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SUPPLEMENT

CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the  
Federal Open Market Committee

By the Staff  
Board of Governors  
of the Federal Reserve System

July 17, 1970

## SUPPLEMENTAL NOTES

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### The Domestic Economy

Gross national product.<sup>1/</sup> Preliminary Commerce estimates indicate that GNP increased \$10.6 billion in the second quarter, to an annual rate of \$970.1 billion; this compares with an increase of \$7.8 (revised) in the first quarter. In real terms, GNP was virtually unchanged--up .3 per cent at an annual rate. In the first quarter, according to the revised estimates, real GNP declined at an annual rate of 3.0 per cent, following a .9 per cent rate of decline in the fourth quarter of 1969.

The improved performance in the second quarter was mainly attributable to inventories. Accumulation rose to an annual rate of \$2.6 billion, from \$1.6 billion in the first quarter; in contrast the rate of accumulation had declined substantially in the preceding two quarters. Final purchases in the second quarter rose by \$9.6 billion, the smallest increase in over three years. Business fixed investment was unchanged, as it also had been in the first quarter on the basis of revised data. In constant dollars, such investment has been declining in recent quarters. The rise in State and local government purchases of goods and services was smaller than in the previous quarter.

Personal income and disposable income rose by more than \$19 and \$19.5 billion, respectively, for the most part reflecting special

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<sup>1/</sup> Figures through the second quarter of 1970 are contained in the tables at the end of this Supplement.

factors. Despite these large increases, consumption expenditures rose only a little more than in the two preceding quarters, when income gains were much more moderate, and the saving rate rose sharply to 7.6 per cent, from 6.7 per cent in the first quarter.

The GNP implicit deflator rose at a rate of 4.2 per cent in the second quarter, much less rapid than the 6.4 per cent rate of the first. For private GNP--which excludes the effect of changes in government pay scales--the implicit deflator rose at an annual rate of 4.1 per cent in the second quarter, as compared with 5.3 per cent in the first. The slowing of the rise was mainly due to the changing composition of GNP rather than to deceleration in the rate of inflation.

Personal income declined \$1 billion in June to a seasonally adjusted annual rate of \$798.8 billion, reflecting a decline of \$3.7 billion in government payrolls resulting from the concentration in April and May of the retroactive portion of the Federal pay raise. Wages and salaries rose \$1.8 billion in the private sector in June, following a negligible increase in the previous month and a decline in April. More than \$1 billion of the June advance was in the distributive industries where increased employment and higher pay rates in the transportation industries accounted for most of the gain. Payrolls in manufacturing, recorded a slight rise in June after two months of substantial declines. Higher hourly earnings were responsible for the June increase, as employment dropped sharply and weekly hours were unchanged.

PERSONAL INCOME, 1970  
(Seasonally adjusted, in billions of dollars)

	Change from prior month			
	March	April	May	June
Total personal income	6.1	18.4	-6.2	-1.0
Wages and salaries	3.9	4.9	0.7	-1.9
Government	0.5	6.7	0.5	-3.7
Private	3.4	-1.8	0.2	1.8
Manufacturing	1.3	-1.3	-0.8	0.3
Nonmanufacturing	2.1	-0.5	1.0	1.5
Transfer payments	1.4	13.0	-7.5	0.9
All other	0.8	0.5	0.6	0

Seasonally adjusted private housing starts, which were revised upward by 2 per cent for May, rose more than a tenth further in June to an annual rate of 1.36 million units. This was the highest rate since March and brought the average for the second quarter as a whole to 1.27 million units or slightly above the reduced average in the first quarter of the year.

The advance in June was largely in single-family starts, which until that month had been exceptionally low this year. However, multifamily starts also increased in June. Regionally, only the Northeast showed a month-to-month decline in total starts.

Seasonally adjusted building permits declined only slightly in June after a sharp two-month surge. Mainly reflecting this development, indications are that starts in July may hold near the improved rate reached in June, even allowing for the extreme volatility of the monthly starts series. This suggests the possibility of a third quarter

average at least moderately higher than the 1.33 million rate projected before the June report became available.

PRIVATE HOUSING STARTS AND PERMITS

	June 1970 (Thousands of units) <u>1/</u>	Per cent change from	
		May 1970	June 1969
Starts <sup>2/</sup>	1,358	11	-10
1-family	818	14	- 1
2-or-more-family	540	6	-21
Northeast	171	-8	-30
North Central	288	39	-11
South	585	4	- 2
West	314	22	- 8
Permits	1,302	-1	- 3
1-family	604	-1	- 4
2-or-more-family	698	-3	- 2

1/ Seasonally adjusted annual rates; preliminary.

2/ Apart from starts, mobile home shipments for domestic use in May-- the latest month for which data are available were at a seasonally adjusted annual rate of 363,000 (FRB series), 4 per cent below a year earlier.

The Domestic Financial Situation

Nonbank thrift institutions. Complete sample data confirm that savings and loan association outflows during the recent reinvestment period were extremely small. This promising deposit picture, which was general across the country, suggests that S and L net mortgage lending activity will probably increase in coming months.

SAVINGS AND LOAN ASSOCIATION DEPOSIT FLOWS  
JUNE-JULY REINVESTMENT PERIOD  
(Millions of dollars)

	July 4-10 <sup>1/</sup>	Total reinvestment period <sup>2/</sup>
1966	n.a.	-2,121
1967	n.a.	-593
1968	161	-1,109
1969	65	-1,506
1970	395	-251

<sup>1/</sup> Five business days for all the years shown.

<sup>2/</sup> Includes the last three business days of June and the first ten business days of July.

New York City mutual savings banks continued to exhibit a deposit picture that is not quite as strong as that for S&L's. During the first half of July, these institutions received a net deposit gain that was smaller than in 1966 and 1967, but contrasts with a large net outflow during the comparable period last year.

15 LARGEST NEW YORK CITY SAVINGS BANKS  
NET DEPOSIT FLOWS--FIRST 15 DAYS OF JULY

	In millions of dollars	As per cent of deposits
1966	116	.76
1967	62	.36
1968	10	.05
1969	-132	-.70
1970	17	.09

Mortgage rates. During June, returns on home mortgages remained essentially unchanged, with conventional mortgage rates continuing at the 8.55 per cent level reached last January. Relative to new issues of high-grade corporate bonds, home mortgages again offered no net investment incentive for diversified lenders.

AVERAGE RATES AND YIELDS ON SELECTED NEW-HOME MORTGAGES

	Primary market: Conventional loans		Secondary market: FHA-insured loans		
	Level (per cent)	Yield spread (basis points)	Level (per cent)	Yield spread (basis points)	Discount (points)
<u>1969</u>					
Low	7.55 (Jan.)	-40 (Dec.)	7.85e (Jan.)	-13 (Dec.)	2.8e (Jan.)
High	8.35 (Nov., Dec.)	69 (Feb.)	8.62 (Dec.)	108 (Feb.)	8.7 (Dec.)
<u>1970</u>					
January	8.55	9	9.25e	79e	5.7e
February	8.55	25	9.29	99	6.0
March	8.55	-5	9.20	60	5.3
April	8.55	-5	9.10	50	4.6
May	8.55	-55	9.11	1	4.7
June	8.55	-56	9.16	5	5.0

Note: FHA series; interest rates on conventional first mortgages (excluding additional fees and charges) are rounded to the nearest 5 basis points. On 8-1/2 per cent FHA loans, a change of 1.0 points in discount is associated with a change of 13 to 15 basis points in yield. Gross yield spread is average mortgage return, before deducting servicing fees, minus average yield on new issues of high grade corporate bonds with 5-year call protection. e/ estimated.

Emergency Home Finance Act of 1970. Since the Greenbook was distributed, the House-Senate Conference Committee agreed on a single version of the Emergency Home Finance Act of 1970. In major actions, the House-Senate conferees decided to drop Title VII of the House-passed

version, which would have given the Federal Reserve Board discretionary authority to allow member banks to invest a designated portion of their required reserves in the obligations of housing-oriented Federal agencies. In addition, the conferees voted to increase the annual authorizations under Title V of the Senate version from \$60 to \$105 million, to subsidize the purchase of lower interest rate mortgages for middle-income families.<sup>1/</sup> Finally, the conferees decided to drop the dual interest rate plan of the Senate, and simply extend the authority of Secretary of HUD to set the maximum ceiling rates on FHA and VA mortgages until October 1971.

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<sup>1/</sup> It is our understanding that there will be no funding of this program before October.

INTEREST RATES

	Late 1969		1970	
	Highs	Low	June 22	July 16
<u>Short-Term Rates</u>				
Federal funds (weekly averages)	9.32 (12/11)	7.45 (3/25)	7.80 (6/17)	7.59 (7/15)
3-months				
Treasury bills (bid)	8.08 (12/29)	6.08 (3/24)	6.54	6.38
Bankers' acceptances	9.00 (12/31)	7.13 (3/30)	7.63	7.63
Euro-dollars	11.56 (12/18)	8.00 (4/20)	9.49	8.94
Federal agencies	8.39 (11/20)	6.80 (4/10)	7.26 (6/19)	6.53
Finance paper	8.25 (12/3)	7.25 (4/28)	7.50	7.56
CD's (prime NYC)				
Highest quoted new issue	6.00	6.75	6.75	6.75
Secondary market	9.05 (12/31)	7.19 (4/3)	8.12	8.05
6-month				
Treasury bills (bid)	8.09 (12/29)	6.18 (3/23)	6.83	6.42
Bankers' acceptances	9.00 (12/31)	7.25 (3/30)	7.65 <sup>e/</sup>	7.65 <sup>e/</sup>
Commercial paper (4-6 months)	9.25 (12/31)	7.88 (3/30)	8.25	8.25
Federal agencies	8.58 (11/20)	6.91 (4/17)	7.66 (6/19)	7.14
CD's (prime NYC)				
Highest quoted new issue	6.25	7.00	7.00	7.00
Secondary market	9.15 (12/31)	7.00 (4/1)	8.25	8.05
1-year				
Treasury bills (bid)	7.86 (11/24)	6.20 (4/13)	7.12	6.57
Prime municipals	6.25 (12/12)	3.80 (3/27)	5.40 (6/17)	4.90
<u>Intermediate and Long-Term</u>				
Treasury coupon issues				
5-years	8.33 (12/29)	7.05 (3/25)	7.88	7.48
20-years	7.14 (12/29)	6.55 (2/27)	7.36	6.93
Corporate				
Seasoned Aaa	7.91 (12/31)	7.78 (3/10)	8.58	8.49
Baa	8.91 (12/31)	8.57 (3/10)	9.30	9.38
New Issue Aaa				
No call protection	--	--	--	--
Call protection	8.85 (12/5)	8.20 (2/27)	9.30 (6/17)	8.58
Municipal				
Bond Buyer Index	6.90 (12/19)	5.95 (3/12)	7.03 (6/17)	6.60
Moody's Aaa	6.57 (12/26)	5.75 (3/12)	6.95 (6/17)	6.50
Mortgage--implicit yield				
in FNMA auction <u>1/</u>	8.87 (12/29)	9.04 (4/20)	9.30 (6/15)	9.21 (7/13)

1/ Yield on 6-month forward commitment after allowance for commitment fee and required purchase and holding of FNMA stock. Assumes discount on 30-year loan amortized over 15 years.

e--estimated.

REVISION OF U.S. NATIONAL INCOME AND PRODUCT ACCOUNTS, 1967-1969\*

The annual revision of the national income and product accounts this July does not change appreciably the pattern of over-all economic activity depicted by the earlier figures. According to the revised figures, constant dollar GNP rose at an average annual rate of 3.3 per cent from the end of 1966 to its peak in the third quarter of last year; this is about the same as had been indicated by the former figures. From the third quarter of 1969 to the first quarter of this year real GNP declined at an average annual rate of 1.9 per cent according to the revised estimate--slightly more than the 1.7 per cent decline indicated earlier. The revised GNP implicit price deflator shows virtually the same increases as the earlier figures.

Some comparisons of the revised and former estimates of key expenditure and income items are included in Tables A-1 and A-2. The revised income and product figures regularly carried in the Greenbook, along with the other items on the GNP tables, are shown following Tables A-1 and A-2.

The cumulative effect of the revisions in total GNP in current dollars is negligible--GNP in the fourth quarter of 1968 is revised down by only .1 per cent and by even less in the fourth quarter of 1969. Larger revisions were made in some of the expenditure components in some quarters, but for the most part these revisions are also quite moderate.

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\* Prepared by J. C. G. Peret, Senior Economist, National Income, Labor Force, and Trade Section, Division of Research and Statistics.

Personal income, disposable income and personal taxes are now indicated to be a little higher in the fourth quarter of 1969, although wages and salaries have hardly been modified. The QIV 1969 saving rate is a bit lower than shown earlier.

Corporate profits before tax have been revised down throughout the period and in the fourth quarter of 1969 are \$2.9 billion below the preceding estimate. Corporate profits are now shown to have risen a little more in the first half of 1969 than indicated earlier and to have declined more in the second half.

The revised figures also show smaller quarterly deficits (N.I.A. basis) for Federal government during 1967 and larger deficits in 1968; in 1969 the revised quarterly surpluses are smaller than indicated earlier except for the third quarter. For State and local governments the quarter deficits are generally smaller than indicated earlier.

TABLE A-1

CHANGES IN NATIONAL INCOME AND PRODUCT ESTIMATES  
(Per cent change from year earlier)

	1967-IV		1968-IV		1969-IV	
	Former Est.	Rev. Est.	Former Est.	Rev. Est.	Former Est.	Rev. Est.
Gross national product	5.9	5.9	9.4	9.3	6.7	6.8
Final purchases	7.4	7.3	9.3	9.5	7.1	7.1
Personal consumption expenditure	5.9	5.9	9.6	9.6	7.0	7.6
Gross private domestic investment	-2.3	-2.5	8.6	7.8	5.9	5.7
Residential structures	30.3	30.3	10.8	10.1	-0.9	-4.1
Business fixed investment	1.0	-0.1	7.6	8.9	12.0	12.0
Fed. govt. purchases						
of goods & services	13.9	14.0	9.0	8.9	0.4	0.2
Defense	13.7	13.9	6.3	6.0	-0.1	-0.5
Other	14.5	14.5	19.0	20.1	2.7	2.6
S. and L. govt. purchases goods & services	11.9	11.9	12.8	12.7	10.7	9.1
Personal income	6.8	6.8	10.1	10.2	7.9	8.1
Wage and salary disbursements	7.1	7.1	10.4	10.4	8.9	9.1
Personal tax and nontax payments	8.4	8.7	24.3	23.4	12.1	13.8
Disposable income	6.5	6.5	7.9	8.2	7.1	7.4
Corporate profits before tax	1.4	0.1	12.0	9.6	-3.3	-3.1
Federal government (N.I.A. basis)						
Receipts	6.4	6.7	19.8	18.8	8.5	8.5
Expenditures	11.7	11.7	11.0	10.9	5.0	4.6
GNP in constant dollars	2.3	2.3	5.1	5.0	1.6	1.6
GNP deflator	3.5	3.5	4.0	4.1	5.0	5.0

TABLE A-2

SELECTED NATIONAL INCOME AND PRODUCT ITEMS  
(Dollar figures are billions, seasonally adjusted annual rates)

	Quarter							
	I		II		III		IV	
	For- mer Est.	Rev. Est.	For- mer Est.	Rev. Est.	For- mer Est.	Rev. Est.	For- mer Est.	Rev. Est.
-----1967-----								
Real GNP change, % per year	-0.9	-0.9	2.4	3.0	4.5	4.3	3.2	2.8
Change in nonfarm bus. inventories, \$	9.1	9.5	3.0	4.0	7.0	7.8	8.0	8.5
Personal saving, \$	40.0	39.3	37.7	37.6	40.7	41.3	43.1	43.3
Ratio to DPI, %	7.5	7.4	7.0	7.0	7.4	7.5	7.7	7.7
Government surplus or Deficit (N.I.A.), \$								
Federal	-12.0	-11.6	-13.2	-12.5	-13.4	-13.1	-12.3	-12.3
State & Local	-2.1	-2.0	-2.8	-2.7	-1.3	-0.8	-1.0	-0.7
-----1968-----								
Real GNP change, % per year	5.7	5.8	7.2	6.9	3.9	4.1	3.2	2.7
Change in nonfarm bus. inventories, \$	1.3	2.5	10.3	10.3	7.5	8.1	10.7	9.3
Personal saving, \$	39.9	40.8	42.3	44.5	33.2	36.5	38.0	39.6
Ratio to DPI, %	6.9	7.1	7.2	7.6	5.6	6.1	6.3	6.5
Government surplus or Deficit (N.I.A.), \$								
Federal	-8.4	-9.2	-9.5	-10.5	-2.8	-4.1	-0.1	-1.1
State & local	-3.1	-1.6	-1.3	-0.7	-0.7	-0.4	-0.8	-1.9
-----1969-----								
Real GNP change, % per year	2.5	2.6	2.0	2.2	2.1	2.6	-0.4	-0.9
Change in nonfarm bus. inventories, \$	6.6	7.3	6.7	7.6	10.3	10.8	7.4	6.5
Personal saving, \$	32.5	34.3	33.3	33.3	43.1	42.0	41.7	41.1
Ratio to DPI, %	5.3	5.6	5.3	5.3	6.7	6.5	6.4	6.3
Government surplus or Deficit (N.I.A.), \$								
Federal	10.1	9.5	13.5	13.4	7.7	8.3	6.6	6.1
State & local	-1.8	-1.8	-2.1	-1.5	-0.3	-0.3	1.6	1.0

GROSS NATIONAL PRODUCT AND RELATED ITEMS  
(Quarterly figures are seasonally adjusted. Expenditures and income  
figures are billions of dollars, with quarterly figures at annual rates.)

	1967				1968			
	I	II	III	IV	I	II	III	IV
Gross National Product	774.4	784.5	800.9	815.9	834.9	858.1	875.8	891.4
Final purchases	764.8	780.0	792.2	805.9	832.3	847.8	867.6	882.1
Private	590.6	601.6	610.9	619.4	638.6	649.5	665.5	675.4
Excluding net exports	585.1	595.8	605.3	615.4	636.8	646.1	662.1	674.0
Personal consumption expenditures	480.7	489.6	495.5	502.5	519.7	529.1	543.8	550.8
Durable goods	69.8	73.6	73.7	75.3	79.9	82.6	86.7	86.9
Nondurable goods	213.1	214.2	215.5	217.1	225.6	227.6	232.6	234.8
Services	197.8	201.8	206.3	210.1	214.2	218.9	224.5	229.0
Gross private domestic investment	114.0	110.7	118.6	123.0	119.8	127.3	126.5	132.6
Residential construction	21.6	23.3	26.6	28.8	28.8	30.6	29.9	31.7
Business fixed investment	82.9	82.9	83.3	84.1	88.3	86.4	88.3	91.6
Change in business inventories	9.6	4.5	8.7	10.0	2.6	10.4	8.2	9.3
Nonfarm	9.5	4.0	7.8	8.5	2.5	10.3	8.1	9.3
Net exports of goods and services	5.5	5.8	5.6	4.0	1.8	3.4	3.4	1.4
Gov't. purchases of goods & services	174.2	178.4	181.3	186.5	193.7	198.3	202.1	206.7
Federal	87.7	90.1	91.4	93.6	96.4	98.9	100.7	101.9
Defense	69.9	71.8	73.0	74.7	76.3	77.8	78.6	79.2
Other	17.9	18.3	18.3	18.9	20.1	21.1	22.1	22.7
State & local	86.5	88.2	89.9	92.9	97.2	99.4	101.4	104.7
Gross national product in constant (1958) dollars	666.6	671.6	678.9	683.6	693.5	705.4	712.6	717.5
GNP implicit deflator (1958 = 100)	116.2	116.8	118.0	119.4	120.4	121.7	122.9	124.3
Personal income	614.2	622.1	634.7	646.3	664.0	680.9	697.6	712.5
Wage and salary disbursements	412.3	417.4	426.4	436.2	447.9	458.9	471.0	481.4
Disposable income	533.4	541.3	550.7	559.9	574.9	588.4	595.6	606.0
Personal saving	39.3	37.6	41.3	43.3	40.8	44.5	36.5	39.6
Saving rate (per cent)	7.4	7.0	7.5	7.7	7.1	7.6	6.1	6.5
Corporate profits before tax	78.4	78.8	78.8	83.3	86.7	88.6	88.4	91.3
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	147.7	148.7	151.9	156.5	165.3	170.0	180.1	186.2
Expenditures	159.3	161.2	165.0	168.8	174.5	180.5	184.2	187.2
Surplus or deficit (-)	-11.6	-12.5	-13.1	-12.3	-9.2	-10.5	-4.1	-1.1
High employment surplus or deficit (-)								
Total labor force (millions)	80.2	80.3	81.1	81.7	81.8	82.3	82.4	82.6
Armed forces "	3.4	3.5	3.5	3.5	3.5	3.5	3.6	3.5
Civilian labor force "	76.7	76.9	77.6	78.2	78.3	78.7	78.8	79.1
Unemployment rate (per cent)	3.8	3.9	3.9	3.9	3.7	3.6	3.6	3.4
Nonfarm payroll employment (millions)	65.4	65.6	65.9	66.5	67.1	67.6	68.1	68.8
Manufacturing	19.6	19.4	19.4	19.5	19.6	19.7	19.8	19.9
Industrial production (1957-59=100)	157.2	156.0	157.2	159.7	162.4	164.6	165.8	167.6
Capacity utilization, manufacturing (per cent)	87.1	85.0	84.3	84.8	85.0	85.1	84.2	84.2
Housing starts, private (millions A.R.)	1.12	1.21	1.41	1.47	1.44	1.44	1.53	1.63
Sales new domestic autos (millions, A.R.)	7.16	8.11	7.57	7.44	8.19	8.44	9.01	8.82

CHANGES IN GROSS NATIONAL PRODUCT  
AND RELATED ITEMS

	1967				1968			
	I	II	III	IV	I	II	III	IV
-----In Billions of Dollars-----								
Gross National Product	3.7	10.1	16.4	15.0	19.0	23.2	17.7	15.6
Inventory change	-10.3	-5.1	4.2	1.3	-7.4	7.8	-2.2	1.1
Final purchases	14.0	15.2	12.2	13.7	26.4	15.5	19.3	14.5
Private	5.0	11.0	9.3	8.5	19.2	10.9	16.0	9.9
Excluding net exports	4.4	10.7	9.5	10.1	21.4	9.3	16.0	11.9
Net Exports	0.6	0.3	-0.2	-1.6	-2.2	1.6	0.0	-2.0
Government	9.0	4.2	2.9	5.2	7.2	4.6	3.8	4.6
GNP in constant (1958) dollars	-1.5	5.0	7.3	4.7	9.9	11.9	7.2	4.9
Final purchases	8.0	9.8	3.3	3.8	16.7	4.8	9.3	3.8
Private	1.9	7.3	2.8	2.3	12.5	2.7	9.5	2.1
-----In Per Cent Per Year-----								
Gross National Product	1.9	5.2	8.4	7.5	9.3	11.1	8.2	7.2
Final purchases	7.5	7.9	6.3	6.9	3.3	7.4	9.3	6.7
Private	3.4	7.5	6.2	5.6	12.4	6.8	9.9	6.0
Personal consumption expenditures	5.2	7.4	4.8	5.6	13.7	7.2	11.1	5.1
Durable goods	-11.7	21.8	0.5	8.7	24.4	13.5	19.9	0.9
Nondurable goods	7.6	2.1	2.4	3.0	15.7	3.5	8.8	3.8
Services	8.9	8.1	8.9	7.4	7.8	8.8	10.2	8.0
Gross private domestic investment	-38.7	-11.6	28.5	14.8	-10.4	25.0	-2.5	19.3
Residential construction	-9.0	31.5	56.7	33.1	0.0	25.0	-9.1	24.1
Business fixed investment	-6.2	0.0	1.9	3.8	20.0	-8.6	8.8	14.9
Gov't. purchases of goods & services	21.8	9.6	6.5	11.5	15.4	9.5	7.7	9.1
Federal	27.3	10.9	5.8	9.6	12.0	10.4	7.3	4.8
Defense	26.2	10.9	6.7	9.3	8.6	7.9	4.1	3.1
Other	33.9	8.9	0.0	13.1	25.4	19.9	19.0	10.9
State & local	16.9	7.9	7.7	13.3	18.5	9.1	8.0	13.0
GNP in constant (1958) dollars	-0.9	3.0	4.3	2.8	5.8	6.9	4.1	2.7
Final purchases	4.9	6.0	2.0	2.3	9.9	2.8	5.3	2.2
Private	1.5	5.6	2.1	1.7	9.4	2.0	6.9	1.5
GNP implicit deflator*	2.8	2.2	4.0	4.7	3.5	4.2	4.1	4.4
Personal income	6.1	5.1	8.1	7.3	11.0	10.2	9.8	8.5
Wage and salary disbursements	4.8	4.9	8.6	9.2	10.7	9.8	10.5	8.8
Disposable income	5.9	5.9	6.9	6.7	10.7	9.4	4.9	7.0
Corporate profits before tax	-23.1	2.0	0.0	22.8	16.3	8.8	-0.9	13.1
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	1.9	2.7	8.6	12.1	22.5	11.4	23.8	13.5
Expenditures	21.7	4.8	9.4	9.2	13.5	13.8	8.2	6.5
Nonfarm payroll employment	3.1	1.2	1.8	3.6	3.6	3.0	3.0	4.1
Manufacturing	2.0	-4.1	0.0	2.1	2.0	2.0	2.0	2.2
Industrial production	-5.3	-3.1	3.1	6.4	6.8	5.4	2.9	4.3
Housing starts, private	87.7	32.2	65.9	18.8	-9.5	-0.6	26.2	25.9
Sales new domestic autos	-50.1	53.2	-26.9	-6.8	4.2	12.0	27.1	-8.5

\* Based on unrounded data.

CHANGES IN GROSS NATIONAL PRODUCT  
AND RELATED ITEMS

	1969				1970			
	I	II	III	IV	I	II P/	III	IV
-----In Billions of Dollars-----								
Gross National Product	16.2	16.1	18.9	9.1	7.8	10.6		
Inventory change	-1.9	0.5	3.4	-4.1	-5.6	1.0		
Final purchases	18.1	15.7	15.3	13.3	13.4	9.6		
Private	16.3	14.3	11.1	11.1	10.1	10.9		
Excluding net exports	16.4	14.3	9.8	11.1	9.2	10.6		
Net Exports	-0.1	0.0	1.3	0.0	0.9	0.3		
Government	1.8	1.4	4.2	2.2	3.3	-1.3		
GNP in constant (1958) dollars	4.7	3.9	4.8	-1.7	-5.4	0.5		
Final purchases	7.1	3.3	1.5	2.1	-0.5	-0.7		
Private	7.6	4.9	2.1	2.8	1.1	2.6		
-----In Per Cent Per Year-----								
Gross National Product	7.2	7.1	8.2	3.9	3.3	4.4		
Final purchases	8.2	7.0	6.7	5.7	5.7	4.0		
Private	9.7	8.3	6.3	6.2	5.5	5.9		
Personal consumption expenditures	8.0	8.2	6.1	7.2	7.1	7.4		
Durable goods	10.1	6.7	-4.9	5.8	-7.5	12.1		
Nondurable goods	7.5	8.0	6.7	6.3	10.8	5.1		
Services	7.9	8.9	9.7	8.7	8.6	7.8		
Gross private domestic investment	10.3	9.7	12.9	-10.0	-20.0	1.8		
Residential construction	16.4	10.9	-34.2	-7.7	-17.1	-8.2		
Business fixed investment	17.9	7.5	16.4	4.3	0.0	0.4		
Gov't. purchases of goods & services	3.5	2.7	8.0	4.1	6.1	-2.4		
Federal	-3.9	-4.4	10.8	-1.6	0.8	-10.6		
Defense	-3.0	-3.6	9.8	-5.0	2.5	-11.1		
Other	-5.3	-8.9	14.6	10.6	-5.2	-8.7		
State & local	10.7	9.7	5.4	9.3	11.2	4.4		
GNP in constant (1958) dollars	2.6	2.2	2.6	-0.9	-3.0	0.3		
Final purchases	4.0	1.8	0.8	1.2	-0.4	-0.4		
Private	5.4	3.5	1.5	2.0	0.8	1.8		
GNP implicit deflator*	4.6	4.9	5.5	4.8	6.3	4.1		
Personal income	7.5	8.4	9.2	6.5	6.1	9.8		
Wage and salary disbursements	8.5	9.2	10.7	6.9	5.0	5.9		
Disposable income	4.0	7.2	11.3	6.2	9.0	11.2		
Corporate profits before tax	7.4	1.7	-15.0	-6.2	-26.7	n.a.		
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	23.6	10.7	-3.4	2.4	-12.1	n.a.		
Expenditures	1.1	3.0	7.2	7.1	3.7	26.1		
Nonfarm payroll employment	4.6	3.4	1.7	1.7	1.7	-1.1		
Manufacturing	4.0	2.0	0.0	-2.0	-2.0	-8.0		
Industrial production	6.2	5.6	3.9	-5.5	-2.8	-3.3		
Housing starts, private	3.7	-31.4	-22.7	-20.2	-31.0	5.4		
Sales new domestic autos	-20.4	8.4	16.9	-34.9	-38.1	32.3		

\* Based on unrounded data.

GROSS NATIONAL PRODUCT AND RELATED ITEMS  
(Quarterly figures are seasonally adjusted. Expenditures and income  
figures are billions of dollars, with quarterly figures at annual rates.)

	1969				1970			
	I	II	III	IV	I	IIp	III	IV
Gross National Product	907.6	923.7	942.6	951.7	959.5	970.1		
Final purchases	900.2	915.9	931.2	944.5	957.9	967.5		
Private	691.7	706.0	717.1	728.2	738.3	749.2		
Excluding net exports	690.4	704.7	714.5	725.6	734.8	745.4		
Personal consumption expenditures	561.8	573.3	582.1	592.6	603.1	614.2		
Durable goods	89.1	90.6	89.5	90.8	89.1	91.8		
Nondurable goods	239.2	244.0	248.1	252.0	258.8	262.1		
Services	233.5	238.7	244.5	249.8	255.2	260.2		
Gross private domestic investment	136.0	139.3	143.8	140.2	133.2	133.8		
Residential construction	33.0	33.9	31.0	30.4	29.1	28.5		
Business fixed investment	95.7	97.5	101.5	102.6	102.6	102.7		
Change in business inventories	7.4	7.9	11.3	7.2	1.6	2.6		
Nonfarm	7.3	7.6	10.8	6.5	0.9	2.1		
Net exports of goods and services	1.3	1.3	2.6	2.6	3.5	3.8		
Gov't. purchases of goods & services	208.5	209.9	214.1	216.3	219.6	218.3		
Federal	100.9	99.8	102.5	102.1	102.3	99.6		
Defense	78.6	77.9	79.8	78.8	79.3	77.1		
Other	22.4	21.9	22.7	23.3	23.0	22.5		
State & local	107.5	110.1	111.6	114.2	117.4	118.7		
Gross national product in constant (1958) dollars	722.1	726.1	730.9	729.2	723.8	724.3		
GNP implicit deflator (1958 = 100)	125.7	127.2	129.0	130.5	132.6	133.9		
Personal income	725.8	741.1	758.1	770.5	782.3	801.5		
Wage and salary disbursements	491.6	502.9	516.4	525.3	531.9	539.8		
Disposable income	612.0	623.0	640.6	650.6	665.3	684.0		
Personal saving	34.3	33.3	42.0	41.1	44.8	52.1		
Saving rate (per cent)	5.6	5.3	6.5	6.3	6.7	7.6		
Corporate profits before tax	93.0	93.4	89.9	88.5	82.6	n.a.		
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	197.2	202.5	200.8	202.0	195.9	n.a.		
Expenditures	187.7	189.1	192.5	195.9	197.7	210.6		
Surplus or deficit (-)	9.5	13.4	8.3	6.1	-1.7	n.a.		
High employment surplus or deficit (-)								
Total labor force (millions)	83.6	83.9	84.6	85.0	85.8	85.7		
Armed forces "	3.5	3.5	3.5	3.5	3.3	3.2		
Civilian labor force "	80.1	80.4	81.0	81.5	82.4	82.5		
Unemployment rate (per cent)	3.4	3.5	3.6	3.6	4.1	4.8		
Nonfarm payroll employment (millions)	69.6	70.2	70.5	70.8	71.1	70.9		
Manufacturing	20.1	20.2	20.2	20.1	20.0	19.6		
Industrial production (1957-59=100)	170.2	172.6	174.3	171.9	170.7	169.3		
Capacity utilization, manufacturing (per cent)	84.5	84.5	84.2	81.7	79.8	77.9		
Housing starts, private (millions A. R.)	1.64	1.52	1.43	1.36	1.25	1.27		
Sales new domestic autos (millions, A. R.)	8.37	8.54	8.91	8.13	7.35	7.95		

GROSS NATIONAL PRODUCT AND RELATED ITEMS  
(Expenditures and income figures are billions of dollars.)

	1962	1963	1964	1965	1966	1967	1968	1969
Gross National Product	560.3	590.5	632.4	684.9	749.9	793.9	865.0	931.4
Final purchases	554.3	584.6	626.6	675.3	735.1	785.7	857.4	922.9
Private	437.2	462.1	497.9	538.3	578.3	605.6	657.2	710.7
Excluding net exports	432.1	456.2	489.4	531.4	573.0	600.4	654.7	708.8
Personal consumption expenditures	355.1	375.0	401.2	432.8	466.3	492.1	535.8	577.5
Durable goods	49.5	53.9	59.2	66.3	70.8	73.1	84.0	90.0
Nondurable goods	162.6	168.6	178.7	191.1	206.9	215.0	230.2	245.8
Services	143.0	152.4	163.3	175.5	188.6	204.0	221.6	241.6
Gross private domestic investment	83.0	87.1	94.0	108.1	121.4	116.6	126.5	139.8
Residential construction	25.3	27.0	27.1	27.2	25.0	25.1	30.3	32.0
Business fixed investment	51.7	54.3	61.1	71.3	81.6	83.3	88.7	99.3
Change in business inventories	6.0	5.9	5.8	9.6	14.8	8.2	7.6	8.5
Nonfarm	5.3	5.1	6.4	8.6	15.0	7.5	7.5	8.0
Net exports of goods & services	5.1	5.9	8.5	6.9	5.3	5.2	2.5	1.9
Gov't. purchases of goods & services	117.1	122.5	128.7	137.0	156.8	180.1	200.2	212.2
Federal	63.4	64.2	65.2	66.9	77.8	90.7	99.5	101.3
Defense	51.6	50.8	50.0	50.1	60.7	72.4	78.0	78.8
Other	11.8	13.5	15.2	16.8	17.1	18.4	21.5	22.6
State & local	53.7	58.2	63.5	70.1	79.0	89.4	100.7	110.8
Gross national product in constant (1958) dollars	529.8	551.0	581.1	617.8	658.1	675.2	707.2	727.1
GNP implicit deflator (1958=100)	105.8	107.2	108.8	110.9	113.9	117.6	122.3	128.1
Personal income	442.6	465.5	497.5	538.9	587.2	629.3	688.7	748.9
Wage and salary disbursements	296.1	311.1	333.7	358.9	394.5	423.1	464.8	509.0
Disposable income	385.3	404.6	438.1	473.2	511.9	546.3	591.2	631.6
Personal saving	21.6	19.9	26.2	28.4	32.5	40.4	40.4	37.6
Saving rate (per cent)	5.6	4.9	6.0	6.0	6.4	7.4	6.8	6.0
Corporate profits before tax	55.4	59.4	66.8	77.8	84.2	79.8	88.7	91.2
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	106.5	114.5	115.0	124.7	142.5	151.2	175.4	200.6
Expenditures	110.3	113.9	118.1	123.5	142.8	163.6	181.6	191.3
Surplus or deficit (-)	-3.8	0.6	-3.0	1.2	-0.2	-12.4	-6.2	9.3
High employment surplus or deficit (-)								
Total labor force (millions)	73.4	74.6	75.8	77.2	78.9	80.8	82.3	84.2
Armed forces "	2.8	2.7	2.7	2.7	3.1	3.4	3.5	3.5
Civilian labor force "	70.6	71.8	73.1	74.5	75.8	77.3	78.7	80.7
Unemployment rate (per cent)	5.5	5.7	5.2	4.5	3.8	3.8	3.6	3.5
Nonfarm payroll employment (millions)	55.6	56.7	58.3	60.8	64.0	65.9	67.9	70.3
Manufacturing	16.9	17.0	17.3	18.1	19.2	19.4	19.8	20.2
Industrial production (1957-59=100)	118.3	124.3	132.3	143.4	156.3	158.1	165.5	172.8
Capacity utilization, manufacturing (per cent)	82.1	83.3	85.7	88.5	90.5	85.3	84.6	83.7
Housing starts, private (millions A.R.)	1.46	1.61	1.53	1.47	1.17	1.29	1.51	1.47
Sales new U.S.-made autos (millions, A.R.)	6.75	7.33	7.62	8.76	8.38	7.57	8.62	8.46

CHANGES IN GROSS NATIONAL PRODUCT  
AND RELATED ITEMS

	1962	1963	1964	1965	1966	1967	1968	1969
-----In billions of dollars-----								
Gross National Product	40.2	30.2	41.9	52.5	65.0	44.0	71.1	66.4
Inventory change	4.0	-0.1	-0.1	3.8	5.2	-6.6	-0.6	0.9
Final purchases	36.2	30.3	42.0	48.7	59.8	50.6	71.7	65.5
Private	26.7	24.9	35.8	40.4	40.0	27.3	51.6	53.5
Excluding net exports	27.2	24.1	33.2	42.0	41.6	27.4	54.3	54.1
Net exports	-0.5	0.8	2.6	-1.6	-1.6	-0.1	-2.7	-0.6
Government	9.5	5.4	6.2	8.3	19.8	23.3	20.1	12.0
GNP in constant (1958) dollars	32.6	21.2	30.1	36.7	40.3	17.1	32.0	19.9
Final purchases	28.6	21.4	30.0	33.6	35.4	23.3	32.8	19.6
Private	21.6	19.3	28.4	30.1	23.6	9.6	24.7	20.1
-----In per cent per year-----								
Gross National Product	7.7	5.4	7.1	8.3	9.5	5.9	9.0	7.7
Final purchases	7.0	5.5	7.2	7.8	8.9	6.9	9.1	7.6
Private	6.5	5.7	7.7	8.1	7.4	4.7	8.5	8.1
Personal consumption expenditures	5.9	5.6	7.0	7.9	7.7	5.5	8.9	7.8
Durable goods	12.0	8.9	9.8	12.0	6.8	3.2	14.9	7.1
Nondurable goods	4.3	3.7	6.0	6.9	8.3	3.9	7.1	6.8
Services	5.8	6.6	7.2	7.5	7.5	8.2	8.6	9.0
Gross private domestic investment	15.8	4.9	7.9	15.0	12.3	-4.0	8.5	10.5
Residential construction	11.9	6.7	0.4	0.4	-8.1	0.4	20.7	5.6
Business fixed investment	10.0	5.0	12.5	16.7	14.4	2.1	6.5	12.0
Gov't. purchases of goods & services	8.8	4.6	5.1	6.4	14.5	14.9	11.2	6.0
Federal	10.5	1.3	1.6	2.6	16.3	16.6	9.7	1.8
Defense	7.9	-1.6	-1.6	0.2	21.2	19.3	7.7	1.0
Other	22.9	14.4	12.6	10.5	1.8	7.6	16.8	5.1
State & local	7.0	8.4	9.1	10.4	12.7	13.2	12.6	10.0
GNP in constant (1958) dollars	6.6	4.0	5.5	6.3	6.5	2.6	4.7	2.8
Final purchases	5.8	4.1	5.5	5.8	5.8	3.6	4.9	2.8
Private	5.5	4.6	6.5	6.5	4.8	1.9	4.7	3.6
GNP implicit deflator	1.1	1.3	1.5	1.9	2.7	3.2	4.0	4.7
Personal income	6.2	5.2	6.9	8.3	9.0	7.2	9.4	8.7
Wage and salary disbursements	6.5	5.1	7.3	7.6	9.9	7.2	9.9	9.5
Disposable income	5.7	5.0	8.3	8.0	8.2	6.7	8.2	6.8
Corporate profits before tax	10.1	7.2	12.5	16.5	8.2	-5.2	11.2	2.8
Federal government receipts and expenditures (N.I.A. basis)								
Receipts	8.3	7.5	0.4	8.4	14.3	6.1	16.0	14.4
Expenditures	8.0	3.3	3.7	4.6	15.6	14.6	11.0	5.3
Nonfarm payroll employment	3.0	2.0	2.8	4.3	5.3	3.0	3.0	3.5
Manufacturing	3.7	0.6	1.8	4.6	6.1	1.0	2.1	2.0
Industrial production	7.8	5.1	6.4	8.4	9.0	1.2	4.7	4.4
Housing starts, private	11.4	10.1	-5.0	-3.7	-20.9	10.9	16.7	-2.7
Sales new U.S.-made autos	21.5	8.6	3.9	15.1	-4.4	-9.7	14.0	-1.9