

## **Prefatory Note**

The attached document represents the most complete and accurate version available based on original copies culled from the files of the FOMC Secretariat at the Board of Governors of the Federal Reserve System. This electronic document was created through a comprehensive digitization process which included identifying the best-preserved paper copies, scanning those copies,<sup>1</sup> and then making the scanned versions text-searchable.<sup>2</sup> Though a stringent quality assurance process was employed, some imperfections may remain.

Please note that this document may contain occasional gaps in the text. These gaps are the result of a redaction process that removed information obtained on a confidential basis. All redacted passages are exempt from disclosure under applicable provisions of the Freedom of Information Act.

---

<sup>1</sup> In some cases, original copies needed to be photocopied before being scanned into electronic format. All scanned images were deskewed (to remove the effects of printer- and scanner-introduced tilting) and lightly cleaned (to remove dark spots caused by staple holes, hole punches, and other blemishes caused after initial printing).

<sup>2</sup> A two-step process was used. An advanced optimal character recognition computer program (OCR) first created electronic text from the document image. Where the OCR results were inconclusive, staff checked and corrected the text as necessary. Please note that the numbers and text in charts and tables were not reliably recognized by the OCR process and were not checked or corrected by staff.

CONFIDENTIAL (FR)  
CLASS III - FOMC

October 28, 1988

SUPPLEMENT  
CURRENT ECONOMIC AND FINANCIAL CONDITIONS

Prepared for the  
Federal Open Market Committee

By the Staff  
Board of Governors  
of the Federal Reserve System

## TABLE OF CONTENTS

	Page
<b>THE DOMESTIC NONFINANCIAL ECONOMY</b>	
Comparison of BEA and FRB estimates of third-quarter GNP . . . . .	1
Addendum: Employment cost index chart . . . . .	3
<u>Table</u>	
Real Gross National Product and related items . . . . .	2
<u>Chart</u>	
Employment Cost Indexes . . . . .	4
<b>THE FINANCIAL ECONOMY</b>	
Monetary aggregates and bank credit . . . . .	5
<u>Tables</u>	
Monetary aggregates . . . . .	6
Commercial bank credit and short- and intermediate- term business credit . . . . .	7
Selected financial market quotations . . . . .	8
<b>THE INTERNATIONAL ECONOMY</b>	
Prices of imports and exports . . . . .	9
U.S. merchandise trade . . . . .	11
Erratum: Table on U.S. oil imports . . . . .	13
<u>Tables</u>	
Import and export price measures . . . . .	10
U.S. merchandise trade . . . . .	12
Imports of petroleum and products . . . . .	13

## SUPPLEMENTAL NOTES

---

### DOMESTIC NONFINANCIAL ECONOMY

#### Comparison of BEA and FRB Estimates of Third-Quarter GNP

In its advance report on the third quarter, BEA estimated that real GNP grew at a 2.2 percent annual rate; excluding the effects of the drought, real GNP was up at a 2.8 percent annual pace. These estimates, and those of the inflation measures, were virtually identical to the staff's Greenbook projections. All things considered, the BEA data do not alter the staff's outlook for the economy.

Personal consumption expenditures were \$2.6 billion weaker than in the Greenbook, owing mainly to weaker sales of used cars. Our lower estimate of business fixed investment primarily reflected our anticipation of a negative figure for the oil and gas well drilling component of nonresidential structures as well as different assumptions about net exports of capital goods. In addition, BEA apparently did not fully incorporate the September shipments data into the advance estimate, and at this point, we anticipate a downward adjustment to equipment spending in next month's GNP revision; before that revision, however, more complete data on September shipments will be received. The staff's lower estimate of the increase in real residential construction expenditures was due entirely to a 3.6 percentage point higher estimate of the rate of increase in the residential structures deflator; this price index often is revised substantially after the advance report, and it looks low relative to other indicators of residential construction costs.

## REAL GROSS NATIONAL PRODUCT AND RELATED ITEMS

(Percent change from previous period at compound annual rates;  
based on seasonally adjusted data)

	1986-Q4 to 1987-Q4	1988-Q2	1988-Q3	
		Final	Advance	Oct. GB
1. Gross national product	5.0	3.0	2.2	2.2
1a. Excluding drought effects	5.0	3.9	2.8	2.9
2. Final sales	3.0	6.3	2.4	2.9
2a. Excluding CCC purchases	3.4	6.0	2.1	2.6
3. Consumer spending	1.8	3.0	3.5	3.9
3a. Excluding motor vehicles	2.5	2.3	3.7	3.5
4. Business fixed investment	8.8	15.0	4.6	1.3
4a. Producers' durable equipment	9.6	19.2	5.8	4.5
4b. Structures	6.7	3.3	1.6	-7.3
5. Residential structures	-3.5	.2	1.3	-1.8
6. Federal purchases	2.1	4.7	-6.5	-3.6
6a. Defense	6.0	-1.5	-10.1	-8.5
7. State and local purchases	2.5	3.2	2.5	1.7
8. Exports of goods and services	18.4	9.1	8.4	13.0
9. Imports of goods and services	10.4	-3.7	8.7	8.2
<hr style="border-top: 1px dashed black;"/>				
<i>ADDENDA:</i>				
10. Inventory change *	34.4 **	35.3	33.8	28.6
10a. Nonfarm *	36.9 **	30.1	34.0	32.0
10b. Farm *	-2.5 **	5.3	-3	-3.4
11. Net exports*	-128.9 **	-92.6	-94.9	-88.9
12. Nominal GNP	8.3	8.7	6.4	6.6
13. GNP implicit price deflator	3.1	5.5	4.4	4.4
14. GNP fixed-weight price index	4.0	5.0	4.9	5.0
15. Real disposable personal income	3.0	.0	4.7	1.0
16. Saving rate (percent)	3.2 ⇄	3.7	4.0	3.7

\*Level, billions of constant dollars.

\*\*Annual average.

Nonfarm inventory investment was a bit stronger than estimated in the Greenbook. Although we were looking for a smaller drawdown in stocks at automotive dealers, nonfarm inventory investment excluding autos was \$7.1 billion stronger than expected. We do not view this extra inventory investment as unintended. About half of the additional stockbuilding occurred at the manufacturing level, where inventory-to-sales ratios currently are low, while the remainder was concentrated in the "other" nonfarm category.<sup>1</sup> Increases in stocks at the nonauto retail level, where inventories have been on the high side relative to sales, were a bit smaller than we predicted.

Nonagricultural merchandise exports came in \$6.2 billion weaker than in the October Greenbook and accounted for virtually all of the difference in net exports. At this point in the quarter, the difference mainly reflects alternative assumptions about the September trade deficit. BEA assumes that the deficit will be essentially flat, while the staff is anticipating some improvement.

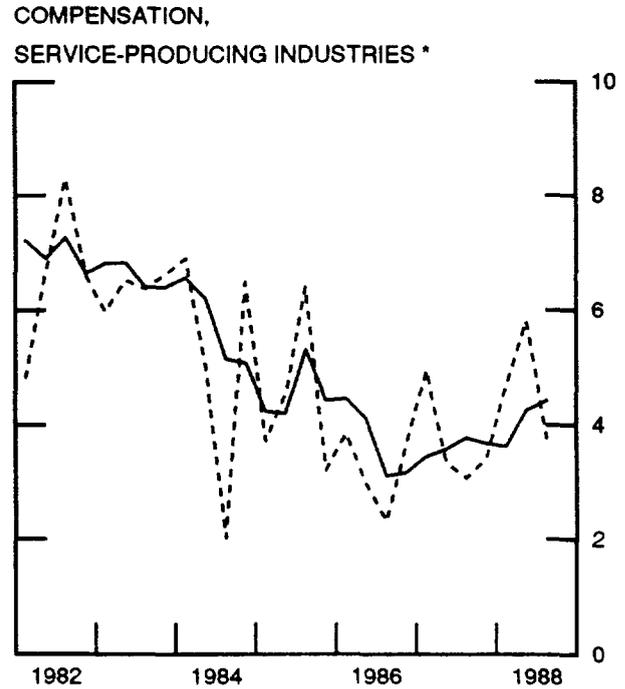
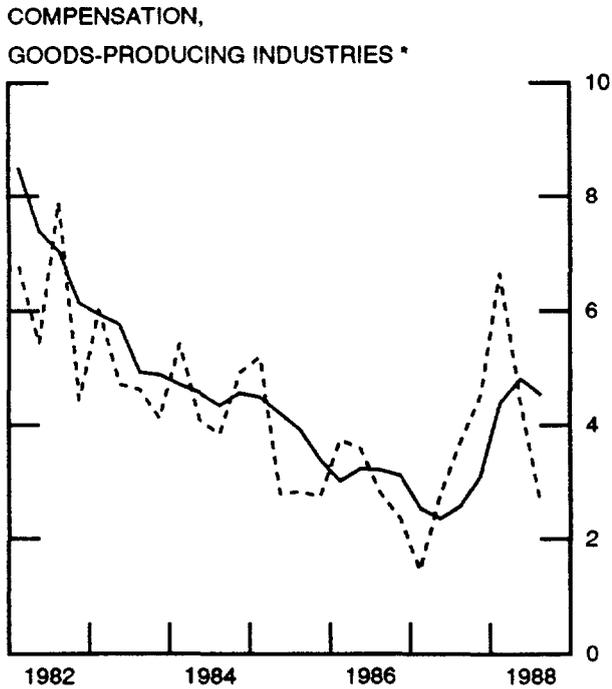
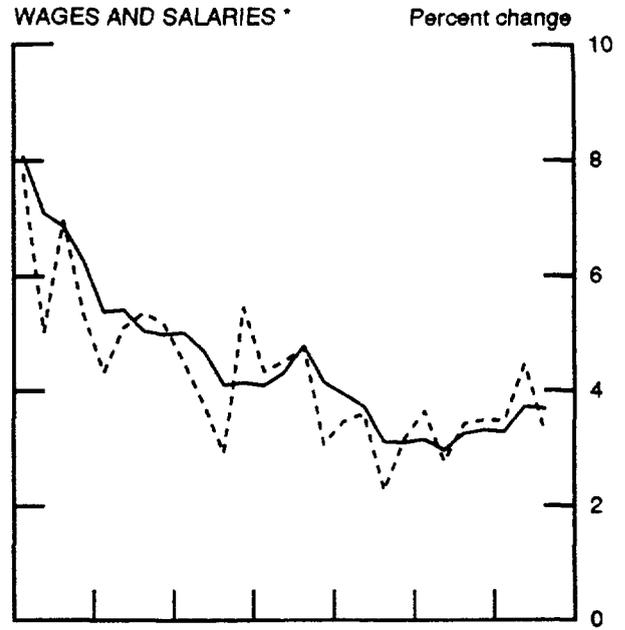
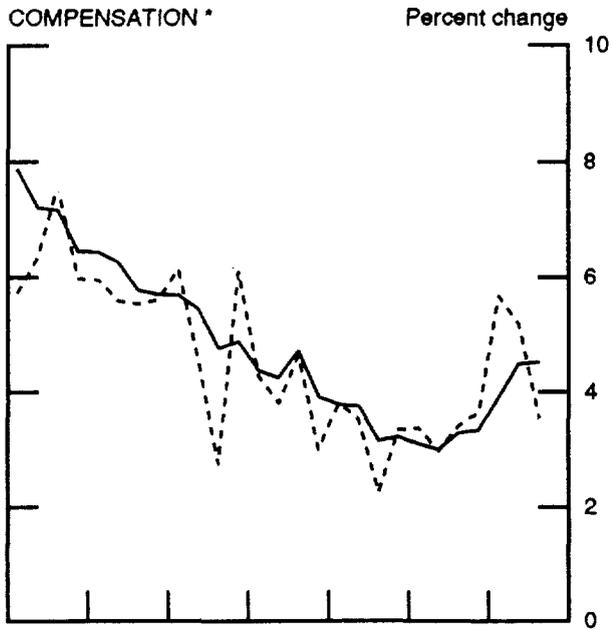
Addendum: Employment Cost Index chart

Attached is a chart on the employment cost index on which the three-month changes as seasonally adjusted by the FRB staff are shown along with the twelve-month changes.

---

1. This category includes stocks held by construction companies, nonmerchant wholesalers, and oil and gas pipelines.

### Employment Cost Indexes Private Industry Workers



\* Solid line represents the 12-month percent change at an annual rate.  
Dashed line is the 3-month percent change, seasonally adjusted by Board staff, at an annual rate.

## THE FINANCIAL ECONOMY

### Monetary Aggregates and Bank Credit

Growth in the narrower monetary aggregates has remained sluggish in October. M1 is estimated to have edged up at a 1 percent annual rate, owing solely to continued growth of currency. Demand deposits were flat and OCDs ran off, reflecting their increasing opportunity costs. M2 is estimated to have expanded at a 2 percent annual rate, a little above its September pace, reflecting the slight pickup in M1 and an acceleration in money market mutual funds and small time deposit growth at commercial banks. Small time deposit growth at thrifts, while in the double digits, continued to lag noticeably behind that at banks. Since the fourth quarter of 1987, M2 has grown at a 5-1/4 percent annual rate, leaving this aggregate in the lower portion of its annual growth range.

M3 growth is estimated to have picked up to a 5 percent annual rate in October, bringing its growth since the fourth quarter to 6-1/4 percent. The October strengthening in M3 primarily reflected a surge in its non-M2 component. Institution-only money market funds expanded at a double-digit pace following several months of declines, as their returns became more favorable relative to those on short-term market instruments, and term RPs reversed their September decline. Large time deposit issuance by both banks and thrift institutions, although slowing somewhat in October, remained strong.

Bank credit growth is estimated to have rebounded to about a 7 percent annual rate in October, primarily reflecting a surge in business lending, although security acquisitions also strengthened somewhat. Consumer loan growth at banks, however, appears to have slowed, though much of the sluggishness apparently reflects extensive securitization activity.

MONETARY AGGREGATES  
(based on seasonally adjusted data unless otherwise noted)

	1987 <sup>1</sup>	1988 Q2	1988 Q3	1988 Aug	1988 Sep	1988 Oct pe	Growth Q4 87- Oct 88pe
-----Percent change at annual rates-----							
1. M1	6.2	6.3	5.2	0.3	-0.2	1	4½
2. M2	4.0	7.7	3.7	2.3	1.2	2	5½
3. M3	5.4	7.6	5.7	3.8	1.6	5	6½
-----Percent change at annual rates-----							Levels bil. \$ Sep 88
<u>Selected components</u>							
4. M1-A	2.8	3.9	3.3	0.7	-0.7	2	504.1
5. Currency	8.7	8.4	7.1	5.2	7.5	5	208.5
6. Demand deposits	-1.0	1.0	0.6	-2.5	-7.0	0	288.3
7. Other checkable deposits	13.6	10.6	9.0	-0.9	0.9	-2	278.3
8. M2 minus M1 <sup>2</sup>	3.3	8.2	3.1	3.1	1.7	2	2252.4
9. Overnight RPs and Eurodollars, NSA	4.1	3.0	-2.5	36.9	-37.3	-20	77.9
10. General purpose and broker/dealer money market mutual fund shares, NSA	5.8	3.3	-3.1	6.3	0.5	2	230.9
11. Commercial banks	2.5	6.8	5.0	3.8	3.9	8	964.7
12. Savings deposits, SA, plus MMDAs, NSA <sup>3</sup>	1.8	3.2	1.2	-3.1	-7.9	-5	543.9
13. Small time deposits	3.5	11.8	10.1	12.6	19.7	24	420.9
14. Thrift institutions	3.5	9.1	2.8	2.8	2.2	1	976.9
15. Savings deposits, SA, plus MMDAs, NSA <sup>3</sup>	0.8	2.3	0.3	-1.8	-10.7	-11	399.9
16. Small time deposits	5.6	14.0	4.6	6.1	11.3	10	577.0
17. M3 minus M2 <sup>4</sup>	11.2	6.9	13.5	9.3	2.9	16	817.3
18. Large time deposits	8.5	7.6	15.7	13.2	20.5	14	523.6
19. At commercial banks, net <sup>5</sup>	11.2	6.7	21.5	20.4	18.7	13	352.4
20. At thrift institutions	3.4	9.3	4.3	-0.7	24.3	17	171.2
21. Institution-only money market mutual fund shares, NSA	3.0	-30.6	-23.3	-11.3	-4.3	11	83.7
22. Term RPs, NSA	32.8	25.1	8.8	-19.5	-16.9	19	119.3
23. Term Eurodollars, NSA	13.8	20.3	41.2	78.1	-15.1	-24	101.8

-----Average monthly change in billions of dollars-----

MEMORANDA:<sup>6</sup>

24. Managed liabilities at commercial banks (25+26)	6.2	7.8	2.3	10.8	-7.7	-3	602.3
25. Large time deposits, gross	3.5	1.5	6.3	6.7	6.1	4	419.5
26. Nondeposit funds	2.7	6.3	-4.0	4.1	-13.8	-7	182.8
27. Net due to related foreign institutions, NSA	2.9	3.9	0.1	7.9	-9.6	-8	9.1
28. Other <sup>7</sup>	-0.2	2.4	-4.1	-3.8	-4.2	1	173.7
29. U.S. government deposits at commercial banks <sup>8</sup>	0.3	-1.0	0.8	-4.4	8.7	7	24.5

1. Amounts shown are from fourth quarter to fourth quarter.
  2. Nontransactions M2 is seasonally adjusted as a whole.
  3. Commercial bank savings deposits excluding MMDAs grew during September and October at rates of -1.9 percent and -6 percent, respectively. At thrift institutions, savings deposits excluding MMDAs grew during September and October at rates of -3 percent and -8 percent, respectively.
  4. The non-M2 component of M3 is seasonally adjusted as a whole.
  5. Net of large denomination time deposits held by money market mutual funds and thrift institutions.
  6. Dollar amounts shown under memoranda are calculated on an end-month-of-quarter basis.
  7. Consists of borrowing from other than commercial banks in the form of federal funds purchased, securities sold under agreements to repurchase, and other liabilities for borrowed money (including borrowing from the Federal Reserve and unaffiliated foreign banks, loan RPs and other minor items). Data are partially estimated.
  8. Consists of Treasury demand deposits and note balances at commercial banks.
- pe - preliminary estimate

COMMERCIAL BANK CREDIT AND SHORT- AND INTERMEDIATE-TERM BUSINESS CREDIT\*  
 (Percentage changes at annual rates, based on seasonally adjusted data)<sup>1</sup>

	1986:Q4	1988					Levels
	to						bil.\$
	1987:Q4	Q2	Q3	August	Sept.	Oct. <sup>P</sup>	Oct. <sup>P</sup>
----- Commercial Bank Credit -----							
1. Total loans and securities at banks	7.9	11.5	4.3	7.2	-.6	7.2	2388.0
2. Securities	5.0	8.3	-.2	4.6	-.4	7.9	550.3
3. U.S. government securities	9.6	12.1	2.2	8.6	6.5	8.5	354.9
4. Other securities	-1.9	1.6	-4.5	-2.4	-12.8	6.8	195.4
5. Total loans	8.9	12.5	5.6	7.9	-.6	7.0	1837.7
6. Business loans	7.0	15.8	3.2	2.2	-4.4	10.2	602.3
7. Security loans	.8	-18.4	-30.5	46.6	-113.7	49.6	37.8
8. Real estate loans	18.8	13.3	12.6	13.9	11.3	12.5	651.4
9. Consumer loans	5.1	8.8	5.5	5.9	7.3	2.8	349.9
10. Other loans	-3.1	13.8	-1.6	2.4	-17.8	-20.4	196.3
----- Short- and Intermediate-Term Business Credit -----							
11. Business loans net of bankers acceptances	7.2	16.1	3.1	1.4	-4.0	10.1	598.6
Loans at foreign branches <sup>2</sup>	-4.1	4.1	26.3	63.2	66.0	17.1	21.4
13. Sum of lines 11 & 12	6.8	15.8	3.8	3.3	-1.8	10.3	620.0
14. Commercial paper issued by nonfinancial firms	-1.6	12.2	-4.8	9.4	-1.3	35.9	93.0
15. Sum of lines 13 & 14	5.7	15.3	2.7	3.9	-1.5	13.6	713.0
16. Bankers acceptances: U.S. trade related <sup>4</sup>	13.3	-9.5	-7.3	-11.0	-3.7	n.a.	32.2 <sup>5</sup>
17. Line 15 plus bankers acceptances: U.S. trade related	6.0	14.1	2.2	3.3	-1.6	n.a.	737.2 <sup>5</sup>
18. Finance company loans to business <sup>3</sup>	19.3	12.1	n.a.	4.8	n.a.	n.a.	223.8 <sup>6</sup>
19. Total short- and intermediate-term business credit (sum of lines 17 & 18)	8.8	13.7	n.a.	3.6	n.a.	n.a.	962.0 <sup>6</sup>

\*Data in this table have been benchmarked to March 1988 commercial bank call reports. The benchmark affects data back to January 1987.

1. Average of Wednesdays.

2. Loans at foreign branches are loans made to U.S. firms by foreign branches of domestically chartered banks.

3. Based on average of data for current and preceding ends of month.

4. Consists of acceptances that finance U.S. imports, U.S. exports, and domestic shipment and storage of goods.

5. September data.

6. August data

n.a.--not available

-- preliminary

SELECTED FINANCIAL MARKET QUOTATIONS 1/  
(percent)

	1987		1988			Change from:
	Jan-Feb lows	2/ Oct 16	Feb lows	FOMC Sept 20	Oct 27	FOMC Sept 20
<b>Short-term rates</b>						
Federal funds 3/	5.95	7.59	6.38	8.15	8.29	0.14
Treasury bills 4/						
3-month	5.30	6.93	5.59	7.20	7.38	0.18
6-month	5.31	7.58	5.77	7.38	7.48	0.10
1-year	5.35	7.74	6.10	7.50	7.51	0.01
Commercial paper						
1-month	5.81	7.94	6.41	8.01	8.15	0.14
3-month	5.73	8.65	6.45	8.08	8.29	0.21
Large negotiable CD's 4/						
1-month	5.85	7.92	6.44	8.06	8.17	0.11
3-month	5.80	8.90	6.49	8.17	8.43	0.26
6-month	5.78	9.12	6.55	8.45	8.52	0.07
Eurodollar deposits 5/						
1-month	6.00	7.79	6.60	8.16	8.25	0.09
3-month	6.00	8.69	6.69	8.27	8.56	0.29
Bank prime rate	7.50	9.25	8.50	10.00	10.00	0.00
<b>Intermediate- and long-term rates</b>						
U.S. Treasury (constant maturity)						
3-year	6.34	9.52	7.28	8.56	8.35	-0.21
10-year	7.01	10.23	8.11	8.97	8.72	-0.25
30-year	7.29	10.24	8.32	9.06	8.84	-0.22
Municipal revenue 6/ (Bond Buyer index)	6.92	9.59	7.76	7.88	7.70	-0.18
Corporate—A utility Recently offered	8.78	11.50	9.63	10.30	10.06	-0.24
Home mortgage rates 7/						
Fixed-rate	9.10	11.58	9.84	10.40	10.28	-0.12
ARM, 1-year	7.52	8.45	7.59	8.12	8.13	0.01
	1986	1987	1988		Percent change from:	
	Year end	Record highs	Lows	FOMC Sept 20	Oct 27	FOMC Sept 20
<b>Stock prices</b>						
Dow-Jones Industrial	1895.95	2722.42	1738.74	2087.48	2140.83	2.56
NYSE Composite	138.58	187.99	125.91	152.44	156.17	2.45
AMEX Composite	263.27	365.01	231.90	298.63	300.64	0.67
NASDAQ (OTC)	348.83	455.26	291.88	384.10	381.77	-0.61

1/ One-day quotes except as noted.

2/ Last business day prior to stock market decline on Monday Oct. 19, 1987.

3/ Average for two-week reserve maintenance period closest to date shown except lows shown which are one-week averages ending Feb. 25 and Feb. 10, respectively. Last observation is average to date for maintenance period ending November 2, 1988.

4/ Secondary market.

5/ Average for statement week closest to date shown.

6/ One-day quotes for Thursday.

7/ Quotes for week ending Friday closest to date shown e—estimate

THE INTERNATIONAL ECONOMY

Prices of Imports and Exports

Prices of non-oil imports (n.s.a.) declined 2.2 percent at an annual rate in the third quarter, according to data released by the Bureau of Labor Statistics on Thursday. The decline was the first quarterly decrease recorded since the depreciation of the dollar began in early 1985, and appears to be associated in part with the appreciation of the dollar that occurred between May and August. The declines were widespread among major trade categories, including imported foods (particularly coffee), capital goods (a wide range of machinery, particularly those categories that had recorded the sharpest increases over the past three years), and consumer goods (everything from footwear and household goods to photographic and optical goods). However, for industrial supplies, declines in prices of imported textile supplies, lumber, nonferrous metals, and agricultural products were offset by increases in the price of imported paper, chemicals, and steel. Declines in the price of passenger cars were more than offset by increases in the price of automotive parts. A notable increase was recorded in the price of imported semiconductors in the third quarter (part of the capital goods category).

There was also a sharp decline in the price of imported oil in the third quarter; over the past four quarters the price of oil declined 21 percent. The rise in prices of exports primarily reflected higher grain prices.

IMPORT AND EXPORT PRICE MEASURES  
(percentage change from previous period, annual rates)

	1987		1988			1988Q3
	Q3	Q4	Q1	Q2	Q3	1987Q3
	- - - - - BLS Prices <sup>1</sup> - - - - -					
<u>Imports, Total</u>	3.3	5.9	4.7	11.0	-4.3	4.2
Oil	3.3	-32.9	-36.7	23.0	-27.0	-21.4
Non-oil	3.5	11.7	10.0	10.1	-2.2	7.3
Food, Feed, Bev.	4.5	11.9	5.8	0	-3.1	3.5
Industrial Supplies	11.0	11.1	14.6	24.8	0	12.3
Capital Goods	-1.0	16.3	6.5	7.6	-6.6	5.7
Computers & Semiconductors	4.2	6.9	0.0	4.5	12.2	5.8
Other Capital Goods	-1.9	16.8	8.0	7.8	-7.0	6.0
Autos and Parts	0.0	7.6	10.7	7.0	0.3	6.3
Consumer Goods	4.5	11.3	9.6	6.9	-4.7	5.7
<u>Exports, Total</u>	2.4	8.4	6.2	11.7	8.2	8.7
Agricultural	-16.1	32.8	3.3	63.7	68.5	39.5
Nonagricultural	3.9	6.3	5.8	7.6	3.3	5.7
Industrial Supplies	11.8	10.3	8.9	15.2	1.2	8.8
Capital Goods	0.8	1.2	4.8	3.6	2.4	3.0
Computers & Semiconductors	-1.2	-4.9	1.7	-0.8	1.7	-0.6
Other Capital Goods	1.5	1.5	5.8	4.5	2.2	3.5
Autos and Parts	1.6	1.9	-0.8	2.0	2.0	1.3
Consumer Goods	2.3	4.2	8.0	2.0	2.4	4.1
	- - - - - Prices in the GNP Accounts - - - - -					
<u>Fixed-Weighted</u>						
Exports, Total	3.7	3.3	8.7	8.1	12.1	8.0
Imports, Total	7.4	4.7	3.3	6.2	1.6	4.0
Imports, Non-oil	6.0	8.7	12.8	7.5	4.8	8.4
<u>Deflators</u>						
Exports, Total	-0.7	0.1	2.6	9.1	8.0	4.9
Imports, Total	-3.2	5.2	1.6	1.4	0.9	2.2
Imports, Non-oil	-0.0	3.8	8.1	4.1	1.8	4.4

1. Not seasonally adjusted, surveyed last month of each quarter.

Other measures of prices of U.S. exports and imports--the implicit deflators and fixed-weight price indexes reported in the GNP accounts--showed an upward movement in prices of exports in the third quarter that was similar to that shown in the BLS Series, but there were substantially different movements in non-oil import prices (see the bottom half of the table). The GNP fixed-weight measure for non-oil imports shows an increase of 4.8 percent while the BLS measure reports a decline of 2.2 percent. Much of the difference will be eliminated when BLS data are incorporated in the GNP accounts. However, the GNP data also differ from BLS data for definitional reasons: the two measures incorporate different treatment of prices of agricultural products, industrial supplies, aircraft exports, and especially computers. After revisions take into account the new BLS data, the GNP price measures are likely to show a small decline in overall prices of non-oil imports (perhaps a decline of about 1-1/2 percent at an annual rate); this would be a slightly smaller decline than in the BLS data.

#### U.S. Merchandise Trade

Data on prices of exports and imports released after the Greenbook permit a breakdown of trade value into prices and quantities. For the combined July-August period, the trade deficit was not substantially different from that recorded for the second quarter in both nominal and constant 1982 dollars. These data, at a seasonally adjusted annual rate and on a balance-of-payments basis, are shown in the table on the next page.

In constant dollars, nonagricultural exports in the July-August period were only marginally higher than in the second quarter. The decline in the quantity of agricultural exports importantly reflected a drop in shipments

of grain to the Soviet Union from strong second-quarter levels, as well as a decline in exports of soybeans. As discussed in the Greenbook, the increased volume of oil imports in the July-August period mostly reflected increased imports of gasoline in August. Using the deflator for non-oil imports for 1988-Q3 published in the GNP accounts (shown in the table), the

U.S. MERCHANDISE TRADE  
(Billions of dollars, annual rates, BOP basis, seasonally adjusted)

	Exports			Imports			Balance
	Total	Ag.	Nonag.	Total	Oil	Non-oil	
- - - - - Current Dollars - - - - -							
1985	216	30	186	338	50	288	-122
1986	224	27	197	369	34	335	-144
1987	250	30	220	410	43	367	-160
1987-1	227	26	201	387	35	352	-159
-2	239	28	211	398	40	357	-158
-3	260	33	226	418	51	367	-159
-4	272	31	242	437	45	392	-165
1988-1	301	36	265	442	40	402	-141
2*	318	39	280	439	41	398	-121
J/A*	223	40	283	441	40	401	-118
- - - - - Constant 1982 Dollars - - - - -							
1987-1	249	31	218	417	70	347	-168
-2	263	34	230	421	72	349	-158
-3	286	40	246	446	88	358	-160
-4	299	35	264	460	81	379	-161
1988-1	329	39	290	463	82	381	-134
2*	341	40	301	459	85	373	-118
J/A*	339	36	303	460	88	372	-121

\*/ FR staff estimates; includes unpublished revisions to data.

quantity of non-oil imports in July-August was not substantially different from imports in the second quarter; if revised (lower) prices were used, the quantity of non-oil imports would show an increase of about 1 percent from the second-quarter level.

Erratum: U.S. Oil Imports

In the Greenbook, the footnote was missing from the table below.

IMPORTS OF PETROLEUM AND PRODUCTS  
(BOP basis, seasonally adjusted, value at annual rates)

	1987			1988			
	Year	Q3	Q4	Q1	Q2*	Jul-Aug	Aug
Value (Bil. \$)	42.88	51.04	45.15	39.82	41.02	40.39	41.99
Price (\$/BBL)	17.33	18.26	17.46	15.23	15.16	14.49	14.22
Volume (mbd.)	6.78	7.66	7.08	7.14	7.39	7.63	8.07

\*/ FR staff estimates; includes unpublished revisions to data.