.....	132.5	124.0	115.6	127.1	143.6	139.5	182.0	136.2	126.4	144.6	113.8	99.7
1987.....	136.8	127.8	120.2	130.6	148.9	144.5	188.9	143.4	131.5	153.5	118.2	99.8
1987: July.....	137.9	128.9	120.4	132.1	149.7	145.6	188.7	145.0	133.1	155.2	118.5	99.0
Aug.....	138.4	129.4	121.2	132.5	150.2	145.6	189.1	145.3	132.5	156.3	119.4	100.9
Sept.....	137.8	127.7	118.6	131.0	151.2	146.3	189.8	144.9	132.3	155.6	119.7	100.2
Oct.....	139.3	129.0	124.3	130.8	153.0	148.7	190.3	146.1	133.3	157.1	121.2	101.8
Nov.....	139.2	129.4	123.9	131.5	152.2	148.3	188.7	147.3	134.2	158.4	122.5	102.8
Dec.....	139.8	129.8	120.3	133.3	153.1	149.8	188.9	146.5	133.8	157.4	123.7	101.7
1988: Jan.....	141.1	131.2	121.7	134.7	154.3	151.2	190.6	148.1	136.8	157.8	123.0	101.4
Feb.....	141.6	131.3	120.6	135.3	155.3	152.4	191.0	149.4	137.7	159.4	122.1	100.6
Mar.....	141.8	131.2	120.4	135.1	155.9	153.3	189.9	149.9	137.3	160.7	122.5	100.6
Apr <sup>r</sup> .....	142.5	131.9	123.3	135.1	156.5	154.6	187.9	149.6	137.6	159.9	123.6	101.0
May <sup>r</sup> .....	143.3	132.5	125.7	135.1	157.6	156.8	185.6	150.1	138.3	160.2	124.2	100.0
June <sup>r</sup> .....	143.9	133.0	125.2	135.8	158.5	158.2	184.3	150.6	138.2	161.1	124.7	101.6
July <sup>p</sup> .....	144.8	133.4	124.8	136.6	159.8	159.7	185.0	150.8	137.8	.....	126.2	102.8

<sup>1</sup> Includes oil and gas well drilling and manufactured homes, not shown separately.

[1977 = 100; monthly data seasonally adjusted]

Period	Durable manufactures						Nondurable manufactures					Foods
	Primary metals		Fabricated metal products	Non-electrical machinery	Electrical machinery	Transportation equipment		Lumber and products	Apparel products	Printing and publishing	Chemicals and products	
	Total	Iron and steel				Total	Motor vehicles and parts					
1977 proportion.....	33	3.49	6.46	9.54	7.15	9.13	5.25	2.30	2.79	4.54	8.05	7.96
1980.....	90.4	86.3	101.8	123.3	130.3	96.9	71.1	92.9	97.3	115.1	106.4	111.4
1981.....	95.0	92.5	101.6	129.8	134.1	95.1	71.6	90.1	96.1	118.6	112.6	113.7
1982.....	65.8	57.5	86.6	115.6	128.4	87.6	66.8	82.8	87.3	120.2	103.8	114.9
1983.....	73.0	66.1	89.1	118.3	143.8	99.2	85.8	100.2	95.3	129.8	114.0	120.4
1984.....	82.3	73.4	102.6	141.8	170.5	112.2	104.4	109.1	102.7	146.5	121.6	126.9
1985.....	80.4	70.4	107.1	146.2	168.3	122.8	111.9	114.3	100.4	151.4	126.4	130.5
1986.....	75.1	63.4	108.0	145.0	165.7	127.5	111.5	124.1	103.1	160.9	132.0	134.4
1987.....	81.3	70.6	111.0	152.7	172.3	129.2	111.8	130.3	107.4	172.1	140.2	137.8
1987: July.....	81.4	70.9	111.1	155.3	172.5	127.6	109.4	132.8	109.7	174.0	140.8	138.5
Aug.....	85.1	76.0	110.1	154.3	174.3	128.1	109.1	131.1	108.4	174.7	142.3	138.8
Sept.....	84.5	74.6	111.1	156.6	173.4	125.5	105.6	126.9	107.6	174.9	142.4	139.5
Oct.....	90.6	82.0	113.5	158.0	175.5	132.0	116.0	129.8	108.0	175.2	141.5	138.0
Nov.....	90.2	79.7	113.6	157.2	175.6	130.4	114.0	134.0	109.4	175.7	144.4	138.9
Dec.....	90.6	81.9	115.8	161.0	175.9	128.1	110.2	133.6	107.8	176.9	147.9	140.1
1988: Jan.....	86.5	77.8	117.1	162.9	177.4	128.6	109.7	136.3	108.7	177.5	147.9	141.2
Feb.....	86.4	77.4	117.6	163.6	177.8	128.4	109.3	139.0	108.5	178.7	145.4	141.9
Mar.....	85.1	74.2	118.8	164.6	176.6	130.0	113.0	137.8	108.7	180.4	146.4	141.1
Apr <sup>r</sup> .....	85.3	74.5	118.8	167.2	178.7	130.4	114.8	138.0	109.2	181.8	148.9	140.3
May <sup>r</sup> .....	89.2	78.6	120.0	170.0	179.0	133.1	119.6	139.9	108.6	180.1	148.4	141.4
June <sup>r</sup> .....	87.6	75.0	120.6	171.3	179.4	132.4	119.0	138.6	.....	182.2	149.1	142.0
July <sup>p</sup> .....	91.4	.....	121.1	173.5	181.0	132.3	116.9	.....	.....	183.2	.....	.....

Source: Board of Governors of the Federal Reserve System.

# NEW CONSTRUCTION

[Monthly data seasonally adjusted]

Period	Total new construction expenditures	Private						Federal, State, and local	Construction contracts <sup>3</sup>	
		Total	Residential		Commercial and industrial <sup>2</sup>	Other	Total value index (1982=100)		Commercial and industrial floor space (millions of square feet)	
			Total <sup>1</sup>	New housing units						
Billions of dollars										
1979 .....	252.4	200.7	116.4	89.3	42.0	42.3	51.7	109	1,059	
1980 .....	251.7	193.3	100.4	69.6	46.7	46.2	58.5	97	904	
1981 .....	260.2	203.6	99.2	69.4	55.0	49.4	56.5	100	919	
1982 .....	246.6	192.9	84.7	57.0	58.7	49.5	53.7	100	690	
1983 .....	281.3	227.5	125.5	94.6	53.8	48.1	53.8	124	756	
1984 .....	328.6	271.0	153.8	113.8	68.6	48.5	57.7	136	955	
1985 .....	355.7	291.7	158.5	114.7	82.7	50.5	64.1	150	1,097	
1986 .....	386.1	314.7	187.1	133.2	78.0	49.5	71.4	158	1,016	
1987 .....	398.9	323.8	194.8	139.9	76.5	52.5	75.0	162	1,004	
Annual rates										
1987: July .....	398.9	323.3	193.7	138.7	77.0	52.6	75.6	165	1,017	
Aug .....	398.3	325.7	193.1	138.7	79.8	52.8	72.6	174	1,016	
Sept .....	405.4	327.1	194.8	140.0	79.0	53.3	78.2	160	1,032	
Oct .....	400.8	325.9	194.5	140.7	77.9	53.5	74.9	164	987	
Nov .....	407.1	331.5	195.6	142.3	81.0	54.9	75.6	157	911	
Dec .....	410.9	331.6	195.8	142.8	77.5	58.4	79.2	157	1,012	
1988: Jan .....	395.3	321.6	195.2	140.8	74.2	52.2	73.7	145	833	
Feb .....	392.5	317.8	192.1	138.0	73.4	52.3	74.7	159	1,103	
Mar .....	403.6	324.3	195.6	139.2	76.4	52.3	79.3	154	887	
Apr .....	399.2	320.0	191.7	138.4	78.1	50.2	79.2	144	838	
May .....	402.3	322.5	189.9	137.5	79.9	52.7	79.7	157	840	
June <sup>p</sup> .....	402.8	324.2	188.1	137.2	82.0	54.0	78.6	165	906	
July <sup>p</sup> .....								156	982	

<sup>1</sup> Includes the following categories of private construction not shown separately: residential improvements, railroads, electric light and power, gas, petroleum pipelines, and farm nonresidential.  
<sup>2</sup> Includes hotels and motels.  
<sup>3</sup> F.W. Dodge series.

Sources: Department of Commerce (Bureau of the Census) and McGraw-Hill Information Systems Company, F.W. Dodge Division.

## NEW PRIVATE HOUSING AND VACANCY RATES

[Thousands of units or homes, except as noted]

Period	New private housing units						New private homes		Vacancy rate for rental housing units (percent) <sup>2</sup>	
	Units started, by type of structure				Units authorized	Units completed	Homes sold	Homes for sale at end of period <sup>1</sup>		
	Total	1 unit	2-4 units	5 or more units						
1979 .....	1,745.1	1,194.1	122.0	429.0	1,551.8	1,870.8	709	<sup>3</sup> 397	5.4	
1980 .....	1,292.2	852.2	109.5	330.5	1,190.6	1,501.6	545	337	5.4	
1981 .....	1,084.2	705.4	91.1	287.7	985.5	1,265.7	436	275	5.0	
1982 .....	1,062.2	662.6	80.0	319.6	1,000.5	1,005.5	412	253	5.3	
1983 .....	1,703.0	1,067.6	113.5	522.0	1,605.2	1,390.3	623	301	5.7	
1984 .....	1,749.5	1,084.2	121.4	544.0	1,681.8	1,652.2	639	353	5.9	
1985 .....	1,741.8	1,072.4	93.4	576.1	1,733.3	1,703.3	688	346	6.5	
1986 .....	1,805.4	1,179.4	84.0	542.0	1,769.4	1,756.4	750	357	7.3	
1987 .....	1,620.5	1,146.4	65.3	408.7	1,534.8	1,668.8	671	365	7.7	
Seasonally adjusted annual rates										
1987: July .....	1,594	1,142	59	393	1,510	1,680	672	359		
Aug .....	1,583	1,109	58	416	1,514	1,633	673	361		
Sept .....	1,679	1,211	49	419	1,501	1,591	644	361	8.1	
Oct .....	1,538	1,105	67	366	1,453	1,565	653	360		
Nov .....	1,661	1,129	51	481	1,459	1,571	625	362		
Dec .....	1,399	1,035	51	313	1,372	1,624	586	365	7.8	
1988: Jan .....	1,382	1,016	53	313	1,248	1,550	579	368		
Feb .....	1,519	1,102	59	358	1,429	1,452	648	359		
Mar .....	1,529	1,172	57	300	1,476	1,598	664	372	8.0	
Apr .....	1,584	1,093	58	433	1,449	1,665	681	367		
May <sup>r</sup> .....	1,393	1,004	52	337	1,436	1,455	675	370		
June <sup>r</sup> .....	1,454	1,089	60	305	1,493	1,485	720	365	7.7	
July <sup>p</sup> .....	1,489	1,080	47	362	1,420		686	365		

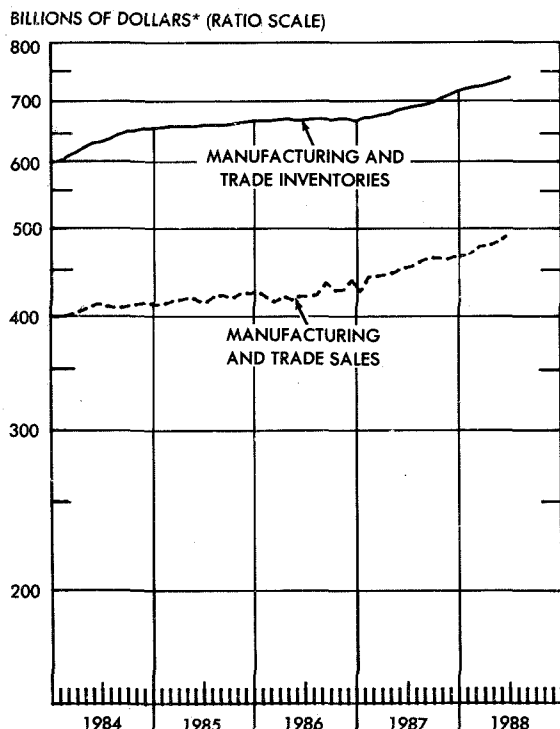
<sup>1</sup> Seasonally adjusted.  
<sup>2</sup> Quarterly data entered in last month of quarter. Series beginning 1979 not strictly comparable with earlier data.  
<sup>3</sup> New series beginning March 1979.

NOTE.—Beginning 1984, units authorized are for 17,000 permit-issuing places; for 1978-83 data are for 16,000 places.

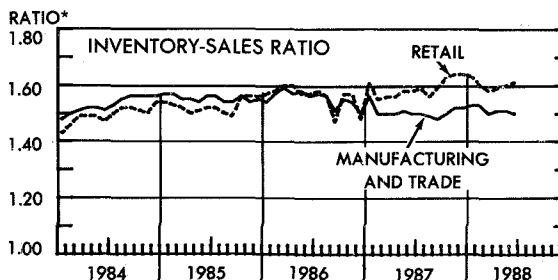
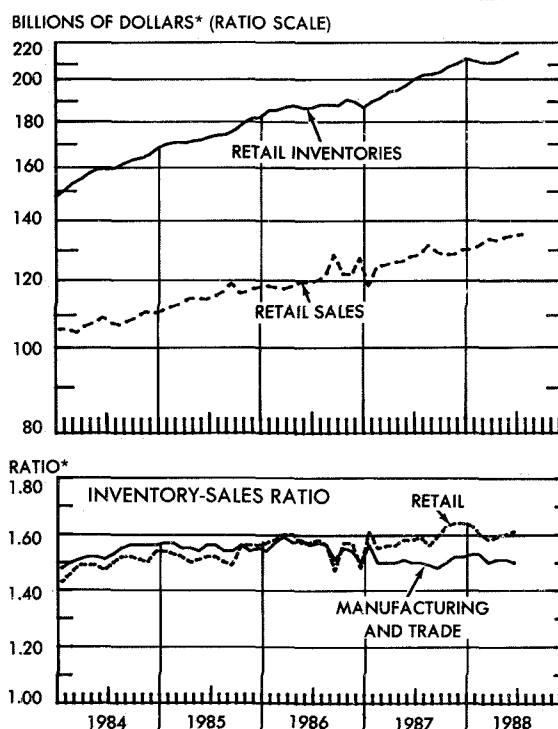
Source: Department of Commerce, Bureau of the Census.

# BUSINESS SALES AND INVENTORIES—Manufacturing and Trade

In June, manufacturing and trade sales rose 1.4 percent and inventories rose \$5.3 billion. (Manufacturing series revised beginning 1982.) In July, according to advance data, retail sales rose 0.5 percent, following a rise of 0.4 percent in June.



\*SEASONALLY ADJUSTED  
SOURCE: DEPARTMENT OF COMMERCE



COUNCIL OF ECONOMIC ADVISERS

Period	Manufacturing and trade <sup>1</sup>		Wholesale		Retail						Inventory-sales ratio <sup>4</sup>	
	Sales <sup>2</sup>	Inventories <sup>3</sup>	Sales <sup>2</sup>	Inventories <sup>3</sup>	Sales <sup>2</sup>			Inventories <sup>3</sup>			Manufacturing and trade <sup>1</sup>	Retail
					Total	Durable goods stores	Nondurable goods stores	Total	Durable goods stores	Nondurable goods stores		
Millions of dollars, seasonally adjusted												
1982.....	348,747	574,491	96,290	128,196	89,107	28,169	60,937	134,468	61,469	72,999	1.67	1.49
1983.....	368,930	590,673	100,324	130,445	97,364	32,582	64,783	147,581	69,066	78,515	1.56	1.44
1984.....	408,142	644,906	113,390	142,622	106,882	37,836	69,046	167,517	79,431	88,086	1.53	1.49
1985.....	418,605	656,165	114,645	147,145	113,944	41,415	72,529	181,524	88,998	92,526	1.55	1.53
1986.....	424,177	655,065	116,026	152,887	119,791	44,885	74,907	185,996	91,085	94,911	1.55	1.56
1987.....	451,788	707,329	126,736	165,097	125,882	46,592	79,290	211,100	107,948	103,152	1.51	1.59
1987: June <sup>r</sup> .....	451,532	677,777	126,469	158,868	126,461	46,976	79,485	200,015	100,398	99,617	1.50	1.58
July.....	453,706	681,333	127,705	158,611	127,037	47,403	79,634	202,210	101,590	100,620	1.50	1.59
Aug.....	458,931	682,369	129,662	157,072	129,981	49,614	80,367	202,684	101,569	101,115	1.49	1.56
Sept.....	463,058	686,720	131,437	159,135	127,815	47,948	79,867	203,708	102,394	101,314	1.48	1.59
Oct.....	463,257	694,810	131,743	162,517	126,808	46,889	79,919	206,577	104,846	101,731	1.50	1.63
Nov.....	461,244	700,688	128,501	163,353	127,248	47,067	80,181	208,260	106,490	101,770	1.52	1.64
Dec.....	464,394	707,329	128,332	165,097	128,615	48,000	80,615	211,100	107,948	103,152	1.52	1.64
1988: Jan.....	464,772	711,586	129,720	168,388	128,769	48,689	80,080	209,824	106,377	103,447	1.53	1.63
Feb.....	468,675	714,746	131,622	170,632	130,121	49,708	80,413	208,698	104,479	104,219	1.53	1.60
Mar.....	476,922	717,249	132,885	171,732	132,259	50,480	81,779	208,822	103,631	105,191	1.50	1.58
Apr.....	477,768	721,016	133,015	173,530	131,717	50,419	81,298	209,550	104,349	105,201	1.51	1.59
May <sup>r</sup> .....	481,874	725,833	133,264	173,418	132,833	50,418	82,415	212,341	106,551	105,790	1.51	1.60
June <sup>p</sup> .....	488,833	731,131	136,565	174,747	133,387	50,727	82,660	214,421	107,479	106,942	1.50	1.61
July <sup>p</sup> .....					134,019	51,062	82,957					

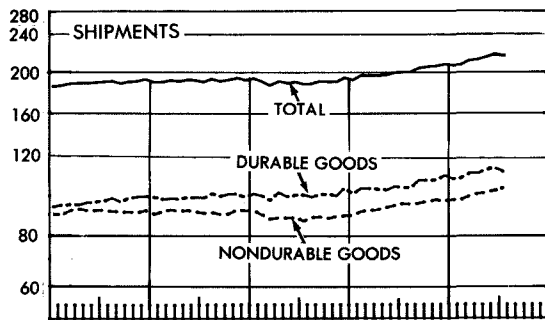
<sup>1</sup> See page 21 for manufacturing.  
<sup>2</sup> Monthly average for year and total for month.  
<sup>3</sup> End of period.  
<sup>4</sup> Annual data are averages of monthly ratios.

NOTE.—Manufacturers' series, revised beginning 1982 (see page 21), therefore total manufacturing and trade revised beginning 1982.  
Source: Department of Commerce, Bureau of the Census.

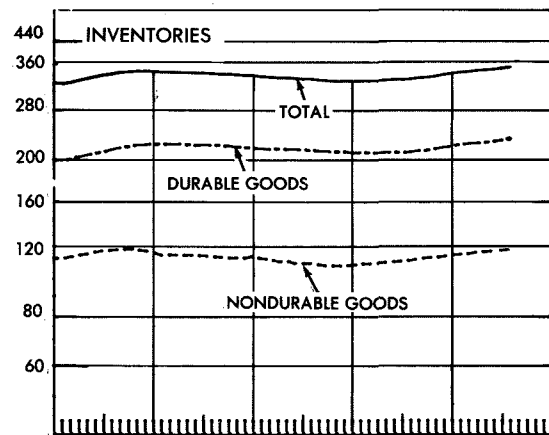
# MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS

In July, manufacturers' shipments and new orders fell, while inventories, and unfilled orders rose.

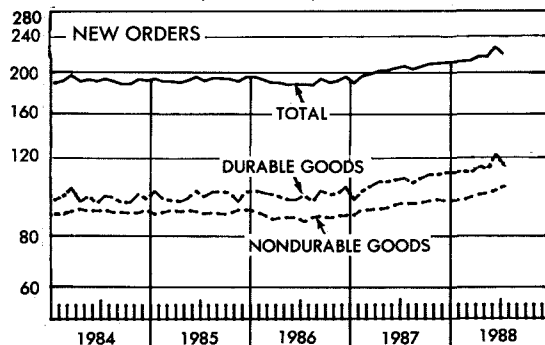
BILLIONS OF DOLLARS\* (RATIO SCALE)



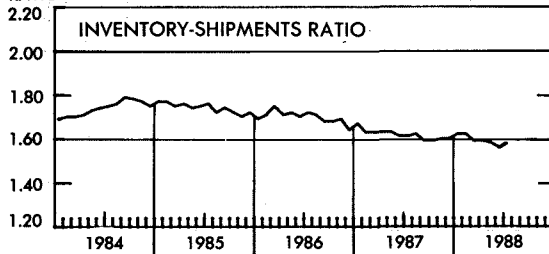
BILLIONS OF DOLLARS\* (RATIO SCALE)



BILLIONS OF DOLLARS\* (RATIO SCALE)



RATIO \*



\*SEASONALLY ADJUSTED  
SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Manufacturers' shipments <sup>1</sup>			Manufacturers' inventories <sup>2</sup>			Manufacturers' new orders <sup>1</sup>				Manufacturers' unfilled orders <sup>2</sup>	Manufacturers' inventory—shipments ratio <sup>3</sup>
	Total	Durable goods	Nondurable goods	Total	Durable goods	Nondurable goods	Total	Durable goods		Nondurable goods		
								Total	Capital goods industries, non-defense			
Millions of dollars, seasonally adjusted												
1982 r.....	163,350	79,352	83,998	311,827	200,825	111,002	162,273	78,338	21,661	83,935	314,270	1.95
1983 r.....	171,242	84,956	86,286	312,647	200,406	112,241	174,122	87,600	22,098	86,522	349,419	1.80
1984 r.....	187,869	96,623	91,246	334,767	218,771	115,996	189,791	98,581	26,243	91,209	372,586	1.74
1985 r.....	190,016	99,019	90,996	327,496	214,066	113,430	190,918	99,843	27,067	91,075	383,181	1.74
1986 r.....	188,360	99,989	88,371	316,182	208,313	107,869	188,663	100,166	26,551	88,497	387,065	1.70
1987 r.....	199,170	105,291	93,879	331,132	216,598	114,534	201,966	107,770	29,707	94,197	421,243	1.62
1987: June r.....	198,602	104,531	94,071	319,076	208,686	110,390	203,429	108,771	29,753	94,658	400,337	1.61
July r.....	198,964	103,893	95,071	320,512	209,674	110,838	205,490	109,935	32,280	95,555	406,863	1.61
Aug r.....	199,288	104,407	94,881	322,613	210,717	111,896	202,358	106,988	29,850	95,370	409,933	1.62
Sept r.....	203,806	108,377	95,429	323,877	211,334	112,543	205,340	109,677	29,393	95,663	411,467	1.59
Oct r.....	204,706	108,303	96,403	325,716	212,863	112,853	208,602	112,016	30,218	96,586	415,363	1.59
Nov r.....	205,495	108,287	97,208	329,075	215,557	113,518	209,258	111,961	30,655	97,297	419,126	1.60
Dec r.....	207,447	111,183	96,264	331,132	216,598	114,534	209,564	113,192	33,029	96,372	421,243	1.60
1988: Jan r.....	206,283	109,125	97,158	333,374	218,507	114,867	210,202	113,069	33,867	97,133	425,162	1.62
Feb r.....	206,932	109,829	97,103	335,416	219,913	115,508	211,283	114,155	33,819	97,128	429,513	1.62
Mar r.....	211,778	112,744	99,034	336,695	220,523	116,172	211,799	113,063	31,924	98,736	429,534	1.59
Apr r.....	213,036	112,521	100,515	337,936	221,405	116,531	217,029	116,836	33,746	100,193	433,527	1.59
May r.....	215,777	114,751	101,026	340,074	222,948	117,126	216,398	115,369	31,522	101,029	434,148	1.58
June r.....	218,881	116,522	102,359	341,963	224,000	117,963	228,090	125,442	35,458	102,648	443,357	1.56
July p.....	216,853	113,173	103,680	343,522	225,482	118,040	220,155	116,525	35,766	103,630	446,659	1.58

<sup>1</sup> Monthly average for year and total for month. Shipments are the same as sales.  
<sup>2</sup> End of period.  
<sup>3</sup> Annual data are averages of monthly ratios.

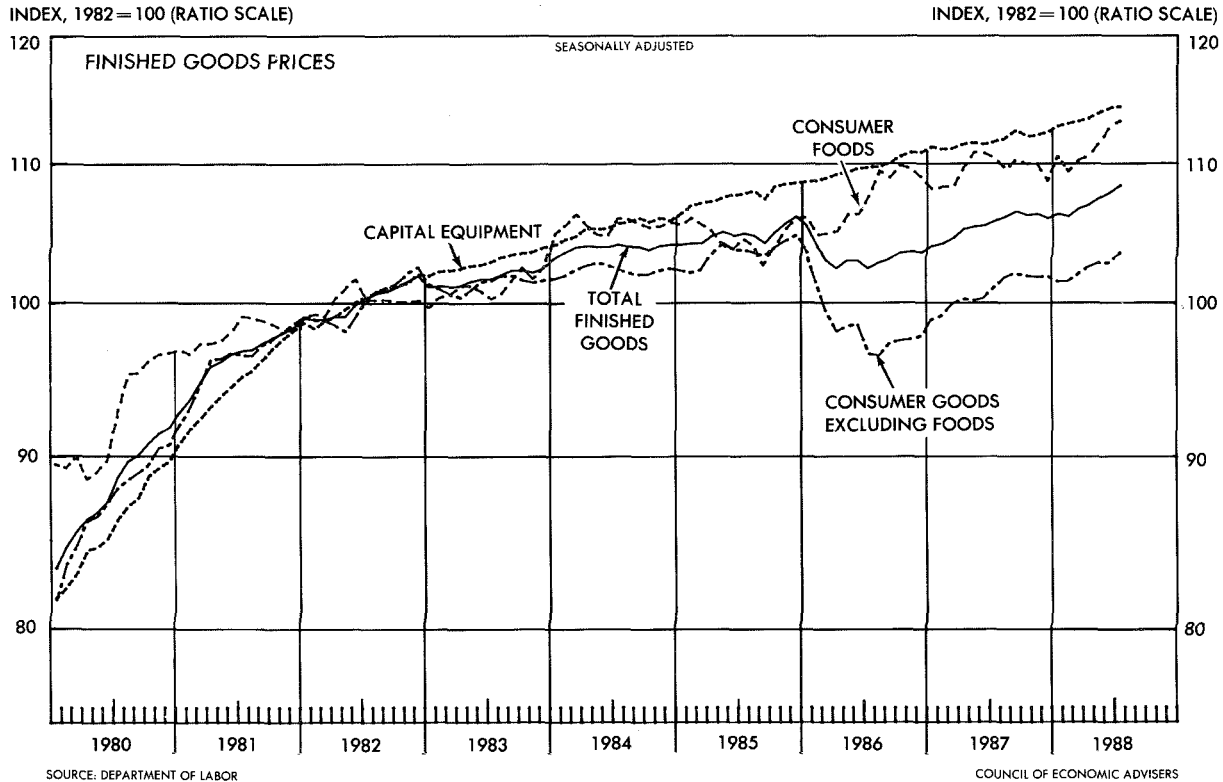
NOTE.—Series revised beginning 1982.

Source: Department of Commerce, Bureau of the Census.

# PRICES

## PRODUCER PRICES

In July, the producer price index for all finished goods rose 0.5 percent. Prices of finished consumer foods rose 0.4 percent while prices of other finished consumer goods were up 0.7 percent. Capital equipment prices rose 0.1 percent.



[1982 = 100; monthly data seasonally adjusted]

Period	Finished goods							Intermediate materials			Crude materials							
	Total finished goods	Consumer foods	Finished goods excluding consumer foods					Total finished consumer goods	Total	Foods and feeds <sup>1</sup>	Other	Total	Food-stuffs and feed-stuffs	Other				
			Total	Consumer goods			Capital equipment								Total	Total	Food-stuffs and feed-stuffs	Other
				Total	Durable	Nondurable												
1980 .....	88.0	92.4	86.7	87.1	91.0	85.1	85.8	88.6	90.3	105.5	89.4	95.3	104.6	84.6				
1981 .....	96.1	97.8	95.6	96.1	96.4	95.8	94.6	96.6	98.6	104.6	98.2	103.0	103.9	101.8				
1982 .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0				
1983 .....	101.6	101.0	101.8	101.2	102.8	100.5	102.8	101.3	100.6	103.6	100.5	101.3	101.8	100.7				
1984 .....	103.7	105.4	103.2	102.2	104.5	101.1	105.2	103.3	103.1	105.7	103.0	103.5	104.7	102.2				
1985 .....	104.7	104.6	104.6	103.3	106.5	101.7	107.5	103.8	102.7	97.3	103.0	95.8	94.8	96.9				
1986 .....	103.2	107.3	101.9	98.5	108.9	93.3	109.7	101.4	99.1	96.2	99.3	87.7	93.2	81.6				
1987 .....	105.4	109.5	104.0	100.7	111.5	94.9	111.7	103.6	101.5	99.2	101.7	93.7	96.2	87.9				
1987: July .....	105.7	110.3	104.2	101.0	111.5	95.3	111.6	104.1	101.9	100.2	102.0	95.6	97.3	90.3				
Aug .....	106.0	109.5	104.8	101.7	111.5	96.3	111.9	104.3	102.4	100.0	102.6	96.7	97.5	91.8				
Sept .....	106.4	110.2	105.2	102.0	112.2	96.4	112.5	104.7	102.7	101.0	102.8	96.0	97.5	90.8				
Oct .....	106.1	109.9	104.9	101.8	112.2	96.2	112.0	104.5	103.2	101.0	103.3	96.1	98.1	90.6				
Nov .....	106.2	110.0	104.9	101.7	112.1	96.1	112.1	104.5	103.6	101.3	103.7	94.9	95.6	90.2				
Dec .....	105.9	108.6	104.9	101.8	111.8	96.3	112.3	104.0	103.8	101.5	103.9	94.7	96.3	89.4				
1988: Jan .....	106.2	110.5	104.8	101.4	112.3	95.5	112.8	104.4	104.2	102.5	104.3	93.9	97.4	87.5				
Feb .....	106.0	109.3	104.9	101.4	112.6	95.5	113.0	104.0	104.4	102.1	104.5	94.6	99.5	87.4				
Mar .....	106.6	110.2	105.3	101.9	112.9	96.0	113.2	104.7	104.9	102.7	105.0	94.2	100.3	86.3				
Apr .....	106.9	110.5	105.7	102.4	112.7	96.8	113.4	105.1	105.6	103.8	105.7	95.3	100.5	87.7				
May .....	107.4	111.5	106.1	102.7	112.9	97.1	113.8	105.6	106.2	104.6	106.3	96.4	102.9	88.0				
June .....	107.8	112.7	106.2	102.7	113.4	96.9	114.2	106.0	107.2	111.7	106.9	97.7	107.2	87.4				
July .....	108.3	113.2	106.7	103.4	113.9	97.7	114.3	106.7	107.9	116.4	107.5	96.6	108.8	84.8				

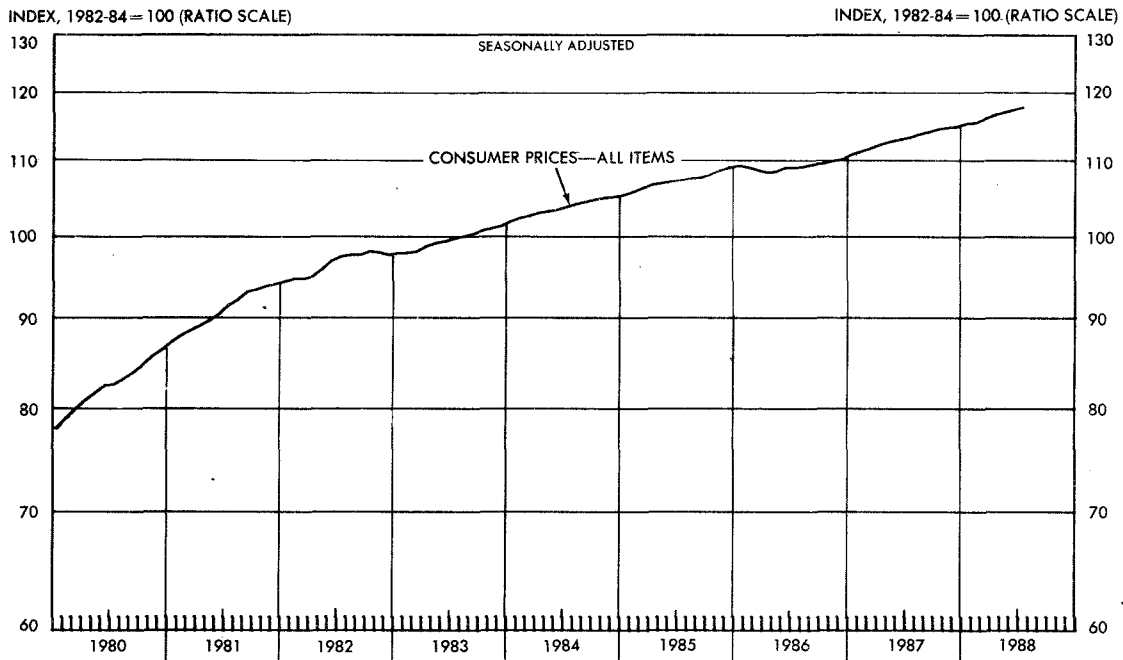
<sup>1</sup> Intermediate materials for food manufacturing and feeds.

NOTE.—Beginning with data for January 1988, the reference base was changed from 1967=100 to 1982=100.

Source: Department of Labor, Bureau of Labor Statistics.

# CONSUMER PRICES—ALL URBAN CONSUMERS

In July, the consumer price index for all urban consumers rose 0.4 percent, seasonally adjusted and not seasonally adjusted. The index was 4.1 percent above its year-earlier level.



SEE NOTE ON TABLE BELOW  
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[1982-84=100, except as noted; monthly data seasonally adjusted, except as noted]

Period	All items <sup>1</sup>		Food	Housing							Transportation			Medical care	Energy <sup>2</sup>	All items less food, shelter, and energy
	Not seasonally adjusted (NSA)	Seasonally adjusted		Total <sup>1</sup>	Shelter				Fuel and other utilities	Apparel and upkeep	Total <sup>1</sup>	New cars	Motor fuel			
					Total	Renters' costs (Dec. 1982=100)	Homeowners' costs (Dec. 1982=100)	Maintenance and repairs (NSA)								
Rel. imp. <sup>3</sup> ....	100.0	.....	16.1	42.5	27.8	7.9	19.7	0.2	7.7	6.3	17.5	4.4	3.3	5.8	7.6	48.5
1980.....	82.4	.....	86.8	81.1	81.0	.....	.....	82.4	75.4	90.9	83.1	88.4	97.4	74.9	86.0	80.6
1981.....	90.9	.....	93.6	90.4	90.5	.....	.....	90.7	86.4	95.3	93.2	93.7	108.5	82.9	97.7	88.3
1982.....	96.5	.....	97.4	96.9	96.9	.....	.....	96.4	94.9	97.8	97.0	97.4	102.8	92.5	99.2	95.1
1983.....	99.6	.....	99.4	99.5	99.1	103.0	102.5	99.9	100.2	100.2	99.3	99.9	99.4	100.6	99.9	100.0
1984.....	103.9	.....	103.2	103.6	104.0	108.6	107.3	103.7	104.8	102.1	103.7	102.8	97.9	106.8	100.9	105.0
1985.....	107.6	.....	105.6	107.7	109.8	115.4	113.1	106.5	106.5	105.0	106.4	106.1	98.7	113.5	101.6	109.0
1986.....	109.6	.....	109.0	110.9	115.8	121.9	119.4	107.9	104.1	105.9	102.3	110.6	77.1	122.0	88.2	112.7
1987.....	113.6	.....	113.5	114.2	121.3	128.1	124.8	111.8	103.0	110.6	105.4	114.6	80.2	130.1	88.6	117.0
1987: July....	113.8	113.8	113.8	114.2	121.2	128.5	124.5	113.2	103.1	109.9	105.9	114.8	81.1	130.7	88.7	117.3
Aug....	114.4	114.3	113.9	114.8	121.9	128.9	125.4	112.9	103.6	110.3	106.7	115.0	83.8	131.3	90.2	117.6
Sept....	115.0	114.6	114.5	115.0	122.2	128.8	125.9	112.7	103.3	111.3	106.8	115.2	83.2	131.9	89.8	117.9
Oct....	115.3	115.0	114.7	115.3	122.8	128.6	126.9	112.8	103.0	112.7	107.2	115.5	83.0	132.4	89.3	118.5
Nov....	115.4	115.3	114.8	115.5	123.1	128.8	127.2	113.5	103.4	113.1	107.7	115.7	83.0	133.0	89.6	118.9
Dec....	115.4	115.5	115.3	115.9	123.8	129.5	127.9	113.3	103.3	112.2	107.4	115.7	81.6	133.5	88.9	118.9
1988: Jan....	115.7	115.9	115.6	116.4	124.5	130.9	128.4	113.7	103.2	112.3	107.3	115.5	80.4	134.6	88.3	119.5
Feb....	116.0	116.1	115.3	116.8	125.1	131.5	129.0	114.3	103.7	112.0	107.1	115.8	79.9	135.4	87.8	119.8
Mar....	116.5	116.7	115.7	117.2	125.7	133.0	129.3	113.3	103.5	114.2	107.2	116.2	78.2	136.0	87.8	120.4
Apr....	117.1	117.2	116.5	117.5	125.8	132.6	129.6	115.3	104.0	116.5	107.5	116.2	80.1	136.8	88.5	121.1
May....	117.5	117.6	117.0	117.8	126.2	132.8	130.0	114.3	103.9	116.5	108.2	116.4	81.5	137.7	88.9	121.5
June....	118.0	118.0	117.7	118.2	126.7	133.3	130.6	114.7	104.0	116.1	108.4	116.6	80.8	138.3	88.7	121.8
July....	118.5	118.5	118.9	118.6	127.2	133.8	131.2	114.5	104.0	115.4	108.8	116.6	81.3	139.3	89.0	122.2

<sup>1</sup> Includes items not shown separately.  
<sup>2</sup> Household fuels—gas (piped), electricity, fuel oil, etc.—and motor fuel. Motor oil, coolant, etc. also included through 1982.  
<sup>3</sup> Relative importance, December 1987.

NOTE.—Beginning with data for January 1988, the reference base was changed from 1967=100

to 1982-84=100.  
Data beginning 1983 incorporate a rental equivalence measure for homeownership costs and therefore are not strictly comparable with figures for earlier periods.  
Data beginning 1987 and 1988 calculated on a revised basis.  
Source: Department of Labor, Bureau of Labor Statistics.

## CHANGES IN PRODUCER PRICES FOR FINISHED GOODS

[Percent change from preceding period; monthly data seasonally adjusted, except as noted by NSA]

Period	Change from preceding period				Change from 3 months earlier, annual rate				Change from 6 months earlier, annual rate				Change from year earlier, total finished goods NSA
	Total finished goods	Consumer goods		Capital equipment	Total finished goods	Consumer goods		Capital equipment	Total finished goods	Consumer goods		Capital equipment	
		Foods	Excluding foods			Foods	Excluding foods			Foods	Excluding foods		
<b>Change, Dec. to Dec., NSA</b>													
1980.....	11.8	7.5	14.1	11.4									13.4
1981.....	7.1	1.5	8.6	9.2									9.2
1982.....	3.6	2.0	4.2	3.9									4.1
1983.....	.6	2.3	-.9	2.0									1.6
1984.....	1.7	3.5	.8	1.8									2.1
1985.....	1.8	.6	2.1	2.7									1.0
1986.....	-2.3	2.8	-6.6	2.1									-1.4
1987.....	2.2	-2	4.1	1.3									2.1
<b>Change, month to month</b>													
1987: July.....	0.3	-0.4	0.7	0.2	2.3	2.6	3.2	0.7	3.5	4.3	4.5	0.7	3.4
Aug.....	.3	-.7	.7	.3	2.7	-4.6	6.5	1.4	3.7	2.4	5.3	1.6	3.1
Sept.....	.4	.6	.3	.5	3.8	-1.8	7.0	4.0	3.7	3.7	4.2	2.5	3.2
Oct.....	-.3	-.3	-.2	-.4	1.5	-1.4	3.2	1.4	1.9	.5	3.2	1.1	2.5
Nov.....	-.1	-.1	-.1	-.1	.8	1.8	0	.7	1.7	-1.4	3.2	1.1	2.6
Dec.....	-.3	-1.3	.1	.2	-1.9	-5.7	-.8	-.7	1.0	-3.8	3.0	1.6	2.2
1988: Jan.....	.3	1.7	-.4	.4	.4	2.2	-1.6	2.9	.9	.4	.8	2.2	2.2
Feb.....	-.2	-1.1	0	.2	-.8	-2.5	-1.2	3.3	0	-.4	-.6	2.0	1.9
Mar <sup>r</sup> .....	.6	.8	.5	.2	2.7	6.0	.4	3.2	.4	0	-.2	1.2	1.9
Apr <sup>r</sup> .....	.3	.3	.5	.2	2.7	0	4.0	2.1	1.5	1.1	1.2	2.5	1.7
May.....	.5	.9	.3	.4	5.4	8.3	5.2	2.9	2.3	2.7	2.0	3.1	2.0
June <sup>r</sup> .....	.4	1.1	0	.4	4.6	9.4	3.2	3.6	3.6	7.7	1.8	3.4	2.3
July.....	.5	.4	.7	.1	5.3	10.1	4.0	3.2	4.0	4.9	4.0	2.7	2.4

Source: Department of Labor, Bureau of Labor Statistics.

## CHANGES IN CONSUMER PRICES—ALL URBAN CONSUMERS

[Percent change from preceding period; monthly data seasonally adjusted, except as noted by NSA]

Period	All items <sup>1</sup>	Food	Housing					Apparel and upkeep	Transportation			Medical care	Energy <sup>2</sup>	All items less food, shelter, and energy	Addendum: All items, percent change (annual rate)				
			Total <sup>1</sup>	Shelter		Fuel and other utilities	Total <sup>1</sup>		New cars	Motor fuel	From previous quarter <sup>3</sup>				From 3 months earlier	From 6 months earlier	From year earlier		
				Total <sup>1</sup>	Renters' costs													Home-owners' costs	
<b>Change, December to December, NSA</b>																			
1980.....	12.5	10.2	13.7	15.0			13.8	6.8	14.6	7.4	18.8	9.9	18.0	9.8					13.5
1981.....	8.9	4.3	10.2	9.9			14.4	3.5	10.9	6.8	9.4	12.5	11.9	9.4					10.3
1982.....	3.8	3.1	3.6	2.4			9.7	1.6	1.8	1.5	-6.5	11.0	1.3	6.1					6.2
1983.....	3.8	2.7	3.5	4.7	5.1	4.5	1.8	2.9	3.9	3.4	-1.7	6.4	-.5	5.0					3.2
1984.....	3.9	3.8	4.3	5.2	5.9	5.1	4.2	2.0	3.1	2.5	-2.4	6.1	.2	4.3					4.3
1985.....	3.8	2.6	4.3	6.0	6.3	5.9	1.8	2.8	2.6	3.4	3.1	6.7	1.8	3.7					3.6
1986.....	1.1	3.8	1.7	4.6	5.0	4.6	-5.6	.9	-5.9	5.9	-30.7	7.7	-19.7	3.3					1.9
1987.....	4.4	3.5	3.7	4.8	3.9	5.3	1.6	4.8	6.1	1.8	18.7	5.8	8.2	3.8					3.6
<b>Change, month to month</b>																			
1987: July.....	0.3	-0.1	0.2	0.3	0.8	0.1	-0.8	0.6	0.3	1.2	0.5	0.2	0.3				3.6	4.4	3.9
Aug.....	.4	.1	.5	.6	.3	.7	.5	.4	.8	.2	3.3	.5	1.7	.3			3.9	4.5	4.3
Sept.....	.3	.5	.2	.2	-.1	.4	-.3	.9	.1	.2	-.7	.5	-.4	.3	3.6		3.9	4.1	4.4
Oct.....	.3	.2	.3	.5	-.2	.8	-.3	1.3	.4	.3	-.2	.4	-.6	.5			4.3	3.9	4.5
Nov.....	.3	.1	.2	.2	.2	.2	.4	.4	.5	.2	0	.5	.3	.3			3.5	3.7	4.5
Dec.....	.2	.4	.3	.6	.5	.6	-.1	-.8	-.3	0	-1.7	.4	-.8	0	3.9		3.2	3.6	4.4
1988: Jan.....	.3	.3	.4	.6	1.1	.4	-.1	.1	-.1	-.2	-1.5	.8	-.7	.5			3.2	3.7	4.0
Feb.....	.2	-.3	.3	.5	.5	.5	-.5	-.3	-.2	.3	-1.9	.6	-.6	.3			2.8	3.2	3.9
Mar.....	.5	.3	.3	.5	1.1	.2	-.2	2.0	.1	.3	.4	.4	0	.5	3.2		4.2	3.7	3.9
Apr.....	.4	.7	.3	.1	-.3	.2	.5	2.0	.3	0	1.1	.6	.8	.6			4.6	3.9	3.9
May.....	.3	.4	.3	.3	.2	.3	-.1	0	.7	.2	1.7	.7	.5	.3			5.3	4.0	3.9
June.....	.3	.6	.3	.4	.4	.5	-.1	-.3	.2	.2	-.9	.4	-.2	.2	4.9		4.5	4.4	4.0
July.....	.4	1.0	.3	.4	.4	.5	0	-.6	.4	0	.6	.7	.3	.3			4.5	4.5	4.1

<sup>1</sup> Includes items not shown separately.

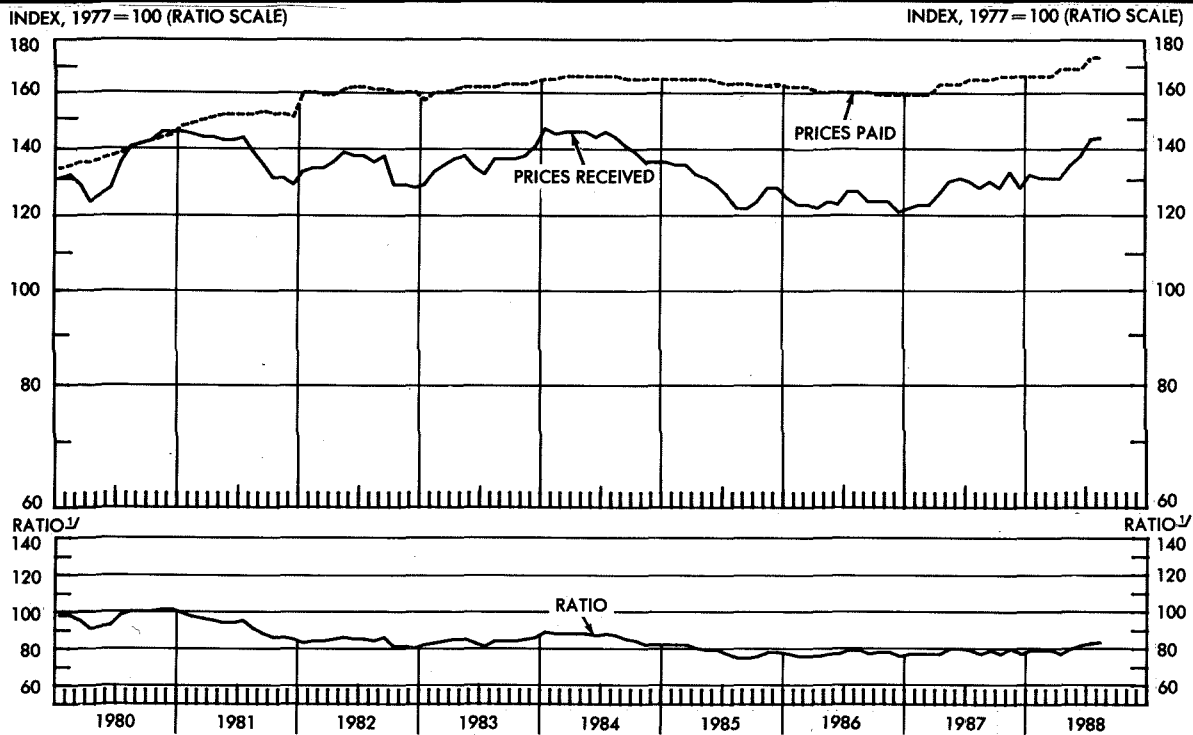
<sup>2</sup> Household fuels—gas (piped), electricity, fuel oil, etc.—and motor fuel. Motor oil, coolant, etc., also included through 1982.

<sup>3</sup> Quarterly changes are shown in the last month of the quarter.

Source: Department of Labor, Bureau of Labor Statistics.

# PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers in August rose 2.1 percent from their July level. Prices paid by farmers in July were 2.4 percent above their April level.



∟ RATIO OF INDEX OF PRICES RECEIVED TO INDEX OF PRICES PAID.  
SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

[1977 = 100]

Period	Prices received by farmers			Prices paid by farmers			Ratio <sup>2</sup>
	All farm products	Crops	Livestock and products	All commodities, services, interest, taxes, and wage rates <sup>1</sup>	Production items, interest, taxes, and wage rates	Production items	
1980 .....	134	125	144	138	139	138	97
1981 .....	139	134	143	150	151	148	92
1982 .....	133	121	145	159	159	153	84
1983 .....	135	128	141	161	159	152	84
1984 .....	142	138	146	165	162	155	86
1985 .....	128	120	136	163	157	151	79
1986 .....	123	107	138	159	150	144	77
1987 .....	127	106	146	162	152	147	78
1987: Aug .....	127	102	150	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	77
Sept .....	129	105	152	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	79
Oct .....	127	106	147	165	155	150	77
Nov .....	132	120	143	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	80
Dec .....	127	112	141	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	77
1988: Jan .....	131	115	147	165	155	152	79
Feb .....	130	109	149	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	79
Mar .....	130	110	148	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	79
Apr .....	130	111	148	168	159	155	77
May .....	134	117	151	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	80
June .....	137	127	147	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	82
July <sup>7</sup> .....	141	133	147	172	162	160	82
Aug .....	144	136	152	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	84

<sup>1</sup> Includes items not shown separately.

<sup>2</sup> Percentage ratio of index of prices received by farmers to index of prices paid, interest, taxes, and wage rates. See also footnote 3.

<sup>3</sup> Beginning March 1986, prices paid by farmers are available only for first month in quarter, and for each month the received/paid ratio is based on latest data available.

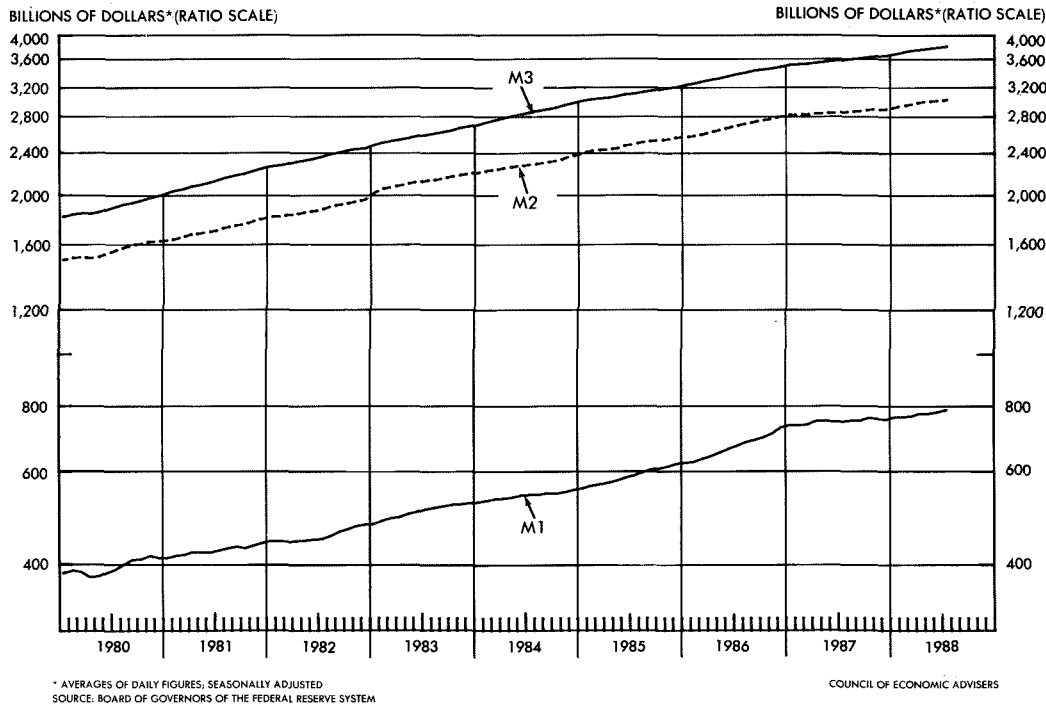
NOTE.—The official indexes are published on a 1910-14 base as required by law. The indexes have been converted to a 1977=100 base to facilitate comparison with other indexes.

Source: Department of Agriculture.

# MONEY, CREDIT, AND SECURITY MARKETS

## MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Growth in M1 and the broader aggregates changed a little in July.



\* AVERAGES OF DAILY FIGURES; SEASONALLY ADJUSTED  
SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[Averages of daily figures, except as noted; billions of dollars, seasonally adjusted]

Period	M1	M2	M3	L	Debt	Percent change from year or 6 months earlier <sup>2</sup>			
	Sum of currency, demand deposits, travelers' checks, and other checkable deposits (OCDs)	M1 plus overnight RPs and Eurodollars, MMMF balances (general purpose and broker/dealer), MMDAs, and savings and small time deposits	M2 plus large time deposits, term RPs, term Eurodollars, and institution-only MMMF balances	M3 plus other liquid assets	Debt of domestic nonfinancial sectors (monthly average) <sup>1</sup>	M1	M2	M3	Debt
1980: Dec .....	412.2	1,633.1	1,990.8	2,327.6	3,880.9	6.8	8.9	10.2	9.6
1981: Dec .....	439.1	1,795.5	2,236.5	2,599.0	4,262.1	6.5	9.9	12.3	9.8
1982: Dec .....	476.4	1,954.0	2,443.2	2,852.9	4,645.5	8.5	8.8	9.2	9.0
1983: Dec .....	522.1	2,185.2	2,693.2	3,154.4	5,181.7	9.6	11.8	10.2	11.5
1984: Dec .....	551.9	2,363.6	2,978.3	3,519.4	5,932.6	5.7	8.2	10.6	14.5
1985: Dec .....	620.1	2,562.6	3,196.0	3,825.4	6,749.4	12.4	8.4	7.3	13.8
1986: Dec .....	725.4	2,807.8	3,490.4	4,133.8	7,607.7	17.0	9.6	9.2	12.7
1987: Dec .....	750.8	2,901.1	3,661.1	4,323.9	<sup>r</sup> 8,305.5	3.5	3.3	4.9	9.2
1987: July .....	743.6	2,858.2	<sup>r</sup> 3,587.7	<sup>r</sup> 4,235.2	7,980.7	3.4	2.2	4.2	8.2
Aug .....	746.5	2,869.5	3,605.5	4,257.8	8,031.0	4.2	2.9	4.7	8.5
Sept .....	747.5	2,880.9	3,620.5	4,283.5	8,092.9	3.7	3.3	5.0	8.9
Oct .....	756.2	2,894.7	3,642.0	4,312.2	8,163.3	3.1	3.3	5.3	9.1
Nov .....	752.7	2,896.6	3,656.7	<sup>r</sup> 4,323.2	8,245.8	1.7	3.4	5.2	9.5
Dec .....	750.8	2,901.1	3,661.1	4,323.9	<sup>r</sup> 8,305.5	2.4	3.5	4.6	9.4
1988: Jan .....	758.8	2,925.0	3,686.8	4,360.7	<sup>r</sup> 8,352.7	4.1	4.7	5.6	9.5
Feb <sup>r</sup> .....	759.5	2,946.0	3,719.5	4,392.1	8,407.9	3.5	5.4	6.4	9.6
Mar <sup>r</sup> .....	762.9	2,967.2	3,744.3	4,418.4	8,468.8	4.2	6.1	7.0	9.5
Apr <sup>r</sup> .....	770.1	2,991.3	3,766.1	4,459.8	8,529.7	3.7	6.8	6.9	9.2
May <sup>r</sup> .....	770.2	3,002.3	3,778.8	4,485.9	8,588.5	4.7	7.4	6.8	8.5
June <sup>r</sup> .....	776.5	3,016.2	3,798.7	4,497.0	8,643.2	7.0	8.1	7.7	8.3
July <sup>p</sup> .....	782.4	3,025.0	3,815.7	.....	.....	6.3	7.0	7.1	.....

<sup>1</sup> Consists of outstanding credit market debt of the U.S. Government, State and local governments, and private nonfinancial sectors; data from flow of funds accounts.

<sup>2</sup> Annual changes are from December to December and monthly changes are from 6 months earlier at a seasonally adjusted annual rate.

NOTE.—See p. 27 for components.

Source: Board of Governors of the Federal Reserve System.

# COMPONENTS OF MONEY STOCK AND LIQUID ASSETS

[Averages of daily figures; billions of dollars, seasonally adjusted, except as noted by NSA]

Period	Currency	Demand deposits	Other checkable deposits (OCDs)	Overnight repurchase agreements (RPs), net, plus overnight Eurodollars	Money market mutual fund balances		Money market deposit accounts (MMDAs)	Savings deposits	Small denomination time deposits <sup>1</sup>	Large denomination time deposits <sup>1</sup>	Term repurchase agreements (RPs)	Term Eurodollars (net)	Savings bonds	Short-term Treasury securities	Bankers' acceptances	Commercial paper
					General purpose and broker/dealer	Institution only										
					NSA	NSA										
1980: Dec.....	115.3	261.4	31.4	28.3	61.6	15.2	0.0	400.2	728.4	260.0	34.0	50.3	72.3	133.5	32.1	98.8
1981: Dec.....	122.5	231.4	80.9	35.9	150.6	38.0	.0	343.9	822.9	302.5	36.0	67.5	67.8	149.4	40.0	105.3
1982: Dec.....	132.6	234.1	105.4	38.8	185.2	51.1	43.2	356.8	850.5	326.7	34.5	81.7	68.0	183.5	44.5	113.6
1983: Dec.....	146.3	238.6	132.3	53.8	138.2	43.2	379.2	305.5	783.6	327.1	51.8	91.5	71.1	211.9	45.1	133.1
1984: Dec.....	156.1	244.1	146.4	56.3	167.5	62.7	416.8	285.4	883.3	416.9	61.9	82.9	74.2	260.9	45.7	160.3
1985: Dec.....	167.7	267.2	179.2	70.2	176.5	64.5	513.6	301.4	879.5	436.4	65.6	76.1	79.3	301.2	42.5	206.5
1986: Dec.....	180.4	303.3	235.2	78.4	208.0	84.4	572.5	370.7	853.2	439.2	84.0	84.9	91.6	284.2	37.8	229.9
1987: Dec.....	196.5	288.0	259.3	78.1	221.1	89.6	525.2	414.3	913.1	484.7	105.5	90.8	100.2	258.0	45.7	258.9
1987:																
July.....	189.0	292.3	255.6	75.6	210.6	83.8	549.4	415.5	859.1	460.2	84.5	97.5	97.5	254.8	43.4	251.8
Aug.....	190.2	292.1	257.2	79.8	213.1	84.0	545.0	417.8	865.9	462.4	90.2	98.1	98.1	258.9	43.5	251.8
Sept.....	191.4	290.5	258.6	83.5	216.3	81.3	540.5	418.6	872.1	465.3	109.1	94.5	98.4	263.7	44.3	256.6
Oct.....	193.1	295.9	260.3	86.0	218.2	82.5	533.9	417.0	883.3	472.3	106.1	93.0	98.8	272.7	44.5	254.2
Nov.....	195.0	291.3	259.5	79.7	219.7	89.5	527.7	415.0	901.7	480.5	108.7	92.8	99.3	269.7	45.0	252.5
Dec.....	196.5	288.0	259.3	78.1	221.1	89.6	525.2	414.3	913.1	484.7	105.5	90.8	100.2	258.0	45.7	258.9
1988:																
Jan.....	198.4	289.9	263.3	82.8	225.0	94.4	524.1	414.4	924.6	482.9	106.0	85.3	101.4	259.9	43.6	269.0
Feb.....	199.3	287.8	265.0	78.0	231.0	98.7	522.6	416.2	941.5	489.7	109.9	85.2	102.6	255.0	40.9	274.1
Mar.....	200.9	287.9	266.9	74.8	234.8	97.4	524.7	419.8	953.5	491.4	107.3	89.5	103.5	249.7	40.6	280.3
Apr.....	202.5	290.2	270.1	76.6	235.8	91.9	523.3	422.7	964.8	492.9	108.1	88.1	104.6	259.7	41.2	288.2
May.....	203.6	287.4	271.9	80.9	231.7	90.0	519.6	425.1	972.0	496.0	111.1	90.1	105.4	259.6	40.9	301.1
June.....	204.9	289.9	274.4	80.6	228.9	86.3	522.3	429.0	974.9	501.9	111.2	90.6	106.1	250.4	40.6	301.2
July <sup>p</sup> .....	206.3	290.6	278.3	77.6	229.5	84.8	521.1	431.8	978.1	509.5	110.6	91.1				

<sup>1</sup> Small denomination and large denomination deposits are those issued in amounts of less than \$100,000 and more than \$100,000, respectively.

Source: Board of Governors of the Federal Reserve System.

NOTE.—Travelers checks of nonbank issuers are a component of money stock but are not shown

## AGGREGATE RESERVES AND MONETARY BASE

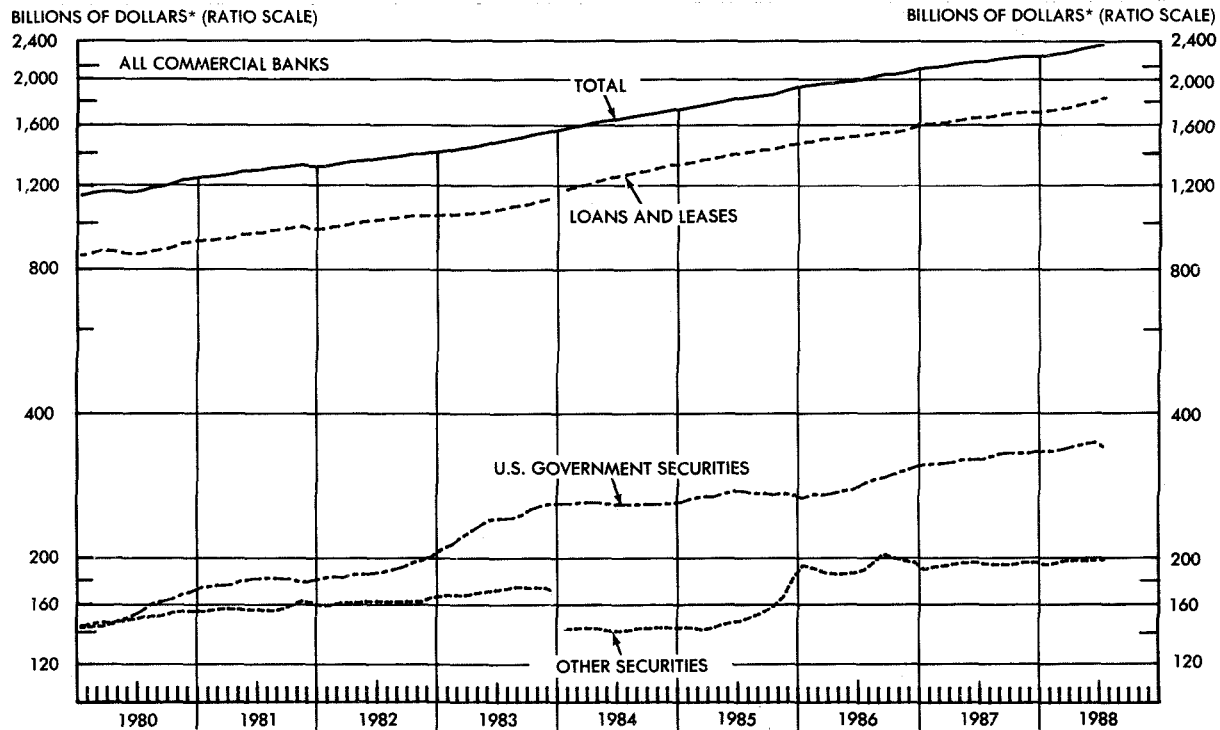
[Averages of daily figures; millions of dollars; seasonally adjusted, except as noted]

Period	Adjusted for changes in reserve requirements				Monetary base	Borrowings of depository institutions from the Federal Reserve, NSA		
	Reserves of depository institutions					Total	Seasonal	Extended credit
	Total	Nonborrowed	Nonborrowed plus extended credit	Required				
1980: Dec.....	31,261	29,571	29,574	30,747	150,642	1,690	116	3
1981: Dec.....	32,841	32,204	32,353	32,521	158,870	636	54	148
1982: Dec.....	35,247	34,613	34,799	34,747	171,192	634	33	186
1983: Dec.....	37,549	36,775	36,777	36,988	187,005	774	96	2
1984: Dec.....	40,959	37,773	40,377	40,106	200,449	3,186	113	2,604
1985: Dec.....	47,255	45,937	46,436	46,198	218,255	1,318	56	499
1986: Dec.....	57,456	56,629	56,932	56,087	240,799	827	38	303
1987: Dec.....	58,722	57,944	58,428	57,693	257,928	777	93	483
1987: July.....	58,499	57,827	58,021	57,738	250,409	672	283	194
Aug.....	58,810	58,163	58,295	57,778	251,919	647	279	132
Sept.....	58,815	57,874	58,283	58,021	253,024	940	231	409
Oct.....	59,466	58,523	58,973	58,338	255,296	943	189	449
Nov.....	59,053	58,428	58,822	58,129	256,938	625	126	394
Dec.....	58,722	57,944	58,428	57,693	257,928	777	93	483
1988: Jan.....	59,458	58,376	58,748	58,163	260,721	1,082	59	372
Feb.....	59,573	59,177	59,382	58,440	262,019	396	75	205
Mar.....	59,760	58,009	59,487	58,832	263,315	1,752	119	1,478
Apr.....	60,374	57,380	60,004	59,515	265,809	2,993	146	2,624
May.....	60,365	57,787	59,894	59,325	266,924	2,578	246	2,107
June.....	60,637	57,555	60,108	59,750	268,309	3,083	311	2,554
July <sup>p</sup> .....	61,239	57,799	60,337	60,231	270,627	3,440	376	2,538

Source: Board of Governors of the Federal Reserve System.

# BANK LOANS AND SECURITIES

Commercial and industrial loans rose 1.1 percent in July.



\* SEASONALLY ADJUSTED  
SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars, seasonally adjusted <sup>1</sup>]

Period	All commercial banks															
	Total loans and securities <sup>2</sup>	U.S. Government securities	Other securities	Loans and leases												Other
				Total <sup>2</sup>	Commercial and industrial	Real estate	Individual	Security	Non-bank financial institutions	Agricultural	State and political subdivisions	Foreign banks	Foreign official institutions	Lease financing receivables		
1980: Dec .....	1,239.1	170.6	154.7	913.9	325.7	262.7	179.2	17.9	29.3	31.6	0.0	23.8	11.5	10.9	21.4	
1981: Dec .....	1,307.5	179.3	160.9	967.3	355.4	284.2	182.5	21.3	29.9	33.1	.0	17.9	7.2	12.7	23.1	
1982: Dec .....	1,401.3	201.7	165.7	1,033.9	392.6	300.0	188.2	25.2	31.2	36.2	.0	14.6	5.9	13.3	26.6	
1983: Dec .....	1,553.4	259.1	170.6	1,123.7	414.1	331.0	212.9	27.8	30.5	39.2	3.3	13.3	9.4	13.7	31.7	
1984: Dec .....	1,722.9	260.0	142.6	1,320.4	472.8	376.6	253.6	33.9	31.4	40.1	45.8	11.1	7.9	16.1	31.2	
1985: Dec .....	1,908.6	270.5	181.2	1,456.9	499.4	425.9	293.7	42.0	32.6	36.1	56.4	9.6	6.0	19.0	36.0	
1986: Dec .....	2,089.9	309.3	196.1	1,584.5	535.6	494.0	314.4	39.1	35.0	31.6	58.1	9.6	5.9	22.4	38.7	
1987: Dec .....	2,230.6	333.2	196.0	1,701.4	565.5	582.3	325.9	33.4	31.9	29.2	51.2	8.2	5.6	24.8	43.3	
1987: July .....	2,181.3	322.9	194.3	1,664.1	553.6	549.6	319.7	43.9	32.5	29.8	55.6	9.0	5.7	23.9	40.7	
1987: Aug .....	2,199.0	328.5	193.7	1,676.8	554.0	556.8	321.5	45.4	31.5	29.7	54.8	9.1	5.7	24.0	44.2	
1987: Sept .....	2,214.7	331.3	193.7	1,689.8	559.0	561.7	322.8	46.1	31.4	29.6	54.7	9.2	5.7	24.1	45.4	
1987: Oct .....	2,227.6	331.7	194.2	1,701.7	562.8	569.4	324.1	47.1	31.7	29.6	54.1	9.6	5.8	24.3	43.1	
1987: Nov .....	2,232.1	331.1	196.2	1,704.8	563.1	576.2	325.0	39.3	31.9	29.3	53.4	8.8	5.7	24.5	47.6	
1987: Dec .....	2,230.6	333.2	196.0	1,701.4	565.5	582.3	325.9	33.4	31.9	29.2	51.2	8.2	5.6	24.8	43.3	
1988: Jan .....	2,242.4	334.6	193.9	1,714.0	568.3	587.5	327.9	36.3	32.1	29.3	52.3	8.2	5.6	24.8	41.6	
1988: Feb .....	2,259.8	334.9	195.6	1,729.2	571.1	593.0	330.8	41.3	32.7	29.5	52.3	7.8	5.2	24.7	40.9	
1988: Mar .....	2,274.8	338.9	197.5	1,738.4	569.3	598.2	334.6	39.8	32.1	29.5	52.1	8.1	5.2	24.8	44.7	
1988: Apr .....	2,297.7	343.0	198.2	1,756.4	578.9	604.4	337.6	38.1	31.2	29.5	51.9	8.5	5.2	25.0	46.1	
1988: May .....	2,322.5	345.9	197.6	1,778.9	587.4	612.6	339.1	38.8	31.8	29.4	51.6	8.2	5.3	25.3	49.5	
1988: June .....	2,343.9	349.8	198.5	1,795.5	594.4	618.9	340.6	38.6	31.4	29.0	51.5	8.2	5.2	25.8	51.8	
1988: July <sup>P</sup> .....	2,353.5	344.8	199.1	1,809.5	600.7	624.9	341.6	38.0	31.9	28.3	51.1	8.5	5.2	26.5	52.9	

<sup>1</sup> Data are prorated averages of Wednesday figures for domestically chartered banks and averages of month-end data for foreign-related institutions. Data beginning January 1984 are not strictly comparable with data for earlier periods, largely because beginning January 1984 certain obligations

of States and political subdivisions are included in loans rather than in other securities.  
<sup>2</sup> Excludes loans to commercial banks in the United States.

Source: Board of Governors of the Federal Reserve System.

# SOURCES AND USES OF FUNDS, NONFARM NONFINANCIAL CORPORATE BUSINESS

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

Period	Sources							Uses			Discrepancy (sources less uses)
	Total	Internal <sup>1</sup>	External				Total	Capital expenditures <sup>3</sup>	Increase in financial assets		
			Total	Credit market funds						Other <sup>2</sup>	
				Total	Securities and mortgages	Loans and short-term paper					
1979	352.6	197.6	155.1	87.8	21.0	66.9	67.3	370.6	238.3	132.3	-17.9
1980	345.9	200.1	145.8	92.7	53.1	39.5	53.2	352.1	243.7	108.4	-6.2
1981	383.3	239.5	143.9	94.5	22.8	71.7	49.3	368.6	286.5	82.0	14.8
1982	327.5	242.3	85.1	80.4	44.0	36.4	4.7	303.5	256.5	47.0	24.0
1983	432.3	285.7	146.6	88.6	57.3	31.3	58.0	399.8	274.7	125.1	32.5
1984	518.5	336.3	182.2	121.6	-7.5	129.0	60.7	488.0	370.9	117.1	30.5
1985	492.3	355.4	136.9	85.2	15.3	69.9	51.7	442.4	342.8	99.7	49.9
1986	491.3	351.5	139.9	109.5	33.3	76.1	30.4	439.8	339.2	100.6	51.5
1987	484.1	347.2	136.9	77.4	24.2	53.2	59.5	452.3	361.5	90.8	31.9
1986: II	499.9	350.9	149.0	117.6	52.2	65.3	31.4	426.5	340.7	85.8	73.4
1986: III	442.0	352.2	89.8	64.1	31.8	32.4	25.7	399.4	322.5	76.9	42.6
1986: IV	597.1	342.2	254.9	201.9	-12.2	214.1	53.0	546.8	330.7	216.1	50.3
1987: I	406.0	343.2	62.8	-2.5	62.4	-64.9	65.3	394.8	354.6	40.2	11.2
1987: II	479.7	340.8	138.9	101.2	-7.4	108.6	37.7	426.7	344.0	82.7	53.1
1987: III	473.6	350.9	122.7	53.9	29.0	24.9	68.7	430.7	346.5	84.2	42.9
1987: IV	577.1	353.9	223.2	157.0	12.9	144.1	66.1	556.9	400.8	156.1	20.2
1988: I <sup>p</sup>	450.4	356.6	93.8	42.6	-5.7	48.3	51.3	425.7	396.0	29.7	24.7

<sup>1</sup> Undistributed profits (after inventory valuation and capital consumption adjustments), capital consumption allowances, and foreign branch profits, dividends, and subsidiaries' earnings retained abroad.

<sup>2</sup> Consists of tax liabilities, trade debt, and direct foreign investment in the U.S.

<sup>3</sup> Plant and equipment, residential structures, inventory investment, and mineral rights from U.S. Government.

Source: Board of Governors of the Federal Reserve System.

## CONSUMER INSTALLMENT CREDIT

[Millions of dollars; seasonally adjusted]

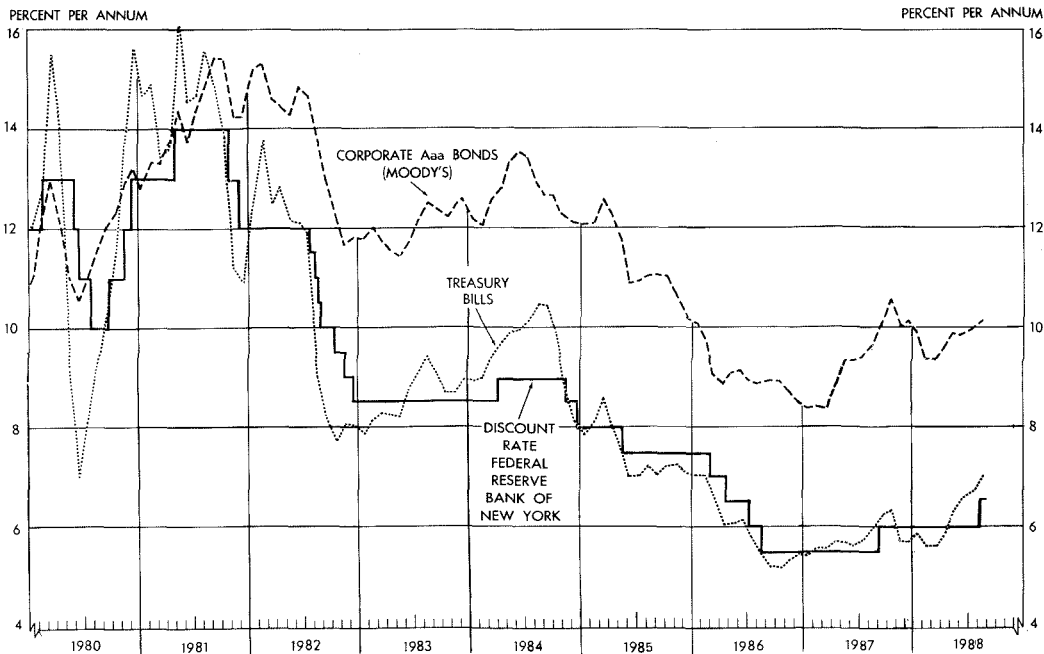
Period	Installment credit outstanding (end of period)					Net change in installment credit outstanding <sup>1</sup>				
	Total	Automobile	Revolving	Mobile home	Other	Total	Automobile	Revolving	Mobile home	Other
1978: Dec	261,976	98,739	45,202	16,921	101,114	40,501	17,791	8,513	559	13,638
1979: Dec	296,483	112,475	53,357	18,207	112,444	34,507	13,736	8,155	1,286	11,330
1980: Dec	297,566	111,936	54,894	18,621	112,115	1,083	-539	1,537	414	-329
1981: Dec	310,682	118,956	60,838	20,302	110,586	13,116	7,020	5,944	1,681	-1,529
1982: Dec	323,536	124,218	66,243	22,833	110,242	12,854	5,262	5,405	2,531	-344
1983: Dec	367,869	143,799	78,667	23,704	121,698	44,333	19,581	12,424	871	11,456
1984: Dec	442,538	173,704	100,212	25,795	142,827	74,669	29,905	21,545	2,091	21,129
1985: Dec	517,754	209,636	122,013	26,834	159,272	75,216	35,932	21,801	1,039	16,445
1986: Dec	571,833	246,109	136,381	26,883	162,460	54,079	36,473	14,368	49	3,188
1987: Dec	613,021	267,180	159,307	25,957	160,578	41,188	21,071	22,926	-926	-1,882
1987: June	587,878	254,212	144,777	26,810	162,079	6,643	2,471	2,900	171	1,101
1987: July	593,512	256,585	147,809	26,966	162,153	5,635	2,373	3,032	156	74
1987: Aug	598,190	259,558	149,815	26,879	161,938	4,677	2,973	2,006	-87	-215
1987: Sept	602,978	261,902	152,553	26,845	161,677	4,787	2,344	2,738	-34	-261
1987: Oct	606,927	263,823	155,196	26,698	161,209	3,949	1,921	2,643	-147	-468
1987: Nov	608,726	264,474	156,425	26,604	161,225	1,802	651	1,229	-94	16
1987: Dec	613,021	267,180	159,307	25,957	160,578	4,296	2,706	2,882	-646	-646
1988: Jan	619,259	269,883	162,065	25,926	161,384	6,236	2,704	2,758	-32	807
1988: Feb	624,293	273,133	163,462	25,857	161,842	5,035	3,250	1,396	-69	458
1988: Mar	629,485	276,762	165,644	25,732	161,348	5,191	3,628	2,182	-125	-493
1988: Apr	633,336	278,567	167,356	25,764	161,649	3,851	1,805	1,713	32	301
1988: May <sup>r</sup>	636,318	279,418	169,154	25,703	162,043	2,982	851	1,798	-61	394
1988: June <sup>p</sup>	641,752	281,834	172,001	25,498	162,419	5,434	2,416	2,847	-205	376

<sup>1</sup> For year-end data, change from preceding year-end; for monthly data, change from preceding month.

Source: Board of Governors of the Federal Reserve System.

# INTEREST RATES AND BOND YIELDS

Interest rates rose in August.



SOURCE: SEE TABLE BELOW

COUNCIL OF ECONOMIC ADVISERS

[Percent per annum]

Period	U.S. Treasury security yields			High-grade municipal bonds (Standard & Poor's) <sup>3</sup>	Corporate Aaa bonds (Moody's) <sup>4</sup>	Prime commercial paper, 6 months <sup>1</sup>	Discount rate (N.Y. F.R. Bank) <sup>5</sup>	Prime rate charged by banks <sup>5</sup>	New-home mortgage yields (FHLBB) <sup>6</sup>
	3-month bills (new issues) <sup>1</sup>	Constant maturities <sup>2</sup>							
		3-year	10-year						
1981 .....	14.029	14.44	13.91	11.23	14.17	14.76	13.41	18.87	14.70
1982 .....	10.686	12.92	13.00	11.57	13.79	11.89	11.02	14.86	15.14
1983 .....	8.63	10.45	11.10	9.47	12.04	8.89	8.50	10.79	12.57
1984 .....	9.58	11.89	12.44	10.15	12.71	10.16	8.80	12.04	12.38
1985 .....	7.48	9.64	10.62	9.18	11.37	8.01	7.69	9.93	11.55
1986 .....	5.98	7.06	7.68	7.38	9.02	6.39	6.33	8.33	10.17
1987 .....	5.82	7.68	8.39	7.73	9.38	6.85	5.66	8.22	9.31
1987: Aug .....	6.00	8.03	8.76	7.90	9.67	6.81	5.50-5.50	8.25-8.25	9.38
Sept .....	6.32	8.67	9.42	8.36	10.18	7.55	5.50-6.00	8.25-8.75	9.37
Oct .....	6.40	8.75	9.52	8.84	10.52	7.96	6.00-6.00	8.75-9.00	9.25
Nov .....	5.81	7.99	8.86	8.09	10.01	7.17	6.00-6.00	9.00-8.75	9.30
Dec .....	5.80	8.13	8.99	8.07	10.11	7.49	6.00-6.00	8.75-8.75	9.15
1988: Jan .....	5.90	7.87	8.67	7.81	9.88	6.92	6.00-6.00	8.75-8.75	9.10
Feb .....	5.69	7.38	8.21	7.55	9.40	6.58	6.00-6.00	8.75-8.50	9.12
Mar .....	5.69	7.50	8.37	7.80	9.39	6.64	6.00-6.00	8.50-8.50	9.15
Apr .....	5.92	7.83	8.72	7.91	9.67	6.92	6.00-6.00	8.50-8.50	9.13
May .....	6.27	8.24	9.09	8.01	9.90	7.31	6.00-6.00	8.50-9.00	8.95
June .....	6.50	8.22	8.92	7.86	9.86	7.53	6.00-6.00	9.00-9.00	9.26
July .....	6.73	8.44	9.06	7.87	9.96	7.90	6.00-6.00	9.00-9.50	9.17
Aug <sup>p</sup> .....	7.02	8.76	9.26	.....	10.11	8.36	6.00-	9.50-	.....
Week ended:									
1988: Aug 6 .....	6.89	8.52	9.04	7.76	10.00	8.08	6.00-6.00	9.50-9.50	.....
13 .....	6.94	8.76	9.27	7.85	10.10	8.33	6.00-6.50	9.50-10.00	.....
20 .....	7.05	8.85	9.36	7.92	10.15	8.49	6.50-6.50	10.00-10.00	.....
27 .....	7.18	8.89	9.36	7.91	10.16	8.48	6.50-6.50	10.00-10.00	.....
Sept 3 .....	7.26	.....	.....	.....	.....	.....	6.50-	10.00-	.....

<sup>1</sup> Bank-discount basis.

<sup>2</sup> Yields on the more actively traded issues adjusted to constant maturities by the Treasury Department.

<sup>3</sup> Weekly data are Wednesday figures.

<sup>4</sup> Series excludes public utility issues for January 17, 1984 through October 11, 1984 due to lack of appropriate issues.

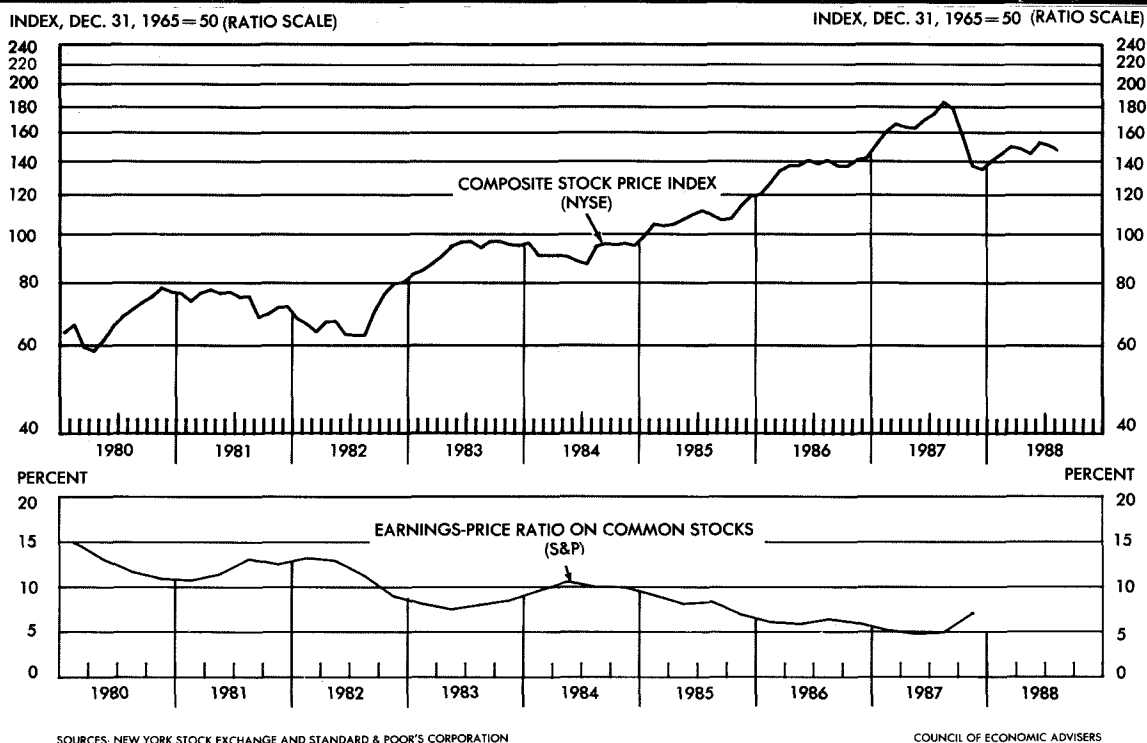
<sup>5</sup> Average effective rate for year; opening and closing rate for month and week.

<sup>6</sup> Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.

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

# COMMON STOCK PRICES AND YIELDS

Stock prices fell in August.



Period	Common stock prices <sup>1</sup>							Common stock yields (percent) <sup>5</sup>	
	New York Stock Exchange indexes (Dec. 31, 1965=50) <sup>2</sup>					Dow-Jones industrial average <sup>3</sup>	Standard & Poor's composite index (1941-43=10) <sup>4</sup>	Dividend-price ratio	Earnings-price ratio
	Composite	Industrial	Transportation	Utility	Finance				
1981 .....	74.02	85.44	72.61	38.91	73.52	932.92	128.05	5.20	11.96
1982 .....	68.93	78.18	60.41	39.75	71.99	884.36	119.71	5.81	11.60
1983 .....	92.63	107.45	89.36	47.00	95.34	1,190.34	160.41	4.40	8.03
1984 .....	92.46	108.01	85.63	46.44	89.28	1,178.48	160.46	4.64	10.02
1985 .....	108.09	123.79	104.11	56.75	114.21	1,328.23	186.84	4.25	8.12
1986 .....	136.00	155.85	119.87	71.36	147.20	1,792.76	236.34	3.49	6.09
1987 .....	161.70	195.31	140.39	74.30	146.48	2,275.99	286.83	3.08	5.49
1987: Aug .....	184.18	226.49	164.02	78.20	160.94	2,655.01	329.36	2.69	.....
Sept .....	178.39	219.52	158.58	76.13	154.08	2,570.80	318.66	2.78	4.93
Oct .....	157.13	189.86	140.95	73.27	137.35	2,224.59	280.16	3.25	.....
Nov .....	137.21	163.42	117.57	69.86	118.30	1,931.86	245.01	3.66	.....
Dec .....	134.88	162.19	115.85	67.39	111.47	1,910.07	240.96	3.71	7.08
1988: Jan .....	140.55	168.47	121.20	70.01	119.40	1,947.35	250.48	3.66	.....
Feb .....	145.13	173.44	126.09	72.89	124.36	1,980.65	258.13	3.56	.....
Mar .....	149.88	181.57	135.15	71.16	125.27	2,044.31	265.74	3.48	.....
Apr .....	148.46	180.88	133.43	69.40	121.67	2,036.13	262.61	3.57	.....
May .....	144.99	176.02	127.63	68.66	120.35	1,988.91	256.12	3.80	.....
June .....	152.72	184.92	136.02	72.25	129.04	2,104.94	270.68	3.59	.....
July .....	152.12	184.09	136.49	71.50	129.99	2,104.22	269.05	3.65	.....
Aug <sup>P</sup> .....	149.30	179.78	132.59	70.67	130.80	2,052.18	263.83	.....	.....
Week ended:									
1988: Aug 6 .....	153.55	185.55	137.20	72.12	132.72	2,128.31	272.07	3.60	.....
13 .....	149.71	180.42	133.35	70.73	130.79	2,059.50	264.73	3.77	.....
20 .....	147.41	177.26	130.75	69.89	130.10	2,018.95	260.26	3.79	.....
27 .....	146.80	176.30	129.59	69.99	129.72	2,006.90	258.81	3.79	.....

<sup>1</sup> Average of daily closing prices.

<sup>2</sup> Includes all the stocks (more than 1,500) listed on the NYSE.

<sup>3</sup> Includes 30 stocks.

<sup>4</sup> Includes 500 stocks.

<sup>5</sup> Standard & Poor's series. Dividend-price ratios based on Wednesday closing prices. Earnings-

price ratios based on prices at end of quarter.

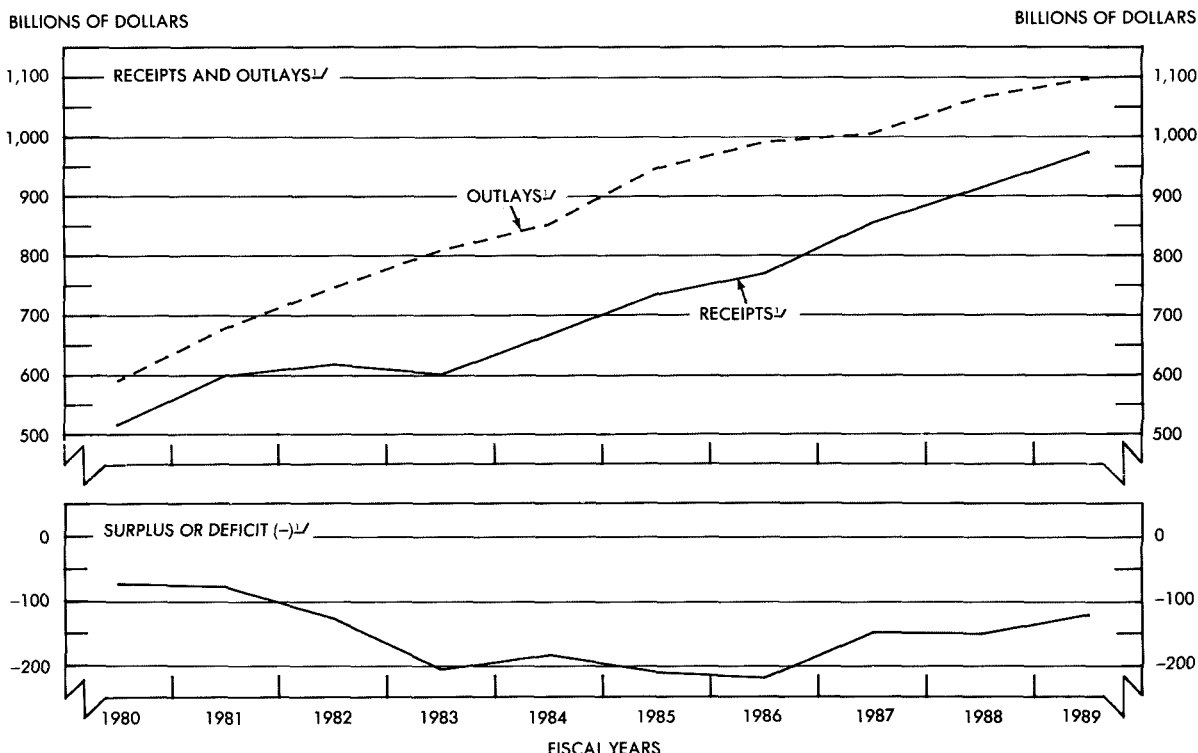
NOTE.—All data relate to stocks listed on the New York Stock Exchange (NYSE).

Sources: New York Stock Exchange, Dow-Jones & Company, Inc., and Standard & Poor's Corporation.

# FEDERAL FINANCE

## FEDERAL RECEIPTS, OUTLAYS, AND DEBT

In the first 10 months of fiscal 1988, there was a deficit of \$142.0 billion compared with a deficit of \$142.9 billion a year earlier.



✓ INCLUDES ON-BUDGET AND OFF-BUDGET ITEMS.

SOURCES: DEPARTMENT OF THE TREASURY AND OFFICE OF MANAGEMENT AND BUDGET

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

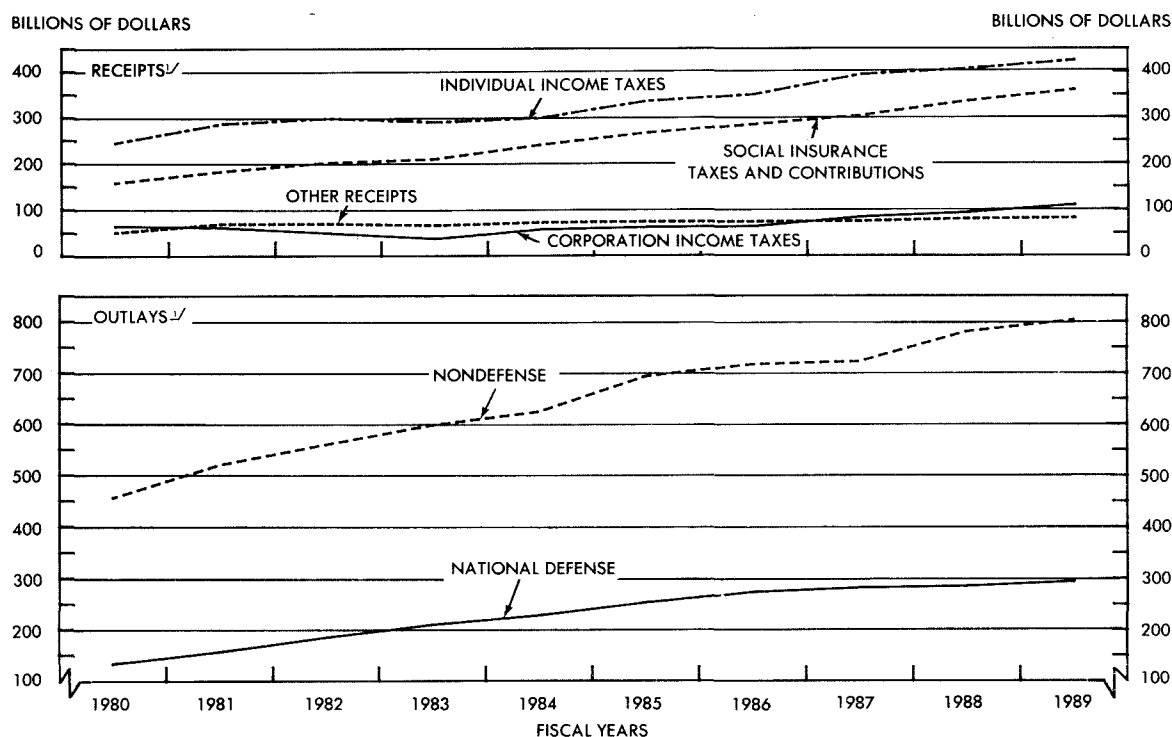
Fiscal year or period	Total			On-budget			Off-budget			Gross Federal debt (end of period)	
	Receipts	Outlays	Surplus or deficit (-)	Receipts	Outlays	Surplus or deficit (-)	Receipts	Outlays	Surplus or deficit (-)	Total	Held by the public
1976.....	298.1	371.8	-73.7	231.7	302.2	-70.5	66.4	69.6	-3.2	631.9	480.3
Transition quarter.....	81.2	96.0	-14.7	63.2	76.6	-13.3	18.0	19.4	-1.4	646.4	498.3
1977.....	355.6	409.2	-53.6	278.7	328.5	-49.7	76.8	80.7	-3.9	709.1	551.8
1978.....	399.6	458.7	-59.2	314.2	369.1	-54.9	85.4	89.7	-4.3	780.4	610.9
1979.....	463.3	503.5	-40.2	365.3	403.5	-38.2	98.0	100.0	-2.0	833.8	644.6
1980.....	517.1	590.9	-73.8	403.9	476.6	-72.7	113.2	114.3	-1.1	914.3	715.1
1981.....	599.3	678.2	-78.9	469.1	543.0	-73.9	130.2	135.2	-5.0	1,003.9	794.4
1982.....	617.8	745.7	-127.9	474.3	594.3	-120.0	143.5	151.4	-7.9	1,147.0	929.4
1983.....	600.6	808.3	-207.8	453.2	661.2	-208.0	147.3	147.1	.2	1,381.9	1,141.8
1984.....	666.5	851.8	-185.3	500.4	686.0	-185.6	166.1	165.8	.3	1,576.7	1,312.6
1985.....	734.1	946.3	-212.3	547.9	769.5	-221.6	186.2	176.8	9.4	1,827.5	1,509.9
1986.....	769.1	990.3	-221.2	568.9	806.8	-237.9	200.2	183.5	16.7	2,120.1	1,736.2
1987.....	854.1	1,004.6	-150.4	640.7	810.8	-170.0	213.4	193.8	19.6	2,345.6	1,888.1
1988 (estimates) <sup>1</sup> .....	913.4	1,065.8	-152.3	671.2	863.3	-192.1	242.2	202.5	39.7	2,577.1	2,020.8
1989 (estimates) <sup>1</sup> .....	974.0	1,096.7	-122.7	712.0	885.9	-173.9	262.1	210.9	51.2	2,818.2	2,138.6
Cumulative total, first 10 months:											
Fiscal year 1987.....	701.5	844.4	-142.9	523.5	684.1	-160.6	178.0	160.3	17.7	2,311.1	1,871.1
Fiscal year 1988.....	741.7	883.7	-142.0	540.9	716.3	-175.5	200.8	167.4	33.4	2,560.8	2,025.9

<sup>1</sup> Estimates from *Mid-Session Review of the 1989 Budget*, Office of Management and Budget, July 28, 1988.

Sources: Department of the Treasury and Office of Management and Budget.

# FEDERAL RECEIPTS BY SOURCE AND OUTLAYS BY FUNCTION

In the first 10 months of fiscal 1988, receipts were \$40.2 billion higher than a year earlier and outlays were \$39.3 billion higher.



∟ INCLUDES ON-BUDGET AND OFF-BUDGET ITEMS.  
 SOURCES: DEPARTMENT OF THE TREASURY AND OFFICE OF MANAGEMENT AND BUDGET  
 COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

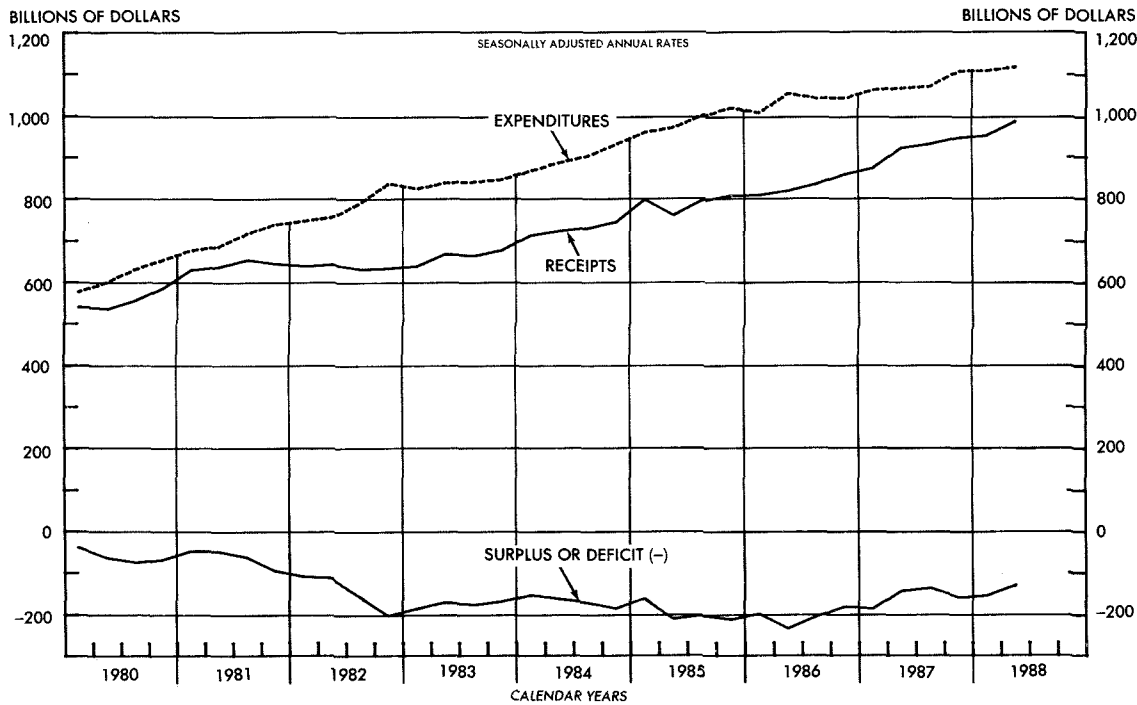
Fiscal year	On-budget and off-budget receipts					On-budget and off-budget outlays									
	Total	Individual income taxes	Corporation income taxes	Social insurance taxes and contributions	Other	Total	National defense		International affairs	Health	Medicare	Income security	Social security	Net interest	Other
							Total	Department of Defense, military							
1976	298.1	131.6	41.4	90.8	34.3	371.8	89.6	87.9	6.4	15.7	15.8	60.8	73.9	26.7	82.8
1977	355.6	157.6	54.9	106.5	36.6	409.2	97.2	95.1	6.4	17.3	19.3	61.0	85.1	29.9	93.0
1978	399.6	181.0	60.0	121.0	37.7	458.7	104.5	102.3	7.5	18.5	22.8	61.5	93.9	35.4	114.7
1979	463.3	217.8	65.7	138.9	40.8	503.5	116.3	113.6	7.5	20.5	26.5	66.4	104.1	42.6	119.6
1980	517.1	244.1	64.6	157.8	50.6	590.9	134.0	130.9	12.7	23.2	32.1	86.5	118.5	52.5	131.4
1981	599.3	285.9	61.1	182.7	69.5	678.2	157.5	153.8	13.1	26.9	39.1	99.7	139.6	68.7	133.5
1982	617.8	297.7	49.2	201.5	69.3	745.7	185.3	180.7	12.3	27.4	46.6	107.7	156.0	85.0	125.4
1983	600.6	288.9	37.0	209.0	65.6	808.3	209.9	204.4	11.8	28.6	52.6	122.6	170.7	89.8	122.3
1984	666.5	298.4	56.9	239.4	71.8	851.8	227.4	220.9	15.9	30.4	57.5	112.7	178.2	111.1	118.6
1985	734.1	334.5	61.3	265.2	73.0	946.3	252.7	245.1	16.2	33.5	65.8	128.2	188.6	129.4	131.8
1986	769.1	349.0	63.1	283.9	73.1	990.3	273.4	265.5	14.2	35.9	70.2	119.8	198.8	136.0	142.1
1987	854.1	392.6	83.9	303.3	74.3	1,004.6	282.0	274.0	11.6	40.0	75.1	123.3	207.4	138.6	126.7
1988 (estimates) <sup>1</sup>	913.4	405.2	93.4	335.0	79.8	1,065.8	285.4	277.3	12.8	44.6	79.5	129.6	218.9	151.1	143.9
1989 (estimates) <sup>1</sup>	974.0	423.4	109.9	359.5	81.2	1,096.7	294.0	285.5	11.1	48.8	85.3	135.0	232.4	157.1	133.0
Cumulative total, first 10 months:															
Fiscal year 1987	701.5	325.9	61.9	252.2	61.6	844.4	235.5	228.8	9.9	33.2	63.2	105.2	173.0	115.2	109.3
Fiscal year 1988	741.7	327.5	72.1	277.3	64.9	883.7	243.9	237.1	10.3	36.7	64.5	108.4	182.5	125.7	111.9

<sup>1</sup> Estimates from *Mid-Session Review of the 1989 Budget*, Office of Management and Budget, July 28, 1988.

NOTE.—Data shown here exclude the transition quarter.  
 Sources: Department of the Treasury and Office of Management and Budget.

# FEDERAL SECTOR, NATIONAL INCOME ACCOUNTS BASIS

In the second quarter of 1988, according to current estimates, Federal receipts rose \$32.6 billion (annual rate) and Federal expenditures rose \$8.4 billion, yielding a deficit of \$130.9 billion.



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 (-), national income and product accounts
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Total	Purchases of goods and services	Transfer payments	Grants-in-aid to State and local governments	Net interest paid	Subsidies less current surplus of Government enterprises	Less: Wage accruals less disbursements	
<b>Fiscal year:</b>													
1985.....	776.8	340.4	74.6	55.9	305.8	962.3	341.5	374.0	97.8	128.3	20.7	-0.1	-185.5
1986.....	815.0	357.0	80.7	51.2	326.0	1,027.8	368.4	394.6	107.4	134.4	22.9	.0	-212.8
1987.....	901.7	401.6	101.7	53.2	345.2	1,058.9	375.4	411.1	103.1	139.7	29.6	.1	-157.2
<b>Calendar year:</b>													
1985.....	788.7	346.4	76.3	55.1	310.9	985.6	355.2	380.1	99.7	130.1	20.3	-.2	-196.9
1986.....	828.3	361.5	83.9	50.8	332.2	1,033.9	366.2	399.8	106.8	135.4	25.7	.0	-205.6
1987.....	916.5	405.6	105.8	54.0	351.0	1,074.2	382.0	414.2	102.7	143.0	32.4	.0	-157.8
1982: IV.....	633.1	303.0	46.4	47.6	236.1	835.7	293.2	347.4	84.5	87.2	23.4	.0	-202.6
1983: IV.....	675.5	291.9	70.2	53.6	259.8	844.7	276.1	352.5	86.0	101.0	29.1	.0	-169.2
1984: IV.....	742.7	326.0	69.7	56.2	290.7	930.2	326.0	362.1	96.3	125.3	21.0	.6	-187.5
1985: IV.....	805.3	355.3	78.8	53.5	317.7	1,017.5	376.6	385.8	103.5	132.7	19.0	.0	-212.2
1986: I.....	806.7	350.0	78.7	50.6	327.5	1,005.3	356.6	390.0	105.6	135.0	18.0	.0	-198.6
II.....	816.3	354.0	82.6	49.6	330.1	1,050.7	368.7	398.5	110.0	135.9	37.5	.0	-234.4
III.....	833.6	363.5	84.7	52.0	333.4	1,039.7	372.7	405.4	109.2	134.3	18.1	.0	-206.1
IV.....	856.8	378.3	89.7	51.0	337.8	1,040.1	366.7	405.4	102.3	136.5	29.1	.0	-183.3
1987: I.....	871.3	373.8	100.1	53.0	344.5	1,059.6	372.7	406.6	101.9	139.0	39.4	.0	-188.3
II.....	920.0	413.1	105.0	54.3	347.7	1,064.0	377.5	413.4	105.5	139.8	27.8	.0	-144.0
III.....	930.1	413.3	110.5	53.9	352.4	1,068.4	386.3	414.2	101.9	143.8	22.6	.2	-138.3
IV.....	944.4	422.3	107.7	55.0	359.4	1,104.9	391.4	422.5	101.4	149.5	39.7	-.2	-160.4
1988: I.....	951.0	404.6	107.2	55.9	383.4	1,106.1	377.7	434.4	111.1	149.9	33.0	.0	-155.1
II.....	983.6	425.0	112.4	55.9	390.3	1,114.5	381.6	437.3	110.4	152.0	32.2	.0	-130.9

Source: Department of Commerce, Bureau of Economic Analysis.

# INTERNATIONAL STATISTICS

## INDUSTRIAL PRODUCTION AND CONSUMER PRICES—MAJOR INDUSTRIAL COUNTRIES

Period	Industrial production (1977=100; seasonally adjusted)							Consumer prices (1982-84=100)						
	United States	Canada	Japan	France	Germany	Italy	United Kingdom	United States <sup>1</sup>	Canada	Japan	France	Germany	Italy	United Kingdom
1980.....	108.6	108.1	119.2	106	108.0	114.4	99.8	82.4	76.1	90.9	72.2	86.7	63.2	78.5
1981.....	111.0	108.6	120.4	106	106.2	112.6	96.4	90.9	85.6	95.4	81.9	92.2	75.4	87.9
1982.....	103.1	97.9	120.9	104	103.1	108.5	98.2	96.5	94.9	98.0	91.7	97.1	87.7	95.4
1983.....	109.2	104.3	125.1	105	104.1	105.8	101.7	99.6	100.4	99.9	100.3	100.3	100.8	99.8
1984.....	121.4	119.0	138.9	105	107.6	109.2	103.1	103.9	104.8	102.1	108.0	102.7	111.5	104.8
1985.....	123.7	125.2	145.1	106	112.9	110.4	107.9	107.6	108.9	104.2	114.3	104.9	121.0	111.2
1986.....	125.1	126.8	144.6	106	115.1	113.5	109.4	109.6	113.4	104.9	117.2	104.6	128.5	114.9
1987 <sup>P</sup> .....	129.8	132.6	150.4	108	115.7	118.0	112.8	113.6	118.4	105.0	121.1	105.0	134.4	119.7
1987: July.....	130.6	131.8	151.0	109	113.7	117.7	112.9	113.8	119.2	104.7	121.4	105.2	134.3	119.6
Aug.....	131.2	134.2	149.3	109	118.5	112.8	114.7	114.4	119.3	104.8	121.7	105.1	134.6	120.0
Sept.....	131.0	135.0	153.9	110	116.3	117.2	113.3	115.0	119.3	105.7	121.7	104.9	135.6	120.3
Oct.....	132.5	135.8	157.0	110	116.7	122.3	114.5	115.3	119.7	105.7	122.0	105.0	136.8	120.9
Nov.....	133.2	136.5	156.6	110	116.8	120.8	114.8	115.4	120.2	105.2	122.2	105.0	137.2	121.5
Dec.....	133.9	137.2	159.6	111	117.3	116.1	115.0	115.4	120.3	105.1	122.2	105.2	137.4	121.4
1988: Jan.....	134.4	137.6	153.9	111	117.2	126.4	114.8	115.7	120.5	104.8	122.4	105.4	138.1	121.4
Feb.....	134.4	137.4	157.4	111	118.2	120.8	112.4	116.0	121.0	104.6	122.7	105.6	138.5	121.9
Mar.....	134.7	138.3	158.3	111	118.8	121.4	114.4	116.5	121.6	105.0	123.0	105.7	139.1	122.3
Apr.....	135.4	138.3	157.0	110	118.0	124.1	116.1	117.1	122.0	105.5	123.6	106.0	139.6	124.3
May.....	136.1	139.4	153.3	111	118.3	.....	.....	117.5	122.8	105.6	123.9	106.2	140.0	124.8
June.....	136.6	.....	157.4	.....	120.5	.....	.....	118.0	122.9	105.4	124.3	106.3	140.4	125.3
July <sup>P</sup> .....	137.7	.....	.....	.....	.....	.....	.....	118.5	123.7	.....	.....	106.2	140.8	.....

<sup>1</sup> Data relate to all urban consumers.

Source: National sources as reported by Department of Commerce (Bureau of Economic Analysis and International Trade Administration).

## U.S. MERCHANDISE EXPORTS AND IMPORTS

[Billions of dollars; monthly data seasonally adjusted]

Period	Merchandise exports (f.a.s. value) <sup>1</sup>							General merchandise imports (customs value) <sup>3</sup>							Trade balance		
	Total <sup>2</sup>	Principal end-use commodity category						Total	Principal end-use commodity category						General merchandise imports (c.i.f. value)	Exports (f.a.s.) less imports (customs value)	Exports (f.a.s.) less imports (c.i.f.)
		Foods, feeds, and beverages	Industrial supplies and materials	Capital goods except auto-motive	Auto-motive vehicles, parts, and engines	Consumer goods (non-food) except auto-motive	Other <sup>2</sup>		Foods, feeds, and beverages	Industrial supplies and materials	Capital goods except auto-motive	Auto-motive vehicles, parts, and engines	Consumer goods (non-food) except auto-motive	Other			
1982.....	216.4	31.3	61.7	72.7	15.7	14.3	20.7	244.0	17.1	112.0	35.4	33.3	39.7	6.5	254.9	-27.5	-38.4
1983.....	205.6	30.9	56.7	67.2	16.8	13.4	20.5	258.0	18.2	107.0	40.9	40.8	44.9	6.3	269.9	-52.4	-64.2
1984.....	224.0	31.5	61.7	72.0	20.6	13.3	24.0	325.7	21.0	123.7	59.8	53.5	60.0	7.8	346.4	-101.7	-122.4
1985.....	<sup>4</sup> 218.8	24.0	58.5	73.9	22.9	12.6	27.3	345.3	21.9	113.9	65.1	66.8	68.3	9.4	352.5	-126.5	-133.6
1986.....	<sup>4</sup> 227.2	22.3	57.3	75.8	21.7	14.2	35.9	365.4	24.4	101.3	71.8	78.2	79.4	10.4	382.3	-138.3	-155.1
1987.....	254.1	24.3	66.7	86.2	24.6	17.7	34.6	406.2	24.8	111.0	84.5	85.2	88.7	12.1	424.4	-152.1	-170.3
1987: Mar.....	20.2	1.8	5.3	6.8	1.9	1.4	2.9	32.3	2.1	8.5	6.7	6.6	7.2	1.0	34.0	-12.1	-13.8
Apr.....	20.4	1.9	5.5	6.9	1.9	1.4	2.9	32.0	2.1	8.1	6.6	6.8	7.4	.9	33.6	-11.6	-13.2
May.....	20.3	2.0	5.4	6.8	1.9	1.5	2.6	32.5	2.0	8.8	6.6	6.9	7.2	1.1	34.3	-12.3	-14.1
June.....	21.1	2.1	5.5	6.5	2.2	1.5	3.3	34.4	2.2	9.1	7.3	7.2	7.7	.9	36.2	-13.3	-15.1
July.....	22.4	2.4	5.6	7.6	1.9	1.6	3.4	34.6	2.1	10.2	7.0	7.0	7.4	.9	36.3	-12.2	-13.9
Aug.....	20.9	2.2	5.6	7.0	2.0	1.5	2.6	34.5	2.0	10.1	7.1	7.0	7.4	.9	36.0	-13.6	-15.1
Sept.....	21.8	2.2	5.6	8.0	2.1	1.6	2.2	34.6	2.0	9.5	7.4	7.1	7.4	1.1	35.7	-12.8	-13.9
Oct.....	22.1	2.3	5.5	7.5	2.1	1.5	3.2	36.0	2.3	10.3	7.4	7.4	7.3	1.2	37.6	-13.9	-15.6
Nov.....	23.1	1.8	6.1	8.1	2.5	1.6	3.0	35.3	2.1	9.9	7.6	7.3	7.5	1.0	36.7	-12.2	-13.6
Dec.....	24.2	2.0	6.5	8.2	2.3	1.6	3.5	36.6	2.0	9.8	8.0	7.6	8.1	1.1	37.9	-12.4	-13.8
1988: Jan.....	24.5	2.2	6.6	8.7	2.1	1.6	3.1	34.3	2.1	9.5	7.5	6.8	7.5	.9	35.8	-9.8	-11.3
Feb.....	24.5	2.5	6.6	8.6	2.4	1.8	2.6	37.7	2.2	10.0	8.6	7.6	8.4	.9	38.9	-13.2	-14.4
Mar.....	26.9	2.6	7.7	8.7	2.7	1.8	3.4	36.6	2.2	9.6	8.4	7.5	7.8	1.1	38.6	-9.8	-11.7
Apr.....	26.0	2.6	7.3	8.8	2.3	1.8	3.2	34.8	2.0	9.5	7.9	7.2	7.3	1.0	36.3	-8.8	-10.3
May.....	27.5	2.9	7.1	9.3	2.4	1.9	3.8	35.7	2.0	10.5	8.1	6.5	7.6	1.0	37.2	-8.3	-9.8
June.....	26.8	2.7	7.4	8.7	2.2	2.0	3.8	37.8	1.9	10.2	9.0	7.3	8.3	1.1	39.4	-11.0	-12.5

<sup>1</sup> Includes Department of Defense Military Assistance Program grant-aid shipments.

<sup>2</sup> Includes undocumented exports to Canada.

<sup>3</sup> Total arrivals of imported goods other than intransit shipments.

<sup>4</sup> Total exports are on a revised statistical month basis; end-use categories are on a statistical month basis.

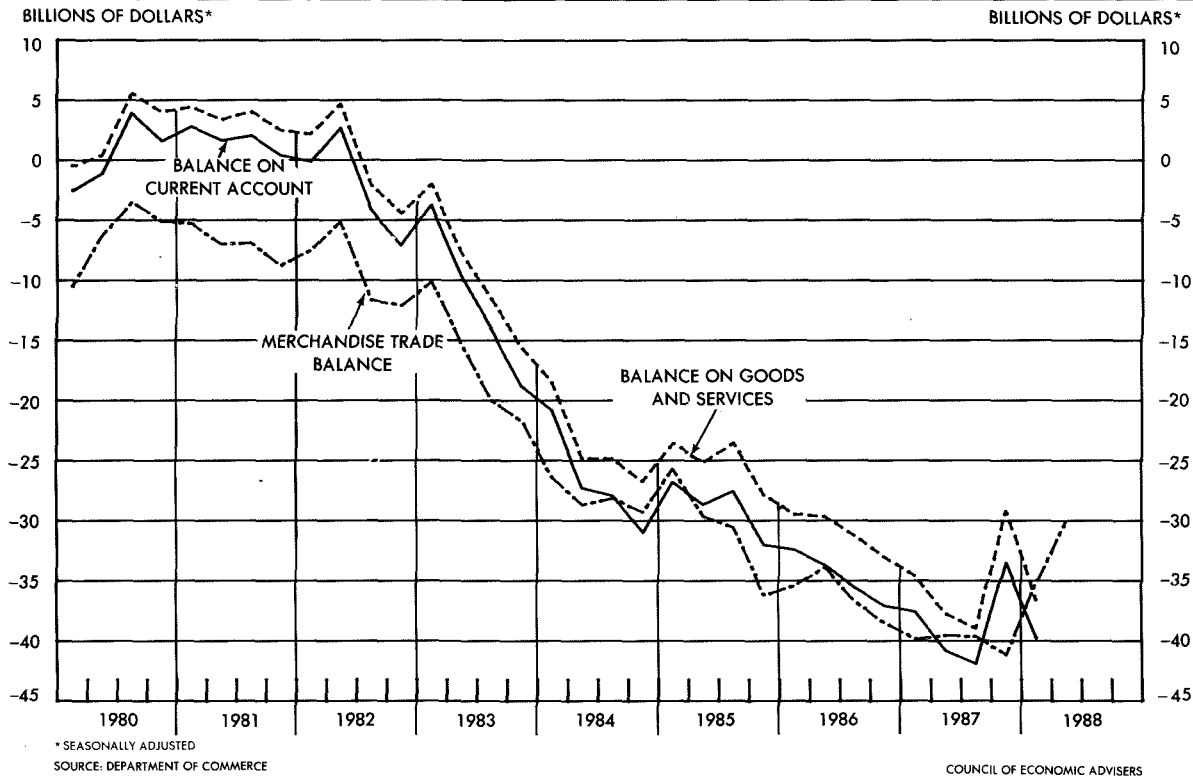
NOTE.—Data shown include trade of the U.S. Virgin Islands.

See Bureau of the Census release FT900, June 1988 for information on the seasonally adjusted series.

Source: Department of Commerce, Bureau of the Census.

# U.S. INTERNATIONAL TRANSACTIONS

In the second quarter of 1988, the merchandise trade deficit fell to \$29.9 billion from \$35.2 billion in the first quarter.



[Millions of dollars; quarterly data seasonally adjusted. Credits (+), debits (-)]

Period	Merchandise <sup>1 2</sup>			Investment income <sup>3</sup>			Net military transactions	Net travel and transportation receipts	Other services, net <sup>3</sup>	Balance on goods and services	Remittances, pensions, and other unilateral transfers <sup>1</sup>	Balance on current account
	Exports	Imports	Net balance	Receipts	Payments	Net						
1980.....	224,269	-249,749	-25,480	72,506	-42,120	30,386	-2,237	-997	7,793	9,466	-7,593	1,873
1981.....	237,085	-265,063	-27,978	86,411	-52,329	34,082	-1,183	144	9,278	14,344	-7,460	6,884
1982.....	211,198	-247,642	-36,444	83,549	-54,883	28,666	-274	-992	9,320	278	-8,956	-8,679
1983.....	201,820	-268,900	-67,080	77,251	-52,376	24,875	-243	-4,227	9,908	-36,766	-9,480	-46,246
1984.....	219,900	-332,422	-112,522	85,908	-67,419	18,489	-2,099	-8,604	9,760	-94,975	-12,102	-107,077
1985.....	215,935	-338,083	-122,148	88,837	-62,901	25,936	-3,431	-10,049	9,600	-100,093	-15,010	-115,103
1986.....	223,969	-368,516	-144,547	90,110	-66,968	23,142	-4,372	-9,344	11,600	-123,520	-15,308	-138,828
1987.....	249,570	-409,850	-160,280	103,756	-83,381	20,375	-2,368	-10,281	12,035	-140,519	-13,445	-153,964
1985: I.....	55,067	-80,770	-25,703	18,549	-16,359	2,190	-308	-2,043	2,334	-23,530	-3,290	-26,820
II.....	54,197	-83,843	-29,646	22,092	-16,670	5,422	-649	-2,704	2,391	-25,186	-3,481	-28,677
III.....	53,434	-84,032	-30,598	24,309	-16,055	8,254	-828	-2,624	2,278	-23,518	-4,036	-27,554
IV.....	53,237	-89,438	-36,201	23,886	-13,818	10,068	-1,647	-2,678	2,595	-27,863	-4,205	-32,068
1986: I.....	54,113	-89,546	-35,433	24,352	-17,357	6,995	-1,408	-2,456	2,817	-29,485	-2,972	-32,457
II.....	56,946	-90,807	-33,861	22,248	-17,533	4,715	-1,283	-2,070	2,870	-29,629	-4,085	-33,714
III.....	56,268	-92,989	-36,721	21,845	-15,729	6,116	-1,076	-2,407	2,800	-31,288	-4,249	-35,537
IV.....	56,642	-95,174	-38,532	21,667	-16,350	5,317	-605	-2,410	3,112	-33,118	-4,003	-37,121
1987: I.....	56,791	-96,662	-39,871	24,791	-19,715	5,076	-78	-2,597	2,813	-34,657	-2,967	-37,624
II.....	59,864	-99,416	-39,552	22,429	-20,737	1,692	-179	-2,516	2,828	-37,727	-3,125	-40,852
III.....	64,902	-104,567	-39,665	23,289	-22,222	1,067	-851	-2,521	2,983	-38,987	-2,980	-41,967
IV.....	68,013	-109,205	-41,192	33,248	-20,709	12,539	-1,261	-2,648	3,412	-29,150	-4,373	-33,523
1988: I <sup>p</sup> .....	75,300	-110,484	-35,184	25,114	-25,709	-595	-899	-2,383	3,222	-36,600	-3,151	-39,751
II <sup>p</sup> .....	79,665	-109,602	-29,937									

<sup>1</sup> Excludes military.

<sup>2</sup> Adjusted from Census data for differences in timing and coverage.

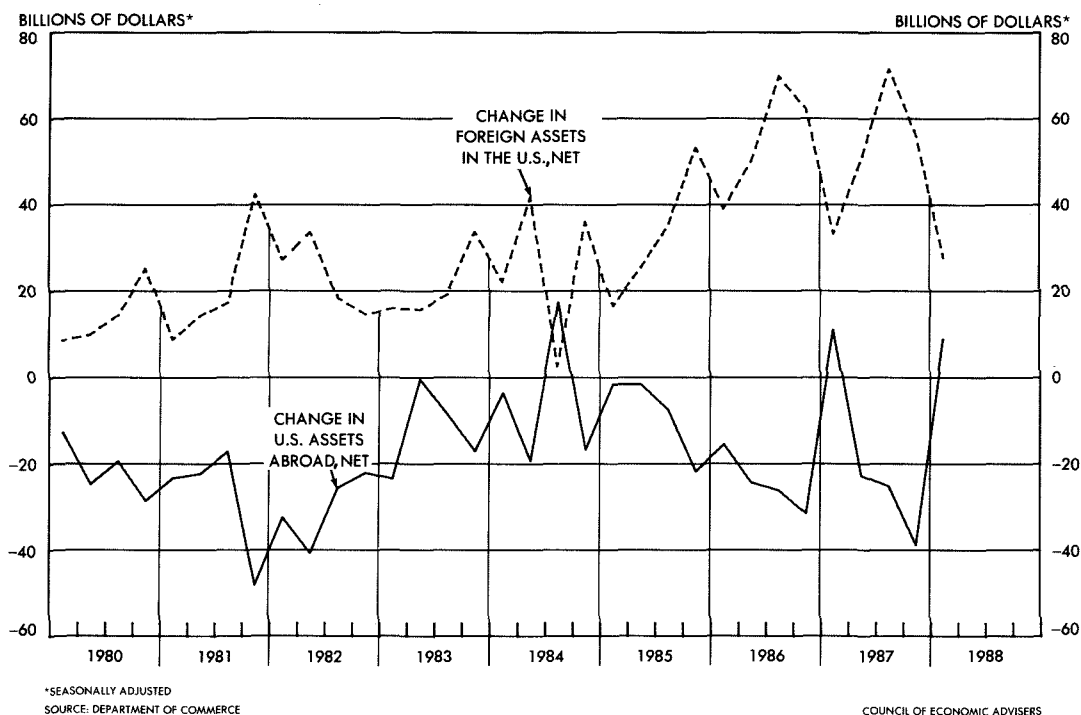
<sup>3</sup> Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the

United States are excluded from investment income and included in other services, net.

Source: Department of Commerce, Bureau of Economic Analysis.

## U.S. INTERNATIONAL TRANSACTIONS—Continued

In the capital accounts, claims on foreigners reported by U.S. banks decreased \$17.4 billion in the first quarter of 1988, compared with an increase of \$23.5 billion in the fourth quarter of 1987. Liabilities to foreigners and international financial institutions reported by U.S. banks, excluding Treasury securities, decreased \$16.0 billion in the first quarter, compared with an increase of \$29.8 billion in the fourth quarter.



[Millions of dollars; quarterly data seasonally adjusted, except as noted]

Period	U.S. assets abroad, net [increase/capital outflow (-)]				Foreign assets in the U.S., net [increase/capital inflow (+)] <sup>2</sup>			Allocations of special drawing rights (SDRs)	Statistical discrepancy		U.S. official reserve assets, net <sup>1</sup> (unadjusted, end of period)
	Total	U.S. official reserve assets <sup>1,2</sup>	Other U.S. Government assets	U.S. private assets	Total	Foreign official assets	Other foreign assets		Total (sum of the items with sign reversed)	Of which: Seasonal adjustment discrepancy	
1980.....	-86,118	-8,155	-5,162	-72,802	58,112	15,497	42,615	1,152	24,982	.....	26,756
1981.....	-110,951	-5,175	-5,097	-100,679	83,032	4,960	78,072	1,093	19,942	.....	30,074
1982.....	-121,153	-4,965	-6,131	-110,058	93,746	3,593	90,154	.....	36,085	.....	33,958
1983.....	-49,777	-1,196	-5,006	-43,576	84,869	5,845	79,023	.....	11,154	.....	33,747
1984.....	-22,304	-3,131	-5,489	-13,685	102,631	3,140	99,481	.....	26,760	.....	34,934
1985.....	-32,636	-3,858	-2,829	-25,950	129,900	-1,196	131,096	.....	17,839	.....	43,186
1986.....	-97,991	312	-2,000	-96,303	221,253	35,507	185,746	.....	15,566	.....	48,511
1987.....	-75,987	9,149	1,162	-86,297	211,490	44,968	166,522	.....	18,461	.....	45,798
1985: I.....	-1,620	-233	-769	-618	16,491	-10,992	27,484	.....	11,948	2,533	35,493
II.....	-1,623	-356	-1,054	-213	25,073	8,477	16,596	.....	5,217	-2,115	36,088
III.....	-7,593	-121	-454	-7,018	35,044	2,450	32,594	.....	103	-3,981	38,295
IV.....	-21,802	-3,148	-553	-18,102	53,292	-1,130	54,422	.....	578	3,569	43,186
1986: I.....	-15,626	-115	-206	-15,305	39,050	2,719	36,331	.....	9,033	3,006	44,919
II.....	-24,515	16	-211	-24,320	50,128	15,838	34,291	.....	8,100	-2,786	46,595
III.....	-26,213	280	-1,592	-24,901	69,884	15,779	54,104	.....	-8,133	-3,876	48,087
IV.....	-31,635	132	10	-31,777	62,192	1,171	61,020	.....	6,565	3,655	48,511
1987: I.....	11,072	1,956	67	9,049	33,100	13,977	19,122	.....	-6,547	4,141	48,824
II.....	-22,878	3,419	-170	-26,127	50,660	10,332	40,327	.....	13,071	-2,615	45,140
III.....	-25,292	32	252	-25,576	71,658	611	71,047	.....	-4,399	-4,658	45,070
IV.....	-38,891	3,741	1,012	-43,645	56,072	20,047	36,025	.....	16,342	3,138	45,798
1988: I <sup>p</sup> .....	8,891	1,503	-780	8,169	27,876	24,372	3,504	.....	2,984	3,925	43,186

<sup>1</sup> Consists of gold, special drawing rights (SDRs), convertible currencies, and the U.S. reserve position in the IMF.

<sup>2</sup> Quarterly data are not seasonally adjusted.

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of the Treasury.

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## General Notes

Detail in these tables may not add to totals because of rounding.  
Unless otherwise noted, all dollar figures are in current dollars.

Symbols used:

<sup>p</sup> Preliminary.

<sup>r</sup> Revised.

<sup>c</sup> Corrected.

... Not available (also, not applicable).

NSA not seasonally adjusted.

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