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Economic Indicators

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Council of Economic Advisers*

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

JOINT RESOLUTION [S.J. Res. 55]

To print the monthly publication entitled "Economic Indicators"

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

Approved June 23, 1949.

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TOTAL OUTPUT, INCOME, AND SPENDING

THE NATION'S INCOME, EXPENDITURE, AND SAVING

Gross national product rose \$19½ billion in the fourth quarter to a seasonally adjusted annual rate of \$1,073 billion. For the year 1971, gross national product totaled \$1,047 billion, an increase of \$72¾ billion from 1970.

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

Period	Persons					Government						Surplus or deficit (-), income and product accounts
	Disposable personal income			Personal consumption expenditures	Personal saving or dis-saving (-)	Net receipts			Expenditures			
	Total ¹	Less: Interest paid and transfer payments to foreigners	Equals: Total excluding interest and transfers			Tax and nontax receipts or accruals	Less: Transfers, interest, and subsidies ²	Equals: Net receipts	Total expenditures	Less: Transfers, interest, and subsidies ²	Equals: Purchases of goods and services	
1964	438.1	10.7	427.4	401.2	26.2	174.1	46.7	127.3	175.4	46.7	128.7	-1.4
1965	473.2	12.0	461.3	432.8	28.4	189.1	49.9	139.2	186.9	49.9	137.0	2.2
1966	511.9	13.0	498.9	466.3	32.5	213.3	55.5	157.9	212.3	55.5	156.8	1.1
1967	546.3	13.9	532.4	492.1	40.4	228.9	62.8	166.2	242.9	62.8	180.1	-13.9
1968	591.0	15.1	575.9	536.2	39.8	263.5	70.7	192.7	270.3	70.7	199.6	-6.8
1969	634.2	16.7	617.5	579.6	37.9	295.6	78.4	217.2	288.2	78.4	209.7	7.4
1970	687.8	17.9	669.9	615.8	54.1	300.5	94.2	206.3	313.6	94.2	219.4	-13.1
1971 ^p	741.2	18.6	722.6	662.2	60.4	320.8	108.0	212.8	341.1	108.0	233.1	-20.3
1970: I	667.6	17.5	650.1	604.0	46.2	296.6	82.7	213.9	300.0	82.7	217.3	-3.4
II	685.7	17.8	667.9	613.8	54.2	301.8	97.5	204.3	314.0	97.5	216.5	-12.2
III	696.2	18.0	678.2	620.9	57.4	301.7	96.8	204.9	316.9	96.8	220.1	-15.2
IV	701.5	18.3	683.2	624.7	58.5	301.9	99.8	202.1	323.7	99.8	223.7	-21.7
1971: I	772.0	18.4	703.6	644.9	58.6	312.3	101.4	210.9	329.3	101.4	227.9	-17.1
II	739.6	18.6	721.0	657.4	63.6	317.8	109.1	208.7	338.7	109.1	229.6	-20.9
III	748.5	18.8	729.7	668.8	61.0	322.0	110.3	211.7	344.1	110.3	233.8	-22.2
IV ^p	754.8	18.8	736.0	677.7	58.4	320.0	110.7	209.3	351.7	110.7	240.9	-10.8

Period	Business			Net transfers to foreigners by persons and Government	International			Excess of transfers or of net exports (-) ⁵	Total income or receipts	Statistical discrepancy	Gross national product or expenditure
	Gross retained earnings ³	Gross private domestic investment ⁴	Excess of investment (-)		Net exports of goods and services						
					Exports	Less: Imports	Equals: Net exports				
1964	76.2	94.0	-17.8	2.8	37.1	28.6	8.5	-5.7	633.7	-1.3	632.4
1965	84.7	108.1	-23.4	2.8	39.2	32.3	6.9	-4.1	688.0	-3.1	684.9
1966	91.3	121.4	-30.1	2.8	43.4	38.1	5.3	-2.4	750.9	-1.0	749.9
1967	93.0	116.6	-23.5	3.0	46.2	41.0	5.2	-2.2	794.6	-7.7	793.9
1968	95.4	126.0	-30.6	2.9	50.6	48.1	2.5	.4	866.9	-2.7	864.2
1969	95.6	137.8	-42.1	2.9	55.6	53.6	2.0	.9	933.2	-4.1	929.1
1970	99.3	135.3	-36.0	3.1	62.9	59.3	3.6	-.4	978.6	-4.5	974.1
1971 ^p	112.7	150.8	-38.1	3.4	65.5	64.8	.7	2.7	1,051.5	-4.7	1,046.8
1970: I	96.2	131.2	-35.0	3.0	61.5	58.0	3.5	-.5	963.2	-7.3	956.0
II	99.1	134.1	-35.0	3.0	63.2	59.0	4.2	-1.1	974.3	-5.8	968.5
III	100.4	138.6	-38.2	3.2	63.7	59.7	4.0	-.7	986.7	-3.2	983.5
IV	101.5	137.3	-35.8	3.3	63.2	60.5	2.7	.7	990.1	-1.6	988.4
1971: I	107.6	143.3	-35.7	3.1	66.2	61.5	4.7	-1.6	1,025.2	-4.3	1,020.8
II	111.9	152.9	-41.0	3.4	66.5	66.4	.1	3.3	1,044.9	-4.9	1,040.0
III	113.0	150.8	-37.8	3.7	68.2	68.2	.0	3.7	1,058.1	-4.7	1,053.4
IV ^p	113.0	156.5	-43.5	3.5	61.2	63.2	-2.0	5.5	1,047.0	-4.7	1,042.3

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

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

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

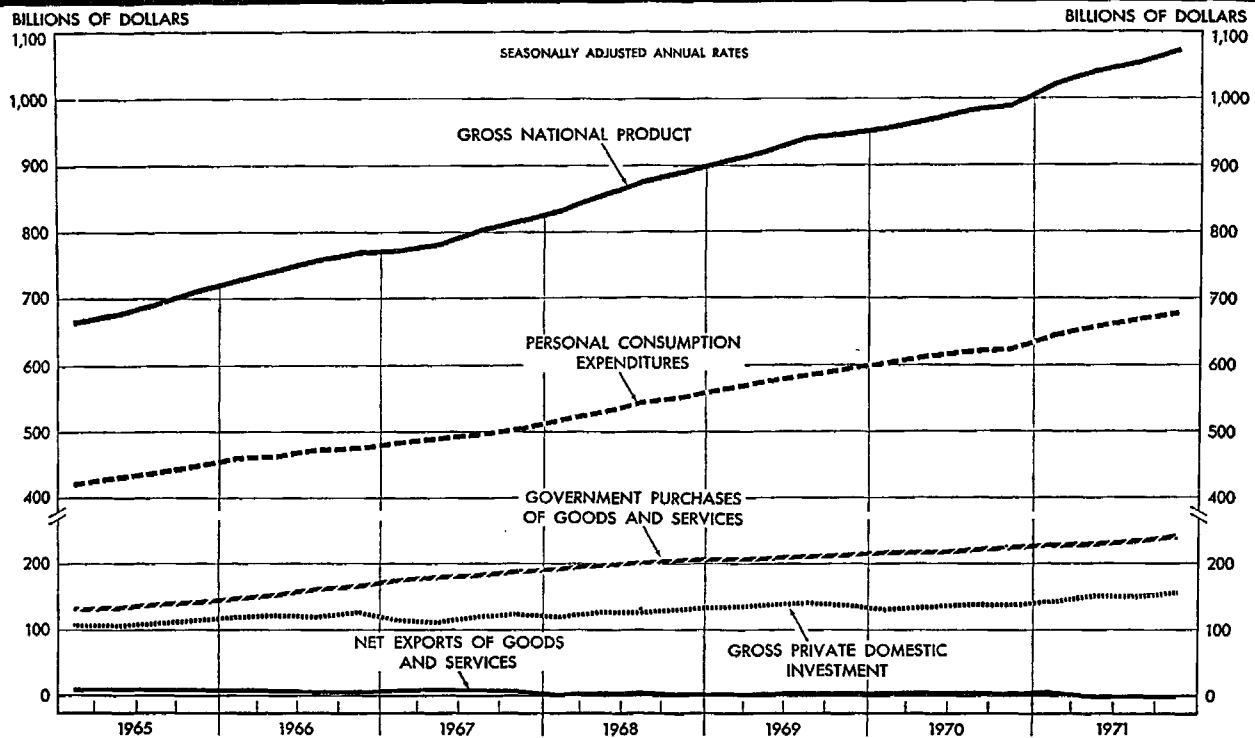
⁴ Private business investment, purchases of capital goods by private nonprofit institutions, and residential housing.

⁵ Net foreign investment less capital grants received by U.S., with sign changed.

Source: Department of Commerce.

GROSS NATIONAL PRODUCT OR EXPENDITURE

Gross national product (seasonally adjusted) rose at an annual rate of 7.7 percent in the fourth quarter, according to preliminary estimates. When adjusted for price changes, the rate was 6.1 percent. For 1971 as a whole, gross national product increased by 7½ percent, real gross national product by 2¾ percent, and prices by 4½ percent.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Total gross national product in 1958 dollars	Total gross national product	Personal consumption expenditures	Gross private domestic investment	Net exports of goods and services	Government purchases of goods and services				Implicit price deflator for total GNP, 1958=100 ²	
						Total	Federal		State and local		
							Total	National defense ¹			Other
Billions of dollars; quarterly data at seasonally adjusted annual rates											
1961.....	497.2	520.1	335.2	71.7	5.6	107.6	57.4	47.8	9.6	50.2	104.62
1962.....	529.8	560.3	355.1	83.0	5.1	117.1	63.4	51.6	11.8	53.7	105.78
1963.....	551.0	590.5	375.0	87.1	5.9	122.5	64.2	50.8	13.5	53.2	107.17
1964.....	581.1	632.4	401.2	94.0	8.5	128.7	65.2	50.0	15.2	63.5	108.85
1965.....	617.8	684.9	432.8	108.1	6.9	137.0	66.9	50.1	16.8	70.1	110.86
1966.....	658.1	749.9	466.3	121.4	5.3	156.8	77.8	60.7	17.1	79.0	113.94
1967.....	676.2	793.9	492.1	116.6	5.2	180.1	90.7	72.4	18.4	89.4	117.59
1968.....	706.6	864.2	536.2	126.0	2.5	199.6	98.8	78.3	20.5	100.8	122.30
1969.....	724.7	929.1	579.6	137.8	2.0	209.7	99.2	78.4	20.7	110.6	128.21
1970.....	720.0	974.1	615.8	135.3	3.6	219.4	97.2	75.4	21.9	122.2	135.29
1971 ³	739.5	1,046.8	662.2	150.8	.7	233.1	97.6	71.4	26.2	135.4	141.56
1970: I.....	719.8	956.0	604.0	131.2	3.5	217.3	100.2	78.9	21.3	117.1	132.82
II.....	721.1	968.5	613.8	134.1	4.2	216.5	96.8	75.1	21.6	119.7	134.32
III.....	723.8	983.5	620.9	138.6	4.0	220.1	96.1	74.2	21.9	124.0	135.97
IV.....	716.9	988.4	624.7	137.3	2.7	223.7	95.9	73.2	22.7	127.9	138.07
1971: I.....	729.7	1,020.8	644.9	143.3	4.7	227.9	96.4	72.6	23.7	131.6	139.88
II.....	736.8	1,040.0	657.4	152.9	.1	229.6	96.0	71.4	24.6	133.6	141.34
III.....	740.7	1,053.4	668.8	150.8	.0	233.8	97.6	70.2	27.4	136.2	142.21
IV ³	751.7	1,073.0	677.7	156.5	-2.0	240.9	100.6	71.5	29.2	140.3	142.74

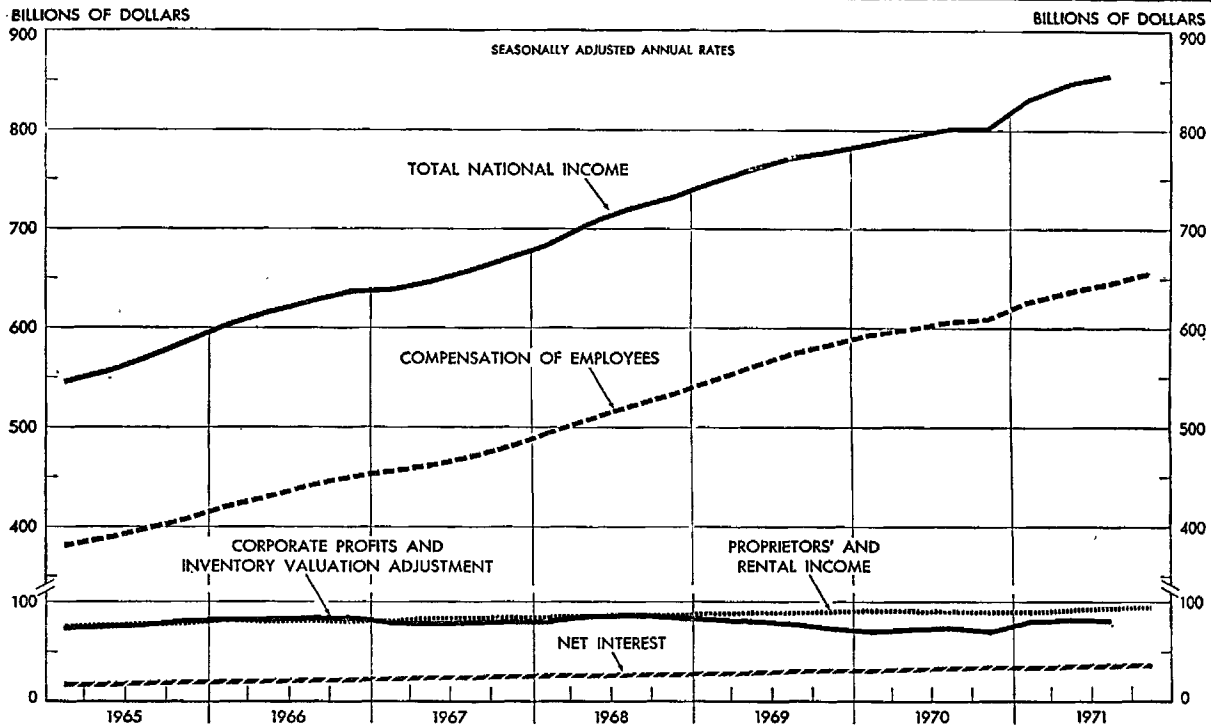
¹ This category corresponds closely with budget outlays for national defense, shown on p. 36.

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

Source: Department of Commerce.

NATIONAL INCOME

Compensation of employees rose about \$11 billion (seasonally adjusted annual rate) in the fourth quarter after a rise of \$7½ billion in the third.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

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

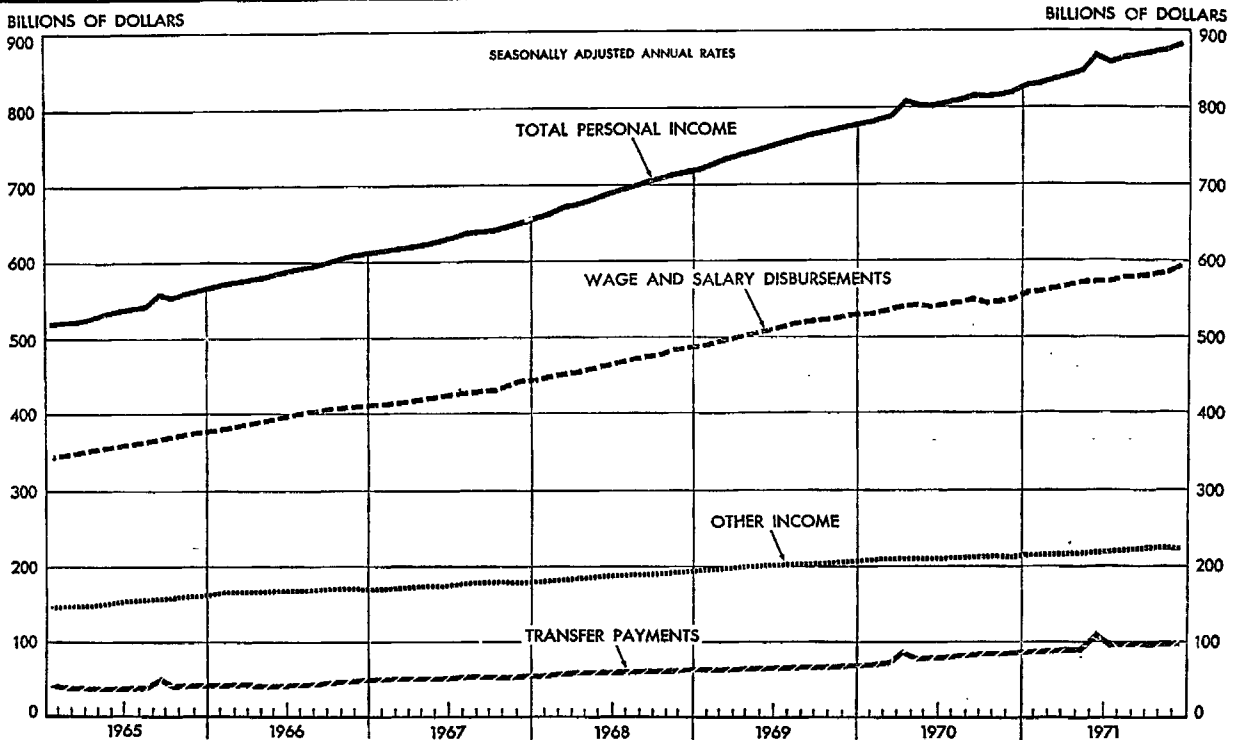
Period	Total national income	Compensation of employees ¹	Proprietors' income		Rental income of persons	Net interest	Corporate profits and inventory valuation adjustment		
			Farm ²	Business and professional			Total	Profits before taxes	Inventory valuation adjustment
1961.....	427.3	302.6	12.8	35.6	16.0	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	.3
1963.....	481.9	341.0	13.1	37.9	17.1	13.8	58.9	59.4	-.5
1964.....	518.1	365.7	12.1	40.2	18.0	15.8	66.3	66.8	-.5
1965.....	564.3	393.8	14.8	42.4	19.0	18.2	76.1	77.8	-1.7
1966.....	620.6	435.5	16.1	45.2	20.0	21.4	82.4	84.2	-1.8
1967.....	653.6	467.2	14.8	47.3	21.1	24.4	78.7	79.8	-1.1
1968.....	711.1	514.6	14.7	49.5	21.2	26.9	84.3	87.6	-3.3
1969.....	763.7	565.5	16.8	50.3	22.6	29.9	78.6	84.2	-5.5
1970.....	795.9	601.9	15.8	51.0	23.3	33.0	70.8	75.4	-4.5
1971 ^a	850.8	641.8	16.3	52.1	24.3	35.6	80.7	85.2	-4.4
1970: I.....	785.8	593.2	17.8	50.2	23.0	31.8	69.8	75.6	-5.8
II.....	793.4	598.5	16.6	51.0	23.2	32.6	71.5	75.8	-4.2
III.....	802.2	606.5	14.5	51.4	23.4	33.4	73.0	78.5	-5.5
IV.....	802.1	609.3	14.4	51.5	23.7	34.2	69.0	71.6	-2.6
1971: I.....	831.7	627.3	14.8	51.6	23.8	34.8	79.5	83.0	-3.5
II.....	847.3	638.0	15.2	51.9	24.2	35.4	82.5	86.9	-4.4
III.....	855.2	645.6	17.0	52.3	24.5	35.9	80.0	85.8	-5.8
IV ^b	656.5	18.1	52.5	24.6	36.4	-4.0

¹ Includes employer contributions for social insurance. (See also p. 4.)
² Excludes farm profits of corporations engaged in farming and therefore differs from net farm income (including net inventory change) on p. 6 which includes such profits.

Source: Department of Commerce.

SOURCES OF PERSONAL INCOME

Personal income rose \$9 billion in December to a seasonally adjusted annual rate of \$883¼ billion. All major industry groups shared in the \$9¼ billion increase in wage and salary disbursements.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

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

Period	Total personal income	Wage and salary disbursements ¹	Other labor income ²	Proprietors' income		Rental income of persons	Dividends	Personal interest income	Transfer payments	Less: Personal contributions for social insurance	Nonagricultural personal income ³
				Farm	Business and professional						
1963.....	465.5	311.1	14.9	13.1	37.9	17.1	16.5	31.4	35.3	11.8	448.1
1964.....	497.5	333.7	16.6	12.1	40.2	18.0	17.8	34.9	36.7	12.5	480.9
1965.....	538.9	358.9	18.7	14.8	42.4	19.0	19.8	38.7	39.9	13.4	519.5
1966.....	587.2	394.5	20.7	16.1	45.2	20.0	20.8	43.6	44.1	17.7	566.3
1967.....	629.3	423.1	22.3	14.8	47.3	21.1	21.4	48.0	51.8	20.5	609.4
1968.....	688.9	464.9	25.4	14.7	49.5	21.2	23.6	52.9	59.6	22.8	668.8
1969.....	750.3	509.6	28.2	16.8	50.3	22.6	24.4	58.8	65.9	26.3	727.7
1970.....	803.6	541.4	30.8	15.8	51.0	23.3	25.0	64.7	79.6	28.0	781.4
1971 ^a	857.0	574.2	33.7	16.3	52.1	24.3	25.5	67.5	94.7	31.2	834.0
1970: Nov....	815.7	545.9	32.0	14.5	51.4	23.7	25.5	66.7	84.5	28.3	795.0
1970: Dec....	820.9	551.5	32.2	14.6	51.5	23.8	23.9	66.8	85.1	28.6	800.5
1971: Jan....	829.9	558.7	32.4	14.7	51.6	23.9	25.6	66.7	86.8	30.5	808.6
1971: Feb....	832.4	560.6	32.6	14.8	51.5	23.5	25.7	66.6	87.8	30.7	810.8
1971: Mar....	838.3	564.8	32.8	14.9	51.7	24.0	25.5	66.4	89.1	30.9	816.6
1971: Apr....	843.0	567.7	33.1	15.1	51.8	24.1	25.5	66.6	89.8	30.9	821.1
1971: May....	848.6	572.0	33.4	15.2	51.9	24.2	25.6	66.7	90.5	31.0	826.5
1971: June....	868.6	573.2	33.7	15.3	52.1	24.3	25.2	66.9	109.0	31.1	846.5
1971: July....	857.7	572.9	33.9	16.1	52.2	24.4	25.6	67.4	96.2	31.1	834.8
1971: Aug....	866.1	579.2	34.1	17.0	52.3	24.5	25.7	68.1	96.5	31.4	842.4
1971: Sept....	869.9	579.8	34.3	17.8	52.3	24.5	25.7	68.8	97.9	31.4	845.3
1971: Oct....	871.2	581.3	34.4	18.0	52.4	24.5	25.7	68.7	97.4	31.4	846.4
1971: Nov....	874.9	584.8	34.6	18.1	52.5	24.6	25.7	68.6	97.6	31.6	850.1
1971: Dec ^a	883.8	594.6	34.8	18.1	52.6	24.6	24.3	68.5	98.2	32.0	859.0

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

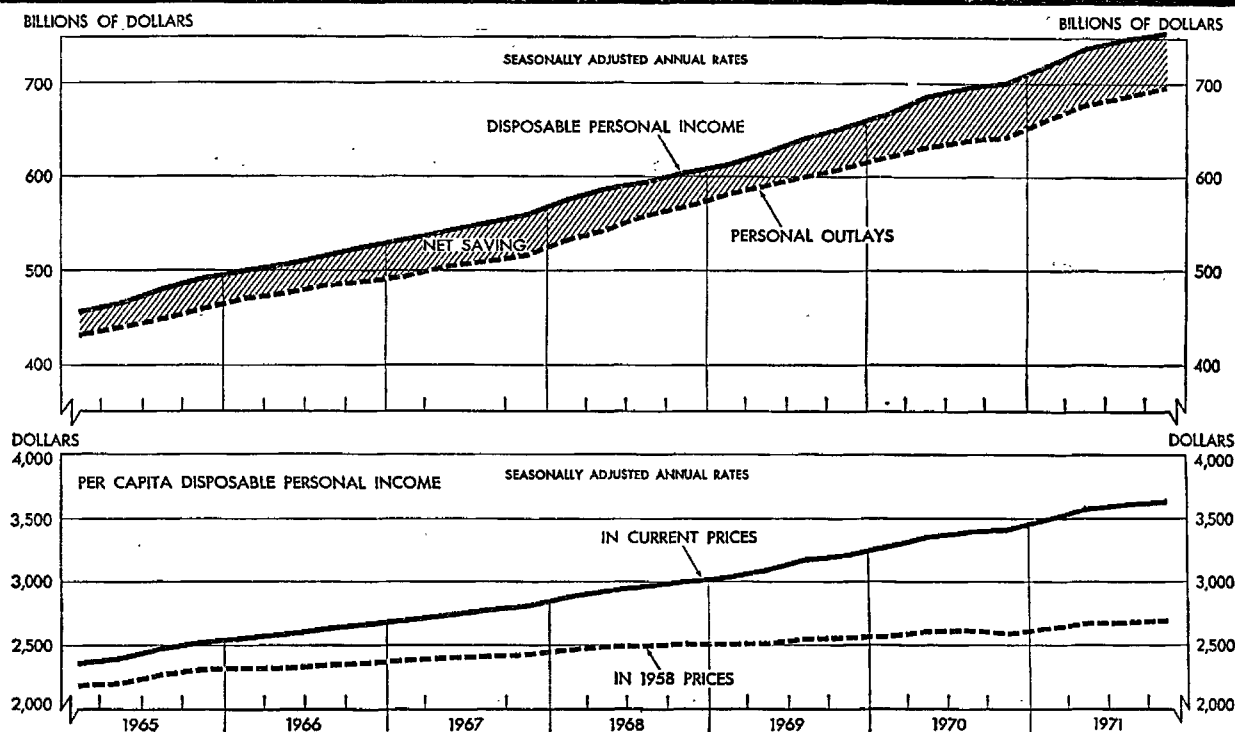
² Employer contributions to private pension, health, and welfare funds; compensation for injuries; directors' fees; military reserve pay; and a few other minor items.

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

Source: Department of Commerce.

DISPOSITION OF PERSONAL INCOME

The saving rate declined in the fourth quarter, in large part because acceleration of estate and gift tax payments temporarily held down disposable personal income.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Personal income	Less: Personal tax and nontax payments	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) ³	
				Total personal outlays ¹	Personal consumption expenditures ²			Current dollars	1958 dollars			
					Durable goods	Non-durable goods						Services
				Billions of dollars				Dollars				
1963	465.5	60.9	404.6	384.7	53.9	168.6	152.4	19.9	2,139	2,016	4.9	189,197
1964	497.5	59.4	438.1	411.9	59.2	178.7	163.3	26.2	2,284	2,126	6.0	191,833
1965	538.9	65.7	473.2	444.8	66.3	191.1	175.5	28.4	2,436	2,239	6.0	194,237
1966	587.2	75.4	511.9	479.3	70.8	206.9	188.6	32.5	2,605	2,336	6.4	196,485
1967	629.3	83.0	546.3	506.0	73.1	215.0	204.0	40.4	2,751	2,404	7.4	198,629
1968	688.9	97.9	591.0	551.2	84.0	230.8	221.3	39.8	2,946	2,487	6.7	200,619
1969	750.3	116.2	634.2	596.3	89.9	247.6	242.1	37.9	3,130	2,535	6.0	202,599
1970	803.6	115.9	687.8	633.7	88.6	264.7	262.5	54.1	3,358	2,595	7.9	204,800
1971 ^a	857.0	115.8	741.2	680.8	100.4	278.8	283.0	60.4	3,581	2,660	8.1	207,006
<i>Seasonally adjusted annual rates</i>												
1970: I	784.3	116.7	667.6	621.5	88.6	259.4	256.1	46.2	3,272	2,570	6.9	204,012
1970: II	803.8	118.0	685.7	631.5	90.7	262.9	260.2	54.2	3,353	2,606	7.9	204,526
1970: III	809.8	113.5	696.2	638.9	90.4	265.5	265.0	57.4	3,395	2,613	8.2	205,107
1970: IV	816.7	115.2	701.5	643.0	84.9	270.9	268.9	58.5	3,410	2,588	8.3	205,729
1971: I	833.5	111.6	722.0	663.3	96.6	273.2	275.0	58.6	3,500	2,631	8.1	206,259
1971: II	853.4	113.8	739.6	676.0	99.1	277.8	280.5	63.6	3,577	2,663	8.6	206,760
1971: III	864.6	116.0	748.5	687.6	102.8	280.2	285.8	61.0	3,611	2,669	8.1	207,276
1971: IV ^a	876.6	121.8	754.8	696.5	103.2	283.9	290.6	58.4	3,632	2,675	7.7	207,824

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

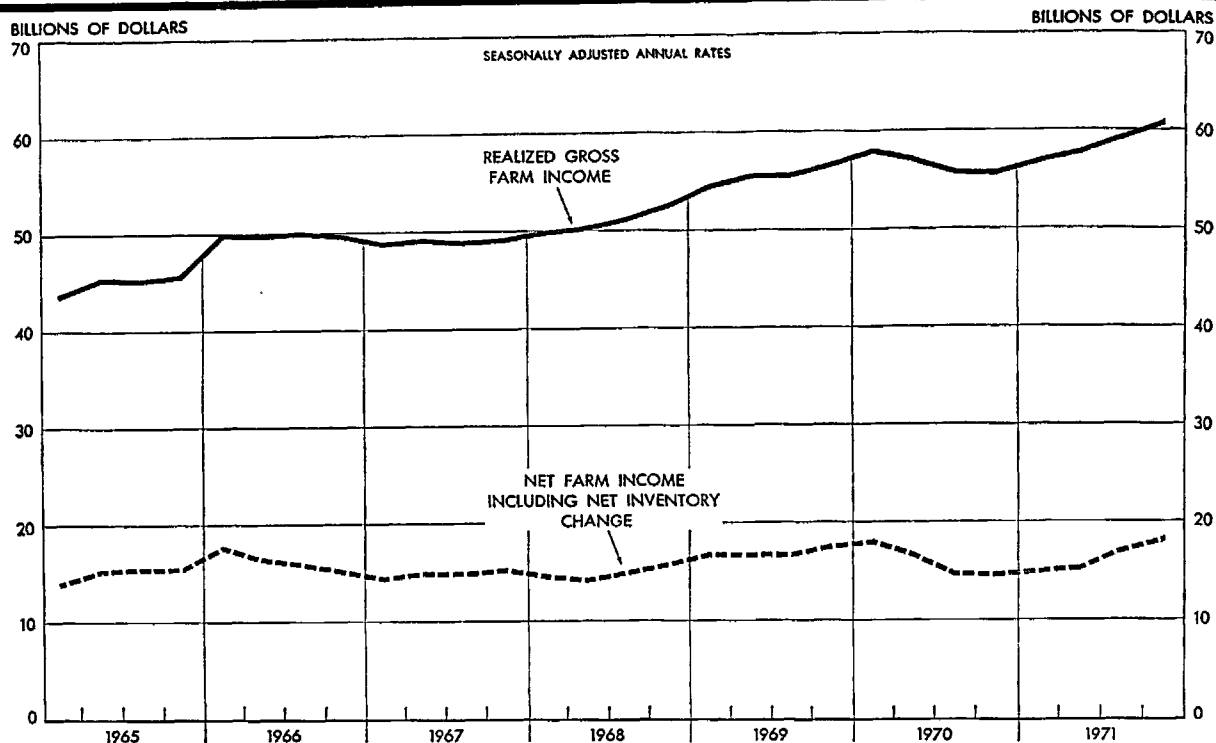
² See p. 2 for total personal consumption expenditures.

³ Includes Armed Forces abroad. Annual data are for July 1; quarterly data are for middle of period, interpolated from monthly data.

Source: Department of Commerce.

FARM INCOME

Net farm income excluding and including inventory change (seasonally adjusted) increased about 6 percent in the fourth quarter.



SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

Period	Personal income received by total farm population			Income received from farming					Net income per farm including net inventory change ³		
	From all sources	From farm sources	From nonfarm sources	Realized gross		Production expenses	Net to farm operators		Current dollars	1967 dollars ⁴	
				Total ¹	Cash receipts from marketings		Excluding net inventory change	Including net inventory change ²			
	Billions of dollars									Dollars	
1963	20.6	12.1	8.5	42.3	37.4	29.7	12.6	13.2	3,708	4,030	
1964	20.6	11.3	9.3	42.6	37.2	29.5	13.1	12.3	3,564	3,832	
1965	23.6	13.5	10.0	44.9	39.3	30.9	14.0	15.0	4,487	4,723	
1966	24.9	14.4	10.5	49.7	43.3	33.4	16.3	16.3	5,019	5,121	
1967	24.0	13.1	10.9	49.0	42.7	34.8	14.2	14.9	4,730	4,730	
1968	25.1	13.2	11.9	50.9	44.1	36.2	14.7	14.8	4,854	4,667	
1969	27.7	14.9	12.8	55.5	48.1	38.7	16.8	16.9	5,685	5,216	
1970	27.5	14.2	13.3	56.6	49.2	40.9	15.7	15.9	5,451	4,782	
1971 ^p	28.0	14.5	13.5	58.6	51.6	42.9	15.7	16.3	5,676	4,770	
	Seasonally adjusted annual rates										
1970: I				57.9	50.5	40.2	17.7	17.9	6,120	5,460	
II				57.1	49.7	40.7	16.4	16.6	5,680	5,030	
III				55.7	48.4	41.2	14.5	14.6	4,990	4,380	
IV				55.6	48.3	41.4	14.2	14.5	4,960	4,310	
1971: I				56.8	49.7	42.2	14.6	14.9	5,180	4,430	
II				57.6	50.6	42.8	14.8	15.3	5,320	4,510	
III				59.3	52.3	43.0	16.3	17.1	5,950	4,960	
IV ^p				60.9	53.8	43.6	17.3	18.2	6,330	5,280	

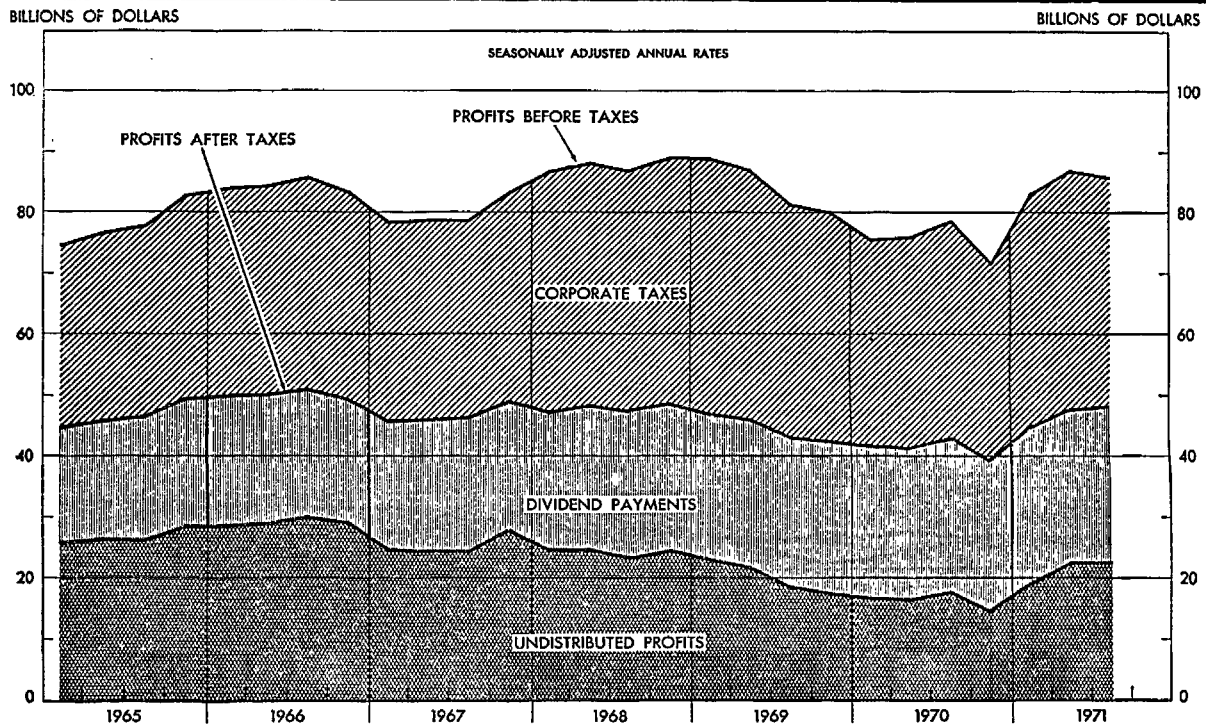
¹ Cash receipts from marketings, Government payments, and nonmoney income furnished by farms.
² Inventory of crops and livestock valued at the average price for the year. Also, see footnote 2, p. 3.
³ Based on Census of Agriculture definition of a farm. The number of farms is held constant within a year.

⁴ Income in current dollars divided by the index of prices paid by farmers for family living items on a 1967 base.

Source: Department of Agriculture.

CORPORATE PROFITS

According to preliminary estimates, corporate profits before taxes rose 13 percent in 1971. Profits after taxes were up 15 percent.



[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 ²	Profits plus capital consumption allowances ³
	All industries	Manufacturing		Transportation, communications, and public utilities	All other ¹	Total			Dividend payments	Undistributed profits			
		Total	Durable goods industries								Non-durable goods industries		
1963	58.9	28.8	15.8	13.0	9.5	20.6	59.4	26.3	33.1	16.5	16.6	31.8	64.8
1964	66.3	32.7	17.8	14.9	10.1	23.5	66.8	28.3	38.4	17.8	20.6	33.9	72.3
1965	76.1	39.3	22.8	16.6	11.1	25.6	77.8	31.3	46.5	19.8	26.7	36.4	82.9
1966	82.4	42.6	24.0	18.6	11.9	27.9	84.2	34.3	49.9	20.8	29.1	39.5	89.5
1967	78.7	38.7	20.7	18.0	10.8	29.1	70.8	33.2	46.6	21.4	25.3	43.0	89.6
1968	84.3	41.7	22.4	19.3	10.6	32.0	87.6	39.9	47.8	23.6	24.2	46.8	94.6
1969	78.6	36.0	18.4	17.5	10.0	32.7	84.2	39.7	44.5	24.4	20.0	51.3	95.8
1970	70.8	29.5	13.0	16.6	8.0	33.3	75.4	34.1	41.2	25.0	16.2	56.2	97.4
1971 ^a	80.7	34.1	16.2	17.9	8.4	38.2	85.2	37.7	47.4	25.5	21.9	61.9	109.3
1970: I	69.8	31.1	14.3	16.7	8.2	30.5	75.6	34.1	41.5	25.0	16.6	54.4	95.9
II	71.5	31.5	14.9	16.5	7.8	32.2	75.8	34.5	41.3	24.9	16.4	55.7	96.9
III	73.0	30.6	13.8	16.8	7.9	34.5	78.5	35.6	42.9	25.2	17.7	56.7	99.6
IV	69.0	25.0	8.8	16.2	8.1	35.9	71.6	32.3	39.2	25.0	14.3	58.0	97.2
1971: I	79.5	34.4	17.2	17.2	8.4	36.7	83.0	38.3	44.8	25.6	19.2	59.4	104.2
II	82.5	35.0	17.0	18.1	8.5	39.0	86.9	39.1	47.8	25.4	22.4	61.0	108.7
III	80.0	33.0	14.8	18.1	8.5	38.6	85.8	37.5	48.2	25.7	22.5	62.7	110.9
IV ^b										25.3		64.4	

¹ Includes all other industries and financial institutions.

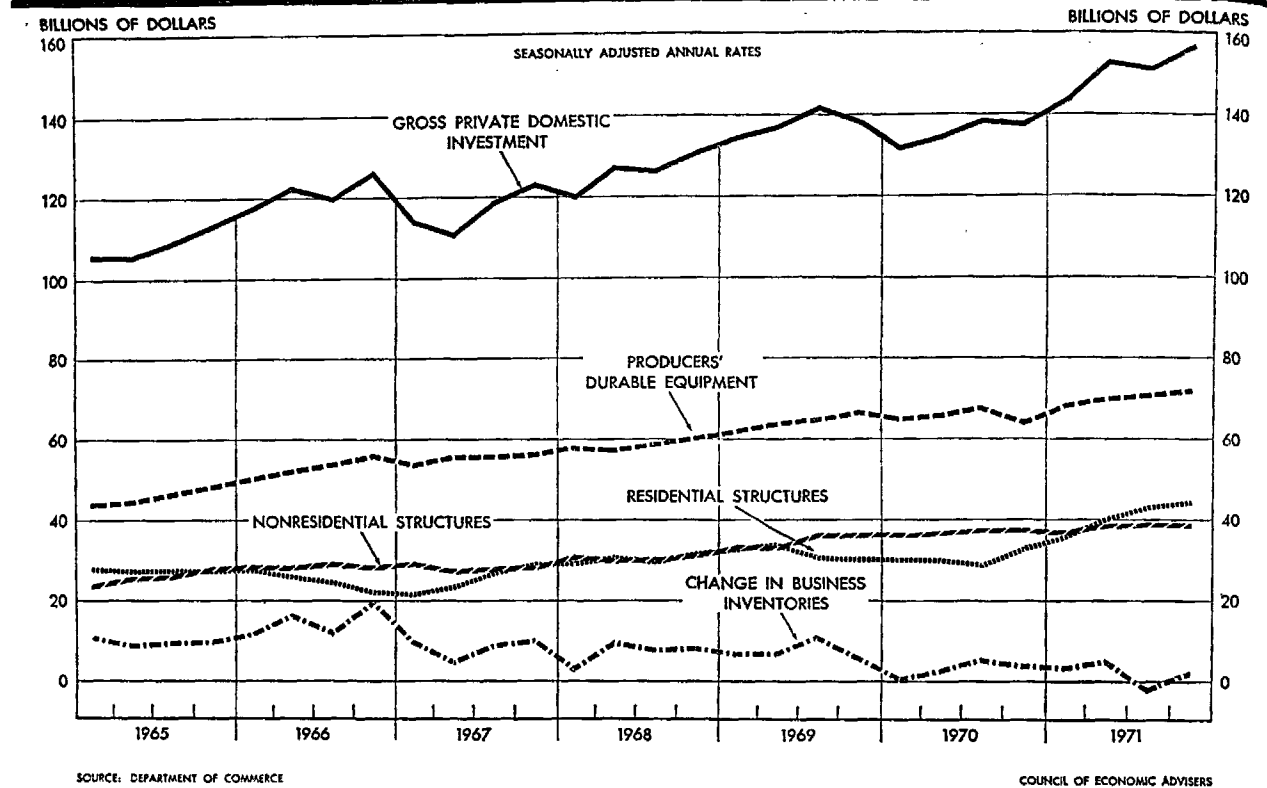
² Includes depreciation and accidental damages.

³ Corporate profits after taxes plus corporate capital consumption allowances.

Source: Department of Commerce.

GROSS PRIVATE DOMESTIC INVESTMENT

Gross private domestic investment (seasonally adjusted) rose sharply in the fourth quarter as fixed investment rose and inventory investment turned positive after a decrease in the third quarter.



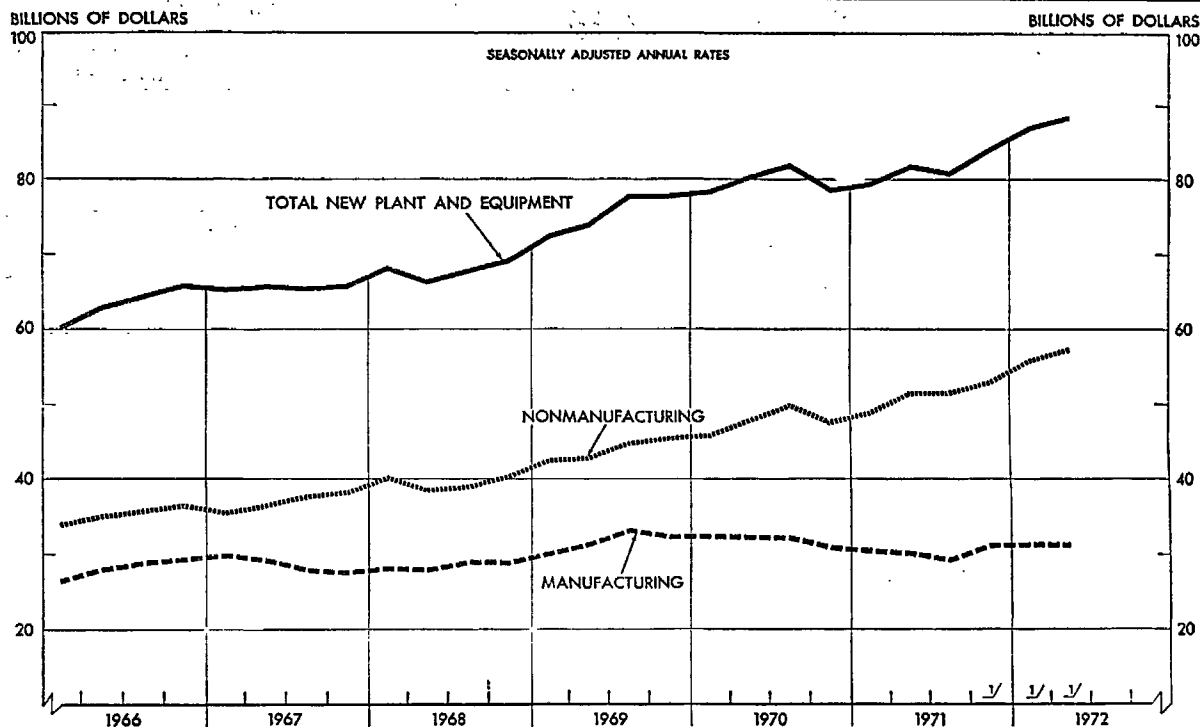
(Billions of dollars; quarterly data at seasonally adjusted annual rates)

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
				Total	Non-farm	Total	Non-farm				
1961	71.7	69.7	47.0	18.4	17.7	28.6	25.8	22.6	22.0	2.0	1.7
1962	83.0	77.0	51.7	19.2	18.5	32.5	29.4	25.3	24.8	6.0	5.3
1963	87.1	81.3	54.3	19.5	18.8	34.8	31.2	27.0	26.4	5.9	5.1
1964	94.0	88.2	61.1	21.2	20.5	39.9	36.3	27.1	26.6	5.8	6.4
1965	108.1	98.5	71.3	25.5	24.9	45.8	41.6	27.2	26.7	9.6	8.6
1966	121.4	106.6	81.6	28.5	27.8	53.1	48.4	25.0	24.5	14.8	15.0
1967	116.6	108.4	83.3	28.0	27.3	55.3	50.0	25.1	24.5	8.2	7.5
1968	126.0	118.9	88.8	30.3	29.6	58.5	53.6	30.1	29.5	7.1	6.9
1969	137.8	130.4	98.6	34.5	33.7	64.1	59.2	31.8	31.2	7.4	7.3
1970	135.3	132.5	102.1	36.8	35.9	65.4	60.0	30.4	29.7	2.8	2.5
1971 ^a	150.8	148.7	108.2	38.1	37.2	70.1	62.6	40.6	40.1	2.1	1.5
1970: I	131.2	130.8	100.8	36.1	35.3	64.7	59.7	30.0	29.4	.4	.1
II	134.1	132.1	102.1	36.6	35.7	65.6	60.6	29.9	29.3	2.1	1.8
III	138.6	133.5	104.8	37.3	36.5	67.5	61.6	28.7	28.1	5.1	4.7
IV	137.3	133.6	100.8	37.1	36.3	63.7	58.1	32.8	32.2	3.7	3.3
1971: I	143.3	140.2	104.7	36.7	35.8	68.1	61.0	35.4	35.0	3.1	2.9
II	152.9	148.3	108.3	38.5	37.6	69.8	62.4	40.0	39.5	4.6	4.1
III	150.8	152.0	109.3	38.7	37.7	70.6	62.7	42.7	42.1	-1.2	-2.0
IV ^a	156.5	154.6	110.4	38.6	37.6	71.8	64.4	44.2	43.6	1.9	1.0

Source: Department of Commerce.

EXPENDITURES FOR NEW PLANT AND EQUIPMENT

Businessmen have projected a 9 percent rise in plant and equipment expenditures this year according to a survey conducted in November and December.



1/SEE FOOTNOTE 3 BELOW.

SOURCES: SECURITIES AND EXCHANGE COMMISSION AND DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

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

Period	Total ¹	Manufacturing			Mining	Transportation			Public utilities	Communication	Commercial and other ²
		Tota.	Durable goods	Non-durable goods		Railroad	Air	Other			
1962	38.39	15.06	6.79	8.26	1.40	1.02	0.52	1.65	4.90	3.85	9.99
1963	40.77	16.22	7.53	8.70	1.27	1.26	.40	1.58	4.98	4.06	10.99
1964	46.97	19.34	9.28	10.07	1.34	1.66	1.02	1.50	5.49	4.61	12.02
1965	54.42	23.44	11.50	11.94	1.46	1.99	1.22	1.68	6.13	5.30	13.19
1966	63.51	28.20	14.06	14.14	1.62	2.37	1.74	1.64	7.43	6.02	14.48
1967	65.47	28.51	14.06	14.45	1.65	1.86	2.29	1.48	8.74	6.34	14.59
1968	67.76	28.37	14.12	14.25	1.63	1.45	2.56	1.59	10.20	6.83	15.14
1969	75.56	31.68	15.96	15.72	1.86	1.86	2.51	1.68	11.61	8.30	16.05
1970	79.71	31.95	15.80	16.15	1.89	1.78	3.03	1.23	13.14	10.10	16.59
1971 ³	81.47	30.21	14.29	15.92	2.13	1.67	1.87	1.37	15.20	10.89	18.11
1972 ³	88.90	31.42	15.02	16.40	2.37	1.88	2.50	1.43	17.58		31.73
1970: III	81.88	32.15	15.74	16.40	1.86	1.96	3.24	1.22	13.84	10.62	17.00
IV	78.63	30.98	14.92	16.05	1.94	1.56	3.08	1.22	13.68	10.20	15.97
1971: I	79.32	30.46	14.21	16.25	2.04	1.46	1.29	1.33	14.64	10.70	17.39
II	81.61	30.12	14.06	16.06	2.08	1.88	2.28	1.40	14.91	11.21	17.72
III	80.75	29.19	13.76	15.43	2.23	1.72	1.68	1.48	15.87	10.73	17.85
IV ³	84.02	31.12	15.11	16.01	2.18	1.64	2.20	1.30	15.37		30.20
1972: I ³	87.14	31.26	15.94	15.31	2.09	2.12	2.18	1.60	16.32		31.57
II ³	88.47	31.18	15.12	16.06							57.28

¹ Excludes agricultural business; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

² Includes trade, service, construction, finance, and insurance.

³ Estimates based on expected capital expenditures as reported by business in October-December 1971. Includes adjustments when necessary for systematic tendencies in expectations data.

NOTE.—Annual total is the sum of unadjusted expenditures; it does not

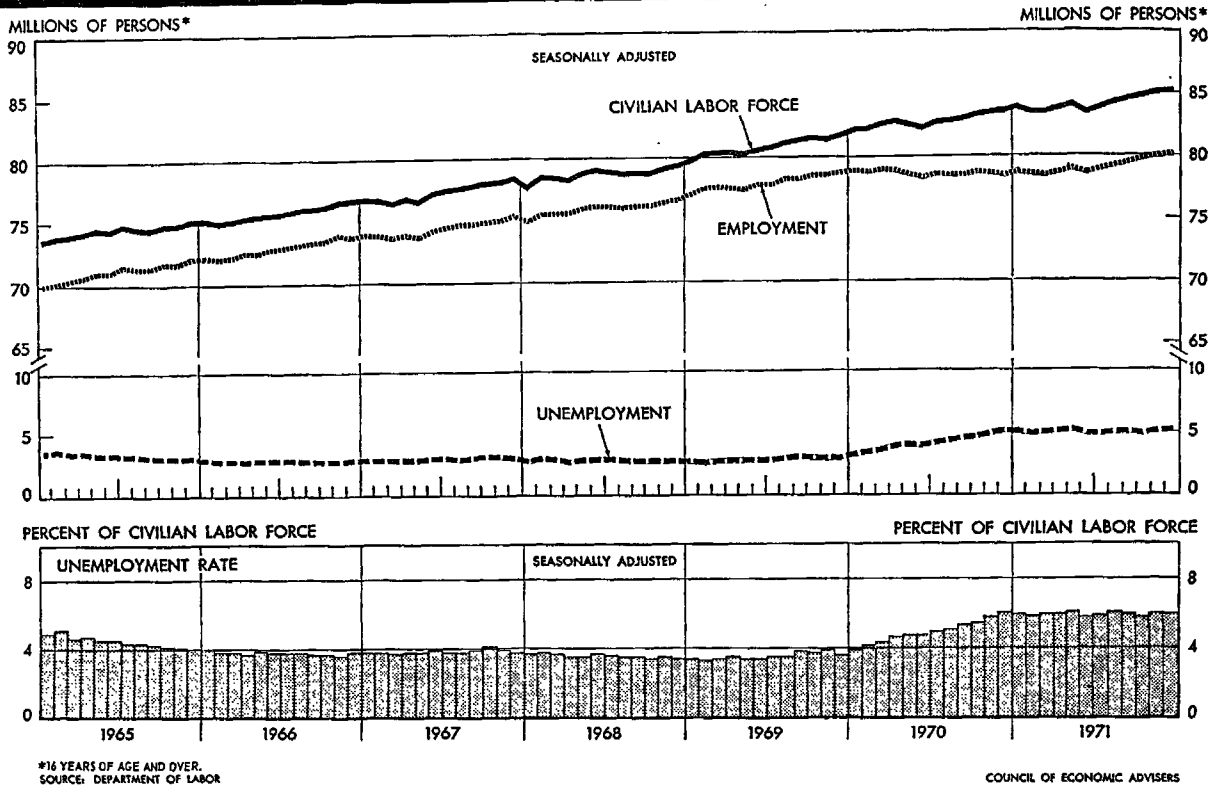
necessarily coincide with the average of seasonally adjusted figures.

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

Total employment rose by 78,000 (seasonally adjusted) in December to a record 80.1 million, but the civilian labor force rose even more and unemployment edged up by 32,000.



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 ¹
		Total	Non-agricultural				Total	Agricultural	Non-agricultural		Unadjusted	Seasonally adjusted	
Thousands of persons 16 years of age and over													
1967...	80,793	74,372	70,527	2,975	80,793	77,347	74,372	3,844	70,527	2,975	3.8		60.6
1968...	82,272	75,920	72,103	2,817	82,272	78,737	75,920	3,817	72,103	2,817	3.6		60.7
1969...	84,239	77,902	74,296	2,831	84,239	80,733	77,902	3,606	74,296	2,831	3.5		61.1
1970...	85,903	78,627	75,165	4,088	85,903	82,715	78,627	3,462	75,165	4,088	4.9		61.3
1971...	86,929	79,120	75,732	4,993	86,929	84,113	79,120	3,387	75,732	4,993	5.9		61.0
1970:													
Nov.	86,386	78,741	75,515	4,607	86,456	83,417	78,548	3,379	75,169	4,869	5.5	5.8	61.2
Dec.	86,165	78,515	75,563	4,637	86,498	83,485	78,427	3,395	75,032	6,058	5.6	6.1	61.0
1971:													
Jan.	85,628	77,238	74,361	5,414	86,705	83,729	78,718	3,406	75,312	5,011	6.6	6.0	60.5
Feb.	85,653	77,262	74,415	5,442	86,312	83,362	78,475	3,285	75,190	4,887	6.6	5.9	60.5
Mar.	85,598	77,493	74,452	5,175	86,385	83,455	78,446	3,337	75,059	5,009	6.3	5.0	60.3
Apr.	85,780	78,204	74,699	4,694	86,670	83,788	78,732	3,540	75,192	5,066	5.7	6.0	60.4
May.	85,954	78,709	75,111	4,394	86,336	83,988	78,330	3,412	75,418	5,156	5.3	6.1	60.4
June.	87,784	79,478	75,559	5,490	86,217	83,401	78,600	3,301	75,299	4,801	6.5	5.8	61.6
July.	88,808	80,681	76,710	5,330	86,728	83,931	79,014	3,374	75,640	4,917	6.2	5.9	62.2
Aug.	88,453	80,618	76,853	5,061	87,088	84,313	79,199	3,407	75,792	5,114	5.9	6.1	61.9
Sept.	86,884	79,295	75,851	4,840	87,240	84,491	79,451	3,363	76,088	5,040	5.8	6.0	60.7
Oct.	87,352	80,065	76,595	4,570	87,467	84,760	79,332	3,416	76,416	4,918	5.4	5.8	60.9
Nov.	87,715	80,244	76,942	4,815	87,311	85,115	80,020	3,419	76,601	5,096	5.7	6.0	61.1
Dec.	87,541	80,188	77,240	4,695	87,883	85,225	80,098	3,400	76,698	5,127	5.5	6.0	60.9

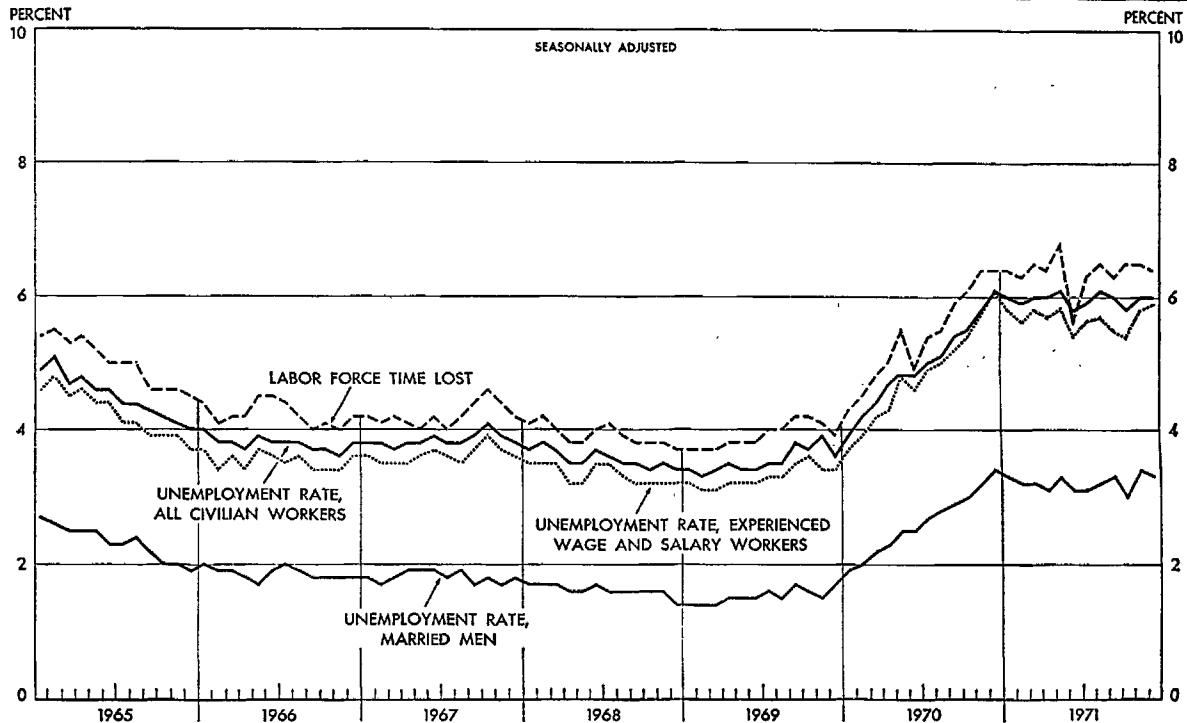
¹Total labor force as percent of noninstitutional population.

Source: Department of Labor.

Note—Seasonally adjusted data have been revised and do not agree with those published beginning February 1971. They are subject to correction when the official annual revision is published.

SELECTED MEASURES OF UNEMPLOYMENT AND PART-TIME EMPLOYMENT

The overall unemployment rate was 6.0 percent (seasonally adjusted) in December, unchanged from the November rate. The unemployment rate has stayed near 6 percent since late 1970.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

Period	Unemployment rate (percent of civilian labor force in group)			Labor force time lost ¹	Persons at work in nonagricultural industries by hours worked per week ²						
	All workers *	Experienced wage and salary workers	Married men (wife present)		Over 40 hours	35-40 hours	Total	Under 35 hours		Part-time for economic reasons	
								Usually full-time ³	Usually part-time ⁴	Usually full-time ³	Usually part-time ⁴
	Percent				Thousands of persons 16 years of age and over						
1967.....	3.8	3.6	1.8	4.2	20,920	32,616	13,290	1,060	853		
1968.....	3.6	3.4	1.6	4.0	20,600	32,658	14,785	895	820		
1969.....	3.5	3.3	1.5	3.9	20,608	34,201	15,210	955	855		
1970.....	4.9	4.8	2.6	5.4	18,925	33,537	18,222	1,201	995		
1971.....	5.9	5.7	3.2	6.4	19,095	35,752	16,298	1,184	1,256		
	<i>Seasonally adjusted</i>				<i>Unadjusted</i>						
1970: Nov.....	5.8	5.7	3.2	6.4	18,647	31,704	21,993	1,250	1,103	1,249	1,164
Dec.....	6.1	6.1	3.4	6.4	20,233	36,249	16,433	1,309	1,020	1,382	1,151
1971: Jan.....	6.0	5.8	3.3	6.4	19,070	35,687	16,576	1,442	973	1,377	1,107
Feb.....	5.9	5.6	3.2	6.3	18,463	33,881	13,966	1,267	1,123	1,227	1,231
Mar.....	6.0	5.8	3.2	6.5	19,448	35,830	16,267	1,284	1,093	1,242	1,214
Apr.....	6.0	5.7	3.1	6.4	18,207	35,767	16,650	1,242	988	1,309	1,185
May.....	6.1	5.8	3.3	6.8	19,505	36,540	16,041	1,102	1,081	1,219	1,285
June.....	5.8	5.4	3.1	5.6	19,069	36,723	14,646	1,142	1,515	990	1,186
July.....	5.9	5.6	3.1	6.3	17,805	34,528	13,898	1,094	1,939	1,134	1,316
Aug.....	6.1	5.7	3.2	6.5	17,949	35,307	13,329	1,262	1,752	1,173	1,296
Sept.....	6.0	5.5	3.3	6.3	19,964	36,888	15,081	1,126	1,094	1,056	1,204
Oct.....	5.8	5.4	3.0	6.5	19,169	32,957	21,039	1,080	1,166	1,161	1,346
Nov.....	6.0	5.8	3.4	6.5	20,249	37,495	16,294	1,120	1,191	1,250	1,366
Dec.....	6.0	5.9	3.3	6.4	20,239	37,428	16,799	⁵ 1,045	⁵ 1,153	1,103	1,301

¹ Man-hours lost by the unemployed and persons on part-time for economic reasons as a percent of potentially available labor force man-hours.

² Differs from total nonagricultural employment (p. 10), which includes persons with jobs but not at work for such reasons as vacation, illness, bad weather, and industrial disputes.

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

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

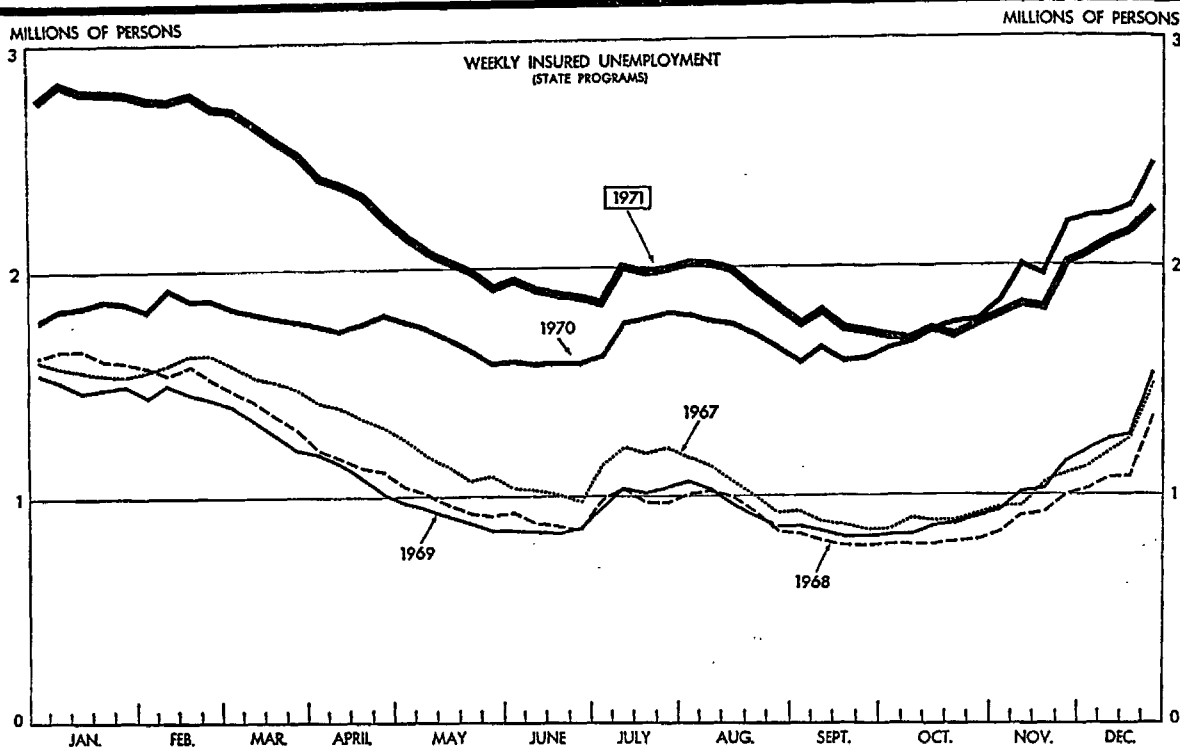
⁵ Average hours worked: usually full-time, 23.4; usually part-time, 17.9.

* See note, p. 10.

Source: Department of Labor.

UNEMPLOYMENT INSURANCE PROGRAMS

In December, insured unemployment under State programs averaged 147,000 lower than a year earlier. The seasonally adjusted insured unemployment rate dropped from 4.2 percent in November to 3.8 percent in December.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

Period	All programs			State programs					Benefits paid	
	Covered employment	Insured unemployment (weekly average)	Total benefits paid (millions of dollars)	Insured unemployment	Initial claims	Exhaustions	Insured unemployment as percent of covered employment		Total (millions of dollars)	Average weekly check (dollars)
							Unadjusted	Seasonally adjusted		
	Thousands			Weekly average, thousands			Percent			
1968.....	57,976	1,187	2,191.0	1,111	201	16	2.2	-----	2,031.6	43.43
1969.....	59,999	1,177	2,298.6	1,101	200	16	2.1	-----	2,127.9	46.17
1970.....	59,528	2,070	4,170.1	1,805	296	25	3.4	-----	3,848.5	50.34
1971 ¹		2,313	4,963.3	2,176	301	37	4.0	-----	4,021.7	55.49
1970: Nov.....	58,715	2,233	372.1	2,017	334	30	3.7	4.5	341.9	52.24
Dec.....	59,219	2,632	501.4	2,369	399	33	4.4	4.0	462.0	52.43
1971: Jan ^p		3,194	568.1	2,799	427	39	5.2	3.7	527.2	52.83
Feb ^p		3,216	599.3	2,751	321	39	5.2	3.8	557.9	53.12
Mar ^p		3,091	683.6	2,577	275	41	4.8	3.9	635.4	53.00
Apr ^p		2,756	586.0	2,283	257	44	4.3	4.0	541.9	52.71
May ^p		2,443	470.8	2,001	238	42	3.8	4.2	433.0	52.32
June ^p		2,332	494.8	1,893	250	43	3.6	4.4	452.7	52.09
July ^p		2,431	452.1	1,993	342	35	3.8	4.0	400.6	55.23
Aug ^p		2,349	468.9	1,912	282	35	3.6	4.2	408.9	56.08
Sept ^p		2,174	425.7	1,739	236	32	3.3	4.5	372.2	56.25
Oct ^p		2,129	412.4	1,716	252	40	3.2	4.5	390.7	56.42
Nov ^p		2,312	420.6	1,879	298	41	3.5	4.2	410.8	56.90
Dec ^p		2,664	469.4	2,222	358	39	4.2	3.8	437.8	57.10
Week ended:										
1971: Dec 11.....		2,548	-----	2,108	348	-----	4.0	-----	-----	-----
18.....		2,578	-----	2,148	330	-----	4.1	-----	-----	-----
25.....		2,679	-----	2,242	341	-----	4.2	-----	-----	-----
1972: Jan 1.....		2,953	-----	2,487	406	-----	4.7	-----	-----	-----
8 ^p		3,037	-----	2,527	430	-----	4.8	-----	-----	-----
15 ^p		3,084	-----	2,524	396	-----	4.8	-----	-----	-----
22 ^p			-----		347	-----		-----	-----	-----

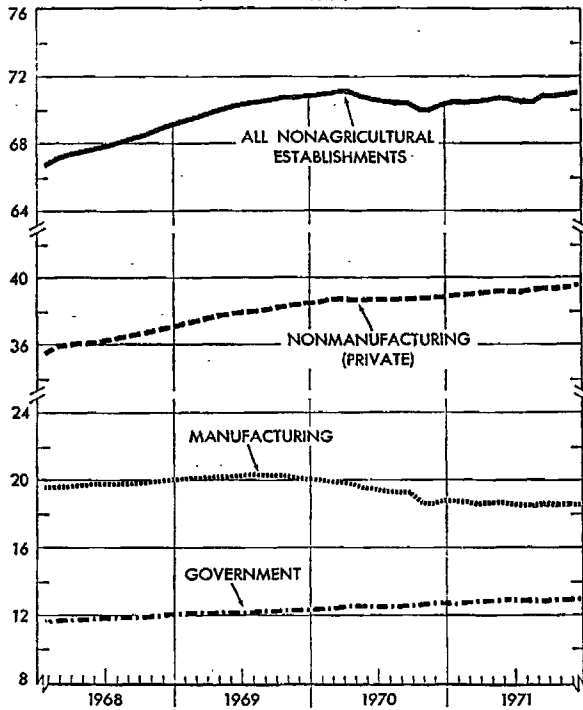
¹ Not charted.
Source: Department of Labor.

NOTE.—For definitions and coverage, see the 1967 Supplement to Economic Indicators.

NONAGRICULTURAL EMPLOYMENT

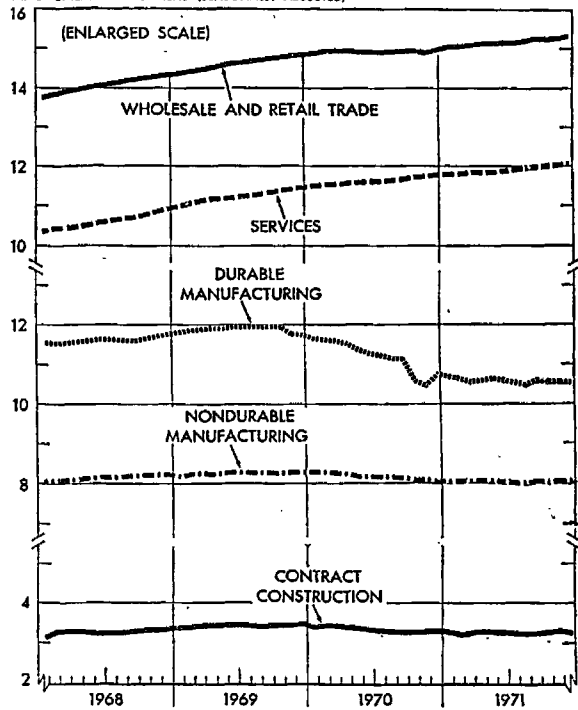
Total nonfarm payroll employment rose by 123,000 (seasonally adjusted) in December. Employment increases in mining and transportation were primarily due to the end of strikes.

MILLIONS OF WAGE AND SALARY WORKERS (SEASONALLY ADJUSTED)



SOURCE: DEPARTMENT OF LABOR

MILLIONS OF WAGE AND SALARY WORKERS (SEASONALLY ADJUSTED)



COUNCIL OF ECONOMIC ADVISERS

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

Period	Total	Manufacturing (private)			Nonmanufacturing (private)						Government		
		Total	Durable goods	Non-durable goods	Total	Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Federal	State and local
1966-----	63,955	19,214	11,284	7,930	33,950	627	3,275	4,151	13,245	3,100	9,551	2,564	8,227
1967-----	65,857	19,447	11,439	8,008	35,012	613	3,208	4,261	13,606	3,225	10,099	2,719	8,679
1968-----	67,915	19,781	11,626	8,155	36,288	606	3,285	4,310	14,084	3,382	10,623	2,737	9,109
1969-----	70,284	20,167	11,895	8,272	37,915	619	3,435	4,429	14,639	3,564	11,229	2,758	9,444
1970-----	70,616	19,369	11,198	8,171	38,712	622	3,345	4,504	14,922	3,690	11,630	2,705	9,830
1971 ^a -----	70,689	18,608	10,589	8,019	39,228	602	3,259	4,481	15,175	3,799	11,912	2,665	10,188
1970: Nov..	69,985	18,517	10,449	8,068	38,797	624	3,294	4,506	14,902	3,721	11,750	2,664	10,007
Dec..	70,313	18,796	10,738	8,058	38,834	623	3,302	4,450	14,952	3,731	11,776	2,661	10,022
1971: Jan..	70,454	18,747	10,697	8,050	38,988	625	3,271	4,507	15,039	3,746	11,800	2,661	10,058
Feb..	70,391	18,684	10,642	8,042	38,963	622	3,198	4,526	15,059	3,749	11,809	2,662	10,082
Mar..	70,480	18,609	10,571	8,038	39,079	622	3,264	4,520	15,074	3,758	11,841	2,662	10,130
Apr..	70,599	18,639	10,598	8,041	39,129	623	3,282	4,505	15,107	3,769	11,843	2,667	10,164
May..	70,769	18,702	10,651	8,051	39,209	622	3,275	4,518	15,148	3,788	11,858	2,667	10,191
June..	70,657	18,608	10,598	8,010	39,211	619	3,255	4,500	15,135	3,807	11,895	2,640	10,198
July..	70,531	18,533	10,552	7,981	39,186	597	3,228	4,476	15,158	3,806	11,921	2,643	10,169
Aug..	70,529	18,457	10,485	7,972	39,229	609	3,219	4,428	15,223	3,804	11,946	2,650	10,193
Sept..	70,853	18,616	10,597	8,019	39,382	616	3,250	4,460	15,273	3,821	11,962	2,674	10,181
Oct..	70,848	18,560	10,561	7,999	39,353	521	3,290	4,442	15,270	3,834	11,996	2,675	10,260
Nov. ^b	70,981	18,603	10,571	8,032	39,422	521	3,318	4,435	15,276	3,852	12,020	2,669	10,287
Dec. ^c	71,104	18,549	10,542	8,007	39,562	622	3,258	4,459	15,330	3,847	12,046	2,666	10,327

¹ Includes all full- and part-time wage and salary workers in nonagricultural establishments who worked during or received pay for any part of the pay period which includes the 12th of the month. Excludes proprietors, self-employed persons, domestic servants, and personnel of the Armed Forces. Total derived from its table not comparable with estimates of nonagricultural employment of the civilian labor force, shown on p. 10, which include proprietors, self-employed

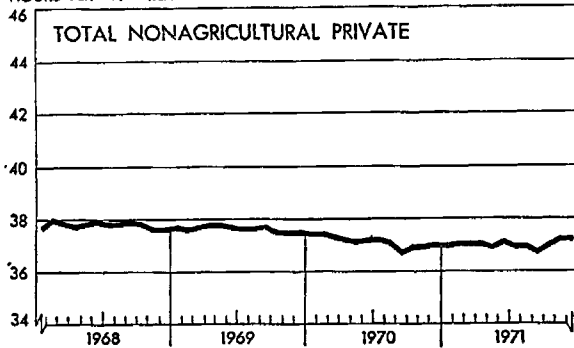
persons, and domestic servants; which count persons as employed when they are not at work because of industrial disputes; and which are based on an enumeration of population, whereas the estimates in this table are based on reports from employing establishments.

Source: Department of Labor.

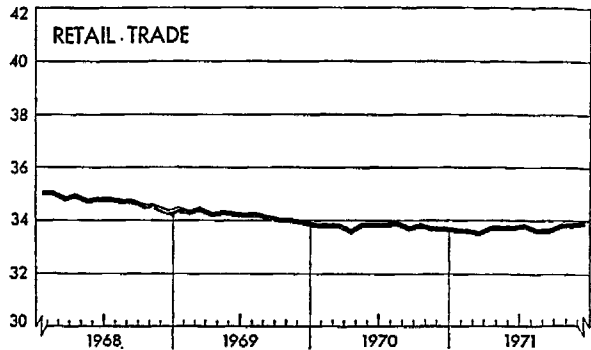
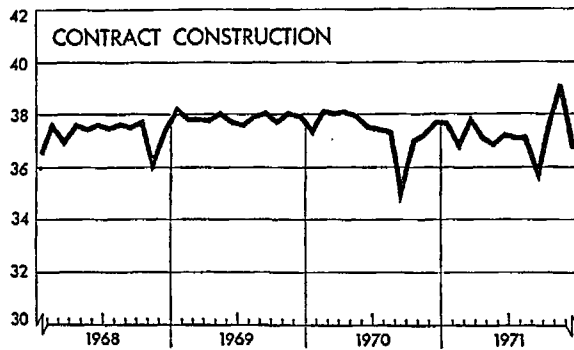
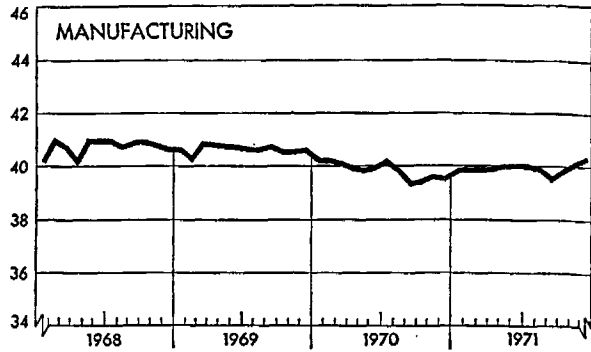
WEEKLY HOURS OF WORK - SELECTED INDUSTRIES

The average workweek of production workers (seasonally adjusted) in private nonfarm industries was unchanged from November to December. The factory workweek, however, rose 0.2 hour to 40.3 hours, to its highest point since December 1969.

HOURS PER WEEK (SEASONALLY ADJUSTED)



HOURS PER WEEK (SEASONALLY ADJUSTED)



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[Average hours per week¹]

Period	Total nonagri-cultural private ²	Manufac-turing	Contract construc-tion	Retail trade ³	Total nonagri-cultural private ²	Manufac-turing	Contract construc-tion	Retail trade ³
	Unadjusted				Seasonally adjusted			
1962.....	38.7	40.4	37.0	37.4				
1963.....	38.8	40.5	37.3	37.3				
1964.....	38.7	40.7	37.2	37.0				
1965.....	38.8	41.2	37.4	36.6				
1966.....	38.6	41.3	37.6	35.9				
1967.....	38.0	40.6	37.7	35.3				
1968.....	37.8	40.7	37.4	34.7				
1969.....	37.7	40.6	37.9	34.2				
1970.....	37.1	39.8	37.4	33.8				
1971 ^p	37.0	39.9	37.2	33.7				
1970: Nov.....	36.8	39.7	36.2	33.4	36.9	39.6	37.2	33.7
Dec.....	37.1	39.9	37.4	33.9	37.0	39.5	37.7	33.7
1971: Jan.....	36.6	39.6	36.0	33.1	36.9	39.8	37.6	33.6
Feb.....	36.6	39.4	35.5	33.1	37.0	39.8	36.8	33.6
Mar.....	36.8	39.7	37.1	33.1	37.0	39.8	37.8	33.6
Apr.....	36.7	39.5	37.0	33.3	37.0	39.8	37.1	33.7
May.....	36.8	40.0	37.0	33.3	36.9	40.0	36.8	33.7
June.....	37.3	40.2	38.0	34.0	37.1	40.0	37.2	33.7
July.....	37.3	39.8	38.1	34.8	36.9	40.0	37.1	33.8
Aug.....	37.4	39.8	38.3	34.7	36.9	39.8	37.1	33.6
Sept.....	37.0	39.8	36.9	33.7	36.7	39.5	35.7	33.6
Oct.....	37.0	40.0	38.2	33.5	37.0	39.8	37.6	33.8
Nov ^p	37.1	40.2	38.0	33.5	37.2	40.1	39.1	33.8
Dec ^p	37.3	40.7	36.4	34.1	37.2	40.3	36.7	33.9

¹ Data relate to production workers or nonsupervisory employees.

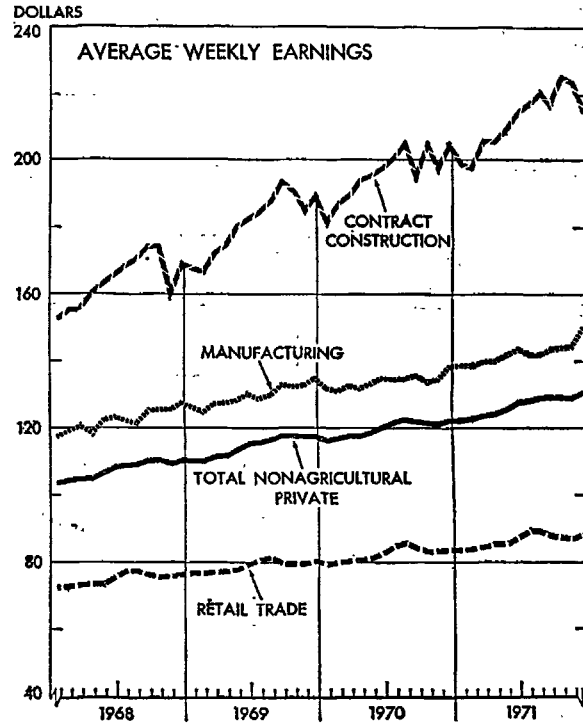
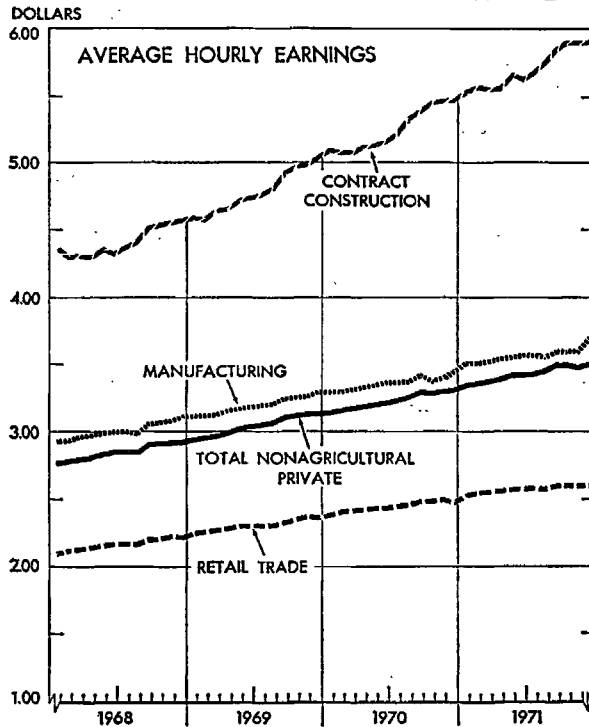
² Also includes other private industry groups shown on p. 13.

³ Includes eating and drinking places.

Source: Department of Labor.

AVERAGE HOURLY AND WEEKLY EARNINGS - SELECTED INDUSTRIES

Average hourly earnings of private nonfarm production workers rose 2 cents in December to \$3.50. Compared to a year earlier, hourly earnings were up by 6.1 percent and weekly earnings were up by 6.6 percent.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[For production workers or nonsupervisory employees]

Period	Average hourly earnings—current dollars				Average weekly earnings—current dollars				Manufacturing industries	
	Total nonagricultural private ¹	Manufacturing	Contract construction	Retail trade ²	Total nonagricultural private ¹	Manufacturing	Contract construction	Retail trade ²	Adjusted hourly earnings, 1967=100 ³	Average weekly earnings, 1967 dollars ⁴
1962	\$2.22	\$2.39	\$3.31	\$1.63	\$85.91	\$96.56	\$122.47	\$60.96	85.7	\$106.58
1963	2.28	2.46	3.41	1.68	88.46	99.63	127.19	62.66	87.8	108.65
1964	2.36	2.53	3.55	1.75	91.33	102.97	132.06	64.75	90.3	110.84
1965	2.45	2.61	3.70	1.82	95.06	107.53	138.38	66.61	92.6	113.79
1966	2.56	2.72	3.89	1.91	98.82	112.34	146.26	68.57	95.7	115.58
1967	2.68	2.83	4.11	2.01	101.84	114.90	154.95	70.95	100.0	114.90
1968	2.85	3.01	4.41	2.16	107.73	122.51	164.93	74.95	106.2	117.57
1969	3.04	3.19	4.79	2.30	114.61	129.51	181.54	78.66	112.6	117.95
1970	3.22	3.36	5.25	2.44	119.46	133.73	196.35	82.47	119.7	114.99
1971 ⁵	3.42	3.57	5.70	2.57	126.54	142.44	212.04	86.61	127.7	117.43
1970: Nov	3.29	3.39	5.46	2.49	121.07	134.58	197.65	83.17	121.9	113.57
Dec	3.30	3.47	5.46	2.47	122.43	138.45	204.20	83.73	123.8	116.25
1971: Jan	3.33	3.50	5.53	2.52	121.88	138.60	199.08	83.41	124.8	116.28
Feb	3.35	3.51	5.56	2.54	122.61	138.29	197.38	84.07	125.3	115.82
Mar	3.36	3.52	5.54	2.53	123.65	139.74	205.53	84.41	125.8	116.64
Apr	3.38	3.54	5.55	2.56	124.05	139.83	205.35	85.25	126.5	116.33
May	3.41	3.55	5.65	2.57	125.49	142.00	209.05	85.58	126.9	117.55
June	3.42	3.57	5.63	2.58	127.57	143.51	213.94	87.72	127.3	118.12
July	3.43	3.57	5.68	2.58	127.94	142.09	216.41	89.78	127.8	116.66
Aug	3.45	3.56	5.75	2.57	129.03	141.69	220.23	89.18	128.3	116.04
Sept	3.49	3.60	5.86	2.60	129.13	143.28	216.23	87.62	129.1	117.25
Oct	3.49	3.60	5.90	2.60	129.13	144.00	225.38	87.10	128.9	117.65
Nov ⁶	3.48	3.60	5.89	2.60	129.11	144.72	223.82	87.10	129.0	118.04
Dec ⁷	3.50	3.69	5.91	2.60	130.55	150.18	215.12	88.66	132.1	122.00

¹ Also includes other private industry groups shown on p. 13.
² Includes eating and drinking places.
³ Earnings in current dollars, adjusted to exclude the effects of overtime and interindustry shifts.

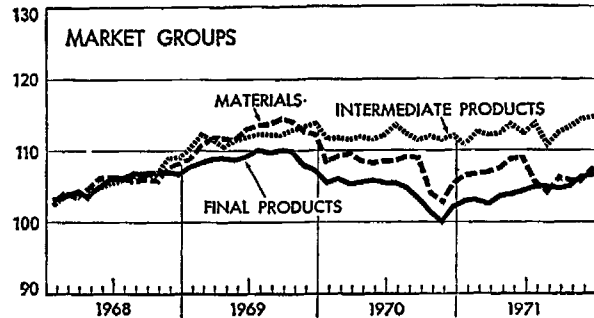
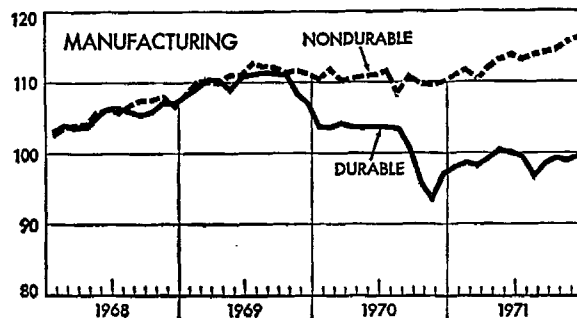
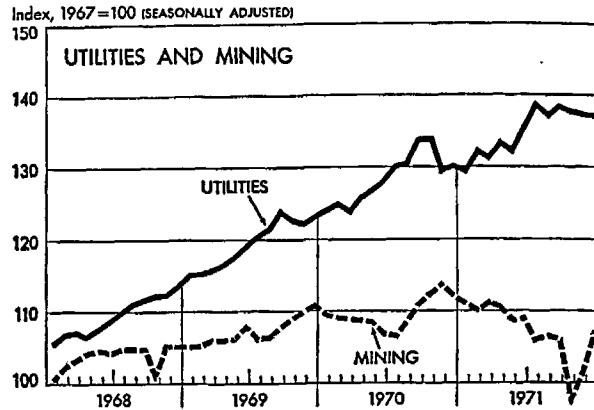
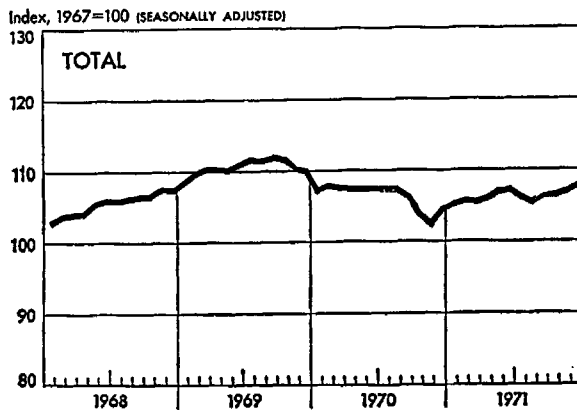
⁴ Earnings in current dollars divided by the consumer price index.

Source: Department of Labor.

PRODUCTION AND BUSINESS ACTIVITY

INDUSTRIAL PRODUCTION

In December, industrial production (seasonally adjusted) rose further by 0.7 percent and was 3 percent above the level of a year earlier. About one-half of the December increase reflected the recovery in coal production from the strike-curtailed level.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

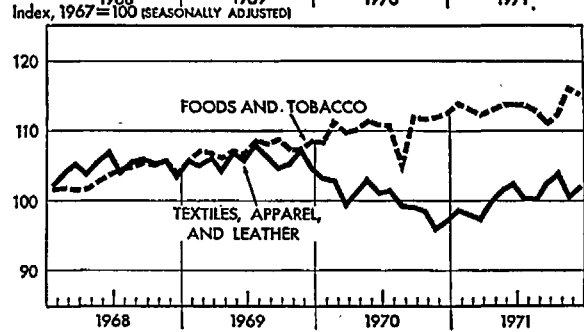
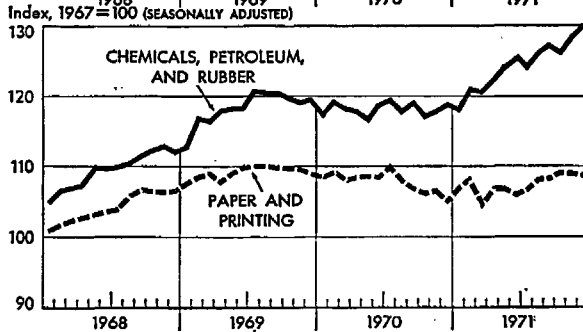
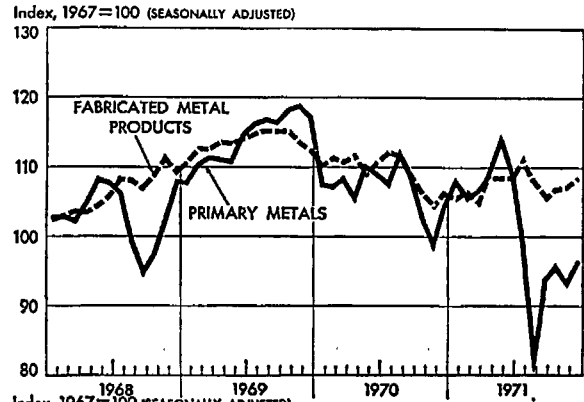
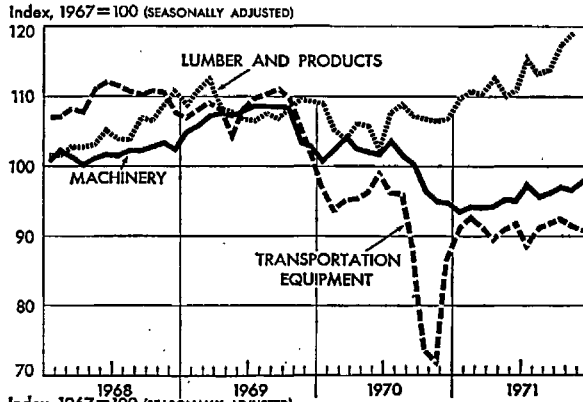
[1967=100, seasonally adjusted]

Period	Total industrial production	Industry					Market				
		Manufacturing			Mining	Utilities	Final products			Inter-mediate products	Materials
		Total	Durable	Non-durable			Total	Consumer goods	Equipment		
1962	72.2	71.4	69.0	75.1	85.6	70.2	70.8	77.7	61.9	76.9	72.4
1963	76.5	75.8	73.5	79.2	89.0	75.1	74.9	82.0	65.6	81.1	77.0
1964	81.7	81.2	79.0	84.4	91.1	81.9	79.6	86.8	70.1	87.3	82.6
1965	89.2	89.1	88.5	90.0	93.9	86.9	86.8	93.0	78.7	93.0	91.0
1966	97.9	98.3	99.0	97.3	98.4	93.6	96.1	98.6	93.0	99.2	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	105.7	105.7	105.5	106.0	103.9	109.4	105.8	106.6	104.7	105.7	105.7
1969	110.7	110.5	110.0	111.1	107.2	119.5	109.0	111.1	106.1	112.0	112.4
1970	106.7	105.2	101.5	110.6	109.7	128.5	104.4	110.3	96.1	111.9	107.8
1971	106.5	104.9	99.0	113.3	106.9	135.3	104.6	115.7	89.2	112.8	106.8
1970: Nov	102.6	100.2	93.8	109.6	113.7	129.6	100.2	107.7	89.8	111.6	102.8
1970: Dec	104.6	102.4	97.3	110.0	112.1	130.2	102.2	110.8	90.3	112.1	105.4
1971: Jan	105.3	103.3	98.1	110.9	111.1	129.6	102.9	112.8	88.9	110.9	106.5
1971: Feb	105.7	103.9	98.6	111.7	110.1	132.2	103.0	112.9	89.3	112.5	106.8
1971: Mar	105.5	103.2	98.3	110.4	111.4	131.5	102.5	112.7	88.4	112.0	107.1
1971: Apr	106.2	104.4	99.1	112.1	110.4	133.2	103.6	114.6	88.1	112.4	107.5
1971: May	107.0	105.7	100.5	113.3	108.6	132.1	103.9	115.7	87.8	113.5	108.9
1971: June	107.2	105.6	100.1	113.7	108.9	135.6	104.5	116.1	88.2	112.4	109.0
1971: July	106.1	104.9	99.4	113.0	105.7	138.7	104.9	116.0	89.3	113.8	105.3
1971: Aug	105.3	103.6	96.6	113.8	106.5	137.0	105.0	116.0	89.6	110.7	104.0
1971: Sept	106.2	104.9	98.5	114.2	106.0	138.4	104.6	115.0	90.2	112.5	106.2
1971: Oct	106.4	105.6	99.4	114.5	97.5	137.8	105.0	116.0	89.7	113.3	105.8
1971: Nov	107.0	105.7	98.9	115.6	101.4	137.4	106.3	117.9	90.0	114.4	105.6
1971: Dec	107.8	106.5	99.7	116.2	107.1	137.2	106.4	117.8	90.4	114.6	107.5

Source: Board of Governors of the Federal Reserve System.

PRODUCTION OF SELECTED MANUFACTURES

Among the durable manufactures, production (seasonally adjusted) of primary metals, machinery, and fabricated metals advanced in December. In the nondurables sector, the textile and chemical groups posted production gains.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

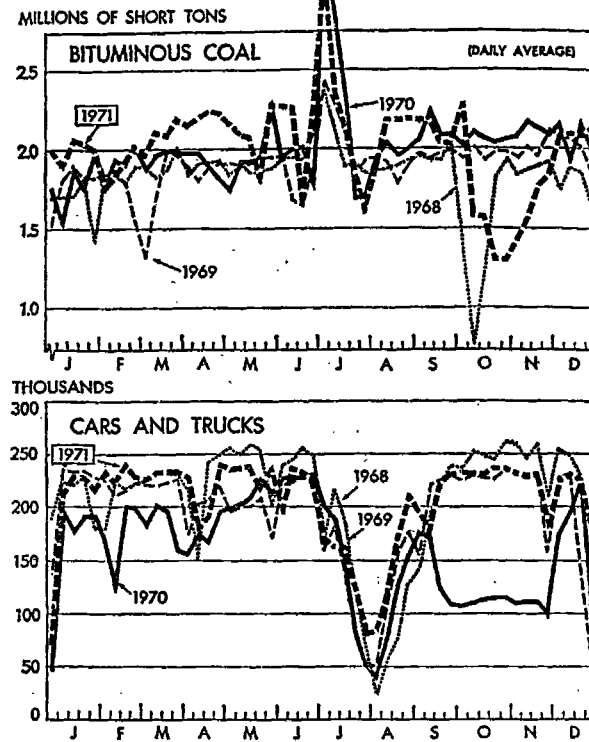
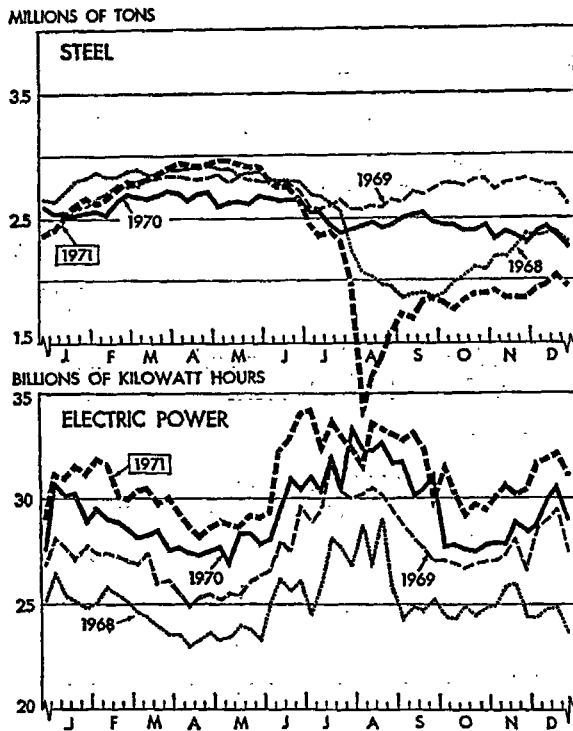
[1967=100, seasonally adjusted]

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 and tobacco
1962	78.2	75.9	64.8	69.3	82.0	84.3	74.3	64.5	84.0
1963	84.3	78.4	67.9	75.9	85.8	86.9	78.4	70.0	87.0
1964	95.7	83.3	74.3	79.6	91.0	91.9	84.5	75.9	90.6
1965	104.0	92.6	84.1	91.3	94.7	97.8	90.5	83.8	92.6
1966	108.8	100.5	98.6	101.2	98.4	101.7	98.9	94.1	97.0
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	103.2	106.3	101.9	109.7	104.8	104.9	104.2	109.6	103.6
1969	114.1	113.6	106.8	107.6	108.6	105.9	109.1	118.4	107.5
1970	106.9	109.4	100.4	90.3	106.3	100.2	107.8	118.2	110.8
1971 ^p	101.2	107.4	95.6	91.3	100.6	100.6	107.5	124.5	113.4
1970: Nov	98.4	104.5	94.9	71.7	106.4	96.0	106.4	117.8	111.9
1970: Dec	104.3	106.2	94.8	86.8	106.8	97.1	105.0	118.9	112.5
1971: Jan	108.1	105.4	93.4	91.1	109.7	98.6	107.1	118.2	113.9
1971: Feb	105.5	106.6	94.2	92.6	110.8	98.0	108.1	120.9	113.1
1971: Mar	106.6	104.9	94.0	91.3	110.3	97.3	104.6	120.5	112.2
1971: Apr	108.7	108.5	94.2	89.5	112.5	99.8	106.9	122.4	112.9
1971: May	114.3	108.5	95.3	90.9	110.0	101.5	106.9	124.2	113.6
1971: June	108.1	108.5	95.2	91.7	111.0	102.4	106.0	125.3	113.7
1971: July	98.2	110.8	97.4	88.5	115.4	100.2	106.8	124.0	113.8
1971: Aug	81.0	108.0	95.6	91.1	113.1	100.1	108.2	126.2	112.8
1971: Sept	93.9	105.7	96.3	91.7	113.9	102.5	108.3	127.3	111.1
1971: Oct	95.6	106.9	97.0	92.5	117.3	103.9	109.1	126.1	112.4
1971: Nov ^p	93.3	107.3	96.6	91.4	119.1	100.4	109.0	128.5	116.2
1971: Dec ^p	96.5	108.5	97.9	90.8	102.0	108.7	130.0	115.4	115.4

Source: Board of Governors of the Federal Reserve System.

WEEKLY INDICATORS OF PRODUCTION

Most weekly indicators of production increased in December. However, cars, trucks, and paperboard declined.



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

COUNCIL OF ECONOMIC ADVISERS

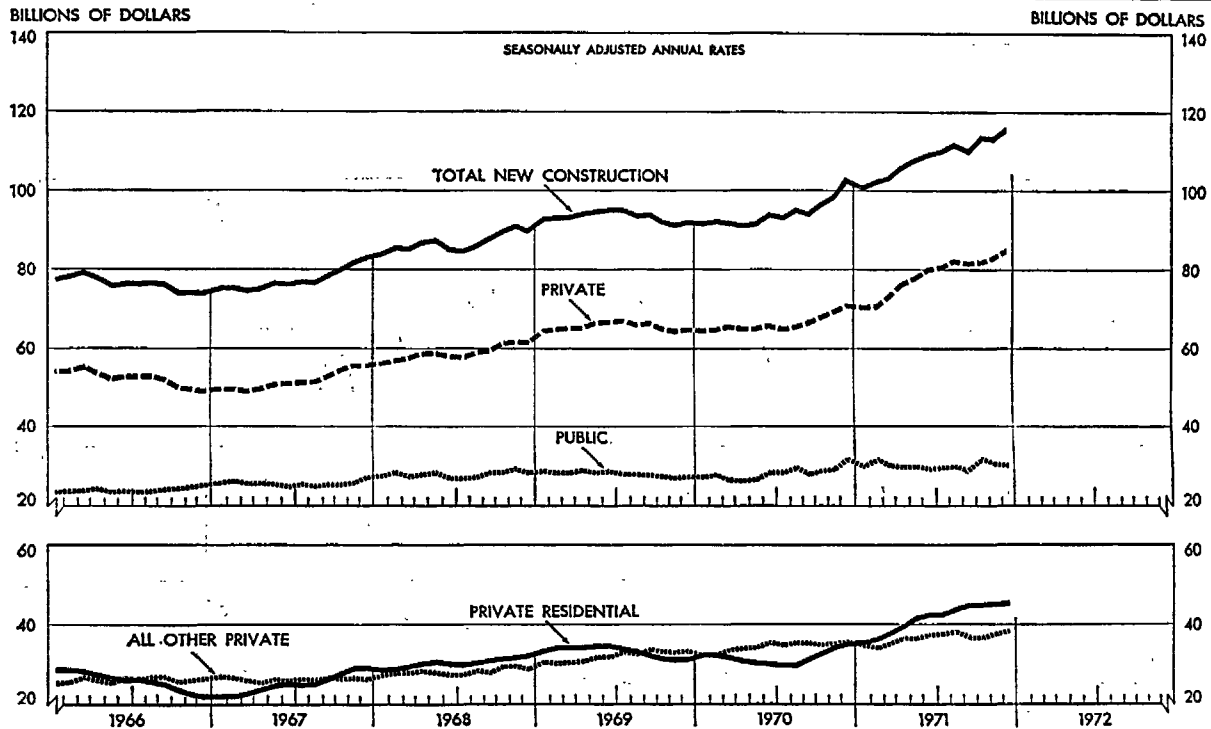
Period	Steel produced		Electric power distributed (millions of kilowatt-hours)	Bituminous coal mined (thousands of short tons) ¹	Freight loaded (thousands of cars)	Paperboard produced (thousands of tons)	Cars and trucks assembled (thousands)		
	Thousands of net tons	Index (1967=100)					Total	Cars	Trucks
Weekly average:									
1965	2,521	103.3	20,169	1,735	562	410	213.7	179.4	34.3
1966	2,572	105.4	21,971	1,798	570	446	199.3	165.4	33.9
1967	2,440	100.0	23,169	1,868	540	439	172.9	142.4	30.5
1968	2,515	103.1	25,244	1,827	543	479	207.6	170.1	37.5
1969	2,709	111.0	27,588	1,884	543	507	195.8	158.1	37.8
1970	2,522	103.4	29,317	2,012	515	490	158.9	125.9	33.0
1971	2,305	94.5	30,923	1,984	484	506	204.8	164.6	40.1
1970: Nov	2,333	95.6	28,308	2,197	514	501	108.0	86.7	21.3
Dec	2,361	96.8	29,442	2,079	454	442	155.8	125.7	30.1
1971: Jan	2,545	104.3	31,200	2,058	488	488	220.3	181.7	38.5
Feb	2,719	111.4	30,864	1,954	487	506	231.0	188.8	42.2
Mar	2,854	117.0	29,993	2,102	506	516	230.2	188.1	42.1
Apr	2,929	120.0	28,570	2,197	523	508	211.6	170.6	40.9
May	2,917	119.5	28,921	2,026	526	513	232.4	190.6	41.7
June	2,678	109.8	32,551	1,963	525	510	212.3	169.7	42.6
July	2,249	92.2	32,781	1,829	424	467	131.8	106.5	25.3
Aug	1,303	53.4	32,786	2,118	493	522	145.7	110.2	35.5
Sept	1,794	73.5	31,887	2,129	502	510	215.6	172.5	43.2
Oct	1,853	76.0	29,590	906	445	531	233.6	186.8	46.7
Nov	1,877	76.9	30,227	1,763	441	521	218.6	175.1	43.5
Dec	1,979	81.1	31,218	2,118	449	478	171.7	136.9	34.9
Week ended:									
1971: Dec 25	1,948	79.8	31,063	2,135	416	487	178.3	142.1	36.2
1972: Jan 1	2,004	82.1	29,533	2,214	390	319	2.3	0	3
8	2,152	88.2	32,392	1,792	430	422	225.1	179.9	45.2
15	2,312	94.8	32,324	1,930	467	536	221.9	175.5	46.4
22	2,220	91.0	33,057	1,854	463	511	205.8	158.9	46.9

¹ Daily average. Includes data for Alaska.
² 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

According to preliminary estimates, expenditures for new construction (seasonally adjusted) rose about 1 percent in December. Both private residential and non-residential construction increased while public construction fell slightly.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

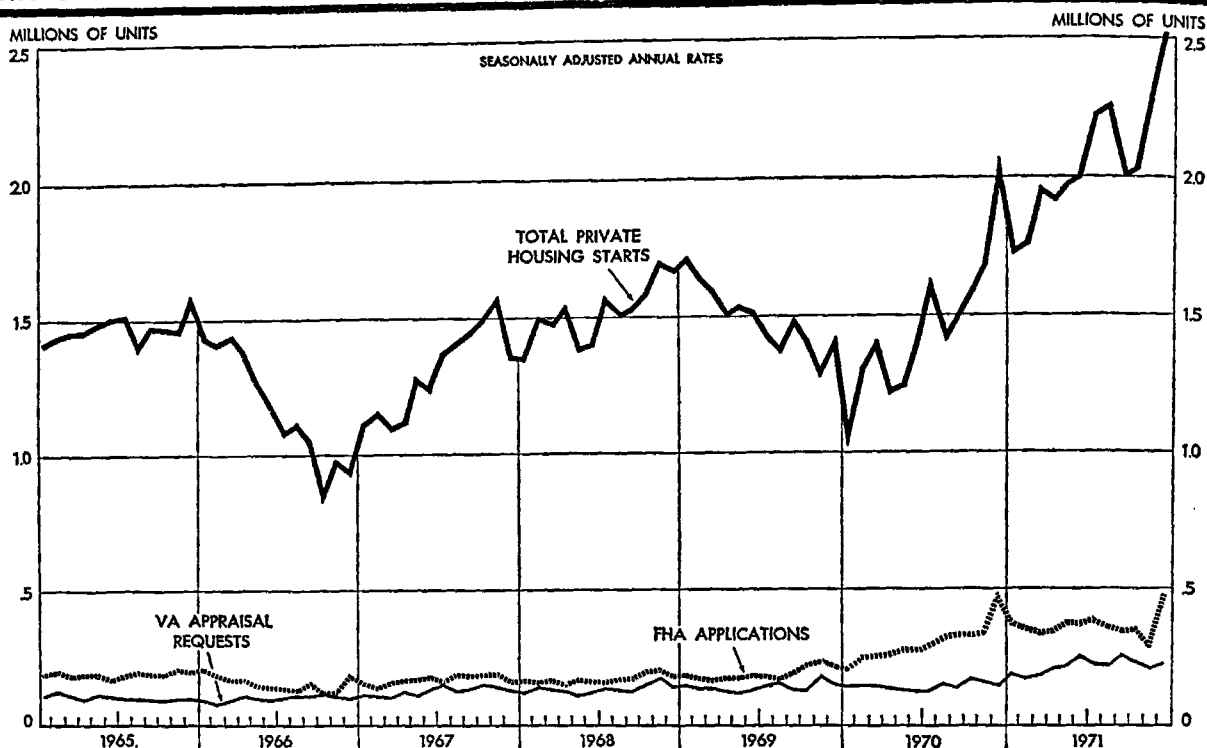
Period	Total new construction expenditures	Private						Federal, State, and local	Construction contracts ²	
		Total	Residential		Commercial and industrial	Other	Total value index, (1967=100)		Commercial and industrial floor space (millions of square feet)	
			Total ¹	New housing units						
Billions of dollars										
1966	76.0	52.0	25.7	19.4	26.3		24.0	94.8	769	
1967	77.5	52.0	25.6	19.0	26.4		25.5	100.0	694	
1968	86.6	59.0	30.6	24.0	13.8	14.7	27.6	113.2	779	
1969	93.3	65.4	33.2	25.9	16.2	16.0	28.0	123.7	883	
1970	94.3	66.1	31.7	24.2	16.3	18.1	28.1	123.1	743	
1971 ²	108.6	78.8	42.1	34.2	17.1	19.7	29.8	144.3	730	
Seasonally adjusted annual rates										
1970: Oct	96.4	67.8	32.9	25.0	15.7	19.2	28.6	115	621	
Nov	98.3	69.2	34.1	25.6	15.6	19.5	29.0	130	648	
Dec	102.6	70.7	35.1	26.7	16.1	19.5	31.9	132	656	
1971: Jan	100.6	70.6	35.6	27.6	16.4	18.6	30.0	117	652	
Feb	102.3	70.7	36.5	28.5	16.4	17.9	31.6	126	600	
Mar	103.0	73.0	37.7	29.6	16.8	18.5	30.1	142	785	
Apr	105.9	76.3	39.6	31.0	17.4	19.3	29.6	161	658	
May	107.6	77.9	41.5	32.9	16.8	19.6	29.7	141	761	
June	109.2	79.9	42.3	34.0	17.3	20.3	29.3	147	754	
July	110.0	80.5	42.7	35.0	18.1	19.7	29.5	151	728	
Aug	111.9	82.1	43.9	36.6	17.9	20.2	29.8	153	658	
Sept	110.0	81.4	44.7	37.4	16.3	20.4	28.6	154	849	
Oct	113.7	81.8	45.1	37.5	16.5	20.3	31.8	137	741	
Nov	113.6	83.2	45.2	37.5	17.1	20.9	30.5	155	824	
Dec ²	115.1	85.0	46.2	38.4	17.7	21.2	30.2	160	807	

¹ Includes nonhousekeeping residential construction and additions and alterations, not shown separately.
² F. W. Dodge series. Relates to 50 States beginning 1970 for value index and beginning 1971 for floor space.

Sources: Department of Commerce and McGraw-Hill Information Systems Company, F. W. Dodge Division.

NEW HOUSING STARTS AND APPLICATIONS FOR FINANCING

In December, private housing starts rose more than 9 percent from the record November rate to a seasonally adjusted annual rate of 2,517,000 units—another all-time high. Permits for future starts climbed more than 14 percent to a new record rate.



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

COUNCIL OF ECONOMIC ADVISERS

(Thousands of units)

Period	Housing starts							New private housing units authorized ¹	Proposed home construction	
	Total private and public (including farm)	Total private (including farm)	Private			Government home programs (nonfarm)			Applications for FHA commitments ²	Requests for VA appraisals ²
			Total (including farm)			FHA	VA			
			Total	One unit	Two or more units					
1966	1,195.9	1,165.0	1,165.0	778.5	386.4	129.1	36.8	971.9	153.0	99.2
1967	1,321.9	1,291.6	1,291.6	843.9	447.7	141.9	52.5	1,141.0	167.2	124.3
1968	1,545.5	1,507.7	1,507.7	899.5	608.2	147.7	56.1	1,353.4	168.9	131.7
1969	1,499.6	1,466.8	1,466.8	810.6	656.2	153.6	51.2	1,322.3	187.6	138.2
1970	1,469.0	1,433.6	1,433.6	812.9	620.7	233.5	61.0	1,351.5	315.0	143.7
1971 ^a	2,080.5	2,048.2	2,048.2	1,148.5	899.6	301.2	93.8	1,880.9	366.8	217.9
Seasonally adjusted annual rates										
1970: Nov	128.3	126.9	1,693	934	759	288	71	1,523	345	157
Dec	124.1	121.4	2,054	1,240	814	354	78	1,808	474	149
1971: Jan	114.8	110.6	1,725	946	779	410	76	1,635	371	190
Feb	104.6	102.2	1,754	935	769	290	73	1,563	350	174
Mar	169.3	167.9	1,959	1,048	911	265	83	1,627	336	183
Apr	203.6	201.1	1,912	1,098	814	278	93	1,638	347	210
May	203.5	198.5	1,975	1,124	851	265	96	1,927	374	218
June	196.8	193.8	2,000	1,177	823	284	91	1,849	370	257
July	197.0	194.3	2,229	1,187	1,042	283	98	2,052	383	228
Aug	205.9	204.5	2,258	1,212	1,046	321	102	2,006	359	220
Sept	175.6	173.8	2,002	1,187	815	291	97	1,900	344	252
Oct	181.8	179.7	2,031	1,159	872	299	98	2,173	353	233
Nov ^b	174.9	172.2	2,303	1,283	1,020	296	106	1,952	296	210
Dec ^c	152.8	149.6	2,517	1,411	1,106	399	101	2,231	472	226

¹ Authorized by issuance of local building permit; in 13,000 permit-issuing places beginning 1967; 12,000 for 1963-66, and 10,000 prior to 1963.

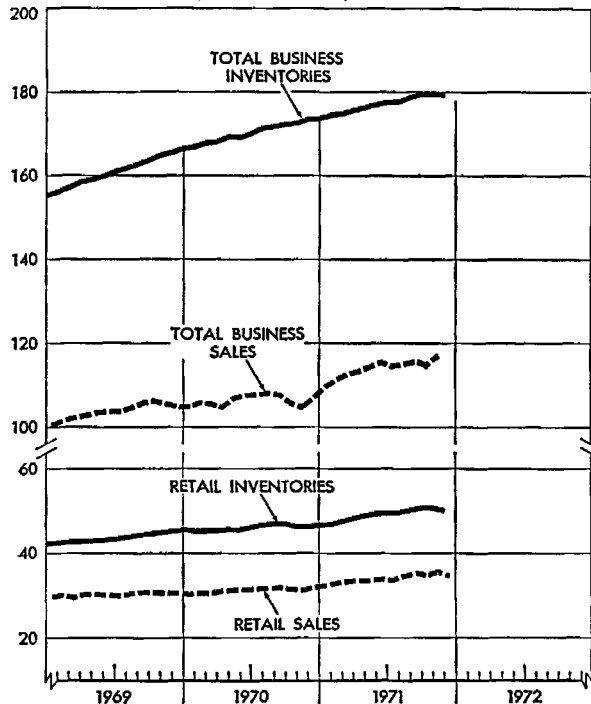
² Units represented by mortgage applications for new home construction.

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

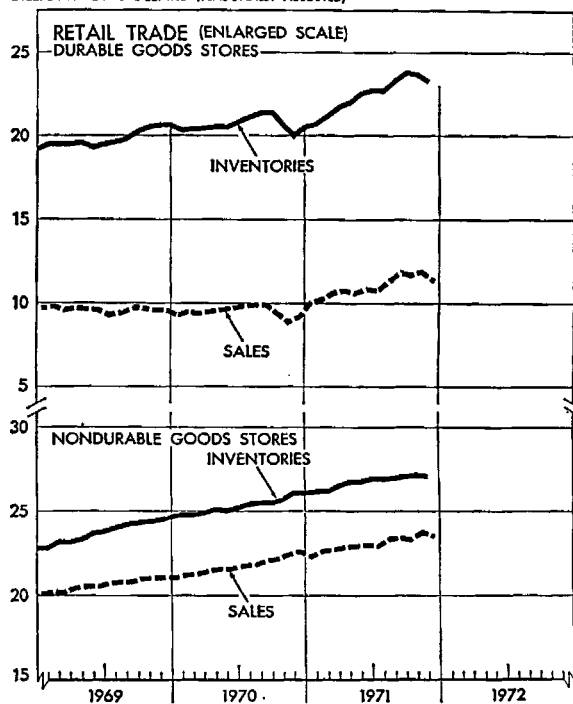
BUSINESS SALES AND INVENTORIES—TOTAL AND TRADE

Business inventories (seasonally adjusted) changed little in November while sales were up 2½ percent.

BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



SEE BELOW.
SOURCES: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Total business ¹		Wholesale		Retail					
	Sales ²	Inventories ³	Sales ²	Inventories ³	Sales ²			Inventories ³		
					Total	Durable goods stores	Non-durable goods stores	Total	Durable goods stores	Non-durable goods stores
Millions of dollars, seasonally adjusted										
1964	73,685	111,457	14,527	16,977	21,823	7,049	14,773	31,094	13,318	17,776
1965	80,276	120,900	15,595	18,274	23,677	7,849	15,828	34,405	15,253	19,152
1966	87,172	136,714	16,979	20,691	25,330	8,192	17,138	38,073	17,258	20,815
1967	89,708	145,072	17,099	21,557	26,151	8,348	17,803	38,952	17,277	21,675
1968	97,105	155,238	18,329	22,528	28,490	9,268	19,222	41,973	19,167	22,806
1969	103,178	166,412	19,726	24,363	29,824	9,626	20,197	45,376	20,647	24,729
1970	106,276	173,635	20,554	26,604	31,294	9,524	21,770	46,555	20,490	26,065
1971 ⁴	113,975	179,488	22,194	28,318	33,952	10,945	23,007	50,377	23,306	27,071
1970: Oct	105,610	172,588	20,754	26,003	31,621	9,418	22,203	46,303	20,562	25,741
Nov	104,485	173,374	20,641	26,334	31,282	8,858	22,424	46,113	19,965	26,148
Dec	106,943	173,635	20,718	26,604	31,761	9,185	22,576	46,555	20,490	26,065
1971: Jan	109,346	174,412	21,338	26,646	32,290	10,003	22,287	46,888	20,689	26,199
Feb	111,160	174,834	21,334	26,806	32,850	10,240	22,610	47,426	21,232	26,194
Mar	112,740	175,536	21,676	26,788	33,274	10,613	22,661	48,246	21,704	26,542
Apr	113,155	176,275	21,897	27,046	33,578	10,747	22,831	48,809	22,056	26,753
May	114,303	177,046	22,449	27,140	33,502	10,576	22,926	49,259	22,509	26,750
June	115,531	177,403	22,716	27,333	33,827	10,782	23,045	49,534	22,679	26,855
July	114,727	177,652	22,621	27,866	33,688	10,747	22,941	49,592	22,707	26,885
Aug	115,064	178,157	22,605	27,795	34,655	11,298	23,357	50,299	23,313	26,986
Sept	115,660	178,924	22,549	27,814	35,219	11,833	23,386	50,844	23,769	27,075
Oct	114,687	179,468	22,284	27,928	34,964	11,695	23,269	50,800	23,652	27,148
Nov ⁵	117,341	179,488	22,660	28,318	35,620	11,856	23,764	50,377	23,306	27,071
Dec					⁵ 34,876	⁵ 11,367	⁵ 23,509			

¹ The term "business" also includes manufacturing (see page 22).

² Monthly average for year and total for month.

³ Book value, end of period, seasonally adjusted.

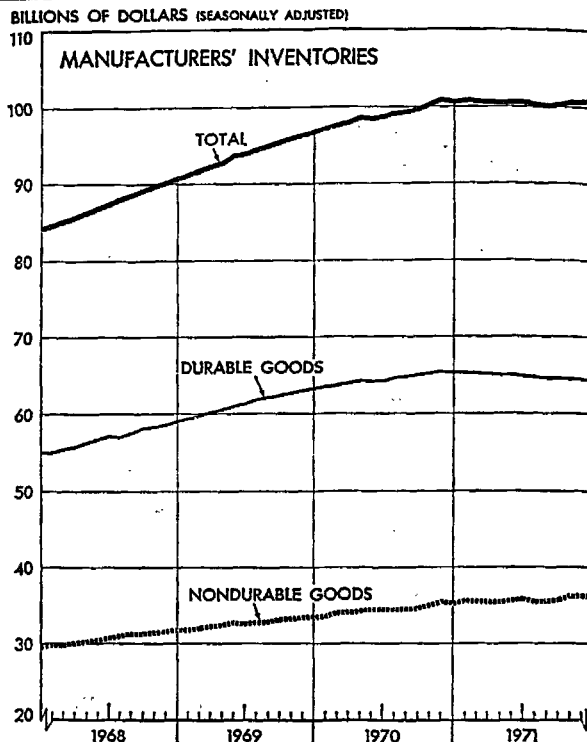
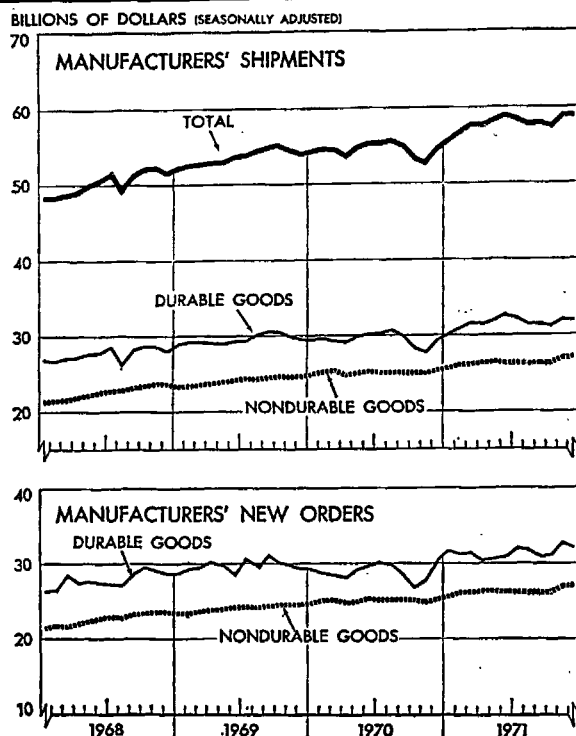
⁴ Based on seasonally adjusted data through November.

⁵ Unofficial estimates.

Source: Department of Commerce.

MANUFACTURERS' SHIPMENTS, INVENTORIES, AND NEW ORDERS

New orders and shipments of manufacturers (seasonally adjusted) decline in December and for the second month in a row inventories were little changed.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Manufacturers' shipments ¹			Manufacturers' inventories ²			Manufacturers' new orders ¹			Manufacturers' inventory-shipments ratio ³	
	Total	Durable goods	Non-durable goods	Total	Durable goods	Non-durable goods	Total	Durable goods Total	Producers' capital goods industries		Non-durable goods
Millions of dollars, seasonally adjusted											
1964.....	37,335	19,634	17,701	63,386	38,436	24,950	37,952	20,258	3,935	17,694	1.64
1965.....	41,003	22,216	18,788	68,221	42,227	25,994	41,803	22,986	4,435	18,817	1.60
1966.....	44,863	24,629	20,233	77,950	49,793	28,157	45,912	25,690	5,265	20,222	1.62
1967.....	46,458	25,220	21,237	84,563	54,888	29,675	46,707	25,468	4,958	21,230	1.76
1968.....	50,287	27,695	22,592	90,737	58,969	31,768	50,505	27,919	5,307	22,585	1.74
1969.....	53,629	29,539	24,090	96,673	63,160	33,513	53,768	29,681	6,074	24,087	1.75
1970.....	54,429	29,349	25,080	100,476	65,152	35,324	53,866	28,778	5,794	25,088	1.82
1971 ^a	57,892	31,539	26,353	100,754	64,368	36,386	57,716	31,351	6,384	26,365	1.74
1970: Nov.....	52,562	27,680	24,882	100,927	65,517	35,410	52,463	27,560	5,871	24,903	1.92
Dec.....	54,464	29,185	25,279	100,476	65,152	35,324	55,468	30,140	5,925	25,328	1.84
1971: Jan.....	55,718	30,166	25,552	100,878	65,308	35,570	57,255	31,666	6,442	25,589	1.81
Feb.....	56,982	30,856	26,126	100,602	65,090	35,512	57,165	31,071	6,617	26,094	1.77
Mar.....	57,790	31,616	26,174	100,502	65,082	35,420	57,699	31,472	6,219	26,227	1.74
Apr.....	57,680	31,308	26,372	100,420	65,033	35,387	56,597	30,228	5,677	26,369	1.74
May.....	58,352	31,850	26,502	100,647	65,079	35,568	57,028	30,601	6,193	26,427	1.72
June.....	58,988	32,650	26,338	100,536	64,825	35,711	57,009	30,666	6,237	26,343	1.70
July.....	58,418	32,123	26,295	100,194	64,692	35,502	58,255	31,955	6,146	26,300	1.72
Aug.....	57,804	31,464	26,340	100,063	64,523	35,540	58,085	31,758	6,551	26,327	1.73
Sept.....	57,892	31,543	26,349	100,266	64,563	35,703	57,322	31,026	6,425	26,296	1.73
Oct.....	57,439	31,166	26,273	100,740	64,494	36,246	57,490	31,126	6,806	26,364	1.75
Nov.....	59,061	32,106	26,955	100,793	64,399	36,394	59,576	32,564	6,565	27,012	1.71
Dec ^b	58,881	31,750	27,131	100,754	64,368	36,386	59,341	32,135	6,765	27,206	1.71

¹ Monthly average for year and total for month.

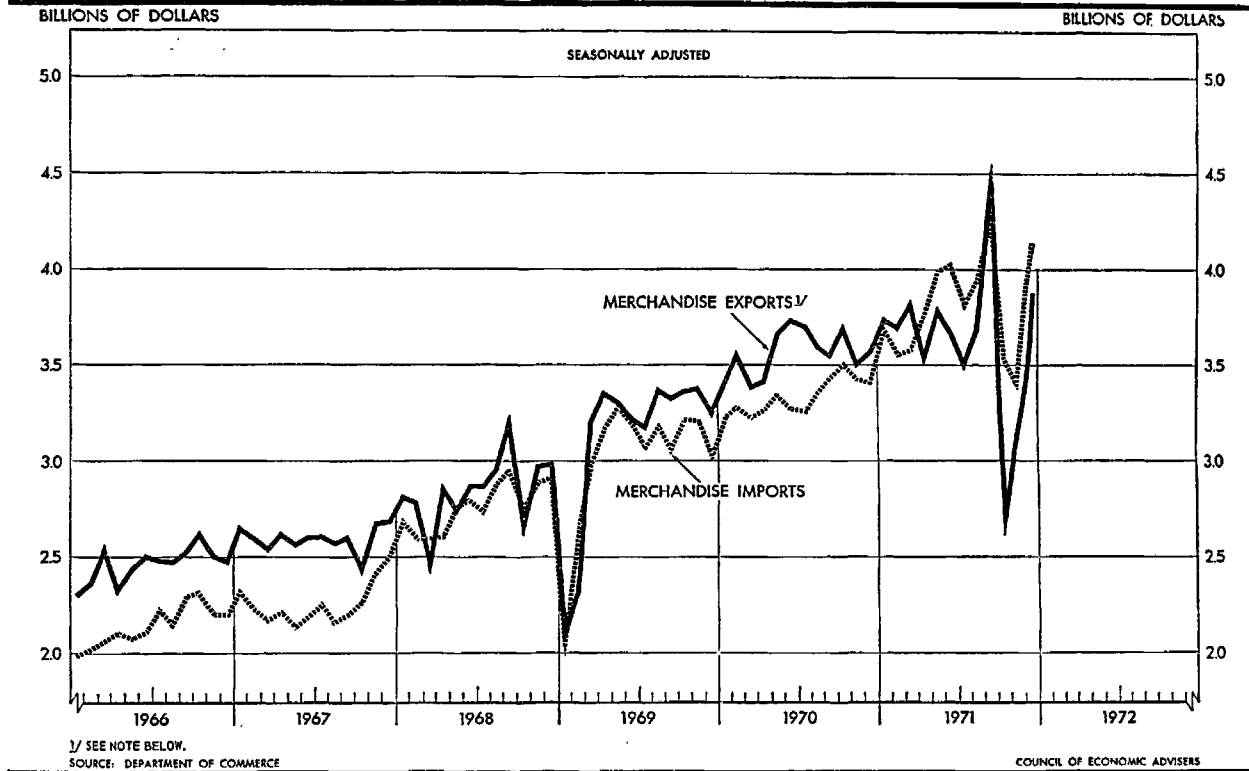
² Book value, end of period, seasonally adjusted.

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

Source: Department of Commerce.

MERCHANDISE EXPORTS AND IMPORTS

Exports and imports rose sharply in December as strikebound ports reopened. The trade deficit was \$274 million (seasonally adjusted) in December and \$2.0 billion for 1971.



[Millions of dollars]

Period	Merchandise exports						Merchandise imports					Gross-merchandise trade surplus, seasonally adjusted
	Total (including reexports) ¹		Domestic exports				General imports ³			Manu- fac- tured goods		
	Seasonally adjusted	Unad-justed	Total ^{1 2}	Food, beverages, and tobacco	Crude materials and fuels	Manu- fac- tured goods	Seasonally adjusted	Unad-justed	Food, beverages, and tobacco		Crude materials and fuels	
Monthly average:												
1963.....		1,869	1,845	349	315	1,191		1,428	322	396	672	441
1964.....		2,153	2,123	386	361	1,377		1,562	335	419	759	590
1965.....		2,229	2,201	377	356	1,453		1,786	334	453	937	444
1966.....		2,458	2,421	432	367	1,602		2,135	382	476	1,204	323
1967.....		2,586	2,554	392	394	1,737		2,241	392	447	1,313	345
1968.....		2,839	2,802	383	405	1,985		2,769	447	503	1,719	70
1969.....		3,111	3,066	370	417	2,232		3,004	442	533	1,918	107
1970.....		3,555	3,502	422	558	2,445		3,329	519	545	2,159	226
1971.....		3,630	3,576	423	537	2,537		3,800	534	740	2,526	-171
				Unadjusted					Unadjusted			
1970: Nov..	3,499	3,494	3,445	513	574	2,293	3,428	3,405	518	515	2,264	71
Dec..	3,569	3,634	3,633	485	667	2,378	3,402	3,553	575	597	2,265	168
1971: Jan..	3,735	3,482	3,434	439	554	2,351	3,686	3,422	523	515	2,267	49
Feb..	3,690	3,527	3,470	403	537	2,445	3,553	3,194	442	480	2,163	136
Mar..	3,816	4,108	4,059	455	596	2,937	3,569	3,912	528	641	2,620	245
Apr..	3,522	3,807	3,741	401	578	2,649	3,758	3,898	593	569	2,612	-236
May..	3,783	3,914	3,854	423	550	2,792	3,988	3,845	521	611	2,586	-205
June..	3,661	3,636	3,625	395	544	2,605	4,023	4,283	593	669	2,897	-363
July..	3,495	3,340	3,295	385	468	2,364	3,799	3,699	565	639	2,362	-304
Aug..	3,678	3,366	3,319	383	515	2,353	3,937	3,847	616	643	2,467	-260
Sept..	4,511	4,225	4,170	568	586	2,935	4,245	4,254	715	659	2,767	265
Oct..	2,710	2,828	2,776	294	394	2,028	3,531	3,472	352	571	2,423	-821
Nov..	3,160	3,221	3,176	394	471	2,248	3,337	3,531	353	598	2,462	-227
Dec..	3,359	4,057	4,000	537	644	2,737	4,132	4,283	606	712	2,825	-274

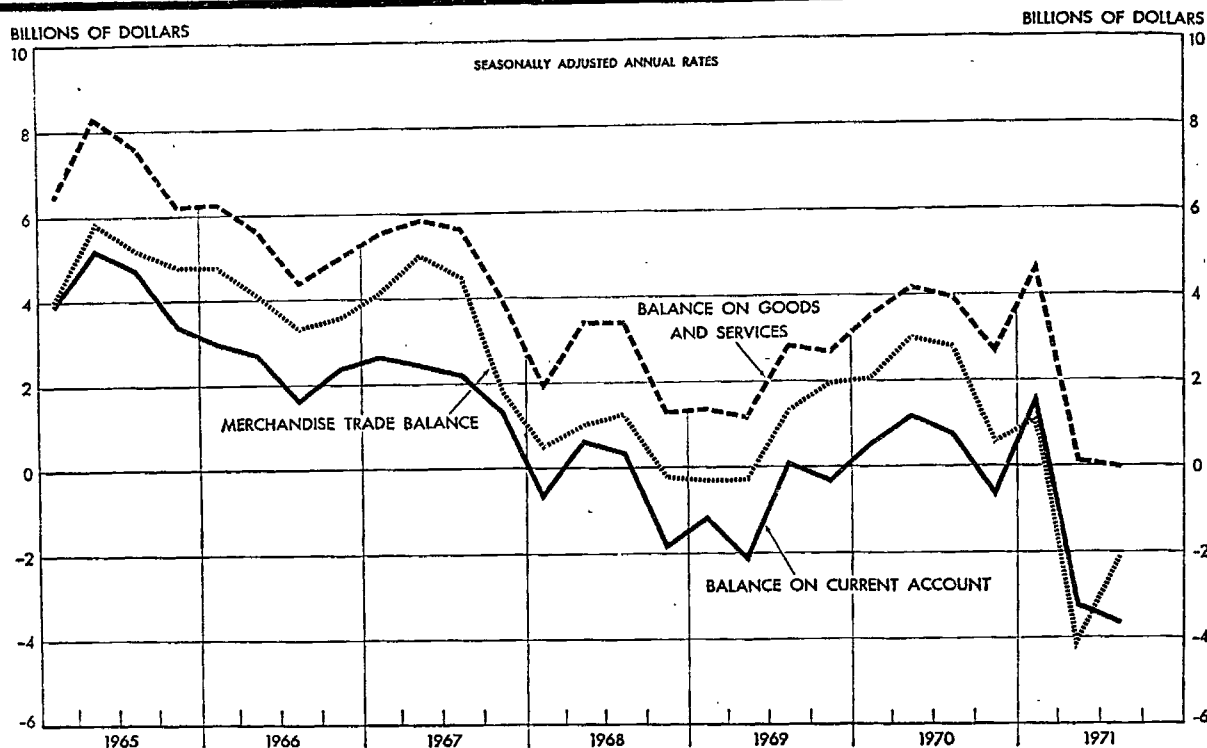
¹ Total excludes Department of Defense shipments of grant-aid military supplies and equipment under the Military Assistance Program.
² Total includes commodities and transactions not classified according to kind.
³ Total arrivals of imported goods other than intransit shipments.

NOTE.—Data adjusted to include silver ore and bullion reported separately prior to 1969.

Source: Department of Commerce.

U.S. BALANCES ON GOODS, SERVICES, AND TRANSFERS

Current estimates for the third quarter indicate a merchandise trade deficit of \$2.1 billion and a deficit on current account of \$3.7 billion (both at seasonally adjusted annual rates).



[Millions of dollars]

Period	Merchandise ^{1 2}			Military transactions			Net investment income		Net travel and transportation expenditures	Other services, net	Balance on goods and services ¹	Remittances, pensions, and other unilateral transfers ¹	Current account balance
	Exports	Imports	Net balance	Direct expenditures	Sales	Net balance	Private ³	U.S. Government					
1966	29,390	-25,463	3,927	-3,764	829	-2,935	5,331	44	-1,382	315	5,300	-2,890	2,410
1967	30,680	-26,821	3,859	-4,378	1,240	-3,138	5,848	40	-1,752	365	5,220	-3,081	2,139
1968	33,588	-32,964	624	-4,535	1,395	-3,140	6,157	63	-1,558	344	2,489	-2,875	-386
1969	36,490	-35,830	660	-4,856	1,515	-3,341	5,820	155	-1,780	497	2,011	-2,910	-899
1970	41,980	-39,870	2,110	-4,851	1,480	-3,370	6,360	-118	-1,979	587	3,591	-3,148	443
1971 ⁴	44,308	-46,052	-1,744	-4,759	2,024	-2,735	8,248	-752	-2,184	753	1,586	-3,364	-1,778
Seasonally adjusted annual rates													
1970: I	40,964	-38,912	2,052	-4,728	1,096	-3,632	6,184	124	-1,792	588	3,524	-3,024	500
1970: II	42,328	-39,324	3,004	-5,020	1,788	-3,232	5,888	-12	-2,000	532	4,180	-3,012	1,168
1970: III	42,784	-39,968	2,816	-4,844	1,308	-3,536	6,540	-256	-2,212	628	3,980	-3,212	768
1970: IV	41,844	-41,276	568	-4,812	1,732	-3,080	6,828	-324	-1,912	600	2,680	-3,344	-664
1971: I	44,120	-43,044	1,076	-4,696	2,028	-2,668	7,580	-448	-1,708	848	4,680	-3,080	1,600
1971: II	42,880	-47,040	-4,160	-4,856	2,180	-2,676	9,308	-632	-2,440	704	104	-3,352	-3,248
1971: III	45,924	-48,072	-2,148	-4,724	1,864	-2,860	7,856	-1,176	-2,404	708	-24	-3,660	-3,684

¹ Excludes military grants.

² Adjusted from Census data for differences in timing and coverage.

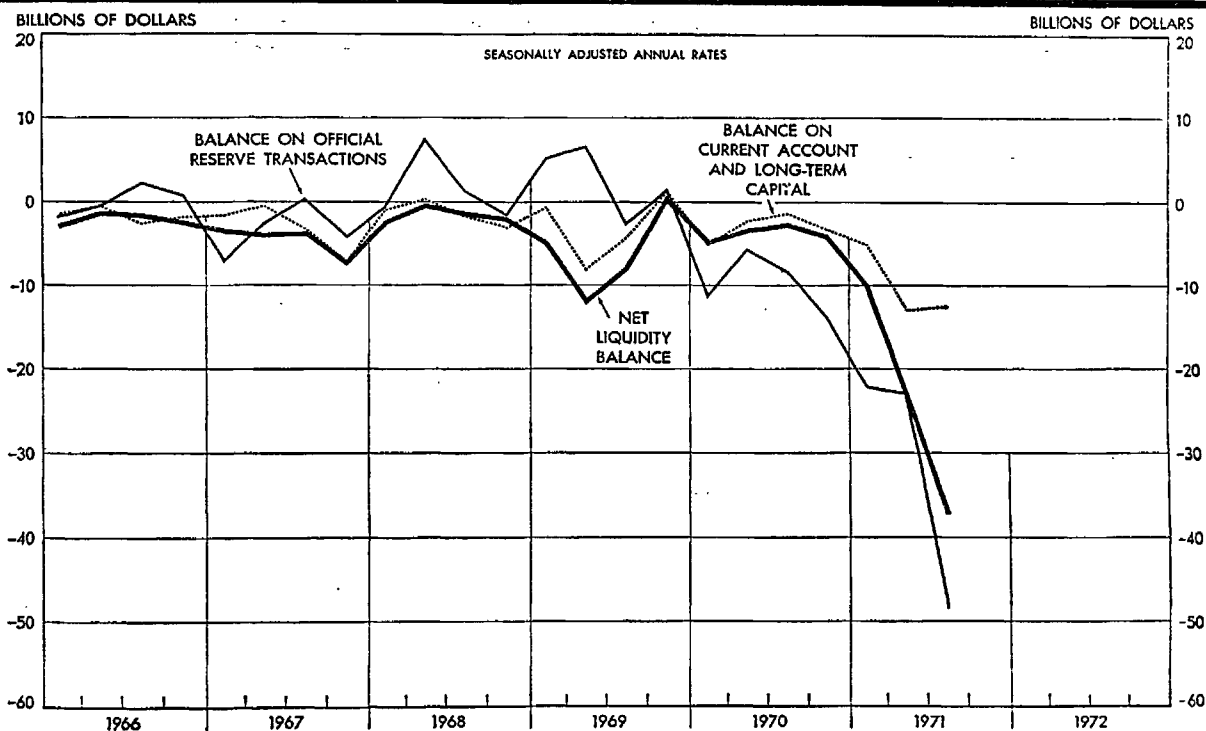
³ Includes fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States.

⁴ Average of first 3 quarters on a seasonally adjusted annual rates basis.

Source: Department of Commerce.

U.S. OVERALL BALANCES ON INTERNATIONAL TRANSACTIONS

The balance of payments deficit on the net liquidity basis in the third quarter was at a seasonally adjusted annual rate of \$37.2 billion, according to current estimates; on the official reserve transactions basis it was \$48.5 billion.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

(Millions of dollars)

Period	Long-term capital flows, net		Balance on current account and long-term capital	Non-liquid short-term private capital flows net ²	Allocations of special drawing rights	Errors and omissions, net	Balance, net liquidity basis	Liquid private capital flows, net ²	Balance, official reserve transactions basis	Changes in liabilities to foreign official agencies, net ³	Changes in U.S. official reserve assets, net ⁴	U.S. official reserve assets, net (end of period)
	U.S. Government ¹	Private										
1966	-1,469	-2,555	-1,614	-102		-431	-2,148	2,367	219	-787	568	14,882
1967	-2,423	-2,912	-3,196	-505		-985	-4,685	1,267	-3,418	3,366	52	14,830
1968	-2,161	1,198	-1,349	231		-493	-1,610	3,251	1,641	-761	-880	15,710
1969	-1,930	-50	-2,879	-602		-2,603	-6,084	8,786	2,702	-1,515	-1,187	16,964
1970	-2,029	-1,454	-3,039	-545	867	-1,104	-3,821	-6,000	-9,821	7,344	2,477	14,487
1971 ⁶	-2,456	-5,928	-10,162	-2,593	717	-11,401	-23,439	-7,741	-31,180	27,800	3,380	12,131
Seasonally adjusted annual rates												Unadjusted
1970: I	-1,812	-3,876	-5,188	-460	868	-236	-5,016	-6,440	-11,456	10,400	1,056	17,350
II	-2,360	-1,088	-2,280	-560	868	-1,500	-3,472	-2,144	-5,616	2,396	3,220	16,328
III	-1,248	-880	-1,360	-460	868	-1,748	-2,700	-5,600	-8,300	5,964	2,336	15,527
IV	-2,692	28	-3,328	-700	864	-932	-4,096	-9,816	-13,912	10,616	3,296	14,487
1971: I	-2,720	-4,012	-5,132	-1,536	720	-4,068	-10,016	-12,116	-22,132	19,404	2,728	14,342
II	-2,520	-7,180	-12,948	-1,576	716	-9,320	-23,128	204	-22,924	20,288	2,636	13,504
III	-2,128	-6,592	-12,404	-4,668	716	-20,816	-37,172	-11,312	-48,484	43,708	4,776	12,131

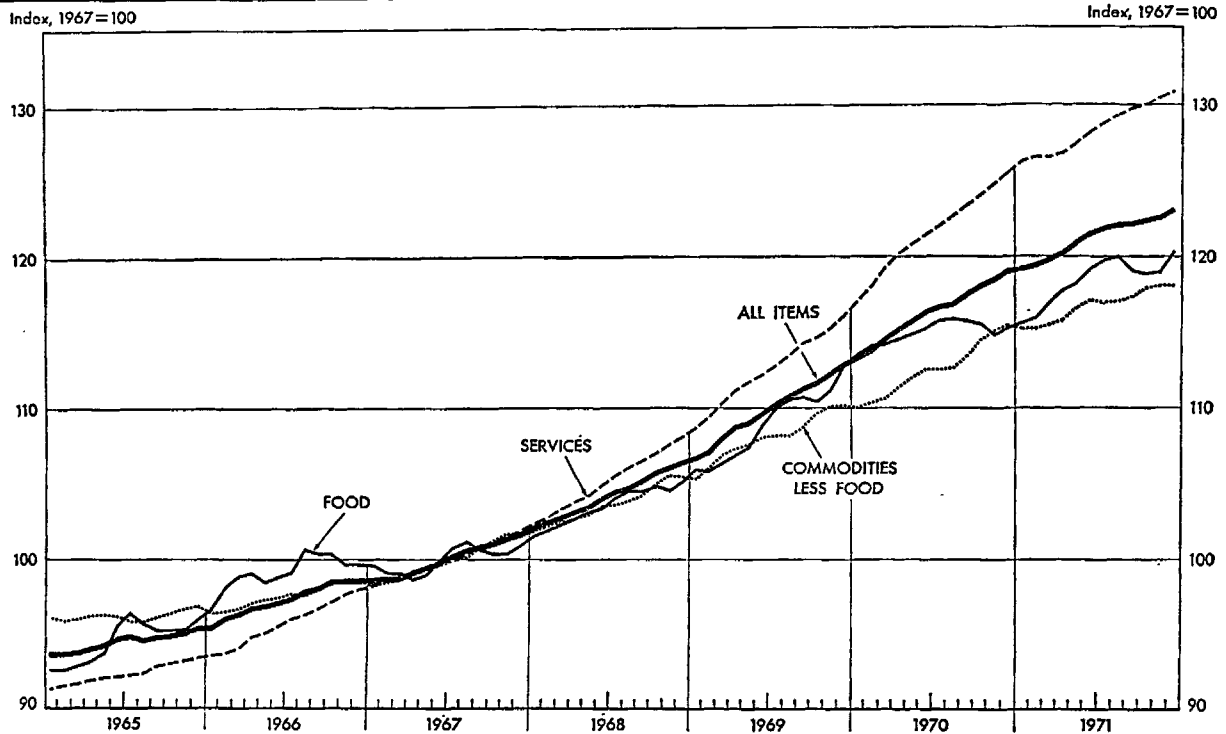
¹ Excludes liabilities to foreign official reserve agencies.
² Private foreigners exclude the IMF, but include other international and regional organizations.
³ Includes liabilities to foreign official agencies reported by U.S. Government and U.S. banks and U.S. liabilities to the IMF arising from reversible gold sales to, and gold deposits with, the United States.
⁴ Official reserve assets include gold, special drawing rights, convertible currencies, and the U.S. gold tranche position in the IMF.

⁵ Includes gain of \$67 million resulting from revaluation of the German mark in October 1969.
⁶ Average of first 3 quarters on a seasonally adjusted annual rates basis.
⁷ On Sept. 30, U.S. reserve assets consisted of gold stock, \$10,207 million, special drawing rights, \$1,097 million; convertible currencies, \$250 million; gold tranche position, \$677 million.
 Sources: Department of Commerce and Treasury Department.

PRICES

CONSUMER PRICES

The December consumer price index rose 0.4 percent on both an unadjusted and a seasonally adjusted basis. Food, particularly fresh vegetables, was up 1.1 percent, the largest increase in 2 years. Nonfood commodities showed no change on the average unadjusted but rose 0.3 percent seasonally adjusted. Services rose 0.3 percent.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

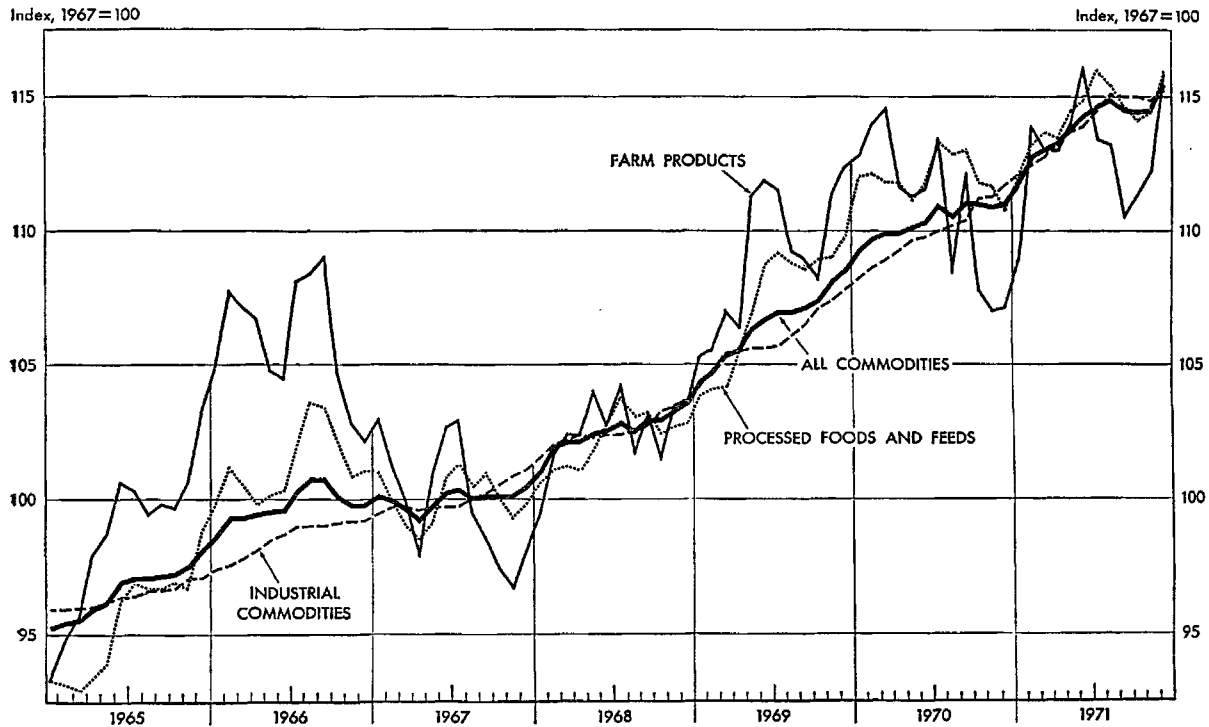
[1967=100]

Period	All items	Commodities					Services		
		All commodities	Food	Commodities less food			All services	Rent	Services less rent
				All	Durable	Non-durable			
1962	90.6	92.8	89.9	94.1	97.6	91.8	86.8	94.0	85.5
1963	91.7	93.6	91.2	94.8	97.9	92.7	88.5	95.0	87.3
1964	92.9	94.6	92.4	95.6	98.8	93.5	90.2	95.9	89.2
1965	94.5	95.7	94.4	96.2	98.4	94.8	92.2	96.9	91.5
1966	97.2	98.2	99.1	97.5	98.5	97.0	95.8	98.2	95.3
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.7	103.6	103.7	103.1	104.1	105.2	102.4	105.7
1969	109.8	108.4	108.9	108.1	107.0	108.8	112.5	105.7	113.8
1970	116.3	113.5	114.9	112.5	111.8	113.1	121.6	110.1	123.7
1971	121.3	117.4	118.4	116.8	116.5	117.0	128.4	115.2	130.9
1970: Nov	118.5	115.1	114.9	115.1	114.7	115.4	124.9	111.8	127.3
1970: Dec	119.1	115.6	115.3	115.5	115.2	115.7	125.6	112.6	128.0
1971: Jan	119.2	115.4	115.5	115.2	115.2	115.3	126.3	112.9	128.7
1971: Feb	119.4	115.5	115.9	115.2	115.0	115.4	126.6	113.6	129.0
1971: Mar	119.8	116.1	117.0	115.5	115.2	115.7	126.6	113.9	128.9
1971: Apr	120.2	116.6	117.8	115.8	115.7	116.0	126.8	114.4	129.1
1971: May	120.8	117.2	118.2	116.6	116.6	116.6	127.5	114.7	129.8
1971: June	121.5	117.9	119.2	117.1	117.4	116.9	128.2	115.2	130.6
1971: July	121.8	118.1	119.8	117.0	117.5	116.7	128.8	115.4	131.2
1971: Aug	122.1	118.2	120.0	117.1	116.9	117.2	129.4	115.8	131.9
1971: Sept	122.2	118.1	119.1	117.4	116.4	118.2	129.8	116.1	132.3
1971: Oct	122.4	118.4	118.9	118.0	117.1	118.7	130.0	116.4	132.5
1971: Nov	122.6	118.5	119.0	118.1	117.4	118.7	130.4	116.6	132.9
1971: Dec	123.1	118.9	120.3	118.1	117.2	118.8	130.8	116.9	133.3

Source: Department of Labor.

WHOLESALE PRICES

The wholesale price index rose 0.8 percent in December; seasonally adjusted it was up 0.7 percent. Industrial commodities increased 0.3 percent both unadjusted and seasonally adjusted. Farm products were up 3.2 percent and processed foods and feeds 1.3 percent for the largest increases since February.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[1967 = 100]

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities					
				All industrials ¹	Crude materials ²	Intermediate materials ³	Producer finished goods	Consumer finished goods excluding food	
								Durable	Non-durable
1962	94.8	98.0	91.9	94.8	95.6	95.3	92.2	98.3	94.8
1963	94.5	96.0	92.5	94.7	94.3	95.0	92.4	97.8	95.1
1964	94.7	94.6	92.3	95.2	97.1	95.6	93.3	98.2	94.8
1965	96.6	98.7	95.5	96.4	100.9	96.9	94.4	97.9	95.9
1966	99.8	105.9	101.2	98.5	104.5	98.9	96.8	98.5	97.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.5	102.5	102.2	102.5	102.0	102.6	103.5	102.2	102.2
1969	106.5	109.1	107.3	106.0	110.6	106.2	106.9	104.0	105.0
1970	110.4	111.0	112.0	110.0	118.8	110.0	111.9	107.1	108.2
1971	113.9	112.9	114.3	114.0	122.7	114.3	116.6	110.9	111.3
1970: Nov.	110.9	107.0	111.7	111.3	118.2	111.0	114.2	109.9	109.5
1970: Dec.	111.0	107.1	110.7	111.7	119.8	111.0	115.1	109.9	110.4
1971: Jan.	111.8	108.9	111.8	112.2	121.4	111.5	115.6	110.5	110.9
1971: Feb.	112.8	113.9	113.3	112.5	121.8	112.0	115.9	110.8	110.8
1971: Mar.	113.0	113.0	113.7	112.8	121.4	112.7	116.0	110.4	110.7
1971: Apr.	113.3	113.0	113.5	113.3	124.1	113.3	116.1	110.5	110.5
1971: May	113.8	114.0	114.5	113.7	123.5	113.8	116.3	110.7	111.0
1971: June	114.3	116.0	114.9	113.9	122.8	114.1	116.5	110.7	111.2
1971: July	114.6	113.4	116.0	114.5	122.7	114.9	116.8	111.0	111.6
1971: Aug.	114.9	113.2	115.4	115.1	122.3	115.9	117.1	111.1	111.8
1971: Sept.	114.5	110.5	114.6	115.0	123.0	115.9	116.9	110.4	111.9
1971: Oct.	114.4	111.3	114.1	115.0	122.9	115.7	117.1	111.3	111.7
1971: Nov.	114.5	112.2	114.4	114.9	122.6	115.6	117.0	111.3	111.7
1971: Dec.	115.4	115.8	115.9	115.3	123.4	115.8	117.8	112.6	111.8

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

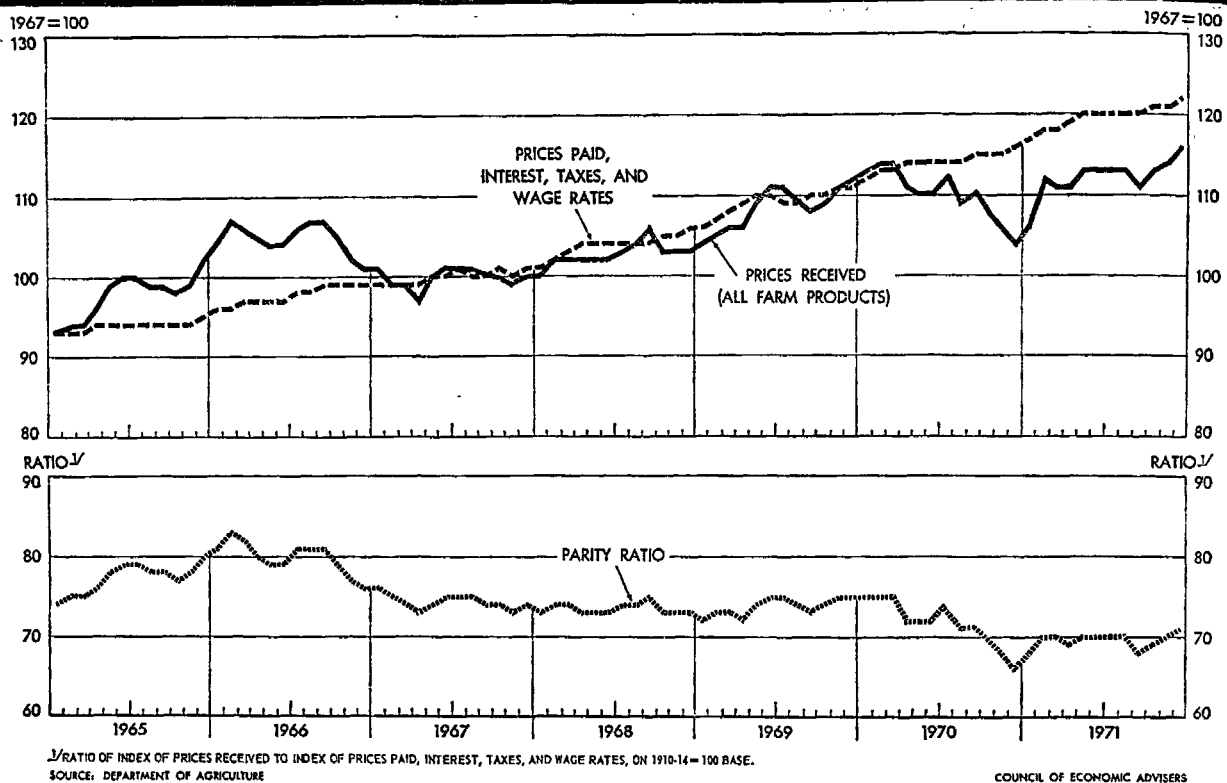
² Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.

³ Excludes intermediate materials for food manufacturing and manufactured animal feeds; includes, in part, grain products, for further processing.

Source: Department of Labor.

PRICES RECEIVED AND PAID BY FARMERS

In the month ended January 15, prices received by farmers rose 3½ percent while prices paid were up 1 percent. The actual parity ratio rose 1 point and the adjusted ratio rose 3 points.



Period	Prices received by farmers			Prices paid by farmers			Parity ratio ¹	
	All farm products	Crops	Livestock and products	All items, interest, taxes, and wage rates	Family living items	Production items	Actual	Adjusted ²
	Index, 1967=100							
1962	96	103	92	90	91	94	80	83
1963	96	106	89	91	92	95	78	81
1964	93	106	85	92	93	94	76	80
1965	98	103	94	94	95	96	77	82
1966	105	105	105	98	98	99	80	86
1967	100	100	100	100	100	100	74	79
1968	103	101	104	104	104	102	73	79
1969	108	97	116	109	109	106	74	79
1970	110	100	118	114	114	110	72	77
1971	112	108	116	120	119	115	70	74
1970: Dec 15	104	99	108	116	116	112	66	72
1971: Jan 15	106	102	110	117	116	112	68	72
Feb 15	112	105	117	118	117	113	70	75
Mar 15	111	107	114	118	117	114	70	74
Apr 15	111	108	114	119	117	115	69	74
May 15	113	111	114	120	118	115	70	74
June 15	113	114	113	120	119	116	70	75
July 15	113	111	114	120	119	116	70	74
Aug 15	113	108	117	120	120	116	70	74
Sept 15	111	104	117	120	120	116	68	73
Oct 15	113	106	118	121	120	116	69	74
Nov 15	114	108	119	121	120	117	70	74
Dec 15	116	109	121	122	121	117	71	75
1972: Jan 15 ³	120	111	126	123	121	118	72	78

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

² The adjusted parity ratio reflects Government payments made directly to farmers.

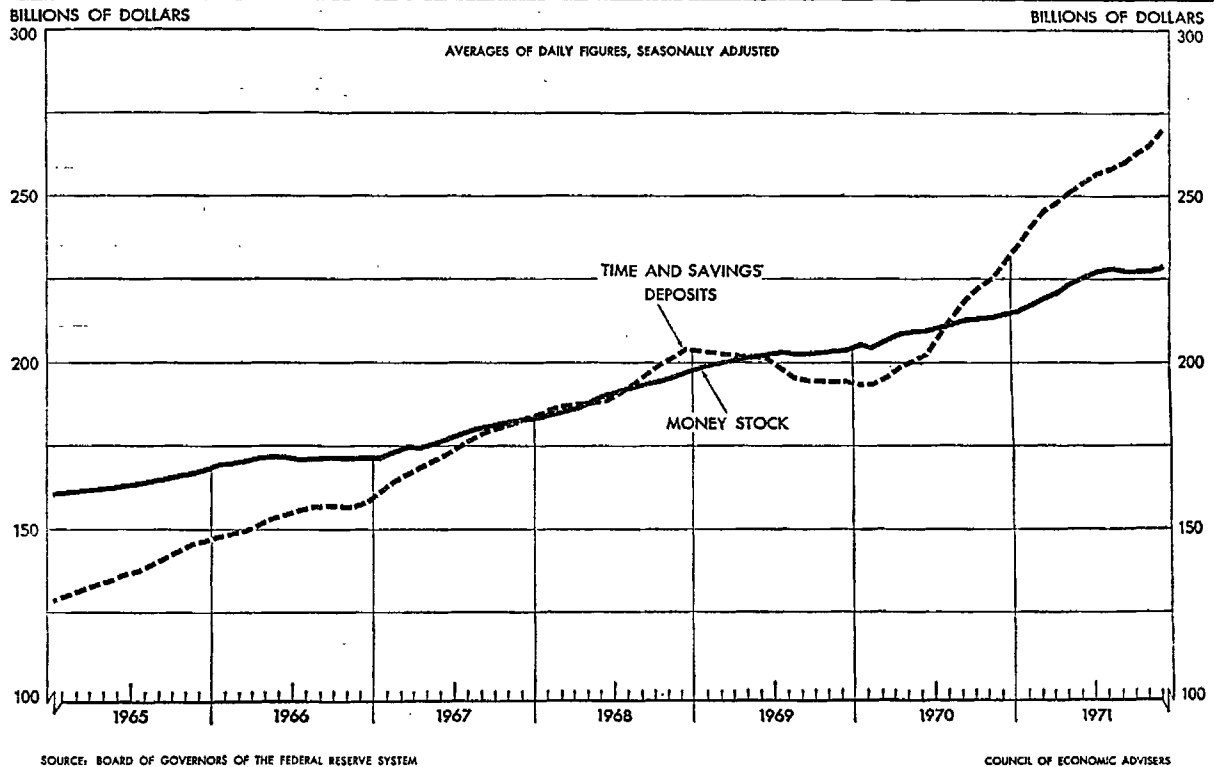
³ Not charted.

Source: Department of Agriculture.

MONEY, CREDIT, AND SECURITY MARKETS

MONEY STOCK

The seasonally adjusted money stock rose at a 2.7 percent annual rate in December following 2 months of virtual stability and 1 month of decline. U.S. Government demand deposits returned to their high levels of late summer.



[Averages of daily figures, billions of dollars]

Period	Money stock				Money stock				U.S. Government demand deposits ¹
	Total	Currency outside banks	Demand deposits ¹	Time and savings deposits ¹	Total	Currency outside banks	Demand deposits ¹	Time and savings deposits ¹	
	Seasonally adjusted				Unadjusted				
1966: Dec.....	171.7	38.3	133.4	158.1	176.9	39.1	137.8	156.9	3.4
1967: Dec.....	183.1	40.4	142.7	183.4	188.6	41.2	147.4	182.1	5.0
1968: Dec.....	197.4	43.4	154.0	204.2	203.4	44.3	159.1	203.2	5.0
1969: Dec.....	203.7	46.0	157.7	194.1	209.8	46.9	162.9	193.2	5.6
1970: Dec.....	214.8	49.0	165.8	228.9	221.2	50.0	171.3	228.1	7.3
1971: Dec ^p	228.2	52.5	175.7	269.9	235.1	53.5	181.5	269.0	6.7
1970: Nov.....	213.6	48.7	164.9	224.2	215.4	49.2	166.3	224.1	5.7
Dec.....	214.8	49.0	165.8	228.9	221.2	50.0	171.3	228.1	7.3
1971: Jan.....	215.3	49.3	166.0	234.4	221.4	49.1	172.3	233.8	6.8
Feb.....	217.7	49.7	168.0	240.2	215.6	49.1	166.5	239.6	8.4
Mar.....	219.7	50.0	169.7	245.4	217.5	49.5	168.0	246.2	5.5
Apr.....	221.2	50.5	170.7	248.1	222.3	50.1	172.3	248.5	5.5
May.....	223.8	50.8	173.0	251.3	219.9	50.5	169.4	251.4	7.8
June.....	225.5	51.1	174.5	254.4	223.7	51.0	172.7	253.8	5.3
July.....	227.4	51.6	175.8	256.4	226.0	51.9	174.1	255.5	6.8
Aug.....	228.0	51.7	176.3	257.3	224.9	51.9	173.0	258.1	6.8
Sept.....	227.6	51.9	175.7	259.6	226.2	51.9	174.3	260.3	7.5
Oct.....	227.7	52.2	175.5	263.3	227.5	52.2	175.3	264.1	5.3
Nov ^p	227.7	52.2	175.5	265.3	229.6	52.8	176.9	265.5	3.9
Dec ^p	228.2	52.5	175.7	269.9	235.1	53.5	181.5	269.0	6.7

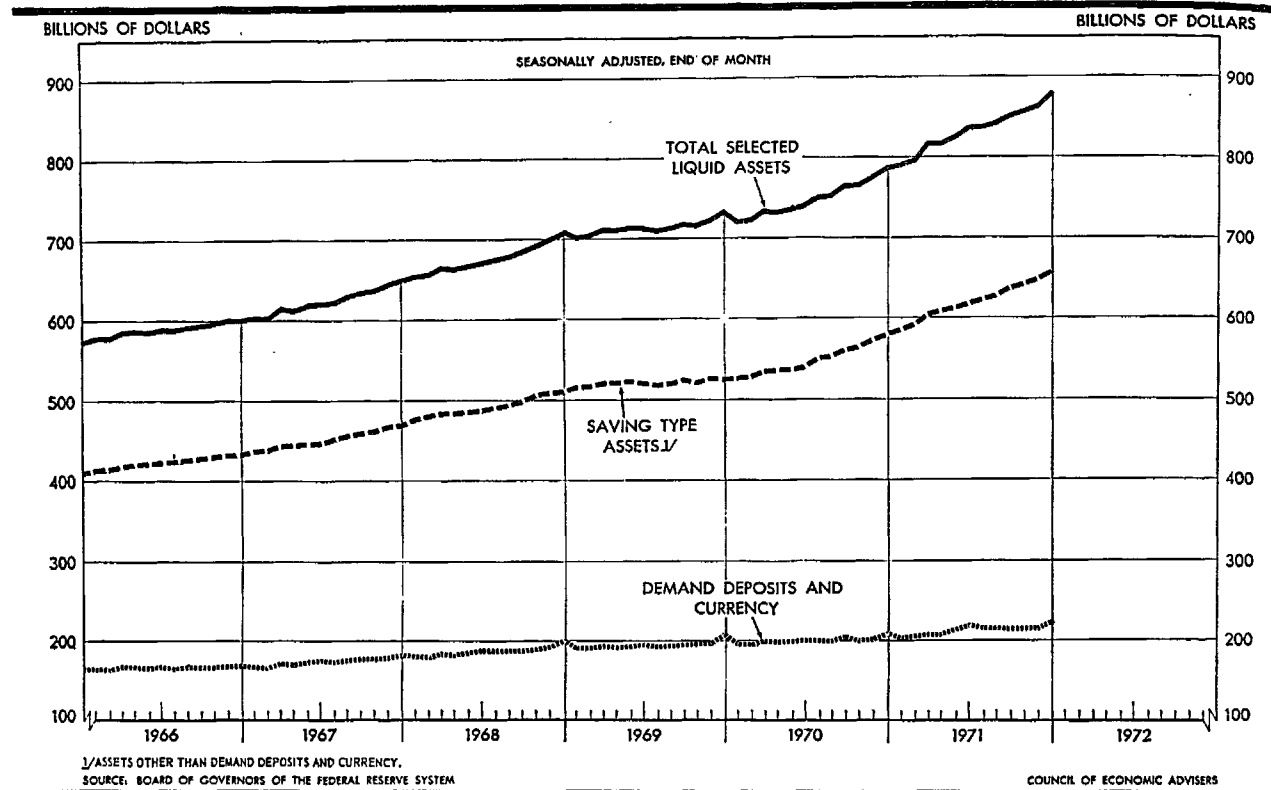
¹ Deposits at commercial banks.

NOTE.—Effective June 9, 1966, balances accumulated for payment of personal loans (about \$1.1 billion) are excluded from time deposits and from loans at all commercial banks.

Source: Board of Governors of the Federal Reserve System.

SELECTED LIQUID ASSETS HELD BY THE PUBLIC

Liquid asset holdings of the public (seasonally adjusted) registered a sharp \$16.7 billion rise in December. The bulk of the rise was due to increases in money and short-term U.S. Government securities.



[Billions of dollars, seasonally adjusted]

End of period	Total selected liquid assets	Demand deposits and currency ¹	Time deposits		Postal Savings System	Savings and loan deposits and shares	U.S. Government savings bonds ²	U.S. Government securities maturing within one year ³
			Commercial banks	Mutual savings banks				
1965.....	573.1	164.1	147.1	52.6	0.3	109.8	50.5	48.6
1966.....	601.5	168.6	159.3	55.2	.1	113.4	50.9	53.9
1967.....	650.4	180.7	183.1	60.3	-----	123.9	51.9	50.5
1968.....	709.6	³ 199.2	203.8	64.7	-----	131.0	52.5	58.5
1969.....	731.7	206.8	197.1	67.3	-----	134.9	52.4	73.2
1970.....	786.1	207.6	234.8	71.5	-----	145.7	52.7	73.8
1971 ^a	879.7	222.3	274.9	81.2	-----	173.5	55.1	72.7
1970: Nov.....	773.8	201.5	230.4	70.9	-----	144.5	52.2	74.3
Dec.....	786.1	207.6	234.8	71.5	-----	145.7	52.7	73.8
1971: Jan.....	788.9	202.9	240.0	72.2	-----	148.4	52.8	72.6
Feb.....	796.6	204.6	244.5	73.5	-----	151.3	52.8	70.0
Mar.....	815.8	211.6	249.5	74.7	-----	155.4	53.0	71.6
Apr.....	815.5	206.3	250.2	75.9	-----	158.0	53.2	71.8
May.....	824.8	212.5	252.3	76.8	-----	159.9	53.4	69.9
June.....	836.6	218.4	254.7	77.6	-----	161.5	53.6	70.9
July.....	836.3	213.8	256.5	78.3	-----	164.4	53.8	69.5
Aug.....	841.7	215.0	258.2	78.6	-----	166.1	54.0	69.8
Sept.....	851.5	214.4	263.5	79.3	-----	169.1	54.2	71.0
Oct.....	856.2	214.5	266.5	80.0	-----	170.6	54.3	70.2
Nov ^a	863.0	215.3	272.4	80.8	-----	172.4	54.5	67.6
Dec ^a	879.7	222.3	274.9	81.2	-----	173.5	55.1	72.7

¹ Agrees in concept with money stock, p. 29, except for deduction of demand deposits held by mutual savings banks and savings and loan associations. Data for last Wednesday of month. Data prior to July 1969 have not been revised to conform to the money stock revision.

² Excludes holdings of Government agencies and trust funds, domestic commercial and mutual savings banks, Federal Reserve Banks, and beginning February 1969, savings and loan associations.

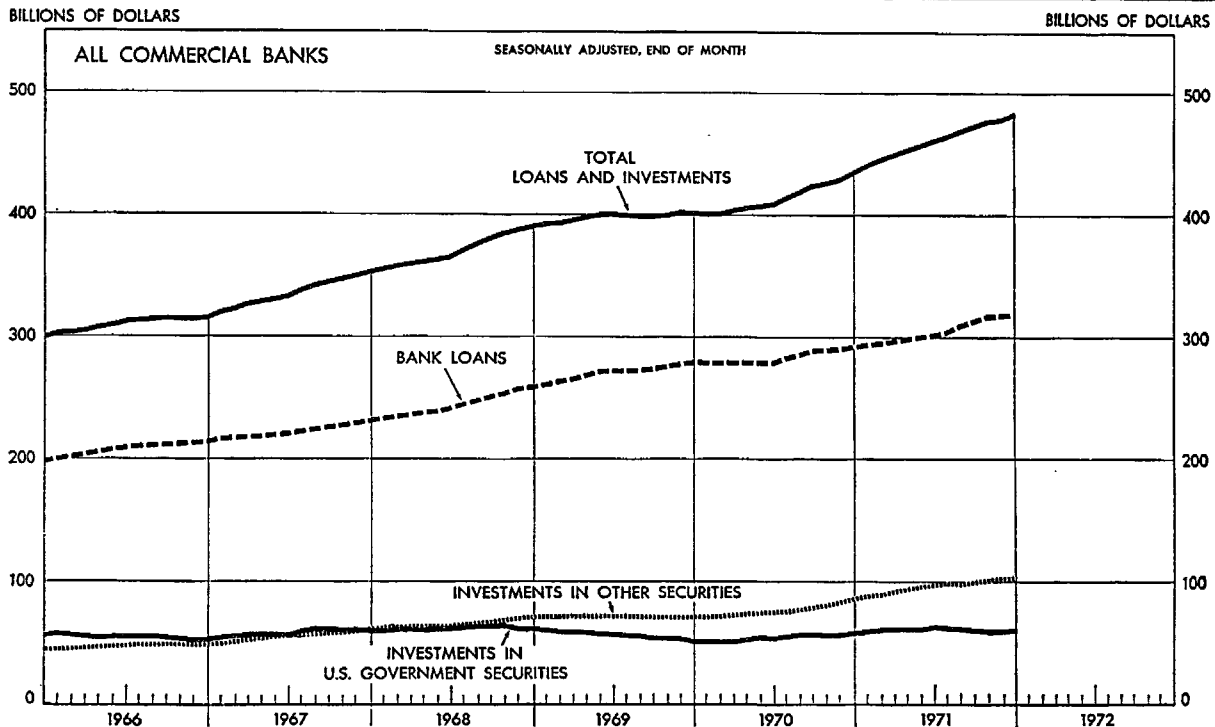
³ Estimates for Dec. 31.

NOTE.—See Note, p. 29.

Source: Board of Governors of the Federal Reserve System.

BANK LOANS, INVESTMENTS, DEBITS, AND RESERVES

Free reserves were \$48 million in December, their first positive level since early 1968. Seasonally adjusted commercial bank loans and investments rose at an 11.9 percent annual rate.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

End of period	All commercial banks (seasonally adjusted data)					Weekly reporting large commercial banks	Bank debits outside New York City (232 centers), seasonally adjusted annual rates ¹	All member banks ²					
	Total loans and investments	Loans, excluding inter-bank	Investments		Commercial and industrial loans			Total reserves	Excess reserves	Borrowings at Federal Reserve Banks	Free reserves		
			U.S. Government securities	Other securities									
Billions of dollars										Millions of dollars			
1966	316.1	213.9	53.5	48.7	³ 60.7	3,421	23,830	392	557	-165			
1967	352.0	231.3	59.3	61.4	65.8	3,740	25,260	345	238	107			
1968	390.6	258.2	61.0	71.4	73.1	4,364	27,221	455	765	-310			
1969 ⁴	402.1	279.4	51.5	71.2	81.5	5,163	28,031	257	1,086	-829			
1970	435.9	292.0	58.0	85.9	81.7	5,744	29,265	272	321	-49			
1971 ⁵	482.9	⁵ 318.6	60.3	⁵ 103.9	83.8	6,436	31,316	156	108	48			
1970: Nov.	429.3	290.0	56.3	83.0	79.9	5,710	28,558	120	425	-305			
Dec.	435.9	292.0	58.0	85.9	81.7	5,880	29,265	272	321	-49			
1971: Jan.	440.7	293.7	58.9	88.1	80.1	5,863	30,488	279	370	-91			
Feb.	446.1	295.7	60.8	89.6	80.8	6,032	29,880	201	328	-127			
Mar.	449.5	296.5	61.1	91.9	81.2	6,116	29,686	199	319	-120			
Apr.	452.5	298.2	60.7	93.5	81.1	6,302	29,885	140	148	-8			
May	456.1	300.7	60.4	95.1	81.4	6,215	30,419	312	330	-18			
June	461.1	⁵ 301.7	62.8	⁵ 96.6	82.3	6,613	30,023	131	453	-322			
July	463.7	304.1	61.6	98.0	81.6	6,623	30,547	162	821	-658			
Aug.	468.4	309.7	60.9	97.8	82.4	6,665	30,455	198	804	-606			
Sept ⁶	472.4	313.0	59.9	99.5	83.5	6,697	30,802	206	501	-295			
Oct ⁶	476.5	316.4	59.1	101.0	83.1	6,494	30,860	207	360	-153			
Nov ⁶	478.4	317.5	58.9	102.0	82.6	6,839	30,953	263	407	-144			
Dec ⁶	482.9	318.6	60.3	103.9	83.8	6,776	31,316	156	108	48			

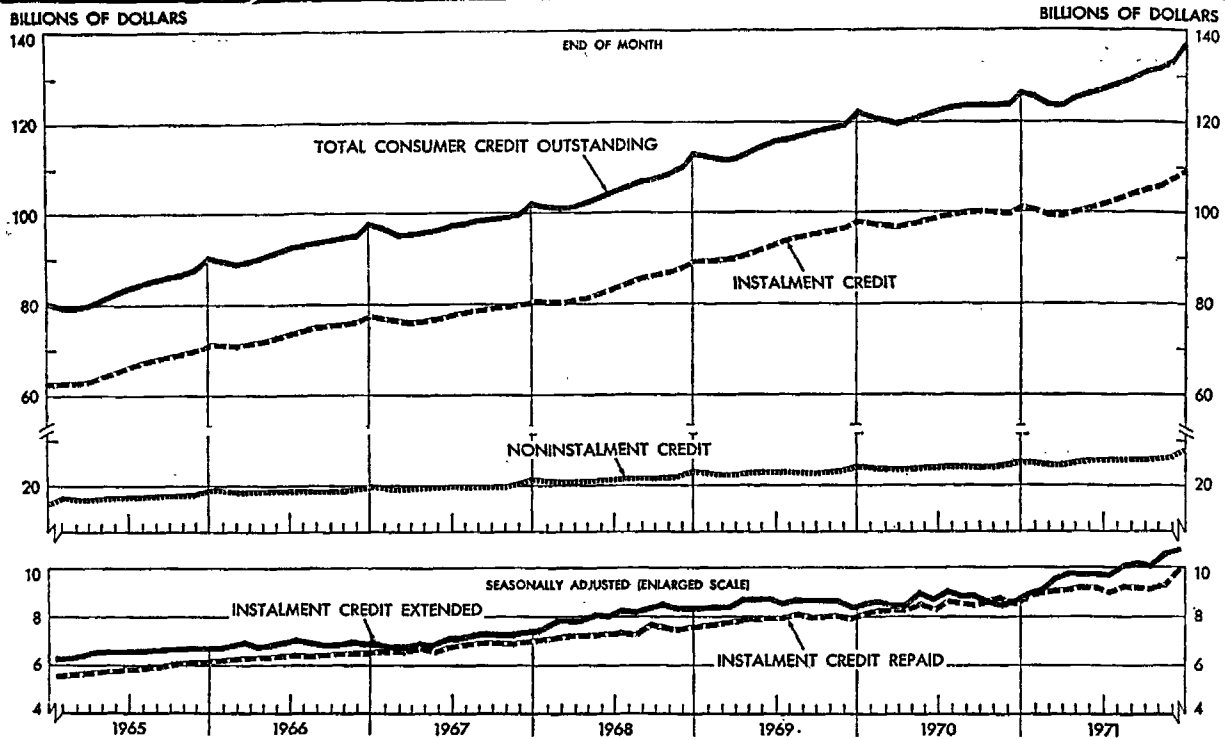
¹ Debits during period to demand deposit accounts except interbank and U.S. Government. New series beginning January 1964.
² Averages of daily figures. Annual data are for December.
³ New series; see *Federal Reserve Bulletin*, March 1967.
⁴ New series beginning June 1969; see *Federal Reserve Bulletin*, August 1969.
⁵ As of June 1971, Farmers Home Administration notes totaling about \$0.7 billion are classified as "other securities" rather than as "loans."

NOTE.—Effective June 1966, balances accumulated for payment of personal loans (about \$1.1 billion) are excluded from loans at all commercial banks, and certain certificates of CCC and Export-Import Bank totaling about \$1 billion are included in other securities rather than in loans.

Source: Board of Governors of the Federal Reserve System.

CONSUMER AND REAL ESTATE CREDIT

Total consumer credit rose by \$3½ billion in December, according to preliminary estimates. A year earlier the rise was \$3 billion. Consumer instalment credit (seasonally adjusted) rose by \$800 million in December.



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 outstanding nonfarm, 1- to 4-family houses ²
	Total	Instalment			Non-instalment ²	Total		Automobile paper		
		Total ¹	Automobile paper	Personal loans		Extended	Repaid	Extended	Repaid	
1963.....	71,739	55,486	22,254	15,618	16,253	63,591	56,825	22,126	19,254	182,200
1964.....	80,268	62,692	24,934	17,848	17,576	70,670	63,470	24,046	21,369	197,600
1965.....	90,314	71,324	28,619	20,412	18,990	78,586	69,957	27,227	23,543	212,900
1966.....	97,543	77,539	30,556	22,187	20,004	82,335	76,120	27,341	25,404	223,600
1967.....	102,132	80,926	30,724	24,018	21,206	84,693	81,306	26,667	26,499	236,100
1968.....	113,191	89,890	34,130	26,936	23,301	97,053	88,089	31,424	28,018	251,200
1969.....	122,469	98,169	36,602	29,918	24,300	102,888	94,609	32,354	29,882	266,800
1970.....	126,802	101,161	35,490	31,612	25,641	104,130	101,138	29,831	30,943	280,200
1971 ⁴	136,800	109,200	38,400	34,400	27,600	118,000	109,950	34,900	32,000	307,500
1970: Nov.....	123,915	99,790	36,011	31,268	24,125	8,414	8,716	2,127	2,577	-----
Dec.....	126,802	101,161	35,490	31,612	25,641	8,536	8,515	2,170	2,618	280,200
1971: Jan.....	125,077	100,101	35,004	31,455	24,976	8,916	8,829	2,461	2,623	-----
Feb.....	123,815	99,244	34,869	31,396	24,571	9,081	8,979	2,687	2,636	-----
Mar.....	123,604	99,168	35,028	31,504	24,436	9,533	9,038	2,897	2,696	283,600
Apr.....	125,047	100,028	35,496	31,773	25,019	9,751	9,088	2,872	2,566	-----
May.....	126,025	100,692	35,819	32,041	25,333	9,690	9,197	2,756	2,640	-----
June.....	127,388	101,862	36,349	32,351	25,526	9,715	9,190	2,838	2,678	290,900
July.....	128,354	102,848	36,763	32,680	25,506	9,675	8,914	2,773	2,565	-----
Aug.....	129,704	104,060	37,154	33,134	25,644	10,049	9,222	3,004	2,697	-----
Sept.....	130,644	104,973	37,383	33,420	25,671	10,156	9,157	3,147	2,732	299,500
Oct.....	131,606	105,763	37,759	33,575	25,843	10,031	9,107	2,992	2,634	-----
Nov.....	133,263	107,097	38,164	33,977	26,166	10,572	9,306	3,162	2,662	-----
Dec ⁴	136,800	109,200	38,400	34,400	27,600	10,700	9,900	3,150	2,850	307,500

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

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

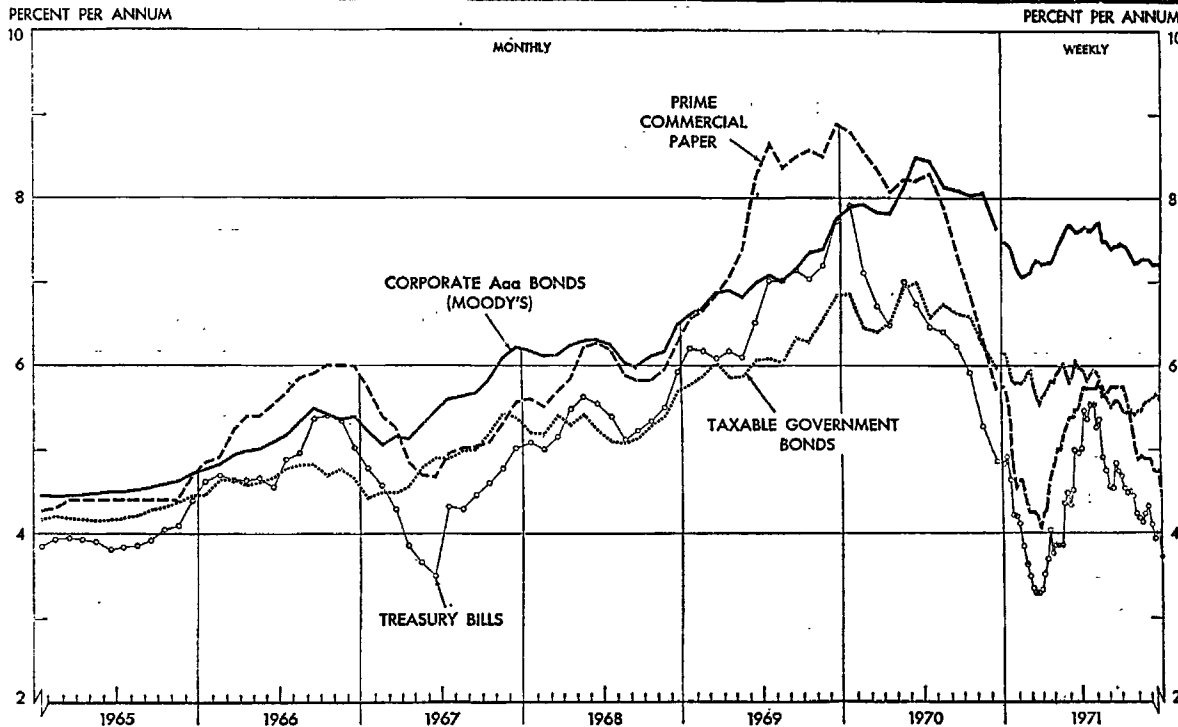
³ End of period, unadjusted.

⁴ Preliminary; by Council of Economic Advisers.

Sources: Board of Governors of the Federal Reserve System and Federal Home Loan Bank Board.

BOND YIELDS AND INTEREST RATES

Mortgage yields fell in December for the fourth month in a row. Virtually all interest rates declined in December and early January, and the drop was particularly sharp for 3-month Treasury bill rates.



SOURCE: SEE TABLE BELOW

COUNCIL OF ECONOMIC ADVISERS

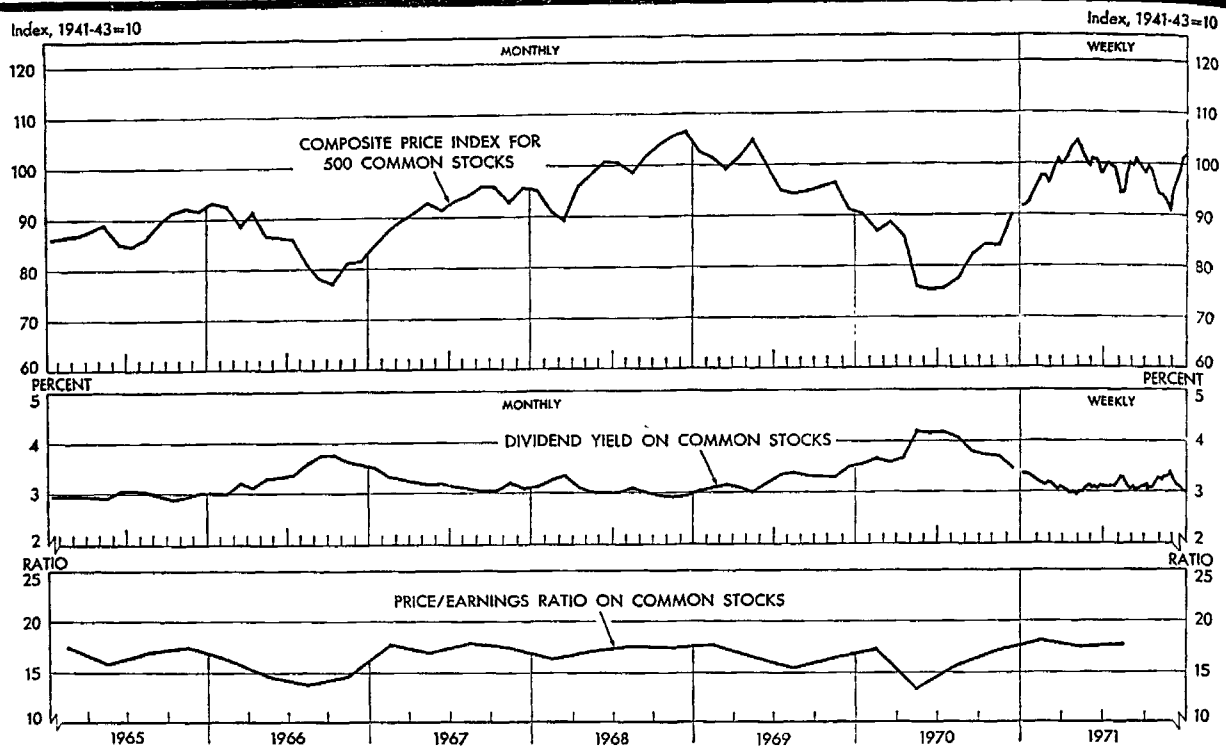
Period	[Percent per annum]							
	U.S. Government security yields			High-grade municipal bonds (Standard & Poor's) ⁴	Corporate bonds (Moody's)		Prime commercial paper, 4-6 months	FHA new home mortgage yields ⁵
	3-month Treasury bills ¹	3-5 year issues ²	Taxable bonds ³		Aaa	Baa		
1964	3.549	4.06	4.15	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
1966	4.881	5.16	4.65	3.82	5.13	5.67	5.55	6.29
1967	4.321	5.07	4.85	3.98	5.51	6.23	5.10	6.55
1968	5.339	5.59	5.26	4.51	6.18	6.94	5.90	7.13
1969	6.677	6.85	6.12	5.81	7.03	7.81	7.83	8.19
1970	6.458	7.37	6.58	6.51	8.04	9.11	7.72	9.05
1971	4.348	5.77	5.74	5.70	7.39	8.56	5.11	7.78
1970: Nov	5.288	6.37	6.24	6.20	8.05	9.38	6.30	8.97
1970: Dec	4.860	5.86	5.97	5.71	7.64	9.12	5.73	8.90
1971: Jan	4.494	5.72	5.92	5.70	7.36	8.74	5.11	8.40
1971: Feb	3.773	5.31	5.84	5.55	7.08	8.39	4.47	-----
1971: Mar	3.323	4.74	5.71	5.44	7.21	8.46	4.19	-----
1971: Apr	3.780	5.42	5.75	5.65	7.25	8.45	4.57	7.32
1971: May	4.139	6.02	5.96	6.14	7.53	8.62	5.10	7.37
1971: June	4.699	6.36	5.94	6.22	7.64	8.75	5.45	7.75
1971: July	5.405	6.77	5.91	6.31	7.64	8.76	5.75	7.89
1971: Aug	5.078	6.39	5.78	5.95	7.59	8.76	5.73	7.97
1971: Sept	4.668	5.96	5.56	5.52	7.44	8.59	5.75	7.92
1971: Oct	4.489	5.68	5.46	5.24	7.39	8.48	5.54	7.84
1971: Nov	4.191	5.50	5.48	5.30	7.26	8.38	4.92	7.75
1971: Dec	4.023	5.42	5.62	5.36	7.25	8.38	4.74	7.62
Week ended:								
1971: Dec 17	3.944	5.45	5.63	5.37	7.24	8.39	4.75	-----
1971: Dec 24	4.023	5.43	5.68	5.28	7.23	8.36	4.75	-----
1971: Dec 31	3.731	5.27	5.60	5.18	7.22	8.31	4.50	-----
1972: Jan 7	3.735	5.31	5.61	5.16	7.19	8.28	4.38	-----
1972: Jan 14	3.109	5.20	5.57	5.15	7.17	8.21	4.10	-----
1972: Jan 21	3.276	5.32	5.61	5.31	7.16	8.18	3.98	-----
1972: Jan 28	3.493	5.47	5.66	5.39	7.22	8.24	3.88	-----

¹ Rate on new issues within period. ² Selected note and bond issues.
³ April 1963 to date, bonds due or callable 10 years and after.
⁴ Weekly data are Wednesday figures.
⁵ Data for first of the month, based on the maximum permissible interest rate (7 percent beginning February 18, 1971) and 30-year mortgages paid in 15 years.

⁶ 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

The stock market rallied in December, and the rising trend has continued into January.



SOURCE: STANDARD & POOR'S CORPORATION

COUNCIL OF ECONOMIC ADVISERS

Period	Price index ¹						Dividend yield ² (percent)	Price/earnings ratio ³
	Total	Industrials		Public utilities	Railroads			
		Total	Capital goods					
1941-43=10								
1966.....	85.26	91.08	84.86	74.10	68.21	46.34	3.40	14.92
1967.....	91.93	99.18	96.96	79.18	68.10	46.72	3.20	17.52
1968.....	98.70	107.49	105.77	86.33	66.42	48.84	3.07	17.20
1969.....	97.84	107.13	103.75	87.06	62.64	45.95	3.24	16.57
1970.....	83.22	91.29	87.87	80.22	54.48	32.13	3.83	15.91
1971 ⁴	98.29	108.35	102.83	99.76	59.33	41.94	3.14	-----
1970: Dec.....	90.05	98.72	92.12	88.69	59.06	32.95	3.46	17.22
1971: Jan.....	93.49	102.22	95.97	91.72	63.43	36.64	3.32	-----
Feb.....	97.11	106.62	101.58	95.38	62.49	38.78	3.18	-----
Mar.....	99.60	109.59	104.69	98.54	62.42	39.70	3.10	18.11
Apr.....	103.04	113.68	109.38	102.41	62.06	42.29	2.99	-----
May.....	101.64	112.41	108.61	101.96	59.20	42.05	3.04	-----
June.....	99.72	110.26	105.46	100.96	57.90	42.12	3.10	17.43
July.....	99.00	109.09	102.48	100.55	60.08	42.05	3.13	-----
Aug.....	97.24	107.26	100.90	99.82	57.51	43.55	3.18	-----
Sept.....	99.40	109.85	104.55	103.34	56.48	47.18	3.09	17.69
Oct.....	97.29	107.28	100.66	101.31	57.41	44.58	3.16	-----
Nov.....	92.78	102.21	95.51	97.47	55.86	41.19	3.31	-----
Dec.....	99.70	109.67	103.78	103.92	57.07	43.17	3.10	-----
Week ended:								
1971: Dec 17.....	98.84	109.33	103.46	103.53	56.63	43.25	3.12	-----
24.....	101.32	112.21	107.98	106.19	57.27	43.77	3.02	-----
31.....	101.80	112.54	107.79	106.35	58.84	44.10	2.99	-----
1972: Jan 7 ⁴	102.76	113.48	108.57	106.73	60.22	44.72	2.97	-----
14 ⁴	103.39	114.11	108.93	107.23	61.03	44.88	2.95	-----
21 ⁴	103.83	114.72	110.25	106.69	60.43	45.35	2.94	-----
28 ⁴	103.10	113.99	111.02	105.13	59.29	45.48	2.99	-----

¹ Includes 500 common stocks: 425 industrials, 55 public utilities, and 20 railroads. Weekly indexes for capital and consumer goods are Wednesday figures; all other weekly indexes are averages of daily figures.
² Aggregate cash dividends (based on latest known annual rate) divided by the aggregate monthly market value of the stocks in the group. Annual yields

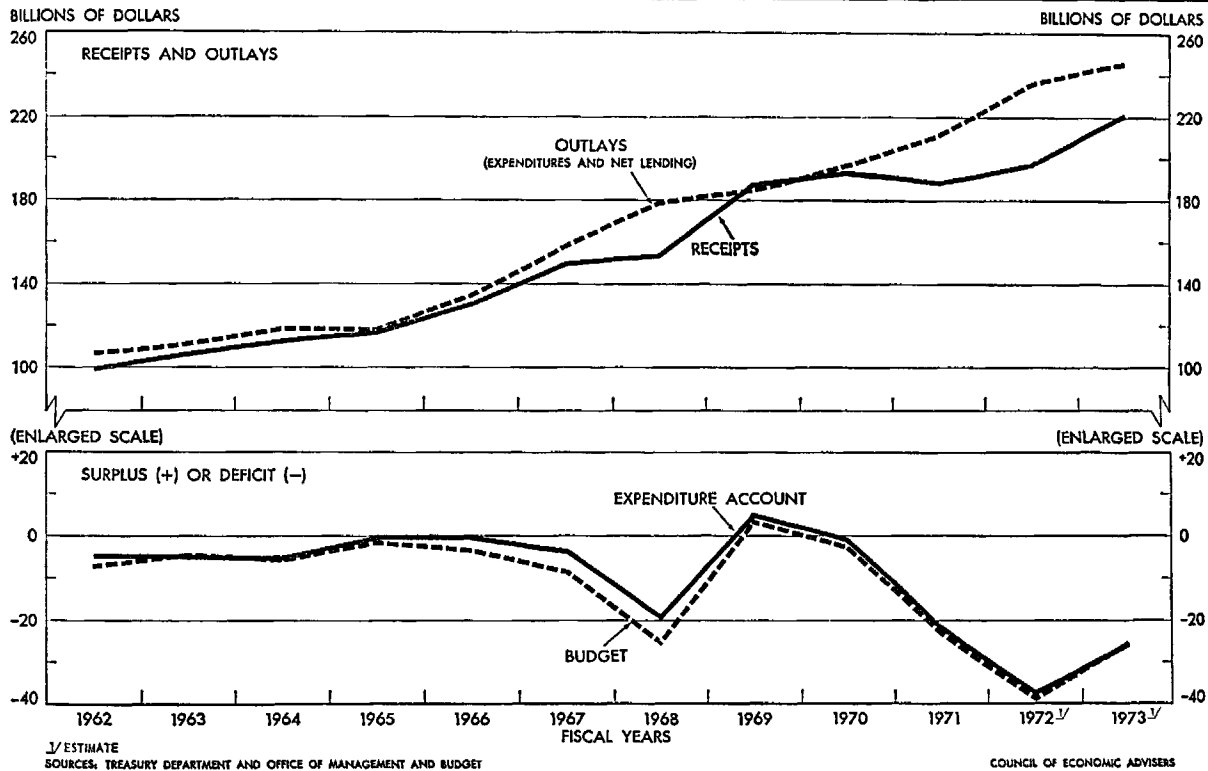
are averages of monthly data. Weekly data are Wednesday figures.
³ Ratio of price index for last day in quarter to quarterly earnings (seasonally adjusted annual rate). Annual ratios are averages of quarterly data.
⁴ Not charted.

Source: Standard & Poor's Corporation.

FEDERAL FINANCE

FEDERAL BUDGET RECEIPTS, EXPENDITURES, AND NET LENDING

The estimated budget deficit for fiscal 1972 is \$38¾ billion. For fiscal 1971 the deficit was \$23 billion.



1/ ESTIMATE
SOURCES: TREASURY DEPARTMENT AND OFFICE OF MANAGEMENT AND BUDGET

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

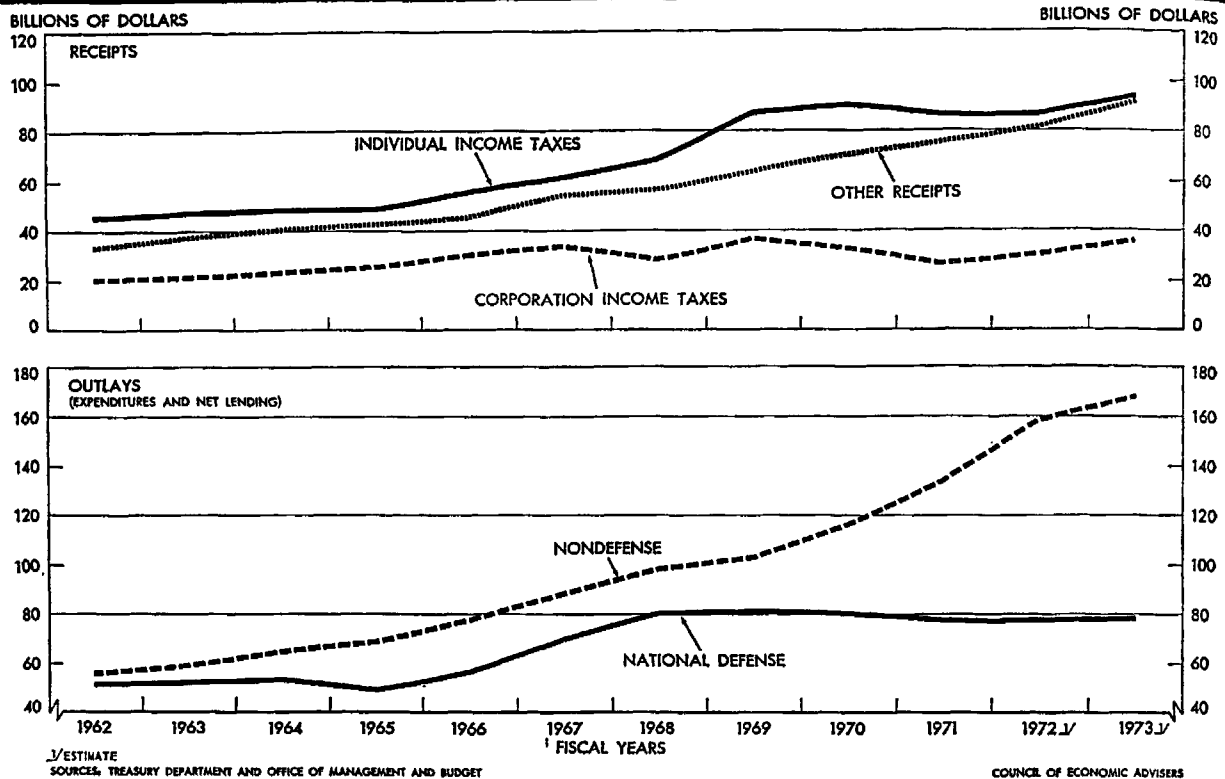
Period	Budget receipts, expenditures, and net lending					Federal debt (end of period)	
	Receipt-expenditure account			Loan account	Total surplus or deficit (-)	Total ¹	Held by the public
	Receipts	Expenditures	Surplus or deficit (-)	Net lending			
Fiscal year:							
1961	94.4	96.6	-2.2	1.2	-3.4	292.9	238.6
1962	99.7	104.5	-4.8	2.4	-7.1	303.3	248.4
1963	106.6	111.5	-4.9	-1.1	-4.8	310.8	254.5
1964	112.7	118.0	-5.4	.5	-5.9	316.8	257.6
1965	116.8	117.2	-.3	1.2	-1.6	323.2	261.6
1966	130.9	130.8	(²)	3.8	-3.8	329.5	264.7
1967	149.6	153.2	-3.6	5.1	-8.7	341.3	267.5
1968	153.7	172.8	-19.1	6.0	-25.2	369.8	290.6
1969	187.8	183.1	4.7	1.5	3.2	367.1	279.5
1970	193.7	194.5	-.7	2.1	-2.8	382.6	284.9
1971	188.4	210.3	-21.9	1.1	-23.0	409.5	304.3
1972 ³	197.8	235.6	-37.8	1.0	-38.8	455.8	343.8
1973 ³	220.8	246.5	-25.7	-.2	-25.5	493.2	371.3
Cumulative totals for first 5 months:							
Fiscal year 1971	72.1	88.2	-16.1	.4	-16.5	395.3	298.1
Fiscal year 1972	76.0	93.5	-17.6	.5	-18.1	424.6	317.4

¹ Excludes non-interest-bearing public debt securities held by IMF.
² Surplus of \$36 million.
³ Estimates.

Sources: Treasury Department and Office of Management and Budget.

FEDERAL BUDGET RECEIPTS BY SOURCE AND OUTLAYS BY FUNCTION

For fiscal 1972 budget receipts are estimated at \$9½ billion more than fiscal 1971 and outlays, at \$25 billion higher.



(Billions of dollars)

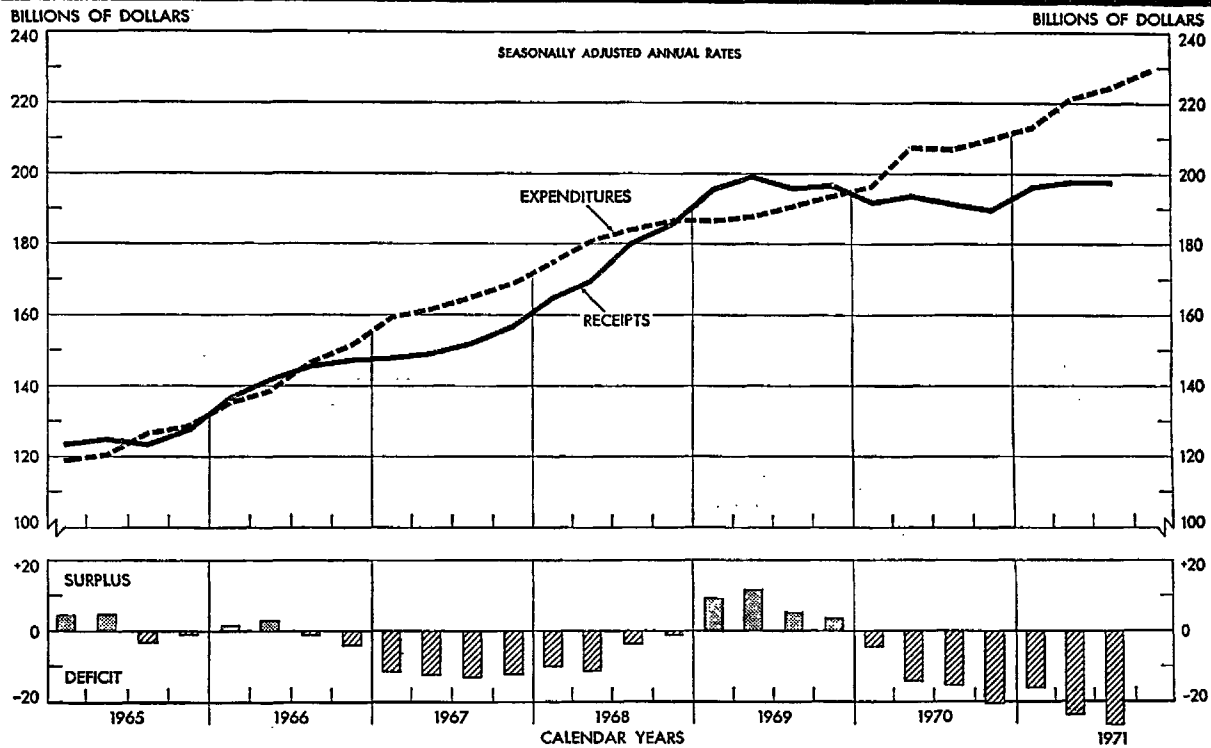
Period	Receipts				Outlays						
	Total	Individual income taxes	Corporation income taxes	Other	Total	National defense		International affairs and finance	Health and income security	Interest	Other
						Total	Department of Defense, military ¹				
Fiscal year:											
1961.....	94.4	41.3	21.0	32.1	97.8	47.4	43.3	3.4	22.1	8.1	16.8
1962.....	99.7	45.6	20.5	33.6	106.8	51.1	46.9	4.5	23.7	8.3	19.2
1963.....	106.6	47.6	21.6	37.4	111.3	52.3	48.1	4.1	25.5	9.2	20.3
1964.....	112.7	48.7	23.5	40.5	118.6	53.6	49.6	4.1	26.8	9.8	24.2
1965.....	116.8	48.8	25.5	42.6	118.4	49.6	46.0	4.3	27.4	10.4	26.7
1966.....	130.9	55.4	30.1	45.3	134.7	56.8	54.2	4.5	31.5	11.3	30.6
1967.....	149.6	61.5	34.0	54.1	158.3	70.1	67.5	4.5	37.8	12.6	33.2
1968.....	153.7	68.7	28.7	56.3	178.8	80.5	77.4	4.6	43.7	13.7	36.2
1969.....	187.8	87.2	36.7	63.9	184.5	81.2	77.9	3.8	49.3	15.8	34.4
1970.....	193.7	90.4	32.8	70.5	196.6	80.3	77.2	3.6	56.7	18.3	37.7
1971.....	188.4	86.2	26.8	75.4	211.4	77.7	74.5	3.1	70.2	19.6	40.9
1972 ²	197.8	86.5	30.1	81.2	236.6	78.0	75.0	4.0	82.2	20.1	52.3
1973 ²	220.8	93.9	35.7	91.2	246.3	78.3	75.9	3.8	87.8	21.2	55.2
Cumulative totals for first 5 months:											
Fiscal year 1971.....	72.1	36.3	6.8	29.1	88.6	31.7	30.8	1.2	27.0	7.9	20.7
Fiscal year 1972.....	76.0	36.4	6.9	32.7	94.1	29.0	28.2	1.6	31.7	8.3	23.4

¹ Expenditure account.
² Estimates.

Sources: Treasury Department and Office of Management and Budget.

FEDERAL SECTOR, NATIONAL INCOME ACCOUNTS BASIS

According to preliminary estimates for the fourth quarter, Federal expenditures increased nearly \$5 billion (seasonally adjusted annual rate). Receipts data are incomplete. For calendar 1971 as a whole, receipts are estimated to be \$7½ billion higher than in 1970 and expenditures nearly \$17 billion higher, yielding a deficit of more than \$23 billion.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

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

Period	Federal Government receipts					Federal Government expenditures							Surplus or deficit (-), income and product accounts
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Total	Purchases of goods and services	Transfer payments	Grants-in-aid to State and local governments	Net interest paid	Subsidies less current surplus of Government enterprises	Less: Wage accruals less disbursements	
Fiscal year:													
1967	147.2	64.5	31.2	15.8	35.7	154.5	85.3	39.4	14.8	9.9	5.1	0.0	-7.3
1968	160.6	71.4	33.7	17.1	38.3	172.5	94.9	44.8	17.8	10.9	4.1	.0	-11.9
1969	190.3	90.0	37.3	18.6	44.3	185.9	99.3	50.7	19.4	12.3	4.1	.0	4.4
1970	194.6	93.8	32.8	19.2	48.8	197.2	99.2	56.9	22.6	14.0	4.6	.1	-2.7
1971 ¹	194.0	87.7	32.5	20.3	53.5	212.4	95.3	69.9	27.0	14.2	5.9	.1	-18.4
1972 ¹	202.8	91.3	33.0	19.8	58.7	237.8	103.0	79.8	36.2	13.4	5.4	.0	-35.0
1973 ¹	227.9	98.3	40.7	20.7	68.2	255.9	107.0	87.4	40.6	14.8	6.0	.0	-28.0
Calendar year:													
1967	151.2	67.5	30.7	16.3	36.7	163.6	90.7	42.2	15.8	10.2	4.6	.0	-12.4
1968	175.0	79.7	36.7	18.0	40.7	181.5	98.8	48.2	18.7	11.7	4.1	.0	-6.5
1969	196.9	94.9	36.3	19.0	46.8	189.5	99.2	52.4	20.3	13.1	4.6	.0	7.3
1970	191.5	92.2	30.6	19.3	49.3	205.1	97.2	63.4	24.4	14.6	5.5	.0	-13.6
1971 ¹	198.7	89.0	33.5	20.2	56.0	222.0	97.6	75.9	29.7	13.7	5.0	.0	-23.3
1970:													
I	191.6	93.8	30.6	19.0	48.2	196.1	100.2	56.1	23.0	14.3	5.0	2.5	-4.5
II	193.8	94.5	30.9	19.1	49.2	207.9	96.8	65.3	23.9	14.3	5.5	-2.1	-14.1
III	191.3	89.7	31.9	19.7	50.0	206.7	96.1	64.6	24.9	15.0	5.8	-.4	-15.4
IV	189.3	91.0	29.0	19.4	49.8	209.8	95.9	67.5	25.9	14.8	5.7	.0	-20.5
1971:													
I	196.5	86.6	34.1	20.7	55.1	212.7	96.4	69.6	27.0	14.0	5.8	.0	-16.2
II	197.7	87.6	34.8	19.9	55.5	221.4	96.0	77.8	29.5	13.3	4.8	.0	-23.7
III	197.8	88.8	33.2	19.7	56.1	224.6	97.6	73.0	30.2	13.9	4.8	.0	-26.7
IV ¹	193.0	89.0	33.2	20.7	57.2	229.4	100.6	78.2	32.0	13.8	4.7	.0	-

¹ Estimates.

OFFICIAL BUSINESS
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NOTE.—Detail in these tables will not necessarily add to totals because of rounding.
 Unless otherwise stated, all dollar figures are in current prices.
 P Indicates preliminary and not available.

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