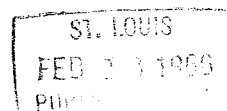


89th Congress, 2nd Session

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# Economic Indicators

**January 1966**



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

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

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To print the monthly publication entitled "Economic Indicators"

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

Approved June 23, 1949.

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# TOTAL OUTPUT, INCOME, AND SPENDING

## THE NATION'S INCOME, EXPENDITURE, AND SAVING

Gross national product rose sharply by \$13 billion in the fourth quarter to a seasonally adjusted annual rate of \$694.6 billion, bringing the annual total to almost \$676 billion. Large fourth quarter gains occurred in all major sectors led by consumer spending, up \$7½ billion, and government purchases, up over \$4 billion.

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

Period	Persons					Government						
	Disposable personal income			Personal consumption expenditures	Personal saving (+) or dis-saving (-)	Net receipts			Expenditures			Surplus (+) or deficit (-) on income and product account
	Total excluding interest and transfers	Total <sup>1</sup>	Interest paid and transfer payments to foreigners			Net receipts	Tax and nontax receipts or accruals	Transfers, interest, and subsidies <sup>2</sup>	Purchases of goods and services	Total expenditures	Transfers, interest, and sub-sidies <sup>2</sup>	
1956-----	287.3	293.2	5.9	266.7	20.6	83.5	109.0	25.5	78.6	104.1	25.5	4.9
1957-----	302.2	308.5	6.3	281.4	20.8	86.8	115.6	28.7	86.1	114.9	28.7	.7
1958-----	312.4	318.8	6.5	290.1	22.3	81.6	114.7	33.0	94.2	127.2	33.0	-12.5
1959-----	330.3	337.3	7.0	311.2	19.1	95.0	128.9	34.0	97.0	131.0	34.0	-2.1
1960-----	342.3	350.0	7.8	325.2	17.0	103.3	139.8	36.5	99.6	136.1	36.5	3.7
1961-----	356.3	364.4	8.1	335.2	21.2	103.3	144.6	41.3	107.6	149.0	41.3	-4.3
1962-----	376.7	385.3	8.6	355.1	21.6	114.2	157.0	42.8	117.1	159.9	42.8	-2.9
1963-----	394.3	403.8	9.6	373.8	20.4	123.8	168.3	44.5	122.6	167.1	44.5	1.2
1964-----	425.2	435.8	10.5	398.9	26.3	125.9	172.7	46.8	128.4	175.1	46.8	-2.4
1965*-----	453.6	465.3	11.7	428.5	25.1	137.2	186.9	49.7	135.0	184.7	49.7	2.3
1964: I-----	412.5	422.6	10.1	389.1	23.3	124.6	171.4	46.7	126.3	173.0	46.7	-1.6
II-----	423.3	433.6	10.4	396.0	27.3	123.2	169.6	46.4	129.7	176.1	46.4	-6.4
III-----	429.6	440.3	10.7	404.6	25.0	126.7	173.5	46.8	128.7	175.5	46.8	-2.1
IV-----	435.4	446.4	11.0	405.9	29.5	129.4	176.5	47.1	128.6	175.7	47.1	.8
1965: I-----	440.2	451.4	11.2	416.9	23.3	136.0	184.8	48.8	131.3	180.1	48.8	4.2
II-----	446.9	458.5	11.6	424.5	22.4	138.4	186.6	48.2	133.5	181.7	48.2	4.9
III-----	459.3	471.2	11.9	432.5	26.8	134.7	186.4	51.7	135.4	187.1	51.7	-1.7
IV*-----	468.1	480.3	12.2	440.1	28.0	-----	-----	50.1	139.6	189.7	50.1	-----

Period	Business			International					Total income or receipts	Statistical discrepancy	Gross national product or expenditure
	Gross retained earnings <sup>3</sup>	Gross private domestic investment <sup>4</sup>	Excess of investment (—)	Transfers to foreigners by persons and Government	Net exports of goods and services			Excess of transfers (+) or of net exports (—) <sup>5</sup>			
					Net exports	Ex-ports	Im-ports				
1956	47.3	70.0	—22.8	2.4	4.0	23.6	19.6	—1.6	420.4	—1.1	419.2
1957	49.8	67.8	—18.1	2.3	5.7	26.5	20.8	—3.4	441.1	( <sup>9</sup> )	441.1
1958	49.4	60.9	—11.5	2.3	2.2	23.1	20.9	.1	445.8	1.6	447.3
1959	56.8	75.3	—18.5	2.4	.1	23.5	23.3	2.3	484.5	— .8	483.6
1960	56.8	74.8	—18.0	2.3	4.1	27.2	23.2	—1.7	504.8	—1.0	503.8
1961	58.7	71.7	—13.0	2.6	5.6	28.6	22.9	—3.1	520.8	— .7	520.1
1962	66.3	83.0	—16.8	2.7	5.1	30.3	25.1	—2.5	559.8	.5	560.3
1963	69.1	86.9	—17.8	2.8	5.9	32.4	26.4	—3.2	589.9	— .7	589.2
1964	75.4	92.9	—17.5	2.7	8.6	37.0	28.5	—5.8	629.2	— .5	628.7
1965*	82.8	104.9	—22.1	2.8	7.2	39.2	32.0	—4.4	676.4	— .8	675.6
1964: I	74.2	89.7	—15.5	2.7	8.8	36.3	27.5	—6.1	614.0	( <sup>9</sup> )	614.0
II	75.2	90.9	—15.7	2.9	7.7	36.0	28.2	—4.8	624.5	— .3	624.2
III	76.5	92.6	—16.1	2.7	8.8	37.3	28.5	—6.1	635.4	— .7	634.8
IV	75.8	97.7	—21.9	2.7	8.9	38.4	29.5	—6.2	643.3	—2.2	641.1
1965: I	82.0	103.4	—21.4	2.6	6.0	34.7	28.6	—3.4	660.7	—3.1	657.6
II	82.0	102.8	—20.8	3.0	8.0	40.4	32.4	—5.0	670.2	—1.4	668.8
III	83.2	106.2	—23.0	2.7	7.4	40.1	32.7	—4.7	680.1	1.4	681.5
IV*		107.5		2.8	7.4	41.4	34.1	—4.6			694.6

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

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

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

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

<sup>5</sup> Net foreign investment with sign changed.

<sup>6</sup> Less than \$50 million.

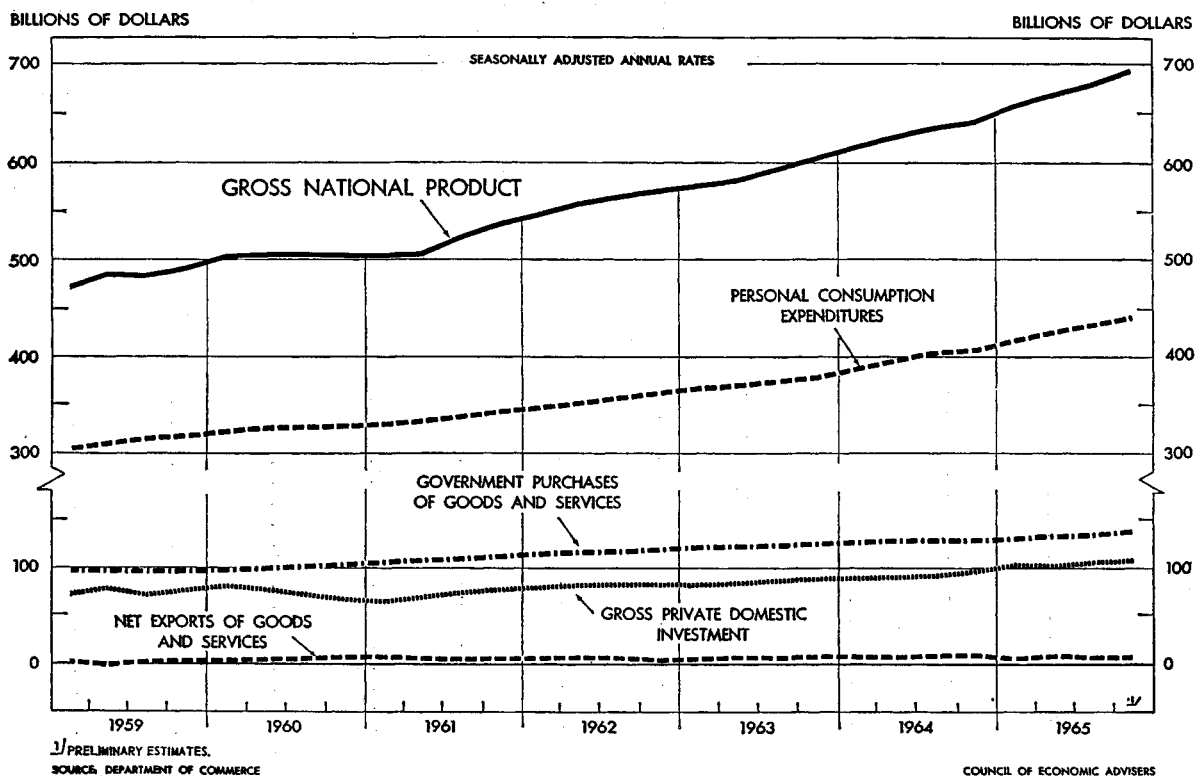
\*Preliminary estimates.

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

Source: Department of Commerce.

# GROSS NATIONAL PRODUCT OR EXPENDITURE

Gross national product on a seasonally adjusted basis increased almost 2 percent in the fourth quarter; after adjustment for price changes, the increase was about 1½ percent.



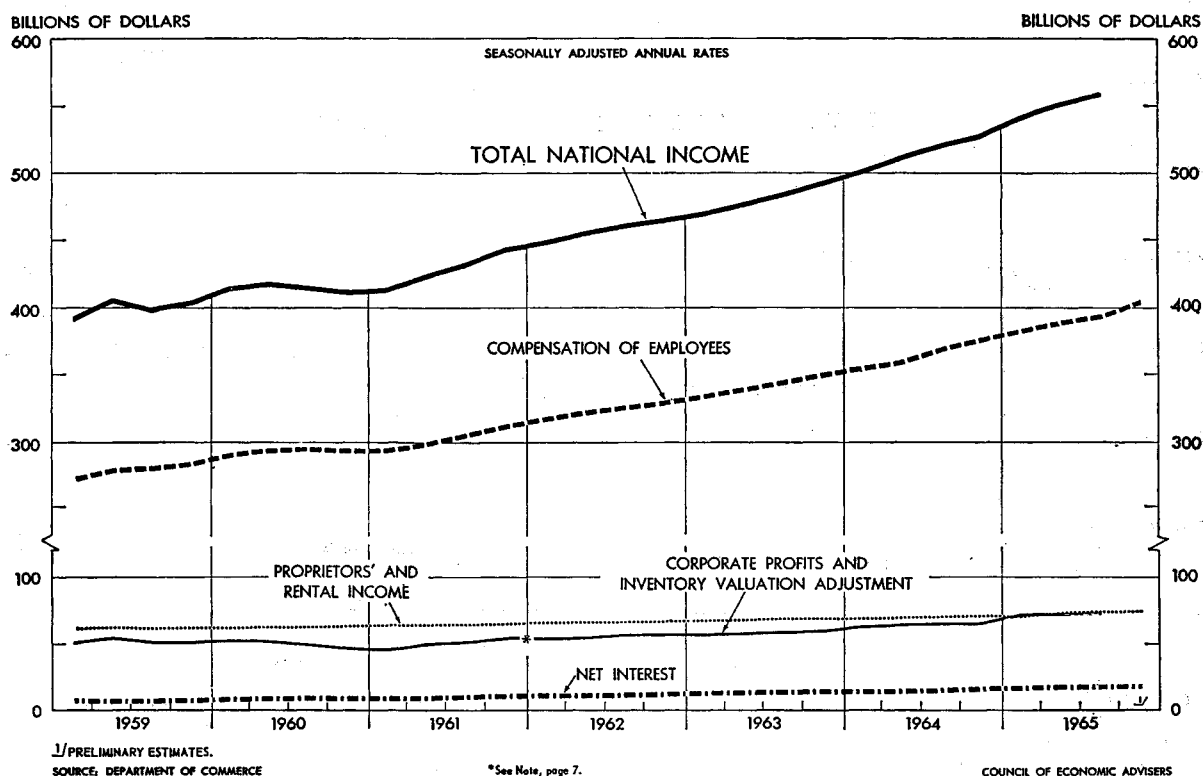
Period	Total gross national product in 1958 prices	Total gross national product	Personal consumption expenditures	Gross private domestic investment	Net exports of goods and services	Government purchases of goods and services				Implicit price deflator for total GNP, 1958=100 <sup>2</sup>
						Total	Federal		State and local	
							Total	National defense <sup>1</sup>	Other	
Billions of dollars; quarterly data at seasonally adjusted annual rates										
1954-----	407.0	364.8	236.5	51.7	1.8	74.8	47.4	41.2	6.2	89.6
1955-----	438.0	398.0	254.4	67.4	2.0	74.2	44.1	38.6	5.5	90.9
1956-----	446.1	419.2	266.7	70.0	4.0	78.6	45.6	40.3	5.3	94.0
1957-----	452.5	441.1	281.4	67.8	5.7	86.1	49.5	44.2	5.3	97.5
1958-----	447.3	447.3	290.1	60.9	2.2	94.2	53.6	45.9	7.7	100.0
1959-----	475.9	483.6	311.2	75.3	.1	97.0	53.7	46.0	7.6	101.6
1960-----	487.8	503.8	325.2	74.8	4.1	99.6	53.5	44.9	8.6	103.3
1961-----	497.3	520.1	335.2	71.7	5.6	107.6	57.4	47.8	9.6	104.6
1962-----	530.0	560.3	355.1	83.0	5.1	117.1	63.4	51.6	11.8	105.7
1963-----	550.0	589.2	373.8	86.9	5.9	122.6	64.4	50.8	13.6	107.1
1964-----	577.6	628.7	398.9	92.9	8.6	128.4	65.3	49.9	15.4	108.9
1965 <sup>3</sup> -----	609.0	675.6	428.5	104.9	7.2	135.0	66.7	49.9	16.8	110.9
1964: I-----	567.1	614.0	389.1	89.7	8.8	126.3	65.0	49.8	15.2	108.3
II-----	575.9	624.2	396.0	90.9	7.7	129.7	67.0	51.7	15.3	108.4
III-----	582.6	634.8	404.6	92.6	8.8	128.7	64.9	49.5	15.4	109.0
IV-----	584.7	641.1	405.9	97.7	8.9	128.6	64.3	48.8	15.5	109.6
1965: I-----	597.7	657.6	416.9	103.4	6.0	131.3	64.9	48.8	16.1	110.0
II-----	603.5	668.8	424.5	102.8	8.0	133.5	65.7	49.2	16.5	110.8
III-----	613.0	681.5	432.5	106.2	7.4	135.4	66.5	49.8	16.7	111.2
IV <sup>3</sup> -----	621.7	694.6	440.1	107.5	7.4	139.6	69.7	52.0	17.7	111.7

<sup>1</sup> This category corresponds closely with budget expenditures for national defense, shown on p. 35.  
<sup>2</sup> Gross national product in current prices divided by gross national product in 1958 prices.

<sup>3</sup> Preliminary estimates.  
NOTE.—Data for Alaska and Hawaii included beginning 1960.  
Source: Department of Commerce.

## NATIONAL INCOME

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



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

Period	Total national income	Compensation of employees <sup>1</sup>	Proprietors' income		Rental income of persons	Net interest	Corporate profits and inventory valuation adjustment <sup>2</sup>		
			Farm <sup>2</sup>	Business and professional			Total	Profits before taxes <sup>3</sup>	Inventory valuation adjustment
1954	303.1	208.0	12.4	27.6	13.6	3.6	38.0	38.3	-0.3
1955	331.0	224.5	11.4	30.3	13.9	4.1	46.9	48.6	-1.7
1956	350.8	243.1	11.4	31.3	14.3	4.6	46.1	48.8	-2.7
1957	366.1	256.0	11.3	32.8	14.8	5.6	45.6	47.2	-1.5
1958	367.8	257.8	13.4	33.2	15.4	6.8	41.1	41.4	-0.3
1959	400.0	279.1	11.4	35.1	15.6	7.1	51.7	52.1	-0.5
1960	414.5	294.2	12.0	34.2	15.8	8.4	49.9	49.7	0.2
1961	427.3	302.6	12.8	35.6	16.0	10.0	50.3	50.3	-0.1
1962	457.7	323.6	13.0	37.1	16.7	11.6	55.7	55.4	0.3
1963	481.1	341.0	13.0	37.8	17.6	13.6	58.1	58.6	-0.4
1964	514.4	365.3	12.0	39.1	18.2	15.2	64.5	64.8	-0.3
1965 <sup>4</sup>	554.6	391.9	14.3	40.3	18.6	16.5	73.1	74.6	-1.5
1964: I	501.6	355.1	11.9	38.5	17.9	14.5	63.6	64.0	-0.4
II	510.5	361.9	12.0	39.0	18.1	15.0	64.5	64.5	( <sup>5</sup> )
III	519.5	369.0	12.0	39.4	18.3	15.4	65.5	65.3	0.2
IV	526.3	375.4	12.2	39.6	18.5	15.7	64.9	65.9	-1.0
1965: I	540.6	382.4	12.0	39.9	18.5	16.1	71.7	73.1	-1.4
II	549.5	387.9	14.5	40.1	18.6	16.4	72.0	73.9	-1.8
III	557.9	393.7	15.0	40.4	18.6	16.7	73.5	74.6	-1.2
IV <sup>4</sup>	( <sup>6</sup> )	403.6	15.5	40.7	18.7	17.1	( <sup>6</sup> )	( <sup>6</sup> )	-1.6

<sup>1</sup> Includes employer contributions for social insurance. (See also p. 4.)

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

<sup>3</sup> See Note, page 7.

<sup>4</sup> Preliminary estimates.

<sup>5</sup> Less than \$50 million.

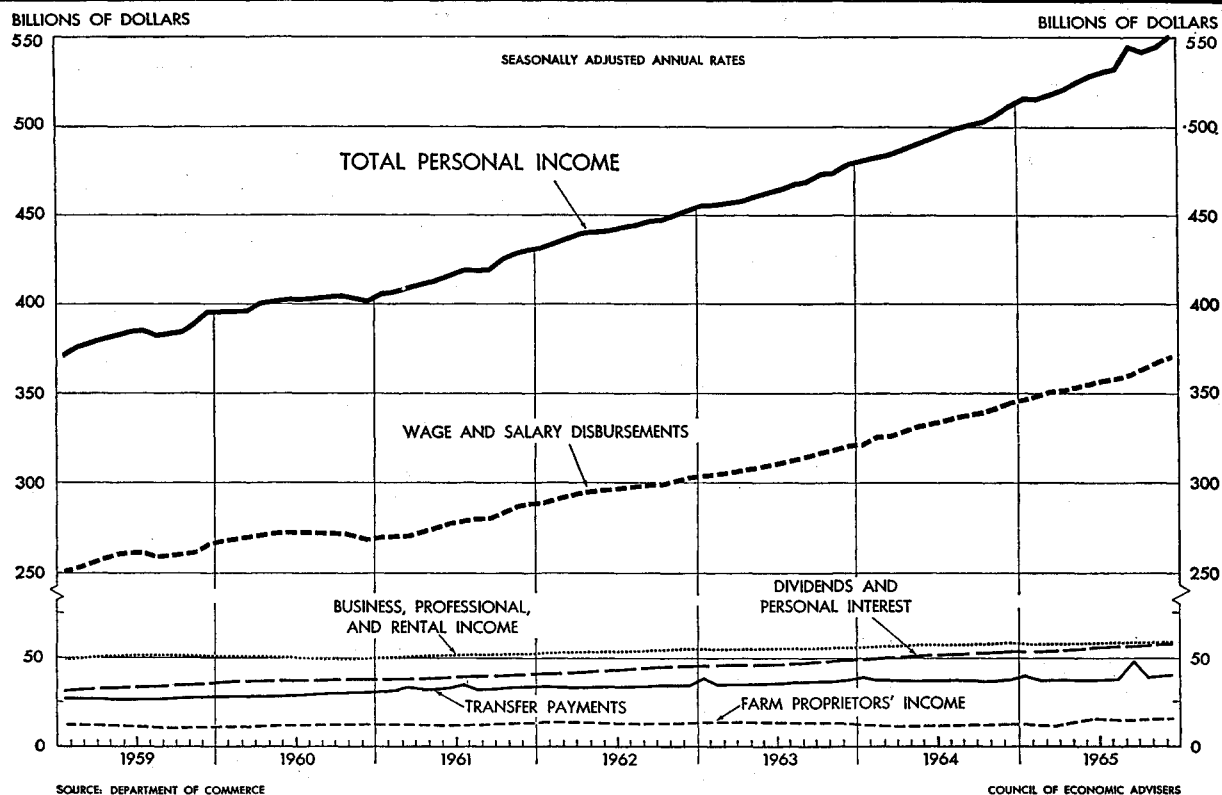
<sup>6</sup> Not available.

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

Source: Department of Commerce.

## SOURCES OF PERSONAL INCOME

In December, personal income rose sharply by \$4½ billion to a seasonally adjusted annual rate of \$550½ billion. Wages and salaries contributed \$3 billion to the rise and nonwage components, \$1½ billion.



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

Period	Total personal income	Wage and salary disbursements <sup>1</sup>	Other labor income <sup>2</sup>	Proprietors' income		Rental income of persons	Dividends	Personal interest income	Transfer payments	Less: Personal contributions for social insurance	Nonagricultural personal income <sup>3</sup>
				Farm	Business and professional						
1957.....	351.1	238.7	9.5	11.3	32.8	14.8	11.7	17.6	21.4	6.7	336.6
1958.....	361.2	239.9	9.9	13.4	33.2	15.4	11.6	18.9	25.7	6.9	344.3
1959.....	383.5	258.2	11.3	11.4	35.1	15.6	12.6	20.7	26.6	7.9	368.5
1960.....	401.0	270.8	12.0	12.0	34.2	15.8	13.4	23.4	28.5	9.3	385.2
1961.....	416.8	278.1	12.7	12.8	35.6	16.0	13.8	25.0	32.4	9.6	400.0
1962.....	442.6	296.1	13.9	13.0	37.1	16.7	15.2	27.7	33.3	10.3	425.5
1963.....	464.8	311.2	14.8	13.0	37.8	17.6	15.8	31.1	35.2	11.8	447.4
1964.....	495.0	333.5	16.5	12.0	39.1	18.2	17.2	34.3	36.6	12.4	478.7
1965 <sup>4</sup> .....	530.7	357.4	18.2	14.3	40.3	18.6	18.9	37.1	39.2	13.2	512.1
1964: Nov.....	506.6	342.6	17.1	12.2	39.6	18.5	17.7	35.2	36.5	12.7	490.4
Dec.....	512.0	346.2	17.1	12.4	39.9	18.5	18.1	35.5	37.0	12.8	495.3
1965: Jan.....	515.4	346.5	17.4	12.4	39.8	18.5	17.9	35.7	<sup>5</sup> 40.1	12.9	498.7
Feb.....	515.2	348.9	17.5	12.0	39.9	18.5	18.0	36.0	37.4	12.9	499.0
Mar.....	517.8	351.1	17.6	11.7	40.1	18.5	18.0	36.2	37.6	13.0	502.2
Apr.....	520.5	351.5	18.0	12.9	40.0	18.6	18.2	36.5	37.8	12.9	503.2
May.....	525.0	353.9	18.1	14.7	40.1	18.6	18.5	36.7	37.4	13.0	505.8
June.....	528.5	355.4	18.2	15.9	40.1	18.6	19.1	37.0	37.2	13.1	508.2
July.....	530.4	357.4	18.3	15.2	40.3	18.6	19.0	37.2	37.6	13.2	510.8
Aug.....	532.1	358.8	18.4	14.9	40.4	18.6	19.2	37.5	37.7	13.3	512.9
Sept.....	545.4	360.8	18.4	14.9	40.5	18.6	19.5	37.7	*48.4	13.4	526.2
Oct.....	541.3	364.7	18.6	15.3	40.6	18.7	19.7	37.9	39.3	13.5	521.7
Nov.....	546.1	368.3	18.9	15.5	40.7	18.7	19.9	38.2	39.6	13.6	526.3
Dec <sup>4</sup> .....	550.5	371.2	19.0	15.7	40.8	18.7	20.2	38.5	40.2	13.7	530.4

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

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

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

<sup>4</sup> Preliminary estimates.

<sup>5</sup> Reflects stepped-up payments for veterans' insurance dividends.

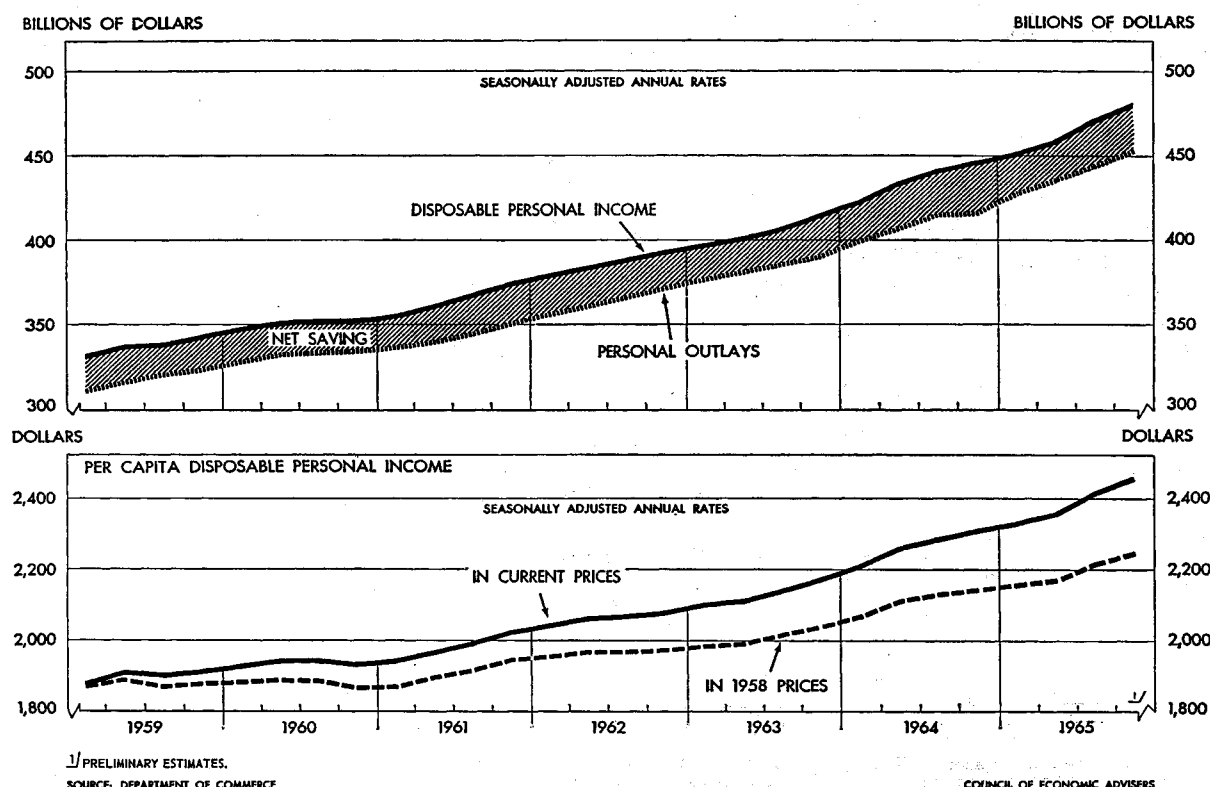
\* Includes retroactive social security benefits of \$885 million or \$10.6 billion at annual rate.

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

Source: Department of Commerce.

# DISPOSITION OF PERSONAL INCOME

Despite a drop in transfer payments, disposable personal income in the fourth quarter of 1965 pushed ahead by a strong \$9 billion (seasonally adjusted annual rate). With an \$8 billion increase in personal outlays, the saving rate went from 5.7 to 5.8 percent.



Period	Personal income	Less: Personal taxes	Equals: Disposable personal income	Less: Personal outlays					Equals: Personal saving	Per capita disposable personal income		Saving as percent of disposable personal income (percent)	Population (thousands)
				Total personal outlays <sup>1</sup>	Personal consumption expenditures <sup>2</sup>			Current prices		1958 prices			
					Durable goods	Non-durable goods	Services						
	Billions of dollars									Dollars			
1955-----	310.9	35.5	275.3	259.5	39.6	123.3	91.4	15.8	1,666	1,795	5.7	165,275	
1956-----	333.0	39.8	293.2	272.6	38.9	129.3	98.5	20.6	1,743	1,839	7.0	168,221	
1957-----	351.1	42.6	308.5	287.8	40.8	135.6	105.0	20.8	1,801	1,844	6.7	171,274	
1958-----	361.2	42.3	318.8	296.5	37.9	140.2	112.0	22.3	1,831	1,831	7.0	174,141	
1959-----	383.5	46.2	337.3	318.2	44.3	146.6	120.3	19.1	1,905	1,881	5.7	177,073	
1960-----	401.0	50.9	350.0	333.0	45.3	151.3	128.7	17.0	1,937	1,883	4.9	180,684	
1961-----	416.8	52.4	364.4	343.2	44.2	155.9	135.1	21.2	1,983	1,909	5.8	183,756	
1962-----	442.6	57.4	385.3	363.7	49.5	162.6	143.0	21.6	2,064	1,969	5.6	186,656	
1963-----	464.8	60.9	403.8	383.4	53.4	168.0	152.3	20.4	2,132	2,009	5.1	189,417	
1964-----	495.0	59.2	435.8	409.5	58.7	177.5	162.6	26.3	2,268	2,116	6.0	192,119	
1965 <sup>3</sup> -----	530.7	65.4	465.3	440.2	64.8	189.0	174.7	25.1	2,391	2,200	5.4	194,583	
	Seasonally adjusted annual rates												
1964: I----	483.0	60.4	422.6	399.3	57.4	173.7	158.0	23.3	2,211	2,070	5.5	191,161	
II-----	490.6	56.9	433.6	406.3	59.1	175.7	161.2	27.3	2,261	2,111	6.3	191,780	
III-----	499.1	58.8	440.3	415.3	60.5	179.8	164.3	25.0	2,288	2,134	5.7	192,478	
IV-----	507.1	60.7	446.4	416.9	57.9	180.9	167.1	29.5	2,311	2,146	6.6	193,182	
1965: I----	516.2	64.8	451.4	428.1	64.6	182.8	169.5	23.3	2,330	2,157	5.2	193,762	
II-----	524.7	66.2	458.5	436.1	63.5	187.9	173.1	22.4	2,360	2,170	4.9	194,298	
III-----	536.0	64.8	471.2	444.4	65.4	190.5	176.7	26.8	2,418	2,218	5.7	194,910	
IV <sup>3</sup> -----	546.0	65.7	480.3	452.3	65.7	194.8	179.6	28.0	2,456	2,247	5.8	195,536	

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

<sup>2</sup> See p. 2 for total personal consumption expenditures.

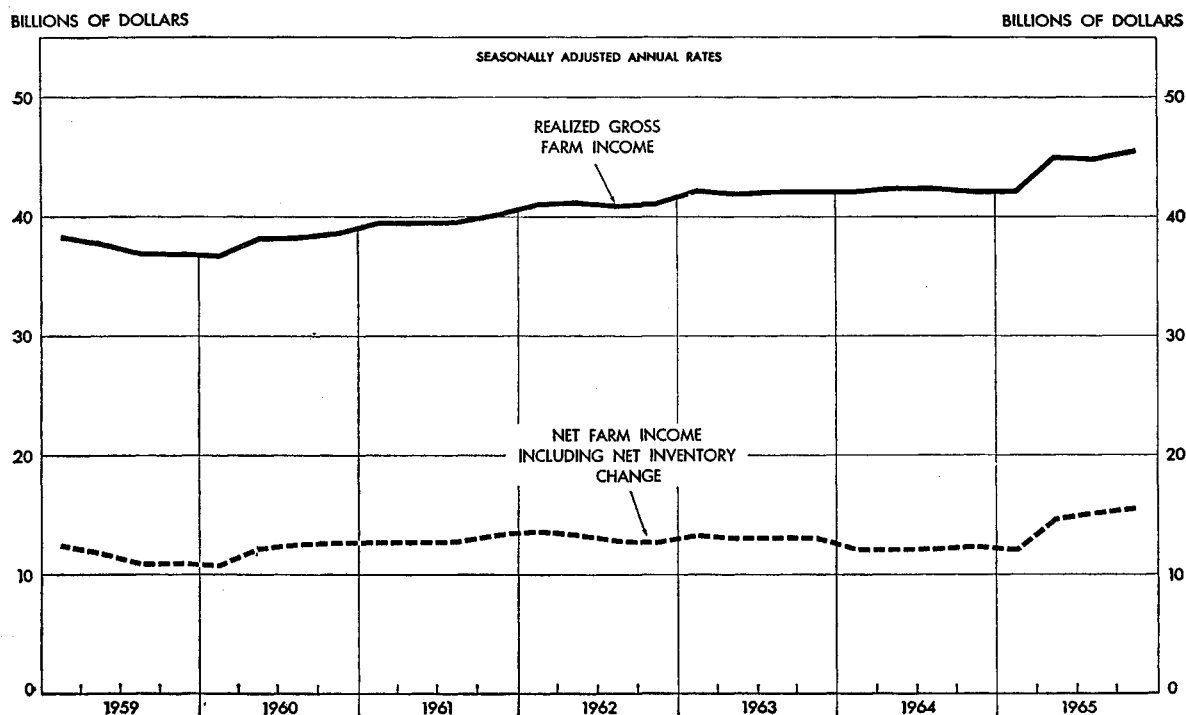
<sup>3</sup> Preliminary estimates.

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

Sources: Department of Commerce and Council of Economic Advisers.

# FARM INCOME

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



SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

Period	Personal income received by total farm population			Income received from farming							
	From all sources	From farm sources	From nonfarm sources	Realized gross		Production expenses	Net to farm operators		Net income per farm including net inventory change		
				Total <sup>1</sup>	Cash receipts from marketings		Excluding net inventory change	Including net inventory change <sup>2</sup>	Current prices	1965 prices <sup>4</sup>	
Billions of dollars									Dollars		
1957	17.7	11.0	6.6	34.0	29.7	23.3	10.7	11.3	2,590	2,786	
1958	19.5	12.8	6.7	37.9	33.5	25.2	12.7	13.5	3,189	3,429	
1959	18.1	11.0	7.0	37.5	33.5	26.1	11.4	11.5	2,795	2,973	
1960	18.7	11.4	7.2	37.9	34.0	26.2	11.7	12.0	3,043	3,203	
1961	19.0	12.1	6.9	39.6	34.9	27.0	12.6	12.9	3,389	3,567	
1962	19.2	12.2	7.0	41.0	36.2	28.5	12.5	13.1	3,562	3,710	
1963	18.7	12.0	6.7	42.1	37.3	29.6	12.5	13.1	3,671	3,785	
1964	17.9	11.1	6.8	42.2	36.9	29.2	12.9	12.1	3,486	3,558	
1965 <sup>5</sup>	20.0	13.2	6.8	44.4	38.9	30.3	14.1	14.4	4,280	4,280	
Seasonally adjusted annual rates											
1964: I				42.1	36.9	29.5	12.6	12.0	3,460	3,530	
II				42.3	37.0	29.3	13.0	12.1	3,480	3,550	
III				42.3	37.0	29.2	13.1	12.1	3,480	3,550	
IV				42.1	36.7	29.0	13.1	12.3	3,540	3,610	
1965: I				42.2	36.7	29.7	12.5	12.1	3,590	3,630	
II				45.0	39.5	30.2	14.8	14.6	4,330	4,330	
III				44.8	39.3	30.3	14.5	15.1	4,480	4,480	
IV <sup>5</sup>				45.5	40.0	31.1	14.4	15.6	4,620	4,620	

<sup>1</sup> Cash receipts from marketings, Government payments, and nonmoney income furnished by farms.

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

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

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

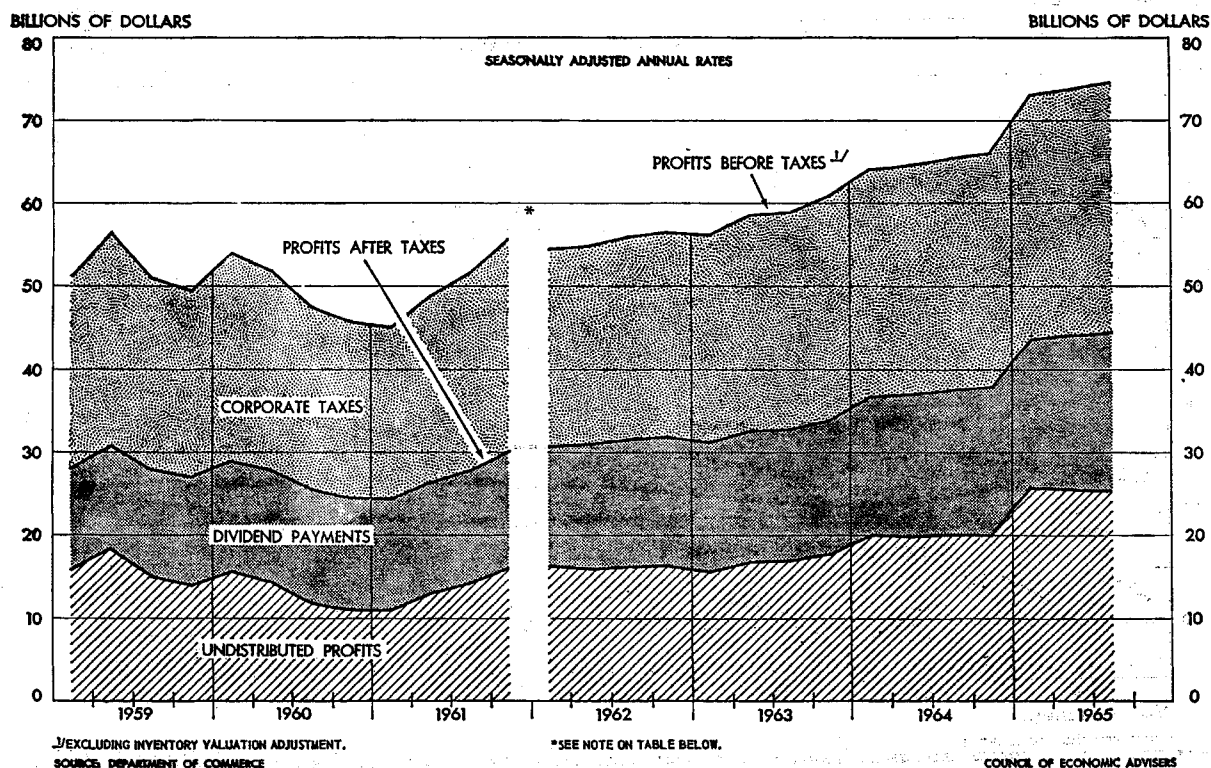
<sup>5</sup> Preliminary estimates.

Source: Department of Agriculture.



## CORPORATE PROFITS

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



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

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

<sup>1</sup> Includes depreciation, capital outlays charged to current account, and accidental damages.

<sup>2</sup> Corporate profits after taxes plus corporate capital consumption allowances.

<sup>3</sup> Preliminary estimates.

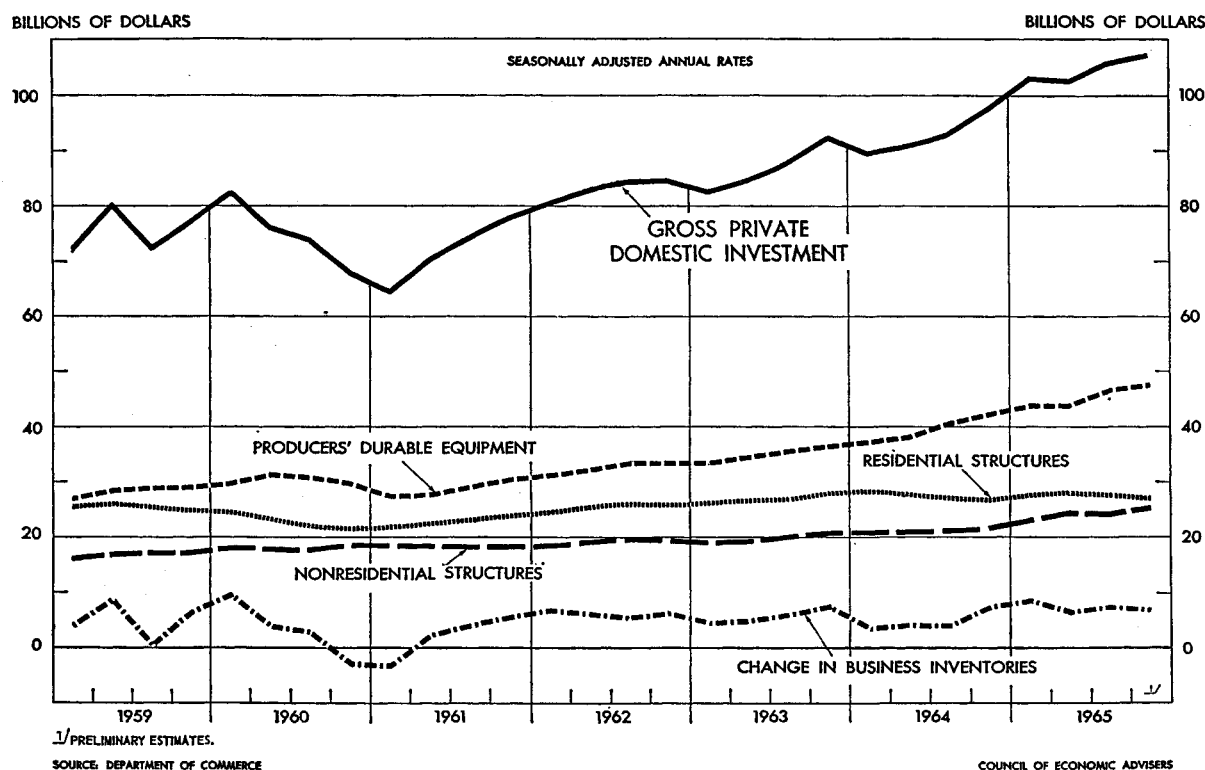
<sup>4</sup> Not available.

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

Source: Department of Commerce.

## GROSS PRIVATE DOMESTIC INVESTMENT

Gross private domestic investment increased by \$1½ billion, seasonally adjusted annual rate, in the fourth quarter. Nonresidential fixed investment grew by a strong \$2½ billion but this was offset by decreases in residential construction and inventory accumulation.



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

Period	Total gross private domestic investment	Fixed investment						Change in business inventories	
		Total	Nonresidential			Residential structures		Total	Non-farm
			Total	Structures	Producers' durable equipment	Total	Non-farm		
1954.....	51.7	53.3	33.6	13.1	20.6	19.7	19.0	-1.5	-2.1
1955.....	67.4	61.4	38.1	14.3	23.8	23.3	22.7	6.0	5.5
1956.....	70.0	65.3	43.7	17.2	26.5	21.6	20.9	4.7	5.1
1957.....	67.8	66.5	46.4	18.0	28.4	20.2	19.5	1.3	.8
1958.....	60.9	62.4	41.6	16.6	25.0	20.8	20.1	-1.5	-2.3
1959.....	75.3	70.5	45.1	16.7	28.4	25.5	24.8	4.8	4.8
1960.....	74.8	71.3	48.4	18.1	30.3	22.8	22.2	3.6	3.3
1961.....	71.7	69.7	47.0	18.4	28.6	22.6	22.0	2.0	1.7
1962.....	83.0	77.0	51.7	19.2	32.5	25.3	24.8	6.0	5.3
1963.....	86.9	81.2	54.3	19.7	34.6	26.9	26.3	5.7	4.9
1964.....	92.9	88.1	60.5	21.1	39.4	27.5	27.0	4.8	5.4
1965 <sup>1</sup> .....	104.9	97.5	69.8	24.3	45.5	27.6	27.1	7.4	7.1
1964: I.....	89.7	86.5	58.1	20.7	37.5	28.4	27.8	3.3	3.6
II.....	90.9	86.8	58.9	21.1	37.9	27.9	27.3	4.1	5.1
III.....	92.6	88.8	61.6	21.1	40.5	27.2	26.6	3.8	4.6
IV.....	97.7	90.2	63.5	21.5	42.0	26.7	26.2	7.5	7.8
1965: I.....	103.4	94.6	66.9	23.2	43.7	27.7	27.1	8.8	9.2
II.....	102.8	96.4	68.4	24.5	43.9	28.0	27.5	6.4	6.6
III.....	106.2	98.6	70.9	24.2	46.7	27.7	27.1	7.6	7.0
IV <sup>1</sup> .....	107.5	100.5	73.2	25.4	47.8	27.2	26.7	7.0	5.8

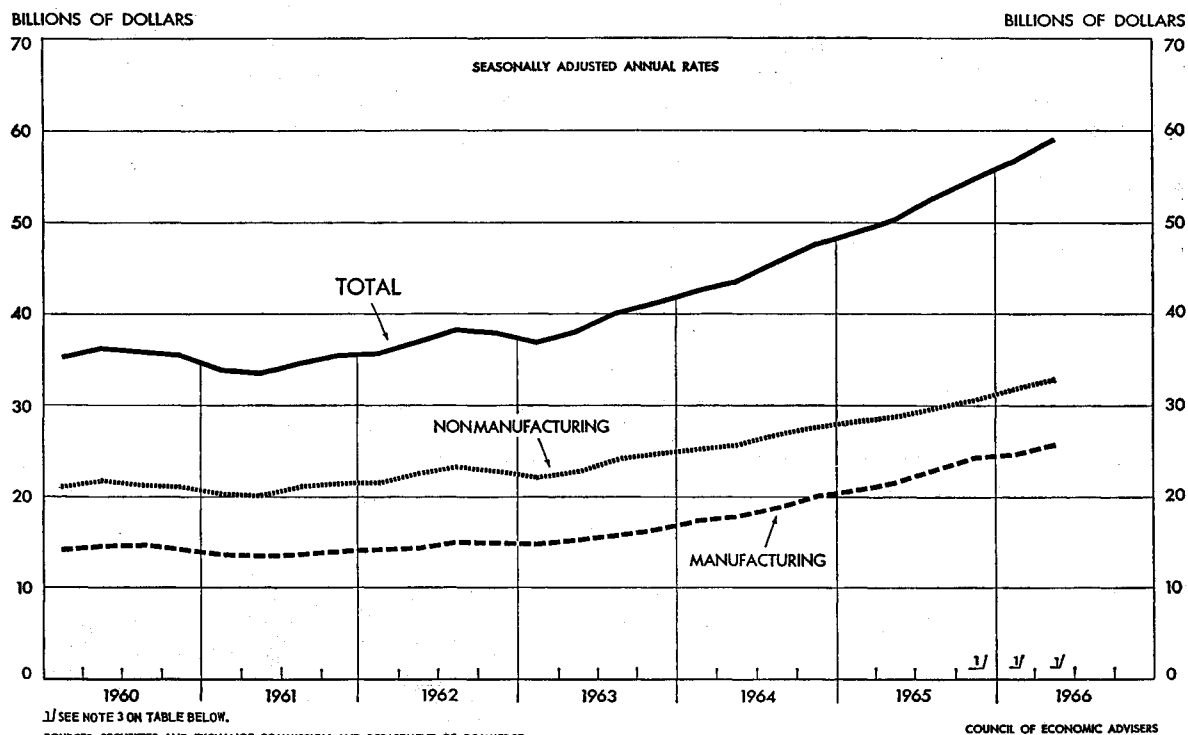
<sup>1</sup> Preliminary estimates.

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

Source: Department of Commerce.

## EXPENDITURES FOR NEW PLANT AND EQUIPMENT

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



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

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

<sup>1</sup> Excludes agriculture.

<sup>2</sup> Commercial and other includes trade, service, finance, communications, and construction.

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

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

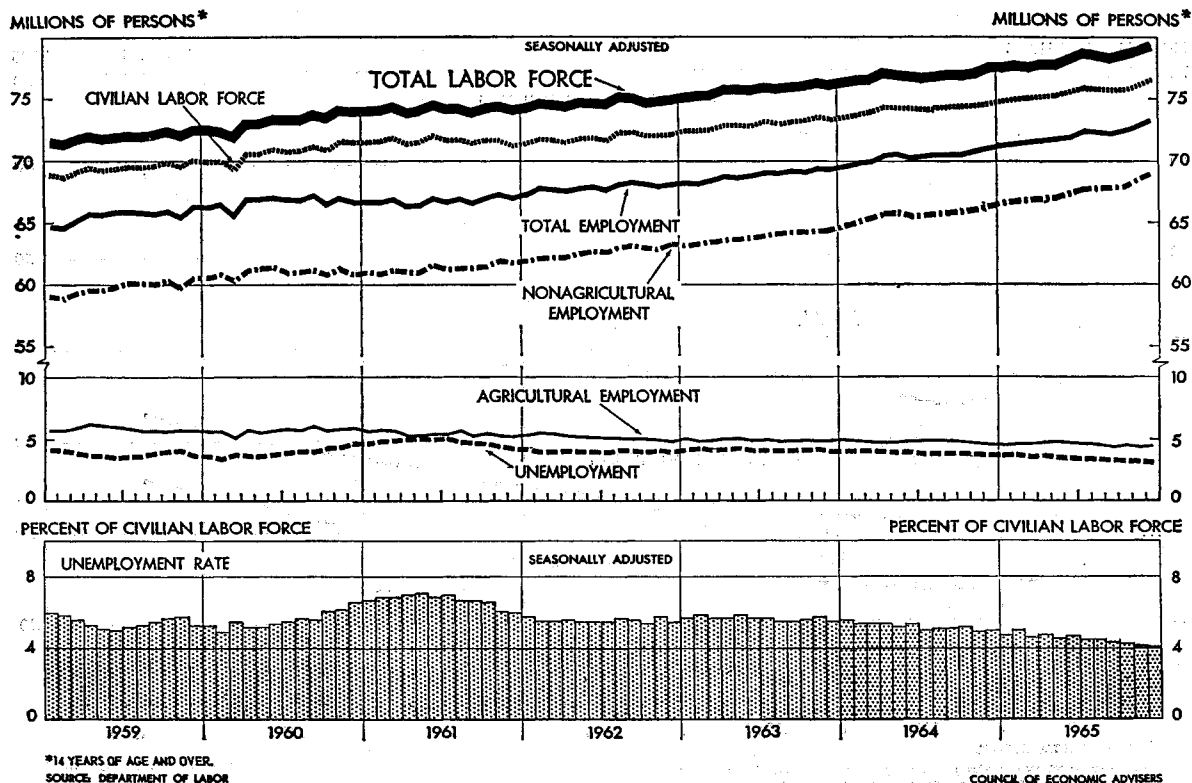
Annual total is the sum of unadjusted expenditures; it does not necessarily coincide with the average of seasonally adjusted figures.

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

Sources: Securities and Exchange Commission and Department of Commerce

# EMPLOYMENT, UNEMPLOYMENT, AND WAGES STATUS OF THE LABOR FORCE

Employment, seasonally adjusted, increased by 527,000 in December while the civilian labor force rose by 455,000. Nonagricultural employment increased by 314,000 and agricultural employment by 213,000.



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

Thousands of persons 14 years of age and over											Percent		
1961...	74, 175	66, 796	61, 333	4, 806	74, 175	71, 603	66, 796	5, 463	61, 333	4, 806	6. 7	-----	58. 0
1962*	74, 681	67, 846	62, 657	4, 007	74, 681	71, 854	67, 846	5, 190	62, 657	4, 007	5. 6	-----	57. 4
1963...	75, 712	68, 809	63, 863	4, 166	75, 712	72, 975	68, 809	4, 946	63, 863	4, 166	5. 7	-----	57. 3
1964...	76, 971	70, 357	65, 596	3, 876	76, 971	74, 233	70, 357	4, 761	65, 596	3, 876	5. 2	-----	57. 4
1965...	78, 357	72, 179	67, 594	3, 456	78, 357	75, 635	72, 179	4, 585	67, 594	3, 456	4. 6	-----	57. 5
Unadjusted											Seasonally adjusted		
1964:													
Sept.	76, 865	70, 805	65, 575	3, 317	77, 095	74, 352	70, 528	4, 831	65, 697	3, 324	4. 5	5. 1	57. 1
Oct.	77, 112	71, 123	65, 997	3, 252	77, 053	74, 316	70, 450	4, 720	65, 730	3, 366	4. 4	5. 2	57. 2
Nov.	76, 897	70, 793	66, 248	3, 373	77, 205	74, 474	70, 832	4, 699	66, 133	3, 642	4. 5	4. 9	57. 0
Dec.	76, 567	70, 375	66, 590	3, 466	77, 473	74, 747	71, 037	4, 611	66, 426	3, 710	4. 7	5. 0	56. 7
1965:													
Jan.	75, 699	68, 996	65, 257	3, 996	77, 590	74, 883	71, 252	4, 533	66, 719	3, 631	5. 5	4. 8	55. 9
Feb.	76, 418	69, 496	65, 694	4, 218	77, 767	75, 063	71, 326	4, 608	66, 718	3, 737	5. 7	5. 0	56. 4
Mar.	76, 612	70, 169	66, 180	3, 740	77, 723	75, 020	71, 483	4, 588	66, 895	3, 537	5. 1	4. 7	56. 5
Apr.	77, 307	71, 070	66, 597	3, 552	77, 988	75, 302	71, 688	4, 769	66, 919	3, 614	4. 8	4. 8	56. 9
May.	78, 425	72, 407	67, 278	3, 335	77, 990	75, 306	71, 816	4, 869	66, 947	3, 490	4. 4	4. 6	57. 7
June.	80, 683	73, 716	68, 094	4, 287	78, 331	76, 651	72, 085	4, 651	67, 434	3, 566	5. 5	4. 7	59. 3
July.	81, 150	74, 854	69, 228	3, 602	78, 747	76, 054	72, 618	4, 639	67, 979	3, 436	4. 6	4. 5	59. 6
Aug.	80, 163	74, 212	69, 077	3, 258	78, 465	75, 772	72, 387	4, 572	67, 815	3, 385	4. 2	4. 5	58. 7
Sept.	78, 044	72, 446	67, 668	2, 875	78, 334	76, 611	72, 297	4, 418	67, 879	3, 314	3. 8	4. 4	57. 1
Oct.	78, 713	73, 196	68, 242	2, 757	78, 606	76, 846	72, 561	4, 551	68, 010	3, 285	3. 6	4. 3	57. 5
Nov.	78, 598	72, 837	68, 709	2, 966	78, 907	76, 112	72, 914	4, 273	68, 641	3, 198	3. 9	4. 2	57. 4
Dec.	78, 477	72, 749	69, 103	2, 888	79, 408	76, 567	73, 441	4, 486	68, 955	3, 126	3. 8	4. 1	57. 2

<sup>1</sup> Total labor force as percent of noninstitutional population.

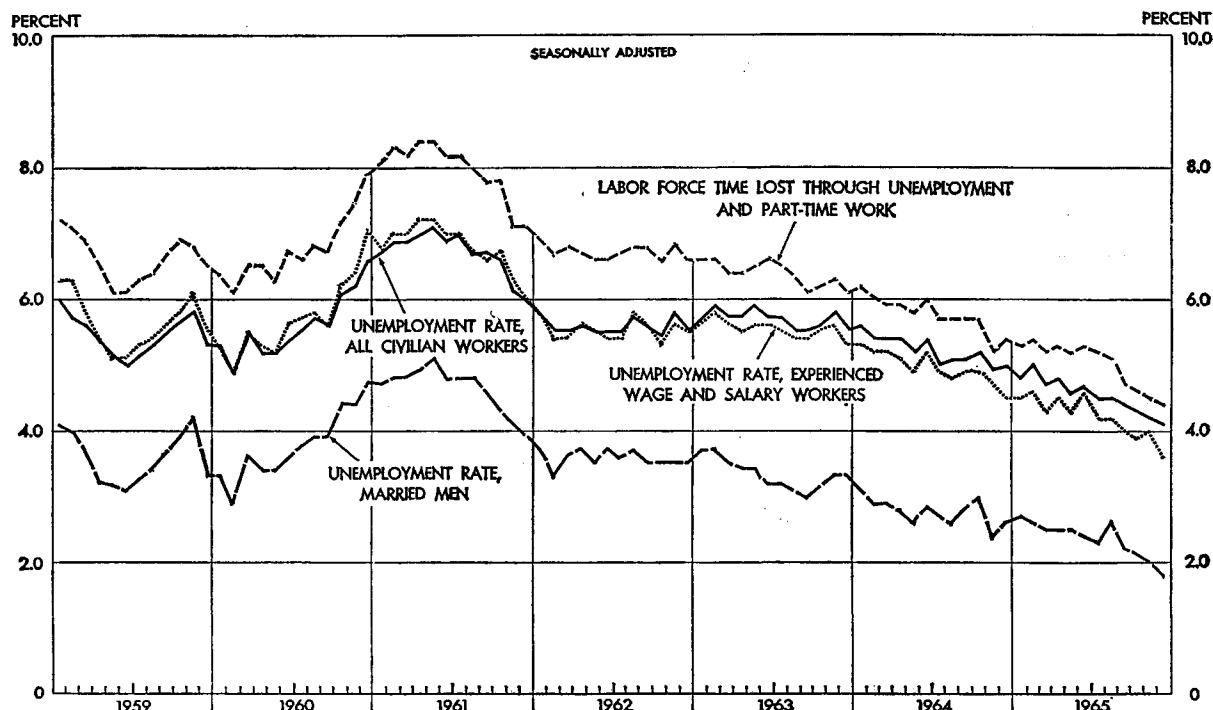
\* Not strictly comparable with preceding data. See *Employment and Earnings*, May 1962, p. XIV.

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

Source: Department of Labor.

# SELECTED MEASURES OF UNEMPLOYMENT AND PART-TIME EMPLOYMENT

The seasonally adjusted unemployment rate fell to 4.1 percent in December—the lowest rate since May 1957.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

Period	Unemployment rate (percent of civilian labor force in group)			Labor force time lost through unem- ployment and part- time work <sup>1</sup>	Persons at work in nonagricultural industries by hours worked per week <sup>2</sup>						
	All workers	Experi- enced wage and salary workers	Married men (wife present)		Over 40 hours	35-40 hours	Total	Under 35 hours			
								Part-time for economic reasons		Part-time for economic reasons	
								Usually full- time <sup>3</sup>	Usually part- time <sup>4</sup>	Usually full- time <sup>3</sup>	Usually part- time <sup>4</sup>
Percent					Thousands of persons 14 years of age and over						
1961.....	6.7	6.8	4.6	8.0	18,210	29,047	11,132	1,297	1,516	-----	-----
1962.....	5.6	5.5	3.6	6.7	19,025	28,853	11,675	1,049	1,288	-----	-----
1963.....	5.7	5.5	3.4	16.4	19,257	29,422	11,856	1,070	1,219	-----	-----
1964.....	5.2	5.0	2.8	5.8	19,294	29,127	13,850	985	1,151	-----	-----
1965.....	4.6	4.2	2.4	5.0	20,808	30,802	12,618	897	1,031	-----	-----
Seasonally adjusted					Unadjusted					Seasonally adjusted	
1964: Nov.....	4.9	4.7	2.4	5.2	19,358	27,757	16,913	926	975	897	1,052
Dec.....	5.0	4.5	2.6	5.4	21,251	31,066	12,298	1,021	968	1,044	1,088
1965: Jan.....	4.8	4.5	2.7	5.3	20,264	31,166	11,681	1,078	979	1,000	1,128
Feb.....	5.0	4.6	2.6	5.4	20,018	30,110	13,165	927	982	952	1,045
Mar.....	4.7	4.3	2.5	5.2	20,612	31,371	11,981	910	998	877	1,082
Apr.....	4.8	4.5	2.5	5.3	18,499	29,187	16,117	862	921	818	1,007
May.....	4.6	4.3	2.5	5.2	21,354	31,654	11,966	936	892	950	945
June.....	4.7	4.6	2.4	5.3	20,856	32,011	11,462	944	1,292	966	1,036
July.....	4.5	4.2	2.3	5.2	20,244	30,295	10,778	874	1,466	977	1,139
Aug.....	4.5	4.2	2.6	5.1	20,424	30,684	10,408	959	1,358	955	1,063
Sept.....	4.4	4.0	2.2	4.7	22,040	31,626	11,159	851	854	840	934
Oct.....	4.3	3.9	2.1	4.6	21,900	30,846	13,052	829	853	852	982
Nov.....	4.2	4.0	2.0	4.5	21,006	28,341	17,195	830	916	804	988
Dec.....	4.1	3.6	1.8	4.4	22,477	32,330	12,447	<sup>5</sup> 761	<sup>5</sup> 866	778	973

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

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

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

<sup>4</sup> Primarily includes persons who could find only part-time work.

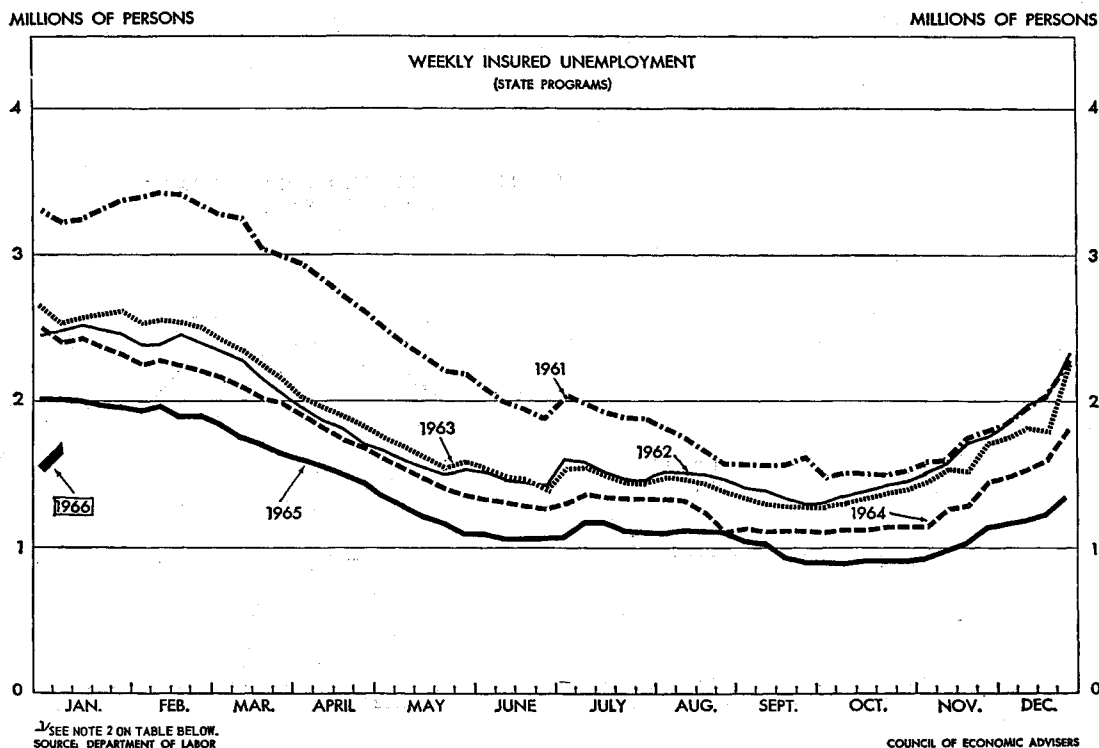
<sup>5</sup> Average hours worked: usually full-time, 22.6; usually part-time, 17.6.

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

Source: Department of Labor.

# UNEMPLOYMENT INSURANCE PROGRAMS

In December, insured unemployment under State programs averaged 368,000 less than in December 1964. The insured unemployment rate was 2.7 percent on a seasonally adjusted basis for the third month in a row.



Period	All programs			State programs						
	Covered employment	Insured unemployment (weekly average)	Total benefits paid (millions of dollars)	Insured unemployment	Initial claims	Exhaustions	Insured unemployment as percent of covered employment		Benefits paid	
							Unadjusted	Seasonally adjusted	Total (millions of dollars)	Average weekly check (dollars)
Thousands	Thousands	Thousands	Weekly average, thousands			Percent				
1962	47,776	1,946	3,160.0	1,783	302	32	4.4		2,675.4	34.56
1963	48,434	1,973	3,025.9	1,806	298	30	4.3		2,774.7	35.28
1964	49,637	1,753	2,749.2	1,605	268	26	3.8		2,522.1	35.96
1965 <sup>2</sup>		1,450	2,260.0	1,328	232	21	3.0		2,070.0	37.00
1964: Nov	50,485	1,417	162.0	1,293	276	20	3.0	3.4	147.0	36.38
Dec	50,897	1,801	230.4	1,675	348	22	3.9	3.6	211.4	36.81
1965: Jan		2,135	273.0	1,996	355	25	4.6	3.4	252.1	37.18
Feb		2,066	265.8	1,932	269	25	4.5	3.3	245.7	37.39
Mar		1,863	294.9	1,718	222	25	4.0	3.2	273.4	37.41
Apr		1,622	242.7	1,470	220	27	3.4	3.2	224.9	37.16
May		1,316	179.2	1,179	186	24	2.7	3.0	165.7	36.40
June		1,182	169.3	1,059	191	22	2.4	3.0	156.3	36.07
July		1,255	160.6	1,132	252	19	2.6	3.0	149.5	36.40
Aug		1,218	160.7	1,102	215	18	2.5	3.1	148.0	36.58
Sept		1,068	150.3	959	173	17	2.2	2.9	138.6	37.23
Oct		1,013	128.2	916	189	16	2.0	2.7	117.8	37.32
Nov		1,123	143.0	1,033	225	15	2.3	2.7	132.2	38.08
Dec <sup>2</sup>		1,394	188.0	1,307	290	17	3.0	2.7	175.0	38.10
Week ended:										
1965: Dec 18		1,326		1,237	263		2.8			
25		1,439		1,355	287		3.1			
1966: Jan 1		1,626		1,538	377		3.5			
8		1,753		1,657	403		3.7			
15 <sup>2</sup>		1,773		*1,674	347		3.8			
22 <sup>2</sup>					291					

<sup>1</sup> Programs include Puerto Rican sugarcane workers for initial claims and insured unemployment beginning July 1963.

<sup>2</sup> Preliminary.

\*Not charted.

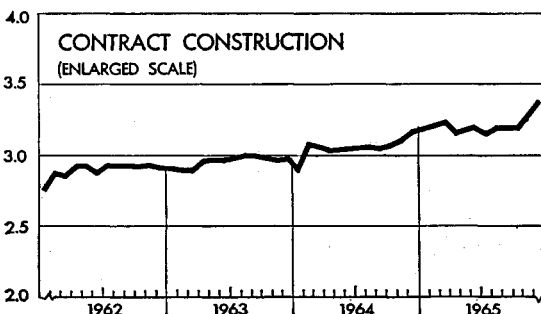
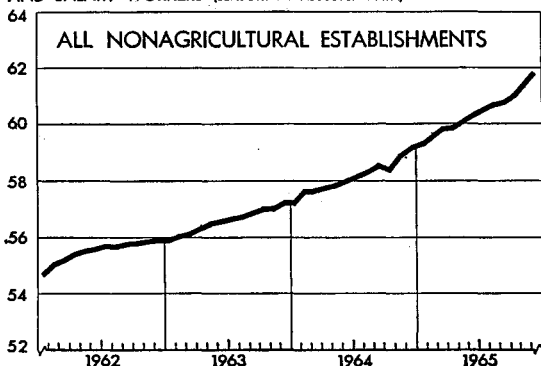
NOTE.—For definitions and coverage, see the 1964 Supplement to Economic Indicators. Data for Alaska and Hawaii included for all periods and for Puerto Rico since January 1961.

Source: Department of Labor.

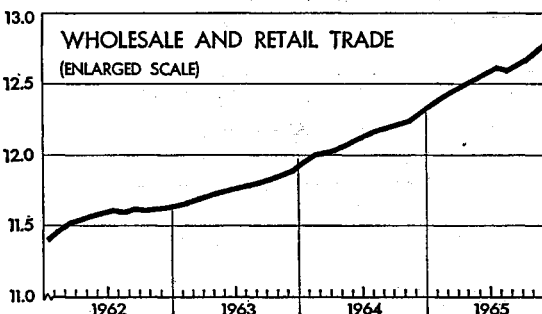
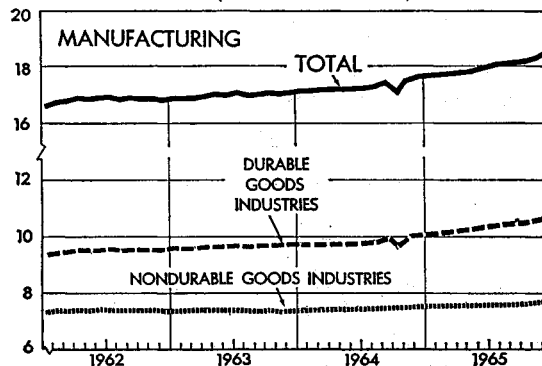
# NONAGRICULTURAL EMPLOYMENT

Nonagricultural payroll employment rose by 367,000 (seasonally adjusted) in December. The gains were widely distributed with manufacturing and contract construction showing the largest increases.

MILLIONS OF WAGE  
AND SALARY WORKERS (SEASONALLY ADJUSTED DATA)



MILLIONS OF WAGE  
AND SALARY WORKERS (SEASONALLY ADJUSTED DATA)



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

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

Period	Total	Manufacturing (private)			Nonmanufacturing (private)							Government	
		Total	Durable goods	Non-durable goods	Total	Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Service and miscellaneous	Federal	State and local
1959	53,297	16,675	9,373	7,303	28,539	732	2,960	4,011	11,127	2,594	7,115	2,233	5,850
1960	54,203	16,796	9,459	7,336	29,054	712	2,885	4,004	11,391	2,669	7,392	2,270	6,083
1961	53,989	16,326	9,070	7,256	29,069	672	2,816	3,903	11,337	2,731	7,610	2,279	6,315
1962	55,515	16,853	9,480	7,373	29,772	650	2,902	3,906	11,566	2,800	7,947	2,340	6,550
1963 <sup>2</sup>	56,602	16,995	9,616	7,380	30,381	635	2,963	3,903	11,778	2,877	8,226	2,358	6,868
1964 <sup>2</sup>	58,156	17,259	9,813	7,446	31,301	633	3,056	3,947	12,132	2,964	8,569	2,348	7,248
1965 <sup>2</sup>	60,432	17,984	10,379	7,604	32,402	628	3,211	4,031	12,585	3,043	8,903	2,379	7,667
1964: <sup>2</sup> Nov.	58,879	17,477	9,966	7,511	31,650	636	3,124	3,972	12,250	2,994	8,674	2,350	7,402
Dec.	59,163	17,565	10,044	7,521	31,815	635	3,179	3,994	12,303	2,999	8,705	2,348	7,435
1965: <sup>2</sup> Jan.	59,295	17,638	10,098	7,540	31,854	634	3,185	3,926	12,374	3,003	8,732	2,342	7,461
Feb.	59,581	17,703	10,150	7,553	32,037	634	3,211	3,985	12,423	3,013	8,771	2,338	7,503
Mar.	59,814	17,762	10,194	7,568	32,164	632	3,238	4,017	12,460	3,023	8,794	2,342	7,546
Apr.	59,846	17,803	10,241	7,562	32,119	629	3,145	4,013	12,494	3,024	8,814	2,344	7,580
May	60,032	17,835	10,266	7,569	32,242	627	3,188	4,020	12,532	3,032	8,843	2,345	7,610
June	60,290	17,943	10,345	7,598	32,333	626	3,195	4,034	12,580	3,041	8,857	2,355	7,659
July	60,501	18,032	10,424	7,608	32,415	633	3,154	4,031	12,619	3,049	8,929	2,376	7,678
Aug.	60,621	18,072	10,476	7,596	32,464	627	3,189	4,049	12,600	3,053	8,946	2,379	7,706
Sept.	60,756	18,098	10,494	7,604	32,539	617	3,186	4,067	12,641	3,061	8,967	2,379	7,740
Oct.	61,001	18,163	10,523	7,640	32,667	622	3,202	4,071	12,684	3,069	9,019	2,386	7,785
Nov. <sup>3</sup>	61,430	18,323	10,621	7,702	32,856	627	3,271	4,081	12,744	3,073	9,060	2,400	7,851
Dec. <sup>3</sup>	61,797	18,428	10,699	7,729	33,072	633	3,383	4,078	12,807	3,076	9,095	2,410	7,887

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

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

<sup>2</sup> Series revised; see note, p. 14.

<sup>3</sup> Preliminary.

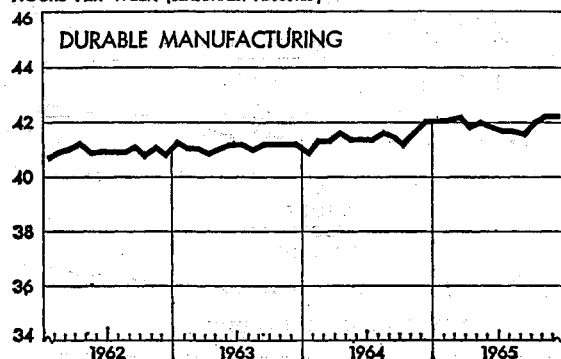
NOTE.—Beginning 1959, data include Alaska and Hawaii.

Source: Department of Labor.

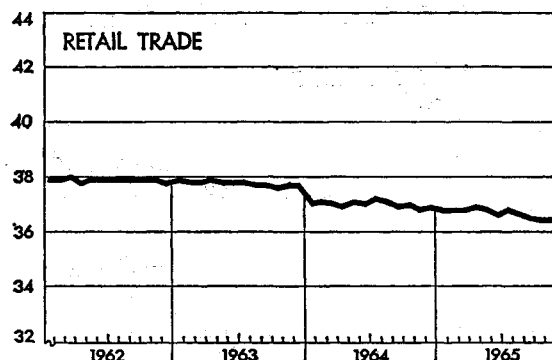
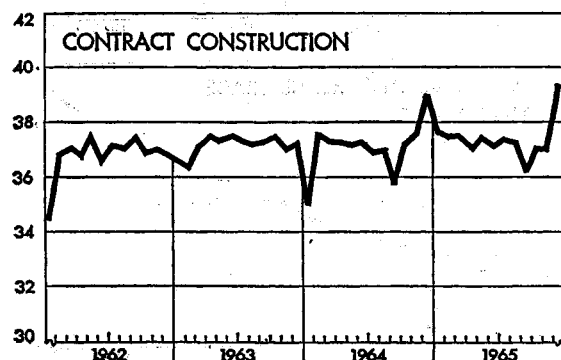
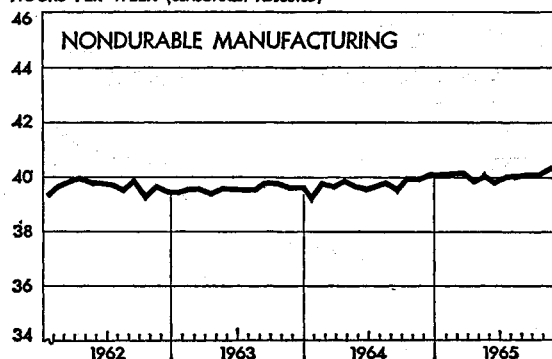
## WEEKLY HOURS OF WORK - SELECTED INDUSTRIES

The average workweek in manufacturing, seasonally adjusted, remained constant in December at 41.4 hours. In construction, the average workweek increased by 2.4 hours to 39.4 hours.

HOURS PER WEEK (SEASONALLY ADJUSTED)



HOURS PER WEEK (SEASONALLY ADJUSTED)



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Average hours per week; <sup>1</sup> seasonally adjusted]

Period	Manufacturing industries			Contract construction	Retail trade
	All	Durable goods	Nondurable goods		
1955	40.7	41.3	39.9	37.1	39.6
1956	40.4	41.0	39.6	37.5	39.1
1957	39.8	40.3	39.2	37.0	38.7
1958	39.2	39.5	38.8	36.8	38.7
1959	40.3	40.7	39.7	37.0	38.7
1960	39.7	40.1	39.2	36.7	38.5
1961	39.8	40.3	39.3	36.9	38.1
1962	40.4	40.9	39.6	37.0	37.9
1963	40.5	41.1	39.6	37.3	37.8
1964	40.7	41.4	39.7	37.2	* 37.0
1965 <sup>2</sup>	41.1	42.0	40.1	37.4	36.6
1964: Nov	40.9	41.7	39.9	37.6	36.8
Dec	41.2	42.0	40.1	39.0	36.9
1965: Jan	41.2	42.1	40.1	37.6	36.8
Feb	41.2	42.1	40.2	37.5	36.8
Mar	41.3	42.2	40.2	37.5	36.8
Apr	41.0	41.9	39.9	37.0	36.9
May	41.1	42.0	40.0	37.5	36.8
June	41.0	41.8	39.9	37.1	36.6
July	41.0	41.7	40.0	37.4	36.8
Aug	41.0	41.7	40.0	37.3	36.7
Sept	40.9	41.6	40.1	36.2	36.5
Oct	41.2	42.0	40.1	37.0	36.4
Nov <sup>2</sup>	41.4	42.2	40.3	37.0	36.4
Dec <sup>2</sup>	41.4	42.2	40.3	39.4	

<sup>1</sup> Data relate to production workers or nonsupervisory employees. Data for Alaska and Hawaii included beginning 1959.

<sup>2</sup> Preliminary.

\* Beginning 1964, includes eating and drinking places.

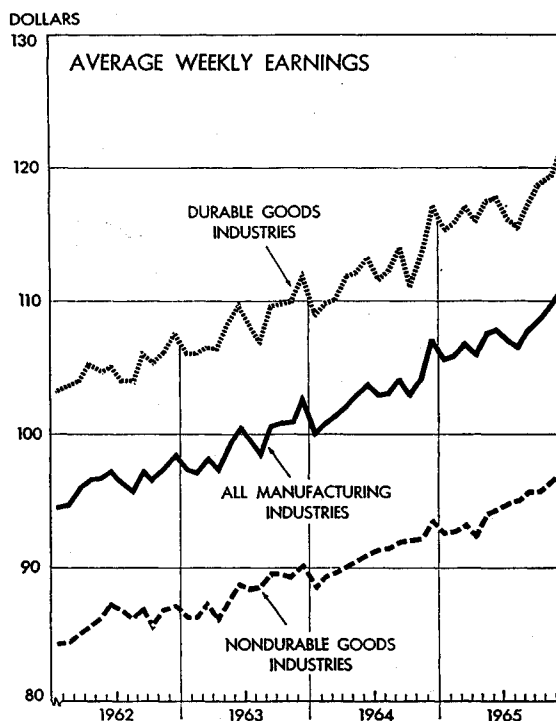
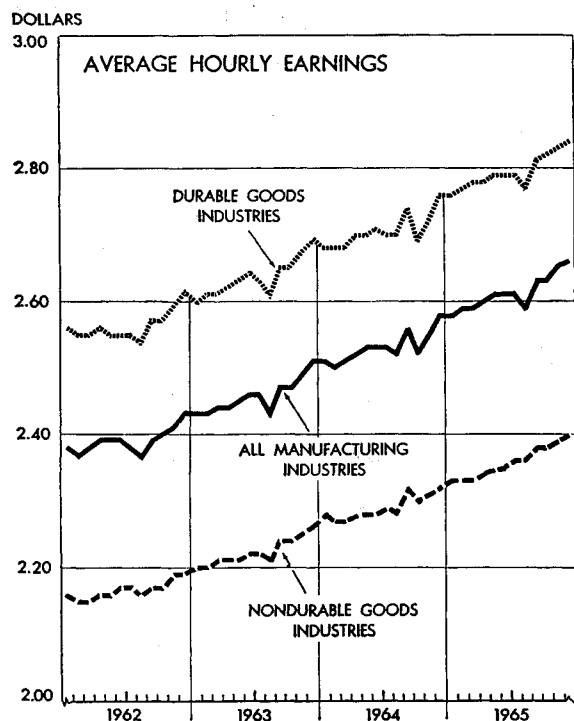
NOTE.—Series revised. For details see *Employment and Earnings*, December 1965.

Source: Department of Labor.



# AVERAGE HOURLY AND WEEKLY EARNINGS - SELECTED INDUSTRIES

Average weekly earnings in manufacturing climbed to \$110.92 in December—\$3.85 above December 1964.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[For production workers or nonsupervisory employees]

Period	Average hourly earnings—current prices					Average weekly earnings—current prices					Manufacturing industries	
	Manufacturing industries			Contract construction	Retail trade	Manufacturing industries			Contract construction	Retail trade	Adjusted hourly earnings, 1957-59=100 <sup>1</sup>	Average weekly earnings, 1965 prices <sup>2</sup>
	All	Durable goods	Non-durable goods			All	Durable goods	Non-durable goods				
1956	\$1.95	\$2.08	\$1.77	\$2.57	\$1.40	\$78.78	\$85.28	\$70.09	\$96.38	\$54.74	91.5	\$91.39
1957	2.05	2.19	1.85	2.71	1.47	81.59	88.26	72.52	100.27	56.89	96.2	91.47
1958	2.11	2.26	1.91	2.82	1.52	82.71	89.27	74.11	103.78	58.82	100.2	90.29
1959	2.19	2.36	1.98	2.93	1.57	88.26	96.05	78.61	108.41	60.76	103.5	95.52
1960	2.26	2.43	2.05	3.08	1.62	89.72	97.44	80.36	113.04	62.37	106.6	95.65
1961	2.32	2.49	2.11	3.20	1.68	92.34	100.35	82.92	118.08	64.01	109.6	97.41
1962	2.39	2.56	2.17	3.31	1.74	96.56	104.70	85.93	122.47	65.95	112.3	100.69
1963 <sup>3</sup>	2.46	2.63	2.22	3.41	1.80	99.63	108.09	87.91	127.19	68.04	115.2	102.61
1964 <sup>3</sup>	2.53	2.71	2.29	3.55	* 1.75	102.97	112.19	90.91	132.06	* 64.75	118.0	104.64
1965 <sup>4</sup>	2.61	2.79	2.36	3.68	1.82	107.27	117.18	94.64	137.63	66.61	120.8	107.27
1964: <sup>3</sup> Nov.	2.55	2.72	2.31	3.57	1.78	104.30	113.42	92.17	131.73	64.79	118.7	105.46
Dec.	2.58	2.76	2.32	3.63	1.77	107.07	117.02	93.50	133.95	65.84	119.2	108.15
1965: <sup>3</sup> Jan.	2.58	2.76	2.33	3.62	1.79	105.52	115.37	92.50	131.41	65.34	119.7	106.48
Feb.	2.59	2.77	2.33	3.68	1.79	105.93	115.79	92.73	131.38	65.34	120.0	106.89
Mar.	2.59	2.78	2.33	3.65	1.79	106.71	117.04	93.20	133.96	65.34	120.1	107.57
Apr.	2.60	2.78	2.34	3.61	1.80	105.82	115.93	92.20	132.49	66.06	120.4	106.35
May	2.61	2.79	2.35	3.65	1.82	107.53	117.46	94.00	140.16	66.43	120.6	107.85
June	2.61	2.79	2.35	3.66	1.82	107.79	117.74	94.47	139.08	67.16	120.8	107.57
July	2.61	2.79	2.36	3.64	1.82	107.01	116.06	94.87	140.50	68.25	120.9	106.69
Aug.	2.59	2.77	2.36	3.68	1.82	106.45	115.51	95.11	143.15	68.07	120.7	106.34
Sept.	2.63	2.81	2.38	3.74	1.85	107.83	117.18	95.68	138.75	67.53	121.7	107.51
Oct.	2.63	2.82	2.38	3.76	1.86	108.62	118.72	95.68	144.01	67.33	121.8	108.08
Nov. <sup>4</sup>	2.65	2.83	2.39	3.73	1.86	109.71	119.43	96.32	135.40	66.96	122.2	109.06
Dec. <sup>4</sup>	2.66	2.84	2.40			110.92	120.98	97.20				109.82

<sup>1</sup> Earnings in current prices, adjusted to exclude overtime and interindustry shifts.

<sup>2</sup> Earnings in current prices divided by the consumer price index on a 1965 base.

<sup>3</sup> See note, p. 14.

<sup>4</sup> Preliminary.

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\*Beginning 1964, includes eating and drinking places.

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

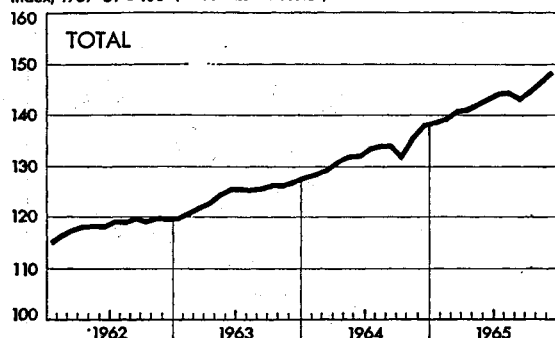
Source: Department of Labor.

# PRODUCTION AND BUSINESS ACTIVITY

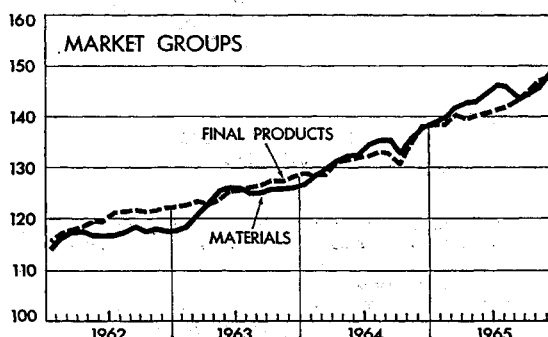
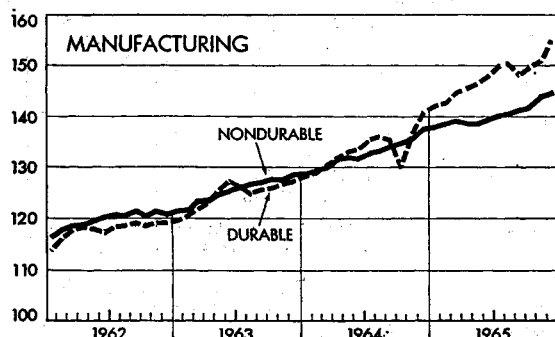
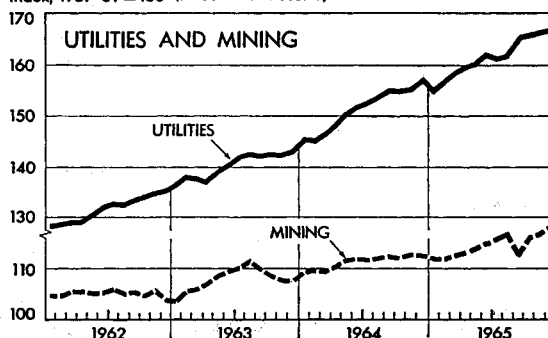
## INDUSTRIAL PRODUCTION

The industrial production index advanced substantially again in December to 148.3 (1957-59=100, seasonally adjusted), 1½ percent above the revised November level. Materials production rose sharply and output of final products increased moderately.

Index, 1957-59=100 (SEASONALLY ADJUSTED)



Index, 1957-59=100 (SEASONALLY ADJUSTED)



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[1957-59=100, seasonally adjusted]

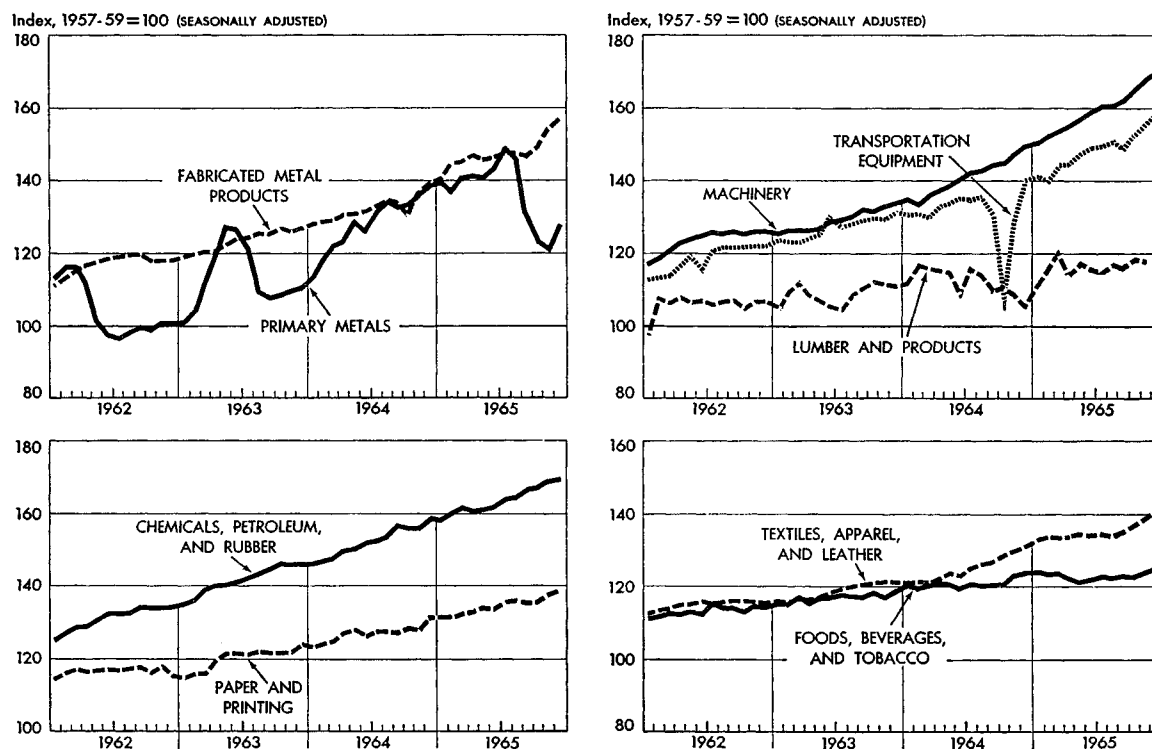
Period	Total industrial production	Industry					Market			
		Manufacturing			Mining	Utilities	Final products			Materials
		Total	Durable	Non-durable			Total	Consumer goods	Equipment	
1956.....	99.9	100.2	104.0	95.4	104.8	87.9	98.1	95.5	103.7	101.6
1957.....	100.7	100.8	104.0	96.7	104.6	93.9	99.4	97.0	104.6	101.9
1958.....	93.7	93.2	90.3	96.8	95.6	98.1	94.8	96.4	91.3	92.7
1959.....	105.6	106.0	105.6	106.5	99.7	108.0	105.7	106.6	104.1	105.4
1960.....	108.7	108.9	108.5	109.5	101.6	115.6	109.9	111.0	107.6	107.6
1961.....	109.7	109.6	107.0	112.9	102.6	122.3	111.2	112.6	108.3	108.4
1962.....	118.3	118.7	117.9	119.8	105.0	131.4	119.7	119.7	119.6	117.0
1963.....	124.3	124.9	124.5	125.3	107.9	140.0	124.9	125.2	124.2	123.7
1964.....	132.3	133.1	133.5	132.6	111.3	151.3	131.8	131.7	132.0	132.8
1965 <sup>1</sup> .....	143.3	144.9	148.3	140.6	114.5	161.4	142.4	140.3	146.8	144.2
1964: Nov.....	135.4	136.4	137.0	135.6	112.8	155.4	135.2	134.5	136.7	135.9
Dec.....	138.1	139.4	140.9	137.6	112.5	157.1	138.1	138.0	138.4	138.0
1965: Jan.....	138.6	140.2	142.0	137.9	111.8	154.9	138.4	138.4	138.2	138.8
Feb.....	139.2	140.8	142.7	138.4	111.8	156.1	138.5	138.0	139.4	139.7
Mar.....	140.7	142.3	144.8	139.1	112.5	158.5	140.1	140.0	140.4	141.7
Apr.....	140.9	142.4	145.5	138.5	113.0	159.9	139.4	138.5	141.2	142.6
May.....	141.6	143.1	146.4	138.8	114.0	160.4	140.2	138.6	143.7	142.6
June.....	142.7	144.1	148.1	139.0	115.3	162.5	140.7	138.7	144.9	144.5
July.....	144.2	145.7	150.0	140.4	116.0	161.6	141.7	139.3	147.0	146.4
Aug.....	144.5	146.0	150.5	140.4	117.0	161.9	142.3	139.5	148.4	146.1
Sept.....	143.5	145.2	148.2	141.3	112.6	165.3	143.3	140.7	149.0	143.7
Oct.....	144.8	146.3	149.7	142.0	115.9	165.7	145.3	141.3	153.9	144.3
Nov.....	146.3	147.9	151.3	143.6	116.5	166.5	147.3	143.0	156.5	145.8
Dec <sup>1</sup> .....	148.3	150.1	154.7	144.4	118.0	167.0	148.1	143.9	157.3	148.6

<sup>1</sup> Preliminary.

Source: Board of Governors of the Federal Reserve System.

## PRODUCTION OF SELECTED MANUFACTURES

In December, production of the primary metals group rose nearly 6 percent (seasonally adjusted) as steel output increased about 6 percent to the highest level since September. Other major durable manufactures posted gains of 1½ to 2 percent. Most nondurables were also up with the largest rise being 1½ percent in the textiles-apparel-leather group.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[1957-59=100, seasonally adjusted]

Period	Durable manufactures					Nondurable manufactures			
	Primary metals	Fabricated metal products	Machinery	Transportation equipment	Lumber and products	Textiles, apparel, and leather	Paper and printing	Chemicals, petroleum, and rubber	Foods, beverages, and tobacco
1956.....	116.4	98.8	107.1	97.4	105.4	98.0	97.1	91.4	96.6
1957.....	112.2	101.5	104.2	106.4	95.9	96.9	97.8	95.6	96.7
1958.....	87.5	92.9	88.8	89.5	95.6	95.0	97.0	95.5	99.4
1959.....	100.4	105.5	107.1	104.0	108.5	108.1	105.2	108.9	103.9
1960.....	101.3	107.6	110.8	108.2	102.1	107.5	109.0	113.9	106.6
1961.....	98.9	106.5	110.4	103.6	101.3	108.4	112.4	118.9	110.2
1962.....	104.6	117.1	123.5	118.3	106.1	115.1	116.7	131.2	113.3
1963.....	113.3	123.4	129.2	127.0	108.9	118.5	120.1	141.8	116.8
1964.....	129.1	132.7	141.4	130.7	112.6	125.2	127.5	152.5	120.8
1965 <sup>1</sup> .....	137.8	148.2	160.3	148.9	-----	135.8	135.1	164.7	123.0
1964: Nov.....	136.1	136.9	147.7	129.2	109.2	130.2	128.2	156.2	123.3
Dec.....	138.6	139.7	150.1	140.3	105.5	131.5	132.1	158.5	123.9
1965: Jan.....	139.6	140.6	150.7	141.4	111.9	133.3	132.0	158.2	124.2
Feb.....	136.9	145.0	152.5	139.7	115.6	133.8	131.8	160.4	123.4
Mar.....	140.4	145.2	153.9	144.4	120.5	133.7	132.9	162.0	123.7
Apr.....	141.4	147.4	155.4	144.6	114.2	133.9	133.2	160.8	122.4
May.....	140.2	146.0	156.9	147.3	117.1	135.0	134.2	161.2	121.5
June.....	143.0	146.4	159.0	149.5	112.8	134.5	134.0	161.6	122.3
July.....	148.7	148.0	160.6	149.8	115.4	134.7	135.9	164.1	122.9
Aug.....	146.5	147.5	161.4	151.5	117.2	134.1	136.4	164.9	122.3
Sept.....	131.2	147.0	162.3	149.4	116.2	135.5	135.4	166.9	123.1
Oct.....	123.3	149.5	165.6	153.6	118.3	137.0	135.8	167.8	123.0
Nov.....	121.1	154.2	167.3	156.0	118.2	138.8	137.9	169.3	124.2
Dec <sup>1</sup> .....	128	157	170	159	-----	141	139	170	125

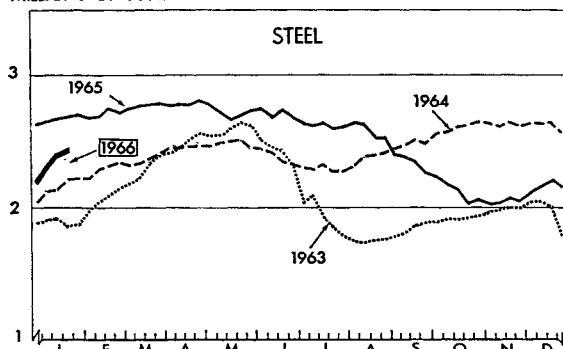
<sup>1</sup> Preliminary.

Source: Board of Governors of the Federal Reserve System.

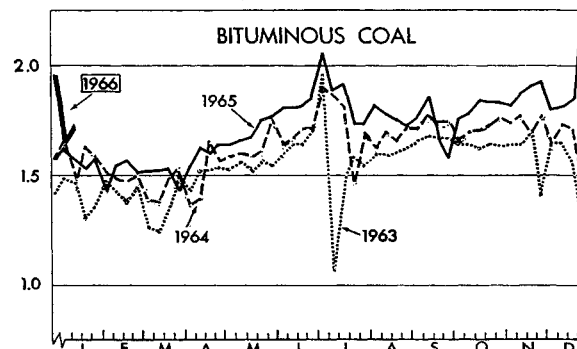
## WEEKLY INDICATORS OF PRODUCTION

Steel production increased in December for the first time since April. Although cars assembled were curtailed by the holiday period resulting in a decline from November to December, the total for the year was a record production of 9.3 million cars.

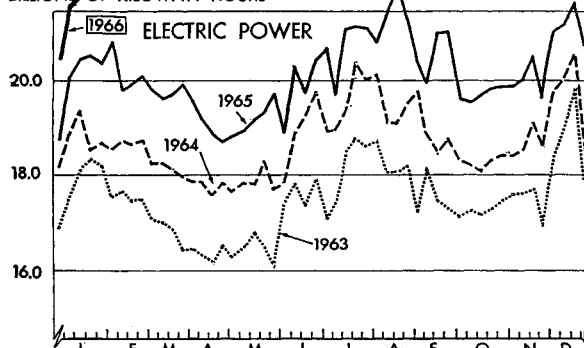
MILLIONS OF TONS



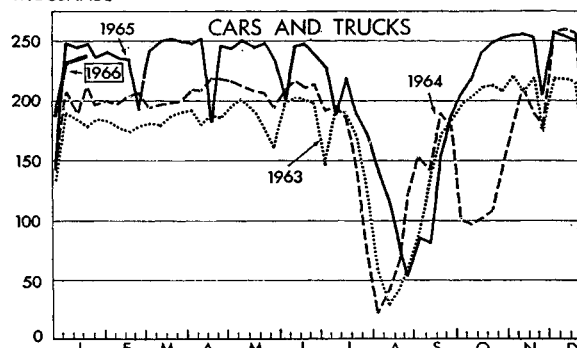
MILLIONS OF SHORT TONS (DAILY AVERAGE)



BILLIONS OF KILOWATT HOURS



THOUSANDS



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

COUNCIL OF ECONOMIC ADVISERS

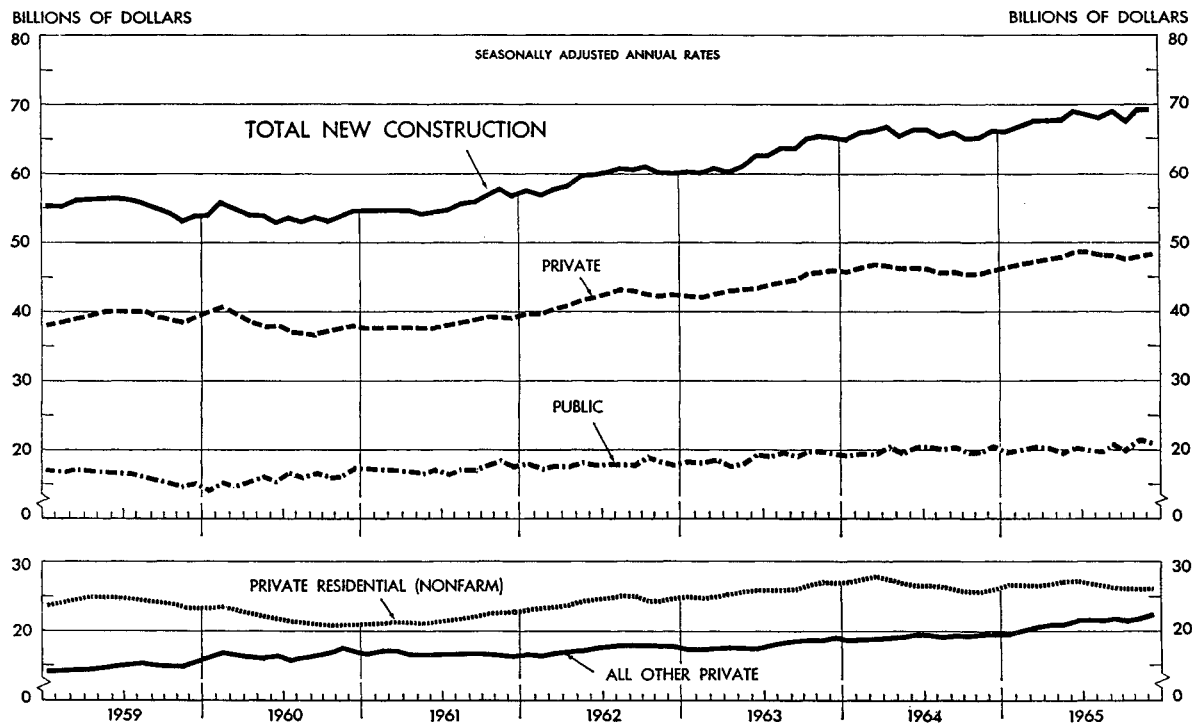
Period	Steel produced		Electric power distributed (millions of kilowatt-hours)	Bituminous coal mined (thousands of short tons) <sup>1</sup>	Freight loaded (thousands of cars)	Paperboard produced (thousands of tons)	Cars and trucks assembled (thousands)		
	Thousands of net tons	Index (1957-59=100)					Total	Cars	Truck
Weekly average:									
1959-----	1,792	96.2	13,297	1,380	596	307	129.5	107.6	21.9
1960-----	1,899	101.9	14,424	1,390	585	306	151.8	128.8	23.0
1961-----	1,880	100.9	15,139	1,353	550	322	127.8	106.1	21.7
1962-----	1,886	101.2	16,325	1,414	552	343	157.5	133.4	24.1
1963-----	2,096	112.5	17,490	1,535	555	358	175.0	146.9	28.1
1964-----	2,431	130.5	18,728	1,630	558	384	178.8	148.8	30.0
1965 <sup>2</sup> -----	2,516	135.1	20,169	1,717	568	410	213.7	179.4	34.3
1964: Nov-----	2,632	141.3	18,685	1,752	585	391	189.2	160.7	28.5
Dec-----	2,627	141.0	19,536	1,668	510	358	211.5	180.7	30.8
1965: Jan-----	2,671	143.4	20,348	1,576	535	375	243.1	206.8	36.3
Feb-----	2,716	145.8	20,160	1,554	519	409	225.7	192.8	33.0
Mar-----	2,787	149.6	19,728	1,598	547	421	248.5	210.5	37.9
Apr-----	2,789	149.7	18,896	1,647	575	410	231.5	195.4	36.1
May-----	2,712	145.6	19,314	1,649	604	423	244.3	206.6	37.7
June-----	2,702	145.1	19,842	1,791	594	406	233.3	196.1	37.2
July-----	2,613	140.3	20,833	1,802	554	367	199.9	171.2	28.7
Aug-----	2,556	137.2	21,395	1,781	595	416	98.4	73.1	25.2
Sept-----	2,325	124.8	20,414	1,735	579	413	142.6	109.7	32.9
Oct-----	2,098	112.6	19,741	1,801	626	441	240.1	203.6	36.6
Nov-----	2,056	110.4	20,027	1,891	587	443	242.3	207.6	34.7
Dec <sup>2</sup> -----	2,177	116.9	21,010	1,902	530	455	224.0	189.0	35.0
Week ended:									
1965: Dec 18-----	2,224	119.4	21,634	1,848	555	442	248.7	210.4	38.3
25-----	2,153	115.6	20,717	2,214	471	432	175.7	148.8	26.9
1966: Jan 1-----	2,185	117.3	20,427	1,946	458	253	184.8	154.3	30.5
8-----	2,312	124.1	21,558	1,654	508	334	229.5	193.1	36.4
15 <sup>2</sup> -----	2,400	128.8	21,864	1,732	545	454	233.1	194.7	38.3
22 <sup>2</sup> -----	2,434	130.7	<sup>3</sup> 22,371				236.2	198.0	38.2

<sup>1</sup> Daily average. Includes data for Alaska.  
<sup>2</sup> Preliminary. <sup>3</sup> Not charted.

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

## NEW CONSTRUCTION

New construction outlays (seasonally adjusted) in December were maintained at the November level. A rise in the private expenditures—all in commercial and industrial—was offset by a decline in the public expenditures.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Total new construction expenditures	Private						Federal, State, and local	Construction contracts <sup>2</sup>	
		Total	Residential nonfarm		Commercial and industrial	Other	Total value (index, 1957-59= 100)		Commercial and industrial floor space (millions of square feet)	
			Total <sup>1</sup>	New housing units						
Billions of dollars										
1960.....	53.9	38.1	21.7	16.4	7.0	9.3	15.9	105.2	461	
1961.....	55.4	38.3	21.7	16.2	7.5	9.2	17.1	107.6	443	
1962.....	59.6	41.7	24.3	18.6	7.9	9.5	17.9	119.7	500	
1963.....	62.8	43.9	25.8	20.1	8.2	9.9	18.9	132.0	534	
1964.....	65.8	45.9	26.5	20.6	9.0	10.4	19.9	137.0	599	
1965 <sup>3</sup> .....	68.1	47.9	26.6	20.7	10.4	10.8	20.2	142.8	680	
Seasonally adjusted annual rates									Seasonally adjusted	Seasonally adjusted annual rates
1964: Nov.....	65.2	45.4	25.6	19.8	9.2	10.5	19.8	143	595	
Dec.....	66.2	45.7	26.0	20.2	9.3	10.5	20.5	154	707	
1965: Jan.....	66.2	46.4	26.7	20.8	9.5	10.3	19.7	137	638	
Feb.....	66.9	46.9	26.7	20.9	9.6	10.6	20.0	140	697	
Mar.....	67.6	47.2	26.6	20.7	9.8	10.8	20.4	141	648	
Apr.....	67.6	47.6	26.7	20.8	10.1	10.8	20.0	152	771	
May.....	67.6	48.0	27.1	21.1	10.3	10.6	19.6	145	674	
June.....	69.0	48.6	27.2	21.2	10.6	10.8	20.3	139	663	
July.....	68.6	48.6	27.0	21.0	10.9	10.7	20.0	149	671	
Aug.....	68.0	48.2	26.6	20.7	10.9	10.7	19.8	139	595	
Sept.....	69.3	48.1	26.4	20.5	10.9	10.8	21.2	147	762	
Oct.....	67.6	47.8	26.3	20.4	10.6	10.9	19.8	147	726	
Nov <sup>3</sup> .....	69.3	48.0	26.2	20.3	10.7	11.1	21.3	141	693	
Dec <sup>3</sup> .....	69.3	48.4	26.2	20.3	11.0	11.1	20.9	153	784	

<sup>1</sup> Includes nonhousekeeping residential construction and additions and alterations, not shown separately.

<sup>2</sup> Compiled by F. W. Dodge Corporation and relates to 48 States.

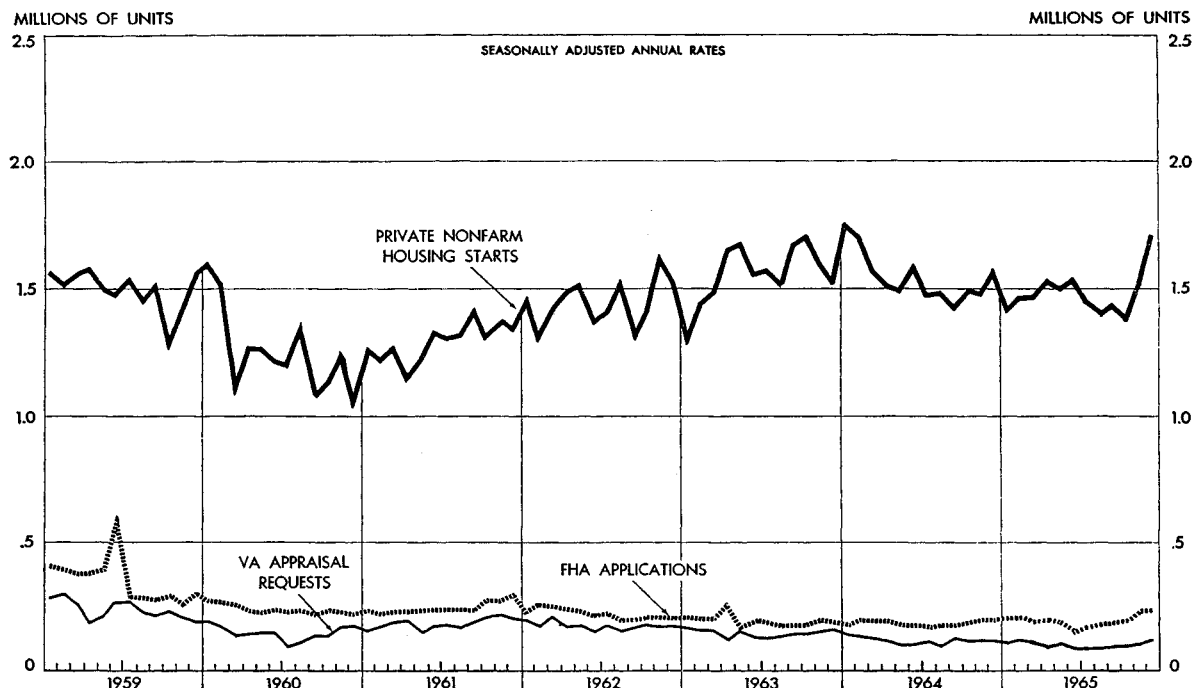
<sup>3</sup> Preliminary.

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

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

## NEW HOUSING STARTS AND APPLICATIONS FOR FINANCING

Influenced in part by good weather, December private nonfarm housing starts (seasonally adjusted) leaped 13 percent ahead of a strong November to reach the highest level since January 1964. Permit authorizations rose for the third month in a row.



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

COUNCIL OF ECONOMIC ADVISERS

[Thousands of units]

Period	Housing starts									New private housing units authorized <sup>1</sup>	Proposed home construction	
	Total private and public (including farm)	Total private (including farm)	Private nonfarm			Total private (including farm)	Private nonfarm				Applications for FHA commitments <sup>2</sup>	Requests for VA appraisals <sup>2</sup>
			Total	One-family	Two or more families		Total	Government home programs				
								FHA	VA			
1960-----	1,296.0	1,252.1	1,230.1	972.9	257.2	1,252.1	1,230.1	225.7	74.6	998.0	242.4	142.9
1961-----	1,365.0	1,313.0	1,284.8	946.4	338.6	1,313.0	1,284.8	198.8	83.3	1,064.2	243.8	177.8
1962-----	1,492.4	1,462.8	1,439.1	967.8	471.1	1,462.8	1,439.1	197.3	77.8	1,186.6	221.1	171.2
1963-----	1,640.9	1,609.2	1,581.7	993.2	588.5	1,609.2	1,581.7	166.2	71.0	1,334.7	190.2	139.3
1964-----	1,590.8	1,557.4	1,530.4	944.5	585.9	1,557.4	1,530.4	154.0	59.2	1,285.8	182.1	113.6
1965 <sup>3</sup> -----	1,540.7	1,503.0	1,480.6	942.1	538.5	1,503.0	1,480.6	159.9	52.6	1,240.1	188.9	102.1
Seasonally adjusted annual rates												
1964: Nov	114.6	112.0	109.9	67.3	42.6	1,505	1,480	152	57	1,256	194	118
Dec	98.3	96.7	94.8	56.7	38.1	1,610	1,575	151	53	1,195	193	118
1965: Jan	85.6	81.5	80.1	50.4	29.7	1,442	1,417	168	69	1,280	202	113
Feb	87.9	85.4	84.7	50.7	34.0	1,482	1,468	171	69	1,224	203	124
Mar	124.9	120.7	118.8	74.8	44.0	1,489	1,465	166	59	1,269	184	110
Apr	154.9	152.2	150.1	97.7	52.4	1,552	1,532	147	51	1,187	190	95
May	162.1	157.5	155.2	99.9	55.3	1,516	1,501	160	56	1,240	183	109
June	162.3	155.5	152.8	97.0	55.8	1,566	1,539	154	54	1,254	155	93
July	143.9	141.3	139.0	91.8	47.2	1,473	1,447	151	51	1,243	168	92
Aug	138.0	134.6	132.8	86.5	46.3	1,427	1,409	146	46	1,217	184	89
Sept	125.9	124.3	122.7	78.4	44.3	1,453	1,436	154	44	1,180	187	98
Oct	135.7	133.6	130.9	84.4	46.5	1,411	1,380	164	46	1,259	192	97
Nov <sup>3</sup>	117.6	115.4	114.1	69.9	44.2	1,537	1,521	171	53	1,282	229	105
Dec <sup>3</sup>	101.9	101.0	99.4	60.6	38.8	1,746	1,712	186	49	1,319	229	117

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

<sup>2</sup> Units represented by mortgage applications for new home construction.

<sup>3</sup> Preliminary.

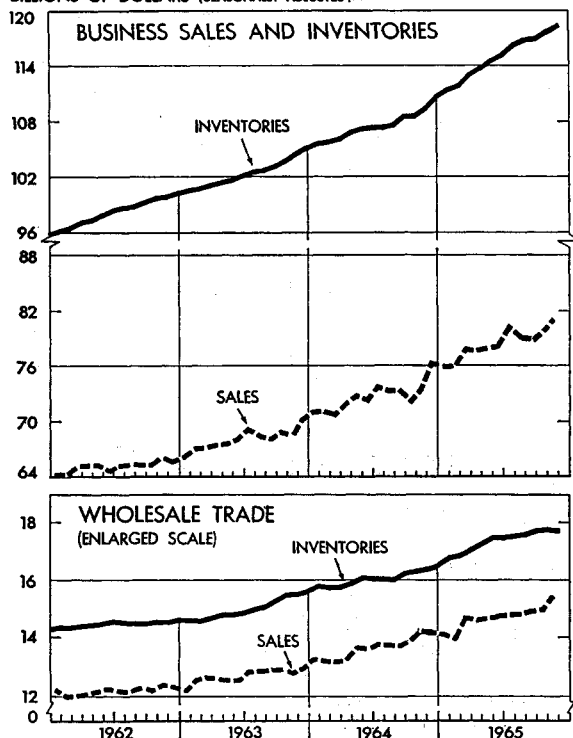
NOTE.—Data include Alaska and Hawaii.

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

## BUSINESS SALES AND INVENTORIES — TOTAL AND TRADE

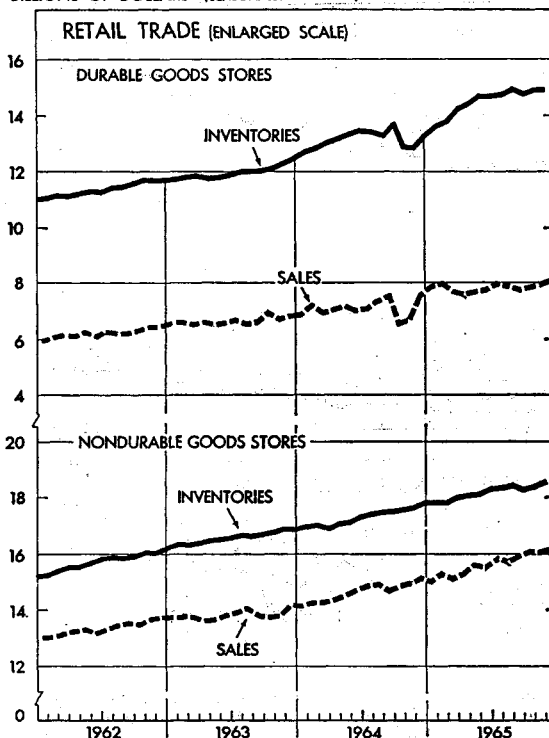
Preliminary figures for retail sales (seasonally adjusted) in December indicate a rise of 1 percent. Total business sales and inventories registered good gains in November.

BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



SOURCE, DEPARTMENT OF COMMERCE

BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



COUNCIL OF ECONOMIC ADVISERS

Period	Total business <sup>1</sup>		Wholesale <sup>4</sup>		Retail <sup>5</sup>					
	Sales <sup>2</sup>	Inven- tories <sup>3</sup>	Sales <sup>2</sup>	Inven- tories <sup>3</sup>	Sales <sup>2</sup>			Inventories <sup>3</sup>		
					Total	Durable goods stores	Non- durable goods stores	Total	Durable goods stores	Non- durable goods stores
	Millions of dollars, seasonally adjusted									
1958.....	54, 233	86, 922	10, 257	12, 739	16, 696	5, 284	11, 412	24, 113	10, 526	13, 587
1959.....	59, 583	91, 964	11, 413	13, 952	17, 951	5, 972	11, 979	25, 305	11, 044	14, 261
1960.....	60, 530	94, 610	11, 440	13, 983	18, 294	5, 894	12, 400	26, 813	11, 951	14, 862
1961.....	60, 748	95, 576	11, 629	14, 251	18, 234	5, 608	12, 626	26, 238	11, 019	15, 219
1962.....	65, 078	100, 271	12, 158	14, 580	19, 613	6, 245	13, 367	27, 938	11, 728	16, 210
1963.....	68, 002	105, 127	12, 692	15, 597	20, 536	6, 675	13, 861	29, 383	12, 509	16, 874
1964.....	72, 647	110, 535	13, 715	16, 461	21, 802	7, 093	14, 709	31, 130	13, 282	17, 848
1965 <sup>6</sup> .....	78, 648	118, 296	14, 789	17, 684	23, 559	7, 846	15, 714	33, 533	14, 929	18, 604
1964: Oct.....	72, 131	108, 539	13, 937	16, 276	21, 383	6, 496	14, 887	30, 486	12, 894	17, 592
Nov.....	73, 371	109, 320	14, 196	16, 384	21, 661	6, 695	14, 966	30, 559	12, 874	17, 685
Dec.....	76, 277	110, 535	14, 178	16, 461	22, 781	7, 645	15, 136	31, 130	13, 282	17, 848
1965: Jan.....	75, 913	111, 465	14, 128	16, 774	22, 900	7, 855	15, 045	31, 478	13, 635	17, 843
Feb.....	75, 956	111, 884	13, 946	16, 867	23, 317	7, 966	15, 351	31, 635	13, 799	17, 836
Mar.....	77, 815	113, 032	14, 725	17, 064	22, 805	7, 669	15, 136	32, 260	14, 220	18, 040
Apr.....	77, 529	113, 761	14, 620	17, 216	22, 865	7, 550	15, 315	32, 546	14, 440	18, 106
May.....	77, 884	114, 542	14, 718	17, 450	23, 352	7, 703	15, 649	32, 823	14, 707	18, 116
June.....	78, 010	115, 049	14, 736	17, 410	23, 331	7, 760	15, 571	33, 014	14, 692	18, 322
July.....	80, 023	116, 012	14, 828	17, 530	23, 743	7, 922	15, 821	33, 088	14, 744	18, 344
Aug.....	78, 891	116, 683	14, 829	17, 535	23, 544	7, 837	15, 707	33, 360	14, 965	18, 395
Sept.....	78, 883	116, 967	14, 936	17, 655	23, 774	7, 789	15, 985	33, 045	14, 761	18, 284
Oct <sup>6</sup> .....	79, 502	117, 653	14, 995	17, 715	23, 959	7, 838	16, 121	33, 296	14, 927	18, 369
Nov <sup>6</sup> .....	80, 963	118, 296	15, 503	17, 684	24, 013	7, 927	16, 086	33, 533	14, 929	18, 604
Dec <sup>6</sup> .....					24, 303	8, 112	16, 191			

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

<sup>2</sup> Monthly average for year and total for month.

<sup>3</sup> Book value, end of period, seasonally adjusted.

<sup>4</sup> Beginning 1961, data include Alaska and Hawaii.

<sup>5</sup> Beginning 1960, data include Alaska and Hawaii.

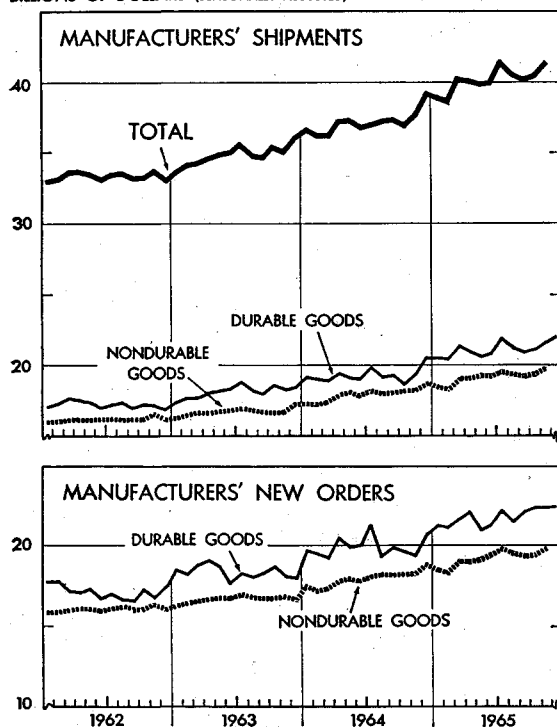
<sup>6</sup> Preliminary; inventories are for November.

Source: Department of Commerce.

## MANUFACTURERS' SHIPMENTS, INVENTORIES, AND NEW ORDERS

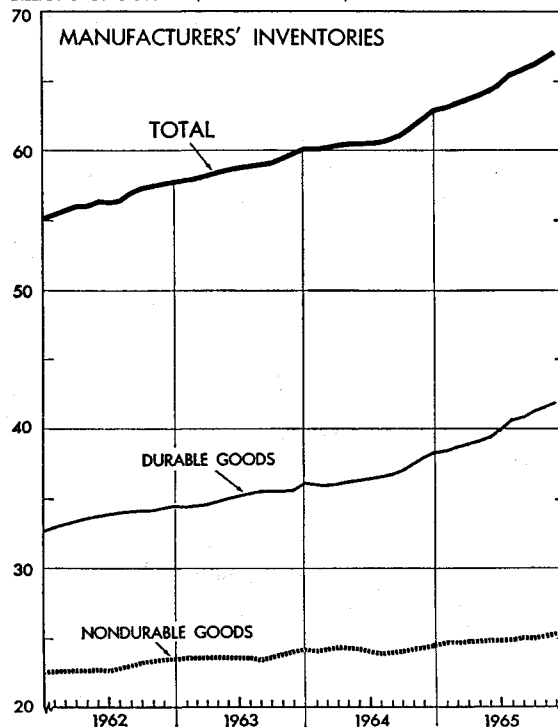
Durable manufacturers' shipments rose 1 percent (seasonally adjusted) in December. In November all manufacturers' shipments rose 2 percent. Both rises occurred despite the liquidation of steel inventories.

BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



SOURCE: DEPARTMENT OF COMMERCE

BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



COUNCIL OF ECONOMIC ADVISERS

Period	Manufacturers' shipments <sup>1</sup>			Manufacturers' inventories <sup>2</sup>			Manufacturers' new orders <sup>1</sup>				Manu- fac- turers' inven- tory- ship- ments ratio <sup>3</sup>
	Total	Durable goods	Non- durable goods	Total	Durable goods	Non- durable goods	Total	Durable goods		Non- durable goods	
								Total	Machinery and equipment		
Millions of dollars, seasonally adjusted											
1958-----	27, 280	13, 572	13, 708	50, 070	30, 095	19, 975	26, 901	13, 170	2, 354	13, 731	1. 84
1959-----	30, 219	15, 544	14, 675	52, 707	31, 839	20, 868	30, 679	15, 951	2, 878	14, 728	1. 70
1960-----	30, 796	15, 817	14, 979	53, 814	32, 360	21, 454	30, 115	15, 223	2, 791	14, 892	1. 76
1961-----	30, 884	15, 532	15, 352	55, 087	32, 646	22, 441	31, 061	15, 664	2, 854	15, 397	1. 74
1962-----	33, 308	17, 184	16, 124	57, 753	34, 326	23, 427	33, 167	17, 085	3, 090	16, 082	1. 70
1963-----	34, 774	18, 071	16, 704	60, 147	36, 028	24, 119	35, 036	18, 300	3, 326	16, 736	1. 69
1964-----	37, 129	19, 231	17, 898	62, 944	38, 412	24, 532	37, 697	19, 803	3, 706	17, 895	1. 64
1964 <sup>4</sup> -----	40, 300	21, 100	19, 200	67, 100	41, 800	25, 300	41, 100	21, 800	4, 100	19, 300	1. 61
1964: Oct-----	36, 811	18, 633	18, 178	61, 777	37, 517	24, 260	37, 846	19, 623	3, 786	18, 223	1. 68
Nov-----	37, 514	19, 291	18, 223	62, 377	38, 040	24, 337	37, 720	19, 454	3, 882	18, 266	1. 66
Dec-----	39, 318	20, 559	18, 759	62, 944	38, 412	24, 532	39, 590	20, 720	3, 917	18, 870	1. 60
1965: Jan-----	38, 885	20, 415	18, 470	63, 213	38, 495	24, 718	39, 704	21, 271	3, 958	18, 433	1. 63
Feb-----	38, 693	20, 374	18, 319	63, 382	38, 692	24, 690	39, 469	21, 130	3, 799	18, 339	1. 64
Mar-----	40, 285	21, 284	19, 001	63, 708	38, 972	24, 736	40, 712	21, 714	4, 024	18, 998	1. 58
Apr-----	40, 044	20, 915	19, 129	63, 999	39, 233	24, 766	41, 120	22, 043	4, 078	19, 077	1. 60
May-----	39, 814	20, 513	19, 301	64, 269	39, 475	24, 794	40, 181	20, 992	4, 069	19, 189	1. 61
June-----	39, 943	20, 652	19, 291	64, 625	39, 951	24, 674	40, 689	21, 310	4, 091	19, 379	1. 62
July-----	41, 452	21, 820	19, 632	65, 394	40, 600	24, 794	41, 846	22, 195	4, 348	19, 651	1. 58
Aug-----	40, 518	21, 191	19, 327	65, 788	40, 814	24, 974	40, 926	21, 509	4, 159	19, 417	1. 62
Sept-----	40, 173	20, 924	19, 249	66, 267	41, 300	24, 967	41, 483	22, 163	4, 153	19, 320	1. 65
Oct-----	40, 548	21, 146	19, 402	66, 642	41, 523	25, 119	41, 843	22, 425	4, 249	19, 418	1. 64
Nov-----	41, 447	21, 610	19, 837	67, 079	41, 807	25, 272	42, 266	22, 406	4, 298	19, 860	1. 62
Dec <sup>4</sup> -----		21, 884						22, 501	4, 281		

<sup>1</sup> Monthly average for year and total for month.

<sup>2</sup> Book value, end of period, seasonally adjusted.

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

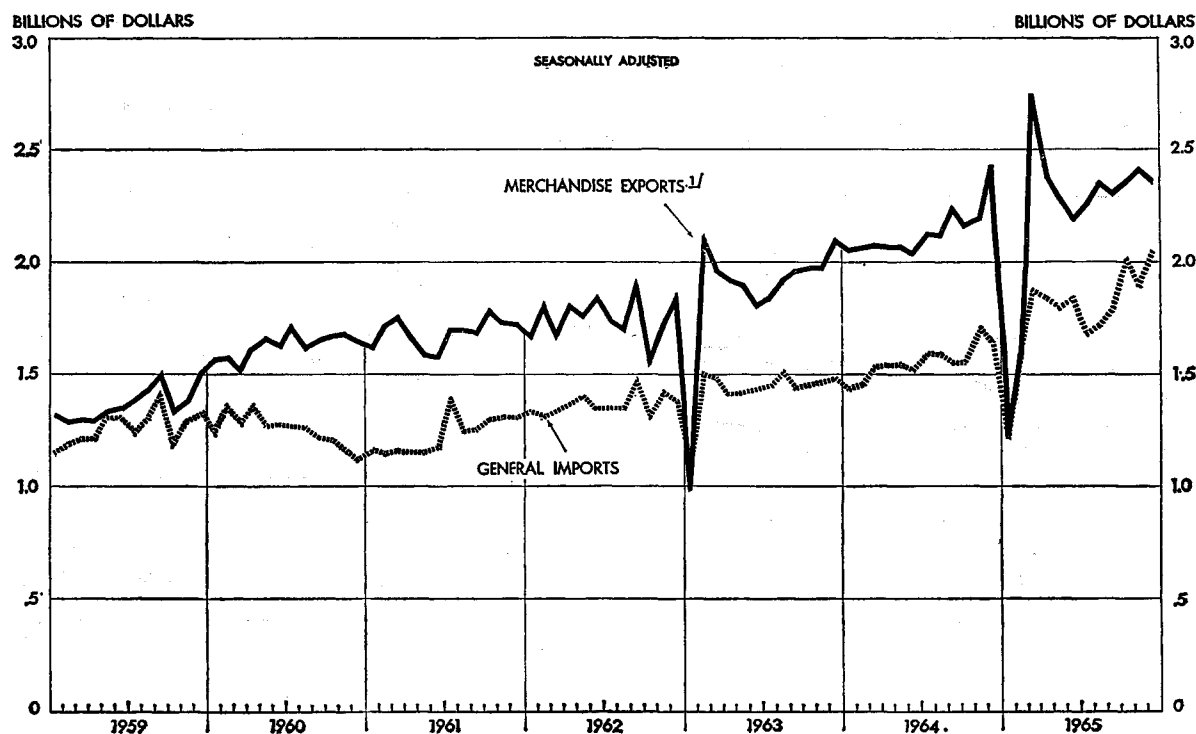
<sup>4</sup> Preliminary.

Source: Department of Commerce.



# MERCHANDISE EXPORTS AND IMPORTS

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



1/SEE NOTE 1 BELOW.

SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	Merchandise exports						Merchandise imports					Merchandise trade surplus, seasonally adjusted	
	Total (including reexports) <sup>1</sup>		Domestic exports				General imports <sup>2</sup>		Imports for consumption <sup>3</sup>				
	Seasonally adjusted	Unadjusted	Total <sup>4</sup>	Food, beverages, and tobacco	Crude materials and fuel	Manufactured goods	Seasonally adjusted	Unadjusted	Total <sup>4</sup>	Food, beverages, and tobacco	Crude materials and fuel		Manufactured goods
Monthly average:													
1958		1,364	1,351	224	254	962		1,105	1,101	296	342	433	259
1959		1,367	1,352	238	250	931		1,302	1,285	296	382	575	65
1960		1,634	1,617	263	324	1,072		1,251	1,251	283	379	556	383
1961		1,679	1,659	286	318	1,083		1,226	1,221	286	361	539	453
1962		1,745	1,723	307	277	1,157		1,366	1,354	306	381	630	379
1963		1,869	1,846	342	311	1,218		1,429	1,417	320	386	666	440
1964		2,135	2,106	387	362	1,360		1,557	1,550	332	413	756	578
1965		2,214	2,186					1,781	1,774				433
Unadjusted													
1964: Nov	2,197	2,183	2,158	440	382	1,342	1,698	1,672	1,655	392	399	813	499
Dec	2,430	2,561	2,526	452	463	1,605	1,642	1,755	1,720	376	454	842	788
1965: Jan	1,217	1,188	1,171	137	209	826	1,206	1,113	1,138	173	386	535	11
Feb	1,593	1,514	1,491	225	246	1,052	1,601	1,464	1,489	264	416	759	-8
Mar	2,753	2,892	2,860	484	461	1,888	1,869	2,040	1,999	386	508	1,041	884
Apr	2,380	2,529	2,502	389	410	1,708	1,835	1,855	1,821	331	454	963	545
May	2,278	2,381	2,351	392	378	1,555	1,799	1,724	1,720	332	409	913	479
June	2,185	2,219	2,191	382	382	1,455	1,835	1,907	1,878	349	474	989	350
July	2,263	2,172	2,140	414	362	1,343	1,670	1,633	1,636	261	410	902	593
Aug	2,346	2,124	2,096	363	321	1,393	1,725	1,718	1,729	315	449	909	621
Sept	2,298	2,141	2,111	401	303	1,371	1,787	1,798	1,795	353	431	946	511
Oct	2,349	2,420	2,387	431	383	1,530	2,002	1,997	2,004	409	462	1,061	347
Nov	2,406	2,440	2,407	459	402	1,525	1,903	1,967	1,953	417	424	1,034	503
Dec	2,366	2,550	2,520				2,035	2,160	2,130				321

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

<sup>2</sup> Total arrivals of imported goods other than intransit shipments.

<sup>3</sup> Imported merchandise released from Customs custody for entry into U.S.

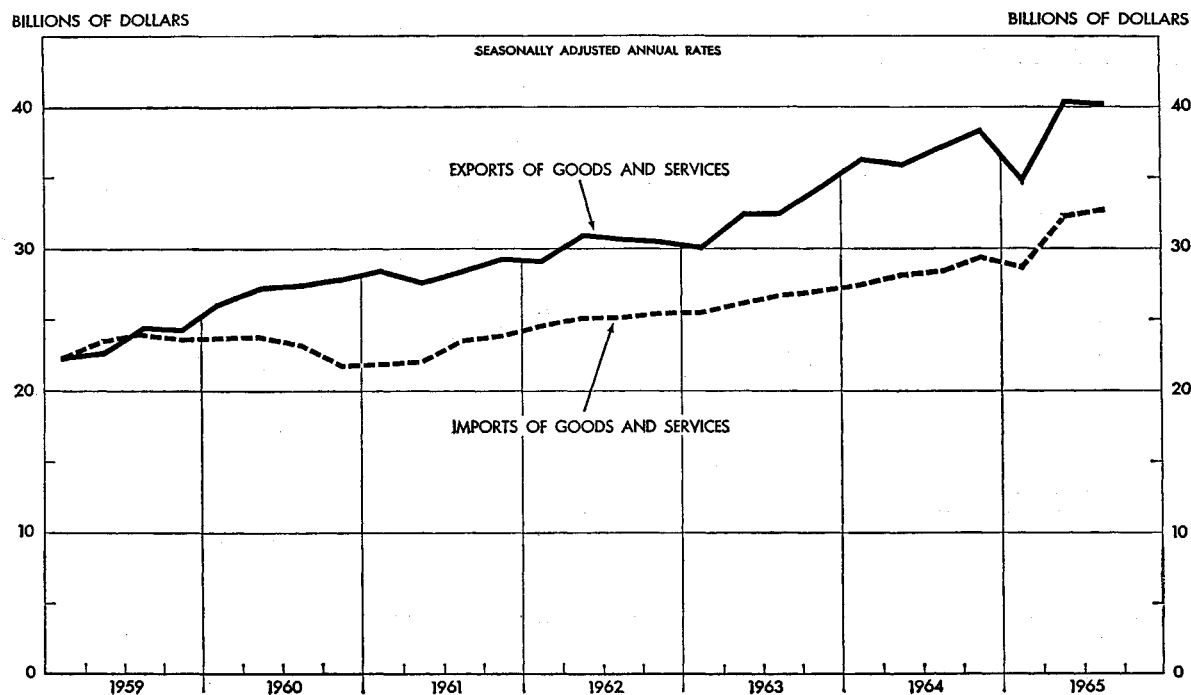
consumption channels, entries into bonded manufacturing warehouses, and ores and crude metals (after smelting and refining) in bonded warehouses.

<sup>4</sup> Total includes commodities and transactions not classified according to kind.

Source: Department of Commerce.

## U.S. EXPORTS AND IMPORTS OF GOODS AND SERVICES

The U.S. surplus on goods and services decreased in the third quarter to \$7.4 billion (seasonally adjusted annual rate) from \$8.0 billion in the second quarter. The surplus on merchandise trade remained at \$5.1 billion while the surplus on services declined by \$0.6 billion largely because of a decrease in private investment income.



[Millions of dollars]

Period	Exports of goods and services						Imports of goods and services				Balance on goods and services
	Total	Merchandise <sup>1</sup>	Military sales	Income on investments		Other services	Total	Merchandise <sup>1</sup>	Military expenditures	Other services	
				Private	Government						
1958.....	23,067	16,264	300	2,538	307	3,658	20,861	12,952	3,435	4,474	2,206
1959.....	23,476	16,282	302	2,694	349	3,849	23,342	15,310	3,107	4,925	134
1960.....	27,244	19,489	335	3,001	349	4,070	23,177	14,732	3,048	5,397	4,067
1961.....	28,557	19,936	402	3,561	380	4,278	22,924	14,507	2,954	5,463	5,633
1962.....	30,278	20,604	656	3,954	471	4,593	25,129	16,173	3,078	5,878	5,149
1963.....	32,353	22,069	659	4,156	498	4,971	26,436	16,992	2,929	6,515	5,917
1964.....	37,017	25,288	762	5,003	454	5,510	28,457	18,619	2,824	7,014	8,560
1965 <sup>2</sup> .....	38,377	25,520	817	5,741	555	5,744	31,240	20,871	2,799	7,571	7,137
Seasonally adjusted annual rates											
1964: I.....	36,336	24,596	776	5,064	520	5,380	27,512	17,640	2,928	6,944	8,824
II.....	35,964	24,268	764	5,052	528	5,352	28,244	18,396	2,880	6,968	7,720
III.....	37,340	25,528	672	5,040	528	5,572	28,544	18,836	2,764	6,944	8,796
IV.....	38,428	26,760	836	4,856	240	5,736	29,528	19,604	2,724	7,200	8,900
1965: I.....	34,660	22,344	696	5,640	556	5,424	28,628	18,652	2,648	7,328	6,032
II.....	40,368	26,992	916	6,000	584	5,876	32,388	21,876	2,808	7,704	7,980
III.....	40,104	27,224	840	5,584	524	5,932	32,704	22,084	2,940	7,680	7,400

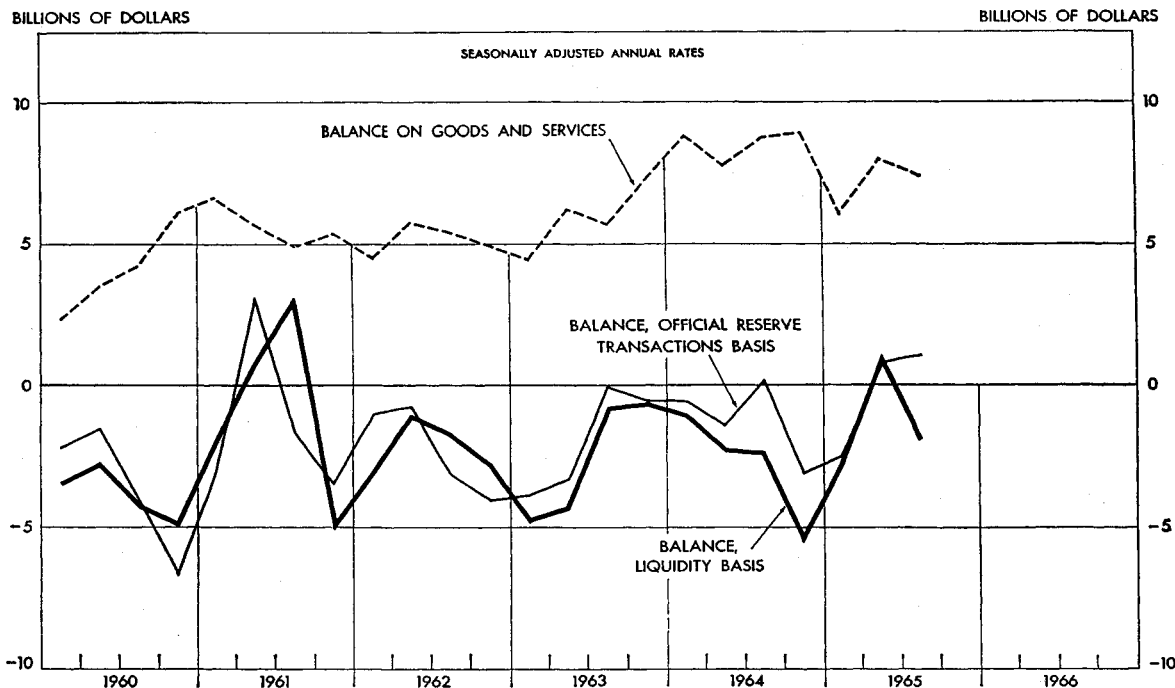
<sup>1</sup> Adjusted from customs data for differences in timing and coverage.

<sup>2</sup> Average of the seasonally adjusted annual rates for the first 3 quarters.

Source: Department of Commerce.

## U.S. BALANCE OF INTERNATIONAL PAYMENTS

The United States recorded a deficit on liquidity balance of \$1.9 billion (seasonally adjusted annual rate) in the third quarter, but had a surplus of \$1.0 billion on the official reserve settlements basis. The shift to deficit on the liquidity balance is primarily attributable to the fact that certain favorable capital inflows of the second quarter could not be repeated. The official settlements balance showed another surplus in the third quarter as foreign central banks again supplied dollars to meet the demands of the private sector.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	U.S. Government grants and capital, net <sup>1</sup>	U.S. private capital, net			Foreign capital, net <sup>1</sup>	Errors and unrecorded transactions	Balance		Changes in selected liabilities (decrease (-)) <sup>4</sup>			Changes in gold, convertible currencies and IMF gold tranche position (increase (-))
		Direct investment	Other long-term	Short-term			Liquid- ity basis <sup>2</sup>	Official reserve transactions basis <sup>3</sup>	To foreign official holders <sup>5</sup>		To other foreign holders <sup>7</sup>	
									Liquid	Non-liquid <sup>6</sup>		
1958.....	-2,587	-1,181	-1,444	-311	22	488	-3,529	-3,027	735	-----	502	2,292
1959.....	-1,986	-1,372	-926	-77	863	412	-3,743	-2,283	1,248	-----	1,460	1,035
1960.....	-2,769	-1,674	-863	-1,348	366	-988	-3,881	-3,592	1,449	-----	289	2,143
1961.....	-2,780	-1,599	-1,025	-1,556	707	-1,045	-2,370	-1,287	681	-----	1,083	606
1962.....	-3,013	-1,654	-1,227	-544	1,021	-1,197	-2,203	-2,241	457	251	213	1,533
1963.....	-3,581	-1,976	-1,695	-785	688	-401	-2,670	-1,977	1,673	-74	619	378
1964.....	-3,563	-2,376	-1,975	-2,111	667	-1,161	-2,798	-1,224	1,073	-20	1,554	171
1965 <sup>a</sup> .....	-3,327	-3,420	-1,247	1,027	44	-485	-1,269	-236	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )
Seasonally adjusted annual rates												
1964:									Quarterly, totals unadjusted			
I.....	-3,012	-1,856	-1,096	-2,356	456	-1,152	-1,028	-544	-400	-50	227	-51
II.....	-3,560	-2,160	-1,024	-2,192	308	-608	-2,328	-1,404	215	-----	114	303
III.....	-3,580	-2,204	-2,448	-1,624	680	-1,164	-2,372	184	389	-----	562	70
IV.....	-4,100	-3,284	-3,332	-2,272	1,224	-1,720	-5,464	-3,132	869	30	651	-151
1965:												
I.....	-3,188	-4,636	-2,716	1,188	1,392	-12	-2,836	-2,568	-861	-----	199	842
II.....	-3,836	-3,564	400	1,696	-240	-308	968	820	-107	-----	-161	68
III.....	-2,956	-2,060	-1,424	196	-1,020	-1,136	-1,940	1,040	252	-----	683	<sup>10</sup> 40

<sup>1</sup> Includes certain special Government transactions.

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

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

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

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

<sup>6</sup> Provisional.

<sup>7</sup> Private holders; includes banks and international and regional organizations; excludes IMF.

<sup>8</sup> Average of the seasonally adjusted annual rates for the first 3 quarters.

<sup>9</sup> Not available.

<sup>10</sup> On Sept. 30, U.S. reserve assets consisted of gold stock, \$13,925 million (down \$124 million from June 30); IMF position including gold portion of increased U.S. subscription, \$837 million; convertible currencies, \$959 million.

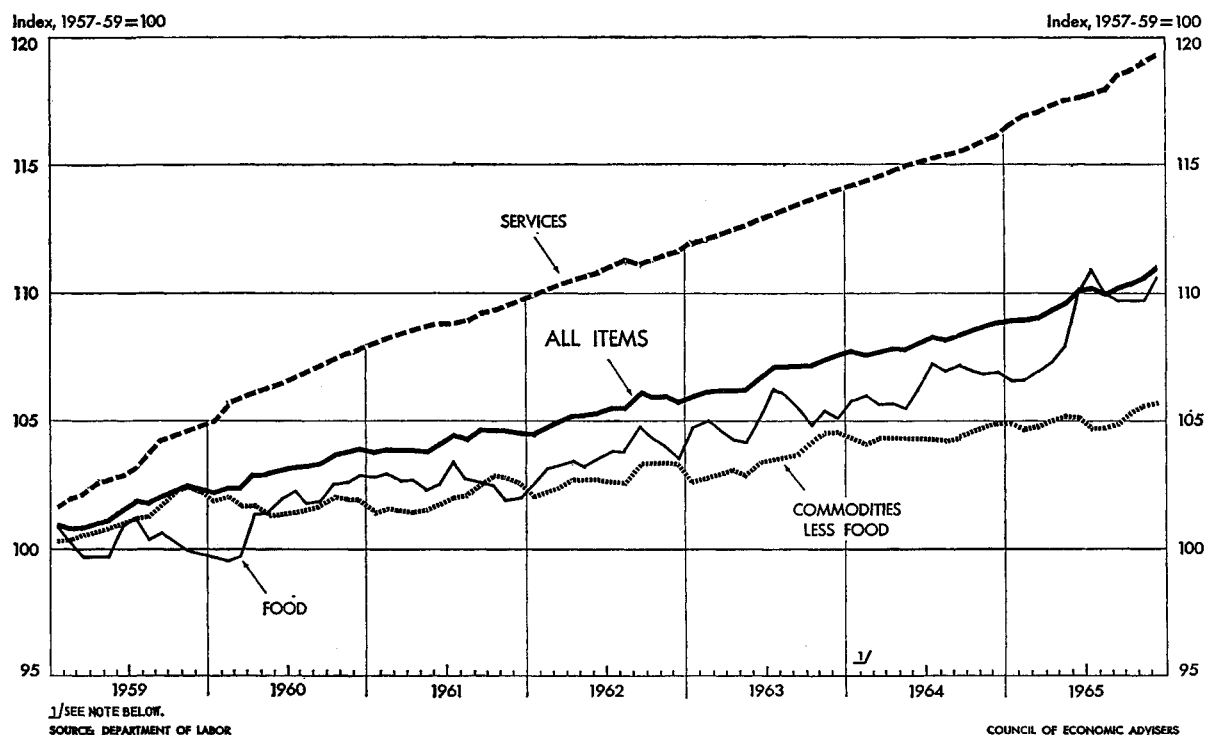
NOTE.—Data exclude military grant-aid and U.S. subscriptions to IMF.

Source: Department of Commerce.

# PRICES

## CONSUMER PRICES

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



[1957-59=100]

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

<sup>1</sup> See Note.

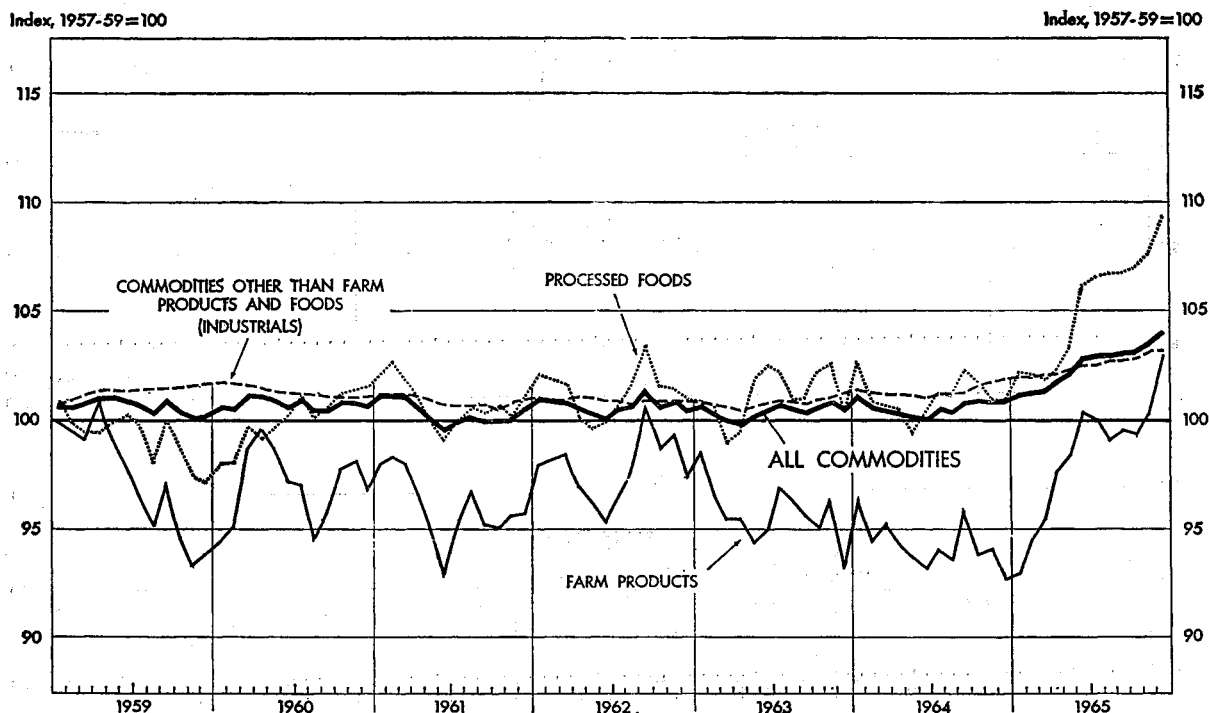
NOTE.—Prior to January 1964, indexes revised to reflect transfer of home-ownership from services to durable commodities.

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

Source: Department of Labor.

## WHOLESALE PRICES

The wholesale price index increased by 0.6 percent in December. The sharp rise was caused by very large increases in farm product and processed food prices of 2.7 percent and 1.7 percent, respectively. Industrial prices were unchanged.



SOURCE, DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[1957-59=100]

Period	All commodities	Farm products	Processed foods	Commodities other than farm products and foods (industrials)					
				All industrials <sup>1</sup>	Industrial crude materials	Industrial intermediate materials <sup>2</sup>	Producer finished goods	Consumer finished goods excluding food	
								Durable	Non-durable
1958	100.4	103.6	102.9	99.5	96.9	99.4	100.2	100.1	99.3
1959	100.6	97.2	99.2	101.3	102.3	101.0	102.1	101.3	100.8
1960	100.7	96.9	100.0	101.3	98.3	101.4	102.3	100.9	101.5
1961	100.3	96.0	100.7	100.8	97.2	100.1	102.5	100.5	101.5
1962	100.6	97.7	101.2	100.8	95.6	99.9	102.9	100.0	101.6
1963	100.3	95.7	101.1	100.7	94.3	99.6	103.1	99.5	101.9
1964	100.5	94.3	101.0	101.2	97.1	100.2	104.1	99.9	101.6
1965 <sup>3</sup>	102.5	98.4	105.1	102.5	100.9	101.5	105.4	99.6	102.8
1964: Sept.	100.7	95.7	102.2	101.1	98.1	99.9	104.2	99.9	101.0
Oct.	100.8	93.8	101.7	101.5	99.1	100.4	104.3	100.0	101.6
Nov.	100.7	94.0	100.9	101.6	99.8	100.5	104.6	99.9	101.9
Dec.	100.7	92.7	100.8	101.8	100.6	100.6	104.5	99.9	102.1
1965: Jan.	101.0	93.0	102.2	101.9	99.0	100.8	104.9	99.8	102.3
Feb.	101.2	94.5	102.1	101.9	99.4	100.8	105.0	99.7	102.2
Mar.	101.3	95.4	101.8	102.0	99.7	100.9	105.1	99.7	102.2
Apr.	101.7	97.6	102.3	102.1	100.1	101.1	105.3	99.7	102.2
May	102.1	98.4	103.3	102.3	101.0	101.4	105.3	99.6	102.5
June	102.8	100.3	106.1	102.5	100.5	101.5	105.4	99.7	102.6
July	102.9	100.0	106.6	102.5	100.4	101.5	105.4	99.6	102.7
Aug.	102.9	99.1	106.7	102.7	101.7	101.7	105.5	99.5	102.8
Sept.	103.0	99.5	106.7	102.7	101.3	101.8	105.5	99.5	103.0
Oct.	103.1	99.4	106.9	102.8	102.0	101.9	105.6	99.5	103.3
Nov.	103.5	100.3	107.6	103.2	102.7	102.1	105.9	99.5	103.6
Dec. <sup>3</sup>	104.1	103.0	109.4	103.2	102.6	102.2	106.0	99.6	103.7
Week ended: <sup>4</sup>									
1966: Jan 18	104.5	104.6	110.7	103.3					
25 <sup>3</sup>	104.6	104.7	111.0	103.3					

<sup>1</sup> Coverage of the subgroups does not correspond exactly to coverage of this index.

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

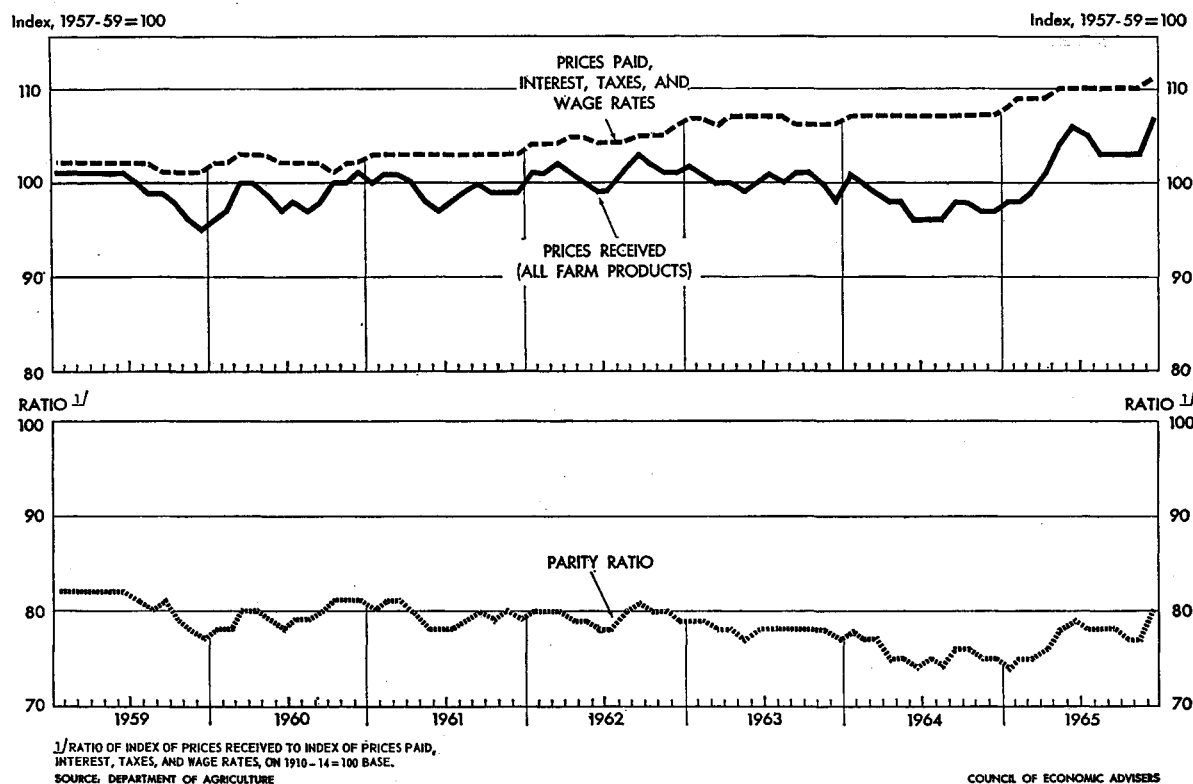
<sup>3</sup> Preliminary.

<sup>4</sup> Weekly series based on smaller sample than monthly series.

Source: Department of Labor.

## PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers rose by 4 percent during the month ended December 15 as livestock prices increased by 6 percent and crop prices rose by 2 percent. Because prices paid by farmers increased by only 1 percent, the parity ratio was raised by 3 points.



Period	Prices received by farmers			Prices paid by farmers			Parity ratio <sup>1</sup>
	All farm products	Crops	Livestock and products	All items, interest, taxes, and wage rates	Family living items	Production items	
	Index, 1957-59=100						
1956.....	95	105	88	95	96	95	83
1957.....	97	101	94	98	99	98	82
1958.....	104	100	106	100	100	100	85
1959.....	99	99	100	102	101	102	82
1960.....	99	99	98	102	102	101	80
1961.....	99	102	98	103	102	101	79
1962.....	101	104	99	105	103	103	80
1963.....	100	107	95	107	104	104	78
1964.....	98	106	91	107	105	103	76
1965 <sup>2</sup> .....	102	104	101	110	107	105	77
1964: Nov 15.....	97	105	91	107	105	103	75
Dec 15.....	97	105	91	107	105	103	75
1965: Jan 15.....	98	105	92	108	106	104	74
Feb 15.....	98	105	93	109	106	104	75
Mar 15.....	99	106	93	109	106	104	75
Apr 15.....	101	109	95	109	106	105	76
May 15.....	104	111	99	110	108	106	78
June 15.....	106	109	103	110	107	106	79
July 15.....	105	106	104	110	107	106	78
Aug 15.....	103	100	105	110	107	106	78
Sept 15.....	103	100	105	110	107	106	78
Oct 15.....	103	99	106	110	107	105	77
Nov 15.....	103	98	106	110	107	105	77
Dec 15.....	107	100	112	111	108	106	80

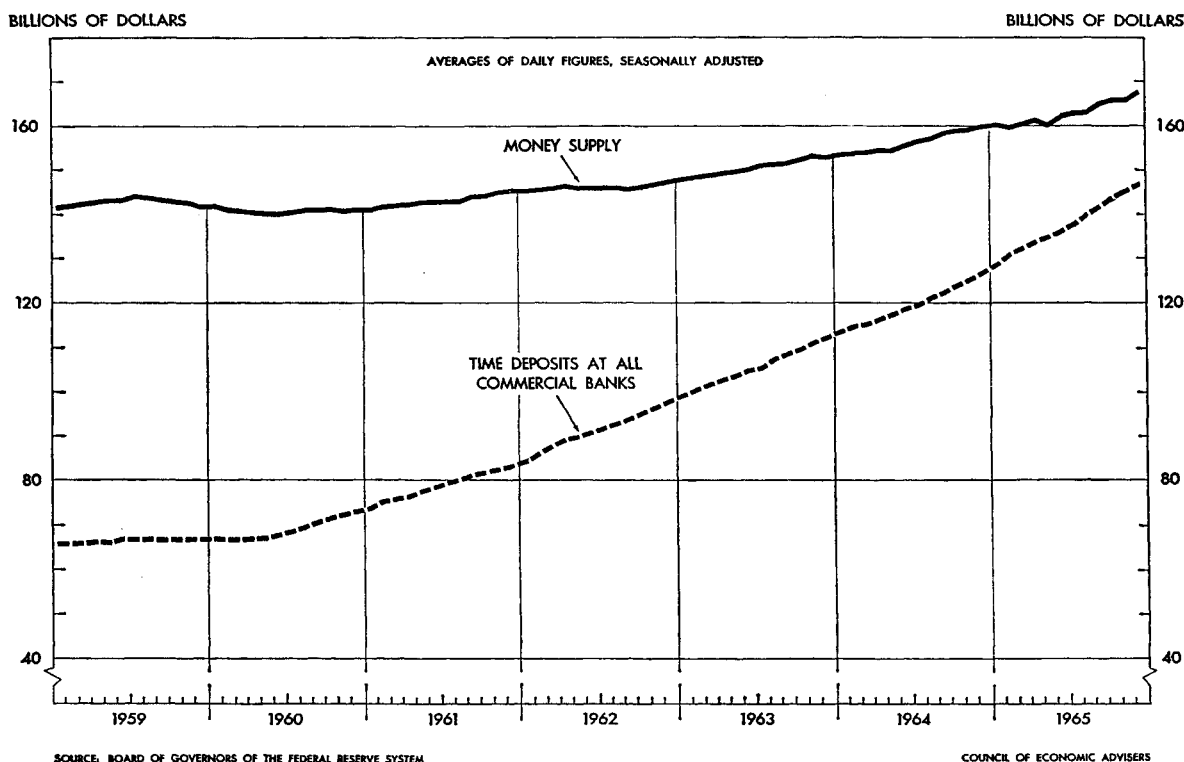
<sup>1</sup> Percentage ratio of index of prices received by farmers to index of prices paid, interest, taxes, and wage rates on 1910-14=100 base.

<sup>2</sup> Preliminary.  
Source: Department of Agriculture.

# MONEY, CREDIT, AND SECURITY MARKETS

## MONEY SUPPLY

The daily average money supply (seasonally adjusted) rose substantially in December after barely changing in the preceding month. From the end of 1964 to the end of 1965, the money supply rose by 4.8 percent, compared with a 4.3 percent rise in 1964. Commercial bank time deposits rose by 16.0 percent in 1965 compared with a 12.8 percent rise in 1964.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

Averages of daily figures, billions of dollars

Period	Money supply				Money supply				U.S. Gov- ernment demand deposits <sup>1</sup>
	Total	Cur- rency out- side banks	De- mand de- posits	Time de- posits <sup>1</sup>	Total	Cur- rency out- side banks	De- mand de- posits	Time de- posits <sup>1</sup>	
	Seasonally adjusted				Unadjusted				
1960: Dec.....	141.1	28.9	112.1	72.9	144.7	29.6	115.2	72.1	4.7
1961: Dec.....	145.5	29.6	116.0	82.7	149.4	30.2	119.2	81.8	4.9
1962: Dec.....	147.5	30.6	116.9	97.8	151.6	31.2	120.3	96.7	5.6
1963: Dec.....	153.1	32.5	120.6	112.2	157.3	33.1	124.1	111.0	5.1
1964: Dec.....	159.7	34.2	125.4	126.6	164.0	35.0	129.1	125.2	5.5
1965: Dec <sup>2</sup> .....	167.4	36.3	131.2	146.9	172.0	37.0	135.0	145.3	4.5
1964: Nov.....	159.1	34.2	124.8	125.1	160.6	34.6	126.1	124.1	5.8
Dec.....	159.7	34.2	125.4	126.6	164.0	35.0	129.1	125.2	5.5
1965: Jan.....	160.0	34.5	125.5	128.8	164.4	34.4	130.1	128.3	4.2
Feb.....	159.7	34.7	125.1	131.0	159.5	34.2	125.3	130.8	5.7
Mar.....	160.3	34.7	125.6	132.1	159.0	34.3	124.6	132.7	6.7
Apr.....	161.1	34.7	126.4	133.5	161.6	34.5	127.1	134.0	5.6
May.....	160.0	34.9	125.1	134.6	157.6	34.6	123.0	135.4	9.7
June.....	161.8	35.0	126.8	135.9	159.6	34.9	124.6	136.6	9.3
July.....	162.5	35.2	127.3	137.6	160.9	35.4	125.6	138.3	9.1
Aug.....	162.7	35.4	127.3	140.1	160.5	35.5	125.0	140.2	7.4
Sept.....	164.3	35.6	128.7	141.6	163.2	35.6	127.5	141.4	5.6
Oct.....	165.6	35.9	129.7	143.6	165.8	36.0	129.8	143.5	5.0
Nov.....	165.7	36.1	129.6	145.5	167.4	36.5	130.9	144.4	4.0
Dec <sup>2</sup> .....	167.4	36.3	131.2	146.9	172.0	37.0	135.0	145.3	4.5

<sup>1</sup>Deposits at all commercial banks.

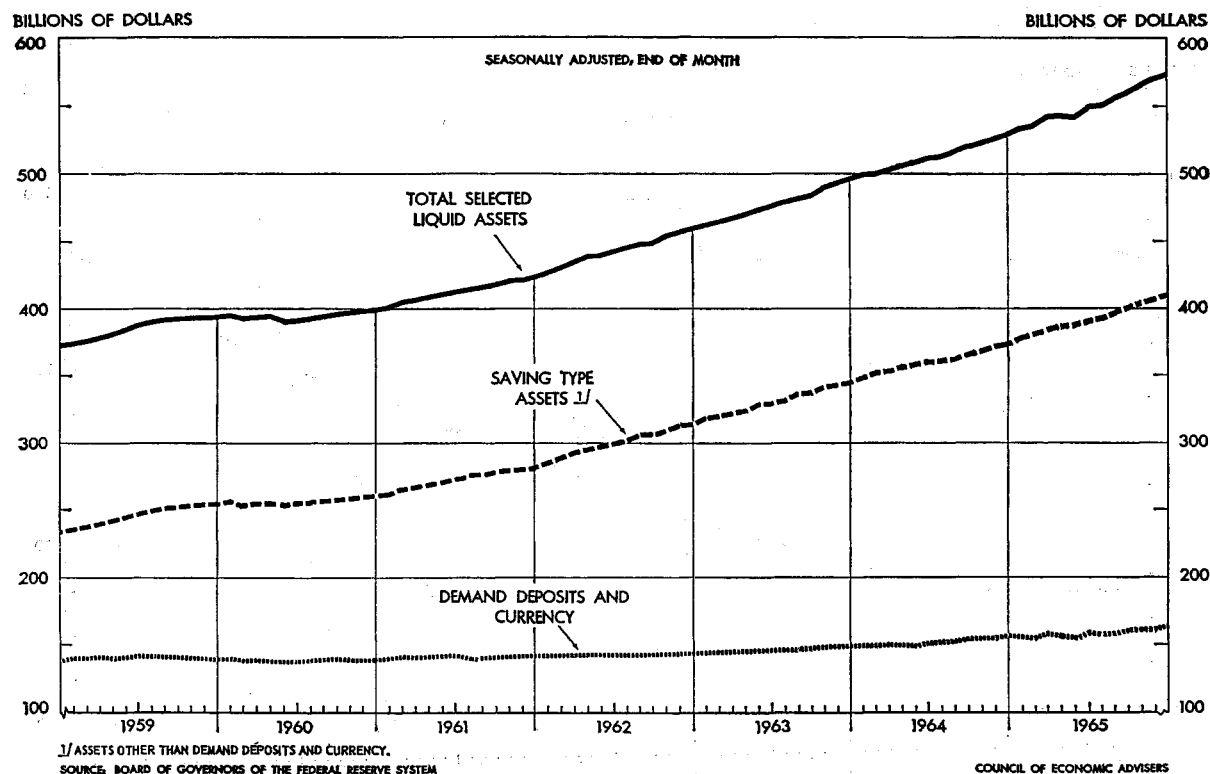
<sup>2</sup>Preliminary.

NOTE.—See Note, p. 31.

Source: Board of Governors of the Federal Reserve System.

## SELECTED LIQUID ASSETS HELD BY THE PUBLIC

The increase in nonbank public holdings of liquid assets (seasonally adjusted) in December was sizeable and was largely concentrated in holdings of demand deposits and currency. Over 1965 as a whole, holdings of liquid assets rose by 7.9 percent, compared with 7.1 percent in 1964.



[Billions of dollars, seasonally adjusted]

End of period	Total selected liquid assets	Demand deposits and currency <sup>1</sup>	Time deposits		Postal Savings System	Savings and loan shares	U.S. Government savings bonds <sup>2</sup>	U.S. Government securities maturing within one year <sup>2</sup>
			Commercial banks	Mutual savings banks				
1957	356.0	133.5	57.5	31.6	1.3	41.7	51.6	38.8
1958	373.1	138.8	65.4	33.9	1.1	47.7	50.5	35.6
1959	393.9	139.7	67.4	34.9	.9	54.3	47.9	48.8
1960	399.2	138.4	73.1	36.2	.8	61.8	47.0	41.9
1961	424.6	142.6	82.5	38.3	.6	70.5	47.4	42.6
1962	459.0	144.8	98.1	41.4	.5	79.8	47.6	46.8
1963	495.4	149.6	112.9	44.5	.5	90.9	49.0	48.1
1964	530.4	156.7	127.1	49.0	.4	101.3	49.9	46.1
1965 <sup>3</sup>	572.5	163.7	146.8	52.5	.3	109.7	50.5	49.0
1964: Dec	530.4	156.7	127.1	49.0	.4	101.3	49.9	46.1
1965: Jan	534.9	156.1	130.6	49.4	.4	101.7	50.0	46.8
Feb	536.4	154.8	131.9	49.6	.4	102.6	49.9	47.3
Mar	542.8	158.6	133.0	49.8	.4	103.6	49.9	47.6
Apr	543.3	156.3	134.1	50.1	.4	103.9	49.9	48.6
May	543.0	155.4	134.9	50.4	.4	104.4	49.9	47.6
June	550.2	159.6	136.3	50.8	.4	105.1	50.0	48.0
July	550.9	157.7	138.3	51.1	.4	105.5	50.1	47.9
Aug	555.6	157.8	139.8	51.3	.3	106.5	50.1	49.8
Sept	560.6	160.6	141.6	51.6	.3	107.7	50.1	48.7
Oct <sup>3</sup>	565.0	161.1	144.0	52.0	.3	108.3	50.1	49.1
Nov <sup>3</sup>	568.2	160.3	146.5	52.3	.3	109.2	50.1	49.4
Dec <sup>3</sup>	572.5	163.7	146.8	52.5	.3	109.7	50.5	49.0

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

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

<sup>3</sup> Preliminary.

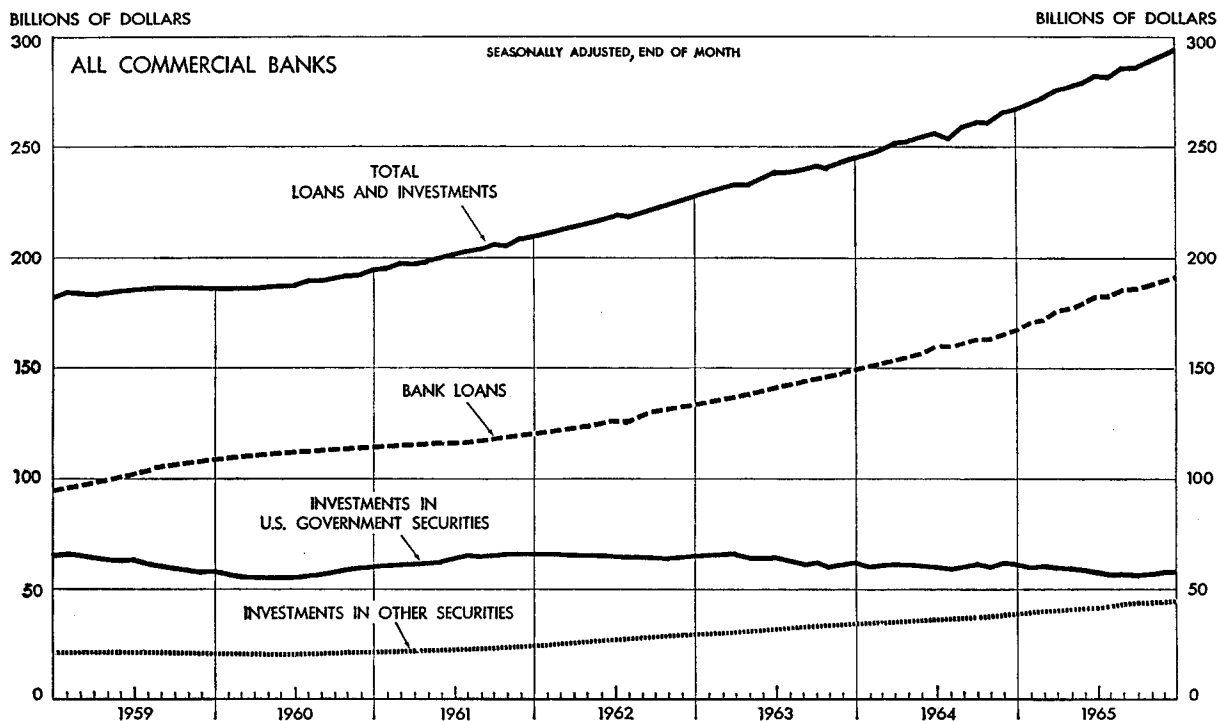
NOTE.—See Note, p. 31.

Source: Board of Governors of the Federal Reserve System.



# BANK LOANS, INVESTMENTS, DEBITS, AND RESERVES

Total commercial bank credit (seasonally adjusted) registered a large \$2.5 billion increase in December reflecting accommodation of strong year-end loan demand. From the end of 1964 to the end of 1965 total bank credit rose by 10 percent compared with an 8½ percent increase in the preceding year.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

End of period	All commercial banks (seasonally adjusted data)				Weekly reporting member banks <sup>1</sup>	Bank debits outside New York City (244 centers), seasonally adjusted annual rates <sup>2</sup>	All member banks <sup>1,4</sup>			
	Total loans and invest- ments	Loans, excluding inter- bank	Investments				Total reserves	Excess reserves	Borrow- ings at Federal Reserve Banks	Free reserves
			U.S. Gov- ernment securities	Other securi- ties	Business loans <sup>3</sup>					
	Billions of dollars						Millions of dollars			
1958-----	181.2	95.6	65.1	20.5	31.7	1,481	18,899	516	557	-41
1959-----	185.9	107.6	57.8	20.5	30.7	1,666	18,932	482	906	-424
1960-----	194.5	113.8	59.9	20.8	32.2	1,736	19,283	756	87	669
1961-----	209.8	120.5	65.4	23.9	32.9	1,832	20,118	568	149	419
1962-----	228.3	133.9	65.2	29.2	35.2	2,021	20,040	572	304	268
1963-----	246.5	149.4	62.1	35.0	38.8	2,199	20,746	536	327	209
1964-----	267.2	167.1	61.4	38.7	42.1	<sup>3</sup> 2,696	21,609	411	243	168
1965 <sup>5</sup> -----	294.0	191.8	57.6	44.6	50.6	-----	22,715	443	454	-11
1964: Dec-----	267.2	167.1	61.4	38.7	42.1	2,804	21,609	411	243	168
1965: Jan-----	269.6	170.2	59.9	39.5	41.8	2,803	21,620	405	299	106
Feb-----	272.1	171.9	60.2	40.0	43.0	2,845	21,231	441	405	36
Mar-----	275.5	175.8	59.6	40.1	44.6	2,924	21,246	341	416	-75
Apr-----	277.3	177.1	59.1	41.1	44.6	2,962	21,511	366	471	-105
May-----	279.4	179.5	58.6	41.3	45.2	2,872	21,472	325	505	-180
June-----	282.8	183.0	57.7	42.1	46.8	3,019	21,709	346	528	-182
July <sup>5</sup> -----	281.5	182.7	56.4	42.4	46.3	3,021	21,863	350	524	-174
Aug <sup>5</sup> -----	286.1	185.8	57.0	43.3	46.9	3,019	21,617	430	564	-134
Sept <sup>5</sup> -----	286.2	186.2	56.5	43.5	48.1	3,023	21,729	373	528	-155
Oct <sup>5</sup> -----	288.9	188.0	57.0	43.9	48.2	3,069	21,959	341	490	-149
Nov <sup>5</sup> -----	291.5	189.8	57.6	44.1	49.0	3,179	21,958	370	452	-82
Dec <sup>5</sup> -----	294.0	191.8	57.6	44.6	50.6	3,250	22,715	443	454	-11

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

<sup>2</sup> Commercial and industrial loans.

<sup>3</sup> Debits during period to demand deposit accounts except interbank and U.S. Government. New series; see *Bank Debits and Deposit Turnover, G.6 FRB, February 19, 1965*.

<sup>4</sup> Averages of daily figures. Annual data are for December.

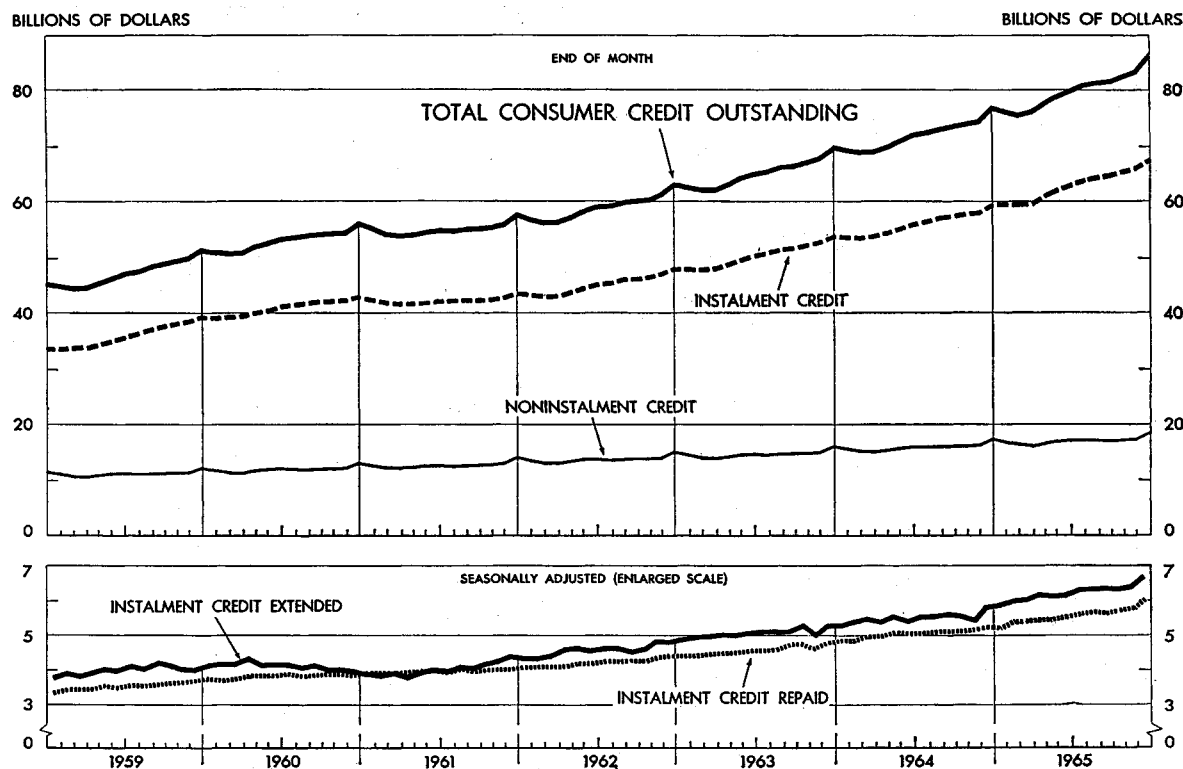
<sup>5</sup> Preliminary.

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

Source: Board of Governors of the Federal Reserve System.

## CONSUMER AND REAL ESTATE CREDIT

Total consumer credit, on the basis of preliminary estimates, continued its strong uptrend in November and December. Over 1965 as a whole, it rose by 12 percent compared with the 10 percent rise in 1964.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	Consumer credit outstanding (end of period; unadjusted)					Consumer instalment credit extended and repaid (seasonally adjusted)				Mortgage debt out- standing, nonfarm 1- to 4- family houses <sup>3</sup>
	Total	Instalment			Non- instal- ment <sup>2</sup>	Total		Automobile paper		
		Total <sup>1</sup>	Auto- mobile paper	Personal loans		Extended	Repaid	Extended	Repaid	
1956-----	42,334	31,720	14,420	6,789	10,614	39,868	37,054	15,515	14,555	99,000
1957-----	44,970	33,867	15,340	7,582	11,103	42,016	39,868	16,465	15,545	107,600
1958-----	45,129	33,642	14,152	8,116	11,487	40,119	40,344	14,226	15,415	117,700
1959-----	51,542	39,245	16,420	9,386	12,297	48,052	42,603	17,779	15,579	130,900
1960-----	56,028	42,832	17,688	10,480	13,196	49,560	45,972	17,654	16,384	141,300
1961-----	57,678	43,527	17,223	11,256	14,151	48,396	47,700	16,007	16,472	153,100
1962-----	63,164	48,034	19,540	12,643	15,130	55,126	50,620	19,796	17,478	166,500
1963-----	69,890	53,745	22,199	14,391	16,145	60,822	55,111	22,013	19,354	182,200
1964-----	76,810	59,397	24,521	16,071	17,413	66,070	60,418	23,565	21,243	197,600
1965 <sup>4</sup> -----	86,100	67,500	28,200	18,200	18,600	74,700	66,600	27,400	23,700	212,900
1964: Nov-----	74,371	58,085	24,367	15,771	16,286	5,456	5,155	1,858	1,818	-----
Dec-----	76,810	59,397	24,521	16,071	17,413	5,816	5,256	2,043	1,864	197,600
1965: Jan-----	76,145	59,342	24,574	16,091	16,803	5,883	5,213	2,120	1,830	-----
Feb-----	75,741	59,363	24,743	16,190	16,378	6,022	5,381	2,228	1,897	-----
Mar-----	76,085	59,788	25,063	16,341	16,297	6,030	5,393	2,229	1,924	200,500
Apr-----	77,483	60,803	25,615	16,693	16,680	6,189	5,445	2,272	1,936	-----
May-----	78,687	61,739	26,109	16,917	16,948	6,105	5,435	2,215	1,940	-----
June-----	79,887	62,790	26,685	17,159	17,097	6,139	5,537	2,250	1,960	204,800
July-----	80,686	63,609	27,171	17,312	17,077	6,278	5,612	2,301	1,972	-----
Aug-----	81,454	64,393	27,493	17,565	17,061	6,288	5,679	2,313	2,030	-----
Sept-----	81,924	64,846	27,555	17,724	17,078	6,331	5,648	2,324	1,996	209,000
Oct-----	82,569	65,368	27,766	17,763	17,201	6,306	5,717	2,266	2,028	-----
Nov-----	83,390	66,012	27,976	17,883	17,378	6,405	5,748	2,408	2,112	-----
Dec <sup>4</sup> -----	86,100	67,500	28,200	18,200	18,600	6,700	6,000	2,500	2,200	212,900

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

<sup>2</sup> Consists of single-payment loans, charge accounts, and service credit.

<sup>3</sup> End of period, unadjusted.

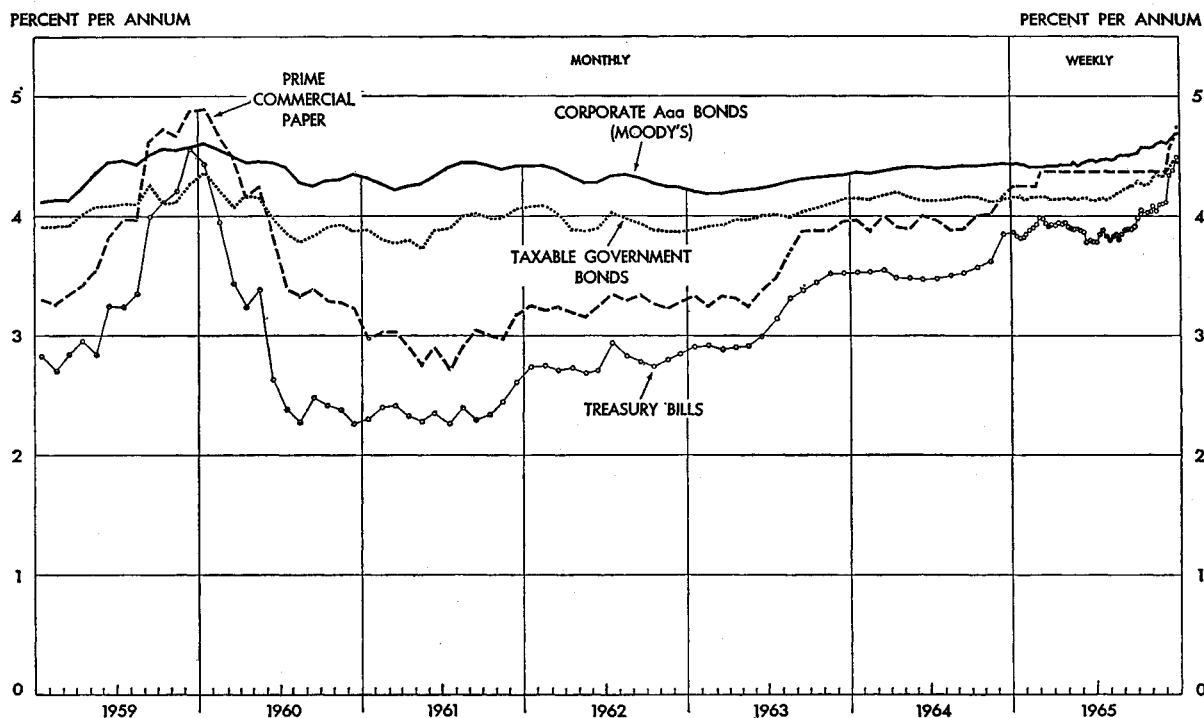
<sup>4</sup> Preliminary; December by Council of Economic Advisers.

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

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

## BOND YIELDS AND INTEREST RATES

The 3-month Treasury bill rate rose sharply in January, to an all-time peak in the week ended January 22, reflecting exceptional money market pressures. Longer-term security yields, however, remained remarkably stable.



SOURCES: SEE TABLE BELOW

COUNCIL OF ECONOMIC ADVISERS

[Percent per annum]

Period	U.S. Government security yields			High-grade municipal bonds (Standard & Poor's) <sup>4</sup>	Corporate bonds (Moody's)		Prime commercial paper, 4-6 months	FHA new home mortgage yields <sup>5</sup>
	3-month Treasury bills <sup>1</sup>	3-5 year issues <sup>2</sup>	Taxable bonds <sup>3</sup>		Aaa	Baa		
1959.....	3.405	4.33	4.08	3.95	4.38	5.05	3.97	5.77
1960.....	2.928	3.99	4.02	3.73	4.41	5.19	3.85	6.16
1961.....	2.378	3.60	3.90	3.46	4.35	5.08	2.97	5.78
1962.....	2.778	3.57	3.95	3.18	4.33	5.02	3.26	5.60
1963.....	3.157	3.72	4.00	3.23	4.26	4.86	3.55	5.46
1964.....	3.549	4.06	4.15	3.22	4.40	4.83	3.97	5.45
1965.....	3.954	4.22	4.21	3.27	4.49	4.87	4.38	5.46
1964: Nov.....	3.624	4.04	4.12	3.18	4.43	4.81	4.02	5.45
Dec.....	3.856	4.07	4.14	3.15	4.44	4.81	4.17	5.45
1965: Jan.....	3.828	4.06	4.14	3.06	4.43	4.80	4.25	5.45
Feb.....	3.929	4.08	4.16	3.10	4.41	4.78	4.27	5.45
Mar.....	3.942	4.12	4.15	3.18	4.42	4.78	4.38	5.45
Apr.....	3.932	4.12	4.15	3.17	4.43	4.80	4.38	5.45
May.....	3.895	4.11	4.14	3.19	4.44	4.81	4.38	5.45
June.....	3.810	4.09	4.14	3.26	4.46	4.85	4.38	5.45
July.....	3.831	4.10	4.15	3.26	4.48	4.88	4.38	5.44
Aug.....	3.836	4.19	4.19	3.25	4.49	4.88	4.38	5.44
Sept.....	3.912	4.24	4.25	3.36	4.52	4.91	4.38	5.45
Oct.....	4.032	4.33	4.28	3.42	4.56	4.93	4.38	5.46
Nov.....	4.082	4.46	4.34	3.47	4.60	4.95	4.38	5.49
Dec.....	4.362	4.77	4.43	3.56	4.68	5.02	4.65	5.51
Week ended:								
1965: Dec 25..	4.505	4.82	4.44	3.56	4.70	5.04	4.75	-----
1966: Jan 1*..	4.457	4.90	4.44	3.56	4.73	5.04	4.75	-----
8*.....	4.532	4.93	4.44	3.54	4.73	5.05	4.75	-----
15*.....	4.585	4.84	4.42	3.51	4.74	5.05	4.78	-----
22*.....	4.673	4.86	4.42	3.51	4.74	5.06	4.88	-----
29*.....	4.596							-----

<sup>1</sup> Rate on new issues within period.

<sup>2</sup> Selected note and bond issues.

<sup>3</sup> Series includes: April 1963 to date, bonds due or callable 10 years and after.

<sup>4</sup> Weekly data are Wednesday figures.

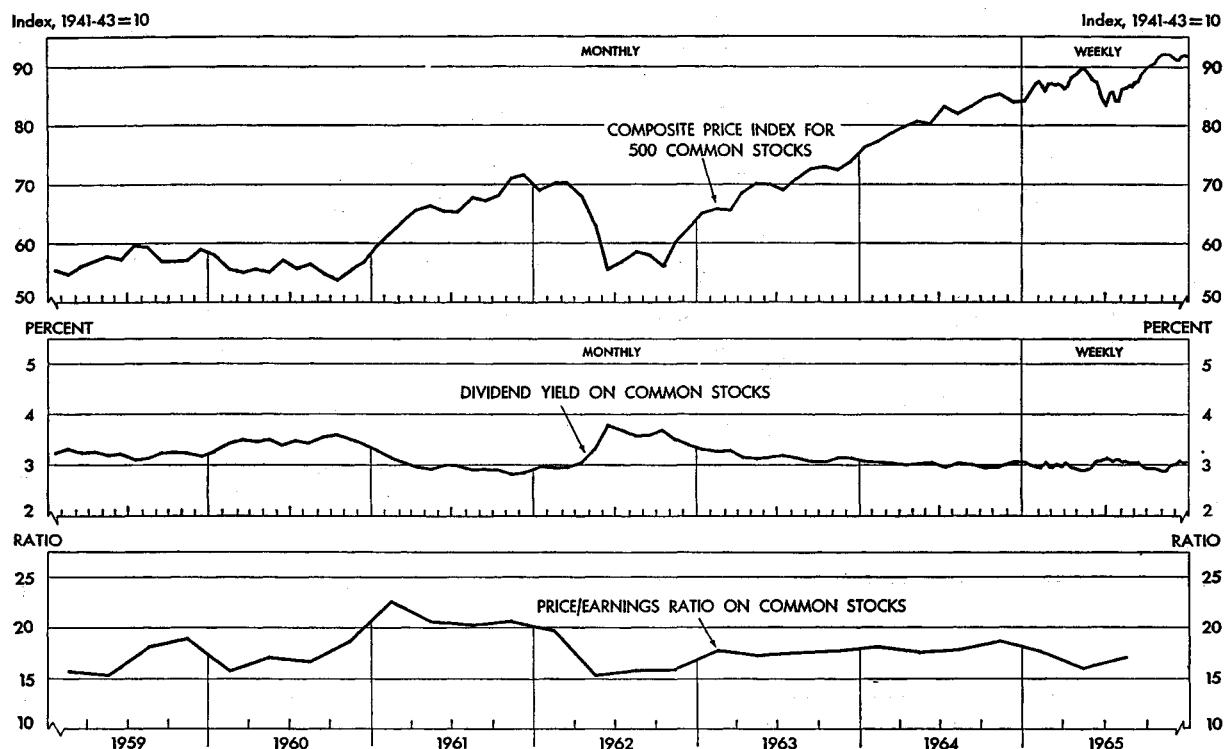
<sup>5</sup> Data for first of the month, based on the maximum permissible interest rate (5¼ percent since May 1961) and 30-year mortgages paid in 15 years.

\*Not charted.

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

# COMMON STOCK PRICES, YIELD, AND EARNINGS

Stock prices fluctuated unevenly during December, resulting in a slight decline for the month. In early January, they resumed their upward trend.



SOURCE: STANDARD AND POOR'S CORPORATION

COUNCIL OF ECONOMIC ADVISERS

Period	Price index <sup>1</sup>						Dividend yield <sup>2</sup> (percent)	Price/ earnings ratio <sup>3</sup>
	Total	Industrials			Public utilities	Railroads		
		Total	Capital goods	Consumers' goods				
1941-43=10								
1960.....	55.85	59.43	59.75	47.21	46.86	30.31	3.47	17.09
1961.....	66.27	69.99	67.33	57.01	60.20	32.83	2.98	21.06
1962.....	62.38	65.54	58.15	54.96	59.16	30.56	3.37	16.68
1963.....	69.87	73.39	63.30	62.28	64.99	37.58	3.17	17.62
1964.....	81.37	86.19	76.34	73.84	69.91	45.46	3.01	18.08
1965.....	88.17	93.48	85.26	81.94	76.08	46.78	3.00	-----
1964: Dec.....	83.96	88.71	77.24	77.58	74.24	45.75	3.05	18.67
1965: Jan.....	86.12	91.04	80.19	79.69	75.87	46.79	2.99	-----
Feb.....	86.75	91.64	82.52	80.74	77.04	46.76	2.99	-----
Mar.....	86.83	91.75	83.62	81.50	76.92	46.98	2.99	17.69
Apr.....	87.97	93.08	84.85	83.78	77.24	46.63	2.95	-----
May.....	89.28	94.69	86.35	85.21	77.50	45.53	2.92	-----
June.....	85.04	90.19	81.62	80.04	74.19	42.52	3.07	15.93
July.....	84.91	89.92	80.54	78.80	74.63	43.31	3.09	-----
Aug.....	86.49	91.68	83.25	80.23	74.71	46.13	3.06	-----
Sept.....	89.38	94.93	86.91	82.34	76.10	46.96	2.98	17.10
Oct.....	91.39	97.20	90.28	83.90	76.69	48.46	2.91	-----
Nov.....	92.15	98.02	91.62	83.75	76.72	50.23	2.96	-----
Dec.....	91.73	97.66	91.42	83.31	75.39	51.03	3.06	-----
Week ended:								
1965: Dec 17.....	91.99	97.94	91.49	83.44	75.54	50.99	3.05	-----
24.....	92.04	98.01	92.31	83.79	75.36	51.32	3.04	-----
31.....	91.90	97.87	91.92	83.18	75.27	51.05	3.06	-----
1966: Jan 7*.....	92.70	98.79	92.70	84.16	75.30	51.95	3.03	-----
14*.....	93.36	99.53	93.33	83.98	75.07	53.64	3.02	-----
21*.....	93.65	99.95	93.48	84.74	74.31	54.21	3.01	-----

<sup>1</sup> Includes 500 common stock, 425 are industrials; 50 are public utilities; and 25 are railroads. Weekly indexes for capital and consumer goods are Wednesday figures; all other weekly indexes are averages of daily figures.

<sup>2</sup> Aggregate cash dividends (based on latest known annual rate) divided by the aggregate monthly market value of the stocks in the group. Annual yields are averages of monthly data. Weekly data are Wednesday figures.

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

\*Not charted.

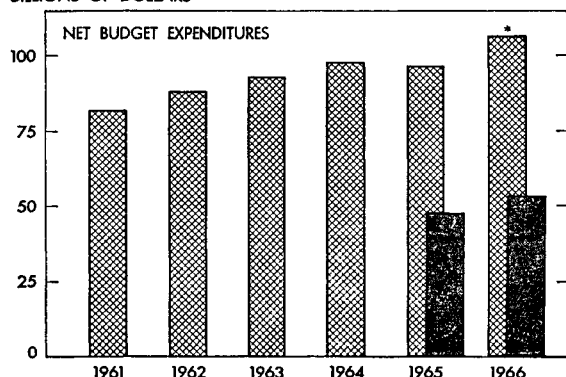
Source: Standard and Poor's Corporation.

# FEDERAL FINANCE

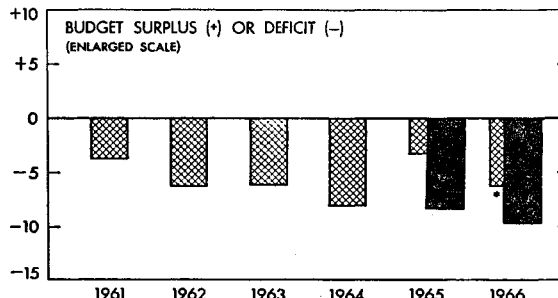
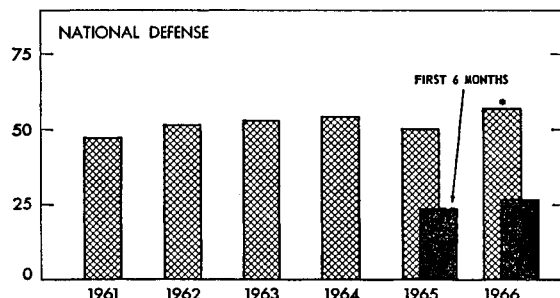
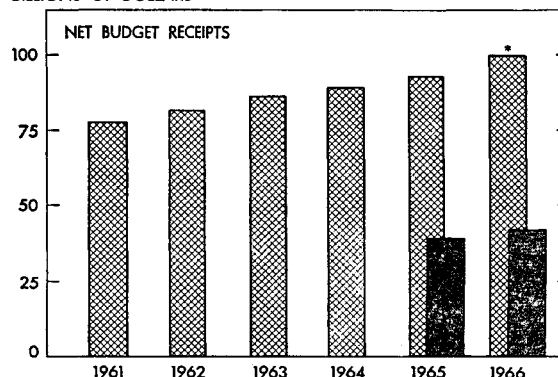
## FEDERAL ADMINISTRATIVE BUDGET RECEIPTS AND EXPENDITURES

The budget deficit in the first 6 months of fiscal 1966 amounted to \$9.9 billion. In the corresponding period of fiscal 1965 the deficit was \$8.6 billion.

BILLIONS OF DOLLARS



BILLIONS OF DOLLARS



\* ESTIMATE.

SOURCE: TREASURY DEPARTMENT AND BUREAU OF THE BUDGET

FISCAL YEARS

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

Period	Net budget receipts	Net budget expenditures				Budget surplus or deficit (—)	Public debt (end of period) <sup>2</sup>
		Total	National defense <sup>1</sup>				
			Total	Department of Defense, military	Military assistance		
Fiscal year 1960	77.8	76.5	45.7	41.2	1.6	1.2	286.5
Fiscal year 1961	77.7	81.5	47.5	43.2	1.4	—3.9	289.2
Fiscal year 1962	81.4	87.8	51.1	46.8	1.4	—6.4	298.6
Fiscal year 1963	86.4	92.6	52.8	48.3	1.7	—6.3	306.5
Fiscal year 1964	89.5	97.7	54.2	49.8	1.5	—8.2	312.5
Fiscal year 1965	93.1	96.5	50.2	46.2	1.2	—3.4	317.9
Fiscal year 1966 <sup>3</sup>	100.0	106.4	56.6	52.9	1.3	—6.4	320.0
Fiscal year 1967 <sup>3</sup>	111.0	112.8	60.5	57.2	1.2	—1.8	321.7
1964: Nov	7.0	7.1	4.0	3.7	.1	( <sup>4</sup> )	319.3
Dec	8.9	8.8	4.5	4.2	.1	.1	318.7
1965: Jan	5.6	7.7	4.0	3.7	.1	—2.0	318.6
Feb	7.5	7.1	3.8	3.6	.1	.4	320.6
Mar	11.2	8.1	4.5	4.2	.1	3.0	318.4
Apr	8.5	8.3	4.3	4.1	.1	.3	317.2
May	7.3	8.1	4.3	3.8	.2	—8.8	319.8
June	13.4	9.1	5.0	4.3	.4	4.3	317.9
July	3.8	7.2	3.8	3.6	( <sup>5</sup> )	—3.4	317.1
Aug	7.4	9.0	4.4	4.1	( <sup>5</sup> )	—1.6	318.7
Sept	11.0	9.5	4.5	4.3	.1	1.5	317.3
Oct	3.3	8.8	4.5	4.3	( <sup>5</sup> )	—5.5	319.4
Nov	8.1	9.1	4.5	4.2	.1	—1.0	322.2
Dec	9.6	9.4	5.1	4.8	.1	.1	321.4
Cumulative totals, first 6 months:							
Fiscal year 1965	39.5	48.1	24.2	22.5	.3	—8.6	318.7
Fiscal year 1966	43.1	53.0	26.8	25.3	.4	—9.9	321.4

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

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

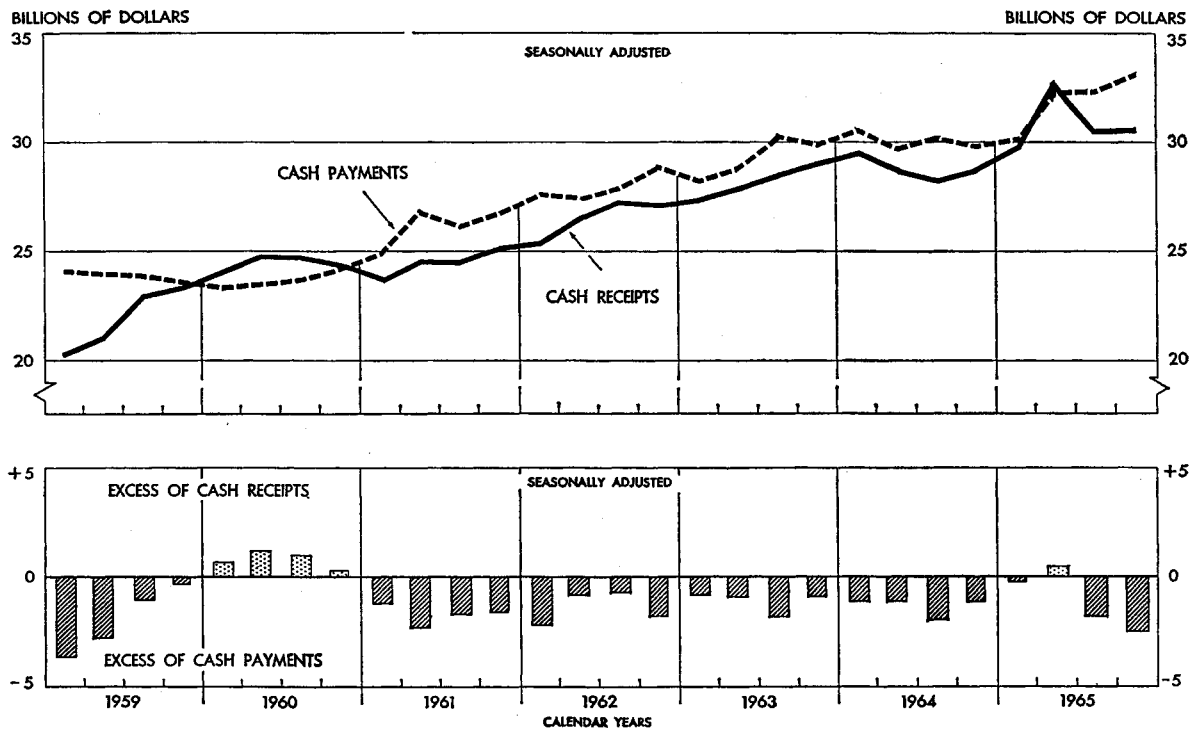
<sup>3</sup> Estimates. <sup>4</sup> Deficit of \$15 million. <sup>5</sup> Less than \$50 million.

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

Sources: Treasury Department and Bureau of the Budget.

# FEDERAL CASH RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

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



SOURCES: TREASURY DEPARTMENT AND BUREAU OF THE BUDGET

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

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

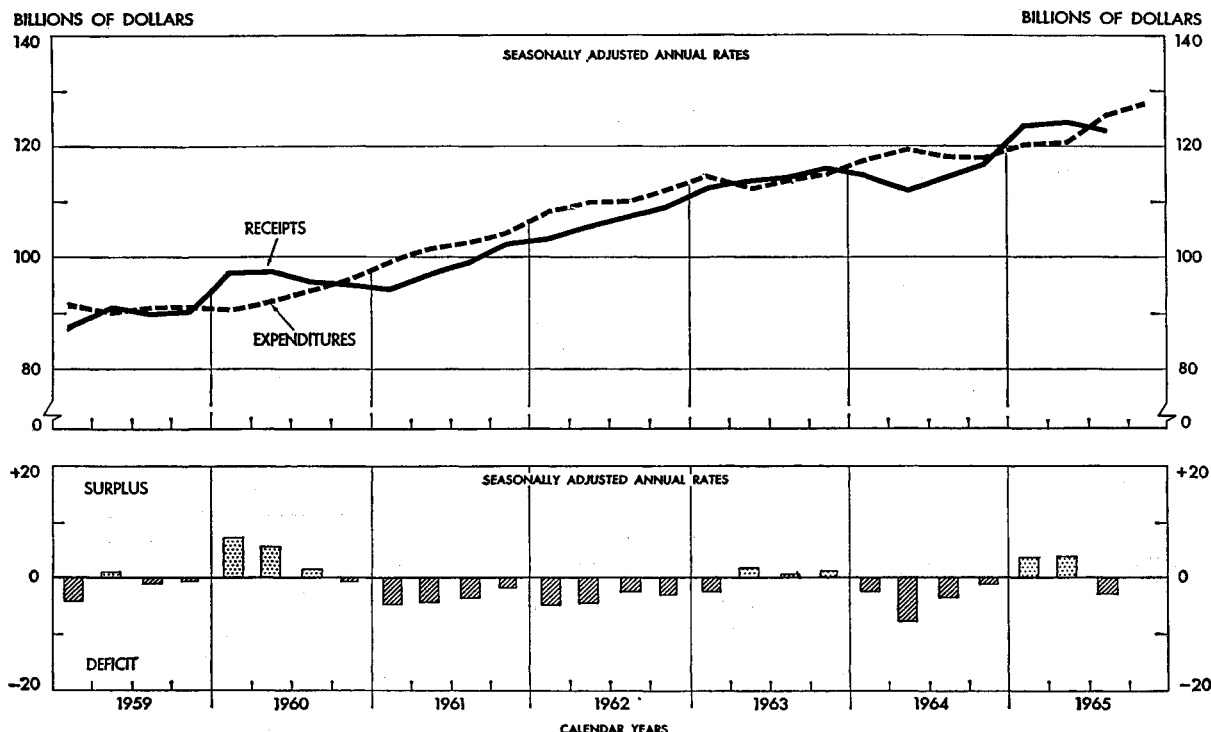
<sup>1</sup> Estimates.  
<sup>2</sup> Preliminary.

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

Sources: Treasury Department and Bureau of the Budget.

# FEDERAL BUDGET, NATIONAL INCOME ACCOUNTS BASIS

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



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

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

Period	Federal Government receipts					Federal Government expenditures						Surplus or deficit (-)
	Total	Personal tax and nontax receipts	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 Govt. enterprises	
Fiscal year:												
1962	104.2	47.3	22.9	14.2	19.9	106.4	60.9	27.2	7.6	6.8	3.8	-2.1
1963	110.2	49.6	23.6	15.0	22.1	111.4	63.4	28.6	8.4	7.5	3.6	-1.2
1964	115.1	50.7	25.3	15.6	23.6	117.1	65.8	29.6	9.8	8.1	3.8	-1.9
1965	119.6	51.2	27.0	16.8	24.6	118.3	64.5	30.3	10.9	8.6	4.1	1.2
1966 <sup>1</sup>	128.8	54.8	29.3	15.9	28.8	131.0	70.7	34.2	12.8	9.0	4.3	-2.2
1967 <sup>1</sup>	142.2	60.5	31.1	16.5	24.1	142.7	74.4	39.2	14.7	9.7	4.7	-5
Calendar year:												
1961	98.3	44.7	21.8	13.6	18.2	102.1	57.4	27.0	7.2	6.6	3.8	-3.8
1962	106.4	48.6	22.7	14.6	20.5	110.3	63.4	27.7	8.0	7.2	4.0	-3.8
1963	114.3	51.5	24.5	15.3	23.0	114.0	64.4	29.2	9.1	7.8	3.6	.3
1964	114.5	48.6	26.0	16.1	23.7	118.3	65.3	29.9	10.4	8.4	4.3	-3.8
1965 <sup>2</sup>	124.1	53.9	28.3	16.8	25.2	123.5	66.7	32.1	11.4	8.8	4.5	.6
1964: I	114.8	50.2	25.7	15.6	23.3	117.5	65.0	30.3	9.9	8.3	3.9	-2.6
II	112.0	46.5	25.9	16.0	23.5	119.6	67.0	29.8	10.3	8.2	4.2	-7.6
III	114.6	48.1	26.2	16.4	23.9	118.2	64.9	29.7	10.6	8.5	4.4	-3.6
IV	116.8	49.8	26.5	16.4	24.2	117.9	64.3	29.8	10.8	8.4	4.7	-1.1
1965: I	123.7	53.5	27.7	17.7	24.7	120.1	64.9	31.2	10.8	8.6	4.6	3.6
II	124.4	54.8	28.0	16.7	24.9	120.6	65.7	30.6	11.0	8.7	4.5	3.8
III	122.7	53.2	28.3	16.1	25.2	125.6	66.5	34.1	11.7	8.8	4.5	-2.9
IV <sup>2</sup>	54.0			16.5	25.8	127.6	69.7	32.4	12.0	8.9	4.4	

<sup>1</sup> Estimates.  
<sup>2</sup> Preliminary.

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

OFFICIAL BUSINESS  
First-Class Mail

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