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Council of Economic Advisers*

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

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To print the monthly publication entitled "Economic Indicators"

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

Approved June 23, 1949.

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TOTAL OUTPUT, INCOME, AND SPENDING

THE NATION'S INCOME, EXPENDITURE, AND SAVING

Gross national product increased \$14.7 billion in the first quarter of 1974 to a seasonally adjusted annual rate of \$1,352.2 billion, according to current estimates. The increase for the preceding quarter was \$33.0 billion.

[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	
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.....	634.4	16.7	617.7	579.5	38.2	296.7	77.9	218.8	287.9	77.9	210.0	8.8
1970.....	691.7	17.9	673.8	617.6	56.2	302.5	93.2	209.4	312.7	93.2	219.5	-10.1
1971.....	746.0	18.7	727.3	667.2	60.2	322.0	105.9	216.2	340.2	105.9	234.3	-18.1
1972.....	797.0	20.7	776.2	726.5	49.7	368.2	115.9	252.2	370.9	115.9	255.0	-2.8
1973.....	882.5	23.7	858.8	804.0	54.8	418.6	129.9	288.7	407.1	129.9	277.1	11.4
1972: III..	800.9	21.0	779.9	734.1	45.8	370.6	113.9	256.7	368.5	113.9	254.7	2.0
IV..	828.7	21.7	807.0	752.6	54.4	381.9	125.0	256.9	385.7	125.0	260.7	-3.8
1973: I.....	851.5	22.1	829.4	779.4	50.0	402.7	125.2	277.5	393.8	125.2	268.6	8.9
II.....	869.7	23.1	846.6	795.6	51.0	414.7	127.8	286.9	403.2	127.8	275.3	11.6
III.....	891.1	24.1	867.0	816.0	51.1	425.0	131.7	293.3	410.7	131.7	279.0	14.3
IV.....	917.8	25.6	892.2	825.2	67.1	431.6	135.3	296.3	420.9	135.3	285.6	10.8
1974: I ^p	931.4	25.3	906.1	844.6	61.5	443.8	139.0	304.8	436.7	139.0	297.8	7.1

Period	Business			International					Total income or receipts	Statistical discrepancy	Gross national product or expenditure
	Gross retained earnings ³	Gross private domestic investment ⁴	Excess of investment (—)	Net transfers to foreigners by persons and Government	Net exports of goods and services			Excess of transfers or of net exports (—) ⁵			
					Exports	Less: Imports	Equals: Net exports				
1968.....	95.4	126.0	-30.6	2.9	50.6	48.1	2.5	0.4	866.9	-2.7	864.2
1969.....	97.0	139.0	-42.0	2.9	55.5	53.6	1.9	1.0	936.3	-6.1	930.3
1970.....	97.0	136.3	-39.3	3.2	62.9	59.3	3.6	-4.4	983.5	-6.4	977.1
1971.....	111.8	153.2	-41.4	3.6	66.3	65.5	.8	2.8	1,058.8	-3.4	1,055.5
1972.....	124.4	178.3	-53.9	3.7	73.5	78.1	-4.6	8.4	1,156.6	-1.5	1,155.2
1973.....	135.2	202.1	-66.9	3.6	102.0	96.2	5.8	-2.2	1,286.3	2.9	1,289.1
1972: III..	124.5	181.5	-57.0	3.8	74.0	77.7	-3.8	7.6	1,164.9	1.6	1,166.5
IV..	131.6	189.4	-57.8	3.5	79.7	83.2	-3.5	7.0	1,199.1	.2	1,199.2
1973: I.....	131.5	194.5	-63.0	3.0	89.7	89.7	.0	3.0	1,241.4	1.1	1,242.5
II.....	132.0	198.2	-66.2	3.3	97.2	94.4	2.8	.5	1,268.9	3.2	1,272.0
III.....	136.9	202.0	-65.1	3.5	104.5	97.0	7.6	-4.0	1,300.8	3.7	1,304.5
IV.....	140.6	213.9	-73.3	4.5	116.4	103.6	12.8	-8.3	1,333.6	3.7	1,337.5
1974: I ^p	134.7	198.9	-64.2	3.4	130.4	119.4	10.9	-7.5	1,349.0	3.1	1,352.2

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 Personal consumption allowances, corporate inventory valuation adjustment, distributed corporate profits, and private wage accruals less disbursements. Not include retained earnings of unincorporated business, which are included disposable personal income.

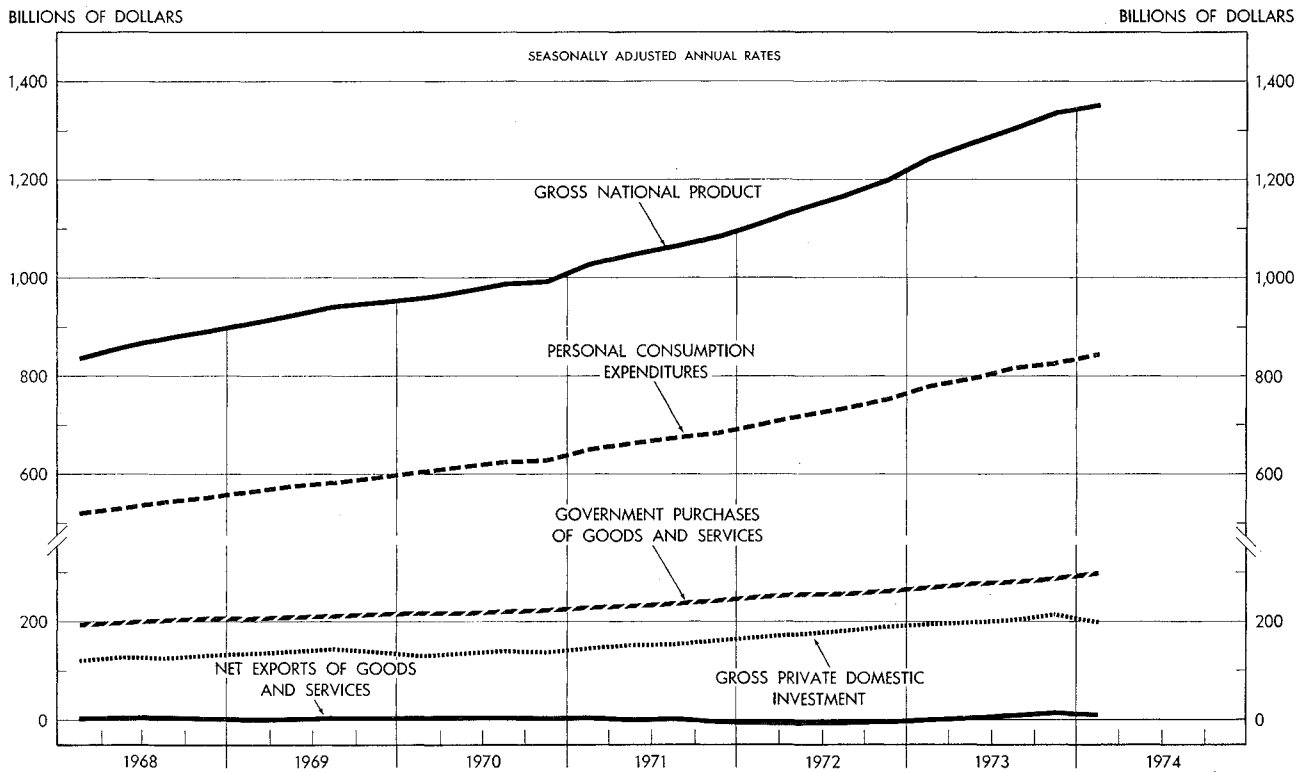
⁴ Private business investment, purchases of capital goods by private nonprofit institutions, and residential housing.

⁵ Net foreign investment less capital grants received by United States, with sign changed.

Source: Department of Commerce.

GROSS NATIONAL PRODUCT OR EXPENDITURE

In the first quarter of 1974, gross national product (seasonally adjusted) rose at an annual rate of 4.5 percent reflecting an inflation rate of 11.5 percent and a decline of 6.3 percent in real GNP.



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											
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	675.2	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	725.6	930.3	579.5	139.0	1.9	210.0	98.8	78.4	20.4	111.2	128.20
1970	722.5	977.1	617.6	136.3	3.6	219.5	96.2	74.6	21.6	123.3	135.24
1971	745.4	1,055.5	667.2	153.2	.8	234.3	98.1	71.6	26.5	136.2	141.60
1972	790.7	1,155.2	726.5	178.3	-4.6	255.0	104.4	74.4	30.1	150.5	146.10
1973	837.4	1,289.1	804.0	202.1	5.8	277.1	106.6	73.9	32.7	170.5	153.94
1972: III	796.7	1,166.5	734.1	181.5	-3.8	254.7	102.3	71.9	30.4	152.4	146.42
IV	812.3	1,199.2	752.6	189.4	-3.5	260.7	102.7	72.4	30.3	158.0	147.63
1973: I	829.3	1,242.5	779.4	194.5	.0	268.6	105.5	74.3	31.2	163.0	149.81
II	834.3	1,272.0	795.6	198.2	2.8	275.3	107.3	74.2	33.1	168.0	152.46
III	841.3	1,304.5	816.0	202.0	7.6	279.0	106.8	74.2	32.7	172.2	155.06
IV	844.6	1,337.5	825.2	213.9	12.8	285.6	106.8	73.0	33.8	178.8	158.36
1974: I	831.0	1,352.2	844.6	198.9	10.9	297.8	112.1	76.3	35.8	185.7	162.73

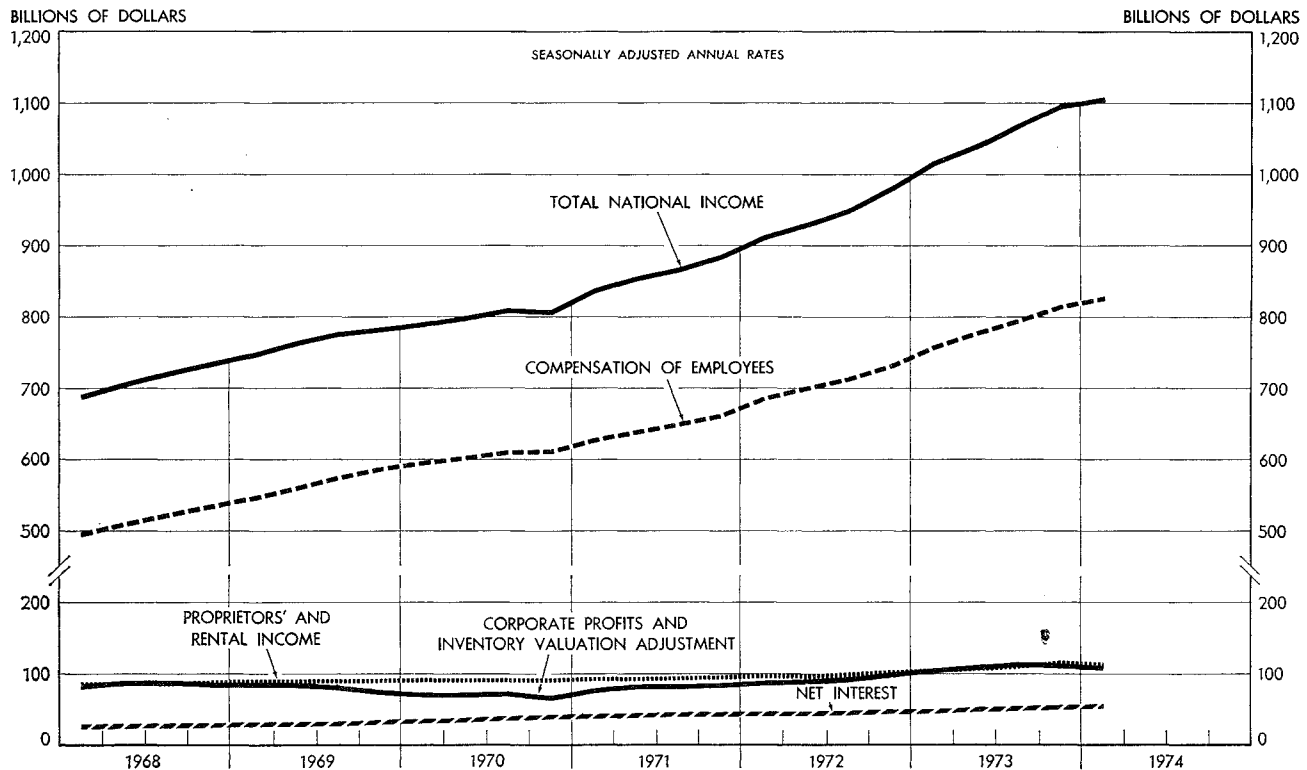
¹ This category corresponds closely with budget outlays for national defense, shown on p. 36.

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

Source: Department of Commerce.

NATIONAL INCOME

National income rose less than \$10 billion (seasonally adjusted annual rate) in the first quarter. Employee compensation rose only \$12 billion while farm proprietors' income and corporate profits plus inventory valuation adjustment fell.



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

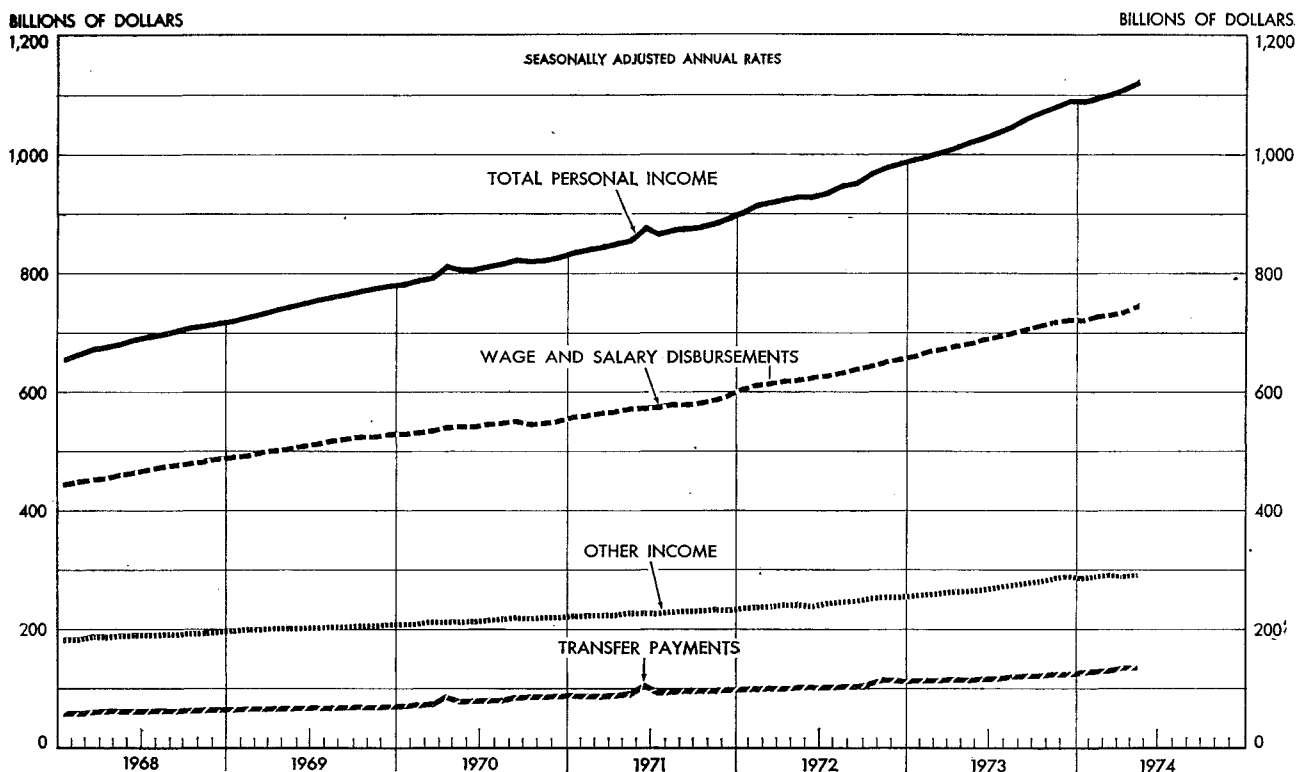
Period	Total national income	Compensation of employees ¹	Proprietors' income		Rental income of persons	Net interest	Corporate profits and inventory valuation adjustment		
			Farm ²	Business and professional			Total	Profits before taxes	Inventory valuation adjustment
1964	518.1	365.7	12.1	40.2	18.0	15.8	66.3	66.8	-0.5
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	766.0	566.0	16.7	50.5	22.6	30.5	79.8	84.9	-5.1
1970	800.5	603.9	16.9	50.0	23.9	36.5	69.2	74.0	-4.8
1971	859.4	644.1	16.8	51.9	24.5	42.0	80.1	85.1	-4.9
1972	941.8	707.1	20.2	54.0	24.1	45.2	91.1	98.0	-6.9
1973	1,053.9	785.2	26.8	57.5	25.1	50.4	109.0	126.3	-17.3
1972: III	949.2	713.1	19.8	54.3	24.9	45.7	91.5	98.4	-6.9
IV	978.6	731.2	21.8	55.3	24.9	46.6	98.8	106.1	-7.3
1973: I	1,015.0	757.4	24.3	56.3	24.7	47.9	104.3	119.6	-15.4
II	1,038.2	774.9	24.4	57.1	24.6	49.4	107.9	128.9	-21.1
III	1,067.4	794.0	27.1	57.9	25.3	51.1	112.0	129.0	-17.0
IV	1,095.1	814.7	31.3	58.5	25.7	53.0	111.9	127.4	-15.5
1974: I ²	1,104.8	826.8	29.1	59.3	25.8	55.0	108.9	140.1	-31.2

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

Source: Department of Commerce.

SOURCES OF PERSONAL INCOME

Personal income rose \$10.6 billion (seasonally adjusted annual rate) in May. The rise was dominated by an increase of \$8.6 billion in wage and salary disbursements, the largest since December 1971. Farm income fell \$2.3 billion because of declining farm prices and rising production expenses.



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 ^{1,2}	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						
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-----	750.9	509.7	28.4	16.7	50.5	22.6	24.3	59.3	65.8	26.3	728.3
1970-----	808.3	542.0	32.2	16.9	50.0	23.9	24.7	67.5	79.1	28.0	784.8
1971-----	863.5	573.3	36.6	16.8	51.9	24.5	25.1	73.0	93.2	30.9	839.8
1972-----	939.2	627.8	40.7	20.2	54.0	24.1	26.0	78.0	103.0	34.7	911.5
1973-----	1,035.4	691.5	44.9	26.8	57.5	25.1	27.8	87.5	117.5	43.1	1,000.5
1973: Apr----	1,011.6	677.6	43.9	24.2	56.8	24.3	27.3	84.5	115.3	42.4	979.5
May-----	1,018.7	682.0	44.2	24.4	57.1	24.6	27.3	85.7	115.9	42.5	986.4
June-----	1,026.6	688.2	44.5	24.6	57.3	24.9	27.4	86.5	116.0	42.8	994.2
July-----	1,035.6	693.2	44.8	25.9	57.8	25.0	27.6	87.8	116.9	43.4	1,001.8
Aug-----	1,047.3	698.9	45.3	27.1	58.0	25.3	28.2	89.0	119.0	43.6	1,012.1
Sept-----	1,058.5	706.0	45.8	28.3	58.1	25.5	28.3	90.3	120.2	43.9	1,021.8
Oct-----	1,068.5	711.2	46.2	29.9	58.5	25.6	28.5	91.5	121.1	44.0	1,030.0
Nov-----	1,079.4	717.8	46.7	31.6	58.7	25.7	28.7	92.6	121.9	44.3	1,039.0
Dec-----	1,089.0	722.6	47.1	32.4	58.6	25.7	29.8	94.0	123.0	44.3	1,047.5
1974: Jan-----	1,087.0	721.8	47.5	29.6	58.6	25.8	29.5	95.3	125.9	47.0	1,048.1
Feb-----	1,094.8	726.5	47.9	29.1	59.3	25.8	29.4	96.3	127.6	47.2	1,056.4
Mar-----	1,101.4	730.2	48.3	28.6	59.9	25.8	29.6	97.5	128.9	47.4	1,063.3
Apr-----	1,110.5	735.5	48.8	26.2	60.0	25.0	29.9	98.9	133.8	47.6	1,074.6
May-----	1,121.1	744.1	49.3	23.9	60.3	26.2	30.2	100.3	134.8	48.1	1,087.2

¹ The total of wage and salary disbursements and other labor income differs from compensation of employees (see p. 3) in that it excludes employer contributions for social insurance and the excess of wage accruals over wage disbursements.

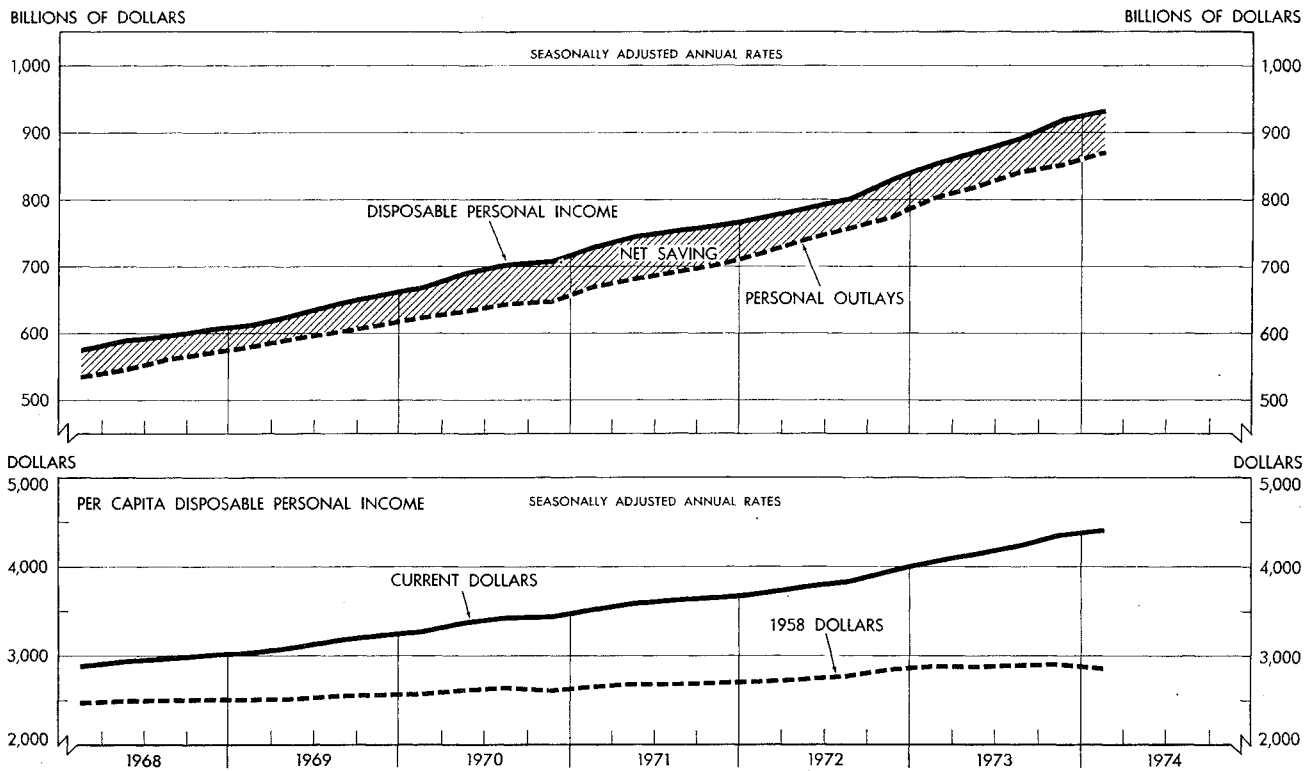
² Consists of employer contributions to private pension, health, and welfare funds; compensation for injuries; directors' fees; military reserve pay; and other minor items.

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.

POSITION OF PERSONAL INCOME

Despite the reduction in automobile purchases, consumer expenditures (seasonally adjusted) showed a sizable increase in the first quarter and the saving rate fell. Real per capita disposable income fell below its year-earlier level.



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												
1966	587.2	75.4	511.9	479.3	70.8	206.9	188.6	32.5	2,604	2,335	6.4	196,560
1967	629.3	83.0	546.3	506.0	73.1	215.0	204.0	40.4	2,749	2,403	7.4	198,712
1968	688.9	97.9	591.0	551.2	84.0	230.8	221.3	39.8	2,945	2,486	6.7	200,706
1969	750.9	116.5	634.4	596.2	90.8	245.9	242.7	38.2	3,130	2,534	6.0	202,677
1970	808.3	116.5	691.7	635.5	91.3	263.8	262.6	56.2	3,376	2,610	8.1	204,879
1971	863.5	117.5	746.0	685.8	103.6	278.7	284.9	60.2	3,603	2,680	8.1	207,045
1972	939.2	142.2	797.0	747.2	117.4	299.9	309.2	49.7	3,816	2,767	6.2	208,842
1973	1,035.4	152.9	882.5	827.8	130.8	335.9	337.3	54.8	4,195	2,889	6.2	210,404
Seasonally adjusted annual rates												
Dollars												
1972: III	943.7	142.8	800.9	755.1	120.2	302.3	311.6	45.8	3,831	2,771	5.7	209,058
1972: IV	976.1	147.4	828.7	774.3	122.9	310.7	319.0	54.4	3,955	2,841	6.6	209,514
1973: I	996.6	145.1	851.5	801.5	132.2	322.2	325.0	50.0	4,057	2,878	5.9	209,871
1973: II	1,019.0	149.3	869.7	818.7	132.8	330.3	332.6	51.0	4,137	2,877	5.9	210,221
1973: III	1,047.1	156.0	891.1	840.1	132.8	341.6	341.6	51.1	4,231	2,894	5.7	210,618
1973: IV	1,078.9	161.1	917.8	850.8	125.6	349.6	350.0	67.1	4,349	2,906	7.3	211,036
1974: I	1,094.4	163.0	931.4	869.8	125.0	362.3	357.3	61.5	4,406	2,855	6.6	211,387

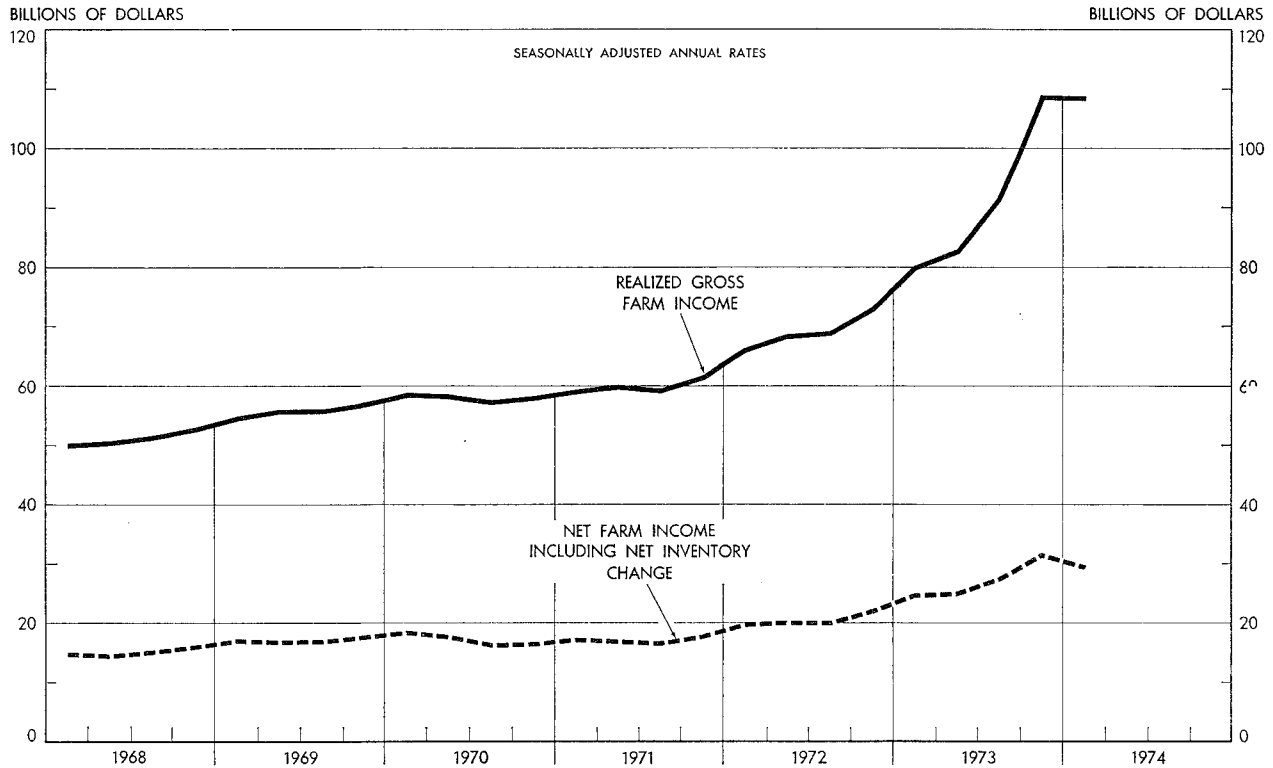
¹ Includes personal consumption expenditures, interest paid by consumers, personal transfer payments to foreigners. See p. 2 for total personal consumption expenditures.

² 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

In the first quarter of 1974, net farm income (both excluding and including inventory change) fell 7 percent season adjusted. Although real net income per farm fell sharply in the first quarter it was 4 percent higher than a year earlier.



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	
1966	24.9	14.4	10.5	49.7	43.3	33.4	16.3	16.3	4,990	5,092	
1967	24.0	13.1	10.9	49.0	42.7	34.8	14.2	14.9	4,707	4,707	
1968	25.1	13.2	11.9	50.9	44.1	36.2	14.7	14.8	4,828	4,642	
1969	27.6	14.9	12.7	55.6	48.1	38.8	16.8	16.9	5,620	5,156	
1970	28.3	15.1	13.2	57.8	50.5	41.0	16.8	16.9	5,725	5,022	
1971	29.2	15.2	14.0	59.7	52.8	44.5	15.2	16.9	5,817	4,888	
1972	34.0	18.1	15.9	68.9	60.7	49.2	19.7	20.3	7,089	5,717	
1973	41.3	23.8	17.5	90.5	83.4	64.4	26.1	26.9	9,469	6,862	
	<i>Seasonally adjusted annual rates</i>										
1972: III				68.7	60.5	49.4	19.3	19.9	6,930	5,540	
IV				72.8	64.6	51.5	21.3	21.9	7,630	6,060	
1973: I				79.8	72.4	55.8	24.0	24.4	8,580	6,550	
II				82.5	75.5	58.0	24.5	24.7	8,690	6,390	
III				91.4	84.5	65.9	25.5	27.2	9,560	6,830	
IV				108.3	101.2	77.9	30.4	31.4	11,040	7,610	
1974: I				108.2	103.0	80.0	28.2	29.2	10,350	6,810	

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.

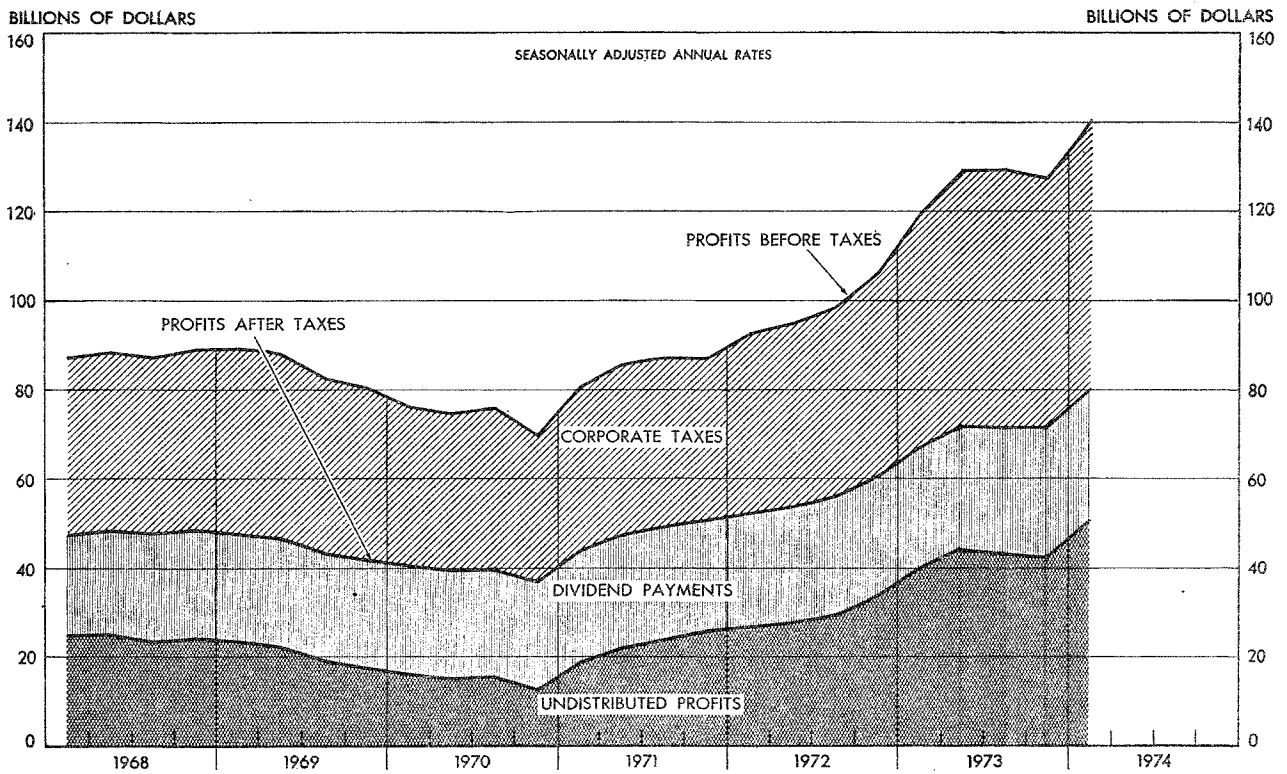
³ Based on Census of Agriculture definition of a farm. The number of farms is held constant within a year.

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

Source: Department of Agriculture.

CORPORATE PROFITS

Corporate profits before taxes rose \$12½ billion (seasonally adjusted annual rate) in the first quarter. Including the inventory valuation adjustment, corporate profits fell \$3 billion.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[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, communication, and public utilities	All other ¹			Total	Dividend payments	Undistributed profits		
		Total	Durable goods industries	Non-durable goods industries									
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	79.8	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	79.8	36.6	18.8	17.7	10.1	33.1	84.9	40.1	44.8	24.3	20.5	51.9	96.8
1970	69.2	27.8	10.5	17.3	7.8	33.7	74.0	34.8	39.3	24.7	14.6	56.0	95.2
1971	80.1	32.5	14.7	17.8	8.6	39.1	85.1	37.4	47.6	25.1	22.5	60.4	108.0
1972	91.1	40.1	20.2	20.0	9.3	41.7	98.0	42.7	55.4	26.0	29.3	65.9	121.3
1973	109.0	50.8	26.6	24.2	9.3	49.0	126.3	55.8	70.4	27.8	42.6	71.4	141.8
1972: III	91.5	39.9	19.5	20.4	9.8	41.7	98.4	42.9	55.6	26.2	29.4	66.0	121.6
IV	98.8	44.7	22.3	22.4	9.9	44.2	106.1	45.9	60.3	26.4	33.9	68.0	128.3
1973: I	104.3	49.7	26.9	22.8	9.2	45.4	119.6	52.7	66.9	26.9	40.0	69.3	136.2
II	107.9	52.4	28.5	23.9	8.5	47.0	128.9	57.4	71.6	27.3	44.2	70.5	142.0
III	112.0	51.9	26.6	25.3	10.3	49.8	129.0	57.6	71.5	28.1	43.4	71.7	143.2
IV	111.9	49.2	24.4	24.9	9.1	53.6	127.4	55.7	71.6	29.0	42.6	74.2	145.8
1974: I ²	108.9						140.1	59.8	80.2	29.5	50.7	75.2	155.4

¹Includes all other industries and financial institutions.

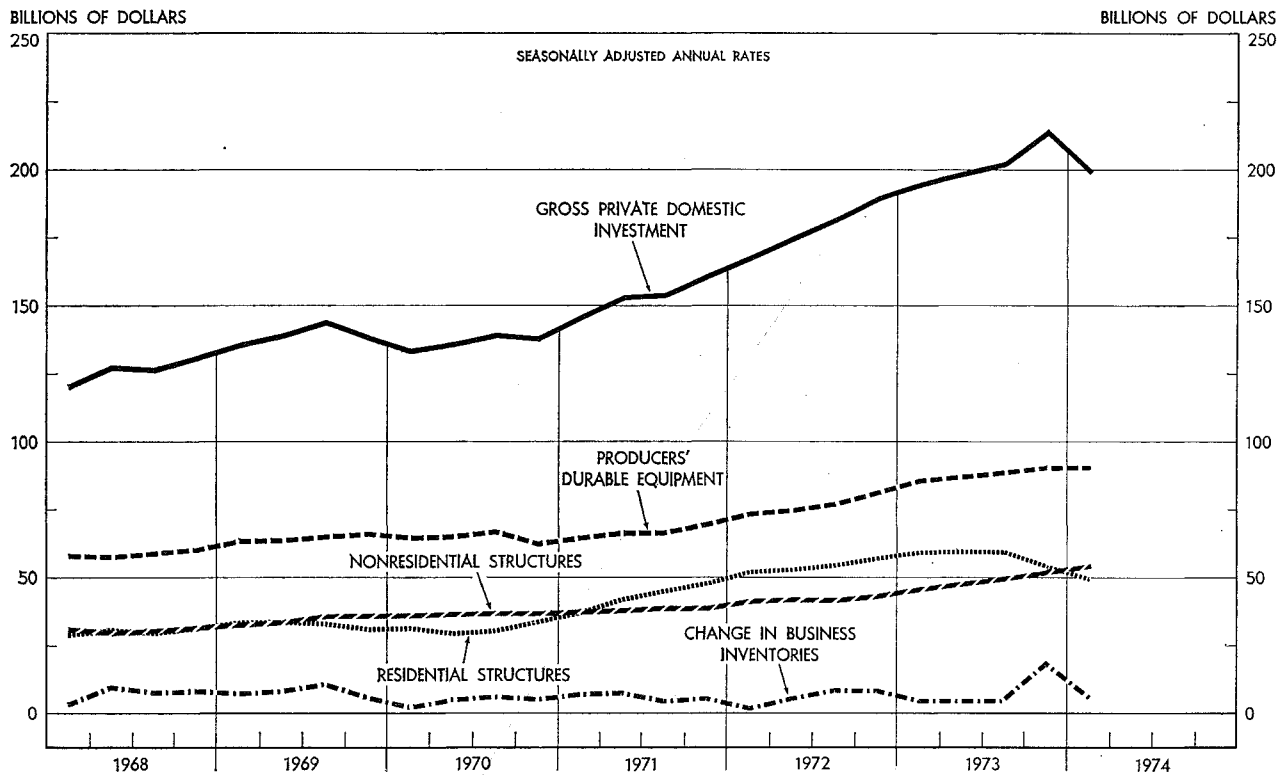
²Includes depreciation and accidental damages.

³Corporate profits after taxes plus corporate capital consumption allowances.

Source: Department of Commerce.

GROSS PRIVATE DOMESTIC INVESTMENT

Gross private domestic investment (seasonally adjusted) in the first quarter fell back to its level 3 quarters earlier. Declines in inventory investment and residential construction more than offset a rise in nonresidential fixed investment.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

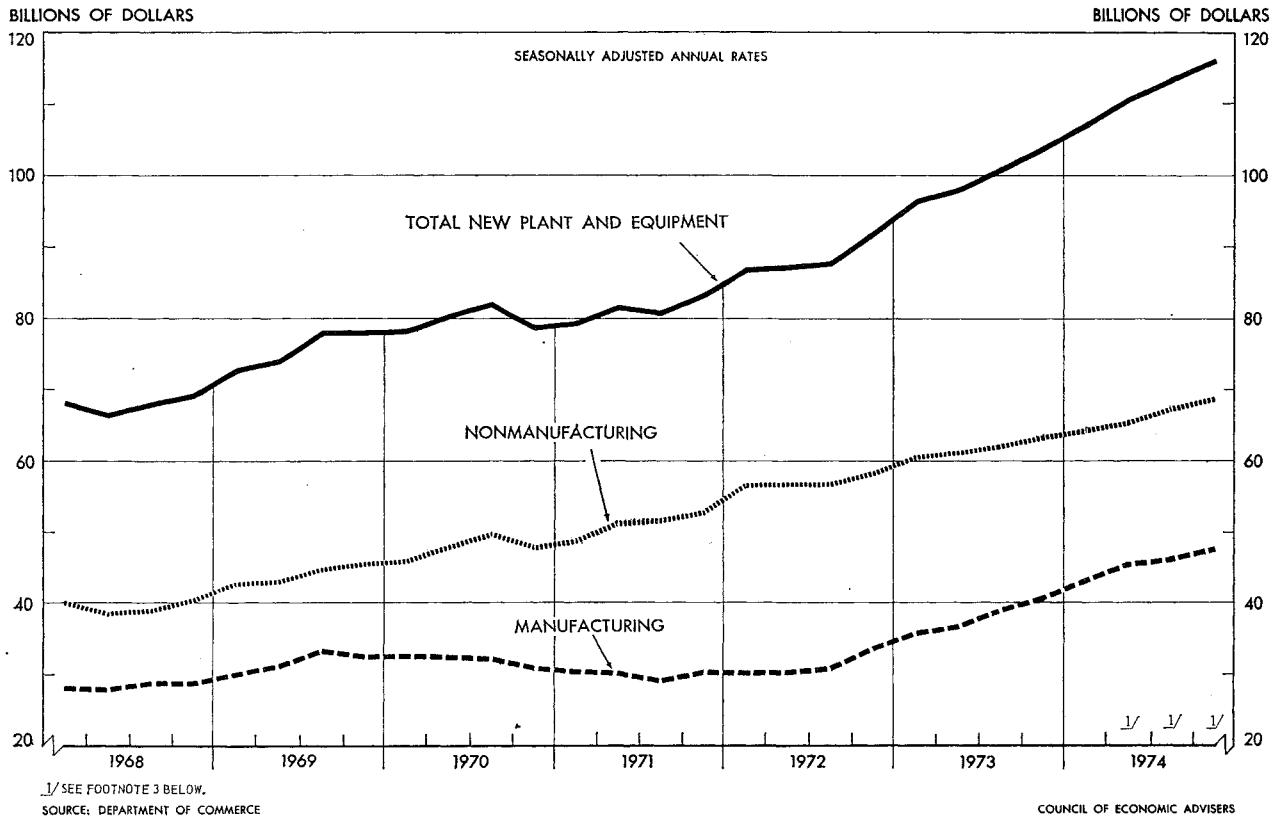
[Billions of dollars; quarterly data at seasonally adjusted annual rates]

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				
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	139.0	131.1	98.5	34.2	33.5	64.3	59.2	32.6	32.0	7.8	7.7
1970	136.3	131.7	100.6	36.1	35.3	64.4	58.9	31.2	30.7	4.5	4.3
1971	153.2	147.1	104.4	37.9	37.0	66.5	60.9	42.7	42.2	6.1	4.5
1972	178.3	172.3	118.2	41.7	40.8	76.5	69.8	54.0	53.5	6.0	5.6
1973	202.1	194.2	136.2	48.4	47.5	87.8	79.3	58.0	57.4	8.0	7.3
1972: III	181.5	172.9	118.3	41.3	40.4	77.0	69.8	54.5	53.9	8.7	8.4
1972: IV	189.4	181.2	124.3	43.0	42.1	81.2	73.4	56.9	56.4	8.2	7.9
1973: I	194.5	189.9	130.9	45.3	44.4	85.5	77.8	59.0	58.4	4.6	4.4
1973: II	198.2	193.7	134.1	47.2	46.3	86.9	78.4	59.6	59.1	4.5	4.4
1973: III	202.0	197.3	138.0	49.5	48.5	88.6	80.0	59.2	58.6	4.7	3.2
1973: IV	213.9	195.9	141.8	51.7	50.7	90.1	81.0	54.0	53.4	18.0	17.3
1974: I	198.9	193.4	144.1	53.9	52.9	90.2	80.9	49.3	48.6	5.5	5.0

Source: Department of Commerce.

EXPENDITURES FOR NEW PLANT AND EQUIPMENT

compared to the Commerce Department survey conducted in January-February, businessmen made small downward revisions in their 1974 investment programs, affecting spending in the second half.



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

Period	Total ¹	Manufacturing			Nonmanufacturing							
		Total	Durable goods	Non-durable goods	Total	Mining	Transportation			Public utilities	Communication	Commercial and other ²
							Rail-road	Air	Other			
1966.....	63.51	28.20	14.06	14.14	35.32	1.62	2.37	1.74	1.64	7.43	6.02	14.48
1967.....	65.47	28.51	14.06	14.45	36.96	1.65	1.86	2.29	1.48	8.74	6.34	14.59
1968.....	67.76	28.37	14.12	14.25	39.40	1.63	1.45	2.56	1.59	10.20	6.83	15.14
1969.....	75.56	31.68	15.96	15.72	43.88	1.86	1.86	2.51	1.68	11.61	8.30	16.05
1970.....	79.71	31.95	15.80	16.15	47.76	1.89	1.78	3.03	1.23	13.14	10.10	16.59
1971.....	81.21	29.99	14.15	15.84	51.22	2.16	1.67	1.88	1.38	15.30	10.77	18.05
1972.....	88.44	31.35	15.64	15.72	57.09	2.42	1.80	2.46	1.46	17.00	11.89	20.07
1973.....	99.74	38.01	19.25	18.76	61.73	2.74	1.96	2.41	1.66	18.71	12.85	21.40
1974 ³	111.96	45.52	22.49	23.03	66.44	2.98	2.54	2.09	1.99	21.36	13.80	21.66
1973: I.....	96.19	35.51	17.88	17.63	60.68	2.59	2.11	2.21	1.53	18.38	12.34	21.53
II.....	97.76	36.58	18.64	17.94	61.18	2.77	1.75	2.72	1.62	18.08	12.70	21.55
III.....	100.90	38.81	19.73	19.08	62.09	2.82	1.95	2.49	1.79	18.58	13.12	21.36
IV.....	103.74	40.61	20.48	20.13	63.12	2.76	2.05	2.20	1.73	19.80	13.24	21.35
1974: I.....	107.27	42.96	21.43	21.53	64.31	2.80	2.10	2.13	1.63	20.12	13.83	21.69
II ³	110.58	45.22	22.60	22.61	65.36	2.97	2.48	2.26	1.93	20.73	35.00	
III ³	113.16	46.00	23.25	22.76	67.15	3.06	2.70	2.16	2.17	21.53	35.54	
IV ³	116.04	47.40	22.61	24.80	68.64							

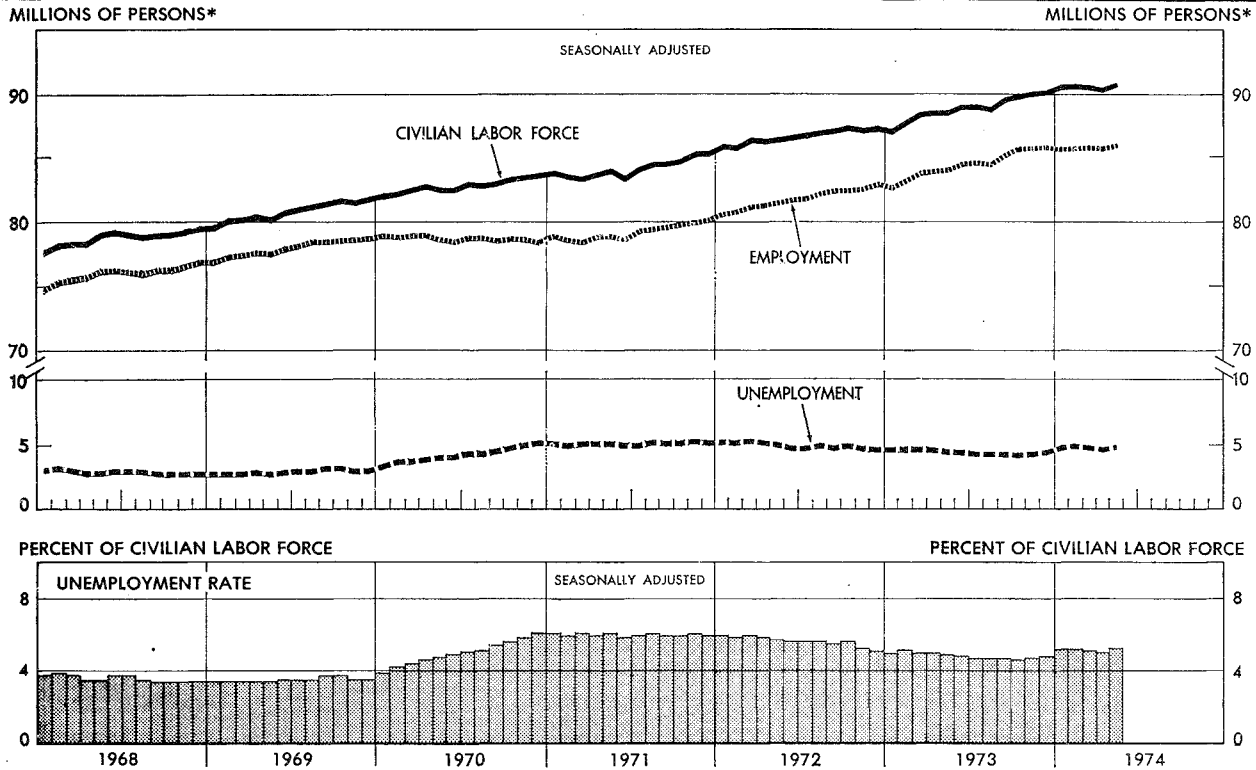
cludes agricultural business; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.
cludes trade, service, construction, finance, and insurance.
imates based on expected capital expenditures as reported by business
... April and May 1974. Includes adjustments 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, principally because the latter cover agricultural investment and also certain equipment and construction outlays charged to current expense.

Source: Department of Commerce.

EMPLOYMENT, UNEMPLOYMENT, AND WAGE STATUS OF THE LABOR FORCE

The seasonally adjusted civilian labor force increased by 366,000 in May, twice the decline in the previous month. There were increases in nonagricultural employment (250,000) and in unemployment (170,000), and farm employment declined (54,000) for the third consecutive month.



16 YEARS OF AGE AND OVER;
SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

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 ¹
		Total	Non-agricultural				Total	Agricultural	Non-agricultural			
Thousands of persons 16 years of age and over												
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
1972*--	88,991	81,702	78,230	4,840	88,991	86,542	81,702	3,472	78,230	4,840	5.6	61.0
1973*--	91,040	84,409	80,957	4,304	91,040	88,714	84,409	3,452	80,957	4,304	4.9	61.4
Unadjusted											Seasonally adjusted	
1973:												
Apr...	89,823	83,299	80,004	4,174	90,622	88,272	83,854	3,356	80,498	4,418	4.8	61.3
May...	89,891	83,758	80,291	3,799	90,597	88,263	83,950	3,320	80,630	4,313	4.3	61.2
June...	92,729	85,567	81,514	4,847	91,133	88,818	84,518	3,430	81,088	4,300	5.4	61.5
July...	93,227	86,367	82,201	4,550	91,139	88,828	84,621	3,512	81,109	4,207	5.0	61.4
Aug...	92,436	85,921	82,095	4,208	91,011	88,704	84,513	3,425	81,088	4,191	4.7	61.3
Sept...	91,298	84,841	81,406	4,165	91,664	89,373	85,133	3,376	81,757	4,240	4.7	61.6
Oct...	92,046	85,994	82,469	3,763	92,038	89,749	85,649	3,455	82,194	4,100	4.2	61.8
Nov...	92,168	85,828	82,409	4,056	92,186	89,903	85,649	3,561	82,088	4,254	4.5	61.8
Dec...	91,983	85,643	82,441	4,058	92,315	90,033	85,669	3,643	82,026	4,364	4.5	61.8
1974:												
Jan...	91,354	84,088	80,891	5,008	92,801	90,543	85,811	3,794	82,017	4,732	5.6	62.0
Feb...	91,692	84,294	81,011	5,140	92,814	90,556	85,803	3,852	81,951	4,753	5.7	61.9
Mar...	91,884	84,878	81,544	4,755	92,747	90,496	85,863	3,699	82,164	4,633	5.3	61.8
Apr...	91,736	85,192	81,756	4,301	92,556	90,313	85,775	3,511	82,264	4,538	4.8	61.6
May...	92,158	85,785	82,181	4,144	92,909	90,679	85,971	3,457	82,514	4,708	4.6	61.7

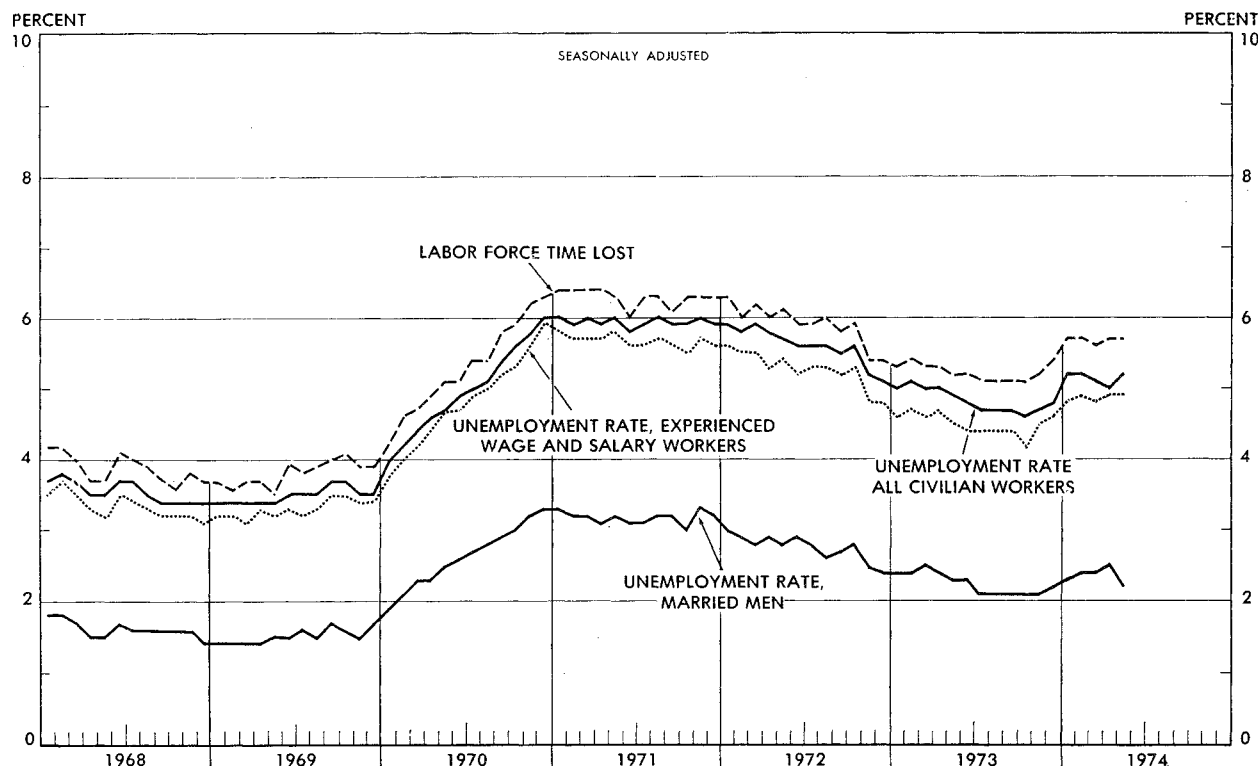
*Data beginning January 1972 not strictly comparable with prior data because of adjustment to 1970 Census data, which added 333,000 to the civilian labor force and 301,000 to civilian employment. A further adjustment in March 1973 added 60,000 to the labor force and to employment.

¹Total labor force as percent of noninstitutional population 16 years of age and over.

Source: Department of Labor.

SELECTED MEASURES OF UNEMPLOYMENT AND PART-TIME EMPLOYMENT

The seasonally adjusted unemployment rate increased to 5.2 percent in May, returning to the first quarter level. The unemployment rate for married men (spouse present) declined to 2.2 percent, the lowest level since December 1973.



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)	Percent		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							
1970.....	4.9	4.8	2.6	5.3	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	-----	-----	
1972.....	5.6	5.3	2.8	6.0	20,320	36,794	16,549	1,081	1,327	-----	-----	
1973.....	4.9	4.5	2.3	5.2	21,284	37,426	17,473	1,074	1,237	-----	-----	
	<i>Seasonally adjusted</i>				<i>Unadjusted</i>							
1973: Apr.....	5.0	4.7	2.4	5.3	20,968	37,983	18,000	966	962	989	1,169	
May.....	4.9	4.5	2.3	5.2	21,966	37,904	17,239	949	1,031	1,043	1,211	
June.....	4.8	4.4	2.3	5.2	21,467	38,306	15,714	1,195	1,772	1,099	1,374	
July.....	4.7	4.4	2.1	5.1	20,424	37,040	14,283	1,129	1,886	1,161	1,208	
Aug.....	4.7	4.4	2.1	5.1	20,503	37,125	14,326	1,315	1,567	1,167	1,120	
Sept.....	4.7	4.4	2.1	5.1	22,631	38,451	16,172	1,126	1,092	1,106	1,247	
Oct.....	4.6	4.2	2.1	5.1	21,797	34,956	22,136	1,046	1,108	1,103	1,274	
Nov.....	4.7	4.5	2.1	5.2	22,099	38,566	18,630	1,083	1,104	1,143	1,262	
Dec.....	4.8	4.6	2.2	5.4	22,225	39,574	17,934	1,140	1,210	1,192	1,370	
1974: Jan.....	5.2	4.8	2.3	5.7	19,913	38,579	18,682	1,274	1,111	1,213	1,373	
Feb.....	5.2	4.9	2.4	5.7	19,730	38,275	19,629	1,375	1,222	1,381	1,373	
Mar.....	5.1	4.8	2.4	5.6	20,854	39,416	17,927	1,261	1,127	1,249	1,291	
Apr.....	5.0	4.9	2.5	5.7	17,153	34,544	25,026	1,052	1,080	1,078	1,312	
May.....	5.2	4.9	2.2	5.7	21,323	39,775	17,638	⁵ 1,147	⁵ 1,265	1,260	1,486	

¹ n-hours lost by the unemployed and persons on part-time for economic reasons as a percent of potentially available labor force man-hours. Excludes persons who worked part-time because of slack work, material shortages or repairs, new job started, or job terminated.

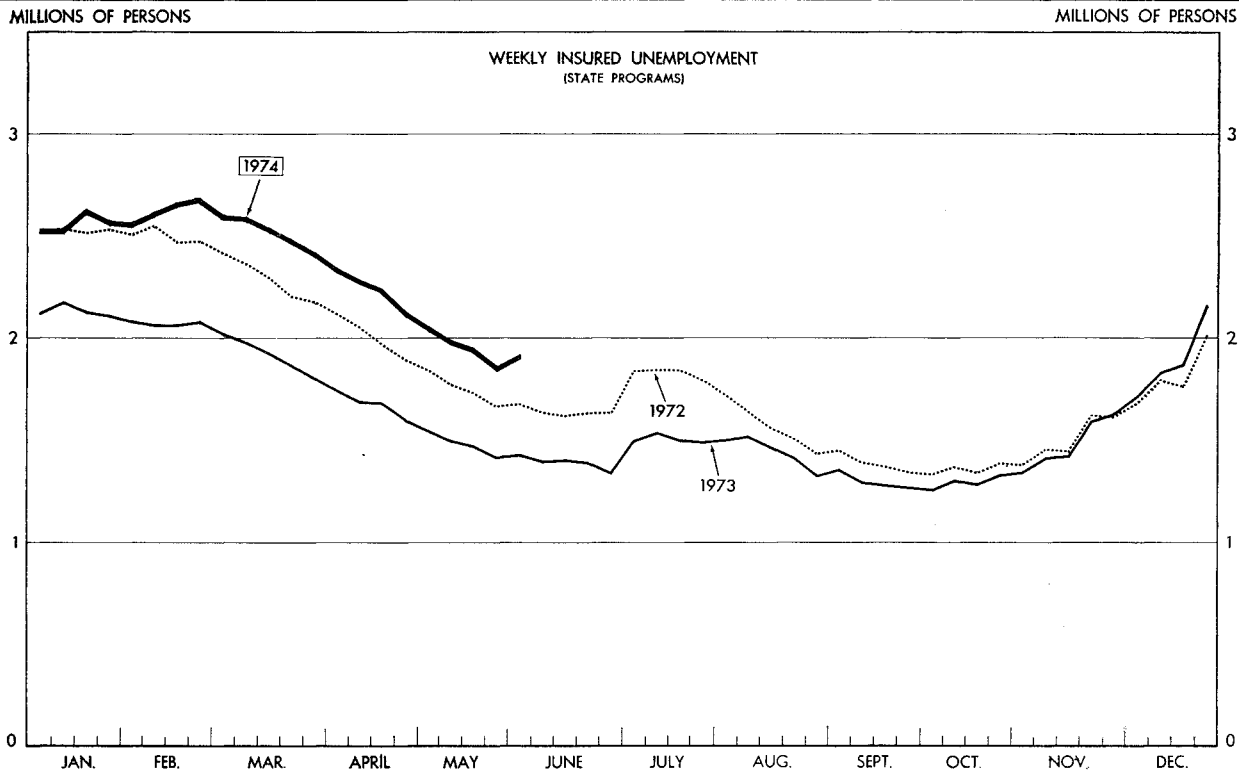
² Primarily includes persons who could find only part-time work.

³ Average hours worked: usually full-time, 23.8; usually part-time, 18.8.

Source: Department of Labor.

UNEMPLOYMENT INSURANCE PROGRAMS

In May, insured unemployment under State programs averaged 470,000 more than a year earlier. The seasonally adjusted insured unemployment rate was unchanged at 3.3 percent.



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) ¹	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			
1970.....	59,526	2,070	4,179.1	1,805	296	25	3.4	-----	3,848.5	50.34
1971.....	59,375	2,313	5,498.2	2,150	295	38	4.1	-----	4,957.0	54.02
1972.....	66,900	2,185	5,491.1	1,848	261	35	3.5	-----	4,471.0	56.03
1973 ^p		1,783	4,441.8	1,632	246	29	2.7	-----	4,007.6	58.73
1973: Apr ^p		1,828	406.3	1,669	216	33	2.8	2.7	365.7	59.41
May ^p		1,610	379.4	1,465	193	31	2.5	2.7	339.2	58.44
June ^p		1,523	315.6	1,384	206	28	2.4	2.7	286.6	58.12
July ^p		1,640	326.9	1,505	275	27	2.5	2.7	296.3	57.42
Aug ^p		1,572	353.5	1,436	212	27	2.4	2.6	316.3	57.46
Sept ^p		1,441	287.8	1,299	186	25	2.1	2.6	248.3	58.13
Oct ^p		1,452	322.9	1,299	210	24	2.1	2.6	280.7	58.97
Nov ^p		1,667	332.5	1,503	266	25	2.4	2.7	289.4	59.61
Dec ^p		2,093	378.2	1,922	395	27	3.1	2.8	335.8	60.40
1974: Jan ^p		2,740	606.9	2,561	446	32	4.1	3.1	558.0	62.07
Feb ^p		2,824	597.8	2,630	359	33	4.2	3.3	551.2	63.10
Mar ^p		2,751	635.6	2,502	293	35	4.0	3.4	577.3	63.28
Apr ^p		2,560	594.9	2,217	263	35	3.5	3.3	546.0	63.50
May ^p		2,279	550.0	1,935	237	33	3.0	3.3	508.0	63.50
Week ended:										
1974: May 11.....		2,323		1,977	249		3.1	-----		
18.....		2,299		1,943	238		3.0	-----		
25.....		2,179		1,853	247		2.9	-----		
June 1.....		2,244		1,905	209		3.0	-----		
8 ^p		2,197		² 1,863	267		2.9	-----		
15 ^p					255			-----		

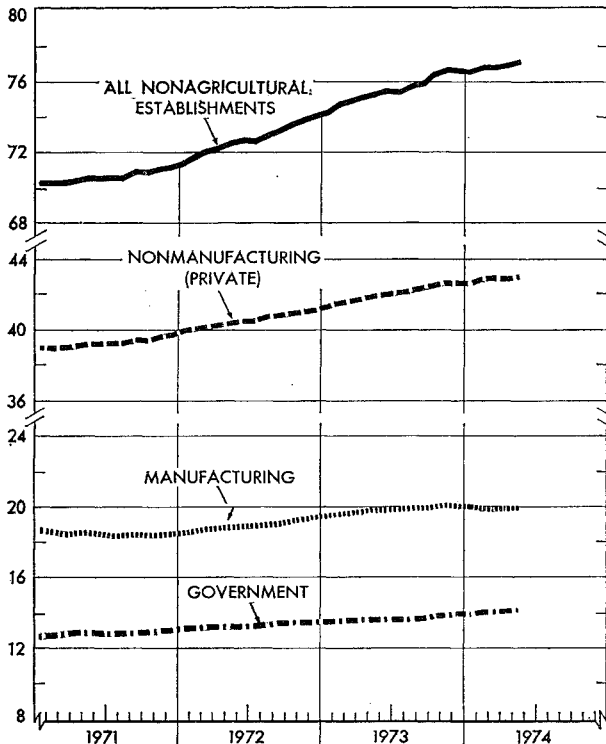
¹ Beginning with January 1973, monthly data include extended benefits.

² Not charted.

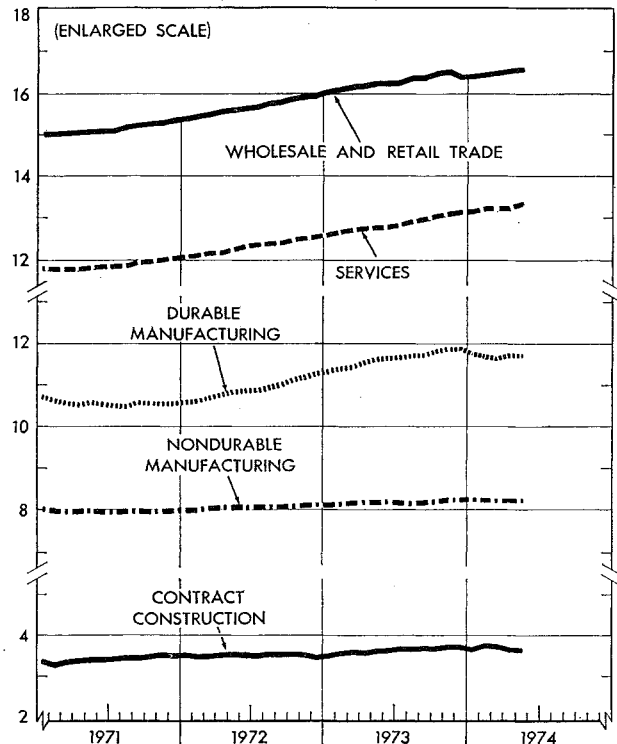
AGRICULTURAL EMPLOYMENT

agricultural payroll employment (seasonally adjusted) increased by 182,000 in May. Employment increased in all major sectors, except for a decline in contract construction (16,000) and an insignificant decline in durable manufacturing (8,000).

MILLIONS OF WAGE AND SALARY WORKERS (SEASONALLY ADJUSTED)



MILLIONS OF WAGE AND SALARY WORKERS (SEASONALLY ADJUSTED)



SOURCE: DEPARTMENT OF LABOR

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
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-----	70,593	19,349	11,195	8,154	38,709	623	3,381	4,493	14,914	3,688	11,612	2,705	9,830
1971-----	70,645	18,529	10,565	7,964	39,261	602	3,411	4,442	15,142	3,796	11,869	2,664	10,191
1972-----	72,764	18,933	10,884	8,049	40,541	607	3,521	4,495	15,683	3,927	12,309	2,650	10,640
1973-----	75,567	19,820	11,633	8,186	42,089	625	3,648	4,611	16,288	4,053	12,866	2,627	11,031
1973: Apr..	75,105	19,727	11,534	8,193	41,764	608	3,571	4,591	16,217	4,031	12,746	2,628	10,986
May..	75,321	19,782	11,602	8,180	41,897	608	3,620	4,593	16,256	4,044	12,776	2,641	11,001
June..	75,526	19,856	11,654	8,202	42,011	629	3,654	4,597	16,262	4,049	12,820	2,613	11,046
July..	75,478	19,804	11,646	8,158	42,079	631	3,680	4,598	16,294	4,048	12,828	2,588	11,007
Aug..	75,747	19,861	11,692	8,169	42,249	634	3,676	4,617	16,352	4,064	12,906	2,599	11,038
Sept..	75,961	19,882	11,708	8,174	42,423	633	3,700	4,629	16,388	4,078	12,995	2,613	11,043
Oct..	76,363	20,016	11,802	8,214	42,601	639	3,694	4,671	16,465	4,088	13,044	2,626	11,120
Nov..	76,679	20,095	11,859	8,236	42,746	644	3,711	4,654	16,520	4,095	13,122	2,638	11,200
Dec..	76,626	20,090	11,859	8,231	42,649	646	3,732	4,644	16,398	4,101	13,128	2,654	11,233
1974: Jan..	76,526	20,006	11,774	8,232	42,636	654	3,636	4,684	16,417	4,109	13,136	2,651	11,233
Feb..	76,813	19,904	11,683	8,221	42,915	656	3,757	4,691	16,472	4,124	13,215	2,670	11,324
Mar..	76,804	19,851	11,644	8,207	42,910	655	3,725	4,676	16,487	4,127	13,240	2,675	11,368
Apr. ^p	76,928	19,911	11,725	8,186	42,913	657	3,656	4,663	16,542	4,135	13,260	2,681	11,423
May ^p	77,110	19,924	11,717	8,207	43,024	660	3,640	4,667	16,581	4,151	13,325	2,695	11,467

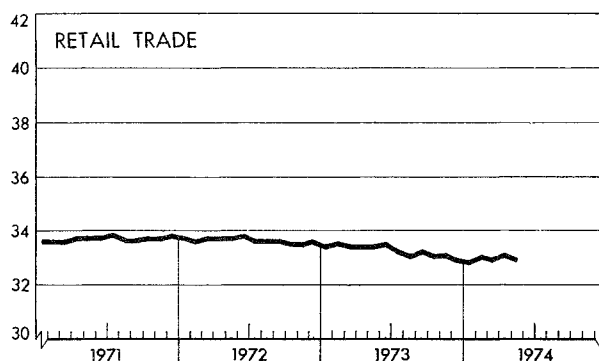
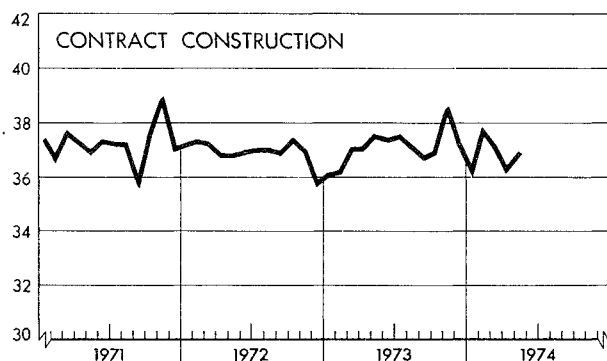
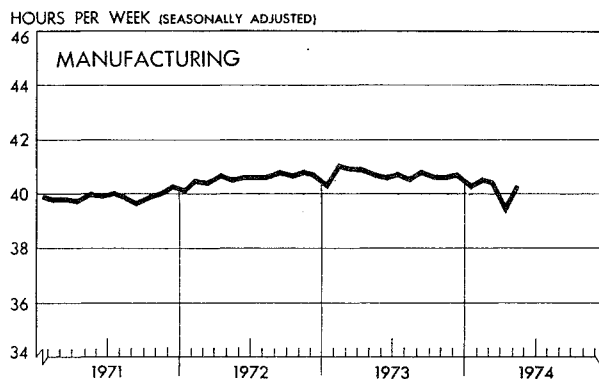
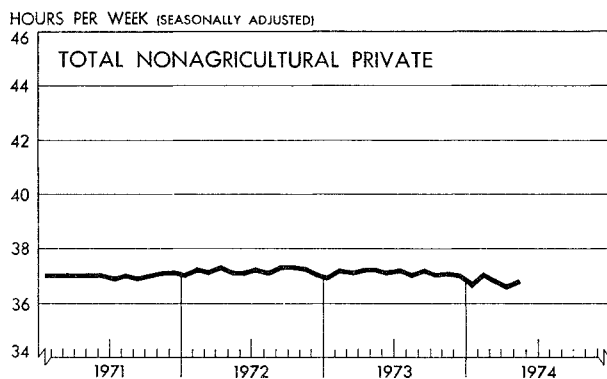
cludes all full- and part-time wage and salary workers in nonagricultural establishments who worked during or received pay for any part of the pay period includes the 12th of the month. Excludes proprietors, self-employed persons, domestic servants, and personnel of the Armed Forces. Total derived from this table not comparable with estimates of nonagricultural employment of the civilian labor force, shown on p. 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 a sample of the working-age 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 nonfarm payroll workers (seasonally adjusted) increased by 0.2 hour to 36.8 hours in May the same as in the first quarter.



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			
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	37.0	39.9	37.3	33.7				
1972	37.2	40.6	37.0	33.6				
1973	37.1	40.7	37.2	33.2				
1973: Apr	36.9	40.7	36.8	33.0	37.2	40.9	37.0	33.4
May	37.0	40.7	37.5	33.0	37.2	40.7	37.5	33.4
June	37.4	40.9	38.1	33.8	37.1	40.6	37.4	33.5
July	37.6	40.5	38.4	34.3	37.2	40.7	37.5	33.2
Aug	37.5	40.5	38.3	34.1	37.0	40.5	37.1	33.0
Sept	37.3	41.0	37.9	33.2	37.2	40.8	36.7	33.2
Oct	37.0	40.7	37.7	32.8	37.0	40.6	36.9	33.0
Nov	37.0	40.8	37.5	32.8	37.1	40.6	36.5	33.1
Dec	37.2	41.2	36.6	33.2	37.0	40.7	37.2	32.9
1974: Jan	36.4	40.0	34.9	32.3	36.7	40.3	36.2	32.8
Feb	36.6	40.1	36.4	32.4	37.0	40.5	37.7	33.0
Mar	36.6	40.3	36.7	32.4	36.8	40.4	37.1	32.9
Apr ^p	36.3	39.2	36.1	32.7	36.6	39.4	36.3	33.1
May ^p	36.6	40.3	36.9	32.5	36.8	40.3	36.9	32.9

¹ Data relate to production workers or nonsupervisory employees.

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

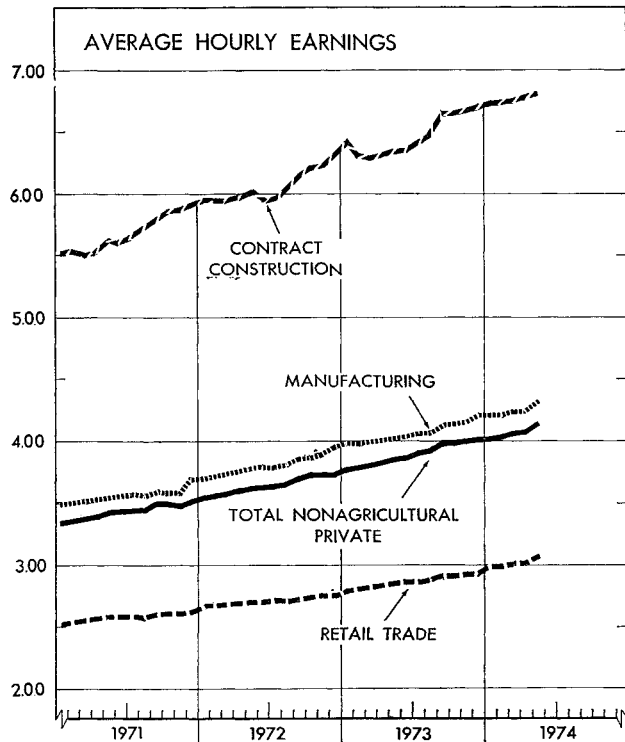
³ Includes eating and drinking places.

Source: Department of Labor.

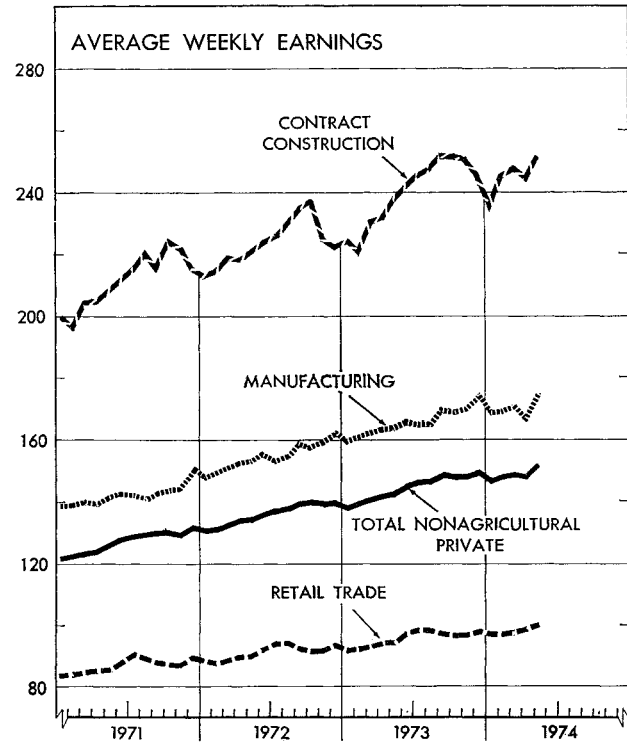
VERAGE HOURLY AND WEEKLY EARNINGS - SELECTED INDUSTRIES

verage hourly earnings (not seasonally adjusted) of private nonfarm payroll workers increased by 7 cents (22.7 percent annual rate) to \$4.14 in May. This is an increase of 29 cents (7.5 percent) over the previous May.

DOLLARS



DOLLARS



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
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	5.24	2.44	119.46	133.73	195.98	82.47	119.6	114.99
1971	3.43	3.56	5.69	2.57	126.91	142.04	212.24	86.61	127.5	117.10
1972	3.65	3.81	6.06	2.70	135.78	154.69	224.22	90.72	135.4	123.46
1973	3.89	4.07	6.47	2.87	144.32	165.65	240.68	95.28	143.4	124.15
1973: Apr	3.83	4.01	6.31	2.83	141.33	163.21	232.21	93.39	141.3	124.87
May	3.85	4.02	6.34	2.84	142.45	163.61	237.75	93.72	142.0	124.42
June	3.87	4.04	6.35	2.86	144.74	165.24	241.94	96.67	142.4	124.80
July	3.90	4.06	6.40	2.86	146.64	164.43	245.76	98.10	143.2	123.91
Aug	3.91	4.06	6.46	2.87	146.63	164.43	247.42	97.87	143.9	121.71
Sept	3.99	4.13	6.64	2.92	148.83	169.33	251.66	96.94	145.2	124.97
Oct	3.99	4.14	6.66	2.93	147.63	168.50	251.08	96.10	145.9	123.35
Nov	4.00	4.16	6.67	2.94	148.00	169.73	250.13	96.43	146.7	123.35
Dec	4.01	4.21	6.70	2.94	149.17	173.45	245.22	97.61	148.3	125.23
1974: Jan	4.02	4.21	6.74	2.99	146.33	168.40	235.23	96.58	149.1	120.54
Feb	4.04	4.21	6.74	2.99	147.86	168.82	245.34	96.88	149.7	119.31
Mar	4.06	4.24	6.75	3.01	148.60	170.87	247.73	97.52	150.4	119.41
Apr ^p	4.07	4.24	6.78	3.01	147.74	166.21	244.76	98.43	151.7	115.42
May ^p	4.14	4.32	6.81	3.07	151.52	174.10	251.29	99.78	153.4	119.57

¹ Also includes other private industry groups shown on p. 13. Includes eating and drinking places.

² Adjusted to exclude the effects of overtime and interindustry shifts.

³ Earnings in current dollars divided by the consumer price index.

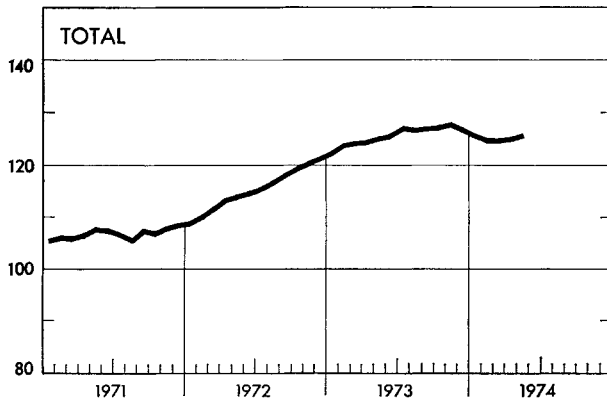
Source: Department of Labor.

PRODUCTION AND BUSINESS ACTIVITY

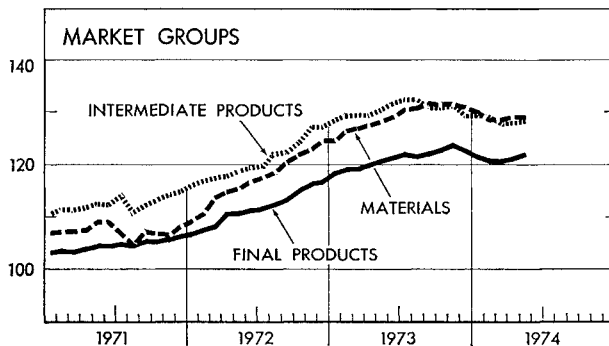
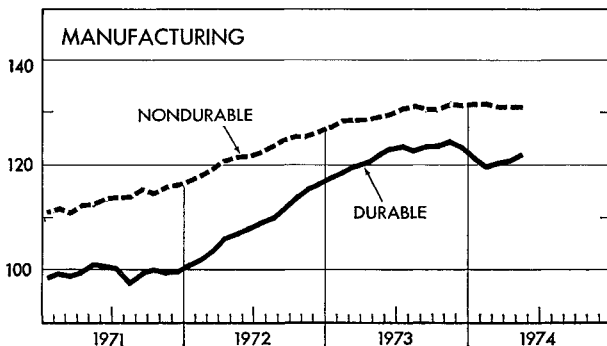
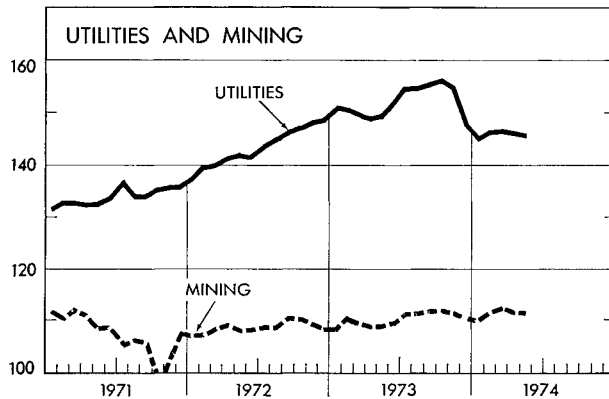
INDUSTRIAL PRODUCTION

Industrial production (seasonally adjusted) registered its second consecutive monthly increase in May with a rise of 0.4 percent. The rise was again centered in durable goods manufacturing.

Index, 1967 = 100 (SEASONALLY ADJUSTED)



Index, 1967 = 100 (SEASONALLY ADJUSTED)



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[1967=100, seasonally adjusted]

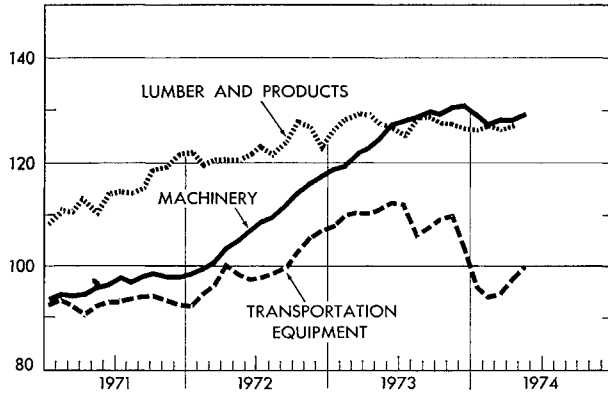
Period	Total industrial production	Industry					Market				
		Manufacturing			Mining	Utilities	Final products			Inter-mediate products	Materials
		Total	Durable	Non-durable			Total	Consumer goods	Equipment		
1966	97.9	98.3	99.0	97.3	98.4	93.6	96.1	98.6	93.0	99.2	99.8
1967	100.0	100.0	100.0	100.0	100.0	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	106.6	105.2	101.4	110.6	109.7	128.3	104.5	110.3	96.3	111.7	107.7
1971	106.8	105.2	99.4	113.5	107.0	133.9	104.7	115.7	89.4	112.5	107.4
1972	115.2	114.0	108.4	122.1	108.8	143.4	111.9	123.6	95.5	121.1	117.4
1973	125.6	125.1	122.0	129.7	110.3	152.6	121.3	131.7	106.7	131.0	129.3
1973: Apr	124.1	123.8	120.6	128.4	109.0	148.7	120.0	130.9	104.7	129.3	127.7
May	124.9	124.9	121.9	129.2	109.1	149.5	120.8	131.7	105.7	130.5	128.3
June	125.6	125.6	123.0	129.3	109.5	151.6	121.3	131.9	106.6	132.0	129.0
July	126.7	126.5	123.8	130.6	111.0	154.8	122.1	132.9	107.3	132.5	130.9
Aug	126.4	126.1	122.6	130.9	111.5	154.8	121.4	131.2	107.6	132.1	130.9
Sept	126.8	126.3	123.3	130.7	111.8	155.8	122.4	132.3	108.5	131.0	131.3
Oct	127.0	126.4	123.6	130.4	111.9	156.2	122.7	132.6	108.9	130.6	131.1
Nov	127.5	127.4	124.3	131.3	111.3	154.6	123.6	133.5	110.1	131.1	131.5
Dec	126.5	126.4	123.1	131.2	110.4	147.6	122.6	131.3	110.1	129.1	130.6
1974: Jan	125.4	125.3	121.1	131.4	109.9	144.9	121.2	129.2	109.8	129.2	129.7
Feb	124.6	124.5	119.4	131.5	111.7	146.1	120.6	128.3	109.9	129.1	128.3
Mar	124.5	124.5	120.2	130.9	112.5	146.3	120.4	127.9	110.0	127.6	128.4
Apr ^p	124.9	124.8	120.5	131.0	111.7	146.0	121.0	128.6	110.4	127.9	128.9
May ^p	125.4	125.7	121.9	131.1	111.6	145.6	122.0	129.5	111.6	128.1	128.9

Source: Board of Governors of the Federal Reserve System.

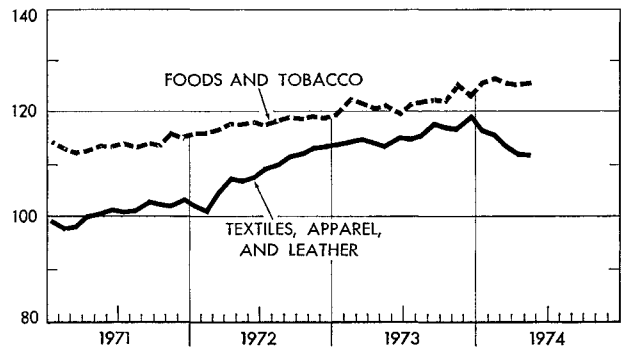
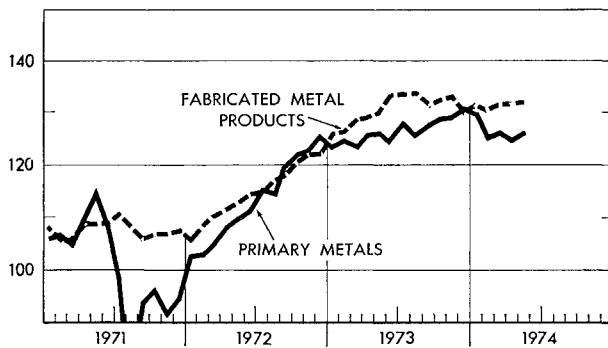
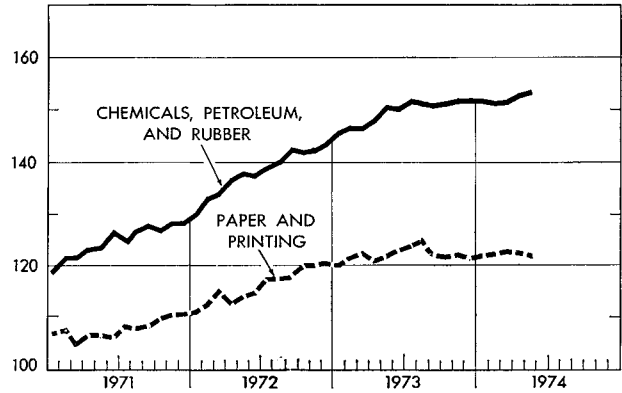
PRODUCTION OF SELECTED MANUFACTURES

Most durable manufactures (seasonally adjusted) rose in May while most nondurables declined. The sharpest rise was in transportation equipment.

Index, 1967 = 100 (SEASONALLY ADJUSTED)



Index, 1967 = 100 (SEASONALLY ADJUSTED)



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

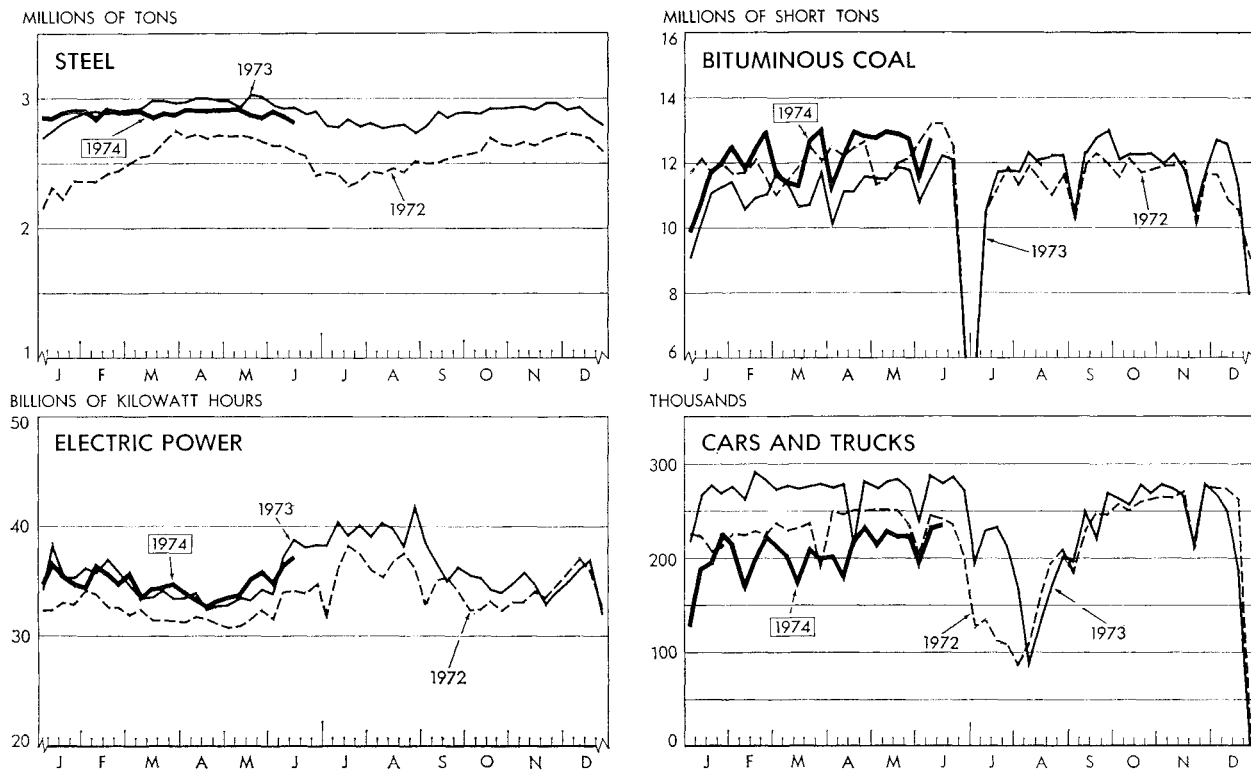
[1967 = 100, seasonally adjusted]

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
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	100.3	90.4	106.3	100.2	107.8	118.2	110.8
1971	100.9	107.4	96.2	92.9	113.9	100.7	107.8	124.7	113.7
1972	113.1	114.8	107.5	99.0	122.4	108.1	116.1	137.8	117.6
1973	127.0	130.5	125.8	109.1	127.9	115.0	122.2	149.3	121.9
1973: Apr	125.8	128.9	122.6	110.0	129.1	114.0	120.8	147.9	120.7
May	126.1	130.3	124.7	111.0	127.5	113.3	121.9	150.2	121.5
June	124.5	133.4	126.9	112.2	126.6	115.0	122.8	149.8	119.5
July	128.1	133.5	127.6	112.1	125.4	114.5	123.8	151.8	121.3
Aug	125.6	133.8	128.5	105.7	128.4	115.4	124.5	151.0	122.0
Sept	127.8	131.5	130.0	107.3	128.9	117.5	122.1	150.9	122.2
Oct	128.7	132.4	129.3	108.8	127.4	116.8	121.3	151.1	121.7
Nov	128.9	133.1	130.4	109.8	127.3	116.7	121.9	151.6	124.7
Dec	130.7	130.0	130.9	103.0	126.3	118.8	121.2	151.6	123.0
1974: Jan	129.5	131.4	128.6	95.7	126.1	116.2	121.7	151.5	125.4
Feb	125.0	130.6	127.2	93.9	127.1	115.3	122.2	151.2	126.2
Mar	126.1	131.5	128.0	94.7	126.1	113.2	122.5	151.3	125.1
Apr ^p	124.4	131.7	127.9	97.3	127.0	111.7	122.1	152.8	124.8
May ^p	126.0	132.0	129.2	99.9	---	111.6	121.5	153.3	125.1

Source: Board of Governors of the Federal Reserve System.

WEEKLY INDICATORS OF PRODUCTION

Most weekly indicators of production (not seasonally adjusted) increased in May.



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

COUNCIL OF ECONOMIC ADVISERS

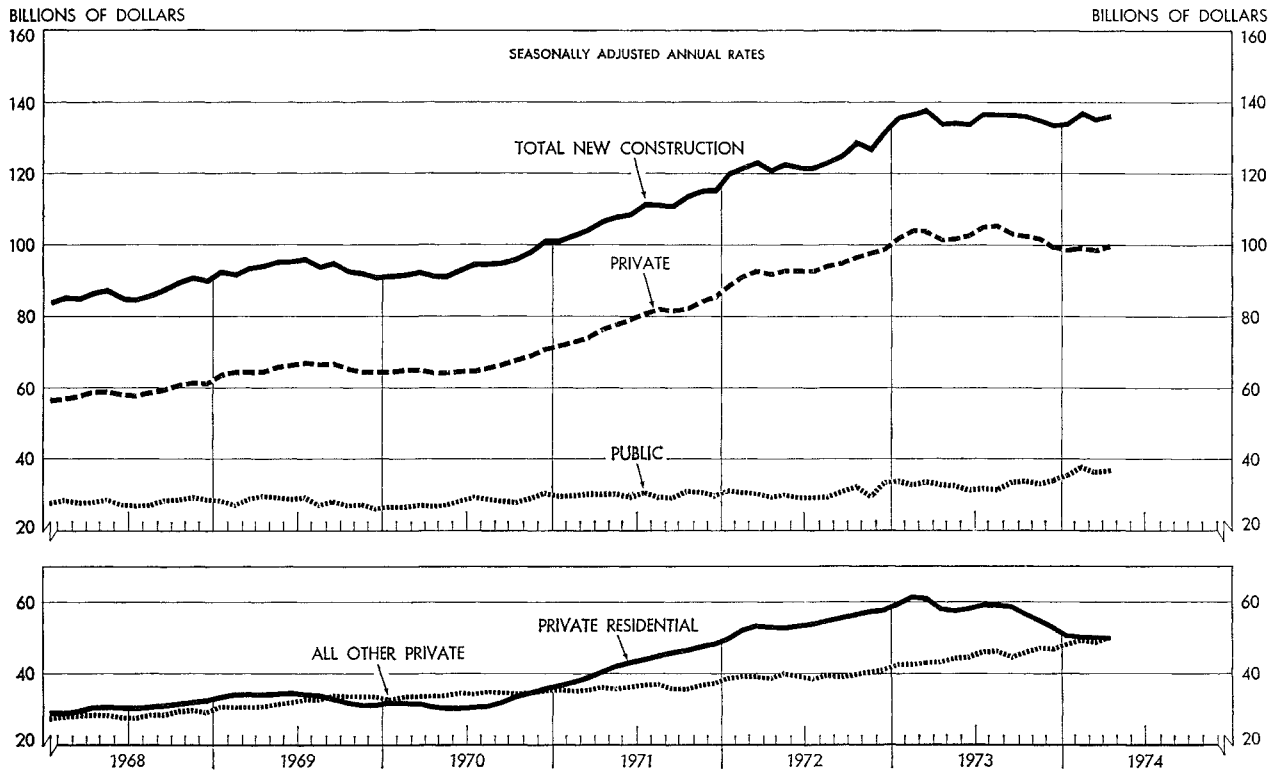
Period	Steel produced		Electric power distributed (millions of kilowatt-hours)	Bituminous coal mined (thousands of short tons) ¹	Freight loaded (thousands of cars)	Paperboard produced (thousands of tons)	Cars and trucks assembled (thousands)		
	Thousands of net tons	Index (1967=100)					Total	Cars	Trucks
Weekly average:									
1967	2,440	100.0	23,169	10,627	540	439	172.9	142.4	30.5
1968	2,515	103.1	25,244	10,485	543	479	207.6	170.1	37.5
1969	2,709	111.0	27,588	10,779	543	507	195.8	158.1	37.8
1970	2,522	103.4	29,317	11,595	522	489	158.9	125.9	33.0
1971	2,310	94.7	30,923	10,619	486	501	204.8	165.0	39.8
1972	2,549	104.5	33,540	11,450	502	548	217.3	169.6	47.6
1973 ^p	2,892	118.5	35,834	11,346	525	569	243.5	185.8	57.7
1973: Apr	2,981	122.2	33,164	11,214	519	582	262.0	200.8	61.2
May	2,974	121.9	33,543	11,562	543	589	269.7	207.2	62.5
June	2,911	119.3	38,061	10,498	545	582	280.1	216.7	63.3
July	2,781	114.0	39,417	9,621	504	525	216.6	164.4	52.2
Aug	2,750	112.7	39,783	12,090	543	586	151.5	106.5	45.0
Sept	2,857	117.1	36,572	12,054	543	543	234.3	179.0	55.3
Oct	2,906	119.1	34,762	12,175	564	590	269.2	208.8	60.5
Nov	2,934	120.3	34,336	11,530	536	577	257.4	198.5	58.9
Dec	2,878	118.0	34,911	11,111	487	512	177.0	129.0	48.0
1974: Jan	2,873	117.8	35,150	11,348	491	505	189.1	133.1	56.0
Feb	2,900	118.8	35,617	12,201	524	584	200.1	141.1	59.0
Mar	2,880	118.0	34,224	12,078	529	595	196.1	139.2	56.8
Apr	2,900	118.9	33,302	12,396	525	594	208.9	153.1	55.8
May ^p	2,881	118.1	34,885	12,534	532	590	217.4	160.1	57.2
Week ended:									
1974: May 11	2,915	119.5	33,769	12,945	544	595	228.7	172.0	56.8
18	2,871	117.7	35,237	12,900	541	597	222.2	162.7	59.6
25	2,840	116.4	35,792	12,750	550	583	222.7	163.3	59.4
June 1	2,901	118.9	34,743	11,540	492	588	195.8	142.6	53.2
8	2,862	117.3	36,481	12,705	540	594	231.7	170.5	61.2
15 ^p	2,808	115.1	37,152	² 13,195	552	595	228.0	173.6	54.4
22 ^p	² 2,842	116.5					² 179.8	135.4	44.4

¹Includes data for Alaska.
²Not 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.

N CONSTRUCTION

According to preliminary estimates, expenditures for new construction (seasonally adjusted) rose 1 percent in April. Private nonresidential and public construction contributed to the rise.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

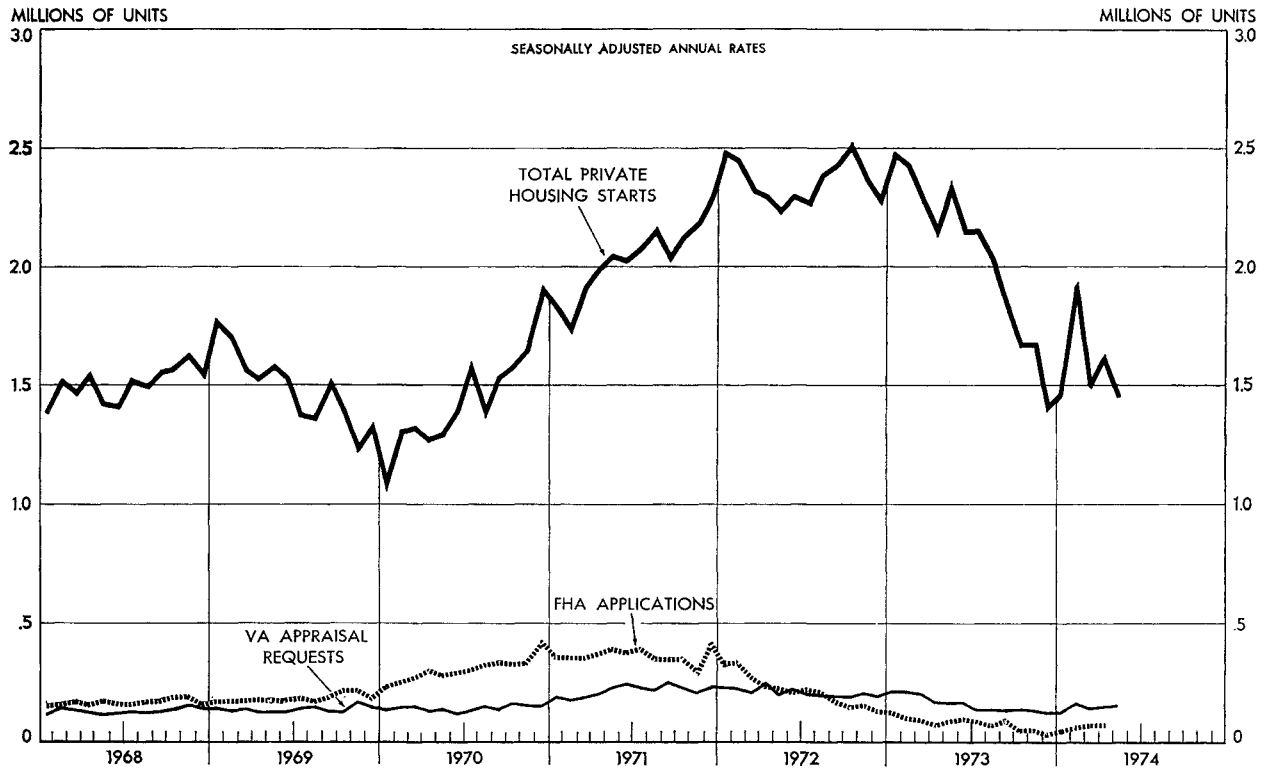
Period	Total new construction expenditures	Private						Federal, State, and local	Construction contracts ²	
		Total	Residential		Commercial and industrial	Other	Total value index, (1967=100)		Commercial and industrial floor space (millions of square feet)	
			Total ¹	New housing units						
Billions of dollars										
1968	86.6	59.0	30.6	24.0	13.8	14.7	27.6	113.2	779	
1969	93.4	65.4	33.2	25.9	16.2	16.0	28.0	123.7	883	
1970	94.2	66.1	31.9	24.3	16.3	17.9	28.1	123.1	743	
1971	109.2	79.4	43.3	35.1	17.0	19.1	29.9	145.4	727	
1972	123.8	93.6	54.2	44.7	18.1	21.3	30.2	165.3	854	
1973	135.1	102.6	57.7	47.7	21.6	23.2	32.5	181.3	1,021	
Seasonally adjusted annual rates										
1973: Feb	136.4	104.1	61.5	49.4	20.1	22.6	32.3	191	1,029	
Mar	137.5	103.8	60.7	49.6	20.6	22.5	33.6	193	993	
Apr	133.9	101.3	58.1	48.9	20.8	22.4	32.6	177	1,012	
May	134.2	101.8	57.5	49.2	21.5	22.9	32.3	173	988	
June	133.7	102.7	58.1	49.5	21.6	23.0	31.0	183	1,027	
July	136.5	105.0	59.0	49.5	22.5	23.6	31.5	175	1,161	
Aug	136.4	105.3	59.2	49.3	22.5	23.6	31.1	199	1,118	
Sept	136.2	103.0	58.5	48.2	21.4	23.1	33.2	182	1,029	
Oct	135.9	102.4	56.5	46.0	22.1	23.8	33.5	191	1,106	
Nov	134.8	101.9	54.7	44.1	22.9	24.4	32.9	194	1,047	
Dec	133.4	99.6	52.7	42.0	22.7	24.1	33.8	161	815	
1974: Jan	134.0	98.6	50.4	39.7	23.2	25.0	35.4	155	885	
Feb	137.0	99.2	50.0	39.3	24.5	24.8	37.8	187	968	
Mar ^p	134.8	98.7	50.0	39.4	23.7	25.0	36.1	181	878	
Apr ^p	136.2	99.7	49.8	39.4	24.6	25.2	36.6	179	1,003	

¹ Includes nonhousekeeping residential construction and additions and alterations, not shown separately.
² F. W. Dodge series. Relates to 50 States beginning 1969 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

After rising in April, housing starts fell 11 percent in May to a seasonally adjusted annual rate of 1,450,000 bringing the average for the first 5 months to 1,593,000. Permits for future housing units fell much more than starts in May.



SOURCES: DEPARTMENT OF COMMERCE, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND VETERANS' ADMINISTRATION

COUNCIL OF ECONOMIC ADVISERS

[Thousands of units]

Period	Housing starts							New private housing units authorized ²	Proposed home construction ³	
	Total private and public (including farm)	Total private (including farm)	Private			Government home programs (nonfarm)			Applications for FHA commitments ¹	Requests for VA appraisals
			Total (including farm)			FHA ¹	VA			
			Total	One unit	Two or more units					
1968	1,545.4	1,507.6	1,507.6	899.4	608.2	147.7	56.1	1,353.4	168.9	131.7
1969	1,499.5	1,466.8	1,466.8	810.6	656.2	153.6	51.2	1,323.7	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	2,084.5	2,052.2	2,052.2	1,151.0	901.2	301.2	94.0	1,924.6	366.8	217.9
1972	2,378.5	2,356.6	2,356.6	1,309.2	1,047.5	198.4	104.0	2,218.9	225.2	209.4
1973	2,057.5	2,045.3	2,045.3	1,132.0	913.3	73.6	86.1	1,795.5	83.2	161.9
Seasonally adjusted annual rates										
1973: Apr	205.4	205.0	2,153	1,231	922	75	98	1,939	71	168
May	234.2	234.0	2,330	1,243	1,088	82	109	1,838	91	166
June	203.4	202.6	2,152	1,140	1,013	79	89	2,030	99	166
July	203.2	202.6	2,152	1,232	920	81	88	1,780	92	136
Aug	199.9	197.2	2,030	1,108	921	69	92	1,750	69	141
Sept	148.9	148.4	1,844	990	854	66	71	1,596	94	137
Oct	149.5	147.1	1,674	957	718	52	62	1,316	51	142
Nov	134.6	133.3	1,675	938	737	57	57	1,314	56	134
Dec	90.6	90.4	1,403	767	636	37	68	1,237	30	124
1974: Jan	86.2	84.5	1,464	793	671	39	61	1,301	46	124
Feb	109.6	109.4	1,922	1,056	866	48	64	1,333	62	163
Mar	127.2	124.8	1,499	962	537	48	72	1,461	71	144
Apr ^p	161.0	159.6	1,631	996	635	41	74	1,300	71	150
May ^p	147.9	147.0	1,450	929	521	79	79	1,055	71	157

¹ Units are for 1- to 4-family housing.

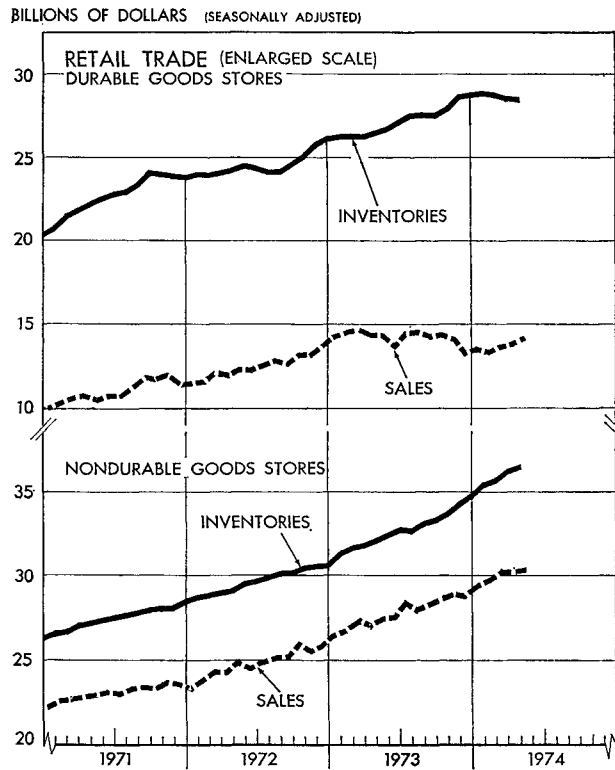
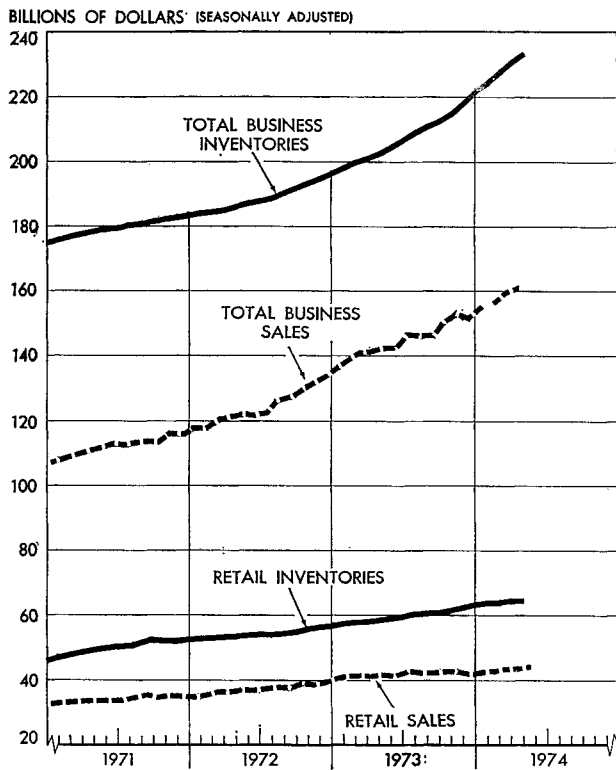
² Authorized by issuance of local building permit: in 14,000 permit-issuing places beginning 1972; 13,000 for 1967-71; 12,000 for 1963-66; and 10,000 prior to 1963.

³ Units represented by mortgage applications or appraisal requests for home construction.

Sources: Department of Commerce, Department of Housing and Urban Development, and Veterans Administration.

BUSINESS SALES AND INVENTORIES—TOTAL AND TRADE

Book value of manufacturing and trade inventories rose by \$2½ billion (seasonally adjusted) in April as compared to an average monthly rise of about \$3 billion in the first quarter of 1974.



SOURCE: 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										
1966-----	87, 178	136, 729	16, 979	20, 691	25, 330	8, 192	17, 138	38, 073	17, 258	20, 815
1967-----	89, 698	145, 164	17, 099	21, 557	26, 151	8, 348	17, 803	38, 952	17, 277	21, 675
1968-----	97, 100	155, 376	18, 329	22, 528	28, 490	9, 268	19, 222	41, 973	19, 167	22, 806
1969-----	103, 104	166, 813	19, 726	24, 363	29, 824	9, 626	20, 197	45, 376	20, 647	24, 729
1970-----	104, 708	174, 875	20, 554	26, 604	31, 294	9, 524	21, 770	46, 626	20, 345	26, 281
1971-----	112, 267	183, 622	22, 280	28, 916	34, 071	10, 985	23, 086	52, 261	23, 808	28, 453
1972-----	124, 680	196, 002	24, 850	31, 732	37, 365	12, 472	24, 893	56, 551	26, 034	30, 517
1973-----	144, 541	221, 357	30, 405	36, 926	41, 943	14, 190	27, 754	63, 561	28, 778	34, 783
1973: Mar-----	141, 010	201, 317	29, 312	33, 245	41, 979	14, 612	27, 367	57, 898	26, 146	31, 752
Apr-----	141, 274	202, 529	29, 621	33, 574	41, 185	14, 339	26, 846	58, 378	26, 356	32, 022
May-----	142, 682	204, 623	29, 675	33, 986	41, 723	14, 299	27, 424	59, 012	26, 661	32, 351
June-----	142, 311	206, 961	29, 528	34, 148	41, 167	13, 731	27, 436	59, 788	27, 051	32, 737
July-----	146, 458	208, 776	30, 443	34, 653	42, 767	14, 409	28, 358	60, 213	27, 494	32, 719
Aug-----	146, 068	210, 548	30, 692	34, 964	42, 355	14, 481	27, 874	60, 677	27, 563	33, 114
Sept-----	146, 235	212, 227	30, 646	35, 266	42, 529	14, 267	28, 262	60, 847	27, 507	33, 340
Oct-----	150, 157	214, 284	31, 918	35, 379	42, 970	14, 331	28, 639	61, 681	27, 926	33, 755
Nov-----	153, 096	217, 637	33, 101	36, 265	42, 976	14, 090	28, 886	62, 937	28, 662	34, 275
Dec-----	151, 381	221, 357	33, 910	36, 926	42, 116	13, 270	28, 846	63, 561	28, 778	34, 783
1974: Jan-----	155, 015	224, 657	34, 896	37, 826	42, 932	13, 525	29, 407	64, 261	28, 852	35, 409
Feb-----	156, 203	227, 726	36, 091	38, 501	43, 134	13, 327	29, 807	64, 394	28, 789	35, 605
Mar-----	159, 584	230, 590	37, 515	39, 347	43, 872	13, 660	30, 212	64, 743	28, 578	36, 165
Apr ^p -----	160, 704	233, 135	37, 696	39, 581	43, 958	13, 818	30, 140	64, 748	28, 388	36, 360
May ^p -----					44, 383	14, 126	30, 257			

¹ The term "business" also includes manufacturing (see page 22). Monthly average for year and total for month.

² Book value, end of period, seasonally adjusted.

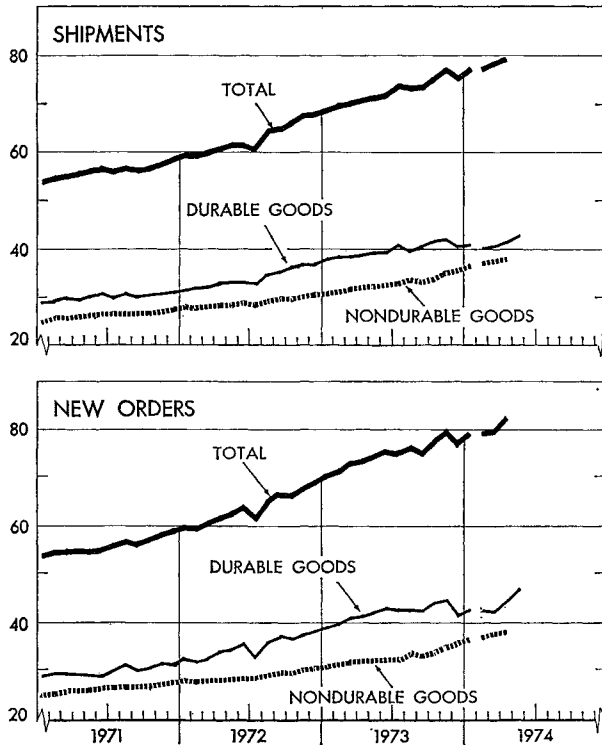
³ Revised series; not comparable with prior data.

Source: Department of Commerce.

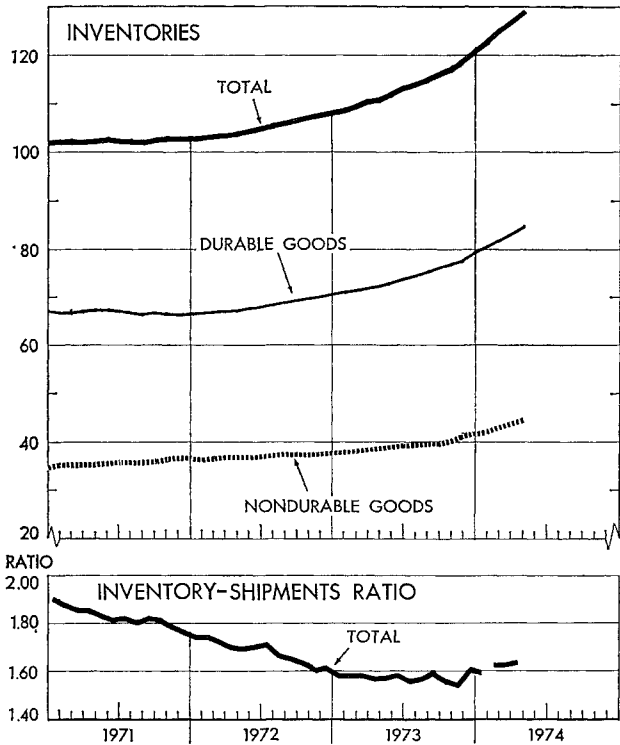
MANUFACTURERS' SHIPMENTS, INVENTORIES, AND NEW ORDERS

Shipments, orders, and inventories of manufacturers (seasonally adjusted) rose in April. The ratio of inventory shipments from February through April was somewhat higher than in 1973 but was low compared to earlier years.

BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



BILLIONS OF DOLLARS (SEASONALLY ADJUSTED)



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		Non-durable goods	
								Total	Capital goods industries, nondefense		
Millions of dollars, seasonally adjusted											
1968.....	50,282	27,694	22,588	90,875	59,112	31,763	50,243	27,666	6,971	22,577	1.74
1969.....	53,555	29,459	24,096	97,074	63,371	33,703	53,646	29,549	7,694	24,097	1.76
1970.....	52,860	28,231	24,629	101,645	66,768	34,877	52,063	27,431	7,021	24,632	1.89
1971.....	55,917	29,948	25,969	102,445	66,050	36,395	55,732	29,751	7,339	25,981	1.82
1972.....	62,466	33,892	28,573	107,719	70,218	37,501	63,514	34,867	8,983	28,648	1.67
1973.....	72,193	39,519	32,674	120,870	79,441	41,429	74,636	41,897	11,037	32,738	1.57
1973: Apr.....	70,468	38,651	31,817	110,577	72,213	38,364	73,325	41,341	10,619	31,984	1.57
May.....	71,284	39,284	32,000	111,625	72,867	38,758	74,535	42,449	10,919	32,086	1.57
June.....	71,616	39,257	32,359	113,025	73,801	39,224	75,361	43,016	11,415	32,345	1.58
July.....	73,248	40,779	32,469	113,910	74,278	39,632	75,145	42,697	11,404	32,448	1.56
Aug.....	73,021	39,633	33,388	114,907	75,213	39,694	76,113	42,689	11,032	33,424	1.57
Sept.....	73,060	40,162	32,898	116,114	76,249	39,865	75,129	42,259	11,267	32,870	1.59
Oct.....	75,269	41,567	33,702	117,224	76,951	40,273	77,758	44,037	11,595	33,721	1.56
Nov.....	77,019	41,896	35,123	118,435	77,645	40,790	79,441	44,315	11,970	35,126	1.54
Dec.....	75,355	40,203	35,152	120,870	79,441	41,429	76,811	41,546	11,569	35,265	1.60
1974: Jan.....	77,187	40,792	36,395	122,570	80,541	42,029	79,077	42,453	11,746	36,624	1.59
Feb ⁴	76,978	40,073	36,905	124,831	81,925	42,906	79,128	42,268	11,415	36,860	1.62
Mar ⁴	78,197	40,635	37,562	126,500	83,014	43,486	79,547	41,974	11,300	37,573	1.62
Apr ⁴	79,050	41,232	37,818	128,806	84,476	44,330	82,059	44,124	11,925	37,935	1.63
May ⁴	82,608	42,608	39,818	131,806	86,476	45,330	84,731	45,771	12,471	39,818	1.63

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

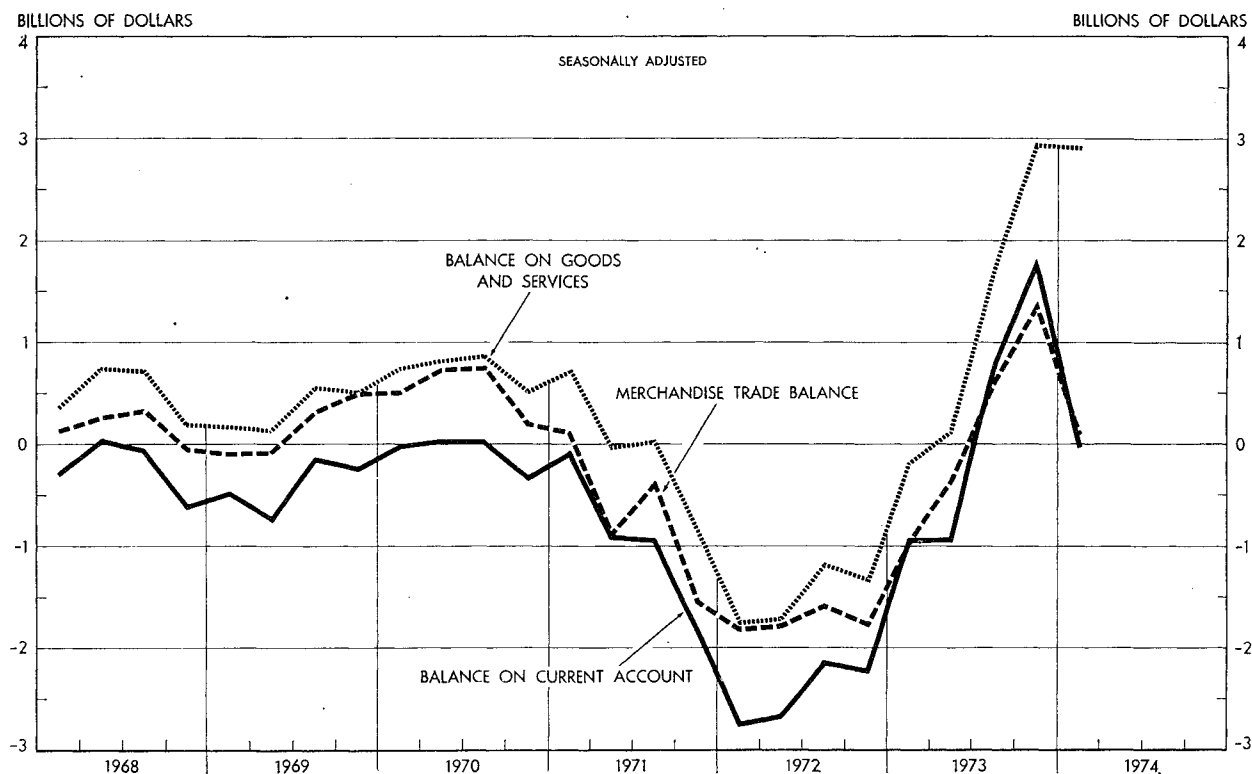
shipments; for monthly data, ratio of inventories at end of month to shipment for month.

⁴ Revised series for all except inventories; not comparable with prior data.

Source: Department of Commerce.

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

The current account on a seasonally adjusted basis was in approximate balance in the first quarter of 1974. This switch from a surplus recorded in the last quarter of 1973 reflects largely the decline in the merchandise trade surplus due to a higher cost of oil imports.



SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

[Millions of dollars]

Period	Merchandise ^{1 2}			Military transactions			Net investment income		Net travel and transportation expenditures	Other services, net ³	Balance on goods and services ^{1 4}	Remittances, pensions, and other unilateral transfers ¹	Balance on current account
	Exports	Imports	Net balance	Direct expenditures	Sales	Net balance	Private ³	U.S. Government					
1968	33,626	-32,991	635	-4,535	1,392	-3,143	4,207	63	-1,548	1,766	1,980	-2,943	-962
1969	36,414	-35,807	607	-4,856	1,512	-3,344	3,655	156	-1,763	2,034	1,344	-2,978	-1,633
1970	41,947	-39,788	2,159	-4,855	1,478	-3,377	3,895	-111	-2,023	2,388	2,932	-3,256	-324
1971	42,754	-45,476	-2,722	-4,819	1,912	-2,908	5,976	-955	-2,341	2,781	-170	-3,647	-3,817
1972	48,768	-55,754	-6,986	-4,759	1,154	-3,604	6,413	-1,887	-3,055	3,110	-6,009	-3,797	-9,807
1973	70,252	-69,629	623	-4,555	2,354	-2,201	8,298	-3,008	-2,710	3,540	4,543	-3,876	667
Seasonally adjusted													
1973: I	15,228	-16,190	-962	-1,175	342	-833	2,081	-634	-686	841	-193	-761	-954
II	16,670	-17,030	-360	-1,209	446	-763	1,968	-760	-781	815	119	-1,056	-937
III	18,143	-17,541	602	-1,067	520	-547	2,052	-795	-613	984	1,683	-897	786
IV	20,211	-18,868	1,343	-1,104	1,046	-58	2,197	-819	-630	901	2,934	-1,164	1,770
1974: I	22,299	-22,198	101	-1,138	672	-466	3,662	-761	-529	895	2,902	-2,930	-28

¹ Excludes military grants.

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

³ Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from net investment income and included in other services, net.

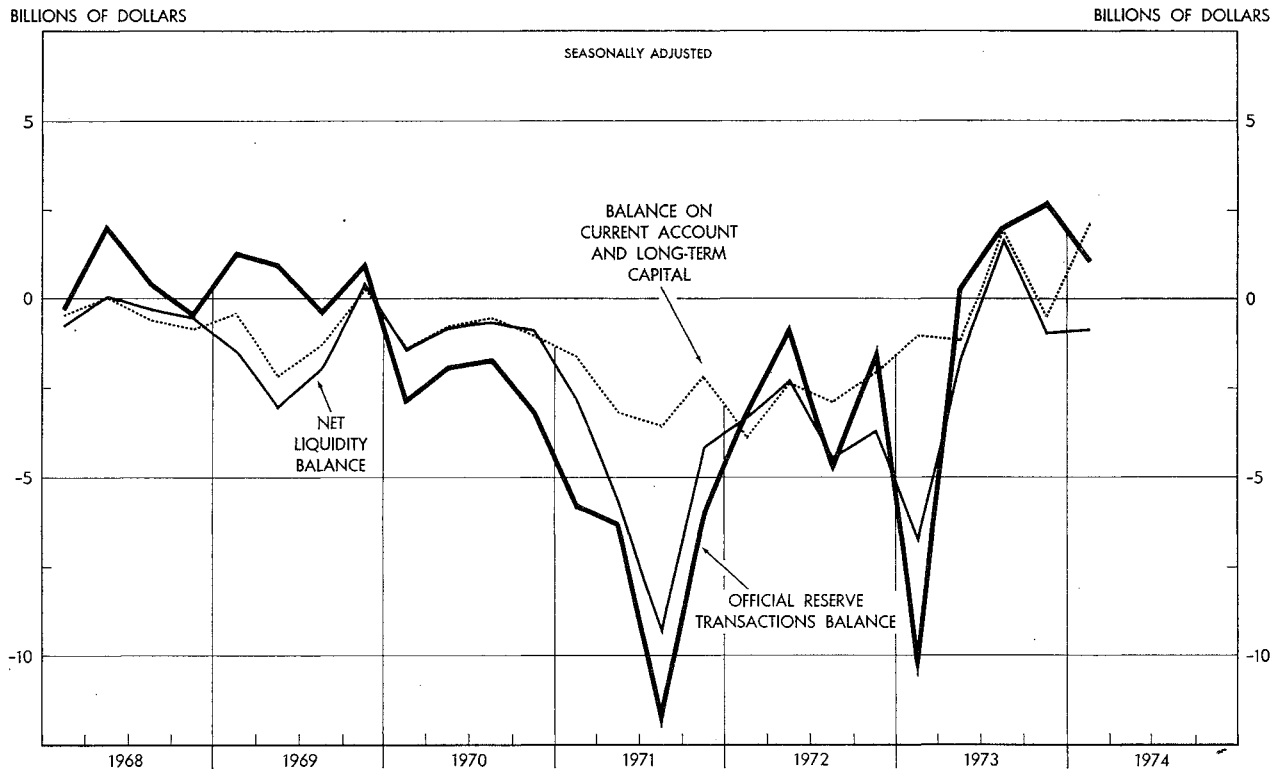
⁴ Equal to net exports of goods and services in the national income and product accounts of the United States when converted to an annual rates basis.

Note.—Series revised beginning 1962.

Source: Department of Commerce.

S. OVERALL BALANCES ON INTERNATIONAL TRANSACTIONS

net liquidity balance showed a deficit of \$869 million (seasonally adjusted) during the first quarter of 1974, largely unchanged from the last quarter of 1973. The official reserve transactions balance was in surplus by \$1,044 million as U.S. liabilities to foreign official agencies declined and U.S. official reserve assets rose.



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	Net liquidity balance	Liquid private capital flows, net ²	Official reserve transactions balance	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) ⁵
	U.S. Government ¹	Private ²										
1968	-2,164	1,191	-1,935	231		94	-1,611	3,252	1,641	-761	-880	15,710
1969	-1,933	-70	-3,637	-640		-1,805	-6,081	8,820	2,739	-1,552	-1,187	16,964
1970	-2,025	-1,429	-3,778	-482	867	-458	-3,851	-5,988	-9,839	7,362	2,477	14,487
1971	-2,362	-4,381	-10,559	-2,347	717	-9,776	-21,965	-7,788	-29,753	27,405	2,348	12,167
1972	-1,330	-98	-11,235	-1,541	710	-1,790	-13,856	3,502	-10,354	10,322	32	13,151
1973	-1,539	127	-744	-4,276		-2,776	-7,796	2,492	-5,304	5,095	209	14,378
Seasonally adjusted												
1973: I	-371	319	-1,006	-1,663		-4,085	-6,754	-3,441	-10,195	9,975	220	12,931
II	94	-315	-1,158	-1,457		904	-1,711	1,997	286	-303	17	12,914
III	-398	1,529	1,917	97		-387	1,627	316	1,943	-1,930	-13	12,927
IV	-862	-1,406	-498	-1,253		792	-959	3,620	2,661	-2,646	-15	14,378
1974: I ^a	1,351	742	2,065	-3,224		290	-869	1,913	1,044	-834	-210	14,588
												Unadjusted

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 U.S. banks and U.S. liabilities to the IMF arising from reversible gold sales and gold deposits with the United States.

⁴ Consists of gold, special drawing rights, convertible currencies, and the U.S. tranche position in the IMF. Minus sign indicates increase.

⁵ Includes increases as follows: for 1969, \$67 million resulting from revaluation of the German mark in Oct. 1969; for 1971, \$28 million in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971; for second quarter and year 1972, \$1,016 million resulting from change in par value of the dollar on May 8, 1972; and for fourth quarter and year 1973, \$1,436 million resulting from change in par value of the dollar on Oct. 18, 1973.

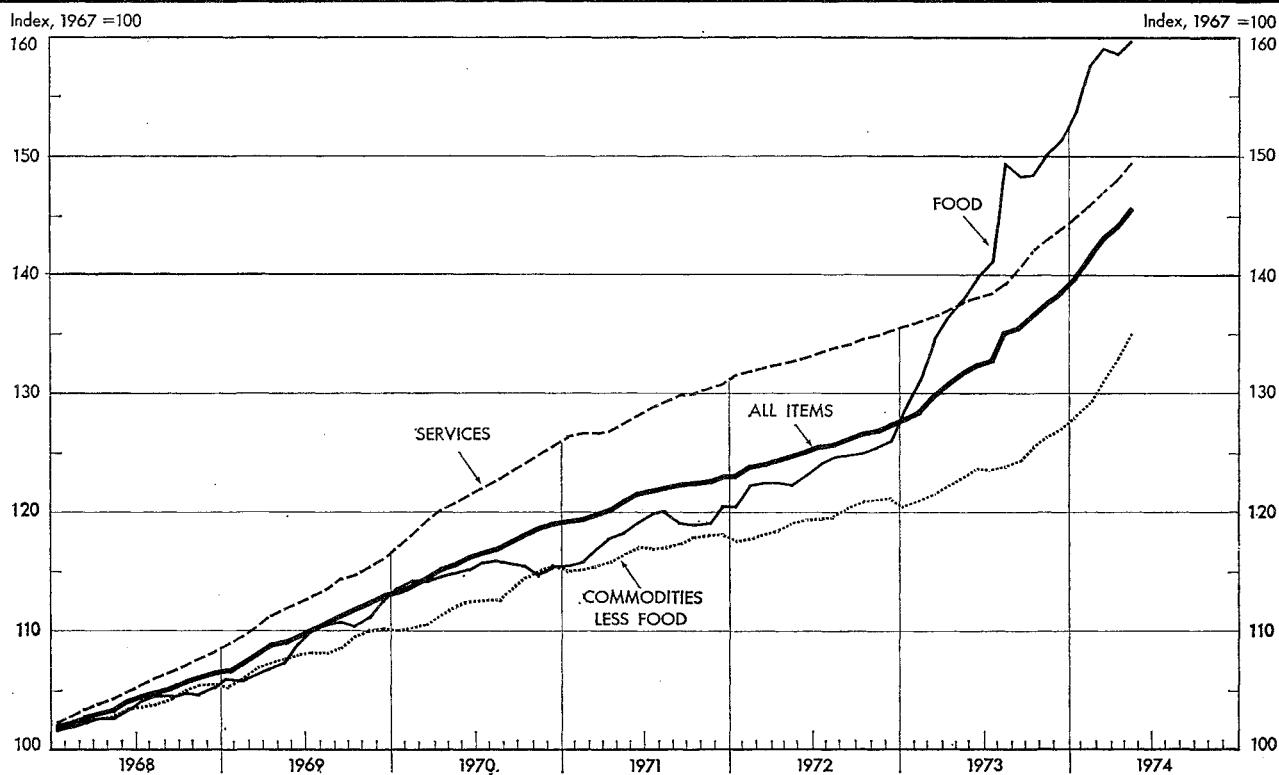
Note.—Series revised beginning 1962.

Sources: Department of Commerce and Department of the Treasury.

PRICES

CONSUMER PRICES

In May, the consumer price index rose 1.1 percent (also 1.1 percent seasonally adjusted). Food prices increased 0.7 percent (0.9 percent seasonally adjusted). Nonfood commodity prices increased 1.6 percent (1.3 percent seasonally adjusted) and services prices rose 1.0 percent.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

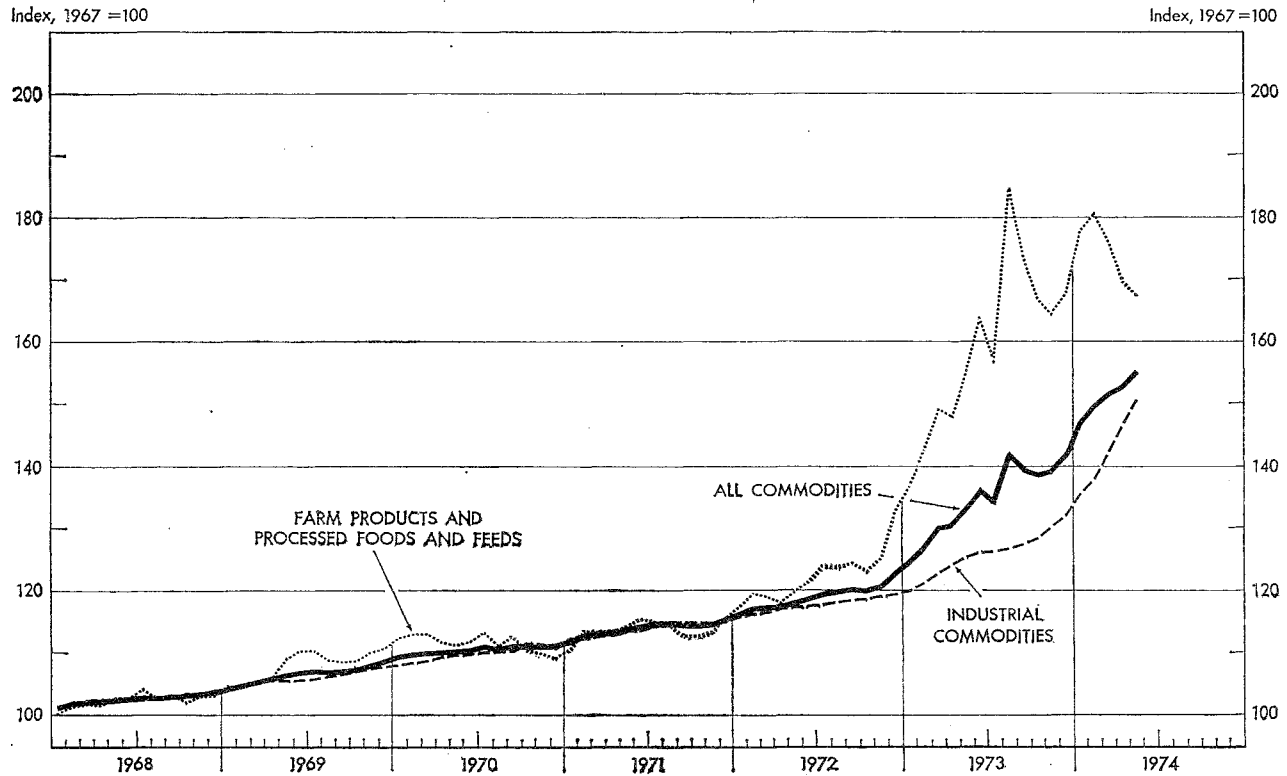
[1967=100]

Period	All items	Commodities					Services		
		All commodities	Food	Commodities less food			All services	Rent	Services less rent
				All	Durable	Non-durable			
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	130.8
1972	125.3	120.9	123.5	119.4	118.9	119.8	133.3	119.2	135.9
1973	133.1	129.9	141.4	123.5	121.9	124.8	139.1	124.2	141.8
1973: Apr	130.7	127.4	136.5	122.3	121.0	123.3	137.1	123.2	139.6
May	131.5	128.3	137.9	123.0	121.8	124.0	137.6	123.7	140.1
June	132.4	129.4	139.8	123.7	122.3	124.7	138.1	124.0	140.7
July	132.7	129.7	140.9	123.5	122.4	124.4	138.4	124.4	141.0
Aug	135.1	132.8	149.4	123.8	122.6	124.7	139.3	125.0	141.9
Sept	135.5	132.8	148.3	124.3	122.6	125.5	140.6	125.4	143.4
Oct	136.6	133.5	148.4	125.4	123.2	127.0	142.2	125.9	145.2
Nov	137.6	134.7	150.0	126.3	123.3	128.5	143.0	126.3	146.1
Dec	138.5	135.7	151.3	127.1	123.2	130.0	143.8	126.9	146.9
1974: Jan	139.7	137.0	153.7	127.9	123.3	131.3	144.8	127.3	148.0
Feb	141.5	139.3	157.6	129.2	123.4	133.5	145.8	128.0	149.1
Mar	143.1	141.0	159.1	131.1	124.3	136.1	147.0	128.4	150.4
Apr	144.0	141.9	158.6	132.8	126.1	137.7	147.9	128.8	151.4
May	145.6	143.7	159.7	134.9	128.5	139.5	149.4	129.3	153.1

Source: Department of Labor.

WHOLESALE PRICES

wholesale price index rose 1.5 percent in May (1.3 percent after adjustment for seasonal factors). Prices of farm products and processed foods and feeds decreased 1.3 percent (2.2 percent seasonally adjusted), their third consecutive monthly decline. Industrial commodity prices were up 2.7 percent (also 2.7 percent seasonally adjusted); for the third month in a row higher metal prices accounted for about thirty percent of the industrial price increase.



SOURCE: DEPARTMENT OF LABOR

COUNCIL OF ECONOMIC ADVISERS

[1967=100]

Period	All commodities	Farm products and processed foods and feeds			Industrial commodities					
		Total	Farm products	Processed foods and feeds	All industrials ¹	Crude materials ²	Intermediate materials ³	Producer finished goods	Consumer finished goods excluding foods	
									Durable	Non-durable
1965	96.6	97.1	98.7	95.5	96.4	100.9	96.9	94.4	97.9	95.9
1966	99.8	103.5	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	100.0
1968	102.5	102.4	102.5	102.2	102.5	102.0	102.6	103.5	102.2	102.2
1969	106.5	108.0	109.1	107.3	106.0	110.6	106.1	106.9	104.0	105.0
1970	110.4	111.7	111.0	112.1	110.0	118.8	110.0	111.9	107.1	108.2
1971	113.9	113.8	112.9	114.3	114.0	122.7	114.3	116.6	110.9	111.3
1972	119.1	122.4	125.0	120.8	117.9	131.1	118.9	119.5	113.2	113.6
1973	134.7	159.1	176.3	148.1	125.9	155.2	128.1	123.5	115.8	120.5
1973: Apr	130.5	147.9	160.6	139.8	124.2	146.8	126.4	122.3	115.3	118.8
May	133.2	154.9	170.4	145.0	125.3	149.6	127.9	123.1	115.7	119.5
June	136.0	163.6	182.3	151.8	126.0	152.8	128.6	123.4	115.9	120.2
July	134.3	156.9	173.3	146.5	126.1	153.5	128.5	123.5	116.1	120.5
Aug	142.1	184.5	213.3	166.2	126.7	156.0	129.3	123.9	116.3	120.9
Sept	139.7	173.5	200.4	156.3	127.4	161.0	130.1	124.2	115.8	121.2
Oct	138.7	166.8	188.4	153.1	128.5	164.7	131.0	125.1	116.7	122.6
Nov	139.2	164.4	184.0	151.9	130.1	174.2	132.4	125.7	117.0	124.4
Dec	141.8	168.0	187.2	155.7	132.2	179.8	134.8	126.7	117.9	126.6
1974: Jan	146.6	177.8	202.6	162.1	135.3	188.2	137.9	128.3	119.6	130.2
Feb	149.5	180.6	205.6	164.7	138.2	202.7	140.6	129.3	120.2	134.0
Mar	151.4	176.2	197.0	163.0	142.4	212.2	145.8	130.9	120.9	137.8
Apr	152.7	169.6	186.2	159.1	146.6	224.8	150.8	132.4	122.0	141.2
May	155.0	167.4	180.8	158.9	150.5	216.5	156.1	135.9	123.7	144.3

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.

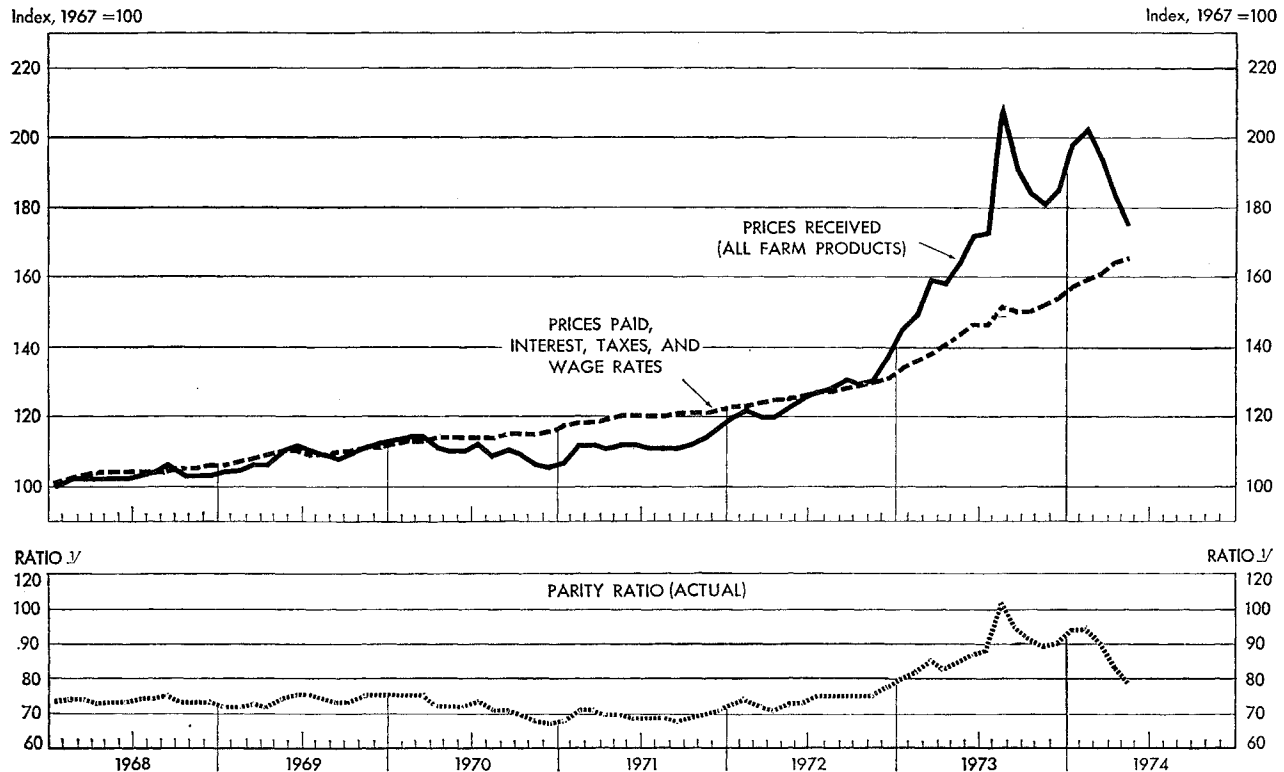
³ Excludes intermediate materials for food manufacturing and manufactured animal feeds; includes, in part, grain products for further processing.

Note.—Series revised beginning March 1973.

Source: Department of Labor.

PRICES RECEIVED AND PAID BY FARMERS

In the month ended May 15, prices received by farmers declined 4 percent. Contributing most to the decrease were lower prices for cotton, hogs, cattle, wheat, eggs, and calves. Prices paid rose $\frac{2}{3}$ percent. Both the actual and adjusted parity ratios dropped 4 points.



$\frac{1}{2}$ RATIO OF INDEX OF PRICES RECEIVED TO INDEX OF PRICES PAID, INTEREST, TAXES, AND WAGE RATES, ON 1910-14=100 BASE.
SOURCE: DEPARTMENT OF AGRICULTURE

COUNCIL OF ECONOMIC ADVISERS

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								
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	117	109	109	106	74	80
1970	110	100	118	114	114	110	72	77
1971	112	107	116	120	119	115	69	74
1972	126	115	134	127	124	122	74	79
1973	172	164	179	145	138	146	88	91
1973: Apr 15	158	143	169	141	134	139	83	86
May 15	163	154	170	143	136	143	85	88
June 15	172	170	174	146	138	149	87	90
July 15	173	162	181	146	138	148	88	91
Aug 15	208	196	218	151	141	157	102	105
Sept 15	191	182	198	150	142	154	95	97
Oct 15	184	180	188	150	142	153	91	94
Nov 15	181	181	183	152	146	153	89	92
Dec 15	185	195	179	154	147	156	90	92
1974: Jan 15	198	208	193	157	149	161	94	94
Feb 15	202	220	190	159	153	161	94	94
Mar 15	194	216	179	161	155	162	90	90
Apr 15	183	205	169	164	157	167	83	83
May 15	175	201	158	165	159	166	79	79

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.

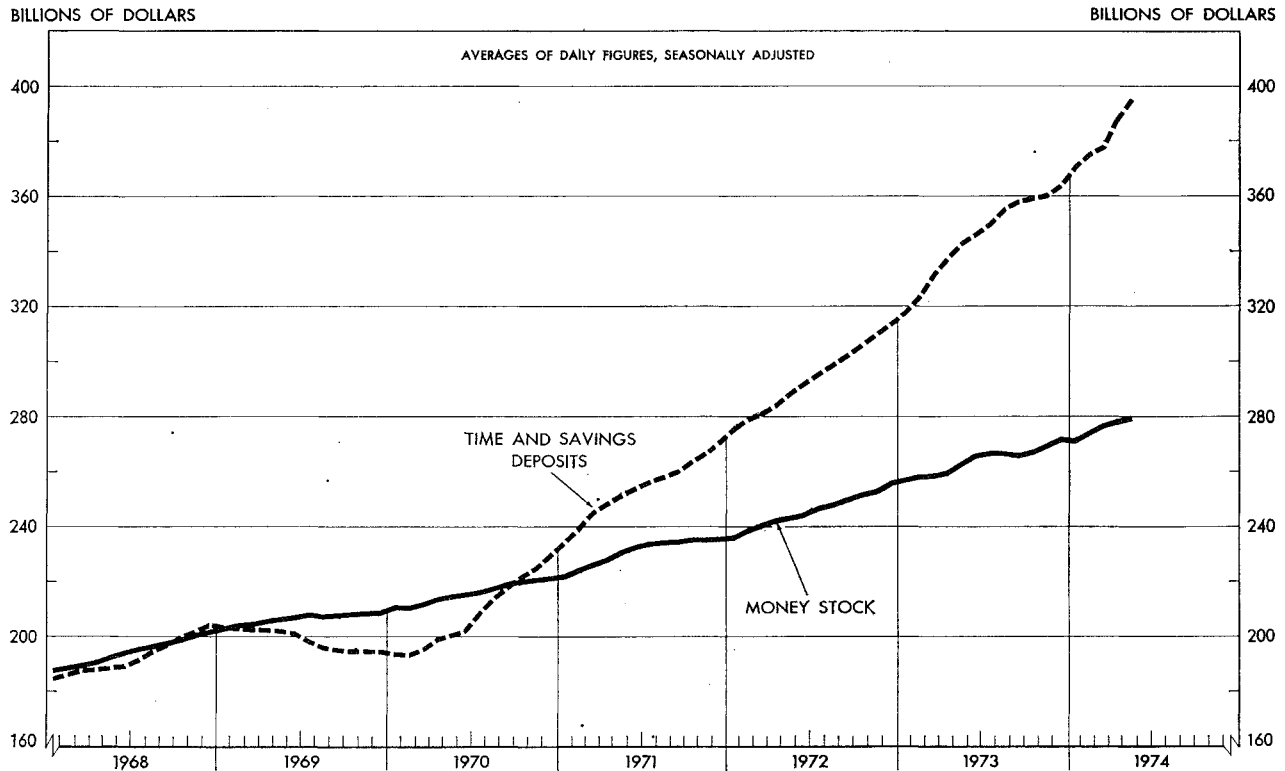
Note.—Series revised beginning 1970.

Source: Department of Agriculture.

MONEY, CREDIT, AND SECURITY MARKETS

MONEY STOCK

The seasonally adjusted money stock increased at an annual rate of 5.3 percent in May. From May 1973 to May 1974, it grew 6.4 percent.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

[Averages of daily figures, billions of dollars]

Period	Money stock				Money stock				U.S. Gov- ernment demand deposits ¹
	Total	Cur- rency out- side banks	De- mand de- posits ¹	Time and savings de- posits ¹	Total	Cur- rency out- side banks	De- mand de- posits ¹	Time and savings de- posits ¹	
1968: Dec.....	201.5	43.4	158.1	204.2	207.6	44.3	163.3	203.2	5.0
1969: Dec.....	208.6	46.1	162.5	194.4	214.7	46.9	167.7	193.2	5.6
1970: Dec.....	221.2	49.1	172.2	229.2	227.6	50.0	177.7	228.1	7.3
1971: Dec.....	235.2	52.6	182.6	270.9	241.9	53.5	188.4	269.8	6.9
1972: Dec.....	255.7	56.9	198.7	313.3	263.0	57.9	205.1	311.8	7.4
1973: Dec.....	271.4	61.7	209.7	363.5	279.1	62.7	216.4	362.2	6.3
1973: Apr.....	259.4	58.6	200.8	337.4	260.9	58.3	202.6	337.6	8.3
May.....	262.4	58.9	203.4	342.7	257.9	58.7	199.2	342.7	8.7
June.....	265.5	59.4	206.2	345.9	263.6	59.4	204.1	344.7	7.1
July.....	266.4	59.5	206.9	349.6	265.7	60.0	205.7	347.8	6.5
Aug.....	266.3	59.8	206.4	355.1	263.0	60.0	202.9	356.7	4.1
Sept.....	265.5	60.2	205.3	358.0	264.0	60.1	203.8	359.3	5.3
Oct.....	266.6	60.5	206.1	359.1	266.1	60.4	205.7	360.3	6.0
Nov.....	269.2	61.0	208.2	360.1	270.9	61.5	209.5	359.0	4.3
Dec.....	271.4	61.7	209.7	363.5	279.1	62.7	216.4	362.2	6.3
1974: Jan.....	270.8	61.9	208.9	370.1	278.1	61.6	216.5	369.4	8.0
Feb.....	273.7	62.7	211.1	374.8	270.8	61.9	209.0	374.4	6.6
Mar.....	276.2	63.4	212.9	377.7	273.5	62.7	210.8	379.2	6.3
Apr ^p	278.1	64.0	214.1	387.4	279.6	63.6	216.1	387.3	6.0
May ^p	279.3	64.5	214.8	394.8	274.6	64.3	210.3	394.2	7.5

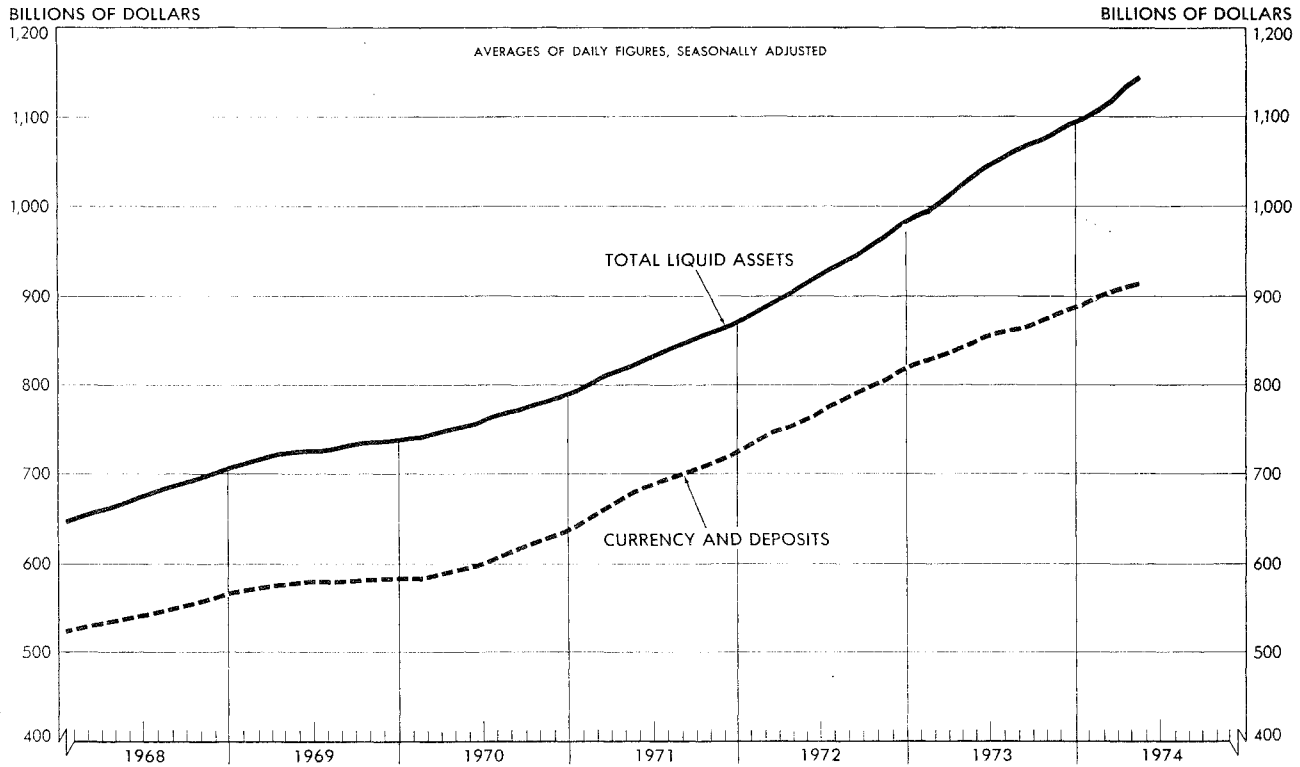
¹Deposits at commercial banks.

Source: Board of Governors of the Federal Reserve System.

Note.—Series revised beginning 1973.

PRIVATE LIQUID ASSET HOLDINGS - NONFINANCIAL INVESTORS

Private nonfinancial investors increased their holdings of liquid assets in May by \$9.9 billion (seasonally adjusted). Three-fifths of the increase is accounted for by negotiable certificates of deposit and commercial paper.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

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

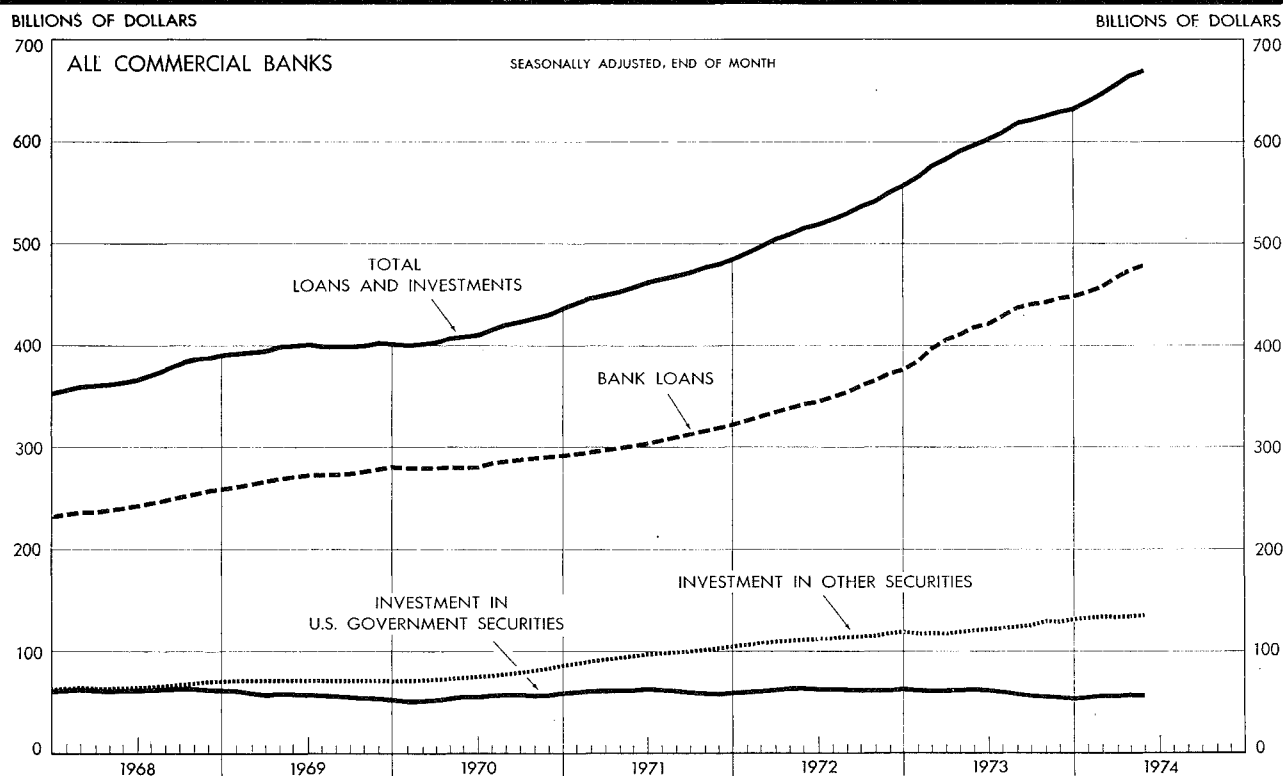
Period	Total liquid assets	Currency and deposits					U.S. Government securities		Negotiable certificates of deposit	Commercial paper
		Total	Currency	Demand deposits	Time deposits		Savings bonds	Short-term marketable securities		
					Commercial banks	Nonbank thrift institutions				
1967: Dec	643.2	520.9	40.4	130.0	156.4	194.1	51.0	39.5	19.1	12.8
1968: Dec	704.2	564.6	43.4	140.0	174.5	206.7	51.4	46.8	22.4	18.9
1969: Dec	736.9	582.9	46.1	144.5	177.3	215.0	51.1	64.9	9.0	29.1
1970: Dec	786.5	634.2	49.1	153.1	199.2	232.8	51.3	53.3	23.0	24.7
1971: Dec	868.1	721.1	52.6	161.7	233.8	273.0	53.7	39.6	29.7	23.9
1972: Dec	978.1	815.4	56.9	175.0	264.8	318.8	57.0	39.1	39.3	27.3
1973: Dec	1,091.0	884.8	61.7	181.5	294.4	347.2	59.9	53.8	57.2	35.3
1973: Apr	1,018.6	838.5	58.6	175.6	273.4	330.9	58.2	42.6	53.3	26.1
1973: May	1,031.5	846.0	58.9	177.7	275.8	333.6	58.5	44.6	56.0	26.4
1973: June	1,042.5	854.7	59.4	180.2	278.4	336.7	58.8	45.4	56.4	27.3
1973: July	1,050.8	859.0	59.5	180.6	280.1	338.8	59.0	45.9	58.4	28.5
1973: Aug	1,060.7	862.0	59.8	179.7	283.2	339.4	59.2	48.4	60.8	30.2
1973: Sept	1,067.9	865.4	60.2	178.7	285.8	340.6	59.4	50.1	61.1	32.0
1973: Oct	1,073.1	871.5	60.5	178.9	289.5	342.6	59.5	50.8	58.0	33.4
1973: Nov	1,080.9	878.3	61.0	180.6	292.1	344.7	59.7	52.2	56.3	34.4
1973: Dec	1,091.0	884.8	61.7	181.5	294.4	347.2	59.9	53.8	57.2	35.3
1974: Jan	1,097.8	890.0	61.9	180.1	298.2	349.7	59.9	52.0	59.9	35.9
1974: Feb	1,107.1	898.5	62.7	182.1	301.6	352.1	60.2	50.2	61.1	37.0
1974: Mar	1,118.2	905.0	63.4	183.3	303.4	354.9	60.5	51.4	62.4	38.8
1974: Apr ^p	1,133.4	910.7	64.0	184.2	305.5	357.1	60.8	51.7	70.1	40.0
1974: May ^p	1,143.3	914.0	64.5	184.7	306.9	357.9	61.0	52.2	75.8	40.3

Note.—Series revised beginning 1959.

Source: Board of Governors of the Federal Reserve System.

NK LOANS, INVESTMENTS, DEBITS, AND RESERVES

Loans and investments (seasonally adjusted) at all commercial banks increased at an annual rate of 10.2 percent in May, down from a 16.3 percent annual rate in April. Net borrowed reserves increased by \$862 million during the month.



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

COUNCIL OF ECONOMIC ADVISERS

End of period	All commercial banks (seasonally adjusted data)					Bank debits outside New York City (232 centers), seasonally adjusted annual rates ¹	All member banks ²			
	Total loans and invest- ments	Loans		Investments			Total reserves	Excess reserves	Borrow- ings at Federal Reserve Banks	Free reserves
		Total, exclud- ing inter- bank	Com- mercial and indus- trial	U.S. Gov- ernment securities	Other securi- ties					
	Billions of dollars						Millions of dollars			
1968.....	390.2	258.2	95.9	60.7	71.3	4,360	27,221	455	765	-310
1969.....	³ 401.7	³ 279.1	³ 105.7	³ 51.5	³ 71.1	5,150	28,031	257	1,086	-829
1970.....	435.5	291.7	110.0	57.9	85.9	5,717	29,265	272	321	-49
1971.....	484.8	⁴ 320.3	115.9	60.1	⁴ 104.4	6,443	31,329	165	107	58
1972.....	556.4	377.8	129.7	61.9	116.7	7,530	⁵ 31,353	⁵ 219	1,049	⁵ -830
1973 ^p	630.3	447.3	155.8	52.8	130.2	9,632	35,068	262	⁶ 1,298	-1,036
1973: May.....	597.7	417.4	146.8	61.0	119.3	9,275	32,336	59	1,786	-1,727
June.....	602.0	420.3	148.2	61.6	120.1	9,414	32,029	59	1,788	-1,729
July.....	608.8	427.5	151.2	59.8	121.5	9,843	33,590	391	2,050	-1,659
Aug.....	617.4	435.9	153.4	57.9	123.6	10,145	33,783	243	2,144	-1,901
Sept.....	620.2	439.1	153.7	56.4	124.7	9,894	34,020	245	1,861	-1,616
Oct.....	624.2	441.1	153.6	55.1	128.0	10,258	34,913	223	1,465	-1,242
Nov.....	628.4	445.5	155.0	55.0	127.9	10,612	34,725	182	1,399	-1,217
Dec.....	630.3	447.3	155.8	52.8	130.2	10,544	35,068	262	1,298	-1,036
1974: Jan ^p	638.0	452.3	157.8	54.4	131.3	10,735	36,655	236	1,044	-808
Feb ^p	645.7	457.1	158.9	56.2	132.4	10,917	35,242	189	1,186	-997
Mar ^p	654.9	466.3	164.4	56.2	132.4	11,253	34,966	176	1,352	-1,176
Apr ^p	663.2	473.7	168.9	56.7	132.8	11,447	35,929	158	1,714	-1,556
May ^p	668.6	478.0	171.9	56.7	133.9		36,486	161	2,579	-2,418

¹Debits during period to demand deposit accounts except interbank and Government.

²Averages of daily figures. Annual data are for December.

³Beginning June 1969, data include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries; earlier data include commercial banks only.

⁴As of June 1971, Farmers Home Administration notes totaling about \$0.7 billion are classified as other securities rather than as loans.

⁵Beginning November 9, 1972 adjusted to include certain reserve deficiencies on which penalties can be waived for a transition period in connection with adaptation to Regulation J.

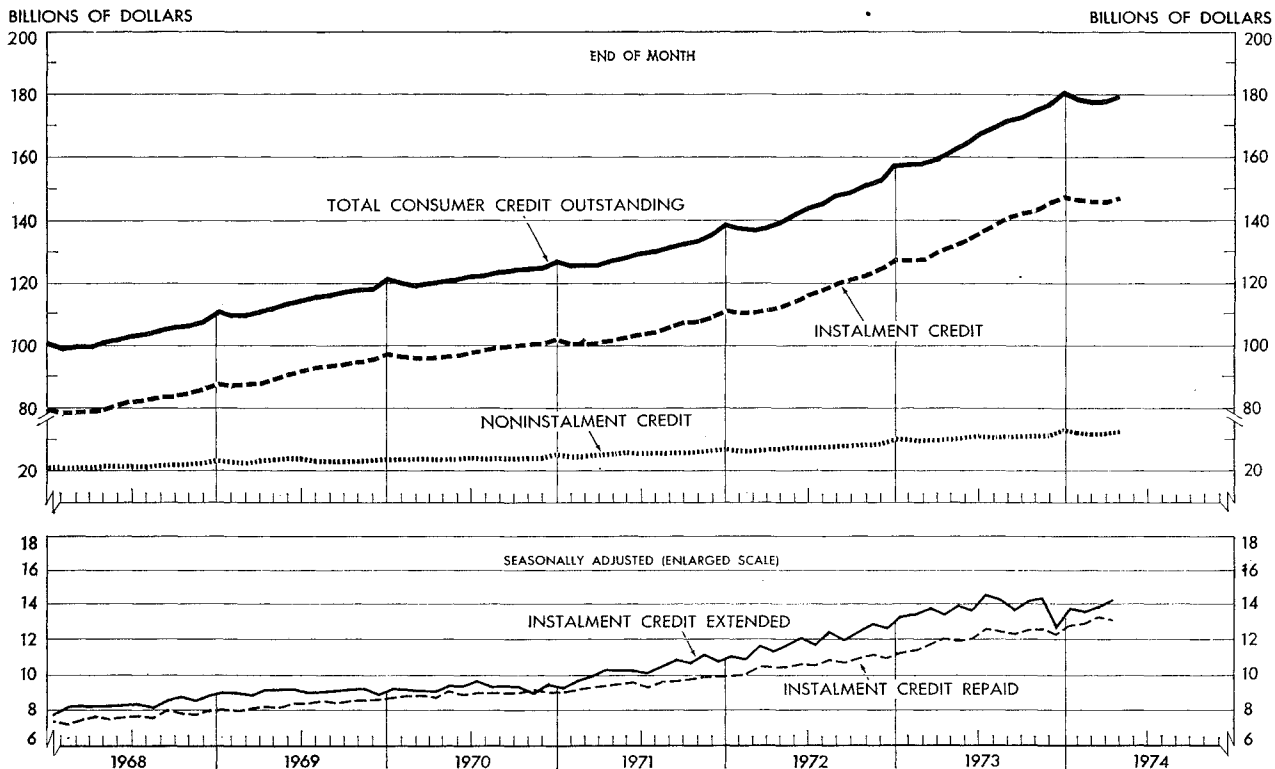
⁶Beginning April 1973, includes seasonal borrowings.

Note.—Commercial bank data revised beginning July 1973.

Source: Board of Governors of the Federal Reserve System.

CONSUMER AND REAL ESTATE CREDIT

Consumer credit (seasonally unadjusted) increased \$1.9 billion during April. A year earlier there was an increase of \$2.2 billion. Seasonally adjusted consumer instalment credit rose \$1.2 billion in April.



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 ³
	Total	Instalment			Non-instalment ²	Total		Automobile paper		
		Total ¹	Automobile paper	Personal loans		Extended	Repaid	Extended	Repaid	
1965	89,883	70,893	28,437	20,237	18,990	78,661	70,463	27,208	23,706	212,900
1966	96,239	76,245	30,010	21,662	19,994	82,832	77,480	27,192	25,619	223,600
1967	100,783	79,428	29,796	23,235	21,355	87,171	83,988	26,320	26,534	236,100
1968	110,770	87,745	32,948	25,932	23,025	99,984	91,667	31,083	27,931	251,200
1969	121,146	97,105	35,527	28,652	24,041	109,146	99,786	32,553	29,974	266,800
1970	127,163	102,064	35,184	30,345	25,099	112,158	107,199	29,794	30,137	280,200
1971	138,394	111,295	38,664	32,865	27,099	124,281	115,050	34,873	31,393	307,200
1972	157,564	127,332	44,129	36,922	30,232	142,951	126,914	40,194	34,729	345,500
1973	180,486	147,437	51,130	41,425	33,049	165,083	144,978	46,453	39,452	^p 386,500
1973: Mar	159,320	129,375	45,610	37,486	29,945	13,852	11,808	4,001	3,225	^p 354,000
Apr	161,491	131,022	46,478	37,695	30,469	13,465	12,061	3,822	3,218	
May	164,277	133,531	47,518	38,376	30,746	13,932	11,941	3,989	3,261	
June	167,083	136,018	48,549	38,928	31,065	13,646	12,034	3,762	3,253	^p 366,200
July	169,148	138,212	49,352	39,440	30,936	14,542	12,544	3,930	3,334	
Aug	171,978	140,810	50,232	40,064	31,168	14,294	12,399	3,968	3,293	
Sept	173,035	142,093	50,557	40,397	30,942	13,691	12,332	3,939	3,406	^p 378,400
Oct	174,840	143,610	51,092	40,651	31,230	14,149	12,449	3,912	3,427	
Nov	176,969	145,400	51,371	41,116	31,569	14,275	12,549	3,819	3,471	
Dec	180,486	147,437	51,130	41,425	33,049	12,677	12,267	3,315	3,338	^p 386,500
1974: Jan	178,686	146,575	50,617	41,352	32,111	13,714	12,797	3,492	3,433	
Feb	177,522	145,927	50,386	41,417	31,595	13,541	12,870	3,389	3,394	
Mar	177,572	145,768	50,310	41,492	31,804	13,823	13,206	3,484	3,544	^p 392,100
Apr	179,495	147,047	50,607	41,851	32,448	14,179	13,026	3,545	3,498	

¹ Also includes other consumer goods paper, and home improvement loans, not shown separately.

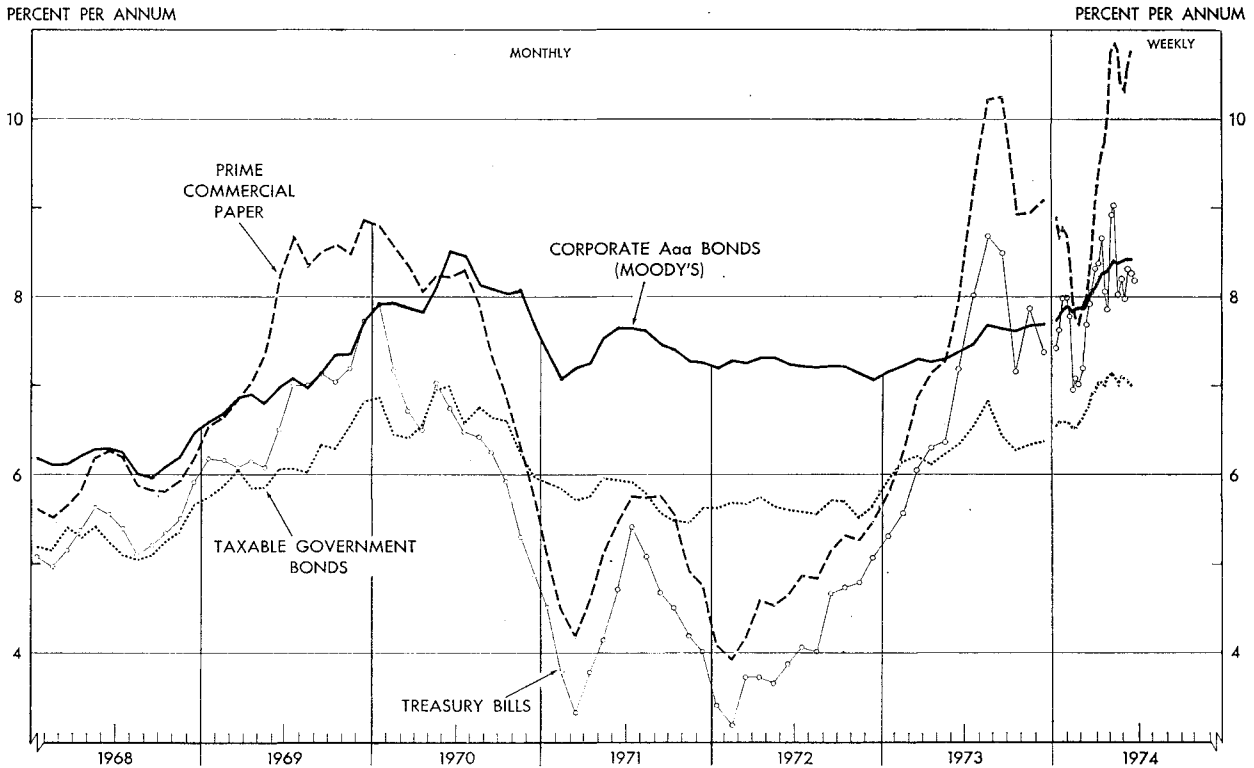
² Consists of single-payment loans, charge accounts, and service credit.

³ End of period, unadjusted.

Source: Board of Governors of the Federal Reserve System.

BOND YIELDS AND INTEREST RATES

During the first 3 weeks of June, interest rates generally increased.



SOURCE: SEE TABLE BELOW

COUNCIL OF ECONOMIC ADVISERS

[Percent per annum]

Period	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		
1968.....	5.339	5.59	5.25	4.51	6.18	6.94	5.90	7.13
1969.....	6.677	6.85	6.10	5.81	7.03	7.81	7.83	8.19
1970.....	6.458	7.37	6.59	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
1972.....	4.071	5.85	5.63	5.27	7.21	8.16	4.69	7.53
1973.....	7.041	6.92	6.30	5.18	7.44	8.24	8.15	8.08
1973: May.....	6.348	6.78	6.22	5.12	7.29	8.06	7.27	7.73
June.....	7.188	6.76	6.32	5.15	7.37	8.13	7.99	7.79
July.....	8.015	7.49	6.53	5.39	7.45	8.24	9.18	7.89
Aug.....	8.672	7.75	6.81	5.47	7.68	8.53	10.21	8.19
Sept.....	8.478	7.16	6.42	5.11	7.63	8.63	10.23	-----
Oct.....	7.155	6.81	6.26	5.05	7.60	8.41	8.92	9.18
Nov.....	7.866	6.96	6.31	5.17	7.67	8.42	8.94	8.97
Dec.....	7.364	6.80	6.35	5.12	7.68	8.48	9.08	8.86
1974: Jan.....	7.755	6.94	6.56	5.20	7.83	8.58	8.66	8.78
Feb.....	7.060	6.77	6.54	5.19	7.85	8.59	7.82	-----
Mar.....	7.986	7.33	6.81	5.36	8.01	8.65	8.42	8.54
Apr.....	8.229	7.99	7.04	5.67	8.25	8.88	9.79	8.66
May.....	8.430	8.24	7.07	5.96	8.37	9.10	10.62	9.17
June.....	-----	-----	-----	-----	-----	-----	-----	9.46
Week ended:	-----	-----	-----	-----	-----	-----	-----	-----
1974: May 17.....	8.023	8.20	7.02	5.98	8.36	9.07	10.80	-----
24.....	8.197	8.09	7.08	6.00	8.38	9.16	10.38	-----
31.....	7.983	8.07	7.06	5.98	8.39	9.23	10.31	-----
June 7.....	8.300	8.06	7.04	5.98	8.40	9.26	10.53	-----
14.....	8.260	8.06	6.99	5.98	8.40	9.29	10.75	-----
21.....	8.177	8.09	6.70	6.08	8.49	9.36	11.10	-----

¹ Late on new issues within period. ² Selected note and bond issues.

³ April 1953 to date, bonds due or callable 10 years and after.

⁴ Weekly data are Wednesday figures.

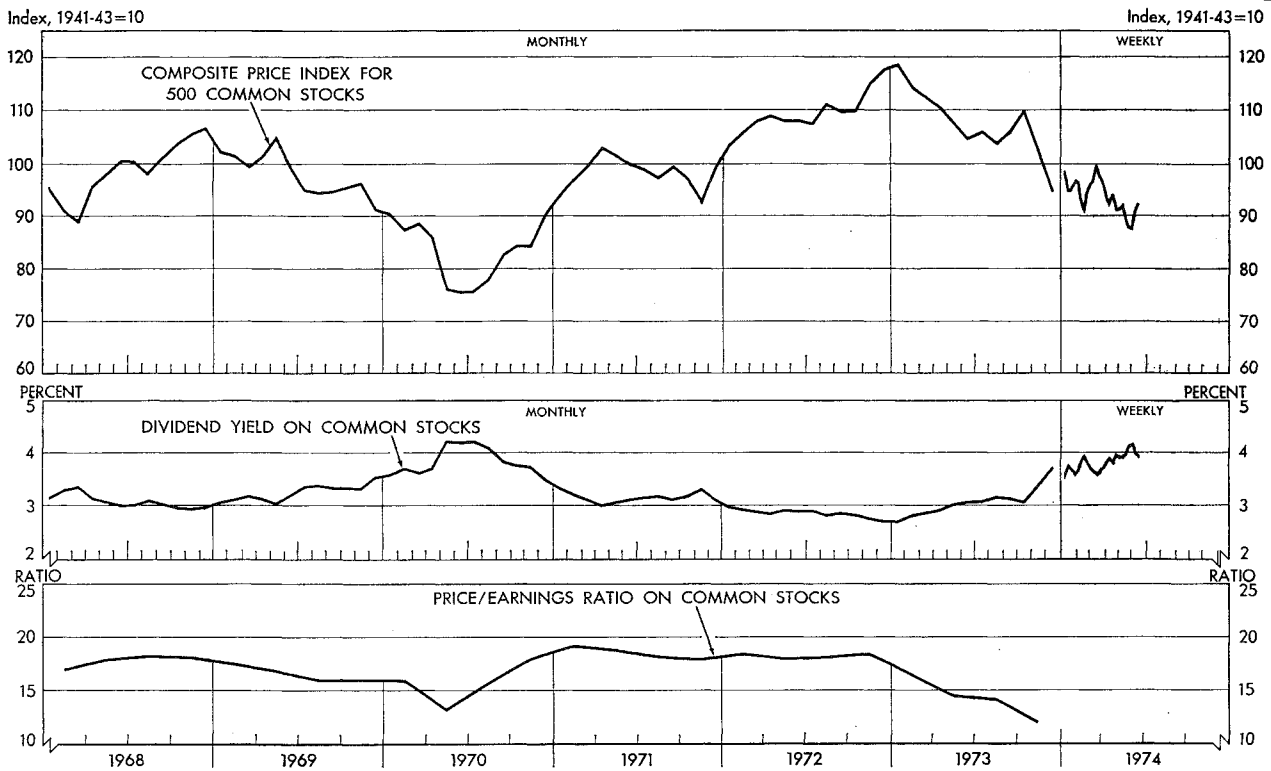
⁵ Not charted.

⁶ Data for first of the month, based on the maximum permissible interest rate (8 3/4 percent beginning May 13, 1974) and 30-year mortgages paid in 15 years.

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

COMMON STOCK PRICES, YIELD, AND EARNINGS

Although stock prices declined in the third week of June, they were slightly above their end-of-May level.



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								
1968.....	98.70	107.49	105.77	86.33	66.42	48.84	3.07	17.66
1969.....	97.84	107.13	103.75	87.06	62.64	45.95	3.24	16.48
1970.....	83.22	91.29	87.87	80.22	54.48	32.13	3.83	15.69
1971.....	98.29	108.35	102.80	99.78	59.33	41.94	3.14	18.50
1972.....	109.20	121.79	119.39	113.91	56.90	44.11	2.84	18.20
1973.....	107.43	120.44	118.58	107.13	53.47	38.01	3.06	^p 14.22
1973: May.....	107.22	119.95	116.48	107.44	55.43	36.14	3.01	-----
June.....	104.75	117.20	114.75	104.83	54.37	34.35	3.06	14.42
July.....	105.83	118.65	116.31	105.94	53.31	35.22	3.04	-----
Aug.....	103.80	116.75	115.98	104.35	50.14	33.76	3.16	-----
Sept.....	105.61	118.52	116.60	105.16	52.31	35.49	3.13	14.10
Oct.....	109.84	123.42	122.30	106.58	53.22	38.24	3.05	-----
Nov.....	102.03	114.64	115.48	96.97	48.30	39.74	3.36	-----
Dec.....	94.78	106.16	107.44	86.57	45.73	41.48	3.70	^p 11.95
1974: Jan.....	96.11	107.18	108.06	87.63	48.60	44.37	3.64	-----
Feb.....	93.45	104.13	104.31	86.85	48.13	41.85	3.81	-----
Mar.....	97.44	108.98	109.22	92.24	47.90	42.80	3.65	-----
Apr.....	92.46	103.66	104.19	87.73	44.03	40.26	3.86	-----
May.....	89.67	101.17	100.69	87.34	39.35	37.04	4.00	-----
Week ended:								
1974: May 10.....	91.73	103.41	103.36	88.08	40.68	38.40	3.90	-----
17.....	89.95	101.53	102.24	87.82	39.18	37.39	3.96	-----
24.....	87.75	99.04	97.34	85.60	38.46	35.56	4.12	-----
31.....	87.49	98.83	96.56	87.00	37.99	35.24	4.13	-----
June 7.....	90.81	102.61	100.33	90.34	39.00	37.46	3.98	-----
14.....	92.22	104.33	102.23	92.37	38.64	38.43	3.91	-----
21.....	⁴ 88.80	1005.9	99.30	89.61	36.45	37.11	⁴ 4.06	-----

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 of quarter to earnings for 12 months end with that quarter. Annual ratios are averages of quarterly data.

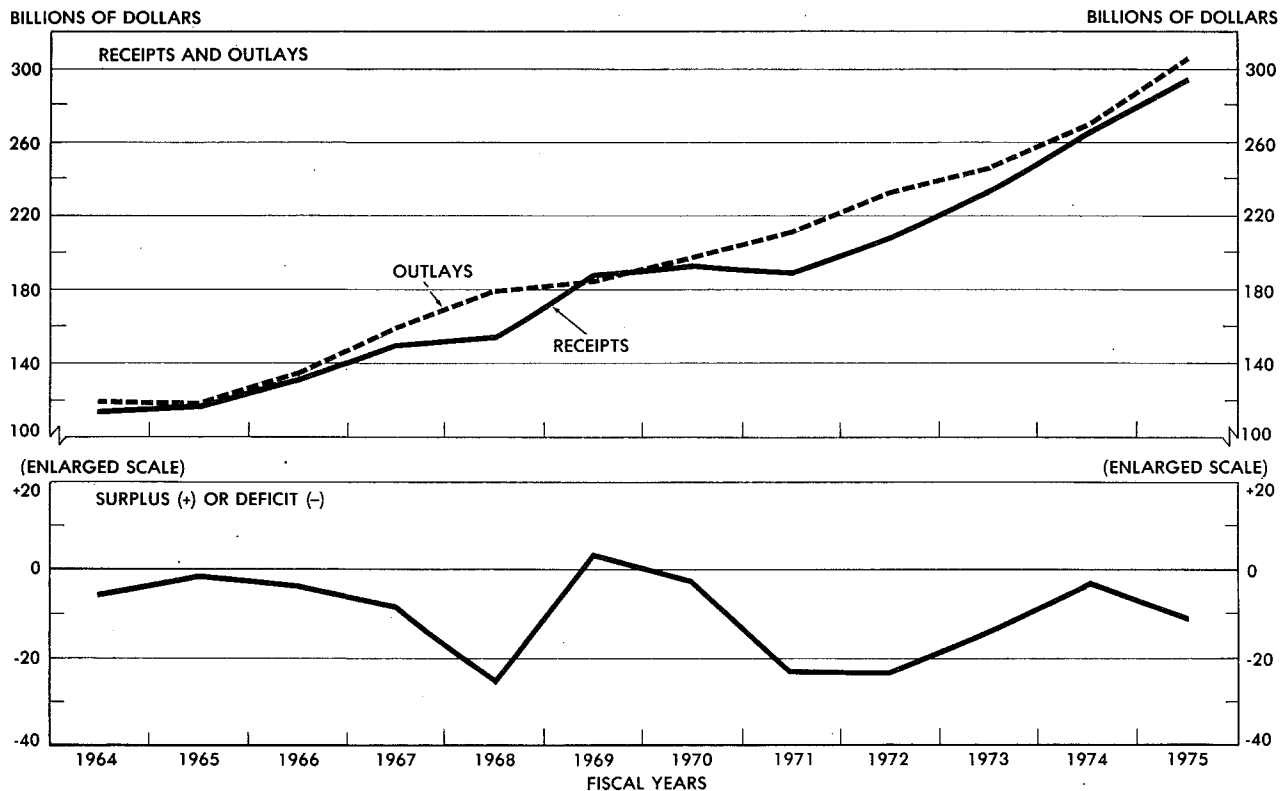
⁴ Not charted.

Source: Standard & Poor's Corporation.

FEDERAL FINANCE

FEDERAL BUDGET RECEIPTS AND OUTLAYS AND DEBT

In the first 10 months of fiscal 1974 there was a deficit of \$5.8 billion; a year earlier the deficit was \$18.3 billion.



SOURCES: TREASURY DEPARTMENT AND OFFICE OF MANAGEMENT AND BUDGET

COUNCIL OF ECONOMIC ADVISERS

[Billions of dollars]

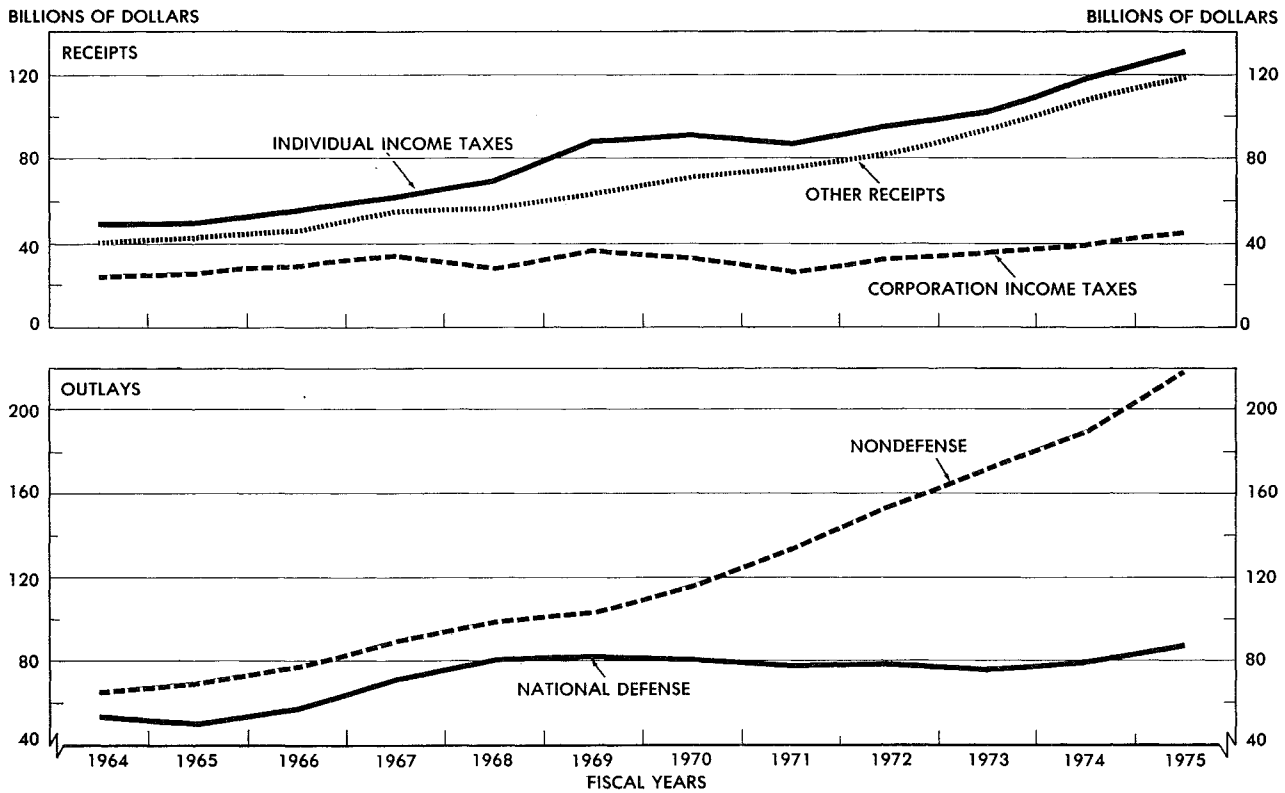
Period	Receipts	Outlays	Surplus or deficit (-)	Federal debt (end of period)	
				Total ¹	Held by the public
Fiscal year:					
1963.....	106.6	111.3	-4.8	310.8	254.5
1964.....	112.7	118.6	-5.9	316.8	257.6
1965.....	116.8	118.4	-1.6	323.2	261.6
1966.....	130.9	134.7	-3.8	329.5	264.7
1967.....	149.6	158.3	-8.7	341.3	267.5
1968.....	153.7	178.8	-25.2	369.8	290.6
1969.....	187.8	184.5	3.2	367.1	279.5
1970.....	193.7	196.6	-2.8	382.6	284.9
1971.....	188.4	211.4	-23.0	409.5	304.3
1972.....	208.6	231.9	-23.2	437.3	323.8
1973.....	232.2	246.5	-14.3	468.4	343.0
1974 ²	266.0	269.5	-3.5	484.3	344.3
1975 ²	294.0	305.4	-11.4	509.1	359.8
Cumulative totals for first 10 months:					
Fiscal year 1973.....	187.1	205.5	-18.3	467.3	347.4
Fiscal year 1974.....	214.4	220.2	-5.8	483.1	349.9

¹Excludes non-interest-bearing public debt securities held by IMF.
²Estimates as revised June 12, 1974.

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

FEDERAL BUDGET RECEIPTS BY SOURCE AND OUTLAYS BY FUNCTION

For the first 10 months of fiscal 1974 budget receipts were \$27.3 billion higher than a year earlier and budget outlays were \$14.7 billion higher.



[Billions of dollars]

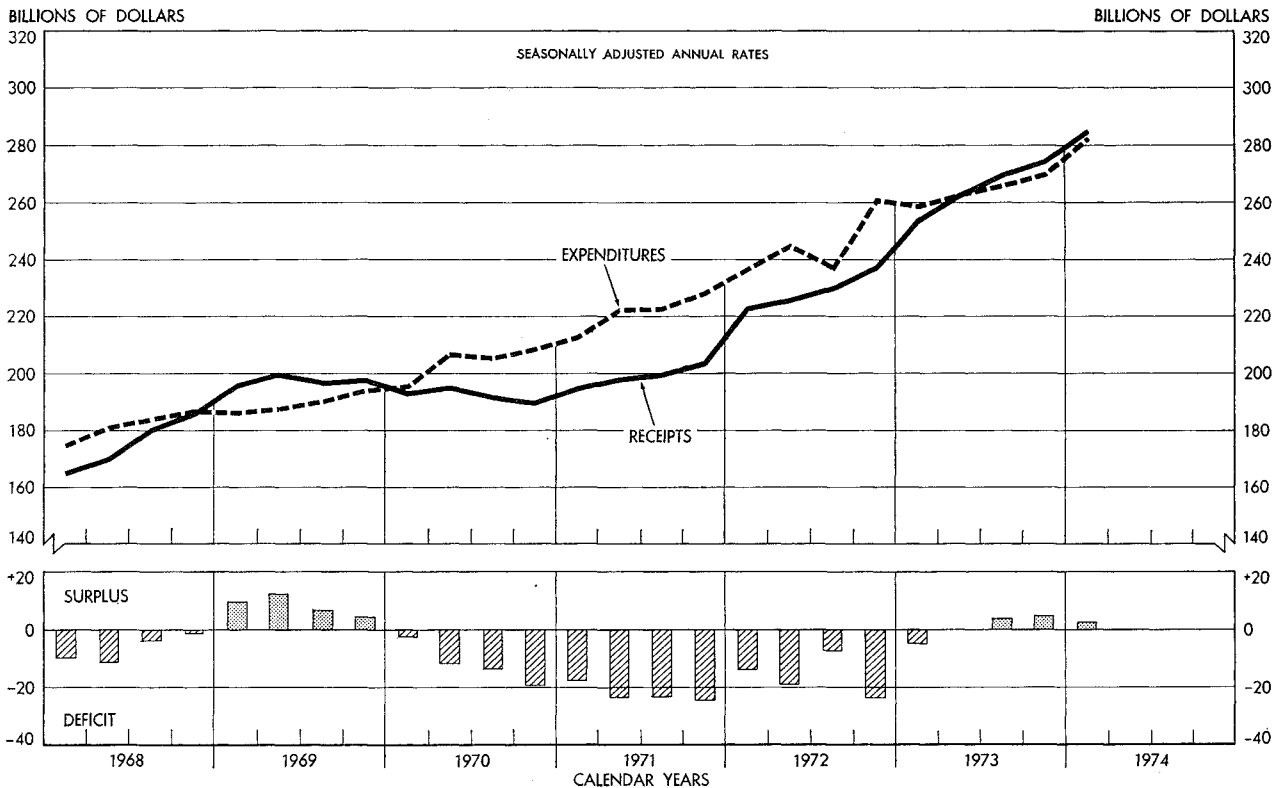
Period	Receipts				Outlays						
	Total	Individual income taxes	Corporation income taxes	Other	Total	National defense		International affairs and finance	Health and income security	Interest	Other
						Total	Department of Defense, military				
Fiscal year:											
1963	106.6	47.6	21.6	37.4	111.3	52.3	48.1	4.1	25.4	9.2	20.3
1964	112.7	48.7	23.5	40.5	118.6	53.6	49.6	4.1	26.9	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	31.4	11.3	30.7
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	49.4	15.8	34.4
1970	193.7	90.4	32.8	70.5	196.6	80.3	77.2	3.6	56.6	18.3	37.8
1971	188.4	86.2	26.8	75.4	211.4	77.7	74.5	3.1	70.6	19.6	40.5
1972	208.6	94.7	32.2	81.7	231.9	78.3	75.2	3.7	82.0	20.6	47.2
1973	232.2	103.2	36.2	92.8	246.5	76.0	73.3	3.0	91.5	22.8	53.2
1974 ¹	266.0	118.0	39.7	108.3	269.5	79.5	77.4	3.9	106.0	28.0	52.1
1975 ¹	294.0	131.0	44.5	118.5	305.4	87.9	84.5	4.4	128.4	30.0	54.7
Cumulative totals for first 10 months:											
Fiscal year 1973	187.1	87.1	26.4	73.6	205.5	61.5	59.5	2.5	74.9	18.7	47.8
Fiscal year 1974	214.4	99.1	28.5	86.9	220.2	64.1	63.4	2.8	85.8	23.3	44.2

¹ Estimates as revised June 12, 1974.

Sources: Department of the Treasury and Office of Management and Bud

FEDERAL SECTOR, NATIONAL INCOME ACCOUNTS BASIS

According to preliminary estimates for the first quarter, Federal receipts increased \$10.6 billion (seasonally adjusted annual rate) and expenditures rose \$12.7 billion, yielding a surplus of \$2.6 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:													
1971	192.6	87.4	32.2	20.1	52.9	212.6	95.9	69.7	26.8	14.3	5.8	0.1	-19.9
1972	213.7	100.1	34.7	19.9	59.0	233.2	103.2	78.6	32.9	13.4	5.2	.0	-19.5
1973 ^p	243.3	107.2	43.8	20.9	71.4	255.1	104.5	89.4	40.4	14.4	6.4	.0	-11.8
1974 ¹	278.2	122.4	51.1	21.5	83.2	278.8	109.8	104.5	42.6	17.6	4.2	-.1	-.6
1975 ¹	304.3	135.4	51.9	24.0	93.0	317.1	121.2	125.8	48.0	19.6	2.1	-.4	-12.8
Calendar year:													
1970	192.0	92.2	31.0	19.3	49.5	203.9	96.2	63.2	24.4	14.6	5.5	.0	-11.9
1971	198.9	89.9	33.3	20.4	55.2	221.0	98.1	74.9	29.1	13.6	5.3	.0	-22.2
1972	228.7	107.9	37.8	19.9	63.0	244.6	104.4	82.9	37.7	13.5	6.1	.0	-15.9
1973 ^p	265.0	114.5	49.4	21.0	80.1	264.0	106.6	95.4	40.9	15.9	5.1	.0	.9
1972: III	229.6	108.1	38.0	19.9	63.6	237.0	102.3	80.8	34.4	13.4	6.2	.0	-7.4
IV	236.9	111.3	40.7	20.3	64.6	260.3	102.7	91.0	46.1	13.7	6.7	.0	-23.4
1973: I	253.6	108.5	46.6	20.7	77.8	258.6	105.5	91.8	41.1	14.7	5.5	.0	-5.0
II	262.4	111.4	50.8	21.2	79.1	262.4	107.3	93.8	40.5	15.6	5.1	-.1	.0
III	269.5	116.9	51.0	20.8	80.8	265.6	106.8	96.6	40.5	16.2	5.3	.0	4.0
IV	274.3	121.0	49.4	21.5	82.5	269.6	106.8	99.6	41.6	17.0	4.6	.0	4.7
74: I ^p	284.9	123.3	53.0	21.5	87.1	282.3	112.1	107.0	43.3	18.0	2.0	.0	2.6

Estimates as revised June 12, 1974.

Sources: Department of Commerce and Office of Management and Budget.

OFFICIAL BUSINESS
 First-Class Mail

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NOTE.—Detail in these tables may not add to totals because of rounding.
 Unless otherwise stated, all dollar figures are current dollars.
 ? Indicates preliminary and _____ not available.